

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of NIC Asia Dynamic Debt Fund, which comprise the Statement of Financial Position as at 32nd Ashadh 2082 (16th July, 2025), and the Statement of Profit or Loss, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory notes (herein after referred to as "the financial statements").

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the NIC Asia Dynamic Debt Fund as at 32nd Ashadh 2082 (16th July, 2025), and its financial performance and its cash flows for the period then ended in accordance with Nepal Financial Reporting Standards (NFRS) and comply with the Securities Act 2063; Mutual Fund Regulations 2067; Mutual Fund Directives 2069 and other prevailing laws.

Basis for Opinion

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

Key audit matters

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

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



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		• On the sample basis, verified the effective interest rate and amortization schedule for the valuation of financial assets measured at amortized cost • Ensured that the valuation of financial assets measure through profit and loss has been done at the period end closing transaction rate in NEPSE • Traced the quantity held from the custodian with the books as at period end.
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Other Information

Management is responsible for the preparation of the other information. The other information comprises the information included in the Management report and Chairman's statement but does not include the financial statements and our auditor's report thereon. Such information is expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise



from considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statement whether due to fraud or error, design and perform audit procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

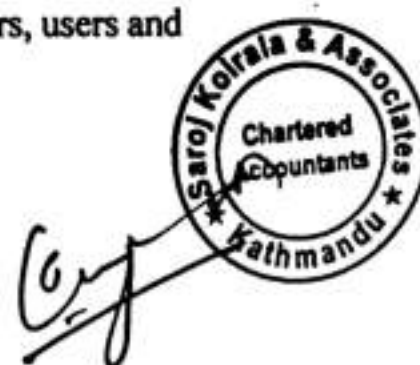
We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

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

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- The scheme has kept proper books of account as required by the law so far, as appears from our examinations of those books.
- The scheme has not acted in a manner to be detrimental to the interest of the unit holders, users and the securities market.



- The existence, operating effectiveness and continuity of internal control system of Fund Manager is satisfactory.
- The funds under scheme have been invested as according to the regulations.
- The internal audit of the scheme has been conducted as part of Fund Manager's internal audit on periodic basis effectively.
- We have not come across any case where fund manager or any of the representative or staffs have acted contrary to legal provisions relating to accounts, or committed any misrepresentation or caused any loss or damage to the fund.
- The operation of scheme has been found satisfactory.
- The investment in shares have been valued at fair value through profit or loss and debentures have been value at amortized cost in accordance with the provisions of NFRS.
- There is no such other matter that the we felt necessary for disclosing to the Unitholders.



Saroj Koirala, FCA
Proprietor
Saroj Koirala and Associates,
Chartered Accountants

Date: 18th Shrawan, 2082
Place: Kathmandu, Nepal
UDIN: 250805CA00466LbHKn

NIC ASIA Dynamic Debt Fund
(Sponsored by NIC ASIA Bank Limited and Managed by NIC ASIA Capital Ltd.)
Balance Sheet As at 32nd Ashad 2082 (16th July 2025)

In NPR

Particulars	Annexure	Ashad End 2082	Ashad End 2081
Capital and Liabilities			
Unit Capital	9	1,402,266,108	750,841,870
Reserves and Surplus		101,390,730	82,026,513
Current Liabilities and Provisions	8	21,612,365	4,302,041
Total		1,525,269,202	837,170,423
Assets			
Investments in Debentures	3	408,969,176	316,422,565
Bank Balances	4	311,449,046	209,989,043
Other Current Assets	5	106,919,937	21,091,890
Investment in Fixed Deposit	6	80,000,000	87,000,000
Investments in Shares	7	617,931,044	202,666,925
Total		1,525,269,202	837,170,423

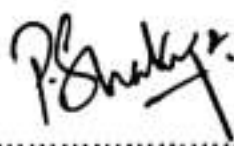
Schedules and Explanatory Notes forms integral part of Balance Sheet

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

As per our Report of even date



.....
Bimal Kumar Shah
Mutual Fund - Incharge



.....
Pragya Ratna Shakya
Chief Operating Officer




.....
Ramendra Rayamajhi
Chief Executive Officer

Date: 03/08/2025
Place : Kathmandu

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

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

Particulars	Notes	32nd Asadh, 2082	31st Asadh, 2081
Assets			
Non Current Assets			
Financial Asset Measured at Amortised Cost	3	408,969,176	316,422,565
Current Assets			
Cash and Cash Equivalents	4	311,449,046	209,989,043
Other Financial Assets	5	106,919,937	21,091,890
Financial Assets Measured at Amortised Cost	6	80,000,000	87,000,000
Financial Assets Measured at Fair Value Through Profit or Loss	7	617,931,044	202,666,925
Total		1,525,269,202	837,170,423
Liabilities			
Current Liabilities			
Accrued Expenses & Other Payables	8	21,612,365	4,302,041
Liabilities (Excluding Net Assets Attributable to Unitholders)		21,612,365	4,302,041
Unit Holder's Funds			
Net Assets Attributable to Unit Holders	9	1,503,656,838	832,868,382
Total		1,525,269,202	837,170,423

NAV per Share 10.72 11.09

Explanatory Notes forms integral part of Financial Statement

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

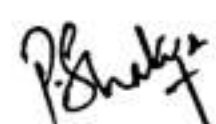
As per our Report of even date


Bimal Kumar Shah
Mutual Fund - Incharge


Dinesh Bhari
Director


Nidhaan Shrestha
Director

Date: 03/08/2025
Place : Kathmandu


Pragya Ratna Shakya
Chief Operating Officer


Santosh Kumar Rathi
Chairman


Rabin Sapkota
Independent Director


NIC ASIA
CAPITAL


Ramendra Rayamajhi
Chief Executive Officer


CA. Baroj Koirala
Saroj Koirala & Associates
Chartered Accountants


Guman Dangol
Independent Director



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

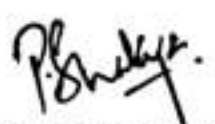
Statement of Profit or Loss
For the Period from 1st Shrawan 2081 to 32nd Asadh, 2082 (16th July, 2024 to 16th July, 2025)

Particulars	Notes	FY 2081/82	FY 2080/81
Income			
Realised Income			
Interest Income	10	41,188,137	38,977,420
Dividend Income	11	5,592,089	1,671,469
Gain on Sale of Stocks	12	22,763,011	35,333,677
Other Income	13	728,744	317,854
Unrealised Income			
Dividend Income		-	-
Fair Value Gains/(losses)	14	17,529,913	3,282,260
Total		87,801,895	79,682,680
Expenses			
Pre Operating Expenses		-	-
Operating Expenses	15	23,861,439	12,788,342
Total		23,861,439	12,788,342
Increase/(Decrease) in Net Assets Attributable to Unit holders		63,940,456	66,794,338

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

As per our Report of even date


Bimal Kumar Shah
Mutual Fund - Incharge


Pragya Ratna Shakya
Chief Operating Officer




Ramendra Rayamajhi
Chief Executive Officer


Dinesh Bhari
Director


Santosh Kumar Rathi
Chairman


CA. Saroj Koirala
Saroj Koirala & Associates
Chartered Accountants


Mdhaan Shrestha
Director


Rabin Sapkota
Independent Director


Suman Dangol
Independent Director

Date: 03/08/2025
Place : Kathmandu

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

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

Particulars	FY 2081/82	FY 2080/81
A. Cash Flow from Operating Activities		
Surplus/ (Deficit) for the year	63,940,456	66,794,338
Adjustments for:		
(Increase)/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	(17,529,913)	(3,282,260)
Increase/(Decrease) in Liabilities	17,310,324	583,515
(Increase)/Decrease in Share	(397,734,206)	(74,705,590)
(Increase)/Decrease in Other Assets	(171,374,658)	(42,536,974)
Net cash generated/(used) in Operations (1)	(505,387,997)	(53,166,970)
B. Cash Flow from Investing Activities		
Net cash generated/(used) in Investing (2)	-	-
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Unit Capital	651,424,238	199,616,883
Unit Premium Reserve	31,648,121	10,457,916
Dividend Paid during the year (net of tax)	(76,224,360)	(55,817,161)
Net cash generated/(used) in Financing (3)	606,848,000	154,257,639
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	101,460,002	101,090,669
Cash and Cash Equivalents at beginning of the year/period	209,989,043	108,898,375
Cash and Cash Equivalents at end of period	311,449,045	209,989,043
Components of Cash and Cash Equivalents		
Balance with Banks	311,449,046	209,989,043

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

As per our Report of even date

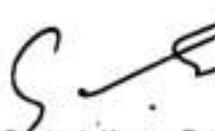

Bimal Kumar Shah
Mutual Fund - Incharge

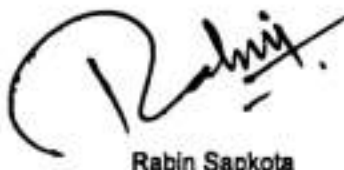

Dinesh Bhari
Director


Nidhaan Shrestha
Director

Date: 03/08/2025
Place : Kathmandu


Pragya Ratna Shakya
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Chartered Accountants




Suman Dangol
Independent Director

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

Statement in Changes in Equity
For the Period from 1st Shrawan 2081 to 32nd Asadh, 2082 (16th July, 2024 to 16th July, 2026)

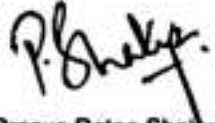
Particular	Unit Capital	Unit Premium Reserve	Realized Profit	Unrealized Profit	Total
Opening Balances on 01/04/2080	551,224,988	3,244,133	56,845,140	502,148	611,816,405
Issue of Unit Capital	199,616,883	-	-	-	199,616,883
Net Profit (Loss) During the year	-	-	83,512,078	3,282,260	86,794,338
Dividend Paid	-	-	(55,817,161)	-	(55,817,161)
Unit premium Reserve	-	10,457,916	-	-	10,457,916
Balance as on 31/03/2081	750,841,870	13,702,050	84,540,058	3,784,408	832,868,382
Opening Balance as on 01/04/2081	750,841,870	13,702,050	84,540,058	3,784,408	832,868,382
Issue of Unit Capital	651,424,238	-	-	-	651,424,238
Net Profit (Loss) During the year	-	-	46,410,542	17,529,913	63,940,456
Dividend Paid	-	(11,684,302)	(64,540,058)	-	(76,224,360)
Unit premium Reserve	-	31,648,121	-	-	31,648,121
Balance as on 32/03/2082	1,402,266,108	33,665,869	46,410,542	21,314,319	1,503,656,838

No of Units 140,226,610.8
NAV Per Share 10.72

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 Shukla
Chief Operating Officer


Ramendra Rayamajhi
Chief Executive Officer



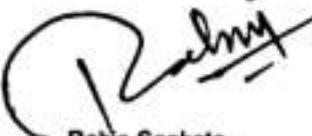

Dinesh Bhatt
Director


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Saroj Koirala & Associates
Chartered Accountants




Nidhan Shrestha
Director


Rabin Sapkota
Independent Director


Suman Dangol
Independent Director

Date: 03/08/2025
Place : Kathmandu

Significant Accounting Policies and Notes to the Accounts as on 32nd Ashad, 2082

1. OVERVIEW

Fund:	NIC ASIA Bank Mutual Fund
Scheme:	NIC ASIA Dynamic Debt Fund
Fund Sponsor:	NIC ASIA Bank Limited (NICA) (Licensed by NRB as Class "A" bank)
Fund Management:	NIC ASIA Capital Limited (A subsidiary of NIC ASIA Bank Limited)
Fund Supervisors:	Mr. Bodhraj Niraula Mr. Aashish Adhikari Mr. Shivaraj Ghimire Mr. Santosh Lamichhane Mr. Mahendra Nath Karmacharya
Total Unit Capital: (At Allotment) (At Year End)	NPR 500,000,000 (NPR Five Hundred Million Only) 1,402,266,108 (One Billion, Four Hundred Two Million, Two Hundred Sixty-six Thousand, One Hundred and Eight Rupees)
Scheme type:	Open-Ended

NIC ASIA Dynamic Debt Fund (the Scheme) under NIC ASIA Bank Mutual Fund (the Fund) is registered under Mutual Fund Regulations, 2067 as an open-end, diversified investment scheme. The objective of the Fund is to diligently manage the fund with the aim of achieving a high return for unit holders, growth of both capital and income from investment in shares and fixed income securities and conservation of capital. The Scheme commenced its operation on 23rd Mangshir, 2077 (Scheme allotment date) B.S. The trading started 3 months after the allotment date. The Scheme's Financial Statements were approved by the Board of Directors of the NIC ASIA Capital Limited on 18th Shrawan, 2082 being the Fund Management and Depository Company. Similarly, information regarding the approval of Financial Statements has been shared with Fund Supervisors.

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



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

Holder	Status	No. of Units	Holding Amount at NPR 10 Each	Holding (%)
NIC ASIA Bank Limited	Fund Sponsor	21,772,121	217,721,213	15.53%
General Public		118,454,489	1,184,544,895	84.47%
Total		140,226,611	1,402,266,108	100.00%

1.2. Net Asset Value (NAV) per unit

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

1.3. Net Assets Attributable to Unit Holders

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

1.4. Taxation

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

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1. Basis of Preparation

2.1.1. Statement of Compliance

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



2.1.2. Accounting Convention

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

Investment classified as FVTPL are measured at Fair value.

2.1.3. Responsibility for Financial Statements

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

2.1.4. Reporting Period of Financial Statements

These financial statements for the year ended 32nd Ashad, 2082. The comparative information covers the period from 1st Shrawan 2080 to 31st Ashad 2081.

2.1.5. Functional and Presentation Currency

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

2.1.6. Use of Assumptions, Judgments and Estimates:

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

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

2.1.7. Financial Instruments

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

a) Classification

i) Financial Asset

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



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

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

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

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

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

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

ii. **Financial Liabilities**

The Fund classifies its financial liabilities as follows:

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

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

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

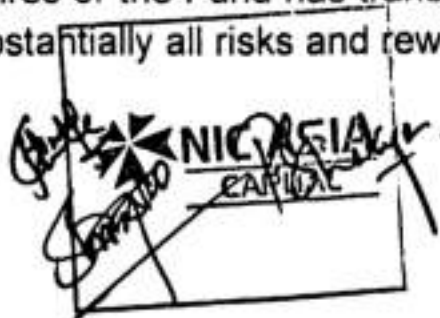
Financial liabilities other than those measured at fair value through profit or loss are classified as subsequently measured at amortized cost.

b) **Recognition / De- recognition**

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

De-recognition of Financial Asset

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



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

De-recognition of Financial Liabilities

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

c) Measurement

Initial Measurement

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

Subsequent Measurement

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

Financial assets are valued at the cost of acquisition.

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

Measurement of Financial Assets/Liabilities at Fair Value

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

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

Fair Value Measurement

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

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



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

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

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

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

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

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

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

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



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

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

S.N.	Particulars	Unit	Price	Ashad End 2082
	Non-Current Assets			
	Assets measured at amortized cost			
1	11.25% Global IME Bank Debenture 2084/85	15,000	1,000.00	15,000,000
2	11% LBBL Debenture 2089	7,500	1,000.00	7,500,000
3	10% Himalayan Bank Debenture 2083	4,498	1,018.01	4,578,993
4	10% Laxmi Bank Debenture 2086	756	1,027.82	777,033
5	10% Nepal SBI Bank Debenture 2086	9,314	1,025.70	9,553,331
6	10% Prabhu Bank Debenture 2084	9,960	1,026.06	10,219,557
7	10% Sanima Debenture 2085	5,655	1,018.55	5,759,925
8	10.25% Civil Bank Debenture 2088	16,082	1,000.00	16,082,000
9	10.25% Sanima Debenture 2089	1,000	1,000.00	1,000,000
10	10.25% KBL Debenture 2086	1,240	1,023.50	1,269,137
11	10.25% Machhapuchchhre Bank Debenture 2085	1,075	1,012.50	1,088,442
12	10.25% NBBL Debenture 2085	825	1,027.86	847,984
13	10.25% Prabhu Bank Debenture 2086	875	1,014.83	887,973
14	10.25% SBL Debenture 2083	615	1,013.89	623,541
15	10.25% Sunrise Debenture 2083	5,649	1,016.75	5,743,624
16	10.35% ADBL Kisi Bank Rinpatra 2083	4,480	1,015.98	4,551,575
17	10.5 % Nepal Investment Debenture	370	1,018.76	376,942
18	10.5% SBL Debenture 2082	740	1,010.42	747,714
19	10.50% Century Debenture 2088	50,000	1,000.00	50,000,000
20	10.75 % SBL Debenture 2089	25,000	1,000.00	25,000,000
21	12% ICFC Finance Debenture 2083	25	1,066.34	26,658
22	8.5% Global IME Bank Ltd. Debenture 2086/87	5,000	1,000.00	5,000,000
23	8.5% Machhapuchchhre Bank Debenture 2087	8,000	1,000.00	8,000,000
24	8.5% Nepal Investment Bank Bond 2084	75	920.44	69,033
25	8.5% Prabhu Bank Debenture 2087	40,000	1,000.00	40,000,000
26	8.5% RBBL Debenture 2083	18,459	1,000.43	18,466,891
27	8.75 % GBBL Debenture 2085	3,011	1,000.09	3,011,266
28	9% Jyoti Bikas Bank Bond 2087	17,911	1,000.00	17,911,000
29	9% Kamana Sewa Bikas Bank Ltd Debenture 2087	7,477	1,000.00	7,477,000
30	9% Shangri-la Development Bank Debenture 2087	3,784	1,000.00	3,784,000
31	9.5% Manjushree Finance Ltd. Debenture 2085	21,994	1,000.43	22,003,496
32	9.5% NCC Rinpatra 2086	22,833	1,000.06	22,834,309
33	10% NIMB Debenture 2090	6,176	1,000.00	6,176,000
34	8.5% Machhapuchchhre Debenture 2087	25	1,036.57	25,914
35	10% Citizens Bank Debenture 2090	140	1,073.62	150,307
36	8.5% BOK Debenture 2086	100	1,036.05	103,605
37	8.5% Sanima Debenture 2087	30	1,036.29	31,089
38	9% ICFC Finance Limited Debenture 2088	500	1,000.00	500,000
39	7.50% Everest Bank Limited Debenture 2091	20,125	1,000.00	20,125,000
40	8.75% Muktinath Debenture 2084/85	4	1,023.76	4,095
41	8.75% Prime Debenture 2085	25	1,029.71	25,743
	7% RBBL Debenture 2088	16,260	1,000.00	16,260,000



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43	7% Nepal SBI Bank Debenture 2090	24,000	1,000.00	24,000,000
44	8% Shine Resunga Debenture	1,942	1,000.00	1,942,000
45	7.25% SBL Debenture 2091	9,434	1,000.00	9,434,000
46	7% Nabil Debenture 2089	20,000	1,000.00	20,000,000
Total Amount		407,964		408,969,178

S.N.	Particulars	Unit	Price	Ashad End 2081
Non-Current Assets				
Asset measured at amortised cost				
1	11.25% Global IME Bank Debenture 2084/85	15,000	1,000.00	15,000,000
2	11% LBBB Debenture 2089	7,500	1,000.00	7,500,000
3	10% Himalayan Bank Debenture 2083	4,498	1,028.92	4,628,069
4	10% Laxmi Bank Debenture 2086	756	1,033.38	781,234
5	10% Nepal SBI Bank Debenture 2086	9,314	1,030.67	9,599,656
6	10% Prabhu Bank Debenture 2084	9,960	1,033.42	10,292,860
7	10% Sanima Debenture 2085	5,655	1,025.17	5,797,316
8	10% Sunrise Debenture 2080	-	-	-
9	10.25% Civil Bank Debenture 2088	16,082	1,000.00	16,082,000
10	10.25% Global Ime Bank Ltd. Debenture	-	-	-
11	10.25% Sanima Debenture 2089	1,000	1,000.00	1,000,000
12	10.25% KBL Debenture 2086	1,240	1,029.10	1,276,080
13	10.25% Machhapuchchhre Bank Debenture 2085	1,075	1,016.62	1,092,870
14	10.25% NBBL Debenture 2085	825	1,034.70	853,624
15	10.25% Prabhu Bank Debenture 2086	875	1,018.77	891,424
16	10.25% SBL Debenture 2083	615	1,023.41	629,397
17	10.25% Sunrise Debenture 2083	5,649	1,026.32	5,797,656
18	10.35% ADBL Kisi Bank Rinpatra 2083	4,480	1,024.68	4,590,568
19	10.5 % Nepal Investment Debenture	370	1,032.51	382,030
20	10.5% SBL Debenture 2082	740	1,022.27	756,476
21	10.50% Century Debenture 2088	50,000	1,000.00	50,000,000
22	10.75 % SBL Debenture 2089	25,000	1,000.00	25,000,000
23	12% ICFC Finance Debenture 2083	25	1,102.50	27,562
24	8.5% Global Ime Bank Ltd. Debenture 2086/87	5,000	1,000.00	5,000,000
25	8.5% Machhapuchchhre Bank Debenture 2087	8,000	1,000.00	8,000,000
26	8.5% Nepal Investment Bank Bond 2084	50	868.45	43,423
27	8.5% Prabhu Bank Debenture 2087	40,000	1,000.00	40,000,000
28	8.5% RBBL Debenture 2083- Listed	18,212	1,000.00	18,212,000
29	8.75 % GBBL Debenture 2085	3,000	1,000.00	3,000,000
30	9% Jyoti Bikas Bank Bond 2087	17,911	1,000.00	17,911,000
31	9% Kamana Sewa Bikas Bank Ltd Debenture 2087	7,477	1,000.00	7,477,000
32	9% Shangri-la Development Bank Debenture 2087	3,784	1,000.00	3,784,000
33	9.5% Manjushree Finance Ltd. Debenture 2085	21,994	1,000.55	22,006,011
34	9.5% NCC Rinpatra 2086	22,833	1,000.06	22,834,309
35	10% NIMB Debenture 2090	6,176	1,000.00	6,176,000
Total Amount		315,096		316,422,565

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4. Cash and Cash Equivalent:

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

In NPR

S.N.	Particulars	Ashad End 2082	Ashad End 2081
1	Cash at Bank	311,449,046	209,989,043
2	Cash in Hand	-	-
	Total	311,449,046	209,989,043

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

5. Other Financial Assets:

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

In NPR

S.N.	Particulars	Ashad End 2082	Ashad End 2081
1	Broker Receivables	52,263,009	7,634,751
2	Dividend Income Receivables	108,404	54,173
3	Interest Income Receivables	14,541,636	13,402,965
4	IPO Advance	40,000,000	-
5	Other Receivable	6,888	-
6	Provision For Capitalization of Pre-Operating Expenses	-	1
	Total Amount	106,919,937	21,091,890

Balance Due from Brokers: -

The Balance due from Broker is 52,263,009 (In Words: - Fifty-two Million Two Hundred Sixty-three Thousand and Nine Rupees Only).

6. Financial Assets Held at Amortized Cost (Current)

Fixed Deposit Investment of the fund comprises:

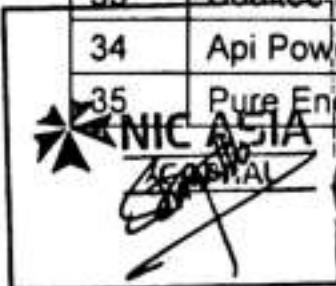
In NPR

S.N.	Particulars	Ashad End 2082	Ashad End 2081
	Assets measured at amortized cost		
	Current Assets		
1	NIC ASIA Bank Limited	-	65,000,000
2	Mahalaxmi Bikas Bank Limited	80,000,000	-
3	Samriddhi Finance Company Limited	-	22,000,000
	Total Amount	80,000,000	87,000,000



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

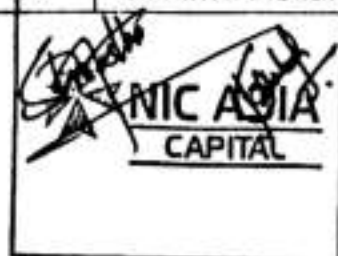
S.N	Name	Ashad End 2082			Fair Value Hierarchy
		Unit	Value per unit	Value Amount	
	LISTED				
1	Nepal Bank Limited	30,683	291.44	8,942,254	Level 1
2	Prime Commercial Bank Ltd.	46,000	276.31	12,710,260	Level 1
3	Agricultural Development Bank Limited	67,137	327.13	21,962,527	Level 1
4	Laxmi Sunrise Bank Limited	49,603	238.74	11,842,220	Level 1
5	Nabil Bank Limited	58,059	541.37	31,431,401	Level 1
6	Asian Life Insurance Company Limited	72,303	498.36	36,032,923	Level 1
7	National Life Insurance Company Limited	39,450	623.58	24,600,231	Level 1
8	Nepal Life Insurance Company Limited	32,507	772.97	25,126,936	Level 1
9	SuryaJyoti Life Insurance Company Limited	57,578	446.69	25,719,517	Level 1
10	Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	29,569	768.71	22,729,986	Level 1
11	Neco Insurance Limited	35,632	710.36	25,311,548	Level 1
12	Shikhar Insurance Company Limited	31,625	773.53	24,462,886	Level 1
13	Prabhu Insurance Ltd.	33,062	921.26	30,458,698	Level 1
14	Nepal Insurance Company Limited	34,124	645.18	22,016,122	Level 1
15	Himalayan Everest Insurance Limited	34,302	616.36	21,142,381	Level 1
16	Sanima GIC Insurance Limited	28,284	609.99	17,252,957	Level 1
17	Siddhartha Premier Insurance Limited	24,276	840.35	20,400,337	Level 1
18	Sagarmatha Lumbini Insurance Company Limited	51,467	726.09	37,369,674	Level 1
19	IGI Prudential insurance Limited	29,245	556.99	16,289,173	Level 1
20	United Ajod Insurance Limited	24,465	571.56	13,983,215	Level 1
21	Kumari Equity Fund	300,000	9.95	2,985,000	Level 1
22	RBB Mutual Fund 1	250,000	9.96	2,490,000	Level 1
23	NIBL Growth Fund	2,000,000	9.86	19,720,000	Level 1
24	Deprosc Laghubitta Bittiya Sanstha Limited	1,000	882.25	882,250	Level 1
25	Citizens Bank International Limited	50,295	228.28	11,481,343	Level 1
26	Garima Bikas Bank Limited	35,146	428.36	15,055,141	Level 1
27	Shine Resunga Development Bank Limited	43,487	431.97	18,785,079	Level 1
28	Rasuwegadhi Hydropower Company Limited	5,000	336.35	1,681,750	Level 1
29	Chirkhwa Hydro Power Limited	4	662.09	2,648	Level 1
30	Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited	14,894	884.41	13,172,403	Level 1
31	Kumari Sabal Yojana	500,000	10.00	5,000,000	Level 1
32	Muktinath Bikas Bank Limited	5,000	405.92	2,029,600	Level 1
33	Soaltee Hotel Limited	19,925	577.58	11,508,282	Level 1
34	Api Power Company Limited	30,000	295.92	8,877,600	Level 1
35	Pure Energy Limited	1,341	871.71	1,168,963	Level 1



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

In NPR

S.N.	Name	Ashad End 2081			Fair Value Hierarchy
		Units	Value per unit	Value Amount	
	LISTED				
1	Nepal Bank Limited	15,773	229.50	3,619,904	Level 1
2	Sanima Bank Limited	11,791	279.00	3,289,689	Level 1
3	Prime Commercial Bank Limited	11,171	221.80	2,477,728	Level 1
4	Global IME Bank Limited	10,044	194.20	1,950,545	Level 1
5	Agricultural Development Bank Limited	9,060	294.00	2,663,640	Level 1
6	Laxmi Sunrise Bank Limited	10,413	175.00	1,822,275	Level 1
7	Nabil Bank Limited	10,824	524.00	5,671,776	Level 1
8	Prabhu Bank Limited	12,741	163.70	2,085,702	Level 1
9	Kamana Sewa Bikas Bank Limited	19,173	416.00	7,975,968	Level 1
10	Asian Life Insurance Company Limited	17,840	623.00	11,114,320	Level 1
11	National Life Insurance Company Limited	11,128	595.00	6,621,160	Level 1
12	Nepal Life Insurance Company Limited	1,140	619.00	705,660	Level 1
13	SuryaJyoti Life Insurance Company Limited	9,278	429.90	3,988,612	Level 1
14	Sanima Reliance Life Insurance Limited	4,168	472.40	1,968,963	Level 1



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15	Himalayan Life Insurance Limited	4,000	391.00	1,564,000	Level 1
16	Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	9,275	711.90	6,602,873	Level 1
17	Chhimek Laghubitta Bittiya Sanstha Limited	13,324	900.00	11,991,600	Level 1
18	Mahila Lagubitta Bittiya Sanstha Limited	255	2,035.00	518,925	Level 1
19	Neco Insurance Limited	6,583	836.00	5,503,388	Level 1
20	Shikhar Insurance Company Limited	5,855	723.00	4,233,165	Level 1
21	Prabhu Insurance Limited	14,236	826.00	11,758,936	Level 1
22	NLG Insurance Company Limited	5,237	794.90	4,162,891	Level 1
23	Nepal Insurance Company Limited	1,978	880.00	1,740,640	Level 1
24	Himalayan Everest Insurance Limited	13,808	632.00	8,726,656	Level 1
25	Sanima GIC Insurance Limited	2,000	577.00	1,154,000	Level 1
26	Siddhartha Premier Insurance Limited	15,000	859.90	12,898,500	Level 1
27	Sagarmatha Lumbini Insurance Company Limited	16,134	727.00	11,729,418	Level 1
28	IGI Prudential insurance Limited	7,275	558.00	4,059,450	Level 1
29	United Ajod Insurance Limited	2,646	598.50	1,583,631	Level 1
30	Kumari Equity Fund	300,000	9.66	2,898,000	Level 1
31	Prabhu Select Fund	500,000	9.79	4,895,000	Level 1
32	RBB Mutual Fund 1	250,000	8.16	2,040,000	Level 1
33	NIBL Growth Fund	2,000,000	10.64	21,280,000	Level 1
34	Nabil Flexi Cap Fund	250,000	10.64	2,660,000	Level 1
35	Deprosc Laghubitta Bittiya Sanstha Limited	1,248	841.00	1,049,568	Level 1
36	Citizens Bank International Limited	9,000	193.50	1,741,500	Level 1
37	Garima Bikas Bank Limited	5,000	385.10	1,925,500	Level 1
38	Shine Resunga Development Bank Ltd.	12,500	405.10	5,063,750	Level 1
39	Rasuwadaghi Hydropower Company Limited	5,000	295.00	1,475,000	Level 1
40	Chirkhwa Hydro Power Limited	4	606.70	2,427	Level 1
41	Sarbottom Cement Limited	2,711	806.50	2,186,422	Level 1
42	Jeevan Bikas Laghubitta Bittiya Sanstha Limited	1,717	1,465.00	2,515,405	Level 1
43	Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited	1,749	853.70	1,493,121	Level 1
44	Kumari Sabal Yojana	500,000	10.00	5,000,000	Level 1
	Sub- Total (A)	4,111,079		200,409,708	
	UNLISTED				
1	Sun Nepal Life Insurance Company Limited - Bonus share	2,046	511.30	1,046,120	Level 2
2	IME Life Insurance Company Limited - Bonus share	2,307	453.00	1,045,071	Level 2
3	Prabhu Insurance Company Limited - Bonus Share	201	826.00	166,026	Level 2
	Sub-Total (B)	4,554		2,257,217	
	Grand Total	4,115,633		202,666,925	



8. Accrued Expenses and Other Payables:

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

In NPR

S.N.	Particulars	Ashad End 2082	Ashad End 2081
1	Broker Payable	13,098,452	-
2	Scheme Audit Fee Payable	111,500	111,500
3	Fund Management Fee Payable	5,238,433	2,957,090
4	Depository Fee Payable	698,458	394,279
5	Supervisor Fee Payable	301,365	170,120
6	Times Media Payable	61,333	35,832
7	TDS Payable	146,154	84,619
8	Unit Redemption Payables	363,704	53,961
9	CDSC Payables	123,801	354,065
10	Other Current Liabilities	582,964	140,575
11	Right Advance Payable	886,200	-
	Total Amount	21,612,365	4,302,041

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

9. Net Assets Attributable to Unit Holders

S.N.	Particulars	Ashad End 2082	Ashad End 2081
1	Unit Capital	1,402,266,108	750,841,870
2	Unit Premium Reserve	33,665,869	13,702,050
3	Realized Profit	46,410,542	64,540,058
4	Unrealized Profit	21,314,319	3,784,406
	Total Amount	1,503,656,838	832,868,382

9.1. Unit Capital

The unit capital of fund is as follows:

In NPR

S.N.	Particulars	Ashad End 2082	Ashad End 2081
1	Unit Capital Account	1,184,544,895	675,841,870
2	Unit Seed Capital Account	217,721,213	75,000,000
	Total Amount	1,402,266,108	750,841,870

9.1.1. Movement of Unit Capital

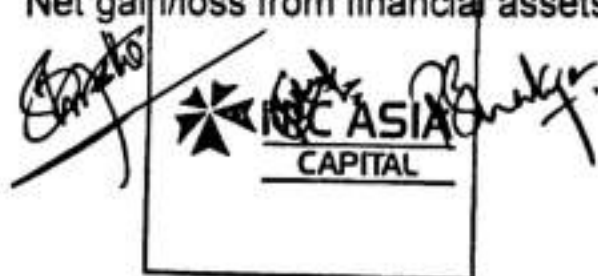
The movement of the unit capital during the period is given below.

In NPR

Particulars	Amount
Opening Units	75,084,186.96
Purchase During the Financial Year	68,660,406.81
Redemptions During the Financial Year	(3,517,983.00)
Closing Units	140,226,610.77

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

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



In NPR

Particular	Realized Profit	Unrealized Profit	Total
Opening Balance	64,540,058	3,784,406	68,324,463
Net Profit (Loss) During the year	46,410,542	17,529,913	63,940,456
Dividend Paid	(64,540,058)	-	(64,540,058)
Balance as on 32/03/2082	46,410,542	21,314,319	67,724,861

9.3. Unit premium Reserve:

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

In NPR

Particular	Unit Premium Reserve
Opening Balance	13,702,050
Issue of Unit Capital	-
Net Profit (Loss) During the year	-
Dividend Paid	(11,684,302)
Unit premium Reserve	31,648,121
Balance as on 32/03/2082	33,665,869

9.3.1. Unit Premium Reserve

Unit Premium reserve is created on every purchase and redemption of units of NIC Asia Dynamic Debt Fund at the prevailing NAV on the date in excess or shortfall of Face value of the units. The Unit premium reserve amount at the end of the period is 33,665,869 (In words: Thirty-Three Million Six Hundred Sixty-five Thousand Eight Hundred and Sixty-nine Rupees Only).

10. Interest Income

In NPR

S.N.	Particulars	Ashad End 2082	Ashad End 2081
1	Interest Income from Bank and Bond and Debenture	41,537,910	39,536,995
	Less: Debenture Amortization Expenses	349,773	559,575
	Total Amount	41,188,137	38,977,420

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

11. Dividend Income

In NPR

S.N.	Particulars	Ashad End 2082	Ashad End 2081
1	Dividend Income	5,592,089	1,671,469
	Total Amount	5,592,089	1,671,469

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



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

In NPR

S.N.	Particulars	Ashad End 2082	Ashad End 2081
1	Gain on Sale of Stocks	22,763,011	35,333,677
	Total Amount	22,763,011	35,333,677

13. Other Income

In NPR

S.N.	Particulars	Ashad End 2082	Ashad End 2081
1	Exit Load Incomes	376,331	117,854
2	Underwriting Income	100,000	200,000
3	Closeout Income	252,413	
	Total Amount	728,744	317,854

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

S.N.	Name	Ashad End 2082				
		Units	Value per unit	Value Amount	Cost Price	Total Cost
1	Nepal Bank Limited	30,683	291.44	8,942,254	285.59	8,762,899
2	Prime Commercial Bank Limited	46,000	276.31	12,710,260	258.27	11,880,444
3	Agricultural Development Bank Limited	67,137	327.13	21,962,527	300.06	20,145,367
4	Laxmi Sunrise Bank Limited	49,603	238.74	11,842,220	219.18	10,871,769
5	Nabil Bank Limited	58,059	541.37	31,431,401	518.67	30,113,636
6	Asian Life Insurance Company Limited	72,303	498.36	36,032,923	637.89	46,121,401
7	National Life Insurance Company Limited	39,450	623.58	24,600,231	613.78	24,213,504
8	Nepal Life Insurance Company Limited	32,507	772.97	25,126,936	782.11	25,424,174
9	Suryajyoti Life Insurance Company Limited	57,578	446.69	25,719,517	461.03	26,545,425
10	Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	29,569	768.71	22,729,986	750.07	22,178,848
11	Neco Insurance Limited	35,632	710.36	25,311,548	704.79	25,113,023
12	Shikhar Insurance Company Limited	31,625	773.53	24,462,886	768.11	24,291,347
13	Prabhu Insurance Limited	33,062	921.26	30,458,698	870.43	28,778,296
14	Nepal Insurance Company Limited	34,124	645.18	22,016,122	778.77	26,574,753
15	Himalayan Everest Insurance Limited	34,302	616.36	21,142,381	602.66	20,672,429
16	Sanima GIC Insurance Limited	28,284	609.99	17,252,957	597.77	16,907,236
17	Siddhartha Premier Insurance Limited	24,276	840.35	20,400,337	810.96	19,686,950

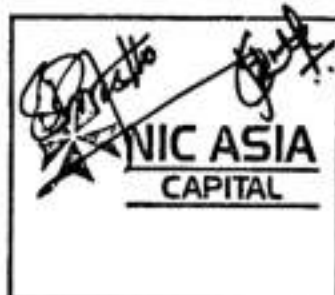


18	Sagarmatha Lumbini Insurance Company Limited	51,467	726.09	37,369,674	724.79	37,302,824
19	IGI Prudential insurance Limited	29,245	556.99	16,289,173	572.13	16,731,878
20	United Ajod Insurance Limited	24,465	571.56	13,983,215	589.37	14,419,015
21	Kumari Equity Fund	300,000	9.95	2,985,000	10.00	3,000,000
22	RBB Mutual Fund 1	250,000	9.96	2,490,000	10.00	2,500,000
23	NIBL Growth Fund	2,000,000	9.86	19,720,000	10.00	20,000,000
24	Deprosc Laghubitta Bittiya Sanstha Limited	1,000	882.25	882,250	781.47	781,472
25	Citizens Bank International Limited	50,295	228.28	11,481,343	209.82	10,552,703
26	Garima Bikas Bank Limited	35,146	428.36	15,055,141	400.72	14,083,752
27	Shine Resunga Development Bank Ltd.	43,487	431.97	18,785,079	417.37	18,150,302
28	Rasuwadagadhi Hydropower Company Limited	5,000	336.35	1,681,750	357.51	1,787,566
29	Chirkhwa Hydro Power Limited	4	662.09	2,648	100.00	400
30	Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited	14,894	884.41	13,172,403	803.08	11,961,055
31	Kumari Sabal Yojana	500,000	10.00	5,000,000	10.00	5,000,000
32	Muktinath Bikash Bikas Bank	5,000	405.92	2,029,600	384.94	1,924,720
33	Soaltee Hotel Limited	19,925	577.58	11,508,282	561.78	11,193,553
34	API Power Company Limited	30,000	295.92	8,877,600	303.24	9,097,162
35	Pure Energy Limited	1,341	871.71	1,168,963	100.00	134,100
36	Sun Nepal Life Insurance Company Limited	553	490.64	271,324	100.00	55,300
37	Guardian Micro Life Insurance Limited	1,379	2,194.29	3,025,926	100.00	137,900
38	Crest Micro Life Insurance Limited	1,351	1,364.36	1,843,250	100.00	135,100
39	Trade Tower Limited	3,385	100.00	338,500	100.00	338,500
40	Om Megashree Pharmaceuticals Limited	1,649	1,517.76	2,502,786	100.00	164,900
41	MBL Equity Fund	300,000	9.93	2,979,000	10.00	3,000,000
42	Reliable Samriddhi Yojana	1,500,000	9.93	14,895,000	10.00	15,000,000
43	Nepal Micro Insurance Company Limited	1,347	1,559.40	2,100,512	100.00	134,700
	Sub-Total (A)	5,875,127		592,581,601		585,868,405
	UNLISTED					
1	Sanvi Energy Limited - IPO	2,473	100.00	247,300	100.00	247,300
2	Him Star Urja Company Limited- IPO	821	100.00	82,100	100.00	82,100
3	Bikash Hydropower Company Limited - IPO	3,101	100.00	310,100	100.00	310,100



4	Asian Life Insurance Company Limited - Bonus	4,898	498.36	2,440,967	637.89	3,124,388
5	National Life Insurance Company Limited - Bonus	1,372	623.58	855,552	613.78	842,102
6	Asian Life Insurance Company Limited - Value of Right	25,748	520.03	13,389,732	100.00	2,574,800
7	Neco Insurance Limited- Bonus share	1,759	710.36	1,249,523	704.79	1,239,723
8	United Ajod Insurance Limited - Bonus share	2,446	571.56	1,398,036	589.37	1,441,607
9	Nepal Insurance Company Limited - value of right	8,862	606.65	5,376,132	100.00	886,200
	Sub-Total (B)	51,480		25,349,443		10,748,320
	Grand Total	5,926,607		617,931,044		596,616,725
	Unrealized Gain / (Loss)					21,314,319
	Less: Previous Year Unrealized Gain/(Loss)					3,784,406
	Unrealized Gain / (Loss) This Year					17,529,913

S.N.	Name	Ashad End 2081				
		Units	Value per unit	Value Amount	Cost Price	Total Cost
	LISTED					
1	Nepal Bank Limited	15,773	230	3,619,904	310	4,882,996
2	Sanima Bank Limited	11,791	279	3,289,689	244	2,877,583
3	Prime Commercial Bank Limited	11,171	222	2,477,728	274	3,061,982
4	Global IME Bank Limited	10,044	194	1,950,545	226	2,268,056
5	Agricultural Development Bank Limited	9,060	294	2,663,640	306	2,771,432
6	Laxmi Sunrise Bank Limited	10,413	175	1,822,275	204	2,124,551
7	Nabil Bank Limited	10,824	524	5,671,776	590	6,389,144
8	Prabhu Bank Limited	12,741	164	2,085,702	201	2,558,561
9	Kamana Sewa Bikas Bank Limited	19,173	416	7,975,968	366	7,013,512
10	Asian Life Insurance Company Limited	17,840	623	11,114,320	607	10,828,636
11	National Life Insurance Company Limited	11,128	595	6,621,160	734	8,166,362
12	Nepal Life Insurance Company Limited	1,140	619	705,660	1,757	2,003,510
13	SuryaJyoti Life Insurance Company Limited	9,278	430	3,988,612	530	4,919,157
14	Sanima Reliance Life Insurance Limited	4,168	472	1,968,963	96	400,000
15	Himalayan Life Insurance Limited	4,000	391	1,564,000	183	730,100



16	Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	9,275	712	6,602,873	869	8,057,874
17	Chhimek Laghubitta Bittiya Sanstha Limited	13,324	900	11,991,600	874	11,640,264
18	Mahila Lagubitta Bittiya Sanstha Limited	255	2,035	518,925	46	11,735
19	Neco Insurance Limited	6,583	836	5,503,388	889	5,855,418
20	Shikhar Insurance Company Limited	5,855	723	4,233,165	897	5,250,029
21	Prabhu Insurance Limited	14,236	826	11,758,936	779	11,085,041
22	NLG Insurance Company Limited	5,237	795	4,162,891	844	4,419,401
23	Nepal Insurance Company Limited	1,978	880	1,740,640	503	995,903
24	Himalayan Everest Insurance Limited	13,808	632	8,726,656	599	8,274,182
25	Sanima GIC Insurance Limited	2,000	577	1,154,000	627	1,254,541
26	Siddhartha Premier Insurance Limited	15,000	860	12,898,500	768	11,525,589
27	Sagarmatha Lumbini Insurance Company Limited	16,134	727	11,729,418	711	11,466,657
28	IGI Prudential insurance Limited	7,275	558	4,059,450	546	3,975,080
29	United Ajod Insurance Limited	2,646	599	1,583,631	585	1,546,953
30	Kumari Equity Fund	300,000	10	2,898,000	10	3,000,000
31	Prabhu Select Fund	500,000	10	4,895,000	10	5,000,000
32	RBB Mutual Fund 1	250,000	8	2,040,000	10	2,500,000
33	NIBL Growth Fund	2,000,000	11	21,280,000	10	20,000,000
34	Nabil Flexi Cap Fund	250,000	11	2,660,000	10	2,500,000
35	Deprosc Laghubitta Bittiya Sanstha Limited	1,248	841	1,049,568	659	822,062
36	Citizens Bank International Limited	9,000	194	1,741,500	185	1,660,527
37	Garima Bikas Bank Limited	5,000	385	1,925,500	368	1,840,728
38	Shine Resunga Development Bank Limited	12,500	405	5,063,750	405	5,059,408
39	Rasuwadagadhi Hydropower Company Limited	5,000	295	1,475,000	358	1,787,566
40	Chirkhwa Hydro Power Limited	4	607	2,427	100	400
41	Sarbotam Cement Limited	2,711	807	2,186,422	361	978,400
42	Jeevan Bikas Laghubitta Bittiya Sanstha Limited	1,717	1,465	2,515,405	45	77,548
43	Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited	1,749	854	1,493,121	840	1,469,402
44	Kumari Sabal Yojana	500,000	10	5,000,000	10	5,000,000
	Sub-Total (A)	4,111,079		200,409,708		198,050,288
	UNLISTED					



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1	Sun Nepal Life Insurance Company Limited - Bonus share	2,046	511	1,046,120	193	394,999
2	IME Life Insurance Company Limited - Bonus share	2,307	453	1,045,071	190	437,232
3	Prabhu Insurance Company Limited - Bonus Share	201	826	166,026	-	-
	Sub-Total (B)	4,554		2,257,217		832,231
	Grand Total	4,115,633		202,666,925		198,882,519
Unrealized Gain / (Loss)						3,784,406
Less: Previous Year Unrealized Gain/(Loss)						502,146
Unrealized Gain / (Loss) This Year						3,282,260

15. Operating Expenses

In NPR

S.N.	Particulars	Ashad End 2082	Ashad End 2081
1	Fund Management Fee	16,901,730	10,215,324
2	Depository Fee	2,253,564	1,362,043
3	Supervisor Fee	1,126,782	681,022
4	Notice Publication Expenses	427,894	143,415
5	Scheme Audit Expenses	113,000	113,000
6	Bank Charges	1,388	1,208
7	Software Charge- AMC	-	135,600
8	Annual and Software fee- CDSC	270,000	120,000
9	Book Building Application Fee	5,000	10,000
10	Transaction Cost	1,758,879	-
11	Demat Renewal Fee	200	300
12	SEBON Fee	1,003,000	6,000
13	Other Expenses	-	430
	Total Amount	23,861,439	12,788,342

15.1. Expenses and Service Fees

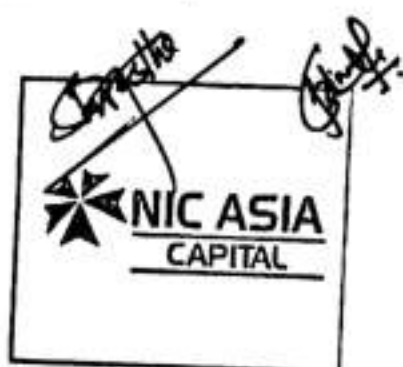
All expenses are accounted for on an accrual basis. Following fees incurred by the Scheme:
Up to the Ashad End

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

* NAV for this purpose is computed based on quarterly average of daily NAV. The fee is booked quarterly at the end of the First, Second, Third and Fourth quarter of the financial year (at the end of Ashwin 2081, Poush 2081, Chaitra 2081, and Ashad 2082).

15.2. Employees Related Expenses:

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



15.3. Fund Management, Depository and Supervisor Fee

Total Fund Management, Depository and Fund Supervisor Fees are calculated and recognized as per the mutual Fund Regulation, 2067. The total fees charged for FY 2081.82 and FY2080.81 are as follows:

In NPR

F/Y	Fund Management Fee	Depository Fee	Supervisor Fee
2081.82	16,901,731	2,253,564	1,126,782
2080.81	10,215,324	1,362,043	681,022

16. Other Information

16.1. Financial Risk Management

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

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

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

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

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

16.1.1. Market Risk

a. Price Risk

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

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

Investment Threshold

As per the Mutual Fund Regulation, 2067 investment in fixed deposit cannot be made more than 15% of Net Asset Value of the scheme. The scheme has invested 5.35 % of Gross NAV in Fixed Deposit as of Asadh End, 2082.

b. Foreign Exchange Rate Risk

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



c. Cash Flow and Fair Value Interest Rate Risk

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

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

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

16.1.2. Credit Risk

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

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

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

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

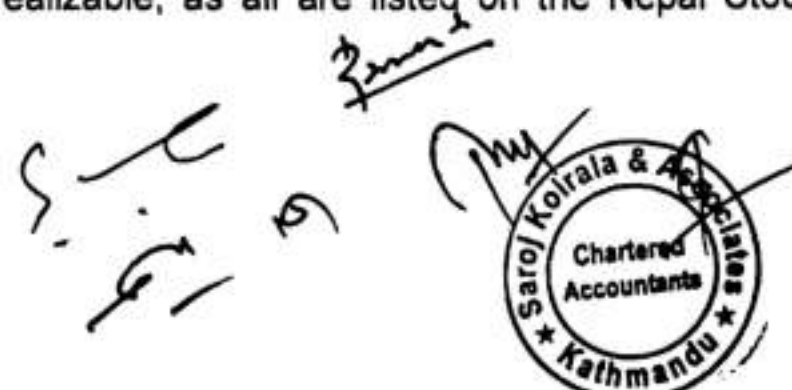
<i>In NPR</i>				
Sector	Buying Amount	Market Value	Profit/(Loss)	Proportion
Commercial Banks	92,326,818	98,370,004	6,043,186	15.76%
Non-Life Insurance	230,612,452	230,787,502	175,051	39.36%
Life Insurance	122,632,804	116,620,107	(6,012,698)	20.93%
Microfinance	34,921,375	36,784,639	1,863,264	5.96%
Mutual Fund	48,500,000	48,069,000	(431,000)	8.28%
Development Banks	34,158,774	35,869,820	1,711,046	5.83%
Hydro Power	10,885,128	10,561,998	(323,130)	1.86%
Manufacturing And Processing	164,900	2,502,786	2,337,886	0.03%
Others	472,600	1,507,463	1,034,863	0.08%
Hotels And Tourism	11,193,553	11,508,282	314,728	1.91%
Total	585,868,405	592,581,601	6,713,196	100.00%

16.1.3. Liquidity Risk

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

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

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



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

16.2 Related Party Transactions

Related Parties:

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

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

- a. Unit Holding of NIC ASIA Bank Limited (Fund Sponsor) amounts to NPR 217,721,213.
- b. NIC ASIA Dynamic Debt Fund have earned interest amounting to NPR 5,246,216.27 (Five Million Two Hundred Forty-six Thousand Two Hundred Sixteen and 27/100 Rupees Only) in call account and NPR 2,637,857.54 (Two Million Six Hundred Thirty-seven Thousand Eight Hundred Fifty-seven and 54/100 Rupees Only) in Fixed Deposit from NIC ASIA Bank Limited.
- c. Fund Management and Depository Fee incurred by NIC ASIA Dynamic Debt Fund during the year amounts to NPR. 19,155,294.88 (out of which NPR. 5,936,890.69 is still payable to NIC ASIA Capital Limited).

16.3 Contingent Liability

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

16.4 Previous Year's Balance

Previous Year financial figures were rearranged and regrouped wherever necessary.

16.5 NAV Details: -

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

Date	NAV
15/07/2024	11.09
16/07/2025	10.72

16.6 Reporting

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

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