

INDEPENDENT AUDITOR'S REPORT

To the Fund Manager and Unit Holders of
NIC Asia Growth Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **NIC Asia Growth Fund**, which comprise the Statement of Financial Position as at Falgun 28, 2081 (March 12, 2025), Statement of Profit or Loss Account, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies, notes to account and other explanatory information.

In our opinion, the financial statement's gives a true and fair view of the financial position of NIC Asia Growth Fund as at Falgun 28, 2081 (March 12, 2025), and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards and comply with the Securities Act 2063, Mutual Fund Regulations 2067, Mutual Fund Directives 2069 and other prevailing laws.

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit 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 express an opinion on these financial statements based on our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Maturity of the Scheme

We draw attention to Note A of the significant accounting policies and notes to the accounts of financial statements, which describes that the mutual fund scheme has reached its maturity on Falgun 28, 2081 (March 12, 2025). All of its assets and liabilities have either been settled or are in the process of being settled in accordance with the Mutual Fund Regulations and the provisions of the Scheme Document. Our opinion is not modified in respect of this matter.



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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 matters described below to be the key audit matters to be communicated in our report:

<i>Key Audit Matters</i>	<i>How the key audit matters were addressed</i>
The Fund investment portfolio is the most significant asset of the fund. The portfolio primarily includes investments in listed equity shares, unlisted equity shares, Fixed Deposits, Debentures, and Banks Call accounts. Based on the materiality of the investment portfolio within the financial statements, it is considered a significant area for audit. There is a risk related to the existence of the investment and the proper determination of its fair value. Therefore, the existence and valuations of the investments are identified as key audit matters.	We performed the following procedures related to verifications of the existence and valuations of investments: • Understanding and documenting the processes placed to identify, verify, and record investment transactions. • Assessing the design and implementations of controls over valuation and existence of investments. • Identify and verify the quantity of investment held from books of account maintained as on period end. • Verifications the investment portfolio with external and internal records wherever necessary. • Ensuring that the valuations of financial assets has been done with the closing transactions rate of NEPSE. • Test the valuations of the investments as per the approved investment valuations policy and in accordance with the Mutual Funds Regulations.



Management's Responsibility for the Financial Statements and those charged with Governance for the Financial Statements

Management of NIC ASIA Capital Limited, the scheme's Fund Manager, is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting framework i.e. Nepal Financial Reporting Standards, wherever applicable and/or general accepted accounting principles of Nepal, including the accounting policies and standards specified in Collective Investment Scheme Regulations 2067. Management also accepts responsibility for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Scheme's financial reporting process.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists.

Report on Other Legal and Regulatory Requirements



As per the requirements of Rule 40 (7) and (8) of the Mutual Fund Regulations 2067, we further report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion and to the best of our information and according to the explanations given to us, NIS Asia Growth Fund or any member thereof or any office bearer of the Fund has not acted against the provisions of law relating to the accounts nor caused loss or damage to the Fund or misappropriated the funds.
- c) The Fund has maintained a necessary internal control system to the best of our knowledge and examinations.
- d) During our examinations of books of account of the Fund, we have not come across any case where the Fund has conducted activities against the interest of unit holders and the capital market.
- e) The internal audit of the Fund is carried out as part of Fund Manager's internal audit on periodic basis and the internal audit carried out is effective.
- f) The Fund has invested its fund according to the Mutual Fund Regulations, 2067.
- g) The operations of the Fund were found satisfactory, and nothing came to our attention that causes us to believe otherwise.
- h) The enclosed Statement of Financial Position, Statement of Profit or Loss Account, Statement of Changes in Equity and Statement of Cash Flows have been prepared in conformity with provisions of the relevant law, and same agree with the books of account maintained by the Fund & comply with the generally accepted accounting principles.
- i) There is no such other matter that we felt necessary for disclosing to the unitholders.


Pratik Shrestha, FCA
Principal

Pratik Shrestha & Associates
Chartered Accountants

Date: June 13, 2025

UDIN: 250622CA00713wFzeh



NIC ASIA Growth Fund
(Sponsored by NIC ASIA Bank Limited and Managed by NIC ASIA Capital Ltd.)
Balance Sheet as at 28th Falgun 2081 (12th March 2025)

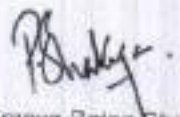
Particulars	Annexure	FY 2081/82 Upto Falgun 28 2081	<i>In NPR</i> Ashad End 2081
Capital and Liabilities			
Unit Capital	I	835,200,000	835,200,000
Reserves and Surplus	II	120,478,670	122,681,772
Current Liabilities	III	3,453,752	5,535,394
Total		959,132,422	963,417,166
Assets			
Investments in Debentures	IV	-	12,500,000
Investment in Fixed Deposit	V	-	125,000,000
Investments in Shares	VI	211,600,389	581,730,816
Bank Balances	VII	745,323,428	213,377,429
Other Current Assets	VIII	2,208,606	30,808,919
Total		959,132,422	963,417,166

Schedules and Explanatory Notes form an integral part of Balance Sheet

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


Bimal Kumar Shah
Mutual Fund- Incharge




Pragna Ratna Shakya
Chief Operating Officer

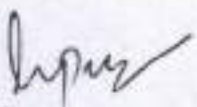

Ramendra Rayamajhi
Chief Executive Officer


Dinesh Bhari
Director

As per our Report of even date


Pratik Shrestha
Partner
Pratik Shrestha & Associates
Chartered Accountants


Santosh Kumar Rath
Chairman


Rupesh Luitel
Director


Rabin Sapkota
Independent Director


Suman Dangol
Independent Director

Date: 13/06/2025
Place: Kathmandu

NIC ASIA Growth Fund
(Sponsored by NIC ASIA Bank Limited and Managed by NIC ASIA Capital Limited)
Statement of Financial Position as at 28th Falgun, 2081 (12th March, 2025)

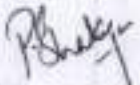
Particulars	Notes	FY 2081/82 upto Falgun 28 2081	In NPR As at End 2081
Assets			
Non Current Assets			
Financial Asset Measured at Amortised Cost			
Current Assets	12	-	12,900,000
Cash and Cash Equivalents	13	740,323,426	213,377,429
Other Assets	16	3,208,808	30,808,919
Financial Asset Measured at Amortised Cost	10	-	125,000,000
Financial Assets Held at Fair Value Through Profit or Loss	14	211,020,399	691,730,810
Total		955,573,670	965,817,158
Liabilities			
Current Liabilities			
Accrued Expenses & Other Payables	18	3,453,752	5,535,364
Liabilities (Excluding Net Assets Attributable to Unitholders)		3,453,752	5,535,364
Unit Holder's Funds			
Net Assets Attributable to Unit Holders		955,573,670	965,817,772
Total		955,573,670	965,817,158
NHV per Share		11.44	11.47

Explanatory Notes form integral part of Financial Statement

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

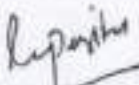

Binai Kumar Shah
Mutual Fund- incharge




Pragna Ratna Shakya
Chief Operating Officer


Ramesh Rayamajhi
Chief Executive Officer


Dinesh Shari
Director


Rupendra Lal
Director

Date: 13/06/2025
Place: Kathmandu


Rabin Sakata
Independent Director


Preeti Shrestha, FCA
Partner
Preeti Shrestha & Associates
Chartered Accountants

Sarinosh Kumar Rathi
Chairman


Rabin Dangal
Independent Director

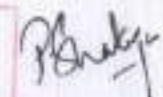
NIC ASIA Growth Fund
(Sponsored by NIC ASIA Bank Limited and Managed by NIC ASIA Capital Limited)

Statement of Profit or Loss and Other Comprehensive Income
For the Period from 1st Shrawan, 2081 to 28th Falgun, 2081 (16th July, 2024 to 12th March, 2025)

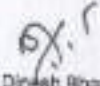
Particulars	Notes	FY 2081/82 Upto Falgun 28 2081	in NPR FY 2080/81
Income			
Realised Income			
Interest Income	19	6,255,398	24,565,628
Dividend Income	20	9,420,227	7,379,896
Gain on Sale of Equity Stocks	21	108,054,453	61,037,236
Other Income			
Unrealised Income			
Fair Value Gains/Losses			
Total	22	(31,702,449)	(30,530,835)
Expenses and Losses		90,027,627	62,481,823
NEPSE Listing Fee			
Bank Charges		50,000	50,000
Book Building Licence Fee		2,155	1,784
CDSC Listing and Software Fee		-	10,000
Depository Fee		120,000	120,000
Fund Management Fee		1,302,951	1,856,229
Software Expenses		9,787,836	13,821,719
Publication Expenses		-	135,800
Scheme Audit Fee		347,393	151,955
Supervisor Fee		113,000	113,000
Transaction Cost		651,176	928,115
Total		533,019	-
Profit (Loss) for the period		12,686,729	17,298,402
Other Comprehensive Income		77,140,898	45,183,421
Increase/(Decrease) in Net Assets Attributable to Unitholders		77,140,898	45,183,421

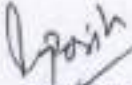
On Behalf of NIC ASIA Capital Limited
(Fund Management Company)


Bimal Kumar Shah
Mutual Fund- In-charge


Pragya Ratna Shakya
Chief Operating Officer


Ramendra Rayamajhi
Chief Executive Officer


Dinesh Bharti
Director


Rupesh Lutel
Director


Rabin Sapkota
Independent Director

Date: 13/06/2025
Place: Kathmandu

As per our Report of even date


Pratik Shrestha, FCA
Pratik Shrestha & Associates
Chartered Accountants


Santosh Kumar Rathi
Chairman


Suman Dangol
Independent Director

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

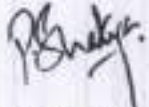
Statement in Changes in Unit holders' Fund
For the Period from 1st Shrawan, 2081 to 28th Falgun, 2081 (16th July, 2024 to 12th March, 2025)

Particular	Unit Capital	Realized Profit	Unrealized Profit	in NPR Total
Opening Balance	835,200,000	-	-	835,200,000
Issue of Unit Capital	-	-	-	-
Net Profit (Loss) Upto Last Year	-	92,339,212	72,855,139	165,194,351
Net Profit (Loss) During the year	-	79,714,359	(30,530,836)	45,183,421
Dividend Paid	-	(87,898,000)	-	(87,898,000)
Balance as on 31/03/2081	835,200,000	80,357,568	42,324,203	957,881,772
Opening Balance	835,200,000	-	-	835,200,000
Issue of Unit Capital	-	-	-	-
Net Profit (Loss) Upto Last Year	-	80,357,568	42,324,203	122,681,772
Net Profit (Loss) During the year	-	108,843,347	(31,702,448)	77,140,898
Dividend Paid	-	(79,344,000)	-	(79,344,000)
Balance as on 28/11/2081	835,200,000	109,856,915	10,621,754	955,678,670

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

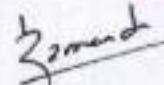

Himel Kumar Shan
Mutual Fund- Incharge




Pragya Ratna Shukya
Chief Operating Officer

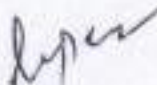
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Rabin Sapkota
Independent Director


Kuman Dangol
Independent Director

Date: 13/06/2025
Place: Kathmandu

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

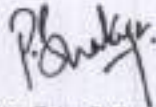
Statement of Cash Flow
For the Period from 1st Shrawan, 2081 to 28th Falgun, 2081 (16th July, 2024 to 12th March, 2025)

Particulars	FY 2081/82 Up to Falgun 28 2081	In NPR FY 2080/81
A. Cash Flow from Operating Activities		
Surplus/ (Deficit) for the year		
Adjustments for:	77,140,808	45,183,421
(Increase)/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	31,702,449	30,530,936
Increase/(Decrease) in Liabilities	(2,081,642)	435,361
(Increase)/Decrease in Share	338,427,681	(24,793,882)
(Increase)/Decrease in Other Assets	168,100,313	(4,104,922)
Net cash generated/(used) in Operations (1)	611,289,998	47,340,874
B. Cash Flow from Financing Activities		
Increase/(Decrease) in Unit Capital		
Dividend Paid during the year (net of tax)	(79,344,000)	(87,898,000)
Net cash generated/(used) in financing (2)	(79,344,000)	(87,898,000)
C. Cash Flow from Investing Activities		
Net cash generated/(used) in investing (3)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	531,945,998	(40,557,126)
Cash and Cash Equivalents at beginning of the year/period	213,377,429	253,732,551
Cash and Cash Equivalents at end of period	745,323,428	213,175,425
Components of Cash and Cash Equivalents		
Balance with Banks	745,323,428	213,175,425

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

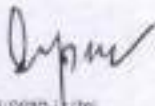
As per our Report of even date


Bimal Kumar Shah
Mutual Fund- Incharge


Pragya Ratna Shakyu
Chief Operating Officer


Ramendra Rayamajhi
Chief Executive Officer


Dinesh Shari
Director


Rupesh Upreti
Director


Rabin Sapkota
Independent Director

Date: 13/08/2025
Place : Kathmandu


Pratik Shrestha, FCA
Partner
Pratik Shrestha & Associates
Chartered Accountants


Santosh Kumar Rathi
Chairman


Suman Dangol
Independent Director

Significant Accounting Policies and Notes to the Accounts as on 28th Falgun 2081

A. OVERVIEW

Fund:	NIC ASIA Bank Mutual Fund
Scheme:	NIC ASIA Growth Fund
Fund Sponsor:	NIC ASIA Bank Ltd. (NICA) (Licensed by NRB as Class "A" Bank)
Fund Management:	NIC ASIA Capital Ltd. (A subsidiary of NIC ASIA Bank Ltd.) Mr. Bodhraj Niraula Mr. Aashish Adhikari
Fund Supervisors:	Mr. Shivaraj Ghimire Mr. Santosh Lamichhane Mr. Mahendra Nath Karmacharya
Total Units of Scheme:	83,520,000 (Eighty-Three Million Five Hundred Twenty Thousand units)
Total Unit Capital:	NPR 835,200,000 (NPR Eight Hundred Thirty-Five Million and Two Hundred Thousand Only)
Scheme type:	Close-Ended
Maturity Date:	Falgun 28, 2081 (12 th March 2025)

NIC ASIA Growth Fund (the Scheme) under NIC ASIA Bank Mutual Fund (the Fund) is registered under Mutual Fund Regulations, 2067 as a closed-end, diversified investment scheme. The objective of the Fund is to diligently manage the fund with the aim of achieving a high return for unit holders, growth of both capital and income from investment in shares and fixed income securities and conservation of capital. The Scheme commenced its operation on 29th Falgun 2074 (Scheme allotment date) B.S. with maturity period of 7 years (i.e., 28th Falgun 2081 B.S.) It was listed in NEPSE on 3rd Baisakh 2075. The Scheme's Financial Statements were approved by the Board of Directors of the NIC ASIA Capital Ltd. on 13th June 2025 being the Fund Management and Depository Company. This financial covers the period from 1st Shrawan 2081 to 28th Falgun 2081 (till maturity).

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

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

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

 **NIC ASIA**
CAPITAL

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Kathmandu

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ii. **Net Asset Value (NAV) per unit**

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

iii. **Net Assets Attributable to Unit Holders**

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

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

1. **Statement of Compliance**

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

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

These Financial Statements have been prepared in compliance with Nepal Financial Reporting Standards (NFRS). Where there is a difference in accounting / valuation suggested by SEBON and NFRS, accounting / valuation technique as per SEBON is used.

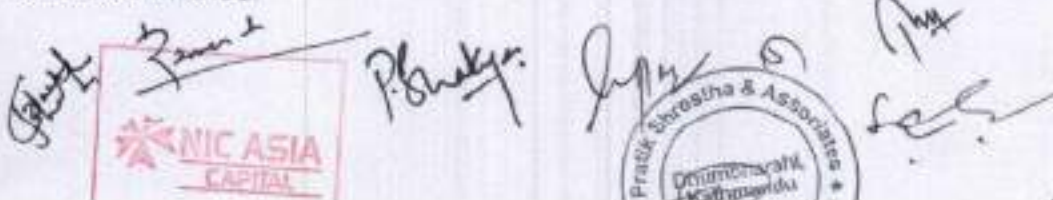
3. **Basis of Preparation**

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

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

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

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

The bottom of the page features several handwritten signatures and two official stamps. On the left, there is a red rectangular stamp for "NIC ASIA CAPITAL" with a star logo. To its right is a circular stamp for "Pratik Shrestha & Associates" with "Dhimesh Vank" and "Kathmandu" written inside. Multiple handwritten signatures in black ink are scattered across the bottom, some overlapping the stamps.

4. Accounting Convention

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

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

5. Use of Judgments and Estimates

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

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

6. Reporting periods

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

7. Presentation currency:

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

8. Comparatives:

The comparatives comprise of the previous year's figure for period from Shrawan 01, 2080 to Ashad 31, 2081.

9. Limitation of NFRS Implementation

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

10. Equities and Liabilities

1. Unit Capital

The unit capital of fund is as follows:

S.N.	Particulars	FY 2081/82 Upto Falgun 28 2081	Ashad End 2081
1	Unit Capital Account	685,200,000	685,200,000
2	Unit Seed Capital Account (NIC ASIA Bank Ltd)	150,000,000	150,000,000
	Total	835,200,000	835,200,000

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

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

S.N.	Particulars	FY 2081/82 Upto Falgun 28 2081	Ashad End 2081
	Accumulated Profit/ (Loss)		
1.1.	Realized Profit / (Loss)	109,856,915	80,357,568
1.2.	Unrealized Profit /(Loss)	10,621,754	42,324,203
	Total	120,478,670	122,681,772

11. Financial Instruments

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

a) Classification

Financial Assets

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

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

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

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

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

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

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Financial Liabilities

The Fund classifies its financial liabilities, as follows:

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

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

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

Financial liabilities other than those measured at fair value through profit or loss are classified as subsequently measured at amortized cost using an effective interest rate method.

b) Recognition / De-recognition

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

De-recognition of Financial Asset

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

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

De-recognition of Financial Liabilities

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

c) Measurement

Initial Measurement

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

Subsequent Measurement

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

Financial assets are valued at cost of acquisition.

Financial assets classified at fair value are subsequently measured at fair value. The subsequent changes in fair value of financial assets classified as fair value through profit or loss are recognized in Statement of Profit or Loss whereas of financial assets at fair value through other comprehensive income are recognized in other comprehensive

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income. However, equity instrument classified under this category, the transaction cost during purchase of such instruments are expensed off immediately in statement of profit or loss.

Measurement of Financial Assets/Liabilities at Fair Value

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

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

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

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

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

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

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

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

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

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

- Equities which are listed but no transactions are made within last 30 days is valued at 180 days Closing Average Market price provided by NEPSE and Equities which are listed but no transactions are made within last 180 days is valued taking lower of cost of acquisition or net book value of the stock as published in the latest quarterly report.
- In case of a trading halt of the scrip due to merger & acquisition, the last traded price should be taken.
- In case of unprecedented events, where no prescriptive guidelines are proposed to value securities/ portfolios. Following type of events could be classified as unprecedented events where current market information may not be available/ sufficient for valuation of securities:
 - Major policy announcements by Government or NRB or other regulatory Parties
 - Natural Disasters, Disease Outbreak, Wars, or any other events that create public disturbances which force the market to close unexpectedly.
 - Significant volatility in the capital Market.

The bottom of the page features several handwritten signatures and official stamps. On the left, there is a red circular stamp with the text 'PRATIK SHRESTHA & ASSOCIATES' and 'Dharmapuri, Kathmandu'. To its right, there are more handwritten signatures and a partially visible red stamp.

Under such circumstances Capital shall seek the guidance of the company's board in deciding an appropriate methodology for valuation of the stocks.

- However, the above events will not be accounted for valuation as above, stocks trading within 30 days.
- IPO (Initial Public Offerings) investments shall be valued as:
 - I) IPO investments are investments made to apply for the securities in IPO till Listing.
 - II) IPO investments are valued as advance for application amount till allotment at exact amount applied for.
 - III) After allotment of IPO till listing and if listed but not traded, IPO investments are valued at investment value.
- Right share shall be valued as right share after book closure but before allotment shall be valued as theoretical ex right price for the number of units eligible for rights. After allotment till listing, the right share will be valued as listed equities.

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

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

S.N.	Particulars	FY 2081/82 Upto Falgun 28 2081	Ashad End 2081
1	8.5% Global IME Bank Ltd. Debenture 2086/87	-	12,500,000
	Total	-	12,500,000

13. Financial Assets Held at Amortized Cost (Current)

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

S.N.	Particulars	FY 2081/82 Upto Falgun 28 2081	Ashad End 2081
1	NIC ASIA Bank Ltd. (fixed deposits)	-	125,000,000
	Total	-	125,000,000

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

Name	FY 2081/82 Upto Falgun 28 2081			Fair Value Hierarchy
	Unit	Value per unit	Value Amount	
LISTED				
Sanima Bank Ltd.	29,324	307.00	9,002,468.00	Level 1
Global IME Bank Ltd.	20,497	225.60	4,624,123.20	Level 1
Prime Commercial Bank Ltd.	6,919	259.00	1,792,021.00	Level 1
NMB Bank Ltd.	12,159	256.00	3,112,704.00	Level 1
Himalayan Bank Ltd.	8,741	241.00	2,106,581.00	Level 1
Citizens Bank International Ltd.	17,371	212.30	3,687,863.30	Level 1
Standard Chartered Bank Ltd.	2,453	657.10	1,611,866.30	Level 1
Nepal Investment Mega Bank Ltd.				
Promoter Share	48,950	164.00	8,027,600.00	Level 1
Nepal Life Insurance Co. Ltd.	32,319	786.00	25,492,734.00	Level 1
National Life Insurance Co. Ltd.	17,614	642.00	11,328,048.00	Level 1

NLG Insurance Company Ltd.	10,705	897.00	9,602,385.00	Level 1
Asian Life Insurance Company Ltd.	24,386	770.00	18,777,220.00	Level 1
Neco Insurance Ltd.	13,635	775.00	10,567,125.00	Level 1
Suryajyoti Life Insurance Company Ltd.	7,335	458.00	3,359,430.00	Level 1
Sagarmatha Lumbini Insurance Company Ltd.	12,202	729.00	8,895,258.00	Level 1
Himalayan Life Insurance Ltd.	1,000	437.00	437,000.00	Level 1
Nepal Insurance Co. Ltd.	5,000	994.00	4,970,000.00	Level 1
Guardian Micro Life Insurance Ltd.	672	1,981.00	1,317,792.00	Level 1
Nabil Balanced Fund 2	198,900	9.53	1,895,517.00	Level 1
Kumari Equity Fund	1,000,000	9.00	9,000,000.00	Level 1
RBB Mutual Fund 1	500,000	8.76	4,380,000.00	Level 1
Sanima Growth Fund	2,000,000	9.35	18,700,000.00	Level 1
Kumari Sabal Yojana	496,600	8.78	4,360,148.00	Level 1
Sana Kisan Bikas Laghubitta Bittiya Sanstha Ltd.e	10,000	821.00	8,210,000.00	Level 1
Swabalamban Laghubitta Bittiya Sanstha Ltd.	6,335	863.50	5,470,272.50	Level 1
Nirdhan Uttihan Laghubitta Bittiya Sanstha Ltd.	16,681	688.00	11,476,528.00	Level 1
NMB Microfinance Bittiya Sanstha Ltd.	6,346	747.10	4,741,096.60	Level 1
RSDC Laghubitta Bittiya Sanstha Ltd.	5,450	700.00	3,815,000.00	Level 1
Aarambha Chautari Laghubitta Bittiya Sanstha Ltd.	1	1,120.00	1,120.00	Level 1
Sub-Total (A)	4,511,595		200,668,094	
UNLISTED				
Nepal SBI Bank Limited- Bonus	2,210	417.00	921,570.00	Level 1
Standard Chartered Bank Nepal Limited- Bonus	1	657.10	657.10	Level 1
Laxmi Sunrise Bank Limited- Bonus	3,163	228.00	721,164.00	Level 1
Mahalaxmi Bikas Bank Limited- Bonus	899	467.90	420,642.10	Level 1
Shine Resunga Development Bank Limited- Bonus	990	434.00	429,660.00	Level 1
Lumbini Bikas Bank Limited- Bonus	671	463.00	310,673.00	Level 1
Shangrila Development Bank Limited- Bonus	824	434.40	357,945.60	Level 1
Chilime Hycro power Company Limited- Bonus	1,408	510.00	718,080.00	Level 1
Nepal Life Insurance Company Limited- Bonus	3,232	786.00	2,540,352.00	Level 1
Himalayan Life Insurance Limited- Bonus	3,990	437.00	1,743,630.00	Level 1
Sarbottom Cement Limited- Bonus	84	812.30	68,233.20	Level 1
Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited- Bonus	1,729	821.00	1,419,609.00	Level 1
RSDC Laghubitta Bittiya Sanstha Limited- Bonus	570	700.00	399,000.00	Level 1
Aatmanirbhar Laghubitta Bittiya Sanstha Limited- Bonus	1	5,200.00	5,200.00	Level 1
NIL- Right Value	5,221	167.78	875,979.38	Level 3
Sub-Total (B)	24,993		10,932,295	
Grand Total	4,536,588		211,600,389	

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Chartered Accountants
Kathmandu

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Name	FY 2080-81			Fair Value Hierarchy
	Units	Value per unit	Value Amount	
LISTED				
Nabil Bank Ltd.	34,582	524.00	18,120,968.00	Level 1
Prime Commercial Bank Ltd.	88,492	221.80	19,627,525.60	Level 1
Sanima Bank Ltd.	88,153	279.00	24,594,687.00	Level 1
Global IME Bank Ltd.	106,213	194.20	20,626,584.60	Level 1
Nepal Bank Ltd.	105,659	229.50	24,248,740.50	Level 1
NMB Bank Ltd.	66,950	218.00	14,595,100.00	Level 1
Nepal Investment Mega Bank Ltd. Promoter Share	48,950	138.90	6,799,155.00	Level 1
Siddhartha Bank Ltd.	30,830	283.00	8,724,890.00	Level 1
Kumari Bank Ltd.	43,364	153.70	6,665,046.80	Level 1
Agricultural Development Bank Ltd.	69,545	294.00	20,448,230.00	Level 1
Nepal SBI Bank Ltd.	51,188	328.00	16,783,104.00	Level 1
Standard Chartered Bank Ltd.	32,750	602.00	19,715,500.00	Level 1
Himalayan Bank Ltd.	42,579	204.20	8,694,631.80	Level 1
Citizens Bank International Ltd.	34,784	193.50	6,730,704.00	Level 1
Mechhapuchchhre Bank Ltd.	50,431	200.00	10,086,200.00	Level 1
Prabhu Bank Ltd.	97,381	163.70	15,941,269.70	Level 1
Kamana Sewa Bikas Bank Ltd.	30,634	416.00	12,743,744.00	Level 1
Shangrila Development Bank Ltd.	15,585	349.00	5,439,165.00	Level 1
Muktinath Bikas Bank Ltd.	25,000	367.00	9,175,000.00	Level 1
Garima Bikas Bank Ltd.	26,194	385.10	10,087,309.40	Level 1
Shine Resunga Development Bank Ltd.	25,000	405.10	10,127,500.00	Level 1
Lumbini Bikash Bank Ltd.	15,067	416.60	6,276,912.20	Level 1
Mahalaxmi Bikash Bank Ltd.	21,977	352.00	7,735,904.00	Level 1
Butwal Power Company Ltd.	6,409	310.00	1,986,790.00	Level 1
Chilime Hydropower Company Ltd.	14,082	465.00	6,548,130.00	Level 1
Nepal Life Insurance Company Ltd.	16,509	619.00	10,219,071.00	Level 1
Asian Life Insurance Company Ltd.	21,936	623.00	13,666,128.00	Level 1
National Life Insurance Company Ltd.	31,188	595.00	18,556,860.00	Level 1
Sana Kisan Bikas Bank Ltd.	12,000	853.70	10,244,400.00	Level 1
Chhimek Laghubitta Bittiya Sanstha Ltd.	5,093	900.00	4,583,700.00	Level 1
Swabalamban Laghubitta Bittiya Sanstha Ltd.	10,084	940.00	9,478,960.00	Level 1
Nirchan Utthan Bank Ltd.	22,681	711.90	16,146,603.90	Level 1
Deprosc Laghubitta Bittiya Sanstha Limited	5,000	841.00	4,205,000.00	Level 1
RSDC Laghubitta Bittiya Sansiha Ltd.	5,000	692.00	3,460,000.00	Level 1
NMB Laghubitta Bittiya Sanstha Ltd.	5,346	760.00	4,062,960.00	Level 1
First Microfinance Laghubitta Bittiya Sanstha Ltd.	7,000	681.00	4,767,000.00	Level 1
Global IME Laghubitta Bittiya Sanstha Ltd.	1	1,365.00	1,365.00	Level 1
Prabhu Insurance Company Ltd.	14,784	826.00	12,211,584.00	Level 1
Shikhar Insurance Company Ltd.	8,000	723.00	5,784,000.00	Level 1
NLG Insurance Company Ltd.	13,000	794.90	10,333,700.00	Level 1
Neco Insurance Company Ltd.	16,499	836.00	13,793,164.00	Level 1
Nepal Doorsanchar Company Ltd.	1,456	845.00	1,230,320.00	Level 1

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Nabil Balance Fund 2	250,000	9.00	2,250,000.00	Level 1
Global IME Balance Fund - I	250,000	9.10	2,275,000.00	Level 1
NMB Sulav Investment Fund - II	100,000	10.06	1,006,000.00	Level 1
Sanima Growth Fund	2,000,000	10.14	20,280,000.00	Level 1
Sunrise Focused Equity Fund	1,000,000	8.24	8,240,000.00	Level 1
Citizen Mutual Fund 2	500,000	10.32	5,160,000.00	Level 1
Sunrise First Mutual Fund	150,000	10.35	1,552,500.00	Level 1
Sanima Large Cap Fund	100,000	9.29	929,000.00	Level 1
Kumari Equity Fund	1,000,000	9.66	9,660,000.00	Level 1
Prabhu Select Fund	1,468,090	9.79	14,372,601.10	Level 1
RBB Mutual Fund 1	500,000	8.16	4,080,000.00	Level 1
Himalayan Everest Insurance Ltd.	12,402	632.00	7,838,064.00	Level 1
Nepal Investment Mega Bank Ltd.	17,268	175.10	3,023,626.80	Level 1
Suryajyoti Life Insurance Company Ltd.	2,000	429.90	859,800.00	Level 1
Sagarmatha Lumbini Insurance Company Ltd.	12,980	727.00	9,436,460.00	Level 1
IGI Prudential Insurance Ltd.	13,904	558.00	7,758,432.00	Level 1
Himalayan Life Insurance Ltd.	23,001	391.00	8,993,391.00	Level 1
United Ajod Insurance Ltd.	2,007	598.50	1,201,189.50	Level 1
Aarambha Chautari Laghubitta Bittiya Sanstha Ltd.	1	1,230.00	1,230.00	Level 1
Laxmi Sunrise Bank Ltd.	56,267	175.00	9,846,725.00	Level 1
Prabhu Mahalaxmi Life Insurance Ltd.	285	564.10	160,768.50	Level 1
Kumari Sabal Yojana	500,000	10.00	5,000,000.00	Level 1
Sarbotam Cement Ltd.	1,200	806.50	967,800.00	Level 1
Aatmanirbhar Laghubitta Bittiya Sanstha Ltd.	8	2,725.00	21,800.00	Level 1
Sub-Total (A)	9,326,769		580,179,975	
UNLISTED				
Prabhu Insurance Company Ltd. - Bonus	417	826	344,442	Level 1
Sun Nepal Life Insurance Company Ltd. - Bonus	1,090	511	557,317	Level 1
IME Life Insurance Company Ltd. - Bonus	1,252	453	567,156	Level 1
Sama Laghubittya Bittiya Sanstha Ltd. - Bonus	28	2,926	81,928	Level 1
Sub-Total (B)	2,787		1,550,843	
Grand Total	9,329,556		581,730,818	



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15. Cash and Cash Equivalent

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

Particulars	FY 2081/82 Upto Falgun 28 2081	Ashad End 2081
NIC ASIA Bank Ltd.	745,295,933	210,595,398
Manjushree Finance Ltd.	21	21
Siddhartha Bank Ltd.	-	343,709
Gurkhas Finance Ltd.	-	1,158
Jyoti Bikas Bank Ltd.	-	6,527
Kumari Bank Ltd.	-	241,942
NMB Bank Ltd.	-	2,066,938
Shangrila Development Bank Ltd.	27,474	27,337
Laxmi Sunrise Bank Ltd.	-	5,150
Muktinath Bikas Bank Ltd.	-	5,083
Mahalaxmi Bikash Bank Ltd.	-	46,133
Citizens Bank International Ltd.	-	39,033
Total Amount:	745,323,428	213,377,429

Cash and cash equivalent assets' fair value equals to the book value as such assets. It comprises call balance in the banks and financial institutions. They are available when the balance is called from the bank. The interest income on such a balance is recognized daily on an accrual basis based on the deal rate with the bank.

16. Other Assets

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

S.N.	Particulars	FY 2081/82 Upto Falgun 28 2081	Ashad End 2081
1	Interest Receivables	895,086	531,250
2	Broker Receivables	15,913	29,109,839
3	Dividend Receivables	1,297,606	1,167,830
	Total	2,208,606	30,808,919

17. Operating Expenses

The details of expenses for the period are as follows:

S.N.	Particulars	FY 2081/82 Upto Falgun 28 2081	Ashad End 2081
1	NEPSE Listing Fee	50,000	50,000
2	Bank Charges	2,155	1,784
3	Book Building License Fee	-	10,000
4	CDSC Listing and Software Fee	120,000	120,000
5	Depository Fee	1,302,351	1,856,229
6	Fund Management Fee	9,767,635	13,921,719
7	Software Expenses	-	135,600
8	Publication Expenses	347,383	161,955
9	Scheme Audit Fee	113,000	113,000
	Supervisor Fee	651,176	928,115
	Transaction Cost	533,019	-
	Total Amount	12,886,729	17,298,402



18. Accrued Expenses and Other Payables

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

S.N.	Particulars	FY 2081/82 Upto Falgun 28 2081	Ashad End 2081
1	Broker Payable		820,626
2	Time Media	88,070	38,420
3	Scheme Audit Fee Payable	113,000	111,500
4	Fund Management Fee Payable	2,254,348	3,460,760
5	Depository Fee Payable	300,580	461,435
6	Supervisor Fee Payable	191,654	240,461
7	TDS Payable	495,970	592,063
8	Other Current Liabilities	10,130	10,130
	Total Amount	3,453,752	5,535,394

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

19. Interest Income

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

S.N.	Particulars	FY 2081/82 Upto Falgun 28 2081	Ashad End 2081
1	Bank Interest Income Unrealised	895,086	-
2	Bank Interest Income Realised	5,360,310	24,595,628
	Total Amount	6,255,396	24,595,628

20. Dividend Income

Dividend income is recognized on the ex-dividend date.

S.N.	Particulars	FY 2081/82 Upto Falgun 28 2081	Ashad End 2081
1	Dividend Income	9,420,227	7,379,895
	Total Amount	9,420,227	7,379,895

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

S.N.	Particulars	FY 2081/82 Upto Falgun 28 2081	Ashad End 2081
1	Gain on Sale of Stocks	106,054,453	61,037,235
	Total Amount	106,054,453	61,037,235



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

S.N.	Name	FY 2081/82 Upto Falgun 28 2081			
		Unit	Value per unit	Value Amount	Total Cost
	LISTED				
1	Sanima Bank Ltd.	29,324	307	9,002,468	6,560,753
2	Global IME Bank Ltd.	20,497	226	4,624,123	3,910,747
3	Prime Commercial Bank Ltd.	6,919	259	1,792,021	1,382,016
4	NMB Bank Ltd.	12,159	256	3,112,704	2,840,111
5	Himalayan Bank Ltd.	8,741	241	2,106,581	1,986,960
6	Citizens Bank International Ltd.	17,371	212	3,687,863	3,638,077
7	Standard Chartered Bank Ltd.	2,453	657	1,611,866	1,457,405
8	Nepal Investment Mega Bank Ltd. Promoter Share	48,950	164	8,027,800	15,631,180
9	Nepal Life Insurance Co. Ltd.	32,319	786	25,402,734	28,319,676
10	National Life Insurance Co. Ltd.	17,514	643	11,324,041	10,293,190
11	NLG Insurance Company Ltd.	10,705	897	9,602,385	5,047,233
12	Asian Life Insurance Company Ltd.	24,386	770	18,777,220	13,746,068
13	Neco Insurance Ltd.	13,635	775	10,567,125	10,680,639
14	Suryajyoti Life Insurance Company Ltd.	7,335	458	3,359,430	3,551,706
15	Sagarmatha Lumbini Insurance Company Ltd.	12,202	729	8,895,258	8,473,305
16	Himalayan Life Insurance Ltd.	1,000	437	437,000	334,109
17	Nepal Insurance Co. Ltd.	5,000	994	4,970,000	5,161,470
18	Guardian Micro Life Insurance Ltd.	672	1,961	1,317,792	67,200
19	Nabil Balanced Fund 2	198,900	10	1,895,517	1,989,000
20	Kumari Equity Fund	1,000,000	9	9,000,000	10,000,000
21	RBB Mutual Fund 1	500,000	9	4,380,000	5,000,000
22	Sanima Growth Fund	2,000,000	9	18,700,000	20,000,000
23	Kumari Sabal Yojana	496,600	9	4,360,148	4,966,000
24	Sana Kisan Bikas Laghubitta Bittiya Sanstha Ltd.	10,000	821	8,210,000	4,647,573
25	Swabalamban Laghubitta Bittiya Sanstha Ltd.	6,335	864	5,470,273	4,024,121

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26	Nirdhan Uthhan Laghubitta Bittiya Sanstha Ltd.	16,681	688	11,476,528	10,906,813
27	NMB Microfinance Bittiya Sanstha Ltd.	6,346	747	4,741,097	5,638,146
28	RSDC Laghubitta Bittiya Sanstha Ltd.	5,450	700	3,815,000	2,564,428
29	Aarambha Chautari Laghubitta Bittiya Sanstha Ltd.	1	1,120	1,120	-
	Sub-Total (A)	4,511,595		200,668,094	192,817,926
				200,668,094	
	UNLISTED				
1	Nepal SBI Bank Limited- Bonus	2,210	417.00	921,570	781,404
2	Standard Chartered Bank Nepal Limited- Bonus	1	657.10	657	594
3	Laxmi Sunrise Bank Limited- Bonus	3,163	228.00	721,164	604,098
4	Mahalaxmi Bikas Bank Limited- Bonus	899	467.90	420,642	299,382
5	Shine Resunga Development Bank Limited- Bonus	990	434.00	429,660	325,454
6	Lumbini Bikas Bank Limited- Bonus	671	463.00	310,673	251,008
7	Shangrila Development Bank Limited- Bonus	824	434.40	357,946	196,405
8	Chilime Hydro power Company Limited- Bonus	1,408	510.00	718,080	437,006
9	Nepal Life Insurance Company Limited- Bonus	3,232	786.00	2,540,352	2,832,055
10	Himalayan Life Insurance Limited- Bonus	3,990	437.00	1,743,630	1,333,096
11	Sarbottom Cement Limited- Bonus	84	812.30	68,233	28,332
12	Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited- Bonus	1,729	821.00	1,419,509	803,565
13	RSDC Laghubitta Bittiya Sanstha Limited- Bonus	570	700.00	389,000	268,206
14	Aatmanirbhar Laghubitta Bittiya Sanstha Limited- Bonus	1	5,200.00	5,200	91
15	NIL- Right Value	5,221	167.78	875,979	-
	Sub-Total (B)	24,993		10,932,295	8,160,708
	Grand Total	4,536,588		211,600,389	200,978,634
	Unrealised Gain / (Loss)				10,621,754
	Less: Previous Year Unrealized Gain/(Loss)				42,324,203
	Unrealised Gain / (Loss) This Year				(31,702,449)



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S.N.	Name	FY 2080-81			
		Units	Value per unit	Value Amount	Total Cost
	LISTED				
1.	Nabil Bank Ltd.	34,582	524	18,120,968	13,304,679
2.	Prime Commercial Bank Ltd.	88,492	222	19,627,526	17,089,928
3.	Sanima Bank Ltd.	88,153	279	24,594,687	18,979,717
4.	Global IME Bank Ltd.	106,213	194	20,626,566	21,379,651
5.	Nepal Bank Ltd.	105,859	230	24,246,741	25,686,947
6.	NMB Bank Ltd.	88,950	218	14,595,100	15,397,487
7.	Nepal Investment Bank Ltd. Promoter Share	48,950	139	6,799,155	15,631,180
8.	Siddhartha Bank Ltd.	30,830	283	8,724,890	6,560,250
9.	Kumari Bank Ltd.	43,364	154	6,685,047	7,263,612
10.	Agricultural Development Bank Ltd.	69,545	294	20,446,230	18,405,154
11.	Nepal SBI Bank Ltd.	51,168	328	16,783,104	17,983,896
12.	Standard Chartered Bank Ltd.	32,750	602	19,715,500	20,045,363
13.	Himalayan Bank Ltd.	42,579	204	8,694,632	9,417,099
14.	Citizens Bank International Ltd.	34,784	194	6,730,704	7,341,351
15.	Machhapuchchhre Bank Ltd.	50,431	200	10,086,200	8,807,112
16.	Prabhu Bank Ltd.	97,381	164	15,941,270	17,888,847
17.	Kamana Sewa Bikas Bank Ltd.	30,634	416	12,743,744	7,289,090
18.	Shangrila Development Bank Ltd.	15,585	349	5,439,165	2,436,572
19.	Muktinath Bikas Bank Ltd.	25,000	367	9,175,000	5,006,983
20.	Garima Bikas Bank Ltd.	28,194	385	10,087,309	6,358,699
21.	Shine Resunga Development Bank Ltd.	25,000	405	10,127,500	7,123,351
22.	Lumbini Bikash Bank Ltd.	15,067	417	6,276,912	4,989,332
23.	Mahalaxmi Bikash Bank Ltd.	21,977	352	7,735,904	6,879,759
24.	Butwal Power Company Ltd.	6,409	310	1,985,790	1,787,480
25.	Chilime Hydropower Company Ltd.	14,082	465	6,548,130	4,807,690
26.	Nepal Life Insurance Company Ltd.	16,509	619	10,219,071	17,479,586
27.	Asian Life Insurance Company Ltd.	21,936	623	13,666,128	10,832,370
28.	National Life Insurance Company Ltd.	31,188	595	18,556,860	18,427,395
29.	Sana Kisan Bikas Bank Ltd.	12,000	854	10,244,400	5,856,410
30.	Chhimek Laghubitta Bittiya Sanstha Ltd.	6,093	900	4,583,700	2,581,021
31.	Swabalambar Laghubitta Bittiya Sanstha Ltd.	10,084	940	9,478,960	7,318,374
32.	Nirdhan Uthhan Bank Ltd.	22,681	712	16,146,604	14,645,739
33.	Deprosc Laghubitta Bittiya Sanstha Ltd.	5,000	841	4,205,000	2,563,248

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Chartered Accountants
Kathmandu

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34	RSDC Laghubitta Bittiya Sanstha Ltd.	5,000	692	3,460,000	2,261,430
35	NMB Laghubitta Bittiya Sanstha Ltd.	5,346	760	4,062,960	4,815,145
36	First Microfinance Laghubitta Bittiya Sanstha Ltd.	7,000	681	4,767,000	2,836,016
37	Global IME Laghubitta Bittiya Sanstha Ltd.	1	1,385	1,385	63
38	Prabhu Insurance Company Ltd.	14,784	826	12,211,584	9,957,317
39	Shikhar Insurance Company Ltd.	8,000	723	5,784,000	4,344,909
40	NLG Insurance Company Ltd.	13,000	795	10,333,700	8,127,990
41	Neco Insurance Company Ltd.	16,499	836	13,793,164	12,214,143
42	Nepal Doorsanchar Company Ltd.	1,455	845	1,230,320	1,127,823
43	Nabil Balance Fund 2	250,000	9	2,250,000	2,500,000
44	Citizen Mutual Fund 2	500,000	10	5,160,000	5,000,000
45	Sunrise First Mutual Fund	150,000	10	1,552,500	1,500,000
46	Sanima Large Cap Fund	100,000	9	929,000	1,000,000
47	Kumari Equity Fund	1,000,000	10	9,650,000	10,000,000
48	Prabhu Select Fund	1,468,090	10	14,372,601	14,680,900
49	RBB Mutual Fund 1	500,000	8	4,080,000	5,000,000
50	Global IME Balance Fund-I	250,000	9	2,275,000	2,500,000
51	NMB Sulav Investment Fund - II	100,000	10	1,006,000	1,000,000
52	Sanima Growth Fund	2,000,000	10	20,280,000	20,000,000
53	Sunrise Focused Equity Fund	1,000,000	8	8,240,000	10,000,000
54	Himalayan Everest Insurance Ltd.	12,402	632	7,838,064	7,300,548
55	Nepal Investment Mega Bank Ltd.	17,268	175	3,023,627	3,204,694
56	Suryajyoti Life Insurance Company Ltd.	2,000	430	859,800	813,520
57	Sagarmatha Lumbini Insurance Company Ltd.	12,980	727	9,436,460	8,149,306
58	IGI Prudential Insurance Ltd.	13,904	558	7,758,432	6,811,327
59	Himalayan Life Insurance Ltd.	23,001	391	8,993,391	8,804,807
60	United Ajod Insurance Ltd.	2,007	599	1,201,190	1,114,875
61	Aarambha Chautari Laghubitta Bittiya Sanstha Ltd.	1	1,230	1,230	-
62	Laxmi Sunrise Bank Ltd.	56,267	175	9,846,725	10,882,275
63	Prabhu Mahalaxmi Life Insurance Ltd.	285	564	160,769	-
64	Kumari Sabal Yojana	500,000	10	5,000,000	5,000,000
65	Sarbotam Cement Ltd.	1,200	807	967,800	433,080
66	Aatmanirbhar Laghubitta Bittiya Sanstha Ltd.	8	2,725	21,800	816
	Sub-Total (A)	9,326,769		580,179,975	538,956,457
	UNLISTED				
1.	Prabhu Insurance Ltd. - Bonus	417	826.00	344,442	-
2	Sun Nepal Life Insurance Company Ltd. - Bonus	1,090	511.30	557,317	210,421
3.	IME Life Insurance Company Ltd. - Bonus	1,252	453.00	567,156	237,289

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4.	Samaj Laghubittya Bittiya Sansha Ltd. – Bonus	28	2,926.00	81,928	2,448
	Sub-Total (B)	2,787		1,550,843	
	Grand Total	9,329,556		581,730,818	539,406,615
	Unrealized Gain / (Loss)				42,324,203
	Less: Previous Year Unrealized Gain/(Loss)				72,855,138
	Unrealized Gain / (Loss) This Year				(30,530,935)

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

23. Expenses and Service Fees

All Expenses are accounted on an accrual basis. Following Fees are incurred by the Scheme:

- Fund Management Fees: 1.5% of Net Assets Value (NAV)
- Depository Fees: 0.2% of NAV
- Fund Supervisor Fees: 0.1% of NAV

NAV for this purpose is computed based on quarterly i.e. average of weekly NAV for that quarter. The fee is booked quarterly at the end of each quarter of the financial year.

24. Employees Related Expenses

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

25. Fund Management, Depository and Supervisor Fee

Total Fund Management, Depository and Fund Supervisor Fees are calculated and recognized as per the mutual Fund Regulation, 2069. The total fees charged for full period 1st Shrawan 2081 – 28th Falgun 2081) are as follows:

Year	FY 2081/82 Upto Falgun 28 2081	Ashad End 2081
Fund Management Fee	9,767,635	13,921,719
Depository Fee	1,302,351	1,856,229
Supervisor Fee	651,176	928,115

26. Income Tax

Finance Act FY 2078/79 has included Mutual Fund under Section 10 of the Income Tax Act, 2058 as tax exempt entities. TDS on return from mutual fund (i.e., dividend) paid to individual is deducted at 5% which is final withholding and to entity is tax deducted at 15% (which is not final withholding). Therefore, the fund management is of the view that return from the Scheme is duly taxed as per the principle of income tax and is not subject to further tax liability for FY 2081/82.

27. Financial Risk Management

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

NIC ASIA

Pratibha Shrestha
Dharmendra
Kathmandu
Chartered Accountant

The Fund's overall risk management program focuses on ensuring compliance with the NIC ASIA Capital's Investment Policy. It also seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance.

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

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

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

27.1. Market Risk

a. Price Risk

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

NIC ASIA Capital's Investment Policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limit set by the management company.

NIC ASIA Capital's Investment Policy requires that the overall market position is monitored daily by the Fund Management Company.

Investment Threshold

As per the Mutual Fund Regulation, 2067 investment in fixed deposit cannot be made more than 15% of Net Asset Value of the scheme. The scheme has not invested in Fixed Deposit as of 28th Falgun 2081.

b. Foreign Exchange Rate Risk

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

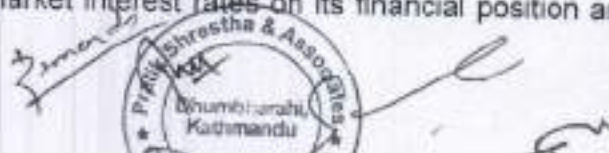
c. Cash Flow and Fair Value Interest Rate Risk

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

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



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

27.2. Credit Risk

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

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

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

In accordance with NIC ASIA Capital's Investment Policy, the Capital monitors the Fund's credit position on a daily basis. The Fund can maximize the returns derived for the level of risk to which the Fund is exposed.

27.3. Liquidity Risk

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

The Fund's listed securities are considered readily realizable, as all are listed on the Nepal Stock Exchange. NIC ASIA Growth Fund is listed in Nepal Stock Exchange.

In accordance with NIC ASIA Capital's Investment Policy, the Management Company monitors the Fund's liquidity position on a daily basis.

28. Unsettled Payables/Receivables

The fund contains balances that are unsettled of Rs. 36,180.61. Such unsettled balances are proposed to be transferred to other income.

Fund contain some balances of Rs. 697,614.62 in net that is proposed to be credited to retained earnings as the same belongs to previous year.

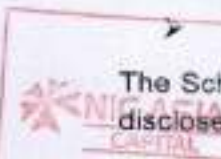
For the same purpose, a request has been sent to the Board of Director for approval.

29. Related Party Transactions

Related Parties:

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

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



- a. Unit Holding of NIC ASIA Bank Ltd. (Fund Sponsor) amounts to NPR 150,000,000 (at par value of NPR 10 per unit)
- b. NIC ASIA Growth Fund have earned interest amounting to NPR 4,398,831.77 (Four Million Three Hundred Ninety-eight Thousand Eight Hundred Thirty-one Rupees and Seventy-seven Paisa Only) from NIC ASIA Bank Ltd.
- c. Fund Management and Depository Fee incurred by NIC ASIA Growth Fund during the year amounts to NPR. 11,069,986.53 (out of which NPR. 2,554,927.9 is still payable to NIC ASIA Capital Ltd.)

30. Reporting

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

31. Contingent Liability

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

32. Events after reporting period

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



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