

A Landscape of Private Equity Deal Flow in Nepal



COOPERATIVE EDUCATION REPORT

A Landscape of Private Equity Deal Flow in Nepal

WRITTEN BY

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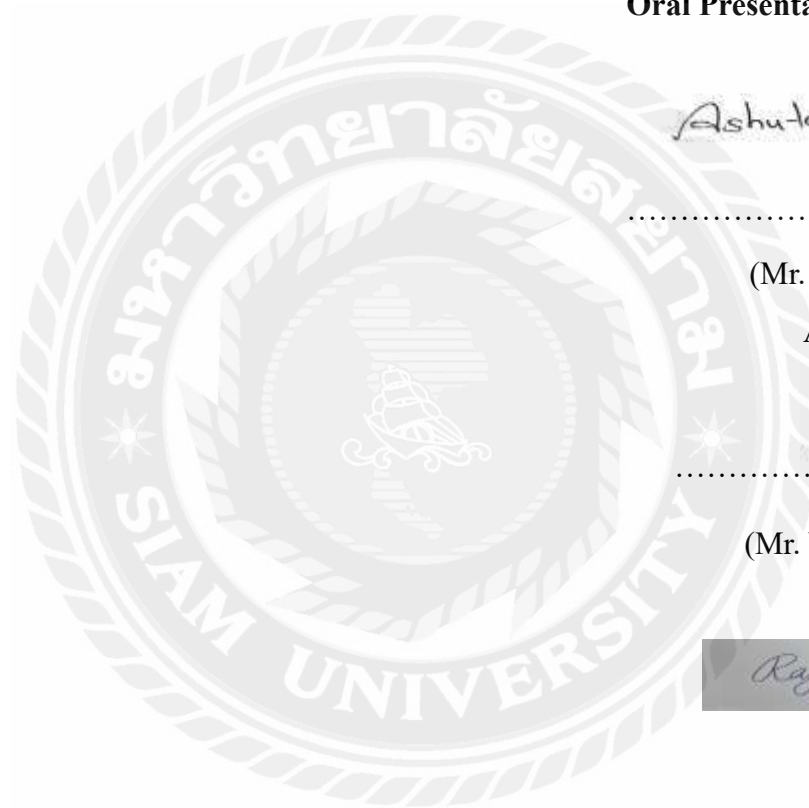
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Abstract

This cooperative report entitled ‘A Landscape of Private Equity Deal Flow in Nepal’. This report comprises my 16 weeks of internship at National Fund Management Limited. The objective of the study incorporates (1) To research as well as analyze the current situation of PE in Nepal, (2) To compare and contrast Nepali PE landscape to other developed markets, (3) To learn about the operating framework of PE/VC firm in Nepal, and (4) To gain insights of practical realities of private equity which can help in bridging the gap between theory and practice. I worked as an investment intern under the investment department.

This report reflects my job responsibility and duties included doing research and analysis (market, industry, company, team assigned), compiling and presenting the research work, making presentation out of the word documents, for data management, starting with collection of raw data, making the raw data in organized form and arranging the data, providing the raw data to the team in order to have a furnished data, deriving the results from the data collection and adding them to the presentation and lastly, learning about financial statement analysis, financial modelling including discounted cash flow model these were for my own knowledge given the department sir.

This report majorly highlights my journey of being a co-op student while working the learning, problem, recommendation, etc. I was able to gain a lot of knowledge as well as skills such as research, data, presentation, financial, industrial, and practical.

Keywords: Research, Data, Investment, PE (private equity)

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The successful completion of my 16-week internship at National Fund Management Limited would not have been possible without the invaluable support and guidance of several individuals and organizations.

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Furthermore, I would like to extend my appreciation to my colleagues at National Fund Management for their warm welcome and unwavering support. Their collaborative spirit and willingness to share their knowledge fostered a truly enriching learning environment.

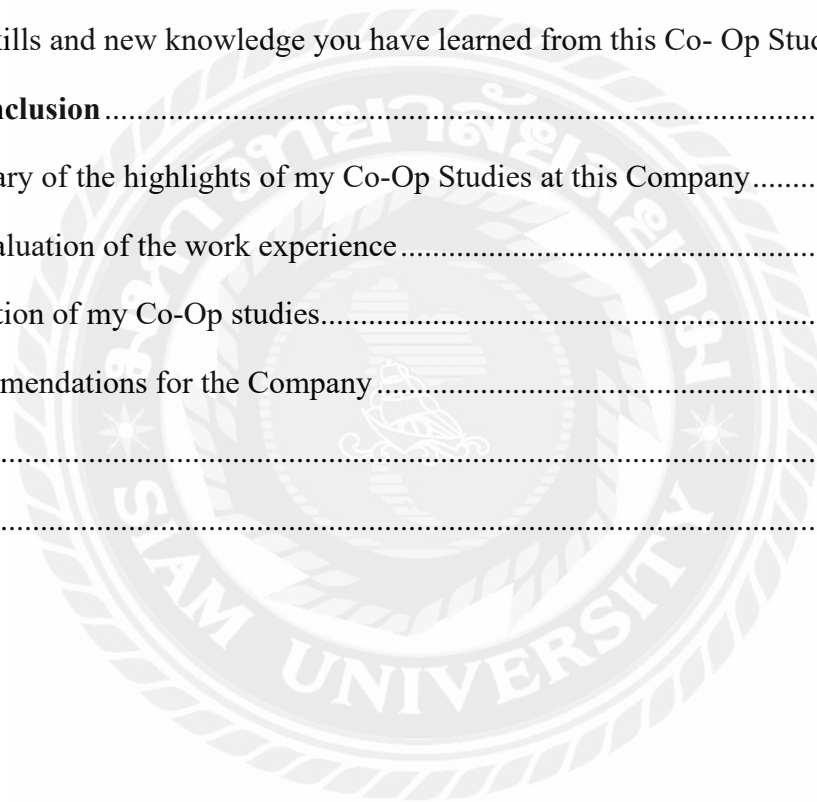
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List of Acronyms

NRN: Non-Resident Nepali

NFM: National Fund Management

PE: Private Equity

VC: Venture Capital

NRB: Nepal Rastra Bank

NPEA: Nepal Private Equity Association

SEBON: Securities Board of Nepal

NBA: New Business Age Pvt. Ltd.

PBILDT: Profit Before Interest, Lease rentals, Depreciation, and Taxation

CE: Corporate Entrepreneurship

BBA: Bachelor in Business Administration



Chapter 1: Introduction

In this chapter there is a run-through of the National Fund Management, a fund manager that operates under a distinctive public–private partnership (PPP) model. The company’s profile, organizational structure, and strategy, as well as my interest to why I choose this particular company for my Co-Op studies workplace.

The logo for National Fund Management Limited features the letters 'N.F.' in a green square, followed by the word 'nationalfund' in a green, lowercase, sans-serif font. The logo is centered at the top of the page and is overlaid on a large, faint watermark of the Nepal University of Management seal.

Figure 1: National Fund Management Limited Logo

1.1 Company profile

National Fund Management Limited (National fund) is licensed specialized fund manager which is regulated through Securities Board of Nepal (SEBON). They have specialized expertise in numerous fields stated as private equity, venture capital, hedge funds, and capital markets. They work under a unique public-private partnership (PPP) model, with organizations such as Employees Provident Fund, holding a leading stake. Other well-known entities such as Sanima Bank Limited, Himalayan Bank Limited, Nepal Door Sanchar Company Limited, Kamana Sewa Bikas Bank Limited, NRN Infrastructure and Development Limited, and prominent individuals including NRNs from diverse backgrounds have played a crucial role in establishment of National Fund.

NFM investment approach are reliable capital provider whose team consist of experienced professional who suggest beneficial financial expertise as they provide definitive financials advise and also delivers the vision and action approach for such investments. Their preferred investment sectors are tech-enabled business, hydropower, renewable energy and energy efficient

technologies, education, agriculture-based industries, tourism and landscape, healthcare, education, manufacturing, logistics, transportation and trade, real estate, and lastly capital markets.

Their investment portfolio companies consist of Reliance Spinning Mills Limited, Kabeli hydropower company limited, Hilton Hydro Energy Limited, Snow Rivers Limited, Aloft hotels (Chhaya Devi Complex Limited), Laxmi Steels Limited, and lastly Time Pharmaceuticals Pvt Ltd.

Their core value is:

- Innovation and Entrepreneurship
- Transparency, accountability and integrity
- Trust-based teams, networks and relationships

1.1.1 Mission of the Company

There are majorly three mission of the company which are as follows:

- To prepare well founded capital and financial expertise
- To bring out rational returns through ethically disciplined investment
- To foster a culture of high professionalism, adequacy, and integrity

1.1.2 Vision of the Company

The vision of the company that it strives to be is “Preferred investment partner to create wealth, elevate social values and drive sustainable growth

1.1.3 Strategies of the Company

The various strategies that national fund management ply to reach its objective, goals and visions are as follows:

- **Diversification:** NFM have spread or we can say that they have diversified their investments across different asset classes to mitigate their risk. They have invested in various sectors such as tech-enabled business, hydropower, renewable energy and energy efficient technologies, education, agriculture-based industries, tourism and landscape, healthcare, manufacturing, logistics, transportation and trade, real estate, and lastly capital markets.

- **Public-Private Partnerships:** As they operate under a distinctive public-private partnership model suggesting us the leveraging the strengths of both government as well as private entity to identify and investing in elevated opportunity.
- **Ethical Investing:** Their focus on “ethically disciplined investment” indicates us they emphasis on the environmental, social, and governance (ESG) factor while making their investment decisions showing us their support driven to sustainable growth.

1.2 Organizational structure

The organizational structure of National Fund Management limited under the public-private partnership model is as follows

1.2.1 Diagram of the organizational structure

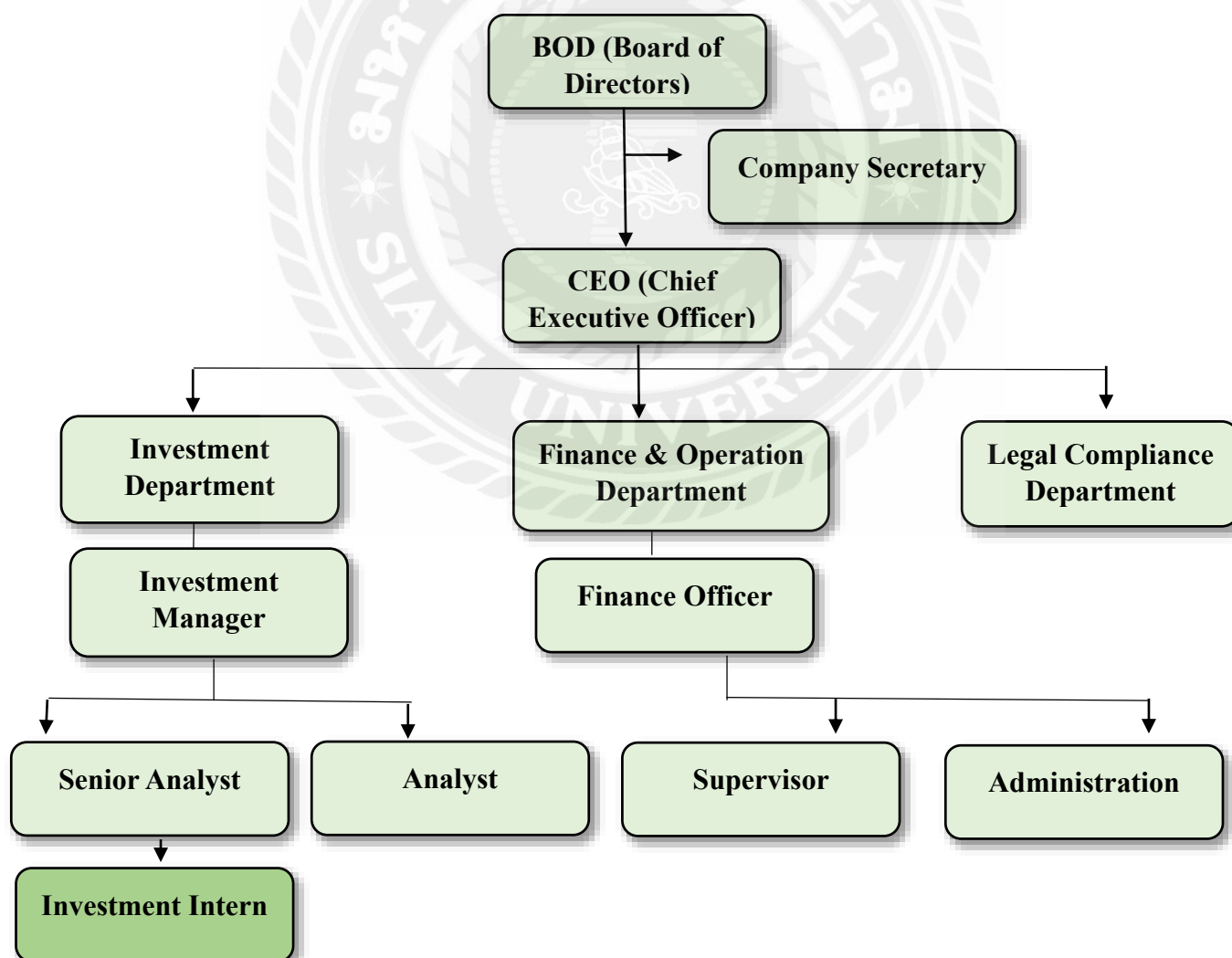


Figure 2: Organizational Structure of NFM

1.2.2 My job positions

For my Co-Op studies, I got the chance to work as an intern at National Fund Management Limited which is located at Kupondole, Lalitpur. I worked as an Investment Intern in the investment department and had the opportunity expand my knowledge regarding private equity functioning and getting to know about the deal flow of private equity in Nepal. The major task during my internship were mostly doing researches and collecting and organizing data for the database. As for the researches it included searching regarding competitors, study of act, rules and regulations, company and industry dynamics in Nepal as well as outside in countries like USA, India, etc. The starting date of my internship was 07/02/2024. My internship hours were Sunday to Friday.

1.2.3 My job position in the company's organizational structure

There is major three departments in the company were starting with legal compliance department focus on various corporate matters and also doing negotiations with expertise in matters that are related to development of the project, foreign direct investment, compliance, research and drafting various corporate matter.

Next, we have finance and operation department where they have expertise in field of accounting, taxation, auditing, working with risk and compliances, consultancy, etc. Lastly, Investment department in which they identifying, evaluating, and analyzing the potential investment opportunities while providing strategic guidance and supporting the portfolio companies.

My job position is investment intern which falls under the investment department under the guidance of Senior analyst and other analyst.

1.3 My intention and motivation to choose this company as your CO-OP studies workplace

My intention and motivation to choose NFM as my Co-Op studies workplace was my interest in knowing the working model and functioning of private equity companies in Nepal. As

the concept of private equity was well established in international market where as in Nepal was introduced around 2010-2012.

I was particularly interested in working with NFM was their operation under a distinctive public-private partnership (PPP) model, with organizations such as Employees Provident Fund, Nepal holding a leading stake as well as their diversity of investments. NFM is backed by strong institutional showcasing the company's credibility and stability.

I understand that this internship showcases a vital step in my educational step, thus giving me the opportunity to bridge the gap of academical journey to procedural knowledge. Working at NFM will help me in building strong foundation for understanding of the financial industry.

1.4 Strategic analysis of the company

SWOT Analysis

STRENGTHS	WEAKNESS
<ul style="list-style-type: none"> • Public-private partnership model • Diversification of investments • Ethical Investing • Skilled leadership • Strong management team • Focus on sustainability • Clear exit through IPO 	<ul style="list-style-type: none"> • Limited accesses to information • Competition
OPPORTUNITY	THREATS
<ul style="list-style-type: none"> • Growth of market • Technologies advancement • Strategic partnership 	<ul style="list-style-type: none"> • Political and economic instability • Change in regulations • Competition may arise from abroad

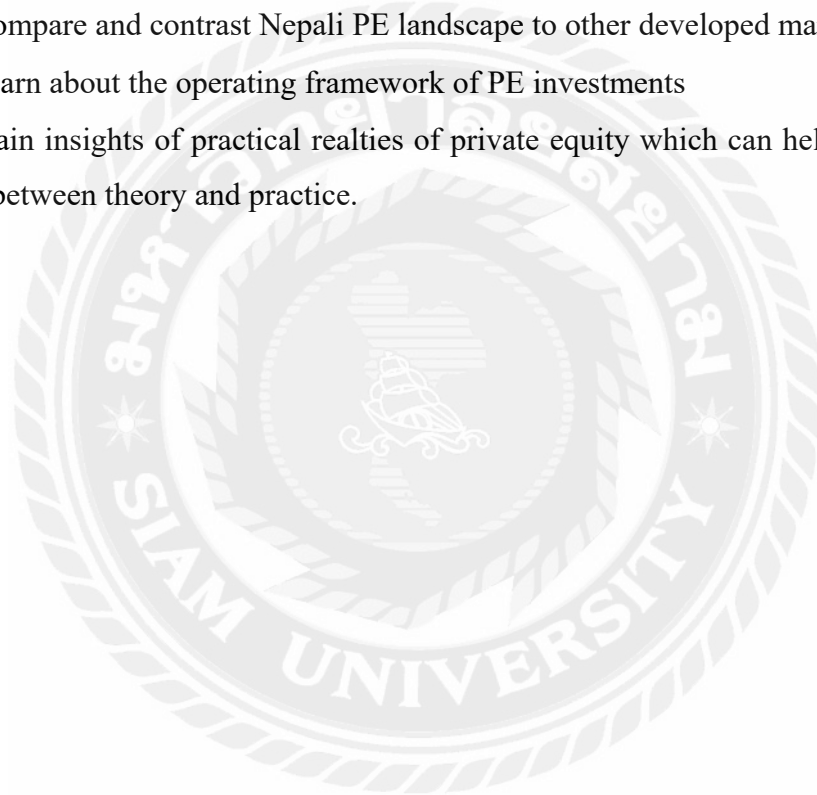
Table 1: SWOT Analysis of NFM

1.5 Objective of this co-operative studies

The main objective of this whole Co-Op studies is to get brief showing of how the corporate world operates, bridge the gap of the theoretical knowledge and its practical application as well. Further this internship I got to get a glance at the landscape of private equity operating in the market.

The objectives of my Cooperative studies project are as follows:

- To research as well as analyze the current situation of PE in Nepal
- To compare and contrast Nepali PE landscape to other developed markets
- To learn about the operating framework of PE investments
- To gain insights of practical realities of private equity which can help in bridging the gap between theory and practice.



Chapter 2: Co-op Study Activities

This chapter further discloses regarding my job description, responsibilities, duties, my coordination with my co-workers, job process diagram, and lastly my contribution as a Co-Op student in the company.

2.1 My job descriptions

My working framework for internship was research, data collection, and data organization. For example, I had started by research involving in-depth research on landscape of PE and VC in Nepal further in detail I did market research and competitive analysis which required me to compile relevant information regarding the market trends, identify competitors, etc. and analyzed their investment areas, compiled case studies of successful companies backed by PE/VC investments, studied the different funding stages of a company along with comparisons of global case study. The researches were converted into presentations. Another major task was the collection raw data from secondary source for creation and contribution to the company database, further also the data after process was used to understand a particular industry dynamic, sectoral study, lastly know the market trends.

2.2 My job responsibilities and work duties

As an investment intern the following were my outline of my job position responsibility and working duties which were given by NFM:

a. Research Support

I would like to section my research works in three parts a. market research, b. company research, c. team assigned research projects. Starting with conducting basic market research and doing analysis to support the investment decisions. For example, I did research on a PE & VC company in Nepal, their investment portfolio entry and exit, successful exit, their fund size and keeping up with news with help of NPEA. Another example would be of liquor market where I researched for the trends and which product is in demand and who are the market leaders in this industry, consumer preference and forecast of beer and liquor in context of Nepal, India and America. Second Company research included knowing what the other PE & VC companies have to offer their industry

and investment company preference, their strategy etc. In case of liquor, which companies are leading the market, which are their best-selling product, strategies etc. lastly, it's the team assigned research projects which consist of working with my supervisors and other department members like researching on specific company introduction, studying acts and regulation example of SEBON, Nepal Electricity Act 2049(1992), Electricity Rules 2050 (1993), and Hydropower Development Policy, 2058 (2001). These were few previews of what my researches content consists of. This further includes collecting data on variety of financial instruments, industries, and economic indicators.

b. Data Entry and Management

Assisting in maintaining and updating the investment databases. Feeding in financial data precisely and making sure its unification is a key responsibility. Here I would do the raw data collection from various sources for example I did data collection for credit ratings in Nepal from 2017 to 2023 which consist of financial metrics and other is credit, issuer, denture, and fund ratings of fiscal year 2022/23 only. Another data collection was of liquor industry in Nepal the number of cases sold in a month from 2020-2024 beer and liquor, and yearly trend as well.

c. Report Preparation

Assisting in preparing of investment reports and presentations for internal and external stakeholders. This involves formatting the documents, creating charts, and proofreading content. So far, I have made one document for the internal purpose that was about a company introduction, what it does, what they offer and their promoters.

d. Administrative Support

Provide general administrative support to the investment department team members, such as preparing documents, managing emails, and organizing documents. As a part of internship, I had the opportunity to assist the accounts departments with task involving filling of invoices and cross checking with the system and replacing the documents with original copies, I had also helped in filling out the forms and facilitated in banking works.

e. Learning and Development

Engaging in learning opportunities to gain exposure to different kinds of investment strategies, financial analysis techniques, and industry trends. As through the researched I do gain a lot of information as well as knowledge but on top of that I was provided with access to course like financial statement modeling, discounted cashflow model, accounting, and excel. The combined learning from researches, courses, and practical experience was really beneficial as a Co-op student.

2.3 Activities in coordinating with co-workers

My daily activities/tasks were carried out in coordination with my supervisor. Starting phase of my internship I was required to do basic research activities so at first hour of the office my supervisor would assign me some topics that would give me a clear basic foundation regarding the company investments sectors, where the company competitors were investing, the working model and exist strategies. These were my beginning phase of researches.

Later I was provided with scenarios and case study at this phase of my research were more comprehensive than my starting level one, here I was analyzing the case study as well as giving my opinion and adding more to that I did fact check as well and did compare and contrast the scenario of Nepalese market to the global market mainly India, America, and Europe.

As I mentioned prior that every morning I was assigned with the task for the day or the overall week and at the end of every day I was required to give a brief reporting on what I did researches I did throughout the day, any interesting information or any confusions that I came across when doing research and lastly, he would give me feedback that I would implement the next day.

I also prepared documents on certain specified companies that my department would refer me to do prior to the pitching sessions that would require me to do background research about those companies and how their operating and performing in the industry.

I also contributed in making the data base where I was required to collect data, classify them under certain metrics and organizing them through help of excel. The reporting of the database was not done on daily basis but once in every 2-3 days. All of these researches were being noted

down in MS word as well as a PowerPoint presentation was being made side by side. I also got the chance to work with other departments as well such as accounts and finance departments.

2.4 My job process diagram

Further down shows the flowchart as well as the description of my work process in two parts. Firstly, it is about research under the supervision to my supervisor. Secondly, it's about the data collection procedure which is under the supervisor of another sir (supervisor no.2) who is in the same investment department.

Starting with the research procedure:

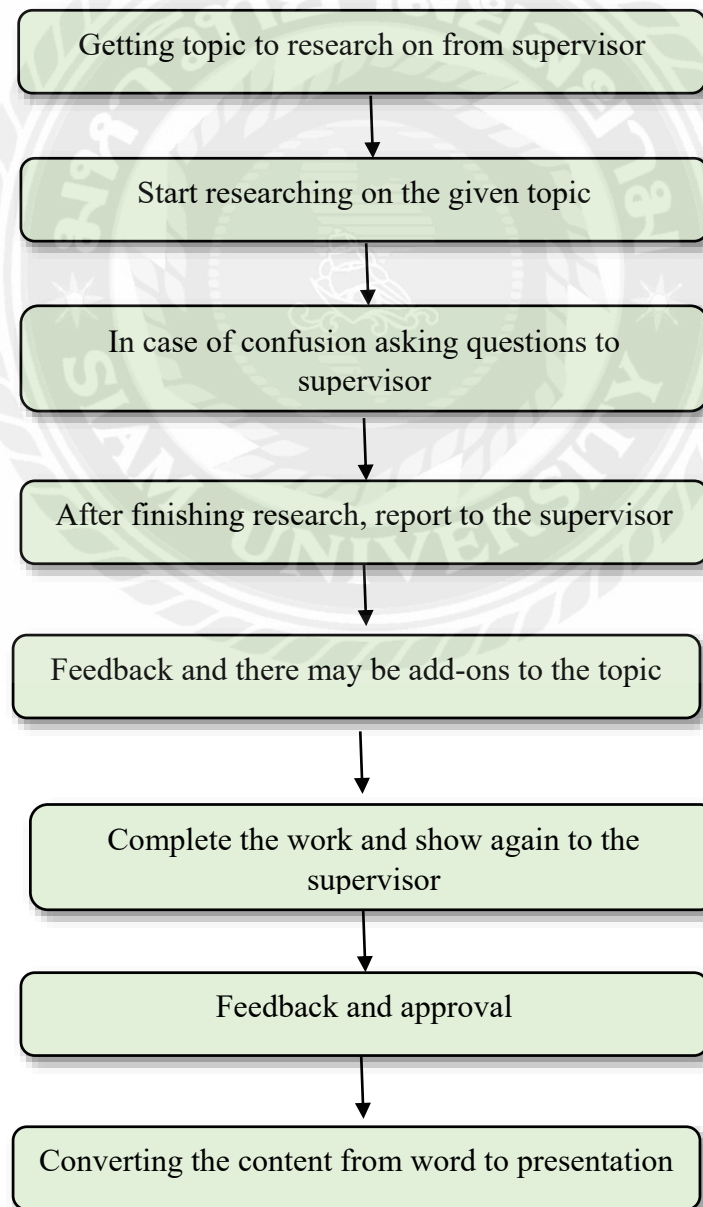


Figure 3: Job process diagram of research

For the research section, I start by getting the topic for research from the supervisor and start working on the topics and writing my finding in then word documents and while researching if I have any quires then I will ask supervisor and clear my doubts and after I am done with my work I go and giving explain my finding to supervisor he gives feedback and he may also give add-ons to the topic after inputting and making the correction I again show my work then after the approval I put the finding from word to presentation. For example, I will take one of the research topics and explain the whole above job process in detail

- **Getting topic to research on from supervisor**

One of the research topics was on credit ratings. Now that I have my topic, we now further build up on this now my supervisor would give me certain questions to deep dive in the research were the questions went like what is the role of credit of credit rating in economy? Legally what companies have to do credit ratings? What was the role of credit rating agency in the 2008 financial crisis? What are the various kinds of rating done by a rating agency? Credit agency in Nepal? These are few examples of the questions

- **Start researching on the given topic**

Now I have the framework of the questions now I start doing my researches. I note down all the information about my research on word. At the end of the day, I do a briefing session, where I show and explain what I did in the whole day and I would also share if anything interesting I find which falls under our topic range.

- **In case of confusion asking questions to supervisor**

As I said earlier that I do reporting in the evenings at this time I say my findings as well as my confusion or anything doubt I have and then he would give me clarifications.

- **After finishing research, report to the supervisor**

After the completion of the research topic, I do a final reporting that sums up all the findings.

- **Feedback and there may be add-ons to the topic**

After listing to my findings, he will give me feedbacks and further he may also add more question to the topic like he added context and situation of credit ratings in America, Europe, and India? Does rating from different agencies are similar? What are the laws and regulation for credit rating stated by government of Nepal? etc. Like these he may add to the existing topic.

- **Complete the work and show again to the supervisor**

After all the adjustments and the add-ons, I show the final report to the supervisor and he reads the report

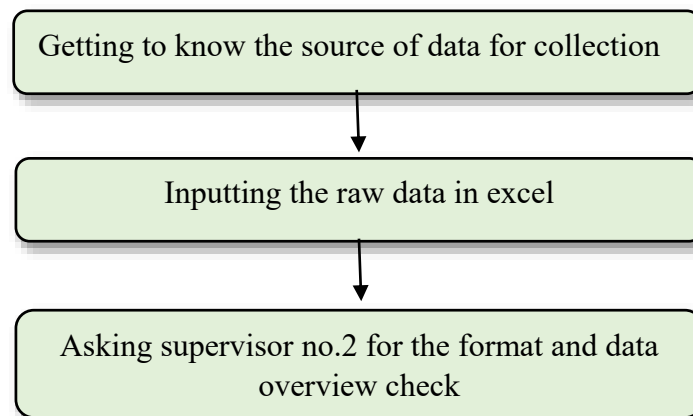
- **Feedback and approval**

After reading the report he may and may not be satisfied with the work so if he approves my work then I move on to the last step if not then I make the correction and show his again until it gets approved.

- **Converting the content from word to presentation**

After my approval I then convert the results from the word document to presentation and the presentation is also overviewed by supervisor.

Now about data collection procedure:



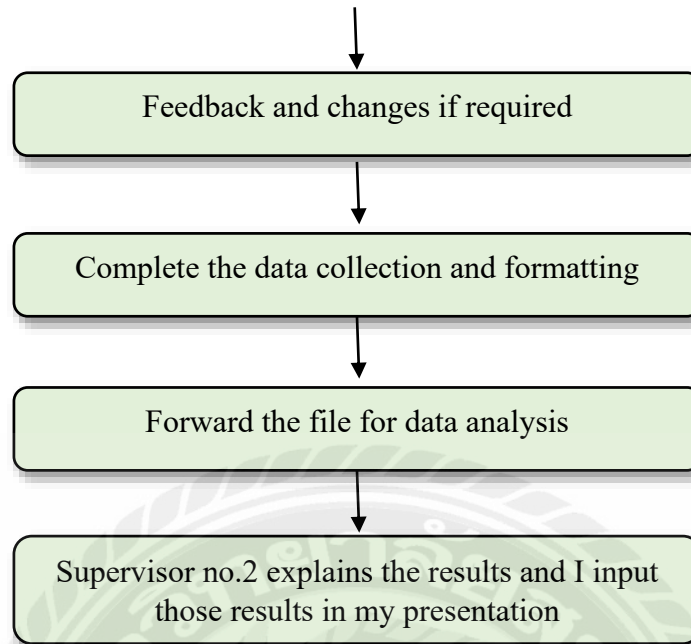


Figure 4: Job process diagram of data collection procedure

Second section is the data collection procedure in this I worked with another sir who is in the investment department supervisor no.2 he would tell me the source of data and what to include not to include while collecting the data. After the instruction I start the data collection process and this data collection takes more than just a day so we have followed up of what data I have been collecting in every 2-3 days. When I am done with the data collection and the formatting then I show my work then after he gives me feedback and may have some changes to do. So, after making all the adjustments supervisor no.2 checks for the last time and I send the file, then the data would be analyzed and will have results which my supervisor no.2 explains to me then I input those to my presentation. For example, I will take one of the data collections and explain the whole above job process in detail.

- **Getting to know the source of data for collection**

One of the data collections was on the liquor industry. Now that the supervisor no.2 has told me about the industry now, we move on to what data is to be collected in this case it was the monthly and yearly data consumption of beer and liquor. Now we look into where

can be find this data, we archive this data from NBA. No that all the sources are shorted we move on to collection of raw data.

- **Inputting the raw data in excel**

Now we input all these data the data range was from 2020 to 2024. Here the data showed the number of cases sold by brewery in case of each product of beer and overall different kinds of liquor products and their number ko cases sold in a month.

- **Asking supervisor no.2 for the format and data overview check**

As the data collection takes a lot of time and cannot be finished within one day so half way through my data collection I show how my work is going in details as minor reporting are done once every 2-3 days. At this time, we thoroughly go through the data collected.

- **Feedback and changes if required**

After going through the halfway data collected if things are running smoothly then we continue with the data collection but if there are any change to be made in case of formatting or add-ons then we usually do at this time as here we added yearly overall sales as well in order to recognize the trend in the market as well as to find the market leader in the industry

- **Complete the data collection and formatting**

At this stage our data collection is complete with the adjustment made from the prior detail reporting and the final formatting is done. After all this the supervisor no.2 checks everything in detail we verify our data with the original source.

- **Forward the file for data analysis**

Now the excel file is forwarded to the supervisor no.2 and here he may add more of data prior to the data analysis or he may not add and just continue with the data I had collected. Now he does the data analysis and bring the raw data into life and now the data make sense to us.

- **Supervisor no.2 explains the results and I input those results in my presentation**

As I only collect, arrange, and organize the data so I don't quite know the final results while collecting so after it is analyzed supervisor no.2 explains to me what the final results speak and lastly, I input those results into my presentation.

2.5 Contributions as a Co-Op student in the Company

As an investment intern, through putting theoretical knowledge into practice, I was able to contribute few things being as a Co-Op student in the company. I was able to provide some insights to the company through my researches as giving information about the market trends, update about any news that concerns PE company, providing insights on NRB rules and regulation on specified topic referred by the investment department. Creating a baseline or foundation for database which will be use to do various valuation or analysis in the future. The following points summarizes my contribution in the company:

- **Database of financial status of private companies**

This includes the data I have collected for the credit rating agency the financial metrics such as income from operations, PBILDT margin, overall gearing, interest coverage, current ratio, total debt/gross cash accruals, etc. Another includes the Liquor and beer data collection. These data help the company or the department to identify the company that has shown the growth and further have focus on the company for investment portfolio purpose.

- **PE landscape research and insights**

The research I did on the competitor's company where they invest, what are their strategy, what is in their investment portfolio, and what is their investment capital. This information is useful to know where the company competitors are heading their strategy are.

- **Regulatory environment study**

I studied the SEBON rules and regulation that help us to verify the information we had regarding the legally which companies need to do credit ratings. This helped the company to get accurate and reliable information which was fact verified.

- **Sectoral study of liquor market**

I researched as well as collected data regarding the sector wise beer and liquor as well as liquor production, sales and market leaders which contributed in department to explore a new sector or industry to invest in and understand the market trends.

- **Rating regulation study**

Here I researched on the regulation and rules followed by credit rating agencies globally how it differs from Nepal specially about India because we could slightly relate to the market in India rather than countries like America, Europe, etc. So, thru this research we could compare and contrast two different markets.

- **Legality study of hydropower**

Lastly, I studied the legal acts for hydropower which included acts and regulations such as electricity act, 2049 (1992), electricity rules, 2050 (1993), and lastly hydropower development policy, 2058 (2001). These act summaries helped the department to have clear vision take on the hydropower as the company has three hydropower projects in their investment portfolio.

Chapter 3: Learning Process

In this chapter, we will be looking into the problems that I observed in my entire co-op studies period and solution as well as recommendation to the company. Here there would be details regarding what I learned during this co-op studies know the coursebook knowledge came into application and lastly skills and new knowledge gained through this experience.

3.1 Problem/issues of the company

It is universal that every company that exist in any case like size or the industry faces challenges. The problem could be internal as well as external. As instead of speaking for the company issue, I would like to shift focus on the investment department in which I am working. During my co-op studies I had the observed the following:

a. Work life balance

Maintaining a healthy work life balance for professional who are working in the investment field can be strenuous due to the nature of the job. In my department I have observed that people come way early than the stated office time and stay up late even when the office hours have ended.

b. Communication flow

Another observation is that there is limited level of horizontal communications. As for communication among the department members doesn't seem to flow smoothly. Despite this the organization shows a siloed communication process meaning the information flows smoothly back and forth to the CEO (chief executive officer). Sometimes due to the interruption in communication flow the information is not conveyed to another department for example accounts or finance department have very less idea as to what the investment department is working on.

c. Time constraints and efficiency

The investment professional seems to have frequent shown dense deadlines to meet. I have noticed that employees in my department tend to be in rush most of the time as in time such as BOD (board of directors) meeting, SEBON inspection, if any clients arrive, or 2-3 days prior to agreement. Leading them to not having proper break time and working for extra hours. As there is no flexibility of time for breaks for interns as well.

d. Less focus on the marketing

The company tend to give less priority to marketing itself in the market compared to other competitors. The company is not actively engaging in social media platforms. They don't publish any kinds of newsletter. They update themselves in website and LinkedIn mostly.

3.2 How to solve the problems

According to the literature reviews, I have found some to solutions for the problem or the issue stated above:

a. Work life balance

Work/life programs have the potential to significantly improve employee morale, reduce absenteeism, and retain organizational knowledge, particularly during difficult economic times (Lockwood, 2003). If there is balanced work life then you have less stress while working and there may be more engagement an being productive at the work. This can also help in reducing or preventing in having burnouts by not overworking.

b. Communication flow

The study provides evidence for a positive relationship between routine communication practices and CE. The analysis reveals different levels of influence of various communication aspects on CE. (Walega, 2015). Communication is the key to smooth flow of work. As in NFM communication is flowed but to directly back and forth to CEO (chief

executive officer) but there is less communication intra department (investment to finance/accounts).

c. Time efficiency

When you have flexible work schedule then it can lead to more positive attitude in working. Proper time management would also encourage employee retention in the organization. Time management behavior moderated the relation between work-family conflict and strain. (Elacqua, 1999). If there is good working environment then there is maintained of stability of employee.

d. Importance of marketing

The need to maintain marketing relations with the consumers is to be stressed. In the financial services field, the process of carrying out of the services involves a multitude of relations between the provider and the consumer. The concept of care towards the consumer is strongly related to that of the consumer satisfaction. As it may be observed, the investment funds marketing activity is complex, using a series of promotion alternatives (from using written material to indirect promotion methods such as webpreneurs or business angels). (Funaru, 2014).

3.3 Recommendations to the Company

These points below showcase some recommendations to the company they are as follow:

- In order to cross check regarding the employee work-life balance concerns the organization should do a survey anonymous here there will be two benefit one you will know the statuses of the employee and secondly the name won't be disclosed
- Follow up regularly regarding the distributed workload and do any adjustment if any require to do
- Having regularly team meetings with in investment department as well as among the other departments as well
- Encouraging feedbacks in order to gain insight regarding if the meeting is successful or not
- Reviewing the deadline and adjusting the project timeline accordingly

- The company should now should slowly enter into marketing

3.4 What I have learned during the Co-Op Studies

My Co-op studies at NFM majorly focused on obtaining practical knowledge, more specialized in research and data collection. With help of this co-op studies, I was able to work at NFM and able to build a strong foundation. While working through the internship I gained a lot knowledge and different skills I developed through working they are as follow:

- **Research skills**

As my majority of work consist of researching, I have particularly grown in this area. I was able to learn more structured approach on the research topics with help of guidance of my supervisor. As prior to this co-op studies my research used to vague, just covered overall topic than being specific but after joining and working help me get understanding of research topics in-depth, exploring various sources than just sticking to one source and doing fact check of everything I have written.

- **Data collection**

Data collection is my second major work in the company. This was the first time I was collecting for such large amount of data. As to collecting data I got to know the various source of data that maybe from online sources or from the industrial reports, I now know the high importance and demand of accurate data, formatting data and organizing them for analysis.

- **Presentation skill**

Talking about this skill its only got better as making presentation in the class to making corporate presentations. I found out that corporate presentation is way different to the presentation we are used to making in the college. I took YouTube lesson to better understand the formatting and the process. This skill was developed as when converting the word document in the presentation.

- **Financial Knowledge**

I got the financial knowledge through the company investment portfolio as to understanding how PE build and maintain their investment portfolios, taking in mind that there is diversification as well. Adding to the financial knowledge I gained in depth of financial statement modeling and discounted cash flow, we also did a case study of Apple Inc which helped to create a base like for valuation.

- **Industry specifics**

The main topic of this report understanding the landscape of PE deal flow in Nepal. I understood this industry dynamics through the competitor's study and as in general study. These help me understand the deal cycle involved, various exit strategies like IPO, M&A, secondary sales etc. I got to know about VC and PE in Nepal in which sectors are they investing, and their successful exits.

- **Practical skills**

Above I spoke regarding how I had only collected data, formatted them, and organized them but at last I got to do data analysis for one of the projects and that really helped in the independent data search and I was able to give a final result or interpretation of data. This was all done with the help and under guidance of supervisor.

3.5 How I applied the knowledge from the coursebook to the real working situation

The main purpose of this Co-op studies was to help us bridge the gap between our theoretical knowledge gained in 3 and half years and putting all that knowledge into practical use which I used during this internship. I had chosen BBA in finance with help me connect while doing internship in PE company.

In 3rd semester, we learned “Business Finance”, in this subject I learned regarding the financial planning, investment analysis, etc. Mainly the thing that came in work was the discounted cash flow model part which I further did course in it. And another subject that I could relate was financial and investment market where we learned about the secondary markets, financial management, and investment banking.

In 4th semester I learned about the subject “Financial Statement Analysis” where we would do the 3-statement forecast including income statement, balance sheet, and cash flow. I learned more about this in the course of financial statement model and also did Apple Inc case study side by side. In 5th semester I learned about “Business Intelligence” where I learned about different stages of processing and storing the data, how to analysis those data and formatting them. Lastly, In 6th semester I learned the subject named “Investment Planning” where I studied about the investment risk, mitigating risk, capital diversification, etc.

Business Finance	132-203
Financial Statement Analysis	132-403
Business Intelligence	130-217
Investment Planning	132-312

Table 2: Subjects applicable in the Co-op studies along with course code

3.6 Special skills and new knowledge you have learned from this Co- Op Studies

The special skills and new knowledge I have learned from this co-op studies are as follows:

- **Technical Skills**

I learned about the research technique, where I now know how to start a proper manner research followed by a structured approach provided by my supervisor. Another is data collection, formatting, organizing and a little bit of analysis in excel. As my excel skill has

also grown, I now know many shortcuts making this process easy and fast forward. Lastly, the presentation skill making presentations in corporate format.

- **Soft skills**

I was able to gain experience what the corporate or professional world looks like what things actually happen. Following instruction and completing the task and meeting the deadlines. I also got to grow my basic communication skill through the frequent reporting and briefing. Lastly, paying attention to the details this come in real handy in data collection and formatting.



Chapter 4: Conclusion

This is the final chapter that summarizes my co-op studies, evaluation of my work experience, briefing regarding the limitations of co-op studies and lastly providing recommendation to the company.

4.1 Summary of the highlights of my Co-Op Studies at this Company

This report shows what were my major responsibilities, tasks I performed, learning gained during the co-op studies at National Fund Management Limited as an investment intern in the investment department. Since my background was from finance my theoretical knowledge did help me as a baseline to work in a PE company. As I was curious regarding a PE market in context of Nepal.

My work responsibilities revolved around researches and data collections. The researches contain topics such like PE landscape in Nepal, stages and sources of fundings, knowing about the credit rating role, their operation, etc. The trends of alcohol market, consumer preference, market leaders, knowing about the rules, regulations and act for the hydropower sector and SEBON. Through researching about these topics helped me to gain knowledge about all these sectors, what is the current scenario and most importantly how the researches were used as a base or foundation for building up for the in-depth research or valuating in order to invest in those sectors.

Now let's see how the data collection helped me to gain more knowledge. So, I had collected data for the financial metric, credit rating, alcohol sales in cases for different companies' products. Through the data collection I now know who is the market leader in brewery sector, which product is selling up the best, what matters affect the consumer preference, what is the average rating in Nepal, etc.

Being part of this co-op studies gave a glimpse what the corporate sector would look like, how will I be grow my strength and start working upon my weakness. This exposure helps me to gain various skills such as excel, researching, critical thinking, time management, etc. The most important this experience helps us to know the real-life application of all that theoretical knowledge and reflect this in our working or task results.

4.2 My evaluation of the work experience

Let's take a step back and do self-assessment or self-reflection of this co-op studies journey. At the start of the journey, I must say I was overwhelmed through tasks but as time passed on, I learned how to manage my time and I also learned to give more content to my researches. I was able to connect my work to the courses which helped me bridge the gap. Even some topics I had learned before in the college through the help of extra course provided by the department, I was able to refine more and make my concept clearer and understanding.

Prior joining NFM, I had very brief knowledge regarding a PE and VC industry and not only the industry specifics but there were many financial concepts that I didn't know as I had only basic understanding. Through help of supervisors and department I was able to grow my knowledge on different area. This is crucial point for me because working in PE company motivates me to explore the financial sector.

I appreciate co-op studies which gave me opportunities work at NFM. I must say I am quite satisfied to able to work in the investment department. This showed me the trailer to corporate world and I now feel that because of this exposure I feel confident for a new beginning in my professional life. I have gained a lot of knowledge along with various set of skills which will be beneficial in the future.

4.3 Limitation of my Co-Op studies

The co-op studies at NFM taught me a lot of topics, but there were surely a lot of limitation that minimize the resources available in the company. Firstly, the 16 weeks' time period was not enough for me learn about operation not just only in investment department but other departments as well. Since I was intern, I was provided with simple responsibilities to complete. As I was dependent on my supervisor for completion of my work as I did collect, format, organize the data but was not able to analysis them lead to dependency for data result on the supervisor.

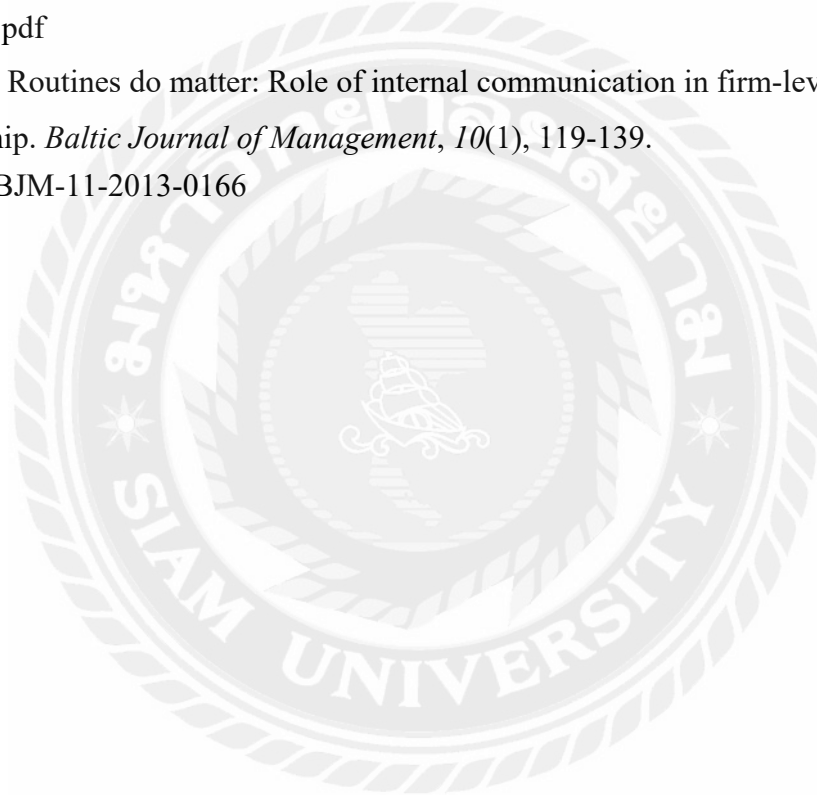
4.4 Recommendations for the Company

Lastly, I would like to conclude my report by giving some recommendation for the company which I observed would add some value to organization or workplace. The recommendations are follows:

- If possible, the company could take few times off to teach the intern how the investment department are doing certain valuation process. Meaning showcasing the company a project so that the intern could understand what strategies and process the company takes to achieve the goal or make its investments.
- Flow of communication are interrupting sometime which creates confusion, so if there was better flow of communication to the interns regarding code of conducts, and notices.
- If possible, the company could take the intern for the field visit as it gives more practical approach to knowing the investment project.
- It would be really great source of motivation if the company could pay the intern. And the existing other facilities like tea and lunch are highly appreciated.

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Appendices



Figure 5: Investment department



Figure 6: At the workstation of supervisor

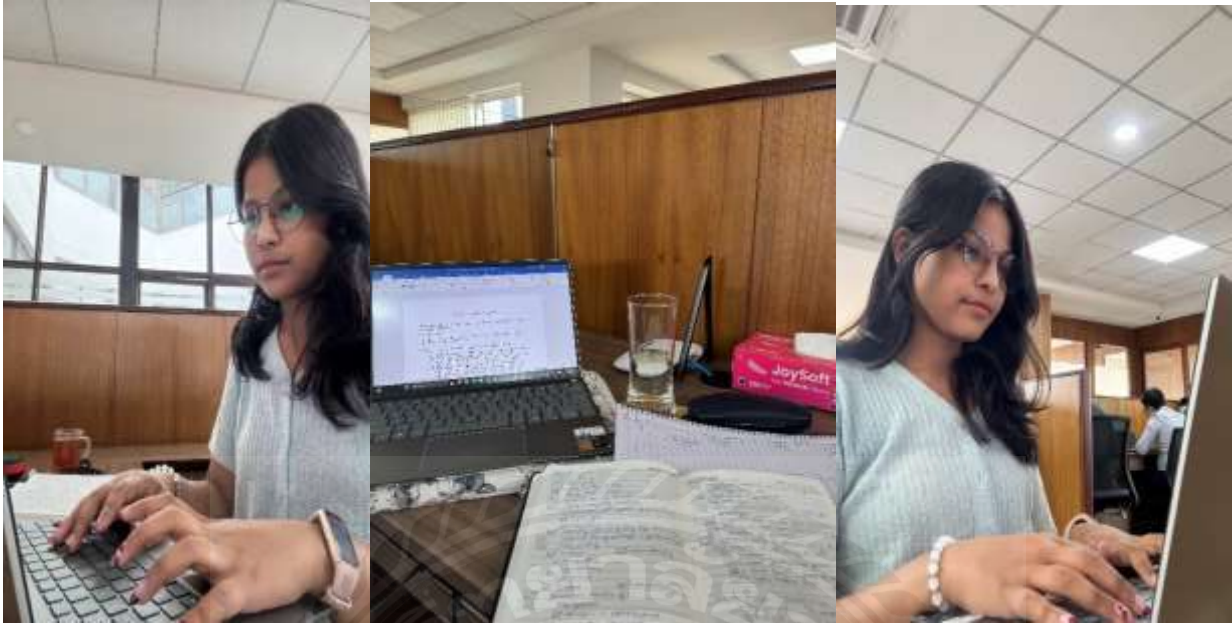


Figure 7: My workstation in the department



Figure 8: Workplace



Figure 9: Working with supervisor



Figure 10: At supervisor workstation