

Market Pundit Capital Merchant Banking Ltd.

Annual Report for FY 76-77



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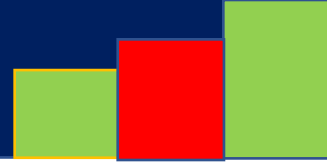
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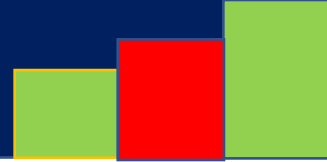


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Overview of Annual Report



ABOUT THIS REPORT

This report covers the annual performance of Market Pundit for Fiscal Year 2076/77 .

The intent of this report is to highlight the company's key achievements, expectations for the future and evaluation of current performance considering existing challenges and Co's overall goals and objectives.

Report shall be issued to shareholders as a part of public disclosures with intent to provide financial status to evaluate the performance of a company.

The report describes about the financial and operating performance of FY 2076-77. Along with financial performance, highlights in areas of Corporate Governance, Licensing Process with SEBON, Organization Structure, Innovation in terms of Products and Process etc. has been discussed.

We have made an effort to publish annual report for the first time for true, fair and transparent dissemination of information to the stakeholders.



HIGHLIGHTS OF FY 2076/77



EPS: Rs. 5.90

BVPS: Rs. 104.41

ROE: 5.9%

ROI: 14.09%

TOTAL ASSETS: Rs. 6.01 Cr

TOTAL LIABILITIES: Rs. 16.94
Lakh

PROFIT AFTER TAX: Rs. 33.05
Lakh

OPERATING EXPENSES: Rs.
27.81 Lakh

TOTAL INCOME: Rs. 73.63 Lakh

Message from the Chairman



Dear Valued Shareholders,

I would like to take this opportunity to express my sincere gratitude and a warm welcome to respected shareholders & other stakeholders to the 3rd Annual General Meeting of Market Pundit Capital & Merchant Banking Ltd. (Formerly, Market Pundit Portfolio Management & Advisory Pvt. Ltd.)

I am pleased to mention that we have successfully completed 2 years & we are continuously looking forward to strengthening the company in order to obtain a secular progress focusing on the fundamentals of Merchant banking and its best practices for continuous growth.

Our tagline has laid down the foundation of our business ethics by putting the interest of our shareholders and clients before anything else. Our rich history, code of conduct, mission and vision statements reflect how important our shareholders and clients are to us. It's a great responsibility when someone entrusts you with their valuable investments.

Market Pundit Capital & Merchant Banking Ltd. has delivered sustainable profit growth while maintaining a concrete business foundation despite of the challenging nature of the Covid-19 environment. Our mission is to extend this trajectory and maintain our position as one of the top institutions in the Merchant banking industry.

Despite the complex pandemic situation, we were able to generate an 45% Net Profit Margin from the financial activities in the fiscal year **2076/2077**. Out of which, we are thrilled to propose a cash dividend of 4.21% to our promoters from last year's profit. I am confident that better result awaits us for the running fiscal year.

On the other hand, we aim to issue the initial public offering (IPO) of 30% of the total issued capital in the near future.

We have undergone various organizational transformations that include initiatives such as restructuring and coming up with new ideas. This has enabled us to identify new opportunities. However, there is a lot more to be done. We remain fully committed to our long term goals and strengthen ourselves in order to evolve further.

It is important for us to align our actions towards the best interest of our valued shareholders, clients, employees and the society. We prioritized the culture of loyalty, integrity, transparency, professionalism and excellent services. We are constantly striving to help our clients to achieve their investment goals in the most transparent manner.

The growth of Market Pundit Capital & Merchant Banking Ltd.'s business and market reach has been associated with the utmost standard of corporate governance, vigilant adherence to all regulatory requirements and standards, and strict risk management guidelines. We have systems in place to ensure that business practices and operations are consistent, effective and responsive.

We believe that our operational team members are the most valuable assets & we will continuously empower them as they are accountable for the operations at all levels.

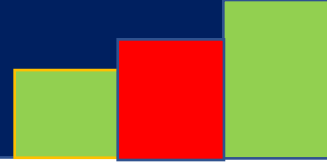
I would additionally wish to outstretch my sincere thanks to you all and expect the same and even more guidance and support in the coming days.



Umesh Nakarmi

CHAIRMAN

Market Pundit Capital and Merchant Banking Ltd.

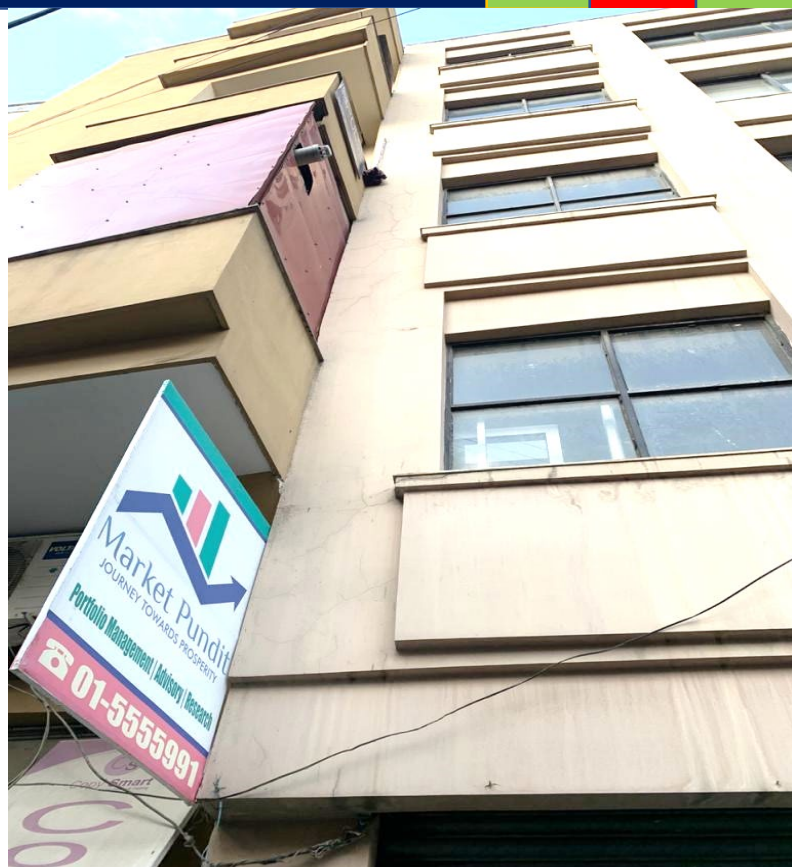


About Company

About MPCMBL

Market Pundit was established on Ashadh 15th, 2075 BS as Portfolio Management Pvt Ltd. Co. Later on, converted to Public Ltd Co. as on 22nd Bhadra, 2076 as per Nepal Companies Act. Currently Market Pundit is engaged in the management of its core fund and has been actively engaged in the capital market generating returns respect to the managed fund.

Market Pundit Capital and Merchant Banking Ltd is in process of obtaining license from Securities Board of Nepal (SEBON) to engaged in merchant banking activities of portfolio management services. Company is in the process of licensing and positive to get approval from SEBON in the current year itself. At present, the Authorized capital of MPCMBL is NPR 100 million and issued is NPR 80 million and paid-up capital of NPR 56 million.



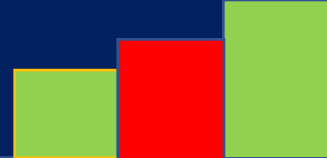
It operates under professional management with strong strategic support from the Board of Directors. The main aims of the company is to raise the industry standard by incorporating best practice in capital market activities through embracing modern technologies in order to augment the products and services offered to clients.

We are in the 3rd year of operation and successful to generate profit covering all startup cost in the 2nd year.

The moment we will obtain license from SEBON, business is expected to grow considering company's goodwill and interested potential clientele. We are in the planning phase of expansion in terms of infrastructures and services to handle growing business.

Particulars	% Holding	Amount in NPR
Promoters	70%	56,000,000
General Public	30%	24,000,000

Currently paid up capital is subscribed by our promoters completely. However, we are planning to issue IPO of balance NPR 24 million in near future to general public & employees.



VISION

“To be the most sought-after portfolio management and advisory service.”

MISSION

“To provide portfolio management and advisory services to the clients as per their needs and requirements.”

Core Values

- Capital Growth
- Safety of principal Amount Invested
- Liquidity
- Marketability of Securities Invested in
- Diversification of Risk
- Consistent Return

Objectives & Goals

- Provide PMS Service related to Discretionary and Non-discretionary Portfolio Management
- Advisory services to investors about investments
- Training and research program related to investment
- Provide service related to private Equity management

People and Culture



At Market Pundit, qualified and work ethic driven employees are acquired to maintain the corporate culture of company which represents the core values, belief, team work of an organization. We constantly assess performance of our employees and work on overall career development.

Competitive Strength

- Today MPCMBL possesses an enviable group of workforce and experts in the investment profession which has enabled it to thrive in such a competitive market. Foundation to our successes are number of self-reinforcing competitive strengths within these businesses. The major competitive strength that we believe is the exceptional talent of the entire Market Pundit team. Our board have made great reputations in the Market which has built trust among our shareholders. Market Pundit has built a reputation among the public that will help them attract the prospective clientele easily. With the knowledge and years of experience of the involved members of entire team the company has been able to make a differentiation among its competitors.

- We operate in the investment industry where people and the relationship they build are paramount. And with the well-established trust and reputation of MPCMBL in the market, customer acquisition and maintaining a great relationship with the clients will resonate as the strength for the Company.



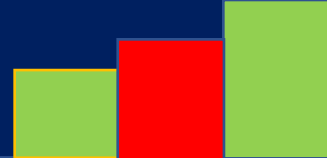


Financial Goals

Our agenda is to be one of the major shareholder in the financial capital market and become the bridge between uniformed but willing investors and the capital Market. As the merchant bank we aim to provide with best economical and viable service with customized service to all of our prospective clients taking into the consideration of the fact of the risk appetite and their financial need.

At Market Pundit, the major goals set forth are described below;

- Growing and strengthening existing businesses, including expanding our footprint to achieve higher wallet share.
- Diversifying our services and expanding our addressable market, for more durable earnings.
- Operating more efficiently, leading to higher margins and returns.



Portfolio Management Service

As the objective of the company is to provide portfolio management services to its potential clientele. To achieve the same, we are in the process of obtaining a license from SEBON. It is expected to obtain a license and expand PMS service to public from current year. Currently, MPCMBL is managing its core fund of Rs 5.6 Cr where co able to generate 14.09% ROI in FY 2076/77.

It is projected to manage client's portfolio of least 15 crore as Asset Under Management in year of licensing.



Currently 2 products are proposed to be introduced on the basis of discretion under PMS which are described below:

Discretionary PMS

The portfolio manager individually and independently manages the funds and securities of each client in accordance with the needs of the client.

Non Discretionary PMS

Under the non-discretionary portfolio management service, the portfolio manager manages the funds in accordance with the directions of the client.

Evolution of Company



15 Ashad, 2075

Incorporated as Pvt Ltd Co. I.e. Market Pundit Portfolio Mgmt and Advisory Pvt. Ltd.

22 Bhadra, 2076

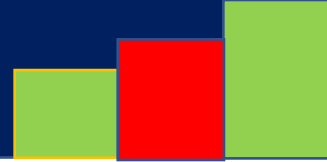
Converted to Public Ltd Co. with change in name as Market Pundit Capital & Merchant Banking Ltd. Along with increased in Auth. capital from 5cr to 10 cr.

24 Kartik, 2076

No of Promotors Increased to 39.

Ashad, 2077

In the process of obtaining license of PMS from SEBON.



MANAGEMENT DISCUSSION AND ANALYSIS

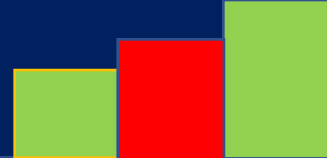
Global Economic Outlook

Looking at the global outreach of the economy in this era we can see the global economy has come a very long way as compared to centuries ago. However, the global pandemic in the year 2020 caused due to coronavirus outbreak have created a turbulence in the Global Economy, at this stage the Global GDP is predicted to contract by 5.8% for advanced economies, 3.3% for Emerging Market and Developing economies, . However the pandemic is not a baseline for the judgment to be made.

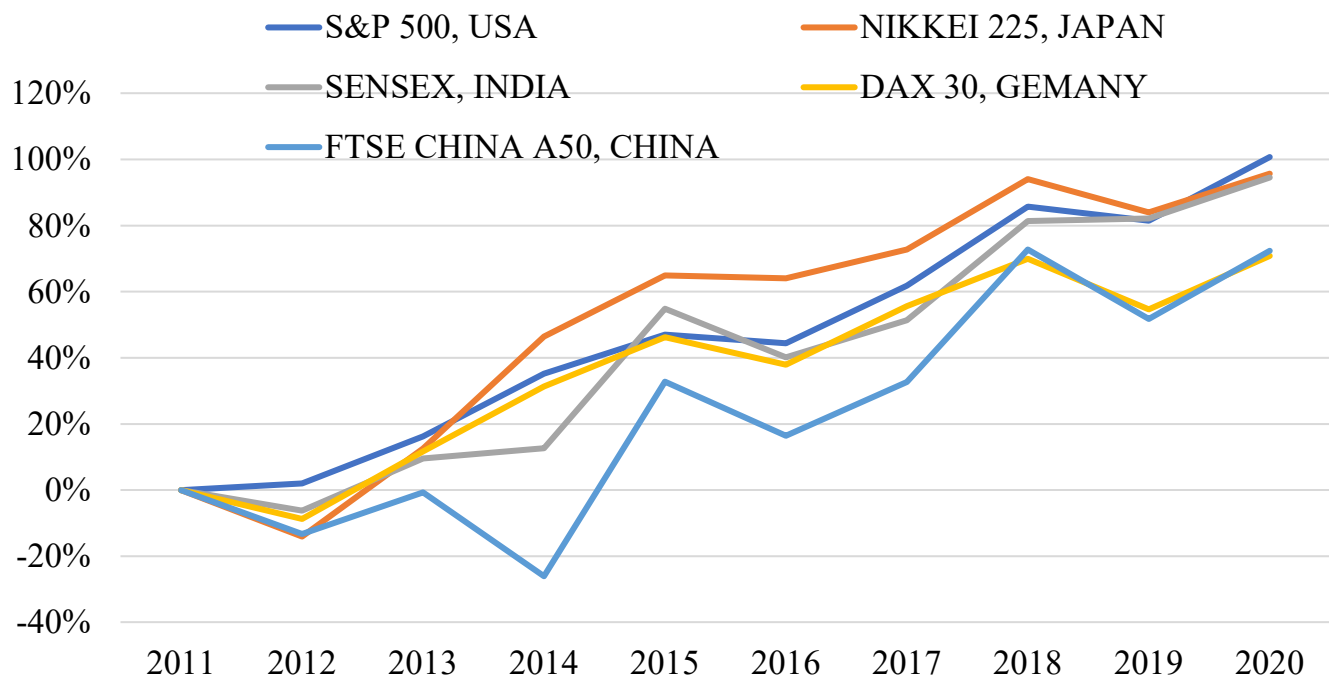
Table 1 (a): World Economic Growth Rate (In percent)

Economy	2015	2016	2017	2018	2019	2020*	2021*
World	3.4	3.3	3.8	3.5	2.8	-4.4	5.2
Advanced economies	2.4	1.8	2.5	2.2	1.7	-5.8	3.9
Major advanced economies (G7)	2.2	1.5	2.3	2.1	1.6	-5.9	3.8
Emerging market and developing economies	4.3	4.5	4.8	4.5	3.7	-3.3	6.0
Middle East and Central Asia	2.7	4.5	2.6	2.1	1.4	-4.1	3.0
Emerging and developing Asia	6.8	6.8	6.7	6.3	5.5	-1.7	8.0
ASEAN-5	5.0	5.1	5.5	5.3	4.9	-3.4	6.2
Emerging and developing Europe	1.0	1.9	4.1	3.3	2.1	-4.6	3.9
European Union	2.5	2.1	3.0	2.3	1.7	-7.6	5.0
Latin America and the Caribbean	0.4	-0.6	1.4	1.1	0.0	-8.1	3.6
Low Income Developing Countries	4.6	3.8	4.8	5.1	5.3	-1.2	4.9
* Estimated	Source - International Monetary Fund, 2020						

Securities market has shown exponential growth based on the statistical study. The globalization impact upon the securities market has enabled global investors to seek to trade in countries that provide the strong laws protecting the investor's right. Changes in the valuation of stocks and bonds in securities markets can profoundly affect the economy of the nation in which the securities are traded, as well as global economic conditions. This is because a healthy economy depends on consumer and business confidence in prevailing and future economic conditions. All of the positive stirring aspects of the up surging global economy describes the scope of the Growing Capital Market.

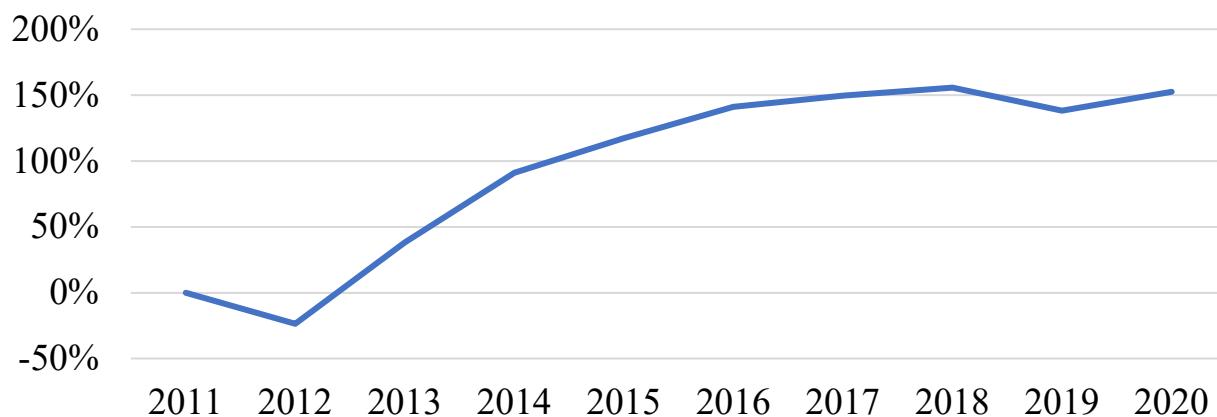


Major Global Indices Cumulative Performance



Comparison with Nepal Security Market

NEPSE Cumulative Growth



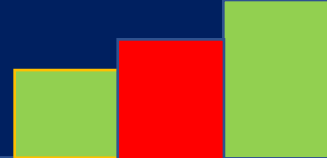
On the analysis of above 2 Charts basis past 10 years data, we can say that Nepal Securities market has outperformed all the major global securities market by achieving increased growth rate of 152% till beginning of Year 2020.

Nepal Economic Outlook

As per the Macroeconomic indicators published by Nepal Rastra Bank, analysis of the overall economic situation in the year of Global Pandemic 2019/20 seems to be in a normal situation. Despite the prediction Inflation, the balance of payments, foreign exchange reserves, investments, and financial indicators were found to be normal during that period. The survey also mentioned that Nepal's trade has improved, and the balance of payments have been in surplus due to the contraction in imports and expansion in exports during this period, a significant expansion in financial services and an enthusiastic increment in foreign investment.

Macroeconomic Indicators of Nepal

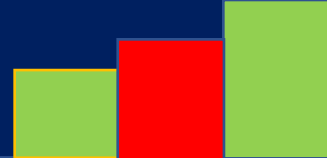
Indicator	2015/16	2016/17	2017/18	2018/19	2019/20*
Economic Growth Rate	0.6	8.2	6.7	7.0	2.3
Gross Domestic Savings / GDP	4.1	13.4	16.6	19.0	18.1
Gross National Savings / GDP	40.1	46.4	45.8	48.9	46.0
Inflation (CPI)	10.40	2.70	4.60	6.02	4.78
Workers' Remittances (Rs. in billion)	665.1	695.5	755.1	879.3	875.0
Balance Of Payment (Rs. in billion)	189.0	82.1	0.96	-67.4	282.4
Trade Balance (Rs. in billion)	-703.5	-917.1	-1163.7	-1321.4	-1099.1
Expenditure Growth (%)	14.2	40.2	30.7	0.1	-2.7
Gross Fixed Capital Formation / GDP	28.7	31.4	34.5	33.7	28.1
Capital Expenditure / GDP	5.4	7.8	8.9	7.0	5.1
* Estimated					Source - Nepal Rastra Bank



Nepal next Five Year Projection

Indicator	Units	2021	2022	2023	2024	2025
Gross domestic product, constant prices	% change	2.494	5.971	5.233	5.042	5.019
Gross domestic product per capita, constant prices	Dollar	3,431.87	3,589.88	3,729.01	3,866.48	4,008.16
Total investment	% of GDP	50.136	48.744	47.942	47.169	46.4
Gross national savings	% of GDP	43.184	43.036	42.729	42.207	41.723
Inflation, average consumer prices	% change	6	5.8	5.6	5.3	5.3
General government revenue	% of GDP	24.972	25.316	25.309	25.432	25.464
General government total expenditure	% of GDP	31.702	30.042	29.708	29.569	29.508
Current account balance	% of GDP	-6.952	-5.708	-5.213	-4.962	-4.677

Source - International Monetary Fund, 2020

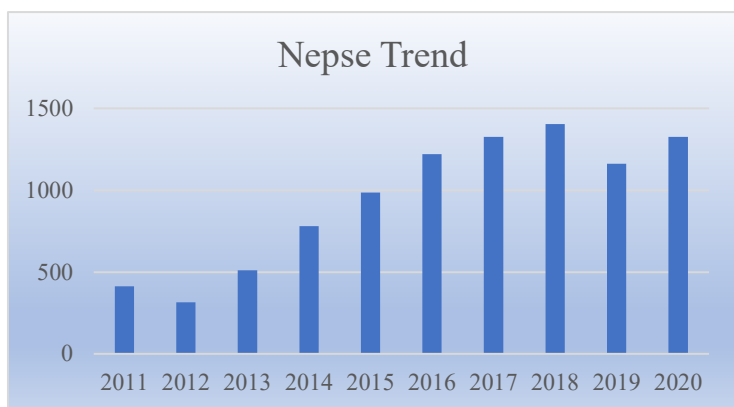


Securities Market in Nepal

The major information about the Securities market of the Country during FY 2019/20 are as follows.

Nepse Index

By the mid July of 2020 Nepse Index has reached 1362.35 which was an increase of the 23.62% from the new bottom of 1102 made by NEPSE in the December 2019. The index was at the level of 1259 during the same period last year. During the review period the NEPSE stood at the highest point in the March 2020 with 1669 Points and at lowest of 1149 points during May 2020.



Market Capitalization

Market Capitalization was reported at 2,065,691.780 NPR million in Sep 2020. This records an increase from the previous number of 1,964,667.600 NPR million for Aug 2020. The data reached an all-time high of 2,083,684.610 NPR million in Feb 2020 and a record low of 34,912.190 NPR million in Jul 2003.

Paid UP Capital

In the year 2020, the paid up capital of listed companies increased by ~15% to be NPR 475.841 billion as compared to the NPR 412.28 billion of July 2019.

Listed Companies

The Number of Listed Companies in Nepse by the end of October 2020 is 229 which is increased by 14 companies as compared to last year's count of 215 listed companies.

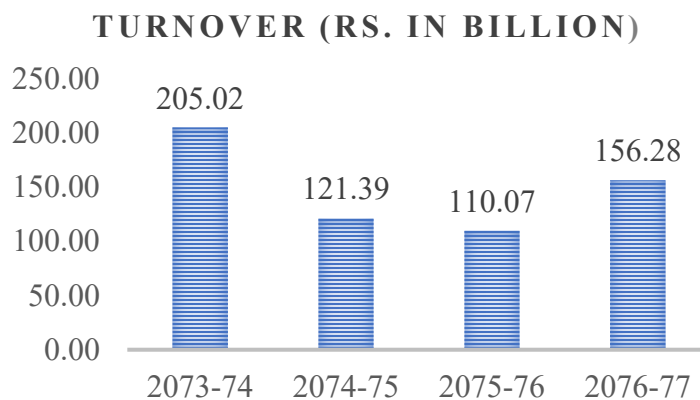
Among the new listed companies in FY2019/20, 5 are from the Insurance Industry, 3 From Hydropower, 3 from Microfinance and 1 from development Bank.

Primary Market

As per report published by SEBON on 2077/06/23 currently there are 15 companies which are in the process of getting listed on NEPSE with total worth of 44.55 Arab. They have submitted the application for IPO issuance to the Securities Exchange Board of Nepal. Of which 9 are hydropower companies, one is Life Insurance, one is Merchant Bank and 3 are from other groups. Among which Madhya Bhotekoshi Jalvidyut Co. Ltd has the highest numbers of shares to be listed for issue with 15 Cr.

Turnover

On review of past 4 years Annual Turnover on the basis of amount are shown as below:





SECTORIAL ANALYSIS

Merchant Banking Business in Nepal

In the context of Nepal though Merchant banking is in existence from the establishment of Nepal Bank Limited in 1990 B.S., it existed in crude form. After the restoration of democracy in 2046 B.S., and an announcement of government's economic liberalization policy, private sector investors are attracted to invest in different organized commercial ventures. As a result, numerous new private and public limited companies were established in a very short span of time to reap the benefit of economic liberalization policy of the nation. The development activity through the country had created excess demand for the sources of funds by the ever-expanding industry and trade, which could not be met all by the local banks and financial institutions. In these circumstances, the corporate sector enterprises had the only alternative to avail themselves from the capital market services for meeting long-term fund requirements through issue of shares and debentures. The growing demand for funds from capital market has propelled many organizations to enter into the field of merchant banking for managing the public issues.

Nature of Services

During the review period, 30 Securities Business Persons (Merchant Banker) providing services such as;

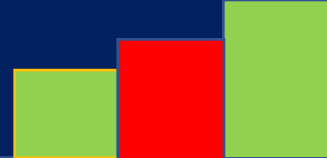
- Portfolio management services
- Issue management
- Share registrar
- Underwriting
- Corporate Advisory

29 out of 30 Merchant Bankers provide Portfolio Management Services solely or with group of other service. 20 Merchant Banker are the Subsidiaries of Commercial Bank.

Anticipated Future Market Potential:

On the basis of month wise Broker's client details published by NEPSE, growth can be seen in both online user and active clients as per recent 3 months data which are demonstrated below:

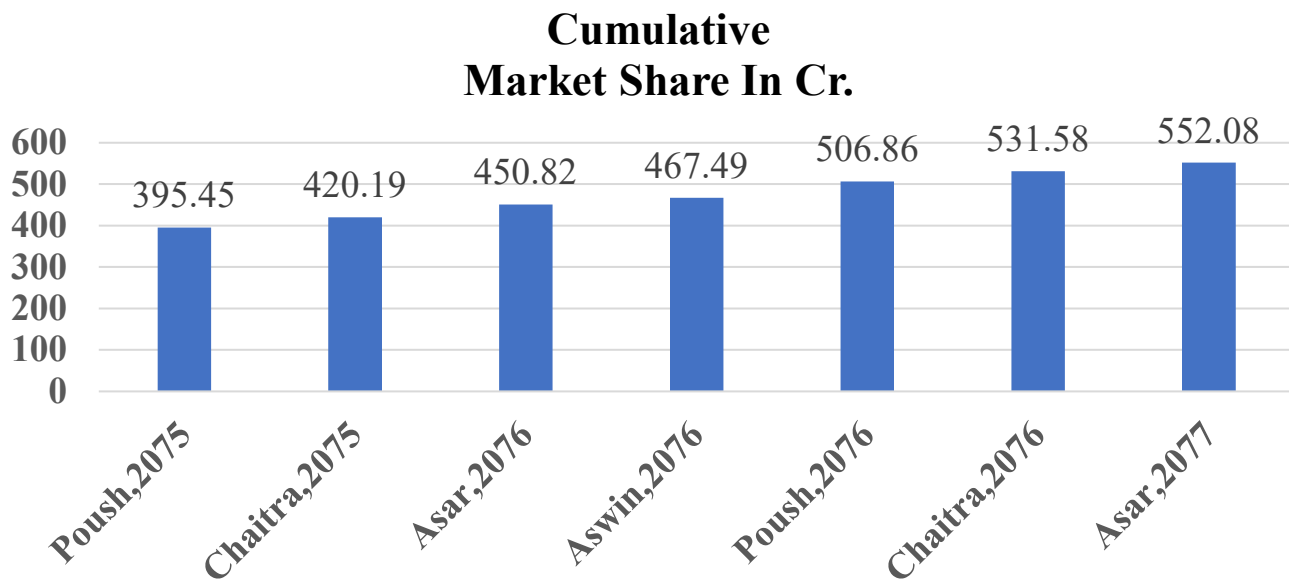
Clients	Jul-20	Aug-20	Sep-20
Online Clients	47026	64616	120499
Growth Rate		37%	86%
Active Clients	264,633	287854	337360
Growth Rate		9%	17%



Merchant Banking Business in Nepal

Asset under Management:

As per the market research done upto data of Asar end-2077, Asset Under Management of the industry is approximately Rs. 552.08 Cr. Refer the below Chart for monthly/annually growth analysis:

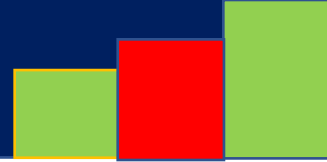


Source - SEBON

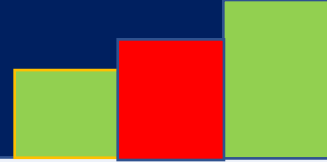
From the chart it is clear that, there has been positive growth of asset managed by existing merchant banks in last 7 quarters.

Competition:

Nabil Investment Banking Ltd. is the leader of the industry being the first merchant banker providing Portfolio Management Services. As per the published annual report for FY 2075/76, Asset under management of 362 Clients are shown as Rs. 104 Cr, which is 23.07% calculated upon total market share as on end of Asar, 2076.



GOVERNANCE



Market Pundit Capital & Merchant Banking Ltd.

BOARD OF DIRECTORS



Structure of Board

The Board of directors

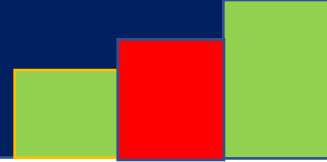
The board consists of 5 members including the Chairman. Our directors are the valuable asset to the organization as all of them are from diverse background and are highly experienced in their area of expertise. With their knowledge and expertise we have been able to get insight to all the areas affecting the profession directly & indirectly. Their broad perspectives about the industry gives us the benefit of constructive suggestion for the betterment of the performance. The team of directors works for the best interest of the shareholders that is to maximize their wealth. The major objective of the board is to form an opinion on the strategic direction and provide ways to implement to achieve goals and also to provide guidance and suggestions for the sustainability of the organization.

Mr Umesh Nakarmi

Chairman



Mr. Nakarmi has been in the position of chairman in the company. He is involved in the industry of investment profession for over 25 years and also has exposure in import export and construction industry. He is also the Promoter of Unique Team Investment. He currently holds position of Director in Him Nepal Foundation and Max Connect Pvt. Ltd and working as a Chairman in Exclusive Intercontinental Pvt. Ltd. Besides he had successful tenure as a director of Jebils Finance Ltd(Recently Acquired by NIBL), Unique Team Investment Pvt. Ltd., Nepal International Collection P. Ltd. and Him Sikhar Rugs and Crafts. He is a graduate from Amrit Science College, Kathmandu.



Mr Binod Purush

Executive Director

Mr. Binod Purush resides in the position of Executive Director in the organization. With 15 plus years of experience in the ground of operations and management, he is also offering consulting services to multiple enterprises. He is currently engaged with the Prashnapatra dot com Pvt. Ltd as Chief Executive Officer and also at Growth School of Investment & Management Pvt Ltd. as Managing Director. Besides he has also served successfully as a CEO in Pasa International Pvt. Ltd. He holds a Post Graduate degree in Management from ITM, Gaziabad.



Mr. Bishnu Prasad Basyal

Director

Mr. Basyal holds the prestigious designation of Charter Financial Analyst (CFA) from ICFAI University, India and also holds B.A. (ECONOMICS) Punjab University, Chandigarh(U.T.),India. He has been serving as a Director in Market Pundit. He was involved in Master Capital Services Ltd. India as Manager(Research and Advisory Department), and as Sr. Manager (Research and Advisory Department), in Berkeley Securities Pvt. Ltd. He was awarded “First Position” & “Best Group performer” on “Business Strategy and Performance Analysis” conducted by Cygnus Business Consulting and Research Pvt. Ltd., Hyderabad, India.



Mr. Sanjaya Dhakal

Director

Mr. Dhakal is currently engaged as a Director in Market Pundit. He is actively involved in the Nepal Capital Market and other entrepreneurial activities for over 23 years. Mr. Dhakal is known for his deeper insights into capital market, investment industry, construction business and service industry. He is currently the trustee of Omkar Television Pvt. Ltd. as well as member of Lions Club. He was involved as a Proprietor in Seiko Carpet P. Ltd. and Villa Restaurant Pvt Ltd. Mr. Dhakal holds the Proficiency Certificate Level in Business Administration from Shankar Dev Campus, Kathmandu. Besides, he also resides in the position of Director in Unique Team Investment Pvt. Ltd.



Deepak Muni Bajracharya

Director

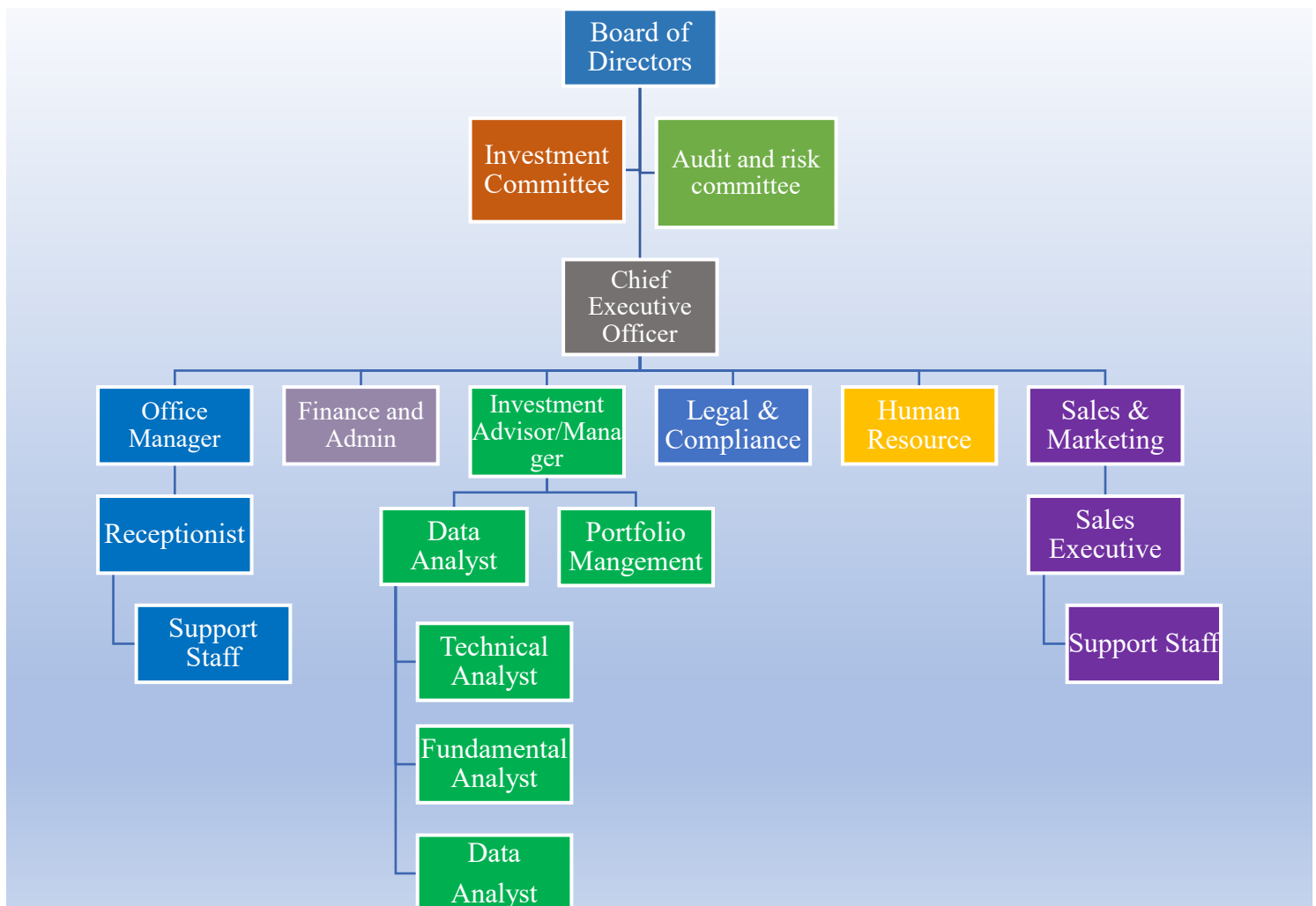
Mr. Bajracharya is an MBA graduate from Tribhuvan University. He has more than 25 years of working experience in the field of Finance, Administration, Human Resources, Capital Market and Project management. He is engaged as a Director with Market Pundit. Besides he is engaged as a Promoter in Rich Investment Pvt. Ltd. Previously he was involved in Shanti Sewa Griha as Account Manager, Kathmandu Travels and Tours as a Assistant Financial Controller and also in Ipas Nepal as Finance and Admin Manager.



Organization structure

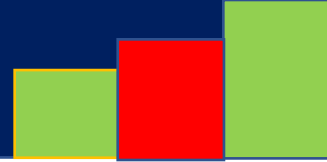
Human Capital is one of the most valuable assets to the Market Pundit. The management of the human capital is a very important aspect for the efficient operation within the organization. Therefore, even with the existing count of the employee our team has been able to perform extraordinarily. The guidance and supervision of the supervisors of the organization has optimally created a well suited and productive environment for the employee to bring out the best efforts.

Market Pundit Capital and Merchant Banking Ltd. Organogram 2077



For the better segregation and assimilation of the different nature of work, different heads as per the suitable expertise required for the works are formed. Currently there are 8 employees working in their respective area of expertise for the attainment of the objectives of the organization. The department of employee is listed below:

Chief Executive Officer	<ul style="list-style-type: none"> • Currently this position is vacant in the organization. However, will be soon recruited after obtaining the license from SEBON.
HR	<ul style="list-style-type: none"> • HR team is under the process of formation of in the guidance of Executive Director. Currently it is overlooked by Executive Director himself.
Finane & Admin	<ul style="list-style-type: none"> • Finance and Admin staff inside the organization is assigned to overlook and take the responsibility of the financial matters.
Investment Manager	<ul style="list-style-type: none"> • Investment Manager in the firm is assigned to make the major investment decisions. Majorly involved in portfolio management and Research & Reporting.
Data Analyst	<ul style="list-style-type: none"> • Data analyst is engaged to make analytical assessment to assist in Valuation Process, Portfolio Management and Research activity.
Technical Analyst	<ul style="list-style-type: none"> • Technical Analyst is assigned to make the projections about the market movement based on the technical analysis.
Office Manager	<ul style="list-style-type: none"> • Office Manager is responsible for the smooth day to day operations of the organization and must manage team of administrative and support staff.
Receptionist	<ul style="list-style-type: none"> • The person designated as receptionist is majorly responsible for the customer handling relating to their queries and oversee all of the clerical work of the daily operation
Office Assistant	<ul style="list-style-type: none"> • The main responsibility of the office assistant is to keep in check of the neatness and also to keep track of the regular supplies required for the daily operation.



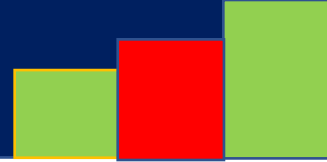
Recruitment Process

The recruitment system within the organizational process is completely fair and merit based. All the designation filled are through the rigorous interview process with proper evaluation from the concerned team for recruitment. The environment developed in the organization is for the growth of the employee which has allowed each one to work with a productive mindset. The organization doesn't follow a strict and rigorous work culture rather has allowed every employee with the free and flexible mindset which has enabled the entire team to work with the utmost sincerity towards their responsibilities. The same mottos are conveyed to any new addition made to the team. It is to be believed that inside the work spectrum of the Market Pundit, the performance appraisal system and career progressions are fairly assessed and encouraged by the executive members throughout.

Remunerations and Benefits

Employees in the Market Pundit Team are very important assets; therefore, we have always prioritized the relationship with the all of the employees associated with organization. We have always encouraged all of our members to work for the benefit and growth of the organization and as well as the overall growth of themselves. Remuneration and benefit are one major factor for the encouragement and a gesture of appreciation for the hard work of the employee. Understanding the valuable efforts of each employee we have a good remunerations and benefit planned for the encouragement for the sustainable relationship.





Financial Statements



HTC & Associates

Chartered Accountants

 Pako, New Road, Kathmandu
Near R.B Complex
 +977-1-4266114
 htcassociates.ca@gmail.com
 www.htcassociates.com.np

Independent Auditors' Report

To the Shareholders of Market Pundit Capital & Merchant Banking Limited.

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **Market Pundit Capital & Merchant Banking Limited** ("the company"), which comprise the Statement of Financial Position as at Ashad 31, 2077 (July 15, 2020), the statement of profit and loss (including other comprehensive income), the Statement of Change in Equity and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid the financial statements presents fairly, in all material respects, the financial position of the Company, as at Ashad 31, 2077 (July 15, 2020) and its financial performance, changes in equity, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Financial Reporting Standards and comply with Company Act, 2063.

Basis for Opinion

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

Management's Responsibility for the financial statements

The preparation and fair presentation of these Financial Statements, in accordance with Nepal Accounting Standards, are the responsibility of the company's management. In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditors' Responsibilities for the Audit of 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 NSA 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.

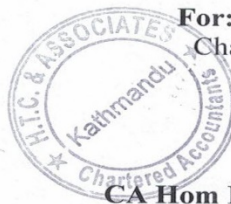
Report on Other Legal and Regulatory Requirements

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

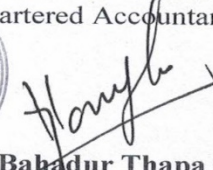
- a. We have obtained information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Organization so far as appears from our examination of such books;
- c. The Statement of Financial Position, Statement of Profit or Loss (including other Comprehensive Income), the Statement of Change in Equity;
- d. During our examination of the books of account of the Company, we have not come across the cases where the Board of Directors of any member there of any representative or any office holder or any employee of the Company has acted contrary to the provisions of law or caused loss or damage to the Company and;
- e. We have not come across any fraudulence in the accounts, based on our sample examination of the books.



Date: 6th Kartik 2077.
Kathmandu
UDIN Number: 201105CA00743wb76e



For: HTC & Associates
Chartered Accountants


CA Hom Bahadur Thapa Chhetri
Auditor


MARKET PUNDIT CAPITAL & MERCHANT BANKING LTD.


LALITPUR, NEPAL

As at 31st Ashad 2077

STATEMENT OF FINANCIAL POSITION


	Note	Current Year NRs	Previous Year NRs
Assets			
Cash and Cash Equivalents	1	1,564,554.74	744,828.00
Financial Investments - at Amortized Cost (HTM)		-	-
Financial Investments - at FVTPL (HFT)	2	50,004,064.00	-
Financial Investments - at FVOCI (AVS)		-	-
Property Plant & Equipment	3	1,313,468.85	69,879.67
Intangible Assets	3	330,788.67	-
Other Assets	4	6,952,762.04	-
Current Tax Assets		-	-
Total Assets		60,165,638.30	814,707.67
Liabilities			
Other Financial Liabilities	5	239,840.78	335,813.72
Other Liabilities	6	1,454,580.36	13,180.00
Total Liabilities		1,694,421.14	348,993.72
Equity			
Share Capital	7	56,000,000.00	1,300,000.00
Retained Earnings	8	2,471,217.15	(834,286.05)
Total Equity		58,471,217.15	465,713.95
Total Liabilities and Equity		60,165,638.30	814,707.67


Chairperson
Umesh Nakarmi


Executive Director
Binod Neupane

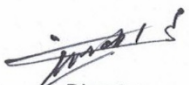
For HTC & Associates
Chartered Accountants




Director
Bishnu Prasad Basyal


Director
Deepak Muni Bajracharya

CA. Hom Bahadur Thapa Chhetri


Director
Sanjaya Dhakal

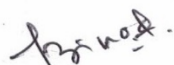


MARKET PUNDIT CAPITAL & MERCHANT BANKING LTD.
LALITPUR, NEPAL
For the Period ended 31st Ashad 2077
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Income	Note	Current Year NRs	Previous Year NRs
Income from Merchant Banking Activity		-	-
Interest Income	9	318,788.81	-
Dividend Income	10	492,836.23	-
Net gain/(loss) on financial investments Held through Profit or loss	11	6,552,084.66	-
Total Income		7,363,709.70	-
Expense			
Personnel Expenses	12	1,042,676.63	318,000.00
Interest Expenses	13	167,291.14	-
Depreciation on Propert and Equipment		130,610.20	23,293.33
Amortization on Intangible Assets		74,881.33	-
Other Operating Expenses	14	1,365,622.30	454,992.72
Impairment Charges		-	-
Total Expenses		2,781,081.60	796,286.05
Profit before Tax from Continuing Operations		4,582,628.10	(796,286.05)
Income Tax Expenses - Current Year		-	-
Income Tax Expenses - Previous Year		-	-
Provision for Income Tax		498,729.28	-
Less: Deffered Tax Provision		778,395.62	-
Profit for the year		3,305,503.19	(796,286.05)
Other Comprehensive Income		-	-
Net profit and other Comprehensive Income for the Year		3,305,503.19	(796,286.05)
Annualized Earning per Share (EPS)		5.90	



Chairperson
Umesh Nakarmi



Executive Director
Binod Neupane



Director
Bishnu Prasad Basyal



Director
Deepak Muni Bajracharya



Director
Sanjaya Dhakal

For HTC & Associates
Chartered Accountants

CA. Hom Bahadur Thapa Chhetri

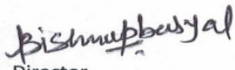


MARKET PUNDIT CAPITAL & MERCHANT BANKING LTD.
LALITPUR, NEPAL
For the Period ended 31st Ashad 2077
STATEMENT OF CASH FLOW

	Current Year NRs	Previous Year NRs
OPERATING ACTIVITIES		
Net profit before tax	4,582,628.10	(796,286.05)
Add: Depreciation	205,491.53	23,293.33
Add: Interest	167,291.14	
Less: Provision for tax	(498,729.28)	
Less: Deferred Tax	(778,395.62)	
Change in working capital		
(Increase)/Decrease in Current Assets		
1. (Increase)/Decrease in Investments	(50,004,064.00)	-
2. (Increase)/Decrease in Other Financial Assets	-	
3. (Increase)/Decrease in Other Assets	(6,952,762.04)	
Increase/(Decrease) in Current Liabilities		
1. Increase/(Decrease) in Public Dues	-	
2. Increase/(Decrease) in Other Financial Liabilities	(95,972.94)	
3. Increase/(Decrease) in Other Liabilities	1,441,400.36	310,993.72
A) Cash Flow from operating activities	(51,933,112.75)	(461,999.00)
INVESTING ACTIVITIES		
1. (Increase)/Decrease in HTM Investments	-	
2. (Increase)/Decrease in Fixed Assets	(1,779,869.08)	(93,173.00)
B) Cash Flow from Investment Activities	(1,779,869.08)	(93,173.00)
FINANCING ACTIVITIES		
1. Increase in Share Capital	54,700,000.00	1,300,000.00
2. Share Premium	-	
3. Payment of Dividend		
4. Interest expense	(167,291.14)	
C) Cash Flow from Financing Activities	54,532,708.86	1,300,000.00
D) Net Increase/(Decrease) in Cash and Cash Equivalent	819,727.03	744,828.00
E) Cash and Cash Equivalent at the beginning of the year	744,828.00	-
F) Cash and Cash Equivalent at the end of the year	1,564,554.74	744,828.00


Chairperson
Umesh Nakarmi


Executive Director
Binod Neupane


Director
Bishnu Prasad Basyal


Director
Deepak Muni Bajracharya


Director
Sanjaya Dhakal

For HTC & Associates
Chartered Accountants

CA. Hom Bahadur Thapa Chhetri



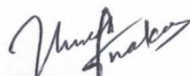
MARKET PUNDIT CAPITAL & MERCHANT BANKING LTD.

LALITPUR, NEPAL

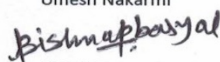
For the Period ended 31st Ashad 2077

STATEMENT OF CHANGES IN EQUITY

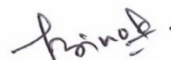
	Share Capital	Retained Earnings	Other (Share)	Total Shareholders' Funds
Balance as at July 16, 2018		(38,000.00)		
Adjustments				
Issue of Share				
Dividend Declared & Paid				
Net Profit for the year		(796,286.05)		(796,286.05)
Transfers during the year				
Balance as at July 16, 2019		(834,286.05)		(834,286.05)
Adjustments				
Issue of Share	56,000,000.00			56,000,000.00
Dividend Declared & Paid				
Net Profit for the year		3,305,503.19		3,305,503.19
Transfers during the year				
Balance as at July 15, 2020	56,000,000.00	2,471,217.14		58,471,217.14



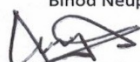
Chairperson
Umesh Nakarmi



Director
Bishnu Prasad Basyal



Executive Director
Binod Neupane

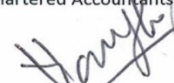


Director
Deepak Muni Bajracharya



Director
Sanjaya Dhakal

For HTC & Associates
Chartered Accountants



CA. Hom Bahadur Thapa Chhetri



MARKET PUNDIT CAPITAL & MERCHANT BANKING LTD.
LALITPUR, NEPAL
NOTES TO THE FINANCIAL STATEMENTS

Note 3
2075-76

Amount in Rs.

Block	Particulars	Dep Rate	Opening	Addition			Gross Total Assets	Total Depreciation	Net Assets
				Upto Poush	Upto chaitra	Upto Ashad			
B	Furniture and fixtures	25.00%		93,173.30	-	-	93,173.30	23,293.33	69,879.98
C	Vehicles	20.00%					-	-	-
	Total		-	93,173.30	-	-	93,173.30	23,293.33	69,879.98

2076-77

Block	Particulars	Dep Rate	Opening	Addition			Gross Total Assets	Total Depreciation	Net Assets
				Upto Poush	Upto chaitra	Upto Ashad			
B	Furniture and fixtures	10.00%	69,879.98	766,192.00	273,282.10	158,458.00	1,267,812.08	107,107.94	1,160,704.14
B	Computer & Printer	20.00%			176,266.98		176,266.98	23,502.26	152,764.72
E	Intangible Assets	20.00%		339,000.00	39,550.00	27,120.00	405,670.00	74,881.33	330,788.67
	Total		69,879.98	1,105,192.00	489,099.08	185,578.00	1,849,748.75	205,491.53	1,644,257.52

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Bishnu Poudyal

Prinod

Prinod

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MARKET PUNDIT CAPITAL & MERCHANT BANKING LTD.
LALITPUR, NEPAL
NOTES TO THE FINANCIAL STATEMENTS

1. CASH AND CASH EQUIVALENT

	2076-77 NRs	2075-76 NRs
Cash Balance	722.00	-
Bank Balance	1,563,832.74	744,828.00
Other Fixed Income Instrument	-	-
	1,564,554.74	744,828.00

2. FINANCIAL INVESTMENTS - at FVTPL (HFT)

	2076-77 NRs	2075-76 NRs
Investment in Quoted Securities	50,004,064.00	-
	50,004,064.00	

4. OTHER ASSETS

	2076-77 NRs	2075-76 NRs
Account Receivables	6,482,747.33	-
Less: Impairment	-	-
Advance Salary	-	-
Advance Tax	470,014.71	-
	6,952,762.04	

5. OTHER FINANCIAL LIABILITIES

	2076-77 NRs	2075-76 NRs
Short Term Loan	-	-
Creditors and Accounts Payable	239,840.78	335,813.72
	239,840.78	335,813.72

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6. OTHER LIABILITIES

	2076-77 NRs	2075-76 NRs
Accrued Rent	-	-
TDS Payable	7,283.83	-
Salary Payable	64,871.00	-
PF Payable	68,758.63	-
SST Payable	8,292.00	3,180.00
TDS on Audit Fee	375.00	150.00
Audit Fee Payable	27,875.00	9,850.00
Provision for Income Tax	498,729.28	-
Deffered Tax Liability	778,395.62	-
	1,454,580.36	13,180.00

7. SHARE CAPITAL

	2076-77 NRs	2075-76 NRs
Authorised Share Capital (10,00,000 No of Share @ Nrs 100 each)	100,000,000.00	100,000,000.00
Issued Share Capital (8,00,000 No of Share @ Nrs 100 each)	80,000,000.00	80,000,000.00
Paid up Share Capital		
Ordinary Shares as at 1st Shrawan	1,300,000.00	-
Issue of Share Capital	54,700,000.00	-
Advance for Share Capital (560,000 No of Share @ Nrs 100 each)	-	1,300,000.00
	56,000,000.00	1,300,000.00

8. RETAINED EARNINGS

	2076-77 NRs	2075-76 NRs
Retained Earnigs	2,471,217.15	(834,286.05)
	2,471,217.15	(834,286.05)

9. INTEREST INCOME

	2076-77 NRs	2075-76 NRs
Interest Income	318,788.81	-
	318,788.81	-



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10. DIVIDEND INCOME

	2076-77 NRs	2075-76 NRs
Dividend Income	492,836.23	-
	492,836.23	-

11. Net gain/(loss) on financial investments Held through Profit or loss

	2076-77 NRs	2075-76 NRs
Realized Income from Sale of Securities	4,123,970.08	
Unrealized Income from Securities HFT	2,428,114.58	
	6,552,084.66	

12. PERSONNEL EXPENSES

	2076-77 NRs	2075-76 NRs
Salary	905,214.00	318,000.00
Allowances	101,920.88	-
Contribution to Provident Fund	35,541.75	-
	1,042,676.63	318,000.00

Prasad

Bishnu Prasad

Prasad

Prasad

Prasad

Prasad



13. INTEREST EXPENSES

	2076-77 NRs	2075-76 NRs
Interest Expenses	17,291.14	-
Loan Service Charge	150,000.00	-
	167,291.14	-

14. OTHER OPERATING EXPENSES

	2076-77 NRs	2075-76 NRs
General Operating Expenses		
Advertisement and Publication	93,806.16	-
Audit Fee	28,250.00	10,000.00
Bank Charges	4,085.00	350.00
Business Promotion	17,429.00	-
Cleaning Expenses	17,880.00	-
Communication and Internet	124,673.14	-
Company Registration & Renewal Expenses	103,600.00	40,000.00
Corporate Social Responsibilities	15,000.00	-
Electricity	9,076.00	-
Miscellaneous	-	87,691.72
Newspaper Books and Periodicals	1,860.00	-
Office Expenses	5,352.00	-
Printing and Stationery	98,462.00	37,660.00
Refreshment	219,292.00	240,136.00
Rent	335,000.00	-
Repair and Maintenance	71,446.00	39,155.00
Server & Hub	101,700.00	-
Share Pledge Charges	1,300.00	-
Trainee Expenses	20,000.00	-
Transportation	69,557.00	-
Water	27,854.00	-
	1,365,622.30	454,992.72

Prinod
Bishnu Bhusal
Prinod

Prinod

Prinod

Prinod
H.S. & ASSOCIATES
Chartered Accountants
Kathmandu



MARKET PUNDIT CAPITAL & MERCHANT BANKING LTD.

LALITPUR, NEPAL

1. General Information

Market Pundit Capital and Merchant Banking Ltd. is a Limited Liability company, incorporated and domiciled in Nepal. The registered address of Market Pundit is Jawalakhel -13, Lalitpur, Nepal. It was converted from a Private Company to a Public Company on 22nd Bhadra 2076 addressing the need of Company's Act, 2063 to perform functions related to Stock Exchange. Market Pundit Capital and Merchant Banking Ltd. incorporated as a public limited company registered under the Company Act, 2063(2006) with Reg. No. 192635/74/075

2. Share - Holding Structure

The Authorized Capital of the Company is 10,00,00,000. The Issued Capital of the Company is 8,00,00,000. The paid-up share capital of the company is Rs. 560, 00,000. All the shares are held by the promoters of the entity itself.

3. Summary of activities conducted during the year

Own Fund Management

The entity was majorly involved in management of its own core fund, using different strategies during the year. Since it is in the process of obtaining license for commencing Portfolio Management Services (PMS), it focused on fulfilling all legal criteria and other associated activities besides its Own Fund Management. PMS is a professional service offered by Portfolio Managers to their Clients to help them manage their wealth professionally.

4. Summary of activities conducted during the year

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Statement of Compliance

The Financial Statement of the entity which comprises components mentioned above have been prepared in accordance with Nepal Financial Reporting Standards comprising of Nepal Financial Reporting Standards and Nepal Accounting Standards (hereafter referred as NFRS), laid down by the Institute of Chartered Accountants of Nepal and in compliance with the requirements of the Companies Act, 2063.

b) Basis of Measurement

The Financial Statements of Entity have been prepared on the historical cost basis, except for the following material items in the Statement of Financial Position:

Financial assets, held for trading are recorded in Statement of Financial Position at fair value and the changes in the value have been routed through profit or loss statement.

c) Presentation of Financial Statements

The assets and liabilities of entity presented in the Statement of Financial Position are grouped in an order of liquidity.

The accounting policies have been consistently applied by entity with those of the previous financial year in accordance with NAS 01 Presentation of Financial Statements, except those which had to be changed as a result of application of the new NFRS. Further, comparative information is reclassified wherever necessary to comply with the current presentation.

d) Functional and Presentation Currency

The Financial Statements of entity are presented in Nepalese Rupees (Rs), which is the currency of the primary economic environment in which the entity operates. Financial information is presented in Nepalese Rupees. There was no change in Entity's presentation and functional currency during the year under review.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of Financial Statements in conformity with Nepal Financial Reporting Standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any further periods affected.

The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have most significant effect in the Financial Statements are as follows:



Bishnu Prasad
Prakash
Prakash
Prakash



a) Going Concern

The directors have made assessments of Entity's ability to continue as a going concern and satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon Entity's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it. Therefore, the Financial Statements continue to be prepared on the going concern basis.

b) Fair Value of Investments classified as held for trading

Securities which are considered for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. The fair value of Securities, those are classified as held for trading are determined from the quoted price in an active market.

6. Significant Accounting Policies

a) Interest Income, Dividend Income and Expenses

Interest income, dividend income and expenses are recognized in Profit or Loss on an accrual basis when the entity's right or obligation to receive/pay the income and expenses are established.

b) Income Tax

Market Pundit has obtained Permanent Account Number (302786741) from Inland Revenue Office, Lalitpur under the provision Nepal Income Tax Act 2058. Income tax expense comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted on the reporting date, and any adjustment to tax payables in respect of previous years.

Provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Income Tax Act, 2058 and the amendments thereto.

c) Deferred Tax

Deferred tax Deferred tax is recognized based on temporary difference between financial statement's carrying amounts of asset and liabilities and their respective income tax bases. Deferred tax is determined using the tax rates that has been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. The carrying amount of deferred tax is reviewed at each reporting date and reduced to the extent of non-recoverability of deferred tax assets.

The deferred tax liabilities (Assets) during the year is as follows

Calculation of Deffered Tax

Items	Carrying Amount	Tax Base	Temporary Difference	Deffered Tax Liability (Assets)
Fixed Assets	1,644,257.52	1,477,720.05	166,537.48	49961.24255
Unrealized Profit of Investments	2,428,114.58	-	2,428,114.58	728434.374
Total Deffered Tax Liability				778395.6166

7. Financial Investments

The financial investment comprises assets held at fair value through profit and loss, and financial investment at Amortized cost.

i. Classification

The Fund's investments are classified as fair value through profit or loss and loans and receivables. They comprise:

Financial Instruments held for trading

Financial assets, held for trading are recorded in the statement of financial position at fair value. Changes in fair value are recognized through profit or loss. This classification includes quoted equity securities held for trading. The dividend income from the quoted equity securities is recorded in the profit or loss.

Financial assets designated at fair value through profit or loss upon initial recognition.

These include financial assets that are not held for trading purposes and which may be sold. These are investments in debt and equity instruments.

Financial assets designated at fair value through profit or loss at inception is those that are managed and their performance evaluated on a fair value basis in accordance with the company's documented investment strategy.

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ii. 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.

Investments are derecognized when the rights to receive cash flows from the investments have expired or the fund has transferred substantially all risks and rewards of ownership.

Financial liabilities at fair value through profit or loss are derecognized when the obligation specified in the contract is discharged or expired.

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

iii. Measurement

Financial assets and liabilities held at fair value through profit or loss

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expenses in the statement of Profit or loss and other comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets is subsequently 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 company is the closing price.

The comparative details of financial assets held for trading is as follows:

Investments in Quoted Securities

S.N.	Particulars	2076/077	2075/076
1	Bank Of Kathmandu Ltd.	1,018,350.00	-
2	Century Commercial Bank Limited	792,000.00	-
3	Civil Bank Limited	834,000.00	-
4	Everest Bank Limited	4,681,125.00	-
5	Garima Bikas Bank Limited	520,036.00	-
6	Global Ime Bank Limited	836,500.00	-
7	Laxmi Bank Limited	2,574,880.00	-
8	Macnchapuchchhre Bank Limited	2,168,540.00	-
9	Mahalaxmi Bikas Bank Limited	893,772.00	-
10	Muktinath Bikas Bank Limited	1,111,656.00	-
11	Nabil Bank Limited	4,632,840.00	-
12	Nepal Bangladesh Bank Limited	3,289,660.00	-
13	Nepal Investment Bank Limited	5,129,331.00	-
14	Nepal Life Insurance Company Limited	1,134,000.00	-
15	Nepal Re-Insurance Company Limited	685,440.00	-
16	Nepal Sbi Bank Limited	3,961,545.00	-
17	NIC Asia Bank Limited	2,765,000.00	-
18	NMB Microfinance Bittiya Sanstha Limited	323,200.00	-
19	Sagarmatha Insurance Company Limited	133,000.00	-
20	Sanima Bank Limited	2,869,350.00	-
21	Shivam Cements Limited	4,127,994.00	-
22	Standard Chartered Bank Limited	5,521,845.00	-
	TOTAL	50,004,064.00	

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Unrealized Gain/(loss) on Financial Investments - HFT for the year is as follows:

Name of the Company	Units	Total Book Value on Ashad end 77	MV as on Ashad end 77	Gain/(Loss) on Ashad end 77
Bank Of Kathmandu Ltd.	4,650	1248292.5	1,018,350	(229,942.50)
Century Commercial Bank Limited	4,800	859728	792,000	(67,728.00)
Civil Bank Limited	6,000	947220	834,000	(113,220.00)
Everest Bank Limited	6,935	3985475.15	4,681,125	695,649.85
Garima Bikas Bank Limited	2,332	431816.44	520,036	88,219.56
Global Ime Bank Limited	3,500	985390	836,500	(148,890.00)
Laxmi Bank Limited	12,320	2457100.8	2,574,880	117,779.20
Machhapuchhre Bank Limited	9,857	2207672.29	2,168,540	(39,132.29)
Mahalaxmi Bikas Bank Limited	4,884	931427.64	893,772	(37,655.64)
Muktinath Bikas Bank Limited	3,563	938636.72	1,111,656	173,019.28
Nabil Bank Limited	6,056	4498517.92	4,632,840	134,322.08
Nepal Bangladesh Bank Limited	15,740	3151777.6	3,289,660	137,882.40
Nepal Investment Bank Limited	11,901	4877386.83	5,129,331	251,944.17
Nepal Life Insurance Company Limited	900	1005102	1,134,000	128,898.00
Nepal Re-Insurance Company Limited	1,360	583276.8	685,440	102,163.20
Nepal Sbi Bank Limited	9,107	3892422.87	3,961,545	69,122.13
NIC Asia Bank Limited	5,000	2153500	2,765,000	611,500.00
NMB Microfinance Bittiya Sanstha Limited	400	322056	323,200	1,144.00
Sagarmatha Insurance Company Limited	190	84284	133,000	48,716.00
Sanima Bank Limited	8,695	2709796.75	2,869,350	159,553.25
Shivam Cements Limited	6,903	3992626.17	4,127,994	135,367.83
Standard Chartered Bank Limited	8,561	5312442.94	5,521,845	209,402.06
TOTAL		47575949.42	50,004,064	2,428,114.58

8. Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used during more than one period. In this fiscal year NPR 17,79,869 has been added to fixed assets which includes, furniture and fixture, printer and laptops & softwares. A separate record is maintained for control of property and equipment.

Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Any gain or loss on disposal of an item or property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized within other income in profit or loss.

Subsequent Costs

Subsequent expenditure is capitalized only when it is possible that the future economic benefits of the expenditure will flow to the entity. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method of depreciation over their estimated useful lives, and is generally recognized in profit or loss.

The management of the company has estimated the useful life of the assets particularly, Furniture & Fixtures and Computer Equipment to be equivalent to 10 & 5 years respectively. So this comes out to be a major change in accounting policy where in previous years the depreciation rate was assumed to be the same as that given by the Income Tax Act, 2058 & retrospective impact has not been given.

Block	Particulars	Dep Rate	Opening	Addition			Gross Total Assets	Total Depreciation	Net Assets
				Upto Poush	Upto chaitra	Upto Ashad			
B	Furniture and fixtures	10.00%	69,879.98	766,192.00	273,282.10	158,458.00	1,267,812.08	107,107.94	1,160,704.14
B	Computer & Printer	20.00%			176,266.98		176,266.98	23,502.26	152,764.72
E	Intangible Assets	20.00%		339,000.00	39,550.00	27,120.00	405,670.00	74,881.33	330,788.67
	Total		69,879.98	1,105,192.00	489,099.08	185,578.00	1,849,748.75	205,491.53	1,644,257.22

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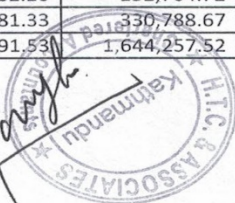
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9. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. The details of bank balance are as follows:

Particulars	Current Year	Previous Year
Cash-in-Hand	722.00	-
Civil Bank Ltd. (Current Account)	1,781.49	-
Civil Bank Ltd. (Call Account)	275,909.28	-
Mega Bank Nepal Ltd. (Current Account)	3,089.73	-
Mega Bank Nepal Ltd. (Overdraft)	(10,630.87)	-
Prabhu Bank Ltd. (Call Account)	93,060.26	-
Prabhu Bank Ltd. (Current Account)	10,000.00	-
Prime Commercial Bank Ltd. (Current Account)	19,782.10	-
Prime Commercial Bank Ltd. (Call Account)	1,000,000.00	744,828.00
Nepal SBI Bank Ltd. (Current Account)	170,840.75	-
TOTAL	1,564,554.74	744,828.00

10. Subsequent Events

Events after the reporting period are those events, favorable and unfavorable, that occur between the reporting date and the date the Financial Statements are authorized for issue. All material and important events that occurred after the reporting date have been considered and appropriate disclosures are made in the Financial Statements.

11. Comparative Information

The comparative information is re-classified where ever necessary to conform with the current year's classification in order to provide a better presentation and has been reclassified where ever necessary.

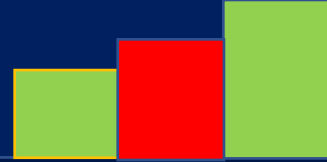
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