

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

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

**Management's Responsibility for the financial Statement**

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

**Auditor's responsibility**

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

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

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

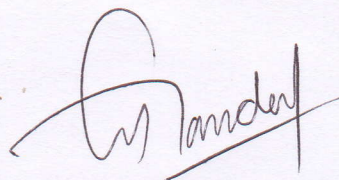
**Opinion**

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

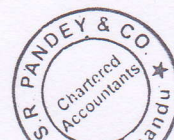
**Report on Other Legal and Regulatory Requirements**

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

Date: 2075.05.07  
Place: Kathmandu



Sudarshan Raj Pandey, F.C.A  
Senior Partner



# NIBL Pragati Fund

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

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

NAV per Unit

7.81

10.36

Schedules and Explanatory Notes forms integral part of Statement of Position

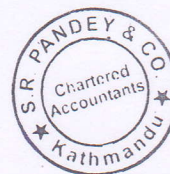
On Behalf of NIBL Ace Capital Limited  
(Fund Management Company)

As per our Report of even date

Shivanth Bahadur Pandé  
Chief Executive Officer

Sachin Tibrewal  
Chairman

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



Binod Kumar Guragain  
Director

Deepak Kumar Shrestha  
Director

Bandana Thapa  
Director

Ram Krishna Khatriwada  
Director

Rabindra Bhattarai  
Director

Mekh Bahadur Thapa  
General Manager

Subhash Poudel  
Head- Mutual Fund



NIBL MUTUAL FUND  
NIBL Pragati Fund

Date: 2075/05/07  
Place : Kathmandu

**NIBL Pragati Fund**

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

**Statement of Profit or Loss and Other Comprehensive Income**

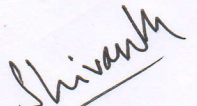
For the Period from 1st Shrawan 2074 to 32nd Asadh 2075 (16th July 2017 to 16th July 2018)


In NPR

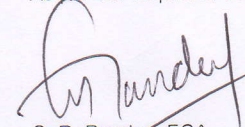
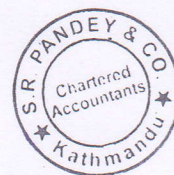
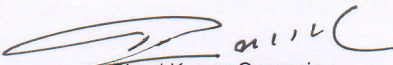
Particulars	Notes	FY 2074/75	FY 2073/74
<b>Income</b>			
Interest Income	7.2	4,514,231	21,210,962
Dividend Income	7.3	4,822,207	1,067,171
Net Profit/(Loss) on Financial Assets Held at Fair Value through Profit and Loss	13(b)	(185,109,867)	22,207,337
Other Income		12,602	64,013
<b>Total</b>		<b>(175,760,827)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


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

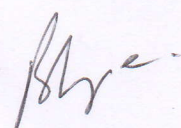
As per our Report of even date

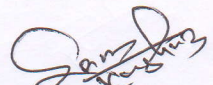
  
 Shivanth Bahadur Pandé  
Chief Executive Officer

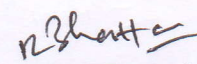
  
 Sachin Tibrewal  
Chairman

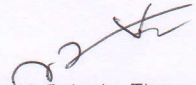
  
 S. R. Pandey, FCA  
Senior Partner  
S. R. Pandey & Co.  
Chartered Accountants

  
 Binod Kumar Guragain  
Director


  
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 Bandana Thapa  
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 Ram Krishna Khatriwada  
Director

  
 Rabindra Bhattarai  
Director

  
 Mekh Bahadur Thapa  
General Manager

  
 Subhash Poudel  
Head- Mutual Fund
Date: 2075/05/07  
Place : Kathmandu**NIBL MUTUAL FUND**  
**NIBL Pragati Fund**

# NIBL Pragati Fund

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

## Statement of Cash Flows

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

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

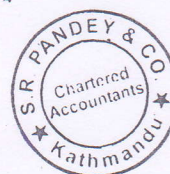
On Behalf of NIBL Ace Capital Limited  
(Fund Management Company)

As per our Report of even date

Shivanth Bahadur Pandé  
Chief Executive Officer

Sachin Tibrewal  
Chairman

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



Binod Kumar Guragain  
Director

Deepak Kumar Shrestha  
Director

Bandana Thapa  
Director

Ram Krishna Khatriwada  
Director

Rabindra Bhattarai  
Director

Mekh Bahadur Thapa  
General Manager

Subhash Poudel  
Head- Mutual Fund

Date: 2075/05/07  
Place : Kathmandu



NIBL MUTUAL FUND  
NIBL Pragati Fund

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Kathmandu, Nepal

# NIBL Pragati Fund

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

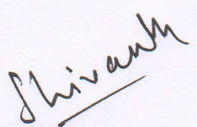
Statement of Changes in Unit Holders' fund

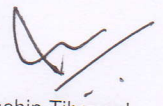
For the Period from 1st Shrawan 2074 to 32nd Asadh 2075 (16th July 2017 to 16th July 2018)

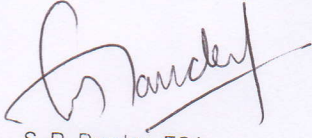
Particulars	In NPR	
	For the year Ended on 32nd Ashad 2075	For the year Ended on 31st Ashad 2074
Units Holders' Fund at the beginning of the Year/Period	776,722,199	750,000,000
Increase in Net Assets Attributable to Unit Holders	(190,981,840)	26,722,199
Distribution to Unit Holders	-	-
Units Holders'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

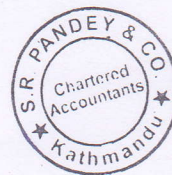
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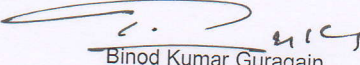
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Chief Executive Officer

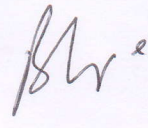
  
Sachin Tibrewal  
Chairman

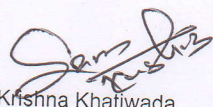
  
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S. R. Pandey & Co.  
Chartered Accountants

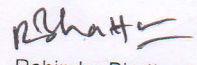


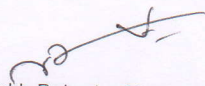
  
Binod Kumar Guragain  
Director

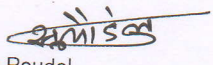
  
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Mekh Bahadur Thapa  
General Manager

  
Subhash Poudel  
Head- Mutual Fund

Date: 2075/05/07  
Place : Kathmandu

**NIBL MUTUAL FUND**  
**NIBL Pragati Fund**



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Kathmandu, Nepal

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

## 1. General Information of the Scheme

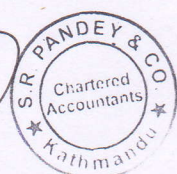
<b>Fund:</b>	<b>NIBL Mutual Fund</b>
<b>Scheme:</b>	<b>NIBL Pragati Fund</b>
<b>Fund Sponsor:</b>	<b>Nepal Investment Bank Limited (NIBL)</b> (Licensed by NRB as Class A bank)
<b>Fund Management:</b>	<b>NIBL Ace Capital Limited</b> (A subsidiary of Nepal Investment Bank Limited)
<b>Fund Supervisors: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

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

Nepal Investment Bank Limited (NIBL) is the Fund Sponsor and NIBL Ace Capital Limited (NIBL Ace Capital), a subsidiary of NIBL duly licensed by Securities Board of Nepal (SEBON), has been appointed as the Fund Manager of the Scheme by the Sponsor after obtaining due approval from SEBON. Further, the Fund Manager is also providing Depository services to the unit holders of the Scheme in line with the prevailing regulations on mutual fund.



**NIBL MUTUAL FUND**  
**NIBL Pragati Fund**



The Unit Capital of the Scheme comprises of the following:

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

## 2. Summary of Significant Accounting Policies

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

### 2.1. Statement of Compliance:

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

### 2.2. Basis of Preparation

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

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

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

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

### 2.3. Reporting Pronouncements

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

### 2.4. Accounting Conventions

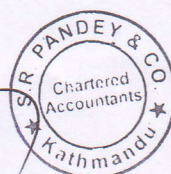
The financial statements have been prepared on a historical cost basis, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.



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**NIBL MUTUAL FUND**  
NIBL Pragati Fund

Page 2 of 27



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

## 2.5. New reporting standards in issue but not yet effective

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

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

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

## 2.6. Presentation

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

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

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

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

## 2.7. Presentation currency

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

## 2.8. Accounting Policies and accounting estimates

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

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

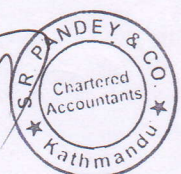
NFRS requires the fund to make estimates and assumptions that will affect the assets, liabilities, disclosure of contingent assets and liabilities, and profit or loss as reported in the financial statements.

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



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Kathmandu, Nepal

**NIBL MUTUAL FUND**  
**NIBL Pragati Fund**



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

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

#### Change in Accounting Policy:

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

#### 2.9. Financial Periods

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

#### 2.10. Discounting

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

#### 2.11. Limitation of NFRS implementation

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

#### 3. Cash and Cash Equivalents

##### Accounting policy

- 3.1. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at bank.

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

##### Explanatory notes

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

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

#### 4. Financial Instruments

##### Accounting policy

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

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

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

#### 4.2 Classification

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

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

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

##### Loans and receivables

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

#### 4.3 Recognition / De- recognition

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

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

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

Realized gains and realized losses on de-recognition are determined using the weighted average method and are included in the profit or loss in the period in which they arise. The realized gain is the difference between an instrument's weighted average cost and disposal amount.

#### 4.4 Measurement

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

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

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

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

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

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future selling costs. The quoted market price used for financial assets held by the Fund is the closing price.

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

#### b. Financial Assets Measured at Amortized Cost

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

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

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

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

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

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

#### 4.5 Offsetting Financial Instruments

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

#### Explanatory note

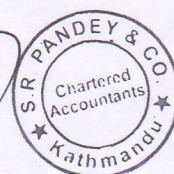
#### 4.6 Loans and Receivables-current

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



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NIBL Pragati Fund

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

## 4.7 Financial Assets Held at Fair Value Through Profit or Loss

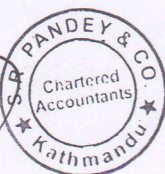
Particulars	32nd Asadh 2075	31st Asadh 2074
Financial Assets Held for Trading		
Equity Security	556,891,990	561,421,991
<b>Total Financial Assets held for Trading (A)</b>	<b>556,891,990</b>	<b>561,421,991</b>
Designated Financial Assets at Fair Value Through Profit or Loss		
<b>Total Designated at Fair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

## Comparative Investment in Listed Shares

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

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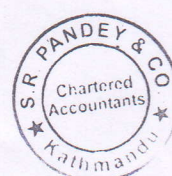
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Agricultural Development Bank Limited	40,969	314	12,864,266	26,141	435	11,371,335
Century Commercial Bank Limited	14,527	169	2,455,063	6,570	290	1,905,300
Deprosc Laghubitta Bittiya Sanstha Limited	9,456	750	7,092,000	4,652	1,285	5,977,820
Everest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

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Kathmandu, Nepal

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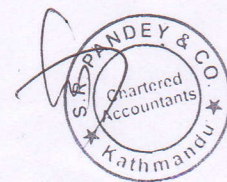


Himalayan General Insurance Company Limited	20,800	450	9,360,000	7,800	745	5,811,000
Lumbini General Insurance Limited	8,410	550	4,625,500	3,727	930	3,466,110
Siddhartha Insurance Limited	25,097	690	17,316,930	17,384	1,500	26,076,000
NLG Insurance Company Limited	16,338	930	15,194,340	10,570	1,485	15,696,450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



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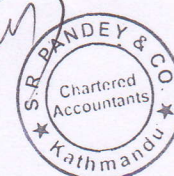
RSDC Laghubitta Bittiya Sanstha Limited	2,750	555	1,526,250	-	-	-
Support Microfinance Bittiya Sanstha Limited	750	817	612,750	-	-	-
Aarambha Microfinance Bittiya Sanstha Limited	817	582	475,494	-	-	-
Unnati Microfinance Bittiya Sanstha Limited	516	1,840	949,440	-	-	-
Nepal Sewa Laghubitta Bittiya Sanstha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

## Comparative Investment in Unlisted Shares

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

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

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

## 5. Payables

### Accounting policy

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

### Explanatory notes

## 5.2 Accrued Expenses and Other Payables

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

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

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



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## 6. Net Assets Attributable to Unitholders

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

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

Each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund. The Fund considers its net assets attributable to unitholders as capital (which includes unit capital, realized and unrealized gain), notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily changes in Market Price of Share at Nepal Stock Exchange.

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

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

## 7. Investment Income

### Accounting Policy

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

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

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

Dividend income is recognized on the ex-dividend date.

### Explanatory notes

#### 7.2 Interest Income

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

#### 7.3 Dividend Income

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

#### 8. Expenses

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

The management participation fees of the fund are as follows:

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

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

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

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

#### 9. Income Tax

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

#### 10. Distributions

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

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## 11. Financial Risk Management

The Fund's activities are exposed to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

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

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

The management of these risks is carried out by the NIBL Ace Capital Limited, the fund management company. The fund supervisors provide principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and non-derivative financial instruments and the investment of excess liquidity.

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

### 11.1. Market Risk

#### a. Price Risk

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

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the management company.

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

#### Investment Threshold

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


#### b. Foreign Exchange Rate Risk

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

#### c. Cash Flow and Fair Value Interest Rate Risk

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

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

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

The Fund has direct exposure to interest rate changes on the valuation and cash flows of its interest-bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Fund invests and impact on the valuation of certain assets that use interest rates as an input in their valuation model.

## 11.2. Credit Risk

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

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

Credit risk on cash and cash equivalents, other receivable balances.

In accordance with the Fund's policy, the Management Company monitors the Fund's credit position on a daily basis. The Fund can maximize the returns derived for the level of risk to which the Fund is exposed. The table below is a summary of the significant sector concentrations within the equity portfolio.

For FY 2074/75:

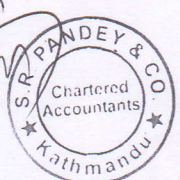
Sector	Value	Cost	Proportionate Exposure	Growth%
Commercial Banks	231,129,076.00	16,034,579.93	43.68%	-26.87%
Development Bank	51,959,261.00	66,997,131.74	9.82%	-22.45%
Microfinance Companies	58,069,079.00	67,994,015.34	10.97%	-14.60%
Hydropower Companies	16,242,992.00	21,660,485.96	3.07%	-25.01%
Life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

For FY 2074/75:

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

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**11.3. Liquidity Risk**

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

The Fund is exposed to daily cash redemptions of redeemable units. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market or can be readily disposed.

The Fund's listed securities are considered readily realizable, as all are listed on the Nepal Stock Exchange.

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

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

**12. Fair Value Measurement**

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

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

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

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

**i. Fair value in an active market (level 1)**

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

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from NEPSE and are traded frequently.

**ii. Fair value in an inactive or unquoted market (level 2 and level 3)**

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

Equities which are listed but no transactions are made within last 30 days is valued at 180 days Average Market price provided by NEPSE and Equities which are listed but no transactions are

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

The Fair value of IPO Investments after allotment till listing, is valued applying the valuation model as specified below:

- I) 50% of the Latest Net worth Published by the Company.
- II) 50% based on the Earnings Capitalization, based on the projections of the company by considering latest interest rate of the Government Bonds after applicable tax deductions as discount factor which is considered as level 3 input.

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

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

Where

$V_r$  = Value of Rights

$n$  = Number of rights offered

$m$  = Number of original shares held

$P_{ex}$  = Ex-right price

$P_{of}$  = Rights offer price

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

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

#### a. Accounting policy

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

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

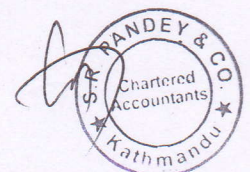
#### b. Explanatory notes

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

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**NIBL Pragati Fund**



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## Computation of Unrealized Gains for FY 2074/75:

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

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

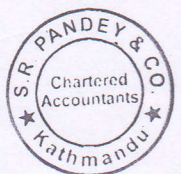
NIBL MUTUAL FUND  
NIBL Pragati Fund

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

**NIBL MUTUAL FUND**  
NIBL Pragati Fund

Page 20 of 27

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

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

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

NIBL MUTUAL FUND  
NIBL Pragati Fund

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

**NIBL MUTUAL FUND**  
**NIBL Pragati Fund**

Page 22 of 27

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

**NIBL MUTUAL FUND**  
**NIBL Pragati Fund**

Page 23 of 27

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

NIBL MUTUAL FUND  
NIBL Pragati Fund

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

#### 14. Impairment

##### Accounting policy

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

#### 15. Related Party Transactions

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

##### Related Parties

- Fund Sponsor: Nepal Investment Bank Limited.
- Fund Manager and Depository: NIBL Ace Capital Limited, a subsidiary of the Sponsor.
- Shareholders holding substantial interest in the Fund Manager:  
Nepal Investment Bank Limited.
- Subsidiaries of Major Shareholders of Fund Manager with whom the Fund transacted:  
None

The Scheme has entered into transactions with related parties which are required to be disclosed in accordance with Accounting Standard - on 'Related Party Disclosures'.

- Unit Holding of Nepal Investment Bank Limited (Fund Sponsor) amounts to NPR 102,500,000 (at par value of NPR 10 per unit)
- Unit Holding of NIBL Ace Capital Limited (Fund Management) amounts to NPR 10,000,000 (at par value of NPR 10 per unit)
- NIBL Pragati Fund have earned interest amounting to 1,62,087 (NPR One Hundred Sixty-Two Thousand and Ninety-Two only) from Nepal Investment Bank Limited.
- Fund Management and Depository Fee incurred by NIBL Pragati Fund during the year amounts to NPR 1,29,16,829 (NPR Twelve Million Nine Hundred Sixteen Thousand Eight Hundred and twenty-Nine only). The amount is payable to NIBL Ace Capital Limited.
- Fund management and depository fee payable by NIBL Pragati Fund to NIBL Ace Capital Limited NPR 58,53,461 (Five Million Eight Hundred Fifty-three thousand and Four Hundred Sixty-One Five Hundred Thirty-Four Thousand Five Hundred seventy-two).

NIBL MUTUAL FUND  
NIBL Pragati Fund

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

#### 16. Reporting

The Fund Manager has been reporting its Fund Management Activities to its Board and the Fund Supervisor on regular basis while the statutory reports are also forwarded in line with the prevailing regulations/guidelines on mutual funds.

#### 17. Contingent Liability

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

#### 18. Proposed Dividend

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

#### 19. Changes in Accounting Policy

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

##### Impact of change in accounting policy:

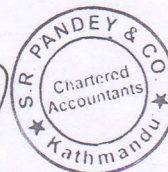
The change in accounting policy has been applied retrospectively. As a result of this change, unrealized gain of the fund for the FY 2073/74 has increased by NRs. 23.45 million which has ultimately increased the NAV as at 31 Ashad, 2074 to 10.36 per unit from 10.05 per unit. The impact on each line item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

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



**NIBL ACE CAPITAL**  
Managing shares. Managing investments.  
Kathmandu, Nepal

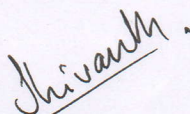
**NIBL MUTUAL FUND**  
NIBL Pragati Fund



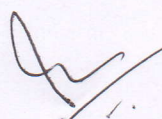
Particulars	Restated	As reported	Impact
<b>Statement of Profit or Loss</b>			
<b>Income</b>			
Net Profit/(Loss) on Financial Assets Held at Fair Value through Profit and Loss	22,207,337.24	(1,019,497.52)	23,226,834.76
Unrealised gain/(Loss)	20,512,065.86	(2,714,768.90)	23,226,834.76
Increase/(Decrease)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

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

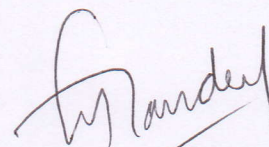
As per our Report of even date



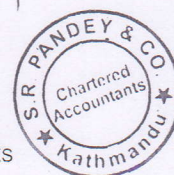
Shivanth Bahadur Pandé  
Chief Executive Officer



Sachin Tibrewal  
Chairman



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

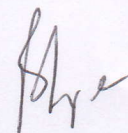
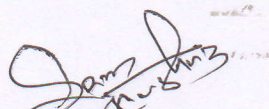



Binod Kumar Guragain  
Director

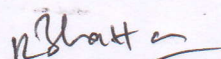


Deepak Kumar Shrestha  
Director

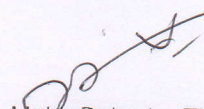
Bandana Thapa  
Director

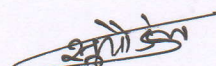
Ram Krishna Khatiwoda  
Director



Rabindra Bhattacharya  
Director



Mekh Bahadur Thapa  
General Manager



Subhash Poudel  
Head - Mutual Funds

**NIBL ACE MUTUAL FUND**  
**NIBL Pragati Fund**



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Managing shares. Managing Investments.  
Kathmandu, Nepal

Date: 2075/05/07  
Place: Kathmandu