

Independent Auditor's Report
To the Shareholders of Gabion Technologies Nepal Pvt.Ltd
Report on the audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Gabion Technologies Nepal Pvt.Ltd (Pan:610228483)** which comprise the Statement of Financial Position as at 17th Chaitra, 2079 (31st March, 2023), the statement of Profit or Loss, the Statement of Other Comprehensive Income, the statement of changes in equity and the statement of Cash Flows for the year then ended, and a summary of significant accounting policies and explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as on 17th Chaitra, 2079 (31st March, 2023), and its financial performance and cash flows for the year then ended 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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.

[Signature]
P. Lunia & Associates
Chartered Accountants
Biratnagar
Membership No. 649
COP No. 596

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

- Identify and assess the risks of material misstatement of financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

For: P. Lunia & Associates
Chartered Accountants SO.

CA. Piyush Lunia, FCA
(Proprietor)

Place Biratnagar

Date 25th Ashad, 2080 (10th July, 2023)

UDIN 230712CA00649PXzEq

Note: You can check the validity of this document on <https://udin.ican.org.np/verifydocument> for authenticity.

Gabion Technologies Nepal Pvt Ltd
Biratnagar (Morang), Nepal
Statement of Financial Position
As at 17th Chaitra, 2079 (31st March, 2023)

Figures in NPR

Particulars	Notes	As at 17 th Chaitra, 2079	As at 17 th Chaitra, 2078
Assets			
Current Assets			
Cash and Cash Equivalents	5	358,807.15	-
Income Tax Receivable	6	-	-
Advances, Prepayments & Other Current Assets	7	1,185,001.14	20,000.00
Trade Receivables	8	-	-
Inventories	9	3,033,794.04	-
Biological Assets	10	-	-
Total		4,577,602.33	20,000.00
Non-Current Assets			
Property, Plant and Equipment	11	24,493,811.14	-
Pre-Operative Expenses	12	320,895.26	-
Intangible Assets	13	-	-
Biological Assets	10	-	-
Deferred Tax Assets	26	-	-
Total		24,814,706.40	-
Total Assets		29,392,308.73	20,000.00
Liabilities			
Current Liabilities			
Borrowings	14	-	-
Trade and Other Payables	15	10,925,231.74	-
Current Tax Liability		-	-
Provisions	16	2,223,336.99	10,000.00
Total		13,148,568.73	10,000.00
Non-Current Liabilities			
Borrowings	14	10,811,140.00	54,000.00
Deferred Tax Liability	26	-	-
Employee Benefit Obligations	17	-	-
Provisions	16	-	-
Total		10,811,140.00	54,000.00
Total Liabilities		23,959,708.73	64,000.00
Equity			
Equity Share Capital	18	5,476,600.00	-
Reserve & Surplus		(44,000.00)	(44,000.00)
Other Reserves	19	-	-
Total		5,432,600.00	(44,000.00)
Total Liabilities & Equity		29,392,308.73	20,000.00

The accompanying notes form an integral part of this Financial Statements

For & on Behalf of the Board

As per our attached report of even date

For : P. Lunia & Associates

Chartered Accountants

Date: 25th Ashad, 2080 (10th July, 2023)

Place: Biratnagar (Morang), Nepal

CA. Piyush Lunia, FCA

(Proprietor)

Gabion Technologies Nepal Pvt Ltd
Biratnagar (Morang), Nepal

Statement of Profit or Loss
For the Year Ended 17th Chaitra, 2079 (31st March, 2023)

Figures in NPR


Particulars	Notes	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
Revenue from Operations	20	-	-
Cost of Goods Sold	21	-	-
Gross Profit / (Loss)		-	-
Other Operating Income	22	-	-
Depreciation and Amortization	11 & 13	-	-
Personnel Expenses	23	-	44,000.00
Other Operating Expense	24	-	(44,000.00)
Profit / (Loss) from Operation		-	-
Finance Costs (Net of Capitalized)	25	-	-
Exchange Loss		-	(44,000.00)
Profit / (Loss) Before Tax & Bonus		-	-
Bonus		-	(44,000.00)
Profit / (Loss) Before Tax		-	-
<u>Income Tax</u>		-	-
Current Tax		-	-
Deferred Tax Credit/Charge	26	-	(44,000.00)
Profit / (Loss) for the Year		-	-
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		-	-
Other Comprehensive Gain / (Loss) for the year, net of Tax		-	-
Total Comprehensive Gain/ (Loss) for the year, net of Tax		-	(44,000.00)
Earning Per Share		-	-
Basic / Diluted Earnings Per Share		-	-

The accompanying notes form an integral part of this Financial Statements

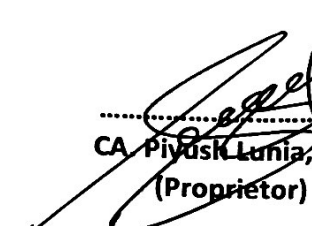
For & on Behalf of the Board

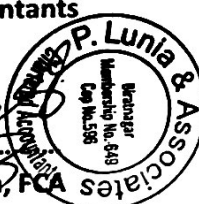
As per our attached report of even date

For : P. Lunia & Associates
Chartered Accountants


Date: 25th Ashad, 2080 (10th July, 2023)
Place: Biratnagar (Morang), Nepal




CA Pivush Lunia, FCA
(Proprietor)



Gablon Technologies Nepal Pvt Ltd
Biratnagar (Morang), Nepal

Statement of Cash Flows
For the Year Ended 17th Chaitra, 2079 (31st March, 2023)

Figures in NPR

Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
<u>Cash Flow from Operating Activities</u>		
Net Profit / (Loss) after Tax	-	(44,000.00)
Add/ (Less) : Extraordinary Items	-	-
Less: Deferred Tax	-	-
Add: Depreciation on Property, Plant and Equipment	-	-
Add: Finance Costs (Net of Capitalized)	-	-
Operation of Cash Flows before changes in Working Capital	-	(44,000.00)
1. Decrease / (Increase) in Current Assets		
Inventories	(3,033,794.04)	-
Trade Receivables'	-	-
Advances, Prepayments and Other Current Assets	(1,165,001.14)	(20,000.00)
Deferred Tax	-	-
2. Increase/ (Decrease) in Current Liabilities		
Trade and Other Payables	10,925,231.74	-
Provisions	2,213,336.99	10,000.00
3. Income Tax adjusted	-	-
Net Cash Flow from Operating Activities (A)	8,939,773.55	(54,000.00)
<u>Cash Flow from Investing Activities</u>		
Interest Income	-	-
Investments (Purchase) / Sales	(320,895.26)	-
Fixed Assets (Purchase) / Sales	(24,493,811.14)	-
Net Cash Flow from Investing Activities (B)	(24,814,706.40)	-
<u>Cash Flow from Financing Activities</u>		
Increase / (Decrease) in Capital	5,476,600.00	-
Dividend Distributed	-	-
Increase / (Decrease) in Long Term Loan	10,757,140.00	54,000.00
Increase / (Decrease) in Short Term Loan	-	-
Interest Capitalized	-	-
Interest Expense	-	-
Net Cash Flow from Financing Activities (C)	16,233,740.00	54,000.00
Net Increase/ (Decrease) In Cash/ Cash Equivalents (A+B+C)	358,807.15	-
Cash & Cash Equivalents at beginning of the period	-	-
Effect of exchange rate fluctuations on cash and cash equivalents' held	-	-
Cash & Cash Equivalents at the end of the period	358,807.15	-

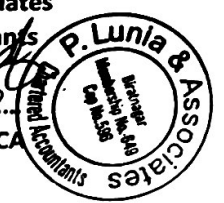
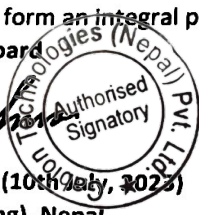
The accompanying notes form an integral part of this Financial Statements
For & on Behalf of the Board

As per our attached report of even
date

For : P. Lunia & Associates
Chartered Accountants

CA. Piyush Lunia, FCA
(Proprietor)

Date: 25th Ashad, 2080 (10th July, 2023)
Place: Biratnagar (Morang), Nepal



Statement of Changes in Equity

For the Year Ended 17th Chaitra, 2079 (31st March, 2023)

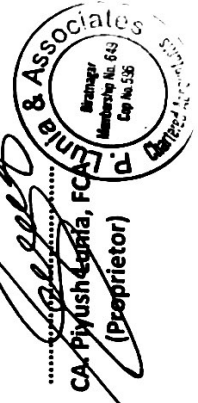
Particulars	Attributable to Equity Holders of the Company				Total
	Share Capital	Revaluation Reserve	Reserve & Surplus	Other Reserve	
Balance at 1st Shrawan, 2078	-	-	-	-	-
Adjustment/Restatement due to NFRS convergence	-	-	-	-	-
Adjusted/Restated balance at 1st Shrawan, 2078	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	-
Profit for the year 2078 / 2079	-	-	-	-	-
Other comprehensive income, net of tax	-	-	(44,000.00)	-	(44,000.00)
Taxes of Earlier Years'	-	-	-	-	-
Dividend Distributed	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	-	-
Balance at 1st Shrawan, 2079	-	-	(44,000.00)	-	(44,000.00)
Adjustment/Restated	-	-	-	-	-
Capital Injected	5,476,600.00	-	-	-	5,476,600.00
Adjusted/Restated balance at 1st Shrawan, 2079	-	-	-	-	-
Restated balance at 1st Shrawan, 2079	-	-	-	-	-
Profit for the year 2079-80	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-
Prior Period Taxes	-	-	-	-	-
Dividend	-	-	-	-	-
Fine & Penalty	-	-	-	-	-
Transfer to reserve during the year	-	-	-	-	-
Transfer from reserve during the year	-	-	-	-	-
Balance at 17th Chaitra, 2079	5,476,600.00	-	(44,000.00)	-	5,432,600.00

The accompanying notes form an integral part of this Financial Statements

As per our attached report of even date

For : P. Lunia & Associates

Chartered Accountants



(Signature)
Date: 25th Ashad, 2080 (20th July, 2023)
Place: Biratnagar (Morang), Nepal



Gabion Technologies Nepal Pvt Ltd
Biratnagar (Morang), Nepal
Schedules to and forming part of Balance Sheet as on 17th Chaitra, 2079 (31st March, 2023)

Figures in NPR

Note No. 5 : Cash and Cash Equivalents

Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
a. Cash in Hand		
Cash	237,038.71	-
(as certified by Management)		
b. Balance with BFI's Current Accounts		
Nabil Bank Ltd	75.00	-
Prabhu Bank Ltd	121,693.44	-
c. Cheque in Hand	-	-
Total	358,807.15	-

Note No. 6 : Income Tax Receivable

Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
Total	-	-

Note No. 7 : Advances, Prepayments and Other Current Assets

Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
Staff Advance	665,703.75	-
Exim Code Deposit	60,000.00	-
Bank Margin	91,500.00	-
Value Added Tax	347,797.39	-
Security Deposit	20,000.00	20,000.00
Total	1,185,001.14	20,000.00

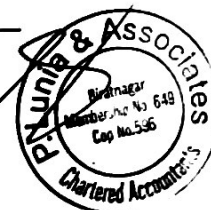
Note No. 8 : Trade Receivables

Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
As per List Attached (Sub Note 8A)	-	
(Unsecured considered good unless otherwise stated)		
Total	-	-

Note No. 9 : Inventories

Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
Closing Stock	3,033,794.04	-
(Inventory Taken, Valued and Certified by Management)		
Total	3,033,794.04	-

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Gabion Technologies Nepal Pvt Ltd
Biratnagar (Morang), Nepal
Schedules to and forming part of Balance Sheet as on 17th Chaitra, 2079 (31st March, 2023)

Figures in NPR

Note No. 10 : Biological Assets

Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
<u>Current Assets</u>		
	-	-
Total	-	-
<u>Non Current Assets</u>		
	-	-
Total	-	-

Note No. 12 : Investment Property

Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
	-	-
Total	-	-

Note No. 14 : Borrowings

Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
<u>Current Liabilities</u>		
<u>From Banks & Financial Institutions</u>	-	-
Total	-	-
<u>Non Current Liabilities</u>		
<u>From Banks & Financial Institutions</u>	-	-
Director's Loan	10,811,140.00	54,000.00
Total	10,811,140.00	54,000.00
<u>Other Borrowings</u>	-	-
Total	-	-

Note No. 15 : Trade and Other Payables

Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
As per List Attached (Sub Note 9A)	10,925,231.74	
Total	10,925,231.74	-

Harsh Maheshwari



Gabion Technologies Nepal Pvt Ltd
Biratnagar (Morang), Nepal
Schedules to and forming part of Balance Sheet as on 17th Chaitra, 2079 (31st March, 2023)

Figures in NPR

Note No. 16 : Provisions		
Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
Current Liabilities		
Audit Fee Payable	9,850.00	9,850.00
TDS Payable	119,532.00	150.00
LC Payable	2,093,954.99	-
Total	2,223,336.99	10,000.00
Non Current Liabilities		
	-	-
Total	-	-

Note No. 17 : Employee Benefit Obligations		
Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
	-	-
Total	-	-

Note No. 18 : Share Capital		
Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
Authorized Capital		
6,66,666 equity shares @ NRS 100 each	66,666,666.00	66,666,666.00
Issued Capital		
6,66,666 equity shares @ NRS 100 each	66,666,666.00	66,666,666.00
Called & Paid-Up Capital		
As per Sub Note 18A	5,476,600.00	-
Total	5,476,600.00	-

Note No. 19 : Other Reserves		
Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
	-	-
Total	-	-

Note No. 20 : Revenue from Operations		
Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
Local Sales	-	-
Export Sales	-	-
Total	-	-

Harsh Maheshwari



Gablon Technologies Nepal Pvt Ltd
Biratnagar (Morang), Nepal
Schedules to and forming part of Balance Sheet as on 17th Chaitra, 2079 (31st March, 2023)

Figures in NPR

Note No. 21 : Cost of Goods Sold

Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
Opening Stock	-	-
Add: Purchases	1,767,027.19	-
Add: Direct Expenses (Note No.21.1)	1,266,766.85	-
Less: Closing Stock WIP	3,033,794.04	-
Cost of Goods Sold	-	-

Note No. 21.1 : Direct Expenses

Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
Direct Wages & Salaries		
Labour Charges	10,800.00	-
Total	10,800.00	-
Direct Overhead Expenses		
Electricity Expenses	16,992.00	-
Factory Rent	1,192,320.00	-
Security Expenses	43,999.98	-
Repair & Maintenance	2,654.87	-
Total	1,255,966.85	-
Total Direct Expenses	1,266,766.85	-


Note No. 22 : Other Operating Income


Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
	-	-
Total	-	-

Note No. 23 : Personnel Expenses

Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
Administrative Staff Salary	-	-
Total	-	-

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Gabion Technologies Nepal Pvt Ltd
Biratnagar (Morang), Nepal
Schedules to and forming part of Balance Sheet as on 17th Chaitra, 2079 (31st March, 2023)

Figures in NPR

Note No. 24 : Other Operating Expense

Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
<u>Administrative Expenses</u>		
Audit Fee	10,000.00	10,000.00
Bank Charges	13,084.14	-
Guest Expenses	46,390.60	-
Office Expenses	16,486.86	-
Telephone Expenses	607.11	-
Postage & Courier Expenses	700.00	-
Printing & Stationary Expenses	18,498.00	-
Rates & Taxes	122,000.00	-
Local Convancy	2,678.55	-
Transportation Expenses	15,358.00	-
Staff Welfare Expenses	11,442.00	-
Travelling Expenses	31,890.00	-
Vehicle Running Expenses	9,500.00	-
Registration Charges		34,000.00
<u>Others Expenses</u>		
Repair & Maintenance - Pool "B"	-	-
Repair & Maintenance - Pool "D"	15,260.00	-
Less: Transferred to Pre-Operative Expenses	(313,895.26)	
Total	-	44,000.00
<u>Selling & Distribution Expenses</u>		
Loading & Unloading Expenses	7,000.00	-
Less: Transferred to Pre-Operative Expenses	(7,000.00)	
Total	-	-

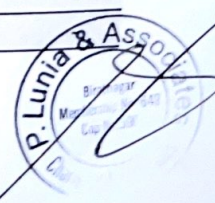
Note No. 25 : Finance Costs

Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
Interest on Working Capital Loan	-	-
Interest on Term Loan	-	-
Interest on Unsecured Loan	-	-
Less : Interest Capitalized	-	-
Total	-	-

Note No. 26 : Deferred Tax Credit/Charge

Particulars	As at 17th Chaitra, 2079	As at 17th Chaitra, 2078
Deferred Tax Asset	-	-
Deferred Tax Liability	-	-
Total	-	-

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Gablon Technologies Nepal Pvt Ltd
Biretnagar (Morang), Nepal
Schedules to and forming part of Balance Sheet as on 17th Chaitra, 2079 (31st March, 2023)

Note No. 11 : Property, Plant & Equipment

Pool	Particulars	Rate	Opening Balance	Additions			Disposal of Assets / Transfer	Interest Capitalization	Total	Depreciable Basis	Depreciation		Written Down Value (WDV)
				Up to Poush	Magh to Chaitra	Baisakh to Ashad					Normal	Additional	
	Work-in-Progress												
	Office Shed		-	-	323,601.78	-	-	-	323,601.78	215,734.52	-	-	323,601.78
	Computer & Laptop		-	-	115,929.21	-	-	-	115,929.21	77,286.14	-	-	115,929.21
	Inverter & Battery		-	-	40,265.48	-	-	-	40,265.48	26,843.65	-	-	40,265.48
	Stand Fan AC		-	-	13,717.00	-	-	-	13,717.00	9,144.67	-	-	13,717.00
	Butt Welding Machine		-	-	323,223.92	-	-	-	323,223.92	215,482.61	-	-	323,223.92
	Electric Installation		-	41,827.50	271,440.32	-	-	-	313,267.82	222,787.71	-	-	313,267.82
	Fork Lift Truck		-	-	1,739,382.39	-	-	-	1,739,382.39	1,159,588.26	-	-	1,739,382.39
	Motar 2hp		-	-	29,558.00	-	-	-	29,558.00	19,705.33	-	-	29,558.00
	Pvc Coated Machine		-	-	3,201,585.67	-	-	-	3,201,585.67	2,134,390.45	-	-	3,201,585.67
	Tanki 1000ltrs		-	-	8,410.50	-	-	-	8,410.50	5,607.00	-	-	8,410.50
	Wire Knitting Machine		-	-	18,316,727.77	-	-	-	18,316,727.77	12,211,151.85	-	-	18,316,727.77
	Busay Software		-	-	33,628.32	-	-	-	33,628.32	22,418.88	-	-	33,628.32
	Tally Prime		-	-	34,513.28	-	-	-	34,513.28	23,008.85	-	-	34,513.28
	Grand Total		-	41,827.50	24,451,983.64	-	-	-	24,493,811.14	16,343,348.99	-	-	24,493,811.14

Sandh Mahabhar.

