

**INDEPENDENT AUDITOR'S REPORT  
THE FUND MANAGER AND UNIT HOLDERS OF  
SIDDHARTHA EQUITY ORIENTED SCHEME**

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

**Disclaimer of Opinion**

We were engaged to audit the financial statements of Siddhartha Equity Oriented Scheme (the 'SCHEME') which comprise Balance Sheet as at Shrawan 06, 2076, Income Statement, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and notes to the Financial Statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the scheme. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of this report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

**Basis for Disclaimer of Opinion**

Financial Statements are not prepared in accordance with NFRS

As pronounced by The Institute of Chartered Accountants of Nepal, the scheme (being a listed entity) is required to prepare its general purpose financial statements in accordance with Nepal Financial Reporting Standard (NFRS) from the financial year 2073/74. As per para 21 of NFRS 1 an entity's first NFRS compliant financial statements shall include at least three statements of financial position, two statements of comprehensive income, two separate income statements (if presented), two statements of cash flows and two statements of changes in equity and related notes, including comparative information.

However, the scheme has not prepared its financial statements in accordance with NFRS, but in accordance with Nepal Accounting Standards and other generally accepted practices. The consequential impact of not adopting NFRS is currently not ascertainable and could be material and pervasive.

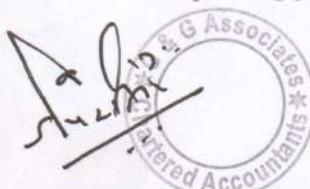
We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the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

**Responsibilities of Management for the financial statements**

The management is responsible for the preparation and fair presentation of financial statements in accordance with generally accepted accounting practices, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 have no realistic alternative but to do so.

Management is responsible for overseeing the scheme's financial reporting process.



### Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the scheme's financial statements in accordance with Nepal Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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

### Report on Other Legal and Regulatory Requirements

On the basis of our examination, we would like to further report that:

1. We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purpose of our examination.
2. In our opinion, except our opinion regarding non-compliance with NFRS above, proper books of accounts as required by law have been kept by the Scheme so far as it appears from our examination of such books.
3. In our opinion, the Balance Sheet, Income Statement and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
4. 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 scheme necessary for the purpose of our audit, we have not come across cases where the management or any employee of the Fund Manager has acted contrary to the provisions of laws relating to accounts or committed any misappropriation or caused any loss or damage to the scheme.
5. The funds under the scheme has been invested in accordance with section 36 of Mutual Fund Regulation 2067.
6. Nothing has come to our attention that causes us to believe that the internal control mechanism were not in place.
7. Nothing has come to our notice that the activities of the scheme are against the interest of unit holders and stock market.

For G & G Associates,  
Chartered Accountants

CA Bijaya Raj Ghimire  
Partner

UDIN : 191002CA000977THJG

Date : 2019.10.02

Place : Kathmandu

**Siddhartha Mutual Fund**  
**(A Mutual Fund registered by Siddhartha Bank Limited)**  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**

**Balance Sheet**  
**As at Shrawan 6, 2076 (July 22, 2019)**

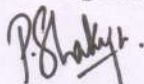
<b>CAPITAL AND LIABILITIES</b>	<b>Schedule</b>	<b>Current Period Rs.</b>	<b>Previous Period Rs.</b>
1. Unit Capital	1	1,000,000,000	1,000,000,000
2. Reserves and Surplus	2	132,823,887	130,882,766
3. Current Liabilities	3	12,097,916	11,623,062
<b>Total Capital &amp; Liabilities</b>		<b>1,144,921,803</b>	<b>1,142,505,828</b>

<b>ASSETS</b>	<b>Schedule</b>	<b>Current Period Rs.</b>	<b>Previous Period Rs.</b>
1. Balance with Banks & Financial Institutions	4	996,244,577	996,242,211
2. Investment in Securities	5	79,315,724	78,781,306
3. Investment in Bond & Debenture	6	26,000,000	26,000,000
4. Investment in Fixed Deposits	7	40,000,000	40,000,000
5. Current Assets	8	3,361,503	1,482,311
<b>Total Assets</b>		<b>1,144,921,803</b>	<b>1,142,505,828</b>

Significant Accounting Policies	13
Notes to Accounts	14

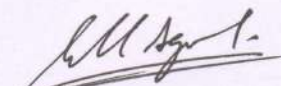
Schedules 1 to 14 form Integral part of Financial Statements

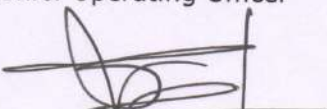
**On Behalf of Siddhartha Capital Limited**  
**(Fund Management Company)**

  
Pragya Ratna Shakya  
Head, Business Support

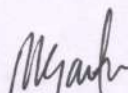
  
Sandeep Karki  
Chief Operating Officer

  
Dhruba Timilsina  
Chief Executive Officer

  
Rahul Agrawal  
Director

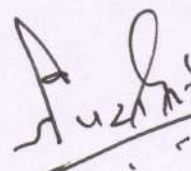
  
Sundar Prasad Kadel  
Director

  
Mohit Kedia  
Chairman

  
Rishi Raj Gautam  
Independent Director

As per our attached report of even date  
**On Behalf of G&G Associates**

  
Kiran Thapa  
Independent Director

  
Bijaya Raj Ghimire, FCA



Date: 02/10/2019  
Place: Kathmandu, Nepal

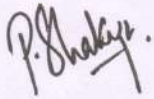
**Siddhartha Mutual Fund**  
**(A Mutual Fund registered by Siddhartha Bank Limited)**  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**

**Income Statement**  
**For the period Shrawan 1, 2076 to Shrawan 6, 2076**

Particular	Schedule	Current Period Rs.	Previous Period Rs.
<b>1. Income</b>		<b>1,881,608</b>	<b>75,384,561</b>
1.1 Realized Income	9	1,881,608	75,315,373
1.2 Unrealized Income	10	-	69,188
<b>2. Expenses</b>		<b>474,904</b>	<b>23,152,422</b>
2.1 Pre-Operating Expenses		-	-
2.2 Annual Regular Expenses	11	474,904	23,152,422
<b>Realized Profit / (Loss)</b>		<b>1,406,704</b>	<b>52,232,139</b>
<b>Net Changes in Unrealized Value of Investments</b>	12	534,417	44,572,124
<b>Net Profit/ (Loss)</b>		<b>1,941,121</b>	<b>96,804,263</b>

Schedules 1 to 14 form Integral part of Financial Statements

**On Behalf of Siddhartha Capital Limited**  
**(Fund Management Company)**



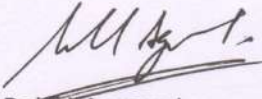
Pragya Ratna Shakya  
Head, Business Support




Sandeep Karki  
Chief Operating Officer



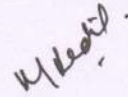
Dhruva Timilsina  
Chief Executive Officer



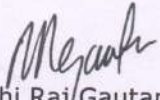
Rahul Agrawal  
Director



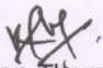
Sundar Prasad Kadel  
Director



Mohit Kedia  
Chairman



Rishi Raj/Gautam  
Independent Director



Kiran Thapa  
Independent Director

As per our attached report of even date  
**On Behalf of G&G Associates**



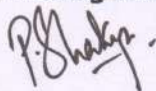
Bijaya Raj Ghimire, FCA

Date: 02/10/2019  
Place: Kathmandu, Nepal

**Siddhartha Mutual Fund**  
**(A Mutual Fund registered by Siddhartha Bank Limited)**  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**  
**Cash Flow Statement**  
**For the period Shrawan 1, 2076 to Shrawan 6, 2076**

Particulars	Current Period Rs.	Previous Period Rs.
<b>A. Cash Flows From Operating Activities</b>	<b>2,366</b>	<b>689,048,353</b>
<b>1. Cash Receipts</b>	<b>1,881,608</b>	<b>75,384,561</b>
1.1 Realised Income from Short Term Capital Gain	-	10,448,821
1.2 Realised Dividend Income	2	8,124,411
1.3 Unrealised Dividend Income	-	69,188
1.4 Realised Interest Income	1,881,606	56,731,225
1.5 Form Fee Income	-	-
1.6 Other Income	-	10,916
<b>2. Cash Payments</b>	<b>474,904</b>	<b>23,157,631</b>
2.1 Pre-operating Expenses	-	-
2.2 Annual Regular Expenses	474,904	23,152,422
2.3 Prior Period Adjustment: Dividend & Accrued Interest	-	5,208
<b>Cash Flows before Changes in Working Capital</b>	<b>1,406,704</b>	<b>52,226,931</b>
<b>(Increase)/Decrease in Current Assets</b>	<b>(1,879,192)</b>	<b>637,664,205</b>
<b>Increase/(Decrease) in Current Liabilities</b>	<b>474,854</b>	<b>(842,783)</b>
<b>B. Cash Flows From Investing Activities</b>	<b>-</b>	<b>60,000,000</b>
1. (Increase)/Decrease in Investments	-	60,000,000
<b>C. Cash Flows from Financing Activities</b>	<b>-</b>	<b>(120,000,000)</b>
1. Increase/(Decrease) in Unit Capital	-	-
2. Dividend Paid	-	(120,000,000)
<b>D. Income/Expenses from changes in exchange rate on Cash and</b>	<b>-</b>	<b>-</b>
<b>E. Net Cash Flow For The Year from all activities (A+B+C+D)</b>	<b>2,366</b>	<b>629,048,353</b>
<b>F. Opening Cash and Bank Balance</b>	<b>996,242,211</b>	<b>367,193,858</b>
<b>G. Closing Cash and Bank Balance</b>	<b>996,244,577</b>	<b>996,242,211</b>

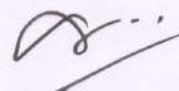
**On Behalf of Siddhartha Capital Limited**  
**(Fund Management Company)**



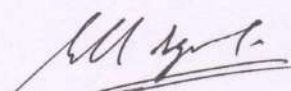
Pragya Ratna Shakya  
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Sandeep Karki  
Chief Operating Officer



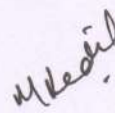
Dhruva Timilsina  
Chief Executive Officer



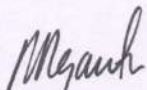
Rahul Agrawal  
Director



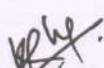
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Director



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Rishi Raj Gautam  
Independent Director



Kiran Thapa  
Independent Director

As per our attached report of even date  
**On Behalf of G&G Associates**



Bijaya Raj Ghimire, FCA


**Siddhartha Mutual Fund**  
(A Mutual Fund registered by Siddhartha Bank Limited)  
Siddhartha Equity Oriented Scheme  
Fund Manager & Depository:- Siddhartha Capital Limited

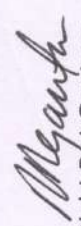
**Statement of Changes in Equity**  
**For the period Shrawan 1, 2076 to Shrawan 6, 2076**


Particular	Unit Capital	Realized Profit	Unrealized Profit	Total
<b>Opening Balance</b>				
Prior Year Adjustment: Interest on Debenture Dividend Paid of Last Year	1,000,000,000	124,500,792	6,381,974	1,130,882,766
<b>Restated Opening Balance</b>				
Net Profit (Loss) During the year	1,000,000,000	124,500,792	6,381,974	1,130,882,766
Dividend Paid	-	1,406,704	534,417	1,941,121
Issue of Unit Capital	-	-	-	-
Amount transferred to general Reserve	-	-	-	-
Capital Reserve Fund	-	-	-	-
Unit Advance	-	-	-	-
<b>Balance as on Shrawan 06, 2076</b>	<b>1,000,000,000</b>	<b>125,907,496</b>	<b>6,916,391</b>	<b>1,132,823,887</b>

**On Behalf of Siddhartha Capital Limited**  
(Fund Management Company)


  
Pragya Ratna Shakya  
Head, Business Support

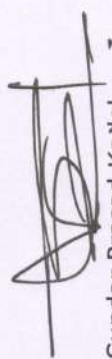
  
Rahul Agrawal  
Director

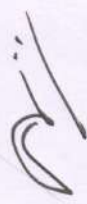
  
Rishi Raj Gautam  
Independent Director

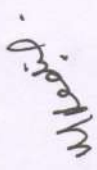
  
Kiran Thapa  
Independent Director

Date: 02/10/2019  
Place: Kathmandu, Nepal

  
Sandeep Karki  
Chief Operating Officer

  
Sundar Prasad Kadel  
Director

  
Dhruva Timilsina  
Chief Executive Officer

  
Mohit Kedia  
Chairman

As per our attached report of even date  
**On Behalf of G&G Associates**

  
Bijaya Raj Ghimire, FCA



## Schedule - 1

**Siddhartha Mutual Fund**  
**(A Mutual Fund registered by Siddhartha Bank Limited)**  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**

**Unit Capital**  
**As at Shrawan 6, 2076 (July 22, 2019)**

Particulars	Current Period Rs.	Previous Period Rs.
<b>1. Unit Capital</b>		
Seed Capital	150,000,000	150,000,000
Capital Raised from General Public	850,000,000	850,000,000
<b>Total</b>	<b>1,000,000,000</b>	<b>1,000,000,000</b>

## Schedule - 2

**Siddhartha Mutual Fund**  
**(A Mutual Fund registered by Siddhartha Bank Limited)**  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**

**Reserves and Surplus**  
**As at Shrawan 6, 2076 (July 22, 2019)**

Particulars	Current Period Rs.	Previous Period Rs.
<b>1. General Reserve Fund</b>	-	-
<b>2. Capital Reserve Fund</b>	-	-
<b>3. Other Reserves and Fund</b>	-	-
3.1. Other Free Reserves	-	-
3.2. Other Reserve Funds	-	-
<b>4. Accumulated Profit/ Loss</b>		
4.1. Realized Profit / Loss	125,907,496	124,500,792
4.2. Unrealized Profit / Loss	6,916,391	6,381,974
<b>Total</b>	<b>132,823,887</b>	<b>130,882,766</b>

## Schedule - 3

**Siddhartha Mutual Fund**  
**(A Mutual Fund registered by Siddhartha Bank Limited)**  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**


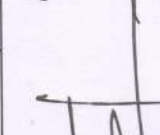
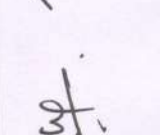
**Current Liabilities**  
**As at Shrawan 6, 2076 (July 22, 2019)**

Particulars	Current Period Rs.	Previous Period Rs.
TDS Payables	245,962	245,962
Audit Fee Payable	83,625	83,625
Fund Management, Depository and Supervisor fee Payable	11,602,255	11,213,295
Broker Payable	-	-
Reporting Expenses Payable	-	-
Others		
Provision for Audit fee	84,750	-
Provision for Audit expenses	6,000	6,000
Refund Payables	34,709	34,709
Provision for Reporting Expenses	28,348	27,204
Sundry Payables	12,267	12,267
<b>Total</b>	<b>12,097,916</b>	<b>11,623,062</b>

**Siddhartha Mutual Fund**  
**(A Mutual Fund registered by Siddhartha Bank Limited)**  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**  
**Balance with Bank & Financial Institutions**  
**As at Shrawan 6, 2076 (July 22, 2019)**

Particulars	Local Currency Rs.	Foreign Currency in Rs.		Current Period	Previous Period
		INR	Convertible Foreign Currency		
<b>1. Local Licensed Institutions</b>	<b>996,244,577</b>			<b>996,244,577</b>	<b>996,242,211</b>
a. Call Accounts	<b>996,244,577</b>			<b>996,244,577</b>	<b>996,242,211</b>
at Araniko Development Bank Limited	-			-	-
at Century Bank Limited	-			-	-
at Citizen Bank International Limited	-			-	-
at Civil Bank Limited	-			-	-
at Deva Bikas Bank Limited	42,700,000			42,700,000	42,700,000
at Fewa Bikas Bank Limited	-			-	-
at Gandaki Bikas Bank Limited	121,558,446			121,558,446	121,558,446
at Garima Bikas Bank Limited	97,819,083			97,819,083	97,819,083
at Global IME Bank Limited	-			-	-
at Himalayan Bank Limited	-			-	-
at Infrastructure Development Bank Limited	-			-	-
at Janata Bank Nepal Limited	-			-	-
at Jyoti Bikas Bank Limited	123,789,061			123,789,061	123,789,061
at Kailash Bikas Bank Limited	126,383,189			126,383,189	126,383,189
at Kamana Sewa Bikas Bank Limited	183,062,313			183,062,313	183,062,313
at Kumari Bank Limited	-			-	-
at Lumbini Bank Limited	-			-	-
at Machhapuchchhre Bank Limited	-			-	-
at Mahaxmi Bikas Bank Limited	74,217,403			74,217,403	74,217,403
at Manjushree Financial Institution Limited	-			-	-
at Mega Bank Nepal Limited	-			-	-
at Muktinath Bikas Bank Limited	95,039,566			95,039,566	95,039,566
at Nepal Bangladesh Bank Limited	-			-	-
at NIC Asia Bank Limited	-			-	-
at Reliable Development Bank Limited	-			-	-
at Sewa Bikas Bank Limited	-			-	-
at Shangrila Development Bank Limited	73,186,926			73,186,926	73,186,926
at Shine Resunga Development Bank Limited	-			-	-
at Shree Investment and Finance Company Limited	9,488,590			9,488,590	9,486,224
at Siddhartha Bank Limited	-			-	-
at Siddhartha Development Bank Limited	-			-	-
at Society Development Bank Limited	-			-	-
at Sunrise Bank Limited	-			-	-
at Supreme Development Bank Limited	-			-	-
at Tinnu Development Bank Limited	49,000,000			49,000,000	49,000,000
at Triveni Development Bank Limited	-			-	-
at Vibor Society Development Bank Limited	-			-	-
at Yeti Development Bank Limited	-			-	-
<b>Total</b>	<b>996,244,577</b>			<b>996,244,577</b>	<b>996,242,211</b>



**Siddhartha Mutual Fund**  
**(A Mutual Fund registered by Siddhartha Bank Limited)**  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**  
**Investments in Securities**  
**As at Shrawan 6, 2076 (July 22, 2019)**

S.N.	Particulars	Code	Stock Qty	Per Unit Price	Current Period Value in NPR	Cost in NPR	Stock Qty	Per Unit Price	Previous Period Value in NPR	Cost in NPR
<b>A</b>	<b>Listed Equities Investments</b>		<b>237,019</b>		<b>69,259,171</b>	<b>65,175,394</b>	<b>237,019</b>		<b>68,706,322</b>	<b>65,175,394</b>
1	Agriculture Development Bank Limited	ADBL	1	416.00	416	7.44	1	409	409	7.44
2	Arun Valley Hydropower Development Co. Ltd.	AHPC	-	-	-	-	-	-	-	-
3	Asian Life Insurance Co. Limited	ALICL	1	379.00	379	100.01	1	383	383	100.01
4	Araniko Development Bank Limited	ARDBL	-	-	-	-	-	-	-	-
5	Bhaktapur Finance Co. Ltd.	BFCL	-	-	-	-	-	-	-	-
6	Biratnaxmi Bikas Bank Limited	BLDBL	-	-	-	-	-	-	-	-
7	Bank of Kathmandu Limited	BOKL	-	-	-	-	-	-	-	-
8	Butwal Power Company Limited	BPCL	-	-	-	-	-	-	-	-
9	Century Commercial Bank Ltd.	CCBL	1	179.00	179	(0.00)	1	177	177	(0.00)
10	Central Finance Co. Ltd.	CFCL	-	-	-	-	-	-	-	-
11	Chhimek Laghubitta Bikas Bank Limited	CBBL	-	-	-	-	-	-	-	-
12	Civil Bank Ltd	CBL	-	-	-	-	-	-	-	-
13	Chilime Hydropower Company Limited	CHCL	-	-	-	-	-	-	-	-
14	Citizen Bank International Limited	CZBIL	-	-	-	-	-	-	-	-
15	Deprosc Development Bank Limited	DBBL	-	-	-	-	-	-	-	-
16	Dibyashwori Hydropower Ltd.	DHPL	-	-	-	-	-	-	-	-
17	Everest Bank Limited	EBL	-	-	-	-	-	-	-	-
18	Fewa Bikas Bank Limited	FBBL	-	-	-	-	-	-	-	-
19	First Micro Finance Development Bank Ltd.	FMDBL	-	-	-	-	-	-	-	-
20	Forward Community Microfinance Bittiya Sanstha Ltd.	FORAD	-	-	-	-	-	-	-	-
21	Garima Bikas Bank Limited	GBBL	65,977	295.00	19,463,215	18,730,328.68	65,977	295	19,463,215	18,730,328.68
22	Global IME Bank Limited	GBIME	-	-	-	-	-	-	-	-
23	Gandaki Bikas Bank Limited	GDDBL	-	-	-	-	-	-	-	-
24	Gurans Life Insurance Company Ltd.	GLICL	-	-	-	-	-	-	-	-
25	Himalayan Bank Limited	HBL	-	-	-	-	-	-	-	-
26	Himalayan General Insurance Co. Ltd	HGI	-	-	-	-	-	-	-	-
27	Jalabidyt Lagani tatha Bikas Co. Ltd.	HIDCL	-	-	-	-	-	-	-	-
28	Civil Laghubitta Bittiya Sanstha Ltd.	CLBSL	-	-	-	-	-	-	-	-
29	Janata Bank Nepal Ltd.	JBWL	-	-	-	-	-	-	-	-
30	Janautthan Samudayic Laghubitta Bikas Bank Ltd.	JSLBB	-	-	-	-	-	-	-	-
31	Kailash Bikas Bank Ltd.	KBBL	-	-	-	-	-	-	-	-
32	Kumari Bank Limited	KBL	-	-	-	-	-	-	-	-
33	Kalinchowk Development Bank Ltd.	KCDBL	-	-	-	-	-	-	-	-
34	Kashmandap Development Bank Limited	KDBL	-	-	-	-	-	-	-	-
35	Khanakhola Hydropower Co. Ltd.	KKHC	-	-	-	-	-	-	-	-
36	Kisan Microfinance Bittiya Sanstha Ltd.	KMFL	1	873.46	873	100.00	1	879	879	100.00
37	Laxmi Bank Limited	LBL	-	-	-	-	-	-	-	-
38	Lumbini General Insurance Co. Ltd.	LGIL	-	-	-	-	-	-	-	-
39	Life Insurance Co. Nepal	LICN	-	-	-	-	-	-	-	-
40	Laxmi Laghubitta Bittiya Sanstha Ltd.	LLBS	-	-	-	-	-	-	-	-
41	Lumbini Bank Limited	LUBL	-	-	-	-	-	-	-	-



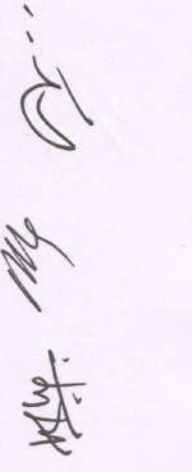


P. B. Bhattarai

**Siddhartha Mutual Fund**  
(A Mutual Fund registered by Siddhartha Bank Limited)  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**  
**Investments in Securities**  
**As at Shrawan 6, 2076 (July 22, 2019)**

S.N.	Particulars	Code	Stock Qty	Per Unit Price	Current Period Value in NPR	Cost in NPR	Stock Qty	Per Unit Price	Previous Period Value in NPR	Cost in NPR
42	Machhapuchhre Bank Limited	MBL	-	-	-	-	-	-	-	-
43	Miteri Development Bank Limited	MDB	-	-	-	-	-	-	-	-
44	Mega Bank Nepal Ltd.	MEGA	-	-	-	-	-	-	-	-
45	Mero Microfinance Bittiya Sanstha Limited	MERO	-	-	-	-	-	-	-	-
46	Mukthinath Bikas Bank Ltd.	MNBBL	-	-	-	-	-	-	-	-
47	Mahila Sahayatra Microfinance Bittiya Sanstha Ltd.	MSMBS	-	-	-	-	-	-	-	-
48	NABIL Bank Ltd.	NABIL	3,924	805.00	3,158,820	1,669,450.42	3,924	800	3,139,200	1,669,450.42
49	NABIL Bank Limited Promotor Share	NABILP	-	-	-	-	-	-	-	-
50	Nepal Bangladesh Bank Limited	NBB	59,665	343.00	20,465,095	17,800,232.43	59,665	336	20,047,440	17,800,232.43
51	Nepal Bank Limited	NBL	-	-	-	-	-	-	-	-
52	Nepal Credit And Commercial Bank Limited	NCCB	-	-	-	-	-	-	-	-
53	Nepal Grameen Bikas Bank Ltd.	NGBBL	-	-	-	-	-	-	-	-
54	Nepal Investment Bank Ltd.	NIB	-	-	-	-	-	-	-	-
55	Nepal Investment Bank Ltd. Promoter Share	NIBPO	-	-	-	-	-	-	-	-
56	NIT Asia Bank Ltd.	NICA	-	-	-	-	-	-	-	-
57	Nepal Insurance Co. Ltd.	NICL	1	350.00	350	100.00	1	354	354	100.00
58	Neco Insurance Co. Ltd.	NIL	-	-	-	-	-	-	-	-
59	Nerude Laghubita Bikas Bank Limited	NLBB	1,808	520.00	940,160	1,197,611.88	1,808	470	849,760	1,197,611.88
60	NLG Insurance Company Ltd.	NLGBL	-	-	-	-	-	-	-	-
61	Nepal Life Insurance Co. Ltd.	NLIC	7,000	890.00	6,230,000	6,562,596.62	7,000	901	6,307,000	6,562,596.62
62	National Life Insurance Co. Ltd.	NLJCL	2,547	605.00	1,540,935	1,725,600.35	2,547	585	1,489,995	1,725,600.35
63	NMB Bank Limited	NMB	-	-	-	-	-	-	-	-
64	NMB Microfinance Bittiya Sanstha Ltd.	NMBMF	-	-	-	-	-	-	-	-
65	NMB Sulav Investment Fund 1	NMBSF1	-	-	-	-	-	-	-	-
66	National Microfinance Bittiya Sanstha Ltd.	NMBFS	-	-	-	-	-	-	-	-
67	Nepal Doorsanchar Company Limited	NTC	7,970	699.00	5,571,030	4,911,558.82	7,970	693	5,523,210	4,911,558.82
68	Nirdhan Utthan Bank Limited	NUBL	-	-	-	-	-	-	-	-
69	Om Development Bank Ltd.	ODBL	7,103	219.68	1,560,394	1,560,394.18	7,103	220	1,560,394	1,560,394.18
70	Oriental Hotels Limited	OHL	-	-	-	-	-	-	-	-
71	Prabhu Bank Limited	PRVU	-	-	-	-	-	-	-	-
72	Prime Commercial Bank Ltd.	PCBL	-	-	-	-	-	-	-	-
73	Premier Insurance Co. Ltd.	PTC	-	-	-	-	-	-	-	-
74	Prudential Insurance Co. Ltd.	PICL	-	-	-	-	-	-	-	-
75	Prime Life Insurance Company Limited	PLIC	-	-	-	-	-	-	-	-
76	Prabhu Insurance Ltd.	PRIN	-	-	-	-	-	-	-	-
77	Purnima Bikas Bank Ltd.	PURBL	8,021	157.15	1,260,500	1,435,471.85	8,021	156	1,249,592	1,435,471.85
78	Raptibheri Bikas bank Ltd.	RBBBL	-	-	-	-	-	-	-	-
79	Reliance Finance Ltd.	RLFL	-	-	-	-	-	-	-	-
80	RMDC Laghubitta Bittiya Sanstha Ltd.	RMDC	-	-	-	-	-	-	-	-
81	Reliable Microfinance Bittiya Sanstha Ltd.	RMFL	-	-	-	-	-	-	-	-
82	RSDC Laghubitta Bittiya Sanstha Ltd.	RSDC	-	-	-	-	-	-	-	-
83	Sajha Bikas Bank Ltd.	SAJHA	-	-	-	-	-	-	-	-



**Siddhartha Mutual Fund**  
(A Mutual Fund registered by Siddhartha Bank Limited)  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**  
**Investments in Securities**  
**As at Shrawan 6, 2076 (July 22, 2019)**

S.N.	Particulars	Code	Stock Qty	Per Unit Price	Current Period Value in NPR	Cost in NPR	Stock Qty	Per Unit Price	Previous Period Value in NPR	Cost in NPR
84	Samata Microfinance Bittiya Sanstha Ltd.	SNATA	-	-	-	-	-	-	-	-
85	Sanima Bank Limited	SANIMA	-	-	-	-	-	-	-	-
86	Sahayogi Bikas Bank Limited	SBBLJ	-	-	-	-	-	-	-	-
87	Nepal SBI Bank Limited	SBI	-	-	-	-	-	-	-	-
88	Standard Chartered Bank Limited	SCB	-	-	-	-	-	-	-	-
89	Sewa Bikas Bank Limited	SEWA	-	-	-	-	-	-	-	-
90	Shine Resunga Development Bank Ltd.	SHINE	-	-	-	-	-	-	-	-
91	Soaltee Hotel Limited	SHL	-	-	-	-	-	-	-	-
92	Sagarmatha Insurance Co. Ltd.	SIC	-	-	-	-	-	-	-	-
93	Shikhar Insurance Co. Ltd.	SICL	-	-	-	-	-	-	-	-
94	Sana Kisan Bikas Bank Ltd	SKBBL	-	-	-	-	-	-	-	-
95	Surya Life Insurance Company Limited	SLICL	-	-	-	-	-	-	-	-
96	Sunrise Bank Limited	SRBL	-	-	-	-	-	-	-	-
97	Suryodaya Laghubitta Bittiya Sanstha Ltd.	SLBS	392	793.00	310,856	274,630.35	392	793	310,856	274,630.35
98	Swabalamban Laghubitta Bittiya Sanstha Limited	SWBBL	-	-	-	-	-	-	-	-
99	Synergy Power Development Ltd.	SPDL	-	-	-	-	-	-	-	-
100	Triveni Bikas Bank Limited	TBBL	-	-	-	-	-	-	-	-
101	Tourism Development Bank Limited	TDBL	-	-	-	-	-	-	-	-
102	Tinai Development Bank Limited	TNBL	-	-	-	-	-	-	-	-
103	Taragon Regency Hotel Limited	TRH	-	-	-	-	-	-	-	-
104	United Finance Ltd.	UFL	-	-	-	-	-	-	-	-
105	Uniliver Nepal Limited	UNL	80	20,000.00	1,600,000	2,054,611.00	80	20,250	1,620,000	2,054,611.00
106	United Modi Hydropower Ltd.	UMHL	-	-	-	-	-	-	-	-
107	Vijaya laghubitta Bittiya Sanstha Ltd.	VLBS	1	496.00	496	(0.00)	1	485	485	(0.00)
108	Womi Microfinance Bittiya Sanstha Ltd.	WOMI	-	-	-	-	-	-	-	-
109	Swadeshi Laghubitta Bittiya Sanstha Ltd.	SDESI	-	-	-	-	-	-	-	-
110	Mahuli Samudayik Laghubitta Bittiya Sanstha Ltd.	MSLB	1	971.00	971	100.01	1	947	947	100.01
111	Kamana Sewa Bikas Bank Limited	KSBBL	-	-	-	-	-	-	-	-
112	Jyoti Bikas Bank Limited	JBBL	-	-	-	-	-	-	-	-
113	Citizen Investment Trust	CIT	-	-	-	-	-	-	-	-
114	Support Microfinance Bittiya Sanstha Ltd.	SMB	-	-	-	-	-	-	-	-
115	Unnati Microfinance Bittiya Sanstha Ltd.	UMB	-	-	-	-	-	-	-	-
116	Arambha Microfinance Bittiya Sanstha Ltd.	AMFI	-	-	-	-	-	-	-	-
117	Nepal Seva Laghubitta Bittiya Sanstha Ltd.	NSEWA	-	-	-	-	-	-	-	-
118	Rairang Hydropower Development Company Ltd.	RRHP	-	-	-	-	-	-	-	-
119	Joshi Hydropower Development Company Ltd	JOSHI	2,904	79.00	229,416	290,400.00	2,904	77	223,608	290,400.00
120	UNIVERSAL POWER COMPANY LTD	UPCL	67,480	89.00	6,005,720	6,748,000.00	67,480	89	6,005,720	6,748,000.00
121	Nepal Agro Laghubitta Bittiya Sanstha Ltd.	NAGRO	-	-	-	-	-	-	-	-
122	Ganapati Microfinance Bittiya Sanstha Ltd.	GMFBS	-	-	-	-	-	-	-	-
123	Gurans Laghubitta Bittiya Sanstha Ltd	GLBSL	-	-	-	-	-	-	-	-
124	Swabhimaan Laghubitta Bittiya Sanstha Limited	SMFBS	793	493.00	390,949	79,300.00	793	471	373,503	79,300.00
125	Infinity Laghubitta Bittiya Sanstha Limited	ILBS	1,348	392.00	528,416	134,800.00	1,348	400	539,200	134,800.00



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Siddhartha Mutual Fund  
(A Mutual Fund registered by Siddhartha Bank Limited)  
Siddhartha Equity Oriented Scheme  
Fund Manager & Depository:- Siddhartha Capital Limited  
Investments in Securities  
As at Shrawan 6, 2076 (July 22, 2019)

S.N.	Particulars	Code	Stock Qty	Per Unit Price	Current Period Value in NPR	Cost in NPR	Stock Qty	Per Unit Price	Previous Period Value in NPR	Cost in NPR
<b>B</b>	<b>IPO Equities Investments</b>									
1	Samudayik Laghubitta Bittiya Sanstha Limited		54,776	-	8,402,767	5,477,600	54,776	-	8,402,767	5,477,600
2	NADEP Laghubitta Bittiya Sanstha Ltd.		-	-	-	-	-	-	-	-
3	Panchakanya Mai Hydropower Limited		-	-	-	-	-	-	-	-
4	Rasuwagadhi Hydropower Company Limited		34,210	146.00	4,994,660	3,421,000	34,210	146	4,994,660	3,421,000
5	Sanjen Jalavidhyut Company Limited		18,250	154.05	2,811,413	1,825,000	18,250	154	2,811,413	1,825,000
6	Janasewi Laghubitta Bittiya Sanstha Limited		2,316	257.64	596,694	231,600	2,316	258	596,694	231,600
<b>C</b>	<b>Unlisted Equities Investments</b>									
1	Suryodaya Laghubitta Bittiya Sanstha Ltd.	SLBS	2,291	-	1,653,786	1,746,338	2,291	-	1,672,213	1,746,338
2	Himalayan Bank Limited	HBL	-	-	-	-	-	-	-	-
3	Janauthan Samudayik Laghubitta Bikas Bank Ltd.	JSLBB	-	-	-	-	-	-	-	-
4	Forward Community Microfinance Bittiya Sanstha Ltd.	FOWAD	-	-	-	-	-	-	-	-
5	Nepal Insurance Co. Ltd.	NICL	-	-	-	-	-	-	-	-
6	Mega Bank Nepal Ltd.	MEGA	-	-	-	-	-	-	-	-
7	Bank of Kathmandu Ltd.	BOKL	-	-	-	-	-	-	-	-
8	Kumari Bank Limited	KBL	-	-	-	-	-	-	-	-
9	Womni Microfinance Bittiya Sanstha Ltd.	WOMI	-	-	-	-	-	-	-	-
10	Kamana Sewa Bikas Bank Limited	KSBBL	-	-	-	-	-	-	-	-
11	Reliance Finance Ltd.	RLFL	-	-	-	-	-	-	-	-
12	Asian Life Insurance Co. Limited	ALICL	-	-	-	-	-	-	-	-
13	NMB Bank Limited	NMB	-	-	-	-	-	-	-	-
14	National Life Insurance Co. Ltd.	NLICL	-	-	-	-	-	-	-	-
15	NABIL Bank Limited Promotor Share	NABILP	-	-	-	-	-	-	-	-
16	Nerude Laghubitta Bikas Bank Limited	NLBBL	-	-	-	-	-	-	-	-
17	Nepal Life Insurance Co. Ltd.	NLIC	1,750	890.00	1,557,500	1,640,650.53	1,750	901	1,576,750	1,640,650.53
18	Purnima Bikas Bank Ltd.	PURBL	401	157.15	63,017	71,764.64	401	156	62,472	71,764.64
19	Mero Microfinance Bittiya Sanstha Ltd.	MERO	-	-	-	-	-	-	-	-
20	Mitert Development Bank Limited	MDB	139	236.00	32,804	33,823.07	139	234	32,526	33,823.07
21	Guras Life Insurance Co. Ltd. Ordinary Share	GLICL	1	465.00	465	100.00	1	465	465	100.00
	<b>Total</b>		<b>294,086</b>		<b>79,315,724</b>	<b>72,399,332</b>	<b>294,086</b>		<b>78,781,306</b>	<b>72,399,332</b>



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## Schedule - 6

**Siddhartha Mutual Fund**  
**(A Mutual Fund registered by Siddhartha Bank Limited)**  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**

**Investment in Bond & Debenture**  
**As at Shrawan 6, 2076 (July 22, 2019)**

Particulars	Current Period	Previous Period
Nepal Investment Bond 2078	15,000,000	15,000,000.00
NMB Debenture 2077	5,000,000	5,000,000.00
Everest Bank Debenture 2078	6,000,000	6,000,000
10% GBIME Debenture	-	-
<b>Total</b>	<b>26,000,000</b>	<b>26,000,000</b>

## Schedule - 7

**Siddhartha Mutual Fund**  
**(A Mutual Fund registered by Siddhartha Bank Limited)**  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**

**Investment in Fixed Deposits**  
**As at Shrawan 6, 2076 (July 22, 2019)**

Particulars	Current Period	Previous Period
Himalayan Bank Limited	-	-
Siddhartha Bank Limited	-	-
Jyoti Bikas Bank Limited	25,000,000	25,000,000
Gandaki Bikas Bank Limited	15,000,000	15,000,000
<b>Total</b>	<b>40,000,000</b>	<b>40,000,000</b>

## Schedule - 8

**Siddhartha Mutual Fund**  
**(A Mutual Fund registered by Siddhartha Bank Limited)**  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**

**Current Assets**  
**As at Shrawan 6, 2076 (July 22, 2019)**

Particulars	Current Period	Previous Period
Dividend Income Receivable	1,479,897	1,482,310.96
Interest Income Receivable	1,881,606	-
IPO Advance	-	-
Auction Advance	-	-
Right Advance	-	-
Broker Receivable	-	-
Other Receivable	-	-
<b>Total</b>	<b>3,361,503</b>	<b>1,482,311</b>

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## Schedule - 9

**Siddhartha Mutual Fund**  
**(A Mutual Fund registered by Siddhartha Bank Limited)**  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**

**Realized Income**  
**For the period Shrawan 1, 2076 to Shrawan 6, 2076**

Particulars	Current Period	Previous Period
Interest Income	1,881,606	56,731,225
Form Fee Income	-	-
Dividend Income	2	8,124,411
Capital Gain	-	10,448,821
Other Income	-	10,916
<b>Total</b>	<b>1,881,608</b>	<b>75,315,373</b>

## Schedule - 10

**Siddhartha Mutual Fund**  
**(A Mutual Fund registered by Siddhartha Bank Limited)**  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**

**Unrealized Income**  
**For the period Shrawan 1, 2076 to Shrawan 6, 2076**

Particulars	Current Period	Previous Period
Dividend Income (Accrued)	-	69,188
<b>Total</b>	<b>-</b>	<b>69,188</b>

## Schedule - 11

**Siddhartha Mutual Fund**  
**(A Mutual Fund registered by Siddhartha Bank Limited)**  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**

**Annual Regular Expenses**  
**For the period Shrawan 1, 2076 to Shrawan 6, 2076**

Particulars	Current Period	Previous Period
NEPSE Listing Renewal Fee	-	50,000
CDS Annual Fee	-	100,000
Reporting Expenses	1,144	145,634
Audit Expenses	-	3,000
Scheme Audit Fee	84,750	84,750
Credit Rating Expenses	-	261,192
Fund Management & Depository Fee	372,390	21,560,118
Fund Supervisor Fee	16,569	914,457
Good for Payment and Other Bank charges	50	10,170
Other Expenses	-	3,101
AMC of Software	-	20,000
<b>Total</b>	<b>474,904</b>	<b>23,152,422</b>

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**Siddhartha Mutual Fund**  
**(A Mutual Fund registered by Siddhartha Bank Limited)**  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository:- Siddhartha Capital Limited**

**Net Changes in Unrealized Value of Investments**  
**For the period Shrawan 1, 2076 to Shrawan 6, 2076**

Particulars	Current Period	Previous Period
1. Secondary Market Value Appreciation	4,083,777	3,530,933
Less: Unrealised income upto previous year	(6,381,974)	38,190,150
2. IPO/Right/Bonus Value Appreciation	2,832,615	2,851,041
<b>Total</b>	<b>534,417</b>	<b>44,572,124</b>

*P. G. Shukla*

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**Siddhartha Mutual Fund**

(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2067)

**Siddhartha Equity Oriented Scheme**

**Fund Manager & Depository - Siddhartha Capital Limited**

**For the period Shrawan 1, 2076 to Shrawan 06, 2076**

**Schedule: 13 - Significant Accounting Policies**

**1. Overview of the Scheme**

Siddhartha Mutual Fund is the first Mutual Fund in Nepal registered with Securities Board of Nepal (SEBON) as per Mutual Fund Regulation, 2010. Siddhartha Bank Limited (SBL) is the Fund Sponsor and Siddhartha Capital Limited (SCL) a subsidiary of SBL is the Fund Manager and Depository of the fund.

As the fund manager and depository, SCL shall ensure management of the schemes operated under Siddhartha Mutual Fund along with its depository functions. The registered office of SCL is situated at Narayanchaur Naxal, Kathmandu.

There are five Fund Supervisors of Siddhartha Mutual Fund as per Mutual Fund Regulation, 2067, namely, Dr. Ram Krishna Timilsina, Mr. Radha Krishna Poudel, Mr. Pratap Prasad Pradhan, Mr. Bishow. Prakash Pandit & Mr. Surya Prasad Bhandari.

The second scheme of the Siddhartha Mutual Fund, Siddhartha Equity Oriented Scheme (SEOS) started its operation from Shrawan 07, 2071 (July 23, 2014). SEOS is a close end scheme with basic fund size of NPR. 1,000 million and maturity period of 5 years (i.e. Shrawan 07, 2071 - Shrawan 06, 2076). It was listed in NEPSE on Bhadra 20, 2071 (September 05, 2014) with stock symbol SEOS. The Scheme's Financial Statements for FY 2076/77 i.e. for the period covering from Shrawan 01, 2076 to Shrawan 06, 2076 were approved by the Board of Directors of SCL, being the Fund Management and Depository Company for the Siddhartha Mutual Fund by BOD meeting dated October 02, 2019.

**2. Significant Accounting Policies**

The principle accounting policies are adopted in preparation of financial statements, which have been consistently applied unless otherwise stated.

**2.1 Statement of Compliance**

The Financial Statements have been prepared in accordance with Nepal Accounting Standards (NAS); and in compliance with relevant regulations such as Securities Act, 2063; Mutual Fund Regulations, 2067; and Mutual Fund Guidelines, 2069.

**2.2 Basis of Preparation**

The Financial Statements are presented in Nepalese Rupees, rounded to the nearest Rupee. They are prepared under the historical cost convention and on the accrual basis as modified for investments which are 'marked to market'. The Financial Statements are in conformity with Nepal Accounting Standard except otherwise required by Mutual Fund Regulation and Guidelines; which requires valuation of invested securities using market price or certain critical accounting estimates as prescribed. The Financial Statements are not prepared on a going concern basis and are prepared under liquidation basis due to liquidation of scheme as on Shrawan 06, 2076 pursuant to Rule 31(1)(Ka) of Mutual Fund Regulation, 2067.

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### 2.3 Net Asset Value (NAV)

The Net Asset Value (NAV) calculation is done on the basis of market value of the total investment plus other current assets and deducting the same by the current liabilities in compliance with Mutual Fund Regulation and Guidelines. The Net Asset Value is calculated on per unit basis in weekly and monthly periods.

### 2.4 Realized Income

Realized income includes income from interest from bank deposits with national level financial institutions and capital gain and dividend income from Investments made on securities and other incomes.

- Dividend income is recognized as realized when the accrued dividend income is received in the bank account.
- Profit or loss on sale of investments is recognized on trade date. The cost of investments sold is determined on "weighted average cost basis".
- Interest on interest bearing and other fixed income investments is recognized as and when such accrued interest income is received in the bank account.
- Other income of miscellaneous nature is accounted for when it is probable that the economic benefits associated with the transaction will flow to the entity.

### 2.5 Unrealized Income

Unrealized incomes are the income that are booked based upon the valuation gain from the investments made on securities, both on secondary market as well as on primary market. Unrealized appreciation/depreciation, on marking the investments is recognized on the balance sheet date and accordingly reckoned for determination of net surplus/deficit for the period. Also, the following income is recognized as unrealized as stated:

- Dividend income is recognized when right to receive is established.
- Interest on interest bearing account and other fixed income investments is recognized on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.

These incomes are directly credited to the Unrealized Profit/ (Loss) as a fund which shall not be used for return distribution and related purpose.

### 2.6 Expenses

All expenses are accounted on an accrual basis.

### 2.7 Investments

The investments are stated as per the provisions stated on the Mutual Fund Regulations and guidelines and valuation policy set out by Siddhartha Mutual Fund, Investment Policy. Accordingly, investments have been valued as follows:

- a. Investments are accounted for on trade date and off-market transactions including acquisitions through private placement/ private treaty are accounted when scheme obtains the enforceable obligation/right.
- b. Cost of investments includes brokerage, stamps fees, transaction charges, and any other charge customarily included in the broker's note.



- c. After the allotment of Right Shares, such shares are booked as unlisted shares till the date of listing and are valued at Market Price.
- d. After the approval of Bonus Shares by AGM, such shares are booked as unlisted shares till the date of listing and are valued at Market Price.
- e. Equities which are traded frequently are valued at closing market price which shall not be earlier of 30 days or more.
- f. Equities which are not traded frequently (i.e. which are listed but no transaction or transaction made earlier of 30 days or more) are valued at 180 days closing average price as provided by NEPSE. In case where 180 days closing average price is not found in NEPSE, then price is taken at lower of cost of acquisition or par value of stock.

In case of Promoter Share, where 180 days closing average price is not found in NEPSE, then price is taken at 50% of the publicly traded share price. Similarly, in case of trading halt of the scrip due to merger & acquisition, price at cost of acquisition is taken.

- g. IPO/Right investment are valued as advance for application amount till allotment at exact amount applied for. After allotment till listing, IPO investment are valued using valuation model which is 50% of latest net worth published by the company and 50% based on the earning capitalization, based on the projections of the company by considering latest interest rate of the government bonds after applicable tax deductions as discount factors.
- h. Bonds, Debentures, Treasury Bills are valued at cost for acquisition of such instruments considering all the accrued interest/ income for the period.
- i. Bank Deposit is valued considering all the accrued interest for the period.

Other market instruments/investments are valued at cost of acquisition.

## 2.8 Provisions

Provision are created when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

P. Shukla





**Siddhartha Mutual Fund**  
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund  
Regulations, 2067)  
**Siddhartha Equity Oriented Scheme**  
**Fund Manager & Depository - Siddhartha Capital Limited**  
**As at Shrawan 06, 2076 (July 22, 2019)**

**Schedule 14: Notes to the Accounts**

**1 Unit Capital**

Unit Ownership Detail	%	Unit Capital
Seed Unit Capital	15	150,000,000
Other Unit holders	85	850,000,000
<b>Total</b>	<b>100</b>	<b>1,000,000,000</b>

**2 Reserve and Surplus**

Reserve and Surplus comprises of net realized income of NPR. 125,907,496 (NPR One Hundred Twenty-Five Million Nine Hundred Seven Thousand Four Hundred Ninety-Six Only) and unrealized income of NPR. 6,916,391 (NPR. Six Million Nine Hundred Sixteen Thousand Three Hundred Ninety-One Only).

**3 Balance with Banks & Financial Institutions.**

Scheme has balance of NPR. 1,036,244,577 (NPR. One Billion Thirty-Six Million Two Hundred Forty-Four Thousand Five Hundred Seventy-Seven Only) with Banks and Financial Institution as at Shrawan 06, 2076 which includes Fixed Deposit amounting NPR. 40,000,000 (NPR. Forty Million Only) with arrangement of liquidating such deposits prior to maturity, if required, without any charges.

**4 Income Tax**

Income Tax Act, 2058 has not considered Mutual Funds as taxable entity and thus exempted TDS deduction on its income. Hence, no corporate tax has been provisioned. TDS are filed manually or through SCL and advance tax was not deposited during the year.

**5 Compliance relating to Investment Threshold**

Investment Threshold of Mutual Fund Regulation 2067 has been complied throughout the fiscal year and as on Shrawan 06, 2076.

**6 IPO valuation**

During the valuation of IPO, Interest rate of Government Bonds after the deduction of applicable tax has been considered. The Interest Rates announced for and settled after Auction of such bonds is not considered in IPO Valuation as the rates are very low.

**7 Fund Management, Depository and Supervisor Fee**

Fund management, depository and Supervisor Fee are calculated and recognized as per the Mutual Fund Regulation 2010 (amended). The total fees charged are as follows:

Fund Management Fee	Depository Fee	Supervisor Fee
NPR. 279,292.79	NPR. 93,097.60	NPR. 16,569.25

**8 Reconciliation Status**

The Bank Account has duly been reconciled.

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**9 Summary of concentration of Sectoral Investment including IPO/Bonus/Right Share:**

Sector	Investment (Current Year)		Investment % (Last Year)
	Amount	%	
Commercial Banks	43,087,725.00	54.32%	53.01%
Development Banks	2,916,715.44	3.68%	3.73%
Finance Companies	-	0.00%	0.00%
Hotels	-	0.00%	0.00%
Hydro Power Companies	14,041,208.50	17.70%	17.45%
General Insurance	350.00	0.00%	0.00%
Life Insurance	9,329,279.00	11.76%	13.61%
Manufacturing Companies	1,600,000.00	2.02%	2.01%
Micro Finance Institutions	2,769,415.70	3.49%	3.32%
Mutual Funds	-	0.00%	0.00%
Others	5,571,030.00	7.02%	6.87%
<b>Total</b>	<b>79,315,723.64</b>	<b>100.00%</b>	<b>100.00%</b>

**10 Related Party Transaction**

**Related Parties**

- a. Fund Sponsor: Siddhartha Bank Limited
- b. Fund Manager and Depository: Siddhartha Capital Limited, a subsidiary of the sponsor.
- c. Shareholders holding substantial interest in the Fund Management Company:
  - i. Siddhartha Bank Limited
- d. Subsidiaries of Major Shareholders of Fund Management Company with whom transacted
  - i. 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'.

The transactions entered into during the year with the related parties are as under:

- a. Unit Holding of Siddhartha Bank Limited amounts to NRs. 150,000,000.00 (NRR. One Hundred Fifty Million Only).
- b. Siddhartha Equity Oriented Scheme has not earned any interest during the reported period from Siddhartha Bank Limited.
- c. Fund Management and Depository Fee incurred by Siddhartha Equity Oriented Scheme during fiscal year 2076/77 amounts to NPR.372,390.39 (NPR. Three Hundred Seventy-Two Thousand Three Hundred Ninety & 39/100 Only).

Other Small transactions are considered as immaterial transactions.

**11 Contingent Liability**

There is no Contingent liability in respect of Underwriting Commitments, Uncalled liability on partly paid shares and other commitments.

**12 Proposed Dividend and Distribution**

The Scheme has not made any Dividend distribution during FY 2076/77.

**13 Liquidation of SEOS**

SEOS was registered on Shrawan 07, 2071 (July 23, 2019) as a close end scheme with maturity period of 5 years i.e. Shrawan 06, 2076. As per Rule 31(a) of Mutual Fund Regulation 2067, the Mutual Fund Scheme shall be liquidated on expiry of time period specified at the time of registration of the scheme. Since the period of five years from

the date of registration of SEOS with SEBON has expired as on Shrawan 06, 2076, the scheme has been liquidated from the date. Similarly, as per Rule 32(3) of the regulation, all the units shall be redeemed within three months from the date of cancellation of the scheme after converting all the assets of the scheme into cash. For so converting the assets of the scheme into cash, the shares held by the scheme which have not been liquidated till the date of cancellation shall be disposed-off in the market through sell. In case of shares which cannot be liquidated due to non-listing or trading-halt caused by merger, the shares shall be sold through auction.

#### 14 Redemption of Unit Capital

##### 14.1 Formation of Redemption Committee

A committee consisting following members has been formed as on December 31<sup>st</sup>, 2018 to facilitate the redemption of Unit Capital:

1. Mr. Mohit Kedia	Convener
2. Mr. Kiran Thapa	Member
3. Mr. Rishi Raj Gautam	Member
4. Mr. Dhruba Timilsina	Member
5. Mr. Sandeep Karki	Member Secretary

##### 14.2 Basis of Redemption

For the purpose of redeeming Unit Capital of the Scheme, entire assets are disposed through sell or auction as described in Note 13. After converting the entire assets of the scheme into cash, the entire net proceeds after making provision for expenses required to be incurred during the process of redemption shall be paid to the Unit Holders on proportion of their respective holdings. While redeeming the unit holders, the Capital Gain Tax shall be deducted as required by Income Tax Act, 2058. The Capital Gain Tax shall be deducted on Capital Gain calculated on the basis of Redemption Value per Unit and Moving Weighted Average Cost per Unit of the respective holders. The Weighted Average Cost per Unit shall be calculated based on data provided by Nepal Stock Exchange and CDS & Clearing Limited relating to Buy and Sell executed by the concerned holders also considering the Units obtained by the holders during New Fund Offer (NFO).

##### 14.3 Disposal of Shares through Auction After Maturity of the Scheme

The scheme had the following holdings as on the date of maturity which couldn't be sold in the market either due to non-listing or trading-halt caused by merger:

S. N.	Stock	Number of Shares Sold through Auction	Remarks
1.	NBL	53,106	Stock without sufficient demand to sell
2.	NLIC	8,702	Stock without sufficient demand to sell
3.	RHPL	30,000	Stock without sufficient demand to sell
4.	NTC	7,970	Stock without sufficient demand to sell
5.	SJCL	16,000	Stock without sufficient demand to sell
6.	NABIL	1,698	Stock without sufficient demand to sell
7.	UNL	80	Stock without sufficient demand to sell
8.	NLICL	2,530	Stock without sufficient demand to sell
9.	UPCL	67,480	Stock without sufficient demand to sell
10.	JOSHI	2,904	Stock without sufficient demand to sell
11.	ILBS	1,330	Stock without sufficient demand to sell
12.	GBIME	65,977	Stock without sufficient demand to sell
13.	PURBL	8,423	Trading-halt by Merger
14.	ODBL	7,103	Trading-halt by Merger
15.	JANASEWI	2,316	Trading-halt by Merger & Non-Listing
16.	SLBS	392	Trading-halt by Merger

*P. G. Shrestha*

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*[Signature]*

*[Signature]*

*[Signature]*

17.	8% NIB 2078	15,000	Listed but no trading
18.	7% NMB 2077	5,000	Listed but no trading
19.	8% EBL 2078	6,000	Listed but no trading

The scheme sold these shares through auctions. While selling the shares through auction, it was made mandatory to bid for 25%, 50%, 75% or 100% of total shares and debentures so as to sell all the stocks. The scheme received Rs. 24,761,362.20 from auction of Debentures of NIB, NMB and EBL and Rs. 71,665,724.19 from auction of other 16 stocks.

#### 14.4 Disposal of Shares through Sell After Maturity of the Scheme

The scheme sold the following stocks after maturity in the market and received sell proceeds as mentioned hereunder:

S.N.	Stock	Number of Shares Disposed through Sell	Net Sell Proceeds
1.	ADBL	1.00	384.94
2.	ALICL	1.00	320.94
3.	CCBL	1.00	123.97
4.	NABIL	2,226.00	1,780,926.39
5.	NBL	6,559.00	2,358,883.71
6.	NICL	1.00	292.95
7.	NLBBL	1,807.00	953,104.95
8.	NLIC	48.00	40,190.16
9.	NLICL	17.00	10,112.27
10.	VLBS	1.00	439.93
11.	MSLB	1.00	896.86
12.	SMFBS	793.00	402,116.66
13.	ILBS	18.00	7,112.83
14.	RHPL	4,210.00	913,028.43
15.	SJCL	2,250.00	514,047.07
16.	MDB	139.00	32,439.11
17.	GLICL	1.00	359.94
<b>Total Amount</b>			<b>7,014,781.11</b>

#### 14.5 Other Income and Expenses After Maturity of the Scheme

After the maturity, the scheme generated income and incurred expenses as follows:

Particulars	Amount
Bank Interest Income	23,009,361.80*
Dividend Income	16,098.04
Other Income	13,021.00
<b>Total Income</b>	<b>23,038,480.84</b>
Bank Charges	1,655.00
Fund Management Fee	23.97
Fund Supervisor Fee	23,972.53
Fund Depository Fee	7.99
Notice Publication Expenses	26,481.00
Dividend Receivable Written-off	1,479,897.00
Meeting Allowance	120,000.00
CDS Annual Fee	100,000.00
CDS Software Maintenance Charge	20,000.00
<b>Total Expenses</b>	<b>1,722,037.49</b>

\*Out of total interest income, Rs. 844,991.59 has been received from Siddhartha Bank Limited.



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#### 14.6 Provision for Expenses on Liquidation

The following amounts have been provisioned for the undermentioned expenses to be incurred in the process of redemption of unit capital to the unit holders of the scheme based on management's best estimate:

Particulars	Amount
Meeting allowance	150,000.00
Notice publication expenses	30,000.00
Meeting expenses	10,000.00
<b>Total</b>	<b>190,000.00</b>

#### 14.7 Imposition of Capital Gain Tax

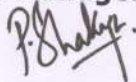
For the purpose of withholding tax on capital gain of the unit holders, we have calculated capital gain as the difference between the Gross Redemption Amount and the cost of units held by the holders as on maturity. We calculated the cost of units held by the holders as on maturity on the basis of data provided by Nepal Stock Exchange regarding the buy and sell executed by the holders using Moving Weighted Average method. The capital gain tax has been imposed on capital gain so calculated. The details of capital gain and capital gain tax calculation have been presented in Annex - A to this note.

#### 14.8 Calculation of Redemption Amount per Unit

The redemption amount per unit has been calculated as the amount derived after dividing the amount eligible for distribution as redemption amount by the total number of units:

Particulars	Amount
Amount Eligible for Distribution as Redemption Amount	1,149,715,948.46
Total Number of Units	100,000,000
Redemption Amount per Unit	11.4971594846

#### On Behalf of Siddhartha Capital Limited (Fund Management Company)



Pragma Ratna Shakya  
Head, Business Support



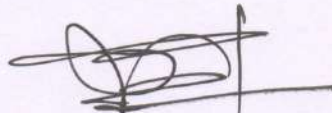
Sandeep Karki  
Chief Operating Officer



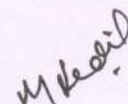
Dhruba Timilsina  
Chief Executive Officer



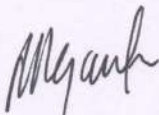
Rahul Agrawal  
Director



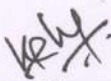
Sundar Prasad Kadel  
Director



Mohit Kedia  
Chairman

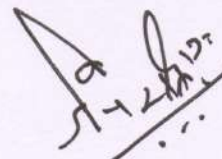


Rishi Raj Gautam  
Independent Director



Kiran Thapa  
Independent Director

As per our attached report of even date  
**On Behalf of G&G Associates**



Bijaya Raj Ghimire, FCA  
Partner



Date: October 02, 2019  
Place: Kathmandu, Nepal