

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

Opinion

We have audited the Special Purpose Financial Statements (SPFS) of **M/s Ganesha Overseas Pvt. Ltd.** (the company) which comprise the Statement of Financial Position as at March 31, 2026 and the Statement of Profit or Loss, Statement of Comprehensive Income, the Statement of Change in Equity, the Statement of Cash Flows for the year ended, notes to the financial statements, including a summary of Significant Accounting Policies.

In our Opinion, the accompanying SPFA present fairly, in all material respects, the financial position of the company as at March 31, 2026, and its financial performance, and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standard (NFRS).

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

Office Address: 119, Swachha Marg, Buddhanagar, Kathmandu, W: www.jkkassociates.com



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about whether the financial statements are free from material misstatements. Reasonable 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 SPFS.

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 SPFS, 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 SPFS 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 law or 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:

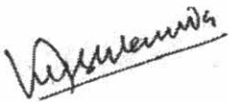
On the basis of our examination, we would like to further report that:

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 Comprehensive Income, 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.

Limitation of Use:

This Report is issued by us, pursuant to specific request made by the company in regard to the consolidation of the company's financial statements with the parent Company M/s Ganesha Ecosphere Ltd, India. Therefore, this report should be used for the above specific purpose only and not for any other purpose without our prior concurrence.

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



Kaushlendra Kr Jha, FCA
Principal
Place: Kathmandu
Date: May 20, 2026
UDIN: 260520CA00570LBvmq

Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Balance Sheet as at March 31, 2026

(NPR in Lakh)			
Particulars	Note No.	As at March 31, 2026	As at March 31, 2025
Assets			
(1) Non-current Assets			
(a) Property, plant and equipment	3.1	5,048.40	5,382.01
(b) Capital work-in-progress	3.2	-	-
(c) Intangible assets	4	-	-
(d) Financial assets:			
(i) Others	5	0.85	0.85
(e) Deferred tax assets (net)	6	50.13	7.37
		5,099.38	5,390.23
(2) Current assets			
(a) Inventories			
(b) Financial assets:	7	304.13	433.42
(i) Trade receivables	8.1	100.05	79.96
(ii) Cash & cash equivalent	8.2	46.23	58.94
(iii) Bank balances other than (ii) above	8.3	-	3.00
(iv) Others	8.4	-	0.02
(c) Current tax assets (net)	10	10.81	10.80
(d) Other Current Assets	9	1,189.72	1,279.62
		1,650.94	1,865.76
Total		6,750.32	7,255.99
Equity & Liabilities			
(1) Equity			
Shareholders fund			
(a) Equity share capital	11.1	2,400.00	2,400.00
(b) Reserve and surplus	11.2	(796.42)	(743.65)
(2) Liabilities		1,603.58	1,656.35
(2A) Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	1,661.35	2,612.48
(2B) Current liabilities		1,661.35	2,612.48
(a) Financial liabilities			
(i) Borrowings	12	1,648.55	1,648.55
(ii) Trade payables	13.1	364.99	118.62
(iii) Other financial liabilities	13.2	89.97	272.00
(b) Other current liabilities	14	1,381.88	947.99
		3,485.39	2,987.16
Total		6,750.32	7,255.99

Material Accounting Policies

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

Kaushendra K. Jha, FCA
Membership No. 578
Date: 20/05/2026
Place: Kathmandu

For and on behalf of the Board of Directors
Ganesha Overseas Pvt. Ltd.

Gopal Agarwal
Chairman

Ganesha Overseas Pvt. Ltd.
Nepal
Sultania
Director

Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Statement of Profit & Loss for the year ended March 31, 2026

(NPR in Lakh)

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
INCOME			
Revenue from operations	15	5,721.56	5,172.08
Other income	16	0.05	0.26
		5,721.61	5,172.34
EXPENSES			
Cost of materials consumed		4,148.85	3,591.44
Changes in inventories of finished goods, stock-in-trade and work-in-progress	17	138.57	75.80
Employee Benefit Expenses	18	342.34	365.78
Finance costs	19	330.37	480.68
Depreciation and amortisation expenses	20	318.27	321.93
Other expenses	21	538.74	531.09
Total expenses		5,817.14	5,366.72
Profit before tax			
Tax expenses		(95.53)	(194.36)
Less: Current tax	22		
Less :Deferred tax		(42.77)	(45.89)
Net Profit After Tax		(52.76)	(148.49)

Material 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

Kaushlendra Kr Jha

Kaushlendra Kr Jha, Chartered Accountants

Membership No: 570

Date: 20/05/2026

Place : Kathmandu



For and on behalf of the Board of Directors

Ganesha Overseas Pvt. Ltd.

Gopal Agarwal
Gopal Agarwal
Chairman



P. Sultania
P. Sultania
Director

Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Statement of cash flow for the year ended March 31, 2026

Particulars	(NPR in Lakh)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Cash flow from operating activities:		
Loss before tax as per statement of profit and loss	(95.53)	(194.39)
Adjustments for:		
Depreciation and amortization expense	318.27	321.93
Loss on sale/ discard of property, plant and equipment (net)	3.21	1.86
Interest expense	327.88	478.57
Operating profit before working capital changes	553.83	607.97
Movements in working capital:		
Increase in trade receivables	(20.09)	(42.24)
Decrease/ (increase) in other receivables	89.92	(277.02)
Decrease in Inventories	129.28	19.88
Increase/(decrease) in Trade Payables	246.36	(128.12)
Increase in other payables	401.77	698.12
Cash generated from operations	1,401.07	878.59
Direct taxes paid (net of refunds)	(0.01)	(2.16)
Net cash flow generated from operating activities (A)	1,401.06	876.43
Cash flow from investing activities		
Purchase of property, plant and equipment	(30.36)	(88.89)
Proceeds from sale of property, plant and equipment	42.50	47.20
Fixed deposits matured	3.00	-
Net cash flow generated from/ (used in) investing activities (B)	15.14	(41.69)
Cash flow from financing activities		
Repayment of non-current borrowings (other than related parties)	(951.12)	(402.00)
Interest paid	(477.79)	(398.71)
Net cash flow used in financing activities (C)	(1,428.91)	(800.71)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(12.71)	34.03
Cash and cash equivalents at the beginning of the year	58.94	24.91
Cash and cash equivalents at the end of the year	46.23	58.94

For JKK & Associates

Chartered Accountants & ASSOCIATES
Firm's Reg. No. 421/KK
Nepal
Chartered Accountants

Kaushendra Kr Jha, FCA

Membership No: 570

Date: 20/05/2026

Place : Kathmandu

For and on behalf of the Board of Directors

Gopal Agarwal
Chairman

Ganesha Overseas Pvt. Ltd.
Nepal
B.P. Sultania
Director

GANESHA OVERSEAS PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2026

1. Corporate information

Ganesha Overseas Private Limited (the "Company") is incorporated vide registration no 204966/075/076 on 21st 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 Limited, India.

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

2. Material Accounting Policies

2.1 Basis of Preparation

2.1.1 Statement of compliance

The financial statements have been prepared in accordance with applicable Nepal Financial Reporting Standards (NFRS) 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. Although this company does not fall under mandatory adoption of NFRS, company's management has decided voluntarily adopt NFRS.

2.1.2 The approval of financial statements accompanied notes to the financial statements have been adopted by the Board of Directors in its meeting and the Board acknowledges the responsibility of preparation of financial statements.

2.1.3 Going concern

The financial statements are prepared on the assumption that the Company is a going concern.

2.1.4 Basis of measurement

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

2.1.5 Use of estimates

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.

2.1.6 Functional and presentation currency

The financial statements are prepared in Nepalese Rupees, which is the Company's functional currency.

2.2 Significant accounting policies and Notes to accounts

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated. The presentation of financial statements requires the use of certain accounting estimates. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects is disclosed.

2.2.1 Impairment of non- financial assets (excluding inventories and deferred tax assets)

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs of disposal), the asset is written down accordingly. The recoverable amount is determined



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GANESHA OVERSEAS PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2026

for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or Cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment loss or reversal are included in profit or loss, except to the extent they reverse gains/loss previously recognized in other comprehensive income.

2.2.2 Foreign Currency Transactions

Transactions entered into by the Company in a currency other than the currency of primary economic environment in which it operates are recorded at the rates ruling when the transactions occur. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit or Loss. Unsettled foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss statement.

2.2.3 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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and recognized immediately in statement of profit or loss

2.2.4 Depreciation

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write-off their depreciable amount over the expected useful economic lives.

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').



GANESHA OVERSEAS PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2026

The estimate useful lives and corresponding rates at which the assets are depreciated 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 Equipment	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.

2.2.5 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.

2.2.6 Lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

When all the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are taken to the profit or loss statement over the lease term.

The Company lessee under operating lease arrangements. Payments and receipts under such leases are charged to the Statement of Profit and Loss on a straight-line basis over the primary period of the lease

2.2.7 Trade and other receivables

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



2.2.8 Inventories

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.

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 comprises 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 includes 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.

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.

2.2.9 Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

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 maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.2.10 Impairment of financial assets

The carrying amounts of the Company's financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the profit or loss statement.



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2.2.11 Current versus 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.

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.

2.2.12 Employment Benefits

The Company has no defined contribution and benefit schemes of employment benefits.

2.2.13 Taxation

Income Tax

Income tax on the profit or loss for the year comprises current taxes and deferred taxes. Income tax is recognized in the profit or loss statement except to the extent that it relates to items recognized directly to equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year using tax rates at the balance sheet date and any adjustment to tax payable in respect of previous years.

Income tax rates applicable to company:

Income from Manufacturing and sale of goods: 20% (2081/82: 20%)

The Company has availed the rebate of 50% on total tax liabilities under section 11 (3 Pha) of Income Tax Act, 2058.

Deferred 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.



A handwritten signature in black ink, appearing to be 'P. K. S.', written over the corporate stamp.

GANESHA OVERSEAS PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2026

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.

2.2.14 Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently carried at amortized cost. The carrying amount is considered as approximate fair value due to short maturity of these instruments.

2.2.15 Revenue Recognition

The company derives the revenue primarily from sale of manufactured goods and related services. The following specific criteria are used for the purpose of recognition of revenue.

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 exclude Value added Tax (VAT) or any other tax collected from customers.

Service Charges on Technical Services

Income from services rendered is recognized based on agreements/arrangements with the customers as the service is performed using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and is recognized net of value added tax.

Interest Income

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

2.2.16 Expenses

Operating lease payments

Payments made under operating leases are recognized in the profit or loss statement on a straight-line basis over the term of the lease.



GANESHA OVERSEAS PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2026

2.2.17 Related Party Transactions:

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

2.2.18 Provisions and Contingencies

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.

2.2.19 Cash Flow Statement

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 of accruals of past or future cash receipts or payments. The cash flows from regular revenue generating & investing activities of the company are segregated.

2.3 Segment reporting

The Company has only one business segment. The chief operating decision maker and all functional managers reviews the operating results of the business as a whole. Further, internal organizational and management structure of the Company is not based on product differentiation. The company is managed organizationally as a unified entity with various functional heads reporting to the top management. There are therefore, no separate segments required within the company.

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



Schedules forming part to the Balance Sheet as at March 31, 2026

3.1 Property, plant and equipment

	(NPR in Lakh)					
	Freehold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles
Gross block						
As at April 1, 2024	342.42	1,381.33	4,264.19	5.87	24.76	55.97
Additions	-	-	88.58	0.31	-	-
Disposals	-	-	(50.08)	-	-	-
As at March 31, 2025	342.42	1,381.33	4,302.69	6.18	24.76	55.97
						6,113.35
Additions	-	-	30.35	-	-	-
Disposals	-	-	(48.97)	-	-	-
As at March 31, 2026	342.42	1,381.33	4,284.07	6.18	24.76	55.97
						6,094.73
Accumulated depreciation						
As at April 1, 2024	-	66.94	294.87	2.66	12.17	33.90
Charge for the year	-	57.49	254.26	0.95	2.97	6.15
Disposals	-	-	(1.02)	-	-	-
As at March 31, 2025	-	124.43	548.11	3.61	15.14	40.05
						731.34
Charge for the year	-	57.49	254.28	0.67	1.59	4.23
Disposals	-	-	(3.27)	-	-	-
As at March 31, 2026	-	181.92	799.12	4.28	16.73	44.28
						1046.33
Net block						
As at March 31, 2025	342.42	1,256.90	3,754.58	2.57	9.62	15.92
As at March 31, 2026	342.42	1,199.41	3,484.95	1.90	8.03	11.69
						5,048.40

3.2 Capital work-in-progress

	(NPR in Lakh)
As at March 31, 2025	-
As at March 31, 2026	-

3.3 There is no impairment loss during the year ending March 31, 2026 and March 31, 2025



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Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Schedules forming part to the Balance Sheet as at March 31, 2026

4.0 Intangible assets

	(NPR in Lakh)		
	Technical Knowhow	Software	Total
Gross block			
As at April 1, 2024	-	1.05	1.05
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2025	-	1.05	1.05
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2026	-	1.05	1.05
Accumulated amortization			
As at April 1, 2024	-	0.93	0.93
Amortization for the year	-	0.12	0.12
Disposals	-	-	-
As at March 31, 2025	-	1.05	1.05
Amortization for the year	-	-	-
Disposals	-	-	-
As at March 31, 2026	-	1.05	1.05
Net block			
As at March 31, 2025	-	-	-
As at March 31, 2026	-	-	-

Net book value

As at March 31, 2026	As at March 31, 2025
-	-

4.1 Intangible assets

- 4.2 There is no impairment loss during the year ending March 31, 2026 and March 31, 2025.
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, 2026

Note -5 Other current financial assets

(NPR in Lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Security Deposit	0.85	0.85
Total	0.85	0.85

Deposits are the deposit given in ordinary course of business at Department of Industries & Malpot Office

Note -6 Deferred tax assets (net)

(NPR in Lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Liability		
-Related to Fixed Assets	(159.58)	(142.13)
Deferred Tax Assets		
-Related to Fixed Assets	-	-
-Related to Loss	209.71	149.50
	209.71	149.50
Total	50.13	7.37

Deferred tax is calculated on temporary differences using a tax rate of 10% (2080-81: 10%). Deferred tax Asset have been recognized in respect of all temporary differences that results in income tax payable in future periods.

Note -7 Inventories

(NPR in Lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials	80.69	64.44
Work-in-progress	-	-
Finished goods	35.82	166.86
Stock-in-trade	-	7.53
Stores and spares	187.62	194.59
Total	304.13	433.42

Current financial assets

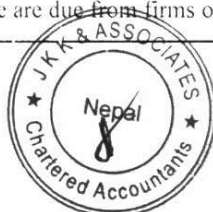
Note -8.1 Trade receivables

(NPR in Lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables	100.05	79.96
Less: Allowance for doubtful trade receivables	-	-
Total	100.05	79.96
Break-up of security details:		
Secured, considered good	-	-
Unsecured, considered good	100.05	79.96
Doubtful	-	-
	100.05	79.96
Less: Allowance for doubtful trade receivables	-	-
Total	100.05	79.96

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 Lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks:		
-On currents accounts	44.87	55.11
Deposits with original maturity of less than three months	-	-
Cash on Hand	1.36	3.83
	46.23	58.94

The above balances are considered as the cash & cash equivalents for the purpose of Statement of Cash Flows.

Note -8.3 Bank balances other than cash and cash equivalents

Deposits with maturity of more than three months	-	3.00
Total	-	3.00

Note -8.4 Other financial assets

(NPR in Lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Interest receivable on fixed deposits	-	0.02
Total	-	0.02

Note -9 Other Current Assets

(NPR in Lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Advances to suppliers	11.89	49.15
Advances to employees and others	0.38	0.53
Prepaid Expenses	28.82	28.11
Balances with Government authorities	1,148.63	1,201.83
Total	1,189.72	1,279.62

Notes:

- 1) Balances with Government authorities represent the balance of Input Vat Credit and Custom Margin.
- 2) The Company is eligible to claim refund of input vat credit as per section 24 of Vat Act 2052

Note -10 Current tax assets (net)

(NPR in Lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance Income Tax	10.81	10.80
Total	10.81	10.80



Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu
Schedules forming part to the Balance Sheet as at March 31, 2026

Note -11.1 Equity Share Capital

(NPR in Lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised Share Capital 25,00,000 Shares @Rs.100/- each	2,500.00	2,500.00
Issued Share Capital 24,00,000 Shares @Rs.100/- each	2,400.00	2,400.00
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 -11.2 Reserve & Surplus

(Amount In NPR.)

(NPR in Lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Accumulated Profit		
Net loss of Previous Year	(777.61)	(629.11)
Net loss for The Year	(52.76)	(148.49)
Revaluation Reserve	33.95	33.95
Total	(796.42)	(743.65)

Note -12- Borrowings

(NPR in Lakh)

Non-current borrowings

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Secured: Term Loan from Nepal SBI Bank Ltd.	1,661.35	950.00	2,612.48	950.00
Total	1,661.35	950.00	2,612.48	950.00

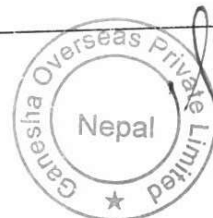
Current borrowings

(NPR in Lakh)

Particulars	As at March 31, 2026	As at March 31, 2025
Working capital loans from banks		
- Rupee loans (secured)	698.55	698.55
Current maturities of long term borrowings	950.00	950.00
Total	1,648.55	1,648.55

Note:

- 1) The Company has availed the loan facility from Nepal SBI Bank Ltd.
- 2) Term Loan from the Bank is secured by the way of first charge, on entire property plant and equipment(present and future) of the company and Hypothecation of current assets and receivables. The loan is further secured by way of corporate guarantee from parent company.
- 3) 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.



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Note -13.1 Trade Payable (NPR in Lakh)		
Particulars	As at March 31, 2026	As at March 31, 2025
Sundry Creditors	364.99	118.62
Total	364.99	118.62
Note -13.2 Other current financial liabilities (NPR in Lakh)		
Particulars	As at March 31, 2026	As at March 31, 2025
Interest Accrued & Due on Borrowings	52.59	202.50
Other Payables	37.38	69.50
Total	89.97	272.00
Note -14 Other current liabilities (NPR in Lakh)		
Particulars	As at March 31, 2026	As at March 31, 2025
Advance from customers	1,376.95	945.54
Statutory Dues Payable	4.93	2.45
Total	1,381.88	947.99
1) Advance against sale of NPR 1,376.95 lakh has been received from parent company as on reporting date.		



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Ganesha Overseas Pvt. Ltd.
New Baneshwor, Kathmandu

Schedules forming part to Profit and Loss for the year ended March 31, 2026

(NPR in Lakh)

Note- 15 Revenue from Operation

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products		
Finished Goods (Including process waste)	3,556.56	3,095.54
Stock-in-trade	-	-
Sub-total	3,556.56	3,095.54
Other operating revenues		
Sale of waste and scrap	15.25	31.44
Recycling project receipts	-	16.53
Liabilities no longer required written back	-	-
Bad debt recovered	4.16	-
Technical services receipt	-	89.05
Sub-total	19.41	137.02
Total	3,575.97	3,232.56

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.

(NPR in Lakh)

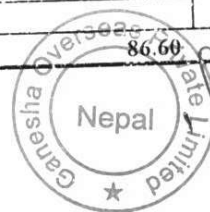
Note- 16 Other Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest Income	0.03	0.11
Gain on foreign currency fluctuations and translations (net)	-	-
Profit on sale/ discard of property, plant and equipment (net)	-	-
Miscellaneous income	-	0.05
Total	0.03	0.16

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, 2026	For the year ended March 31, 2025
Inventories at the end of the year*		
Finished goods	22.39	104.29
Stock-in-trade	-	4.70
Work-in-progress	-	-
Sub-total	22.39	108.99
Inventories at the beginning of the year*		
Finished goods	104.29	117.89
Stock-in-trade	4.70	-
Work-in-progress	-	38.43
Sub-total	108.99	156.37
Total	86.60	47.38



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Note - 18 Employee Benefit Expenses		(NPR in Lakh)	
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	
Salaries and wages	212.29	226.60	
Staff Welfare Expenses	1.67	2.01	
Total	213.96	228.61	
Note - 19 Finance Costs		(NPR in Lakh)	
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	
Interest	204.93	299.11	
Bank Charges	1.56	1.32	
Total	206.49	300.43	
Note - 20 Depreciation		(NPR in Lakh)	
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	
Depreciation on property, plant and equipment	198.92	201.13	
Amortization of intangible assets	-	0.08	
Total	198.92	201.21	
Note - 21 Other Expenses		(NPR in Lakh)	
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025	
Manufacturing expenses:			
Consumption of store & spares	87.23	89.71	
Power and fuel	151.55	150.44	
Repair & maintenance:-			
-Plant & machinery	3.46	4.27	
-Building	6.72	6.30	
Sub-total	248.96	250.72	
Administrative Expenses:			
Rent Expenses	7.65	7.11	
Rates & Taxes	0.64	1.04	
Insurance Expenses	19.74	19.63	
Repair to Other	2.52	1.65	
Travelling Expenses & conveyance	6.86	4.93	
Communication costs	1.86	1.34	
Printing & Stationery	0.86	1.44	
Legal & professional	13.47	10.25	
Audit Fee	0.56	0.56	
Miscellaneous expenses	4.31	3.40	
Loss on sale/ discard of property, plant and equipment (net)	2.00	1.16	
Vehicle Running & Maintenance Expenses	1.50	1.31	
Security service charges	12.10	12.19	
Sub-total	74.07	66.01	
Selling expenses			
Freight and forwarding charges	10.49	12.36	
Other selling and distribution expenses	3.20	2.85	
Sub-total	13.69	15.21	
Total	336.72	331.94	



Note-22 Tax expense

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

(NPR in Lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
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	(26.73)	(28.68)
Sub-total	(26.73)	(28.68)
Income tax expense reported in the statement of profit and loss	(26.73)	(28.68)

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

-

-

Note-23 Related Party Disclosure

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:

Name of Related Party and Nature of Relationship

Ganesha Ecosphere Ltd : Holding Company

Key managerial Person

Gopal Agarwal: Chairman

B.P. Sultania: Director

Transactions with related parties during the year ended

(NPR in Lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance DR./ (CR.)	(590.92)	(144.86)
Sale of Goods during the year	3,556.57	3,082.76
Advance against sale of goods received during the year	3,826.24	3,528.82
Closing Balance Cr./ (Dr.)	(860.59)	(590.92)

Note-24 Contingent liabilities

There is no any contingent liabilities during the year ended on March 31, 2026.



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Ganesha Overseas Pvt. Ltd.

New Baneshwor, Kathmandu

Schedules forming part to the Balance Sheet as at March 31, 2026

Note 25-Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are:

(NPR in Lakh)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
First charge		
Non-current assets		
Property, plant and equipment	5,048.40	5,382.01
Capital work-in-progress		
Right of use assets		
Non-current financial assets		
Other non-current assets		
Total non-current assets pledged as security	5,048.40	5,382.01
Second charge		
Current assets		
Financial assets		
Trade receivables	100.05	79.96
Cash and cash equivalents	46.23	58.94
Bank balances	-	3.00
Others	-	0.02
Non financial assets		
Inventories	304.13	433.42
Others	1,189.72	1,279.62
Total current assets pledged as security	1,640.13	1,854.96
Total assets pledged as security		

Note 26- Earnings Per Share (EPS)

Company presents basic and diluted Earnings Per Share (EPS) for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit for the year (Rs.) after tax	(52,75,993)	(1,48,49,821)
Weighted average number of shares	24,00,000	24,00,000
Basic Earning per share (Rs.)	(2.20)	(6.19)
Diluted Earning per share (Rs.)	(2.20)	(6.19)
Weighted average number of shares		
Weighted average no. of equity shares (Units)	24,00,000.00	24,00,000.00
	24,00,000	24,00,000



27.0 Gratuity and other post-employment benefit plans

The company has no any gratuity and other post-employment benefit plans to its employees as on reporting date.

28.0 Commitments and contingencies

The Company has reviewed its position regarding the commitments and the contingencies as at the reporting date. There are no material commitments (including capital commitments) outstanding as at the reporting date

Further, there are no contingent liabilities or contingent assets requiring disclosure in the financial statements, as there are no present obligation possible obligations arising from past events that would require disclosure.

29.0 Leases - short term leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. When all the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are taken to the profit or loss statement over the lease term.

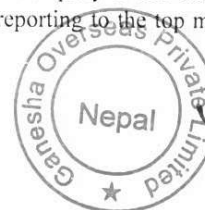
The Company lessee under operating lease arrangements. Payments and receipts under such leases are charged to the Statement of Profit and on a straight-line basis over the primary period of the lease

30.0 Details of corporate social responsibility (CSR) expenditure

The provisions relating to Corporate Social Responsibility (CSR) are not applicable to the Company for the year, as the Company has incurred losses and does not meet the prescribed criteria of profitability/thresholds under Industrial Enterprise Act 2076 of Nepal. Accordingly, no amount required to be spent on CSR activities during the reporting period.

31.0 Segment information

The Company has only one business segment. The chief operating decision maker and all functional managers reviews the operating results of business as a whole. Further, internal organizational and management structure of the Company is not based on product differentiation. The company is managed organizationally as a unified entity with various functional heads reporting to the top management. There are therefore no separate segments required within the company.



32.0 Financial risk management

The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's senior management oversees the management of these risks.

The Company has exposure to the following risks (arising from financial instruments):

- Credit risk
- Liquidity risk
- Market risk

A. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk mainly from trade receivables, loans given and other financial assets.

The Company exports its products solely to its holding company, while domestic sales are made to unrelated local parties. Credit risk relating to export sales is considered low as transactions are conducted with the holding company and balances are monitored regularly by management.

For domestic customers, the Company manages credit risk through ongoing credit evaluations, establishment of customer credit limits, regular monitoring of receivable balances and timely collection procedures.

The Company recognizes expected credit loss allowances in accordance with applicable NFRS requirements, based on historical default experience, current financial conditions and forward-looking estimates.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors the maturity profile of financial liabilities, including loans, trade payables and other obligations, to ensure adequate liquidity is maintained at all times.



C. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e., currency rate, interest rate and other price related risks. Financial instruments affected by market risk include borrowings, loans given, deposits, foreign currency receivables and payables and derivative financial instruments such as forward contracts. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

i) Foreign currency risk

The Company is exposed to foreign currency risk arising from transactions denominated in foreign currencies, primarily related to import from and export to India. Since the Nepalese Rupee (NPR) is pegged to the Indian Rupee (INR) at a fixed exchange rate maintained by Nepal Rastra Bank, exposure to INR-related currency fluctuations is minimal. Therefore, transactions with India are largely considered low foreign exchange risk transactions.

As at the reporting date, the Company's exposure to foreign currency risk arising from export and import transactions with India is considered **not significant due to the INR-NPR peg arrangement**.

ii) Interest rate risk

The Company is exposed to interest rate risk primarily on its borrowings with variable interest rates. Interest rate risk arises due to fluctuations in market interest rates, which may affect finance costs and cash flow.

The Company manages this risk by:

- Monitoring market interest rate trends
- Negotiating fixed or favourable interest terms with lenders
- Maintaining an optimal mix of fixed and floating rate borrowings

As at the reporting date, the impact of interest rate fluctuations on the Company's financial performance is not considered material.

iii) Commodity Price Risk

The Company is exposed to commodity price risk arising from fluctuations in the market prices of raw materials, recyclable plastic waste, fuel and other production-related inputs used in the flake chips recycling business. Changes in commodity prices may affect the Company's production costs, profit margins and cash flows.

Management continuously evaluates the impact of commodity price fluctuations on the Company's financial performance and takes necessary measures to minimize adverse effects.

Where significant fluctuations in commodity prices are expected, management assesses the recoverability of inventories and related assets in accordance with applicable NFRS requirements.

33.0 Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

34.0 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing returns to shareholders through the optimization of debt and equity balance. The Company's overall strategy remains unchanged from the previous year.

The capital structure of the Company consists of equity attributable to shareholders, including issued share capital, retained earnings and reserves, and borrowings including bank loans and other financial liabilities.

The primary objectives of the Company's capital risk management are:

- To safeguard the Company's ability to continue as a going concern;
- To maintain an optimal capital structure in order to reduce the cost of capital;
- To comply with borrowing covenants and financial obligations relating to loans and guarantees;
- To support operational activities of the flake chips recycling business and future expansion plans

The Company monitors capital on the basis of the debt-to-equity ratio and cash flow requirements. The management reviews the capital structure periodically and take appropriate steps in order to maintain, or if necessary adjust, its capital structure in consonance with its long term strategic plans.



35.0 Trade receivables ageing schedule

(NPR in Lakh)

a. As at March 31, 2026

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables	-	31.53	17.50	51.02	-	-	100.05
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	31.53	17.50	51.02	-	-	100.05
Less: Allowance for doubtful debts							100.05
Total							

b. As at March 31, 2025

(NPR in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables	-	36.69	40.50	2.77	-	-	79.96
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	36.69	40.50	2.77	-	-	79.96
Less: Allowance for doubtful debts							79.96
Total							

36.0 Trade payables ageing schedule

(NPR in Lakh)

a. As at March 31, 2026

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than one year	1-2 years	2-3 years	More than 3 years	
i) MSME	-	-	-	-	-	-
ii) Other than MSME	46.87	265.95	12.49	37.83	1.85	364.99
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - other than MSME	-	-	-	-	-	-
Total	46.87	265.95	12.49	37.83	1.85	364.99

b. As at March 31, 2025

(NPR in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than one year	1-2 years	2-3 years	More than 3 years	
i) MSME	0	-	-	-	-	-
ii) Other than MSME	9.97	66.45	37.83	3.97	0.40	118.62
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - other than MSME	-	-	-	-	-	-
Total	9.97	66.45	37.83	3.97	0.40	118.62



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37.0 Analytical ratios

Ratios	Numerator	Denominator	FY 2025-26	FY 2024-25	% variance	Reason for variance
a. Current ratio	Current assets	Current liabilities	0.47	0.62	-24%	Basis increase in short term borrowings
b. Debt-equity ratio	Total debt (borrowings)	Total equity	2.064	2.573	-20%	Basis increase in short term borrowings
c. Debt-service coverage ratio	Profit after tax + depreciation and amortization + finance costs	Finance costs + repayment of non-current borrowings	0.43	0.69	-37%	Basis increase in profits and lower repayment liability
d. Return on equity	Profit after tax	Average total equity	-5.86%	-11.23%	-48%	
e. Inventory turnover ratio	Sale of products	Average inventory	15.43	11.17	38%	
f. Trade receivables turnover ratio	Sale of products	Average trade receivables	63.23	84.19	-25%	
g. Trade payables turnover ratio	Consumption of materials#	Average trade payables	18.81	19.66	-4%	
h. Net capital turnover ratio	Revenue from operations	Net working capital (Current assets - current liabilities)	-3.12	-4.61	-32%	Basis decrease in net working capital due to increase in short term borrowings
i. Net profit ratio	Profit after tax	Revenue from operations	-1.67%	-3.76%	-56%	
j. Return on capital employed	Profit before tax and exceptional items + finance costs	Average capital employed (total equity + total borrowings)	4.34%	4.62%	-6%	

Cost of materials consumed + Purchases of stock-in-trade + manufacturing expenses (excluding power & fuel)

38.0 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our report of even date attached
For JKK & Associates
Chartered Accountants
Firm's Reg. No. 421

Kaushlendra Kr Jha, FCA
Membership No: 570
Place: Kathmandu
Date: 20/05/2026



For and on behalf of the Board of Directors
Ganesh Overseas Pvt. Ltd.

Gopal Agarwal
Chairman



Director

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