NIBL ACE CAPITAL

Managing shares. Managing investments.

NIBL Pragati Fund

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

Financial Statements

For The

Fiscal Year: 2078/79 (2021/22)

Date: 9th Bhadra, 2079

M.B. SHRESTHA & CO.

Chartered Accountants
Sankhamul Road
New Baneshwar

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Kathmandu, Nepal.

Ref. No. – 78.79-01-001

09 Bhadra 2079

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

Report on the Audit of Financial Statements

A. Opinion

1. We have audited the accompanying financial statements of NIBL Pragati Fund ("the Mutual Fund") which comprise the statement of financial position as at 32 Ashadh 2079 (corresponding to 16 July 2022), the statement of profit or loss, the statement of other comprehensive income, the statement of changes in unit holders fund and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the financial statements referred to above, present fairly, in all material respects, the financial position of the Mutual Fund as of 32 Ashadh 2079 (16 July 2022), and its performances, changes in Unit Holders Fund and its cash flows for the year ended on that date in conformity with Nepal Financial Reporting Standards (NFRS) and comply with Securities Act 2063, Security Board Regulation 2064, Mutual Fund Regulations 2067 and Mutual Fund Guidelines 2069 and other prevailing legislations.

B. Basis for Opinion

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

C. Key Audit Matters

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

M.B. Shrestha & Co. Auditor Chartered Accountants

Key Audit Matters	How the scope of our audit responded to the Key Audit Matter
Investment Decisions by the Fund Manager - The mutual fund manager makes investments on behalf of unitholders. The investment decisions as such shape a material portion of the scheme.	Our procedures included but were not limited to: - Evaluate the results and returns from the investments on an average. - On a sample basis, evaluate the performance of the investments in comparison to market returns.
Fees Payable to Supervisor, Manager and Depository - The material expenses for a mutual fund in Nepal largely relate to the fees payable to the supervisors, manager and depository. - Rule 23 of the Mutual Fund Regulations, 2067 (4th Amendment) issued by SEBON specifies the maximum limit of the fees so payable by a mutual fund scheme.	Our procedures included but were not limited to: - Review of the approved rates for the fees. - Evaluate the periodic gross net assets values factored to calculate the fees payable.

D. Other Information

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

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

7. 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.
8. In preparing the financial statements, the management is responsible for assessing the Mutual Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Mutual Fund or to cease operations or has no realistic alternative but to do so.
9. Those charged with governance are responsible for overseeing the Mutual Fund's financial reporting process.

F. Auditor's Responsibilities for the Audit of Financial Statements

10. 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

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misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

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

    11.1 Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control. Evaluate appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the management.

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

    11.3 Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear our independence and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the financial statement of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

M.B. Shrestha & Co. Auditor Chartered Accountants

G. Report on Other Legal and Regulatory Requirements

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

15.1 We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit as per NSA.

15.2 The statement of financial position as at 32 Ashadh 2079 (16 July 2022) , the statement of profit or loss, other comprehensive income, statement of changes in Unit Holders fund and statement of Cash flow for the year then ended on that date, and the attached summary of significant accounting policies and notes to accounts dealt and other explanatory information (thereafter referred to as "the financial statements") dealt with by this report are prepared in accordance with Securities Act 2063, Security Board Regulation 2064, Mutual Fund Regulations 2067 and Mutual Fund Guidelines 2069 and other prevailing legislations.

15.3 In our opinion, proper books of account as required by law have been kept by the Mutual Fund, in so far as appears from our examination of those books of account and the financial statements dealt with by this report, are in agreement with the books of accounts.

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

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

M.B. Shrestha & Co. Auditor Chartered Accountants

CA. Maheswarendra Bdr. Shrestha
Proprietor
UDIN: 220825CA00117qVEz7

NIBL Pragati Fund

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

Statement of Financial Position as at 32nd Ashad 2079 (16th July, 2022)

NPR

Particulars	Notes	FY 2078/79	FY 2077/78
Assets			
Current Assets			
Cash and Cash Equivalents	3.2	142,557,670	223,333,560
Other Current Assets	4.5	12,223,894	32,226,698
Financial Assets Held at Amortized Cost		-	-
Financial Assets Held at Fair Value Through Profit or Loss	4.6	631,240,368	1,117,638,137
Total		**786,021,931**	**1,373,198,394**
Liabilities			
Current Liabilities			
Accrued Expenses & Other Payables	5.2	4,214,731	6,584,777
Liabilities (Excluding Net Assets Attributable to Unitholders)		**4,214,731**	**6,584,777**
Unit Holder's Funds			
Net Assets Attributable to Unit Holders	6	781,807,200	1,366,613,617
Total		**786,021,931**	**1,373,198,394**

NAV per Unit		**10.42**	**18.22**

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

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Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

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

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Deputy General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

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Date: 25th August, 2022
Place: Kathmandu

NIBL Pragati 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 1st Shrawan 2078 to 32nd Ashad 2079 (16th July 2021 to 16th July 2022)

NPR

Particulars	Notes	FY 2078/79	FY 2077/78
Income			
Interest Income	7.2	13,898,027	7,923,977
Dividend Income	7.3	1,252,874	3,005,097
Net Profit/(Loss) on Financial Assets Held at Fair Value through Profit and Loss	13b	(207,137,259)	636,123,753
Other Income		-	2,064
Total		**(191,986,359)**	**647,054,890**
Expenses and Losses			
Fund Management fees		14,212,077	16,195,016
Depositary Fees		1,894,944	2,159,335
Fund Supervisors Fees		1,136,966	1,141,049
Publication Expenses		172,732	174,518
Listing Fees		50,000	50,000
Audit Fees		113,000	113,000
Bank Charges		5,386	5,566
DP Expense		400	352
CDS Dematerialisation Registration Fee		120,000	120,000
Annual Service Charges on Software		99,440	90,400
ICRA -Annual Rating Fee		-	40,643
Book Building Registration Expenses-SEBON		-	10,000
Book Building Registration & AMC Expenses-NEPSE		15,000	
Other Expenses		113	362
Total expenses		**17,820,058**	**20,100,241**
Net Gains/(Losses) for the Period		**(209,806,417)**	**626,954,649**
Other Comprehensive income		-	-
Net Surplus/(Deficit) for the period		**(209,806,417)**	**626,954,649**

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

As per our Report of even date

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Statement of Cash Flow

For the Period from 1st Shrawan 2078 to 32nd Ashad 2079 (16th July 2021 to 16th July 2022)

NPR

Particulars	FY 2078/79	FY 2077/78
A. Cash Flow from Operating Activities		
Surplus/ (Deficit) for the year	(209,806,417)	626,954,649
Adjustments for:		
Increase/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	418,817,355	(279,260,670)
Increase/(Decrease) in Liabilities	(2,370,046)	(123,794)
(Increase)/Decrease in Share	67,580,413	(186,357,666)
(Increase)/Decrease in Other Assets	20,002,804	(20,032,132)
Net cash generated/(used) in Operations (1)	***294,224,110***	***141,180,386***
B. Cash Flow from Financing Activities		
Dividend Paid during the year	(375,000,000)	-
Net cash generated/(used) in financing (2)	***(375,000,000)***	-
C. Cash Flow from Investing Activities	-	-
Net cash generated/(used) in investing (3)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	**(80,775,890)**	**141,180,386**
Cash and Cash Equivalents at beginning of the year/period	223,333,560	82,153,174
Cash and Cash Equivalents at end of period	**142,557,670**	**223,333,560**
Components of Cash and Cash Equivalents		
Balance with Banks	**142,557,670**	**223,333,560**

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

As per our Report of even date

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Statement of Change in Unit Holder's Fund

For the Period from 1st Shrawan 2078 to 32nd Ashad 2079 (16th July 2021 to 16th July 2022)

NPR

Particular	FY 2078/79	FY 2077/78
Unit Holders' Fund at the Beginning of the Year/Period	1,366,613,617	739,658,968
Increase in Net Assets Attributable to Unit Holders:		
Net Gains/(Losses) for the Period	(209,806,417)	626,954,649
Other Comprehensive income	-	-
Distribution to Unit Holders'	(375,000,000)	-
Unit Holders' Fund at the End of the Year/Period	**781,807,200**	**1,366,613,617**

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

As per our Report of even date

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

Maheswarendra Bahadur Shrestha, FCA
Proprietor
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Date: 25th August, 2022
Place: Kathmandu

Notes to the Financial Statements as of Ashad End 2079 (16th July 2022)

1. General Information of the Scheme

Fund	:	**NIBL Mutual Fund**
Scheme	:	**NIBL Pragati Fund**
Fund Sponsor	:	**Nepal Investment Bank Limited (NIBL)**
		(Licensed by NRB as Class A bank)
Fund Management	:	**NIBL Ace Capital Limited**
		(A subsidiary of Nepal Investment Bank Limited)
Fund Supervisors	:	Dr. Bimal Prasad Koirala
		Dr. Shambhu Ram Simkhada
		Dr. Durgesh Man Singh
		CA. Jitendra Bahadur Rajbhandari
		Mr. Raju Nepal
Total Units of Scheme	:	75,000,000 (Seventy-five million units)
Total Unit Capital	:	NPR 750,000,000 (NPR Seven hundred fifty Million)
Scheme type	:	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 27th Poush 2073 (Scheme allotment date) B.S. with maturity period of 7 years (i.e. 26th Poush 2080 B.S.). It was listed in NEPSE on 6th Chaitra, 2073. The Scheme's Financial Statements for the year 2078/79 were approved by the Board of Directors of the NIBL Ace Capital Limited on 9th Bhadra, 2079 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.

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The Unit Capital of the Scheme comprises of the following:

Holder	Status	No. of Units	Holding Amount at Par	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
Total		**75,000,000**	**750,000,000**	**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 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. NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.4. Accounting Conventions

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

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Chartered Accountants

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. 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.

2.6. Presentation currency

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

2.7. 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.

2.8. Financial Periods

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

2.9. 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.

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Chartered Accountants

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	32 Ashad 2079	31 Ashad 2078
Cash at Bank	142,557,670	223,333,560
Total	**142,557,670**	**223,333,560**

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 9; Financial Instruments: Recognition and Measurement, the Fund's interest receivables are classified as 'Financial Assets measured at Amortized Cost'. 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.

Recognition / De- recognition

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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.

4.3 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.

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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.

4.4 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

4.5 Other Current Assets

Particulars	32 Ashad 2079	31 Ashad 2078
Dividend Income Receivable	70,709	160,429
Interest Receivables	9,450,000	4,059,041
Broker Receivables	616,391	27,161,980
TDS Receivable on Interest	247	-
TDS Receivables	127,347	127,347
IPO Refund Receivables	1,959,200	717,900
Total	**12,223,894**	**32,226,698**

4.6 Financial Assets Held at Fair Value Through Profit or Loss

Particulars	32 Ashad 2079	31 Ashad 2078
Financial Assets Held for Trading		
Equity Security	631,240,368	1,117,638,137
Total Financial Assets held for Trading (A)	**631,240,368**	**1,117,638,137**
Designated Financial Assets at Fair Value Through Profit or Loss	-	-
Total Designated at Fair Value Through Profit or Loss (B)	-	-
Total Financial Assets Held at Fair Value Through Profit or Loss (A+B)	**631,240,368**	**1,117,638,137**

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Comparative Investment in Listed Shares

S.N.	Name	Fiscal Year 2078-79			Fiscal Year 2077-78		
		Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
	LISTED						
1	Himalayan Bank Limited	41,088	299.20	12,293,530	33,851	484.00	16,383,884
2	Bank of Kathmandu Limited	-	-	-	63,364	379.00	24,014,956
3	Machhapuchhre Bank Limited	37,980	254.00	9,646,920	35,726	385.00	13,754,510
4	Siddhartha Bank Limited	39,703	303.00	12,030,009	83,913	504.00	42,292,152
5	Prime Commercial Bank Limited	-	-	-	86,093	479.00	41,238,547
6	Citizens Bank International Limited	12,355	202.50	2,501,888	59,126	386.00	22,822,636
7	Sunrise Bank Limited	-	-	-	12,530	363.00	4,548,390
8	Sanima Bank Limited	11,410	276.00	3,149,160	98,195	485.00	47,624,575
9	NIC Asia Bank Limited	21,479	696.00	14,949,384	21,979	994.00	21,847,126
10	Nepal Bank Limited	-	-	-	40,057	443.00	17,745,251
11	Global IME Bank Limited	-	-	-	8,455	441.00	3,728,655
12	Nepal SBI Bank Limited	39,281	282.30	11,089,026	37,953	409.00	15,522,777
13	Nepal Bangladesh Bank Limited	11,768	399.00	4,695,432	5,000	436.00	2,180,000
14	NMB Bank Limited	20,593	261.00	5,374,773	-	-	-
15	Laxmi Bank Limited	-	-	-	35,579	395.00	14,053,705
16	Agricultural Development Bank Limited	-	-	-	5,170	479.00	2,476,430
17	Century Commercial Bank Limited	53,379	183.00	9,768,357	33,840	291.00	9,847,440
18	Everest Bank Limited	16,349	439.00	7,177,211	25,423	738.00	18,762,174
19	Kumari Bank Limited	-	-	-	33,630	371.00	12,476,730
20	Mega Bank Nepal Limited	45,425	226.00	10,266,050	19,553	366.00	7,156,398
21	Prabhu Bank Limited	67,594	207.00	13,991,958	93,899	457.00	42,911,843
22	Nabil Bank Limited	17,410	824.00	14,345,840	36,301	1,359.00	49,333,059
23	Shine Resunga Development Bank Limited	-	-	-	4,118	447.00	1,840,746
24	Muktinath Bikas Bank Limited	-	-	-	3,647	657.00	2,396,079
25	Excel Development Bank Limited	1	327.00	327	-	-	-
26	Sanima Mai Hydropower Limited	-	-	-	13,166	513.00	6,754,158
27	Himalayan General Insurance Company Limited	5,310	520.00	2,761,200	5,479	768.00	4,207,872
28	Lumbini General Insurance Limited	-	-	-	2,813	780.00	2,194,140
29	Siddhartha Insurance Limited	-	-	-	815	1,058.00	862,270
30	NLG Insurance Company Limited	-	-	-	8,219	1,220.00	10,027,180
31	Nepal Life Insurance Company Limited	-	-	-	1,923	1,919.00	3,690,237
32	National Life Insurance Company Limited	34,385	577.00	19,840,145	18,932	1,151.00	21,790,732
33	Shikhar Insurance Company Limited	15,716	807.00	12,682,812	5,089	1,952.00	9,933,728
34	Life Insurance Corporation Nepal Limited	24,330	1,415.00	34,426,950	14,819	2,342.00	34,706,098
35	Sagarmatha Insurance Company Limited	3,844	870.00	3,344,280	3,203	1,344.00	4,304,832
36	Neco Insurance Company Limited	6,368	694.00	4,419,392	468	1,348.00	630,864
37	Siddhartha Equity Fund	-	-	-	247,750	14.05	3,480,888
38	Laxmi Equity Fund	-	-	-	357,326	13.80	4,931,099
39	NMB Hybrid Fund L1	-	-	-	173,909	13.65	2,373,858
40	Sanima Equity Fund	-	-	-	42,200	16.79	708,538

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41	RMDC Laghubitta Bittiya Sanstha Limited	-	-	-	1,897	1,373.00	2,604,581
42	Chhimek Laghubitta Bittiya Sanstha Limited	24,875	1,100.00	27,362,500	24,268	1,738.00	42,177,784
43	Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	-	-	-	1,639	1,600.00	2,622,400
44	Forward Community Microfinance Bittiya Sanstha Limited	1,092	2,385.00	2,604,420	1,196	2,770.00	3,312,920
45	Samata Microfinance Bittiya Sanstha Limited	5,903	799.00	4,716,497	-	-	-
46	Nerude Laghubitta Bittiya Sanstha Limited	16,490	880.00	14,511,200	6,886	1,600.00	11,017,600
47	Mahuli Laghubitta Bittiya Sanstha Limited	1	1,155.00	1,155	122	2,180.00	265,960
48	Aarambha Microfinance Bittiya Sanstha Limited	-	-	-	119	1,574.00	187,306
49	Unnati Microfinance Bittiya Sanstha Limited	-	-	-	866	2,244.00	1,943,304
50	Nepal Sewa Laghubitta Bittiya Sanstha Limited	-	-	-	11	831.00	9,141
51	Deprosc Laghubitta Bittiya Sanstha Limited	26,624	940.00	25,026,560	17,362	1,686.00	29,272,332
52	Swabalamban Laghubitta Bittiya Sanstha Limited	-	-	-	4,690	1,659.00	7,780,710
53	Aadhikhola Laghubitta Bittiya Sanstha Limited	152	1,370.00	208,240	800	465.00	372,000
54	Citizen Investment Trust	11,712	2,515.00	29,455,680	6,618	3,491.00	23,103,438
55	Citizens Mutual fund 1	-	-	-	300	12.58	3,774
56	Himalayan Distillary Ltd.	6,233	3,410.00	21,254,530	3,165	5,512.00	17,445,480
57	Nepal Reinsurance Co ltd.	19,746	735.00	14,513,310	-	-	-
58	Sabaiko Laghubitta Bittiya Sanstha limited	1	1,074.90	1,075	4,000	1,815.00	7,260,000
59	Sanjen Hydropower Co. Ltd.	1,000	260.00	260,000	17,564	449.00	7,886,236
60	Rasuagadi Hydropower Co ltd.	-	-	-	20,938	474.00	9,924,612
61	Premier Insurance Co ltd.	27,603	576.00	15,899,328	15,204	1,170.00	17,788,680
62	Prime Life Insurance Co ltd.	37,575	569.00	21,380,175	30,110	954.00	28,724,940
63	NIC Asia Growth fund	-	-	-	17,950	15.00	269,250
64	NIC Asia Laghubitta Bittiya Sanstha Limited	5,000	859.90	4,299,500	1,276	1,545.00	1,971,420
65	Nepal Insurance Co. Ltd.	5,170	445.90	2,305,303	21,053	1,022.00	21,516,166
66	Vijaya laghubitta Bittiya Sanstha Ltd.	-	-	-	1,585	1,819.00	2,883,115
67	Samudayik Laghubitta Bittiya Sanstha Limited	-	-	-	193	1,518.00	292,974
68	Shivam Cements Ltd	9,962	760.00	7,571,120	8,094	1,458.00	11,801,052
69	Sadhana Laghubitta Bittiya Sanstha Limited	-	-	-	1,000	1,682.00	1,682,000
70	Surya Life Insurance Company Limited	26,517	387.00	10,262,079	13,059	922.00	12,040,398
71	Samaj Laghubitta Bittiya Sanstha Limited	156	166.21	25,929	156	166.21	25,929
72	Api Power Company Ltd.	1	244.50	245	-	-	-
73	Global IME Samunnat Scheme-1	-	-	-	1,000	20.28	20,280
74	Sunrise First Mutual Fund	-	-	-	128,201	16.00	2,051,216
75	Nabil Equity Fund	-	-	-	96,139	14.60	1,403,629
76	Prudential Insurance Co. Ltd.	-	-	-	160	810.00	129,600
77	First Micro Finance Development Bank Ltd.	-	-	-	23,838	823.00	19,618,674
78	Gurans Life Insurance Company Ltd.	-	-	-	834	759.00	633,006
79	Mero Microfinance Bittiya Sanstha Ltd.	-	-	-	2,654	1,546.00	4,103,084
80	Summit Laghubitta Bittiya Sanstha Limited	-	-	-	418	1,695.00	708,510
81	National Microfinance Bittiya Sanstha Ltd.	1	1,935.00	1,935	945	3,603.00	3,404,835
82	Mountain Energy Nepal Limited	9,404	800.00	7,523,200	-	-	-
83	Nepal Infrastructure Bank Limited	31,301	240.00	7,512,240	118,420	492.00	58,262,640
84	Mahila Lagubitta Bittiya Sanstha Limited	-	-	-	1,000	4,870.00	4,870,000
85	Kumari Equity Fund	150,000	10.07	1,510,500	500,000	10.50	5,250,000
86	Siddhartha Investment Growth Scheme - 2	-	-	-	258,800	14.20	3,674,960

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87	Global IME Laghubitta Bittiya Sanstha Ltd.	5,023	1,299.00	6,524,877	3,925	2,815.00	11,048,875
88	Nabil Balanced Fund-2	-	-	-	210,900	14.10	2,973,690
89	Grameen Bikas Laghubitta Bittiya Sanstha Ltd.	9,448	756.00	7,142,688	7,294	1,225.00	8,935,150
90	NIC Asia Balanced Fund	-	-	-	102,541	13.73	1,407,888
91	Nepal Credit And Commercial Bank Limited	40,549	210.90	8,551,784	10,694	367.00	3,924,698
92	Laxmi Laghubitta Bittiya Sanstha Ltd.	8,287	1,275.00	10,565,925	6,907	2,290.00	15,817,030
93	NMB Microfinance Bittiya Sanstha Ltd.	7,898	750.10	5,924,290	6,500	1,429.00	9,288,500
94	Sunrise Bluechip Fund	494,000	8.74	4,317,560	500,000	10.16	5,080,000
95	United Insurance Co. (Nepal) Ltd.	11,215	350.00	3,925,250	5,215	715.00	3,728,725
96	Kamana Sewa Bikas Bank Limited	12,789	349.90	4,474,871	5,000	580.00	2,900,000
97	Ridi Hydropower Development Company Ltd.	5,000	838.00	4,190,000	-	-	-
98	Manushi Laghubitta Bittiya Sanstha Limited	295	1,002.00	295,590	-	-	-
99	Sahas Urja Limited	6,920	460.00	3,183,200	-	-	-
100	Nabil Balanced Fund-3	16,670	9.43	157,198	-	-	-
101	Jyoti Bikas Bank Limited	5,230	302.20	1,580,506	-	-	-
102	Soaltee Hotel Limited	6,000	202.50	1,215,000	-	-	-
103	Rastra Utthan Laghubitta Sanstha Limited	793	926.00	734,318	-	-	-
104	Balephi Hydropower Limited	1,706	239.70	408,928	-	-	-
105	Upakar Laghubitta Bittiya Sanstha Limited	221	2,699.00	596,479	-	-	-
106	Civil Bank Ltd	14,719	213.00	3,135,147	-	-	-
107	CYC Nepal Laghubitta Bittiya Sanstha Limited	369	1,698.20	626,636	-	-	-
108	River Falls Power Limited	2,457	222.00	545,454	-	-	-
	Total			**495,057,065**			**980,975,048**

Comparative Investment in Unlisted Shares

S.N.	Name	Fiscal Year 2078-79			Fiscal Year 2077-78		
		Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
	UNLISTED						
1	Jeevan Bikas Laghubitta Bittiya Sanstha-IPO	-	-	-	1,597	547.05	873,639
2	Manakamana Smart Laghubitta Bittiya Sanstha-IPO	-	-	-	314	513.29	161,173
3	Union Life Insurance Co. Ltd.-IPO	-	-	-	4,838	116.93	565,707
4	Mailung Khola Hydropower Company Ltd.-IPO	-	-	-	552	113.35	62,569
5	Citizen Unit Scheme	500,000	100.00	50,000,000	500,000	100.00	50,000,000
6	Citizen Unit Scheme	250,000	100.00	25,000,000	250,000	100.00	25,000,000
7	Citizen Unit Scheme	500,000	100.00	50,000,000	500,000	100.00	50,000,000
8	Citizen Unit Scheme	100,000	100.00	10,000,000	100,000	100.00	10,000,000
9	Bindhyabasini Hydropower Development Co. Ltd.-IPO	1,350	155.41	209,804	-	-	-
10	Adarsha Laghubitta Bittiya Sanstha Ltd.-IPO	61	203.17	12,393	-	-	-
11	Himalayan Hydropower Ltd.-IPO	1,706	100.80	171,965	-	-	-
12	Upper Solu Hydro Electric Co. Ltd.-IPO	1,697	111.58	189,351	-	-	-
13	Upper Hewakhola Hydropower Co. Ltd.-IPO	1,300	110.75	143,975	-	-	-
14	Swet Ganga Hydropower & Construction Ltd.- IPO	2,071	112.26	232,490	-	-	-
15	Rapti Hydro & General Construction Ltd.-IPO	2,197	101.65	223,325	-	-	-

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	Total			136,183,303			136,663,088
	Grand Total			631,240,368			1,117,638,137

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	32 Ashad 2079	31 Ashad 2078
Reporting Expenses Payables	34,042	22,000
Audit Fee Payable	111,500	113,000
Provision for Realizable Tax on Dividend	5,975	5,975
Provision for Book Building AMC- NEPSE	5,000	-
TDS Liability	96,804	150,910
Software AMC Payable	97,948	89,044
Fund Management Fee Payable - NIBL Ace Capital	3,114,653	5,059,885
Depository Fee Payables - NIBL Ace Capital	415,287	674,651
Supervisor Fee Payables	215,022	349,312
DP Fee Payable	300	-
CDS Fees Payable	118,200	120,000
Total	**4,214,731**	**6,584,777**

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***. 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

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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.

Particulars	32 Ashad 2079	31 Ashad 2078
Units Holders' Fund at the beginning of the Year/Period	1,366,613,617	739,658,968
Increase in Net Assets Attributable to Unit Holders	(209,806,417)	626,954,649
Distribution to Unit Holders	(375,000,000)	-
Units Holders' Fund at the end of the Year/Period	**781,807,200**	**1,366,613,617**

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	32 Ashad 2079	31 Ashad 2078
Interest on Bank Deposits	4,448,027	7,923,977
Interest on Fixed income instruments	9,450,000	-
Total	**13,898,027**	**7,923,977**

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7.3 Dividend Income

Particulars	32 Ashad 2079	31 Ashad 2078
Dividend Income Realized	1,252,874	3,005,097
Total	**1,252,874**	**3,005,097**

8. Expenses

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

The management participation fees of the fund of the period 1st Shrawan 2078 to 32nd Ashad 2079 are as follows:

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

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

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 2078/79	FY 2077/78
Fund Management Fee	14,212,077	16,195,016
Depository Fee	1,894,944	2,159,335
Fund Supervisor Fee	1,136,966	1,141,049
Total	**17,243,987**	**19,495,401**

9. Income Tax

Income Tax Act, 2058 has not specifically charged corporate tax liability on Mutual Fund. 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 Fund 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. Further, the finance ordinance of FY 2078/79 has included Mutual Fund under Section 10 of the Income Tax Act, 2058 as tax exempt entities. TDS on return from mutual fund (i.e.; 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 for FY 2078/79.

10. Distributions

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

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11. Financial Risk Management

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

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

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

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

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

11.1. Market Risk

a. Price Risk

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

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

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

Investment Threshold

As per the Mutual Fund Regulation, 2067 (Third Amendment) investment in Fixed deposit cannot be made more that 15% of total fund size or NAV 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.

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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 2078/79:

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercial Banks	142,966,469	209,714,535	22.65%	-31.83%
Development Banks	6,055,704	9,001,190	0.96%	-32.72%
Hotels	1,215,000	1,434,875	0.19%	-15.32%
Hydro Power	17,281,937	21,523,563	2.74%	-19.71%
Investment	36,967,920	43,959,367	5.86%	-15.90%
Life Insurance	85,909,349	126,418,812	13.61%	-32.04%
Manufacturing And Processing	28,825,650	34,998,317	4.57%	-17.64%
Microfinance	111,182,207	131,734,541	17.61%	-15.60%
Mutual Fund	140,985,258	141,606,700	22.33%	-0.44%
Non-Life Insurance	45,337,565	77,090,411	7.18%	-41.19%
Others	14,513,310	24,577,519	2.30%	-40.95%
Total	**631,240,368**	**822,059,828**	**100.00%**	

For FY 2077/78:

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercials Banks	434,645,936	352,820,313	38.89%	23.19%
Development Banks	7,136,825	4,512,493	0.64%	58.16%
Hydropower	24,627,575	12,681,903	2.20%	94.19%

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Insurance Companies	177,475,175	159,085,779	15.88%	11.56%
Microfinance	194,510,946	132,213,145	17.40%	47.12%
Mutual Fund	164,170,394	159,661,318	14.69%	2.82%
Others	115,071,286	68,665,292	10.30%	67.58%
Total	**1,117,638,137**	**889,640,241**	**100.00%**	

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.

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

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

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

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

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

I) 50% of the Latest Net Worth Published by the Company.

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

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:

Vr = n / m x (Pex – Pof)

Where

Vr = Value of Rights

n = Number of rights offered

m = Number of original shares held

Pex = Ex-right price

Pof = Rights offer price

Valuation of total Right Entitlement = Vr x 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.

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b. Explanatory notes

Particulars	FY 2078/79	FY 2077/78
Net Realised (Losses)/Gains on Financial Assets at Fair Value Through Proift or loss	211,680,096	356,863,082
Net Unrealised (Losses)/Gains on Financial Assets at Fair Value Through Profit or Loss	(418,817,355)	279,260,670
Total	**(207,137,259)**	**636,123,753**

Computation of Unrealized Gains for FY 2078/79:

Name	Unit	Price	Value	Cost Price	Total Cost	Gain/ (Loss)
LISTED						
Himalayan Bank Limited	41088	299.20	12,293,530	470.00	19,311,404	(7,017,874)
Machhapuchhre Bank Limited	37980	254.00	9,646,920	337.70	12,825,846	(3,178,926)
Siddhartha Bank Limited	39703	303.00	12,030,009	451.02	17,906,899	(5,876,890)
Citizens Bank International Limited	12355	202.50	2,501,888	253.11	3,127,123	(625,236)
Sanima Bank Limited	11410	276.00	3,149,160	335.96	3,833,306	(684,146)
NIC Asia Bank Limited	21479	696.00	14,949,384	800.71	17,198,384	(2,249,000)
Nepal SBI Bank Limited	39281	282.30	11,089,026	666.25	26,170,806	(15,081,780)
Nepal Bangladesh Bank Limited	11768	399.00	4,695,432	373.09	4,390,530	304,902
NMB Bank Limited	20593	261.00	5,374,773	353.74	7,284,543	(1,909,770)
Century Commercial Bank Limited	53379	183.00	9,768,357	244.41	13,046,481	(3,278,124)
Everest Bank Limited	16349	439.00	7,177,211	866.01	14,158,425	(6,981,214)
Mega Bank Nepal Limited	45425	226.00	10,266,050	307.07	13,948,666	(3,682,616)
Prabhu Bank Limited	67594	207.00	13,991,958	334.91	22,638,210	(8,646,252)
Nabil Bank Limited	17410	824.00	14,345,840	1,121.17	19,519,605	(5,173,765)
Excel Development Bank Limited	1	327.00	327	100.00	100	227
Himalayan General Insurance Company Limited	5310	520.00	2,761,200	659.94	3,504,267	(743,067)
National Life Insurance Company Limited	34385	577.00	19,840,145	965.26	33,190,625	(13,350,480)
Shikhar Insurance Company Limited	15716	807.00	12,682,812	1,509.89	23,729,421	(11,046,609)
Life Insurance Corporation Nepal Limited	24330	1,415.00	34,426,950	1,863.14	45,330,265	(10,903,315)
Sagarmatha Insurance Company Limited	3844	870.00	3,344,280	1,288.43	4,952,737	(1,608,457)
Neco Insurance Company Limited	6368	694.00	4,419,392	1,020.30	6,497,240	(2,077,848)
Chhimek Laghubitta Bittiya Sanstha Limited	24875	1,100.00	27,362,500	765.24	19,035,287	8,327,213
Forward Community Microfinance Bittiya Sanstha Limited	1092	2,385.00	2,604,420	2,293.67	2,504,688	99,732
Samata Microfinance Bittiya Sanstha Limited	5903	799.00	4,716,497	1,313.11	7,751,300	(3,034,803)
Nerude Laghubitta Bittiya Sanstha Limited	16490	880.00	14,511,200	1,072.99	17,693,616	(3,182,416)
Mahuli Laghubitta Bittiya Sanstha Limited	1	1,155.00	1,155	-	(0)	1,155
Deprosc Laghubitta Bittiya Sanstha Limited	26624	940.00	25,026,560	1,083.92	28,858,260	(3,831,700)
Aadhikhola Laghubitta Bittiya Sanstha Limited	152	1,370.00	208,240	84.03	12,773	195,467
Citizen Investment Trust	11712	2,515.00	29,455,680	3,429.43	40,165,471	(10,709,791)
Himalayan Distillary Ltd.	6233	3,410.00	21,254,530	3,245.22	20,227,457	1,027,073
Nepal Reinsurance Co ltd.	19746	735.00	14,513,310	1,244.68	24,577,519	(10,064,209)
Sabaiko Laghubitta Bittiya Sanstha limited	1	1,074.90	1,075	-	(0)	1,075
Sanjen Hydropower Co. Ltd.	1000	260.00	260,000	355.52	355,522	(95,522)
Premier Insurance Co ltd.	27603	576.00	15,899,328	974.14	26,889,185	(10,989,857)
Prime Life Insurance Co ltd.	37575	569.00	21,380,175	745.87	28,026,234	(6,646,059)
NIC Asia Laghubitta Bittiya Sanstha Limited	5000	859.90	4,299,500	1,277.96	6,389,817	(2,090,317)
Nepal Insurance Co. Ltd.	5170	445.90	2,305,303	645.41	3,336,792	(1,031,489)
Shivam Cements Ltd	9962	760.00	7,571,120	1,482.72	14,770,860	(7,199,740)
Surya Life Insurance Company Limited	26517	387.00	10,262,079	749.39	19,871,688	(9,609,609)

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Samaj Laghubitta Bittiya Sanstha Limited	156	166.21	25,929	100.00	15,600	10,329
Api Power Company Ltd.	1	244.50	245	100.00	100	145
National Microfinance Bittiya Sanstha Ltd.	1	1,935.00	1,935	-	-	1,935
Mountain Energy Nepal Limited	9404	800.00	7,523,200	1,208.53	11,365,038	(3,841,838)
Nepal Infrastructure Bank Limited	31301	240.00	7,512,240	121.21	3,793,896	3,718,344
Kumari Equity Fund	150000	10.07	1,510,500	10.00	1,500,000	10,500
Global IME Laghubitta Bittiya Sanstha Ltd.	5023	1,299.00	6,524,877	2,102.94	10,563,085	(4,038,208)
Grameen Bikas Laghubitta Bittiya Sanstha Ltd.	9448	756.00	7,142,688	1,183.50	11,181,723	(4,039,035)
Nepal Credit And Commercial Bank Limited	40549	210.90	8,551,784	276.69	11,219,499	(2,667,715)
Laxmi Laghubitta Bittiya Sanstha Ltd.	8287	1,275.00	10,565,925	2,082.62	17,258,702	(6,692,777)
NMB Microfinance Bittiya Sanstha Ltd.	7898	750.10	5,924,290	1,303.59	10,295,790	(4,371,500)
Sunrise Bluechip Fund	494000	8.74	4,317,560	10.00	4,940,000	(622,440)
United Insurance Co. (Nepal) Ltd.	11215	350.00	3,925,250	729.45	8,180,769	(4,255,519)
Kamana Sewa Bikas Bank Limited	12789	349.90	4,474,871	547.61	7,003,394	(2,528,523)
Ridi Hydropower Development Company Ltd.	5000	838.00	4,190,000	834.51	4,172,532	17,468
Manushi Laghubitta Bittiya Sanstha Limited	295	1,002.00	295,590	100.00	29,500	266,090
Sahas Urja Limited	6920	460.00	3,183,200	604.33	4,181,970	(998,770)
Nabil Balanced Fund-3	16670	9.43	157,198	10.00	166,700	(9,502)
Jyoti Bikas Bank Limited	5230	302.20	1,580,506	381.97	1,997,696	(417,190)
Soaltee Hotel Limited	6000	202.50	1,215,000	239.15	1,434,875	(219,875)
Rastra Utthan Laghubitta Sanstha Limited	793	926.00	734,318	100.00	79,300	655,018
Balephi Hydropower Limited	1706	239.70	408,928	100.00	170,600	238,328
Upakar Laghubitta Bittiya Sanstha Limited	221	2,699.00	596,479	100.00	22,100	574,379
Civil Bank Ltd	14719	213.00	3,135,147	212.98	3,134,809	338
CYC Nepal Laghubitta Bittiya Sanstha Limited	369	1,698.20	626,636	100.00	36,900	589,736
River Falls Power Limited	2457	222.00	545,454	100.00	245,700	299,754
(A) Sub-Total			**495,057,065**		**686,021,628**	**(190,964,563)**
UNLISTED						
Citizen Unit Scheme	500000	100.00	50,000,000	100.00	50,000,000	-
Citizen Unit Scheme	250000	100.00	25,000,000	100.00	25,000,000	-
Citizen Unit Scheme	500000	100.00	50,000,000	100.00	50,000,000	-
Citizen Unit Scheme	100000	100.00	10,000,000	100.00	10,000,000	-
Bindhyabasini Hydropower Development Co. Ltd.-IPO	1350	155.41	209,804	100.00	135,000	74,804
Adarsha Laghubitta Bittiya Sanstha Ltd.-IPO	61	203.17	12,393	100.00	6,100	6,293
Himalayan Hydropower Ltd.-IPO	1706	100.80	171,965	100.00	170,600	1,365
Upper Solu Hydro Electric Co. Ltd.-IPO	1697	111.58	189,351	100.00	169,700	19,651
Upper Hewakhola Hydropower Co. Ltd.-IPO	1300	110.75	143,975	100.00	130,000	13,975
Swet Ganga Hydropower & Construction Ltd.- IPO	2071	112.26	232,490	100.00	207,100	25,390
Rapti Hydro & General Construction Ltd.-IPO	2197	101.65	223,325	100.00	219,700	3,625
Sub-Total (B)			**136,183,303**		**136,038,200**	**145,103**
Grand Total (A+B)			**631,240,368**		**822,059,828**	**(190,819,460)**
				Unrealised Gain / (Loss)	**(190,819,460)**	
				Less: Previous year unrealised gain/(loss)	**227,997,895**	
				Unrealised Gain / (Loss) This Year	**(418,817,355)**	

Computation of Unrealized Gains for FY 2077/78:

Name	Unit	Price	Value	Cost Price	Total Cost	Gain/ (Loss)
LISTED						
Himalayan Bank Limited	33851	484.00	16,383,884	570.48	19,311,404	(2,927,520)
Bank of Kathmandu Limited	63364	379.00	24,014,956	279.63	17,718,643	6,296,313

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Machhapuchhre Bank Limited	35726	385.00	13,754,510	252.05	9,004,739	4,749,771
Siddhartha Bank Limited	83913	504.00	42,292,152	420.06	35,248,665	7,043,487
Prime Commercial Bank Limited	86093	479.00	41,238,547	362.37	31,197,660	10,040,887
Citizens Bank International Limited	59126	386.00	22,822,636	298.79	17,666,550	5,156,086
Sunrise Bank Limited	12530	363.00	4,548,390	297.45	3,727,073	821,317
Sanima Bank Limited	98195	485.00	47,624,575	362.32	35,578,213	12,046,362
NIC Asia Bank Limited	21979	994.00	21,847,126	777.67	17,092,506	4,754,620
Nepal Bank Limited	40057	443.00	17,745,251	383.27	15,352,710	2,392,541
Global IME Bank Limited	8455	441.00	3,728,655	241.10	2,038,461	1,690,194
Nepal SBI Bank Limited	37953	409.00	15,522,777	689.56	26,170,806	(10,648,029)
Nepal Bangladesh Bank Limited	5000	436.00	2,180,000	384.42	1,922,123	257,877
Laxmi Bank Limited	35579	395.00	14,053,705	252.01	8,966,101	5,087,604
Agricultural Development Bank Limited	5170	479.00	2,476,430	435.42	2,251,102	225,328
Century Commercial Bank Limited	33840	291.00	9,847,440	257.81	8,724,397	1,123,043
Everest Bank Limited	25423	738.00	18,762,174	918.01	23,338,497	(4,576,323)
Kumari Bank Limited	33630	371.00	12,476,730	265.73	8,936,633	3,540,097
Mega Bank Nepal Limited	19553	366.00	7,156,398	236.79	4,629,954	2,526,444
Prabhu Bank Limited	93899	457.00	42,911,843	375.10	35,221,818	7,690,025
Nabil Bank Limited	36301	1,359.00	49,333,059	681.37	24,734,240	24,598,819
Shine Resunga Development Bank Limited	4118	447.00	1,840,746	214.33	882,595	958,151
Muktinath Bikas Bank Limited	3647	657.00	2,396,079	280.99	1,024,769	1,371,310
Sanima Mai Hydropower Limited	13166	513.00	6,754,158	376.76	4,960,438	1,793,720
Himalayan General Insurance Company Limited	5479	768.00	4,207,872	624.63	3,422,347	785,525
Lumbini General Insurance Limited	2813	780.00	2,194,140	560.51	1,576,713	617,427
Siddhartha Insurance Limited	815	1,058.00	862,270	735.88	599,742	262,528
NLG Insurance Company Limited	8219	1,220.00	10,027,180	794.49	6,529,923	3,497,257
Nepal Life Insurance Company Limited	1923	1,919.00	3,690,237	937.72	1,803,237	1,887,000
National Life Insurance Company Limited	18932	1,151.00	21,790,732	1,160.61	21,972,675	(181,943)
Shikhar Insurance Company Limited	5089	1,952.00	9,933,728	2,124.58	10,811,969	(878,241)
Life Insurance Corporation Nepal Limited	14819	2,342.00	34,706,098	2,248.54	33,321,168	1,384,930
Sagarmatha Insurance Company Limited	3203	1,344.00	4,304,832	1,546.28	4,952,737	(647,905)
Neco Insurance Company Limited	468	1,348.00	630,864	1,277.13	597,695	33,169
Siddhartha Equity Fund	247750	14.05	3,480,888	10.11	2,504,517	976,370
Laxmi Equity Fund	357326	13.80	4,931,099	9.90	3,537,111	1,393,988
NMB Hybrid Fund L1	173909	13.65	2,373,858	9.02	1,568,562	805,296
Sanima Equity Fund	42200	16.79	708,538	9.09	383,513	325,025
RMDC Laghubitta Bittiya Sanstha Limited	1897	1,373.00	2,604,581	919.49	1,744,271	860,310
Chhimek Laghubitta Bittiya Sanstha Limited	24268	1,738.00	42,177,784	889.73	21,591,930	20,585,854
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited	1639	1,600.00	2,622,400	806.04	1,321,106	1,301,294
Forward Community Microfinance Bittiya Sanstha Limited	1196	2,770.00	3,312,920	1,211.90	1,449,434	1,863,486
Nerude Laghubitta Bittiya Sanstha Limited	6886	1,600.00	11,017,600	1,096.70	7,551,843	3,465,757
Mahuli Laghubitta Bittiya Sanstha Limited	122	2,180.00	265,960	47.64	5,813	260,147
Aarambha Microfinance Bittiya Sanstha Limited	119	1,574.00	187,306	85.75	10,204	177,102
Unnati Microfinance Bittiya Sanstha Limited	866	2,244.00	1,943,304	45.82	39,681	1,903,623
Nepal Sewa Laghubitta Bittiya Sanstha Limited	11	831.00	9,141	97.61	1,074	8,067
Deprosc Laghubitta Bittiya Sanstha Limited	17362	1,686.00	29,272,332	1,124.51	19,523,744	9,748,588
Swabalamban Laghubitta Bittiya Sanstha Limited	4690	1,659.00	7,780,710	903.39	4,236,888	3,543,822
Aadhikhola Laghubitta Bittiya Sanstha Limited	800	465.00	372,000	100.00	80,000	292,000
Citizen Investment Trust	6618	3,491.00	23,103,438	3,546.97	23,473,846	(370,408)
Citizens Mutual fund 1	300	12.58	3,774	9.62	2,885	889

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Himalayan Distillary Ltd.	3165	5,512.00	17,445,480	4,440.76	14,055,004	3,390,476
Sabaiko Laghubitta Bittiya Sanstha limited	4000	1,815.00	7,260,000	1,125.25	4,501,002	2,758,998
Sanjen Hydropower Co. Ltd.	17564	449.00	7,886,236	241.51	4,241,938	3,644,298
Rasuagadi Hydropower Co ltd.	20938	474.00	9,924,612	163.55	3,424,327	6,500,285
Premier Insurance Co ltd.	15204	1,170.00	17,788,680	1,108.50	16,853,644	935,036
Prime Life Insurance Co ltd.	30110	954.00	28,724,940	852.17	25,658,869	3,066,071
NIC Asia Growth fund	17950	15.00	269,250	12.73	228,545	40,705
NIC Asia Laghubitta Bittiya Sanstha Limited	1276	1,545.00	1,971,420	99.98	127,569	1,843,851
Nepal Insurance Co. Ltd.	21053	1,022.00	21,516,166	716.36	15,081,570	6,434,596
Vijaya laghubitta Bittiya Sanstha Ltd.	1585	1,819.00	2,883,115	847.34	1,343,036	1,540,079
Samudayik Laghubitta Bittiya Sanstha Limited	193	1,518.00	292,974	814.85	157,265	135,709
Shivam Cements Ltd	8094	1,458.00	11,801,052	1,546.70	12,518,990	(717,938)
Sadhana Laghubitta Bittiya Sanstha Limited	1000	1,682.00	1,682,000	84.78	84,784	1,597,216
Surya Life Insurance Company Limited	13059	922.00	12,040,398	829.03	10,826,295	1,214,103
Samaj Laghubitta Bittiya Sanstha Limited	156	166.21	25,929	100.00	15,600	10,329
Global IME Samunnat Scheme-1	1000	20.28	20,280	9.13	9,130	11,150
Sunrise First Mutual Fund	128201	16.00	2,051,216	13.30	1,704,498	346,718
Nabil Equity Fund	96139	14.60	1,403,629	10.45	1,004,982	398,648
Prudential Insurance Co. Ltd.	160	810.00	129,600	-	0	129,600
First Micro Finance Development Bank Ltd.	23838	823.00	19,618,674	682.29	16,264,543	3,354,131
Gurans Life Insurance Company Ltd.	834	759.00	633,006	606.50	505,819	127,187
Mero Microfinance Bittiya Sanstha Ltd.	2654	1,546.00	4,103,084	1,052.18	2,792,476	1,310,608
Summit Laghubitta Bittiya Sanstha Limited	418	1,695.00	708,510	923.24	385,913	322,597
National Microfinance Bittiya Sanstha Ltd.	945	3,603.00	3,404,835	1,596.34	1,508,540	1,896,295
Nepal Infrastructure Bank Limited	118420	492.00	58,262,640	130.90	15,500,889	42,761,751
Mahila Lagubitta Bittiya Sanstha Limited	1000	4,870.00	4,870,000	100.00	100,000	4,770,000
Kumari Equity Fund	500000	10.50	5,250,000	10.00	5,000,000	250,000
Siddhartha Investment Growth Scheme - 2	258800	14.20	3,674,960	12.32	3,187,446	487,514
Global IME Laghubitta Bittiya Sanstha Ltd.	3925	2,815.00	11,048,875	2,691.23	10,563,085	485,790
Nabil Balanced Fund-2	210900	14.10	2,973,690	11.56	2,437,625	536,065
Grameen Bikas Laghubitta Bittiya Sanstha Ltd.	7294	1,225.00	8,935,150	1,243.18	9,067,753	(132,603)
NIC Asia Balanced Fund	102541	13.73	1,407,888	11.79	1,209,079	198,809
Nepal Credit And Commercial Bank Limited	10694	367.00	3,924,698	372.92	3,988,018	(63,320)
Laxmi Laghubitta Bittiya Sanstha Ltd.	6907	2,290.00	15,817,030	2,498.73	17,258,702	(1,441,672)
NMB Microfinance Bittiya Sanstha Ltd.	6500	1,429.00	9,288,500	1,583.97	10,295,790	(1,007,290)
Sunrise Bluechip Fund	500000	10.16	5,080,000	10.00	5,000,000	80,000
United Insurance Co. (Nepal) Ltd.	5215	715.00	3,728,725	783.81	4,087,574	(358,849)
Kamana Sewa Bikas Bank Limited	5000	580.00	2,900,000	521.03	2,605,128	294,872
Sub-Total (A)			**980,975,048**		**753,910,141**	**227,064,907**
UNLISTED						-
Jeevan Bikas Laghubitta Bittiya Sanstha-IPO	1597	547.05	873,639	100.00	159,700	713,939
Manakamana Smart Laghubitta Bittiya Sanstha-IPO	314	513.29	161,173	100.00	31,400	129,773
Union Life Insurance Co. Ltd.-IPO	4838	116.93	565,707	100.00	483,800	81,907
Mailung Khola Hydropower Company Ltd.-IPO	552	113.35	62,569	100.00	55,200	7,369
Citizen Unit Scheme	500000	100.00	50,000,000	100.00	50,000,000	-
Citizen Unit Scheme	250000	100.00	25,000,000	100.00	25,000,000	-
Citizen Unit Scheme	500000	100.00	50,000,000	100.00	50,000,000	-
Citizen Unit Scheme	100000	100.00	10,000,000	100.00	10,000,000	-
Sub-Total (B)			**136,663,088**		**135,730,100**	**932,988**
Grand Total (A+B)			**1,117,638,137**		**889,640,241**	**227,997,895**

NIBL MUTUAL FUND
NIBL Pragati Fund

NIBL ACE CAPITAL
Managing shares, Managing investments
Kathmandu, Nepal

M.B. Shrestha & Co.
Auditor
Chartered Accountants

Unrealised Gain / (Loss)					227,997,895	
Less: Previous year unrealised gain/(loss)					(51,262,775)	
Unrealised Gain / (Loss) This Year					279,260,670	

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

a. Fund Sponsor: Nepal Investment Bank Limited.

b. Fund Manager and Depository: NIBL Ace Capital Limited, a subsidiary of the Sponsor.

c. Shareholders holding substantial interest in the Fund Manager: Nepal Investment Bank Limited.

d. Subsidiaries of Major Shareholders of Fund Manager with whom the Fund transacted: None

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

- Unit Holding of Nepal Investment Bank Limited (Fund Sponsor) amounts to NPR 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 1,77,864.06 (NPR One Lakh Seventy-Seven Thousand Eight Hundred Sixty-Four and paisa Six Only) from Nepal Investment Bank Limited.
- Fund Management and Depository Fee incurred by NIBL Pragati Fund during the year amounts to NPR 16,107,021 (NPR Sixteen Million One Hundred Seven Thousand Twenty-One Only).
- Fund management and depository fee payable at year end by NIBL Pragati Fund to NIBL Ace Capital Limited NPR 3,529,940 (NPR Three Million Five Hundred Twenty-Nine Thousand Nine Hundred Forty Only).
- The Scheme has a Current/call account bank balance of NPR 1,948,729 (NPR One Million Nine Hundred Forty-Eight Thousand Seven Hundred Twenty-Nine Only) as on Balance Sheet date with the Fund Sponsor - Nepal Investment Bank Limited at the rate of 1% per annum.

NIBL MUTUAL FUND
NIBL Pragati Fund

NIBL ACE CAPITAL

M.B. Shrestha & Co. Auditor Chartered Accountants

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 proposed 4.2% Cash Dividend (including applicable withholding tax) for fiscal year 2078/79 to its unit-holders which amounts to NPR. 3,15,00,000 (Nepalese Rupees Three Crore and Fifteen Lakh Only).

NIBL MUTUAL FUND
NIBL Pragati Fund

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M.B. Shrestha & Co.
Auditor
Chartered Accountants

On Behalf of NIBL Ace Capital Limited

(Fund Management Company)

As per our Report of even date

M.B. Shrestha & Co. Auditor Chartered Accountants

Sachin Tibrewal
Chairman

Deepak Kumar Shrestha
Director

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

Bandana Thapa
Director

Rabindra Bhattarai
Director

Ananda Kumar Bhattarai
Director

Shivanth Bahadur Pandé
Chief Executive Officer

Mekh Bahadur Thapa
Deputy Chief Executive Officer

Sachindra Dhungana
Deputy General Manager

Subhash Poudel
Head- Investment Banking

Poskar Basnet
Head- Mutual Fund

NIBL MUTUAL FUND
NIBL Pragati Fund

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Date : 25th August, 2022
Place : Kathmandu