

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF NIC ASIA CAPITAL LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **NIC Asia Capital Limited** ("the Company"), which comprise the Statement of Financial Position as at Asadh 32, 2083, (July 16, 2026), the Statement of Profit or Loss (including Other Comprehensive Income), the Statement of Change in Equity and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid the financial statements presents fairly, in all material respects, the financial position of the Company, as at Asadh 32, 2083 (July 16, 2026), and its financial performance, changes in equity, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Financial Reporting Standards and comply with Company Act, 2063, Securities Act, 2063 and other prevailing laws.

Basis for Opinion

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

Key Audit Matters

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

We have determined the matter described below to be the key audit matter to be communicated in our report.

S.No.	Key Audit Matter	Our Audit approach and response
1.	Valuation and Existence of investments Investment of the Company comprises quoted and unquoted equity shares of various companies, fixed deposits in various banks and financial institutions, investment in mutual funds and debentures. Investment in equity securities are valued at fair value through profit and loss (FVTPL). The investment in debentures and Mutual Fund are valued at fair value through other comprehensive income(FVTOCI). Investment in various bank and financial institutions as fixed deposit are recognized at amortized cost. The valuation of the investment requires	Our audit procedures included the following: A. Investment existence. 1. We obtained an understanding of internal control processes and tested key controls over recognition of investment. 2. We confirmed the existence of investments as at year-end through - Review of Broker settlement statements on sampling basis. - Scrutiny of DEMAT account statements. - Scrutiny Fixed Deposit Receipt.

	special attention and further in view of the significance of amount of the investment in the financial statements, the same is considered a key audit matter in our audit.	B. Investment Valuation 1. We obtained an understanding of internal control processes and tested key controls over measurement and valuation of investment. 2. We ensured classification and accounting of investments made by company and their valuation were in accordance with NFRS 9, NFRS 13 and the valuation policy of the company. 3. We verified investment in fixed deposit at the year end through fixed deposit receipt. 4. We verified the price of equity investments at year end using sources such as: • NEPSE published rates; • Internal documentation for fair value adjustments where applicable.
2.	Income from Depository Participants Revenue from depository participant ("DP") operations constitutes a significant portion of the Company's operating income. This revenue stream comprises multiple fee categories, including transaction charges on on-market trades executed for beneficial owners (DIS fees), annual BO account maintenance charges (DEMAT AMC), Mero Share renewal fees, DEMAT account opening fees, and Mero Share registration fees, among others. Revenue from these services is recognized in the Statement of Profit or Loss upon delivery of the underlying service to the customer. This revenue makes up a significant portion of the Company's total income. So, we considered the recognition of DP service revenue as a Key Audit Matter.	Understanding the Revenue Recognition process: 1. We gained a comprehensive understanding of the revenue recognition process by reviewing relevant documentation, including policies, procedures, and contracts governing revenue generation within the Depository Participants Service (DPS) department 2. Review of Reconciliation Statements: We examined the reconciliation statements of bank accounts and merchant wallets maintained for income collection. This review aims to assess the accuracy and reliability of the data provided by the DPS department and ensure that it aligns with the financial records. 3. Re-calculation of Revenue from CDSC Bills: We independently recalculated revenue using the bills issued by the Central Depository System Corporation (CDSC), enabling us to verify the accuracy of revenue recognition based on the pre-defined charges payable to CDSC, whether expressed as a percentage or a fixed amount of revenue collected.

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

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



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

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

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

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

Management is responsible for the preparation and fair presentation of these financial Statements in accordance with Nepal Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud and error.

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

The Board of Directors 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.

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



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

Report on Other Legal and Regulatory Requirements

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

- i. We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
- ii. The company has kept proper books of accounts as required by law, in so far as it appears from our examination of those books of account.
- iii. The Statement of Financial Position, Statement of Profit or Loss (including other Comprehensive Income), the Statement of Change in Equity and the Statement of Cash Flows and attached Schedules dealt with by this report are in agreement with the books of account maintained by the company.
- iv. During our examination of the books of account of the company, we have not come across the cases where the Board of Directors or any member thereof or any representative or any office holder or any employee of the company has acted contrary to the provisions of law or caused loss or damage to the company.
- v. We have not come across any fraudulence in the accounts, based on our sample examination of the books.
- vi. The company has maintained all the required capital funds, net current assets and deposits as per relevant law.
- vii. The company has maintained all the required internal control systems.
- viii. We have not come across any cases where the company has conducted any activities against the capital market and the interest of investors.
- ix. The company has its audit committee.

Place: Kathmandu
Date: 11-08-2026
UDIN: 260817CA00485MV5Xs

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



Arun Raut, FCA
Partner

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

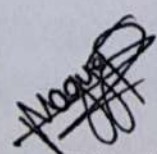
Statement of Financial Position as at 32nd Asadh, 2083 (16th July, 2026)

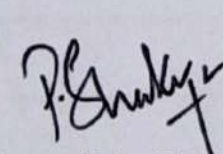
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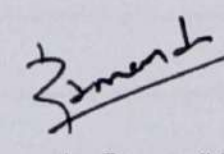
Particulars	Notes	32nd Asadh, 2083	32nd Asadh, 2082
ASSETS			
Non Current Assets			
Tangible Assets	3 f.	8,694,630	11,314,623
Intangible Assets	4 d.	2,161,284	1,469,012
Right of Use Asset	4 e.	404,465	809,968
Financial Assets held through FVOCI	6.b.	34,747,337	23,357,495
Loans & Advances	6 c.	124,344	124,344
Deferred Tax Asset	15.b.	4,098,723	2,102,460
Total Non Current Assets		50,230,783	39,177,902
Current Assets			
Cash and Cash Equivalents	7	584,344,679	475,571,002
Trade Receivables	8	53,743,365	61,652,957
Prepaid Expenses, Deposits & Advances	9	2,847,777	2,485,262
Financial Assets measured at Amortized Cost	6.e.	216,000,000	249,300,000
Financial Assets held through FVPL	6.f.	48,759,620	51,271,884
Total Current Assets		905,695,441	840,281,105
Total Assets		955,926,224	879,459,007
EQUITY AND LIABILITIES			
Non Current Liabilities			
Employee Benefits	10	5,132,162	4,870,359
Lease Liability	11.a.	244,023	891,758
Other Liability	11.a.	48,046,521	38,955,659
Deferred Tax Liability	15.b.		
Total Non Current Liabilities		53,422,706	44,717,775
Current Liabilities			
Employee Benefits	10	665,180	627,186
Trade & Other Payables	11 b.	523,102,030	458,580,432
Total Current Liabilities		523,767,210	459,207,618
Equity			
Share Capital	16	200,000,000	200,000,000
Retained Earnings		102,592,411	109,036,808
Other Reserve		76,143,897	66,496,805
Total Equity		378,736,308	375,533,613
Total Equity & Liabilities		955,926,224	879,459,007

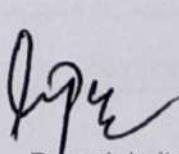
Explanatory Notes form an integral part of Financial Statements

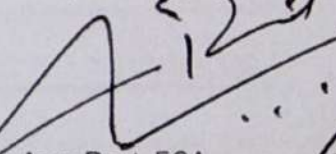
As per our report of even date

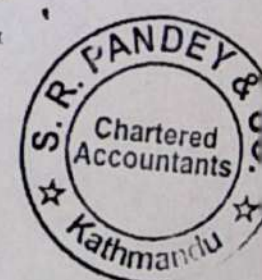

Pragya Pokhrel
Head - Accounts & Finance

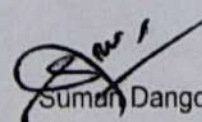

Pragya Ratna Shukla
Chief Operating Officer

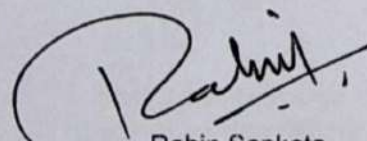

Ramendra Rayamajhi
Chief Executive Officer

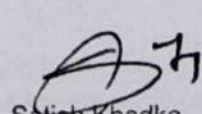

Rupesh Luitel
Chairman


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




Suman Dangol
Independent Director


Rabin Sapkota
Independent Director


Satish Khadka
Director

Date: 2026.08.11
Place: Kathmandu



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

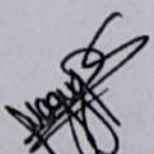
Statement of Profit or Loss

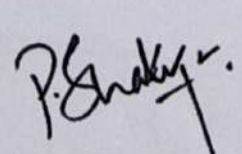
For the Period from 1st Shrawan, 2082 to 32nd Asadh, 2083 (17th July, 2025 to 16th July, 2026)

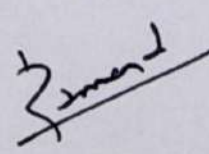
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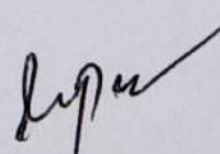
Particulars	Notes	Current Year	Previous Year
Income from Merchant Banking	13.a.	165,826,637	176,672,631
Income from Mutual Fund	13.b.	95,482,990	92,466,833
Interest Income	13.c.	16,285,597	15,709,706
Income from Depository Participant (Mutual Fund)	13.d.	12,731,065	12,328,911
Net Gains/(Loss) on financial Assets held at Fair value	13.e.	477,022	6,560,859
Net Unrealised Gains/(Loss) on financial Assets held at Fair value	13.e.	(6,120,990)	(1,401,058)
Dividend Income	13.e.	1,896,746	1,896,523
Other Income	13.e.	3,242,376	2,385,534
Total Operating Income		289,821,443	306,619,939
Operating Expense			
Merchant Banking Expenses	14.a.	40,881,198	40,545,651
Mutual Fund Expenses	14.b.	2,964,490	2,874,005
Depository Participant (Mutual Fund) Expenses	14.c.	406,932	394,867
Operating Profit		245,568,824	262,805,416
Administrative & Other Expenses			
Staff Cost	14.d.	68,292,690	66,492,584
Premises Costs	14.e.	2,462,747	9,397,351
Advertisement and Promotion Expenses	14.f.	702,167	1,173,918
General Administrative Expenses	14.g.	18,571,389	12,318,065
Actuarial (Gain)/Loss	10	(439,242)	-
Impairment (Gain)/Loss	12	463,123	-
Depreciation and amortisation	3 f.	4,961,412	4,931,291
Profit Before Tax		150,554,538	168,492,207
Tax Expenses			
Current Tax	15	47,110,797	53,399,721
Deferred Tax Expenses/(Income)	15	(1,674,915)	(1,395,612)
Profit for the Year		105,118,656	116,488,098
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		(1,071,158)	1,164,705
Total Other Comprehensive Income / (Expenses)		(1,071,158)	1,164,705
Tax Expense/ Income relating to Components of OCI		321,347	(349,412)
Total Comprehensive Income for the Year		(749,811)	815,294
Attributable to			
Equity Share Holders		104,368,845	117,303,392

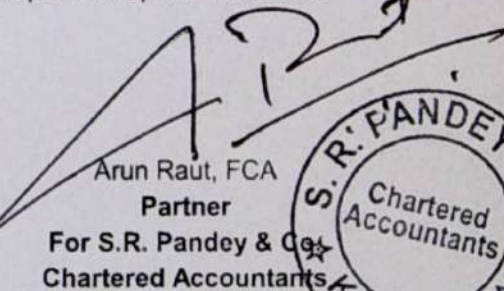
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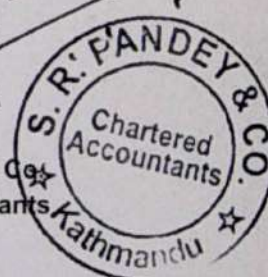

Pragya Pokhrel
Head - Accounts & Finance

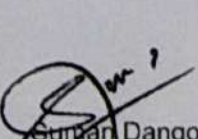

Pragya Ratna Shakya
Chief Operating Officer

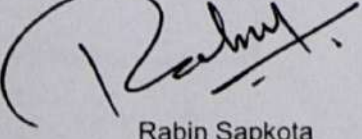

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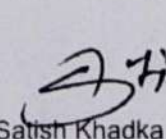

Rupesh Luitel
Chairman


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




Surjan Dangol
Independent Director


Rabin Sapkota
Independent Director


Satish Khadka
Director

Date: 2026.08.11
Place: Kathmandu



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

Statement of Cash Flow

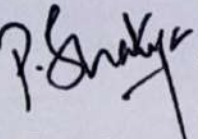
For the Period from 1st Shrawan, 2082 to 32nd Asadh, 2083 (17th July, 2025 to 16th July, 2026)

Particulars	Current Year	Previous Year
A. Cash Flow from Operating Activities		
Net Profit before Tax	150,554,538	168,492,207
Adjustments for:		
Depreciation expenses	4,961,412	4,931,291
Income Tax Paid	(52,004,109)	(52,328,503)
OCI Income Adjustment	(749,811)	815,294
(Increase) / Decrease in ROU Assets	405,503	4,184,154
Increase/(Decrease) in Liabilities	79,832,749	127,121,660
(Increase)/Decrease in Investments	(8,877,579)	(25,444,072)
(Increase)/Decrease in Fixed Deposits	33,300,000	180,005,400
(Increase)/Decrease in Other Assets	5,550,815	4,410,090
CSR Expenses Paid	(1,166,150)	(119,090)
Net Cash Flow from Operating Activities (1)	211,807,368	412,068,431
B. Cash Flow from Investing Activities		
Sale/(Purchase) of Tangible Fixed Assets	(3,033,691)	(1,903,800)
Sale/(Purchase) of Intangible Assets		
Net Cash Flow from Investing Activities (2)	(3,033,691)	(1,903,800)
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Share Capital		-
Dividend Paid	(100,000,000)	(105,060,000)
Net Cash Flow from Financing Activities (3)	(100,000,000)	(105,060,000)
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	108,773,677	305,104,631
Cash and Cash Equivalents at beginning of the year/period	475,571,002	170,466,371
Cash and Cash Equivalents at end of the year/period	584,344,679	475,571,002

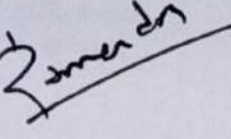
As per our report of even date


Pragya Pokhrel

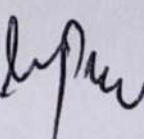
Head - Accounts & Finance


Pragya Ratna Shakya

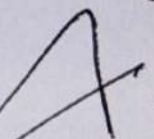
Chief Operating Officer


Ramendra Rayamajhi

Chief Executive Officer

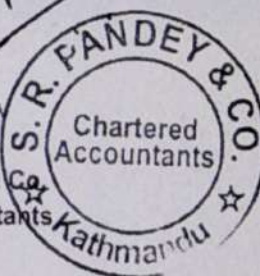

Rupesh Luitel

Chairman


Arun Raut, FCA

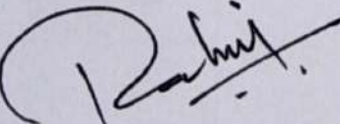
Partner
For S.R. Pandey & Co.

Chartered Accountants
Kathmandu




Suman Dangol

Independent Director


Rabin Sapkota

Independent Director


Satish Khadka

Director

Date: 2026.08.11
Place: Kathmandu



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

Statement of Changes in Equity

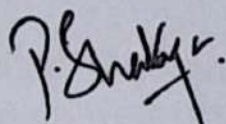
For the Period from 1st Shrawan, 2082 to 32nd Asadh, 2083 (17th July, 2025 to 16th July, 2026)

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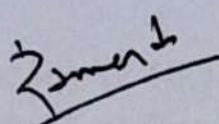
Particulars	Share Capital	Retained Earnings	Statutory Reserve	CSR Reserve	Other Reserve	Total
Balance at the End of FY 2080/81	200,000,000	110,422,401	49,762,236	3,815,412	(590,737)	363,409,311
Issue of Share Capital	-	-	-	-	-	-
Profit / (Loss) for the Year	-	116,488,098	-	-	-	116,488,098
Other Comprehensive Income/ (Expense) net of t	-	-	-	-	815,294	815,294
Transferred to Statutory Reserve	-	-	-	-	-	-
Transfer to CSR Reserve	-	(11,648,810)	11,648,810	-	-	-
Transfer from CSR Reserve to Retained Earning	-	(1,164,881)	-	1,164,881	-	-
Expenses from CSR Reserve	-	-	-	-	-	-
Opening Adjustment on Right to Use of Assets (NFRS 16)	-	-	-	(119,090)	-	(119,090)
Opening Adjustment for unrealised gain on share:	-	-	-	-	-	-
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
Issue of Share Capital	-	-	-	-	-	-
Profit / (Loss) for the Year	-	105,118,656	-	-	-	105,118,656
Other Comprehensive Income/ (Expense) net of t	-	-	-	-	(749,811)	(749,811)
Transferred to Statutory Reserve	-	(10,511,866)	10,511,866	-	-	-
Transfer to CSR Reserve	-	(1,051,187)	-	-	-	(1,051,187)
Transfer from CSR Reserve to Retained Earning	-	-	-	1,051,187	-	1,051,187
Expenses from CSR Reserve	-	-	-	-	-	-
Opening Adjustment on Right to Use of Assets (NFRS 16)	-	-	-	(1,166,150)	-	(1,166,150)
Opening Adjustment for unrealised gain on share:	-	-	-	-	-	-
Dividend Paid during the Year	-	(100,000,000)	-	-	-	(100,000,000)
Balance at the End of FY 2082/83	200,000,000	102,592,411	71,922,911	4,746,240	(525,254)	378,736,308


Pragna Pokhrel

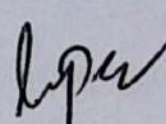
Head - Accounts & Finance


Pragna Ratna Shakya

Chief Operating Officer

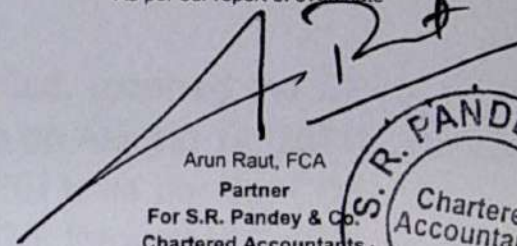

Ramendra Rayamajhi

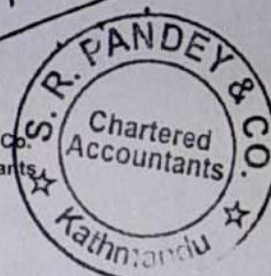
Chief Executive Officer

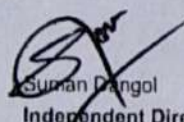

Rupesh Luitel

Chairman

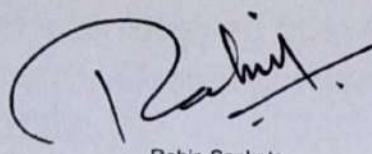
As per our report of even date


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

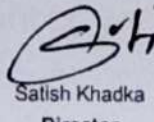



Suman Dangol

Independent Director


Rabin Sapkota

Independent Director


Satish Khadka

Director

Date: 2026.08.11
Place: Kathmandu



Notes to the Financial Statements as of Ashad End, 2083 (16th July, 2026)

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, MF-Depository, 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 26 Shrawan 2083 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 up 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.



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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.

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 217,269.00 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.

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 – 20 years or lease period whichever is lower	

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 32/03/2082	Additions during the year	Disposals during the year	Balance as at 32/03/2083
At Cost				
Furniture & Office Equipment	19,794,422	1,204,950	-	20,999,372
Vehicle	9,877,400	-	-	9,877,400
Depreciation				
At Cost				
Furniture & Office Equipment	13,954,082	2,241,610	-	16,195,692
Vehicle	4,403,117	1,583,333	-	5,986,450
Net Book Value				
Furniture & Office Equipment	5,840,340	-	-	4,803,680
Vehicle	5,474,283	-	-	3,890,950
Net Book Value at 32nd Asadh 2083				8,694,630
Net Book Value at 32nd Asadh 2082				11,314,623

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

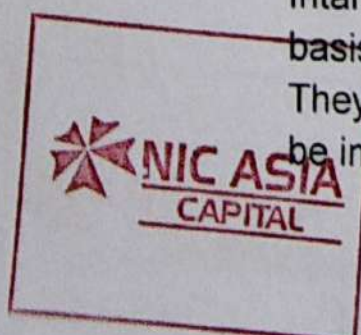
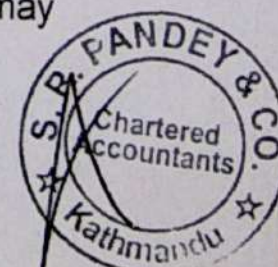
Intangible assets are amortized over their estimated useful economic life on a straight-line basis.

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 and other Intangible Assets - 5 Years

License – Life of License



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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 32/03/2082	Additions during the year	Disposals during the year	Balance as at 32/03/2083
At Cost				
License & Software	6,643,365	1,828,741	-	8,472,106
Depreciation				
At Cost				
License & software	5,174,353	1,136,469	-	6,310,822
Net Book Value				
License & software	1,469,012	-	-	2,161,284
Net Book Value at 32nd Asadh 2083				2,161,284
Net Book Value at 32nd Asadh 2082				1,469,012

e. Right of Use Assets

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
Right of Use Asset	404,465	809,968

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 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

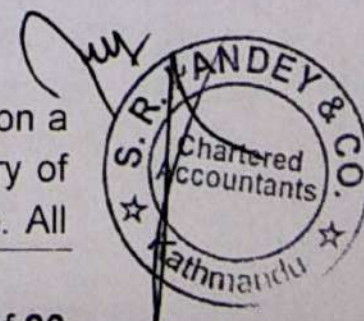
Financial assets and financial liabilities are recognized in the Entity's statement of financial position when the Entity becomes a party to the contractual provisions of the instrument.

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 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.

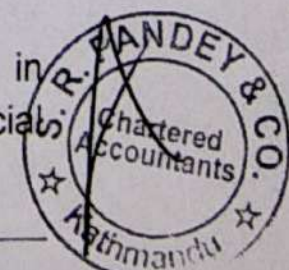
6.2 Financial liabilities and equity



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.

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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:

- 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.

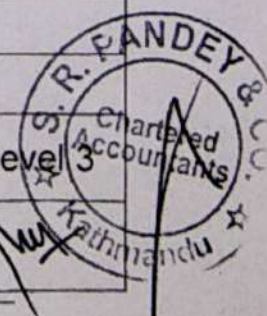
Level 2 valuations are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

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.

b) Financial Assets held through FVOCI

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
10.35% ADBL Bond	5,725,755	6,065,640
6.25% Prime Bank Debenture 2093	12,461,000	-
Investment in NIC ASIA Balanced Fund	12,526,668	13,245,189
Seed Capital Investment-NICGF 2	4,033,914	4,046,666
Total	34,747,337	23,357,495

S.N	Name	FY 2082/83					Input Level
		Unit	Market Value per unit	Value Amount	Cost Price	Total Cost	
	LISTED						
1	10.35% ADBL Krishi Bank Rinptra, 2083	5,229	1,095.00	5,725,755	1,160.00	6,065,640	Level 1
2	NIC ASIA Balanced Fund	1,355,700	9.24	12,526,668	9.77	13,245,189	Level 1
3	NIC ASIA Growth Fund-2	425,070	9.49	4,033,914	9.52	4,046,666	Level 1
	Sub-Total (A)			22,286,337		23,357,495	
	Unlisted						
	6.25% Prime Bank Debenture 2093	12,461	1,000.00	12,461,000	1,000.00	12,461,000	Level 3
	Sub-Total (B)			12,461,000		12,461,000	



Grand Total (A+B)	34,747,337	35,818,495
Unrealized Gain / (Loss)		(1,071,158)
Add/(Less): Previous year increase/ (decrease) in fair value		-
Increase / (Decrease) in Fair Value		(1,071,158)

S.N.	Name	FY 2081/82					Input Level
		Unit	Market Value per unit	Value Amount	Cost Price	Total Cost	
	LISTED						
1	10.35% ADBL Krishi Bank Rinpatra, 2083	5,229	1,160.00	6,065,640.00	1,137.90	5,950,079.10	Level 1
2	NIC ASIA Balanced Fund	1,355,700	9.77	13,245,189.00	9.41	12,757,137.00	Level 1
3	NIC ASIA Growth Fund-2	425,070	9.52	4,046,666.40	8.2	3,485,574.00	Level 1
	Sub-Total (A)			23,357,495.40		22,192,790.10	
	Unlisted						
	-	-	-	-	-	-	
	Sub-Total (B)			-		-	
	Grand Total (A+B)			23,357,495.40		22,192,790.10	
	Unrealized Gain / (Loss)					1,164,705.30	
	Add/(Less): Previous year increase/ (decrease) in fair value					-	
	Increase / (Decrease) in Fair Value					1,164,705.30	

c) 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, 2083	32 nd Asadh, 2082
Security Deposit	124,344	124,344
Total	124,344	124,344

d) Loans & Advances– Current

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
Unearned Interest on Security Deposit	-	-
Total	-	-

e) Financial Assets measured at Amortized Cost– Current

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
Fixed Deposit	216,000,000	249,300,000
Total	216,000,000	249,300,000



f) Financial Assets held at fair value through Profit or Loss

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
Investment in Shares	48,759,620	51,271,884
Total	48,759,620	51,271,884

S.N.	Name	FY 2082/83					Input Level
		Unit	Market Value per unit	Value Amount	Cost Price	Total Cost	
	LISTED						
1	Himalayan Bank Limited	32,290	194.50	6,280,405.00	233.15	7,528,559.35	Level 1
2	NMB Bank Limited	15,001	239.50	3,592,715.55	253.90	3,808,700.77	Level 1
3	Nepal Investment Mega Bank Limited	28,594	190.00	5,432,860.00	229.76	6,569,777.00	Level 1
4	Garima Bikas Bank Limited	23,067	403.80	9,314,309.23	440.28	10,155,760.27	Level 1
5	Nepal Life Insurance Company	1,500	749.80	1,124,700.00	783.13	1,174,700.64	Level 1
6	National Life Insurance Co. Ltd.	3	579.00	1,679.10	623.58	1,808.38	Level 1
7	Himalayan Distillery Limited	11,478	1,140.00	13,084,806.00	1,174.90	13,485,435.52	Level 1
8	Shivam Cements Limited	2,000	621.00	1,242,000.00	661.10	1,322,190.58	Level 1
9	Himalayan Re Insurance Ltd	8,157	553.00	4,510,821.00	974.15	7,946,178.15	Level 1
10	Banking Finance and Insurance Institute of Nepal Limited	27,500	151.83	4,175,325.00	105.00	2,887,500.00	Level 2
	Sub-Total (A)			48,759,620.88		54,880,610.66	
	Unlisted						
	-			-		-	
	Sub-Total (B)			-		-	
	Grand Total (A+B)			48,759,620.88		54,880,610.66	
	Unrealized Gain / (Loss)					(6,120,989.78)	
	Add/(Less): Previous year increase/ (decrease) in fair value					-	
	Increase / (Decrease) in Fair Value					(6,120,989.78)	

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
2	NMB Bank Limited	14,418	269.72	3,888,822.96	263.44	3,798,220.11	Level 1
3	Surya Jyoti Life Insurance	10,610	446.69	4,739,380.90	455.59	4,833,834.60	Level 1
4	Nepal Life Insurance Company	18,000	772.97	13,913,460.00	811.91	14,614,419.97	Level 1
5	Himalayan Distillery Limited	11,051	1,236.54	13,664,694.41	1,230.01	13,592,558.40	Level 1
6	Nepal Investment Mega Bank Limited	25,594	231.02	5,912,725.88	234.70	6,007,025.61	Level 1
7	National Life Insurance Co. Ltd.	119	623.58	74,143.66	606.68	72,134.10	Level 1

8	BFIN	27,500	105.00	2,887,500.00	99.36	2,732,500.00	Level 2
	Sub-Total (A)			51,271,884.81		52,672,942.76	
	Unlisted						
	-						
	Sub-Total (B)			-		-	
	Grand Total (A+B)			51,271,884.81		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					(1,401,057.95)	

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, 2083	32 nd Asadh, 2082
Cash in Hand	-	-
Cash at Bank	584,344,679	475,571,002
Total	584,344,679	475,571,002

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, 2083	32 nd Asadh, 2082
Trade Receivables	21,845,215	18,174,565
PMS Income Receivable	1,418,560	15,044,347
Mutual Fund Receivable	28,987,242	25,672,274
Corporate Advisory Fee Receivable	1,492,348	2,761,771
Total	53,743,365	61,652,957

9. Prepaid Expenses, Deposits & Advances

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



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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, 2083	32 nd Asadh, 2082
Advance Tax	1,768,953	104,665
Prepaid Expenses	742,955	1,053,157
Other Advance	335,868	1,327,440
Total	2,847,777	2,485,262

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.

Long Term Employee Benefit

The company provides accumulated benefit as Long term employee benefit. 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 long-term employee benefit plan is the present value of the long-term employee benefit obligation as at the reporting date. The long term employee benefit obligation is calculated as at the reporting date based on actuarial report.

Contributions to long term employee benefit 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 also be recognized in the statement of profit or loss as per para 154 of NAS 19 employee benefit.

Employee Benefits

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
At the beginning of the Year	5,497,545	4,272,017
Recognized on Income Statement	1,392,888	3,572,866
Actuarial (Gain)/Loss Recognized on Income Statement	(439,242)	-
Payments/ Payables during the Year	(653,849)	(2,347,339)
At the end of the Year	5,797,342	5,497,545

The total amount, NPR 5,797,342 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, 2083	32 nd Asadh, 2082
Non-Current Obligation	5,132,162	4,870,359
Current Obligation	665,180	627,186
Total	5,797,342	5,497,545

11. Trade & Other Payable

Trade Payable and other payable includes amounts payable related to operating expenditure and other payable relating to Issue Management, MF-Depository 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, 2083	32 nd Asadh, 2082
Lease Liability	244,023	891,758
Total	244,023	891,758

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.

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
Other Payable	48,046,521	38,955,659
Total	48,046,521	38,955,659

b. Trade & Other Payable-Current

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
Trade Payable	1,886,884	796,780
Payable to Staff	61,976	91,743
TDS Payable	1,178,902	711,785
Income Tax Payable	-	-



Audit Fee Payable	265,550	226,000
Payable to SEBON	1,300,099	1,172,559
Payable to CDSC	10,588,127	9,958,752
Auction Share Collection Payable	185,029,400	98,624,328
Right Share Collection Payable	328,815	324,215
IPO Collection Payable	9,398,485	638,637
Dividend Collection Payable	167,373,660	174,068,642
Debenture Interest Collection Payable	553,069	-
Other Payable	145,133,562	171,965,491
Share Lost & Notice Fee	3,500	1,500
Total	523,102,030	458,580,432

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.

During the year, the Company recognized an impairment loss of in respect of amounts due from a customer/client's following evidence that the outstanding balance is unlikely to be fully recoverable. Management assessed the expected recoverable amount based on available information and recognized an impairment accordingly.

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
Impairment Loss	463,123	-
Total	463,123	-

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.

Further, as of the end of FY 2082/83, based on the financial policy and management's assessment of the probability of recovery from account holders having securities, the accrued portion of Depository Participant (DP) renewal income relating to 35,006 accounts that meet the income recognition criteria has been recognized as income, amounting to NPR 6,980,600.

a. Income from Merchant Banking

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
Income from Issue Management	6,735,568	4,700,483
Income from Underwriting	-	3,755,949
Income from Corporate Advisory	7,080,040	9,544,312
Income from Depository Participant (DP)	143,058,616	134,369,766
Income from Share Registrar	3,738,415	3,224,056
Income from Portfolio Management Services	5,213,997	21,078,067
Total	165,826,637	176,672,631

b. Income from Mutual Fund

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
Income from Mutual Fund	95,482,990	92,466,833
Total	95,482,990	92,466,833

c. Interest Income

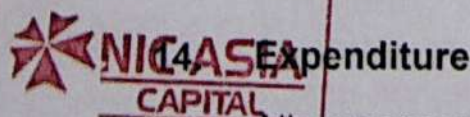
Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
Interest on Fixed Deposit	9,715,095	9,241,520
Interest on Call Accounts	5,932,749	5,926,985
Interest income on Debenture	637,753	541,202
Total	16,285,597	15,709,706

d. Income from Depository Participant (Mutual Fund)

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
Income from Depository Participant (Mutual Fund)	12,731,065	12,328,911
Total	12,731,065	12,328,911

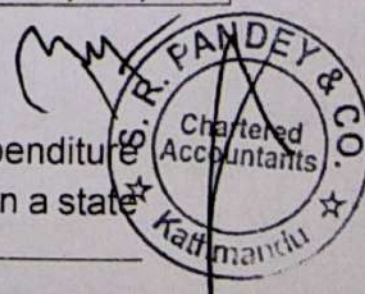
e. Other Income:

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
Net Realized (losses)/Gains on financial Assets at Fair Value Through Profit or loss	477,022	6,560,859
Net Unrealized (losses)/ Gains on financial assets at Fair Value Through Profit or Loss	(6,120,990)	(1,401,058)
Net Realized Gains on Financial Assets at Fair value through Profit or Loss	477,022	6,560,859
(Losses)/Gains on disposal of equity securities	(5,643,967)	5,159,801
Dividend Income	1,896,746	1,896,523
Misc. Income	3,242,376	2,385,534
Loss on sale of Lease Hold	-	-
	(504,845)	9,441,857



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, 2083	32 nd Asadh, 2082
Depository Participant Expense (DP)	39,293,158	38,401,564
RTS Expense	112,153	96,722
SEBON Commission Fee on PMS	156,419	632,343
SEBON Commission Fee on Corporate Advisory	212,401	286,329
SEBON Commission Fee on Issue Management	202,067	141,014
SEBON Commission Fee on Underwriting	-	112,678
License fees	905,000	875,000
Total	40,881,198	40,545,651

b. Mutual Fund Expenses

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
SEBON Commission-Mutual Fund Expenses	2,864,490	2,774,005
License Renewal Fee to SEBON	100,000	100,000
Total	2,964,490	2,874,005

c. Depository Participant Expense (Mutual Fund)

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
SEBON Commission Depository Participant Expense (Mutual Fund)	381,932	369,867
License Renewal Fee to SEBON	25,000	25,000
Total	406,932	394,867

d. Staff Cost

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
Staff Refreshment	840,681	927,736
Dashain Allowance	2,541,188	2,532,584
Employee Gratuity	1,485,244	1,368,072
Force Leave Expenses	1,165,717	1,063,360
GPA Insurance	109,133	53,091
Incentives for Staff	1,972,063	1,477,835
Leave Encashment	1,392,888	2,201,838
Medical Insurance	283,499	288,859
Outsource Staff Demat Entry Charge	647,642	501,663
Overtime Salary	24,926	5,685
Provident Fund Expenses	1,783,006	1,642,343
Salary Expenses	36,478,148	32,601,433
Staff Grading	1,204,610	1,077,578
Staff Service From NIC ASIA Bank	-	508,000
Star Performer	30,177	-
Training Expenses	603,486	507,651
Travelling and Daily Allowance	42,000	53,500
Vehicle Allowance	960,000	960,000
Staff bonus	16,728,282	18,721,356
Total	68,292,690	66,492,584

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, 2083	32 nd Asadh, 2082
Office Rent	104,778	1,261,444
Depreciation on Premises (NFRS 16)	405,503	5,445,756
Finance Cost (NFRS 16)	54,265	206,942
Utility Expenses	393,856	1,129,445
Security Charge	1,057,680	1,017,000
Internet Charge	446,665	-
Loss on termination of Lease Contract	-	336,764
Total	2,462,747	9,397,351

f. Advertisement and Promotion Expenses

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
Marketing and PR- Centre	278,027	506,246
Advertisement Expenses	424,141	665,977
Domain Registration Charge	-	1,695
Total	702,167	1,173,918

g. General Administrative Expenses

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
Cleaning Expenses- Chabahil	56,630	52,850
Cleaning Expenses-HO	463,848	454,883
Cleaning Expenses- Kritipur	49,500	32,160
Cloud Service	136,365	11,100
Fuel	293,037	358,502
Parking Charge	13,805	321,370
Vehicle Running Expenses	1,423,719	1,300,809
AGM Expenses	85,991	9,525
AMC Expenses	461,821	380,588
AML/CFT Committee Meeting Allowance	42,000	42,000
Analytical and Investment Tools	100,000	-
Annual Subscription Fee-Connect IPS	-	10,000
Audit Expenses	52,560	35,150
Audit Committee Meeting Fee	98,000	57,000
Bank Charge	14,349	7,473
Board Meeting Expenses	41,934	-
BOD Meeting Fee Allowance	475,500	495,000
Books, Newspaper & Periodicals	28,030	19,675
Bo to Bo Expenses	-	500
Business Registration	67,870	97,760
Consultancy Fees	104,694	180,007
Courier Charge	64,924	35,723
Credit Rating Fee	356,647	383,168
Domain Registration Charge	1,695	-
Demat Renewable Charge	1,500	1,600
DR Colocation Rental Service	29,380	-
Driver Cost	517,976	559,695
Flower Expenses	180,000	90,000
Insurance- Office Equipment	74,907	76,160
Insurance- Travel	2,762	-
Internal Audit Fee	118,650	-
Isha International -AMC	60,000	60,000
Kitchen Expenses	315,913	254,160

Kitchen Expenses- Anamnagar	-	45,405
Loss on Disposal of Assets	-	672,906
Khalti Service Charge	-	13,131
MERO SHARE RENEWAL CHARGE- Expenses	650	1,122
Microsoft 365 Business	401,527	433,818
Monthly Subscription Fee	307,454	271,200
Office Accessories and Equipment	217,269	285,804
Office Expenses	185,758	597,479
PROFESSIONAL FEE	927,500	282,500
Printing & Stationery Expenses	781,018	623,748
Renewal Fee- MBAN	100,000	40,000
Repair and Maintenance-Office Equipment- Anamnagar	-	10,170
Repair and Maintenance- Others	-	72,106
Repair & Maintenance-Office Equipment	405,592	382,168
Repair & Maintenance - Vehicle	89,649	125,072
Risk Management Committee Meeting Fee	154,000	141,000
Sectigo Wildcard SSL Certificate	17,798	35,595
Service From NIC ASIA Bank	6,000,000	-
SMS Charges	113,407	110,370
SMT- System X	203,400	407,248
Software Support Charge	1,355,286	1,346,314
SSL Certificate	3,814	15,255
Statutory Audit Fee	226,000	226,000
Tally AMC Charge	24,000	24,000
Travelling Expenses	136,922	120,081
Vehicle Insurance	107,202	94,705
Vehicle Tax	59,800	33,450
VPS Service	594,285	-
Water Expenses	174,081	208,840
Website Re-Design Development Expenses	42,320	112,490
Board Meeting - Other Expenses	-	3,005
Transportation Charge	-	58,200
Macfee Antivirus	108,649	108,650
Membership Fee-NPEA	100,000	32,877
Surveillance Fees	-	56,500
Total	18,571,389	12,318,065

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, 2083	32 nd Asadh, 2082
Advance Tax Expense	36,448	-
Current Tax Expenses	47,074,349	53,399,721
Deferred Tax Expenses/(Income)	(1,674,915)	(1,395,612)
Total	45,399,434	52,004,109

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, 2083	32 nd Asadh, 2082
Current Tax Expenses	47,074,349	53,399,721
Total	47,074,349	53,399,721

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, 2083	32 nd Asadh, 2082
13.1 Deferred Tax Asset		
Balance at the beginning of the Year		
Provision/ Release of timing difference made during the Year	4,146,855	2,337,108
Balance as at the end of the Year	4,146,855	2,337,108
13.2 Deferred Tax Liability		
Balance at the beginning of the Year		
Provision/ Release of timing difference made during the Year	(48,133)	(234,648)
Balance as at the end of the Year	(48,133)	(234,648)
Net Deferred Tax Asset / (Liability)	4,098,723	2,102,460
13.3 Deferred Tax Assets / (Liability) relates to the following		
Temporary difference from Property, Plant & Equipment	1,154,156	(461,365)
Temporary difference from Unrealized gain/loss on Investment	6,120,990	1,401,059
Temporary difference from Operating Lease (Rent)	(160,442)	891,758
Temporary difference from Employee Benefits	5,797,342	5,497,545
Temporary difference from CSR	-	-
Temporary difference from Unrealized gain/loss on Investment through FVOCI	750,363	(320,795)
Temporary Difference	13,662,409	7,008,201
Tax @	30%	30%

Particulars	32 nd Asadh, 2083	32 nd Asadh, 2082
Deferred Tax Asset/(Liabilities) as on year end of Ashar	4,098,723.64	2,102,460.23
Total Deferred tax Income/(Expenses)	1,996,262.41	1,046,200.10
Deferred tax Income/(Expenses) recognized in SOPL	1,674,914.98	1,395,611.69
Deferred tax Income/(Expenses) recognized in SOCI	321,347.43	(349,411.59)

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, 2083	32 nd Asadh, 2082
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 36 and assets under management is NPR 12.51 Crore.

NIC Asia Capital Limited has received a notice from the Social Security Fund (SSF) requiring contribution of funds under the SSF scheme and transfer of employee funds currently maintained in Provident Fund and Gratuity accounts. In response to this notice, a group of employees of NIC Asia Capital Limited has filed a writ petition before the Hon'ble Supreme Court of Nepal against the SSF, relevant government authorities, and the Company's Board of Directors and Chief Executive Officer, challenging the legality and implementation of the notice. The matter is currently under judicial consideration, and the outcome remains uncertain. Accordingly, the Company has disclosed this litigation in the notes to accounts of financial statements, without recognizing any provision, in compliance with NAS-37 "Provisions Contingent Liabilities and Contingent Assets", pending the final adjudication of the case.

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	165,826,637	95,482,990	12,731,065	3,242,376	277,283,067
Total Allocated Revenue	165,826,637	95,482,990	12,731,065	3,242,376	277,283,067
Unallocated Revenue		-	-	-	12,538,376
Total Revenue					289,821,443
Direct Expenses					
SEBON & CDSC Fee	39,976,198	2,864,490	381,932	-	43,222,620
License Renewal	905,000	100,000	25,000	-	1,030,000
Total Allocated Expenses	40,881,198	2,964,490	406,932	-	44,252,619
Unallocated Direct Expenses					-
Total Direct Expenses					-
Operating Profit					245,568,824

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

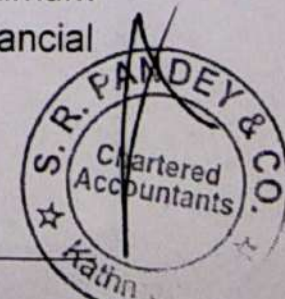
a. Price Risk

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.



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Key Management Personnel

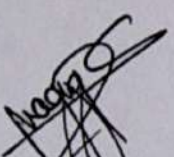
The company has appointed Mr. Ramendra Rayamajhi as the Chief Executive Officer (CEO) with an annual gross salary and allowance of NPR 14,298,203.67 including Annual Bonus and Incentive of FY 2082/83.

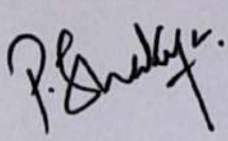
22. Events after reporting period

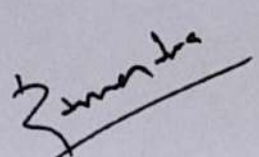
The company monitors and assesses events that may have potential impact to qualify as adjusting and / or non-adjusting events after the end of the reporting period. All adjusting events are adjusted in the books with additional disclosures and non-adjusting material events are disclosed in the notes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

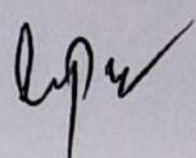
There are no material events that have occurred subsequent to 16th July, 2026 till the signing of this financial statement.

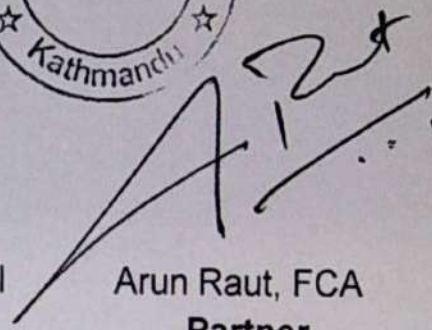
As per our report on even date

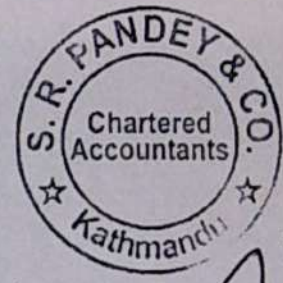

Pragya Pokhrel
Head - Accounts

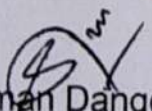

Pragya Ratna Shakya
Chief Operating Officer


Ramendra Rayamajhi
Chief Executive Officer

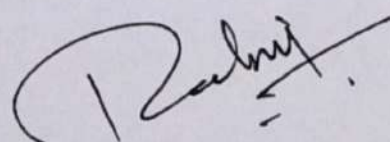

Rupesh Luitel
Chairman

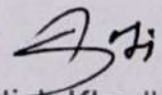

Arun Raut, FCA
Partner
For S.R. Pandey & Co.
Chartered Accountants




Suman Dangol
Independent Director




Rabin Sapkota
Independent Director


Satish Khadka
Director

Date:

Place: Kathmandu

Key Management Personnel

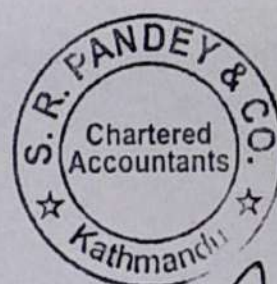
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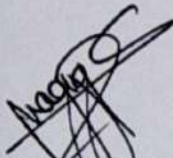
22. Events after reporting period

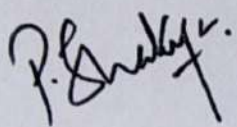
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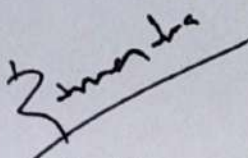
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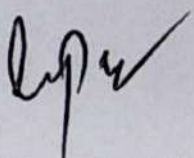
As per our report on even date

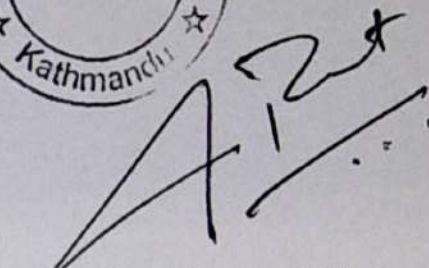



Pragya Pokhrel
Head - Accounts

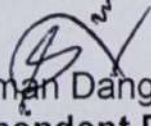

Pragya Ratna Shakya
Chief Operating Officer

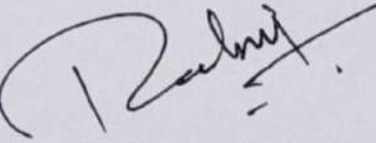

Ramendra Rayamajhi
Chief Executive Officer

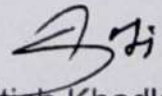

Rupesh Luitel
Chairman


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




Suman Dangol
Independent Director


Rabin Sapkota
Independent Director


Satish Khadka
Director

Date: 2026.08.11

Place: Kathmandu