



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 32nd Ashad, 2079, and the statement of comprehensive income, 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 32nd Ashad, 2079 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.

Emphasis of Matter

We draw attention that no income tax provision has been made for this unit on the basis of circular issued to similar nature entity by Income tax office on 2070/07/14.

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.

Auditor's Responsibility

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.
Partner

10th August 2022
Kathmandu, Nepal

UDIN: 220816CA00125BYDYw

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 32, 2079 (July 16, 2022)

ASSETS	Schedule	Current Period NPR	Previous Period NPR
Cash & Cash Equivalents	1	132,862,160	364,106,150
Other Financial Assets	2	9,154,275	33,583,063
Financial Assets at Fair Value through Profit/Loss	3	1,042,238,969	1,627,598,514
Financial Assets at Amortized Cost	4	144,002,959	113,312,287
Total Assets		1,328,258,363	2,138,600,014

EQUITY AND LIABILITIES	Schedule	Current Period NPR	Previous Period NPR
Liabilities			
Current Liabilities	5	6,417,922	9,518,101
Total Liabilities		6,417,922	9,518,101
Equity			
Unit Holder's Capital	6	1,200,000,000	1,200,000,000
Reserves and Surplus	7	121,840,441	929,081,913
Total Equity		1,321,840,441	2,129,081,913
Total Capital & Liabilities		1,328,258,363	2,138,600,014
NAV Per Unit		11.02	17.74

Significant Accounting Policies	12
Notes to Accounts	13


Schedules 1 to 13 form Integral part of Financial Statements

On Behalf of Siddhartha Capital Limited
(Fund Management Company)


Mukti Nath Subedi
Head, Finance & Operations


Sandeep Karki
Acting Chief Executive Officer


Rahul Agrawal
Director


Sher Bahadur Budhathoki
Director


Mohit Kedia
Chairman


Rishi Raj Gautam
Independent Director


Kiran Thapa
Independent Director

 **Siddhartha Capital Limited**
Investing happiness

As per our attached report of even date
On Behalf of M.G.S. & Associates,
Chartered Accountants


Mahesh Kumar Guragain, FCA
Senior Partner

Date: August 10, 2022
Place: Kathmandu, Nepal

UDIN: 220816CA00125B40Yw

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, 2078 to Ashadh 32, 2079

Particular	Schedule	Current Period NPR	Previous Period NPR
1. Income		239,551,466	451,780,844
1.1 Realised Income	8	239,416,837	451,586,416
1.2 Unrealised Income	9	134,629	194,428
2. Expenses		30,184,584	31,479,664
2.1 Annual Regular Expenses	10	30,184,584	31,479,664
Realised Profit / (Loss)		209,366,882	420,301,181
Net Unrealised Gain/(Loss) from Financial Assets Held at Fair Value through Profit or Loss (FVTPL)	11	(656,608,354)	439,392,641
Net Profit/ (Loss)		(447,241,472)	859,693,821

Schedules 1 to 13 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
Acting Chief Executive Officer

Rahul Agrawal

Rahul Agrawal
Director

Sher Bahadur Budhathoki

Sher Bahadur Budhathoki
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 M.G.S. & Associates,
Chartered Accountants

Manish Kumar Guragain

Manish Kumar Guragain, FCA
Senior Partner



Date: August 10, 2022
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

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	159,446,682	73,856,446
1. Cash Receipts	239,551,466	451,780,844
1.1 Interest Income from Financial Asset at Amortized Cost	14,121,162	17,309,936
1.2 Dividend Income from Financial Assets at FVTPL	3,662,526	5,766,863
1.3 Unrealised Income	134,629	194,428
1.4 Interest Income from Financial Asset at FVTPL	221,619,036	428,500,855
1.5 Other Income	14,114	8,763
2. Cash Payments	30,184,584	31,479,664
2.2 Annual Regular Expenses	30,184,584	31,479,664
Cash Flows before Changes in Working Capital	209,366,882	420,301,181
(Increase)/Decrease in Current Assets & Securities	(46,820,021)	(343,826,148)
Increase/(Decrease) in Current Liabilities	(3,100,179)	(2,618,587)
B. Cash Flows From Investing Activities	(30,690,672)	51,111,487
1. (Increase)/Decrease in Investments	(30,690,672)	51,111,487
C. Cash Flows from Financing Activities	(360,000,000)	(60,000,000)
1. Increase/(Decrease) in Unit Holder's Capital	-	-
2. Dividend Paid	(360,000,000)	(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)	(231,243,989)	64,967,933
G. Opening Cash and Bank Balance	364,106,150	299,138,217
H. Closing Cash and Bank Balance	132,862,160	364,106,150

On Behalf of Siddhartha Capital Limited
(Fund Management Company)



Mukti Nath Subedi
Head, Finance & Operations


Sandeep Karki
Acting Chief Executive Officer


Rahul Agrawal
Director


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Director


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Chairman


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As per our attached report of even date
On Behalf of M.G.S. & Associates,
Chartered Accountants


Mahesh Kumar Guragain, FCA
Senior Partner



Date: August 10, 2022
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

Statement of Change in Unit Holder's 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	1,200,000,000	33,886,588	95,501,503	1,329,388,091
Adjustments				
Adjusted balance as on Shrawan 1, 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		(60,000,000)		(60,000,000)
Dividend Paid of Last Year				-
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
Balance as on Shrawan 1, 2078	1,200,000,000	394,187,769	534,894,144	2,129,081,913
Adjustments				
Adjusted balance as on Shrawan 1, 2078	1,200,000,000	394,187,769	534,894,144	2,129,081,913
Net Profit (Loss) During the year		209,366,882	(656,608,354)	(447,241,472)
Issue of Unit Capital				-
Amount transferred to general Reserve				-
Dividend Paid of Last Year				-
Capital Reserve Fund		(360,000,000)		(360,000,000)
Unit Advance				-
Balance as at Asadh 32, 2079	1,200,000,000	243,554,651	(121,714,210)	1,321,840,441

On Behalf of Siddhartha Capital Limited
(Fund Management Company)

Mukti Nath Subedi
Mukti Nath Subedi
Head, Finance & Operations

Rahul Agrawal
Rahul Agrawal
Director

Rishi Raj Gautam
Rishi Raj Gautam
Independent Director

Kiran Thapa
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Independent Director

Sandeep Karki
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Acting Chief Executive Officer

Mohit Kedia
Mohit Kedia
Chairman



Maresh Kumar Gulagain
Maresh Kumar Gulagain, FCA
Senior Partner

As per our attached report of even date
On Behalf of M.G.S. & Associates,
Chartered Accountants

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 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	132,862,160	-	-	132,862,160	364,106,150
a. Call Accounts	132,862,160	-	-	132,862,160	364,106,150
At Siddhartha Bank Limited	84,973,139	-	-	84,973,139	43,688,540
At Civil Bank Limited	475,618	-	-	475,618	464,920
At Shine Resunga Development Bank Limited	26,075,522	-	-	26,075,522	50,813,306
At Kamana Sewa Bikas Bank Limited	917,365	-	-	917,365	123,859
At Garima Bikas Bank Limited	425,307	-	-	425,307	35,377,665
At Mega Bank Nepal Limited	376,326	-	-	376,326	1,784,586
At Mahalaxmi Bikas Bank Limited	1,336,598	-	-	1,336,598	459,259
At Global IME Bank Limited	21,618	-	-	21,618	685,134
At Jyoti Bikash Bank Limited	669,532	-	-	669,532	31,784,917
At Kumari Bank Limited	24,933	-	-	24,933	64,779
At Prime Commercial Bank Limited	110,073	-	-	110,073	104,540
At Citizens Bank International Limited	40,244	-	-	40,244	13,523,744
At Shangri-La Development Bank	346,786	-	-	346,786	132,765,329
At NICA Aisa Bank Limited	236,818	-	-	236,818	14,194,585
At Muktinath Bikash Bank Limited	16,818,580	-	-	16,818,580	38,270,987
At Everest Bank Limited	13,700	-	-	13,700	-
Total	132,862,160	-	-	132,862,160	364,106,150

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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 32, 2079 (July 16, 2022)

Schedule 2: Other Financial Assets

Particulars	Current Period NPR	Previous Period NPR
Amount receivable from Brokers	4,172,226	25,857,307
Dividend Income Receivable	174,749	187,156
IPO/Auction/Right	4,807,300	1,538,600
Other Receivable	-	6,000,000
Total	9,154,275	33,583,063

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Siddhartha Investment Growth Scheme -2
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	Value in NPR
A	Listed Equities Investments		2,226,211		1,030,001,439	1,152,293,672	1,903,254	1,612,782,185	1,085,012,676
1	Bottlers Nepal (Teral) Limited	BNT	555	13,000	7,215,000	3,468,654	555	5,695,410	3,468,654
2	Chhimek Ladhubbitta Bikas Bank Limited	CBBL	43,275	1,100	47,602,500	49,285,325	70,368	122,299,584	101,579,219
3	Chilime Hydropower Company Limited	CHCL	11,548	408	4,711,584	5,317,533	7,577	5,205,399	2,621,039
4	Everest Bank Limited	EBL	10,600	439	4,653,400	7,096,297	15,822	11,676,636	10,269,909
5	Garima Bikas Bank Limited	GBBL	25,685	387	9,940,095	9,867,813	12,685	6,900,640	2,312,291
6	Global JME Bank Limited	GBLME	64,743	314	20,307,937	14,774,407	90,294	39,819,654	22,235,919
7	Himalayan Distillery Limited	HDL	4,370	3,410	14,901,700	15,678,413	500	2,756,000	2,056,483
8	ICFC Finance Limited	ICFC		-			11,099	7,103,360	1,738,942
9	Kumari Bank Limited	KBL	33,325	191	6,365,075	7,045,392	-	-	-
10	Laxmi Bank Limited	LBL	19,960	199	3,972,040	6,291,506	-	-	-
11	Life Insurance Co. Nepal Limited	LICN	37,597	1,415	53,199,755	48,529,027	33,174	77,693,508	49,573,568
12	Machhapouchhre Bank Limited	MBL	13,227	254	3,359,658	4,559,865	7,723	2,973,355	1,755,366
13	Maharajm Bikas Bank Limited	MLBL	12,000	378	4,536,000	6,272,196	-	-	-
14	Mega Bank Nepal Limited	MEGA	43,233	256	11,086,671	13,268,458	20	7,320	5,906
15	Muktinath Bikas Bank Limited	MNBBL	25,000	440	10,997,500	7,530,432	33,808	22,211,856	8,812,322
16	NABIL Bank Limited	NABIL	36,739	824	30,272,936	17,320,017	54,089	73,506,951	34,067,239
17	National Life Insurance Co. Limited	NLICL	61,092	577	35,250,084	59,298,181	74,643	85,914,093	86,217,743
18	Neco Insurance Co. Limited	NIL	48,791	694	33,860,954	44,711,747	30,931	41,694,988	30,305,491
19	Nepal Bandladesh Bank Limited	NBB	36,176	421	15,246,618	15,246,616	-	-	-
20	Nepal Bank Limited	NBL	70,365	298	20,968,770	15,870,361	108,450	48,043,350	27,477,036
21	Nepal Doorsanchar Comapany Limited	NTC	11,147	879	9,797,098	7,355,363	45,498	59,784,372	36,026,066
22	Nepal Investment Bank Ltd. Promoter Share	NIBPO	5,665	288	1,628,744	1,664,287	5,031	2,019,192	1,664,287
23	Nepal Life Insurance Co. Limited	NLIC	41,938	747	31,327,686	50,104,940	39,293	75,403,267	53,704,435
24	Nepal Reinsurance Company Limited	NRIC	8,880	735	6,526,800	4,924,389	27,198	43,353,612	7,103,116
25	NIC Asia Bank Limited	NICA	125,606	696	87,421,776	81,221,724	157,150	156,207,100	90,400,114
26	NIC Asia Ladhubbitta Bittiva Sanstha Limited	NICLSL	10,458	860	8,992,834	9,914,226	3,731	5,764,395	373,100
27	Nirdhan Utthan Bank Limited	NUBL	43,210	1,099	47,487,790	46,014,989	59,350	94,960,000	81,591,522
28	NMB Bank Limited	NMB	90,907	261	23,726,727	32,725,622	90,298	39,731,120	36,569,788
29	Prabhu Bank Limited	PRVU	211,490	207	43,778,430	54,851,665	126,759	99,058,863	62,964,389
30	Prime Commercial Bank Limited	PCBL	145,000	265	38,425,000	41,465,103	214,013	59,062,888	39,062,888
31	Rural Microfinance Development Centre Limited	RMDC	36,364	838	30,473,032	34,403,201	26,481	36,358,413	26,279,480
32	Sana Kisan Bikas Bank Limited	SKBBL	21,098	1,065	22,469,370	12,374,741	25,642	42,052,880	18,800,308
33	Sanima Bank Limited	SANIMA	187,396	276	51,721,296	56,369,364	157,058	76,173,130	50,908,395
34	Santien Jalavidhyut Company Limited	SJCL	1	260		194	1	449	194
35	Shikhar Insurance Co. Limited	SICL	17,002	807	13,720,614	14,085,850	28,535	55,700,320	26,615,178
36	Shine Resunda Development Bank Limited	SHINE	35,494	295	10,467,181	11,231,011	24,600	10,996,200	5,000,317
37	Shree Investment Finance Company Limited	SIFC	-	-	-	-	19,150	9,364,350	2,722,990
38	Soalte Hotel Limited	SHL	-	-	-	-	8,000	2,096,000	1,382,710
39	Standard Chartered Bank Limited	SCB	22,497	396	8,915,561	11,700,286	20,652	12,184,680	11,934,832
40	Sunrise Bank Limited	SRLB	57,586	207	11,920,302	20,502,761	-	-	-

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Siddhartha Capital Limited
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Siddhartha Investment Growth Scheme -2
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	Stock Qty	Per Unit Price	Current Period Value in NPR	Cost in NPR	Stock Qty	Per Unit Price	Previous Period Value in NPR	Cost in NPR
41	Swabalambar Bikas Bank Limited	SWBBL	6,976	1.169	8,154.944	7,498.399	7,424	1.659	12,316.416	4,580.913
42	Uniliver Nepal Limited	UNL	130	18.360	2,386.800	2,520.954	130	19.395	2,521.350	2,520.954
43	Deprosco Lachubitta Bittiya Sanstha Limited	DBBL	-	-	-	-	309	1.686	520.974	521.771
44	Oriental Hotels Limited	OHL	13,500	483	6,520.500	6,832.623	2,391	654	1,563.714	889.396
45	Samaj Lachubitta Bittiya Sanstha Limited	SAMAJ	195	100	19,500	19,500	195	100	19,500	19,500
46	Kamari Sewa Bikas Bank Limited	KSBBL	-	-	-	-	27,639	580	16,030.620	5,672.477
47	Premier Insurance Co. Limited	PIC	28,774	576	16,573.824	32,551.078	21,770	1,170	25,470.900	29,258.592
48	Gurans Life Insurance Company Limited	GLICL	16,576	611	10,127.770	9,973.213	18,170	759	13,791.030	11,821.088
49	Asian Life Insurance Co. Limited	ALICL	18,625	574	10,690.750	17,388.136	20,488	1,348	27,617.824	22,800.279
50	Mountain Energy Nepal	MEN	4,500	800	3,600.000	5,018.693	3,643	890	3,242.270	364.300
51	Century Commercial Bank Limited	CCBL	121,638	183	22,259.754	29,320.838	128,445	291	37,377.495	32,781.489
52	Nerude Lachubitta Bikas Bank Limited	NLBBL	10,934	880	9,621.920	15,040.050	9,000	1,600	14,400.000	15,040.050
53	Surva Life Insurance Company Limited	SLICL	-	-	-	-	8,750	922	8,067.500	7,397.871
54	Prime Life Insurance Company Limited	PLIC	9,970	712	7,103.525	8,799.075	3,000	954	2,862.000	3,007.697
55	CEDB Hydropower Development Company Limited	CHDC	6,020	730	4,394.600	5,107.580	4,722	619	2,922.918	472.200
56	Lumbini Bikas Bank Limited	LBBL	29,502	341	10,060.182	15,625.184	17,000	585	9,945.000	10,262.867
57	Citizen Bank International Limited	CZBIL	21,369	203	4,327.223	6,171.301	-	-	-	-
58	Saaramatha Insurance Co. Ltd.	SIC	7,262	870	6,317.940	7,869.667	-	-	-	-
59	Himalayan General Insurance Co. Ltd	HGI	2,133	672	1,432.757	1,710.074	-	-	-	-
60	Jeevan Bikas Lachubitta Bittiya Sanstha Limited	JBLB	5,817	2,699	15,700.083	342.200	-	-	-	-
61	Manakamana Smart Lachubitta Bittiya Sanstha	MLB	787	947	745.289	67.300	-	-	-	-
62	Shivam Cements Limited	SHVM	22,594	760	17,171.440	30,094.929	-	-	-	-
63	Manushi Lachubitta Bittiya Sanstha Limited	MLBS	503	1,002	504.006	50.300	-	-	-	-
64	Sanima Mai Hydropower Ltd.	SHPC	11,900	306	3,641.400	4,890.495	-	-	-	-
65	Chhavanadi Hydropower Company Limited	CHL	3,500	250	875.000	1,380.459	-	-	-	-
66	Kalika Power Company Limited	KPL	7,800	372	2,901.600	3,799.677	-	-	-	-
67	Nagadi Group Power Limited	NGPL	13,564	297	4,028.508	8,603.848	-	-	-	-
68	Global IME Lachubitta Bittiya Sanstha Limited	GILB	1,335	1,299	1,734.165	2,236.994	-	-	-	-
69	Api Power Company Limited	API	21,602	245	5,281.689	8,249.414	-	-	-	-
70	Arun Kabeli Power Limited	AKPL	2,000	459	918.000	1,028.923	-	-	-	-
71	Mountain Hydro Nepal Limited	MHNL	29,700	272	8,078.400	8,553.380	-	-	-	-
72	Citizen Investment Trust	CIT	4,629	2,515	11,641.935	14,045.610	-	-	-	-
73	Salt Trading Corporation Limited	STC	176	3,950	695.200	1,088.618	-	-	-	-
74	Himalayan Power Partner Ltd.	HPPL	40,703	322	13,106.366	19,958.303	-	-	-	-
75	Liberty Energy Company Limited	LEC	31,809	250	7,945.888	12,283.557	-	-	-	-
76	National Hydro Power Company Limited	NHPC	39,905	240	9,577.200	13,179.673	-	-	-	-
77	Rastra Uthhan Lachubitta Bittiya Sanstha Limited	RULB	1,133	926	1,049.158	113.300	-	-	-	-
78	Jaipia Samudayik Lachubitta Bittiya Sanstha Limited	JALPA	696	2,318	1,613.328	69.600	-	-	-	-

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Siddhartha Capital Limited
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 M.G.S. & ASSOCIATES
 Chartered Accountants
 Kathmandu

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 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
79	Nesdo Sambridha Laghubitta Bittiya Sanstha Limited	NESDO	1,105	2,280	2,519,400	110,500	-	-	-	-
80	Upakar Laghubitta Bittiya Sanstha Limited	ULBSL	315	2,699	850,185	31,500	-	-	-	-
81	CYC Nepal Laghubitta Bittiya Sanstha Limited	CYCL	527	1,698	894,951	52,700	-	-	-	-
82	River Falls Power Limited	RFPL	1,000	222	222,000	100,000	-	-	-	-
83	Forward Community Microfinance Bittiya Sanstha Ltd.	FORWARD	1,400	2,385	3,339,000	3,343,088	-	-	-	-
84	Dordi Khola Hydropower Company Limited	DORDI	2,927	309	905,028	292,700	-	-	-	-
85	Jyoti Bikas Bank Limited	JBBL	10,660	302	3,221,452	4,538,282	-	-	-	-
B	IPO Equities Investments		267,458		4,075,717	4,245,800	15,641		5,172,829	1,564,100
1	Bindhyabasini Hydropower Development Company Limited		2,000	141	281,860	200,000				
2	Dordi Khola Hydropower Company Limited		90	162	14,609	9,000				
3	Adarsha Laghubitta Bittiya Sanstha Limited		250,000	10	2,500,000	2,500,000				
4	Kumari Dhanabridhi Yoiana		2,624	71	185,071	262,400				
5	Himalayan Hydropower Limited		2,610	98	256,406	261,000				
6	Upper Solu Hydro Electric Company Limited		2,000	95	190,800	200,000				
7	Upper Hewakhola Hydropower Company Limited		3,186	87	276,099	318,600				
8	Swet-Ganga Hydropower & Construction Limited		3,380	76	256,643	338,000				
9	Rapti Hydro & General Construction Limited		1,568	73	114,229	156,800				
10	Jeevan Bikas Laghubitta Bittiya Sanstha Limited						3,422	1,006	3,443,216	342,200
11	Manakamana Smart Laghubitta Bittiya Sanstha						673	513	345,444	67,300
12	Union Life Insurance Company Limited						10,366	120	1,242,261	1,036,600
13	Mallung Khola Jal Vidhyut Company Limited						1,180	120	141,907	118,000
C	Unlisted Equities Investments		18,441		8,161,813	7,413,707	6,850		9,643,500	6,127,595
1	Hydroelectricity Investment and Development Company Limited	HIDCL	8,000	200	1,600,000	1,859,259	-	-	-	-
2	Kailika Power Company Limited	KPCL	1,170	372	435,240	569,951	-	-	-	-
3	Garima Bikas Bank Limited	GBBL	4,110	387	1,590,570	1,579,004	-	-	-	-
4	Nepal Doorsanchar Company Limited	NTC	5,161	879	4,536,003	3,405,493	-	-	-	-
5	ICFC Finance Limited						1,500	1,659	2,488,500	925,562
6	Nerude Laghubitta Bittiya Sanstha Limited						100	780	78,000	58,203
7	Sunrise Bank Limited						5,250	1,348	7,077,000	5,143,831
Grand Total			2,512,110		1,042,238,969	1,163,953,179	1,925,745		1,627,598,514	1,092,704,371

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Kathmandu
Chartered Accountant

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 32, 2079 (July 16, 2022)

Schedule 4: Financial Assets at Amortized Cost

Particulars	Current Period NPR	Previous Period NPR
Investment in Fixed Deposits	120,000,000	80,000,000
Investment in Bond and Debenture	23,992,000	33,302,014
Interest Income Receivable	10,959	10,274
Total	144,002,959	113,312,287

Schedule 4(A): Investment in Fixed Deposits

Particulars	Current Period NPR	Previous Period NPR
Muktinath Bikas Bank Limited	35,000,000	-
ICFC Finance Limited	20,000,000	-
Shine Resunga Development Bank Limited	10,000,000	-
Mahalaxmi Bikas Bank Limited	20,000,000	-
Siddhartha Bank Limited	10,000,000	-
Kamana Sewa Bikas Bank Limited	20,000,000	-
Garima Bikas Bank Limited	5,000,000	-
Mega Bank Nepal Limited	-	80,000,000
Total	120,000,000	80,000,000

Schedule 4(B): Investment in Bond & Debenture

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
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
10% Prime Debenture 2088	5,000,000	-
Total	23,992,000	33,302,014

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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 32, 2079 (July 16, 2022)

Schedule 5: Current Liabilities

Particulars	Current Period NPR	Previous Period NPR
TDS Payables	132,554	185,281
Fund Manager, Depository and Supervisor Payable	6,169,539	9,216,846
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	6,417,922	9,518,101

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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 32, 2079 (July 16, 2022)

Schedule 6: Unit Holder's Capital

Particulars	Current Period NPR	Previous Period NPR
Seed Capital Investment of Siddhartha Bank Limited	210,000,000	210,000,000
Seed Capital 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

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	121,840,441	929,081,913
4.1. Realised Profit / Loss	243,554,651	394,187,769
4.2. Unrealised Profit / Loss	(121,714,210)	534,894,144
Total	121,840,441	929,081,913

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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
For the period from Shrawan 1, 2078 to Ashadh 32, 2079

Schedule 8: Realised Income

Particulars	Current Period NPR	Previous Period NPR
Interest Income from Financial Asset at Amortized Cost	14,121,162	17,309,936
Dividend Income from Financial Assets at Fair value through Profit or Loss	3,662,526	5,766,863
Net Gain/Loss from Financial Assets at Fair value through Profit or Loss	221,619,036	428,500,855
Other Income	14,114	8,763
Total	239,416,837	451,586,416

Schedule 9: Unrealised Income

Particulars	Current Period NPR	Previous Period NPR
Dividend Income Accrued	123,670	184,154
Interest Income Accrued	10,959	10,274
Total	134,629	194,428

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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
For the period from Shrawan 1, 2078 to Ashadh 32, 2079

Schedule 10: Annual Regular Expenses

Particulars	Current Period NPR	Previous Period NPR
NEPSE Listing Fee	50,000	50,000
Credit Rating Expenses	302,656	-
AMC of Software	20,000	20,000
Reporting Expenses	165,886	150,098
Scheme Audit Fee	84,750	84,750
Fund Management & Depository Fee	28,215,548	29,783,295
Fund Supervisor Fee	1,075,826	1,124,597
Other Expenses	20,478	26,524
PCS Software Annual Charge	99,440	90,400
Total	30,184,584	31,479,664

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	(122,292,233)	527,769,510
Less: Unrealised income upto previous year	534,894,144	95,501,503
2. IPO/Right/Bonus Value Appreciation	578,023	7,124,634
Total	(656,608,354)	439,392,641

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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 32, 2079 (16 July 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 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 2078/79 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 10, 2022.

SIGS-2 has obtained withholdee PAN on Poush 2, 2078 and its PAN number is 201386907.

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	84,973,139
Civil Bank Limited	475,618
Shine Resunga Development Bank Limited	26,075,522
Kamana Sewa Bikas Bank Limited	917,365
Garima Bikas Bank Limited	425,307
Mega Bank Nepal Limited	376,326
Mahalaxmi Bikas Bank Limited	1,336,598
Global IME Bank Limited	21,618
Jyoti Bikash Bank Limited	669,532
Kumari Bank Limited	24,933
Prime Commercial Bank Limited	110,073
Citizens Bank Intentional Limited	40,244
Shangri-La Development Bank Limited	346,786
NICA Aisa Bank Limited	236,818
Mukthinath Bikas Bank Limited	16,818,580
Everest Bank Limited	13,700
Total	132,862,160

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

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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 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.

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

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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 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.
- 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 shall be valued considering all the accrued interest for the period.
- k. Other market instruments/investments are valued at cost of acquisition.

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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 32, 2079 (16 July, 2022)

Schedule: 13 - Notes to the Accounts

1 Unit Holder's Capital

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. 243,554,651 (NPR. Two Hundred Forty-Three Million Five Hundred Fifty-Four Thousand Six Hundred Fifty-One Only) and net unrealized loss of NPR. 121,714,210 (NPR. One Hundred Twenty-One Million Seven Hundred Fourteen Thousand Two Hundred Ten 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 2079.

5 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.

6 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:

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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.

7 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. 24,896,072	NPR. 3,319,476	NPR. 1,075,826

8 Reconciliation Status

The Bank Account has duly been reconciled.












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

Sector	Investment this FY		% Investment for Previous FY
	Amount	%	%
Commercial Banks	410,357,917	39%	40%
Development Banks	50,812,980	5%	4%
Finance Companies	-	0%	1%
Hotels	6,520,500	1%	0%
Hydro	67,618,810	6%	1%
Life Insurance	147,699,571	14%	18%
Manufacturing And Processing	41,674,940	4%	0%
Microfinance	206,271,456	20%	21%
Non-Life Insurance	71,906,089	7%	11%
Others	39,376,707	4%	4%
Total	1,042,238,969	100%	100%

10 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.

NAV as on reporting date is NPR. 11.02.

11 Distributions

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

12 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

Signature

Signature



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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 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. 964,766.73 (NPR. Nine Hundred Sixty-Four Thousand Seven Hundred Sixty-Six & 73/100 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. 28,215,548 (NPR. Twenty-Eight Million Two Hundred Fifteen Thousand Five Hundred Forty-Eight Only).
- v. Supervisor Fee incurred by Siddhartha Investment Growth Scheme 2 to Fund Supervisors amounts to NPR. 1,075,826 (NPR. One Million Seventy-Five Thousand Eight Hundred Twenty-Six Only). Detail of transaction is as below:

Name	Amount (NPR.)
Dr. Ram Krishna Timilsina	256,149
Mr. Radha Krishna Poudel	204,919
Mr. Pratap Prasad Pradhan	204,919
Mr. Bishwo Prakash Pandit	204,919
Mr. Surya Prasad Bhandari	204,919
Total	1,075,826

13 Reporting

14 Contingent Liability

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15 Proposed Dividend and Distribution

The Board of Directors of the fund management company, Siddhartha Capital Limited, held on August 10, 2022 has proposed 10% dividend (including tax) on unit holder's fund, amounting to NPR.120,000,000 (NPR. One Hundred Twenty Million only) from net realized profit up to F/Y 2078/79.

On Behalf of Siddhartha Capital Limited (Fund Management Company)

Mukti Nath Subedi

Mukti Nath Subedi
Head, Finance and Operations

Sandeep Karki

Sandeep Karki
Acting Chief Executive
Officer



**Siddhartha
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Rahul Agrawal

Rahul Agrawal
Director

Sher Bahadur Budhathoki

Sher Bahadur Budhathoki
Director

Mohit Kedia

Mohit Kedia
Chairman

Rishi Raj Gautam

Rishi Raj Gautam
Independent Director

As per our attached report of even date
**On Behalf of M.G.S. & Associates,
Chartered Accountants**

Kiran Thapa

Kiran Thapa
Independent Director

Manesh Kumar Guragain

Manesh Kumar Guragain, FCA
Senior Partner



Date: August 10, 2022
Place: Kathmandu, Nepal