

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS
OF
GANESHA OVERSEAS PVT. LTD.**

Opinion

We have audited the accompanying Statement of Financial Position of **M/s Ganesha Overseas Pvt. Ltd.** as of March 31, 2025 and Statement of Profit or Loss, Statement of Cash Flows for the year ended on that date and a summary of Significant Accounting Policies & other Explanatory Notes.

In our Opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as on March 31, 2025, and its financial performance, statement of changes in equity and cash flows for the year then ended in accordance with Nepal Accounting Standards (NAS).

Basis for Opinion

We have conducted our audit in accordance with Nepal Standards on Auditing. Our responsibilities under those standards are further described in the auditor's responsibilities for the Audit of the Financial Statement section of our report. We have fulfilled our ethical responsibilities in accordance with the ethical requirements that are relevant to our audit of the financial statements in Nepal and the Institute of Chartered Accountants of Nepal's 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.

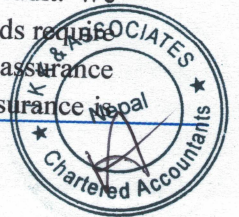
Responsibilities of Management and Those Charged with Governance for the Financial Statements

The company's Management and Board of directors are responsible for the preparation & fair presentation of these financial statements in accordance with Nepal Accounting Standards. This responsibility also includes maintenance of adequate accounting record for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that are operating effectively for ensuring the accuracy and completeness of the accounting record, relevant to the preparation and presentation of financial statement that gives true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our Responsibility is to express an opinion on these Financial Statements based on our Audit. We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. Reasonable assurance



JKK & Associates

Chartered Accountants

high level of assurance, but is not a guarantee that an audit conducted in accordance with NSA 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 information.

As part of an audit in accordance with NSA, we exercise professional judgments and maintain professional skepticism throughout the audit. We also:

- Identify and assess 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 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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless regulation precludes public disclosure about the matter.



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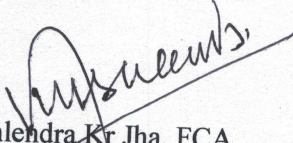
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Reports on other Legal and Regulatory Requirements:

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

1. We have obtained information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
3. In our opinion, the Statement of Financial Position, Statement of Profit or Loss, Statement of Cash Flows and Statement of Changes in Equity attached thereto, for the year ended and notes to financial statements, including a significant accounting policies and other Explanatory notes and information dealt with by this report are in compliance with the provisions of the Company Act, 2063 and are in agreement with the books of account maintained by the company;
4. In our opinion, so far as appeared from our examination of the books, the business of the Company has been conducted satisfactorily; and
5. To the best of our information and according to the explanations given to us and from our examination of the books of accounts of the Company necessary for the purposes of the audit, we have not come across cases where the Board of Directors or any employees of the Company have acted contrary to legal provisions relating to accounts or committed any misappropriation or caused loss or damage to the company or committed any accounting fraud in the company.

For JKK & Associates
Chartered Accountants
Firm Regd. No: 421


Kaushendra Kr Jha, FCA
Principal



Place: Kathmandu

Date: 21/05/2025

UDIN: 250521CA00570aU348

Ganesh Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Balance Sheet as at March 31, 2025

(NPR in Lakh)

| Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|---|----------|-------------------------|-------------------------|
| Assets | | | |
| (1) Non-current Assets | | | |
| (a) Property, plant and equipment | 3.1 | 5,382.01 | 5,664.00 |
| (b) Capital work-in-progress | 3.2 | - | - |
| (c) Intangible Assets | 4 | - | 0.12 |
| (d) Financial assets: | | | |
| (i) Others | 5 | 0.85 | 0.85 |
| (f) Deferred Tax Assets (net) | 6 | 7.37 | |
| | | 5,390.23 | 5,664.97 |
| (2) Current Assets | | | |
| (a) Inventories | 7 | 433.42 | 453.31 |
| (b) Financial assets: | | | |
| (i) Trade receivables | 8.1 | 79.96 | 37.71 |
| (ii) Cash & Bank Balances | 8.2 | 58.94 | 24.91 |
| (iii) Bank balances other than (ii) above | 8.3 | 3.00 | 3.00 |
| (iv) Others | 8.4 | 0.02 | 0.03 |
| (c) Current tax assets (net) | 10 | 10.80 | 8.64 |
| (d) Other Current Assets | 9 | 1,279.62 | 1,002.58 |
| | | 1,865.76 | 1,530.18 |
| Total | | 7,255.99 | 7,195.15 |
| Equity & Liabilities | | | |
| (1) Equity | | | |
| Shareholders Fund | | | |
| (a) Equity Share Capital | 11.1 | 2,400.00 | 2,400.00 |
| (b) Reserve and Surplus | 11.2 | (743.65) | (595.15) |
| | | 1,656.35 | 1,804.85 |
| (2) Liabilities | | | |
| (2A) Non Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Loans & Borrowing | 12 | 2,612.48 | 3,139.47 |
| (b) Deferred Tax Liabilities (net) | 6 | - | 38.54 |
| | | 2,612.48 | 3,178.01 |
| (2B) Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 12 | 1,648.55 | 1,523.55 |
| (ii) Trade payables | 13.1 | 118.62 | 246.74 |
| (iii) Other financial liabilities | 13.2 | 272.00 | 210.78 |
| (b) Other Current Liabilities | 14 | 947.99 | 231.22 |
| | | 2,987.16 | 2,212.29 |
| Total | | 7,255.99 | 7,195.15 |

Material Accounting Policies

2

Notes referred to above form an integral part of Balance Sheet

In terms of our report of even date attached

For JKK & Associates
Chartered Accountants
Firm's Reg. No. 421

For and on behalf of the Board of Directors

Kaushlendra Kr Jha, FCA
Membership No: 570
Date: 21/05/2025
Place : Kathmandu

Gopal Agarwal
Chairman

B.P. Sultania
Director

Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Statement of profit & loss for the year ended March 31 , 2025

(NPR in Lakh)

| Particulars | Schedule | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|----------|--------------------------------------|--------------------------------------|
| INCOME | | | |
| Revenue from operations | 15 | 5,145.64 | 6,189.51 |
| Other income | 16 | 0.26 | 3.99 |
| | | 5,145.90 | 6,193.50 |
| EXPENSES | | | |
| Cost of materials consumed | | 3,591.44 | 4,689.04 |
| Changes in inventories of finished goods, stock-in -trade and work-in-progress | 17 | 75.80 | (75.37) |
| Employee Benefit Expenses | 18 | 365.78 | 419.06 |
| Finance Costs | 19 | 480.68 | 650.08 |
| Depreciation and amortisation expenses | 20 | 321.93 | 327.21 |
| Other Expenses | 21 | 504.65 | 570.61 |
| Total Expenses | | 5,340.28 | 6,580.63 |
| Profit Before Tax | | (194.38) | (387.13) |
| Tax expenses | 22 | | |
| Less: Current Tax | | | |
| Less :Current Year Tax Deferred | | (45.89) | 39.99 |
| Net Profit After Tax | | (148.49) | (427.12) |

Material Accounting Policies 2
Notes referred to above form an integral part of Profit & Loss Statement
In terms of our report of even date attached

For JKK & Associates
Chartered Accountants
Firm's Reg. No. 421

For and on behalf of the Board of Directors

Kaushlendra Kr Jha, FCA
Membership No: 570
Date: 21/05/2025
Place : Kathmandu

Gopal Agarwal
Chairman

B.P. Sultania
Director

Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Statement of Cash Flow for the year ended March 31, 2025

(NPR in lakh)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--|--------------------------------------|
| Operating Activities | | |
| Net Profit/(Loss) before Taxation and Extraordinary Item | (194.39) | (387.14) |
| Adjustments for: | | |
| Depreciation | 321.93 | 327.21 |
| (Profit)/ loss on sale/ discard of property, plant and equipment (net) | 1.86 | (2.89) |
| Liabilities no longer required written back | - | (58.81) |
| Interest | 478.57 | 648.26 |
| Operating profit/(loss) before working capital changes | 607.97 | 526.63 |
| Increase in Trade Receivables | (42.24) | 10.13 |
| (Increase)/Decrease in Other Receivables | (277.01) | (282.55) |
| (Increase)/Decrease in Inventories | 19.88 | 35.60 |
| Increase/(Decrease) in Trade Payables | (128.12) | 119.49 |
| Increase/(Decrease) in Other Payables | 698.12 | 291.67 |
| Cash Flow from Operating Activities | 878.60 | 700.97 |
| Direct taxes paid (net of refunds) | (2.16) | (0.03) |
| Net Cash Flow from Operating Activities | 876.44 | 700.94 |
| Investing Activities | | |
| Purchase of Fixed Assets | (88.90) | (17.81) |
| Proceeds from sale of property, plant and equipment and fixed assets held for sale | 47.20 | 6.60 |
| Net Cash Flow from Investing Activities | (41.70) | (11.21) |
| Financing Activities | | |
| Proceeds from non-current borrowings (other than related parties) | (402.00) | (401.50) |
| Proceeds from current borrowings (net) (other than related parties) | - | 226.52 |
| Interest Paid | (398.71) | (665.06) |
| Net Cash Flow From Financing Activities | (800.71) | (840.04) |
| Net Increase /Decrease in Cash & Cash equivalents | 34.03 | (150.31) |
| Cash & Cash Equivalents at the beginning of the Period | 24.91 | 175.22 |
| Cash & Cash Equivalents at the End of the Period | 58.94 | 24.91 |
| - | | |
| For JKK & Associates Chartered Accountants | For and on behalf of the Board of Directors | |
| Kaushlendra Kr Jha, FCA Membership No: 570 Date: 21/05/2025 Place : Kathmandu | Gopal Agarwal Chairman | B.P. Sultania Director |

GANESHA OVERSEAS PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2025

1.0 Corporate information

Ganesha Overseas Private Limited has been incorporated on December 21, 2018 under the provisions of Companies Act, 2063 with the object of manufacturing of Pet Flakes, Chips from plastic scrap and waste. The address of the registered office is Kathmandu Metropolitan city-10, Kathmandu and Factory is located at Ramgram Municipality-10, Parasi Nepal.

2.0 Material Accounting Policies

The material accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

a) Basis of preparation

(i) Compliance with Accounting Standards

These financial statements have been prepared in accordance with the Nepal Financial Reporting Standard as issued by the Institute of Chartered Accountants of Nepal (ICAN). The Financial Statements have also been prepared in accordance with the relevant presentational requirements of the Company Act, 2063 of Nepal.

(ii) Historical cost convention

The financial statements have been prepared on an accrual basis under historical cost convention with the exception of certain financial assets and liabilities that are required to be carried at fair values at the end of each reporting period by Nepal Financial Reporting Standard.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh.

b) Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions, based upon the best knowledge of current events and actions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of incomes and expenses during the reported period. Actual results may differ from those estimates. Any difference between the actual results and the estimates are recognized in the period in which the results are known/ materialised.

c) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Nepalese Rupees, which is Company's functional and presentation currency.

d) Revenue recognition

The Company derives revenues primarily from sale of manufactured goods and related services.

The specific criterion for each of the Company's activities has been stated below:

(i) Sale of goods

Revenue is recognized upon transfer of control of promised goods to customers (i.e. when performance obligation is satisfied) for an amount that reflects the consideration which the Company expects to receive in exchange for those products. The Company does not expect to have any contracts where the period between the transfer of promised goods to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the value of money.

Revenue is measured based on transaction price, which is the consideration, adjusted for trade discounts such as cash discounts, volume discounts or any other price concession as may be agreed with the customers. Revenues also excludes Value added Tax (VAT) or any other tax collected from customers.

GANESHA OVERSEAS PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2025

(ii) Interest income

Interest income is recognized on time proportion accrual basis using the applicable/ effective interest rate.

(iii) Insurance claims

Insurance claims are accounted only when there is reasonable certainty of its ultimate collection. Insurance claim receivable is recognized as a separate asset, but only when the ultimate recovery is reasonably certain.

e) Taxes

(i) Current income-tax

Current income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

(ii) Deferred income-tax

Deferred income-tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred income-tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income-tax assets are realised or the deferred income-tax liabilities are settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

f) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised 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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of profit and loss during the reporting period in which they are incurred.

Property, plant and equipment which are not ready for their intended use are disclosed under capital work-in-progress. Expenditure during construction period (including borrowing cost relating to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects/ assets, including trial run expenses (net of revenue) are treated as pre-operative expenses, pending allocation to the assets, and are included under capital work-in-progress. These expenses are apportioned to related property, plant and equipment on commencement of commercial production. Capital work-in-progress is stated at the amount expended up to the date of the balance sheet.

GANESHA OVERSEAS PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2025

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on Straight Line Method ('SLM') except in respect of Furniture, Fixtures, Office Equipment and Motor vehicles where depreciation is provided on Written Down Value Method ('WDV').

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believes that the useful life of assets are same as those prescribed in Schedule II to the Act, except for certain plant & equipment, wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II to the Act.

Useful life considered for calculation of depreciation for various assets class are as follows:

| <u>Types of Assets</u> | <u>Useful Life (Years)</u> | <u>Method</u> | <u>Rate of Depreciation</u> |
|------------------------|----------------------------|---------------|-----------------------------|
| Building | 5 to 60 | SLM | 19.00% to 1.58% |
| Plant & Machinery | 5 to 18 | SLM | 19.00% to 5.28% |
| Motor Vehicle | 8 to 10 | WDV | 31.33 to 25.89% |
| Furniture & Fixture | 5 to 10 | WDV | 45.07% to 25.89% |
| Office Equipments | 5 to 10 | WDV | 45.07% to 25.89% |
| Computer & Printers | 3 | WDV | 63.16% |
| Server & Networks | 6 | WDV | 39.30% |

Residual value of the tangible assets is considered to be not more than 5% of the cost of the asset.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment if any. Cost includes all expenditure necessary to bring the assets to its working condition for its intended use.

The company amortizes Computer Software using the straight-line method over the period of 5 years.

h) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit and loss over the period of the borrowings using the effective interest method.

i) Borrowing costs

Interest and other borrowing costs including dividend & redemption premium payable on Non-Convertible Cumulative Redeemable Preference Shares, attributable to qualifying assets, which takes substantial period of time to get ready for its intended use, are capitalized. All other interest and borrowing costs are charged to the Statement of profit and loss.

j) Inventories

(i) Measurement of Inventory

Inventories of raw material, stores & spares, work-in-progress, finished goods and stock-in-trade (including goods-in-transit) are stated at cost or net realizable value, whichever is lower. Waste & scrap is valued at net realizable value.

GANESHA OVERSEAS PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2025

(ii) Cost of Inventories

Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of purchase of inventories comprise the purchase price, import duties and other non-recoverable taxes, and transport, handling and other costs directly attributable to the acquisition of inventory items. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The cost of conversion of inventories include costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred in converting material into finished goods.

Cost of inventories is ascertained on the 'weighted average' basis except stock-in-trade, where cost is ascertained on first-in-first-out (FIFO) basis.

(iii) Net realizable value

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realizable value is ascertained for each item of inventories with reference to the selling prices of related finished products. Estimate of net realizable value of finished goods and stock-in-trade are based on the most reliable evidence, available at the time the estimates are made, of the amount the inventories are expected to realize. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Materials and other supplies held for use in the production of the inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Amount of write down of the inventories below cost is recognized as an expense as and when the event occurs.

k) Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. The Company does not recognise a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resource is remote.

Provisions and contingent liabilities are reviewed at each balance sheet date.

l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at banks and on hand, bank overdrafts and short-term deposits with an original maturities of three months or less, which are subject to an insignificant risk of changes in value.

m) Current Non-Current Classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

GANESHA OVERSEAS PRIVATE LIMITED

Notes to the financial statements for the year ended March 31, 2025

The Company classifies an asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The Company classifies a liability as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

n) Related Party Transactions:

All transactions with related parties are carried out by the Company at arm's length prices.

(i) **Holding Company:** Ganesha Ecosphere Ltd. (GEL)

(ii) The following transactions were carried out with related parties in the ordinary course of business:
(NPR in lakhs)

| <u>Particulars</u> | <u>GEL</u> |
|------------------------------------|-------------------|
| Opening Balance DR./(CR.) | (231.77) |
| Sale of Goods during the year | 4932.41 |
| Receipt of payment during the year | 5646.11 |
| Closing Balance DR./(CR.) | (945.47) |

Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu

Schedules forming part to the Balance Sheet as at March 31, 2025

3.1 Property, plant and equipment

(NPR in Lakh)

| | Freehold land | Buildings | Plant & equipment | Furniture & fixtures | Office equipment | Vehicles | Total |
|---------------------------------|---------------|-----------------|-------------------|----------------------|------------------|--------------|-----------------|
| Gross block | | | | | | | |
| As at April 1, 2023 | 342.42 | 1,381.33 | 4,251.72 | 4.42 | 24.76 | 55.97 | 6,060.62 |
| Additions | - | - | 16.35 | 1.44 | - | - | 17.79 |
| Disposals | - | - | (3.88) | - | - | - | (3.88) |
| As at March 31, 2024 | 342.42 | 1,381.33 | 4,264.19 | 5.86 | 24.76 | 55.97 | 6,074.53 |
| Additions | - | - | 88.58 | 0.31 | - | - | 88.89 |
| Disposals | - | - | (50.08) | - | - | - | (50.08) |
| As at March 31, 2025 | 342.42 | 1,381.33 | 4,302.69 | 6.17 | 24.76 | 55.97 | 6,113.34 |
| Accumulated depreciation | | | | | | | |
| As at April 1, 2023 | - | 9.29 | 40.94 | 1.65 | 7.04 | 24.77 | 83.69 |
| Charge for the year | - | 57.65 | 254.09 | 1.01 | 5.13 | 9.13 | 327.01 |
| Disposals | - | - | (0.17) | - | - | - | (0.17) |
| As at March 31, 2024 | - | 66.94 | 294.86 | 2.66 | 12.17 | 33.90 | 410.53 |
| Charge for the year | - | 57.49 | 254.26 | 0.95 | 2.97 | 6.14 | 321.81 |
| Disposals | - | - | (1.01) | - | - | - | (1.01) |
| As at March 31, 2025 | - | 124.43 | 548.11 | 3.61 | 15.14 | 40.04 | 731.33 |
| Net block | | | | | | | |
| As at March 31, 2024 | 342.42 | 1,314.39 | 3,969.33 | 3.20 | 12.59 | 22.07 | 5,664.00 |
| As at March 31, 2025 | 342.42 | 1,256.90 | 3,754.58 | 2.56 | 9.62 | 15.93 | 5,382.01 |

3.2 Capital work-in-progress

(NPR in Lakh)

| | |
|----------------------|---|
| As at March 31, 2024 | - |
| As at March 31, 2025 | - |

3.3 There is no impairment loss during the year ending March 31, 2025 and March 31, 2024

Ganesha Overseas Pvt. Ltd.

New Baneshwor, Kathmandu

Schedules forming part to the Balance Sheet as at March 31, 2025

| 4.0 Intangible assets | (NPR in Lakh) | |
|---------------------------------|-----------------------------|-----------------------------|
| | Software | Total |
| Gross block | | |
| As at April 1, 2023 | 1.05 | 1.05 |
| Additions | - | - |
| Disposals | - | - |
| As at March 31, 2024 | 1.05 | 1.05 |
| Additions | - | - |
| Disposals | - | - |
| As at March 31, 2025 | 1.05 | 1.05 |
| Accumulated amortization | | |
| As at April 1, 2023 | 0.72 | 0.72 |
| Amortization for the year | 0.21 | 0.21 |
| Disposals | - | - |
| As at March 31, 2024 | 0.93 | 0.93 |
| Amortization for the year | 0.12 | 0.12 |
| Disposals | - | - |
| As at March 31, 2025 | 1.05 | 1.05 |
| Net block | | |
| As at March 31, 2024 | 0.12 | 0.12 |
| As at March 31, 2025 | - | - |
| Net book value | | |
| | As at March 31, 2025 | As at March 31, 2024 |
| 4.1 Intangible assets | - | 0.12 |

4.2 There is no impairment loss during the year ending March 31, 2025 and March 31, 2024.

4.3 There is no intangible asset under development and hence, related disclosures are not applicable.

Ganesha Overseas Pvt. Ltd.
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Schedules forming part to the Balance Sheet as at March 31, 2025

Note -5 Others

(NPR in Lakh)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|------------------|----------------------|----------------------|
| Security Deposit | 0.85 | 0.85 |
| Total | 0.85 | 0.85 |

Note -6 Deferred Tax Assets (net)

(NPR in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|-------------------------------|----------------------|----------------------|
| Deferred Tax Liability | | |
| -Related to Fixed Assets | (142.13) | (11.67) |
| Deferred Tax Assets | | |
| -Related to Fixed Assets | - | (26.87) |
| -Related to Loss | 149.50 | - |
| | 149.50 | (26.87) |
| Total | 7.37 | (38.54) |

Note -7 Inventories

(NPR in Lakhs)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|-------------------|----------------------|----------------------|
| Raw materials | 64.44 | 37.06 |
| Work-in-progress | - | 61.57 |
| Finished goods | 166.86 | 188.62 |
| Stock-in-trade | 7.53 | - |
| Stores and spares | 194.59 | 166.06 |
| Total | 433.42 | 453.31 |

Current financial assets

| Note -8.1 Trade receivables | | - | (NPR in Lakhs) |
|--|----------------------|----------------------|----------------|
| Particulars | As at March 31, 2025 | As at March 31, 2024 | |
| Trade receivables | 79.96 | 37.71 | |
| Less: Allowance for doubtful trade receivables | - | - | |
| Total | 79.96 | 37.71 | |
| Break-up of security details: | | | |
| Secured, considered good | - | - | |
| Unsecured, considered good | 79.96 | 37.71 | |
| Doubtful | - | - | |
| | 79.96 | 37.71 | |
| Less: Allowance for doubtful trade receivables | - | - | |
| Total | 79.96 | 37.71 | |

Notes:

1) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies in which any director is a partner, a director or a member.

Note -8.2 Cash & Cash Equivalent**(NPR in Lakhs)**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-----------------------------|-----------------------------|
| Balances with banks: | | |
| -On current accounts | 55.11 | 22.78 |
| Deposits with original maturity of less than three months | - | - |
| Cash on Hand | 3.83 | 2.13 |
| | 58.94 | 24.91 |
| Note -8.3 Bank balances other than cash and cash equivalents | | |
| Deposits with maturity of more than three months | 3.00 | 3.00 |
| Total | 3.00 | 3.00 |

Note -8.4 Other financial assets**(NPR in Lakhs)**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------------------|-----------------------------|-----------------------------|
| Interest receivable on fixed deposits | 0.02 | 0.03 |
| Total | 0.02 | 0.03 |

Note -9 Other Current Assets**(NPR in Lakhs)**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------------------|-----------------------------|-----------------------------|
| Advances to suppliers | 49.15 | 109.38 |
| Advances to employees and others | 0.53 | 0.33 |
| Prepaid Expenses | 28.11 | 28.04 |
| Balances with Government authorities | 1,201.83 | 864.83 |
| Total | 1,279.62 | 1,002.58 |

Note -10 Current tax assets (net)**(NPR in Lakhs)**

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--------------------|-----------------------------|-----------------------------|
| Advance Income Tax | 10.80 | 8.64 |
| Total | 10.80 | 8.64 |

Ganesha Overseas Pvt. Ltd.
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Schedules forming part to the Balance Sheet as at March 31, 2025

| Note -11.1 Equity Share Capital | | (NPR in Lakh) |
|--|-----------------------------|-----------------------------|
| Particulars | As at March 31, 2025 | As at March 31, 2024 |
| <u>Authorised Share Capital</u> 25,00,000 Shares @Rs.100/- each | 2,500.00 | 2,500.00 |
| <u>Issued Share Capital</u> 24,00,000 Shares @Rs.100/- each | 2,400.00 | 2,400.00 |
| <u>Paid-up Share Capital</u> 24,00,000 Shares @Rs.100/- each paid up | 2,400.00 | 2,400.00 |
| Total | 2,400.00 | 2,400.00 |

| Note -11.2 Reserve & Surplus | | (NPR in Lakh) |
|---|-----------------------------|-----------------------------|
| Particulars | As at March 31, 2025 | As at March 31, 2024 |
| Accumulated Profit | | |
| Net loss of Previous Year | (629.11) | (201.98) |
| Net loss for The Year | (148.49) | (427.12) |
| Revaluation Reserve | 33.95 | 33.95 |
| Total | (743.65) | (595.15) |

| Note -12 Long Term Borrowing | | (NPR in Lakh) | | |
|-------------------------------------|-----------------------------|----------------------|-----------------------------|----------------|
| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
| | Non Current | Current | Non Current | Current |
| Secured: | | | | |
| Term Loan from Nepal SBI Bank Ltd. | 2,612.48 | 950.00 | 3,139.47 | 825.00 |
| Total | 2,612.48 | 950.00 | 3,139.47 | 825.00 |

| Current Borrowing | | (NPR in Lakh) | |
|--|-----------------------------|-----------------------------|--|
| Particulars | As at March 31, 2025 | As at March 31, 2024 | |
| Working capital loans from banks | | | |
| - Rupee loans (secured) | 698.55 | 698.55 | |
| Current maturities of long term borrowings | 950.00 | 825.00 | |
| Total | 1,648.55 | 1,523.55 | |

| Note -13.1 Trade Payable (NPR in Lakh) | | |
|--|-----------------------------|-----------------------------|
| Particulars | As at March 31, 2025 | As at March 31, 2024 |
| Sundry Creditors | 118.62 | 246.74 |
| Total | 118.62 | 246.74 |
| Note -13.2 Other current financial liabilities (NPR in Lakh) | | |
| Particulars | As at March 31, 2025 | As at March 31, 2024 |
| Interest Accrued & Due on Borrowings | 202.50 | 122.64 |
| Other Payables | 69.50 | 88.14 |
| Total | 272.00 | 210.78 |
| Note -14 Other current liabilities (NPR in Lakh) | | |
| Particulars | As at March 31, 2025 | As at March 31, 2024 |
| Advance from customers | 945.54 | 231.77 |
| Statutory Dues Payable | 2.45 | (0.55) |
| Total | 947.99 | 231.22 |

Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Schedules forming part to profit and loss for the year ended March 31, 2025

| Note- 15 Revenue from Operation | | | (NPR in Lakh) |
|--|--|--|----------------------|
| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 | |
| Sale of products | | | |
| Finished Goods (Including process waste) | 4,952.86 | 6,083.83 | |
| Stock-in-trade | - | - | |
| Sub-total | 4,952.86 | 6,083.83 | |
| Other operating revenues | | | |
| Sale of waste and scrap | 50.30 | 46.87 | |
| Liabilities no longer required written back | - | 58.81 | |
| Technical services receipt | 142.48 | - | |
| Sub-total | 192.78 | 105.68 | |
| Total | 5,145.64 | 6,189.51 | |
| Note- 16 Other Income | | | (NPR in Lakh) |
| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 | |
| Interest Income | 0.18 | 0.23 | |
| Gain on foreign currency fluctuations and translations (net) | - | 0.87 | |
| Profit on sale/ discard of property, plant and equipment (net) | - | 2.89 | |
| Miscellaneous income | 0.08 | - | |
| Total | 0.26 | 3.99 | |
| Note- 17 Changes in inventories of finished goods, stock-in -trade and work-in-progress | | | (NPR in Lakh) |
| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 | |
| Inventories at the end of the year* | | | |
| Finished goods | 166.86 | 188.62 | |
| Stock-in-trade | 7.53 | - | |
| Work-in-progress | - | 61.57 | |
| Sub-total | 174.39 | 250.19 | |
| Inventories at the beginning of the year* | | | |
| Finished goods | 188.62 | 174.82 | |
| Stock-in-trade | - | - | |
| Work-in-progress | 61.57 | - | |
| Sub-total | 250.19 | 174.82 | |
| Total | 75.80 | (75.37) | |
| *including goods-in-transit. | | | |
| Note - 18 Employee Benefit Expenses | | | (NPR in Lakh) |
| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 | |
| Salaries and wages | 362.56 | 414.64 | |
| Staff Welfare Expenses | 3.22 | 4.42 | |
| Total | 365.78 | 419.06 | |
| Note - 19 Finance Costs | | | (NPR in Lakh) |
| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 | |
| Interest | 478.57 | 648.26 | |
| Bank Charges | 2.11 | 1.82 | |
| Total | 480.68 | 650.08 | |

| Note - 20 Depreciation | | - | (NPR in Lakh) |
|---|--------------------------------------|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 | For the year ended March 31, 2024 |
| Depreciation on property, plant and equipment | 321.81 | | 327.00 |
| Amortization of intangible assets | 0.12 | | 0.21 |
| Total | 321.93 | | 327.21 |
| Note - 21 Other Expenses | | - | (NPR in Lakh) |
| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 | For the year ended March 31, 2024 |
| Manufacturing expenses: | | | |
| Consumption of store & spares | 143.54 | | 106.14 |
| Power and fuel | 240.71 | | 336.66 |
| Repair & maintenance:- | - | | - |
| -Plant & machinery | 6.84 | | 7.91 |
| -Building | 10.07 | | 6.01 |
| Sub-total | 401.16 | | 456.72 |
| Administrative Expenses: | | | |
| Rent Expenses | 11.38 | | 11.13 |
| Rates & Taxes | 1.67 | | 1.52 |
| Insurance Expenses | 31.40 | | 35.64 |
| Repair to Other | 2.64 | | 1.08 |
| Travelling Expenses & conveyance | 7.89 | | 5.56 |
| Communication costs | 2.14 | | 2.51 |
| Printing & Stationery | 2.30 | | 2.31 |
| Legal & professional | 16.40 | | 2.45 |
| Audit Fee | 0.90 | | 0.80 |
| Miscellaneous expenses | (21.02) | | 3.23 |
| Loss on sale/ discard of property, plant and equipment (net) | 1.86 | | - |
| Vehicle Running & Maintenance Expenses | 2.10 | | 1.57 |
| Security service charges | 19.50 | | 18.29 |
| Sub-total | 79.16 | | 86.09 |
| Selling expenses | | | |
| Freight and forwarding charges | 19.77 | | 22.17 |
| Other selling and distribution expenses | 4.56 | | 5.63 |
| Sub-total | 24.33 | | 27.80 |
| Total | 504.65 | | 570.61 |
| Note-22 Tax expense | | | |
| The major components of income-tax expense are as under: | | | |
| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 | For the year ended March 31, 2024 |
| A) Profit and loss section | | | |
| Current tax | | | |
| In respect of current year | - | | - |
| In respect of earlier years | | | |
| Sub-total | - | | - |
| Deferred tax | | | |
| Relating to origination and reversal of temporary differences | (45.89) | | 39.99 |
| Sub-total | (45.89) | | 39.99 |
| MAT credit reversed* | | | |
| Sub-total | - | | - |
| Income tax expense reported in the statement of profit and loss | (45.89) | | 39.99 |
| B) Other comprehensive income ('OCI') section | | | |
| Deferred tax related to items recognized in OCI during the year: | | | |
| Re-measurement gain/ (loss) on defined benefit obligation | - | | - |
| Income-tax charged/ (credited) to OCI | - | | - |