

INDEPENDENT AUDITOR'S REPORT

The Unit Holders of Siddhartha Equity Fund

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of M/s. Siddhartha Equity Fund, Naxal, Kathmandu, Nepal (hereinafter referred to as "the fund"), which comprises the Statement of Financial Position as at Ashad 32, 2079 [July 16, 2022] and Statement of Profit or Loss, Statement of Cash Flow & Statement of Changes in Equity for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory notes (hereinafter referred to as "the financial statements").

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the fund as at Ashad 32, 2079 (July 16, 2022) and its financial performance and its cash flows for the year then ended on that date in accordance with Nepal Financial Reporting Standards (NFRS) and comply with the Securities Act 2063; Securities Board Regulations 2064; Mutual Fund Regulations 2067; Mutual Fund Guidelines 2069 and other prevailing laws.

Basis of 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 fund in accordance with the Institute of Chartered Accountant of Nepal's 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 those requirements. We believe that the audit evidences we have obtained are 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.



Key Audit Matters**Our Audit Approach and Responses****1. Investment Valuation**

Investment of mutual fund comprises of investments in listed securities, initial public offerings, debentures and fixed deposits. The classifications, valuations and disclosures of the aforesaid investment shall be done in line with NFRS 9 Financial Instruments; NFRS 13 Fair Value Measurements; NFRS 7 Financial Instruments: Disclosures.

In view of significance of amount of investment and complexity involved in valuation and treatment of such investments, we have considered it as key audit matters in our audit.

Our audit approach regarding valuation of investment, impairment, its accounting included:

- a. We ensured classifications and accounting of investments made by fund and its valuation were in accordance to NFRS 9 and NFRS 13 issued by Accounting Standard Board of Nepal.
- b. We ensured the correctness of the valuation of investment valued at amortized costs through sample verification of effective interest rate and amortization schedule.
- c. For the investment made on quoted equity instruments, we ensured that fair valuation has been done at the closing transaction rate in NEPSE as on 32.03.2079.
- d. In case of Initial Public Offering and Promoter Shares, we ensured valuation has been done as per the policies stated in Significant Accounting Policies "2.9 Valuation of Investments".

2. Compliances

Mutual Fund requires to comply with the Securities Act 2063, Mutual Fund Regulation 2067, Mutual Fund Guidelines 2069.

In view of significance of compliance that needs to be adhered, we have considered as key audit matters in our audit.

Our audit approach regarding compliance with various laws and regulations includes the following among other things::

- a. Ensured the investment made by the fund in various securities were within the limit of threshold limit prescribed by Mutual Fund Regulations 2067(fourth amendment).
- b. Ensured the fees related to Supervisor, Fund Manager and Depository read with Section 23 of the regulations has been complied with.



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 Nepal Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the fund'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 misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidences that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditor's report. However, future events or conditions may cause the fund to cease to continue as a going concern.



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

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

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

Report on Other Legal and Regulatory Requirements

We have obtained information and explanations asked for, which, to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion, proper books of account as required by law have been kept by the fund in so far as it appears from our examination of those books of account of the fund. In our opinion statement of financial position, statement of profit or loss, statement of cash flow & statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory notes have been prepared in accordance with the Securities Act 2063; Securities Board Regulations 2064; Mutual Fund Regulation 2067; Mutual Fund Guidelines 2069 and other prevailing laws and regulations and are in agreement with the books of account maintained by the fund. In our opinion and to the best of information and according to the explanation given to us and from the examination of the books of account of the fund, we have not come across any case where the board of directors, any representatives or any employee of the fund have acted contrary to legal provisions relating to accounts, or committed any misappropriation or caused any loss or damage to the fund.

For N. B. S. M. & Associates
Chartered Accountants



CA. Nil Bahadur Saru Magar, FCA
Partner
Date: 10/08/2022
Place: Kathmandu, Nepal
UDIN: 220812CA0043276Pqu

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

Siddhartha Equity Fund
Fund Manager & Depository: Siddhartha Capital Limited

Statement of Financial Position
As at Ashadh 32, 2079 (July 16, 2022)

ASSETS	Schedule	Current Period NPR	Previous Period NPR
Cash & Cash Equivalents	1	146,175,813	367,175,738
Other Financial Assets	2	11,118,877	24,214,930
Financial Assets at Fair Value through Profit or Loss	3	1,295,934,569	2,059,259,068
Financial Assets at Amortized Cost	4	192,992,000	162,992,000
Total Assets		1,646,221,259	2,613,641,737

CAPITAL AND LIABILITIES	Schedule	Current Period NPR	Previous Period NPR
Liabilities			
Current Liabilities	5	7,880,343	11,626,125
Total Liabilities		7,880,343	11,626,125
Equity			
Unit Holder's Capital	6	1,500,000,000	1,500,000,000
Reserves and Surplus	7	138,340,916	1,102,015,612
Total Equity		1,638,340,916	2,602,015,612
Total Capital & Liabilities		1,646,221,259	2,613,641,737

Net Assets Value(NAV) Per Unit	10.92	17.35
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Significant Accounting Policies	12
Notes to Accounts	13

Schedules 1 to 13 form Integral part of Financial Statements

As per Attached Report of even date


On Behalf on N. B. S. M. & Associates


On Behalf of Siddhartha Capital Limited
(Fund Management Company)


CA. Nil Bahadur Saru Magar, FCA
Partner
Date: August 10, 2022
Place: Kathmandu, Nepal


Mohit Kedia
Chairman


Rahul Agrawal
Director

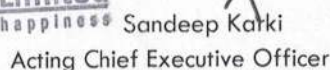

Sher Bahadur Budhathoki
Director



Rishi Raj Gautam
Independent Director


Kiran Thapa
Independent Director



**Siddhartha
Capital Limited**
Investing happiness


Sandeep Karki
Acting Chief Executive Officer


Mukti Nath Subedi
Head, Finance & Operations

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

Siddhartha Equity Fund
Fund Manager & Depository:- Siddhartha Capital Limited

Statement of Profit or Loss
For the period from Shrawan 1, 2078 to Ashadh 32, 2079

Particular	Schedule	Current Period NPR	Previous Period NPR
1. Realized Income		293,582,671	537,893,450
1.1 Realised Income	8	293,582,671	537,893,450
2. Expenses		36,807,819	38,843,314
2.1 Annual Regular Expenses	9	36,807,819	38,843,314
Realised Profit / (Loss)		256,774,852	499,050,135
3. Unrealised Dividend Income	10	108,133	225,187
4. Net Unrealised Gain/(Loss) from Financial Assets Held at Fair Value through Profit or Loss (FVTPL)	11	(770,557,682)	540,458,154
Net Profit/ (Loss)		(513,674,696)	1,039,733,476

Schedules 1 to 13 form Integral part of Financial Statements

As per Attached Report of even date

On Behalf on N. B. S. M. & Associates

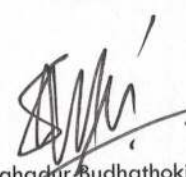
On Behalf of Siddhartha Capital Limited
(Fund Management Company)



CA. Nil Bahadur Saru Magar, FCA
Partner
Date: August 10, 2022





Mohit Kedia
Chairman

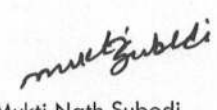

Rahul Agrawal
Director


Sher Bahadur Budhathoki
Director


Rishi Raj Gautam
Independent Director


Kiran Thapa
Independent Director


Sandeep Karki
Acting Chief Executive Officer


Mukti Nath Subedi
Head, Finance & Operations

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

Siddhartha Equity Fund
Fund Manager & Depository: Siddhartha Capital Limited

Statement of Cash Flow
For the period from Shrawan 1, 2078 to Ashadh 32, 2079

Particulars	Current Period NPR	Previous Period NPR
A. Cash Flows From Operating Activities	259,000,074	103,318,411
1. Cash Receipts	293,690,804	538,118,637
1.1 Interest Income from Financial Asset at Amortized Cost	18,375,273	25,427,032
1.2 Dividend Income from Financial Assets at FVTPL	5,359,586	8,456,116
1.3 Unrealised Dividend Income	108,133	225,187
1.4 Interest Income from Financial Asset at FVTPL	269,837,224	504,002,012
1.5 Other Income	10,589	8,289
2. Cash Payments	36,807,819	38,843,314
2.1 Annual Regular Expenses	36,807,819	38,843,314
Cash Flows before Changes in Working Capital	256,882,986	499,275,322
(Increase)/Decrease in Current Assets & Securities	5,862,870	(392,226,276)
Increase/(Decrease) in Current Liabilities	(3,745,781)	(3,730,635)
B. Cash Flows From Investing Activities	(30,000,000)	50,000,000
1. (Increase)/Decrease in Investments	(30,000,000)	50,000,000
C. Cash Flows from Financing Activities	(450,000,000)	(112,500,000)
1. Increase/(Decrease) in Unit Holder's Capital	-	-
2. Dividend Paid	(450,000,000)	(112,500,000)
D. Income/Expenses from changes in exchange rate on Cash and Bank Balances	-	-
E. Net Cash Flow For The Year from all activities (A+B+C+D)	(220,999,926)	40,818,411
F. Opening Cash and Bank Balance	367,175,738	326,357,327
G. Closing Cash and Bank Balance	146,175,813	367,175,738

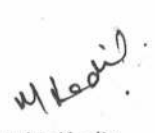
Schedules 1 to 13 form Integral part of Financial Statements

As per Attached Report of even date

On Behalf on N. B. S. M. & Associates


On Behalf of Siddhartha Capital Limited
(Fund Management Company)


CA. Nil Bahadur Saru Magar, FCA
Partner
Date: August 10, 2022



Mohit Kedia
Chairman


Rahul Agrawal
Director



Sher Bahadur Budhathoki
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Sandeep Karki
Acting Chief Executive Officer

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Mukti Nath Subedi
Head, Finance & Operations

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

Siddhartha Equity Fund
Fund Manager & Depository: Siddhartha Capital Limited


Statement of Changes in Equity
For the period from Shrawan 1, 2078 to Ashadh 32, 2079

Particulars	Unit Holder's Capital NPR	Realized Profit NPR	Unrealized Profit NPR	Total NPR
Balance as at Shrawan 1, 2077	1,500,000,000	84,637,189	90,144,947	1,674,782,136
Adjustments:	-	-	-	-
Adjusted balance as on Shrawan 1, 2077	1,500,000,000	84,637,189	90,144,947	1,674,782,136
Net Profit (Loss) During the year	-	499,050,135	540,683,341	1,039,733,476
Issue of Unit Capital	-	-	-	-
Amount transferred to general Reserve	-	(112,500,000)	-	(112,500,000)
Dividend Paid of Last Year	-	-	-	-
Capital Reserve Fund	-	-	-	-
Unit Advance	-	-	-	-
Balance as on Ashadh 31, 2077	1,500,000,000	471,187,324	630,828,288	2,602,015,612
Balance as on Shrawan 1, 2078	1,500,000,000	471,187,324	630,828,288	2,602,015,612
Adjustments:	-	-	-	-
Adjusted balance as on Shrawan 1, 2078	1,500,000,000	471,187,324	630,828,288	2,602,015,612
Net Profit (Loss) During the year	-	256,774,852	(770,449,549)	(513,674,696)
Issue of Unit Capital	-	-	-	-
Amount transferred to general Reserve	-	(450,000,000)	-	(450,000,000)
Dividend Paid of Last Year	-	-	-	-
Capital Reserve Fund	-	-	-	-
Unit Advance	-	-	-	-
Balance as at Ashadh 32, 2079	1,500,000,000	277,962,176	(139,621,261)	1,638,340,916

Schedules 1 to 13 form Integral part of Financial Statements


As per Attached Report of even date

On Behalf on N. B. S. M. & Associates


CA. Nili Bahadur Saru Magar FCA
Partner

Date: August 10, 2022

On Behalf of Siddhartha Capital Limited
(Fund Management Company)


Mohit Kedia
Chairman


Rahul Agrawal
Director


Sher Bahadur Bughathaki
Director


Rishi Raj Gautam
Independent Director


Kiran Thapa
Independent Director


Mukti Nath Subedi
Head, Finance & Operations


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

Siddhartha Equity Fund
Fund Manager & Depository: Siddhartha Capital Limited
As at Ashadh 32, 2079 (July 16, 2022)

Schedule 1: Cash & Cash Equivalents

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	146,175,813	-	-	146,175,813	367,175,738
at Mahalaxmi Bikas Bank Limited	146,175,813	-	-	146,175,813	367,175,738
at Kumari Bank Limited	78,687,178	-	-	78,687,178	55,492,876
at Garima Bikas Bank Limited	10,359,179	-	-	10,359,179	70,505
at Civil Bank Limited	85,020	-	-	85,020	141,363
at Muktinath Bikas Bank Limited	606,444	-	-	606,444	19,771,880
at Shangri-la Development Bank Limited	244,991	-	-	244,991	239,716
at Jyoti Bikas Bank Limited	658,866	-	-	658,866	23,977,654
at Shree Investment and Finance Company Limited	2,719,904	-	-	2,719,904	93,841,000
at Shine Resunga Development Bank Limited	328,236	-	-	328,236	20,300,771
at Global IME Bank Limited	23,414,167	-	-	23,414,167	114,005,028
at Mega Bank Nepal Limited	27,504,394	-	-	27,504,394	34,326,894
at NIC Asia Bank Limited	53,313	-	-	53,313	52,855
at Everest Bank Limited	1,419,901	-	-	1,419,901	1,398,124
	81,720	-	-	81,720	3,557,073
	12,501	-	-	12,501	-
Total	146,175,813	-	-	146,175,813	367,175,738

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unsubscribed



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

Siddhartha Equity Fund
Fund Manager & Depository: Siddhartha Capital Limited
As at Ashadh 32, 2079 (July 16, 2022)

Schedule 2 : Other Financial Assets

Particulars	Current Period NPR	Previous Period NPR
Amount receivable from Brokers	4,846,690	21,871,991
Dividend Income Receivable	263,150	312,978
Less: Provision for doubtful dividend	(163)	(163)
Interest Income Receivable	-	149,924
IPO/Auction/Right Advance	6,009,200	1,880,200
Total	11,118,877	24,214,930

mutual fund



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

Siddhartha Equity Fund
Fund Manager & Depository: Siddhartha Capital Limited
As at Ashadh 32, 2079 (July 16, 2022)

Schedule 3 : Financial Assets at Fair Value through Profit/Loss

S.No.	Particulars	Symbol	Current Period			Cost in NPR	Stock Qty	Per Unit Price	Previous Period	
			Stock Qty	Per Unit Price	Value in NPR				Value in NPR	Cost in NPR
A	Listed Equities Investments	Symbol	2,807,054	1,370	1,281,347,583	1,422,309,446	2,544,399	100	2,038,951,149	1,418,327,379
1	Adhikola Laghubitta Bittiya Sanstha Limited	AKBSL	2,000	1,370	2,740,000	168,067	2,000	100	200,000	200,000
2	Agriculture Development Bank Limited	ADBL	-	-	-	-	10,337	479	4,951,423	3,545,633
3	Asian Life Insurance Co. Limited	ALICL	20,310	574	11,657,940	19,065,104	20,718	1,348	27,927,864	23,296,732
4	Botliers Nepal (Terai) Limited	BNT	2,100	13,000	27,300,000	14,088,008	2,100	10,262	21,550,200	14,088,008
5	Burwal Power Company Limited	BPCL	12,179	322	3,921,638	4,979,742	34,890	506	17,654,340	15,538,100
6	CEDB Hydropower Development Company Limited	CHDC	7,000	730	5,110,000	6,004,390	5,771	619	3,572,249	577,100
7	Century Commercial Bank Limited	CCBL	151,552	183	27,734,016	36,138,657	160,703	291	46,764,573	40,543,247
8	Chandragiri Hills Limited	CGH	8	1,050	8,399	800	8	1,505	12,040	800
9	Chhimek Laghubitta Bikas Bank Limited	CBBL	52,207	1,100	57,427,700	62,168,221	94,577	1,738	164,374,826	143,031,539
10	Chilime Hydropower Company Limited	CHCL	20,376	408	8,313,408	8,282,438	29,612	687	20,343,444	11,591,634
11	Citiline Hydropower Company Limited	CZBL	17,540	203	3,551,850	4,774,999	-	-	-	-
12	Citizen Investment Trust	CIT	4,405	2,515	11,078,575	13,354,780	-	-	-	-
13	Civil Bank Limited	CBL	1	213	213	238	-	-	-	-
14	Deprosc Laghubitta Bittiya Sanstha Limited	DBBL	-	439	4,653,400	7,112,180	2,000	1,686	3,372,000	3,385,122
15	Everest Bank Limited	EBL	10,600	2,385	3,963,870	3,960,703	7,000	738	5,166,000	4,719,636
16	Forward Community Microfinance Bittiya Sanstha Ltd.	FOWAD	1,662	-	-	-	25	2,770	69,250	43,665
17	Gandaki Bikas Bank Limited	GBBL	29,634	387	11,468,358	11,747,427	14,534	544	7,906,496	2,917,575
18	Garima Bikas Bank Limited	GBBL	150,811	314	47,304,886	31,154,538	176,292	441	77,744,772	40,060,199
19	Global IME Bank Limited	GBIME	19,264	611	11,770,111	11,617,169	27,260	759	20,690,340	17,660,883
20	Gurans Life Insurance Company Limited	GLCL	700	299	209,440	291,603	700	524	366,702	354,089
21	Himalayan Bank Limited	HBL	5,280	3,410	18,004,800	18,972,565	500	5,512	2,756,000	2,056,483
22	Himalayan Distillery Limited	HDL	-	-	-	-	9,795	640	6,268,800	1,611,098
23	ICFC Finance Limited	ICFC	1	200	200	232	-	-	-	-
24	Jalabidyt Lagani taiba Bikas Co. Limited	HIDCL	-	302	3,372,552	4,766,525	-	-	-	-
25	Jyoti Bikas Bank Limited	JBL	11,160	-	-	-	26,386	580	15,303,880	5,353,740
26	Kamana Sewa Bikas Bank Limited	KSBL	33,000	191	6,303,000	6,973,537	-	-	-	-
27	Kumari Bank Limited	KBL	38,180	1,415	54,024,700	49,729,715	34,279	2,342	80,281,418	51,760,694
28	Life Insurance Co. Nepal Limited	LICN	37,803	341	12,890,823	20,068,889	20,000	585	11,700,000	12,086,344
29	Lumbini Bikas Bank Ltd.	LBBL	10,999	254	2,793,746	2,851,900	20,926	385	8,056,510	4,673,894
30	Madhapuchhre Bank Limited	MBL	54,001	256	13,848,016	16,670,705	-	-	-	-
31	Mega Bank Nepal Limited	MEGA	4,385	800	3,508,000	4,891,590	4,473	890	3,980,970	447,300
32	Mountain Energy Nepal Limited	MEN	-	-	-	-	3,647	586	2,137,142	716,774
33	Miteri Development Bank Limited	MDB	-	-	-	-	-	-	-	-

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Siddhartha Equity Fund
Fund Manager & Depository: Siddhartha Capital Limited
As at Ashadh 32, 2079 (July 16, 2022)

S.No.	Particulars	Symbol	Current Period		Cost in NPR	Stock Qty	Per Unit Price	Previous Period		Cost in NPR
			Value in NPR	Per Unit Price				Value in NPR	Per Unit Price	
34	Mountain Hydro Nepal Limited	MHNL	27,500	272	7,480,000					
35	Mukthinath Bikas Bank Limited	MNBBL	30,000	440	13,197,000	41,625	657	27,347,625		10,775,024
36	Nabil Bank Limited	NABBL	50,078	824	41,264,272	68,773	1,359	93,462,507		47,262,218
37	National Life Insurance Co. Limited	NLIL	76,506	577	44,143,962	87,616	1,151	100,846,016		102,706,545
38	National Microfinance Bithiya Sanstha Limited	NMFB				375	3,603	1,351,125		614,604
39	Neco Insurance Co. Limited	NIL	57,395	694	39,832,130	39,535	1,348	53,293,180		39,291,307
40	Nepal Bank Limited	NBL	144,058	298	42,929,284	196,212	443	86,921,916		45,612,259
41	Nepal Doorsanchar Company Limited	NTC	10,643	879	9,354,133	7,325,151	1,314	76,210,686		47,902,570
42	Nepal Investment Bank Limited (Promotor Share)	NIBPO	148,888	288	42,806,789	132,215	401	53,064,490		50,630,235
43	Nepal Life Insurance Co. Limited	NLIC	40,178	747	30,012,966	49,266,129	1,919	78,508,209		57,447,990
44	Nepal Reinsurance Company Limited	NRIC	10,129	735	7,444,815	23,028	1,594	36,706,632		6,882,929
45	Nerude Laghubitta Bikas Bank Limited	NLBB		880	21,883,840	20,470	1,600	32,752,000		34,561,603
46	NIC Asia Bank Limited	NICA	119,149	696	82,927,704	156,672	994	155,731,968		94,654,761
47	NIC ASIA Laghubitta Bithiya Sanstha Limited	NICBSL	12,334	860	10,606,007	5,843	1,545	9,027,435		618,900
48	Nirdhan Uthran Laghubitta Bithiya Sanstha Limited	NUBL	56,272	1,099	61,842,928	69,341	1,600	110,945,600		95,946,805
49	NWB Bank Limited	NWB	93,229	261	24,332,769	100,050	440	44,022,000		34,337,310
50	Oriental Hotels Limited	OHL	13,500	483	6,520,500	4,075	654	2,665,050		1,995,308
51	Prabhu Bank Limited	PRVU	197,814	207	40,947,498	51,245,227	457	100,529,489		63,825,062
52	Premier Insurance Co. Limited	PIC	42,069	576	24,231,744	46,966,890	1,170	34,664,760		39,761,046
53	Prime Commercial Bank Limited	PCBL	150,345	265	39,841,425	42,980,867	479	64,863,785		42,222,377
54	Prime Life Insurance Co. Limited	PLIC	11,656	712	8,304,783	135,415	954	4,382,500		24,961,991
55	RMDC Laghubitta Bithiya Sanstha Limited	RMDC	35,252	838	29,541,176	24,877	1,373	34,156,121		402,169
56	Sagarmatha Insurance Co. Limited	SIC	13,459	870	11,709,330	14,313,669	1,344	830,592		19,500
57	Samaj Laghubitta Bithiya Sanstha Limited	SAMAJ	195	100	19,500	195	100	19,500		8,915
58	Samata Microfinance Bithiya Sanstha Limited	SMATA				25	1,655	41,375		14,952,299
59	Sana Kisan Bikas Laghubitta Bithiya Sanstha Limited	SKBBL	11,235	1,065	11,965,275	17,988	1,640	29,500,320		67,797,809
60	Sanima Bank Limited	SANIMA	243,567	276	67,224,492	216,714	485	105,106,290		
61	Sanima Mai Hydropower Limited	SHPC	9,001	306	3,747,965					
62	Shikhar Insurance Co. Limited	SICL	20,018	807	16,154,526	38,875	1,952	75,884,000		31,490,682

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

Siddhartha Equity Fund
Fund Manager & Depository: Siddhartha Capital Limited
As at Ashadh 32, 2079 (July 16, 2022)

Schedule 3 : Financial Assets at Fair Value through Profit/Loss

S.No.	Particulars	Symbol	Current Period			Previous Period		
			Stock Qty	Per Unit Price	Value in NPR	Cost in NPR	Stock Qty	Per Unit Price
63	Shine Resunga Development Bank Limited	SHINE	37,870	295	11,167,863	12,215,029	29,737	447
64	Shree Investment Finance Co. Limited	SIFC	-	-	-	-	4,619	489
65	Soaltee Hotel Limited	SHL	-	-	-	-	6,000	262
66	Standard Chartered Bank Limited	SCB	39,332	396	15,587,272	21,496,018	31,757	590
67	Sunrise Bank Limited	SRBL	60,481	207	12,519,567	21,442,413	-	-
68	Surya Life Insurance Company Limited	SLICL	20,474	387	7,923,438	15,010,810	22,991	922
69	Suryodaya Laghubitta Bittiya Sanstha Limited	SLBS	-	-	-	10,753,252	-	-
70	Swabalamani Laghubitta Bittiya Sanstha Limited	SWBBL	9,625	1,169	11,251,625	6,154,726	7,127	1,659
71	Uniliver Nepal Limited	UNL	222	18,360	4,075,920	6,331,778	222	19,395
72	Laxmi Bank Limited	LBI	19,630	199	3,906,370	1,424,525	-	-
73	Himalayan General Insurance Co. Ltd	HGI	1,762	672	1,183,553	32,609,434	-	-
74	SHIVAM CEMENTS LTD	SHVM	24,002	760	18,241,520	3,590,194	-	-
75	Global JME Laghubitta Bittiya Sanstha Ltd.	GILB	2,138	1,299	2,777,262	418,300	-	-
76	Jeevan Bikas Laghubitta Bittiya Sanstha Ltd	JBLB	7,111	2,699	19,192,589	13,692,233	-	-
77	Nepal Bangladesh Bank Limited	NBB	32,256	424	13,692,349	36,572	-	-
78	Manakamana Smart Laghubitta Bittiya Sanstha Limited	MKLB	427	947	404,369	70,300	-	-
79	Manushi Laghubitta Bittiya Sanstha Limited	MLBS	703	1,002	704,406	1,186,367	-	-
80	Chhyangdi Hydropower Ltd.	CHL	3,000	250	750,000	9,335,026	-	-
81	Ngadi Group Power Ltd.	NGPL	14,800	297	4,395,600	4,292,712	-	-
82	Kalika power Company Ltd	KPCL	8,875	372	3,301,500	6,283,760	-	-
83	Mahalaxmi Bikas Bank Ltd.	MLBL	12,000	378	4,536,000	9,439,052	-	-
84	Api Power Company Ltd	API	25,086	245	6,133,527	2,854,912	-	-
85	Arun Kabeli Power Ltd.	AKPL	5,500	459	2,524,500	2,038,641	-	-
86	Salt Trading Corporation	STC	330	3,950	1,303,500	19,168,295	-	-
87	Himalayan Power Partner Ltd.	HPPL	39,070	322	12,580,540	11,381,756	-	-
88	Liberty Energy Company Limited	LEC	29,370	250	7,336,626	19,782,408	-	-
89	National Hydro Power Company Limited	NHPC	59,759	240	14,342,160	141,700	-	-
90	Rastra Uthan Laghubitta Sanstha Limited	RULB	1,417	926	1,312,142	87,000	-	-
91	Jaipal Samudayik Laghubitta Bittiya Sanstha Limited	JALPA	870	2,318	2,016,660	138,100	-	-
92	NESDO Sambriddha Laghubitta Bittiya Sanstha Limited	NESDO	1,381	2,280	3,148,680	39,400	-	-
93	Upakar Laghubitta Bittiya Sanstha Limited	ULBSL	394	2,699	1,063,406	65,900	-	-
94	CYC Nepal Laghubitta Bittiya Sanstha Limited	CYCL	659	1,698	1,119,114	201,400	-	-
95	Dordi Khola Jal Bidyut Company Limited	DORDI	2,014	309	622,729	-	-	-

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

Siddhartha Equity Fund
Fund Manager & Depository: Siddhartha Capital Limited
As at Ashadh 32, 2079 (July 16, 2022)

Schedule 3 : Financial Assets at Fair Value through Profit/Loss

S.No.	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	Cost in NPR
B	Investments in IPO yet to be Listed		271,821		4,469,472	4,682,100	19,122		6,323,641	1,912,200
1	Jeevan Bikas Laghubitta Bithiya Sanstha Limited		-	-	-	-	4,183	1,006	4,208,935	418,300
2	Maulung Khola Jal Vidhyut Company Limited		-	-	-	-	1,446	120	173,896	144,600
3	Manakamana Smart Laghubitta Sanstha Limited		-	-	-	-	823	513	422,438	82,300
4	Union Life Insurance Company Limited		-	-	-	-	12,670	120	1,518,373	1,267,000
5	Bindhyabasni Hydropower Development Company Limited		2,500	141	352,325	250,000	-	-	-	-
6	Adarsha Laghubitta Bithiya Sanstha Limited		112	162	18,180	11,200	-	-	-	-
7	Nic Asia Flexi Cap Fund		250,000	10	2,500,000	2,500,000	-	-	-	-
8	Himalayan Hydropower Limited		3,280	71	231,338	328,000	-	-	-	-
9	Upper Solu Hydro Electric Company Limited		3,262	98	320,459	326,200	-	-	-	-
10	Upper Hewakholha Hydropower Company Ltd		2,500	95	238,500	250,000	-	-	-	-
11	Swet-Ganga Hydropower & Construction Limited		3,982	87	345,080	398,200	-	-	-	-
12	Rapti Hydro & General Construction Limited		4,225	76	320,804	422,500	-	-	-	-
13	Mandakini Hydropower Limited		1,960	73	142,786	196,000	-	-	-	-
C	Right/Bonus Shares yet to be Listed		21,053		10,117,514	8,897,603	11,183		13,984,278	8,416,388
1	Forward Community Microfinance Bithiya Sanstha Ltd.	FOWAD	-	-	-	-	6	2,770	16,620	10,480
2	Mitri Development Bank Limited	MDB	-	-	-	-	2,349	586	1,376,514	461,668
3	Neco Insurance Co. Ltd.	NIL	-	-	-	-	6,438	1,348	8,678,424	6,398,316
4	Sagarmatha Insurance Co. Limited	SIC	-	-	-	-	166	1,344	223,104	108,026
5	Swabalamban Laghubitta Bithiya Sanstha Limited	SWBBL	-	-	-	-	2,224	1,659	3,689,616	1,437,898
6	Hydroelectricity Investment and Development Company Limited	HIDCL	8,000	200	1,600,000	1,859,249	-	-	-	-
7	Adhikhola Laghubitta Bithiya Sanstha Limited	AKBSL	380	1,370	520,600	31,933	-	-	-	-
8	Himalayan Bank Limited	HBL	150	299	44,880	62,486	-	-	-	-
9	Kalika Power Company Limited	KPCL	1,425	372	530,100	689,252	-	-	-	-
10	Garima Bikas Bank Limited	GBBL	4,741	387	1,834,767	1,879,414	-	-	-	-
11	Nepal Doorsanchar Company Limited	NTC	6,357	879	5,587,167	4,375,269	-	-	-	-
			3,099,928		1,295,934,569	1,435,889,150	2,574,704		2,059,259,068	1,428,655,966

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Siddhartha Mutual Fund
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Siddhartha Equity Fund
Fund Manager & Depository: Siddhartha Capital Limited
As at Ashadh 32, 2079 (July 16, 2022)

Schedule 4: Financial Assets at Amortized Cost

Particulars	Current Period NPR	Previous Period NPR
Investment in Fixed Deposits	130,000,000	100,000,000
Investment in Bond and Debenture	62,992,000	62,992,000
Total	192,992,000	162,992,000

Schedule 4(A): Investment in Fixed Deposits

Particulars	Current Period NPR	Previous Period NPR
Shine Resunga Development Bank Limited	10,000,000	-
Garima Bikas Bank Limited	15,000,000	-
Muktinath Bikas Bank Limited	55,000,000	100,000,000
Siddhartha Bank Limited	10,000,000	-
ICFC Finance Limited	30,000,000	-
SIFC Finance Limited	10,000,000	-
Total	130,000,000	100,000,000

Schedule 4(B): Investment in Bond & Debenture

Particulars	Current Period NPR	Previous Period NPR
11% NICA Debenture 2082/83	50,000,000	50,000,000
10% NMB Debenture 2085	2,500,000	2,500,000
10% Sunrise Debenture 2080	1,000,000	1,000,000
10.5% Nepal Investment Debenture 2082	1,000,000	1,000,000
10.25% NBBL Debenture 2085	1,000,000	1,000,000
10% Himalayan Debenture 2083	1,000,000	1,000,000
10.25% Sunrise Debenture 2083	2,500,000	2,500,000
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	62,992,000	62,992,000

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Siddhartha Equity Fund
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As at Ashadh 32, 2079 (July 16, 2022)

Schedule 5: Current Liabilities

Particulars	Current Period NPR	Previous Period NPR
TDS Payables	162,999	225,442
Fund Manager, Depository and Supervisor Payable	7,601,515	11,284,708
Others		
Audit Fee Payable	83,625	83,625
Provision for Reporting Expenses	27,204	27,204
Provision for Audit Expenses	5,000	5,000
Sundry Payables	-	145
Total	7,880,343	11,626,125

Schedule 6: Unit Capital

Particulars	Current Period NPR	Previous Period NPR
Seed Capital	225,000,000	225,000,000
Capital Raised from General Public	1,275,000,000	1,275,000,000
Total	1,500,000,000	1,500,000,000

Schedule 7: Reserves and Surplus

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	138,340,916	1,102,015,612
4.1. Realised Profit / Loss	277,962,176	471,412,511
4.2. Unrealised Profit / Loss	(139,621,261)	630,603,101
Total	138,340,916	1,102,015,612

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Siddhartha Equity Fund
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As at Ashadh 32, 2079 (July 16, 2022)

Schedule 8: Realised Income

Particulars	Current Period NPR	Previous Period NPR
Interest Income from Financial Asset at Amortized Cost	18,375,273	25,427,032
Dividend Income from Financial Assets at Fair value through Profit or Loss	5,359,586	8,456,116
Net Gain/Loss from Financial Assets at Fair value through Profit or Loss	269,837,224	504,002,012
Other Income	10,589	8,289
Total	293,582,671	537,893,450

Schedule 9: Annual Regular Expenses

Particulars	Current Period NPR	Previous Period NPR
NEPSE Listing Renewal Fee	50,000	50,000
CDS Annual Fee	150,000	150,000
Credit Rating Expenses	378,320	-
AMC of Software	20,000	20,000
Reporting Expenses	142,378	141,732
Scheme Audit Fee	84,750	84,750
Fund Management & Depository Fee	34,541,021	36,884,750
Fund Supervisor Fee	1,317,488	1,395,403
Other Expenses	24,422	26,279
PCS Software AMC Charge	99,440	90,400
Total	36,807,819	38,843,314

Schedule 10: Unrealised Income

Particulars	Current Period NPR	Previous Period NPR
Dividend Income Accrued	108,133	225,187
Total	108,133	225,187

Schedule 11: Net Unrealised Gain/(Loss) from Financial Assets Held at Fair Value through Profit or Loss (FVTPL)

Particulars	Current Period NPR	Previous Period NPR
1. Secondary Market Value Appreciation of Listed Equities	(140,961,864)	620,623,771
2. Appreciation on Investments in IPO yet to be Listed	(212,628)	4,411,441
3. Appreciation on Right/Bonus Shares Yet to be Listed	1,219,911	5,567,890
Less: Unrealised income upto previous year	630,603,102	90,144,948
Total	(770,557,682)	540,458,154

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Siddhartha Equity Fund
Fund Manager & Depository: Siddhartha Capital Limited
As at Ashadh 32, 2079 (July 16, 2022)

Schedule: 12 - 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 third scheme of the Siddhartha Mutual Fund, Siddhartha Equity Fund (SEF) started its operation from Kartik 23, 2074 (November 9, 2017). SEF is a close end scheme with base fund size of NPR. 1,500 million and maturity period of 10 years (i.e. Kartik 23, 2074 – Kartik 22, 2084). It was listed in NEPSE on Poush 02, 2074 with stock symbol SEF.

SEF has obtained withholdee PAN on Poush 2, 2078 and its PAN number is 201386936.

The Scheme's Financial Statements for FY 2078/79 were approved by the Board of Directors (BoD) of SCL, being the Fund Management and Depository Company for the Siddhartha Mutual Fund by BOD meeting dated August 10, 2022.

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

The principle accounting policies are adopted in preparation of financial statements 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.

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.

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Siddhartha Mutual Fund
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Siddhartha Equity Fund
Fund Manager & Depository: Siddhartha Capital Limited
As at Ashadh 32, 2079 (July 16, 2022)

Schedule: 12 - Significant Accounting Policies

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 and the same is published on SCL website: www.siddharthacapital.com. Net Assets value (NAV) includes unit capital, 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:

S.No	Particulars	Balance (NPR.)
1	Siddhartha Bank Limited	78,687,178
2	Mahalaxmi Bikas Bank Limited	10,359,179
3	Kumari Bank Limited	85,020
4	Garima Bikas Bank Limited	606,444
5	Civil Bank Limited	244,991
6	Muktinath Bikas Bank Limited	658,866
7	Shangri-la Development Bank Limited	2,719,904
8	Jyoti Bikas Bank Limited	328,236
9	Shree Investment and Finance Company Limited	23,414,167
10	Shine Resunga Development Bank Limited	27,504,394
11	Global IME Bank Limited	53,313
12	Mega Bank Nepal Limited	1,419,901
13	NIC Asia Bank Limited	81,720
14	Everest Bank Limited	12,501
Total		146,175,813

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 instruments and cash and cash equivalents. The main purpose of these financial instruments is to generate a return on the investment made by unit holders. The Funds' principal financial liabilities 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 advance and dividend 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.

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

Siddhartha Equity Fund
Fund Manager & Depository: Siddhartha Capital Limited
As at Ashadh 32, 2079 (July 16, 2022)

Schedule: 12 - Significant Accounting Policies

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 or 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 and dividend receivable from investment.

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

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

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 regulation 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 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

The asset is measured at the amount recognized at the initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Such assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. If evidence of impairment exists, an impairment loss is recognized in profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

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

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Schedule: 12 - Significant Accounting Policies

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 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 Note 2.9.

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 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 national level financial institutions and capital gain and dividend income from investments made on securities and other incomes.

- a. Dividend income is recognized as realized when the accrued dividend income is received in the bank account.
- b. Profit or loss on sale of investments is recognized on trade date. The cost of investments sold is determined on "weighted average cost basis".
- c. Interest on interest bearing and other fixed income investments is recognized as and when such accrued interest income is received in the bank account.
- d. 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.

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

Siddhartha Equity Fund
Fund Manager & Depository: Siddhartha Capital Limited
As at Ashadh 32, 2079 (July 16, 2022)

Schedule: 12 - Significant Accounting Policies

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:

- a. 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.
- b. 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 earned. Interest on call accounts is booked based on the interest rates provided by the bank on a regular interval as and when changed. 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 and related purpose.

2.8 Expenses

All expenses are accounted on an accrual basis.

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 Investment Policy, 2022. 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, transaction charges, and any other charge customarily included in the broker's note.
- c. Equities which are traded frequently shall be valued at closing market price.
- d. Equities which are not traded frequently i.e. which are listed but not transacted for more than 30 days and trading has been suspended including merger and acquisition shall be valued at 180 days closing average price as provided by NEPSE. In case where 180 days closing average price of ordinary shares is not found in NEPSE, then price shall be taken at cost of acquisition or last found 180 days closing average price whichever is lower.
- e. In case of Promoter Shares, where 180 days closing average price is not found in NEPSE, then price shall be taken at 50% of the publicly traded share price for promoter shares that are not traded publicly and in case of publicly traded promoter share, price shall be taken at cost of acquisition or last found 180 days closing average price whichever is lower.

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Schedule: 12 - Significant Accounting Policies

- f. IPO investments are valued as advance for application amount till allotment at exact amount applied for. After allotment till listing or till trading is not commenced, 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 as discount factor. However, IPO issued at premium and through book building shall be valued at issue price and awarded bid price respectively.
- g. In case of right shares and auction shares, investments are valued as advance for application amount till allotment at exact amount applied for. Further, after allotment till listing, the valuation shall be done based on market price.
- h. In case of bonus shares, valuation shall be done based on market price after the book close date.
- i. Bonds, Debentures and Treasury Bills shall be valued at cost of acquisition.
- j. Bank Deposit is valued considering all the accrued interest for the period.
- k. Other market instruments/investments are valued at cost of acquisition.

2.10 Provisions

Provisions 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

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Siddhartha Equity Fund

Fund Manager & Depository: Siddhartha Capital Limited

As at Ashadh 32, 2079 (July 16, 2022)

Schedule: 13 - Notes to the Accounts

1 Unit Capital

S.No	Unit Ownership Detail	Percentage (%)	Unit Capital
1.1	Seed Unit Capital	15	225,000,000
1.2	Other Unit holders	85	1,275,000,000
	Total	100	1,500,000,000

2 Reserve and Surplus

Reserve and Surplus comprises of net realized income of NPR. 277,962,176 (NPR. Two Hundred Seventy-Seven Million Nine Hundred Sixty Two Thousand One Hundred Seventy-Six Only) and net unrealized loss of NPR. 139,621,261 (NPR. One Hundred Thirty-Nine Million Six Hundred Twenty One Thousand Two Hundred Sixty-One 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 by scheme itself 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 2079.

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

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Siddhartha Mutual Fund

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Siddhartha Equity Fund

Fund Manager & Depository: Siddhartha Capital Limited
As at Ashadh 32, 2079 (July 16, 2022)

Schedule: 13 - Notes to the Accounts

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.

Listed Equities Investments and Right/Bonus Shares yet to be Listed shown in Schedule 3 of Financial Statements have been valued using this method except mentioned in point no. 7(ii) below.

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.

The following stocks shown in Shown in Schedule -3 of Financial statements have been valued using this method:

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Siddhartha Mutual Fund

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

Siddhartha Equity Fund

Fund Manager & Depository: Siddhartha Capital Limited

As at Ashadh 32, 2079 (July 16, 2022)

Schedule: 13 - Notes to the Accounts

S.No.	Name of the Stock	Symbol
1	Global IME Bank Limited	GBIME
2	Prime Life Insurance Company Limited	PLIC
3	Nepal Bangladesh Bank Limited	NBB
4	Nepal Investment Bank Ltd. Promoter Share	NIBPO
5	Gurans Life Insurance Company Ltd.	GLICL
6	Mega Bank Nepal Ltd.	MEGA
7	Himalayan General Insurance Co. Ltd	HGI
8	Samaj Laghubitta Bittiya Sanstha Limited	SAMAJ
9	Bindhyabasni Hydropower Development Company Limited	-
10	Adarsha Laghubitta Bittiya Sanstha Limited	-
11	Nic Asia Flexi Cap Fund	-
12	Himalayan Hydropower Limited	-
13	Upper Solu Hydro Electric Company Limited	-
14	Upper Hewakhola Hydropower Company Ltd	-
15	Swet-Ganga Hydropower & Construction Limited	-
16	Rapti Hydro & General Construction Limited	-
17	Mandakini Hydropower Limited	-

Valuation methods prescribed in Siddhartha Mutual Fund Investment Policy, 2022 has also been considered while valuing the stock in Level 1, 2 or 3. Valuation method of Siddhartha Mutual Fund Investment Policy, 2022 has been mentioned in point no. 2.9 of Significant Accounting Policies (Note - 12 to the Financial Statements)

8 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 fund management and depository fee has been calculated at the rate of 1.50% and 0.20% p.a. respectively for FY 2077/78. The total fees charged are as follows:

Fund Management Fee	Depository Fee	Supervisor Fee
NPR. 30,477,371	NPR. 4,063,650	NPR. 1,317,488

9 Reconciliation Status

The Bank Account has duly been reconciled.

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Siddhartha Mutual Fund

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

Siddhartha Equity Fund

Fund Manager & Depository: Siddhartha Capital Limited

As at Ashadh 32, 2079 (July 16, 2022)

Schedule: 13 - Notes to the Accounts

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

S.No	Sector	Investment for FY 2078/79		Investment for FY 2077/78
		Amount	%	%
1	Commercial Banks	534,423,239	41%	42%
2	Development Banks	58,467,363	5%	4%
3	Finance Companies	-	0%	0%
4	Hotels	6,528,899	1%	0%
5	Hydro Power	80,445,926	6%	2%
6	Life Insurance	167,837,901	13%	16%
7	Manufacturing and Processing	67,622,240	5%	1%
8	Microfinance	243,519,328	19%	20%
9	Mutual Funds	2,500,000	0%	0%
10	Non-life Insurance	93,111,283	7%	8%
11	Others	41,478,390	3%	5%
	Total	1,295,934,569	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 capital, realized and unrealized gain), notwithstanding net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily changes in Market Price of Share at Nepal Stock Exchange.

NAV as on the reporting date is 10.92.

12 Distributions

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

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Siddhartha Mutual Fund
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Siddhartha Equity Fund
Fund Manager & Depository: Siddhartha Capital Limited
As at Ashadh 32, 2079 (July 16, 2022)

Schedule: 13 - Notes to the Accounts

13 Related Party Transaction:
Related Parties

- a. Fund Sponsor: Siddhartha Bank Limited
- b. Fund Manager and Depository: Siddhartha Capital Limited, a subsidiary of the
- 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
- 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
 - 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. 150,000,000 (NRR. One Hundred Fifty Million Only).
- ii. Siddhartha Equity Fund have earned interest amounting to NPR. 1,228,595 (NPR. One Million Two Hundred Twenty-Eight Thousand Five Hundred Ninety-Five Only) from Siddhartha Bank Limited.
- iii. Fund Management and Depository Fee incurred by Siddhartha Equity Fund to Siddhartha Capital Limited amounts to NPR. 34,541,021 (NPR. Thirty-Four Million Five Hundred Fourty One Thousand Twenty One Only).
- iv. Supervisor Fee incurred by Siddhartha Equity Fund to Fund Supervisors amounts to NPR. 1,317,488 (NPR. One Million Three Hundred Seventeen Thousand Four Hundred Eighty Eight Only).



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Siddhartha Equity Fund

Fund Manager & Depository: Siddhartha Capital Limited

As at Ashadh 32, 2079 (July 16, 2022)

Schedule: 13 - Notes to the Accounts

Detail of transaction is as below:

S.No	Name	Amount (NPR.)
1	Dr. Ram Krishna Timilsina	313,688
2	Mr. Radha Krishna Poudel	250,950
3	Mr. Pratap Prasad Pradhan	250,950
4	Mr. Bishwo Prakash Pandit	250,950
5	Mr. Surya Prasad Bhandari	250,950
	Total	1,317,488

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

14. Regrouping/rearrangement of Previous year's figures

Previous year's figures have been regrouped/rearranged wherever necessary. Accordingly provision for doubtful debt has been regrouped from current liabilities to other financial assets.

15 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.

16 Contingent Liability

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

17 Proposed Dividend and Distribution

The Board of Directors of the fund management company, Siddhartha Capital Limited, held on August 10 2022 has proposed 9% dividend (including tax) on unit capital of the fund amounting to NPR.135,000,000 (NPR. One Hundred Thirty-Five Million Only) from net realized gain up to F/Y 2078/79.

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