

# M.B. SHRESTHA & CO.

Chartered Accountants  
Sankhamul Road  
New Baneshwar

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E-mail : mbsshrestha@gmail.com  
G.P.O. Box : 720  
Kathmandu, Nepal.

09 September 2024

## INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF NIBL SAMRIDDHI FUND - II

### Report on the Audit of Financial Statements

#### A. Opinion

1. We have audited the accompanying financial statements of NIBL Samriddhi Fund-II ("the Mutual Fund") which comprise the statement of financial position as at 31 Ashadh 2081 (corresponding to 15 July 2024), 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 31 Ashadh 2081 (15 July 2024), 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.


#### Key Audit Matters

##### 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.

##### 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.

#### How the scope of our audit responded to the Key Audit Matter

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.

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

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.



**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 31 Ashadh 2081 ( 15 July 2024) , 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



**CA. Maheswarendra Bdr. Shrestha**  
Proprietor  
UDIN: 240909CA001176DWJJ

## NIBL Samridhhi Fund-II

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

### Statement of Financial position as at 31st Ashad 2081 (15th July 2024)

NPR

Particulars	Notes	31 Ashad 2081	31 Ashad 2080
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3.2	42,863,956	108,794,217
Other Current Assets	4.6	20,921,560	18,682,961
Financial Assets Held at Amortized Cost	13	352,844,323	352,844,323
Financial Assets Held at Fair Value Through Profit or Loss	4.7	1,036,351,178	917,143,553
<b>Total</b>		<b>1,452,981,017</b>	<b>1,397,465,054</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accrued Expenses & Other Payables	5.2	15,372,023	6,634,735
<b>Liabilities (Excluding Net Assets Attributable to Unitholders)</b>		<b>15,372,023</b>	<b>6,634,735</b>
<b>Unit Holder's Funds</b>			
Net Assets Attributable to Unit Holders	6	1,437,608,994	1,390,830,319
<b>Total</b>		<b>1,452,981,017</b>	<b>1,397,465,054</b>
<b>NAV per Unit</b>		<b>9.58</b>	<b>9.27</b>

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



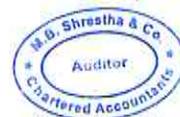
Sachin Tibrewal  
Chairman



Srijana Pandey  
Director



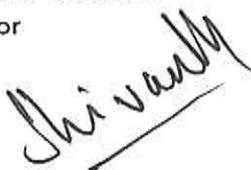
Maheswarendra Bahadur Shrestha, FCA  
Proprietor  
M. B. Shrestha & Co.  
Chartered Accountants




Rabindra Bhattarai  
Director



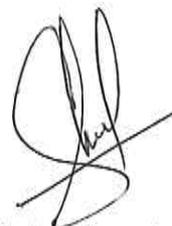
Ananda Kumar Bhattarai  
Director



Shivanth Bahadur Pandé  
Chief Executive Officer



Sachindra Dhungana  
General Manager



Shulav Shrestha  
Head- Investment Banking



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

**NIBL**  **NIPBL**  
NIBL

Date : 5th September, 2024

Place : Kathmandu

**NIBL Samridhi 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 2080 to 31st Ashad 2080 (17th July 2023 to 15th July 2024)

NPR

Particulars	Notes	31 Ashad 2081	31 Ashad 2080
<b>Income</b>			
Interest Income	7.2	45,413,981	51,303,105
Dividend Income	7.3	5,102,147	4,169,855
Net Profit/(Loss) on Financial Assets Held at Fair Value through Profit and Loss	14b	21,710,940	76,073,694
Other Income		-	-
<b>Total</b>		<b>72,227,068</b>	<b>131,546,654</b>
<b>Expenses and Losses</b>			
Fund Management fees	8	20,469,708	19,521,213
Depository Fees	8	2,729,294	2,602,828
Fund Supervisors Fees	8	1,637,577	1,561,697
Publication Expenses		138,138	140,468
Listing Fees		50,000	50,000
DP Expense		300	150
Audit Fees		113,000	113,000
Bank Charges		4,176	5,485
Book Building Registration & AMC Expenses- NEPSE		-	5,000
Other Expenses		600	-
Annual Service Charges on Software		135,600	99,440
CDS Dematerialisation Registration Fee		170,000	170,000
<b>Total expenses</b>		<b>25,448,393</b>	<b>24,269,281</b>
<b>Net Gains/(Losses) for the Period</b>		<b>46,778,675</b>	<b>107,277,373</b>
<b>Other Comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Net Surplus/(Deficit) for the period</b>		<b>46,778,675</b>	<b>107,277,373</b>

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

As per our Report of even date

Sachin Tibrewal  
Chairman

Srijana Pandey  
Director

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



Rabindra Bhattarai  
Director

Ananda Kumar Bhattarai  
Director

Shivanth Bahadur Pandé  
Chief Executive officer

Sachindra Dhungana  
General Manager

Shulav Shrestha  
Head-Investment Banking

Date : 5th September, 2024  
Place : Kathmandu



NIBL MUTUAL FUND  
NIBL Samridhi Fund-II

## NIBL Samridhi 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 2080 to 31st Ashad 2081 (17th July 2023 to 15th July 2024)

NPR

Particulars	31 Ashad 2081	31 Ashad 2080
<b>A. Cash Flow from Operating Activities</b>		
Surplus/ (Deficit) for the year	46,778,675	107,277,373
<b>Adjustments for:</b>		
Increase/Decrease in Unrealised (gain)/loss on financial assets held for trading purposes	(5,380,082)	(48,152,335)
Increase/(Decrease) in Liabilities	8,737,288	4,431
(Increase)/Decrease in Share	(113,827,543)	(24,522,288)
(Increase)/Decrease in Debenture	-	(7,500,000)
(Increase)/Decrease in Fixed Deposit	-	(5,000,000)
(Increase)/Decrease in Other Assets	(2,238,599)	1,888,215
<b>Net cash generated/(used) in Operations (1)</b>	<b>(65,930,261)</b>	<b>23,995,396</b>
<b>B. Cash Flow from Financing Activities</b>		
Issue of Unit Capital	-	-
Dividend Paid during the year	-	-
<b>Net cash generated/(used) in financing (2)</b>	<b>-</b>	<b>-</b>
<b>C. Cash Flow from Investing Activities</b>		
<b>Net cash generated/(used) in investing (3)</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (1+2+3)</b>	<b>(65,930,261)</b>	<b>23,995,396</b>
Cash and Cash Equivalents at beginning of the year/period	108,794,217	84,798,821
<b>Cash and Cash Equivalents at end of period</b>	<b>42,863,956</b>	<b>108,794,217</b>
<b>Components of Cash and Cash Equivalents</b>		
Balance with Banks	42,863,956	108,794,217

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

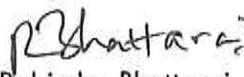
As per our Report of even date

  
Sachin Tibrewal  
Chairman

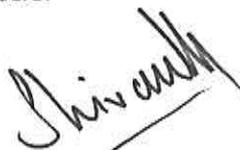
  
Srijana Pandey  
Director

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



  
Rabindra Bhattarai  
Director

  
Ananda Kumar Bhattarai  
Director

  
Shivanth Bahadur Pandé  
Chief Executive Officer

  
Sachindra Dhungana  
General Manager

  
Shulav Shrestha  
Head- Investment Banking

Date : 5th September, 2024  
Place : Kathmandu

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

NIBL  MUTUAL FUND  
NIBL Samridhi Fund-II

## NIBL Samridhi 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 2080 to 31st Ashad 2081 (17th July 2023 to 15th July 2024)

Particular				In NPR
	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	-	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	-	-	-	-
<b>Balance as on 31/03/2080</b>	<b>1,500,000,000</b>	<b>159,966,052</b>	<b>(269,135,733)</b>	<b>1,390,830,319</b>
Opening Balance	1,500,000,000	-	-	1,500,000,000
Issue of Unit Capital	-	-	-	-
Net Profit (Loss) Upto Last Year	-	159,966,052	(269,135,733)	(109,169,681)
Net Profit (Loss) During the year	-	41,398,593	5,380,082	46,778,675
Dividend Paid	-	-	-	-
<b>Balance as on 31/03/2081</b>	<b>1,500,000,000</b>	<b>201,364,645</b>	<b>(263,755,651)</b>	<b>1,437,608,994</b>

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

Sachin Tibrewal  
Chairman

Srijana Pandey  
Director

As per our Report of even date

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



Rabindra Bhattarai  
Director

Ananda Kumar Bhattarai  
Director

Shivanth Bahadur Pandé  
Chief Executive Officer

Sachindra Dhungana  
General Manager

Shuler Shrestha  
Head- Investment Banking

Date : 5th September, 2024

Place : Kathmandu



NIBL MUTUAL FUND  
NIBL Samridhi Fund-II

**Notes to the Financial Statements as of 31<sup>st</sup> Ashad 2081 (15<sup>th</sup> July 2024)**

**1. General Information of the Scheme**

<b>Fund</b>	<b>NIBL Mutual Fund</b>
<b>Scheme</b>	<b>NIBL Samriddhi Fund- II</b>
<b>Fund Sponsor</b>	<b>Nepal Investment Mega Bank Limited (NIMB)</b> (Then Nepal Investment Bank Ltd.) (Licensed by NRB as Class 'A' Bank)
<b>Fund Management</b>	<b>NIMB Ace Capital Limited</b> (Then NIBL Ace Capital Ltd.) (A subsidiary of Nepal Investment Mega Bank Ltd.)
<b>Fund Supervisors</b>	Dr. Bimal Prasad Koirala Dr. Shambhu Ram Simkhada Dr. Durgesh Man Singh CA. Jitendra Bahadur Rajbhandari Mr. Raju Nepal
<b>Total Units of Scheme</b>	150,000,000 (One Hundred Fifty Million Units)
<b>Total Unit Capital</b>	NPR 1,500,000,000 (NPR One Billion Five Hundred Million)
<b>Scheme type</b>	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 2080/81 were approved by the Board of Directors of the NIMB Ace Capital Limited (Then NIBL Ace Capital Ltd.) on 20th Bhadra, 2081 being the Fund Management and Depository Company. Similarly, the Fund Supervisors' consent on the approved Financial Statements has also been duly obtained.



## 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.)

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%
<b>Total</b>		<b>150,000,000</b>	<b>1,500,000,000</b>	<b>100%</b>

## 2. Summary of Significant Accounting Policies

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

### 2.1. Statement of Compliance

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

### 2.2. Basis of Preparation

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

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

The page contains several handwritten signatures in blue ink. Below the signatures, there are two official stamps. On the left is a circular blue stamp for 'M. D. Shrestha & Co. Auditor Chartered Accountants'. In the center is a blue stamp for 'NIMB ACE CAPITAL Managing Shares Managing Investments (a subsidiary of Nepal Investment Mega Bank Ltd)'. On the right is a blue stamp for 'NIBL MUTUAL FUND NIBL Samridhi Fund-II'.

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



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, 2079 to 31 Ashad, 2080.

## **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**



- 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 2081	31 Ashad 2080
Cash at Bank	42,863,956	108,794,217
<b>Total</b>	<b>42,863,956</b>	<b>108,794,217</b>

#### 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**

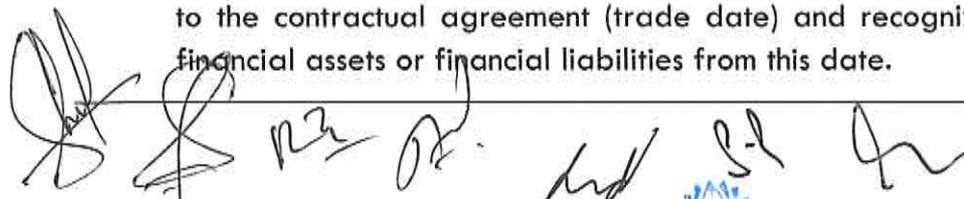
Financial assets, held for trading are recorded in the statement of financial position at fair value. Changes in fair value are recognized through profit or loss. This classification includes quoted equity securities held for trading. The dividend income from the quoted equity securities is recorded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






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

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

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

#### 4.4 Measurement

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

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

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

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

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

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

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

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

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



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

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

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

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

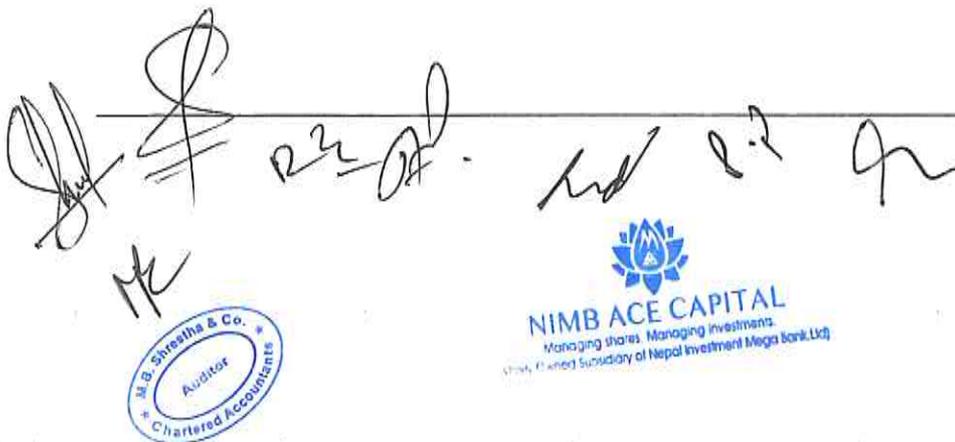
**4.5 Offsetting Financial Instruments**

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

**Explanatory note**

**4.6 Other Current Assets**

S.N.	Particulars	31 Ashad 2081	31 Ashad 2080
1	Dividend Income Receivable	94,893	99,542
2	Interest Receivables	18,802,802	18,583,419
3	Broker Receivables	2,023,865	-
	<b>Total Amount</b>	<b>20,921,560</b>	<b>18,682,961</b>

  
**NIMB ACE CAPITAL**  
 Managing shares. Managing investments.  
Chartered Subsidiary of Nepal Investment Mega Bank Ltd.

4.7 Financial Assets Held at Fair Value Through Profit or Loss (FVTPL)

Particulars	31 Ashad 2081	31 Ashad 2080
<b>Financial Assets:</b>		
Equity Security	1,036,351,178	917,143,553
<b>Financial Assets Held at FVTPL</b>	<b>1,036,351,178</b>	<b>917,143,553</b>

Comparative Investment in Listed Shares

Name	FY 2080-81			FY 2079-80		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
<b>LISTED</b>						
Nabil Bank Limited	23,991	524.00	12,571,284	35,138	599	21,054,690
Sanima Bank Limited	9,445	279.00	2,635,155	-	-	-
SHIVAM CEMENTS LTD	37,385	502.30	18,778,486	32,723	652	21,319,035
Nepal Reinsurance Company Limited	26,599	698.00	18,566,102	22,365	740	16,550,100
NMB Microfinance Bittiya Sanstha Ltd.	11,374	760.00	8,644,240	11,374	640	7,279,360
Forward Community Microfinance Bittiya Sanstha Ltd.	12,035	1,413.00	17,005,455	12,035	1,321	15,898,235
Sanima Middle Tamor Hydropower Ltd	10,873	450.00	4,892,850	-	-	-
NIC Asia Bank Ltd.	75,390	443.20	33,412,848	58,443	794	46,392,053
Deprosc Laghubitta Bittiya Sanstha Limited	20,789	841.00	17,483,549	18,899	826	15,610,574
Shikhar Insurance Co. Ltd.	40,418	723.00	29,222,214	40,418	845	34,153,210
SABAIKO LAGHUBITTA BITTIYA SANSTHA LIMITED	6,030	1,045.00	6,301,350	6,030	730	4,401,900
Global IME Laghubitta Bittiya Sanstha Ltd.	19,585	1,365.00	26,733,525	19,585	1,061	20,779,685
Mero Microfinance Bittiya Sanstha Ltd.	19,797	700.00	13,857,900	19,797	661	13,085,817
Laxmi Value Fund 2	400,000	9.24	3,696,000	-	-	-
Nepal Life Insurance Co. Ltd.	18,637	619.00	11,536,303	18,637	744	13,865,928
Neco Insurance Co. Ltd.	33,639	836.00	28,122,204	33,639	891	29,975,713
Life Insurance Co. Nepal	9,966	1,438.00	14,331,108	9,966	1,555	15,497,130
Prabhu Bank Limited	79,909	163.70	13,081,103	79,909	163	12,993,203
Prime Commercial Bank Ltd.	44,088	221.80	9,778,718	44,088	195	8,597,160
Nirdhan Utthan Laghubitta Bittiya Sanstha Limited Promoter Share	118,233	600.00	70,939,800	118,233	600	70,939,800
National Life Insurance Co. Ltd.	38,490	595.00	22,901,550	38,490	645	24,826,050
Prabhu Select Fund	1,468,090	9.79	14,372,601	1,468,090	9	12,992,597
SANJEN JALAVIDHYUT COMPANY LIMITED	23,475	283.70	6,659,858	23,475	297	6,969,728
RASUWAGADHI HYDROPOWER COMPANY LIMITED	33,159	295.00	9,781,905	33,159	300	9,947,700
Sanima Mal Hydropower Ltd.	8,105	339.50	2,751,648	5,571	355	1,977,705
Nepal Bank Limited	20,116	229.50	4,616,622	20,116	249	5,008,884
Mountain Energy Nepal Limited	22,735	597.00	13,572,795	13,260	995	13,193,700
Citizen Investment Trust	11,811	1,945.00	22,972,395	8,039	2,089	16,793,471
Standard Chartered Bank Limited	5,500	602.00	3,311,000	14,374	530	7,619,657
Mahalaxmi Bikas Bank Ltd.	15,121	352.00	5,322,592	15,121	326	4,921,886
Machhapuchhre Bank Limited	50,244	200.00	10,048,800	44,346	232	10,279,403
Kamana Sewa Bikas Bank Limited	19,024	416.00	7,913,984	19,024	327	6,220,848
Garima Bikas Bank Limited	24,896	385.10	9,587,450	19,842	405	8,036,010
Muktinath Bikas Bank Ltd.	26,468	367.00	9,713,756	24,117	407	9,815,619
Prabhu Insurance Ltd.	26,035	826.00	21,504,910	19,844	747	14,823,468
Soaltee Hotel Limited	18,595	442.00	8,218,990	-	-	-
Vijaya laghubitta Bittiya Sanstha Ltd.	9,856	1,040.00	10,250,240	9,856	713	7,027,328
Swabalamban Laghubitta Bittiya Sanstha Limited	13,635	940.00	12,816,900	12,135	901	10,928,781
Laxmi Laghubitta Bittiya Sanstha Ltd.	5,024	1,224.00	6,149,376	5,024	893	4,486,432
Swarajgar Laghu Bitta Bikas Bank Ltd.	13,054	851.00	11,108,954	12,200	705	8,601,000
Global IME Bank Limited	18,538	194.20	3,600,080	18,354	186	3,413,844
Century Commercial 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.)**

Name	FY 2080-81			FY 2079-80		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited	14,395	853.70	12,289,012	12,600	899	11,327,400
NIC ASIA Growth Fund-2	1,000,000	8.20	8,200,000	-	-	-
Sarboottam Cement Limited	7,063	806.50	5,696,310	-	-	-
Sahas Urja Limited	9,720	519.00	5,044,680	9,720	484	4,703,508
Upper Lahore Hydropower Co. Ltd	5,300	394.00	2,088,200	-	-	-
Sonapur Minerals and Oil Ltd	17,808	456.10	8,122,229	-	-	-
Siddhartha Bank Limited	33,113	283.00	9,370,979	33,113	253	8,377,589
Himalayan Distillery Limited	9,438	1,384.00	13,062,192	2,343	2,248	5,267,064
Nabil Balanced Fund-3	16,670	7.80	130,026	16,670	8	126,192
NMB Bank Limited	22,606	218.00	4,928,108	22,606	226	5,108,956
Lumbini Bikas Bank Ltd.	22,816	416.60	9,505,146	-	-	-
Chhimek Laghubitta Bittiya Sanstha Limited	15,989	900.00	14,390,100	15,228	1,000	15,228,000
Samata Gharelu Laghubitta Bittiya Sanstha Limited	3,942	981.00	3,867,102	3,740	703	2,628,098
NIC ASIA Laghubitta Bittiya Sanstha Limited	4,500	705.00	3,172,500	4,500	729	3,280,500
Himalayan Reinsurance Limited	30,716	580.00	17,815,280	-	-	-
Rastriya Beema Company Limited	1,206	13,490.00	16,268,940	800	16,099	12,879,200
Citizens Super 30 Mutual Fund	500,000	10.00	5,000,000	-	-	-
Muktinath Krishi Company Limited	750	1,390.00	1,042,500	-	-	-
Vision Lumbini Urja Company Limited	3,005	529.00	1,589,645	-	-	-
Nepal Warehousing Company Limited	500	898.00	449,000	-	-	-
Kumari Bank Limited	41,552	153.70	6,386,542	41,552	165	6,856,080
Himalayan Everest Insurance Limited	17,529	632.00	11,078,328	12,055	600	7,233,000
Ridi Power Company Limited	10,500	190.50	2,000,250	7,000	243	1,701,000
Global IME Balanced Fund-1	500,000	9.10	4,550,000	500,000	9	4,670,000
Goodwill Finance Limited	-	-	-	3,459	483	1,670,697
SuryaJyoti Life Insurance Company Limited	31,007	429.90	13,329,909	28,122	610	17,154,420
Sanima Growth Fund	250,000	10.14	2,535,000	250,000	10	2,497,500
Nepal Investment Mega Bank Limited	-	-	-	17,153	174	2,981,191
Himalayan Bank Limited	22,085	204.20	4,509,757	22,085	213	4,699,688
Siddhartha Premier Insurance Limited	30,790	859.90	26,476,321	30,790	779	23,970,015
Sunrise Focused Equity Fund	1,000,000	8.24	8,240,000	1,000,000	10	9,680,000
IGI Prudential insurance Limited	21,817	558.00	12,173,886	9,817	560	5,497,520
Himalayan Life Insurance Limited	25,256	391.00	9,875,096	25,256	507	12,804,792
RBB Mutual Fund 2	850,000	9.50	8,075,000	850,000	10	8,500,000
Modi Energy Limited	-	-	-	6,676	208	1,385,270
United Ajod Insurance Limited	13,892	598.50	8,314,362	12,600	489	6,167,574
Siddhartha Investment Growth Scheme 3	320,000	9.45	3,024,000	320,000	10	3,200,000
Kumari Sabal Yojana	500,000	10.00	5,000,000	-	-	-
Nepal Doorsanchar Company Limited	23,222	845.00	19,622,590	-	-	-
Shangrila Development Bank Ltd.	700	349.00	244,300	-	-	-
Taragaon Regency Hotel Limited	9,570	807.00	7,722,990	-	-	-
Radhi Bidyut Company Ltd	5,300	268.20	1,421,460	-	-	-
Bottlers Nepal (Terai) Limited	20	13,000.00	260,000	-	-	-
Kumari Bank Limited- PO	25,000	104.00	2,600,000	-	-	-
CYC Nepal Laghubitta Bittiya Sanstha Limited	97	1,549.90	150,340	-	-	-
<b>Sub-Total (A)</b>	<b>8,308,028</b>		<b>878,388,678</b>			<b>745,872,957</b>

*[Handwritten signatures and initials]*



**Comparative Investment in Unlisted Shares**

Name	FY 2080-81			FY 2079-80		
	Unit	Value per unit	Value Amount	Unit	Value per unit	Value Amount
<b>UNLISTED</b>						
Citizen Unit Scheme	700,000	100	70,000,000	700,000	100	70,000,000
Citizen Unit Scheme	200,000	100	20,000,000	200,000	100	20,000,000
Citizen Unit Scheme	600,000	100	60,000,000	600,000	100	60,000,000
Shubha Laxmi Kosh	250,000	10.57	2,642,500	250,000	10	2,520,000
Nabil Flexi Cap Fund	500,000	10.64	5,320,000	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
Kutheli Bukhari Small Hydropower Ltd.	-	-	-	114	262	29,819
IME Life Insurance Co. Ltd.	-	-	-	11,263	435	4,901,658
<b>Sub-Total (B)</b>			<b>157,962,500</b>			<b>171,270,596</b>
<b>Grand Total (A+B)</b>			<b>1,036,351,178</b>			<b>917,143,553</b>

**5. Payables**

**Accounting policy**

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

**Explanatory notes**

*(Handwritten signatures and initials)*



## 5.2 Accrued Expenses and Other Payables

Particulars	31 Ashad 2081	31 Ashad 2080
Reporting Expenses Payables	20,000	20,000
Audit Fee Payables	111,500	111,500
TDS Liability	161,287	154,409
Software AMC (PCS) Payables	133,800	97,948
Fund Management Fee Payable - NIMB Ace Capital	5,274,610	5,051,135
Depository Fee Payables - NIMB Ace Capital	703,281	673,485
Supervisor Fee Payables	364,136	348,708
CDS Fees Payables	167,450	167,450
DP Fee Payables	-	100
Book Building Registration at NEPSE AMC	10,000	10,000
Broker Payables	8,435,959	-
<b>Total</b>	<b>15,382,123</b>	<b>6,634,735</b>

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.nimbacecapital.com](http://www.nimbacecapital.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

Handwritten signatures and stamps of the auditor and fund manager.



daily basis as the Fund is subject to daily changes in Market Price of Share at Nepal Stock Exchange.

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

Particular	For the Year Ended on 31 <sup>st</sup> Ashad 2081	For the Year Ended on 31 <sup>st</sup> Ashad 2080
Unit Holders' Fund at the Beginning of the Year/Period	1,390,830,319	1,283,552,946
Increase / (Decrease) in Net Assets Attributable to Unit Holders		
Net Gains/(Losses) for the Period	46,778,675	107,277,373
Other Comprehensive income	-	-
Distribution to Unit Holders'	-	-
<b>Unit Holders' Fund at the End of the Year/Period</b>	<b>1,437,608,994</b>	<b>1,390,830,319</b>

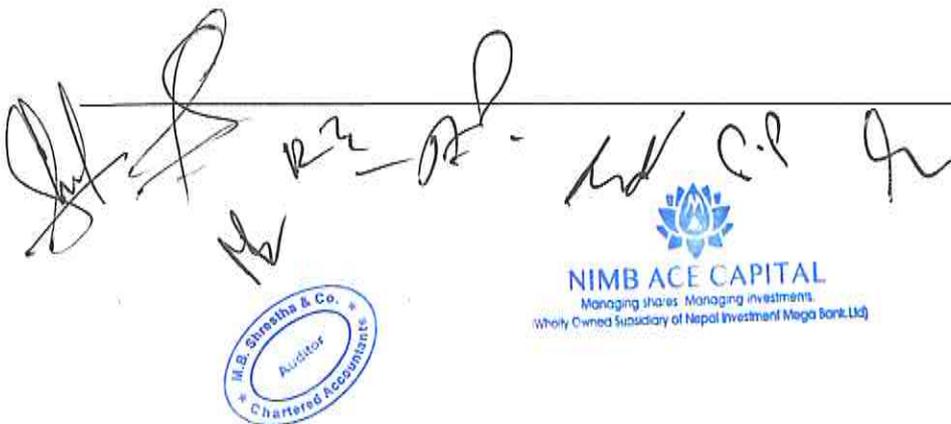
## 7. Investment Income

### 7.1 Accounting Policy

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

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

Dividend income is recognized on the ex-dividend date.



The bottom of the page features several handwritten signatures in blue ink. Below the signatures are two official stamps: a circular blue stamp for 'M.P. Gyawali & Co. Auditor Chartered Accountants' and a rectangular blue stamp for 'NIMB ACE CAPITAL Managing shares Managing investments Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd.'.

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

Particulars	FY 2080/81	FY 2079/80
Interest income on Debentures, Fixed and Call Deposit	45,413,981	51,303,105
<b>Total</b>	<b>45,413,981</b>	<b>43,099,117</b>

**7.3 Dividend Income**

Particulars	FY 2080/81	FY 2079/80
Dividend Income Realized	5,102,147	4,169,855
<b>Total</b>	<b>5,102,147</b>	<b>4,169,855</b>

**8. Expenses**

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

The management participation fees of the fund of the period 1<sup>st</sup> Shrawan 2080 to 31<sup>st</sup> Ashad 2081 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 2080/81	FY 2079/80
Fund Management Fee	20,469,708	19,521,213
Depository Fee	2,729,294	2,602,828
Fund Supervisor Fee	1,637,577	1,561,697
<b>Total</b>	<b>24,836,579</b>	<b>23,685,738</b>

**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 2080/81.

**10. Distributions**

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

**11. Financial Risk Management**

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

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

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

The management of these risks is carried out by the 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.

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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 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.

*[Handwritten signatures and stamps]*

**M.B. Shrestha & Co.**  
Auditor  
Chartered Accountants

**NIMB ACE CAPITAL**  
Managing shares, Managing Investments  
Wholly Owned Subsidiary of Nepal Investment Mega Bank Ltd.

**NIBL MUTUAL FUNDS**  
NIBL

For FY 2080/81

Sector	Value	Cost	Proportion Exposure	Growth %
Commercial Banks	168,513,624	246,665,881	16.26%	-31.68%
Development Banks	42,287,227	48,958,843	4.08%	-13.63%
Hotels And Tourism	15,941,980	15,882,723	1.54%	0.37%
Hydro Power	49,803,290	69,085,461	4.81%	-27.91%
Investment	22,972,395	21,577,743	2.22%	6.46%
Life Insurance	71,973,966	127,972,062	6.94%	-43.76%
Manufacturing And Processing	45,919,216	78,401,406	4.43%	-41.43%
Microfinance	235,160,343	264,728,450	22.69%	-11.17%
Mutual Fund	173,122,500	173,500,000	16.71%	-0.22%
Non Life Insurance	153,161,165	194,689,941	14.78%	-21.33%
Others	57,495,472	58,644,320	5.55%	-1.96%
<b>Total</b>	<b>1,036,351,178</b>	<b>1,300,106,829</b>	<b>100.00%</b>	<b>-20.29%</b>

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%
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%
<b>Total</b>	<b>917,143,553</b>	<b>1,186,279,286</b>	<b>100%</b>	<b>-22.69%</b>

11.3. Liquidity Risk

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

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

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

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

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

## 12. Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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## 13. Financial Assets Held at Amortized Cost

Particulars	31 Ashad 2081	31 Ashad 2080
Debentures	127,844,323	127,844,323
Fixed Deposit	225,000,000	225,000,000
<b>Total</b>	<b>352,844,323</b>	<b>352,844,323</b>

## Comparative Investment in Fixed Deposit

Name of Bank	31 Ashad 2081		31 Ashad 2080	
	Principal Amount	Interest Rate	Principal Amount	Interest Rate
Shine Resunga Dev. Bank Ltd.	20,000,000	6.90%	20,000,000	10.50%
Global IME Bank Limited	10,000,000	5.50%	10,000,000	9.50%
Shine Resunga Dev. Bank Ltd.	10,000,000	6.00%	20,000,000	10.25%
Garima Bikas Bank Limited	10,000,000	6.90%	10,000,000	10.25%
Kamana Sewa Bikas Bank Limited	15,000,000	6.40%	15,000,000	10.25%
Jyoti Bikas Bank Limited	5,000,000	6.50%	5,000,000	10.25%
Shangrila Development Bank Ltd.	20,000,000	6.00%	20,000,000	10.25%
Nepal Investment Mega Bank Ltd	-	-	5,000,000	9.50%
Jyoti Bikas Bank Limited	15,000,000	6.00%	15,000,000	10.25%
Siddhartha Bank Limited	10,000,000	5.00%	5,000,000	9.50%
Jyoti Bikas Bank Limited	20,000,000	5.50%	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	7.01%	20,000,000	10.40%
Sindhu Bikash Bank Ltd	10,000,000	7.01%	-	-
Jyoti Bikas Bank Limited	10,000,000	5.5%	-	-
Kumari Bank Limited	10,000,000	5.10%	40,000,000	9.50%
Shine Resunga Dev. Bank Ltd.	20,000,000	7.40%	-	-
Shine Resunga Dev. Bank Ltd.	10,000,000	7.40%	-	-
Shangrila Development Bank Ltd	10,000,000	6.5%	-	-
<b>Total</b>	<b>225,000,000</b>		<b>225,000,000</b>	



**Comparative Investment in Debenture**

Name of Debenture	31 Ashad 2081		31 Ashad 2080	
	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% SADBL 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%
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%	2,500,000	10.25%
11% LBBL DEBENTURE 2089	5,000,000	11%	5,000,000	11%
<b>Total</b>	<b>127,844,323</b>		<b>120,344,323</b>	

**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.

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 2081	31 Ashad 2080
Net Realized Gains/(Losses) on Financial Assets at FVTPL	16,330,858	27,921,359
Net Unrealized Gains/(Losses) on Financial Assets at FVTPL	5,380,082	48,152,335
<b>Total</b>	<b>21,710,940</b>	<b>76,073,694</b>

**Computation of Unrealized Gains/loss for FY 2080/81:**

Name	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
<b>LISTED</b>						
Nabil Bank Limited	23,991	524.00	12,571,284	883.29	21,191,017	(8,619,733)
Sanima Bank Limited	9,445	279.00	2,635,155	251.35	2,373,992	261,163
SHIVAM CEMENTS LTD	37,385	502.30	18,778,486	1,389.70	51,954,063	(33,175,577)
Nepal Reinsurance Company Limited	26,599	698.00	18,566,102	1,042.16	27,720,430	(9,154,328)
NMB Microfinance Bittiya Sanstha Ltd.	11,374	760.00	8,644,240	1,165.77	13,259,461	(4,615,221)
Forward Microfinance Laghubitta Bittiya Sanstha Limited	12,035	1,413.00	17,005,455	1,688.78	20,324,477	(3,319,022)
Sanima Middle Tamor Hydropower Limited	10,873	450.00	4,892,850	401.02	4,360,328	532,522
NIC Asia Bank Ltd.	75,390	443.20	33,412,848	716.85	54,043,189	(20,630,341)
Deprosc Laghubitta Bittiya Sanstha Limited	20,789	841.00	17,483,549	1,224.72	25,460,668	(7,977,119)
Shikhar Insurance Co. Ltd.	40,418	723.00	29,222,214	1,371.04	55,414,690	(26,192,476)
SABAICO LAGHUBITTA BITTIYA SANSTHA LIMITED	6,030	1,045.00	6,301,350	1,174.09	7,079,788	(778,438)
Global IME Laghubitta Bittiya Sanstha Ltd.	19,585	1,365.00	26,733,525	1,904.83	37,306,116	(10,572,591)
Mero Microfinance Bittiya Sanstha Ltd.	19,797	700.00	13,857,900	1,337.10	26,470,494	(12,612,594)



**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.)**

Name	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
Laxmi Value Fund 2	400,000	9.24	3,696,000	10.00	4,000,000	(304,000)
Nepal Life Insurance Co. Ltd.	18,637	619.00	11,536,303	1,731.49	32,269,858	(20,733,555)
Neco Insurance Limited	33,639	836.00	28,122,204	1,056.26	35,531,489	(7,409,285)
Life Insurance Corporation (Nepal) Limited	9,966	1,438.00	14,331,108	2,041.09	20,341,525	(6,010,417)
Prabhu Bank Limited	79,909	163.70	13,081,103	305.94	24,446,965	(11,365,861)
Prime Commercial Bank Ltd.	44,088	221.80	9,778,718	400.41	17,653,185	(7,874,467)
Nirdhan Utthan Laghubitta Bittiya Sansha 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	595.00	22,901,550	844.65	32,510,534	(9,608,984)
Prabhu Select Fund	1,468,090	9.79	14,372,601	10.00	14,680,900	(308,299)
SANJEN JALAVIDHYUT COMPANY LIMITED	23,475	283.70	6,659,858	437.72	10,275,412	(3,615,554)
RASUWAGADHI HYDROPOWER COMPANY LIMITED	33,159	295.00	9,781,905	448.78	14,881,122	(5,099,217)
Sanima Mai Hydropower Ltd.	8,105	339.50	2,751,648	396.20	3,211,214	(459,566)
Nepal Bank Limited	20,116	229.50	4,616,622	412.53	8,298,509	(3,681,887)
Mountain Energy Nepal Limited	22,735	597.00	13,572,795	924.98	21,029,380	(7,456,585)
Citizen Investment Trust	11,811	1,945.00	22,972,395	1,826.92	21,577,743	1,394,652
Standard Chartered Bank Limited	5,500	602.00	3,311,000	555.12	3,053,157	257,843
Mahalaxmi Bikas Bank Ltd.	15,121	352.00	5,322,592	435.11	6,579,253	(1,256,661)
Machhapuchhre Bank Limited	50,244	200.00	10,048,800	308.83	15,517,090	(5,468,290)
Kamana Sewa Bikas Bank Limited	19,024	416.00	7,913,984	526.59	10,017,813	(2,103,829)
Garima Bikas Bank Limited	24,896	385.10	9,587,450	418.33	10,414,712	(827,263)
Muktinath Bikas Bank Ltd.	26,468	367.00	9,713,756	481.77	12,751,452	(3,037,696)
Prabhu Insurance Ltd.	26,035	826.00	21,504,910	834.47	21,725,554	(220,644)
Sealtee Hotel Limited	18,595	442.00	8,218,990	461.38	8,579,276	(360,286)
Vijaya laghubitta Bittiya Sanstha Ltd.	9,856	1,040.00	10,250,240	1,306.41	12,876,020	(2,625,780)
Swabalamban Laghubitta Bittiya Sanstha Limited	13,635	940.00	12,816,900	1,173.69	16,003,298	(3,186,398)
Laxmi Laghubitta Bittiya Sanstha Ltd.	5,024	1,224.00	6,149,376	1,701.79	8,549,786	(2,400,410)
Swarajgar Laghubitta Bittiya Sanstha Ltd.	13,054	851.00	11,108,954	942.98	12,309,710	(1,200,756)
Global IME Bank Limited	18,538	194.20	3,600,080	365.08	6,767,850	(3,167,770)
Sana Kisan Bikas Laghubitta Bittiya Sanstha Limited	14,395	853.70	12,289,012	1,103.93	15,891,084	(3,602,073)
NIC ASIA Growth Fund-2	1,000,000	8.20	8,200,000	10.00	10,000,000	(1,800,000)
Sarbottom Cement Limited	7,063	806.50	5,696,310	401.00	2,832,263	2,864,047
Sahas Urja Limited	9,720	519.00	5,044,680	603.32	5,864,235	(819,555)
Upper Lahore Khola Hydropower Company Limited	5,300	394.00	2,088,200	399.14	2,115,430	(27,230)
Sonapur Minerals And Oil Limited	17,808	456.10	8,122,229	403.06	7,177,656	944,572
Siddhartha Bank Limited	33,113	283.00	9,370,979	403.77	13,370,027	(3,999,048)
Himalayan Distillery Limited	9,438	1,384.00	13,062,192	1,714.54	16,181,844	(3,119,652)

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**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.)**

Name	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
Nabil Balanced Fund-3	16,670	7.80	130,026	10.00	166,700	(36,674)
NMB Bank Limited	22,606	218.00	4,928,108	354.20	8,007,010	(3,078,902)
Lumbini Bikas Bank Ltd.	22,816	416.60	9,505,146	393.33	8,974,201	530,945
Chhimek Laghubitta Bittiya Sanstha Limited	15,989	900.00	14,390,100	1,045.01	16,708,690	(2,318,590)
Samata Gharelu Laghubitta Bittiya Sanstha Limited	3,942	981.00	3,867,102	1,087.86	4,288,331	(421,229)
NIC ASIA Laghubitta Bittiya Sanstha Limited	4,500	705.00	3,172,500	1,275.22	5,738,495	(2,565,995)
Himalayan Reinsurance Limited	30,716	580.00	17,815,280	372.92	11,454,581	6,360,700
Rastriya Beema Company Limited	1,206	13,490.00	16,268,940	15,328.85	18,486,594	(2,217,654)
Citizens Super 30 Mutual Fund	500,000	10.00	5,000,000	10.00	5,000,000	-
Muktinath Krishi Company Limited	750	1,390.00	1,042,500	100.00	75,000	967,500
Vision Lumbini Urja Company Limited	3,005	529.00	1,589,645	466.48	1,401,764	187,881
Nepal Warehousing Company Limited	500	898.00	449,000	423.89	211,945	237,055
Kumari Bank Limited	41,552	153.70	6,386,542	280.28	11,646,073	(5,259,531)
Himalayan Everest Insurance Limited	17,529	632.00	11,078,328	640.27	11,223,357	(145,029)
Ridi Power Company Limited	10,500	190.50	2,000,250	431.06	4,526,078	(2,525,828)
Global IME Balanced Fund-1	500,000	9.10	4,550,000	10.00	5,000,000	(450,000)
Goodwill Finance Limited	-	-	-	-	-	-
Suryajyoti Life Insurance Company Limited	31,007	429.90	13,329,909	780.00	24,185,499	(10,855,590)
Sanima Growth Fund	250,000	10.14	2,535,000	10.00	2,500,000	35,000
Nepal Investment Mega Bank Limited	-	-	-	-	-	-
Himalayan Bank Limited	22,085	204.20	4,509,757	258.87	5,717,237	(1,207,480)
Siddhartha Premier Insurance Limited	30,790	859.90	26,476,321	960.32	29,568,315	(3,091,994)
Sunrise Focused Equity Fund	1,000,000	8.24	8,240,000	10.00	10,000,000	(1,760,000)
IGI Prudential insurance Limited	21,817	558.00	12,173,886	633.55	13,822,263	(1,648,377)
Himalayan Life Insurance Limited	25,256	391.00	9,875,096	739.02	18,664,646	(8,789,550)
RBB Mutual Fund 2	850,000	9.50	8,075,000	10.00	8,500,000	(425,000)
Modi Energy Limited	-	-	-	-	-	-
United Ajod Insurance Limited	13,892	598.50	8,314,362	641.93	8,917,678	(603,316)
Siddhartha Investment Growth Scheme 3	320,000	9.45	3,024,000	10.00	3,200,000	(176,000)
Kumari Sabal Yojana	500,000	10.00	5,000,000	10.00	5,000,000	-
Nepal Doorsanchar Company Limited	23,222	845.00	19,622,590	826.04	19,182,365	440,225
Shangrila Development Bank Ltd.	700	349.00	244,300	316.30	221,412	22,888
Taragon Regency Hotel Limited	9,570	807.00	7,722,990	763.16	7,303,447	419,543
Redhi Bidyut Company Ltd	5,300	268.20	1,421,460	268.02	1,420,498	962
Bottlers Nepal (Terai) Limited	20	13,000.00	260,000	12,778.98	255,580	4,420
Kumari Bank Limited- PO	25,000	104.00	2,600,000	101.32	2,532,979	67,021

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

**NIBL MUTUAL FUND**  
 NIBL Samridhi Fund-II



**NIBL Samridhhi 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.)**

Name	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
CYC Nepal Laghubitta Bittiya Sanstha Limited	97	1,549.90	150,340	1,485.50	144,094	6,247
<b>Sub-Total (A)</b>	<b>8,308,028</b>		<b>878,388,678</b>		<b>1,142,606,829</b>	<b>(264,218,151)</b>

Name	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/ (Loss)
<b>Unlisted</b>						
Citizen Unit Scheme	700,000	100	70,000,000	100	70,000,000	-
Citizen Unit Scheme	200,000	100	20,000,000	100	20,000,000	-
Citizen Unit Scheme	600,000	100	60,000,000	100	60,000,000	-
Shubha Laxmi Kosh	250,000	10.57	2,642,500	10	2,500,000	142,500
Nabil Flexi Cap Fund	500,000	10.64	5,320,000	10	5,000,000	320,000
<b>Sub-Total (B)</b>			<b>157,962,500</b>		<b>157,500,000</b>	<b>462,500</b>
<b>Grand Total</b>			<b>1,036,351,178</b>		<b>1,300,106,829</b>	<b>(263,755,651)</b>
<b>Unrealised Gain / (Loss)</b>					<b>(263,755,651)</b>	
<b>Less: Previous year unrealised gain/(loss)</b>					<b>(269,135,733)</b>	
<b>Unrealised Gain / (Loss) This Year</b>					<b>5,380,082</b>	

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

Name	Unit	Value per unit	Value Amount	Cost Price	Total Cost	Gain/(Loss)
<b>LISTED</b>						
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 Utthan 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)



**NIBL Samridhhi 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.)**

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)
Garima Bikas Bank Limited	19,842	405.00	8,036,010	466.96	9,265,512	(1,229,502)
Muktinath 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)
Swabalamban 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 Aard 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	
<b>Sub-Total (A)</b>			<b>745,872,957</b>		<b>1,017,551,069</b>	<b>(271,678,112)</b>



**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.)**

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
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
<b>Sub-Total (B)</b>			<b>171,270,596</b>		<b>168,728,217</b>	<b>2,542,379</b>
<b>Grand Total</b>			<b>917,143,553</b>		<b>1,186,279,286</b>	<b>(269,135,733)</b>
<b>Unrealised Gain / (Loss)</b>					<b>(269,135,733)</b>	
<b>Less: Previous year unrealised gain/(loss)</b>					<b>(317,288,068)</b>	
<b>Unrealised Gain / (Loss) This Year</b>					<b>48,152,335</b>	

**15. Impairment****Accounting policy**

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

**16. Related Party Transactions**

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

**Related Parties**

- Fund Sponsor: Nepal Investment Mega Bank Ltd. (Then Nepal Investment Bank Ltd.)
- Fund Manager and Depository: NIMB Ace Capital Ltd. (Then NIBL Ace Capital Ltd.), a subsidiary of the Sponsor.
- 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 Samridhi Fund- II have earned interest amounting to NPR. 1,587,668 (NPR. One Million Five Hundred Eighty Seven Thousand Six Hundred Sixty-Eight Only) from Nepal Investment Mega Bank Limited (Then Nepal Investment Bank Ltd.)
- Fund Management and Depository Fee incurred by NIBL Samridhi Fund- II during the year amounts to NPR. 23,199,002 (NPR. Twenty-Three Million One Hundred Ninety-Nine Thousand and Two Only).
- Fund management and depository fee payable at year end by NIBL Samridhi Fund-II to NIMB Ace Capital Limited NPR. 5,977,891 (NPR. Five Million Nine Hundred Seventy-Seven Thousand Eight Hundred Ninety-One Only).
- The Scheme has a current/call account bank balance of NPR. 14,434,054 (NPR. Fourteen Million Four Hundred Thirty-Four Thousand Fifty-Four 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 3.01%.
- Depository Participant (DP) Fee for transaction expenses NPR. 300 (NPR. One-Hundred Fifty Only) has been paid to NIMB Ace Capital Limited (Then NIBL Ace Capital Ltd.) during the year.

## 17. Reporting

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

## 18. Contingent Liability

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

## 19. 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

The bottom of the page features several handwritten signatures in blue ink. Below the signatures are two official stamps. On the left is a circular blue stamp for 'M.B. Shrestha & Co. Auditor Chartered Accountants'. On the right is a rectangular blue stamp for 'NIMB ACE CAPITAL Managing shares Managing investments Fully Owned Subsidiary of Nepal Investment Mega Bank Ltd.' Below this is another rectangular blue stamp for 'NIBL MUTUAL FUND NIBL Samridhi Fund-II'.

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 31<sup>st</sup> Ashad 2081 till the signing of this financial statement.

**20. Proposed Dividend**

The Scheme has not proposed any cash dividend for fiscal year 2080/81 to its unit-holders.







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





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

As per our report of even date  
For: M.B. Shrestha & Co.  
Chartered Accountants

Sachin Tibrewal  
Chairman

Srijana Pandey  
Director

Maheswarendra Bahadur  
Shrestha, FCA



Rabindra Bhattarai  
Director

Ananda Kumar Bhattarai  
Director

Shivanth Bahadur Pandé  
Chief Executive Officer

Sachindra Dhungana  
General Manager

Shulav Shrestha  
Head- Investment Banking

**Date : 5<sup>th</sup> September, 2024**

**Place : Kathmandu**

NIBL MUTUAL FUND  
NIBL C-

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