



INDEPENDENT AUDITOR'S REPORT
To the Shareholders' of Bizbazar Ltd.

Opinion

We have audited the financial statements of **Bizbazar Ltd.**, which comprise the Balance Sheet as at 32 Ashad, 2079 (corresponding to 16 July, 2022), and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Balance Sheet of the company as at 32 Ashad, 2079, and its income statement and its cash flows for the year then ended in accordance with Nepal Accounting Standard (NAS).

Basis of Opinion

We conducted our audit in accordance with Nepal Standard 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 Code of Ethics for Professional Accountants*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

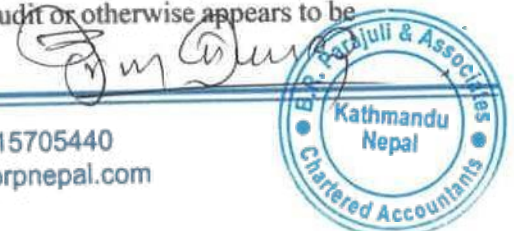
Key Audit Matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements of the current period and include most significant assessed risk of material (whether due to fraud) identified including those which has greatest effect on overall audit strategy, allocation of resources in audit and directing effort of the engagement team. We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for other information. The other information comprises the information included in the Annual Report and Report of Board of Directors, but not includes the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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. If based on the work we have performed, we conclude that there is material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

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 NAS, 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 ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material 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 is 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 a part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and access the risks of material misstatement of financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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



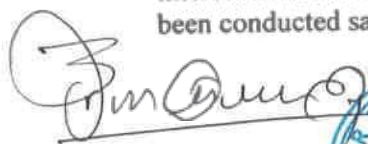

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern; and

- 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.

Report on Other Legal and Regulatory Requirements

Based on our examination of the financial statements as per Company's Act, we 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) The accounts and records of the Company have been maintained as required by law and practice in a manner to reflect the real affairs of the Company.
- c) The Balance Sheet, Income Statement and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company.
- d) In our opinion and to the best of our information and according to explanations given to us, the Board of Directors, the representative or any employee of the Company has not acted contrary to the provision of law relating to accounts nor caused direct loss or damage to the company deliberately or acted in a manner that would jeopardized the interest and security of the Company and the business of the Company appears to have been conducted satisfactorily.



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CA Balam Parajuli
Proprietor
B.R. Parajuli and Associates, Chartered Accountants



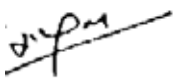
Place: Kathmandu
Date: 2079/09/03
UDIN: 230113CA009601Su5a

Bizbazar Limited
Kalanki, Kathmandu
Statement of Cash Flow

For the Period from 1st Shrawan 2078 to 32nd Ashad, 2079 (16th July, 2021 to 16th July, 2022)

Particulars	Current Year (NRs.)	Previous Year (NRs.)
<u>Cash Flow from Operating Activities</u>		
Profit (Loss) before Taxation & Extraordinary items	(4,613,515.91)	(3,855,675.78)
Adjustment for:		
Depreciation	2,319,160.16	159,292.04
Add: Interest Expenses	270,344.82	-
Add: Provision for Income Tax	-	-
Add: Provision for Staff Bonus	-	-
Cash Flow from operation before change in the working capital	(2,024,010.93)	(3,696,383.75)
Decrease (Increase) in Current Assets	(27,372,057.26)	(1,544,964.31)
Increase (Decrease) in Current Liabilities	14,587,811.91	1,591,815.95
Net cash from operating activities (A)	(14,808,256.28)	(3,649,532.11)
<u>Cash Flows from Investing activities</u>		
Fixed Assets sales (purchase)	(46,132,576.45)	(1,190,265.49)
Investment	-	-
Net Cash used in Investing activities (B)	(46,132,576.45)	(1,190,265.49)
<u>Cash Flow from financing Activities</u>		
Issue of Share capital	10,200,000.00	-
Share Premium	655,000.00	-
Long term borrowings	8,130,507.11	-
Advance for Share Capital	43,892,854.45	5,595,920.00
Interest paid	(270,344.82)	-
Tax Paid	-	-
Net cash used in financing activities (C)	62,608,016.74	5,595,920.00
Total Increase in cash and cash equivalent (A+B+C)	1,667,184.01	756,122.40
Cash & Bank Balance at the beginning of the year	756,122.40	-
Cash & cash equivalent at the end of the year	2,423,306.41	756,122.40

As per our attached report of even date



Ram Chandra Sharma
Chairperson



Ganesh Raj Gautam
Managing Director



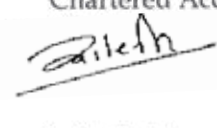
CA Baram Parajuli
B.R. Parajuli & Associates
Chartered Accountants



Shiva Prasad Sharma
Director



Deepak Gautam
Director



Silesh Acharya
Director



Kalyan Adhikari
Asst. Manger-Accounts



Bizbazar Limited
Kalanki, Kathmandu

Statement of Profit or Loss and Comprehensive Income

For the Period from 1st Shrawan 2078 to 32nd Ashad, 2079 (16th July, 2021 to 16th July, 2022)

Particulars	Notes	Current Year (NRs.)	Previous Year (NRs.)
Income from Operation			
Revenue from operations	11	25,194,902.25	-
Direct Expenses	12	84,903.43	-
Gross Profit		25,109,998.82	-
Other Operating Income			
Other Income	13	95,611.61	-
Dividend Income		-	-
Less: Operating Expenses			
Staff Costs	14	14,898,588.13	1,999,098.97
Administrative Expenses	15	12,006,207.99	1,697,284.78
Depreciation and amortization	1	2,319,160.16	159,292.04
Amortization	2	324,825.23	-
Profit/(loss) from Operations		(4,343,171.09)	(3,855,675.78)
Finance Cost	16	270,344.82	-
Profit before bonus and tax		(4,613,515.91)	(3,855,675.78)
Provision for Staff Bonus		-	-
Net profit Before Tax		(4,613,515.91)	(3,855,675.78)
Income Tax Expenses			
Current Tax			
Deferred Tax	9	939,725.71	-
Profit/(loss) from Continuing Operations		(5,553,241.63)	(3,855,675.78)
Other Comprehensive Income / (Expenses)			
Loss on revaluation		-	-
Net Gains / (loss) on Available-for-Sale Investments		-	-
Actuarial Gains / (Losses) on Defined Benefits Plan		-	-
Total Other Comprehensive Income / (Expenses)		-	-
Less: Tax Expense relating to Components of OCI		-	-
Total Comprehensive Income for the Year		-	-

Attributable to

Owners of the company

(5,553,241.63)

(3,855,675.78)

The Accompanying notes to account are integral part of this

As per our attached report of even date



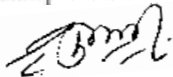
Ram Chandra Sharma
Chairperson



Ganesh Raj Gautam
Managing Director



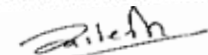
CA Baram Parajuli
B.R. Parajuli & Associates
Chartered Accountants



Shiva Prasad Sharma
Director



Deepak Gautam
Director



Sailesh Acharya
Director



Kalyan Adhikari
Asst. Manger-Accounts

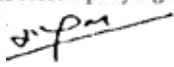


Bizbazar Limited
Kalanki, Kathmandu
Statement of Financial Position
as on Ashadh 32, 2079 (16th July 2022)

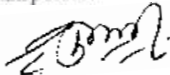
Particulars	Notes	Current Year (NRs.)	Previous Year (NRs.)
ASSETS			
Non- Current Assets			
A. Property, Plant & Equipment	1	24,138,465.13	1,030,973.45
B. Capital Work in Progress			
C. Intangible Assets	2	20,705,924.61	-
D. Investments		-	-
E. Deferred Tax Asset		-	-
F. Other Non-current Assets		-	-
Total Non-Current Assets		44,844,389.74	1,030,973.45
Current Assets			
A. Inventories	3	1,463,341.93	
B. Financial Assets			
i) Cash and Cash Equivalents	4	2,423,306.41	756,122.40
ii) Trade and Other receivables	5	27,120,150.73	1,544,964.32
C. Non-Financial Assets			
i) Advance Tax		333,528.91	-
ii) Other Current Assets			
Total Current Assets		31,340,327.98	2,301,086.72
Total Assets		76,184,717.72	3,332,060.17
EQUITY & LIABILITIES			
EQUITY			
A. Share Capital	6	10,200,000.00	-
B. Advance for Share Capital	6	49,488,774.45	5,595,920.00
C. Reserves & Surplus	7	(8,753,917.41)	(3,855,675.78)
Total Equities		50,934,857.04	1,740,244.22
Non-Current Liabilities			
A. Financial Liabilities			
i) Long-term Loans	8	8,130,507.11	-
B. Non-Financial Liabilities			
i) Deferred Tax Liability	9	939,725.71	-
Total Non-Current Liabilities		9,070,232.82	-
Current Liabilities			
A. Financial Liabilities			
i) Trade and Other Payables	10	6,951,605.64	1,591,815.95
ii) Loans and Borrowings		-	-
B. Non-Financial Liabilities			
i) Income Tax Liability	10	1,143,993.89	-
ii) Provisions		-	-
iii) Other Liabilities	10	8,084,028.33	-
Total Current Liabilities		16,179,627.86	1,591,815.95
Total Liabilities		25,249,860.68	1,591,815.95
Total Equities & Liabilities		76,184,717.72	3,332,060.17

As per our attached report of even date

The Accompanying notes to account are integral part of this financial statement



Ram Chandra Sharma
Chairperson




Shiva Prasad Sharma
Director

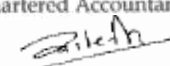



Ganesh Raj Gautam
Managing Director



Deepak Gautam
Director


CA Baram Parajuli
B.R. Parajuli & Associates
Chartered Accountants


Sailesh Acharya
Director


Kalyan Adnikar
Asst. Manger-Accounts



Date: 2079.09.03
Place: Kuleshwor, Kathmandu



Bizbazar Limited
Kalanki, Kathmandu

Statement of Changes in Equity
For the Period from 1st Shrawan 2078 to 32nd Ashad, 2079 (16th July, 2021 to 16th July, 2022)

Particulars	Notes	Share Capital	Advance for Share Capital	Share Premium	Accumulated Profit/Loss	Total
Balance As on 1st of Shrawan 2077		-	-	-	-	-
Adjustment		-	-	-	-	-
Deferred Tax Adjustment		-	-	-	-	-
Deficit on revaluation of properties		-	-	-	-	-
Surplus on revaluation of investments		-	-	-	-	-
income statement		-	-	-	-	-
Issue of Share Capital		-	-	-	-	-
Advance for Share Capital		-	5,595,920.00	-	-	5,595,920.00
Net Profit/(loss) During the Year		-	-	-	(3,855,675.78)	(3,855,675.78)
This Year's tax payment		-	-	-	-	-
Balance As on 31st Ashadh, 2078		-	5,595,920.00	-	(3,855,675.78)	1,740,244.22
Balance As on 1st of Shrawan 2078		-	-	-	-	-
Adjustment		-	-	-	-	-
Deferred Tax Adjustment		-	-	-	-	-
Deficit on revaluation of properties		-	-	-	-	-
Surplus on revaluation of investments		-	-	-	-	-
income statement		-	-	-	-	-
Issue of Share Capital		10,200,000.00	-	-	-	10,200,000.00
Share Premium		-	-	655,000.00	-	655,000.00
Advance for Share Capital		-	43,892,854.45	-	-	43,892,854.45
Net Profit During the Year		-	-	-	(5,553,241.63)	(5,553,241.63)
This Year's tax payment		-	-	-	-	-
Balance As on Ashadh 32, 2079		10,200,000.00	49,488,774.45	655,000.00	(9,408,917.41)	50,934,857.04

As per our attached report of even date


Ram Chandra Sharma
Chairperson


Shiva Prasad Sharma
Director


Kalyan Adhikari
Asst. Manger-Accounts


Ganesha Raj Gautam
Managing Director


Deepak Gautam
Director


CA Balaram Parajuli
B.R. Parajuli & Associates
Chartered Accountants
Kathmandu
Nepal


Saitesh Acharya
Director



Bizbazar Limited
Kathmandu, Nepal

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A) General Information

Biz Bazar Limited ("the Company") is a limited liability company domiciled in Nepal. The address of its registered office is Kalanki, Kathmandu, Nepal. The principal objective of the company is to Design, create and maintain a sustainable web-based platform providing a central access point to all vendors/buyers to trade on goods & Services as well as to provide Logistic services to vendors for delivery of goods to buyers.

The company has been registered in the Office of Company Registrar on 18th January 2021, with registration number 253028/077/078. The PAN of company is 609907926. The company is not listed in Nepal Stock Exchange Limited yet.

B) Approval of financial statements

The financial statements were adopted by the Board of Directors on BS 2079-09-14. The Board of Directors of the company acknowledges the responsibility of preparation of financial statements of the company.

- Statement of Financial Position disclosing financial position of Biz Bazar Ltd as on 16th July, 2022.
- Statement of Comprehensive Income disclosing financial performance (profit & loss) of Biz Bazar Ltd as on 16th July, 2022.
- Statement of Changes in Equity showing all changes in equity of Biz Bazar Ltd during the year on 16th July, 2022.
- Cash Flow Statement disclosing the cash flows of Biz Bazar Ltd during the year ended on 16th July, 2022.
- Notes to the financial statements comprising a summary of principal accounting policies and other relevant explanatory notes.

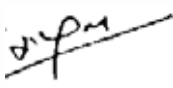

C) Basis of Preparation

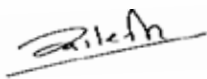
The company while complying with reporting standards, makes critical accounting judgement as having potentially material impact on Financial Statements. The significant accounting policies that relate to financial statements as a whole along with judgements made are described herein.

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

a) Statement of Compliance

The Financial Statements that comprise of components mentioned above have been prepared in accordance with Nepal Accounting Standards ("NAS") pronounced by the Institute of Chartered Accountants of Nepal and published by the Accounting Standards Board (ASB) – Nepal, and its disclosure requirement and in compliance with Company Act, 2063 unless otherwise stated. The financial statements are prepared on a going concern basis.













b) Accounting Conventions

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

Financial statements have been prepared on a going concern basis where accounting policies and judgements as required by the standards to be consistently used and in case of deviations disclosed specifically.

c) Presentation

Financial Statements have been presented in the nearest Nepalese Rupees. For presentation of Statement of Financial Position, assets and liabilities have been bifurcated into current and non-current distinction.

Statement of Profit or Loss has been prepared using classification 'by nature' method. Cash flows from operation within the Statement of Cash Flows have been derived using indirect method.

d) Functional and Presentation currency

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

e) Current and Non-Current distinction

Assets

Current Assets are expected to be realized within the normal operating cycle of the entity or within twelve months after the reporting period or are intended for sale or consumption within the normal operating cycle of the entity or are held primarily for the purpose of trading or are cash and cash equivalents. All other assets are classified as Non-current Assets

Apart from Property, Plant and Equipment and Deferred tax assets, all the assets are taken as current assets unless specific additional disclosure is made in notes for current and non-current assets.

Liabilities

Current Liabilities are expected to be settled in the entity's normal operating cycle or are primarily held for trading or are due to be settled within a period of twelve months after the reporting period. All other liabilities are classified as non-current liabilities

Apart from defined benefit plan obligations, long term loan and deferred tax liability, all liabilities are taken as current liabilities unless specific additional disclosure is made in notes for current and non-current liabilities.

f) Accounting Policies and Critical Accounting Estimates

Company, under Nepal Accounting Standards (NAS), is required to apply accounting policies to 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 estimate or assumption to be followed could materially affect Financial Statements. This may later be determined that a different choice could have been more appropriate.

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

NAS 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 Financial Statements. Company applies estimates in preparing and presenting Financial Statements. Estimates and underlying assumptions are reviewed periodically. Revision to accounting estimates is recognized in the period in which estimates are revised and applied prospectively.

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

g) Financial Periods

The company follows the Nepalese financial year based on the Nepalese calendar (i.e., Shrawan beginning to Ashad end).

h) Discounting

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

No discounting has been made in regards to deferred tax liability.

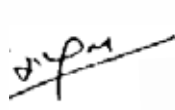
i) Events after reporting date

The company monitors and assesses events that may have potential impact to qualify as adjusting and/or non-adjusting events after the end of reporting period. All adjusting events are adjusted in the books with additional disclosure and non-adjusting material events are disclosed in the notes with possible financial impact, to the extent ascertainable.

There are no material events that has occurred subsequent to Ashad 32, 2079 till the signing of the financial statements.

j) Previous Year's Figures and Rounding Off

The Financial Statements are presented in Nepalese Rupees, rounded off to the nearest rupee. Previous year's figures have been regrouped/rearranged wherever necessary to match the nature of financial transaction.



D. Summary of Significant Accounting Policies and Notes to Accounts

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

1) Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss during the financial period in which they are incurred.

Depreciation is calculated using WDV method as per the rate defined by the management as follows:

Building and other similar structures	5 %
Office equipment and furniture	25 %
Vehicles and Automobiles	20 %
Plant and Machinery	15 %
Intangibles	20% (5 years useful life)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. The value of the assets fully depreciated but continued to be in use is considered not material. At each reporting date, assets are also assessed for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately to the recoverable amount.

2) Intangible Asset

Intangible assets are initially measured at fair value, which reflects market expectations of the probability that the future economic benefits embodied in the asset will flow to the Company.

2.1 Computer Software

Computer Software Purchased computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the software. These costs are amortized over the estimated useful lives.

2.2 Other Intangible Assets

Other intangible assets that are acquired by the company are stated at cost less accumulated amortization and impairment losses.

Other intangible assets include intangible asset arising from development as per NAS 38 Intangible Assets whose criteria of technical feasibility, intention and ability to complete it and use it, generation of future economic benefits and ability to measure its cost reliably. Since these criteria are met, cost of web design and development including developer's salary and fees paid to outsourced developer have been recognized as Web Development Costs.

Additionally, it includes lease hold construction which includes all interior immovable equipment like partitions, work stations, carpets, air conditioners and its outlets, etc.

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2.3 Amortization

Intangible Assets are amortized on the basis of their expected useful lives as follows:

Software	5 years (20%)
Leasehold improvements	life of the lease period
Web Development Costs	5 years

3) Inventory

Inventory shall be stated at cost of purchase. Inventory comprises closing stock at the year-end after deducting the consumed stock during the year.

Explanatory Notes

S. No.	Particulars	Current Year (NRs.)	Previous Year (NRs.)
1	Opening Stock	-	-
2	Addition during the year	1,730,118.50	-
3	Consumed during the year	(266,776.57)	-
4	Disposal during the year	-	-
	Closing Stock	1,463,341.93	-

4) Cash & Cash Equivalents

Cash and cash equivalents comprise cash balances, call deposits and other short term highly liquid investments. Following cash and cash equivalent includes cash hold by officially authorized staff, accounts in virtual wallets regulated/authorized by Nepal Rastra Bank (NRB) and bank comprises bank account with several banks and financial institutions.

Explanatory Notes

S.No	Particulars	Current Year (NRs.)	Previous Year (NRs.)
1	Cash Balance		
	Cash in hand	1,594.74	7,500.00
	Bank Accounts		
1	NMB Bank Limited	418,534.90	748,622.40
2	Nepal SBI Bank Call Account	10,000.00	-
3	Nepal SBI Bank Limited	1,907,394.41	-
	Wallet Accounts		
1	E-Sewa Wallet	26,245.91	-
2	Khalti Digital Wallet	59,536.45	-
	Total	2,423,306.41	756,122.40

5) Trade and other receivables

Trade and other receivables are stated at their cost less provision for impairment. The amount of the provision is recognized in the income statement

Trade and other receivables that fall under the classification of financial instruments are carried at amortized costs and assets that do not fall within the definition are carried at cost. These instruments are regularly monitored for impairment.



Explanatory Notes

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1	Rental Advance	232,000.00	212,500.00
2	Bank Guarantee Deposit	132,000.00	-
3	Prepayments	384,364.07	-
4	Staff Advance	3,020.37	54,419.52
5	VAT(Value Added Tax) Receivable	1,445,859.64	159,999.51
6	Other Advances	-	1,118,045.29
7	Sundry Debtors	69,720.91	-
8	Advance to Expense Vendors	211,685.73	-
9	Unsecured, Considered Good	24,641,500.00	-
	Total	27,120,150.73	1,544,964.32

6) Share Capital

Financial instruments issues are classified as equity when there is no contractual obligation to transfer cash, other financial assets or issue available number of own equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction net of taxes from the proceeds.

Explanatory Notes

As per Article of Association of company, authorized share capital is NRs. 510,000,000. Out of which issued share capital is NRs. 63,750,000. However, as per share books of the company, subscribed and paid-up capital is NPR 10,200,000. All other balances transferred by Principal company has been recognized as advance for Share Capital.

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1	Authorized Share Capital: 5,100,000 Ordinary Share @ NRs. 100	510,000,000.00	-
2	Issued Share Capital: 637,500 Ordinary Share @ NRs. 100	63,750,000.00	-
3	Subscribed and Paid up Share Capital: 102,000 Ordinary Shares @ NRs. 100	10,200,000.00	-
5	Advance for Share Capital	49,488,774.45	5,595,920.00
	Total	59,688,774.45	5,595,920.00

7) Reserve and surplus

There are not any reserves created till date. Accumulated losses have been recognized as negative retained earnings.

Explanatory Notes

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1	Accumulated Profit/Loss	(9,408,917.41)	(3,855,675.78)
2	Share Premium	655,000.00	-
	Total	(8,753,917.41)	(3,855,675.78)

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8) **Non-Current Liabilities**

Non-current liabilities include only long-term loans as below:

Explanatory Notes

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1	Vehicle Loan(Hire Purchase from Nepal SBI Bank Ltd.)		
1.1	Vehicle Loan: (HAVAL H6)	6,535,507.11	-
1.2	Vehicle Loan (Ashok Leyland Delivery VAN)	1,595,000.00	-
	Total	8,130,507.11	

9) **Taxation**

Income tax payable on profits is based on the applicable provisions of Income Tax Act, 2058 and is recognized as an expense in period in which profits arise. Deferred tax is provided in full, using liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rate applicable to the Company as at the reporting date which is expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the temporary differences can be utilized. Current and deferred tax relating to items which are charged or credited directly to equity, is credited or charged directly to equity and is subsequently recognized in the statement of profit or loss together with the current or deferred gain or loss.

9.1 **Deferred Tax**

Deferred tax arises due to difference in accounting profit and taxable Profit. In Biz Bazar, it has mainly arisen due to difference in closing value of Property, Plant and Equipment on year end as per Income Tax Act 2058 and as per books of accounts. Deferred tax liability has been created as per following calculation as book value of PPE is less than closing value as per Income tax Act.

Particulars	Carrying Amount (NAS)	Tax Base	Temporary Diff
Property, Plant & Equipment	44,844,389.74	41,085,486.88	3,758,902.86
Capital WIP	-	-	-
Defined Benefit Plan	-	-	-
Investment	-	-	-
Total			3,758,902.86
Tax rate			25%
Deferred Tax Liability as on Ashad 32, 2079			939,725.71
Deferred Tax Liability as on Ashad 31, 2078			-
Deferred Tax Expense for the year			939,725.71

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10) Current Liabilities

Non-financial liabilities are recorded and reported at cost based on legal and constructive obligation to the Company.

Explanatory Notes

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
	Account Payables	6,951,605.64	1,446,182.34
1	Audit Fee payable	63,650.00	24,625.00
2	Rent Payable	162,500.00	48,000.00
3	Salary Payable	2,806,030.21	512,277.56
4	Expenses Payable	2,318,344.05	861,279.78
5	CIT Payable	118,280.00	-
6	PF Payable	1,124,996.57	-
7	Other Payables	26,461.75	-
8	Vendor Payables	331,343.06	-
	Other Payables	9,228,022.22	145,633.61
1	Security Deposit	7,915,000.00	-
2	Reverse VAT Payable	169,028.33	-
3	TDS Payables	1,143,993.89	145,633.61
a)	Audit Fee TDS	900.00	375.00
b)	TDS on rent, salary and service	1,143,093.89	145,258.61
	TDS on Rent	202,202.54	82,277.44
	Social Security Tax payable	182,102.21	20,226.12
	TDS on Salary	395,507.25	29,908.26
	TDS on Service	363,281.89	12,846.50
	Total	16,179,627.86	1,591,815.95

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

11) Revenue from Operations

Revenue is recognized on accrual basis. Revenue from the sale of goods is only recognized when company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the company will receive the previously agreed upon payment. These criteria are only considered to meet when goods are delivered to the buyer.

Revenue for services is recognized in the period in which they are rendered.

Direct Incomes include income from commission and delivery, subscription fee and sale of direct purchased items.

Explanatory Notes

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1	Commission from vendors	82,601.56	-
2	Income From Delivery	202,566.18	-
3	Subscription Fee	2,809,734.51	-
4	Rendering of Services	22,100,000.00	-
	Total	25,194,902.25	-

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12) Direct Expenses

Expenses are direct if they are incurred in course of ordinary business and can be related to sales revenue. All other indirect expenses fall under general administrative expenses. These expenses are recognized when the benefit is received by the company.

Explanatory Notes

S. No	Particulars	Current Year (NRs.)	Previous Year (NRs.)
1	Courier Charge	78,262.00	-
2	Discount Expenses	6,041.43	-
3	Gift Voucher	600.00	-
	Total	84,903.43	-

13) Other operating Incomes

It includes cash back income, management fees, service fees and other miscellaneous income.

Explanatory Notes

S. No	Particulars	Current Year (NRs.)	Previous Year (NRs.)
1	Cash Back E-sewa	268.89	-
2	Interest Income	13,526.15	-
3	Miscellaneous Income	66,019.82	-
4	Sale of Scrap	15,796.75	-
	Total	95,611.61	-

14) Staff Salary

It includes all gross salary of staffs on monthly basis to permanent employees, employees on probation and interns/trainees.

Explanatory Notes

S.No	Particulars	Current Year (NRs.)	Previous Year(NRs.)
1	Salary and Allowances Staff Salary	14,898,588.13	1,999,098.97
	Total	14,898,588.13	1,999,098.97

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Notes 1: Property, Plant & Equipment

Particulars	Opening Gross Value	Addition During The Year	Disposal During The Year	Depreciable Value	Rate	Opening Depreciation	Depreciation for this year	Accumulated Depreciation till 31.03.2079	WDV as on 31-03-2079
POOL "A"									
Land	-	-	-	-	-	-	-	-	-
Building and Interior	-	-	-	-	5%	-	-	-	-
Sub Total	-	-	-	-	-	-	-	-	-
POOL "B"									
Furniture and Fixture	-	7,262,354	-	7,262,354	25%	-	314,864.53	314,864.53	6,947,490
Computer & Accessories	206,018	4,447,998	-	4,654,016	25%	22,536.87	661,628.47	684,165.35	3,969,851
Other Office Equipment	165,664	3,106,712	-	3,272,376	25%	27,610.62	364,845.35	392,455.97	2,879,920
Unabsorbed Repair And Maintenance (U/S 16)	-	-	-	-	-	-	-	-	-
Sub Total	371,681.42	14,817,064.65	-	15,188,746.07	-	50,147.49	1,341,338.35	1,391,485.84	13,797,260.23
POOL "C"									
Vehicle	-	11,319,027	-	11,319,027	20%	-	977,821.81	977,821.81	10,341,205
Sub Total	-	11,319,027	-	11,319,027	-	-	977,821.81	977,821.81	10,341,204.91
POOL "D"									
Plant & Machinery	-	-	-	-	15%	-	-	-	-
Other Assets	-	-	-	-	15%	-	-	-	-
Sub Total	-	-	-	-	-	-	-	-	-
Total	371,681.42	26,136,091.37	-	26,507,772.79	-	50,147.49	2,319,160.16	2,369,307.66	24,138,465.13

Notes 2: Intangible Assets

Particulars	Opening Gross Value	Addition During The Year	Disposal During The Year	Amortizable Value	Rate	Opening Amortization	Amortization for this year	Accumulated Amortization till 31.03.2079	WDV as on 31-03-2079
Pool "E"									
Software costs	-	110,000	-	110,000	5 Years	-	15,305.75	15,305.75	94,694
Web Development Costs	-	16,281,557	-	16,281,557	5 Years	-	-	-	16,281,557
Lease Hold construction	818,584	3,929,753	-	4,748,337	5 Years	109,144.54	309,519.48	418,664.02	4,329,673
Sub Total	818,584	20,321,310	-	21,140,720	-	109,144.54	324,825.23	433,969.78	20,705,924.61
Total	818,584.07	20,321,310.31	-	21,140,720.00	-	109,144.54	324,825.23	433,969.78	20,705,924.61

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15) Operational Expenses

All other expenses except direct expenses fall under operational expenses which are related to administrative, marketing and other operations. These expenses are recognized when the benefit is received by the company.

Explanatory Notes

S. No	Particulars	Current Year (NRs.)	Previous Year (NRs.)
1	Other Staff Related Costs		
a.	Staff Training Expenses	144,685.95	-
b.	Staff Travel Cost	206,063.88	-
c.	Staff Fuel Expenses	491,618.89	
d.	Recruitment Expenses	160,946.00	15,500.00
2	Professional Fees		
a.	Audit Fee	35,000.00	25,000.00
b.	Consultancy fee	69,259.95	25,000.00
3	Business Meet Expenses		
a.	Meeting and Seminar Expenses	301,391.90	-
4	Office Expenses		
a.	Canteen Expenses	590,015.00	-
b.	Office and Related Expenses	702,384.24	402,911.00
c.	Printing and Stationaries	739,367.05	50,490.00
5	Communication Expenses		
a.	Staff Monthly Recharge/Top-up	343,102.77	-
b.	Internet Expenses	84,629.43	-
6	Utilities		
a.	Office Vehicle Fuel Expenses	402,438.32	-
b.	Electrical Equipment (Consumables)	262,299.30	-
c.	Electricity and water charges	138,548.97	22,280.00
7	Other Expenses		
a.	Loan Processing Fee	70,849.50	-
b.	Registration and Renewal Expenses	3,000.00	163,000.00
8	Marketing Expenses		
a.	Marketing Campaign Cost	304,512.27	-
b.	Advertisement and Promotion	704,922.00	169,846.00
c.	Digital Marketing Expenses	1,989,875.60	-
d.	Distribution Channel Travel Expenses	1,080,538.61	-

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9	Insurance Expenses		
a.	Insurance Premium	212,689.43	-
10	Cost of Logistics		
a.	Packaging Materials	317,813.07	-
11	Rent and Property Management Expenses		
a.	Rent Expenses	1,937,429.25	822,777.78
b.	Security Expenses	447,784.62	-
12	Bank and Wallet Charges		
a.	Connect IPS Charges	37.75	-
b.	Bank Charges	8,706.03	480.00
c.	E-sewa Transfer Charges	269.08	-
d.	Khalti Transfer Charges	1,185.29	-
e.	NCHL Clearing Charges	7,973.50	-
13	Repair and Maintenance		
a.	Repair and Maintenance (Computer and Accessories)	13,561.00	-
b.	Repair and Maintenance (Office structure and Interior)	7,750.00	-
c.	Repairs and Maintenance (Office Vehicles)	225,559.34	-
	Total	12,006,207.99	1,697,284.78

16) Finance Costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, dividends on redeemable preference shares, foreign exchange gains and losses. Interest income is recognized in the income statement as it accrues, taking into account the effective yield on the asset. Dividend income is recognized in the income statement when the right to receive payment is established.

Explanatory Notes

S. No	Particulars	Current Year (NRs.)	Previous Year (NRs.)
1	Interest for vehicle loan- Nepal SBI Bank Ltd.	270,344.82	-
	Total	270,344.82	-

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17) Related Party Transactions

The company is controlled by Tourism Investment Fund Ltd. (TIFL) incorporated in Nepal. The following transactions were carried out with principal company (TIFL):

Particulars	Amount (NRs.)
Opening Balance	4,838,874.71
Share Injection during the year	39,812,077.24
Advance for Share Capital	44,650,951.95

18) Prior Period Errors

Prior Period Errors are omissions or misstatements in an entity's financial statements. Such omissions may relate to one or more prior periods. Correction of an error is done by calculating the cumulative effect of the change on the financial statements of the period as if new method or estimate had always been used for all the affected prior years' financial statements. Sometimes such changes may not be practicable, in such cases it is applied to the latest period possible by making corresponding adjustment to the opening balance of the period







