

# M.B. SHRESTHA & CO.

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Kathmandu, Nepal.

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

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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






## Report on Requirement of Other Legislations

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

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

## Opinion on the Financial Statements

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



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



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

**NIBL Samriddhi Fund-1**

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

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

NPR

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

NAV per Share

11.29

15.42

Schedules and Explanatory Notes forms integral part of Statement of Position

As per our Report of  
even date

*Shivanth*

Shivanth Bahadur Pandé  
Chief Executive Officer

*Sachin Tibrewal*

Sachin Tibrewal  
Chairman

*M.B. Shrestha*

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



*Binod Kumar Guragain*

Binod Kumar Guragain  
Director

*Deepak Kumar Shrestha*

Deepak Kumar Shrestha  
Director

Bandana Thapa  
Director

*Ram Krishna Khatriwada*

Ram Krishna Khatriwada  
Director

*Rabindra Bhattarai*

Rabindra Bhattarai  
Director

*Mekh Bahadur Thapa*

Mekh Bahadur Thapa  
General Manager

*Bikram Kunwar*

Bikram Kunwar  
Scheme Manager - NIBL Mutual Fund

Date: 2075/05/07  
Place: Kathmandu



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Managing shares, Managing Investments.  
Kathmandu, Nepal

**NIBL MUTUAL FUND**  
NIBL Samriddhi Fund-1



**NIBL Samriddhi Fund-1**

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

Statement of Profit or Loss and other Comprehensive Income

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

In NPR

Particulars	Notes	FY 2074/75	FY 2073/74
<b>Income</b>			
Interest Income	7.2	26,991,347	22,961,856
Dividend Income	7.3	18,109,880	11,889,940
Net Realised Gains/(losses) on financial Assets at Fair Value Throu	14(b)	119,277,358	197,282,911
Other Income		89,323	16,481
<b>Total</b>		<b>164,467,908</b>	<b>232,151,187</b>
<b>Expenses and Losses</b>			
Fund Management fees		20,923,032	24,844,628
Depository Fees		5,978,009	7,098,465
Fund Supervisors Fees		3,586,806	4,259,079
Publication Expenses		190,404	182,720
Listing Fees		50,000	50,000
DP Expense		9,450	8,750
Audit Fees		113,000	113,000
Bank Charges		18,115	16,170
Dividend Distribution Expenses		64,521	66,857
Write off Expenses		4,602	152,860
Annual Service Charges on Software		124,300	160,939
CDS Dematerialisation Registration Fee		120,000	70,000
<b>Total expenses</b>		<b>31,182,239</b>	<b>37,023,469</b>
<b>Net Gains/(Losses) for the Period</b>		<b>133,285,669</b>	<b>195,127,717</b>
<b>Other Comprehensive income</b>			
-Net Unrealised losses on financial assets	14(b)	(366,421,189)	(212,371,503)
<b>Net Surplus/(Deficit) for the period</b>		<b>(233,135,520)</b>	<b>(17,243,786)</b>

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

*Shivanth*

Shivanth Bahadur Pandé  
Chief Executive Officer

*Sachin Tibrewal*

Sachin Tibrewal  
Chairman

As per our Report of  
even date

*Maheshwarendra Bdr. Shrestha*

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



*Binod Kumar Guragain*

Binod Kumar Guragain  
Director

*Deepak Kumar Shrestha*

Deepak Kumar Shrestha  
Director

Bandana Thapa  
Director

*Ram Krishna Khatriwada*

Ram Krishna Khatriwada  
Director

*Rabindra Bhattarai*

Rabindra Bhattarai  
Director

*Mekh Bahadur Thapa*

Mekh Bahadur Thapa  
General Manager

*Bikram Kunwar*

Bikram Kunwar  
Scheme Manager - NIBL Mutual Fund

Date: 2075/05/07  
Place: Kathmandu



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**NIBL MUTUAL FUND**  
**NIBL Samriddhi Fund-I**

# NIBL Samriddhi Fund-1

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

## Statement of Cash Flow

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

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

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

Shivanth Bahadur Pandé  
Chief Executive Officer

Sachin Tibrewal  
Chairman

As per our Report  
of even date

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



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General Manager

Bikram Kunwar  
Scheme Manager - NIBL Mutual Fund

Date: 2075/05/07  
Place: Kathmandu



NIBL MUTUAL FUND  
NIBL Samriddhi Fund-I



**NIBL Samriddhi Fund-1**

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

Statement of Change in Equity

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

In NPR

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

On Behalf of NIBL Ace Capital Limited

(Fund Management Company)

As per our Report of  
even date

*Shivanth*

Shivanth Bahadur Pandé  
Chief Executive Officer

*Sachin Tibrewal*

Sachin Tibrewal  
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*Maheswendra Bdr. Shrestha*

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**NIBL MUTUAL FUND**  
NIBL Samriddhi Fund-1

Date: 2075/05/07  
Place: Kathmandu

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 Samriddhi Fund -1</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. Jitendra Bahadur Rajbhandari
<b>Total Units of Scheme:</b>	100,000,000 (One hundred million units)
<b>Total Unit Capital:</b>	NPR 1,000,000,000 (NPR One Billion)
<b>Scheme type:</b>	Close-ended

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

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



The Unit Capital of the Scheme comprises of the following:

Holder	Status	No. of Units	Holding Amount @ 10 Each	Holding (%)
Nepal Investment Bank	Fund Sponsor	14,000,000	140,000,000	14
NIBL Ace Capital Limited	Fund Manager / Depository	1,000,000	10,000,000	1
General Public		85,000,000	850,000,000	85
<b>Total</b>		<b>100,000,000</b>	<b>1000,000,000</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 judgment as having potentially material impact on the financial statements. The significant accounting policies that relate to the financial statements as a whole along with the judgment made are described herein.

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

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

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

### 2.3. Reporting Pronouncements

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

*[Handwritten signatures and initials]*



**2.4. Accounting Conventions**

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

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

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

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

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

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

**2.6. Presentation**

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

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

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

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

**2.7. Presentation currency**

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

**2.8. Accounting Policies and accounting estimates**

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

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

NFRS requires the fund to make estimates and assumptions that will affect the assets, liabilities, disclosure of contingent assets and liabilities, and provisions in the financial statements.





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

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

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

#### Change in Accounting Policy:

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

#### 2.9. Financial Periods

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

#### 2.10. Discounting

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

#### 2.11. Limitation of NFRS implementation

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

#### 3. Cash and Cash Equivalents

##### Accounting policy

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

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

##### Explanatory notes

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

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



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**NIBL MUTUAL FUND**  
NIBL Samridhi Fund-I





#### 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.

NIBL MUTUAL FUND  
NIBL Samridhi Fund-I



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

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

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

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

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

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

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

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

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

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

#### 4.5 Offsetting Financial Instruments

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



NIBL MUTUAL FUND  
NIBL Samriddhi Fund-I





## Explanatory note

## 4.6 Loans and Receivables-current

Particulars	Ashad End 2075	Ashad End 2074
Dividend Income Receivable	1,223,342	1,065,025
Interest Receivables	7,984,781	6,860,904
<b>Broker Receivables</b>		
Kohinoor Investment -35	6,747,588	5,300,053
Dakshinkali Investment -33	25	25
South Asian Bulls -43	-	1,376,421
Naasa Securities -58	125	-
Vision Securities -34	1,475	4,107,049
<b>IPO Advance</b>		
SMATA -Right Advance	20,300	-
RSDC -Right Advance	177,000	-
SIL -Right Advance	485,700	-
SBL - Right Advance	-	1,130,300
<b>Right Auction Refund Receivable</b>		
Nepal Bangladesh Bank - Right Auction	-	3,670,000
Sanima Bank - Right Auction	-	3,970,000
Kumari Bank - Right Auction	1,730,000	-
Laxmi Bank - Right Auction	-	696,384
TDS Receivables	36,934	36,933
Other Receivables	-	-
<b>Total Amount</b>	<b>18,407,269</b>	<b>28,213,096</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	800,582,511	1,171,787,987
<b>Total Financial Assets held for Trading (A)</b>	<b>800,582,511</b>	<b>1,171,787,987</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>800,582,511</b>	<b>1,171,787,987</b>



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NIBL Samriddhi Fund-I



## Comparative Investment in Listed Shares

Name of Company	Asadh End 2075			Asadh End 2074		
	Unit	Price (NPR)	Amount (NPR)	Unit	Price (NPR)	Amount (NPR)
Swabalanban Bikas Bank Limited	2,103	1,240	2,607,720	12,261	1,809	22,180,149
Shangrila Development Bank Ltd.	17,081	157	2,681,717	8,841	390	3,447,990
Nepal Bank Limited	26,981	281	7,581,661	26,477	364	9,637,628
Machhapuchhre Bank Limited	69,645	209	14,555,805	57,431	360	20,675,160
Siddhartha Bank Limited	55,859	300	16,757,700	31,325	485	15,192,625
Nepal Doorsanchar Comapany Limited	46,830	721	33,764,430	52,515	675	35,447,625
NIC Asia Bank Ltd.	41,381	316	13,076,396	42,102	445	18,735,390
Siddhartha Insurance Ltd.	9,176	690	6,331,440	10,270	1,500	15,405,000
Global IME Bank Limited	25,697	290	7,452,130	23,361	388	9,064,068
Citizen Bank International Limited	8,971	236	2,117,156	16,943	403	6,828,029
Mega Bank Nepal Ltd.	87,690	163	14,293,470	40,116	458	18,373,128
Prime Commercial Bank Ltd.	48,651	287	13,962,837	43,756	421	18,421,276
Agriculture Development Bank Limited	35,424	314	11,123,136	25,070	435	10,905,450
Shikhar Insurance Co. Ltd.	19,336	985	19,045,960	8,162	1,941	15,842,442
Sanima Bank Limited	61,199	324	19,828,476	54,221	431	23,369,251
Sagarmatha Insurance company limited	5,875	1,340	7,872,500	2,125	1,410	2,996,250
Laxmi Bank Limited	25,833	258	6,664,914	22,492	390	8,771,880
Prime life Insurance Company Limited	-	-	-	3,862	2,555	9,867,410
Rural Microfinance Development Centre Ltd.	6,673	653	4,357,469	15,287	775	11,847,425
NLG Insurance Company Ltd.	14,996	930	13,946,280	18,771	1,485	27,874,935
Nepal Insurance Co. Ltd.	7,681	658	5,054,098	2,597	1,430	3,713,710
Everest Bank Limited	31,762	663	21,058,206	21,472	1,353	29,051,616
National Life Insurance Co. Ltd.	18,609	799	14,868,591	15,041	2,300	34,594,300
Chilime Hydropower Company Limited	48,492	790	38,308,680	42,167	798	33,649,266
Nabil Bank Limited	23,996	921	22,100,316	20,057	1,523	30,546,811
NABIL Bank Limited Promotor Share	39,314	687	27,008,718	24,659	1,130	27,864,670



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Tourism Development Bank Limited	-	-	-	6,250	427	2,668,750
Nepal Bangladesh Bank Limited	36,751	214	7,864,714	22,536	402	9,059,472
Sunrise Bank Limited	42,585	230	9,794,550	25,288	396	10,014,048
Mukthinath Bikas Bank Ltd.	37,856	378	14,309,568	16,772	971	16,285,612
Shahyogi Bikash Bank	-	-	-	6,011	363	2,181,993
Nerude Laghubitta Bikash Bank limited	3,720	637	2,369,640	11,553	1,285	14,845,605
Life Insurance Co. Nepal	8,076	1,622	13,099,272	-	-	-
Himalayan bank Limited	46,855	551	25,817,105	37,005	886	32,786,430
Nepal SBI Bank Limited	44,423	499	22,167,077	24,120	925	22,311,000
Asian Life Insurance Company limited	43,573	683	29,760,359	27,931	1,458	40,723,398
Taragaon Regency Hotel Limited	8,260	274	2,263,240	21,000	261	5,481,000
Biratnaxmi development Bank Limited	-	-	-	8,440	400	3,376,000
Nepal Credit and Commerce Bank limited	17,203	250	4,300,750	17,203	383	6,588,749
Himalayan General Insurance Co. Ltd	25,878	450	11,645,100	9,948	745	7,411,260
Garima Bikash Bank Limited	46,350	182	8,435,700	26,693	296	7,901,128
Nirdhan Utthan Bikash bank Limited	9,449	1,024	9,675,776	8,508	1,963	16,701,204
Standard Chartered Bank Limited	14,912	755	11,258,560	14,099	2,295	32,357,205
Deprosc Development Bank Limited	18,677	750	14,007,750	11,877	1,285	15,261,945
Sana Kisan Bikas Bank Ltd	27,371	1,160	31,750,360	26,433	1,502	39,702,366
Shine Resunga Development Bank	28,009	271	7,590,439	24,287	425	10,321,975
Kailash Bikash Bank Limited	18,312	229	4,193,448	24,697	327	8,075,919
Goodwill Finance Company Limited	21,125	122	2,577,250	9,199	201	1,848,999
Kamana Bikash Bank Limited	-	-	-	7,451	355	2,645,105
Janata Bank Nepal Ltd.	31,387	157	4,927,759	30,454	284	8,648,936
Civil Bank Limited	45,721	153	6,995,313	31,743	246	7,808,778
Kumari Bank Limited	46,080	199	9,169,920	26,723	327	8,738,421
Oreintal Hotels limited	13,482	521	7,024,122	9,494	654	6,209,076
Chhimek Laghubitta Bikas Bank Limited	14,888	877	13,056,776	12,601	1,525	19,216,525
Barun Hydropower Co.	-	-	-	2,685	253	679,305
NIBL Bank Limited	32,759	358	11,727,722	32,759	545	17,853,655



Excel Development Bank Ltd.	8,871	326	2,891,946	8,881	624	5,541,744
Mahila Sahayatra Microfinance Bittiya Sanstha Ltd.	-	-	-	1,165	1,160	1,351,400
Kisan Microfinance Bittiya Sanstha Ltd.	-	-	-	1,288	2,740	3,529,120
Womi Microfinance Bittiya Sanstha Ltd.	1	1,385	1,385	858	1,979	1,697,982
Prudential Insurance Co. Ltd.	-	-	-	7,891	1,410	11,126,310
Sanima Mai Hydropower Ltd.	34,422	328	11,290,416	14,211	1,168	16,598,448
Nepal Life Insurance Co. Ltd.	19,466	1,050	20,439,300	8,457	2,148	18,165,636
National Hydro Power Company Limited	12,400	86	1,066,400	12,400	132	1,636,800
Butwal Power Company Limited	32,561	457	14,880,377	32,561	620	20,187,820
Lumbini General Insurance Co. Ltd.	25,761	550	14,168,550	21,346	930	19,851,780
Siddhartha Equity Orineted Scheme	933,470	11	9,848,109	625,000	12	7,412,500
NMB Microfinance Bittiya Sanstha Ltd.	-	-	-	1,021	2,846	2,905,766
Siddhartha Investment Growth Scheme-1	-	-	-	1,564,000	23	36,206,600
Om Development Bank Ltd.	13,422	180	2,415,960	13,174	629	8,286,446
Dev Bikas Bank Limited	8,537	129	1,101,273	5,207	259	1,348,613
Jalabidyut Lagani tatha Bikas Co. Ltd.	-	-	-	76,431	197	15,056,907
Century Commercial Bank Ltd.	23,553	169	3,980,457	16,897	290	4,900,130
Mero Microfinance Bittiya Sanstha Ltd.	-	-	-	1,633	2,204	3,599,132
Bank of Kathmandu Ltd.	62,470	264	16,492,080	66,091	462	30,534,042
National Microfinance Bittiya Sanstha Ltd.	2,571	2,214	5,692,194	2,142	1,714	3,671,388
RSDC Laghubitta Bittiya Sanstha Ltd.	2,739	555	1,520,145	1,618	2,950	4,773,100
Suryodaya Laghubitta Bittiya Sanstha Ltd.	1,050	1,550	1,627,500	857	672	575,904
Forward Community Microfinance Bittiya Sanstha Ltd.	1,715	2,220	3,807,300	2,143	3,221	6,902,603
Samata Microfinance Bittiya Sanstha Ltd.	407	1,380	561,660	339	403	136,617
Synergy Power Development Ltd.	11,940	124	1,480,560	11,950	243	2,903,850
United Modi Hydropower Ltd.	7,532	172	1,295,504	4,761	341	1,623,501



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Civil Laghubitta Bittiya Sanstha Ltd.	-	-	-	2,500	1,302	3,255,000
Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd.	543	2,610	1,417,240	-	-	-
Kamana Sewa Bikas Bank Limited	11,754	144	1,692,576	-	-	-
Citizen Investment Trust	5,378	2,500	13,445,000	-	-	-
Gandaki Bikas Bank Limited	2,274	205	466,170	-	-	-
NMB Sulav Investment Fund-1	823,000	12	9,505,650	-	-	-
Support Microfinance Bittiya Sanstha Ltd.	750	817	612,750	-	-	-
Arambha Microfinance Bittiya Sanstha Ltd.	817	582	475,494	-	-	-
Unnati Microfinance Bittiya Sanstha Ltd.	516	1,840	949,440	-	-	-
Nepal Seva Laghubitta Bittiya Sanstha Ltd.	450	343	154,350	-	-	-
Rairang Hydropower Development Company Ltd.	933	148	138,084	-	-	-
Laxmi Value Fund-1	300,000	10	3,075,000	-	-	-
Chhyangdi Hydropower Limited	-	-	-	2,003	91	181,512
<b>Total</b>			<b>778,694,946</b>			<b>1,075,967,994</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)
Samudayik Laghubitta-IPO*	938	100	93,800	-	-	-
SIL -Right Entitlement	13,876	228	3,169,417	-	-	-
RSDC -Right entitlement	2,949	266	785,171	-	-	-
Nadep Laghubitta-IPO	1,200	385	462,168	-	-	-
NMB-FPO Issue	25,000	358	8,950,000	-	-	-
SMATA -Right entitlement	407	651	264,823	-	-	-
Panchakanya Mai-IPO	3,056	125	381,205	-	-	-
NLICL -Right Entitlement	18,609	418	7,780,981	-	-	-
SBL-Right Entitlement	-	-	-	37,675	131	4,950,495
EBL-Right Entitlement	-	-	-	27,572	391	10,788,764
MBL-Right Entitlement	-	-	-	59,431	34	1,996,882
BLI-Right Entitlement	-	-	-	21,346	830	17,717,180
HLI-Right Entitlement	-	-	-	9,948	1,252	12,451,829

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Shangrila Development Bank Ltd.	-	-	-	1,772	390	691,080
Siddhartha Insurance Ltd.	-	-	-	3,591	1,500	5,386,500
Nerude Laghubitta Bikash Bank limited	-	-	-	941	1,285	1,209,185
JANUTHAN SAMUDAYIK LAGHUBITTA BIKAS BANK LTD	-	-	-	225	3,060	688,500
TDBL ORDINARY UNLISTED	-	-	-	6,251	427	2,669,177
CBL - Unlisted Shares	-	-	-	914	246	224,844
Swadeshi Laghubitta-IPO	-	-	-	1,071	608	651,350
Mahuli Laghubitta - IPO	-	-	-	429	2,051	880,059
NLBBL-Right Share	-	-	-	2,354	1,285	3,024,890
CZBIL Right share	-	-	-	4,357	403	1,755,871
NBB - Right share	-	-	-	13,277	402	5,337,354
NBL - Right share	-	-	-	6,287	364	2,288,468
Himalayan Power Partner Limited - IPO	-	-	-	8,609	72	622,775
SIL - Right share	-	-	-	2,281	1,500	3,421,500
SBBIL -Right share	-	-	-	3,342	363	1,213,146
SBI - Right shares	-	-	-	9,649	925	8,925,325
LBL - Ordinary unlisted	-	-	-	4,378	390	1,707,420
SRBL - Right shares	-	-	-	9,048	396	3,583,008
NLBBL-Right Auction	-	-	-	354	1,285	454,890
Mahuli - Ordinary unlisted	-	-	-	107	2,051	219,502
GBBL - Right Auction	-	-	-	10,000	296	2,960,000
<b>Total</b>			<b>21,887,566</b>			<b>95,819,994</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
NIBL Ace Capital Payable	61,218	159,969
Reporting Expenses Payables	-	13,380
Advance Income -NBL FPO Underwriting Fees	637,500	-



Allotment Refund Payable	2,589,075	2,589,130
Provision For Audit Fee	111,500	111,500
Provision For Reporting Exp	33,550	33,560
Provision for Realizable Tax on Dividend	1,072,979	1,072,979
TDS Liability	438,587	2,445
Fund Management Fee Payable - NIBL Ace Capital	9,563,354	12,742,825
Depository Fee Payables - NIBL Ace Capital	2,732,387	3,640,807
Supervisor Fee Payables	1,331,518	2,184,484
Supervisor Fee's commission to SEBON	83,220	-
Unit Dividend Payables	12,790,718	19,433,819
<b>Total</b>	<b>31,445,606</b>	<b>41,984,898</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.

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

#### 6. Net Assets Attributable to Unitholders

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

The Fund Manager calculates the NAV per unit of the Scheme by deducting the Schemes' expenses over market value of the total investment plus investment income divided by number of units on a weekly basis in accordance with the prevailing regulations/guidelines on mutual funds and publishes the same on its official website: [www.niblcapi.com](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.



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*[Handwritten signature]*





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

## 7. Investment Income

### Accounting Policy

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

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

Dividend income is recognized on the ex-dividend date.

### Explanatory notes

## 7.2 Interest Income

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

## 7.3 Dividend Income

Particulars	Ashad End 2075	Ashad End 2074
Dividend Income Realized	18,109,880	11,889,940
<b>Total</b>	<b>18,109,880</b>	<b>11,889,940</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: 1.75% of Net Assets Value (NAV)\*
- Depository Fees: 0.5% of NAV \*
- Fund Supervisor Fees: 0.30% of NAV \*

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

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

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

**11. Financial Risk Management**

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

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

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

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



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

### 11.1. Market Risk

#### a. Price Risk

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

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

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

#### Investment Threshold

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

#### b. Foreign Exchange Rate Risk

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

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

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

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

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

### 11.2. Credit Risk

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

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

Credit risk is also exposed to cash and cash equivalents, other receivable balances.



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

For FY 2074/75:

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

For FY 2073/74:

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

### 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.

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**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



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$n$  = Number of rights offered

$m$  = Number of original shares held

$P_{ex}$  = Ex-right price

$P_{of}$  = Rights offer price

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

### 13. Financial Assets Held at Amortized Cost

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

#### Note a:

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

#### Note b:

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

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

#### a. Accounting policy

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

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



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## b. Explanatory notes

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

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

Name of Company	Unit	Price	Amount	Cost	Total Cost	Gain/(Loss)
Swabalamban Bikas Bank Limited	2,103	1,240	2,607,720	799	1,680,871	926,849
Shangrila Development Bank Ltd.	17,081	157	2,681,717	144	2,461,935	219,782
Nepal Bank Limited	26,981	281	7,581,661	337	9,091,086	(1,509,425)
Machhapuchhre Bank Limited	69,645	209	14,555,805	253	17,632,504	(3,076,699)
Siddhartha Bank Limited	55,859	300	16,757,700	271	15,113,621	1,644,079
Nepal Doorsanchar Company Limited	46,830	721	33,764,430	681	31,877,771	1,886,659
NIC Asia Bank Ltd.	41,381	316	13,076,396	391	16,188,673	(3,112,277)
Siddhartha Insurance Ltd.	9,176	690	6,331,440	414	3,797,331	2,534,109
Global IME Bank Limited	25,697	290	7,452,130	320	8,229,778	(777,648)
Citizen Bank International Limited	8,971	236	2,117,156	178	1,595,177	521,979
Mega Bank Nepal Ltd.	87,690	163	14,293,470	223	19,565,739	(5,272,269)
Prime Commercial Bank Ltd.	48,651	287	13,962,837	272	13,247,067	715,771
Agriculture Development Bank Limited	35,424	314	11,123,136	274	9,700,092	1,423,044
Shikhar Insurance Co. Ltd.	19,336	985	19,045,960	855	16,526,159	2,519,801
Sanima Bank Limited	61,199	324	19,828,476	314	19,198,249	630,227



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Sagarmatha Insurance company limited	5,875	1,340	7,872,500	1,111	6,524,471	1,348,029
Laxmi Bank Limited	25,833	258	6,664,914	263	6,792,117	(127,203)
Rural Microfinance Development Centre Ltd.	6,673	653	4,357,469	588	3,922,758	434,711
NLG Insurance Company Ltd.	14,996	930	13,946,280	613	9,198,309	4,747,971
Nepal Insurance Co. Ltd.	7,681	658	5,054,098	368	2,823,106	2,230,992
Everest Bank Limited	31,762	663	21,058,206	704	22,363,218	(1,305,012)
National Life Insurance Co. Ltd.	18,609	799	14,868,591	1,332	24,790,551	(9,921,960)
Chilime Hydropower Company Limited	48,492	790	38,308,680	1,088	52,761,359	(14,452,679)
Nabil Bank Limited	23,996	921	22,100,316	1,089	26,142,448	(4,042,132)
NABIL Bank Limited Promotor Share	39,314	687	27,008,718	731	28,719,380	(1,710,662)
Nepal Bangladesh Bank Limited	36,751	214	7,864,714	279	10,240,996	(2,376,282)
Sunrise Bank Limited	42,585	230	9,794,550	229	9,732,837	61,713
Muktinath Bikas Bank Ltd.	37,856	378	14,309,568	392	14,839,206	(529,638)
Nerude Laghubitta Bikash Bank limited	3,720	637	2,369,640	622	2,312,294	57,346
Life Insurance Co. Nepal	8,076	1,622	13,099,272	1,812	14,635,040	(1,535,768)
Himalayan bank Limited	46,855	551	25,817,105	555	25,983,004	(165,899)
Nepal SBI Bank Limited	44,423	499	22,167,077	453	20,123,076	2,044,001
Asian Life Insurance Company limited	43,573	683	29,760,359	671	29,255,041	505,318
Taragaon Regency Hotel Limited	8,260	274	2,263,240	267	2,208,231	55,009
Nepal Credit and Commerce Bank limited	17,203	250	4,300,750	386	6,642,986	(2,342,236)
Himalayan General Insurance Co. Ltd	25,878	450	11,645,100	560	14,483,488	(2,838,388)
Garima Bikash Bank Limited	46,350	182	8,435,700	181	8,379,687	56,013



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Nirdhan Utthan Bikash bank Limited	9,449	1,024	9,675,776	957	9,046,852	628,924
Standard Chartered Bank Limited	14,912	755	11,258,560	782	11,661,405	(402,845)
Deprosc Development Bank Limited	18,677	750	14,007,750	851	15,900,730	(1,892,980)
Sana Kisan Bikas Bank Ltd	27,371	1,160	31,750,360	1,131	30,960,361	789,999
Shine Resunga Development Bank	28,009	271	7,590,439	186	5,206,244	2,384,195
Kailash Bikash Bank Limited	18,312	229	4,193,448	195	3,561,715	631,733
Goodwill Finance Company Limited	21,125	122	2,577,250	180	3,812,882	(1,235,632)
Janata Bank Nepal Ltd.	31,387	157	4,927,759	190	5,956,660	(1,028,901)
Civil Bank Limited	45,721	153	6,995,313	223	10,218,320	(3,223,007)
Kumari Bank Limited	46,080	199	9,169,920	234	10,775,859	(1,605,939)
Oreintal Hotels limited	13,482	521	7,024,122	585	7,892,056	(867,934)
Chhimek Laghubitta Bikas Bank Limited	14,888	877	13,056,776	979	14,575,285	(1,518,509)
NMB Bank Limited	32,759	358	11,727,722	559	18,310,194	(6,582,472)
Excel Development Bank Ltd.	8,871	326	2,891,946	348	3,085,860	(193,914)
Womi Microfinance Bittiya Sanstha Ltd.	1	1,385	1,385	104	104	1,281
Sanima Mai Hydropower Ltd.	34,422	328	11,290,416	476	16,391,259	(5,100,843)
Nepal Life Insurance Co. Ltd.	19,466	1,050	20,439,300	1,243	24,191,172	(3,751,872)
National Hydro Power Company Limited	12,400	86	1,066,400	213	2,640,459	(1,574,059)
Butwal Power Company Limited	32,561	457	14,880,377	692	22,525,791	(7,645,414)
Lumbini General Insurance Co. Ltd.	25,761	550	14,168,550	573	14,757,035	(588,485)
Siddhartha Equity Orineted Scheme	933,470	11	9,848,109	11	10,524,617	(676,509)
Om Development Bank Ltd.	13,422	180	2,415,960	172	2,301,898	114,062
Dev Bikas Bank Limited	8,537	129	1,101,273	150	1,279,079	(177,806)



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Century Commercial Bank Ltd.	23,553	169	3,980,457	274	6,443,174	(2,462,717)
Bank of Kathmandu Ltd.	62,470	264	16,492,080	319	19,929,909	(3,437,829)
National Microfinance Bittiya Sanstha Ltd.	2,571	2,214	5,692,194	83	214,200	5,477,994
RSDC Laghubitta Bittiya Sanstha Ltd.	2,739	555	1,520,145	458	1,254,392	265,753
Suryodaya Laghubitta Bittiya Sanstha Ltd.	1,050	1,550	1,627,500	84	88,700	1,538,800
Forward Community Microfinance Bittiya Sanstha Ltd.	1,715	2,220	3,807,300	922	1,581,274	2,226,026
Samata Microfinance Bittiya Sanstha Ltd.	407	1,380	561,660	83	33,900	527,760
Synergy Power Development Ltd.	11,940	124	1,480,560	100	1,194,000	286,560
United Modi Hydropower Ltd.	7,532	172	1,295,504	156	1,171,772	123,732
Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd.	543	2,610	1,417,240	61	32,900	1,384,340
Kamana Sewa Bikas Bank Limited	11,754	144	1,692,576	167	1,965,338	(272,762)
Citizen Investment Trust	5,378	2,500	13,445,000	2,405	12,933,934	511,066
Gandaki Bikas Bank Limited	2,274	205	466,170	190	432,642	33,528
NMB Sulav Investment Fund-1	823,000	12	9,505,650	12	9,760,287	(254,637)
Support Microfinance Bittiya Sanstha Ltd.	750	817	612,750	100	75,000	537,750
Arambha Microfinance Bittiya Sanstha Ltd.	817	582	475,494	100	81,700	393,794
Unnati Microfinance Bittiya Sanstha Ltd.	516	1,840	949,440	100	51,600	897,840
Nepal Seva Laghubitta Bittiya Sanstha Ltd.	450	343	154,350	100	45,000	109,350
Rairang Hydropower Development Company Ltd.	933	148	138,084	100	93,300	44,784
Laxmi Value Fund-1	300,000	10	3,075,000	10	3,119,463	(44,463)



Samudayik Laghubitta-IPO	938	100	93,800	100	93,800	-
SIL -Right Entitlement	13,876	228	3,169,417	-	-	3,169,417
RSDC -Right entitlement	2,949	266	785,171	-	-	785,171
Nadep Laghubitta-IPO	1,200	385	462,168	100	120,000	342,168
NMB-FPO Issue	25,000	358	8,950,000	333	8,325,000	625,000
SMATA -Right entitlement	407	651	264,823	-	-	264,823
Panchakanya Mai-IPO	3,056	125	381,205	100	305,600	75,605
NLICL -Right Entitlement	18,609	418	7,780,981	-	-	7,780,981
			800,582,511		843,702,375	(43,119,864)
			Previous Year unrealised gain/(loss)			323,301,325
			Unrealised Gain /(Loss) this year			(366,421,189)

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

Name of Company	Unit	Price	Amount	Cost	Total Cost	Gain/(Loss)
Swabalamban Bikas Bank Limited	12,261	1,809	22,180,149	1,016	12,457,895	9,722,254
Shangrila Development Bank Ltd.	8,841	390	3,447,990	230	2,037,014	1,410,976
Nepal Bank Limited	26,477	364	9,637,628	387	10,259,163	(621,535)
Machhapuchhre Bank Limited	57,431	360	20,675,160	297	17,057,067	3,618,093
Siddhartha Bank Limited	31,325	485	15,192,625	399	12,497,939	2,694,686
Nepal Doorsanchar Company Limited	52,515	675	35,447,625	643	33,759,137	1,688,488
NIC Asia Bank Ltd.	42,102	445	18,735,390	469	19,765,306	(1,029,916)
Siddhartha Insurance Ltd.	10,270	1,500	15,405,000	713	7,321,996	8,083,004
Global IME Bank Limited	23,361	388	9,064,068	352	8,229,778	834,290
Citizen Bank International Limited	16,943	403	6,828,029	212	3,592,687	3,235,342
Mega Bank Nepal Ltd.	40,116	458	18,373,128	376	15,087,842	3,285,286
Prime Commercial Bank Ltd.	43,756	421	18,421,276	352	15,416,008	3,005,268



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Agriculture Development Bank Limited	25,070	435	10,905,450	292	7,319,948	3,585,502
Shikhar Insurance Co. Ltd.	8,162	1,941	15,842,442	329	2,683,691	13,158,751
Sanima Bank Limited	54,221	431	23,369,251	359	19,477,403	3,891,848
Sagarmatha Insurance company limited	2,125	1,410	2,996,250	522	1,108,726	1,887,524
Laxmi Bank Limited	22,492	390	8,771,880	344	7,737,568	1,034,312
Prime life Insurance Company Limited	3,862	2,555	9,867,410	1,096	4,234,128	5,633,282
Rural Microfinance Development Centre Ltd.	15,287	775	11,847,425	618	9,454,643	2,392,782
NLG Insurance Company Ltd.	18,771	1,485	27,874,935	767	14,393,444	13,481,491
Nepal Insurance Co. Ltd.	2,597	1,430	3,713,710	314	814,428	2,899,282
Everest Bank Limited	21,472	1,353	29,051,616	1,228	26,361,364	2,690,252
National Life Insurance Co. Ltd.	15,041	2,300	34,594,300	1,441	21,679,520	12,914,780
Chilime Hydropower Company Limited	42,167	798	33,649,266	1,251	52,761,459	(19,112,193)
Nabil Bank Limited	20,057	1,523	30,546,811	1,416	28,407,144	2,139,667
NABIL Bank Limited Promotor Share	24,659	1,130	27,864,670	931	22,961,994	4,902,676
Tourism Development Bank Limited	6,250	427	2,668,750	199	1,245,097	1,423,653
Nepal Bangladesh Bank Limited	22,536	402	9,059,472	437	9,849,574	(790,102)
Sunrise Bank Limited	25,288	396	10,014,048	298	7,542,212	2,471,836
Muktinath Bikas Bank Ltd.	16,772	971	16,285,612	444	7,444,597	8,841,015
Shahyogi Bikash Bank	6,011	363	2,181,993	286	1,717,359	464,634
Nerude Laghubitta Bikash Bank limited	11,553	1,285	14,845,605	1,079	12,469,520	2,376,085
Himalayan bank Limited	37,005	886	32,786,430	692	25,606,528	7,179,902
Nepal SBI Bank Limited	24,120	925	22,311,000	628	15,147,106	7,163,894
Asian Life Insurance Company limited	27,931	1,458	40,723,398	997	27,858,441	12,864,957
Taragaon Regency Hotel Limited	21,000	261	5,481,000	264	5,541,035	(60,035)



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Biratlaxmi development Bank Limited	8,440	400	3,376,000	198	1,668,546	1,707,454
Nepal Credit and Commerce Bank limited	17,203	383	6,588,749	386	6,642,986	(54,237)
Himalayan General Insurance Co. Ltd	9,948	745	7,411,260	1,326	13,189,280	(5,778,020)
Garima Bikash Bank Limited	26,693	296	7,901,128	177	4,715,161	3,185,967
Nirdhan Utthan Bikash bank Limited	8,508	1,963	16,701,204	916	7,795,251	8,905,953
Standard Chartered Bank Limited	14,099	2,295	32,357,205	1,564	22,051,236	10,305,969
Deprosc Development Bank Limited	11,877	1,285	15,261,945	895	10,633,997	4,627,948
Sana Kisan Bikas Bank Ltd	26,433	1,502	39,702,366	1,389	36,714,881	2,987,485
Shine Resunga Development Bank	24,287	425	10,321,975	233	5,647,728	4,674,247
Kailash Bikash Bank Limited	24,697	327	8,075,919	214	5,284,015	2,791,904
Goodwill Finance Company Limited	9,199	201	1,848,999	281	2,580,481	(731,482)
Kamana Bikash Bank Limited	7,451	355	2,645,105	214	1,596,338	1,048,767
Janata Bank Nepal Ltd.	30,454	284	8,648,936	224	6,817,905	1,831,031
Civil Bank Limited	31,743	246	7,808,778	281	8,912,020	(1,103,242)
Kumari Bank Limited	26,723	327	8,738,421	262	7,001,267	1,737,154
Oreintal Hotels limited	9,494	654	6,209,076	431	4,096,155	2,112,921
Chhimek Laghubitta Bikas Bank Limited	12,601	1,525	19,216,525	1,158	14,595,719	4,620,806
Barun Hydropower Co. Ltd.	2,685	253	679,305	125	335,127	344,178
NMB Bank Limited	32,759	545	17,853,655	559	18,310,194	(456,539)
Excel Development Bank Ltd.	8,881	624	5,541,744	325	2,882,641	2,659,103
Mahila Sahayatra Microfinance Bittiya Sanstha Ltd.	1,165	1,160	1,351,400	89	104,255	1,247,145
Kisan Microfinance Bittiya Sanstha Ltd.	1,288	2,740	3,529,120	62	80,000	3,449,120
Womi Microfinance Bittiya Sanstha Ltd.	858	1,979	1,697,982	72	61,633	1,636,349
Prudential Insurance Co. Ltd.	7,891	1,410	11,126,310	509	4,014,308	7,112,002
Sanima Mai Hydropower Ltd.	14,211	1,168	16,598,448	865	12,296,209	4,302,239
Nepal Life Insurance Co. Ltd.	8,457	2,148	18,165,636	1,634	13,815,490	4,350,146

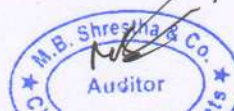
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National Hydro Power Company Limited	12,400	132	1,636,800	213	2,640,459	(1,003,659)
Butwal Power Company Limited	32,561	620	20,187,820	692	22,525,791	(2,337,971)
Lumbini General Insurance Co. Ltd.	21,346	930	19,851,780	1,193	25,456,655	(5,604,875)
Siddhartha Equity Orineted Scheme	625,000	12	7,412,500	11	7,096,661	315,839
NMB Microfinance Bittiya Sanstha Ltd.	1,021	2,846	2,905,766	83	84,539	2,821,227
Siddhartha Investment Growth Scheme-1	1,564,000	23	36,206,600	21	33,078,860	3,127,740
Om Development Bank Ltd.	13,174	629	8,286,446	232	3,061,651	5,224,795
Dev Bikas Bank Limited	5,207	259	1,348,613	206	1,070,785	277,828
Jalabidyut Lagani tatha Bikas Co. Ltd.	76,431	197	15,056,907	100	7,643,100	7,413,807
Century Commercial Bank Ltd.	16,897	290	4,900,130	349	5,889,774	(989,644)
Mero Microfinance Bittiya Sanstha Ltd.	1,633	2,204	3,599,132	91	148,460	3,450,672
Bank of Kathmandu Ltd.	66,091	462	30,534,042	361	23,879,888	6,654,154
National Microfinance Bittiya Sanstha Ltd.	2,142	1,714	3,671,388	100	214,200	3,457,188
RSDC Laghubitta Bittiya Sanstha Ltd.	1,618	2,950	4,773,100	78	126,601	4,646,499
Suryodaya Laghubitta Bittiya Sanstha Ltd.	857	672	575,904	100	85,700	490,204
Forward Community Microfinance Bittiya Sanstha Ltd.	2,143	3,221	6,902,603	100	214,300	6,688,303
Samata Microfinance Bittiya Sanstha Ltd.	339	403	136,617	100	33,900	102,717
Synergy Power Development Ltd.	11,950	243	2,903,850	100	1,195,000	1,708,850
United Modi Hydropower Ltd.	4,761	341	1,623,501	100	476,100	1,147,401
Civil Laghubitta Bittiya Sanstha Ltd.	2,500	1,302	3,255,000	94	235,000	3,020,000
Chhyangdi Hydropower Limited	2,003	91	181,512	100	200,300	(18,788)
SBL-Right Entitlement	37,675	131	4,950,495	-	-	4,950,495
EBL-Right Entitlement	27,572	391	10,788,764	-	-	10,788,764

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



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GBBL - Right Auction	10,000	296	2,960,000	287	2,870,000	90,000
			1,171,787,987		848,486,662	
	Unrealised Gain /(Loss) this year					323,301,325

## 15. Impairment

## Accounting policy

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

## 16. Related Party Transactions

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

## Related Parties

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

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

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



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**17. Reporting**

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

**18. Contingent Liability**

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

**19. Changes in Accounting Policy**

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

**Impact of change in accounting policy:**

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

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

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



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20. Proposed Dividend

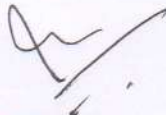
12.00% Dividend (including tax) has been proposed by the Board of Directors for the fiscal year 2074/75 which amounts to NPR 120,000,000.

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

As per our Report of even date



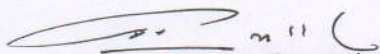
Shivanth Bahadur Pandé  
Chief Executive Officer



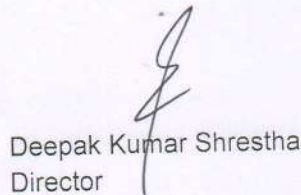
Sachin Tibrewal  
Chairman



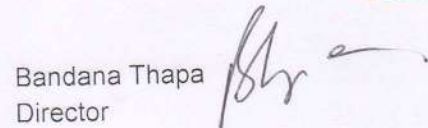
Maheswarendra Bdr. Shrestha  
Proprietor  
M.B. Shrestha & Co.,  
Chartered Accountants



Binod Kumar Guragain  
Director



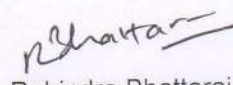
Deepak Kumar Shrestha  
Director



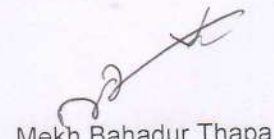
Bandana Thapa  
Director



Ram Krishna Khatiwoda  
Director



Rabindra Bhattarai  
Director



Mekh Bahadur Thapa  
General Manager



Bikram Kunwar  
Scheme Manager - Mutual Funds



NIBL MUTUAL FUND  
NIBL Samriddhi Fund-I

Date: 2075/05/07  
Place: Kathmandu