



Independent Auditors Report to the stakeholders of "Siddhartha Investment Growth Scheme 2" on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Siddhartha Investment Growth Scheme 2, which comprise the statement of financial position as at 31st Ashad, 2078, and the statement of Profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Scheme as at 31st Ashad, 2078 and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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. We have determined that, there are no other key audit matters to communicate in our report.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with NFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Scheme's financial reporting




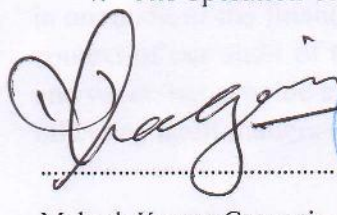
process. Auditor's Responsibilities for the Audit of the Financial Statements Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Further report on Other Legal and Regulatory Requirements

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

The Statement of Financial Position, the Statement of Profit & Loss and other Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and attached notes to account dealt with by this report are prepared in accordance with Nepal Financial Reporting Standard (NFRS), Securities Act 2063, Securities Board Regulations 2064, Mutual Fund Regulations 2067, Mutual Fund Guidelines 2069 and are in agreement with the books of account maintained by the scheme.

1. We have not come across any action and situation that result in any action done by any Officer of the Fund Supervisor against the regulatory provisions or other prevalent laws or have performed irregular job or have occurred any damage or loss to the scheme..
2. We have not come across any action and situation that result in any action done against the interest of Unit holder and stock market.
3. We have not come across any action and situation that impair internal control relevant to the scheme's operation and fair presentation of the financial statements.
4. The operation of the Scheme has been found satisfactory.



Mahesh Kumar Guragain, FCA.

Senior Partner

M.G.S & Associates

Chartered Accountants

Date: 24th Shrawan 2078

Location: Kathmandu, Nepal

UDIN: 210810CA00125QigZv

Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Statement of Financial Position
As at Ashadh 31, 2078 (July 15, 2021)

ASSETS	Schedule	Current Period NPR	Previous Period NPR
Cash & Cash Equivalents	1	364,106,150	299,138,217
Other Financial Assets	2	33,583,063	2,420,410
Financial Assets at Fair Value through Profit/Loss	3	1,627,598,514	875,542,378
Financial Assets at Amortized Cost	4	113,312,287	164,423,774
Total Assets		2,138,600,014	1,341,524,779

EQUITY AND LIABILITIES	Schedule	Current Period NPR	Previous Period NPR
Liabilities			
Current Liabilities	5	9,518,101	12,136,688
Total Liabilities		9,518,101	12,136,688
Equity			
Unit Holder's Capital	6	1,200,000,000	1,200,000,000
Reserves and Surplus	7	929,081,913	129,388,091
Total Equity		2,129,081,913	1,329,388,091
Total Capital & Liabilities		2,138,600,014	1,341,524,779
NAV Per Unit		17.74	11.08

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)

Mukti Nath Subedi

Mukti Nath Subedi
Head, Finance & Operations

Sandeep Karki

Sandeep Karki
Officiating Chief Executive Officer

Rahul Agrawal

Rahul Agrawal
Director

Sundar Prasad Kadel

Sundar Prasad Kadel
Director

Mohit Kedia

Mohit Kedia
Chairman

Rishi Raj Gautam

Rishi Raj Gautam
Independent Director

Kiran Thapa

Kiran Thapa
Independent Director

As per our attached report of even date
On Behalf of MGS & Associates,
Chartered Accountants

Mahesh Kumar Guragain

Mahesh Kumar Guragain, FCA
Senior Partner



Date: 05/08/2021
Place: Kathmandu, Nepal

ICAN UDIN: 210810CA001250192v

Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Statement of Profit or Loss
For the period from Shrawan 1, 2077 to Ashadh 31, 2078

Particular	Schedule	Current Period NPR	Previous Period NPR
1. Income		451,780,844	61,670,600
1.1 Realised Income	8	451,586,416	60,768,229
1.2 Unrealised Income	9	194,428	902,371
2. Expenses		31,479,664	27,784,012
2.1 Pre-Operating Expenses	10	-	4,197,588
2.1 Annual Regular Expenses	11	31,479,664	23,586,424
Realised Profit / (Loss)		420,301,181	33,886,588
Net Unrealised Gain/(Loss) from Financial Assets Held at Fair Value through Profit or Loss (FVTPL)	12	439,392,641	95,501,503
Net Profit/ (Loss)		859,693,821	129,388,091

Schedules 1 to 14 form Integral part of Financial Statements

On Behalf of Siddhartha Capital Limited
(Fund Management Company)

Mukti Nath Subedi

Mukti Nath Subedi
Head, Finance & Operations

Sandeep Karki

Sandeep Karki
Officiating Chief Executive Officer

Rahul Agrawal

Rahul Agrawal
Director

Sundar Prasad Kadel

Sundar Prasad Kadel
Director

Mohit Kedia

Mohit Kedia
Chairman

Rishi Raj Gautam

Rishi Raj Gautam
Independent Director

Kiran Thapa

Kiran Thapa
Independent Director

As per our attached report of even date
On Behalf of MGS & Associates,
Chartered Accountants

Mahesh Kumar Guragain

Mahesh Kumar Guragain, FCA
Senior Partner



Date: 05/08/2021
Place: Kathmandu, Nepal

JCAN UDIN:-210810C4001258igzv

Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Statement of Cash Flow
For the period from Shrawan 1, 2077 to Ashadh 31, 2078

Particulars	Current Period NPR	Previous Period NPR
A. Cash Flows From Operating Activities	73,856,446	(736,438,009)
1. Cash Receipts	451,780,844	61,670,600
1.1 Interest Income from Financial Asset at Amortized Cost	17,309,936	34,757,799
1.2 Dividend Income from Financial Assets at FVTPL	5,766,863	13,365,163
1.3 Unrealised Income	194,428	902,371
1.4 Interest Income from Financial Asset at FVTPL	428,500,855	12,645,193
1.5 Other Income	8,763	75
2. Cash Payments	31,479,664	27,784,012
2.1 Pre-operating Expenses	-	4,197,588
2.2 Annual Regular Expenses	31,479,664	23,586,424
Cash Flows before Changes in Working Capital	420,301,181	33,886,588
(Increase)/Decrease in Current Assets & Securities	(343,826,148)	(782,461,285)
Increase/(Decrease) in Current Liabilities	(2,618,587)	12,136,688
B. Cash Flows From Investing Activities	51,111,487	(164,423,774)
1. (Increase)/Decrease in Investments	51,111,487	(164,423,774)
C. Cash Flows from Financing Activities	(60,000,000)	1,200,000,000
1. Increase/(Decrease) in Unit Holder's Capital	-	1,200,000,000
2. Dividend Paid	(60,000,000)	-
D. Income/Expenses from changes in exchange rate on Cash and Bank Balances	-	-
E. Prior period adjustment: Bond Interest	-	-
F. Net Cash Flow For The Year from all activities (A+B+C+D)	64,967,933	299,138,217
G. Opening Cash and Bank Balance	299,138,217	-
H. Closing Cash and Bank Balance	364,106,150	299,138,217

On Behalf of Siddhartha Capital Limited
(Fund Management Company)

Mukti Nath Subedi
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As per our attached report of even date
On Behalf of MGS & Associates,
Chartered Accountants

Mahesh Kumar Guragain
Mahesh Kumar Guragain, FCA
Senior Partner



Date: 05/08/2021
Place: Kathmandu, Nepal

ICAN UDIN:-210810CA001258igZv

Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Statement of Change in Unit Holder's Equity
For the period from Shrawan 1, 2077 to Ashadh 31, 2078

Particulars	Unit Holder's Capital NPR	Realized Profit NPR	Unrealized Profit NPR	Total NPR
Opening Balance	1,200,000,000	33,886,588	95,501,503	1,329,388,091
Adjustments:	-	-	-	-
Adjusted Balance as on Ashadh 31, 2077	1,200,000,000	33,886,588	95,501,503	1,329,388,091
Net Profit (Loss) During the year	-	420,301,181	439,392,641	859,693,821
Issue of Unit Capital	-	-	-	-
Amount transferred to general Reserve	-	-	-	-
Dividend Paid of Last Year	-	(60,000,000)	-	(60,000,000)
Capital Reserve Fund	-	-	-	-
Unit Advance	-	-	-	-
Balance as at Ashadh 31, 2078	1,200,000,000	394,187,769	534,894,144	2,129,081,913

On Behalf of Siddhartha Capital Limited
(Fund Management Company)

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Kiran Thapa

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Independent Director



Siddhartha
Capital Limited
Investing happiness

As per our attached report of even date
On Behalf of MGS & Associates,
Chartered Accountants

Mahesh Kumar Guragain

Mahesh Kumar Guragain, FCA
Senior Partner



Date: 05/08/2021
Place: Kathmandu, Nepal

Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme -2
Fund Manager & Depository: Siddhartha Capital Limited

Cash & Cash Equivalents
As at Ashadh 31, 2078 (July 15, 2021)

Particulars	Local Currency NPR	Foreign Currency in Rs.		Current Period	Previous Period
		INR	Convertible Foreign Currency		
1. Local Licensed Institutions					
a. Call Accounts					
At Siddhartha Bank Limited	364,106,150	-	-	364,106,150	299,138,217
At Civil Bank Limited	364,106,150	-	-	364,106,150	299,138,217
At Shine Resunga Development Bank Limited	43,688,540	-	-	43,688,540	18,625,186
At Kamana Sewa Bikas Bank Limited	464,920	-	-	464,920	9,476
At Garima Bikas Bank Limited	50,813,306	-	-	50,813,306	2,026
At Mega Bank Nepal Limited	123,859	-	-	123,859	108,689,691
At Mahalaxmi Bikas Bank Limited	35,377,665	-	-	35,377,665	28,772,537
At Global IME Bank Limited	1,784,586	-	-	1,784,586	517,550
At Jyoti Bikash Bank Limited	459,259	-	-	459,259	1,074,780
At Kumari Bank Limited	685,134	-	-	685,134	13,436
At Prime Commercial Bank Limited	31,784,917	-	-	31,784,917	92,786,664
At Citizens Bank International Limited	64,779	-	-	64,779	4,750
At Shangri-La Development Bank	104,540	-	-	104,540	757,984
At NICA Aisa Bank Limited	13,523,744	-	-	13,523,744	47,884,137
At Muktinath Bikash Bank Limited	132,765,329	-	-	132,765,329	-
	14,194,585	-	-	14,194,585	-
	38,270,987	-	-	38,270,987	-
Total	364,106,150	-	-	364,106,150	299,138,217

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Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Other Financial Assets
As at Ashadh 31, 2078 (July 15, 2021)

Particulars	Current Period NPR	Previous Period NPR
Amount receivable from Brokers	25,857,307	1,807,501
Dividend Income Receivable	187,156	231,960
IPO/Auction/Right	1,538,600	210,950
Prepaid Software Maintenance Charge	-	20,000
Prepaid CDS Annual Fee	-	150,000
Other Receivable	6,000,000	-
Total	33,583,063	2,420,410

mutual fund



A	Particulars	Symbol	Current Period			Cost in NPR	Previous Period		
			Stock Qty	Per Unit Price	Value in NPR		Stock Qty	Per Unit Price	Value in NPR
1	Listed Equities Investments		1,903,254		1,612,782,185	1,085,012,676	2,139,055	850,976,874	763,735,191
2	Agriculture Development Bank Limited	ADBL	-	-	-	-	52,948	20,384,980	21,258,694
3	Bank of Kathmandu Limited	BOKL	-	-	-	-	27,001	5,913,219	6,544,218
4	Bottlers Nepal (Tera) Limited	BNT	555	10,262	5,695,410	3,468,654	555	6,200	3,468,654
5	Chhimek Laghubitta Bikas Bank Limited	CBBL	70,368	1,738	122,299,384	101,579,219	48,092	52,420,280	39,519,106
6	Chhimek Hydropower Company Limited	CHCL	7,577	687	5,205,399	2,621,039	8,550	398	3,402,900
7	Everest Bank Limited	EBL	15,822	738	11,676,636	10,269,909	30,753	675	20,758,275
8	Garima Bikas Bank Limited	GBBL	12,685	544	6,900,640	2,312,291	14,961	223	19,182,712
9	Global IME Bank Limited	GBIME	90,294	441	39,819,654	22,235,919	139,467	33,332,613	37,833,179
10	Himalayan Distillery Limited	HDL	500	5,512	2,756,000	2,056,483	260	1,599	343,485
11	ICFC Finance Limited	ICFC	11,099	640	7,103,360	1,738,942	21,272	3,680,056	3,647,135
12	IME General Insurance Limited	IGI	-	-	-	-	11,096	4,871,144	3,678,104
13	Infinity Laghubitta Bittiya Sanstha Limited	ILBS	-	-	-	-	133	109,459	53,355
14	Kumari Bank Limited	KBL	-	-	-	-	3,861	718,146	764,556
15	Laxmi Bank Co. Nepal Limited	LBL	-	-	-	-	32,227	6,735,443	6,319,550
16	Machhapuchhre Bank Limited	MLCN	33,174	2,342	77,693,508	49,573,568	4,805	6,390,650	6,348,164
17	Mahaxmi Bikas Bank Limited	MBL	7,723	385	2,973,355	1,755,366	162,750	35,805,000	39,665,936
18	Mega Bank Nepal Limited	MEGA	-	-	-	-	13,629	2,494,107	2,639,692
19	Muktinath Bikas Bank Limited	MNBBL	20	366	7,320	5,906	49,411	10,277,488	9,933,686
20	NABIL Bank Limited	NABIL	33,808	657	22,211,856	8,812,322	29,447	9,187,464	8,228,313
21	National Life Insurance Co. Limited	NABIL	54,089	1,359	73,506,951	34,067,239	78,670	60,182,550	55,996,597
22	National Microfinance Bittiya Sanstha Limited	NLICL	74,643	1,151	85,914,093	86,217,743	26,428	17,495,336	15,212,963
23	Neco Insurance Co. Limited	NMFBS	-	-	-	-	1,750	2,887,500	1,799,244
24	Nepal Bangladesh Bank Limited	NIL	30,931	1,348	41,694,988	30,305,491	11,945	7,250,615	4,984,970
25	Nepal Bank Limited	NBB	-	-	-	-	33,899	7,084,891	6,901,440
26	Nepal Doorsanchar Company Limited	NBL	108,450	443	48,043,350	27,477,036	48,488	34,087,851	38,088,698
27	Nepal Investment Bank Ltd. Promoter Share	NIBC	45,498	1,314	59,784,372	36,026,066	48,488	31,759,640	31,585,001
28	Nepal Life Insurance Co. Limited	NIBPO	5,031	401	2,019,192	1,664,287	8,082	2,933,766	3,028,085
29	Nepal Reinsurance Company Limited	NILCO	39,293	1,919	75,403,267	53,704,435	30,951	38,998,260	32,477,805
30	Nepal SBI Bank Limited	NRIC	27,198	1,594	43,353,612	7,103,116	38,629	19,469,016	3,862,900
31	NIC Asia Bank Limited	SBI	157,150	994	156,207,100	90,400,114	17,561	7,639,035	7,342,788
32	NIC Asia Laghubitta Bittiya Sanstha Limited	NICLBSL	3,731	1,545	5,764,395	373,100	127,618	70,572,754	58,230,725
33	Nirdhan Uthhan Bank Limited	NUBL	59,350	1,600	94,960,000	81,591,522	10,809	5,750,388	1,080,900
34	NMB Bank Limited	NMB	90,298	440	39,731,120	36,569,788	21,495	21,817,425	17,702,163
35	Prabhu Bank Limited	PRVU	62,759	457	99,058,863	144,312	30,951	41,336,434	40,063,103
36	Prime Commercial Bank Limited	PCBL	124,013	479	59,402,227	39,062,888	102,288	26,083,440	34,341,787
37	Rasuwaadi Hydropower Limited	RHPL	-	-	-	-	75,920	11,388,076	25,446,291
38	Rural Microfinance Development Centre Limited	RMDC	-	-	-	-	12,072	8,462,472	13,598,076
39	Sahayogi Bikas Bank Limited	SBBLJ	26,481	1,373	36,358,413	26,279,480	12,230	2,162,513	7,089,151
40	Sana Kisan Bikas Bank Limited	SKBBL	25,642	1,640	42,052,880	18,800,308	82,889	51,908,599	31,914,786
41	Sanima Bank Limited	SANIMA	157,058	485	76,173,130	50,908,395	1,301	27,351,060	26,702,814
42	Sanjen Jalavidhyut Company Limited	SJCL	1	449	449	194	23,680	3,173,120	4,589,449
43	Shikhar Insurance Co. Limited	SICL	28,535	1,952	55,700,320	26,615,178	15,282	15,572,358	12,685,883
44	Shree Resunga Development Bank Limited	SHINE	24,600	447	10,996,200	5,000,317	27,463	6,096,786	6,269,518
45	Shree Investment Finance Company Limited	SIFC	19,150	489	9,364,350	2,722,990	16,498	2,623,182	2,514,489
46	Soattee Hotel Limited	SHL	8,000	262	2,096,000	1,382,710	22,000	3,388,000	3,843,897
47	Standard Chartered Bank Limited	SCB	20,652	590	12,184,680	11,934,832	29,676	19,141,020	17,069,390
48	Sunrise Bank Limited	SRBL	-	-	-	-	106,003	24,804,702	24,337,625
49	Suryodaya Laghubitta Bittiya Sanstha Limited	SLBS	-	-	-	-	566	590,904	185,306

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Particulars		Current Period			Previous Period				
	Symbol	Stock Qty	Per Unit Price	Value in NPR	Cost in NPR	Stock Qty	Per Unit Price	Value in NPR	Cost in NPR
50	Swabalamban Bikas Bank Limited	7,424	1,659	12,316,416	4,580,913	12,110	1,233	14,931,630	8,891,735
51	Uniliver Nepal Limited	130	19,395	2,521,350	2,520,954	130	18,800	2,444,000	2,520,954
52	Universal Power Company Limited	-	-	-	-	67,480	70	4,723,600	5,694,703
53	Deprosk Laghubitta Bittiya Sanstha Limited	309	1,686	520,974	521,771	-	-	-	-
54	Oriental Hotels Limited	2,391	654	1,563,714	889,396	-	-	-	-
55	Samaj Laghubitta Bittiya Sanstha Limited	195	100	19,500	19,500	-	-	-	-
56	Kamana Sewa Bikas Bank Limited	27,639	580	16,030,620	5,672,477	-	-	-	-
57	Premier Insurance Co. Limited	21,770	1,170	25,470,900	29,258,592	-	-	-	-
58	Gurans Life Insurance Company Limited	18,170	759	13,791,030	11,821,088	-	-	-	-
59	Asian Life Insurance Co. Limited	20,488	1,348	27,617,824	22,800,279	-	-	-	-
60	Mountain Energy Nepal	3,643	890	3,242,270	364,300	-	-	-	-
61	Century Commercial Bank Limited	128,445	291	37,377,495	32,781,489	-	-	-	-
62	Nerude Laghubitta Bikas Bank Limited	9,000	1,600	14,400,050	15,040,050	-	-	-	-
63	Surya Life Insurance Company Limited	8,750	922	8,067,500	7,397,871	-	-	-	-
64	Prime Life Insurance Company Limited	3,000	954	2,862,000	3,007,697	-	-	-	-
65	CEDB Hydropower Development Company Limited	4,722	619	2,922,918	472,200	-	-	-	-
66	Lumbini Bikas Bank Limited	17,000	585	9,945,000	10,262,867	-	-	-	-
B	TPO Equities Investments	15,641	-	5,172,829	1,564,100	8,427	-	1,597,859	842,700
1	Sadhana Laghubitta Bittiya Sanstha Limited	-	-	-	-	1,609	247	397,005	160,900
2	Ajod Insurance Limited	-	-	-	-	6,818	176	1,200,854	681,800
3	Jeevan Bikas Laghubitta Bittiya Sanstha Limited	3,422	1,006	3,443,216	342,200	-	-	-	-
4	Manakamana Smart Laghubitta Bittiya Sanstha Limited	673	513	345,444	67,300	-	-	-	-
5	Union Life Insurance Company Limited	10,366	120	1,242,261	1,036,600	-	-	-	-
6	Maulung Khola Jal Vidhyut Company Limited	1,180	120	141,907	118,000	-	-	-	-
C	Unlisted Equities Investments	6,850	-	9,643,500	6,127,595	26,780	-	22,967,645	15,462,984
1	Nepal Bangladesh Bank Limited	-	-	-	-	1,695	209	354,255	345,082
2	Nirdhan Uththan Laghubitta Bittiya Sanstha Limited	-	-	-	-	3,282	1,015	3,331,230	2,702,884
3	Swabalamban Laghubitta Bittiya Sanstha Limited	1,500	1,659	2,488,500	925,562	4,969	1,233	6,126,777	3,648,475
4	Soalte Hotel Limited	-	-	-	-	3,750	154	577,500	655,210
5	Shine Resunga Development Bank Limited	-	-	-	-	4,119	222	914,418	940,325
6	Sana Kisan Laghubitta Bittiya Sanstha Limited	-	-	-	-	8,965	1,301	11,663,465	7,171,008
7	Lumbini General Insurance Limited	100	780	78,000	58,203	-	-	-	-
8	Neco Insurance Company Limited	5,250	1,348	7,077,000	5,143,831	-	-	-	-
	Grand Total	1,925,745	-	1,627,598,514	1,092,704,371	2,174,262	-	875,542,378	780,040,875

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Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Financial Assets at Amortized Cost
As at Ashadh 31, 2078 (July 15, 2021)

Particulars	Current Period NPR	Previous Period NPR
Investment in Fixed Deposits	80,000,000	120,000,000
Investment in Bond and Debenture	33,302,014	43,753,363
Interest Income Receivable	10,274	670,411
Total	113,312,287	164,423,774

Schedule - 4 (A)

Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme -2
Fund Manager & Depository: Siddhartha Capital Limited

Investment in Fixed Deposits
As at Ashadh 31, 2078 (July 15, 2021)

Particulars	Current Period NPR	Previous Period NPR
Tinai Mission Development Bank Limited	-	20,000,000
Kailash Bikas Bank Limited	-	20,000,000
Garima Bikas Bank Limited	-	30,000,000
Shine Resunga Development Bank Limited	-	50,000,000
Mega Bank Nepal Limited	80,000,000	-
Total	80,000,000	120,000,000

Schedule - 4 (B)

Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme -2
Fund Manager & Depository: Siddhartha Capital Limited

Investment in Bond & Debenture
As at Ashadh 31, 2078 (July 15, 2021)

Particulars	Current Period NPR	Previous Period NPR
10.25% MBL Debenture 2085	5,000,000	5,000,000
8% NIB Bond 2078	14,310,014	14,310,014
7% NMB Bond 2077	-	4,817,518
8% EBL Debenture 2078	-	5,633,831
10.25% Prabhu Bank Debenture 2086	2,500,000	2,500,000
10% Laxmi Bank Debenture 2086	2,500,000	2,500,000
10.25% KBL Debenture 2086	5,000,000	5,000,000
10.35% ADBL Debenture 2083	1,307,000	1,307,000
12% ICFC Debenture 2083	400,000	400,000
12% Goodwill Debenture 2083	833,000	833,000
10% Nepal SBI Debenture 2086	500,000	500,000
10.25% Citizen Debenture 2086	952,000	952,000
Total	33,302,014	43,753,363

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Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Current Liabilities
As at Ashadh 31, 2078 (July 15, 2021)

Particulars	Current Period NPR	Previous Period NPR
TDS Payables	185,281	267,715
Fund Management, Depository and Supervisor fee Payable	9,216,846	5,610,725
Others		
Audit Fee Payable	83,625	83,625
Provision for Reporting Expenses	27,204	27,204
Provision for Audit Expenses	5,000	3,000
Sundry Payables	145	6,144,419
Total	9,518,101	12,136,688

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Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Unit Holder's Fund
As at Ashadh 31, 2078 (July 15, 2021)

Particulars	Current Period NPR	Previous Period NPR
Seed Capital	210,000,000	210,000,000
Investment of Siddhartha Capital Limited	43,359,700	43,359,700
Capital Raised from General Public	946,640,300	946,640,300
Total	1,200,000,000	1,200,000,000

Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Reserves and Surplus
As at Ashadh 31, 2078 (July 15, 2021)

Particulars	Current Period NPR	Previous Period NPR
1. General Reserve Fund	-	-
2. Capital Reserve Fund	-	-
3. Other Reserves and Fund	-	-
3.1. Other Free Reserves	-	-
3.2. Other Reserve Funds	-	-
4. Accumulated Profit/ Loss	929,081,913	129,388,091
4.1. Realised Profit / Loss	394,187,769	33,886,588
4.2. Unrealised Profit / Loss	534,894,144	95,501,503
Total	929,081,913	129,388,091

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Schedule - 8

Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Realised Income
For the period from Shrawan 1, 2077 to Ashadh 31, 2078

Particulars	Current Period NPR	Previous Period NPR
Interest Income from Financial Asset at Amortized Cost	17,309,936	34,757,799
Dividend Income from Financial Assets at Fair value through Profit or Loss	5,766,863	13,365,163
Net Gain/Loss from Financial Assets at Fair value through Profit or Loss	428,500,855	12,645,193
Other Income	8,763	75
Total	451,586,416	60,768,229

Schedule - 9

Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Unrealised Income
For the period from Shrawan 1, 2077 to Ashadh 31, 2078

Particulars	Current Period NPR	Previous Period NPR
Dividend Income Accrued	184,154	231,960
Interest Income Accrued	10,274	670,411
Total	194,428	902,371

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Schedule - 10

Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Pre-Operating Expenses
For the period from Shrawan 1, 2077 to Ashadh 31, 2078

Particulars	Current Period NPR	Previous Period NPR
Scheme Registration Fee	-	1,050,000
Issue management Fee	-	2,800,000
Prospectus Processing Fee	-	45,000
Publication Expenses	-	186,992
PCS Software Charge	-	27,346
Audit Fee For Financial Projection	-	28,250
Scheme Allotment Meeting Expenses	-	40,000
NFO Issue Software Charge	-	20,000
Total	-	4,197,588

Schedule - 11

Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

Annual Regular Expenses
For the period from Shrawan 1, 2077 to Ashadh 31, 2078

Particulars	Current Period NPR	Previous Period NPR
NEPSE Listing Fee	50,000	50,000
Credit Rating Expenses	-	93,225
AMC of Software	20,000	20,000
Reporting Expenses	150,098	146,114
Scheme Audit Fee	84,750	84,750
Fund Management & Depository Fee	29,783,295	21,780,150
Fund Supervisor Fee	1,124,597	985,694
Other Expenses	26,524	5,530
Good for Payment Charge	-	1,000
Dematerialization Charge	-	248,041
Unit Listing Fee	-	100,000
PCS Software Annual Charge	90,400	67,800
Notice Publication Expenses	-	4,119
Total	31,479,664	23,586,424

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Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)
Siddhartha Investment Growth Scheme 2
Fund Manager & Depository: Siddhartha Capital Limited

**Net Unrealised Gain/(Loss) from Financial Assets Held at Fair Value through Profit or Loss
(FVTPL)**

For the period from Shrawan 1, 2077 to Ashadh 31, 2078

Particulars	Current Period NPR	Previous Period NPR
1. Secondary Market Value Appreciation	527,769,510	87,241,683
Less: Unrealised income upto previous year	95,501,503	-
2. IPO/Right/Bonus Value Appreciation	7,124,634	8,259,820
Total	439,392,641	95,501,503

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Siddhartha Mutual Fund

(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)

Siddhartha Investment Growth Scheme 2

Fund Manager & Depository: - Siddhartha Capital Limited

As at Ashadh 31, 2078 (15 July 2021)

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 Regulations, 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 Regulations, 2010, namely, Dr. Ram Krishna Timilsina, Mr. Radha Krishna Poudel, Mr. Pratap Prasad Pradhan, Mr. Bishow Prakash Pandit & Mr. Surya Prasad Bhandari.

The fourth scheme of the Siddhartha Mutual Fund, Siddhartha Investment Growth Scheme-2 (SIGS-2) started its operation from Bhadra 09, 2076 (August 26, 2019). SIGS-2 is a close end scheme with base fund size of NPR. 1,200 million and maturity period of 10 years (i.e. Bhadra 09, 2076 – Bhadra 08, 2086). It was listed in NEPSE on Ashoj 08, 2076 (September 25, 2019) with stock symbol SIGS2.

The Scheme's Financial Statements for FY 2077/78 were approved by the Board of Directors (BoDs) of SCL, being the Fund Management and Depository Company for the Siddhartha Mutual Fund by BOD meeting dated August 05, 2021.

2. Basis of Preparation of Financial Statement and Significant Accounting Policies

The principle accounting policies 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 Financial Reporting Standards comprising of Nepal Financial Reporting Standards and Nepal Accounting Standards (hereafter referred as NFRS), laid down by the Institute of Chartered Accountants of Nepal to the extent applicable and in compliance with the requirements of Securities Act, 2063; Mutual Fund Regulations, 2010; and Mutual Fund Guidelines, 2012.

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2.2 Basis of Preparation

The Financial Statements are presented in Nepalese Rupees, rounded to the nearest Rupee and is the functional and presentation currency of the fund. The management has prepared the financial statement on an orderly realization basis. The Financial Statements are in conformity with Nepal Financial Reporting Standards (NFRS) i.e. the financial statements are prepared on the basis of fair value measurement of assets and liabilities.

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 Regulations and Guidelines. The Net Asset Value is calculated on per unit basis in weekly and monthly periods and the same is published on SCL website: www.siddharthacapital.com. Net Assets value (NAV) includes unit holder's fund, realized gain and unrealized gain. The total value of NAV is reflected as Equity in statement of financial position.

2.4 Cash & Cash Equivalents

Cash and Cash Equivalents include cash in hand, balances with banks and money at call and at short notice. These are subject to insignificant risk of changes in their fair value. The detail of cash balance on various financial institutions are listed below:

Particular	Amount
Siddhartha Bank Limited	43,688,540
Civil Bank Limited	464,920
Shine Resunga Development Bank Limited	50,813,306
Kamana Sewa Bikas Bank Limited	123,859
Garima Bikas Bank Limited	35,377,665
Mega Bank Nepal Limited	1,784,586
Mahalaxmi Bikas Bank Limited	459,259
Global IME Bank Limited	685,134
Jyoti Bikash Bank Limited	31,784,917
Kumari Bank Limited	64,779
Prime Commercial Bank Limited	104,540
Citizens Bank Intentional Limited	13,523,744
Shangri-La Development Bank Limited	132,765,329
NICA Aisa Bank Limited	14,194,585
Muktinath Bikas Bank Limited	38,270,987
Total	364,106,150

2.5 Financial Instruments

The Fund's principal financial assets comprises of Assets held at fair value through profit and loss, Assets measured at Amortized cost, other financial assets and cash and cash equivalents. The main purpose of these financial instruments is to generate a return on the investment made by unit holders.

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The Funds' principal financial liabilities comprises of accrued expenses and other payables which arise directly from its operations.

In accordance with NFRS-9; Financial Instruments: Recognition and Measurement, the Fund's prepaid, advances and receivables are classified as 'Other Financial Assets'. Equity securities are classified as fair value through profit and loss. Debentures and Fixed Deposits are classified as assets measured at amortized cost. The amount attributable to unit holders is classified as equity and payables are designated as 'other financial liabilities' at amortized cost.

a. Classification

i. Financial Assets measured at amortized cost

Held to Maturity Financial Assets are non-derivative financial assets with fixed or determinable payments and fixed maturities which the fund has the intention and ability to hold to maturity. After the initial measurement, held to maturity financial investments are subsequently measured at amortized cost using the effective interest rate, less impairment. The amortization is included in 'realized interest income' in the Statement of Profit or Loss. The losses arising from impairment of such investments are recognized in the Statement of Profit and Loss.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted on an active market. Receivables mainly represent payment made for applying right shares, dividend receivable from investment and receivable from brokers for sale of shares.

ii. Financial instruments classified at fair value through profit or loss

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

b. Recognition / De- recognition

All financial assets and liabilities are initially recognized on the trade date, i.e. the date on which the fund becomes a party to the contractual provisions of the instrument. This includes 'regular way trade'. Regular way trade means purchases or sales of financial assets that required delivery of assets within the time frame generally established by regulations or convention in the market place.

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

A financial liability is derecognized when the obligation under the liability is discharged or cancelled 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

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which they arise. The realized gain is the difference between an instrument's weighted average cost and disposal amount.

Cost of purchase of instruments includes transaction cost on such purchases, while disposal value is calculated net of transaction cost involved on such disposal.

c. Measurement

i. Financial Assets measured at amortized cost

Assets 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.

ii. 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 including transaction costs of those financial assets.

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 are presented in the statement of profit and loss 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.

Further details on how the fair values of financial instruments are determined are disclosed in point 2.9 of this Schedule.

d. 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

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the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.6 Realized Income

Realized income includes income from interest from bank deposits with bank and 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 realized 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 transactions will flow to the entity.

2.7 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 as unrealized when right to receive is established. Once the dividend amount is received in bank account, unrealized dividend income is transferred to realized income.
- Interest on interest bearing accounts (call accounts) and other fixed income investments (Fixed Deposit and Debenture) is recognized on a day to day basis as it is accrued. Interest on call accounts are booked based on the interest rates provided by the bank on a regular interval. On purchase of fixed income 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 or other related purposes.

2.8 Expenses

All expenses are accounted on an accrual basis.

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2.9 Valuation of 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's, 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 agreement are accounted when scheme obtains the enforceable obligation/right.
- b. Cost of investments includes brokerage, 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.
- f. Equities which are not traded frequently (i.e. which are listed but not transacted for more than 30 days) 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, valuation is done at closing market price which shall not be earlier of 30 days or more. In case promoter shares are not traded frequently (i.e. which are listed but not transacted for more than 30 days) then valuation is done at 180 days closing average price as provided by NEPSE. Further, if promoter shares' 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 script due to merger & acquisition, valuation is done at closing market price which shall not be earlier of 30 days or more. In case such shares are not traded more than 30 days, then valuation is done at 180 days closing average price as provided by NEPSE. Valuation shall be done at cost of acquisition, in case of trading halt for more than 180 days.

- g. IPO/Right investment are valued as advance for application amount till allotment. 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.

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

2.10 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.

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Siddhartha Mutual Fund

(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations,
2010)

Siddhartha Investment Growth Scheme 2

Fund Manager & Depository: - Siddhartha Capital Limited

As at Ashadh 31, 2078 (15 July, 2021)

Schedule: 14 - Notes to the Accounts

1 Unit Holder's Fund

Unit Ownership Detail	Status	%	Unit Capital
Siddhartha Bank Limited	Fund Sponsor	17.50%	210,000,000
Siddhartha Capital Limited	Fund Manager & Depository	3.61%	43,359,700
General Public		78.89%	946,640,300
Total		100%	1,200,000,000

2 Reserve and Surplus

Reserve and Surplus comprises of net realized income of NPR. 394,187,769 (NPR. Three Hundred Ninety Four Million One Hundred Eighty Seven Thousand Seven Hundred Sixty Nine Only) and net unrealized profit of NPR. 534,894,144 (NPR. Five Hundred Thirty Four Million Eight Hundred Ninety Four Thousand One Hundred Forty Four Only).

3 Income Tax

Income Tax Act 2058 has prescribed Mutual Funds as non-taxable entity and thus TDS has not been deducted on its income. Similarly, corporate tax has not been provisioned or deposited. TDS are filed manually or through Siddhartha Capital Limited.

4 Compliance relating to Investment Threshold

Investment threshold of Mutual Fund Regulations, 2010 has been complied throughout the fiscal year and as on Ashad End 2078.

5 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.

6 Use of estimates

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



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expectations of future events that are believed to be reasonable under the circumstances.

7 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.

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.

The Fund values its investments in accordance with the accounting policies set out in note 2.9 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.

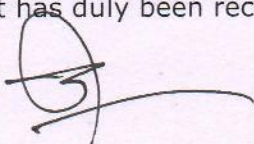
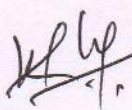
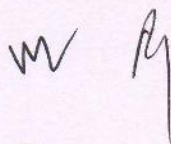



8 Fund Management, Depository and Supervisor Fee

Fund management, depository and Supervisor Fee are calculated and recognized as per the Mutual Fund Regulations 2010. The fund management and depository fee has been calculated at the rate of 1.50% and 0.2% respectively of Quarterly Average of Weekly Gross NAV. The total fees charged are as follows:

Fund Management Fee	Depository Fee	Supervisor Fee
NPR. 26,279,378	NPR. 3,503,917	NPR. 1,124,597

9 Reconciliation Status

The Bank Account has duly been reconciled.

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

Sector	Investment this FY		% Investment for Previous FY
	Amount	%	%
Commercial Banks	658,181,073	40.44%	55.82%
Development Banks	66,084,316	4.06%	2.76%
Finance Companies	16,467,710	1.01%	0.72%
Hotels	3,659,714	0.22%	0.45%
Hydro	11,512,943	0.71%	2.59%
Life Insurance	292,591,483	17.98%	7.18%
Manufacturing And Processing	2,756,000	0.17%	0.72%
Microfinance	334,969,323	20.58%	20.60%
Non-Life Insurance	173,374,820	10.65%	3.30%
Others	68,001,132	4.18%	5.85%
Total	1,627,598,514	100%	100%

11 Net Assets Attributable to Unit Holders (Equity)

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 holder's fund, realized and unrealized gain), notwithstanding net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily changes in Market Price of Shares at Nepal Stock Exchange.

12 Distributions

The distributions to Unit holders are recognized in statement of changes in equity.

13 Related Party Transaction:

Related Parties

- a. Fund Sponsor: Siddhartha Bank Limited
- b. Fund Manger and Depository: Siddhartha Capital Limited, a subsidiary of the fund sponsor.
- c. Fund Supervisors:
 - i. Dr. Ram Krishna Timilsina
 - ii. Mr. Radha Krishna Poudel
 - iii. Mr. Pratap Prasad Pradhan
 - iv. Mr. Bishwo Prakash Pandit
 - v. Mr. Surya Prasad Bhandari

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- d. Shareholders holding substantial interest in the Fund Management Company:
 - i. Siddhartha Bank Limited
- e. Subsidiaries of Major Shareholders of Fund Management Company with whom transacted
 - i. None
- f. Key Management Personnel
 - 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:

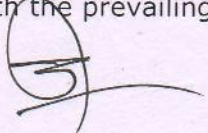
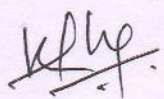
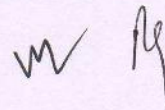


- i. Unit Holding of Siddhartha Bank Limited amounts to NRs. 210,000,000 (NPR. Two Hundred Ten Million Only).
- ii. Unit Holding of Siddhartha Capital Limited amounts to NRs. 43,359,700 (NRR. Forty -Three Million Three Hundred Fifty-Nine Thousand Seven Hundred Only).
- iii. Siddhartha Investment Growth Scheme 2 have earned interest amounting to NPR. 676,431.21 (NPR. Six Hundred Seventy-Six Thousand Four Hundred Thirty-One & 21/100 Only) from Siddhartha Bank Limited.
- iv. Fund Management and Depository Fee incurred by Siddhartha Investment Growth Scheme-2 to Siddhartha Capital Limited amounts to NPR. 29,783,295 (NPR. Twenty-Nine Million Seven Hundred Eighty Three Thousand Two Hundred Ninety Five Only).
- v. Supervisor Fee incurred by Siddhartha Investment Growth Scheme 2 to Fund Supervisors amounts to NPR. 1,124,597 (NPR. One Million One Hundred Twenty-Four Thousand Five Hundred Ninety-Seven Only). Detail of transaction is as below:


Name	Amount (NPR.)
Dr. Ram Krishna Timilsina	267,761
Mr. Radha Krishna Poudel	214,209
Mr. Pratap Prasad Pradhan	214,209
Mr. Bishwo Prakash Pandit	214,209
Mr. Surya Prasad Bhandari	214,209
Total	1,124,597


Other small transactions are considered insignificant and hence are not disclosed.

14 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.

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 **Siddhartha Capital Limited**
Investing happiness

 **P. ASSOCIATES**
Chartered Accountants


15 Contingent Liability

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

16 Proposed Dividend and Distribution

The Board of Directors of the fund management company, Siddhartha Capital Limited, held on August 05, 2021 has proposed 30% dividend (including tax) on unit holder's fund, amounting to NPR. 360,000,000 (NPR. Three Hundred Sixty million only) from Net realized profit up to F/Y 2077/78.

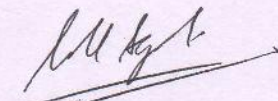
On Behalf of Siddhartha Capital Limited (Fund Management Company)



Mukti Nath Subedi
Head, Finance and Operations



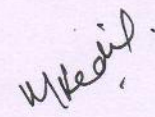
Sandeep Karki
Officiating Chief Executive
Officer



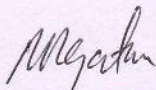
Rahul Agrawal
Director



Sundar Prasad Kadel
Director

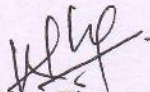


Mohit Kedia
Chairman



Rishi Raj Gautam
Independent Director

As per our attached report of even date
**On Behalf of MGS & Associates,
Chartered Accountants**



Kiran Thapa
Independent Director



Mahesh Kumar Guragain, FCA
Senior Partner



Date: 05/08/2021

Place: Kathmandu, Nepal