



**Siddhartha Equity Fund**  
Fund Manager: Siddhartha Capital Limited

**Audited Financial Statements**

Financial Year: 2079/80

**Auditors:**  
**N. B. S. M. & Associates**  
Chartered Accountants  
Member of Moore Global

## **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 31, 2080 [July 16, 2023] 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 31, 2080 (July 16, 2023) 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
<p><b>1. Investment Valuation</b></p> <p>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.</p> <p>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.</p>	<p>Our audit approach regarding valuation of investment, impairment, its accounting included:</p> <ol style="list-style-type: none"> <li>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.</li> <li>We ensured the correctness of the valuation of investment valued at amortized costs through sample verification of effective interest rate and amortization schedule.</li> <li>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 31.03.2080.</li> <li>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".</li> </ol>
<p><b>2. Compliances</b></p> <p>Mutual Fund requires to comply with the Securities Act 2063, Mutual Fund Regulation 2067, Mutual Fund Guidelines 2069.</p> <p>In view of significance of compliance that needs to be adhered, we have considered as key audit matters in our audit.</p>	<p>Our audit approach regarding compliance with various laws and regulations includes the following among other things::</p> <ol style="list-style-type: none"> <li>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).</li> <li>Ensured the fees related to Supervisor, Fund Manager and Depository read with Section 23 of the regulations has been complied with.</li> </ol>



## **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.

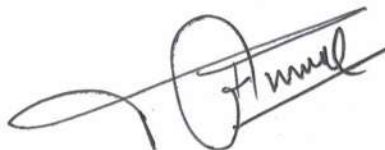
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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: 17/08/2023

Place: Kathmandu, Nepal

UDIN: 230820CA00432mpCbr

**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 31, 2080 (July 16, 2023)

In NPR

Particulars	Schedule	Current Year	Previous Year
<b>Assets</b>			
Cash & Cash Equivalents	1	191,752,991	146,175,813
Other Financial Assets	2	4,445,705	11,118,877
Financial Assets at Fair Value through Profit or Loss	3	1,204,684,682	1,295,934,569
Financial Assets at Amortized Cost	4	190,492,000	192,992,000
<b>Total</b>		<b>1,591,375,378</b>	<b>1,646,221,259</b>
<b>Liabilities</b>			
Current Liabilities	5	11,818,186	7,880,343
<b>Total Liabilities</b>		<b>11,818,186</b>	<b>7,880,343</b>
<b>Equity</b>			
Unit Holder's Capital	6	1,500,000,000	1,500,000,000
Reserves and Surplus	7	79,557,191	138,340,916
<b>Total Equity</b>		<b>1,579,557,191</b>	<b>1,638,340,916</b>
<b>Total</b>		<b>1,591,375,378</b>	<b>1,646,221,259</b>

<b>Net Assets Value (NAV) Per Unit</b>	<b>10.53</b>	<b>10.92</b>
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Significant Accounting Policies	12
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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)



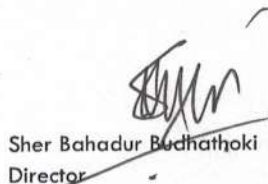
CA. Nil Bahadur Saru Magar, FCA  
Partner  
Date: August 17, 2023  
Place: Kathmandu, Nepal



Mohit Kedia  
Chairman



Rahul Agrawal  
Director



Sher Bahadur Budhathoki  
Director



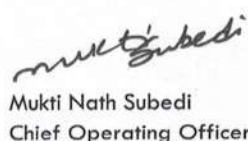
Rishi Raj Gautam  
Independent Director




Kiran Thapa  
Independent Director



Sandeep Karki  
Chief Executive Officer



Mukti Nath Subedi  
Chief Operating Officer



Rupesh Raut  
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, 2079 to Ashadh 31, 2080**

In NPR

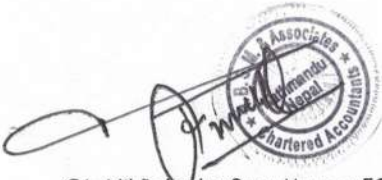
Particulars	Schedule	Current Year	Previous Year
<b>1. Realized Income</b>		<b>87,201,173</b>	<b>293,582,671</b>
1.1 Realised Income	8	87,201,173	293,582,671
<b>2. Expenses</b>		<b>27,566,090</b>	<b>36,807,819</b>
2.1 Annual Regular Expenses	9	27,566,090	36,807,819
<b>Realised Profit / (Loss)</b>		<b>59,635,083</b>	<b>256,774,852</b>
<b>3. Unrealised Dividend Income</b>	10	157,945	108,133
<b>4. Net Unrealised Gain/(Loss) from Financial Assets Held at Fair Value through Profit or Loss (FVTPL)</b>	11	16,423,247	(770,557,682)
<b>Net Profit/ (Loss)</b>		<b>76,216,275</b>	<b>(513,674,696)</b>

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)



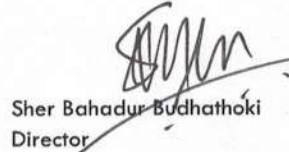
CA. Nil Bahadur Saru Magar, FCA  
Partner  
Date: August 17, 2023  
Place: Kathmandu, Nepal



Mohit Kedia  
Chairman



Rahul Agrawal  
Director



Sher Bahadur Budhathoki  
Director



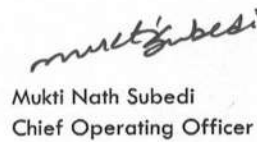
Rishi Raj Gautam  
Independent Director



Kiran Thapa  
Independent Director



Sandeep Karki  
Chief Executive Officer



Mukti Nath Subedi  
Chief Operating Officer



Rupesh Raut  
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

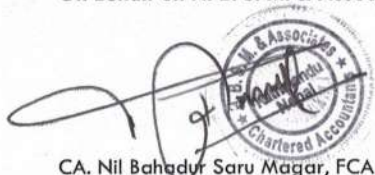
**Statement of Cash Flow**  
For the period from Shrawan 1, 2079 to Ashadh 31, 2080

		In NPR	
Particulars	Current Year	Previous Year	
<b>A. Cash Flows From Operating Activities</b>	<b>178,077,179</b>	<b>259,000,074</b>	
<b>1. Cash Receipts</b>	<b>87,359,118</b>	<b>293,690,804</b>	
1.1 Interest Income from Financial Asset at Amortized Cost	24,065,560	18,375,273	
1.2 Dividend Income from Financial Assets at FVTPL	11,415,104	5,359,586	
1.3 Unrealised Dividend Income	157,945	108,133	
1.4 Interest Income from Financial Asset at FVTPL	51,715,243	269,837,224	
1.5 Other Income	5,267	10,589	
<b>2. Cash Payments</b>	<b>27,566,090</b>	<b>36,807,819</b>	
2.1 Annual Regular Expenses	27,566,090	36,807,819	
<b>Cash Flows before Changes in Working Capital</b>	<b>59,793,028</b>	<b>256,882,986</b>	
<b>(Increase)/Decrease in Current Assets &amp; Securities</b>	<b>114,346,308</b>	<b>5,862,870</b>	
<b>Increase/(Decrease) in Current Liabilities</b>	<b>3,937,843</b>	<b>(3,745,781)</b>	
<b>B. Cash Flows From Investing Activities</b>	<b>2,500,000</b>	<b>(30,000,000)</b>	
1. (Increase)/Decrease in Investments	2,500,000	(30,000,000)	
<b>C. Cash Flows from Financing Activities</b>	<b>(135,000,000)</b>	<b>(450,000,000)</b>	
1. Increase/(Decrease) in Unit Holder's Capital	-	-	
2. Dividend Paid	(135,000,000)	(450,000,000)	
<b>D. Income/Expenses from changes in exchange rate on Cash and Bank Balances</b>	<b>-</b>	<b>-</b>	
<b>E. Net Cash Flow For The Year from all activities (A+B+C+D)</b>	<b>45,577,179</b>	<b>(220,999,926)</b>	
<b>F. Opening Cash and Bank Balance</b>	<b>146,175,813</b>	<b>367,175,738</b>	
<b>G. Closing Cash and Bank Balance</b>	<b>191,752,991</b>	<b>146,175,813</b>	

Schedules 1 to 13 form Integral part of Financial Statements

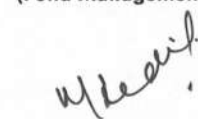
As per Attached Report of even date

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

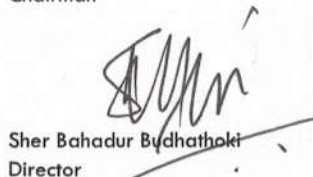


CA. Nil Bahadur Saru Magar, FCA  
Partner  
Date: August 17, 2023  
Place: Kathmandu, Nepal

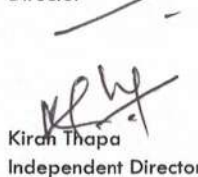
On Behalf of Siddhartha Capital Limited  
(Fund Management Company)



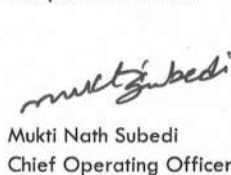
Mohit Kedia  
Chairman



Sher Bahadur Budhathoki  
Director



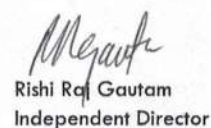
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Independent Director



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Chief Executive Officer



Rupesh Raut  
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, 2079 to Ashadh 31, 2080**

Particulars	Unit Holder's Capital	Realized Profit	Unrealized Profit	Total	In NPR
<b>Balance as at Shrawan 1, 2078</b>	<b>1,500,000,000</b>	<b>471,187,324</b>	<b>630,828,288</b>	<b>2,602,015,612</b>	
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	-	-	-	-	
Dividend Paid of Last Year	-	(450,000,000)	-	(450,000,000)	
Capital Reserve Fund	-	-	-	-	
Unit Advance	-	-	-	-	
<b>Balance as on Ashadh 32, 2079</b>	<b>1,500,000,000</b>	<b>277,962,176</b>	<b>(139,621,261)</b>	<b>1,638,340,916</b>	
<b>Balance as on Shrawan 1, 2079</b>	<b>1,500,000,000</b>	<b>277,962,176</b>	<b>(139,621,261)</b>	<b>1,638,340,916</b>	
Adjustments:					
Adjusted balance as on Shrawan 1, 2079	1,500,000,000	277,962,176	(139,621,261)	1,638,340,916	
Net Profit (Loss) During the year	-	59,635,083	16,581,192	76,216,275	
Issue of Unit Capital	-	-	-	-	
Amount transferred to general Reserve	-	-	-	-	
Dividend Paid of Last Year	-	(135,000,000)	-	(135,000,000)	
Capital Reserve Fund	-	-	-	-	
Unit Advance	-	-	-	-	
<b>Balance as at Ashadh 31, 2080</b>	<b>1,500,000,000</b>	<b>202,597,260</b>	<b>(123,040,069)</b>	<b>1,579,557,191</b>	

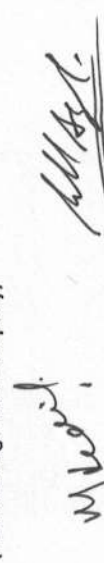
Schedules 1 to 13 form Integral part of Financial Statements


As per Attached Report of even date


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


  
CA. Nili Bahadur Saru Magar, FCA  
Partner  
Date: August 17, 2023  
Place: Kathmandu, Nepal


On Behalf of Siddhartha Capital Limited  
(Fund Management Company)


 Mohit Kedia  
Chairman


 Rahul Agrawal  
Director

 Sher Bahadur Bhattaraki  
Director

 Kiran Thapa  
Independent Director

 Mukti Nath Subedi  
Chief Operating Officer

 Sandeep Karki  
Chief Executive Officer

 Rupesh Raut  
Head, Finance & Operations



**Siddhartha Mutual Fund**  
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**Siddhartha Equity Fund**  
**Fund Manager & Depository: Siddhartha Capital Limited**  
**As at Ashadh 31, 2080 (July 16, 2023)**

**Schedule 1: Cash & Cash Equivalents**

Particulars	Local Currency NPR	Foreign Currency in Rs.		Current Year	Previous Year
		INR	Convertible Foreign Currency		
<b>1. Local Licensed Institutions</b>	<b>191,752,991</b>	-	-	<b>191,752,991</b>	<b>146,175,813</b>
<b>a. Call Accounts</b>	<b>191,752,991</b>	-	-	<b>191,752,991</b>	<b>146,175,813</b>
At Siddhartha Bank Limited	131,605,410	-	-	131,605,410	78,687,178
At Mahalaxmi Bikas Bank Limited	15,574,172	-	-	15,574,172	10,359,179
At Kumari Bank Limited	98,503	-	-	98,503	85,020
At Garima Bikas Bank Limited	3,942,647	-	-	3,942,647	606,444
At Himalayan Bank Limited	252,619	-	-	252,619	244,991
At Muktinath Bikas Bank Limited	4,679,926	-	-	4,679,926	658,866
At Shangri-la Development Bank Limited	5,767,812	-	-	5,767,812	2,719,904
At Jyoti Bikas Bank Limited	5,862,856	-	-	5,862,856	328,236
At Shree Investment and Finance Company Limited	5,465,712	-	-	5,465,712	23,414,167
At Shine Resunga Development Bank Limited	7,506,107	-	-	7,506,107	27,504,394
At Global IME Bank Limited	54,188	-	-	54,188	53,313
At Nepal Investment Mega Bank Limited	433,515	-	-	433,515	1,419,901
At NIC Asia Bank Limited	84,200	-	-	84,200	81,720
At Everest Bank Limited	17,840	-	-	17,840	12,501
At Reliance Finance Limited	297,959	-	-	297,959	-
At Manju Shree Finance Limited	10,109,526	-	-	10,109,526	-
<b>Total</b>	<b>191,752,991</b>	<b>-</b>	<b>-</b>	<b>191,752,991</b>	<b>146,175,813</b>











**Siddhartha Capital Limited**  
Investing happiness



**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 31, 2080 (July 16, 2023)**

**Schedule 2 : Other Financial Assets**

Particulars	In NPR	
	Current Year	Previous Year
Amount receivable from Brokers	219,829	4,846,690
Dividend Income Receivable	3,925,272	263,150
Less: Provision for doubtful dividend	(163)	(163)
Interest Income Receivable	300,766	-
IPO/Auction/Right Advance	-	6,009,200
<b>Total</b>	<b>4,445,705</b>	<b>11,118,877</b>

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**Siddhartha Capital Limited**  
Investing happiness

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




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

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**Siddhartha Equity Fund**  
Fund Manager & Depository: Siddhartha Capital Limited  
As at Ashadh 31, 2080 (July 16, 2023)

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

S.No.	Particulars	Symbol	Current Year			Cost in NPR	Stock Qty	Per Unit Price	Previous Year		Cost in NPR
			Stock Qty	Per Unit Price	Value in NPR				Value in NPR	Per Unit Price	
73	Ngadi Group Power Ltd.	NGPL	38,758	234	9,065,496	11,555,026	14,800	297	4,395,600		9,335,026
74	Kalika power Company Ltd	KPCL	11,845	355	4,204,975	4,981,964	8,875	372	3,301,500		4,292,712
75	Mahalaxmi Bikas Bank Ltd.	MLBL	12,480	326	4,062,240	6,283,760	12,000	378	4,536,000		6,283,760
76	Api Power Company Ltd	API	60,329	197	11,884,813	15,331,723	25,086	245	6,133,527		9,439,052
77	Arun Kabeli Power Ltd.	AKPL	5,000	235	1,172,500	1,473,988	5,500	459	2,524,500		2,854,912
78	Salt Trading Corporation	STC	1,469	4,899	7,196,631	5,884,775	330	3,950	1,303,500		2,038,641
79	Himalayan Power Partner Ltd.	HPPL	39,070	286	11,170,113	19,168,295	39,070	322	12,580,540		19,168,295
80	Liberty Energy Company Limited	LEC	29,370	245	7,180,965	11,381,756	29,370	250	7,336,626		11,381,756
81	National Hydro Power Company Limited	NHPC	75,275	178	13,391,423	19,121,881	59,759	240	14,342,160		19,782,408
82	Rastra Uthan Laghubitta Sansha Limited	RULB	-	-	-	-	1,417	926	1,312,142		1,41,700
83	Jalpa Samudayik Laghubitta Bittiya Sansha Limited	JALPA	-	-	-	-	870	2,318	2,016,660		87,000
84	NESDO Sambridha Laghubitta Bittiya Sansha Limited	NESDO	-	-	-	-	1,381	2,280	3,148,680		138,100
85	Upakar Laghubitta Bittiya Sansha Limited	ULBSL	-	-	-	-	394	2,699	1,063,406		39,400
86	CYC Nepal Laghubitta Bittiya Sansha Limited	CYCL	80	1,410	112,800	7,369	659	1,698	1,119,114		65,900
87	Dordi Khola Jal Bidyar Company Limited	DORDI	-	-	-	-	2,014	309	622,729		201,400
88	RSDC Laghubitta Bittiya Sansha Ltd.	RSDC	4,463	613	2,736,265	2,224,238	-	-	-		-
89	First Micro Finance Development Bank Ltd.	FMDBL	4,900	736	3,607,870	2,994,804	-	-	-		-
90	Nepal SBI Bank Limited	SBI	70,815	341	24,147,915	24,179,831	-	-	-		-
91	Nepal Insurance Co. Ltd.	NICL	10,000	820	8,200,000	5,726,320	-	-	-		-
92	Raswagadhi Hydropower Company Limited	RHPL	24,000	300	7,200,000	7,490,777	-	-	-		-
93	Suryajyoti Life Insurance Company Limited	SJLIC	20,474	610	12,489,140	15,010,810	-	-	-		-
94	NIC Asia Flexi CAP Fund	NICFC	250,000	10	2,542,500	2,500,000	-	-	-		-
95	Reliance Finance Ltd.	RLFL	5,000	386	1,929,500	1,595,532	-	-	-		-
96	Global IWE Balanced Fund-1	GIBF1	125,000	9	1,167,500	1,250,000	-	-	-		-
97	NMB Sulav Investment Fund - 2	NSIF2	250,000	10	2,497,500	2,500,000	-	-	-		-
98	Peoples Hydropower Company Limited	PHCL	28,980	335	9,708,300	10,138,523	-	-	-		-
99	NIBL Growth Fund	NIBLGF	700,000	11	7,448,000	7,000,000	-	-	-		-
100	Sanima Growth Fund	SAGF	300,000	10	2,997,000	3,000,000	-	-	-		-
101	Nepal Investment Mega Bank Limited	NIMB	50,544	174	8,784,547	16,670,705	-	-	-		-
102	Siddhartha Premier Insurance Limited	SPIL	49,126	779	38,244,591	47,782,006	-	-	-		-
103	Sunrise Focused Equity Fund	SFEF	1,000,000	10	9,680,000	10,000,000	-	-	-		-
104	Makar Jitumaya Suri Hydropower Limited	MAKAR	3,974	273	1,085,299	915,523	-	-	-		-
105	Sagarmatha Lumbini Insurance Co. Limited	SALICO	23,049	748	17,240,652	19,981,863	-	-	-		-
106	Prabhu Smart Fund	PRSF	500,000	10	4,950,000	5,000,000	-	-	-		-
107	City Hotel Limited	CITY	1,993	680	1,355,439	199,300	-	-	-		-
108	Himalayan Life Insurance Limited	HUI	36,616	507	18,564,312	21,922,457	-	-	-		-
109	Prabhu Insurance Ltd.	PRIN	14,010	747	10,465,470	10,327,592	-	-	-		-
110	888 Mutual Fund 2	RMF2	250,000	10	2,500,000	2,500,000	-	-	-		-



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**Siddhartha Equity Fund**  
Fund Manager & Depository: Siddhartha Capital Limited  
As at Ashadh 31, 2080 (July 16, 2023)

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

S.No.	Particulars	Symbol	Current Year			Previous Year		
			Stock Qty	Per Unit Price	Value in NPR	Cost in NPR	Stock Qty	Per Unit Price
								Value in NPR
								Cost in NPR
<b>B</b>	<b>Investments in IPO yet to be Listed</b>							
1	Bindhyabasini Hydropower Development Company Limited		1,313,900	-	16,599,389	16,596,600	271,821	4,469,472
2	Adarsha Laghubitta Bittiya Sansha Limited		-	-	-	-	2,500	352,325
3	Nic Asia Flexi Cap Fund		-	-	-	-	112	18,180
4	Himalayan Hydropower Limited		-	-	-	-	250,000	2,500,000
5	Upper Solu Hydro Electric Company Limited		-	-	-	-	3,280	328,000
6	Upper Hewakhola Hydropower Company Ltd		-	-	-	-	3,262	326,200
7	Swet-Ganga Hydropower & Construction Limited		-	-	-	-	2,500	250,000
8	Rapti Hydro & General Construction Limited		-	-	-	-	3,982	398,200
9	Mandakini Hydropower Limited		-	-	-	-	4,225	422,500
10	Citizens Super 30 Mutual Fund		1,300,000	10	13,000,000	13,000,000	1,960	196,000
11	Nepal Republic Media Limited		141	79	11,111	14,100	-	-
12	Ghorahi Cement Industry Limited		2,500	435	1,087,500	1,087,500	-	-
13	Three Star Hydropower Limited		615	112	69,077	61,500	-	-
14	Upper Syange Hydropower Limited		542	85	45,907	54,200	-	-
15	Kutheli Bukhari Small Hydropower Ltd		102	164	16,694	10,200	-	-
16	IME Life Insurance Company Limited		10,000	237	2,369,100	2,369,100	-	-
<b>C</b>	<b>Unlisted Equities Investments</b>		457,774		9,469,898	10,337,554	21,053	8,897,603
1	Hydroelectricity Investment and Development Company Limited	HIDCL	-	-	-	-	8,000	1,859,249
2	Adhikhola Laghubitta Bittiya Sansha Limited	AKBSL	-	-	-	-	380	31,933
3	Himalayan Bank Limited	HBL	-	-	-	-	150	62,486
4	Kalika Power Company Limited	KPCL	-	-	-	-	1,425	689,252
5	Garima Bikas Bank Limited	G8BL	-	-	-	-	4,741	1,879,414
6	Nepal Doorsandhar Company Limited	NTC	-	-	-	-	6,357	4,375,269
7	Nabil Flexi Cap Fund	NFCF	200,000	10	1,980,000	2,000,000	-	-
8	Kumari Sunaulo Lagani Yajana	KSly	250,000	11	2,662,500	2,500,000	-	-
9	Arun Kabeli Power Limited	AKPL	250	235	58,625	73,699	-	-
10	National Life Insurance Company Limited	NLICL	7,199	645	4,643,355	5,660,145	-	-
11	Reliance Finance Ltd.	RLFL	325	386	125,418	103,710	-	-
<b>Grand Total</b>			<b>7,905,331</b>		<b>1,204,684,682</b>	<b>1,328,216,015</b>	<b>3,099,928</b>	<b>1,295,934,569</b>
								<b>1,435,889,150</b>










**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 31, 2080 (July 16, 2023)**

**Schedule 4: Financial Assets at Amortized Cost**

In NPR		
Particulars	Current Year	Previous Year
Investment in Fixed Deposits	125,000,000	130,000,000
Investment in Bond and Debenture	65,492,000	62,992,000
<b>Total</b>	<b>190,492,000</b>	<b>192,992,000</b>

**Schedule 4(A): Investment in Fixed Deposits**

In NPR		
Particulars	Current Year	Previous Year
Shine Resunga Development Bank Limited	10,000,000	10,000,000
Garima Bikas Bank Limited	10,000,000	15,000,000
Muktinath Bikas Bank Limited	50,000,000	55,000,000
Siddhartha Bank Limited	-	10,000,000
ICFC Finance Limited	30,000,000	30,000,000
SIFC Finance Limited	10,000,000	10,000,000
Reliance Finance Limited	10,000,000	-
Jyoti Bikash bank limited	5,000,000	-
<b>Total</b>	<b>125,000,000</b>	<b>130,000,000</b>

**Schedule 4(B): Investment in Bond & Debenture**

In NPR		
Particulars	Current Year	Previous Year
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
10.5% HIMALAYAN BANK LTD BOND 2086	2,500,000	-
<b>Total</b>	<b>65,492,000</b>	<b>62,992,000</b>

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**Siddhartha Capital Limited**  
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**Siddhartha Equity Fund**  
**Fund Manager & Depository: Siddhartha Capital Limited**  
**As at Ashadh 31, 2080 (July 16, 2023)**

	In NPR	
Particulars	Current Year	Previous Year
TDS Payables	137,165	162,999
Fund Manager, Depository and Supervisor Payable	6,638,402	7,601,515
Audit Fee Payable	83,625	83,625
Provision for Reporting Expenses	29,000	27,204
Provision for Right Share	4,482,900	-
Provision for Audit Expenses	5,000	5,000
<b>Total</b>	<b>11,818,186</b>	<b>7,880,343</b>

Particulars	In NPR	
	Current Year	Previous Year
Seed Capital	225,000,000	225,000,000
Capital Raised from General Public	1,275,000,000	1,275,000,000
<b>Total</b>	<b>1,500,000,000</b>	<b>1,500,000,000</b>

		In NPR
Particulars	Current Year	Previous Year
<b>1. Accumulated Profit/ Loss</b>		
1.1. Realised Profit / (Loss)	202,597,260	277,962,176
1.2. Unrealised Profit / (Loss)	(123,040,069)	(139,621,261)
<b>Total</b>	<b>79,557,191</b>	<b>138,340,916</b>



**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 31, 2080 (July 16, 2023)**

**Schedule 8: Realised Income**

In NPR		
Particulars	Current Year	Previous Year
Interest Income from Financial Asset at Amortized Cost	24,065,560	18,375,273
Dividend Income from Financial Assets at Fair value through Profit or Loss	11,415,104	5,359,586
Net Gain/Loss from Financial Assets at Fair value through Profit or Loss	51,715,243	269,837,224
Other Income	5,267	10,589
<b>Total</b>	<b>87,201,173</b>	<b>293,582,671</b>

**Schedule 9: Annual Regular Expenses**

In NPR		
Particulars	Current Year	Previous Year
NEPSE Listing Renewal Fee	50,000	50,000
CDS Annual Fee	150,000	150,000
Credit Rating Expenses	245,848	378,320
AMC of Software	20,000	20,000
Reporting Expenses	167,138	142,378
Scheme Audit Fee	84,750	84,750
Fund Management & Depository Fee	25,527,861	34,541,021
Fund Supervisor Fee	1,204,818	1,317,488
Other Expenses	16,234	24,422
PCS Software AMC Charge	99,440	99,440
<b>Total</b>	<b>27,566,090</b>	<b>36,807,819</b>

**Schedule 10: Unrealised Income**

In NPR		
Particulars	Current Year	Previous Year
Dividend Income Accrued	157,945	108,133
<b>Total</b>	<b>157,945</b>	<b>108,133</b>

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

In NPR		
Particulars	Current Year	Previous Year
1. Secondary Market Value Appreciation of Listed Equities	(122,666,466)	(140,961,864)
2. Appreciation on Investments in IPO yet to be Listed	2,789	(212,628)
3. Appreciation on Right/Bonus Shares Yet to be Listed	(867,656)	1,219,911
Less: Unrealised income upto previous year	(139,954,580)	630,603,102
<b>Total</b>	<b>16,423,247</b>	<b>(770,557,682)</b>

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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 31, 2080 (July 16, 2023)

**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 2079/80 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 17, 2023.

**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.

**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](http://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.

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## 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	131,605,410
2	Mahalaxmi Bikas Bank Limited	15,574,172
3	Kumari Bank Limited	98,503
4	Garima Bikas Bank Limited	3,942,647
5	Civil Bank Limited	252,619
6	Muktinath Bikas Bank Limited	4,679,926
7	Shangri-la Development Bank Limited	5,767,812
8	Jyoti Bikas Bank Limited	5,862,856
9	Shree Investment and Finance Company Limited	5,465,712
10	Shine Resunga Development Bank Limited	7,506,107
11	Global IME Bank Limited	54,188
12	Nepal Investment Mega Bank Limited	433,515
13	NIC Asia Bank Limited	84,200
14	Everest Bank Limited	17,840
15	Reliance Finance Limited	297,959
16	Manju Shree Finance Limited	10,109,526
<b>Total</b>		<b>191,752,991</b>

## 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.

### 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.

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**P. S. M. & Associates \***  
**Mahamandir**  
**Noida**  
**\*Chartered Accountants\***



## 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.

## 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.



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#### 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 realised as and when such accrued interest becomes due for payment by the Bank and financial institutions.
- 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.

#### 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.



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- 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 announcement, if the management has an intention to apply for right shares, investments shall be valued with increase in corresponding units eligible for right share on ex-book close date and subsequent amount shall be booked under provision for the amount to be invested for right shares, until the right is issued. The eligible right share shall be valued based on market price.
- h. In case of 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.
- i. In case of bonus shares, valuation shall be done based on market price after the book close date.
- j. Bonds, Debentures and Treasury Bills shall be valued at cost of acquisition.
- k. Bank Deposit is valued considering all the accrued interest for the period.
- l. 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**

(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 31, 2080 (July 16, 2023)**

**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
	<b>Total</b>	<b>100</b>	<b>1,500,000,000</b>

**2 Reserve and Surplus**

Reserve and Surplus comprises of net realized income of NPR. 202,597,260 (NPR. Two Hundred Two Million Five Hundred Ninety Seven Thousand Two Hundred Sixty Only) and net unrealized loss of NPR. 123,040,069 (NPR. One Hundred Twenty-Three Million Fourty Thousand Sixty-Nine 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 2080.

**5 IPO valuation**

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 Citizens Saving Bonds as discount factor. However, IPO issued at premium and through book building shall be valued at issue price and awarded bid price respectively. As on Ashadh end 2080, the following IPO investments are valued at the rate determined under this method:

S.N.	Company	Valuation Rate
1	Three Star Hydropower Limited	112.32
2	Upper Syange Hydropower Limited	84.7
3	Kutheli Bukhari Small Hydropower Ltd	163.67

**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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## 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:

S.No.	Name of the Stock	Symbol
1	Nepal Republic Media Limited	-
2	Three Star Hydropower Limited	-
3	Upper Syange Hydropower Limited	-
4	Kutheli Bukhari Small Hydropower Ltd	-
5	IME Life Insurance Company 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)

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*[Circular stamp: R.B.S. & Associates, Chartered Accountants]*

## 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 2079/80. The total fees charged are as follows:

Fund Management Fee	Depository Fee	Supervisor Fee
NPR. 22,524,584	NPR. 3,003,278	NPR. 1,204,818

## 9 Reconciliation Status

The Bank Account has duly been reconciled.

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

S.No	Sector	Investment for FY 2079/80		Investment for FY 2078/79
		Amount	%	%
1	Commercial Banks	429,312,681	36%	41%
2	Development Banks	73,340,864	6%	5%
3	Finance	4,811,168	0%	0%
4	Hotels And Tourism	1,355,439	0%	1%
5	Hydro Power	107,716,918	9%	6%
6	Investment	10,382,440	1%	0%
7	Life Insurance	195,647,459	16%	13%
8	Manufacturing And Processing	66,862,159	6%	5%
9	Microfinance	126,341,130	10%	19%
10	Mutual Fund	51,425,000	4%	0%
11	Non Life Insurance	126,105,407	10%	7%
12	Others	4,187,385	0%	3%
13	Tradings	7,196,631	1%	0%
	<b>Total</b>	<b>1,204,684,682</b>	<b>100%</b>	<b>100%</b>

## 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 10.53.

## 12 Distributions

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

## 13 Related Party Transaction:

### Related Parties

- Fund Sponsor: Siddhartha Bank Limited
- Fund Manger and Depository: Siddhartha Capital Limited, a subsidiary of the



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- 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. 1,841,445 (NPR. One Million Eight Hundred Forty One Thousand Four Hundred Forty-Five Only) from Siddhartha Bank Limited.
- iii. Fund Management and Depository Fee incurred by Siddhartha Equity Fund to Siddhartha Capital Limited amounts to NPR. 25,527,861 (NPR. Twenty-Five Million Five Hundred Twenty Seven Thousand Eight Hundred Sixty One Only).
- iv. Supervisor Fee incurred by Siddhartha Equity Fund to Fund Supervisors amounts to NPR. 1,204,818 (NPR. One Million Two Hundred Four Thousand Eight Hundred Eighteen Only).

Detail of transaction is as below:

S.No	Name	Amount (NPR.)
1	Dr. Ram Krishna Timilsina	286,861
2	Mr. Radha Krishna Poudel	229,489
3	Mr. Pratap Prasad Pradhan	229,489
4	Mr. Bishwo Prakash Pandit	229,489
5	Mr. Surya Prasad Bhandari	229,489
	<b>Total</b>	<b>1,204,818</b>

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.

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- Signature: *AM*
- Signature: *W*
- Signature: *mu*
- Signature: *KL hf*
- Signature: *Q*
- Stamp: *Siddhartha Capital Limited* (with logo and tagline "Investing happiness")
- Stamp: *Chartered Accountant* (circular stamp)

## 16 Contingent Liability


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

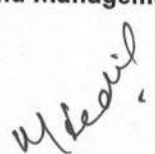
## 17 Proposed Dividend and Distribution


The Board of Directors of the fund management company, Siddhartha Capital Limited, held on August 17 2023 has proposed 5.00% dividend (including tax) on unit capital of the fund amounting to NPR. 75,000,000 (NPR. Seventy-Five Million Only) from net realized gain up to F/Y 2079/80.


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

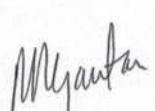
On Behalf of Siddhartha Capital Limited  
(Fund Management Company)

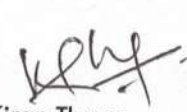
  
CA. Nil Bahadur Saha Magar, FCA  
Partner  
Date: August 17, 2023  
Place: Kathmandu, Nepal


  
Mohit Kedia  
Chairman


  
Rahul Agrawal  
Director

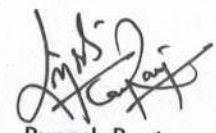
  
Sher Bahadur Budhatheki  
Director

  
Rishi Raj Gautam  
Independent Director

  
Kiran Thapa  
Independent Director

  
Sandeep Karki  
Chief Executive Officer

  
Mukti Nath Subedi  
Chief Operating Officer

  
Rupesh Raut  
Head, Finance & Operations

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