

## **Siddhartha Investment Growth Scheme-2**

**Auditor's Report & Financial Statements  
for the FY 2079-80 (2022-23)**

**B.K. Agrawal & Co.**  
Chartered Accountants

Member Crowe Global

**Audit / Tax / Advisory**



**Independent Auditors' Report  
 to the Stakeholders' of  
 "Siddhartha Investment Growth Scheme - 2"**

**Opinion**

We have audited the accompanying financial statements of M/s Siddhartha Investment Growth Scheme - 2, which comprise Statement of Financial Position as at Ashad 31, 2080 (July 16, 2023), Statement of Profit or Loss, Statement of Cash Flows and Statement of Changes in Equity, for the year then ended, and the Significant Accounting Policies and explanatory information dealt with by this report.

In our opinion, the accompanying financial statements read together with Significant Accounting Policies and Notes to the Accounts, present fairly, in all material respects, the financial position of the Scheme as on Ashad 31, 2080 (July 16, 2023), its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

**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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity 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 Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Issues	Our Approach
<b>Investment Valuation:</b> The investment portfolio consists of listed and unlisted equities, including IPO equities. The investments are classified and valued in compliance with NFRS 9. 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.	a) Review of the investment portfolio and its valuation, cross-reference against Nepal Stock Exchange close price as on 16 <sup>th</sup> July, 2023. b) Assessed the valuation of allotted but unlisted IPO investment using management's valuation sheet. c) Evaluated the value of unlisted investments, referencing the Net Asset Values (NAVs) on the respective websites d) Assessed the nature of expected cash flow of the investment as well as the business model adopted by the management on the basis of available evidences and ensured the classification of investment is correct with the nature of cash flow and management intention of holding the investments.
<b>Income Recognition:</b> 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.	Our procedures included, among the others: - analysis of the internal control environment with respect to the recognition and presentation of revenue recognition i.e. interest, dividend and capital gains. - Assessment of revenue recognition policy adopted by the company in compliance with relevant accounting standards; - assessment of the basis for the interest rate of interest income, including automatic controls in the Scheme's IT systems, - Checking the revenue stream individually with manual calculations based on the relevant documents



### **Responsibilities of Management and those charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Financial Reporting Standards (NFRS), 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.

### **Auditors' Responsibility 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 auditors' 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 decision 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 evidence 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 Scheme'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 evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.

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.

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### **Report on Other Legal and Regulatory Requirements**

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

- i. We have obtained information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the Scheme so far as appears from our examination of such books;
- iii. In our opinion, the Statement of Financial Position, Statement of Profit or Loss, Statement of Cash Flows and Statement of Changes in Equity with Explanatory Notes dealt with by this report are in compliance with the provisions of the Company Act, 2063 and are in agreement with the books of account maintained by the Scheme;
- iv. In our opinion, so far as appeared from our examination of the books, the business of the Scheme has been conducted satisfactorily; and
- v. To the best of our information and according to the explanations given to us and from our examination of the books of accounts of the Scheme necessary for the purposes of the audit, we have not come across cases where the Board of Directors or any employees of the Scheme have acted contrary to legal provisions relating to accounts, or committed any misappropriation or caused loss or damage to the Scheme or committed any accounting frauds in the Scheme.

Kathmandu  
Date: 2080.04.32

**P.K. Swarnkar**  
P.K. Swarnkar, FCA  
Partner

**For: B.K. Agrawal & Co.**  
Chartered Accountants  
UDIN: 230820CA00103A4lsQ





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

**Siddhartha Investment Growth Scheme 2**  
**Fund Manager & Depository: Siddhartha Capital Limited**

**Statement of Financial Position**  
**As at Ashadh 31, 2080 (July 16, 2023)**

ASSETS	Schedule	Current Period NPR	Previous Period NPR
Cash & Cash Equivalents	1	177,674,681	132,862,160
Other Financial Assets	2	1,988,340	9,154,275
Financial Assets at Fair Value through Profit/Loss	3	998,067,473	1,042,238,969
Financial Assets at Amortized Cost	4	114,502,959	144,002,959
<b>Total Assets</b>		<b>1,292,233,454</b>	<b>1,328,258,363</b>


EQUITY AND LIABILITIES	Schedule	Current Period NPR	Previous Period NPR
<b>Liabilities</b>			
Current Liabilities	5	8,858,848	6,417,922
<b>Total Liabilities</b>		<b>8,858,848</b>	<b>6,417,922</b>
<b>Equity</b>			
Unit Holder's Capital	6	1,200,000,000	1,200,000,000
Reserves and Surplus	7	83,374,606	121,840,441
<b>Total Equity</b>		<b>1,283,374,606</b>	<b>1,321,840,441</b>
<b>Total Capital &amp; Liabilities</b>		<b>1,292,233,454</b>	<b>1,328,258,363</b>
<b>NAV Per Unit</b>		<b>10.69</b>	<b>11.02</b>

Significant Accounting Policies	12
Notes to Accounts	13

Schedules 1 to 13 form Integral part of Financial Statements

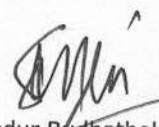
**On Behalf of Siddhartha Capital Limited**  
(Fund Management Company)

  
Rupesh Raut  
Head, Finance & Operations


  
Mukti Nath Subedi  
Chief Operating Officer

  
Sandeep Karki  
Chief Executive Officer

  
Rahul Agrawal  
Director

  
Sher Bahadur Budhathoki  
Director

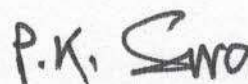
  
Mohit Kedia  
Chairman

  
Rishi Raj Gautam  
Independent Director

  
Kiran Thapa  
Independent Director



As per our attached report of even date  
**On Behalf of B.K. Agrawal & Co.,**  
**Chartered Accountants**

  
P.K. Swarnkar, FCA  
Partner



Date: August 17, 2023  
Place: Kathmandu, Nepal

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(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, 2079 to Ashadh 31, 2080**

Particular	Schedule	Current Period NPR	Previous Period NPR
<b>1. Income</b>			
1.1 Realised Income	8	<b>70,727,025</b>	<b>239,551,466</b>
1.2 Unrealised Income	9	70,716,066	239,416,837
<b>2. Expenses</b>			
2.1 Annual Regular Expenses	10	<b>22,267,909</b>	<b>30,184,584</b>
		22,267,909	30,184,584
<b>Realised Profit / (Loss)</b>		<b>48,459,116</b>	<b>209,366,882</b>
Net Unrealised Gain/(Loss) from Financial Assets Held at Fair Value through Profit or Loss (FVTPL)	11	33,075,049	(656,608,354)
<b>Net Profit/ (Loss) for the period</b>		<b>81,534,165</b>	<b>(447,241,472)</b>

Schedules 1 to 13 form Integral part of Financial Statements

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



Rupesh Raut  
Head, Finance & Operations



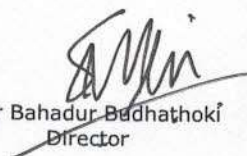
Mukti Nath Subedi  
Chief Operating Officer



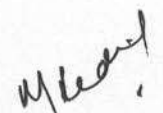
Sandeep Karki  
Chief Executive Officer



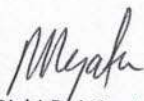
Rahul Agrawal  
Director



Sher Bahadur Budhathoki  
Director

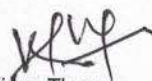


Mohit Kedia  
Chairman



Rishi Raj Gautam  
Independent Director

As per our attached report of even date  
**On Behalf of B.K. Agrawal & Co.,**  
**Chartered Accountants**



Kiran Thapa  
Independent Director



P.K. Swarnkar, FCA  
Partner



Date: August 17, 2023  
Place: Kathmandu, Nepal



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

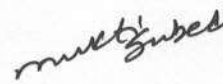
**Siddhartha Investment Growth Scheme 2**  
**Fund Manager & Depository: Siddhartha Capital Limited**

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

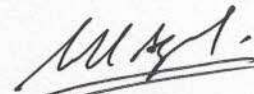
Particulars	Current Period NPR	Previous Period NPR
<b>A. Cash Flows From Operating Activities</b>	<b>135,312,521</b>	<b>159,446,682</b>
<b>1. Cash Receipts</b>	<b>70,727,025</b>	<b>239,551,466</b>
1.1 Interest Income from Financial Asset at Amortized Cost	16,396,577	14,121,162
1.2 Dividend Income from Financial Assets at FVTPL	7,866,721	3,662,526
1.3 Unrealised Income	10,959	134,629
1.4 Interest Income from Financial Asset at FVTPL	46,452,768	221,619,036
1.5 Other Income	-	14,114
<b>2. Cash Payments</b>	<b>22,267,909</b>	<b>30,184,584</b>
2.2 Annual Regular Expenses	22,267,909	30,184,584
<b>Cash Flows before Changes in Working Capital</b>	<b>48,459,116</b>	<b>209,366,882</b>
<b>(Increase)/Decrease in Current Assets &amp; Securities</b>	<b>84,412,480</b>	<b>(46,820,021)</b>
<b>Increase/(Decrease) in Current Liabilities</b>	<b>2,440,925</b>	<b>(3,100,179)</b>
<b>B. Cash Flows From Investing Activities</b>	<b>29,500,000</b>	<b>(30,690,672)</b>
1. (Increase)/Decrease in Investments	29,500,000	(30,690,672)
<b>C. Cash Flows from Financing Activities</b>	<b>(120,000,000)</b>	<b>(360,000,000)</b>
1. Increase/(Decrease) in Unit Holder's Capital	-	-
2. Dividend Paid	(120,000,000)	(360,000,000)
<b>D. Income/Expenses from changes in exchange rate on Cash and Bank Balances</b>	<b>-</b>	<b>-</b>
<b>E. Prior period adjustment: Bond Interest</b>	<b>-</b>	<b>-</b>
<b>F. Net Cash Flow For The Year from all activities (A+B+C+D)</b>	<b>44,812,521</b>	<b>(231,243,989)</b>
<b>G. Opening Cash and Bank Balance</b>	<b>132,862,160</b>	<b>364,106,150</b>
<b>H. Closing Cash and Bank Balance</b>	<b>177,674,681</b>	<b>132,862,160</b>

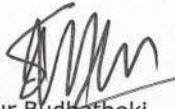
On Behalf of Siddhartha Capital Limited  
(Fund Management Company)

  
Rupesh Raut  
Head, Finance & Operations

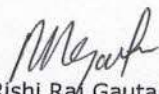
  
Mukti Nath Subedi  
Chief Operating Officer

  
Sandeep Karki  
Chief Executive Officer

  
Rahul Agrawal  
Director

  
Sher Bahadur Budhathoki  
Director


  
Mohit Kedia  
Chairman

  
Rishi Raj Gautam  
Independent Director

 **Siddhartha Capital Limited**  
Investing happiness

As per our attached report of even date  
**On Behalf of B.K. Agrawal & Co.,**  
**Chartered Accountants**

  
Kiran Thapa  
Independent Director

  
P.K. Swarnkar, FCA  
Partner





**Siddhartha Mutual Fund**  
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**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, 2079 to Ashadh 31, 2080**

Particulars	Unit Holder's Capital NPR	Realized Profit NPR	Unrealized Profit NPR	Total NPR
<b>Balance as at Shrawan 1, 2078</b>				
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	-	-	-	-
Issue of Unit Capital	1,200,000,000	394,187,769	534,894,144	2,129,081,913
Amount transferred to general Reserve	-	209,366,882	(656,608,354)	(447,241,472)
Dividend Paid of Last Year	-	-	-	-
Capital Reserve Fund	-	-	-	-
Unit Advance	-	(360,000,000)	-	(360,000,000)
<b>Balance as at Ashadh 32, 2079</b>				
Adjusted balance as on Shrawan 1, 2079	1,200,000,000	243,554,651	(121,714,210)	1,321,840,441
Net Profit (Loss) During the year	1,200,000,000	243,554,651	(121,714,210)	1,321,840,441
Issue of Unit Capital	-	-	-	-
Amount transferred to general Reserve	1,200,000,000	243,554,651	(121,714,210)	1,321,840,441
Dividend Paid of Last Year	-	48,459,116	33,075,049	81,534,165
Capital Reserve Fund	-	-	-	-
Unit Advance	-	(120,000,000)	-	(120,000,000)
<b>Balance as at Asadh 31, 2080</b>	1,200,000,000	172,013,767	(88,639,161)	1,283,374,606

On Behalf of Siddhartha Capital Limited  
(Fund Management Company)

*[Signature]*  
Rupesh Raut  
Head, Finance & Operations

*[Signature]*  
Rahul Agrawal  
Director

*[Signature]*  
Mukti Nath Subedi  
Chief Operating Officer

*[Signature]*  
Sher Bahadur Budyathokhi  
Director

*[Signature]*  
Sandeep Karki  
Chief Executive Officer

*[Signature]*  
Mohit Kedia  
Chairman

*[Signature]*  
Rishi Raj Gautam  
Independent Director

*[Signature]*  
Kiran Thapa  
Independent Director



As per our attached report of even date  
On Behalf of B.K. Agrawal & Co.,  
Chartered Accountants



*[Signature]*  
P.K. Swarnkar

P.K. Swarnkar, FCA  
Partner

Date: August 17, 2023  
Place: Kathmandu, Nepal



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**Siddhartha Investment Growth Scheme -2**  
**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 Period	Previous Period
		INR	Convertible Foreign Currency	Total		
<b>1. Local Licensed Institutions</b>						
<b>a. Call Accounts</b>						
At Siddhartha Bank Limited	177,674,681	-	-	-	177,674,681	132,862,160
At Himalayan Bank Limited	177,674,681	-	-	-	177,674,681	132,862,160
At Shine Resunga Development Bank Limited	91,044,137	-	-	-	91,044,137	84,973,139
At Kamana Sewa Bikas Bank Limited	490,564	-	-	-	490,564	475,618
At Garima Bikas Bank Limited	7,868,926	-	-	-	7,868,926	26,075,522
At Nepal Investment Mega Bank Limited	23,230,900	-	-	-	23,230,900	917,365
At Mahalaxmi Bikas Bank Limited	8,629,080	-	-	-	8,629,080	425,307
At Global Ime Bank Limited	385,683	-	-	-	385,683	376,326
At Jyoti Bikash Bank Limited	5,759,429	-	-	-	5,759,429	1,336,598
At Kumari Bank Limited	22,149	-	-	-	22,149	21,618
At Prime Commercial Bank Limited	5,850,207	-	-	-	5,850,207	669,532
At Citizens Bank International Limited	39,335	-	-	-	39,335	24,933
At Shangri-La Development Bank Limited	113,069	-	-	-	113,069	110,073
At NIC Aisa Bank Limited	41,334	-	-	-	41,334	40,244
At Muktinath Bikash Bank Limited	2,867,527	-	-	-	2,867,527	346,786
At Everest Bank Limited	244,006	-	-	-	244,006	236,818
At Reliance Finance Limited	20,664,784	-	-	-	20,664,784	16,818,580
At Manju Shree Finance Limited	16,068	-	-	-	16,068	13,700
	297,958	-	-	-	297,958	-
	10,109,526	-	-	-	10,109,526	-
<b>Total</b>	<b>177,674,681</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177,674,681</b>	<b>132,862,160</b>



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**Siddhartha Investment Growth Scheme 2**  
**Fund Manager & Depository: Siddhartha Capital Limited**  
**As at Ashadh 31, 2080 (July 16, 2023)**

**Schedule 2: Other Financial Assets**

Particulars	Current Period NPR	Previous Period NPR
Amount receivable from Brokers	219,126	4,172,226
Dividend Income Receivable	326,030	174,749
Interest Income Receivable	1,443,184	-
IPO/Auction/Right	-	4,807,300
Other Receivable	-	-
<b>Total</b>	<b>1,988,340</b>	<b>9,154,275</b>

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

**Siddhartha Investment Growth Scheme -2**  
**Fund Manager & Depository: Siddhartha Capital Limited**  
**As at Ashadh 31, 2080 (July 16, 2023)**

**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
<b>A</b>	<b>Listed Equities Investments</b>		<b>5,554,397</b>		<b>975,174,025</b>	<b>1,063,670,423</b>	<b>2,226,211</b>		<b>1,030,003,439</b>	<b>1,152,293,672</b>
1	Nepal Bhandadesh Bank Ltd.	NBB	-	-	-	-	36,176	421	15,246,618	15,246,618
2	Nepal Investment Mega Bank Limited	NIMB	-	-	-	-	43,233	256	13,268,458	13,268,458
3	Nepal Investment Mega Bank Limited Promoter	NIMBPO	-	-	-	-	5,665	288	1,628,744	1,628,744
4	Nepal Reinsurance Company Limited	NRIC	-	-	-	-	8,880	735	6,526,800	6,526,800
5	SANJEN JALAVIDHYUT COMPANY LIMITED	SJCL	-	-	-	-	1	260	13,720,614	13,720,614
6	Shikhar Insurance Co. Ltd.	SICL	-	-	-	-	17,002	807	8,154,944	8,154,944
7	Swabalanban Lachubitta Bittiya Sanstha Limited	SWBBL	-	-	-	-	10,458	1,169	7,498,399	7,498,399
8	NIC ASIA Lachubitta Bittiya Sanstha Limited	NICLSL	-	-	-	-	860	860	8,992,834	8,992,834
9	Oriental Hotels Limited	OHL	-	-	-	-	13,500	483	6,520,500	6,520,500
10	Premier Insurance Co. Ltd.	PIC	-	-	-	-	28,774	576	16,573,824	16,573,824
11	Century Commercial Bank Ltd.	CCBL	-	-	-	-	121,638	183	22,259,754	22,259,754
12	Prime Life Insurance Co. Ltd.	PLIC	-	-	-	-	9,970	712	7,103,525	7,103,525
13	Jeevan Bikas Lachubitta Bittiya Sanstha Ltd	JBLB	-	-	-	-	5,817	2,699	15,700,083	15,700,083
14	Manakamana Smart Lachubitta Bittiya Sanstha Limited	MKLB	-	-	-	-	787	947	745,289	745,289
15	Manushi Lachubitta Bittiya Sanstha Limited	MLBS	-	-	-	-	503	1,002	504,006	504,006
16	Chhyavandi Hydropower Ltd.	CHL	-	-	-	-	3,500	250	875,000	875,000
17	Global JME Lachubitta Bittiya Sanstha Ltd.	GILB	-	-	-	-	1,335	1,299	1,734,165	1,734,165
18	Arun Kabeli Power Ltd.	AKPL	-	-	-	-	2,000	459	918,000	918,000
19	Mountain Hydro Nepal Limited	MHNL	-	-	-	-	29,700	272	8,078,400	8,078,400
20	CIT	CIT	-	-	-	-	4,629	2,515	11,641,935	11,641,935
21	Rastra Uthhan Lachubitta Sanstha Limited	RULB	-	-	-	-	1,133	926	1,049,158	1,049,158
22	Jaipa Samudayik Lachubitta Bittiya Sanstha Limited	JALPA	-	-	-	-	696	2,318	1,613,328	1,613,328
23	NESDO Sambridha Lachubitta Bittiya Sanstha Limited	NESDO	-	-	-	-	1,105	2,280	2,519,400	2,519,400
24	Unakar Lachubitta Bittiya Sanstha Limited	ULBSL	-	-	-	-	315	2,699	850,185	850,185
25	CYC Nepal Lachubitta Bittiya Sanstha Limited	CYCL	-	-	-	-	527	1,698	894,951	894,951
26	River Falls Power Limited	RPL	-	-	-	-	1,000	222	222,000	222,000
27	Forward Microfinance Lachubitta Bittiya Sanstha Limited	FOWAD	-	-	-	-	1,400	2,385	3,339,000	3,339,000
28	Dordi Khola Jal Bidyut Company Limited	DORDI	-	-	-	-	2,927	309	905,028	905,028
29	Machhapuchhre Bank Limited	MBL	-	-	-	-	13,227	254	3,359,658	3,359,658
30	Bottlers Nepal (Terai) Limited	BNT	545	13,800	7,521,000	4,747,316	555	13,000	7,215,000	4,559,865
31	Chhimek Lachubitta Bittiya Sanstha Limited	CHCL	18,859	1,000	18,859,000	17,605,052	43,275	1,100	47,602,500	3,468,654
32	Chilime Hydropower Company Limited	CHCL	15,415	537	8,273,231	6,890,279	11,548	408	4,711,584	49,285,325
33	Everest Bank Limited	EBL	39,525	563	22,525,575	21,267,258	10,600	439	4,653,400	5,317,533
34	Garima Bikas Bank Limited	GBBL	31,974	405	12,949,470	10,896,819	25,685	387	9,940,095	7,096,297
35	Global JME Bank Limited	GBIME	66,686	186	12,403,596	14,774,407	64,743	314	20,307,937	14,774,407
36	Himalayan Distillery Limited	HDL	1,200	2,248	2,697,600	3,045,697	4,370	3,410	14,901,700	15,678,413
37	Kumari Bank Limited	KBL	44,325	165	7,313,625	8,983,890	33,325	191	6,365,075	7,045,392
38	Laxmi Bank Limited	LBL	19,960	173	3,453,080	6,291,506	19,960	199	3,972,040	4,291,506
39	Life Insurance Corporation (Nepal) Limited	LICN	30,000	1,555	46,650,000	39,229,564	37,597	1,415	53,199,755	48,529,027
40	Manalaxmi Bikas Bank Ltd.	MLBL	12,480	326	4,062,240	6,272,196	12,000	378	4,536,000	6,272,196
41	Mukhtinat Bikas Bank Ltd.	MNBBL	15,000	407	6,105,000	5,503,915	25,000	440	10,997,500	7,530,432
42	Nabil Bank Limited	NABIL	10,000	599	5,992,000	5,374,372	36,739	824	30,272,936	17,320,017
43	National Life Insurance Co. Ltd.	NLICL	76,171	645	49,130,295	58,789,164	61,092	577	35,250,084	59,298,181
44	Neco Insurance Limited	NIL	49,457	891	44,071,133	39,198,542	48,791	694	33,860,954	44,711,747
45	Nepal Bank Limited	NBL	20,000	249	4,980,000	4,422,456	70,365	298	20,968,770	15,870,361
46	Nepal Doorsanchar Company Limited	NTC	4,600	907	4,171,740	3,035,316	11,147	879	9,797,098	7,355,363
47	Nepal Life Insurance Co. Ltd.	NLIC	39,620	744	29,477,280	47,334,408	41,938	747	31,327,686	50,104,940



**Siddhartha Capital Limited**  
Investing happiness



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

**Siddhartha Investment Growth Scheme -2**  
**Fund Manager & Depository: Siddhartha Capital Limited**  
**As at Ashadh 31, 2080 (July 16, 2023)**

**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
48	NIC Asia Bank Ltd.	NICA	96,000	794	76,204,800	63,128,586	125,606	87,421,776	81,221,724	81,221,724
49	Nirdhan Utham Lachubitta Bittiya Sanstha Limited	NUBL	36,322	765	27,786,330	32,460,210	43,210	47,487,790	46,014,989	46,014,989
50	NMB Bank Limited	NMB	90,907	226	20,544,982	32,725,622	90,907	23,726,727	32,725,622	32,725,622
51	Prabhu Bank Limited	PRVU	195,942	163	31,860,169	46,768,151	211,490	43,778,430	54,851,665	54,851,665
52	Prime Commercial Bank Ltd.	PCBL	150,800	195	29,406,000	41,465,103	145,000	38,425,000	41,465,103	41,465,103
53	RMDC Lachubitta Bittiya Sanstha Ltd.	RMDC	37,800	775	29,295,000	28,382,357	36,364	30,403,201	34,403,201	34,403,201
54	Sana Kisan Bikas Lachubitta Bittiya Sanstha Limited	SKBBL	16,120	899	14,491,880	7,503,940	18,793	22,469,370	12,374,741	12,374,741
55	Sanima Bank Limited	SANIMA	229,135	261	59,689,668	62,047,793	187,396	51,721,296	56,369,364	56,369,364
56	Shine Resurqa Development Bank Ltd.	SHINE	39,777	384	15,274,368	12,068,491	35,494	10,467,181	11,231,011	11,231,011
57	Standard Chartered Bank Limited	SCB	50,000	530	26,505,000	25,324,966	22,497	8,915,561	11,700,286	11,700,286
58	Sunrise Bank Limited	SRBL	57,565	173	9,964,502	20,495,285	57,586	11,920,302	20,502,761	20,502,761
59	Unilever Nepal Limited	UNIL	330	32,998	10,889,340	7,303,267	130	2,386,800	2,520,954	2,520,954
60	Samal Lachubitta Bittiya Sanstha Limited	SAMAJ	195	100	19,500	19,500	195	19,500	19,500	19,500
61	Himalayan Life Insurance Limited	HLI	31,438	507	15,939,066	18,772,288	16,576	10,127,770	9,973,213	9,973,213
62	Asian Life Insurance Co. Limited	ALICL	32,490	745	24,208,299	23,200,722	18,625	10,690,750	17,388,136	17,388,136
63	Mountain Energy Nepal Limited	MEN	8,650	995	8,606,750	8,152,181	4,500	3,600,000	5,018,693	5,018,693
64	Nerude Lachubitta Bittiya Sanstha Limited	NLBBL	2,405	688	1,654,640	2,711,900	10,934	9,621,920	15,040,050	15,040,050
65	CEDB Hydropower Development Company Limited	CHDC	9,836	904	8,891,744	7,944,239	6,020	4,394,600	5,107,580	5,107,580
66	Lumbini Bikas Bank Ltd.	LBBL	50,388	413	20,810,244	23,243,807	29,502	10,060,182	15,625,184	15,625,184
67	Citizens Bank International Limited	CZBIL	21,369	173	3,698,974	6,171,301	21,369	4,327,223	6,171,301	6,171,301
68	Saamatha Lumbini Insurance Co. Limited	SALICO	14,971	748	11,198,308	12,669,366	7,262	6,317,940	7,869,667	7,869,667
69	Himalayan Everest Insurance Limited	HEI	2,192	600	1,315,200	1,710,074	2,133	1,432,757	1,710,074	1,710,074
70	SHIVAM CEMENTS LTD	SHVIM	37,594	652	24,492,491	36,226,961	22,594	17,171,440	30,094,929	30,094,929
71	Sanima Mai Hydropower Ltd.	SHPC	19,900	355	7,064,500	7,475,307	11,900	3,641,400	4,890,495	4,890,495
72	Kalika power Company Ltd.	KPLC	10,316	355	3,662,180	4,369,628	7,800	2,901,600	3,799,677	3,799,677
73	Naadi Group Power Ltd.	NGPL	35,521	234	8,308,362	10,638,448	13,564	4,028,508	8,603,848	8,603,848
74	Api Power Company Ltd.	API	55,086	197	10,851,942	13,988,956	21,602	5,281,689	8,249,414	8,249,414
75	Salt Trading Corporation	STC	1,036	4,899	5,075,364	4,027,192	176	695,200	1,088,618	1,088,618
76	Himalayan Power Partner Ltd.	HPPL	40,703	286	11,636,988	19,958,303	40,703	13,106,366	19,958,303	19,958,303
77	Liberty Energy Company Limited	LEC	31,809	245	7,777,301	12,283,557	31,809	7,945,888	12,283,557	12,283,557
78	National Hydro Power Company Limited	NHPC	44,250	178	7,872,075	11,218,149	39,905	9,577,200	13,179,673	13,179,673
79	Jyoti Bikas Bank Limited	JBBL	13,555	298	4,039,390	5,306,052	10,660	3,221,452	4,538,282	4,538,282
80	RASUWAGADHI HYDROPOWER COMPANY LIMITED	RHPL	23,316	300	6,994,800	7,272,635	-	-	-	-
81	Nepal SBI Bank Limited	SBI	61,889	341	21,104,149	21,010,996	-	-	-	-
82	ICFC Finance Limited	ICFC	5,250	525	2,756,250	2,495,277	-	-	-	-
83	Shree Investment Finance Co. Ltd.	SIFC	2,168	375	813,000	709,787	-	-	-	-
84	National Microfinance Lachubitta Bittiya Sanstha Limited	NMFBS	7,995	1,366	10,921,170	14,783,162	-	-	-	-
85	Nepal Insurance Co. Ltd.	NICL	12,024	820	9,859,680	7,008,770	-	-	-	-
86	First Micro Finance Lachubitta Bittiya Sanstha Limited	FMDBL	4,000	736	2,945,200	2,437,329	-	-	-	-
87	RSDC Lachubitta Bittiya Sanstha Ltd.	RSDC	7,496	613	4,595,798	3,747,319	-	-	-	-
88	Kumari Dhanabridhi Yojana	KDBY	250,000	10	2,510,000	2,500,000	-	-	-	-
89	Reliance Finance Ltd.	RFL	4,000	386	1,543,600	1,283,389	-	-	-	-
90	Global IME Balanced Fund-1	GIBF1	125,000	9	1,167,500	1,250,000	-	-	-	-
91	NMB Sulav Investment Fund - 2	NSIF2	250,000	10	2,497,500	2,500,000	-	-	-	-
92	Peoples Hydropower Company Limited	PHCL	28,760	335	9,634,600	10,072,579	-	-	-	-
93	Sanima Growth Fund	SAGF	300,000	10	2,997,000	3,000,000	-	-	-	-
94	NIBL Growth Fund	NIBLG	700,000	11	7,448,000	7,000,000	-	-	-	-
95	Siddhartha Premier Insurance Limited	SPI	34,874	779	27,149,409	34,086,534	-	-	-	-
96	Sunrise Focused Equity Fund	SFEF	1,000,000	10	9,680,000	10,000,000	-	-	-	-
97	Makar Jitumaya Suri Hydropower Limited	MAKAR	4,011	273	1,095,404	940,373	-	-	-	-



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

Siddhartha Investment Growth Scheme -2  
Fund Manager & Depository: Siddhartha Capital Limited  
As at Ashadh 31, 2080 (July 16, 2023)

**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
98	Prabhu Smart Fund	PRSF	500,000	10	4,950,000	5,000,000	-	-	-	-
99	City Hotel Limited	CITY	1,993	680	1,355,439	199,300	-	-	-	-
100	RBB Mutual Fund 2	RMF2	250,000	10	2,500,000	2,500,000	-	-	-	-
101	Prabhu Insurance Ltd.	PRIN	13,000	747	9,711,000	9,589,654	-	-	-	-
102	Rawa Energy Development Limited	RAWA	2	353	706	200	-	-	-	-
103	Hydroelectricity Investment and Development Company Ltd	HIDCL	8,400	184	1,545,600	1,859,259	-	-	-	-
<b>B</b>	<b>TPO Equities Investments</b>		<b>1,313,900</b>		<b>16,599,389</b>	<b>16,596,600</b>	<b>267,458</b>		<b>4,075,717</b>	<b>4,245,800</b>
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 Laxhubitta Bictiya Sanstha Limited		-	-	-	-	250,000	10	2,500,000	2,500,000
4	Kumari Dhanabridhi Yolana		-	-	-	-	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	Sweet-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	Citizens Super 30 Mutual Fund		1,300,000	10	13,000,000	13,000,000	-	-	-	-
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	Kutheili 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>		<b>452,665</b>		<b>6,294,059</b>	<b>6,439,612</b>	<b>18,441</b>		<b>8,161,813</b>	<b>7,413,707</b>
1	Hydroelectricity Investment and Development Company Limited	HIDCL	-	-	-	-	8,000	200	1,600,000	1,859,259
2	Kaila 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	Nabil Flexi Cap Fund	NFCF	200,000	10	1,980,000	2,000,000	-	-	-	-
6	Kumari Sunaulo Ladani Yolana	KSLY	250,000	11	2,662,500	2,500,000	-	-	-	-
7	National Life Insurance Co. Limited	NLICL	2,405	645	1,551,225	1,856,191	-	-	-	-
8	Reliance Finance Ltd.	RLFL	260	386	100,334	83,420	-	-	-	-
<b>Grand Total</b>			<b>7,320,962</b>		<b>998,067,473</b>	<b>1,086,706,634</b>	<b>2,512,110</b>		<b>1,042,238,969</b>	<b>1,163,953,179</b>



**Siddhartha Capital Limited**  
Investing happiness



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

**Siddhartha Investment Growth Scheme 2**  
**Fund Manager & Depository: Siddhartha Capital Limited**  
**As at Ashadh 31, 2080 (July 16, 2023)**

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

Particulars	Current Period NPR	Previous Period NPR
Investment in Fixed Deposits	88,000,000	120,000,000
Investment in Bond and Debenture	26,492,000	23,992,000
Interest Income Receivable	10,959	10,959
<b>Total</b>	<b>114,502,959</b>	<b>144,002,959</b>

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

Particulars	Current Period NPR	Previous Period NPR
Muktinath Bikas Bank Limited	-	35,000,000
Shine Resunga Development Bank Limited	-	10,000,000
Siddhartha Bank Limited	-	10,000,000
Garima Bikas Bank Limited	-	5,000,000
Kamana Sewa Bikas Bank Limited	20,000,000	20,000,000
ICFC Finance Limited	20,000,000	20,000,000
Mahalaxmi Bikas Bank Limited	15,000,000	20,000,000
Shine Resunga Development Bank Limited	15,000,000	-
Garima Bikas Bank Limited	5,000,000	-
Manju Shree Finance Limited	3,000,000	-
Reliance Finance Limited	10,000,000	-
<b>Total</b>	<b>88,000,000</b>	<b>120,000,000</b>

**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
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 Bank Debenture 2086	500,000	500,000
10.25% Citizen Debenture 2086	952,000	952,000
10% Prime Debenture 2088	5,000,000	5,000,000
10.5% Himalayan Bank Ltd Bond 2086	2,500,000	-
<b>Total</b>	<b>26,492,000</b>	<b>23,992,000</b>


  
 The bottom of the page features several handwritten signatures and official stamps. On the left, there are multiple signatures in dark ink. In the center, there is a circular stamp for "Siddhartha Capital Limited" with the tagline "Investing happiness". To the right, there is another circular stamp for "B.K. ABRAWAL & CO." located in "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 31, 2080 (July 16, 2023)**

**Schedule 5: Current Liabilities**

Particulars	Current Period NPR	Previous Period NPR
Payable to Broker	210,343	-
TDS Payables	110,918	132,554
Fund Management, Depository and Supervisor fee Payable	5,371,062	6,169,539
Audit Fee Payable	83,625	83,625
Provision for Reporting Expenses	29,000	27,204
Provision for Audit Expenses	5,000	5,000
Provision for Right Share	3,048,900	-
<b>Total</b>	<b>8,858,848</b>	<b>6,417,922</b>

**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
<b>Total</b>	<b>1,200,000,000</b>	<b>1,200,000,000</b>

**Schedule 7: Reserves and Surplus**

Particulars	Current Period NPR	Previous Period NPR
<b>1. Accumulated Profit/ Loss</b>		
1.1. Realised Profit / (Loss)	172,013,767	243,554,651
1.2. Unrealised Profit / (Loss)	(88,639,161)	(121,714,210)
<b>Total</b>	<b>83,374,606</b>	<b>121,840,441</b>

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**Siddhartha Mutual Fund**  
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**Siddhartha Investment Growth Scheme 2**  
**Fund Manager & Depository: Siddhartha Capital Limited**  
**For the period from Shrawan 1, 2079 to Ashadh 31, 2080**

**Schedule 8: Realised Income**

Particulars	Current Period NPR	Previous Period NPR
Interest Income from Financial Asset at Amortized Cost	16,396,577	14,121,162
Dividend Income from Financial Assets at Fair value through Profit or Loss	7,866,721	3,662,526
Net Gain/Loss from Financial Assets at Fair value through Profit or Loss	46,452,768	221,619,036
Other Income	-	14,114
<b>Total</b>	<b>70,716,066</b>	<b>239,416,837</b>

**Schedule 9: Unrealised Income**

Particulars	Current Period NPR	Previous Period NPR
Dividend Income Accrued	-	123,670
Interest Income Accrued	10,959	10,959
<b>Total</b>	<b>10,959</b>	<b>134,629</b>

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**Siddhartha Capital Limited**  
Investing happiness





**Siddhartha Mutual Fund**  
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**Siddhartha Investment Growth Scheme 2**  
**Fund Manager & Depository: Siddhartha Capital Limited**  
**For the period from Shrawan 1, 2079 to Ashadh 31, 2080**

**Schedule 10: Annual Regular Expenses**

Particulars	Current Period NPR	Previous Period NPR
NEPSE Listing Fee	50,000	50,000
Credit Rating Expenses	196,679	302,656
AMC of Software	20,000	20,000
Reporting Expenses	163,822	165,886
Scheme Audit Fee	84,750	84,750
Fund Management & Depository Fee	20,523,686	28,215,548
Fund Supervisor Fee	963,854	1,075,826
Other Expenses	15,678	20,478
PCS Software Annual Charge	99,440	99,440
<b>Total</b>	<b>22,267,909</b>	<b>30,184,584</b>

**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	(88,496,398)	(122,292,233)
Less: Unrealised income upto previous year	(121,714,210)	534,894,144
2. IPO/Right/Bonus Value Appreciation	(142,763)	578,023
<b>Total</b>	<b>33,075,049</b>	<b>(656,608,354)</b>

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## 2.2 Basis of Preparation

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. The management has prepared the financial statement on an orderly realization basis.

## 2.3 Functional and Presentation Currency

The Financial Statements are presented in Nepalese Rupees (NPR) and is the functional and presentation currency of the fund. Financial information presented in financial statement are rounded to the nearest Nepalese Rupees and has been shown in actual figure, unless otherwise stated.

## 2.4 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](http://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.

## 2.5 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	91,044,137
Himalayan Bank Limited	490,564
Shine Resunga Development Bank Limited	7,868,926
Kamana Sewa Bikas Bank Limited	23,230,900
Garima Bikas Bank Limited	8,629,080
Nepal Investment Mega Bank Nepal Limited	385,683
Mahalaxmi Bikas Bank Limited	5,759,429
Global IME Bank Limited	22,149
Jyoti Bikash Bank Limited	5,850,207
Kumari Bank Limited	39,335
Prime Commercial Bank Limited	113,069
Citizen Bank International Limited	41,334
Shangri-La Development Bank Limited	2,867,527
NIC Aisa Bank Limited	244,006
Mukthinath Bikas Bank Limited	20,664,784
Everest Bank Limited	16,068
Reliance Finance limited	297,958
Manjushree finance limited	10,109,526
<b>Total</b>	<b>177,674,681</b>



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## 2.6 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.

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.



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Siddhartha Capital Limited logo.



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**

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.

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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.

### **2.7 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 right to receive is established.
- 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 interest income becomes accrued as it is earned.
- 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.

### **2.8 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:

- 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 is 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.

### **2.9 Expenses**

All expenses are accounted on an accrual basis.

### **2.10 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.



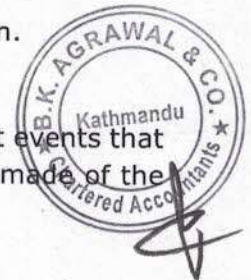
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- b. Cost of investments includes brokerage, transaction charges, and any other charge customarily included in the broker's note.
- c. Equities which are traded frequently shall be valued at closing market price.
- d. Equities which are not traded 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 of IPO till listing or if listed but not traded, IPO investment are valued using valuation model which is the value derived from sum of 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 shall be valued considering all the accrued interest for the period.
- l. Other market instruments/investments are valued at cost of acquisition.

## 2.11 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 Investment Growth Scheme 2**

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

**As at Ashadh 32, 2080 (16 July, 2023)**

**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
<b>Total</b>		<b>100%</b>	<b>1,200,000,000</b>

**2 Reserve and Surplus**

Reserve and Surplus comprises of net realized income of NPR. 172,013,767 (NPR. One Hundred Seventy-Two Million Thirteen Thousand Seven Hundred Sixty-Seven Only) and net unrealized loss of NPR. 88,639,161 (NPR. Eighty-Eight Million Six Hundred Thirty-Nine Thousand One Hundred Sixty-One Only).

**3 Income Tax**

Section 10 of Income Tax Act 2058 has prescribed Mutual Funds as non-taxable entity. Accordingly, no income tax has been provided. Similarly, no income tax return is required to be submitted according to section 96 of the said act.

**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:

NFRS 13 requires disclosure of fair value measurements by level of the following fair value hierarchy;



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- (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 during the period are as follows:

Fund Management Fee	Depository Fee	Supervisor Fee
NPR. 18,109,134.75	NPR. 2,414,551.30	NPR. 963,854.11

**8 Reconciliation Status**

The Bank Account has duly been reconciled.

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**Siddhartha Capital Limited**  
Investing happiness





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

Sector	Investment this FY		% Investment for Previous FY
	Amount	%	%
Commercial Banks	347,563,119	33.60%	39.37%
Development Banks	63,240,712	6.34%	4.88%
Finance Companies	5,213,184	0.52%	0.00%
Hotels	1,355,439	0.14%	0.63%
Hydro	91,910,517	9.21%	6.49%
Investment	10,437,344	1.05%	0.00%
Life Insurance	169,325,265	16.97%	14.17%
Manufacturing And Processing	46,687,931	4.68%	4.00%
Microfinance	110,568,518	11.08%	19.79%
Mutual Fund	39,202,500	5.15%	0.00%
Non-Life Insurance	103,304,730	10.35%	7.00%
Others	4,182,851	0.42%	3.78%
Trading	5,075,364	0.51%	0.00%
<b>Total</b>	<b>998,067,473</b>	<b>100%</b>	<b>100%</b>

**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. 10.69.

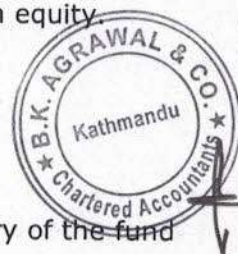
**11 Distributions**

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



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

The Scheme has entered into transactions with related parties which are required to be disclosed in accordance with Accounting Standard – on 'Related Party Disclosures'.

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

- i. Unit Holding of Siddhartha Bank Limited amounts to NRs. 210,000,000 (NPR. Two Hundred Ten Million Only).
- ii. Unit Holding of Siddhartha Capital Limited amounts to NRs. 43,359,700 (NRR. Forty -Three Million Three Hundred Fifty-Nine Thousand Seven Hundred Only).
- iii. Siddhartha Investment Growth Scheme 2 have earned interest amounting to NPR. 1,728,100.07 (NPR. One Million Seven Hundred Twenty-Eight Thousand One Hundred & 07/100 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. 20,523,686 (NPR. Twenty Million Five Hundred Twenty-Three Thousand Six Hundred Eighty-Six Only).
- v. Supervisor Fee incurred by Siddhartha Investment Growth Scheme 2 to Fund Supervisors amounts to NPR. 963,854 (NPR. Nine Hundred Sixty-Three Thousand Eight Hundred Fifty-Four Only). Detail of transaction is as below:

Name	Amount (NPR.)
Dr. Ram Krishna Timilsina	229,489
Mr. Bishwo Prakash Pandit	183,591
Mr. Radha Krishna Poudel	183,591
Mr. Pratap Prasad Pradhan	183,591
Mr. Surya Prasad Bhandari	183,591
<b>Total</b>	<b>963,854</b>

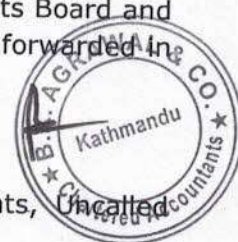
Other small transactions are considered insignificant and hence are not disclosed.

### 13 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.

### 14 Contingent Liability

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



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**Siddhartha Capital Limited**

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## 15 Proposed Dividend and Distribution

The Board of Directors of the fund management company, Siddhartha Capital Limited, held on August 17, 2023 has proposed 6.50% dividend (including tax) on unit holder's fund, amounting to NPR 78,000,000.00 (NPR. Seventy-Eight Million Only) from net realized profit up to F/Y 2079/80.

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



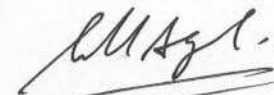
Rupesh Raut  
Head, Finance & Operations



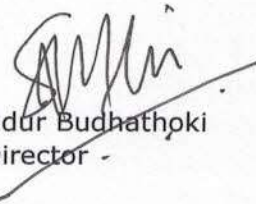
Mukti Nath Subedi  
Chief Operating Officer



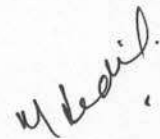
Sandeep Karki  
Chief Executive Officer



Rahul Agrawal  
Director



Sher Bahadur Budhathoki  
Director

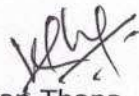


Mohit Kedia  
Chairman



Rishi Raj Gautam  
Independent Director

As per our attached report of even date  
**On Behalf of B.K. Agrawal & Co.,**  
**Chartered Accountants**



Kiran Thapa  
Independent Director



P.K. Swarnkar, FCA  
Partner



Date: August 17, 2023  
Place: Kathmandu, Nepal



**Siddhartha**  
**Capital Limited**  
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