

INDEPENDENT AUDITOR'S REPORT TO THE FUND MANAGER AND UNIT HOLDERS OF SIDDHARTHA SYSTEMATIC INVESTMENT SCHEME

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Siddhartha Systematic Investment Scheme which comprise of Statement of Financial Position as at Ashadh 31, 2080 (July 16, 2023), Statement of Profit or Loss, Statement of changes in unit Holders' equity, Statement of Cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements read with the significant accounting policies and notes to accounts, present fairly, in all material respect, the financial position of Siddhartha Systematic Investment Scheme, as at Ashadh 31, 2080 and its financial performance and cash flows for the period from Shrawan 1, 2079 to Ashadh 31, 2080, is in accordance with Nepal Financial Reporting Standards and comply with other prevailing laws.

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of Financial Statements section of our report. We are independent of the scheme in accordance with ethical requirements that are relevant to our audit of the financial statements in Nepal and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for Our opinion.

Key Audit matters

Key audit matters are those matters that in our professional judgment were most significant in the audit of the financial statements of the current period. Those matters were addressed in the context of the audit of the financial statements as a whole, in forming our opinion thereon, and we do not provide separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have. Fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Key Audit Matters	How our Audit addressed the Key Audit Matters
<p>Investment Valuation: The major portion of the Financial Statement comprise of the Financial Asset at Fair Value through Profit and Loss i.e. the investments in Listed and Unlisted Equity Shares held by the Scheme as at 16th July 2023.</p> <p>There is a risk on existence of investments and that the fair value of investment not determined appropriately.</p> <p>Accordingly, the existence and valuation of investments is considered as a key audit matter.</p>	<p>We performed the following procedures in relation to existence and valuation of investments.</p> <ul style="list-style-type: none"> Assessed the design and implementation of controls over valuation and existence of investments. On a sample basis, tested the key controls set up by management on existence and valuation of Investments. Traced the quantity held from the confirmation provided by Custodian with the books as at 16th July 2023. Tested the valuation of the investments as per the investment valuation policy approved by the Board of the Directors in accordance to Mutual Funds Regulations 2010 and Mutual Fund Guidelines 2012.

Responsibilities of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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.

Auditor's 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 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 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 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 evidence obtained up to the date of our audit report. However, future events or conditions may cause the scheme 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 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 the Legal and Regulatory Requirements

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

- a. We have obtained all the information and explanations which we considered necessary for the purpose of our audit.
- b. During the examination of the books of accounts of the scheme, we have not come across any action committed against the interest of the Unit Holders.
- c. The Financial Position as at Ashadh 31, 2080 (July 16 2023) and the related Statement of Profit or Loss, Statement of Changes in equity, Statement of Cash flows, a summary of significant accounting policies and other explanatory information dealt with by this report are prepared in accordance with the Nepal Financial Reporting Standard, Securities Act 2063, Securities Board Regulation 2064, Mutual Fund Regulation 2067, Mutual Fund Guideline 2069 and are in agreement with the books of accounts maintained by the scheme.



- d. In our opinion and to the best of our information and according to explanation given to us. the management, or any employee of the fund manager has neither acted contrary to the legal provisions relating to accounts nor committed any misappropriation of funds or caused loss damage to the scheme.
- e. We have not come across any fraudulence in the books of accounts maintained by the scheme.

Nirdesh Shrestha, FCA



For P.J.P.N & Co
Chartered Accountants



Date: August 17, 2023

Place: Kathmandu, Nepal

UDIN:230822CA00809nTX4H

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

Siddhartha Systematic Investment Scheme
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	67,924,683	56,381,324
Other Financial Assets	2	788,406	1,895,502
Financial Assets at Fair Value through Profit/Loss	3	281,475,988	132,102,086
Financial Assets at Amortized Cost	4	60,958,000	2,143,000
Total Assets		411,147,077	192,521,912


EQUITY AND LIABILITIES	Schedule	Current Period NPR	Previous Period NPR
Liabilities			
Current Liabilities	5	2,504,453	1,002,747
Total Liabilities		2,504,453	1,002,747
Equity			
Unit Holder's Capital	6	454,151,395	236,502,846
Unit Capital Advance	6	-	457,188
Reserves and Surplus	7	(45,508,771)	(45,440,869)
Total Equity		408,642,624	191,519,165
Total Capital & Liabilities		411,147,077	192,521,912
Total Issued Unit		45,415,139.53	23,650,284.62
NAV Per Unit		9.00	8.08

Significant Accounting Policies	13
Notes to Accounts	14

Schedules 1 to 14 form Integral part of Financial Statements

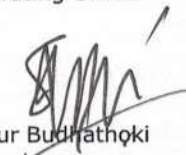
On Behalf of Siddhartha Capital Limited
(Fund Management Company)


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 P.J.P.N. & Co.,
Chartered Accountants




Nirdeish Shrestha, 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 Systematic Investment Scheme
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
1. Income		23,017,468	9,117,625
1.1 Realised Income	8	23,017,468	9,101,968
1.2 Unrealised Income	9	-	15,657
2. Expenses		5,115,014	5,371,309
2.1 Pre-Operating Expenses	10	-	1,617,820
2.2 Annual Regular Expenses	11	5,115,014	3,753,489
Realised Profit / (Loss)		17,902,454	3,746,316
Net Unrealised Gain/(Loss) from Financial Assets Held at Fair Value through Profit or Loss (FVTPL)	12	18,837,561	(44,049,352)
Net Profit/ (Loss)		36,740,015	(40,303,036)

Schedules 1 to 14 form Integral part of Financial Statements

On Behalf of Siddhartha Capital Limited
(Fund Management Company)



Rupesh Raut
Head, Finance & Operations



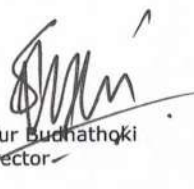
Mukti Nath Subedi
Chief Operating Officer



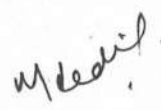
Sandeep Karki
Chief Executive Officer



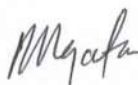
Rahul Agrawal
Director



Sher Bahadur Budhathoki
Director

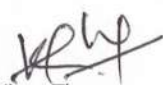


Mohit Kedia
Chairman



Rishi Raj Gautam
Independent Director

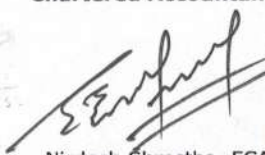
As per our attached report of even date
On Behalf of P.J.P.N. & Co.,
Chartered Accountants



Kiran Thapa
Independent Director



Siddhartha Capital Limited
Investing happiness



Nirdesh Shrestha, 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 Systematic Investment Scheme
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
A. Cash Flows From Operating Activities	(110,025,085)	(173,297,876)
1. Cash Receipts	23,017,468	9,117,625
1.1 Interest Income from Financial Asset at Amortized Cost	6,400,187	3,911,921
1.2 Dividend Income from Financial Assets at FVTPL	1,257,333	203,267
1.3 Unrealised Income	-	15,657
1.4 Interest Income from Financial Asset at FVTPL	15,179,141	4,942,592
1.5 Other Income	3,852	0
1.6 Exit Load Income	176,954	44,187
2. Cash Payments	5,115,014	5,371,309
2.1 Pre-operating Expenses	-	1,617,820
2.2 Annual Regular Expenses	5,115,014	3,753,489
Cash Flows before Changes in Working Capital	17,902,454	3,746,316
(Increase)/Decrease in Current Assets & Securities	(129,429,245)	(178,046,940)
Increase/(Decrease) in Current Liabilities	1,501,706	1,002,747
B. Cash Flows From Investing Activities	(58,815,000)	(2,143,000)
1. (Increase)/Decrease in Investments	(58,815,000)	(2,143,000)
C. Cash Flows from Financing Activities	180,383,444	231,822,200
1. Increase/(Decrease) in Unit Holder's Capital	217,191,361	236,960,034
2. Increase/(Decrease) in Unit Capital Reserve	(36,807,917)	(5,137,833)
2. Dividend Paid	-	-
D. Income/Expenses from changes in exchange rate on Cash and Bank	-	-
E. Net Cash Flow For The Year from all activities (A+B+C+D)	11,543,359	56,381,324
F. Opening Cash and Bank Balance	56,381,324	-
G. Closing Cash and Bank Balance	67,924,683	56,381,324

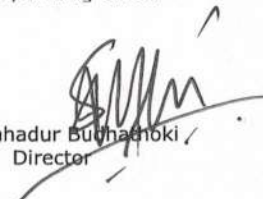
On Behalf of Siddhartha Capital Limited
(Fund Management Company)


Rupesh Raut
Head, Finance & Operations

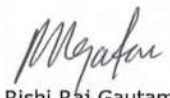

Mukti Nath Subedi
Chief Operating Officer


Sandeep Karki
Chief Executive Officer


Rahul Agrawal
Director


Sher Bahadur Buthadi
Director


Mohit Kedia
Chairman


Rishi Raj Gautam
Independent Director


Kiran Thapa
Independent Director



As per our attached report of even date
On Behalf of P.J.P.N. & Co.,
Chartered Accountants


Nirdeish Shrestha, 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 Systematic Investment Scheme
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	Unit Capital Reserve NPR	Realized Profit NPR	Unrealized Profit NPR	Total NPR
Balance as at Shrawan 7, 2078					
Adjusted balance as on Shrawan 7, 2078					
Issue of Unit Capital	-	-	-	-	-
Dividend Paid during the year	236,960,034	-	-	-	236,960,034
Net Profit/(Loss) During the year	-	-	-	-	-
Dividend Paid of Last Year	-	-	3,746,316	(44,049,352)	(40,303,036)
Unit Capital Reserve Fund	-	(5,137,833)	-	-	(5,137,833)
Unit Advance	-	-	-	-	-
Balance as at Ashadh 32, 2079	236,960,034	(5,137,833)	3,746,316	(44,049,352)	191,519,165
Balance as at Shrawan 1, 2079	236,960,034	(5,137,833)	3,746,316	(44,049,352)	191,519,165
Adjusted Balance as at Shrawan 1, 2079					
Issue of Unit Capital	236,960,034	(5,137,833)	3,746,316	(44,049,352)	191,519,165
Dividend Paid during the year	217,191,361	-	-	-	217,191,361
Net Profit/(Loss) During the year	-	-	17,902,454	18,837,561	36,740,015
Dividend Paid of Last Year	-	-	-	-	-
Unit Capital Reserve Fund	-	(36,807,917)	-	-	(36,807,917)
Unit Advance	-	-	-	-	-
Balance as at Ashadh 31, 2080	454,151,395	(41,945,751)	21,648,770	(25,211,791)	408,642,624

On Behalf of Siddhartha Capital Limited
(Fund Management Company)

[Signature]
Rupesh Raut
Head, Finance & Operations

[Signature]
Rahul Agrawal
Director

[Signature]
Rishi Raj Gautam
Independent Director

[Signature]
Kiran Thapa
Independent Director

Date: August 17, 2023
Place: Katmandu, Nepal

[Signature]
Mukti Nath Subedi
Chief Operating Officer

[Signature]
Sher Bahadur Bhattaraki
Director

[Signature]
Sandeep Karki
Chief Executive Officer

[Signature]
Mohit Kedia
Chairman



As per our attached report of even date
On Behalf of P.J.P.N. & Co.,
Chartered Accountants

[Signature]
Nirdeh Shrestha, FCA
Partner



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

Siddhartha Systematic Investment Scheme
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		
1. Local Licensed Institutions						
a. Call Accounts						
At Siddhartha Bank Limited	67,924,683	-	-	-	67,924,683	26,381,324
At Muktinath Bikash Bank Limited	17,975,300	-	-	-	17,975,300	13,404,529
At Kamana Sewa Bikas Bank Limited	1,671,022	-	-	-	1,671,022	1,586,300
At Garima Bikas Bank Limited	28,775,291	-	-	-	28,775,291	5,278,884
At Siddhartha Bank Limited (Unit Collection)	1,929,405	-	-	-	1,929,405	3,807,133
At Siddhartha Bank Limited (SIP Fund Collection)	1,857,125	-	-	-	1,857,125	209,811
At Siddhartha Bank Limited (Unit Collection D.O.)	4,327,781	-	-	-	4,327,781	2,073,726
At Everest Bank Limited	0.16	-	-	-	0.16	5,949
At Siddhartha Bank Limited (Online Payment)	13,042	-	-	-	13,042	14,992
At Siddhartha Bank Limited (Distribution Center Biratnagar)	6,353,127	-	-	-	6,353,127	-
	5,022,590	-	-	-	5,022,590	-
b. Fixed Deposit Accounts (Up to 3 Months)						
Kaman Sewa Bikas Bank Limited	-	-	-	-	-	30,000,000
	-	-	-	-	-	30,000,000
Total	67,924,683	-	-	-	67,924,683	56,381,324

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

Siddhartha Systematic Investment Scheme
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	-	678,045
Dividend Income Receivable	60,429	15,657
Interest Income Receivable	727,977	-
IPO/Auction/Right Advance	-	1,201,800
Total	788,406	1,895,502

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 **Siddhartha Capital Limited**
Investing happiness



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

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

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

A	Equities Investments	Particulars	Symbol	Current Period			Cost in NPR	Stock Qty	Per Unit Price	Previous Period		
				Stock Qty	Per Unit Price	Value in NPR				Per Unit Price	Value in NPR	Cost in NPR
1	Nepal Bangladesh Bank Limited		NBB	561,542	-	-	299,153,149	296,715	411	4,393,061	130,621,736	174,258,877
2	Manushi Laghubitta Bittiya Sanstha Limited		MLBS	-	-	-	-	10,696	1,002	70,140	7,000	4,393,090
3	Sagarmatha Insurance Co. Ltd.		SIC	-	-	-	-	2,765	870	2,405,550	3,106,126	3,106,126
4	Gurans Life Insurance Company Ltd.		GLICL	-	-	-	-	2,110	611	1,289,189	1,254,594	1,254,594
5	Mega Bank Nepal Ltd.		MEGA	-	-	-	-	8,820	256	2,261,801	2,643,063	2,643,063
6	Premier Insurance Company (Nepal) Limited		PIC	-	-	-	-	1,709	576	984,384	1,628,595	1,628,595
7	Global IME Laghubitta Bittiya Sanstha Ltd.		GILB	-	-	-	-	67	1,299	87,033	115,641	115,641
8	Civil Bank Ltd		CBL	-	-	-	-	8,000	213	1,704,000	2,033,016	2,033,016
9	Lumbini General Insurance Co. Ltd.		LGIL	-	-	-	-	2,173	382	830,086	1,599,029	1,599,029
10	Jaipal Samudayik Laghubitta Bittiya Sanstha Limited		JALPA	-	-	-	-	174	2,318	403,332	17,400	17,400
11	NESDO Sambiridha Laghubitta Bittiya Sanstha Limited		NESDO	-	-	-	-	276	2,280	629,280	27,600	27,600
12	Oriental Hotels Limited		OHL	-	-	-	-	1,500	483	724,500	760,345	760,345
13	Upakar Laghubitta Bittiya Sanstha Limited		ULBSL	-	-	-	-	79	2,699	213,221	7,900	7,900
14	CYC Nepal Laghubitta Bittiya Sanstha Limited		CYCL	-	-	-	-	132	1,698	224,162	13,200	13,200
15	National Life Insurance Co. Ltd.		NLICL	11,144	645	7,187,880	7,014,145	4,777	577	2,756,329	4,251,658	4,251,658
16	Suryajyoti Life Insurance Company Limited		SILIC	12,381	610	7,552,410	7,702,987	3,361	387	1,308,447	2,680,130	2,680,130
17	Sanima Bank Limited		SANIMA	37,500	261	9,768,750	11,760,891	25,000	276	6,900,000	9,270,731	9,270,731
18	Sunrise Bank Limited		SRBL	7,465	173	1,292,152	2,371,612	7,465	207	1,545,255	2,371,612	2,371,612
19	Prime Commercial Bank Ltd.		PCBL	24,762	195	4,828,590	8,516,090	23,810	265	6,309,650	8,516,090	8,516,090
20	Life Insurance Corporation (Nepal) Limited		LICN	6,800	1,555	10,574,000	10,604,829	4,800	1,415	6,792,000	7,665,713	7,665,713
21	Neco Insurance Limited		NIL	8,758	891	7,804,254	7,771,427	3,507	694	2,433,858	3,903,260	3,903,260
22	Mukthin Bikas Bank Ltd.		MNBBL	8,156	407	3,319,492	3,568,833	2,780	440	1,222,922	1,562,892	1,562,892
23	Kamana Sewa Bikas Bank Limited		KSBBL	4,852	327	1,586,604	2,569,062	4,647	350	1,625,985	2,569,062	2,569,062
24	Garima Bikas Bank Limited		GBBL	11,434	405	4,630,770	4,397,138	3,566	387	1,380,042	1,689,012	1,689,012
25	Lumbini Bikas Bank Ltd.		LBBL	15,482	413	6,394,066	6,458,194	5,322	341	1,814,802	2,499,907	2,499,907
26	NIC Asia Bank Ltd.		NICA	16,033	794	12,726,995	11,892,805	8,533	696	5,938,968	6,642,050	6,642,050
27	Chhimek Laghubitta Bittiya Sanstha Limited		CBBL	9,900	1,000	9,900,000	10,398,302	5,114	1,100	5,625,400	6,510,222	6,510,222
28	Nabil Bank Limited		NABIL	10,199	599	6,111,241	8,822,095	4,008	824	3,302,592	4,429,005	4,429,005
29	Everest Bank Limited		EBL	20,896	563	11,764,448	10,677,381	6,164	439	2,705,996	3,819,615	3,819,615
30	Chilime Hydropower Company Limited		CHCL	2,000	537	1,073,400	1,019,574	4,300	408	1,754,400	2,356,235	2,356,235
31	NIC ASIA Laghubitta Bittiya Sanstha Limited		NICLBSL	2,740	729	1,997,460	3,075,926	2,740	860	2,356,126	3,075,926	3,075,926
32	Sanima Mai Hydropower Ltd.		SHPC	1,003	355	356,065	402,316	3,003	306	918,918	1,204,542	1,204,542
33	Shikhar Insurance Co. Ltd.		SICL	4,803	845	4,058,535	5,740,874	4,140	807	3,340,980	5,740,874	5,740,874
34	Standard Chartered Bank Limited		SCB	18,602	530	9,860,920	8,970,028	4,123	396	1,633,945	1,954,217	1,954,217
35	Shivam Cements Ltd		SHVM	7,049	652	4,592,424	6,396,484	3,549	760	2,697,240	4,961,928	4,961,928
36	RMDC Laghubitta Bittiya Sanstha Ltd.		RMDC	5,434	775	4,211,350	5,135,169	4,313	838	3,614,294	5,135,169	5,135,169
37	CEDB Hydropower Development Company Limited		CHDC	6,609	904	5,974,536	5,435,303	5,409	730	3,948,570	4,526,062	4,526,062
38	Chhyangdi Hydropower Ltd.		CHL	1,627	264	429,528	663,206	1,627	250	406,750	663,206	663,206
39	Kalika power Company Ltd		KPCL	3,525	355	1,254,925	1,573,427	2,690	372	1,000,680	1,376,877	1,376,877
40	Ngadi Group Power Ltd.		NGPL	12,785	234	2,990,412	3,946,811	4,882	297	1,449,954	3,214,511	3,214,511
41	Nepal Reinsurance Company Limited		NRIC	4,768	740	3,528,320	4,981,038	4,542	735	3,338,370	5,217,136	5,217,136
42	Citizens Bank International Limited		CZBIL	5,365	173	928,682	1,295,606	3,365	203	681,413	932,777	932,777
43	Machhapuchhre Bank Limited		MBL	24,174	232	5,603,533	7,165,236	16,174	254	4,108,196	5,315,031	5,315,031
44	Kumant Bank Limited		KBL	12,447	165	2,053,755	2,504,538	5,455	191	1,041,905	1,194,785	1,194,785
45	Jyoti Bikas Bank Limited		JBBL	2,698	298	804,004	1,137,502	2,619	302	791,462	1,137,502	1,137,502
46	Citizen Investment Trust		CIT	500	2,089	1,044,500	931,945	1,236	302	3,108,540	3,887,698	3,887,698
47	Asian Life Insurance Co. Limited		ALICL	13,750	745	10,245,125	9,243,745	1,119	574	642,306	1,013,367	1,013,367
48	IME General Insurance Co. Ltd.		IGI	16,558	560	9,272,480	10,013,945	3,197	370	1,182,890	2,626,825	2,626,825
49	Nepal Doorsanchar Company Limited		NTC	1,200	907	1,088,280	1,343,162	1,000	879	878,900	1,119,302	1,119,302
50	Shine Resurgence Development Bank Ltd.		SHINE	20,032	384	7,692,288	6,951,900	2,000	295	589,800	812,165	812,165
51	Mahalaxmi Bikas Bank Ltd.		MLBL	1,651	326	540,656	815,938	1,597	378	603,666	815,938	815,938

Siddhartha Capital Limited



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Particulars	Symbol	Current Period			Previous Period				
		Stock Qty	Per Unit Price	Value in NPR	Cost in NPR	Stock Qty	Per Unit Price	Value in NPR	Cost in NPR
52 Api Power Company Ltd.	API	10,489	197	2,066,333	2,949,277	6,969	245	1,703,921	2,649,577
53 Arun Kabeli Power Ltd.	AKPL	4,000	235	938,000	1,189,295	2,000	459	918,000	1,048,760
54 Laxmi Bank Limited	LBL	2,000	173	346,000	541,654	2,000	199	398,000	541,654
55 Prabhu Bank Limited	PRVU	11,715	163	1,904,859	3,514,645	11,000	207	2,277,000	3,514,645
56 Nirdhan Uthhan Laghubittia Bittiya Sanstha Limited	NUBL	5,366	765	4,104,990	4,961,259	1,509	1,099	1,658,391	1,708,685
57 Mountain Energy Nepal Limited	MEN	4,077	995	4,056,615	3,512,146	2,000	800	1,600,000	1,990,189
58 Salt Trading Corporation	STC	443	4,899	2,170,257	1,861,457	184	3,950	726,800	1,016,687
59 Global IME Bank Limited	GBIME	17,510	186	3,256,860	5,562,467	17,000	251	4,273,800	5,562,467
60 Himalayan Power Partner Ltd.	HPPL	8,798	286	2,515,348	4,402,641	8,798	322	2,832,956	4,402,641
61 Liberty Energy Company Limited	LEC	2,370	245	579,465	933,231	2,370	250	592,026	933,231
62 National Hydro Power Company Limited	NHPC	9,383	178	1,669,236	2,384,755	6,256	240	1,501,440	2,071,955
63 Nepal Life Insurance Co. Ltd.	NLIC	1,629	744	1,211,976	1,617,937	1,129	747	843,363	1,235,947
64 Himalayan Distillery Limited	HDL	720	2,248	1,618,560	1,827,819	975	3,410	3,324,750	3,312,813
65 NMB Bank Limited	NMB	11,000	226	2,486,000	2,587,088	-	-	-	-
66 National Microfinance Laghubittia Bittiya Sanstha Limited	NMFBS	1,427	1,366	1,949,282	2,598,743	-	-	-	-
67 Nepal Investment Mega Bank Limited	NIMB	8,255	174	1,434,719	2,643,063	-	-	-	-
68 Himalayan Bank Limited	HBL	6,743	213	1,434,910	2,033,016	-	-	-	-
69 Siddhartha Premier Insurance Limited	SPIL	1,953	779	1,520,411	1,628,595	-	-	-	-
70 Unilever Nepal Limited	UNL	230	32,998	7,589,540	5,502,309	-	-	-	-
71 Nepal SBI Bank Limited	SBI	23,890	341	8,146,490	7,941,869	-	-	-	-
72 BPW Laghubittia Bittiya Sanstha Limited	BPW	323	1,120	361,760	32,300	-	-	-	-
73 Makar Jitumaya Suri Hydropower Limited	MAKAR	5,870	273	1,603,097	1,229,697	-	-	-	-
74 Sagarmatha Lumbini Insurance Co. Limited	SALICO	18,671	748	13,965,908	14,741,829	-	-	-	-
75 Nepal Insurance Co. Ltd.	NICL	5,000	820	4,100,000	3,135,748	-	-	-	-
76 City Hotel Limited	CITY	1,993	680	1,355,439	199,300	-	-	-	-
77 NLG Insurance Company Ltd.	NLG	3,000	840	2,520,000	2,715,822	-	-	-	-
78 Prabhu Insurance Ltd.	PRIN	6,000	747	4,482,000	4,393,233	-	-	-	-
79 Rawa Energy Development Limited	RAWA	627	353	221,456	62,700	-	-	-	-
80 Manjushree Finance Ltd.	MFIL	5,000	550	2,750,000	2,635,823	-	-	-	-
81 Bottlers Nepal (Terai) Limited	BNT	290	13,800	4,002,000	3,954,387	-	-	-	-
82 Himalayan Life Insurance Limited	HLI	2,568	507	1,301,976	1,254,594	-	-	-	-
83 Nepal Bank Limited	NBL	5,100	249	1,269,900	1,334,988	-	-	-	-
B IPO Equities Investments		411,259	-	6,500,727	6,495,000	4,365	-	393,941	436,500
1 Bindhyabasini Hydropower Development Company Limited		-	-	-	-	500	141	70,465	50,000
2 Adarsha Laghubittia Bittiya Sanstha Limited		-	-	-	-	22	162	3,571	2,200
3 Himalayan Hydropower Limited		-	-	-	-	656	71	46,268	65,600
4 Upper Solu Hydro Electric Company Limited		-	-	-	-	653	98	64,151	65,300
5 Upper Hewakholia Hydropower Company Limited		-	-	-	-	500	95	47,700	50,000
6 Swet-Ganga Hydropower & Construction Limited		-	-	-	-	797	87	69,068	79,700
7 Rapti Hydro & General Construction Limited		-	-	-	-	845	76	64,161	84,500
8 Mandakini Hydropower Limited		-	-	-	-	392	73	28,557	39,200
9 Citizens Super 30 Mutual Fund_ Unlisted Shares		400,000	10	4,000,000	4,000,000	-	-	-	-
10 Three Star Hydropower Limited_ Unlisted stock		616	112	69,189	61,600	-	-	-	-
11 Upper Syange Hydropower Limited_ Unlisted		542	85	45,907	54,200	-	-	-	-
12 Kutheli Bukhari Small Hydropower Limited_ Unlisted		101	164	16,531	10,100	-	-	-	-
13 IME Life Insurance Company Limited_ Unlisted		10,000	237	2,369,100	2,369,100	-	-	-	-
C Unlisted Equities Investments		1,363	-	999,005	1,039,630	1,885	-	1,086,409	1,456,060
1 Kalika Power Company Limited	KPCL	-	-	-	-	384	372	142,848	196,550
2 Garima Bikas Bank Limited	GBBL	-	-	-	-	571	387	220,977	270,450
3 Nepal Doorsanchar Company Limited	NTC	-	-	-	-	200	879	175,780	223,860
4 IME General Insurance Limited	IGI	-	-	-	-	160	370	59,200	131,465
5 Sagarmatha Insurance Company Limited	SIC	-	-	-	-	553	870	481,110	621,225
6 Lumbini General Insurance Limited	LGIL	-	-	-	-	17	382	6,494	12,510
7 Arun Kabeli Power Ltd.	AKPL	200	235	46,900	59,465	-	-	-	-
8 National Life Insurance Co. Ltd.	NLIC	812	645	523,740	511,081	-	-	-	-
9 Nepal Reinsurance Company Limited	NRIC	226	740	167,240	236,098	-	-	-	-
10 Citizen Investment Trust	CIT	125	2,089	261,125	232,986	-	-	-	-
Grand Total		974,164		281,475,988	306,687,779	302,965		132,102,086	176,151,437



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

Siddhartha Systematic Investment Scheme
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 Deposit (Above 3 Months)	40,000,000	-
Investment in Bond and Debenture	20,958,000	2,143,000
Total	60,958,000	2,143,000

Schedule 4(A): Investment in Fixed Deposit (Above 3 Months)

Particulars	Current Period NPR	Previous Period NPR
Kaman Sewa Bikas Bank Limited	30,000,000	-
Siddhartha Bank Limited	10,000,000	-
Total	40,000,000	-

Schedule 4(B): Investment in Bond & Debenture

Particulars	Current Period NPR	Previous Period NPR
10.25% Civil Debenture 2088	2,143,000	2,143,000
11% KBL Debenture 2089	3,158,000	-
10.30% Standard Chartered Bank Nepal Limited Rinptra	5,000,000	-
11.25% Global IME Bank Debenture 2084/85	5,000,000	-
11% Mahalaxmi Debenture 2089	3,304,000	-
11% LBBB Debenture 2089	2,353,000	-
Total	20,958,000	2,143,000

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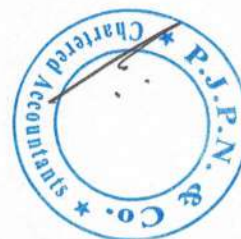
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**Siddhartha
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Siddhartha Mutual Fund
(A Mutual Fund Registered by Siddhartha Bank Limited under Mutual Fund Regulations, 2010)

Siddhartha Systematic Investment Scheme
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
TDS Payables	38,028	20,667
Fund Manager, Depository and Supervisor Payable	1,492,339	808,655
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	812,500	-
Sundry Payables-CDS	40,250	51,825
Unit Redemption Payables	-	5,422
Unit Purchase Refund Payables	3,712	350
Total	2,504,453	1,002,747

Schedule 6: Unit Holder's Capital

Particulars	Current Period NPR	Previous Period NPR
Seed Capital	75,000,000	37,500,000
Siddhartha Bank Limited	50,000,000	25,000,000
Siddhartha Capital Limited	25,000,000	12,500,000
Capital Raised from General Public	379,151,395	199,002,846
Total Unit Holder's Capital	454,151,395	236,502,846
Unit Capital Advance	-	457,188
Total	454,151,395	236,960,034

Schedule 7: Reserves and Surplus

Particulars	Current Period NPR	Previous Period NPR
Unit Capital Reserve Fund	(41,945,751)	(5,137,833)
Accumulated Profit/ Loss		
Realised Profit / Loss	21,648,770	3,746,316
Unrealised Profit / Loss	(25,211,791)	(44,049,352)
Total	(45,508,771)	(45,440,869)

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

Siddhartha Systematic Investment Scheme
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	6,400,187	3,911,921
Dividend Income from Financial Assets at Fair value through Profit or Loss	1,257,333	203,267
Net Gain/Loss from Financial Assets at Fair value through Profit or Loss	15,179,141	4,942,592
Exit Load Incomes	176,953.83	44,187
Other Income	3,852.36	0.07
Total	23,017,468	9,101,968

Schedule 9: Unrealised Income

Particulars	Current Period NPR	Previous Period NPR
Dividend Income Accrued	-	15,657
Total	-	15,657

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

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

Schedule 10: Pre-Operating Expenses

Particulars	Current Period NPR	Previous Period NPR
Scheme Registration Fee-CDS	-	60,000
Scheme Registration Fee-NEPSE	-	500,000
Issue management Fee	-	500,000
Prospectus Processing Fee	-	406,853
Publication Expenses	-	95,967
Audit Fee For Financial Projection	-	25,000
Scheme Allotment Meeting Expenses	-	10,000
NFO Issue Software Charge	-	20,000
Total	-	1,617,820

Schedule 11: Annual Regular Expenses

Particulars	Current Period NPR	Previous Period NPR
Credit Rating Expenses	38,763	30,021
AMC of Software	115,297	20,000
Reporting Expenses	155,184	132,462
Scheme Audit Fee	84,750	84,750
Scheme Audit Expenses	5,000	-
Fund Management & Depository Fee	4,366,278	3,227,323
Fund Supervisor Fee	243,564	126,685
Other Expenses	2,217	37,469
Dematerialization Charge	-	50,000
Scheme Registration Fee-QII	-	10,000
Scheme Registration Fee-Nepse Online Bidding	-	10,000
Notice Publication Expenses	4,577	23,036
Agent Commission	9,888	1,743
SIP Reminder SMS Expenses	39,496	-
CDS Annual Fee	50,000	-
Total	5,115,014	3,753,489

Schedule 12: Net Unrealised Gain/(Loss) from Financial Assets Held at Fair Value through Profit or Loss

Particulars	Current Period NPR	Previous Period NPR
1. Secondary Market Value Appreciation	(25,176,894)	(43,637,141)
2. IPO/Right/Bonus Value Appreciation	(34,897)	(412,211)
Less: Unrealised income upto previous year	(44,049,352)	-
Total	18,837,561	(44,049,352)

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Siddhartha Capital Limited
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Siddhartha Mutual Fund

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

Siddhartha Systematic Investment Scheme (Open-Ended Mutual Fund)

Fund Manager & Depository: Siddhartha Capital Limited

As at Ashadh 31, 2080 (16 July 2023)

Schedule: 13 - Significant Accounting Policies

1. Overview of the Scheme

Siddhartha Mutual Fund is the first Mutual Fund in Nepal registered with Securities Board of Nepal (SEBON) as per Mutual Fund Regulation, 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 fifth scheme of the Siddhartha Mutual Fund, Siddhartha Systematic Investment Scheme (SSIS)'s allotment was made on Shrawan 7 2078 with initial base fund size of NPR. Twenty Crores. The trading (sale/re-purchase of units) of SSIS was started from Kartik 7, 2078 (October 24, 2021). The fund obtained approval from Securities Board of Nepal (SEBON) to increase the fund size to NPR. Fifty crores from existing NPR. Twenty crores on Kartik 7, 2078. Being an open-ended mutual fund scheme, SSIS has no maturity period. SSIS is not listed in NEPSE and its trading is being facilitated by SCL.

The Scheme's Financial Statements for FY 2079/80 is approved by the Board of Directors (BoDs) of SCL, being the Fund Management and Depository Company for the Siddhartha Mutual Fund by BOD meeting dated August 17, 2023 (32nd Shrawan 2080).

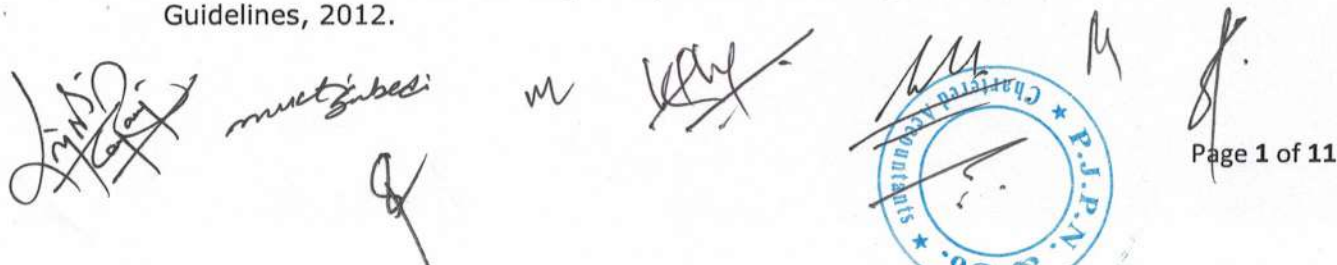
SSIS has obtained withholdee PAN on Poush 2, 2078 and its PAN number is 201386923.

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

The principle accounting policies are adopted in preparation of financial statements, which have been consistently applied unless otherwise stated.

2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards comprising of Nepal Financial Reporting Standards and Nepal Accounting Standards (hereafter referred as NFRS), laid down by the Institute of Chartered Accountants of Nepal to the extend 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 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)

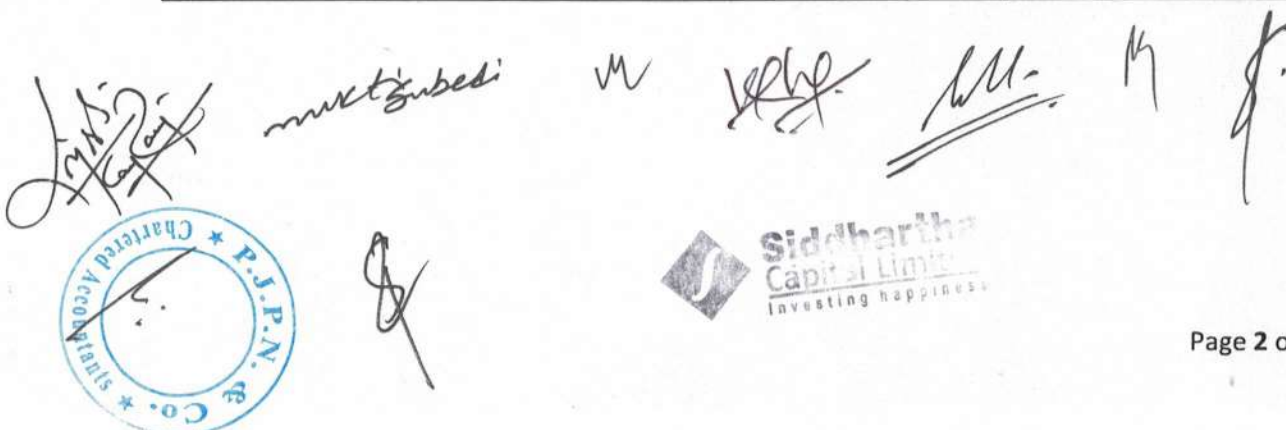
The Net Asset Value (NAV) calculation is done on the basis of market value of the total investment plus other current assets and deducting the same by the current liabilities in compliance with Mutual Fund Regulation and Guidelines. The Net Asset Value is calculated on per unit basis in daily and monthly periods and published the same on its website: www.siddharthacapital.com. Net Assets value (NAV) includes unit capital, realized gain and unrealized gain. The total value of NAV is reflected as Equity in Statement of Financial Position.


2.5 Cash & Cash Equivalents


Cash and Cash Equivalents are held for the purpose of meeting short-term cash commitment rather than for investment or other purpose. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and to be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say six months or less from the date of acquisition.

The detail of cash balance on call account maintained at various financial institutions are listed below:

Particulars	Amount
Call Accounts:	
Siddhartha Bank Limited	17,975,300
Muktinath Bikash Bank Limited	1,671,022
Kamana Sewa Bikas Bank Limited	28,775,291
Garima Bikas Bank Limited	1,929,405
Siddhartha Bank Limited (Unit Collection)	1,857,125
Siddhartha Bank Limited (Sip Fund Collection)	4,327,781
Siddhartha Bank Limited (Unit Collection D.O.)	0.16
Everest Bank Limited	13,042
Siddharth Bank Limited (Online Payment)	6,353,127
Siddhartha Bank Limited (Distribution Center Biratnagar)	5,022,590
Total	67,924,683







2.6 Financial Instruments

The Fund's principal financial assets comprise Assets held at Fair value through Profit or 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 comprise 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.

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 marketplace.

Investments are derecognized when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially 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.



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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 point 2.10 of Schedule 12.

d. Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.



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2.7 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.

- Dividend income is recognized as realized when right to receive is established and booked under accrued dividend income. Once the dividend amount is received in bank account, accrued dividend income is transferred to realized dividend income.
- Profit or loss on sale of investments is recognized on trade date. The cost of investments sold is determined on "weighted average cost basis".
- Interest on interest bearing and other fixed income investments is recognized as realized as and when such accrued interest income becomes due for payment by the Bank and financial institutions.
- 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.

2.8 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 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.

2.9 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.
- b. Cost of investments includes brokerage, transaction charges, and any other charge customarily included in the broker's note.



Investment



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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 at the value derived 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 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 Systematic Investment Scheme (Open-Ended Mutual Fund)

Fund Manager & Depository: - Siddhartha Capital Limited

As at Ashadh 31, 2080 (16 July, 2023)

Schedule: 14 – Notes to the Accounts

1 Unit Capital

Unit Ownership Detail	%	Unit Capital
1.1 Seed Capital		
Siddhartha Bank Limited	11.01	50,000,000
Siddhartha Capital Limited	5.50	25,000,000
1.2 Other Unit holders	83.49	379,151,395
Total	100	454,151,395

2 Reserve and Surplus

Reserve and Surplus comprises of net realized income of NPR. 21,648,770 (NPR. Twenty-One Million Six Hundred Forty-Eight Thousand Seven Hundred Seventy Only), net unrealized loss of NPR. 25,211,791 (NPR. Twenty-Five Million Two Hundred Eleven Thousand Seven Hundred Ninety-One Only) and negative capital reserve fund of NPR. 41,945,751 (NPR. Forty-One Million Nine Hundred Forty-Five Thousand Seven Hundred Fifty-One only).

3 Income Tax

Income Tax Act 2058 has prescribed Mutual Funds as non-taxable entity and thus TDS has not been deducted on its income. Similarly, no corporate tax has 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 Regulation 2067 has been complied throughout the fiscal year 2079-80 and as on Ashadh End 2080.

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:

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 2.10 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 Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

7 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. 3,852,598	NPR. 513,680	NPR. 243,564

8 Reconciliation Status

The Bank Account has duly been reconciled.

9 Recognition of bonus shares

Bonus shares are recognized on the basis of our holding as on book close date based on the rate proposed by the respective company. These shares are valued as per the Mutual Fund Investment Policy as mentioned in point 2.10 of Schedule 12.

10 Recognition of Right shares

Right shares are recognized on the basis of our holding as on book close date based on the rate proposed by the respective company. These shares are valued as per the Mutual Fund Investment Policy as mentioned in point 2.10 of Schedule 12.



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

Sector	Investment this FY		% Investment for Previous FY
	Amount	%	%
Commercial Banks	85,218,844	30.28%	37.45%
Development Banks	24,967,880	8.87%	6.24%
Finance	2,750,000	0.98%	0.00%
Hotels And Tourism	1,355,439	0.48%	0.55%
Hydro Power	19,932,407	7.08%	11.52%
Investment	7,280,161	2.59%	0.00%
Life Insurance	40,966,207	14.55%	10.32%
Manufacturing And Processing	19,972,781	7.10%	4.56%
Microfinance	22,524,842	8.00%	11.27%
Mutual Fund	4,000,000	1.42%	0.00%
Non-Life Insurances	47,723,587	16.95%	8.88%
Others	4,783,840	1.70%	9.22%
Total	281,475,988	100%	100%

12 Net Assets Attributable to Unit Holders

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, capital reserve 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 Net Assets Value of Fund is subject to daily changes in Market Price of Share at Nepal Stock Exchange.

NAV as on reporting date is NPR. 9.00.

13 Distributions

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

14 Related Party Transaction:

Related Parties

a. **Fund Sponsor:** Siddhartha Bank Limited

b. **Fund Manager and Depository:** Siddhartha Capital Limited, a subsidiary of the sponsor.



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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 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. 50,000,000 (NRR. Fifty Million Only).
- ii. Unit Holding of Siddhartha Capital Limited amounts to NRs. 25,000,000 (NRR. Twenty-Five Million Only).
- iii. Siddhartha Bank Limited has made an additional investment in Seed Capital for 2.5 million units amounting NPR 21,475,000 (Twenty-One Million Four Hundred Seventy-Five Thousand Only) on 13th June 2023 at the NAV of NPR 8.59.
- iv. Siddhartha Capital Limited has made an additional investment in Seed Capital for 1.25 million units amounting NPR 10,737,500 (Ten Million Seven Hundred Thirty-Seven Thousand Five Hundred Only) on 13th June 2023 at the NAV of NPR 8.59.
- v. Siddhartha Systematic Investment Scheme have earned interest amounting to NPR. 1,514,840 (NPR. One Million Five Hundred Fourteen Thousand Eight Hundred Forty Only) from Siddhartha Bank Limited.
- vi. Fund Management and Depository Fee incurred by Siddhartha Systematic Investment Scheme to Siddhartha Capital Limited amounts to NPR. 4,366,278 (NPR. Four Million Three Hundred Sixty-Six Thousand Two Hundred Seventy-Eight Only).
- vii. Supervisor Fee incurred by Siddhartha Systematic Investment Scheme to Fund Supervisors amounts to NPR. 243,564 (NPR. Two Hundred Forty-Three Thousand Five Hundred Sixty-Four Only). Detail of transaction is as below:

Name	Amount
Dr. Ram Krishna Timilsina	57,991.52
Mr. Radha Krishna Poudel	46,393.21
Mr. Pratap Prasad Pradhan	46,393.21
Mr. Bishwo Prakash Pandit	46,393.21
Mr. Surya Prasad Bhandari	46,393.21
Total	243,564.37

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



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15 Reporting

The Fund Manager has been reporting its Fund Management Activities to its Board and the Fund Supervisor on regular basis while the statutory reports are also forwarded in line with the prevailing regulations/guidelines on mutual funds.

16 Contingent Liability

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

17 Proposed Dividend and Distribution

The Board of Directors of the fund management company, Siddhartha Capital Limited, held on August 17 2023 have not proposed any dividends in relation to F/Y 2079/80.

On Behalf of Siddhartha Capital Limited (Fund Management Company)



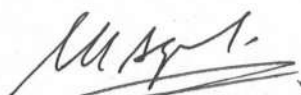
Rupesh Raut
Head, Finance & Operations



Mukti Nath Subedi
Chief Operating Officer



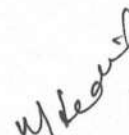
Sandeep Karki
Chief Executive Officer



Rahul Agrawal
Director



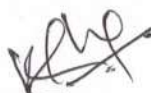
Sher Bahadur Budhathoki
Director



Mohit Kedia
Chairman



Rishi Raj Gautam
Independent Director



Kiran Thapa
Independent Director

As per our attached report of even date

**On Behalf of P.J.P.N. & Co.,
Chartered Accountants**



Nirdesh Shrestha, FCA
Partner



**Siddhartha
Capital Limited**
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Date: August 17, 2023
Place: Kathmandu, Nepal