

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.

09 September 2024

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF NIBL GROWTH FUND

Report on the Audit of Financial Statements

A. Opinion

1. We have audited the accompanying financial statements of NIBL Growth Fund ("the Mutual Fund") which comprise the statement of financial position as at 31 Ashadh 2081 (corresponding to 15 July 2024), 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 2081 (15 July 2024), 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 opinion on these matters.



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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.

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:

- 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 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.



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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 2081 (15 July 2024) , 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



CA. Maheswarendra Bdr. Shrestha
Proprietor
UDIN: 240909CA00117jg5ve



NIBL Growth Fund

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

Statement of Financial position as at 31st Ashad 2081 (15th July 2024)

NPR

Particulars	Notes	31 Ashad 2081	31 Ashad 2080
Assets			
Current Assets			
Cash and Cash Equivalents	3.2	237,867,591	375,919,325
Other Current Assets	4.6	39,832,015	19,355,727
Financial Assets Held at Amortized Cost	13	221,304,000	266,304,000
Financial Assets Held at Fair Value Through Profit or Loss	4.7	929,576,358	697,711,242
Total		1,428,579,964	1,359,290,294
Liabilities			
Current Liabilities			
Accrued Expenses & Other Payables	5.2	24,523,315	7,645,554
Liabilities (Excluding Net Assets Attributable to Unitholders)		24,523,315	7,645,554
Unit Holder's Funds			
Net Assets Attributable to Unit Holders	6	1,404,056,649	1,351,644,740
Total		1,428,579,964	1,359,290,294
NAV per Unit		10.64	10.24

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

Srijana Pandey
Director



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

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Sachindra Dhungana
General Manager

Shulav Shrestha
Head- Investment Banking

Date : 5th September, 2024
Place : Kathmandu



NIBL Growth 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 2080 to 31 Ashad 2081 (17th July 2023 to 15th July 2024)

NPR

Particulars	Notes	31 Ashad 2081	31 Ashad 2080
Income			
Interest Income	7.2	41,436,030	27,081,609
Dividend Income	7.3	3,402,657	14,316
Underwriting Income		1,019,499	
Net Profit/(Loss) on Financial Assets Held at Fair Value through Profit and Loss	14b	31,517,248	26,972,026
Total		77,375,434	54,067,951
Expenses and Losses			
Fund Management fees	8	20,037,817	9,761,887
Depository Fees	8	2,671,709	1,301,585
Fund Supervisors Fees	8	1,603,025	780,951
Publication Expenses		150,764	67,121
Listing Fees		50,000	50,000
Audit Fees		113,000	113,000
Bank Charges		4,433	3,510
Annual Service Charges on Software		135,600	41,433
Pre-operating Expenses			10,133,724
CDS Dematerialisation Registration Fee		170,000	170,000
Book Building Registration Expense-SEBON		10,000	-
Other Expenses		16,977	-
DP Expense		200	-
Total expenses		24,963,525	22,423,211
Net Gains/(Losses) for the Period		52,411,909	31,644,740
Other Comprehensive income		-	-
Net Surplus/(Deficit) for the period		52,411,909	31,644,740

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

Sachin Tibrewal
Chairman

Srijana Pandey
Director

As per our Report of even date

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



Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive officer

Sachindra Dhungana
General Manager

Shulav Shrestha
Head- Investment Banking

Date : 5th September, 2024

Place : Kathmandu



NIBL Growth Fund

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

Statement of Cash Flows

For the Period from 1st Shrawan 2080 to 31 Ashad 2081 (17th July 2023 to 15th July 2024)

NPR

Particulars	31 Ashad 2081	31 Ashad 2080
A. Cash Flow from Operating Activities		
Surplus/ (Deficit) for the year	52,411,909	31,644,740
Adjustments for:		
Increase/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	18,057,271	(2,414,160)
Increase/(Decrease) in Liabilities	16,877,760	7,645,554
(Increase)/Decrease in Share	(249,922,387)	(695,297,082)
(Increase)/Decrease in Debenture	(5,000,000)	(68,304,000)
(Increase)/Decrease in Fixed Deposit	50,000,000	(198,000,000)
(Increase)/Decrease in Other Assets	(20,476,287)	(19,355,727)
Net cash generated/(used) in Operations (1)	(138,051,734)	(944,080,675)
B. Cash Flow from Financing Activities		
Issue of Unit Capital	-	-
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)	(138,051,734)	(944,080,675)
Cash and Cash Equivalents at beginning of the year/period	375,919,325	-
Cash and Cash Equivalents at end of period	237,867,591	(944,080,675)
Components of Cash and Cash Equivalents		
Balance with Banks	237,867,591	375,919,325

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

As per our Report of even date

Sachin Tibrewal
Chairman

Srijana Pandey
Director

Maheswarendra Bahadur Shrestha, FCA
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General Manager

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Head- Investment Banking



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

NIBL MUTUAL FUND
NIBL Growth Fund

Date : 5th September, 2024
Place : Kathmandu

NIBL Growth Fund

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

Statement in Changes in Unit holders' Fund

For the Period from 1st Shrawan 2080 to 31 Ashad 2081 (17th July 2023 to 15th July 2024)

Particular	In NPR			
	Unit Capital	Realized Profit	Unrealized Profit	Total
Opening Balance	1,320,000,000			1,320,000,000
Issue of Unit Capital	-			-
Net Profit (Loss) Upto Last Year	-			-
Net Profit (Loss) During the year		29,230,580	2,414,160	31,644,740
Dividend Paid	-			-
Balance as on 31/03/2080	1,320,000,000	29,230,580	2,414,160	1,351,644,740
Opening Balance	1,320,000,000	-	-	1,320,000,000
Issue of Unit Capital	-	-	-	-
Net Profit (Loss) Upto Last Year	-	29,230,580	2,414,160	31,644,740
Net Profit (Loss) During the year	-	70,469,180	(18,057,271)	52,411,909
Dividend Paid	-	-	-	-
Balance as on 31/03/2081	1,320,000,000	99,699,760	(15,643,111)	1,404,056,649

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

Sachin Tibrewal
Chairman

Srijana Pandey
Director

As per our Report of even date



Maheswarendra Bahadur Shrestha, FCA
Proprietor
M.B. Shrestha & Co.,
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Director

Shivanth Bahadur Pandé
Chief Executive Officer

Sachindra Dhungana
General Manager

Shulay Shrestha
Head- Investment Banking

Date : 5th September, 2024
Place : Kathmandu



NIBL MUTUAL FUND
NIBL Growth Fund

NIBL Growth 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 2081 (15th July 2024)

1. General Information of the Scheme

Fund	NIBL Mutual Fund
Scheme	NIBL Growth Fund
Fund Sponsor	Nepal Investment Mega Bank Limited (Then Nepal Investment Bank Ltd.) (Licensed by NRB as Class 'A' bank)
Fund Management	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	132,000,000 (One Hundred Thirty Two Million Units)
Total Unit Capital	NPR 1,320,000,000 (One Billion Thirty-Two Hundred Million)
Scheme type	Close-ended

NIBL Growth 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 generate moderate steady returns with minimizing high risks and focusing on the growth of the investment by investing in different financial instruments with concentrating on selected sectors/instruments as allowed by prevailing rules/regulations on mutual fund. The Scheme commenced its operation on 3rd Magh, 2079 B.S. (Scheme allotment date) with maturity period of 10 years (i.e. 2nd Magh, 2089 B.S.). It was listed on NEPSE on 24th Magh, 2079 B.S. The Scheme's Financial Statements for the year 2080/81 were approved by the

Page 1 of 29




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

 **NIBL MUTUAL FUND**
NIBL Growth Fund

NIBL Growth 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.)

Board of Directors of the NIMB Ace Capital Limited (Then NIBL Ace Capital Ltd.) on 20th Bhadra, 2081. being the Fund Management and Depository Company. Similarly, the Fund Supervisors' consent on the approved Financial Statements has also been duly obtained.

Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)- NIMB is the Fund Sponsor and NIMB Ace Capital Ltd (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.

The Unit Capital of the Scheme comprises of the following:

Holder	Status	No. of Units	Holding Amount @ 10 Each	Holding (%)
Nepal Investment Mega Bank	Fund Sponsor	30,400,000	304,000,000	23%
NIMB Ace Capital Limited	Fund Manager/ Depository	2,232,100	22,321,000	2%
General Public		99,367,900	993,679,000	75%
Total		132,000,000	1,320,000,000	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.

2.2. 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).

2.3. 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.

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2.4. 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.

2.5. Reporting Periods

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



2.6. Presentation Currency

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

2.7. Comparatives

The comparatives comprise of the previous year figure for period from Shrawan 01, 2079 to Ashad 31, 2080.

2.8. 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 2081	31 Ashad 2080
Cash and Cash Equivalents	237,867,591	375,919,325
Total	237,867,591	375,919,325

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.

NIBL Growth 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.)

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 2081	32 Ashad 2080
1	Dividend Income Receivable	35152	9,580
2	Interest Receivables	15,144,766	7,088,474
3	Broker Receivables	24,650,555	12,257,673
4	TDS Receivables	1,541	-
	Total Amount	39,832,014	19,355,727

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

Particulars	31 Ashad 2081	31 Ashad 2080
Financial Assets Held for Trading:		
Equity Security	929,576,358	697,711,242
Total Financial Assets held for Trading (A)	929,576,358	697,711,242
Designated Financial Assets at FVTPL	-	-
Total Designated at FVTPL (B)	-	-
Financial Assets Held at FVTPL (A+B)	929,576,358	697,711,242



NIBL Growth 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.)

Comparative Investment in Listed Shares

Name	2080-81			2079-80		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
LISTED						
Prabhu Bank Limited	70,853	163.70	11,598,636.10	47,442	162.60	7,714,069
Nepal Bank Limited	51,885	229.50	11,907,607.50	51,885	249.00	12,919,365
Siddhartha Bank Limited	46,370	283.00	13,122,710.00	46,370	253.00	11,731,610
Prime Commercial Bank Ltd.	86,341	221.80	19,150,433.80	90,513	195.00	17,650,035
NMB Bank Limited	92,868	218.00	20,245,224.00	67,637	226.00	15,285,962
Garima Bikas Bank Limited	47,686	385.10	18,363,878.60	102,286	405.00	41,425,830
Shine Resunga Development Bank Ltd.	19,251	405.10	7,798,580.10	9,871	384.00	3,790,464
ICFC Finance Limited	-	-	-	-15,000	525.00	7,875,000
Goodwill Finance Limited	-	-	-	-31,486	483.00	15,207,738
Sahas Urja Limited	14,157	519.00	7,347,483.00	23,242	483.90	11,246,804
Lumbini Bikas Bank Ltd.	38,602	416.60	16,081,593.20	7,855	413.00	3,244,115
Reliance Finance Ltd.	-	-	-	-24,502	385.90	9,455,322
Api Power Company Ltd.	42,060	191.00	8,033,460.00	32,900	197.00	6,481,300
NIC Asia Bank Ltd.	68,517	443.20	30,366,734.40	53,115	793.80	42,162,687
Citizen Investment Trust	14,044	1,945.00	27,315,580.00	5,612	2,089.00	11,723,468
Rastriya Beema Company Limited	540	13,490.00	7,284,600.00	440	16,099.00	7,083,560
Himalayan Distillery Limited	15,414	1,384.00	21,332,976.00	22	2,248.00	49,456
Muktinath Bikas Bank Ltd.	75,226	367.00	27,607,942.00	94,307	407.00	38,382,949
Arun Kabeli Power Ltd.	62,054	185.00	11,479,990.00	36,027	234.50	8,448,332
Himalayan Bank Limited	20,610	204.20	4,208,562.00	20,610	212.80	4,385,808
Miteri Development Bank Limited	500	540.00	270,000.00	31,923	404.10	12,900,084
Ngadi Group Power Ltd.	-	-	-	-10,127	233.90	2,368,705



NIBL Growth 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.)

Name	2080-81			2079-80		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
Mahalaxmi Bikas Bank Ltd.	-	-	-	13,745	325.50	4,473,998
Sunrise Focused Equity Fund	2,500,000	8.24	20,600,000.00	2,500,000	9.68	24,200,000
Sunrise Bank Ltd.	-	-	-	46,739	173.10	8,090,521
Kumari Bank Limited	50,586	153.70	7,775,068.20	43,340	165.00	7,151,100
Nabil Bank Limited	17,764	524.00	9,308,336.00	8,000	599.20	4,793,600
First Micro Finance Laghubitta Bittiya Sanstha Limited	14,339	681.00	9,764,859.00	13,632	736.30	10,037,242
Chhimek Laghubitta Bittiya Sanstha Limited	32,873	900.00	29,585,700.00	16,045	1,000.00	16,045,000
RMDC Laghubitta Bittiya Sansatha Ltd.	-	-	-	6,512	775.00	5,046,800
Shikhar Insurance Co. Ltd.	13,899	723.00	10,048,977.00	639	845.00	539,955
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	26,398	711.90	18,792,736.20	5,000	765.00	3,825,000
SHIVAM CEMENTS LTD	35,370	502.30	17,766,351.00	24,223	651.50	15,781,285
Prabhu Smart Fund	1,000,000	9.61	9,610,000.00	1,000,000	9.90	9,900,000
Neco Insurance Limited	34,973	836.00	29,237,428.00	15,914	891.10	14,180,965
Himalayan Everest Insurance Limited	8,520	632.00	5,384,640.00	20,584	600.00	12,350,400
IGI Prudential Insurance Limited	55,060	558.00	30,723,480.00	21,772	560.00	12,192,320
RBB Mutual Fund 2	1,000,000	9.50	9,500,000.00	1,000,000	10.00	10,000,000
Kamana Sewa Bikas Bank Limited	24,626	416.00	10,244,416.00	34,597	327.00	11,313,219
Himalayan Life Insurance Limited	32,725	391.00	12,795,475.00	25,725	507.00	13,042,575
Soaltee Hotel Limited	58,612	442.00	25,906,504.00	30,975	485.00	15,022,875
SuryaJyoti Life Insurance Company Limited	33,218	429.90	14,280,418.20	25,609	610.00	15,621,490
Taragaon Regency Hotel Limited	1,655	807.00	1,335,585.00	23,000	790.30	18,176,900
Prabhu Insurance Ltd.	14,199	826.00	11,728,374.00	9,500	747.00	7,096,500

NIBL Growth 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.)**

Name	2080-81			2079-80		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
CITIZENS MUTUAL FUND 2	319,375	10.32	3,295,950.00	144,337	10.39	1,499,661
Forward Microfinance Laghubitta Bittiya Sanstha Limited	17,067	1,413.00	24,115,671.00	4,000	1,321.00	5,284,000
Deprosc Laghubitta Bittiya Sanstha Limited	15,824	841.00	13,307,984.00	4,000	826.00	3,304,000
Siddhartha Investment Growth Scheme 3	328,200	9.45	3,101,490.00	330,000	10.00	3,300,000
Sanima Middle Tamor Hydropower Limited	755	450.00	339,750.00	-	-	-
Jyoti Bikas Bank Limited	32,277	314.00	10,134,978.00	-	-	-
Sanima Bank Limited	41,172	279.00	11,486,988.00	-	-	-
Asian Life Insurance Co. Limited	18,739	623.00	11,674,397.00	-	-	-
IME Life Insurance Company Limited	21,735	453.00	9,845,955.00	-	-	-
Citizens Super 30 Mutual Fund	439,889	10.00	4,398,890.00	-	-	-
Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited	25,451	853.70	21,727,518.70	-	-	-
Laxmi Sunrise Bank Limited	46,756	175.00	8,182,300.00	-	-	-
Laxmi Value Fund 2	400,000	9.24	3,696,000.00	-	-	-
Sun Nepal Life Insurance Company Limited	8,935	511.30	4,568,465.50	-	-	-
Kumari Bank Limited Promotor Share	25,000	104.00	2,600,000.00	-	-	-
Upper Lohore Khola Hydropower Company Limited	590	394.00	232,460.00	-	-	-
Sonapur Minerals And Oil Limited	15,898	456.10	7,251,077.80	-	-	-
Mountain Energy Nepal Limited	13,997	597.00	8,356,209.00	-	-	-
Himalayan 80-20	999,900	9.99	9,989,001.00	-	-	-
Muktinath Krishi Company Limited	900	1,390.00	1,251,000.00	-	-	-
Vision Lumbini Urja Company Limited	2,130	529.00	1,126,770.00	-	-	-
Nepal Warehousing Company Limited	500	898.00	449,000.00	-	-	-



NIBL Growth 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.)

Name	2080-81			2079-80		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
Vijaya laghubitta Bittiya Sanstha Ltd	2	1,040.00	2,080.00	-	-	-
Nepal Insurance Co. Ltd	12,456	880.00	10,961,280.00	-	-	-
Nepal Reinsurance Company Limited	1,714	698.00	1,196,372.00	-	-	-
Everest Bank Limited	17,590	560.00	9,850,400.00	-	-	-
Himalayan Reinsurance Limited	34,647	580.00	20,095,260.00	-	-	-
Oriental Hotels Limited	2,642	785.00	2,073,970.00	-	-	-
NIC ASIA Growth Fund-2	1,000,000	8.20	8,200,000.00	-	-	-
Sarbottom Cement Limited	4,627	806.50	3,731,675.50	-	-	-
Nepal Doorsanchar Company Limited	12,887	845.00	10,889,515.00	-	-	-
RSDC Laghubitta Bittiya Sanstha Ltd.	698	692.00	483,016.00	-	-	-
Shangrila Development Bank Ltd.	4,289	349.00	1,496,861.00	-	-	-
Global IME Laghubitta Bittiya Sanstha Ltd.	2,945	1,365.00	4,019,925.00	-	-	-
Kumari Sabal Yojana	750,000	10.00	7,500,000.00	-	-	-
Sagarmatha Jalabidhyut Company Limited	5,135	406.00	2,084,810.00	-	-	-
Sub-Total (A)			791,621,358			543,802,068

UNLISTED						
Citizen Unit Scheme-01	520000	100	52000000	520,000	100	52,000,000
Citizen Unit Scheme-02	400000	100	40000000	400,000	100	40,000,000
Citizen Unit Scheme-03	400000	100	40000000	400,000	100	40,000,000
Kumari Sunaulo Lagani Yojana-Open End	500,000	11.91	5,955,000.00	500,000	11	5,325,000
Citizens Super 30 Mutual Fund-IPO				500,000	10	5,000,000
Nepal Republic Media Ltd.-IPO				7,682	111	852,548



NIBL Growth 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.)

Ghorahi Cement Industries Ltd.-IPO				5,000	465	2,326,500
Three Star Hydropower Ltd.-IPO				616	158	97,402
Upper Syange Hydropower Ltd.-IPO				542	109	58,921
Kutheli Bukhari Small Hydropower Ltd.-IPO				101	262	26,419
IME Life Insurance Co. Ltd - IPO				9,912	435	4,313,702
API-Right Entitlement				22,900	37	844,002
Arun Kabeli - Right Entitlement				26,027	118	3,064,679
Sub-Total (B)			137,955,000			153,909,174
Grand Total			929,576,358			697,711,242
Unrealized Gain / (Loss)			(15643,111)			
Less: Previous year unrealised gain/(loss)			2,414,160			
Unrealised Gain / (Loss) This Year			(18,057,271)			

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 2081	31 Ashad 2080
1	Reporting Expenses Payables	20,000	20,000
2	Broker Payables	17,763,021	1,293,347
3	Audit Fee Payables	111,500	111,500
4	TDS Liability	157,098	149,913
5	Software AMC (PCS) Payables	301,250	40,812
6	Fund Management Fee Payable- NIMB Ace Capital	5,131,908	5,015,085



NIBL Growth 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.)

- 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 2081	31 Ashad 2080
1	Reporting Expenses Payables	20,000	20,000
2	Broker Payables	17,763,021	1,293,347
3	Audit Fee Payables	111,500	111,500
4	TDS Liability	157,098	149,913
5	Software AMC (PCS) Payables	301,250	40,812
6	Fund Management Fee Payable- NIMB Ace Capital	5,131,908	5,015,085
7	Depository Fee Payables - NIMB Ace Capital	684,254	668,678
8	Supervisor Fee Payables	354,284	346,219
	Total	24,523,315	7,645,554

Fund management fee and depository fee includes fee payable to NIMB 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.nimbacecapital.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



NIBL Growth Fund

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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 31 st Ashad 2081	For the Year Ended on 31 st Ashad 2080
Unit Holders' Fund at the Beginning of the Year/Period	1,320,000,000	1,320,000,000
Increase / (Decrease) in Net Assets Attributable to Unit Holders		
Net Gains/(Losses) for the Period	52,411,909	31,644,740
Other Comprehensive income	-	-
Distribution to Unit Holders'	-	-
Unit Holders' Fund at the End of the Year/Period	1,372,411,909	1,351,644,740

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,



NIBL Growth Fund

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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 2080/81	FY 2079/80
Interest income on Debentures, Fixed and Call Deposit	41,436,030	27,081,609
Total	41,436,030	27,081,609

7.3 Dividend Income

Particulars	FY 2080/81	FY 2079/80
Dividend Income Realized	3,402,657	14,316
Total	3,402,657	14,316

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, 2080 to 31st Ashad 2081 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 2080/81	FY 2079/80
Fund Management Fee	20,037,817	9,761,887



NIBL Growth 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.)

Depository Fee	2,671,709	1,301,585
Fund Supervisor Fee	1,603,025	780,951
Total	24,312,551	11,844,423

9. Income Tax

The finance act 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 2080/81.

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.

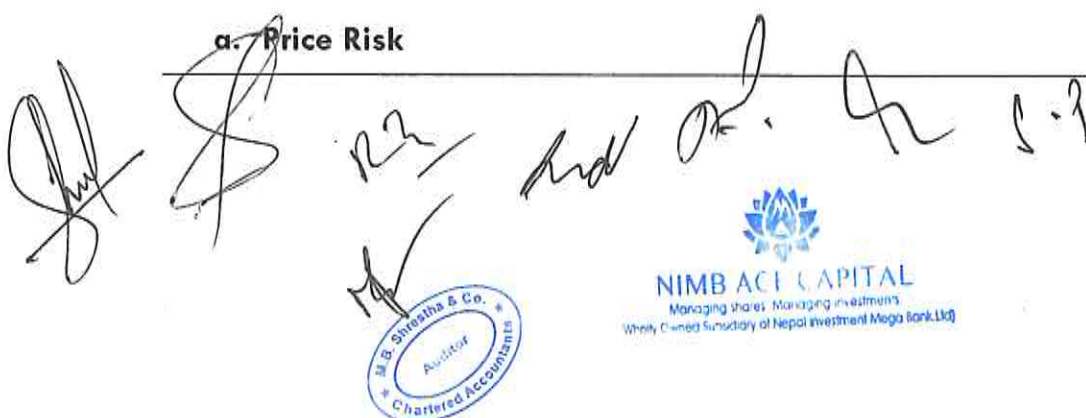
The management of these risks is carried out by the NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.), the fund management company. The fund supervisors provide principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and non-derivative 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

Page 17 of 29

The block contains several handwritten signatures in black ink. Below the signatures, there is a blue circular stamp for 'M. B. Shrestha & Co. Auditor Chartered Accountants'. In the center, there is a logo for 'NIMB ACE CAPITAL' with the tagline 'Managing shares. Managing investments. Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd.'.

NIBL MUTUAL FUND
NIBL Growth Fund

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.



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;



NIBL Growth Fund

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- (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:

- 1) 50% of the Latest Net Worth Published by the Company.



NIBL Growth 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.)

- 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 = $V_r \times$ No. of shares held before Ex- date

13. Financial Assets Held at Amortized Cost

Particulars	31 Ashad 2081	31 Ashad 2080
Debentures	73,304,000	68,304,000
Fixed Deposit	148,000,000	198,000,000
Total	221,304,000	266,304,000

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 quarterly and/or half yearly basis. 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



NIBL Growth Fund

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

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, monthly and/or 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 (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

Particulars	31 Ashad 2081	31 Ashad 2080
Net Realized Gains/(Losses) on Financial Assets at Fair Value Through Profit or loss	49,574,519	24,557,866
Net Unrealized Gains/(Losses) on Financial Assets at Fair Value Through Profit or Loss	(18,057,271)	2,414,160
Total	31,517,248	26,972,026

Computation of Unrealized Gains/loss for FY 2080/81:

Name	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/Loss
LISTED						
Prabhu Bank Limited	70,853	163.70	11,598,636.10	184.56	13,076,275.02	(1,477,638.92)
Nepal Bank Limited	51,885	229.50	11,907,607.50	276.70	14,356,322.08	(2,448,714.58)
Siddhartha Bank Limited	46,370	283.00	13,122,710.00	284.49	13,191,814.80	(69,104.80)
Prime Commercial Bank Ltd.	86,341	221.80	19,150,433.80	198.31	17,122,595.81	2,027,837.99



NIBL Growth 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.)**

Name	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/Loss
NMB Bank Limited	92,868	218.00	20,245,224.00	230.58	21,413,242.18	(1,168,018.18)
Garima Bikas Bank Limited	47,686	385.10	18,363,878.60	345.09	16,455,751.34	1,908,127.26
Shine Resunga Development Bank Ltd.	19,251	405.10	7,798,580.10	361.21	6,953,664.55	844,915.55
Sahas Urja Limited	14,157	519.00	7,347,483.00	512.08	7,249,463.13	98,019.87
Lumbini Bikas Bank Ltd.	38,602	416.60	16,081,593.20	379.41	14,645,900.85	1,435,692.35
Api Power Company Ltd.	42,060	191.00	8,033,460.00	213.01	8,959,276.56	(925,816.56)
NIC Asia Bank Ltd.	68,517	443.20	30,366,734.40	608.62	41,700,525.58	(11,333,791.18)
Citizen Investment Trust	14,044	1,945.00	27,315,580.00	1,870.18	26,264,834.13	1,050,745.87
Rastriya Beema Company Limited	540	13,490.00	7,284,600.00	13,837.26	7,472,122.98	(187,522.98)
Himalayan Distillery Limited	15,414	1,384.00	21,332,976.00	1,686.86	26,001,203.90	(4,668,227.90)
Muktinath Bikas Bank Ltd.	75,226	367.00	27,607,942.00	360.21	27,097,080.36	510,861.64
Arun Kabeli Power Ltd.	62,054	185.00	11,479,990.00	248.23	15,403,798.99	(3,923,808.99)
Himalayan Bank Limited	20,610	204.20	4,208,562.00	291.30	6,003,737.17	(1,795,175.17)
Miteri Development Bank Limited	500	540.00	270,000.00	429.99	214,994.83	55,005.17
Sunrise Focused Equity Fund	2,500,000	8.24	20,600,000.00	10.00	25,000,000.00	(4,400,000.00)
Kumari Bank Limited	50,586	153.70	7,775,068.20	169.15	8,556,672.62	(781,604.42)
Nabil Bank Limited	17,764	524.00	9,308,336.00	597.33	10,611,050.34	(1,302,714.34)
First Micro Finance Laghubitta Bittiya Sanstha Limited	14,339	681.00	9,764,859.00	629.01	9,019,367.77	745,491.23
Chhimek Laghubitta Bittiya Sanstha Limited	32,873	900.00	29,585,700.00	851.92	28,005,263.27	1,580,436.73
Shikhar Insurance Co. Ltd.	13,899	723.00	10,048,977.00	705.31	9,803,169.68	245,807.32
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	26,398	711.90	18,792,736.20	658.56	17,384,624.49	1,408,111.71
SHIVAM CEMENTS LTD	35,370	502.30	17,766,351.00	508.85	17,998,112.40	(231,761.40)
Prabhu Smart Fund	1,000,000	9.61	9,610,000.00	10.00	10,000,000.00	(390,000.00)
Neco Insurance Limited	34,973	836.00	29,237,428.00	866.20	30,293,701.55	(1,056,273.55)



NIBL Growth 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.)**

Name	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/Loss
Himalayan Everest Insurance Limited	8,520	632.00	5,384,640.00	545.87	4,650,815.26	733,824.74
IGI Prudential Insurance Limited	55,060	558.00	30,723,480.00	556.63	30,648,126.64	75,353.36
RBB Mutual Fund 2	1,000,000	9.50	9,500,000.00	10.00	10,000,000.00	(500,000.00)
Kamana Sewa Bikas Bank Limited	24,626	416.00	10,244,416.00	371.22	9,141,665.95	1,102,750.05
Himalayan Life Insurance Limited	32,725	391.00	12,795,475.00	500.41	16,375,870.67	(3,580,395.67)
Soaltee Hotel Limited	58,612	442.00	25,906,504.00	464.21	27,208,056.72	(1,301,552.72)
Surya Jyoti Life Insurance Company Limited	33,218	429.90	14,280,418.20	557.32	18,512,915.14	(4,232,496.94)
Taragaon Regency Hotel Limited	1,655	807.00	1,335,585.00	778.12	1,287,795.67	47,789.33
Prabhu Insurance Ltd.	14,199	826.00	11,728,374.00	744.85	10,576,099.85	1,152,274.15
CITIZENS MUTUAL FUND 2	319,375	10.32	3,295,950.00	9.72	3,104,665.53	191,284.47
Forward Microfinance Laghubitta Bittiya Sanstha Limited	17,067	1,413.00	24,115,671.00	1,310.01	22,357,918.85	1,757,752.15
Deprosc Laghubitta Bittiya Sanstha Limited	15,824	841.00	13,307,984.00	719.11	11,379,232.47	1,928,751.53
Siddhartha Investment Growth Scheme 3	328,200	9.45	3,101,490.00	10.00	3,282,000.00	(180,510.00)
Sanima Middle Tamor Hydropower Limited	755	450.00	339,750.00	403.81	304,876.83	34,873.17
Jyoti Bikas Bank Limited	32,277	314.00	10,134,978.00	324.31	10,467,682.59	(332,704.59)
Sanima Bank Limited	41,172	279.00	11,486,988.00	259.77	10,695,424.36	791,563.64
Asian Life Insurance Co. Limited	18,739	623.00	11,674,397.00	653.60	12,247,773.30	(573,376.30)
IME Life Insurance Company Limited	21,735	453.00	9,845,955.00	433.95	9,431,927.48	414,027.52
Citizens Super 30 Mutual Fund	439,889	10.00	4,398,890.00	10.00	4,398,890.00	-
Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited	25,451	853.70	21,727,518.70	796.45	20,270,550.94	1,456,967.76
Laxmi Sunrise Bank Limited	46,756	175.00	8,182,300.00	172.27	8,054,860.75	127,439.25
Laxmi Value Fund 2	400,000	9.24	3,696,000.00	10.00	4,000,000.00	(304,000.00)
Sun Nepal Life Insurance Company Limited	8,935	511.30	4,568,465.50	471.70	4,214,675.84	353,789.66
Kumari Bank Limited Promotor Share	25,000	104.00	2,600,000.00	101.32	2,532,978.75	67,021.25

NIBL Growth 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.)**

Name	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/Loss
Upper Lohore Khola Hydropower Company Limited	590	394.00	232,460.00	397.29	234,403.48	(1,943.48)
Sonapur Minerals And Oil Limited	15,898	456.10	7,251,077.80	434.64	6,909,964.05	341,113.75
Mountain Energy Nepal Limited	13,997	597.00	8,356,209.00	556.90	7,794,918.51	561,290.49
Himalayan 80-20	999,900	9.99	9,989,001.00	10.00	9,999,000.00	(9,999.00)
Muktinath Krishi Company Limited	900	1,390.00	1,251,000.00	100.00	90,000.00	1,161,000.00
Vision Lumbini Urja Company Limited	2,130	529.00	1,126,770.00	395.60	842,635.96	284,134.04
Nepal Warehousing Company Limited	500	898.00	449,000.00	395.74	197,870.06	251,129.94
Vijaya laghubitta Bittiya Sanstha Ltd	2	1,040.00	2,080.00	650.28	1,300.55	779.45
Nepal Insurance Co. Ltd	12,456	880.00	10,961,280.00	875.34	10,903,270.43	58,009.57
Nepal Reinsurance Company Limited	1,714	698.00	1,196,372.00	674.68	1,156,402.25	39,969.75
Everest Bank Limited	17,590	560.00	9,850,400.00	510.21	8,974,601.79	875,798.21
Himalayan Reinsurance Limited	34,647	580.00	20,095,260.00	447.23	15,495,230.84	4,600,029.16
Oriental Hotels Limited	2,642	785.00	2,073,970.00	772.69	2,041,451.44	32,518.56
NIC ASIA Growth Fund-2	1,000,000	8.20	8,200,000.00	10.00	10,000,000.00	(1,800,000.00)
Sarbottom Cement Limited	4,627	806.50	3,731,675.50	360.90	1,669,884.30	2,061,791.20
Nepal Doorsanchar Company Limited	12,887	845.00	10,889,515.00	829.29	10,687,075.41	202,439.59
RSDC Laghubitta Bittiya Sanstha Ltd.	698	692.00	483,016.00	712.62	497,407.07	(14,391.07)
Shangrila Development Bank Ltd.	4,289	349.00	1,496,861.00	316.40	1,357,037.96	139,823.04
Global IME Laghubitta Bittiya Sanstha Ltd.	2,945	1,365.00	4,019,925.00	1,486.45	4,377,581.65	(357,656.65)
Kumari Sabal Yojana	750,000	10.00	7,500,000.00	10.00	7,500,000.00	-
Sagarmatha Jalabidhyut Company Limited	5,135	406.00	2,084,810.00	407.02	2,090,063.00	(5,253.00)
Sub-Total (A)			791,621,358		808,219,469	
UNLISTED						
Citizen Unit Scheme-01	520000	100	52000000	100	52000000	



NIBL Growth 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.)

Name	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/Loss
Citizen Unit Scheme-02	400000	100	40000000	100	40000000	
Citizen Unit Scheme-03	400000	100	40000000	100	40000000	
Kumari Sunaulo Lagani Yojana-Open End	500,000	11.91	5,955,000.00	10.00	5,000,000.00	
Sub-Total (B)			137,955,000			
Grand Total			929,576,358			
Unrealised Gain / (Loss)			(15,643,111.00)			
Less: Previous year unrealised gain/(loss)			2,414,160.00			
Unrealised Gain / (Loss) This Year			(18,057,271.00)			

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 Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)
- Fund Manager and Depository: NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.), a subsidiary of the Sponsor.
- Shareholders holding substantial interest in the Fund Manager: Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)



NIBL Growth 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.)

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 Ltd. (Then Nepal Investment Bank Ltd.)- Fund Sponsor amounts to NPR. 304,000,000 (at par value of NPR 10 per unit)
- Unit Holding of NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)- Fund Management amounts to NPR 22,321,000 (at par value of NPR 10 per unit)
- NIBL Growth Fund have earned interest amounting to NPR. 1,604,881 (NPR. One Million Six Hundred Four Thousand Eight Hundred Eighty One Only) from Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)
- Fund Management and Depository Fee incurred by NIBL Growth Fund during the year amounts to NPR. 22,709,526 (NPR. Twenty-two Million Seven Hundred Nine Thousand Five Hundred Twenty-Six Only).
- Fund management and depository fee payable at year end by NIBL Growth Fund to NIMB Ace Capital Ltd. NPR. 5,816,161 (NPR. Five Million Eight Hundred Sixteen Thousand One Hundred Sixty-One Only).
- The Scheme has a current/call account bank balance of NPR. 30,622,829 (NPR. Thirty Million Six Hundred Twenty-Two Thousand Eight Hundred Twenty-Nine Only) as on Balance Sheet date with the Fund Sponsor - Nepal Investment Mega Bank Limited (Then Nepal Investment Bank Ltd.)

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 contingent liability in respect of underwriting commitments.

Underwriting Company Name	Underwriting Amount (NPR)
Solu Hydropower Ltd	100,000,000



NIBL Growth 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.)

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, 2081 till the signing of this financial statement.

19. Proposed Dividend

The Scheme has proposed 6.35% cash dividend (including applicable withholding tax) for fiscal year 2080/81 to its unit-holders which amounts to NPR 8,38,20,000 (Nepalese Rupees Eight Crore Thirty Eight Lakh and Twenty Thousand Only).

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NIBL Growth 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



Srijana Pandey
Director



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



Rabindra Bhattarai
Director



Ananda Kumar Bhattarai
Director



Shivanth Bahadur Pandé
Chief Executive Officer



Sachindra Dhungana
General Manager



Ananda Kumar Bhattarai
Director

Shulay Shrestha
Head-Investment Banking

Date :5thSeptember,2024

Place : Kathmandu