



**NIBL ACE CAPITAL**  
Managing shares. Managing investments.

## **NIBL Samriddhi Fund-I**

(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**

Ref. No. – 77.78-01-003

23 Shrawan 2077

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNIT HOLDERS OF NIBL SAMRIDDI FUND I  
Report on the Audit of Financial Statements**

**A. Opinion on the Financial Statements**

1. We have audited the accompanying financial statements of NIBL Samridhi Fund I ("the Mutual Fund") which comprise the statement of financial position as at Ashadh 31, 2077 (corresponding to July 15, 2020), the statement of profit or loss, the statement of other comprehensive income, the statement of changes in unit holders fund and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the financial statements referred to above, present fairly, in all material respects, the financial position of the Mutual Fund as of Ashadh 31, 2077 (July 15, 2020), and its performances, changes in Unit Holders Fund and its cash flows for the year ended on that date in conformity with Nepal Financial Reporting Standards (NFRS) and comply with Securities Act 2063, Security Board Regulation 2064, Mutual Fund Regulations 2067 and Mutual Fund Guidelines 2069 and other prevailing legislations.

**B. Basis for Opinion**

3. We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.
4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

**C. Independence**

5. We are independent of the Mutual Fund in accordance with the ethical requirement that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**D. Key Audit Matters**

6. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate on these matters.



6.1 There are no key audit matters to communicate.

**E. Other Information**

7. The directors are responsible for the other information presented in the Mutual Fund's annual report. Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. We have nothing to report in this respect.

**F. Responsibilities of Management and Those Charged with Governance for the Financial Statements**

8. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Nepal Financial Reporting Standards (NFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the management is responsible for assessing the Mutual Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Mutual Fund or to cease operations or has no realistic alternative but to do so.
10. Those charged with governance are responsible for overseeing the Mutual Fund's financial reporting process.

**G. Auditor's Responsibilities for the Audit of Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.
12. As part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also :
- 12.1 Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control. Evaluate appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the management.
- 12.2 Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up-to the date of our auditor's report. However, future events or conditions may cause the Mutual Fund to cease to continue as a going concern.

- 12.3 Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear our independence and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the financial statement of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

#### **H. Report on Other Legal and Regulatory Requirements**

16. On examination of the financial statements as aforesaid, we report that:
  - 16.1 We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit as per NSA.
  - 16.2 The statement of financial position as at Ashadh 31,2077 (July 15,2020) , the statement of profit or loss, other comprehensive income, statement of changes in Unit Holders fund and statement of Cash flow for the year then ended on that date, and the attached summary of significant accounting policies and notes to accounts dealt and other explanatory information (thereafter referred to as "the financial statements") dealt with by this report are prepared in accordance with Securities Act 2063, Security Board Regulation 2064, Mutual Fund Regulations 2067 and Mutual Fund Guidelines 2069 and other prevailing legislations.
  - 16.3 In our opinion, proper books of account as required by law have been kept by the Mutual Fund, in so far as appears from our examination of those books of account and the financial statements dealt with by this report , are in agreement with the books of accounts.

16.4 In our opinion and to the best of our information and according to the explanations given to us and from our examination of the books of account of the Mutual Fund, we have not come across the cases where the Board of Directors or the representative or any employee of the Mutual Fund has acted deliberately contrary to the provisions of the law relating to accounts or caused loss or damage to the Mutual Fund nor have we been informed of any such case by the management.

For and on behalf of,  
**M.B. Shrestha & Co.**  
Chartered Accountants  
Kathmandu



**CA. Maheswarendra Bdr. Shrestha**  
Proprietor

UDIN: Refer to attachment



नेपाल चार्टर्ड एकाउन्टेन्ट्स संस्था  
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL  
(Established under the Nepal Chartered Accountants Act, 1997)

## UDIN Document

Fiscal Year: 2076/77

<b>Date / Time:</b> 2020-08-10 21:10:13	<b>UDIN Number:</b> 200810CA001174jRPP
<b>Member Name:</b> MAHESWARENDRA BAHADUR SHRESTHA	<b>Date of Signing Document:</b> 2020-08-10
<b>Document Type:</b> Audit	<b>Audit Type:</b> Statutory Audit
<b>Office Type:</b> Listed Public Company	<b>Office Name:</b> NIBL Samriddhi Fund -1
<b>Type of Audit Opinion:</b> Unqualified Opinion	

### Financial figures

S.N.	Heading	Amount
1	Total Asset/Liabilities	NRs.1172364797
2	Turnover	NRs.179885949

**Status:** Active Document

**Document Description:**

## NIBL Samriddhi Fund-1

(Sponsored by Nepal Investment Bank Ltd. and Managed by NIBL Ace Capital Ltd.)  
Statement of Financial Position as at 31st Asadh 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	213,757,015	187,645,522
Other Current Assets	4.6	52,546,521	9,480,270
Financial Assets Held at Amortized Cost		150,000,000	150,000,000
Financial Assets Held at Fair Value Through Profit or Loss	4.7	756,061,261	751,724,842
<b>Total</b>		<b>1,172,364,797</b>	<b>1,098,850,634</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accrued Expenses & Other Payables	5.2	11,810,651	29,381,450
Liabilities (Excluding Net Assets Attributable to Unitholders)		<b>11,810,651</b>	<b>29,381,450</b>
<b>Unit Holder's Funds</b>			
Net Assets Attributable to Unit Holders	6	1,160,554,146	1,069,469,184
<b>Total</b>		<b>1,172,364,797</b>	<b>1,098,850,634</b>
<b>NAV per Unit</b>		<b>11.61</b>	<b>10.69</b>

Schedules and Explanatory Notes forms integral part of Statement of Position

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

  
Sachin Tibrewal  
Chairman

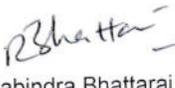
  
Deepak Kumar Shrestha  
Director

As per our Report of even date

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

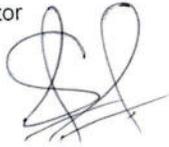


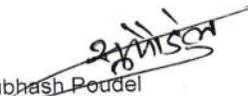
  
Bandana Thapa  
Director

  
Rabindra Bhattarai  
Director

  
Shivanth Bahadur Pandé  
Chief Executive Officer

  
Mekh Bahadur Thapa  
Deputy Chief Executive Officer

  
Sachindra Dhungana  
Assistant General Manager

  
Subhash Poudel  
Head - Mutual Fund

Date: 2077-04-23  
Place: Kathmandu



**NIBL ACE CAPITAL**  
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Kathmandu, Nepal

## 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 2076 to 31st Ashad 2077 (17th July 2019 to 15th July 2020)

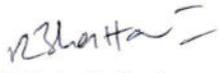
Particulars	Notes	FY 2076/77	FY 2075/76
<i>NPR</i>			
<b>Income</b>			
Interest Income	7.2	25,260,107	24,457,530
Dividend Income	7.3	17,531,338	18,458,637
Net Profit/(Loss) on Financial Assets Held at Fair Value through Profit and Loss	14b	137,087,096	40,124,699
Other Income		7,408	4,565,995
<b>Total</b>		<b>179,885,949</b>	<b>87,606,862</b>
<b>Expenses and Losses</b>			
Fund Management fees		17,170,187	18,132,447
Depository Fees		3,850,127	5,180,699
Fund Supervisors Fees		1,998,971	3,108,419
Publication Expenses		174,016	181,484
Listing Fees		50,000	50,000
DP Expense		150	100
Audit Fees		113,000	113,000
Bank Charges		5,867	9,770
Other Expenses		440	5,043
Annual Service Charges on Software		198,880	62,150
ICRA -Annual Rating Fee		119,349	245,245
CDS Dematerialisation Registration Fee		120,000	240,000
<b>Total expenses</b>		<b>23,800,988</b>	<b>27,328,356</b>
<b>Net Gains/(Losses) for the Period</b>		<b>156,084,962</b>	<b>60,278,504</b>
<b>Other Comprehensive income</b>		-	-
<b>Net Surplus/(Deficit) for the period</b>		<b>156,084,962</b>	<b>60,278,504</b>

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

  
Sachin Tibrewal  
Chairman

  
Deepak Kumar Shrestha  
Director

  
Bandana Thapa  
Director

  
Rabindra Bhattarai  
Director

  
Mekh Bahadur Thapa  
Deputy Chief Executive Officer

  
Sachindra Dhungana  
Assistant General Manager

As per our Report of even date

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



  
Shivanth Bahadur Pandé  
Chief Executive officer

  
Subfash Poudel  
Head -Mutual Fund

Date: 2077-04-23  
Place: Kathmandu



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Kathmandu, Nepal

## NIBL Samridhi Fund-1

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

### Statement of Change in Unit Holder's Fund

For the Period from 1st Shrawan 2076 to 31st Ashad 2077 (17th July 2019 to 15th July 2020)

Particular	NPR	
	FY 2076/77	FY 2075/76
Unit Holders' Fund at the Beginning of the Year/Period	1,069,469,184	1,129,190,680
<b>Increase in Net Assets Attributable to Unit Holders:</b>		
Net Gains/(Losses) for the Period	156,084,962	49,127,290
Other Comprehensive income	-	11,151,214
Distribution to Unit Holders'	(65,000,000)	(120,000,000)
<b>Unit Holders' Fund at the End of the Year/Period</b>	<b>1,160,554,146</b>	<b>1,069,469,184</b>

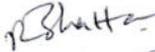
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Chairman

  
Bandana Thapa  
Director

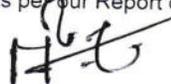
  
Mekh Bahadur Thapa  
Deputy Chief Executive Officer

  
Deepak Kumar Shrestha  
Director

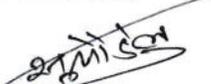
  
Rabindra Bhattacharya  
Director

  
Sachindra Dhungana  
Assistant General Manager

As per our Report of even date

  
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Chartered Accountants

  
Shivanth Bahadur Pandey  
Chief Executive Officer

  
Subhash Poudel  
Head - Mutual Fund



Date: 2077-04-23  
Place: Kathmandu



## NIBL Samridhi Fund-1

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

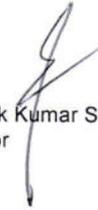
### Statement of Cash Flow

For the Period from 1st Shrawan 2076 to 31st Ashad 2077 (17th July 2019 to 15th July 2020)

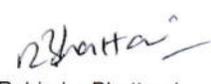
	FY 2076/77	FY 2075/76
<i>NPR</i>		
<b>Particulars</b>		
<b>A. Cash Flow from Operating Activities</b>		
Surplus/ (Deficit) for the year	156,084,962	60,278,504
Adjustments for:		
Increase/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	(68,707,942)	366,421,189
Increase/(Decrease) in Liabilities	(17,570,799)	(10,539,293)
(Increase)/Decrease in Share	64,371,523	4,784,287
(Increase)/Decrease in Debenture	-	(10,000,000)
(Increase)/Decrease in Fixed Deposit	-	-
(Increase)/Decrease in Other Assets	(43,066,251)	9,805,827
<b>Net cash generated/(used) in Operations (1)</b>	<b>91,111,493</b>	<b>420,750,515</b>
<b>B. Cash Flow from Financing Activities</b>		
Dividend Paid during the year	(65,000,000)	(120,000,000)
<b>Net cash generated/(used) in financing (2)</b>	<b>(65,000,000)</b>	<b>(120,000,000)</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>26,111,493</b>	<b>(11,000,983)</b>
Cash and Cash Equivalents at beginning of the year/period	187,645,522	198,646,506
<b>Cash and Cash Equivalents at end of period</b>	<b>213,757,015</b>	<b>187,645,521</b>
<b>Components of Cash and Cash Equivalents</b>		
Balance with Banks	213,757,015	187,645,522

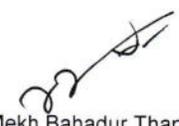
On Behalf of NIBL Ace Capital Limited  
(Fund Management Company)

  
Sachin Tibrewal  
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Deepak Kumar Shrestha  
Director

  
Bandana Thapa  
Director

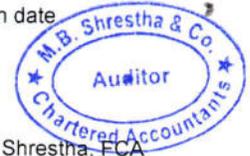
  
Rabindra Bhattarai  
Director

  
Mekh Bahadur Thapa  
Deputy Chief Executive Officer

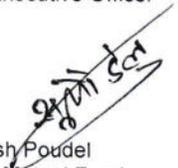
  
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Assistant General Manager

As per our Report of even date

  
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Proprietor  
M. B. Shrestha & Co.  
Chartered Accountants



  
Shivanth Bahadur Pandé  
Chief Executive Officer

  
Subhash Poudel  
Head - Mutual Fund

Date: 2077-04-23  
Place: Kathmandu

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

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>	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<sup>rd</sup> Poush 2071 (Scheme allotment date) B.S. with maturity period of 7 years (i.e. 22<sup>nd</sup> Poush 2078 B.S.) It was listed in NEPSE on 23<sup>rd</sup> Magh 2071. The Scheme's Financial Statements for the year 2076/77 were approved by the Board of Directors of the NIBL Ace Capital Limited 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.

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.



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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 unit holders.

### 2.3. Reporting Pronouncements

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



#### 2.4. Accounting Conventions

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

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

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

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



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B. Shrestha & C

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

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

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

### 2.9. 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	31st Ashad 2077	32nd Ashad 2076
Cash at Bank	213,757,015	187,645,522
<b>Total</b>	<b>213,757,015</b>	<b>187,645,522</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 / debentures are classified as fair value through profit and loss. The amount attributable to unit holders is classified as equity and is carried at the redemption amount being net asset value. Payables are designated as 'other financial liabilities' at amortized cost.

#### 4.2 Classification

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

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

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

##### Loans and receivables

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

#### 4.3 Recognition / De- recognition

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

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

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

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

#### 4.4 Measurement

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

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

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

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



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

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

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

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

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

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

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

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

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

**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	1,061,290	1,054,201
2	Interest Receivables	2,097,356	2,088,963



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3	<b>Broker Receivables</b>	49,186,963	6,300,172
4	Prepaid Expenses-ICRA Fee	65,069	-
5	Unit Redemption Partial Amount receivable	81,852	-
6	Other Receivable	17,057	-
7	TDS Receivables	36,934	36,934
	<b>Total Amount</b>	<b>52,546,521</b>	<b>9,480,270</b>

4.7 Financial Assets Held at Fair Value Through Profit or Loss

Particulars	31st Asadh 2077	31 st Asadh 2076
Financial Assets Held for Trading		
Equity Security	756,061,261	751,724,842
<b>Total Financial Assets held for Trading (A)</b>	<b>756,061,261</b>	<b>751,724,842</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>756,061,261</b>	<b>751,724,842</b>

Comparative Investment in Shares

Name	2076-77			2075-76		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
<b>LISTED</b>						
Swabalamban Laghubitta Bittiya Sanstha Limited	1,187	1,233	1,463,571	1,289	875	1,127,875
Shangrila Development Bank Ltd.	3,946	141	556,386	17,446	159	2,773,914
Nepal Bank Limited	48,078	249	11,971,422	21,981	336	7,385,616
Machhapuchhre Bank Limited	61,395	220	13,506,900	58,471	264	15,436,344
Siddhartha Bank Limited	32,948	296	9,752,608	27,145	318	8,632,110
Nepal Doorsanchar Comapany Limited	45,120	655	29,553,600	45,120	693	31,268,160
NIC Asia Bank Ltd.	12,654	553	6,997,662	1,500	448	672,000
Siddhartha Insurance Ltd.	1,088	580	631,040	16,205	455	7,373,275
Global IME Bank Limited	71,582	239	17,108,098	42,138	295	12,430,710
Mega Bank Nepal Ltd.	87,569	208	18,214,352	89,569	213	19,078,197
Prime Commercial Bank Ltd.	40,081	255	10,220,655	21,487	278	5,973,386
Agriculture Development Bank Limited	34,766	385	13,384,910	5,103	409	2,087,127
Shikhar Insurance Co. Ltd.	9,940	1,019	10,128,860	19,153	771	14,766,963
Sanima Bank Limited	41,184	330	13,590,720	34,368	348	11,960,064

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**NIBL Samridhhi Fund -1**

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

Sagarmatha Insurance company limited	6,747	700	4,722,900	9,900	605	5,989,500
Laxmi Bank Limited	38,542	209	8,055,278	20,493	226	4,631,418
Prime Life insurance Co ltd.	13,708	531	7,278,948	-	-	-
RMDC Laghubitta Bittiya Sanstha Limited	19,043	701	13,349,143	9,340	661	6,173,740
NLG Insurance Company Ltd.	9,992	657	6,564,744	24,279	762	18,500,598
Nepal Insurance Co. Ltd.	-	-	-	8,375	354	2,964,750
Everest Bank Limited	16,571	675	11,185,425	25,591	666	17,043,606
National Life Insurance Co. Ltd.	34,640	662	22,931,680	33,795	585	19,770,075
Chilime Hydropower Company Limited	69,829	398	27,791,942	58,191	521	30,317,511
Nabil Bank Limited	63,412	765	48,510,180	62,777	800	50,221,600
Nepal Bangladesh Bank Limited	29,139	209	6,090,051	27,751	222	6,160,722
Sunrise Bank Limited	32,024	234	7,493,616	25,931	248	6,430,888
Muktinath Bikas Bank Ltd.	37,313	312	11,641,656	42,380	370	15,680,600
Nerude Laghubitta Laghubitta Bittiya Sanstha Limited	2,965	761	2,256,365	4,780	470	2,246,600
Life Insurance Co. Nepal	19,497	1,330	25,931,010	7,785	1,600	12,456,000
Himalayan bank Limited	25,879	540	13,974,660	47,599	552	26,274,648
Nepal SBI Bank Limited	33,923	435	14,756,505	41,644	469	19,531,036
Asian Life Insurance Company limited	11,403	607	6,921,621	69,717	383	26,701,611
Himalayan General Insurance Co. Ltd	26,913	419	11,276,547	25,878	350	9,057,300
Garima Bikash Bank Limited	17,800	223	3,969,400	28,626	224	6,412,224
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	11,967	1,015	12,146,505	11,339	841	9,536,099
Standard Chartered Bank Limited	7,159	645	4,617,555	7,159	682	4,882,438
Deprosc Laghubitta Bittiya Sanstha Limited	19,334	866	16,743,244	21,045	722	15,194,490
Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited Bank Ltd	28,427	1,301	36,983,527	34,214	948	32,434,872
Shine Resunga Development Bank	20,305	222	4,507,710	30,874	252	7,780,248
Goodwill Finance Company Limited	21,125	145	3,063,125	21,125	135	2,851,875
Civil Bank Limited	50,407	139	7,006,573	50,407	158	7,964,306
Kumari Bank Limited	32,500	186	6,045,000	26,727	220	5,879,940
Oreintal Hotels limited	-	-	-	3,125	607	1,896,875
Chhimek Laghubitta Laghubitta Bittiya Sanstha Limited	24,816	1,090	27,049,440	22,523	950	21,396,850
Vijay Laghubitta Bittiya Sanstha Ltd.	1,068	1,020	1,089,360	-	-	-
NMB Bank Limited	63,500	397	25,209,500	70,466	382	26,918,012
Excel Development Bank Ltd.	362	298	107,876	8,871	283	2,510,493
Womi Microfinance Bittiya Sanstha Ltd.	2	1,001	2,002	11	1,128	12,408
Sanima Mai Hydropower Ltd.	41,650	223	9,287,950	37,864	245	9,276,680
Nepal Life Insurance Co. Ltd.	12,531	1,260	15,789,060	30,582	901	27,554,382
Butwal Power Company Limited	38,810	359	13,932,790	35,817	409	14,649,153



**NIBL Samridhhi Fund -1**

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

Lumbini General Insurance Co. Ltd.	23,180	453	10,500,540	25,761	430	11,077,230
NMB MicroFinance Bittiya Sanstha Ltd.	1,676	808	1,354,208	-	-	-
Siddhartha Equity Orineted Scheme	-	-	-	933,470	11	10,100,145
Om Development Bank Ltd.	-	-	-	2,422	197	477,134
Dev Bikas Bank Limited	-	-	-	8,630	146	1,259,980
Century Commercial Bank Limited	24,024	165	3,963,960	24,024	177	4,252,248
Mero Microfinance Bittiya Sanstha Ltd.	-	-	-	11	532	5,852
Bank of Kathmandu Ltd.	75,355	219	16,502,745	69,203	255	17,646,765
National Microfinance Bittiya Sanstha Ltd.	5,626	1,650	9,282,900	3,215	1,480	4,758,200
RSDC Laghubitta Bittiya Sanstha Ltd.	-	-	-	4,910	343	1,684,130
Suryodaya Laghubitta Bittiya Sanstha Ltd.	-	-	-	1,499	793	1,188,707
Forward Community Microfinance Bittiya Sanstha Ltd.	5,064	1,599	8,097,336	2,709	1,328	3,597,552
Samata Microfinance Bittiya Sanstha Ltd.	2,054	660	1,355,640	652	1,130	736,760
Synergy Power Development Ltd.	11,940	98	1,170,120	11,940	90	1,074,600
United Modi Hydropower Ltd.	7,532	104	783,328	7,532	109	820,988
Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd.	251	895	224,645	209	947	197,923
Kamana Sewa Bikas Bank Limited	7,930	145	1,149,850	11,930	160	1,908,800
Citizen Investment Trust	10,553	2,428	25,622,684	2,664	2,429	6,470,856
Gandaki Bikas Bank Limited	7,274	201	1,462,074	7,274	216	1,571,184
NMB Sulav Investment Fund-1	-	-	-	1,339,000	10.82	14,487,980
Support Microfinance Bittiya Sanstha Ltd.	383	922	353,126	570	383	218,310
Arambha Microfinance Bittiya Sanstha Ltd.	770	493	379,610	717	529	379,293
Unnati Micorfinance Bittiya Sanstha Ltd.	1,105	633	699,465	797	800	637,600
Laxmi Value Fund-1	-	-	-	314,816	10.20	3,211,123
Nadep Laghubittiya bitty Sanstha Ltd.	1,126	686	772,436	2,530	412	1,042,360
Kalika power Company Ltd	1,036	103	106,708	4,036	91	367,276
Prabhu Bank Limited	94,979	230	21,845,170	102,999	266	27,397,734
Siddhartha Equity Fund	24,550	10	245,500	24,550	10.09	247,710
Chautari Laghubitta Bitty Sanstha Ltd	1,077	434	467,418	1,007	464	467,248
Premiere Insurance Co Ltd	12,893	616	7,942,088	-	-	-
Asha Laghubitta Bittiya Sanstha Ltd	238	780	185,640	1,373	395	542,335
UNIVERSAL POWER COMPANY LTD	2,975	70	208,250	2,975	89	264,775
Neco Insurance Co. Ltd.	23,664	607	14,364,048	10,870	495	5,380,650
Swabhimaan Laghubitta Bittiya Sanstha Limited	-	-	-	248	471	116,808
Infinity Laghubitta Bittiya Sanstha Limited	-	-	-	543	400	217,200
Vijaya laghubitta Bittiya Sanstha Ltd.	-	-	-	1,007	485	488,395

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**NIBL Samridhi Fund -I**

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

Swadeshi Laghubitta Bittiya Sanstha Ltd.	-	-	-	11	578	6,358
Global IME Laghubitta Bittiya Sanstha Ltd.	-	-	-	1	1,202	1,202
Rashuwagadi Hydropower Co. Ltd.	33,158	150	4,973,700	-	-	-
Sanjen Jalavidhyut Company Limited	22,254	134	2,982,036	-	-	-
Sabiko Laghubitta Bittiya Sanstha Limited	898	832	747,136	-	-	-
Adhikhola Laghubitta Bittiya Sanstha Limited	600	465	279,000	-	-	-
Jyoti Bikash Bank Ltd.	5,000	166	830,000	-	-	-
Mahalaxmi Bikash Bank Limited	2,000	183	366,000	-	-	-
Himalyan Distillary Limited	3,030	1,599	4,844,970	-	-	-
Nepal Re Insurance Co. Limited	9,000	504	4,536,000	-	-	-
NIC asia Laghubitta Bittiya Sanstha Ltd	6,485	532	3,450,020	-	-	-
<b>Sub-Total (A)</b>			<b>747,412,023</b>			<b>747,577,518</b>
<b>UNLISTED</b>						
NLG Insurane-Right Entitlement	12,792	279.38	3573828.96	-	-	-
Shikhar Insurance- Right Entitlement	14,653	286.16	4193102.48	-	-	-
Sadhana Laghubitta- IPO	965	258.4	249356	-	-	-
Ajod Insurance Ltd.-IPO	4,092	154.68	632950.56	-	-	-
Rashuwagadi Hydropower Co. Ltd.	-	-	-	12,829	181	2,318,599
Sanjen Jalavidhyut Company Limited	-	-	-	6,844	186	1,274,832
Janasewi Laghubitta- IPO	-	-	-	579	271	156,677
Ghodighoda Laghubitta- IPO	-	-	-	199	162	32,228
Aadhikhola Laghubitta- IPO	-	-	-	600	279	167,406
Sabaiko Laghubitta- IPO	-	-	-	795	249	197,581
<b>Sub-Total (B)</b>			<b>8,649,238</b>			<b>4,147,324</b>
<b>Grand Total</b>			<b>756,061,261</b>			<b>751,724,842</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.

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Explanatory notes

5.2 Accrued Expenses and Other Payables

S.N.	Particulars	Ashad End 2077	Ashad End 2076
1	Reporting Expenses Payables	25,000	13,380
2	Allotment Refund Payable	-	2,589,075
3	Provision For Audit Fee	113,000	111,500
4	Provision For Reporting Exp	-	33,560
5	Provision for Realizable Tax on Dividend	1,072,979	1,072,979
6	TDS Liability	247,960	417,246
7	Fund Management Fee Payable - NIBL Ace Capital	8,335,834	9,060,820
8	Depository Fee Payables - NIBL Ace Capital	1,341,861	2,588,806
9	Supervisor Fee Payables	555,817	1,340,397
10	Unit Dividend Payables	-	12,035,488
11	Provision for CDS Fees	118,200	118,200
	<b>Total</b>	<b>11,810,651</b>	<b>29,381,450</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.

During the financial year 2075/76, 6.5% dividend has been declared by the fund which has been recognized as liability in the financial year 2076/77.

6. Net Assets Attributable to Unit holders

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

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

Each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the

same rights attaching to it as all other units of the Fund. The Fund considers its net assets attributable to unit holders as capital (which includes unit capital, realized and unrealized gain),

Notwithstanding net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily changes in Market Price of Share at Nepal Stock Exchange.

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

Particular	For the Year Ended on 31st Ashad 2077	For the Year Ended on 31st Ashad 2076
Unit Holders' Fund at the Beginning of the Year/Period	1,069,469,184	1,129,190,680
Increase / (Decrease) in Net Assets Attributable to Unit Holders		
a. Net Gains/(Losses) for the Period	156,084,962	60,278,504
b. Other Comprehensive income	-	-
Distribution to Unit Holders'	(65,000,000)	(120,000,000)
<b>Unit Holders' Fund at the End of the Year/Period</b>	<b>1,160,554,146</b>	<b>1,069,469,184</b>

**7. Investment Income**

**7.1 Accounting Policy**

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

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, 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 2077	Ashad End 2076
Interest income on Debentures	4,185,000	4,185,000
Interest income on Fixed deposit and call account	21,075,107	20,272,530
<b>Total Amount</b>	<b>25,260,107</b>	<b>24,457,530</b>

**7.3 Dividend Income**

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**NIBL Samriddhi Fund -1**

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

Particulars	Ashad End 2077	Ashad End 2076
Dividend Income Realized	17,531,338	18,458,637
<b>Total</b>	<b>17,531,338</b>	<b>18,458,637</b>

**7.4 Provision Written Back:**

Provision written back which has been included in Other Incomes for fiscal year 2076/77 has been adjusted to publication expenses. The restatement of same has been done in FY 2075/76.

S.N.	Account Head	Reclassified Figure (NPR)	Previous Year Figure (NPR)	Difference (NPR)
<b>A.</b>	<b>In Statement of Profit or Loss (FY 2075/76)</b>			
1.	Other income	4,565,995	4,575,317	(9,322)
2	Publication expenses	181,484	190,805	(9,321)

**8. Expenses**

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

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

Fund Management Fees	: 1.75% of Net Assets Value (NAV)*
Depository Fees	: 0.5% of NAV*
Fund Supervisor Fees	: 0.3% of NAV*

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

Fund Management Fees	: 1.5% of Net Assets Value (NAV)*
Depository Fees	: 0.2% of NAV*
Fund Supervisor Fees	: 0.12% of NAV*

\* 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 1st Shrawan 2076 to 29th Magh 2076 and quarterly average of daily NAV for the period of 1st Falgun 2076 to 31st 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 1st Shrawan 2076 to 29th Magh 2076 and on the basis of Mutual Fund Regulation 2067 (third amendments) and as per direction issued

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by SEBON with reference number 16/077/078 dated 2nd Shrawan 2077 for the period of 1st Falgun 2076 to 31st Ashad 2077.

Total Fund Supervisor's Fees are calculated and recognized as per the decision made in 51st Fund Supervisor's Meeting held on 7th 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 4/5th of the applicable rates.

Total Fund Management, Depository & Fund Supervisor's Fees calculated on the basis of 365 days a year is presented in Nepalese currency and charged as under:

Particulars	Ashad End 2077	Ashad End 2076
Fund Management Fee	17,170,187	18,132,447
Depository Fee	3,850,128	5,180,699
Fund Supervisor Fee	1,998,971	3,108,419
<b>Total</b>	<b>23,019,286</b>	<b>26,421,565</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.

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(Third Amendment) investment in bank deposit cannot be made more than 15% 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 on cash and cash equivalents, other receivable balances.

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

For FY 2076/77

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercial Banks	310,003,545	310,822,435	41.00%	-0.26%
Development banks	24,590,952	19,948,064	3.25%	23.27%
Finance companies	3,063,125	3,812,882	0.41%	-19.66%
Hydro	61,236,824	101,974,068	8.10%	-39.95%
Insurance companies	153,382,968	142,328,351	20.29%	7.77%
Telecom, Mutual Funds and Others	64,802,754	58,390,478	8.57%	10.98%
Microfinance	138,981,093	82,045,691	18.38%	69.39%
<b>Total</b>	<b>756,061,261</b>	<b>719,321,969</b>	<b>100.00%</b>	

For FY 2076/77

Sector	Value	Cost	Proportionate Exposure	Growth %
Commercial Banks	313,895,733	314,228,059	41.76%	-0.11%
Development banks	40,374,577	34,561,929	5.37%	16.82%
Hotels	1,896,875	1,590,221	0.25%	19.28%
Finance companies	2,851,875	3,812,882	0.38%	-25.20%
Hydro	60,364,414	96,712,681	8.03%	-37.58%
Insurance companies	161,592,334	178,781,844	21.50%	-9.61%
Telecom, Mutual Funds and Others	65,785,974	65,501,537	8.75%	0.43%
Microfinance	104,963,060	88,504,339	13.96%	18.60%
<b>Total</b>	<b>751,724,842</b>	<b>783,693,492</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.

## 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.

Listed stocks that are not trading due to suspension by NEPSE citing Merger, Acquisition, Natural calamity and/or any other reasons is valued at the Closing Price available of particular stock of the last day of its trading on NEPSE

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

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

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*[Circular stamp: M.B. Shrestha & Co. Auditor]*

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

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

Where

$V_r$  = Value of Rights

$n$  = Number of rights offered

$m$  = Number of original shares held

$P_{ex}$  = Ex-right price

$P_{of}$  = Rights offer price

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

### 13. Financial Assets Held at Amortized Cost

Particulars	Ashad End 2077	Ashad End 2076
Debentures	50,000,000	50,000,000
Fixed Deposit	100,000,000	100,000,000
<b>Total</b>	<b>150,000,000</b>	<b>150,000,000</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 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.

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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	68,379,154	28,973,485
Net Unrealized Gains/(Losses) on Financial Assets at Fair Value Through Profit or Loss	68,707,942	11,151,214
<b>Total</b>	<b>137,087,096</b>	<b>40,124,699</b>

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

Name of Company	2076-77					Gain \Loss
	Unit	Value per unit	Value Amount	Cost Price	Total Cost	
LISTED						
Swabalamban Laghubitta Bittiya Sanstha Limited	1,187	1,233	1,463,571	516	612,463	851,108
Shangrila Development Bank Ltd.	3,946	141	556,386	138	546,192	10,194
Nepal Bank Limited	48,078	249	11,971,422	291	13,999,037	(2,027,615)
Machhapuchhre Bank Limited	61,395	220	13,506,900	241	14,803,571	(1,296,671)
Siddhartha Bank Limited	32,948	296	9,752,608	259	8,534,363	1,218,245
Nepal Doorsanchar Comapany Limited	45,120	655	29,553,600	681	30,713,857	(1,160,257)
NIC Asia Bank Ltd.	12,654	553	6,997,662	526	6,659,591	338,071
Siddhartha Insurance Ltd.	1,088	580	631,040	264	287,566	343,474
Global IME Bank Limited	71,582	239	17,108,098	239	17,110,427	(2,329)
Mega Bank Nepal Ltd.	87,569	208	18,214,352	221	19,328,601	(1,114,249)
Prime Commercial Bank Ltd.	40,081	255	10,220,655	250	10,037,017	183,638
Agriculture Development Bank Limited	34,766	385	13,384,910	371	12,890,689	494,221
Shikhar Insurance Co. Ltd.	9,940	1,019	10,128,860	852	8,464,152	1,664,708
Sanima Bank Limited	41,184	330	13,590,720	290	11,945,083	1,645,637
Sagarmatha Insurance company limited	6,747	700	4,722,900	609	4,110,088	612,812
Laxmi Bank Limited	38,542	209	8,055,278	228	8,771,941	(716,663)
Prime Life insurance Co ltd.	13,708	531	7,278,948	549	7,526,293	(247,345)

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**NIBL Samriddhi Fund -1**

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

RMDC Laghubitta Bittiya Sanstha Limited	19,043	701	13,349,143	632	12,027,649	1,321,494
NLG Insurance Company Ltd.	9,992	657	6,564,744	696	6,951,881	(387,137)
Everest Bank Limited	16,571	675	11,185,425	671	11,111,714	73,711
National Life Insurance Co. Ltd.	34,640	662	22,931,680	748	25,907,151	(2,975,471)
Chilime Hydropower Company Limited	69,829	398	27,791,942	756	52,761,459	(24,969,517)
Nabil Bank Limited	63,412	765	48,510,180	705	44,700,225	3,809,955
Nepal Bangladesh Bank Limited	29,139	209	6,090,051	265	7,733,056	(1,643,005)
Sunrise Bank Limited	32,024	234	7,493,616	216	6,904,130	589,486
Muktinath Bikas Bank Ltd.	37,313	312	11,641,656	249	9,307,144	2,334,512
Nerude Laghubitta Laghubitta Bittiya Sanstha Limited	2,965	761	2,256,365	469	1,391,254	865,111
Life Insurance Co. Nepal	19,497	1,330	25,931,010	1,299	25,324,246	606,764
Himalayan bank Limited	25,879	540	13,974,660	480	12,424,640	1,550,020
Nepal SBI Bank Limited	33,923	435	14,756,505	407	13,806,473	950,032
Asian Life Insurance Company limited	11,403	607	6,921,621	457	5,212,593	1,709,028
Himalayan General Insurance Co. Ltd	26,913	419	11,276,547	538	14,483,488	(3,206,941)
Garima Bikash Bank Limited	17,800	223	3,969,400	142	2,518,789	1,450,611
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	11,967	1,015	12,146,505	753	9,007,614	3,138,891
Standard Chartered Bank Limited	7,159	645	4,617,555	782	5,598,452	(980,897)
Deprosc Laghubitta Bittiya Sanstha Limited	19,334	866	16,743,244	633	12,230,861	4,512,383
Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited Bank Ltd	28,427	1,301	36,983,527	724	20,591,808	16,391,719
Shine Resunga Development Bank	20,305	222	4,507,710	168	3,401,258	1,106,452
Goodwill Finance Company Limited	21,125	145	3,063,125	180	3,812,882	(749,757)
Civil Bank Limited	50,407	139	7,006,573	203	10,218,320	(3,211,747)
Kumari Bank Limited	32,500	186	6,045,000	192	6,251,298	(206,298)
Chhimek Laghubitta Laghubitta Bittiya Sanstha Limited	24,816	1,090	27,049,440	722	17,910,212	9,139,228
Vijay Laghubitta Bittiya Sanstha Ltd.	1,068	1,020	1,089,360	679	725,290	364,070
NMB Bank Limited	63,500	397	25,209,500	306	19,456,491	5,753,009
Excel Development Bank Ltd.	362	298	107,876	297	107,488	388
Womi Microfinance Bittiya						

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**NIBL Samriddhi Fund -I**

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

Sanstha Ltd.	2	1,001	2,002	512	1,023	979
Sanima Mai Hydropower Ltd.	41,650	223	9,287,950	394	16,391,259	(7,103,309)
Nepal Life Insurance Co. Ltd.	12,531	1,260	15,789,060	1,047	13,125,444	2,663,616
Butwal Power Company Limited	38,810	359	13,932,790	572	22,189,036	(8,256,246)
Lumbini General Insurance Co. Ltd.	23,180	453	10,500,540	457	10,590,907	(90,367)
NMB MicroFinance Bittiya Sanstha Ltd.	1,676	808	1,354,208	760	1,274,088	80,120
Century Commercial Bank Limited	24,024	165	3,963,960	268	6,443,174	(2,479,214)
Bank of Kathmandu Ltd.	75,355	219	16,502,745	264	19,889,465	(3,386,720)
National Microfinance Bittiya Sanstha Ltd.	5,626	1,650	9,282,900	38	214,200	9,068,700
Forward Community Microfinance Bittiya Sanstha Ltd.	5,064	1,599	8,097,336	906	4,590,451	3,506,885
Samata Microfinance Bittiya Sanstha Ltd.	2,054	660	1,355,640	90	184,700	1,170,940
Synergy Power Development Ltd.	11,940	98	1,170,120	100	1,194,000	(23,880)
United Modi Hydropower Ltd.	7,532	104	783,328	156	1,171,772	(388,444)
Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd.	251	895	224,645	54	13,596	211,049
Kamana Sewa Bikas Bank Limited	7,930	145	1,149,850	165	1,306,378	(156,528)
Citizen Investment Trust	10,553	2,428	25,622,684	2,053	21,663,366	3,959,318
Gandaki Bikas Bank Limited	7,274	201	1,462,074	199	1,447,292	14,782
Support Microfinance Bittiya Sanstha Ltd.	383	922	353,126	91	34,818	318,308
Arambha Microfinance Bittiya Sanstha Ltd.	770	493	379,610	93	71,700	307,910
Unnati Microfinance Bittiya Sanstha Ltd.	1,105	633	699,465	54	59,600	639,865
Nadep Laghubittiya Bittiya Sanstha Ltd.	1,126	686	772,436	87	97,913	674,523
Kalika power Company Ltd	1,036	103	106,708	100	103,600	3,108
Prabhu Bank Limited	94,979	230	21,845,170	234	22,204,677	(359,507)
Siddhartha Equity Fund	24,550	10	245,500	9.19	225,605	19,895
Chautari Laghubitta Bittiya Sanstha Ltd	1,077	434	467,418	94	100,700	366,718
Premier Insurance Co Ltd	12,893	616	7,942,088	561	7,233,501	708,587
Asha Laghubitta Bittiya Sanstha Ltd	238	780	185,640	89	21,249	164,391
Universal Power Co. Ltd.	2,975	70	208,250	100	297,500	(89,250)
Neco Insurance Co. Ltd.	23,664	607	14,364,048	537	12,702,310	1,661,738
Rashuwagadi Hydropower Co. Ltd.	33,158	150	4,973,700	142	4,719,808	253,892

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**NIBL Samridhhi Fund -1**

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

Sanjen Jalavidhyut Company Limited	22,254	134	2,982,036	141	3,145,634	(163,598)
Sabiko Laghubitta Bittiya Sanstha Limited	898	832	747,136	89	79,500	667,636
Adhikhola Laghubitta Bittiya Sanstha Limited	600	465	279,000	100	60,000	219,000
Jyoti Bikash Bank	5,000	166	830,000	177	885,047	(55,047)
Mahalaxmi Bikash Bank Limited	2,000	183	366,000	214	428,476	(62,476)
Himalyan Distillary Limited	3,030	1,599	4,844,970	1,613	4,887,650	(42,680)
Nepal Re Insurance Co. Limited	9,000	504	4,536,000	100	900,000	3,636,000
NIC asia Laghubitta Bittiya Sanstha Ltd	6,485	532	3,450,020	100	648,500	2,801,520
Sub-Total (A)			747,412,023		718,816,269	28,595,754
UNLISTED						-
NLG Insurane-Right Entitlement	12,792	279	3,573,829	-	-	3,573,829
Shikhar Insurance- Right Entitlement	14,653	286	4,193,102	-	-	4,193,102
Sadhana Laghubitta- IPO	965	258	249,356	100	96,500	152,856
Ajod Insurance Ltd.-IPO	4,092	155	632,951	100	409,200	223,751
Sub-Total (B)			8,649,238		505,700	8,143,538
Grand Total			756,061,261		719,321,969	36,739,292
Unrealised Gain /(Loss)					36,739,292	
Less: Previous Year Unrealised Gain /(Loss)					(31,968,650)	
Unrealised Gain /Loss This Year					68,707,942	

**Computation of Unrealized Gains/loss for FY 2075/76:**

Name of Company	Unit	Price	Amount	Cost	Total Cost	Gain/(Loss)
Swabalamban Laghubitta Bittiya Sanstha Limited	1,289	875	1,127,875	639	824,140	303,735
Shangrila Development Bank Ltd.	17,446	159	2,773,914	138	2,414,827	359,087
Nepal Bank Limited	21,981	336	7,385,616	348	7,651,686	(266,070)
Machhapuchhre Bank Limited	58,471	264	15,436,344	253	14,803,571	632,773
Siddhartha Bank Limited	27,145	318	8,632,110	280	7,588,085	1,044,025
Nepal Doorsanchar Comapany Limited	45,120	693	31,268,160	681	30,713,857	554,303
NIC Asia Bank Ltd.	1,500	448	672,000	466	698,977	(26,977)
Siddhartha Insurance Ltd.	16,205	455	7,373,275	264	4,283,131	3,090,144

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**NIBL Samridhi Fund -1**

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

Global IME Bank Limited	42,138	295	12,430,710	280	11,806,389	624,321
Mega Bank Nepal Ltd.	89,569	213	19,078,197	221	19,770,041	(691,844)
Prime Commercial Bank Ltd.	21,487	278	5,973,386	255	5,480,696	492,690
Agriculture Development Bank Limited	5,103	409	2,087,127	280	1,428,539	658,588
Shikhar Insurance Co. Ltd.	19,153	771	14,766,963	851	16,291,920	(1,524,957)
Sanima Bank Limited	34,368	348	11,960,064	314	10,781,454	1,178,610
Sagarmatha Insurance company limited	9,900	605	5,989,500	609	6,030,801	(41,301)
Laxmi Bank Limited	20,493	226	4,631,418	242	4,965,875	(334,457)
RMDC Laghubitta Bittiya Sanstha Limited	9,340	661	6,173,740	540	5,046,524	1,127,216
NLG Insurance Company Ltd.	24,279	762	18,500,598	696	16,891,979	1,608,619
Nepal Insurance Co. Ltd.	8,375	354	2,964,750	262	2,195,296	769,454
Everest Bank Limited	25,591	666	17,043,606	704	18,018,379	(974,773)
National Life Insurance Co. Ltd.	33,795	585	19,770,075	767	25,907,151	(6,137,076)
Chilime Hydropower Company Limited	58,191	521	30,317,511	907	52,761,459	(22,443,948)
Nabil Bank Limited	62,777	800	50,221,600	789	49,558,465	663,135
Nepal Bangladesh Bank Limited	27,751	222	6,160,722	279	7,733,056	(1,572,334)
Sunrise Bank Limited	25,931	248	6,430,888	229	5,926,566	504,322
Muktinath Bikas Bank Ltd.	42,380	370	15,680,600	332	14,070,372	1,610,228
Nerude Laghubitta Bittiya Sanstha limited	4,780	470	2,246,600	540	2,579,330	(332,730)
Life Insurance Co. Nepal	7,785	1,600	12,456,000	1,618	12,596,322	(140,322)
Himalayan bank Limited	47,599	552	26,274,648	528	25,137,996	1,136,652
Nepal SBI Bank Limited	41,644	469	19,531,036	431	17,965,976	1,565,060
Asian Life Insurance Company limited	69,717	383	26,701,611	457	31,869,441	(5,167,830)
Himalayan General Insurance Co. Ltd	25,878	350	9,057,300	560	14,483,488	(5,426,188)
Garima Bikash Bank Limited	28,626	224	6,412,224	164	4,704,822	1,707,402
Nirdhan Utthan Laghubitta Bittiya Sanstha limited	11,339	841	9,536,099	798	9,046,852	489,247
Standard Chartered Bank Limited	7,159	682	4,882,438	782	5,598,452	(716,014)
Deprosco Laghubitta Bittiya Sanstha limited	21,045	722	15,194,490	773	16,269,326	(1,074,836)
Sana Kisan Bikas Laghubitta Bittiya Sanstha limited	34,214	948	32,434,872	905	30,960,361	1,474,511
Shine Resunga Development Bank	30,874	252	7,780,248	168	5,178,941	2,601,307
Goodwill Finance Company Limited	21,125	135	2,851,875	180	3,812,882	(961,007)
Janata Bank Nepal Ltd.	23,387	214	5,004,818	190	4,438,420	566,398
Civil Bank Limited	50,407	158	7,964,306	203	10,218,320	(2,254,014)

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**NIBL Samriddhi Fund -1**

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

Kumari Bank Limited	26,727	220	5,879,940	201	5,375,293	504,647
Oreintal Hotels limited	3,125	607	1,896,875	509	1,590,221	306,654
Chhimek Laghubitta Laghubitta Bittiya Sanstha limited	22,523	950	21,396,850	801	18,050,544	3,346,306
NMB Bank Limited	70,466	382	26,918,012	362	25,539,833	1,378,179
Excel Development Bank Ltd.	8,871	283	2,510,493	348	3,085,860	(575,367)
Womi Microfinance Bittiya Sanstha Ltd.	11	1,128	12,408	1,054	11,589	819
Sanima Mai Hydropower Ltd.	37,864	245	9,276,680	433	16,391,259	(7,114,579)
Nepal Life Insurance Co. Ltd.	30,582	901	27,554,382	918	28,084,081	(529,699)
Butwal Power Company Limited	35,817	409	14,649,153	629	22,525,791	(7,876,638)
Lumbini General Insurance Co. Ltd.	25,761	430	11,077,230	573	14,757,035	(3,679,805)
Siddhartha Equity Orineted Scheme	933,470	10.82	10,100,145	11.27	10,524,617	(424,472)
Om Development Bank Ltd.	2,422	197	477,134	172	415,398	61,736
Dev Bikas Bank Limited	8,630	146	1,259,980	148	1,279,079	(19,099)
Century Commercial Bank Ltd.	24,024	177	4,252,248	268	6,443,174	(2,190,926)
Mero Microfinance Bittiya Sanstha Ltd.	11	532	5,852	567	6,232	(380)
Bank of Kathmandu Ltd.	69,203	255	17,646,765	280	19,366,502	(1,719,737)
National Microfinance Bittiya Sanstha Ltd.	3,215	1,480	4,758,200	67	214,200	4,544,000
RSDC Laghubitta Bittiya Sanstha Ltd.	4,910	343	1,684,130	289	1,416,962	267,168
Suryodaya Laghubitta Bittiya Sanstha Ltd.	1,499	793	1,188,707	59	88,701	1,100,006
Forward Community Microfinance Bittiya Sanstha Ltd.	2,709	1,328	3,597,552	867	2,347,929	1,249,623
Samata Microfinance Bittiya Sanstha Ltd.	652	1,130	736,760	83	54,300	682,460
Synergy Power Development Ltd.	11,940	90	1,074,600	100	1,194,000	(119,400)
United Modi Hydropower Ltd.	7,532	109	820,988	156	1,171,772	(350,784)
Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd.	209	947	197,923	65	13,596	184,327
Kamana Sewa Bikas Bank Limited	11,930	160	1,908,800	165	1,965,338	(56,538)
Citizen Investment Trust	2,664	2,429	6,470,856	1,970	5,249,239	1,221,617
Gandaki Bikas Bank Limited	7,274	216	1,571,184	199	1,447,292	123,892
NMB Sulav Investment Fund-1	1,339,000	10.82	14,487,980	11.59	15,517,499	(1,029,519)
Support Microfinance Bittiya Sanstha Ltd.	570	383	218,310	100	57,000	161,310
Arambha Microfinance Bittiya Sanstha Ltd.	717	529	379,293	100	71,700	307,593
Unnati Microfinance Bittiya Sanstha Ltd.	797	800	637,600	75	59,600	578,000
Laxmi Value Fund-1	314,816	10.20	3,211,123	10.39	3,270,720	(59,597)



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**NIBL Samriddhi Fund -1**

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

Nadep Laghubittiya Bittiya Sanstha Ltd.	2,530	412	1,042,360	87	220,000	822,360
Kalika power Company Ltd	4,036	91	367,276	100	403,600	(36,324)
Prabhu Bank Limited	102,999	266	27,397,734	271	27,932,317	(534,583)
Siddhartha Equity Fund	24,550	10.09	247,710	9.19	225,605	22,105
Chautari Laghubitta Bittiya Sanstha Ltd	1,007	464	467,248	100	100,700	366,548
Asha Laghubitta Bittiya Sanstha Ltd	1,373	395	542,335	100	137,300	405,035
Universal Power company ltd.	2,975	89	264,775	100	297,500	(32,725)
Neco Insurance Co. Ltd.	10,870	495	5,380,650	496	5,391,200	(10,550)
Swabhimaan Laghubitta Bittiya Sanstha Limited	248	471	116,808	100	24,800	92,008
Infinity Laghubitta Bittiya Sanstha Limited	543	400	217,200	100	54,300	162,900
Vijaya laghubitta Bittiya Sanstha Ltd.	1,007	485	488,395	620	624,688	(136,293)
Swadeshi Laghubitta Bittiya Sanstha Ltd.	11	578	6,358	579	6,365	(7)
Global IME Laghubitta Bittiya Sanstha Ltd	1	1,202	1,202	-	-	1,202
Rashuwagadi Hydropower Company Ltd - IPO	12,829	181	2,318,599	100	1,282,900	1,035,699
Sanjen Jalabidhyut Company Ltd - IPO	6,844	186	1,274,832	100	684,400	590,432
Janasewi Laghubitta- IPO	579	271	156,677	100	57,900	98,777
Ghodighoda Laghubitta- IPO	199	162	32,228	100	19,900	12,328
Aadhikhola Laghubitta- IPO	600	279	167,406	100	60,000	107,406
Sabaiko Laghubitta- IPO	795	249	197,581	100	79,500	118,081
<b>Total</b>			<b>751,724,842</b>		<b>783,693,492</b>	<b>(31,968,650)</b>
<b>Previous Year Unrealised gain/(loss)</b>						(43,119,864)
<b>Unrealised Gain /(Loss) this year</b>						<b>11,151,214</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**

a. Fund Sponsor: Nepal Investment Bank Limited.



**NIBL Samridhi Fund -1**

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

- 
- b. Fund Manager and Depository: NIBL Ace Capital Limited, a subsidiary of the Sponsor.
- c. Shareholders holding substantial interest in the Fund Manager:  
Nepal Investment Bank Limited.
- d. Subsidiaries of Major Shareholders of Fund Manager with whom the Fund transacted:

None

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

- Unit Holding of Nepal Investment 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 Samridhi Fund -1 have earned interest amounting to NPR. 23,513 (NPR. Twenty three thousand Five hundred thirteen only) from Nepal Investment Bank Limited.
- Fund Management and Depository Fee incurred by NIBL Samridhi Fund -1 during the year amounts to NPR 21,020,315 (NPR. Two Crore Ten Lakhs Twenty thousand three hundred and fifteen only). The amount is payable to NIBL Ace Capital Limited.
- Fund Management and Depository Fee payable by NIBL Samridhi Fund -1 to NIBL Ace Capital Limited NPR 9,677,694 (NPR. Ninety six Lakhs Seventy seven thousand six hundred and ninety four only).
- The Scheme has a current/call account bank balance of NPR 8,26,24,406 (NPR. Eight Crore twenty six Lakhs and twenty four thousand and four hundred six only) as on Balance Sheet date with the Fund Sponsor - Nepal Investment Bank Limited.
- Depository Participant (DP) Fee for transaction expenses NPR 150 (NPR. One Hundred Fifty only) has been paid to NIBL Ace Capital Limited during the year.

**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.

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19. Proposed Dividend

12% Dividend (including tax) has been proposed by the Board of Directors for the fiscal year 2076/77 which amounts to NPR 12,00,00,000.(Twelve Crore Rupees Only).

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 Bahadur 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

Subhash Poudel  
Head -Mutual Fund

Date: 2077/04/23  
Place: Kathmandu

