



P. Lunia & Associates  
Chartered Accountants

Firm Registration No. 493  
Membership No.: 649  
COP No. 596  
VAT No. : 103789914

P. Lunia & Associates  
Chartered Accountants

UDIN No: 220712CA00649xduIV

**Independent Auditors' Report  
To the Shareholders' of  
Gabion Technologies Nepal Pvt Ltd**

**Opinion**

We have audited the Financial Statements of Gabion Technologies Nepal Pvt. Ltd. (PAN No: 610228483) which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022 and Income Statement, Statement of changes in equity and Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position and performance of the Company for the period ending 31<sup>st</sup> March, 2022 in accordance with Generally Accepted Accounting Principles.

**Basis of Opinion**

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statement in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has realistic alternative but to do so.

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional skepticism throughout the audit.



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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 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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

#### Report on Other Legal and Regulatory Requirements

Based on our examination of the financial statements as per the Company's Act, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. The accounts and records of the Company have been maintained as required by law and practice in a manner to reflect the real affairs of the Company.
- c. In our opinion, the Balance Sheet, Income Statement, Cash Flow Statement and Statement of Changes in Equity with Explanatory Notes dealt with by this report are in compliance with the provisions of the Companies Act, 2063 and are in agreement with the books of account maintained by the company.
- d. In our opinion, so far as appeared from our examination of the books, the business of the Company has been conducted satisfactorily; and
- e. 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.

Place    Biratnagar  
Date    2022.07.11

For: P. Lunia & Associates  
Chartered Accountants

CA. Piyush Lunia, FCA  
(Proprietor)





Gabion Technologies Nepal Pvt. Ltd.  
Budhiganga-03 (Morang), Nepal

**Significant Accounting Policies & Standalone Notes to the Financial Statements  
For the Year ended 31<sup>st</sup> March, 2022**

**1. General Information**

The Financial Statement of the company for the year ended 31<sup>st</sup> March, 2022 comprises of Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements, Significant Accounting Policies of the Company and reconciliations.

**2. Summary of Significant Accounting Policies**

**2.1 Basis of presentation**

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

**2.2 Responsibility of Financial Statements**

The Management is responsible for the preparation of Financial Statements as per the provisions of the Companies Act, 2006.

**2.3 Going Concern**

The Financial Statements are prepared on the assumption that the Company is a going concern.

**2.4 Depreciation**

Depreciation has been calculated as provided as per Schedule II of Income Tax Act, 2058.

**2.5 Valuation of Inventories**

- i. Closing Stock of Finished Goods have been valued at production cost.
- ii. Raw Materials and Other Materials are valued at cost which is derived on weighted average basis.
- iii. The scraps have been valued at the estimated realizable value.

**3. Information about Key Sources of Estimation, Uncertainty and Judgements**

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future.

**4. Notes to Accounts**

**4.1 Regrouping of Figures**

No previous year's figure has been re-grouped / re-arranged.

**4.2 Miscellaneous**

- i. All amounts are stated in Nepalese Rupees.
- ii. All the Accounts Confirmation on account of payables & receivables are in the process of obtaining.
- iii. Notes 5 to 26 form an integral part of the Balance Sheet and Income Statement.





**Gabion Technologies Nepal Pvt Ltd**  
**Budhiganga - 3, Morang, Nepal**  
**Statement of Financial Position**

As at 31<sup>st</sup> March 2022

Currency in NPR  
Amount in Figures

Particulars	Notes	As on 31st March, 2022	As on 31st March, 2021
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	-	-
Financial Assets	6	-	-
Derivative Financial Instruments	7	-	-
Trade and Other Receivables	8	20,000.00	-
Inventories	9	-	-
Biological Assets	10	-	-
<b>Total</b>		<b>20,000.00</b>	
<b>Non-Current Assets</b>			
Property, Plant and Equipment	11	-	-
Investment Property	12	-	-
Intangible Assets	13	-	-
Biological Assets	10	-	-
Deferred Tax Assets	26	-	-
<b>Total</b>		<b>-</b>	
<b>Total Assets</b>		<b>20,000.00</b>	
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Borrowings	14	-	-
Trade and Other Payables	15	-	-
Current Tax Liability	16	10,000.00	-
Provisions		-	-
<b>Total</b>		<b>10,000.00</b>	
<b>Non-Current Liabilities</b>			
Borrowings	14	54,000.00	-
Deferred Tax Liability	26	-	-
Employee Benefit Obligations	17	-	-
Provisions	16	-	-
<b>Total</b>		<b>54,000.00</b>	
<b>Total Liabilities</b>		<b>64,000.00</b>	
<b>Equity</b>			
Share Capital	18	(44,000.00)	-
Retained Earnings	19	-	-
Reserves		(44,000.00)	-
<b>Total</b>		<b>(44,000.00)</b>	
<b>Total Liabilities &amp; Equity</b>		<b>20,000.00</b>	

**Contingent Liabilities & Commitment**

The accompanying notes are integral part of Financial Statements

**Board of Directors**

Date: 2022.07.11  
Place : Biratnagar

As Per Separate report on even date

For : P. Lunia & Associates  
Chartered Accountants

CA. Piyush Lunia, FCA  
(Proprietor)





**Statement of Profit or Loss**  
As at 31st March 2022

Currency in NPR  
Amount in Figures

Particulars	Notes	As on 31st March, 2022	As on 31st March, 2021
Revenue	20	-	-
Cost of Sales	21	-	-
<b>Gross Profit / (Loss)</b>		-	-
Other Income	22	-	-
Depreciation and Amortization	11 & 13	-	-
Personnel Expenses	23	-	-
Other Operating Expense	24	44,000.00	-
<b>Profit / (Loss) from Operation</b>		(44,000.00)	-
Finance Costs (Net of Capitalized)	25	-	-
Exchange Loss		(44,000.00)	-
<b>Profit / (Loss) Before Tax &amp; Bonus</b>		-	-
Bonus		(44,000.00)	-
<b>Profit / (Loss) Before Tax</b>		-	-
<u>Income Tax</u>		-	-
Current Tax	26	-	-
Deferred Tax Credit/Charge		(44,000.00)	-
<b>Profit / (Loss) for the Year</b>		-	-
Provision for Corporate Social Responsibility (CSR)		-	-
<u>Other Comprehensive Income:</u>		-	-
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods		-	-
i. Re-measurement (losses) / gains on post employment defined benefit plans		-	-
ii. Revaluation of property, plant and equipment		-	-
Tax effect on above		-	-
<b>Other Comprehensive Gain / (Loss) for the year, net of Tax</b>		-	-
<b>Total Comprehensive Gain/ (Loss) for the year, net of Tax</b>		(44,000.00)	-
<b>Earning Per Share</b>		-	-
Basic		-	-
Diluted		-	-

The accompanying notes are integral part of Financial Statements

Board of Directors

Date: 2022.07.11  
Place : Biratnagar

As Per Separate report on even date

For : P. Lunia & Associates  
Chartered Accountants

CA. Piyush Lunia, FCA  
(Proprietor)





Gabion Technologies Nepal Pvt Ltd  
Budhiganga - 3, Morang, Nepal

**Statement of Cash Flows**

As at 31st March 2022

Currency in NPR  
Amount in Figures

Particulars	As on 31st March, 2022	As on 31st March, 2021
<b>Cash Flow from Operating Activities</b>		
Net Profit / (Loss) after Tax	(44,000.00)	-
Add/ (Less) : Extraordinary Items	-	-
Less: Deferred Tax	-	-
Add: Depreciation	-	-
Add: Interest Expense	-	-
<b>Operation of Cash Flows before changes in Working Capital</b>	<b>(44,000.00)</b>	-
1. Decrease / (Increase) in Current Assets		
Inventories	-	-
Trade and Other Receivables	(20,000.00)	-
Advances, Loans & Deposits	-	-
Deferred Tax	-	-
2. Increase/ (Decrease) in Current Liabilities		
Trade and Other Payables	-	-
Provisions	10,000.00	-
3. Income Tax adjusted	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>(54,000.00)</b>	-
<b>Cash Flow from Investing Activities</b>		
Interest Income	-	-
Investments (Purchase) / Sales	-	-
Fixed Assets (Purchase) / Sales	-	-
<b>Net Cash Flow from Investing Activities</b>	-	-
<b>Cash Flow from Financing Activities</b>		
Increase / (Decrease) in Capital	-	-
Increase / (Decrease) in Long Term Loan	54,000.00	-
Increase / (Decrease) in Short Term Loan	-	-
Interest Capitalized	-	-
Vat Write Off	-	-
Interest Expense	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>54,000.00</b>	-
Net Increase/ (Decrease) in Cash/ Cash Equivalents	-	-
Cash & Cash Equivalents at beginning of the period	-	-
Effect of exchange rate fluctuations on cash and cash equivalents held	-	-
<b>Cash &amp; Cash Equivalents at the end of the period</b>	<b>-</b>	<b>-</b>

The accompanying notes are integral part of Financial Statements  
Board of Directors

As Per Separate report on even date

For : P. Lunia & Associates  
Chartered Accountants

Date: 2022.07.11  
Place : Biratnagar

CA. Piyush Lunia, FCA  
(Proprietor)



Gablon Technologies Nepal Pvt Ltd  
Budhiganga - 3, Morang, Nepal

# Statement of Changes in Equity

As at 31st March 2022

Currency in NPR  
Amount in Figures

Particulars	Attributable to Equity Holders of the Company				Total
	Share Capital	Revaluation Reserve	Retained Earning	Other Reserve	
Balance at 15th July 2021	-	-	-	-	-
Adjustment/Restatement due to NFRS convergence	-	-	-	-	-
Adjusted/Restated balance at 15th July 2021	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	-
Profit for the year 2020/21	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-
Taxes of Earlier Years'	-	-	-	-	-
Vat Write Off	-	-	-	-	-
Disallowed Expenses	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-
Balance at 16th July 2021	-	-	-	-	-
Adjustment/Restated	-	-	-	-	-
Adjusted/Restated balance at 16th July 2021	-	-	-	-	-
Restated balance at 16th July 2021	-	-	(44,000.00)	-	(44,000.00)
Profit for the year 2021/22	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-
Taxes of Earlier Years'	-	-	-	-	-
Fine & Penalty	-	-	-	-	-
Disallowed Expenses	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-
Transfer from reserve during the year	-	-	-	-	-
Balance at 31 March 2022	-	-	(44,000.00)	-	(44,000.00)

The accompanying notes are integral part of Financial Statements

Board of Directors

As Per Separate report on even date

For : P. Lunia & Associates

Chartered Accountants



CA, Piyush Lunia, FCA  
(Proprietor)

Date: 2022.07.11

Place : Biratnagar



**Gabion Technologies Nepal Pvt Ltd**  
**Budhiganga - 3, Morang, Nepal**  
**Schedules to and forming part of Balance Sheet as on As at 31st March 2022**

Currency in NPR  
Amount in Figures

**Note No. 5 : Cash and Cash Equivalents**

Particulars	As on 31st March,2022	As on 31st March,2021
a. Cash in Hand		
Cash (as certified by Management)		
b. Balance with BFI's		
c. Cheque in Hand		
d. Others		
<b>Total</b>		

**Note No. 6 : Financial Assets**

Particulars	As on 31st March,2022	As on 31st March,2021
<b>Total</b>		

**Note No. 7 : Derivative Financial Instruments**

Particulars	As on 31st March,2022	As on 31st March,2021
<b>Total</b>		

**Note No. 8 : Trade and Other Receivables**

Particulars	As on 31st March,2022	As on 31st March,2021
As per List Attached (Sub Note 8A)		
(Unsecured considered good unless otherwise stated)		
Security Deposits	20,000.00	
<b>Total</b>	20,000.00	

**Note No. 9 : Inventories**

Particulars	As on 31st March,2022	As on 31st March,2021
Closing Stock		
(Inventory Taken, Valued and Certified by Management)		
<b>Total</b>		





**Gabion Technologies Nepal Pvt Ltd**  
**Budhiganga - 3, Morang, Nepal**  
**Schedules to and forming part of Balance Sheet as on As at 31st March 2022**

Currency in NPR  
Amount in Figures

**Note No. 10 : Biological Assets**

Particulars	As on 31st March,2022	As on 31st March,2021
<u>Current Assets</u>	-	-
<b>Total</b>	-	-
<u>Non Current Assets</u>	-	-
<b>Total</b>	-	-

**Note No. 12 : Investment Property**

Particulars	As on 31st March,2022	As on 31st March,2021
	-	-
<b>Total</b>	-	-

**Note No. 14 : Borrowings**

Particulars	As on 31st March,2022	As on 31st March,2021
<u>Current Liabilities</u>		
<u>From Banks &amp; Financial Institutions</u>		
<u>Others</u>	-	-
<b>Total</b>	-	-
<u>Non Current Liabilities</u>		
<u>From Banks &amp; Financial Institutions</u>		
<u>Others</u>		
Director's Loan	54,000.00	-
<b>Total</b>	54,000.00	-

**Note No. 15 : Trade and Other Payables**

Particulars	As on 31st March,2022	As on 31st March,2021
As per List Attached (Sub Note 15A)		
<b>Total</b>	-	-





**Gabion Technologies Nepal Pvt Ltd**  
**Budhiganga - 3, Morang, Nepal**  
**Schedules to and forming part of Balance Sheet as on As at 31st March 2022**

Currency in NPR  
Amount in Figures

**Note No. 16 : Provisions**

Particulars	As on 31st March,2022	As on 31st March,2021
<b>Current Liabilities</b>		
Audit Fee Payable	9,850.00	
TDS on audit fee	150.00	
<b>Total</b>	<b>10,000.00</b>	
<b>Non Current Liabilities</b>		
<b>Total</b>		

**Note No. 17 : Employee Benefit Obligations**

Particulars	As on 31st March,2022	As on 31st March,2021
<b>Total</b>		

**Note No. 18 : Share Capital**

Particulars	As on 31st March,2022	As on 31st March,2021
<b>Authorized Capital</b>		
6,66,666 equity shares @ NRS 100 each	66,666,666.00	
<b>Issued Capital</b>		
6,66,666 equity shares @ NRS 100 each	66,666,666.00	
<b>Called &amp; Paid-Up Capital</b>		
As per Sub Note 18A		
<b>Total</b>		

**Note No. 19 : Reserves**

Particulars	As on 31st March,2022	As on 31st March,2021
<b>Total</b>		

**Note No. 20 : Revenue**

Particulars	As on 31st March,2022	As on 31st March,2021
<b>Local Sales</b>		
<b>Total</b>		





Gabion Technologies Nepal Pvt Ltd

Budhiganga - 3, Morang, Nepal

Schedules to and forming part of Balance Sheet as on As at 31st March 2022

Currency in NPR  
Amount in Figures

**Note No. 21 : Cost of Sales**

Particulars	As on 31st March,2022	As on 31st March,2021
Opening Stock	-	-
Add: Purchase	-	-
Less: Closing Stock	-	-
<b>Cost of Sales</b>	-	-

**Note No. 22 : Other Income**

Particulars	As on 31st March,2022	As on 31st March,2021
<b>Total</b>	-	-

**Note No. 23 : Personnel Expenses**

Particulars	As on 31st March,2022	As on 31st March,2021
<b>Total</b>	-	-

**Note No. 24 : Other Operating Expense**

Particulars	As on 31st March,2022	As on 31st March,2021
<u>Administrative Expenses</u>		
Audit Fee	10,000.00	
Registration Charges	34,000.00	
<b>Total</b>	<b>44,000.00</b>	-

**Note No. 25 : Finance Costs**

Particulars	As on 31st March,2022	As on 31st March,2021
Banks & Financial Institutions		
Others	-	-
<b>Total</b>	-	-

**Note No. 26 : Deferred Tax Credit/Charge**

Particulars	As on 31st March,2022	As on 31st March,2021
Deferred Tax Asset	-	-
Deferred Tax Liability	-	-
<b>Total</b>	-	-

