

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **NIBL Samriddhi Fund- II ("the Scheme")**, which comprise the Statement of Financial Position as at Ashad 31, 2080, (July 16, 2023), the Statement of Profit or Loss (including Other Comprehensive Income), the Statement of Change 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 the financial statements presents fairly, in all material respects, the financial position of the Scheme, as at Ashad 31, 2080 (July 16, 2023), and its financial performance, 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 (NFRS) and other prevailing laws.

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 Scheme 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.

Key Audit Matters

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

We have determined that there are no any key audit matters to communicate in our report.

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

The Scheme'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 report in this regard.



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 Scheme'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 Scheme or to cease operations, or has no realistic alternative but to do so.

The Board of Directors / Scheme managers are responsible for overseeing the Scheme'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 Scheme'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 Scheme'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 Scheme to cease to continue as a going concern.

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.



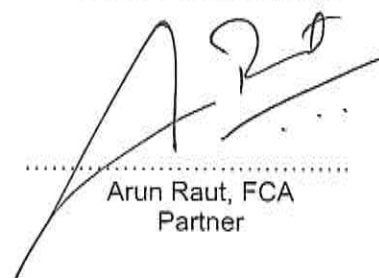
Report on Other Legal and Regulatory Requirements

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

- i. The Financial Statement dealt 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 are in agreement with the books of account maintained by the Scheme.
- ii. During our examination of the books of account of the Scheme, we have not come across the cases where any office holder or any employee of the Scheme has acted contrary to the provisions of law or caused loss or damage to the Scheme.
- iii. The Fund manager has maintained the required internal control system.
- iv. We have not come across any cases where the Scheme has conducted any activities against the interest of unit holders and the capital market.
- v. The Scheme has an effective internal audit system.
- vi. The Scheme has invested its funds according to Mutual Fund Regulations 2067 except for the investment disclosed in notes no. 16.1 of notes to accounts of the financial statement.
- vii. The operations of the Scheme were found satisfactory.

Place: Kathmandu
Date: 30th August, 2023
UDIN: 230906CA00485OZH4C

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


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Arun Raut, FCA
Partner



NIBL Samriddhi Fund-II
(Sponsored by Nepal Investment Mega Bank Ltd. and Managed by NIMB Ace Capital Ltd.)

Statement of Financial position as at 31st Ashad 2080 (16th July 2023)


NPR

Particulars	Notes	31 Ashad 2080	32 Ashad 2079
Assets			
Current Assets			
Cash and Cash Equivalents	3.2	108,794,217	84,798,821
Other Current Assets	4.6	18,682,961	20,571,176
Financial Assets Held at Amortized Cost	13	352,844,323	340,344,323
Financial Assets Held at Fair Value Through Profit or Loss	4.7	917,143,553	844,468,930
Total		1,397,465,054	1,290,183,250
Liabilities			
Current Liabilities			
Accrued Expenses & Other Payables	5.2	6,634,735	6,630,304
Liabilities (Excluding Net Assets Attributable to Unitholders)		6,634,735	6,630,304
Unit Holder's Funds			
Net Assets Attributable to Unit Holders	6	1,390,830,319	1,283,552,946
Total		1,397,465,054	1,290,183,250
NAV per Unit		9.27	8.56


Schedules and Explanatory Notes forms integral part of Statement of Position

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


As per our Report of even date



Sachin Tibrewal
Chairman


Deepak Kumar Shrestha
Director

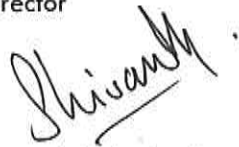

Arun Raut, FCA
Partner
S. R. Pandey & Co.
Chartered Accountants

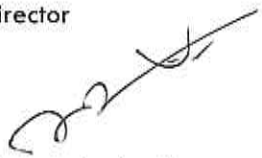


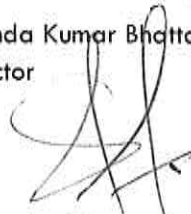

Srijana Pandey
Director


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
Mutual Fund Executive


NIMB ACE CAPITAL
Managing shares, Managing investments
(Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd.)

Date : 30th August, 2023
Place : Kathmandu

 **MUTUAL FUND**
NIBL Samriddhi Fund-II

NIBL Samriddhi Fund-II

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

Statement of Profit or Loss and other Comprehensive Income

For the Period from 1st Shrawan 2079 to 31st Ashad 2080 (17th July 2022 to 16th July 2023)

NPR

Particulars	Notes	31 Ashad 2080	32 Ashad 2079
Income			
Interest Income	7.2	51,303,105	43,099,117
Dividend Income	7.3	4,169,855	1,797,937
Net Profit/(Loss) on Financial Assets Held at Fair Value through Profit and Loss	14b	76,073,694	(233,737,127)
Other Income		-	901
Total		131,546,654	(188,839,172)
Expenses and Losses			
Fund Management fees		19,521,213	21,672,686
Depository Fees		2,602,828	2,889,691
Fund Supervisors Fees		1,561,697	1,733,815
Publication Expenses		140,468	128,841
Listing Fees		50,000	50,000
DP Expense		150	300
Audit Fees		113,000	113,000
Bank Charges		5,485	10,424
Book Building Registration & AMC Expenses- NEPSE		5,000	15,000
Other Expenses		-	94
Annual Service Charges on Software		99,440	99,440
CDS Dematerialisation Registration Fee		170,000	170,000
Total expenses		24,269,281	26,883,291
Net Gains/(Losses) for the Period		107,277,373	(215,722,463)
Other Comprehensive income		-	-
Net Surplus/(Deficit) for the period		107,277,373	(215,722,463)

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

As per our Report of even date



Sachin Tibrewal
Chairman



Deepak Kumar Shrestha
Director

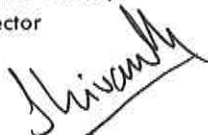

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S. R. Pandey & Co.
Chartered Accountants




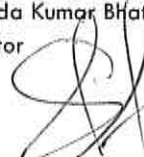

Srijana Pandey
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Chief Executive officer


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Deputy Chief Executive Officer


Sachindra Dhungana
Deputy General Manager


Subhash Poudel
Head- Investment Banking


Poskar Basnet
Mutual Fund Executive


NIMB ACE CAPITAL
Managing shares Managing investments
(Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd.)

Date : 30th August, 2023

Place : Kathmandu

 **MUTUAL FUND**
NIBL Samriddhi Fund-II

NIBL Samriddhi Fund-II
(Sponsored by Nepal Investment Mega Bank Ltd. and Managed by NIMB Ace Capital Ltd.)

Statement of Cash Flows
For the Period from 1st Shrawan 2079 to 31st Ashad 2080 (17th July 2022 to 16th July 2023)

NPR


Particulars	31 Ashad 2080	32 Ashad 2079
A. Cash Flow from Operating Activities		
Surplus/ (Deficit) for the year	107,277,373	(215,722,463)
Adjustments for:		
Increase/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	(48,152,335)	315,070,143
Increase/(Decrease) in Liabilities	4,431	(672,576)
(Increase)/Decrease in Share	(24,522,288)	(500,512,028)
(Increase)/Decrease in Debenture	(7,500,000)	(59,422,323)
(Increase)/Decrease in Fixed Deposit	(5,000,000)	-
(Increase)/Decrease in Other Assets	1,888,215	2,378,785
Net cash generated/(used) in Operations (1)	23,995,396	(458,880,462)
B. Cash Flow from Financing Activities		
Issue of Unit Capital	-	-
Dividend Paid during the year	-	-
Net cash generated/(used) in financing (2)	-	-
C. Cash Flow from Investing Activities		
Net cash generated/(used) in investing (3)	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)	23,995,396	(458,880,462)
Cash and Cash Equivalents at beginning of the year/period	84,798,821	543,679,283
Cash and Cash Equivalents at end of period	108,794,217	84,798,821
Components of Cash and Cash Equivalents		
Balance with Banks	108,794,217	84,798,821

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

As per our Report of even date


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Deepak Kumar Shrestha
Director

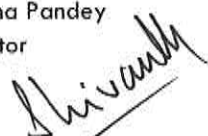

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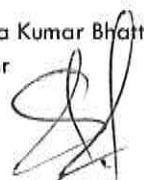

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Date : 30th August, 2023

Place : Kathmandu

NIBL MUTUAL FUND
NIBL Samriddhi Fund-II

NIBL Samriddhi Fund-II

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

Statement in Changes in Unit holders' Fund

For the Period from 1st Shrawan 2079 to 31st Ashad 2080 (17th July 2022 to 16th July 2023)

In NPR

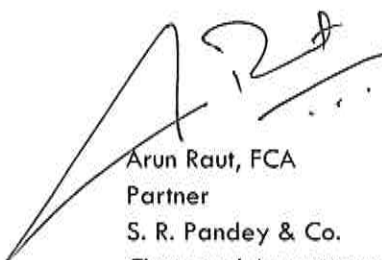
Particular	Unit Capital	Realized Profit	Unrealized Profit	Total
Opening Balance	1,500,000,000			1,500,000,000
Issue of Unit Capital	-			-
Net Profit (Loss) Upto Last Year	-	1,493,334	(2,217,925)	(724,591)
Net Profit (Loss) During the year	-	99,347,680	(315,070,143)	(215,722,463)
Dividend Paid	-	-	-	-
Balance as on 32/03/2079	1,500,000,000	100,841,014	(317,288,068)	1,283,552,946
Opening Balance	1,500,000,000	-	-	1,500,000,000
Issue of Unit Capital	-	-	-	-
Net Profit (Loss) Upto Last Year	-	100,841,014	(317,288,068)	(216,447,054)
Net Profit (Loss) During the year	-	59,125,038	48,152,335	107,277,373
Dividend Paid	-	-	-	-
Balance as on 31/03/2080	1,500,000,000	159,966,052	(269,135,733)	1,390,830,319

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

As per our Report of even date


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Deepak Kumar Shrestha
Director



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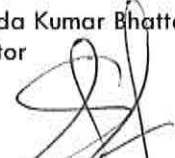

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NIMB ACE CAPITAL
Managing shares Managing investments
Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd.

 NIBL MUTUAL FUND
NIBL Samriddhi Fund-II

Date : 30th August, 2023
Place : Kathmandu

NIBL Samriddhi Fund -II**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)****Notes to the Financial Statements as of 31st Ashad 2080 (16th July 2023)****1. General Information of the Scheme**

Fund	NIBL Mutual Fund
Scheme	NIBL Samriddhi Fund- II
Fund Sponsor	Nepal Investment Mega Bank Limited (NIBL) (Then Nepal Investment Bank Ltd.) (Licensed by NRB as Class 'A' Bank)
Fund Management	NIMB Ace Capital Limited (Then NIBL Ace Capital Ltd.) (A subsidiary of Nepal Investment Mega Bank Ltd.)
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	150,000,000 (One Hundred Fifty Million Units)
Total Unit Capital	NPR 1,500,000,000 (NPR One Billion Five Hundred Million)
Scheme type	Close-ended

NIBL Samriddhi Fund- II (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 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 Scheme commenced its operation on 24th Baishakh 2078 (Scheme allotment date) B.S. with maturity period of 10 years (i.e. 23rd Baishakh 2088 B.S.). It was listed in NEPSE on 11th Ashad 2078. The Scheme's Financial Statements for the year 2079/80 were approved by the Board of Directors of the NIMB Ace Capital Limited (Then NIBL Ace Capital Ltd.) on 13th Bhadra, 2080 being the Fund Management and Depository Company. Similarly, the Fund Supervisors' consent on the approved Financial Statements has also been duly obtained.

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NIBL Samriddhi Fund -II**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)**

Nepal Investment Mega Bank Ltd.- NIMB (Then Nepal Investment Mega Bank Ltd.) is the Fund Sponsor and NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.), a subsidiary of NIMB 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 Mega Bank Ltd.	Fund Sponsor	29,000,000	290,000,000	19.33%
NIMB Ace Capital Ltd.	Fund Manager/ Depository	1,000,000	10,000,000	0.67%
General Public		120,000,000	1,200,000,000	80.00%
Total		150,000,000	1,500,000,000	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

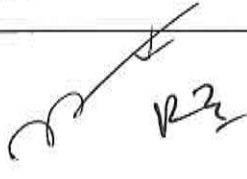
The Financial Statements are presented in Nepalese Rupees, rounded to the nearest Rupee. The Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS). Further the financial statements are in compliance with Securities Act, 2063 and its regulation and other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

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**NIMB ACE CAPITAL**Managing shares Managing investments
(Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd.)

NIBL Samriddhi Fund -II

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

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.

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

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

2.3. Reporting Pronouncements

The fund has, for the preparation of financial statements, adopted the NFRS pronounced by Accounting Standard Board, Nepal and Pronounced by Institute of Chartered Accountant of Nepal (ICAN) 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. 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

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NIBL Samriddhi Fund -II

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

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.

2.6. Reporting Periods

The fund follows the Nepalese financial year based on the Nepalese calendar as reporting period.

2.7. Presentation Currency

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

2.8. Comparatives

The comparatives comprise of the previous year figure for period from 01 Shrawan, 2078 to 32 Ashad, 2079.

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.

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

NIBL Samriddhi Fund -II**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)**

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

Particulars	31 Ashad 2080	32 Ashad 2079
Cash at Bank	108,794,217	84,798,821
Total	108,794,217	84,798,821

4. Financial Instruments**Accounting policy**

- 4.1 The Fund's Principal financial assets comprise asset held at fair value through profit and loss, loans and receivables and cash and cash equivalents. 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 and loans and receivables. They comprise:

▪ **Financial instruments classified as 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.

▪ **Financial assets measured at amortized cost**

These are non-derivative financial assets with fixed or determinable payments.

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.

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NIBL Samriddhi Fund -II

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

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.

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NIMB ACE CAPITAL
Managing shares. Managing investments.
(Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd.)


NIBL MUTUAL FUND
NIBL Samriddhi Fund-II

NIBL Samriddhi Fund -II**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)**

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 Other Current Assets**

S.N.	Particulars	31 Ashad 2080	32 Ashad 2079
1	Dividend Income Receivable	99,542	196,094
2	Interest Receivables	18,583,419	15,202,797
3	Broker Receivables	-	1,233,455
4	IPO Application Refund Receivable	-	3,714,500
5	Other Receivable	-	224,330
	Total Amount	18,682,961	20,571,176

NIBL Samriddhi Fund -II**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)****4.7 Financial Assets Held at Fair Value Through Profit or Loss (FVTPL)**

Particulars	31 Ashad 2080	32 Ashad 2079
Financial Assets:		
Equity Security	917,143,553	844,468,930
Financial Assets Held at FVTPL	917,143,553	844,468,930

Comparative Investment in Listed Shares

Name	Fiscal Year 2079-80			Fiscal Year 2078-79		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
LISTED						
Nabil Bank Limited	35,138	599.20	21,054,690	20,085	824.00	16,550,040
Civil Bank Ltd	-	-	-	16,168	213.00	3,443,784
Shivam Cements Ltd	32,723	651.50	21,319,035	32,723	760.00	24,869,480
Nepal Reinsurance Company Limited	22,365	740.00	16,550,100	20,335	735.00	14,946,225
NMB Microfinance Bittiya Sanstha Ltd.	11,374	640.00	7,279,360	10,341	750.10	7,756,784
Forward Microfinance Laghubitta Bittiya Sanstha Limited	12,035	1,321.00	15,898,235	9,628	2,385.00	22,962,780
Premier Insurance Company (Nepal) Limited	-	-	-	26,950	576.00	15,523,200
Surya Life Insurance Company Limited	-	-	-	28,122	387.00	10,883,214
NIC Asia Bank Ltd.	58,443	793.80	46,392,053	53,433	696.00	37,189,368
Prime Life Insurance Company Limited	-	-	-	22,350	569.00	12,717,150
Deprosc Laghubitta Bittiya Sanstha Limited	18,899	826.00	15,610,574	17,182	940.00	16,151,080
Shikhar Insurance Co. Ltd.	40,418	845.00	34,153,210	34,843	807.00	28,118,301
Sabaiko Laghubitta Bittiya Sanstha Limited	6,030	730.00	4,401,900	5,110	1,074.90	5,492,739
Global IME Laghubitta Bittiya Sanstha Ltd.	19,585	1,061.00	20,779,685	17,487	1,299.00	22,715,613
Mero Microfinance Bittiya Sanstha Ltd.	19,797	661.00	13,085,817	17,997	847.00	15,243,459
Nepal Credit And Commercial Bank Limited	-	-	-	40,200	210.90	8,478,180
Nepal Bangladesh Bank Limited	-	-	-	22,252	399.00	8,878,548
Prudential Insurance Co. Ltd.	-	-	-	9,501	348.00	3,306,348
Nepal Life Insurance Co. Ltd.	18,637	744.00	13,865,928	18,637	747.00	13,921,839
Neco Insurance Limited	33,639	891.10	29,975,713	29,251	694.00	20,300,194
Life Insurance Corporation (Nepal) Limited	9,966	1,555.00	15,497,130	15,454	1,415.00	21,867,410
Prabhu Bank Limited	79,909	162.60	12,993,203	30,059	207.00	6,222,213
Prime Commercial Bank Ltd.	44,088	195.00	8,597,160	42,393	265.00	11,234,145
Nirdhan Urthan Laghubitta Bittiya Sanstha Limited Promoter Share	118,233	600.00	70,939,800	99,356	600.00	59,613,600
National Life Insurance Co. Ltd.	38,490	645.00	24,826,050	30,991	577.00	17,881,807
Prabhu Select Fund	1,468,090	8.85	12,992,597	1,468,090	9.61	14,108,345
Sanjen Jalavidhyut Company Limited	23,475	296.90	6,969,728	23,475	260.00	6,103,500
Rasuwadadi Hydropower Company Limited	33,159	300.00	9,947,700	33,159	273.00	9,052,407
Sanima Mal Hydropower Ltd.	5,571	355.00	1,977,705	5,571	306.00	1,704,726
Nepal Bank Limited	20,116	249.00	5,008,884	19,722	298.00	5,877,156
Mountain Energy Nepal Limited	13,260	995.00	13,193,700	13,260	800.00	10,608,000
Citizen Investment Trust	8,039	2,089.00	16,793,471	4,947	2,515.00	12,441,705
Standard Chartered Bank Limited	14,374	530.10	7,619,657	14,374	396.30	5,696,416

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NIBL Samriddhi Fund -II

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

Mahalaxmi Bikas Bank Ltd.	15,121	325.50	4,921,886	14,540	378.00	5,496,120
Machhapuchhre Bank Limited	44,346	231.80	10,279,403	44,346	254.00	11,263,884
Kamana Sewa Bikas Bank Limited	19,024	327.00	6,220,848	18,221	349.90	6,375,528
Garima Bikas Bank Limited	19,842	405.00	8,036,010	17,560	387.00	6,795,720
Muktinath Bikas Bank Ltd.	24,117	407.00	9,815,619	21,248	439.90	9,346,995
Prabhu Insurance Ltd.	19,844	747.00	14,823,468	18,598	428.00	7,959,944
Soaltee Hotel Limited	-	-	-	19,800	202.50	4,009,500
Vijaya Laghubitta Bittiya Sanstha Ltd.	9,856	713.00	7,027,328	8,213	940.00	7,720,220
Swabalamban Laghubitta Bittiya Sanstha Limited	12,135	900.60	10,928,781	10,553	1,169.00	12,336,457
Laxmi Laghubitta Bittiya Sanstha Ltd.	5,024	893.00	4,486,432	4,369	1,275.00	5,570,475
Swarajgar Laghu Bitta Bikas Bank Ltd.	12,200	705.00	8,601,000	10,000	851.00	8,510,000
Global IME Bank Limited	18,354	186.00	3,413,844	17,820	251.40	4,479,948
Century Commercial Bank Ltd.	-	-	-	45,725	183.00	8,367,675
Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited	12,600	899.00	11,327,400	10,000	1,065.00	10,650,000
Ridi Hydropower Development Company Ltd.	-	-	-	5,000	838.00	4,190,000
Manushi Laghubitta Bittiya Sanstha Limited	-	-	-	591	1,002.00	592,182
Sahas Urja Limited	9,720	483.90	4,703,508	9,720	460.00	4,471,200
United Insurance Co. (Nepal) Ltd.	-	-	-	12,000	350.00	4,200,000
Himalayan General Insurance Co. Ltd.	-	-	-	11,733	520.00	6,101,160
Siddhartha Bank Limited	33,113	253.00	8,377,589	29,433	303.00	8,918,199
Himalayan Distillery Limited	2,343	2,248.00	5,267,064	4,465	3,410.00	15,225,650
Nabil Balanced Fund-3	16,670	7.57	126,192	16,670	9.43	157,198
NMB Bank Limited	22,606	226.00	5,108,956	22,606	261.00	5,900,166
Mega Bank Nepal Ltd.	-	-	-	20,058	226.00	4,533,108
Chhimek Laghubitta Bittiya Sanstha Limited	15,228	1,000.00	15,228,000	12,482	1,100.00	13,730,200
Samata Gharelu Laghubitta Bittiya Sanstha Limited	3,740	702.70	2,628,098	3,253	799.00	2,599,147
NIC ASIA Laghubitta Bittiya Sanstha Limited	4,500	729.00	3,280,500	4,500	859.90	3,869,550
Rastra Uthan Laghubitta Sanstha Limited	-	-	-	1,605	926.00	1,486,230
Rastriya Beema Company Limited	800	16,099.00	12,879,200	800	13,400.00	10,720,000
Balephi Hydropower Limited	-	-	-	3,412	239.70	817,856
Upakar Laghubitta Bittiya Sanstha Limited	-	-	-	441	2,699.00	1,190,259
CYC Nepal Laghubitta Bittiya Sanstha Limited	-	-	-	738	1,698.20	1,253,272
River Falls Power Limited	-	-	-	5,005	222.00	1,111,110
Kumari Bank Limited	41,552	165.00	6,856,080	-	-	-
Himalayan Everest Insurance Limited	12,055	600.00	7,233,000	-	-	-
Ridi Power Company Limited	7,000	243.00	1,701,000	-	-	-
Global IME Balanced Fund-1	500,000	9.34	4,670,000	-	-	-
Goodwill Finance Limited	3,459	483.00	1,670,697	-	-	-
Suryajyoti Life Insurance Company Limited	28,122	610.00	17,154,420	-	-	-
Sanima Growth Fund	250,000	9.99	2,497,500	-	-	-
Nepal Investment Mega Bank Limited	17,153	173.80	2,981,191	-	-	-
Himalayan Bank Limited	22,085	212.80	4,699,688	-	-	-
Siddhartha Premier Insurance Limited	30,790	778.50	23,970,015	-	-	-
Sunrise Focused Equity Fund	1,000,000	9.68	9,680,000	-	-	-
IGI Prudential Insurance Limited	9,817	560.00	5,497,520	-	-	-
Himalayan Life Insurance Limited	25,256	507.00	12,804,792	-	-	-

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NIBL Samriddhi Fund -II**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)**

RBB Mutual Fund 2	850,000	10.00	8,500,000	-	-	-
Modi Energy Limited	6,676	207.50	1,385,270	-	-	-
United Ajod Insurance Limited	12,600	489.49	6,167,574	-	-	-
Siddhartha Investment Growth Scheme 3	320,000	10.00	3,200,000	-	-	-
Sub-Total (A)			745,872,957			691,808,709

Comparative Investment in Unlisted Shares

Name	Fiscal Year 2079-80			Fiscal Year 2078-79		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
UNLISTED						
Citizen Unit Scheme	700,000	100	70,000,000	700,000	100.00	70,000,000
Citizen Unit Scheme	200,000	100	20,000,000	200,000	100.00	20,000,000
Citizen Unit Scheme	600,000	100	60,000,000	600,000	100.00	60,000,000
Shubha Laxmi Kosh	250,000	10	2,520,000	-	-	-
Nabil Flexi Cap Fund	500,000	10	4,950,000	-	-	-
Citizens Super 30 Mutual Fund	500,000	10	5,000,000	-	-	-
Nepal Republic Media Ltd.	8,912	111	989,054	-	-	-
Ghorahi Cement Industries Ltd.	5,800	465	2,698,740	-	-	-
Three Star Hydropower Ltd.	715	158	113,056	-	-	-
Upper Syange Hydropower Ltd.	628	109	68,270	-	-	-
Kuthali Bukhari Small Hydropower Ltd.	114	262	29,819	-	-	-
IME Life Insurance Co. Ltd.	11,263	435	4,901,658	-	-	-
Bindhyabasini Hydropower Development Co. Ltd.-IPO	-	-	-	2,750	155.41	427,378
Adarsha Laghubitta Bittiya Sanstha Ltd.-IPO	-	-	-	123	203.17	24,990
Himalayan Hydropower Ltd.-IPO	-	-	-	3,477	100.80	350,482
Upper Solu Hydro Electric Co. Ltd.-IPO	-	-	-	3,458	111.58	385,844
Upper Hewakhola Hydropower Co. Ltd.-IPO	-	-	-	2,650	110.75	293,488
Swet Ganga Hydropower & Construction Ltd.-IPO	-	-	-	4,221	112.26	473,849
Rapti Hydro & General Construction Ltd.-IPO	-	-	-	4,479	101.65	455,290
Mandakini Hydrpower Ltd.-IPO	-	-	-	2,038	122.13	248,901
Sub-Total (B)			171,270,596			152,660,221
Grand Total (A+B)			917,143,553			844,468,930

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

NIBL Samridhi Fund -II**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)****5.2 Accrued Expenses and Other Payables**

Particulars	31 Ashad 2080	32 Ashad 2079
Reporting Expenses Payables	20,000	22,000
Audit Fee Payables	111,500	111,500
TDS Liability	154,409	154,510
Software AMC (PCS) Payables	97,948	97,948
Fund Management Fee Payable - NIMB Ace Capital	5,051,135	5,049,736
Depository Fee Payables - NIMB Ace Capital	673,485	673,298
Supervisor Fee Payables	348,708	348,611
CDS Fees Payables	167,450	167,450
DP Fee Payables	100	250
Book Building Registration at NEPSE AMC	10,000	5,000
Total	6,634,735	6,630,304

Fund management fee and depository fee includes fee payable to NIMB Ace Capital Limited (Then NIBL Ace Capital Ltd.) 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.niblcapi.com. The said information is also shared with the Board members of the Fund Manager & the Fund Supervisors via e-mail. Further, the NAV per unit calculated on a monthly basis is published on a national daily newspaper and uploaded on the website of the Fund Manager with prior notification of the same forwarded to the Fund Supervisors & SEBON in writing.

Each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund. The Fund considers its net assets attributable to unit holders as capital (which includes unit capital, realized and unrealized gain), notwithstanding net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily changes in Market Price of Share at Nepal Stock Exchange.

NIBL Samriddhi Fund -II

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

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 31 st Ashad 2080	For the Year Ended on 32 nd Ashad 2079
Unit Holders' Fund at the Beginning of the Year/Period	1,283,552,946	1,499,275,409
Increase / (Decrease) in Net Assets Attributable to Unit Holders		
Net Gains/(Losses) for the Period	107,277,373	(215,722,463)
Other Comprehensive income	-	-
Distribution to Unit Holders'	-	-
Unit Holders' Fund at the End of the Year/Period	1,390,830,319	1,283,552,946

7. Investment Income**7.1 Accounting Policy**

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

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

Dividend income is recognized on the ex-dividend date.

Explanatory notes**7.2 Interest Income**

Particulars	FY 2079/80	FY 2078/79
Interest income on Debentures, Fixed and Call Deposit	51,303,105	43,099,117
Total	51,303,105	43,099,117

NIBL Samriddhi Fund -II

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

7.3 Dividend Income

Particulars	FY 2079/80	FY 2078/79
Dividend Income Realized	4,169,855	1,797,937
Total	4,169,855	1,797,937

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 2079 to 31st Ashad 2080 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 2079/80	FY 2078/79
Fund Management Fee	19,521,213	21,672,686
Depository Fee	2,602,828	2,889,691
Fund Supervisor Fee	1,561,697	1,733,815
Total	23,685,738	26,296,192

9. Income Tax

As per section 10 (Tha) of Income Tax Act, 2058 (with amendments), Income earned by mutual fund approved by Securities Board of Nepal as per its objective are tax exempted. 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 2079/80.

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 NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.), 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.

NIBL Samriddhi Fund -II

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

Investment Threshold

As per the Mutual Fund Regulation, 2067 in fixed deposit at bank cannot be made more than 15% of total fund size or Net Asset Value (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. 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 2079/80

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercial Banks	169,381,187	237,985,928	18.47%	-28.83%
Development Banks	28,994,363	38,614,031	3.16%	-24.91%

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NIBL Samriddhi Fund -II**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)**

Finance	1,670,697	1,759,619	0.18%	-5.05%
Hydro Power	40,089,755	55,295,722	4.37%	-27.50%
Investment	16,793,471	16,439,323	1.83%	2.15%
Life Insurance	89,049,978	130,640,379	9.71%	-31.84%
Manufacturing And Processing	29,284,839	60,108,021	3.19%	-51.28%
Microfinance	211,502,910	264,584,356	23.06%	-20.06%
Mutual Fund	178,137,500	178,500,000	19.42%	-0.20%
Non-Life Insurance	134,699,700	175,825,595	14.69%	-23.39%
Others	17,539,154	26,526,312	1.91%	-33.88%
Total	917,143,553	1,186,279,286	100%	-22.69%

For FY 2078/79

Sector	Value	Cost	Proportionate Exposure	Growth%
Commercial Banks	147,032,830	204,027,659	17.41%	-27.93%
Development Banks	28,014,363	38,614,031	3.32%	-27.45%
Hotels	4,009,500	5,505,193	0.47%	-27.17%
Hydropower	40,694,030	57,631,422	4.82%	-29.39%
Investment	12,441,705	16,439,323	1.47%	-24.32%
Life Insurance	77,271,420	139,173,578	9.15%	-44.48%
Manufacturing & Processing	40,095,130	69,123,329	4.75%	-41.99%
Microfinance	219,469,037	264,934,156	25.99%	-17.16%
Mutual Fund	164,265,543	164,847,600	19.45%	-0.35%
Non-Life Insurance	96,229,147	175,825,595	11.40%	-45.27%
Others	14,946,225	25,635,112	1.77%	-41.70%
Total	844,468,930	1,161,756,998	100%	-27.31%

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.

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NIBL Samriddhi Fund -II

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

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.

NIBL Samriddhi Fund -II**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)**

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:

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

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	31 Ashad 2080	32 Ashad 2079
Debentures	127,844,323	120,344,323
Fixed Deposit	225,000,000	220,000,000
Total	352,844,323	340,344,323

Comparative Investment in Fixed Deposit

Name of Bank	31 Ashad 2080		32 Ashad 2079	
	Principal Amount	Interest Rate	Principal Amount	Interest Rate
Central Finance Ltd.	-	-	10,000,000	8.25%
Shine Resunga Dev. Bank Ltd.	-	-	20,000,000	8.00%
Goodwill Finance Ltd.	-	-	10,000,000	11.10%

NIBL Samriddhi Fund -II**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)**

Goodwill Finance Ltd.	-	-	10,000,000	11.10%
Garima Bikas Bank Ltd.	-	-	10,000,000	11.10%
Shine Resunga Dev. Bank Ltd.	-	-	20,000,000	11.00%
Kamana Sewa Bikas Bank Ltd.	-	-	20,000,000	11.10%
Shangrila Dev. Bank Ltd.	-	-	20,000,000	11.10%
Jyoti Bikas Bank Ltd.	-	-	20,000,000	11.10%
Lumbini Bikas Bank Ltd.	-	-	20,000,000	11.10%
Mukthinath Bikas Bank Ltd.	-	-	20,000,000	11.10%
Kumari Bank Ltd.	-	-	40,000,000	10.13%
Shine Resunga Dev. Bank Ltd.	20,000,000	10.50%	-	-
Global IME Bank Limited	10,000,000	9.50%	-	-
Shine Resunga Dev. Bank Ltd.	20,000,000	10.25%	-	-
Garima Bikas Bank Limited	10,000,000	10.25%	-	-
Kamana Sewa Bikas Bank Limited	15,000,000	10.25%	-	-
Jyoti Bikas Bank Limited	5,000,000	10.25%	-	-
Shangrila Development Bank Ltd.	20,000,000	10.25%	-	-
Nepal Investment Mega Bank Ltd	5,000,000	9.50%	-	-
Jyoti Bikas Bank Limited	15,000,000	10.25%	-	-
Siddhartha Bank Limited	5,000,000	9.50%	-	-
Jyoti Bikas Bank Limited	20,000,000	10.25%	-	-
Siddhartha Bank Limited	10,000,000	9.50%	-	-
Global IME Bank Limited	10,000,000	9.50%	-	-
Sindhu Bikash Bank Ltd	20,000,000	10.40%	-	-
Kumari Bank Limited	40,000,000	9.50%	-	-
Total	225,000,000		220,000,000	

Comparative Investment in Debenture

Name of Debenture	31 Ashad 2080		32 Ashad 2079	
	Investment Amount	Interest Rate	Investment Amount	Interest Rate
8.5% NMB Debenture 2087/88	6,352,000	8.50%	6,352,000	8.50%
8.5% Prabhu Bank Debenture 2087	20,000,000	8.50%	20,000,000	8.50%
8.5% RBBL Debenture	14,570,000	8.50%	14,570,000	8.50%
9% Jyoti Bikas Bank Debenture 2087	20,000,000	9.00%	20,000,000	9.00%
9% SADB Bank Debenture 2087	15,135,000	9.00%	15,135,000	9.00%
8.5% Machhapuchhre Debenture 2087	7,500,000	8.50%	7,500,000	8.50%

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NIBL MUTUAL FUND
NIBL Samriddhi Fund-II

NIMB ACE CAPITAL
Managing shares Managing investments
(Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd.)



NIBL Samriddhi Fund -II**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)**

10.25% Civil Bank Debenture 2088	4,286,000	10.25%	4,286,000	10.25%
8.75% Garima Debenture 2085	7,500,000	8.75%	7,500,000	8.75%
8.5% Everest Bank Ltd. Debenture 2086	3,000,000	8.50%	3,000,000	8.50%
8.5% Global IME Bank Debenture 2086/87	21,001,323	8.50%	21,001,323	8.50%
10% Prime Debenture 2088	1,000,000	10.00%	1,000,000	10.00%
10.25% NEPAL SBI BANK DEBENTURE 2083	2,500,000	10.25%	-	-
11% LBL DEBENTURE 2089	5,000,000	11%	-	-
Total	127,844,323		120,344,323	

Note a:

The investment in debentures are recognized on cost. 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 (FVTPL)**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.

NIBL Samriddhi Fund -II**Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)****Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)**

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	31 Ashad 2080	32 Ashad 2079
Net Realized Gains/(Losses) on Financial Assets at FVTPL	27,921,359	81,333,016
Net Unrealized Gains/(Losses) on Financial Assets at FVTPL	48,152,335	(315,070,143)
Total	76,073,694	(233,737,127)

Computation of Unrealized Gains/loss for FY 2079/80:

Name	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/(Loss)
LISTED						
Nabil Bank Limited	35,138	599.20	21,054,690	883.32	31,037,938	(9,983,248)
SHIVAM CEMENTS LTD	32,723	651.50	21,319,035	1,587.69	51,954,063	(30,635,028)
Nepal Reinsurance Company Limited	22,365	740.00	16,550,100	1,146.22	25,635,112	(9,085,012)
NMB Microfinance Bittiya Sanstha Ltd.	11,374	640.00	7,279,360	1,165.77	13,259,461	(5,980,101)
Forward Community Microfinance Bittiya Sanstha Ltd.	12,035	1,321.00	15,898,235	1,688.78	20,324,477	(4,426,242)
NIC Asia Bank Ltd.	58,443	793.80	46,392,053	924.72	54,043,189	(7,651,136)
Deprosc Laghubitta Bittiya Sanstha Limited	18,899	826.00	15,610,574	1,347.20	25,460,668	(9,850,094)
Shikhar Insurance Co. Ltd.	40,418	845.00	34,153,210	1,371.04	55,414,690	(21,261,480)
SABAICO LAGHUBITTA BITTIYA SANSTHA LIMITED	6,030	730.00	4,401,900	1,174.09	7,079,788	(2,677,888)
Global IME Laghubitta Bittiya Sanstha Ltd.	19,585	1,061.00	20,779,685	1,904.83	37,306,116	(16,526,431)
Mero Microfinance Bittiya Sanstha Ltd.	19,797	661.00	13,085,817	1,337.10	26,470,494	(13,384,677)
Nepal Life Insurance Co. Ltd.	18,637	744.00	13,865,928	1,731.49	32,269,858	(18,403,930)
Neco Insurance Co. Ltd.	33,639	891.10	29,975,713	1,056.26	35,531,489	(5,555,776)
Life Insurance Co. Nepal	9,966	1,555.00	15,497,130	2,041.09	20,341,525	(4,844,395)
Prabhu Bank Limited	79,909	162.60	12,993,203	305.94	24,446,965	(11,453,761)
Prime Commercial Bank Ltd.	44,088	195.00	8,597,160	400.41	17,653,185	(9,056,025)
Nirdhan Uthhan Laghubitta Bittiya Sanstha Limited Promoter Share	118,233	600.00	70,939,800	357.92	42,317,938	28,621,862
National Life Insurance Co. Ltd.	38,490	645.00	24,826,050	844.65	32,510,534	(7,684,484)
Prabhu Select Fund	1,468,090	8.85	12,992,597	10.00	14,680,900	(1,688,304)
SANJEN JALAVIDHYUT COMPANY LIMITED	23,475	296.90	6,969,728	437.72	10,275,412	(3,305,684)
RASUWAGADHI HYDROPOWER COMPANY LIMITED	33,159	300.00	9,947,700	448.78	14,881,122	(4,933,422)
Sanima Mai Hydropower Ltd.	5,571	355.00	1,977,705	456.64	2,543,950	(566,245)
Nepal Bank Limited	20,116	249.00	5,008,884	412.53	8,298,509	(3,289,625)
Mountain Energy Nepal Limited	13,260	995.00	13,193,700	1,262.57	16,741,626	(3,547,926)
Citizen Investment Trust	8,039	2,089.00	16,793,471	2,044.95	16,439,323	354,148
Standard Chartered Bank Limited	14,374	530.10	7,619,657	555.12	7,979,282	(359,624)
Mahalaxmi Bikas Bank Ltd.	15,121	325.50	4,921,886	435.11	6,579,253	(1,657,368)
Machhapuchhre Bank Limited	44,346	231.80	10,279,403	349.91	15,517,090	(5,237,687)
Kamana Sewa Bikas Bank Limited	19,024	327.00	6,220,848	526.59	10,017,813	(3,796,965)

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NIBL Samriddhi Fund -II

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

Garima Bikas Bank Limited	19,842	405.00	8,036,010	466.96	9,265,512	(1,229,502)
Mukrinath Bikas Bank Ltd.	24,117	407.00	9,815,619	528.73	12,751,452	(2,935,833)
Prabhu Insurance Ltd.	19,844	747.00	14,823,468	883.51	17,532,297	(2,708,829)
Vijaya Laghubitta Bittiya Sanstha Ltd.	9,856	713.00	7,027,328	1,306.41	12,876,020	(5,848,692)
Swabalanban Laghubitta Bittiya Sanstha Limited	12,135	900.60	10,928,781	1,318.77	16,003,298	(5,074,517)
Laxmi Laghubitta Bittiya Sanstha Ltd.	5,024	893.00	4,486,432	1,701.79	8,549,786	(4,063,354)
Swarajgar Laghu Bitta Bikas Bank Ltd.	12,200	705.00	8,601,000	1,008.99	12,309,710	(3,708,710)
Global IME Bank Limited	18,354	186.00	3,413,844	368.74	6,767,850	(3,354,006)
Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited	12,600	899.00	11,327,400	1,261.20	15,891,084	(4,563,684)
Sahas Urja Limited	9,720	483.90	4,703,508	603.32	5,864,235	(1,160,727)
Siddhartha Bank Limited	33,113	253.00	8,377,589	403.77	13,370,027	(4,992,438)
Himalayan Distillery Limited	2,343	2,248.00	5,267,064	2,403.31	5,630,958	(363,894)
Nabil Balanced Fund-3	16,670	7.57	126,192	10.00	166,700	(40,508)
NMB Bank Limited	22,606	226.00	5,108,956	354.20	8,007,010	(2,898,054)
Chhimek Laghubitta Bittiya Sanstha Limited	15,228	1,000.00	15,228,000	1,097.23	16,708,690	(1,480,690)
Samata Gharelu Laghubitta Bittiya Sanstha Limited	3,740	702.70	2,628,098	1,146.61	4,288,331	(1,660,233)
NIC ASIA Laghubitta Bittiya Sanstha Limited	4,500	729.00	3,280,500	1,275.22	5,738,495	(2,457,995)
Rastriya Beema Company Limited	800	16,099.00	12,879,200	16,342.14	13,073,711	(194,511)
Kumari Bank Limited	41,552	165.00	6,856,080	280.28	11,646,073	(4,789,993)
Himalayan Everest Insurance Limited	12,055	600.00	7,233,000	703.80	8,484,314	(1,251,314)
Ridi Power Company Limited	7,000	243.00	1,701,000	596.58	4,176,078	(2,475,078)
Global IME Balanced Fund-1	500,000	9.34	4,670,000	10.00	5,000,000	(330,000)
Goodwill Finance Limited	3,459	483.00	1,670,697	508.71	1,759,619	(88,922)
Suryajyoti Life Insurance Company Limited	28,122	610.00	17,154,420	860.02	24,185,499	(7,031,079)
Sanima Growth Fund	250,000	9.99	2,497,500	10.00	2,500,000	(2,500)
Nepal Investment Mega Bank Limited	17,153	173.80	2,981,191	317.96	5,453,973	(2,472,782)
Himalayan Bank Limited	22,085	212.80	4,699,688	258.87	5,717,237	(1,017,549)
Siddhartha Premier Insurance Limited	30,790	778.50	23,970,015	960.32	29,568,315	(5,598,300)
Sunrise Focused Equity Fund	1,000,000	9.68	9,680,000	10.00	10,000,000	(320,000)
IGI Prudential Insurance Limited	9,817	560.00	5,497,520	743.92	7,303,100	(1,805,580)
Himalayan Life Insurance Limited	25,256	507.00	12,804,792	739.02	18,664,646	(5,859,854)
RBB Mutual Fund 2	850,000	10.00	8,500,000	10.00	8,500,000	-
Modi Energy Limited	6,676	207.50	1,385,270	100.00	667,600	717,670
United Ajod Insurance Limited	12,600	489.49	6,167,574	707.75	8,917,678	(2,750,104)
Siddhartha Investment Growth Scheme 3	320,000	10.00	3,200,000	10.00	3,200,000	-
Sub-Total (A)			745,872,957		1,017,551,069	(271,678,112)

UNLISTED						
Citizen Unit Scheme	700,000	100.00	70,000,000	100.00	70,000,000	-
Citizen Unit Scheme	200,000	100.00	20,000,000	100.00	20,000,000	-
Citizen Unit Scheme	600,000	100.00	60,000,000	100.00	60,000,000	-
Shubha Laxmi Kosh	250,000	10.08	2,520,000	10.00	2,500,000	20,000
Nabil Flexi Cap Fund	500,000	9.90	4,950,000	10.00	5,000,000	(50,000)
Citizens Super 30 Mutual Fund	500,000	10.00	5,000,000	10.00	5,000,000	-
Nepal Republic Media Ltd.	8,912	110.98	989,054	100.00	891,200	97,854
Ghorahi Cement Industries Ltd.	5,800	465.30	2,698,740	435.00	2,523,000	175,740
Three Star Hydropower Ltd.	715	158.12	113,056	100.00	71,500	41,556

NIBL MUTUAL FUND
NIBL Samriddhi Fund-II

NIMB ACE CAPITAL
Managing shares Managing investments
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NIBL Samriddhi Fund -II

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

Upper Syange Hydropower Ltd.	628	108.71	68,270	100.00	62,800	5,470
Kutheli Bukhari Small Hydropower Ltd.	114	261.57	29,819	100.00	11,400	18,419
IME Life Insurance Co. Ltd.	11,263	435.20	4,901,658	236.91	2,668,317	2,233,340
Sub-Total (B)			171,270,596		168,728,217	2,542,379
Grand Total			917,143,553		1,186,279,286	(269,135,733)
Unrealised Gain / (Loss)					(269,135,733)	
Less: Previous year unrealised gain/(loss)					(317,288,068)	
Unrealised Gain / (Loss) This Year					48,152,335	

Computation of Unrealized Gains/loss for FY 2078/79:

Name	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/(Loss)
LISTED						
Nabil Bank Limited	20,085	824.00	16,550,040	1,129.82	22,692,336	(6,142,296)
Civil Bank Ltd	16,168	213.00	3,443,784	213.77	3,456,207	(12,423)
SHIVAM CEMENTS LTD	32,723	760.00	24,869,480	1,587.69	51,954,063	(27,084,583)
Nepal Reinsurance Company Limited	20,335	735.00	14,946,225	1,260.64	25,635,112	(10,688,887)
NMB Microfinance Bittiya Sanstha Ltd.	10,341	750.10	7,756,784	1,282.22	13,259,461	(5,502,677)
Forward Community Microfinance Bittiya Sanstha Ltd.	9,628	2,385.00	22,962,780	2,110.98	20,324,477	2,638,303
Premier Insurance Co. Ltd.	26,950	576.00	15,523,200	1,097.15	29,568,315	(14,045,115)
Surya Life Insurance Company Limited	28,122	387.00	10,883,214	860.02	24,185,499	(13,302,285)
NIC Asia Bank Ltd.	53,433	696.00	37,189,368	933.47	49,878,137	(12,688,769)
Prime Life Insurance Company Limited	22,350	569.00	12,717,150	835.11	18,664,646	(5,947,496)
Deprosc Laghubitta Bittiya Sanstha Limited	17,182	940.00	16,151,080	1,481.82	25,460,668	(9,309,588)
Shikhar Insurance Co. Ltd.	34,843	807.00	28,118,301	1,590.41	55,414,690	(27,296,389)
SABAICO LAGHUBITTA BITTIYA SANSTHA LIMITED	5,110	1,074.90	5,492,739	1,385.48	7,079,788	(1,587,049)
Global IME Laghubitta Bittiya Sanstha Ltd.	17,487	1,299.00	22,715,613	2,133.36	37,306,116	(14,590,503)
Mero Microfinance Bittiya Sanstha Ltd.	17,997	847.00	15,243,459	1,470.83	26,470,494	(11,227,035)
Nepal Credit And Commercial Bank Limited	40,200	210.90	8,478,180	289.70	11,646,073	(3,167,893)
Nepal Bangladesh Bank Limited	22,252	399.00	8,878,548	375.05	8,345,602	532,946
Prudential Insurance Co. Ltd.	9,501	348.00	3,306,348	768.67	7,303,100	(3,996,752)
Nepal Life Insurance Co. Ltd.	18,637	747.00	13,921,839	1,731.49	32,269,858	(18,348,019)
Neco Insurance Co. Ltd.	29,251	694.00	20,300,194	1,214.71	35,531,489	(15,231,295)
Life Insurance Co. Nepal	15,454	1,415.00	21,867,410	2,041.09	31,543,042	(9,675,632)
Prabhu Bank Limited	30,059	207.00	6,222,213	418.11	12,568,007	(6,345,794)
Prime Commercial Bank Ltd.	42,393	265.00	11,234,145	416.42	17,653,185	(6,419,040)
Niradhan Uthian Laghubitta Bittiya Sanstha Limited Promoter Share	99,356	600.00	59,613,600	425.92	42,317,938	17,295,662
National Life Insurance Co. Ltd.	30,991	577.00	17,881,807	1,049.03	32,510,534	(14,628,727)
Prabhu Select Fund	1,468,090	9.61	14,108,345	10.00	14,680,900	(572,555)
SANJEN JALAVIDHYUT COMPANY LIMITED	23,475	260.00	6,103,500	437.72	10,275,412	(4,171,912)
RASUWAGADHI HYDROPOWER COMPANY LTD.	33,159	273.00	9,052,407	448.78	14,881,122	(5,828,715)
Sanima Mai Hydropower Ltd.	5,571	306.00	1,704,726	456.64	2,543,950	(839,224)
Nepal Bank Limited	19,722	298.00	5,877,156	420.77	8,298,509	(2,421,353)
Mountain Energy Nepal Limited	13,260	800.00	10,608,000	1,262.57	16,741,626	(6,133,626)
Citizen Investment Trust	4,947	2,515.00	12,441,705	3,323.09	16,439,323	(3,997,618)
Standard Chartered Bank Limited	14,374	396.30	5,696,416	555.12	7,979,282	(2,282,866)
Mahatxmi Bikas Bank Ltd.	14,540	378.00	5,496,120	452.49	6,579,253	(1,083,133)
Machhapuchhre Bank Limited	44,346	254.00	11,263,884	349.91	15,517,090	(4,253,206)
Kamana Sewa Bikas Bank Limited	18,221	349.90	6,375,528	549.79	10,017,813	(3,642,285)
Garima Bikas Bank Limited	17,560	387.00	6,795,720	527.65	9,265,512	(2,469,792)
Mukthinath Bikas Bank Ltd.	21,248	439.90	9,346,995	600.12	12,751,452	(3,404,457)

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NIBL MUTUAL FUND
NIBL Samriddhi Fund-II

NIMB ACE CAPITAL
Managing Shares Managing Investments
Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd.



NIBL Samridhi Fund -II

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

Prabhu Insurance Ltd.	18,598	428.00	7,959,944	942.70	17,532,297	(9,572,353)
Soaltee Hotel Limited	19,800	202.50	4,009,500	278.04	5,505,193	(1,495,693)
Vijaya Laghubitta Bittiya Sanstha Ltd.	8,213	940.00	7,720,220	1,567.76	12,876,020	(5,155,800)
Swabalamban Laghubitta Bittiya Sanstha Limited	10,553	1,169.00	12,336,457	1,516.47	16,003,298	(3,666,841)
Laxmi Laghubitta Bittiya Sanstha Ltd.	4,369	1,275.00	5,570,475	1,956.92	8,549,786	(2,979,311)
Swarajgar Laghu Bitta Bikas Bank Ltd.	10,000	851.00	8,510,000	1,230.97	12,309,710	(3,799,710)
Global IME Bank Limited	17,820	251.40	4,479,948	379.79	6,767,850	(2,287,902)
Century Commercial Bank Ltd.	45,725	183.00	8,367,675	259.79	11,878,958	(3,511,283)
Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited	10,000	1,065.00	10,650,000	1,589.11	15,891,084	(5,241,084)
Ridi Hydropower Development Company Ltd.	5,000	838.00	4,190,000	835.22	4,176,078	13,922
Manushi Laghubitta Bittiya Sanstha Limited	591	1,002.00	592,182	100.00	59,100	533,082
Sahas Urja Limited	9,720	460.00	4,471,200	603.32	5,864,235	(1,393,035)
United Insurance Co. (Nepal) Ltd.	12,000	350.00	4,200,000	743.14	8,917,678	(4,717,678)
Himalayan General Insurance Co. Ltd	11,733	520.00	6,101,160	723.12	8,484,314	(2,383,154)
Siddhartha Bank Limited	29,433	303.00	8,918,199	454.25	13,370,027	(4,451,828)
Himalayan Distillery Limited	4,465	3,410.00	15,225,650	3,845.30	17,169,266	(1,943,616)
Nabil Balanced Fund-3	16,670	9.43	157,198	10.00	166,700	(9,502)
NMB Bank Limited	22,606	261.00	5,900,166	354.20	8,007,010	(2,106,844)
Mega Bank Nepal Ltd.	20,058	226.00	4,533,108	297.61	5,969,387	(1,436,279)
Chhimek Laghubitta Bittiya Sanstha Limited	12,482	1,100.00	13,730,200	1,338.62	16,708,690	(2,978,490)
Samata Gharelu Laghubitta Bittiya Sanstha Limited	3,253	799.00	2,599,147	1,318.27	4,288,331	(1,689,184)
NIC ASIA Laghubitta Bittiya Sanstha Limited	4,500	859.90	3,869,550	1,275.22	5,738,495	(1,868,945)
Rastra Urthan Laghubitta Sanstha Limited	1,605	926.00	1,486,230	100.00	160,500	1,325,730
Rastriya Beema Company Limited	800	13,400.00	10,720,000	16,342.14	13,073,711	(2,353,711)
Balephi Hydropower Limited	3,412	239.70	817,856	100.00	341,200	476,656
Upakar Laghubitta Bittiya Sanstha Limited	441	2,699.00	1,190,259	100.00	44,100	1,146,159
CYC Nepal Laghubitta Bittiya Sanstha Limited	738	1,698.20	1,253,272	100.00	73,800	1,179,472
River Falls Power Limited	5,005	222.00	1,111,110	100.00	500,500	610,610
Sub-Total (A)			691,808,709		1,009,437,398	(317,628,689)
UNLISTED						
Citizen Unit Scheme	700,000	100.00	70,000,000	100.00	70,000,000	-
Citizen Unit Scheme	200,000	100.00	20,000,000	100.00	20,000,000	-
Citizen Unit Scheme	600,000	100.00	60,000,000	100.00	60,000,000	-
Bindhyabasini Hydropower Development Co. Ltd.-IPO	2,750	155.41	427,378	100.00	275,000	152,378
Adarsha Laghubitta Bittiya Sanstha Ltd.-IPO	123	203.17	24,990	100.00	12,300	12,690
Himalayan Hydropower Ltd.-IPO	3,477	100.80	350,482	100.00	347,700	2,782
Upper Solu Hydro Electric Co. Ltd.-IPO	3,458	111.58	385,844	100.00	345,800	40,044
Upper Hewakhola Hydropower Co. Ltd.-IPO	2,650	110.75	293,488	100.00	265,000	28,488
Swet Ganga Hydropower & Construction Ltd.- IPO	4,221	112.26	473,849	100.00	422,100	51,749
Rapti Hydro & General Construction Ltd.-IPO	4,479	101.65	455,290	100.00	447,900	7,390
Mandakini Hydrpower Ltd.-IPO	2,038	122.13	248,901	100.00	203,800	45,101
Sub-Total (B)			152,660,221		152,319,600	340,621
Grand Total			844,468,930		1,161,756,998	
Unrealised Gain / (Loss)					(317,288,068)	
Less: Previous year unrealised gain/(loss)					(2,217,925)	
Unrealised Gain / (Loss) This Year					(315,070,143)	

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

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NIBL Samriddhi Fund -II

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets.

16. Related Party Transactions

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

Related Parties

- a. Fund Sponsor: Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)
- b. Fund Manager and Depository: NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.), a subsidiary of the Sponsor.
- c. Shareholders holding substantial interest in the Fund Manager: Nepal Investment Mega Bank Limited (Then Nepal Investment Bank Ltd.).
- 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 Mega Bank Limited (Then Nepal Investment Bank Ltd.)- Fund Sponsor amounts to NPR 290,000,000 (at par value of NPR 10 per unit)
- Unit Holding of NIMB Ace Capital Limited (Then NIMB Ace Capital Ltd.)- Fund Management amounts to NPR 10,000,000 (at par value of NPR 10 per unit)
- NIBL Samriddhi Fund- II have earned interest amounting to NPR. 3,30,259 (NPR. Three Hundred Thirty Thousand Two Hundred Fifty-Nine Only) from Nepal Investment Mega Bank Limited (Then Nepal Investment Bank Ltd.)
- Fund Management and Depository Fee incurred by NIBL Samriddhi Fund- II during the year amounts to NPR. 22,124,041 (NPR. Twenty-Two Million One Hundred Twenty-Four Thousand Forty-One Only).
- Fund management and depository fee payable at year end by NIBL Samriddhi Fund-II to NIMB Ace Capital Limited NPR. 5,724,620 (NPR. Five Million Seven Hundred Twenty-Four Thousand Six Hundred Twenty Only).
- The Scheme has a current/call account bank balance of NPR. 43,837,639 (NPR. Forty-Three Million Eight Hundred Thirty-Seven Thousand Six Hundred Thirty-Nine Only) as on Balance Sheet date with the Fund Sponsor - Nepal Investment Mega Bank Limited (Then Nepal Investment Bank Ltd.) earning interest at the rate of 2.01%.

NIBL Samriddhi Fund -II

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

- The scheme has invested in fixed deposit in Nepal Investment Mega Bank Ltd of NRs 5,000,000 at the interest rate of 9.50% as on Ashad End 2080.
- Depository Participant (DP) Fee for transaction expenses NPR. 150 (NPR. One-Hundred Fifty Only) has been paid to NIMB Ace Capital Limited (Then NIBL Ace Capital Ltd.) during the year.

16.1. As per regulation no. 36(2) of Mutual Fund Regulation 2067, the fund shall not invest on securities of other schemes under same mutual Fund or on the securities issued by the Sponsor or Depository of that mutual Fund. The sponsor of the fund: Nepal Investment Mega Bank Ltd has started its joint operation from Poush 27, 2079 after merger of Nepal Investment Bank Ltd and Mega Bank Nepal Ltd. The fund has outstanding investment of 17,153 units of share in Nepal Investment Mega Bank Ltd as on year end, 2080 which it has invested in Mega Bank Nepal Ltd before merger. The fair value of this investment is NRs. 2,981,191 as on Ashad End, 2080. The fund is in the process of disposing of this investment.

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. Event after Reporting Date

The Fund monitors and assess events that may have potential impact to qualify as adjusting and/or non-adjusting events after the end of the reporting period. All adjusting events are adjusted in the books with additional disclosures and non-adjusting material events are disclosed in the notes with possible financial impact, to the extent ascertainable.

There are no material events that has occurred subsequent to 31st Ashad 2080 till the signing of this financial statement.

20. Proposed Dividend

The Scheme has not proposed any cash dividend for fiscal year 2079/80 to its unit-holders.


NIMB ACE CAPITAL
Managing shares Managing investments
(Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd)


NIBL MUTUAL FUND
NIBL Samriddhi Fund-II

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NIBL Samriddhi Fund -II

Fund Sponsored by Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)

Fund Managed by NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.)

On Behalf of NIMB Ace Capital Limited

(Fund Management Company)

As per our report of even date

For: S.R Pandey & Co.

Chartered Accountants


Sachin Tibrewal
Chairman


Deepak Kumar Shrestha
Director


Arun Raut, FCA
Partner




Srijana Pandey
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
Mutual Fund Executive


NIMB ACE CAPITAL
Managing shares Managing investments
(Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd.)

Date : 30th August, 2023
Place : Kathmandu

 **MUTUAL FUND**
NIBL Samriddhi Fund-II