

# SUWAN & ASSOCIATES

Chartered Accountants  
Kathmandu, Nepal

VAT No. : 109313030  
Firm No. : 857  
COP No. : 964  
Membership No. : 1350

## INDEPENDENT AUDITOR'S REPORT

To Shareholders,  
**Snowball Capital Pvt Ltd**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Snowball Capital Pvt Ltd (the 'Company'), which comprise the Statement of Financial Position as at 31 Ashad 2078, Statement of Profit & Loss Account and Other Comprehensive Income, Statement of Cashflows, and Statement of changes in equity for the year then ended, including notes and a summary of significant accounting policies.

In our opinion, the financial statements present fairly in all material respects, the financial position of the company as at 31 Ashad 2078, its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

#### Basis of Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company 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 the ICAN's handbook of The Code of Ethics For Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of management and those Charged with Governance for the Financial Statements.** Management is responsible for the preparation and fair presentation of the financial statements in accordance with NASs, 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 Company's financial reporting process.

#### Auditor's Responsibilities for the Audit the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue as auditor's report that includes our opinion. Reasonable assurance is high level 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.

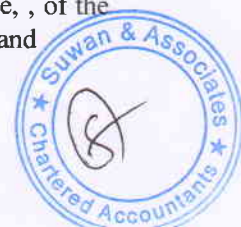
As part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional skepticism through the audit. We also:

- Identify and assess the risks of material misstatement of the Company's 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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 the Company to cease to continue as 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 the internal control that we identify during our audit.

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

As per the requirements of section 115 of the Company Act, 2063, we further report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion the Company has kept proper books of account as required by law so far, as appears from our examinations of those books.
- c) The financial statements are in agreement with the books of account.
- d) In our opinion and to the best of our information and according to the explanation given to us, the financial statement the said balance sheet, income statement and cash flow statement, read together with the notes forming part of accounts give the information required by the Company Act 2063 in the manner so required and give a true and fair view:
  - i) In the case of Statement of Financial Position, of the state of affairs of the Company as at 31 Ashad 2078; and
  - ii) In the case of Statement of Profit & loss and Other Comprehensive Income, , of the results of operations of the Company for the year ended on 31 Ashad 2078; and



- iii) In the case of the Statement of Cashflows, movement of cash inflow and outflow of Company for the year ended on that date.
- e) Neither we have come across any of the information about the misappropriation of fund by the directors or any of the representative or Company's staffs during the course of our audit nor have we received any such information from the management.
- f) No accounting fraud has been observed during the course of our audit.

For Suwan & Associates,  
Chartered Accountants



Suwan Thapa, CA  
Principal

Place: Kathmandu

Date: 08 August 2021

UDIN no: 210809CA 0135zCEsk

**Snowball Capital Private Limited**  
**Kathmandu, Nepal**  
**Statement of Financial Position**  
**As at Ashad 31, 2078 (Corresponding to July 15, 2021)**


		Figures in NRs.	Figures in NRs.	Figures in NRs.
	Schedule	As at 31st Ashadh 2078	Restated* As at 31st Ashadh 2077	Restated* As at 1st Shrawan 2076
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	4.2	32,032.60	3,375.00	
Investment Property				
Deferred Tax Asset				
<b>Net Non-Current Assets</b>		<b>32,032.60</b>	<b>3,375.00</b>	
<b>Current Assets</b>				
Cash and bank balances	5.2	956,939.52	2,260,818.00	-
Prepayments	7.1	119,699.51	83,124.66	
Trade & Other Receivables	6.2.1	2,157,747.18	838,324.37	-
Financial Asset Held at FVTPL	6.2.2	12,415,132.12	1,475,140.00	
<b>Total Current Assets</b>		<b>15,649,518.32</b>	<b>4,657,407.03</b>	
<b>Total Assets</b>		<b>15,681,550.93</b>	<b>4,660,782.03</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	10.1	3,000,000.00	3,000,000.00	-
Advance for share capital	10.1.1	6,825,000.00	1,250,000.00	
Reserve & Surplus		3,088,739.08	(16,427.70)	
<b>Total Equity</b>		<b>12,913,739.08</b>	<b>4,233,572.30</b>	
<b>Non Current liabilities</b>				
Deferred Tax Liabilities	9.2	1,049,583.77	43,934.73	
<b>Total Non current liabilities</b>		<b>1,049,583.77</b>	<b>43,934.73</b>	
<b>Current liabilities</b>				
Trade and other payables	8.2	1,718,228.08	383,275.00	
Income Taxes Payable	9.1	-	-	
<b>Total current liabilities</b>		<b>1,718,228.08</b>	<b>383,275.00</b>	
<b>Total Equity and Liabilities</b>		<b>15,681,550.93</b>	<b>4,660,782.03</b>	

The accompanying notes form an integral part of the financial statements.

  
 Yurop Man Shrestha  
 Director

  
 Girish Lakhey  
 Director

As per our even report date

  
 Suwan Thapa  
 Proprietor  
 Suwan & Associates,

Date:  
 Place:

  
 SNOWBALL CAPITAL  
 PVT. LTD.



**Snowball Capital Private Limited**  
**Kathmandu, Nepal**  
**Statement of Profit and Loss account and Other Comprehensive Income**  
**For the period ended Ashadh 31, 2078**

	Sch.	Figures in NRs.	
		2077-78	2076-77
<b>Income</b>			
Dividend income	11.2.1	19,842.86	-
Net Gain/(loss) on Financial Asset held at FVTPL	11.3.1	5,250,228.44	205,819.11
Service Fees	11.4.1	696,643.00	28,939.00
Interest Income	11.1.2	74,679.41	42,684.26
<b>Expense</b>			
Employee benefits	12.2.2	1,569,840.00	-
Administrative expenses	12.2.1	353,395.49	248,810.34
<b>Operating profit/(loss)</b>		<b>4,118,158.22</b>	<b>28,632.03</b>
Finance costs		-	-
Depreciation Expense	4.2	7,342.40	1,125.00
Extraordinary income/(expenses)			
<b>Profit before staff bonus and income taxes</b>		<b>4,110,815.82</b>	<b>27,507.03</b>
Provision for staff bonus		-	-
<b>Profit before Provisions</b>		<b>4,110,815.82</b>	<b>27,507.03</b>
<b>Provision for Taxes</b>		<b>(1,005,649.04)</b>	<b>(43,934.73)</b>
Current income tax expenses		-	-
Current income tax expenses of earlier years		-	-
Deferred tax income/(expenses)		(1,005,649.04)	(43,934.73)
<b>Net profit/(loss) for the year</b>		<b>3,105,166.78</b>	<b>(16,427.70)</b>
<b>Other Comprehensive Income</b>			
Other Comprehensive Income/Loss for the year			
<b>Total Comprehensive Income</b>		<b>3,105,166.78</b>	<b>(16,427.70)</b>

The accompanying notes form an integral part of the financial statements.

As per our report of even date

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 Yurop Man Shrestha  
 Director

Girish Lakhey  
 Director

Suwan Thapa  
 Proprietor  
 Suwan & Associates,  
 Chartered Accountants

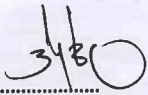
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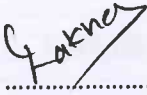
SNOWBALL CAPITAL  
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**Snowball Capital Private Limited**  
**Kathmandu, Nepal**  
**Statement of Cash Flows**  
**For the period ended Ashadh 31, 2078**

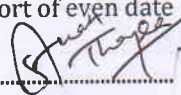
	Figures in NRs. 2077-78	Figures in NRs. 2076-77
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year before Provisions	4,110,815.82	27,507.03
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	7,342.40	1,125.00
Finance cost	-	-
Provision for Income Tax	-	-
Provision for probable losses	-	-
Profit/loss on disposal of property, plant and equipment	-	-
<b>Working capital adjustments:</b>		
(Increase)/Decrease in Current Assets except Cash	(12,295,989.78)	(2,396,589.03)
Increase/(Decrease) in Current Liabilities except borrowings	1,334,953.08	383,275.00
<b>Cash generated from operations</b>	<b>(6,842,878.48)</b>	<b>(1,984,682.00)</b>
Income tax paid	-	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(6,842,878.48)</b>	<b>(1,984,682.00)</b>
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(36,000.00)	(4,500.00)
Sale of investment	-	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(36,000.00)</b>	<b>(4,500.00)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of share capital		3,000,000.00
Advance for Share Capital	5,575,000.00	1,250,000.00
Borrowing (repaid) / taken (net)		
Interest Paid	-	-
Dividend paid	-	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>5,575,000.00</b>	<b>4,250,000.00</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT:</b>	<b>(1,303,878.48)</b>	<b>2,260,818.00</b>
CASH AND CASH EQUIVALENTS, Beginning of Period	2,260,818.00	-
<b>CASH AND CASH EQUIVALENTS, End of Period</b>	<b>956,939.52</b>	<b>2,260,818.00</b>

The accompanying notes form an integral part of the financial statements.

  
 Yurop Man Shrestha  
 Director

  
 Girish Lakhey  
 Director

As per our report of even date our report of even date

  
 Suwan Thapa  
 Proprietor

Suwan & Associates,  
 Chartered Accountants



Date:  
 Place:

  
 SNOWBALL CAPITAL  
 PVT. LTD.

**Snowball Capital Private Limited**  
**Statement of Changes in Equity**  
**for the year ended 31st Ashad 2078 (15 July 2021)**


Figures in NPR

Particulars	Attributable to equity holders of the Company						Deffered Tax	Total
	Share Capital	Advance for Share Capital	Share premium	Accumulated Profit/(loss)	General Reserve	Other Reserve		
Balance at 1st Shrawan 2076	-	-	-	-	-	-	-	-
Adjustment/Restatement	-	-	-	-	-	-	-	-
Adjusted/Restated balance at 1st Shrawan 2076	-	-	-	-	-	-	-	-
<b>Comprehensive income for the year</b>	-	-	-	(87,495.79)	-	-	-	(87,495.79)
Profit for the year	-	-	-	(87,495.79)	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-
Gains / (Losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	-	-
Gains / (Losses) on revaluation	-	-	-	-	-	-	-	-
Actuarial Gains / (Losses) on defined benefit plans	-	-	-	-	-	-	-	-
Gains / (Losses) on Cash Flow Hedge	-	-	-	-	-	-	-	-
Exchange gains / (Losses) arising from translating financial assets of foreign operation	-	-	-	-	-	-	-	-
<b>Total Comprehensive income for the year</b>	-	-	-	-	-	-	-	-
Transfer to reserve during the year	-	-	-	-	-	-	-	-
Transfer from reserve during the year	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
<b>Transactions with owners, directly recognised in equity</b>	-	-	-	-	-	-	-	3,000,000.00
Share issued	3,000,000.00	-	-	-	-	-	-	1,250,000.00
Advance for share capital	-	1,250,000.00	-	-	-	-	-	-
Share based payment	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-
Bonus shares issued	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	3,000,000.00	1,250,000.00	-	(87,495.79)	-	-	-	4,162,504.21
Balance at 1st Shrawan 2077	3,000,000.00	1,250,000.00	-	(87,495.79)	-	-	-	4,162,504.21
Adjustment/Restatement	-	-	-	115,002.82	-	-	(43,934.73)	71,068.09
Adjusted/Restated balance at 1st Shrawan 2077	3,000,000.00	1,250,000.00	-	27,507.03	-	-	(43,934.73)	4,233,572.30
<b>Comprehensive income for the year</b>	-	-	-	4,110,815.82	-	-	(1,005,649.04)	3,105,166.78
Profit for the year	-	-	-	4,110,815.82	-	-	(1,005,649.04)	-
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-
Gains / (Losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	-	-
Gains / (Losses) on revaluation	-	-	-	-	-	-	-	-
Actuarial Gains / (Losses) on defined benefit plans	-	-	-	-	-	-	-	-
Gains / (Losses) on Cash Flow Hedge	-	-	-	-	-	-	-	-
Exchange gains / (Losses) arising from translating financial assets of foreign operation	-	-	-	-	-	-	-	-
<b>Total Comprehensive income for the year</b>	-	-	-	-	-	-	-	-
Transfer to reserve during the year	-	-	-	-	-	-	-	-
Transfer from reserve during the year	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
<b>Transactions with owners, directly recognised in equity</b>	-	-	-	-	-	-	-	5,575,000.00
Share issued	-	5,575,000.00	-	-	-	-	-	-
Advance for share capital	-	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-
Bonus shares issued	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	3,000,000.00	6,825,000.00	-	4,138,322.85	-	-	(1,049,583.77)	12,913,739.08
Balance at 31 Asadh 2078	3,000,000.00	6,825,000.00	-	4,138,322.85	-	-	(1,049,583.77)	12,913,739.08

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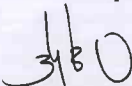
  
**SNOWBALL CAPITAL**  
**PVT. LTD.**

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**Snowball Capital Private Limited**  
**Kathmandu, Nepal**  
**Statement of Cash Flows**  
**For the period ended Ashadh 31, 2078**


	Figures in NRs. 2077-78	Figures in NRs. 2076-77
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year before Provisions	4,110,815.82	27,507.03
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	7,342.40	1,125.00
Finance cost	-	-
Provision for Income Tax	-	-
Provision for probable losses	-	-
Profit/loss on disposal of property, plant and equipment	-	-
<b>Working capital adjustments:</b>		
(Increase)/Decrease in Current Assets except Cash	(12,295,989.78)	(2,396,589.03)
Increase/(Decrease) in Current Liabilities except borrowings	1,334,953.08	383,275.00
<b>Cash generated from operations</b>	<b>(6,842,878.48)</b>	<b>(1,984,682.00)</b>
Income tax paid	-	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(6,842,878.48)</b>	<b>(1,984,682.00)</b>
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(36,000.00)	(4,500.00)
Sale of investment	-	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(36,000.00)</b>	<b>(4,500.00)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of share capital		3,000,000.00
Advance for Share Capital	5,575,000.00	1,250,000.00
Borrowing (repaid) / taken (net)		
Interest Paid	-	-
Dividend paid	-	-
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>5,575,000.00</b>	<b>4,250,000.00</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT:</b>	<b>(1,303,878.48)</b>	<b>2,260,818.00</b>
CASH AND CASH EQUIVALENTS, Beginning of Period	2,260,818.00	-
<b>CASH AND CASH EQUIVALENTS, End of Period</b>	<b>956,939.52</b>	<b>2,260,818.00</b>

The accompanying notes form an integral part of the financial statements.

  
 Yurop Man Shrestha  
 Director

  
 Girish Lakhey  
 Director

As per our report of even date our report of even date

  
 Suwan Thapa  
 Proprietor

Suwan & Associates,  
 Chartered Accountants



SNOWBALL CAPITAL  
 PVT. LTD.

Date:  
 Place:



**Snowball Capital Private Limited**  
**Statement of Changes in Equity**  
**for the year ended 31st Ashad 2078 (15 July 2021)**

Figures in NPR

Particulars	Attributable to equity holders of the Company							Total
	Share Capital	Advance for Share Capital	Share premium	Accumulated Profit/(loss)	General Reserve	Other Reserve	Deffered Tax	
<b>Balance at 1st Shrawan 2076</b>	-	-	-	-	-	-	-	-
Adjustment/Restatement	-	-	-	-	-	-	-	-
<b>Adjusted/Restated balance at 1st Shrawan 2076</b>	-	-	-	-	-	-	-	-
<b>Comprehensive income for the year</b>	-	-	-	(87,495.79)	-	-	-	(87,495.79)
Profit for the year	-	-	-	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-
Gains / (Losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	-	-
Gains / (Losses) on revaluation	-	-	-	-	-	-	-	-
Actuarial Gains / (Losses) on defined benefit plans	-	-	-	-	-	-	-	-
Gains / (Losses) on Cash Flow Hedge	-	-	-	-	-	-	-	-
Exchange gains / (Losses) arising from translating financial assets of foreign operation	-	-	-	-	-	-	-	-
<b>Total Comprehensive income for the year</b>	-	-	-	-	-	-	-	-
Transfer to reserve during the year	-	-	-	-	-	-	-	-
Transfer from reserve during the year	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
<b>Transactions with owners, directly recognised in equity</b>	-	-	-	-	-	-	-	3,000,000.00
Share issued	3,000,000.00	-	-	-	-	-	-	1,250,000.00
Advance for share capital	-	1,250,000.00	-	-	-	-	-	-
Share based payment	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-
Bonus shares issued	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	3,000,000.00	1,250,000.00	-	(87,495.79)	-	-	-	4,162,504.21
<b>Balance at 1st Shrawan 2077</b>	3,000,000.00	1,250,000.00	-	(87,495.79)	-	-	-	4,162,504.21
<b>Balance at 1st Shrawan 2077</b>	3,000,000.00	1,250,000.00	-	115,002.82	-	-	(43,934.73)	71,068.09
Adjustment/Restatement	-	-	-	27,507.03	-	-	(43,934.73)	4,233,572.30
<b>Adjusted/Restated balance at 1st Shrawan 2077</b>	3,000,000.00	1,250,000.00	-	142,509.85	-	-	-	4,233,572.30
<b>Comprehensive income for the year</b>	-	-	-	4,110,815.82	-	-	(1,005,649.04)	3,105,166.78
Profit for the year	-	-	-	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-
Gains / (Losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	-	-
Gains / (Losses) on revaluation	-	-	-	-	-	-	-	-
Actuarial Gains / (Losses) on defined benefit plans	-	-	-	-	-	-	-	-
Gains / (Losses) on Cash Flow Hedge	-	-	-	-	-	-	-	-
Exchange gains / (Losses) arising from translating financial assets of foreign operation	-	-	-	-	-	-	-	-
<b>Total Comprehensive income for the year</b>	-	-	-	-	-	-	-	-
Transfer to reserve during the year	-	-	-	-	-	-	-	-
Transfer from reserve during the year	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
<b>Transactions with owners, directly recognised in equity</b>	-	-	-	-	-	-	-	5,575,000.00
Share issued	-	5,575,000.00	-	-	-	-	-	-
Advance for share capital	-	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	-	-	-
Bonus shares issued	-	-	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	3,000,000.00	6,825,000.00	-	4,138,322.85	-	-	(1,049,583.77)	12,913,739.08
<b>Balance at 31 Asadh 2078</b>	3,000,000.00	6,825,000.00	-	4,138,322.85	-	-	(1,049,583.77)	12,913,739.08

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Particulars	Computer and Accessories	Total	Total	Total
		As at 31st Ashad 2078	As at 31st Ashad 2077	As at 1st Shrawan 2076
<b>Cost</b>				
Balance as on 1st Shrawan 2076				-
Addition during the Year				-
Acquisition	4,500.00		4,500.00	
Capitalization			-	
Disposal during the year			-	
Adjustment/Revaluation			-	
<b>Balance as on 31st Asadh 2077</b>	<b>4,500.00</b>		<b>4,500.00</b>	
Addition during the Year				
Acquisition	36,000.00	36,000.00		
Capitalization			-	
Disposal during the year			-	
Adjustment/Revaluation			-	
<b>Balance as on 31st Asadh 2078</b>	<b>40,500.00</b>	<b>40,500.00</b>	<b>4,500.00</b>	
<b>Depreciation and Impairment</b>				
<b>Balance as on 1st Shrawan 2076</b>				-
Depreciation charge for the Year	1,125.00		1,125.00	
Impairment for the year			-	
Disposal			-	
Adjustment			-	
<b>As on 32nd Asadh 2077</b>	<b>1,125.00</b>		<b>1,125.00</b>	
Impairment for the year			-	
Depreciation charge for the Year	7,342.40	7,342.40		
Disposals			-	
Adjustment			-	
<b>As on 31st Asadh end 2078</b>	<b>8,467.40</b>	<b>8,467.40</b>	<b>1,125.00</b>	
<b>Capital Work in Progress</b>				
<b>Net Book Value as on 31st Asadh 2076</b>				
<b>Net Book Value as on 31st Asadh 2077</b>	<b>3,375.00</b>		<b>3,375.00</b>	
<b>Net Book Value as on 1st Shrawan 2078</b>	<b>32,032.60</b>	<b>32,032.60</b>		

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**Snowball Capital Private Limited**  
**Kathmandu, Nepal**  
**Salary Sheet**  
**FY 2077-78**

Name	Annual Income	SST	10%	20%	Net Payable	Paid	Payable
Yurop Man shrestha	449,445.00	4,000.00	4,944.50		440,500.50	-	440,500.50
Girish Lakhey	449,445.00	4,000.00	4,944.50		440,500.50	-	440,500.50
Niraj Acharya	670,950.00	4,000.00	10,000.00	34,190.00	622,760.00	265,000.00	357,760.00
<b>Total</b>	<b>1,569,840.00</b>	<b>12,000.00</b>	<b>19,889.00</b>	<b>34,190.00</b>	<b>1,503,761.00</b>	<b>265,000.00</b>	<b>1,238,761.00</b>

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**Snowball Capital Private Limited**  
**Kathmandu, Nepal**  
**Statement of Financial Position**  
**As at Ashad 31, 2078 (Corresponding to July 15, 2021)**

Particulars	Amount
Opening Stock at cost	1,373,517.08
Effective Buy Amount	13,200,681.63
DP Charge	2,625.00
Closing Stock	(8,259,225.98)
COGS	6,317,597.72
Effective sell amount	7,513,542.95
<b>Net Realized Gains/(Losses) on Financial Assets at FVTPL</b>	<b>1,195,945.23</b>
<b>Net Unrealized Gains/(Losses) on Financial Assets at FVTPL</b>	<b>4,054,283.22</b>
<b>Total</b>	<b>5,250,228.44</b>

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**Snowball Capital Private Limited**  
Kathmandu, Nepal

Calculation of Taxable Income & Income Tax for Income Year 2077/78

	Figures in NRs.		
	As per Income Tax Act 2058	As per PL	Difference
Revenue on Sale of shares	1,195,945	5,250,228	(4,054,283)
Interest Income	74,679	74,679	-
Dividend Income	-	19,843	(19,843)
Service Fees	696,643	696,643	-
Extraordinary Income	-	-	-
<b>Total amount to be included in Income</b>	<b>1,967,268</b>	<b>6,041,394</b>	<b>(4,074,126)</b>
<b>Less: Allowable Deductions :</b>			
General deduction under section 13	1,923,235	1,923,235	-
Interest Cost under section 14	-	-	-
Cost of Trading Stock under section 15	-	-	-
Repair and Improvement under section 16	-	-	-
Pollution control cost under section 17	-	-	-
Research & Development cost under section 18	-	-	-
Depreciation under section 19	9,844	7,342	2,501
Provisions	-	-	-
<b>Total Deductions</b>	<b>1,933,079</b>	<b>1,930,578</b>	<b>2,501</b>
<b>Gross Taxable Income/ (Loss) for the Year</b>	<b>34,188</b>	<b>4,110,816</b>	<b>(4,076,627)</b>
<b>Accumulated loss upto previous year</b>	<b>(74,116)</b>		
<b>Net Taxable Income/ (Loss) for the Year</b>	<b>(39,928)</b>		

**Calculation of Income Tax**

Applicable tax rate	25%
Income tax for the year	
Fee under section 117	-
Interest under section 119	-
<b>Total Tax</b>	-



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**SNOWBALL CAPITAL  
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**Snowball Capital Private Limited**  
**Kathmandu, Nepal**  
**As per Income Tax Act 2058, Section 19: Depreciation Basis and Depreciation**

Particulars/Pool of Assets	A	B	C	D	E	Total
Opening Cost	-	4,500.00	-	-	-	4,500.00
Opening Accumulated Depreciation	-	1,125.00	-	-	-	1,125.00
Addition(As per Sec. 2(5) of Annexure of Income Tax Act 2058)	-	36,000.00	-	-	-	36,000.00
Disposal	-	-	-	-	-	-
Closing Depreciation Basis (Disposal Gain)	-	39,375.00	-	-	-	39,375.00
Rate of Depreciation	5%	25%	20%	15%	-	-
Depreciation As per Section 19 and Annexure 2(5)	-	9,843.75	-	-	-	9,843.75
Opening Depreciation	-	1,125.00	-	-	-	1,125.00
Total Accumulated Depreciation	-	10,968.75	-	-	-	10,968.75
<b>Opening WDV for Next Year</b>	-	-	-	-	-	-
<b>Net closing WDV of current year</b>	-	29,531.25	-	-	-	29,531.25
Unabsorbed addition	-	-	-	-	-	-
Capitalised portion of Repair and Maintenance	-	-	-	-	-	-
<b>Total Opening WDV for Next Year</b>	-	29,531.25	-	-	-	29,531.25

Repair and Maintenance As per sec. 16 of Income Tax Act, 2058

Particulars/Pool of Assets	A	B	C	D	E	Total
WDV for Repair and Maintenance	-	39,375.00	-	-	-	39,375.00
7% of WDV	-	2,756.25	-	-	-	2,756.25
Actual Repair and Maintenance	-	-	-	-	-	-
Repair and Maintenance As per Income Tax Act, 2058	-	-	-	-	-	-
Capitalised portion of Repair and Maintenance	-	-	-	-	-	-

As per sec2(5) of Annexure of Income Tax Act 2058 :Addition during the year

Particulars/Pool of Assets	A	B	C	D	E	Total
Total Cost of Addition During The Year	-	-	-	-	-	-
Purchase upto Pouch	-	36,000	-	-	-	36,000
Purchase from Mugh to Chakra	-	-	-	-	-	-
Purchase from Saishok to Ashidh	-	-	-	-	-	-
Total Absorbed Addition	-	36,000	-	-	-	36,000
Unabsorbed Addition (Addition for next year)	-	-	-	-	-	-

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**Snowball Capital Private Limited**  
**Kathmandu, Nepal**

Expenses as per section 13 of income tax act, 2058

Figures in NRs.

	<b>As per Income Tax Act 2058</b>	<b>As per PL</b>	<b>Difference</b>
Employee benefits	1,569,840	1,569,840	-
<b>Administrative Expenses</b>	<b>353,395</b>	<b>353,395</b>	-
Office rent	60,000	60,000	-
Consultancy Expenses	29,945	29,945	-
Office Expenses	5,500	5,500	-
Renewal charges	900	900	-
Web Hosting Expenses	5,200	5,200	-
Software Subscription	207,505	207,505	-
Audit Fees	33,900	33,900	-
Registration Charges	10,050	10,050	-
Bank Charges	395	395	-
	<b>1,923,235</b>	<b>1,923,235</b>	-

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# NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31<sup>ST</sup> ASHAD 2078 (15<sup>TH</sup> JULY 2021)

## 1. Introduction

### 1.1. General information of Reporting Entity

Snowball Capital Private Limited (Entity Name) is a limited liability company domiciled in Nepal. The address of its registered office is ward no. 1 Kathmandu, Nepal. The company is an investment company focused in financial market, real estate and new ventures. The company was incorporated on 19<sup>th</sup> of August, 2019. The financial statements covers the period from 16<sup>th</sup> July 2020 to 15<sup>th</sup> July 2021. The board of directors have approved this financial statement on 8<sup>th</sup> August 2021.

The entity has adopted NFRS's for the first time during the current reporting period.

### 1.2. Board of Directors

The composition of Board of Directors as on 31<sup>st</sup> Ashad 2078 is as follows:

Name	Position
Yurop Man Shrestha	Director
Girish Lakhey	Director

## 2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

### 2.1. Basis of Preparation

The company while complying with the reporting standards makes critical accounting judgement as having potentially material impact on the financial statements. The significant accounting policies that relate to the financial statements as a whole along with the judgements made are described herein.

Where an accounting policy is generally applicable to a specific item, the policy is described within that relevant note. NFRS requires the company to exercise judgement in making accounting estimates. Description of such estimates has been given in the relevant sections wherever they have been applied.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities.

The statements of financial position is presented on liquidity basis. Assets and liabilities are presented in decreasing order of liquidity. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to shareholders.



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## 2.2. Statement of Compliance

The Financial Statements are presented in Nepalese Rupees, rounded to the nearest Rupee. The Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS).

## 2.3. Reporting Pronouncements

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

## 2.4. Accounting Conventions

The financial statements have been prepared on a historical cost basis, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

The financial statements have been prepared on a going concern basis where the accounting policies and judgements as required by the standards are consistently used and case of deviations disclosed specifically.

## 2.5. Presentation

The financial statements have been presented in the nearest Nepalese Rupees.

For presentation of the statement of financial position, assets and liabilities have been bifurcated into current and non-current distinction.

The statement of profit or loss has been prepared using classification 'by nature' method.

The cash flows from operation within statement of cash flows have been derived using the indirect method.

## 2.6. Presentation Currency

Financial statements are denominated in Nepalese Rupees, which is the functional and presentation currency of the company.

## 2.7. Accounting policies and Accounting Estimates

The company, under NFRS, is required to apply accounting policies to the most appropriately suit its circumstances and operating environment. Further the company is required to make judgement in respect of items where the choice of specific policy, accounting estimates or assumption to be followed could materially affect the financial statements. This may later be determined that a different choice could have been more appropriate.

Accounting policies have been included in the relevant notes for each item of the financial statements. The effect and nature of the changes, if any, have been disclosed.



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NFRS requires the company to make estimates and assumptions that will affect the assets, liabilities, disclosure of contingent assets and liabilities, and profit or loss as reported in the financial statements.

The company applies estimates in preparing and presenting the financial statements. The estimates and underlying assumption are reviewed periodically. Revision to accounting estimates as recognized in the period in which the estimates is revised, and are applied prospectively.

Disclosures of the accounting estimates have been included in the relevant section of the notes wherever the estimates have been applied along with the nature and effect of changes of accounting estimates, if any.

The company makes estimates and assumptions that affect the reported amount 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.

## 2.8. Reporting Periods

The company follows the Nepalese financial year based on the Nepalese calendar as reporting period.

## 2.9. Events after the Reporting Date

The materiality of the events after the reporting date has been considered and appropriate adjustments and provisions have been made in the financial statements wherever necessary.

## 2.10. Discounting

Discounting has been applied where assets and liabilities are noncurrent and the impact of the discounting is material.

## 2.11. Limitation of NFRS Implementation

If the informal is not available and the cost to develop would exceed the benefit derived, such exception o NFRS implementation has been noted and disclosed in respective section.

  
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### 3. Effect of Changes and Reconciliation in First-Time Adoption of NFRS

#### 3.1. Effect of Changes in Equity

Particulars	Share Capital	Advance for Share Capital	Share premium	Accumulated Profit/(loss)	General Reserve	Other Reserve	Deffered Tax	Total
Balance at 1st Shrawan 2076	-	-	-	-	-	-	-	-
Adjustment/Restatement	-	-	-	-	-	-	-	-
Adjusted/Restated balance at 1st Shrawan 2076	-	-	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	(87,495.79)	-	-	-	(87,495.79)
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-
Gains / (Losses) from investment in equity instruments measured at fair value	-	-	-	-	-	-	-	-
Gains / (Losses) on revaluation	-	-	-	-	-	-	-	-
Actuarial Gains / (Losses) on defined benefit plans	-	-	-	-	-	-	-	-
Gains / (Losses) on Cash Flow Hedge	-	-	-	-	-	-	-	-
Exchange gains / (Losses) arising from translating financial assets of foreign operation	-	-	-	-	-	-	-	-
<b>Total Comprehensive income for the year</b>	-	-	-	-	-	-	-	-
Transfer to reserve during the year	-	-	-	-	-	-	-	-
Transfer from reserve during the year	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
<b>Transactions with owners, directly recognised in equity</b>	-	-	-	-	-	-	-	-
Share issued	3,000,000.00	-	-	-	-	-	-	3,000,000.00
Advance for share capital	-	1,250,000.00	-	-	-	-	-	1,250,000.00
Share based payment	-	-	-	-	-	-	-	-



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General





### 3.2. Reconciliation of Reserve

Particular	Fiscal Year 2076.77
Reserve reported on financial statement	(87,496)
Net Unrealized Gains/(Losses) - restated	101,623
Deferred tax income/(expenses) - restated	(43,935)
Net Unrealized Losses - audited	13,380
Reinstatement of Reserve in Application of NFRS	(16,428)

### 3.3. Reconciliation of Profit and Loss

Particulars	Fiscal Year 2076.77
Profit Before Provision for taxes as per Audited 2076-77	(74,116)
Net Unrealized Gains/(Losses) on Financial Assets held on FVTPL	101,623
Reserve as per Restated 2067-77	27,507

#### 3.3.1. Net Unrealized Gains/(Losses) on Financial Assets held on FVTPL

	Inventories of Shares			Figures in NRs.	
	Qty	Original cost	Market value	Unrealized Gains/(Losses)	As at 31st Ashadh 2077
CBBL	536	582,362	584,240	1,878	584,240
GBBL	1,000	206,183	223,000	16,817	223,000
MNBBL	900	294,180	280,800	(13,380)	280,800
NICA	700	290,791	387,100	96,309	387,100
	<b>3,136</b>	<b>1,373,517</b>	<b>1,475,140</b>	<b>101,623</b>	<b>1,475,140</b>
				101,623	
				<b>101,623</b>	

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Partner



  
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## 4. Property, Plant and Equipment

### 4.1. Accounting policy

Property, plant and equipment are tangible items that are held for serving revenue generation purposes and are expected to be used during more than one period.

#### a. Basis of Recognition

Property, Plant and equipment are recognized if it probable that future economic benefits associated with the assets will flow to the company and cost of the assets can be reliably measured.

#### b. Basis of Measurement

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to replace part of or service it. The cost of self – constructed assets includes the cost of materials and direct labor, any other costs of dismantling and removing the items and restoring the site on which they are located.

#### c. Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and its cost can be measured reliably. The cost of day -to-day servicing of property, plant and equipment are charged to the Statement of Profit or Loss incurred.

#### d. De- recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in statement of profit or loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost is derecognized.

#### e. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset plus an incidental cost related to acquisition .depreciation is recognized in the statement of profit or loss on straight line method based on estimated useful life of each item of property, plant and equipment ,since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Fixed assets are depreciated on straight line basis method on the basis of effective useful life of the assets decided by the management. According, fixed assets are depreciated from the day the assets are ready to be used as intended by the management.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Depreciation of an assets ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

The estimated useful lives for the computer and accessories for the current periods is estimated to be 5 years.

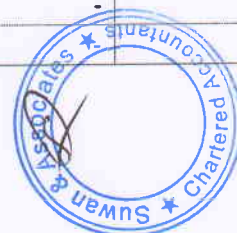
#### 4.2. Explanatory Notes

##### Calculation of Depreciation and Net book value as at 31st Ashadh 2078

Particulars	Computer and Accessories	As at 31st Ashad 2078	As at 31st Ashad 2077	As at 1st Shrawan 2076
Cost				
Balance as on 1st Shrawan 2076				-
Addition during the Year			-	
Acquisition	4,500.00		4,500.00	
Capitalization			-	
Disposal during the year			-	
Adjustment/Revaluation			-	
Balance as on 31st Asadh 2077	4,500.00		4,500.00	
Addition during the Year			-	
Acquisition	36,000.00	36,000.00		
Capitalization			-	
Disposal during the year			-	
Adjustment/Revaluation			-	
Balance as on 31st Asadh 2078	40,500.00	40,500.00	4,500.00	-
Depreciation and Impairment				
Balance as on 1st Shrawan 2076				-
Depreciation charge for the Year	1,125.00		1,125.00	
Impairment for the year			-	
Disposal				
Adjustment				

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Particulars	Computer and Accessories	As at 31st Ashad 2078	As at 31st Ashad 2077	As at 1st Shrawan 2076
As on 32nd Asadh 2077	1,125.00	1,125.00	1,125.00	
Impairment for the year		-		
Depreciation charge for the Year	7,342.40	7,342.40		
Disposals	-	-		
Adjustment		-		
As on 31st Asadh end 2078	8,467.40	8,467.40	1,125.00	-
Capital Work in Progress				
Net Book Value as on 31st Asadh 2076	-	-		-
Net Book Value as on 31st Asadh 2077	3,375.00		3,375.00	-
Net Book Value as on 1st Shrawan 2078	32,032.60	32,032.60		

Item	Depreciation Base	Acquisition Date	Remaining useful life	Days Used	Depreciation
UPS	3,375.00	7/15/2020	1,825.00	365.00	675.00
Desktop	36,000.00	8/11/2020	1,825.00	338.00	6,667.40
<b>Total</b>	<b>39,375.00</b>				<b>7,342.40</b>

Amortization methods, useful lives and residual values are reviewed at each reporting date.

## 5. Cash and Cash Equivalents

### 5.1. Accounting policy

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at bank & cash in hand

Payments and receipts relating to the purchase and sales of investment securities are classified as cash flows from investing activities.

### 5.2. Explanatory Notes

The carrying amount of cash and cash equivalents are representative of their fair values as at the respective reporting date.

Particulars	31 <sup>st</sup> Ashad 2078	31 <sup>st</sup> Ashad 2077
Balance with banks	956,940	2,260,818
<b>Total</b>	<b>956,940</b>	<b>2,260,818</b>

## 6. Financial Instruments

### 6.1. Accounting Policy

In accordance with NFRS 9: An entity shall recognize a financial asset or financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument.

#### 6.1.1. Classification

The company's investments are classified as fair value through profit of loss, at amortized cost and loan and receivable. They comprise:

Financial assets and liabilities held 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 for the quoted equity securities is recorded in the profit or loss

#### 6.1.2. Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments.

#### 6.1.3. Recognition/De- recognition

The company recognized financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognizes changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognized when their right to receive cash flows from the investments has expired or the contract is discharged or expired.

Financial liabilities at fair value through profit or loss are derecognized when the obligation specified in the contract is discharged or expired.

**As per Clause B4.1.6 of NFRS 9** A portfolio of financial assets that is managed and whose performance is evaluated on a fair value basis is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The entity is primarily focused on fair value information and uses the information to assess the assets' performance and to make decision. In addition, a portfolio of financial asset that meets the definition of held for trading is not held to collect contractual cash flows or held both to collect contractual cash flows and to sell financial assets. For such portfolios, the collection of contractual cash flows is only incidental to achieving the business

model's objective. Consequently, such portfolios of financial assets must be measured at fair value through profit or loss.

#### 6.1.4. Measurement

Financial assets and liabilities held at fair value through profit or loss at initial recognition, the company measures a financial asset at its fair value.

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 their fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category is presented in the statement of profit or loss and other comprehensive income 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 price 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 company 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.

#### Financial Assets Measured at Amortized Cost

Financial assets at this category 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 reserved through profit or loss.

Receivable may include amounts for dividends, interest and trade receivable. Dividends are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 10.

Receivables are recognized and carried at amortized cost, less a provision for any uncollectable debts. An estimate for doubtful debt is made when collection of an amount is no longer payable.

Recoverability of receivable is reviewed on an ongoing basis at an individual portfolio level, Individual debts known to be uncollectable are written off when identified. An impairment provision is recognized when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

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

## 6.2. Explanatory Note

### 6.2.1. Trade and Other Receivables (Current)

Particulars	31st Ashad 2078	31st Ashad 2077
Trade Receivable	696,643.00	310,575.00
Interest Receivable		14,155.62
Advance for FOWADP	856,000.00	
Advance for NMFBS	103,521.93	
Receivable from Shree Krishna Securities	363,480.71	500,000.00
Advance Tax 7677	13,594.00	13,593.75
Advance Tax 7778	124,507.53	
<b>Total</b>	<b>2,157,747.18</b>	<b>921,449.03</b>

### 6.2.2. Financial Assets Held at Fair Value Through Profit or Loss (FVTPL)

Particulars	31st Ashad 2078	31st Ashad 2077
Equity Securities	12,415,132.12	1,475,140.00
<b>Total</b>	<b>12,415,132.12</b>	<b>1,475,140.00</b>

The details of Financial Assets Held at FVTPL as on 31st Ashad 2078 are as follows

Shares	No. of Units	Total market value
NIBL Samriddhi fund 1	187,467.00	2,692,026.12

muktinath bikas bank	4,661.00	3,062,277.00
NMBHF 1	145,160.00	1,981,434.00
garima bikas bank	4,063.00	2,210,272.00
Sanima Bank Limited	2,131.00	1,033,535.00
Chimmek Laghubitta Bikas Bank Limited	376.00	653,488.00
bottlers nepal(Terai)	35.00	359,170.00
NIC Asia Bank	345.00	342,930.00
Taragaon Regency Hotel Limited	200.00	80,000.00
<b>Total</b>	<b>344,438.00</b>	<b>12,415,132.12</b>

## 7. Other Assets

### 7.1. Explanatory Note

Other Assets includes the advance payment or prepayment of expenditures (Current).  
Detail of the same are presented below:

Particulars	31st Ashad 2078	31st Ashad 2077
Prepaid Software Subscription	119,699.51	83,124.66
<b>Total</b>	<b>119,699.51</b>	<b>83,124.66</b>

  
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## 8. Payables

### 8.1. Accounting Policy

Payables include liabilities and accrued expenses owing by the company which are unpaid as at the end of the reporting period.

### 8.2. Explanatory Note

**Details of Trade and Other Payables (Current) are presented below:**

Particulars	31st Ashad 2078	31st Ashad 2077
TDS Payable - Audit Fee	508.50	750.00
TDS Payable - Rent	6,000.00	-
TDS Payable - Subscription	3,240.00	3,075.00
SST Payable	12,000.00	
TDS on remuneration	54,079.00	
Expenses Payable	10,050.00	
Salary Payable	1,238,761.00	
Payable to Director	359,800.58	150,095.00
Advance from Investors		225,000.00
TDS Payable - Consultancy	397.50	105.00
Audit fee payable	33,391.50	4,250.00
<b>Total</b>	<b>1,718,228.08</b>	<b>383,275.00</b>

  
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## 9. Income Tax

### 9.1. Accounting Policy

Income tax on the profit for the year comprises current and deferred tax. Income tax is recognized directly in the Statement of Profit or Loss except to the extent that it relates to items recognized directly in equity.

#### a. Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment made to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset if certain criteria are met.

As per the Nepalese tax laws, in absence of taxable profits, the company has not recognized any current tax expenses.

#### b. Deferred Tax

Deferred tax is recognized in respect of temporary difference between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects. At the end of the reporting period to cover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they instead to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses. Tax credits and deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized, based on the level of future tax profit forecasts and tax planning strategies.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax is calculated applying future tax rate which is 25%.

## 9.2. Explanatory Notes

Particulars	Carrying Amount	Tax Base	Temporary Difference
<b>2076-77</b>			
Property, plant and equipment	3,375.00	3,375.00	-
Financial Asset Held at FVTPL	1,475,140.00	1,373,517.08	(101,622.92)
Carried forward losses		(74,116.00)	(74,116.00)
<b>Total</b>			<b>(175,738.92)</b>
<b>Tax Rate</b>			<b>0.25</b>
<b>Deferred Tax Asset/(liability) 31-03-2077</b>			<b>(43,934.73)</b>
<b>Deferred Tax Asset/(liability) 31-03-2076</b>			<b>-</b>
<b>Deferred Tax Income/(Expense) FY 2076-77</b>			<b>(43,934.73)</b>
<b>Deferred Tax Income/(Expense) - PL</b>			<b>(43,934.73)</b>
<b>2077-78</b>			
Property, plant and equipment	32,032.60	29,531.25	(2,501.35)
Financial Asset Held at FVTPL	12,415,132.12	8,259,225.98	(4,155,906.14)
Carried forward losses		(39,927.61)	(39,927.61)
<b>Total</b>			<b>(4,198,335.10)</b>
<b>Tax Rate</b>			<b>0.25</b>
<b>Deferred Tax Asset/(liability) 31-03-2078</b>			<b>(1,049,583.77)</b>
<b>Deferred Tax Asset/(liability) 31-03-2077</b>			<b>(43,934.73)</b>
<b>Deferred Tax Income/(Expense) FY 2077-78</b>			<b>(1,005,649.04)</b>
<b>Deferred Tax Income/(Expense) - PL</b>			<b>(1,005,649.04)</b>

## 10. Share Capital

### 10.1. Explanatory Notes

The detail of share Capital Structure is presented below:

Particulars	31st Ashad 2078	31st Ashad 2077
<b>Authorized capital</b>		
30,000/- ordinary shares of Rs. 100/- each	30,000,000.00	30,000,000.00
<b>Issued capital</b>		
30,000/- ordinary shares of Rs. 100/- each	30,000,000.00	30,000,000.00
<b>Paid up capital</b>		
10,000/- ordinary shares of Rs. 100/- each	1,000,000.00	1,000,000.00
20,000/- Preference shares of Rs. 100/- each	2,000,000.00	2,000,000.00

<b>Total</b>	<b>3,000,000.00</b>	<b>3,000,000.00</b>
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10.1.1. Reconciliation of Shares Outstanding at the Beginning and at the End

<b>Particulars</b>	<b>31st Ashad 2078</b>	<b>31st Ashad 2077</b>
Balance as at the opening date	3,000,000.00	3,000,000.00
Advance for share capital	6,825,000.00	1,250,000.00
<b>Total</b>	<b>9,825,000.00</b>	<b>4,250,000.00</b>

Advance for Share Capital Includes the amounts received as follow:

<b>S.N.</b>	<b>Name of Shareholders</b>	<b>Amount (NPR)</b>
1	Aanand Prasad Ojha	1,000,000.00
2	Amala Lakhey	100,000.00
3	Anjee Lakhey	50,000.00
4	Anupama Poudel	100,000.00
5	Arish Raj Karnikar	175,000.00
6	Bikal Chaulagain	50,000.00
7	Girish Lakhey	1,500,000.00
8	Merica Shrestha	1,200,000.00
9	Phintso Doleck Nepali	1,000,000.00
10	Rejisha Shrestha	450,000.00
11	Sabin Man Shrestha	400,000.00
12	Saurya Pahadi	175,000.00
13	Sunita Shrestha	200,000.00
14	Suraj Joshi	200,000.00
15	Yurop Man Shrestha	225,000.00
	<b>Total</b>	<b>6,825,000.00</b>

10.1.2. Rights, Preferences and Restrictions Attached to Equity Shares

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and shares in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time.

10.1.3. Rights, Preferences and Restrictions Attached to Preference Shares

The company has a single class of preference shares. Accordingly, all preference shares rank equally with regards to dividends and shares in the company's residual assets. The

preference share is of redeemable nature and the redemption will be made on cost. The preference shares are entitled to receive dividend prior to equity shareholders as declared from time to time. The preference shareholders do not have voting rights.

## 11. Income

### 11.1. Interest Income

#### 11.1.1. Accounting Policy

Interest Income is recognized in profit or loss for all financial instruments measured at amortized cost using the effective interest method. Income on assets held at fair value through profit or loss is included in the net gains/(losses) on the financial instruments.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates cash flows considering all the contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts

#### 11.1.2. Explanatory Notes

**Detail of Interest income has been presented below:**

Particulars	31st Ashad 2078	31st Ashad 2077
Interest Income (Bank of Kathmandu Ltd)	32,489.80	42,684.00
Interest on Debentures	42,189.61	
<b>Total</b>	<b>74,679.41</b>	<b>42,684.00</b>

### 11.2. Dividend Income

#### 11.2.1. Accounting Policy

Dividend income is recognized in Statement of Profit or Loss on the date that the company's right to receive payment is established. Dividend income is recognized on the ex-dividend date.

### 11.2.2.Explanatory Notes

Details of dividend income has been presented below:

Particulars	31st Ashad 2078	31st Ashad 2077
CCBL	4,290.00	
SANIMA	3,533.20	
MNBBL	5,869.13	
CBBL	2,850.25	
FOWAD	1,400.28	
TRH	1,900.00	
<b>Total</b>	<b>19,842.86</b>	

### 11.3. Net Gains/Losses on Financial Assets Held at Fair Value through Profit or Loss

#### 11.3.1. Accounting Policy

Realized gain is the difference between the cost price and realized price on the sale of the shares after deducting the selling expenses and commission expenses.

Unrealized gain is the difference between the cost price and the closing market price available at the end of the reporting period or the latest trading price if the closing price as on the year end is not available.

#### 11.3.2.Explanatory Note

Net Gains/Losses on Financial Assets Held at Fair Value through Profit or Loss has been presented below:

Particular	31st Ashad 2078	31st Ashad 2077
Net Realized Gains/(Losses) on Financial Assets at Fair Value through Profit or Loss	1,195,945.23	104,196.19
Net Unrealized Gains/(Losses) on Financial Assets at Fair Value through Profit or Loss	4,054,283.22	101,622.92
<b>Total</b>	<b>5,250,228.44</b>	<b>205,819.11</b>

  
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**Computation of Unrealized Gains/(Losses) for FY 2077-78:**

Particulars	Units	Cost Value	Closing Price	Market value	Unrealized Gain/(Loss)
NIBL Samridhi fund 1	187,467.00	2,360,348.26	14.36	2,692,026.12	331,677.86
Muktinath bikas bank	4,661.00	1,715,401.83	657	3,062,277.00	1,346,875.17
NMBHF 1	145,160.00	1,667,894.89	13.65	1,981,434.00	313,539.11
Garima bikas bank	4,063.00	1,114,371.98	544	2,210,272.00	1,095,900.02
Sanima Bank Limited	2,131.00	705,109.05	485	1,033,535.00	328,425.95
Chimmek Laghubitta Bikas Bank Limited	376.00	301,609.20	1738	653,488.00	351,878.80
Bottlers nepal(Terai)	35.00	226,945.48	10262	359,170.00	132,224.52
NIC Asia Bank	345.00	126,192.52	994	342,930.00	216,737.48
Taragaon Regency Hotel Limited	200.00	41,352.77	400	80,000.00	38,647.23
<b>Total</b>	<b>344,438.00</b>	<b>8,259,225.98</b>		<b>12,415,132.12</b>	<b>4,155,906.14</b>
<b>Unrealized Gain/(Loss) upto last year</b>					<b>101,622.92</b>
<b>Total</b>					<b>4,054,283.22</b>

**11.4. Service Fees**

**11.4.1. Accounting Policy**

Service Fee is recognized in Statement of Profit or Loss on a accrual basis when the service has been fully rendered and there is no contractual obligation pending to receive such income.



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## 12. Expenses

### 12.1. Accounting policy

All expenses except specially mentioned are accounted on accrual basis.

All expenditure incurred in running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to revenue in arriving at the profit for the year and presented in Statement of Profit or Loss.

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Repairs and renewals are charged to the Statement of Profit and Loss in the year in which the expenditure is incurred. The profit earned by the Company is before income tax expense and after making provision for all known liabilities and for the depreciation of property, plant & equipment.

### 12.2. Explanatory Note

#### 12.2.1. Administrative Expenses

Particulars	31st Ashad 2078	31st Ashad 2077
Office rent	60,000.00	55,000.00
Consultancy Expenses	29,945.00	7,910.00
Office Expenses	5,500.00	
Renewal charges	900.00	
Web Hosting Expenses	5,200.00	
Software Subscription	207,505.49	148,525.34
Audit Fees	33,900.00	5,000.00
Registration Charges	10,050.00	32,050.00
Bank Charges	395.00	325.00
<b>Total</b>	<b>353,395.49</b>	<b>248,810.34</b>

#### 12.2.2. Employee Benefit

The company does not have any long-term employee benefit. The employee benefit provided during the period has been is presented below:

Name	Gross Salary
Yurop Man shrestha	449,445.00
Girish Lakhey	449,445.00
Niraj Acharya	670,950.00
<b>Total</b>	<b>1,569,840</b>



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## 13. Impairment

### 13.1. Accounting Policy

The company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets.

The company also reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss, if any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit or Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit or Loss.

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## 14. Provisions and Contingent Liabilities

### 14.1. Accounting Policy

A provision is a liability of uncertain timing or amount.

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of time value of money and the risks specific to the liability (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or the present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent asset is a probable asset that arises from the past events and whose existence will be confirmed only by the occurrence and non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

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## 15. Financial Risk Management

The company's activities are exposed to a variety of financial risk, market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The company's overall risk management program focuses on ensuring compliance with the company's investment policy. It also seeks to maximize the returns derived for the level of risk to which the Company is exposed and seeks to minimize potential adverse effects on the Company's financial performance.

All securities investments present a risk of loss of capital. The maximum loss of capital on long equity and debt securities is limited to the fair value of those positions.

The management of these risks is carried out by the management of the company upon the recommendation of the entity.

The company uses different methods to measure and mitigate different types of risk to which it is exposed.

### 15.1. Market Risk

#### a. Price Risk

The company is exposed to equity securities price risk. This arises from investments held by the company for which prices in the future are uncertain, paragraph below sets out how this component of price risk is managed and measured. Investments are classified in the statement of financial position at fair value through profit or loss and loans and receivables. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The company's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the investment advisor of the company.

All of the Company's equity investments in companies are listed in NEPSE. The company's management monitors the status of the investments in a periodical basis as per necessity.

#### b. Foreign Exchange Rate Risk

The company is not exposed to the fluctuations in exchange rates as all investments and transactions of the company are made in investments denominated in Nepalese Rupees.

#### c. Cash Flow and Fair Value Interest Rate Risk

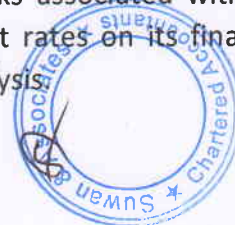
The company is exposed to interest rate risk on financial instruments with variable interest rates.

Financial instruments with fixed rates expose the Company to fair value interest rate risk. The company's interest-bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.



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The company has direct exposure to interest rate changes on the valuation and cash flows of its interest-bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the company invests and impact on the valuation of certain assets that use interest rates as an input in their valuation model.

## 15.2. Credit Risk

The Company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which the company is exposed arises from the company's investments in debt securities. However, there is no investment in debt securities.

Credit risk on cash and cash equivalents, other receivable balances.

The company's management monitors the status of the investments in a periodical basis as per necessity. The Company can maximize the returns derived for the level of risk to which the Company is exposed. The table below is summary of the significant sector concentrations within the equity portfolio.

Particulars	Units	Fair Market Value	Fair Market Value (%)	Cost	Cost (%)
Mutual Funds	332,627.00	4,673,460.12	37.64%	4,028,243.15	48.77%
Development Bank	11,231.00	6,959,572.00	56.06%	3,836,492.06	46.45%
Manufacturing Company	35.00	359,170.00	2.89%	226,945.48	2.75%
Commercial Bank	345.00	342,930.00	2.76%	126,192.52	1.53%
Hotel & Tourism	200.00	80,000.00	0.64%	41,352.77	0.50%
<b>Total</b>	<b>344,438.00</b>	<b>12,415,132.12</b>	<b>100.00%</b>	<b>8,259,225.98</b>	<b>100.00%</b>

## 15.3. Liquidity Risk

Liquidity risk is the risk that the company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The company's policy is to invest the majority of its assets in investments that are traded in an active market or can be readily disposed.

The company's listed securities are considered readily realizable, as all are listed on the Nepal Stock Exchange (NEPSE).

The company has the ability to borrow in the short term to ensure settlement. No such borrowings have arisen during the period.

The Company's management monitors the company's liquidity position on a periodic basis.

## 16. Fair Value Measurement

The company measures and recognizes the financial assets and liabilities at fair value on a recurring basis.

The Company has no assets or liabilities measured 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.

The company values its investments in fair market value. For the majority of its investments, the company relies on information provided by Nepal Stock Exchange (NEPSE).

A financial instrument is regarded as quoted in an active market if quoted price are readily and regularly available from Nepal Stock Exchange (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 as seen appropriate by management.

## 17. Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/ decisions of the other, irrespective of whether a price is charged.

The company identifies the following as the related parties under the requirements of NAS 24.

- a) The member of board of directors.
- b) The key management personnel of the entity.

c) The Subsidiary of the entity and its board of directors and key management personnel.

d) The close member of the family of any individual referred to in (a) or (c).

Following transactions has been made with the related party:

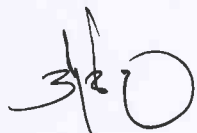
Name	Relation	Nature	Amount (NPR)
Yurop Man shrestha	Director	Salary Expenses	449,445.00
Girish Lakhey	Director	Salary Expenses	449,445.00

## 18. Proposed Dividend

The company has not proposed any dividend for FY 2077/78.

## 19. Mortgaged Properties

The company has not taken any loans and advances during the FY 2077/78.



  
SNOWBALL CAPITAL  
PVT. LTD.