



NIBL ACE CAPITAL

Managing shares. Managing investments.

A licensed Merchant Banker and Fund Manager from SEBON



Managing shares. Managing investments.

SIXTH ANNUAL REPORT

Fiscal Year 2017/2018 (આ.વ. ૨૦૧૭/૨૦૧૮)

Mutual
Fund



Issue and Sales
Management



Share
Registration



Portfolio
Management



Securities
Underwriting



Depository
Participant



NIBL PORTFOLIO MANAGEMENT SERVICE



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NIBL Ace Capital Limited- An Overview

NIBL Ace Capital Ltd., a subsidiary of Nepal Investment Bank Limited, is a limited liability company that has been registered at the office of company registrar and received its certificate of operation on 2069/04/15. On 2074/10/28, after successful merger, NIBL Capital and Ace Capital started joint operation as NIBL Ace Capital Ltd. While NIBL Capital was already an established force in the capital market, merger with Ace Capital further strengthened the reserve of professional expertise, talent, a strong capital base and vigorous long-term vision.

The company recently completed its 6th year of operation and during this period, it has grown from a start-up investment firm to one of the biggest players in the Nepalese capital market. Over the past six years, it has offered a wide range of products and services related to capital markets to its clients efficiently through its experienced and energetic workforce. Driven by a strong leader, dedicated workforce and its digital agenda, the company continues to maintain its image as key player in the market.

Mutual Fund

NIBL Ace Capital is a licensed fund manager which is currently managing two schemes with a total corpus amount of NPR 1.75 billion:

- NIBL Samriddhi Fund – I
- NIBL Pragati Fund

Merchant Banking

NIBL Ace Capital is a licensed merchant banker from SEBON which offers the following services:

- Issue & Sales Management
- Securities Underwriting
- Share Registration Services

Portfolio Management Service

NIBL Ace Capital has been offering comprehensive and risk weighted investment management, financial advisory and planning.

- A. NIBL Discretionary Portfolio
 - NIBL Petal Plus Portfolio
 - NIBL Growth Plus Portfolio
 - NIBL Lotus Secure Portfolio
- B. NIBL Non- Discretionary Portfolio
- C. NIBL Customized Portfolio

Depository Participant

NIBL Ace Capital acts as the intermediary between the depository system (CDS and Clearing Ltd.) and its clients.

It offers a secure, convenient and paperless way to keep track of its client investments in shares and other securities without the hassle of handling paper based transcripts.

Corporate Advisory Service

NIBL Ace Capital advisory team shall be helping their clients expand their business and solidify their financial affairs offering the following advisory services:

- Business Valuations
- Private Equity
- Loan Syndication
- Venture Capital
- Financial Restructuring



MISSION

NIBL Ace Capital is relentlessly driven by entrepreneurial zeal to invest in ideas that empower all our stakeholders. We engage with our clients, understand their needs and create winning strategies for them with our expertise and sharp business acumen. A winning strategy for our clients is the only winning strategy for us.

VALUES

To remain the leading One Stop Financial Solutions Shop and grow our business to international standards with passion and integrity while building outstanding value for all our stakeholders. As a responsible corporate citizen we care for our community and environment.

CORE VALUES

At NIBL Ace Capital, achieving our goal is consistently focused by keeping in mind our core values of:

- Client Value Creation
- Stewardship
- Integrity
- Innovation

People and Culture

At NIBL Ace Capital, our relentless efforts focus on promoting and sustaining a multidisciplinary and team-driven work culture, which we believe is critical in meeting the unique needs of our clients and the various business segments in which they operate. We focus on an all-rounder approach where we are devoted to enhancing our employees' career.





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Message From the CEO

Dear Valued Shareholders

I am pleased to report that NIBL Ace Capital Ltd has successfully completed its sixth year of operation with remarkable performance. NIBL Ace Capital, which began as a start-up investment firm 6 years ago, has now grown up to be one of the biggest players in the Nepalese capital market. The company's strong performance year after year is a testament to our business strategy and trustworthy service and reputation in the market.



The Capital market has drastically changed over the past 3 years with increased competition. However, our team, knowledge, products/services, infrastructure and expertise beats all in the market. Companies like us need to know how to turn competition into an opportunity and we have done so. We have wisely used the competition as a means to further develop our products and create a market advantage while serving our customer's needs.

Achievements

With will and perseverance, we aim to continue to progress and assist our clients while delivering solid results in this growing economic environment. NIBL Ace Capital was the first to open more than 1,50,000 DEMAT accounts and accommodate more than 38 companies share registrar, serving over 11,92,795 shareholders. For the fiscal year 2017/18, our RTS/RTA and Issue Management team smoothly managed 1 Further Public Offerings, 1 Initial Public Offerings and 20 Right shares issues. Our Portfolio Management team has also been enhanced which contributed towards personalized customers' service to our valuable clients. Progress on launching open ended fund also has been advanced this year ensuring launching on fiscal year 2075/76.

To strengthen our market position, a successful merger with Ace Capital was completed and as planned the capital base has been reached to NPR 27 Crore. The joint operation after the merger has been started from 2074 Magh 28 (2018 February 11) in the name of NIBL Ace Capital Ltd.

Projections/Innovations

With the financial accomplishments from the previous year, we are again preparing ourselves with upcoming IPOs, right issues and additional RTS/RTA companies. We have already opened 4 branches outside valley and 2 branches inside valley, we shall look after the proper management of the branches including relocation of inside valley branches as required. We are not only expanding our branches but also adding new services to smoothen any administrative process and further satisfy customers who seek our assistance. One new setup will be the dedicated call center operation and the other will be a new advisory team to offer services in business segments such as Venture Capital, Private Equity, Business Plan Development, Working Capital Financing, Loan Syndication and Hedge Fund.

The Mutual Fund department has been managing two active mutual funds as a fund manager. In 2071, the first mutual fund- NIBL Samriddhi Fund -1 with the corpus amount of NPR 1 Billion was issued. Now, NIBL Samriddhi Fund – 1 has total investment of Net Asset Value of NPR 1.13 Billion as of Ashad 2075. The second fund – NIBL Pragati Fund, was issued after two years in 2073 with

the corpus amount of NPR 750 Million and is performing consistently. After the success of the two mutual funds, we have decided to launch a third scheme. This third scheme called NIBL Sahabagita Fund, the first open ended fund under Mutual Fund Regulation 2067 which is under imminent approval from the Securities Board SEBON. The main purpose of this scheme is to change the dimension of mutual funds by having no restrictions on the amount the fund can issue. So to begin with, we will be starting with the amount of NPR 20 Crore. For long term purpose, this fund is going to be a low cost alternative for investors to invest their money and purchase a diversified portfolio at any point of time.

As Nepal is rapidly changing towards a digitalized era, our dedicated team members have started working on technological projects, advancing the NIBL Ace Capital Mobile App, PMS/DP access system, Customer Service, Website and Internal Management Systems so that we remain up-to-date and deliver a user friendly experience. We already have a customer service department, but to make it even easier for the customers, we have added a call center service.

Financial results for 2017/18

As mentioned above, the fiscal year 2017/18 has been financially rewarding for the company. Thus, the board has proposed 15% Cash Dividend including TDS. With the change in the regulations for NFRS and as a result of the competitive market, the Net Profit for this year amounts to NPR 4.47 Crore which is a decrement of 56.85 percent in comparison to last year's figure of NPR 10.35 Crore. However, NIBL Ace Capital's Net Worth stands at NPR 34.94 Crore, which has risen by 35.06 percent compared to NPR 25.87 Crore last year. These figures prove a good reflection of our financial health and build a solid profile of our company to excel.

With the current level of growth and innovation within our company, and the growing prospects of the market, we believe that the future prospect of the company looks prosperous though challenging at the same time.

Corporate Social Responsibility (CSR)

We believe in the betterment of our community and we demonstrate this through our values and actions. We have been actively participating in corporate social responsibilities. We have donated NPR 1,50,000 to ECDC foundation and NPR 5,000 to Abhiyan. These charities focus on underprivileged orphan children and deprived children of the country.

The monthly donation of Rs.1000 each for two orphans has been made. Hence, the total donation of Rs.8000 has been paid to First Ray of Hope during the year. The donation shall be continued till their secondary education level. For this purpose, the fund of Rs.2.5 lakh has been kept in fixed deposit account.

Last year, we had joined hands with Kathmandu Metropolitan City Ward Number 2, to build a public garden outside the office premises at Uttar Dhoka, Lazimpat, with an intention to keep its surrounding clean and tidy, ever since the garden have been maintained under us.

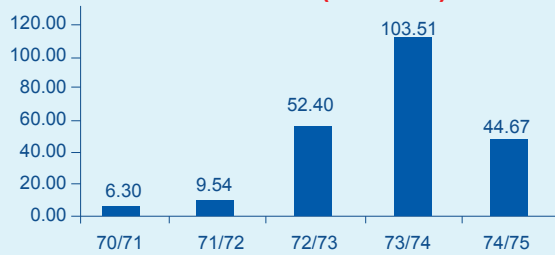
Overall, I am confident that we are heading towards a prosperous direction and with your help we will accomplish our goals to make a significant development in the capital markets and investment industry and achieve appropriate returns for all our stakeholders.

Shivanth B. Pandé
Chief Executive Officer (CEO)

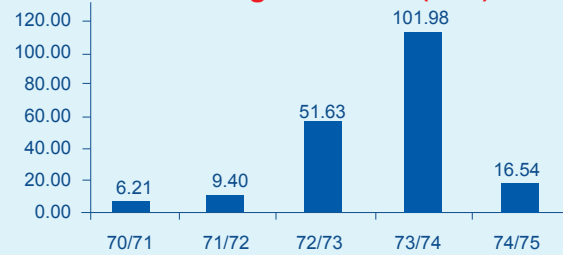
Financial Highlights

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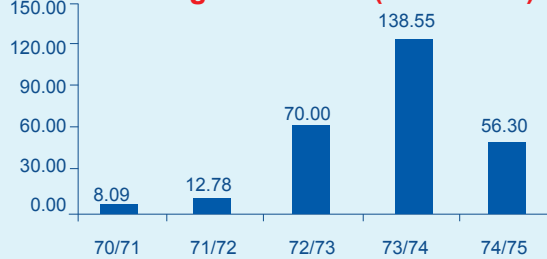
Net Profit (Millions)



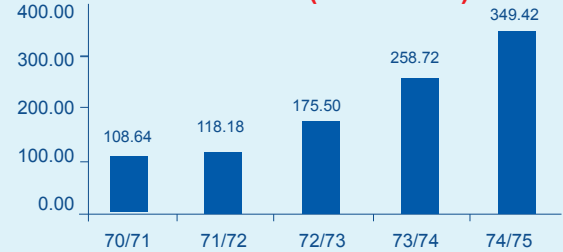
Earning Per Share (EPS)



Earning Before Tax (in Millions)



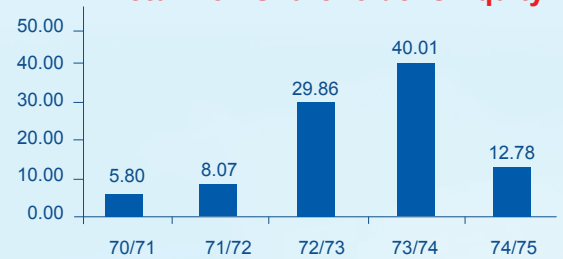
Net Worth (in Millions)



Book Value Per Share



Return on Shareholder's Equity



HIGHLIGHTS OF THE YEAR

- NIBL Capital Markets Ltd. and Ace Capital Ltd. have been merged and joint operation in the name of NIBL Ace Capital Ltd. has been started from 2074 Magh 28 (2018 February 11).
- The Paid Up Capital of the company have been increased by 166% this year and have reached to Nrs. 27 Crores from Nrs. 10.15 Crores of the previous year.
- The Company has obtained the license of Corporate Advisory on 2075 Ashad 3 and accordingly, the works has been initiated.
- The Company has opened 3 Branches during the year, namely, Biratnagar, Birgunj and Butwal. Lalpurbar Branch has been started after the merger with Ace Capital Ltd. at the location of then, Ace Capital Ltd.
- The company has also been actively involved in its CSR activities. The donations made to two Orphanages on the special occasion of its 5th annual day have been continued during the following year.
 1. The monthly donation of Rs.1000 each for two orphans has been made. Hence, the total donation of Rs.8000 has been paid to First Ray of Hope during the year. The donation shall be continued till their secondary education level. For this purpose, the fund of Rs.2.5 lakh has been kept in fixed deposit account.
 2. Similarly, a donation of NPR 1.5 lakhs was made to ECDC foundation, with an intention to cover essential expenses such as schooling costs, hostel/ accommodation fees, cost of books and clothing for one child for a duration of one year
- NIBL Ace Capital holds prominence in No. 1 position of DP in Nepalese market with more than 157,259 DEMAT accounts till fiscal year 2077/75.
- The Company Launched the new SMS Service to our DEMAT Account holders **(Buy and Sell Transaction Notification)**.
- NIBL Ace Capital is the share registrar of 38 companies, serving over 11,92,795 shareholders.
- The company has started DEMAT account opening from Korea with co-ordination of NIBL Bank.
- We have won the Nepal Best Brand Awards, 2017 under the title 'Brand Excellence in Banking, Financial services and Insurance sector.'
- NIBL Sahabagita Fund the first open ended Mutual Fund scheme in Nepalese Capital Market under Mutual Fund Regulation, 2069 is under final stage of approval process and expected to launch shortly.



Board of Directors

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Mr. Jyoti Prakash Pandey

Founding Chairman

- CEO at Nepal Investment Bank Limited since 2012.
- Previously served as Chief Financial Officer at Nepal Investment Bank Limited.
- Completed his MBA from India and joined Nepal Indosuez Bank in 1988.
- He has over 29 years of experience in the banking industry.



Mr. Sachin Tibrewal

Chairman

- Chartered Accountant and Currently CFO at Nepal Investment Bank Ltd.
- Served as Assistant Manager for Deloitte Haskins & Sells, UK
- More than 11 years of experience in accounts, finance, taxation and audit.



Mr. Binod Kumar Guragain

Director

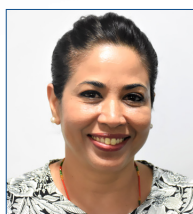
- Executive Director at Youth of Small-Entrepreneur Self-Employment Fund (YSEF).
- Master of Science in Business Administration (MSBA), from the University of Illinois' at Urbana-Champaign, USA.
- Executive Member, Management Association of Nepal (MAN) 2014 to date.
- Life Member, Management Association of Nepal (MAN)
- Life Member, Public Administration Association of Nepal (PAN).
- Member, Nepal Bar Association.
- Advisor/Expert at National Federation of the Disabled Nepal, 2001 to 2003.
- Founder and Patron at Nepal Disabled Services Center, Khopasi, Kavre.
- Secretary at Public Administration Association of Nepal (PAAN) 2001 to 2003.
- More than 30 years of experience in different fields (1987 to 2017).



Mr. Deepak Kumar Shrestha

Director

- Head of Legal/Recovery Department at Nepal Investment Bank Ltd.
- Member of SAARC Law/Nepal, Supreme Court Bar Association, Nepal Bar Association, Nepal Law Society.
- M.A. (TU/Nepal). B.L (TU/Nepal), LL.M (PU/Nepal)
- More than 27 years of experience in Legal Department (1991 to present).



Mrs. Bandana Thapa

Director

- Currently the Head of Compliance at Nepal Investment Bank Ltd.
- Board of Director at Sajha Yatayat since 2011.
- 24 years of experience in the industry with thorough understanding of rules and regulation and banking legislation in Nepal.



Mr. Rabindra Bhattarai

Independent Director

- Faculty member at ShankerDev Campus
- MBA from Tribhuvan University
- Former Director at Sagarmatha Merchant Banking and Finance Ltd.



Mr. Ram Krishna Khatiwada

Independent Director

- CFA.
- Senior Manager (Group Manager) at IMC Worldwide (DFID).
- Has worked more than 2 years in HIDCL as a Financial Analyst
- Holds more than 14 years of experience in finance and accounts, audit and compliance, fund management and treasury.

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Management Team

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Mr. Shivanth B. Pandé

Chief Executive Officer

- Master Degree in Financial Economics from the University of St. Andrews, Scotland, UK
- Over 15 years of experience in the field of finance.
- Areas of expertise include Economic Research and Financial Analysis, Mobile Banking, SME Finance, Private Equity, and Venture Capital



Mr. Mekh Bahadur Thapa

General Manager

- Chartered Accountant
- Over 13 years of experience in capital markets, investment banking, auditing and securities regulation
- Previously worked in the Securities Board of Nepal (SEBON) as a Department head.
- Also worked as Chief Operating Officer and Company Secretary at Siddhartha Capital Limited.



Mr. Kabindra Dhoj Joshi

Deputy General Manager

- Holds an MBA/EMBA
- Over 20 years of experience in the area of merchant banking services in Nepal.
- Previously he was the General Manager of Prabhu Capital Ltd. (former: Growmore Merchant Banker Limited) for 6 years.



Mr. Badri Prasad Pyakurel

Assistant General Manager/ Head of Merchant Banking

- MA in Economics and BEd in Mathematics from Tribhuvan University.
- Holds over 14 years of experience in Banking and Capital Markets in Nepal.
- Also holds over 15 years of teaching experience in Tribhuvan University, Pokhara University and Purwanchal University



Ms. Rekha Pant

Head-RTS/RTA Deputed from NIBL

- MA in Economics
- Holds more than 15 years of experience in banking and finance industry.



Mr. Ram Kumar Mahat

Head-Compliance and Secretariat

- Holds an MA / Law Graduate.
- An Advocate and has more than 16 years experience in Banks & Financial Institutions as well as Merchant Banking and as Legal consultant at Kanchanjunga Legal Office etc.
- Before joining he was Managing Director at Ace Capital Limited.



Mr. Subhash Poudel

Head Mutual Fund

- Holds Master's Degree in Business Studies
- More than 5 years of experience in Merchant Banking and Investment Banking Industry



Mr. Anup Shakya

Head of Accounts

- More than 6 years of experience in Investment banking, Due Diligence Audit (DDA), Auditing, Tax Consultant
- Master's Degree in Business Studies



Ms. Deepika Paudel

Head of Portfolio Management Services

- MBA degree from Pokhara University (PU), Head-Portfolio Management Service Department
- Has more 4 years of experience on Portfolio Associate / Operation / HR & Admin at Nabil Investment Banking Ltd, Naxal Kathmandu, Nepal.



Ms. Santoshi Giri

Head of Human Resource

- MBA Specialization in HR
- Holds 2 years of international experience and 2 years of experience in Nepal in the field of human resource management.



Ms. Amita Dangol

Act Head of Depository participant

- Master's Degree in Business Studies on-going
- Holds 5 years of experience in Merchant Banking



Mr. Bhuwan Raj Panta

Act Head of Research

- MBA Specialization in Finance from Pokhara University (PU)
- Holds 7 years of experience in Derivative & Commodity Market Finance & Accounts Department and 2 years of experience in Merchant Banking and Investment Banking Industry.
- Deep insight into the capital market and in depth technical knowledge of valuation.



Ms. Shristy Shah

Act Head of Business Promotion

- MBA in Finance
- Holds one year of work experience in Business Promotion in the banking sector
- Previous experience in media and promotion.



Mr. Sushant Aryal

Act Head of Administration

- Holds Bachelor Degree in Business Studies.
- More than 4 years of experience in Merchant Banking business support.



Our Reach

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NIBL Ace Capital is expanding its reach by opening its branches in various different cities throughout Nepal.



Existing Branches

- ▶ Kathmandu
- ▶ Lagankhel
- ▶ Butwal
- ▶ Biratnagar
- ▶ Birgunj
- ▶ Pokhara



Up Coming Branches

- ▶ Other major cities in Nepal phase wise



Corporate Social Responsibility

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NIBL Ace Capital Limited has been very active in terms of its corporate social responsibility. It has organized numerous events and activities with an intention to pay back to the society.

Investment Awareness Program

The company recognizes the importance of practical exposure for professional growth, and believes that this opportunity is highly beneficial for individuals and business professionals working in the corporate world. Investment Awareness Program was conducted by NIBL Ace Capital staff to provide opportunity and exposure for business professionals in the capital markets. The program offered an insight to the professionals on how capital markets work, from the process of opening a DEMAT account to the working of share market.

Donations

- NIBL Ace Capital has also made donations to numerous orphanages to sponsor underprivileged orphans. The company believes that investment in knowledge and education is one of the best assets one can invest in. Therefore, a donation of NPR 1.5 lakhs was made to ECDC foundation, with an intention to cover essential expenses such as schooling costs, hostel/ accommodation fees, cost of books and clothing for one child for duration of one year.
- Furthermore, donation of Rs.5000 was made to Abhiyan to support underprivileged children.



Education for the Children



Public Garden

- ❖ Last year, NIBL Ace Capital has also joined hands with Kathmandu Metropolitan City Ward Number 2, to build a public garden outside its office premises at Uttar Dhoka, Lazimpat, with an intension to keep its surrounding clean and tidy, ever since the garden has been maintained by us.



छैठौं बार्षिक साधारण सभा सम्बन्धी सूचना

श्री शेयरधनी महानुभावहरू,

यस कम्पनीको मिति २०७५/५/२९ गतेका दिन बसेको संचालक समितिको ६२ औं बैठकले निर्णय गरे अनुसार यस कम्पनीको छैठौं बार्षिक साधारण सभा निम्न लिखित मिति, समय तथा स्थानमा निम्न विषयहरू उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा सम्पूर्ण शेयरधनी महानुभावहरूको जानकारीका लागि यो सूचना प्रकाशित गरिएको छ ।

सभा हुने मिति, समय र स्थान :

मिति : २०७५/६/२३ गते (तदनुसार अक्टोबर ०९, २०१८) मंगलबार ।

समय : बिहान १०:०० बजे ।

स्थान : एनआईविपल एस क्यापिटल लि. को सभाहल, लाजिम्पाट, काठमाण्डौ ।

छलफलका विषय

क) सामान्य प्रस्तावहरू :

- १) आर्थिक वर्ष २०७४/०७५ को सञ्चालक समितिको प्रतिवेदन उपर छलफल गरी पारित गर्ने ।
- २) लेखापरीक्षकको प्रतिवेदन सहितको आषाढ ३२, २०७५ मा समाप्त भएको वर्षको वासलात, तथा सोही मितिमा समाप्त भएको आ.व. २०७४/०७५ को नाफा नोक्सान हिसाब तथा नगद प्रवाह विवरण उपर छलफल गरी पारित गर्ने ।
- ३) सञ्चालक समितिबाट प्रस्ताव गरे बमोजिम १५ प्रतिशत नगद लाभांश (रु. २७,००,००,०००/- चुक्ता पूँजीको १५ प्रतिशतले हुन आउने रकम रु. ४,०५,००,०००/-) कर सहित वितरण गर्ने प्रस्ताव पारित गर्ने ।
- ४) कम्पनी ऐन, २०६३ को दफा १११ अनुसार आर्थिक वर्ष २०७५/०७६ को लेखापरीक्षण गर्न संचालक समितिको सिफारिश मुताबिक लेखापरीक्षक नियुक्ति गर्ने र निजको पारिश्रमिक तथा नियुक्तिको शर्त तोक्ने ।

ख) विशेष प्रस्तावहरू :

- १) आर्थिक वर्ष २०७४/०७५ मा कम्पनिको पाँचौं वार्षिकोत्सव लगायत अन्य सिलसिलामा सामाजिक उत्तरदायित्व अन्तर्गत खर्च गरिएको अनुदान/दान रकम रु १,९६,०००/- पारित गर्ने ।

ग) विविध ।

संचालक समितिको आज्ञाले
कम्पनी सचिव

एनआईविपल एस क्यापिटल लिमिटेड

पो.ब.नं. २३२२४, लाजिम्पाट, काठमाण्डौ

फोन नं. ८००५०८०, फ्याक्स नं. ८००५०८८

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प्रोक्सी फाराम

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श्री संचालक समिति,
एनआईबिएल एस क्यापिटल लि.
लाजिम्पाट, काठमाण्डौ ।

विषय: प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

जिल्ला न.पा./गा.वि.स वडा नं. मा बस्ने म/हामी ले त्यस कम्पनीको शेयरधनीको हैसियतले मिति २०७५ साल आश्विन २३ गते मंगलबारको दिन हुने त्यस कम्पनीको छैठौँ वार्षिक साधारणसभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान गर्नको लागि जिल्ला न.पा./गा.वि.स वडा नं.....मा बस्ने त्यस कम्पनीका शेयरधनी श्री शेयरधनी नं..... लाई मेरो/हाम्रो प्रतिनिधि मनोनित गरी पठाएको छु/छौं ।

प्रोक्सी लिनेको दस्तखत :

निवेदक.

दस्तखत :
नाम :
ठेगाना :
क्रम संख्या :
हितग्राही खाता नं.:
शेयर प्रमाण पत्र नं. :
किता नं. :देखिसम्म
मिति :

द्रष्टव्य : यो निवेदन साधारण सभा हुनु भन्दा कम्तीमा ४८ घण्टा अगावै कम्पनीको मुख्य कार्यालयमा पेश गरीसक्नु पर्नेछ ।



प्रवेश-पत्र

Managing shares. Managing investments.

शेयरधनीको नाम :

शेयर प्रमाण पत्र नं:

शेयरधनीको सही :

शेयर संख्या :

छैठौँ वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेश-पत्र ।

द्रष्टव्य :

१. शेयरधनी आफैले खाली कोषहरू भर्नुहोला ।
२. सभाकक्षमा प्रवेश गर्न यो प्रवेशपत्र प्रस्तुत गर्नु अनिवार्य छ ।

कम्पनी सचिव

NIBL ACE
CAPITAL
Managing shares, Managing investments.

छैठौँ वार्षिक साधारण सभामा संचालक समितिको तर्फबाट अध्यक्षज्यूको प्रतिवेदन

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आदरणीय शेयरधनी महानुभावहरू,

एनआईबिएल एस क्यापिटल लिमिटेडको छैठौँ वार्षिक साधारण सभामा उपस्थित सबैलाई संचालक समितिको तर्फबाट म हार्दिक स्वागत अभिवादन गर्दछु ।

तपाईंहरूको सहयोग, सद्भाव एवं शुभेच्छाबाट संचालन भएको हाम्रो यस कम्पनीले सफलता पूर्वक छैठौँ वर्ष पुरा गरी नेपालको मर्चेन्ट बैंकिङ व्यवसायमा अग्रणी भूमिका खेल्दै आफ्नो कार्य क्षेत्र बिस्तार गर्न सफल भएको छ । नेपाल धितोपत्र बोर्डबाट धितोपत्र व्यवसायी (मर्चेन्ट बैंकर) को रूपमा निष्काशन तथा बित्री प्रबन्धक, धितोपत्र प्रत्याभुति, शेयर रजिष्ट्रेशन, लगानी व्यवस्थापन तथा संस्थागत परामर्श सेवाको साथै सामूहिक लगानी कोषको योजना ब्यवस्थापक तथा डिपोजिटरी र निक्षेप सदस्यको कार्य गर्न अनुमतिपत्र प्राप्त गरेको यस कम्पनीले आगामी दिनहरूमा आफ्नो सेवाग्राही समक्ष दक्ष एवं तालिम प्राप्त कर्मचारीहरू मार्फत सर्वसुलभ तथा गुणस्तरीय सेवा उपलब्ध गराई धेरै भन्दा धेरै ग्राहकहरूको विश्वसनीयता हासिल गर्ने प्रतिवद्धता राखेको छ ।

अब, म शेयरधनी महानुभावहरू समक्ष यस कम्पनीको मर्चेन्ट बैंकिङ तथा अन्य कार्यक्षेत्रको परिदृश्यहरू प्रस्तुत गर्दै समीक्षा अवधि आ.ब.२०७४/०७५ को कार्य सम्पादनको समीक्षा तथा भावी योजनाहरू प्रस्तुत गर्दछु ।

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कम्पनी ऐन २०६३ को दफा १०९ को उपदफा ४ अनुसारको विवरण

Managing shares. Managing investments.

१. विगत वर्षको कारोवारको सिंहावलोकन :

समीक्षा अवधि यस कम्पनीको लागि विगत वर्ष जस्तै अत्यन्त चुनौतीपूर्ण रह्यो । नेपाली पूँजी बजारको क्षेत्रमा आफ्नो उपस्थिति दरिलो बनाउन यस कम्पनीको ब्यवसायिक कार्यहरू सफलतापूर्वक सम्पन्न गर्ने साथै ग्राहकहरूलाई गुणस्तरीय एवं सर्वसुलभ तरिकाबाट सेवा प्रदान गर्ने तर्फ केन्द्रित रह्यो । समीक्षा अवधिको मध्येतिर यस कम्पनी र साविक एस क्यापिटल लिमिटेड एकआपसमा गाभिई नेपालको सबैभन्दा बढि रु.२७ करोड चुक्ता पूँजी भएको मर्चेन्ट बैंकरको रूपमा एनआईबिएल एस क्यापिटल लिमिटेडको नामबाट मिति २०७४/१०/२८ गते देखि कारोबार सुरु गरिसकेको छ । आर्थिक वर्ष २०७४/०७५ मा यस कम्पनीले एनआईबिएल म्युचुअल फण्ड अन्तर्गत एनआईबिएल समृद्धि फण्ड-१ ले १२ प्रतिशत लामांस वितरण गरेको तथा दोस्रो योजना एनआईबिएल प्रगति फण्डको समुचित कार्य सम्पादनका लागि प्रयासरत रहेको छ ।

यस आ.ब. मा हामीले सामूहिक लगानी कोष नियमाबली, २०६७ अन्तर्गत देशकै पहिलो खुलामुखी योजना संचालनको लागि नेपाल धितोपत्र बोर्ड समक्ष निवेदन गरी सकेको जानकारी गराउन पाउँदा म आफूलाई गौरवान्वित महशुस गर्दछु । कम्पनीबाट उपलब्ध सेवाहरूलाई सुलभ एवं सहज बनाउन उपत्यका भित्र लालदरवार र लगनखेल तथा उपत्यका बाहिर पोखरा, बुटवल, बिराजञ्ज र बिराटनगरमा शाखा विस्तार गरी सेवा पुर्याउँदै आएको छ । त्यसैगरी निष्काशन तथा बित्री प्रबन्ध अर्न्तगत विभिन्न कम्पनीहरू जस्तै: बाणिज्य बैंक, जलविद्युत कम्पनी, विकास बैंक तथा फाइनान्स कम्पनीको साधारण शेयरहरूको आईपिओ, एफपिओ र हकप्रद शेयर निष्काशन गरी कुल २२ वटा निष्काशन तथा बित्री प्रबन्ध सम्बन्धी कार्य सम्पन्न गरेको; शेयर रजिष्ट्रारको रूपमा कार्य गरिरहेको कम्पनीको संख्या कुल ३८ पुर्‍याउन सफल रहेको; लगानी ब्यवस्थापन सेवा अन्तर्गत ग्राहक संख्या १४२ तथा लगानी ब्यवस्थापन रकम रु.४०,७५,६४,५१७/- पुर्‍याउन सफल रहेको; साथै निक्षेप सदस्य अन्तर्गत नेपाल इन्भेष्टमेन्ट बैंक लिमिटेडको सम्पूर्ण शाखा कार्यालयहरू लगायत यस कम्पनीको समेत सम्पूर्ण शाखा कार्यालयहरूबाट सेवा उपलब्ध गराउने ब्यवस्था मिलाई समीक्षा अवधिमा करिब ३१,७०५ नयां हितग्राही खाता खोली कुल खाता संख्या १,५७,६७१ पुगेको छ ।

आर्थिक वर्ष २०७४/०७५ मा कम्पनीले गरेको NFRS अनुसारको आर्थिक प्रगतिको संक्षिप्त विवरण निम्नानुसार रहेको छ ।



सि. नं.	विवरण	२०७५ आषाढ मसान्त	२०७४ आषाढ मसान्त
१.	शेयर पूँजी	२७०,०००,०००.००	१०१,५००,०००.००
२.	जोडा कोषहरू	७९,४२३,१२३.००	१५७,२१६,१६३.००
३.	अन्य दायित्व	२,२२१,५९५,५०१.००	१,४७९,४०२,४९२.००
४.	कुल पूँजी तथा दायित्व	२,५५१,०१८,६२४.००	१,७३८,११८,६५५.००
५.	स्थिर सम्पति खुद	३१,२९९,६८६.००	२९,५६३,७७०.००
६.	नगद तथा बैंक मौज्जात	२,१४२,३८५,४९६.००	१,५४७,८५६,३२३.००
७.	लगानी	३२९,१४८,८७६.००	१०३,२५२,१८७.००
८.	अन्य सम्पति	६८,१८४,५६६.००	५७,४४६,३७५.००
९.	कुल सम्पत्ती	२,५५१,०१८,६२४.००	१,७३८,११८,६५५.००
१०.	कुल आम्दानी	१४७,५८३,०४६.००	२३२,३२४,१२०.००
११.	कुल खर्च	९१,२७८,९२३.००	९३,७७१,१२५.००
१२.	खुद संचालन मुनाफा	५६,३०४,१२३.००	१३८,५५२,९९५.००
१३.	आयकर व्यवस्था	११,६३४,१३८.००	३५,०३९,१८९.००
१४.	खुद/नाफा (नोक्सान)	४४,६६९,९८५.००	१०३,५१३,८०६.००
१५.	शेयर संख्या (हजारमा)	२,७००,०००.००	१,०१५,०००.००
१६.	प्रति शेयर आम्दानी	१६.५४	१०१.९८
१७.	नेटवर्थ (बुक भ्यालु) रु.	१२९.४२	२५४.८९

मिति २०७४ श्रावण १ देखि मिति २०७५ आषाढ मसान्त सम्मको समष्टिगत आर्थिक अवस्था एवं कार्यसम्पादनको मूलक निम्नानुसार प्रस्तुत गरिएको छ ।

निष्काशन तथा बिक्री प्रबन्ध सेवा :

यस एनआईबिएल एस क्यापिटल लिमिटेडले आर्थिक वर्ष २०७४/०७५ मा निम्न अनुसारका कम्पनीहरूको साधारण शेयर सर्वसाधारणमा जारी गर्न श्री नेपाल धितोपत्र बोर्डबाट स्वीकृत प्राप्त गरेको थियो र सोही अनुसार निष्काशन तथा बिक्री प्रबन्धको कार्य सम्पन्न गरेको र केही आगामी वर्ष गरिने योजना रहेको छ ।

क) सार्वजनिक निष्काशन - IPO/FPOs

सि.नं.	कम्पनीको नाम	निष्काशनको प्रकार	निष्काशन रकम (रु.)	संकलित रकम (रु.)
१.	पोखरा फाइनेन्स लिमिटेड	एफपिओ	२१,६४,१०,०४०	३१,६५,९२,३००
२.	रैराड हाइड्रोपावर डेभलपमेन्ट कम्पनी लि.	प्राथमिक निष्काशन (स्थानिय)	५,६०,००,०००	२३,६८,४३,०००
३.	रैराड हाइड्रोपावर डेभलपमेन्ट कम्पनी लि.	प्राथमिक निष्काशन (सर्वसाधारण)	८,४०,००,०००	१,३५,८८,३६,०००
जम्मा				१,९१,२२,७१,३००

ख) हकप्रद शेयर निष्काशन - Right Share Issue

क्र.सं.	कम्पनीको नाम	रकम (रु.)
१.	मुक्तिनाथ विकास बैंक लि.	६१,७०,७६,५०४
२.	सिन्धु विकास बैंक लि.	२०,९७,५४,०००
३.	आरएसडिसी लघुवित्त वित्तीय संस्था लि.	२३,००,००,०००
४.	ओम डेभलपमेन्ट बैंक लि.	४९,३९,८३,५००
५.	एक्सेल डेभलपमेन्ट बैंक लि.	१९,२२,८९,२५०
६.	गुहेश्वरी मर्चेन्ट बैंकिङ एण्ड फाइनेन्स लि.	१९,७३,९२,८७७
७.	नेपाल कम्युनिटी डेभलपमेन्ट बैंक लि.	२६,४३,५३,८८०
८.	माउण्ट मकालु डेभलपमेन्ट बैंक लि.	३,४५,८०,०००
९.	सेन्ट्रल फाइनेन्स लि.	२६,०३,३९,४०७
१०.	पोखरा फाइनेन्स लिमिटेड	९,८३,६८,२७४
११.	एशियन लाईफ इन्स्योरेन्स क. लि.	४०,२७,९६,६२०
१२.	मञ्जुश्री फाइनेन्स लिमिटेड	३,६२,९९,०००
१३.	देवः विकास बैंक लिमिटेड	६५,३३,९०,८५९
१४.	नेपाल इन्स्योरेन्स क. लि.	३०,९९,८८,६९०
१५.	कुमारी बैंक लिमिटेड	१,९९,३८,९९,९६५
१६.	सहारा विकास बैंक लिमिटेड	१८,२४,८७,०००
१७.	आरएसडिसी लघुवित्त वित्तीय संस्था लि.	२९,५९,७०,०००
१८.	मिर्मिरे माइक्रोफाइनेन्स डेभलपमेन्ट बैंक लि.	४,५०,००,०००
१९.	समता माइक्रोफाइनेन्स वित्तीय संस्था लि.	१,८९,६०,०००
२०.	नेशनल लाईफ इन्स्योरेन्स क. लि.	९,९३,६६,४७,७५०
	जम्मा	१५,५८,४६,००,६९६

नोट: नेपाल धितोपत्र बोर्डबाट समीक्षा अवधिमा हकप्रद निष्काशनको अनुमती प्राप्त भएको मध्ये ४० प्रतिशतको हाराहारीमा यस कम्पनी एक्लैले हकप्रद निष्काशन गर्न सफल भएको छ ।

ग) हकप्रद शेयरको लिलाम - Auction of Rights Shares

यस कम्पनीले समीक्षा अवधिमा हकप्रद शेयरको निष्काशनको क्रम बित्री नभएका जम्मा १९ वटा कम्पनीको संस्थापक तथा सर्वसाधारण समूहको शेयर लिलाम बित्रीको माध्यमबाट बित्री गर्ने कार्य सफलतापूर्वक सम्पन्न गरेको छ ।

घ) शेयर प्रत्याभूति सेवा सम्बन्धी विवरण : कुल ९ वटा ।

सि.नं.	कम्पनीको नाम	शेयरको प्रकार	प्रत्याभूति गरेको रकम (रु.)
१.	माउन्ट कैलाश ईन्जर्जी क. लि.	साधारण शेयर	२२५,०००,०००/-
२.	गार्जङ्ग उपत्यका हाईड्रोपावर लि.	साधारण शेयर	६०,०००,०००/-
३.	आशा लघुवित्त वित्तीय संस्था लि.	साधारण शेयर	३०,०००,०००/-
४.	शिवश्री हाईड्रोपावर लि.	साधारण शेयर	१०५,०००,०००/-
५.	युनिभर्सल पावर कम्पनी लि.	साधारण शेयर	३७८,०६३,०००/-
६.	शिवम् सिमेन्ट लि.	साधारण शेयर	२,२०६,९६०,०००/-
७.	घलेमदी हाईड्रो लि.	साधारण शेयर	१६५,०००,०००/-
८.	माउन्टेन हाईड्रो नेपाल लि.	साधारण शेयर	९३,७५०,०००/-
९.	नेपाल बैंक लि.	साधारण शेयर	८९९,७०९,६००/-
	जम्मा		४,९६२,६७४,६००/-



ड) शेयर रजिष्ट्रेशन सम्बन्धी विवरण : आ.व.२०७४/०७५ को अन्त्य सम्ममा कुल ३८ वटा ।

सि.नं.	कम्पनीको नाम	सि.नं.	कम्पनीको नाम
१.	नेपाल इन्भेष्टमेन्ट बैंक लि.	२१.	प्रशियन लाईफ इन्स्योरेन्स क. लि.
२.	एनआईबिएल समृद्धि फण्ड-१	२२.	ग्रीन डेमलपमेन्ट बैंक लि.
३.	शिखर इन्स्योरेन्स कम्पनी लि.	२३.	राष्ट्रिय बीमा कम्पनी लि.
४.	गोर्खाज फाईनान्स लि.	२४.	नेशनल माईकोफाईनान्स बितीय संस्था लि.
५.	नेपाल कम्प्युनिटी डेमलपमेन्ट बैंक लि.	२५.	पोखरा फाईनान्स लि.
६.	सिन्धु विकास बैंक लि.	२६.	गुडविल फाईनान्स लि.
७.	स्वावलम्बन लघुवित्त बितीय संस्था लि.	२७.	साँझीला डेमलपमेन्ट बैंक लि.
८.	साल्ट टेडिङ्ग कर्पोरेशन लि.	२८.	ओरियन्टल होटल्स लि.
९.	बरुण हाइड्रोपावर कम्पनी लि.	२९.	शाइन रेसुझा डेमलपमेन्ट बैंक लि.
१०.	देवः विकास बैंक लि.	३०.	आरएसडिसी लघुवित्त वितीय संस्था लि.
११.	हाम्रो विकास बैंक लि.	३१.	नेपाल इन्स्योरेन्स क. लि.
१२.	विजय लघुवित्त वितीय संस्था लि.	३२.	समता माइक्रोफाईनान्स वितीय संस्था लि.
१३.	मुक्तिनाथ विकास बैंक लि.	३३.	निर्धन उत्थान बैंक लि.
१४.	कृषि विकास बैंक लि.	३४.	ओम डेमलपमेन्ट बैंक लि.
१५.	दिव्यश्वरी हाइड्रोपावर कम्पनी लि.	३५.	एनआईबिएल प्रगति फण्ड
१६.	एक्सेल डेमलपमेन्ट बैंक लिमिटेड	३६.	कावेली विकास बैंक लिमिटेड
१७.	गरिमा विकास बैंक लिमिटेड	३७.	लुम्बिनी जनरल इन्स्योरेन्स कम्पनी लि.
१८.	ज्योती विकास बैंक लिमिटेड	३८.	मञ्जुश्री फाईनान्स लिमिटेड
१९.	प्रोग्रेसिभ फाईनान्स लिमिटेड		सपोर्ट माइक्रोफाईनान्स वितीय संस्था लि.

लगाानी ब्यबस्थापन सम्बन्धी सेवा :

आ.व.२०७४/०७५ को अन्त्य सम्ममा एसेट अन्डर म्यानेजमेन्ट करिब रु. ४०.७५ करोड पुगेको ।

निकष सदस्य :

समिक्षा अवधीमा यस कम्पनीले नेपाल धितोपत्र बोर्ड तथा सिडिएस एण्ड विलयिङ्ग लिमिटेडबाट निकष सदस्यको रूपमा नेपाल इन्भेष्टमेन्ट बैंक लि. को सम्पूर्ण शाखा कार्यालयहरू लगायत यस कम्पनीको केन्द्रीय कार्यालय सहित ७ वटा स्थानहरूबाट निकष सदस्य सम्बन्धी सेवा उपलब्ध गराउने ब्यवस्था मिलाई करिब १.५७ लाख हितग्राही खाता पुर्याएको छ ।

एनआईबिएल म्युचुअल फण्ड :

एनआईबिएल म्युचुअल फण्ड अन्तर्गतको एनआईबिएल समृद्धि फण्ड-१ तथा एनआईबिएल प्रगति फण्ड को योजना व्यवस्थापक रही यस कम्पनीले रु.१ अर्ब ७५ करोडको कोष संचालन गरी आएको छ । यस आ.व.मा एनआईबिएल समृद्धि फण्ड-१ का इकाईधनीहरूलाई १२ प्रतिशत लाभाना वितरण गर्ने प्रस्ताव पारित गरेको छ ।

२. राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितीबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सो असरको समिक्षा :

देशमा राजनितिक अस्थिरता र संक्रमणकाल अन्त्य भई मुलुकमा तीनै तहको निर्वाचन सम्पन्न भई निर्वाचित सरकारहरू गठन भइसकेका छन् । नेपाल सरकारले जस्तै प्रदेश र स्थानीय सरकारहरूले आय-व्यय अनुमान समेटी बजेट तर्जुमा गर्ने अभ्यास थालनी गरेका छन् । राष्ट्रिय अर्थतन्त्रले सकारात्मक मोड लिँदै गएको छ । विगत २ वर्षयताको आर्थिक वृद्धिले हामी सबै नेपालीलाई उत्साहित बनाएको छ । विश्व अर्थतन्त्रले विस्तारको बाटो लिएको छ । विश्वका कतिपय मुलुकहरूमा मुद्रास्फोटिको चापको स्थिति छ । कतिपय अन्तर्राष्ट्रिय वस्तुहरूको मूल्य वृद्धि भइरहेको छ । अन्तर्राष्ट्रिय स्तरमा मौद्रिक नीतिहरूको कार्यदिशा मिश्रित प्रवृत्तिको छ । आर्थिक वर्षको शुरूमा तराईमा आएको बाढीका कारण कृषि क्षेत्रको वृद्धिदर २.८ प्रतिशत रहेतापनि उद्योग क्षेत्रको वृद्धिदर ८.८ प्रतिशत र सेवा क्षेत्रको वृद्धिदर ६.६ प्रतिशत भएबाट आर्थिक वर्ष २०७४/७५ मा उत्साहजनक आर्थिक वृद्धि हासिल भएको हो । आर्थिक वृद्धिमा आएको सुधारसँगै नेपाली अर्थतन्त्रको आकार रु. ३० खर्ब ७ अर्ब पुगेको छ । विप्रेषण आप्रवाहका कारण आर्थिक वर्ष २०७४/७५ मा कुल राष्ट्रिय बचतको कुल गार्हस्थ्य उत्पादनसँगको अनुपात ४३.९ प्रतिशत रहेको छ ।

नेपाल धितोपत्र बोर्डको नयाँ निती/निर्देशिका अनुसार मर्चेन्ट बैंकरलाई नयाँ कार्यक्षेत्रहरू व्यवसायिक योजना, लोन सिण्डिकेशन, वर्किङ क्यापिटल फाइनान्सिङ, प्राइमेट इक्विटी, हेज फण्ड आदी क्षेत्रमा संस्थागत परामर्शदाता सम्बन्धि सेवाहरू प्रदान गर्न सक्ने गरि विस्तार गरिएका छन् । यसलाई पूँजी बजारको लागि नयाँ आयाम मान्न सकिन्छ । मर्चेन्ट बैंकिङ व्यवसायको दायरा सोचे अनुकूल फराकिलो हुन नसक्नु, यस क्षेत्रमा भएको अस्वस्थ प्रतिस्पर्धा, अधिकांश बाणिज्य बैंकहरूले सहायक कम्पनीको रूपमा यो व्यवसायलाई सुरुवात गर्नु जस्ता चुनौतीहरूका बाबजुद यस कम्पनीले आफुलाई नेपालको बर्तमान बजारमा आफुलाई अब्बल स्थापित गर्न सफल भएको छ ।

यिनै र यस्तै आन्तरिक तथा बाह्य कारणहरू, नेपाल राष्ट्र बैंकको मौद्रिक निती मुद्रा स्फीति न्यून राख्न र वित्तिय सन्तुलन आदिको फलस्वरूप त्यसले पूँजी बजारमा सकारात्मक असरनै पार्ने भएकाले यस अवसरलाई हामीले सदुपयोग गर्दै सन्तुलित व्यवसाय गर्दै अगाडी बढ्ने हाम्रो योजना रहेको छ ।

3. प्रतिवेदन तयार भएको मिति सम्म चालु वर्ष २०७५/०७६ को उपलब्धि र भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा संचालक समितिको धारणा :

यो प्रतिवेदन तयार हुँदा सम्म यस कम्पनीले गरेको उपलब्धिहरू साथै भविष्यमा गर्नुपर्ने कार्यहरूको विवरणसम्बन्धमा संचालक समितिको धारणाहरू निम्न बमोजिम रहेका छन् :

- यस कम्पनीले नयाँ नयाँ कानून बमोजिम भएको परिवर्तनलाई आन्तरिक रूपमा लागु गर्न त्यसलाई पुरानो आन्तरिक विनियमावलीहरू पुनरावलोकन तथा नभएकाहरू निर्माण गर्ने कार्य गरिरहेको छ ।
- नेपाल धितोपत्र बोर्डले समय समयमा जारी गरेको निर्देशिका तथा अन्य प्रचलित कानूनहरू बमोजिम विवरणहरू बुझाउने तथा नमूना तयार गर्ने कार्य भईरहेको छ ।
- एस क्यापिटल मर्जर भए पश्चात सिडिएस एण्ड विलयिङ लिमिटेडको कोड १०६०० र १०२०० कायम भएकोले सो लाई सिडिएस मार्फत एउटै कोड बनाउन पहल भईरहेको छ ।
- यस कम्पनीले एक लाख साठी हजार भन्दा बढी हितग्राही खाता खोल्दै आफुलाई अन्य निक्षेप सदस्यको दौजोमा अगाडी प्रस्तुत गरेको छ ।
- यस कम्पनीले संस्थागत सामाजिक उत्तरदायित्वलाई प्राथमिकतामा राख्दै यस वर्ष देखि नियमित रूपमा विभिन्न कार्यक्रमहरू जारी यसलाई निरन्तरता दिने योजना बनाएको छ ।
- एनआईबिएल म्युचुअल फण्ड अर्न्तगतको एनआईबिएल समृद्धि फण्ड १ को इकाइधनीहरूलाई १२ प्रतिशत लाभान्श वितरण गर्न प्रस्ताव गरेकोमा सो वितरण गर्ने प्रक्रिया अगाडी बढाइएको छ ।

भावी योजनाहरू

यस कम्पनीले नेपाल धितोपत्र बोर्डमा खुल्लामुखी योजना सञ्चालनका लागि आवेदन जारी हालै सुधारका लागि पत्र प्राप्त भएको छ सो लाई यथासक्थ छिटो सञ्चालनमा ल्याईनेछ । यसैगरी व्यावसायिक योजना, लोन सिण्डिकेशन, वर्किङ क्यापिटल फाइनान्स, प्राइमेट इक्विटी, हेज फण्ड आदिमा संस्थागत परामर्श सेवा उपलब्ध गराउने समेत योजना रहेको छ ।

कम्पनीले आगामी दिनहरूमा सशक्त रूपमा नेपाली पूँजी बजारका विभिन्न क्षेत्रहरूमा कार्य जारी सर्वसुलभ सेवा उपलब्ध गराउने प्रतिबद्धता गरे बमोजिम नियमन निकायबाट प्राप्त आवश्यक स्विक्ती अनुसार निम्न कार्यहरू गर्ने योजना राखेको छ ।

क) मर्चेन्ट बैंकिङ्ग सम्बन्धि कार्यहरू :

आगामी दिनहरूमा यस कम्पनीले गर्दै आएको मर्चेन्ट बैंकिङ्ग सम्बन्धित कार्यहरूको गुणात्मक वृद्धि गर्नका लागि आवश्यक रणनीति तयार गर्न विशेष ध्यान केन्द्रित गर्नेछ ।

- आगामी आ.व मा यस कम्पनीले ८ देखि ११ वटा कम्पनीहरूको प्राथमिक तथा ७ देखि ९ वटा हकप्रद शेयर निष्काशन गर्ने कार्य अगाडी बढाउने लक्ष्य राखेको छ ।
- आगामि आ.ब. मा यस कम्पनीले शेयर रजिष्ट्रेशन सम्बन्धित कार्यहरू थप गर्दै लाने समेत उद्देश्यमा अगाडी बढेको छ ।

ख) निक्षेप सदस्यता:

यस अर्न्तगतको कार्य तथा प्रकृयाहरूलाई प्रभावकारी बनाउने तथा सेवाग्राहीहरूको हितग्राही खाता खोल्ने तथा वार्षिक शुल्क उठाउने कार्यलाई समेत जोड दिईनेछ । यस अर्न्तगत हाम्रा ग्राहकहरूले शेयर किनबेच गर्दा खातामा शेयर घटवढ भएको कुरा निजले दर्ता गरेको मोवाईलमा एसएमएस मार्फत जानकारी गराउने सेवा निःशुल्क उपलब्ध गराउँदै आएकोमा निकट भविष्यमा खातामा वोनस/हकप्रद शेयर तथा अन्य कुनैपनि प्रक्रियाबाट खातामा शेयर थपघट हुँदा एसएमएस अलर्ट जाने सुविधा उपलब्ध गराईने समेत जानकारी गराउँदछौं । साथै विमा योजना लगायतका अन्य सुविधा समेत थप गर्न पहल गरिनेछ ।

ग) शाखा विस्तार:

यस कम्पनीले पूँजी बजारको पहुँच बढाउन को लागि हालसम्म उपत्यका भित्र लालदरवार र लगानखेल तथा उपत्यका बाहिर पोखरा, बुटवल, बिराटनगर र बिराटनगरमा गरी ६ स्थानमा शाखा विस्तार गरी सेवा पुर्याउँदै आएको छ । आगामी दिनहरूमा आवश्यकता अनुसार थप शाखाहरू बिस्तार गर्दै लगिने योजना बनाएको छ ।

घ) सामुहिक लगानी कोष:

यस कम्पनीले नेपाल धितोपत्र बोर्डको अनुमतिमा सामुहिक लगानी कोष नियमावली २०६७ अन्तर्गत नेपालको इतिहासमै पहिलो खुल्लामुखी सामुहिक लगानी कोष योजना ल्याउने तयारी अन्तिम चरणमा पुगेको छ ।

ङ) नयाँ कार्य योजना:

यस कम्पनीले नेपाल धितोपत्र बोर्डको स्विकृती पश्चात निम्न थप व्यवसायहरू संचालन गर्ने तयारी गरेको छ :

- व्यवसायिक योजना
- लोन सिण्डिकेशन (Loan Syndication)
- वर्किङ्ग क्यापिटल फाईनान्सिङ्ग (Working Capital Financing)
- प्राइभेट इक्विटी
- हेज फण्ड
- संस्थागत परामर्श

४. कम्पनीको औद्योगिक तथा व्यावसायिक सम्बन्ध :

कम्पनीले आफ्ना सबै सरोकारवालाहरूसँग सौहार्द्रपूर्ण र व्यवसायिक सम्बन्ध विस्तार गरेको छ । यस सम्बन्धलाई व्यवसायिक तथा पारदर्शिताका आधारमा विकसित गर्दै लैजानु फलदायी हुने र कम्पनीको प्रगतिका लागि उपयुक्त माध्यम हुने यस कम्पनीको विश्वास रहेको छ ।

५. संचालक समितिमा भएको हेरफेर र सो को कारण :

यस समिक्षा बर्षमा संचालक समितिमा निम्नानुसार हेरफेर भएको छ ।

सि.नं	नाम	राजिनामा स्वीकृत/नियुक्ति मिति	कारण	कैफियत
१.	श्री दिपक कुमार श्रेष्ठ	२०७४/११/०६	प्रबन्धपत्र तथा नियमावली संसोधन भई थप भएकाले	नियुक्ति
२.	श्री बिनोद कुमार गरागाई	२०७४/०८/१२	प्रबन्धपत्र तथा नियमावली संसोधन भई थप भएकाले	नियुक्ति

६. कारोबारलाई असर पार्ने मुख्य कुराहरू :

- नेपालको संविधान जारी भई स्थानिय निकाय निर्वाचन पश्चात स्थिरता तर्फ अगाडी बढेको र यसबाट आगामी दिनहरूमा पूँजी बजारलाई प्रत्यक्ष सकारात्मक प्रभाव पार्ने देखिन्छ ।
- नेपाल धितोपत्र बोर्डले ल्याएको नयाँ सि-आरवा सुविधाले लगानीकर्तालाई IPO/FPO को सेयरमा लगानी गर्न सजिलो बनाएको छ ।
- अधिकांश बाणिज्य बैंकहरूले सहायक कम्पनीको रूपमा यो व्यवसायलाई सुरुवात,
- नियमन निकायहरूको समय समयमा जारी हुने नयाँ नयाँ निर्देशनहरू जसलाई प्रयोगमा ल्याउन समय लाग्ने,
- यस क्षेत्रमा भएको अस्वस्थ प्रतिस्पर्धा,

७. लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर संचालक समितिको प्रतिक्रिया :

नियमित कारोबारमा देखिएका सामान्य कैफियत तथा NFRS सम्पूर्ण रूपमा पालना नभएको कैफियत बाहेक लेखापरीक्षण प्रतिवेदनमा अरु कुनै कैफियत उल्लेख भएको छैन । प्राप्त प्रतिकृया र सुझावहरूका सम्बन्धमा संचालक समितिको ध्यानाकर्षण भएको छ र सुधारका लागि आवश्यक कदम पनि चालिसकिएको छ । साथै, अधिल्लो आ.व. का कैफियतको उल्लेखनिय सुधार भएको छ ।

८. लाभान्श बॉन्डफॉड गर्न सिफारिस गरिएको रकम : आर्थिक वर्ष ०७८/०७९ को लागि संचालक समितिको मिति २०७५ भाद्र २२ गते बसेको ६१ औं बैठकले १५ प्रतिशत नगद लाभान्श (रु.२७,००,००,०००/- चुक्ता पूँजीको १५ प्रतिशतले हुन आउने रकम रु. ४,०५,००,०००/-) कर सहित वितरणको प्रस्ताव सिफारिस गरेको छ ।

९. शेयर जफत भएको भए जफत भएको शेयर संख्या : समीक्षा वर्षमा कुनै पनि शेयर जफत गरिएको छैन ।

१०. विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्त्यमा रहेको स्थितिको पुनरावलोकन : यस कम्पनीको कुनै सहायक कम्पनी छैन ।

११. समीक्षा अवधिमा कम्पनी र यसका सहायक कम्पनीसँगको कारोबार र त्यसमा भएको महत्वपूर्ण हेरफेर : यस कम्पनीको कुनै सहायक कम्पनी छैन ।

१२. विगत आर्थिक वर्षमा कम्पनीका आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी : केही नभएको ।

१३. विगत आर्थिक वर्षमा कम्पनीका संचालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी : केही नभएको ।

१४. कम्पनीसँग सम्बन्धित सम्भौताहरूमा कुनै संचालक तथा निजका आफन्तको व्यक्तिगत स्वार्थसम्बन्धी जानकारी : यस प्रकारको कुनै सम्भौता नभएकाले त्यस सम्बन्धमा कुनै खुलासा गर्नुपर्ने नदेखिएको ।

१५. पुनः खरिद गरिएका शेयरहरूको विवरण : समीक्षा वर्षमा शेयरहरूको पुनः खरिद कार्य नभएको ।

१६. आन्तरिक नियन्त्रण व्यवस्था भए वा नभएको र भएको भए सोको विवरण :

कम्पनीले आन्तरिक नियन्त्रण व्यवस्था कायम गर्नका लागि मानव संसाधन विकास समिति र लगानी एवं जोखिम व्यवस्थापन समिति गठन गरेको छ । यी समितिहरूको बैठक नियमित रूपमा बस्ने गर्दछ र समय-समयमा यी समितिहरूले व्यवस्थापन तथा संचालक समितिलाई सल्लाह र सुझाव दिने गर्दछन् । प्रभावकारी आन्तरिक नियन्त्रण कायम गर्नका लागि यस कम्पनीले विभिन्न नीति, निर्देशन तथा प्रक्रियाहरू तर्जुमा गरी अवलम्वन गरेको छ ।

१७. विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण :

खर्च शिर्षक	खर्च रकम
कर्मचारी खर्च	रु. ३९,८१३,९१८
संचालन खर्च	रु. ३३,९१८,१६२
जम्मा व्यवस्थापन खर्च	रु. ७३,७३२,०८०

१८. लेखापरीक्षण समितिका सदस्यहरूको नामावली निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेका कामकारबाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण :

कम्पनी हाल लेखापरीक्षण समिति नरहेको तथा बाह्य फर्मद्वारा आन्तरिक लेखापरीक्षण गरि राखिएको छ । कम्पनीको वित्तीय स्थिति, आन्तरिक नियन्त्रण र जोखिम व्यवस्थापन, कानूनी र नियम अनुपालना आदीको अवस्था हालसम्म कम्पनीको आकार सानो भएकोले संचालक समितिले नै हेर्ने गरेको छ ।

१९. संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको निजिकता नातेदार वा निज संलग्न रहेका फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा : केही नभएको ।

२०. संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :

क. संचालक समिति बैठकको विवरण :



सि.नं	पद	नाम	बैठकको संख्या	पारिश्रमिक भत्ता	कैफियत
१.	अध्यक्ष	श्री सचिन टिवडेवाल	१०	रु. ८८,०००/-	बैठक भत्ता
२.	संचालक	श्री विनोद कुमार गुरागाँई	७	रु. ५६,०००/-	बैठक भत्ता
३.	संचालक	श्री दिपक कुमार श्रेष्ठ	५	रु. ४०,०००/-	बैठक भत्ता
४.	संचालक	श्रीमती बन्दना थापा	१०	रु. ८०,०००/-	बैठक भत्ता
५.	संचालक	श्री राम कृष्ण खतिवडा	९	रु. ७२,०००/-	बैठक भत्ता
६.	संचालक	श्री रविन्द्र भट्टराई	१०	रु. ८०,०००/-	बैठक भत्ता
जम्मा			१०	रु. ४,१६,०००/-	

ख. मानव संसाधन समिति बैठकको विवरण :

सि.नं	पद	नाम	बैठकको संख्या	पारिश्रमिक भत्ता	कैफियत
१.	संचालक	श्री सचिन टिवडेवाल	७	रु. ३५,०००/-	बैठक भत्ता
२.	संचालक	श्रीमती बन्दना थापा	७	रु. ३५,०००/-	बैठक भत्ता
जम्मा			७	रु. ७०,०००/-	

ग. लगानी तथा जोखिम व्यवस्थापन समिति बैठकको विवरण :

सि.नं	पद	नाम	बैठकको संख्या	पारिश्रमिक भत्ता	कैफियत
१.	संचालक	श्री सचिन टिवडेवाल	१५	रु. ६०,०००/-	बैठक भत्ता
२.	संचालक	श्री रविन्द्र भट्टराई	१६	रु. ६५,०००/-	बैठक भत्ता
जम्मा			१६	रु. १,२५,०००/-	

घ. कार्यकारी प्रमुखको विवरण :

सि.नं	पद	नाम	पारिश्रमिक भत्ता	कैफियत
१.	प्रमुख कार्यकारी अधिकृत	श्री शिवान्त बहादुर पाँडे	रु. १४,४०,०००/-	पारिश्रमिक भत्ता

२१. शेयरधनीहरूले बुकिगलिन बाँकी रहेको लाभांश रकम : नरहेको ।

२२. कम्पनी ऐन, २०६३ को दफा १४१ बमोजिम खरिद वा बिक्री गरिएको सम्पत्तिको विवरण : समिक्षा वर्षमा यस प्रकारको कुनै खरिद बिक्री नभएको ।

२३. कम्पनी ऐन, २०६३ को दफा १७५ बमोजिम सम्बद्ध कम्पनी बिच भएको कारोबारको विवरण :

कम्पनी ऐन, २०६३ को दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएको कारोबारको विवरण तल उल्लेख गरिएको छ :

- २०७५ आषाढ मसान्त अनुसार एनआईबिएल एस क्यापिटल लिमिटेडले मुख्य कम्पनी नेपाल इन्भेष्टमेन्ट बैंक लि. मा कुल निक्षेप रु. ८,६६,७१,५७२ राखेको छ । चौथो त्रैमासिकको अन्त्य सम्ममा यस कम्पनीले मुख्य कम्पनीबाट व्याज आम्दानी स्वरूप रु. ४७,१९,०३४ आर्जन गरेको छ ।
- मुख्य कम्पनी नेपाल इन्भेष्टमेन्ट बैंक लि. को तर्फबाट श्री सचिन टिवडेवाल, श्री विनोद कुमार गुरागाँई, श्री दिपक कुमार श्रेष्ठ र श्रीमती बन्दना थापा यस कम्पनीको संचालकका रूपमा, श्री शिवान्त बहादुर पाँडे प्रमुख कार्यकारी अधिकृतको रूपमा र श्री रेखा पन्त बरिष्ठ अधिकृत-शेयर रजिष्ट्रारको रूपमा नियुक्त हुनुभएको छ ।
- मुख्य कम्पनी नेपाल इन्भेष्टमेन्ट बैंक लिमिटेडले लाजिम्पाट स्थित कार्यालयमा यस कम्पनीलाई दैनिक कार्य संचालन गर्नको लागि स्थान उपलब्ध गराएको छ र सो स्थान तथा अन्य प्राविधिक सहयोगका लागि यस कम्पनीले वार्षिक रु.६,००,००० (छ लाख मात्र) मुख्य कम्पनीलाई भुक्तान गर्दै आएको छ । कार्य स्थानसँग सम्बन्धित सम्पूर्ण खर्चहरू यस कम्पनी स्वयंमले व्यहोर्दै आएको छ ।
- यस कम्पनी र मुख्य कम्पनीका सम्पूर्ण कारोबारहरूको प्रचलित ऐन तथा नियमहरू अनुसार वित्तीय पारदर्शिता कायम राखिएको छ ।

२४. कम्पनी ऐन, २०६३ तथा प्रचलित कानून बमोजिम संचालक समितिको प्रतिवेदनमा खुलाउनुपर्ने अन्य कुनै कुरा :

- (क) कार्यालय, धितोपत्र बोर्ड वा नियमनकारी निकायमा कार्यरत त्यस्तो कर्मचारी वा पदाधिकारीको नाम, थर, ठेगाना र पद सम्बन्धी कुरा : यस कम्पनीको सञ्चालक वा पदाधिकारीको नजिकको नातेदार कम्पनी रजिष्ट्रारको कार्यालय, धितो पत्र बोर्ड वा त्यस्तो कम्पनीलाई नियमन गर्ने अन्य कुनै नियमनकारी निकायमा अधिकृत वा सो भन्दा माथिल्लो तहमा कार्यरत नरहको ।
- (ख) कम्पनीको कुनै सञ्चालक वा पदाधिकारीको नजिकको नातेदार हो र निजहरु बिच के कस्तो नाता सम्बन्ध रहेको हो, सो कुरा: नभएको ।
- (ग) कार्यालय, धितोपत्र बोर्ड वा अन्य कुनै नियमनकारी निकायमा उक्त नजिकको नातेदार कार्यरत रहेको को सो कुरा : नभएको ।

कम्पनी ऐन, २०६३ तथा प्रचलित कानूनबमोजिम संचालक समितिको प्रतिवेदनमा खुलाउनुपर्ने अन्य कुनै कुराहरु वार्षिक प्रतिवेदनमा सान्दर्भिक ढाँडामा खुलाइएको छ ।

२५. अन्य आवश्यक कुराहरु : अन्य आवश्यक कुराहरु नभएको व्यहोरा जानकारी गराईन्छ ।

धन्यवाद ज्ञापन :

यथा समयमै लेखापरीक्षण कार्य सम्पन्न गरी यस कम्पनीलाई यथोचित व्यायसायिक सूझावहरु प्रदान गर्ने बाह्य लेखापरीक्षकलाई संचालक समितिको तर्फबाट हार्दिक कृतज्ञता ज्ञापन गर्दछु ।

संस्थापन समय देखिनै प्रेरणदायी र निरन्तर सहयोग पुर्याउने हाम्रो मूल्य कम्पनीको संचालक समिति, व्यवस्थापन तथा कर्मचारीहरुलाई विशेष धन्यवाद दिन चाहन्छु ।

त्यसै गरी यस कम्पनीको उद्देश्य प्राप्तिका लागि सहयोग पुर्याउनु हुने शेयरधनी महानुभावहरु, ग्राहकबर्ग तथा नेपाल सरकारको सम्बन्धित निकाय लगायत नेपाल धितोपत्र बोर्ड, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल राष्ट्र बैंक, नेपाल स्टक एक्सचेन्ज लिमिटेड तथा सिडिएस एण्ड विलयर्स लिमिटेड प्रति संचालक समितिको तर्फबाट हार्दिक आभार प्रकट गर्दछु । कम्पनीको उत्तरोत्तर उन्नती र प्रगतीमा आफ्नो अमूल्य श्रम र समय खर्च गरी लगनशीलताका साथ योगदान पुर्याउने कम्पनीको व्यवस्थापन तथा कर्मचारीहरुका साथै कम्पनीको गतिविधिको बारेमा सकारात्मक रूपमा जनसमक्ष पुर्याईदिने संचार जगत र प्रत्यक्ष/अप्रत्यक्ष रूपमा सहयोग पुर्याउने सम्पूर्ण शुभेच्छुकहरु प्रति पनि म हार्दिक आभार व्यक्त गर्दछु र यस साधारणसभा सफल बनाईदिनु भएकोमा पनि यहाँ उपस्थित सम्पूर्ण महानुभावहरुलाई हार्दिक धन्यवाद व्यक्त गर्दछु ।

श्री बिनोद कुमार गुरागाई
संचालक

श्री सचिन टिवडेवाल
संचालक/अध्यक्ष

मिति : २०७५/०५/२२

कम्पनी दर्ता नं. १२८४/०६७/०६८

कम्पनी ऐन, २०६३ को दफा ७८ बमोजिमको
एनआईबिएल एस क्यापिटल लिमिटेडको आर्थिक वर्ष २०७४/०७५ को
सञ्चालक समितिबाट स्वीकृत भई लेखापरीक्षकबाट प्रमाणित प्रतिवेदन

१. **बॉडफॉड भएको शेयर संख्या :** बॉडफॉड भएको शेयरको संख्या : २७,००,००० /-
२. **बॉडफॉड भएको शेयर मध्ये चुक्ता भएको र नभएको शेयरको संख्या:** चुक्ता भएको शेयरको संख्या : २७,००,००० /-
३. **कम्पनीको सञ्चालक, प्रबन्ध सञ्चालक, लेखापरीक्षक, कार्यकारी प्रमुख, प्रबन्धकको विवरण र निजहरूलाई भुक्तान गरि**
एको पारिश्रमिक, भत्ता तथा सुविधाको रकम :
यस कम्पनीको सञ्चालक समिति देहाय बमोजिम रहेको छ :

क्र. सं.	सञ्चालक
१.	सचिन टिवडेवाल
२.	विनोद कुमार गुरागाँई
३.	दिपक कुमार श्रेष्ठ
४.	बन्दना थापा
५.	राम कृष्ण खतिवडा
६.	रबिन्द्र भट्टराई

(१) सञ्चालकहरूलाई तल उल्लेख गरे बमोजिम भत्ता प्रदान गरिएको छ ।

क) सञ्चालक समितिको बैठक भत्ता निम्न अनुसार रहेको छ :

क्र. सं.	सञ्चालक	बैठक सं.	बैठक भत्ता
१.	सचिन टिवडेवाल	१०	८८,०००/-
२.	विनोद कुमार गुरागाँई	७	५६,०००/-
३.	दिपक कुमार श्रेष्ठ	५	४०,०००/-
४.	बन्दना थापा	१०	८०,०००/-
५.	राम कृष्ण खतिवडा	९	७२,०००/-
६.	रबिन्द्र भट्टराई	१०	८०,०००/-
जम्मा			४,१६,०००/-

साविकको बैठक भत्ता : रु. ८,०००/- प्रति बैठक रहेकोमा गति २०७४ मासिर २९ गतेको विशेष साधारण सभाको निर्णय अनुसार प्रति बैठक अहमकलाई रु.१२,०००/- तथा संचालकलाई रु.१०,०००/- हुने गरी संशोधन भई अभिलेख समेत भईसकेको ।

ख) मानव संसाधन समितिको बैठक भत्ता निम्न अनुसार रहेको छ :

बैठक भत्ता : रु. ५,०००/- प्रति बैठक

क्र. सं.	सञ्चालक	बैठक सं.	बैठक भत्ता
१.	सचिन टिवडेवाल	७	३५,०००/-
२.	बन्दना थापा	७	३५,०००/-
	जम्मा		७०,०००/-

ग) लगानी तथा जोखिम समितिको बैठक भत्ता निम्न अनुसार रहेको छ :

बैठकभत्ता : रु. ५,०००/- प्रति बैठक

क्र.सं.	सञ्चालक	बैठक सं.	बैठक भत्ता
१.	सचिन टिवडेवाल	१५	६०,०००/-
२.	रबिन्द्र भट्टराई	१६	६५,०००/-
जम्मा			१,२५,०००/-

(२) कार्यकारी प्रमुख र व्यवस्थापकीय/प्रबन्धक स्तरका कर्मचारी पदाधिकारीहरूको बार्षिक तलब, भत्ता र अन्य सुविधाहरू निम्न बमोजिम रहेको छ :

रु. हजारमा

क्र. सं.	विवरण	प्रमुख कार्यकारी अधिकृत	अन्य कार्यकारी/ व्यवस्थापकहरू
१.	तलब		८,३३६
२.	भत्ता	१,८८०	३,०५९
३.	दर्श भत्ता		६,१६
४.	संचयकोष		८,३८
	जम्मा संख्या	१	३

तलब भत्ता बाहेक कार्यकारी प्रमुख तथा अन्य कार्यकारी/व्यवस्थापकहरूलाई निम्न बमोजिम सुविधाहरू प्रदान गर्ने व्यवस्था छ :

- कार्यकारी तथा व्यवस्थापकहरूलाई मानव शंसाधन नितीमा उल्लेख भए बमोजिम सवारी कर्जा/सुबिधा ।
- बोनस व्यवस्था बोनस ऐन अनुसार ।
- दुर्घटना बीमा, औषधि उपचार बीमा, जीवन बीमा कम्पनीको मानव शंसाधन नितीमा उल्लेख भए बमोजिम ।

(३) कम्पनीको लेखा परीक्षक श्री जी एण्ड जी एसोसियट्स, चार्टर्ड एकाउन्टेन्ट लाई आर्थिक वर्ष २०७८/७९ को लेखा परीक्षण गरे बापत लेखापरीक्षक शुल्क रु.३,३९,०००/- तोकिएको छ ।

४. कम्पनीको चुक्ता पूँजीको पाँच प्रतिशत वा सो भन्दा बढी शेयर खरिद गरी लिने व्यक्ति वा संगठित संस्थाको नाम र निजहरूको नाममा रहेको शेयर वा डिबेन्चरको विवरण :

नेपाल ईन्भेष्टमेन्ट बैंक लिमिटेड	शेयर स्वामित्व	संख्या
	१०० प्रतिशत	२७,००,०००

५. शेयर बिन्तीबाट प्राप्त भएको जम्मा रकम र सम्बन्धित आर्थिक वर्षमा कम्पनीले खरिद गरेको तथा जारी गरेको नयाँ शेयर तथा डिबेन्चरको विवरण :

शेयर

कम्पनीमा समीक्षा अवधि आ. व. २०७३/०७४ को नाफाबाट ९७.०४४३ प्रतिशत वोनस शेयर जारी गरी चुक्ता पूँजी २० करोड पुगेको त्यसै गरी साविकको एस क्यापिटल लिमिटेड मर्जर भई ७ लाख किता बृद्धि भई चुक्ता पूँजी २७ करोड भएको बाहेक अन्य कुनै शेयर खरिद तथा जारी गरिएको छैन ।

डिबेन्चर

कम्पनीबाट समीक्षा अवधिमा कुनै डिबेन्चर खरिद तथा जारी गरिएको छैन ।

६. सञ्चालक वा आधारभूत शेयरधनी वा निजका नजिकका नातेदारले कम्पनीलाई बुझाउन बाँकी रहेको रकम :

सञ्चालक वा निजका नजिकका नातेदारले कम्पनीलाई कुनै रकम बुझाउन बाँकी रहेको छैन ।

७. शेयर बिन्ती वा अन्य कुनै काम कुरा गरे बापत दिएको वा दिनु पर्ने रकम :

शेयर बिन्ती वा अन्य कुनै काम कुरा गरे बापत दिएको वा दिनु पर्ने रकम छैन ।

८. बैङ्क तथा वित्तीय संस्थाहरूबाट लिइएको ऋण तथा बुझाउन बाँकी रहेको साँवा तथा व्याजको रकम :

बैङ्क तथा वित्तीय संस्थाहरूबाट लिएको ऋण तथा बुझाउन बाँकी रहेको साँवा तथा व्याजको रकम छैन ।

९. कम्पनीले भुक्तानी लिनु पर्ने वा कम्पनीले अन्य व्यक्तिलाई भुक्तानी गर्नु पर्ने भनी दाबी गरिएको रकम वा यस विषयमा मुद्दा मामिला चलिरहेको भए त्यसको विवरणः
सो सम्बन्धि कुनै पनि मुद्दा मामिला छैन ।

१०. कम्पनीको व्यवस्थापनमा कार्यरत तथा अन्य स्तरका कर्मचारी वा कामदारको संख्या :

कम्पनीको व्यवस्थापनमा कार्यरत तथा अन्य स्तरका कर्मचारी वा कामदारको संख्या निम्न बमोजिम रहेको छ :

(क) प्रमुख कार्यकारी अधिकृत	१
(ख) महाप्रबन्धक तथा कम्पनी सचिव	१
(ग) नायव महाप्रबन्धक	१
(घ) सहायक महाप्रबन्धक	१
(ङ) अन्य कर्मचारीहरू	४५
(च) करार	३०
जम्मा कर्मचारीहरू	७९

११. कम्पनीको व्यवस्थापनमा कार्यरत तथा अन्य स्तरमा कार्यरत विदेशीहरूको संख्या तथा निजहरूलाई भुक्तान गरिएको पारिश्रमिक, भत्ता तथा सुविधा : छैन ।

१२. कम्पनी र कुनै विदेशी निकाय वा व्यक्तिहरू बीच लगानी व्यवस्थापन वा प्राविधिक सेवा वा अन्य विषयमा एक वर्ष भन्दा बढी अवधिको लागि कुनै सम्झौता गरिएको भए सो को विवरण र सम्बन्धित आर्थिक वर्षमा त्यस्तो सम्झौता अनुसार भुक्तान गरिएको लाभांश, कमिसन, शुल्क, दस्तुर र रोयल्टी आदिको विवरण : कुनै पनि सम्झौता भएको छैन ।

१३. कम्पनीको आर्थिक वर्ष २०७४/०७५को व्यवस्थापन खर्चको विवरण :

कम्पनीको आर्थिक वर्ष २०७४/०७५ को व्यवस्थापन खर्चको विवरण कम्पनीको वार्षिक प्रतिवेदनको अनुसूची ५ मा वृत्तित रूपमा उल्लेख गरिएको छ ।

रकम रु ७३,७३२,०८०.००

१४. शेयरधनीहरूले बुभिलिन बाँकी रहेको लाभांशको रकम : छैन ।

१५. कम्पनीले कम्पनी ऐन तथा प्रचलित कानूनको पालना पूर्ण रूपमा गरेको छ भन्ने कुराको उद्घोषण :

यस कम्पनीले कम्पनी ऐन, २०६३ तथा प्रचलित कानूनको पालना पूर्ण रूपमा गरेको छ भन्ने कुराको उद्घोषण गर्दछैः

- (क) कम्पनीको प्रबन्धपत्र वा नियमावलीमा संशोधन गरिएको भए संशोधन गरेको मिति, संशोधित प्रबन्धपत्र वा नियमावली कार्यालयमा अभिलेख गरेको वा नगरेको लगायत ऐनका व्यवस्थाहरू पालना गरिएको वा नगरिएको कुरो ।

हालसम्म कम्पनीको प्रबन्धपत्र तथा नियमावली देहाय बमोजिम संशोधन तथा अभिलेख भएको छ ।

क्र.सं.	विवरण	संशोधन मिति	अभिलेख मिति	कैफियत
१	प्रबन्धपत्रमा संशोधन	२०६८-११-१४	२०६८-११-२९	
२	प्रबन्धपत्र तथा नियमावलीमा संशोधन	२०७४-०६-२४	२०७४-०८-०३	
३	प्रबन्धपत्र तथा नियमावलीमा संशोधन	२०७४-०८-२९	२०७४-१०-१५	

- (ख) नयाँ शेयर जारी गरिएको भए ऐनको म्यादभित्र शेयर बाँडफाँडको विवरण म्यादभित्र पेश गरेको वा नगरेको कुरा र म्याद नाघी पेश भएको भए जरिवाना तिरेको रकम,
- निर्णय अनुसार बोनस शेयर जारी गरी म्यादभित्र विवरण पेश भएको ।
- (ग) कम्पनीले डिबेचर उठाउँदा ऐनमा गरिएको व्यवस्था गरे नगरेको कुरा,
- डिबेचर नउठाएको ।
- (घ) शेयरधनी वा डिबेचरवालाको दर्ता किताबको निरीक्षण बन्द गरेको मिति, पटक सो सम्बन्धमा ऐनका पालना गरेको वा नगरेको कुरा,
- ऐनको व्यवस्था पालना गरेको ।
- (ङ) कम्पनीले शेयर जफत गरेको भए ऐनका व्यवस्थाहरू पालना गरेको वा नगरेको कुरा,
- हालसम्म कुनै शेयर जफत नगरेको ।
- (च) कम्पनीको खुद सम्पति घट्न गई चुक्ता पूँजीको आधा वा सो भन्दा कम भएको भए सो सम्बन्धमा सञ्चालक समितिले ऐन बमोजिमको जिम्मेवारी पूरा गरेको वा नगरेको कुरा,
- कम्पनीको खुद सम्पति घट्न नगएको र चुक्ता पूँजीको आधा वा सो भन्दा कम नगरेको ।
- (छ) कम्पनीले आफ्नो शेयर आफैले खरीद गरेको भए खरीद गरेको मिति र सो सम्बन्धमा ऐनका व्यवस्थाहरू पालना गरेको वा नगरेको कुरा,
- हालसम्म आफ्नो शेयर आफैले खरीद नगरेको ।
- (ज) कम्पनीले ऐन बमोजिम वार्षिक साधारण सभा गरे नगरेको कुरा, वार्षिक साधारण सभाको सूचना, गणपूरक संख्या, स्थान लगायतका विषयहरूमा ऐनको व्यवस्थाहरू पालना भएको वा नभएको कुरा, वार्षिक साधारण सभाको निर्णय विवरण रीतपूर्वक अभिलेख गरेको वा नगरेको कुरा,
- कम्पनीले ऐन बमोजिम वार्षिक साधारणसभा गरेको र सभाको निर्णय विवरण रीतपूर्वक अभिलेख गरेको ।
- (झ) कम्पनीले विशेष साधारण सभा गरेको भए सो गरेको मिति र सो सम्बन्धमा ऐनको व्यवस्थाहरू पालना भएको वा नभएको कुरा,
- विशेष साधारण सभा मिति २०७४/०८/२९ मा भएको र सो विशेष साधारण सभामा ऐनको व्यवस्थाहरू पूर्ण पालना भएको ।
- (ञ) कम्पनीले देहाय बमोजिमका विवरण वा सूचना म्यादभित्र कार्यालयमा पेश गरेको वा नगरेको कुरा:
- | | |
|--|---|
| (१) कम्पनीको प्रबन्धपत्र र नियमावलीमा भएको संशोधन ।
- म्यादभित्र पेशगरेको । | (८) वार्षिक साधारण सभा गर्नुभन्दा कम्तीमा एक्काइस दिन अघि पेश गर्नुपर्ने प्रतिवेदन ।
- म्यादभित्र पेशगरेको । |
| (२) शेयर बाँडफाँडको विवरण ।
- म्यादभित्र पेशगरेको । | (९) वार्षिक साधारण सभाको विवरण र वार्षिक आर्थिक विवरणहरू ।
- म्यादभित्र पेशगरेको । |
| (३) धितोपत्र व्यवसायी र कम्पनी बीच भएको सम्झौता ।
- त्यस्तो सम्झौता नभएको । | (१०) लेखापरीक्षकको नियुक्तिको जानकारी ।
- म्यादभित्र जानकारी गराएको । |
| (४) शेयरमा रहेको हक सम्बन्धी जानकारी ।
- लागू नहुने । | (११) कम्पनीको रजिष्टर्ड कार्यालय रहेको ठेगाना परिवर्तन गरिएको भए सोको जानकारी ।
- ठेगाना परिवर्तन नगरीएको । |
| (५) शेयर, डिबेचर र ऋणको लगत ।
- म्यादभित्र पेशगरेको । | (१२) कम्पनीका सञ्चालकहरूको निजी स्वार्थ रहेको विषयमा गराएको जानकारी ।
- निजी स्वार्थको विषय नरहेको । |
| (६) आफ्नो शेयर आफैले खरीद गरेकोमा सो सम्बन्धी जानकारी ।
- लागू नहुने । | |
| (७) अग्राधिकार शेयर फिर्ता लिएको भए सो सम्बन्धी जानकारी ।
- लागू नहुने । | |

- (ठ) कम्पनीका पदाधिकारीहरूले कम्पनीमा बुझाउनुपर्ने देहायका लिखतहरू बुझाएको वा नबुझाएको कुरा:
- (१) आफ्नो निज स्वार्थ रहेको विषयमा सञ्चालकले गराउनुपर्ने जानकारी ।
 - (२) कम्पनीको सञ्चालक वा निजको नजिकको नातेदारले कम्पनीको शेयरमा हक प्राप्त गरेको जानकारी ।
 - (३) आफू आधारभूत शेयरधनी हुन पुगेको वा आधारभूत शेयरधनी नरहेकोमा त्यस्तो शेयरधनीले कम्पनीलाई गराउनुपर्ने जानकारी ।
 - (४) अन्य कसैको हक वा लगानी ।
- कम्पनीका पदाधिकारीहरूले कम्पनीमा बुझाउनुपर्ने उपरोक्त जानकारी तथा लिखतहरू बुझाएको ।
- (ठ) कम्पनीको सञ्चालक, प्रबन्ध सञ्चालक वा प्रमुख कार्यकारी अधिकृतको नियुक्ति, निजहरूको कार्यकाल, पारिश्रमिक, भत्ता र सुविधा ऐन बमोजिम रीतपूर्वक भएको वा नभएको कुरा ।
- ऐन बमोजिम रीतपूर्वक भएको ।
- (ड) ऐन बमोजिम कम्पनीमा स्वतन्त्र सञ्चालकको नियुक्ति भएको वा नभएको कुरा ।
- ऐन बमोजिम भएको ।
- (ढ) कम्पनीको सञ्चालक समितिको बैठक कहिले बस्यो, सञ्चालक समितिको बैठकको न्यूनतम संख्या, सो सम्बन्धी सूचना र निर्णय विवरणका लगायतका विषयहरूमा ऐनका व्यवस्थाहरूको पालना भएको वा नभएको कुरा ।
- ऐनका व्यवस्थाहरूको पालना भएको ।
- (ण) कम्पनीले आफ्नो सञ्चालक वा निजको नजिकको नातेदारसँग कुनै अर्थपूर्ण कारोबार गरेको भए त्यस्तो कारोबार गर्न साधारण सभाको स्वीकृति लिएको वा नलिएको कुरा ।
- त्यस्तो कारोबार नभएको ।
- (त) कुनै सञ्चालकले कम्पनी मार्फत आफुलाई व्यक्तिगत फाइदा हुने काम गरेको भए साधारण सभाको निर्णय बमोजिम त्यस्तो फाइदा लिएको हो वा होइन सो कुरा ।
- सञ्चालकहरूले आफुलाई व्यक्तिगत फाइदा हुने काम नगरेको ।
- (थ) कम्पनीले सञ्चालन गरी आएको व्यवसायको सतरी प्रतिशत भन्दा बढी व्यवसाय विक्री गर्दा वा कुनै व्यहोरा ले हक छेडिदिँदा, चुक्ता पूँजी र सञ्चित मुनाफाको जम्मा रकम भन्दा बढी हुने गरी ऋण लिँदा वा एक आर्थिक वर्षमा पचास हजार रुपैयाँ वा कम्पनीको विगत तीन आर्थिक वर्षको सरदर खुद मुनाफाको एक प्रतिशतले हुन आउने रकम मध्ये जुन कम हुन्छ सो रकमभन्दा बढीको चन्दा वा अनुदान दिएको भए साधारण सभाबाट विशेष प्रस्ताव पारित गरेको वा नगरेको कुरा सो सम्बन्धी व्यहोरा ।
- यस्तो अवस्था विद्यमान हुँदा विशेष प्रस्ताव पेश गरि पारित गर्ने गरेको ।
- (द) ऐन बमोजिम कम्पनीले राख्नुपर्ने देहाय बमोजिमका दर्ता किताबहरू खडा गरी कम्पनीको रजिष्टर्ड कार्यालयमा राखेको वा नराखेको कुरा सुलाउने:
- (१) शेयरधनीको दर्ता किताब : शेयर रजिष्ट्रारको कार्यालयमा रहेको ।
 - (२) डिवेन्चरवालाको दर्ता किताब : डिवेन्चर जारी नभएको ।
 - (३) सञ्चालक तथा कम्पनी सचिवको दर्ता किताब : कम्पनीमा रहेको ।
 - (४) कम्पनीले अर्को कम्पनीलाई दिएको सापटी, अर्को कम्पनीले लिएको ऋण बापत दिएको जमानत वा कम्पनीको धितोपत्रमा गरेको लगानीको विवरण : कम्पनीमा रहेको ।
- (ध) ऐन बमोजिम कम्पनीले वार्षिक आर्थिक विवरणहरू लेखापरीक्षण गराएको वा नगराएको कुरा ।
- कम्पनीले वार्षिक आर्थिक विवरणहरू ऐन बमोजिम लेखापरीक्षण गराएको ।
- (न) कम्पनीले ऐन बमोजिम सञ्चालक समितिको प्रतिवेदन तयार गरेको वा नगरेको कुरा ।
- सञ्चालक समितिको प्रतिवेदन ऐन बमोजिम गरेको ।
- (प) ऐन विपरीत कम्पनीले आफ्ना सञ्चालक, पदाधिकारी, आधारभूत शेयरधनी वा निजहरूको नातेदारहरूलाई ऋण प्रदान गरेको वा नगरेको कुरा ।
- लागू नहुने ।
- (फ) कम्पनीले डिष्काउन्टमा शेयर जारी गरेको भए सो सम्बन्धमा ऐनका व्यवस्थाहरूको पालना गरेको वा नगरेको कुरा ।
- डिष्काउन्टमा शेयर जारी नगरेको ।
- (ब) कम्पनीले बोनस शेयर जारी गरेको भए सो सम्बन्धमा ऐन बमोजिमका व्यवस्थाहरूको पालना भएको वा नभएको कुरा ।
- बोनस शेयर जारी गर्दा ऐन बमोजिमका व्यवस्थाहरूको पालना भएको ।

- (भ) कम्पनीले प्रिमियम मूल्यमा शेयर जारी गरेको भए सो सम्बन्धमा ऐन बमोजिमका व्यवस्थाहरूको पालना भएको वा नभएको कुरा ।
- प्रिमियम मूल्यमा शेयर जारी नगरेको ।
- (म) कम्पनीले आफ्नो शेयर खरीद गर्न आफ्ना शेयरधनी वा अन्य व्यक्तिलाई कुनै ऋण वा आर्थिक सहयोग प्रदान गरेको वा नगरेको कुरा ।
- त्यस्तो सहयोग प्रदान नगरेको ।
- (य) कम्पनीको स्वार्थसँग बाकिन सक्ने आफ्ना निजी स्वार्थहरू भए सो सम्बन्धमा कम्पनीलाई तोकिएको म्यादभित्र जानकारी गराएको वा नगराएको कुरा ।
- निजी स्वार्थ नदेखाएको ।
- (र) सञ्चालकले आफ्नो कम्पनी वा सो कम्पनीको सहायक वा प्रमुख कम्पनीको अन्य सहायक कम्पनीको शेयर वा डिभेन्चरमा हक प्राप्त गरेको भए म्यादभित्र कम्पनीलाई जानकारी गराएको वा नगराएको कुरा ।
- कम्पनीले त्यस्तो हक प्राप्त नगरेको ।
- (ल) कम्पनीले लाभान्श वा अन्तरिम लाभान्श बाँड्दा ऐनको पालना गरेको वा नगरेको कुरा ।
- ऐनको पालना गरेको ।
- (व) कम्पनीका साधारण सभामा शेयरधनीलाई लाभान्श बाहेक कम्पनीको कोषमा व्ययभार पर्ने गरी नगद वा जिन्सीको रूपमा कुनै रकम भुक्तानी गरेको वा नगरेको कुरा ।
- नगरेको ।
- (श) कार्यालयबाट कम्पनीलाई कुनै निर्देशन दिएको भए सो निर्देशनको पालना भएको वा नभएको कुरा ।
- निर्देशनको पालना गरेको ।
- (ष) सूचीकृत कम्पनी भए वार्षिक साधारण सभाको सूचनाको साथमा संक्षिप्त आर्थिक विवरण शेयरधनीलाई पठाएको वा नपठाएको कुरा ।
- लागू नहुने ।
- (स) लेखापरीक्षण समिति गठन गर्नुपर्ने सूचीकृत कम्पनी भए ऐन बमोजिम त्यस्तो समिति गठन गरिएको वा नगरिएको कुरा ।
- लागू नहुने ।
- (ह) ऐनको उल्लंघन गरेको अभियोगमा कम्पनी विरुद्ध कुनै कारबाही चलिरहेको वा त्यस्तो कसूर ठहर भई कम्पनीले कुनै दण्ड सजाय व्यहोर्नु परेको भए सो को व्यहोरा ।
- नभएको ।
- (क्ष) ऐनको दफा ८१ अनुसार कम्पनीका सञ्चालक तथा पदाधिकारीले कार्यालयलाई तिरेको जरिवानाको विवरण ।
- कुनै जरिवाना नलागेको ।
- (त्र) कम्पनीको सुशासन तथा पारदर्शिताको दृष्टिकोणबाट कम्पनी सचिवले खुलाउन आवश्यक ठानेका अन्य आवश्यक कुराहरू ।
- त्यस्तो खुलाउनु पर्ने कुनै व्यहोरा नरहेको ।
- (त) अन्य आवश्यक कुरा केही नभएको ।

प्रस्तुत प्रतिवेदन यस कम्पनीको मिति २०७५/०५/२९ मा बसेको ६२ औं सञ्चालक समितिको बैठकबाट पारित भएको व्यहोरा प्रमाणित गर्दछौं ।

मेख बहादुर थापा
कम्पनी सचिव

सि. विजय राज धिमिरे
सामकेदार, जी एण्ड जी एसोसियट्स
चार्टर्ड एकाउन्टेन्ट्स
मिति : २०७५/०५/३१

जी एण्ड जी एसोसिएट्स
G & G Associates
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDER OF
NIBL ACE CAPITAL LIMITED.**

Dear Shareholders,

Report on the Financial Statements

We have audited the accompanying financial statements of NIBL Ace Capital Ltd., which comprise the statement of financial position as at 32 Asadh 2075(16 July 2018), and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of financial statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



Basis for Qualified Opinion

Employment Benefits

As described in Point No. 18 of 'Notes to the Accounts', valuation of defined benefit obligation has not been carried out with actuarial assumptions which is not in line with NAS 19 which requires to exercise the judgment in relation to various assumptions including rise in future pay, inflation, discount rates and employee demographics.

Qualified Opinion

In our opinion, except for the effect of the matter described in 'Basis for Qualified Opinion' paragraph above, the financial statements give a true and fair view of the financial position of NIBL Ace Capital Ltd as at 32 Asadh 2075 (16 July 2018) and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

Report on the Requirements of the Companies Act, 2063

Based on our audit, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of such books of accounts;
- iii) In our opinion, Statement of Financial Position, Statement of Comprehensive Income and Statement Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- iv) To the best of our information and according to explanation given to us and from our examination of the books of account of the company necessary for the purpose of our audit, we have not come across cases where the board of directors or any representative or any employee of the company have acted contrary to the provisions of laws relating to accounts or committed any misappropriation or caused any loss or damage to the company.



CA Bijaya Raj Ghimire
Partner
G & G Associates,
Chartered Accountants

Date: 2075/05/22
Place: Kathmandu

Statement of Financial Position

For the Financial Year 2074/75 (2017/18) As at Ashad 32, 2075 (16 July 2018)

'Amount in Rs'

Particulars		As at	As at	As at
	Notes	16 July 2018	15 July 2017	16 July 2016
STOCKHOLDERS' EQUITY:				
Paid in capital	7	270,000,000	101,500,000	101,500,000
Retained earnings	8	79,423,123	157,216,163	74,002,356
Total Stockholders' Equity		349,423,123	258,716,163	175,502,356
NON CURRENT LIABILITIES				
Deferred Tax Liability	6.3	-	2,908,226	2,121,156
Employment Benefits		3,080,668	1,432,470	681,745
Total Non-Current Liabilities		3,080,668	4,340,696	2,802,901
CURRENT LIABILITIES				
Trade and Other Payables	10.1	2,200,336,810	1,456,458,794	4,246,007,362
Other Current Liabilities	10.2	14,814,308	18,603,002	20,731,983
Provisions	19	3,363,715	-	-
Total Current Liabilities		2,218,514,833	1,475,061,796	4,266,739,345
Total Liabilities and Stockholders' Equity		2,571,018,624	1,738,118,655	4,445,044,602
NON-CURRENT ASSETS				
Property, plant and equipment	11	29,940,526	28,629,919	21,996,022
Intangible Assets	12	1,359,160	933,851	1,294,616
Investments	14	250,000	-	-
Staff Loan		8,289,791	6,685,440	354,501
Total Non-Current Assets		39,839,477	36,249,210	23,645,139
CURRENT ASSETS				
Investments	14	328,898,876	103,252,187	68,693,462
Trade Receivables, advances and deposits	16.1	39,354,236	35,078,760	57,580,339
Current Tax Assets	6.2	16,960,922	15,682,176	13,298,042
Deferred Tax Asset	6.3	3,579,618		
Cash and cash equivalents	16.2	2,142,385,496	1,547,856,323	4,281,827,621
Total Current Assets		2,531,179,148	1,701,869,445	4,421,399,463
Total Assets		2,571,018,624	1,738,118,655	4,445,044,602

Sachin Tibrewal
Chairman

Binod Kumar Guragain
Director

Deepak Kumar Shrestha
Director

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ram Krishna Khatiwada
Director

Shivanth B. Pandé
CEO

Mekh Bahadur Thapa
General Manager

Anup Shakya
Head Accounts, Business Support

As per our report of even date,

2075, Bhadra 22
Kathmandu, Nepal

CA Bijaya Raj Ghimire
Partner
G&G Associates
Chartered Accountants

Statement of Comprehensive Income

For the Financial Year 2074/75 (2017/18) As at Ashad 32, 2075 (16 July 2018)

'Amount in Rs'

Particulars	For the Year Ended		
	Notes	16 July 2018	15 July 2017
Revenue:			
Revenue from operation	3.1	100,108,665	121,158,843
Other income	3.2	63,827,548	107,493,948
Net changes in gain/(losses) on financial assets and liabilities at FVTPL	14.1	(16,353,167)	3,671,330
Total revenue		147,583,046	232,324,121
Expenses:			
Operating Expenses	4	11,290,830	23,271,730
General and Administrative Expenses	5	65,730,708	50,564,861
Depreciation and Amortization	11 & 12	8,001,371	6,431,243
Employee Bonus Expenses		6,256,014	13,503,292
Total expenses		91,278,925	93,771,125
Income before income taxes		56,304,123	138,552,995
Tax expense /(income)	6.1	11,634,138	35,039,189
Net income		44,669,985	103,513,806
Other Comprehensive income		-	-
Net Profit/(Loss) and Other Comprehensive Income/(loss) for the year		44,669,985	103,513,806

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Director

Deepak Kumar Shrestha
Director

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General Manager

Anup Shakya
Head Accounts, Business Support

As per our report of even date,

CA Bijaya Raj Ghimire
Partner
G&G Associates
Chartered Accountants

2075, Bhadra 22
Kathmandu, Nepal



Statement of Cash Flow

For the Peroid Shrawn 1, 2074 to Ashad 32, 2075 (16 July 2017 to 16 July 2018)

'Amount in Rs'

A .Cash Flows From Operating Activities:	FY 2017.18(Rs)	FY 2016.17 (Rs)
Cash Inflows	176,936,234	242,533,941
Interest Income	43,119,458	101,912,669
Issue and Sales Management	5,910,223	9,774,864
Underwriting Fee	22,063,863	2,201,113
Share Registrar	4,274,512	3,799,901
Portfolio Management	2,850,199	4,672,217
Fund Management Fee	34,816,891	24,487,890
MF Depository	10,466,994	7,004,982
DP Income	16,813,472	13,755,417
Collection and Refund Commission	6,248,754	48,170,762
Income from Investment-FD	14,148,008	4,835,754
Income from Investment	5,464,795	1,971,387
Other Income	10,759,065	19,946,985
Cash Outflows	105,184,545	115,008,787
SEBON Fee	3,703,416	2,533,701
CDS Fee	2,335,699	1,441,113
DP Commission Expense	1,062,074	1,665,660
Staff Expenses	51,319,604	38,989,500
Office and other Overhead Expenses	28,209,560	33,742,559
Income Tax Paid	18,554,192	36,636,254
Cash Flow Before Changes in Working Capital	71,751,689	127,525,154
(Increase)/Decrease in Current Assets	(247,950,703)	(38,979,572)
(Increase)/Decrease in Short Term Investments	(242,249,855)	(31,038,646)
(Increase)/Decrease in Other Assets	(5,700,848)	(7,940,926)
Increase/(Decrease) in Liabilities	734,428,499	(2,789,512,507)
Increase/(Decrease) in Other Liabilities	734,164,013	(2,786,808,481)
Increase/(Decrease) in Sundry Creditors	264,486	(2,704,027)
Net Cash Flows from Operating Activities	558,229,485	(2,700,966,925)
B. Cash Flows from Investing Activities:	(9,737,288)	(12,704,374)
Purchase of Fixed Assets	(11,271,727)	(12,704,374)
Proceeds from disposal of Fixed Assets	1,534,439	-
C. Cash Flows from Financing Activities:	46,036,976	(20,300,000)
Increase/(Decrease) in Share Capital	71,411,976	-
Increase/(Decrease) in Long Term Loan	-	-
Dividend Paid	(25,375,000)	(20,300,000)
Current Year's Cash Flow from All Activities	594,529,173	(2,733,971,299)
Opening Balance of Cash and Bank Balance	1,547,856,323	4,281,827,621
Closing Balance of Cash and Bank Balance	2,142,385,496	1,547,856,323

Sachin Tibrewal
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Binod Kumar Guragain
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CEO

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General Manager

Anup Shakya
Head Accounts, Business Support

2075, Bhadra 22
Kathmandu, Nepal

As per our report of even date,

CA Bijaya Raj Ghimire
Partner
G&G Associates
Chartered Accountants

**Statements of Changes in Shareholders' Equity**

For the Financial Year 2074/75 (2017/18) As at Ashad 32, 2075 (16 July 2018)

'Amount in Rs'

Particulars	Accumulated Other Comprehensive Income/(Losses)						Total Equity
	Share Capital	Net unrealized gain (loss) on available-for-sale investments	Net actuarial gain (loss) on defined benefit plans	Other	Total Accumulated Other Comprehensive Income (Loss)	Retained Earnings	
Balance at 16 July 2016	101,500,000	-	-	-	-	74,002,356	175,502,356
Net income	-	-	-	-	-	103,513,807	103,513,807
Other comprehensive (loss) income	-	-	-	-	-	-	-
Dividends (Distributed)/ Recapitalized	-	-	-	-	-	(20,300,000)	(20,300,000)
Shares issued for dividend reinvestment plan	-	-	-	-	-	-	-
Transfer of net actuarial loss on defined benefit plans	-	-	-	-	-	-	-
Addition through Business Combination	-	-	-	-	-	-	-
Balance as at 15 July 2017	101,500,000	-	-	-	-	157,216,163	258,716,163
Net income	-	-	-	-	-	44,669,985	44,669,985
Other comprehensive (loss) income	-	-	-	-	-	-	-
Dividends Distributed/ Recapitalized	98,500,000	-	-	-	-	(123,875,000)	(25,375,000)
Shares issued for dividend reinvestment plan	-	-	-	-	-	-	-
Transfer of net actuarial loss on defined benefit plans	-	-	-	-	-	-	-
Addition through Business Combination	70,000,000	-	-	-	-	1,411,976	71,411,976
Balance as at 16 July 2018	270,000,000	-	-	-	-	79,423,123	349,423,123

Notes to the Financial Statements for the period ended Ashad 32, 2075 (16 July 2018)

1. Corporate Information

NIBL Ace Capital Limited is a limited liability company incorporated in Nepal at office of company registrar (OCR) under Companies Act of Nepal with its registered office at Lazimpat, Kathmandu. The Company is a subsidiary of Nepal Investment Bank Limited.

The company has been established with objectives of providing merchant banking services in Nepal. The company has obtained merchant banking license from Securities Board of Nepal (SEBON) and also has obtained license of Depository participant from SEBON and CDS & Clearing Limited.

The Company is engaged in business of issue and sales management, underwriting, portfolio management, share registrar, depository participants and other advisory services. The Company is also fund manager and mutual fund depository for NIBL mutual fund and currently manages two schemes namely NIBL Samridhi Fund-1 and NIBL Pragati Fund.

The financial statements have been authorized for issue on 7 September 2018 by the Board of Directors.

2. Basis of preparation and presentation of financial statements

2.1. Statement of compliance

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS). These financial statements are also prepared in accordance with the relevant presentation requirements of the Companies Act, 2063 of Nepal.

The financial statements have been prepared under historical cost convention basis except for the items that are measured and presented at fair value as required by relevant NFRS as explained in respective notes. These financial statements cover the reporting period from 1st Shrawan 2074 to 32 Ashad 2075.

These financial statements for the year ended 32 Ashad 2075 are the first financial statement prepared under NFRS. Financial statements for all period up to and including the year ended 31 Ashad 2074 were prepared in accordance with Nepal Accounting Standards (previous GAAP) which was used for its statutory purposes before adopting NFRS. The comparative information presented in these financial statements has been restated in accordance with NFRS for the effect of transition from previous GAAP to NFRS. Reconciliation to statement of financial position, statement of comprehensive income has been presented under Note 22.

2.2. Basis of preparation

The financial statements are prepared on accrual and going concern basis. The accounting policies are applied consistently to all the period presented in the financial statements including the preparation of the opening NFRS Statement of financial position as at 1 Shrawan 2073 being the date of transition to NFRS.

2.3. Business Combination

NIBL Capital was merged with ACE Capital on 28 Magh 2074, which led to the entity name changed to NIBL ACE Capital Limited. The business combination of both entities was result of the merger of their parent i.e. Ace Development Bank Limited, parent of Ace Capital, was merged to Nepal Investment Bank Limited, parent of NIBL Capital, which resulted into the business combination under common control.

Since the business combinations under common control are outside of scope of NFRS 3 Business Combination, the management determines in its best judgment to use 'Pooling of interest method' to report the event of business combination. Pooling of interest method involves accounting for the assets and liabilities of the acquired business using existing carrying values that:

- ❖ the acquired assets and liabilities are recorded at their existing carrying values rather than at fair value
- ❖ no goodwill or bargain purchase gain is recorded
- ❖ Capital and reserves are pooled at their existing carrying value.

No comparatives information was restated for the effect of business combination, except to the extent of measurements as required due to First Time Adoption of NFRS.

2.4. Functional and presentation currency

These financial statements are prepared in Nepalese Rupee, which is functional currency of the company. All amounts have been rounded to the nearest rupee, unless otherwise indicated. Functional currency is the currency of the primary economic environment in which the Company operated. Company's all transactions including income, investment and expenses are denominated in Nepalese Rupee, which the management determines to be the functional currency of the Company.

2.5. Accounting policies, judgments and estimates

Preparation of financial statements in accordance with Nepal Financial Reporting Standards (NFRS) requires the management to make use of significant accounting policies, judgments and estimates that affect the reported amount of asset and liabilities, income and expenses, and disclosures of contingent items during the reporting period. These accounting policies adopted are used on consistent basis. Estimates are reviewed on continuous basis. Revision to accounting estimates are recognized in the period in which the estimates are revised.

The significant accounting policies adopted, judgments and estimates while preparing these financial statements in accordance with NFRS are set out in corresponding notes.

3. Revenue

Revenue is recognized on accrual basis and is measured at the fair value of the consideration received or receivable. The management of the Company determines the amount of revenue based on the applicable service agreement. Fees and commission arising from transactions are recognized on basis of completion of underlying transaction. Accounting policies, estimates and judgments used by management for each item of revenue is detailed below:

Item of revenue	Accounting policy, significant estimates and judgments used for revenue recognition		
Issue management fee	Issue management fee is recognized based on completion of work for the issue of securities and amount of certainty that is recoverable and is estimated to flow into the Company. Management determines that the volume of work is completed to the extent of fifty percent of total work at time of signing of agreement for issue management, hence accordingly recognizes fifty percent of total fee as income from issue management immediately after signing the contract which is generally nonrefundable. The rest of fee is recognized as income when allotment of issue is completed.		
Collection commission	Collection commission is recognized as revenue after allotment is completed. The ASBA commission income is also included in collection commission revenue.		
Refund commission	Refund commission income is recognized one month after the certificate distribution has been started. However, refund commission revenue is recognized when allotment is made for issue management whose refund commission has been predetermined.		
Underwriting fee	Underwriting fee is recognized based on the recoverability of fee and non-refundability of fixed amount of fee. Management estimates that recoverability of fee can be reliably measured at the date of issue.		
RTS & RTA fee	RTS/ RTA fee is recognized on accrual basis of service offered throughout the year.		
Mutual fund depository and fund management fee	Fund management and depository fee revenue is recognized as per the rate agreed with the fund sponsor based on the fund size as guided by Mutual Fund Regulation 2067. Following is the agreed rate for fund management and depository fee for each scheme of mutual fund:		
	Fund	Fund management fee	Depository fee
	NIBL Samriddhi Fund 1	1.75 %	0.50 %
	NIBL Pragati Fund	1.50 %	0.50 %
Portfolio management fee	Entry load is recognized as revenue when agreement with client is signed. Performance fee and annual fee is recognized as revenue when it is due.		
Depository participants (DP) fee	Due to high uncertainty on receivables of DP income that will flow to the entity, management estimates that the income recognized on realized income basis shall provide reliable and more relevant information about the effects of transactions, and conditions on financial performance of the entity. DP income is recognized on realized basis on the rate given in CDS Bylaws and the regulations issued by the SEBON.		
Dividend income	Dividend income is recognized when right to receive is established. Management determines the right to receive is established when shareholders approve the resolution of dividend distribution by the entity at general meeting of shareholders.		
Interest income	Interest income is recognized using effective interest rate method.		
Other income	Other incomes are recognized when it is probable that consideration associated with the transaction will flow to the company and the amount of revenue can be measured reliably.		

3.1. Revenue from operation

Following table summarizes the operating revenue recognized during the period:

'Amount in Rs'

Particulars	FY 2017.18	FY 2016.17
Issue and Sales Management Income	6,619,823	8,771,802
Underwriting Fee	9,857,471	1,644,550
Share Registrar Income	5,433,521	4,084,426
Portfolio Management Service Income	2,940,149	4,664,099
Fund Management Fee	30,473,163	30,631,984
Mutual Fund Depository Fee	9,161,386	9,027,584
DP Income	16,813,472	13,755,417
Collection Commission Income	8,390,918	10,278,210
Refund Commission Income	1,188,839	19,323,863
Advisory Income	154,999	150,000
Other operating income	9,074,923	18,826,908
Total	100,108,665	121,158,843

Underwriting fee of Rs 6,233,852 has not been recognized during the period despite the clause of non-refundability in underwriting agreement. Management foresees changes in circumstances of underwriting business and realizes that the amount of revenue cannot be reliably measured for transactions related to the above amount.

3.2. Other income

Following table summarizes other income recognized during the period:

'Amount in Rs'

Particular	FY 2017.18	FY 2016.17
Interest Income	58,362,754	105,673,811
Dividend Income	3,295,208	1,820,137
Return on Investment on Mutual Fund	2,169,586	-
Total	63,827,548	107,493,948

4. Operating Expenses

Following table summarizes other income recognized during the period:

'Amount in Rs'

Particular	FY 2017.18	FY 2016.17
SEBON Fee as per merchant bank regulation 5%	4,306,820	3,665,107
CDS Fee	2,991,950	1,927,650
DP Commission Expenses	1,662,165	1,425,028
Underwriting & Collection Commission Expenses	1,417,270	2,032,157
Refund Commission Expenses	-	3,023,915
IPO Advertisement	53,225	2,796,155
Printing & Stationary Issue	236,315	4,292,020
Allotment committee meeting allowance	11,765	1,302,845
Statutory & Registration Fee- Issue	471,319	1,573,585
CDS Corporate Action Charge Expenses	140,001	1,233,268
Total	11,290,830	23,271,730

5. General and Administrative Expenses

'Amount in Rs'

Particular	FY 2017.18	FY 2016.17
Employee Costs	39,201,440	32,189,636
Employee Training and Development	612,478	642,022
Office Advertisement and Business Promotion Expenses	8,358,826	1,966,074
AGM Expenses	89,954	69,509
Membership Fee, Renewal and Subscription Fee	1,395,979	404,781
Audit Fee	480,250	429,400
Audit Expenses	24,009	45,376
Bank Charges	101,595	515,040
Professional Fee	226,000	20,000
Office Expenses	3,149,057	1,555,870
Printing, Stationary and Periodicals	3,243,090	4,841,329
Communications & Postage & Couriers	1,561,548	583,350
Travel and Vehicle related Costs	726,112	724,314
Insurance	133,749	238,448
Rental	1,016,782	667,885
Software Expenses – Office, Issue & RTA	2,339,632	1,416,182
Repair and Maintenances	735,624	507,823
Receivable w/o	-	785,681
Meeting Expenses	611,000	430,000
Miscellaneous Expenses	238,531	364,695
Data Management and Entry Fee	312,864	1,567,447
Management Fee	600,000	600,000
ICRA Rating Expenses - RTA	572,188	-
Total	65,730,708	50,564,861

6. Income taxes

Tax Expense for the year

Tax expense/ (tax income) comprises current tax expense/ (current tax income) and deferred tax expense (deferred tax income).

Current tax

Current tax is the expected tax payable on taxable income for the year calculated as per taxation law and rates applicable at date of statement of financial position. Current tax expenses include any adjustments to income tax payable or recoverable in respect of previous years.

Deferred tax

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

Current and deferred tax for the year

Current and deferred tax for the year are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case current and deferred tax are also recognized in other comprehensive income or equity respectively.

Offsetting of current and deferred tax assets and liabilities

Current and deferred tax assets and liabilities are offset when the company has legally enforceable right to offset the recognized amount and intention to settle on net basis.

Changes in applicable tax rate

Applicable income tax rate has been changed from 25 % to 30 % effective from 1st Shrawan 2075. As a result of such increment in applicable tax rate, deferred tax balances have been measured at 30 %, which is the applicable tax rate in which deferred tax balances are expected to be reversed or realized. The impact of such change has been recognized in tax expense in statement of comprehensive income.

6.1. Income tax expenses

Following is the details of tax expenses recognized in statement of comprehensive income.

'Amount in Rs'

Particulars	Year Ended	Year Ended
	16 July 2018	15 July 2017
Current tax expenses		
in respect of current year	17,718,801	34,342,393
in respect of prior years	(443,354)	(90,272)
	17,275,447	34,252,121
Deferred tax expenses/ (income)		
In respect of current year	(5,641,309)	787,068
Total income tax expenses recognized in current year	11,634,138	35,039,189

Following table shows the reconciliation of tax expenses with the product of accounting profit multiplied by applicable tax rate.

'Amount in Rs'

Particulars	Year Ended	Year Ended
	16 July 2018	15 July 2017
Profit/ (loss) before tax for the year	56,304,123	138,552,995
Income tax expenses calculated at 25 %	14,076,031	34,638,249
Effect of incomes that are not taxable for the year		
Net changes in unrealized gain of financial asset at FTVTL	-	(880,020)
Dividend Income	(823,802)	(688)
Effect of expenses that are not deductible for taxation		
Depreciation and amortization and other expenses	2,480,802	2,393,326
Net changes in unrealized (loss) of financial asset at FTVTL	4,088,292	-
Effect of expenses that are deductible for taxation		
Depreciation and amortization as per tax law	(2,102,521)	(1,808,475)
Tax credit (used)/ carried forward	-	-
Current Tax Expenses	17,718,801	34,342,393

6.2. Current tax asset or liabilities

'Amount in Rs'

Particulars	Year Ended	Year Ended
	16 July 2018	15 July 2017
Current tax assets		
Opening balance (net offset with current tax liabilities)	15,682,176	13,298,042
+ Tax receivable during the year	19,548,201	36,726,526
Closing balance (A)	35,230,377	50,024,568
Current tax liabilities		
Opening balance (net offset with current tax assets)	-	-
+ Current tax payable during the year	17,718,801	34,342,393
+ Tax payable due to Business Combination	550,654	-
Closing balance (B)	18,269,455	34,342,393
Net current tax asset/ (liabilities) (A-B)	16,960,922	15,682,176

6.3. Deferred tax asset or liabilities*'Amount in Rs'*

Particulars	Carrying Value	Tax Base	Difference
Fixed Assets	31,299,686	30,521,821	(777,865)
Provision for Gratuity	1,959,815	-	1,959,815
Provision for Leave	1,120,853		1,120,853
Provision for Expenses	3,363,715		3,363,715
Investment	329,148,876	335,414,418	6,265,542
Total Temporary Difference			11,932,060
Total Deferred tax Assets/(Liabilities) for the Year			3,579,618
Deferred Tax Liabilities up-to Previous Year (NIBL Capital)			(2,908,226)
Deferred Tax Assets Balance acquired through Business Combination			846,535
Net Deferred Tax Assets/(Liabilities) up to Previous Year			(2,061,691)
Deferred Tax Income /(Expense) of this Year			5,641,309

7. Share Capital

The company applies NAS 32 Financial Instruments: Presentation to determine whether the contribution received is either outsiders' liability/debt or equity. Financial instruments issued or their component is classified as liabilities if contractual arrangements give rise to the Company having present obligation to either deliver cash or another financial asset, or a variable number of equity shares to the holders of instrument. Otherwise, it is recognized as equity instrument. Any incremental costs directly attributable to the issue of new shares are shown in equity as deduction from the proceeds.

Hence share capital represents residual interests of equity holders in the company. The company's share capital is as follows:

		As at 16 July 2018		As at 15 July 2017		As at 16 July 2016	
Particulars	Value per share	No of shares	Rs.	No of Shares	Rs.	No of Shares	Rs.
Authorized capital	100	5,000,000	500,000,000	5,000,000	500,000,000	5,000,000	500,000,000
Issued and sub-scribed capital	100	2,700,000	270,000,000	1,450,000	145,000,000	1,450,000	145,000,000
Paid in capital	100	2,700,000	270,000,000	1,015,000	101,500,000	1,015,000	101,500,000

Following is the reconciliation of outstanding no of shares at the reporting period end.

Particulars	As at 16 July 2018	AS at 15 July 2017
No of Paid in Capital at beginning	1,015,000	1,015,000
+ Additional issue of equity instruments	-	-
+ Issue of bonus shares	985,000	-
+ Acquired through business combination	700,000	-
No of paid shares outstanding at period end	2,700,000	1,015,000

8. Retained Earning

All accumulated profit less distribution is represented under retained earnings. Following is the table of retained earnings.

'Amount in Rs'

Particulars	As at	As at	As at
	16 July 2018	July 15, 2017	July 16, 2016
Opening Balance	157,216,163	74,002,356	16,676,800
+ Acquired through BC	1,411,976	-	-
+ Net Profit During the Year	44,669,985	103,513,807	57,325,556
- Distribution During the period	(123,875,000)	(20,300,000)	-
Closing Balance	79,423,123	157,216,163	74,002,356

Proposed Dividend

For the Fiscal year 2074/75, the board has proposed 15% cash dividend including tax, which is subject to approval from the General Meeting.

9. Capital Management

The primary objectives of capital management policy are to ensure that the Company complies with externally imposed capital requirements and that the company maintains strong credit ratings and healthy capital ratios in order to support its business and maximize shareholders value.

When managing capital, which is a broader concept than the equity in the statement of financial position, the objectives of the company are:

- ❖ To comply with the capital requirements set by the regulatory authority where the company operates
- ❖ To safeguard the company's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders; and
- ❖ To maintain a strong capital base to support the development of its business.

SEBON requires minimum of Rs 200,000,000 equity capital to carry out all services that the company provides.

The management monitors its capital structure and required level of regulatory capital requirement based on the changes in economic condition in which company operates. The management may adjust the structure by adopting the policies of dividend payments, issues of new shares, acquiring new or retiring existing debts.

10. Current Liabilities

The company classifies a liability as current when such liability is expected to be settled within twelve months after the reporting period end and it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period, and such liabilities are primarily held for ordinary purpose of business. Current liabilities of the company have been classified into different group of Trade and payables, other current liabilities and provision balances. Following tables details the current liabilities of the company.

10.1. Trade and Other Liabilities

Trade liabilities include the current liabilities directly related to the operating income or expenses.

'Amount in Rs'

Particulars	AS AT 16 July 2018	AS AT 15 July 2017	AS AT 16 July 2016
Issue Collection Refundable	1,926,450,066	1,414,318,899	4,215,123,669
RTS Client Dividend Warrant Payable	249,814,034	33,359,110	14,858,239
RTA Bonus and Tax Payables	1,714,888	1,554,869	35,815
CDS Fee Payable	1,750,460	1,094,209	607,673
SEBON Fee Payable	3,022,993	2,419,588	1,288,182
Interest expenses payables	2,956,583	2,009,668	-
Advance received from Customer	14,627,786	1,702,451	14,093,784
Total	2,200,336,810	1,456,458,794	4,246,007,362

10.2. Other current liabilities

Other current liabilities of the company include payable balances on account of general and administrative expenses. Following is the list of other current liabilities.

'Amount in Rs'

Particulars	AS AT 16 July 2018	AS AT 15 July 2017	AS AT 16 July 2016
Audit fee payable	473,875	379,100	334,500
Salary, Wages and Bonus Payable	6,697,477	13,791,908	7,023,697
Statutory Liabilities	1,099,312	407,062	9,364,909
Staff Housing loan insurance premium	102,940	102,940	-
Other sundry payables	6,440,704	3,921,992	4,008,877
	14,814,308	18,603,002	20,731,983

11. Property, Plant and Equipment

Recognition and measurement

Property, plant and equipment (PPE) are those tangible assets used for business operation, administrative purpose or for rental to others. An item of PPE is recognized at the statement of financial position at cost less accumulated depreciation and impairment allowances if any when it is probable that future economic benefits associated with such item of PPE for more than one accounting period will flow to the Company, and the cost of the item can be measured reliably.

Costs includes purchase price and directly attributable costs to bring the assets to the location and conditions of being operable as intended by the management and, for qualifying assets, borrowing costs capitalized in accordance with the Company's policies.

Depreciation

Depreciation is recognized to write off the costs of item of PPE less their estimated residual values using straight line method over their estimated useful lives and is recognized in statement of comprehensive income. Management estimates the useful life for each component of assets separately. Following estimations of useful life on each category of asset is used by management for depreciation.

Category of Assets	Estimated Useful Life
Data Processing Hardware	5 Years
Office Equipment	10 Years
Office Furniture and Fixtures	6.67 Years
Vehicles	6.67 Years
Leasehold assets	5 Years

De-recognition & Impairment

An item of PPE is de recognized upon disposal or when no future economic benefits are expected to flow to the Company from continued use of the asset. Any gain or loss arising on disposal or retirement of an item of PPE is determined as the difference between net sales proceeds and carrying amount of the assets and is recognized in statement of comprehensive income

Following is details of PPE.

'Amount in Rs'

Particulars	Vehicle	Data Processing Hardware	Office Equipment	Office Furniture & Fixtures	Leasehold Assets	Total PPE
(A) Cost or Valuation						
Opening balance as at 16 July 2016	9,799,900	12,257,682	303,519	4,883,350	-	27,244,451
Additions during the year	1,983,900	3,546,579	232,456	2,200,317	4,732,308	12,695,560
Disposal	-	-	-	-	-	-
Balance as at 15 July 2017	11,783,800	15,804,261	535,975	7,083,667	4,732,308	39,940,011
Additions during the year	-	3,795,670	647,702	2,306,086	1,201,281	7,950,739
Acquired through Business combination	30,300	1,665,730	275,138	408,513	46,024	2,425,705
Disposal	1,800,000	-	-	-	-	1,800,000
Balance as at 16 July 2018	10,014,100	21,265,661	1,458,815	9,798,266	5,979,613	48,516,454
(B) Accumulated Depreciation, amortization and impairment						
Opening balance as at 16 July 2016	2,355,093	1,941,450	15,522	936,365	-	5,248,429
Additions during the year	1,857,223	2,777,809	41,583	872,456	512,591	6,061,663
Deletion	-	-	-	-	-	-
Balance as at 15 July 2017	4,212,316	4,719,259	57,105	1,808,821	512,591	11,310,092
Additions during the year	1,562,525	3,555,305	98,638	1,249,355	1,065,574	7,531,398
Deletion	265,562	-	-	-	-	265,562
Balance as at 16 July 2018	5,509,280	8,274,564	155,743	3,058,177	1,578,165	18,575,929
(C) Carrying Amount						
As at 15 July 2017	7,571,484	11,085,002	478,870	5,274,845	4,219,718	28,629,919
As at 16 July 2018	4,504,820	12,991,097	1,303,072	6,740,089	4,401,448	29,940,526

Impairment losses for the year have not been provided on any assets and no assets have been pledged as security against any sort of borrowing or commitments.

12. Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and accumulated impairment losses. Amortization is recognized on straight line basis over their estimated useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for as per Note 2.6 Following estimate of useful life on each item of intangible assets is used by management.

Item of intangible asset	Estimated useful life
Software	5 Years

Intangible assets with indefinite useful lives that are acquired separately are carried at costs less any accumulated impairment losses.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gain or losses arising from derecognition of an intangible asset is measured as the difference between net proceeds from disposal and carrying amount of the asset and are recognized in statement of comprehensive income.

Following is the details of intangible assets as at the period end.

'Amount in Rs'

Particulars	Software (Rs)	Total Intangibles (Rs)
(A) Cost or Valuation		
Opening balance as at 15 July 2016	1,845,694	1,845,694
Additions during the year	8,814	8,814
Disposal	-	-
Balance as at 15 July 2017	1,854,508	1,854,508
Additions during the year	641,840	641,840
Acquired through Business Combination	253,443	253,443
Disposal	-	-
Balance as at 16 July 2018	2,749,791	2,749,791
(B) Accumulated Ammortization and Impairment		
Opening balance as at 15 July 2016	551,078	551,078
Additions during the year	369,580	369,580
Deletion	-	-
Balance as at 15 July 2017	920,658	920,658
Additions during the year	469,973	469,973
Deletion	-	-
Balance as at 16 July 2018	1,390,631	1,390,631
(C) Carrying Amount		
As at 15 July 2017	933,851	933,851
As at 16 July 2018	1,359,160	1,359,160

13. Financial Instruments and Fair Value Measurement

Fair value estimation

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 measurement date in the principal, or in its absence, the most advantageous market to which the company has access at that date.

The fair value of the financial assets and liabilities that is traded in an active market is based on the quoted market prices at the close of trading date on the reporting date. The company uses the last traded market price.

The fair value for all other financial instruments not traded in an active market is determined by using the valuation techniques deemed to be appropriate in the circumstances. These valuation techniques include the market approach, income approach or cost approach, or other valuation techniques commonly used by market participants making the maximum use of observable inputs and relying as little as possible on unobservable inputs.

For instruments for which active market is not available, the company may also use the internally developed valuation model as per company's valuation guideline which describes about the methods and techniques generally recognized as standard within the industry. Valuation models are primarily used for the unlisted equity securities or other financial instruments for which market is not active during the year. Some of the inputs to these models may not be market observable and hence requires the management judgments and thus valuation are estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques used may not fully reflect all factors relevant to the conditions the company holds. Valuations are therefore adjusted wherever appropriate to adjust the factors including model risk, liquidity risk.

Fair value hierarchy

The company measures the fair value using the following fair value hierarchy that reflects the significance of the input used in measurements.

- ❖ Level 1 (L1): Inputs that are quoted market prices (unadjusted) in an active market for identical instruments.
- ❖ Level 2 (L2): Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- ❖ Level 3 (L3): Inputs that are unobservable. This category includes all instruments for which the valuation techniques include inputs not based on observable data and whose unobservable inputs have a significant effect on the instruments' valuation.

Financial Instruments

Classification and Measurement

Financial instruments included in the statement of financial position are measured at fair value through profit or loss or measured at amortized costs. Financial instruments measured at fair value through profit or loss (FVTPL) or fair values through other comprehensive income (FVOCI) are classified into following:

- ❖ **Financial assets or financial liabilities held for trading:** financial assets are classified as held for trading if they are acquired for purpose of selling or repurchasing in near future. This category includes equities and other fixed income securities. These assets are acquired principally for the purpose of generating a profit from short term changes in price.
- ❖ **Financial assets and financial liabilities designated at fair value** these financial assets and liabilities are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluation on a fair value basis in accordance with the policy and strategy of the company.
- ❖ **Financial assets available for sale: financial asset that are not classified as held for trading or designated at fair value** are classified as available for sale. Available-for-sale financial assets are those intended to be held for an indeterminate period of time and may be disposed due to changes in interest rates, underlying prices or other requirements. Gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognized directly in other comprehensive income, until the financial assets are sold or impaired or retires, when cumulative gain or losses previously recognized in other comprehensive income is recognized in statement of profit or loss

Financial assets and liabilities measured at Amortized Cost

Financial assets and liabilities held to maturity are classified and measured at amortized cost. These financial asset or liabilities are initially recognized at fair value including direct and incremental costs and subsequently measured at amortized costs, using the effective interest method, less any impairment allowances.

Recognition

The company recognizes financial assets or liabilities when it becomes the party to contractual provisions of the instrument. Recognition takes place on the trade date where the purchase or sale of an investment is under a contract whose terms requires delivery of the investment within the timeframe established by the market concerned.

Derecognition

Financial assets are de recognized when the contractual right to receive cash has expired or the company has transferred substantially all risks and rewards of ownership.

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liabilities simultaneously.

Following table details the financial instruments included in the statements of financial position are measured at fair value or amortized costs.

Financial instruments measured at fair value	Fair Value method
Cash and cash equivalents	Carrying amount (approximation to fair value assumed due to short-term nature)
Investments held for trading	Closing price of scrips (L1) as at the statement of financial position dates. or L2 or L3 value as determined by management
Available for sale investments	Closing price of scrips (L1) as at the statement of financial position dates. or L2 or L3 value as determined by management
Financial instruments measured at Amortized Cost	Fair Value method
Receivables, short term payables and accrued charges	Carrying amount (approximation to fair value assumed due to short term nature)
Employee Loan	Fair value calculated using effective interest rate.
Fixed deposits investments	Carrying amount as effective interest rate shall be the interest rate of each deposit instrument.

14. Investments

Following table details the investments and analysis within the fair value hierarchy as at date of reporting period end.

'Amount in Rs'

Investments in	Fair Value as at	FY 2017.18			Fair Value as at	FY 2016.17		
	16 July 2018	L1	L2	L3	15 July 2017	L1	L2	L3
(A) Held for trading (classified as current assets)								
Mutual Funds	40,060,465	40,060,465	-	-	30,768,643	27,843,867	2,924,780	-
Equity Securities	84,338,411	84,338,411	-	-	12,983,543	12,983,543	-	-
Total	124,398,876	124,398,876	-	-	43,752,186	40,827,407	2,924,780	-
(B) Measured at Amortized Cost								
Fixed Deposit at Bank	204,750,000				59,500,000			
Total Value of Investment	329,148,876				103,252,187			
Investments Classified to								
A. Current Assets								
Held for Trading	124,398,876				43,752,186			
Measured at Amortized Costs	204,500,000				59,500,000			
Total	328,898,876				103,252,187			
B. Non-Current Assets								
Held for Trading	-				-			
Measured at Amortized Cost	250,000				-			
Total	250,000				-			

14.1. Net change in fair value of investments

'Amount in Rs'

Particulars	FY 2017.18	FY 2016.17
	Net Gain / (Losses)	Net Gain / (Losses)
(A) Held for trading		
Mutual Fund	(2,147,605)	2,473,884
Equity Securities	(4,117,937)	7,613,741
Total	(6,265,542)	10,087,625
Net Change in fair value	(16,353,167)	3,520,080
+ Realized gain/(loss) on Investments	-	151,250
Net changes in gain/(losses)	(16,353,167)	3,671,330

15. Risk Management

The company is exposed to various risks in nature of activities it carries. These risks particularly include market risk and interest rate risk. The company's objective of managing risk is for the protection and creation of shareholders and investors value. The company's investment policy has established a risk management framework, which is the continuous process of identification, measurement, monitoring and control of risks.

Risk management structure

The board of directors is ultimately responsible for the overall risk management. The management of the company has been delegated and instructed for the responsibility for identifying and controlling risks of the company.

Risk measurement and reporting system

The company uses various techniques to identify and measure the risks. These measures reflect the company's philosophy of management and risk tolerance as determined by the management. Determination of risk tolerance level is the judgement, philosophy and actions of the management in response to the circumstances in given environment. The management uses various tools and methods to measure and monitor the risks in relation to the aggregate risk across all risk type and activities.

Following are three broad methods used by the company.

Risk mitigation

The company's investment and risk management committee decides the risk management framework and guidelines that encompasses overall investment strategy, limit and tolerance of risk. The company uses other instruments for trading and risk management purpose.

Excessive risk concentration

Concentration risk arises when a number of financial instruments are entered with similar or identical characteristics. Those characteristics may be identified as sector of business; same counterparty, or have similar economic features that are similarly affected by the changes in economic, political or typical industrial and other conditions. To avoid excessive concentration risk, the Company focuses on managing diversified portfolio.

Market risk

Market risk is the risk that fair value or future cash flow of financial instrument will change due to changes in market variables such as interest rates, equity prices. The maximum risk resulting from financial instruments the company held equals their fair value.

(a) Price risk

Price risk is the risk of unfavourable changes in fair value of instruments as a result of changes in the level of equity indices and the value of individual instruments. The company manages prices risk by investing in a variety of scrips in a particular sector and diversifying investment in particular sector.

(b) Interest rate risk

Interest rate risk arises from the possibility of changes in interest rate which will affect the future cash flow or fair value of financial instrument. The company makes investment in fixed income securities and demand deposits in bank. The interest income from such instruments will be affected by the changes in interest rate. The company's demand deposit only is exposed to the interest rate risk.

Liquidity risk

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

The company is exposed to settlement of operational obligations and investment commitments in portfolio companies. The company policy to invest in listed securities in active trading market is readily disposable in normal market conditions and hence is assumed highly liquid. Further the company has the ability to borrow in short term to ensure settlements. No such borrowings have been raised during the year. The company does not have any foreign exchange currency risk during the year.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligation resulting in financial loss to the

Company. Management of the Company determines the creditworthiness of counterparty as a mean of mitigating risk of financial loss from defaults before entering into any business arrangement. Company's exposure to and the credibility of counterparties are continuously monitored.

16. Current Assets

The company classifies assets as current when such asset is expected to be realized or consumed within twelve months after the reporting period end and such assets are primarily held for ordinary purpose of business. Current assets of the company have been classified into different group based on their nature of asset held. Following tables details the current asset of the company.

16.1. Trade Receivables, Advances and Deposits

These current assets include the assets directly held for the ordinary purpose of business. Following is the details.

'Amount in Rs'

Particulars	As at 16 July 2018	As at 15 July 2017	As at 16 July 2016
RTS Service Fee Receivable	4,493,070	3,197,512	3,420,591
Fund Management Fee Receivable	13,912,263	18,166,042	12,030,066
Underwriting & Issue management Fee Receivable	6,847,125	2,615,271	35,549,868
Fund Depository Fee Receivable	4,150,606	5,456,215	3,433,613
Other Sundry Receivables	67,999	541,951	367,274
Prepaid Expenses	441,068	268,681	255,791
Staff Loan	1,940,274	1,660,023	687,359
Other Current Assets	7,501,831	3,173,065	1,835,777
Total	39,354,236	35,078,760	57,580,339

16.2. Cash and Cash Equivalents

For the purpose of the cash flow statement, Cash and cash equivalents includes cash balance in hand, demand deposits with bank, other short term highly liquid investments with original maturity of three months or less. Following is the details of cash and cash equivalents.

'Amount in Rs'

Particulars	As at 16 July 2018	As at 15 July 2017	As at 16 July 2016
Cash in Hand	-	175	4,500
Balance at Bank	2,142,385,496	1,547,856,148	4,281,823,121
Total	2,142,385,496	1,547,856,323	4,281,827,621

Restricted cash balances that are not available for use by the Company includes the amount collected from issue managements and dividend warrant distribution amount. Following is the details of amount not available for use during the reporting period.

'Amount in Rs'

Particulars	As at 16 July 2018	As at 15 July 2017	As at 16 July 2016
Dividend Warrants	160,046,962	31,422,719	12,917,149
IPO Collection	1,946,392,852	1,480,988,589	4,237,203,144
Total	2,106,439,814	1,512,411,308	4,250,120,293

There is no any amount of undrawn borrowing facilities that are available for use in future operating activities or to settle capital commitments.

17. Lease, Commitments and Guarantees

Determination of whether an arrangement contains a lease is based on the substance of the arrangement at the inception of the lease. A lease is classified as finance or an operating lease.

The Company has an operating lease arrangement only. Operating lease payments are recognized as an expense in the statement of comprehensive income in the year which it becomes payable. Lease amount payable in respect of operating lease is:

Period	Amount (Rs)
Up to 1 year	2,024,000
1-5 year	1,936,000
Above 5 years	-
Total	3,960,000

Following table details the commitments that the Company has issued as at end of reporting period.

Underwriting Commitment to	For	Amount (Rs)
Garjang Upatyaka Hydropower Power Ltd	IPO	60,000,000
Mount Kailash Energy Co. Ltd	IPO	225,000,000
Asha Lagubitta Bittiya Sanstha Ltd	IPO	30,000,000
Shivashree Hydropower Ltd	IPO	105,000,000
Universal Power Co. Ltd.	IPO	378,063,000
Shivam Cements Ltd	IPO	2,206,160,000
Ghalemdi Hydro Ltd	IPO	165,000,000
Mountain Hdyro Nepal Ltd	IPO	93,750,000
Nepal Bank Ltd	FPO	899,701,600
Total Underwriting Commitment		4,162,674,600

18. Employment Benefits

The Company has schemes of employee benefits namely provident fund, employee gratuity and accumulated leave pay as per Employee Service Bylaws, 2068.

Defined contribution plan - Provident fund

Under defined contribution plan, the Company makes payment of pre-determined amounts to separate fund and does not have any legal or other obligation to pay additional amount. Contribution to defined contribution scheme are charged to statement of comprehensive income in the year to which they relate to as the company as no further defined obligation beyond such contribution. Contribution made under defined contribution schemes are deposited into NIBL Retirement Fund.

Defined benefit plan - Gratuity and Leave Pay

The Company provides for defined benefit in form of gratuity and leave pay. The liabilities or asset recognized in the statement of financial position in respect of defined benefit obligation at the end of the presorting period less fair value of plan assets. The defined benefit obligation is calculated annually using projected unit credit method.

Changes in past and current service costs including interest expense under defined benefit obligation is recognized in statement of comprehensive income. Net interest cost is calculated by applying discount rate to net balance of defined benefit obligation and fair value of plan assets. Any changes in liabilities over the years due to changes actuarial assumptions are recognized in other comprehensive income in the period in which they arise.

NAS 19 requires to exercise the judgment on relation to various assumptions including rise in future pay, inflation, discount rates and employee demographics. However, for these financial statements, valuation of defined benefit obligation has not been carried out with actuarial assumptions.

Short-term employee benefits

Short term employee benefit includes any benefits accruing to employee in respect of wages, salaries, allowances and other pay in the period of related service. Short term employee benefits are charged to statement of comprehensive income in period which service has been obtained from employee.

Difference between the fair value of loan given to employee and loan amount given to employee at lower interest rate as compared to market interest rate is charged to statement of profit or loss as employee benefits. The Company used Base rate of its Parent to determine the market interest rate. Fair value of loan given to employee measured at amortized cost.

Employee Bonus Expenses: Employee Bonus Expenses has been provisioned on the basis of net profit before staff bonus. However, previously, Employee Bonus Expenses has been provisioned on the basis of net profit after staff bonus.

19. Provision and contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Provision for expenses of Rs 3,363,715 has been recognized on account of business combination at the end of reporting period. The company does not have any contingent liabilities at the reporting period end.

20. Related Party Transactions

A person or entity is considered a related party if it:

- ❖ controls or has significant influence to the Company
- ❖ is subsidiary, joint venture, associates or in which the Company can have significant influence
- ❖ is member of key management personnel of the company or its parent

(A) Nature of Relationship and Name of Related Parties

- ❖ Parent Company: Nepal Investment Bank Ltd.

❖ Board of Directors:

Mr. Sachin Tibrewal	Chairman
Mr. Binod Kumar Guragain	Director
Mr. Deepak Kumar Shrestha	Director
Mrs. Bandana Thapa	Director
Mr. Rabindra Bhattarai	Independent Director
Mr. Ram Krishna Khatriwoda	Independent Director

Mr. Sachin Tibrewal, Mr. Deepak Kumar Shrestha, Binod Kumar Guragain and Mrs. Bandana Thapa have been appointed by the Parent Company. Independent directors have been appointed by existing Board of Directors from AGM.

❖ Transaction with Board of Directors:

The Board of Directors are entitled to meeting allowances as per the Articles of Association of the Company. As per amended Articles of Association as approved by Special General Meeting dated 2074 Mangsir 29, meeting allowances per meeting per member of Board of Directors has been increased to Rs. 12,000 for Chairman and Rs. 10,000 for other directors from existing allowance of Rs 8,000. No other benefits or allowances are provided to the board of directors. During the year, Rs 416,000 has been paid as meeting allowances of Board of Directors for ten BOD meeting arranged.

❖ Key Management Personnel

Shivanth Bahadur Pandé	Chief Executive Officer
Mekh Bahadur Thapa Thada	General Manager
Kabindra Bikram Dhoj Joshi	Deputy General Manager
Badri Prasad Pyakurel	Assistant General Manager

Chief Executive Officer has been deputed by the Parent and is entitled to allowance of NRs. 120,000 (NRs. One Lakhs Twenty Thousand only). During the year, Rs. 1,440,000 (NRs. Fourteen Lakhs Forty Thousand only) has been paid to the CEO as remuneration.

Following is the key management compensation during the period.

'Amount in Rs'

Short term employee benefits	FY 2074.75	FY 2073.74
- Salary & Allowances including Dashain Allowance	8,835,000	7,987,396
Total Short Tern Employee Benefits (A)	8,835,000	7,987,396
Post-Employment Benefits		
- Provident Fund	433,620	331,051
- Gratuity	850,841	479,489
- Leave Encashment	772,178	634,905
Total Post-Employment Benefits (B)	2,056,639	1,445,445
Total Benefits (A+B)	10,891,639	9,432,841

(B) Related party transactions

i. Related Party Transactions with Parent

The following is the related party transactions with the Parent

'Amount in Rs'

SN	Particular	Transaction Amount	Nature of Transactions	Remarks
1	Deposit at NIBL (Operating account)	1,618,803.44	Bank Deposit	
2	Deposit at NIBL (Other bank balances) including Fixed Deposit	85,052,768.89	Bank Deposit	
3	Interest earned from account maintained at NIBL (Operating Account) and Fixed Deposit Account	4,719,033.78	Interest Income	
4	Registrar to Share Fee from holding company	500,000.00	Share Registrar Income	For FY 74-75, received during the year
5	Human Resource Expenses (Mrs. Rekha Pant)	921,182.60	Staff Expenses	Staff from the holding company has been deputed as RTA/RTS officer of the company for day to day operations.
6	Depository Participant Fee	1,662,165.00	DP Commission Expenses	Paid during the year.
7	Service Level Agreement (SLA).	600,000.00	SLA Expenses	Paid during the year.

ii. Related Party Transactions with NIBL Mutual Funds

The Company is also fund manager and mutual fund depository for NIBL mutual fund and currently manages two schemes namely NIBL Samriddhi Fund-1 and NIBL Pragati Fund. The following is the related party payment during the period.

'Amount in Rs'

Related Party	Relation	Transaction Amount	Outstanding Balance	Nature of Transaction
NIBL Samriddhi Fund-1	Fund Manager	26,901,046	12,295,741	Receivable
NIBL Pragati Fund	Fund Manager	12,733,503	5,672,884	Receivable

The company has not provided any provision or impairment allowances on such outstanding related party balances and has not recognized any expenses for bad or doubtful debts on such balance. The company has not obtained any guarantee on such transactions.

21. Events after the Reporting Period

The Company follows NAS 10 - Events after the Reporting Period for accounting and reporting of events that occur after the reporting period, which requires to classify those events into adjusting and non-adjusting events.

There is no material events either adjusting or non-adjusting events for the reporting period end.

22. First Time Adoption of NFRS

These financial statements are first time financial statements of the Company prepared in accordance with NFRS 1 First time Adoption of NFRS. NFRS 1 requires that all NFRS and interpretations that are issued and effective for the first NFRS financial statements to be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with NFRS for the year ended 32 Ashad 2075 (16 July 2018), together with the comparative information as at and for the year ended on 31 Ashad 2074 (15 July 2017) and the opening NFRS Statement of Financial Position as at 1 Shrawan 2073, which is the date of transition to NFRS.

While preparing these NFRS financial statements, the Company has availed certain exemptions and exception in accordance with NFRS 1 as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under NFRS and previous GAAP have been recognized directly in equity or retained earnings. This note explains the adjustments made in previous GAAP Carrying values due to adoption of NFRS.

A. Exemptions from retrospective application

NFRS 1 allows certain exemptions from retrospective application of certain requirements under NFRS to first time adopter. The Company has elected 'Deemed Cost' exemption for property, plant and equipment and intangible assets. The Company elected to measure all its property, plant and equipment and intangible assets at the previous GAAP carrying value as its deemed costs on the date of transition.

B. Exceptions to retrospective application

The Company has applied following exceptions to retrospective application of NFRS as mandatorily required under NFRS 1.

(a) Estimates

On assessment of estimates made under previous GAAP financial statements, management has concluded that there is no need of revision to estimates as estimates were not errors. Estimates required under NFRS not previously required under GAAP are made by management of the Company for corresponding reporting dates indicating the condition existing at such date.

(b) Classification and measurement of financial assets

Classification of financial assets to be measured at amortized cost or fair value through other comprehensive income (FVOCI) is made on the basis of available information, facts and circumstances that existed on the date of transition to NFRS.

C. Transition to NFRS - Reconciliations

The following reconciliations provide quantification of the differences arising from transition from Previous GAAP to NFRS in accordance with NFRS 1.

1. Reconciliation of Equity as at 1 Shrawan 2073 (16 July 2016)
2. Reconciliation of Equity as at 31 Ashad 2074 (15 July 2017)
3. Reconciliation of Statement of Comprehensive Income for the year ended 31 Ashad 2074 (15 July 2017)

Previous GAAP information has been reclassified/ regrouped in accordance with NFRS, wherever necessary based on the audited financial statements of the Company for the year ended 31 Ashad 2073 and 31 Ashad 2074.

1. Reconciliation of Equity as at 1 Shrawan 2073 (16 July 2016)

'Amount in Rs'

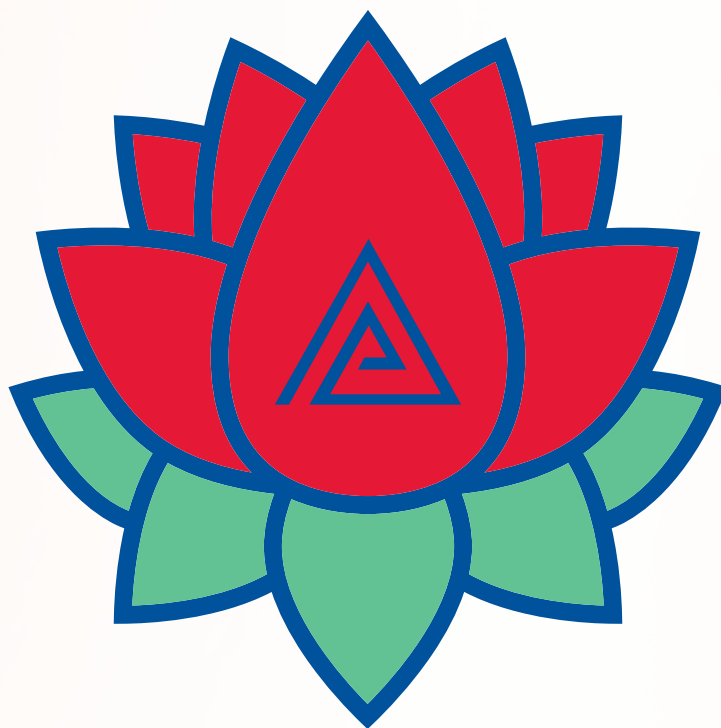
Particulars	AS AT16 July 2016 (1 Shrawan 2073)	Remeasurement	AS per NFRS (1 Shrawan 2073)
Liabilities and stockholders' equity			
Stockholders' equity:			
Paid in capital	101,500,000	-	101,500,000
Retained earnings	69,076,697	4,925,659	74,002,356
Total stockholders' equity	170,576,697	4,925,659	175,502,356
NON CURRENT LIABILITIES			
Deferred Tax Liability	479,270	1,641,886	2,121,156
Employment Benefits	358,086	323,659	681,745
Total Non-Current Liabilities	837,356	1,965,545	2,802,901
CURRENT LIABILITIES			
Trade and Other Payables	4,260,613,938	(14,606,576)	4,246,007,362
Other Current Liabilities	6,449,066	14,282,916	20,731,983
Provisions		-	
Total Current Liabilities	4,267,063,004	(323,659)	4,266,739,345
Total liabilities and stockholders' equity	4,438,477,057	6,567,545	4,445,044,602
NON CURRENT ASSETS			
Property, plant and equipment	23,290,638	(1,294,616.13)	21,996,022
Intangible Assets	-	1,294,616.13	1,294,616
Deferred Tax Assets	-		-
Investments	62,125,917	(62,125,917)	-
Staff Loan Receivable	-	354,501	354,501
Total non-current assets	85,416,555	(61,771,416)	23,645,139
CURRENT ASSETS			
Investments		68,693,462	68,693,462
Trade Receivables, advances and deposits	71,232,881	(13,652,543)	57,580,339
Current Tax Assets		13,298,041.94	13,298,042
Cash and cash equivalents	4,281,827,621		4,281,827,621
Total current assets	4,353,060,502	68,338,961	4,421,399,463
Total assets	4,438,477,057	6,567,545	4,445,044,602

2. Reconciliation of Equity as at 31 Ashad 2074 (15 July 2017)*'Amount in Rs'*

Particulars	AS AT 15 July 2017	Remeasurement	AS PER NFRS As AT 15 JULY 2017
LIABILITIES AND EQUITY			
Stockholders' equity:			
Paid in capital	101,500,000		101,500,000
Retained earnings	149,650,444	7,565,718	157,216,163
Total Stockholders Equity	251,150,444	7,565,718	258,716,163
NON CURRENT LIABILITIES			
Deferred Tax Liability	386,320	2,521,906	2,908,226
Employment Benefits	1,432,470		1,432,470
Total Non-Current Liabilities	1,818,790	2,521,906	4,340,696
CURRENT LIABILITIES			
Trade and Other Payables	1,456,458,794		1,456,458,794
Other Current Liabilities	18,603,002		18,603,002
Provisions			
Total Current Liabilities	1,475,061,796	-	1,475,061,796
Total liabilities and stockholders' equity	1,728,031,031	10,087,625	1,738,118,655
NON CURRENT ASSETS			
Property, plant and equipment	29,563,769	(933,851)	28,629,919
Intangible Assets	-	933,851	933,851
Investments	93,164,563	(93,164,563)	-
Staff Loan	-	6,685,440	6,685,440
Total Non-Current Assets	122,728,332	(86,479,123)	36,249,210
CURRENT ASSETS			
Investments		103,252,188	103,252,187
Trade Receivables, advances and deposits	57,446,376	(22,367,616)	35,078,760
Current Tax Assets		15,682,176	15,682,176
Cash and cash equivalents	1,547,856,323		1,547,856,323
Total Current Assets	1,605,302,698	96,566,747	1,701,869,445
Total Assets	1,728,031,031	10,087,625	1,738,118,655

3. Reconciliation of Statement of Comprehensive Income for the year ended 31 Ashad 2074 (15 July 2017)*'Amount in Rs'*

	FY 2016.17	Remeasurement	As per NFRS
Revenue:			
Revenue from operation	121,158,843		121,158,843
Other income	107,493,948		107,493,948
Net changes in gain/(losses) on financial assets and liabilities at FVTPL	151,250	3,520,080	3,671,330
Total Revenue	228,804,041	3,520,080	232,324,121
Expenses:			
Operating expenses	23,271,730		23,271,730
General & administrative expenses	50,564,861		50,564,861
Depreciation and amortization	6,431,243		6,431,243
Provisions and allowances	13,503,292		13,503,292
Total Expenses	93,771,125	-	93,771,125
Income before income taxes	135,032,916	3,520,080	138,552,995
Tax expense /(income)	34,159,169	880,020	35,039,189
Net income	100,873,747	2,640,060	103,513,806



NIBL MUTUAL FUND

Managing shares. Managing investments.

NIBL SAMRIDDHI FUND-I

NIBL Samriddhi Fund – I, is a closed end mutual fund scheme with a corpus of NPR 1 billion. Nepal Investment Bank Limited is the fund sponsor for this mutual fund scheme. The main objective of this scheme is to generate returns by investing in a mix of securities comprising of equity, equity related instruments & fixed income instruments as allowed by prevailing rules/regulations on mutual fund. The mutual fund has a maturity of 7 years from the date of allotment of its units.

Fund Supervisor	
Name	Background
Mr. Madhukar SJB Rana	Masters in economics with more than 46 years of experience in teaching profession and economist.
Dr. Bimal Prasad Koirala	PHD in economics with more than 30 years of experience in various government administration, industries and economic sector.
Dr. Shambhu Ram Simkhada	PHD International relation with more than 28 years of experience on various national and international organizations.
Dr. Durgesh Man Singh	PHD in Economics and expert in financial and political sector.
CA Jitendra Bahadur Raj bhandary	Chartered accountants with more than 36 years of experience in the field of auditing.



M.B. SHRESTHA & CO.

Chartered Accountants
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New Baneshwar

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E-mail : mbsshrestha@gmail.com
G.P.O. Box : 720
Kathmandu, Nepal.

INDEPENDENT AUDITOR'S REPORT TO THE FUND MANAGER AND UNIT HOLDERS OF NIBL SAMRIDDHI FUND-1

Report on the Financial Statements

We have audited the accompanying financial statements of NIBL Samriddhi Fund-1 (herein after called Fund), which comprise the Statement of Financial Position (NFRS) as at Ashadh 32, 2075 corresponding to July 16, 2018 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Unit holder's Fund and Statement of Cash Flow for the year then ended and a summary of significant accounting policies and notes to accounts.

Management's Responsibility for the Financial Statements

Fund Managers are responsible for the preparation and the presentation of these financial statements in accordance with Nepal Financial Reporting Standards and for such internal control as management determines necessary to enable the preparation of the financial statements that are free from material mis-statement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Nepal Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement of the financial statements whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Report on Requirement of Other Legislations

On examination of the financial statements as aforesaid, we report that

- The Statement of Financial Position, the Statement of Profit or Loss, Statement of Changes in Unit holder's Fund and Statement of Cash Flow and the attached summary of significant accounting policies and notes to accounts dealt with by this report are prepared as per Nepal Financial Reporting Standards; Securities Act 2063; Securities Board Regulation 2064; Mutual Fund Regulation 2067; Mutual Fund Guidelines 2069;
- We have obtained informations and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- In our opinion, proper books of account as required by the aforesaid legislations have been kept by the Fund, in so far as appears from our examination of those books of account and the financial statements dealt with by this report, are in agreement with the book of accounts.
- The investments of fund under the scheme are invested as per section 36 of the Mutual Fund Regulation 2067.
- The operation of the scheme has been satisfactory.
- During the audit of the scheme, we have not come across any actions committed against the interest of Unit holders.

Opinion on the Financial Statements

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements referred to above, read together with the notes attached thereto give a true and fair view of the financial position of NIBL Samriddhi Fund-1 as of Ashadh 32, 2075 (July 16, 2018), and of the results of its financial performances and its cash flows for the year ended on that day in accordance with NFRS in so far as applicable in compliance with Securities Act 2063; Securities Board Regulation 2064; Mutual Fund Regulation 2067; Mutual Fund Guidelines 2069 and the prevailing legislations.



Maheswarendra Bdr. Shrestha, FCA
M.B.Shrestha & Co.
Chartered Accountants



Date: Bhadra 07, 2075 (August 23, 2018)

NIBL Samridhi Fund-1

(Sponsored by Nepal Investment Bank Ltd. and Managed by NIBL Ace Capital Ltd.)
Statement of Financial Position as at 32nd Asadh 2075 (16th July, 2018)

In NPR

Particulars	Notes	FY 2074/75	FY 2073/74
Assets			
Current Assets			
Cash and Cash Equivalents	3.2	198,646,506	251,310,015
Other Current Assets	4.6	18,407,269	28,213,096
Financial Assets Held at Amortized Cost		143,000,000	133,000,000
Financial Assets Held at Fair Value Through Profit or Loss	4.7	800,582,511	1,171,787,987
Total		1,160,636,286	1,584,311,099
Liabilities			
Current Liabilities			
Accrued Expenses & Other Payables	5.2	31,445,606	41,984,898
Liabilities (Excluding Net Assets Attributable to Unitholders)		31,445,606	41,984,898
Unit Holder's Funds			
Net Assets Attributable to Unit Holders	6	1,129,190,680	1,542,326,200
Total		1,160,636,286	1,584,311,099

NAV per Share

11.29

15.42

Schedules and Explanatory Notes forms integral part of Statement of Position

Shivanth Bahadur Pandé
Chief Executive Officer

Sachin Tibrewal
Chairman

As per our Report of even date

Binod Kumar Guragain
Director

Deepak Kumar Shrestha
Director

Maheswarendra Bdr. Shrestha, FCA
Proprietor
M. B. Shrestha & Co.
Chartered Accountants

Ram Krishna Khatiwada
Director

Rabindra Bhattarai
Director

Bandana Thapa
Director

Bikram Kunwar
Scheme Manager - NIBL Mutual Fund

Mekh Bahadur Thapa
General Manager

Date: 2075/05/07
Place: Kathmandu

NIBL Samriddhi Fund-1

(Sponsored by Nepal Investment Bank Ltd. and Managed by NIBL Ace Capital Ltd.)

Statement of Profit or Loss and other Comprehensive Income

For the Period from 1st Shrawan 2074 to 32nd Ashad 2075 (16th July 2017 to 16th July 2018)

In NPR

Particulars	Notes	FY 2074/75	FY 2073/74
Income			
Interest Income	7.2	26,991,347	22,961,856
Dividend Income	7.3	18,109,880	11,889,940
Net Realised Gains/(losses) on financial Assets at Fair Value Through Profit or loss	14(b)	119,277,358	197,282,911
Other Income		89,323	16,481
Total		164,467,908	232,151,187

Expenses and Losses

Fund Management fees		20,923,032	24,844,628
Depository Fees		5,978,009	7,098,465
Fund Supervisors Fees		3,586,806	4,259,079
Publication Expenses		190,404	182,720
Listing Fees		50,000	50,000
DP Expense		9,450	8,750
Audit Fees		113,000	113,000
Bank Charges		18,115	16,170
Dividend Distribution Expenses		64,521	66,857
Write off Expenses		4,602	152,860
Annual Service Charges on Software		124,300	160,939
CDS Dematerialisation Registration Fee		120,000	70,000
Total expenses		31,182,239	37,023,469
Net Gains/(Losses) for the Period		133,285,669	195,127,717
Other Comprehensive income			
-Net Unrealised losses on financial assets	14(b)	(366,421,189)	(212,371,503)
Net Surplus/(Deficit) for the period		(233,135,520)	(17,243,786)

On Behalf of NIBL Ace Capital Limited
(Fund Management Company)

Shivanth Bahadur Pandé
Chief Executive Officer

Sachin Tibrewal
Chairman

As per our Report of even date

Binod Kumar Guragain
Director

Deepak Kumar Shrestha
Director

Maheswarendra Bdr. Shrestha, FCA
Proprietor
M. B. Shrestha & Co.
Chartered Accountants

Ram Krishna Khatiwada
Director

Rabindra Bhattarai
Director

Bandana Thapa
Director

Bikram Kunwar
Scheme Manager - NIBL Mutual Fund

Mekh Bahadur Thapa
General Manager

Date: 2075/05/07
Place: Kathmandu

NIBL Samriddhi Fund-1

(Sponsored by Nepal Investment Bank Ltd. and Managed by NIBL Ace Capital Ltd.)

Statement of Cash Flow

For the Period from 1st Shrawan 2074 to 32nd Ashad 2075 (16th July 2017 to 16th July 2018)

In NPR

Particulars	FY 2074/75	FY 2073/74
A. Cash Flow from Operating Activities		
Surplus/ (Deficit) for the year	(233,135,520)	(17,243,786)
Adjustments for:		
Increase/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	366,421,189	212,371,503
Increase/(Decrease) in Liabilities	(10,539,293)	19,817,852
(Increase)/Decrease in Share	4,784,287	(101,508,810)
(Increase)/Decrease in Debenture	(10,000,000)	-
(Increase)/Decrease in Fixed Deposit	-	-
(Increase)/Decrease in Other Assets	9,805,827	12,905,005
Net cash generated/(used) in Operations (1)	127,336,491	126,341,766
B. Cash Flow from Financing Activities		
Dividend Paid during the year	(180,000,000)	(150,000,000)
Net cash generated/(used) in financing (2)	(180,000,000)	(150,000,000)
C. Cash Flow from Investing Activities		
Net cash generated/(used) in investing (3)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	(52,663,509)	(23,658,234)
Cash and Cash Equivalents at beginning of the year/period	251,310,015	274,968,249
Cash and Cash Equivalents at end of period	198,646,506	251,310,015
Components of Cash and Cash Equivalents		
Balance with Banks	198,646,506	251,310,015

On Behalf of NIBL Ace Capital Limited
(Fund Management Company)

Shivanth Bahadur Pandé
Chief Executive Officer

Sachin Tibrewal
Chairman

As per our Report of even date

Binod Kumar Guragain
Director

Deepak Kumar Shrestha
Director

Maheswarendra Bdr. Shrestha, FCA
Proprietor
M. B. Shrestha & Co.
Chartered Accountants

Ram Krishna Khatiwada
Director

Rabindra Bhattarai
Director

Bandana Thapa
Director

Bikram Kunwar
Scheme Manager - NIBL Mutual Fund

Mekh Bahadur Thapa
General Manager

Date: 2075/05/07
Place: Kathmandu

NIBL Samriddhi Fund-1

(Sponsored by Nepal Investment Bank Ltd. and Managed by NIBL Ace Capital Ltd.)

Statement of Change in Equity

For the Period from 1st Shrawan 2074 to 32nd Ashad 2075 (16th July 2017 to 16th July 2018)

In NPR

Particular	FY 2074/75	FY 2073/74
Unit Holders' Fund at the Beginning of the Year/Period	1,542,326,200	1,709,569,985
Increase in Net Assets Attributable to Unit Holders:		
Net Gains/(Losses) for the Period	133,285,669	195,127,717
Other Comprehensive income	(366,421,189)	(212,371,503)
Distribution to Unit Holders'	(180,000,000)	(150,000,000)
Unit Holders' Fund at the End of the Year/Period	1,129,190,680	1,542,326,200

On Behalf of NIBL Ace Capital Limited
(Fund Management Company)

Shivanth Bahadur Pandé
Chief Executive Officer

Sachin Tibrewal
Chairman

As per our Report of even date

Binod Kumar Guragain
Director

Deepak Kumar Shrestha
Director

Maheswarendra Bdr. Shrestha, FCA
Proprietor
M. B. Shrestha & Co.
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Bandana Thapa
Director

Bikram Kunwar
Scheme Manager - NIBL Mutual Fund

Mekh Bahadur Thapa
General Manager

Date: 2075/05/07
Place: Kathmandu

Notes to the Financial Statements as of Ashad End 2075 (16th July 2018)

1. General Information of the Scheme

In NPR

Fund:	NIBL Mutual Fund
Scheme:	NIBL Samriddhi Fund -1
Fund Sponsor:	Nepal Investment Bank Limited (NIBL) (Licensed by NRB as Class A bank)
Fund Management:	NIBL Ace Capital Limited (A subsidiary of Nepal Investment Bank Limited)
Fund Supervisors:	Mr. Madhukar S.J.B.Rana Dr. Bimal Prasad Koirala Dr. Shambhu Ram Simkhada Dr. Durgesh Man Singh CA. Jitendra Bahadur Rajbhandari
Total Units of Scheme:	100,000,000 (One hundred million units)
Total Unit Capital:	NPR 1,000,000,000 (NPR One Billion)
Scheme type:	Close-ended

NIBL Samriddhi Fund - 1 (the Scheme) under NIBL Mutual Fund (the Fund) is registered under Mutual Fund Regulations, 2067 as a closed-end, diversified investment scheme. The objective of the Fund is to diligently manage the fund with the aim to achieve high return for unit holders, growth of both capital and income from investment in shares and fixed income securities and conservation of capital. The Scheme commenced its operation on 23 Poush 2071 (Scheme allotment date) B.S. with maturity period of 7 years (i.e. 22 Poush 2078 B.S.) It was listed in NEPSE on 23 Magh 2071. The Scheme's Financial Statements for the year 2074/75 were approved by the Board of Directors of the NIBL Ace Capital Limited on 7th Bhadra 2075 being the Fund Management and Depository Company. Similarly, the Fund Supervisors' consent on the approved Financial Statements has also been duly obtained.

Nepal Investment Bank Ltd. (NIBL) is the Fund Sponsor and NIBL Ace Capital Ltd (NIBL Ace Capital), a subsidiary of NIBL 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.

The Unit Capital of the Scheme comprises of the following:

Holder	Status	No. of Units	Holding Amount @ 10 Each	Holding (%)
Nepal Investment Bank	Fund Sponsor	14,000,000	140,000,000	14
NIBL Ace Capital Limited	Fund Manager/Depository	1,000,000	10,000,000	1
General Public		85,000,000	850,000,000	85
Total		100,000,000	1000,000,000	100

2. Summary of Significant Accounting Policies

The Principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

2.1. Statement of Compliance:

The Financial Statements are presented in Nepalese Rupees, rounded to the nearest Rupee. The Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS). Further the financial statements are in compliance with Securities Act, 2063 and its regulation and other relevant laws.

2.2. Basis of Preparation

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

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

The financial statements are prepared on the basis of fair value measurement of assets and liabilities. The statement of financial position is presented on liquidity basis. Assets and liabilities are presented in decreasing order of liquidity. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders.

2.3. Reporting Pronouncements

The fund has, for the preparation of financial statements, adopted the NFRS pronounced by ASB as effective on September 13, 2013. NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.4. Accounting Conventions

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

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

2.5. New reporting standards in issue but not yet effective

NFRS 9 – Financial Instruments has been issued but is not effective until further notified. For the reporting of financial instruments, NAS 32 Financial Instruments, Presentation, NAS 39 Financial Instruments Recognition and Measurements and NFRS 7 Financial Instruments – Disclosures have been applied.

A number of new standards and amendments to the existing standards and interpretations have been issued by IASB after the pronouncements of NFRS with varying effective dates. Those become applicable when ASB Nepal incorporates them within NFRS.

A significant impact on classification and measurement including impairment of financial instruments, will arise as a result of application of NFRS 9.

2.6. Presentation

The financial statements have been presented in the nearest Nepalese Rupees. For presentation of the statement of financial position assets and liabilities have been bifurcated into current and non-current distinction.

The statement of profit or loss has been prepared using classification 'by nature' method. The cash flows from operation within the statement of cash flows have been derived using the indirect method.

2.7. Presentation currency

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

2.8. Accounting Policies and accounting estimates

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

Accounting policies have been included in the relevant notes for each item of the financial statements.

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

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

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

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Change in Accounting Policy:

During the year, the fund changed its accounting policy with respect to the valuation of right entitlements. Results for the year ended 31 Ashad 2074 have been restated. Further details are provided in note 19.

2.9. Financial Periods

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

2.10. Discounting

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

2.11. Limitation of NFRS implementation

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

3. Cash and Cash Equivalents

Accounting policy

3.1. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at bank. Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

Explanatory notes

3.2. The carrying amount of cash and cash equivalents are representative of their fair values as at the respective reporting date

Particulars	32nd Ashad 2075	31st Ashad 2074
Cash at Bank	198,646,506	251,310,015
Total	198,646,506	251,310,015

4. Financial Instruments

Accounting policy

4.1 The Fund's principal financial assets comprise assets held at fair value through profit and loss, assets measured at amortized cost, loans and receivables. The main purpose of these financial instruments is to generate a return on the investment made by unitholders. The Funds' principal financial liabilities comprise accrued expenses and other payables which arise directly from its operations.

In accordance with NFRS 39; Financial Instruments: Recognition and Measurement, the Fund's interest receivables are classified as 'loans and receivables'. Equity securities / debentures are classified as fair value through profit and loss. The amount attributable to unitholders is classified as equity and is carried at the redemption amount being net asset value. Payables are designated as 'other financial liabilities' at amortized cost.

4.2 Classification

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

Financial Assets and Liabilities Held at Fair Value through Profit or Loss

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable.

4.3 Recognition / De- recognition

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

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

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

Realized gains and realized losses on de-recognition are determined using the weighted 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 weighted average cost and disposal amount.

4.4 Measurement

a. Financial Assets and Liabilities Held at Fair Value through Profit or Loss

At initial recognition, the Fund measures a financial asset at its fair value.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category is presented in the statement of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

b. Financial Assets Measured at Amortized Cost

Financial assets at this category are measured initially at fair value plus transaction costs and subsequently amortized using the effective interest rate method, less impairment losses if any. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

If evidence of impairment exists, an impairment loss is recognized in profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognized on a financial asset carried at amortized cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through profit or loss.

Receivables may include amounts for dividends, interest and trade receivables. Dividends are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(6) above.

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

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

4.5 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Explanatory note

4.6 Loans and Receivables-current

Particulars	Ashad End 2075	Ashad End 2074
Dividend Income Receivable	1,223,342	1,065,025
Interest Receivables	7,984,781	6,860,904
Broker Receivables		
Kohinoor Investment -35	6,747,588	5,300,053
Dakshinkali Investment -33	25	25
South Asian Bulls -43	-	1,376,421
Naasa Securities -58	125	-
Vision Securities -34	1,475	4,107,049
IPO Advance		
SMATA -Right Advance	20,300	-
RSDC -Right Advance	177,000	-
SIL -Right Advance	485,700	-
SBL - Right Advance	-	1,130,300
Right Auction Refund Receivable		
Nepal Bangladesh Bank - Right Auction	-	3,670,000
Sanima Bank - Right Auction	-	3,970,000
Kumari Bank - Right Auction	1,730,000	-
Laxmi Bank - Right Auction	-	696,384
TDS Receivables	36,934	36,933
Other Receivables	-	-
Total Amount	18,407,269	28,213,096

4.7 Financial Assets Held at Fair Value Through Profit or Loss

Particulars	32nd Asadh 2075	31st Asadh 2074
Financial Assets Held for Trading		
Equity Security	800,582,511	1,171,787,987
Total Financial Assets held for Trading (A)	800,582,511	1,171,787,987
Designated Financial Assets at Fair Value Through Profit or Loss		
Total Designated at Fair Value Through Profit or Loss (B)	-	-
Total Financial Assets Held at Fair Value Through Profit or Loss (A+B)	800,582,511	1,171,787,987



Comparative Investment in Listed Shares

Name of Company	Asadh End 2075			Asadh End 2074		
	Unit	Price (NPR)	Amount (NPR)	Unit	Price (NPR)	Amount (NPR)
Swabalamban Bikas Bank Limited	2,103	1,240	2,607,720	12,261	1,809	22,180,149
Shangrila Development Bank Ltd.	17,081	157	2,681,717	8,841	390	3,447,990
Nepal Bank Limited	26,981	281	7,581,661	26,477	364	9,637,628
Machhapuchhre Bank Limited	69,645	209	14,555,805	57,431	360	20,675,160
Siddhartha Bank Limited	55,859	300	16,757,700	31,325	485	15,192,625
Nepal Doorsanchar Comapany Limited	46,830	721	33,764,430	52,515	675	35,447,625
NIC Asia Bank Ltd.	41,381	316	13,076,396	42,102	445	18,735,390
Siddhartha Insurance Ltd.	9,176	690	6,331,440	10,270	1,500	15,405,000
Global IME Bank Limited	25,697	290	7,452,130	23,361	388	9,064,068
Citizen Bank International Limited	8,971	236	2,117,156	16,943	403	6,828,029
Mega Bank Nepal Ltd.	87,690	163	14,293,470	40,116	458	18,373,128
Prime Commercial Bank Ltd.	48,651	287	13,962,837	43,756	421	18,421,276
Agriculture Development Bank Limited	35,424	314	11,123,136	25,070	435	10,905,450
Shikhar Insurance Co. Ltd.	19,336	985	19,045,960	8,162	1,941	15,842,442
Sanima Bank Limited	61,199	324	19,828,476	54,221	431	23,369,251
Sagarmatha Insurance company limited	5,875	1,340	7,872,500	2,125	1,410	2,996,250
Laxmi Bank Limited	25,833	258	6,664,914	22,492	390	8,771,880
Prime life Insurance Company Limited	-	-	-	3,862	2,555	9,867,410
Rural Microfinance Development Centre Ltd.	6,673	653	4,357,469	15,287	775	11,847,425
NLG Insurance Company Ltd.	14,996	930	13,946,280	18,771	1,485	27,874,935
Nepal Insurance Co. Ltd.	7,681	658	5,054,098	2,597	1,430	3,713,710
Everest Bank Limited	31,762	663	21,058,206	21,472	1,353	29,051,616
National Life Insurance Co. Ltd.	18,609	799	14,868,591	15,041	2,300	34,594,300
Chilime Hydropower Company Limited	48,492	790	38,308,680	42,167	798	33,649,266
Nabil Bank Limited	23,996	921	22,100,316	20,057	1,523	30,546,811
NABIL Bank Limited Promotor Share	39,314	687	27,008,718	24,659	1,130	27,864,670
Tourism Development Bank Limited	-	-	-	6,250	427	2,668,750
Nepal Bangladesh Bank Limited	36,751	214	7,864,714	22,536	402	9,059,472
Sunrise Bank Limited	42,585	230	9,794,550	25,288	396	10,014,048
Muktinath Bikas Bank Ltd.	37,856	378	14,309,568	16,772	971	16,285,612
Shahyogi Bikash Bank	-	-	-	6,011	363	2,181,993
Nerude Laghubitta Bikash Bank limited	3,720	637	2,369,640	11,553	1,285	14,845,605
Life Insurance Co. Nepal	8,076	1,622	13,099,272	-	-	-
Himalayan bank Limited	46,855	551	25,817,105	37,005	886	32,786,430
Nepal SBI Bank Limited	44,423	499	22,167,077	24,120	925	22,311,000
Asian Life Insurance Company limited	43,573	683	29,760,359	27,931	1,458	40,723,398
Taragaon Regency Hotel Limited	8,260	274	2,263,240	21,000	261	5,481,000
Biratlaxmi development Bank Limited	-	-	-	8,440	400	3,376,000
Nepal Credit and Commerce Bank limited	17,203	250	4,300,750	17,203	383	6,588,749
Himalayan General Insurance Co. Ltd	25,878	450	11,645,100	9,948	745	7,411,260
Garima Bikash Bank Limited	46,350	182	8,435,700	26,693	296	7,901,128
Nirdhan Utthan Bikash bank Limited	9,449	1,024	9,675,776	8,508	1,963	16,701,204
Standard Chartered Bank Limited	14,912	755	11,258,560	14,099	2,295	32,357,205
Deprosc Development Bank Limited	18,677	750	14,007,750	11,877	1,285	15,261,945
Sana Kisan Bikas Bank Ltd	27,371	1,160	31,750,360	26,433	1,502	39,702,366
Shine Resunga Development Bank	28,009	271	7,590,439	24,287	425	10,321,975



Kailash Bikash Bank Limited	18,312	229	4,193,448	24,697	327	8,075,919
Goodwill Finance Company Limited	21,125	122	2,577,250	9,199	201	1,848,999
Kamana Bikash Bank Limited	-	-	-	7,451	355	2,645,105
Janata Bank Nepal Ltd.	31,387	157	4,927,759	30,454	284	8,648,936
Civil Bank Limited	45,721	153	6,995,313	31,743	246	7,808,778
Kumari Bank Limited	46,080	199	9,169,920	26,723	327	8,738,421
Oreintal Hotels limited	13,482	521	7,024,122	9,494	654	6,209,076
Chhimek Laghubitta Bikas Bank Limited	14,888	877	13,056,776	12,601	1,525	19,216,525
Barun Hydropower Co. Ltd.	-	-	-	2,685	253	679,305
NMB Bank Limited	32,759	358	11,727,722	32,759	545	17,853,655
Excel Development Bank Ltd.	8,871	326	2,891,946	8,881	624	5,541,744
Mahila Sahayatra Microfinance Bittiya Sanstha Ltd.	-	-	-	1,165	1,160	1,351,400
Kisan Microfinance Bittiya Sanstha Ltd.	-	-	-	1,288	2,740	3,529,120
Womi Microfinance Bittiya Sanstha Ltd.	1	1,385	1,385	858	1,979	1,697,982
Prudential Insurance Co. Ltd.	-	-	-	7,891	1,410	11,126,310
Sanima Mai Hydropower Ltd.	34,422	328	11,290,416	14,211	1,168	16,598,448
Nepal Life Insurance Co. Ltd.	19,466	1,050	20,439,300	8,457	2,148	18,165,636
National Hydro Power Company Limited	12,400	86	1,066,400	12,400	132	1,636,800
Butwal Power Company Limited	32,561	457	14,880,377	32,561	620	20,187,820
Lumbini General Insurance Co. Ltd.	25,761	550	14,168,550	21,346	930	19,851,780
Siddhartha Equity Orineted Scheme	933,470	11	9,848,109	625,000	12	7,412,500
NMB Microfinance Bittiya Sanstha Ltd.	-	-	-	1,021	2,846	2,905,766
Siddhartha Investment Growth Scheme-1	-	-	-	1,564,000	23	36,206,600
Om Development Bank Ltd.	13,422	180	2,415,960	13,174	629	8,286,446
Dev Bikas Bank Limited	8,537	129	1,101,273	5,207	259	1,348,613
Jalabidyut Lagani tatha Bikas Co. Ltd.	-	-	-	76,431	197	15,056,907
Century Commercial Bank Ltd.	23,553	169	3,980,457	16,897	290	4,900,130
Mero Microfinance Bittiya Sanstha Ltd.	-	-	-	1,633	2,204	3,599,132
Bank of Kathmandu Ltd.	62,470	264	16,492,080	66,091	462	30,534,042
National Microfinance Bittiya Sanstha Ltd.	2,571	2,214	5,692,194	2,142	1,714	3,671,388
RSDC Laghubitta Bittiya Sanstha Ltd.	2,739	555	1,520,145	1,618	2,950	4,773,100
Suryodaya Laghubitta Bittiya Sanstha Ltd.	1,050	1,550	1,627,500	857	672	575,904
Forward Community Microfinance Bittiya Sanstha Ltd.	1,715	2,220	3,807,300	2,143	3,221	6,902,603
Samata Microfinance Bittiya Sanstha Ltd.	407	1,380	561,660	339	403	136,617
Synergy Power Development Ltd.	11,940	124	1,480,560	11,950	243	2,903,850
United Modi Hydropower Ltd.	7,532	172	1,295,504	4,761	341	1,623,501
Civil Laghubitta Bittiya Sanstha Ltd.	-	-	-	2,500	1,302	3,255,000
Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd.	543	2,610	1,417,240	-	-	-
Kamana Sewa Bikas Bank Limited	11,754	144	1,692,576	-	-	-
Citizen Investment Trust	5,378	2,500	13,445,000	-	-	-
Gandaki Bikas Bank Limited	2,274	205	466,170	-	-	-
NMB Sulav Investment Fund-1	823,000	12	9,505,650	-	-	-
Support Microfinance Bittiya Sanstha Ltd.	750	817	612,750	-	-	-
Arambha Microfinance Bittiya Sanstha Ltd.	817	582	475,494	-	-	-
Unnati Micorfinance Bittiya Sanstha Ltd.	516	1,840	949,440	-	-	-
Nepal Seva Laghubitta Bittiya Sanstha Ltd.	450	343	154,350	-	-	-
Rairang Hydropower Development Company Ltd.	933	148	138,084	-	-	-
Laxmi Value Fund-1	300,000	10	3,075,000	-	-	-
Chhyangdi Hydropower Limited	-	-	-	2,003	91	181,512
Total			778,694,946			1,075,967,994



Comparative Investment in Listed Shares

Name of Company	Asadh End 2075			Asadh End 2074		
	Unit	Price (NPR)	Amount (NPR)	Unit	Price (NPR)	Amount (NPR)
Samudayik Laghubitta-IPO*	938	100	93,800	-	-	-
SIL -Right Entitlement	13,876	228	3,169,417	-	-	-
RSDC -Right entitlement	2,949	266	785,171	-	-	-
Nadep Laghubitta-IPO	1,200	385	462,168	-	-	-
NMB-FPO Issue	25,000	358	8,950,000	-	-	-
SMATA -Right entitlement	407	651	264,823	-	-	-
Panchakanya Mai-IPO	3,056	125	381,205	-	-	-
NLICL -Right Entitlement	18,609	418	7,780,981	-	-	-
SBL-Right Entitlement	-	-	-	37,675	131	4,950,495
EBL-Right Entitlement	-	-	-	27,572	391	10,788,764
MBL-Right Entitlement	-	-	-	59,431	34	1,996,882
LGIL-Right Entitlement	-	-	-	21,346	830	17,717,180
HGI-Right Entitlement	-	-	-	9,948	1,252	12,451,829
Shangrila Development Bank Ltd.	-	-	-	1,772	390	691,080
Siddhartha Insurance Ltd.	-	-	-	3,591	1,500	5,386,500
Nerude Laghubitta Bikash Bank limited	-	-	-	941	1,285	1,209,185
JANUTHAN SAMUDAYIK LAGHUBITTA BIKAS BANK LTD	-	-	-	225	3,060	688,500
TDBL ORDINARY UNLISTED	-	-	-	6,251	427	2,669,177
CBL - Unlisted Shares	-	-	-	914	246	224,844
Swadeshi Laghubitta-IPO	-	-	-	1,071	608	651,350
Mahuli Laghubitta - IPO	-	-	-	429	2,051	880,059
NLBBL-Right Share	-	-	-	2,354	1,285	3,024,890
CZBIL Right share	-	-	-	4,357	403	1,755,871
NBB - Right share	-	-	-	13,277	402	5,337,354
NBL - Right share	-	-	-	6,287	364	2,288,468
Himalayan Power Partner Limited - IPO	-	-	-	8,609	72	622,775
SIL - Right share	-	-	-	2,281	1,500	3,421,500
SBBLJ -Right share	-	-	-	3,342	363	1,213,146
SBI - Right shares	-	-	-	9,649	925	8,925,325
LBL - Ordinary unlisted	-	-	-	4,378	390	1,707,420
SRBL - Right shares	-	-	-	9,048	396	3,583,008
NLBBL-Right Auction	-	-	-	354	1,285	454,890
Mahuli - Ordinary unlisted	-	-	-	107	2,051	219,502
GBBL - Right Auction	-	-	-	10,000	296	2,960,000
Total			21,887,566			95,819,994

*Samudayik Laghubitta-IPO has been valued at cost since there is chance of non-listing of share and refund of share application money.

5. Payables

Accounting policy

5.1 Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period.

Explanatory notes

5.2 Accrued Expenses and Other Payables

Particulars	32nd Asadh 2075	31st Asadh 2074
NIBL Ace Capital Payable	61,218	159,969
Reporting Expenses Payables	-	13,380
Advance Income -NBL FPO Underwriting Fees	637,500	-
Allotment Refund Payable	2,589,075	2,589,130
Provision For Audit Fee	111,500	111,500
Provision For Reporting Exp	33,550	33,560
Provision for Realizable Tax on Dividend	1,072,979	1,072,979
TDS Liability	438,587	2,445
Fund Management Fee Payable - NIBL Ace Capital	9,563,354	12,742,825
Depository Fee Payables - NIBL Ace Capital	2,732,387	3,640,807
Supervisor Fee Payables	1,331,518	2,184,484
Supervisor Fee's commission to SEBON	83,220	-
Unit Dividend Payables	12,790,718	19,433,819
Total	31,445,606	41,984,898

Provision for realizable tax on dividend and TDS receivable represents amount of impairment booked on TDS receivable and Dividend receivable.

Fund management fee and depository fee includes fee payable to NIBL Ace Capital Limited for fund management and depository services. Supervisor Fee's Commission to SEBON is an amount payable to SEBON which is equal to 5% of Supervisor fee.

During the financial year 2073/74, 18% dividend has been declared by the fund which has been recognized as liability in the financial year 2074/75. As on the reporting date NPR. 12,790,718 has been outstanding as dividend payable.

6. Net Assets Attributable to Unitholders

Unitholders' funds have been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities, other than those due to unitholders, as at the statement of financial position date.

The Fund Manager calculates the NAV per unit of the Scheme by deducting the Schemes' expenses over market value of the total investment plus investment income divided by number of units on a weekly basis in accordance with the prevailing regulations/guidelines on mutual funds and publishes the same on its official website: www.niblcapi.com. The said information is also shared with the Board members of the Fund Manager & the Fund Supervisors via e-mail. Further, the NAV per unit calculated on a monthly basis is published on a national daily newspaper and uploaded on the website of the Fund Manager with prior notification of the same forwarded to the Fund Supervisors & SEBON in writing.

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 unitholders as capital (which includes unit capital, realized and unrealized gain), notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily changes in Market Price of Share at Nepal Stock Exchange.

Distribution to unit holders is recognized in the statement of changes in unitholders' funds. Income not distributed is included in net assets attributable to unitholders.

Particular	For the Year Ended on 32nd Ashad 2075	For the Year Ended on 31st Ashad 2074
Unit Holders' Fund at the Beginning of the Year/Period	1,542,326,200	1,709,569,986
Increase / (Decrease) in Net Assets Attributable to Unit Holders		
a. Net Gains/(Losses) for the Period	133,285,669	195,127,717
b. Other Comprehensive income	(366,421,189)	(212,371,503)
Distribution to Unit Holders'	(180,000,000)	(150,000,000)
Unit Holders' Fund at the End of the Year/Period	1,129,190,680	1,542,326,200

7. Investment Income

Accounting Policy

7.1 Interest income is recognized in profit or loss for all financial instruments that are not held at fair value through profit or loss using the effective interest method. Interest income on assets held at fair value through profit or loss is included in the net gains/ (losses) on financial instruments.

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

Dividend income is recognized on the ex-dividend date.

Explanatory notes

7.2 Interest Income

Particulars	Ashad End 2075	Ashad End 2074
Interest income on Debentures	3,415,000	2,515,000
Interest income on Fixed deposit and call account	23,576,347	20,446,856
Total Amount	26,991,347	22,961,856

7.3 Dividend Income

Particulars	Ashad End 2075	Ashad End 2074
Dividend Income Realized	18,109,880	11,889,940
Total	18,109,880	11,889,940

8. Expenses

All expenses, including management fees supervisor fees and depository fees, are recognized in profit or loss on accruals basis.

The management participation fees of the fund are as follows:

- Fund Management Fees: 1.75% of Net Assets Value (NAV)*
- Depository Fees: 0.5% of NAV *
- Fund Supervisor Fees: 0.30% of NAV *

*NAV for this purpose is computed on the basis of half yearly average of weekly NAV or NAV of end of Half year, whichever is lower.

Total Fund Management, Depository & Fund Supervisor's Fees calculated on the basis of 366 days a year is presented in Nepalese currency and charged as under:

Particulars	Ashad End 2075	Ashad End 2074
Fund Management Fee	20,923,032	24,844,628
Depository Fee	5,978,009	7,098,465
Fund Supervisor Fee	3,586,806	4,259,079
Total	30,487,847	36,202,172

9. Income Tax

Income Tax Act, 2058 has not specifically charged corporate tax liability on Mutual Fund Scheme. TDS is not applicable on withholding tax on interest, dividend income and gain on disposal of shares of Mutual Fund Scheme. Accordingly, Mutual Fund Scheme is not considered as tax-entity and corporate tax on Scheme is not considered.

10. Distributions

The distributions, if any to unit holders are recognized in statement of changes in unitholders' funds.

11. Financial Risk Management

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

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

The management of these risks is carried out by the NIBL Ace Capital, 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.

11.1. Market Risk

a. Price Risk

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Paragraph below sets out how this component of price risk is managed and measured. Investments are classified in the statement of financial position as at fair value through profit or loss and loans and receivables. 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.

All of the Fund's equity investments in companies are listed in NEPSE. The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund Management Company.

Investment Threshold

As per the Mutual Fund Regulation, 2067 investment in bank deposit cannot be made more than 10% of total fund size of the scheme.

b. Foreign Exchange Rate Risk

The Fund is not exposed to the fluctuations in exchange rates as all investments and transactions of the fund are made in investments denominated in NPR.

c. Cash Flow and Fair Value Interest Rate Risk

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

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

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.

11.2. Credit Risk

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

The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. However, there is no investment 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 equity portfolio.

For FY 2074/75:

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercial Banks	341,026,928	377,922,092	42.58%	-9.76%
Development banks	45,778,797	43,513,654	5.72%	5.21%
Hotels	9,287,362	10,100,287	1.16%	-8.05%
Finance companies	2,577,250	3,812,882	0.32%	-32.41%
Hydro	68,841,226	97,083,641	8.60%	-29.09%
Insurance companies	167,181,848	160,981,902	20.88%	3.85%
Telecom, Mutual Funds and Others	69,638,189	68,216,173	8.70%	2.08%
Microfinance	96,527,198	82,071,745	12.05%	17.61%
Total	800,858,798	843,702,375	100.00%	

For FY 2073/74:

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercial Banks	465,885,028	376,319,112	41.45%	23.80%
Development banks	80,966,078	42,304,519	7.20%	91.39%
Hotels	11,690,076	9,637,190	1.04%	21.30%
Finance companies	1,848,999	2,580,481	0.16%	-28.35%
Hydro	93,140,184	100,934,453	8.29%	-7.72%
Insurance companies	216,380,431	136,798,241	19.25%	58.17%
Telecom, Mutual Funds and Others	79,066,725	73,934,657	7.04%	6.94%
Microfinance	174,905,317	105,978,094	15.56%	65.04%
Total	1,123,882,838	848,486,746	100.00%	

11.3. Liquidity Risk

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

The Fund is exposed to daily cash redemptions of redeemable units. Its policy is therefore to invest 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.

The Fund has the ability to borrow in the short term to ensure settlement. No such borrowings have arisen during the period.

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

12. Fair Value Measurement

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

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

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

- (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 Fund values its investments in accordance with the accounting policies set out in note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

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 at last traded price of the stock at NEPSE considering it as level two input.

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.

After the book closure date and till the rights are listed, right entitlements are valued as difference between the right price and ex-right price. This is explained with the help of following formula:

$$V_r = n / m \times (P_{ex} - P_{of})$$

Where

V_r = Value of Rights

n = Number of rights offered

m = Number of original shares held

P_{ex} = Ex-right price

P_{of} = Rights offer price

Valuation of total Right Entitlement = $V_r \times \text{No. of shares held before Ex- date}$

13. Financial Assets Held at Amortized Cost

Particulars	Ashad End 2075	Ashad End 2074
Debentures	43,000,000	33,000,000
Fixed Deposit	100,000,000	100,000,000
Total	143,000,000	133,000,000

Note a:

The investment in debentures are recognized on cost. The maturity period of the debentures are 7 years. They are classified based on maturity period using the effective interest rate and classified as held to maturity. Interest on the debentures are recognized daily as per accrual basis. The interest are received on half yearly basis. The debentures are not listed on the stock exchange. As there are no other associated costs, premium or discount the investment and the investment are settled with receiving the principal and interest the intrinsic coupon rate has been used as effective interest rate.

Note b:

The investment in fixed deposit are recognized on cost. The maturity period of the fixed deposits are not more than one year from the reporting date. They are classified based on maturity period using the effective interest rate and classified as held to maturity Interest on the fixed deposits are recognized daily as per accrual basis. The interest are received on quarterly and on maturity as per the deals executed with the banks. As there are no other associated costs, premium or discount the investment and the investment are settled with receiving the principal and interest the intrinsic coupon rate has been used as effective interest rate.

14. Net Gain/Losses on financial assets held at fair value through profit or loss

a. Accounting policy

Realized gain is the difference between the cost price and realized price on the sale of the shares after deducting the selling expenses.

Unrealized gain is the difference between the cost price and the closing market price available at the end of the reporting period or the latest trading price if the closing price as on the year end is not available.

b. Explanatory notes

Particulars	Ashad End 2075	Ashad End 2074
Net Realized Gains/(Losses) on Financial Assets at Fair Value Through Profit or loss	119,277,358	197,282,911
Net Unrealized Gains/(Losses) on Financial Assets at Fair Value Through Profit or Loss	(366,421,189)	(212,371,503)
Total	(247,143,831)	(15,088,592)

Computation of Unrealized Gains for FY 2074/75:



Name of Company	Unit	Price	Amount	Cost	Total Cost	Gain/(Loss)
Swabalamban Bikas Bank Limited	2,103	1,240	2,607,720	799	1,680,871	926,849
Shangrila Development Bank Ltd.	17,081	157	2,681,717	144	2,461,935	219,782
Nepal Bank Limited	26,981	281	7,581,661	337	9,091,086	(1,509,425)
Machhapuchhre Bank Limited	69,645	209	14,555,805	253	17,632,504	(3,076,699)
Siddhartha Bank Limited	55,859	300	16,757,700	271	15,113,621	1,644,079
Nepal Doorsanchar Comapany Limited	46,830	721	33,764,430	681	31,877,771	1,886,659
NIC Asia Bank Ltd.	41,381	316	13,076,396	391	16,188,673	(3,112,277)
Siddhartha Insurance Ltd.	9,176	690	6,331,440	414	3,797,331	2,534,109
Global IME Bank Limited	25,697	290	7,452,130	320	8,229,778	(777,648)
Citizen Bank International Limited	8,971	236	2,117,156	178	1,595,177	521,979
Mega Bank Nepal Ltd.	87,690	163	14,293,470	223	19,565,739	(5,272,269)
Prime Commercial Bank Ltd.	48,651	287	13,962,837	272	13,247,067	715,771
Agriculture Development Bank Limited	35,424	314	11,123,136	274	9,700,092	1,423,044
Shikhar Insurance Co. Ltd.	19,336	985	19,045,960	855	16,526,159	2,519,801
Sanima Bank Limited	61,199	324	19,828,476	314	19,198,249	630,227
Sagarmatha Insurance company limited	5,875	1,340	7,872,500	1,111	6,524,471	1,348,029
Laxmi Bank Limited	25,833	258	6,664,914	263	6,792,117	(127,203)
Rural Microfinance Development Centre Ltd.	6,673	653	4,357,469	588	3,922,758	434,711
NLG Insurance Company Ltd.	14,996	930	13,946,280	613	9,198,309	4,747,971
Nepal Insurance Co. Ltd.	7,681	658	5,054,098	368	2,823,106	2,230,992
Everest Bank Limited	31,762	663	21,058,206	704	22,363,218	(1,305,012)
National Life Insurance Co. Ltd.	18,609	799	14,868,591	1,332	24,790,551	(9,921,960)
Chilime Hydropower Company Limited	48,492	790	38,308,680	1,088	52,761,359	(14,452,679)
Nabil Bank Limited	23,996	921	22,100,316	1,089	26,142,448	(4,042,132)
NABIL Bank Limited Promotor Share	39,314	687	27,008,718	731	28,719,380	(1,710,662)
Nepal Bangladesh Bank Limited	36,751	214	7,864,714	279	10,240,996	(2,376,282)
Sunrise Bank Limited	42,585	230	9,794,550	229	9,732,837	61,713
Muktinath Bikas Bank Ltd.	37,856	378	14,309,568	392	14,839,206	(529,638)
Nerude Laghubitta Bikash Bank limited	3,720	637	2,369,640	622	2,312,294	57,346
Life Insurance Co. Nepal	8,076	1,622	13,099,272	1,812	14,635,040	(1,535,768)
Himalayan bank Limited	46,855	551	25,817,105	555	25,983,004	(165,899)
Nepal SBI Bank Limited	44,423	499	22,167,077	453	20,123,076	2,044,001
Asian Life Insurance Company limited	43,573	683	29,760,359	671	29,255,041	505,318
Taragaon Regency Hotel Limited	8,260	274	2,263,240	267	2,208,231	55,009
Nepal Credit and Commerce Bank limited	17,203	250	4,300,750	386	6,642,986	(2,342,236)
Himalayan General Insurance Co. Ltd	25,878	450	11,645,100	560	14,483,488	(2,838,388)
Garima Bikash Bank Limited	46,350	182	8,435,700	181	8,379,687	56,013
Nirdhan Utthan Bikash bank Limited	9,449	1,024	9,675,776	957	9,046,852	628,924
Standard Chartered Bank Limited	14,912	755	11,258,560	782	11,661,405	(402,845)
Deprosc Development Bank Limited	18,677	750	14,007,750	851	15,900,730	(1,892,980)
Sana Kisan Bikas Bank Ltd	27,371	1,160	31,750,360	1,131	30,960,361	789,999
Shine Resunga Development Bank	28,009	271	7,590,439	186	5,206,244	2,384,195
Kailash Bikash Bank Limited	18,312	229	4,193,448	195	3,561,715	631,733
Goodwill Finance Company Limited	21,125	122	2,577,250	180	3,812,882	(1,235,632)
Janata Bank Nepal Ltd.	31,387	157	4,927,759	190	5,956,660	(1,028,901)
Civil Bank Limited	45,721	153	6,995,313	223	10,218,320	(3,223,007)
Kumari Bank Limited	46,080	199	9,169,920	234	10,775,859	(1,605,939)
Oreintal Hotels limited	13,482	521	7,024,122	585	7,892,056	(867,934)
Chhimek Laghubitta Bikas Bank Limited	14,888	877	13,056,776	979	14,575,285	(1,518,509)



NMB Bank Limited	32,759	358	11,727,722	559	18,310,194	(6,582,472)
Excel Development Bank Ltd.	8,871	326	2,891,946	348	3,085,860	(193,914)
Womi Microfinance Bittiya Sanstha Ltd.	1	1,385	1,385	104	104	1,281
Sanima Mai Hydropower Ltd.	34,422	328	11,290,416	476	16,391,259	(5,100,843)
Nepal Life Insurance Co. Ltd.	19,466	1,050	20,439,300	1,243	24,191,172	(3,751,872)
National Hydro Power Company Limited	12,400	86	1,066,400	213	2,640,459	(1,574,059)
Butwal Power Company Limited	32,561	457	14,880,377	692	22,525,791	(7,645,414)
Lumbini General Insurance Co. Ltd.	25,761	550	14,168,550	573	14,757,035	(588,485)
Siddhartha Equity Orineted Scheme	933,470	11	9,848,109	11	10,524,617	(676,509)
Om Development Bank Ltd.	13,422	180	2,415,960	172	2,301,898	114,062
Dev Bikas Bank Limited	8,537	129	1,101,273	150	1,279,079	(177,806)
Century Commercial Bank Ltd.	23,553	169	3,980,457	274	6,443,174	(2,462,717)
Bank of Kathmandu Ltd.	62,470	264	16,492,080	319	19,929,909	(3,437,829)
National Microfinance Bittiya Sanstha Ltd.	2,571	2,214	5,692,194	83	214,200	5,477,994
RSDC Laghubitta Bittiya Sanstha Ltd.	2,739	555	1,520,145	458	1,254,392	265,753
Suryodaya Laghubitta Bittiya Sanstha Ltd.	1,050	1,550	1,627,500	84	88,700	1,538,800
Forward Community Microfinance Bittiya Sanstha Ltd.	1,715	2,220	3,807,300	922	1,581,274	2,226,026
Samata Microfinance Bittiya Sanstha Ltd.	407	1,380	561,660	83	33,900	527,760
Synergy Power Development Ltd.	11,940	124	1,480,560	100	1,194,000	286,560
United Modi Hydropower Ltd.	7,532	172	1,295,504	156	1,171,772	123,732
Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd.	543	2,610	1,417,240	61	32,900	1,384,340
Kamana Sewa Bikas Bank Limited	11,754	144	1,692,576	167	1,965,338	(272,762)
Citizen Investment Trust	5,378	2,500	13,445,000	2,405	12,933,934	511,066
Gandaki Bikas Bank Limited	2,274	205	466,170	190	432,642	33,528
NMB Sulav Investment Fund-1	823,000	12	9,505,650	12	9,760,287	(254,637)
Support Microfinance Bittiya Sanstha Ltd.	750	817	612,750	100	75,000	537,750
Arambha Microfinance Bittiya Sanstha Ltd.	817	582	475,494	100	81,700	393,794
Unnati Micorfinance Bittiya Sanstha Ltd.	516	1,840	949,440	100	51,600	897,840
Nepal Seva Laghubitta Bittiya Sanstha Ltd.	450	343	154,350	100	45,000	109,350
Rairang Hydropower Development Company Ltd.	933	148	138,084	100	93,300	44,784
Laxmi Value Fund-1	300,000	10	3,075,000	10	3,119,463	(44,463)
Samudayik Laghubitta-IPO	938	100	93,800	100	93,800	-
SIL -Right Entitlement	13,876	228	3,169,417	-	-	3,169,417
RSDC -Right entitlement	2,949	266	785,171	-	-	785,171
Nadep Laghubitta-IPO	1,200	385	462,168	100	120,000	342,168
NMB-FPO Issue	25,000	358	8,950,000	333	8,325,000	625,000
SMATA -Right entitlement	407	651	264,823	-	-	264,823
Panchakanya Mai-IPO	3,056	125	381,205	100	305,600	75,605
NLICL -Right Entitlement	18,609	418	7,780,981	-	-	7,780,981
			800,582,511		843,702,375	(43,119,864)
Previous Year unrealised gain/(loss)			323,301,325			
Unrealised Gain /(Loss) this year			(366,421,189)			

**Computation of Unrealized Gains for FY 2073/74:**

Name of Company	Unit	Price	Amount	Cost	Total Cost	Gain/(Loss)
Swabalamban Bikas Bank Limited	12,261	1,809	22,180,149	1,016	12,457,895	9,722,254
Shangrila Development Bank Ltd.	8,841	390	3,447,990	230	2,037,014	1,410,976
Nepal Bank Limited	26,477	364	9,637,628	387	10,259,163	(621,535)
Machhapuchhre Bank Limited	57,431	360	20,675,160	297	17,057,067	3,618,093
Siddhartha Bank Limited	31,325	485	15,192,625	399	12,497,939	2,694,686
Nepal Doorsanchar Comapany Limited	52,515	675	35,447,625	643	33,759,137	1,688,488
NIC Asia Bank Ltd.	42,102	445	18,735,390	469	19,765,306	(1,029,916)
Siddhartha Insurance Ltd.	10,270	1,500	15,405,000	713	7,321,996	8,083,004
Global IME Bank Limited	23,361	388	9,064,068	352	8,229,778	834,290
Citizen Bank International Limited	16,943	403	6,828,029	212	3,592,687	3,235,342
Mega Bank Nepal Ltd.	40,116	458	18,373,128	376	15,087,842	3,285,286
Prime Commercial Bank Ltd.	43,756	421	18,421,276	352	15,416,008	3,005,268
Agriculture Development Bank Limited	25,070	435	10,905,450	292	7,319,948	3,585,502
Shikhar Insurance Co. Ltd.	8,162	1,941	15,842,442	329	2,683,691	13,158,751
Sanima Bank Limited	54,221	431	23,369,251	359	19,477,403	3,891,848
Sagarmatha Insurance company limited	2,125	1,410	2,996,250	522	1,108,726	1,887,524
Laxmi Bank Limited	22,492	390	8,771,880	344	7,737,568	1,034,312
Prime life Insurance Company Limited	3,862	2,555	9,867,410	1,096	4,234,128	5,633,282
Rural Microfinance Development Centre Ltd.	15,287	775	11,847,425	618	9,454,643	2,392,782
NLG Insurance Company Ltd.	18,771	1,485	27,874,935	767	14,393,444	13,481,491
Nepal Insurance Co. Ltd.	2,597	1,430	3,713,710	314	814,428	2,899,282
Everest Bank Limited	21,472	1,353	29,051,616	1,228	26,361,364	2,690,252
National Life Insurance Co. Ltd.	15,041	2,300	34,594,300	1,441	21,679,520	12,914,780
Chilime Hydropower Company Limited	42,167	798	33,649,266	1,251	52,761,459	(19,112,193)
Nabil Bank Limited	20,057	1,523	30,546,811	1,416	28,407,144	2,139,667
NABIL Bank Limited Promotor Share	24,659	1,130	27,864,670	931	22,961,994	4,902,676
Tourism Development Bank Limited	6,250	427	2,668,750	199	1,245,097	1,423,653
Nepal Bangladesh Bank Limited	22,536	402	9,059,472	437	9,849,574	(790,102)
Sunrise Bank Limited	25,288	396	10,014,048	298	7,542,212	2,471,836
Muktinath Bikas Bank Ltd.	16,772	971	16,285,612	444	7,444,597	8,841,015
Shahyogi Bikash Bank	6,011	363	2,181,993	286	1,717,359	464,634
Nerude Laghubitta Bikash Bank limited	11,553	1,285	14,845,605	1,079	12,469,520	2,376,085
Himalayan bank Limited	37,005	886	32,786,430	692	25,606,528	7,179,902
Nepal SBI Bank Limited	24,120	925	22,311,000	628	15,147,106	7,163,894
Asian Life Insurance Company limited	27,931	1,458	40,723,398	997	27,858,441	12,864,957
Taragaon Regency Hotel Limited	21,000	261	5,481,000	264	5,541,035	(60,035)
Biratlaxmi development Bank Limited	8,440	400	3,376,000	198	1,668,546	1,707,454
Nepal Credit and Commerce Bank limited	17,203	383	6,588,749	386	6,642,986	(54,237)
Himalayan General Insurance Co. Ltd	9,948	745	7,411,260	1,326	13,189,280	(5,778,020)
Garima Bikash Bank Limited	26,693	296	7,901,128	177	4,715,161	3,185,967
Nirdhan Utthan Bikash bank Limited	8,508	1,963	16,701,204	916	7,795,251	8,905,953
Standard Chartered Bank Limited	14,099	2,295	32,357,205	1,564	22,051,236	10,305,969
Deprosc Development Bank Limited	11,877	1,285	15,261,945	895	10,633,997	4,627,948



Sana Kisan Bikas Bank Ltd	26,433	1,502	39,702,366	1,389	36,714,881	2,987,485
Shine Resunga Development Bank	24,287	425	10,321,975	233	5,647,728	4,674,247
Kailash Bikash Bank Limited	24,697	327	8,075,919	214	5,284,015	2,791,904
Goodwill Finance Company Limited	9,199	201	1,848,999	281	2,580,481	(731,482)
Kamana Bikash Bank Limited	7,451	355	2,645,105	214	1,596,338	1,048,767
Janata Bank Nepal Ltd.	30,454	284	8,648,936	224	6,817,905	1,831,031
Civil Bank Limited	31,743	246	7,808,778	281	8,912,020	(1,103,242)
Kumari Bank Limited	26,723	327	8,738,421	262	7,001,267	1,737,154
Oreintal Hotels limited	9,494	654	6,209,076	431	4,096,155	2,112,921
Chhimek Laghubitta Bikas Bank Limited	12,601	1,525	19,216,525	1,158	14,595,719	4,620,806
Barun Hydropower Co. Ltd.	2,685	253	679,305	125	335,127	344,178
NMB Bank Limited	32,759	545	17,853,655	559	18,310,194	(456,539)
Excel Development Bank Ltd.	8,881	624	5,541,744	325	2,882,641	2,659,103
Mahila Sahayatra Microfinance Bittiya Sanstha Ltd.	1,165	1,160	1,351,400	89	104,255	,247,145
Kisan Microfinance Bittiya Sanstha Ltd.	1,288	2,740	3,529,120	62	80,000	3,449,120
Womi Microfinance Bittiya Sanstha Ltd.	858	1,979	1,697,982	72	61,633	1,636,349
Prudential Insurance Co. Ltd.	7,891	1,410	11,126,310	509	4,014,308	7,112,002
Sanima Mai Hydropower Ltd.	14,211	1,168	16,598,448	865	12,296,209	4,302,239
Nepal Life Insurance Co. Ltd.	8,457	2,148	18,165,636	1,634	13,815,490	4,350,146
National Hydro Power Company Limited	12,400	132	1,636,800	213	2,640,459	(1,003,659)
Butwal Power Company Limited	32,561	620	20,187,820	692	22,525,791	(2,337,971)
Lumbini General Insurance Co. Ltd.	21,346	930	19,851,780	1,193	25,456,655	(5,604,875)
Siddhartha Equity Orineted Scheme	625,000	12	7,412,500	11	7,096,661	315,839
NMB Microfinance Bittiya Sanstha Ltd.	1,021	2,846	2,905,766	83	84,539	2,821,227
Siddhartha Investment Growth Scheme-1	1,564,000	23	36,206,600	21	33,078,860	3,127,740
Om Development Bank Ltd.	13,174	629	8,286,446	232	3,061,651	5,224,795
Dev Bikas Bank Limited	5,207	259	1,348,613	206	1,070,785	277,828
Alabidyut Lagani tatha Bikas Co. Ltd.	76,431	197	15,056,907	100	7,643,100	7,413,807
Century Commercial Bank Ltd.	16,897	290	4,900,130	349	5,889,774	(989,644)
Mero Microfinance Bittiya Sanstha Ltd.	1,633	2,204	3,599,132	91	148,460	3,450,672
Bank of Kathmandu Ltd.	66,091	462	30,534,042	361	23,879,888	6,654,154
National Microfinance Bittiya Sanstha Ltd.	2,142	1,714	3,671,388	100	214,200	3,457,188
RSDC Laghubitta Bittiya Sanstha Ltd.	1,618	2,950	4,773,100	78	126,601	4,646,499
Suryodaya Laghubitta Bittiya Sanstha Ltd.	857	672	575,904	100	85,700	490,204
Forward Community Microfinance Bittiya Sanstha Ltd.	2,143	3,221	6,902,603	100	214,300	6,688,303
Samata Microfinance Bittiya Sanstha Ltd.	339	403	136,617	100	33,900	102,717
Synergy Power Development Ltd.	11,950	243	2,903,850	100	1,195,000	1,708,850
United Modi Hydropower Ltd.	4,761	341	1,623,501	100	476,100	1,147,401
Civil Laghubitta Bittiya Sanstha Ltd.	2,500	1,302	3,255,000	94	235,000	3,020,000
Chhyangdi Hydropower Limited	2,003	91	181,512	100	200,300	(18,788)



SBL-Right Entitlement	37,675	131	4,950,495	-	-	4,950,495
EBL-Right Entitlement	27,572	391	10,788,764	-	-	10,788,764
MBL-Right Entitlement	59,431	34	1,996,882	-	-	1,996,882
LGIL-Right Entitlement	21,346	830	17,717,180	-	-	17,717,180
HGI-Right Entitlement	9,948	1,252	12,451,829	-	-	12,451,829
Shangrila Development Bank Ltd.	1,772	390	691,080	-	-	691,080
Siddhartha Insurance Ltd.	3,591	1,500	5,386,500	-	-	5,386,500
Nerude Laghubitta Bikash Bank limited	941	1,285	1,209,185	-	-	1,209,185
anuthan Samudayik Laghubitta Bikas Bank Ltd.	225	3,060	688,500	-	-	688,500
TDBL ORDINARY UNLISTED	6,251	427	2,669,177	100	625,100	2,044,077
CBL - Unlisted Shares	914	246	224,844	-	-	224,844
Swadeshi Laghubitta-IPO	1,071	608	651,350	100	107,100	544,250
Mahuli Laghubitta - IPO	429	2,051	880,059	100	42,900	837,159
NLBBL-Right Share	2,354	1,285	3,024,890	100	235,400	2,789,490
CZBIL Right share	4,357	403	1,755,871	100	435,700	1,320,171
NBB - Right share	13,277	402	5,337,354	100	1,327,700	4,009,654
NBL - Right share	6,287	364	2,288,468	100	628,700	1,659,768
Himalayan Power Partner Limited - IPO	8,609	72	622,775	100	860,900	(238,125)
SIL - Right share	2,281	1,500	3,421,500	100	228,100	3,193,400
SBBLJ -Right share	3,342	363	1,213,146	100	334,200	878,946
SBI - Right shares	9,649	925	8,925,325	100	964,900	7,960,425
LBL - Ordinary unlisted	4,378	390	1,707,420	-	-	1,707,420
SRBL - Right shares	9,048	396	3,583,008	100	904,800	2,678,208
NLBBL-Right Auction	354	1,285	454,890	1,192	421,855	33,035
Mahuli - Ordinary unlisted	107	2,051	219,502	-	-	219,502
GBBL - Right Auction	10,000	296	2,960,000	287	2,870,000	90,000
			1,171,787,987		848,486,662	
Unrealised Gain /(Loss) this year		323,301,325				

15. Impairment

Accounting policy

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

16. Related Party Transactions

(As identified by the management and relied upon by the auditors)

Related Parties

- Fund Sponsor: Nepal Investment Bank Limited.
- Fund Manager and Depository: NIBL Ace Capital Limited, a subsidiary of the Sponsor.
- Shareholders holding substantial interest in the Fund Manager: Nepal Investment Bank 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'.

- Unit Holding of Nepal Investment Bank Limited (Fund Sponsor) amounts to NPR 140,000,000 (at par value of NPR 10 per unit)
- Unit Holding of NIBL Ace Capital Limited (Fund Management) amounts to NPR 10,000,000 (at par value of NPR 10 per unit)
- NIBL Samriddhi Fund -1 have earned interest amounting to NPR 352,816 (NPR Three Hundred Fifty Two Thousand Eight Hundred and Sixteen only) from Nepal Investment Bank Limited.
- Fund Management and Depository Fee incurred by NIBL Samriddhi Fund -1 during the year amounts to NPR 26,901,042 (NPR Twenty Six Million Nine Hundred One Thousand and Forty Two only). The amount is payable to NIBL Ace Capital Limited.
- Fund management and depository fee payable by NIBL Samriddhi Fund -1 to NIBL Ace Capital Limited NPR 12,295,741 (NPR Twelve Million Two Hundred Ninety Five Thousand Seven Hundred and Forty One only).
- The Scheme has a call account bank balance of NPR 8,541,077 (NPR. Eight Million Five Hundred Forty One Thousand and Seventy Seven only) as on Balance Sheet date with the Fund Sponsor - Nepal Investment Bank Limited.
- Depository Fee for transaction expenses NPR 9,450 (Nine Thousand Four Hundred and Fifty only) has been paid to NIBL Ace Capital Limited during the year.

17. 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.

18. Contingent Liability

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

19. Changes in Accounting Policy

During the year, the fund has changed its accounting policy with respect to the valuation of Financial assets. The fund now includes the value of right entitlement (yet to apply) for the purpose of calculation of Net Asset Value. Prior to this change in policy, value of right entitlement was not included for the purpose of calculation of net asset value. The fund believes that the new policy is preferable as it fairly represents the net asset value of the fund and aids comparability.

Impact of change in accounting policy:

The change in accounting policy has been applied retrospectively. As a result of this change, unrealized gain of the fund for the FY 2073/74 has increased by NRs. 47.91 million which has ultimately increased the NAV as at 31 Ashad 2074 to 15.42 per unit from 14.94 per unit. The impact on each line item of the financial statements of Financial Year 2073/74 is shown in the table below:

Particulars	Restated	As reported	Impact
Statement of Financial Position			
Assets			
Financial Assets Held at Fair Value Through Profit or Loss	1,171,787,987	1,123,882,838	47,905,149
Liabilities			
Unit Holder's Funds			
Net Assets Attributable to Unit Holders	1,542,326,200	1,494,421,051	47,905,149
NAV Per Unit	15.42	14.94	0.48

Particulars	Restated	As reported	Impact
Statement of Profit or Loss			
Income			
Net Profit/(Loss) on Financial Assets Held at Fair Value through Profit and Loss	(15,088,593)	(62,993,742)	47,905,149
Unrealised gain/(Loss)	(212,371,503)	(260,276,652)	47,905,149
Increase/(Decrease) in Net Assets Attributable to Unitholders	(17,243,786)	(65,148,935)	47,905,149

20. Proposed Dividend

12.00% Dividend (including tax) has been proposed by the Board of Directors for the fiscal year 2074/75 which amounts to NPR 120,000,000.

On Behalf of NIBL Ace Capital Limited
(Fund Management Company)

Shivanth Bahadur Pandé
Chief Executive Officer

Sachin Tibrewal
Chairman

As per our Report of even date

Maheswarendra Bdr. Shrestha
Proprietor
M.B. Shrestha & Co.,
Chartered Accountants

Binod Kumar Guragain
Director

Deepak Kumar Shrestha
Director

Bandana Thapa
Director

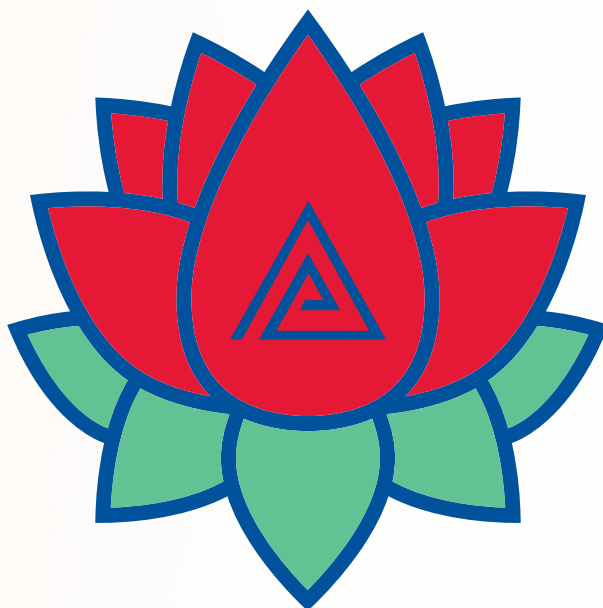
Ram Krishna Khatiwoda
Director

Rabindra Bhattarai
Director

Mekh Bahadur Thapa
General Manager

Bikram Kunwar
Scheme Manager - Mutual Funds

Date: 2075/05/07
Place: Kathmandu



NIBL MUTUAL FUND

Managing shares. Managing investments.

NIBL PRAGATI FUND

NIBL Pragati Fund, is another closed end mutual fund scheme with a corpus of NPR 750 million. Nepal Investment Bank Limited is the fund sponsor for this mutual fund scheme. The main objective of this scheme is to generate returns by investing only in the equity market as allowed by prevailing rules/regulations on mutual fund. The mutual fund has a maturity of 7 years from the date of allotment of its units.

Fund Supervisor	
Name	Background
Mr. Madhukar SJB Rana	Masters in economics with more than 46 years of experience in teaching profession and economist.
Dr. Bimal Prasad Koirala	PHD in economics with more than 30 years of experience in various government administration, industries and economic sector.
Dr. Shambhu Ram Simkhada	PHD International relation with more than 28 years of experience on various national and international organizations.
Dr. Durgesh Man Singh	PHD in Economics and expert in financial and political sector.
CA Jitendra Bahadur Raj Bhandary	Chartered accountants with more than 36 years of experience in the field of auditing.


S. R. PANDEY & Co.
Chartered Accountants

2nd Floor, House No. 2979/33
 Nabil Galli, Maharajgunj
 P. O. Box No. 2343
 Kathmandu, Nepal

Tel.: 977-1-4720983, 2104700
 Fax: 977-1-4720983
 e-mail: info@srp.com.np

**INDEPENDENT AUDITOR'S REPORT TO
 THE FUND MANAGER AND UNIT HOLDER OF NIBL PRAGATI FUND**

1. We have audited the accompanying financial statements of **NIBL Pragati Fund**, which comprise the Statement of Financial Position as at Ashad 32, 2075 (July 16, 2018), and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Change in Unitholders' Fund, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial Statement

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

Auditor's responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

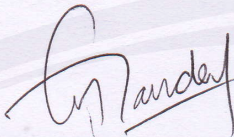
Opinion

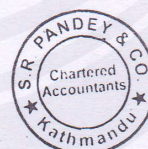
4. In our opinion, the financial statement present fairly, in all material respects, the financial position of **NIBL Pragati Fund**, as at Ashad 32, 2075 (July 16, 2018), and its financial performance, cash flows, changes in unit holders' fund for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Financial Reporting Standards and comply with Securities Act 2063, Securities Board Regulations 2064, Mutual Fund Regulation 2067 and Mutual Fund Guidelines, 2069.

Report on Other Legal and Regulatory Requirements

5. On the basis of our examination, we would like to further report that:
 - I. The Statement of Financial Position, Statement of Profit or Loss, Statement of Cash Flows, Statement of Changes in Unit Holders' fund and attached notes to accounts dealt with by this report are prepared in accordance with Nepal Financial Reporting Standards (NFRS); Securities Act, 2063; Securities Board Regulations, 2064; Mutual Fund Regulations, 2067; Mutual Fund Guidelines, 2069 and are in agreement with the books of account maintained by the scheme.
 - II. During our examination of the books of account of the Scheme, we have not come across any action committed against the interest of Unit holders.
 - III. The operations of the Scheme were found satisfactory.

Date: 2075.05.07
 Place: Kathmandu


 Sudarshan Raj Pandey, F.C.A
 Senior Partner



NIBL Pragati Fund

(Sponsored by Nepal Investment Bank Limited and Managed by NIBL Ace Capital Limited)

Statement of Financial Position as at 32nd Ashad 2075 (16th July, 2018)

In NPR

Particulars	Notes	32nd Ashad 2075	31st Ashad 2074
Assets			
Current Assets			
Cash and Cash Equivalents	3.2	25,221,992	220,402,618
Loans & Receivables	4.6	10,463,059	5,403,829
Financial Assets Held at Fair Value Through Profit or Loss	4.7	556,891,990	561,421,991
Total		592,577,041	787,228,437
Liabilities			
Current Liabilities			
Accrued Expenses & Other Payables	5.2	6,836,682	10,506,238
Liabilities (Excluding Net Assets Attributable to Unitholders)		6,836,682	10,506,238
Unit Holder's Funds			
Net Assets Attributable to Unit Holders	6	585,740,359	776,722,199
Total		592,577,041	787,228,437

NAV per Unit

7.81

10.36

Schedules and Explanatory Notes forms integral part of Statement of Position

On Behalf of NIBL Ace Capital Limited
(Fund Management Company)

As per our Report of even date

Shivanth Bahadur Pandé
Chief Executive Officer

Sachin Tibrewal
Chairman

S. R. Pandey, FCA
Senior Partner
S. R. Pandey & Co.
Chartered Accountants

Binod Kumar Guragain
Director

Deepak Kumar Shrestha
Director

Bandana Thapa
Director

Ram Krishna Khatiwada
Director

Rabindra Bhattarai
Director

Mekh Bahadur Thapa
General Manager

Subhash Poudel
Head- Mutual Fund

Date: 2075/05/07
Place : Kathmandu

NIBL Pragati Fund

(Sponsored by Nepal Investment Bank Limited and Managed by NIBL Ace Capital Limited)

Statement of Profit or Loss and Other Comprehensive Income

For the Period from 1st Shrawan 2074 to 32nd Asadh 2075 (16th July 2017 to 16th July 2018)

In NPR

Particulars	Notes	FY 2074/75	FY 2073/74
Income			
Interest Income	7.2	4,514,231	21,210,962
Dividend Income	7.3	4,822,207	1,067,171
Net Profit/(Loss) on Financial Assets Held at Fair Value through Profit and Loss	13(b)	(185,109,867)	22,207,337
Other Income		12,602	64,013
Total		(175,760,827)	44,549,483
Expenses and Losses			
Pre-operating expenses		-	7,893,944
Fund Management fees		9,550,127	5,787,355
Depository Fees		3,183,376	1,929,118
Fund Supervisors Fees		1,910,025	1,157,471
Publication Expenses		173,767	102,218
Listing Fees		50,000	612,500
Audit Fees		113,000	113,000
Bank Charges		12,380	10,370
DP Expense		2,525	175
NAV Certification fee		-	22,600
CDS Dematerialisation Registration Fee		120,000	132,500
Annual Service Charges on Software		62,150	56,500
Other Expenses		43,663	277
Impairment of Financial Assets - Tax Deducted on Dividend		-	9,255
Total expenses		15,221,013	17,827,284
Increase/(Decrease) in Net Assets Attributable to Unitholders		(190,981,840)	26,722,199

On Behalf of NIBL Ace Capital Limited
(Fund Management Company)

As per our Report of even date

Shivanth Bahadur Pandé
Chief Executive Officer

Sachin Tibrewal
Chairman

S. R. Pandey, FCA
Senior Partner
S. R. Pandey & Co.
Chartered Accountants

Binod Kumar Guragain
Director

Deepak Kumar Shrestha
Director

Bandana Thapa
Director

Ram Krishna Khatriwada
Director

Rabindra Bhattarai
Director

Mekh Bahadur Thapa
General Manager

Subhash Poudel
Head- Mutual Fund

Date: 2075/05/07
Place : Kathmandu

NIBL Pragati Fund

(Sponsored by Nepal Investment Bank Limited and Managed by NIBL Ace Capital Limited)

Statement of Cash Flows

For the Period from 1st Shrawan 2074 to 32nd Asadh 2075 (16th July 2017 to 16th July 2018)

In NPR

Particulars	FY 2074/75	FY 2073/74
A. Cash Flow from Operating Activities		
Surplus/ (Deficit) for the year	(190,981,840)	26,722,199
Adjustments for:		
Unrealised (gain)/loss on financial assets held for trading purposes	197,059,686	(20,512,066)
Increase/(Decrease) in Liabilities	(3,669,556)	10,506,238
(Increase)/Decrease in Share	(192,529,685)	(540,909,925)
(Increase)/Decrease in Other Assets	(5,059,230)	(5,403,829)
Net cash generated/(used) in Operations (1)	(195,180,626)	(529,597,382)
B. Cash Flow from Financing Activities		
Increase/(Decrease) in Unit Capital	-	750,000,000
Dividend Paid during the year (net of tax)		
Net cash generated/(used) in financing (2)	-	750,000,000
C. Cash Flow from Investing Activities		
Net cash generated/(used) in investing (3)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	(195,180,626)	220,402,618
Cash and Cash Equivalents at beginning of the year/period	220,402,618	-
Cash and Cash Equivalents at end of period	25,221,992	220,402,618
Components of Cash and Cash Equivalents		
Balance with Banks	25,221,992	220,402,618

On Behalf of NIBL Ace Capital Limited
(Fund Management Company)

As per our Report of even date

Shivanth Bahadur Pandé
Chief Executive Officer

Sachin Tibrewal
Chairman

S. R. Pandey, FCA
Senior Partner
S. R. Pandey & Co.
Chartered Accountants

Binod Kumar Guragain
Director

Deepak Kumar Shrestha
Director

Bandana Thapa
Director

Ram Krishna Khatriwada
Director

Rabindra Bhattarai
Director

Mekh Bahadur Thapa
General Manager

Subhash Poudel
Head- Mutual Fund

Date: 2075/05/07
Place : Kathmandu

NIBL Pragati Fund**(Sponsored by Nepal Investment Bank Limited and Managed by NIBL Ace Capital Limited)****Statement of Changes in Unit Holders' fund****For the Period from 1st Shrawan 2074 to 32nd Asadh 2075 (16th July 2017 to 16th July 2018)***In NPR*

Particulars	For the year Ended on 32nd Ashad 2075	For the year Ended on 31st Ashad 2074
Units Holders' Fund at the beginning of the Year/Period	776,722,199	750,000,000
Increase in Net Assets Attributable to Unit Holders	(190,981,840)	26,722,199
Distribution to Unit Holders	-	-
Units Holders' Fund at the end of the Year/Period	585,740,359	776,722,199

On Behalf of NIBL Ace Capital Limited
(Fund Management Company)

As per our Report of even date

Shivanth Bahadur Pandé
 Chief Executive Officer

Sachin Tibrewal
 Chairman

S. R. Pandey, FCA
 Senior Partner
S. R. Pandey & Co.
 Chartered Accountants

Binod Kumar Guragain
 Director

Deepak Kumar Shrestha
 Director

Bandana Thapa
 Director

Ram Krishna Khatiwada
 Director

Rabindra Bhattarai
 Director

Mekh Bahadur Thapa
 General Manager

Subhash Poudel
 Head- Mutual Fund

Date: 2075/05/07
 Place : Kathmandu

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

Notes to the Financial Statements as of Ashad End 2075 (16th July 2018)

1. General Information of the Scheme

Fund:	NIBL Mutual Fund
Scheme:	NIBL Pragati Fund
Fund Sponsor:	Nepal Investment Bank Limited (NIBL) (Licensed by NRB as Class A bank)
Fund Management:	NIBL Ace Capital Limited (A subsidiary of Nepal Investment Bank Limited)
Fund Supervisors:	Mr. Madhukar S.J.B.Rana Dr. Bimal Prasad Koirala Dr. Shambhu Ram Simkhada Dr. Durgesh Man Singh CA. Jitendra Bahadur Rajbhandari
Total Units of Scheme:	75,000,000 (Seventy-five million units)
Total Unit Capital:	NPR 750,000,000 (NPR Seven hundred fifty Million)
Scheme type:	Close-ended

NIBL Pragati Fund (the Scheme) under NIBL Mutual Fund (the Fund) is registered under Mutual Fund Regulations, 2067 as a closed-end, diversified investment scheme. The objective of the Fund is to diligently manage the fund with the aim to achieve high return for unit holders, growth of both capital and income from investment in shares and conservation of capital. The Scheme commenced its operation on 27 Poush 2073 (Scheme allotment date) B.S. with maturity period of 7 years (i.e. 26 Poush 2080 B.S.) It was listed in NEPSE on 6th Chaitra, 2073. The Scheme's Financial Statements for the year 2074/75 were approved by the Board of Directors of the NIBL Ace Capital Limited on 7th Bhadra 2075 being the Fund Management and Depository Company. Similarly, the Fund Supervisors' consent on the approved Financial Statements has also been duly obtained.

Nepal Investment Bank Limited (NIBL) is the Fund Sponsor and NIBL Ace Capital Limited (NIBL Ace Capital), a subsidiary of NIBL 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.

NIBL Pragati Fund
Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

The Unit Capital of the Scheme comprises of the following:

Holder	Status	No. of Units	Holding Amount @ 10 Each	Holding (%)
Nepal Investment Bank	Fund Sponsor	10,250,000	102,500,000	13.66
NIBL Ace Capital Limited	Fund Manager / Depository	1,000,000	10,000,000	1.34
General Public		63,750,000	637,500,000	85
Total		75,000,000	750,000,000	100

2. Summary of Significant Accounting Policies

The Principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

2.1. Statement of Compliance:

The Financial Statements are presented in Nepalese Rupees, rounded to the nearest Rupee. The Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS). Further the financial statements are in compliance with Securities Act, 2063 and its regulation and other relevant laws.

2.2. Basis of Preparation

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

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

The financial statements are prepared on the basis of fair value measurement of assets and liabilities.

The statement of financial position is presented on liquidity basis. Assets and liabilities are presented in decreasing order of liquidity. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders.

2.3. Reporting Pronouncements

The fund has, for the preparation of financial statements, adopted the NFRS pronounced by ASB as effective on September 13, 2013. NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.4. Accounting Conventions

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

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

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

2.5. New reporting standards in issue but not yet effective

NFRS 9 – Financial Instruments has been issued but is not effective until further notified. For the reporting of financial instruments, NAS 32 Financial Instruments, Presentation, NAS 39 Financial Instruments Recognition and Measurements and NFRS 7 Financial Instruments – Disclosures have been applied.

A number of new standards and amendments to the existing standards and interpretations have been issued by IASB after the pronouncements of NFRS with varying effective dates. Those become applicable when ASB Nepal incorporates them within NFRS.

A significant impact on classification and measurement including impairment of financial instruments, will arise as a result of application of NFRS 9.

2.6. Presentation

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

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

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

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

2.7. Presentation currency

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

2.8. Accounting Policies and accounting estimates

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

Accounting policies have been included in the relevant notes for each item of the financial statements.

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

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

NIBL Pragati Fund**Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited**

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

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Change in Accounting Policy:

During the year, the fund changed its accounting policy with respect to the valuation of right entitlements. Results for the year ended 31 Ashad 2074 have been restated. Further details are provided in note 19.

2.9. Financial Periods

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

2.10. Discounting

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

2.11. Limitation of NFRS implementation

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

3. Cash and Cash Equivalents**Accounting policy****3.1.** For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at bank.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

Explanatory notes**3.2.** The carrying amount of cash and cash equivalents are representative of their fair values as at the respective reporting date

Particulars	32nd Ashad 2075	31st Ashad 2074
Cash at Bank	25,221,992	220,402,618
Total	25,221,992	220,402,618

4. Financial Instruments**Accounting policy****4.1** The Fund's principal financial assets comprise assets held at fair value through profit and loss, assets measured at amortized cost, loans and receivables. The main purpose of these financial instruments is to generate a return on the investment made by unitholders. The Funds' principal

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

financial liabilities comprise accrued expenses and other payables which arise directly from its operations.

In accordance with NFRS 39; Financial Instruments: Recognition and Measurement, the Fund's interest receivables are classified as 'loans and receivables'. Equity securities / debentures are classified as fair value through profit and loss. The amount attributable to unitholders is classified as equity and is carried at the redemption amount being net asset value. Payables are designated as 'other financial liabilities' at amortized cost.

4.2 Classification

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

Financial Assets and Liabilities Held at Fair Value through Profit or Loss

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable.

4.3 Recognition / De- recognition

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

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

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

Realized gains and realized losses on de-recognition are determined using the weighted 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 weighted average cost and disposal amount.

4.4 Measurement

a. Financial Assets and Liabilities Held at Fair Value through Profit or Loss

At initial recognition, the Fund measures a financial asset at its fair value.

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

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

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

NIBL Pragati Fund
Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

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 and liabilities that are not traded in an active market are determined using valuation techniques.

b. Financial Assets Measured at Amortized Cost

Financial assets at this category are measured initially at fair value plus transaction costs and subsequently amortized using the effective interest rate method, less impairment losses if any. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment.

If evidence of impairment exists, an impairment loss is recognized in profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognized on a financial asset carried at amortized cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through profit or loss.

Receivables may include amounts for dividends, interest and trade receivables. Dividends are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(6) above.

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

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

4.5 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Explanatory note**4.6 Loans and Receivables-current**

Particulars	32nd Asadh 2075	31st Asadh 2074
Dividend Income Receivable	118,456	11,254.15
Broker Receivables	9,153,455	-
IPO Advance		
SBL Right	-	723,900.00
RSDC Right	165,000	-
SIL Right	878,400	-
SAMATA Right	20,400	-

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

IPO Application Refund Receivable		
Sanima Bank Right Auction	-	3,970,000.00
Laxmi Bank Limited Right Auction	-	696,384.00
TDS Receivables	127,347	2,290.79
Total Amount	10,463,059	5,403,828.94

4.7 Financial Assets Held at Fair Value Through Profit or Loss

Particulars	32nd Asadh 2075	31st Asadh 2074
Financial Assets Held for Trading		
Equity Security	556,891,990	561,421,991
Total Financial Assets held for Trading (A)	556,891,990	561,421,991
Designated Financial Assets at Fair Value Through Profit or Loss		
Total Designated at Fair Value Through Profit or Loss (B)	-	-
Total Financial Assets Held at Fair Value Through Profit or Loss (A+B)	556,891,990	561,421,991

Comparative Investment in Listed Shares

Name of Company	Asadh End 2075			Asadh End 2074		
	Unit	Price (NPR)	Amount (NPR)	Unit	Price (NPR)	Amount (NPR)
Himalayan Bank Limited	30,850	551	16,998,350	21,775	886	19,292,650
Bank of Kathmandu Limited	31,720	264	8,374,080	26,009	462	12,016,158
Machhapuchhre Bank Limited	17,848	209	3,730,232	25,729	360	9,262,440
Siddhartha Bank Limited	44,022	300	13,206,600	24,130	485	11,703,050
Prime Commercial Bank Limited	41,918	287	12,030,466	28,290	421	11,910,090
Citizens Bank International Limited	32,290	236	7,620,440	28,390	403	11,441,170
Sunrise Bank Limited	39,655	230	9,120,650	22,294	396	8,828,424
Sanima Bank Limited	40,513	324	13,126,212	32,374	431	13,953,194
NIC Asia Bank Limited	16,685	316	5,272,460	21,260	445	9,460,700
Nepal Bank Limited	45,539	281	12,796,459	33,623	364	12,238,772
NABIL Bank Limited Promotor Share	32,373	687	22,240,251	23,568	1,130	26,631,840
Global IME Bank Limited	32,370	290	9,387,300	25,570	388	9,921,160
Nepal SBI Bank Limited	39,026	499	19,473,974	17,406	925	16,100,550
Nepal Bangladesh Bank Limited	34,393	214	7,360,102	30,140	402	12,116,280
NMB Bank Limited	4,400	358	1,575,200	500	545	272,500
Laxmi Bank Limited	38,713	258	9,987,954	22,832	390	8,904,480

NIBL Pragati Fund**Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited**

Agricultural Development Bank Limited	40,969	314	12,864,266	26,141	435	11,371,335
Century Commercial Bank Limited	14,527	169	2,455,063	6,570	290	1,905,300
Deprosc Laghubitta Bittiya Sanstha Limited	9,456	750	7,092,000	4,652	1,285	5,977,820
Everest Bank Limited	35,361	663	23,444,343	16,190	1,353	21,905,070
Standard Chartered Bank Nepal Limited	1,765	755	1,332,575	1,630	2,295	3,740,850
Kumari Bank Limited	33,471	199	6,660,729	-	-	-
Janata Bank Nepal Limited	12,000	157	1,884,000	-	-	-
Mega Bank Nepal Limited	18,990	163	3,095,370	20,000	458	9,160,000
Shine Resunga Development Bank Limited	27,674	271	7,499,654	5,788	425	2,459,900
Garima Bikas Bank Limited	36,494	182	6,641,908	21,734	296	6,433,264
Mukthinath Bikas Bank Limited	42,084	378	15,907,752	14,568	971	14,145,528
Kailash Bikas Bank Limited	27,500	229	6,297,500	17,000	327	5,559,000
Shangrila Development Bank Limited	6,215	157	975,755	3,859	390	1,505,010
Swabalamban Laghubitta Bittiya Sanstha Limited	7,397	1,240	9,172,280	3,664	1,809	6,628,176
Excel Development Bank Limited	16,762	326	5,464,412	-	-	-
Oriental Hotel Limited	16,275	521	8,479,275	5,000	654	3,270,000
Taragaon Regency Hotel Limited	4,330	274	1,186,420	-	-	-
Sanima Mai Hydropower Limited	27,162	328	8,909,136	5,041	1,168	5,887,888
Chilime Hydro power Company Limited	1,946	790	1,537,340	2,683	798	2,141,034
Butwal Power Company Limited	10,020	457	4,579,140	12,583	620	7,801,460
United Modi Hydropower Limited	6,361	172	1,094,092	6,161	341	2,100,901
Rairang Hydropower Development Company Limited.	833	148	123,284	-	-	-
Asian Life Insurance Company Limited	39,572	683	27,027,676	18,967	1,458	27,653,886

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

Himalayan General Insurance Company Limited	20,800	450	9,360,000	7,800	745	5,811,000
Lumbini General Insurance Limited	8,410	550	4,625,500	3,727	930	3,466,110
Siddhartha Insurance Limited	25,097	690	17,316,930	17,384	1,500	26,076,000
NLG Insurance Company Limited	16,338	930	15,194,340	10,570	1,485	15,696,450
Nepal Life Insurance Company Limited	14,781	1,050	15,520,050	5,909	2,148	12,692,532
National Life Insurance Company Limited	22,299	799	17,816,901	11,182	2,300	25,718,600
Shikhar Insurance Company Limited	15,267	985	15,037,995	2,000	1,941	3,882,000
Life Insurance Corporation Nepal Limited	5,866	1,622	9,514,652	-	-	-
Sagarmatha Insurance Company Limited	3,000	1,340	4,020,000	-	-	-
Nepal Insurance Company Limited	5,000	658	3,290,000	-	-	-
Nepal Doorsanchar Company Limited	21,915	721	15,800,715	27,215	675	18,370,125
NMB Sulav Investment Fund-1	362,289	11.55	4,184,438	72,289	13	903,613
Siddhartha Equity Oriented Scheme	272,400	10.55	2,873,820	249,900	12	2,963,814
Laxmi Value Fund-1	50,000	10	512,500	-	-	-
RMDC Laghubitta Bittiya Sanstha Limited	10,282	653	6,714,146	13,269	775	10,283,475
Sana Kisan Laghubitta Bittiya Sanstha Limited	9,777	1,160	11,341,320	9,773	1,502	14,679,046
Chhimek Laghubitta Bittiya Sanstha Limited	15,754	877	13,816,258	9,802	1,525	14,948,050
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	12,007	1,024	12,295,168	2,254	1,963	4,424,602
Forward Community Microfinance Bittiya Sanstha Limited	672	2,220	1,491,840	2,143	3,221	6,902,603
Samata Microfinance Bittiya Sanstha Limited	407	1,380	561,660	339	403	136,617
Nerude Laghubitta Bittiya Sanstha Limited	10,129	637	6,452,173	7,000	1,285	8,995,000
Mahuli Laghubitta Bittiya Sanstha Limited	643	2,610	1,678,230	-	-	-

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

RSDC Laghubitta Bittiya Sanstha Limited	2,750	555	1,526,250	-	-	-
Support Microfinance Bittiya Sanstha Limited	750	817	612,750	-	-	-
Aarambha Microfinance Bittiya Sanstha Limited	817	582	475,494	-	-	-
Unnati Microfinance Bittiya Sanstha Limited	516	1,840	949,440	-	-	-
Nepal Sewa Laghubitta Bittiya Sanstha Limited	450	343	154,350	-	-	-
Chhyangdi Hydropower Limited	-	-	-	2,003	91	181,512
Nabil Balance Fund-1	-	-	-	103,596	20	2,040,841
Total			529,161,620			511,871,870

Comparative Investment in Unlisted Shares

Name of Company	Asadh End 2075			Asadh End 2074		
	Unit	Price (NPR)	Amount (NPR)	Unit	Price (NPR)	Amount (NPR)
CZBIL Right share	-	-	-	2,653	403	1,069,159
NBB - Right share	-	-	-	12,175	402	4,894,350
NBL - Right share	-	-	-	6,916	364	2,517,424
SBI - Right shares	-	-	-	6,363	925	5,885,775
LBL - Ordinary unlisted	-	-	-	4,175	390	1,628,250
SRBL - Right shares	-	-	-	6,689	396	2,648,844
SADBL - UNLISTED	-	-	-	620	390	241,800
GBBL - Right Auction	-	-	-	10,000	296	2,960,000
Himalayan Power Partner Limited - IPO	-	-	-	8,609	72	622,775
SIL - Right share	-	-	-	1,099	1,500	1,648,500
Swadeshi Laghubitta-IPO	-	-	-	1,072	608	651,958
Mahuli Laghubitta - IPO	-	-	-	429	2,051	880,059
NLBBL-Right Auction	-	-	-	354	1,285	454,890
Mahuli - Ordinary unlisted	-	-	-	107	2,051	219,502
SBL-Right Entitlement	-	-	-	24,130	131	3,170,682
EBL-Right Entitlement	-	-	-	16,190	391	6,335,053
MBL-Right Entitlement	-	-	-	25,729	34	864,494
LGIL-Right Entitlement	-	-	-	3,727	830	3,093,410
HGI-Right Entitlement	-	-	-	7,800	1,252	9,763,195
NMB-FPO	30,000.00	358.00	10,740,000.00	-	-	-
Panchakanya Mai-IPO	3,056.00	124.74	381,205.44	-	-	-

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

NLICL-Right Entitlement	22,299.00	418.13	9,323,880.87	-	-	-
SIL -Right Entitlement	5,097.00	228.41	5,732,405.77	-	-	-
Samudayik Laghubitta-IPO	937.00	100.00	93700.00	-	-	-
RSDC -Right entitlement	2,750.00	266.25	732,187.50	-	-	-
Nadep Laghubitta-IPO	1,200.00	385.14	462,168.00	-	-	-
SMATA -Right entitlement	407.00	650.67	264,822.69	-	-	-
Total			27,730,370			49,550,121
Total Investment in Shares			556,891,990			561,421,991

Samudayik Laghubitta-IPO has been valued at cost since there is chance of non-listing of share and refund of share application money.

5. Payables

Accounting policy

- 5.1** Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period.

Explanatory notes

5.2 Accrued Expenses and Other Payables

Particulars	32nd Asadh 2075	31st Asadh 2074
Software Fee Payable	30,609	55,653
Reporting Expenses Payables	33,560	44,425
Audit Fee Payable	111,500	111,500
TDS Liability	217,939	2,348
Provision for Realizable Tax on Dividend and TDS receivable	5,975	9,255
Brokers Payable	29,908	1,549,966
Fund Management Fee Payables	4,254,663	5,695,495
Depository Fee Payable	1,418,221	1,898,498
Supervisor Fee Payable	691,113	1,139,099
Supervisor Fee's Commission to SEBON	43,195	-
Total	6,836,682	10,506,238

Provision for realizable tax on dividend and TDS receivable represents amount of impairment booked on TDS receivable and Dividend receivable.

Fund management fee and depository fee includes fee payable to NIBL Ace Capital Limited for fund management and depository services. Supervisor Fee's Commission to SEBON is an amount payable to SEBON which is equal to 5% of Supervisor fee.

NIBL Pragati Fund**Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited****6. Net Assets Attributable to Unitholders**

Unitholders' funds have been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the liabilities, other than those due to unitholders, as at the statement of financial position date.

The Fund Manager calculates the NAV per unit of the Scheme by deducting the Schemes' expenses over market value of the total investment plus investment income divided by number of units on a weekly basis in accordance with the prevailing regulations/guidelines on mutual funds and publishes the same on its official website: www.niblcapital.com. The said information is also shared with the Board members of the Fund Manager & the Fund Supervisors via e-mail. Further, the NAV per unit calculated on a monthly basis is published on a national daily newspaper and uploaded on the website of the Fund Manager with prior notification of the same forwarded to the Fund Supervisors & SEBON in writing.

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 unitholders as capital (which includes unit capital, realized and unrealized gain), notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily changes in Market Price of Share at Nepal Stock Exchange.

Distribution to unit holders is recognized in the statement of changes in unitholders' funds. Income not distributed is included in net assets attributable to unitholders.

Particular	For the Year Ended on 32nd Ashad 2075	For the Year Ended on 31st Ashad 2074
Unit Holders' Fund at the Beginning of the Year/Period	776,722,199	750,000,000
Increase / (Decrease) in Net Assets Attributable to Unit Holders	(190,981,840)	26,722,199
Distribution to Unit Holders'	-	-
Unit Holders' Fund at the End of the Year/Period	585,740,359	776,722,199

7. Investment Income**Accounting Policy**

- 7.1** Interest income is recognized in profit or loss for all financial instruments that are not held at fair value through profit or loss using the effective interest method. Interest income on assets held at fair value through profit or loss is included in the net gains/ (losses) on financial instruments.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

Dividend income is recognized on the ex-dividend date.

Explanatory notes

7.2 Interest Income

Particulars	FY 2074/75	FY 2073/74
Interest on Bank Deposits	4,514,231	21,210,962
Total	4,514,231	21,210,962

7.3 Dividend Income

Particulars	FY 2074/75	FY 2073/74
Dividend Income Realized	4,822,207	1,067,171
Total	4,822,207	1,067,171

8. Expenses

All expenses, including management fees supervisor fees and depository fees, are recognized in profit or loss on accruals basis.

The management participation fees of the fund are as follows:

- Fund Management Fees: 1.5% of Net Assets Value (NAV)*.
- Depository Fees: 0.5% of NAV *
- Fund Supervisor Fees: 0.30% of NAV *

* NAV for this purpose is computed on the basis of half yearly average of weekly NAV or NAV of end of Half year, whichever is lower.

Total Fund Management, Depository & Fund Supervisor's Fees calculated on the basis of 366 days a year is presented in Nepalese currency and charged as under:

Particulars	FY 2074/75	FY 2073/74
Fund Management Fee	9,550,127	5,787,355
Depository Fee	3,183,376	1,929,118
Fund Supervisor Fee	1,910,025	1,157,471
Total	14,643,528	8,873,945

9. Income Tax

Income Tax Act, 2058 has not specifically charged corporate tax liability on Mutual Fund Scheme. TDS is not applicable on withholding tax on interest, dividend income and gain on disposal of shares of Mutual Fund Scheme. Accordingly, Mutual Fund Scheme is not considered as tax-entity and corporate tax on Scheme is not considered.

10. Distributions

The distributions, if any to unit holders are recognized in statement of changes in unitholders' funds.

NIBL Pragati Fund**Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited****11. Financial Risk Management**

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

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

The management of these risks is carried out by the NIBL Capital, 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.

11.1. Market Risk**a. Price Risk**

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Paragraph below sets out how this component of price risk is managed and measured. Investments are classified in the statement of financial position as at fair value through profit or loss and loans and receivables. 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.

All of the Fund's equity investments in companies are listed in NEPSE. The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund Management Company.

Investment Threshold

As per the Mutual Fund Regulation, 2067 investment in bank deposit cannot be made more than 10% of total fund size of the scheme.

b. Foreign Exchange Rate Risk

The Fund is not exposed to the fluctuations in exchange rates as all investments and transactions of the fund are made in investments denominated in NPR.

c. Cash Flow and Fair Value Interest Rate Risk

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

Financial instruments with fixed rates expose the Fund to fair value interest rate risk. The Fund's interest-bearing financial assets expose it to risks associated with the effects of fluctuations in the

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

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.

11.2. Credit Risk

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

The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. However, there is no investment 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 equity portfolio.

For FY 2074/75:

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercial Banks	231,129,076.00	16,034,579.93	43.68%	-26.87%
Development Bank	51,959,261.00	66,997,131.74	9.82%	-22.45%
Microfinance Companies	58,069,079.00	67,994,015.34	10.97%	-14.60%
Hydropower Companies	16,242,992.00	21,660,485.96	3.07%	-25.01%
Life Insurance Companies	73,169,279.00	16,262,311.96	13.83%	-37.07%
Non-life Insurance Companies	65,554,765.00	97,982,836.47	12.39%	-33.10%
Telecom, Mutual Funds and others	23,371,472.95	23,766,100.12	4.42%	-1.66%
Hotels	9,665,695.00	12,232,848.64	1.83%	-20.99%
Total	529,161,619.95	722,930,310.16	100.00%	-26.80%

For FY 2074/75:

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercial Banks	266,757,635	280,603,874	49.57%	-4.93%
Development Bank	39,932,678	35,653,779	7.42%	12.00%
Microfinance Companies	62,575,802	49,951,902	11.63%	25.27%
Hydropower Companies	18,735,570	15,795,656	3.48%	18.61%
Insurance Companies	122,645,078	131,701,467	22.79%	-6.88%
Telecom, Mutual Funds and others	24,278,393	23,887,855	4.51%	1.63%
Hotels	3,270,000	3,315,370	0.61%	-1.37%
Total	538,195,156	540,909,903	100.00%	-0.50%

NIBL Pragati Fund
Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

11.3. Liquidity Risk

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

The Fund is exposed to daily cash redemptions of redeemable units. Its policy is therefore to invest 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.

The Fund has the ability to borrow in the short term to ensure settlement. No such borrowings have arisen during the period.

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

12. Fair Value Measurement

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

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

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

- (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 Fund values its investments in accordance with the accounting policies set out in note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

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

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made within last 180 days is valued at last traded price of the stock at NEPSE considering it as level two input.

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.

After the book closure date and till the rights are listed, right entitlements are valued as difference between the right price and ex-right price. This is explained with the help of following formula:

$$V_r = n / m \times (P_{ex} - P_{of})$$

Where

V_r = Value of Rights

n = Number of rights offered

m = Number of original shares held

P_{ex} = Ex-right price

P_{of} = Rights offer price

Valuation of total Right Entitlement = $V_r \times \text{No. of shares held before Ex- date}$

13. Net Gain/Losses on financial Assets held at fair value through profit or loss

a. Accounting policy

Realized gain is the difference between the cost price and realized price on the sale of the shares after deducting the selling expenses.

Unrealized gain is the difference between the cost price and the closing market price available at the end of the reporting period or the latest trading price if the closing price as on the year end is not available.

b. Explanatory notes

Particulars	FY 2074/75	FY 2073/74
Net Realised (Losses)/Gains on Financial Assets at Fair Value Through Profit or loss	11,949,819	1,695,271
Net Unrealised (Losses)/Gains on Financial Assets at Fair Value Through Profit or Loss	(197,059,686)	20,512,066
Total	(185,109,867)	22,207,337

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

Computation of Unrealized Gains for FY 2074/75:

Name of Company	Unit	Price	Amount	Cost	Total Cost	Gain/(Loss)
Himalayan Bank Limited	30,850	551	16,998,350	751	23,172,011	(6,173,661)
Bank of Kathmandu Limited	31,720	264	8,374,080	419	13,291,117	(4,917,037)
Machhapuchhre Bank Limited	17,848	209	3,730,232	350	6,253,824	(2,523,592)
Siddhartha Bank Limited	44,022	300	13,206,600	410	18,057,951	(4,851,351)
Prime Commercial Bank Limited	41,918	287	12,030,466	326	13,657,604	(1,627,138)
Citizens Bank International Limited	32,290	236	7,620,440	355	11,472,689	(3,852,249)
Sunrise Bank Limited	39,655	230	9,120,650	329	13,055,752	(3,935,102)
Sanima Bank Limited	40,513	324	13,126,212	351	14,238,594	(1,112,382)
NIC Asia Bank Limited	16,685	316	5,272,460	387	6,464,868	(1,192,408)
Nepal Bank Limited	45,539	281	12,796,459	366	16,668,104	(3,871,645)
NABIL Bank Limited Promotor Share	32,373	687	22,240,251	828	26,795,449	(4,555,198)
Global IME Bank Limited	32,370	290	9,387,300	337	10,923,609	(1,536,309)
Nepal SBI Bank Limited	39,026	499	19,473,974	814	31,748,501	(12,274,527)
Nepal Bangladesh Bank Limited	34,393	214	7,360,102	389	13,387,028	(6,026,926)
NMB Bank Limited	4,400	358	1,575,200	464	2,042,668	(467,468)
Laxmi Bank Limited	38,713	258	9,987,954	327	12,677,850	(2,689,896)
Agricultural Development Bank Limited	40,969	314	12,864,266	382	15,657,235	(2,792,969)
Century Commercial Bank Limited	14,527	169	2,455,063	273	3,964,201	(1,509,138)
Deprosc Laghubitta Bittiya Sanstha Limited	9,456	750	7,092,000	1,166	11,027,297	(3,935,297)
Everest Bank Limited	35,361	663	23,444,343	1,012	35,787,595	(12,343,252)
Standard Chartered Bank Nepal Limited	1,765	755	1,332,575	645	1,138,425	194,150
Kumari Bank Limited	33,471	199	6,660,729	238	7,969,243	(1,308,514)
Janata Bank Nepal Limited	12,000	157	1,884,000	173	2,081,398	(197,398)

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

Mega Bank Nepal Limited	18,990	163	3,095,370	237	4,501,566	(1,406,196)
Shine Resunga Development Bank Limited	27,674	271	7,499,654	329	9,118,561	(1,618,907)
Garima Bikas Bank Limited	36,494	182	6,641,908	253	9,232,749	(2,590,841)
Muktinath Bikas Bank Limited	42,084	378	15,907,752	498	20,957,404	(5,049,652)
Kailash Bikas Bank Limited	27,500	229	6,297,500	316	8,687,087	(2,389,587)
Shangrila Development Bank Limited	6,215	157	975,755	186	1,153,198	(177,443)
Swabalamban Laghubitta Bittiya Sanstha Limited	7,397	1,240	9,172,280	1,550	11,467,236	(2,294,956)
Excel Development Bank Limited	16,762	326	5,464,412	381	6,380,897	(916,485)
Oriental Hotel Limited	16,275	521	8,479,275	679	11,054,024	(2,574,749)
Taragaon Regency Hotel Limited	4,330	274	1,186,420	272	1,178,824	7,596
Sanima Mai Hydropower Limited	27,162	328	8,909,136	499	13,551,926	(4,642,790)
Chilime Hydro power Company Limited	1,946	790	1,537,340	751	1,460,828	76,512
Butwal Power Company Limited	10,020	457	4,579,140	588	5,896,215	(1,317,075)
United Modi Hydropower Limited	6,361	172	1,094,092	105	668,218	425,874
Rairang Hydropower Development Company Limited.	833	148	123,284	100	83,300	39,984
Asian Life Insurance Company Limited	39,572	683	27,027,676	999	39,527,798	(12,500,122)
Himalayan General Insurance Company Limited	20,800	450	9,360,000	669	13,918,489	(4,558,489)
Lumbini General Insurance Limited	8,410	550	4,625,500	741	6,235,223	(1,609,723)
Siddhartha Insurance Limited	25,097	690	17,316,930	1,216	30,527,326	(13,210,396)
NLG Insurance Company Limited	16,338	930	15,194,340	1,267	20,707,045	(5,512,705)
Nepal Life Insurance Company Limited	14,781	1,050	15,520,050	1,377	20,355,579	(4,835,529)

NIBL Pragati Fund**Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited**

National Life Insurance Company Limited	22,299	799	17,816,901	1,922	42,868,269	(25,051,368)
Shikhar Insurance Company Limited	15,267	985	15,037,995	1,466	22,379,618	(7,341,623)
Life Insurance Corporation Nepal Limited	5,866	1,622	9,514,652	1,868	10,955,667	(1,441,015)
Sagarmatha Insurance Company Limited	3,000	1,340	4,020,000	1,405	4,215,136	(195,136)
Nepal Insurance Company Limited	5,000	658	3,290,000	511	2,555,000	735,000
Nepal Doorsanchar Company Limited	21,915	721	15,800,715	724	15,857,949	(57,234)
NMB Sulav Investment Fund-1	362,289	11.55	4,184,438	12	4,264,542	(80,104)
Siddhartha Equity Oriented Scheme	272,400	10.55	2,873,820	11	3,123,418	(249,598)
Laxmi Value Fund-1	50,000	10	512,500	10	520,190	(7,690)
RMDC Laghubitta Bittiya Sanstha Limited	10,282	653	6,714,146	681	7,000,006	(285,860)
Sana Kisan Laghubitta Bittiya Sanstha Limited	9,777	1,160	11,341,320	1,091	10,670,269	671,051
Chhimek Laghubitta Bittiya Sanstha Limited	15,754	877	13,816,258	1,283	20,219,794	(6,403,536)
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	12,007	1,024	12,295,168	1,287	15,455,187	(3,160,019)
Forward Community Microfinance Bittiya Sanstha Limited	672	2,220	1,491,840	26	17,409	1,474,431
Samata Microfinance Bittiya Sanstha Limited	407	1,380	561,660	83	33,900	527,760
Nerude Laghubitta Bittiya Sanstha Limited	10,129	637	6,452,173	1,165	11,801,253	(5,349,080)
Mahuli Laghubitta Bittiya Sanstha Limited	643	2,610	1,678,230	67	42,900	1,635,330
RSDC Laghubitta Bittiya Sanstha Limited	2,750	555	1,526,250	909	2,499,998	(973,748)

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

Support Microfinance Bittiya Sanstha Limited	750	817	612,750	100	75,000	537,750
Aarambha Microfinance Bittiya Sanstha Limited	817	582	475,494	100	81,700	393,794
Unnati Microfinance Bittiya Sanstha Limited	516	1,840	949,440	100	51,600	897,840
Nepal Sewa Laghubitta Bittiya Sanstha Limited	450	343	154,350	100	45,000	109,350
NMB-FPO	30,000	358	10,740,000	333	9,990,000	750,000
Panchakanya Mai-IPO	3,056	125	381,205	100	305,600	75,605
NLICL-Right Entitlement	22,299	418	9,323,881	-	-	9,323,881
SIL -Right Entitlement	25,097	228	5,732,406	-	-	5,732,406
Samudayik Laghubitta-IPO	937	100	93,700	100	93,700	-
RSDC -Right entitlement	2,750	266	732,187	-	-	732,188
Nadep Laghubitta-IPO	1,200	385	462,168	100	120,000	342,168
SMATA -Right entitlement	407	651	264,823	-	-	264,823
Total			56,891,990		733,439,610	(176,547,620)
Up-to Previous Year						20,512,066
Unrealized Gain/(Loss) this year						(197,059,686)

Computation of Unrealized Gains for FY 2073/74:

Name of Company	Unit	Price	Amount	Cost	Total Cost	Gain/(Loss)
Himalayan Bank Limited	21,775	886	19,292,650	948	20,639,989	(1,347,339)
Bank Of Kathmandu Limited	26,009	462	12,016,158	480	12,476,855	(460,697)
Machhapuchhre Bank Limited	25,729	360	9,262,440	416	10,697,484	(1,435,044)
Siddhartha Bank Limited	24,130	485	11,703,050	637	15,381,119	(3,678,069)
Prime Commercial Bank Limited	28,290	421	11,910,090	417	11,798,521	111,569
Citizens Bank International Limited	28,390	403	11,441,170	441	12,529,105	(1,087,935)

NIBL Pragati Fund**Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited**

Sunrise Bank Limited	22,294	396	8,828,424	469	10,452,311	(1,623,887)
Sanima Bank Limited	32,374	431	13,953,194	409	13,236,008	717,186
NIC ASIA Bank Limited	21,260	445	9,460,700	465	9,883,807	(423,107)
Nepal Bank Limited	33,623	364	12,238,772	422	14,192,338	(1,953,566)
NABIL Bank Limited	23,568	1,130	26,631,840	1080	25,460,074	1,171,766
GLOBAL IME Bank Limited	25,570	388	9,921,160	368	9,421,469	499,691
Nepal SBI Bank Limited	17,406	925	16,100,550	1281	22,301,482	(6,200,932)
Nepal Bangladesh Bank Limited	30,140	402	12,116,280	572	17,229,648	(5,113,368)
NMB Bank Limited	500	545	272,500	453	226,799	45,701
Laxmi Bank Limited	22,832	390	8,904,480	436	9,958,092	(1,053,612)
Agricultural Bank Limited	26,141	435	11,371,335	466	12,180,466	(809,131)
Century Commercial Bank Limited	6,570	290	1,905,300	378	2,483,887	(578,587)
Deprosc Development Bank Limited	4,652	1,285	5,977,820	1463	6,804,226	(826,406)
Everest Bank Limited	16,190	1,353	21,905,070	1813	29,347,895	(7,442,825)
Mega Bank Limited	20,000	458	9,160,000	416	8,320,000	840,000
Standard Chartered Bank Limited	1,630	2,295	3,740,850	1290	2,102,700	1,638,150
Shine Resunga Development Bank	5,788	425	2,459,900	376	2,178,102	281,798
Garima Bikash Bank Limited	21,734	296	6,433,264	293	6,362,749	70,515
Muktinath Bikash Bank Limited	14,568	971	14,145,528	677	9,869,486	4,276,042
Kailash Bikash Bank Limited	17,000	327	5,559,000	357	6,063,595	(504,595)
Shangrila Development Bank Limited	3,859	390	1,505,010	305	1,175,198	329,812
Swabalamban Bikash Bank Limited	3,664	1,809	6,628,176	1947	7,134,658	(506,482)
Oriental Hotels Limited	5,000	654	3,270,000	663	3,315,370	(45,370)
Sanima Mai Hydropower Limited	5,041	1,168	5,887,888	998	5,032,363	855,525
Chilime Hydropower Company Limited	2,683	798	2,141,034	775	2,079,708	61,326

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

Butwal Power Company Limited	12,583	620	7,801,460	557	7,006,288	795,172
United Modi Hydropower Limited	6,161	341	2,100,901	100	616,100	1,484,801
Chhyangdi Hydropower Limited	2,003	90.62	181,512	100	200,300	(18,788)
Asian Life Insurance Limited	18,967	1,458	27,653,886	1499	28,439,080	(785,194)
Himalayan General Insurance Company Limited	7,800	745	5,811,000	1618	12,618,489	(6,807,489)
Lumbini General Insurance Company Limited	3,727	930	3,466,110	1573	5,862,523	(2,396,413)
Siddhartha Insurance Ordinary Share	17,384	1,500	26,076,000	1517	26,379,870	(303,870)
NLG Insurance	10,570	1,485	15,696,450	1584	16,738,653	(1,042,203)
Nepal Life Insurance Company Limited	5,909	2,148	12,692,532	1822	10,766,622	1,925,910
National Life Insurance Company Limited	11,182	2,300	25,718,600	2402	26,858,124	(1,139,524)
Shikhar Insurance company Limited	2,000	1,941	3,882,000	1964	3,928,207	(46,207)
Nepal Doorsanchar Company Limited	27,215	675	18,370,125	662	18,009,648	360,477
NMB Sulav Fund -1	72,289	12.5	903,613	13	904,974	(1,361)
Siddhartha Equity Oriented Scheme	249,900	11.86	2,963,814	12	2,973,623	(9,809)
Nabil Balance Fund-1	103,596	19.7	2,040,841	19	1,999,611	41,230
Rural Microfinance Development Centre Limited	13,269	775	10,283,475	715	9,484,840	798,635
Sana Kisan Bikas Bank Limited(SKBBL)	9,773	1,502	14,679,046	1197	11,694,599	2,984,447
Chhimek Laghubitta Bikas Bank Limited(CBBL)	9,802	1,525	14,948,050	1559	15,278,567	(330,517)
Nirdhan Utthan Bank Limited(NUBL)	2,254	1,963	4,424,602	1705	3,842,827	581,775
Forward Community Microfinance Bittiya Sanstha Limited(FOWAD)	2,143	3,221	6,902,603	100	214,300	6,688,303

NIBL Pragati Fund**Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited**

Samata Microfinance Bittiya Sanstha Limited(SMATA)	339	403	136,617	100	33,900	102,717
Nerude Laghubita Bikas Bank Limited (NLBBL)	7,000	1,285	8,995,000	1262	8,830,924	164,076
Citizen Bank Limited-Right share	2,653	403	1,069,159	100	265,300	803,859
Nepal Bangladesh Bank Limited - Right share	12,175	402	4,894,350	100	1,217,500	3,676,850
Nepal Bangladesh Bank Limited - Right share	6,916	364	2,517,424	100	691,600	1,825,824
State Bank of India - Right shares	6,363	925	5,885,775	100	636,300	5,249,475
Laxmi Bank Limited - Ordinary unlisted	4,175	390	1,628,250	-	-	1,628,250
Sunrise Bank Limited - Right shares	6,689	396	2,648,844	100	668,900	1,979,944
Shangila Development Bank Limited	620	390	241,800	-	-	241,800
Garima Bikash Bank Limited - Right Auction	10,000	296	2,960,000	287	2,870,000	90,000
Himalayan Power Partner Limited – IPO	8,609	72	622,775	100	860,900	(238,125)
Siddhartha Insurance Limited - Right share	1,099	1,500	1,648,500	100	109,900	1,538,600
Swadeshi Laghubitta-IPO	1,072	608	651,958	100	107,200	544,758
Mahuli Laghubitta - IPO	429	2,051	880,059	100	42,900	837,159
Nerude Laghubitta Bikash Bank Limited-Right Auction	354	1,285	454,890	1192	421,855	33,035
Mahuli - Ordinary unlisted	107	2,051	219,502	-	-	219,502
SBL-Right Entitlement	24,130	131	3,170,682	-	-	3,170,682
EBL-Right Entitlement	16,190	391	6,335,053	-	-	6,335,053

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

MBL-Right Entitlement	25,729	34	864,494	-	-	864,494
LGIL-Right Entitlement	3,727	830	3,093,410	-	-	3,093,410
HGI-Right Entitlement	7,800	1,252	9,763,195	-	-	9,763,195
Total			561,421,991		540,909,927	20,512,066
Up-to Previous Year						-
Unrealized Gain/(Loss) this year						20,512,066

14. Impairment

Accounting policy

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

15. Related Party Transactions

(As identified by the management and relied upon by the auditors)

Related Parties

- Fund Sponsor: Nepal Investment Bank Limited.
- Fund Manager and Depository: NIBL Ace Capital Limited, a subsidiary of the Sponsor.
- Shareholders holding substantial interest in the Fund Manager:
Nepal Investment Bank 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'.

Unit Holding of Nepal Investment Bank Limited (Fund Sponsor) amounts to NPR 102,500,000 (at par value of NPR 10 per unit)

Unit Holding of NIBL Ace Capital Limited (Fund Management) amounts to NPR 10,000,000 (at par value of NPR 10 per unit)

NIBL Pragati Fund have earned interest amounting to 1,62,087 (NPR One Hundred Sixty-Two Thousand and Ninety-Two only) from Nepal Investment Bank Limited.

Fund Management and Depository Fee incurred by NIBL Pragati Fund during the year amounts to NPR 1,29,16,829 (NPR Twelve Million Nine Hundred Sixteen Thousand Eight Hundred and twenty-Nine only). The amount is payable to NIBL Ace Capital Limited.

Fund management and depository fee payable by NIBL Pragati Fund to NIBL Ace Capital Ltd. Limited NPR 58,53,461 (Five Million Eight Hundred Fifty-three thousand and Four Hundred Sixty-One Five Hundred Thirty-Four Thousand Five Hundred seventy-two).

NIBL Pragati Fund**Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited**

- The Scheme has a call account bank balance of NPR 47,15,666 (NPR Four Million Seven Hundred Fifteen Four Thousand and six Hundred sixty-six) as on Balance Sheet date with the Fund Sponsor - Nepal Investment Bank Limited
- Depository Fee for transaction expenses NPR 2525 (Two thousand Five Hundred Twenty-Five Only) has been paid to NIBL Ace Capital Limited during the year.

16. 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.

17. Contingent Liability

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

18. Proposed Dividend

The Scheme has not proposed any cash dividend to its unit holders during the reporting period.

19. Changes in Accounting Policy

During the year, the fund has changed its accounting policy with respect to the valuation of Financial assets. The fund now includes the value of right entitlement for the purpose of calculation of Net Asset Value. Prior to this change in policy, value of right entitlement was not included for the purpose of calculation of net asset value. The fund believes that the new policy is preferable as it fairly represents the net asset value of the fund and aids comparability.

Impact of change in accounting policy:

The change in accounting policy has been applied retrospectively. As a result of this change, unrealized gain of the fund for the FY 2073/74 has increased by NRs. 23.45 million which has ultimately increased the NAV as at 31 Ashad, 2074 to 10.36 per unit from 10.05 per unit. The impact on each line item of the financial statements of Financial Year 2073/74 is shown in the table below:

Particulars	Restated	As reported	Impact
Statement of Financial Position			
Assets			
Financial Assets Held at Fair Value Through Profit or Loss	561,421,990.74	538,195,155.98	23,226,834.76
Liabilities			
Unit Holder's Funds			
Net Assets Attributable to Unit Holders	776,722,199.41	753,495,364.65	23,226,834.76
NAV Per Unit	10.36	10.05	0.31

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

Particulars	Restated	As reported	Impact
Statement of Profit or Loss			
Income			
Net Profit/(Loss) on Financial Assets Held at Fair Value through Profit and Loss	22,207,337.24	(1,019,497.52)	23,226,834.76
Unrealised gain/(Loss)	20,512,065.86	(2,714,768.90)	23,226,834.76
Increase/(Decrease) in Net Assets Attributable to Unitholders	26,722,199.41	3,495,364.65	23,226,834.76

On Behalf of NIBL Ace Capital Limited

(Fund Management Company)

As per our Report of even date

Shivanth Bahadur Pandé
Chief Executive Officer

Sachin Tibrewal
Chairman

S. R. Pandey, FCA
Senior Partner
S. R. Pandey & Co.,
Chartered Accountants

Binod Kumar Guragain
Director

Deepak Kumar Shrestha
Director

Bandana Thapa
Director

Ram Krishna Khatiwoda
Director

Rabindra Bhattarai
Director

Mekh Bahadur Thapa
General Manager

Subhash Poudel
Head - Mutual Funds

Date: 2075/05/07
Place: Kathmandu

हाम्रो सेवाहरू



सामुहिक
लगानी कोष



शेयर रजिस्ट्रार



लगानी ब्यबस्थापन सेवा



धितोपत्र प्रत्याभूति



निक्षेप सदस्य



निष्कासन तथा बिक्रि प्रबन्ध



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