



## **NIBL Sahabhagita Fund**

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

### **Financial Statements**



**For The**

**Fiscal Year: 2076/77 (2019/20)**

**Date: 23<sup>rd</sup> Shrawan, 2077**



# NIBL Sahabhagita Fund


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


Statement of Financial Position as at 31st Ashad 2077 (15th July, 2020)

NPR

| Particulars   | Notes | FY 2076/77         | FY 2075/76         |
|---|-------|--------------------|--------------------|
| <b>Assets</b>   |       |                    |                    |
| <b>Current Assets</b>   |       |                    |                    |
| Cash and Cash Equivalents   | 3.2   | 77,410,040         | 179,224,543        |
| Other Current Assets  | 4.6   | 9,599,194          | -                  |
| Financial Assets Held at Amortized Cost                               | 13    | 32,513,000         | 5,000,000          |
| Financial Assets Held at Fair Value Through Profit or Loss            | 4.7   | 108,911,072        | 18,226,625         |
| <b>Total</b>  |       | <b>228,433,305</b> | <b>202,451,168</b> |
| <b>Liabilities</b>  |       |                    |                    |
| <b>Current Liabilities</b>  |       |                    |                    |
| Accrued Expenses & Other Payables                                     | 5.2   | 1,966,590          | 3,316,878          |
| <b>Liabilities (Excluding Net Assets Attributable to Unitholders)</b> |       | <b>1,966,590</b>   | <b>3,316,878</b>   |
| <b>Unit Holder's Funds</b>  |       |                    |                    |
| Net Assets Attributable to Unit Holders                               | 6     | 226,466,715        | 199,134,291        |
| <b>Total</b>  |       | <b>228,433,305</b> | <b>202,451,168</b> |
| <b>Outstanding Units</b>  |       | <b>20,461,337</b>  | <b>20,000,000</b>  |
| <b>NAV per Unit</b>   |       | <b>11.07</b>       | <b>9.96</b>        |

Schedules and Explanatory Notes forms integral part of Statement of Position

  
Sachin Tibrewal  
Chairman

  
Deepak Kumar Shrestha  
Director

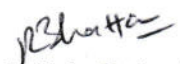
As per our Report of  
even date






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

  
Bandana Thapa  
Director

  
Rabindra Bhattarai  
Director

  
Shivanth Bahadur Pandé  
Chief Executive Officer

  
Mekh Bahadur Thapa  
Deputy Chief Executive Officer

  
Sachindra Dhungana  
Assistant General Manager

  
Poskar Basnet  
Scheme Manager

Date : 2077/04/23  
Place : Kathmandu



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

**NIBL MUTUAL FUND**  
**NIBL Sahabhagita Fund**

# NIBL Sahabhagita Fund

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

## Statement of Profit or Loss and Other Comprehensive Income

For the Period from 01 Shrawan 2076 to 31st Ashad 2077 (17th July 2019 to 15th July 2020)

In NPR

| Particulars   | Notes | Ashad End 2077    | Ashad End 2076   |
|---|-------|-------------------|------------------|
| <b>Income</b>   |       |                   |                  |
| Interest Income   | 7.2   | 9,598,446         | 286,638          |
| Dividend Income   | 7.3   | 1,075,384         | -                |
| Net Gains/(Losses) on Financial Assets at Fair Value through Profit or loss | 14(b) | 16,123,997        | 369,863          |
| Other Income  |       | -                 | -                |
| <b>Total</b>  |       | <b>26,797,827</b> | <b>656,502</b>   |
| <b>Expenses and Losses</b>  |       |                   |                  |
| Fund Management Fees  | 8.1   | 2,570,113         | 54,567           |
| Depositary Fees   | 8.1   | 645,174           | 17,461           |
| Fund Supervisors Fees   | 8.1   | 396,209           | 13,096           |
| Publication Expenses  |       | 160,986           | 35,000           |
| Audit Fees  |       | 113,000           | 113,000          |
| Bank Charges  |       | 3,095             | 175              |
| Other Annual Operating Expenses   |       | 449,443           | -                |
| Pre-operating Expenses  | 8.2   | -                 | 1,288,912        |
| <b>Total expenses</b>   |       | <b>4,338,020</b>  | <b>1,522,211</b> |
| <b>Net Gains/(Losses) for the Period</b>                                    |       | <b>22,459,808</b> | <b>(865,709)</b> |
| <b>Other Comprehensive income</b>   |       | <b>-</b>          | <b>-</b>         |
| <b>Net Surplus/(Deficit) for the period</b>                                 |       | <b>22,459,808</b> | <b>(865,709)</b> |

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

Sachin Tibrewal  
Chairman

Deepak Kumar Shrestha  
Director

As per our Report of  
even date



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

Bandana Thapa  
Director

Rabindra Bhattacharya  
Director

Shivanth Bahadur Pandé  
Chief Executive Officer

Mekh Bahadur Thapa  
Deputy Chief Executive Officer

Sachindra Dhungana  
Assistant General Manager

Poskar Basnet  
Scheme Manager

Date : 2077/04/23  
Place : Kathmandu



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**NIBL MUTUAL FUND**  
**NIBL Sahabhagita Fund**

# NIBL Sahabhagita Fund

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

## Statement of Cash Flow

For the Period from 01 Shrawan 2076 to 31st Ashad 2077 (17th July 2019 to 15th July 2020)

In NPR

| Particulars   | Ashad End 2077       | Ashad End 2076      |
|---|----------------------|---------------------|
| <b>A. Cash Flow from Operating Activities</b>   |                      |                     |
| Surplus/ (Deficit) for the year   | 22,459,808           | (865,709)           |
| <b>Adjustments For :</b>  |                      |                     |
| Increase/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes | (3,644,717)          | (369,863)           |
| Increase/(Decrease) in Liabilities  | (1,350,287)          | 3,316,878           |
| (Increase)/Decrease in Share  | (87,039,730)         | (17,856,762)        |
| (Increase)/Decrease in Debenture  | (12,513,000)         | -                   |
| (Increase)/Decrease in Fixed Deposit  | (15,000,000)         | (5,000,000)         |
| (Increase)/Decrease in Other Assets   | (9,599,194)          | -                   |
| <b>Net Cash Generated / (used) in Operations (1)</b>                                      | <b>(106,687,120)</b> | <b>(20,775,457)</b> |
| <b>B. Cash Flow from Financing Activities</b>   |                      |                     |
| Issue of Unit Capital   | 4,872,617            | 200,000,000         |
| Dividend Paid during the year   | -                    | -                   |
| <b>Net Cash Generated / (used) in financing (2)</b>                                       | <b>4,872,617</b>     | <b>200,000,000</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>(101,814,503)</b> | <b>179,224,543</b>  |
| Cash and Cash Equivalents at beginning of the year/period                                 | 179,224,543          | -                   |
| <b>Cash and Cash Equivalents at end of period</b>   | <b>77,410,040</b>    | <b>179,224,543</b>  |
| <b>Components of Cash and Cash Equivalents</b>  |                      |                     |
| Balance with Banks  | 77,410,040           | 179,224,543         |

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

  
Sachin Tibrewal  
Chairman

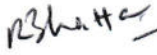
  
Deepak Kumar Shrestha  
Director


As per our Report  
of even date

  
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Deputy Chief Executive Officer

  
Sachindra Dhungana  
Assistant General Manager

  
Poskar Basnet  
Scheme Manager

Date : 2077/04/23  
Place : Kathmandu



**NIBL MUTUAL FUND**  
**NIBL Sahabhagita Fund**



## NIBL Sahabhagita Fund

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

### Statement of Change in Equity

For the Period from 01 Shrawan 2076 to 31st Ashad 2077 (17th July 2019 to 15th July 2020)

In NPR

| Particular  | Ashad End 2077     | Ashad End 2076     |
|---|--------------------|--------------------|
| Unit Holders' Fund at the Beginning of the Year/Period      | 199,134,291        | -                  |
| Issue of Unit Capital                                       | 4,613,365          | 200,000,000        |
| Unit Reserve Capital  | 259,251            | -                  |
| <u>Increase in Net Assets Attributable to Unit Holders:</u> |                    |                    |
| Net Gains/(Losses) for the Period                           | 22,459,808         | (865,709)          |
| Other Comprehensive Income                                  | -                  | -                  |
| Distribution to Unit Holders'                               | -                  | -                  |
| <b>Unit Holders' Fund at the End of the Year/Period</b>     | <b>226,466,715</b> | <b>199,134,291</b> |

On Behalf of NIBL Ace Capital Limited


(Fund Management Company)

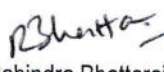
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Assistant General Manager

  
Poskar Basnet  
Scheme Manager

Date : 2077/04/23  
Place : Kathmandu



**NIBL MUTUAL FUND**  
**NIBL Sahabhagita Fund**

Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)

## 1. General Information of the Scheme

|                                  |   |
|----------------------------------|---|
| Fund                             | : NIBL Mutual Fund  |
| Scheme                           | : NIBL Sahabagita Fund  |
| Fund Sponsor                     | : Nepal Investment Bank Limited (NIBL)<br>(Licensed by NRB as Class A bank)   |
| Fund Management                  | : NIBL Ace Capital Limited<br>(A subsidiary of Nepal Investment Bank Limited)                                       |
| Fund Supervisors                 | : Dr. Bimal Prasad Koirala<br>Dr. Shambhu Ram Simkhada<br>Dr. Durgesh Man Singh<br>CA. Jitendra Bahadur Rajbhandari |
| Total Authorized Units of Scheme | : 50,000,000 (Fifty Million Units)  |
| Outstanding Units of Scheme      | : 20,461,337 (Twenty Million Four Hundred Sixty-One<br>Thousand Three Hundred Thirty-Seven Units)                   |
| Total Unit Capital               | : NPR 204,613,370 (NPR Two Hundred Four Million Six<br>Hundred Thirteen Thousand Three Hundred Seventy)             |
| Scheme type                      | : Open-ended  |

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

The Scheme commenced its operation on 24<sup>th</sup> Ashad, 2076 (Scheme allotment date) B.S. The scheme is not required to be listed in Nepal Stock Exchange (NEPSE) and the units are traded on the Fund Managers' end. The Scheme's Financial Statements for the year 2076/77 were approved by the 80<sup>th</sup> Board of Directors meeting of the NIBL Ace Capital Limited held on 23<sup>rd</sup> Shrawan, 2077 being the Fund Management and Depository Company. Similarly, the Fund Supervisors' consent on the approved Financial Statements has also been duly obtained.



**Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)**

The Unit Capital of the Scheme comprises of the following:

| Holder                   | Status                       | No. of Units      | Holding Amount<br>@ 10 Each | Holding<br>(%) |
|--------------------------|------------------------------|-------------------|-----------------------------|----------------|
| Nepal Investment Bank    | Fund Sponsor                 | 65,00,000         | 65,000,000                  | 32%            |
| NIBL Ace Capital Limited | Fund Manager<br>/ Depository | 1,071,270         | 10,712,700                  | 5%             |
| General Public           |                              | 12,890,067        | 128,900,670                 | 63%            |
| <b>Total</b>             |                              | <b>20,461,337</b> | <b>204,613,370</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, Mutual Fund regulation 2067 (Amendments 2076), other regulation and other relevant laws.

**2.2. Basis of Preparation**

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

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

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

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

**2.3. Reporting Pronouncements**

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



Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)

**2.4. Accounting Conventions**

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

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

**2.5. 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.

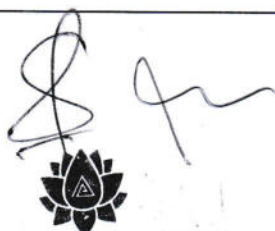
The cash flows from operation within the statement of cash flows have been derived using the indirect method.

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





**Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)**

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

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

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

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

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

**2.9. 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;

Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)

| Particulars  | 31st Ashad, 2077  |
|--------------|-------------------|
| Cash at Bank | 77,410,040        |
| <b>Total</b> | <b>77,410,040</b> |

**4. Financial Instruments****Accounting policy**

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

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

**4.2 Classification**

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

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

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

**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 has expired or the Fund has transferred substantially all risks and rewards of ownership.

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



**NIBL MUTUAL FUND**  
NIBL Sahabhagita Fund





**Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)**

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

**4.4 Measurement**

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

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

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

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

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

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

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

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

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

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

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

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



Shivank





Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)

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

| S.N. | Particulars                | Ashad End 2077   | Ashad End 2076 |
|------|----------------------------|------------------|----------------|
| 1    | Dividend Income Receivable | 5,808            | -              |
| 2    | Interest Receivables       | 648,136          | -              |
| 3    | Broker Receivables         | 8,898,461        | -              |
| 4    | Prepaid Expenses           | 12,389           | -              |
| 5    | Other Receivables          | 34,400           | -              |
|      | <b>Total Amount</b>        | <b>9,599,194</b> | <b>-</b>       |

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

| Particulars   | Ashad End 2077     | Ashad End 2076    |
|---|--------------------|-------------------|
| Financial Assets Held for Trading   |                    |                   |
| Equity Security   | 108,911,072        | 18,226,625        |
| <b>Total Financial Assets held for Trading (A)</b>                            | <b>108,911,072</b> | <b>18,226,625</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>108,911,072</b> | <b>18,226,625</b> |

## Comparative Investment in Listed Shares

| S.N. | Name of Companies   | Ashad End 2077 |                |                    | Ashad End 2076 |                |                    |
|------|---------------------|----------------|----------------|--------------------|----------------|----------------|--------------------|
|      |                     | Unit           | Value per Unit | Value Amount (NPR) | Unit           | Value per Unit | Value Amount (NPR) |
| 1    | Prabhu Bank Limited | 16,080         | 230            | 3,698,400          | 6,000          | 266            | 1,596,000          |
| 2    | Kumari Bank Limited | 13,675         | 186            | 2,543,550          | 2,000          | 220            | 440,000            |



**NIBL Sahabagita Fund**

Fund Sponsored by Nepal Investment Bank Limited and Fund Managed by NIBL Ace Capital Limited

**Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)**

|    |   |         |       |           |        |       |           |
|----|---|---------|-------|-----------|--------|-------|-----------|
| 3  | Siddhartha Bank Limited                             | 11,436  | 296   | 3,385,056 | 3,080  | 318   | 979,440   |
| 4  | Global IME Bank Limited                             | 17,198  | 239   | 4,110,322 | 4,745  | 295   | 1,399,775 |
| 5  | Kailash Bikas Bank Ltd.                             | -       | -     | -         | 1,000  | 238   | 238,000   |
| 6  | Mukthinath Bikas Bank Ltd.                          | -       | -     | -         | 3,410  | 370   | 1,261,700 |
| 7  | Chilime Hydropower Company Limited                  | -       | -     | -         | 1,505  | 521   | 784,105   |
| 8  | Neco Insurance Co. Ltd.                             | 4,774   | 607   | 2,897,818 | 2,120  | 495   | 1,049,400 |
| 9  | Siddhartha Equity Fund                              | 139,400 | 10    | 1,394,000 | 73,400 | 10.09 | 740,606   |
| 10 | Sanima Bank Limited                                 | 10,514  | 330   | 3,469,620 | 3,000  | 348   | 1,044,000 |
| 11 | Garima Bikas Bank Limited                           | 5,000   | 223   | 1,115,000 | 2,275  | 224   | 509,600   |
| 12 | Sanima Equity Fund                                  | 85,790  | 9.93  | 851,895   | 8,700  | 9.40  | 81,780    |
| 13 | Shikhar Insurance Co. Ltd.                          | -       | -     | -         | 700    | 771   | 539,700   |
| 14 | Gandaki Bikas Bank Limited                          | 3,840   | 201   | 771,840   | 1,840  | 216   | 397,440   |
| 15 | Nabil Bank Limited                                  | 8,860   | 765   | 6,777,900 | 2,000  | 800   | 1,600,000 |
| 16 | Prime Commercial Bank Ltd.                          | 16,586  | 255   | 4,229,430 | 2,500  | 278   | 695,000   |
| 17 | Forward Community Microfinance Bittiya Sanstha Ltd. | 227     | 1,599 | 362,973   | 227    | 1,328 | 301,456   |
| 18 | Siddhartha Insurance Ltd.                           | -       | -     | -         | 1,417  | 455   | 644,735   |
| 19 | NMB Sulav Investment Fund-1                         | -       | -     | -         | 50,000 | 10.82 | 541,000   |
| 20 | Machhapuchhre Bank Limited                          | 5,707   | 220   | 1,255,540 | 1,000  | 264   | 264,000   |
| 21 | Prime Life Insurance Company Limited                | 5,637   | 531   | 2,993,247 | 699    | 439   | 306,861   |
| 22 | Shree Investment Finance Co. Ltd.                   | 2,889   | 159   | 459,351   | 1,010  | 157   | 158,570   |
| 23 | Nepal Life Insurance Co. Ltd.                       | -       | -     | -         | 1,994  | 901   | 1,796,594 |
| 24 | NIC Asia Bank Ltd.                                  | 4,622   | 553   | 2,555,966 | 1,026  | 448   | 459,648   |
| 25 | Mega Bank Nepal Ltd.                                | 8,948   | 208   | 1,861,184 | -      | -     | -         |
| 26 | Chhimek Laghubitta Bikas Bank Limited               | 7,735   | 1,090 | 8,431,150 | -      | -     | -         |
| 27 | NIC Asia Growth Fund                                | 12,900  | 10.19 | 131,451   | -      | -     | -         |
| 28 | Mahalaxmi Bikas Bank Ltd.                           | 4,000   | 183   | 732,000   | -      | -     | -         |
| 29 | Deprosc Laghubitta Bittiya Sanstha Limited          | 3,000   | 866   | 2,598,000 | -      | -     | -         |
| 30 | Agriculture Development Bank Limited                | 14,398  | 385   | 5,543,230 | -      | -     | -         |
| 31 | Sabaiko Laghubitta Bittiya Sanstha Limited          | 898     | 832   | 747,136   | -      | -     | -         |
| 32 | Adhikhola Laghubitta Bittiya Sanstha Limited        | 600     | 465   | 279,000   | -      | -     | -         |
| 33 | Sana Kisan Bikas Bank Ltd                           | 136     | 1,301 | 176,936   | -      | -     | -         |
| 34 | Nepal Bank Limited                                  | 12,249  | 249   | 3,050,001 | -      | -     | -         |
| 35 | Nirdhan Utthan Laghubitta Bittiya Sanstha Limited   | 6,312   | 1,015 | 6,406,680 | -      | -     | -         |
| 36 | Laxmi Bank Limited                                  | 15,556  | 209   | 3,251,204 | -      | -     | -         |





Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)

|              |  |        |       |                    |   |   |                   |
|--------------|--|--------|-------|--------------------|---|---|-------------------|
| 37           | Bank of Kathmandu Ltd.                         | 7,900  | 219   | 1,730,100          | - | - | -                 |
| 38           | Sunrise Bank Limited                           | 8,419  | 234   | 1,970,046          | - | - | -                 |
| 39           | Swabalamban Laghubitta Bittiya Sanstha Limited | 13     | 1,233 | 16,029             | - | - | -                 |
| 40           | NMB Bank Limited                               | 13,477 | 397   | 5,350,369          | - | - | -                 |
| 41           | Jyoti Bikas Bank Limited                       | 5,500  | 166   | 913,000            | - | - | -                 |
| 42           | Shine Resunga Development Bank Ltd.            | 11,030 | 222   | 2,448,660          | - | - | -                 |
| 43           | Miteri Development Bank Limited                | 185    | 307   | 56,795             | - | - | -                 |
| 44           | Premier Insurance Co. Ltd.                     | 5,989  | 616   | 3,689,224          | - | - | -                 |
| 45           | ICFC Finance Limited                           | 2,574  | 173   | 445,302            | - | - | -                 |
| 46           | Life Insurance Co. Nepal                       | 6,433  | 1,330 | 8,555,890          | - | - | -                 |
| 47           | Nepal Reinsurance Company Limited              | 5,030  | 504   | 2,535,120          | - | - | -                 |
| 48           | NIC ASIA Laghubitta Bittiya Sanstha Limited    | 6,486  | 532   | 3,450,552          | - | - | -                 |
| <b>Total</b> |  |        |       | <b>107,240,967</b> |   |   | <b>17,829,410</b> |

## Comparative Investment in Unlisted Shares

| S.N.         | Name of Company                     | Ashad End 2077 |                |                    | Ashad End 2076 |                |                    |
|--------------|-------------------------------------|----------------|----------------|--------------------|----------------|----------------|--------------------|
|              |                                     | Unit           | Value per Unit | Value Amount (NPR) | Unit           | Value per Unit | Value Amount (NPR) |
| 1            | Ghodighoda Laghubitta- IPO          | -              | -              | -                  | 199            | 162            | 32,228.05          |
| 2            | Aadhikhola Laghubitta- IPO          | -              | -              | -                  | 600            | 279            | 167,406.00         |
| 3            | Sabaiko Laghubitta- IPO             | -              | -              | -                  | 795            | 249            | 197,581.35         |
| 4            | Right Entitlement-Shikhar Insurance | 2,753          | 286            | 787,798            | -              | -              | -                  |
| 5            | Sadhana Laghubitta- IPO             | 965            | 258            | 249,356            | -              | -              | -                  |
| 6            | Ajod Insurance Ltd.-IPO             | 4092           | 155            | 632,951            | -              | -              | -                  |
| <b>Total</b> |                                     |                |                | <b>1,670,105</b>   |                |                | <b>397,215</b>     |

## 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.



Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)

## Explanatory notes

## 5.2 Accrued Expenses and Other Payables

| S.N. | Particulars                                   | Ashad End 2077   | Ashad End 2076   |
|------|---|------------------|------------------|
| 1    | Pre-operating Expenses Payables               | -                | 1,272,725        |
| 2    | Provision For Audit Fee                       | 113,000          | 111,500          |
| 3    | Provision For Reporting Expense               | 21,000           | 35,000           |
| 4    | TDS Liability                                 | 43,689           | 20,732           |
| 5    | Business Payables- Brokers                    | -                | 1,794,842        |
| 6    | Unit Transactions Payables                    | 31,768           |                  |
| 7    | Fund Management Fee Payable- NIBL Ace Capital | 1,298,434        | 53,748           |
| 8    | Depository Fee Payables- NIBL Ace Capital     | 240,896          | 17,199           |
| 9    | Supervisor Fee Payables                       | 106,647          | 10,477           |
| 10   | Exit Load Payables- NIBL Ace Capital          | 41,157           | -                |
| 11   | Supervisor's SEBON Fee Payable                | -                | 655              |
| 12   | Other Payables                                | 70,000           |                  |
|      | <b>Total</b>                                  | <b>1,966,590</b> | <b>3,316,878</b> |

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

## 6. Net Assets Attributable to Unit-holders

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

The Fund Manager calculates the NAV per unit of the Scheme by deducting the Schemes' expenses over market value of the total investment plus investment income divided by number of units on a weekly basis in accordance with the prevailing regulations/guidelines on mutual funds and publishes the same on its official website: [www.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 unit-holders as capital (which includes unit capital, realized and unrealized gain), notwithstanding net assets attributable to unit-holders are classified as a liability. The amount of net assets attributable to unit-holders can change significantly on a daily basis.





**Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)**

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

| Particular  | Ashad End 2077     | Ashad End 2076     |
|---|--------------------|--------------------|
| Unit Holders' Fund at the Beginning of the Year/Period      | 199,134,291        | -                  |
| Issue of Unit Capital                                       | 4,613,365          | 200,000,000        |
| Unit Reserve Capital  | 259,251            | -                  |
| <u>Increase in Net Assets Attributable to Unit Holders:</u> |                    |                    |
| Net Gains/(Losses) for the Period                           | 22,459,808         | (865,709)          |
| Other Comprehensive Income                                  | -                  | -                  |
| Distribution to Unit Holders'                               | -                  | -                  |
| <b>Unit Holders' Fund at the End of the Year/Period</b>     | <b>226,466,715</b> | <b>199,134,291</b> |

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

**7. Investment Income****Accounting Policy**

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

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

Dividend income is recognized on the ex-dividend date.

**Explanatory notes****7.2 Interest Income**

| S.N. | Particulars                      | Ashad End 2077   | Ashad End 2076 |
|------|----------------------------------|------------------|----------------|
| 1    | Interest Income on Debentures    | 567,655          | -              |
| 2    | Interest Income on Fixed Deposit | 2,167,298        | 3,014          |
| 3    | Interest Income on Call Deposits | 6,863,493        | 283,624        |
|      | <b>Total Amount</b>              | <b>9,598,446</b> | <b>286,638</b> |



Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)

## 7.3 Dividend Income

| Particulars              | Ashad End 2077   | Ashad End 2076 |
|--------------------------|------------------|----------------|
| Dividend Income Realized | 1,075,384        | -              |
| <b>Total</b>             | <b>1,075,384</b> | <b>-</b>       |

## 8. Expenses

## 8.1. Fund Management, Depository and Supervisor Fees

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

The management participation fees of the fund of the period 1<sup>st</sup> Shrawan 2076 to 29<sup>th</sup> Magh 2076 are as follows:

- Fund Management Fees : 1.25% of Net Assets Value (NAV)\*
- Depository Fees : 0.4% of NAV\*
- Fund Supervisor Fees : 0.3% of NAV\*

The management participation fees of the fund for the period 1<sup>st</sup> Falgun 2076 to 31<sup>st</sup> Ashad 2077 are as follows:

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

\* 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 for the period of 1<sup>st</sup> Shrawan 2076 to 29<sup>th</sup> Magh 2076 and quarterly average of daily NAV for the period of 1<sup>st</sup> Falgun 2076 to 31<sup>st</sup> Ashad 2077.

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

The total Fund Management, Depository and supervisors fees are charged on the basis of previous Mutual Fund Regulation 2067 for the period of 1<sup>st</sup> Shrawan 2076 to 29<sup>th</sup> Magh 2076 and on the basis of Mutual Fund Regulation 2067 (third amendments) and as per direction issued by SEBON with reference number 16/077/078 dated 2<sup>nd</sup> Shrawan 2077 for the period of 1<sup>st</sup> Falgun 2076 to 31<sup>st</sup> Ashad 2077.

Total Fund Supervisor's Fees are calculated and recognized as per the decision made in 51<sup>st</sup> Fund Supervisor's Meeting held on 7<sup>th</sup> July, 2020. Since, one of the Supervisor's position is vacant after the demise of Mr. Madhukar Shamsher J.B.R., the supervisor's fees have been calculated and recognized for 4 personnel only i.e. at the rate of 4/5<sup>th</sup> of the applicable rates.

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



Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)

| Particulars         | Ashad End 2077   | Ashad End 2076 |
|---------------------|------------------|----------------|
| Fund Management Fee | 2,570,113        | 54,567         |
| Depository Fee      | 645,174          | 17,461         |
| Fund Supervisor Fee | 396,209          | 13,096         |
| <b>Total</b>        | <b>3,611,496</b> | <b>85,124</b>  |

**8.2. Pre- operating Expenses**

All pre-operating expenses including issue & sales management expenses are recognized in profit or loss on first fiscal year of the scheme instantly and charged as under:

| Particulars                               | Ashad End 2077 | Ashad End 2076   |
|---|----------------|------------------|
| Scheme Application & Registration Fee     | -              | 545,000          |
| Prospectus Printing & Processing Expenses | -              | 14,690           |
| Scheme Projection Expenses                | -              | 45,200           |
| Issue Software Charge                     | -              | 51,075           |
| Issue Management Fee                      | -              | 400,000          |
| Pre-Operating Other Expenses              | -              | 50               |
| Scheme Allotment Meeting Expenses         | -              | 47,059           |
| Issue Notice Publication Expenses         | -              | 185,838          |
| <b>Total</b>                              | <b>-</b>       | <b>1,288,912</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 unit-holders' funds.

**11. Financial Risk Management**

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

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

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



**Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)**

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

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

**11.1. Market Risk**

**a. Price Risk**

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

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

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

**b. Foreign Exchange Rate Risk**

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

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

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

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

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



Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)

**11.2. Credit Risk**

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

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

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

**11.3. Liquidity Risk**

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

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

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

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

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

**12. Fair Value Measurement**

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

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

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

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

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

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



**Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)**

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**





Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)

## 13. Financial Assets Held at Amortized Cost

| Particulars   | Ashad End 2077    | Ashad End 2076   |
|---------------|-------------------|------------------|
| Debentures    | 12,513,000        | -                |
| Fixed Deposit | 20,000,000        | 50,00,000        |
| <b>Total</b>  | <b>32,513,000</b> | <b>50,00,000</b> |

## Note (a):

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

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

## a. Accounting policy

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

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

## b. Explanatory notes

| Particulars  | Ashad End 2077    | Ashad End 2076 |
|--|-------------------|----------------|
| Net Realized Gains/(Losses) on Financial Assets at Fair Value Through Profit or loss   | 12,479,281        | -              |
| Net Unrealized Gains/(Losses) on Financial Assets at Fair Value Through Profit or Loss | 3,644,717         | 369,863        |
| <b>Total</b>   | <b>16,123,997</b> | <b>369,863</b> |

Net realized gain includes the gain from Laxmi Value Fund-1 (LVF1) of NPR 52,396.89 which is redeemed on 8<sup>th</sup> July, 2020 and is booked investment receivables of NPR 22,848.28. However, the redemption value has not been finalized during the reporting period. Hence, for the purpose it has been derecognized the investment at the latest published NAV value of Falgun 2076 i.e. 10.26 and booked the realized gain with receivables for fair value presentation. Any changes based on final redemption value shall be recognized during the subsequent period.





Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)

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

| S.N. | Name of Companies                                   | Fiscal Year 2076-77 |                |              |            |            |
|------|---|---------------------|----------------|--------------|------------|------------|
|      |   | Unit                | Value per unit | Value Amount | Cost Price | Total Cost |
|      | <b>Listed Companies</b>                             |                     |                |              |            |            |
| 1    | Prabhu Bank Limited                                 | 16,080              | 230            | 3,698,400    | 235        | 3,772,489  |
| 2    | Kumari Bank Limited                                 | 13,675              | 186            | 2,543,550    | 195        | 2,664,207  |
| 3    | Siddhartha Bank Limited                             | 11,436              | 296            | 3,385,056    | 305        | 3,484,789  |
| 4    | Global IME Bank Limited                             | 17,198              | 239            | 4,110,322    | 290        | 4,990,878  |
| 8    | Neco Insurance Co. Ltd.                             | 4,774               | 607            | 2,897,818    | 642        | 3,063,410  |
| 9    | Siddhartha Equity Fund                              | 139,400             | 10             | 1,394,000    | 9.55       | 1,331,600  |
| 10   | Sanima Bank Limited                                 | 10,514              | 330            | 3,469,620    | 321        | 3,376,379  |
| 11   | Garima Bikas Bank Limited                           | 5,000               | 223            | 1,115,000    | 209        | 1,043,707  |
| 12   | Sanima Equity Fund                                  | 85,790              | 9.93           | 851,895      | 9.01       | 773,153    |
| 13   | Gandaki Bikas Bank Limited                          | 3,840               | 201            | 771,840      | 212        | 813,515    |
| 14   | Nabil Bank Limited                                  | 8,860               | 765            | 6,777,900    | 770        | 6,825,928  |
| 15   | Prime Commercial Bank Ltd.                          | 16,586              | 255            | 4,229,430    | 264        | 4,373,779  |
| 16   | Forward Community Microfinance Bittiya Sanstha Ltd. | 227                 | 1,599          | 362,973      | 894        | 202,882    |
| 17   | Machhapuchhre Bank Limited                          | 5,707               | 220            | 1,255,540    | 250        | 1,425,837  |
| 18   | Prime Life Insurance Company Limited                | 5,637               | 531            | 2,993,247    | 554        | 3,120,823  |
| 19   | Shree Investment Finance Co. Ltd.                   | 2,889               | 159            | 459,351      | 162        | 466,714    |
| 20   | NIC Asia Bank Ltd.                                  | 4,622               | 553            | 2,555,966    | 506        | 2,340,856  |
| 21   | Mega Bank Nepal Ltd.                                | 8,948               | 208            | 1,861,184    | 214        | 1,914,267  |
| 22   | Chhimek Laghubitta Bikas Bank Limited               | 7,735               | 1,090          | 8,431,150    | 1,010      | 7,813,750  |
| 23   | NIC Asia Growth Fund                                | 12,900              | 10.19          | 131,451      | 9.37       | 120,825    |
| 24   | Mahalaxmi Bikas Bank Ltd.                           | 4,000               | 183            | 732,000      | 222        | 889,111    |
| 25   | Deprosc Laghubitta Bittiya Sanstha Limited          | 3,000               | 866            | 2,598,000    | 864        | 2,590,621  |
| 26   | Agriculture Development Bank Limited                | 14,398              | 385            | 5,543,230    | 394        | 5,677,451  |
| 27   | Sabaiko Laghubitta Bittiya Sanstha Limited          | 898                 | 832            | 747,136      | 89         | 79,500     |
| 28   | Adhikhola Laghubitta Bittiya Sanstha Limited        | 600                 | 465            | 279,000      | 100        | 60,000     |
| 29   | Sana Kisan Bikas Bank Ltd                           | 136                 | 1,301          | 176,936      | -          | -          |
| 30   | Nepal Bank Limited                                  | 12,249              | 249            | 3,050,001    | 282        | 3,452,219  |
| 31   | Nirdhan Utthan Laghubitta Bittiya Sanstha Limited   | 6,312               | 1,015          | 6,406,680    | 1,048      | 6,615,180  |
| 32   | Laxmi Bank Limited                                  | 15,556              | 209            | 3,251,204    | 224        | 3,480,249  |
| 33   | Bank of Kathmandu Ltd.                              | 7,900               | 219            | 1,730,100    | 227        | 1,797,087  |
| 34   | Sunrise Bank Limited                                | 8,419               | 234            | 1,970,046    | 238        | 2,005,802  |
| 35   | Swabalamban Laghubitta Bittiya Sanstha Limited      | 13                  | 1,233          | 16,029       | 739        | 9,609      |
| 36   | NMB Bank Limited                                    | 13,477              | 397            | 5,350,369    | 384        | 5,171,257  |
| 37   | Jyoti Bikas Bank Limited                            | 5,500               | 166            | 913,000      | 167        | 917,662    |





Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)

|    |   |        |       |                    |       |                    |
|----|---|--------|-------|--------------------|-------|--------------------|
| 38 | Shine Resunga Development Bank Ltd.         | 11,030 | 222   | 2,448,660          | 230   | 2,535,143          |
| 39 | Miteri Development Bank Limited             | 185    | 307   | 56,795             | 252   | 46,635             |
| 40 | Premier Insurance Co. Ltd.                  | 5,989  | 616   | 3,689,224          | 665   | 3,983,113          |
| 41 | ICFC Finance Limited                        | 2,574  | 173   | 445,302            | 198   | 508,618            |
| 42 | Life Insurance Co. Nepal                    | 6,433  | 1,330 | 8,555,890          | 1,477 | 9,500,146          |
| 43 | Nepal Reinsurance Company Limited           | 5,030  | 504   | 2,535,120          | 100   | 503,000            |
| 44 | NIC ASIA Laghubitta Bittiya Sanstha Limited | 6,486  | 532   | 3,450,552          | 100   | 648,600            |
| 45 | <b>Sub-Total (A)</b>                        |        |       | <b>107,240,967</b> |       | <b>104,390,792</b> |
|    | <b>Unlisted Companies</b>                   |        |       |                    |       |                    |
| 1  | Right Entitlement-Shikhar Insurance         | 2,753  | 286   | 787,798            | -     | -                  |
| 2  | Sadhana Laghubitta- IPO                     | 965    | 258   | 249,356            | 100   | 96,500             |
| 3  | Ajod Insurance Ltd.-IPO                     | 4,092  | 155   | 632,951            | 100   | 409,200            |
|    | <b>Sub-Total (B)</b>                        |        |       | <b>1,670,105</b>   |       | <b>505,700</b>     |
|    | <b>Grand Total (A+B)</b>                    |        |       | <b>108,911,072</b> |       | <b>104,896,492</b> |

## 15. Impairment

## Accounting policy

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

## 16. Related Party Transactions

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

## Related Parties

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

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

- Unit Holding of Nepal Investment Bank Limited (Fund Sponsor) amounts to NPR 65,000,000 (at par value of NPR 10 per unit)
- Unit Holding of NIBL Ace Capital Limited (Fund Management) amounts to NPR 10,712,700 (at par value of NPR 10 per unit)



Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)

- NIBL Sahabhagita Fund has earned interest amounting to NPR 361,061 (NPR Three Hundred Sixty-One Thousand Sixty-One) from Nepal Investment Bank Limited.
- Fund Management and Depository Fee incurred by NIBL Sahabhagita Fund during the year amounts to NPR 3,215,287 (NPR Three Million Two Hundred Fifteen Thousand Two Hundred Eighty-Seven). The amount is payable to NIBL Ace Capital Limited.
- Fund management and depository fee payable by NIBL Sahabhagita Fund to NIBL Ace Capital Limited NPR 1,539,330 (NPR One Million Five Hundred Thirty-Nine Thousand Three Hundred Thirty).
- The Scheme has a call account bank balance of NPR 27,719,502 (NPR. Twenty-Seven Million Seven Hundred Nineteen Thousand Five Hundred Two) as on Balance Sheet date with the Fund Sponsor - Nepal Investment Bank Limited.

**17. Reporting**

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

**18. Contingent Liability**

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

**19. Proposed Dividend**

The Scheme has proposed 8.25% Cash Dividend including tax to its outstanding unit-holders as on 23<sup>rd</sup> Shrawan 2077 (7<sup>th</sup> August, 2020) which is also the announcement/Book Closure Date.





Notes to the Financial Statements as of Ashad End 2077 (15<sup>th</sup> July 2020)

On Behalf of NIBL Ace Capital Limited

(Fund Management Company)

As per our Report of even date



Sachin Tibrewal  
Chairman



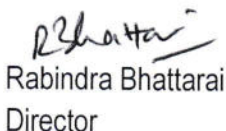
Deepak Kumar Shrestha  
Director



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



Bandana Thapa  
Director



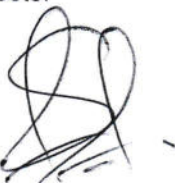
Rabindra Bhattarai  
Director



Shivanth Bahadur Pandé  
Chief Executive Officer



Mekh Bahadur Thapa  
Deputy Chief Executive Officer



Sachindra Dhungana  
Assistant General Manager



Poskar Basnet  
Scheme Manager

Date: 2077/04/23

Place: Kathmandu



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

**NIBL MUTUAL FUND**  
NIBL Sahabagita Fund



