

Independent Auditor's Report

To,
The Members,
Ganesha Overseas Pvt. Ltd
New Baneshwor, Kathmandu

We have audited the financial statements of **Ganesha Overseas Pvt. Ltd** which comprises of Balance sheet as at March 31, 2023 statement of Profit and loss for the year then ended, statement of Cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

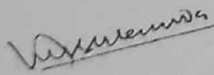
The management of the Company is responsible for the preparation of the financial statements that gives a true and fair view in accordance with Nepal Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with Nepal Standards on Auditing or relevant practices. Those Standards or relevant practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion. In our opinion, the financial statements give a true and fair view of (or 'are presented fairly, in all material respects,') the financial position of the Company as of March 31, 2023.

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



Kaushlendra Kr Jha, FCA
Principal
M.No:-570



Date: 24/05/2023
Place: Kathmandu
UDIN: 230603CA00570qZqYX

Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Balance Sheet as at March 31, 2023

Particulars	Note No.	(In Lakh) (Amount In NPR.) As at March 31, 2023	(In Lakh) (Amount In NPR.) As at March 31, 2022
Assets			
(1) Non-current Assets			
(a) Property, plant and equipment	3.1	5,976.93	278.62
(b) Capital work-in-progress	3.2	-	2,988.20
(c) Intangible Assets	4	0.33	0.54
(d) Financial assets:			
(i) Others	5	0.85	0.85
(e) Other non-current assets	6	-	23.36
(f) Deferred Tax Assets (net)	7	1.44	-
		5,979.55	3,291.57
(2) Current Assets			
(a) Inventories	8	488.90	455.96
(b) Financial assets:			
(i) Trade receivables	9.1	47.84	-
(ii) Cash & Bank Balances	9.2	175.22	810.79
(iii) Bank balances other than (ii) above	9.3	3.00	3.00
(iv) Others	9.4	0.05	8.03
(c) Current tax assets (net)	11	8.60	8.19
(d) Other Current Assets	10	720.03	372.58
		1,443.64	1,658.55
Total		7,423.19	4,950.12
Equity & Liabilities			
(1) Equity			
Shareholders Fund			
(a) Equity Share Capital	12.1	2,400.00	2,400.00
(b) Reserve and Surplus	12.2	(168.04)	(51.43)
		2,231.96	2,348.57
(2) Liabilities			
(2A) Non Current Liabilities			
(a) Financial liabilities			
(i) Loans & Borrowing	13	3,865.71	1,223.96
(b) Deferred Tax Liabilities (net)	7	-	0.54
		3,865.71	1,224.50
(2B) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	13	972.31	1,026.04
(ii) Trade payables	14.1	127.25	11.77
(iii) Other financial liabilities	14.2	212.72	334.57
(b) Other Current Liabilities	15	13.24	4.67
		1,325.52	1,377.05
Total		7,423.19	4,950.12

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

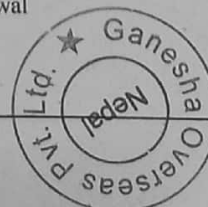
Kaushlendra Kr Jha, FCA
Membership No: 570
Date: 23/05/2023
Place : Kathmandu



For and on behalf of the Board of Directors

Gopal Agarwal
Chairman

B.P. Sultania
Director



Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Statement of Profit & Loss for the Period Ending March 31st, 2023

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

Particulars	Schedule	For the Period Ending March 31, 2023	For the Period Ending March 31, 2022
INCOME			
Revenue from operations	16	1,175.80	-
Other income	17	0.05	-
		1,175.85	-
EXPENSES			
Cost of materials consumed		883.91	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	18	50.53	-
Employee Benefit Expenses	19	80.94	7.62
Finance Costs	20	109.97	-
Depreciation and amortisation expenses	21	62.08	5.00
Other Expenses	22	107.02	3.01
Total Expenses		1,294.45	15.63
Profit Before Tax		(118.60)	(15.63)
Tax expenses	23		
Less: Current Tax		(1.99)	0.65
Less :Current Year Tax Deffered			
Net Profit After Tax		(116.61)	(16.28)

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

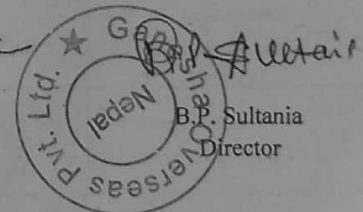
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Kaushlendra Kr Jha, FCA
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For and on behalf of the Board of Directors

Gopal Agarwal
Chairman



B.P. Sultania
Director

Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Statement of Cash Flow for the Period Ending March 31, 2023

	(In Lakh) (Amount In NPR.)	(In Lakh) (Amount In NPR.)
Particulars	For the Period Ending March 31, 2023	For the Period Ending March 31, 2022
Operating Activities		
Net Profit/(Loss) before Taxation and Extraordinary Item	(118.59)	(15.63)
Adjustments for:		
Depreciation	62.07	5.00
Interest	108.69	-
Operating profit/(loss) before working capital changes	52.17	(10.63)
Increase in Trade Receivables	(47.84)	-
(Increase)/Decrease in Other Receivables	(339.47)	(209.94)
(Increase)/Decrease in Inventories	(32.94)	(114.82)
Increase/(Decrease) in Trade Payables	115.48	8.16
Increase/(Decrease) in Other Payables	93.23	(229.00)
Cash Flow from Operating Activities	(159.37)	(556.23)
Direct taxes paid (net of refunds)	(0.42)	(1.54)
Net Cash Flow from Operating Activities	(159.79)	(557.77)
Investing Activities		
Purchase of Fixed Assets	(2,955.11)	(1,780.17)
Fixed deposits made	-	(3.00)
Net Cash Flow from Investing Activities	(2,955.11)	(1,783.17)
Financing Activities		
Paid up Capital (Issue of Share)	-	2,100.00
Proceeds from non-current borrowings (other than related parties)	2,115.98	750.00
Proceeds from current borrowings (net) (other than related parties)	472.04	-
Interest Paid	(108.69)	-
Net Cash Flow From Financing Activities	2,479.33	2,850.00
Net Increase /Decrease in Cash & Cash equivalents	(635.57)	509.06
Cash & Cash Equivalents at the beginning of the Period	810.79	301.73
Cash & Cash Equivalents at the End of the Period	175.22	810.79

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

Kaushlendra Kr Jha

Kaushlendra Kr Jha, FCA
Membership No: 570
Date: 23/05/2023
Place : Kathmandu



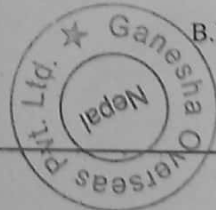
For and on behalf of the Board of Directors

Gopal Agarwal

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B.P. Sultania

B.P. Sultania
Director



Schedules forming part to the Balance Sheet as at March 31, 2023

3.3 There is no impairment loss during the year ending March 31, 2023 and March 31, 2022.

13.3 There is no impairment loss during the year ending March 31, 2023 and March 31, 2022.



Schedules forming part to the Balance Sheet as at March 31, 2023

(In Lakh)

(In Lakh)

(In Lakh)

IN	Total
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(In Lakh)

IN	Total
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(In Lakh)

IN	Total
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(In Lakh)

(In Lakh)

(In Lakh)



Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Schedules forming part to the Balance Sheet as at March 31, 2023

(In Lakh) (Amount In NPR.)		(In Lakh) (Amount In NPR.)
Note -5 Others		
Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposit	0.85	0.85
Total	0.85	0.85

(Amount In NPR.)		(Amount In NPR.)
Note -6 Other non-current assets		
Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances	-	23.36
Total	-	23.36

(Amount In NPR.)		(Amount In NPR.)
Note -7 Deferred Tax Assets (net)		
Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liability		
-Related to Fixed Assets	(46.53)	(0.75)
Deferred Tax Assets		
-Related to Fixed Assets	0.11	0.21
-Related to Loss	47.86	
	47.97	0.21
Total	1.44	(0.54)

(Amount In NPR.)		(Amount In NPR.)
Note -8 Inventories		
Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	198.52	345.38
Work-in-progress	-	106.89
Finished goods	174.82	3.69
Stores and spares	115.56	-
Total	488.90	455.96



Current financial assets		
Note -9.1 Trade receivables		
	(Amount In NPR.)	(Amount In NPR.)
Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	47.84	-
Less: Allowance for doubtful trade receivables	-	-
Total	47.84	-
Break-up of security details:		
Secured, considered good	-	-
Unsecured, considered good	47.84	-
Doubtful	-	-
	47.84	-
Less: Allowance for doubtful trade receivables	-	-
Total	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.

2) Trade receivables of Rs 25.32 lakh are due from parent company.

Note -9.2 Cash & Cash Equivalent		
	(Amount In NPR.)	(Amount In NPR.)
Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
-On current accounts	152.75	307.42
Deposits with original maturity of less than three months	-	500.00
Cash on Hand	22.47	3.37
	175.22	810.79
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, 2023	As at March 31, 2022
Interest receivable on fixed deposits	0.05	8.03
Total	0.05	8.03

Note -10 Other Current Assets

(Amount In NPR.)

(Amount In NPR.)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to suppliers	26.59	0.66
Advances to employees and others	1.31	3.09
Prepaid Expenses	32.20	2.91
Balances with Government authorities	659.93	365.92
Total	720.03	372.58

Note -11 Current tax assets (net)

(Amount In NPR.)

(Amount In NPR.)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Income Tax	8.60	8.19
Total	8.60	8.19



Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Schedules forming part to the Balance Sheet as at March 31, 2023

Note -12.1 Equity Share Capital		(In Lakh) (Amount In NPR.)
Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital		
25,00,000 Shares @Rs.100/- each	2,500.00	300.00
Issued Share Capital		
24,00,000 Shares @Rs.100/- each	2,400.00	300.00
Paid-up Share Capital		
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.)
Particulars	As at March 31, 2023	As at March 31, 2022
Accumulated Profit		
Net loss of Previous Year	(85.38)	(69.10)
Net loss for The Year	(116.61)	(16.28)
Revaluation Reserve	33.95	33.95
Total	(168.04)	(51.43)



Note -13 Long Term Borrowing

(Amount In NPR.)

(Amount In NPR.)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Secured:				
Term Loan from Nepal SBI Bank Ltd.	3,865.71	500.27	1,223.96	26.04
Unsecured:				
Loan from Body Corporate		-	-	1,000.00
Essel Industries Private Limited -India (related - party)				
Less: Amount disclosed under the head "Current Liabilities"(Refer Note 17)		-	-	
Total	3,865.71	500.27	1,223.96	1,026.04

Current Borrowing

(Amount In NPR.)

(Amount In NPR.)

Particulars	As at March 31, 2023	As at March 31, 2022
Working capital loans from banks		
- Rupee loans (secured)	472.04	-
Current maturities of long term borrowings	500.27	1,026.04
Total	972.31	1,026.04

Note -14.1 Trade Payable

(Amount In NPR.)

(Amount In NPR.)

Particulars	As at March 31, 2023	As at March 31, 2022
Sundry Creditors	127.25	11.77
Total	127.25	11.77

Note -14.2 Other current financial liabilities

(Amount In NPR.)

(Amount In NPR.)

Particulars	As at March 31, 2023	As at March 31, 2022
Creditors for capital expenditure	-	206.51
Interest Accrued & Due on Borrowings	139.45	102.60
Other Paybles	73.27	25.46
Total	212.72	334.57

Note -15 Other current liabilities

(Amount In NPR.)

(Amount In NPR.)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers	-	-
Statutory Dues Payable	13.24	4.67
Total	13.24	4.67



Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu

Schedules forming part to Profit and Loss for the period ending March 31, 2023

Note- 16 Revenue from Operation

Particulars	(In Lakh) (Amount In NPR.)	(In Lakh) (Amount In NPR.)
	For the Period Ending March 31, 2023	For the Period Ending March 31, 2022
Sale of products		
Finished Goods (Including process waste)	1,175.79	-
Sub-total	1,175.79	-
Sale of waste and scrap		
Sub-total	0.01	-
Total	1,175.80	-

Note- 17 Other Income

Particulars	(Amount In NPR.)	(Amount In NPR.)
	For the Period Ending March 31, 2023	For the Period Ending March 31, 2022
Interest Income	0.05	-
Total	0.05	-

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

Particulars	For the Period Ending March 31, 2023	For the Period Ending March 31, 2022
Inventories at the end of the year*		
Finished goods	174.82	-
Stock-in-trade		
Work-in-progress		
Sub-total	174.82	-
Inventories at the beginning of the year*		
Finished goods	-	-
Stock-in-trade	-	-
Work-in-progress	-	-
Sub-total	-	-
Inventories of trail run production		
Finished goods	225.35	-
Stock-in-trade		
Work-in-progress		
Sub-total	225.35	-
Total	50.53	-

*including goods-in-transit.



Note - 19 Employee Benefit Expenses

Particulars	(Amount In NPR.)	(Amount In NPR.)
	For the Period Ending March 31, 2023	For the Period Ending March 31, 2022
Salaries and wages	80.28	7.62
Staff Welfare Expenses	0.66	-
Total	80.94	7.62

Note - 20 Finance Costs

Particulars	(Amount In NPR.)	(Amount In NPR.)
	For the Period Ending March 31, 2023	For the Period Ending March 31, 2022
Interest	108.69	-
Bank Charges	1.28	-
Total	109.97	-

Note - 21 Depreciation

Particulars	(Amount In NPR.)	(Amount In NPR.)
	For the Period Ending March 31, 2023	For the Period Ending March 31, 2022
Depreciation on property, plant and equipment	61.87	4.85
Amortization of intangible assets	0.21	0.15
Total	62.08	5.00

Note - 22 Other Expenses

Particulars	(Amount In NPR.)	(Amount In NPR.)
	For the Period Ending March 31, 2023	For the Period Ending March 31, 2022
Manufacturing expenses:		
Consumption of store & spares	21.54	-
Power and fuel	60.12	-
Repair & maintenace:-	-	-
-Plant & machinery	0.80	-
-Building	1.99	-
Sub-total	84.45	-



Administrative Expenses:		
Rent Expenses	2.08	-
Power	-	0.53
Rates & Taxes	0.05	0.05
Insurance Expenses	7.91	0.15
Repair to Other	0.35	-
Travelling Expenses & conveyance	1.19	0.03
Communication costs	0.36	0.18
Printing & Stationery	0.27	0.24
Legal & professional	1.00	-
Audit Fee	0.80	0.10
Miscellaneous expenses	0.62	1.28
Vehicle Running & Maintenance Expenses	0.11	0.45
Security service charges	2.85	-
Sub-total	17.59	3.01
Selling expenses		
Freight and forwarding charges	3.48	-
Other selling and distribution expenses	1.50	-
Sub-total	4.98	-
Total	107.02	3.01

Note-23 Tax expense

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

Particulars	For the Period Ending March 31, 2023	For the Period Ending March 31, 2022
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	(1.99)	0.65
Sub-total	(1.99)	0.65
Income tax expense reported in the statement of profit and loss	(1.99)	0.65
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	-	-



Ganesha Overseas Private Limited
New Baneshwor, Kathmandu

Financial Year 2022-23

Note -2: Significant Accounting Policies and Notes to Accounts

1. Corporate Information

Ganesha Overseas Private Limited (formerly known as Essel Industries Nepal Pvt Ltd) has been incorporated in 21 day of December, 2018 pursuant to sub-section (1) of section 5 of the Companies Act, 2006 and is owned 100% by Ganesha Ecosphere Ltd, India. The company has been taken over by Ganesha Ecosphere Ltd.(India) On 15/07/2021.

The objective of company is manufacturing PET flakes, chips and scraps having its factory at Parasi district, Ramgram Municipality, ward No- 10, Manjaria Nepal. The company has started its commercial production from 01.02.2023

2. Basis of Preparation

2.1 Accounting Pronouncement

The company for its preparation of financial statement has adopted accounting policies to comply with the pronouncements made by The Institute of Chartered Accountants of Nepal.

2.2 Accounting Convention

The financial statements have been prepared on the historical cost basis.

2.3 Presentation

The financial statements are prepared in Nepalese Rupees and rounded off to the nearest rupee. The figures for previous years are rearranged and reclassified wherever necessary for the purpose of facilitating comparison. Appropriate disclosures are made wherever necessary.

The Company presents assets and liabilities in statement of financial position based on current/non- current classification. The Company classifies an asset as current when it is:

- Expected to be realized or intended to 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
- Held primarily for the purpose of trading
- 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.

All other liabilities as non-current.

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

The company operating cycle has been defined as twelve-month period.

The statement of profit or loss has been prepared using classification ‘by function’ method.

The statement of cash flows has been prepared using indirect method. Cash flows from operating activities, in addition to the adjustments from profit for non-cash and non-operating activities, movements in working capital, interest and taxes.

2.4 Accounting Policies

The Financial statements have been prepared in accordance with the standards issued by Accounting Standard Board Nepal by adopting the policies that are most appropriate to the company’s circumstance. The financial statements have been prepared on a going concern basis and the standards and interpretation is consistently used.

2.5 Accounting Estimates

The preparation of financial statement is in conformity with generally accepted accounting principles which require the management to make the estimate and assumption that affect the reported amount of assets and liability and reported amount of income and expenses during the period. Actual result could different from those estimates. Any revision to accounting estimate is recognized prospectively in current and future period.

2.6 Related Party

The company is 100% subsidiary of Ganesha Ecosphere limited.

None of the transaction with related parties were in conflict with the interest of the company. All these transaction are in the normal course of business and have no potential conflict with the interest of the company at large and are carried out on an arm’s length basis at fair value



2.7 Financial Periods

The Company has prepared financial statements in accordance with Indian Financial Year starting from 1st April 2022 to 31st March 2023 for the purpose of consolidation.

2.8 Presentation Currency

The company's financial statement is presented in Nepalese Rupees which is also the company's functional currency.

3. Property, Plant and Equipment (PPE)

This includes tangible assets held for use in production, supply of goods or services or for administration purposes. Assets are stated at cost comprising of its purchase price and directly attributable cost of bringing the asset to working condition for its intended use net of Value Added Tax Input Credit where applicable less accumulated depreciation. Expenditure on additions, improvements and renewals are capitalized.

3.1 Depreciation

Depreciation on Tangible Fixed Assets is provided on "Straight Line Method (SLM)" based on estimated useful life of the assets determined by the management.

The estimate useful lives and corresponding rates at which the assets are depreciated are as follows:

Name	Useful lives (Years)	Depreciation Rate (%)
Building	5to 60	45.07% to 4.87%
Plant & Machinery	8 to 18	31.23% to 18.33%
Motor Vehicle	8 to 10	31.33 to 25.89%
Furniture & fixture	5 to 10	45.07% to 25.89%
Office equipment	5 to 10	45.07% to 25.89%
Computer & printer	3	63.16%
Servers and networks	6	39.30%

3.2 Borrowing Cost

The company has capitalized borrowing cost amounting NPR 393,18,651 /- after adjustment of income earned on deposit made from borrowed amount to the fixed assets for the period ending 31st March 2023 under head Property Plant and Equipment.



3.3 Intangible Assets

The company has purchased the computer software and it has been amortized on SLM basis expecting the useful life of 5 years.

4 Inventories

Inventories are carried at the lower of cost or net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the necessary estimated expenses. The cost of obsolescence and other anticipated losses are also considered for determining the net realizable values.

In determining the cost of inventories weighted average method is used. Cost of inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities), cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

5 Advance Income Tax

The TDS receivable in respect of interest income on short term deposit made on Nepal SBI is accounted as Advance Income Tax. TDS Receivable of NPR 8,60,298/- has been accounted.

6 Other current Assets

Vat Receivable in respect of input credit of NPR 6,58,59,108/-, Custom margin money of NPR 1,34,052/-.

7 Long Terms Loans & Advances

8.1 Securities deposits

Security deposit has accounted in respect of deposit of NPR 20,000/- made in Department of Industry at the time of registration of industry and deposit of NPR 65,000/- at Malpot office.

8 Cash & Cash Equivalent

The company is maintaining current account in Nepal SBI Bank Ltd & Everest Bank Ltd whose balance is reconciled with statement and cash balance is certified by management.

The above balances are also considered as the cash & cash equivalents for Statement of Cash Flow purposes.



9 Share Capital

The company is 100% subsidiary of Ganesha Ecosphere Limited (India) thus the paid up equity share capital of NRP 24,00,00,000/- (twenty-four crore) is held by its parent company.

10 Loans & Borrowing

The company is availing the loan facilities from Nepal SBI Bank Ltd via offer letter NSBL/COM/CRD/078-79/912A dated 11/01/2022 with funded limit of 55,00,00,000 and non-funded limit of 2,20,00,000/-

11 Income Taxes

Income Tax Expense represents the sum of tax currently payable & Deferred Tax

i) Tax Rate

The company is special industry as defined u/s 11 of Income Tax Act 2058, on which the applicable tax rate for which is 20%. However company is availing rebate of 20% on export income and further 50% rebate on income generated by exporting good manufacture in Nepal. Thus effective rate of Income tax shall be 8%.

ii) Deferred Tax

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes at the tax rate of 8%. Deferred tax assets have been recognized in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the management believe it is probable that these assets will be recovered.

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 utilized. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The amount of Deferred Tax Assets (DTA) charged to P/L is Rs. 1.99 lakhs during the current reporting period.



12 Statutory Dues

The following statutory dues in respect of Vat & TDS were payable as on reporting date.

Particulars	Amount in NPR
SST Payable	226,069.00
TDS on Rent	17,630.00
TDS on service	574,204.00
TDS salary	567,824.00

14 Related party Disclosures

a) Transactions and balances with the related parties

The company is controlled by M/s Ganesha Ecosphere Limited India a company incorporated in India under Indian company act which owns 100% share of the company's Share.

The transaction with the related parties are tabulated as below:

Name of related parties	Nature of transaction	Amount in NPR 31/03/2022
Ganesha Ecosphere Limited	Equity capital Subscribed	24,00,00,000.00
Ganesha Ecosphere Limited	Sales of Finished Goods	11,75,78,627
Ganesha Ecosphere Limited	Receivable against sale of goods	25,31,638.4

b) Key Management Personnel

Name	Designation
Gopal Agarwal	Chairman
B.P. Sultania	Director

