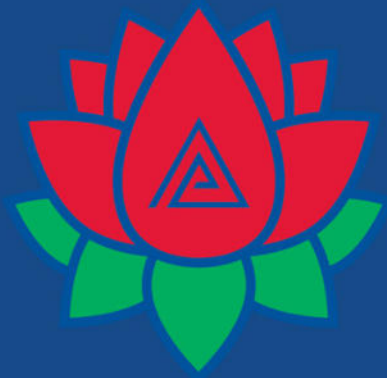




NIBL ACE CAPITAL

Managing shares. Managing investments.

A licensed Merchant Banker and Fund Manager from SEBON

9th ANNUAL REPORT

2020/2021 (आ.व. २०७७/२०७८)

Managing Shares, Managing Investments



नेपालमै पहिलो पटक

खुला मुखी योजना
NIBL SAHABHAGITA FUND
अनलाइन खरिद गर्न मिल्ने सुविधा



*Mutual Funds are subject to market risk. Please read all the related documents carefully before investing.

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 9th 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 nine 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 four schemes with a total corpus amount of Rs. 3.56 Arba with Close-ended fund amounting Rs. 3.25 Arba and Open Ended Fund amounting Rs. 31.47 crore.

Close Ended Fund:

-  NIBL Samriddhi Fund – I
-  NIBL Pragati Fund
-  NIBL Samriddhi Fund – II

Open Ended Fund:

-  NIBL Sahabagita 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 Portfolio
-  NIBL Lotus Secure Portfolio

B. NIBL Non- Discretionary Portfolio

- C. NIBL Custodial Portfolio**
- D. 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 Plan |  Equity Raising |
|  Market Assessment and Feasibility |  Research/Customized Services |
|  Loan Syndication & Debt Raising |  Escrow Agency |
|  Financial Restructuring |  Private Equity/Venture Capital |
|  Valuation | |



VISION

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.



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

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.





Mr. Shivanth B. Pandè **CEO**

Dear Valued Shareholders,

We, NIBL Ace Capital Ltd cherish your association with us and proudly announce successful completion of 9 years of operation with remarkable and outstanding performance.

NIBL Ace Capital, which began as a start-up investment firm, has now grown into one of the biggest players in the Nepalese capital market. Our company's strong performance year after year is a testament to our business strategy, trustworthy service and reputation in the market.

Capital market has drastically changed over the past decade with automation and digitalization of capital market as a whole, which has brought a paradigm shift in business operation. Our professional team

handles the dynamic business environment efficiently leaving a distinct mark and placing us ahead of our competitors. We believe that every competition is an opportunity and have implemented this belief into our daily practice. Formulation of appropriate strategies has helped us to further develop our products and create market advantage while serving our customer's needs.

Achievements

With will and perseverance, we aim to progress more and assist our clients while delivering solid results in the dynamic economic environment. NIBL Ace Capital is among the first few companies to have largest number of DEMAT accounts covering more than 7% market share. We have opened more than 2,54,000 DEMAT accounts so far. We also accommodate more than 47 companies share registrar, serving over 1,619,763 shareholders. For the fiscal year 2020/21, our RTS/RTA and Issue Management team managed 3 Initial Public Offerings, 4 Debentures and 1 New Fund Offer very efficiently. Our new and enhanced Portfolio Management team contributes towards personalized customers' service for our valuable clients. We have set up dedicated call center operation and corporate advisory service to facilitate business segments such as Venture Capital, Private Equity, Business Plan, Market Assessment and Feasibility, Escrow Agency, Loan Syndication & Debt Raising, Financial Restructuring, Equity Raising and Research/Customized Services. During this Fiscal Year, we have provided advisory services of Loan Facilitation to 3 companies, Valuation Reports to 8 companies, Fund Management and Consultancy Service to 4 Institutions and along with this, we are providing underwriting services to issuing companies under Corporate Advisory Service.

Likewise, with the new close ended mutual fund scheme, NIBL Samriddhi Fund-II, we are currently operating four mutual fund schemes under NIBL Mutual Fund with a total corpus amount of Rs. 3.56 Arba with Close-ended mutual fund schemes amounting Rs. 3.25 Arba and Open Ended Mutual Fund Scheme amounting Rs. 31.47 crore. The first mutual fund scheme under NIBL Mutual Fund, NIBL Samriddhi Fund-I has managed to grow its NAV per unit to Rs. 16.00 with growth of 37.93 % in comparison to previous year and has announced cash dividend of 35% including TDS. For NIBL Pragati Fund, the scheme has managed to grow its NAV per unit to Rs. 18.22 with growth of 84.79 % in comparison to previous year and has succeeded to announce its 1st cash dividend of 50% including TDS.

NIBL Sahabhagita Fund, the First ever open ended Mutual Fund Scheme in Nepalese Capital Market under Mutual Fund Regulation 2067, which has been in operation since July 9, 2019 with authorized fund size of Rs. 50 crores and initial size of Rs. 20 Crores has expanded exponentially. The scheme size started with Rs. 20.46 crore at the beginning of this fiscal year

and succeeded to expand its fund size up to Rs. 31.47 Crores at the end of this year with growth of 53.81% w.r.t previous year. The fund initiated with 14,584 unit holders at the beginning of the fiscal year and has now grown up to 15,129 at the end of this year. Similarly, the scheme has managed to grow its NAV to Rs. 17.45 per unit with growth of 57.63% from the previous year and succeeded to announce cash dividend of 50.00% including TDS in its second year of operation with growth of 506.06% in comparison to previous year. Similarly, 566 unit holders have enrolled under Systematic Investment Plan (SIP) till Asadh end 2078.

Projections/Innovations

Equipped with financial accomplishments of the previous year, we are now preparing ourselves to provide assistance to our customers with the upcoming IPOs, right issues and additional RTS/RTA companies. Currently, we are successfully operating 4 branches outside valley and 2 branches inside valley. We aim to excel at our services by operating our branches smoothly in the future and add new services to smoothen administrative processes to further satisfy our customers.

As Nepal is rapidly moving towards a digital 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 are now linked with various payment Gateways so that we remain up-to-date and deliver a user friendly experience. We have added a call center to provide dedicated call center service to our customers.

Financial results for 2020/21

The fiscal year 2077/78 has been financially rewarding for our company, despite of Covid- 19 impact in overall economy. The board has proposed 26.00% Cash Dividend including TDS. This is an overwhelming achievement for our shareholders. Net Profit for this year amounts to Rs 13.65 Crore which is an increment by 115.67 percent in comparison to last year's figure of Rs 6.33 Crore. However, NIBL Ace Capital's Net Worth stands at Rs 45.70 Crore, which has risen by 23.87 percent compared to Rs. 36.89 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 our company remains in a dominant position.

Covid-19 Impact:

COVID 19 pandemic has deeply affected the world economy and Nepalese Economy is no exception. Nepalese Government decided to go through first phase of lockdown from Chaitra, 2076 which was eased from Mangsir, 2077 after the decrement of COVID 19 cases

in the country. However, the second wave of COVID 19 hit the economy again and government was forced to go through second phase of lock down from Baishak, 2078 due to alarming rise in COVID 19 cases. Economy had just started to revive when the second wave hit, and it caused further loss in the economy. COVID crisis brought some major changes in the financial market. The market participants have been providing and receiving online based services which has increased the use of technology in the capital market industry as well.

Health of our customers, prospective customers and employees is of utmost importance to us. We have been providing reliable and efficient online based platforms for our customers. We continuously encourage our customers to use these and reap the benefits of these platforms.

Work from home, vaccination, office presence on alternative days, continuous sanitization and limiting number of staffs at work space are the safety measures that we have implemented for the well-being of our employees during the period of this pandemic.

We believe every obstacle gives rise to an opportunity. Covid crises has evoked us towards digitization of products and services and at the same time, taught us a lot about crisis management.

Corporate Social Responsibility (CSR)

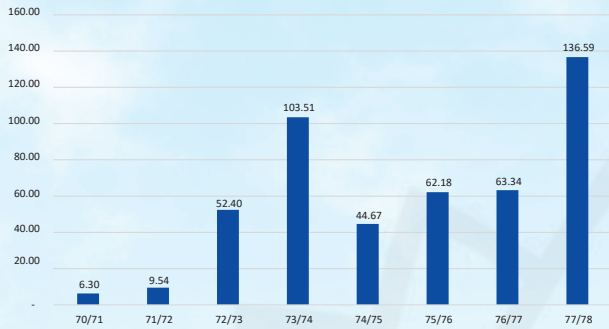
We believe in the betterment of our community and demonstrate this through our values and actions. We have been actively participating in corporate social responsibilities. ECDC foundation has our continued support. ECDC focuses on helping underprivileged orphan and deprived children of the country. Similarly, a donation was made to First Ray of Hope, with an intention to provide free educational sponsorship for two orphans till class 10 and also to Himalayan Development Initiative for school uniform of two different schools. Similarly, a donation of Rs. 2.00 Lakhs was also made for Covid 19 related program initiated by Merchant Bankers Association of Nepal.

We have been maintaining public garden outside the office premises at Uttar Dhoka, Lazimpat with an intension to keep its surrounding clean and tidy, ever since the garden have been maintained under us.

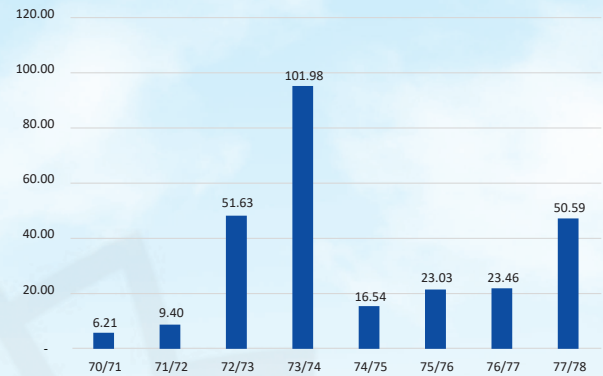
In a nutshell, I would like to thank all the members of board and regulators for their valuable support and guidance. Likewise, I am also grateful towards our customers and stakeholders for their ample trust and support. Similarly, I express my gratitude to all the employees for their hard work and dedication towards the company.

Shivanth B. Pandé
Chief Executive Officer (CEO)

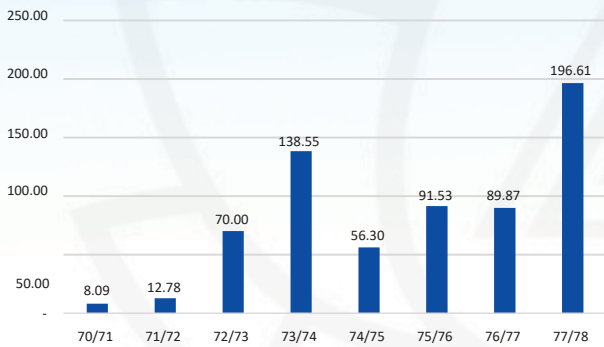
Net Profit (in Million)



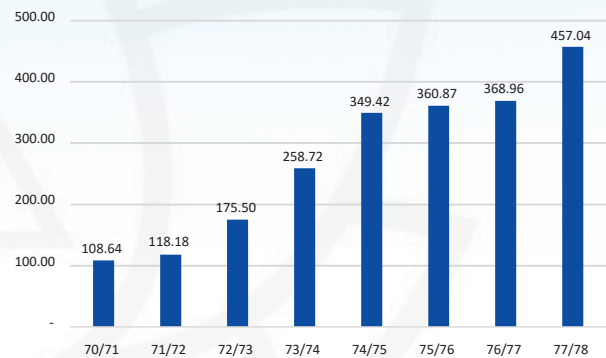
Earning Per Share (EPS)



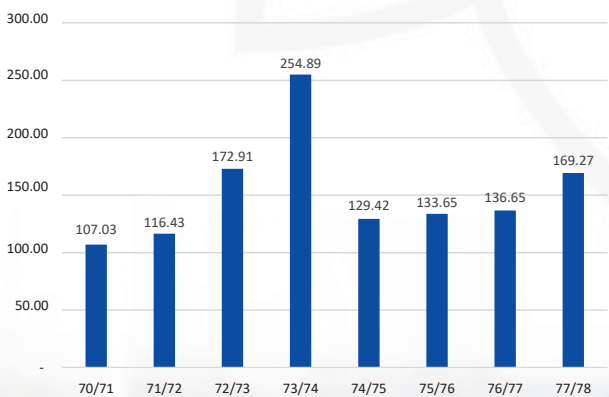
Earning Before Tax (in Million)



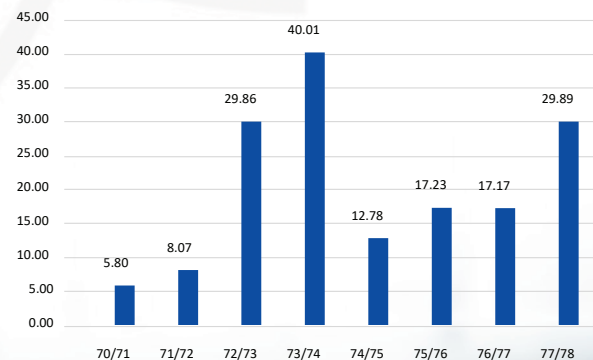
Net Worth (in million)



Book Value per share (BVPS)



Return on Shareholder's Equity (%)



-  NIBL Sahabagita Fund, the First ever open ended Mutual Fund Scheme in Nepalese Capital Market under Mutual Fund Regulation 2067, which has been in operation since July 9, 2019 with authorized fund size of Rs. 50 crores and initial size of Rs. 20 Crores has expanded exponentially. The scheme size started with Rs. 20.46 crore at the beginning of this fiscal year and succeeded to expand its fund size up to Rs. 31.47 Crores at the end of this year with growth of 53.81% w.r.t previous year. The fund initiated with 14,584 unit holders at the beginning of the fiscal year and has now grown up to 15,129 at the end of this year. Similarly, the scheme has managed to grow its NAV to Rs. 17.45 per unit with growth of 57.63% from the previous year and succeeded to announce cash dividend of 50.00% including TDS in its second year of operation with growth of 506.06% in comparison to previous year. Similarly, 566 unit holders have enrolled under Systematic Investment Plan (SIP) till Asadh end 2078. In Addition, the scheme successfully launched online trading platform with payment partners; NIBL E-Banking, Connect IPS, Thaili and Khalti.
-  A Close ended Mutual Fund Scheme; NIBL Samriddhi Fund-II was launched with corpus size of NPR. 1.5 Billion and 10 Years Maturity. This new fund offer was conducted successfully with total eligible application of 64,481. Though the actual approved fund size of the fund was NRs. 1.2 arba, since the issue was oversubscribed by 1.21 times the fund was expanded to NRs. 1.5 Arba and the fund was in operation since 7th May, 2021.
-  The company received license of the Qualified Institutional Buyer for Book Building Process to Securities Board of Nepal (SEBON) on behalf of NIBL Ace Capital Ltd, NIBL Pragati Fund and NIBL Sahabagita Fund in this fiscal year and applied for the same on behalf of its new Mutual Fund Scheme: NIBL Samriddhi Fund-II but yet to receive the license.
-  The Company has received pre-approval for Fund Manager under Specialized Investment Fund Rules, 2075 is planning to get full approval in coming fiscal year.
-  During this Fiscal Year, we have provided advisory services of Loan Facilitation to 3 companies, Valuation Reports to 8 companies, Fund Management and Consultancy Service to 4 Institutions and along with this, we are providing underwriting services to issuing companies under Corporate Advisory Service.
-  The company has also been actively involved in its CSR activities. The donations made to Two Orphanages have been continued during the following year with addition to the donations made for Two Covid-19 Relief Funds.
 -  The monthly donation of Rs. 2,000 each for two orphans for twelve months has been made. Hence, the total donation of Rs. 24,000 has been paid to First Ray of Hope –Education for Karnali and Rs. 50,000 to Himalayan Development Initiative for school uniform of two different schools in Dolpa Region 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.
 -  Similarly, a donation of Rs 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.
 -  The donation of Rs 2.00 Lakhs was also made for Covid 19 related program initiated by Merchant Bankers Association of Nepal.
-  The company has been able to expand PMS business. The company has reached total 337 Clients with Portfolio Value of Rs 1.22 Arba (at Cost) and Rs. 1.64 Arba (at Market Value) adding Rs. 58.19 Crores (at cost) from 110 Clients till now.
-  NIBL Ace Capital holds more than 2,54,000 DEMAT accounts till fiscal year 2077/78.
-  The company has continued the SMS Service to our DEMAT Account holders (Buy and Sell Transaction Notification).
-  The company has been connected to online payment gateways Khalti, Connect IPS, Thaili, E-sewa, Prabhu Pay and NIBL E-banking for Payment of Demat AMC Fee and Meroshare renewal Fee.
-  The company has also continued DEMAT account opening from Korea and Qatar with co-ordination of NIBL Bank.
-  The company successfully launched Online Demat Account Opening and Online Meroshare Registration System.
-  NIBL Ace Capital is the share registrar of 48 Companies, serving over 1,619,763 shareholders.
-  NIBL Ace Capital has made an agreement to issue IPOs of 8 companies, Right Share of 2 companies and debenture of 2 companies for coming Fiscal Year.
-  The company has made an IPO issue of ordinary shares of 3 companies, issue of debentures of 6 companies and New Fund Offerings of 1 Mutual Fund Scheme during this fiscal year.

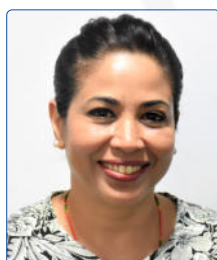


Mr. Sachin Tibrewal
Chairman

- Chartered Accountant and CFO at Nepal Investment Bank Ltd.
- Served as Assistant Manager for Deloitte Haskins & Sells, UK
- More than 14 years of experience in accounts, finance, taxation and audit.

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 31 years of experience in Legal Department (1991 to present).



Mrs. Bandana Thapa
Director

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

Mr. Rabindra Bhattarai
Independent Director

- Director of BIM Programme at Shanker Dev Campus
- Faculty member at ShankerDev Campus
- MBA from Tribhuvan University
- Former Director at Sagarmatha Merchant Banking and Finance Ltd.



Mr. Ananda Kumar Bhattarai
Independent Director

- Retired under secretary, Government of Nepal
- Experience of more than 32 years in various capacities in various Ministries and Departments including Ministry of Finance
- Served as a resource person for stock market investor awareness Programme organized by different Institution
- MBA from Tribhuvan University

OUR SERVICES



Mutual
Fund



Registrar To Shares



Portfolio Management Service



Securities Underwriting



Depository
Participant



Issue Management



Advisory Service



Wholly owned subsidiary of:



NIBL Ace Capital

Location

Head Office, Lazimpat, Kathmandu
 Golchha Chowk, Biratnagar
 Adarshanagar, Birgunj
 Lagankhel, Lalitpur
 Putalisadak, Kathmandu
 Chipledhunga, Pokhara
 Traffic Chowk, Butwal

Contact Number

01-4005157, 4425280
 021-534523, 534524, 534525
 251-52332, 525277
 01-5522604
 01-5904013
 061-538919
 071-54991, 549992, 549993

Nepal Investment Bank Limited

Location

Muktichowk, Birtamod
 Lalbandi, Sarlahi
 Suryavinayak, Bhaktapur
 Pulchowk, Narayangarh
 TCN Road, Hetauda
 Dhamboji, Nepalgunj
 Tulsipur, Dang
 Mainroad, Dhangadi

Contact Number

023-543810, 543811
 046-501583, 501584
 01-6615617, 6612832, 6610372
 056-571921, 571922, 571923
 057-526001, 525946
 081-525978, 525682
 082-521613, 521614
 091-523620, 523706

Muktinath Bikash Bank Limited

Location

Head Office, Kamaladi, Kathmandu
 Putalibazar, Syangja
 Waling, Syangja
 Prithivi Chowk, Pokhara
 Chipledhunga, Pokhara
 Damauli, Tanahu
 Narayangarh, Chitwan
 Baglung
 Butwal
 Bhairahawa
 Dhading Besi, Dhading
 Maharajgunj, Kathmandu
 Birgunj, Parsa
 Newroad, Kathmandu
 Biratnagar
 Nepalgunj
 Janakpur
 Itahari
 Dhangadi

Contact Number

01-4168655, 4168656
 063-420546, 420800
 063-440065
 061-527805, 532256
 061-540656, 540657
 065-562300
 056-523632, 5232605
 068-522886
 071-543682
 071-523815, 523836
 010-520704, 521151
 01-4371514, 4372847
 051-528958, 528964
 01-4258448
 021-530014
 081-522253
 041-420551
 025-588912, 588913
 091-526041, 526000

Goodwill Finance Limited

Location

Head Office, Hattisar, Kathmandu
 Dillibazar, Kathmandu
 Taumadi, Bhaktapur
 Indrachowk, Kathmandu
 Kumaripati, Lalitpur
 Tripureshwor, Kathmandu

Contact Number

01-4444039, 4445690
 01-4422290, 4422878
 01-6620067, 6620068
 01-5329554, 5329556
 01-5008690, 5008691
 01-4231533, 4231583



Mr. Shivanth B. Pandè

Chief Executive Officer

- Master Degree in Financial Economics from the University of St. Andrews, Scotland, UK
- Over 18 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

Deputy Chief Executive Officer (Deputed from NIBL)



- Chartered Accountant
- Over 16 years of experience in capital markets, investment banking, auditing and securities regulation
- Previously worked in the Securities Board of Nepal (SEBON) as a Deputy Director
- Also worked as Chief Operating Officer and Company Secretary at Siddhartha Capital Limited

Mr. Sachindra Dhungana

Assistant General Manager



- Chartered Accountant and Diploma in IFRS from ACCA
- Holds over 10 years of experience in the field of Auditing, Accounting, Consultancy and Advisory and he holds over 6 years in S.R. Pandey & Company, Chartered Accountants as an Audit Manager as well
- Over 5 years of experience in Nepalese Capital Markets.
- Before joining, he was working as Chief Operating Officer and Chief of Finance Unit at Nabil Investment Banking Ltd. for 2.5 years.

Mrs. Rekha Pant

Head of RTS/RTA Department (Deputed from NIBL)



- MA in Economics.
- Holds more than 18 years of experience in banking and finance industry.



Mr. Subhash Poudel

Head of Investment Banking/Depository Participant

- Holds Master's Degree in Business Studies.
- More than 8 years of experience in Merchant Banking and Investment Banking Industry.

Mr. Anup Shakya

Head of General Service Department



- More than 9 years of experience in Investment banking, Due Diligence Audit (DDA), Auditing, Tax Consultant
- Master's Degree in Business Studies

Mrs. Roshna Manandhar

Head of Merchant Banking



- MBA Specialization in Finance from Pokhara University (PU)
- Holds more than 6 years of experience in Issue Management
- Before joining, she was working as a Relationship Manager at NMB Capital Ltd. for over 5.5 years.

Ms. Deepika Paudel

Head of Portfolio Management Services



- MBA degree from Pokhara University (PU), Head-Portfolio Management Service Department
- Has more than 4 years of experience on Portfolio Associate / Operation / HR & Admin at Nabil Investment Banking Ltd and has been working for more than 4 years at NIBL Ace Capital as Head of Portfolio Management Service Department.

Mr. Bhuwan Raj Panta

Head of Research & Development and Corporate Advisory



- MBA Specialization in Finance from Pokhara University (PU)
- Holds 7 years of experience in Derivative & Commodity Market in Finance & Accounts Department and 5 years of experience in Merchant Banking and Investment Banking Industry.
- Deep insight into the capital market and in depth technical knowledge of valuation.

Mr. Poskar Basnet

Head of Mutual Fund



- Holds MBA Degree Specialization in Finance from Purbanchal University (PU).
- Has more than 5.5 Years of Experience in Nepalese Capital Market (Merchant & Investment Banking Industry) at GSD, Mutual Fund Department and more than 4.5 Years of Experience in Manufacturing & Export Company in Nepal.
- In-depth knowledge of Overall Mutual Fund Industry of Nepal.

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



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.

Donations

-  NIBL Ace Capital has also made donations to several 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 Rs 1.5 lakhs was continued to ECDC foundation, with an intention to cover essential expenses such as schooling costs, hostel/accommodation fees.
-  Similarly, a donation was made to First Ray of Hope, with an intention to provide free educational sponsorship for two orphans till class 10 and also Rs. 50,000 to Himalayan Development Initiative for school uniform of two different schools.
-  A donation of Rs 2.00 Lakhs was also made for Covid 19 related program initiated by Merchant Bankers Association of Nepal.



Education for the Children



Public Garden

We have been maintaining public garden outside the office premises at Uttar Dhoka, Lazimpat with an intention to keep its surrounding clean and tidy.



Employee Engagement Activity

The company recognizes the importance of sense of enjoyment and refreshment in employees. Employees participation for Annual Sports Program of Nepal Investment Bank Limited was encouraged, hence more than 10% of employees participated in the program which benefited which helped employees to socialize and make connections between NIB's employees and NIBL Capital's employees.



Looking to **Invest** in
Shares?

But struggling with
Time & Expertise?



GET NIBL PORTFOLIO MANAGEMENT SERVICE

Expert advice and care for your investment.



Wholly owned subsidiary of:

+977-01-4425280
+977-9801095000
www.niblcapital.com
pms@niblcapital.com



**Wholly owned
subsidiary of:**



नेपाल इन्भेस्टमेन्ट बैंक लि.
NEPAL INVESTMENT BANK LTD.
Truly a Nepali Bank

Look beyond the finances and formulas with NIBL Ace Capital's Corporate Advisory Services



(प्रथम पटक प्रकाशित मिति २०७८ भदौ २४ गते बिहीबार)

श्री शेयरधनी महानुभावहरू,

यस कम्पनीको मिति २०७८/५/२३ गतेका दिन बसेको संचालक समितिको ९१ औं बैठकले निर्णय गरे अनुसार यस कम्पनीको नवौं 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 ।

सभाहुने मिति, समय र स्थान :

मिति : २०७८/०६/१५ गते (तदनुसार अक्टोबर, ०१, २०२१) शुक्रबार ।

समय : बिहान ११:०० बजे ।

स्थान : एनआईविएलएस क्यापिटल लि. को सभाहल, लाजिम्पाट, काठमाडौं ।

छलफलका विषय

क) सामान्य प्रस्तावहरू :

- १) आर्थिक वर्ष २०७७/०७८ को सञ्चालक समितिको प्रतिवेदन उपर छलफल गरी पारित गर्ने ।
- २) लेखापरीक्षकको प्रतिवेदन सहितको आषाढ ३१, २०७८ मा समाप्त भएको वर्षको वासलात, तथा सोही मितिमा समाप्त भएको आ.व. २०७७/०७८ को नाफा नोक्सान हिसाब तथा नगद प्रवाह विवरण उपर छलफल गरी पारित गर्ने ।
- ३) सञ्चालक समितिबाट प्रस्ताव गरे बमोजिम २६ प्रतिशत नगद लाभांश (रु. २७,००,००,०००/- चुक्तापूँजीको २६ प्रतिशतले हुन आउने रकम रु. ७,०२,००,०००/-) करसहित वितरण गर्ने प्रस्ताव पारित गर्ने ।
- ४) कम्पनी ऐन, २०६३ को दफा १११ अनुसार आर्थिक वर्ष २०७७/०७८ को लेखापरीक्षण गर्न संचालक समितिको सिफारिस मुताबिक लेखापरीक्षक नियुक्ति गर्ने र निजको पारिश्रमिक तथा नियुक्तिको शर्त तोक्ने ।
- ५) संचालकहरूको चार वर्षे कार्यकाल पुरा हुने हुँदा हाल कायम संस्थापक तथा स्वतन्त्र संचालकहरूलाई नै कम्पनीको नियमावली अनुरूप हुने गरि आगामी कार्यकालका लागि नियुक्त गर्ने ।

ख) विशेष प्रस्तावहरू :

- १) आर्थिक वर्ष २०७७/०७८ मा कम्पनीको संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत खर्च गरिएको अनुदान/दान रकम रु. ४,२४,०००/- पारित गर्ने ।

ग) विविध ।

संचालक समितिको आज्ञाले
कम्पनी सचिव

एनआईविएलएस क्यापिटल लिमिटेड

पो.ब.नं. २३२२४, लाजिम्पाट, काठमाडौं

फोन नं. ४००५०८०, फ्याक्स नं. ४००५०८४

URL: www.niblcapital.com, e-mail- info@niblcapital.com

श्री सञ्चालक समिति,
एनआईबिएल एस क्यापिटल लि.
लाजिम्पाट, काठमाडौं ।

विषय: प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

जिल्ला न.पा./गा.वि.स वडा नं. मा बस्ने म/हामी ले
त्यस कम्पनीको शेयरधनीको हैसियतले मिति २०७८ साल असोज १५ गते शुक्रबार बारको दिन हुने त्यस कम्पनीको नवौं 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. :

कित्ता नं. : देखि सम्म

मिति :

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

शेयरधनीको नाम:

शेयर प्रमाण पत्र नं:

शेयरधनीको सही:

शेयर संख्या:

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

द्रष्टव्य :

१. शेयरधनी आफैले खाली कोष्ठहरू भर्नुहोला ।

२. सभाकक्षमा प्रवेश गर्न यो प्रवेशपत्र प्रस्तुत गर्नु अनिवार्य छ ।

कम्पनी सचिव

आदरणीय शेयरधनी महानुभावहरू,

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

तपाईंहरूको सहयोग, सद्भाव एवं शुभेच्छाबाट संचालन भएको हाम्रो यस कम्पनीले सफलता पूर्वक नवौं वर्ष पुरा गरी नेपालको मर्चेन्ट बैंकिङ व्यवसायमा अग्रणी भूमिका खेल्दै आफ्नो कार्य क्षेत्रको बिस्तार गर्न सफल भएको छ । नेपाल धितोपत्र बोर्डबाट धितोपत्र व्यवसायी (मर्चेन्ट बैंकर) को रूपमा निष्काशन तथा बिक्री प्रबन्धक, धितोपत्र प्रत्याभुतिकर्ता, शेयर रजिष्ट्रेशन, लगानी व्यवस्थापन तथा संस्थागत परामर्श सेवाको साथै सामुहिक लगानी कोषको योजना व्यवस्थापक 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 विश्वास हासिल गर्न प्रतिवद्ध रहेको छ ।

अब, म शेयरधनी महानुभावहरू समक्ष यस कम्पनीको मर्चेन्ट बैंकिङ तथा अन्य कार्यक्षेत्रको परिदृश्यहरू प्रस्तुत गर्दै समीक्षा अवधि आ.ब.२०७७/०७८ को कार्य सम्पादनको समीक्षा तथा भावी योजनाहरू प्रस्तुत गर्दछु ।

१. विगत वर्षको कारोवारको सिंहावलोकन :

समीक्षा वर्षमा शेयर बजारमा ठूलो उतार चढाव हुन गएको छ । २०७७ असार मसान्तमा १३६२.४ रहेको नेप्से सूचकाङ्क २०७८ असार मसान्तमा आईपुग्दा २८८३.३८ कायम भएको छ । त्यसैगरी, २०७७ असार मसान्तमा बजार पुँजीकरण करिब रु. १७ खर्ब ९२ अर्ब रहेकोमा २०७८ असार मसान्तमा करिब रु. ४० खर्ब १० अर्ब रहेको छ । बैंक तथा वित्तीय संस्थाहरूलाई दीर्घकालीन ऋणपत्र जारी गरी वित्तीय साधन परिचालन गर्न प्रोत्साहित गरिएका कारण धितोपत्र बजारमा उपकरणगत विविधीकरण प्रारम्भ भएको छ । आर्थिक वर्ष २०७७/७८ मा बैंक तथा वित्तीय संस्थाहरूले रु. ६९ अर्ब ६० करोडको ऋणपत्र निष्काशन गर्न नेपालधितोपत्र बोर्डबाट स्वीकृति प्राप्त गरेका छन् । २०७८ असार मसान्तमा बैंक तथा वित्तीय संस्थाबाट ऋणपत्रमार्फत् रु.१०० अर्ब ३८ करोड वित्तीय साधन परिचालन भएको छ ।

आर्थिक वर्ष २०७७/७८ मा नेपाल धितोपत्र बोर्डले रु. २३ अर्ब ४ करोड बराबरको ऋणपत्र, रु. १५ अर्ब १८ करोड बराबरको साधारण शेयर, रु. १४ अर्ब ५ करोड बराबरको हकप्रद शेयर र रु. ९ अर्ब ४० करोड बराबरको सामुहिक लगानी कोष गरी कुल रु. ६१ अर्ब ६७ करोड बराबरको धितोपत्र सार्वजनिक निष्काशन गर्न अनुमति दिएको छ ।

कोभिड-१९ महामारीले विश्व भर मानवीय संकटक साथै आर्थिक संकट उत्पन्न गरेको भिन्न परिवेशको सृजना हुन गई एक शताब्दी पछिको अप्रत्याशित महामारीबाट करोडौं मानिस संक्रमित भएका छन् भने लाखौंले ज्यान गुमाएका छन् । विश्व अर्थतन्त्र सन् १९३० को दशकको महामन्दी पछिको सवैभन्दा ठूलो संकुचनमा गएको छ । विश्वले एकै पटक स्वास्थ्य संकट र आर्थिक संकट व्यहोर्नु परेका कारण गरिबी, बेरोजगारी र आय असमानता बढ्ने देखिन्छ ।

अधिकांश मुलुकहरूले अवलम्बन गरेको लचिलो तथा असाधारण नीतिगत प्रयासहरू र संक्रमण विरुद्ध खोपको उपलब्धता सँगै कोभिड-१९ का कारण गत वर्ष संकुचनमा गएको विश्व अर्थतन्त्र पुनरुत्थान हुन थालेको अन्तर्राष्ट्रिय संघ-संस्थाहरूको विश्लेषण रहेको छ । तथापि, पर्यटन तथा बिप्रेषण आयमा निर्भर र खोपको उपलब्धता सहज नभएका नेपाल जस्ता मुलुकहरूको आर्थिक पुनरुत्थानको गति भने अझै न्यून रहने देखिएको छ ।

सामाजिक न्याय सहितको दीगो तथा उच्च आर्थिक वृद्धि हासिल गर्दै समृद्ध नेपाल, सुखी नेपालीको राष्ट्रिय आकांक्षा हासिल गर्ने आधार शीला तयार हुँदै गरेको अवस्थामा कोभिड-१९ ले अनपेक्षित चुनौती थपेको छ, तथापि अर्थतन्त्रमा महामारीको असर न्यूनीकरण गर्न अवलम्बन गरिएका नीतिगत पहलहरूले गर्दा आर्थिक क्रियाकलाप संचालनमा महत्वपूर्ण सहयोग पुग्नुको साथै समष्टिगत आर्थिक तथा वित्तीय स्थायित्व कायम गर्न सहयोग पुगेको छ । आर्थिक वर्ष २०७७/७८ मा न्यून आर्थिक वृद्धि रहन गएको र समग्र देशको आर्थिक अवस्थाको बिपरित धितो पत्र बजारमा देखिएको बृद्धि संगै यस कम्पनीले पनि हालसम्मकै उच्च मुनाफा हासिल गर्न सफल रहेको छ ।

समीक्षा वर्षमा हामीले सामूहिक लगानी कोष नियमावली, २०६७ अन्तर्गत देशकै पहिलो "एनआईबिएल सहभागिता फण्ड" नामक खुलामुखी यो जना सहित ४ वटा योजनाहरू सञ्चालन गरिरहेको व्यहोरा जानकारी गराउँदछु । यस कम्पनीबाट उपलब्ध गराइने मर्चेन्ट बैकिङ्ग अन्तर्गतका सेवाहरूलाई सुलभ एवं सहज बनाउन विगत बर्षहरूमा जस्तै उपत्यका भित्र लाजिम्पाट काठमाडौंमा केन्द्रीय कार्यालय सहित पुतलीसडक र लगनखेल तथा उपत्यका बाहिर पोखरा, बुटवल, बीरगञ्ज र बिराटनगरमा रहेको शाखाहरूबाट सेवा पुर्याउने कार्यलाई निरन्तरता दिँदै आएको छ । त्यसैगरी निष्काशन तथा बिक्री प्रबन्ध अन्तर्गत विभिन्न कम्पनीहरूको शेयर तथा डिभेन्चरहरूको सार्वजनिक निष्काशन (आईपीओ) र हकप्रद शेयर निष्काशन तथा बिक्री प्रबन्ध सम्बन्धी कार्य सम्पन्न गरेको; शेयर रजिष्ट्रारको रूपमा कार्य गरिरहेको कम्पनीको संख्या (डिवेन्चर सहित) कुल ४८ पुर्‍याउन सफल रहेको; लगानी ब्यवस्थापन सेवा अन्तर्गत ग्राहक संख्या ३३४ तथा लगानी ब्यवस्थापन रकम करिब रु. १ अर्ब २२ करोड रहेको छ ।

संस्थागत परामर्श सेवा अन्तर्गत विभिन्न क्षेत्रहरूमा परामर्श सेवा प्रदान गर्दै आईरहेको र विशिष्टीकृत लगानी कोष संचालनका लागि कोष व्यवस्थापकको अनुमति पत्रका लागि नेपाल धितोपत्र बोर्डबाट माग भएबमोजिमका आवश्यक कागजातहरू र तोकिएको पूर्वाधारको विवरण बोर्ड समक्ष पेश गरि सकेको छ र बोर्डबाट अनुमति पत्र स्वीकृतिको अन्तिम चरणमा रहेको छ ।

साथै निक्षेप सदस्य अन्तर्गत नेपाल इन्भेष्टमेन्ट बैंक लिमिटेडको सम्पूर्ण शाखा कार्यालयहरू लगायत यस कम्पनीको समेत सम्पूर्ण शाखा कार्यालयहरूबाट सेवा उपलब्ध गराउने ब्यवस्था मिलाई समिक्षा अवधीमा करिब ७१,३७९ नयाँ हितग्राही खाता खोली कुल खाता संख्या २५४,८१६ पुर्‍याउन सफल भएको छ ।

आर्थिक वर्ष २०७७/०७८ मा कम्पनीले गरेको लैच अनुसारको आर्थिक प्रगतिको संक्षिप्त विवरण निम्नानुसार रहेको छ ।

सि. नं.	विवरण	२०७८ आषाढ मसान्त	२०७७ आषाढ मसान्त
१.	शेयर पूँजी	२७०,०००,०००.००	२७०,०००,०००.००
२.	जगेडा कोषहरू	१८७,०३६,४२१.००	९८,९५८,०७३.००
३.	अन्य दायित्व	२,३६०,३८१,७३१.००	९३६,२२६,४३२.००
४.	कुल पूँजी तथा दायित्व	२,८१७,४१८,१५२.००	१,३०५,१८४,५०५.००
५.	स्थिर सम्पत्ति खुद	३२,५५२,६६१.००	२०,६५७,९९०.००
६.	न्गद तथा बैंक मौज्दात	९७५,४९७,०६१.००	३३०,७४९,८३४.००
७.	लगानी	१,७०८,८१०,११६.००	८९३,१०७,७०८.००
८.	अन्य सम्पत्ति	१००,५५८,३१४.००	६०,६६८,९७३.००
९.	कूल सम्पत्ति	२,८१७,४१८,१५२.००	१,३०५,१८४,५०५.००
१०.	कुल आम्दानी	३१५,१६४,१७५.००	१७६,१८६,५२४.००
११.	कुल खर्च	११८,५५७,७६४.००	८६,३२०,१९४.००
१२.	खुद संचालन मुनाफा	१९६,६०६,४११.००	८९,८६६,३३०.००
१३.	आयकर व्यवस्था	६०,०११,४३७.००	२६,५३०,३१५.००
१४.	खुद/नाफा (नोक्सान)	१३६,५९४,९७४.००	६३,३३६,०१५.००
१५.	शेयर संख्या (हजारमा)	२,७००,०००.००	२,७००,०००.००
१६.	प्रति शेयर आम्दानी	५०.५९	२३.४६
१७.	नेटवर्थ (बुक भ्यालु) रु.	१६९.२७	१३६.६५

मिति २०७७ श्रावण १ देखि मिति २०७८ आषाढ मसान्त सम्मको समष्टिगत आर्थिक अवस्था एवं कार्य सम्पादनको भलक निम्नानुसार प्रस्तुत गरिएको छ ।

निष्काशन तथा बिक्री प्रबन्ध सेवा :

यस एनआईबिएल एस क्यापिटल लिमिटेडले आर्थिक वर्ष २०७७/०७८ 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/NFO

सि.नं.	कम्पनीको/निष्काशित धितोपत्रको नाम	निष्काशनको प्रकार	निष्काशन रकम (रु.)
१.	लिवर्टी इनर्जी कम्पनी लिमिटेड	साधारण शेयर	३५,६४,९३,०००
२.	जनरल इन्स्योरेन्स कम्पनी नेपाल लिमिटेड	साधारण शेयर	३०,००,००,०००
३.	नेपाल इन्फ्रास्ट्रक्चर बैंक लिमिटेड	साधारण शेयर	८,००,००,००,०००
४.	एनआईबिएल समृद्धि फण्ड -२	साधारण शेयर	१,२०,००,००,०००

ख) डिबेन्चर तथा ऋणपत्र निष्काशन - Debenture Issue

सि.नं.	कम्पनीको नाम	निष्काशन रकम(रु.)
१.	९ % KSBBL डिबेन्चर ,२०८७	१,००,००,००,०००
२.	९.५ % मञ्जुश्री फाइनेन्स लि. डिबेन्चर ,२०८५	५०,००,००,०००
३.	४ % Agricultural Bond	६,००,००,००,०००
४.	४ % Agricultural Bond	६,००,००,००,०००
५.	८.५ % KSBBL डिबेन्चर ,२०८३	२,५०,००,००,०००
६.	सांग्रिला डेभलपमेन्ट बैंक डिबेन्चर,२०८७	७५,००,००,०००
७.	ज्योति बिकास बैंक बण्ड, २०८७	१५०,००,००,०००

ग) शेयरको लिलाम - Auction of Shares

यस कम्पनीले समीक्षा अवधिमा हकप्रद निष्काशनको क्रममा बिक्री नभई बाँकी रहेको लगायत कम्पनीहरूले आफ्नो नाममा रहेको शेयर लिलाम बिक्री मार्फत बिक्री गर्न प्रबन्धक नियुक्त गरेको समेत गरी जम्मा ८ कम्पनीको संस्थापक तथा सर्वसाधारण समूहको शेयर लिलाम बिक्रीको माध्यमबाट बिक्री गर्ने कार्य सफलता पूर्वक सम्पन्न गरेको छ ।

घ) शेयर प्रत्याभूति सेवा सम्बन्धी विवरण : कुल २ वटा ।

सि.नं.	कम्पनीको नाम	सि.नं.	कम्पनीको नाम
१.	नेपाल इन्भेष्टमेन्ट बैंक लि.	२५.	साँग्रिला डेभलपमेन्ट बैंक लि.
२.	एनआईबिएल समृद्धि फण्ड -१	२६.	ओरियन्टल होटल्स लि.
३.	शिखर इन्स्योरेन्स कम्पनी लि.	२७.	शाइन रेसुङ्गा डेभलपमेन्ट बैंक लि.
४.	गोर्खाज फाइनेन्स लि.	२८.	नेपाल इन्स्योरेन्स क. लि.
५.	सिन्धु विकास बैंक लि.	२९.	रु रु जलविद्युत परियोजना लि.
६.	साल्ट टेडिङ्ग कर्पोरेशन लि.	३०.	निर्धन उत्थान लघुवित्त वित्तीय संस्था लि.
७.	माउन्टेन इनर्जी नेपाल लि.	३१.	एनआईबिएल प्रगति फण्ड
८.	साहारा विकास बैंक लि.	३२.	लुम्बिनी जनरल इन्स्योरेन्स कम्पनी लि.
९.	विजय लघुवित्त वित्तीय संस्था लि.	३३.	मञ्जुश्री फाइनेन्स लिमिटेड
१०.	कृषि विकास बैंक लि.	३४.	सोल्टी होटल लिमिटेड
११.	दिव्यश्वरी हाइड्रोपावर कम्पनी लि.	३५.	काठमाडौं मेडिकल कलेज

क्रमश..

सि.नं.	कम्पनीको नाम	सि.नं.	कम्पनीको नाम
१२.	एक्सेल डेभलपमेन्ट बैंक लिमिटेड	३६.	गणपति माइक्रोफाइनेन्स वित्तीय संस्था लि.
१३.	गरिमा विकास बैंक लिमिटेड	३७.	गुराँस लघुवित्त वित्तीय संस्था लि.
१४.	ज्योती विकास बैंक लिमिटेड	३८.	एनआईबिएल सहभागिता फण्ड
१५.	प्रोग्रेसिभ फाइनेन्स लिमिटेड	३९.	आँधिखोला लघुवित्त वित्तीय संस्था लि.
१६.	एशियन लाईफ इन्स्योरेन्स क. लि.	४०.	सबैको लघुवित्त वित्तीय संस्था लि.
१७.	ग्रीन डेभलपमेन्ट बैंक लि.	४१.	१०.५ % नेपाल इन्भेष्टमेन्ट डिवेन्चर, २०८२
१८.	राष्ट्रिय बीमा कम्पनी लि.	४२.	१०.३५ % ADBL कृषि बैंक ऋणपत्र, २०८३
१९.	नेशनल माइक्रोफाइनेन्स वित्तीय संस्था लि.	४३.	१२ % गुडविल फाइनेन्स लि. डिवेन्चर, २०८३
२०.	पोखरा फाइनेन्स लि.	४४.	८.५ % नेपाल इन्भेष्टमेन्ट बैंक ऋणपत्र, २०८४
२१.	गुडविल फाइनेन्स लि.	४५.	९.५ % NCC ऋणपत्र, २०८६
२२.	एनआईबिएल समृद्धि फण्ड -२	४६.	९.५ % मञ्जुश्री फाइनेन्स लि. डिवेन्चर, २०८५
२३.	अजोड इन्स्योरेन्स लि.	४७.	९ % KSBBL डिवेन्चर, २०८७
२४.	८ % नेपाल इन्भेष्टमेन्ट डिवेन्चर, २०७८	४८.	सांग्रिला डेभलपमेन्ट बैंक डिवेन्चर, २०८७

लगानी ब्यबस्थापन सम्बन्धी सेवा :

आ.व. २०७७/०७८ को अन्त्य सम्ममा लगानी ब्यबस्थापन (एसेट अन्डर म्यानेजमेन्ट) करिब रु. १ अर्ब २२ करोड (मुल्यमा) रहेको र ग्राहक संख्या ३३४ रहेको छ ।

निक्षेप सदस्य :

समीक्षा अवधिमा यस कम्पनीले नेपाल धितोपत्र बोर्ड तथा सिडिएस एण्ड क्लियरिङ लिमिटेडबाट निक्षेप सदस्यको रूपमा नेपाल इन्भेष्टमेन्ट बैंक लि.को सम्पूर्ण शाखा कार्यालयहरू लगायत यस कम्पनीको केन्द्रीय कार्यालय सहित ७ वटा स्थानहरूबाट निक्षेप सदस्य सम्बन्धी सेवा उपलब्ध गराउने ब्यवस्था मिलाई समीक्षा अवधिमा करिब ७१,३७९ नयाँ हितग्राही खाता खोली कुल खाता संख्या २,५४,८९६ पुर्याउन सफल भएको छ ।

एनआईबिएल म्युचुअल फण्ड :

एनआईबिएल म्युचुअल फण्ड अन्तर्गतको एनआईबिएल सहभागिता फण्ड, एनआईबिएल समृद्धि फण्ड-१, एनआईबिएल प्रगति फण्ड र एनआईबिएल समृद्धि फण्ड-२ को योजना व्यवस्थापक रही यस कम्पनीले रु. ३ अर्ब ५६ करोडको कोष संचालन गरी आएको छ । समीक्षा अवधिमा एनआईबिएल म्युचुअल फण्ड अन्तर्गत रु १ अर्ब ५० करोडको आकारको चौथो योजना एनआईबिएल समृद्धि फण्ड-२ सफलतापूर्वक सञ्चालन गरिएको छ । यस आ.व.मा एनआईबिएल समृद्धि फण्ड-१ का इकाईधनीहरूलाई ३५ प्रतिशतका दरले, एनआईबिएल प्रगति फण्डका इकाईधनीहरूलाई ५० प्रतिशतका दरले र एनआईबिएल सहभागिता फण्डका इकाईधनीहरूलाई ५० प्रतिशतका दरले कर सहित प्रतिफल वितरण गर्ने निर्णय गरिएको छ ।

संस्थागत परामर्श सेवा :

संस्थागत परामर्श सेवा अन्तर्गत विभिन्न क्षेत्रहरूमा परामर्श सेवा प्रदान गर्दै आईरहेकामा तीन वटा आयोजनाको लागी ऋण सहजिकरण तथा वित्तिय प्रक्षेपण कार्य गरिएको छ । आठ वटा विभिन्न संघ संस्थाको लागी लगानीको मुल्यांकन प्रतिवेदन तयार गरीएको छ । चार वटा वित्तिय संस्थालाई लगानी तथा परामर्श सेवा प्रदान गरिएको छ । धितोपत्र निष्काशनकर्ता संस्थाहरूको लागी प्रत्याभूतिकर्ताको ब्यवस्थापन गर्नुका साथै सो बाट परामर्श शुल्क समेत प्राप्त गरीएको छ ।

विशिष्टीकृत लगानी कोष :

विशिष्टीकृत लगानी कोष संचालनका लागि कोष व्यवस्थापकको अनुमति पत्रका लागि नेपाल धितोपत्र बोर्डबाट माग भए बमोजिमका आवश्यक कागजातहरू र तोकिएको पूर्वाधारको विवरण बोर्ड समक्ष पेश गरि सकेको छ र बोर्डबाट अनुमति पत्र स्वीकृतिको अन्तिम चरणमा रहेको छ ।

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

आर्थिक वर्ष २०७७/०७८ मा कोभिड-१९ महामारीबाट विश्व अर्थतन्त्रसँगै नेपालको अर्थतन्त्र पनि प्रभावित भएको छ । महामारीको संक्रमण रोकन नेपाल सरकारले विभिन्न मितिमा देशव्यापी रूपमा बन्दाबन्दी घोषणा गरेको थियो बन्दाबन्दीको समयमा अत्यावश्यक बाहेकका आर्थिक क्रियाकलापहरू बढी प्रभावित रहेको अवस्थामा कोभिड संक्रमणले अर्थतन्त्रमा पारेको असरका कारण आर्थिक वर्ष २०७७/७८ मा समग्र आर्थिक वृद्धि २.१ प्रतिशतले ऋणात्मक रहन गयो । यस बिषम परिस्थितिमा कम्पनीले नबिन प्रकारका अवसर तथा चुनौतीहरूको सामना गर्नु का साथै चुनौतीहरूलाई अवसरमा परिणत गर्दै स्थापना काल देखि हालसम्मको अवधिमा यसै आर्थिक वर्षमा सबभन्दा बढी मुनाफा समेत आर्जन गर्न सफल रहयो ।

नेपाल धितोपत्र बोर्डको नयाँ निती/निर्देशिका अनुसार मर्चेन्ट बैंकरलाई नयाँ कार्यक्षेत्रहरू व्यवसायिक योजना, लोन सिण्डिकेशन, वर्किङ क्यापिटल फाइनान्सिङ, प्राईभेट 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 बैंक तथा वित्तीय संस्था तथा बिमा कम्पनीहरूले सहायक कम्पनीको रूपमा यो व्यवसायलाई सुरुवात गर्नु जस्ता चुनौतीहरूका बाबजुद यस कम्पनीले आफुलाई नेपालको बर्तमान बजारमा अब्बल रूपमा स्थापित गर्न सफल भएको छ ।

तथापी नेपाल सरकारको उच्च आर्थिक वृद्धि दर कायम राख्ने लक्ष्य तथा नेपाल राष्ट्र बैंकको मुद्रास्फीति न्यून राख्न र वित्तिय सन्तुलन कायम गर्ने जस्ता मौद्रिक निती र कोभिड १९ को असरले समेत शेयरबजारमा खासै नकारात्मक असर नपरेको संदर्भमा आगामी दिनमा कम्पनीको कारोवार अभि परिसकृत हुदै अल्लेख्य वृद्धि हासील गर्ने विश्वास हामीले लिएका छौ ।

३. प्रतिवेदन तयार भएको मिति सम्म चालु वर्ष २०७७/०७८ को उपलब्धि र भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा संचालक समितिको धारणा :

यो प्रतिवेदन तयार हुँदा सम्म यस कम्पनीले गरेको उपलब्धिहरू साथै भविष्यमा गर्नुपर्ने कार्यहरूको विवरण सम्बन्धमा 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 ।
- ❖ नेपाल इन्भेष्टमेन्ट बैंक लिमिटेड कोष प्रबर्द्धक तथा एनआईबिएल एस क्यापिटल लिमिटेड योजना व्यवस्थापक रहेको एनआईबिएल स्युचुअल फण्ड अन्तर्गत नयाँ योजना सञ्चालमा ल्याउने गृहकार्य भईरहेको छ ।
- ❖ यस कम्पनीले हितग्राही खाता विस्तारको निरन्तरतामा राम्रो उपलब्धि हासिल गर्न सफल भएको छ, यसलाई भविष्यमा समेत निरन्तरता दिईनेछ । अनलाइन (Online) मार्फत हितग्राही तथा मेरो सेयर खाता खोल्ने ब्यवस्थालाई थप परिस्कृत गराई सेवाको पहुँच बिस्तार गरिनेछ ।
- ❖ यस कम्पनीले संस्थागत सामाजिक उत्तरदायित्वलाई प्राथमिकतामा राख्दै यस वर्ष देखि नियमित रूपमा विभिन्न कार्यक्रमहरू गरी यसलाई निरन्तरता दिने योजना बनाएको छ ।
- ❖ एनआईबिएल स्युचुअल फण्ड अर्न्तगतको एनआईबिएल समृद्धि फण्ड १ को इकाइधनीहरूलाई ३५ प्रतिशत, एनआईबिएल प्रगति फण्डको इकाइधनीहरूलाई ५० प्रतिशत र एनआईबिएल सहभागिता फण्डको इकाइधनीहरूलाई ५० प्रतिशतका दरले कर सहित प्रतिफल वितरण गरिएको छ ।
- ❖ विशीष्टीकृत लगानी कोष संचालनका लागि कोष व्यवस्थापकको अनुमति पत्रका लागि नेपाल धितोपत्र बोर्डबाट माग भएबमोजिमका आवश्यक कागजातहरू र तोकिएको पूर्वाधारको विवरण बोर्ड समक्ष पेश गरि सकेको छ ।
- ❖ लगानी व्यवस्थापन सेवा प्रवाहलाई थप ब्यवस्थित गर्दै ग्राहकहरूको दुर्घटना बिमा, परिवारका सदस्यहरूलाई समेत निशुल्क डिम्याट खाता तथा सेवा शुल्कमा छुट दिने लगायतका विभिन्न प्रकारका प्रवर्द्धनान्तमक योजनाहरू लागु गरीएको छ । लगानी ब्यवस्थापन सेवालाई थप परिस्कृत बनाउँदै Online मार्फत समेत ग्राहकहरू आवद्य हुन सक्ने ब्यवस्था मिलाईनेछ ।
- ❖ संस्थागत परामर्श सेवा अर्न्तगत बिगत देखिनै प्रदान गर्दै आईरहेको ऋण सहजिकरण ,वित्तिय प्रतिवेदन तथा मुल्यांकन प्रतिवेदन तयार गर्ने, प्रत्याभूतिकर्ताको व्यवस्थापन गर्ने तथा लगानी सम्बन्धि अन्य परामर्श सेवा प्रदान गर्दै आईरहेको छ ।

भावी योजनाहरू

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

क) मर्चेण्ट बैकिङ्ग सम्बन्धि कार्यहरू :

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

- ❖ आगामी आ.व. मा यस कम्पनीले २ वटा कम्पनीको सार्वजनिक निष्काशन, ३ वटा बित्तिय संस्थाको डिभेन्चर, ३ वटा कम्पनीको प्रत्याभूति र ४ वटा कम्पनीको लिलामी कार्य अगाडी बढाउने लक्ष्य राखेको छ । साथै अघिल्लो आ.व. मा सम्पन्न हुन नसकेका ९ वटा कम्पनीको सार्वजनिक निष्काशन, ४ वटा बित्तिय संस्थाको डिभेन्चर र २ वटा कम्पनीको हकप्रद निष्काशनहरू समेत यसै आर्थिक वर्षमा सम्पन्न गरिने लक्ष्य राखिनेछ ।
- ❖ आगामी आ.व.मा यस कम्पनीले शेयर रजिष्ट्रेशन सम्बन्धी सेवा दिन अन्य कम्पनीहरू समेत थप गर्दै लैजाने उद्देश्यले अगाडी बढेको छ ।
- ❖ आगामी आ.व.मा यस कम्पनीले बजारको अवस्था र कम्पनीको अवस्था हेरि सावधानी पूर्वक प्रत्याभूतिकर्ता सेवा प्रदान गर्नेछ ।

ख) निक्षेप सदस्य:

यस अर्न्तगतको कार्य तथा प्रकृयाहरूलाई प्रभावकारी बनाउने तथा सेवाग्राहीहरूको हितग्राही खाता खोल्ने तथा वार्षिक शुल्क उठाउने कार्य लाई समेत जोड दिइनेछ । यस्तै विभिन्न शुल्कहरू उठाउने सम्बन्धमा डिजिटल भुक्तानी प्रदायक संस्थाहरू जस्तै : थैली, कनेक्ट आइपिएस, ईसेवा, खल्ली आदी सँग सम्झौता अनुसार गत वर्ष सुरु भएका कामहरूलाई अझ विस्तार गर्ने योजना रहेको छ । अनलाइन मार्फत हितग्राही तथा मेरो सेयर खाता खोल्ने कार्यलाई समेत जोड दिइनेछ । प्रादेशिक रूपमा नेपाल ईन्भेष्टमेण्ट बैंक लि. सँग समन्वय गरी भौतिक रूपमा नै मातहतका कार्यालयहरूलाई निक्षेप सदस्य सेवा सम्बन्धी तालिम प्रदान गर्नुका साथै शाखा कार्यालयहरूलाई भौतिक र अभौतिक रूपमा निक्षेप सदस्य सेवा सम्बन्धी तालिम प्रदान गरिनेछ । हितग्राही खाता खोल्ने ग्राहकहरूलाई नेपाल ईन्भेष्टमेण्ट बैंक लि. मा नै बैंक खाता खोल्न समेत प्रोत्साहन गरिनेछ ।

ग) शाखा विस्तार:

यस कम्पनीले पूँजी बजारको पहुँच बढाउनको लागि हालसम्म उपत्यका भित्र पुतलीसडक र लगनखेल तथा उपत्यका बाहिर पोखरा, बुटवल, बीरगञ्ज 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) सामूहिक लगानी कोष:

यस कम्पनीले नेपाल ईन्भेष्टमेण्ट बैंक लिमिटेड कोष प्रबर्द्धक तथा एनआईबिएल एस क्यापिटल लिमिटेड योजना ब्यबस्थापक रहेको एनआईबिएल म्युचुअल फण्ड अन्तर्गत सञ्चालित "एनआईबिएल सहभागिता फण्ड" नामक नेपालको पहिलो खुलामुखी सामूहिक लगानी कोषको आकार बढाउन विभिन्न प्रवर्द्धनात्मक कार्यक्रम हरू संचालन गर्ने तथा खरिद बिक्री केन्द्रहरू थप गर्दै लगिने व्यहोरा जानकारी गरि उदघोषित छ ।

एनआईबिएल म्युचुअल फण्ड अन्तर्गतको एनआईबिएल समृद्धि फण्ड १ को अवधि यही पौष महिनामा समाप्त हुने र एनआईबिएल प्रगति फण्ड समेत समाप्ति उन्मुख भईरहेको अवस्थामा नयाँ बन्दमुखी योजना यहि आ. व. बाट सञ्चालमा ल्याउन आवश्यक ब्यवस्था गरिने व्यहोरा जानकारी गराउँदछौ ।

ङ) संस्थागत परामर्श सेवा:

यस कम्पनीले नेपाल धितोपत्र बोर्डको स्विक्ती पश्चात संस्थागत परामर्श सेवा अन्तर्गत निम्न क्षेत्रहरूमा परामर्श सेवा प्रदान गर्दै आइरहेका छौ, यसलाई भबिष्यमा समेत निरन्तरता दिइनेछ ।

- ❖ Business Plan
- ❖ Loan Syndication

- ❖ Market Assessment & Feasibility
- ❖ Debt Raising
- ❖ Financial Restructuring
- ❖ Valuation
- ❖ Capital Funding
- ❖ Escrow Agency
- ❖ Merger and Acquisition
- ❖ Research Reports

च) विशिष्टीकृत लगानी कोष :

यस कम्पनीले विशिष्टीकृत लगानी कोष संचालनका लागि कोष व्यवस्थापकको अनुमति पत्रका लागि नेपाल धितोपत्र बोर्डबाट माग भएबमोजिमका आवश्यक कागजातहरू र तोकिएको पूर्वाधारको विवरण बोर्ड समक्ष पेश गरि सकेको छ र बोर्डबाट अनुमति पत्र स्वीकृतिको अन्तिम चरणमा रहेको छ । उक्त अनुमति पत्र स्वीकृती पश्चात विशिष्टीकृत लगानी कोष नियमावली, २०७५ बमोजिम नयाँ कोष दर्ता प्रकृया अगाडि बढाइने छ ।

छ) अनलाइन (इल्लिभ) मार्फत सेवा प्रदान गर्ने तथा प्रदान गर्ने सेवा स्वचालन (Automation) गर्ने सम्बन्धि :

कोभिड १९ ले सिकाएको पाठ तथा अवसर आत्मसात गरि आन्तरिका रूपमा गर्नुपर्ने तथा ग्राहकहरूले गर्नुपर्ने कार्यहरू समेत जस्तै :

- ❖ डिम्याट खाता खोल्ने, मेरो शेयरमा दर्ता, एनआईबिएल सहभागिता फण्डको खरिद गर्न आवेदन दिने आदि सम्भव भए सम्म डिजिटल माध्यमबाट अनलाईन मार्फत घरमै बसेर गर्न सकिने व्यवस्था गरिएको छ ।
- ❖ विभिन्न डिजिटल वालेट मार्फत आवश्यक शुल्क भुक्तानी गर्ने व्यवस्थालाई बिस्तार गरिने ।
- ❖ सेवा तथा सुबिधाहरू प्रदान गर्न धनद दबकभम माध्यमलाई प्राथमिकताका साथ प्रयोग गरीने तथा सेवा तथा सुबिधाहरूलाई परिस्कृत Mobile App मार्फत समेत प्रवाह गरीने ।

ज) लगानी व्यवस्थापन सेवा :

सेवा प्रवाहलाई थप व्यवस्थित गर्दै इल्लिभ मार्फत समेत ग्राहकहरू आवद्य हुन सक्ने व्यवस्था मिलाईनेछ । विभिन्न प्रवृद्धनात्मक कार्यहरू संचालन गरी ग्राहक संख्या तथा लगानी रकम उल्लेख्य रूपमा बृद्धि गर्दै लगीने छ ।

४. कम्पनीको औद्योगिक तथा व्यावसायिक सम्बन्ध :

कम्पनीले आफ्ना सबै सरोकारवालाहरू सँग सौहाद्रपूर्ण 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 सोको कारण :

यस समीक्षा वर्षमा स्वतन्त्र संचालक श्री राम कृष्ण खतिवडाको राजिनामा पश्चात रिक्त पदमा संचालक समितिको मिति २०७७/०८/०५ मा बसेको ८२ औं बैठकको निर्णाय अनुसार स्वतन्त्र संचालकको रूपमा श्री आनन्द कुमार भट्टराईलाई नियुक्ति गरिएको छ ।

६. कारोबारलाई असर पार्ने मुख्य कुराहरू :

- ❖ नेपालको राजनैतिक अवस्था र त्यसमा आउने विचलनबाट प्रत्यक्ष प्रभाव पार्ने,
- ❖ अनलाईन प्रणाली तथा शेयर खरिद बिक्रीको रकम सिधै बैंक खाताबाट हुने व्यवस्थाले लगानी गर्न सहज बातावरण तयार हुने,
- ❖ ब्याजदर तथा मुद्राबजारमा तरलताको अवस्था,
- ❖ कोभिड १९ ले सृजना गरेको अस्थिरता तथा यसको प्रभाव र समाधानको प्रयास,
- ❖ अधिकांश बाणिज्य बैंकहरू तथा अन्य वित्तिय संस्था तथा बीमा कम्पनीहरूले समेत सहायक कम्पनीको रूपमा यो व्यवसायको सुरुवात,
- ❖ बैंकहरूलाई सहायक कम्पनी मार्फत स्टक ब्रोकरको कार्य गर्न गरिएको प्रोत्साहनबाट पनि सकारात्मक असर पर्ने,
- ❖ नियमन निकायहरूको समय समयमा जारी हुने नयाँ-नयाँ निर्देशनहरू जसलाई प्रयोगमा ल्याउन समय लाग्ने,
- ❖ यस क्षेत्रमा भएको अस्वस्थ प्रतिस्पर्धा, आदी

७. लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर संचालक समितिको प्रतिक्रिया : नियमित कारोबारमा देखिएका सामान्य कैफियत बाहेक लेखापरीक्षण प्रतिवेदनमा अरु कुनै कैफियत उल्लेख भएको छैन । प्राप्त प्रतिकृया र सुभावहरूका सम्बन्धमा संचालक समितिको ध्यानाकर्षण भएको छ र सुधारका लागि आवश्यक कदम पनि चालिसकिएको छ । साथै, अघिल्लो आ.व. का कैफियतको उल्लेखनीय सुधार भएको छ ।

८. लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम : आर्थिक वर्ष ०७७/०७८ को लागि संचालक समितिको मिति २०७८/०४/१४ गते बसेको ८९ औं बैठकले २६ प्रतिशत नगद लाभांश (रु. २७,००,००,०००/- चुक्ता पूँजीको २६ प्रतिशतले हुन आउने रकम रु. ७,०२,००,०००/-) 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 आधारभुत 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 सम्झौताहरूमा कुनै संचालक तथा निजका आफन्तको व्यक्तिगत स्वार्थसम्बन्धी जानकारी : यस प्रकारको कुनै सम्झौता 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 एंव 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 अवलम्बन गरेको छ ।

साथै अनुपालनको अवस्था, आन्तरिक नियन्त्रणको सुनिश्चितता तथा अन्य विविध कार्यहरूको सम्परिक्षणको लागी प्रत्येक त्रैमासिक अवधि समाप्त भएपछि आन्तरिक लेखापरीक्षण गर्ने व्यवस्था समेत मिलाईएको छ ।

१७. विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण :

खर्च शिर्षक	खर्च रकम (रु.)
कर्मचारी खर्च	रु. ३९,२९२,३३६/-
संचालन खर्च	रु. ५७,४२०,२७१/-
जम्मा व्यवस्थापन खर्च	रु. ९६,७१२,६०७/-

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 :

कम्पनीमा हाल लेखापरीक्षण समिति नरहेको तथा बाह्य फर्मद्वारा आन्तरिक लेखापरीक्षण गर्ने व्यवस्था गरिएको छ । कम्पनीको वित्तीय स्थिति, आन्तरिक नियन्त्रण र जोखिम व्यवस्थापन, कानूनी र नियम अनुपालना आदिको अवस्था हालसम्म कम्पनीको आकार सानो भएको ले संचालक समितिले नै हेर्ने गरेको छ ।

१९. संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका 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	८	रु. ९६,०००/-	बैठक भत्ता
२.	संचालक	श्री दिपक कुमार श्रेष्ठ	८	रु. ८०,०००/-	बैठक भत्ता
३.	संचालक	श्रीमती बन्दना थापा	८	रु. ८०,०००/-	बैठक भत्ता
४.	संचालक	श्री रविन्द्र भट्टराई	८	रु. ८०,०००/-	बैठक भत्ता
५.	संचालक	श्री आनन्द कुमार भट्टराई	५	रु. ५०,०००/-	बैठक भत्ता
जम्मा				रु. ३,८६,०००/-	

ख. मानव संसाधन समिति बैठकको विवरण :

सि.नं	पद	नाम	बैठकको संख्या	पारिश्रमिक भत्ता	कैफियत
१.	संचालक	श्री सचिन टिवडेवाल	५	रु. ४०,०००/-	बैठक भत्ता
२.	संचालक	श्रीमती बन्दना थापा	५	रु. ४०,०००/-	बैठक भत्ता
जम्मा				रु. ८०,०००/-	

ग. लगानी तथा जोखिम व्यवस्थापन समिति बैठकको विवरण :

सि.नं	पद	नाम	बैठकको संख्या	पारिश्रमिक भत्ता	कैफियत
१.	संचालक	श्री सचिन टिवडेवाल	१९	रु. १५२,०००/-	बैठक भत्ता
२.	संचालक	श्री रविन्द्र भट्टराई	१९	रु. १५२,०००/-	बैठक भत्ता
३.	संचालक	श्री आनन्द कुमार भट्टराई	१०	रु. ८०,०००/-	बैठक भत्ता
जम्मा				रु. ३,८४,०००/-	

घ. कार्यकारी प्रमुखको विवरण :

सि.नं	पद	नाम	पारिश्रमिक भत्ता	कैफियत
१.	प्रमुख कार्यकारी अधिकृत	श्री शिवान्त बहादुर पाँडे	रु. १५,६०,०००/-	पारिश्रमिक भत्ता

२१. शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांश रकम : नरहेको ।

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

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

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

- ❖ २०७७ आषाढ मसान्त सम्म एनआईबिएल एस क्यापिटल लिमिटेडले मुख्य कम्पनी नेपाल इन्भेष्टमेन्ट बैंक लि. मा कुल निक्षेप रु. ३२,११४,२३८/- राखेको छ । चौथो त्रैमासिकको अन्त्य सम्म यस कम्पनीले मुख्य कम्पनीबाट व्याज आम्दानी स्वरूप रु. ८९८,५७५/- आर्जन गरेको छ ।
- ❖ मुख्य कम्पनी नेपाल इन्भेष्टमेन्ट बैंक लि. को तर्फबाट श्री सचिन टिवडेवाल, श्री दिपक कुमार श्रेष्ठ र श्रीमती बन्दना थापा यस कम्पनीको संचालकका रूपमा; श्री शिवान्त बहादुर पाँडे प्रमुख कार्यकारी अधिकृतको रूपमा; श्री मेख बहादुर थापा ठाडा नायब प्रमुख कार्यकारी अधिकृतको रूपमा र श्री रेखा पन्त प्रमुख-शेयर रजिष्ट्रारको रूपमा नियुक्त हुनुभएको छ ।
- ❖ मुख्य कम्पनी नेपाल इन्भेष्टमेन्ट बैंक लिमिटेडले लाजिम्पाटस्थित 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 वित्तिय पारदर्शीता 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, नेपाल धितोपत्र बोर्ड वा त्यस्तो कम्पनीलाई नियमन गर्ने अन्य कुनै नियमनकारी निकायमा अधिकृत वा सो भन्दा माथिल्लो तहमा कार्यरत नरहको ।
- (ख) कम्पनीको कुन सञ्चालक वा पदाधिकारीको नजिकको नातेदार हो र निजहरू 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 ।

२५. अन्य आवश्यक कुराहरू : अन्य आवश्यक कुराहरू नभएको व्यहोरा जानकारी गराइन्छ ।

धन्यवाद ज्ञापन :

यथासमयमै लेखापरीक्षण कार्य सम्पन्न गरी यस कम्पनीलाई यथोचित व्यावसायिक सूझावहरू प्रदान गर्ने आन्तरिक तथा बाह्य लेखापरीक्षकलाई संचालक समितिको तर्फबाट हार्दिक कृतज्ञता ज्ञापन गर्दछु ।

संस्थापन समय देखिनै प्रेरणादायी र निरन्तर सहयोग पुऱ्याउने हाम्रो मुख्य कम्पनीको संचालक समिति, व्यवस्थापन तथा कर्मचारीहरूलाई विशेष धन्यवाद दिन चाहन्छु ।

त्यसै गरी यस कम्पनीको उद्देश्य प्राप्तिका लागि सहयोग पुऱ्याउनु हुने शेयरधनी महानुभावहरू, ग्राहकबर्ग तथा नेपाल सरकारको सम्बन्धित निकाय लगायत नेपाल धितोपत्र बोर्ड, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल राष्ट्र बैंक, नेपाल स्टक एक्सचेञ्ज लिमिटेड तथा सिडियस एण्ड क्लियरिङ लिमिटेड प्रति संचालक समितिको तर्फबाट हार्दिक आभार प्रकट गर्दछु । कम्पनीको उत्तरोत्तर उन्नति र प्रगतीमा आफ्नो अमूल्य श्रम र समय खर्च गरी लगनशीलताका साथ योगदान पुऱ्याउनु हुने कम्पनीको व्यवस्थापन तथा कर्मचारीहरूका साथै कम्पनीको गतिविधिको बारेमा सकारात्मक रूपमा जनसमक्ष पुर्याईदिने संचार जगत र प्रत्यक्ष/अप्रत्यक्ष रूपमा सहयोग पुऱ्याउनु हुने सम्पूर्ण शुभेच्छुकहरू प्रति पनि म हार्दिक आभार व्यक्त गर्दछु र यस साधारण सभा सफल बनाईदिनु भएकोमा पनि यहाँ उपस्थित सम्पूर्ण महानुभावहरूलाई हार्दिक धन्यवाद व्यक्त गर्दछु ।

श्री दिपक कुमार श्रेष्ठ
संचालक

श्री सचिन टिवडेवाल
अध्यक्ष

मिति : २०७८/०४/१४

कम्पनी दर्ता नं. १२८४/०६७/०६८

**कम्पनी ऐन, २०६३ को दफा ७८ बमोजिमको
एनआईबिएल एस क्यापिटल लिमिटेडको आर्थिक वर्ष २०७७/०७८ को
सञ्चालक समितिबाट स्वीकृत भई लेखापरीक्षकबाट प्रमाणित प्रतिवेदन**

१. बॉडफाँड भएको शेयर संख्या :

बॉडफाँड भएको शेयरको संख्या : २७,००,००० /-

२. बॉडफाँड 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 गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :

यस कम्पनीको सञ्चालक समिति देहाय बमोजिम रहेको छ :-

क्र. सं.	सञ्चालक
१.	सचिन टिवडेवाल
२.	दिपक कुमार श्रेष्ठ
३.	बन्दना थापा
४.	रबिन्द्र भट्टराई
५.	आनन्द कुमार भट्टराई

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

क) सञ्चालक समितिको बैठक भत्ता निम्नअनुसार रहेको छ :

क्र. सं.	सञ्चालक	बैठक सं.	बैठक भत्ता
१.	सचिन टिवडेवाल	८	९६,०००/-
२.	दिपक कुमार श्रेष्ठ	८	८०,०००/-
३.	बन्दना थापा	८	८०,०००/-
४.	रबिन्द्र भट्टराई	८	८०,०००/-
५.	आनन्द कुमार भट्टराई	५	५०,०००/-
	जम्मा		३८६,०००/-

ख) मानव संसाधन समितिको बैठक भत्ता निम्नअनुसार रहेको छ :

बैठक भत्ता: रु.८,०००/- प्रति बैठ

क्र. सं.	सञ्चालक	बैठक सं.	बैठक भत्ता
१.	सचिन टिवडेवाल	५	४०,०००/-
२.	बन्दना थापा	५	४०,०००/-
	जम्मा		८०,०००/-

ग) लगानी तथा जोखिम समितिको बैठक भत्ता निम्नानुसार रहेको छ :

बैठक भत्ता : रु. ८,०००/- प्रति बैठक

क्र. सं.	सञ्चालक	बैठक सं.	बैठक भत्ता
१.	सचिन टिवडेवाल	१९	१५२,०००/-
२.	रविन्द्र भट्टराई	१९	१५२,०००/-
३.	आनन्द कुमार भट्टराई	१०	८०,०००/-
	जम्मा		३८४,०००/-

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

क्र. सं.	विवरण	प्रमुख कार्यकारी अधिकृत	अन्य कार्यकारी/ व्यवस्थापकहरू
१.	तलब		१,२०९,६००/-
२.	भत्ता	१,५६०,०००/-	८०६,४००/-
३.	दशै भत्ता		११८,२२२/-
४.	संचयकोष		१२०,९६०/-
	जम्मा	१,५६०,०००/-	२,२५५,१८२/-

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

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

(३) कम्पनीको लेखापरीक्षक श्री सुन्दर एण्ड कम्पनी, चार्टर्ड एकाउण्टेण्टस् लाई आर्थिक वर्ष २०७७/७८ को लेखा परीक्षण गरे बापत लेखापरीक्षक शुल्क कर सहित रु. २५४,२५०/- 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 डिबेञ्चरको विवरण :

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

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

शेयर

कम्पनीबाट समीक्षा अवधिमा कुनै शेयर जारी गरिएको नभएको ।

डिबेञ्चर

कम्पनीबाट समीक्षा अवधिमा कुनै डिबेञ्चर जारी नभएको ।

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

८. बैङ्क तथा वित्तीय संस्थाहरूबाट लिएको 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 गर्नुपर्ने भनी दाबी गरिएको रकम वा यस विषयमा मुद्दा मामिला चलिरहेको भए त्यसको विवरण :

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 निम्नबमोजिम रहेको छ :

(क)	प्रमुख कार्यकारी अधिकृत	१
(ख)	नायब प्रमुख कार्यकारी अधिकृत तथा कम्पनी सचिव	१
(ग)	सहायक महाप्रबन्धक	१
(घ)	अन्य कर्मचारीहरू (Pay roll)	५९
(ङ)	करार (Contract)	१०
(च)	दैनिक ज्यालादारी (Daily Wages)	१०
जम्मा कर्मचारीहरू		८२

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 सोको विवरण र सम्बन्धित आर्थिक वर्षमा त्यस्तो सम्झौता अनुसार भुक्तान गरिएको लाभांश, कमिसन, शुल्क, दस्तुर र रोयल्टी आदिको विवरण :

सो सम्बन्धी कुनै पनि सम्झौता भएको छैन ।

१३. कम्पनीको आर्थिक वर्ष २०७७/०७८ को व्यवस्थापन खर्चको विवरण :

कम्पनीको आर्थिक वर्ष २०७७/०७८ को कर्मचारी बोनस खर्च बाहेकको व्यवस्थापन खर्चको विवरण कम्पनीको वार्षिक प्रतिवेदनको अनुसूची ४,५,११ र १२ मा विस्तृत रूपमा उल्लेख गरिएको छ ।

रकम रु. ९६,७१२,६०७/-

१४. शेयरधनीहरूले बुझि लिन 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 गर्दछौं:

(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 कुरा, समीक्षा अवधिमा कम्पनीको प्रबन्धपत्र तथा नियमावलीमा कुनै संशोधन नभएको ।

(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,

— नयाँ शेयर जारी नभएको ।

- (ग) कम्पनीले डिबेञ्चर उठाउँदा ऐनमा गरिएको व्यवस्था गरे नगरेको कुरा,
— हालसम्म कम्पनीले कुनै डिबेञ्चर नउठाएको ।
- (घ) शेयरधनी वा डिबेञ्चरवालाको 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 सम्पत्ति घट्न गई चुत्ता पूँजीको आधा वा सो भन्दा कम भएको भए सो सम्बन्धमा सञ्चालक समितिले ऐन बमोजिमको जिम्मेवारी पूरा गरेको वा नगरेको कुरा,
— कम्पनीको खुद सम्पत्ति घट्न नगएको र चुत्ता 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 साधारणसभामा 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,
— समिक्षा अवधीमा विशेष साधारण सभामा नगरेको ।
- (ञ) कम्पनीले देहाय बमोजिमका विवरण वा सूचना म्यादभित्र कार्यालयमा पेश गरेको वा नगरेको कुरा:
- (१) कम्पनीको प्रबन्धपत्र र नियमावलीमा भएको संशोधन ।
— म्याद भित्र पेश गर्ने गरेको ।
 - (२) शेयर बाँडफाँडको विवरण ।
— म्याद भित्र पेश गर्ने गरेको ।
 - (३) धितोपत्र व्यवसायी र कम्पनी बीच भएको सम्झौता ।
— समिक्षा अवधीमा त्यस्तो सम्झौता नभएको ।
 - (४) शेयरमा रहेको हक सम्बन्धी जानकारी ।
— लागू नहुने ।
 - (५) शेयर, डिबेञ्चर र ऋणको लगत ।
— म्याद भित्र पेश गर्ने गरेको ।
 - (६) आफ्नो शेयर आफैले खरीद गरेकोमा सो सम्बन्धी जानकारी ।
— लागू नहुने ।

(७) अग्राधिकार शेयर फिर्ता लिएको भए सो सम्बन्धी जानकारी ।

– लागू नहुने ।

(८) वार्षिक साधारण सभा गर्नुभन्दा कम्तीमा एक्काइस दिन अघि पेश गर्नुपर्ने प्रतिवेदन ।

– म्याद भित्र पेश गरेको ।

(९) वार्षिक साधारण सभाको विवरण र वार्षिक आर्थिक विवरणहरू ।

– म्याद भित्र पेश गरेको ।

(१०) लेखापरीक्षकको नियुक्तिको जानकारी ।

– म्याद भित्र जानकारी गराएको ।

(११) कम्पनीको रजिष्टर्ड कार्यालय रहेको ठेगाना परिवर्तन गरिएको भए सोको जानकारी ।

– समिक्षा अवधिमा ठेगाना परिवर्तन नगरिएको ।

(१२) कम्पनीका सञ्चालकहरूको निजी स्वार्थ रहेको विषयमा गराएको जानकारी ।

– निजी स्वार्थको विषय नरहेको ।

(ट) कम्पनीका पदाधिकारीहरूले कम्पनीमा बुझाउनुपर्ने देहायका लिखतहरू बुझाएको वा बुझाएको कुरा:

(१) आफ्नो निज स्वार्थ रहेको विषयमा सञ्चालकले गराउनुपर्ने जानकारी ।

(२) कम्पनीको सञ्चालक वा निजको नजिकको नातेदारले कम्पनीको शेयरमा हकप्राप्त 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 विवरण 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 समिक्षा अवधिमा कम्पनी मार्फत आफुलाई व्यक्तिगत फाइदा हुने काम नगरेको ।

- (थ) कम्पनीले सञ्चालन गरी आएको व्यवसायको सत्तरी प्रतिशतभन्दा बढी व्यवसाय विक्री गर्दा वा कुनै व्यहोराले हक छोडिदिँदा, 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 हुनआउने रकममध्ये जुनकम 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 खुलाउने:
- (१) शेयरधनीको दर्ता किताब : कम्पनीमा रहेको ।
 - (२) डिवेञ्चरवालाको दर्ता किताब : हालसम्म डिवेञ्चर 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 : लागु नहुने ।
- (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 ।
- लागु 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 ।
- समिक्षा अवधिमा कम्पनीले बोनस शेयर जारी नगरेको ।
- (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 बाफिन सक्ने आफ्ना निजी स्वार्थहरू भए सो सम्बन्धमा कम्पनीलाई तोकिएको म्यादभित्र जानकारी गराएको वा नगराएको कुरा ।
- निजी स्वार्थ नदेखिएको ।
- (र) सञ्चालकले आफ्नो कम्पनी वा सो कम्पनीको सहायक वा प्रमुख कम्पनीको अन्य सहायक कम्पनीको शेयर वा डिवेञ्चरमा हक प्राप्त गरेको भए म्यादभित्र कम्पनीलाई जानकारी गराएको वा नगराएको कुरा ।
- कम्पनीका सञ्चालकहरूले समिक्षा अवधिमा त्यस्तो हक प्राप्त गरेको कुरा जानकारीमा नआएको ।

(ल) कम्पनीले लाभांश वा अन्तरिम लाभांश बाँड्दा ऐनको पालना गरेको वा नगरेको कुरा ।

– ऐनको पालना गरेको ।

(व) कम्पनीका साधारण सभामा शेयरधनीलाई लाभांश 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 ।

– समिक्षा अवधिमा कार्यालयबाट कुनै निर्देशन जारी नभएको ।

(ष) सूचीकृत कम्पनी भए वार्षिक साधारण सभाको सूचनाको साथमा संक्षिप्त आर्थिक विवरण शेयरधनीलाई पठाएको वा नपठाएको कुरा ।

– लागु नहुने ।

(ख) लेखापरीक्षण समिति गठन गर्नुपर्ने सूचीकृत कम्पनी भए ऐन बमोजिम त्यस्तो समिति गठन गरिएको वा नगरिएको कुरा ।

– लागु नहुने ।

(ङ) ऐनको उल्लङ्घन गरेको अभियोगमा कम्पनी विरुद्ध कुनै कारबाही चलि रहेको वा त्यस्तो कसूर ठहर भई कम्पनीले कुनै दण्ड सजायँ 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 २०७८/०४/१४ मा बसेको ८९ औं सञ्चालक समितिको बैठकबाट पारित भएको व्यहोरा प्रमाणित गर्दछौं ।

मेख बहादुर थापा ठाडा
कम्पनी सचिव

सिए. अनिला श्रेष्ठ
सुन्दर एण्ड कम्पनी, चार्टर्ड एकाउण्टेण्टस्
मिति : २०७८/०४/१४

SUNDAR & CO.
Chartered Accountants

Pulchowk (Machagaa)
Lalitpur 20/8 Gha
P.O.B 3102 Kathmandu, Nepal

Phone # (977-1) 5521804/5529942
Fax : 977-1-5524804
Email: sundarmans@gmail.com

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NIBL ACE CAPITAL LIMITED**

Opinion on the Financial Statements

We have audited the accompanying financial statements of NIBL Ace Capital Limited ("the Company") which comprise the statement of financial position (Balance Sheet) as at Ashadh 31, 2078 corresponding to July 15, 2021, the statement of Profit or Loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of Ashadh 31, 2078 (July 15, 2021), and its performances, changes in equity and its cash flows for the year ended on that date in conformity with Nepal Financial Reporting Standards (NFRS)

Basis of Opinion

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

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

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

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an



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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements (Company Act)

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

- a. We have obtained all information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit



- b. In our opinion, proper books of account as required by law have been kept by the company, 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 books of accounts.
- c. In our opinion and to the best of our information and according to the explanations given to us and from our examination of the books of account of the company, we have not come across the cases where the Board of Directors or any member thereof or any employee of the company has acted deliberately contrary to the provisions of the law relating to accounts or caused loss or damage to the company.

For Sundar & Co.,
Chartered Accountants
UDIN # 210805CA00225rDWwf


Anila Shrestha, FCA
Partner

Date: 2078-04-21

2021-08-05



1. Statement of Financial Position

As on Ashad 31, 2078 (Corresponding to 15 July 2021)

'Amount in Rs'

Particulars	Notes	As at 15 July 2021	As at 15 July 2020
STOCKHOLDERS' EQUITY:			
Paid up capital	7	270,000,000	270,000,000
Retained Earnings	8	165,768,645	92,291,744
Reserves		21,267,776	6,666,329
Total Stockholders' Equity		457,036,421	368,958,073
NON CURRENT LIABILITIES			
Deferred Tax Liability	6.3	6,349,213	-
Employment Benefits		1,627,431	1,157,435
Total Non-Current Liabilities		7,976,644	1,157,435
CURRENT LIABILITIES			
Trade and Other Payables	10.1	2,309,924,080	909,070,059
Other Current Liabilities	10.2	40,234,921	22,849,943
Provisions	19	2,246,086	2,496,961
Current Tax Liabilities		-	652,034
Total Current Liabilities		2,352,405,087	935,068,997
Total Liabilities and Stockholders' Equity		2,817,418,152	1,305,184,505
NON-CURRENT ASSETS			
Property, plant and equipment	11	30,355,483	19,171,280
Intangible Assets	12	2,197,178	1,486,710
Investments	14	32,233,900	15,829,079
Staff Loan		27,439,379	11,572,232
Total Non-Current Assets		92,225,940	48,059,301
CURRENT ASSETS			
Investments	14	1,676,576,216	877,278,628
Trade Receivables, advances and deposits	16.1	69,327,104	41,928,983
Current Tax Assets	6.2	3,791,831	-
Deferred Tax Asset	6.3	-	7,167,759
Cash and cash equivalents	16.2	975,497,061	330,749,834
Total Current Assets		2,725,192,212	1,257,125,204
Total Assets		2,817,418,152	1,305,184,505
Contingent Liabilities	17		

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

Bandana Thapa
Director

Rabindra Bhattarai
Independent Director

Ananada Kumar Bhattarai
Independent Director

Shivanth B. Pandé
CEO

Mekh Bahadur Thapa
DCEO

Sachindra Dhungana
AGM

Anup Shakya
Head - GSD

As per our report of even date,

Date: 14 Shrawan 2078 (July 29, 2021)

Anila Shrestha, FCA, FCCA
Partner
Sundar & Co.
Chartered Accountants

2. Statement of Profit or Loss and Other Comprehensive Income

From Shrawan 1, 2077 to Ashad 31, 2078 (July 16, 2020 to July 15, 2021)

'Amount in Rs'

Particulars	Notes	As at 15 July 2021	As at 15 July 2020
Revenue:			
Revenue from operation	3.1	186,250,432	81,585,979
Other income	3.2	93,281,251	91,333,208
Net changes in gain/(losses) on financial assets and liabilities at FVTPL	14.1	35,632,492	3,267,337
Total revenue		315,164,175	176,186,524
Expenses:			
Operating Expenses	4	32,103,803	10,482,001
General and Administrative Expenses	5	78,040,803	67,080,995
Depreciation and Amortization	11 & 12	8,413,158	8,757,198
Total expenses		118,557,764	86,320,194
Income before income taxes		196,606,411	89,866,330
Tax expense /(income)	6.1	60,011,437	26,530,315
Profit for the year		136,594,974	63,336,015
Gains /(losses) on re-measuring available for sale financial assets		16,404,821	(1,778,230)
Gain/(loss) on Actuarial valuation of defined benefit liability		-;	-
Total Other Comprehensive income/(Loss) - A		16,404,821	(1,778,230)
Income tax income /(expense) relating to components of other comprehensive income - B		(4,921,446)	533,468
Other Comprehensive income /(loss) for the year, net of income tax (A-B)		11,483,375	(1,244,762)
Total comprehensive income for the year		148,078,349	62,091,253

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

Bandana Thapa
Director

Rabindra Bhattarai
Independent Director

Ananada Kumar Bhattarai
Independent Director

Shivanth B. Pandé
CEO

Mekh Bahadur Thapa
DCEO

Sachindra Dhungana
AGM

Anup Shakya
Head - GSD

As per our report of even date,

Date: 14 Shrawan 2078 (July 29, 2021)

Anila Shrestha, FCA, FCCA
Partner
Sundar & Co.
Chartered Accountants

3. Statement of Cash Flow

For the Year Ended Ashad 31, 2078 (Corresponding to 15 July 2021)

'Amount in Rs'

Particulars	FY 2020.21 (Rs)	FY 2019.20 (Rs)
A. Cash Flows From Operating Activities:		
Cash Inflows	277,125,889	163,299,347
Interest Income	103,662,388	81,965,232
Issue and Sales Management & Underwriting Fee	21,177,833	9,152,866
Advisory Income	1,150,750	170,500
Share Registrar	4,386,366	6,180,267
Portfolio Management	15,505,250	5,445,401
Fund Management Fee	43,678,069	28,238,900
MF Depository	6,327,709	8,527,534
DP Income	62,064,363	18,070,760
Income from Investment	10,680,048	1,198,872
Other Income	8,493,113	4,349,015
Cash Outflows	147,533,720	95,377,350
SEBON Fee	5,332,484	4,411,845
CDS Fee	11,839,833	2,108,210
DP Commission Expense	603,917	941,474
Staff Expenses	48,131,102	50,173,469
Office and other Overhead Expenses	25,879,127	19,333,419
Income Tax Paid	55,747,258	18,408,933
Cash Flow Before Changes in Working Capital	129,592,169	67,921,997
(Increase)/Decrease in Current Assets	(789,047,566)	(342,517,010)
(Increase)/Decrease in Short Term Investments	(770,646,604)	(341,355,517)
(Increase)/Decrease in Other Assets	(18,400,962)	(1,161,494)
Increase/(Decrease) in Liabilities	1,383,115,549	88,044,211
Increase/(Decrease) in Other Liabilities	1,383,115,549	88,044,211
Increase/(Decrease) in Sundry Creditors	-	-
Net Cash Flows from Operating Activities	723,660,151	(186,550,803)
B. Cash Flows from Investing Activities:	(18,912,925)	(1,079,498)
Purchase of Fixed Assets	(20,423,523)	(7,813,546)
Proceeds from disposal of Fixed Assets	1,510,599	6,734,048
C. Cash Flows from Financing Activities:	(60,000,000)	(54,000,000)
Increase/(Decrease) in Share Capital	-	-
Dividend Paid	(60,000,000)	(54,000,000)
Current Year's Cash Flow from All Activities	644,747,227	(241,630,300)
Opening Balance of Cash and Bank Balance	330,749,834	572,380,134
Closing Balance of Cash and Bank Balance	975,497,061	330,749,834

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

Bandana Thapa
Director

Rabindra Bhattarai
Independent Director

Ananada Kumar Bhattarai
Independent Director

Shivanth B. Pandé
CEO

Mekh Bahadur Thapa
DCEO

Sachindra Dhungana
AGM

Anup Shakya
Head - GSD

As per our report of even date,

Date: 14 Shrawan 2078 (July 29, 2021)

Anila Shrestha, FCA, FCCA
Partner
Sundar & Co.
Chartered Accountants

4. Statements of Changes in Shareholders' Equity

For the Year Ended Ashad 31, 2078 (Corresponding to 15 July 2021)

'Amount in Rs'

Particulars	Accumulated Other Comprehensive Income/(Losses)								
	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)	CSR Fund	General Reserve	Retained Earnings	Total Equity
Balance as at 15 July 2020	270,000,000	(11,483,375)	-	-	(11,483,375)	332,727	6,333,601	103,775,118	368,958,073
Profit for the year	-	-	-	-	-	-	-	136,594,974	136,594,973
Other comprehensive (loss) income	-	11,483,375	-	-	11,483,375	-	-	-	11,483,375
Dividends (Distributed)/ Recapitalized	-	-	-	-	-	-	-	(60,000,000)	(60,000,000)
Shares issued for dividend reinvestment plan	-	-	-	-	-	-	-	-	-
Transfer of net actuarial loss on defined benefit plans	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	13,659,497	(13,659,497)	-
Transfer to CSR Fund	-	-	-	-	-	1,365,950	-	(1,365,950)	-
Less: CSR Expenses During the year	-	-	-	-	-	(424,000)	-	424,000	-
Addition through Business Combination	-	-	-	-	-	-	-	-	-
Balance as at 15 July 2021	270,000,000	-	-	-	-	1,274,677	19,993,098	165,768,645	457,036,420

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 four schemes namely NIBL Samriddhi Fund-I, NIBL Pragati Fund, NIBL Sahabagita Fund and NIBL Samriddhi Fund II

The financial statements have been authorized for issue on 29 July 2021 by the Board of Directors.

2. Basis of preparation and presentation of financial statements

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

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.

2.3 Basis of Measurement

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 2077 to 31 Ashad 2078.

2.4. 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.

2.5. 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.

2.6. Significant Accounting judgments, estimates and assumptions

Preparation of financial statements in accordance with Nepal Financial Reporting Standards (NFRS) requires the management to make use of significant accounting judgments, estimates and assumptions 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 on completion of process for allotment of IPO.				
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. The rate of Fund Management and Depository Fee has been revised as per revised Mutual Fund Regulation 2067 from Falgun 1, 2076. Following is the agreed rate for fund management and depository fee for each scheme of mutual fund:				
	Fund	Fund management fee	Revised Fund management fee	Depository fee	Revised Depository fee
	NIBL Samriddhi Fund I	1.75 %	1.50%	0.50 %	0.20%
	NIBL Pragati Fund	1.50 %	1.50%	0.50 %	0.20%
	NIBL Sahabhagita Fund	1.25 %	1.25%	0.40 %	0.20%
	NIBL Samriddhi Fund II		1.50%		0.20%
Portfolio management fee	Entry load is recognized as revenue when agreement with client is signed. Performance fee, annual fee and service 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 2020.21	FY 2019.20
Issue and Sales Management Income	5,060,000	1,380,000
Underwriting Fee	1,481,202	150,000
Share Registrar Income	5,442,154	6,496,140
Portfolio Management Service Income	23,725,202	5,507,956
Fund Management Fee	45,835,307	29,377,322
Mutual Fund Depository Fee	6,239,295	6,839,531
DP Income	72,292,488	19,817,835
Collection Commission Income	11,697,379	8,027,087
Advisory Income	1,400,000	195,000
Other operating income	13,077,405	3,795,108
Total	186,250,432	81,585,979

3.2. Other income

Following table summarizes other income recognized during the period:

'Amount in Rs'

Particulars	FY 2020.21	FY 2019.20
Interest Income	86,100,708	85,110,565
Dividend Income	178,472	1,554,636
Return on Investment on Mutual Fund	3,198,555	2,225,311
Other Non-Operating Income	3,803,516	2,442,696
Total	93,281,251	91,333,208

4. Operating Expenses

'Amount in Rs'

Particulars	FY 2020.21	FY 2019.20
SEBON Fee	6,690,086	3,171,486
CDS Fee	15,061,065	3,835,806
DP Commission Expenses	1,627,710	710,490
Underwriting & Collection Commission Expenses	-	451,808
Commission Expenses on sale of investment	-	-
RTS and Issue Management Related Expenses	7,881,003	2,222,628
PMS- Commission Expense	843,939	89,783
Total	32,103,803	10,482,001

5. General and Administrative Expenses

'Amount in Rs'

Particulars	FY 2020.21	FY 2019.20
Employee Costs	38,953,296	39,841,854
Employee Training and Development	339,040	467,208
Staff Bonus Expenses	21,845,157	9,985,148
Office Advertisement and Business Promotion Expenses	1,706,160	2,909,992
AGM Expenses	26,128	59,888
Membership Fee, Renewal and Subscription Fee	1,303,143	1,160,000
Audit Fee	254,250	254,250
Internal Audit Fee	149,160	149,160
Audit Expenses	76,620	35,735
Bank Charges	15,961	36,029
Cleaning Expenses	760,455	983,884
Dashain, Tihar & Pooja Expenses	142,937	129,165
Non-Capital Assets	69,680	83,576
Other Office Expenses	1,271	40,000
CSR Expenses	424,000	300,633
Security Expenses	1,093,489	1,030,560
Office Gardening Expenses	106,370	14,650
Electricity Expenses	-	64,828
Water Supply Expenses	-	9,100
Printing & Stationary Expense	3,351,452	1,253,308
Newspaper & Periodicals Subscription Fee	24,923	26,091
Communications Expense	2,171,948	2,153,014
Courier & Postage Expenses	49,857	58,466
Fuel Expense	437,839	489,022
Vehicle Annual Charge	91,289	105,836
Insurance	84,979	142,922
Rental	568,149	1,936,000
Software Expenses – Office	833,385	820,190
Repair and Maintenances	1,246,154	1,134,483
BOD Meeting Expenses & Other Related Expenses	893,988	629,483
Miscellaneous Expenses	31,553	176,520
Transportation & Freight Expenses	67,800	-
Consulting & Legal Advisory Expense	16,950	-
Budget Meeting Expenses	101,830	-
Data Management and Entry Fee	201,590	-
Management Fee	600,000	600,000
Total	78,040,803	67,080,995

6. Income taxes

Tax Expense for the year

Tax expense comprises current tax expense 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.

6.1. Income tax expenses

Following is the details of tax expenses recognized in statement of Profit or Loss.

'Amount in Rs'

Particulars	Year Ended 15 July 2021	Year Ended 15 July 2020
Current tax expenses		
in respect of current year	51,292,535	26,376,669
in respect of prior years – Expenses / (Income)	123,377	(859,127)
	51,415,912	25,517,542
Deferred tax expenses/ (income)		
In respect of current year	8,595,525	1,012,774
Total income tax expenses recognized in current year	60,011,437	26,530,315

Following table shows the reconciliation of taxable profit with the accounting profit.

'Amount in Rs'

Particulars	Year Ended 15 July 2021	Year Ended 15 July 2020
Profit/ (loss) before tax for the year as per accounting	196,606,410	89,866,330
As per accounting		
Add: Depreciation Expenses not allowed	8,413,158	8,757,198
As per Income Tax		
Less: Depreciation Expenses allowed	(8,841,387)	(6,812,955)
Less: Dividend Income - Final Tax Holding Income	(178,472)	(1,554,636)
Less: Unrealized Gain on Investment	(28,158,177)	(3,909,635)
Less: Realized Gain on Investment as per book value	(7,474,314)	-
Add: Disallowed Expenses		
• Provisional Expenses - Leave and Gratuity	630,152	768,287
• Staff Bonus – Allocation to Staff Welfare Fund	200,000	-
• Realized Losses on Investment	-	642,298
• Realized Gain on Investment as per cost value	4,686,826	-
• Miscellaneous and Provisional Expenses	5,090,919	165,342
Profit/(loss) as per Income Tax	170,975,115	87,922,229
Effective Tax Rate	30%	30%
Current Tax Expenses	51,292,535	26,376,669

6.2. Current tax asset or liabilities

'Amount in Rs'

Particulars	Year Ended 15 July 2021	Year Ended 15 July 2020
Current tax assets		
Opening balance (net offset with current tax liabilities)	-	6,456,574
+ Advance Tax during the year	55,084,366	19,268,061
Closing balance (A)	55,084,366	25,724,635
Current tax liabilities		
Opening balance (net offset with current tax assets)	-	-
+ Current tax payable during the year	51,292,535	26,376,669
+ Tax payable due to Business Combination	-	-
Closing balance (B)	51,292,535	26,376,669
Net current tax asset/ (liabilities) (A-B)	3,791,831	(652,034)

6.3. Deferred tax asset or liabilities

'Amount in Rs'

Particulars	Carrying Value	Tax Base	Difference
Fixed Assets	32,552,661	34,092,253	1,539,592
Provision for Leave	1,627,431	-	1,627,431
Provision for Expenses	2,246,086	-	2,246,086
Investment	1,708,810,116	1,682,232,965	(26,577,152)
Total Temporary Difference			(21,164,043)
Total Deferred tax Assets/(Liabilities) for the Year			(6,349,213)
Less: Deferred Tax Assets/(Liabilities) relating to OCI			(4,921,446)
Less: Deferred Tax Liabilities up-to Previous Year			7,167,759
Deferred Tax Income /(Expense) of this Year			(8,595,525)

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:

Particulars	Value per share	As at 15 July 2021		As at 15 July 2020	
		No of shares	Rs.	No of Shares	Rs.
Authorized capital	100	5,000,000	500,000,000	5,000,000	500,000,000
Issued and subscribed capital	100	2,700,000	270,000,000	2,700,000	270,000,000
Paid up capital	100	2,700,000	270,000,000	2,700,000	270,000,000

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

Particulars	As at 15 July 2021	AS at 15 July 2020
No of Paid in Capital at beginning	2,700,000	2,700,000
+ Additional issue of equity instruments	-	-
+ Issue of bonus shares	-	-
+ Acquired through business combination	-	-
No of paid shares outstanding at period end	2,700,000	2,700,000

8. Retained Earnings

All accumulated profit less distribution is represented under retained earnings. The other comprehensive income/ (loss) has been presented separately under Retained Earnings as at reporting period. Following is the table of retained earnings.

'Amount in Rs'

Particulars	As at 15 July 2021	AS at 15 July 2020
Opening Balance	92,291,744	90,866,819
+ Acquired through BC	-	-
+ Profit for the year	136,594,973	63,336,015
- Distribution During the period	(60,000,000)	(54,000,000)
- Transfer to General Reserve	(13,659,497)	(6,333,601)
- Transfer to CSR Fund	(1,365,950)	(633,360)
+ CSR Expenses, Charged to Fund	424,000	300,633
Sub- Total	154,285,270	93,536,505
+ / (-) Other Comprehensive Income / (Loss)	11,483,375	(1,244,761)
Closing Balance of Retained Earning	165,768,645	92,291,744

Reserves

• General Reserve

As per Revised Mutual Fund Regulations 2067 implemented from Falgun 1, 2076, Section 38 Ka, every fund manager merchant banking company shall allocate 10% of Net Profit After Tax every year to a General Reserve Fund for risk management and maintenance of corporate financial stability. The company shall not distribute dividend from the allocated amount to such reserve.

Following is the table of General Reserve:

'Amount in Rs'

Particulars	As at 15 July 2021	AS at 15 July 2020
Opening Balance	6,333,601	-
+ General Reserve allocated during the year	13,659,497	6,333,601
Closing Balance of Retained Earning	19,993,098	6,333,601

• Corporate Social Responsibility (CSR) Fund

As per Revised Securities Businessperson (Merchant Banker) Regulation, 2064 implemented from Falgun 1, 2076, Section 30 Ka, every merchant banking company shall form a Corporate Social Responsibility (CSR) Fund and shall allocate 1% of Net Profit after Tax every year to a CSR Fund. The expenses in related to CSR activities shall be done, charging to the Fund during the year.

Following is the table of CSR Fund that has been shown under reserves:

'Amount in Rs'

Particulars	As at 15 July 2021	AS at 15 July 2020
Opening Balance	332,727	-
+ CSR Fund allocated during the year	1,365,950	633,360
- CSR Expenses, charged to fund during the year	(424,000)	(300,633)
Closing Balance of Retained Earning	1,274,677	332,727

Proposed Dividend

For Fiscal year 2077/78, the board has proposed 26% cash dividend including tax amounting NRs. 7,02,00,000 (NRs. Seven Crores Two Lakhs Only), 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 15 July 2021	AS at 15 July 2020
Issue Collection Refundable	945,264,090	165,718,527
RTS Client Dividend Warrant Payable	477,560,142	731,435,007
RTA Bonus and Tax Payables	4,243,026	1,646,758
CDS Fee Payable	6,520,599	3,299,367
SEBON Fee Payable	3,113,675	1,756,073
Interest expenses payables	19,194,432	1,632,752
Advance received from Customer	2,400,407	2,977,659
DP Commission Payables	1,627,710	603,916
*Advisory Payables	850,000,000	-
Total	2,309,924,081	909,070,059

* It is in regard to functioning of NIBL Ace Capital as Escrow Agent under Advisory Service in regard to Issue & Sales business.

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 15 July 2021	AS at 15 July 2020
Audit fee payable	278,750	250,875
Salary, Wages and Bonus Payable	23,260,802	10,724,408
Statutory Liabilities	881,143	1,584,258
Staff Housing loan insurance premium	5,491,241	5,472,174
Other sundry payables	10,322,985	4,818,228
Total	40,234,921	22,849,943

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 profit or loss. 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 Profit or loss

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 15 July 2020	6,614,100	22,285,231	2,245,946	10,474,227	6,628,946	48,248,450
+Additions during the year	7,014,900	5,614,610	3,566,061	830,282	2,097,212	19,123,065
- Disposal	(2,199,900)	(7,607)		-	-	(2,207,507)
Balance as at 15 July 2021	11,429,100	27,892,234	5,812,007	11,304,509	8,726,158	65,164,008
(B) Accumulated Depreciation, amortization and impairment						
Opening balance as at 15 July 2020	2,326,010	16,331,149	476,328	5,873,269	4,070,413	29,077,169
+Additions during the year	1,173,093	3,414,493	394,059	1,414,447	1,427,075	7,823,167
-Deletion	(2,087,377)	(4,435)	-	-	-	(2,091,812)
Balance as at 15 July 2021	1,411,726	19,741,207	870,387	7,287,716	5,497,488	34,808,524
(C) Carrying Amount						
As at 15 July 2020	4,288,090	5,954,082	1,769,618	4,600,959	2,558,533	19,171,282
As at 15 July 2021	10,017,374	8,151,026	4,941,619	4,016,794	3,228,670	30,355,483

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 profit or loss.

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 2020	4,056,144	4,056,144
+Additions during the year	1,300,458	1,300,458
-Disposal	-	-
Balance as at 15 July 2021	5,356,602	5,356,602
(B) Accumulated Depreciation, amortization and impairment		
Opening balance as at 15 July 2020	2,569,433	2,569,433
+Additions during the year	589,990	589,990
-Deletion	-	-
Balance as at 15 July 2021	3,159,423	3,159,423
(C) Carrying Amount		
As at 15 July 2020	1,486,710	1,486,710
As at 15 July 2021	2,197,178	2,197,178

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 15 July 2021	FY 2020.21			Fair Value as at 15 July 2020	FY 2019.20		
		L1	L2	L3		L1	L2	L3
(A) Held for trading (classified as current assets)								
Mutual Funds	88,750,328	88,750,328	-	-	48,622,953	48,622,953	-	-
Equity Securities	3,325,888	3,325,888	-	-	23,355,675	23,355,675	-	-
Total	92,076,216	92,076,216	-	-	71,978,628	71,978,628	-	-
(B) Available for Sale (Classified as Non-Current Assets)								
Equity Securities	24,462,900	-	24,462,900	-	8,058,079	-	8,058,079	-
Total	24,462,900	-	24,462,900	-	8,058,079	-	8,058,079	-
(B) Measured at Amortized Cost								
Fixed Deposit at Bank	1,584,750,000	-	-	-	805,550,000			
Investments on Debentures	7,521,000	-	-	-	7,521,000			
Total Value of Investment	1,708,810,116	-			893,107,708			
Investments Classified to								
A. Current Assets								
Held for Trading	92,076,216	-	-	-	71,978,628			
Measured at Amortized Costs	1,584,500,000	-	-	-	805,300,000			
Total	1,676,576,216	-	-	-	877,278,628			
B. Non-Current Assets								
Available for Sale	24,462,900	-	-	-	8,058,079			
Measured at Amortized Cost	7,771,000	-	-	-	7,771,000			
Total	32,233,900		-	-	15,829,079			

14.1. Net change in fair value of investments

'Amount in Rs'

Particulars	FY 2020.21 Net Gain / (Losses)	FY 2019.20 Net Gain / (Losses)
(A) Held for trading		
Mutual Fund	26,536,077	3,238,321
Equity Securities	1,622,246	671,314
Total	28,158,323	3,909,635
Net Change in fair value	28,158,323	3,909,635
+ Realized gain/(loss) on Investments	7,474,169	(642,298)
Net changes in gain/(losses)	35,632,492	3,267,337

The net change in fair value of investments has been recognized on Mark to Market basis.

14.2. Details of Investment

A. Investment on Mutual Funds

Name of Company	Fiscal Year 2020.21				
	Unit	Market Value per unit as on 15 July 2021	Market Value as on 15 July 2021 Amount (A)	Book Value as on 15 July 2021 Amount (B)	Gain/(Loss) (A-B)
Global IME Samunnat Scheme -1	38,000	20.28	770,640	326,040	444,600
NIBL Samriddhi Fund -1	1,000,000	14.36	14,360,000	9,900,000	4,460,000
NMB Hybrid Fund L1	94,644	13.65	1,291,891	899,118	392,773
Nabil Equity Fund	112,646	14.60	1,644,632	1,050,987	593,644
NIBL Pragati Fund	1,051,384	14.85	15,613,052	8,568,780	7,044,273
Laxmi Equity Fund	436,397	13.80	6,022,279	3,827,202	2,195,077
Siddhartha Equity Fund	350,000	14.05	4,917,500	3,500,000	1,417,500
Sanima Equity Fund	130,300	16.79	2,187,737	1,293,879	893,858
NIBL Sahabhagita Fund	1,071,270	17.40	18,640,098	11,848,246	6,791,852
NMB50	250,000	14.95	3,737,500	2,500,000	1,237,500
Sanima Large Cap Fund	100,000	10.50	1,050,000	1,000,000	50,000
Kumari Equity Fund	250,000	10.50	2,625,000	2,500,000	125,000
Sunrise Bluechip Fund	500,000	10.16	5,080,000	5,000,000	80,000
NIBL Samriddhi Fund-II	1,000,000	10.81	10,810,000	10,000,000	810,000
Total	6,384,641		88,750,329	62,214,252	26,536,077

B. Investment on Listed Shares

Name of Company	Fiscal Year 2020.21				
	Unit	Market Value per unit as on 15 July 2021	Market Value as on 15 July 2021 Amount (A)	Book Value as on 15 July 2021 Amount (B)	Gain/(Loss) (A-B)
Butwal Power Co. Ltd.	3	506	1,518	959	559
Mero Microfinance Bittiya Sanstha Limited	27	1546	41,742	15,599	26,143
National Microfinance Bittiya Sanstha Limited	11	3603	39,633	14,877	24,756
Saptakoshi Development Bank Limited	863	365	314,995	97,687	217,308
Mega Bank Nepal Limited	8,000	366	2,928,000	1,574,520	1,353,480
Total	8,904		3,325,888	1,703,642	1,622,246

C. Investment on Unlisted Shares

Name of Company	Fiscal Year 2020.21				
	Unit	Market Value per unit as on 15 July 2021	Market Value as on 15 July 2021 Amount (A)	Book Value as on 15 July 2021 Amount (B)	Gain/(Loss) (A-B)
M. Nepal Ltd.	244,629	100	24,462,900	8,058,079	16,404,821
Total	244,629		24,462,900	8,058,079	16,404,821

Previously, being unlisted shares in stock market, the entity has valued, the Fair Value of M Nepal Ltd. as per the book value per share from the management certified financial statements of the Company. During FY 2020/21, M Nepal Ltd has successfully commenced its operation and launched the digital wallet app, Thaili and started generating revenue as well. Hence, as a result, the entity has valued, the Fair Value of M Nepal Ltd as per Net Asset per share at Rs 100 each as on July 15, 2021 and also, classified the investment under Level 2 under the Fair Value Hierarchy for financial instrument.

D. Investment on Debentures

Name of Company	Fiscal Year 2020.21		
	Unit	Cost Price per Unit	Total Cost Amount
Siddhartha Bank Debentures 2082	2500	1000.00	2,500,000
Sunrise Debenture 2080	2500	1000.00	2,500,000
Goodwill Finance Debenture 2083	2521	1000.00	2,521,000
Total	7521		7,521,000

E. Investment on Fixed Deposit

Details	Fiscal Year 2020.21
	Amount
Fixed Deposit at Commercial Bank Ltd.	
FD - Kumari Bank Limited	250,000,000
FD- NMB Bank Limited	250,000
Total Fixed Deposit at Commercial Bank Ltd. (A)	250,250,000
Fixed Deposit at Development Bank Ltd.	
FD- Garima Bikash Bank Ltd.	35,000,000
FD- Green Development Bank Limited	4,400,000
FD- Jyoti Bikas Bank Ltd	371,300,000
FD- Kamana Sewa Bikas Bank Ltd	185,000,000
FD- Lumbini Bikas Bank Ltd	30,000,000
FD- Muktinath Bikash Bank Ltd.	335,000,000
FD- Saptakoshi Development Bank Ltd.	2,800,000
FD- Shangrila Development Bank Ltd.	55,000,000
FD- Shine Resunga Development Bank Ltd.	45,000,000
Total Fixed Deposit at Development Bank Ltd. (B)	1,063,500,000
Fixed Deposit at Finance Company Ltd.	
FD- Central Finance Limited	10,000,000
FD- Goodwill Finance Ltd	54,000,000
FD - Guheswori Merchant Banking & Finance Ltd.	30,000,000
FD- Gurkhas Finance Ltd.	57,500,000
FD- Manjushree Finance Ltd.	52,500,000
FD- Pokhara Finance Limited	20,000,000
FD- Progressive Finance Ltd	47,000,000
Total Fixed Deposit at Finance Company Ltd. (C)	271,000,000
Total Fixed Deposit	1,584,750,000

The entity has invested the fund available for dividend warrants distribution of NRs. 489,000,000.00 as FD placement, especially for the short term period. As the dividend distribution takes a certain period of time to complete, the entity mobilizes the fund available as the fund is in our custody for the purpose of distribution.

Seed Capital Investment

Entity being Fund Manager and Depository of Sponsor, Nepal Investment Bank Limited in scheme, NIBL Samriddhi Fund I, NIBL Pragati Fund, NIBL Sahabhagita Fund and NIBL Samriddhi Fund II under NIBL Mutual Fund has invested 1% of the Fund as Seed Capital. As a close ended fund and open ended fund, the scheme is required to be held till the maturity date. Although there is no regulatory requirement that the Fund manager are not allowed to sell their investments of seed capital, the entity has considered to hold the investment till the maturity. The investment are classified as held for trading and valued through profit or loss statement.

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 15 July 2021	AS at 15 July 2020
RTS Service Fee Receivable	6,131,314	4,955,826
Underwriting & Issue management Fee Receivable	5,750,126	9,186,330
Fund Management Fee Receivable	16,901,433	14,744,194
Fund Depository Fee Receivable	2,326,655	2,415,069
Other Sundry Receivables	66,250	17,000
Prepaid Expenses	2,496,379	845,623
Staff Loan	2,703,188	1,820,128
Other Current Assets	11,386,879	4,828,008
PMS Income Receivables	8,492,757	272,806
DP Income Receivables	13,072,123	2,843,998
Total	69,327,104	41,928,982

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 15 July 2021	AS at 15 July 2020
Cash in Hand	-	-
Balance at Bank	975,497,061	330,749,834
Total	975,497,061	330,749,834

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 15 July 2021	AS at 15 July 2020
Dividend Warrants	27,560,142	141,435,007
IPO Collection	910,307,115	167,365,285
Total	937,867,257	308,800,292

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 (Contingent Liabilities)

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 no remaining operating lease arrangement. Operating lease payments are recognized as an expense in the statement of profit or loss in the year which it becomes payable. Lease amount payable in respect of operating lease is:

Period	Amount (Rs)
Up to 1 year	-
1-5 year	-
Above 5 years	-
Total	-

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

Underwriting Commitment to	For	Amount (Rs)
IME Life Insurance Co. Ltd.	IPO	600,000,000
Samling Power Co, Ltd.	IPO	123,000,000
Total Underwriting Commitment		723,000,000

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 and Gratuity

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 is charged to statement of profit or loss in the year to which they relate to as the company as no further defined obligation beyond such contribution.

The company and employee contribute 10% each on the salary of each employee to an approved Provident Fund maintained at NIBL Retirement Fund.

From Bhadra 19, 2074, the entity has paid the monthly gratuity liability to the staff in their respective retirement fund account at 8.33% of Basis Salary as per the labour act 2074 and has recognized it as expenses which amount to NRs. 1,303,417.63. All staff gratuity liability has been discharged into staff Gratuity Account till 15 July 2021 at NIBL Retirement Fund.

Defined benefit plan - Leave Pay

The Company provides for defined benefit in form of 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 profit or loss. 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. The provision for leave encashment is derived from the management judgment and estimation which amount to NRs. 1,627,431 as on 15 July 2021. Staffs are eligible for accumulation of 60 days of annual leave and 30 days of sick leave. Management has not considered the actuarial valuation because of the limited number of staff, high labour turnover, nature of industry, number of year of operation and also the cost versus benefit analysis.

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 profit or loss in period which service has been obtained from employee.

Other benefits include various types of loan to its staffs at prescribed rates as per the provisions of Employees' Byelaws of the entity. The types of staff's loans are namely EMI Loan (provided at base rate of Nepal Investment Bank Ltd.) and Housing Loan (Tied up with insurance policy). 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 shall be charged to statement of profit or loss as employee benefits. The benefit of staff loan includes the current period cost of fair value loss computed for Staff loan using Effective Interest Rate (EIR) as weighted average fixed deposit interest rate of Fixed Deposit of the entity applicable at the time of staff loan issuance. Remaining fair value loss is deferred to be recognized as an expense in respective periods.

Employee Bonus Expenses: Employee Bonus Expenses has been provisioned on the basis of profit before staff bonus and tax.

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. 2,246,086 has been recognized at the end of reporting period. The company does not have any contingent liabilities at the reporting period end.

The details of Provisions are as below:

'Amount in Rs'

Particulars	As at 15 July 2021	AS at 15 July 2020
Provision for Other Expenses	1,326,727	1,577,602
Provision for Possible Liabilities and Debts	919,359	919,359
Total	2,246,086	2,496,961

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.

❖ **Associate Company:** M Nepal Ltd.

Percentage of Shareholding: - 22.67%

❖ **Board of Directors:**

Mr. Sachin Tibrewal	Chairman
Mr. Deepak Kumar Shrestha	Director
Mrs. Bandana Thapa	Director
Mr. Rabindra Bhattarai	Independent Director
Mr. Ananda Kumar Bhattarai	Independent Director

Mr. Sachin Tibrewal, Mr. Deepak Kumar Shrestha 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 386,000 has been paid as meeting allowances of Board of Directors for Eight BOD meeting. The Meeting Allowances per meeting per member of Board of Directors of Rs. 8,000 has been provided for HR Committee Meeting and Investment Risk and Management Committee Meeting. During the year, Rs 80,000 and Rs. 384,000 has been paid as meeting allowances per member of Board of Directors for Five HR Committee meeting and Nineteen Investment Risk and Management Committee Meeting respectively.

❖ **Key Management Personnel**

Shivanth Bahadur Pandé	Chief Executive Officer
Mekh Bahadur Thapa Thada	Deputy Chief Executive Officer
Sachindra Dhungana	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). From Magh 1, 2077, the allowance has been increased to NRs. 140,000 (NRs. One Lakhs Forty Thousand only). During the year, Rs. 1,560,000 (NRs. Fifteen Lakhs Sixty Thousand only) has been paid to the CEO as remuneration.

Deputy Chief Executive Officer has been deputed by the parent from Magh 1, 2076 during the fiscal year after his resignation from the company as on Poush End, 2076.

Following is the key management compensation during the period.

'Amount in Rs'

Particulars	As at 15 July 2021	AS at 15 July 2020
Short term employee benefits		
- Salary & Allowances including Dashain Allowance	3,694,222	6,937,000
Total Short Term Employee Benefits (A)	3,694,222	6,937,000
Post-Employment Benefits		
- Provident Fund	120,960	294,360
- Gratuity	100,760	245,202
- Leave Encashment	31,680	595,750
Total Post-Employment Benefits (B)	253,400	1,135,312
Total Benefits (A+B)	3,947,622	8,072,312

(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)	23,194,435	Bank Deposit	
2	Deposit at NIBL (Other bank balances)	8,919,803	Bank Deposit	
3	Interest earned from account maintained at NIBL (Operating Account) and Fixed Deposit Account	898,575	Interest Income	
4	Registrar to Share Fee from holding company	500,000	Share Registrar Income	For FY 77-78, received during the year
5	Human Resource Expenses (Mrs. Rekha Pant)	1,107,670	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	1,627,710	DP Commission Expenses	Paid during the year.
7	Service Level Agreement (SLA).	600,000	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 three schemes namely NIBL Samriddhi Fund I, NIBL Pragati Fund, NIBL Sahabhagita Fund and NIBL Samriddhi Fund II. 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 – I	Fund Manager	23,269,442	6,713,246	Receivable
NIBL Pragati Fund	Fund Manager	18,354,351	5,734,536	Receivable
NIBL Sahabhagita Fund	Fund Manager	5,564,530	1,967,321	Receivable
NIBL Samriddhi Fund – II	Fund Manager	4,886,279	4,812,985	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.

iii. Related Party Transactions with M Nepal Ltd.

During the year, the company has provided the advance amount of NRs. 500,000.00 as the advance for expenses to M Nepal Ltd. Such advance shall be settled within six months.

Also, during the year from Falgun 16, 2077, the company has rented the ground floor of the building located at Lal Durbar and for that, the house rent agreement has been done with M Nepal Ltd. The total rent paid during the year is NRs. 406,559

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. Comparative Information

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

Reclassification in statement of profit or loss for FY 2076/77

Particulars	New Reporting	Old Reporting	Difference	Remarks
Audit Fee	254,250	403,410	(149,160)	Being classified to Internal Audit Fee from Audit Fee
Internal Audit Fee	149,160	-	(149,160)	Being classified to Internal Audit Fee from Audit Fee

23. COVID – 19 Related Disclosure for FY 2077/78

This disclosure is in line with the Advisory Note on COVID – 19 impacts on Financial Reporting issued by the Institute of Chartered Accountants of Nepal (ICAN).

The Novel Corona Virus inflicted disease COVID-19 that spread all over the world putting the business and public life in stand still, Nepal Government had to enforce lockdown from Chaitra 11, 2076 (24 March 2020) as a preventive measure to manage the risk of spread. However, the lockdown was gradually lifted from the month of Jestha 2076.

During FY 2077/78, the second wave of Corona Virus spread all over the world as well and as a result, Nepal Government had enforced lockdown from Baisakh 16, 2078 (29 April 2021) as a preventive measure to manage the risk of spread. However, the lockdown was gradually lifted from the month of Ashad 2078.

The complete lockdown, as a preventive measure to contain COVID-19 pandemic, has imposed serious implications on business and other activities of the society in Nepal and throughout the world.

The negative impact of corona virus pandemic has now been felt everywhere in the country. It has brought all economic activities to a halt stifling the economic growth rate. Under such circumstances, NIBL ACE Capital is no exception. The pandemic has caused a total shutdown of more than 2 months.

a) Impact on Going Concern: NAS 1 Preparation of Financial Statements

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

b) Impact on Revenue Recognition

The impacts on Revenue Recognition to the line of business are as below:

❖ Issue Management

Due to circumstances of COVID 19, the IPOs projected to be completed during the year, has been postponed and also, the event of cancellation of Debenture issue agreement has been occurred. However, we are able to continue debenture issues and NFO of our new mutual fund. It has made the negative impact on our income from Issue Management Service.

❖ Depository Participants

Despite the circumstances of COVID 19, the transactions from the Demat Accounts have been increased as the secondary market, Nepal Stock Exchange was not closed and also, due to bullish market, the transactions related to shares has been increased and also, the collection of AMC Fee has also been increased due to collection of AMC from digital medias as well. Hence, it has made the positive impact on our income from Depository Participants Service.

❖ Investment Related Business such as Portfolio Management and Fund Management and Depository Service

Due to the positive impact on share market during the period of COVID 19, the resultant performance of portfolio management and all four mutual funds managed by the entity have been good. Hence, the positive impacts have been observed on income from PMS business and fund management and depository fee.

❖ Impact on Operating Revenue and Non-Operating Revenue.

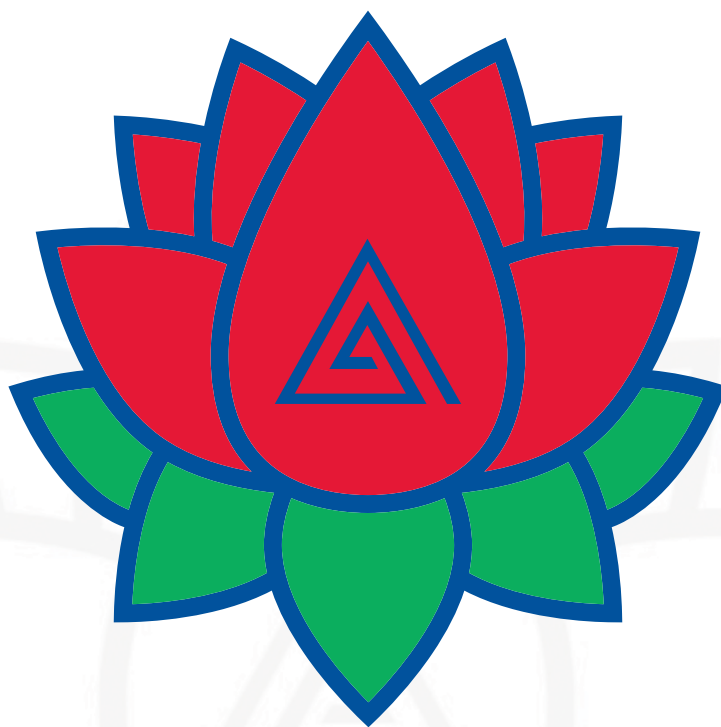
Due to the positive impact on share market during the period of COVID 19, the revenue from operating activities has been increased during the year as the income from Depository Participants and Investment related business have been increased. Also, the entity is able to generate the non-operating income. Although, the interest rates from banks and financial institutions have been decreased, we are able to mobilize the fund available in the fixed earning deposit. Hence, in overall, the increments in operating revenue and Non-operating Income have been achieved during the year.



NIBL सहभागिता Fund को व्यवस्थित लगानी योजना (Systematic Investment Plan)

यस योजना अन्तर्गत लगानीकर्ताले निश्चित अन्तरालमा
निश्चित रकम लगानी गर्न सक्छन् ।

*Mutual funds are subjected to market risk. Please read all related documents carefully.



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
Dr. Bimal Prasad Koirala	PHD in economics with more than 33 years of experience in various government administration, industries and economic sector.
Dr. Shambhu Ram Simkhada	PHD International relation with more than 31 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 39 years of experience in the field of auditing.
Mr. Raju Nepal	Masters in Management with more than 23 years of Banking experience and expert in Management and Financial sector.

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 SAMRIDDHI FUND I**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **NIBL Samriddhi Fund I ("the Scheme")**, which comprise the Statement of Financial Position as at Ashad 31, 2078, (July 15, 2021), the Statement of Profit or Loss (including Other Comprehensive Income), the Statement of Change in Unit Holders' Fund and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid the financial statements presents fairly, in all material respects, the financial position of the Scheme, as at Ashad 31, 2078 (July 15, 2021), and its financial performance, changes in Unit Holders' Fund, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Financial Reporting Standards (NFRS) and other prevailing laws.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of financial statement as a whole, and in forming the auditor opinion thereon, and the auditor does not provide a separate opinion on these matters.

We have determined that there are not any key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Scheme's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management report, Report of the Board of Directors and Chairman's statement but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

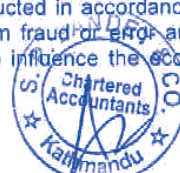
Management is responsible for the preparation and fair presentation of these financial Statements in accordance with Nepal Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material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

In preparing the financial statements, management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

The Board of Directors / Scheme managers are responsible for overseeing the Scheme's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

- i. The Financial Statement dealt 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 other prevailing laws 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 the cases where any office holder or any employee of the Scheme has acted contrary to the provisions of law or caused loss or damage to the Scheme.
- iii. The Scheme has maintained the required internal control system.
- iv. We have not come across any cases where the Scheme has conducted any activities against the capital market and the interest of unit holders.
- v. The Scheme has effective internal audit system.
- vi. The Scheme has invested its funds according to Mutual Fund Regulations 2067
- vii. The operations of the Scheme were found satisfactory

For, S. R. Pandey & Co.
Chartered Accountants



Place: Kathmandu
Date: 29th July 2021
UDIN: 210801CA00485GjaqF


Arun Raut, FCA
Partner

NIBL Samriddhi Fund- I

(Sponsored by Nepal Investment Bank Ltd. and Managed by NIBL Ace Capital Ltd.)
Statement of Financial Position as at 31st Ashad 2078 (15th July, 2021)

NPR

Particulars	Notes	31 Ashad 2078	31 Ashad 2077
Assets			
Current Assets			
Cash and Cash Equivalents	3.2	295,982,721	213,757,015
Other Current Assets	4.5	18,526,347	52,546,521
Financial Assets Held at Amortized Cost	13	557,000,000	150,000,000
Financial Assets Held at Fair Value Through Profit or Loss	4.6	736,101,711	756,061,261
Total		1,607,610,779	1,172,364,797
Liabilities			
Current Liabilities			
Accrued Expenses & Other Payables	5.2	7,918,639	11,810,651
Liabilities (Excluding Net Assets Attributable to Unitholders)		7,918,639	11,810,651
Unit Holder's Funds			
Net Assets Attributable to Unit Holders	6	1,599,692,140	1,160,554,146
Total		1,607,610,779	1,172,364,797

NAV per Unit		16.00	11.61
--------------	--	--------------	--------------

Schedules and Explanatory Notes forms integral part of Statement of Position

As per our Report of even date

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

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

Arun Raut, FCA
Partner
S. R. Pandey & Co.,
Chartered Accountants

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head - Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021

Place : Kathmandu

NIBL Samriddhi Fund- I

(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 2077 to 31st Ashad 2078 (16th July 2020 to 15th July 2021)

NPR

Particulars	Notes	FY 2077/78	FY 2076/77
Income			
Interest Income	7.2	31,106,038	25,260,107
Dividend Income	7.3	2,970,030	17,531,338
Net Profit/(Loss) on Financial Assets Held at Fair Value through Profit and Loss	14b	549,591,362	137,087,096
Other Income		-	7,408
Impairment Allowances Writeback	7.4	794,979	
Total		584,462,409	179,885,949
Expenses and Losses			
Fund Management fees		20,531,860	17,170,187
Depository Fees		2,737,581	3,850,127
Fund Supervisors Fees		1,437,410	1,998,971
Publication Expenses		170,112	174,016
Listing Fees		50,000	50,000
DP Expense		762	150
Audit Fees		113,000	113,000
Bank Charges		7,917	5,867
Other Expenses		303	440
Annual Service Charges on Software		90,400	198,880
ICRA -Annual Rating Fee		65,069	119,349
CDS Dematerialisation Registration Fee		120,000	120,000
Total expenses		25,324,416	23,800,988
Net Gains/(Losses) for the Period		559,137,994	156,084,962
Other Comprehensive income		-	-
Net Surplus/(Deficit) for the period		559,137,994	156,084,962

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

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

Arun Raut, FCA
Partner
S. R. Pandey & Co.,
Chartered Accountants

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head - Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021

Place : Kathmandu

NIBL Samriddhi Fund- I

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

Statement of Cash Flow

For the Period from 1st Shrawan 2077 to 31st Ashad 2078 (16th July 2020 to 15th July 2021)

NPR

Particulars	FY 2077/78	FY 2076/77
A. Cash Flow from Operating Activities		
Surplus/ (Deficit) for the year	559,137,994	156,084,962
Adjustments for:		
Increase/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	(207,036,740)	(68,707,942)
Increase/(Decrease) in Liabilities	(3,892,011)	(17,570,799)
(Increase)/Decrease in Share	226,996,289	64,371,523
(Increase)/Decrease in Debenture	(54,500,000)	-
(Increase)/Decrease in Fixed Deposit	(352,500,000)	-
(Increase)/Decrease in Other Assets	34,020,174	(43,066,251)
Net cash generated/(used) in Operations (1)	202,225,705	91,111,493
B. Cash Flow from Financing Activities		
Dividend Paid during the year	(120,000,000)	(65,000,000)
Net cash generated/(used) in financing (2)	(120,000,000)	(65,000,000)
C. Cash Flow from Investing Activities		
Net cash generated/(used) in investing (3)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	82,225,705	26,111,493
Cash and Cash Equivalents at beginning of the year/period	213,757,015	187,645,522
Cash and Cash Equivalents at end of period	295,982,721	213,757,015
Components of Cash and Cash Equivalents		
Balance with Banks	295,982,721	213,757,015

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

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

Arun Raut, FCA
Partner
S. R. Pandey & Co.,
Chartered Accountants

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head - Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021

Place : Kathmandu

NIBL Samriddhi Fund- I

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

Statement of Change in Unit Holders' Fund

For the Period from 1st Shrawan 2077 to 31st Ashad 2078 (16th July 2020 to 15th July 2021)

NPR

Particulars	FY 2077/78	FY 2076/77
Unit Holders' Fund at the Beginning of the Year/Period	1,160,554,146	1,069,469,184
Increase in Net Assets Attributable to Unit Holders:		
Net Gains/(Losses) for the Period	559,137,994	156,084,962
Other Comprehensive income	-	-
Distribution to Unit Holders'	(120,000,000)	(65,000,000)
Unit Holders' Fund at the End of the Year/Period	1,599,692,140	1,160,554,146

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

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

Arun Raut, FCA
Partner
S. R. Pandey & Co.,
Chartered Accountants

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head - Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021

Place : Kathmandu

Notes to the Financial Statements as of Ashad End 2078 (15th July 2021)

1. General Information of the Scheme

Fund:	NIBL Mutual Fund
Scheme:	NIBL Samriddhi Fund- I
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:	Dr. Bimal Prasad Koirala Dr. Shambhu Ram Simkhada Dr. Durgesh Man Singh CA. Jitendra Bahadur Rajbhandari Mr. Raju Nepal
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- I (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 23rd Poush 2071 (Scheme allotment date) B.S. with maturity period of 7 years (i.e. 22nd Poush 2078 B.S.). It was listed in NEPSE on 23rd Magh 2071. The Scheme's Financial Statements for the year 2077/78 were approved by the Board of Directors of the NIBL Ace Capital Limited on 14th Shrawan, 2078 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	1,000,000,000	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 unit holders.

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

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

2.3. Reporting Pronouncements

The fund has, for the preparation of financial statements, adopted the NFRS pronounced by Accounting Standard Board, Nepal and Pronounced by Institute of Chartered Accountant of Nepal (ICAN) 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 judgments as required by the standards are consistently used and in case of deviations disclosed specifically.

2.5. 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 judgment in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. This may later be determined that a different choice could have been more appropriate.

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

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.

2.6. Reporting Periods

The fund follows the Nepalese financial year based on the Nepalese calendar as reporting period

2.7. 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. Cash and cash equivalents are the highly liquid assets without any change in their value.

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	31 Ashad 2078	31 Ashad 2077
Cash at Bank	295,982,721	213,757,015
Total	295,982,721	213,757,015

4. Financial Instruments

Accounting Policy

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

In Accordance with NFRS 9; Financial Instruments: Recognition and Measurement, the Fund's interest receivables are classified as 'Financial Assets measured at Amortized Cost'. Equity securities / debentures are classified as fair value through profit and loss. The amount attributable to unit holders 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 and loans and receivables. They comprise:

❖ Financial instruments classified as 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.

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

4.3 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.

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.

4.4 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

4.5 Other Current Assets

S.N.	Particulars	31 Ashad 2078	31 Ashad 2077
1	Dividend Income Receivable	1,092,321	1,061,290
2	Interest Receivables	8,435,096	2,097,356
3	Broker Receivables	-	49,186,963
4	Prepaid Expenses-ICRA Fee	-	65,069
5	Unit Redemption Partial Amount receivable	8,000,000	81,852
6	Other Receivable	-	17,057
7	TDS Receivables	41,730	36,934
8	IPO Refund Receivables	957,200	-
Total Amount		18,526,347	52,546,521

4.6 Financial Assets Held at Fair Value Through Profit or Loss

Particulars	31 Ashad 2078	31 Ashad 2077
Financial Assets Held for Trading		
Equity Security	736,101,711	756,061,261
Total Financial Assets Held at Fair Value Through Profit or Loss	736,101,711	756,061,261

Comparative Investment in Shares

Name	2077-78			2076-77		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
LISTED						
Swabalanban Laghubitta Bittiya Sanstha Limited	73	1,659.00	121,107	1,187	1,233.00	1,463,571
Shangrila Development Bank Ltd.	-	-	-	3,946	141.00	556,386
Nepal Bank Limited	27,122	443.00	12,015,046	48,078	249.00	11,971,422
Machhapuchhre Bank Limited	71,911	385.00	27,685,735	61,395	220.00	13,506,900
Siddhartha Bank Limited	36,005	504.00	18,146,520	32,948	296.00	9,752,608
Nepal Doorsanchar Comapany Limited	-	-	-	45,120	655.00	29,553,600
NIC Asia Bank Ltd.	15,077	994.00	14,986,538	12,654	553.00	6,997,662
Siddhartha Insurance Ltd.	-	-	-	1,088	580.00	631,040
Global IME Bank Limited	18,654	441.00	8,226,414	71,582	239.00	17,108,098
Mega Bank Nepal Ltd.	49,059	366.00	17,955,594	87,569	208.00	18,214,352
Prime Commercial Bank Ltd.	82,379	479.00	39,459,541	40,081	255.00	10,220,655
Agriculture Development Bank Limited	63,418	479.00	30,377,222	34,766	385.00	13,384,910
Shikhar Insurance Co. Ltd.	-	-	-	9,940	1,019.00	10,128,860
Sanima Bank Limited	73,703	485.00	35,745,955	41,184	330.00	13,590,720
Sagarmatha Insurance Co. Ltd.	-	-	-	6,747	700.00	4,722,900
Laxmi Bank Limited	10,690	395.00	4,222,550	38,542	209.00	8,055,278
Prime Life Insurance Company Limited	6,900	954.00	6,582,600	13,708	531.00	7,278,948
RMDC Laghubitta Bittiya Sanstha Ltd.	3,903	1,373.00	5,358,819	19,043	701.00	13,349,143
NLG Insurance Company Ltd.	1,000	1,220.00	1,220,000	9,992	657.00	6,564,744
Everest Bank Limited	8,742	738.00	6,451,596	16,571	675.00	11,185,425
National Life Insurance Co. Ltd.	3,100	1,151.00	3,568,100	34,640	662.00	22,931,680
Chilime Hydropower Company Limited	3,340	687.00	2,294,580	69,829	398.00	27,791,942
Nabil Bank Limited	59,481	1,359.00	80,834,679	63,412	765.00	48,510,180

To be continued...

Name	2077-78			2076-77		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
Nepal Bangladesh Bank Limited	-	-	-	29,139	209.00	6,090,051
Sunrise Bank Limited	40,195	363.00	14,590,785	32,024	234.00	7,493,616
Mukthinath Bikas Bank Ltd.	-	-	-	37,313	312.00	11,641,656
Nerude Laghubita Bikas Bank Limited	2,912	1,600.00	4,659,200	2,965	761.00	2,256,365
Life Insurance Co. Nepal	10,949	2,342.00	25,642,558	19,497	1,330.00	25,931,010
Himalayan Bank Limited	4,559	484.00	2,206,556	25,879	540.00	13,974,660
Nepal SBI Bank Limited	-	-	-	33,923	435.00	14,756,505
Asian Life Insurance Co. Limited	-	-	-	11,403	607.00	6,921,621
Himalayan General Insurance Co. Ltd	-	-	-	26,913	419.00	11,276,547
Garima Bikas Bank Limited	3,000	544.00	1,632,000	17,800	223.00	3,969,400
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	2,649	1,600.00	4,238,400	11,967	1,015.00	12,146,505
Standard Chartered Bank Limited	3,808	590.00	2,246,720	7,159	645.00	4,617,555
Deprosc Laghubitta Bittiya Sanstha Limited	16,122	1,686.00	27,181,692	19,334	866.00	16,743,244
Sana Kisan Bikas Bank Ltd	1,013	1,640.00	1,661,320	28,427	1,301.00	36,983,527
Shine Resunga Development Bank Ltd.	5,000	447.00	2,235,000	20,305	222.00	4,507,710
Goodwill Finance Co. Ltd.	-	-	-	21,125	145.00	3,063,125
Civil Bank Ltd	11,834	286.00	3,384,524	50,407	139.00	7,006,573
Kumari Bank Limited	30,581	371.00	11,345,551	32,500	186.00	6,045,000
Chhimek Laghubitta Bikas Bank Limited	4,305	1,738.00	7,482,090	24,816	1,090.00	27,049,440
Vijaya laghubitta Bittiya Sanstha Ltd.	2,556	1,819.00	4,649,364	1,068	1,020.00	1,089,360
NMB Bank Limited	9,411	440.00	4,140,840	63,500	397.00	25,209,500
Excel Development Bank Ltd.	-	-	-	362	298.00	107,876
Womi Microfinance Bittiya Sanstha Ltd.	-	-	-	2	1,001.00	2,002
Sanima Mai Hydropower Ltd.	15,695	513.00	8,051,535	41,650	223.00	9,287,950
Nepal Life Insurance Co. Ltd.	-	-	-	12,531	1,260.00	15,789,060
Butwal Power Company Limited	-	-	-	38,810	359.00	13,932,790
Lumbini General Insurance Co. Ltd.	3,102	780.00	2,419,560	23,180	453.00	10,500,540
NMB Microfinance Bittiya Sanstha Ltd.	2,407	1,429.00	3,439,603	1,676	808.00	1,354,208
Century Commercial Bank Ltd.	23,989	291.00	6,980,799	24,024	165.00	3,963,960
Bank of Kathmandu Ltd.	56,782	379.00	21,520,378	75,355	219.00	16,502,745
National Microfinance Bittiya Sanstha Ltd.	3,949	3,603.00	14,228,247	5,626	1,650.00	9,282,900
Forward Community Microfinance Bittiya Sanstha Ltd.	4,500	2,770.00	12,465,000	5,064	1,599.00	8,097,336
Samata Gharelu Laghubitta Bittiya Sanstha Limited	-	-	-	2,054	660.00	1,355,640
Synergy Power Development Ltd.	-	-	-	11,940	98.00	1,170,120
United Modi Hydropower Ltd.	-	-	-	7,532	104.00	783,328
Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd.	8	2,180.00	17,440	251	895.00	224,645
Kamana Sewa Bikas Bank Limited	-	-	-	7,930	145.00	1,149,850
Citizen Investment Trust	2,212	3,491.00	7,722,092	10,553	2,428.00	25,622,684
Gandaki Bikas Bank Limited	-	-	-	7,274	201.00	1,462,074
Support Microfinance Bittiya Sanstha Ltd.	-	-	-	383	922.00	353,126
Aarambha Chautari Laghubitta Bittiya Sanstha Limited	636	1,574.00	1,001,064	770	493.00	379,610
Unnati Sahakarya Laghubitta Bittiya Sanstha Limited	108	2,244.00	242,352	1,105	633.00	699,465
Nadep Laghubittiya Bittiya Sanstha Ltd.	539	990.00	533,610	1,126	686.00	772,436
Kalika power Company Ltd	-	-	-	1,036	103.00	106,708
Prabhu Bank Limited	68,775	457.00	31,430,175	94,979	230.00	21,845,170
Siddhartha Equity Fund	-	-	-	24,550	10.00	245,500
Chautari Laghubitta Bittiya Sanstha Ltd	-	-	-	1,077	434.00	467,418

To be continued...

Name	2077-78			2076-77		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
Premier Insurance Co. Ltd.	6,827	1,170.00	7,987,590	12,893	616.00	7,942,088
Asha Laghubitta Bittiya Sanstha Ltd	-	-	-	238	780.00	185,640
Universal Power Company Ltd	-	-	-	2,975	70.00	208,250
Neco Insurance Co. Ltd.	-	-	-	23,664	607.00	14,364,048
Rasuwadgadi Hydropower Company Ltd.	25,318	474.00	12,000,732	33,158	150.00	4,973,700
Sanjen Jalavidhyut Company Limited	11,944	449.00	5,362,856	22,254	134.00	2,982,036
Sabaiko Laghubitta Bittiya Sanstha Limited	827	1,815.00	1,501,005	898	832.00	747,136
Adhikhola Laghubitta Bittiya Sanstha Limited	600	465.00	279,000	600	465.00	279,000
Jyoti Bikas Bank Limited	-	-	-	5,000	166.00	830,000
Mahalaxmi Bikas Bank Ltd.	-	-	-	2,000	183.00	366,000
Himalayan Distillery Limited	1,650	5,512.00	9,094,800	3,030	1,599.00	4,844,970
Nepal Reinsurance Company Limited	-	-	-	9,000	504.00	4,536,000
NIC ASIA Laghubitta Bittiya Sanstha Limited	1,285	1,545.00	1,985,325	6,485	532.00	3,450,020
Citizen Bank International Limited	1,673	386.00	645,778	-	-	-
Surya Life Insurance Company Limited	4,171	922.00	3,845,662	-	-	-
Sadhana Laghubitta Bittiya Sanstha Limited	595	1,682.00	1,000,790	-	-	-
Samaj Laghubitta Bittiya Sanstha Limited	117	166.21	19,447	-	-	-
First Micro Finance Development Bank Ltd.	3,992	823.00	3,285,416	-	-	-
Nepal Infrastructure Bank Limited	36,937	492.00	18,173,004	-	-	-
Mahila Laghubitta Bittiya Sanstha Limited	418	4,870.00	2,035,660	-	-	-
Grameen Bikas Laghubitta Bittiya Sanstha Ltd.	4,305	1,225.00	5,273,625	-	-	-
Siddhartha Investment Growth Scheme – 2	92,810	14.20	1,317,902	-	-	-
Sunrise First Mutual Fund	70,000	16.00	1,120,000	-	-	-
NIC Asia Balanced Fund	142,200	13.73	1,952,406	-	-	-
Nabil Balanced Fund-2	158,250	14.10	2,231,325	-	-	-
Laxmi Laghubitta Bittiya Sanstha Ltd.	830	2,290.00	1,900,700	-	-	-
Sunrise Bluechip Fund	1,000,000	10.16	10,160,000	-	-	-
Sub-Total (A)			633,774,074			747,412,023
UNLISTED						
NLG Insurance-Right Entitlement	-	-	-	12,792	279	3,573,829
Shikhar Insurance- Right Entitlement	-	-	-	14,653	286	4,193,102
Sadhana Laghubitta- IPO	-	-	-	965	258	249,356
Ajod Insurance Ltd.-IPO	-	-	-	4,092	155	632,951
Api Power- Right Entitlement	1,915	57.59	110,275	-	-	-
Jeevan Bikas Laghubitta Bittiya Sanstha-IPO	2,129	547.05	1,164,669	-	-	-
Manakamana Smart Laghubitta Bittiya Sanstha-IPO	419	513.29	215,069	-	-	-
Union Life Insurance Co. Ltd.-IPO	6,450	116.93	754,199	-	-	-
Mailung Khola Hydropower Company Ltd.-IPO	736	113.35	83,426	-	-	-
Citizen Unit Scheme	500,000	100.00	50,000,000	-	-	-
Citizen Unit Scheme	500,000	100.00	50,000,000	-	-	-
Sub-Total (B)			102,327,637			8,649,238
Grand Total			736,101,711			756,061,261

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

S.N.	Particulars	31 Ashad 2078	31 Ashad 2077
1	Reporting Expenses Payables	20,000	25,000
2	Brokers Payables	-	-
3	Audit Fee Payables	113,000	113,000
4	Provision for Realizable Tax on Dividend	278,154	1,072,979
5	TDS Liability	176,262	247,960
6	Software AMC (PCS) Payables	89,044	-
7	Fund Management Fee Payable - NIBL Ace Capital	5,923,456	8,335,834
8	Depository Fee Payables - NIBL Ace Capital	789,794	1,341,861
9	Supervisor Fee Payables	408,929	555,817
10	CDS Fees Payables	120,000	118,200
Total		7,918,639	11,810,651

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.

6. Net Assets Attributable to Unit holders

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

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

Particular	For the Year Ended on 31st Ashad 2078	For the Year Ended on 31st Ashad 2077
Unit Holders' Fund at the Beginning of the Year/Period	1,160,554,146	1,069,469,184
Increase / (Decrease) in Net Assets Attributable to Unit Holders		
a. Net Gains/(Losses) for the Period	559,137,994	156,084,962
b. Other Comprehensive income	-	-
Distribution to Unit Holders'	(120,000,000)	(65,000,000)
Unit Holders' Fund at the End of the Year/Period	1,599,692,140	1,160,554,146

7. Investment Income

7.1. Accounting Policy

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	FY 2077/78	FY2076/77
Interest income on Debentures, Fixed and Call Deposit	31,106,038	25,260,107
Total Amount	31,106,038	25,260,107

7.3. Dividend Income

Particulars	FY 2077/78	FY2076/77
Dividend Income Realized	2,970,030	17,531,338
Total	2,970,030	17,531,338

7.4. Impairment Allowance Writeback

Particulars	FY 2077/78	FY2076/77
Impairment Allowance Writeback	794,979	-
Total	794,979	

The impairment allowances write back of NRs. 794,979 represent impairment allowances write back of impairment allowance made for unrealized portion of tax deducted on dividend income upto FY 2072/73 which has been recovered in subsequent years.

The scheme has still carry forwarded of NRs 278,154 which was created as impairment allowances for unrealized portion of tax deducted on dividend income upto FY 2072/73 which are not recovered till FY 2077/78.

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 of the period 1st Shrawan 2077 to 31st Ashad 2078 are as follows:

Fund Management Fees : 1.5% of Net Assets Value (NAV)

Depository Fees : 0.2% of NAV

Fund Supervisor Fees : 0.12% of NAV

Total Fund Management, Depository & Fund Supervisor's Fees are calculated and recognized as per the Mutual Fund Regulation 2067 and Mutual Fund Guidelines, 2069.

Total Fund Management, Depository & Fund Supervisor's Fees calculated on the basis of 365 days a year is presented in Nepalese currency and charged as under:

Particulars	FY 2077/78	FY2076/77
Fund Management Fee	20,531,860	17,170,187
Depository Fee	2,737,581	3,850,127
Fund Supervisor Fee	1,437,410	1,998,971
Total	24,706,852	23,019,286

9. Income Tax

Income Tax Act, 2058 has not specifically charged corporate tax liability on Mutual Fund. 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 Fund is not considered. However, the Office of the Auditor's General in its 56th Annual Report has raised concern on taxability of the mutual fund. Further, the finance ordinance of FY 2078/79 has included Mutual Fund under Section 10 of the Income Tax Act, 2058 as tax exempt entities. TDS on return from mutual fund (i.e. dividend) paid to individual is deducted at 5% which is final and to entity is tax deducted at 15% (which is not final). Therefore, the fund management is of the view that return from the fund is duly taxed as per the principal of income tax and is not subject to further tax liability for FY 2077/78.

10. Distributions

The distributions, if any to unit holders are recognized in statement of changes in unit holders' 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 program 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 fixed deposit of bank cannot be made more than 15% of total fund size or Net Asset Value (NAV) of the scheme. But this provision is not applicable where the fund has maturity period not more than 6 months.

The maturity date of this fund is on 22nd Poush 2078 which is less than 6 months from Ashad End 2078. The fund has fixed deposit of 28.28% of NAV as on Ashad End 2078.

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 2077/78

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercial Banks	394,599,496	261,022,035	54%	51%
Development Banks	3,867,000	1,500,901	1%	158%
Hydropower	27,903,404	14,429,321	4%	93%
Insurance Companies	52,020,269	36,998,882	7%	41%
Microfinance	105,940,014	42,830,037	14%	147%
Mutual Fund	116,781,633	115,623,553	16%	1%
Others	34,989,896	19,920,950	5%	76%
Total	736,101,711	492,325,680	100%	

For FY 2076/77

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercial Banks	310,003,545	310,822,435	41%	0%
Development banks	24,590,952	19,948,064	3%	23%
Finance companies	3,063,125	3,812,882	0%	-20%
Hydro	61,236,824	101,974,068	8%	-40%
Insurance companies	153,382,968	142,328,351	20%	8%
Telecom, Mutual Funds and Others	64,802,754	58,390,478	9%	11%
Microfinance	138,981,093	82,045,691	18%	69%
Total	756,061,261	719,321,969	100%	

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;

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- 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.

Listed stocks that are not trading due to suspension by NEPSE citing Merger, Acquisition, Natural calamity and/or any other reasons is valued at the Closing Price available of particular stock of the last day of its trading on NEPSE

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	31 Ashad 2078	31 Ashad 2077
Debentures	104,500,000	50,000,000
Fixed Deposit	452,500,000	100,000,000
Total	557,000,000	150,000,000

Comparative Investment in Fixed Deposit

Name of Bank	31 Ashad 2078		31 Ashad 2077	
	Principal Amount	Interest Rate	Principal Amount	Interest Rate
Shangrila Development Bank Ltd.	30,000,000	8.00%	-	-
Shangrila Development Bank Ltd.	-	-	15,000,000	11%
Shangrila Development Bank Ltd.	-	-	5,000,000	7%
Manjushree Finance Ltd.	5,000,000	8.50%	-	-
Goodwill Finance Ltd.	10,000,000	7.50%	-	-
Muktinath Bikas Bank	-	-	10,000,000	11%
Muktinath Bikas Bank Ltd.	15,000,000	7.50%	-	-
Muktinath Bikas Bank Ltd.	10,000,000	7.25%	-	-
Garima Bikas Bank Ltd.	25,000,000	7.75%	-	-
Garima Bikas Bank Ltd.	10,000,000	7.50%	-	-
Kamana Sewa Bikas Bank Ltd.	-	-	10,000,000	11%
Kamana Sewa Bikas Bank Ltd.	5,000,000	7.00%	-	-
Kamana Sewa Bikas Bank Ltd.	7,500,000	7.75%	-	-
Kamana Sewa Bikas Bank Ltd.	5,000,000	7.50%	-	-
Shine Resunga Development Bank Ltd.	-	-	5,000,000.00	8.00%
Shine Resunga Development Bank Ltd.	-	-	25,000,000.00	11.50%
Shine Resunga Development Bank Ltd.	20,000,000	8.00%		
Progressive Finance Ltd.	-	-	5,000,000	7%
Progressive Finance Ltd.	10,000,000	8.00%	-	-
Progressive Finance Ltd.	5,000,000	7.50%	-	-
Lumbini Bikas Bank Ltd.	40,000,000	8.00%	-	-
Lumbini Bikas Bank Ltd.	25,000,000	7.50%	-	-
Deva Bikas Bank Ltd	-	-	25,000,000.00	11%
Kumari Bank Ltd	180,000,000	7.00%	-	-
Jyoti Bikas Bank Ltd	50,000,000	7.25%	-	-
Total Amount	452,500,000		100,000,000	

Comparative Investment in Debenture

Name of Bank	31 Ashad 2078		31 Ashad 2077	
	Principal Amount	Interest Rate	Principal Amount	Interest Rate
7.50% SBL Debenture - 2078	25,000,000	7.50%	25,000,000	7.50%
8% Everest Bank Debenture - 2078	-	-	8,000,000	8.00%
9% NIC Asia Bond - 2081/82	10,000,000	9.00%	10,000,000	9.00%
11% NIC Asia Debenture - 2082/83	7,000,000	11.00%	7,000,000	11.00%
8.5% Global IME Bank Debenture - 2086/87	50,000,000	8.50%	-	-
8.5% Nepal Bank Debenture - 2087	12,500,000	8.50%	-	-
Total Amount	104,500,000		50,000,000	

Note a:

The investment in debentures are recognized on cost. 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 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	FY 2077/78	FY 2076/77
Net Realized Gains/(Losses) on Financial Assets	104,500,000	50,000,000
at Fair Value Through Profit or loss	342,554,622	68,379,154
Net Unrealized Gains/(Losses) on Financial Assets	557,000,000	150,000,000
at Fair Value Through Profit or Loss	207,036,740	68,707,942
Total	549,591,362	137,087,096

Computation of Unrealized Gains/loss for FY 2077/78:

Name	2077-78					
	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
LISTED						
Swabalamban Laghubitta Bittiya Sanstha Limited	73	1,659.00	121,107	434.27	31,702	89,405
Nepal Bank Limited	27,122	443.00	12,015,046	343.70	9,321,808	2,693,238
Machhapuchhre Bank Limited	71,911	385.00	27,685,735	229.25	16,485,679	11,200,056
Siddhartha Bank Limited	36,005	504.00	18,146,520	411.04	14,799,445	3,347,075
NIC Asia Bank Ltd.	15,077	994.00	14,986,538	811.88	12,240,788	2,745,750
Global IME Bank Limited	18,654	441.00	8,226,414	274.47	5,119,885	3,106,529
Mega Bank Nepal Ltd.	49,059	366.00	17,955,594	198.72	9,748,943	8,206,651
Prime Commercial Bank Ltd.	82,379	479.00	39,459,541	336.69	27,736,194	11,723,347
Agriculture Development Bank Limited	63,418	479.00	30,377,222	383.75	24,336,729	6,040,493
Sanima Bank Limited	73,703	485.00	35,745,955	333.12	24,551,948	11,194,007
Laxmi Bank Limited	10,690	395.00	4,222,550	260.58	2,785,633	1,436,917
Prime Life Insurance Company Limited	6,900	954.00	6,582,600	793.52	5,475,321	1,107,279
RMDC Laghubitta Bittiya Sanstha Ltd.	3,903	1,373.00	5,358,819	662.92	2,587,392	2,771,427
NLG Insurance Company Ltd.	1,000	1,220.00	1,220,000	605.34	605,339	614,661
Everest Bank Limited	8,742	738.00	6,451,596	634.11	5,543,350	908,246
National Life Insurance Co. Ltd.	3,100	1,151.00	3,568,100	931.18	2,886,645	681,455
Chilime Hydropower Company Limited	3,340	687.00	2,294,580	686.86	2,294,125	455
Nabil Bank Limited	59,481	1,359.00	80,834,679	571.52	33,994,296	46,840,383
Sunrise Bank Limited	40,195	363.00	14,590,785	232.26	9,335,581	5,255,204
Nerude Laghubita Bikas Bank Limited	2,912	1,600.00	4,659,200	1,150.59	3,350,520	1,308,680

To be continued...

Name	2077-78					
	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
Life Insurance Co. Nepal	10,949	2,342.00	25,642,558	1,284.47	14,063,625	11,578,933
Himalayan Bank Limited	4,559	484.00	2,206,556	421.17	1,920,110	286,446
Garima Bikas Bank Limited	3,000	544.00	1,632,000	253.23	759,704	872,296
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	2,649	1,600.00	4,238,400	761.28	2,016,623	2,221,777
Standard Chartered Bank Limited	3,808	590.00	2,246,720	730.87	2,783,170	(536,450)
Deprosc Laghubitta Bittiya Sanstha Limited	16,122	1,686.00	27,181,692	708.22	11,417,994	15,763,698
Sana Kisan Bikas Bank Ltd	1,013	1,640.00	1,661,320	579.50	587,037	1,074,283
Shine Resunga Development Bank Ltd.	5,000	447.00	2,235,000	148.24	741,196	1,493,804
Civil Bank Ltd	11,834	286.00	3,384,524	187.72	2,221,420	1,163,104
Kumari Bank Limited	30,581	371.00	11,345,551	265.17	8,109,012	3,236,539
Chhimek Laghubitta Bikas Bank Limited	4,305	1,738.00	7,482,090	965.73	4,157,476	3,324,614
Vijaya laghubitta Bittiya Sanstha Ltd.	2,556	1,819.00	4,649,364	711.23	1,817,893	2,831,471
NMB Bank Limited	9,411	440.00	4,140,840	304.40	2,864,676	1,276,164
Sanima Mai Hydropower Ltd.	15,695	513.00	8,051,535	361.86	5,679,466	2,372,069
Lumbini General Insurance Co. Ltd.	3,102	780.00	2,419,560	435.09	1,349,655	1,069,905
NMB Microfinance Bittiya Sanstha Ltd.	2,407	1,429.00	3,439,603	959.72	2,310,037	1,129,566
Century Commercial Bank Ltd.	23,989	291.00	6,980,799	252.30	6,052,384	928,415
Bank of Kathmandu Ltd.	56,782	379.00	21,520,378	242.67	13,779,330	7,741,048
National Microfinance Bittiya Sanstha Ltd.	3,949	3,603.00	14,228,247	31.47	124,270	14,103,977
Forward Community Microfinance Bittiya Sanstha Ltd.	4,500	2,770.00	12,465,000	830.97	3,739,387	8,725,613
Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd.	8	2,180.00	17,440	45.17	361	17,079
Citizen Investment Trust	2,212	3,491.00	7,722,092	2,818.89	6,235,389	1,486,703
Aarambha Chautari Laghubitta Bittiya Sanstha Ltd.	636	1,574.00	1,001,064	85.79	54,564	946,500
Unnati Sahakarya Laghubitta Bittiya Sanstha Limited	108	2,244.00	242,352	45.81	4,948	237,404
Nadep Laghubittiya bittiya Sanstha Ltd.	539	990.00	533,610	79.03	42,596	491,014
Prabhu Bank Limited	68,775	457.00	31,430,175	390.03	26,824,003	4,606,172
Premier Insurance Co. Ltd.	6,827	1,170.00	7,987,590	1,237.34	8,447,307	(459,717)
Rasuwadadhi Hydropower Company Limited	25,318	474.00	12,000,732	166.92	4,226,136	7,774,596
Sanjen Jalavidhyut Company Limited	11,944	449.00	5,362,856	180.51	2,155,994	3,206,862
Sabaiko Laghubitta Bittiya Sanstha Limited	827	1,815.00	1,501,005	80.07	66,220	1,434,785
Adhikhola Laghubitta Bittiya Sanstha Limited	600	465.00	279,000	100.00	60,000	219,000
Himalayan Distillery Limited	1,650	5,512.00	9,094,800	4,272.75	7,050,034	2,044,766
NIC ASIA Laghubitta Bittiya Sanstha Limited	1,285	1,545.00	1,985,325	100.00	128,500	1,856,825
Citizen Bank International Limited	1,673	386.00	645,778	279.53	467,651	178,127
Surya Life Insurance Company Limited	4,171	922.00	3,845,662	845.36	3,525,990	319,672
Sadhana Laghubitta Bittiya Sanstha Limited	595	1,682.00	1,000,790	84.80	50,455	950,335
Samaj Laghubitta Bittiya Sanstha Limited	117	166.21	19,447	100.00	11,700	7,747
First Micro Finance Development Bank Ltd.	3,992	823.00	3,285,416	655.00	2,614,767	670,649
Nepal Infrastructure Bank Limited	36,937	492.00	18,173,004	179.64	6,635,527	11,537,477
Mahila Lagubitta Bittiya Sanstha Limited	418	4,870.00	2,035,660	100.00	41,800	1,993,860
Grameen Bikas Laghubitta Bittiya Sanstha Ltd.	4,305	1,225.00	5,273,625	1,237.29	5,326,536	(52,911)
Siddhartha Investment Growth Scheme – 2	92,810	14.20	1,317,902	12.47	1,157,177	160,725
Sunrise First Mutual Fund	70,000	16.00	1,120,000	13.45	941,328	178,672
NIC Asia Balanced Fund	142,200	13.73	1,952,406	11.83	1,682,615	269,791
Nabil Balanced Fund-2	158,250	14.10	2,231,325	11.64	1,842,447	388,878
Laxmi Laghubitta Bittiya Sanstha Ltd.	830	2,290.00	1,900,700	2,448.75	2,032,458	(131,758)
Sunrise Bluechip Fund	1,000,000	10.16	10,160,000	10.00	10,000,000	160,000
Sub-Total (A)			633,774,074		391,352,280	242,421,794

To be continued...

Name	2077-78					
	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
UNLISTED						
Api Power- Right Entitlement	1,915	58	110,275	-	-	110,275
Jeevan Bikas Laghubitta Bittiya Sanstha-IPO	2,129	547.05	1,164,669	100	212,900	951,769
Manakamana Smart Laghubitta Bittiya Sanstha-IPO	419	513.29	215,069	100	41,900	173,169
Union Life Insurance Co. Ltd.-IPO	6,450	116.93	754,199	100	645,000	109,199
Mailing Khola Hydropower Company Ltd.-IPO	736	113.35	83,426	100	73,600	9,826
Citizen Unit Scheme	500,000	100.00	50,000,000	100	50,000,000	-
Citizen Unit Scheme	500,000	100.00	50,000,000	100	50,000,000	-
Sub-Total (B)			102,327,637		100,973,400	1,354,237
Grand Total (A+B)			736,101,711		492,325,680	
Unrealised Gain / (Loss)					243,776,031	
Less: Previous year unrealised gain/(loss)					36,739,292	
Unrealised Gain / (Loss) This Year					207,036,740	

Computation of Unrealized Gains/loss for FY 2076/77:

Name	2077-78					
	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
LISTED						
Swabalamban Laghubitta Bittiya Sanstha Limited	1,187	1,233	1,463,571	516	612,463	851,108
Shangrila Development Bank Ltd.	3,946	141	556,386	138	546,192	10,194
Nepal Bank Limited	48,078	249	11,971,422	291	13,999,037	(2,027,615)
Machhapuchhre Bank Limited	61,395	220	13,506,900	241	14,803,571	(1,296,671)
Siddhartha Bank Limited	32,948	296	9,752,608	259	8,534,363	1,218,245
Nepal Doorsanchar Comapany Limited	45,120	655	29,553,600	681	30,713,857	(1,160,257)
NIC Asia Bank Ltd.	12,654	553	6,997,662	526	6,659,591	338,071
Siddhartha Insurance Ltd.	1,088	580	631,040	264	287,566	343,474
Global IME Bank Limited	71,582	239	17,108,098	239	17,110,427	(2,329)
Mega Bank Nepal Ltd.	87,569	208	18,214,352	221	19,328,601	(1,114,249)
Prime Commercial Bank Ltd.	40,081	255	10,220,655	250	10,037,017	183,638
Agriculture Development Bank Limited	34,766	385	13,384,910	371	12,890,689	494,221
Shikhar Insurance Co. Ltd.	9,940	1,019	10,128,860	852	8,464,152	1,664,708
Sanima Bank Limited	41,184	330	13,590,720	290	11,945,083	1,645,637
Sagarmatha Insurance company limited	6,747	700	4,722,900	609	4,110,088	612,812
Laxmi Bank Limited	38,542	209	8,055,278	228	8,771,941	(716,663)
Prime Life insurance Co Ltd.	13,708	531	7,278,948	549	7,526,293	(247,345)
RMDC Laghubitta Bittiya Sanstha Limited	19,043	701	13,349,143	632	12,027,649	1,321,494
NLG Insurance Company Ltd.	9,992	657	6,564,744	696	6,951,881	(387,137)
Everest Bank Limited	16,571	675	11,185,425	671	11,111,714	73,711
National Life Insurance Co. Ltd.	34,640	662	22,931,680	748	25,907,151	(2,975,471)
Chilime Hydropower Company Limited	69,829	398	27,791,942	756	52,761,459	(24,969,517)
Nabil Bank Limited	63,412	765	48,510,180	705	44,700,225	3,809,955
Nepal Bangladesh Bank Limited	29,139	209	6,090,051	265	7,733,056	(1,643,005)
Sunrise Bank Limited	32,024	234	7,493,616	216	6,904,130	589,486
Muktinath Bikas Bank Ltd.	37,313	312	11,641,656	249	9,307,144	2,334,512
Nerude Laghubitta Laghubitta Bittiya Sanstha Limited	2,965	761	2,256,365	469	1,391,254	865,111
Life Insurance Co. Nepal	19,497	1,330	25,931,010	1,299	25,324,246	606,764

To be continued...

Name	2077-78					
	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
Himalayan bank Limited	25,879	540	13,974,660	480	12,424,640	1,550,020
Nepal SBI Bank Limited	33,923	435	14,756,505	407	13,806,473	950,032
Asian Life Insurance Company limited	11,403	607	6,921,621	457	5,212,593	1,709,028
Himalayan General Insurance Co. Ltd	26,913	419	11,276,547	538	14,483,488	(3,206,941)
Garima Bikash Bank Limited	17,800	223	3,969,400	142	2,518,789	1,450,611
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	11,967	1,015	12,146,505	753	9,007,614	3,138,891
Standard Chartered Bank Limited	7,159	645	4,617,555	782	5,598,452	(980,897)
Deprosc Laghubitta Bittiya Sanstha Limited	19,334	866	16,743,244	633	12,230,861	4,512,383
Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited Bank Ltd	28,427	1,301	36,983,527	724	20,591,808	16,391,719
Shine Resunga Development Bank	20,305	222	4,507,710	168	3,401,258	1,106,452
Goodwill Finance Company Limited	21,125	145	3,063,125	180	3,812,882	(749,757)
Civil Bank Limited	50,407	139	7,006,573	203	10,218,320	(3,211,747)
Kumari Bank Limited	32,500	186	6,045,000	192	6,251,298	(206,298)
Chhimek Laghubitta Laghubitta Bittiya Sanstha Limited	24,816	1,090	27,049,440	722	17,910,212	9,139,228
Vijay Laghubitta Bittiya Sanstha Ltd.	1,068	1,020	1,089,360	679	725,290	364,070
NMB Bank Limited	63,500	397	25,209,500	306	19,456,491	5,753,009
Excel Development Bank Ltd.	362	298	107,876	297	107,488	388
Womi Microfinance Bittiya Sanstha Ltd.	2	1,001	2,002	512	1,023	979
Sanima Mai Hydropower Ltd.	41,650	223	9,287,950	394	16,391,259	(7,103,309)
Nepal Life Insurance Co. Ltd.	12,531	1,260	15,789,060	1,047	13,125,444	2,663,616
Butwal Power Company Limited	38,810	359	13,932,790	572	22,189,036	(8,256,246)
Lumbini General Insurance Co. Ltd.	23,180	453	10,500,540	457	10,590,907	(90,367)
NMB MicroFinance Bittiya Sanstha Ltd.	1,676	808	1,354,208	760	1,274,088	80,120
Century Commercial Bank Limited	24,024	165	3,963,960	268	6,443,174	(2,479,214)
Bank of Kathmandu Ltd.	75,355	219	16,502,745	264	19,889,465	(3,386,720)
National Microfinance Bittiya Sanstha Ltd.	5,626	1,650	9,282,900	38	214,200	9,068,700
Forward Community Microfinance Bittiya Sanstha Ltd.	5,064	1,599	8,097,336	906	4,590,451	3,506,885
Samata Microfinance Bittiya Sanstha Ltd.	2,054	660	1,355,640	90	184,700	1,170,940
Synergy Power Development Ltd.	11,940	98	1,170,120	100	1,194,000	(23,880)
United Modi Hydropower Ltd.	7,532	104	783,328	156	1,171,772	(388,444)
Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd.	251	895	224,645	54	13,596	211,049
Kamana Sewa Bikas Bank Limited	7,930	145	1,149,850	165	1,306,378	(156,528)
Citizen Investment Trust	10,553	2,428	25,622,684	2,053	21,663,366	3,959,318
Gandaki Bikas Bank Limited	7,274	201	1,462,074	199	1,447,292	14,782
Support Microfinance Bittiya Sanstha Ltd.	383	922	353,126	91	34,818	318,308
Arambha Microfinance Bittiya Sanstha Ltd.	770	493	379,610	93	71,700	307,910
Unnati Micorfinance Bittiya Sanstha Ltd.	1,105	633	699,465	54	59,600	639,865
Nadep Laghubittiya bittya Sanstha Ltd.	1,126	686	772,436	87	97,913	674,523
Kalika power Company Ltd	1,036	103	106,708	100	103,600	3,108
Prabhu Bank Limited	94,979	230	21,845,170	234	22,204,677	(359,507)
Siddhartha Equity Fund	24,550	10	245,500	9.19	225,605	19,895
Chautari Laghubitta Bittiya Sanstha Ltd	1,077	434	467,418	94	100,700	366,718
Premier Insurance Co Ltd	12,893	616	7,942,088	561	7,233,501	708,587
Asha Laghubitta Bittiya Sanstha Ltd	238	780	185,640	89	21,249	164,391
Universal Power Co. Ltd.	2,975	70	208,250	100	297,500	(89,250)
Neco Insurance Co. Ltd.	23,664	607	14,364,048	537	12,702,310	1,661,738

To be continued...

Name	2077-78					
	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
Rashuwagadi Hydropower Co. Ltd.	33,158	150	4,973,700	142	4,719,808	253,892
Sanjen Jalavidhyut Company Limited	22,254	134	2,982,036	141	3,145,634	(163,598)
Sabaiko Laghubitta Bittiya Sanstha Limited	898	832	747,136	89	79,500	667,636
Adhikhola Laghubitta Bittiya Sanstha Limited	600	465	279,000	100	60,000	219,000
Jyoti Bikash Bank	5,000	166	830,000	177	885,047	(55,047)
Mahalaxmi Bikash Bank Limited	2,000	183	366,000	214	428,476	(62,476)
Himalyan Distillery Limited	3,030	1,599	4,844,970	1,613	4,887,650	(42,680)
Nepal Re Insurance Co. Limited	9,000	504	4,536,000	100	900,000	3,636,000
NIC asia Laghubitta Bittiya Sanstha Ltd	6,485	532	3,450,020	100	648,500	2,801,520
Sub-Total (A)			747,412,023		718,816,269	28,595,754
UNLISTED						
NLG Insurane-Right Entitlement	12,792	279	3,573,829	-	-	3,573,829
Shikhar Insurance- Right Entitlement	14,653	286	4,193,102	-	-	4,193,102
Sadhana Laghubitta- IPO	965	258	249,356	100	96,500	152,856
Ajod Insurance Ltd.-IPO	4,092	155	632,951	100	409,200	223,751
Sub-Total (B)			8,649,238		505,700	8,143,538
Grand Total			756,061,261		719,321,969	36,739,292
Unrealised Gain /(Loss)					36,739,292	
Less: Previous Year Unrealised Gain /(Loss)					(31,968,650)	
Unrealised Gain /Loss This Year					68,707,942	

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 Samridhi Fund- I have earned interest amounting to NPR. 6,27,747.84 (NPR. Six Lakh Twenty-Seven Thousand Seven Hundred Forty-Seven and paisa Eighty-Four Only) from Nepal Investment Bank Limited.

- ▶ Fund Management and Depository Fee incurred by NIBL Samriddhi Fund- I during the year amounts to NPR 23,269,442 (NPR. Two Crore Thirty-Two Lakh Sixty-Nine Thousand Four Hundred Forty-Two Only). The amount is paid/payable to NIBL Ace Capital Limited.
- ▶ The Scheme has a current/call account bank balance of NPR. 28,170,053 (NPR. Two Crore Eighty-One Lakh Seventy Thousand and Fifty-Three Only) as on Balance Sheet date with the Fund Sponsor - Nepal Investment Bank Limited earning interest at the rate of 1%.
- ▶ Depository Participant (DP) Fee for transaction expenses NPR. 762 (NPR. Seven Hundred and Sixty-Two 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. Event after Reporting Date

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

There are no material events that has occurred subsequent to 31st Ashad 2078 till the signing of this financial statement.

20. Proposed Dividend

The Scheme has proposed 35% Cash Dividend (including applicable withholding tax) for fiscal year 2077/78 to its unit-holders which amounts to NPR. 35,00,00,000 (Nepalese Rupees Thirty Five Crore Only).

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

As per our report of even date
For: S.R Pandey & Co.
Chartered Accountants

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

Arun Raut, FCA
Partner

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

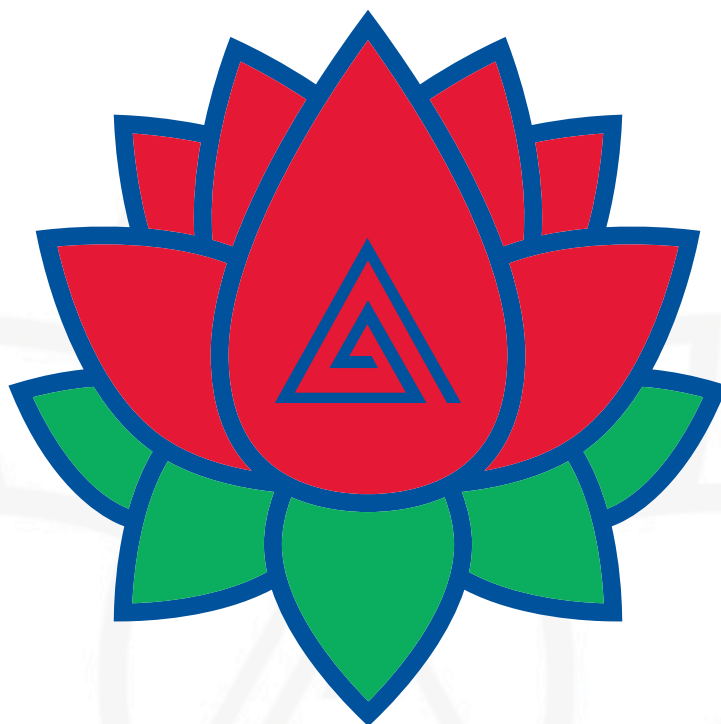
Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021
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
Dr. Bimal Prasad Koirala	PHD in economics with more than 33 years of experience in various government administration, industries and economic sector.
Dr. Shambhu Ram Simkhada	PHD International relation with more than 31 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 39 years of experience in the field of auditing.
Mr. Raju Nepal	Masters in Management with more than 23 years of Banking experience and expert in Management and Financial sector.

M.B. SHRESTHA & CO.

Chartered Accountants
Sankhamul Road
New Baneshwar

Tel : 4791818
Fax No. : 977-1-4791789
E-mail : mbsshrestha@gmail.com
G.P.O. Box : 720
Kathmandu, Nepal.

Ref. No. – 77.78-01-001

14 Shrawan 2078

**INDEPENDENT AUDITOR'S REPORT
TO THE UNIT HOLDERS OF NIBL PRAGATI FUND
Report on the Audit of Financial Statements**

A. Opinion on the Financial Statements

1. We have audited the accompanying financial statements of NIBL Pragati Fund ("the Mutual Fund") which comprise the statement of financial position as at 31 Ashadh 2078 (corresponding to 15 July 2021), the statement of profit or loss, the statement of other comprehensive income, the statement of changes in unit holders fund and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the financial statements referred to above, present fairly, in all material respects, the financial position of the Mutual Fund as of 31 Ashadh 2078 (15 July 2021), and its performances, changes in Unit Holders Fund and its cash flows for the year ended on that date in conformity with Nepal Financial Reporting Standards (NFRS) and comply with Securities Act 2063, Security Board Regulation 2064, Mutual Fund Regulations 2067 and Mutual Fund Guidelines 2069 and other prevailing legislations.

B. Basis for Opinion

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

C. Key Audit Matters

5. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate on these matters.




1 / 4

Key Audit Matters	How the scope of our audit responded to the Key Audit Matter
Investment Decisions by the Fund Manager - The mutual fund manager makes investments on behalf of unitholders. The investment decisions as such shape a material portion of the scheme.	Our procedures included but were not limited to: - Evaluate the results and returns from the investments on an average. - On a sample basis, evaluate the performance of the investments in comparison to market returns.
Fees Payable to Supervisor, Manager and Depository - The material expenses for a mutual fund in Nepal largely relate to the fees payable to the supervisors, manager and depository. - Rule 23 of the Mutual Fund Regulations, 2067 (4th Amendment) issued by SEBON specifies the maximum limit of the fees so payable by a mutual fund scheme.	Our procedures included but were not limited to: - Review of the approved rates for the fees. - Evaluate the periodic gross net assets values factored to calculate the fees payable.

D. Other Information

6. The directors are responsible for the other information presented in the Mutual Fund's annual report. Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. We have nothing to report in this respect.

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

7. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Nepal Financial Reporting Standards (NFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, the management is responsible for assessing the Mutual Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Mutual Fund or to cease operations or has no realistic alternative but to do so.
9. Those charged with governance are responsible for overseeing the Mutual Fund's financial reporting process.

F. Auditor's Responsibilities for the Audit of Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material

M.B. Shrestha & Co.
Chartered Accountants



 2 / 4

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

11. As part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also :
 - 11.1 Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control. Evaluate appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the management.
 - 11.2 Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up-to the date of our auditor's report. However, future events or conditions may cause the Mutual Fund to cease to continue as a going concern.
 - 11.3 Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear our independence and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the financial statement of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

M.B. Shrestha & Co.
Chartered Accountants



3 / 4

G. Report on Other Legal and Regulatory Requirements

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

- 15.1 We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit as per NSA.
- 15.2 The statement of financial position as at 31 Ashadh 2078 (15 July 2021) , the statement of profit or loss, other comprehensive income, statement of changes in Unit Holders fund and statement of Cash flow for the year then ended on that date, and the attached summary of significant accounting policies and notes to accounts dealt and other explanatory information (thereafter referred to as "the financial statements") dealt with by this report are prepared in accordance with Securities Act 2063, Security Board Regulation 2064, Mutual Fund Regulations 2067 and Mutual Fund Guidelines 2069 and other prevailing legislations.
- 15.3 In our opinion, proper books of account as required by law have been kept by the Mutual 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 books of accounts.
- 15.4 In our opinion and to the best of our information and according to the explanations given to us and from our examination of the books of account of the Mutual Fund, we have not come across the cases where the Board of Directors or the representative or any employee of the Mutual Fund has acted deliberately contrary to the provisions of the law relating to accounts or caused loss or damage to the Mutual Fund nor have we been informed of any such case by the management.

For and on behalf of,
M.B. Shrestha & Co.
Chartered Accountants
Kathmandu



CA. Maheswarendra Bdr. Shrestha
Proprietor
UDIN: 210729CA00117cYQyX

M.B. Shrestha & Co.
Chartered Accountants

4 / 4

NIBL Pragati Fund

(Sponsored by Nepal Investment Bank Ltd. and Managed by NIBL Ace Capital Ltd.)
Statement of Financial Position as at 31st Ashad 2078 (15th July, 2021)

NPR

Particulars	Notes	31 Ashad 2078	31 Ashad 2077
Assets			
Current Assets			
Cash and Cash Equivalents	3.2	223,333,560	82,153,174
Other Current Assets	4.5	32,226,698	12,194,565
Financial Assets Held at Amortized Cost		-	-
Financial Assets Held at Fair Value Through Profit or Loss	4.6	1,117,638,137	652,019,800
Total		1,373,198,394	746,367,539
Liabilities			
Current Liabilities			
Accrued Expenses & Other Payables	5.2	6,584,777	6,708,571
Liabilities (Excluding Net Assets Attributable to Unitholders)		6,584,777	6,708,571
Unit Holder's Funds			
Net Assets Attributable to Unit Holders	6	1,366,613,617	739,658,968
Total		1,373,198,394	746,367,539
NAV per Unit			
		18.22	9.86

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

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

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

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021
Place : Kathmandu

NIBL Pragati Fund

(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 2077 to 31st Ashad 2078 (16th July 2020 to 15th July 2021)

NPR

Particulars	Notes	31 Ashad 2078	31 Ashad 2077
Income			
Interest Income	7.2	7,923,977	3,056,484
Dividend Income	7.3	3,005,097	12,192,267
Net Profit/(Loss) on Financial Assets Held at Fair Value through Profit and Loss	13b	636,123,753	117,162,598
Other Income		2,064	352
Total		647,054,890	132,411,701
Expenses and Losses			
Fund Management fees		16,195,016	9,637,018
Depository Fees		2,159,335	2,344,228
Fund Supervisors Fees		1,141,049	1,215,438
Publication Expenses		174,518	172,996
Listing Fees		50,000	50,000
Audit Fees		113,000	113,000
Bank Charges		5,566	4,035
DP Expense		352	150
CDS Dematerialisation Registration Fee		120,000	120,000
Annual Service Charges on Software		90,400	99,440
ICRA -Annual Rating Fee		40,643	-
Book Building Registration Expenses-SEBON		10,000	-
Other Expenses		362	75,047
Total expenses		20,100,241	13,831,352
Net Gains/(Losses) for the Period		626,954,649	118,580,349
Other Comprehensive income		-	-
Net Surplus/(Deficit) for the period		626,954,649	118,580,349

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

As per our Report of even date

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

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

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021

Place : Kathmandu

NIBL Pragati Fund

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

Statement of Cash Flow

For the Period from 1st Shrawan 2077 to 31st Ashad 2078 (16th July 2020 to 15th July 2021)

NPR

Particulars	FY 2077/78	FY 2076/77
A. Cash Flow from Operating Activities		
Surplus/ (Deficit) for the year	626,954,649	118,580,349
Adjustments for:		
Increase/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	(279,260,670)	(96,456,574)
Increase/(Decrease) in Liabilities	(123,794)	(569,623)
(Increase)/Decrease in Share	(186,357,666)	19,498,851
(Increase)/Decrease in Other Assets	(20,032,132)	(11,986,430)
Net cash generated/(used) in Operations (1)	141,180,386	29,066,573
B. Cash Flow from Financing Activities		
Dividend Paid during the year	-	-
Net cash generated/(used) in financing (2)	-	-
C. Cash Flow from Investing Activities		
Net cash generated/(used) in investing (3)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	141,180,386	29,066,573
Cash and Cash Equivalents at beginning of the year/period	82,153,174	53,086,601
Cash and Cash Equivalents at end of period	223,333,560	82,153,174
Components of Cash and Cash Equivalents		
Balance with Banks	223,333,560	82,153,174

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

As per our Report of even date

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

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

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021

Place : Kathmandu

NIBL Pragati Fund

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

Statement of Change in Unit Holder's Fund

For the Period from 1st Shrawan 2077 to 31st Ashad 2078 (16th July 2020 to 15th July 2021)

NPR

Particulars	FY 2077/78	FY 2076/77
Unit Holders' Fund at the Beginning of the Year/Period	739,658,968	621,078,619
Increase in Net Assets Attributable to Unit Holders:		
Net Gains/(Losses) for the Period	626,954,649	118,580,349
Other Comprehensive income	-	-
Distribution to Unit Holders'	-	-
Unit Holders' Fund at the End of the Year/Period	1,366,613,617	739,658,968

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

As per our Report of even date

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

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

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021

Place : Kathmandu

Notes to the Financial Statements as of Ashad End 2078 (15th July 2021)

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 :	Dr. Bimal Prasad Koirala Dr. Shambhu Ram Simkhada Dr. Durgesh Man Singh CA. Jitendra Bahadur Rajbhandari Mr. Raju Nepal
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 27th Poush 2073 (Scheme allotment date) B.S. with maturity period of 7 years (i.e. 26th Poush 2080 B.S.). It was listed in NEPSE on 6th Chaitra, 2073. The Scheme's Financial Statements for the year 2077/78 were approved by the Board of Directors of the NIBL Ace Capital Limited on 14th Shrawan 2078 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.

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 judgment as having potentially

material impact on the financial statements. The significant accounting policies that relate to the financial statements as a whole along with the judgments made are described herein.

Where an accounting policy is generally applicable to a specific item, the policy is described within that relevant note. NFRS requires the 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 unit holders.

2.3. Reporting Pronouncements

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

2.4. Accounting Conventions

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

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

2.5. Presentation

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

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

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

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

2.6. Presentation currency

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

2.7. 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 judgment in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. This may later be determined that a different choice could have been more appropriate.

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

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.

2.8. Financial Periods

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

2.9. 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	31 Ashad 2078	31 Ashad 2077
Cash at Bank	223,333,560	82,153,174
Total	223,333,560	82,153,174

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 unit holders. The Funds' principal financial liabilities comprise accrued expenses and other payables which arise directly from its operations.

In Accordance with NFRS 9; Financial Instruments: Recognition and Measurement, the Fund's interest receivables are classified as 'Financial Assets measured at Amortized Cost'. Equity securities / debentures are classified as fair value through profit and loss. The amount attributable to unit holders 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.

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.

4.3 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.

4.4 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

4.5 Other Current Assets

Particulars	31 Ashad 2078	31 Ashad 2077
Dividend Income Receivable	160,429	76,654
Interest Receivables	4,059,041	11,912,108
Broker Receivables	27,161,980	-
Prepaid Expenses- ICRA Fees	-	40,643
Unit Redemption Amount Receivable	-	37,814
Other Receivable	-	-
TDS Receivables	127,347	127,347
IPO Refund Receivables	717,900	-
Total	32,226,698	12,194,565

4.6 Financial Assets Held at Fair Value Through Profit or Loss

Particulars	31 Ashad 2078	31 Ashad 2077
Financial Assets Held for Trading		
Equity Security	1,117,638,137	652,019,800
Total Financial Assets held for Trading (A)	1,117,638,137	652,019,800
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)	1,117,638,137	652,019,800

Comparative Investment in Listed Shares

Company	2077-78			2076-77		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
Himalayan Bank Limited	33,851	484.00	16,383,884	32,272	540.00	17,426,880
Bank of Kathmandu Limited	63,364	379.00	24,014,956	42,831	219.00	9,379,989
Machhapuchhre Bank Limited	35,726	385.00	13,754,510	6,045	220.00	1,329,900
Siddhartha Bank Limited	83,913	504.00	42,292,152	54,300	296.00	16,072,800
Prime Commercial Bank Limited	86,093	479.00	41,238,547	75,458	255.00	19,241,790
Citizens Bank International Limited	59,126	386.00	22,822,636	33,958	188.00	6,384,104
Sunrise Bank Limited	12,530	363.00	4,548,390	43,621	234.00	10,207,314
Sanima Bank Limited	98,195	485.00	47,624,575	49,364	330.00	16,290,120
NIC Asia Bank Limited	21,979	994.00	21,847,126	11,334	553.00	6,267,702
Nepal Bank Limited	40,057	443.00	17,745,251	63,612	249.00	15,839,388
Global IME Bank Limited	8,455	441.00	3,728,655	59,236	239.00	14,157,404
Nepal SBI Bank Limited	37,953	409.00	15,522,777	36,805	435.00	16,010,175

To be continued...

Company	2077-78			2076-77		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
Nepal Bangladesh Bank Limited	5,000	436.00	2,180,000	5,285	209.00	1,104,565
NMB Bank Limited	-	-	-	41,440	397.00	16,451,680
Laxmi Bank Limited	35,579	395.00	14,053,705	38,131	209.00	7,969,379
Agricultural Development Bank Limited	5,170	479.00	2,476,430	27,523	385.00	10,596,355
Century Commercial Bank Limited	33,840	291.00	9,847,440	12,818	165.00	2,114,970
Everest Bank Limited	25,423	738.00	18,762,174	25,580	675.00	17,266,500
Kumari Bank Limited	33,630	371.00	12,476,730	39,670	186.00	7,378,620
Mega Bank Nepal Limited	19,553	366.00	7,156,398	23,487	208.00	4,885,296
Prabhu Bank Limited	93,899	457.00	42,911,843	43,763	230.00	10,065,490
Nabil Bank Limited	36,301	1,359.00	49,333,059	38,484	765.00	29,440,260
Shine Resunga Development Bank Limited	4,118	447.00	1,840,746	32,302	222.00	7,171,044
Garima Bikas Bank Limited	-	-	-	19,539	223.00	4,357,197
Muktinath Bikas Bank Limited	3,647	657.00	2,396,079	57,317	312.00	17,882,904
Shangrila Development Bank Limited	-	-	-	6,464	141.00	911,424
Excel Development Bank Limited	-	-	-	12,016	298.00	3,580,768
Oriental Hotel Limited	-	-	-	9,794	329.00	3,222,226
Sanima Mai Hydropower Limited	13,166	513.00	6,754,158	32,866	223.00	7,329,118
Chilime Hydro power Company Limited	-	-	-	4,027	398.00	1,602,746
Butwal Power Company Limited	-	-	-	12,071	359.00	4,333,489
United Modi Hydropower Limited	-	-	-	6,361	104.00	661,544
Kalika Power company limited	-	-	-	2,036	103.00	209,708
Panchakanya Mai Hydropower Limited	-	-	-	3,056	71.00	216,976
Universal Power Company Ltd	-	-	-	2,975	70.00	208,250
Asian Life Insurance Company Limited	-	-	-	46,505	607.00	28,228,535
Himalayan General Insurance Company Limited	5,479	768.00	4,207,872	21,632	419.00	9,063,808
Lumbini General Insurance Limited	2,813	780.00	2,194,140	10,912	453.00	4,943,136
Siddhartha Insurance Limited	815	1,058.00	862,270	38,126	580.00	22,113,080
NLG Insurance Company Limited	8,219	1,220.00	10,027,180	15,608	657.00	10,254,456
Nepal Life Insurance Company Limited	1,923	1,919.00	3,690,237	15,122	1,260.00	19,053,720
National Life Insurance Company Limited	18,932	1,151.00	21,790,732	41,508	662.00	27,478,296
Shikhar Insurance Company Limited	5,089	1,952.00	9,933,728	17,267	1,019.00	17,595,073
Life Insurance Corporation Nepal Limited	14,819	2,342.00	34,706,098	5,000	1,330.00	6,650,000
Sagarmatha Insurance Company Limited	3,203	1,344.00	4,304,832	3,080	700.00	2,156,000
Neco Insurance Company Limited	468	1,348.00	630,864	11,312	607.00	6,866,384
Nepal Doorsanchar Company Limited	-	-	-	21,915	655.00	14,354,325
Siddhartha Equity Fund	247,750	14.05	3,480,888	98,650	10.00	986,500
Laxmi Equity Fund	357,326	13.80	4,931,099	20,400	8.77	178,908
NMB Hybrid Fund L1	173,909	13.65	2,373,858	134,436	9.50	1,277,142
Sanima Equity Fund	42,200	16.79	708,538	60,900	9.93	604,737
RMDC Laghubitta Bittiya Sanstha Limited	1,897	1,373.00	2,604,581	14,192	701.00	9,948,592
Sana Kisan Laghubitta Bittiya Sanstha Limited	-	-	-	12,233	1,301.00	15,915,133
Chhimek Laghubitta Bittiya Sanstha Limited	24,268	1,738.00	42,177,784	27,385	1,090.00	29,849,650
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	1,639	1,600.00	2,622,400	18,760	1,015.00	19,041,400
Forward Community Microfinance Bittiya Sanstha Limited	1,196	2,770.00	3,312,920	833	1,599.00	1,331,967
Samata Microfinance Bittiya Sanstha Limited	-	-	-	2,054	660.00	1,355,640
Nerude Laghubitta Bittiya Sanstha Limited	6,886	1,600.00	11,017,600	13,396	761.00	10,194,356

To be continued...

Company	2077-78			2076-77		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
Mahuli Laghubitta Bittiya Sanstha Limited	122	2,180.00	265,960	1,140	895.00	1,020,300
RSDC Laghubitta Bittiya Sanstha Limited	-	-	-	1,130	542.00	612,460
Support Microfinance Bittiya Sanstha Limited	-	-	-	53	922.00	48,866
Aarambha Microfinance Bittiya Sanstha Limited	119	1,574.00	187,306	1,847	493.00	847,028
Unnati Microfinance Bittiya Sanstha Limited	866	2,244.00	1,943,304	1,105	633.00	699,465
Nepal Sewa Laghubitta Bittiya Sanstha Limited	11	831.00	9,141	11	768.00	8,448
Deprosc Laghubitta Bittiya Sanstha Limited	17,362	1,686.00	29,272,332	13,876	866.00	12,016,616
Swabalamban Laghubitta Bittiya Sanstha Limited	4,690	1,659.00	7,780,710	7,175	1,233.00	8,846,775
Asha Laghubitta Bittiya Sanstha Limited	-	-	-	538	780.00	419,640
Infinity Laghubitta Bittiya Sanstha Limited	-	-	-	2,076	823.00	1,708,548
Aadhikhola Laghubitta Bittiya Sanstha Limited	800	465.00	372,000	800	465.00	372,000
Citizen Investment Trust	6,618	3,491.00	23,103,438	5,539	2,428.00	13,448,692
Citizens Mutual fund 1	300	12.58	3,774	300	10.06	3,018
Himalayan Distillery Ltd.	3,165	5,512.00	17,445,480	3,195	1,599.00	5,108,805
Nepal Reinsurance Co Ltd.	-	-	-	14,163	504.00	7,138,152
Sabaiko Laghubitta Bittiya Sanstha limited	4,000	1,815.00	7,260,000	1,148	832.00	955,136
Sanjen Hydropower Co. Ltd.	17,564	449.00	7,886,236	20,531	134.00	2,751,154
Shree Investment Finance Limited	-	-	-	1,990	159.00	316,410
Nadep Laghubittiya bittya Sanstha Ltd.	-	-	-	170	686.00	116,620
Rasuagadi Hydropower Co Ltd.	20,938	474.00	9,924,612	36,986	150.00	5,547,900
Premier Insurance Co Ltd.	15,204	1,170.00	17,788,680	7,840	616.00	4,829,440
Prime Life Insurance Co Ltd.	30,110	954.00	28,724,940	5,062	531.00	2,687,922
NIC Asia Growth fund	17,950	15.00	269,250	1,000	10.19	10,190
NIC Asia Laghubitta Bittiya Sanstha Limited	1,276	1,545.00	1,971,420	8,647	532.00	4,600,204
Nepal Insurance Co. Ltd.	21,053	1,022.00	21,516,166	-	-	-
Vijaya laghubitta Bittiya Sanstha Ltd.	1,585	1,819.00	2,883,115	-	-	-
Samudayik Laghubitta Bittiya Sanstha Limited	193	1,518.00	292,974	-	-	-
Shivam Cements Ltd	8,094	1,458.00	11,801,052	-	-	-
Sadhana Laghubitta Bittiya Sanstha Limited	1,000	1,682.00	1,682,000	-	-	-
Surya Life Insurance Company Limited	13,059	922.00	12,040,398	-	-	-
Samaj Laghubitta Bittiya Sanstha Limited	156	166.21	25,929	-	-	-
Global IME Samunnat Scheme-1	1,000	20.28	20,280	-	-	-
Sunrise First Mutual Fund	128,201	16.00	2,051,216	-	-	-
Nabil Equity Fund	96,139	14.60	1,403,629	-	-	-
Prudential Insurance Co. Ltd.	160	810.00	129,600	-	-	-
First Micro Finance Development Bank Ltd.	23,838	823.00	19,618,674	-	-	-
Gurans Life Insurance Company Ltd.	834	759.00	633,006	-	-	-
Mero Microfinance Bittiya Sanstha Ltd.	2,654	1,546.00	4,103,084	-	-	-
Summit Laghubitta Bittiya Sanstha Limited	418	1,695.00	708,510	-	-	-
National Microfinance Bittiya Sanstha Ltd.	945	3,603.00	3,404,835	-	-	-
Nepal Infrastructure Bank Limited	118,420	492.00	58,262,640	-	-	-
Mahila Lagubitta Bittiya Sanstha Limited	1,000	4,870.00	4,870,000	-	-	-
Kumari Equity Fund	500,000	10.50	5,250,000	-	-	-
Siddhartha Investment Growth Scheme - 2	258,800	14.20	3,674,960	-	-	-
Global IME Laghubitta Bittiya Sanstha Ltd.	3,925	2,815.00	11,048,875	-	-	-
Nabil Balanced Fund-2	210,900	14.10	2,973,690	-	-	-

To be continued...

Company	2077-78			2076-77		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
Grameen Bikas Laghubitta Bittiya Sanstha Ltd.	7,294	1,225.00	8,935,150	-	-	-
NIC Asia Balanced Fund	102,541	13.73	1,407,888	-	-	-
Nepal Credit And Commercial Bank Limited	10,694	367.00	3,924,698	-	-	-
Laxmi Laghubitta Bittiya Sanstha Ltd.	6,907	2,290.00	15,817,030	-	-	-
NMB Microfinance Bittiya Sanstha Ltd.	6,500	1,429.00	9,288,500	-	-	-
Sunrise Bluechip Fund	500,000	10.16	5,080,000	-	-	-
United Insurance Co. (Nepal) Ltd.	5,215	715.00	3,728,725	-	-	-
Kamana Sewa Bikas Bank Limited	5,000	580.00	2,900,000	-	-	-
Sub-Total (A)			980,975,048			641,122,702

Comparative Investment in Unlisted Shares

Company	2077-78			2076-77		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
NLG Insurance-Right Entitlement	-	-	-	17,108	279	4,779,633
Shikhar Insurance- Right Entitlement	-	-	-	17,267	286	4,941,125
Sadhana Laghubitta- IPO	-	-	-	1,287	258	332,561
Ajod Insurance Ltd.-IPO	-	-	-	5,455	155	843,779
Jeevan Bikas Laghubitta Bittiya Sanstha-IPO	1,597	547.05	873,639	-	-	-
Manakamana Smart Laghubitta Bittiya Sanstha-IPO	314	513.29	161,173	-	-	-
Union Life Insurance Co. Ltd.-IPO	4,838	116.93	565,707	-	-	-
Mailung Khola Hydropower Company Ltd.-IPO	552	113.35	62,569	-	-	-
Citizen Unit Scheme	500,000	100.00	50,000,000	-	-	-
Citizen Unit Scheme	250,000	100.00	25,000,000	-	-	-
Citizen Unit Scheme	500,000	100.00	50,000,000	-	-	-
Citizen Unit Scheme	100,000	100.00	10,000,000	-	-	-
Sub-Total (B)			136,663,088			10,897,098
Grand Total (A+B)			1,117,638,137			652,019,800

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	31 Ashad 2078	31 Ashad 2077
Reporting Expenses Payables	22,000	25,000
Brokers Payables	-	-
Audit Fee Payable	113,000	113,000
Provision for Realizable Tax on Dividend	5,975	5,975
TDS Liability	150,910	154,457
Software AMC Payable	89,044	118,200
Fund Management Fee Payable - NIBL Ace Capital	5,059,885	5,097,999
Depository Fee Payables - NIBL Ace Capital	674,651	844,243
Supervisor Fee Payables	349,312	349,697
CDS Fees Payable	120,000	-
Total	6,584,777	6,708,571

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.

6. Net Assets Attributable to Unit holders

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

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

Particulars	31 Ashad 2078	31 Ashad 2077
Units Holders' Fund at the beginning of the Year/Period	739,658,968	621,078,619
Increase in Net Assets Attributable to Unit Holders	626,954,649	118,580,349
Distribution to Unit Holders	-	-
Units Holders' Fund at the end of the Year/Period	1,366,613,617	739,658,968

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	31 Ashad 2078	31 Ashad 2077
Interest on Bank Deposits	7,923,977	3,056,484
Total	7,923,977	3,056,484

7.3 Dividend Income

Particulars	31 Ashad 2078	31 Ashad 2077
Dividend Income Realized	3,005,097	12,192,267
Total	3,005,097	12,192,267

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 of the period 1st Shrawan 2077 to 31st Ashad 2078 are as follows:

- Fund Management Fees : 1.5% of Net Assets Value (NAV)
- Depository Fees : 0.2% of NAV
- Fund Supervisor Fees : 0.12% of NAV

Total Fund Management, Depository & Fund Supervisor's Fees are calculated and recognized as per the Mutual Fund Regulation 2067 and Mutual Fund Guidelines, 2069.

Total Fund Management, Depository & Fund Supervisor's Fees calculated on the basis of 365 days a year is presented in Nepalese currency and charged as under:

Particulars	FY 2077/78	FY 2076/77
Fund Management Fee	16,195,016	9,637,018
Depository Fee	2,159,335	2,344,228
Fund Supervisor Fee	1,141,049	1,215,438
Total	19,495,401	13,196,684

9. Income Tax

Income Tax Act, 2058 has not specifically charged corporate tax liability on Mutual Fund. 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 Fund is not considered. However, the Office of the Auditor's General in its 56th Annual Report has raised concern on taxability of the mutual fund. Further, the finance ordinance of FY 2078/79 has included Mutual Fund under Section 10 of the Income Tax Act, 2058 as tax exempt entities. TDS on return from mutual fund (i.e.; dividend) paid to individual is deducted at 5% which is final and to entity is tax deducted at 15% (which is not final). Therefore, the fund management is of the view that return from the fund is duly taxed as per the principal of income tax and is not subject to further tax liability for FY 2077/78.

10. Distributions

The distributions, if any to unit holders are recognized in statement of changes in unit holders' 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 program 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 Limited, the fund management company. The fund supervisors provide principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and non-derivative financial instruments and the investment of excess liquidity.

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

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 (Third Amendment) investment in Fixed deposit cannot be made more than 15% of total fund size or NAV 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 2077/78

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercials Banks	434,645,936	352,820,313	38.89%	23.19%
Development Banks	7,136,825	4,512,493	0.64%	58.16%
Hydropower	24,627,575	12,681,903	2.20%	94.19%
Insurance Companies	177,475,175	159,085,779	15.88%	11.56%
Microfinance	194,510,946	132,213,145	17.40%	47.12%
Mutual Fund	164,170,394	159,661,318	14.69%	2.82%
Others	115,071,286	68,665,292	10.30%	67.58%
Total	1,117,638,137	889,640,241	100.00%	

For FY 2076/77

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercial Banks	255,880,681	297,925,321	39.91%	-14.11%
Development Bank	33,903,337	34,668,831	5.29%	-2.21%
Hotels	3,222,226	5,509,250	0.50%	-41.51%
Finance	316,410	348,241	0.05%	-9.14%
Hydropower Companies	22,860,885	28,635,422	3.57%	-20.17%
Insurance Companies	171,973,169	209,078,143	25.26%	-22.35%
Telecom, Mutual Funds and others	43,110,469	38,641,399	6.72%	11.57%
Microfinance Companies	120,752,623	88,475,841	18.70%	35.72%
Total	652,019,800	703,282,575	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.

Listed stocks that are not trading due to suspension by NEPSE citing Merger, Acquisition, Natural calamity and/or any other reasons is valued at the Closing Price available of particular stock of the last day of its trading on NEPSE.

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:

$$Vr = n / m \times (Pex - Pof)$$

Where

Vr = Value of Rights

n = Number of rights offered

m = Number of original shares held

Pex = Ex-right price

Pof = Rights offer price

Valuation of total Right Entitlement = Vr x 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 2077/78	FY 2076/77
Net Realised (Losses)/Gains on Financial Assets at Fair Value Through Profit or loss	356,863,082	20,706,024
Net Unrealised (Losses)/Gains on Financial Assets at Fair Value Through Profit or Loss	279,260,670	96,456,574
Total	636,123,753	117,162,598

Computation of Unrealized Gains for FY 2077/78:

Name	2077-78					
	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
LISTED						
Himalayan Bank Limited	33851	484.00	16,383,884	570.48	19,311,404	(2,927,520)
Bank of Kathmandu Limited	63364	379.00	24,014,956	279.63	17,718,643	6,296,313
Machhapuchhre Bank Limited	35726	385.00	13,754,510	252.05	9,004,739	4,749,771
Siddhartha Bank Limited	83913	504.00	42,292,152	20.06	35,248,665	7,043,487
Prime Commercial Bank Limited	86093	479.00	41,238,547	362.37	31,197,660	10,040,887
Citizens Bank International Limited	59126	386.00	22,822,636	298.79	17,666,550	5,156,086
Sunrise Bank Limited	12530	363.00	4,548,390	297.45	3,727,073	821,317
Sanima Bank Limited	98195	485.00	47,624,575	362.32	35,578,213	12,046,362
NIC Asia Bank Limited	21979	994.00	21,847,126	777.67	17,092,506	4,754,620
Nepal Bank Limited	40057	443.00	17,745,251	383.27	15,352,710	2,392,541
Global IME Bank Limited	8455	441.00	3,728,655	241.10	2,038,461	1,690,194
Nepal SBI Bank Limited	37953	409.00	15,522,777	689.56	26,170,806	(10,648,029)
Nepal Bangladesh Bank Limited	5000	436.00	2,180,000	384.42	1,922,123	257,877
Laxmi Bank Limited	35579	395.00	14,053,705	252.01	8,966,101	5,087,604
Agricultural Development Bank Limited	5170	479.00	2,476,430	435.42	2,251,102	225,328
Century Commercial Bank Limited	33840	291.00	9,847,440	257.81	8,724,397	1,123,043
Everest Bank Limited	25423	738.00	18,762,174	918.01	23,338,497	(4,576,323)

To be continued...

Name	2077-78					
	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
Kumari Bank Limited	33630	371.00	12,476,730	265.73	8,936,633	3,540,097
Mega Bank Nepal Limited	19553	366.00	7,156,398	236.79	4,629,954	2,526,444
Prabhu Bank Limited	93899	457.00	42,911,843	375.10	35,221,818	7,690,025
Nabil Bank Limited	36301	1,359.00	49,333,059	681.37	24,734,240	24,598,819
Shine Resunga Development Bank Limited	4118	447.00	1,840,746	214.33	882,595	958,151
Muktinath Bikas Bank Limited	3647	657.00	2,396,079	280.99	1,024,769	1,371,310
Sanima Mai Hydropower Limited	13166	513.00	6,754,158	376.76	4,960,438	1,793,720
Himalayan General Insurance Company Limited	5479	768.00	4,207,872	624.63	3,422,347	785,525
Lumbini General Insurance Limited	2813	780.00	2,194,140	560.51	1,576,713	617,427
Siddhartha Insurance Limited	815	1,058.00	862,270	735.88	599,742	262,528
NLG Insurance Company Limited	8219	1,220.00	10,027,180	794.49	6,529,923	3,497,257
Nepal Life Insurance Company Limited	1923	1,919.00	3,690,237	937.72	1,803,237	1,887,000
National Life Insurance Company Limited	18932	1,151.00	21,790,732	1,160.61	21,972,675	(181,943)
Shikhar Insurance Company Limited	5089	1,952.00	9,933,728	2,124.58	10,811,969	(878,241)
Life Insurance Corporation Nepal Limited	14819	2,342.00	34,706,098	2,248.54	33,321,168	1,384,930
Sagarmatha Insurance Company Limited	3203	1,344.00	4,304,832	1,546.28	4,952,737	(647,905)
Neco Insurance Company Limited	468	1,348.00	630,864	1,277.13	597,695	33,169
Siddhartha Equity Fund	247750	14.05	3,480,888	10.11	2,504,517	976,370
Laxmi Equity Fund	357326	13.80	4,931,099	9.90	3,537,111	1,393,988
NMB Hybrid Fund L1	173909	13.65	2,373,858	9.02	1,568,562	805,296
Sanima Equity Fund	42200	16.79	708,538	9.09	383,513	325,025
RMDC Laghubitta Bittiya Sanstha Limited	1897	1,373.00	2,604,581	919.49	1,744,271	860,310
Chhimek Laghubitta Bittiya Sanstha Limited	24268	1,738.00	42,177,784	889.73	21,591,930	20,585,854
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	1639	1,600.00	2,622,400	806.04	1,321,106	1,301,294
Forward Community Microfinance Bittiya Sanstha Limited	1196	2,770.00	3,312,920	1,211.90	1,449,434	1,863,486
Nerude Laghubitta Bittiya Sanstha Limited	6886	1,600.00	11,017,600	1,096.70	7,551,843	3,465,757
Mahuli Laghubitta Bittiya Sanstha Limited	122	2,180.00	265,960	47.64	5,813	260,147
Aarambha Microfinance Bittiya Sanstha Limited	119	1,574.00	187,306	85.75	10,204	177,102
Unnati Microfinance Bittiya Sanstha Limited	866	2,244.00	1,943,304	45.82	39,681	1,903,623
Nepal Sewa Laghubitta Bittiya Sanstha Limited	11	831.00	9,141	97.61	1,074	8,067
Deprosc Laghubitta Bittiya Sanstha Limited	17362	1,686.00	29,272,332	1,124.51	19,523,744	9,748,588
Swabalamban Laghubitta Bittiya Sanstha Limited	4690	1,659.00	7,780,710	903.39	4,236,888	3,543,822
Aadhikhola Laghubitta Bittiya Sanstha Limited	800	465.00	372,000	100.00	80,000	292,000
Citizen Investment Trust	6618	3,491.00	23,103,438	3,546.97	23,473,846	(370,408)
Citizens Mutual fund 1	300	12.58	3,774	9.62	2,885	889
Himalayan Distillery Ltd.	3165	5,512.00	17,445,480	4,440.76	14,055,004	3,390,476
Sabaiko Laghubitta Bittiya Sanstha limited	4000	1,815.00	7,260,000	1,125.25	4,501,002	2,758,998
Sanjen Hydropower Co. Ltd.	17564	449.00	7,886,236	241.51	4,241,938	3,644,298
Rasuagadi Hydropower Co Ltd.	20938	474.00	9,924,612	163.55	3,424,327	6,500,285
Premier Insurance Co Ltd.	15204	1,170.00	17,788,680	1,108.50	16,853,644	935,036
Prime Life Insurance Co Ltd.	30110	954.00	28,724,940	852.17	25,658,869	3,066,071
NIC Asia Growth fund	17950	15.00	269,250	12.73	228,545	40,705
NIC Asia Laghubitta Bittiya Sanstha Limited	1276	1,545.00	1,971,420	99.98	127,569	1,843,851
Nepal Insurance Co. Ltd.	21053	1,022.00	21,516,166	716.36	15,081,570	6,434,596
Vijaya laghubitta Bittiya Sanstha Ltd.	1585	1,819.00	2,883,115	847.34	1,343,036	1,540,079
Samudayik Laghubitta Bittiya Sanstha Limited	193	1,518.00	292,974	814.85	157,265	135,709

To be continued...

Name	2077-78					
	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
Shivam Cements Ltd	8094	1,458.00	11,801,052	1,546.70	12,518,990	(717,938)
Sadhana Laghubitta Bittiya Sanstha Limited	1000	1,682.00	1,682,000	84.78	84,784	1,597,216
Surya Life Insurance Company Limited	13059	922.00	12,040,398	829.03	10,826,295	1,214,103
Samaj Laghubitta Bittiya Sanstha Limited	156	166.21	25,929	100.00	15,600	10,329
Global IME Samunnat Scheme-1	1000	20.28	20,280	9.13	9,130	11,150
Sunrise First Mutual Fund	128201	16.00	2,051,216	13.30	1,704,498	346,718
Nabil Equity Fund	96139	14.60	1,403,629	10.45	1,004,982	398,648
Prudential Insurance Co. Ltd.	160	810.00	129,600	-	0	129,600
First Micro Finance Development Bank Ltd.	23838	823.00	19,618,674	682.29	16,264,543	3,354,131
Gurans Life Insurance Company Ltd.	834	759.00	633,006	606.50	505,819	127,187
Mero Microfinance Bittiya Sanstha Ltd.	2654	1,546.00	4,103,084	1,052.18	2,792,476	1,310,608
Summit Laghubitta Bittiya Sanstha Limited	418	1,695.00	708,510	923.24	385,913	322,597
National Microfinance Bittiya Sanstha Ltd.	945	3,603.00	3,404,835	1,596.34	1,508,540	1,896,295
Nepal Infrastructure Bank Limited	118420	492.00	58,262,640	130.90	15,500,889	42,761,751
Mahila Lagubitta Bittiya Sanstha Limited	1000	4,870.00	4,870,000	100.00	100,000	4,770,000
Kumari Equity Fund	500000	10.50	5,250,000	10.00	5,000,000	250,000
Siddhartha Investment Growth Scheme - 2	258800	14.20	3,674,960	12.32	3,187,446	487,514
Global IME Laghubitta Bittiya Sanstha Ltd.	3925	2,815.00	11,048,875	2,691.23	10,563,085	485,790
Nabil Balanced Fund-2	210900	14.10	2,973,690	11.56	2,437,625	536,065
Grameen Bikas Laghubitta Bittiya Sanstha Ltd.	7294	1,225.00	8,935,150	1,243.18	9,067,753	(132,603)
NIC Asia Balanced Fund	102541	13.73	1,407,888	11.79	1,209,079	198,809
Nepal Credit And Commercial Bank Limited	10694	367.00	3,924,698	372.92	3,988,018	(63,320)
Laxmi Laghubitta Bittiya Sanstha Ltd.	6907	2,290.00	15,817,030	2,498.73	17,258,702	(1,441,672)
NMB Microfinance Bittiya Sanstha Ltd.	6500	1,429.00	9,288,500	1,583.97	10,295,790	(1,007,290)
Sunrise Bluechip Fund	500000	10.16	5,080,000	10.00	5,000,000	80,000
United Insurance Co. (Nepal) Ltd.	5215	715.00	3,728,725	783.81	4,087,574	(358,849)
Kamana Sewa Bikas Bank Limited	5000	580.00	2,900,000	521.03	2,605,128	294,872
Sub-Total (A)			980,975,048		753,910,141	227,064,907
UNLISTED						
Jeevan Bikas Laghubitta Bittiya Sanstha-IPO	1597	547.05	873,639	100.00	159,700	713,939
Manakamana Smart Laghubitta Bittiya Sanstha-IPO	314	513.29	161,173	100.00	31,400	129,773
Union Life Insurance Co. Ltd.-IPO	4838	116.93	565,707	100.00	483,800	81,907
Mailung Khola Hydropower Company Ltd.-IPO	552	113.35	62,569	100.00	55,200	7,369
Citizen Unit Scheme	500000	100.00	50,000,000	100.00	50,000,000	-
Citizen Unit Scheme	250000	100.00	25,000,000	100.00	25,000,000	-
Citizen Unit Scheme	500000	100.00	50,000,000	100.00	50,000,000	-
Citizen Unit Scheme	100000	100.00	10,000,000	100.00	10,000,000	-
Sub-Total (B)			136,663,088		135,730,100	932,988
Grand Total (A+B)			1,117,638,137		889,640,241	227,997,895
Unrealised Gain / (Loss)					227,997,895	
Less: Previous year unrealised gain/(loss)					(51,262,775)	
Unrealised Gain / (Loss) This Year					279,260,670	

Computation of Unrealized Gains for FY 2076/77:

Name	2077-78					
	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
LISTED						
Himalayan Bank Limited	32272	540	17,426,880	650	20,987,244	(3,560,364)
Bank of Kathmandu Limited	42831	219	9,379,989	338	14,465,517	(5,085,528)
Machhapuchhre Bank Limited	6045	220	1,329,900	334	2,017,217	(687,317)
Siddhartha Bank Limited	54300	296	16,072,800	350	19,026,118	(2,953,318)
Prime Commercial Bank Limited	75458	255	19,241,790	266	20,078,610	(836,820)
Citizens Bank International Limited	33958	188	6,384,104	333	11,306,214	(4,922,110)
Sunrise Bank Limited	43621	234	10,207,314	299	13,055,752	(2,848,438)
Sanima Bank Limited	49364	330	16,290,120	318	15,690,361	599,759
NIC Asia Bank Limited	11334	553	6,267,702	517	5,863,621	404,081
Nepal Bank Limited	63612	249	15,839,388	273	17,368,038	(1,528,650)
Global IME Bank Limited	59236	239	14,157,404	266	15,780,774	(1,623,370)
Nepal SBI Bank Limited	36805	435	16,010,175	731	26,901,704	(10,891,529)
Nepal Bangladesh Bank Limited	5285	209	1,104,565	371	1,958,996	(854,431)
NMB Bank Limited	41440	397	16,451,680	383	15,857,142	594,538
Laxmi Bank Limited	38131	209	7,969,379	273	10,405,454	(2,436,075)
Agricultural Development Bank Limited	27523	385	10,596,355	346	9,526,264	1,070,091
Century Commercial Bank Limited	12818	165	2,114,970	268	3,429,119	(1,314,149)
Everest Bank Limited	25580	675	17,266,500	964	24,655,879	(7,389,379)
Kumari Bank Limited	39670	186	7,378,620	198	7,842,671	(464,051)
Mega Bank Nepal Limited	23487	208	4,885,296	220	5,168,677	(283,381)
Prabhu Bank Limited	43763	230	10,065,490	235	10,281,744	(216,254)
Nabil Bank Limited	38484	765	29,440,260	682	26,258,205	3,182,055
Shine Resunga Development Bank Limited	32302	222	7,171,044	242	7,823,487	(652,443)
Garima Bikas Bank Limited	19539	223	4,357,197	198	3,869,012	488,185
Muktinath Bikas Bank Limited	57317	312	17,882,904	313	17,917,038	(34,134)
Shangrila Development Bank Limited	6464	141	911,424	178	1,153,198	(241,774)
Excel Development Bank Limited	12016	298	3,580,768	325	3,906,096	(325,328)
Oriental Hotel Limited	9794	329	3,222,226	563	5,509,250	(2,287,024)
Taragaon Regency Hotel Limited	0	0	-	-	-	-
Sanima Mai Hydropower Limited	32866	223	7,329,118	412	13,551,926	(6,222,808)
Chilime Hydro power Company Limited	4027	398	1,602,746	493	1,986,440	(383,694)
Butwal Power Company Limited	12071	359	4,333,489	486	5,870,439	(1,536,950)
United Modi Hydropower Limited	6361	104	661,544	105	668,218	(6,674)
Kalika Power company limited	2036	103	209,708	100	203,600	6,108
Panchakanya Mai Hydropower Limited	3056	71	216,976	100	305,600	(88,624)
United Hydropower company limited	2975	70	208,250	100	297,500	(89,250)
Asian Life Insurance Company Limited	46505	607	28,228,535	662	30,776,788	(2,548,253)
Himalayan General Insurance Company Limited	21632	419	9,063,808	643	13,918,489	(4,854,681)
Lumbini General Insurance Limited	10912	453	4,943,136	587	6,403,423	(1,460,287)
Siddhartha Insurance Limited	38126	580	22,113,080	803	30,603,046	(8,489,966)
NLG Insurance Company Limited	15608	657	10,254,456	1,243	19,406,885	(9,152,429)

To be continued...

Name	2077-78					
	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
Nepal Life Insurance Company Limited	15122	1260	19,053,720	999	15,113,632	3,940,089
National Life Insurance Company Limited	41508	662	27,478,296	1,065	44,206,269	(16,727,973)
Shikhar Insurance Company Limited	17267	1019	17,595,073	1,410	24,346,207	(6,751,134)
Life Insurance Corporation Nepal Limited	5000	1330	6,650,000	1,272	6,361,325	288,675
Sagarmatha Insurance Company Limited	3080	700	2,156,000	755	2,326,636	(170,636)
Neco Insurance Company Limited	11312	607	6,866,384	596	6,738,572	127,812
Nepal Doorsanchar Company Limited	21915	655	14,354,325	724	15,857,949	(1,503,624)
Siddhartha Equity Fund	98650	10	986,500	9.25	912,465	74,035
Laxmi Equity Fund	20400	8.77	178,908	7.24	147,780	31,128
NMB Hybrid Fund L1	134436	9.5	1,277,142	8.89	1,194,666	82,476
Sanima Equity Fund	60900	9.93	604,737	9.09	553,458	51,279
RMDC Laghubitta Bittiya Sanstha Limited	14192	701	9,948,592	635	9,017,010	931,582
Sana Kisan Laghubitta Bittiya Sanstha Limited	12233	1301	15,915,133	686	8,393,624	7,521,509
Chhimek Laghubitta Bittiya Sanstha Limited	27385	1090	29,849,650	821	22,470,349	7,379,301
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	18760	1015	19,041,400	852	15,991,022	3,050,378
Forward Community Microfinance Bittiya Sanstha Limited	833	1599	1,331,967	16	13,030	1,318,937
Samata Microfinance Bittiya Sanstha Limited	2054	660	1,355,640	90	184,700	1,170,940
Nerude Laghubitta Bittiya Sanstha Limited	13396	761	10,194,356	881	11,801,253	(1,606,897)
Mahuli Laghubitta Bittiya Sanstha Limited	1140	895	1,020,300	57	65,229	955,071
RSDC Laghubitta Bittiya Sanstha Limited	1130	542	612,460	520	587,038	25,423
Support Microfinance Bittiya Sanstha Limited	770	493	379,610	93	71,700	307,910
Aarambha Microfinance Bittiya Sanstha Limited	1105	633	699,465	54	59,600	639,865
Unnati Microfinance Bittiya Sanstha Limited	11	768	8,448	98	1,076	7,373
Nepal Sewa Laghubitta Bittiya Sanstha Limited	13876	866	12,016,616	809	11,225,759	790,857
Deprosc Laghubitta Bittiya Sanstha Limited	7175	1233	8,846,775	984	7,062,449	1,784,326
Swabalamban Laghubitta Bittiya Sanstha Limited	170	686	116,620	87	14,780	101,840
Chautari Laghubitta Bittiya Sanstha Limited	1077	434	467,418	94	100,700	366,718
Asha Laghubitta Bittiya Sanstha Limited	538	780	419,640	89	48,029	371,611
Swbhiman Laghubitta Bittiya Sanstha Limited	53	922	48,866	91	4,818	44,048
Infinity Laghubitta Bittiya Sanstha Limited	2076	823	1,708,548	91	188,700	1,519,848
Aadhikhola Laghubitta Bittiya Sanstha Limited	800	465	372,000	100	80,000	292,000
Citizen Investment Trust	5539	2428	13,448,692	2,398	13,285,041	163,651
Citizens Mutual fund 1	300	10.06	3,018	10	2,885	133
Himalayan Distillery Ltd.	3195	1599	5,108,805	1,647	5,262,303	(153,498)
Nepal Reinsurance Co Ltd.	14163	504	7,138,152	100	1,416,300	5,721,852
Sabaiko Laghubitta Bittiya Sanstha limited	1148	832	955,136	88	101,576	853,560
Sanjen Hydropower Co. Ltd.	20531	134	2,751,154	100	2,053,100	698,054
Shree Investment Finance Limited	1990	159	316,410	175	348,241	(31,831)
Rasuagadi Hydropower Co Ltd.	36986	616	5,547,900	100	3,698,600	1,849,300
Premier Insurance Co Ltd.	7840	616	4,829,440	681	5,341,202	(511,762)
Prime Life Insurance Co Ltd.	5062	531	2,687,922	591	2,990,172	(302,250)
NIC Asia Growth fund	1000	10.19	10,190	8.55	8,552	1,638
NIC Asia Laghubitta Bittiya Sanstha Limited	8647	532	4,600,204	100	864,700	3,735,504
Sub-Total (A)			641,122,702		702,608,375	(61,485,673)

To be continued...

Name	2077-78					
	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
UNLISTED						
NLG Insurance-Right Entitlement	17108	279.38	4,779,633	-	-	4,779,633
Shikhar Insurance- Right Entitlement	17267	286.16	4,941,125	-	-	4,941,125
Sadhana Laghubitta- IPO	1287	258.4	332,561	100	128,700	203,861
Ajod Insurance Ltd.-IPO	5455	154.68	843,779	100	545,500	298,279
Sub-Total (B)	-	-	10,897,098	-	674,200	10,222,898
Grand Total	-	-	652,019,800	-	703,282,575	(51,262,775)
Unrealised Gain / (Loss)					(51,262,775)	
Less: Previous year unrealised gain/(loss)					(147,719,349)	
Unrealised Gain / (Loss) This Year					96,456,574	

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 NPR 3,78,280.66 (NPR Three Lakh Seventy-Eight Thousand Two Hundred Eighty and paisa Sixty-Six Only) from Nepal Investment Bank Limited.
- Fund Management and Depository Fee incurred by NIBL Pragati Fund during the year amounts to NPR 18,354,351 (NPR One Crore Eighty-Three Lakh Fifty-Four Thousand Three Hundred and Fifty-One Only). The amount is payable to NIBL Ace Capital Limited.
- Fund management and depository fee payable at year end by NIBL Pragati Fund to NIBL Ace Capital Limited NPR 5,734,536 (NPR Fifty-Seven Lakh Thirty-Four Thousand Five Hundred and Thirty-Six Only).

- The Scheme has a Current/call account bank balance of NPR 41,291,171 (NPR Four Crore Twelve Lakh Ninety-One Thousand One Hundred Seventy-One Only) as on Balance Sheet date with the Fund Sponsor - Nepal Investment Bank Limited at the rate of 1% per annum.

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 proposed 50% Cash Dividend (including applicable withholding tax) for fiscal year 2077/78 to its unit-holders which amounts to NPR. 37,50,00,000 (Nepalese Rupees Thirty-Seven Crore and Fifty Lakh Only).

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

As per our Report of even date

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

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

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

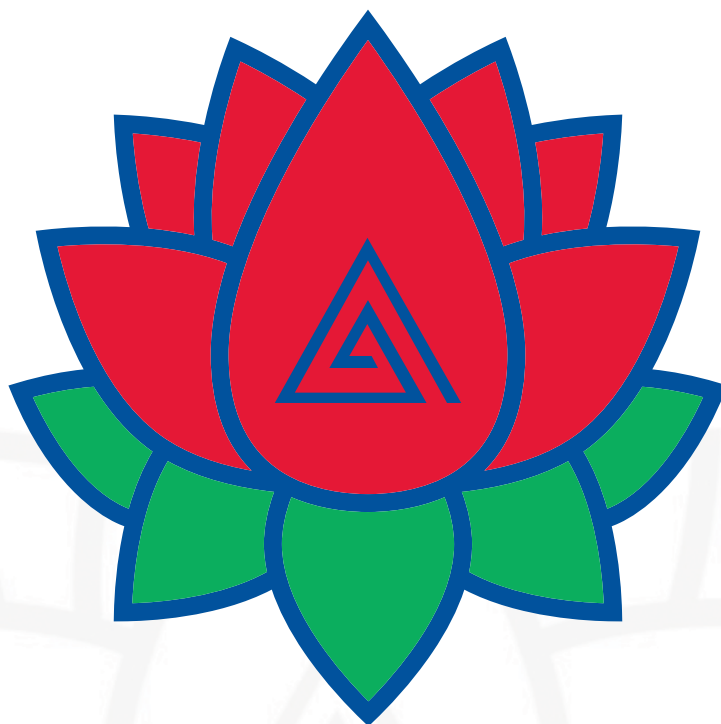
Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021

Place : Kathmandu



NIBL Sahabhagita Fund

"NIBL Sahabhagita Fund", an Open Ended Mutual Fund Scheme, has been designed under the NIBL Mutual Fund as the first ever Open Ended Mutual Fund Scheme after implementation of the Mutual Fund Regulations, 2067 and Mutual Fund Guidelines, 2069 issued by SEBON with Approved Scheme Size of NPR. 500 Million. Nepal Investment Bank Limited is the fund sponsor for this mutual fund scheme. The primary objective of the "NIBL Sahabhagita Fund" is to explore and establish open ended Mutual Fund in Nepalese Capital Market and provide investors' with alternative investment instrument across the country with ease of investment and liquidity. This scheme also encourages the conversion of savings into investments regularly for long period of time. On the other side, the investment objective of the scheme is to provide steady returns to unit-holders over the long period of time.

Fund Supervisor	
Name	Background
Dr. Bimal Prasad Koirala	PHD in economics with more than 33 years of experience in various government administration, industries and economic sector.
Dr. Shambhu Ram Simkhada	PHD International relation with more than 31 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 39 years of experience in the field of auditing.
Mr. Raju Nepal	Masters in Management with more than 23 years of Banking experience and expert in Management and Financial sector.

M.B. SHRESTHA & CO.

Chartered Accountants
Sankhamul Road
New Baneshwar

Tel : 4791818
Fax No. : 977-1-4791789
E-mail : mbsshrestha@gmail.com
G.P.O. Box : 720
Kathmandu, Nepal.

Ref. No. – 77.78-01-002

14 Shrawan 2078

**INDEPENDENT AUDITOR'S REPORT
TO THE UNIT HOLDERS OF NIBL SAHABHAGITA FUND
Report on the Audit of Financial Statements**

A. Opinion on the Financial Statements

1. We have audited the accompanying financial statements of NIBL Sahabagita Fund ("the Mutual Fund") which comprise the statement of financial position as at 31 Ashadh 2078 (corresponding to 15 July 2021), the statement of profit or loss, the statement of other comprehensive income, the statement of changes in unit holders fund and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the financial statements referred to above, present fairly, in all material respects, the financial position of the Mutual Fund as of 31 Ashadh 2078 (15 July 2021), and its performances, changes in Unit Holders Fund and its cash flows for the year ended on that date in conformity with Nepal Financial Reporting Standards (NFRS) and comply with Securities Act 2063, Security Board Regulation 2064, Mutual Fund Regulations 2067 and Mutual Fund Guidelines 2069 and other prevailing legislations.

B. Basis for Opinion

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

C. Key Audit Matters

5. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate on these matters.




Key Audit Matters

Investment Decisions by the Fund Manager

- The mutual fund manager makes investments on behalf of unitholders. The investment decisions as such shape a material portion of the scheme.

Unit Transactions with Unitholders

- Open-ended mutual funds issue and redeem units of the scheme as per the request.

Fees Payable to Supervisor, Manager and Depository

- The material expenses for a mutual fund in Nepal largely relate to the fees payable to the supervisors, manager and depository.
 - Rule 23 of the Mutual Fund Regulations, 2067 (4th Amendment) issued by SEBON specifies the maximum limit of the fees so payable by a mutual fund scheme.

How the scope of our audit responded to the Key Audit Matter

Our procedures included but were not limited to:

- Evaluate the results and returns from the investments on an average.
 - On a sample basis, evaluate the performance of the investments in comparison to market returns.

Our procedures included but were not limited to:

- Evaluate the process of new issue of units and redemption of units during the year.
 - Review the new units issued during the year on sample basis against the published net assets value.
 - On sample basis, review the units redeemed during the year as per the published net assets value.

Our procedures included but were not limited to:

- Review of the approved rates for the fees.
 - Evaluate the periodic gross net assets values factored to calculate the fees payable.

D. Other Information

6. The directors are responsible for the other information presented in the Mutual Fund's annual report. Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. We have nothing to report in this respect.

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

7. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Nepal Financial Reporting Standards (NFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, the management is responsible for assessing the Mutual Fund's ability to continue as a going concern, disclosing as applicable, matters related to going

concern and using the going concern basis of accounting unless management either intends to liquidate the Mutual Fund or to cease operations or has no realistic alternative but to do so.

9. Those charged with governance are responsible for overseeing the Mutual Fund's financial reporting process.

F. Auditor's Responsibilities for the Audit of Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.
11. As part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also :
 - 11.1 Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control. Evaluate appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the management.
 - 11.2 Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up-to the date of our auditor's report. However, future events or conditions may cause the Mutual Fund to cease to continue as a going concern.
 - 11.3 Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all

M.B. Shrestha & Co.
Chartered Accountants



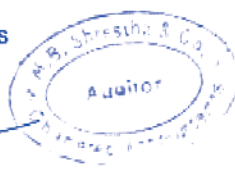
relationships and other matters that may reasonably be thought to bear our independence and where applicable, related safeguards.

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

G. Report on Other Legal and Regulatory Requirements

15. On examination of the financial statements as aforesaid, we report that:
 - 15.1 We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit as per NSA.
 - 15.2 The statement of financial position as at 31 Ashadh 2078 (15 July 2021) , the statement of profit or loss, other comprehensive income, statement of changes in Unit Holders fund and statement of Cash flow for the year then ended on that date, and the attached summary of significant accounting policies and notes to accounts dealt and other explanatory information (thereafter referred to as "the financial statements") dealt with by this report are prepared in accordance with Securities Act 2063, Security Board Regulation 2064, Mutual Fund Regulations 2067 and Mutual Fund Guidelines 2069 and other prevailing legislations.
 - 15.3 In our opinion, proper books of account as required by law have been kept by the Mutual 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 books of accounts.
 - 15.4 In our opinion and to the best of our information and according to the explanations given to us and from our examination of the books of account of the Mutual Fund, we have not come across the cases where the Board of Directors or the representative or any employee of the Mutual Fund has acted deliberately contrary to the provisions of the law relating to accounts or caused loss or damage to the Mutual Fund nor have we been informed of any such case by the management.

For and on behalf of,
M.B. Shrestha & Co.
 Chartered Accountants
 Kathmandu

CA. Maheswarendra Bdr. Shrestha
 Proprietor
 UDIN: 210729CA001178DIYk

M.B. Shrestha & Co.
 Chartered Accountants

NIBL Sahabhagita Fund

(Sponsored by Nepal Investment Bank Ltd. and Managed by NIBL Ace Capital Ltd.)
Statement of Financial Position as at 31st Ashad 2078 (15th July, 2021)

NPR

Particulars	Notes	FY 2077/78	FY 2076/77
Assets			
Current Assets			
Cash and Cash Equivalents	3.2	147,493,911	77,410,040
Other Current Assets	4.5	45,044,278	9,599,194
Financial Assets Held at Amortized Cost	13	118,497,000	32,513,000
Financial Assets Held at Fair Value Through Profit or Loss	4.6	240,780,842	108,911,072
Total		551,816,032	228,433,305
Liabilities			
Current Liabilities			
Accrued Expenses & Other Payables	5.2	2,697,684	1,966,590
Liabilities (Excluding Net Assets Attributable to Unitholders Unit Holder's Funds)		2,697,684	1,966,590
Net Assets Attributable to Unit Holders	6	549,118,347	226,466,715
Total		551,816,032	228,433,305
Outstanding Units		31,467,466	20,461,337
NAV per Unit		17.45	11.07

Schedules and Explanatory Notes forms integral part of Statement of Position

As per our Report of even date

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

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

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021
Place : Kathmandu

NIBL Sahabhagita Fund

(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 2077 to 31st Ashad 2078 (16th July 2020 to 15th July 2021)

NPR

Particulars	Notes	Ashad End 2078	Ashad End 2077
Income			
Interest Income	7.2	9,038,895	9,598,446
Dividend Income	7.3	829,639	1,075,384
Net Gains/(Losses) on Financial Assets at Fair Value through Profit or loss	14(b)	183,895,187	16,123,997
Exit Load Incomes		227,738	-
Other Income		5,746	-
Total		193,997,205	26,797,827
Expenses and Losses			
Fund Management Fees	8.1	4,797,009	2,570,113
Depository Fees	8.1	767,521	645,174
Fund Supervisors Fees	8.1	410,168	396,209
Publication Expenses		153,890	160,986
Audit Fees		113,000	113,000
Bank Charges		5,450	3,095
Fund Management Quality Rating Expense		12,389	-
Book Building Registration Expenses-SEBON		10,000	-
Other Annual Operating Expenses		182,206	449,443
Total expenses		6,451,633	4,338,020
Net Gains/(Losses) for the Period		187,545,572	22,459,808
Other Comprehensive income		-	-
Net Surplus/(Deficit) for the period		187,545,572	22,459,808

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

As per our Report of even date

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

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

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021

Place : Kathmandu

NIBL Sahabhagita Fund

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

Statement of Cash Flow

For the Period from 1st Shrawan 2077 to 31st Ashad 2078 (16th July 2020 to 15th July 2021)

NPR

Particulars	Ashad End 2078	Ashad End 2077
A. Cash Flow from Operating Activities		
Surplus/ (Deficit) for the year	187,545,572	22,459,808
Adjustments For :		
Increase/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	(23,971,406)	(3,644,717)
Increase/(Decrease) in Liabilities	731,094	(1,350,287)
(Increase)/Decrease in Share	(107,898,365)	(87,039,730)
(Increase)/Decrease in Debenture	(24,484,000)	(12,513,000)
(Increase)/Decrease in Fixed Deposit	(61,500,000)	(15,000,000)
(Increase)/Decrease in Other Assets	(35,445,084)	(9,599,194)
Net Cash Generated /(used) in Operations (1)	(65,022,189)	(106,687,120)
B. Cash Flow from Financing Activities		
Issue of Unit Capital	152,393,167	4,872,617
Dividend Paid during the year	(17,287,106)	-
Net Cash Generated / (used) in financing (2)	135,106,061	4,872,617
C. Cash Flow from Investing Activities	-	-
Net cash generated/(used) in investing (3)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	70,083,872	(101,814,503)
Cash and Cash Equivalents at beginning of the year/period	77,410,040	179,224,543
Cash and Cash Equivalents at end of period	147,493,911	77,410,040
Components of Cash and Cash Equivalents		
Balance with Banks	147,493,911	77,410,040

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

As per our Report of even date

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

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

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021

Place : Kathmandu

NIBL Sahabhagita Fund

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

Statement of Change in Equity

For the Period from 1st Shrawan 2077 to 31st Ashad 2078 (16th July 2020 to 15th July 2021)

NPR

Particular	Ashad End 2078	Ashad End 2077
Unit Holders' Fund at the Beginning of the Year/Period	226,466,715	199,134,291
Issue of Unit Capital	110,061,299	4,613,365
Unit Reserve Capital	42,331,868	259,251
Increase in Net Assets Attributable to Unit Holders:		
Net Gains/(Losses) for the Period	187,545,572	22,459,808
Other Comprehensive Income	-	-
Distribution to Unit Holders'	(17,287,106)	-
Unit Holders' Fund at the End of the Year/Period	549,118,347	226,466,715

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

As per our Report of even date

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

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

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021

Place : Kathmandu

Notes to the Financial Statements as of Ashad End 2078 (15th July 2021)

1. General Information of the Scheme

Fund	NIBL Mutual Fund
Scheme	NIBL Sahabagita 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	Dr. Bimal Prasad Koirala Dr. Shambhu Ram Simkhada Dr. Durgesh Man Singh CA. Jitendra Bahadur Rajbhandari Mr. Raju Nepal
Total Authorized Units of Scheme	50,000,000 (Fifty Million Units)
Outstanding Units of Scheme	31,467,466 (Thirty-One Million Four Hundred Sixty-Seven Thousand Four Hundred Sixty-Six Units)
Total Unit Capital	NPR. 314,674,660 (NPR. Three Hundred Fourteen Million Six Hundred Seventy-Four Thousand Six Hundred Sixty)
Scheme type	Open-ended

(the Scheme) under NIBL Mutual Fund (the Fund) is registered under Mutual Fund Regulations, 2067 as Nepal's first Open Ended Mutual Fund, a diversified investment scheme. The primary objective of the scheme is to explore and establish open ended Mutual Fund in Nepalese Capital Market and provide investor's with alternative investment instrument across the country with ease of investment and liquidity. This scheme also encourages the conversion of savings into investments regularly for long period of time. On the other side, the investment objective of the scheme is to provide steady returns to unit-holders over the long period of time.

The Scheme commenced its operation on 24th Ashad, 2076 (Scheme allotment date) B.S. The scheme is not required to be listed in Nepal Stock Exchange (NEPSE) and the units are traded on the Fund Managers' end. The Scheme's Financial Statements for the year 2077/78 were approved by the Board of Directors of the NIBL Ace Capital Limited held on 14th Shrawan, 2078 being the Fund Management and Depository Company. Similarly, the Fund Supervisors' consent on the approved Financial Statements has also been duly obtained.

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	6,500,000	65,000,000	21%
NIBL Ace Capital Limited	Fund Manager / Depository	1,071,270	10,712,700	3%
General Public		23,896,196	238,961,960	76%
Total		31,467,466	314,674,660	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, Mutual Fund regulation 2067 (Amendments 2076), other 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 unit-holders.

2.3. Reporting Pronouncements

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

2.4. Accounting Conventions

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

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

2.5. Presentation

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

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

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

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

2.6. Presentation currency

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

2.7. 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 judgments 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 are revised and 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.

2.8. Financial Periods

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

2.9. Discounting

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

2.10. Limitation of NFRS implementation

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

3. 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	31 Ashad 2078	31 Ashad 2077
Cash at Bank	147,493,911	77,410,040
Total	147,493,911	77,410,040

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 unit-holders. The Funds' principal financial liabilities comprise accrued expenses and other payables which arise directly from its operations.

In Accordance with NFRS 9; Financial Instruments: Recognition and Measurement, the Fund's interest receivables are classified as 'Financial Assets measured at Amortized Cost'. Equity securities / debentures are classified as fair value through profit and loss. The amount attributable to unit holders 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.

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 has 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.

4.3 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.

4.4 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

4.5 Other Current Assets

S.N.	Particulars	31 Ashad 2078	31 Ashad 2077
1	Dividend Income Receivable	16,237	5,808
2	Interest Receivables	2,487,128	648,136
3	Broker Receivables	42,209,343	8,898,461
4	Prepaid Expenses	23,969	12,389
5	Other Receivables	307,600	34,400
Total Amount		45,044,278	9,599,194

4.6 Financial Assets Held at Fair Value Through Profit or Loss

Particulars	Ashad End 2078	Ashad End 2077
Financial Assets Held for Trading		
Equity Security	240,780,842	108,911,072
Total Financial Assets held for Trading (A)	240,780,842	108,911,072
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)	240,780,842	108,911,072

Comparative Investment in Listed Shares

S.N.	Name of Companies	Ashad End 2078			Ashad End 2077		
		Unit	Value per Unit	Value Amount (NPR)	Unit	Value per Unit	Value Amount (NPR)
1	Prabhu Bank Limited	18,070	457	8,257,990	16,080	230	3,698,400
2	Kumari Bank Limited	-	-	-	13,675	186	2,543,550
3	Siddhartha Bank Limited	7,956	504	4,009,824	11,436	296	3,385,056
4	Global IME Bank Limited	14,138	441	6,234,858	17,198	239	4,110,322
5	Neco Insurance Co. Ltd.	5,738	1,348	7,734,824	4,774	607	2,897,818
6	Siddhartha Equity Fund	-	-	-	139,400	10.00	1,394,000
7	Sanima Bank Limited	3,021	485	1,465,185	10,514	330	3,469,620
8	Garima Bikas Bank Limited	-	-	-	5,000	223	1,115,000

To be continued...

S.N.	Name of Companies	Ashad End 2078			Ashad End 2077		
		Unit	Value per Unit	Value Amount (NPR)	Unit	Value per Unit	Value Amount (NPR)
9	Sanima Equity Fund	-	-	-	85,790	9.93	851,895
10	Gandaki Bikas Bank Limited	-	-	-	3,840	201	771,840
11	Nabil Bank Limited	5,500	1,359	7,474,500	8,860	765	6,777,900
12	Prime Commercial Bank Ltd.	15,258	479	7,308,582	16,586	255	4,229,430
13	Forward Community Microfinance Bittiya Sanstha Ltd.	-	-	-	227	1,599	362,973
14	Machhapuchhre Bank Limited	-	-	-	5,707	220	1,255,540
15	Prime Life Insurance Company Limited	4,143	954	3,952,422	5,637	531	2,993,247
16	Shree Investment Finance Co. Ltd.	-	-	-	2,889	159	459,351
17	NIC Asia Bank Ltd.	8,342	994	8,291,948	4,622	553	2,555,966
18	Mega Bank Nepal Ltd.	-	-	-	8,948	208	1,861,184
19	Chhimek Laghubitta Bikas Bank Limited	5,000	1,738	8,690,000	7,735	1,090	8,431,150
20	NIC Asia Growth Fund	-	-	-	12,900	10.19	131,451
21	Mahalaxmi Bikas Bank Ltd.	-	-	-	4,000	183	732,000
22	Deprosc Laghubitta Bittiya Sanstha Limited	6,973	1,686	11,756,478	3,000	866	2,598,000
23	Agriculture Development Bank Limited	9,073	479	4,345,967	14,398	385	5,543,230
24	Sabaiko Laghubitta Bittiya Sanstha Limited	-	-	-	898	832	747,136
25	Adhikhola Laghubitta Bittiya Sanstha Limited	600	465	279,000	600	465	279,000
26	Sana Kisan Bikas Bank Ltd	-	-	-	136	1,301	176,936
27	Nepal Bank Limited	-	-	-	12,249	249	3,050,001
28	Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	-	-	-	6,312	1,015	6,406,680
29	Laxmi Bank Limited	-	-	-	15,556	209	3,251,204
30	Bank of Kathmandu Ltd.	-	-	-	7,900	219	1,730,100
31	Sunrise Bank Limited	-	-	-	8,419	234	1,970,046
32	Swabalamban Laghubitta Bittiya Sanstha Limited	-	-	-	13	1,233	16,029
33	NMB Bank Limited	7,270	440	3,198,800	13,477	397	5,350,369
34	Jyoti Bikas Bank Limited	-	-	-	5,500	166	913,000
35	Shine Resunga Development Bank Ltd.	-	-	-	11,030	222	2,448,660
36	Miteri Development Bank Limited	-	-	-	185	307	56,795
37	Premier Insurance Co. Ltd.	6,281	1,170	7,348,770	5,989	616	3,689,224
38	ICFC Finance Limited	-	-	-	2,574	173	445,302
39	Life Insurance Co. Nepal	4,335	2,342	10,152,570	6,433	1,330	8,555,890
40	Nepal Reinsurance Company Limited	-	-	-	5,030	504	2,535,120
41	NIC ASIA Laghubitta Bittiya Sanstha Limited	-	-	-	6,486	532	3,450,552
42	Surya Life Insurance Company Limited	6,536	922	6,026,192	-	-	-
43	Samaj Laghubitta Bittiya Sanstha Limited	120	166	19,945	-	-	-
44	First Micro Finance Development Bank Ltd.	5,328	823	4,384,944	-	-	-
45	Everest Bank Limited	10,970	738	8,095,860	-	-	-
46	Sanjen Jalavidhyut Company Limited	14,614	449	6,561,686	-	-	-
47	Rasuwigadhi Hydropower Company Limited	10,146	474	4,809,204	-	-	-
48	Nepal Doorsanchar Comapany Limited	5,024	1,314	6,601,536	-	-	-
49	National Life Insurance Co. Ltd.	9,234	1,151	10,628,334	-	-	-
50	Mero Microfinance Bittiya Sanstha Ltd.	1,510	1,546	2,334,460	-	-	-
51	Nepal Infrastructure Bank Limited	41,890	492	20,609,880	-	-	-
52	Kumari Equity Fund	250,000	11	2,625,000	-	-	-
53	Grameen Bikas Laghubitta Bittiya Sanstha Ltd.	2,000	1,225	2,450,000	-	-	-
54	Nerude Laghubita Bikas Bank Limited	2,900	1,600	4,640,000	-	-	-
55	Nirdhan Utthan Laghubitta Bittiya Sanstha Limited Promoter Share	16,298	600	9,778,800	-	-	-
Total				190,067,559			107,240,967

Comparative Investment in Unlisted Shares

S.N.	Name of Companies	Ashad End 2078			Ashad End 2077		
		Unit	Value per Unit	Value Amount (NPR)	Unit	Value per Unit	Value Amount (NPR)
1	Right Entitlement-Shikhar Insurance	-	-	-	2,753.00	286.16	787,798.48
2	Sadhana Laghubitta- IPO	-	-	-	965.00	258.40	249,356.00
3	Ajod Insurance Ltd.-IPO	-	-	-	4,092.00	154.68	632,950.56
4	Jeevan Bikas Laghubitta Bittiya Sanstha Ltd- IPO	685	547.05	374,729	-	-	-
5	Manakamana Smart Laghubitta Bittiya Sanstha-IPO	135	513.29	69,294	-	-	-
6	Union Life Insurance Co. Ltd.-IPO	2,073	116.93	242,396	-	-	-
7	Mailung Khola Hydropower Co.Ltd.-IPO	237	113.35	26,864	-	-	-
8	Citizen Unit Scheme	100,000	100.00	10,000,000	-	-	-
9	Citizen Unit Scheme	100,000	100.00	10,000,000	-	-	-
10	Citizen Unit Scheme	300,000	100.00	30,000,000	-	-	-
Total				50,713,283			1,670,105

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	Ashad End 2078	Ashad End 2077
Provision For Audit Fee	113,000	113,000
Provision For Reporting Expense	17,372	21,000
TDS Liability	279,489	43,689
Business Payables- Brokers	-	-
Unit Transactions Payables	20,960	31,768
Fund Management Fee Payable- NIBL Ace Capital	1,695,967	1,298,434
Depository Fee Payables- NIBL Ace Capital	271,355	240,896
Supervisor Fee Payables	140,498	106,647
Exit Load Payables- NIBL Ace Capital	-	41,157
Other Payables	-	70,000
Software AMC Payable- PCS	89,044	-
Provision For Software AMC- CDSC	20,000	-
Provision For Unit Dematerialization AMC- CDSC	50,000	-
Total	2,697,684	1,966,590

Fund management fee and depository fee includes fee payable to NIBL Ace Capital Limited for fund management and depository services. Supervisor's SEBON Fee Payables includes an amount payable to SEBON which is equal to 3% of Supervisor fee.

6. Net Assets Attributable to Unit-holders

Unit-holders' 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 unit-holders, 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.niblcapiatal.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 unit-holders as capital (which includes unit capital, realized and unrealized gain), notwithstanding net assets attributable to unit-holders are classified as a liability. The amount of net assets attributable to unit-holders can change significantly on a daily basis.

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

Particular	Ashad End 2078	Ashad End 2077
Unit Holders' Fund at the Beginning of the Year/Period	226,466,715	199,134,291
Issue of Unit Capital	4,613,365	4,613,365
Unit Reserve Capital	259,251	259,251
Increase in Net Assets Attributable to Unit Holders:		
Net Gains/(Losses) for the Period	187,545,572	22,459,808
Other Comprehensive Income		-
Distribution to Unit Holders'	(17,287,106)	-
Unit Holders' Fund at the End of the Year/Period	549,118,347	226,466,715

Unit Reserve Capital reflects the net difference between the face value and traded daily NAV of unit transactions of the Scheme.

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

S.N.	Particulars	Ashad End 2078	Ashad End 2077
1	Interest Income on Debentures	718,608	567,655
2	Interest Income on Fixed Deposit	3,875,914	2,167,298
3	Interest Income on Call Deposits	4,444,372	6,863,493
Total Amount		9,038,895	9,598,446

7.3 Dividend Income

Particulars	Ashad End 2078	Ashad End 2077
Dividend Income Realized	829,639	1,075,384
Total	829,639	1,075,384

8. Expenses

8.1. Fund Management, Depository and Supervisor Fees

Fund Management, Depository and Supervisors fees, are recognized in profit or loss on accruals basis.

The management participation fees of the fund of the period 1st Shrawan 2077 to 31st Ashad 2078 are as follows:

- Fund Management Fees : 1.25% of Net Assets Value (NAV)
- Depository Fees : 0.2% of NAV
- Fund Supervisor Fees : 0.12% of NAV

Total Fund Management, Depository & Fund Supervisor's Fees are calculated and recognized as per the Mutual Fund Regulation 2067 and Mutual Fund Guidelines, 2069.

The total fees are presented in Nepalese currency and charged as under:

Particulars	Ashad End 2078	Ashad End 2077
Fund Management Fee	4,797,009	2,570,113
Depository Fee	767,521	645,174
Fund Supervisor Fee	410,168	396,209
Total	5,974,698	3,611,496

9. Income Tax

Income Tax Act, 2058 has not specifically charged corporate tax liability on Mutual Fund. 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 Fund is not considered. However, the Office of the Auditor's General in its 56th Annual Report has raised concern on taxability of the mutual fund. Further, the finance ordinance of FY 2078/79 has included Mutual Fund under Section 10 of the Income Tax Act, 2058 as tax exempt entities. TDS on return from mutual fund (i.e.; dividend) paid to individual is deducted at 5% which is final and to entity is tax deducted at 15% (which is not final). Therefore, the fund management is of the view that return from the fund is duly taxed as per the principal of income tax and is not subject to further tax liability for FY 2077/78.

10. Distributions

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

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.

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

Pex = Ex-right price

Pof = 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 2078	Ashad End 2077
Debentures	36,997,000	12,513,000
Fixed Deposit	81,500,000	20,000,000
Total	118,497,000	32,513,000

Note (a):

The investment on fixed deposit is 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 2078	Ashad End 2077
Net Realized Gains/(Losses) on Financial Assets at Fair Value Through Profit or loss	159,923,781	12,479,281
Net Unrealized Gains/(Losses) on Financial Assets at Fair Value Through Profit or Loss	23,971,406	3,644,717
Total	183,895,187	16,123,997

Computation of Unrealized Gains for FY 2077/78:

Name of Companies	2077-78					
	Type	Unit	Value	Cost Price	Total Cost	Gain/ (Loss)
Listed Companies						
Prabhu Bank Limited	Ordinary	18,070	457	8,257,990	441	7,967,164
Siddhartha Bank Limited	Ordinary	7,956	504	4,009,824	387	3,079,557
Global IME Bank Limited	Ordinary	14,138	441	6,234,858	419	5,918,947
Neco Insurance Co. Ltd.	Ordinary	5,738	1,348	7,734,824	1,420	8,147,520
Sanima Bank Limited	Ordinary	3,021	485	1,465,185	322	974,027
Nabil Bank Limited	Ordinary	5,500	1,359	7,474,500	1,086	5,975,312
Prime Commercial Bank Ltd.	Ordinary	15,258	479	7,308,582	428	6,525,025
Prime Life Insurance Company Limited	Ordinary	4,143	954	3,952,422	773	3,204,110
NIC Asia Bank Ltd.	Ordinary	8,342	994	8,291,948	867	7,231,463
Chhimek Laghubitta Bikas Bank Limited	Ordinary	5,000	1,738	8,690,000	1,555	7,773,616

To be continued...

Name of Companies	2077-78					
	Type	Unit	Value	Cost Price	Total Cost	Gain/ (Loss)
Deprosc Laghubitta Bittiya Sanstha Limited	Ordinary	6,973	1,686	11,756,478	1,486	10,360,267
Agriculture Development Bank Limited	Ordinary	9,073	479	4,345,967	425	3,854,559
Adhikhola Laghubitta Bittiya Sanstha Limited	Ordinary	600	465	279,000	100	60,000
NMB Bank Limited	Ordinary	7,270	440	3,198,800	372	2,702,942
Premier Insurance Co. Ltd.	Ordinary	6,281	1,170	7,348,770	1,147	7,204,515
Life Insurance Co. Nepal	Ordinary	4,335	2,342	10,152,570	2,099	9,098,972
Surya Life Insurance Company Limited	Ordinary	6,536	922	6,026,192	878	5,740,207
Samaj Laghubitta Bittiya Sanstha Limited	Ordinary	120	166	19,945	100	12,000
First Micro Finance Development Bank Ltd.	Ordinary	5,328	823	4,384,944	673	3,583,716
Everest Bank Limited	Ordinary	10,970	738	8,095,860	727	7,973,649
Sanjen Jalavidhyut Company Limited	Ordinary	14,614	449	6,561,686	436	6,375,337
Rasuwadaghi Hydropower Company Limited	Ordinary	10,146	474	4,809,204	476	4,832,663
Nepal Doorsanchar Comapany Limited	Ordinary	5,024	1,314	6,601,536	1,348	6,773,693
National Life Insurance Co. Ltd.	Ordinary	9,234	1,151	10,628,334	1,227	11,332,213
Mero Microfinance Bittiya Sanstha Ltd.	Ordinary	1,510	1,546	2,334,460	1,138	1,718,073
Nepal Infrastructure Bank Limited	Ordinary	41,890	492	20,609,880	120	5,007,450
Kumari Equity Fund	Ordinary	250,000	11	2,625,000	10	2,500,000
Grameen Bikas Laghubitta Bittiya Sanstha Ltd.	Ordinary	2,000	1,225	2,450,000	1,243	2,485,722
Nerude Laghubita Bikas Bank Limited	Ordinary	2,900	1,600	4,640,000	1,751	5,076,975
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited Promoter Share	Promoter	16,298	600	9,778,800	552	8,992,161
Sub-Total (A)				190,067,559		162,481,856
Unlisted Companies						
Jeevan Bikas Laghubitta Bittiya Sanstha Ltd- IPO	Ordinary	685	547.05	374,729	100.00	68,500
Manakamana Smart Laghubitta Bittiya Sanstha-IPO	Ordinary	135	513.29	69,294	100.00	13,500
Union Life Insurance Co. Ltd.-IPO	Ordinary	2,073	116.93	242,396	100.00	207,300
Mailung Khola Hydropower Co.Ltd.-IPO	Ordinary	237	113.35	26,864	100.00	23,700
Citizen Unit Scheme	MF	100,000	100.00	10,000,000	100.00	10,000,000
Citizen Unit Scheme	MF	100,000	100.00	10,000,000	100.00	10,000,000
Citizen Unit Scheme	MF	300,000	100.00	30,000,000	100.00	30,000,000
Sub-Total (B)				50,713,283		50,313,000
Grand Total				240,780,842		212,794,856
Unrealised Gain/(Loss)						27,985,986
Less: Previous Year Unrealised Gain/(Loss)						4,014,580
Unrealised Gain/(Loss) This Year						23,971,406

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 65,000,000 (at par value of NPR 10 per unit)
- Unit Holding of NIBL Ace Capital Limited (Fund Management) amounts to NPR 10,712,700 (at par value of NPR 10 per unit)
- NIBL Sahabhagita Fund has earned interest amounting to NPR 1,75,278.08 (NPR. One Lakh Seventy-Five Thousand Two Hundred Seventy-Eight and paisa Eight Only) from Nepal Investment Bank Limited.
- Fund Management and Depository Fee incurred by NIBL Sahabhagita Fund during the year amounts to NPR. 5,564,530 (NPR. Fifty-Five Lakh Sixty-Four Thousand Five Hundred and Thirty Only). The amount is payable to NIBL Ace Capital Limited.
- Fund management and depository fee payable by NIBL Sahabhagita Fund to NIBL Ace Capital Limited NPR. 1,967,321 (NPR. Nineteen Lakh Sixty-Seven Thousand Three Hundred Twenty-One Only).
- The Scheme has a Call/Current account bank balance of NPR. 22,893,082 (NPR. Two Crore Twenty-Eight Lakh Ninety-Three Thousand and Eighty-Two Only) as on Balance Sheet date with the Fund Sponsor-Nepal Investment Bank Limited.

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. Proposed Dividend

The scheme has proposed 50% Cash Dividend (including applicable withholding tax) for fiscal year 2077/78 to its outstanding unit-holders as of 29th July, 2021 (14th Shrawan, 2078) which is also the Announcement/Book Closure Date.

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

As per our Report of even date

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

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

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

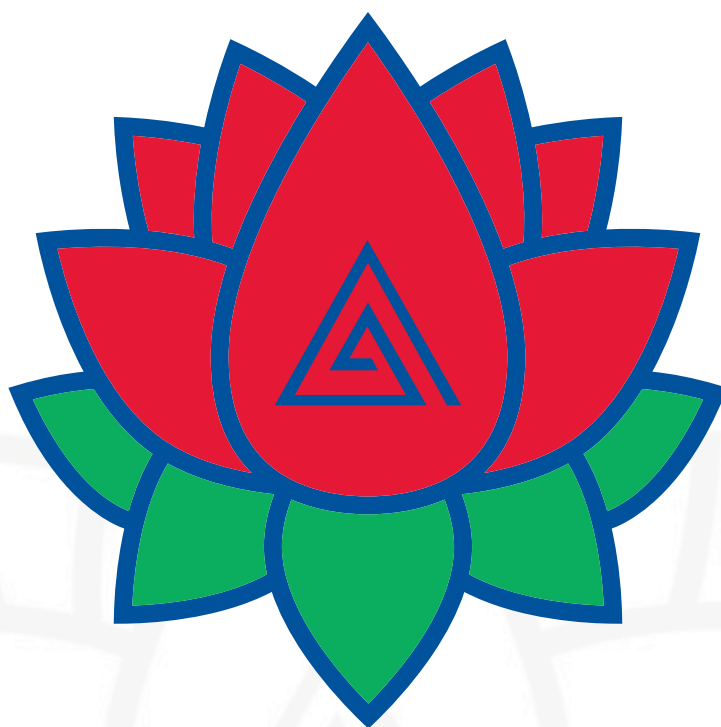
Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021

Place : Kathmandu



NIBL Samriddhi Fund- II

NIBL Samriddhi Fund-II is a closed end mutual fund scheme with a corpus of NPR 1.5 Billion. Nepal Investment Bank Limited is a 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. This scheme has a maturity period of 10 Years from the date of allotment of units.

Fund Supervisor	
Name	Background
Dr. Bimal Prasad Koirala	PHD in economics with more than 33 years of experience in various government administration, industries and economic sector.
Dr. Shambhu Ram Simkhada	PHD International relation with more than 31 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 39 years of experience in the field of auditing.
Mr. Raju Nepal	Masters in Management with more than 23 years of Banking experience and expert in Management and Financial sector.

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 SAMRIDDHI FUND II**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of NIBL Samriddhi Fund II ("the Scheme"), which comprise the Statement of Financial Position as at Ashad 31, 2078, (July 15, 2021), the Statement of Profit or Loss (including Other Comprehensive Income), the Statement of Change in Unit Holders' Fund and the Statement of Cash Flows for the period then ended from 24th Baisakh 2078 to 31st Ashad 2078, and a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid the financial statements presents fairly, in all material respects, the financial position of the Scheme, as at Ashad 31, 2078 (July 15, 2021), and its financial performance, changes in Unit Holders' Fund, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Financial Reporting Standards (NFRS) and other prevailing laws.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of financial statement as a whole, and in forming the auditor opinion thereon, and the auditor does not provide a separate opinion on these matters.

We have determined that there are not any key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Scheme's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management report, Report of the Board of Directors and Chairman's statement but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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 the financial statements that are free from material misstatement, whether due to fraud and error.

In preparing the financial statements, management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

The Board of Directors / Scheme managers are responsible for overseeing the Scheme's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

- i. The Financial Statement dealt 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 other prevailing laws 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 the cases where any office holder or any employee of the Scheme has acted contrary to the provisions of law or caused loss or damage to the Scheme.
- iii. The Scheme has maintained the required internal control system.
- iv. We have not come across any cases where the Scheme has conducted any activities against the capital market and the interest of unit holders.
- v. The Scheme has effective internal audit system.
- vi. The Scheme has invested its funds according to Mutual Fund Regulations 2067
- vii. The operations of the Scheme were found satisfactory

Place: Kathmandu
Date: 29th July 2021
UDIN: 210801CA004855t3r8



For, S. R. Pandey & Co.
Chartered Accountants


Arun Raut, FCA
Partner

NIBL Samriddhi Fund-II

(Sponsored by Nepal Investment Bank Ltd. and Managed by NIBL Ace Capital Ltd.)
Statement of Financial Position as at 31st Ashad 2078 (15th July, 2021)

NPR

Particulars	Notes	31 Ashad 2078	31 Ashad 2077
Assets			
Current Assets			
Cash and Cash Equivalents	3.2	543,679,283	-
Other Current Assets	4.6	22,949,961	-
Financial Assets Held at Amortized Cost	14	280,922,000	-
Financial Assets Held at Fair Value Through Profit or Loss	4.7	659,027,045	-
Total		1,506,578,289	-
Liabilities			
Current Liabilities			
Accrued Expenses & Other Payables	5.2	7,302,880	-
Liabilities (Excluding Net Assets Attributable to Unitholders) Unit Holder's Funds		7,302,880	-
Net Assets Attributable to Unit Holders	6	1,499,275,409	-
Total		1,506,578,289	-
NAV per Unit			
		10.00	-

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

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

Arun Raut, FCA
Partner
S. R. Pandey & Co.
Chartered Accountants

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021
Place : Kathmandu

NIBL Samriddhi Fund-II

(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 24th Baisakh 2078 to 31st Ashad 2078 (7th May 2021 to 15th July 2021)

NPR

Particulars	Notes	For the period from 24 th Baisakh 2078 to 31 st Ashad 2078	31 st Ashad 2077
Income			
Interest Income	7.2	6,020,508	-
Dividend Income	7.3	8,415	-
Net Profit/(Loss) on Financial Assets Held at Fair Value through Profit and Loss	15b	6,381,954	-
Other Income		-	-
Total		12,410,877	-
Expenses and Losses			
Fund Management fees		4,311,423	-
Depositary Fees		574,856	-
Fund Supervisors Fees		344,914	-
Publication Expenses		39,084	-
Listing Fees		50,000	-
DP Expense		50	-
Audit Fees		113,000	-
Bank Charges		1,495	-
Book Building Registration Expenses- SEBON		10,000	-
Other Expenses		-	-
Annual Service Charges on Software		15,067	-
Pre-operating Expenses		7,505,580	-
CDS Dematerialisation Registration Fee		170,000	-
Total expenses		13,135,468	-
Net Gains/(Losses) for the Period		(724,591)	-
Other Comprehensive income		-	-
Net Surplus/(Deficit) for the period		(724,591)	-

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

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

As per our Report of even date

Arun Raut, FCA
Partner
S. R. Pandey & Co.
Chartered Accountants

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021

Place : Kathmandu

NIBL Samriddhi Fund-II

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

Statement of Cash Flows

For the Period from 24th Baisakh 2078 to 31st Ashad 2078 (7th May 2021 to 15th July 2021)

NPR

Particulars	For the period from 24 th Baisakh 2078 to 31 st Ashad 2078	31 st Ashad 2077
A. Cash Flow from Operating Activities		
Surplus/ (Deficit) for the year	(724,591)	-
Adjustments for:		
Increase/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	2,217,925	-
Increase/(Decrease) in Liabilities	7,302,880	-
(Increase)/Decrease in Share	(661,244,970)	-
(Increase)/Decrease in Debenture	(60,922,000)	-
(Increase)/Decrease in Fixed Deposit	(220,000,000)	-
(Increase)/Decrease in Other Assets	(22,949,961)	-
Net cash generated/(used) in Operations (1)	(956,320,717)	-
B. Cash Flow from Financing Activities		
Issue of Unit Capital	1,500,000,000	-
Dividend Paid during the year	-	-
Net cash generated/(used) in financing (2)	1,500,000,000	-
C. Cash Flow from Investing Activities		
Net cash generated/(used) in investing (3)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	543,679,283	-
Cash and Cash Equivalents at beginning of the year/period	-	-
Cash and Cash Equivalents at end of period	543,679,283	-
Components of Cash and Cash Equivalents		
Balance with Banks	543,679,283	-

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

As per our Report of even date

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

Arun Raut, FCA
Partner
S. R. Pandey & Co.
Chartered Accountants

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021

Place : Kathmandu

NIBL Samriddhi Fund-II

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

Statement of Change in Unit Holder's Fund

For the Period from 24th Baisakh 2078 to 31st Ashad 2078 (7th May 2021 to 15th July 2021)

NPR

Particular	For the period from 24 th Baisakh 2078 to 31 st Ashad 2078	31 st Ashad 2077
Unit Holders' Fund at the Beginning of the Year/Period	1,500,000,000	-
Increase in Net Assets Attributable to Unit Holders:		
Net Gains/(Losses) for the Period	(724,591)	-
Other Comprehensive income	-	-
Distribution to Unit Holders'	-	-
Unit Holders' Fund at the End of the Year/Period	1,499,275,409	-

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

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

Arun Raut, FCA
Partner
S. R. Pandey & Co.
Chartered Accountants

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021

Place : Kathmandu

Notes to the Financial Statements as of 31st Ashad 2078 (15th July 2021)

1. General Information of the Scheme

Fund	NIBL Mutual Fund
Scheme	NIBL Samriddhi Fund- II
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	Dr. Bimal Prasad Koirala Dr. Shambhu Ram Simkhada Dr. Durgesh Man Singh CA. Jitendra Bahadur Rajbhandari Mr. Raju Nepal
Total Units of Scheme	150,000,000 (One Hundred Fifty Million Units)
Total Unit Capital	NPR 1,500,000,000 (NPR One Billion Five Hundred Million)
Scheme type	Close-ended

NIBL Samriddhi Fund- II (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 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 Scheme commenced its operation on 24th Baishakh 2078 (Scheme allotment date) B.S. with maturity period of 10 years (i.e. 23rd Baishakh 2088 B.S.). It was listed in NEPSE on 11th Ashad 2078. The Scheme's Financial Statements for the year 2077/78 were approved by the Board of Directors of the NIBL Ace Capital Limited on 14th Shrawan, 2078 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	29,000,000	290,000,000	19.33%
NIBL Ace Capital Limited	Fund Manager / Depository	1,000,000	10,000,000	0.67%
General Public		120,000,000	1,200,000,000	80.00%
Total		150,000,000	1,500,000,000	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 unit holders.

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

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

2.3. Reporting Pronouncements

The fund has, for the preparation of financial statements, adopted the NFRS pronounced by Accounting Standard Board, Nepal and Pronounced by Institute of Chartered Accountant of Nepal (ICAN) 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 judgments as required by the standards are consistently used and in case of deviations disclosed specifically.

2.5. 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 judgment in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. This may later be determined that a different choice could have been more appropriate.

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

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.

2.6. Reporting Periods

The fund follows the Nepalese financial year based on the Nepalese calendar as reporting period.

2.7. 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	31 Ashad 2078
Cash at Bank	543,679,283
Total	543,679,283

4. Financial Instruments

Accounting policy

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

In Accordance with NFRS 9; Financial Instruments: Recognition and Measurement, the Fund's interest receivables are classified as 'Financial Assets measured at Amortized Cost'. Equity securities / debentures are classified as fair value through profit and loss. The amount attributable to unit holders 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 and loans and receivables. They comprise:

❖ Financial instruments classified as 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.

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 Other Current Assets

S.N.	Particulars	31 Ashad 2078
1	Dividend Income Receivable	8,415
2	Interest Receivables	1,411,053
3	Broker Receivables	-
4	Pre-Paid AMC of CDSC & NEPSE	-
5	9% Shangrila Development Bank Debenture 2087- IPO Advance	20,000,000
6	IPO Application Refund Receivable	1,435,800
7	Other Receivable	94,693
Total Amount		22,949,961

4.7 Financial Assets Held at Fair Value Through Profit or Loss

Particulars	31 Ashad 2078
Financial Assets Held for Trading	
Equity Security	659,027,045
Total Financial Assets held for Trading (A)	659,027,045
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)	659,027,045
Other Receivable	94,693

Comparative Investment in Shares

Name	FY 2077-78		
	Unit	Value per unit	Value Amount
LISTED			
Nabil Bank Limited	31,229	1,359.00	42,440,211
Civil Bank Ltd	21,160	286.00	6,051,760
Shivam Cements Ltd	14,806	1,458.00	21,587,148
NMB Microfinance Bittiya Sanstha Ltd.	8,511	1,429.00	12,162,219
Forward Community Microfinance Bittiya Sanstha Ltd.	7,545	2,770.00	20,899,650
Premier Insurance Co. Ltd.	15,578	1,170.00	18,226,260
Surya Life Insurance Company Limited	9,179	922.00	8,463,038
NIC Asia Bank Ltd.	26,059	994.00	25,902,646
Sanima Bank Limited	20,100	485.00	9,748,500
Prime Life Insurance Company Limited	10,958	954.00	10,453,932
Deprosc Laghubitta Bittiya Sanstha Limited	11,804	1,686.00	19,901,544
First Micro Finance Development Bank Ltd.	10,489	823.00	8,632,447
Shikhar Insurance Co. Ltd.	9,494	1,952.00	18,532,288
Sabaiko Laghubitta Bittiya Sanstha Limited	13,344	1,815.00	24,219,360
Global IME Laghubitta Bittiya Sanstha Ltd.	8,662	2,815.00	24,383,530
Kumari Bank Limited	21,664	371.00	8,037,344
Mero Microfinance Bittiya Sanstha Ltd.	10,000	1,546.00	15,460,000
Nepal Credit And Commercial Bank Limited	15,000	367.00	5,505,000
Nepal Bangladesh Bank Limited	16,619	436.00	7,245,884

To be continued...

Name	FY 2077-78		
	Unit	Value per unit	Value Amount
Prudential Insurance Co. Ltd.	8,880	810.00	7,192,800
Nepal Life Insurance Co. Ltd.	11,349	1,919.00	21,778,731
Neco Insurance Co. Ltd.	14,281	1,348.00	19,250,788
Life Insurance Co. Nepal	9,379	2,342.00	21,965,618
Agriculture Development Bank Limited	18,240	479.00	8,736,960
Prabhu Bank Limited	21,839	457.00	9,980,423
Prime Commercial Bank Ltd.	22,446	479.00	10,751,634
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited Promoter Share	76,723	600.00	46,033,800
National Life Insurance Co. Ltd.	11,861	1,151.00	13,652,011
Prabhu Select Fund	1,468,090	10.14	14,886,433
Sanjen Jalavidhyut Company Limited	10,220	449.00	4,588,780
Rasuwadadhi Hydropower Company Limited	9,025	474.00	4,277,850
Sanima Mai Hydropower Ltd.	11,191	513.00	5,740,983
Nepal Bank Limited	11,300	443.00	5,005,900
Mountain Energy Nepal Limited	4,500	890.00	4,005,000
Sub-Total (A)			505,700,472
UNLISTED			
Jeevan Bikas Laghubitta Bittiya Sanstha-IPO	3,194	547.05	1,747,278
Manakamana Smart Laghubitta Bittiya Sanstha-IPO	629	513.29	322,859
Union Life Insurance Co. Ltd.-IPO	9,675	116.93	1,131,298
Mailung Khola Hydropower Company Ltd.-IPO	1,104	113.35	125,138
Citizen Unit Scheme	700,000	100	70,000,000
Citizen Unit Scheme	200,000	100	20,000,000
Citizen Unit Scheme	600,000	100	60,000,000
Sub-Total (B)			153,326,573
Grand Total			659,027,045

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

S.N.	Particulars	31 Ashad 2078
1	Reporting Expenses Payables	22,000
2	Brokers Payables	1,843,969
3	Pre-Operating Expenses Payable	66,837
4	Audit Fee Payables	113,000
5	TDS Liability	136,072
6	Software AMC (PCS) Payables	14,841
7	Fund Management Fee Payable - NIBL Ace Capital	4,246,751
8	Depository Fee Payables - NIBL Ace Capital	566,234
9	Supervisor Fee Payables	293,177
10	CDS Fees Payables	-
Total		7,302,880

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.

6. Net Assets Attributable to Unit holders

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

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

Particular	For the Year Ended on 31st Ashad 2078
Unit Holders' Fund at the Beginning of the Year/Period	1,500,000,000
Increase / (Decrease) in Net Assets Attributable to Unit Holders	
Net Gains/(Losses) for the Period	(724,591)
Other Comprehensive income	-
Distribution to Unit Holders'	-
Unit Holders' Fund at the End of the Year/Period	1,499,275,409

7. Investment Income

7.1 Accounting Policy

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	FY 2077/78
Interest income on Debentures, Fixed and Call Deposit	6,020,508
Total	6,020,508

7.3 Dividend Income

Particulars	FY 2077/78
Dividend Income Realized	8,415
Total	8,415

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 of the period 1st Shrawan 2076 to 31st Ashad 2078 are as follows:

Fund Management Fees : 1.5% of Net Assets Value (NAV)
 Depository Fees : 0.2% of NAV
 Fund Supervisor Fees : 0.12% of NAV

Total Fund Management, Depository & Fund Supervisor's Fees are calculated and recognized as per the Mutual Fund Regulation 2067 and Mutual Fund Guidelines, 2069.

Total Fund Management, Depository & Fund Supervisor's Fees calculated on the basis of 365 days a year is presented in Nepalese currency and charged as under:

Particulars	FY 2077/78
Fund Management Fee	4,311,423
Depository Fee	574,856
Fund Supervisor Fee	344,914
Total	5,231,193

9. Pre-operating Expenses

The fund has Pre-Operating Expenses of NRs. 7,505,580 incurred during the process of registration and listing of the fund. It has been fully charged to Profit or Loss Statement.

10. Income Tax

Income Tax Act, 2058 has not specifically charged corporate tax liability on Mutual Fund. 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 Fund is not considered. However, the Office of the Auditor's General in its 56th Annual Report has raised concern on taxability of the mutual fund. Further, the finance ordinance of FY 2078/79 has included Mutual Fund under Section 10 of the Income Tax Act, 2058 as tax exempt entities. TDS on return from mutual fund (i.e. dividend) paid to individual is deducted at 5% which is final and to entity is tax deducted at 15% (which is not final). Therefore, the fund management is of the view that return from the fund is duly taxed as per the principal of income tax and is not subject to further tax liability for FY 2077/78.

11. Distributions

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

12. 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 program 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.

12.1. 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 in fixed deposit at bank cannot be made more than 15% of total fund size or Net Asset Value (NAV) 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.

12.2. 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 2077/78

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercial Banks	139,406,262	132,571,476	21%	5.16%
Hydropower	18,737,751	17,590,778	3%	6.52%
Insurance Companies	140,646,764	149,310,336	21%	-5.80%
Microfinance	173,762,687	174,343,363	26%	-0.33%
Mutual Fund	164,886,433	164,680,900	25%	0.12%
Others	21,587,148	22,748,118	3%	-5.10%
Total	659,027,045	661,244,970	100%	

12.3. 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.

13. 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.

Listed stocks that are not trading due to suspension by NEPSE citing Merger, Acquisition, Natural calamity and/or any other reasons is valued at the Closing Price available of particular stock of the last day of its trading on NEPSE

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:

$$Vr = n / m \times (Pex - Pof)$$

Where

Vr = Value of Rights

n = Number of rights offered

m = Number of original shares held

Pex = Ex-right price

Pof = Rights offer price

Valuation of total Right Entitlement = Vr x No. of shares held before Ex- date

14. Financial Assets Held at Amortized Cost

Particulars	31 Ashad 2078
Debentures	60,922,000
Fixed Deposit	220,000,000
Total	280,922,000

Comparative Investment in Fixed Deposit

Name of Bank	31 Ashad 2078	
	Principal Amount	Interest Rate
Lumbini Bikas Bank Ltd	20,000,000	8.50%
Garima Bikas Bank Ltd	30,000,000	8%
Goodwill Finance Ltd	20,000,000	8.00%
Kamana Sewa Bikas Bank Ltd	20,000,000	8%
Kumari Bank Ltd	30,000,000	7.53%
Kumari Bank Ltd	40,000,000	7.00%
Shangrila Development Bank Ltd	20,000,000	7.50%
Mukthinath Bikas Bank	20,000,000	7.75%
Jyoti Bikas Bank Ltd	20,000,000	8.25%
Total	220,000,000	

Comparative Investment in Debenture

Name of Debenture	31 Ashad 2078	
	Investment Amount	Interest Rate
8.5% NMB Debenture 2087/88	6,352,000	8.50%
8.5% Prabhu Bank Debenture 2087	20,000,000	8.50%
8.5% RBBL Debenture	14,570,000	8.50%
9% Jyoti Bikas Bank Debenture 2087	20,000,000	9.00%
Total	60,922,000	

Note a:

The investment in debentures are recognized on cost. 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 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.

15. 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	31 Ashad 2078
Net Realized Gains/(Losses) on Financial Assets	60,922,000
at Fair Value Through Profit or loss	8,599,879
Net Unrealized Gains/(Losses) on Financial Assets	280,922,000
at Fair Value Through Profit or Loss	(2,217,925)
Total	6,381,954

Computation of Unrealized Gains/loss for FY 2077/78:

Name	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/(Loss)
LISTED						
Nabil Bank Limited	31229	1,359.00	42,440,211	1,297.90	40,532,032	1,908,179
Civil Bank Ltd	21160	286.00	6,051,760	246.37	5,213,142	838,618
Shivam Cements Ltd	14806	1,458.00	21,587,148	1,536.41	22,748,118	(1,160,970)
NMB Microfinance Bittiya Sanstha Ltd.	8511	1,429.00	12,162,219	1,557.92	13,259,461	(1,097,242)
Forward Community Microfinance Bittiya Sanstha Ltd.	7545	2,770.00	20,899,650	2,849.76	21,501,427	(601,777)
Premier Insurance Co. Ltd.	15578	1,170.00	18,226,260	1,262.63	19,669,210	(1,442,950)
Surya Life Insurance Company Limited	9179	922.00	8,463,038	937.40	8,604,408	(141,370)
NIC Asia Bank Ltd.	26059	994.00	25,902,646	905.25	23,589,881	2,312,765
Sanima Bank Limited	20100	485.00	9,748,500	444.04	8,925,211	823,289
Prime Life Insurance Company Limited	10958	954.00	10,453,932	972.45	10,656,095	(202,163)
Deprosc Laghubitta Bittiya Sanstha Limited	11804	1,686.00	19,901,544	1,824.13	21,532,033	(1,630,489)
First Micro Finance Development Bank Ltd.	10489	823.00	8,632,447	857.43	8,993,616	(361,169)
Shikhar Insurance Co. Ltd.	9494	1,952.00	18,532,288	2,080.48	19,752,101	(1,219,813)
Sabaiko Laghubitta Bittiya Sanstha Limited	13344	1,815.00	24,219,360	1,815.33	24,223,731	(4,371)
Global IME Laghubitta Bittiya Sanstha Ltd.	8662	2,815.00	24,383,530	2,772.51	24,015,489	368,041
Kumari Bank Limited	21664	371.00	8,037,344	354.97	7,690,158	347,186
Mero Microfinance Bittiya Sanstha Ltd.	10000	1,546.00	15,460,000	1,811.74	18,117,367	(2,657,367)
Nepal Credit And Commercial Bank Limited	15000	367.00	5,505,000	374.95	5,624,234	(119,234)
Nepal Bangladesh Bank Limited	16619	436.00	7,245,884	403.11	6,699,280	546,604
Prudential Insurance Co. Ltd.	8880	810.00	7,192,800	822.42	7,303,100	(110,300)
Nepal Life Insurance Co. Ltd.	11349	1,919.00	21,778,731	2,090.18	23,721,476	(1,942,745)
Neco Insurance Co. Ltd.	14281	1,348.00	19,250,788	1,433.00	20,464,706	(1,213,918)
Life Insurance Co. Nepal	9379	2,342.00	21,965,618	2,455.43	23,029,435	(1,063,817)
Agriculture Development Bank Limited	18240	479.00	8,736,960	465.28	8,486,754	250,206
Prabhu Bank Limited	21839	457.00	9,980,423	466.24	10,182,276	(201,853)
Prime Commercial Bank Ltd.	22446	479.00	10,751,634	475.13	10,664,839	86,795
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited Promoter Share	76723	600.00	46,033,800	551.57	42,317,938	3,715,862
National Life Insurance Co. Ltd.	11861	1,151.00	13,652,011	1,276.65	15,142,305	(1,490,294)
Prabhu Select Fund	1468090	10.14	14,886,433	10.00	14,680,900	205,533
Sanjen Jalavidhyut Company Limited	10220	449.00	4,588,780	421.60	4,308,797	279,983
Rasuwadaghi Hydropower Company Limited	9025	474.00	4,277,850	445.61	4,021,600	256,250
Sanima Mai Hydropower Ltd.	11191	513.00	5,740,983	480.33	5,375,340	365,643
Nepal Bank Limited	11300	443.00	5,005,900	439.26	4,963,668	42,232
Mountain Energy Nepal Limited	4500	890.00	4,005,000	838.81	3,774,641	230,359
Sub-Total (A)			505,700,472		509,784,770	(4,084,299)

To be continued...

Name	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/(Loss)
UNLISTED						
Jeevan Bikas Laghubitta Bittiya Sanstha-IPO	3194	547.05	1,747,278	100.00	319,400	1,427,878
Manakamana Smart Laghubitta Bittiya Sanstha-IPO	629	513.29	322,859	100.00	62,900	259,959
Union Life Insurance Co. Ltd.-IPO	9675	116.93	1,131,298	100.00	967,500	163,798
Mailing Khola Hydropower Company Ltd.-IPO	1104	113.35	125,138	100.00	110,400	14,738
Citizen Unit Scheme	700000	100.00	70,000,000	100.00	70,000,000	-
Citizen Unit Scheme	200000	100.00	20,000,000	100.00	20,000,000	-
Citizen Unit Scheme	600000	100.00	60,000,000	100.00	60,000,000	-
Sub-Total (B)			153,326,573		151,460,200	1,866,373
Grand Total			659,027,045		661,244,970	(2,217,925)
Unrealised Gain /(Loss)					(2,217,925)	
Less: Previous Year Unrealised Gain /(Loss)					-	
Unrealised Gain /Loss This Year					(2,217,925)	

16. 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.

17. Related Party Transactions

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

Related Parties

a. Fund Sponsor: Nepal Investment Bank Limited.

b. Fund Manager and Depository: NIBL Ace Capital Limited, a subsidiary of the Sponsor.

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

d. 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 290,000,000 (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- II have earned interest amounting to NPR. 2,15,247.45 (NPR. Two Lakh Fifteen Thousand Two Hundred Forty-Seven and paisa Forty-Five Only) from Nepal Investment Bank Limited.
- Fund Management and Depository Fee incurred by NIBL Samriddhi Fund- II during the year amounts to NPR. 4,886,279 (NPR. Forty-Eight Lakh Eighty-Six Thousand Two Hundred Seventy-Nine Only). The amount is paid/payable to NIBL Ace Capital Limited.
- The Scheme has a current/call account bank balance of NPR. 25,428,988 (NPR. Two Crore Fifty-Four Lakh Twenty-Eight Thousand Nine Hundred and Eighty-Eight Only) as on Balance Sheet date with the Fund Sponsor - Nepal Investment Bank Limited earning interest at the rate of 1%.

- Depository Participant (DP) Fee for transaction expenses NPR. 50 (NPR. Fifty Only) has been paid to NIBL Ace Capital Limited during the year.

18. 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.

19. Contingent Liability

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

20. Event after Reporting Date

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

There are no material events that has occurred subsequent to 31st Ashad 2078 till the signing of this financial statement.

21. Proposed Dividend

The Scheme has not proposed any cash dividend for fiscal year 2077/78 to its unit-holders.

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

As per our Report of even date
For: S.R Pandey & Co.
Chartered Accountants

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

Arun Raut, FCA
Partner

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Assistant General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

Date : 29th July, 2021

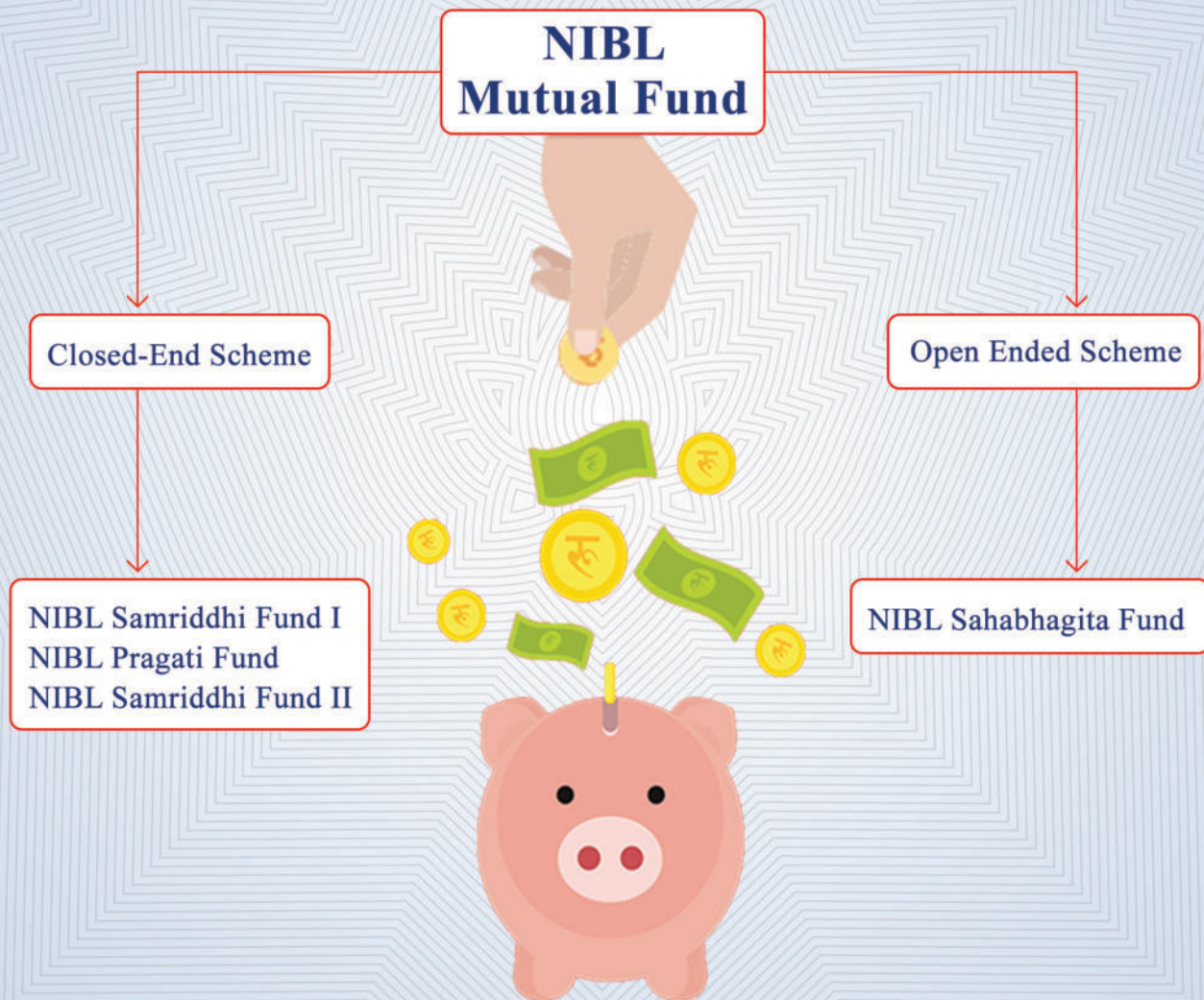
Place : Kathmandu

NIBL



MUTUAL FUND

NIBL Mutual fund provides you the right blend of security and returns.



**Mutual funds are subject to market risk. Please read all related documents carefully before investing.*

Fund Manager:



Head Office:
NIBL Ace Capital Limited, Lazimpat, Kathmandu, Nepal
T. +977-1-4425280
P.O.Box 23224, www.niblcaps.com, [facebook.com/niblcaps](https://www.facebook.com/niblcaps)

Fund Sponsor:

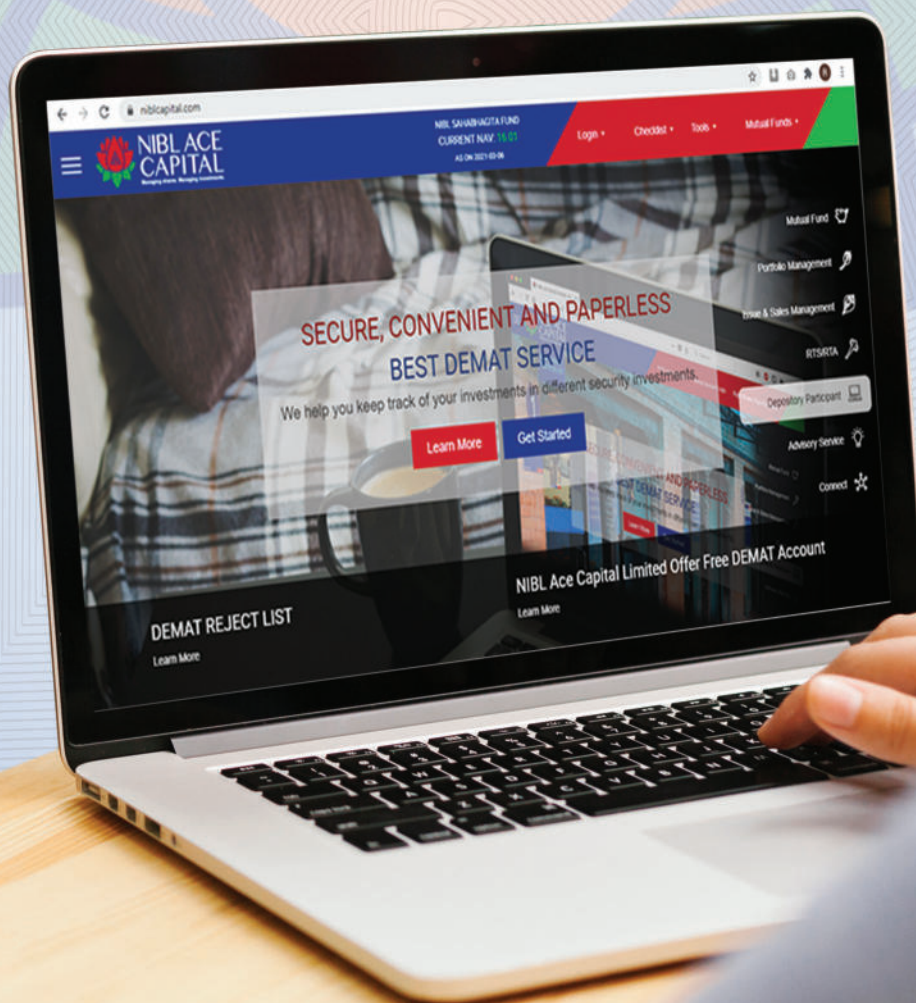


नेपाल इन्भेस्टमेन्ट बैंक लि.
NEPAL INVESTMENT BANK LTD.
Truly a Nepali Bank

Now, open your Demat Account and Register Meroshare

Login via Online - Anytime, Anywhere

onlinedemat.niblcapital.com





Managing Shares, Managing Investments



NIBL ACE CAPITAL

Managing shares. Managing investments.

एनआईबिएल एस क्यापिटल लिमिटेड

Wholly owned
subsidiary of



नेपाल इन्भेस्टमेन्ट बैंक लि.

NEPAL INVESTMENT BANK LTD.

Truly a Nepali Bank

P.O.Box 23224, Lazimpat
Kathmandu, Nepal

Ph: +977-1-4425280, 4005157, Fax: +977-1-4005084
E-mail: info@niblcapital.com website: www.niblcapital.com
Mobile: 98010-19000/45000/51000/78000/95000