

INDEPENDENT AUDITOR'S REPORT

To The Fund Manager & Unitholders,
Mega Mutual Fund-1 (MMF-1)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mega Mutual Fund-1 (the 'Scheme' or 'MMF-1'), which comprise the statement of financial position as at 32 Asadh 2079, statement of profit or loss & other comprehensive income, statement of change in equity and statements of cash flows for the year then ended, including notes and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Mega Mutual Fund-1 as at 32 Asadh 2079, its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs) & other prevailing laws.

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme in accordance with the ICAN's Handbook of code of ethics for professional accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the financial year ended on 32 Asadh 2079 (16 July 2022). These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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 NASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Scheme's financial reporting process.

Auditor's Responsibilities for the Audit the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue as auditor's report that includes our opinion. Reasonable assurance is high level assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism through the audit. We also:

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

Report on Other legal and Regulatory Requirements

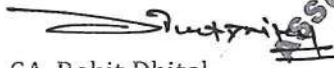
Based on our audit, we would like to further report that:

1. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were considered necessary for the purpose of our audit;
2. Proper books of accounts of the scheme as required by law have been kept by the scheme as far as appears from our examination of such books;

D. ASSOCIATES
Chartered Accountants

3. The financial statements dealt by this report are prepared in accordance with Nepal Financial Report Standards (NFRSs), The Securities Act, 2063, Securities Board Regulations 2064, Mutual Fund Regulation 2067, Mutual Fund Guidelines 2069 and the same are in agreement with the books of accounts maintained by the scheme.
4. The scheme has invested its funds according to the Mutual Fund Regulation 2067 and the operations of the scheme were found satisfactory.
5. To the best of our knowledge and in accordance with explanations given to us and from our examination of the books of accounts of the scheme, necessary for the purpose of our audit, we have not come across any action committed against the interest of unit holders.

For D. & D. Associates,
Chartered Accountants


CA. Rohit Dhital
Partner

Place: Hetauda
Date: 17.10.2022


D. & D. ASSOCIATES
Chartered Accountants

UDIN: 221020CA01307PJebI

Mega Mutual Fund - 1

(Sponsored by Mega Bank Nepal Limited and Managed by Mega Capital Markets Limited)
Statement of Financial Position as at 32nd Asadh 2079 (16th July, 2022)

In NPR

Particulars	Notes	32nd Asadh 2079	31st Ashad 2078
Assets			
Current Assets:			
Cash and Cash Equivalents	5	36,073,545	-
Financial Assets at Fair Value Through Profit or Loss (FVTPL)	6	917,164,809	-
Prepayments & Receivables	7	11,519,034	-
Financial Assets at Amortized Cost	8	125,000,000	-
Total Current Assets		1,089,757,388	
Non-Current Assets:			
Financial Assets at Amortized Cost	8	2,500,000	-
Total Non-Current Assets		2,500,000	
Total Asset		1,092,257,388	
Liabilities			
Current Liabilities:			
Financial liabilities	3	12,055,254	-
Total Liabilities		12,055,254	
Equity:			
Fund Capital	1	1,250,000,000	-
Retained earnings/(loss)	2	(169,797,866)	-
Total Equity		1,080,202,134	
Total Equity & Liabilities		1,092,257,388	
NAV per Unit		8.64	

Notes forms an integral part of this statement

On Behalf of Mega Capital Markets Limited
(Fund Management Company)

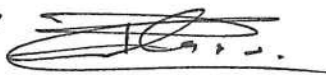
As per our Report attached of even date



Sabir Bade Shrestha
Chief Executive Officer



Ishwar Bahadur Gurung
Chairman



Tulsi Ram Pokharel
Director



Shulav Shrestha
Chief Investment Officer

Ramesh Chandra Paudel
Director





Ishwori Prasad Bhattarai
Director



Dilip Munankarmi
Director



CA Rohit Dhital
Managing Partner
D. & D. Associates
Chartered Accountants

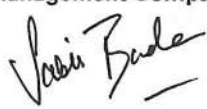
Date: 17/10/2022
Place: Kathmandu

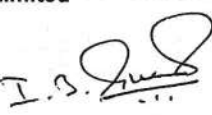
Mega Mutual Fund - 1**(Sponsored by Mega Bank Nepal Limited and Managed by Mega Capital Markets Limited)****Statement of Profit or Loss and Other Comprehensive Income****For the Period from 1st Shrawan 2078 to 32nd Asadh 2079 (16th July 2021 to 16th July 2022)**

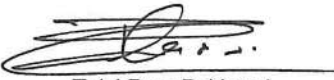
In NPR

Particulars	Notes	FY 2078/79	FY 2077/78
Income			
Interest Income from financial assets	9	19,653,082	-
Dividend Income	10	1,364,659	-
Gain/(Loss) on sale of Financial Assets at Fair Value Through Profit and Loss (FVTPL)	11	12,846,230	-
Total Income & Gain		33,863,971	-
Expenses and Losses			
Unrealised Loss on Financial Assets at Fair Value Through Profit and Loss (FVTPL)	12	177,362,122	-
Scheme registration, issuance & other charges	13	7,146,802	-
Fund management, Depository & supervisors' fees	14	18,454,173	-
Other operating expenses	15	698,740	-
Total expenses & losses		203,661,837	-
Net profit/(loss) for the period		(169,797,866)	-
Other Comprehensive Income / (Expenses):			
Gain/(Loss) on sale of Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)		-	-
Actuarial Gains / (Losses) on Defined Benefits Plan		-	-
Tax relating to components of other comprehensive income		-	-
Total Other Comprehensive Income / (Expenses)		-	-
Total Comprehensive Income/(loss) for the period		(169,797,866)	-

Notes forms an integral part of this statement

On Behalf of Mega Capital Markets Limited
(Fund Management Company)

 Sabir Bade Shrestha
 Chief Executive Officer



 Ishwar Bahadur Gurung
 Chairman


 Tulsi Ram Pokharel
 Director

As per our Report attached of even date


 Shulav Shrestha
 Chief Investment Officer


 Ramesh Chandra Paudel
 Director


 Ishwori Prasad Bhattarai
 Director


 CA Rohit Dhital
 Managing Partner
 D. & D. Associates
 Chartered Accountants


 Dilip Munankarmi
 Director
Date: 17/10/2022
Place : Kathmandu

Mega Mutual Fund - 1

(Sponsored by Mega Bank Nepal Limited and Managed by Mega Capital Markets Limited)

Statement of Cash Flows

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

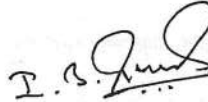
In NPR

Particulars	FY 2078/79	FY 2077/78
A. Cash Flow from Operating Activities		
Surplus/ (Deficit) for the year	(169,797,866)	-
Unrealised (gain)/loss on Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)	177,362,122	-
Increase/(Decrease) in Financial Liabilities	12,055,254	-
(Increase)/Decrease in Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)	(1,094,526,931)	-
(Increase)/Decrease in Prepayments & Receivables	(11,519,034)	-
(Increase)/Decrease in Financial Assets at amortized cost	(125,000,000)	-
Net cash generated/(used) in Operations (1)	(1,211,426,455)	-
C. Cash Flow from Investing Activities		
(Increase)/Decrease in Financial Assets at amortized cost	(2,500,000)	-
Net cash generated/(used) in investing (3)	(2,500,000)	-
B. Cash Flow from Financing Activities		
Increase/(Decrease) in Unit Capital	1,250,000,000	-
Dividend Paid during the year (net of tax)	-	-
Net cash generated/(used) in financing (2)	1,250,000,000	-
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	36,073,545	-
Cash and Cash Equivalents at beginning of the year/period	-	-
Cash and Cash Equivalents at end of period	36,073,545	-

On Behalf of Mega Capital Markets Limited
(Fund Management Company)

As per our Report attached of even date



Sabir Bade Shrestha
Chief Executive Officer


Ishwar Bahadur Gurung
Chairman


Tulsi Ram Pokharel
Director


Shulav Shrestha
Chief Investment Officer


Ramesh Chandra Paudel
Director


Ishwori Prasad Bhattarai
Director


Dilip Munankarmi
Director


CA Rohit Dhital
Managing Partner
D. & D. Associates
Chartered Accountants

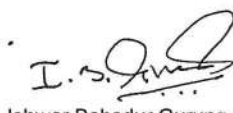
Date: 17/10/2022
Place : Kathmandu

Mega Mutual Fund - 1**(Sponsored by Mega Bank Nepal Limited and Managed by Mega Capital Markets Limited)****Statement in Changes in Equity****For the Period from 1st Shrawan 2078 to 32nd Asadh 2079 (16th July 2021 to 16th July 2022)***In NPR*

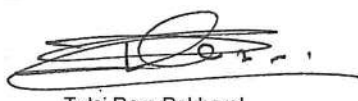
Particular	Fund Capital	Retained Earnings/(Loss)	Fair value reserves	Total
Opening Balance	-	-	-	-
Issue of Fund Capital	1,250,000,000	-	-	1,250,000,000
Profit/(loss) for the year	-	(169,797,866)	-	(169,797,866)
Dividend Paid	-	-	-	-
Balance as on 29/12/2074	1,250,000,000	(169,797,866)	-	1,080,202,134



Sabir Bade Shrestha
Chief Executive Officer



Ishwar Bahadur Gurung
Chairman



Tulsi Ram Pokharel
Director

As per our report of even date



D. ASSOCIATES
Chartered Accountants



Shulav Shrestha
Chief Investment Officer

Ramesh Chandra Paudel
Director



Ishwori Prasad Bhattarai
Director

CA Rohit Dhital
Managing Partner
D. & D. Associates
Chartered Accountants



Dilip Murlankarmi
Director

Date: 17/10/2022
Place : Kathmandu

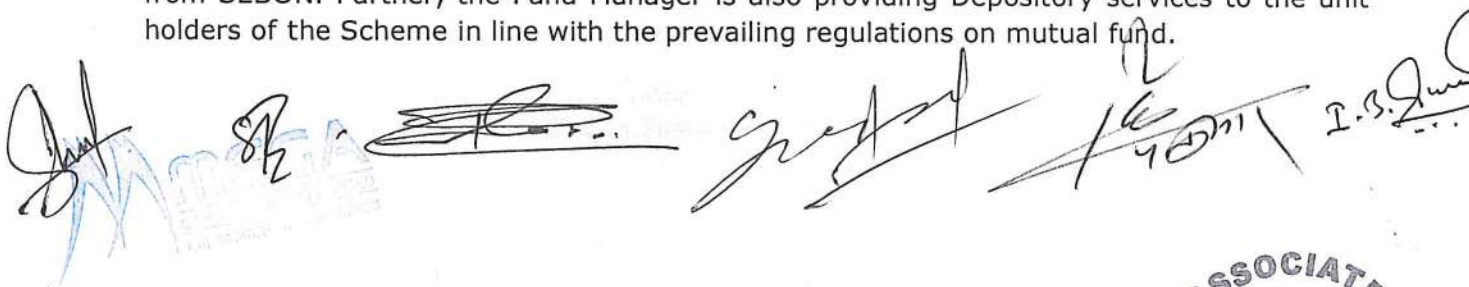
Significant Accounting Policies and Notes to the Financial Statements for the year ended 32nd Ashad 2079

A. Overview & Background

Fund:	Mega Mutual Fund
Scheme:	Mega Mutual Fund-1
Fund Sponsor:	Mega Bank Nepal Limited (Licensed by NRB as Class A bank)
Fund Management:	Mega Capital Markets Limited (A wholly owned subsidiary of Mega Bank Nepal Ltd.)
Fund Supervisors:	Prof Dr. Bishwambhar Pyakurel Prof. Dr. Bharat Bahadur Karki Dr. Yuba Raj Pandey Mrs. Sarita Bhatta Adhikari CA. Anal Raj Bhattarai
Total Units of Scheme:	125,000,000 (One Hundred Twenty-Five Million units)
Total Unit Capital:	NPR 1,250,000,000 (NPR. One Billion Two Hundred Fifty Million Rupees only)
Scheme type:	Close-ended

Mega Mutual Fund -1 (the Scheme) under Mega Mutual Fund (the Fund) is registered under Mutual Fund Regulations, 2067 as a closed-end, growth investment scheme. The objective of the Fund is long term capital appreciation investing predominantly in equity and equity related instruments and partly in fixed income securities. The Scheme commenced its operation on 2078-05-23 (Scheme allotment date) B.S. with maturity period of 10 years (i.e., 22 Bhadra 2088 B.S.) It was listed in NEPSE on 28th Kartik 2078. The Scheme's Financial Statements were approved by the Board of Directors of the Mega Capital Markets Limited on 31 Ashwin 2079 being the Fund Management and Depository Company. Similarly, the Fund Supervisors' consent on the approved Financial Statements has also been obtained.

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



D. ASSOCIATE
Chartered Accountants

The capital structure of the Scheme is as follows:

S.N.	Particulars	32nd Ashad 2079	31st Ashad 2078
1	Unit Capital Account	1,062,500,000	-
2	Unit Seed Capital Account	187,500,000	-
	Total	1,250,000,000	-

Net Asset Value (NAV) per unit

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

Net Assets Attributable to Unit Holders

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

Taxation

As per section 10 (Tha) of Income Tax Act 2058(recent amendment by Finance Ordinance 2021), income earned by Mutual Fund within its objectives is exempt from income tax. So, the Scheme is not required to pay taxes on its income and withholding tax on interest, dividend is also not applicable to the Scheme.

B SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS:

I. Statement of Compliance

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

II. Compliance with Nepal Financial Reporting Standards (NFRS)

These Financial Statements have been prepared in compliance Nepal Financial Reporting Standards (NFRS) to the extent applicable as issued by Accounting Standard Board (ASB), Nepal. Where there is a difference in accounting / valuation suggested by SEBON and NFRS, accounting / valuation technique as per SEBON is used.



SB

[Signature]

[Signature]

12/10/2079 I.S. Jha
D. ASSOCIATE
Chartered Accountants

III. Use of Judgments and Estimates:

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

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

1. Unit Capital

The unit capital of the scheme comprises of the following:

In NPR

Particulars	32nd Ashad 2079	31st Ashad 2078
Unit Capital Account	1,062,500,000	-
Unit Seed Capital Account-Mega Bank	187,500,000	-
Total	1,250,000,000	-

2. Retained earnings/(loss)

Retained earnings/(losses) are the cumulative net earnings or profit/(loss) after accounting for dividends and are sometimes referred to as the earnings surplus. Retained earnings are the net earnings after dividends that are available for reinvestments in the fund's core business or to pay down its debts. It is recorded under unitholders' equity on the statement of financial position.

In NPR

Particulars	32nd Ashad 2079	31st Ashad 2078
Opening retained earnings/(loss)	-	-
Profit/(loss) for the year	(169,797,866)	-
Dividend paid during the year	-	-
Balance as at 32.3.2079	(169,797,866)	-

3. Financial Liabilities:

Financial liabilities are obligations that arise from contractual agreements and that require settlement by way of delivering cash or another financial asset. Settlement could also require exchanging other financial assets or financial liabilities under potentially unfavorable conditions. Settlement may also be made by issuing own equity instruments. Liabilities are recognized when it is probable that an outflow of resources embodying economic benefits will result from the settlement of present obligation and the amount at which the settlement will take place can be measured reliably. Financial liabilities are initially

The bottom of the page features several signatures and official stamps. On the left, there is a blue circular stamp with the text 'MEGA CAPITAL MARKETS LIMITED' and a signature. In the center, there is a signature and a blue rectangular stamp with the text 'I.S. Qureshi'. On the right, there is a signature and a circular stamp with the text 'D. ASSOCIATE Chartered Accountants'.

recognized at fair value & subsequently measured at amortized cost. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

In NPR

Particulars	32 nd Ashad 2079	31st Ashad 2078
SEBON Payable	8,466	-
Bhrikuti Stock Broking Co. Ltd. (Broker)	7,055,246	-
TDS Payable	27,469	-
Scheme Audit Fee Payable	64,410	-
Fund Management Fee Payable	4,263,972	-
Depository Fee Payable	560,002	-
Fund Supervisor Fee Payable	75,690	-
Total	12,055,254	-

4. Financial Assets

Financial assets are measured at initial recognition at fair value, and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) or amortized cost based on our business model for managing the financial instruments and the contractual cash flow characteristics of the instrument.

Financial Assets measured at fair value through profit or loss (FVTPL)

These Financial assets are recorded in the statement of financial position at fair value. Changes in fair value are recognized through profit or loss. This classification includes equity shares. The dividend income from the equity shares is recorded in the profit or loss when right to received is established.

Financial Assets measured at fair value through other comprehensive income (FVOCI)

These Financial assets are recorded in the statement of financial position at fair value. Changes in fair value are recognized through other comprehensive income.

Financial Assets measured at amortized cost

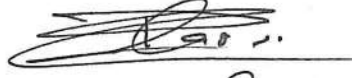
Financial asset is classified at "amortized cost" only if it is not designated as a FVTPL and both of the following criteria are met: the objective of the Fund's business model is to hold the assets in order to collect the contractual cash flows, and the contractual terms of the financial assets must give rise on specified dates to cash flows that are only payments of principal and interest on the principal amount outstanding.

a) Recognition & De-recognition


The Fund recognizes financial assets on the date it becomes party to the contractual agreement (trade date) and recognizes changes in fair value of the financial assets from this date. Financial assets except trade receivables & prepayments are initially recognized at fair value plus or minus, transactions costs that are directly attributable to the acquisition of the financial assets.

Prepayments and trade receivables are initially recognized at transaction price.


MEGA
CAPITAL MARKETS LIMITED
For and on behalf of the Fund


I.S. Qureshi






D. ASSOCIATE
Chartered Accountants

Financial asset is derecognized when the contractual rights to the cash flows from the financial asset expires.

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

b) Measurement

Financial Assets at amortized cost

Financial assets carried at amortized cost such as investments made in fixed deposits, bonds & debentures are measured at amortized cost using effective interest rate.

Financial assets such as prepayments & receivables are subsequently measured at amortized cost.

Financial assets at fair value

At initial recognition, the Fund measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are capitalized to the cost of the financial assets

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value.

Gains and losses arising from changes in the fair value & net gain/(loss) on disposal of the 'financial assets at fair value through profit or loss' category is presented in the statement of profit or loss.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through 'other comprehensive income' category is presented in the statement of other comprehensive income where net gains/(losses) on disposal in the statement of 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 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 Fund is the closing price.

The fair value of financial assets that are not traded in an active market are determined using valuation techniques as prescribed by the company's Investment Policy, 2076 in line with the valuation techniques suggested by SEBON as per Mutual Fund Regulation 2067 and Mutual Fund Guideline 2069.

Further details on how the fair values of financial instruments are determined are disclosed below.

c) Determination of fair value

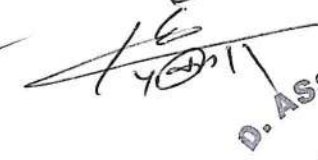
The Fund measures and recognizes the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss (FVTPL)
- Financial assets/liabilities at fair value through Other comprehensive income (FVTOCI)

 
MEGA
CAPITAL MARKETS LIMITED
मेगा कॅपिटल मार्केट्स लिमिटेड


I.B. Suresh






D. ASSOCIATES
Chartered Accountants

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

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

I. Fair value in an active market (level 1)

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

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

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

II. Fair value in an inactive or unquoted market (level 2 and level 3)

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

- Equities which are listed but no transactions are made within last 30 days is valued at 180 days Average Market price provided by NEPSE and Equities which are listed but no transactions are made within last 180 days is valued taking lower of cost of acquisition or net book value of the stock as published in the latest quarterly report.
- The Fair value of IPO Investments after allotment till listing, is valued applying the valuation model as specified below:

I) 50% of the Latest Net worth Published by the Company.

II) 50% based on the Earnings Capitalization, based on the projections of the company by considering latest interest rate of the Government Bonds after applicable tax deductions as discount factor which is considered as level 3 input.

Judgment, estimates and assumptions are made for earnings capitalization to determine the growth rate and estimate the future earnings.

- The fair value of right share after book closure till allotment, is valued applying the theoretical ex-right price of the stock termed as value of right.

III. Exception to fair value measurement:

Investments in equities made through IPOs, Auctions which are not yet listed, do not have quoted market price and sufficient data and information are not available to measure the fair value under Level 3 are recognized at cost.



[Signature]
I. S. Suresh

[Signature]

[Signature]

D. ASSOCIATE
Chartered Accountants

IV. Valuation of unlisted promoter shares

The scheme has invested in promoter share of Hydroelectricity Investment & Development Company Limited (HIDCL) through auction process. In order to get the valuation of shares, the fund taken historical data of similar companies such as NIBL and NIBLPO, and RBCL and RBCLPO. This has done in order to calculate the discount rate at which tradable promoter shares has been transacted in comparison to ordinary shares.

HIDCL's LTP (July 16, 2022)	200
Average Discount Rate	11.17%
Value of HIDCLP	177.66

This valuation methodology has been ratified by the 76th BOD meeting of fund manager held on 13th September 2022.

V. Impairment

IFRS 9 introduces a "Expected Credit Loss model" of recognizing impairment loss. This model requires recognizing impairment losses in line with the stage in which the financial asset currently is. There are three stages:

Stage 1: 12 months ECL—No significantly increased credit risk. Financial instruments that have not had a significant increase in credit risk since initial recognition requires, at initial recognition a provision for ECL associated with the probability of default events occurring within the next 12 months (12 months ECL). For those financial assets with a remaining maturity of less than 12 months, a Probability of Default (PD) is used that corresponds to the remaining maturity.

Stage 2: Lifetime ECL—Significantly increased credit risk. In the event of a significant increase in credit risk since initial recognition, a provision is required for the lifetime ECL representing losses over the life of the financial instrument (lifetime ECL). Income will continue to be recognized on a gross basis.

Stage 3: Lifetime ECL—Defaulted Financial instruments that move into Stage 3 once credit impaired and purchases of credit impaired assets will require a lifetime provision. Income will be calculated based on the gross carrying amount of the financial asset less ECL (Net basis).

5. Cash and Cash equivalent:

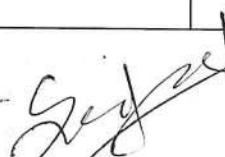
Cash and cash equivalent presented in the statement of financial position and cash flows represents the cash at banking and financial institutions and cash in hand.

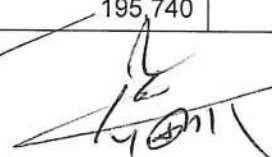
In NPR		
Particulars	32nd Ashad 2079	31st Ashad 2078
Cash at Bank (A)		
MEGA BANK Ltd -CALL ACCOUNT	1,846,810	-
JYOTI BIKAS BANK Ltd - CALL	195,740	-



MEGA CAPITAL MARKETS LIMITED
भारत का प्रमुख वित्तीय निगम


I.S. Jumbh


G. J. Jumbh


K. J. Jumbh


ASSOCIATED ASSOCIATES
Chartered Accountant

SHANGRILA DEVELOPMENT BANK Ltd- CALL A/C	344,130	-
PRIME COMMERCIAL BANK Ltd - CALL ACCOUNT	1,283,814	-
NEPAL CREDIT & COMMERCIAL BANK Ltd –CALL ACCOUNT	498,028	-
BEST FINANCE COMPANY Ltd- CALL ACCOUNT	15,992,851	-
MUKTINATH BIKASH BANK LTD –CALL ACCOUNT	445,689	-
MANJUSHREE FINANCE Ltd – CALL ACCOUNT	301,832	-
LUMBINI BIKAS BANK Ltd –CALL ACCOUNT	27,962	-
MAHALAXMI BIKAS BANK Ltd– CALL ACCOUNT	132,376	-
GARIMA BIKAS BANK Ltd – CALL ACCOUNT	15,004,314	-
Cash in hand (B)	-	-
Total (A+B)	36,073,545	-

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

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

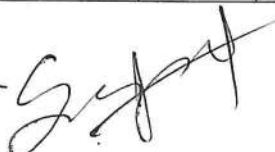
Value of financial assets held at fair value through profit or loss as at 32.3.2079 are as follows:

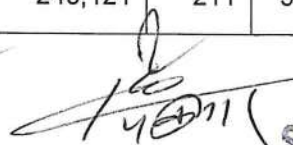
In NPR.

S.N.	Name	Valuation	Unit	Value per unit	Value Amount
Listed equities as at 32.3.2079					
1	SANIMA BANK LIMITED	Level 1	84,661	276	23,366,436
2	NEPAL BANK LIMITED	Level 1	120,115	298	35,794,270
3	AGRICULTURAL DEVELOPMENT BANK	Level 1	82,302	331	27,241,962
4	CITIZENS BANK INTERNATIONAL LIMITED	Level 1	167,182	203	33,854,355
5	NIC ASIA BANK Ltd	Level 1	32,159	696	22,382,664
6	NEPAL BANGLADESH BANK Ltd	Level 1	44,521	373	16,619,689
7	BANK OF KATHMANDU Ltd	Level 1	12,801	328	4,194,120
8	SIDDHARTHA BANK LIMITED	Level 1	113,424	303	34,367,472
9	PRIME COMMERCIAL BANK Ltd	Level 1	128,360	265	34,015,400
10	PRABHU BANK LIMITED	Level 1	193,215	207	39,995,505
11	NEPAL CREDIT & COMMERCIAL BANK LIMITED	Level 1	243,121	211	51,274,219

 
MEGA
CAPITAL MARKETS LIMITED
नेपाल कागजात कार्यालय लिमिटेड


I.S. Dhami






D. ASSOCIATES
Chartered Accountants

12	MACHHAPUCHHRE BANK Ltd	Level 1	149,523	254	37,978,842
13	KAMANA SEWA BIKASH BANK Ltd	Level 1	49,500	350	17,320,050
14	JYOTI BIKAS BANK Ltd	Level 1	40,689	302	12,296,216
15	MAHALAXMI BIKAS BANK Ltd	Level 1	65,782	378	24,865,596
16	GARIMA BIKAS BANK Ltd	Level 1	11,540	387	4,465,980
17	MUKTINATH BIKAS BANK Ltd	Level 1	45,530	440	20,028,647
18	MANJUSHREE FINANCE Ltd	Level 1	11,200	447	5,006,400
19	CHILIME HYDROPOWER COMPANY Ltd	Level 1	10,000	408	4,080,000
20	SANIMA MAI HYDROPOWER Ltd	Level 1	164,001	306	50,184,306
21	SAHAS URJA LIMITED	Level 1	20,000	460	9,200,000
22	MADHYA BHOTEKOSHI JALAVIDYUT COMPANY Ltd	Level 1	10,000	234	2,335,000
23	PANCHAKANYA MAI HYDROPOWER Ltd	Level 1	19,841	221	4,384,861
24	PANCHTHAR POWER COMPANY Ltd	Level 1	123,385	289	35,608,911
25	GREEN VENTURES LIMITED	Level 1	5	304	1,518
26	DORDI KHOLA JAL BIDYUT COMPANY Ltd	Level 1	5,488	309	1,696,890
27	PRIME LIFE INSURANCE COMPANY Ltd	Level 1	8,573	749	6,420,148
28	UNION LIFE INSURANCE COMPANY Ltd	Level 1	2,300	656	1,509,030
29	SANIMA LIFE INSURANCE LIMITED	Level 1	2,700	558	1,506,708
30	NATIONAL LIFE INSURANCE Co. Ltd	Level 1	1,785	577	1,029,945
31	HIMALAYAN DISTILLERY LIMITED	Level 1	2,005	3,410	6,837,050
32	CHHIMEK LAGHUBITTA BITTIYA SANSTHA Ltd	Level 1	31,719	1,100	34,890,900
33	GRAMEEN BIKAS LAGHUBITTA BITTIYA SANSTHA Ltd	Level 1	21,979	756	16,616,124
34	SWABALAMBAN LAGHUBITTA BITTIYA SANSTHA Ltd	Level 1	13,257	1,169	15,497,433
35	NIRDHAN UTTAN LAGHUBITTA BITTIYA SANSTHA Ltd	Level 1	13,438	1,099	14,768,362
36	FORWARD MICROFINANCE LAGHUBITTA BITTIYA SANSTHA Ltd	Level 1	13,050	2,385	31,124,250
37	NESDO SAMBRIDHA LAGHUBITTA BITTIYA SANSTHA Ltd	Level 1	1,000	2,280	2,280,000
38	CYC NEPAL LAGHUBITTA BITTIYA SANSTHA Ltd	Level 1	1,318	100	131,800
39	KALIKA LAGHUBITTA BITTIYA SANSTHA Ltd	Level 1	3,529	1,199	4,229,507
40	IME GENERAL INSURANCE Ltd	Level 1	48,801	370	18,056,370
41	PREMIER INSURANCE COMPANY Ltd	Level 1	43,017	797	34,295,733

MEGA
CAPITAL MARKETS LIMITED
नेम बजारमा बिक्रय गर्ने कम्पनी

I.S. D...

...

...

D. ASSOCIATE
Chartered Accountants

42	SAGARMATHA INSURANCE Co. Ltd	Level 1	4,400	1,041	4,579,652
43	SIDDHARTHA INSURANCE Ltd	Level 1	4,822	741	3,575,465
44	NECO INSURANCE LIMITED	Level 1	2,000	694	1,388,000
45	SHIKHAR INSURANCE Co. Ltd	Level 1	10,000	807	8,070,000
46	SHIVAM CEMENTS Ltd	Level 1	1,600	760	1,216,000
47	SANIMA EQUITY FUND	Level 1	955,326	13	12,180,407
48	SUNRISE FIRST MUTUAL FUND	Level 1	896,197	12	10,306,266
49	NABIL BALANCED FUND -2	Level 1	1,717,379	11	18,513,346
50	NMB50	Level 1	1,509,054	13	19,466,797
51	SIDDHARTHA EQUITY FUND	Level 1	426,848	10	4,217,258
Total Listed Equities (A)					825,265,857
Unlisted equities as at 32.3.2079:					
1	HYDROELECTRICITY INVESTMENT & DEVELOPMENT Co. Ltd PROMOTER	Level 3	155,000	178	27,537,300
2	HIMALAYAN HYDROPOWER Ltd.	Level 3	6,561	247	1,617,615
3	UPPER SOLU HYDRO ELECTRIC Co. Ltd	Level 3	6,525	232	1,511,908
4	UPPER HEWAKHOLA HYDROPOWER COMPANY Ltd	Level 3	5,000	205	1,026,450
5	SWET GANGA HYDROPOWER & CONSTRUCTION Ltd	Level 3	7,965	220	1,755,406
6	RAPTI HYDRO & GENERAL CONSTRUCTION Ltd	Level 3	8,451	195	1,649,128
7	MANDAKINI HYDROPOWER Ltd	Level 3	3,920	194	762,244
8	ADARSHA LAGHUBITTA BITTIYA SANSTHA Ltd	Level 3	223	806	179,740
9	BINDHYABASINI HYDROPOWER DEVELOPMENT Co. Ltd	Level 3	5,000	369	1,843,550
10	KUMARI DHANABRIDDDHI YOJANA	Level 3	2,250,000	10	22,500,000
11	NIC ASIA FLEXI CAP FUND	Level 3	3,000,000	10	30,000,000
12	GARIMA BIKAS BANK Ltd	Level 3	1,846	387	714,402
13	SANIMA LIFE INSURANCE LIMITED	Level 3	113	558	63,059
14	IME GENERAL INSURANCE Ltd.	Level 3	1,995	370	738,150
Total Unlisted Equities (B)					91,898,952
Grand Total (A+B)					917,164,809







7. Prepayments and Receivables:

Receivables are non-derivative financial asset with fixed and determinable payment that are not quoted in an active market and it is expected that substantially all of the initial investment will be recovered, other than because of credit deterioration. Receivables comprises interest receivables, dividend receivables and other receivables.

Prepayments are the advances and prepaid expenses, the actual consideration for the same is still to be realized. Prepayments comprises IPO advances, prepaid expenses etc.

In NPR

Particulars	32nd Ashad 2079	31st Ashad 2078
Interest Receivables	434,334	-
Dividend Receivables	11,096	-
Broker Receivables	3,930,304	-
IPO Refund Receivable	5,488,300	-
IPO Advance	1,655,000	-
Total	11,519,034	-

8. Financial Assets at amortized cost

Financial assets at amortized cost comprises investments in fixed deposits of banks, corporate bonds & debentures which are measured at amortized cost using effective interest rates. Since, the effective interest rate and the coupon rate do not differ the amount recognized as at the end of reporting period represents the principal portion of the investments as detailed below:

In NPR

Particulars	32nd Ashad 2079	31st Ashad 2078
Current Assets;		
FD- MEGA BANK NEPAL Ltd	5,000,000	-
FD- NEPAL CREDIT & COMMERCIAL BANK Ltd	20,000,000	-
FD- PRIME COMMERCIAL BANK Ltd	50,000,000	-
FD- SHANGRILA DEVELOPMENT BANK Ltd.	20,000,000	-
FD- JYOTI BIKAS BANK Ltd.	30,000,000	-
Total	125,000,000	-
Non- Current Assets;		
Century Debenture 2088 (2,500 units)	2,500,000	-
Total	2,500,000	-



9. Interest income from financial assets

Interest income on fixed deposits, call deposits, bonds & debentures are recognized on accrual basis in the statement of profit or loss.

In NPR

Particulars	32nd Ashad 2079	31st Ashad 2078
Interest income on call accounts	10,090,637	-
Interest income on fixed deposits	9,558,130	-
Interest income on debentures	4,315	-
Total	19,653,082	-

10. Dividend Income

Dividend income on financial assets is recognized, as and when, the right to receive is established.

In NPR

Particulars	32nd Ashad 2079	31st Ashad 2078
Dividend income realized	1,353,563	-
Dividend income unrealized	11,096	-
Total	1,364,659	-

11. Gain/(Loss) on sale of Financial Assets at Fair Value Through Profit and Loss (FVTPL)

Gain/(loss) on sale of financial assets held for trade is recorded in the income statement.

In NPR

Particulars	32nd Ashad 2079	31st Ashad 2078
Capital gain	40,669,751	-
Capital loss	(27,823,521)	-
Total	12,846,230	-

12. Unrealized Loss on Financial Assets at Fair Value Through Profit and Loss (FVTPL)

Changes in fair value of financial assets at fair value through profit or loss is recorded as unrealized gain/(loss) in the statement of profit or loss. Movement of unrealized gain and loss comprises following:

In NPR



Particulars	Valuation as at 32.3.2079	Cost as at 32.3.2079	Total unrealized gain/(loss)	Unrealized gain/(loss) for the year
Listed shares	825,265,857	1,018,268,831	(193,002,973)	(193,002,973)
Unlisted shares	91,898,952	76,258,100	15,640,852	15,640,852
Total	917,164,809	1,094,526,931	(177,362,122)	(177,362,122)

Further breakup on unrealized gain and loss for the year comprises following:

In NPR

Particulars	Total unrealized Gain as at 32.3.2079	Total unrealized Loss as at 32.3.2079	Net gains/(loss)	Net gains/(loss) for the year
Listed shares	9,698,588	202,701,561	(193,002,973)	(193,002,973)
Unlisted shares	15,640,852	-	15,640,852	15,640,852
Total	25,339,439	202,701,561	(177,362,122)	(177,362,122)

13. Scheme registration, issuance & other charges

All fees and charges are accounted on accrual basis in the statement of profit or loss.

In NPR


Particulars	32nd Ashad 2079	31st Ashad 2078
Scheme Registration Fee	1,020,000	-
Prospectus Processing Fee	25,000	-
Listing Application Fee	115,000	-
Issue Management Fee	3,125,000	-
CDS Listing and Processing Fee	1,573,256	-
Auditor's Certification Fee	47,600	-
Scheme Allotment Meeting Expenses	45,000	-
Awareness And Marketing Expense	1,195,946	-
Total	7,146,802	-

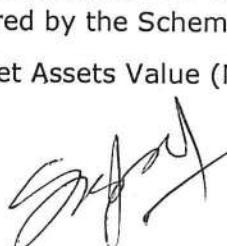
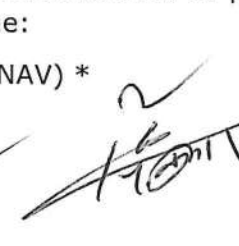

14. Fund management, Depository & supervisors' fees

All fees and charges are accounted on accrual basis in the statement of profit or loss. During the year, Following Fees are incurred by the Scheme:

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

 **MEGA**
CAPITAL MANAGEMENTS LIMITED
KATHMANDU, NEPAL



  
D. ASSOCIATES
Chartered Accountants

- Fund Supervisor Fees: 0.10% of NAV *

* NAV for this purpose is computed on the basis of quarterly average of weekly NAV. The fee is booked quarterly at the end of each quarter of the financial year (at the end of Asoj, Poush, Chaitra and Ashad).

In NPR

Particulars	32nd Ashad 2079	31st Ashad 2078
Fund Management Fee	15,378,478	-
Depository Fee	2,050,464	-
Fund Supervisor Fee	1,025,232	-
Total	18,454,173	-

15. Other operating expenses

All operating expenses are accounted on accrual basis in the statement of profit or loss.

In NPR

Particulars	32nd Ashad 2079	31st Ashad 2078
Bank Charges	215	-
Annual Listing Fee	50,000	-
Printing And Stationery Expenses	500	-
Notice Publication Expense	102,061	-
CDSC Annual Fee	150,000	-
Annual Software Support & Maintenance Fee	20,000	-
Publication Expenses	207,893	-
Printing Expenses	56,330	-
Bank Charges	4,386	-
Scheme Audit Fee	64,410	-
Meeting Expenses	22,945	-
Registration & Renewal Charge	20,000	-
Total	698,740	-

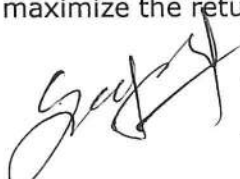
16. Financial risk management

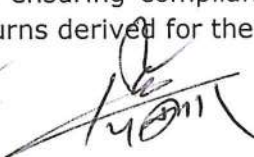
The Fund's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management program focuses on ensuring compliance with the Fund's investment policy. It also seeks to maximize the returns derived for the level of risk








I. B. Shrestha
D. ASSOCIATES
Chartered Accountants

to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance.

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

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

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

I. Market risk

a. Price risk

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. 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, fair value through OCI and amortized cost. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the management company.

The Fund's equity investments in companies are listed in NEPSE except for HIDCLPO - 155,000units, Himalayan Hydro -6,561units, USHE IPO -6,525 units, Upper Hewakhola -5000units, Swet Ganga Hydropower -7,965units, Rapti Hydro and General -8,451 units, Mandakini Hydro -3,920 units, Adarsha Laghubitta -223 units, BindhyaBasini Hydro- 5000units, KDBY- 2,250,000 units, NIC Flexi Fund- 3,000,000 units

The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund Management Company.

Investment Threshold




Prospectus of Mega Mutual Fund-1 has mentioned investment in fixed income securities shall not exceed 10% of the total scheme value. In order to manage the surplus fund and generate certain yield, the Scheme has deposited the surplus cash in call accounts.

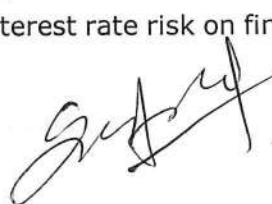
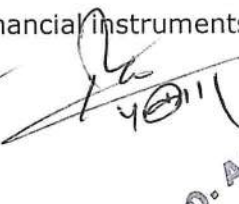
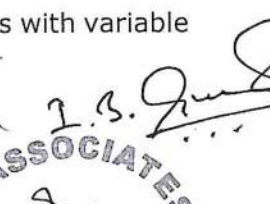
b. Foreign exchange rate risk

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

c. Cash flow and fair value interest rate risk

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

  
D. ASSOCIATE
Chartered Accountants

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

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

II. Credit risk

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

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

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

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

Sector	Cost	Market Value	Total Gain/(Loss)	%
COMMERCIAL BANKS	465,465,525.59	361,084,933.84	(104,380,591.75)	42.43%
Debenture	2,500,000.00	2,500,000.00	-	0.23%
DEVELOPMENT BANKS	106,966,626.66	79,690,890.80	(27,275,735.86)	9.75%
FINANCE COMPANIES	8,278,388.06	5,006,400.00	(3,271,988.06)	0.75%
HYDRO	160,609,910.88	145,195,085.89	(15,414,824.99)	14.64%
LIFE INSURANCE COMPANIES	10,790,097.24	10,528,889.76	(261,207.48)	0.98%
OTHERS	6,285,955.08	6,837,050.00	551,094.92	0.57%
MICROFINANCE	126,948,698.25	119,718,115.73	(7,230,582.52)	11.57%
NON-LIFE INSURANCE COMPANIES	89,578,668.82	70,703,370.20	(18,875,298.62)	8.17%

MANUFACTURING AND TRADING	2,390,843.32	1,216,000.00	(1,174,843.32)	0.22%
CLOSED END MUTUAL FUND	117,212,216.68	117,184,072.46	(28,144.22)	10.68%
Total Value of Investment	1,097,026,930.58	919,664,808.68	(177,362,121.90)	100.00%

III. Liquidity risk

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

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

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

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

IV. Operational risk

Operational Risk is risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Mutual Fund Department is committed to continuous strengthening of internal controls. Standard Operating Procedures for all areas of mutual fund operations have been formulated and implemented. To mitigate the operational risk, the mutual fund has a centralized Operations unit to ensure the consistency and accuracy in processing transactions as well as to review and identify any potential risk. Mutual Fund has formulated and implemented a comprehensive IT policy to ensure and strengthen data and network security, balancing both the business requirements and its control features.

17. Related Party Transactions

Related Parties:

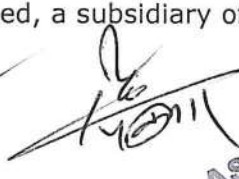
Fund Sponsor: Mega Bank Nepal Limited

Fund Manager and Depository: Mega Capital Markets Limited, a subsidiary of the Sponsor.



MEGA
CAPITAL MARKETS LIMITED
Incorporated in Nepal






ASSOCIATE
Chartered Accountants

Shareholders holding substantial interest in the Fund Manager: Mega Bank Nepal Limited.

Subsidiaries of Major Shareholders of Fund Manager with whom the Fund transacted: None

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

- a. Unit Holding of Mega Bank Nepal Limited (Fund Sponsor) amounts to NPR 125,000,000 (at par value of NPR 10 per unit)
- b. Mega Mutual Fund-1 have earned interest amounting to NPR 4,107,046.40 during the year from Mega Bank Nepal Limited.
- c. Fund Management and Depository Fee incurred by Mega Mutual Fund-1 during the year amounts to Nrs.17,428,941 (NPR. Seventeen Million Four Hundred Twenty-Eight Thousand Nine Hundred and Forty-one only). The amount is payable to Mega Capital Markets Limited.
- d. The Scheme has a call account bank balance of NPR 1,846,810.00(One Million Eight Hundred Forty-Six Thousand Eight Hundred and Ten Rupees) and fixed account deposit of NPR 5,000,000(NPR Fifty million only) as on Balance Sheet date with the Fund Sponsor –Mega Bank Nepal Limited.
- e. Issue Management fee paid to Mega Capital Markets Limited during the year amounts to NPR 3,125,000 (Three million One Hundred Twenty-Five Thousand only).
- f. Expense before the fund operation and allotment paid by Mega Capital Markets Limited on behalf of the fund during the year amounts to NPR 5,722,769 (Five Million Seven Hundred Twenty-Two Thousand Seven Hundred and Sixty-Nine Rupees only).

18. Contingent Liability

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

19. Reporting

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



D. ASSOCIATE
Chartered Accountants

On Behalf of Mega Capital Markets Limited

(Fund Management Company)


As per our Report attached of even
date



Sabir Bade Shrestha
Chief Executive Officer



Ishwar Bahadur Gurung
Chairman



Tulsi Ram Pokharel
Director



Shulav Shrestha
Chief Investment Officer

Ramesh Chandra
Paudel
Director



Ishwori Prasad
Bhattarai
Director



Dilip Munankarmi
Director



CA Rohit Dhital
Managing Partner

D. & D. Associates
Chartered Accountants

Date: 17/10/2022
Place : Kathmandu

