

JKK & Associates

Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS
OF
GANESHA OVERSEAS PRIVATE LIMITED, NEPAL**

Opinion

We have audited the accompanying Statement of Financial Position of **Ganesha Overseas Pvt. Ltd.** as at March 31, 2024 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 at March 31, 2024 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

JKK & Associates

Chartered Accountants

assurance is 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.

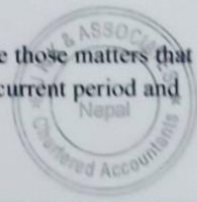
As part of an audit in accordance with NSA, we exercise professional judgments and maintain professional skepticism throughout the audit. We also:

- 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 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



JKK & Associates

Chartered Accountants

are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

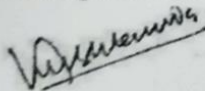
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

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



Kaushlendra Kr Jha, FCA
Principal



Place: Kathmandu
Date: 22/05/2024

Ganesh Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Balance Sheet as at March 31ST, 2024

(In Lakh)

(In Lakh)

(Amount In NPR.)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Assets			
(1) Non-current Assets			
(a) Property, plant and equipment	3.1	5,664.00	5,976.93
(b) Capital work-in-progress	3.2	-	-
(c) Intangible Assets	4	0.12	0.33
(d) Financial assets:			
(i) Others	5	0.85	0.85
(e) Other non-current assets	6	-	-
(f) Deferred Tax Assets (net)	7	-	1.44
		5,664.97	5,979.55
(2) Current Assets			
(a) Inventories	8	453.31	488.90
(b) Financial assets:			
(i) Trade receivables	9.1	37.71	47.84
(ii) Cash & Bank Balances	9.2	24.91	175.22
(iii) Bank balances other than (ii) above	9.3	3.00	3.00
(iv) Others	9.4	0.03	0.05
(c) Current tax assets (net)	11	8.64	8.60
(d) Other Current Assets	10	1,002.58	720.03
		1,530.18	1,443.64
Total		7,195.15	7,423.19
Equity & Liabilities			
(1) Equity			
Shareholders Fund			
(a) Equity Share Capital	12.1	2,400.00	2,400.00
(b) Reserve and Surplus	12.2	(595.15)	(168.04)
(2) Liabilities			
(2A) Non Current Liabilities			
(a) Financial liabilities			
(i) Loans & Borrowing	13	3,139.47	3,865.71
(b) Deferred Tax Liabilities (net)	7	38.54	-
		3,178.01	3,865.71
(2B) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	13	1,523.55	972.31
(ii) Trade payables	14.1	246.74	127.25
(iii) Other financial liabilities	14.2	210.78	212.72
(b) Other Current Liabilities	15	231.22	13.24
		2,212.29	1,325.52
Total		7,195.15	7,423.19

Significant 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: 21/05/2024
Place : Kathmandu

Gopal Agarwal
Chairman

B.P. Sultania
Director

Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Statement of Profit & Loss for the Period Ending March 31 , 2024

(In Lakh) (In Lakh)
(In Amount In NPR.) (Amount In NPR.)

Particulars	Schedule	For the Period Ending March 31, 2024	For the Period Ending March 31, 2023
INCOME			
Revenue from operations	16	6,189.51	1,175.80
Other income	17	3.99	0.05
		6,193.50	1,175.85
EXPENSES			
Cost of materials consumed		4,689.04	883.91
Changes in inventories of finished goods, stock	18	(75.37)	50.53
Employee Benefit Expenses	19	419.06	80.94
Finance Costs	20	650.08	109.97
Depreciation and amortisation expenses	21	327.21	62.08
Other Expenses	22	570.61	107.02
Total Expenses		6,580.63	1,294.45
Profit Before Tax		(387.13)	(118.60)
Tax expenses	23		
Less: Current Tax			
Less :Current Year Tax Deffered		39.99	(1.99)
Net Profit After Tax		(427.12)	(116.61)

Significant Accounting Policies

2

Notess 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: 21/05/2024
Place : Kathmandu

Gopal Agarwal
Chairman

B.P. Sultania
Director

Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Statement of Cash Flow for the Period Ending March 31, 2024

	(In Lakh) (Amount In NPR.)	(In Lakh) (Amount In NPR.)
Particulars	For the Period Ending March 31, 2024	For the Period Ending March 31, 2023
Operating Activities		
Net Profit/(Loss) before Taxation and Extraordinary Item	(387.14)	(118.59)
Adjustments for:		
Depreciation	327.21	62.07
(Profit)/ loss on sale/ discard of property, plant and equipment (net)	(2.89)	-
Liabilities no longer required written back	(58.81)	
Interest	648.26	108.69
Deferred Tax		
Operating profit/(loss) before working capital changes	526.63	52.17
Increase in Trade Receivables	10.13	(47.84)
(Increase)/Decrease in Other Receivables	(282.55)	(339.47)
(Increase)/Decrease in Inventories	35.60	(32.94)
Increase/(Decrease) in Trade Payables	119.49	115.48
Increase/(Decrease) in Other Payables	291.67	93.23
Cash Flow from Operating Activities	700.97	(159.37)
Direct taxes paid (net of refunds)	(0.03)	(0.42)
Net Cash Flow from Operating Activities	700.94	(159.79)
Investing Activities		
Purchase of Fixed Assets	(17.81)	(2,955.11)
Proceeds from sale of property, plant and equipment and fixed assets held for sale	6.60	-
Fixed deposits made	-	-
Net Cash Flow from Investing Activities	(11.21)	(2,955.11)
Financing Activities		
Paid up Capital (Issue of Share)	-	-
Proceeds from non-current borrowings (other than related parties)	(401.50)	2,115.98
Proceeds from current borrowings (net) (other than related parties)	226.52	472.04
Interest Paid	(665.06)	(108.69)
Net Cash Flow From Financing Activities	(840.04)	2,479.33
Net Increase /Decrease in Cash & Cash equivalents	(150.31)	(635.57)
Cash & Cash Equivalents at the beginning of the Period	175.22	810.79
Cash & Cash Equivalents at the End of the Period	24.91	175.22

For JKK & Associates
Chartered Accountants

Kaushlendra Kr Jha, FCA
Membership No: 570
Date: 21/05/2024
Place : Kathmandu

For and on behalf of the Board of Directors

Gopal Agarwal
Chairman

B.P. Sultania
Director

Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Schedules forming part to the Balance Sheet as at March 31, 2024

							NPR
							(Rs. in Lakh)
3.1 Property, plant and equipment	Freehold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Total
Gross block							
As at March 31, 2022	230.50	-	41.13	2.21	5.46	14.83	294.13
Additions	111.92	1,381.33	4,210.59	2.22	19.30	41.13	5,766.49
Disposals	-	-	-	-	-	-	-
As at March 31, 2023	342.42	1,381.33	4,251.72	4.42	24.76	55.97	6,060.62
Accumulated depreciation							
As at March 31, 2022	-	-	10.36	0.75	2.54	1.86	15.51
Charge for the year	-	9.29	30.58	0.90	4.50	22.91	68.18
Disposals	-	-	-	-	-	-	-
As at March 31, 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	33.9	410.53
Net block							
As at March 31, 2023	342.42	1,372.04	4,210.78	2.77	17.72	31.20	5,976.93
As at March 31, 2024	342.42	1,314.39	3,969.33	3.20	12.59	22.07	5,664.00
3.2 Capital work-in-progress							(Rs. in Lakh)
As at March 31, 2023							-
As at March 31, 2024							-

3.3 There is no impairment loss during the year ending March 31, 2024 and March 31, 2023.

(In Lakh)

4.0 Intangible assets	Technical Knowhow	Software	Total	NPR
Gross block				
As at March 31, 2022	-	1.05		1.05
Additions	-	-		-
Disposals	-	-		-
As at March 31, 2023	-	1.05		1.05
Additions	-	-		-
Disposals	-	-		-
As at March 31, 2024	-	1.05		1.05
Accumulated amortization				
As at March 31, 2022	-	0.51		0.51
Amortization for the year	-	0.21		0.21
Disposals	-	-		-
As at March 31, 2023	-	0.72		0.72
Amortization for the year	-	0.21		0.21
Disposals	-	-		-
As at March 31, 2024	-	0.93		0.93
Net block				
As at March 31, 2023	-	0.33		0.33
As at March 31, 2024	-	0.12		0.12
Net book value				
	As at March 31, 2024	As at March 31, 2023		
4.1 Intangible assets	0.12	0.33		

4.2 There is no impairment loss during the year ending March 31, 2024 and March 31, 2023.

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

Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu

Schedules forming part to the Balance Sheet as at March 31, 2024

Note -5 Others	(In Lakh) (Amount In NPR.)	(In Lakh) (Amount In NPR.)
Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposit	0.85	0.85
Total	0.85	0.85

Note -6 Other non-current assets	(Amount In NPR.)	(Amount In NPR.)
Particulars	As at March 31, 2024	As at March 31, 2023
Capital Advances	-	-
Total	-	-

Note -7 Deferred Tax Assets (net)	(Amount In NPR.)	(Amount In NPR.)
Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Liability		
-Related to Fixed Assets	(11.67)	(46.53)
Deferred Tax Assets		
-Related to Fixed Assets	(26.87)	0.11
-Related to Loss	-	47.86
	(26.87)	47.97
Total	(38.54)	1.44

Note -8 Inventories	(Amount In NPR.)	(Amount In NPR.)
Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	37.06	198.52
Work-in-progress	61.57	-
Finished goods	188.62	174.82
Stores and spares	166.06	115.56
Total	453.31	488.90

Current financial assets		
Note -9.1 Trade receivables	(Amount In NPR.)	(Amount In NPR.)
Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	37.71	47.84
Less: Allowance for doubtful trade receivables	-	-
Total	37.71	47.84
Break-up of security details:		
Secured, considered good	-	-
Unsecured, considered good	37.71	47.84
Doubtful	-	-
	37.71	47.84
Less: Allowance for doubtful trade receivables	-	-
Total	37.71	47.84

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 -9.2 Cash & Cash Equivalent	(Amount In NPR.)	(Amount In NPR.)
Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
-On current accounts	22.78	152.75
Deposits with original maturity of less than three months	-	-
Cash on Hand	2.13	22.47
	24.91	175.22
Note -9.3 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 -9.4 Other financial assets	(Amount In NPR.)	(Amount In NPR.)
Particulars	As at March 31, 2024	As at March 31, 2023
Interest receivable on fixed deposits	0.03	0.05
Total	0.03	0.05

Note -10 Other Current Assets	(Amount In NPR.)	(Amount In NPR.)
Particulars	As at March 31, 2024	As at March 31, 2023
Advances to suppliers	109.38	26.59
Advances to employees and others	0.33	1.31
Prepaid Expenses	28.04	32.20
Balances with Government authorities	864.83	659.93
Total	1,002.58	720.03

Note -11 Current tax assets (net)	(Amount In NPR.)	(Amount In NPR.)
Particulars	As at March 31, 2024	As at March 31, 2023
Advance Income Tax	8.64	8.60
Total	8.64	8.60

Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Schedules forming part to the Balance Sheet as at March 31, 2024

(In Lakh)
(Amount In NPR.)

Note -12.1 Equity Share Capital

(Amount In NPR.)

Particulars	As at March 31, 2024	As at March 31, 2023
<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 -12.2 Reserve & Surplus

(Amount In NPR.)

(Amount In NPR.)

Particulars	As at March 31, 2024	As at March 31, 2023
Accumulated Profit		
Net loss of Previous Year	(201.98)	(85.38)
Net loss for The Year	(427.12)	(116.61)
Revaluation Reserve	33.95	33.95
Total	(595.15)	(168.04)

Note -13 Long Term Borrowing**(Amount In NPR.)****(Amount In NPR.)**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Non Current	Current	Non Current	Current
Secured:				
Term Loan from Nepal SBI Bank Ltd.	3,139.47	825.00	3,865.71	500.27
Unsecured:				
Loan from Body Corporate		-	-	-
Essel Industries Private Limited -India (related - party)				
Less: Amount disclosed under the head "Current Liabilities"(Refer Note 17)		-	-	
Total	3,139.47	825.00	3,865.71	500.27

Note -13 Current Borrowing**(Amount In NPR.)****(Amount In NPR.)**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Working capital loans from banks			
- Rupee loans (secured)		698.55		472.04
Current maturities of long term borrowings		825.00		500.27
Total		1,523.55		972.31

Note -14.1 Trade Payable**(Amount In NPR.)****(Amount In NPR.)**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Sundry Creditors		246.74	
Total		246.74		127.25

Note -14.2 Other current financial liabilities**(Amount In NPR.)****(Amount In NPR.)**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Creditors for capital expenditure		-	
Interest Accrued & Due on Borrowings		122.64		139.45
Other Paybles		88.14		73.27
Total		210.78		212.72

Note -15 Other current liabilities**(Amount In NPR.)****(Amount In NPR.)**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Advance from customers		231.77	
Statutory Dues Payable		(0.55)		13.24
Total		231.22		13.24

Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu

Schedules forming part to Profit and Loss for the period ending March 31, 2024

Note- 16 Revenue from Operation	(In Lakh) (Amount In NPR.)	(In Lakh) (Amount In NPR.)
Particulars	For the Period Ending March 31, 2024	For the Period Ending March 31, 2023
Sale of products		
Finished Goods (Including process waste)	6,083.83	1,175.79
Sub-total	6,083.83	1,175.79
Sale of waste and scrap	46.87	0.01
Liabilities no longer required written back	58.81	-
Recycling project receipts	-	-
Sub-total	105.68	0.01
Total	6,189.51	1,175.80

Note- 17 Other Income	(Amount In NPR.)	(Amount In NPR.)
Particulars	For the Period Ending March 31, 2024	For the Period Ending March 31, 2023
Interest Income	0.23	0.05
Gain on foreign currency fluctuations and translations (net)	0.87	-
Profit on sale/ discard of property, plant and equipment (net)	2.89	-
Total	3.99	0.05

Note- 18 Changes in inventories of finished goods, stock-in -trade and work-in-progress

Particulars	For the Period Ending March 31, 2024	For the Period Ending March 31, 2023
Inventories at the end of the year*		
Finished goods	188.62	174.82
Stock-in-trade		
Work-in-progress	61.57	-
Sub-total	250.19	174.82
Inventories at the beginning of the year*		
Finished goods	174.82	-
Stock-in-trade	-	-
Work-in-progress	-	-
Sub-total	174.82	-
Inventories of trail run production		
Finished goods	-	225.35
Stock-in-trade		
Work-in-progress		
Sub-total	-	225.35
Total	(75.37)	50.53

*including goods-in-transit.

Note - 19 Employee Benefit Expenses	(Amount In NPR.)	(Amount In NPR.)
Particulars	For the Period Ending March 31, 2024	For the Period Ending March 31, 2023
Salaries and wages	414.64	80.28
Staff Welfare Expenses	4.42	0.66
Total	419.06	80.94

Note - 20 Finance Costs**(Amount In NPR.)****(Amount In NPR.)**

Particulars	For the Period Ending March 31, 2024	For the Period Ending March 31, 2023
Interest	648.26	108.69
Bank Charges	1.82	1.28
Total	650.08	109.97

Note - 21 Depreciation**(Amount In NPR.)****(Amount In NPR.)**

Particulars	For the Period Ending March 31, 2024	For the Period Ending March 31, 2023
Depreciation on property, plant and equipment	327.00	61.87
Amortization of intangible assets	0.21	0.21
Total	327.21	62.08

Note - 22 Other Expenses**(Amount In NPR.)****(Amount In NPR.)**

Particulars	For the Period Ending March 31, 2024	For the Period Ending March 31, 2023
Manufacturing expenses:		
Consumption of store & spares	106.14	21.54
Power and fuel	336.66	60.12
Repair & maintainance:-	-	-
-Plant & machinery	7.91	0.80
-Building	6.01	1.99
Sub-total	456.72	84.45
Administrative Expenses:		
Rent Expenses	11.13	2.08
Power	-	-
Rates & Taxes	1.52	0.05
Insurance Expenses	35.64	7.91
Repair to Other	1.08	0.35
Travelling Expenses & conveyance	5.56	1.19
Communication costs	2.51	0.36
Printing & Stationery	2.31	0.27
Legal & professional	2.45	1.00
Audit Fee	0.80	0.80
Miscellaneous expenses	3.23	0.62
Vehicle Running & Maintenance Expenses	1.57	0.11
Security service charges	18.29	2.85
Sub-total	86.09	17.59
Selling expenses		
Freight and forwarding charges	22.17	3.48
Other selling and distribution expenses	5.63	1.50
Sub-total	27.80	4.98
Total	570.61	107.02

Note-23 Tax expense

The major components of income-tax expense are as under:

Particulars	For the Period Ending March 31, 2024	For the Period Ending March 31, 2023
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	39.99	(1.99)
Sub-total	39.99	(1.99)
Income tax expense reported in the statement of profit and loss	39.99	(1.99)
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	-	-

1) Corporate Information:

Ganesha Overseas Private Limited (The "Company") formerly known as Essel Industries Nepal Pvt Ltd is incorporated vide registration no 204966/075/076 on 21 day of December, 2018 pursuant to sub-section (1) of section 5 of the Companies Act, 2006 having its registered address at Kathmandu Metropolitan city- 10, Baneshwor and factory at Ramgram Municipality- 10, Parasi. The company is owned 100% by Ganesha Ecosphere Ltd, India.

The objective of company is manufacturing PET flakes, chips and scraps. The company has started its commercial production from 01.02.2023

2) Significant Accounting Policies and Notes to Accounts:

2.1 Significant Accounting Policies

1) Basis of preparation of Financial Statements:

The financial statements are prepared under historical cost conventions on an accrual concept and are in accordance with Nepal Financial Reporting Standards, unless otherwise stated and others as applicable laws Prevalent in Nepal. The accounting policies are consistently applied by the company unless otherwise stated.

2) Use of estimates:

The preparation of financial statements in conformity with generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the periods in which the results are known/materialized.

3) Property, Plant & Equipment:

i) Tangible Assets:

Fixed Assets are stated at cost of acquisition/construction inclusive of all taxes, duties (except Value Added Tax) and interest and other incidental expenses up to the date of commissioning/putting the assets to use. In case of revaluation of fixed assets, the original cost as written up by the valuator, is considered in the accounts and the differential amount is transferred to Capital/Revaluation Reserves.

ii) Intangible Assets:

Intangible assets comprise of Accounting Software acquired by the Company which is stated at cost less amortization.

iii) Depreciation:

Depreciation on fixed assets has been charged on both Straight Line Method and WDV method as per the nature of the assets. Depreciation on additions has been provided on days basis. The management considers that the assets will be depreciated over the useful life of the assets if depreciated with the rates and method as mentioned below:

<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%

4) Subsequent Expenditure:

Expenditure incurred to replace a component of an item of fixed assets that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of fixed assets. All other expenditure is recognized in the income statement as an expense as incurred.

5) Impairment of Assets :

The Company identifies imparable fixed assets based on cash generating unit concept at the year-end for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss when crystallizes is charged to revenue for the year.

6) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at fair value of the consideration received or receivable net of Value added tax and service charges. Specific component of revenue are recognized as follows:

i) Sale of goods:

Revenue from sales is recognized on accrual basis when no significant uncertainty as to the determination or realization of revenue exists and are stated net of Value added tax, discount and rebates.

The revenue generated during the trial run phase has been adjusted with preoperative expenses.

ii) Recycling project receipts:

The receipt to the extent considered recoverable, are accounted for in the year on the basis of reasonable certainty.

iii) Interest Income:

The interest income is recognized on accrual basis and stated gross of TDS.

7) Cash and Bank Balances:

Cash and bank balances comprise cash in hand and balances with Banks as on Balance Sheet date. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are shown as short term borrowing in current liabilities in the Balance Sheet.

8) Taxation :

Current Tax:

Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with Nepalese Income Tax Act, 2058. No income tax has been provisioned as the operation of the company is at loss till date.

Deferred Tax:

Deferred Tax Assets or Liability is recognised for timing differences between the profit as per financial statements and profit offered for Income tax, based on tax rate that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only if there is reasonably certainty that sufficient future taxable income will be available, against which they can be realised.

TDS:

The company has deducted and deposited the TDS as per Income Tax act 2058

VAT:

The company is exporting its finished goods so it can claim the refund of input vat credit as per section 24 of Vat act 2052.

9) Foreign currency transaction :

Transactions in foreign currency are recorded at the original rates of exchange in force at the time transactions are effected.

Monetary items are translated into rupees at the exchange rates prevailing at the balance sheet date. Non-Monetary items such as fixed assets are carried at their historical rupee values.

Gains/losses arising on the settlement of foreign currency transactions or restatement of foreign currency denominated assets and liabilities (monetary Items) are recognized in the Income Statement.

10) Inventories :

Inventories are valued at lower of cost and net realizable value, after making due allowance for damaged items identified on actual basis. Net Realizable value is the price at which inventories can be sold in the ordinary course of business less the estimate cost of completion and the cost necessary to make the sale in accordance with Nepal Financial Reporting Standards NAS 02 "Inventories".

11) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. All other borrowing costs are charged to Income Statement.

12) Provisions, contingent Liability and Contingent Assets:

Provisions are recognized when the Company has a present obligation as a result of past event; it is more likely than not that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates in accordance with Nepal Financial Reporting Standards NAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

A contingent liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the assets and related income are recognized in the period in which the charge occurs.

13) Related party transactions:

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

14) Trade Debts and other Receivables:

Trade Debts and other Receivables are originated by the Company and are stated at cost less provisions for any uncollectable amount. Provision is made against debts considered doubtful of recovery whereas debts considered irrecoverable are written off.

15) Trade and other payables:

Liability for trade and other payables are carried at cost which is the fair value of services.

16) Going Concern:

The Financial Statements are prepared on a going concern basis.

17) Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies:

The company has not changed in the accounting policies which was adopted in last year.

18) Cash Flow Statements :

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated. The Cash flow statement is separately attached with the Financial Statements of the company.

2.2 Notes to the Accounts:

1) Income Tax:

No provision for tax has been made in view of taxable losses during the year.

2) TDS:

The tax deducted by the company NPR 6,910 is payable as on reporting date ended on March 31,2024

3) VAT:

There is Vat recoverable of NPR 86,472,400 as on reporting period ended on March 31, 2024. The company has submitted application for refund at Inland revenue office.

4) Revaluation:

Fixed Assets are not revalued during the year.

5) Recognition of Deferred Tax assets and Liabilities:

a) Deferred tax is measured based on the tax rates and the laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets are realized.

b) The Company has recognized deferred tax assets/liabilities amounting to Rs. -3853953 which resulted from the timing differences between the Book Profit and Tax Profit, for the reporting period ended March 31,2024 in Income Statements, the details of which is as under:

<u>Particulars</u>	<u>Balance as on April 01, 2023</u>	<u>Arising during the year</u>	<u>Balance as at March 31, 2024</u>
Deferred Tax Assets/ (Liabilities)			
On account of timing difference in:			
a) Fixed Assets	(46,41,108.00)	(41,23,966)	(87,65,074.00)
c) C.F. Losses	47,85,958.00	2,70,013	50,55,971.00
Net Assets /(Liabilities)	1,44,850.00	(38,53,953)	(37,09,103.00)

6) Contingent Liabilities:

i) The company has no any contingent liability for the reporting period ended March 31,2024

7) Loans:

Total loans of the company is exceeding the paid up capital and free reserves of the company which has been approved by special resolution to comply Section 105 of Nepal Company Act.

The Company has availed the loan facility from Nepal SBI Bank Ltd via offer letter NSBL/COM/CRD/078-79/912A dated 11/01/2022 as below;

<u>Particulars</u>	<u>Interest Paid During the year</u>	<u>Balance as on March 31, 2024</u>
Term Loan	5,59,91,502	39,64,47,241
OD/Cash Credit	88,34,766	6,98,55,370
Total	6,48,26,267	46,63,02,610

8) Donations:

The donation given by the company NPR 8200 is with in the limit prescribed under section 105(1) (Ga) of Companies Act, 2063 however same is disallowed as per income tax act 2058.

9) Related Party Disclosures:

In accordance with the Nepal Financial Reporting Standard on Related Party Disclosure, where control exist and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, along with description of relationship as identified are given below:

A. Relationships

Holding Company : Ganesha Ecosphere Ltd.(GEL)

B. The following transactions were carried out with related parties in the ordinary course of business:

<u>Particulars</u>	<u>GEL</u>
Opening Balance DR./(CR.)	25,31,638
Sale of Goods during the year	60,82,25,098
Receipt of payment during the year	58,75,79,383
Closing Balance Cr./(Dr.)	2,31,77,353

C. Key Management Personnel

Name	Position
Gopal Agarwal	Chairman
B.P. Sultania	Director

10) Operation of the Business:

The company has started its commercial production from 01.02.2023

11) Comparison with Previous Year:

As the operation of the company was not covered for full year in previous year. so, comparison the figures of current year with that of previous year is not appropriate.

12) Regrouping of Figures:

Previous year's figures have been re-grouped/re-arranged wherever necessary.

13) Miscellaneous:

- i) All amounts are stated in Nepalese Rupees.
- ii) Few Accounts Confirmation on account of purchase and payables are yet to obtained.
- iii) The reporting period covered from April 01,2023 to March 31,2024.