

INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
NIC Asia Capital Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the financial statements of NIC Asia Capital Limited (hereafter referred as "the Company") which comprise the statement of financial position as at 32nd Asadh 2082 (Corresponding to 16th July, 2025) and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 32nd Asadh 2082 (Corresponding to 16th July, 2025) and of its financial performance and its cashflows for the year then ended in accordance with the Nepal Financial Reporting Standards.

Basis for Opinion

We conducted our audit 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 Company in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statement in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the *ICAN's Handbook of 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 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 and include the most significant assessed risk of material misstatement (whether or not due to fraud) identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarize below the key audit matter, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

S.N.	Key Audit Matters	Auditor's Response
1	Income from Depositary Participants A major portion of company's revenue consists of income from depositary participants which includes revenue from On Market Transaction for BO (DIS Fee), Annual BO Maintenance Charges (DEMAT AMC), Meroshare Renewal Fees, Account Opening Fee (DEMAT) and Meroshare Registration Fee etc. Revenue	Our audit approach regarding verification of process of revenue recognition included: 1. Understanding the Revenue Recognition Process: We obtained a clear understanding of the revenue recognition process by reviewing relevant documentation, including policies, procedures, and contracts related to revenue generation through the Depositary Participants Service (DPS) department.



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	<p>from these services rendered are recognized in the statement of profit or loss after the delivery of services.</p>	<p>2. Review of Reconciliation Statements:</p> <p>We examined the reconciliation statements of bank accounts and merchant wallets maintained for income collection. This review aimed to assess the accuracy and reliability of the data provided by the DPS department and ensure that it aligns with the financial records.</p> <p>3. Re-calculation of Revenue from CDSC Bills:</p> <p>We performed a re-calculation of revenue based on the bills issued by the Central Depository System Corporation (CDSC). This step allowed us to independently verify the accuracy of revenue recognition, considering the pre-defined charges payable to CDSC as a percentage or amount of the revenue collected.</p>
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Other Information

Management is responsible for other information. The other information comprises the information included in the Report of Board of Directors pursuant to Section 109 (4) of the Companies Act, 2063, but does not include the financial statements and our auditor's report thereon. The Report of Board of Directors is expected to be made available to us after the date of this auditor's report.

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 in the audit or otherwise appears to be materially misstated.

When we read the Report of Board of Directors, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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 or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 control 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 Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

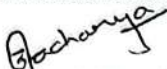
As per the requirements of Section 115 of the Companies Act, 2063, we further report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion the Company has kept proper books of account as required by law so far, as appears from our examinations of those Books
- c) The financial statements are in agreement with the books of account.
- d) In our opinion and to the best of our information and according to the explanation given to us, the financial statement the said Balance Sheet, Income Statement and Cash Flow Statement, read together with the notes forming part of the accounts give the information required by the Companies Act 2063 in the manner so required and give a true and fair view:
 - i. In the case of Balance Sheet, of the state of affairs of the Company as at 32nd Asadh, 2082 (Corresponding to 16th July 2025); and
 - ii. In the case of Income Statement, of the results of operations of the Company for the year ended on 32nd Asadh, 2082 (Corresponding to 16th July 2025); and



- iii. In the case of the Cash Flow Statement, of Cash inflow and outflow of Company for the year ended on that date.
- e) Neither we have come across any of the information about the misappropriation of fund by the directors or any of the representative or company's staffs during the course of our audit nor have we received any such information from the management.
- f) No accounting fraud has been observed during the course of our audit.

For A.B.S. & Associates
Chartered Accountants


CA Bisesh Bibu Acharya
Partner

COP No: 606

UDIN: 250810CA00615K86T6



Place: Kathmandu

Date: 3rd August 2025

NIC ASIA CAPITAL LIMITED
(a subsidiary of NIC ASIA Bank Ltd.)

Statement of Financial Position as at 32nd Asadh, 2082 (16th July, 2025)

NPR
Restated

Particulars	Notes	32nd Asadh, 2082	31st Asadh, 2081	1st Shrawan, 2080
ASSETS				
Non Current Assets				
Tangible Assets	3 f.	11,314,623	13,478,878	8,973,074
Intangible Assets	4 d.	1,469,012	2,332,248	3,934,304
Right of Use Asset	4 c.	809,968	4,994,122	11,653,391
Financial Assets held through FVOCI	6 b.	23,357,495	22,192,790	18,480,177
Loans & Advances	6 c.	124,344		
Deferred Tax Asset	15 b.	2,102,460	1,056,260	1,106,002
Total Non Current Assets		39,177,902	44,054,298	44,146,948
Current Assets				
Cash and Cash Equivalents	7	475,571,002	170,466,372	119,317,239
Trade Receivables	8	61,652,957	68,137,676	58,279,976
Prepaid Expenses, Deposits & Advances	9	2,485,262	1,581,176	5,066,209
Financial Assets measured at Amortized Cost	6 e.	249,300,000	429,305,400	436,599,616
Financial Assets held through FVPL	6 f.	51,271,884	26,992,517	3,364,208
Total Current Assets		840,281,105	696,483,141	622,627,248
Total Assets		879,459,007	740,537,440	666,774,196
EQUITY AND LIABILITIES				
Non Current Liabilities				
Employee Benefits	10	4,870,359	4,272,017	4,398,917
Lease Liability	11 a.	891,758	4,039,514	11,793,286
Other Liability	11 a.	38,955,659		
Deferred Tax Liability	15 b.			
Total Non Current Liabilities		44,717,775	8,311,531	16,192,204
Current Liabilities				
Employee Benefits	10	627,186		
Trade & Other Payables	11 b.	458,580,432	368,816,596	316,265,393
Total Current Liabilities		459,207,618	368,816,596	316,265,393
Equity				
Share Capital	16	200,000,000	200,000,000	200,000,000
Retained Earnings		109,036,808	110,422,401	94,210,283
Other Reserve		66,496,805	52,986,911	40,106,317
Total Equity		375,533,613	363,409,312	334,316,600
Total Equity & Liabilities		879,459,007	740,537,440	666,774,196

Explanatory Notes form an integral part of Financial Statements


Pragna Pokhrel
Head - Accounts & Finance


Pragna Ratna Shakya
Chief Operating Officer


Santosh Kumar Rathi
Chairman

As per our report of even date

CA. Bishesh Bibu Acharya
Partner
For A.B.S. & Associates
Chartered Accountants


Suman Dangol
Independent Director


Rabin Sapkota
Independent Director


Nidhan Shrestha
Director


Dinesh Bhari
Director

Date: August 3, 2025
Place: Kathmandu

NIC ASIA CAPITAL LIMITED
(a subsidiary of NIC ASIA Bank Ltd.)

Statement of Profit or Loss

For the Period from 1st Shrawan, 2081 to 32nd Asadh, 2082 (16th July, 2024 to 16th July, 2025)

NPR
Restated

Particulars	Notes	Current Year	Previous Year
Income from Merchant Banking	13.a.	170,672,631	153,801,049
Income from Mutual Fund	13.b.	92,466,833	80,856,186
Interest Income	13.c.	15,709,706	51,203,275
Income from Depository Participant (Mutual Fund)	13.d.	12,328,911	10,754,158
Gains on disposal of equity securities	13.e.	6,560,859	1,650,784
Net Unrealised Gains/(Loss) on financial Assets held at Fair value	13.e.	(1,401,058)	(2,220,883)
Dividend Income	13.e.	1,896,523	1,751,493
Other Income	13.e.	2,385,534	2,624,194
Total Operating Income		306,619,939	300,220,256
Operating Expense			
Merchant Banking Expenses	14.a.	40,545,651	36,616,405
Mutual Fund Expenses	14.b.	2,874,005	2,519,206
Depository Participant (Mutual Fund) Expenses	14.c.	394,867	347,625
Operating Profit		262,805,416	260,737,020
Non - Operating Expense			
Staff Cost	14.d.	66,492,584	64,063,689
Premises Costs	14.f.	9,397,351	6,699,151
Advertisement and Promotion Expenses	14.e.	1,173,918	1,690,070
General Administrative Expenses	14.g.	12,318,065	9,383,780
Depreciation and amortisation		4,931,291	4,928,729
Profit Before Tax		168,492,207	173,971,601
Tax Expenses			
Current Tax		53,399,721	52,117,335
Deferred Tax Expenses/(Income)		(1,395,612)	211,168
Profit for the Year		116,488,098	121,643,098
Other Comprehensive Income / (Expenses)			
Net Gains on Available-for-Sale Investments		-	-
Actuarial Gains / (Losses) on Defined Benefits Plan		-	-
Unrealized Gains/(losses) from investment in equity instruments measured at FVOCI		1,164,705	(538,087)
Total Other Comprehensive Income / (Expenses)		1,164,705	(538,087)
Tax Expense/ (Income) relating to Components of OCI		(349,412)	161,426
Total Comprehensive Income for the Year		815,294	(376,561)
Attributable to			
Equity Share Holders		117,303,392	121,266,437



Pragna Pokhrel
Head - Accounts & Finance

Pragna Raina Shakya
Chief Operating Officer

Ramendra Rayamajhi
Chief Executive Officer

Santosh Kumar Rathi
Chairman

As per our report of even date

CA. Bishesh Bibu Acharya
Partner
For A.B.S. & Associates
Chartered Accountants

Munir Dangol
Independent Director

Rabin Sapkota
Independent Director

Nishan Shrestha
Director

Dinesh Bhari
Director

Date: August 3, 2025
Place: Kathmandu

NIC ASIA CAPITAL LIMITED
(a subsidiary of NIC ASIA Bank Ltd.)
Statement of Cash Flow
For the Period from 1st Shrawan, 2081 to 32nd Asadh, 2082 (16th July, 2024 to 16th July, 2025)
NPR
Restated

Particulars	Current Year	Previous Year
A. Cash Flow from Operating Activities		
Net Profit before Tax	168,492,207	173,971,601
Adjustments for:		
Depreciation expenses	4,931,291	4,928,729
Adjustment on Right to Use of Assets (NFRS 16)	-	(50,240)
Non Cash NFRS Adjustment in Rent	-	(7,753,772)
Income Tax Paid	(52,328,503)	(45,095,049)
OCI Income Adjustment	815,294	(376,661)
(Increase) / Decrease in ROU Assets	4,184,154	6,659,269
Increase/(Decrease) in Liabilities	127,121,660	45,190,850
(Increase)/Decrease in Investments	(25,444,072)	(27,291,180)
(Increase)/Decrease in Fixed Deposits	180,005,400	7,294,216
(Increase)/Decrease in Other Assets	4,410,090	(6,372,667)
CSR Expenses Paid	(119,090)	(123,486)
Net Cash Flow from Operating Activities (1)	412,068,431	150,981,610
B. Cash Flow from Investing Activities		
Sale/(Purchase) of Tangible Fixed Assets	(1,903,800)	(7,329,327)
Sale/(Purchase) of Intangible Assets	-	(503,150)
Net Cash Flow from Investing Activities (2)	(1,903,800)	(7,832,477)
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Share Capital	-	-
Dividend Paid	(105,060,000)	(92,000,000)
Net Cash Flow from Financing Activities (3)	(105,060,000)	(92,000,000)
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	305,104,631	51,149,132
Cash and Cash Equivalents at beginning of the year/period	170,466,371	119,317,239
Cash and Cash Equivalents at end of the year/period	475,571,002	170,466,372

As per our report of even date


 Pragya Pokhrel
 Head - Accounts & Finance


 Pragya Ratna Shakya
 Chief Operating Officer


 Ramendra Rajamajhi
 Chief Executive Officer


 Santosh Kumar Rathi
 Chairman


 CA. Bishesh Bibu Acharya
 Partner
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 Guman Dangol
 Independent Director


 Rabin Sapkota
 Independent Director


 Nidhaan Shrestha
 Director


 Dinesh Bhari
 Director

Date: August 3, 2025

Place: Kathmandu

NIC ASIA CAPITAL LIMITED
(a subsidiary of NIC ASIA Bank Ltd.)

Statement of Changes in Equity

For the Period from 1st Shrawan, 2081 to 32nd Asadh, 2082 (16th July, 2024 to 16th July, 2025)

NPR
Restated

Particulars	Share Capital	Retained Earnings	Statutory Reserve	CSR Reserve	Fair Value Reserve	Total
Balance at the End of FY 2079/80	200,000,000	94,210,283	37,597,926	2,722,467	(214,076)	334,316,600
Issue of Share Capital	-	-	-	-	-	-
Profit / (Loss) for the Year	-	121,643,098	-	-	-	121,643,098
Other Comprehensive Income/ (Expense) net of tax	-	-	-	-	(376,661)	(376,661)
Transferred to Statutory Reserve	-	(12,164,310)	12,164,310	-	-	-
Transfer to CSR Reserve	-	(1,216,431)	-	1,216,431	-	-
Transfer from CSR Reserve to Retained Earning	-	-	-	-	-	-
Expenses from CSR Reserve	-	-	-	(123,486)	-	(123,486)
Opening Adjustment on Right to Use of Assets (NFRS 16)	-	(50,240)	-	-	-	(50,240)
Opening Adjustment for unrealised gain on shares	-	-	-	-	-	-
Dividend Paid during the Year	-	(92,000,000)	-	-	-	(92,000,000)
Balance at the End of FY 2080/81	200,000,000	110,422,401	49,762,236	3,816,412	(590,737)	363,409,311
Issue of Share Capital	-	-	-	-	-	-
Profit / (Loss) for the Year	-	116,488,098	-	-	815,294	117,303,392
Other Comprehensive Income/ (Expense) net of tax	-	-	-	-	-	-
Transferred to Statutory Reserve	-	(11,648,810)	11,648,810	-	-	-
Transfer to CSR Reserve	-	(1,164,881)	-	1,164,881	-	-
Transfer from CSR Reserve to Retained Earning	-	-	-	-	-	-
Expenses from CSR Reserve	-	-	-	(119,090)	-	(119,090)
Opening Adjustment on Right to Use of Assets (NFRS 16)	-	-	-	-	-	-
Opening Adjustment for unrealised gain on shares	-	-	-	-	-	-
Dividend Paid during the Year	-	(105,060,000)	-	-	-	(105,060,000)
Balance at the End of FY 2081/82	200,000,000	109,036,808	61,411,046	4,861,203	224,557	375,533,613



[Signature]
Pragya Pokhrel

Head - Accounts & Finance

[Signature]
Pragya Ratna Shakya

Chief Operating Officer

[Signature]
Ramendra Rayamajhi

Chief Executive Officer

[Signature]
Santosh Kumar Rathi

Chairman

As per our report of even date



[Signature]
Suman Mangol

Independent Director

[Signature]
Rabin Sapkota

Independent Director

[Signature]
Nidhan Shrestha

Director

[Signature]
Dinesh Bhari

Director

Date: August 3, 2025

Place: Kathmandu

Notes to the Financial Statements as of Ashad End, 2082 (16th July, 2025)

1. Overview of the Company

NIC ASIA Capital Limited is a subsidiary of NIC ASIA Bank Limited, one of the leading commercial banks in Nepal. NIC ASIA Capital Limited's company registration number at the Company Registrar's office is 149312/72/073, with its registered and correspondence address at Trade Tower Nepal, Thapathali, Kathmandu. It is registered with the Inland Revenue Office under PAN No. 604259648.

NIC ASIA Capital Limited was formed with the objective of providing merchant banking and investment banking services, including Issue Management & Underwriting, Registrar to Shares (RTS), Depository Participant (DP), Portfolio Management Services, Mutual Funds, Corporate Advisory Services, and Specialized Investment Funds (SIF).

The company received its Merchant Banker License from SEBON on Falgun 08, 2073. Under this license, the company is permitted to provide Issue Management and Underwriting Services, Registrar to Shares, and Portfolio Management Services. The company also received its Fund Manager and Depository License from SEBON on Ashad 18, 2074. Additionally, the company was granted a fund manager license for a Specialized Investment Fund (SIF) by SEBON on Bhadra 19, 2079.

NIC ASIA Bank Limited, the parent company of NIC ASIA Capital Limited, received the DP registration certificate from SEBON to operate as Depository Participants on Ashwin 14, 2071, and a membership license from CDS and Clearing Ltd. on Chaitra 03, 2071, as per the CDS Byelaws, 2058. The authority to provide DP services from Chaitra 09, 2073, through NIC ASIA Capital Limited was received from CDS and Clearing Ltd. on Chaitra 10, 2073. The company is not registered for VAT as it provides financial services, which are exempt under Schedule 1 of the VAT Act, 2052.

The Board of Directors of the company acknowledges the responsibility for preparing the financial statements of the company. The financial statements were authorized for issue by the Board of Directors on 18 Shrawan 2082 and have been recommended for approval by shareholders in the Annual General Meeting.

2. Summary of Significant Accounting Policies

The principal accounting policies are adopted in preparation of financial statements, which have been consistently applied unless otherwise stated.

2.1 Statement of Compliance:

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-2018) which was applicable from FY 2078/79. Further the financial statements are in compliance with Securities Act, 2063 and its regulation and in conformity with the Companies Act 2063 with Amendments and other relevant laws.

2.2 Basis of Preparation

The company while complying with the reporting standards, makes critical accounting judgment as having potentially material impact on the financial statements. The significant accounting policies that relate to the financial statements as a whole along with the judgments made are described herein.

Where an accounting policy is generally applicable to a specific item, the policy is described within that relevant note. NFRS requires the company to exercise judgment in making accounting estimates. Description of such estimates has been given in the relevant sections wherever they have been applied.

2.3 Reporting Pronouncements

The company has, for the preparation of financial statements, adopted the NFRS 2018 issued by Accounting Standards Board (ASB) and pronounced by Institute of Chartered Accountants of Nepal (ICAN). Nepal Financial Reporting Standards (NFRS) conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.4 Accounting Conventions

The financial statements have been prepared on a historical cost basis, as modified by the revaluation of certain financial assets and liabilities to fair value. Financial instruments measured at fair value through profit or loss are revalued with changes recognized in profit or loss, while those measured at fair value through other comprehensive income are revalued with changes recognized in other comprehensive income.

The financial statements have been prepared on a going concern basis where the accounting policies and judgments as required by the standards are consistently used and in case of deviations disclosed specifically.

2.5 Presentation

The financial statements have been presented in the nearest Nepalese Rupees.

For presentation of the statement of financial position assets and liabilities have been bifurcated into current and non-current distinction.

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.

2.6 Presentation currency

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

2.7 Accounting Policies and accounting estimates

The company, under NFRS, is required to apply accounting policies to most appropriately suit its circumstances and operating environment. Further the company is required to make judgment in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. This may later be determined that a different choice could have been more appropriate.

Accounting policies have been included in the relevant notes for each item of the financial statements. The effect and nature of the changes, if any, have been disclosed.

NFRS requires the company to make estimates and assumptions that will affect the assets, liabilities, disclosure of contingent assets and liabilities, and profit or loss as reported in the financial statements.

The company applies estimates in preparing and presenting the financial statements. The estimates and underlying assumptions are reviewed periodically. Revision to accounting estimates are recognized in the period in which the estimates is revised and are applied prospectively.


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Disclosures of the accounting estimates have been included in the relevant section of the notes wherever the estimates have been applied along with the nature and effect of changes of accounting estimates, if any.

2.8 Financial Periods

The company follows the Nepalese financial year based on the Nepalese calendar.

2.9 Discounting

Discounting has been applied where assets and liabilities are non-current, and the impact of the discounting is material.

2.10 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.

3. Property, plant and equipment

Property, plant and equipment are tangible items that are held for servicing, or for other purposes and are expected to be used during more than one period.

a. Basis of Recognition

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Company and cost of the asset can be reliably measured.

b. Basis of Measurement

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to, replace part of, or service it. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for their intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

The low value minor equipment below NRs 10,000 is not booked as Property, Plant and Equipment to ease record keeping and is shown under Office Accessories & Equipment's under General Administrative Expenses in Note 14 g as the cumulative impact of such amount is NPR 285,804.00 and is considered immaterial.

c. Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are charged to the statement of profit or loss as incurred.

d. De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in statement of profit or loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost is derecognized.



P. Shrestha

Signature

Signature



e. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset plus and incidental costs related to acquisition. Depreciation is recognized in the statement of profit or loss on the basis of life of the assets as defined/estimated by the management. The estimated useful lives for the current and comparative periods are as follows:

Laptop and Computers	4 years
Battery	4 years
Furniture, Fixture, Office Equipment	6 years
Vehicle	6 years
Other Office Equipment's	2 years
Leasehold Assets to the extent of lease period– 6 Years	

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

f. Tangible Assets

Particulars	Balance as at 31/03/2081	Additions during the year	Disposals during the year	Balance as at 32/03/2082
At Cost				
Furniture & Office Equipment	17,217,716	2,576,706	-	19,794,422
Vehicle	9,877,400	-	-	9,877,400
Leasehold Assets	1,687,737	-	1,687,737	-
Depreciation				
At Cost				
Furniture & Office Equipment	11,737,754	2,216,328	-	13,954,082
Vehicle	2,784,899	1,618,218	-	4,403,117
Leasehold Assets	781,322	233,509	1,014,831	-
Net Book Value				
Furniture & Office Equipment	5,479,962	-	-	5,840,340
Vehicle	7,092,501	-	-	5,474,283
Leasehold Assets	906,415	-	-	-
Net Book Value at 32nd Ashad 2082				11,314,623
Net Book Value at 31st Ashad 2081				13,478,878

During the fiscal year 2081/82, the Company derecognized leasehold assets related to the Anamnagar Office following the termination of the associated lease agreement. The derecognition was carried out in accordance with Nepal Accounting Standard (NAS) 16 – Property, Plant and Equipment, which requires that an asset be removed from the books when it is disposed of or when no future economic benefits are expected from its continued use or disposal.

As the lease was terminated and the associated leasehold improvements could no longer generate future economic benefits for the Company, the carrying amount of those assets was written off. The adjustment has been appropriately reflected in the Company's financial statements, with the loss on derecognition recognized in the statement of profit or loss for the period which was approved by the 159th Board Meeting.



Particular	Opening WDV	Depreciation Till Lease Termination	WDV as on the Date of Lease Termination	Write off of leasehold Assets
Leasehold Assets	906,414.73	233,508.75	672,905.98	672,905.98

4. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, or for administrative purpose.

a. Basis of recognition

Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably.

b. Amortization

Intangible assets are amortized over their estimated useful economic life on a straight-line basis.

They are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The estimated useful lives for the current and comparative periods are as follows:

Software - 5 Years

Amortization methods, useful lives and residual values are reviewed at each reporting date.

c. De-recognition

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal.

d. Intangible Assets

Particulars	Balance as at 31/03/2081	Additions during the year	Disposals during the year	Balance as at 32/03/2082
At Cost				
License & Software	6,643,365	-	-	6,643,365
Depreciation				
At Cost				
License & software	4,311,117	863,236	-	5,174,353
Net Book Value				
License & software	2,332,248	-	-	1,469,012
Net Book Value at 32nd Ashad 2082				1,469,012
Net Book Value at 31st Ashad 2081				2,332,248

e. Right of Use Assets

Particulars	Balance as at 32/03/2082	Balance as at 31/03/2081
Right of Use Asset	809,968	4,994,122

The company has adopted for NFRS 16 for the first time from F/Y 2079/80.

5. Assets held for sale and discontinued operations

Non-current assets (such as property) and disposal groups (including both the assets and liabilities of the disposal groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less cost to sell when: (i) their carrying amounts will be



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recovered principally through sale; (ii) they are available-for-sale in their present condition; and (iii) their sale is highly probable.

Immediately before the initial classification as held for sale, the carrying amounts of the assets (or assets and liabilities in a disposal group) are measured in accordance with the applicable accounting policies described above.

There are no assets that meet the recognition criteria for assets held for sale and discontinued operation.

6. Financial instruments

Financial assets and financial liabilities are recognized in the Entity's statement of financial position when the Entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

6.1 Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- 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 that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

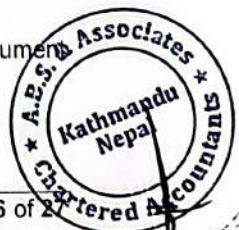
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Entity may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Entity may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

i) *Amortized cost and effective interest method*

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.



For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

ii) *Debt instruments classified as at FVTOCI*

The corporate bonds held by the Entity are classified as at FVTOCI. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, interest income, impairment gains or losses, and foreign exchange gains or losses are recognized in profit or loss, while changes in fair value are recognized in other comprehensive income (OCI). All other changes in the carrying amount of these corporate bonds are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

iii) *Equity instruments designated as at FVTOCI*

On initial recognition, the Entity may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Entity manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the

investment's revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings. Dividends on these investments in equity instruments are recognized in profit or loss in accordance with NFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in profit or loss. The Entity has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of NFRS 9.

iv) *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Entity designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Entity has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses'
- For debt instruments measured at fair value through other comprehensive income (FVTOCI) that are denominated in a foreign currency and not part of a designated hedging relationship, all foreign exchange differences are recognized in profit or loss, not partially in profit or loss and partially in other comprehensive income. This applies to exchange differences arising both from changes in the amortized cost of the instrument and from fair value movements due to currency fluctuations. While changes in the fair value of the instrument (excluding foreign exchange effects) are recognized in other comprehensive income (OCI), any gains or losses resulting from changes in foreign exchange rates are recognized directly in profit or loss, under the line item typically labeled as 'other gains and losses.'
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses'; and
- for equity instruments measured at FVTOCI, any changes in fair value including those resulting from foreign exchange rate movements are recognized in other comprehensive income (OCI) and accumulated in the revaluation reserve.

Derecognition of financial assets

The Entity derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains



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substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Entity has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

6.2 Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

6.2.1 Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Entity, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Entity manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:



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- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a entity of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Entity's documented risk management or investment strategy, and information about the entity is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income could create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Entity that are designated by the Entity as at FVTPL are recognized in profit or loss.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- the amount recognized initially less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies set out above.



Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the 'other gains and losses' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognized in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Entity derecognizes financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Entity exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Entity accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

a) Fair value measurement

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

1. Financial Assets held at fair value through Profit or Loss

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period:

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

Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 valuations are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 portfolios are those where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.



2. Financial Assets held through FVOCI

Change in Accounting Policy

During the financial year 2081/82, the Company revised its accounting policy in relation to the classification and measurement of certain financial assets under **NFRS 9: Financial Instruments**. Previously, specific investments were recorded based on original classifications without updated fair valuation or reassessment of business models. As a result, investments in 10.35% ADBL Debenture was classified in Amortized Cost and Seed Capital investment in NIC Asia Balanced Fund and NIC ASIA Growth Fund- 2 were classified in Held to Maturity.

This change led to the restatement of opening balances as of 1st Shrawan 2080 and adjustments throughout FY 2080/81.

Nature of the Restatement

The restatement includes:

- Recognition of unrealized fair value gains/losses under OCI.
- Reclassification of Investment in Balanced Fund and Investment in Growth Fund 2 from held-to-maturity to FVTOCI and Investment in 10.35% ADBL Debenture from Amortized Cost to FVTOCI.
- Recognition and adjustment of Deferred Tax Assets (DTA) or Deferred Tax Liabilities (DTL) arising from the temporary differences.

These changes do not affect cash flows or profitability in the Statement of Profit or Loss but have impacted Other Comprehensive Income and the Statement of Financial Position.

As on 1st Shrawan 2080

Particulars	Book Value	Market Value	FV Gain
10.35% ADBL Bond	5,229,000.00	5,872,167.00	643,167.00
NIC Asia Balanced Fund	13,557,000.00	12,608,010.00	(948,990.00)
Seed Capital Investment-NICGF 2	-	-	-
	18,786,000.00	18,480,177.00	(305,823.00)

Particulars	Carrying Amount	Tax Base	Taxable Diff	DTL/(DTA)
10.35% ADBL Bond	5,872,167.00	5,229,000.00	643,167.00	192,950.10
NIC Asia Balanced Fund	12,608,010.00	13,557,000.00	(948,990.00)	(284,697.00)
Seed Capital Investment-NICGF 2	-	-	-	-
	18,480,177.00	18,786,000.00	(305,823.00)	(91,746.90)

As on 31st Asadh 2081

Particulars	Book Value	Market Value	FV Gain
10.35% ADBL Bond	5,872,167.00	5,950,079.10	77,912.10
NIC Asia Balanced Fund	12,608,010.00	12,757,137.00	149,127.00
Seed Capital Investment-NICGF 2	4,250,700.00	3,485,574.00	(765,126.00)
	22,730,877.00	22,192,790.10	(538,086.90)



Particulars	Carrying Amount	Tax Base	Taxable Diff	Opening DTL/(DTA)	Deferred Tax Income/(Expenses)
10.35% ADBL Bond	5,950,079.10	5,229,000.00	721,079.10		
NIC Asia Balanced Fund	12,757,137.00	13,557,000.00	(799,863.00)		
Seed Capital Investment-NICGF 2	3,485,574.00	4,250,700.00	(765,126.00)		
	22,192,790.10	23,036,700.00		(91,746.90)	161,426.07

As on 32nd Asadh 2082

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
10.35% ADBL Bond	6,065,640	5,950,079
Investment in NIC ASIA Balanced Fund	13,245,189	12,757,137
Seed Capital Investment-NICGF 2	4,046,666	3,485,574
Total	23,357,495	22,192,790

3. Loans & Advances–Non-Current

The non-current security deposit is presented in fair value by discounting applying the rate of 10%. The unearned portion is shown as loans and advances (all non-current) and this year's expenses is charged as finance cost in SOPL.

However, difference between the deposit's face value and its present value is not material, therefore discounting is not required.

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Security Deposit	124,344	-
Total	124,344	-

4. Loans & Advances– Current

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Unearned Interest on Security Deposit	-	-
Total	-	-

5. Financial Assets measured at Amortized Cost– Current

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Fixed Deposit	249,300,000	429,305,400
Total	249,300,000	429,305,400

6. Financial Assets held at fair value through Profit or Loss

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Investment in Shares	51,271,884	26,992,517
Total	51,271,884	26,992,517



S.N.	Name	FY 2081/82					Input Level
		Unit	Market Value per unit	Value Amount	Cost Price	Total Cost	
	LISTED						
1	Himalayan Bank Limited	26,090	237.30	6,191,157.00	269.15	7,022,249.97	Level 1 Input
2	NMB Bank Limited	14,418	269.72	3,888,822.96	263.44	3,798,220.11	Level 1 Input
3	Surya Jyoti Life Insurance	10,610	446.69	4,739,380.90	455.59	4,833,834.60	Level 1 Input
4	Nepal Life Insurance Company	18,000	772.97	13,913,460.00	811.91	14,614,419.97	Level 1 Input
5	Himalayan Distillery Limited	11,051	1,236.54	13,664,694.41	1,230.01	13,592,558.40	Level 1 Input
6	Nepal Investment Mega Bank Limited	25,594	231.02	5,912,725.88	234.70	6,007,025.61	Level 1 Input
7	National Life Insurance Co. Ltd.	119	623.58	74,143.66	606.68	72,134.10	Level 1 Input
8	BFIN	27,500	105.00	2,887,500.00	99.36	2,732,500.00	Level 2 Input
	Sub-Total (A)			51,271,884.81		52,672,942.76	
	Unlisted						
	-						
	Sub-Total (B)					-	
	Grand Total (A+B)					52,672,942.76	
	Unrealized Gain / (Loss)					(1,401,057.95)	
	Add/(Less): Previous year increase/ (decrease) in fair value					-	
	Increase / (Decrease) in Fair Value					51,271,884.81	

S.N.	Name	FY 2080-81					Input Level
		Unit	Value per unit	Value Amount	Cost Price	Total Cost	
	LISTED						
1	Himalayan Bank Limited	16,000	204	3,267,200	220	3,526,400	Level 1 Input
2	NIC Asia Laghubitta Sanstha Limited	8	705	5,640	-	5,832	Level 1 Input
3	Asian Life Insurance company	18,311	623	11,407,753	657	12,024,651	Level 1 Input
4	Surya Jyoti Life Insurance	11,577	430	4,976,952	528	6,107,215	Level 1 Input
5	IME Life Insurance	3,976	453	1,801,128	465	1,847,369	Level 1 Input
6	Sun Nepal Life Insurance	1,294	511	661,622	477	616,772	Level 1 Input
7	NMB Bank Limited	14,229	218	3,101,922	231	3,287,326	Level 1 Input
8	Kumari Bank Limited	5,000	154	768,500	159	796,150	Level 1 Input
9	Prime Commercial Bank Limited	6	222	1,332	200	1,198	Level 1 Input
10	BFIN Promotor shares	10,000	100	1,000,000	100	1,000,000	Level 2 Input
	Sub-Total (A)			26,992,050		29,212,913	

NIC ASIA CAPITAL

S.N.	Name	FY 2080-81					Input Level
		Unit	Value per unit	Value Amount	Cost Price	Total Cost	
	UNLISTED						
	Sub-Total (B)			-		-	
	Grand Total			26,992,050		29,212,913	
	Unrealized Gain / (Loss)					(2,220,863)	
	Add/(Less): Previous year increase/ (decrease) in fair value						
	Increase / (Decrease) in Fair Value						(2,220,863)

7. Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand and at bank. Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities.

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Cash in Hand	-	-
Cash at Bank	475,571,002	170,466,372
Total	475,571,002	170,466,372

8. Trade Receivables

Trade Receivables include amounts for dividends, interest and other trade receivables. Dividends are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment. Amounts are generally received within 90 days of being recorded as receivables.

Receivable are recognized and carried at amortized cost, less a provision for any uncollectable debts. An estimate for doubtful debt is made when collection of an amount is no longer probable.

Recoverability of receivable is reviewed on an ongoing basis at an individual portfolio level. Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognized when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

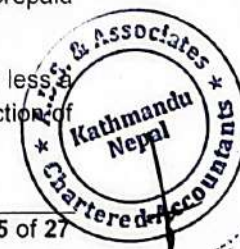
Trade & Other Receivables

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Trade Receivables	18,174,565	32,162,256
PMS Income Receivable	15,044,347	4,039,449
Mutual Fund Receivable	25,672,274	30,791,123
Corporate Advisory Fee Receivable	2,761,771	1,144,848
Total	61,652,957	68,137,676

9. Prepaid Expenses, Deposits & Advances

Prepaid Expenses, Deposits & Advances may include amounts for advance tax, prepaid expenses and other advances.

Prepaid Expenses, Deposits & Advances are recognized and carried at amortized cost, less a provision for any uncollectable debts. An estimate for doubtful debt is made when collection of an amount is no longer probable.



Recoverability of receivable is reviewed on an ongoing basis at an individual portfolio level. Individual debts that are known to be uncollectable are written off when identified. An impairment provision is recognized when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

Prepaid Expenses & Advances

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Advance Tax	104,665	-
Prepaid Expenses	1,053,157	1,271,553
Other Advance	1,327,440	309,622
Total	2,485,262	1,581,176

10. Employee benefit

Define contribution plan

A defined contribution plan is a post-employment plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss in the periods during which services are rendered by employees. Employees are eligible for Employees' Provident Fund Contributions in accordance with the respective statutes and regulations.

Contributions to defined contribution plans are recognized as an expense in the statement of profit or loss as incurred.

A. Employees' provident fund

The company contributes 10% of the salary of each employee to the Employees' Provident Fund managed by government of Nepal.

B. Gratuity After Bhadra 19, 2074

The Gratuity Liability of 8.33% on Basic Salary of all staff after Bhadra 19, 2074 is computed as per Labor Act, 2074 and provided accordingly treating it as defined contribution plan as the contribution is fixed.

C. Citizens' Investment Trust

The company doesn't contribute to the Citizens' Investment Trust, but employee may contribute according to their preference.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan as mentioned above. The Company is liable to pay leave encashment on leave balances of the employee up to the days allowed to carry forward leave benefit i.e. 90 days for Home Leave & 45 days for Sick Leave. The liability recognized in the financial statements in respect of defined benefit plan is the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated as at the reporting date based on actuarial report.

Contributions to defined contribution plans are recognized as an expense in the statement of profit or loss as incurred.

Gain or loss on re-measurement of the plan will be recognized in other comprehensive income.



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Employee Benefits

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
At the beginning of the Year	4,272,017	4,398,917
Recognized on Income Statement	3,572,866	3,156,454
Recognized on OCI	-	-
Payments/ Payables during the Year	(2,347,339)	(3,292,882)
At the end of the Year	5,497,545	4,272,017

The total amount, NPR 54,97,545 is of leave provision payable to staffs. This provision has been made on the basis of the actuarial valuation conducted as per the requirements of Nepal Accounting Standard (NAS) 19 – Employee Benefits.

Employee Benefits	32 nd Asadh, 2082	31 st Asadh, 2081
Non-Current Obligation	4,870,359	4,272,017
Current Obligation	627,186	-

11. Trade & Other Payable

Trade Payable includes amounts payable related to expenditure including issue Management and RTS services. Payable are recognized and carried at fair value of liability. Discounting is made only for material non-current payables.

Non-current payable includes accrued rent amount created due to Lease rental for premises charged on straight line basis in accordance to the lease.

Current trade and other payables include payable to be paid with 90 days.

a. Trade & Other Payable-Non-Current

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Lease Liability	891,758	4,039,514
Total	891,758	4,039,514

The Company has adopted Nepal Financial Reporting Standard (NFRS) 16 – Leases for the first time in the financial year 2079/80. In accordance with the requirements of NFRS 16, the Company has recognized Right-of-Use (ROU) Assets and corresponding Lease Liabilities for all qualifying lease agreements. For the purpose of initial measurement, the ROU Assets and Lease Liabilities were calculated on a yearly basis, using a discounting rate of 10% to determine the present value of future lease payments.

Furthermore, during the fiscal year 2081/82, the lease agreements for the 4th Floor of the Trade Tower Office was formally terminated.

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Other Payable	38,955,659	-
Total	38,955,659	-



b. Trade & Other Payable-Current

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Trade Payable	796,780	1,136,410
Provident Fund Payable	-	683
Payable to Staff	91,743	25,793
TDS Payable	711,785	1,107,958
Income Tax Payable	-	697,105
Audit Fee Payable	226,000	147,750
Payable to SEBON	1,172,559	555,011
Payable to CDSC	9,958,752	2,156,723
Auction Share Collection Payable	98,624,328	26,517,376
Right Share Collection Payable	324,215	336,615
IPO Collection Payable	638,637	415,519
Dividend Collection Payable	174,068,642	123,940,733
Other Payable	171,965,491	211,688,920
Share Lost & Notice Fee	1,500	90,000
Total	458,580,432	368,816,596

12. Impairment

The company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets.

13. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of sales returns, trade discounts and revenue related taxes.

Revenue for services rendered is recognized in the statement of profit or loss after delivery of the service whereas in case of Issue Management Service and Corporate Advisory Service, the advance received is recognized as Income as the fees are non-refundable and there is no other mechanism to properly estimate the percentage of the work completed and the time required to complete the issue management.

Interest income is recognized in profit or loss for all financial instruments that are not held at fair value through profit or loss using the effective interest method. Interest income on assets held at fair value through profit or loss is included in the net gains/ (losses) on financial instruments. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 6.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.



Dividend income is recognized on the ex-dividend date.

The Lifetime Mero Share and Lifetime Demat income has been recognized based on the average life expectancy i.e. 68 years of the customers counting from the age at the time of enrollment on Lifetime Mero Share and Demat Account.

a. Income from Merchant Banking

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Income from Issue Management	4,700,483	9,683,341
Income from Underwriting	3,755,949	7,432,548
Income from Corporate Advisory	9,544,312	1,239,553
Income from Depository Participant (DP)	134,369,766	122,496,374
Income from Share Registrar	3,224,056	4,734,791
Income from Portfolio Management Services	21,078,067	8,214,443
Total	176,672,631	153,801,049

b. Income from Mutual Fund

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Income from Mutual Fund	92,466,833	80,656,186
Total	92,466,833	80,656,186

c. Interest Income

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Interest on Fixed Deposit	9,241,520	51,203,275
Interest on Call Accounts	5,926,985	-
Interest income on Debenture	541,202	-
Total	15,709,706	51,203,275

During the FY 2081/82, the Company refunded an amount of NPR 1,08,75,780.72 to NIC Asia Bank Limited. This refund was made in relation to excess interest income that had been credited on fixed deposits maintained in the name of NIC Asia Capital Limited and various mutual funds under its management during FY 2080/81.

Further, the Company's Board of Directors approved the refund of total amount from 145th Board Meeting to NIC ASIA Bank from NIC ASIA Capital, recognizing that the interest income in relation to Mutual Fund had already been distributed to the unit holders of the mutual funds in the form of dividend. As the distributed income could not be practically or ethically reclaimed from investors, the Board determined that it would be appropriate and in the best interest of all stakeholders for the Company to absorb the financial impact.

d. Income from Depository Participant (Mutual Fund)

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Income from Depository Participant (Mutual Fund)	12,328,911	10,754,158
Total	12,328,911	10,754,158



e. Other Income:

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Net Realized (losses)/Gains on financial Assets at Fair Value Through Profit or loss	6,560,859	1,650,764
Net Unrealized (losses)/ Gains on financial assets at Fair Value Through Profit or Loss	(1,401,058)	(2,220,863)
Net Realized Gains on Financial Assets at Fair value through Profit or Loss	6,560,859	1,650,764
(Losses)/Gains on disposal of equity securities	5,159,801	(570,099)
Dividend Income	1,896,523	1,751,493
Misc. Income	2,385,534	2,624,194
Loss on sale of Lease Hold	-	-
	9,441,857	3,805,588

14. Expenditure

All expenses except specially mentioned are accounted on accrual basis. All expenditure incurred in running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to revenue in arriving at the profit for the year and presented in statement of profit or loss.

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Repairs and renewals are charged to the income statement in the year in which the expenditure is incurred.

a. Merchant Banking Expenses

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Depository Participant Expense (DP)	38,401,564	34,678,788
RTS Expense	96,722	142,044
SEBON Commission Fee on PMS	632,343	246,433
SEBON Commission Fee on Corporate Advisory	286,329	74,177
SEBON Commission Fee on Issue Management	141,014	448,488
SEBON Commission Fee on Underwriting	112,678	64,988
License fees	875,000	961,487
Total	40,545,651	36,616,405

b. Mutual Fund Expenses

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
SEBON Commission-Mutual Fund Expenses	2,774,005	2,419,206
Fund Manager License Renewal Fee to SEBON	100,000	100,000
Total	2,874,005	2,519,206

c. Depository Participant Expense (Mutual Fund)

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
SEBON Commission Depository Participant Expense (Mutual Fund)	369,867	322,625
License Renewal Fee to SEBON	25,000	25,000
Total	394,867	347,625



d. Staff Cost

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Staff Refreshment	927,736	774,215.72
Dashain Allowance	2,532,584	2,213,269.81
Employee Gratuity	1,368,072	1,288,785.93
Force Leave Expenses	1,063,360	1,043,855.81
GPA Insurance	53,091	-
Incentives for Staff	1,477,835	2,374,925.19
Leave Encashment	2,201,838	1,894,196.03
Medical Insurance	288,859	237,635.95
Outsource Staff Demat Entry Charge	501,663	1,025,926.46
Overtime Salary	5,685	-
Provident Fund Expenses	1,642,343	1,547,160.18
Salary Expenses	32,601,433	31,701,832.86
Staff Grading	1,077,578	-
Staff Service From NIC ASIA Bank	508,000	720,000.00
Training Expenses	507,651	526,467.21
Travelling and Daily Allowance	53,500	56,000.00
Vehicle Allowance	960,000	1,262,258.06
Staff bonus	18,721,356	17,397,160.08
Total	66,492,584	64,063,689

*Provision for staff bonus is made as per Bonus Act, 2030 at ten percent of profit before tax.

e. Premises cost

Lease rental for premises is charged on straight line basis in accordance to the lease. All other expenses are recognized when they become due for payment.

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Office Rent	1,261,444	95,333
Depreciation on Premises (NFRS 16)	5,445,756	3,902,177
Finance Cost (NFRS 16)	206,942	631,316
Utility Expenses	1,129,445	1,087,746
Security Charge	1,017,000	982,578
Loss on termination of Lease Contract	336,764	-
Total	9,397,351	6,699,151

f. Advertisement and Promotion Expenses

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Marketing and PR- Centre	506,246	339,726
Advertisement Expenses	665,977	1,348,648
Domain Registration Charge	1,695	1,695
Total	1,173,918	1,690,070

g. General Administrative Expenses

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Cleaning Expenses-Anamnagar	-	6,025
Cleaning Expenses- Chabahil	52,850	35,870
Cleaning Expenses-HO	454,883	419,531
Cleaning Expenses- Kritipur	32,160	24,800
Cloud Service	11,100	-
Fuel	358,502	-
Parking Charge	321,370	-
Vehicle Running Expenses	1,300,809	1,499,823
AGM Expenses	9,525	12,935
AMC Expenses	380,588	36,513



AML/CFT Committee Meeting Allowance	42,000	5,000
Annual Subscription Fee-ConnectIPS	10,000	10,000
Audit Expenses	35,150	258
Audit Fee	226,000	150,000
Audit Committee Meeting Fee	57,000	20,000
Bank Charge	7,473	12,411
BOD Meeting Fee	495,000	370,000
Books, Newspaper & Periodicals	19,675	17,880
Bo to Bo Expenses	500	-
Business Registration	97,760	-
Consultancy Fees	180,007	95,850
Courier Charge	35,723	17,230
Credit Rating Fee	383,168	351,360
Demat Renewable Charge	1,600	-
Driver Cost	559,695	436,517
Fees and Taxes	-	-
Flower Expenses	90,000	60,000
Insurance- Office Equipment	76,160	144,686
Isha International -AMC	60,000	60,000
Kitchen Expenses	254,160	290,895
Kitchen Expenses- Anamnagar	45,405	67,545
Loss on Disposal of Assets	672,906	-
Khalti Service Charge	13,131	-
MERO SHARE RENEWAL CHARGE- Expenses	1,122	-
Microsoft 365 Business	433,818	445,954
Monthly Subscription Fee	271,200	271,200
Office Accessories and Equipment	285,804	251,671
Office Expenses	597,479	511,465
PROFESSIONAL FEE	282,500	-
Printing & Stationery Expenses	623,748	747,305
Renewal Fee- MBAN	40,000	40,000
Repair and Maintenance-HO	-	362,097
Repair and Maintenance-Office Equipment- Anamnagar	10,170	-
Repair and Maintenance- Others	72,106	-
Repair & Maintenance-Office Equipment	382,168	-
Repair & Maintenance - Vehicle	125,072	-
Risk Committee Meeting Fee	141,000	120,000
Sectigo Wildcard SSL Certificate	35,595	45,674
SMS Charges	110,370	109,580
SMT- System X	407,248	406,800
Software Support Charge	1,346,314	813,996
SSL Certificate	15,255	-
Tally AMC Charge	24,000	24,000
Travelling Expenses	120,081	179,190
Vehicle Insurance	94,705	140,181
Vehicle Tax	33,450	-
Water Expenses	208,840	172,990
Water Expenses- Kritipur	-	13,000
Website Re-Design Development Expenses	112,490	61,020
Board Meeting - Other Expenses	3,005	32,855
Kitchen Expenses-Chabahil	-	16,355
Transportation Charge	58,200	20,100
Software Charge - Genex	-	130,430

 **NIC ASIA**
CAPITAL

Research Expenses	-	150,000
Dmat Renewable Charge	-	2,000
Macfee Antivirus	108,650	-
Water Expenses-Aqua	-	14,040
Mero Share Renewal Charge-Expenses	-	250
Corporate Social Responsibility (CSR)	-	-
Membership Fee-NPEA	32,877	100,000
Surveillance Fees	56,500	56,500
Total	12,318,065	9,383,780

15. Income Tax Expense

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognized directly in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Taxation

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Current Tax Expenses	53,399,721	52,117,335
Deferred Tax Expenses/(Income)	(1,395,612)	211,168
Total	52,004,109	52,328,503

a. Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment made to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Taxation

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Current Tax Expenses	53,399,721	52,117,335
Total	53,399,721	52,117,335

b. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period to cover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized, based on the level of future taxable profit forecasts and tax planning strategies.

Deferred tax liabilities are recognized for all taxable temporary differences.



Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
13.1 Deferred Tax Asset		
Balance at the beginning of the Year		
Provision/ Release of timing difference made during the Year	2,337,108	3,268,547
Balance as at the end of the Year	2,337,108	3,268,547
13.2 Deferred Tax Liability		
Balance at the beginning of the Year		
Provision/ Release of timing difference made during the Year	(234,648)	(2,212,287)
Balance as at the end of the Year	(234,648)	(2,212,287)
Net Deferred Tax Asset / (Liability)	2,102,460	1,056,260
13.3 Deferred Tax Assets / (Liability) relates to the following		
Temporary difference from Property, Plant & Equipment	(461,365)	(5,153,895)
Temporary difference from Unrealized gain/loss on Investment	1,401,059	(2,220,396)
Temporary difference from Operating Lease (Rent)	891,758	4,039,514
Temporary difference from Employee Benefits	5,497,545	4,272,017
Temporary difference from CSR	-	1,739,716
Temporary difference from Unrealized gain/loss on Investment through FVOCI	(320,795)	843,910
Temporary Difference	7,008,201	3,520,867
Tax @	30%	30%

Particulars	32 nd Asadh, 2082	31 st Asadh, 2081
Deferred Tax Asset/(Liabilities) as on year end of Ashar	2,102,460.23	1,056,260.13
Total Deferred tax Income/(Expenses)	1,046,200.10	(49,741.77)
Deferred tax Income/(Expenses) recognized in SOPL	1,395,611.69	(211,167.84)
Deferred tax Income/(Expenses) recognized in SOCI	(349,411.59)	161,426.07

16. Share Capital

Particulars	Number	Per Unit Value	Amount
Authorized Capital	2,000,000	100	200,000,000
Issued Capital	2,000,000	100	200,000,000
Subscribed Capital	2,000,000	100	200,000,000

Ordinary Shares (Number)	32 nd Asadh, 2082	31 st Asadh, 2081
Fully Paid Ordinary Shares at the beginning of the Year	2,000,000	2,000,000
Number of Shares subscribed	-	-
Fully Paid Ordinary Shares at the end of the Year (Number)	2,000,000	2,000,000
Per unit Value of the Shares	100	100
Ordinary Shares (Amount)		
Fully Paid Ordinary Shares (Amount)	200,000,000	200,000,000

The detail of share ownership is presented below:

Share Ownership Detail	%	Share Capital (Rs.)
1. Domestic Company / Resident Individual		
1.1 NIC ASIA Bank Ltd	90%	180,000,000
1.2 True North Associates	7.75%	15,500,000
1.3 Yurop Man Shrestha	1.70%	3,400,000
1.4 Nidhaan Shrestha	0.55%	1,100,000
Total	100%	200,000,000



17. Capital commitments & contingencies

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefits is not probable or cannot be reliably measured.

The company's total number of PMS clients under IGF (Income Guaranteed Fund) are 26 and assets under management is NPR 7.17 Crore.

18. Events after the reporting date

The materiality of the events after the reporting date has been considered and appropriate adjustments and provisions have been made in the financial statements wherever necessary.

19. Segmental Reporting

The company is organized for management and reporting purposes into segments such as: Portfolio Management Services, Issue Management Services, Registrar to Shares, Depository Participants, Fund Management Service and Others. The company has identified Depository Participants and Fund Management Service as reportable segments. The details of segmental reporting are as follows:

Revenue	Merchant Banking Services	Fund Management	Depository Participants (Mutual Fund)	Others	Total
Revenue from operating segments	176,672,631.42	92,466,833.30	123,289,111.12	2,385,533.75	283,853,909.59
Total Allocated Revenue	176,672,631.42	92,466,833.30	12,328,911.12	2,385,533.75	283,853,909.59
Unallocated Revenue		-	-	-	22,766,029.48
Total Revenue					306,619,939.07
Direct Expenses					
SEBON Commission	39,670,650.90	2,774,005.30	369,867.33	-	42,814,523.53
License Renewal	874,999.80	100,000.00	24,999.96	-	999,999.76
Total Allocated Expenses	40,545,650.70	2,874,005.30	394,867.29	-	43,814,523.29
Unallocated Direct Expenses					-
Total Direct Expenses					-
Operating Profit					262,805,415.78

The company doesn't segregate its assets and liabilities into its operating segments. Hence, disclosure of segment information relating to segment assets and segment liabilities has not been provided.

20. Financial Risk Management

The company'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 company's overall risk management program focuses on ensuring compliance with the regulatory requirements. 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 Company uses different methods to measure and mitigate different types of risk to which it is exposed.



Market Risk

a. Price Risk

The company is exposed to equity securities price risk. This arises from investments held by the company 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 fair value through other comprehensive Income. 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 company's policy is to manage price risk through diversification.

b. Foreign Exchange Rate Risk

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

Credit Risk

The company 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 company has risk of default from the receivables from various parties.

Liquidity Risk

Liquidity risk is the risk that the Company 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. Majority of Investments of the company has been done in readily marketable securities and fixed deposit hence the company is less exposed to liquidity risk.

21. Related Party Transaction

The company has identified its holding company (NIC ASIA Bank Limited) and a subsidiary of holding company (NIC ASIA Laghubitta Bittiya Sanstha) and key management personnel of the company as related parties. The transaction with related parties is as follows:

NIC ASIA Bank Limited

- The total interest income earned by NIC ASIA Capital Limited on Bank Accounts and FD maintained in NIC ASIA Bank Ltd. for FY 2081/82 is NPR 17,293,225.12.
- The Company has been appointed as the Share Registrar of NIC ASIA Bank Limited for an annual fee of NPR 907,500. In addition, the Company has also been appointed as the Share registrar for the Bank's 7% Debenture, for an annual fee of NPR 50,000 and Auction Management for auction share of Jeevan Bikash Laghubitta Bittiye Sastha for NPR 500,000.
- The company has provisioned NPR 5,08,000 as staff expense for the shared services availed from NIC ASIA Bank Limited.
- The company has outstanding receivable amount of NPR 2,502,416.44 from NIC ASIA Bank Limited as on 32nd Ashad, 2082. The Call Deposit placed at NIC ASIA Bank Ltd as on 32nd Ashad, 2082 is NPR 320,362,079.96.
- The company has booked dividend distribution income amounting to NPR 32,757.00 for distribution of dividend of NIC ASIA Bank Limited at the rate of NPR 3 per distributed shareholder.
- The company has received logistic and other services from the Bank at monthly SLA charges of NPR 500,000.00 with effective from 1st Jestha 2082.

NIC ASIA Laghubitta Bittiya Sanstha

- The company has been appointed as the Share Registrar of NIC ASIA Laghubitta Bittiya Sanstha for an annual fee of NPR 400,000.00.



- h) The company has booked dividend distribution income amounting to NPR 20,211 for distribution of dividend of NIC ASIA Laghubitta Bittiya Sanstha at the rate of NPR 3 per distributed shareholder.
- i) The company has outstanding receivable amount of NPR 297,632.93 from NIC ASIA Laghubitta Bittiya Sanstha as on 32nd Ashad, 2082.

Key Management Personnel

- j) The company has appointed Mr. Ramendra Rayamajhi as the Chief Executive Officer (CEO) with an annual gross salary and allowance of NPR 14,077,399.00 including Annual Bonus and Incentive of FY 2080/81.


22. Events after reporting period

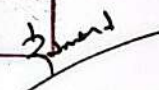
The company monitors and assesses events that may have potential impact to qualify as adjusting and / or non-adjusting events after the end of the reporting period. All adjusting events are adjusted in the books with additional disclosures and non-adjusting material events are disclosed in the notes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


There are no material events that have occurred subsequent to 16th July, 2025 till the signing of this financial statement.

As per our report on even date


Pragya Pokhrel
Head - Accounts


Pragya Ratna Shakya
Chief Operating Officer


Ramendra Rayamajhi
Chief Executive Officer


Santosh Kumar Rathi
Chairman


CA. Bishesh Bibu Acharya
Partner
For A.B.S. & Associates
Chartered Accountants




Suman Dangol
Independent Director


Rabin Sapkota
Independent Director


Nidhaan Shrestha
Director


Dinesh Bhari
Director

Date: August 3, 2025
Place: Kathmandu