



# NIBL ACE CAPITAL

Managing shares. Managing investments.

A licensed Merchant Banker and Fund Manager from SEBON



## SEVENTH ANNUAL REPORT

Fiscal Year 2018/2019 (ଆ.ବ. ୨୦୧୮/୨୦୧୯)

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Make Safe Investments that  
keep your money secure under

# NIBL LOTUS SECURE PORTFOLIO

Wholly owned subsidiary of:

 **नेपाल इन्भेस्टमेन्ट बैंक लि.**  
**NEPAL INVESTMENT BANK LTD.**  
*Truly a Nepali Bank*

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## NIBL Ace Capital Limited- An Overview

NIBL Ace Capital Ltd., a subsidiary of Nepal Investment Bank Limited, is a limited liability company that has been registered at the office of company registrar and received its certificate of operation on 2069/04/15. On 2074/10/28, after successful merger, NIBL Capital and Ace Capital started joint operation as NIBL Ace Capital Ltd. While NIBL Capital was already an established force in the capital market, merger with Ace Capital further strengthened the reserve of professional expertise, talent, a strong capital base and vigorous long-term vision.

The company recently completed its 7th year of operation and during this period, it has grown from a start-up investment firm to one of the biggest players in the Nepalese capital market. Over the past seven years, it has offered a wide range of products and services related to capital markets to its clients efficiently through its experienced and energetic workforce. Driven by a strong leader, dedicated workforce and its digital agenda, the company continues to maintain its image as key player in the market.

### Mutual Fund

NIBL Ace Capital is a licensed fund manager which is currently managing three schemes with a total corpus amount of NPR 1.95 billion:

- NIBL Samridhi Fund – I
- NIBL Pragati Fund
- NIBL Sahabagita Fund

### Merchant Banking

NIBL Ace Capital is a licensed merchant banker from SEBON which offers the following services:

- Issue & Sales Management
- Securities Underwriting
- Share Registration Services

### Portfolio Management Service

NIBL Ace Capital has been offering comprehensive and risk weighted investment management, financial advisory and planning.

- A. NIBL Discretionary Portfolio
  - NIBL Petal Plus Portfolio
  - NIBL Lotus Secure Portfolio
  - NIBL Growth Plus Portfolio
  - Customized Portfolio
  - NIBL Lotus Portfolio
- B. NIBL Non- Discretionary Portfolio
- C. NIBL Customized Portfolio

### Depository Participant

NIBL Ace Capital acts as the intermediary between the depository system (CDS and Clearing Ltd.) and its clients.

It offers a secure, convenient and paperless way to keep track of its client investments in shares and other securities without the hassle of handling paper based transcripts.

### Corporate Advisory Service

NIBL Ace Capital advisory team shall be helping their clients expand their business and solidify their financial affairs offering the following advisory services:

- Business Valuations
- Private Equity
- Loan Syndication
- Venture Capital
- Financial Restructuring





## MISSION

NIBL Ace Capital is relentlessly driven by entrepreneurial zeal to invest in ideas that empower all our stakeholders. We engage with our clients, understand their needs and create winning strategies for them with our expertise and sharp business acumen. A winning strategy for our clients is the only winning strategy for us.

## VALUES

To remain the leading One Stop Financial Solutions Shop and grow our business to international standards with passion and integrity while building outstanding value for all our stakeholders. As a responsible corporate citizen we care for our community and environment.

## CORE VALUES

At NIBL Ace Capital, achieving our goal is consistently focused by keeping in mind our core values of:

- Client Value Creation
- Stewardship
- Integrity
- Innovation

## People and Culture

At NIBL Ace Capital, our relentless efforts focus on promoting and sustaining a multidisciplinary and team-driven work culture, which we believe is critical in meeting the unique needs of our clients and the various business segments in which they operate. We focus on an all-rounder approach where we are devoted to enhancing our employees' career.







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## Message From the CEO

Dear Valued Shareholders

I am pleased to report that NIBL Ace Capital Ltd has successfully completed its seventh year of operation with remarkable performance. NIBL Ace Capital, which began its operation 7 years ago, has now grown up to be one of the biggest players in the Nepalese capital market. The company's strong performance year after year is a testament to our business strategy and trustworthy service and reputation in the market.

The Capital market has drastically changed over the past 4 years with increased competition. However, our team, knowledge, products/services, infrastructure and expertise beats all in the market. Companies like us need to know how to turn competition into an opportunity and we have done so. We have wisely used the competition as a means to further develop our products and create a market advantage while serving our customer's needs.



### Achievements

With will and perseverance, we aim to continue to progress and assist our clients while delivering solid results in this growing economic environment. NIBL Ace Capital was the first to open more than 1,74,000 DEMAT accounts and accommodate more than 40 companies share registrar, serving over 12,23,604 shareholders. For the fiscal year 2018/19, our Issue Management team smoothly managed 7 Initial Public Offerings and 7 Right shares issues; and our Portfolio Management team has also now been enhanced which contributed towards personalized customers' service to our valuable clients. We have set up dedicated call center operation and also initiated corporate advisory service covering Venture Capital, Private Equity, Business Plan Development, Working Capital Financing, Loan Syndication, Hedge Fund and Financial Advisory.

The major achievement attained in FY2018/19 was successful launch of open ended scheme "NIBL SAAHABHAGITA FUND" designed under NIBL Mutual Fund as the first ever Open Ended Mutual Fund Scheme after the implementation of Mutual Fund Regulations, 2067 and Mutual Fund Guidelines, 2069. The main objective of this 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 encourages the conversion of savings into investments regularly for long period of time to provide steady returns to unit-holders. The approved fund size of this scheme is NPR 500 million which will be extended accordingly; out of which 15% (i.e. 75 million) was injected as seed capital by the Fund Sponsor & Fund Manager and the NFO (New Fund Offer) of NPR 125 million was issued in the initial phase.

### Projections/Innovations

With the financial accomplishments from the previous year, we are again preparing ourselves to assist customers with upcoming IPOs, right issues and additional RTS/RTA companies. We have already opened 4 branches outside Kathmandu valley and 2 branches inside Kathmandu valley, we shall look after the proper management of the branches including relocation of inside valley branches as required. We are not only expanding our branches but also adding new services to satisfy customers who seek our assistance through out Nepal.

As Nepal is rapidly changing towards a digitalized era, our dedicated team members have started working on technological projects, advancing the NIBL Ace Capital Mobile App, PMS/DP access system, Customer Service, Website and Internal Management Systems so that we remain up-to-date and deliver a user friendly experience. To make easier for the customers, we have also added an advanced call center to provide dedicated call center service to our customers.

### Financial results for 2018/19

As mentioned above, the fiscal year 2018/19 has been financially rewarding for the company. Thus, the board has proposed 20% Cash Dividend including applicable taxes to the Shareholder. With the change in the regulations and the adoption of NFRS; and as a result of the competitive market, the Net Profit for this year amounts to NPR 6.21 Crore which

is a increment of 39.2 percent in comparison to last year's figure of NPR 4.46 Crore. However, NIBL Ace Capital's Net Worth stands at NPR 36.08 Crore, which has risen by 3.3 percent compared to NPR 34.94 Crore last year. These figures prove a good reflection of our financial health and build a solid profile of our company to excel beyond.

With the current level of growth and innovation within our company, and the prospects of the market, we believe that the future of the company looks challenging but we shall remain in a dominant position as usual for sure.

#### **Corporate Social Responsibility (CSR)-Under CEO message**

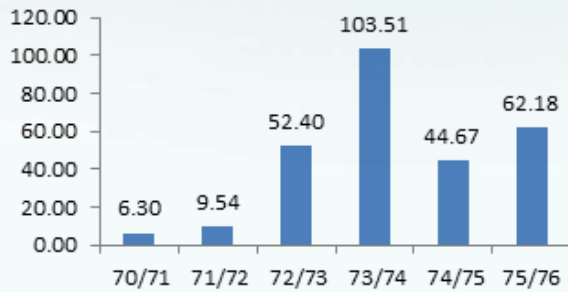
We believe in the betterment of our community and we demonstrate this through our values and actions. We have been actively participating in corporate social responsibilities. We have donated NPR 1,50,000 to ECDC foundation. These charities focus on underprivileged orphan children and deprived children of the country. Similarly, a donation was made to First Ray of Hope, with an intention to provide free educational sponsorship for two orphans till class 10. The donation of Rs. 100,000.00 has been paid to Animal Nepal for the activities relating to animal protection and shelter in Kathmandu.

We have been maintaining a public garden outside the office premises at Uttar Dhoka, Lazimpat, with an intention to keep its surrounding clean and tidy, ever since the garden have been maintained under us. Last Year, we have successfully conducted blood donation program on Oct. 9, 2018 in the office premises at Uttardhoka, Lazimpat.

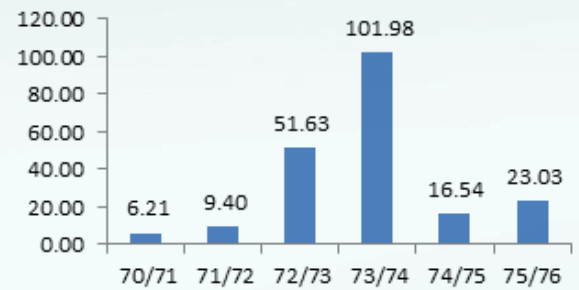
Overall, I am confident that we are heading towards a prosperous direction and with your help we will accomplish our goals to make a significant development in the capital markets and investment industry and achieve appropriate returns for all our stakeholders.

**Shivanth B. Pandé**  
Chief Executive Officer (CEO)

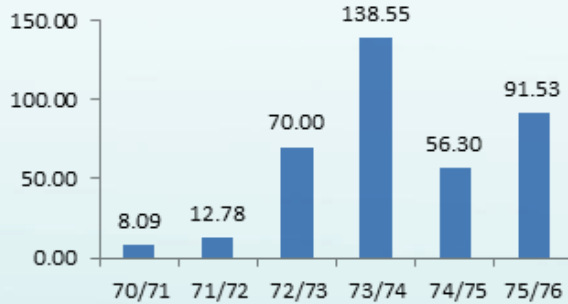
**Net Profit (in Million)**



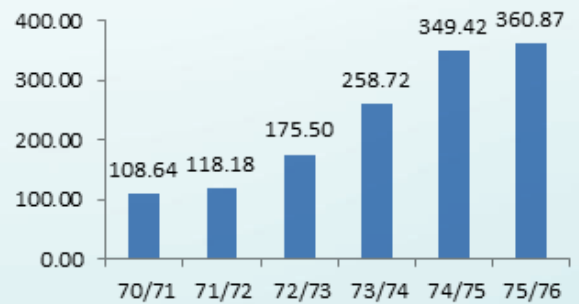
**Earning Per Share (EPS)**



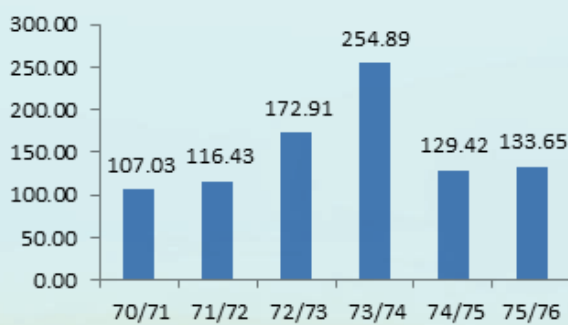
**Earning Before Tax (in Million)**



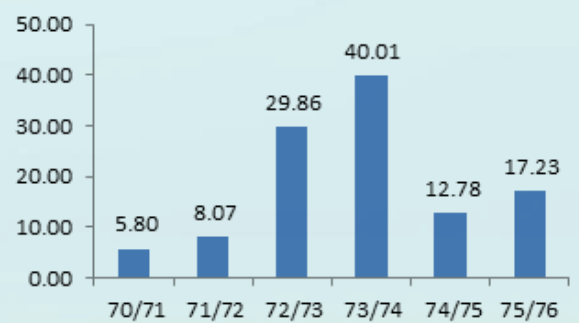
**Net Worth (in million)**



**Book Value per Share**















**Return on Shareholder's Equity (%)**





## HIGHLIGHTS OF THE YEAR 2075/76

-  The company has launched NIBL Sahabhagita Fund, the first open ended Mutual Fund Scheme in Nepalese Capital Market under Mutual Fund Regulation, 2069. The issue for the same has been opened from 2076 Jestha 19 to 2076 Ashad 16. On completion, of which, the fund with the size of NRs. 20 Crores has been formally operated.
-  The company has also been actively involved in its CSR activities. The donations made to Two Orphanages on the special occasion of its 5th annual day have been continued during the following year.
-  The monthly donation of Rs. 1,000 each for two orphans has been made. Hence, the total donation of Rs. 24,000 has been paid to First Ray of Hope during the year. The donation shall be continued till their secondary education level. For this purpose, the fund of Rs. 2.5 lakh has been kept in fixed deposit.
-  Similarly, a donation of NPR 1.5 lakhs was made to ECDC foundation, with an intention to cover essential expenses such as schooling costs, hotel/ accommodation fees, cost of books and clothing for one child for duration of one year.
-  The donation of Rs. 100,000.00 has been paid to Animal Nepal for the activities relating to animal protection and shelter.
-  As planned, the merger with Ace Capital Limited has been completed on FY 2074/75 and the PAN Closure of then Ace Capital has been completed on FY 2075/76.
-  The company has been able to expand PMS business. The company has reached total 213 Clients with Portfolio Value of NPR 69.57 Crores (at Cost) and NPR. 58.31 Crores (at Market Value) adding NPR. 41.04 Crores (at cost) from 111 Clients till now.
-  NIBL Ace Capital holds prominence in No. 1 position of DP in Nepalese market with more than 174000 DEMAT accounts till fiscal year 2075/76
-  The company has continued the new SMS Service to our DEMAT Account holders (Buy and Sell Transaction Notification).
-  For the collection of DP fees, we have made the agreement with Khalti and in near future, the collection shall be started from digital process.
-  The company has started DEMAT account opening from Korea with co-ordination of NIBL Bank.
-  NIBL Ace Capital is the share registrar of 40 Companies, serving over 1,223,604 shareholders.



## Board of Directors

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### **Mr. Sachin Tibrewal**

#### **Chairman**

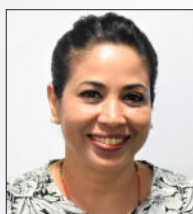
- Chartered Accountant and Currently CFO at Nepal Investment Bank Ltd.
- Served as Assistant Manager for Deloitte Haskins & Sells, UK
- More than 12 years of experience in accounts, finance, taxation and audit.



### **Mr. Deepak Kumar Shrestha**

#### **Director**

- Head of Legal/Recovery Department at Nepal Investment Bank Ltd.
- Member of SAARC Law/Nepal, Supreme Court Bar Association, Nepal Bar Association, Nepal Law Society.
- M.A. (TU/Nepal). B.L (TU/Nepal), LLM (PU/Nepal)
- More than 29 years of experience in Legal Department (1991 to present).



### **Mrs. Bandana Thapa**

#### **Director**

- Currently the Head of Compliance at Nepal Investment Bank Ltd.
- Board of Director at Sajha Yatayat since 2011.
- 25 years of experience in the industry with thorough understanding of rules and regulation and banking legislation in Nepal.



### **Mr. Rabindra Bhattra**

#### **Independent Director**

- Faculty member at ShankerDev Campus
- MBA from Tribhuvan University
- Former Director at Sagarmatha Merchant Banking and Finance Ltd.

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## Management Team

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### Mr. Shivanth B. Pande

#### Chief Executive Officer

- Master Degree in Financial Economics from the University of St. Andrews, Scotland, UK
- Over 16 years of experience in the field of finance.
- Areas of expertise include Economic Research and Financial Analysis, Mobile Banking, SME Finance, Private Equity, and Venture Capital



### Mr. Mekh Bahadur Thapa

#### Deputy Chief Executive Officer

- Chartered Accountant
- Over 14 years of experience in capital markets, investment banking, auditing and securities regulation
- Previously worked in the Securities Board of Nepal (SEBON) as a Deputy Director
- Also worked as Chief Operating Officer and Company Secretary at Siddhartha Capital Limited



### Mr. Kabindra Bikram Dhoj Joshi

#### General Manager

- Holds an MBA/EMBA
- Over 21 years of experience in the area of merchant banking services in Nepal.
- Previously he was the General Manager of Growmore Merchant Banker Limited for 5 years



### Mr. Badri Prasad Pyakurel

#### Assistant General Manager/ Head of Merchant Banking & Depository Participant

- MA in Economics and BEd in Mathematics from Tribhuvan University
- Holds over 15 years of experience in Banking and Capital Markets in Nepal
- Also holds over 16 years of teaching experience in Tribhuvan University, Pokhara University and Purwanchal University



### Mrs. Rekha Pant

#### Head of RTS/RTA Department (Deputed from NIBL)

- MA in Economics
- Holds more than 16 years of experience in banking and finance industry.



### Mr. Ram Kumar Mahat

#### Head of Compliance and Secretariat

- Holds an MA/Law Graduate.
- An Advocate and has more than 16 years' experience in Bank and financial Institutions as well as Merchant Banking and as Legal consultant at Kanchanjunga Legal Office etc.
- Before Joining he was Managing Director at Ace Capital Limited.



### Mr. Subhash Poudel

#### Head Mutual Fund

- Holds Master's Degree in Business Studies
- More than 6 years of experience in Merchant Banking and Investment Banking Industry



### Mr. Anup Shakya

#### Head of General Service Department

- More than 7 years of experience in Investment banking, Due Diligence Audit (DDA), Auditing, Tax Consultant
- Master's Degree in Business Studies



### Deepika Paudel

#### Head of Portfolio Management Services

- MBA degree from Pokhara University (PU), Head-Portfolio Management Service Department
- Has more 5 years of experience on Portfolio Associate / Operation / HR & Admin at Nabil Investment Banking Ltd, Naxal Kathmandu, Nepal.



### Mr. Bhuwan Raj Panta

#### Head of Research & Development

- MBA Specialization in Finance from Pokhara University (PU)
- Holds 7 years of experience in Derivative & Commodity Market in Finance & Accounts Department and 3 years of experience in Merchant Banking and Investment Banking Industry.
- Deep insight into the capital market and in depth technical knowledge of valuation.



## Our Reach

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NIBL Ace Capital is expanding its reach by opening its branches in various different cities throughout Nepal.



### Existing Branches

- ▶ Kathmandu
- ▶ Lagankhel
- ▶ Butwal
- ▶ Biratnagar
- ▶ Birgunj
- ▶ Pokhara



### Up Coming Branches

- ▶ Other major cities in Nepal phase wise



NIBL Ace Capital Limited has been very active in terms of its corporate social responsibility. It has organized numerous events and activities with an intention to pay back to the society.

### Investment Awareness Program

The company recognizes the importance of practical exposure for professional growth, and believes that this opportunity is highly beneficial for individuals and business professionals working in the corporate world. Investment Awareness Program was conducted by NIBL Ace Capital staff to provide opportunity and exposure for business professionals in the capital markets. The program offered an insight to the professionals on how capital markets work, from the process of opening a DEMAT account to the working of share market.

### Donations

- NIBL Ace Capital has also made donations to numerous orphanages to sponsor underprivileged orphans. The company believes that investment in knowledge and education is one of the best assets one can invest in. Therefore, a donation of NPR 1.5 lakhs was made to ECDC foundation, with an intention to cover essential expenses such as schooling costs, hostel/ accommodation fees.
- Similarly, a donation was made to First Ray of Hope, with an intention to provide free educational sponsorship for two orphans till class 10.



## Education for the Children



### Blood Donation

We have conducted blood donation program in the office premises at Uttar Dhoka, Lazimpat

### Public Garden

- We have been maintaining, a public garden outside the office premises at Uttar Dhoka, Lazimpat, with an intention to keep its surrounding clean and tidy.



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## सातौं बार्षिक साधारण सभा सम्बन्धी सूचना

श्री शेयरधनी महानुभावहरू,

यस कम्पनीको मिति २०७६/५/१९ गतेका दिन बसेको संचालक समितिको ७४ औं बैठकले निर्णय गरे अनुसार यस कम्पनीको सातौं बार्षिक साधारण सभा निम्न लिखित मिति, समय तथा स्थानमा देहाएका विषयहरू उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा सम्पूर्ण शेयरधनी महानुभावहरूको जानकारीका लागि यो सूचना प्रकाशित गरिएको छ ।

### सभा हुने मिति, समय र स्थान :

मिति : २०७५/६/१३ गते (तदनुसार सेप्टेम्बर ३०, २०१९) सोमबार ।

समय : बिहान ११:३० बजे ।

स्थान : एनआईबिएल एस क्यापिटल लि. को सभाहल, लाजिम्पाट, काठमाण्डौ ।

### छलफलका बिषय :

क) सामान्य प्रस्तावहरू :

- १) आर्थिक वर्ष २०७५/०७६ को सञ्चालक समितिको प्रतिवेदन उपर छलफल गरी पारित गर्ने ।
- २) लेखापरीक्षकको प्रतिवेदन सहितको आषाढ ३१, २०७६ मा समाप्त भएको वर्षको वासलात, तथा सोही मितिमा समाप्त भएको आ.व. २०७५/०७६ को नाफा नोक्सान हिसाब तथा नगद प्रवाह विवरण उपर छलफल गरी पारित गर्ने ।
- ३) सञ्चालक समितिबाट प्रस्ताव गरे बमोजिम २० प्रतिशत नगद लाभांश (रु. २७,००,००,०००/- चुक्ता पूँजीको २० प्रतिशतले हुन आउने रकम रु. ५,४०,००,०००/-) कर सहित वितरण गर्ने प्रस्ताव पारित गर्ने ।
- ४) कम्पनी ऐन, २०६३ को दफा १११ अनुसार आर्थिक वर्ष २०७६/०७७ को लेखापरीक्षण गर्न संचालक समितिको सिफारिस मुताबिक लेखापरीक्षक नियुक्ति गर्ने र निजको पारिश्रमिक तथा नियुक्तिको शर्त तोक्ने ।

ख) विशेष प्रस्तावहरू :

- १) आर्थिक वर्ष २०७५/०७६ मा कम्पनीको संस्थागत सामाजिक उत्तरदायित्व अन्तर्गत खर्च गरिएको अनुदान/दान रकम रु. २,९९,०००/- पारित गर्ने ।

ग) विविध ।

संचालक समितिको आज्ञाले  
कम्पनी सचिव

### **एनआईबिएल एस क्यापिटल लिमिटेड**

पो.ब.नं. २३२२४, लाजिम्पाट, काठमाण्डौ

फोन नं. ४००५०८०, फ्याक्स नं. ४००५०८४

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## प्रोक्सी फाराम

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श्री संचालक समिति,  
एनआईबिएल एस क्यापिटल लि.  
लाजिम्पाट, काठमाण्डौ ।

### विषय: प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

जिल्ला \_\_\_\_\_ न.पा./गा.वि.स \_\_\_\_\_ वडा नं. \_\_\_\_\_ मा बस्ने म/हामी \_\_\_\_\_ ले त्यस कम्पनीको शेयरधनीको हैसियतले मिति २०७६ साल आश्विन १३ गते सोमबारको दिन हुने त्यस कम्पनीको सातौं वार्षिक साधारणसभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान गर्नको लागि \_\_\_\_\_ जिल्ला \_\_\_\_\_ न.पा./गा.वि.स \_\_\_\_\_ वडा नं. \_\_\_\_\_ मा बस्ने त्यस कम्पनीका शेयरधनी श्री \_\_\_\_\_ शेयरधनी नं. \_\_\_\_\_ लाई मेरो/हाम्रो प्रतिनिधि मनोनित गरी पठाएको छु/छौं ।

प्रोक्सी लिनेको दस्तखत :

#### निवेदक,

दस्तखत : \_\_\_\_\_

नाम : \_\_\_\_\_

ठेगाना : \_\_\_\_\_

क्रम संख्या : \_\_\_\_\_

हितग्राही खाता नं.: \_\_\_\_\_

शेयर प्रमाण पत्र नं. : \_\_\_\_\_

कित्ता नं. : \_\_\_\_\_ देखि \_\_\_\_\_ सम्म

मिति : \_\_\_\_\_

द्रष्टव्य : यो निवेदन साधारण सभा हुनु भन्दा कम्तीमा ४८ घण्टा अगावै कम्पनीको मुख्य कार्यालयमा पेश गरीसक्नु पर्नेछ ।



## प्रवेश-पत्र

Managing shares. Managing investments.

शेयरधनीको नाम : \_\_\_\_\_

शेयर प्रमाण पत्र नं: \_\_\_\_\_

शेयरधनीको सही : \_\_\_\_\_

शेयर संख्या : \_\_\_\_\_

सातौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेश-पत्र ।

द्रष्टव्य :

१. शेयरधनी आफैले खाली कोष्ठहरू भर्नुहोला ।

२. सभाकक्षमा प्रवेश गर्न यो प्रवेशपत्र प्रस्तुत गर्नु अनिवार्य छ ।

कम्पनी सचिव





## सातौँ वार्षिक साधारण सभामा संचालक समितिको तर्फबाट अध्यक्षज्यूको प्रतिवेदन

Managing shares. Managing investments.

आदरणीय शेयरधनी महानुभावहरू,

एनआईबिएल एस क्यापिटल लिमिटेडको सातौँ वार्षिक साधारण सभामा उपस्थित सबैलाई संचालक समितिको तर्फबाट म हार्दिक स्वागत अभिवादन गर्दछु ।

तपाईंहरूको सहयोग, सद्भाव एवं शुभेच्छाबाट संचालन भएको हाम्रो यस कम्पनीले सफलता पूर्वक सातौँ वर्ष पुरा गरी नेपालको मर्चेन्ट बैंकिङ व्यवसायमा अग्रणी भूमिका खेल्दै आफ्नो कार्य क्षेत्रको बिस्तार गर्न सफल भएको छ । नेपाल धितोपत्र बोर्डबाट धितोपत्र व्यवसायी (मर्चेन्ट बैंकर) को रूपमा निष्काशन तथा बिक्री प्रबन्धक, धितोपत्र प्रत्याभुतिकर्ता, शेयर रजिष्ट्रेशन, लगानी व्यवस्थापन तथा संस्थागत परामर्श सेवाको साथै सामुहिक लगानी कोषको योजना ब्यवस्थापक तथा डिपोजिटरी र निक्षेप सदस्यको कार्य गर्न अनुमतिपत्र प्राप्त गरेको यस कम्पनीले आगामी दिनहरूमा आफ्नो सेवाग्राही समक्ष दक्ष एवं तालिम प्राप्त कर्मचारीहरू मार्फत सर्वसुलभ तथा गुणस्तरीय सेवा उपलब्ध गराई धेरै भन्दा धेरै ग्राहकहरूको विश्वसनीयता हासिल गर्ने प्रतिवद्धता राखेको छ ।

अब, म शेयरधनी महानुभावहरू समक्ष यस कम्पनीको मर्चेन्ट बैंकिङ तथा अन्य कार्यक्षेत्रको परिदृश्यहरू प्रस्तुत गर्दै समीक्षा अवधि आ.व. २०७५/०७६ को कार्यसम्पादनको समीक्षा तथा भावी योजनाहरू प्रस्तुत गर्दछु ।



## कम्पनी ऐन २०६३ को दफा १०९ को उपदफा ४ अनुसारको विवरण

Managing shares. Managing investments.

### १. विगत वर्षको कारोवारको सिंहावलोकन :

समीक्षा वर्षमा शेयर बजारमा ठूलो उतार चढाव देखिएन । २०७६ असार मसान्तमा नेप्से सूचकाङ्क १२५९.० रहेको छ जुन २०७५ असार मसान्तमा १२१२.४ रहेको थियो । यसैगरी, २०७५ असार मसान्तमा रु.१ ४ खर्ब ३५ अर्ब रहेको बजार पुँजीकरण २०७६ असार मसान्तमा रु. १५ खर्ब ६७ अर्ब पुगेको छ ।

समीक्षा वर्षमा हामीले सामुहिक लगानी कोष नियमावली, २०६७ अन्तर्गत देशकै पहिलो "एनआईबिएल सहभागिता फण्ड" नामक खुलामुखी यो जना संचालनमा ल्याएको र चालु आर्थिक वर्षको आश्विन २६ गते देखि खरिद बिक्रीको समेत सुरुवात हुन लागेको जानकारी गराउँदछु । उक्त खुलामुखी योजना देश कै पहिलो खुलामुखी योजना भएको र यसको इकाई खरिद बिक्री यस कम्पनी लगायत नेपाल इन्भेष्टमेन्ट बैंकको तोकिएको शाखा कार्यालयहरूबाट लगायत अन्य बैंक वित्तीय संस्थाहरूलाई बितरक ताकेर समेत गर्न सकिने भएकोले देशभरिका लगानीकर्ताहरूले सहज रूपमा इकाईहरू खरिद बिक्री गर्न सकिने हुँदा एनआईबिएल सहभागिता फण्डले बजारमा राम्रो स्थान लिने हामीले अपेक्षा गरेका छौं । यस कम्पनीबाट उपलब्ध गराइने मर्चेन्ट बैंकिङ अन्तर्गतका सेवाहरूलाई सुलभ एवं सहज बनाउन उपत्यका भित्र लालदर वार र लगनखेल तथा उपत्यका बाहिर पोखरा, बुटवल, बीरगञ्ज र बिराटनगरमा रहेको शाखाहरूबाट सेवा पुर्याउने कार्यलाई विगत वर्षहरूमा जस्तै निरन्तरता दिँदै आएको छ । त्यसैगरी निष्काशन तथा बिक्री प्रबन्ध अन्तर्गत विभिन्न कम्पनीहरूको शेयर तथा डिभेन्चरहरूको सार्वजनिक निष्काशन (आईपीओ) र हकप्रद शेयर निष्काशन तथा बिक्री प्रबन्ध सम्बन्धी कार्य सम्पन्न गरेको; शेयर रजिष्ट्रारको रूपमा कार्य गरिरहेको कम्पनीको संख्या कुल ४० पुर्‍याउन सफल रहेको; लगानी ब्यवस्थापन सेवा अन्तर्गत ग्राहक संख्या १७३ तथा लगानी ब्यवस्थापन रकम रु. ६२,७०,३०,५१४/- पुर्‍याउन सफल रहेको; साथै निक्षेप सदस्य अन्तर्गत नेपाल इन्भेष्टमेन्ट बैंक लिमिटेडको सम्पूर्ण शाखा कार्यालयहरू लगायत यस कम्पनीको समेत सम्पूर्ण शाखा कार्यालयहरूबाट सेवा उपलब्ध गराउने ब्यवस्था मिलाई समीक्षा अवधिमा करिब १७,३४० नयाँ हितग्राही खाता खोली कुल खाता संख्या १,७४,६८७ पुर्‍याउन सफल भएको छ ।

आर्थिक वर्ष २०७५/०७६ मा कम्पनीले गरेको NFRS अनुसारको आर्थिक प्रगतिको संक्षिप्त विवरण निम्नानुसार रहेको छ ।



सि. नं.	विवरण	२०७६ आषाढ मसान्त	२०७५ आषाढ मसान्त
१.	शेयर पूँजी	२७०,०००,०००.००	२७०,०००,०००.००
२.	जगेडा कोषहरू	९०,८६६,८१९.००	७९,४२३,१२३.००
३.	अन्य दायित्व	८५०,०३२,२४०.००	२,२२१,५९५,५०१.००
४.	कुल पूँजी तथा दायित्व	१,२१०,८९९,०५९.००	२,५७१,०१८,६२४.००
५.	स्थिर सम्पत्ति खुद	२८,३३५,६९९.००	३१,२९९,६८६.००
६.	नगद तथा बैंक मौज्दात	५७२,३८०,१३४.००	२,१४२,३८५,४९६.००
७.	लगानी	५४७,९३१,२६४.००	३२९,१४८,८७६.००
८.	अन्य सम्पत्ति	६२,२५१,९७०.००	६८,१८४,५६६.००
९.	<b>कूल सम्पत्ति</b>	<b>१,२१०,८९९,०५९.००</b>	<b>२,५७१,०१८,६२४.००</b>
१०.	कुल आम्दानी	१८८,१६४,९५७.००	१४७,५८३,०४६.००
११.	कुल खर्च	९६,६३५,२३०.००	९१,२७८,९२३.००
१२.	खुद संचालन मुनाफा	९१,५२९,७२७.००	५६,३०४,१२३.००
१३.	आयकर व्यवस्था	२९,३४७,४१८.००	११,६३४,१३८.००
१४.	खुद/नाफा (नोकसान)	६२,१८२,३०९.००	४४,६६९,९८५.००
१५.	शेयर संख्या (हजारमा)	२,७००,०००.००	२,७००,०००.००
१६.	प्रति शेयर आम्दानी	२३.०३	१६.५४
१७.	नेटवर्थ (बुक भ्यालु) रु.	१३३.६५	१२९.४२

मिति २०७५ श्रावण १ देखि मिति २०७६ आषाढ मसान्त सम्मको समष्टिगत आर्थिक अवस्था एवं कार्य सम्पादनको भ्रूलक निम्नानुसार प्रस्तुत गरिएको छ ।

#### निष्काशन तथा बिक्री प्रबन्ध सेवा :

यस एनआईबिएल एस क्यापिटल लिमिटेडले आर्थिक वर्ष २०७५/०७६ मा निम्न अनुसारका कम्पनीहरूको साधारण शेयर सर्वसाधारणमा जारी गर्न श्री नेपाल धितोपत्र बोर्डबाट स्वीकृत प्राप्त गरेको थियो र सोही अनुसार निष्काशन तथा बिक्री प्रबन्धको कार्य सम्पन्न गरेको र केही आगामी वर्ष गरिने योजना रहेको छ ।

#### क) सार्वजनिक निष्काशन - IPO/FPOs

सि.नं.	कम्पनीको/निष्काशित धितोपत्रको नाम	निष्काशनको प्रकार	निष्काशन रकम (रु.)
१.	चौतारी लघुवित्त वित्तिय संस्था लिमिटेड	साधारण शेयर	६०,०००,०००
२.	गणपति माईक्रोफाइनेन्स वित्तीय संस्था लिमिटेड	साधारण शेयर	३३,५००,०००
३.	गुराँस लघुवित्त वित्तिय संस्था लिमिटेड	साधारण शेयर	२५,०००,०००
४.	आँधिखोला लघुवित्त वित्तिय संस्था लिमिटेड	साधारण शेयर	४,००,००,०००
५.	एस. बि.एल. डिबेन्चर, २०८२	डिबेन्चर	२,२५,००,००,०००
६.	ग्लोबल आईएमई बैंक लिमिटेड डिबेन्चर, २०८०/८१	डिबेन्चर	१,५०,००,००,०००
७.	एन आई बि एल सहभागिता फण्ड	सामूहिक लगानी कोष	२०,००,००,०००

**ख) हकप्रद शेयर निष्काशन - Right Share Issue**

सि.नं.	कम्पनीको नाम	निष्काशन रकम (रु.)
१	आरएस डिजी लघुवित्त वित्तीय संस्था लिमिटेड	२१,५९,७०,०००
२	समता माइक्रोफाइनेन्स वित्तीय संस्था लिमिटेड	१,८९,६०,०००
३	मिर्मिरे लघुवित्त वित्तीय संस्था लिमिटेड	४,५०,००,०००
४	नेशनल लाइफ इन्स्योरेन्स कम्पनी लिमिटेड	९९,३६,४७,७५०
५	साहारा बिकास बैंक लिमिटेड	७,८१,५८,०००
६	एसियन लाइफ इन्स्योरेन्स कम्पनी लिमिटेड	७५,४०,३५,२७३
७	ग्रामीण विकास लघुवित्त वित्तीय संस्था लिमिटेड	३२,७५,००,०००

नोट : नेपाल धितोपत्र बोर्डबाट समीक्षा अवधिमा सार्वजनिक तथा हकप्रद निष्काशनको लागि अनुमति प्राप्त भएको मध्ये करिब ३० प्रतिशतको हाराहारीमा यस कम्पनीले सार्वजनिक तथा हकप्रद निष्काशन गर्न सफल भएको छ ।

**ग) हकप्रद शेयरको लिलाम - Auction of Right Shares**

यस कम्पनीले समीक्षा अवधिमा हकप्रद शेयरको निष्काशनको क्रम बिक्री नभई बाँकी रहेको जम्मा ६ वटा कम्पनीको संस्थापक तथा सर्वसाधारण समूहको शेयर लिलाम बिक्रीको माध्यमबाट बिक्री गर्ने कार्य सफलता पूर्वक सम्पन्न गरेको छ।

**घ) शेयर प्रत्याभूति सेवा सम्बन्धी विवरण : कुल २ वटा ।**

सि.नं.	कम्पनीको नाम	शेयरको प्रकार	प्रत्याभूति गरेको रकम (रु.)
१.	आशा लघुवित्त वित्तीय संस्था लिमिटेड	साधारण शेयर	६,७४,००,०००/-
२.	शिवम् सिमेन्ट लिमिटेड	साधारण शेयर	७४,६०,००,०००/-

**ङ) शेयर रजिष्ट्रेशन सम्बन्धी विवरण : आ.व. २०७५/०७६ को अन्त्य सम्ममा कुल ४० वटा ।**

सि.नं.	कम्पनीको नाम	सि.नं.	कम्पनीको नाम
१.	नेपाल इन्भेष्टमेन्ट बैंक लि.	२१.	राष्ट्रिय बीमा कम्पनी लि.
२.	एनआईबिएल समृद्धि फण्ड-१	२२.	नेशनल माइक्रोफाइनेन्स वित्तीय संस्था लि.
३.	शिखर इन्स्योरेन्स कम्पनी लि.	२३.	पोखरा फाइनेन्स लि.
४.	गोर्खाज फाइनेन्स लि.	२४.	गुडविल फाइनेन्स लि.
५.	सिन्धु विकास बैंक लि.	२५.	साँगीला डेभलपमेन्ट बैंक लि.
६.	स्वावलम्बन लघुवित्त वित्तीय संस्था लि.	२६.	ओरियन्टल होटल्स लि.
७.	साल्ट टेडिङ्ग कर्पोरेशन लि.	२७.	शाइन रेसुङ्गा डेभलपमेन्ट बैंक लि.
८.	बरुण हाइड्रोपावर कम्पनी लि.	२८.	आरएसडिजी लघुवित्त वित्तीय संस्था लि.
९.	देवः विकास बैंक लि.	२९.	नेपाल इन्स्योरेन्स कम्पनी लि.
१०.	साहारा विकास बैंक लि.	३०.	समता माइक्रोफाइनेन्स वित्तीय संस्था लि.
११.	विजय लघुवित्त वित्तीय संस्था लि.	३१.	निर्धन उत्थान लघुवित्त वित्तीय संस्था लि.
१२.	कृषि विकास बैंक लि.	३२.	ओम डेभलपमेन्ट बैंक लि.
१३.	दिव्यश्वरी हाइड्रोपावर कम्पनी लि.	३३.	एनआईबिएल प्रगति फण्ड
१४.	एक्सेल डेभलपमेन्ट बैंक लिमिटेड	३४.	लुम्बिनी जनरल इन्स्योरेन्स कम्पनी लि.
१५.	गरिमा विकास बैंक लिमिटेड	३५.	मञ्जुश्री फाइनेन्स लिमिटेड
१६.	ज्योती विकास बैंक लिमिटेड	३६.	सपोर्ट माइक्रोफाइनेन्स वित्तीय संस्था लि.
१७.	प्रोग्रेसिभ फाइनेन्स लिमिटेड	३७.	चौतारी लघुवित्त वित्तीय संस्था लि.
१८.	एशियन लाइफ इन्स्योरेन्स कम्पनी लि.	३८.	गणपति माइक्रोफाइनेन्स वित्तीय संस्था लि.
१९.	ग्रीन डेभलपमेन्ट बैंक लि.	३९.	गुराँस लघुवित्त वित्तीय संस्था लि.
२०.	मुक्तिनाथ विकास बैंक लि.	४०.	एनआईबिएल सहभागिता फण्ड



### लगानी ब्यबस्थापन सम्बन्धी सेवा :

आ.व. २०७५/०७६ को अन्त्य सम्ममा लगानी ब्यबस्थापन (एसेट अन्डर म्यानेजमेन्ट) करिब रु. ६२.७० करोड पुगेको ।

### निक्षेप सदस्य :

समीक्षा अवधिमा यस कम्पनीले नेपाल धितोपत्र बोर्ड तथा सिडिएस एण्ड विलयिङ्ग लिमिटेडबाट निक्षेप सदस्यको रूपमा नेपाल इन्भेष्टमेन्ट बैंक लि. को सम्पूर्ण शाखा कार्यालयहरू लगायत यस कम्पनीको केन्द्रीय कार्यालय सहित ७ वटा स्थानहरूबाट निक्षेप सदस्य सम्बन्धी सेवा उपलब्ध गराउने व्यवस्था मिलाई समीक्षा अवधिमा करिब १७,३४० नयाँ हितग्राही खाता खोली कुल खाता संख्या १,७४,६८७ पुर्याउन सफल भएको छ ।

### एनआईबिएल म्युचुअल फण्ड :

एनआईबिएल म्युचुअल फण्ड अन्तर्गतको एनआईबिएल समृद्धि फण्ड-१ तथा एनआईबिएल प्रगति फण्डको योजना व्यवस्थापक रही यस कम्पनीले रु. १ अर्ब ७५ करोडको कोष संचालन गरी आएको छ । समीक्षा अवधिमा एनआईबिएल सहभागिता फण्ड नामक रु. २० करोडको देशकै पहिलो खुलामुखी योजना सर्वसाधारणहरूमा निष्काशन गरी २०७६ साल आश्विन २६ गतेबाट यस कम्पनीका शाखा कार्यालयहरू तथा नेपाल इन्भेष्टमेन्ट बैंकको तोकिएको शाखा कार्यालयहरूबाट खरिद बिक्री हुने व्यवस्था समेत मिलाईएको छ । यस आ.व.मा एनआईबिएल समृद्धि फण्ड-१ का इकाईधनीहरूलाई ६.५ प्रतिशतका दरले मुनाफा वितरण गर्ने प्रस्ताव पारित गरेको छ ।

### २. राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितीबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सो असरको समीक्षा :

आर्थिक वर्ष २०७५/०७६ मा विस्तृत मुद्रा प्रदायको वार्षिक वृद्धिदर १८ प्रतिशतको सीमा भित्र राख्ने लक्ष्य राखिएकोमा २०७६ जेठ मसान्तमा वार्षिक विन्दुगत वृद्धिदर १६.७ प्रतिशत रहेको छ । आर्थिक वर्ष २०७५/०७६ मा कुल रु. ३२२ अर्ब ४९ करोड तरलता प्रवाह भएको छ । आर्थिक वर्ष २०७५/०७६ मा रु.१००/- अर्ब ३५ करोड तरलता प्रशोधन भएको छ । मुलुक उत्साहजनक ढंगले आर्थिक वृद्धिको बाटोमा अगाडि बढेको छ । आन्तरिक आर्थिक क्रियाकलाप विस्तार भएसँगै नेपालले उदीयमान छिमेकी अर्थतन्त्रहरूको विकासको लाभ लिने अवसर समेत प्राप्त गरेको छ । उच्च आर्थिक वृद्धिको प्रवृत्तिलाई सहयोग पुऱ्याउँदै आर्थिक वर्ष २०७६/७७ को मा समष्टिगत आर्थिक स्थायित्व कायम गर्नुपर्ने चुनौती भने यथावतै छ । मुद्रास्फीतिमा देखिन थालेको दबाव तथा शोधनान्तर घाटामा रहेको कारण वित्तीय क्षेत्रको सवलीकरण मार्फत कर्जाको विवेकशील उपयोगलाई थप प्रोत्साहन गर्नुपर्ने बर्तमान अवस्थामा समष्टिगत आर्थिक तथा वित्तीय स्थायित्व हासिल गर्न, वित्तीय पहुँच अभिवृद्धि गर्न, वित्तीय सेवा प्रवाहमा प्रादेशिक सन्तुलन कायम गर्न र लक्षित आर्थिक वृद्धि हासिल गर्न सहयोग पुग्ने विश्वास गरिएकोबाट व्यवसायमा समय सापेक्ष प्रगती हुने देखिन्छ ।

नेपाल धितोपत्र बोर्डको नयाँ निती/निर्देशिका अनुसार मर्चेन्ट बैंकरलाई नयाँ कार्यक्षेत्रहरू व्यवसायिक योजना, लोन सिण्डिकेशन, वर्किङ क्यापिटल फाइनान्सिङ, प्राईभेट इक्विटी, हेज फण्ड आदी क्षेत्रमा संस्थागत परामर्शदाता सम्बन्धि सेवाहरू प्रदान गर्न सक्ने गरि विस्तार गरिएका छन् । यसलाई पूँजी बजारको लागी नयाँ आयाम मान्न सकिन्छ । मर्चेन्ट बैंकिङ व्यवसायको दायरा सोचे अनुकूल फराकिलो हुन नसक्नु, यस क्षेत्रमा भएको अस्वस्थ प्रतिस्पर्धा, अधिकांश बाणिज्य बैंकहरूले सहायक कम्पनीको रूपमा यो व्यवसायलाई सुरुवात गर्नु जस्ता चुनौतीहरूका बाबजुद यस कम्पनीले नेपालको बर्तमान बजारमा आफुलाई अब्बल स्थापित गर्न सफल भएको छ ।

तथापी नेपाल सरकारको उच्च आर्थिक वृद्धिदर कायम राख्ने लक्ष्य तथा नेपाल राष्ट्र बैंकको मुद्रास्फीति न्यून राख्न र वित्तीय सन्तुलन कायम गर्ने जस्ता मौद्रिक नितीको फलस्वरूप आगामी दिनमा पूँजी बजारमा सकारात्मक असर पर्ने विश्वास हामीले लिएका छौं ।

### ३. प्रतिवेदन तयार भएको मिति सम्म चालु वर्ष २०७६/०७७ को उपलब्धि र भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा संचालक समितिको धारणा :

यो प्रतिवेदन तयार हुँदा सम्म यस कम्पनीले गरेको उपलब्धिहरू साथै भविष्यमा गर्नुपर्ने कार्यहरूको विवरण सम्बन्धमा संचालक समितिको धारणाहरू निम्न बमोजिम रहेका छन् :

- यस कम्पनीले नयाँ नयाँ कानून बमोजिम भएको परिवर्तनलाई आन्तरिक रूपमा लागु गर्न त्यसलाई पुरानो आन्तरिक विनियमावलीहरू पुनरावलोकन तथा नभएकाहरू निर्माण गर्ने कार्य गरिरहेको छ ।
- नेपाल धितोपत्र बोर्डले समय समयमा जारी गरेको निर्देशिका तथा अन्य प्रचलित कानूनहरू बमोजिम विवरणहरू बुझाउने तथा नमूना तयार गर्ने कार्य भईरहेको छ ।
- नेपाल इन्भेष्टमेन्ट बैंक लिमिटेड कोष प्रबर्द्धक तथा एनआईबिएल एस क्यापिटल लिमिटेड योजना ब्यबस्थापक रहेको एनआईबिएल म्युचुअल फण्ड अन्तर्गत सञ्चालित "एनआईबिएल सहभागिता फण्ड" नामक खुलामुखी योजनाको खरिद बिक्रीको सुरुवात गर्न गृहकार्य भईरहेको छ ।
- यस कम्पनीले एक लाख पचहत्तर हजार भन्दा बढी हितग्राही खाता खोल्दै आफुलाई अन्य मर्चेन्ट बैंकको दाँजोमा अगाडी प्रस्तुत गरेको छ, यसलाई भविष्यमा समेत निरन्तरता दिईनेछ ।



- यस कम्पनीले संस्थागत सामाजिक उत्तरदायित्वलाई प्राथमिकतामा राख्दै यस वर्ष देखि नियमित रूपमा विभिन्न कार्यक्रमहरू गरी यसलाई निरन्तरता दिने योजना बनाएको छ ।
- एनआईबिएल म्युचुअल फण्ड अर्न्तगतको एनआईबिएल समृद्धि फण्ड १ को इकाइधनीहरूलाई ६.५ प्रतिशत मुनाफा वितरण गर्न प्रस्ताव गरेकोमा सो वितरण गर्ने प्रक्रिया अगाडी बढाइएको छ ।

### भावी योजनाहरू

यस कम्पनीले नेपाल इन्भेष्टमेन्ट बैंक लिमिटेड कोष प्रबर्द्धक तथा एनआईबिएल एस क्यापिटल लिमिटेड योजना ब्यबस्थापक रहेको एनआईबिएल म्युचुअल फण्ड अर्न्तगत सञ्चालित "एनआईबिएल सहभागिता फण्ड" नामक नेपालको पहिलो खुलामुखी सामूहिक लगानी कोष ईकाई निष्काशन गर्न नेपाल धितोपत्र बोर्डबाट अनुमति प्राप्त गरी निष्काशन तथा बाँडफाँट गरिसकेको र २०७६ साल आश्विन २६ गते देखि खरिद बिक्रीको शुरुवात गर्न आवश्यक तयारी गरी रहेको छ । यसका लागि हाल वितरण केन्द्रहरू नियुक्त गर्ने कार्य समेत भईरहेको व्यहोरा जानकारी गराउँदछौं ।

यस बाहेक कम्पनीले आगामी दिनहरूमा सशक्त रूपमा नेपाली पूँजी बजारका विभिन्न क्षेत्रहरूमा कार्य गरी सर्वसुलभ सेवा उपलब्ध गराउने प्रतिबद्धता गरे बमोजिम नियमन निकायबाट प्राप्त आवश्यक स्विकृती अनुसार निम्न कार्यहरू गर्ने योजना राखेको छ ।

### क) मर्चेण्ट बैंकिङ्ग सम्बन्धि कार्यहरू :

आगामी दिनहरूमा यस कम्पनीले गर्दै आएको मर्चेण्ट बैंकिङ्ग सम्बन्धित कार्यहरूको गुणात्मक वृद्धि गर्नका लागि आवश्यक रणनीति तयार गर्न विशेष ध्यान केन्द्रित गर्नेछ ।

- आगामी आ.व. मा यस कम्पनीले ५ वटा कम्पनीहरूको सार्वजनिक तथा ६ वटा कम्पनीहरूको हकप्रद शेयर निष्काशन गर्ने कार्य अगाडी बढाउने लक्ष्य राखेको छ ।
- आगामी आ.व.मा यस कम्पनीले शेयर रजिष्ट्रेशन सम्बन्धी सेवा दिन अन्य कम्पनीहरू समेत थप गर्दै लैजाने उद्देश्यले अगाडी बढेको छ ।

### ख) निक्षेप सदस्यता:

यस अर्न्तगतको कार्य तथा प्रकृयाहरूलाई प्रभावकारी बनाउने तथा सेवाग्राहीहरूको हितग्राही खाता खोल्ने तथा वार्षिक शुल्क उठाउने कार्य लाई समेत जोड दिईनेछ । यस अर्न्तगत हाफ्रा ग्राहकहरूले शेयर किनबेच गर्दा खातामा शेयर घटवढ भएको कुरा निजले दर्ता गरेको मोवाईलमा एसएमएस मार्फत जानकारी गराउने सेवा निःशुल्क उपलब्ध गराउँदै आएकोमा निकट भविष्यमा खातामा वोनस/हकप्रद शेयर तथा अन्य कुनैपनि प्रक्रियाबाट खातामा शेयर थपघट हुँदा एसएमएस अलर्ट जाने सुविधा उपलब्ध गराईने समेत जानकारी गराउँदछौं । यस्तै वार्षिक शुल्क उठाउने सम्बन्धमा डिजीटल भुक्तानी प्रदायक संस्थाहरू जस्तै : खल्ली, कनेक्ट आइपिएएस आदी सँग सम्झौत गर्ने योजना रहेको छ । साथै वीमा योजना लगायतका अन्य सुविधा समेत थप गर्न पहल गरिनेछ ।

### ग) शाखा विस्तार:

यस कम्पनीले पूँजी बजारको पहुँच बढाउन को लागि हालसम्म उपत्यका भित्र लालदरवार र लगनखेल तथा उपत्यका बाहिर पोखरा, बुटवल, बीरगञ्ज र बिराटनगरमा गरी ६ स्थानमा शाखा विस्तार गरी सेवा पुर्याउँदै आएको छ । आगामी दिनहरूमा आवश्यकता अनुसार थप शाखाहरू बिस्तार गर्दै लगिने योजना बनाएको छ ।

### घ) सामूहिक लगानि कोष:

यस कम्पनीले नेपाल धितोपत्र बोर्डको अनुमतिमा सामूहिक लगानी कोष नियमावली २०६७ अर्न्तगत नेपालको इतिहासमै पहिलो खुलामुखी सामूहिक लगानी कोष योजना खरिद बिक्रीको तयारी अन्तिम चरणमा पुगेको छ ।

### ङ) नयाँ कार्य योजना:

यस कम्पनीले नेपाल धितोपत्र बोर्डको स्विकृती पश्चात निम्न थप ब्यवसायहरू संचालन गर्ने तयारी गरेको छ :

- व्यवसायिक योजना
- लोन सिण्डिकेशन (Loan Syndication)
- वर्किङ्ग क्यापिटल फाईनान्सिङ्ग (Working Capital Financing)
- प्राइभेट इक्विटी
- हेज फण्ड
- संस्थागत परामर्श

**४. कम्पनीको औद्योगिक तथा व्यावसायिक सम्बन्ध :** कम्पनीले आफ्ना सबै सरोकारवालाहरूसँग सौहार्द्रपूर्ण र व्यवसायिक सम्बन्ध विस्तार गरेको छ । यस सम्बन्धलाई व्यवसायिक तथा पारदर्शिताका आधारमा विकसित गर्दै लैजानु फलदायी हुने र कम्पनीको प्रगतिका लागि उपयुक्त माध्यम हुने यस कम्पनीको विश्वास रहेको छ ।

**५. संचालक समितिमा भएको हेरफेर र सोको कारण :** यस समिक्षा वर्षमा संचालक समितिमा निम्नानुसार हेरफेर भएको छ ।

सि.नं	नाम	राजिनामा स्वीकृत/नियुक्ति मिति	कारण	कैफियत
१.	श्री विनोद कुमार गुरागाई	२०७५/१२/०३	व्यक्तिगत	राजिनामा
२.	श्री राम कृष्ण खतिवडा	२०७६/०१/२६	व्यक्तिगत	राजिनामा

**६. कारोबारलाई असर पार्ने मुख्य कुराहरू :**

- नेपालको राजनैतिक अवस्था र त्यसमा आउने विचलनबाट प्रत्यक्ष प्रभाव पार्ने,
- अनलाईन प्रणाली तथा शेयर खरिद बित्रीको रकम सिधै बैंक खाताबाट भुतानी हुने व्यवस्थाले लगानी गर्न सहज बातावरण तयार हुने,
- अधिकांश बाणिज्य बैंकहरूले सहायक कम्पनीको रूपमा यो व्यवसायलाई सुरुवात,
- बैंकहरूलाई सहायक कम्पनी मार्फत स्टक ब्रोकरको कार्य गर्न गरिएको प्रोत्साहनबाट पनि सकारात्मक असर पर्ने,
- नियमन निकायहरूबाट समय समयमा जारी हुने नयाँ नयाँ निर्देशनहरू जसलाई प्रयोगमा ल्याउन समय लाग्ने,
- यस क्षेत्रमा भएको अस्वस्थ प्रतिस्पर्धा,

**७. लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर संचालक समितिको प्रतिक्रिया :** नियमित कारोबारमा देखिएका सामान्य कैफियत तथा NFRS पालना नभएको कैफियत बाहेक लेखापरीक्षण प्रतिवेदनमा अरु कुनै कैफियत उल्लेख भएको छैन । प्राप्त प्रतिक्रिया र सुझावहरूका सम्बन्धमा संचालक समितिको ध्यानाकर्षण भएको छ र सुधारका लागि आवश्यक कदम पनि चालिसकिएको छ । साथै, अधिल्लो आ.व. का कैफियतको उल्लेखनिय सुधार भएको छ ।

**८. लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम :** आर्थिक वर्ष ०७५/०७६ को लागि संचालक समितिको मिति २०७६/०५/१२ गते बसेको ७३ औं बैठकले २० प्रतिशत नगद लाभांश (रु. २७,००,००,०००/- चुक्ता पूँजीको २० प्रतिशतले हुन आउने रकम रु. ५,४०,००,०००/-) कर सहित वितरणको प्रस्ताव सिफारिस गरेको छ ।

**९. शेयर जफत भएको भए जफत भएको शेयर संख्या :** समीक्षा वर्षमा कुनै पनि शेयर जफत गरिएको छैन ।

**१०. विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्त्यमा रहेको स्थितिको पुनरावलोकन :** यस कम्पनीको कुनै सहायक कम्पनी छैन ।

**११. समीक्षा अवधिमा कम्पनी र यसका सहायक कम्पनीसँगको कारोबार र त्यसमा भएको महत्वपूर्ण हेरफेर :** यस कम्पनीको कुनै सहायक कम्पनी छैन ।

**१२. विगत आर्थिक वर्षमा कम्पनीका आधारभुत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी :** केही नभएको ।

**१३. विगत आर्थिक वर्षमा कम्पनीका संचालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी :** केही नभएको ।

**१४. कम्पनीसँग सम्बन्धित सम्पत्तीहरूमा कुनै संचालक तथा निजका आफन्तको व्यक्तिगत स्वार्थसम्बन्धी जानकारी :** यस प्रकारको कुनै सम्पत्ती नभएकाले त्यस सम्बन्धमा कुनै खुलासा गर्नुपर्ने नदेखिएको ।

**१५. पुनः खरिद गरिएका शेयरहरूको विवरण :** समीक्षा वर्षमा शेयरहरूको पुनः खरिद कार्य नभएको ।

**१६. आन्तरिक नियन्त्रण व्यवस्था भए वा नभएको र भएको भए सोको विवरण :** कम्पनीले आन्तरिक नियन्त्रण व्यवस्था कायम गर्नका लागि मानव संसाधन विकास समिति र लगानी एवं जोखिम व्यवस्थापन समिति गठन गरेको छ । यी समितिहरूको बैठक नियमित रूपमा बस्ने गर्दछ र समय-समयमा यी समितिहरूले व्यवस्थापन तथा संचालक समितिलाई सल्लाह र सुझाव दिने गर्दछन् । प्रभावकारी आन्तरिक नियन्त्रण कायम गर्नका लागि यस कम्पनीले विभिन्न नीति, निर्देशन तथा प्रक्रियाहरू तर्जुमा गरी अवलम्बन गरेको छ ।

**१७. विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण :**

खर्च शिर्षक	खर्च रकम (रु.)
कर्मचारी खर्च	रु. ४०,४४८,२३५/-
संचालन खर्च	रु. ४६,०१७,०२५/-
जम्मा व्यवस्थापन खर्च	रु. ८६,४६५,२६०/-

१८. लेखापरीक्षण समितिका सदस्यहरूको नामावली निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेका कामकारबाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण : कम्पनी हाल लेखापरीक्षण समिति नरहेको तथा बाह्य फर्मद्वारा आन्तरिक लेखापरीक्षण गरि राखिएको छ । कम्पनीको वित्तीय स्थिति, आन्तरिक नियन्त्रण र जोखिम व्यवस्थापन, कानूनी र नियम अनुपालना आदीको अवस्था हालसम्म कम्पनीको आकार सानो भएकोले संचालक समितिले नै हेर्ने गरेको छ ।

१९. संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेका फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा : केही नभएको ।

२०. संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :

क. संचालक समिति बैठकको विवरण :

सि.नं	पद	नाम	बैठकको संख्या	पारिश्रमिक भत्ता	कैफियत
१.	अध्यक्ष	श्री सचिन टिवडेवाल	१२	रु. १,२०,०००/-	बैठक भत्ता
२.	संचालक	श्री विनोद कुमार गुरागाँई	६	रु. ६०,०००/-	बैठक भत्ता
३.	संचालक	श्री दिपक कुमार श्रेष्ठ	११	रु. ९०,०००/-	बैठक भत्ता
४.	संचालक	श्रीमती बन्दना थापा	१०	रु. ८०,०००/-	बैठक भत्ता
५.	संचालक	श्री विनोद कुमार गुरागाँई	६	रु. ५०,०००/-	बैठक भत्ता
३.	संचालक	श्री दिपक कुमार श्रेष्ठ	१२	रु. १,००,०००/-	बैठक भत्ता
४.	संचालक	श्रीमती बन्दना थापा	१०	रु. ५,००,०००/-	बैठक भत्ता
५.	संचालक	श्री राम कृष्ण खतिवडा	६	रु. ५०,०००/-	बैठक भत्ता
६.	संचालक	श्री रविन्द्र भट्टराई	१२	रु. १,००,०००/-	बैठक भत्ता
जम्मा				रु. ५,००,०००/-	

ख. मानव संसाधन समिति बैठकको विवरण :

सि.नं	पद	नाम	बैठकको संख्या	पारिश्रमिक भत्ता	कैफियत
१.	संचालक	श्री सचिन टिवडेवाल	४	रु. ३२,०००/-	बैठक भत्ता
२.	संचालक	श्रीमती बन्दना थापा	४	रु. ३२,०००/-	बैठक भत्ता
जम्मा				रु. ६४,०००/-	

ग. लगानी तथा जोखिम व्यवस्थापन समिति बैठकको विवरण :

सि.नं	पद	नाम	बैठकको संख्या	पारिश्रमिक भत्ता	कैफियत
१.	संचालक	श्री सचिन टिवडेवाल	१२	रु. ८०,०००/-	बैठक भत्ता
२.	संचालक	श्री रविन्द्र भट्टराई	१३	रु. ८८,०००/-	बैठक भत्ता
जम्मा				रु. १,६८,०००/-	

घ. कार्यकारी प्रमुखको विवरण :

सि.नं	पद	नाम	पारिश्रमिक भत्ता	कैफियत
१.	प्रमुख कार्यकारी अधिकृत	श्री शिवान्त बहादुर पाँडे	रु. १४,४०,०००/-	पारिश्रमिक भत्ता



**२१. शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांश रकम : नरहेको ।**

**२२. कम्पनी ऐन, २०६३ को दफा १४१ बमोजिम खरिद वा बिक्री गरिएको सम्पत्तिको विवरण :** समिक्षा वर्षमा यस प्रकारको कुनै खरिद बिक्री नभएको ।

**२३. कम्पनी ऐन, २०६३ को दफा १७५ बमोजिम सम्बद्ध कम्पनीबिच भएको कारोबारको विवरण :**

कम्पनी ऐन, २०६३ को दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएको कारोबारको विवरण तल उल्लेख गरिएको छ :

- २०७६ आषाढ मसान्त अनुसार एनआईबिएल एस क्यापिटल लिमिटेडले मुख्य कम्पनी नेपाल इन्भेष्टमेन्ट बैंक लि. मा कुल निक्षेप रु. ७७,०५९,२५३/- राखेको छ । चौथो त्रैमासिकको अन्त्य सम्ममा यस कम्पनीले मुख्य कम्पनीबाट व्याज आम्दानी स्वरूप रु. ३,५४२,९४२/- आर्जन गरेको छ ।
- मुख्य कम्पनी नेपाल इन्भेष्टमेन्ट बैंक लि. को तर्फबाट श्री सचिन टिवडेवाल, श्री दिपक कुमार श्रेष्ठ र श्रीमती बन्दना थापा यस कम्पनीको संचालकका रूपमा; श्री शिवान्त बहादुर पाँडे प्रमुख कार्यकारी अधिकृतको रूपमा; श्री रेखा पन्त प्रमुख-शेयर रजिष्ट्रारको रूपमा, श्री राम कुमार महत प्रमुख-कम्प्लायन्स तथा सेक्रेटेरियटको रूपमा, र अन्य १ जना कर्मचारी सहायकको रूपमा नियुक्त हुनुभएको छ ।
- मुख्य कम्पनी नेपाल इन्भेष्टमेन्ट बैंक लिमिटेडले लाजिम्पाट स्थित कार्यालयमा यस कम्पनीलाई दैनिक कार्य संचालन गर्नको लागि स्थान उपलब्ध गराएको छ र सो स्थान तथा अन्य प्राविधिक सहयोगका लागि यस कम्पनीले वार्षिक रु. ६,००,०००/- (छ लाख मात्र) मुख्य कम्पनीलाई भुक्तान गर्दै आएको छ । कार्य स्थानसँग सम्बन्धित सम्पूर्ण खर्चहरू यस कम्पनी स्वयंमले व्यहोर्दै आएको छ ।
- यस कम्पनी र मुख्य कम्पनीका सम्पूर्ण कारोबारहरूको प्रचलित ऐन तथा नियमहरू अनुसार वित्तिय पारदर्शीता कायम राखिएको छ ।

**२४. कम्पनी ऐन, २०६३ तथा प्रचलित कानून बमोजिम संचालक समितिको प्रतिवेदनमा खुलाउनुपर्ने अन्य कुनै कुरा :**

- (क) कार्यालय, धितोपत्र बोर्ड वा नियमनकारी निकायमा कार्यरत त्यस्तो कर्मचारी वा पदाधिकारीको नाम, थर, ठेगाना र पद सम्बन्धी कुरा : यस कम्पनीको सञ्चालक वा पदाधिकारीको नजिकको नातेदार कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड वा त्यस्तो कम्पनीलाई नियमन गर्ने अन्य कुनै नियमनकारी निकायमा अधिकृत वा सो भन्दा माथिल्लो तहमा कार्यरत नरहेको ।
- (ख) कम्पनीको कुनै सञ्चालक वा पदाधिकारीको नजिकको नातेदार हो र निजहरू बिच के कस्तो नाता सम्बन्ध रहेको हो, सो कुरा: नभएको ।
- (ग) कार्यालय, धितोपत्र बोर्ड वा अन्य कुनै नियमनकारी निकायमा उक्त नजिकको नातेदार कार्यरत रहेको को सो कुरा : नभएको ।

**२५. अन्य आवश्यक कुराहरू :** अन्य आवश्यक कुराहरू नभएको व्यहोरा जानकारी गराइन्छ ।

#### **धन्यवाद ज्ञापन :**

यथा समयमै लेखापरीक्षण कार्य सम्पन्न गरी यस कम्पनीलाई यथोचित व्यावसायिक सूझावहरू प्रदान गर्ने आन्तरिक तथा बाह्य लेखापरिक्षकलाई संचालक समितिको तर्फबाट हार्दिक कृतज्ञता ज्ञापन गर्दछु ।

संस्थापन समय देखिनै प्रेरणदायी र निरन्तर सहयोग पुर्याउने हाम्रो मुख्य कम्पनीको संचालक समिति, व्यवस्थापन तथा कर्मचारीहरूलाई विशेष धन्यवाद दिन चाहन्छु ।

त्यसै गरी यस कम्पनीको उद्देश्य प्राप्तिका लागि सहयोग पुर्याउनु हुने शेयरधनी महानुभावहरू, ग्राहकबर्ग तथा नेपाल सरकारको सम्बन्धित निकाय लगायत नेपाल धितोपत्र बोर्ड, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल राष्ट्र बैंक, नेपाल स्टक एक्सचेञ्ज लिमिटेड तथा सिडियस एण्ड क्लियरिङ लिमिटेड प्रति संचालक समितिको तर्फबाट हार्दिक आभार प्रकट गर्दछु । कम्पनीको उत्तरोत्तर उन्नति र प्रगतीमा आफ्नो अमूल्य श्रम र समय खर्च गरी लगनशीलताका साथ योगदान पुर्याउने कम्पनीको व्यवस्थापन तथा कर्मचारीहरूका साथै कम्पनीको गतिविधिको बारेमा सकारात्मक रूपमा जनसमक्ष पुर्याईदिने संचार जगत र प्रत्यक्ष/अप्रत्यक्ष रूपमा सहयोग पुर्याउने सम्पूर्ण शुभेच्छुकहरू प्रति पनि म हार्दिक आभार व्यक्त गर्दछु र यस साधारण सभा सफल बनाईदिनु भएकोमा पनि यहाँ उपस्थित सम्पूर्ण महानुभावहरूलाई हार्दिक धन्यवाद व्यक्त गर्दछु ।

श्री दिपक कुमार श्रेष्ठ  
संचालक

श्री सचिन टिवडेवाल  
अध्यक्ष





कम्पनी दर्ता नं. १२८४/०६७/०६८

## कम्पनी ऐन, २०६३ को दफा ७८ बमोजिमको एनआईबिएल एस क्यापिटल लिमिटेडको आर्थिक वर्ष २०७५/०७६ को सञ्चालक समितिबाट स्वीकृत भई लेखापरीक्षकबाट प्रमाणित प्रतिवेदन

१. बाँडफाँड भएको शेयर संख्या : बाँडफाँड भएको शेयरको संख्या : २७,००,००० /-
२. बाँडफाँड भएको शेयर मध्ये चुक्ता भएको र नभएको शेयरको संख्या : चुक्ता भएको शेयरको संख्या : २७,००,००० /-
३. कम्पनीको सञ्चालक, प्रबन्ध सञ्चालक, लेखापरीक्षक, कार्यकारी प्रमुख, प्रबन्धकको विवरण र निजहरूलाई भुक्तान गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :

यस कम्पनीको सञ्चालक समिति देहाय बमोजिम रहेको छ :-

क्र. सं.	सञ्चालक
१.	सचिन टिवडेवाल
२.	दिपक कुमार श्रेष्ठ
३.	बन्दना थापा
४.	रबिन्द्र भट्टराई

नोट: श्री विनोद कुमार गुरागाँई र श्री राम कृष्ण खतिवडाले आफ्नो पदवाट राजिनामा दिनुभएको कारण हाल सञ्चालक समितिमा ४ जना मात्र रहनुभएको ।

(१) सञ्चालकहरूलाई तल उल्लेख गरे बमोजिम भत्ता प्रदान गरिएको छ ।

क) सञ्चालक समितिको बैठक भत्ता निम्न अनुसार रहेको छ :

क्र. सं.	सञ्चालक	बैठक सं.	बैठक भत्ता
१.	सचिन टिवडेवाल	१२	१२०,०००/-
२.	विनोद कुमार गुरागाँई	६	६०,०००/-
३.	दिपक कुमार श्रेष्ठ	११	१०,०००/-
४.	बन्दना थापा	१०	८०,०००/-
५.	राम कृष्ण खतिवडा	६	५०,०००/-
६.	रबिन्द्र भट्टराई	१२	१००,०००/-
जम्मा			५००,०००/-

ख) मानव संसाधन समितिको बैठक भत्ता निम्न अनुसार रहेको छ :

बैठक भत्ता : रु. ८,०००/- प्रति बैठक

क्र. सं.	सञ्चालक	बैठक सं.	बैठक भत्ता
क्र. सं.	सञ्चालक	बैठक सं.	बैठक भत्ता
१.	सचिन टिवडेवाल	४	३२,०००/-
२.	बन्दना थापा	४	३२,०००/-
जम्मा			६४,०००/-



ग) लगानी तथा जोखिम समितिको बैठक भत्ता निम्न अनुसार रहेको छ :

बैठक भत्ता : रु. ८,०००/- प्रति बैठक

क्र. सं.	सञ्चालक	बैठक सं.	बैठक भत्ता
क्र. सं.	सञ्चालक	बैठक सं.	बैठक भत्ता
१.	सचिन टिवडेवाल	११	८०,०००/-
२.	रविन्द्र भट्टराई	१३	८८,०००/-
जम्मा			१६८,०००/-

(२) कार्यकारी प्रमुख र व्यवस्थापकीय/प्रबन्धक स्तरका कर्मचारी पदाधिकारीहरुको वार्षिक तलब, भत्ता र अन्य सुविधाहरु निम्नबमोजिम रहेको छ :

क्र. सं.	विवरण	प्रमुख कार्यकारी अधिकृत	अन्य कार्यकारी/व्यवस्थापकहरु
१.	तलब		४,७६८,२००/-
२.	भत्ता	१,४४०,०००/-	३,१७८,८००/-
३.	दशै भत्ता		६६२,२५०/-
४.	संचयकोष		४७६,८२०/-
जम्मा		१,४४०,०००/-	९,०८६,०७०/-

तलब भत्ता बाहेक कार्यकारी प्रमुख तथा अन्य कार्यकारी/व्यवस्थापकहरुलाई निम्न बमोजिम सुविधाहरु प्रदान गर्ने व्यवस्था छ :

- कार्यकारी तथा व्यवस्थापकहरु लाई मानव शसाधन नितीमा उल्लेख भए बमोजिम सवारी कर्जा/सुविधा ।
- बोनस व्यवस्था बोनस ऐन अनुसार ।
- दुर्घटना बीमा, औषधि उपचार बीमा, जीवन बीमा कम्पनीको मानव शसाधन नितीमा उल्लेख भए बमोजिम ।

(३) कम्पनीको लेखा परीक्षक श्री सुन्दर एण्ड कम्पनी, चार्टर्ड एकाउण्टेण्टस् लाई आर्थिक वर्ष २०७५/७६ को लेखा परीक्षण गरे बापत लेखापरीक्षक शुल्क कर सहित रु. २,५४,२५०/- तोकिएको छ ।

४. कम्पनीको चुक्ता पूँजीको पाँच प्रतिशत वा सो भन्दा बढी शेयर खरिद गरी लिने व्यक्ति वा संगठित संस्थाको नाम र निजहरुको नाममा रहेको शेयर वा डिबेञ्चरको विवरण :

नेपाल ईन्भेष्टमेण्ट बैंक लिमिटेड	शेयर स्वामित्व	संख्या
	१०० प्रतिशत	२७,००,०००

५. शेयर बिक्रीबाट प्राप्त भएको जम्मा रकम र सम्बन्धित आर्थिक वर्षमा कम्पनीले खरिद गरेको तथा जारी गरेको नयाँ शेयर तथा डिबेञ्चरको विवरण :

**शेयर**

कम्पनीबाट समीक्षा अवधिमा कुनै शेयर जारी गरिएको नभएको ।

**डिबेञ्चर**

कम्पनीबाट समीक्षा अवधिमा कुनै डिबेञ्चर जारी नभएको ।

६. सञ्चालक वा आधारभूत शेयरधनी वा निजका नजिकका नातेदारले कम्पनीलाई बुझाउन बाँकी रहेको रकम :

सञ्चालक वा निजका नजिकका नातेदारले कम्पनीलाई कुनै रकम बुझाउन बाँकी रहेको छैन ।

७. शेयर बिक्री वा अन्य कुनै काम कुरा गरे बापत दिएको वा दिनु पर्ने रकम :

शेयर बिक्री वा अन्य कुनै काम कुरा गरे बापत दिएको वा दिनु पर्ने रकम छैन ।

८. बैङ्क तथा वित्तीय संस्थाहरुबाट लिएको ऋण तथा बुझाउन बाँकी रहेको साँवा तथा व्याजको रकम :

बैङ्क तथा वित्तीय संस्थाहरुबाट लिएको ऋण तथा बुझाउन बाँकी रहेको साँवा तथा व्याजको रकम छैन ।

९. कम्पनीले भुक्तानी लिनु पर्ने वा कम्पनीले अन्य व्यक्तिलाई भुक्तानी गर्नु पर्ने भनी दाबी गरिएको रकम वा यस विषयमा मुद्दा मामिला चलिरहेको भए त्यसको विवरण :

सो सम्बन्धि कुनै पनि मुद्दा मामिला छैन ।

१०. कम्पनीको व्यवस्थापनमा कार्यरत तथा अन्य स्तरका कर्मचारी वा कामदारको संख्या :

कम्पनीको व्यवस्थापनमा कार्यरत तथा अन्य स्तरका कर्मचारी वा कामदारको संख्या निम्न बमोजिम रहेको छ :

(क)	प्रमुख कार्यकारी अधिकृत	१
(ख)	ना.प्रमुख कार्यकारी अधिकृत तथा कम्पनी सचिव	१
(ग)	महाप्रबन्धक	१
(घ)	सहायक महाप्रबन्धक	१
(ङ)	अन्य कर्मचारीहरू (Pay roll)	४६
(च)	करार (Contract)	२३
(छ)	दैनिक ज्यालादारी (Daily Wages)	५
	जम्मा कर्मचारीहरू	७८

११. कम्पनीको व्यवस्थापनमा कार्यरत तथा अन्य स्तरमा कार्यरत विदेशीहरूको संख्या तथा निजहरूलाई भुक्तान गरिएको पारिश्रमिक, भत्ता तथा सुविधा :

छैन ।

१२. कम्पनी र कुनै विदेशी निकाय वा व्यक्तिहरू बीच लगानी व्यवस्थापन वा प्राविधिक सेवा वा अन्य विषयमा एक वर्षभन्दा बढी अवधिको लागि कुनै सम्झौता गरिएको भए सो को विवरण र सम्बन्धित आर्थिक वर्षमा त्यस्तो सम्झौता अनुसार भुक्तान गरिएको लाभांश, कमिसन, शुल्क, दस्तुर र रोयल्टी आदिको विवरण :

सो सम्बन्धी कुनै पनि सम्झौता भएको छैन ।

१३. कम्पनीको आर्थिक वर्ष २०७५/०७६ को व्यवस्थापन खर्चको विवरण :

कम्पनीको आर्थिक वर्ष २०७५/०७६ को व्यवस्थापन खर्चको विवरण कम्पनीको वार्षिक प्रतिवेदनको अनुसूची ४, ५, ११, र १२ मा विस्तृत रूपमा उल्लेख गरिएको छ ।

रकम रु. ८६,४६५,२६०/-

१४. शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम :

छैन ।

१५. कम्पनीले कम्पनी ऐन तथा प्रचलित कानूनको पालना पूर्ण रूपमा गरेको छ भन्ने कुराको उद्घोषण :

यस कम्पनीले कम्पनी ऐन, २०६३ तथा प्रचलित कानूनको पालना पूर्ण रूपमा गरेको छ भन्ने कुराको उद्घोषण गर्दछौं;

(क) कम्पनीको प्रबन्धपत्र वा नियमावलीमा संशोधन गरिएको भए संशोधन गरेको मिति, संशोधित प्रबन्धपत्र वा नियमावली कार्यालयमा अभिलेख गरेको वा नगरेको लगायत ऐनका व्यवस्थाहरू पालना गरिएको वा नगरिएको कुरा, समीक्षा अवधिमा कम्पनीको प्रबन्धपत्र तथा नियमावलीमा कुनै संशोधन नभएको ।

(ख) नयाँ शेयर जारी गरिएको भए ऐनको म्यादभित्र शेयर बाँडफाँडको विवरण म्यादभित्र पेश गरेको वा नगरेको कुरा र म्याद नाघी पेश भएको भए जरिवाना तिरेको रकम,  
- नयाँ शेयर जारी नभएको ।

(ग) कम्पनीले डिबेञ्चर उठाउँदा ऐनमा गरिएको व्यवस्था गरे नगरेको कुरा,  
- डिबेञ्चर उठाउँदा ऐनमा गरिएको व्यवस्था पालना गर्ने गरिएको ।

(घ) शेयरधनी वा डिबेञ्चरवालाको दर्ता किताबको निरीक्षण बन्द गरेको मिति, पटक सो सम्बन्धमा ऐनका पालना गरेको वा नगरेको कुरा,  
- ऐनको व्यवस्था पालना गरेको ।

(ड) कम्पनीले शेयर जफत गरेको भए ऐनका व्यवस्थाहरू पालना गरेको वा नगरेको कुरा,

- हालसम्म कुनै शेयर जफत नगरेको ।

(च) कम्पनीको खुद सम्पत्ति घट्न गई चुक्ता पूँजीको आधा वा सो भन्दा कम भएको भए सो सम्बन्धमा सञ्चालक समितिले ऐन बमोजिमको जिम्मेवारी पूरा गरेको वा नगरेको कुरा,

- कम्पनीको खुद सम्पत्ति घट्न नगएको र चुक्ता पूँजीको आधा वा सो भन्दा कम नगरेको ।

(छ) कम्पनीले आफ्नो शेयर आफैले खरीद गरेको भए खरीद गरेको मिति र सो सम्बन्धमा ऐनका व्यवस्थाहरू पालना गरेको वा नगरेको कुरा,

- हालसम्म आफ्नो शेयर आफैले खरीद नगरेको ।

(ज) कम्पनीले ऐन बमोजिम वार्षिक साधारण सभा गरे नगरेको कुरा, वार्षिक साधारण सभाको सूचना, गणपूरक संख्या, स्थान लगायतका विषयहरूमा ऐनको व्यवस्थाहरू पालना भएको वा नभएको कुरा, वार्षिक साधारण सभाको निर्णय विवरण रीतपूर्वक अभिलेख गरेको वा नगरेको कुरा,

- कम्पनीले ऐन बमोजिम वार्षिक साधारण सभा गरेको र सभाको निर्णय विवरण रीतपूर्वक अभिलेख गरेको ।

(झ) कम्पनीले विशेष साधारण सभा गरेको भए सो गरेको मिति र सो सम्बन्धमा ऐनको व्यवस्थाहरू पालना भएको वा नभएको कुरा,

- समिक्षा अवधिमा विशेष साधारण सभामा नगरेको ।

(ञ) कम्पनीले देहाय बमोजिमका विवरण वा सूचना म्यादभित्र कार्यालयमा पेश गरेको वा नगरेको कुरा:

(१) कम्पनीको प्रबन्धपत्र र नियमावलीमा भएको संशोधन ।

- म्यादभित्र पेश गर्ने गरेको ।

(२) शेयर बाँडफाँडको विवरण ।

- म्यादभित्र पेश गर्ने गरेको ।

(३) धितोपत्र व्यवसायी र कम्पनी बीच भएको सम्झौता ।

- समिक्षा अवधिमा त्यस्तो सम्झौता नभएको ।

(४) शेयरमा रहेको हक सम्बन्धी जानकारी ।

- लागू नहुने ।

(५) शेयर, डिभेन्चर र ऋणको लगत ।

- म्यादभित्र पेश गर्ने गरेको ।

(६) आफ्नो शेयर आफैले खरीद गरेकोमा सो सम्बन्धी जानकारी ।

- लागू नहुने ।

(७) अग्राधिकार शेयर फिर्ता लिएको भए सो सम्बन्धी जानकारी ।

- लागू नहुने ।

(८) वार्षिक साधारण सभा गर्नुभन्दा कम्तीमा एक्काइस दिन अघि पेश गर्नुपर्ने प्रतिवेदन ।

- म्यादभित्र पेश गरेको ।

(९) वार्षिक साधारण सभाको विवरण र वार्षिक आर्थिक विवरणहरू ।

- म्यादभित्र पेश गरेको ।



(१०) लेखापरीक्षकको नियुक्तिको जानकारी ।

- म्यादभित्र जानकारी गराएको ।

(११) कम्पनीको रजिष्टर्ड कार्यालय रहेको ठेगाना परिवर्तन गरिएको भए सोको जानकारी ।

- समिक्षा अवधिमा ठेगाना परिवर्तन नगरिएको ।

(१२) कम्पनीका सञ्चालकहरूको निजी स्वार्थ रहेको विषयमा गराएको जानकारी ।

- निजी स्वार्थको विषय नरहेको ।

**(ट) कम्पनीका पदाधिकारीहरूले कम्पनीमा बुझाउनुपर्ने देहायका लिखतहरू बुझाएको वा बुझाएको कुरा:**

(१) आफ्नो निज स्वार्थ रहेको विषयमा सञ्चालकले गराउनुपर्ने जानकारी ।

(२) कम्पनीको सञ्चालक वा निजको नजिकको नातेदारले कम्पनीको शेयरमा हक प्राप्त गरेको जानकारी ।

(३) आफू आधारभूत शेयरधनी हुन पुगेको वा आधारभूत शेयरधनी नरहेकोमा त्यस्तो शेयरधनीले कम्पनीलाई गराउनुपर्ने जानकारी ।

(४) अन्य कसैको हक वा लगानी ।

- कम्पनीका पदाधिकारीहरूले कम्पनीमा बुझाउनुपर्ने उपरोक्त जानकारी तथा लिखतहरू बुझाएको ।

**(ठ) कम्पनीको सञ्चालक, प्रबन्ध सञ्चालक वा प्रमुख कार्यकारी अधिकृतको नियुक्ति, निजहरूको कार्यकाल, पारिश्रमिक, भत्ता र सुविधा ऐन बमोजिम रीतपूर्वक भएको वा नभएको कुरा ।**

- ऐन बमोजिम रीतपूर्वक भएको ।

**(ड) ऐन बमोजिम कम्पनीमा स्वतन्त्र सञ्चालकको नियुक्ति भएको वा नभएको कुरा ।**

- ऐन बमोजिम भएको ।

**(ढ) कम्पनीको सञ्चालक समितिको बैठक कहिले बस्यो, सञ्चालक समितिको बैठकको न्यूनतम संख्या, सो सम्बन्धी सूचना र निर्णय विवरण लगायतका विषयहरूमा ऐनका व्यवस्थाहरूको पालना भएको वा नभएको कुरा ।**

- ऐनका व्यवस्थाहरूको पालना भएको ।

**(ण) कम्पनीले आफ्नो सञ्चालक वा निजको नजिकको नातेदारसँग कुनै अर्थपूर्ण कारोबार गरेको भए त्यस्तो कारोबार गर्न साधारण सभाको स्वीकृति लिएको वा नलिएको कुरा ।**

- त्यस्तो कारोबार नभएको ।

**(त) कुनै सञ्चालकले कम्पनी मार्फत् आफुलाई व्यक्तिगत फाइदा हुने काम गरेको भए साधारण सभाको निर्णय बमोजिम त्यस्तो फाइदा लिएको हो वा होइन सो कुरा ।**

- सञ्चालकहरूले समिक्षा अवधिमा कम्पनी मार्फत् आफुलाई व्यक्तिगत फाइदा हुने काम नगरेको ।

**(थ) कम्पनीले सञ्चालन गरी आएको व्यवसायको सत्तरी प्रतिशत भन्दा बढी व्यवसाय विक्री गर्दा वा कुनै व्यहोरा ले हक छोडि दिँदा, चुक्ता पूँजी र सञ्चित मुनाफाको जम्मा रकम भन्दा बढी हुने गरी ऋण लिँदा वा एक आर्थिक वर्षमा पचास हजार रुपैयाँ वा कम्पनीको विगत तीन आर्थिक वर्षको सरदर खुद मुनाफाको एक प्रतिशतले हुन आउने रकममध्ये जुन कम हुन्छ सो रकम भन्दा बढीको चन्दा वा अनुदान दिएको भए साधारण सभाबाट विशेष प्रस्ताव पारित गरेको वा नगरेको कुरा सो सम्बन्धी व्यहोरा ।**

- यस्तो अवस्था विद्यमान हुँदा विशेष प्रस्ताव पेश गरि पारित गर्ने गरेको ।

**(द) ऐन बमोजिम कम्पनीले राख्नुपर्ने देहाय बमोजिमका दर्ता किताबहरू खडा गरी कम्पनीको रजिष्टर्ड कार्यालयमा राखेको वा नराखेको कुरा खुलाउने:**

(१) शेयरधनीको दर्ता किताब : कम्पनीमा रहेको ।

(२) डिवेञ्चरवालाको दर्ता किताब : हालसम्म डिवेञ्चर जारी नभएको ।

(३) सञ्चालक तथा कम्पनी सचिवको दर्ता किताब : कम्पनीमा रहेको ।

(४) कम्पनीले अर्को कम्पनीलाई दिएको सापटी, अर्को कम्पनीले लिएको ऋण बापत दिएको जमानत वा कम्पनीको धितोपत्रमा गरेको लगानीको विवरण : लागु नहुने ।

- (घ) ऐन बमोजिम कम्पनीले वार्षिक आर्थिक विवरणहरू लेखापरीक्षण गराएको वा नगराएको कुरा ।  
- कम्पनीले वार्षिक आर्थिक विवरणहरू ऐन बमोजिम लेखापरीक्षण गराएको ।
- (न) कम्पनीले ऐन बमोजिम सञ्चालक समितिको प्रतिवेदन तयार गरेको वा नगरेको कुरा ।  
- सञ्चालक समितिको प्रतिवेदन ऐन बमोजिम गरेको ।
- (प) ऐन विपरीत कम्पनीले आफ्ना सञ्चालक, पदाधिकारी, आधारभूत शेयरधनी वा निजहरूको नातेदारहरूलाई ऋण प्रदान गरेको वा नगरेको कुरा ।  
- लागु नहुने ।
- (फ) कम्पनीले डिष्काउन्टमा शेयर जारी गरेको भए सो सम्बन्धमा ऐनका व्यवस्थाहरूको पालना गरेको वा नगरेको कुरा ।  
- डिष्काउन्टमा शेयर जारी नगरेको ।
- (ब) कम्पनीले बोनस शेयर जारी गरेको भए सो सम्बन्धमा ऐन बमोजिमका व्यवस्थाहरूको पालना भएको वा नभएको कुरा ।  
- समिक्षा अवधीमा कम्पनीले बोनस शेयर जारी नगरेको ।
- (भ) कम्पनीले प्रिमियम मूल्यमा शेयर जारी गरेको भए सो सम्बन्धमा ऐन बमोजिमका व्यवस्थाहरूको पालना भएको वा नभएको कुरा ।  
- प्रिमियम मूल्यमा शेयर जारी नगरेको ।
- (म) कम्पनीले आफ्नो शेयर खरीद गर्न आफ्ना शेयरधनी वा अन्य व्यक्तिलाई कुनै ऋण वा आर्थिक सहयोग प्रदान गरेको वा नगरेको कुरा ।  
- त्यस्तो सहयोग प्रदान नगरेको ।
- (य) कम्पनीको स्वार्थसँग बाफिन सक्ने आफ्ना निजी स्वार्थहरू भए सो सम्बन्धमा कम्पनीलाई तोकिएको म्यादभित्र जानकारी गराएको वा नगराएको कुरा ।  
- निजी स्वार्थ नदेखिएको ।
- (र) सञ्चालकले आफ्नो कम्पनी वा सो कम्पनीको सहायक वा प्रमुख कम्पनीको अन्य सहायक कम्पनीको शेयर वा डिभेन्चरमा हक प्राप्त गरेको भए म्यादभित्र कम्पनीलाई जानकारी गराएको वा नगराएको कुरा ।  
- कम्पनीका सञ्चालकहरूले समिक्षा अवधीमा त्यस्तो हक प्राप्त गरेको कुरा जानकारीमा नआएको ।
- (ल) कम्पनीले लाभांश वा अन्तरिम लाभांश बाँड्दा ऐनको पालना गरेको वा नगरेको कुरा ।  
- ऐनको पालना गरेको ।
- (व) कम्पनीका साधारण सभामा शेयरधनीलाई लाभांश बाहेक कम्पनीको कोषमा व्ययभार पर्ने गरी नगद वा जिन्सीको रूपमा कुनै रकम भुक्तानी गरेको वा नगरेको कुरा ।  
- नगरेको ।
- (श) कार्यालयबाट कम्पनीलाई कुनै निर्देशन दिएको भए सो निर्देशनको पालना भएको वा नभएको कुरा ।  
- समिक्षा अवधीमा कार्यालयबाट कुनै निर्देशन जारी नभएको ।
- (ष) सूचीकृत कम्पनी भए वार्षिक साधारण सभाको सूचनाको साथमा संक्षिप्त आर्थिक विवरण शेयरधनीलाई पठाएको वा नपठाएको कुरा ।  
- लागु नहुने ।
- (स) लेखापरीक्षण समिति गठन गर्नुपर्ने सूचीकृत कम्पनी भए ऐन बमोजिम त्यस्तो समिति गठन गरिएको वा नगरिएको कुरा ।  
- लागु नहुने ।

(ह) ऐनको उल्लङ्घन गरेको अभियोगमा कम्पनी विरुद्ध कुनै कारबाही चलिरहेको वा त्यस्तो कसूर ठहर भई कम्पनीले कुनै दण्ड सजायँ व्यहोर्नु परेको भए सो को व्यहोरा ।

- नभएको ।

(क्ष) ऐनको दफा ८१ अनुसार कम्पनीका सञ्चालक तथा पदाधिकारीले कार्यालयलाई तिरेको जरिवानाको विवरण ।

- कुनै जरिवाना नलागेको ।

(त्र) कम्पनीको सुशासन तथा पारदर्शिताको दृष्टिकोणबाट कम्पनी सचिवले खुलाउन आवश्यक ठानेका अन्य आवश्यक कुराहरू ।

- त्यस्तो खुलाउनु पर्ने कुनै व्यहोरा नरहेको ।

(त) अन्य आवश्यक कुरा

केही नभएको ।

प्रस्तुत प्रतिवेदन यस कम्पनीको मिति २०७६/०५/१९ मा बसेका ७४ औं सञ्चालक समितिको बैठकबाट पारित भएको व्यहोरा प्रमाणित गर्दछौं ।

मेख बहादुर थापा  
कम्पनी सचिव

सिए सुन्दर मान श्रेष्ठ  
सुन्दर एण्ड कम्पनी,  
चार्टर्ड एकाउण्टेण्टस्  
मिति : २०७६/०५/१९

## **SUNDAR & CO.**

**Chartered Accountants**

Pulchowk ( Machagaa)  
Lalitpur 20/8 Gha  
P.O.B 3102 Kathmandu, Nepal

Phone # (977-1) 5521804/5529942  
Fax : 977-1-5524804  
Email: sundarmans@gmail.com

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIBL ACE CAPITAL LIMITED**

#### **Opinion on the Financial Statements**

We have audited the accompanying financial statements of NIBL Ace Capital Limited ("the Company") which comprise the statement of financial position (Balance Sheet) as at Ashadh 31, 2076 corresponding to July 16, 2019, the statement of Profit or Loss, the statement of other comprehensive income, the statement of changes in equity and the statement cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Company as of Ashadh 31, 2076 (July 16, 2019), and its performances, changes in equity and its cash flows for the year ended on that date in conformity with Nepal Financial Reporting Standards (NFRS)

#### **Basis of Opinion**

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

#### **Management's Responsibility for the Consolidated Financial Statements**

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

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of Financial Statements**

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





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

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

**Report on Other Legal and Regulatory Requirements (Company Act)**

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

- a. We have obtained all information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit
- b. In our opinion, proper books of account as required by law have been kept by the company, 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.
- c. 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 company, we have not come across the cases where the Board of Directors or any member thereof or any employee of the company has acted deliberately contrary to the provisions of the law relating to accounts or caused loss or damage to the company.

For Sundar & Co.,  
Chartered Accountants



Sundar Man Shrestha  
Partner  
ICAN Membership Number: 005  
Kathmandu



Date: 2076-05-12

## Statement of Financial Position

As on Ashad 31, 2076 (Corresponding to 16 July 2019)

'Amount in Rs'

Particulars	Notes	As at 16 July 2019	As at 16 July 2018
<b>STOCKHOLDERS' EQUITY:</b>			
Paid in capital	7	270,000,000	270,000,000
Reserve and Surplus	8	90,866,819	79,423,123
<b>Total Stockholders' Equity</b>		<b>360,866,819</b>	<b>349,423,123</b>
<b>NON CURRENT LIABILITIES</b>			
Deferred Tax Liability	6.3	-	-
Employment Benefits		1,154,339	3,080,668
<b>Total Non-Current Liabilities</b>		<b>1,154,339</b>	<b>3,080,668</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	10.1	829,987,180	2,200,336,810
Other Current Liabilities	10.2	16,611,346	14,814,308
Provisions	19	2,279,375	3,363,715
<b>Total Current Liabilities</b>		<b>848,877,901</b>	<b>2,218,514,833</b>
<b>Total Liabilities and Stockholders' Equity</b>		<b>1,210,899,059</b>	<b>2,571,018,624</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	26,445,135	29,940,526
Intangible Assets	12	1,890,556	1,359,160
Investments	14	12,862,410	250,000
Staff Loan		10,167,660	8,289,791
<b>Total Non-Current Assets</b>		<b>51,365,761</b>	<b>39,839,477</b>
<b>CURRENT ASSETS</b>			
Investments	14	535,068,854	328,898,876
Trade Receivables, advances and deposits	16.1	37,980,673	39,354,236
Current Tax Assets	6.2	6,456,574	16,960,922
Deferred Tax Asset	6.3	7,647,063	3,579,618
Cash and cash equivalents	16.2	572,380,134	2,142,385,496
<b>Total Current Assets</b>		<b>1,159,533,298</b>	<b>2,531,179,148</b>
<b>Total Assets</b>		<b>1,210,899,059</b>	<b>2,571,018,624</b>

**Sachin Tibrewal**  
Chairman

**Deepak Kumar Shrestha**  
Director

**Bandana Thapa**  
Director

**Rabindra Bhattarai**  
Independent Director

**Shivanth B. Pandé**  
CEO

**Mekh Bahadur Thapa**  
DCEO

**Kabindra Dhoj Joshi**  
GM

**Anup Shakya**  
Head - GSD

As per our report of even date,

**FCA Sundar Man Shrestha**  
Senior Partner  
Sundar & Co.  
Chartered Accountants

Date: 12 Bhadra 2076 (August 29, 2019)

## Statement of Profit or Loss

For the Year Ended Ashad 31, 2076 (Corresponding to 16 July 2019)

'Amount in Rs'

Particulars	For the Year Ended		
	Notes	16 July 2019	16 July 2018
<b>Revenue:</b>			
Revenue from operation	3.1	103,936,010	100,108,665
Other income	3.2	84,203,337	63,827,548
Net changes in gain/(losses) on financial assets and liabilities at FVTPL	14.1	25,610	(16,353,167)
<b>Total revenue</b>		<b>188,164,957</b>	<b>147,583,046</b>
<b>Expenses:</b>			
Operating Expenses	4	16,371,966	11,290,830
General and Administrative Expenses	5	61,011,898	65,730,708
Depreciation and Amortization	11 & 12	9,081,396	8,001,371
Employee Bonus Expenses		10,169,970	6,256,014
<b>Total expenses</b>		<b>96,635,230</b>	<b>91,278,923</b>
Income before income taxes		91,529,727	56,304,123
Tax expense /(income)	6.1	29,347,418	11,634,138
<b>Profit for the year</b>		<b>62,182,309</b>	<b>44,669,985</b>

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CEO

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GM

**Anup Shakya**  
Head - GSD

As per our report of even date,

**FCA Sundar Man Shrestha**  
Senior Partner  
Sundar & Co.  
Chartered Accountants

Date: 12 Bhadra 2076 (August 29, 2019)

## Statement of Other Comprehensive Income

For the Year Ended Ashad 31, 2076 (Corresponding to 16 July 2019)

'Amount in Rs'

Particulars	As at 16 July 2019	As at 16 July 2018
<b>Profit for the year</b>	<b>62,182,309</b>	<b>44,669,985</b>
Gains /(losses) on re-measuring available for sale financial assets	(14,626,590)	-
Gain/(loss) on Actuarial valuation of defined benefit liability	-	-
<b>Total Other Comprehensive income/(Loss) - A</b>	<b>(14,626,590)</b>	<b>-</b>
Income tax income /(expense) relating to components of other comprehensive income - B	4,387,977	-
<b>Other Comprehensive income /(loss) for the year, net of income tax (A-B)</b>	<b>(10,238,613)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>51,943,696</b>	<b>44,669,985</b>

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Head - GSD

As per our report of even date,

**FCA Sundar Man Shrestha**  
Senior Partner  
Sundar & Co.  
Chartered Accountants

Date: 12 Bhadra 2076 (August 29, 2019)



## Statement of Cash Flow

For the Year Ended Ashad 31, 2076 (Corresponding to 16 July 2019)

'Amount in Rs'

A .Cash Flows From Operating Activities:	FY 2018.19(Rs)	FY 2017.18 (Rs)
<b>Cash Inflows</b>	<b>181,595,301</b>	<b>176,936,234</b>
Interest Income	77,675,475	43,119,458
Issue and Sales Management	17,475,030	5,910,223
Underwriting Fee	1,515,499	22,063,863
Share Registrar	6,388,622	4,274,512
Portfolio Management	3,725,373	2,850,199
Fund Management Fee	27,257,144	34,816,891
MF Depository	8,198,324	10,466,994
DP Income	21,503,654	16,813,472
Collection and Refund Commission	-	6,248,754
Income from Investment-FD	-	14,148,008
Income from Investment	8,420,055	5,464,795
Other Income	9,436,125	10,759,065
<b>Cash Outflows</b>	<b>105,370,365</b>	<b>105,184,545</b>
SEBON Fee	4,152,051	3,703,416
CDS Fee	3,806,421	2,335,699
DP Commission Expense	600,092	1,062,074
Staff Expenses	48,635,247	51,319,604
Office and other Overhead Expenses	29,654,847	28,209,560
Income Tax Paid	18,521,708	18,554,192
<b>Cash Flow Before Changes in Working Capital</b>	<b>76,224,936</b>	<b>71,751,689</b>
<b>(Increase)/Decrease in Current Assets</b>	<b>(237,221,783)</b>	<b>(247,950,703)</b>
(Increase)/Decrease in Short Term Investments	(234,816,426)	(242,249,855)
(Increase)/Decrease in Other Assets	(2,405,357)	(5,700,848)
<b>Increase/(Decrease) in Liabilities</b>	<b>(1,362,391,113)</b>	<b>734,428,499</b>
Increase/(Decrease) in Other Liabilities	(1,362,391,113)	734,164,013
Increase/(Decrease) in Sundry Creditors	-	264,486
<b>Net Cash Flows from Operating Activities</b>	<b>(1,523,387,960)</b>	<b>558,229,485</b>
<b>B. Cash Flows from Investing Activities:</b>	<b>(6,117,402)</b>	<b>(9,737,288)</b>
Purchase of Fixed Assets	(6,667,402)	(11,271,727)
Proceeds from disposal of Fixed Assets	550,000	1,534,439
<b>C. Cash Flows from Financing Activities:</b>	<b>(40,500,000)</b>	<b>46,036,976</b>
Increase/(Decrease) in Share Capital	-	71,411,976
Dividend Paid	(40,500,000)	(25,375,000)
<b>Current Year's Cash Flow from All Activities</b>	<b>(1,570,005,362)</b>	<b>594,529,173</b>
<b>Opening Balance of Cash and Bank Balance</b>	<b>2,142,385,496</b>	<b>1,547,856,323</b>
<b>Closing Balance of Cash and Bank Balance</b>	<b>572,380,134</b>	<b>2,142,385,496</b>

**Sachin Tibrewal**  
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Head - GSD

As per our report of even date,

**FCA Sundar Man Shrestha**  
Senior Partner  
Sundar & Co.  
Chartered Accountants

Date: 12 Bhadra 2076 (August 29, 2019)



## Statements of Changes in Shareholders' Equity

For the Year Ended Ashad 31, 2076 (Corresponding to 16 July 2019)

'Amount in Rs'

Particulars	Accumulated Other Comprehensive Income/(Losses)						Total Equity
	Share Capital	Net unrealized gain (loss) on available-for-sale investments	Net actuarial gain (loss) on defined benefit plans	Other	Total Accumulated Other Comprehensive Income (Loss)	Retained Earnings	
Balance as at 16 July 2018	270,000,000	-	-	-	-	79,423,123	349,423,123
Profit for the year	-	-	-	-	-	62,182,309	62,182,309
Other comprehensive (loss) income	-	(10,238,613)	-	-	(10,238,613)	-	(10,238,613)
Dividends Distributed/ Recapitalized	-	-	-	-	-	(40,500,000)	(40,500,000)
Shares issued for dividend reinvestment plan	-	-	-	-	-	-	-
Transfer of net actuarial loss on defined benefit plans	-	-	-	-	-	-	-
Addition through Business Combination	-	-	-	-	-	-	-
Balance as at 16 July 2019	270,000,000	(10,238,613)	-	-	(10,238,613)	101,105,433	360,866,819

Date: 12 Bhadra 2076 (August 29, 2019)

## 1. Corporate Information

NIBL Ace Capital Limited is a limited liability company incorporated in Nepal at office of company registrar (OCR) under Companies Act of Nepal with its registered office at Lazimpat, Kathmandu. The Company is a subsidiary of Nepal Investment Bank Limited.

The company has been established with objectives of providing merchant banking services in Nepal. The company has obtained merchant banking license from Securities Board of Nepal (SEBON) and also has obtained license of Depository participant from SEBON and CDS & Clearing Limited.

The Company is engaged in business of issue and sales management, underwriting, portfolio management, share registrar, depository participants and other advisory services. The Company is also fund manager and mutual fund depository for NIBL mutual fund and currently manages three schemes namely NIBL Samriddhi Fund-1, NIBL Pragati Fund and NIBL Sahabagita Fund.

The financial statements have been authorized for issue on 29 August 2019 by the Board of Directors.

## 2. Basis of preparation and presentation of financial statements

### 2.1. Statement of compliance

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS). These financial statements are also prepared in accordance with the relevant presentation requirements of the Companies Act, 2063 of Nepal.

The financial statements have been prepared under historical cost convention basis except for the items that are measured and presented at fair value as required by relevant NFRS as explained in respective notes. These financial statements cover the reporting period from 1st Shrawan 2075 to 31 Ashad 2076.

### 2.2. Basis of preparation

The financial statements are prepared on accrual and going concern basis. The accounting policies are applied consistently to all the period presented in the financial statements.

### 2.3. Functional and presentation currency

These financial statements are prepared in Nepalese Rupee, which is functional currency of the company. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

Functional currency is the currency of the primary economic environment in which the Company operated. Company's all transactions including income, investment and expenses are denominated in Nepalese Rupee, which the management determines to be the functional currency of the Company.

### 2.4. Accounting policies, judgments and estimates

Preparation of financial statements in accordance with Nepal Financial Reporting Standards (NFRS) requires the management to make use of significant accounting policies, judgments and estimates that affect the reported amount of asset and liabilities, income and expenses, and disclosures of contingent items during the reporting period. These accounting policies adopted are used on consistent basis. Estimates are reviewed on continuous basis. Revision to accounting estimates are recognized in the period in which the estimates are revised.

The significant accounting policies adopted, judgments and estimates while preparing these financial statements in accordance with NFRS are set out in corresponding notes.

## 3. Revenue

Revenue is recognized on accrual basis and is measured at the fair value of the consideration received or receivable. The management of the Company determines the amount of revenue based on the applicable service agreement. Fees and commission arising from transactions are recognized on basis of completion of underlying transaction. Accounting policies, estimates and judgments used by management for each item of revenue is detailed below:

Item of revenue	Accounting policy, significant estimates and judgments used for revenue recognition		
<b>Issue management fee</b>	Issue management fee is recognized based on completion of work for the issue of securities and amount of certainty that is recoverable and is estimated to flow into the Company. Management determines that the volume of work is completed to the extent of fifty percent of total work at time of signing of agreement for issue management, hence accordingly recognizes fifty percent of total fee as income from issue management immediately after signing the contract which is generally nonrefundable. The rest of fee is recognized as income when allotment of issue is completed.		
<b>Collection commission</b>	Collection commission is recognized as revenue after allotment is completed. The ASBA commission income is also included in collection commission revenue.		
<b>Refund commission</b>	Refund commission income is recognized one month after the certificate distribution has been started. However, refund commission revenue is recognized when allotment is made for issue management whose refund commission has been predetermined.		
<b>Underwriting fee</b>	Underwriting fee is recognized based on the recoverability of fee and non-refundability of fixed amount of fee. Management estimates that recoverability of fee can be reliably measured at the date of issue.		
<b>RTS &amp; RTA fee</b>	RTS/ RTA fee is recognized on accrual basis of service offered throughout the year.		
<b>Mutual fund depository and fund management fee</b>	Fund management and depository fee revenue is recognized as per the rate agreed with the fund sponsor based on the fund size as guided by Mutual Fund Regulation 2067. Following is the agreed rate for fund management and depository fee for each scheme of mutual fund:		
	Fund	Fund management fee	Depository fee
	NIBL Samriddhi Fund 1	1.75 %	0.50 %
	NIBL Pragati Fund	1.50 %	0.50 %
	NIBL Sahabhagita Fund	1.25 %	0.40 %
<b>Portfolio management fee</b>	Entry load is recognized as revenue when agreement with client is signed. Performance fee, annual fee and service fee is recognized as revenue when it is due.		
<b>Depository participants (DP) fee</b>	Due to high uncertainty on receivables of DP income that will flow to the entity, management estimates that the income recognized on realized income basis shall provide reliable and more relevant information about the effects of transactions, and conditions on financial performance of the entity. DP income is recognized on realized basis on the rate given in CDS Bylaws and the regulations issued by the SEBON.		
<b>Dividend income</b>	Dividend income is recognized when right to receive is established. Management determines the right to receive is established when shareholders approve the resolution of dividend distribution by the entity at general meeting of shareholders.		
<b>Interest income</b>	Interest income is recognized using effective interest rate method.		
<b>Other income</b>	Other incomes are recognized when it is probable that consideration associated with the transaction will flow to the company and the amount of revenue can be measured reliably.		



### 3.1. Revenue from operation

Following table summarizes the operating revenue recognized during the period:

'Amount in Rs'

Particulars	FY 2018.19	FY 2017.18
Issue and Sales Management Income	5,241,075	6,619,823
Underwriting Fee	11,565,525	9,857,471
Share Registrar Income	6,714,942	5,433,521
Portfolio Management Service Income	3,841,372	2,940,149
Fund Management Fee	27,044,903	30,473,163
Mutual Fund Depository Fee	8,150,790	9,161,386
DP Income	21,503,654	16,813,472
Collection Commission Income	14,107,519	8,390,918
Refund Commission Income	166,583	1,188,839
Advisory Income	1,240,000	154,999
Other operating income	4,359,647	9,074,923
<b>Total</b>	<b>103,936,010</b>	<b>100,108,665</b>

### 3.2. Other income

Following table summarizes other income recognized during the period:

'Amount in Rs'

Particulars	FY 2018.19	FY 2017.18
Interest Income	75,853,973	58,362,754
Dividend Income	3,030,840	3,295,208
Return on Investment on Mutual Fund	1,492,878	2,169,586
Other Non-Operating Income	3,825,646	-
<b>Total</b>	<b>84,203,337</b>	<b>63,827,548</b>

### 4. Expenses Operating

'Amount in Rs'

Particulars	FY 2018.19	FY 2017.18
SEBON Fee	4,125,490	4,306,820
CDS Fee	3,627,732	2,991,950
DP Commission Expenses	834,900	1,662,165
Underwriting & Collection Commission Expenses	5,001,520	1,417,270
*Commission Expenses on sale of investment	2,368,531	-
Advertisement IPO & RTA	341,041	53,225
Printing & Stationary Issue	14,690	236,315
Allotment committee meeting allowance	-	11,765
Statutory & Registration Fee- Issue	-	471,319
PMS- Commission Expense	58,062	-
CDS Corporate Action Charge Expenses	-	140,001
<b>Total</b>	<b>16,371,966</b>	<b>11,290,830</b>

\* Commission Expenses on sale of investment including expenses of NRs. 1,893,665.74 in regard to settlement of Nepal Bank FPO underwriting.

## 5. General and Administrative Expenses

'Amount in Rs'

Particulars	FY 2018.19	FY 2017.18
Employee Costs	39,715,850	39,201,440
Employee Training and Development	732,385	612,478
Office Advertisement and Business Promotion Expenses	1,379,397	8,358,826
AGM Expenses	47,034	89,954
Membership Fee, Renewal and Subscription Fee	1,146,000	1,395,979
Audit Fee	389,850	480,250
Audit Expenses	26,590	24,009
Bank Charges	46,820	101,595
Professional Fee	-	226,000
Office Expenses		
Cleaning Expenses	981,442	967,931
Dashain, Tihar & Pooja Expenses	139,460	142,419
Non Capital Assets	65,368	53,747
Other Office Expenses	518	96,478
Donation	299,000	196,400
Security Expenses	1,915,011	1,210,479
Office Annual Program Expenses	-	111,688
ICRA Rating Expenses- RTA	201,179	572,188
Office Gardening Expenses	53,420	186,210
Electricity Expenses	303,752	149,572
Water Supply Expenses	46,597	34,135
Printing, Stationary and Periodicals	1,975,601	3,243,090
Communications & Postage & Couriers	1,985,612	1,561,548
Travel and Vehicle related Costs	810,946	726,112
Insurance	125,127	133,749
Rental	1,980,000	1,016,782
Software Expenses – Office, Issue & RTA	2,308,851	2,339,632
Repair and Maintenances	723,591	735,624
BOD Meeting Expenses & Other Related Expenses	756,074	611,000
Miscellaneous Expenses	291,468	238,531
Receivables Write Off	1,871,438	-
Data Management and Entry Fee	93,517	312,864
Management Fee	600,000	600,000
<b>Total</b>	<b>61,011,898</b>	<b>65,730,708</b>

## 6. Income taxes

### Tax Expense for the year

Tax expense comprises current tax expense and deferred tax expense (deferred tax income).

### Current tax

Current tax is the expected tax payable on taxable income for the year calculated as per taxation law and rates applicable at date of statement of financial position. Current tax expenses include any adjustments to income tax payable or recoverable in respect of previous years.

### Deferred tax

Deferred tax is recognized based on temporary difference between financial statement's carrying amounts of asset and liabilities and their respective income tax bases. Deferred tax is determined using the tax rates that has been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. The carrying amount of deferred tax is reviewed at each reporting date and reduced to the extent of non-recoverability of deferred tax assets.

### Current and deferred tax for the year

Current and deferred tax for the year are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case current and deferred tax are also recognized in other comprehensive income or equity respectively.

### Offsetting of current and deferred tax assets and liabilities

Current and deferred tax assets and liabilities are offset when the company has legally enforceable right to offset the recognized amount and intention to settle on net basis.

#### 6.1. Income tax expenses

Following is the details of tax expenses recognized in statement of Profit or Loss.

'Amount in Rs'

Particulars	Year Ended 16 July 2019	Year Ended 16 July 2018
<b>Current tax expenses</b>		
in respect of current year	28,821,441	17,718,801
in respect of prior years	205,445	(443,354)
	29,026,886	17,275,447
<b>Deferred tax expenses/ (income)</b>		
In respect of current year	320,532	(5,641,309)
<b>Total income tax expenses recognized in current year</b>	<b>29,347,418</b>	<b>11,634,138</b>

Following table shows the reconciliation of taxable profit with the accounting profit.

'Amount in Rs'

Particulars	Year Ended 16 July 2019	Year Ended 16 July 2018
Profit/ (loss) before tax for the year as per accounting	91,529,727	56,304,123
As per accounting		
Add: Depreciation Expenses not allowed	9,081,396	8,001,371
As per Income Tax		
Less: Depreciation Expenses allowed	(8,495,261)	(8,410,085)
Less: Dividend Income - Final Tax Holding Income	(3,030,840)	(3,295,208)
Add: Disallowed Expenses		
Provisional Expenses - Leave and Gratuity	222,507	1,671,689
Unrealized Losses on Investment	4,205,837	16,353,167
Receivables Written Off	1,871,438	-
Miscellaneous and other Expenses	686,666	250,146
<b>Profit/(loss) as per Income Tax</b>	<b>96,071,470</b>	<b>70,875,203</b>
Effective Tax Rate	30%	25%
<b>Current Tax Expenses</b>	<b>28,821,441</b>	<b>17,718,801</b>

#### 6.2. Current tax asset or liabilities

'Amount in Rs'

Particulars	Year Ended 16 July 2019	Year Ended 16 July 2018
<b>Current tax assets</b>		
Opening balance (net offset with current tax liabilities)	16,960,922	15,682,176
+ Advance Tax during the year	18,317,093	19,548,201
<b>Closing balance (A)</b>	<b>35,278,015</b>	<b>35,230,377</b>
<b>Current tax liabilities</b>		
Opening balance (net offset with current tax assets)	-	-
+ Current tax payable during the year	28,821,441	17,718,801
+ Tax payable due to Business Combination	-	550,654
<b>Closing balance (B)</b>	<b>28,821,441</b>	<b>18,269,455</b>
<b>Net current tax asset/ (liabilities) (A-B)</b>	<b>6,456,574</b>	<b>16,960,922</b>

### 6.3. Deferred tax asset or liabilities

'Amount in Rs'

Particulars	Carrying Value	Tax Base	Difference
Fixed Assets	28,335,691	28,092,608	(243,083)
Provision for Leave	1,154,339	-	1,154,339
Provision for Expenses	2,279,375	-	2,279,375
Investment	547,931,264	570,230,844	22,299,580
<b>Total Temporary Difference</b>			<b>25,490,211</b>
<b>Total Deferred tax Assets/(Liabilities) for the Year</b>			<b>7,647,063</b>
Less: Deferred Tax Assets/(Liabilities) relating to OCI			4,387,977
Less: Deferred Tax Liabilities up-to Previous Year			3,579,618
<b>Deferred Tax Income /(Expense) of this Year</b>			<b>(320,532)</b>

### 7. Share Capital

The company applies NAS 32 Financial Instruments: Presentation to determine whether the contribution received is either outsiders' liability/debt or equity. Financial instruments issued or their component is classified as liabilities if contractual arrangements give rise to the Company having present obligation to either deliver cash or another financial asset, or a variable number of equity shares to the holders of instrument. Otherwise, it is recognized as equity instrument. Any incremental costs directly attributable to the issue of new shares are shown in equity as deduction from the proceeds.

Hence share capital represents residual interests of equity holders in the company. The company's share capital is as follows:

Particulars	Value per share	As at 16 July 2019		As at 16 July 2018	
		No of shares	Rs.	No of Shares	Rs.
Authorized capital	100	5,000,000	500,000,000	5,000,000	500,000,000
Issued and subscribed capital	100	2,700,000	270,000,000	2,700,000	270,000,000
Paid in capital	100	2,700,000	270,000,000	2,700,000	270,000,000

Following is the reconciliation of outstanding no of shares at the reporting period end.

Particulars	As at 16 July 2019	As at 16 July 2018
No of Paid in Capital at beginning	2,700,000	1,015,000
+ Additional issue of equity instruments	-	-
+ Issue of bonus shares	-	985,000
+ Acquired through business combination	-	700,000
<b>No of paid shares outstanding at period end</b>	<b>2,700,000</b>	<b>2,700,000</b>

### 8. Reserve and Surplus

All accumulated profit less distribution is represented under retained earnings. The other comprehensive income/ (loss) has been presented separately under Reserve and Surplus as at reporting period. Following is the table of reserve and surplus.

'Amount in Rs'

Particulars	As at 16 July 2019	As at 16 July 2018
<b>Opening Balance</b>	<b>79,423,123</b>	<b>157,216,163</b>
+ Acquired through BC	-	1,411,976
+ Profit for the year	62,182,309	44,669,985
- Distribution During the period	(40,500,000)	(123,875,000)
<b>Closing Balance of Retained Earning</b>	<b>101,105,433</b>	<b>79,423,123</b>
+ Other Comprehensive Income / (Loss)	(10,238,613)	-
<b>Closing Balance of Reseve and Surplus</b>	<b>90,866,819</b>	<b>79,423,123</b>



### Proposed Dividend

For the Fiscal year 2075/76, the board has proposed 20% cash dividend including tax, which is subject to approval from the General Meeting.

### 9. Capital Management

The primary objectives of capital management policy are to ensure that the Company complies with externally imposed capital requirements and that the company maintains strong credit ratings and healthy capital ratios in order to support its business and maximize shareholders value.

When managing capital, which is a broader concept than the equity in the statement of financial position, the objectives of the company are:

- ❖ To comply with the capital requirements set by the regulatory authority where the company operates
- ❖ To safeguard the company's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders; and
- ❖ To maintain a strong capital base to support the development of its business.

SEBON requires minimum of Rs 200,000,000 equity capital to carry out all services that the company provides.

The management monitors its capital structure and required level of regulatory capital requirement based on the changes in economic condition in which company operates. The management may adjust the structure by adopting the policies of dividend payments, issues of new shares, acquiring new or retiring existing debts.

### 10. Current Liabilities

The company classifies a liability as current when such liability is expected to be settled within twelve months after the reporting period end and it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period, and such liabilities are primarily held for ordinary purpose of business. Current liabilities of the company have been classified into different group of Trade and payables, other current liabilities and provision balances. Following tables details the current liabilities of the company.

#### 10.1. Trade and Other Liabilities

Trade liabilities include the current liabilities directly related to the operating income or expenses.

'Amount in Rs'

Particulars	As at 16 July 2019	As at 16 July 2018
Issue Collection Refundable	265,358,852	1,926,450,066
RTS Client Dividend Warrant Payable	549,766,848	249,814,034
RTA Bonus and Tax Payables	1,751,332	1,714,888
CDS Fee Payable	1,571,771	1,750,460
SEBON Fee Payable	2,996,432	3,022,993
Interest expenses payables	4,778,086	2,956,583
Advance received from Customer	2,928,959	14,627,786
DP Commission Payables	834,900	-
<b>Total</b>	<b>829,987,180</b>	<b>2,200,336,810</b>

#### 10.2. Other current liabilities

Other current liabilities of the company include payable balances on account of general and administrative expenses. Following is the list of other current liabilities.

'Amount in Rs'

Particulars	As at 16 July 2019	As at 16 July 2018
Audit fee payable	250,875	473,875
Salary, Wages and Bonus Payable	10,606,763	6,697,477
Statutory Liabilities	1,291,896	1,099,312
Staff Housing loan insurance premium	126,799	102,940
Other sundry payables	4,335,013	6,440,704
<b>Total</b>	<b>16,611,346</b>	<b>14,814,308</b>

## 11. Property, Plant and Equipment

### Recognition and measurement

Property, plant and equipment (PPE) are those tangible assets used for business operation, administrative purpose or for rental to others. An item of PPE is recognized at the statement of financial position at cost less accumulated depreciation and impairment allowances if any when it is probable that future economic benefits associated with such item of PPE for more than one accounting period will flow to the Company, and the cost of the item can be measured reliably.

Costs includes purchase price and directly attributable costs to bring the assets to the location and conditions of being operable as intended by the management and, for qualifying assets, borrowing costs capitalized in accordance with the Company's policies.

### Depreciation

Depreciation is recognized to write off the costs of item of PPE less their estimated residual values using straight line method over their estimated useful lives and is recognized in statement of profit or loss. Management estimates the useful life for each component of assets separately. Following estimations of useful life on each category of asset is used by management for depreciation.

Category of Assets	Estimated Useful Life
Data Processing Hardware	5 Years
Office Equipment	10 Years
Office Furniture and Fixtures	6.67 Years
Vehicles	6.67 Years
Leasehold assets	5 Years

### De-recognition & Impairment

An item of PPE is de recognized upon disposal or when no future economic benefits are expected to flow to the Company from continued use of the asset. Any gain or loss arising on disposal or retirement of an item of PPE is determined as the difference between net sales proceeds and carrying amount of the assets and is recognized in statement of Profit or loss

Following is details of PPE.

'Amount in Rs'

Particulars	Vehicle	Data Processing Hardware	Office Equipment	Office Furniture & Fixtures	Leasehold Assets	Total PPE
<b>(A) Cost or Valuation</b>						
Opening balance as at 16 July 2018	10,014,100	21,265,661	1,458,815	9,798,266	5,979,613	48,516,454
Additions during the year	4,200,000	469,694	62,686	486,674	339,746	5,558,800
Disposal	2,200,000	-	-	-	-	2,200,000
<b>Balance as at 16 July 2019</b>	<b>12,014,100</b>	<b>21,735,355</b>	<b>1,521,501</b>	<b>10,284,940</b>	<b>6,319,359</b>	<b>51,875,254</b>
<b>(B) Accumulated Depreciation, amortization and impairment</b>						
Opening balance as at 16 July 2018	5,509,280	8,274,564	155,743	3,058,177	1,578,165	18,575,929
Additions during the year	1,544,615	4,128,989	149,934	1,445,684	1,234,968	8,641,689
Deletion	1,650,000	-	-	-	-	1,650,000
<b>Balance as at 16 July 2019</b>	<b>5,403,895</b>	<b>12,403,553</b>	<b>305,677</b>	<b>4,503,861</b>	<b>2,813,133</b>	<b>25,430,118</b>
<b>(C) Carrying Amount</b>						
As at 16 July 2018	4,504,820	12,991,097	1,303,072	6,740,089	4,401,448	29,940,526
<b>As at 16 July 2019</b>	<b>6,610,205</b>	<b>9,331,802</b>	<b>1,215,824</b>	<b>5,781,079</b>	<b>3,506,226</b>	<b>26,445,135</b>

Impairment losses for the year have not been provided on any assets and no assets have been pledged as security against any sort of borrowing or commitments.

## 12. Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and accumulated impairment losses. Amortization is recognized on straight line basis over their estimated useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for as per Note 2.6 Following estimate of useful life on each item of intangible assets is used by management.

Item of intangible asset	Estimated useful life
Software	5 Years

Intangible assets with indefinite useful lives that are acquired separately are carried at costs less any accumulated impairment losses.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gain or losses arising from derecognition of an intangible asset is measured as the difference between net proceeds from disposal and carrying amount of the asset and are recognized in statement of profit or loss.

Following is the details of intangible assets as at the period end.

Particulars	Software (Rs)	Total Intangibles (Rs)
<b>(A) Cost or Valuation</b>		
Opening balance as at 16 July 2018	2,749,791	2,749,791
Additions during the year	1,108,603	1,108,603
Disposal	-	-
<b>Balance as at 16 July 2019</b>	<b>3,858,394</b>	<b>3,858,394</b>
<b>(B) Accumulated Depreciation, amortization and impairment</b>		
Opening balance as at 16 July 2018	1,390,631	1,390,631
Additions during the year	577,207	577,207
Deletion	-	-
<b>Balance as at 16 July 2019</b>	<b>1,967,838</b>	<b>1,967,838</b>
<b>(C) Carrying Amount</b>		
<b>As at 16 July 2018</b>	<b>1,359,161</b>	<b>1,359,161</b>
<b>As at 16 July 2019</b>	<b>1,890,556</b>	<b>1,890,556</b>

## 13. Financial Instruments and Fair Value Measurement

### Fair value estimation

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 measurement date in the principal, or in its absence, the most advantageous market to which the company has access at that date.

The fair value of the financial assets and liabilities that is traded in an active market is based on the quoted market prices at the close of trading date on the reporting date. The company uses the last traded market price.

The fair value for all other financial instruments not traded in an active market is determined by using the valuation techniques deemed to be appropriate in the circumstances. These valuation techniques include the market approach, income approach or cost approach, or other valuation techniques commonly used by market participants making the maximum use of observable inputs and relying as little as possible on unobservable inputs.

For instruments for which active market is not available, the company may also use the internally developed valuation model as per company's valuation guideline which describes about the methods and techniques generally recognized as standard within the industry. Valuation models are primarily used for the unlisted equity securities or other financial instruments for which market is not active during the year. Some of the inputs to these models may not be market observable and hence requires the management judgments and thus valuation are estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques used may not fully reflect all factors relevant to the conditions the company holds. Valuations are therefore adjusted wherever appropriate to adjust the factors including model risk, liquidity risk.



### Fair value hierarchy

The company measures the fair value using the following fair value hierarchy that reflects the significance of the input used in measurements.

- ❖ **Level 1 (L1):** Inputs that are quoted market prices (unadjusted) in an active market for identical instruments.
- ❖ **Level 2 (L2):** Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- ❖ **Level 3 (L3):** Inputs that are unobservable. This category includes all instruments for which the valuation techniques include inputs not based on observable data and whose unobservable inputs have a significant effect on the instruments' valuation.

### Financial Instruments

#### *Classification and Measurement*

Financial instruments included in the statement of financial position are measured at fair value through profit or loss or measured at amortized costs. Financial instruments measured at fair value through profit or loss (FVTPL) or fair values through other comprehensive income (FVOCI) are classified into following:

- ❖ **Financial assets or financial liabilities held for trading:** financial assets are classified as held for trading if they are acquired for purpose of selling or repurchasing in near future. This category includes equities and other fixed income securities. These assets are acquired principally for the purpose of generating a profit from short term changes in price.
- ❖ **Financial assets and financial liabilities designated at fair value:** these financial assets and liabilities are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluation on a fair value basis in accordance with the policy and strategy of the company.
- ❖ **Financial assets available for sale:** financial asset that are not classified as held for trading or designated at fair value are classified as available for sale. Available-for-sale financial assets are those intended to be held for an indeterminate period of time and may be disposed due to changes in interest rates, underlying prices or other requirements. Gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognized directly in other comprehensive income, until the financial assets are sold or impaired or retires, when cumulative gain or losses previously recognized in other comprehensive income is recognized in statement of profit or loss

### Financial assets and liabilities measured at Amortized Cost

Financial assets and liabilities held to maturity are classified and measured at amortized cost. These financial asset or liabilities are initially recognized at fair value including direct and incremental costs and subsequently measured at amortized costs, using the effective interest method, less any impairment allowances.

#### *Recognition*

The company recognizes financial assets or liabilities when it becomes the party to contractual provisions of the instrument. Recognition takes place on the trade date where the purchase or sale of an investment is under a contract whose terms requires delivery of the investment within the timeframe established by the market concerned.

#### *Derecognition*

Financial assets are de recognized when the contractual right to receive cash has expired or the company 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 contracts is discharged, cancelled or expired.

#### *Offsetting of financial instruments*

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

Following table details the financial instruments included in the statements of financial position are measured at fair value or amortized costs.



Financial instruments measured at fair value	Fair Value method
Cash and cash equivalents	Carrying amount (approximation to fair value assumed due to short-term nature)
Investments held for trading	Closing price of scrips (L1) as at the statement of financial position dates. or L2 or L3 value as determined by management
Available for sale investments	Closing price of scrips (L1) as at the statement of financial position dates. or L2 or L3 value as determined by management
Financial instruments measured at Amortized Cost	Fair Value method
Receivables, short term payables and accrued charges	Carrying amount (approximation to fair value assumed due to short term nature)
Employee Loan	Fair value calculated using effective interest rate.
Fixed deposits investments	Carrying amount as effective interest rate shall be the interest rate of each deposit instrument.

#### 14. Investments

Following table details the investments and analysis within the fair value hierarchy as at date of reporting period end.

'Amount in Rs'

Investments in	Fair Value as at	FY 2018.19			Fair Value as at	FY 2017.18		
	16 July 2019	L1	L2	L3	16 July 2018	L1	L2	L3
<b>(A) Held for trading (classified as current assets)</b>								
Mutual Funds	47,944,705	47,944,705	-	-	40,060,465	40,060,465	-	-
Equity Securities	40,124,149	40,124,149	-	-	84,338,411	84,338,411	-	-
<b>Total</b>	<b>88,068,854</b>	<b>88,068,854</b>	-	-	<b>124,398,876</b>	<b>124,398,876</b>	-	-
<b>(B) Available for Sale (Classified as Non Current Assets)</b>								
Equity Securities	7,612,410	-	7,612,410	-				
<b>Total</b>	<b>7,612,410</b>	-	<b>7,612,410</b>	-				
<b>(B) Measured at Amortized Cost</b>								
Fixed Deposit at Bank	447,250,000				204,750,000			
Investments on Debentures	5,000,000							
<b>Total Value of Investment</b>	<b>547,931,264</b>			<b>329,148,876</b>				
<b>Investments Classified to</b>								
<b>A. Current Assets</b>								
Held for Trading	88,068,854			124,398,876				
Measured at Amortized Costs	447,000,000			204,500,000				
<b>Total</b>	<b>535,068,854</b>			<b>328,898,876</b>				
<b>B. Non-Current Assets</b>								
Available for Sale	7,612,410			-				
Measured at Amortized Cost	5,250,000			250,000				
<b>Total</b>	<b>12,862,410</b>			<b>250,000</b>				

#### 14.1. Net change in fair value of investments

'Amount in Rs'

Particulars	FY 2018.19 Net Gain / (Losses)	FY 2017.18 Net Gain / (Losses)
(A) Held for trading		
Mutual Fund	(2,828,460)	(2,147,605)
Equity Securities	(1,377,377)	(4,117,937)
<b>Total</b>	<b>(4,205,837)</b>	<b>(6,265,542)</b>
<b>Net Change in fair value</b>	<b>(4,205,837)</b>	<b>(16,353,167)</b>
+ Realized gain/(loss) on Investments	4,231,447	-
<b>Net changes in gain/(losses)</b>	<b>25,610</b>	<b>(16,353,167)</b>

The net change in fair value of investments has been recognized on Mark to Market basis as on 16 July 2019. Previously, the net change in fair value of investments has been recognized on Cost to Market Basis.

## 14.2. Details of Investment

### A. Investment on Mutual Funds

Name of Company	Fiscal Year 2018.19				
	Unit	Market Value per unit as on 16 July 2019	Market Value as on 16 July 2019 Amount (A)	Market Value as on 16 July 2018 Amount (B)	Gain/(Loss) (A-B)
Siddhartha Equity Oriented Scheme	58,977	10.82	638,131	622,207	15,924
NMB Suluv Investment Fund-1	105,500	10.82	1,141,510	1,218,525	(77,015)
Global IME Samunnat Scheme-1	237,328	8.38	1,988,809	2,081,367	(92,558)
NIBL Samriddhi Fund -1	1,000,000	9.26	9,260,000	10,150,000	(890,000)
NMB Hybrid Fund L1	94,644	10.03	949,279	917,100	32,179
Nabil Equity Fund	112,646	9.33	1,050,987	1,110,690	(59,702)
NIBL Pragati Fund	1,051,384	7.44	7,822,297	9,462,456	(1,640,159)
Laxmi Equity Fund	438,717	7.63	3,347,411	3,553,608	(206,197)
Siddhartha Equity Fund	400,000	10.09	4,036,000	3,824,000	212,000
Sanima Equity Fund	400,000	9.40	3,760,000	3,824,000	(64,000)
Laxmi Value Fund 1	321,611	10.20	3,280,432	3,296,513	(16,081)
NIBL Sahabagita Fund	1,071,270	9.96	10,669,849	10,712,700	(42,851)
<b>Total</b>	<b>5,292,077</b>		<b>47,944,705</b>	<b>50,773,165</b>	<b>(2,828,460)</b>

### B. Investment on Listed Shares

Name of Company	Fiscal Year 2018.19				
	Unit	Market Value per unit as on 16 July 2019	Market Value as on 16 July 2019 Amount (A)	Market Value as on 16 July 2018 Amount (B)	Gain/(Loss) (A-B)
Arun Kabeli Power Limited	295	188	55,460	76,700	(21,240)
Ngadi Group Power Ltd.	636	116	73,776	103,668	(29,892)
Shikhar Insurance Co. Ltd.	2,365	771	1,823,415	2,329,525	(506,110)
NLG Insurance Company Ltd.	278	762	211,836	258,540	(46,704)
Synergy Power Development Co. Ltd.	616	90	55,440	76,384	(20,944)
Nepal Life Insurance Co. Ltd.	990	901	891,990	1,039,500	(147,510)
United Modi Hydropower Ltd.	337	109	36,733	57,964	(21,231)
NMB Bank Ltd. (Clean Energy)	7	382	2,674	1,790	884
Rastriya Beema Co. Ltd. - Promoters	86	8,877	763,422	855,958	(92,536)
Butwal Power Co. Ltd.	86,260	409	35,280,340	35,837,149	(556,809)
Barun Hydropower Company Limited	10	90	900	1,500	(600)
Mero Microfinance Bittiya Sanstha Limited	125	532	66,500	68,440	(1,940)
National Microfinance Bittiya Sanstha Limited	29	1,480	42,920	50,922	(8,002)
Jyoti Bikash Bank Ltd.	1,977	163	322,251	278,757	43,494
RSDC Microfinance Bittiya Sanstha Limited	90	343	30,870	31,405	(535)
Deva: Bikash Bank Ltd.	496	146	72,416	63,984	8,432
Saptakoshi Development Bank Limited	3,223	122	393,206	369,340	23,866
<b>Total</b>	<b>97,820</b>		<b>40,124,149</b>	<b>41,501,526</b>	<b>(1,377,377)</b>

#### Investment on Unlisted Shares

Name of Company	Fiscal Year 2018.19				
	Unit	Fair Value per unit as on 16 July 2019	Fair Value as on 16 July 2019 Amount (A)	Cost as on 16 July 2019 Amount (B)	Gain/(Loss) (A-B)
M. Nepal Ltd.	222,390	34.23	7,612,410	22,239,000	14,626,590
<b>Total</b>	<b>222,390</b>		<b>7,612,410</b>	<b>22,239,000</b>	<b>14,626,590</b>

The Fair Value of M Nepal Ltd. has been considered equivalent to the Book Value per share as per the audited financial statements of the Company as on 16 July 2019.

#### D. Investment on Debentures

Name of Company	Fiscal Year 2018.19		
	Unit	Cost Price per Unit	Total Cost Amount
Siddhartha Bank Debentures 2082	2500	1000.00	2,500,000
Sunrise Debenture 2080	2500	1000.00	2,500,000
<b>Total</b>	<b>5000</b>		<b>5,000,000</b>

#### Investment on Fixed Deposit

Details	Fiscal Year 2018.19
	Amount
FD- Deva: Bikash Bank Ltd.	37,500,000
FD- Garima Bikash Bank Ltd.	5,000,000
FD- Goodwill Finance Ltd.	25,000,000
FD- Guheswori Merchant Banking & Finance Ltd.	20,000,000
FD- Gurkhas Finance Ltd.	50,000,000
FD- Hamro Bikash Bank Ltd.	50,000,000
FD- Jyoti Bikash Bank Ltd.	10,000,000
FD- Kamana Sewa Bikas Bank Ltd.	50,000,000
FD- Manjushree Financial Institution Ltd.	39,500,000
FD- Muktinath Bikash Bank Ltd.	60,000,000
FD- Nepal Investment Bank Ltd.	20,000,000
FD- Om Development Bank Ltd.	5,250,000
FD- Pokhara Finance Ltd.	20,000,000
FD- Shangrila Development Bank Ltd.	5,000,000
FD- Shine Resunga Development Bank Ltd.	50,000,000
<b>Total</b>	<b>447,250,000</b>

The entity has invested the fund available for dividend warrants distribution of NRs. 270,000,000.00 as FD placement, especially for the short term period. As the dividend distribution takes a certain period of time to complete, the entity mobilizes the fund available as the fund is in our custody for the purpose of distribution.

#### 14.3. Seed Capital Investment

Entity being Fund Manager and Depository of Sponsor, Nepal Investment Bank Limited in scheme, NIBL Samridhi Fund I, NIBL Pragati Fund and NIBL Sahabhagita Fund under NIBL Mutual Fund has invested 1% of the Fund as Seed Capital. As a close ended fund and open ended fund, the scheme is required to be held till the maturity date. Although there is no regulatory requirement that the Fund manager are not allowed to sell their investments of seed capital, the entity has considered to hold the investment till the maturity. The investment are classified as held for trading and valued through profit or loss statement.

#### 15. Risk Management

The company is exposed to various risks in nature of activities it carries. These risks particularly include market risk and interest rate risk. The company's objective of managing risk is for the protection and creation of shareholders and investors value. The company's investment policy has established a risk management framework, which is the continuous process of identification, measurement, monitoring and control of risks.



### **Risk management structure**

The board of directors is ultimately responsible for the overall risk management. The management of the company has been delegated and instructed for the responsibility for identifying and controlling risks of the company.

### **Risk measurement and reporting system**

The company uses various techniques to identify and measure the risks. These measures reflect the company's philosophy of management and risk tolerance as determined by the management. Determination of risk tolerance level is the judgement, philosophy and actions of the management in response to the circumstances in given environment. The management uses various tools and methods to measure and monitor the risks in relation to the aggregate risk across all risk type and activities.

### **Following are three broad methods used by the company.**

#### **Risk mitigation**

The company's investment and risk management committee decides the risk management framework and guidelines that encompasses overall investment strategy, limit and tolerance of risk. The company uses other instruments for trading and risk management purpose.

#### **Excessive risk concentration**

Concentration risk arises when a number of financial instruments are entered with similar or identical characteristics. Those characteristics may be identified as sector of business; same counterparty, or have similar economic features that are similarly affected by the changes in economic, political or typical industrial and other conditions. To avoid excessive concentration risk, the Company focuses on managing diversified portfolio.

#### **Market risk**

Market risk is the risk that fair value or future cash flow of financial instrument will change due to changes in market variables such as interest rates, equity prices. The maximum risk resulting from financial instruments the company held equals their fair value.

#### **(a) Price risk**

Price risk is the risk of unfavourable changes in fair value of instruments as a result of changes in the level of equity indices and the value of individual instruments. The company manages prices risk by investing in a variety of scrips in a particular sector and diversifying investment in particular sector.

#### **(b) Interest rate risk**

Interest rate risk arises from the possibility of changes in interest rate which will affect the future cash flow or fair value of financial instrument. The company makes investment in fixed income securities and demand deposits in bank. The interest income from such instruments will be affected by the changes in interest rate. The company's demand deposit only is exposed to the interest rate risk.

#### **Liquidity risk**

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

The company is exposed to settlement of operational obligations and investment commitments in portfolio companies. The company policy to invest in listed securities in active trading market is readily disposable in normal market conditions and hence is assumed highly liquid. Further the company has the ability to borrow in short term to ensure settlements. No such borrowings have been raised during the year. The company does not have any foreign exchange currency risk during the year.

#### **Credit Risk**

Credit risk refers to the risk that counterparty will default on its contractual obligation resulting in financial loss to the Company. Management of the Company determines the creditworthiness of counterparty as a mean of mitigating risk of financial loss from defaults before entering into any business arrangement. Company's exposure to and the credibility of counterparties are continuously monitored.

### **16. Current Assets**

The company classifies assets as current when such asset is expected to be realized or consumed within twelve months after the reporting period end and such assets are primarily held for ordinary purpose of business. Current assets of the company have been classified into different group based on their nature of asset held. Following tables details the current asset of the company.

### 16.1. Trade Receivables, Advances and Deposits

These current assets include the assets directly held for the ordinary purpose of business. Following is the details.

'Amount in Rs'

Particulars	AS AT 16 July 2019	AS AT 16 July 2018
<b>RTS Service Fee Receivable</b>	<b>5,438,205</b>	<b>4,493,070</b>
Underwriting & Issue management Fee Receivable	7,885,156	6,847,125
Fund Management Fee Receivable	13,605,772	13,818,014
Fund Depository Fee Receivable	4,103,072	4,150,606
Other Sundry Receivables	42,500	67,999
Prepaid Expenses	960,620	441,068
Staff Loan	1,948,209	1,940,274
Other Current Assets	2,689,965	7,501,830
PMS Income Receivables	210,250	94,250
DP Income Receivables	1,096,923	-
<b>Total</b>	<b>37,980,673</b>	<b>39,354,236</b>

### 16.2. Cash and Cash Equivalents

For the purpose of the cash flow statement, Cash and cash equivalents includes cash balance in hand, demand deposits with bank, other short term highly liquid investments with original maturity of three months or less. Following is the details of cash and cash equivalents.

'Amount in Rs'

Particulars	AS AT 16 July 2019	AS AT 16 July 2018
Cash in Hand	-	-
Balance at Bank	572,380,134	2,142,385,496
<b>Total</b>	<b>572,380,134</b>	<b>2,142,385,496</b>

Restricted cash balances that are not available for use by the Company includes the amount collected from issue managements and dividend warrant distribution amount. Following is the details of amount not available for use during the reporting period.

'Amount in Rs'

Particulars	AS AT 16 July 2019	AS AT 16 July 2018
Dividend Warrants	279,766,848	160,046,962
IPO Collection	265,358,852	1,946,392,852
<b>Total</b>	<b>545,125,701</b>	<b>2,106,439,814</b>

There is no any amount of undrawn borrowing facilities that are available for use in future operating activities or to settle capital commitments.

### 17. Lease, Commitments and Guarantees

Determination of whether an arrangement contains a lease is based on the substance of the arrangement at the inception of the lease. A lease is classified as finance or an operating lease.

The Company has an operating lease arrangement only. Operating lease payments are recognized as an expense in the statement of profit or loss in the year which it becomes payable. Lease amount payable in respect of operating lease is:

Period	Amount (Rs)
Up to 1 year	1,936,000
1-5 year	-
Above 5 years	-
<b>Total</b>	<b>1,936,000</b>

Following table details the commitments that the Company has issued as at end of reporting period.

Underwriting Commitment to	For	Amount (Rs)
Garjang Upatyaka Hydropower Power Ltd	IPO	102,000,000
Mount Kailash Energy Co. Ltd	IPO	225,000,000
<b>Total Underwriting Commitment</b>		<b>327,000,000</b>

### 18. Employment Benefits

The Company has schemes of employee benefits namely provident fund, employee gratuity and accumulated leave pay as per Employee Service Bylaws, 2068.

#### Defined contribution plan - Provident fund and Gratuity

Under defined contribution plan, the Company makes payment of pre-determined amounts to separate fund and does not have any legal or other obligation to pay additional amount. Contribution to defined contribution scheme is charged to statement of profit or loss in the year to which they relate to as the company as no further defined obligation beyond such contribution.

The company and employee contribute 10% each on the salary of each employee to an approved Provident Fund maintained at NIBL Retirement Fund.

From Bhadra 19, 2074, the entity has paid the monthly gratuity liability to the staff in their respective retirement fund account at 8.33% of Basis Salary as per the labour act 2074 and has recognized it as expenses which amount to NRs. 1,293,947. All staff gratuity liability has been discharged into staff Gratuity Account till 16 July 2019 at NIBL Retirement Fund.

#### Defined benefit plan - Leave Pay

The Company provides for defined benefit in form of leave pay. The liabilities or asset recognized in the statement of financial position in respect of defined benefit obligation at the end of the presorting period less fair value of plan assets. The defined benefit obligation is calculated annually using projected unit credit method.

Changes in past and current service costs including interest expense under defined benefit obligation is recognized in statement of profit or loss. Net interest cost is calculated by applying discount rate to net balance of defined benefit obligation and fair value of plan assets. Any changes in liabilities over the years due to changes actuarial assumptions are recognized in other comprehensive income in the period in which they arise.

NAS 19 requires to exercise the judgment on relation to various assumptions including rise in future pay, inflation, discount rates and employee demographics. The provision for leave encashment is derived from the management judgment and estimation which amount to Nrs. 1,154,339 as on 16 July 2019. Staffs are eligible for accumulation of 60 days of annual leave and 30 days of sick leave. Management has not considered the actuarial valuation because of the limited number of staff, high labour turnover, nature of industry, number of year of operation and also the cost versus benefit analysis.

#### Short-term employee benefits

Short term employee benefit includes any benefits accruing to employee in respect of wages, salaries, allowances and other pay in the period of related service. Short term employee benefits are charged to statement of profit or loss in period which service has been obtained from employee.

Other benefits include various types of loan to its staffs at prescribed rates as per the provisions of Employees' Bylaws of the entity. The types of staff's loans are namely EMI Loan (provided at base rate of Nepal Investment Bank Ltd.) and Housing Loan (Tied up with insurance policy). Difference between the fair value of loan given to employee and loan amount given to employee at lower interest rate as compared to market interest rate shall be charged to statement of profit or loss as employee benefits. Fair value of loan given to employee shall be measured at amortized cost. Being immaterial impact to the financial statements, the management has not shown the staff loan at its fair value at amortized cost (i.e. at base rate of Nepal investment Bank Ltd. as on 16 July 2019).

Employee Bonus Expenses: Employee Bonus Expenses has been provisioned on the basis of profit before staff bonus and tax.

### 19. Provision and contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Provision for expenses of Rs. 2,279,375 has been recognized at the end of reporting period. The company does not have any contingent liabilities at the reporting period end.

## 20. Related Party Transactions

A person or entity is considered a related party if it:

- ❖ controls or has significant influence to the Company
- ❖ is subsidiary, joint venture, associates or in which the Company can have significant influence
- ❖ is member of key management personnel of the company or its parent

(A) Nature of Relationship and Name of Related Parties

- ❖ Parent Company: Nepal Investment Bank Ltd.
- ❖ Associate Company: M Nepal Ltd.  
(Percentage of Shareholding: - 22.24%)

### ❖ Board of Directors:

Mr. Sachin Tibrewal	Chairman
Mrs. Bandana Thapa	Director
Mr. Deepak Kumar Shrestha	Director
Mr. Rabindra Bhattarai	Independent Director

Mr. Sachin Tibrewal, Mr. Deepak Kumar Shrestha, and Mrs. Bandana Thapa have been appointed by the Parent Company. Independent director has been appointed by existing Board of Directors from AGM.

### ❖ Transaction with Board of Directors:

The Board of Directors are entitled to meeting allowances as per the Articles of Association of the Company. As per amended Articles of Association as approved by Special General Meeting dated 2074 Mangsir 29, meeting allowances per meeting per member of Board of Directors has been increased to Rs. 12,000 for Chairman and Rs. 10,000 for other directors from existing allowance of Rs 8,000. No other benefits or allowances are provided to the board of directors. During the year, Rs 732,000 has been paid as meeting allowances of Board of Directors for board meeting and board level committee meetings.

### ❖ Key Management Personnel

Shivanth Bahadur Pandé	Chief Executive Officer
Mekh Bahadur Thapa Thada	Deputy Chief Executive Officer
Kabindra Bikram Dhoj Joshi	General Manager
Badri Prasad Pyakurel	Assistant General Manager

Chief Executive Officer has been deputed by the Parent and is entitled to allowance of NRs. 120,000 (NRs. One Lakhs Twenty Thousand only). During the year, Rs. 1,440,000 (NRs. Fourteen Lakhs Forty Thousand only) has been paid to the CEO as remuneration.

Following is the key management compensation during the period.

'Amount in Rs'

Short term employee benefits	FY 2018.19	FY 2017.18
- Salary & Allowances including Dashain Allowance	10,049,250	8,835,000
<b>Total Short Tern Employee Benefits (A)</b>	<b>10,049,250</b>	<b>8,835,000</b>
<b>Post-Employment Benefits</b>		
- Provident Fund	476,820	433,620
- Gratuity	1,248,032	850,841
- Leave Encashment	624,105	772,178
<b>Total Post-Employment Benefits (B)</b>	<b>2,348,957</b>	<b>2,056,639</b>
<b>Total Benefits (A+B)</b>	<b>12,398,207</b>	<b>10,891,639</b>



**(B) Related party transactions****i. Related Party Transactions with Parent**

The following is the related party transactions with the Parent

'Amount in Rs'

SN	Particular	Transaction Amount	Nature of Transactions	Remarks
1	Deposit at NIBL (Operating account)	5,288,354	Bank Deposit	
2	Deposit at NIBL (Other bank balances) including Fixed Deposit	71,770,899	Bank Deposit	
3	Interest earned from account maintained at NIBL (Operating Account) and Fixed Deposit Account	3,542,142	Interest Income	
4	Registrar to Share Fee from holding company	500,000	Share Registrar Income	For FY 75-76, received during the year
5	Human Resource Expenses (Mrs. Rekha Pant)	991,423	Staff Expenses	Staff from the holding company has been deputed as RTA/RTS officer of the company for day to day operations.
6	Depository Participant Fee	834,900	DP Commission Expenses	Paid during the year.
7	Service Level Agreement (SLA).	600,000	SLA Expenses	Paid during the year.

**ii. Related Party Transactions with NIBL Mutual Funds**

The Company is also fund manager and mutual fund depository for NIBL mutual fund and currently manages three schemes namely NIBL Samriddhi Fund-1, NIBL Pragati Fund and NIBL Sahabagita Fund. The following is the related party payment during the period.

'Amount in Rs'

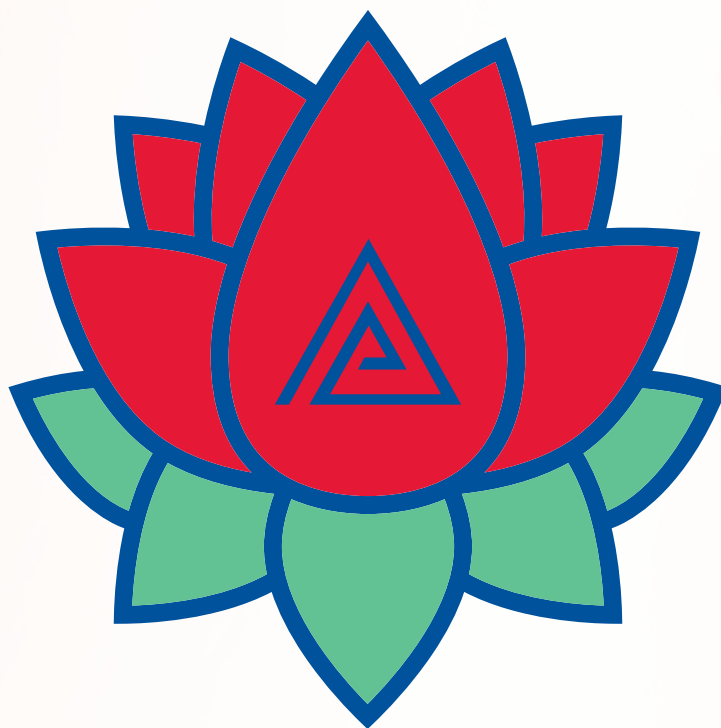
Related Party	Relation	Transaction Amount	Outstanding Balance	Nature of Transaction
NIBL Samriddhi Fund-1	Fund Manager	23,313,146	11,649,621	Receivable
NIBL Pragati Fund	Fund Manager	11,810,519	5,988,276	Receivable
NIBL Sahabagita Fund	Fund Manager	72,028	70,948	Receivable

The company has not provided any provision or impairment allowances on such outstanding related party balances and has not recognized any expenses for bad or doubtful debts on such balance. The company has not obtained any guarantee on such transactions.

**21. Events after the Reporting Period**

The Company follows NAS 10 - Events after the Reporting Period for accounting and reporting of events that occur after the reporting period, which requires to classify those events into adjusting and non-adjusting events.

There is no material events either adjusting or non-adjusting events for the reporting period end.



**NIBL MUTUAL FUND**

Managing shares. Managing investments.

# NIBL SAMRIDDHI FUND-I

NIBL Samriddhi Fund – I, is a closed end mutual fund scheme with a corpus of NPR 1 billion. Nepal Investment Bank Limited is the fund sponsor for this mutual fund scheme. The main objective of this scheme is to generate returns by investing in a mix of securities comprising of equity, equity related instruments & fixed income instruments as allowed by prevailing rules/regulations on mutual fund. The mutual fund has a maturity of 7 years from the date of allotment of its units.

Fund Supervisor	
Name	Background
Mr. Madhukar SJB Rana	Masters in economics with more than 46 years of experience in teaching profession and economist.
Dr. Bimal Prasad Koirala	PHD in economics with more than 30 years of experience in various government administration, industries and economic sector.
Dr. Shambhu Ram Simkhada	PHD International relation with more than 28 years of experience on various national and international organizations.
Dr. Durgesh Man Singh	PHD in Economics and expert in financial and political sector.
CA Jitendra Bahadur Raj bhandary	Chartered accountants with more than 36 years of experience in the field of auditing.

## **M.B. SHRESTHA & CO.**

**Chartered Accountants**  
**Sankhamul Road**  
**New Baneshwar**

Tel : 4781818  
 Fax No. : 977-1-4781789  
 E-mail : mbsshrestha@gmail.com  
 G.P.O. Box : 720  
 Kathmandu, Nepal.

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

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of NIBL Samriddhi- 1 Fund (herein after called Fund), which comprise the Statement of Financial Position (NFRS) as at Ashadh 31, 2076 corresponding to July 16, 2019 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Unit holder's Fund and Statement of Cash Flow for the year then ended and a summary of significant accounting policies and notes to accounts.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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



### Report on Requirement of Other Legislations

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

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

### Opinion on the Financial Statements

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements referred to above, read together with the notes attached thereto give a true and fair view of the financial position of NIBL Samriddhi- 1 Fund as of Ashadh 31, 2076 (July 16, 2019), and of the results of its financial performances and its cash flows for the year ended on that day in accordance with NFRS in so far as applicable in compliance with Securities Act 2063; Securities Board Regulation 2064; Mutual Fund Regulation 2067; Mutual Fund Guidelines 2069 and the prevailing legislations.



Maheswarendra Bdr. Shrestha, FCA  
M.B.Shrestha & Co.  
Chartered Accountants  
Date: Bhadra 12, 2076 (August 29, 2019)





### 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 2076 (16th July, 2019)

In NPR

Particulars	Notes	FY 2075/76	FY 2074/75
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3.2	187,645,522	198,646,506
Other Current Assets	4.6	9,480,270	18,407,269
Financial Assets Held at Amortized Cost		150,000,000	143,000,000
Financial Assets Held at Fair Value Through Profit or Loss	4.7	751,724,842	800,582,511
<b>Total</b>		<b>1,098,850,634</b>	<b>1,160,636,286</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accrued Expenses & Other Payables	5.2	29,381,450	31,445,606
<b>Liabilities (Excluding Net Assets Attributable to Unitholders)</b>		<b>29,381,450</b>	<b>31,445,606</b>
<b>Unit Holder's Funds</b>			
Net Assets Attributable to Unit Holders	6	1,069,469,184	1,129,190,680
<b>Total</b>		<b>1,098,850,634</b>	<b>1,160,636,286</b>

**NAV per Unit**

**10.69**

**11.29**

**Schedules and Explanatory Notes forms integral part of Statement of Position**

As per our Report of even date

**Shivanth Bahadur Pandé**  
Chief Executive Officer

**Sachin Tibrewal**  
Chairman

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

**Deepak Kumar Shrestha**  
Director

**Bandana Thapa**  
Director

**Rabindra Bhattarai**  
Director

**Mekh Bahadur Thapa**  
Deputy Chief Executive Officer

**Subhash Poudel**  
Head - Mutual Fund

**Date: 2076-05-12**  
Place: Kathmandu

## NIBL Samridhi 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 2075 to 31st Ashad 2076 (17th July 2018 to 16th July 2019)

In NPR

Particulars	Notes	FY 2075/76	FY 2074/75
<b>Income</b>			
Interest Income	7.2	24,457,530	26,991,347
Dividend Income	7.3	18,458,637	18,109,880
Net Realised Gains/(losses) on financial Assets at Fair Value Through Profit or loss	14(b)	28,973,485	119,277,358
Other Income		4,575,317	89,323
<b>Total</b>		<b>76,464,969</b>	<b>164,467,908</b>
<b>Expenses and Losses</b>			
Fund Management fees		18,132,447	20,923,032
Depository Fees		5,180,699	5,978,009
Fund Supervisors Fees		3,108,419	3,586,806
Publication Expenses		190,805	190,404
Listing Fees		50,000	50,000
DP Expense		100	9,450
Audit Fees		113,000	113,000
Bank Charges		9,770	18,115
Dividend Distribution Expenses		-	64,521
Write off Expenses		-	4,602
Other Expenses		5,043	-
Annual Service Charges on Software		62,150	124,300
ICRA -Annual Rating Fee		245,245	-
CDS Dematerialisation Registration Fee		240,000	120,000
<b>Total expenses</b>		<b>27,337,678</b>	<b>31,182,239</b>
<b>Net Gains/(Losses) for the Period</b>		<b>49,127,290</b>	<b>133,285,669</b>
<b>Other Comprehensive income</b>			
-Net Unrealised gains/(losses) on financial assets	14(b)	11,151,214	(366,421,189)
<b>Net Surplus/(Deficit) for the period</b>		<b>60,278,504</b>	<b>(233,135,520)</b>

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

As per our Report of even date

**Shivanth Bahadur Pandé**  
Chief Executive Officer

**Sachin Tibrewal**  
Chairman

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

**Deepak Kumar Shrestha**  
Director

**Bandana Thapa**  
Director

**Rabindra Bhattarai**  
Director

**Mekh Bahadur Thapa**  
Deputy Chief Executive Officer

**Subhash Poudel**  
Head - Mutual Fund

**Date: 2076-05-12**  
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 2075 to 31st Ashad 2076 (17th July 2018 to 16th July 2019)

In NPR

Particulars	FY 2075/76	FY 2074/75
<b>A. Cash Flow from Operating Activities</b>		
Surplus/ (Deficit) for the year	60,278,504	(233,135,520)
Adjustments for:		
Increase/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	(11,151,214)	366,421,189
Increase/(Decrease) in Liabilities	(2,064,156)	(10,539,293)
(Increase)/Decrease in Share	60,008,883	4,784,287
(Increase)/Decrease in Debenture	(7,000,000)	(10,000,000)
(Increase)/Decrease in Fixed Deposit	-	-
(Increase)/Decrease in Other Assets	8,926,999	9,805,827
<b>Net cash generated/(used) in Operations (1)</b>	<b>108,999,017</b>	<b>127,336,491</b>
<b>B. Cash Flow from Financing Activities</b>		
Dividend Paid during the year	(120,000,000)	(180,000,000)
<b>Net cash generated/(used) in financing (2)</b>	<b>(120,000,000)</b>	<b>(180,000,000)</b>
<b>C. Cash Flow from Investing Activities</b>	-	-
<b>Net cash generated/(used) in investing (3)</b>	-	-
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)</b>	<b>(11,000,983)</b>	<b>(52,663,509)</b>
Cash and Cash Equivalents at beginning of the year/period	198,646,506	251,310,015
<b>Cash and Cash Equivalents at end of period</b>	<b>187,645,521</b>	<b>198,646,506</b>
<b>Components of Cash and Cash Equivalents</b>		
Balance with Banks	187,645,522	198,646,506

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

As per our Report of even date

**Shivanth Bahadur Pandé**  
Chief Executive Officer

**Sachin Tibrewal**  
Chairman

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

**Deepak Kumar Shrestha**  
Director

**Bandana Thapa**  
Director

**Rabindra Bhattarai**  
Director

**Mekh Bahadur Thapa**  
Deputy Chief Executive Officer

**Subhash Poudel**  
Head - Mutual Fund

**Date: 2076-05-12**  
Place: Kathmandu

## NIBL Samriddhi 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 2075 to 31st Ashad 2076 (17th July 2018 to 16th July 2019)

In NPR

Particulars	FY 2075/76	FY 2074/75
<b>Unit Holders' Fund at the Beginning of the Year/Period</b>	<b>1,129,190,680</b>	<b>1,542,326,200</b>
Increase in Net Assets Attributable to Unit Holders:		
Net Gains/(Losses) for the Period	49,127,290	133,285,669
Other Comprehensive income	11,151,214	(366,421,189)
Distribution to Unit Holders'	(120,000,000)	(180,000,000)
<b>Unit Holders' Fund at the End of the Year/Period</b>	<b>1,069,469,184</b>	<b>1,129,190,680</b>

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

As per our Report of even date

**Shivanth Bahadur Pandé**  
Chief Executive Officer

**Sachin Tibrewal**  
Chairman

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

**Deepak Kumar Shrestha**  
Director

**Bandana Thapa**  
Director

**Rabindra Bhattarai**  
Director

**Mekh Bahadur Thapa**  
Deputy Chief Executive Officer

**Subhash Poudel**  
Head - Mutual Fund

**Date: 2076-05-12**  
Place: Kathmandu



## Notes to the Financial Statements as of Ashad End 2076 (16th July 2019)

### 1. General Information of the Scheme

<b>Fund:</b>	<b>NIBL Mutual Fund</b>
<b>Scheme:</b>	<b>NIBL Samriddhi Fund -1</b>
<b>Fund Sponsor:</b>	<b>Nepal Investment Bank Limited (NIBL)</b> (Licensed by NRB as Class A bank)
<b>Fund Management:</b>	<b>NIBL Ace Capital Limited</b> (A subsidiary of Nepal Investment Bank Limited)
<b>Fund Supervisors:</b>	Mr. Madhukar S.J.B.Rana Dr. Bimal Prasad Koirala Dr. Shambhu Ram Simkhada Dr. Durgesh Man Singh CA. Jitendra Bahadur Rajbhandari
<b>Total Units of Scheme:</b>	100,000,000 (One hundred million units)
<b>Total Unit Capital:</b>	NPR 1,000,000,000 (NPR One Billion)
<b>Scheme type:</b>	Close-ended

NIBL Samriddhi Fund - 1 (the Scheme) under NIBL Mutual Fund (the Fund) is registered under Mutual Fund Regulations, 2067 as a closed-end, diversified investment scheme. The objective of the Fund is to diligently manage the fund with the aim to achieve high return for unit holders, growth of both capital and income from investment in shares and fixed income securities and conservation of capital. The Scheme commenced its operation on 23 Poush 2071 (Scheme allotment date) B.S. with maturity period of 7 years (i.e. 22 Poush 2078 B.S.) It was listed in NEPSE on 23 Magh 2071. The Scheme's Financial Statements for the year 2075/76 were approved by the Board of Directors of the NIBL Ace Capital Limited on 12th Bhadra 2076 being the Fund Management and Depository Company. Similarly, the Fund Supervisors' consent on the approved Financial Statements has also been duly obtained.

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

The Unit Capital of the Scheme comprises of the following:

Holder	Status	No. of Units	Holding Amount @ 10 Each	Holding (%)
Nepal Investment Bank	Fund Sponsor	14,000,000	140,000,000	14
NIBL Ace Capital Limited	Fund Manager / Depository	1,000,000	10,000,000	1
General Public		85,000,000	850,000,000	85
<b>Total</b>		<b>100,000,000</b>	<b>1000,000,000</b>	<b>100</b>

### 2. Summary of Significant Accounting Policies

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

#### 2.1. Statement of Compliance:

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

#### 2.2. Basis of Preparation

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

Where an accounting policy is generally applicable to a specific item, the policy is described within that relevant note. NFRS requires the fund to exercise judgment in making accounting estimates. Description of such estimates has been given in the relevant sections wherever they have been applied. The financial statements are prepared on the basis of fair value measurement of assets and liabilities.

The statement of financial position is presented on liquidity basis. Assets and liabilities are presented in decreasing order of liquidity. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to 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 judgements as required by the standards are consistently used and in case of deviations disclosed specifically.

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

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

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

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

### **2.6. Presentation**

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

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

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

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

### **2.7. Presentation currency**

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

### **2.8. Accounting Policies and accounting estimates**

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

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

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

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

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

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

## 2.9. 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 2076	32nd Ashad 2075
Cash at Bank	187,645,522	198,646,506
<b>Total</b>	<b>187,645,522</b>	<b>198,646,506</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 unitholders. The Funds' principal financial liabilities comprise accrued expenses and other payables which arise directly from its operations.

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

### 4.2 Classification

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

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

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

### Loans and receivables

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

### 4.3 Recognition / De- recognition

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

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

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

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

#### 4.4 Measurement

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

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

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

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

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

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

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

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

If evidence of impairment exists, an impairment loss is recognized in profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. If in a subsequent period the amount of an impairment loss recognized on a financial asset carried at amortized cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through profit or loss.

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

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

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

#### 4.5 Offsetting Financial Instruments

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

##### Explanatory note



#### 4.6 Loans and Receivables-current

Particulars	Ashad End 2076	Ashad End 2075
Dividend Income Receivable	1,054,201	1,223,342
Interest Receivables	2,088,963	7,984,781
<b>Broker Receivables</b>		
Kohinoor Investment -35	3,593,894	6,747,588
Dakshinkali Investment -33	-	25
Naasa Securities -58	-	125
Vision Securities -34	2,706,278	1,475
<b>IPO Advance</b>		
SMATA -Right Advance	-	20,300
RSDC -Right Advance	-	177,000
SIL -Right Advance	-	485,700
<b>Right Auction Refund Receivable</b>		
Kumari Bank - Right Auction	-	1,730,000
TDS Receivables	36,934	36,934
<b>Total Amount</b>	<b>9,480,270</b>	<b>18,407,269</b>

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

Particulars	31st Asadh 2076	32nd Asadh 2075
Financial Assets Held for Trading		
Equity Security	751,724,842	800,582,511
<b>Total Financial Assets held for Trading (A)</b>	<b>751,724,842</b>	<b>800,582,511</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>751,724,842</b>	<b>800,582,511</b>

#### Comparative Investment in Listed Shares

Name of Company	Asadh End 2076			Asadh End 2075		
	Unit	Price (NPR)	Amount (NPR)	Unit	Price (NPR)	Amount (NPR)
Swabalamban Bikas Bank Limited	1,289	875	1,127,875	2,103	1,240	2,607,720
Shangrila Development Bank Ltd.	17,446	159	2,773,914	17,081	157	2,681,717
Nepal Bank Limited	21,981	336	7,385,616	26,981	281	7,581,661
Machhapuchhre Bank Limited	58,471	264	15,436,344	69,645	209	14,555,805
Siddhartha Bank Limited	27,145	318	8,632,110	55,859	300	16,757,700
Nepal Doorsanchar Comapany Limited	45,120	693	31,268,160	46,830	721	33,764,430
NIC Asia Bank Ltd.	1,500	448	672,000	41,381	316	13,076,396
Siddhartha Insurance Ltd.	16,205	455	7,373,275	9,176	690	6,331,440
Global IME Bank Limited	42,138	295	12,430,710	25,697	290	7,452,130
Citizen Bank International Limited	-	-	-	8,971	236	2,117,156
Mega Bank Nepal Ltd.	89,569	213	19,078,197	87,690	163	14,293,470
Prime Commercial Bank Ltd.	21,487	278	5,973,386	48,651	287	13,962,837
Agriculture Development Bank Limited	5,103	409	2,087,127	35,424	314	11,123,136
Shikhar Insurance Co. Ltd.	19,153	771	14,766,963	19,336	985	19,045,960
Sanima Bank Limited	34,368	348	11,960,064	61,199	324	19,828,476
Sagarmatha Insurance company limited	9,900	605	5,989,500	5,875	1,340	7,872,500
Laxmi Bank Limited	20,493	226	4,631,418	25,833	258	6,664,914
Rural Microfinance Development Centre Ltd.	9,340	661	6,173,740	6,673	653	4,357,469



NLG Insurance Company Ltd.	24,279	762	18,500,598	14,996	930	13,946,280
Nepal Insurance Co. Ltd.	8,375	354	2,964,750	7,681	658	5,054,098
Everest Bank Limited	25,591	666	17,043,606	31,762	663	21,058,206
National Life Insurance Co. Ltd.	33,795	585	19,770,075	18,609	799	14,868,591
Chilime Hydropower Company Limited	58,191	521	30,317,511	48,492	790	38,308,680
Nabil Bank Limited	62,777	800	50,221,600	23,996	921	22,100,316
NABIL Bank Limited Promotor Share	-	-	-	39,314	687	27,008,718
Nepal Bangladesh Bank Limited	27,751	222	6,160,722	36,751	214	7,864,714
Sunrise Bank Limited	25,931	248	6,430,888	42,585	230	9,794,550
Muktinath Bikas Bank Ltd.	42,380	370	15,680,600	37,856	378	14,309,568
Nerude Laghubitta Bikash Bank limited	4,780	470	2,246,600	3,720	637	2,369,640
Life Insurance Co. Nepal	7,785	1,600	12,456,000	8,076	1,622	13,099,272
Himalayan bank Limited	47,599	552	26,274,648	46,855	551	25,817,105
Nepal SBI Bank Limited	41,644	469	19,531,036	44,423	499	22,167,077
Asian Life Insurance Company limited	69,717	383	26,701,611	43,573	683	29,760,359
Taragaon Regency Hotel Limited	-	-	-	8,260	274	2,263,240
Nepal Credit and Commerce Bank limited	-	-	-	17,203	250	4,300,750
Himalayan General Insurance Co. Ltd	25,878	350	9,057,300	25,878	450	11,645,100
Garima Bikash Bank Limited	28,626	224	6,412,224	46,350	182	8,435,700
Nirdhan Utthan Bikash bank Limited	11,339	841	9,536,099	9,449	1,024	9,675,776
Standard Chartered Bank Limited	7,159	682	4,882,438	14,912	755	11,258,560
Deprosc Development Bank Limited	21,045	722	15,194,490	18,677	750	14,007,750
Sana Kisan Bikas Bank Ltd	34,214	948	32,434,872	27,371	1,160	31,750,360
Shine Resunga Development Bank	30,874	252	7,780,248	28,009	271	7,590,439
Kailash Bikash Bank Limited	-	-	-	18,312	229	4,193,448
Goodwill Finance Company Limited	21,125	135	2,851,875	21,125	122	2,577,250
Janata Bank Nepal Ltd.	23,387	214	5,004,818	31,387	157	4,927,759
Civil Bank Limited	50,407	158	7,964,306	45,721	153	6,995,313
Kumari Bank Limited	26,727	220	5,879,940	46,080	199	9,169,920
Oreintal Hotels limited	3,125	607	1,896,875	13,482	521	7,024,122
Chhimek Laghubitta Bikas Bank Limited	22,523	950	21,396,850	14,888	877	13,056,776
NMB Bank Limited	70,466	382	26,918,012	32,759	358	11,727,722
Excel Development Bank Ltd.	8,871	283	2,510,493	8,871	326	2,891,946
Womi Microfinance Bittiya Sanstha Ltd.	11	1,128	12,408	1	1,385	1,385
Sanima Mai Hydropower Ltd.	37,864	245	9,276,680	34,422	328	11,290,416
Nepal Life Insurance Co. Ltd.	30,582	901	27,554,382	19,466	1,050	20,439,300
National Hydro Power Company Limited	-	-	-	12,400	86	1,066,400
Butwal Power Company Limited	35,817	409	14,649,153	32,561	457	14,880,377
Lumbini General Insurance Co. Ltd.	25,761	430	11,077,230	25,761	550	14,168,550
Siddhartha Equity Orineted Scheme	933,470	11	10,100,145	933,470	11	9,848,109
Om Development Bank Ltd.	2,422	197	477,134	13,422	180	2,415,960
Dev Bikas Bank Limited	8,630	146	1,259,980	8,537	129	1,101,273
Century Commercial Bank Ltd.	24,024	177	4,252,248	23,553	169	3,980,457
Mero Microfinance Bittiya Sanstha Ltd.	11	532	5,852	-	-	-
Bank of Kathmandu Ltd.	69,203	255	17,646,765	62,470	264	16,492,080
National Microfinance Bittiya Sanstha Ltd.	3,215	1,480	4,758,200	2,571	2,214	5,692,194
RSDC Laghubitta Bittiya Sanstha Ltd.	4,910	343	1,684,130	2,739	555	1,520,145
Suryodaya Laghubitta Bittiya Sanstha Ltd.	1,499	793	1,188,707	1,050	1,550	1,627,500
Forward Community Microfinance Bittiya Sanstha Ltd.	2,709	1,328	3,597,552	1,715	2,220	3,807,300

Samata Microfinance Bittiya Sanstha Ltd.	652	1,130	736,760	407	1,380	561,660
Synergy Power Development Ltd.	11,940	90	1,074,600	11,940	124	1,480,560
United Modi Hydropower Ltd.	7,532	109	820,988	7,532	172	1,295,504
Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd.	209	947	197,923	543	2,610	1,417,240
Kamana Sewa Bikas Bank Limited	11,930	160	1,908,800	11,754	144	1,692,576
Citizen Investment Trust	2,664	2,429	6,470,856	5,378	2,500	13,445,000
Gandaki Bikas Bank Limited	7,274	216	1,571,184	2,274	205	66,170
NMB Sulav Investment Fund-1	1,339,000	11	14,487,980	823,000	12	9,505,650
Support Microfinance Bittiya Sanstha Ltd.	570	383	218,310	750	817	612,750
Arambha Microfinance Bittiya Sanstha Ltd.	717	529	379,293	817	582	475,494
Unnati Micorfinance Bittiya Sanstha Ltd.	797	800	637,600	516	1,840	949,440
Nepal Seva Laghubitta Bittiya Sanstha Ltd.	-	-	-	450	343	154,350
Rairang Hydropower Development Company Ltd.	-	-	-	933	148	138,084
Laxmi Value Fund-1	314,816	10	3,211,123	300,000	10	3,075,000
Nadep Laghubittiya bittya Sanstha Ltd.	2,530	412	1,042,360	-	-	-
Kalika power Company Ltd	4,036	91	367,276	-	-	-
Prabhu Bank Limited	102,999	266	27,397,734	-	-	-
Siddhartha Equity Fund	24,550	10	247,710	-	-	-
Chautari Laghubitta Bittya Sanstha Ltd	1,007	464	467,248	-	-	-
Asha Laghubitta Bittiya Sanstha Ltd	1,373	395	542,335	-	-	-
Universal Power Co Ltd	2,975	89	264,775	-	-	-
Neco Insurance Co. Ltd.	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	-	-	-
Swadeshi Laghubitta Bittiya Sanstha Ltd.	11	578	6,358	-	-	-
Global IME Laghubitta Bittiya Sanstha Ltd.	1	1,202	1,202	-	-	-
<b>Total</b>			<b>747,577,518</b>			<b>778,694,945</b>

### Comparative Investment in Unlisted Shares

Name of Company	Asadh End 2076			Asadh End 2075		
	Unit	Price (NPR)	Amount (NPR)	Unit	Price (NPR)	Amount (NPR)
Samudayik Laghubitta - IPO	-	-	-	938	100	93,800
SIL - Right Entitlement	-	-	-	13,876	228	3,169,417
RSDC - Right entitlement	-	-	-	2,949	266	785,171
Nadep Laghubitta - IPO	-	-	-	1,200	385	462,168
NMB - FPO Issue	-	-	-	25,000	358	8,950,000
SMATA - Right entitlement	-	-	-	407	651	264,823
Panchakanya Mai - IPO	-	-	-	3,056	125	381,205
NLICL - Right Entitlement	-	-	-	18,609	418	7,780,981
Rashuwagadi Hydro - IPO	12,829	181	2,318,599	-	-	-
Sanjen Hydro - IPO	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>Total</b>			<b>4,147,324</b>			<b>21,887,565</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.**

### Explanatory notes

#### 5.2 Accrued Expenses and Other Payables

Particulars	31st Asadh 2076	32nd Asadh 2075
NIBL Ace Capital Payable	-	61,218
Reporting Expenses Payables	13,380	-
Advance Income -NBL FPO Underwriting Fees	-	637,500
Allotment Refund Payable	2,589,075	2,589,075
Provision For Audit Fee	111,500	111,500
Provision For Reporting Exp	33,560	33,550
Provision for Realizable Tax on Dividend	1,072,979	1,072,979
TDS Liability	417,246	438,587
Fund Management Fee Payable - NIBL Ace Capital	9,060,820	9,563,354
Depository Fee Payables - NIBL Ace Capital	2,588,806	2,732,387
Supervisor Fee Payables	1,340,397	1,331,518
Supervisor Fee's commission to SEBON	-	83,220
Unit Dividend Payables	12,035,488	12,790,718
Provision for CDS Fees	118,200	-
<b>Total</b>	<b>29,381,450</b>	<b>31,445,606</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 2074/75, 12% dividend has been declared by the fund which has been recognized as liability in the financial year 2074/75. As on the reporting date NPR. 12,035,488 has been outstanding as dividend payable.

Details of unit dividend payable are as follows:

Particulars		Amount (NPR)
Opening unpaid Dividend FY 2072/73		12,790,718
Dividend declared @ 12% for FY 2074/75	12,000,000	
<b>Less:</b> Tds on dividend announced Balance	107,145,083	107,145,083
Total amount available for dividend distribution		119,935,801
Dividend paid out of FY 2047/75		
paid to unit holders out of dividend of 2042/73		(755,230)
<b>Less:</b> Dividend transferred to NIBL Ace Capital Limited to be distributed to the unit holders of NIBSF 1		(107,145,083)
<b>Closing unpaid dividend</b>		<b>12,035,488</b>

#### 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.niblcapiatal.com](http://www.niblcapiatal.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 2076	For the Year Ended on 32nd Ashad 2075
Unit Holders' Fund at the Beginning of the Year/Period	1,129,190,680	1,542,326,200
Increase / (Decrease) in Net Assets Attributable to Unit Holders		
a. Net Gains/(Losses) for the Period	49,127,290	133,285,669
b. Other Comprehensive income	11,151,214	(366,421,189)
Distribution to Unit Holders'	(120,000,000)	(180,000,000)
Unit Holders' Fund at the End of the Year/Period	1,069,469,184	1,129,190,680

## 7. Investment Income

### Accounting Policy

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

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

Dividend income is recognized on the ex-dividend date.

Explanatory notes

### 7.2 Interest Income

Particulars	Ashad End 2076	Ashad End 2075
Interest income on Debentures	4,185,000	3,415,000
Interest income on Fixed deposit and call account	20,272,530	23,576,347
Total Amount	24,457,530	26,991,347

### 7.3 Dividend Income

Particulars	Ashad End 2076	Ashad End 2075
Dividend Income Realized	18,458,637	18,109,880
Total	18,458,637	18,109,880

## 8. Expenses

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

The management participation fees of the fund are as follows:

- Fund Management Fees: 1.75% of Net Assets Value (NAV)\*
- Depository Fees: 0.5% of NAV \*
- Fund Supervisor Fees: 0.30% of NAV \*

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

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

Particulars	Ashad End 2076	Ashad End 2075
Fund Management Fee	18,132,447	20,923,032
Depository Fee	5,180,699	5,978,009
Fund Supervisor Fee	3,108,419	3,586,806
<b>Total</b>	<b>26,421,565</b>	<b>30,487,847</b>

## 9. Income Tax

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

## 10. Distributions

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

## 11. Financial Risk Management

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

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

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

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

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

### 11.1. Market Risk

#### a. Price Risk

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

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

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

#### Investment Threshold

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

#### b. Foreign Exchange Rate Risk

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

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

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

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

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

### 11.2. Credit Risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. However, there is no investment in debt securities.

Credit risk 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 2075/76:

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercial Banks	313,895,733	314,228,059	41.99%	-0.11%
Development banks	40,374,577	34,561,929	5.40%	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	56,770,983	94,745,381	7.59%	-40.08%
Insurance companies	161,592,334	178,781,844	21.62%	-9.61%
Telecom, Mutual Funds and Others	65,785,974	65,501,537	8.80%	0.43%
Microfinance	104,409,167	88,287,039	13.97%	18.26%
<b>Total</b>	<b>747,577,518</b>	<b>781,508,892</b>	<b>100.00%</b>	

For FY 2074/75:

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

### 11.3. Liquidity Risk

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

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

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

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

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

## 12. Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

Equities which are listed but no transactions are made within last 30 days is valued at 180 days Average Market price provided by NEPSE and Equities which are listed but no transactions are made within last 180 days is valued at last traded price of the stock at NEPSE considering it as level two input.

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

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

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

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

#### Where

$V_r$  = Value of Rights

$n$  = Number of rights offered

$m$  = Number of original shares held

$P_{ex}$  = Ex-right price

$P_{of}$  = Rights offer price

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

## 13. Financial Assets Held at Amortized Cost

Particulars	Ashad End 2076	Ashad End 2075
Debentures	50,000,000	33,000,000
Fixed Deposit	100,000,000	100,000,000
<b>Total</b>	<b>150,000,000</b>	<b>133,000,000</b>



**Note a:**

The investment in debentures are recognized on cost. The maturity period of the debentures are 7 years. They are classified based on maturity period using the effective interest rate and classified as held to maturity. Interest on the debentures are recognized daily as per accrual basis. The interest are received on half yearly basis. The debentures are listed on the stock exchange. As there are no other associated costs, premium or discount the investment and the investment are settled with receiving the principal and interest the intrinsic coupon rate has been used as effective interest rate.

**Note b:**

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

**14. Net Gain/Losses on financial assets held at fair value through profit or loss****a. Accounting policy**

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

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

**b. Explanatory notes**

Particulars	Ashad End 2076	Ashad End 2075
Net Realized Gains/(Losses) on Financial Assets at Fair Value Through Profit or loss	28,973,485	119,277,358
Net Unrealized Gains/(Losses) on Financial Assets at Fair Value Through Profit or Loss	11,151,214	(366,421,189)
<b>Total</b>	<b>40,124,699</b>	<b>(247,143,831)</b>

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

Name of Company	Unit	Price	Amount	Cost	Total Cost	Gain/(Loss)
Swabalamban Bikas Bank 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
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)
Rural Microfinance Development Centre Ltd.	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 Bikash Bank 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 Bikash bank 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)
Deprosc Development Bank Limited	21,045	722	15,194,490	773	16,269,326	(1,074,836)
Sana Kisan Bikas Bank Ltd	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)
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 Bikas Bank 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	11	10,100,145	11	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	11	14,487,980	12	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 Micorfinance Bittiya Sanstha Ltd.	797	800	637,600	75	59,600	578,000
Laxmi Value Fund-1	314,816	10	3,211,123	10	3,270,720	(59,597)
Nadep Laghubittiya bittya 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	247,710	9	225,605	22,105
Chautari Laghubitta Bittya 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 Jalabiddhyut 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>						<b>(43,119,864)</b>
<b>Unrealised Gain /(Loss) this year</b>						<b>11,151,214</b>

**Computation of Unrealized Gains/loss for FY 2074/75:**

Name of Company	Unit	Price	Amount	Cost	Total Cost	Gain/(Loss)
Swabalamban Bikas Bank Limited	2,103	1,240	2,607,720	799	1,680,871	926,849
Shangrila Development Bank Ltd.	17,081	157	2,681,717	144	2,461,935	219,782
Nepal Bank Limited	26,981	281	7,581,661	337	9,091,086	(1,509,425)
Machhapuchhre Bank Limited	69,645	209	14,555,805	253	17,632,504	(3,076,699)
Siddhartha Bank Limited	55,859	300	16,757,700	271	15,113,621	1,644,079
Nepal Doorsanchar Comapany Limited	46,830	721	33,764,430	681	31,877,771	1,886,659
NIC Asia Bank Ltd.	41,381	316	13,076,396	391	16,188,673	(3,112,277)
Siddhartha Insurance Ltd.	9,176	690	6,331,440	414	3,797,331	2,534,109
Global IME Bank Limited	25,697	290	7,452,130	320	8,229,778	(777,648)
Citizen Bank International Limited	8,971	236	2,117,156	178	1,595,177	521,979
Mega Bank Nepal Ltd.	87,690	163	14,293,470	223	19,565,739	(5,272,269)
Prime Commercial Bank Ltd.	48,651	287	13,962,837	272	13,247,067	715,771
Agriculture Dev. Bank Limited	35,424	314	11,123,136	274	9,700,092	1,423,044
Shikhar Insurance Co. Ltd.	19,336	985	19,045,960	855	16,526,159	2,519,801
Sanima Bank Limited	61,199	324	19,828,476	314	19,198,249	630,227
Sagarmatha Insurance company limited	5,875	1,340	7,872,500	1,111	6,524,471	1,348,029
Laxmi Bank Limited	25,833	258	6,664,914	263	6,792,117	(127,203)
Rural Microfinance Development Centre Ltd.	6,673	653	4,357,469	588	3,922,758	434,711
NLG Insurance Company Ltd.	14,996	930	13,946,280	613	9,198,309	4,747,971





Nepal Insurance Co. Ltd.	7,681	658	5,054,098	368	2,823,106	2,230,992
Everest Bank Limited	31,762	663	21,058,206	704	22,363,218	(1,305,012)
National Life Insurance Co. Ltd.	18,609	799	14,868,591	1,332	24,790,551	(9,921,960)
Chilime Hydropower Company Limited	48,492	790	38,308,680	1,088	52,761,359	(14,452,679)
Nabil Bank Limited	23,996	921	22,100,316	1,089	26,142,448	(4,042,132)
NABIL Bank Limited Promotor Share	39,314	687	27,008,718	731	28,719,380	(1,710,662)
Nepal Bangladesh Bank Limited	36,751	214	7,864,714	279	10,240,996	(2,376,282)
Sunrise Bank Limited	42,585	230	9,794,550	229	9,732,837	61,713
Muktinath Bikas Bank Ltd.	37,856	378	14,309,568	392	14,839,206	(529,638)
Nerude Laghubitta Bikash Bank limited	3,720	637	2,369,640	622	2,312,294	57,346
Life Insurance Co. Nepal	8,076	1,622	13,099,272	1,812	14,635,040	(1,535,768)
Himalayan bank Limited	46,855	551	25,817,105	555	25,983,004	(165,899)
Nepal SBI Bank Limited	44,423	499	22,167,077	453	20,123,076	2,044,001
Asian Life Insurance Company limited	43,573	683	29,760,359	671	29,255,041	505,318
Taragaon Regency Hotel Limited	8,260	274	2,263,240	267	2,208,231	55,009
Nepal Credit and Commerce Bank limited	17,203	250	4,300,750	386	6,642,986	(2,342,236)
Himalayan General Insurance Co. Ltd	25,878	450	11,645,100	560	14,483,488	(2,838,388)
Garima Bikash Bank Limited	46,350	182	8,435,700	181	8,379,687	56,013
Nirdhan Utthan Bikash bank Limited	9,449	1,024	9,675,776	957	9,046,852	628,924
Standard Chartered Bank Limited	14,912	755	11,258,560	782	11,661,405	(402,845)
Deprosc Development Bank Limited	18,677	750	14,007,750	851	15,900,730	(1,892,980)
Sana Kisan Bikas Bank Ltd	27,371	1,160	31,750,360	1,131	30,960,361	789,999
Shine Resunga Development Bank	28,009	271	7,590,439	186	5,206,244	2,384,195
Kailash Bikash Bank Limited	18,312	229	4,193,448	195	3,561,715	631,733
Goodwill Finance Company Limited	21,125	122	2,577,250	180	3,812,882	(1,235,632)
Janata Bank Nepal Ltd.	31,387	157	4,927,759	190	5,956,660	(1,028,901)
Civil Bank Limited	45,721	153	6,995,313	223	10,218,320	(3,223,007)
Kumari Bank Limited	46,080	199	9,169,920	234	10,775,859	(1,605,939)
Oreintal Hotels limited	13,482	521	7,024,122	585	7,892,056	(867,934)
Chhimek Laghubitta Bikas Bank Limited	14,888	877	13,056,776	979	14,575,285	(1,518,509)
NMB Bank Limited	32,759	358	11,727,722	559	18,310,194	(6,582,472)
Excel Development Bank Ltd.	8,871	326	2,891,946	348	3,085,860	(193,914)
Womi Microfinance Bittiya Sanstha Ltd.	1	1,385	1,385	104	104	1,281
Sanima Mai Hydropower Ltd.	34,422	328	11,290,416	476	16,391,259	(5,100,843)
Nepal Life Insurance Co. Ltd.	19,466	1,050	20,439,300	1,243	24,191,172	(3,751,872)
National Hydro Power Company Limited	12,400	86	1,066,400	213	2,640,459	(1,574,059)
Butwal Power Company Limited	32,561	457	14,880,377	692	22,525,791	(7,645,414)
Lumbini General Insurance Co. Ltd.	25,761	550	14,168,550	573	14,757,035	(588,485)
Siddhartha Equity Orineted Scheme	933,470	11	9,848,109	11	10,524,617	(676,509)
Om Dev.Bank Ltd.	13,422	180	2,415,960	172	2,301,898	114,062
Dev Bikas Bank Limited	8,537	129	1,101,273	150	1,279,079	(177,806)
Century Commercial Bank Ltd.	23,553	169	3,980,457	274	6,443,174	(2,462,717)
Bank of Kathmandu Ltd.	62,470	264	16,492,080	319	19,929,909	(3,437,829)
National Microfinance Bittiya Sanstha Ltd.	2,571	2,214	5,692,194	83	214,200	5,477,994
RSDC Laghubitta Bittiya Sanstha Ltd.	2,739	555	1,520,145	458	1,254,392	265,753



Suryodaya Laghubitta Bittiya Sanstha Ltd.	1,050	1,550	1,627,500	84	88,700	1,538,800
Forward Community Microfinance Bittiya Sanstha Ltd.	1,715	2,220	3,807,300	922	1,581,274	2,226,026
Samata Microfinance Bittiya Sanstha Ltd.	407	1,380	561,660	83	33,900	527,760
Synergy Power Development Ltd.	11,940		1,480,560	100	1,194,000	286,560
United Modi Hydropower Ltd.	7,532	172	1,295,504	156	1,171,772	123,732
Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd.	543	2,610	1,417,240	61	32,900	1,384,340
Kamana Sewa Bikas Bank Limited	11,754	144	1,692,576	167	1,965,338	(272,762)
Citizen Investment Trust	5,378	2,500	13,445,000	2,405	12,933,934	511,066
Gandaki Bikas Bank Limited	2,274	205	466,170	190	432,642	33,528
NMB Sulav Investment Fund-1	823,000	12	9,505,650	12	9,760,287	(254,637)
Support Microfinance Bittiya Sanstha Ltd.	750	817	612,750	100	75,000	537,750
Arambha Microfinance Bittiya Sanstha Ltd.	817	582	475,494	100	81,700	393,794
Unnati Microfinance Bittiya Sanstha Ltd.	516	1,840	949,440	100	51,600	897,840
Nepal Seva Laghubitta Bittiya Sanstha Ltd.	450	343	154,350	100	45,000	109,350
Rairang Hydropower Development Company Ltd.	933	148	138,084	100	93,300	44,784
Laxmi Value Fund-1	300,000	10	3,075,000	10	3,119,463	(44,463)
Samudayik Laghubitta-IPO	938	100	93,800	100	93,800	-
SIL -Right Entitlement	13,876	228	3,169,417	-	-	3,169,417
RSDC -Right entitlement	2,949	266	785,171	-	-	785,171
Nadep Laghubitta-IPO	1,200	385	462,168	100	120,000	342,168
NMB-FPO Issue	25,000	358	8,950,000	333	8,325,000	625,000
SMATA -Right entitlement	407	651	264,823	-	-	264,823
Panchakanya Mai-IPO	3,056	125	381,205	100	305,600	75,605
NLICL -Right Entitlement	18,609	418	7,780,981	-	-	7,780,981
<b>Total</b>			<b>800,582,511</b>		<b>843,702,375</b>	<b>(43,119,864)</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 140,000,000 (at par value of NPR 10 per unit)
- Unit Holding of NIBL Ace Capital Limited (Fund Management) amounts to NPR 10,000,000 (at par value of NPR 10 per unit)
- NIBL Samriddhi Fund -1 have earned interest amounting to NPR. 211,445 (NPR. Two Hundred Eleven Thousand)

Four Hundred Forty Five only) from Nepal Investment Bank Limited.

- Fund Management and Depository Fee incurred by NIBL Samriddhi Fund -1 during the year amounts to NPR 23,313,146 (NPR. Twenty Three Million Three Hundred Thirteen Thousand One Hundred and Forty Six only). The amount is payable to NIBL Ace Capital Limited.
- Fund Management and Depository Fee payable by NIBL Samriddhi Fund -1 to NIBL Ace Capital Limited NPR 11,649,625 (NPR. Eleven Million Six Hundred Forty Nine Thousand Six Hundred and Twenty Five only).
- The Scheme has a call account bank balance of NPR 1,389,454 (NPR. One Million Three Hundred Eighty Nine Thousand Four Hundred and Fifty Four only) as on Balance Sheet date with the Fund Sponsor - Nepal Investment Bank Limited.
- Depository Fee for transaction expenses NPR 100 (NPR. One Hundred 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.

### 19. Proposed Dividend

6.5% Dividend (including tax) has been proposed by the Board of Directors for the fiscal year 2075/76 which amounts to NPR 6,50,00,000 (Six Crore Fifty Lakh Only).

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

As per our Report of even date

**Shivanth Bahadur Pandé**  
Chief Executive Officer

**Sachin Tibrewal**  
Chairman

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

**Deepak Kumar Shrestha**  
Director

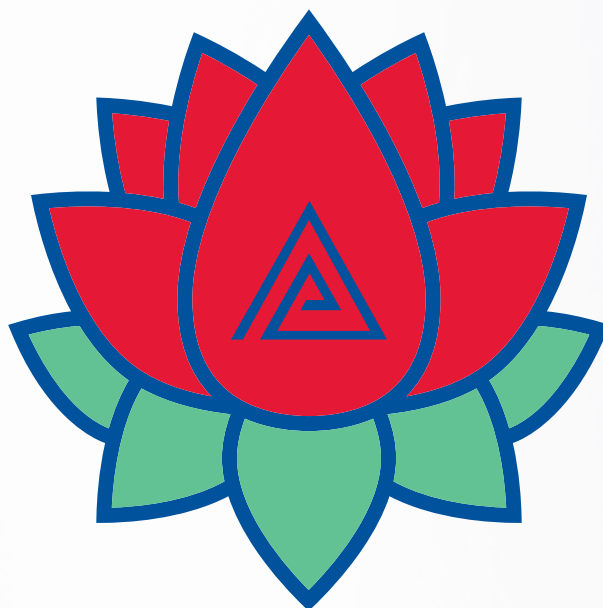
**Bandana Thapa**  
Director

**Rabindra Bhattarai**  
Director

**Mekh Bahadur Thapa**  
Deputy Chief Executive Officer

**Subhash Poudel**  
Head -Mutual Fund

Date: 2076/05/12  
Place: Kathmandu


**NIBL MUTUAL FUND**

Managing shares. Managing investments.

# NIBL PRAGATI FUND

NIBL Pragati Fund, is another closed end mutual fund scheme with a corpus of NPR 750 million. Nepal Investment Bank Limited is the fund sponsor for this mutual fund scheme. The main objective of this scheme is to generate returns by investing only in the equity market as allowed by prevailing rules/regulations on mutual fund. The mutual fund has a maturity of 7 years from the date of allotment of its units.

Fund Supervisor	
Name	Background
Mr. Madhukar SJB Rana	Masters in economics with more than 46 years of experience in teaching profession and economist.
Dr. Bimal Prasad Koirala	PHD in economics with more than 30 years of experience in various government administration, industries and economic sector.
Dr. Shambhu Ram Simkhada	PHD International relation with more than 28 years of experience on various national and international organizations.
Dr. Durgesh Man Singh	PHD in Economics and expert in financial and political sector.
CA Jitendra Bahadur Raj Bhandary	Chartered accountants with more than 36 years of experience in the field of auditing.

**S. R. PANDEY & CO.**  
**Chartered Accountants**

2nd Floor, House No. 2979/33  
Nabil Galli, Maharajgunj  
P. O. Box No. 2343  
Kathmandu, Nepal

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Fax: 977-1-4720983  
e-mail: info@srp.com.np

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

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **NIBL PRAGATI FUND** ("the Mutual Fund"), which comprise the Statement of Financial Position as at Ashad 31, 2076 (July 16, 2019), the Statement of Profit or Loss (including Other Comprehensive Income), the Statement of Changes in Unit Holders' fund and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements presents fairly, in all material respects, the financial position of the Mutual Fund, as at Ashad 31, 2076 (July 16, 2019), and its financial performance, Statement of Changes in Unit Holders' fund, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Financial Reporting Standards and comply with Securities Act, 2063, Securities Board Regulations, 2064, Mutual Fund Regulation, 2067, Mutual Fund Guidelines, 2069 and other prevailing laws and regulations.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Mutual Fund in accordance with the Handbook of The Code of Ethics for Professional Accountants issued by The Institute of Chartered Accountants of Nepal (ICAN), and we have fulfilled our other ethical responsibilities in accordance with the ICAN's Handbook of The Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Mutual Fund's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management report, Report of the Board of Directors and Chairman's statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to




**S. R. PANDEY & CO.**  
Chartered Accountants

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e-mail: info@srp.com.np

**Responsibility of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, 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 Capital or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Mutual Fund's financial reporting process.

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

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Capital's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Mutual Fund'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.



**S. R. PANDEY & CO.**  
**Chartered Accountants**

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e-mail: info@srp.com.np

We communicate 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.

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 on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

Based on our examination, we would like to further report that:

- I. The Statement of Financial Position as at Ashad 31, 2076 (July 16, 2019), the Statement of Profit or Loss (including Other Comprehensive Income), the Statement of Changes in Unit Holders' fund and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the financial Statements") dealt with by this report are prepared in accordance with Nepal Financial Reporting Standards (NFRS); Securities Act, 2063; Securities Board Regulations, 2064; Mutual Fund Regulations, 2067; Mutual Fund Guidelines, 2069 and other prevailing laws and regulations are in agreement with the books of account maintained by the scheme.
- II. The fund under the scheme has been invested as according to the Mutual Fund Regulation, 2067.
- III. During our examination of the books of account of the Scheme, we have not come across any action committed against the interest of Unit holders.
- IV. The operations of the Scheme were found satisfactory.

Date: 2076/05/12  
Place: Kathmandu



For, S. R. Pandey & Co.  
Chartered Accountants



Sudarshan Raj Pandey, FCA  
Senior Partner

## NIBL Pragati Fund

(Sponsored by Nepal Investment Bank Ltd. and Managed by NIBL Ace Capital Limited.)  
Statement of Financial Position as at 31st Ashad 2076 (16th July, 2019)

NPR

Particulars	Notes	31 Ashad 2076	32nd Ashad 2075
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3.2	53,086,601	25,221,992
Loans & Receivables	4.6	208,136	10,463,059
Financial Assets Held at Fair Value Through Profit or Loss	4.7	575,062,076	556,891,990
<b>Total</b>		<b>628,356,813</b>	<b>592,577,041</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accrued Expenses & Other Payables	5.2	7,278,194	6,836,682
<b>Liabilities (Excluding Net Assets Attributable to Unitholders)</b>		<b>7,278,194</b>	<b>6,836,682</b>
<b>Unit Holder's Funds</b>			
Net Assets Attributable to Unit Holders	6	621,078,619	585,740,359
<b>Total</b>		<b>628,356,813</b>	<b>592,577,041</b>

NAV per Unit

8.28

7.81

Schedules and Explanatory Notes forms integral part of Statement of Position

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

As per our Report of even date

**Shivanth Bahadur Pande**  
Chief Executive Officer

**Sachin Tibrewal**  
Chairman

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

**Deepak Kumar Shrestha**  
Director

**Bandana Thapa**  
Director

**Rabindra Bhattarai**  
Director

**Mekh Bahadur Thapa**  
Deputy Chief Executive Officer

**Subhash Poudel**  
Head-Mutual Fund

Date: 2076/05/12  
Place : Kathmandu



## NIBL Pragati Fund

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

Statement of Profit or Loss

For the Period from 1st Shrawan 2075 to 31st Asadh 2076 (16th July 2018 to 16th July 2019)

Particulars	Notes	FY2075/76	FY 2074/75
<b>Income</b>			
Interest Income	7.2	1,457,140	4,514,231
Dividend Income	7.3	10,789,087	4,822,207
"Net Profit/(Loss) on Financial Assets Held at Fair Value through Profit and Loss"	13(b)	37,820,314	(185,109,867)
Other Income		10,439	12,602
<b>Total</b>		<b>50,076,980</b>	<b>(175,760,828)</b>
<b>Expenses and Losses</b>			
Pre-operating expenses		-	-
Fund Management fees		8,857,889	9,550,127
Depository Fees		2,952,630	3,183,376
Fund Supervisors Fees		1,771,578	1,910,025
Publication Expenses		184,890	173,767
Listing Fees		50,000	50,000
Audit Fees		113,000	113,000
Bank Charges		6,765	12,380
DP Expense		100	2,525
NAV Certification fee		-	-
CDS Dematerialisation Registration Fee		240,000	120,000
Annual Service Charges on Software		31,075	62,150
Other Expenses		530,795	43,663
<b>Total expenses</b>		<b>14,738,720</b>	<b>15,221,013</b>
<b>Increase/(Decrease) in Net Assets Attributable to Unitholders</b>		<b>35,338,260</b>	<b>(190,981,840)</b>

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

As per our Report of even date

**Shivanth Bahadur Pande**  
Chief Executive Officer

**Sachin Tibrewal**  
Chairman

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

**Deepak Kumar Shrestha**  
Director

**Bandana Thapa**  
Director

**Rabindra Bhattarai**  
Director

**Mekh Bahadur Thapa**  
Deputy Chief Executive Officer

**Subhash Poudel**  
Head-Mutual Fund

Date: 2076/05/12  
Place : Kathmandu



## NIBL Pragati Fund

(Sponsored by Nepal Investment Bank Ltd. and Managed by NIBL Ace Capital Limited.)  
Statement of Cash Flows  
For the Period from 1st Shrawan 2075 to 31st Asadh 2076 (16th July 2018 to 16th July 2019)

Particulars	FY 2075/76	FY 2074/75
<b>A. Cash Flow from Operating Activities</b>		
Surplus/ (Deficit) for the year	35,338,260	(190,981,840)
Adjustments for:		
Unrealised (gain)/loss on financial assets held for trading purposes	(28,828,271)	197,059,686
Increase/(Decrease) in Liabilities	441,512	(3,669,556)
(Increase)/Decrease in Share	10,658,185	(192,529,685)
(Increase)/Decrease in Other Assets	10,254,923	(5,059,230)
<b>Net cash generated/(used) in Operations (1)</b>	<b>27,864,609</b>	<b>(195,180,626)</b>
<b>B. Cash Flow from Financing Activities</b>		
Increase/(Decrease) in Unit Capital	-	-
Dividend Paid during the year (net of tax)		
<b>Net cash generated/(used) in financing (2)</b>	<b>-</b>	<b>-</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>27,864,609</b>	<b>(195,180,626)</b>
Cash and Cash Equivalents at beginning of the year/period	25,221,992	220,402,618
<b>Cash and Cash Equivalents at end of period</b>	<b>53,086,601</b>	<b>25,221,992</b>
<b>Components of Cash and Cash Equivalents</b>		
Balance with Banks	53,086,601	25,221,992

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

As per our Report of even date

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Chief Executive Officer

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Director

**Mekh Bahadur Thapa**  
Deputy Chief Executive Officer

**Subhash Poudel**  
Head-Mutual Fund

Date: 2076/05/12  
Place : Kathmandu

## NIBL Pragati Fund

(Sponsored by Nepal Investment Bank Ltd. and Managed by NIBL Ace Capital Limited.)  
Statement of Changes in Unit Holders' fund  
For the Period from 1<sup>st</sup> Shrawan 2075 to 31<sup>st</sup> Asadh 2076 (16<sup>th</sup> July 2018 to 16<sup>th</sup> July 2019)

Particulars	For the year Ended on 31st Ashad 2076	For the year Ended on 32nd Ashad 2075
Units Holders' Fund at the beginning of the Year/Period	585,740,359	776,722,199
Increase in Net Assets Attributable to Unit Holders	35,338,260	(190,981,840)
Distribution to Unit Holders	-	-
<b>Units Holders' Fund at the end of the Year/Period</b>	<b>621,078,619</b>	<b>585,740,359</b>

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

As per our Report of even date

**Shivanth Bahadur Pande**  
Chief Executive Officer

**Sachin Tibrewal**  
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**S. R. Pandey, FCA**  
Senior Partner  
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**Rabindra Bhattarai**  
Director

**Mekh Bahadur Thapa**  
Deputy Chief Executive Officer

**Subhash Poudel**  
Head- Mutual Fund

Date: 2076/05/12  
Place : Kathmandu

## Notes to the Financial Statements as of Ashad End 2076 (16<sup>th</sup> July 2019)

### 1. General Information of the Scheme

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

NIBL Pragati Fund (the Scheme) under NIBL Mutual Fund (the Fund) is registered under Mutual Fund Regulations, 2067 as a closed-end, diversified investment scheme. The objective of the Fund is to diligently manage the fund with the aim to achieve high return for unit holders, growth of both capital and income from investment in shares and conservation of capital. The Scheme commenced its operation on 27 Poush 2073 (Scheme allotment date) B.S. with maturity period of 7 years (i.e. 26 Poush 2080 B.S.) It was listed in NEPSE on 6th Chaitra, 2073. The Scheme's Financial Statements for the year 2075/76 were approved by the Board of Directors of the NIBL Ace Capital Limited on 12th Bhadra 2076 being the Fund Management and Depository Company. Similarly, the Fund Supervisors' consent on the approved Financial Statements has also been duly obtained.

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

The Unit Capital of the Scheme comprises of the following:

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

### 2. Summary of Significant Accounting Policies

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

#### 2.1. Statement of Compliance:

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

#### 2.2. Basis of Preparation

The fund while complying with the reporting standards, makes critical accounting 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 judgments 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 judgement in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. This may later be determined that a different choice could have been more appropriate.

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

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



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

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 2076	32nd Ashad 2075
Cash at Bank	53,086,601	25,221,992
<b>Total</b>	<b>53,086,601</b>	<b>25,221,992</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 NFRS 39; Financial Instruments: Recognition and Measurement, the Fund's interest receivables are classified as 'loans and receivables'. Equity securities / debentures are classified as fair value through profit and loss. The amount attributable to 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.

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.

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

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

#### 4.5 Offsetting Financial Instruments

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

##### Explanatory note

#### 4.6 Loans and Receivables-current

Particulars	31st Ashad 2076	32nd Ashad 2075
Dividend Income Receivable	80,788	118,456
Broker Receivables	-	9,153,455
IPO Advance	-	-
RSDC Right	-	165,000
SIL Right	-	878,400
SAMATA Right	-	20,400
TDS Receivables	127,347	127,347
<b>Total Amount</b>	<b>208,136</b>	<b>10,463,059</b>

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

Particulars	31st Ashad 2076	32nd Ashad 2075
Financial Assets Held for Trading		
Equity Security	575,062,076	556,891,990
<b>Total Financial Assets held for Trading (A)</b>	<b>575,062,076</b>	<b>556,891,990</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>575,062,076</b>	<b>556,891,990</b>

#### Comparative Investment in Listed Shares

Name of Company	Asadh End 2076			Asadh End 2075		
	Unit	Price (NPR)	Amount (NPR)	Unit	Price (NPR)	Amount (NPR)
Himalayan Bank Limited	32,392	552	17,880,384	30,850.00	551	16,998,350
Bank of Kathmandu Limited	36,161	255	9,221,055	31,720.00	264	8,374,080
Machhapuchhre Bank Limited	5,757	264	1,519,848	17,848.00	209	3,730,232
Siddhartha Bank Limited	48,273	318	15,350,814	44,022.00	300	13,206,600
Prime Commercial Bank Limited	38,996	278	10,840,888	41,918.00	287	12,030,466
Citizens Bank International Limited	33,454	224	7,493,696	32,290.00	236	7,620,440
Sunrise Bank Limited	39,655	248	9,834,440	39,655.00	230	9,120,650
Sanima Bank Limited	43,513	348	15,142,524	40,513.00	324	13,126,212
NIC Asia Bank Limited	2,150	448	963,200	16,685.00	316	5,272,460
Nepal Bank Limited	88,471	336	29,726,256	45,539.00	281	12,796,459
NABIL Bank Limited Promotor Share		-	-	32,373.00	687	22,240,251
Global IME Bank Limited	42,781	295	12,620,395	32,370.00	290	9,387,300
Nepal SBI Bank Limited	40,977	469	19,218,213	39,026.00	499	19,473,974
Nepal Bangladesh Bank Limited	5,033	222	1,117,326	34,393.00	214	7,360,102
NMB Bank Limited	8,989	382	3,433,798	4,400.00	358	1,575,200
Laxmi Bank Limited	32,846	226	7,423,196	38,713.00	258	9,987,954
Agricultural Development Bank Limited	23,344	409	9,547,696	40,969.00	314	12,864,266
Century Commercial Bank Limited	12,818	177	2,268,786	14,527.00	169	2,455,063
Everest Bank Limited	30,181	666	20,100,546	35,361.00	663	23,444,343



Standard Chartered Bank Nepal Limited	-	-	-	1,765.00	755	1,332,575
Kumari Bank Limited	27,564	220	6,064,080	33,471.00	199	6,660,729
Janata Bank Nepal Limited	-	-	-	12,000.00	157	1,884,000
Mega Bank Nepal Limited	15,510	213	3,303,630	18,990.00	163	3,095,370
Prabhu Bank Limited	43,623	266	11,603,718	-	-	-
Nabil Bank Limited	34,258	800	27,406,400	-	-	-
Shine Resunga Development Bank Limited	33,678	252	8,486,856	27,674.00	271	7,499,654
Garima Bikas Bank Limited	40,143	224	8,992,032	36,494.00	182	6,641,908
Muktinath Bikas Bank Limited	49,764	370	18,412,680	42,084.00	378	15,907,752
Kailash Bikas Bank Limited	27,500	238	6,545,000	27,500.00	229	6,297,500
Shangrila Development Bank Limited	6,464	159	1,027,776	6,215.00	157	975,755
Excel Development Bank Limited	16,762	283	4,743,646	16,762.00	326	5,464,412
Oriental Hotel Limited	9,328	607	5,662,096	16,275.00	521	8,479,275
Taragon Regency Hotel Limited		-	-	4,330.00	274	1,186,420
Sanima Mai Hydropower Limited	29,878	245	7,320,110	27,162.00	328	8,909,136
Chilime Hydro power Company Limited	3,356	521	1,748,476	1,946.00	790	1,537,340
Butwal Power Company Limited	11,022	409	4,507,998	10,020.00	457	4,579,140
United Modi Hydropower Limited	6,361	109	693,349	6,361.00	172	1,094,092
Kalika Power company limited	4,036	91	367,276	-	-	-
Panchakanya Mai Hydropower Limited	3,056	110	336,160	-	-	-
United Hydropower company limited	2,975	89	264,775	-	-	-
Rairang Hydropower Development Company Limited.	-	-	-	833.00	148	123,284
Asian Life Insurance Company Limited	63,316	383	24,250,028	39,572.00	683	27,027,676
Himalayan General Insurance Company Limited	20,800	350	7,280,000	20,800.00	450	9,360,000
Lumbini General Insurance Limited	8,410	430	3,616,300	8,410.00	550	4,625,500
Siddhartha Insurance Limited	39,126	455	17,802,330	25,097.00	690	17,316,930
NLG Insurance Company Limited	17,108	762	13,036,296	16,338.00	930	15,194,340
Nepal Life Insurance Company Limited	26,601	901	23,967,501	14,781.00	1050	15,520,050
National Life Insurance Company Limited	40,496	585	23,690,160	22,299.00	799	17,816,901
Shikhar Insurance Company Limited	15,267	771	11,770,857	15,267.00	985	15,037,995
Life Insurance Corporation Nepal Limited	6,070	1600	9,712,000	5,866.00	1622	9,514,652
Sagarmatha Insurance Company Limited	5,580	605	3,375,900	3,000.00	1340	4,020,000
Nepal Insurance Company Limited	2,475	354	876,150	5,000.00	658	3,290,000
Neco Insurance Company Limited	4,673	495	2,313,135			
Nepal Doorsanchar Company Limited	21,915	693	15,187,095	21,915.00	721	15,800,715
NMB Sulav Investment Fund-1	659,289	10.82	7,133,507	362,289.00	11.55	4,184,438
Siddhartha Equity Oriented Scheme	272,400	10.82	2,947,368	272,400.00	10.55	2,873,820
Laxmi Value Fund-1	145,438	10.2	1,483,468	50,000.00	10.25	512,500
Siddhartha Equity Fund	84,150	10.09	849,074	-	-	-
Laxmi Equity Fund	20,400	7.63	155,652	-	-	-
NMB Hybrid Fund L1	94,524	10.03	948,076	-	-	-
Sanima Equity Fund	33,000	9.4	310,200	-	-	-
RMDC Laghubitta Bittiya Sanstha Limited	11,310	661	7,475,910	10,282.00	653	6,714,146
Sana Kisan Laghubitta Bittiya Sanstha Limited	12,221	948	11,585,508	9,777.00	1160	11,341,320
Chhimek Laghubitta Bittiya Sanstha Limited	20,950	950	19,902,500	15,754.00	877	13,816,258
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	14,408	841	12,117,128	12,007.00	1024	12,295,168
Forward Community Microfinance Bittiya Sanstha Limited	840	1328	1,115,520	672.00	2220	1,491,840
Samata Microfinance Bittiya Sanstha Limited	652	1130	736,760	407.00	1380	561,660



Nerude Laghubitta Bittiya Sanstha Limited	11,649	470	5,475,030	10,129.00	637	6,452,173
Swadeshi Laghubitta Bittiya Sanstha Limited	1	578	578	-	-	-
Mahuli Laghubitta Bittiya Sanstha Limited	950	947	899,650	643.00	2610	1,678,230
RSDC Laghubitta Bittiya Sanstha Limited	4,840	343	1,660,120	2,750.00	555	1,526,250
Support Microfinance Bittiya Sanstha Limited	530	383	202,990	750.00	817	612,750
Aarambha Microfinance Bittiya Sanstha Limited	717	529	379,293	817.00	582	475,494
Unnati Microfinance Bittiya Sanstha Limited	797	800	637,600	516.00	1840	949,440
Nepal Sewa Laghubitta Bittiya Sanstha Limited	450	382	171,900	450.00	343	154,350
Deprosc Laghubitta Bittiya Sanstha Limited	10,402	722	7,510,244	9,456.00	750	7,092,000
Swabalamban Laghubitta Bittiya Sanstha Limited	9,246	875	8,090,250	7,397.00	1240	9,172,280
Nadep Laghubitta Bittiya Sanstha Limited	2,530	412	1,042,360	-	-	-
Samudiyak Laghubitta Bittiya Sanstha Limited	387	532	205,884	-	-	-
Chautari Laghubitta Bittiya Sanstha Limited	1,007	464	467,248	-	-	-
Asha Laghubitta Bittiya Sanstha Limited	1,372	395	541,940	-	-	-
Support Laghubitta Bittiya Sanstha Limited	745	471	350,895	-	-	-
Infinity Laghubitta Bittiya Sanstha Limited	2,047	400	818,800	-	-	-
<b>Total</b>			<b>563,282,323</b>			<b>529,161,620</b>

## Comparative Investment in Unlisted Shares

Name of Company	Asadh End 2076			Asadh End 2075		
	Unit	Price (NPR)	Amount (NPR)	Unit	Price (NPR)	Amount (NPR)
Rashuwaghadi Hydropower Company Limited	38,486	180.73	6,955,575	-	-	-
Sanjen Jalabiddhyut Company Limited	20,531	186.27	3,824,309	-	-	-
Janasewi Laghubitta Bittiya Sanstha limited	1,738	270.6	470,302.8	-	-	-
Ghodighoda Laghubitta Bittiya Sanstha Limited	265	161.95	42,916.75	-	-	-
Aadhikhola Laghubitta Bittiya Sanstha limited	800	279.01	223,208	-	-	-
Sabaiko Laghubitta Bittiya Sanstha Limited	1,060	248.53	263,441.8	-	-	-
NMB bank Limited-FPO	-	-	-	30,000	358	10,740,000
Panchakanya Mai Hydropower Company Limited-IPO	-	-	-	3,056	124.74	3,81,205
NAtional Life insurance Company Limited-Right Entitlement	-	-	-	22,299	418.13	9,323,881
Siddhartha insurance Company Limited -Right Entitlement	-	-	-	25,097	228.41	5,732,406
Samudayik Laghubitta Bittiya Sanstha limited-IPO	-	-	-	937	100	93,700
RSDC Laghubitta Bittiya Sanstha Limited -Right entitlement	-	-	-	2750	266.25	732,187
Nadep Laghubitta Bittiya Sanstha Limited-IPO	-	-	-	1200	385.14	462,168
SMATA Laghubitta Bittiya Sanstha Limited -Right entitlement	-	-	-	407	650.67	264,822.7
<b>Total</b>			<b>11,779,753</b>			<b>27,730,370</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.**

Explanatory notes

## 5.2 Accrued Expenses and Other Payables

Particulars	31 st Asadh 2076	32nd Asadh 2075
Software Fee Payable	118,200	30,609
Reporting Expenses Payables	47,832	33,560
Audit Fee Payable	111,500	111,500
TDS Liability	231,280	217,939
Provision for Realizable Tax on Dividend	5,975	5,975
Brokers Payable	-	29,908
Fund Management Fee Payables	4,491,206	4,254,663
Depository Fee Payable	1,497,069	1,418,221
Supervisor Fee Payable	775,132	691,113
Supervisor Fee's Commission to SEBON	-	43,195
<b>Total</b>	<b>7,278,194</b>	<b>6,836,682</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.

## 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 unitholders as capital (which includes unit capital, realized and unrealized gain), notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to 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.

## 7. Investment Income Accounting Policy

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

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

Dividend income is recognized on the ex-dividend date.  
Explanatory notes

## 7.2 Interest Income

Particulars	FY 2075/76	FY 2074/75
Interest on Bank Deposits	1,457,140	4,514,231
<b>Total</b>	<b>1,457,140</b>	<b>4,514,231</b>

## 7.3 Dividend Income

Particulars	FY 2075/76	FY 2074/75
Dividend Income Realized	10,789,087	4,822,207
<b>Total</b>	<b>10,789,087</b>	<b>4,822,207</b>

## 8. Expenses

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

The management participation fees of the fund are as follows:

- Fund Management Fees: 1.5% of Net Assets Value (NAV)\*.
- Depository Fees: 0.5% of NAV \*
- Fund Supervisor Fees: 0.3% of NAV \*

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

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

Particulars	FY 2075/76	FY 2074/75
Fund Management Fee	8,857,889	9,550,127
Depository Fee	2,952,630	3,183,376
Fund Supervisor Fee	1,771,578	1,910,025
<b>Total</b>	<b>13,582,096</b>	<b>14,643,528</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. However, the Office of the Auditor's General in its 56th Annual Report has raised concern on taxability of the mutual fund. TDS on return from mutual fund (ie; dividend) paid to individual is deducted at 5% which is final and to entity is tax deducted at 15% (which is not final). Therefore, the fund management is of the view that return from the fund is duly taxed as per the principal of income tax and is not subject to further tax liability.

## 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 Limited, the fund management company. The fund supervisors provide principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and non-derivative financial instruments and the investment of excess liquidity. The Fund uses different methods to measure and mitigate different types of risk to which it is exposed.

### **11.1. Market Risk**

#### **a. Price Risk**

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

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

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

#### **Investment Threshold**

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

#### **b. Foreign Exchange Rate Risk**

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

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

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

Financial instruments with fixed rates expose the Fund to fair value interest rate risk. The Fund's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the 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 2075/76:**

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercial Banks	242,080,889	284,185,833	42.10%	-14.82%
Development Bank	48,207,990	55,795,153	8.38%	-13.60%
Microfinance Companies	82,387,977	93,486,985	14.33%	-11.87%
Hydropower Companies	26,018,028	29,011,237	4.52%	-10.32%
Life Insurance Companies	81,619,689	122,165,272	14.19%	-33.19%
Non-life Insurance Companies	60,070,968	102,678,929	10.45%	-41.50%
Telecom, Mutual Funds and others	29,014,439	29,948,781	5.05%	-3.12%
Hotels	5,662,096	5,509,235	0.98%	2.77%
<b>Total</b>	<b>575,062,076</b>	<b>722,781,426</b>	<b>100.00%</b>	

**For FY 2074/75:**

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercial Banks	234,777,076	314,997,283	42.16%	-25.47%
Development Bank	42,786,981	55,529,896	7.68%	-22.95%
Microfinance Companies	75,886,237	90,702,248	13.63%	-16.33%
Hydropower Companies	16,624,197	21,966,086	2.99%	-24.32%
Life Insurance Companies	69,879,279	113,707,312	12.55%	-38.54%
Non-life Insurance Companies	83,901,052	100,537,836	15.07%	-16.55%
Telecom, Mutual Funds and others	23,371,473	23,766,100	4.20%	-1.66%
Hotels	9,665,695	12,232,849	1.74%	-20.99%
<b>Total</b>	<b>556,891,990</b>	<b>733,439,610</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;

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

- Fair value in an active market (level 1)

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

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

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

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

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

Equities which are listed but no transactions are made within last 30 days is valued at 180 days Average Market price provided by NEPSE and Equities which are listed but no transactions are made within last 180 days is valued at last traded price of the stock at NEPSE considering it as level two input.

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

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

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

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

Where

$V_r$  = Value of Rights

$n$  = Number of rights offered

$m$  = Number of original shares held

$P_{ex}$  = Ex-right price

$P_{of}$  = Rights offer price

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

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

#### a. Accounting policy

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

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

#### b. Explanatory notes

Particulars	FY 2075/76	FY 2074/75
Net Realised (Losses)/Gains on Financial Assets at Fair Value Through Profit or loss	8,992,043	11,949,819
Net Unrealised (Losses)/Gains on Financial Assets at Fair Value Through Profit or Loss	28,828,271	(197,059,686)
<b>Total</b>	<b>37,820,314</b>	<b>(185,109,867)</b>

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

Name of company	Unit	Price	Amount	Cost	Total Cost	Gain/(Loss)
Himalayan Bank Limited	32392	552	17,880,384	715	23,172,011	(5,291,627)
Bank of Kathmandu Limited	36161	255	9,221,055	368	13,291,052	(4,069,997)
Machhapuchhre Bank Limited	5757	264	1,519,848	350	2,017,248	(497,400)
Siddhartha Bank Limited	48273	318	15,350,814	387	18,689,549	(3,338,735)
Prime Commercial Bank Limited	38996	278	10,840,888	279	10,885,082	(44,194)
Citizens Bank International Limited	33454	224	7,493,696	343	11,472,684	(3,978,988)
Sunrise Bank Limited	39655	248	9,834,440	329	13,055,752	(3,221,312)
Sanima Bank Limited	43513	348	15,142,524	350	15,239,789	(97,265)
NIC Asia Bank Limited	2150	448	963,200	459	987,415	(24,215)
Nepal Bank Limited	88471	336	29,726,256	314	27,771,361	1,954,895
Global IME Bank Limited	42781	295	12,620,395	292	12,510,716	109,679
Nepal SBI Bank Limited	40977	469	19,218,213	775	31,748,501	(12,530,288)
Nepal Bangladesh Bank Limited	5033	222	1,117,326	389	1,959,107	(841,781)
NMB Bank Limited	8989	382	3,433,798	290	2,602,968	830,830
Laxmi Bank Limited	32846	226	7,423,196	302	9,913,892	(2,490,696)
Agricultural Development Bank Limited	23344	409	9,547,696	360	8,403,136	1,144,560
Century Commercial Bank Limited	12818	177	2,268,786	268	3,429,113	(1,160,327)
Everest Bank Limited	30181	666	20,100,546	1012	30,545,103	(10,444,557)
Kumari Bank Limited	27564	220	6,064,080	209	5,767,322	296,758
Mega Bank Nepal Limited	15510	213	3,303,630	227	3,515,848	(212,218)
Prabhu Bank Limited	43623	266	11,603,718	273	11,890,777	(287,059)
Nabil Bank Limited	34258	800	27,406,400	739	25,317,409	2,088,991
Shine Resunga Development Bank Limited	33678	252	8,486,856	279	9,383,811	(896,955)
Garima Bikas Bank Limited	40143	224	8,992,032	230	9,232,749	(240,717)
Mukthinath Bikas Bank Limited	49764	370	18,412,680	421	20,957,414	(2,544,734)
Kailash Bikas Bank Limited	27500	238	6,545,000	316	8,687,087	(2,142,087)
Shangrila Development Bank Limited	6464	159	1,027,776	178	1,153,195	(125,419)
Excel Development Bank Limited	16762	283	4,743,646	381	6,380,897	(1,637,251)
Oriental Hotel Limited	9328	607	5,662,096	591	5,509,235	152,861
Sanima Mai Hydropower Limited	29878	245	7,320,110	454	13,551,929	(6,231,819)
Chilime Hydro power Company Limited	3356	521	1,748,476	592	1,986,438	(237,962)
Butwal Power Company Limited	11022	409	4,507,998	535	5,896,252	(1,388,254)
United Modi Hydropower Limited	6361	109	693,349	105	668,218	25,131
Kalika Power company limited	4036	91	367,276	100	403,600	(36,324)
Panchakanya Mai Hydropower Limited	3056	110	336,160	100	305,600	30,560
United Hydropower company limited	2975	89	264,775	100	297,500	(32,725)
Asian Life Insurance Company Limited	63316	383	24,250,028	662	41,902,198	(17,652,170)
Himalayan General Insurance Company Limited	20800	350	7,280,000	669	13,918,489	(6,638,489)
Lumbini General Insurance Limited	8410	430	3,616,300	741	6,235,223	(2,618,923)
Siddhartha Insurance Limited	39126	455	17,802,330	803	31,405,726	(13,603,396)
NLG Insurance Company Limited	17108	762	13,036,296	1243	21,271,970	(8,235,674)
Nepal Life Insurance Company Limited	26601	901	23,967,501	975	25,934,904	(1,967,403)
National Life Insurance Company Limited	40496	585	23,690,160	1092	44,206,269	(20,516,109)
Shikhar Insurance Company Limited	15267	771	11,770,857	1466	22,379,618	(10,608,761)
Life Insurance Corporation Nepal Limited	6070	1600	9,712,000	1668	10,121,902	(409,902)
Sagarmatha Insurance Company Limited	5580	605	3,375,900	755	4,215,136	(839,236)



Nepal Insurance Company Limited	2475	354	876,150	349	864,000	12,150
Neco Insurance Company Limited	4673	495	2,313,135	511	2,388,768	(75,633)
Nepal Doorsanchar Company Limited	21915	693	15,187,095	724	15,857,945	(670,850)
NMB Sulav Investment Fund-1	659289	10.82	7,133,507	11.26	7,421,629	(288,122)
Siddhartha Equity Oriented Scheme	272400	10.82	2,947,368	11.47	3,123,518	(176,150)
Laxmi Value Fund-1	145438	10.2	1,483,468	10.08	1,465,429	18,039
Siddhartha Equity Fund	84150	10.09	849,074	9.19	772,989	76,084
Laxmi Equity Fund	20400	7.63	155,652	7.24	147,780	7,872
NMB Hybrid Fund L1	94524	10.03	948,076	9.01	851,785	96,290
Sanima Equity Fund	33000	9.4	310,200	9.32	307,705	2,495
RMDC Laghubitta Bittiya Sanstha Limited	11310	661	7,475,910	619	7,000,003	475,907
Sana Kisan Laghubitta Bittiya Sanstha Limited	12221	948	11,585,508	873	10,670,294	915,214
Chhimek Laghubitta Bittiya Sanstha Limited	20950	950	19,902,500	1044	21,872,285	(1,969,785)
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	14408	841	12,117,128	1073	15,455,182	(3,338,054)
Forward Community Microfinance Bittiya Sanstha Limited	840	1328	1,115,520	21	17,409	1,098,111
Samata Microfinance Bittiya Sanstha Limited	652	1130	736,760	83	54,300	682,460
Nerude Laghubitta Bittiya Sanstha Limited	11649	470	5,475,030	1013	11,801,252	(6,326,222)
Swadeshi Laghubitta Bittiya Sanstha Limited	1	578	578	102	100	478
Mahuli Laghubitta Bittiya Sanstha Limited	950	947	899,650	69	65,229	834,421
RSDC Laghubitta Bittiya Sanstha Limited	4840	343	1,660,120	551	2,664,998	(1,004,878)
Support Microfinance Bittiya Sanstha Limited	530	383	202,990	100	53,000	149,990
Aarambha Microfinance Bittiya Sanstha Limited	717	529	379,293	100	71,700	307,593
Unnati Microfinance Bittiya Sanstha Limited	797	800	637,600	75	59,600	578,000
Nepal Sewa Laghubitta Bittiya Sanstha Limited	450	382	171,900	100	45,000	126,900
Deprosc Laghubitta Bittiya Sanstha Limited	10402	722	7,510,244	1060	11,027,297	(3,517,053)
Swabalamban Laghubitta Bittiya Sanstha Limited	9246	875	8,090,250	1240	11,467,236	(3,376,986)
Nadep Laghubitta Bittiya Sanstha Limited	2530	412	1,042,360	87	220,000	822,360
Samudiyak Laghubitta Bittiya Sanstha Limited	387	532	205,884	100	38,700	167,184
Chautari Laghubitta Bittiya Sanstha Limited	1007	464	467,248	100	100,700	366,548
Asha Laghubitta Bittiya Sanstha Limited	1372	395	541,940	100	137,200	404,740
Support Laghubitta Bittiya Sanstha Limited	745	471	350,895	100	74,500	276,395
Infinity Laghubitta Bittiya Sanstha Limited	2047	400	818,800	100	204,700	614,100
Rashuwaghadi Hydropower Company Limited	38486	180.73	6,955,575	100	3,848,600	3,106,975
Sanjen Jalabiddhyut Company Limited	20531	186.27	3,824,309	100	2,053,100	1,771,209
Janasewi Laghubitta Bittiya Sanstha limited	1738	270.6	470,303	100	173,800	296,503
Ghodighoda Laghubitta Bittiya Sanstha Limited	265	161.95	42,917	100	26,500	16,417
Aadhikhola Laghubitta Bittiya Sanstha limited	800	279.01	223,208	100	80,000	143,208
Sabaiko Laghubitta Bittiya Sanstha Limited	1060	248.53	263,442	100	106,000	157,442
<b>Total</b>			<b>575,062,076</b>		<b>722,781,426</b>	<b>(147,719,349)</b>
<b>Up-to Previous Year</b>						<b>(176,547,620)</b>
<b>Unrealized Gain/(Loss) this year</b>						<b>28,828,271</b>





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

Name of Company	Unit	Price	Amount	Cost	Total Cost	Gain/(Loss)
Himalayan Bank Limited	30,850	551	16,998,350	751	23,172,011	(6,173,661)
Bank of Kathmandu Limited	31,720	264	8,374,080	419	13,291,117	(4,917,037)
Machhapuchhre Bank Limited	17,848	209	3,730,232	350	6,253,824	(2,523,592)
Siddhartha Bank Limited	44,022	300	13,206,600	410	18,057,951	(4,851,351)
Prime Commercial Bank Limited	41,918	287	12,030,466	326	13,657,604	(1,627,138)
Citizens Bank International Limited	32,290	236	7,620,440	355	11,472,689	(3,852,249)
Sunrise Bank Limited	39,655	230	9,120,650	329	13,055,752	(3,935,102)
Sanima Bank Limited	40,513	324	13,126,212	351	14,238,594	(1,112,382)
NIC Asia Bank Limited	16,685	316	5,272,460	387	6,464,868	(1,192,408)
Nepal Bank Limited	45,539	281	12,796,459	366	16,668,104	(3,871,645)
NABIL Bank Limited Promotor Share	32,373	687	22,240,251	828	26,795,449	(4,555,198)
Global IME Bank Limited	32,370	290	9,387,300	337	10,923,609	(1,536,309)
Nepal SBI Bank Limited	39,026	499	19,473,974	814	31,748,501	(12,274,527)
Nepal Bangladesh Bank Limited	34,393	214	7,360,102	389	13,387,028	(6,026,926)
NMB Bank Limited	4,400	358	1,575,200	464	2,042,668	(467,468)
Laxmi Bank Limited	38,713	258	9,987,954	327	12,677,850	(2,689,896)
Agricultural Development Bank Limited	40,969	314	12,864,266	382	15,657,235	(2,792,969)
Century Commercial Bank Limited	14,527	169	2,455,063	273	3,964,201	(1,509,138)
Deprosc Laghubitta Bittiya Sanstha Limited	9,456	750	7,092,000	1,166	11,027,297	(3,935,297)
Everest Bank Limited	35,361	663	23,444,343	1,012	35,787,595	(12,343,252)
Standard Chartered Bank Nepal Limited	1,765	755	1,332,575	645	1,138,425	194,150
Kumari Bank Limited	33,471	199	6,660,729	238	7,969,243	(1,308,514)
Janata Bank Nepal Limited	12,000	157	1,884,000	173	2,081,398	(197,398)
Mega Bank Nepal Limited	18,990	163	3,095,370	237	4,501,566	(1,406,196)
Shine Resunga Development Bank Limited	27,674	271	7,499,654	329	9,118,561	(1,618,907)
Garima Bikas Bank Limited	36,494	182	6,641,908	253	9,232,749	(2,590,841)
Muktinath Bikas Bank Limited	42,084	378	15,907,752	498	20,957,404	(5,049,652)
Kailash Bikas Bank Limited	27,500	229	6,297,500	316	8,687,087	(2,389,587)
Shangrila Development Bank Limited	6,215	157	975,755	186	1,153,198	(177,443)
Swabalamban Laghubitta Bittiya Sanstha Limited	7,397	1,240	9,172,280	1,550	11,467,236	(2,294,956)
Excel Development Bank Limited	16,762	326	5,464,412	381	6,380,897	(916,485)
Oriental Hotel Limited	16,275	521	8,479,275	679	11,054,024	(2,574,749)
Taragon Regency Hotel Limited	4,330	274	1,186,420	272	1,178,824	7,596
Sanima Mai Hydropower Limited	27,162	328	8,909,136	499	13,551,926	(4,642,790)
Chilime Hydro power Company Limited	1,946	790	1,537,340	751	1,460,828	76,512
Butwal Power Company Limited	10,020	457	4,579,140	588	5,896,215	(1,317,075)
United Modi Hydropower Limited	6,361	172	1,094,092	105	668,218	425,874
Rairang Hydropower Development Company Limited.	833	148	123,284	100	83,300	39,984
Asian Life Insurance Company Limited	39,572	683	27,027,676	999	39,527,798	(12,500,122)
Himalayan General Insurance Company Limited	20,800	450	9,360,000	669	13,918,489	(4,558,489)
Lumbini General Insurance Limited	8,410	550	4,625,500	741	6,235,223	(1,609,723)
Siddhartha Insurance Limited	25,097	690	17,316,930	1,216	30,527,326	(13,210,396)
NLG Insurance Company Limited	16,338	930	15,194,340	1,267	20,707,045	(5,512,705)
Nepal Life Insurance Company Limited	14,781	1,050	15,520,050	1,377	20,355,579	(4,835,529)



National Life Insurance Company Limited	22,299	799	17,816,901	1,922	42,868,269	(25,051,368)
Shikhar Insurance Company Limited	15,267	985	15,037,995	1,466	22,379,618	(7,341,623)
Life Insurance Corporation Nepal Limited	5,866	1,622	9,514,652	1,868	10,955,667	(1,441,015)
Sagarmatha Insurance Company Limited	3,000	1,340	4,020,000	1,405	4,215,136	(195,136)
Nepal Insurance Company Limited	5,000	658	3,290,000	511	2,555,000	735,000
Nepal Doorsanchar Company Limited	21,915	721	15,800,715	724	15,857,949	(57,234)
NMB Sulav Investment Fund-1	362,289	11.55	4,184,438	12	4,264,542	(80,104)
Siddhartha Equity Oriented Scheme	272,400	10.55	2,873,820	11	3,123,418	(249,598)
Laxmi Value Fund-1	50,000	10	512,500	10	520,190	(7,690)
RMDC Laghubitta Bittiya Sanstha Limited	10,282	653	6,714,146	681	7,000,006	(285,860)
Sana Kisan Laghubitta Bittiya Sanstha Limited	9,777	1,160	11,341,320	1,091	10,670,269	671,051
Chhimek Laghubitta Bittiya Sanstha Limited	15,754	877	13,816,258	1,283	20,219,794	(6,403,536)
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	12,007	1,024	12,295,168	1,287	15,455,187	(3,160,019)
Forward Community Microfinance Bittiya Sanstha Limited	672	2,220	1,491,840	26	17,409	1,474,431
Samata Microfinance Bittiya Sanstha Limited	407	1,380	561,660	83	33,900	527,760
Nerude Laghubitta Bittiya Sanstha Limited	10,129	637	6,452,173	1,165	11,801,253	(5,349,080)
Mahuli Laghubitta Bittiya Sanstha Limited	643	2,610	1,678,230	67	42,900	1,635,330
RSDC Laghubitta Bittiya Sanstha Limited	2,750	555	1,526,250	909	2,499,998	(973,748)
Support Microfinance Bittiya Sanstha Limited	750	817	612,750	100	75,000	537,750
Aarambha Microfinance Bittiya Sanstha Limited	817	582	475,494	100	81,700	393,794
Unnati Microfinance Bittiya Sanstha Limited	516	1,840	949,440	100	51,600	897,840
Nepal Sewa Laghubitta Bittiya Sanstha Limited	450	343	154,350	100	45,000	109,350
NMB-FPO	30,000	358	10,740,000	333	9,990,000	750,000
Panchakanya Mai-IPO	3,056	125	381,205	100	305,600	75,605
NLICL-Right Entitlement	22,299	418	9,323,881	-	-	9,323,881
SIL -Right Entitlement	25,097	228	5,732,406	-	-	5,732,406
Samudayik Laghubitta-IPO	937	100	93,700	100	93,700	-
RSDC -Right entitlement	2,750	266	732,187	-	-	732,188
Nadep Laghubitta-IPO	1,200	385	462,168	100	120,000	342,168
SMATA -Right entitlement	407	651	264,823	-	-	264,823
<b>Total</b>			<b>56,891,990</b>		<b>733,439,610</b>	<b>(176,547,620)</b>
<b>Up-to Previous Year</b>					<b>20,512,066</b>	
<b>Unrealized Gain/(Loss) this year</b>						<b>(197,059,686)</b>

#### 14. Impairment

##### Accounting policy

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

#### 15. Related Party Transactions

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

##### Related Parties

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

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

- Unit Holding of Nepal Investment Bank Limited (Fund Sponsor) amounts to NPR 102,500,000 (at par value of NPR 10 per unit)
- Unit Holding of NIBL Ace Capital Limited (Fund Management) amounts to NPR 10,000,000 (at par value of NPR 10 per unit)
- NIBL Pragati Fund have earned interest amounting to NPR 223,029 (NPR Two Hundred Twenty Three Thousand and Twenty Nine only) from Nepal Investment Bank Limited.
- Fund Management and Depository Fee incurred by NIBL Pragati Fund during the year amounts to NPR 11,810,519 (NPR Eleven Million, Eight Hundred Ten Thousand, Five Hundred and Nineteen Only). The amount is payable to NIBL Ace Capital Limited.
- Fund management and depository fee payable at year end by NIBL Pragati Fund to NIBL Ace Capital Limited NPR 5,988,275 (NPR Five Million, Nine Hundred Eighty Eight Thousand, Two Hundred and Seventy Five Only).
- The Scheme has a call account bank balance of NPR 5,488,261 (NPR Five Million Four Hundred Eighty Eight Thousand and Two Hundred Sixty-One) as on Balance Sheet date with the Fund Sponsor - Nepal Investment Bank Limited at the rate of 2.5% per annum.

#### 16. Reporting

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

#### 17. Contingent Liability

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

#### 18. Proposed Dividend

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

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

As per our Report of even date

**Shivanth Bahadur Pande**  
 Chief Executive Officer

**Sachin Tibrewal**  
 Chairman

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

**Deepak Kumar Shrestha**  
 Director

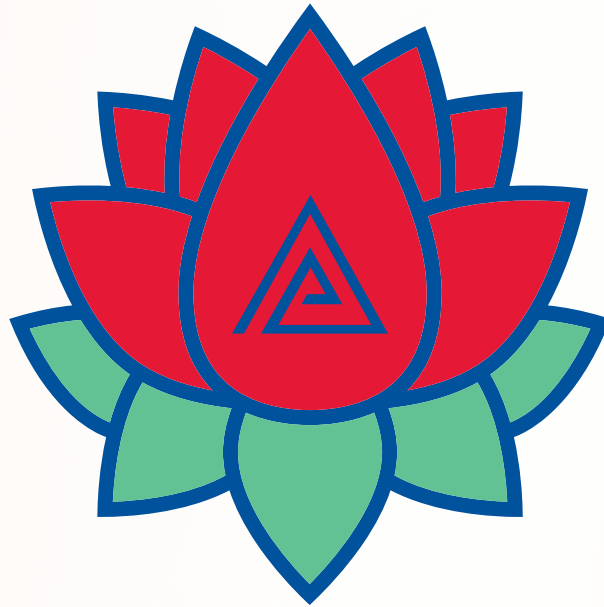
**Bandana Thapa**  
 Director

**Rabindra Bhattarai**  
 Director

**Mekh Bahadur Thapa**  
 Deputy Chief Executive Officer

**Subhash Poudel**  
 Head- Mutual Fund

Date: 2076/05/12  
 Place : Kathmandu



**NIBL MUTUAL FUND**

Managing shares. Managing investments.

# **NIBL SAHABHAGITA FUND**



## M.B. SHRESTHA & CO.

**Chartered Accountants**  
**Sankhamul Road**  
**New Baneshwar**

Tel : 4781818  
 Fax No. : 977-1-4781789  
 E-mail : mbsshrestha@gmail.com  
 G.P.O. Box : 720  
 Kathmandu, Nepal.

### INDEPENDENT AUDITOR'S REPORT TO THE FUND MANAGER AND UNIT HOLDERS OF NIBL SAHABHAGITA FUND

#### Report on the Financial Statements

We have audited the accompanying financial statements of NIBL Sahabagita Fund (herein after called Fund), which comprise the Statement of Financial Position (NFRS) as at Ashadh 31, 2076 corresponding to July 16, 2019 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Unit holder's Fund and Statement of Cash Flow for the period from Ashad 24, 2076 to Ashad 31, 2076 (corresponding to July 09, 2019 to July 16, 2019), and a summary of significant accounting policies and notes to accounts.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

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

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



## Report on Requirement of Other Legislations

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

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

## Opinion on the Financial Statements

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements referred to above, read together with the notes attached thereto give a true and fair view of the financial position of NIBL Sahabagita Fund as of Ashadh 31, 2076 (July 16, 2019), and of the results of its financial performances and its cash flows for the period from Ashad 24, 2076 to Ashad 31, 2076 (corresponding to July 09, 2019 to July 16, 2019) in accordance with NFRS in so far as applicable in compliance with Securities Act 2063; Securities Board Regulation 2064; Mutual Fund Regulation 2067; Mutual Fund Guidelines 2069 and the prevailing legislations.



Maheswarendra Bdr. Shrestha, FCA

M.B.Shrestha & Co.

Chartered Accountants

Date: Shrawan 19, 2076 (August 4, 2019)



## NIBL Sahabhagita Fund

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

Statement of Financial Position as at 31st Ashad 2076 (16th July, 2019)

NPR

Particulars	Notes	FY 2075/76	FY 2074/75
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3.2	179,224,543	-
Other Current Assets	4.6	-	-
Financial Assets Held at Amortized Cost		5,000,000	-
Financial Assets Held at Fair Value Through Profit or Loss	4.7	18,226,625	-
<b>Total</b>		<b>202,451,168</b>	<b>-</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accrued Expenses & Other Payables	5.2	3,316,878	-
<b>Liabilities (Excluding Net Assets Attributable to Unitholders)</b>		<b>3,316,878</b>	<b>-</b>
<b>Unit Holder's Funds</b>			
Net Assets Attributable to Unit Holders	6	199,134,291	-
<b>Total</b>		<b>202,451,168</b>	<b>-</b>

**NAV per Share**

**9.96**

**-**

Schedules and Explanatory Notes forms integral part of Statement of Position

As per our Report of even date

**Shivanth Bahadur Pande**  
Chief Executive Officer

**Sachin Tibrewal**  
Chairman

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

**Deepak Kumar Shrestha**  
Director

**Bandana Thapa**  
Director

**Rabindra Bhattarai**  
Director

**Mekh Bahadur Thapa**  
Deputy Chief Executive Officer

**Poskar Basnet**  
Scheme Manager

Date : 2076/ 04/16  
Place : Kathmandu

## 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 24th Ashad 2076 to 31st Ashad 2076 (09th July 2019 to 16th July 2019)

NPR

Particulars	Notes	Ashad End 2076	Ashad End 2075
Interest Income	7.2	286,638	-
Dividend Income	7.3	-	-
Net Realised Gains/(losses) on financial Assets at Fair Value Through Profit or loss	14(b)	-	-
Other Income		-	-
Total		286,638	-
Expenses and Losses			
Fund Management Fees	8.1	54,567	-
Depository Fees	8.1	17,461	-
Fund Supervisors Fees	8.1	13,096	-
Publication Expenses		35,000	-
Audit Fees		113,000	-
Bank Charges		175	-
Pre-operating Expenses	8.2	1,288,912	-
Total expenses		1,522,211	-
Net Gains/(Losses) for the Period		(1,235,573)	-
Other Comprehensive income			
-Net Unrealised Gain/(Loss) on financial assets	14(b)	369,863	-
Net Surplus/(Deficit) for the period		(865,709)	-

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

As per our Report of even date

**Shivanth Bahadur Pande**  
Chief Executive Officer

**Sachin Tibrewal**  
Chairman

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

**Deepak Kumar Shrestha**  
Director

**Bandana Thapa**  
Director

**Rabindra Bhattarai**  
Director

**Mekh Bahadur Thapa**  
Deputy Chief Executive Officer

**Poskar Basnet**  
Scheme Manager

Date : 2076/ 04/16  
Place : Kathmandu



## NIBL Sahabagita Fund

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

### Statement of Cash Flow

For the Period from 24th Ashad 2076 to 31st Ashad 2076 (09th July 2019 to 16th July 2019)

NPR

Particulars	Ashad End 2076	Ashad End 2075
<b>A. Cash Flow from Operating Activities</b>		
Surplus/ (Deficit) for the year	(865,709)	-
<b>Adjustments For :</b>		
Increase/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	(369,863)	-
Increase/(Decrease) in Liabilities	3,316,878	-
(Increase)/Decrease in Share	(17,856,762)	-
(Increase)/Decrease in Debenture	-	-
(Increase)/Decrease in Fixed Deposit	(5,000,000)	-
(Increase)/Decrease in Other Assets	-	-
<b>Net cash generated/(used) in Operations (1)</b>	<b>(20,775,457)</b>	<b>-</b>
<b>B. Cash Flow from Financing Activities</b>		
Issue of Unit Capital	200,000,000	-
Dividend Paid during the year	-	-
<b>Net cash generated/(used) in financing (2)</b>	<b>200,000,000</b>	<b>-</b>
<b>C. Cash Flow from Investing Activities</b>		
<b>Net cash generated/(used) in investing (3)</b>	<b>-</b>	<b>-</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	179,224,543	-
Cash and Cash Equivalents at beginning of the year/period	-	-
<b>Cash and Cash Equivalents at end of period</b>	<b>179,224,543</b>	<b>-</b>
<b>Components of Cash and Cash Equivalents</b>		
Balance with Banks	179,224,543	-

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

As per our Report of even date

**Shivanth Bahadur Pande**  
Chief Executive Officer

**Sachin Tibrewal**  
Chairman

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

**Deepak Kumar Shrestha**  
Director

**Bandana Thapa**  
Director

**Rabindra Bhattarai**  
Director

**Mekh Bahadur Thapa**  
Deputy Chief Executive Officer

**Poskar Basnet**  
Scheme Manager

Date : 2076/ 04/16  
Place : Kathmandu

## 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 24th Ashad 2076 to 31st Ashad 2076 (09th July 2019 to 16th July 2019)

NPR

Particulars	Ashad End 2076	Ashad End 2075
Unit Holders' Fund at the Beginning of the Year/Period	-	-
Issue of Unit Capital	200,000,000	
Increase in Net Assets Attributable to Unit Holders:		
Net Gains/(Losses) for the Period	(1,235,573)	-
Other Comprehensive Income	369,863	-
Distribution to Unit Holders'	-	-
<b>Unit Holders' Fund at the End of the Year/Period</b>	<b>199,134,291</b>	<b>-</b>

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

As per our Report of even date

**Shivanth Bahadur Pande**  
Chief Executive Officer

**Sachin Tibrewal**  
Chairman

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

**Deepak Kumar Shrestha**  
Director

**Bandana Thapa**  
Director

**Rabindra Bhattarai**  
Director

**Mekh Bahadur Thapa**  
Deputy Chief Executive Officer

**Poskar Basnet**  
Scheme Manager

Date : 2076/ 04/16  
Place : Kathmandu

## Notes to the Financial Statements as of Ashad End 2076 (16th July 2019)

### 1. General Information of the Scheme

<b>Fund:</b>	<b>NIBL Mutual Fund</b>
<b>Scheme:</b>	<b>NIBL Sahabagita Fund</b>
<b>Fund Sponsor:</b>	<b>Nepal Investment Bank Limited (NIBL)</b> (Licensed by NRB as Class A bank)
<b>Fund Management:</b>	<b>NIBL Ace Capital Limited</b> (A subsidiary of Nepal Investment Bank Limited)
<b>Fund Supervisors:</b>	Mr. Madhukar S.J.B. Rana Dr. Bimal Prasad Koirala Dr. Shambhu Ram Simkhada Dr. Durgesh Man Singh CA. Jitendra Bahadur Rajbhandari
<b>Total Units of Scheme:</b>	20,000,000 (Twenty Million units)
<b>Total Unit Capital:</b>	NPR 2,00,000,000 (NPR Two Hundred Million)
<b>Scheme type:</b>	Open-ended

NIBL Sahabagita Fund (the Scheme) under NIBL Mutual Fund (the Fund) is registered under Mutual Fund Regulations, 2067 as Nepal's very first Open Ended mutual fund, a diversified investment scheme. The objective of the scheme is to diligently manage the fund with the aim to encourage the conversion of savings into investments in shares and fixed income securities and conservation of capital regularly and to provide steady returns to unit-holders over the long period of time. The Scheme commenced its operation on 24th Ashad, 2076 (Scheme allotment date) B.S. It is not listed in Nepal Stock Exchange (NEPSE). The Scheme's Financial Statements for the year 2075/76 were approved by the Board of Directors of the NIBL Ace Capital Limited on 16th Shrawan, 2076 being the Fund Management and Depository Company. Similarly, the Fund Supervisors' consent on the approved Financial Statements has also been duly obtained.

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

The Unit Capital of the Scheme comprises of the following:

Holder	Status	No. of Units	Holding Amount @ 10 Each	Holding (%)
Nepal Investment Bank	Fund Sponsor	65,00,000	65,000,000	33%
NIBL Ace Capital Limited	Fund Manager / Depository	1,071,270	10,712,700	5%
General Public		12,428,730	124,287,300	62%
Total	20,000,000	200,000,000	100%	

### 2. Summary of Significant Accounting Policies

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

#### 2.1. Statement of Compliance:

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

#### 2.2. Basis of Preparation

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

Where an accounting policy is generally applicable to a specific item, the policy is described within that relevant note.

NFRS requires the fund to exercise judgment in making accounting estimates. Description of such estimates has been given in the relevant sections wherever they have been applied.

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

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

### **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.

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, 2076
Cash at Bank	179,224,543
<b>Total</b>	<b>179,224,543</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 NFRS 39; Financial Instruments: Recognition and Measurement, the Fund's interest receivables are classified as 'loans and receivables'. Equity securities / debentures are classified as fair value through profit and loss. The amount attributable to 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.

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.

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 2076	Ashad End 2075
1	Dividend Income Receivable	-	-
2	Interest Receivables	-	-
3	<b>Broker Receivables</b>		-
a)	Kohinoor Investment -Broker No. 35	-	-
c)	South Asian Bulls -Broker No. 43	-	-
e)	Vision Securities -Broker No. 34	-	-
7	Other Receivables	-	-
	<b>Total Amount</b>	-	-

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

Particulars	Ashad End 2076	Ashad End 2075
Financial Assets Held for Trading		
Equity Security	18,226,625	-
<b>Total Financial Assets held for Trading (A)</b>	<b>18,226,625</b>	-
Designated Financial Assets at Fair Value Through Profit or Loss		
Total Designated at Fair Value Through Profit or Loss (B)	-	-
<b>Total Financial Assets Held at Fair Value Through Profit or Loss (A+B)</b>	<b>18,226,625</b>	-

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

Name of Company	Ashad End 2076			Ashad End 2075		
	Unit	Value per Unit	Value Amount (NPR)	Unit	Value per Unit	Value Amount (NPR)
Amount(NPR)						
Prabhu Bank Limited	6000	266	1,596,000	-	-	-
Kumari Bank Limited	2000	220	440,000	-	-	-
Siddhartha Bank Limited	3080	318	979,440	-	-	-
Global IME Bank Limited	4745	295	1,399,775	-	-	-
Kailash Bikas Bank Ltd.	1000	238	238,000	-	-	-
Muktinath Bikas Bank Ltd.	3410	370	1,261,700	-	-	-
Chilime Hydropower Company Limited	1505	521	784,105	-	-	-
Neco Insurance Co. Ltd.	2120	495	1,049,400	-	-	-
Siddhartha Equity Fund	73400	10.09	740,606	-	-	-
Sanima Bank Limited	3000	348	1,044,000	-	-	-
Garima Bikas Bank Limited	2275	224	509,600	-	-	-
Sanima Equity Fund	8700	9.4	81,780	-	-	-
Shikhar Insurance Co. Ltd.	700	771	539,700	-	-	-
Gandaki Bikas Bank Limited	1840	216	397,440	-	-	-
Nabil Bank Limited	2000	800	1,600,000	-	-	-
Prime Commercial Bank Ltd.	2500	278	695,000	-	-	-
Forward Community Microfinance Bittiya Sanstha Ltd.	227	1328	301,456	-	-	-
Siddhartha Insurance Ltd.	1417	455	644,735	-	-	-

NMB Sulav Investment Fund-1	50000	10.82	541,000	-	-	-
Machhapuchhre Bank Limited	1000	264	264,000	-	-	-
Prime Life Insurance Company Limited	699	439	306,861	-	-	-
Shree Investment Finance Co. Ltd.	1010	157	158,570	-	-	-
Nepal Life Insurance Co. Ltd.	1994	901	1,796,594	-	-	-
NIC Asia Bank Ltd.	1026	448	459,648	-	-	-
<b>Total</b>			<b>17,829,410</b>			-

#### Comparative Investment in Unlisted Shares

Name of Company	Ashad End 2076			Ashad End 2075		
	Unit	Value per Unit	Value Amount (NPR)	Unit	Value per Unit	Value Amount (NPR)
Ghodighoda Laghubitta- IPO	199	162	32,228.05	-	-	-
Aadhikhola Laghubitta- IPO	600	279	167,406.00	-	-	-
Sabaiko Laghubitta- IPO	795	249	197,581.35	-	-	-
<b>Total</b>			<b>397,215</b>			

## 5. Payables

### Accounting polic

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

### Explanatory notes

#### 5.2 Accrued Expenses and Other Payables

Particulars	Ashad End 2076	Ashad End 2075
Pre-operating Expenses Payables	1,272,725	-
Provision For Audit Fee	111,500	-
Provision For Reporting Exp.	35,000	-
TDS Liability	20,732	-
Business Payables- Brokers	1,794,842	-
Fund Management Fee Payable- NIBL Ace Capital	53,748	-
Depository Fee Payables- NIBL Ace Capital	17,199	-
Supervisor Fee Payables	10,477	-
Supervisor's SEBON Fee Payable	655	-
<b>Total</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 Payable is 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.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.

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

Particulars	Ashad End 2076	Ashad End 2075
Unit Holders' Fund at the Beginning of the Year/Period	-	-
Issue of Unit Capital	200,000,000.00	
Increase in Net Assets Attributable to Unit Holders:		
Net Gains/(Losses) for the Period	(1,235,572.80)	-
Other Comprehensive Income	369,863.44	-
Distribution to Unit Holders'	-	-
<b>Unit Holders' Fund at the End of the Year/Period</b>	<b>199,134,290.64</b>	<b>-</b>

## 7. Investment Income

### Accounting Policy

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

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

**Dividend income is recognized on the ex-dividend date.**

### Explanatory notes

## 7.2 Interest Income

Particulars	Ashad End 2076	Ashad End 2075
Interest income on Debentures	-	-
Interest income on Fixed Deposit	3,013.70	-
Interest income on Call Deposits	283,624.39	-
<b>Total Amount</b>	<b>286,638.09</b>	<b>-</b>

## 7.3 Dividend Income

Particulars	Ashad End 2076	Ashad End 2075
Dividend Income Realized	-	-
<b>Total</b>	<b>-</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 are as follows:

- Fund Management Fees : 1.25% of Net Assets Value (NAV)\*
- Depository Fees : 0.4% of NAV \*
- Fund Supervisor Fees : 0.30% of NAV \*

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

Total Fund Management, Depository & Fund Supervisor's Fees calculated and recognized as per the mutual fund guidelines, 2069. The total fees charged on the basis of 8 days period (24th Ashad to 31st Ashad 2076) is presented in Nepalese currency and charged as under:

Particulars	Ashad End 2076	Ashad End 2075
Fund Management Fee	54,567	-
Depository Fee	17,461	-
Fund Supervisor Fee	13,096	-
<b>Total</b>	<b>85,124</b>	<b>-</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 2076	Ashad End 2075
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>1,288,912</b>	<b>-</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 investment in bank deposit cannot be made more than 10% of total fund size of the scheme.

#### b. Foreign Exchange Rate Risk

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

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

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

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

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

### 11.2. Credit Risk

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

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

Credit risk 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.

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

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

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

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

Equities which are listed but no transactions are made within last 30 days is valued at 180 days Average Market price provided by NEPSE and Equities which are listed but no transactions are made within last 180 days is valued at last traded price of the stock at NEPSE considering it as level two input.

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

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

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

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

**Where,**

$V_r$  = Value of Rights

$n$  = Number of rights offered

$m$  = Number of original shares held

$P_{ex}$  = Ex-right price

$P_{of}$  = Rights offer price

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

**13. Financial Assets Held at Amortized Cost**

Particulars	Ashad End 2076	Ashad End 2075
Debentures	-	-
Fixed Deposit	50,00,000	-
<b>Total</b>	<b>50,00,000</b>	<b>-</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 2076	Ashad End 2075
Net Realized Gains/(Losses) on Financial Assets at Fair Value Through Profit or loss	-	-
Net Unrealized Gains/(Losses) on Financial Assets at Fair Value Through Profit or Loss	369,863	-
<b>Total</b>	<b>369,863</b>	<b>-</b>

##### Computation of Unrealized Gains for FY 2075/76:

Name of Company	Fiscal Year 2075-76					
	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
Listed Companies						
Prabhu Bank Limited	6,000	266	1,596,000	268	1,610,768	(14,768)
Kumari Bank Limited	2,000	220	440,000	213	426,472	13,528
Siddhartha Bank Limited	3,080	318	979,440	324	996,519	(17,079)
Global IME Bank Limited	4,745	295	1,399,775	301	1,429,345	(29,570)
Kailash Bikas Bank Ltd.	1,000	238	238,000	233	233,339	4,661
Muktinath Bikas Bank Ltd.	3,410	370	1,261,700	368	1,255,292	6,408
Chilime Hydropower Company Limited	1,505	521	784,105	514	772,952	11,153
Neco Insurance Co. Ltd.	2,120	495	1,049,400	475	1,006,811	42,589
Siddhartha Equity Fund	73,400	10.09	740,606	9.71	712,775	27,831
Sanima Bank Limited	3,000	348	1,044,000	347	1,040,936	3,064
Garima Bikas Bank Limited	2,275	224	509,600	222	504,981	4,619
Sanima Equity Fund	8,700	9.4	81,780	9.65	83,969	(2,189)
Shikhar Insurance Co. Ltd.	700	771	539,700	761	532,441	7,259
Gandaki Bikas Bank Limited	1,840	216	397,440	210	385,561	11,879
Nabil Bank Limited	2,000	800	1,600,000	791	1,581,151	18,849
Prime Commercial Bank Ltd.	2,500	278	695,000	277	691,473	3,527
Forward Community Microfinance Bittiya Sanstha Ltd.	227	1,328	301,456	1,324	300,656	800
Siddhartha Insurance Ltd.	1,417	455	644,735	444	629,844	14,891
NMB Sulav Investment Fund-1	50,000	10.82	541,000	10.63	531,430	9,571
Machhapuchhre Bank Limited	1,000	264	264,000	265	264,511	(511)
Prime Life Insurance Company Limited	699	439	306,861	435	304,228	2,633
Shree Investment Finance Co. Ltd.	1,010	157	158,570	156	157,491	1,079
Nepal Life Insurance Co. Ltd.	1,994	901	1,796,594	895	1,785,339	11,255
NIC Asia Bank Ltd.	1,026	448	459,648	447	459,078	570
Sub-Total (A)			17,829,410		17,697,362	132,048
Unlisted Companies						
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
Sub-Total (B)			397,215		159,400	237,815
Grand Total (A+B)			18,226,625		17,856,762	369,863

## 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)
- NIBL Sahabagita Fund have earned interest amounting to NPR 229,246 (NPR Two Hundred Twenty Nine Thousand Two Hundred and Forty Six only) from Nepal Investment Bank Limited.
- Fund Management and Depository Fee incurred by NIBL Sahabagita Fund during the year amounts to NPR 72,028 (NPR Seventy Two Thousand and Twenty Eight only). The amount is payable to NIBL Ace Capital Limited.
- Fund management and depository fee payable by NIBL Sahabagita Fund to NIBL Ace Capital Limited NPR 70,948 (NPR Seventy Thousand Nine Hundred Forty Eight only).
- The Scheme has a call account bank balance of NPR 114,167,251 (NPR. One Hundred Fourteen Million One Hundred Sixty-Seven Thousand and Two Hundred Fifty-One only) 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 not proposed any cash dividend to its unit-holders during the reporting period.

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

As per our Report of even date

**Shivanth Bahadur Pande**  
Chief Executive Officer

**Sachin Tibrewal**  
Chairman

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

**Deepak Kumar Shrestha**  
Director

**Bandana Thapa**  
Director

**Rabindra Bhattarai**  
Director

**Mekh Bahadur Thapa**  
Deputy Chief Executive Officer

**Poskar Basnet**  
Scheme Manager

Date : 2076/ 04/16  
Place : Kathmandu



Managing shares. Managing investments.

# OUR SERVICES



Mutual Fund



Registrar To Shares



Portfolio Management Service



Securities Underwriting



Depository Participant



Issue Management



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**NEPAL INVESTMENT BANK LTD.**  
*Truly a Nepali Bank*

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**Managing shares. Managing investments.**



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subsidiary of



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**NEPAL INVESTMENT BANK LTD.**

*Truly a Nepali Bank*

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