

Statutory Audit_2079-80

Siddhartha Investment Growth Scheme 3

Period Covered:

17 Baishakh, 2080 to 31 Ashadh, 2080 (30 April 2023 to 16 July 2023)

Final Report

Submitted by:

S.A.R.
ASSOCIATES
CHARTERED ACCOUNTANTS

August 2023

Independent Auditor's Report

The Fund Manager
Siddhartha Investment Growth Scheme 3,
Kathmandu, Nepal

Report on the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Siddhartha Investment Growth Scheme 3, which comprise the Statement of Financial Position as at 31 Ashad, 2080 (16 July 2023), Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Unitholder's fund and Statement of Cash Flows for the period from 17 Baishakh, 2080 (30 April 2023) to 31 Ashadh, 2080 (16 July 2023), and a summary of Significant Accounting Policies and Other Explanatory Notes.

In our opinion, the accompanying financial statements presents fairly, in all material respects the financial position of Siddhartha Investment Growth Scheme 3 as at 31 Ashad, 2080 (16 July 2023), and of its financial performance and its cash flows for the period from 17 Baishakh, 2080 (30 April 2023) to 31 Ashadh, 2080 (16 July 2023) in accordance with Nepal Financial Reporting Standards.

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 Financial Statements* section of our Report. We are independent of the Siddhartha Investment Growth Scheme 3 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 in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 audit opinion.

Key Audit Matters

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

We have determined that there are no any key audit matters to communicate in our report

Information Other than the Financial Statements and Auditor's Report Thereon

The Scheme's Management is responsible for the other information. The other information comprises the information included in the Management Report but does not include the financial statements and our auditor's report thereon. Such information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read such other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



Responsibility of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with Governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities of 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. Misstatement can arise from fraud or error and are considered material if, individually or in 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of financial statements, whether due to fraud or error, design and perform and audit procedures responsive to those risk and obtained audit evidence that is sufficient and appropriate to provide a basis of 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 to the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the management,
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast significant doubt on the entity'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 auditor's report. However, future events or conditions may cause the entity 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 findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we would like to further report that:

- i. Financial Statements have been prepared in accordance with Nepal Financial Reporting Standard (NFRS); Securities Act, 2063; Securities Board Regulation, 2064; Mutual Fund

Regulations, 2067; Mutual Fund Guidelines, 2069 and are in line with the books of account maintained by the Scheme.

- ii. We have not come across any instances where any employee of the Fund Manager has acted against the provision of relevant laws or other regulatory provisions or has performed any irregularity or have caused any damage or loss to the scheme.
- iii. The Fund Manager has an effective internal control system in place.
- iv. The Fund Manager has an effective internal audit system in place.
- v. We did not come across any action performed against the interest of Unit holder and stock market.
- vi. The funds under the Scheme have been invested in accordance with the Mutual Fund Regulations 2067.
- vii. The operation of the Scheme is found satisfactory.


Aman Uprety
Partner



Place: Kathmandu, Nepal
Date: August 17, 2023

UDIN No.: 230821CA00451QdIRQ

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

Siddhartha Investment Growth Scheme 3
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	344,360,828	-
Other Financial Assets	2	225,625	-
Financial Assets at Fair Value through Profit or Loss	3	382,529,231	-
Financial Assets at Amortized Cost	4	107,060,000	-
Total Assets		834,175,684	-
EQUITY AND LIABILITIES	Schedule	Current Period NPR	Previous Period NPR
Liabilities			
Current Liabilities	5	3,192,980	-
Total Liabilities		3,192,980	-
Equity			
Unit Holder's Capital	6	805,800,000	-
Reserves and Surplus	7	25,182,704	-
Total Equity		830,982,704	-
Total Capital & Liabilities		834,175,684	-
NAV Per Unit		10.31	-
Significant Accounting Policies	10		
Notes to Accounts	11		

Schedules 1 to 11 form Integral part of Financial Statements

On Behalf of Siddhartha Capital Limited
(Fund Management Company)



Rupesh Raut
Head, Finance & Operations



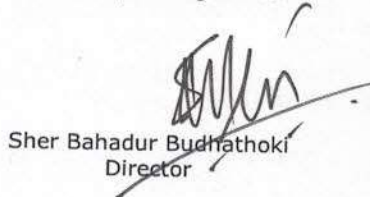
Mukti Nath Subedi
Chief Operating Officer



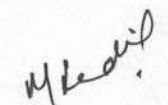
Sandeep Karki
Chief Executive Officer



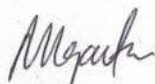
Rahul Agrawal
Director



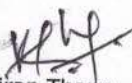
Sher Bahadur Budhathoki
Director



Mohit Kedia
Chairman



Rishi Raj Gautam
Independent Director



Kiran Thapa
Independent Director

As per our attached report of even date
On Behalf of S.A.R. Associates,
Chartered Accountants



Siddhartha
Capital Limited
Investing happiness



Aman Uprety, 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 3
Fund Manager & Depository: Siddhartha Capital Limited


Statement of Profit or Loss
For the period from Baisakh 17, 2080 to Ashadh 31, 2080

Particular	Schedule	Current Period NPR	Previous Period NPR
Income			
Realised Income			
Interest Income from Financial Asset at Amortized Cost		4,546,405	-
Dividend Income from Financial Assets at Fair value through Profit or Loss		1,280	-
Net Gain/(Loss) from Financial Assets at Fair value through Profit or Loss		509,216	-
Other Income		405	-
Total Realised Income		5,057,306	-
Expenses			
Pre-Operating Expenses	8	4,227,954	-
Fund Management Fee		2,611,455	-
Fund Depository Fee		348,194	-
Fund Supervisor Fee		107,764	-
NEPSE Listing Fee		50,000	-
Reporting Expenses		48,915	-
Scheme Audit Fee		84,750	-
Other Expenses		5,717	-
Total Expenses		7,484,749	-
Realised Profit/(Loss)		(2,427,443)	-
Unrealised Income			
Net Unrealised Gain/(Loss) from Financial Assets Held at Fair Value through Profit or Loss	9	27,610,147	-
Net Profit/ (Loss)		25,182,704	-

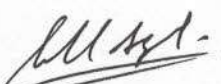
Schedules 1 to 11 form Integral part of Financial Statements


On Behalf of Siddhartha Capital Limited
(Fund Management Company)

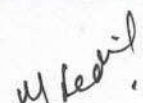

Rupesh Raut
Head, Finance & Operations



Mukti Nath Subedi
Chief Operating Officer


Sandeep Karki
Chief Executive Officer

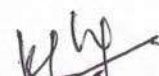

Rahul Agrawal
Director


Sher Bahadur Bhandari
Director


Mohit Kedia
Chairman


Rishi Raj Gautam
Independent Director

As per our attached report of even date
On Behalf of S.A.R. Associates,
Chartered Accountants


Kiran Thapa
Independent Director

 **Siddhartha Capital Limited**
Investing happiness


Aman Uprety, 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 3
Fund Manager & Depository: Siddhartha Capital Limited

Statement of Cash Flow
For the period from Baisakh 17, 2080 to Ashadh 31, 2080

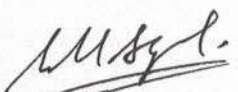
Particulars	Current Period NPR	Previous Period NPR
Cash Flows From Operating Activities		
Profit/(Loss) for the period	25,182,704	-
Adjustments:		
Unrealised gain/(loss) on financial assets held for trading purposes	(27,610,147)	-
Cash Flows before Changes in Working Capital	(2,427,443)	-
(Increase)/Decrease in Other Financial Assets	(225,625)	-
(Increase)/Decrease in Investment in Securities Held for Trading	(354,919,084)	-
(Increase)/Decrease in Investment in Fixed Deposits	(100,000,000)	-
Increase/(Decrease) in Current Liabilities	3,192,980	-
Net Cash Flow from Operating Activities (A)	(454,379,172)	-
Cash Flows From Investing Activities		
(Increase)/Decrease in Investment in Bond & Debentures	(7,060,000)	-
Net Cash Flow from Financing Activities (B)	(7,060,000)	-
Cash Flows from Financing Activities		
Increase/(Decrease) in Unit Holder's Capital	805,800,000	-
Net Cash Flow from Investing Activities (C)	805,800,000	-
Net Cash Flow For The Year from all activities (A+B+C)	344,360,828	-
Opening Cash and Cash Equivalents	-	-
Closing Cash and Cash Equivalents	344,360,828	-

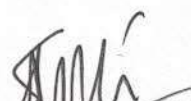
On Behalf of Siddhartha Capital Limited
(Fund Management Company)


Rupesh Raut
Head, Finance & Operations



Mukti Nath Subedi
Chief Operating Officer


Sandeep Karki
Chief Executive Officer


Rahul Agrawal
Director


Sher Bahadur Bhattaraki
Director


Mohit Kedia
Chairman


Rishi Raj Gautam
Independent Director

As per our attached report of even date
On Behalf of S.A.R. Associates,
Chartered Accountants


Kiran Thapa
Independent Director

 **Siddhartha Capital Limited**
Investing happiness


Aman Uprety, 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)

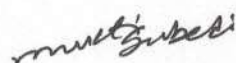
Siddhartha Investment Growth Scheme 3
Fund Manager & Depository: Siddhartha Capital Limited

Statement of Change in Unit Holder's Equity
For the period from Baisakh 17, 2080 to Ashadh 31, 2080

Particulars	Unit Holder's Capital NPR	Realized Profit NPR	Unrealized Profit NPR	Total NPR
Balance as on Baisakh 17, 2080	-	-	-	-
Adjustments	-	-	-	-
Adjusted balance as on Baisakh 17, 2080	-	-	-	-
Net Profit (Loss) During the year	-	-	-	-
Issue of Unit Capital	805,800,000	(2,427,443)	27,610,147	25,182,704
Amount transferred to general Reserve	-	-	-	805,800,000
Dividend Paid	-	-	-	-
Capital Reserve Fund	-	-	-	-
Unit Advance	-	-	-	-
Balance as at Asadh 31, 2080	805,800,000	(2,427,443)	27,610,147	830,982,704

On Behalf of Siddhartha Capital Limited
(Fund Management Company)


Rupesh Raut
Head, Finance & Operations

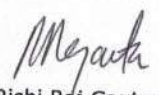

Mukti Nath Subedi
Chief Operating Officer


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 S.A.R. Associates,
Chartered Accountants


Kiran Thapa
Independent Director




Aman Uprety, 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 -3
Fund Manager & Depository: Siddhartha Capital Limited
As at Ashadh 31, 2080 (July 16, 2023)

Schedule 1: Cash & Cash Equivalents

Particulars	Current Period NPR	Previous Period NPR
Call Accounts		
At Siddhartha Bank Limited	177,714,685	-
At Kamana Sewa Bikas Bank Limited	65,901,435	-
At Jyoti Bikash Bank Limited	40,230,309	-
At Everest Bank Limited	17,979	-
At Manjushree Finance Limited	10,037,149	-
At Shangri-La Development Bank	35,388,233	-
At Lumbini Bikash Bank Limited	15,071,037	-
Total	344,360,828	-

Schedule 2: Other Financial Assets

Particulars	Current Period NPR	Previous Period NPR
Amount receivable from Brokers	225,625	-
Total	225,625	-

[Handwritten signature]

muktesh

13

m

[Handwritten signature]

KLP



[Handwritten signature]

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

Siddhartha Investment Growth Scheme -3
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.N.	Particulars	Symbol	Current Period		Cost in NPR	Stock Qty	Previous Period		Cost in NPR
			Stock Qty	Per Unit Price			Per Unit Price	Value in NPR	
A	Listed Equities Investments		1,132,328		358,920,139				331,313,132
1	Bottlers Nepal (Tera) Limited	BNT	530	13,800	7,314,000	-	-	-	-
2	Standard Chartered Bank Limited	SCB	55,308	530	29,318,771	-	-	-	-
3	Nepal SBI Bank Limited	SBI	71,848	341	24,500,168	-	-	-	-
4	Everest Bank Limited	EBL	41,850	563	23,561,550	-	-	-	-
5	Unilever Nepal Limited	UNL	361	32,998	11,912,278	-	-	-	-
6	Asian Life Insurance Co. Limited	ALICL	31,098	745	23,171,120	-	-	-	-
7	NLG Insurance Company Ltd.	NLG	18,976	840	15,939,840	-	-	-	-
8	Nepal Insurance Co. Ltd.	NICL	29,300	820	24,026,000	-	-	-	-
9	Prabhu Insurance Ltd.	PRIN	19,000	747	14,193,000	-	-	-	-
10	Sagarmatha Lumbini Insurance Co. Limited	SALICO	25,700	748	19,223,600	-	-	-	-
11	Mountain Energy Nepal Limited	MEN	6,500	995	6,467,500	-	-	-	-
12	Sanima Bank Limited	SANIMA	29,104	261	7,581,592	-	-	-	-
13	Makar Jitumaya Suri Hydropower Limited	MAKAR	22,675	273	6,192,543	-	-	-	-
14	Shine Resunga Development Bank Ltd.	SHINE	41,283	384	15,852,672	-	-	-	-
15	CEDB Hydropower Development Company Limited	CHDC	11,800	904	10,667,200	-	-	-	-
16	Mukthinath Bikas Bank Ltd.	MNBBL	10,175	407	4,141,225	-	-	-	-
17	Suryajyoti Life Insurance Company Limited	SLIC	28,700	610	17,507,000	-	-	-	-
18	National Life Insurance Co. Ltd.	NLICL	11,185	645	7,214,325	-	-	-	-
19	NMB Bank Limited	NMB	30,798	226	6,960,348	-	-	-	-
20	Garima Bikas Bank Limited	GBBL	12,393	405	5,019,165	-	-	-	-
21	Lumbini Bikas Bank Ltd.	LBBL	23,100	413	9,540,300	-	-	-	-
22	Peoples Hydropower Company Limited	PHCL	14,470	335	4,847,450	-	-	-	-
23	Life Insurance Corporation (Nepal) Limited	LICN	5,497	1,555	8,547,835	-	-	-	-
24	IGI Prudential Insurance Limited	IGI	25,663	560	14,371,280	-	-	-	-
25	Machhapuchhre Bank Limited	MBL	25,000	232	5,795,000	-	-	-	-
26	Chhimek Laghubitta Bittiya Sanstha Limited	CBBL	6,991	1,000	6,991,000	-	-	-	-
27	NIC ASIA Laghubitta Bittiya Sanstha Limited	NICLBSL	3,987	729	2,906,523	-	-	-	-
28	Mirmire Laghubitta Bittiya Sanstha Limited	MMFDB	2,388	709	1,693,092	-	-	-	-
29	Mithila Laghubitta Bittiya Sanstha Limited	MLBBL	3,105	1,044	3,241,620	-	-	-	-
30	Global IME Laghubitta Bittiya Sanstha Ltd.	GLBL	2,813	1,061	2,984,593	-	-	-	-
31	RBB Mutual Fund 2	RMF2	500,000	10	5,000,000	-	-	-	-
32	ICFC Finance Limited	ICFC	6,000	525	3,150,000	-	-	-	-
33	Manjushree Finance Ltd.	MFIL	10,230	550	5,626,500	-	-	-	-
34	Siddhartha Premier Insurance Limited	SPIL	3,500	779	2,724,750	-	-	-	-
35	First Microfinance Development Bank Limited	FMDBL	1,000	736	736,300	-	-	-	-



Siddhartha Capital Limited
Investing happiness

must be used

Handwritten signature and initials.

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

Siddhartha Investment Growth Scheme -3
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.N.	Particulars	Symbol	Current Period			Previous Period		
			Stock Qty	Per Unit Price	Value in NPR	Cost in NPR	Stock Qty	Per Unit Price
B	IPO Equities Investments							
1	Citizens Super 30 Mutual Fund		2,013,900		23,599,417	23,596,600	-	-
2	Nepal Republic Media Limited		2,000,000	10	20,000,000	20,000,000	-	-
3	Ghorahi Cement Industry Limited		141	79	11,111	14,100	-	-
4	Three Star Hydropower Limited		2,500	435	1,087,500	1,087,500	-	-
5	Upper Syange Hydropower Limited		616	112	69,189	61,600	-	-
6	Kutheli Bukhari Small Hydropower Limited		541	85	45,823	54,100	-	-
7	IME Life Insurance Company Limited		102	164	16,694	10,200	-	-
			10,000	237	2,369,100	2,369,100	-	-
C	Unlisted Equities Investments							
1	National Life Insurance Co. Ltd.	NLICL	15		9,675	9,352	-	-
			15	645	9,675	9,352	-	-
	Grand Total		3,146,243		382,529,231	354,919,084	-	-



Handwritten signature

Handwritten signature

Handwritten signature

Handwritten signature

Handwritten signature

Handwritten signature

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 -3
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	100,000,000	-
Investment in Bond and Debenture	7,060,000	-
Total	107,060,000	-

Schedule 4(A): Investment in Fixed Deposits

Particulars	Current Period NPR	Previous Period NPR
Kamana Sewa Bikas Bank Limited	40,000,000	-
ICFC Finance Limited	10,000,000	-
Shangri-La Development Bank Limited	20,000,000	-
Jyoti Bikash Bank Limited	10,000,000	-
Siddhartha Bank Limited	20,000,000	-
Total	100,000,000	-

Schedule 4(B): Investment in Bond & Debenture

Particulars	Current Period NPR	Previous Period NPR
11% LBBL Debenture 2089	7,060,000	-
Total	7,060,000	-

Schedule 5: Current Liabilities

Particulars	Current Period NPR	Previous Period NPR
TDS Payables	68,502	-
Fund Manager, Depository and Supervisor Fee Payable	3,006,854	-
Audit Fee Payable	83,625	-
Provision for Reporting Expenses	29,000	-
Provision for Audit Expenses	5,000	-
Total	3,192,980	-

Handwritten signature

Handwritten signature

Handwritten signature

Handwritten signature

Handwritten signature

Handwritten signature

Handwritten signature



**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 -3
Fund Manager & Depository: Siddhartha Capital Limited
As at Ashadh 31, 2080 (July 16, 2023)

Schedule 6: Unit Holder's Capital

Particulars	Current Period NPR	Previous Period NPR
Seed Capital Investment of Siddhartha Bank Limited	120,000,000	-
Seed Capital Investment of Siddhartha Capital Limited	60,053,500	-
Capital Raised from General Public	625,746,500	-
Total	805,800,000	-

Schedule 7: Reserves and Surplus

Particulars	Current Period NPR	Previous Period NPR
Accumulated Profit/(Loss)		
Realised Profit /(Loss)	(2,427,443)	-
Unrealised Profit /(Loss)	27,610,147	-
Total	25,182,704	-

Schedule 8: Pre-Operating Expenses

Particulars	Current Period NPR	Previous Period NPR
Scheme Registration Fee	1,000,000	-
Issue management Fee	2,400,000	-
Prospectus Processing Fee	45,000	-
Publication Expenses	100,315	-
BO ID Verification Software Charge	345,293	-
PCS Software Charge	27,346	-
Audit Fee For Financial Projection	25,000	-
Scheme Allotment Meeting Expenses	50,000	-
Unit Listing Fee	115,000	-
Dematerialization Charge	100,000	-
NFO Issue Software Charge	20,000	-
Total	4,227,954	-

Schedule 9: 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	27,607,007	-
Less: Unrealised income upto previous year	-	-
2. IPO/Right/Bonus Value Appreciation	3,140	-
Total	27,610,147	-



 Siddhartha Capital Limited
 Investing happily

Siddhartha Mutual Fund

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

Siddhartha Investment Growth Scheme 3

Fund Manager & Depository: - Siddhartha Capital Limited

As at Ashadh 31, 2080 (16 July 2023)

Schedule: 10 - Significant Accounting Policies

1. Overview of the Scheme

Siddhartha Mutual Fund is the first Mutual Fund in Nepal registered with Securities Board of Nepal (SEBON) as per Mutual Fund Regulations, 2010. Siddhartha Bank Limited (SBL) is the Fund Sponsor and Siddhartha Capital Limited (SCL) a subsidiary of SBL is the Fund Manager and Depository of the fund.

As the fund manager and depository, SCL shall ensure management of the schemes operated under Siddhartha Mutual Fund along with its depository functions. The registered office of SCL is situated at Narayanchaur Naxal, Kathmandu.

There are five Fund Supervisors of Siddhartha Mutual Fund as per Mutual Fund Regulations, 2010 and they are:

1. Dr. Ram Krishna Timilsina
2. Mr. Radha Krishna Poudel
3. Mr. Pratap Prasad Pradhan
4. Mr. Bishow Prakash Pandit
5. Mr. Surya Prasad Bhandari

The sixth scheme of the Siddhartha Mutual Fund, Siddhartha Investment Growth Scheme-3 (SIGS3) started its operation from Baisakh 17, 2080 (April 30, 2023). SIGS3 is a close end scheme with base fund size of NPR. 805.8 million and maturity period of 10 years (i.e. Baisakh 17, 2080 – Baisakh 16, 2090). It was listed in NEPSE on Ashadh 31, 2080 (July 16, 2023) with stock symbol "SIGS3".

SIGS-3 has obtained withhold PAN on Baisakh 20, 2080 and its PAN number is 201523205.

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

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.

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

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards comprising of Nepal Financial Reporting Standards and Nepal Accounting Standards (hereafter referred as NFRS), laid down by the Institute of Chartered Accountants of Nepal to the extent applicable and in compliance with the requirements of Securities Act, 2063; Mutual Fund Regulations, 2010; and Mutual Fund Guidelines, 2012.

2.2 Reporting Period

The Scheme follows the Nepalese financial year based on the Nepalese calendar. The corresponding dates for the English calendar are as follows:

Relevant Financial Statement	Nepalese Calendar Date/Period	English Calendar Date/Period
Statement of Financial Position	31 st Ashadh, 2080	16 th July, 2023
Statement of Profit or Loss	17 th Baisakh, 2080 to 31 st Ashadh, 2080	30 th April, 2023 to 16 th July 2023
Statement of Cash flows	31 st Ashadh, 2079	16 th July, 2023
Statement of changes in Equity	17 th Baisakh, 2080 to 31 st Ashadh, 2080	30 th April, 2023 to 16 th July 2023

2.3 Responsibility for Financial Statements

The Board of Directors of Siddhartha Capital Limited is responsible for the preparation and presentation of Financial Statements of Siddhartha Investment Growth Scheme 3 (SIGS3) being the Fund Manager of the SIGS3 as per the provisions of the Mutual Fund Regulation, 2067.

2.4 Approval of Financial Statements by Directors

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

2.5 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.

2.6 Reporting Pronouncements

The company has, for the preparation of financial statements, adopted the Nepal Financial Reporting Standards (NFRS) pronounced by ASB as effective on September 13, 2013. NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2.7 Net Asset Value (NAV)

The Net Asset Value (NAV) calculation is done on the basis of market value of the total investment plus other current assets and deducting the same by the current liabilities in compliance with Mutual Fund Regulations and Guidelines. The Net Asset Value is calculated on per unit basis in weekly and monthly periods and the same is published



on SCL website: www.siddharthacapital.com. Net Assets value (NAV) includes unit holder's fund, realized gain and unrealized gain. The total value of NAV is reflected as Equity in statement of financial position.

2.8 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:

2.9 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



Siddhartha
Capital
Investment

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



assets that required delivery of assets within the time frame generally established by regulations or convention in the market place.

Investments are derecognized when the rights to receive cash flows from the investments have expired or the Fund has substantially transferred all risks and rewards of ownership.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

Realized gains and realized losses on de-recognition are determined using the weighted average method and are included in the profit or loss in the period in which they arise. The realized gain is the difference between an instrument's weighted average cost and disposal amount.

Cost of purchase of instruments includes transaction cost on such purchases, while disposal value is calculated net of transaction cost involved on such disposal.

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.



[Handwritten signature]

must be

[Handwritten mark]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

Further details on how the fair values of financial instruments are determined are disclosed in point 2.13 of this Schedule.

d. Offsetting financial instruments

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

2.10 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.

- 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.
- 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".
- 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.

2.11 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.

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.

2.12 Expenses

All expenses are accounted on an accrual basis.

2.13 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.



Handwritten signature

Handwritten signature

Handwritten mark

Handwritten signature

Handwritten signature

Handwritten signature

Siddhartha

- 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.

2.14 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.

Handwritten signature

multi-subscribed

Handwritten mark

Handwritten signature

Handwritten signature

Handwritten mark



Siddhartha Mutual Fund

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

Siddhartha Investment Growth Scheme 3

Fund Manager & Depository: - Siddhartha Capital Limited

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

Schedule: 11 - Notes to the Accounts

1 Unit Holder's Capital

Unit Ownership Detail	Status	%	Unit Capital
Siddhartha Bank Limited	Fund Sponsor	14.89%	120,000,000
Siddhartha Capital Limited	Fund Manager & Depository	7.45%	60,053,500
General Public		77.66%	625,746,500
Total		100%	805,800,000

2 Reserve and Surplus

Reserve and Surplus comprises of net realized income of NPR. 2,427,443 (NPR. Two Million Four Hundred Twenty-Seven Thousand Four Hundred Forty-Three Only) and net unrealized loss of NPR. 27,610,147 (NPR. Twenty-Seven Million Six Hundred Ten Thousand One Hundred Forty-Seven Only).

3 Income Tax

Income Tax Act 2058 has prescribed Mutual Funds as non-taxable entity and thus TDS has not been deducted on its income. Similarly, corporate tax has not been provisioned or deposited. TDS are filed manually or through Siddhartha Capital Limited.

4 Compliance relating to Investment Threshold

Investment threshold of Mutual Fund Regulations, 2010 has been complied throughout the fiscal year and as on Ashad End 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:

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

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

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- (c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

i. Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from NEPSE and are traded frequently.

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 Point 2.13 of Schedule 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.

7 Pre-Operating Expenses

Pre-operating Expenses are the expenses incurred before the NFO issue of the scheme for public. This expense is a onetime expense for the scheme throughout its operation period and occurs during the first year of its operation. Further, the other one-time expenses have also been included under pre-operating expenses and presented in financial statement accordingly. The total expenses booked under pre-operating expenses during the period are as follow:

Particulars	Amount (in NPR)
Scheme Registration Fee	1,000,000
Issue management Fee	2,400,000
Prospectus Processing Fee	45,000
Publication Expenses	100,315
BO ID Verification Software Charge	345,293
PCS Software Charge	27,346
Audit Fee for Financial Projection	25,000
Scheme Allotment Meeting Expenses	50,000
Unit Listing Fee	115,000
Dematerialization Charge	100,000
NFO Issue Software Charge	20,000
Total	4,227,954

[Handwritten signature]

must be signed

m

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

Particulars	Amount (in NPR)
Investment in Fixed Deposits	100,000,000
Investment in Bond and Debenture	7,060,000
Total	107,060,000

Investment in Fixed Deposits

Financial Institution	Amount (in NPR)
Kamana Sewa Bikas Bank Limited	40,000,000
ICFC Finance Limited	10,000,000
Shangri-La Development Bank Limited	20,000,000
Jyoti Bikash Bank Limited	10,000,000
Siddhartha Bank Limited	20,000,000
Total	100,000,000

Investment in Bond & Debenture

Particulars	Amount (in NPR)
11% LBBL Debenture 2089	7,060,000
Total	7,060,000

14 Other Financial Assets

These assets represent the receivables from broker, refund receivables from unallotted right, IPO and auction share and advance payment for application of IPO, FPO, Right and auction shares whose allotment has not been completed. The details of other financial assets as on Ashadh end 2080 are as follows:

Particulars	Amount (in NPR)
Amount receivable from Brokers	225,625
Total	225,625

15 Financial Assets at Fair Value through Profit/Loss

The details of Investment in Financial Assets measured at fair value through Profit or Loss are as follows:

Particulars	Amount (in NPR)
Listed Equities Investments	358,920,139
IPO Equities Investments	23,599,417
Unlisted Equities Investments	9,675
Total	225,625

Listed Equities Investments

The details of Investment in Listed Equities are as follows:

Company	Stock Qty	Per Unit Price	Value in NPR	Cost in NPR
Bottlers Nepal (Terai) Ltd.	530	13,800	7,314,000	6,571,216

Standard Chartered Bank Ltd.	55,308	530	29,318,771	29,474,192
Nepal SBI Bank Ltd.	71,848	341	24,500,168	24,162,163
Everest Bank Ltd.	41,850	563	23,561,550	22,573,230
Unilever Nepal Ltd.	361	32,998	11,912,278	9,708,226
Asian Life Insurance Co. Ltd.	31,098	745	23,171,120	19,842,923
NLG Insurance Company Ltd.	18,976	840	15,939,840	13,842,239
Nepal Insurance Co. Ltd.	29,300	820	24,026,000	18,140,210
Prabhu Insurance Ltd.	19,000	747	14,193,000	13,996,633
Sagarmatha Lumbini Insurance Co. Ltd.	25,700	748	19,223,600	17,483,819
Mountain Energy Nepal Ltd.	6,500	995	6,467,500	4,956,094
Sanima Bank Ltd.	29,104	261	7,581,592	7,284,896
Makar Jitumaya Suri Hydropower Ltd.	22,675	273	6,192,543	6,671,301
Shine Resunga Development Bank Ltd.	41,283	384	15,852,672	14,647,558
CEDB Hydropower Development Company Ltd.	11,800	904	10,667,200	9,602,386
Muktinath Bikas Bank Ltd.	10,175	407	4,141,225	4,028,771
Surya Jyoti Life Insurance Company Ltd.	28,700	610	17,507,000	14,451,041
National Life Insurance Co. Ltd.	11,185	645	7,214,325	6,973,545
NMB Bank Ltd.	30,798	226	6,960,348	7,185,686
Garima Bikas Bank Ltd.	12,393	405	5,019,165	4,488,232
Lumbini Bikas Bank Ltd.	23,100	413	9,540,300	8,720,515
Peoples Hydropower Company Ltd.	14,470	335	4,847,450	4,939,426
Life Insurance Corporation (Nepal) Ltd.	5,497	1,555	8,547,835	7,876,985
IGI Prudential insurance Ltd.	25,663	560	14,371,280	14,003,738
Machhapuchhre Bank Ltd.	25,000	232	5,795,000	5,823,473
Chhimek Laghubitta Bittiya Sanstha Ltd.	6,991	1,000	6,991,000	6,829,702
NIC ASIA Laghubitta Bittiya Sanstha Ltd.	3,987	729	2,906,523	2,758,339
Mirmire Laghubitta Bittiya Sanstha Ltd.	2,388	709	1,693,092	1,694,848
Mithila Laghubitta Bittiya Sanstha Ltd.	3,105	1,044	3,241,620	2,992,618
Global IME Laghubitta Bittiya Sanstha Ltd.	2,813	1,061	2,984,593	2,690,277
RBB Mutual Fund 2	500,000	10	5,000,000	5,000,000
ICFC Finance Ltd.	6,000	525	3,150,000	3,045,578
Manjushree Finance Ltd.	10,230	550	5,626,500	5,440,055
Siddhartha Premier Insurance Ltd.	3,500	779	2,724,750	2,665,323

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



Siddhartha
Investment Growth Scheme 3 of F/Y 2079/80

First Microfinance Development Bank Ltd.	1,000	736	736,300	747,897
Total			358,920,139	331,313,132

IPO Equities Investments

The details of Investment in Equities Instrument through IPO which are yet to be listed in NEPSE are as follows:

Company	Stock Qty	Per Unit Price	Value in NPR	Cost in NPR
Citizens Super 30 Mutual Fund	2,000,000	10	20,000,000	20,000,000
Nepal Republic Media Ltd.	141	79	11,111	14,100
Ghorahi Cement Industry Ltd.	2,500	435	1,087,500	1,087,500
Three Star Hydropower Ltd.	616	112	69,189	61,600
Upper Syange Hydropower Ltd.	541	85	45,823	54,100
Kutheli Bukhari Small Hydropower Ltd.	102	164	16,694	10,200
IME Life Insurance Company Ltd.	10,000	237	2,369,100	2,369,100
Total			23,599,417	23,596,600

Unlisted Equities Investments

The details of unlisted equities investments including Bonus, Right and Auction are as follows:

Company	Stock Qty	Per Unit Price	Value in NPR	Cost in NPR
National Life Insurance Co. Ltd.	15	645	9,675	9,352
Total			9,675	9,352

16 Current Liabilities

The details of Current Liabilities are as follows:

Particulars	Amount (in NPR)
TDS Payables	68,502
Fund Manager, Depository and Supervisor Fee Payable	3,006,854
Audit Fee Payable	83,625
Provision for Reporting Expenses	29,000
Provision for Audit Expenses	5,000
Total	3,192,980

17 Net Unrealized Gain/(Loss) from Financial Assets Held at Fair Value through Profit or Loss

Changes in fair value of financial assets is recorded as unrealized gain/(loss) in the income statement.

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



Siddhartha Capital Limited

S.N	Particulars	Script	Stock Qty	Rate	Value in NPR	Cost in NPR
1.	Bottlers Nepal (Terai) Ltd.	BNT	530	13,800	7,314,000	6,571,216
2.	Standard Chartered Bank Ltd.	SCB	55,308	530	29,318,771	29,474,192
3.	Nepal SBI Bank Ltd.	SBI	71,848	341	24,500,168	24,162,163
4.	Everest Bank Ltd.	EBL	41,850	563	23,561,550	22,573,230
5.	Unilever Nepal Ltd.	UNL	361	32,998	11,912,278	9,708,226
6.	Asian Life Insurance Co. Ltd.	ALICL	31,098	745	23,171,120	19,842,923
7.	NLG Insurance Company Ltd.	NLG	18,976	840	15,939,840	13,842,239
8.	Nepal Insurance Co. Ltd.	NICL	29,300	820	24,026,000	18,140,210
9.	Prabhu Insurance Ltd.	PRIN	19,000	747	14,193,000	13,996,633
10.	Sagarmatha Lumbini Insurance Co. Ltd.	SALICO	25,700	748	19,223,600	17,483,819
11.	Mountain Energy Nepal Ltd.	MEN	6,500	995	6,467,500	4,956,094
12.	Sanima Bank Ltd.	SANIMA	29,104	261	7,581,592	7,284,896
13.	Makar Jitumaya Suri Hydropower Ltd.	MAKAR	22,675	273	6,192,543	6,671,301
14.	Shine Resunga Development Bank Ltd.	SHINE	41,283	384	15,852,672	14,647,558
15.	CEDB Hydropower Development Company Ltd.	CHDC	11,800	904	10,667,200	9,602,386
16.	Muktinath Bikas Bank Ltd.	MNBBL	10,175	407	4,141,225	4,028,771
17.	SuryaJyoti Life Insurance Company Ltd.	SJLIC	28,700	610	17,507,000	14,451,041
18.	National Life Insurance Co. Ltd.	NLICL	11,200	645	7,224,000	6,982,897
19.	NMB Bank Ltd.	NMB	30,798	226	6,960,348	7,185,686
20.	Garima Bikas Bank Ltd.	GBBL	12,393	405	5,019,165	4,488,232
21.	Lumbini Bikas Bank Ltd.	LBBL	23,100	413	9,540,300	8,720,515
22.	Peoples Hydropower Company Ltd.	PHCL	14,470	335	4,847,450	4,939,426
23.	Life Insurance Corporation (Nepal) Ltd.	LICN	5,497	1,555	8,547,835	7,876,985

[Handwritten signature]

[Handwritten signature]
Siddhartha Capital Limited
happiness.

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]
S.A. Associates
Chartered Accountants

Accounting Policies and Notes to Accounts
Siddhartha Investment Growth Scheme 3 of F/Y 2079/80

24.	IGI Prudential Insurance Ltd.	IGI	25,663	560	14,371,280	14,003,738
25.	Machhapuchhre Bank Ltd.	MBL	25,000	232	5,795,000	5,823,473
26.	Chhimek Laghubitta Bittiya Sanstha Ltd.	CBBL	6,991	1,000	6,991,000	6,829,702
27.	NIC ASIA Laghubitta Bittiya Sanstha Ltd.	NICLBSL	3,987	729	2,906,523	2,758,339
28.	Mirmire Laghubitta Bittiya Sanstha Ltd.	MMFDB	2,388	709	1,693,092	1,694,848
29.	Mithila LaghuBitta Bittiya Sanstha Ltd.	MLBBL	3,105	1,044	3,241,620	2,992,618
30.	Global IME Laghubitta Bittiya Sanstha Ltd.	GILB	2,813	1,061	2,984,593	2,690,277
31.	RBB Mutual Fund 2	RMF2	500,000	10	5,000,000	5,000,000
32.	ICFC Finance Ltd.	ICFC	6,000	525	3,150,000	3,045,578
33.	Manjushree Finance Ltd.	MFIL	10,230	550	5,626,500	5,440,055
34.	Siddhartha Premier Insurance Ltd.	SPIL	3,500	779	2,724,750	2,665,323
35.	First Microfinance Development Bank Ltd.	FMDBL	1,000	736	736,300	747,897
36.	Citizens Super 30 Mutual Fund		2,000,000	10	20,000,000	20,000,000
37.	Nepal Republic Media Ltd.		141	79	11,111	14,100
38.	Ghorahi Cement Industry Ltd.		2,500	435	1,087,500	1,087,500
39.	Three Star Hydropower Ltd.		616	112	69,189	61,600
40.	Upper Syange Hydropower Ltd.		541	85	45,823	54,100
41.	Kutheli Bukhari Small Hydropower Ltd.		102	164	16,694	10,200
42.	IME Life Insurance Company Ltd.		10,000	237	2,369,100	2,369,100
Total					382,529,231	354,919,084
Unrealized Gain/(Loss) as on 31st Ashadh 2080						27,610,147
Unrealized Gain/(Loss) up to Previous Year						0
Unrealized Gain/(Loss) for this year						27,610,147

[Handwritten signature]

murti Subedi

m

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

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

Sector	Investment this FY (In Mkt Value)		% Investment for Previous FY
	Amount	%	%
Commercial Banks	97,717,429	25.55%	-
Development Banks	34,553,362	9.03%	-
Finance	8,776,500	2.29%	-
Hotels	-	0.00%	-
Hydro Power	17,639,199	4.61%	-
Investment	10,667,200	2.79%	-
Life Insurance	58,819,055	15.38%	-
Manufacturing And Processing	20,313,778	5.31%	-
Microfinance	18,553,128	4.85%	-
Mutual Fund	25,000,000	6.54%	-
Non-Life Insurance	90,478,470	23.65%	-
Others	11,111	0.00%	-
Total	382,529,231	100%	-

19 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. 10.31.

20 Related Party Transaction:

Related Parties

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

d. Shareholders holding substantial interest in the Fund Management Company:

i. Siddhartha Bank Ltd.

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 Ltd. amounts to NRs. 120,000,000 (NPR. One Hundred Twenty Million Only).
- ii. Unit Holding of Siddhartha Capital Ltd. amounts to NRs. 60,053,500 (NPR. Sixty Million Fifty-Three Thousand Five Hundred Only).
- iii. Siddhartha Investment Growth Scheme 3 have earned interest amounting to NPR. 2,624,178 (NPR. Twenty-Six lakhs Twenty-Four Thousand One Hundred Seventy-Eight Only) from Siddhartha Bank Ltd.
- iv. Fund Management and Depository Fee incurred by Siddhartha Investment Growth Scheme-3 to Siddhartha Capital Ltd. amounts to NPR. 2,959,649 (NPR. Two Million Nine Hundred Fifty-Nine Thousand Six Hundred Forty-Nine Only).
- v. Supervisor Fee incurred by Siddhartha Investment Growth Scheme 3 to Fund Supervisors amounts to NPR. 107,764 (NPR. One Hundred Seven Thousand Seven Hundred Sixty-Four Only). Detail of transaction is as below:

Name	Amount (NPR.)
Dr. Ram Krishna Timilsina	25,658
Mr. Radha Krishna Poudel	20,526
Mr. Pratap Prasad Pradhan	20,526
Mr. Bishwo Prakash Pandit	20,526
Mr. Surya Prasad Bhandari	20,526
Total	107,764

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

21 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.

22 Contingent Liability

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

Siddhartha Capital Limited
Creating happiness



23 Proposed Dividend and Distribution

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

On Behalf of Siddhartha Capital Ltd. (Fund Management Company)



Rupesh Raut
Head, Finance and Operations



Mukti Nath Subedi
Chief Operating Officer



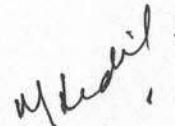
Sandeep Karki
Chief Executive Officer




Rahul Agrawal
Director



Sher Bahadur Budhathoki
Director

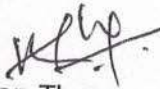


Mohit Kedia
Chairman



Rishi Raj Gautam
Independent Director

As per our attached report of even date
On Behalf of S.A.R. Associates,
Chartered Accountants



Kiran Thapa
Independent Director



Siddhartha
Capital Limited
Investing happiness



Aman Uprety, FCA
Partner



Date: August 17, 2023
Place: Kathmandu, Nepal