

Independent Auditor's Report

The Fund Manager
NIBL Pragati Fund
Kathmandu, Nepal

Report on the Financial Statements

Opinion

We have audited the accompanying Financial Statements of NIBL Pragati Fund, which comprise the Statement of Financial Position as at 31 Ashad, 2080 (16 July 2023), Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Unitholder's fund and Statement of Cash Flows for the year then ended, and a summary of Significant Accounting Policies and Other Explanatory Notes.

In our opinion, the accompanying financial statements presents fairly, in all material respects the financial position of NIBL Pragati Fund as at 31 Ashad, 2080 (16 July 2023), and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the *Auditors Responsibilities for the Audit of Financial Statements* section of our Report. We are independent of the NIBL Pragati Fund in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAN's Handbook of 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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 the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no 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 other information. The other information comprises the information included in the Management Report but does not include the financial statements and our auditor's report thereon. Such information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

Those charged with Governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities of 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. Misstatement can arise from fraud or error and are considered material if, individually or in 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:

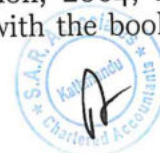
- Identify and assess the risk of material misstatement of financial statements, whether due to fraud or error, design and perform and audit procedures responsive to those risk and obtained audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate to the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the management,
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to the 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 entity 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 findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

- i. Financial Statements have been prepared in accordance with Nepal Financial Reporting Standard (NFRS); Securities Act, 2063; Securities Board Regulation, 2064; Mutual Fund Regulations, 2067; Mutual Fund Guidelines, 2069 and are in line with the books of account maintained by the Scheme.



- ii. We have not come across any instances where any employee of the Fund Manager has acted against the provision of relevant laws or other regulatory provisions or has performed any irregularity or have caused any damage or loss to the scheme.
- iii. The Fund Manager has an effective internal control system in place.
- iv. The Fund Manager has an effective internal audit system in place.
- v. We did not come across any action performed against the interest of Unit holder and stock market.
- vi. The funds under the Scheme have been invested in accordance with the Mutual Fund Regulations 2067.
- vii. The operation of the Scheme is found satisfactory.



Aman Uprety
Partner

Place: Kathmandu, Nepal
Date: August 30, 2023

UDIN No.: 230901CA00451IC2bV

NIBL Pragati Fund

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

Statement of Financial Position as at 31st Ashad 2080 (16th July, 2023)

Particulars	Notes	FY 2079/80	FY 2078/79
Assets			
Current Assets			
Cash and Cash Equivalents	3.2	153,556,819	142,557,670
Other Current Assets	4.5	12,427,472	12,223,894
Financial Assets Held at Amortized Cost		-	-
Financial Assets Held at Fair Value Through Profit or Loss	4.6	638,707,842	631,240,368
Total		804,692,133	786,021,931
Liabilities			
Current Liabilities			
Accrued Expenses & Other Payables	5.2	3,910,071	4,214,731
Liabilities (Excluding Net Assets Attributable to Unitholders)		3,910,071	4,214,731
Unit Holder's Funds			
Net Assets Attributable to Unit Holders	6	800,782,062	781,807,200
Total		804,692,133	786,021,931
NAV per Unit		10.68	10.42

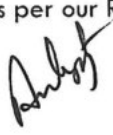
Schedules and Explanatory Notes forms integral part of Statement of Position

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

As per our Report of even date


Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

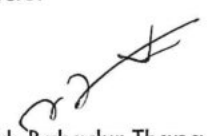

Aman Uprety, FCA
Partner
S.A.R. Associates, Chartered Accountants

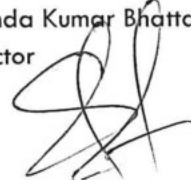

Srijana Pandey
Director

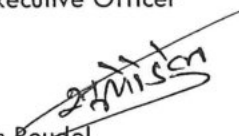

Rabindra Bhattarai
Director

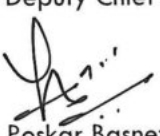

Ananda Kumar Bhattarai
Director


Shivanth Bahadur Pandé
Chief Executive Officer


Mekh Bahadur Thapa
Deputy Chief Executive Officer


Sachindra Dhungana
Deputy General Manager


Subhash Poudel
Head- Investment Banking


Poskar Basnet
Mutual Fund Executive


NIMB ACE CAPITAL
Managing shares. Managing investments.
(Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd.)

Date: 30th August, 2023

Place: Kathmandu


NIBL MUTUAL FUND
NIBL Pragati Fund

NIBL Pragati Fund

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

Statement of Profit or Loss and other Comprehensive Income

For the Period from 1st Shrawan 2079 to 31st Ashad 2080 (17th July 2022 to 16th July 2023)

Particulars	Notes	FY 2079/80	FY 2078/79
Income			
Interest Income	7.2	15,932,112	13,898,027
Dividend Income	7.3	3,463,109	1,252,874
Net Profit/(Loss) on Financial Assets Held at Fair Value through Profit and Loss	13b	45,246,199	(207,137,259)
Underwriting Commission Income		175,000	-
Total		64,816,420	(191,986,359)
Expenses and Losses			
Fund Management fees		11,361,022	14,212,077
Depository Fees		1,514,803	1,894,944
Fund Supervisors Fees		908,882	1,136,966
Publication Expenses		165,196	172,732
Listing Fees		50,000	50,000
Audit Fees		113,000	113,000
Bank Charges		4,066	5,386
DP Expense		150	400
CDS Dematerialisation Registration Fee		120,000	120,000
Annual Service Charges on Software		99,440	99,440
Book Building Registration & AMC Expenses-NEPSE		5,000	15,000
Other Expenses		-	113
Total expenses		14,341,559	17,820,058
Net Gains/(Losses) for the Period		50,474,861	(209,806,417)
Other Comprehensive income		-	-
Net Surplus/(Deficit) for the period		50,474,861	(209,806,417)

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

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

As per our Report of even date

Aman Uprety, FCA
Partner
S.A.R. Associates, Chartered Accountants

Srijana Pandey
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Deputy General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Mutual Fund Executive



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NIBL MUTUAL FUND
NIBL Pragati Fund

Date: 30th August, 2023
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NIBL Pragati Fund
(Sponsored by Nepal Investment Mega Bank Ltd. and Managed by NIMB Ace Capital Ltd.)

Statement of Cash Flow
For the Period from 1st Shrawan 2079 to 31st Ashad 2080 (17th July 2022 to 16th July 2023)

Particulars	FY 2079/80	FY 2078/79
A. Cash Flow from Operating Activities		
Surplus/ (Deficit) for the year	50,474,861	(209,806,417)
Adjustments for:		
Increase/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	(21,395,175)	418,817,355
Increase/(Decrease) in Liabilities	(304,660)	(2,370,046)
(Increase)/Decrease in Share	13,927,701	67,580,413
(Increase)/Decrease in Other Assets	(203,578)	20,002,804
Net cash generated/(used) in Operations (1)	42,499,149	294,224,110
B. Cash Flow from Financing Activities		
Dividend Paid during the year	(31,500,000)	(375,000,000)
Net cash generated/(used) in financing (2)	(31,500,000)	(375,000,000)
C. Cash Flow from Investing Activities		
Net cash generated/(used) in investing (3)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	10,999,149	(80,775,890)
Cash and Cash Equivalents at beginning of the year/period	142,557,670	223,333,560
Cash and Cash Equivalents at end of period	153,556,819	142,557,670
Components of Cash and Cash Equivalents		
Balance with Banks	153,556,819	142,557,670

On Behalf of NIMB Ace Capital Limited
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NIBL MUTUAL FUND
NIBL Pragati Fund

Date: 30th August, 2023

Place: Kathmandu

NIBL Pragati Fund

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

Statement of Change in Unit Holder's Fund

For the Period from 1st Shrawan 2079 to 31st Ashad 2080 (17th July 2022 to 16th July 2023)

Particular	FY 2079/80	FY 2078/79
Unit Holders' Fund at the Beginning of the Year/Period	781,807,201	1,366,613,617
<u>Increase in Net Assets Attributable to Unit Holders:</u>		
Net Gains/(Losses) for the Period	50,474,861	(209,806,417)
Other Comprehensive income		-
Distribution to Unit Holders'	(31,500,000)	(375,000,000)
Unit Holders' Fund at the End of the Year/Period	800,782,062	781,807,201

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

As per our Report of even date


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Chairman

Deepak Kumar Shrestha
Director


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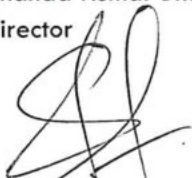

Srijana Pandey
Director

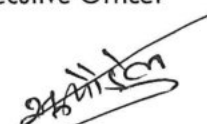

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NIBL MUTUAL FUND
NIBL Pragati Fund

Date: 30th August, 2023

Place: Kathmandu

NIBL Pragati Fund**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)**

Notes to the Financial Statements as of 31st Ashad 2080 (16th July 2023)**1. General Information of the Scheme**

Fund	NIBL Mutual Fund
Scheme	NIBL Pragati Fund
Fund Sponsor	Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.) (Licensed by NRB as Class 'A' bank)
Fund Manager	NIMB Ace Capital Limited (Then NIBL Ace Capital Ltd.) (A subsidiary of Nepal Investment Mega 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 2079/80 were approved by the Board of Directors of the NIMB Ace Capital Limited (Then NIBL Ace Capital Ltd.) on 13th Bhadra, 2080 being the Fund

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

Nepal Investment Mega Bank Limited (Then Nepal Investment Bank Ltd.)- NIMB is the Fund Sponsor and NIMB Ace Capital Limited (Then NIBL Ace Capital Ltd.), a subsidiary of NIMB 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.

Holder	Status	No. of Units	Holding Amount at Par	Holding (%)
Nepal Investment Mega Bank Ltd.	Fund Sponsor	10,250,000	102,500,000	13.66
NIMB 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

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.

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.

The fund while complying with the reporting standards, makes critical accounting judgment as having potentially material impact on the financial statements. The significant

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

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.

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NIBL Pragati Fund

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

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.

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NIBL MUTUAL FUND
NIBL Pragati Fund



NIBL Pragati Fund

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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

Amount in Rs.		
Particulars	31 Ashad 2080	32 Ashad 2079
Cash and Cash Equivalent	153,556,819	142,557,670
Total	153,556,819	142,557,670

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.

NIBL Pragati Fund

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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.

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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**

Amount in Rs.

Particulars	31 Ashad 2080	32 Ashad 2079
Dividend Income Receivable	150,125	70,709
Interest Receivables	12,150,000	9,450,000
Broker Receivables	-	616,391
TDS Receivable on Interest	-	247
TDS Receivables	127,347	127,347
IPO Refund Receivables	-	1,959,200
Total	12,427,472	12,223,894

4.6 Financial Assets Held at Fair Value Through Profit or Loss (FVTPL)

Amount in Rs.

Particulars	31 Ashad 2080	32 Ashad 2079
Financial Assets Held for Trading		
Equity Security	638,707,842	631,240,368
Total Financial Assets held for Trading (A)	638,707,842	631,240,368
Designated Financial Assets at FVTPL	-	-
Total Designated at FVTPL (B)	-	-
Total Financial Assets Held at FVTPL (A+B)	638,707,842	631,240,368

Comparative Investment in Listed Shares

Amount in Rs.

Name	Fiscal Year 2079-80			Fiscal Year 2078-79		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
LISTED						
Himalayan Bank Limited	65,212	213	13,877,114	41,088	299.20	12,293,530
Machhapuchhre Bank Limited	37,980	232	8,803,764	37,980	254.00	9,646,920
Siddhartha Bank Limited	44,666	253	11,300,498	39,703	303.00	12,030,009
Citizens Bank International Limited	12,355	173	2,138,651	12,355	202.50	2,501,888
Sanima Bank Limited	12,551	261	3,269,536	11,410	276.00	3,149,160

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NIBL Pragati Fund

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

NIC Asia Bank Limited	21,479	794	17,050,030	21,479	696.00	14,949,384
Nepal SBI Bank Limited	40,459	341	13,796,519	39,281	282.30	11,089,026
Nepal Bangladesh Bank Limited	-	-	-	11,768	399.00	4,695,432
NMB Bank Limited	20,593	226	4,654,018	20,593	261.00	5,374,773
Century Commercial Bank Limited	-	-	-	53,379	183.00	9,768,357
Everest Bank Limited	18,475	563	10,401,425	16,349	439.00	7,177,211
Kumari Bank Limited	41,914	165	6,915,810	-	-	-
Mega Bank Nepal Limited	-	-	-	45,425	226.00	10,266,050
Prabhu Bank Limited	127,902	163	20,796,865	67,594	207.00	13,991,958
Nabil Bank Limited	26,628	599	15,955,498	17,410	824.00	14,345,840
Excel Development Bank Limited	1	325	325	1	327.00	327
Himalayan General Insurance Company Limited	-	-	-	5,310	520.00	2,761,200
National Life Insurance Company Limited	42,706	645	27,545,370	34,385	577.00	19,840,145
Shikhar Insurance Company Limited	18,231	845	15,405,195	15,716	807.00	12,682,812
Life Insurance Corporation Nepal Limited	19,050	1,555	29,622,750	24,330	1,415.00	34,426,950
Sagarmatha Insurance Company Limited	-	-	-	3,844	870.00	3,344,280
Neco Insurance Company Limited	7,322	891	6,524,634	6,368	694.00	4,419,392
RMDC Laghubitta Bittiya Sanstha Limited	1	775	775	-	-	-
Chhimek Laghubitta Bittiya Sanstha Limited	12,899	1,000	12,899,000	24,875	1,100.00	27,362,500
Forward Community Microfinance Bittiya Sanstha Limited	1,365	1,321	1,803,165	1,092	2,385.00	2,604,420
Samata Microfinance Bittiya Sanstha Limited	6,788	703	4,769,928	5,903	799.00	4,716,497
Nerude Laghubitta Bittiya Sanstha Limited	20,117	688	13,840,496	16,490	880.00	14,511,200
Mahuli Laghubitta Bittiya Sanstha Limited	-	-	-	1	1,155.00	1,155
Deprosc Laghubitta Bittiya Sanstha Limited	29,295	826	24,197,670	26,624	940.00	25,026,560
Aadhikhola Laghubitta Bittiya Sanstha Limited	-	-	-	152	1,370.00	208,240
Citizen Investment Trust	19,032	2,089	39,757,848	11,712	2,515.00	29,455,680
Himalayan Distillery Ltd.	5,674	2,248	12,755,152	6,233	3,410.00	21,254,530
Nepal Reinsurance Co Ltd.	21,718	740	16,071,320	19,746	735.00	14,513,310
Sabaiko Laghubitta Bittiya Sanstha limited	-	-	-	1	1,074.90	1,075
Sanjen Hydropower Co. Ltd.	1,000	297	296,900	1,000	260.00	260,000
Premier Insurance Co Ltd.	-	-	-	27,603	576.00	15,899,328
Prime Life Insurance Co Ltd.	-	-	-	37,575	569.00	21,380,175
NIC Asia Laghubitta Bittiya Sanstha Limited	5,000	729	3,645,000	5,000	859.90	4,299,500
Nepal Insurance Co. Ltd.	-	-	-	5,170	445.90	2,305,303
Shivam Cements Ltd	9,962	652	6,490,243	9,962	760.00	7,571,120
Surya Life Insurance Company Limited	-	-	-	26,517	387.00	10,262,079
Samaj Laghubitta Bittiya Sanstha Limited	156	166	25,929	156	166.21	25,929
Api Power Company Ltd.	-	-	-	1	244.50	245
National Microfinance Bittiya Sanstha Ltd.	-	-	-	1	1,935.00	1,935
Mountain Energy Nepal Limited	9,404	995	9,356,980	9,404	800.00	7,523,200
Nepal Infrastructure Bank Limited	10,000	224	2,240,000	31,301	240.00	7,512,240
Kumari Equity Fund	150,850	10.17	1,534,145	150,000	10.07	1,510,500
Global IME Laghubitta Bittiya Sanstha Ltd.	5,626	1,061	5,969,186	5,023	1,299.00	6,524,877
Grameen Bikas Laghubitta Bittiya Sanstha Ltd.	9,448	633	5,980,584	9,448	756.00	7,142,688

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NIBL MUTUAL FUND
NIBL Pragati Fund

NIMB ACE CAPITAL
Managing shares. Managing investments.
(Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd.)

[Circular stamp: S.A.P. Associates Chartered Accountants]

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

Nepal Credit And Commercial Bank Limited	-	-	-	40,549	210.90	8,551,784
Laxmi Laghubitta Bittiya Sanstha Ltd.	9,530	893	8,510,290	8,287	1,275.00	10,565,925
NMB Microfinance Bittiya Sanstha Ltd.	8,687	640	5,559,680	7,898	750.10	5,924,290
Sunrise Bluechip Fund	494,000	7.85	3,877,900	494,000	8.74	4,317,560
United Insurance Co. (Nepal) Ltd.	-	-	-	11,215	350.00	3,925,250
Kamana Sewa Bikas Bank Limited	13,352	327	4,366,104	12,789	349.90	4,474,871
Ridi Hydropower Development Company Ltd.	-	-	-	5,000	838.00	4,190,000
Manushi Laghubitta Bittiya Sanstha Limited	-	-	-	295	1,002.00	295,590
Sahas Urja Limited	6,920	484	3,348,588	6,920	460.00	3,183,200
Nabil Balanced Fund-3	16,670	7.57	126,192	16,670	9.43	157,198
Jyoti Bikas Bank Limited	5,386	298	1,605,028	5,230	302.20	1,580,506
Soaltee Hotel Limited	-	-	-	6,000	202.50	1,215,000
Rastra Utthan Laghubitta Sanstha Limited	-	-	-	793	926.00	734,318
Balephi Hydropower Limited	-	-	-	1,706	239.70	408,928
Upakar Laghubitta Bittiya Sanstha Limited	-	-	-	221	2,699.00	596,479
Civil Bank Ltd	-	-	-	14,719	213.00	3,135,147
CYC Nepal Laghubitta Bittiya Sanstha Limited	-	-	-	369	1,698.20	626,636
River Falls Power Limited	-	-	-	2,457	222.00	545,454
Asha Laghubitta Bittiya Sanstha Ltd.	1	785	785	-	-	-
Himalayan Everest Insurance Limited	5,456	600	3,273,600	-	-	-
Goodwill Finance Limited	3,601	483	1,739,283	-	-	-
SuryaJyoti Life Insurance Company Limited	26,517	610	16,175,370	-	-	-
Nepal Investment Mega Bank Limited	40,870	174	7,103,206	-	-	-
Siddhartha Premier Insurance Limited	31,536	779	24,550,776	-	-	-
Sunrise Focused Equity Fund	1,000,000	10	9,680,000	-	-	-
Sagarmatha Lumbini Insurance Co. Limited	4,320	748	3,231,360	-	-	-
Himalayan Life Insurance Limited	42,460	507	21,527,220	-	-	-
Modi Energy Limited	3,453	208	716,498	-	-	-
United Ajod Insurance Limited	11,775	489	5,763,745	-	-	-
Ridi Power Company Limited	13,176	243	3,201,768	-	-	-
Total			494,049,713			495,057,065

Comparative Investment in Unlisted Shares

Amount in Rs.

Name	Fiscal Year 2079-80			Fiscal Year 2078-79		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
UNLISTED						
Citizen Unit Scheme	500,000	100.00	50,000,000	500,000	100.00	50,000,000
Citizen Unit Scheme	250,000	100.00	25,000,000	250,000	100.00	25,000,000
Citizen Unit Scheme	500,000	100.00	50,000,000	500,000	100.00	50,000,000
Citizen Unit Scheme	100,000	100.00	10,000,000	100,000	100.00	10,000,000
Bindhyabasini Hydropower Development Co. Ltd.-IPO	-	-	-	1,350	155.41	209,804
Adarsha Laghubitta Bittiya Sanstha Ltd.-IPO	-	-	-	61	203.17	12,393

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NIBL Pragati Fund**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)**

Himalayan Hydropower Ltd.-IPO	-	-	-	1,706	100.80	171,965
Upper Solu Hydro Electric Co. Ltd.-IPO	-	-	-	1,697	111.58	189,351
Upper Hewakhola Hydropower Co. Ltd.-IPO	-	-	-	1,300	110.75	143,975
Swet Ganga Hydropower & Construction Ltd.- IPO	-	-	-	2,071	112.26	232,490
Rapti Hydro & General Construction Ltd.-IPO	-	-	-	2,197	101.65	223,325
Kumari Sunaulo Lagani Yojana-IPO	500,000	10.65	5,325,000	-	-	-
Nepal Republic Media Ltd.-IPO	4,302	110.98	477,436	-	-	-
Ghorahi Cement Industries Ltd.-IPO	2,800	465.30	1,302,840	-	-	-
Three Star Hydropower Ltd.-IPO	344	158.12	54,393	-	-	-
Upper Syange Hydropower Ltd.-IPO	303	108.71	32,939	-	-	-
Kutheli Bukhari Small Hydropower Ltd.-IPO	57	261.57	14,909	-	-	-
IME Life Insurance Co. Ltd - IPO	5,631	435.20	2,450,611	-	-	-
Total			144,658,129			136,183,303
Grand Total			638,707,842			631,240,368

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	Amount in Rs.	
	31 Ashad 2080	32 Ashad 2079
Reporting Expenses Payables	20,000	34,042
Audit Fee Payable	111,500	111,500
Provision for Realizable Tax on Dividend	5,975	5,975
Provision for Book Building AMC- NEPSE	10,000	5,000
TDS Liability	89,599	96,804
Software AMC Payable	97,948	97,948
Fund Management Fee Payable - NIMB Ace Capital	2,875,032	3,114,653
Depository Fee Payables - NIMB Ace Capital	383,338	415,287
Supervisor Fee Payables	198,479	215,022
DP Fee Payable	-	300
CDS Fees Payable	118,200	118,200
Total	3,910,071	4,214,731

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

NIBL Pragati Fund**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)**

Fund management fee and depository fee includes fee payable to NIMB Ace Capital Limited (Then NIBL Ace Capital Ltd.) 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.

Amount in Rs.

Particulars	31 Ashad 2080	32 Ashad 2079
Units Holders' Fund at the beginning of the Year/Period	781,807,201	1,366,613,617
Increase in Net Assets Attributable to Unit Holders	50,474,861	(209,806,417)
Distribution to Unit Holders	(31,500,000)	(375,000,000)
Units Holders' Fund at the end of the Year/Period	800,782,062	781,807,200

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NIBL  **MUTUAL FUND**
NIBL Pragati Fund


NIMB ACE CAPITAL
Managing shares. Managing investments.
(Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd.)



NIBL Pragati Fund

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

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**

Amount in Rs.

Particulars	31 Ashad 2080	32 Ashad 2079
Interest on Bank Deposits	3,756,227	4,448,027
Interest on Fixed income instruments	12,175,885	9,450,000
Total	15,932,112	13,898,027

7.3 Dividend Income

Amount in Rs.

Particulars	31 Ashad 2080	32 Ashad 2079
Dividend Income Realized	3,463,109	1,252,874
Total	3,463,109	1,252,874

8. Expenses

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

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NIBL Pragati Fund**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)**

The management participation fees of the fund of the period 1st Shrawan 2079 to 31st Ashad 2080 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:

Amount in Rs.		
Particulars	FY 2079/80	FY 2078/79
Fund Management Fee	11,361,022	14,212,077
Depository Fee	1,514,803	1,894,944
Fund Supervisor Fee	908,882	1,136,966
Total	13,784,707	17,243,987

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 2079/80.

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 NIMB Ace Capital Limited (Then NIBL Ace Capital Ltd.), 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.

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

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.

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.

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

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

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

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 (FVTPL)**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

Amount in Rs.		
Particulars	FY 2079/80	FY 2078/79
Net Realized (Losses)/Gains on Financial Assets at FVTPL	23,851,024	211,680,096
Net Unrealized (Losses)/Gains on Financial Assets at FVTPL	21,395,175	(418,817,355)
Total	45,246,199	(207,137,259)

Computation of Unrealized Gains for FY 2079/80

Amount in Rs.						
Name	Unit	Price	Value	Cost Price	Total Cost	Gain/ (Loss)
LISTED						
Himalayan Bank Limited	65212	212.8	13,877,114	379	24,704,759	(10,827,646)
Machhapuchhre Bank Limited	37980	231.8	8,803,764	338	12,825,846	(4,022,082)
Siddhartha Bank Limited	44666	253	11,300,498	401	17,906,899	(6,606,401)
Citizens Bank International Limited	12355	173.1	2,138,651	253	3,127,123	(988,473)
Sanima Bank Limited	12551	260.5	3,269,536	305	3,833,306	(563,770)
NIC Asia Bank Limited	21479	793.8	17,050,030	801	17,198,384	(148,354)
Nepal SBI Bank Limited	40459	341	13,796,519	647	26,170,806	(12,374,287)
NMB Bank Limited	20593	226	4,654,018	354	7,284,543	(2,630,525)
Everest Bank Limited	18475	563	10,401,425	766	14,158,425	(3,757,000)
Kumari Bank Limited	41914	165	6,915,810	268	11,219,499	(4,303,689)
Prabhu Bank Limited	127902	162.6	20,796,865	279	35,684,691	(14,887,826)
Nabil Bank Limited	26628	599.2	15,955,498	898	23,910,135	(7,954,637)
Excel Development Bank Limited	1	325.4	325	100	100	225
National Life Insurance Company Limited	42706	645	27,545,370	777	33,190,625	(5,645,255)
Shikhar Insurance Company Limited	18231	845	15,405,195	1,302	23,729,421	(8,324,226)
Life Insurance Corporation Nepal Limited	19050	1555	29,622,750	1,863	35,492,870	(5,870,120)
Neco Insurance Company Limited	7322	891.1	6,524,634	887	6,497,240	27,395
RMDC Laghubitta Bittiya Sanstha Limited	1	775	775	-	-	775
Chhimek Laghubitta Bittiya Sanstha Limited	12899	1000	12,899,000	627	8,089,985	4,809,015
Forward Community Microfinance Bittiya Sanstha Limited	1365	1321	1,803,165	1,835	2,504,688	(701,523)
Samata Microfinance Bittiya Sanstha Limited	6788	702.7	4,769,928	1,142	7,751,300	(2,981,372)
Nerude Laghubitta Bittiya Sanstha Limited	20117	688	13,840,496	880	17,693,616	(3,853,120)
Deprosc Laghubitta Bittiya Sanstha Limited	29295	826	24,197,670	985	28,858,860	(4,661,190)
Citizen Investment Trust	19032	2089	39,757,848	2,110	40,165,471	(407,623)
Himalayan Distillery Ltd.	5674	2248	12,755,152	2,028	11,506,075	1,249,077

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NIBL MUTUAL FUND
NIBL Pragati Fund

NIMB ACE CAPITAL
Managing shares. Managing investments.
(Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd.)



NIBL Pragati Fund

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

Nepal Reinsurance Co Ltd.	21718	740	16,071,320	1,132	24,577,519	(8,506,199)
Sanjen Hydropower Co. Ltd.	1000	296.9	296,900	356	355,522	(58,622)
NIC Asia Laghubitta Bittiya Sanstha Limited	5000	729	3,645,000	1,278	6,389,817	(2,744,817)
Shivam Cements Ltd	9962	651.5	6,490,243	1,483	14,770,860	(8,280,617)
Samaj Laghubitta Bittiya Sanstha Limited	156	166.21	25,929	100	15,600	10,329
Mountain Energy Nepal Limited	9404	995	9,356,980	1,209	11,365,038	(2,008,058)
Nepal Infrastructure Bank Limited	10000	224	2,240,000	121	1,212,089	1,027,911
Kumari Equity Fund	150850	10.17	1,534,145	10	1,507,672	26,473
Global IME Laghubitta Bittiya Sanstha Ltd.	5626	1061	5,969,186	1,878	10,563,085	(4,593,899)
Grameen Bikas Laghubitta Bittiya Sanstha Ltd.	9448	633	5,980,584	1,184	11,181,723	(5,201,139)
Laxmi Laghubitta Bittiya Sanstha Ltd.	9530	893	8,510,290	1,811	17,258,702	(8,748,412)
NMB Microfinance Bittiya Sanstha Ltd.	8687	640	5,559,680	1,185	10,295,790	(4,736,110)
Sunrise Bluechip Fund	494000	7.85	3,877,900	10	4,940,000	(1,062,100)
Kamana Sewa Bikas Bank Limited	13352	327	4,366,104	525	7,003,394	(2,637,290)
Sahas Urja Limited	6920	483.9	3,348,588	604	4,181,970	(833,382)
Nabil Balanced Fund-3	16670	7.57	126,192	10	166,700	(40,508)
Jyoti Bikas Bank Limited	5386	298	1,605,028	371	1,997,696	(392,668)
Asha Laghubitta Bittiya Sanstha Ltd.	1	785	785	-	-	785
Himalayan Everest Insurance Limited	5456	600	3,273,600	642	3,504,267	(230,667)
Goodwill Finance Limited	3601	483	1,739,283	510	1,837,944	(98,661)
SuryaJyoti Life Insurance Company Limited	26517	610	16,175,370	749	19,871,688	(3,696,318)
Nepal Investment Mega Bank Limited	40870	173.8	7,103,206	328	13,408,014	(6,304,808)
Siddhartha Premier Insurance Limited	31536	778.5	24,550,776	853	26,889,185	(2,338,409)
Sunrise Focused Equity Fund	1000000	9.68	9,680,000	10	10,000,000	(320,000)
Sagarmatha Lumbini Insurance Co. Limited	4320	748	3,231,360	1,146	4,952,737	(1,721,377)
Himalayan Life Insurance Limited	42460	507	21,527,220	660	28,026,234	(6,499,014)
Modi Energy Limited	3453	207.5	716,498	100	345,300	371,198
United Ajod Insurance Limited	11775	489.49	5,763,745	695	8,180,769	(2,417,024)
Ridi Power Company Limited	13176	243	3,201,768	514	6,775,507	(3,573,739)
(A) Sub-Total			494,049,713		665,079,487	(171,029,774)
UNLISTED						
Citizen Unit Scheme	500000	100	50,000,000	100	50,000,000	-
Citizen Unit Scheme	250000	100	25,000,000	100	25,000,000	-
Citizen Unit Scheme	500000	100	50,000,000	100	50,000,000	-
Citizen Unit Scheme	100000	100	10,000,000	100	10,000,000	-
Kumari Sunaulo Lagani Yojana-IPO	500000	10.65	5,325,000	10	5,000,000	325,000
Nepal Republic Media Ltd.-IPO	4302	110.98	477,436	100	430,200	47,236
Ghorahi Cement Industries Ltd.-IPO	2800	465.3	1,302,840	435	1,218,000	84,840
Three Star Hydropower Ltd.-IPO	344	158.12	54,393	100	34,400	19,993
Upper Syange Hydropower Ltd.-IPO	303	108.71	32,939	100	30,300	2,639
Kutheli Bukhari Small Hydropower Ltd.-IPO	57	261.57	14,909	100	5,700	9,209
IME Life Insurance Co. Ltd - IPO	5631	435.2	2,450,611	237	1,334,040	1,116,571
Sub-Total (B)			144,658,129		143,052,640	1,605,489
Grand Total (A+B)			638,707,842		808,132,127	(169,424,285)
Unrealised Gain / (Loss)					(169,424,285)	
Less: Previous year unrealised gain/(loss)					(190,819,460)	
Unrealised Gain / (Loss) This Year					21,395,175	

NIBL Pragati Fund**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)****Computation of Unrealized Gains for FY 2078/79**

Amount in Rs.

Name	Unit	Price	Value	Cost Price	Total Cost	Gain/ (Loss)
LISTED						
Himalayan Bank Limited	41088	299.20	12,293,530	470.00	19,311,404	(7,017,874)
Machhapuchhre Bank Limited	37980	254.00	9,646,920	337.70	12,825,846	(3,178,926)
Siddhartha Bank Limited	39703	303.00	12,030,009	451.02	17,906,899	(5,876,890)
Citizens Bank International Limited	12355	202.50	2,501,888	253.11	3,127,123	(625,236)
Sanima Bank Limited	11410	276.00	3,149,160	335.96	3,833,306	(684,146)
NIC Asia Bank Limited	21479	696.00	14,949,384	800.71	17,198,384	(2,249,000)
Nepal SBI Bank Limited	39281	282.30	11,089,026	666.25	26,170,806	(15,081,780)
Nepal Bangladesh Bank Limited	11768	399.00	4,695,432	373.09	4,390,530	304,902
NMB Bank Limited	20593	261.00	5,374,773	353.74	7,284,543	(1,909,770)
Century Commercial Bank Limited	53379	183.00	9,768,357	244.41	13,046,481	(3,278,124)
Everest Bank Limited	16349	439.00	7,177,211	866.01	14,158,425	(6,981,214)
Mega Bank Nepal Limited	45425	226.00	10,266,050	307.07	13,948,666	(3,682,616)
Prabhu Bank Limited	67594	207.00	13,991,958	334.91	22,638,210	(8,646,252)
Nabil Bank Limited	17410	824.00	14,345,840	1,121.17	19,519,605	(5,173,765)
Excel Development Bank Limited	1	327.00	327	100.00	100	227
Himalayan General Insurance Company Limited	5310	520.00	2,761,200	659.94	3,504,267	(743,067)
National Life Insurance Company Limited	34385	577.00	19,840,145	965.26	33,190,625	(13,350,480)
Shikhar Insurance Company Limited	15716	807.00	12,682,812	1,509.89	23,729,421	(11,046,609)
Life Insurance Corporation Nepal Limited	24330	1,415.00	34,426,950	1,863.14	45,330,265	(10,903,315)
Sagarmatha Insurance Company Limited	3844	870.00	3,344,280	1,288.43	4,952,737	(1,608,457)
Neco Insurance Company Limited	6368	694.00	4,419,392	1,020.30	6,497,240	(2,077,848)
Chhimek Laghubitta Bittiya Sanstha Limited	24875	1,100.00	27,362,500	765.24	19,035,287	8,327,213
Forward Community Microfinance Bittiya Sanstha Limited	1092	2,385.00	2,604,420	2,293.67	2,504,688	99,732
Samata Microfinance Bittiya Sanstha Limited	5903	799.00	4,716,497	1,313.11	7,751,300	(3,034,803)
Nerude Laghubitta Bittiya Sanstha Limited	16490	880.00	14,511,200	1,072.99	17,693,616	(3,182,416)
Mahuli Laghubitta Bittiya Sanstha Limited	1	1,155.00	1,155	-	(0)	1,155
Deprosc Laghubitta Bittiya Sanstha Limited	26624	940.00	25,026,560	1,083.92	28,858,260	(3,831,700)
Aadhikhola Laghubitta Bittiya Sanstha Limited	152	1,370.00	208,240	84.03	12,773	195,467
Citizen Investment Trust	11712	2,515.00	29,455,680	3,429.43	40,165,471	(10,709,791)
Himalayan Distillery Ltd.	6233	3,410.00	21,254,530	3,245.22	20,227,457	1,027,073
Nepal Reinsurance Co Ltd.	19746	735.00	14,513,310	1,244.68	24,577,519	(10,064,209)
Sabaiko Laghubitta Bittiya Sanstha limited	1	1,074.90	1,075	-	(0)	1,075
Sanjen Hydropower Co. Ltd.	1000	260.00	260,000	355.52	355,522	(95,522)
Premier Insurance Co Ltd.	27603	576.00	15,899,328	974.14	26,889,185	(10,989,857)
Prime Life Insurance Co Ltd.	37575	569.00	21,380,175	745.87	28,026,234	(6,646,059)
NIC Asia Laghubitta Bittiya Sanstha Limited	5000	859.90	4,299,500	1,277.96	6,389,817	(2,090,317)
Nepal Insurance Co. Ltd.	5170	445.90	2,305,303	645.41	3,336,792	(1,031,489)
Shivam Cements Ltd	9962	760.00	7,571,120	1,482.72	14,770,860	(7,199,740)
Surya Life Insurance Company Limited	26517	387.00	10,262,079	749.39	19,871,688	(9,609,609)
Samaj Laghubitta Bittiya Sanstha Limited	156	166.21	25,929	100.00	15,600	10,329
Api Power Company Ltd.	1	244.50	245	100.00	100	145
National Microfinance Bittiya Sanstha Ltd.	1	1,935.00	1,935	-	-	1,935
Mountain Energy Nepal Limited	9404	800.00	7,523,200	1,208.53	11,365,038	(3,841,838)
Nepal Infrastructure Bank Limited	31301	240.00	7,512,240	121.21	3,793,896	3,718,344
Kumari Equity Fund	150000	10.07	1,510,500	10.00	1,500,000	10,500

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NIBL Pragati Fund**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)**

Global IME Laghubitta Bittiya Sanstha Ltd.	5023	1,299.00	6,524,877	2,102.94	10,563,085	(4,038,208)
Grameen Bikas Laghubitta Bittiya Sanstha Ltd.	9448	756.00	7,142,688	1,183.50	11,181,723	(4,039,035)
Nepal Credit And Commercial Bank Limited	40549	210.90	8,551,784	276.69	11,219,499	(2,667,715)
Laxmi Laghubitta Bittiya Sanstha Ltd.	8287	1,275.00	10,565,925	2,082.62	17,258,702	(6,692,777)
NMB Microfinance Bittiya Sanstha Ltd.	7898	750.10	5,924,290	1,303.59	10,295,790	(4,371,500)
Sunrise Bluechip Fund	494000	8.74	4,317,560	10.00	4,940,000	(622,440)
United Insurance Co. (Nepal) Ltd.	11215	350.00	3,925,250	729.45	8,180,769	(4,255,519)
Kamana Sewa Bikas Bank Limited	12789	349.90	4,474,871	547.61	7,003,394	(2,528,523)
Ridi Hydropower Development Company Ltd.	5000	838.00	4,190,000	834.51	4,172,532	17,468
Manushi Laghubitta Bittiya Sanstha Limited	295	1,002.00	295,590	100.00	29,500	266,090
Sahas Urja Limited	6920	460.00	3,183,200	604.33	4,181,970	(998,770)
Nabil Balanced Fund-3	16670	9.43	157,198	10.00	166,700	(9,502)
Jyoti Bikas Bank Limited	5230	302.20	1,580,506	381.97	1,997,696	(417,190)
Saaltee Hotel Limited	6000	202.50	1,215,000	239.15	1,434,875	(219,875)
Rastra Utthan Laghubitta Sanstha Limited	793	926.00	734,318	100.00	79,300	655,018
Balephi Hydropower Limited	1706	239.70	408,928	100.00	170,600	238,328
Upakar Laghubitta Bittiya Sanstha Limited	221	2,699.00	596,479	100.00	22,100	574,379
Civil Bank Ltd	14719	213.00	3,135,147	212.98	3,134,809	338
CYC Nepal Laghubitta Bittiya Sanstha Limited	369	1,698.20	626,636	100.00	36,900	589,736
River Falls Power Limited	2457	222.00	545,454	100.00	245,700	299,754
(A) Sub-Total			495,057,065		686,021,628	(190,964,563)
UNLISTED						
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	-
Bindhyabasini Hydropower Development Co. Ltd.-IPO	1350	155.41	209,804	100.00	135,000	74,804
Adarsha Laghubitta Bittiya Sanstha Ltd.-IPO	61	203.17	12,393	100.00	6,100	6,293
Himalayan Hydropower Ltd.-IPO	1706	100.80	171,965	100.00	170,600	1,365
Upper Solu Hydro Electric Co. Ltd.-IPO	1697	111.58	189,351	100.00	169,700	19,651
Upper Hewakhola Hydropower Co. Ltd.-IPO	1300	110.75	143,975	100.00	130,000	13,975
Swet Ganga Hydropower & Construction Ltd.- IPO	2071	112.26	232,490	100.00	207,100	25,390
Rapti Hydro & General Construction Ltd.-IPO	2197	101.65	223,325	100.00	219,700	3,625
Sub-Total (B)			136,183,303		136,038,200	145,103
Grand Total (A+B)			631,240,368		822,059,828	(190,819,460)
Unrealised Gain / (Loss)					(190,819,460)	
Less: Previous year unrealised gain/(loss)					227,997,895	
Unrealised Gain / (Loss) This Year					(418,817,355)	

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

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

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

- a. Fund Sponsor: Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)
- b. Fund Manager and Depository: NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.), a subsidiary of the Sponsor.
- c. Shareholders holding substantial interest in the Fund Manager: Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)
- 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 Mega Bank Limited (Then Nepal Investment Bank Ltd.)- Fund Sponsor, amounts to NPR 102,500,000 (at par value of NPR 10 per unit)
- Unit Holding of NIMB 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 17,03,140 (NPR One Million Seven Hundred Three Thousand One Hundred Forty Only) from Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)
- Fund Management and Depository Fee incurred by NIBL Pragati Fund during the year amounts to NPR 12,875,825 (NPR Twelve Million Eight Hundred Seventy-Five Thousand Eight Hundred Twenty-Five Only).
- Fund management and depository fee payable at year end by NIBL Pragati Fund to NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.) NPR 3,258,370 (NPR Three Million Two Hundred Fifty-Eight Thousand Three Hundred Seventy Only).
- The Scheme has a Current/call account bank balance of NPR 12,878,998 (NPR Twelve Million Eight Hundred Seventy-Eight Thousand Nine Hundred Ninety-Eight Only) as on Balance Sheet date with the Fund Sponsor - Nepal Investment Mega Bank Limited (Then Nepal Investment Bank Ltd.) at the rate of 1% per annum.

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

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 6.8% Cash Dividend (including applicable withholding tax) for fiscal year 2079/80 to its unit-holders which amounts to NPR. 5,10,00,000 (Nepalese Rupees Five Crore and Ten Lakh Only).

NIBL Pragati Fund

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

On Behalf of NIMB Ace Capital Limited

(Fund Management Company)

As per our Report of even date

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

Aman Uprety, FCA
Partner
S.A.R. Associates,
Chartered Accountants

Srijana Pandey
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Deputy General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Mutual Fund Executive



NIMB ACE CAPITAL
Managing shares Managing investments.
Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd.

Date : 30th August, 2023

Place : Kathmandu

NIBL MUTUAL FUND
NIBL Pragati Fund