INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
NIC ASIA Capital Limited

Dev Associates
Chartered Accountants
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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NIC ASIA Capital Limited (hereafter referred as "the Company") which comprise the statement of financial position as at 32nd Ashad 2079 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 32nd Ashad 2079 and of its financial performance and its cashflows for the year then ended in accordance with the Nepal Financial Reporting Standards.

Basis of Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risk of material misstatement (whether or not due to fraud) identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summaries below the key audit matter, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

S.N.	Key Audit Matters	Auditor's Response
1	**Income from Depositary Participants** Major portion of company's revenue consists of income from depositary participants which includes revenue from On Market Transaction for BO (DIS Fee), Annual BO Maintenance Charges (DEMAT AMC), Meroshare Renewal Fees, Account Opening Fee (DEMAT) and Meroshare Registration Fee etc. Revenue from these services rendered is recognized in the statement of profit or loss after the delivery of services.	Our audit approach regarding verification of process of revenue recognition included: - Obtaining clear understanding of the process of revenue recognition from data provided by the Depositary Participants Services department. - Review of reconciliation statement of bank accounts and merchant wallets separately maintained for income collection to ensure that the data provided by the Depositary Participants Services department is reliable and accurate. - Re-calculation of revenue based on the bills issued by CDSC, as the charges to be paid to it is pre-defined as a percentage/amount of the revenue collected.

Lalitpur Nepal

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibility 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 the NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements if the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits if such communication.

Report on Other Legal and Regulatory Requirements

In relation to the audit of financial statements of this company, our responsibility to report on Other Legal and Regulatory Requirements arises from the provision of Sec. 115 of Companies Act, 2063.

Based on our examination of the financial statements as per the Companies Act, 2063, we 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. The accounts and records of the Company have been maintained as required by law and practice in a manner to reflect the real affairs of the Company.
c. The statement of financial position, statement of profit or loss and other comprehensive income and the statement of cash flow dealt with by this report are in agreement with the books of account of the Company, and these statements follow prevailing accounting standards.
d. In our opinion and to the best of our information and according to the explanation given to us, we did not come across any such instances where the Board of Directors, representative or any employee of the Company has acted contrary to the provision of law relating to accounts or causing direct loss or damage to the Company deliberately or acting in a manner that would jeopardize the interest and security of the Company.
e. In our opinion and to the best of information provided to us, and as confirmed by the management through Management Representation Letter, we did not obtain any information that substantiate there is accounts-related forgery in the company.

The engagement partner on the audit resulting in this independent auditor's report is CA Milan Basnet.

Dev Associates Chartered Accountants
Lalitpur Nepal

Milan Basnet

CA Milan Basnet
Partner,
For,
Dev Associates, Chartered Accountants

Place: Lalitpur
Date: July 31, 2022
UDIN: 220809CA01259vTjNW

NIC ASIA CAPITAL LIMITED

(a wholly owned subsidiary of NIC ASIA Bank Ltd.)

Statement of Financial Position as at 32nd Asadh, 2079 (16th July, 2022)

NPR

Particulars	Notes	32nd Asadh, 2079	31st Asadh, 2078
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	9,322,989	6,831,755
Intangible Assets	4	5,529,930	5,321,395
Financial Assets measured at Amortized Cost	6.b.	-	-
Financial Assets held to maturity	6.c.	13,557,000	13,557,000
Loans & Advances	6.d.	366,653	372,594
Deferred Tax Asset	15.b.	583,493	697,323
Total Non Current Assets		**29,360,065**	**26,780,067**
Current Assets			
Cash and Cash Equivalents	7	26,426,565	144,843,754
Trade Receivables	8	36,886,193	69,188,199
Prepaid Expenses & Advances	9	4,026,843	2,333,580
Loans & Advances	6.e.	1,030	8,904
Financial Assets measured at Amortized Cost	6.f.	414,697,779	420,297,308
Financial Assets held at fair value through Profit or Loss (Shares)	6.g.	1,008,492	1,015,074
Total Current Assets		**483,046,903**	**637,686,819**
Total Assets		**512,406,968**	**664,466,886**
EQUITY AND LIABILITIES			
Non Current Liabilities			
Employee Benefits	10	3,511,507	3,230,237
Trade & Other Payables	11.a.	134,043	949,083
Deferred Tax Liability	15.b.	-	-
Total Non Current Liabilities		**3,645,550**	**4,179,321**
Current Liabilities			
Trade & Other Payables	11.b.	168,438,495	344,749,315
Total Current Liabilities		**168,438,495**	**344,749,315**
Equity			
Share Capital	16	200,000,000	200,000,000
Reserve and Surplus		140,322,922	115,538,250
Total Equity		**340,322,922**	**315,538,250**
Total Equity & Liabilities		**512,406,968**	**664,466,886**

Explanatory Notes form an integral part of Financial Statements

NIC ASIA CAPITAL

As per our report of even date

Anjali Rai
Head - Accounts

Manish Ghimire
Chief Investment Officer

Ramendra Rayamajhi
Chief Executive Officer

Kapil Dhakal
Chairman

CA. Milan Basnet
Partner
For Dev Associates
Chartered Accountants

Dev Associates Chartered Accountants Lalitpur Nepal

Suman Dangol
Independent Director

Rabin Sapkota
Independent Director

Rupesh Luitel
Director

Dinesh Bhari
Director

Date: July 31, 2022
Place: Kathmandu

NIC ASIA CAPITAL LIMITED

(a wholly owned subsidiary of NIC ASIA Bank Ltd.)

Statement of Profit or Loss and other Comprehensive Income

For the Period from 1st Shrawan, 2078 to 32nd Asadh, 2079 (16th July, 2021 to 16th July, 2022)

NPR

Particulars	Notes	Current Year	Previous Year
Income from Merchant Banking	13.a.	152,291,478	162,317,967
Income from Mutual Fund	13.b.	63,443,390	40,009,256
Interest Income from Loans & Receivables	13.c.	63,161,142	43,625,787
Income from Corporate Advisory	13.d.	410,000	2,935,778
Gains on disposal of equity securities	13.e.	-	6,253,485
Net Unrealised Gains/(Loss) on financial Assets held at Fair value	13.e.	(6,582)	4,127
Dividend Income	13.e.	4,067,148	1,093,360
Other Income	13.e.	1,889,034	89,270
Total Operating Income		**285,255,609**	**256,329,029**
Operating Expense			
Merchant Banking Expenses	14.a.	34,636,605	26,734,096
Mutual Fund Expenses	14.b.	2,003,302	1,303,977
Commission on Sale of Securities		-	-
Operating Profit		**248,615,702**	**228,290,956**
Non - Operating Expense			
Staff Cost	14.c.	55,686,159	54,300,143
Premises Costs	14.d.	6,469,029	5,654,306
Advertisement and Promotion Expenses	14.e.	1,205,950	2,279,278
General Administrative Expenses	14.f	7,912,275	7,004,958
Finance Cost		13,815	40,788
Depreciation and amortisation	3f/4d	4,757,017	3,573,822
Profit Before Tax		**172,571,459**	**155,437,660**
Tax Expenses		51,786,787	47,411,738
Profit for the Year		**120,784,671**	**108,025,922**
Other Comprehensive Income / (Expenses)			
Net Gains on Available-for-Sale Investments		-	-
Actuarial Gains / (Losses) on Defined Benefits Plan		-	-
Total Other Comprehensive Income / (Expenses)			
less: Tax Expense relating to Components of OCI		-	
Total Comprehensive Income for the Year		-	-
Attributable to			
Equity Share Holders		**120,784,671**	**108,025,922**

NIC ASIA CAPITAL

As per our report of even date

Anjali Rai	Manish Ghimire	Ramendra Rayamajhi	Kapil Dhakal	CA. Milan Basnet
Head - Accounts	**Chief Investment Officer**	**Chief Executive Officer**	**Chairman**	**Partner**
				For Dev Associates
				Chartered Accountants

Dev Associates Lalitpur Nepal Chartered Accountants

Suman Dangol	Rabin Sapkota	Rupesh Luitel	Dinesh Bhari
Independent Director	**Independent Director**	**Director**	**Director**

Date: July 31, 2022
Place: Kathmandu

NIC ASIA CAPITAL LIMITED

(a wholly owned subsidiary of NIC ASIA Bank Ltd.)

Statement of Cash Flow

For the Period from 1st Shrawan, 2078 to 32nd Asadh, 2079 (16th July, 2021 to 16th July, 2022)

NPR

Particulars	Current Year	Previous Year
A. Cash Flow from Operating Activities		
Net Profit before Tax	172,571,459	155,437,660
Adjustments for:		
Depreciation expenses	4,757,017	3,573,822
Non Cash Finance Cost	13,815	40,788
Non Cash NFRS Adjustment in Rent	(815,040)	376,297
Income Tax Paid	(53,693,697)	(47,839,475)
Dividend Paid	(96,000,000)	(36,000,000)
Increase/(Decrease) in Liabilities	(176,029,550)	229,544,621
(Increase)/Decrease in Investments	6,582	17,796,736
(Increase)/Decrease in Fixed Deposits	5,599,530	(160,121,770)
(Increase)/Decrease in Other Assets	32,629,482	(26,073,455)
Net Cash Flow from Operating Activities (1)	***(110,960,403)***	***136,735,224***
B. Cash Flow from Financing Activities		
Increase/(Decrease) in Share Capital	-	-
Increase/(Decrease) in Long Term Loan	-	-
Net Cash Flow from Financing Activities (2)	-	-
C. Cash Flow from Investing Activities		
Sale/(Purchase) of Tangible Fixed Assets	(6,781,893)	(5,498,778)
Sale/(Purchase) of Intangible Assets	(674,893)	(1,976,483)
Net Cash Flow from Investing Activities (3)	***(7,456,786)***	***(7,475,261)***
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	***(118,417,189)***	**129,259,963**
Cash and Cash Equivalents at beginning of the year/period	*144,843,754*	15,583,791
Cash and Cash Equivalents at end of the year/period	***26,426,565***	**144,843,754**

Components of Cash and Cash Equivalents

Balance with Banks and Cash Balance	**26,426,565**	**144,843,754**
Collateralised Borrowing and Lending Obligation	-	-

NIC ASIA CAPITAL

As per our report of even date

Anjali Rai	Manish Ghimire	Ramendra Rayamajhi	Kapil Dhakal	CA. Milan Basnet
Head - Accounts	**Chief Investment Officer**	**Chief Executive Officer**	**Chairman**	**Partner**
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				Chartered Accountants

Dev Associates Lalitpur Nepal Chartered Accountants

Suman Dangol	Rabin Sapkota	Rupesh Luitel	Dinesh Bhari
Independent Director	**Independent Director**	**Director**	**Director**

Date: July 31, 2022
Place: Kathmandu

NIC ASIA CAPITAL LIMITED

(a wholly owned subsidiary of NIC ASIA Bank Ltd.)

Statement of Changes in Equity

For the Period from 1st Shrawan, 2078 to 32nd Asadh, 2079 (16th July, 2021 to 16th July, 2022)

NPR

Particulars	Share Capital	Retained Earnings	Statutory Reserve	CSR Reserve	Total
Balance at the End of FY 2076/77	**200,000,000**	**38,805,177**	**4,293,932**	**413,220**	**243,512,328**
Issue of Share Capital	-	-			-
Profit / (Loss) for the Year	-	108,025,922			108,025,922
Other Comprehensive Income/ (Expense) net of tax	-	-			-
Transferred to General Reserve	-	-			-
Transferred to Statutory Reserve	-	(10,802,592)	10,802,592		-
Transfer to CSR Reserve	-	(1,080,259)		1,080,259	-
Transfer from CSR Reserve to Retained Earning	-	250,505		(250,505)	-
Opening Adjustment for unrealised gain on shares	-				-
Dividend Paid during the Year	-	(36,000,000)			(36,000,000)
Balance at the End of FY 2077/78	**200,000,000**	**99,198,752**	**15,096,524**	**1,242,974**	**315,538,250**
Issue of Share Capital	-	-	-	-	-
Profit / (Loss) for the Year	-	120,784,671	-	-	120,784,671
Other Comprehensive Income/ (Expense) net of tax	-	-	-	-	-
Transferred to Statutory Reserve	-	(12,078,467)	12,078,467	-	-
Transfer to CSR Reserve		(1,207,847)	-	1,207,847	-
Transfer from CSR Reserve to Retained Earning		674,462	-	(674,462)	-
Opening Adjustment for unrealised gain on shares	-	-	-	-	-
Dividend Paid during the Year	-	(96,000,000)	-	-	(96,000,000)
Balance at the End of FY 2078/79	**200,000,000**	**111,371,571**	**27,174,991**	**1,776,359**	**340,322,922**

NIC ASIA CAPITAL

As per our report of even date

Anjali Rai
Head - Accounts

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Director

Dinesh Bhari
Director

Date: July 31, 2022
Place: Kathmandu

Notes to the Financial Statements as of Ashad End, 2079 (16th July, 2022)

1. Overview of the Company

NIC ASIA Capital Limited is a wholly owned subsidiary of NIC ASIA Bank Limited which is one of the leading commercial bank of Nepal. NIC ASIA Capital Limited company registration number at Companies Registrar is 149312/72/073 with registered office at Trade Tower Nepal, Thapathali and correspondence address at Siddhartha Insurance Complex, Babar Mahal, Kathmandu and it has been registered in Inland Revenue Office with its PAN No.604259648.

NIC ASIA Capital Limited is formed with an objective of providing merchant banking and investment banking services like Issue Management & Underwriting, Registrar to Shares (RTS), Depositary Participant (DP), Portfolio Management Services, Mutual Funds and Corporate Advisory Services.

The company has received Merchant Banker License from SEBON dated Falgun 08, 2073. Under the license, the company is permitted for providing Issue Management and Underwriting Services, Registrar to Shares and Portfolio Management Services. The company has received Fund Manager and Depository License from SEBON dated Ashad 18, 2074.

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

The Board of Directors of the company acknowledges the responsibility of preparation of financial statements of the company. The financial statements were authorized for issue by the Board of Directors on Shrawan 15, 2079 and have been recommended for approval by shareholders in the Annual General Meeting.

2. Summary of Significant Accounting Policies

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

2.1 Statement of Compliance:

The Financial Statements are presented in Nepalese Rupees, rounded to the nearest Rupee. The Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS-2018) which was applicable from FY 2077/78. Further the financial statements are in compliance with Securities Act, 2063 and its regulation and in conformity with the Companies Act 2063 with Amendments and other relevant laws.

2.2 Basis of Preparation

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

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

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2.3 Reporting Pronouncements

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

2.4 Accounting Conventions

The financial statements have been prepared on a historical cost basis, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

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

2.5 Presentation

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

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

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

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

2.6 Presentation currency

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

2.7 Accounting Policies and accounting estimates

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

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

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

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

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

2.8 Financial Periods

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

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NIC ASIA CAPITAL

2.9 Discounting

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

2.10 Limitation of NFRS implementation

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

3. Property, plant and equipment

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

a. Basis of Recognition

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

b. Basis of Measurement

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

The low value minor equipment below NRs 10,000 are not booked as Property, Plant and Equipment to ease record keeping and is shown under Office Accessories & Equipment's under General Administrative Expenses in Note 14 f as the cumulative impact of such amount is NPR 133,157 and is considered immaterial.

c. Subsequent costs

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

d. De-recognition

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

e. Depreciation

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

Laptop and Computers	4 years
Battery	4 years
Furniture, Fixture, Office Equipment	6 years
Vehicle	6 years
Other Office Equipment's	2 years

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

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

f. Tangible Assets

	Balance as at 01/04/2078	Additions during the year	Disposals during the year	Balance as at 32/03/2079
At Cost				
Furniture & Office Equipment	12,290,324	1,502,593	-	13,792,917
Vehicle	377,400	3,500,000	-	3,877,400
Depreciation				
Furniture & Office Equipment	5,633,661	2,002,486	-	7,636,147
Vehicle	202,309	508,872	-	711,181
Net Book Value				
Furniture & Office Equipment	6,656,663	-	-	6,156,770
Vehicle	175,091	-	-	3,166,219
Net Book Value at 32nd Ashad 2079		-	-	**9,322,989**

4. Intangible assets

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

a. Basis of recognition

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

b. Amortization

Intangible assets are amortized over their estimated useful economic life on a straight-line basis. They are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

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

Software - 5 Years

Leasehold Assets to the extent of lease period– 6 Years

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

c. **De-recognition**

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

d. **Intangible Assets**

	Balance as at 01/04/2078	Additions during the year	Disposals during the year	Balance as at 32/03/2079
At Cost				
License & Softwares	4,176,423	674,893	-	4,851,315
Leasehold Assets	7,277,567	1,779,300	-	9,056,868
Depreciation				
License & Softwares	1,733,222	834,548	-	2,567,770
Leasehold Assets	4,399,373	1,411,110	-	5,810,483
Net Book Value				
License & Softwares	2,443,200	-	-	2,283,545
Leasehold Assets	2,878,194	-	-	3,246,384
Net Book Value at 32nd Ashad 2079	**5,321,395**	-	-	**5,529,930**

5. Assets held for sale and discontinued operations

Non-current assets (such as property) and disposal groups (including both the assets and liabilities of the disposal groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less cost to sell when: (i) their carrying amounts will be recovered principally through sale; (ii) they are available-for-sale in their present condition; and (iii) their sale is highly probable.

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

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

6. Financial instruments

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

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

6.1 Financial Assets

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

Classification of financial assets

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

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

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

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

i) Amortized cost and effective interest method

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

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

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

Lalitpur Nepal

NIC ASIA CAPITAL

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

For purchased or originated credit-impaired financial assets, the Entity recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognized in profit or loss and is included in the "finance income – interest income" line item.

ii) Debt instruments classified as at FVTOCI

The corporate bonds held by the Entity are classified as at FVTOCI. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses and interest income calculated using the effective interest method are recognized in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these corporate bonds had been measured at amortized cost. All other changes in the carrying amount of these corporate bonds are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

iii) Equity instruments designated as at FVTOCI

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

A financial asset is held for trading if:

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

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in profit or loss.
The Entity has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

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

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

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

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

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses'
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the 'other gains and losses. Other exchange differences are recognized in other comprehensive income in the investment's revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses'; and
- for equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investment's revaluation reserve.

Derecognition of financial assets
The Entity derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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

6.2 Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

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

6.2.1 Financial liabilities

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

Financial liabilities measured subsequently at amortized cost

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

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

Financial guarantee contract liabilities

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

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

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

Foreign exchange gains and losses

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

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

Derecognition of financial liabilities

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

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

a) Fair value measurement

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

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

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

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

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

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

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

b) Financial Assets held at Amortized Cost –Non-Current

Particulars	32nd Ashad, 2079	31st Ashad, 2078
Fixed Deposit	-	-
Total	**-**	**-**

c) Financial Assets held to maturity

Particulars	32nd Ashad, 2079	31st Ashad, 2078
NIC Asia Balanced Fund	13,557,000	13,557,000
Total	**13,557,000**	**13,557,000**

d) Loans & Advances–Non-Current

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

Particulars	32nd Ashad, 2079	31st Ashad, 2078
Security Deposit	366,653	368,862
Unearned Interest on Security Deposit	-	3,732
Total	**366,653**	**372,594**

e) Loans & Advances– Current

Particulars	32nd Ashad, 2079	31st Ashad, 2078
Unearned Interest on Security Deposit	1,030	8,904
Total	**1,030**	**8,904**

f) Financial Assets measured at Amortized Cost– Current

Particulars	32nd Ashad, 2079	31st Ashad, 2078
10.35% ADBL Bond	5,229,000	5,229,000
Fixed Deposit	409,468,779	415,068,308
Total	**414,697,779**	**420,297,308**

Dev Associates Lalitpur Nepal Chartered Accountants

NIC ASIA CAPITAL

g) **Financial Assets held at fair value through Profit or Loss**

Particulars	32nd Ashad, 2079	31st Ashad, 2078
Investment in Shares	1,008,492	1,015,074
Total	**1,008,492**	**1,015,074**

Name of Company	No of units	Market Value (Per Unit) - 2078	Market Value as on 31st Ashad, 2078	Market Value (Per Unit) - 2079	Market Value as on 32nd Ashad, 2079	Input Level
NIC Asia Laghubitta Sanstha Limited	8	1,545	12,360	860	6,879	Level 1 Input
NMB Bank Limited	4	440	1,760	261	1,044	Level 1 Input
BFIIN Promotor shares	10,000	100	1,000,000	100	1,000,000	
Prime Life Insurance Co. Ltd	1	954	954	569	569	Level 1 Input
			Present value		**1,008,492**	
			Cost		**1,015,074**	
			Net Unrealized Gain/(Loss)		**(6,582)**	
			Increase/(Decrease) in Fair value		**(6,582)**	

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NIC ASIA CAPITAL

7. Cash and Cash Equivalents

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

Particulars	32nd Ashad, 2079	31st Ashad, 2078
Cash in Hand	1	-
Cash at Bank	26,426,564	144,843,754
Total	**26,426,565**	**144,843,754**

8. Trade Receivables

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

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

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

Trade & Other Receivables

Particulars	32nd Ashad, 2079	31st Ashad, 2078
Trade Receivables	11,862,526	12,752,925
PMS Clients	23,360	27,271
PMS Income Receivable	555,296	38,476,705
Mutual Fund Receivables	21,929,075	15,415,626
Other Receivables	120,130	119,865
Corporate Advisory Fee Receivable	2,395,806	2,395,806
Total	**36,886,193**	**69,188,199**

9. Prepaid Expenses, Deposits & Advances

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

The advance tax fundamentally represents TDS receivable and tax deposited by the company. Additionally, current year-end balance of advance tax represents TDS erroneously deducted and deposited in the name of the company by Mahalaxmi Bikash Bank Limited in the interest income of NIC ASIA Dynamic Debt Fund, NIC ASIA Growth Fund and NIC ASIA Select-30 Index Fund managed by the capital to the extent of NPR 306,655.12 which has been offset with the amounts receivable from the respective funds represented in Mutual Fund Receivables in Note 8 above. Advance tax for the Income Year paid by the company has been settled with the provision for income tax liability and are presented as Net Advance tax as current assets.

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

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

Prepaid Expenses & Advances

Particulars	32nd Ashad, 2079	31st Ashad, 2078
Advance Tax	2,020,739	683,442
Prepaid Expenses	1,350,058	988,899
Other Advance	385,444	390,639
Interest Receivable	270,601	270,601
Total	**4,026,843**	**2,333,580**

10. Employee benefit

Define contribution plan

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

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

Employees' provident fund

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

Gratuity After Bhadra 19, 2074

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

Citizens' Investment Trust

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

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company is liable to pay retirement benefits i.e., gratuity under the Labor Act, 2048. Gratuity under Labour Act, 2074 from Bhadra 19, 2074 is a defined contribution plan and disclosed separately as above. The liability recognized in the financial statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated as at the reporting date based on an internally generated model as on Bhadra 19, 2075.

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

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

Employee Benefits

Particulars	32nd Ashad, 2079	31st Ashad, 2078
At the beginning of the Year	3,230,237	2,468,214
Recognized on Income Statement	1,508,501	2,035,995
Recognized on OCI	-	-
Payments/ Payables during the Year	(1,227,231)	(1,273,971)
At the end of the Year	**3,511,507**	**3,230,237**

11. Trade & Other Payable

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

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

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

a. Trade & Other Payable-Non-Current

Particulars	32nd Ashad, 2079	31st Ashad, 2078
Accrued Rent (As per NFRS)	134,043	949,083
Total	**134,043**	**949,083**

b. Trade & Other Payable-Current

Particulars	32nd Ashad, 2079	31st Ashad, 2078
Auction Share Collection Payable	43,838,718	267,653,856
Right Share Collection	72,540	72,540
NIC ASIA GROWTH Fund Collection	500	500
Fees and taxes payable	103,660	103,660
Nic Asia Growth Fund Dividend Payable	1,495,490	2,011,264
Swadeshi Laghubitta- Dividend Payable FY 75/76	739,368	944,965
Surya Life Insurance Co. Ltd. - Rights Refund 76.77	61,800	61,800
Nic Asia Dividend	48,731,028	
RSDC Dividend Payable FY 75/76	-	3,012,512
Right Refund	192,650	192,650
Sahayogi Dividend Payables	1	1
Sahayogi Refund	1,185	1,185
Meeting Allowance Payable	8,500	89,250

Particulars	32nd Ashad, 2079	31st Ashad, 2078
Advance Renewal Fee	8,578,500	8,140,300
Advance - Mero Share Renewal Fees	35,250	35,250
Advance Received - Account Opening	7,101	7,251
Advance Received- Mero Share	1,750	1,350
Advance- NIC Asia Bank Ltd- Swadeshi Laghubitta	40,300	40,300
Advance- NIC Asia Bank Ltd- Rematerlization	2,150	2,150
Advances- NIC Asia Bank Ltd- Pledge Fee	11,800	11,800
Advances- NIC Asia Bank - Mero Share	-	1,641,740
Advances- NIC Asia Bank- DP Unit	8,750	8,750
Advances- NIC Asia Bank- Death Transfer Fee	7,095	7,095
Advances- NIC Asia Bank- Account Opening FEE	83,763	953,624
Surya Life Insurance Notice Refund	8,989	8,989
Staff Salary and Incentive Payable	21,063,508	24,005,138
Provident Fund Payable	273,318	203,945
CIT Fund Payable	212,322	97,510
Performance Guarantee held	25,000	25,000
Audit Fee Payable	148,009	78,938
Notice Publication	121,851	49,211
Consultancy Fee Payable	66,900	-
TDS Payable	624,253	567,163
Sundry Creditors	1,387,777	1,761,182
Payable to Regulatory Authorities	10,839,958	9,218,718
Shared Service Fee Payable	2,559,516	2,083,316
Other Payable	2,525,684	4,780,317
Advance- NIC Asia Bank Ltd- DP Securities Transfer	11,485	11,485
Advance- NIC Asia Bank- NCHL	61,000	61,000
Advance- NIC Asia Bank- Sahayogi Refund	23,450	23,450
Advance- NIC Asia Bank- Share Collection	18,550	18,550
Advance-RTS Fees of Jyoti Life Insurance	14,755	25,171
Dividend Payable- RSDC Laghubitta FY 76/77	-	1,525,013
Dividend Payable- SLICL FY 76.77	6,851,915	8,968,111
NIC Asia Balanced Fund- Dividend Payable FY 76/77	324,861	499,662
NIC Asia Growth Fund- Dividend Payable FY 76/77	1,872,507	2,668,113
Taragaon Regency Refund	2,357,348	144,295
Taragaon Regenecy- Dividend Payable FY 76.77	790,589	2,931,245
Dividend Payable-NIC Asia Laghubitta FY 77/78	2,867,328	-
NICBF DIVIDEND FY 77.78	1,272,080	-
NICDF FY 77.78 Dividend Payable	2,441,978	-
NICGF DIVIDEND DY 77.78	4,663,028	-
Payables- Cash Dividend of RMDC Auction Allotment	49,125	-

Particulars	32nd Ashad, 2079	31st Ashad, 2078
Advance Income at Bank	708,507	-
Auction Collection-Premier Insurance -PO	450	-
Advance Advisory Fee-Chartered Capital	100,000	-
Advance Corporate Advisory Fee-Atit Lal Shrestha	100,000	-
Advance Rts Fee-Chartered Capital	5,556	-
Advance Rts Fees-Emerging Nepal	8,333	-
Advance - RTS Fees Taragaon Regency	16,667	-
Total	**168,438,495**	**344,749,315**

12. Impairment

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

13. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the associated costs incurred or to be incurred can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable, net of sales returns, trade discounts and revenue related taxes.

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

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

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

Dividend income is recognized on the ex-dividend date net of withholding tax.

a. **Income from Merchant Banking**

Particulars	2078/79	2077/78
Income from Issue Management	19,590,429	14,983,850
Income from Depository Participant	111,330,309	89,917,970
Income from Share Registrar	12,421,835	7,501,856
Income from Portfolio Management Services	8,948,905	49,914,290
Total	**152,291,478**	**162,317,967**

b. **Income from Mutual Fund**

Particulars	2078/79	2077/78
Income from Mutual Fund	63,443,390	40,009,256
Total	**63,443,390**	**40,009,256**

c. **Interest Income**

Particulars	2078/79	2077/78
Interest on Fixed Deposit	62,224,765	42,697,872
Interest on Call Accounts	395,175	386,712
Interest Income on Debentures	541,202	541,203
Total	**63,161,142**	**43,625,787**

d. **Income from Corporate Advisory**

Particulars	2078/79	2077/78
Corporate Advisory Fee	410,000	2,935,778
Total	**410,000**	**2,935,778**

e. **Other Income:**

Particulars	2078/79	2077/78
Net Realized (losses)/Gains on financial Assets at Fair Value Through Profit or loss	-	6,253,485
Dividend Income	4,067,148	1,093,360
Misc. Income	1,889,034	89,270
Net Unrealized Gains on financial assets at Fair Value Through Profit or Loss	(6,582)	4,127
	5,949,600	**7,440,242**
Net Realized Gains on Financial Assets at Fair value through Profit or Loss	-	6,253,485
(Losses)/Gains on disposal of equity securities	-	6,253,485

14. **Expenditure**

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

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

Repairs and renewals are charged to the income statement in the year in which the expenditure is incurred. The profit earned by the Company is before income tax expense and after making provision for all known liabilities and for the depreciation of property, plant & equipment.

a. Merchant Banking Expenses

Particulars	**2078/79**	**2077/78**
Depository Participant Expense	32,408,725	23,782,656
RTS Expense	372,655	212,961
Portfolio Management Expenses	268,467	1,503,795
SEBON Commission Fee on Corporate Advisory	12,300	88,073
Issue Management Expenses	874,458	456,612
QIB Registration Fee	10,000	-
Merchant Banking Membership Renewal Fee to SEBON	650,000	650,000
Membership Fee - Merchant Bankers Association	40,000	40,000
Total	**34,636,605**	**26,734,096**

b. Mutual Fund Expenses

Particulars	**2078/79**	**2077/78**
Mutual Fund Expenses	1,903,302	1,203,977
Fund Manager License Renewal Fee to SEBON	100,000	100,000
Total	**2,003,302**	**1,303,977**

c. Staff Cost

Particulars	**2078/79**	**2077/78**
Staff Service from NIC Asia Bank	920,942	3,152,809
Remuneration	24,398,652	18,225,446
Contribution to Defined Contribution Plan (PF)	1,237,843	923,764
Force Leave Expenses	603,032	1,065,335
Dashain Allowances	1,472,869	1,258,121
Other Staff Expenses	978,526	829,892
Incentives for Staff	1,743,310	5,987,163
Training	477,866	188,625
Defined Benefit Plan (Leave Encashment)	1,508,501	2,035,995
Medical, COVID and GPA Insurance	399,401	237,685
Staff Bonus	19,174,607	17,270,851
Outsource Staff Demat Entry Charge	2,730,611	3,082,426
Staff Appraisal	-	42,030
Vehicle Allowance	40,000	
Total	**55,686,159**	**54,300,143**

*Provision for staff bonus is made as per Bonus Act, 2030 at ten percent of net profit without such bonus.

NIC ASIA

d. Premises cost

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

Particulars	2078/79	2077/78
Office Rent	3,895,787	2,952,398
Office Rent (As per NFRS on Operating Lease)	(815,040)	376,297
Utility Expenses	2,176,017	1,477,778
Rent-Store Room	120,516	109,560
Security Charge	1,091,748	738,273
Total	**6,469,029**	**5,654,306**

***Note-**The company has entered into lease agreement from 1 Poush, 2073 for a period of 6 years with Siddhartha Insurance Ltd, from 1 Falgun, 2077 for a period 2 years with Mr. Mahendra Maharjan (Kritipur Branch), from 10 Falgun, 2077 for a period 4 years with Mrs. Bimala Subedi (Anamnagar Branch) and from 14 Falgun, 2077 for a period 2 years with Mr. Lopsang Dorje Lama (Chabahil Branch) for lease property.

e. Advertisement and Promotion Expenses

Advertisement & Promotion Expenses	2078/79	2077/78
Advertisement Expenses	170,066	162,461
Domain Registration Charge	1,766	4,210
Marketing & PR	1,034,118	2,078,708
Web & Mail Hosting	-	33,900
Total	**1,205,950**	**2,279,278**

f. General Administrative Expenses

Particulars	2078/79	2077/78
Insurance Expenses	88,057	40,067
Office Accessories & Equipment	133,157	241,715
Credit Rating Fee	293,172	290,983
Office Expenses	1,340,035	1,090,315
Repair & Maintenance	359,447	151,788
Annual Subscription Fee-Connect IPS	10,000	10,000
AGM Expenses	21,730	10,815
Audit Expenses	7,594	2,885
Bank Charge	11,452	16,748
Board Meeting Expenses	31,673	8,447
Prior Period Expenses	-	2,790
Discount on Family Transfer Income	950,907	-
Certification Charges	56,500	-
Consultancy Fee	67,800	
Audit Fee	150,000	80,000
Courier Charges	32,880	30,000
Miscellaneous Expenses	-	142,207
Membership Fee – BFIN	-	56,500
Printing & Stationery Expenses	677,890	619,621
Shared Service From Bank	476,200	476,184
Software Support Charges	482,768	292,396
Tally AMC Charge	24,860	24,000
System X Software	406,800	255,027

NIC ASIA CAPITAL

Particulars	2078/79	2077/78
Demat Renewable Charge	200	100
Transportation Charge	-	200
Travelling Expenses	184,269	-
Audit Committee Meeting Allowances	25,000	10,000
Board Meeting Allowances	420,000	400,000
Risk Committee Meeting Allowances	50,000	30,000
Corporate Social Responsibility (CSR)	674,462	250,505
AMC Expenses	66,871	79,100
Incentives for Branches	88,280	1,483,600
Isha International –AMC	60,000	60,000
Microsoft 365 Business	71,473	28,759
Sectigo Wildcard SSL Certificate	42,375	21,188
Software Charge – Genex	77,691	388,455
Website Re-Design Development Expenses	85,934	203,400
MS Office 365- Advance Threat Protection Plan	-	207,073
Web and Mail Hosting Expenses	202,477	-
AML/CFT Committee Meeting Allowance	5,000	-
Installation Charge	4,905	-
MERO SHARE RENEWAL CHARGE	50	-
Next Generation Threat Protection	230,367	-
Total	**7,912,275**	**7,004,958**

15. Income Tax Expense

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

Income Tax Expense

Particulars	2078/79	2077/78
Current Tax Expenses	51,672,957	47,156,033
Deferred Tax Expenses/(Income)	113,830	255,705
Total	**51,786,787**	**47,411,738**

a. Current tax

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

Taxation

Particulars	2078/79	2077/78
Current Tax Expenses	51,672,957	47,156,033
Total	**51,672,957**	**47,156,033**

b. Deferred tax

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

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

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

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

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

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred Tax Asset

Deferred Tax Asset	**32nd Ashad 2079**	**31st Ashad 2078**
Provision/ Release of timing difference made up to the Year	1,066,872	1,220,658
Balance as at the end of the Year	1,066,872	1,220,658
Deferred Tax Liability		
Provision/ Release of timing difference made up to the Year	483,379	523,335
Balance as at the end of the Year	483,379	523,335
Net Deferred Tax (Asset)/ Liability	**(583,493)**	**(697,323)**
Deferred Tax Liability relates to the following		
Temporary difference from Property, Plant & Equipment	1,611,262	1,744,450
Temporary difference from Unrealized gain on Investment	(6,582)	4,127
Temporary difference from Operating Lease (Rent)	(134,043)	(949,083)
Temporary difference from Employee Benefits	(3,415,615)	(3,123,905)
Brought forward Tax Loss	-	-
Temporary Difference	(1,944,978)	(2,324,411)
Tax @	30%	30%

16. Share Capital

Particulars	32nd Ashad, 2079			31st Ashad, 2078
	Number	Per Unit Value	Amount	Amount
Authorized Capital	2,000,000	100	200,000,000	200,000,000
Issued Capital	2,000,000	100	200,000,000	200,000,000
Subscribed Capital	2,000,000	100	200,000,000	200,000,000

Paid Up Shares (Number)	32nd Ashad, 2079	31st Ashad, 2078
Fully Paid Ordinary Shares at the beginning of the Year	2,000,000	2,000,000
Number of Shares subscribed	-	-
Fully Paid Ordinary Shares at the end of the Year (Number)	2,000,000	2,000,000
Per unit Value of the Shares	100	100
Ordinary Shares (Amount)	200,000,000	200,000,000
Fully Paid Ordinary Shares (Amount) (Rs.)	**200,000,000**	**200,000,000**

The detail of share ownership is presented below

Share Ownership Detail	%	Share Capital
1. Domestic ownership	**100**	**200,000,000**
1.1 NIC ASIA Bank Limited	100	200,000,000
Total	**100**	**200,000,000**

17. Capital commitments & contingencies

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

18. Segmental Reporting

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

Revenue	Fund Management	Depositary Participants	Others	Total
Revenue from operating segments	63,443,389.70	111,330,308.50	41,371,169.78	216,144,867.98
Total Allocated Revenue	**63,443,389.70**	**111,330,308.50**	**41,371,169.78**	**216,144,867.98**
Unallocated Revenue	**-**	**-**	**-**	**69,110,741.34**
Total Revenue				**285,255,609.32**
Direct Expenses				
SEBON Commission	1,903,301.67	5,567,715.44	1,525,462.12	8,996,479.23
License Renewal	100,000.00	25,000.00	650,000.00	775,000.00
CDS Fee	-	26,746,009.98	-	26,746,009.98
CDS Membership Renewal Fees	-	25,000.00	-	25,000.00
CDS Software Repair Fees	-	20,000.00	-	20,000.00
DP Membership Registration Renewal Fee to SEBON	-	25,000.00	-	25,000.00
Total Allocated Expenses	**2,003,301.67**	**32,408,725.42**	**2,175,462.12**	**36,587,489.21**
Unallocated Direct Expenses				**52,417.67**
Total Direct Expenses				**36,639,906.88**
Operating Profit				**248,615,702.44**

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

19. Financial Risk Management

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

The company's overall risk management program focuses on ensuring compliance with the regulatory requirements. All securities investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair market value of those positions.

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

Market Risk

a. Price Risk

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

The company's policy is to manage price risk through diversification.

b. Foreign Exchange Rate Risk

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

Credit Risk

The company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company has risk of default from the receivables from various parties.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. Investments of the company has been done in readily marketable securities and fixed deposit hence the company is less exposed to liquidity risk.

20. Related Party Transaction

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

NIC Asia Bank Limited

a) The total interest income earned by NIC ASIA Capital Limited on Bank Accounts maintained in NIC ASIA Bank Ltd. for FY 2078/79 is NPR 50.32 million.

b) The Company has been appointed as the Share Registrar of NIC ASIA Bank Limited for an annual fee of NPR 907,500.

c) The company has provisioned NPR 920,942 as staff expense and NPR 476,199.97 as Shared Service Fee as per the Service Level Agreement with the Bank for providing necessary operational and technical support.

d) The company has outstanding receivable amount of NPR 2,120,217.15 from NIC ASIA Bank Limited as on 32nd Ashad, 2079. The outstanding receivable from NIC Asia Bank Limited as on 1st Shrawan, 2078 was NPR 2,109,411.66.

NIC ASIA Lagubitta Bittiya Sanstha

e) The company has been appointed as the Share Registrar of NIC ASIA Lagubitta Bittiya Sanstha for an annual fee of NPR 400,000.

f) The company has booked dividend warrant income amounting to NPR 693,228 for distribution of dividend of NIC ASIA Lagubittia Bittiya Sanstha at the rate of NPR 3 per distributed shareholder.

g) The company has outstanding receivable amount of NPR 3,936.08 from NIC ASIA Lagubitta Bittiya Sanstha as on 32nd Ashad, 2079.

Key Management Personnel

h) The company has appointed Mr. Ramendra Rayamajhi as the Chief Executive Officer (CEO) with an annual gross salary and allowance of NPR 4,550,000. The company has paid an additional amount of NPR 2,808,032 in staff bonus and NPR 3,057,760 in performance bonus to the CEO during the reporting period, along with NPR 55,008 in TA/DA.

21. Events after reporting period

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

There are no material events that have occurred subsequent to 16 July, 2022 till the signing of this financial statement.

22. Proposed Dividend

The Board of Directors meeting of NIC ASIA Capital Limited has proposed 55% dividend for fiscal year 2078/79.

As per our report on even date

Anjali Rai Head - Accounts	Manish Ghimire Chief Investment Officer	Ramendra Rayamajhi Chief Executive Officer	Kapil Dhakal Chairman	CA. Milan Basnet Partner For Dev Associates Chartered Accountants
Suman Dangol Independent Director	Rabin Sapkota Independent Director	Rupesh Luitel Director	Dinesh Bhari Director	

Date: July 31, 2022
Place: Kathmandu