REPORT

CONFIDENTIAL

AUDIT REPORT AND AUDITED FINANCIAL STATEMENTS

OF
NIC ASIA DYNAMIC DEBT FUND

Thapathali, Kathmandu

(FOR THE FISCAL YEAR 2082/83)

Performed By:
Saroj Koirala & Associates, Chartered Accountants
Kathmandu, Nepal

INDEPENDENT AUDITOR'S REPORT

TO THE FUND MANAGER AND UNIT HOLDERS OF NIC ASIA DYNAMIC DEBT FUND

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of NIC Asia Dynamic Debt Fund, which comprise the Statement of Financial Position as at 32nd Ashadh 2083 (16th July, 2026), and the Statement of Profit or Loss, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory notes (herein after referred to as "the financial statements").

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the NIC Asia Dynamic Debt Fund as at 32nd Ashadh 2083 (16th July, 2026), and its financial performance and its cash flows for the period then ended in accordance with Nepal Financial Reporting Standards (NFRS) and comply with the Securities Act 2063; Mutual Fund Regulations 2067; Mutual Fund Directives 2069 and other prevailing laws.

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 Scheme in accordance with the Institute of Chartered Accountants of Nepal's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key Audit Matter	Related Risk	How our audit addressed the key audit matter
1. Existence and Valuation of Investment		
Investment of mutual fund scheme comprises of investments in listed securities, initial public offerings, debentures and fixed deposits.	There is risk of inappropriate valuation of investments.	We performed the following procedures in relation to existence and valuation of investments • Assessed the design and implementation of controls over valuation and existence of investments.

		• On the sample basis, verified the effective interest rate and amortization schedule for the valuation of financial assets measured at amortized cost • Ensured that the valuation of financial assets measure through profit and loss has been done at the period end closing transaction rate in NEPSE • Traced the quantity held from the custodian with the books as at period end.
2. Unit Transactions with Unitholders		
Open-ended mutual fund issues and redeems units of the scheme as per request.	There is risk that units may be issued or redeemed at an incorrect net asset value, leading to inappropriate allocation of gains/losses among unitholders.	We performed the following procedures in relation to unit transactions with unitholders: • Reviewed the new units issued during the year on a sample basis against the published net asset value. • On a sample basis, reviewed the units redeemed during the year as per the published net asset value.
3. Fees Payable to Supervisor, Manager and Depository		
The material expenses for the mutual fund largely relate to the fees payable to the supervisor, manager and depository. Rule 23 of the Mutual Fund Regulations, 2067 issued by SEBON specifies the maximum limit of the fees payable by mutual fund scheme.	There is risk that fees payable to the supervisor, manager and depository may be calculated or charged in excess of the regulatory limit or on an incorrect NAV base.	We performed the following procedures in relation to fees payable to supervisor, manager and depository: • Reviewed the approved rates for the fees. • Evaluated the periodic gross net asset values factored to calculate the fees payable.

Other Information

Management is responsible for the preparation of the other information. The other information comprises the information included in the Management report and Chairman's statement but does not include the financial statements and our auditor's report thereon. Such information 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 will 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 identified above when it becomes available and, in doing so, consider whether the other information is

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Kathmandu

materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read such information, 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 Nepal Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors of NIC Asia Capital Ltd. / Scheme Manager is responsible for overseeing the Scheme's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to

issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from 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 a part of audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also;

- Identify and assess the risk of material misstatement of the financial statement whether due to fraud or error, design and perform audit procedure 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 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 Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our

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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 entity to cease to continue as 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 Rule 40(7) & (8) of the Mutual Fund Regulation, 2067, we further report that:

- 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.
- The scheme has kept proper books of account as required by the law so far, as appears from our examinations of those books.
- The scheme has not acted in a manner to be detrimental to the interest of the unit holders, users and the securities market.
- The existence, operating effectiveness and continuity of internal control system of Fund Manager is satisfactory.
- The scheme has invested its funds in accordance with the applicable regulations.
- We found the internal audit of the scheme has been conducted as part of Fund Manager's internal audit on periodic basis effectively.
- We have not come across any case where fund manager or any of the representatives or staffs have acted contrary to legal provisions relating to accounts or committed any misrepresentation or caused any loss or damage to the fund.
- We found operations of the scheme are satisfactory.
- The scheme has valued the investment in shares at fair value through profit or loss and debentures at amortized cost in accordance with the provisions of NFRS.
- There is no other matter that we felt necessary for disclosing to the Unitholders.

Saroj Koirala & Associates Chartered Accountants Kathmandu

Saroj Koirala, FCA
Saroj Koirala and Associates,
Chartered Accountants

Date: 26th Shrawan, 2083
Place: Kathmandu, Nepal
UDIN: 260817CA00466nr3ka

NIC ASIA Dynamic Debt Fund
(Sponsored by NIC ASIA Bank Limited and Managed by NIC ASIA Capital Ltd.)
Balance Sheet As at 32nd Ashad 2083 (16th July 2026)

In NPR

Particulars	Annexure	Ashad End 2083	Ashad End 2082
Capital and Liabilities			
Unit Capital	9	2,146,466,496	1,402,266,108
Reserves and Surplus		(12,550,291)	101,390,730
Current Liabilities and Provisions	8	11,386,672	21,612,365
Total		**2,145,302,877**	**1,525,269,202**
Assets			
Investments in Debentures	3	503,888,622	408,969,176
Bank Balances	4	383,061,166	311,449,046
Other Current Assets	5	18,888,745	106,919,937
Investment in Fixed Deposit	6	-	80,000,000
Investments in Shares	7	1,239,464,345	617,931,044
Total		**2,145,302,877**	**1,525,269,202**

Schedules and Explanatory Notes forms integral part of Balance Sheet

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

As per our Report of even date

....
Bimal Kumar Shah
Mutual Fund - Incharge

....
Pragya Ratna Shakya
Chief Operating Officer

NIC ASIA CAPITAL

....
Ramendra Rayamajhi
Chief Executive Officer

Date: 2026.08.11
Place : Kathmandu

NIC ASIA Dynamic Debt Fund
(Sponsored by NIC ASIA Bank Limited and Managed by NIC ASIA Capital Limited)

Statement of Financial Position as at 32nd Ashad, 2083 (16th July, 2026)

In NPR

Particulars	Notes	32nd Ashad, 2083	32nd Ashad, 2082
Assets			
Non Current Assets			
Financial Asset Measured at Amortised Cost	3	503,888,622	408,969,176
Current Assets			
Cash and Cash Equivalents	4	383,061,166	311,449,046
Other Financial Assets	5	18,888,745	106,919,937
Financial Assets Measured at Amortised Cost	6	-	80,000,000
Financial Assets Measured at Fair Value Through Profit or Loss	7	1,239,464,345	617,931,044
Total		**2,145,302,877**	**1,525,269,202**
Liabilities			
Current Liabilities			
Accrued Expenses & Other Payables	8	11,386,672	21,612,365
Liabilities (Excluding Net Assets Attributable to Unitholders		**11,386,672**	**21,612,365**
Unit Holder's Funds			
Net Assets Attributable to Unit Holders	9	2,133,916,205	1,503,656,838
Total		**2,145,302,877**	**1,525,269,202**
NAV per Share		**9.94**	**10.72**

Explanatory Notes forms integral part of Financial Statement

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

As per our Report of even date

Bimal Kumar Shah
Mutual Fund- Incharge

Pragya Ratna Shakya
Chief Operating Officer

Ramendra Rayamajhi
Chief Executive Officer

Suman Dangol
Independent Director

NIC ASIA CAPITAL

Rupesh Luitel
Chairman

CA Saroj Koirala
Saroj Koirala & Associates
Chartered Accountants

Saroj Koirala & Associates Chartered Accountants Kathmandu

Satish Khadka
Director

Rabin Sapkota
Independent Director

Date: 2026.08.11
Place : Kathmandu

NIC ASIA Dynamic Debt Fund
(Sponsored by NIC ASIA Bank Limited and Managed by NIC ASIA Capital Limited)

Statement of Profit or Loss
For the Period from 1st Shrawan 2082 to 32nd Ashad, 2083 (17th July, 2025 to 16th July, 2026)

In NPR

Particulars	Notes	FY 2082/83	FY 2081/82
Income			
Realised Income			
Interest Income	10	42,810,819	41,188,137
Dividend Income	11	12,789,560	5,592,089
Gain on Sale of Stocks	12	42,651,194	22,763,011
Other Income	13	740,526	728,744
Unrealised Income			
Dividend Income		-	-
Fair Value Gains/(losses)	14	(92,554,292)	17,529,913
Total		**6,437,807**	**87,801,895**
Expenses			
		-	-
Operating Expenses	15	36,813,159	23,861,439
Total		**36,813,159**	**23,861,439**
Increase/(Decrease) in Net Assets Attributable to Unit holders		**(30,375,352)**	**63,940,456**

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

As per our Report of even date

Bimal Kumar Shah
Mutual Fund- Incharge

Pragya Ratna Shakya
Chief Operating Officer

Ramendra Rayamajhi
Chief Executive Officer

Suman Dangol
Independent Director

NIC ASIA CAPITAL

Rupesh Luitel
Chairman

Saroj Koirala & Associates Chartered Accountants Kathmandu

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Saroj Koirala & Associates
Chartered Accountants

Satish Khadka
Director

Rabin Sapkota
Independent Director

Date: 2026.08.11
Place : Kathmandu

NIC ASIA Dynamic Debt Fund
(Sponsored by NIC ASIA Bank Limited and Managed by NIC ASIA Capital Limited)

Statement of Cash Flows
For the Period from 1st Shrawan 2082 to 32nd Ashad, 2083 (17th July, 2025 to 16th July, 2026)

In NPR

Particulars	FY 2082/83	FY 2081/82
A. Cash Flow from Operating Activities		
Surplus/ (Deficit) for the year	(30,375,352)	63,940,456
Adjustments for:		
(Increase)/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	92,554,293	(17,529,913)
Increase/(Decrease) in Liabilities	(10,225,693)	17,310,324
(Increase)/Decrease in Share	(714,087,593)	(397,734,206)
(Increase)/Decrease in Other Assets	73,111,746	(171,374,658)
Net cash generated/(used) in Operations (1)	**(589,022,599)**	**(505,387,997)**
B. Cash Flow from Investing Activities	-	-
Net cash generated/(used) in Investing (2)	-	-
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Unit Capital	744,200,389	651,424,238
Unit Premium Reserve	(4,099,720)	31,648,121
Dividend Paid during the year (net of tax)	(79,465,949)	(76,224,360)
Net cash generated/(used) in Financing (3)	***660,634,719***	***606,848,000***
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	**71,612,120**	**101,460,002**
Cash and Cash Equivalents at beginning of the year/period	311,449,046	209,989,043
Cash and Cash Equivalents at end of period	**383,061,166**	**311,449,045**
Components of Cash and Cash Equivalents		
Balance with Banks	**383,061,166**	**311,449,046**

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

As per our Report of even date

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Satish Khadka
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Rabin Sapkota
Independent Director

Date: 2026.08.11
Place : Kathmandu

NIC ASIA Dynamic Debt Fund
(Sponsored by NIC ASIA Bank Limited and Managed by NIC ASIA Capital Limited)

Statement in Changes in Equity
For the Period from 1st Shrawan 2082 to 32nd Ashad, 2083 (17th July, 2025 to 16th July, 2026)

In NPR

Particular	Unit Capital	Unit Premium Reserve	Realized Profit	Unrealized Profit	Total
Opening Balanceas on 01/04/2081	**750,841,870**	**13,702,050**	**64,540,058**	**3,784,406**	**832,868,382**
Issue of Unit Capital	651,424,238	-	-		651,424,238
Net Profit (Loss) During the year	-	-	46,410,542	17,529,913	63,940,456
Dividend Paid	-	(11,684,302)	(64,540,058)	-	(76,224,360)
Unit premium Reserve	-	31,648,121	-	-	31,648,121
Balance as on 32/03/2082	**1,402,266,108**	**33,665,869**	**46,410,542**	**21,314,319**	**1,503,656,838**
Issue of Unit Capital	744,200,388	-	-		744,200,388
Net Profit (Loss) During the year	-	-	62,178,940	(92,554,292)	(30,375,352)
Dividend Paid	-	(33,055,407)	(46,410,542)	-	(79,465,949)
Unit premium Reserve	-	(4,099,720)	-	-	(4,099,720)
Balance as on 32/03/2083	**2,146,466,496**	**(3,489,258)**	**62,178,940**	**(71,239,973)**	**2,133,916,205**

No of Units	**214,646,649.6**
NAV Per Share	**9.94**

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

As per our Report of even date

Bimal Kumar Shah
Mutual Fund- Incharge

Pragya Ratna Shakya
Chief Operating Officer

Ramendra Rayamajhi
Chief Executive Officer

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Independent Director

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Saroj Koirala & Associates Chartered Accountants Kathmandu

Satish Khadka
Director

Rabin Sapkota
Independent Director

Date: 2026.08.11
Place : Kathmandu

Significant Accounting Policies and Notes to the Accounts as on 32nd Ashad, 2083

1. OVERVIEW

Fund:	**NIC ASIA Bank Mutual Fund**
Scheme:	**NIC ASIA Dynamic Debt Fund**
Fund Sponsor:	**NIC ASIA Bank Limited (NICA)** (Licensed by NRB as Class "A" bank)
Fund Management:	**NIC ASIA Capital Limited** (A subsidiary of NIC ASIA Bank Limited)
Fund Supervisors:	Mr. Bodhraj Niraula Mr. Aashish Adhikari Mr. Shivaraj Ghimire Mr. Santosh Lamichhane Mr. Mahendra Nath Karmacharya Mr. Bishal Sigdel Mr. Narayan Sundar Shilpakar
Total Unit Capital: **(At Allotment)**	NPR 500,000,000 (NPR Five Hundred Million Rupees Only)
(At Year End)	NPR 2,146,466,496 (Two Billion One Hundred Forty-Six Million Four Hundred Sixty-Six Thousand Four Hundred and Ninety-Six Rupees Only)
Scheme type:	Open-Ended

NIC ASIA Dynamic Debt Fund (the Scheme) under NIC ASIA Bank Mutual Fund (the Fund) is registered under Mutual Fund Regulations, 2067 as an open-end, diversified investment scheme. The objective of the Fund is to diligently manage the fund with the aim of achieving a high return for unit holders, growth of both capital and income from investment in shares and fixed income securities and conservation of capital. The Scheme commenced its operation on 23rd Mangshir, 2077 (Scheme allotment date) B.S. The trading started 3 months after the allotment date. The Scheme's Financial Statements were approved by the Board of Directors of the NIC ASIA Capital Limited on 26 Shrawan 2083 being the Fund Management and Depository Company. Similarly, information regarding the approval of Financial Statements has been shared with Fund Supervisors.

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

NIC ASIA CAPITAL

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

Particulars	Status	No. of Units	Holding Amount at NPR 10 Each	Holding (%)
NIC ASIA Bank Limited	Fund Sponsor	21,772,121	217,721,213	10.14%
General Public		192,874,528	1,928,745,283	89.86%
Total		**214,646,650**	**2,146,466,496**	**100.00%**

1.2. Net Asset Value (NAV) per unit

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

1.3. Net Assets Attributable to Unit Holders

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

1.4. Taxation

Finance Act FY 2078/79 included Mutual Funds under Section 10 of the Income Tax Act, 2058 as tax-exempt entities. TDS on return from the mutual fund (i.e., dividend) paid to an individual is deducted at 5% which is final withholding, and to an entity tax deducted at 15% (which is not final withholding). Therefore, the fund management is of the view that return from the Scheme is duly taxed as per the principle of income tax and is not subject to further tax liability for FY 2082/83.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1. Basis of Preparation

2.1.1. Statement of Compliance

These Financial Statements have been prepared in compliance Nepal Financial Reporting Standards (NFRS). The Financial Statements also confirm compliance with the Securities Act, 2063; Mutual Fund Regulations, 2067 and Mutual Fund Guidelines, 2069.

2.1.2. Accounting Convention

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

Investment classified as FVTPL are measured at Fair value.

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2.1.3. Responsibility for Financial Statements

The fund manager is overall responsible for the management of the fund with supervision from Fund Supervisors. The Board of Directors of Fund Manager is responsible for the preparation and presentation of Financial Statements of the fund.

2.1.4. Reporting Period of Financial Statements

These financial statements for the year ended 32nd Ashad, 2083. The comparative information covers the period from 1st Shrawan 2081 to 32nd Ashad 2082.

2.1.5. Functional and Presentation Currency

The functional and presentation currency is Nepali Rupee (NPR), which is the currency of the primary economic environment in which the fund operates. Financial information is presented in Nepali Rupees. There was no change in the fund's presentation and functional currency during the year under review. The figures presented in Financial Statements are rounded to nearest Nepali Rupee.

2.1.6. Use of Assumptions, Judgments and Estimates:

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

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

2.1.7. Financial Instruments

The Fund's principal financial assets comprise assets such as equities, other assets, bonds and debenture, Fixed Deposit and cash and cash equivalents. The main purpose of these financial instruments is to generate a return on the investment made by unitholders. The Funds' principal financial liabilities comprise accrued expenses and other payables which arise directly from its operations.

a) Classification

i) Financial Asset

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

- **Financial assets measured at amortized cost:**

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

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- **Financial assets measured at fair value:**

Financial assets other than those measured at amortized cost are measured at fair value. They are further classified into two categories as below:

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

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

ii. Financial Liabilities

The Fund classifies its financial liabilities as follows:

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

Financial liabilities are classified at fair value through profit or loss if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction costs directly attributable to the acquisition are recognized in the Statement of Profit or Loss as incurred. Subsequent changes in fair value are recognized at profit or loss.

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

Financial liabilities other than those measured at fair value through profit or loss are classified as subsequently measured at amortized cost.

b) Recognition / De- recognition

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

De-recognition of Financial Asset

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

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

De-recognition of Financial Liabilities

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

NIC ASIA CAPITAL

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c) Measurement

Initial Measurement

A financial asset or financial liability is measured initially at fair value. However, the transaction costs of financial assets carried at fair value through profit or loss are now recorded separately under the heading "Transaction cost" in accordance with the NFRS 9 Financial Instruments.

Subsequent Measurement

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

Financial assets are valued at the cost of acquisition.

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

Measurement of Financial Assets/Liabilities at Fair Value

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

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

Fair Value Measurement

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

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and

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

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

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

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

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

NIC ASIA CAPITAL

Saroj Koirala & Associates Chartered Accountants

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

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

- Equities which are listed but no transactions are made within the last 30 days is valued at 180 days Closing Average Market price provided by NEPSE and Equities which are listed but no transactions are made within the last 180 days are valued, taking lower of cost of acquisition or netbook value of the stock as published in the latest quarterly report.
- In the event of a trading halt of the script due to merger & acquisition, the last traded price should be taken.
- In case of unprecedented events, where no prescriptive guidelines are proposed to value securities/ portfolios. The following type of events could be classified as unprecedented events where current market information may not be available/ sufficient for valuation of securities:
  - Major policy announcements by Government or NRB or other regulatory Parties
  - Natural Disasters, Disease Outbreak, Wars, or any other events that create public disturbances which force the market to close unexpectedly.
  - Under such circumstances Assets Management Company shall seek the guidance of the company's board in deciding an appropriate methodology for valuation of the stocks.
  - However, the above events will not be accounted for valuation as above, stocks trading within 30 days.
- IPO (Initial Public Offerings) investments shall be valued as:
  - IPO investments are investments made to apply for the securities in IPO till Listing.
  - IPO investments are valued as advance for application amount till allotment at exact amount applied for.
  - After allotment of IPO till listing and if listed but not traded, IPO investments are valued at investment value.
- The same is applicable in the case of FPO.

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

3. Financial Asset Measured at Amortized Cost (Non-Current)

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

S.N.	Particulars	Unit	Price	Ashad End 2083
	Non-Current Assets			
	Assets measured at amortized cost			
1	11.25% Global Ime Bank Debenture 2084/85	15,000	1,000.00	15,000,000
2	11% LBBL Debenture 2089	7,500	1,000.00	7,500,000
3	10% Himalayan Bank Debneture 2083	4,498	1,007.13	4,530,050
4	10% Laxmi Bank Debenture 2086	1,063	1,065.56	1,132,687
5	10% Nepal Sbi Bank Debenture 2086	9,314	1,020.74	9,507,133
6	10% Prabhu Bank Debenture 2084	9,960	1,018.72	10,146,455
7	10% Sanima Debenture 2085	5,655	1,011.96	5,722,637
8	10.25% Civil Bank Debenture 2088	16,082	1,000.00	16,082,000
9	10.25% Sanima Debenture 2089	1,000	1,000.00	1,000,000

10	10.25% KBL Debenture 2086	1,573	1,052.57	1,655,689
11	10.25% Machhapuchchhre Bank Debenture 2085	1,075	1,008.40	1,084,025
12	10.25% Nbbl Debenture 2085	825	1,021.04	842,359
13	10.25% Prabhu Bank Debenture 2086	875	1,010.89	884,531
14	10.25% Sbl Debenture 2083	615	1,004.39	617,701
15	10.25% Sunrise Debenture 2083	5,649	1,007.21	5,689,739
16	10.35% ADBL Krisi Bank Rinpatra 2083	4,480	1,007.30	4,512,687
17	10.50% Century Debenture 2088	50,000	1,000.00	50,000,000
18	10.75 % SBL Debenture 2089	25,000	1,000.00	25,000,000
19	12% ICFC Finance Debenture 2083	25	1,030.28	25,757
20	8.5% Global Ime Bank Ltd. Debenture 2086/87	5,000	1,000.00	5,000,000
21	8.5% Machhapuchchhre Debenture 2087	8,274	1,004.66	8,312,581
22	8.5% Nepal Investment Bank Bond 2084	75	917.33	68,800
23	8.5% Prabhu Bank Debenture 2087	40,000	1,000.00	40,000,000
24	8.5% RBBL Debenture 2083	18,459	1,000.20	18,462,781
25	8.75 % GBBL Debenture 2085	3,011	1,000.06	3,011,189
26	9% Jyoti Bikas Bank Bond 2087	17,911	1,000.00	17,911,000
27	9% Kamana Sewa Bikas Bank Ltd Debenture 2087	7,477	1,000.00	7,477,000
28	9% Shangrila Development Bank Debenture 2087	3,784	1,000.00	3,784,000
29	9.5% Manjushree Finance Ltd. Debenture 2085	21,994	1,000.32	22,000,989
30	9.5% NCC Rinpatra 2086	24,194	1,011.82	24,479,963
31	10% NIMB Debenture 2090	6,176	1,000.00	6,176,000
32	10% Citizens Bank Debenture 2090	140	1,064.94	149,091
33	8.5% BOK Debenture 2086	100	1,029.45	102,945
34	8.5% Sanima Debenture 2087	30	1,029.72	30,892
35	9% ICFC Finance Limited Debenture 2088	500	1,000.00	500,000
36	7.50% Everest Bank Limited Debenture 2091	24,552	1,018.18	24,998,300
37	8.75% Muktinath Debenture/Rinpatra 2084/85	4	1,016.46	4,066
38	8.75% Prime Debenture 2085	25	1,021.83	25,546
39	7% RBBL Debenture 2088	16,260	1,000.00	16,260,000
40	7% Nepal Sbi Bank Debenture 2090	24,696	1,002.82	24,765,753
41	8% Shine Resunga Debenture	10,427	1,143.31	11,921,254
42	7.25% SBL Debenture 2091	26,222	1,050.09	27,535,538
43	7% Nabil Debenture 2089	29,912	1,032.44	30,882,248
44	7.5% Everest Bank Limited Energy Bond 2089	164	1,107.57	181,641
45	8% ICFC Finance Limited Debenture 2089	19,007	1,000.03	19,007,595
46	6.25% Prime Bank Debenture 2093	29,906	1,000.00	29,906,000
	Total Amount	**498,489**		**503,888,622**

S.N.	Particulars	Unit	Price	Ashad End 2082
	Non-Current Assets			
	Assets measured at amortized cost			
1	11.25% Global IME Bank Debenture 2084/85	15,000	1,000.00	15,000,000
2	11% LBBL Debenture 2089	7,500	1,000.00	7,500,000
3	10% Himalayan Bank Debenture 2083	4,498	1,018.01	4,578,993
4	10% Laxmi Bank Debenture 2086	756	1,027.82	777,033
5	10% Nepal SBI Bank Debenture 2086	9,314	1,025.70	9,553,331
6	10% Prabhu Bank Debenture 2084	9,960	1,026.06	10,219,557
7	10% Sanima Debenture 2085	5,655	1,018.55	5,759,926
8	10.25% Civil Bank Debenture 2088	16,082	1,000.00	16,082,000
9	10.25% Sanima Debenture 2089	1,000	1,000.00	1,000,000
10	10.25% KBL Debenture 2086	1,240	1,023.50	1,269,137

NIC ASIA CAPITAL

Koirala & Associates Chartered Accountants Kathmandu

11	10.25% Machhapuchchhre Bank Debenture 2085	1,075	1,012.50	1,088,442
12	10.25% NBBL Debenture 2085	825	1,027.86	847,984
13	10.25% Prabhu Bank Debenture 2086	875	1,014.83	887,973
14	10.25% SBL Debenture 2083	615	1,013.89	623,541
15	10.25% Sunrise Debenture 2083	5,649	1,016.75	5,743,624
16	10.35% ADBL Krisi Bank Rinpatra 2083	4,480	1,015.98	4,551,575
17	10.5 % Nepal Investment Debenture	370	1,018.76	376,942
18	10.5% SBL Debenture 2082	740	1,010.42	747,714
19	10.50% Century Debenture 2088	50,000	1,000.00	50,000,000
20	10.75 % SBL Debenture 2089	25,000	1,000.00	25,000,000
21	12% ICFC Finance Debenture 2083	25	1,066.34	26,658
22	8.5% Global IME Bank Limited Debenture 2086/87	5,000	1,000.00	5,000,000
23	8.5% Machhapuchchhre Bank Debenture 2087	8,000	1,000.00	8,000,000
24	8.5% Nepal Investment Bank Bond 2084	75	920.44	69,033
25	8.5% Prabhu Bank Debenture 2087	40,000	1,000.00	40,000,000
26	8.5% RBBL Debenture 2083	18,459	1,000.43	18,466,891
27	8.75 % GBBL Debenture 2085	3,011	1,000.09	3,011,266
28	9% Jyoti Bikas Bank Bond 2087	17,911	1,000.00	17,911,000
29	9% Kamana Sewa Bikas Bank Ltd Debenture 2087	7,477	1,000.00	7,477,000
30	9% Shangri-la Development Bank Debenture 2087	3,784	1,000.00	3,784,000
31	9.5% Manjushree Finance Limited Debenture 2085 - List	21,994	1,000.43	22,003,496
32	9.5% NCC Rinpatra 2086	22,833	1,000.06	22,834,309
33	10% NIMB Debenture 2090	6,176	1,000.00	6,176,000
34	8.5% Machhapuchchhre Debenture 2087	25	1,036.57	25,914
35	10% Citizens Bank Debenture 2090	140	1,073.62	150,307
36	8.5% BOK Debenture 2086	100	1,036.05	103,605
37	8.5% Sanima Debenture 2087	30	1,036.29	31,089
38	9% ICFC Finance Limited Debenture 2088	500	1,000.00	500,000
39	7.50% Everest Bank Limited Debenture 2091	20,125	1,000.00	20,125,000
40	8.75% Muktinath Debenture 2084/85	4	1,023.76	4,095
41	8.75% Prime Debenture 2085	25	1,029.71	25,743
42	7% RBBL Debenture 2088	16,260	1,000.00	16,260,000
43	7% Nepal SBI Bank Debenture 2090	24,000	1,000.00	24,000,000
44	8% Shine Resunga Debenture	1,942	1,000.00	1,942,000
45	7.25% SBL Debenture 2091	9,434	1,000.00	9,434,000
46	7% Nabil Debenture 2089	20,000	1,000.00	20,000,000
	Total Amount	**407,964**		**408,969,176**

4. Cash and Cash Equivalent:

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

S.N.	Particulars	Ashad End 2083	Ashad End 2082
1	Cash at Bank	383,061,166	311,449,046
2	Cash in Hand	-	-
	Total	**383,061,166**	**311,449,046**

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

5. Other Financial Assets:

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

S.N.	Particulars	Ashad End 2083	Ashad End 2082
1	Broker Receivables	2,073	52,263,009
2	Dividend Income Receivables	31,779	108,404
3	Interest Income Receivables	18,854,894	14,541,636
4	IPO Advance	-	40,000,000
5	Other Receivable	-	6,888
	Total Amount	**18,888,745**	**106,919,937**

Balance Due from Brokers: -

The Balance due from Broker is 2,073.00 (In Words: - Two Thousand and Seventy-three Rupees Only).

6. Financial Assets Held at Amortized Cost (Current)

Fixed Deposit Investment of the fund comprises:

	Assets measured at amortized cost		
S.N.	**Particulars**	**Ashad End 2083**	**Ashad End 2082**
	Current Assets		
1	Mahalaxmi Bikas Bank Limited	-	80,000,000
	Total Amount	-	**80,000,000**

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

S.N.	Name	Ashad End 2083			Fair Value Hierarchy
		Unit	Value per unit	Value Amount	
	LISTED				
1	Nepal Bank Limited	73,000	261.60	19,096,800	Level 1
2	Sanima Bank Limited	61,500	350.00	21,525,000	Level 1
3	Prime Commercial Bank Limited	76,001	239.90	18,232,640	Level 1
4	Global Ime Bank Limited	40,000	240.00	9,600,000	Level 1
5	Agricultural Development Bank Limited	80,000	309.00	24,720,000	Level 1
6	Laxmi Sunrise Bank Limited	100,000	215.10	21,510,000	Level 1
7	Nabil Bank Limited	82,500	534.90	44,129,250	Level 1
8	Prabhu Bank Limited	24,900	189.60	4,721,040	Level 1
9	Kamana Sewa Bikas Bank Limited	44,000	474.00	20,856,000	Level 1
10	Asian Life Insurance Company Limited	121,943	419.00	51,094,117	Level 1
11	National Life Insurance Company Limited	67,500	579.00	39,082,500	Level 1
12	Nepal Life Insurance Company Limited	59,770	749.80	44,815,546	Level 1
13	Suryajyoti Life Insurance Company Limited	62,386	413.00	25,765,418	Level 1

NIC ASIA CAPITAL

Saroj Koirala & Associates Chartered Accountants Kathmandu

14	Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	43,000	635.00	27,305,000	Level 1
15	Chhimek Laghubitta Bittiya Sanstha Limited	8,770	922.00	8,085,940	Level 1
16	Neco Insurance Limited	52,434	610.00	31,984,740	Level 1
17	Shikhar Insurance Company Limited	59,001	615.00	36,285,615	Level 1
18	Prabhu Insurance Limited	48,013	668.10	32,077,485	Level 1
19	Nepal Insurance Company Limited	55,573	512.90	28,503,392	Level 1
20	Himalayan Everest Insurance Limited	54,992	520.00	28,595,840	Level 1
21	Sanima Gic Insurance Limited	35,284	469.00	16,548,196	Level 1
22	Siddhartha Premier Insurance Limited	38,276	741.00	28,362,516	Level 1
23	Sagarmatha Lumbini Insurance Company Limited	59,686	605.00	36,110,030	Level 1
24	IGI Prudential Insurance Limited	48,660	449.00	21,848,340	Level 1
25	United Ajod Insurance Limited	43,411	433.00	18,796,963	Level 1
26	Kumari Equity Fund	380,000	10.16	3,860,800	Level 1
27	Nibl Growth Fund	2,000,000	10.91	21,820,000	Level 1
28	Deprosc Laghubitta Bittiya Sanstha Limited	9,501	850.00	8,075,850	Level 1
29	Citizens Bank International Limited	85,000	196.90	16,736,500	Level 1
30	Garima Bikas Bank Limited	78,000	403.80	31,496,400	Level 1
31	Shine Resunga Development Bank Limited	84,500	415.00	35,067,500	Level 1
32	Rasuwagadhi Hydropower Company Limited	22,000	253.00	5,566,000	Level 1
33	Sarbottam Cement Limited	29,500	772.00	22,774,000	Level 1
34	Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited	52,997	751.90	39,848,444	Level 1
35	Kumari Sabal Yojana	500,000	10.03	5,015,000	Level 1
36	Muktinath Bikas Bank Limited	96,000	362.90	34,838,400	Level 1
37	Soaltee Hotel Limited	54,500	489.50	26,677,750	Level 1
38	Api Power Company Limited	47,000	320.70	15,072,900	Level 1
39	Mbl Equity Fund	300,000	10.00	3,000,000	Level 1
40	Reliable Samriddhi Yojana	1,500,000	10.24	15,360,000	Level 1
41	Machhapuchchhre Bank Limited	24,000	248.00	5,952,000	Level 1
42	Everest Bank Limited	21,000	695.00	14,595,000	Level 1
43	Nepal Investment Mega Bank Limited	12,000	190.00	2,280,000	Level 1
44	Lumbini Bikas Bank Limited	46,000	483.40	22,236,400	Level 1
45	Shangrila Development Bank Limited	28,000	404.00	11,312,000	Level 1
46	Chandra Giri Hills Limited	21,492	755.20	16,230,758	Level 1
47	Oriental Hotel Limited	9,222	682.00	6,289,404	Level 1
48	Hotel Forest Inn Limited	2,972	644.00	1,913,968	Level 1
49	Sahas Urja Limited	25,000	636.00	15,900,000	Level 1
50	Arun Kabeli Power Limited	28,000	249.00	6,972,000	Level 1
51	Ngadi Group Power Limited	14,000	398.00	5,572,000	Level 1
52	Bungal Hydro Limited	1	585.00	585	Level 1
53	Nepal Hydro Developer Limited	5,000	630.90	3,154,500	Level 1
54	Mountain Energy Nepal Limited	23,500	568.90	13,369,150	Level 1

NIC ASIA CAPITAL

Saroj Koirala & Associates Chartered Accountants Kathmandu

55	Butwal Power Company Limited	15,000	668.00	10,020,000	Level 1
56	Solu Hydropower Limited	7,335	509.00	3,733,515	Level 1
57	Bhujung Hydropower Limited	743	681.00	505,983	Level 1
58	Super Khudi Hydropower Limited	1,158	818.00	947,244	Level 1
59	Ridge Line Energy Limited	1,065	713.00	759,345	Level 1
60	Suryakunda Hydro Electric Limited	515	874.30	450,265	Level 1
61	Shikhar Power Development Limited	1,586	558.90	886,415	Level 1
62	Kalinchowk Hydropower Limited	604	916.00	553,264	Level 1
63	Appolo Hydropower Limited	689	819.00	564,291	Level 1
64	Taksar Pikhuwa Khola Hydropower Limited	2,250	494.80	1,113,300	Level 1
65	Yambaling Hydropower Limited	1,642	556.00	912,952	Level 1
66	Snow Rivers Limited	696	779.00	542,184	Level 1
67	Sanigad Hydro Limited	4,284	462.00	1,979,208	Level 1
68	Kalanga Hydro Limited	2,611	473.00	1,235,003	Level 1
69	Himalayan Reinsurance Limited	18,492	553.00	10,226,076	Level 1
70	Nepal Re-Insurance Company Limited	9,000	923.00	8,307,000	Level 1
71	Shivam Cements Limited	33,000	621.00	20,493,000	Level 1
72	Himalayan Distillery Limited	47,074	1,140.00	53,664,360	Level 1
73	Palpa Cement Industries Limited	4,004	595.00	2,382,380	Level 1
74	Sopan Pharmaceuticals Limited	3,136	780.00	2,446,080	Level 1
75	Everest Colour Limited	594	100.00	59,400	Level 1
76	Nerude Mirmire Laghubitta Bittiya Sanstha Limited	176	534.90	94,142	Level 1
77	Citizens Santulit Yojana	1,000,000	9.02	9,020,000	Level 1
78	Nepal Life Samriddhi Lagani Yojana	1,000,000	9.75	9,750,000	Level 1
	Sub- Total (A)	**9,095,439**		**1,211,285,085**	
	UNLISTED				
1	Prabhu Insurance Company Limited - Bonus Share	4,177	668.10	2,790,654	Level 2
2	Neco Insurance Limited- Bonus share	2	610.00	1,220	Level 2
3	United Ajod Insurance Limited - Bonus share	1,860	433.00	805,380	Level 2
4	Beni Hydropower Project Limited - IPO	760	100.00	76,000	Level 2
5	Mount Everest Power Development Limited-IPO	1,293	100.00	129,300	Level 2
6	Nepal Life Insurance Company Limited- Bonus Share	2,230	749.80	1,672,054	Level 2
7	Sarvottam Paints Industries Limited-IPO	640	100.00	64,000	Level 2
8	Sanima Equity Fund II-IPO	500,000	10.00	5,000,000	Level 2
9	Reliable Samriddhi Yojana-2-IPO	1,000,000	10.00	10,000,000	Level 2
10	Siddhartha Equity Fund 2-IPO	500,000	10.00	5,000,000	Level 2
11	Sanima General Incurance Company Limited - Bonus share	1,714	469.00	803,866	Level 2
12	United Ajod Insurance Limited-Right Share	4,242	433.00	1,836,786	Level 3

NIC ASIA CAPITAL

Saroj Koirala & Associates Chartered Accountants Kathmandu

	Sub-Total (B)	**2,016,918**		**28,179,260**	
	Grand Total	**11,112,357**		**1,239,464,345**	

S.N.	Name	Ashad End 2082			Fair Value Hierarchy
		Unit	Value per unit	Value Amount	
	LISTED				
1	Nepal Bank Limited	30,683	291.44	8,942,254	Level 1
2	Prime Commercial Bank Limited	46,000	276.31	12,710,260	Level 1
3	Agricultural Development Bank Limited	67,137	327.13	21,962,527	Level 1
4	Laxmi Sunrise Bank Limited	49,603	238.74	11,842,220	Level 1
5	Nabil Bank Limited	58,059	541.37	31,431,401	Level 1
6	Asian Life Insurance Company Limited	72,303	498.36	36,032,923	Level 1
7	National Life Insurance Company Limited	39,450	623.58	24,600,231	Level 1
8	Nepal Life Insurance Company Limited	32,507	772.97	25,126,936	Level 1
9	SuryaJyoti Life Insurance Company Limited	57,578	446.69	25,719,517	Level 1
10	Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	29,569	768.71	22,729,986	Level 1
11	Neco Insurance Limited	35,632	710.36	25,311,548	Level 1
12	Shikhar Insurance Company Limited	31,625	773.53	24,462,886	Level 1
13	Prabhu Insurance Limited	33,062	921.26	30,458,698	Level 1
14	Nepal Insurance Company Limited	34,124	645.18	22,016,122	Level 1
15	Himalayan Everest Insurance Limited	34,302	616.36	21,142,381	Level 1
16	Sanima GIC Insurance Limited	28,284	609.99	17,252,957	Level 1
17	Siddhartha Premier Insurance Limited	24,276	840.35	20,400,337	Level 1
18	Sagarmatha Lumbini Insurance Company Limited	51,467	726.09	37,369,674	Level 1
19	IGI Prudential insurance Limited	29,245	556.99	16,289,173	Level 1
20	United Ajod Insurance Limited	24,465	571.56	13,983,215	Level 1
21	Kumari Equity Fund	300,000	9.95	2,985,000	Level 1
22	RBB Mutual Fund 1	250,000	9.96	2,490,000	Level 1
23	NIBL Growth Fund	2,000,000	9.86	19,720,000	Level 1
24	Deprosc Laghubitta Bittiya Sanstha Limited	1,000	882.25	882,250	Level 1
25	Citizens Bank International Limited	50,295	228.28	11,481,343	Level 1
26	Garima Bikas Bank Limited	35,146	428.36	15,055,141	Level 1
27	Shine Resunga Development Bank Limited	43,487	431.97	18,785,079	Level 1
28	Rasuwagadhi Hydropower Company Limited	5,000	336.35	1,681,750	Level 1
29	Chirkhwa Hydro Power Limited	4	662.09	2,648	Level 1
30	Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited	14,894	884.41	13,172,403	Level 1
31	Kumari Sabal Yojana	500,000	10.00	5,000,000	Level 1

NIC ASIA CAPITAL

Saroj Koirala & Associates Chartered Accountants Kathmandu

32	Muktinath Bikas Bank Limited	5,000	405.92	2,029,600	Level 1
33	Soaltee Hotel Limited	19,925	577.58	11,508,282	Level 1
34	Api Power Company Limited	30,000	295.92	8,877,600	Level 1
35	Pure Energy Limited	1,341	871.71	1,168,963	Level 1
36	Sun Nepal Life Insurance Company Limited	553	490.64	271,324	Level 1
37	Guardian Micro Life Insurance Limited	1,379	2,194.29	3,025,926	Level 1
38	Crest Micro Life Insurance Limited	1,351	1,364.36	1,843,250	Level 1
39	Trade Tower Limited	3,385	100.00	338,500	Level 1
40	Om Megashree Pharmaceuticals Limited	1,649	1,517.76	2,502,786	Level 1
41	MBL Equity Fund	300,000	9.93	2,979,000	Level 1
42	Reliable Samriddhi Yojana	1,500,000	9.93	14,895,000	Level 1
43	Nepal Micro Insurance Company Limited	1,347	1,559.40	2,100,512	Level 1
	Sub- Total (A)	**5,875,127**		**592,581,601**	
	UNLISTED				
1	Sanvi Energy Limited - IPO	2,473	100.00	247,300	Level 3
2	Him Star Urja Company Limited-IPO	821	100.00	82,100	Level 3
3	Bikash Hydropower Company Limited - IPO	3,101	100.00	310,100	Level 3
4	Asian Life Insurance Company Limited - Bonus	4,898	498.36	2,440,967	Level 2
5	National Life Insurance Company Limited - Bonus	1,372	623.58	855,552	Level 2
6	Asian Life Insurance Company Limited - Value of Right	25,748	520.03	13,389,732	Level 3
7	Neco Insurance- Bonus share	1,759	710.36	1,249,523	Level 2
8	United Ajod Insurance Limited - Bonus share	2,446	571.56	1,398,036	Level 2
9	Nepal Insurance Company Limited - Value of Right	8,862	606.65	5,376,132	Level 3
	Sub-Total (B)	**51,480**		**25,349,443**	
	Grand Total	**5,926,607**		**617,931,044**	

8. Accrued Expenses and Other Payables:

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

S.N.	Particulars	Ashad End 2083	Ashad End 2082
1	Broker Payable	-	13,098,452
2	Scheme Audit Fee Payable	111,500	111,500
3	Fund Management Fee Payable	7,743,333	5,238,433
4	Depository Fee Payable	1,032,444	698,458
5	Supervisor Fee Payable	445,471	301,365
6	Times Media Payable	61,041	61,333
7	TDS Payable	213,981	146,154
8	Unit Redemption Payables	983,316	363,704
9	CDSC Payables	256,781	123,801
10	Other Current Liabilities	538,805	582,964
11	Right Advance Payable	-	886,200
	Total Amount	**11,386,672**	**21,612,365**

NIC ASIA CAPITAL

Saroj Koirala & Associates Chartered Accountants Kathmandu

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

9. Net Assets Attributable to Unit Holders

S.N.	Particulars	Ashad End 2083	Ashad End 2082
1	Unit Capital	2,146,466,496	1,402,266,108
2	Unit Premium Reserve	(3,489,258)	33,665,869
3	Realized Profit	62,178,940	46,410,542
4	Unrealized Profit	(71,239,973)	21,314,319
	Total Amount	**2,133,916,205**	**1,503,656,838**

9.1. Unit Capital

The unit capital of fund is as follows:

S.N.	Particulars	Ashad End 2083	Ashad End 2082
1	Unit Capital Account	1,928,745,283	1,184,544,895
2	Unit Seed Capital Account	217,721,213	217,721,213
	Total Amount	**2,146,466,496**	**1,402,266,108**

9.1.1. Movement of Unit Capital

The movement of the unit capital during the period is given below.

Particulars	Amount
Opening Units	1,402,266,108
Purchase During the Financial Year	816,353,851
Redemptions During the Financial Year	72,153,462
Closing Units	**2,146,466,496**

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

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

Particular	Realized Profit	Unrealized Profit	Total
Opening Balance	46,410,542	21,314,319	67,724,861
Net Profit (Loss) During the year	62,178,940	(92,554,292)	(30,375,351)
Dividend Paid	(46,410,542)	-	(46,410,542)
Balance as on 32/03/2083	**62,178,940**	**(71,239,973)**	**(9,061,033)**

NIC ASIA CAPITAL

9.3. Unit premium Reserve:

The Unit premium reserve amount at the end of the period is as follows:

Particular	Unit Premium Reserve
Opening Balance	33,665,869
Issue of Unit Capital	-
Net Profit (Loss) During the year	-
Dividend Paid	(33,055,407)
Unit premium Reserve	(4,099,720)
Balance as on 32/03/2083	**(3,489,258)**

Saroj Koirala & Associates Chartered Accountants Kathmandu

9.3.1. Unit Premium Reserve

Unit Premium reserve is created on every purchase and redemption of units of NIC Asia Dynamic Debt Fund at the prevailing NAV on the date in excess or shortfall of Face value of the units. The unit premium reserve amount at the end of the period is (3,489,258.32) (In words: Three Million Four Hundred Eighty-Nine Thousand Two Hundred Fifty-Eight and 32/100 Only).

10. Interest Income

S.N.	Particulars	Ashad End 2083	Ashad End 2082
1	Interest Income from Bank, Bond and Debenture	43,370,890	41,537,910
	Less: Debenture Amortization Expenses	560,071	349,773
	Total Amount	**42,810,819**	**41,188,137**

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

11. Dividend Income

S.N.	Particulars	Ashad End 2083	Ashad End 2082
1	Dividend Income	12,789,560	5,592,089
	Total Amount	**12,789,560**	**5,592,089**

Dividend income is recognized after a resolution passed by the Annual General Meeting.

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

S.N.	Particulars	Ashad End 2083	Ashad End 2082
1	Gain on Sale of Stocks	42,651,194	22,763,011
	Total Amount	**42,651,194**	**22,763,011**

13. Other Income

S.N.	Particulars	Ashad End 2083	Ashad End 2082
1	Exit Load Incomes	697,761	376,331
2	Underwriting Income	-	100,000
3	Closeout Income	22,856	252,413
4	Other Income	19,909	
	Total Amount	**740,526**	**728,744**

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

S.N	Name	Ashad End 2083				
		Units	Value per unit	Value Amount	Cost Price	Total Cost
1	Nepal Bank Limited	73,000	261.60	19,096,800	270.74	19,7[illegible],24[illegible]
2	Sanima Bank Limited	61,500	350.00	21,525,000	355.61	21,869,824

3	Prime Commercial Bank Limited	76,001	239.90	18,232,640	240.81	18,302,090
4	Global Ime Bank Limited	40,000	240.00	9,600,000	232.62	9,304,660
5	Agricultural Development Bank Limited	80,000	309.00	24,720,000	296.32	23,705,732
6	Laxmi Sunrise Bank Limited	100,000	215.10	21,510,000	208.54	20,853,651
7	Nabil Bank Limited	82,500	534.90	44,129,250	522.88	43,137,398
8	Prabhu Bank Limited	24,900	189.60	4,721,040	202.14	5,033,192
9	Kamana Sewa Bikas Bank Limited	44,000	474.00	20,856,000	473.11	20,816,670
10	Asian Life Insurance Company Limited	121,943	419.00	51,094,117	485.02	59,145,219
11	National Life Insurance Company Limited	67,500	579.00	39,082,500	594.75	40,145,896
12	Nepal Life Insurance Company Limited	59,770	749.80	44,815,546	768.67	45,943,358
13	Suryajyoti Life Insurance Company Limited	62,386	413.00	25,765,418	457.77	28,558,579
14	Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	43,000	635.00	27,305,000	719.20	30,925,708
15	Chhimek Laghubitta Bittiya Sanstha Limited	8,770	922.00	8,085,940	941.89	8,260,350
16	Neco Insurance Limited	52,434	610.00	31,984,740	688.42	36,096,707
17	Shikhar Insurance Company Limited	59,001	615.00	36,285,615	717.03	42,305,251
18	Prabhu Insurance Limited	48,013	668.10	32,077,485	695.50	33,393,156
19	Nepal Insurance Company Limited	55,573	512.90	28,503,392	631.03	35,067,963
20	Himalayan Everest Insurance Limited	54,992	520.00	28,595,840	603.17	33,169,494
21	Sanima Gic Insurance Limited	35,284	469.00	16,548,196	570.55	20,131,314
22	Siddhartha Premier Insurance Limited	38,276	741.00	28,362,516	819.47	31,365,965
23	Sagarmatha Lumbini Insurance Company Limited	59,686	605.00	36,110,030	727.54	43,423,773
24	IGI Prudential Insurance Limited	48,660	449.00	21,848,340	565.60	27,522,067
25	United Ajod Insurance Limited	43,411	433.00	18,796,963	512.90	22,265,379
26	Kumari Equity Fund	380,000	10.16	3,860,800	10.20	3,877,300
27	NIBL Growth Fund	2,000,000	10.91	21,820,000	10.00	20,000,000
28	Deprosc Laghubitta Bittiya Sanstha Limited	9,501	850.00	8,075,850	858.70	8,158,491
29	Citizens Bank International Limited	85,000	196.90	16,736,500	204.48	17,380,731
30	Garima Bikas Bank Limited	78,000	403.80	31,496,400	397.64	31,016,298
31	Shine Resunga Development Bank Limited	84,500	415.00	35,067,500	415.97	35,149,176
32	Rasuwagadhi Hydropower Company Limited	22,000	253.00	5,566,000	307.12	6,756,[illegible]
33	Sarbottam Cement Limited	29,500	772.00	22,774,000	869.80	25,658,[illegible]

34	Sana Kisan Bikas Laghubitta Bittiya Sanstha Limite	52,997	751.90	39,848,444	767.90	40,696,287
35	Kumari Sabal Yojana	500,000	10.03	5,015,000	10.00	5,000,000
36	Muktinath Bikash Bank Limited	96,000	362.90	34,838,400	384.72	36,932,668
37	Soaltee Hotel Limited	54,500	489.50	26,677,750	492.25	26,827,372
38	Api Power Company Limited	47,000	320.70	15,072,900	316.18	14,860,543
39	MBL Equity Fund	300,000	10.00	3,000,000	10.00	3,000,000
40	Reliable Samriddhi Yojana	1,500,000	10.24	15,360,000	10.00	15,000,000
41	Machhapuchchhre Bank Limited	24,000	248.00	5,952,000	236.55	5,677,272
42	Everest Bank Limited	21,000	695.00	14,595,000	688.00	14,447,940
43	Nepal Investment Mega Bank Limited	12,000	190.00	2,280,000	213.37	2,560,453
44	Lumbini Bikas Bank Limited	46,000	483.40	22,236,400	503.20	23,147,098
45	Shangrila Development Bank Limited	28,000	404.00	11,312,000	422.21	11,821,763
46	Chandra Giri Hills Limited	21,492	755.20	16,230,758	860.02	18,483,647
47	Oriental Hotel Limited	9,222	682.00	6,289,404	726.29	6,697,809
48	Hotel Forest Inn Limited	2,972	644.00	1,913,968	100.00	297,200
49	Sahas Urja Limited	25,000	636.00	15,900,000	598.74	14,968,531
50	Arun Kabeli Power Limited	28,000	249.00	6,972,000	263.99	7,391,605
51	Ngadi Group Power Limited	14,000	398.00	5,572,000	466.97	6,537,523
52	Bungal Hydro Limited	1	585.00	585	445.33	445
53	Nepal Hydro Developer Limited	5,000	630.90	3,154,500	688.00	3,439,994
54	Mountain Energy Nepal Limited	23,500	568.90	13,369,150	601.61	14,137,884
55	Butwal Power Company Limited	15,000	668.00	10,020,000	732.19	10,982,800
56	Solu Hydropower Limited	7,335	509.00	3,733,515	100.00	733,500
57	Bhujung Hydropower Limited	743	681.00	505,983	100.00	74,300
58	Super Khudi Hydropower Limited	1,158	818.00	947,244	100.00	115,800
59	Ridge Line Energy Limited	1,065	713.00	759,345	100.00	106,500
60	Suryakunda Hydro Electric Limited	515	874.30	450,265	100.00	51,500
61	Shikhar Power Development Limited	1,586	558.90	886,415	100.00	158,600
62	Kalinchowk Hydropower Limited	604	916.00	553,264	100.00	60,400
63	Appolo Hydropower Limited	689	819.00	564,291	100.00	68,900
64	Taksar Pikhuwa Khola Hydropower Limited	2,250	494.80	1,113,300	100.00	225,000
65	Yambaling Hydropower Limited	1,642	556.00	912,952	100.00	164,200
66	Snow Rivers Limited	696	779.00	542,184	100.00	69,600
67	Sanigad Hydro Limited	4,284	462.00	1,979,208	100.00	428,400
68	Kalanga Hydro Limited	2,611	473.00	1,235,003	100.00	261,100

NIC ASIA CAPITAL

Koirala & Associates Chartered Accountants Kathmandu

69	Himalayan Reinsurance Limited	18,492	553.00	10,226,076	862.02	15,940,477
70	Nepal Re-Insurance Company Limited	9,000	923.00	8,307,000	1,607.42	14,466,819
71	Shivam Cements Limited	33,000	621.00	20,493,000	657.85	21,709,057
72	Himalayan Distillery Limited	47,074	1,140.00	53,664,360	1,163.49	54,770,042
73	Palpa Cement Industries Limited	4,004	595.00	2,382,380	100.00	400,400
74	Sopan Pharmaceuticals Limited	3,136	780.00	2,446,080	100.00	313,600
75	Everest Colour Limited	594	100.00	59,400	100.00	59,400
76	Nerude Mirmire Laghubitta Bittiya Sanstha Limited	176	534.90	94,142	653.50	115,016
77	Citizens Santulit Yojana	1,000,000	9.02	9,020,000	10.00	10,000,000
78	Nepal Life Samriddhi Lagani Yojana	1,000,000	9.75	9,750,000	10.00	10,000,000
	Sub-Total (A)	**9,095,439**		**1,211,285,085**		**1,281,706,773**
	UNLISTED					
1	Prabhu Insurance Company Limited - Bonus Share	4,177	668.10	2,790,654	695.50	2,905,113
2	Neco Insurance- Bonus Share	2	610.00	1,220	688.42	1,377
3	United Ajod Insurance Limited - Bonus Share	1,860	433.00	805,380	512.90	953,989
4	Beni Hydropower Project Limited - IPO	760	100.00	76,000	100.00	76,000
5	Mount Everest Power Development Limited-IPO	1,293	100.00	129,300	100.00	129,300
6	Nepal Life Insurance Company Limited-Bonus Share	2,230	749.80	1,672,054	768.67	1,714,132
7	Sarvottam Paints Industries Limited- IPO	640	100.00	64,000	100.00	64,000
8	Sanima Equity Fund II-IPO	500,000	10.00	5,000,000	10.00	5,000,000
9	Reliable Samriddhi Yojana-2- IPO	1,000,000	10.00	10,000,000	10.00	10,000,000
10	Siddhartha Equity Fund 2- IPO	500,000	10.00	5,000,000	10.00	5,000,000
11	SGIC - Bonus Share	1,714	469.00	803,866	570.55	977,924
12	United Ajod Insurance Limited - Right Share	4,242	433.00	1,836,786	512.90	2,175,710
	Sub-Total (B)	**2,016,918**		**28,179,260**		**28,997,545**
	Grand Total	**11,112,357**		**1,239,464,345**		**1,310,704,318**
Unrealized Gain / (Loss)						**(71,239,973)**
Less: Previous Year Unrealized Gain/(Loss)						**21,314,319**
Unrealized Gain / (Loss) This Year						**(92,554,292)**

NIC ASIA CAPITAL

Saroj Koirala & Associates Chartered Accountants Kathmandu

S.N	Name	Ashad End 2082				
		Units	Value per unit	Value Amount	Cost Price	Total Cost
1	Nepal Bank Limited	30,683	291.44	8,942,254	285.59	8,762,899
2	Prime Commercial Bank Limited	46,000	276.31	12,710,260	258.27	11,880,444
3	Agricultural Development Bank Limited	67,137	327.13	21,962,527	300.06	20,145,367
4	Laxmi Sunrise Bank Limited	49,603	238.74	11,842,220	219.18	10,871,769
5	Nabil Bank Limited	58,059	541.37	31,431,401	518.67	30,113,636
6	Asian Life Insurance Company Limited	72,303	498.36	36,032,923	637.89	46,121,401
7	National Life Insurance Company Limited	39,450	623.58	24,600,231	613.78	24,213,504
8	Nepal Life Insurance Company Limited	32,507	772.97	25,126,936	782.11	25,424,174
9	Suryajyoti Life Insurance Company Limited	57,578	446.69	25,719,517	461.03	26,545,425
10	Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	29,569	768.71	22,729,986	750.07	22,178,848
11	Neco Insurance Limited	35,632	710.36	25,311,548	704.79	25,113,023
12	Shikhar Insurance Company Limited	31,625	773.53	24,462,886	768.11	24,291,347
13	Prabhu Insurance Limited	33,062	921.26	30,458,698	870.43	28,778,296
14	Nepal Insurance Company Limited	34,124	645.18	22,016,122	778.77	26,574,753
15	Himalayan Everest Insurance Limited	34,302	616.36	21,142,381	602.66	20,672,429
16	Sanima GIC Insurance Limited	28,284	609.99	17,252,957	597.77	16,907,236
17	Siddhartha Premier Insurance Limited	24,276	840.35	20,400,337	810.96	19,686,950
18	Sagarmatha Lumbini Insurance Company Limited	51,467	726.09	37,369,674	724.79	37,302,824
19	IGI Prudential Insurance Limited	29,245	556.99	16,289,173	572.13	16,731,878
20	United Ajod Insurance Limited	24,465	571.56	13,983,215	589.37	14,419,015
21	Kumari Equity Fund	300,000	9.95	2,985,000	10.00	3,000,000
22	RBB Mutual Fund 1	250,000	9.96	2,490,000	10.00	2,500,000
23	Nibl Growth Fund	2,000,000	9.86	19,720,000	10.00	20,000,000
24	Deprosc Laghubitta Bittiya Sanstha Limited	1,000	882.25	882,250	781.47	781,472
25	Citizens Bank International Limited	50,295	228.28	11,481,343	209.82	10,552,703
26	Garima Bikas Bank Limited	35,146	428.36	15,055,141	400.72	14,083,752
27	Shine Resunga Development Bank Limited	43,487	431.97	18,785,079	417.37	18,150,302
28	Rasuwagadhi Hydropower Company Limited	5,000	336.35	1,681,750	357.51	1,787,566
29	Chirkhwa Hydro Power Limited	4	662.09	2,648	100.00	400
30	Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited	14,894	884.41	13,172,403	803.08	11,961,055
31	Kumari Sabal Yojana	500,000	10.00	5,000,000	10.00	5,000,000
32	Muktinath Bikash Bikas Bank	5,000	405.92	2,029,600	384.94	1,92[illegible]720
33	Soaltee Hotel Limited	19,925	577.58	11,508,282	561.78	11,193,553

NIC ASIA CAPITAL

Sagar Koirala & Associates Chartered Accountants Kathmandu

P.Shakya.

34	Api Power Company Limited	30,000	295.92	8,877,600	303.24	9,097,162
35	Pure Energy Limited	1,341	871.71	1,168,963	100.00	134,100
36	Sun Nepal Life Insurance Company Limited	553	490.64	271,324	100.00	55,300
37	Guardian Micro Life Insurance Limited	1,379	2,194.29	3,025,926	100.00	137,900
38	Crest Micro Life Insurance Limited	1,351	1,364.36	1,843,250	100.00	135,100
39	Trade Tower Limited	3,385	100.00	338,500	100.00	338,500
40	Om Megashree Pharmaceuticals Limited	1,649	1,517.76	2,502,786	100.00	164,900
41	Mbl Equity Fund	300,000	9.93	2,979,000	10.00	3,000,000
42	Reliable Samriddhi Yojana	1,500,000	9.93	14,895,000	10.00	15,000,000
43	Nepal Micro Insurance Company Limited	1,347	1,559.40	2,100,512	100.00	134,700
	Sub-Total (A)	**5,875,127**		**592,581,601**		**585,868,405**
	Unlisted					
1	Sanvi Energy Limited - IPO	2,473	100.00	247,300	100.00	247,300
2	Him Star Urja Company Limited- IPO	821	100.00	82,100	100.00	82,100
3	Bikash Hydropower Company Limited - IPO	3,101	100.00	310,100	100.00	310,100
4	Asian Life Insurance Company Limited - Bonus	4,898	498.36	2,440,967	637.89	3,124,388
5	National Life Insurance Company Limited - Bonus	1,372	623.58	855,552	613.78	842,102
6	Asian Life Insurance Company Limited - Value Of Right	25,748	520.03	13,389,732	100.00	2,574,800
7	Neco Insurance Limited- Bonus Share	1,759	710.36	1,249,523	704.79	1,239,723
8	United Ajod Insurance Limited - Bonus Share	2,446	571.56	1,398,036	589.37	1,441,607
9	Nepal Insurance Company Limited - Value of Right	8,862	606.65	5,376,132	100.00	886,200
	Sub-Total (B)	**51,480**		**25,349,443**		**10,748,320**
	Grand Total	**5,926,607**		**617,931,044**		**596,616,725**
Unrealized Gain / (Loss)						**21,314,319**
Less: Previous Year Unrealized Gain/(Loss)						**3,784,406**
Unrealized Gain / (Loss) This Year						**17,529,913**

15. Operating Expenses

S.N.	Particulars	Ashad End 2083	Ashad End 2082
1	Fund Management Fee	26,493,053	16,901,730
2	Depository Fee	3,532,407	2,253,564
3	Supervisor Fee	1,766,204	1,126,782
4	Notice Publication Expenses	250,055	427,894
5	Scheme Audit Expenses	113,000	113,000
6	Bank Charges	2,986	1,388
7	Annual and Software fee- CDSC	370,000	270,000
8	Book Building Application Fee	5,000	5,000
9	Transaction Cost	2,729,045	1,758,879
10	Demat Renewal Fee	100	200
11	SEBON Fee	1,500,000	1,003,000
12	Other Expenses	51,309	-
	Total Amount	**36,813,159**	**23,861,439**

NIC ASIA CAPITAL

Saroj Koirala & Associates Chartered Accountants Kathmandu

15.1. Expenses and Service Fees

All expenses are accounted for on an accrual basis. Following fees incurred by the Scheme: Up to the Ashad End

- Fund Management Fees: 1.50% of Net Assets Value (NAV) *
- Depository Fees: 0.20% of NAV *
- Fund Supervisor Fees: 0.10% of NAV *

* NAV for this purpose is computed based on quarterly average of daily NAV. The fee is booked quarterly at the end of the First, Second, Third and Fourth quarter of the financial year (at the end of Ashwin 2082, Poush 2082, Chaitra 2082, and Ashad 2083).

15.2. Employees Related Expenses:

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

15.3. Fund Management, Depository and Supervisor Fee

Total Fund Management, Depository and Fund Supervisor Fees are calculated and recognized as per the mutual Fund Regulation, 2067. The total fees charged for FY 2081.82 and FY 2082.83 are as follows:

F/Y	Fund Management Fee	Depository Fee	Supervisor Fee
2082.83	26,493,053	3,532,407	1,766,204
2081.82	16,901,731	2,253,564	1,126,782

16. Other Information

16.1. Financial Risk Management

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

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

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

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

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

16.1.1. Market Risk

a. Price Risk

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

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the management company. The Fund's policy requires that the overall market position is monitored daily by the Fund Management Company.

Investment Threshold

As per the Mutual Fund Regulation, 2067 investment in fixed deposit cannot be made more than 15% of Net Asset Value of the scheme. The scheme has no investment in Fixed Deposit as of Asadh End, 2083.

b. Foreign Exchange Rate Risk

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

c. Cash Flow and Fair Value Interest Rate Risk

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

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

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

16.1.2. Credit Risk

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

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

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

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

Sector	Buying Amount	Market Value	Profit/(Loss)	Proportion
Commercial Banks	202,037,189	203,098,230	1,061,041	15.41%
Development Banks	158,883,674	155,806,700	(3,076,974)	12.12%
Hotels And Tourism	52,306,028	51,111,880	(1,194,147)	3.99%
Hydro Power	81,799,144	90,015,404	8,216,260	6.24%
Life Insurance	175,507,185	162,429,635	(13,077,550)	13.39%
Manufacturing And Processing	102,975,468	101,883,220	(1,092,248)	7.86%
Microfinance	88,155,853	83,409,377	(4,746,476)	6.73%
Mutual Fund	86,877,300	87,825,800	948,500	6.63%
Non-Life Insurance	331,755,182	285,351,023	(46,404,159)	25.31%
Others	30,407,296	18,533,076	(11,874,220)	2.32%
Total	**1,310,704,318**	**1,239,464,345**	**(71,239,973)**	**100.00%**

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16.1.3. Liquidity Risk

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

The Fund is exposed to daily cash redemptions of redeemable units. Its policy is therefore to invest most of its assets in investments that are traded in an active market or can be readily disposed.

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

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

16.2 Related Party Transactions

Related Parties:

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

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

a. Unit Holding of NIC ASIA Bank Limited (Fund Sponsor) amounts to NPR 217,721,213.
b. NIC ASIA Dynamic Debt Fund have earned interest amounting to NPR 2,357,360.80 (Two Million Three Hundred Fifty-Seven Thousand Three Hundred Sixty and 80/100 Rupees Only) in call account.
c. Fund Management and Depository Fee incurred by NIC ASIA Dynamic Debt Fund during the year amounts to NPR. 30,025,460.17 (out of which NPR. 8,775,777.23 is still payable to NIC ASIA Capital Limited).

16.3 Contingent Liability

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

16.4 Previous Year's Balance

Previous Year financial figures were rearranged and regrouped wherever necessary.

16.5 NAV Details: -

The details of the NAV Certified by auditor and the NAV at the end of the Financial Year are as follows:

Date	NAV
16/07/2025	10.72
16/07/2026	9.94

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16.6 Reporting

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

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