



एभरेष्ट कलर लि.

प्रथम साधारण सभाको
वार्षिक प्रतिवेदन

आ.व. २०८०/८१



संचालक समीती



बद्रीनाथ पोखरेल
अध्यक्ष



सरोज लुइटेल्
संचालक



शैलेन्द्र कु. सिटौला
संचालक



नविन निरौला
संचालक



अनन्त बर्तौला
संचालक

व्यवस्थापन समीती



सरोज लुइटेल्
Managing Director



शैलेन्द्र कु. सिटौला
Sales & Marketing
Head



कृष्ण बहादुर लामा
CFO



नविन निरौला
Factory Manager

एभरेष्ट कलर लि.
पहिलो वार्षिक साधारणसभा सम्बन्धी सूचना
(प्रथम पटक प्रकाशित मिति: २०८१।०७।०८)

यस एभरेष्ट कलर लि.को मिति २०८१।०७।०८ गते बसेको संचालक समितिको निर्णय अनुसार पहिलो वार्षिक साधारण सभा निम्न मिति, स्थान र समयमा निम्न विषयहरू उपर छलफल तथा निर्णय गर्न बस्ने भएको हुँदा सम्पूर्ण शेयरधनी महानुभावहरूको उपस्थितिको लागि अनुरोध गर्दछु ।

सभा हुने मिति, स्थान र समय:

मिति: २०८१।०८।०१ गते शनीवार

समय: विहान ११:०० बजे

स्थान: हवाईट प्यालेस बँकेट, मध्यपुर ठिमी-३, भक्तपुर

छलफलको विषयसूचि (एजेण्डा):

(क) साधारण प्रस्ताव

१. सञ्चालक समितिको तर्फबाट अध्यक्षज्यूबाट पेश हुने आर्थिक वर्ष २०८०/०८१ को वार्षिक प्रतिवेदन छलफल गरी पारित गर्ने सम्बन्धमा ।
२. लेखापरीक्षक जे.एम.लम्साल एण्ड कम्पनीका भलकमणि लम्सालज्यू ले राजिनामा दिएकोले कम्पनी ऐन, २०७६ को दफा ११३ र कम्पनी निर्देशिका, २०७२ को ६० बमोजिम कम्पनी रजिष्ट्रारको कार्यालयबाट नियुक्त लेखापरीक्षक श्रेष्ठ एण्ड न्यौपाने एशोसियेट्स, चार्टर्ड एकाउन्टेन्ट्सको नियुक्ती अनुमोदन गर्ने सम्बन्धमा ।
३. लेखापरीक्षकको प्रतिवेदन सहितको आ.व. २०८०/२०८१ को वासलात, नाफा र नोक्सान हिसाब, नगद प्रवाह लगायत वित्तीय विवरण छलफल गरी पारित गर्ने सम्बन्धमा ।
४. कम्पनी ऐन, २०६३ को दफा १११ अनुसार आर्थिक वर्ष २०८१/०८२ को लेखापरीक्षण कार्यको लागि लेखापरीक्षक नियुक्ती गर्ने र निजको पारिश्रमिक निर्धारण गर्ने सम्बन्धमा । (वर्तमान लेखापरीक्षक श्रेष्ठ एण्ड न्यौपाने एशोसियेट्स, चार्टर्ड एकाउन्टेन्ट्स पूनः नियुक्त हुन योग्य हुनु हुन्छ) ।
५. संस्थापक शेयरधनीहरूको तर्फबाट कम्पनीको संचालक समितिमा प्रतिनिधित्व गर्ने ५ जना संचालकको निर्वाचन गर्ने सम्बन्धमा ।
६. कम्पनीको संचालक समितिले गरेका सबै निर्णयहरू छलफल गरी अनुमोदन गर्ने सम्बन्धमा ।

(ख) विशेष प्रस्ताव

१. कम्पनीको प्रबन्धपत्र बमोजिम सर्वसाधारणका लागि छुट्याइको प्राथमिक शेयर निस्कासन (आइपिओ जारी गर्ने)सम्बन्धमा ।
२. प्राथमिक शेयर निस्कासन (आइपिओ) का लागि निष्कासन तथा बिक्री प्रबन्धक नियुक्तिलगायत प्राथमिक शेयर निस्कासन सम्बन्धि सम्पूर्ण कार्य गर्नका लागि संचालक समितिलाई अख्तियारी दिने सम्बन्धमा ।
३. प्रबन्धपत्रको दफा ६ अन्तर्गत संशोधन गर्ने ।
४. नियमावलीको नियम ७, २७(१)(२), ४१ अन्तर्गतका नियमहरू संशोधन गर्ने ।
५. कम्पनीको प्रबन्धपत्र तथा नियमावलीको प्रस्तावित संशोधनमा सम्बन्धित नियमनकारी निकायले फेरबदल गर्न सुझाव वा निर्देशन दिएमा सो अनुरूप आवश्यक समायोजन गर्न संचालक समितिलाई अख्तियारी प्रदान गर्ने ।
६. संचालकहरूलाई दिने सुविधा छलफल गरी पारित गर्ने सम्बन्धमा ।

(ग). विविध

साधारण सभा सम्बन्धी थप जानकारी

- १) साधारण सभामा उपस्थित हुने शेयरधनी महानुभावहरूले सभा हलमा प्रवेशको लागि सक्कल शेयर प्रमाणपत्र वा हितग्राही खाता खोलिएको कागजात, प्रकाशित प्रवेशपत्र अथवा आफ्नो कुनै आधिकारिक परिचयपत्र साथमा लिई आउनु हुन अनुरोध छ ।
 - २) साधारण सभामा सहभागी हुनको लागि प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीले सो सम्बन्धी निवेदन साधारणसभा हुनु ४८ घण्टा अगावै कम्पनीको रजिष्टर्ड कार्यालय मध्यपुर ठिमी-३, भक्तपुरमा दर्ता गराई सक्नु पर्नेछ । यसरी प्रतिनिधि (प्रोक्सी) नियुक्त गरिएको व्यक्ति कम्पनीको शेयरधनी हुनु आवश्यक छ ।
 - ३) कम्पनीको शेयर दाखिल खारेजको काम मिति २०८१।०७।१८ गते (एक दिन) बन्द रहनेछ ।
 - ४) साधारण सभामा भाग लिने प्रत्येक शेयरधनी महानुभावले सभा हुने स्थानमा उपस्थित भई सभा स्थलमा रहेको हाजिरी पुस्तिकामा दस्तखत गर्नुपर्नेछ । हाजिरी पुस्तिका विहान ८:०० बजेदेखि खुल्ला रहनेछ ।
 - ५) कुनै एक शेयरधनीले एकभन्दा बढी व्यक्तिलाई प्रतिनिधि (प्रोक्सी) नियुक्त गरी पठाएकोमा जसको नियुक्ति सबैभन्दा अघिल्लो मितिमा कम्पनीमा प्राप्त हुन्छ, निजलाई मात्र प्रतिनिधिको हैसियतले सभामा भाग लिने अधिकार हुनेछ ।
 - ६) सभामा भाग लिन प्रतिनिधि नियुक्त गरिसकेपछि शेयरधनीहरूले प्रतिनिधि फेरबदल गर्न चाहेमा मिति २०८१।०७।२९ गते अपरान्ह २:०० बजे भित्र सोको सूचना कम्पनीको रजिष्टर्ड कार्यालयमा दर्ता गराई सक्नु पर्नेछ ।
 - ७) नावालक शेयरधनीको तर्फबाट कम्पनीको शेयर लगत किताबमा संरक्षकको रूपमा नाम दर्ता भएको व्यक्तिले सभामा भाग लिन वा प्रतिनिधि तोक्न पाउनेछन् ।
 - ८) संयुक्त रूपमा शेयरधनी कायम गरिएको अवस्थामा कम्पनीको शेयर लगत किताबमा पहिले नाम उल्लेख भएको व्यक्ति अथवा सर्वसम्मत प्रतिनिधि नियुक्त गरिएको एक व्यक्तिले मात्र सभामा भाग लिन पाउनेछ ।
 - ९) छलफलका विषयमध्ये विविध शिर्षक अन्तर्गत छलफल गर्न ईच्छुक शेयरधनीहरूले सभा हुनुभन्दा ७ दिन अगावै छलफलको विषय कम्पनी सचिव मार्फत संचालक समितिको अध्यक्षलाई लिखित रूपमा दिनुपर्नेछ ।
 - १०) साधारणसभा सम्बन्धी थप जानकारीका लागि कम्पनीको प्रधान कार्यालय, मध्यपुर ठिमी-३, भक्तपुरमा सम्पर्क राख्नु हुन अनुरोध छ ।
- पुनश्च: कम्पनीबाट वार्षिक साधारण सभामा छलफल हुने विषयहरू सहितको सूचना शेयरधनी महानुभावहरूको ठेगानामा पठाईनेछ । कुनै शेयरधनी महानुभावले उक्त सूचना प्राप्त गर्न असमर्थ भएमा यसै सूचनालाई आधार मानी साधारण सभाको बैठकमा उपस्थित हुन अनुरोध गरिन्छ ।

संचालक समितिको आज्ञाले,

कम्पनी सचिव

एभरेष्ट कलर लिमिटेडको पहिलो वार्षिक साधारण सभामा सञ्चालक समितिको तर्फबाट प्रस्तुत अध्यक्षज्यूको मन्तव्य सहितको वार्षिक प्रतिवेदन आर्थिक वर्ष २०८०/८१

एभरेष्ट कलरलिमिटेडको प्रथम वार्षिक साधारण सभामा उपस्थित सम्पूर्ण शेयरधनी महानुभावहरू, विभिन्न नियमनकारी निकाय तथा नेपाल सरकारका सम्बन्धित विभाग तथा कार्यालयहरूबाट पाल्नु भएका प्रतिनिधिज्यूहरू, आमन्त्रित अतिथिज्यूहरू, पत्रकारज्यूहरू, सञ्चालक साथीहरू, लेखा परीक्षकज्यू, कानुनी सल्लाहकार ज्यू, कर्मचारीहरू लगायत उपस्थित महिला तथा सज्जनबृन्द । सबैप्रति म कम्पनीको अध्यक्ष तथा सञ्चालक समितिको तर्फबाट एभरेष्ट कलरमय स्वागत तथा अभिवादन व्यक्त गर्न चाहन्छु ।

आदरणीय महानुभावहरू,

सबै भन्दा पहिला म आफ्ना सदस्यहरूसँग दुख र खुशी दुवै एकै साथ बाँट्न चाहन्छु । नेपाली रँगको बजारमा आफ्नो बेग्लै पहिचान बनाई गुणस्तरीय उत्पादनहरू ल्याउने क्रममा सहकारी मोडलमा परिकल्पना गरीसुरु गरिएको एभरेष्ट कलरले ठूलो आरोह अवरोह भोग्नु परेको छ । आगलागीबाट रित्तिएर, कोरोना तथा आर्थिक मन्दिको मारमा परेर जर्जर भएको अवस्थामा पनि पनि यहाँहरूले प्रदान गर्नु भएको अटुट विश्वास र साथले हामी आजका दिनसम्म आईपुगेका छौं । यसले हामीलाई अझ जिम्मेवारी बढेको महशुस भएको छ । अझै अन्तराष्ट्रिय प्रविधि तथा गुणस्तरीय कच्चा पदार्थ प्रयोग गरी अझ गुणस्तरीय उत्पादन तथा सेवा प्रदान गरी नेपाली रँगको बजारमा एउटा सुनौलो कदम चालेर एभरेष्ट कलरलाई एभरेष्टभै उचाईमा पुर्याउन हामी यहाँ उपस्थित भएका छौं । आजका दिनसम्म आईपुग्न सहयोग, हौसला प्रदान गर्नुहुने समस्त शेयर सदस्य महानुभावहरू, कम्पनीका संचालक समितिका सहयात्री साथीहरू, कर्मचारीहरू तथा प्रत्यक्ष र अप्रत्यक्ष रूपमा संलग्न सम्पूर्ण महानुभावहरूमा विशेष धन्यवाद व्यक्त गर्दछु ।

रंग तथा निर्माण सामग्रीहरूको समग्र बजार कारोवारको दृष्टिकोणले आ.व. २०८०/८१ सुखद नभएको जानकारी म शेयरधनी महानुभावहरूलाई गराउन चाहन्छु । कोभिड संक्रमण पश्चात आएको आर्थिक मन्दि तथा राज्यको नीतिगत सुधारको अभावमा जटिल बनेको नेपाली निर्माण सामग्री बजार विभिन्न वाह्य तथा आन्तरिक कारण भएको मूल्य वृद्धि तथा निर्माण कार्य ठप्प जस्तो भई उत्पादन लागत खर्च बढ्न गएको अवस्थामा पनि कम्पनीको विक्रीमा आ.व. २०७९/८० को तुलनामा आ.व. २०८०/८१ मा वृद्धि भई गत आ.व. रु ९,५०,०२,०२१।२७ (अक्षरूपी रु.नौ करोड पचास लाख दुई हजार एक्काईस र पैसा सत्ताईस मात्र) मूल्य बराबरको विक्री गरी रु ३१,४४,०९६।१७ (अक्षरूपी रु एकतीस लाख चवालीस हजार सोह्र र पैसा सत्र मात्र) बराबरको खुद मुनाफा आर्जन गर्न सफल भएको छ । जुन यसै साथ संलग्न वार्षिक प्रतिवेदन सहितका वासलात, नाफानोक्सान, हिसाव विवरणबाट प्रष्ट देखिने नै हुँदा यहाँ पुनरावृत्ति गरेको छैन ।

गत आ.व.को लगभग अन्त्यमा पूँजी वृद्धि गरी एभरेष्ट कलर प्रा. लि. वाट पब्लिक लिमिटेड बनाउन सफल भयौं । साथै उत्पादनहरूको गुणस्तर, वातावरण प्रभावप्रतिको दायित्व, कार्यस्थलमा स्वास्थ्य र सुरक्षा आदिलाई मनन गरी अन्तराष्ट्रिय गुणस्तर प्रमाणिकरणका प्रमाण पत्र ISO 9001:2015 प्राप्त गर्न सफल हुँदै रँगको बजारमा व्यवसायीक रूपले व्यवस्थापन गरी गुणस्तरीय उत्पादन गर्न सक्षम भएको जानकारी गराउन चाहन्छु ।

आदरणीय शेयरधनी महानुभावहरू,

व्यापार व्यवसायमा हुने उतार चढाव एक निरन्तर प्रकृया हो, जसलाई व्यवस्थापन गर्दै अगाडि बढ्नु नै एक सफल व्यवसायको प्रमुख विशेषता हो । यस कम्पनीको स्थापनाका परिकल्पनाकार र हालका दिनसम्म ल्याउन अहोरात्र मेहनत गर्नुहुने श्री सरोज लुईटेलज्यू तथा श्री शैलेन्द्र कुमार सिटौलाज्यूलाई विशेष धन्यवाद र सम्मान व्यक्त गर्न चाहन्छु । साथै आजका दिनसम्म आईपुग्न विभिन्न समयमा हामीलाई सहयोग गर्ने सम्पूर्ण महानुभावहरूलाई पनि विशेष धन्यवाद व्यक्त गर्न चाहन्छु ।

गत आ.व. सम्ममा व्यक्तिगत सम्बन्ध, सीमित श्रोत, साधनमार्फत कम्पनीले पूर्वमा फिदिमदेखि पश्चिममा कैलालीको बौनियासम्म व्यवसाय गरिरहेको अवगत गराउन चाहन्छु । आगामी दिनहरूमा बजार क्षमताको

उपभोग वृद्धि गर्दै सञ्चालन गर्ने तथा उत्पादनमा लाग्ने लागत घटाउँदै निरन्तर नेपाली बजारमा उच्च गुणस्तरको रंग आपूर्ति गराउने लक्ष्य लिएका छौं । बजार विस्तार तथा बजारमा आफ्नो ब्राण्डको उपस्थिति मजबुत बनाउँदै लैजान रणनीतिक योजना एभरेष्ट कलरको रहेको छ । यहाँहरूलाई विदितै छ, स्थानीय, क्षेत्रीय तथा बहुराष्ट्रिय रंग उद्योगहरूसँग प्रतिस्पर्धा गर्नका लागि हामी अत्याधुनिक मेशीन तथा ल्याबले सज्जित छौं। हालका दिनहरूमा हामीले नेपाली हावापानी सुहाउँदा उच्च गुणस्तरका बाहिरी तथा भित्री सतहमा लगाउने वारेन्टी सहितका विभिन्न प्रकारका ईमल्सनहरू, १० वर्ष वारेन्टी भएको ड्याम्प प्रुफ, बाहिरी तथा भित्री प्राईमर, काठ तथा फलाममा लगाईने प्राईमर, ईनामेल लगायतका ब्यवसायिक रँग, रोगनहरू तथा औद्योगिक प्रयोजनमा प्रयोग हुने रँगहरू उत्पादन गरिरहेको जानकारी गराउँदछौं । उपभोक्ताको चाहना बमोजिमका १०२६ भन्दा बढी आकर्षक कलरहरू अत्याधुनिक कलर टिन्टिग मेशिनमार्फत आजको प्रविधिको उच्चतम प्रयोग गरेर EVEREST COLOUR SUMMIT नामक मोवाईल एप्लिकेशनवाटै डिलरहरू मार्फत फर्मुला उपलब्ध गराएका छौं । प्रतिस्पर्धि बजार अनुरूप उपभोक्तालाई रँग लगाउनु पूर्व कलर छनौट सहितको प्रिभ्यु सुविधा उपलब्ध गराउँदै आएका छौं । निकट भविष्यमा १२ वर्ष वारेन्टी भएको एक्सटिरियर ईमल्सन पनि ल्याउन लागेको अवगत गराउन चाहन्छु । कारखानामा कार्य गर्ने कर्मचारी र व्यवस्थापन बीच आपसमा सदभाव, कार्यगत एकता कायम राख्नका लागि तालिम, सेमिनार, भेला, वनभोज जस्ता कार्यक्रमद्वारा ऐक्यवद्धता र उत्प्रेरणा प्रदान गर्ने कार्यलाई आगामी दिनमा निरन्तरता दिईने छ । जसबाट कम्पनीमा कार्यरत मानव श्रोतबीच अभ्द समिप्यता श्रृजना भई उत्पादकत्व वृद्धिमा समेत सकारात्मक प्रभाव पर्ने अपेक्षा लिएका छौं । बजार विस्तारको लागी विगतकाभै रँग बेचबिखन गर्ने व्यापारिक साभेदारहरू साथै प्रयोग गर्न सहयोगी भूमिका खेल्ने ईन्टेरियर डिजाईनर, पेन्टर तथा ठेकेदारहरूलाई उत्प्रेरणाको लागि प्रतिष्पर्धी योजना ल्याउने छौ ।

आगामी दिनहरूमा एभरेष्ट कलरलाई एक नेपाली अग्रणी रँग कम्पनीको रुपमा स्थापित गर्ने तथा शेयरधनी महानुभावहरूलाई उच्च प्रतिफल दिन सक्ने विश्वास दिलाउन चाहन्छु । विशेषतःनेपालको भौतिक पूर्वाधार, संरचनाको निर्माण र नेपालकै विकासमा गुणस्तरीय एभरेष्ट कलर उत्पादन गरी आयात प्रतिस्थापन गर्ने, रोजगारीको श्रृजना गर्ने र आन्तरिक राजस्वमा योगदान पुऱ्याई देशको सेवा गर्ने प्रमुख उद्देश्य लिएर स्थापना भई संचालन भैरहेको यस कम्पनीको प्रभावकारी संचालनमा सम्बन्धित सबैको सद्भावपूर्ण सहयोग पाइरहने पूर्ण आशा गरेको छु ।

साथै,आफ्नो अमूल्य समय दिई यस वार्षिक साधारण सभामा उपस्थित भई कार्यक्रमको गरिमा बढाई दिनुभएकोमा यहाँहरू सबैप्रति हार्दिक कृतज्ञता व्यक्त गर्न चाहन्छु । अन्त्यमा, यस कम्पनीको आ. व. २०८०।०८१ को वार्षिक प्रतिवेदनमा उल्लेखित संलग्न विवरणहरू यहाँहरू स्वयंम् समेत अध्ययन गरी राय सुभाब प्राप्त गर्ने र संचालक समितिको निर्णयले छलफल गरी पारित गर्नका लागि यस सभा समक्ष प्रस्तुत गरेका प्रस्तावहरू पारित गरिदिनु हुन अनुरोध गर्दै सञ्चालक समिति तथा मेरो तर्फबाट प्रस्तुत संक्षिप्त मन्तव्य यहीं टुंग्याउँछु ।

अन्त्यमा, 'एभरेष्ट कलर पनि गुणस्तरमा कम छैन, ढुक्क भई प्रयोग गरौ र प्रयोग गर्न सल्लाह दिऔ ।'शुरुवात तपाई हामी बाट नै गरौ भन्दै विदा चाहन्छु ।

जय एभरेष्ट कलर ।

धन्यवाद ।

बद्विनाथ पोखरेल
सञ्चालक अध्यक्ष
एभरेष्ट कलर लिमिटेड
संचालक समिति
मिति : २०८१।०८।०१



नेपाल चार्टर्ड एकाउन्टेन्ट्स संस्था
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL
(Established under the Nepal Chartered Accountants Act, 1997)

UDIN Document

Fiscal Year: 2080/81

Generated Date / Time: 2024-10-02 11:02:04	UDIN Number: 241002CA01260TDr9g
Member Name: SUMAN SHRESTHA	Date of Signing Document: 2024-09-27
Document Type: Audit	Audit Type: Statutory Audit
Office Type: Unlisted Public Company	Office Name: EVEREST COLOUR Ltd.
Type of Audit Opinion: Unqualified Opinion	Period (AD): 2023-07-17 to 2024-07-15
Office PAN: 304977309	

Financial figures

S.N.	Heading	Amount
1	Total Asset/Liabilities	NRs. 231322298.49
2	Gross Revenue/Turnover	NRs. 95002021.27
3	Gross Expenses	NRs. 60135244.36
4	Net Profit Or Loss	NRs. 3144016.17

Status: Active Document

Document Description:

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF EVEREST COLOUR LTD.

Opinion

We have audited the financial statements of Everest Colour Ltd. (the "Company"), which comprise the statement of financial position as at 15 July, 2024 (31 Ashadh, 2081), the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows 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 of the Company as at 15 July, 2024, and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

Basis for 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 financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook of The 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. During our audit of the financial statements, we observed that there were no key audit matters that are to be addressed in the context of our audit as a whole and would affect in forming our opinion thereon.

Other Information

Management is responsible for other information. The other information comprises the Chairman's statement and directors report, but does not include the financial statements and our auditors report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities 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 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 part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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.

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.

Report on Other Legal and Regulatory Requirements

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

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose for audit.
- ii) The accounts and records of the company have been maintained as required by law.
- iii) Financial statements are in agreement with the books of account maintained by the company.
- iv) In our opinion and to the best of our information and according to the explanations given to us, the Board of Directors, the representative, or any employee of the company has not acted contrary to the provision of law relating to accounts nor caused direct loss or damage to the company deliberately or acted in a manner that would jeopardize the interest and security of the company.
- v) The operations of the company were within its jurisdiction.
- vi) We have not come across any fraudulence in the accounts, so far as it appeared from our examination of the book of accounts.


Suman Shrestha, FCA.
Partner



Shrestha and Neupane Associates,
Chartered Accountants

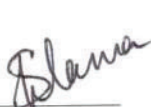
Date: September 27, 2024 (Ashwin 11, 2081)

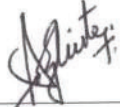
Place: Kathmandu

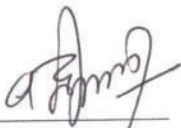
EVEREST COLOUR LIMITED
Bhaktapur, Nepal
Statement of Financial Position
As at Ashad 31, 2081 (15 July, 2024)

Particulars	Notes	As at 31 Ashad 2081	As at 31 Ashad 2080 (Restated)	As at 1 Shrawan 2079 (Restated)
Assets				
Non Current Assets				
Property, Plant and Equipment	6.1	111,746,896.48	102,883,176.49	65,079,973.10
Intangible Assets	6.2	178,483.20	208,230.40	237,977.60
Deferred Tax Assets (Net)		-	-	-
Investment in Shares	6.3	12,500.00	12,500.00	12,500.00
Total Non-Current Assets		111,937,879.68	103,103,906.89	65,330,450.70
Current Assets				
Inventories	6.16	24,704,794.25	22,090,114.22	20,695,998.73
Income Tax Receivable	6.4	128,403.78	126,260.06	125,591.26
Trade and other receivable	6.4	55,268,271.53	41,989,181.45	42,377,748.41
Advance and deposits	6.4	23,154.86	-	-
Cash and cash equivalents	6.5	34,716,652.43	1,590,741.67	474,230.76
Other Financial Assets	6.6	4,543,141.96	4,466,041.96	4,276,320.62
Total Current Assets		119,384,418.81	70,262,339.36	67,949,889.78
Total Assets		231,322,298.49	173,366,246.26	133,280,340.48
Equity				
Share Capital	6.7	167,506,550.00	65,368,100.00	65,368,100.00
Advance for Share Capital		18,449,025.00	10,000,600.00	6,800,600.00
Retained Earnings		(20,944,976.75)	(24,088,992.92)	(28,400,880.44)
Revaluation Reserve		30,837,200.00	30,837,200.00	-
Total Equity		195,847,798.25	82,116,907.08	43,767,819.56
Liabilities				
Non Current Liabilities				
Loans and Borrowings	6.8	6,430,102.10	37,549,910.24	32,404,472.46
Non current Portion of Lease Liability	6.9	331,212.23	760,364.47	1,136,457.45
Deferred Tax Liabilities(Net)	6.10	9,703,688.35	8,933,685.93	323,888.85
Total Non-Current Liabilities		16,465,002.68	47,243,960.64	33,864,818.76
Current Liabilities				
Trade and other payables	6.11	12,643,574.98	16,272,493.55	20,757,110.27
Short Term Borrowings	6.12	-	20,398,357.00	27,119,236.39
Current Portion of Lease Liability	6.9	429,159.68	376,092.95	314,798.36
Tax Liabilities	6.13	2,584,753.85	1,560,484.93	2,983,541.21
Employee Benefits Liability	6.14	2,558,262.96	3,461,909.38	3,141,550.07
Other Liabilities	6.11	793,746.09	1,936,040.73	1,331,465.86
Total Current Liabilities		19,009,497.56	44,005,378.54	55,647,702.16
Total Liabilities		35,474,500.24	91,249,339.18	89,512,520.92
Total Equity and Liabilities		231,322,298.49	173,366,246.26	133,280,340.48

The Notes to accounts form an integral part of the financial statements.


Krishna Bahadur Lama
CFO


Saroj Luitel
CEO


Badri Nath Pokharel
Chairperson



Suman Shrestha
Partner
Shrestha and Neupane Associates
Chartered Accountants

Date: September 27, 2024
Place: Kathmandu



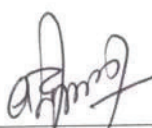
EVEREST COLOUR LIMITED
Bhaktapur, Nepal
Statement of Profit or Loss
For the year ended 31 Ashad 2081 (15 July, 2024)

Particulars	Notes	Year Ended 31-03-2081	Year Ended 31-03-2080 (Restated)
Revenue from operations	6.15	95,002,021.27	67,627,556.29
Cost of Goods Sold	6.16	60,135,244.36	36,964,409.08
Gross Profit		34,866,776.91	30,663,147.21
Other Income	6.17	370,042.90	872,898.28
Employee Benefit Expenses	6.18	6,116,609.73	4,034,694.46
Administrative Expenses	6.19	5,085,380.36	4,389,744.43
Depreciation	6.1	2,697,081.91	2,625,657.24
Amortisation	6.1	29,747.20	29,747.20
Selling And Distribution Expenses	6.20	11,392,665.42	7,721,375.52
Profit from Operations		9,915,335.19	12,734,826.64
Finance Cost	6.21	6,001,316.60	7,522,442.05
Profit Before Tax		3,914,018.59	5,212,384.59
Income Tax Expense	6.22	-	-
Current Tax		-	-
Deferred Tax Expense/ (Income)		770,002.43	900,497.07
Profit From Continuing Operations		3,144,016.17	4,311,887.52
Profit /(Loss) On Discontinued Operations (Net Of Tax)		-	-
Net Profit For The Year		3,144,016.17	4,311,887.52
Basic Earnings Per Share (NPR)	6.23	2.11	3.30
Diluted Earnings Per Share (NPR)	6.23	2.11	3.30

The Notes to accounts form an integral part of the financial statements.


 Krishna Bahadur Lama
 CFO


 Saroj Luitel
 CEO


 Badri Nath Pokharel
 Chairperson


 CA. Suman Shrestha
 Partner

Shrestha and Neupane Associates
 Chartered Accountants

Date: September 27, 2024
 Place: Kathmandu



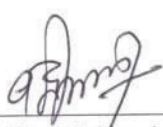
EVEREST COLOUR LIMITED
Bhaktapur, Nepal
Statement of Other Comprehensive Income
For the year ended 31 Ashad 2081 (15 July, 2024)

Particulars	Notes	Year Ended 31-03-2081	Year Ended 31-03-2080 (Restated)
Net Profit For The Year As Per Profit Or Loss Statements		3,144,016.17	4,311,887.52
Other Comprehensive Income			
Gain/(Loss) On Revaluation		-	38,546,500.00
Available-For-Sale Financial Assets		-	-
Reclassification Adjustments		-	-
Exchange Gain/Loss Arising On Translation Of Foreign Operations		-	-
Actuarial Gain/Loss On Defined Benefit Pension Schemes		-	-
Tax Relating To Components Of Other Comprehensive Income		-	(7,709,300.00)
Total Other Comprehensive Income (OCI)		-	30,837,200.00
Total Comprehensive Income (TCI)		3,144,016.17	35,149,087.52

The Notes to accounts form an integral part of the financial statements.


 Krishna Bahadur Lama
 CFO


 Saroj Luitel
 CEO


 Badri Nath Pokharel
 Chairperson


 CA. Suman Shrestha
 Partner

Shrestha and Neupane Associates
 Chartered Accountants

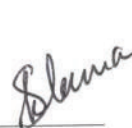
Date: September 27, 2024
 Place: Kathmandu



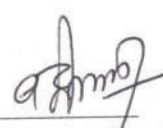
EVEREST COLOUR LIMITED
Bhaktapur, Nepal
Statement of Cashflows
For the year ended 31 Ashad 2081 (15 July, 2024)

Particulars	Year Ended 31-03-2081	Year Ended 31-03-2080 (Restated)
Cash Flows From Operating Activities		
Profit For The Year	3,914,018.59	5,212,384.59
Adjustment For:		
Depreciation On Property, Plant And Equipment	2,697,081.91	2,625,657.24
Amortization Of Intangible Assets	29,747.20	29,747.20
Increase / Decrease In Trade And Other Receivables	(13,281,233.80)	387,898.16
Increase / Decrease In Inventories	(2,614,680.02)	(1,394,115.49)
Increase / Decrease In Advances and Deposits and other Financial Assets	(100,254.86)	(189,721.34)
Increase / Decrease In Trade And Other Payables	(3,746,944.29)	(5,303,098.13)
Increase/Decrease In Employee Benefits	(903,646.42)	320,359.30
Increase/Decrease In Other Liabilities	-	-
Increase / Decrease In Lease Liability	(376,085.51)	(314,798.37)
Cash Generated From Operations.	(14,381,997.20)	1,374,313.16
Net Cash Flows From Operating Activities	(14,381,997.20)	1,374,313.16
Cash Flow From Investing Activities		
Proceeds From Sale Of Property, Plant And Equipment	1,589,129.37	-
Acquisition Of Property, Plant And Equipment	(13,149,931.27)	(1,882,360.64)
Purchase Of Intangibles	-	-
Net Cash Flows From Investing Activities	(11,560,801.90)	(1,882,360.64)
Cash Flow From Financing Activities		
Proceeds from the Issue Of Share Capital	102,138,450.00	-
Repayment Of Borrowings	(51,518,165.14)	(1,575,441.61)
Advance for Share Capital	8,448,425.00	3,200,000.00
Net Cash Flows From Financing Activities	59,068,709.86	1,624,558.39
Net Increase In Cash And Cash Equivalents	33,125,910.76	1,116,510.91
Cash And Cash Equivalents at beginning of the year	1,590,741.67	474,230.76
Exchanges (Losses)/Gains On Cash And Cash Equivalents	-	-
Cash And Cash Equivalents At the end of the year	34,716,652.43	1,590,741.67

The Notes to accounts form an integral part of the financial statements.


Krishna Bahadur Lama
CFO


Saroj Luitel
CEO


Badri Nath Pokharel
Chairperson


CA. Suman Shrestha
Partner
Shrestha and Neupane Associates
Chartered Accountants



Date: September 27, 2024
Place: Kathmandu

EVEREST COLOUR LIMITED
Bhaktapur, Nepal

Statement of Changes in Equity
As at Ashad 31, 2081 (15 July, 2024)

Particulars	Share Capital	Advance For Share Capital	Revaluation Reserve	Retained Earnings	Total
FY 2079/80					
Balance as at Shrawan 1, 2079	65,368,100.00	6,800,600.00	-	(24,392,201.51)	47,776,498.49
Adjustment/Restatement					
Adjustment due to change in estimates	-	-	-	-	-
Adjustment for right to use assets and lease liability	-	-	-	(298,782.76)	(298,782.76)
Adjustment for DTA for FY 2079/80	-	-	-	(3,709,896.17)	(3,709,896.17)
Restated Balance as at 1 Shrawan 2079	65,368,100.00	6,800,600.00	-	(28,400,880.44)	43,767,819.56
Profit For The Year	-	-	-	4,311,887.52	4,311,887.52
Other Comprehensive Income	-	-	(7,709,300.00)	-	(7,709,300.00)
Surplus On Revaluation Of Properties	-	-	38,546,500.00	-	38,546,500.00
Advance for Share Capital	-	3,200,000.00	-	-	3,200,000.00
Balance as at 31 Ashad 2080	65,368,100.00	10,000,600.00	30,837,200.00	(24,088,992.92)	82,116,907.08

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Particulars	Share Capital	Advance For Share Capital	Revaluation Reserve	Retained Earnings	Total
FY 2080/81					
Balance At Shrawan 1, 2080	65,368,100.00	10,000,600.00	30,837,200.00	(24,088,992.92)	116,154,107.08
Change In Accounting Policies	-	-	-	-	-
Restated Balance as at 1 Shrawan 2080	65,368,100.00	10,000,600.00	30,837,200.00	(24,088,992.92)	116,154,107.08
Profit For The Year	-	-	-	3,144,016.17	3,144,016.17
Issue Of Share Capital	102,138,450.00	-	-	-	102,138,450.00
Advance for Share Capital	-	8,448,425.00	-	-	8,448,425.00
Balance as at 31 Ashad 2081	167,506,550.00	18,449,025.00	30,837,200.00	(20,944,976.75)	195,847,798.25

The Notes to accounts form an integral part of the financial statements.


 Krishna Bahadur Lama
 CFO


 Saroj Luitel
 CEO


 Badri Nath Pokharel
 Chairperson


 C.A. Surpan Shrestha

Shrestha and Neupane Associates
 Chartered Accountants



Date: September 27, 2024
 Place: Kathmandu

Everest Colour Ltd.
Bhaktapur, Nepal
Notes to Statement of Financial Position
As at 31st Ashad, 2081

6.1

Amount in NPR

Note
Property, Plant & Equipments (PPE)

For the Year 2080-81	Right-to-use Assets	Land	Land and Buildings	Plant and Equipments	Furnitures and Fixtures	Office Equipments	Vehicles	Intangible Assets	Total
Cost:									
At start of year	1,152,473.03	53,659,000.00	28,318,926.45	10,399,104.63	1,047,702.99	3,548,839.35	7,382,787.29	237,977.60	105,746,811.34
Additions	-	4,180,110.00	2,797,123.28	-	75,223.92	726,068.62	5,371,405.45	-	13,149,931.27
Disposals	-	-	-	-	-	-	(1,975,353.21)	-	(1,975,353.21)
At end of year	1,152,473.03	57,839,110.00	31,116,049.73	10,399,104.63	1,122,926.91	4,274,907.97	10,778,839.53	237,977.60	116,921,389.40
Accumulated depreciation									
At start of year	314,310.83	-	487,697.79	577,085.84	130,962.87	192,751.51	922,848.41	29,747.20	2,655,404.44
Charge for the year	314,310.83	-	490,255.14	577,085.84	131,045.31	203,065.44	981,319.36	29,747.20	103,091,406.89
Disposals	-	-	-	-	-	-	(386,223.83)	-	(386,223.83)
At end of year	628,621.65	-	977,952.93	1,154,171.67	262,008.18	395,816.95	1,517,943.94	59,494.40	4,996,009.72
Carrying amounts as on 31 Ashad, 2081	523,851.38	57,839,110.00	30,138,096.80	9,244,932.96	860,918.73	3,879,091.02	9,260,895.59	178,483.20	111,925,379.68
For the Year 2079-80									
Cost:									
At start of year	1,152,473.03	15,112,500.00	27,345,283.62	10,283,508.88	1,047,702.99	2,755,717.29	7,382,787.29	237,977.60	65,317,950.70
Additions	-	38,546,500.00	973,642.83	115,595.75	-	793,122.06	-	-	40,428,860.64
Disposals	-	-	-	-	-	-	-	-	-
At end of year	1,152,473.03	53,659,000.00	28,318,926.45	10,399,104.63	1,047,702.99	3,548,839.35	7,382,787.29	237,977.60	104,594,338.31
Accumulated depreciation									
At start of year	314,310.83	-	487,697.79	577,085.84	130,962.87	192,751.51	922,848.41	29,747.20	2,655,404.44
Charge for the year	-	-	-	-	-	-	-	-	-
Disposals	314,310.83	-	487,697.79	577,085.84	130,962.87	192,751.51	922,848.41	29,747.20	2,655,404.44
At end of year	838,162.20	53,659,000.00	27,831,228.66	9,822,018.79	916,740.12	3,356,087.84	6,459,938.88	208,230.40	103,091,406.89
Carrying Amount as on 31 Ashad, 2080									



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Everest Colour Ltd.
Bhaktapur, Nepal
Notes to Statement of Financial Position
As at 31st Ashad, 2081

Note

6.2

Intangible Assets

Particular	Amount in NPR		
	As at 31 Ashad 2081	As at 31 Ashad 2080 (Restated)	As at 1 Shrawan 2079 (Restated)
Cost:			
At start of year	237,977.60	237,977.60	
Additions	-	-	
Disposals	-	-	
At end of year	237,977.60	237,977.60	
Accumulated Amortization			
At start of year	29,747.20	-	
Charge for the year	29,747.20	29,747.20	
Disposals	-	-	
At end of year	59,494.40	29,747.20	
Carrying amounts as on Ashadh End	178,483.20	208,230.40	237,977.60

Note

6.3

Investment in Shares

Unquoted Equity Investments:

Particulars	Amount in NPR		
	As at 31 Ashad 2081	As at 31 Ashad 2080 (Restated)	As at 1 Shrawan 2079 (Restated)
Fair value of investment as at beginning of the year	12,500.00	12,500.00	12,500.00
Additions/transfers	-	-	-
Investment value	-	-	-
Reclassification	-	-	-
Fair value gain through Other Comprehensive Income	-	-	-
Fair value of investment as at end of the year (A)	12,500.00	12,500.00	12,500.00

Note

6.4

Trade & Other Receivables

Particulars	Amount in NPR		
	As at 31 Ashad 2081	As at 31 Ashad 2080 (Restated)	As at 1 Shrawan 2079 (Restated)
Advance and deposits	23,154.86	-	-
Income Tax Receivable	128,403.78	126,260.06	125,591.26
Trade and other receivable	55,268,271.53	41,989,181.45	42,377,748.41
VAT Receivable	-	-	-
Total	55,419,830.17	42,115,441.51	42,503,339.67

The fair value of these financial assets are assumed to be their carrying value due to their short term nature

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Everest Colour Ltd.
Bhaktapur, Nepal
Notes to Statement of Financial Position
As at 31st Ashad, 2081

Note

6.5

Cash and Bank Balance

Amount in NPR

Particulars	As at 31 Ashad 2081	As at 31 Ashad 2080 (Restated)	As at 1 Shrawan 2079 (Restated)
Cash Balance	686,414.78	114,830.48	29,779.62
Total	686,414.78	114,830.48	29,779.62
Bank Balance			
Chitwan Audhyogic Bikash Saving & Credit Co-operative Ltd.	60,281.10	48,281.10	32,014.36
Everest Bank Ltd.	2,195,385.49	620,847.28	197,943.91
Global IME Bank Ltd.	620,762.97	101,564.60	
NIC Asia Bank Ltd.	6,095,161.67	196,863.43	214,492.87
Prabhu Bank Ltd.	25,058,646.42	508,354.78	-
Total	34,030,237.65	1,475,911.19	444,451.14
Grand Total	34,716,652.43	1,590,741.67	474,230.76

For the purposes of the cash flow statement, cash and cash equivalents comprise cash and balances with banks with less than three months maturity

Note

6.6

Other Financial Assets

Amount in NPR

Particulars	As at 31 Ashad 2081	As at 31 Ashad 2080 (Restated)	As at 1 Shrawan 2079 (Restated)
Advance to Creditors	866,458.66	110,429.01	105,550.00
Margin Money	1,086,480.23	96,009.01	617,430.97
Other Advance and Deposits	-	22,154.86	22,154.86
Imprest/Other Advance	1,401,638.92	3,177,245.96	2,651,760.23
Prepaid Expenses	129,537.78	124,044.15	86,081.23
Staff Advance	1,059,026.37	936,158.97	793,343.33
Total	4,543,141.96	4,466,041.96	4,276,320.62

Note

6.7

Equity Share Capital

Amount in NPR

Particular	As at 31 Ashad 2081	As at 31 Ashad 2080 (Restated)	As at 1 Shrawan 2079 (Restated)
Authorized Share Capital (6,000,000 equity Share of Rs. 50 Each)	300,000,000.00	100,000,000.00	100,000,000.00
Issued Share Capital (5,200,000 equity Share of Rs. 50 Each)	260,000,000.00	100,000,000.00	100,000,000.00
Subscribed and Paid-up Capital (3,350,131 equity Share of Rs. 50 Each)	167,506,550.00	65,368,100.00	65,368,100.00
Total	167,506,550.00	65,368,100.00	65,368,100.00
At end of year	167,506,550.00	65,368,100.00	65,368,100.00

Note

6.8

Loans and Borrowings

Amount in NPR

Particulars	As at 31 Ashad 2081	As at 31 Ashad 2080 (Restated)	As at 1 Shrawan 2079 (Restated)
Mid Term Loan(GBIME)	-	33,644,500.00	27,247,000.00
Vehicle Loan (Mahindra Bolero)	1,036,587.08	1,185,628.68	1,294,814.88
Vehicle Loan	5,393,515.02	2,094,734.42	2,620,430.60
Vehicle Loan (Breeze)	-	625,047.14	1,242,226.98
Total	6,430,102.10	37,549,910.24	32,404,472.46

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Everest Colour Ltd.
Bhaktapur, Nepal
Notes to Statement of Financial Position
As at 31st Ashad, 2081

Note

6.11

Other Liabilities

Particulars	As at 31 Ashad 2081	As at 31 Ashad 2080 (Restated)	As at 1 Shrawan 2079 (Restated)
Trade & Other Payable	12,643,574.98	16,272,493.55	20,757,110.27
Audit Fee Payable	108,350.00	78,800.00	80,000.00
Lease Payable	-	77,680.00	40,020.00
Retention Money	600,000.00	600,000.00	600,000.00
Sinking Fund	-	536,898.92	446,000.00
Advance from Debtors	85,396.09	142,661.81	117,151.99
Rabin B.K	-	500,000.00	-
Prabhu Bank Ltd	-	-	35,784.18
Provision	-	-	12,509.69
Total	793,746.09	1,936,040.73	1,331,465.86

The fair value of these financial liabilities have been assumed to be their carrying amount due to their short term nature

Note

6.12

Short Term Borrowings

Amount in NPR

Particulars	As at 31 Ashad 2081	As at 31 Ashad 2080 (Restated)	As at 1 Shrawan 2079 (Restated)
Overdraft Loan (GBIME)	-	16,000,000.00	15,208,236.39
Short Term Loan	-	4,398,357.00	11,911,000.00
Total	-	20,398,357.00	27,119,236.39

Note

6.13

Tax Liabilities

Amount in NPR '000

Particulars	As at 31 Ashad 2081	As at 31 Ashad 2080 (Restated)	As at 1 Shrawan 2079 (Restated)
Social Security tax payable (Salary & Wages)	13,613.77	1,580.95	13,182.57
Tax deduction on Source	323,419.68	415,260.19	1,403,171.82
Excise Duty payable	1,042,601.49	578,107.60	880,753.58
VAT payable	1,205,118.91	565,536.19	583,992.80
Provision for VAT as per section 8(3)	-	-	102,440.44
Total	2,584,753.85	1,560,484.93	2,983,541.21

Note

6.14

Employee Benefit Liabilities

Amount in NPR

Particulars	As at 31 Ashad 2081	As at 31 Ashad 2080 (Restated)	As at 1 Shrawan 2079 (Restated)
Salary Payable	1,717,976.31	2,297,710.16	2,121,223.48
SSF Payable	217,366.65	143,199.22	420,326.59
CIT Payable	622,920.00	1,021,000.00	600,000.00
Total	2,558,262.96	3,461,909.38	3,141,550.07

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Note
Leases

6.9

A. Leases as lessee

The company has taken on lease a flat on rent for its business operation for 7 years, with an option to renew the lease after that date. Lease payments have escalation clause for increment at 10% after every 2 years.

Information about leases for which the Company is a lessee is presented below.

A.1 Right-of-use Assets

Right-of-Use Assets related to leased properties that donot meet the definition of investment property are presented as Property, Plant & Equipment.

Particulars	Year Ended 31-03-2081	Year Ended 32-03-2080
Balance as on 1st Shrawan	838,162.20	1,152,473.03
Depreciation for the year	(314,310.83)	(314,310.83)
Addition to Right-of-use Assets	-	-
Derecognition of Right-of-use Assets	-	-
Balance as an Ashad End	523,851.38	838,162.20

A.2 Amounts Recognised in Profit or Loss Account

Particulars	Year Ended 31-03-2081	Year Ended 32-03-2080
Interest on lease liabilities	91,770.49	124,709.72
Expenses relating to short-term leases	-	-
Total	91,770.49	124,709.72

A.3 Amounts recognized in Statement of Cashflows

Total Cash outflow as per the lease agreement for the fiscal years is as following:

Particulars	Year Ended 31-03-2081	Year Ended 32-03-2080
Total Cash flow for the year (as per Agreement)	467,863.44	439,508.08
Total	467,863.44	439,508.08

A.4 Lease Liability

Detail about the liability under lease agreements for right to use assets with breakdown of curent and long term portion of liability is as below:

Particulars	Year Ended 31-03-2081	Year Ended 32-03-2080
Opening Liability	1,136,457.43	1,451,255.79
Additional Liability during the year	-	-
Finance Cost	91,770.49	124,709.72
Cash Payment	467,856.00	439,508.08
Net Total Lease liability as on Ashad End	760,371.91	1,136,457.43

Breakdown:

Current Portion of Lease Liability	429,159.68	376,092.95
Non Current Portion of Lease Liability	331,212.23	760,364.47
Total Lease Liability as on Ashad End	760,371.91	1,136,457.43

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Everest Colour Ltd.

Bhaktapur, Nepal

Notes to Statement of Financial Position

6.10

Amount in NPR			
Deferred Tax	2081-03-31	2080-03-31 (RESTATED)	2079-04-01 (RESTATED)
Particulars			
Deferred Tax Asset	154,930.11	228,481.37	290,251
Deferred Tax Liability	(9,858,618.46)	(9,162,167.30)	(614,140)
Net Deferred Tax Asset / (Liability)	(9,703,688.35)	(8,933,685.93)	(323,888.85)
Net Changes	(770,002.43)	(8,609,797.07)	
Deferred Tax on Other Comprehensive Income	-	-	
Transfer to Statement of Profit or Loss Account	(770,002.43)	(8,609,797.07)	
Recognized in profit or loss	(770,002.43)	(900,497.07)	
Recognized in OCI	-	(7,709,300.00)	
Deferred Tax Assets at the end of year	(9,703,688.35)	(8,933,685.93)	

Deferred Income Tax Assets and Liabilities, deferred tax charge/ (credit) in the profit or loss and to equity attributable as below

Amount in NPR				
As at 2081.03.31	Book Value Base	Tax Base	Difference	DTA/(DTL)
Particulars				
Property, Plant and Equipment	57,839,110.00	19,292,610.00	(38,546,500.00)	(7,709,300.00)
Land	53,383,935.10	43,161,194.15	(10,222,740.95)	(2,044,548.19)
Other than Land	178,483.20	192,761.86	14,278.66	2,855.73
Intangible Assets	523,851.38	-	(523,851.38)	(104,770.28)
Right To use of Assets	760,371.91	-	(760,371.91)	152,074.38
Accrued Lease Liability	-	-	(48,518,441.76)	(1,994,388.35)
Total				(7,709,300.00)

Amount in NPR				
As at 2080.03.31	Book Value Base	Tax Base	Difference	DTA/(DTL)
Particulars				
Property, Plant and Equipment	53,659,000.00	15,112,500.00	(38,546,500.00)	(7,709,300.00)
Land	48,386,014.29	41,959,840.00	(6,426,174.30)	(1,285,234.86)
Other than Land	208,230.40	214,179.84	5,949.44	1,189.89
Intangible Assets	838,162.20	-	(838,162.20)	(167,632.44)
Right To use of Assets	1,136,457.43	-	(1,136,457.43)	227,291.49
Accrued Lease Liability	-	-	(44,668,429.63)	(1,224,385.93)
Total				(7,709,300.00)

Amount in NPR				
As at 2079.04.01	Book Value Base	Tax Base	Difference	DTA/(DTL)
Particulars				
Property, Plant and Equipment and IA	64,165,477.65	62,247,250.62	(1,918,227.03)	(383,645.41)
Right To use of Assets	1,152,473.03	-	(1,152,473.03)	(230,494.61)
Accrued Lease Liability	1,451,255.79	-	(1,451,255.79)	290,251.16
Total	1,152,473.03		298,782.76	(323,888.85)



Signature of the authorized person, likely the Director or Manager, with a date stamp.



Everest Colour Ltd.
Bhaktapur, Nepal
Notes to Statement of Profit or loss and Other Comprehensive Income
For the period from 1st Shrawan 2080 to 31st Ashad 2081

Note

6.15

Revenue from Operation

Amount in NPR

Particulars	Year Ended 31-03-2081	Year Ended 31-03-2080 (Restated)
Paints Sales	77,023,920.72	70,805,253.42
Colourent Sales	1,961,038.08	2,704,484.78
Wall Putty Sales	-	249,059.41
DTS Machine Sales	778,761.09	1,099,645.32
Raw Materials Sales	27,797,150.00	1,573,875.00
Packing Materials Sales	32,725.00	21,504.00
Plastic Drums & Other Sales	189,334.00	126,631.79
Less: Trade Discount	(11,691,597.62)	(8,036,253.12)
Less: Sales Return	(1,089,310.00)	(916,644.31)
Total	95,002,021.27	67,627,556.29

Note

6.16

Cost of Goods Sold

Amount in NPR

Particulars	Year Ended 31-03-2081	Year Ended 31-03-2080 (Restated)
Raw Material and Packing Materials		
Opening Stock	16,680,691.71	15,477,346.74
Add: Purchase	54,364,437.57	29,660,426.71
Less: Sales	-	-
Less: Closing Stock	20,904,379.02	16,680,691.71
Raw Material and Packing Material Consumed	50,140,750.26	28,457,081.74
Finished Goods		
Opening Stock	5,409,422.51	5,218,651.99
Add: Purchase	796,352.10	2,443,550.99
Add: Direct Expenses	7,589,134.71	6,254,546.87
Total Cost of Production	63,935,659.58	42,373,831.59
Less: Closing Stock	3,800,415.23	5,409,422.51
Cost of Goods Sold	60,135,244.36	36,964,409.08

Note

6.17

Other Income

Amount in NPR

Particulars	Year Ended 31-03-2081	Year Ended 31-03-2080 (Restated)
Interest Income from Bank Deposit	13,176.34	4,490.05
Miscellaneous Income	21,836.64	13,408.23
Gain on sale of vehicle	335,029.92	-
Insurance Claim	-	855,000.00
Total	370,042.90	872,898.28

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Everest Colour Ltd.
Bhaktapur, Nepal
Notes to Statement of Profit or loss and Other Comprehensive Income
For the period from 1st Shrawan 2080 to 31st Ashad 2081

Note

6.18

Employee benefit expenses

Amount in NPR

Particulars	Year Ended 31-03-2081	Year Ended 31-03-2080 (Restated)
Salary	6,016,374.73	4,034,694.46
Staff Welfare Expense	100,235.00	-
Total	6,116,609.73	4,034,694.46

Note

6.19

Administrative Expenses

Amount in NPR

Particulars	Year Ended 31-03-2081	Year Ended 31-03-2080 (Restated)
<u>Indirect Expenses (Branch Office)</u>		
Aid & Donation Expenses	34,560.00	140,355.00
Audit Fee	110,000.00	80,000.00
Bank Charges & Commission	361,509.60	150,725.52
Certification Fee	-	-
Communication	370,025.13	329,545.27
Consultancy Fee	-	-
Fine & Penalties	27,543.21	3,950.00
Guest Entertainment Expenses	7,140.00	10,301.00
Insurance Expenses	289,753.72	286,889.63
Legal & Consultancy Expenses	1,153,500.00	53,600.00
Local Conveyance	62,360.00	58,337.50
Lunch and Snacks Expenses	-	117,165.00
Miscellaneous Expenses	38,221.73	36,078.56
Office Expenses	307,475.37	255,325.74
Postage & courier	19,011.79	16,171.83
Previous Year Expenses	20,839.00	-
Printing & Stationery	190,849.60	242,867.29
Renewal & registration Charge	154,645.00	191,171.00
Sampling Expenses	-	5,442.00
Software AMC Charge	269,791.78	320,208.22
Travelling Expenses	82,269.99	132,119.31
Water & Electricity (Office)	42,188.76	34,559.25
<u>Indirect Expenses (Factory Office)</u>		
A/C Written Off	-	2,681.50
Communication	4,000.00	5,000.00
Medical Aid to staff & Workers	-	350.00
Puja expenses	91,722.00	166,040.00
Security expenses	304,220.00	538,963.00
Vehicle running & Fuel Expenses	677,338.42	949,738.91
Total	4,618,965.10	4,127,585.53

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Everest Colour Ltd.
Bhaktapur, Nepal
Notes to Statement of Profit or loss and Other Comprehensive Income
For the period from 1st Shrawan 2080 to 31st Ashad 2081
Repair and Maintenance Expenses

		<i>Amount in NPR</i>
	Year Ended 31-03-2081	Year Ended 31-03-2080 (Restated)
Particulars		
Repair and Maintainance (Furniture)	-	13,900.00
Repair & Maintainance Expenses-office Equipment	32,880.53	16,133.63
Repair & Maintainance Expenses(Vehicles)	303,809.15	159,868.57
Repair and Maintainance (Plant & Machinery)	14,350.00	54,604.00
Repair and Maintainance (Factory)	115,375.58	17,652.70
Total	466,415.26	262,158.90

Note 6.20

Selling and Distribution Expenses

		<i>Amount in NPR</i>
	Year Ended 31-03-2081	Year Ended 31-03-2080 (Restated)
Particulars		
Salary Expenses	4,702,285.49	3,803,069.31
Advertisement Expenses	36,124.00	735,491.20
Business Promotion Expenses	895,331.83	227,240.00
Catalogue expenses	-	285,226.94
Dealers' Meet expenses	2,262,773.81	227,922.71
Discounts and Commission Expenses	1,209,188.08	292,654.12
Loading & Unloading Expenses	2,929.24	10,860.76
TADA expenses	-	116,070.00
Transportation/ Freight on Sales	1,193,128.32	1,199,228.20
Travelling Expenses	1,090,904.65	823,612.28
Total	11,392,665.42	7,721,375.52

Note 6.21

Finance Cost

		<i>Amount in NPR</i>
	Year Ended 31-03-2081	Year Ended 31-03-2080 (Restated)
Particulars		
Interest Expenses	5,909,546.11	7,397,732.33
Finance Cost on Lease Liability	91,770.49	124,709.72
Total	6,001,316.60	7,522,442.05

Note 6.22

Tax Expense (Recognized in Statement of Comprehensive Income)

Total tax expense of the company has been briefed as below;

		<i>Amount in NPR</i>
	Year Ended 31-03-2081	Year Ended 31-03-2080 (Restated)
Particulars		
Current Tax Expense		
Current Tax on Profit for the year	-	-
Total Current Tax	-	-
Deferred Tax		
Deferred Tax Recognized in Profit or Loss	770,002.43	900,497.07
Deferred Tax Recognized in Statement of Other Comprehensive Income	-	7,709,300.00
Total Deferred Tax (Income)/ Expense	770,002.43	8,609,797.07

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Everest Colour Ltd.

Bhaktapur, Nepal

Notes to Statement of Profit or loss and Other Comprehensive Income
For the period from 1st Shrawan 2080 to 31st Ashad 2081

Note

6.23

Earnings Per Share

Basic earnings per share (EPS) amount are calculated by dividing the net profit attributable to shareholders by weighted average number of shares outstanding at the end of the year.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The following reflects the profit and share data used in the basic and diluted EPS computations:

<i>Amount in NPR</i>		
Particulars	Year Ended 31-03-2081	Year Ended 31-03-2080 (Restated)
Net profit attributable to Shareholders for Basic and diluted earnings	3,144,016.17	4,311,887.52
Weighted average number of Ordinary Shares for basic EPS	1,492,050.70	1,307,362.00
Effects of dilution:		
Share Option	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	-	-
Basic earning per ordinary share	2.11	3.30
Diluted earning per ordinary share	2.11	3.30

Since there is no convertible and other option, diluted earning per share would be equal to Basic earning per share.

Calculation of Weighted no. of shares:

Particulars	Year Ended 31-03-2081	Year Ended 31-03-2080 (Restated)
Opening number of shares	1,307,362	653,681
Issued during the year	2,042,769	-
Weighted no. of shares issued during the year	184,689	-
Bonus share issued during the year	-	1,307,362
Share Spilt during the year	-	-
Right share issued during the year	-	-
No. of right shares issued	-	-
Weighted no. of right shares issued	-	-
Total Weighted No of shares	1,492,051	1,307,362

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Note 9: Disclosures of Effects of First Time Adoption of NFRS

As on 2079-04-01 (Date of Transition to NFRS)

Reconciliation of Statement of Financial Position reported for Shrawan 1, 2079 due to the adoption of NFRS (on the date of transition to NFRS)

Particulars	Local GAAP	Remeasurement/ Reclassification	NFRS Balance as at Shrawan 1, 2079	Reasons for Reclassification or Remeasurement
Assets				
Non Current Assets				
Property, Plant And Equipment	63,927,500.05	1,152,473.05	65,079,973.10	Recognition of ROU Asset as per NFRS 16
Intangible Assets	237,977.60	-	237,977.60	
Investment In Shares	12,500.00	-	12,500.00	
Deferred-Tax Assets	3,386,007.32	(3,386,007.32)	-	Difference in tax base and financial base of, due to recognition of ROU Asset and lease liability as per NFRS 16 and depreciation method
Total Non-Current Assets	67,563,984.96	(2,233,534.27)	65,330,450.70	
Current Assets				
Inventories	20,695,998.73	-	20,695,998.73	
Income Tax Receivable	126,260.06	(668.80)	125,591.26	Trade receivables and other financial assets segregated
Trade And Other Receivables	46,653,400.23	(4,275,651.82)	42,377,748.41	Trade receivables and other financial assets segregated
Other Financial Assets	-	4,276,320.62	4,276,320.62	
Cash And Cash Equivalents	474,230.77	-	474,230.76	
Total Current Assets	67,949,889.79	-	67,949,889.78	
Total Assets	135,513,874.75	-	133,280,340.48	
Equity				
Share Capital	65,368,100.00	-	65,368,100.00	Reclassification from Non-Current Liability to Equity
Advance For Share Capital	-	6,800,600.00	6,800,600.00	Difference due to recognition of ROU Assets and Lease Liability as per NFRS 16
Retained Earnings	(24,392,201.51)	(4,008,678.93)	(28,400,880.44)	and its Deferred Tax under NAS 12.
Total Equity	40,975,898.49	2,791,921.07	43,767,819.56	
Liabilities				
Non Current Liabilities				
Loans And Borrowings	32,404,472.46	-	32,404,472.46	
Non Current Portion of Lease Liability	-	1,136,457.45	1,136,457.45	Difference due to recognition of lease liability as per NFRS 16
Deferred Tax Liabilities(Net)	-	-	323,888.85	Difference due to reversal of Deferred Tax Assets created under GAAP
Advance For Share Capital	6,800,600.00	(6,800,600.00)	-	Reclassification from Non-Current Liability to Equity
Total Non-Current Liabilities	39,205,072.46	(5,664,142.55)	33,864,818.76	
Current Liabilities				
Trade And Other Payables	20,757,110.27	-	20,757,110.27	
Short Term Borrowings	27,119,236.39	-	27,119,236.39	
Current Portion Of Lease Liability	-	314,798.36	314,798.36	Difference due to recognition of lease liability as per NFRS 16
Tax Liability	2,983,541.21	-	2,983,541.21	
Employee Benefits Liability	-	3,141,550.07	3,141,550.07	Liabilities related to employee benefits segregated from other liabilities
Other Liability	4,473,015.93	(3,141,550.07)	1,331,465.86	
Total Current Liabilities	55,332,903.80	314,798.36	55,647,702.16	
Total Liabilities	94,537,976.26	(5,025,455.34)	89,512,520.92	
Total Equity And Liabilities	135,513,874.75	(2,233,534.27)	133,280,340.48	



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Note 9 (continued): First Time Adoption of NFRS
Reconciliation of Statement of Financial Position reported for 31 Ashad 2080 due to the adoption of NFRS (on the date of transition to NFRS)

Particulars	Local GAAP	Remeasurement/ Reclassification	NFRS Balance as at Ashad 31, 2080	Reasons for Reclassification or Remeasurement
Assets				
Non Current Assets				
Property, Plant And Equipment	98,601,736.69	4,281,439.80	102,883,176.49	Recognition of ROU Asset as per NFRS 16
Intangible Assets	214,179.84	(5,949.44)	208,230.40	Change in amortization method of Intangible Asset
Investment In Shares	12,500.00	-	12,500.00	
Deferred Tax Assets	3,664,316.50	(3,664,316.50)	-	Difference in tax base and financial base due to recognition of ROU Asset and lease liability as per NFRS 16 and depreciation method
Total Non-Current Assets	102,492,733.03	611,173.86	103,103,906.89	
Current Assets				
Inventories	22,090,114.22	-	22,090,114.22	Included in advance now segregated
Income Tax Receivable	-	126,260.06	126,260.06	
Trade and other Receivables	41,989,181.45	-	41,989,181.45	
Advances and Deposits	4,592,302.02	(4,592,302.02)	-	Advances and deposits reclassified under Other Financial Assets
Other Financial Assets	-	4,466,041.96	4,466,041.96	Advances and deposits reclassified under Other Financial Assets
Cash and Cash Equivalents	1,590,741.66	0.01	1,590,741.67	
Total Current Assets	70,262,339.35	0.01	70,262,339.36	
Total Assets	172,755,072.38	611,173.87	173,366,246.26	
Equity				
Share Capital	65,368,100.00	-	65,368,100.00	Changes due to adjustments of deferred tax expenses
Retained Earnings	(22,339,323.44)	(1,749,669.48)	(24,088,992.92)	Advance for share capital presented as a equity component as per NAS 32
Advancement for Share Capital	-	10,000,600.00	10,000,600.00	Changes due to deferred tax implication on revalued amount of land
Revaluation Reserve	38,546,500.00	(7,709,300.00)	30,837,200.00	
Total Equity	81,575,276.56	541,630.52	82,116,907.08	
Liabilities				
Non Current Liabilities				
Loans and Borrowings	37,549,910.24	-	37,549,910.24	Advance for share capital presented as a equity component as per NAS 32
Advance for Share Capital	10,000,600.00	(10,000,600.00)	-	
Employee Benefits	-	760,364.47	760,364.47	Difference due to recognition of lease liability as per NFRS 16
Non current Portion of Lease Liability	-	-	-	Difference in tax base and financial base due to recognition of ROU Asset and lease liability as per NFRS 16 and depreciation method
Deferred Tax Liabilities(Net)	-	8,933,685.93	8,933,685.93	
Total Non-Current Liabilities	47,550,510.24	(306,549.60)	47,243,960.64	
Current Liabilities				
Trade and other Payables	16,272,493.55	-	16,272,493.55	
Short Term Borrowings	20,398,357.00	-	20,398,357.00	
Current Portion of Long Lease Liability	-	376,092.95	376,092.95	Difference due to recognition of lease liability as per NFRS 16
Tax Liabilities	1,560,484.93	-	1,560,484.93	
Employee Benefits Liability	-	3,461,909.38	3,461,909.38	Employee Benefits previously grouped under Other Payables now segregated
Other Liabilities	5,397,950.11	(3,461,909.38)	1,936,040.73	Employee Benefits previously grouped under Other Payables now segregated
Total Current Liabilities	43,629,285.59	376,092.95	44,005,378.54	
Total Liabilities	91,179,795.83	69,543.35	91,249,339.18	
Total Equity and Liabilities	172,755,072.39	611,173.87	173,366,246.26	



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Note 9: Disclosures of Effects of First Time Adoption of NFRS
Reconciliation of Statement of Comprehensive Income for the year ended Ashad 31, 2080

Particulars	Local GAAP	Remeasurement/ Reclassification	NFRS Balance as at Ashad 31, 2080	Reasons for Reclassification and Remeasurement
Revenue from Operation	67,627,556.29	-	67,627,556.29	
Cost of Sales	36,964,409.08	-	36,964,409.08	
Gross Profit	30,663,147.21	-	30,663,147.21	
Other Income	872,898.28	-	872,898.28	
Employee Benefit Expenses	-	4,034,694.46	4,034,694.46	Employee Benefit accumulated in Administrative Expenses now segregated
Administrative Expenses	-	-	-	
Depreciation	8,566,139.43	(4,176,395.00)	4,389,744.43	Employee Benefit Expenses have been segregated, Repair Expenses have been clubbed under this head and Employee Benefit Expenses has now been segregated
Amortization	5,778,421.76	(3,152,764.52)	2,625,657.24	Depreciation and amortization previously cumulated now shown separately and also changes due to change in depreciation method as per NAS 16, and depreciation on ROU as per NFRS 16
Selling and Distribution Expenses	-	29,747.20	29,747.20	
Finance Costs	7,721,375.52	-	7,721,375.52	
Repair and Maintenance	262,158.90	(262,158.90)	-	Included in administrative expenses
Profit from Operations	9,207,949.88	3,526,876.76	12,734,826.64	
Finance Costs	7,397,732.33	124,709.72	7,522,442.05	Changes due to interest portion on lease liability as per NFRS 16
Profit Before Tax	1,810,217.55	3,402,167.04	5,212,384.59	
Income Tax Expense	-	-	-	
Current Tax	(278,309.18)	(1,178,806.25)	900,497.07	Changes due to treatment of NAS 16 and NFRS 16
Deferred Tax	-	-	-	
Profit From Continuing Operations	2,088,526.73	4,580,973.29	4,311,887.52	
Profit/(Loss) On Discontinued Operations (Net Of Tax)	-	-	-	
Net Profit For The Year	2,088,526.73	4,580,973.29	4,311,887.52	
Other Comprehensive Income	-	-	-	
Revaluation Surplus	-	38,546,500.00	38,546,500.00	Land revalued as per NAS 16 under revaluation model
Deferred Tax	-	(7,709,300.00)	(7,709,300.00)	Deferred tax on revalued amount on land as per NAS 12
Total Comprehensive Income (TCI)	2,088,526.73	35,418,173.29	35,149,087.52	



Signature of the auditor, Shree & Neupane Associates.



Note 9: Disclosures of Effects of First Time Adoption of NFRS
Reconciliation of Statement of Cash Flows for the year ended Ashad 31, 2080

Particulars	Local GAAP	Remeasurement/ Reclassification	NFRS Balance as at Ashad 31, 2080	Reasons for Reclassification and Remeasurement
Cash Flow from Operating Activities				
Profit for the year	1,810,217.56	3,402,167.03	5,212,384.59	
Adjustment For:				
Depreciation On Property, Plant And Equipment	5,778,421.76	(3,152,764.52)	2,625,657.24	Due to change in depreciation and amortization method and due to application of NFRS 16
Amortization of Intangible Assets	-	29,747.20	29,747.20	Due to change in depreciation and amortization method
Revaluation of Land	38,546,500.00	(38,546,500.00)	-	Revaluation is not considered since, it is not related to operating activities
Increase / Decrease In Current Assets	(190,390.14)	668.80	(189,721.34)	Trade receivables and other financial assets segregated
Increase / Decrease In Inventories	(1,394,115.49)	-	(1,394,115.49)	
Increase / Decrease In Trade And Other Receivables	388,566.96	(668.80)	387,898.16	Trade receivables and other financial assets segregated
Increase / Decrease In Trade And Other Payables	(4,982,738.83)	(320,359.30)	(5,303,098.13)	Trade receivables and other financial assets segregated
Increase/Decrease In Lease Liability	-	(314,798.37)	(314,798.37)	Due to application of NFRS 16
Increase/Decrease In Employee Benefits	-	320,359.30	320,359.30	Previously employee payables not segregated now segregated
Increase / Decrease In Other Liabilities	(35,648.67)	35,648.67	-	Previously, was shown under PL appropriation now included in administrative expenses
Net Cash Flows From Operating Activities	39,920,813.15	(38,546,499.99)	1,374,313.16	
Cash Flow From Investing Activities				
Proceeds From Sale Of Property, Plant And Equipment	(1,882,360.64)	-	-	
Acquisition Of Property, Plant And Equipment	(38,546,500.00)	38,546,500.00	(1,882,360.64)	Previously, revalued amount was shown under investing activities, now excluded
Capitalization of Property, Plant and Equipments	-	-	-	
Purchase Of Intangibles	-	-	-	
Net Cash Flows From Investing Activities	(40,428,860.64)	38,546,500.00	(1,882,360.64)	
Cash Flow From Financing Activities				
Proceeds From Financing Activities	-	-	-	
Proceeds From The Issue Of Share Capital	3,200,000.00	-	3,200,000.00	
Increase/Decrease In Advance For Share	(1,575,441.61)	-	(1,575,441.61)	
Repayment Of Borrowings	-	-	-	
Net Cash Flows From Financing Activities	1,624,558.39	-	1,624,558.39	
Net Increase In Cash And Cash Equivalents	1,116,510.91	-	1,116,510.91	
Cash And Cash Equivalents at the beginning of the year	474,230.76	-	474,230.76	
Exchanges (Losses)/Gains On Cash And Cash Equivalents	-	-	-	
Cash And Cash Equivalents at the end of the year	1,590,741.67	-	1,590,741.67	



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Note 9: Disclosures of Effects of First Time Adoption of NFRS

Reconciliation of Statement of Changes in Equity as at Shrawan 1, 2079 and Ashad 31, 2080

Particulars	Notes	Year Ended 31-03-2080	Year Ended 01-04-2079
Total Equity as per Local GAAP		81,575,276.56	40,975,898.49
Changes in opening Equity due to application of NFRS		(4,008,678.93)	-
Fair Value of Investment held at OCI, net of deferred tax adjustments		(7,709,300.00)	-
Advance for Share Capital included in component of equity as per NFRS		10,000,600.00	6,800,600.00
Changes in Profit or Loss			
Change in Depreciation Charge due to application of NFRS		3,123,017.32	-
Changes in Lease Rentals due to application of NFRS 16		314,798.38	(298,782.76)
Change in Current Tax		-	-
Deferred Tax Implication due to application of NFRS		(1,178,806.25)	(3,709,896.17)
Total changes		541,630.52	2,791,921.07
Total Equity as per NFRS		82,116,907.08	43,767,819.56

Notes:

A. Previously, the entity applied written down value (WDV) method for the calculation of depreciation. However, the entity has assessed the useful lives of the assets on the basis of the application guidance as issued by Accounting Standards Board (ASB) and depreciation has been computed under Straight Line Method. This has rendered significant change in the amount of depreciation previously recorded and the amount charged to profit or loss statement.

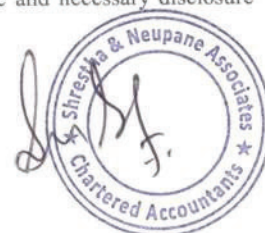
B. Under previous GAAP, the lease rentals were booked on accrual basis on the basis of the amount payable as per the agreement. However, as per the provisions of NFRS 16, the lease rentals are considered as Finance Lease and are recorded as Right to Use Assets and a Lease Liability. Depreciation is charged on the Right to Use Asset with a Lease Liability recorded of the same amount. The ROU Asset is depreciated over the lease term and the interest on Lease Liability is charged to Profit or Loss Statement.

C. The Deferred Tax Implication due to the application of NFRS has been applied wherever applicable and necessary disclosure regarding the same has also been provided.

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EVEREST COLOUR LIMITED

BHAKTAPUR, NEPAL

Notes to the Financial Statements

For the year ended 31st Ashadh 2081

1. General Information

Everest Colour Company Limited (ECL) is a paint manufacturing company established on 2068 B.S. in Nepal. The company is registered under Companies Act, 2063 as a public company on 2081/03/10 (2024 June 24). The company has been registered under VAT and Income Tax with Inland Revenue Department as on 2068/01/28 and under excise as on 2069/04/11. The registered office of the company is located at Bhaktapur, Nepal and the factory is located at Khairahani, Chitwan.

2. Basis of Preparation

2.1. Statement of Compliance

The Financial statements of the Company have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) including Nepal Accounting Standards (NAS), IFRS Interpretation Committee (IFRIC), Standards Interpretation Committee (SIC) and Application Guidance issued by Accounting Standard Board of Nepal (ASB).

Previous year's figures have been regrouped/reclassified wherever necessary to confirm with the current year's classification / disclosures.

2.2. Accounting Pronouncements

The company for its preparation of financial statement has adopted accounting policies to comply with the pronouncements made by Accounting Standards Board Nepal.

2.3. Accounting Conventions

The financial statements are prepared on a historical cost convention except for certain financial elements that have been measured at fair value, wherever standard requires or allows such measurement. The fair values, wherever used, are discussed in relevant notes.

The financial statements are prepared on accrual basis. The financial statements have been prepared on going concern basis. The company has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future.

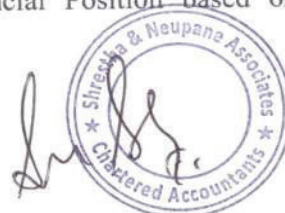
2.4. Presentations

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

The company presents assets and liabilities in Statement of Financial Position based on current/non-current classification.



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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 equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The company classifies a liability as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities as non-current.

Deferred Tax assets and liabilities are classified as non-current assets/liabilities.

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

The Statement of Profit or Loss has been prepared using classification 'by function' method.

The Statement of Cash flows has been prepared using indirect method.

2.5. Significant Accounting Policies

The company, under NFRS, is required to apply accounting policies to most appropriately that suit its circumstances and operating environment. Directors and management are required to make judgement in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the company's reported financial position, results or cashflows.

Specific accounting policies have been included in the specific section of the notes for each item of financial statements which requires disclosures of accounting policies or changes in accounting policies. Effect and nature of the changes have been disclosed.

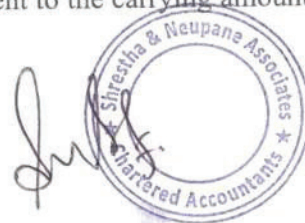
2.6. Accounting estimates

The preparation of financial statements in line with NFRS which requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent asset and liabilities at the date of financial statements.

The company applies estimates in preparing and presenting the financial statements. The estimates and underlying assumptions are reviewed periodically. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount



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of assets or liabilities in future periods. The estimates are reviewed periodically by the management. Revision to accounting estimate are recognized in the period in which the estimates are revised and are applied prospectively.

Disclosures of the accounting estimates have been included in the relevant sections of the notes wherever the estimates have been applied along with the nature and effect of changes of accounting estimates, if any.

2.7. Financial Periods:

The company prepares financial statements in accordance with the Nepalese financial year based on the Nepalese calendar. The corresponding dates for the Gregorian calendar are as follows:

Relevant Financial Statement	Nepalese Calendar	Gregorian/English Calendar
Opening NFRS SOFP* Date	1 Shrawan, 2079	17-July-2022
Comparative SFP* Date	31 Ashad 2080	16-July-2023
Comparative reporting period	1 Shrawan 2079 - 31 Ashad 2080	17 July 2022- 16 July 2023
First NFRS SFP* Date	31 Ashad 2081	15- July- 2024
First NFRS reporting period	1 Shrawan 2080- 31 Ashad 2081	17 July 2023 - 15 July 2024

2.8. Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately, unless they are immaterial.

2.9. Discounting

Discounting has been applied where assets and liabilities are non-current, and the impact of the discounting is material.

2.10. Limitations on NFRS implementation

If the information is not available and the cost to develop would exceed the benefit derived, such exception to NFRS implementation has been noted and disclosed in respective section.

3. Significant Accounting Policies

3.1. Property, Plant and Equipment

Property, Plant and equipment are initially measured at cost in the Statement of Financial Position. These are inclusive of all cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if applicable for each class of assets. Property, plant and equipment are recognized as an asset, if and only if 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.

Cost includes the purchase price and other directly attributable costs of property, plant and equipment. Cost also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognized in profit or loss as incurred. Subsequent costs that do not meet the recognition criteria under NFRS are expensed as and when incurred.

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Initial estimate of cost of dismantling and removal is included in the initial cost of property, plant and equipment by discounting the future outflow to its present value and unwinding the discount each year. The company at present doesn't have any liability for dismantling and removal and hence no estimate of the same has been made.

3.1.1. Depreciation

The company depreciates property, plant and equipment following Straight Line Method based on the useful life of the assets. The useful life of the asset differs from the useful life as prescribed under Appendix – I of Application Guidance Note on NAS 16 as the company believes that the useful life depicts the best use of the asset. The useful life of the assets used for depreciation purpose as per the management estimates are as follows:

<i>Assets</i>	<i>Useful Life</i>
Right to Use Asset	Over the lease term
Land	Infinite
Land and Buildings	60 yrs
Plant and Equipment	20 yrs
Furniture and Fixtures	10 yrs
Office Equipment	20 yrs
Vehicles	10 yrs

The rates have been applied consistently over the years. The residual values, useful lives and the depreciation methods of assets are reviewed at least at each financial year end and, if expectations differ from previous estimates, are accounted for as a change in accounting estimates in accordance with NAS 8. An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are included in profit or loss.

3.1.1.1. Change in Accounting Estimate

Change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and accordingly, are not corrections of errors.

3.1.2. Revaluation

The land of the company is stated at revalued amounts. The effective date of revaluation is 2080.03.25. The land was revalued by an independent valuator Endeavour Engineering Services Pvt. Ltd.

The carrying amount of the land would be as below if the land was not revalued:

<i>Particulars</i>	<i>Carrying Amount (NRs.)</i>	<i>Revalued Amount (NRs.)</i>	<i>Revaluation Surplus (NRs.)</i>
Land	15,112,500	53,659,000	38,546,500



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3.1.3. De-recognition

An item of property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from the use of that asset. The gain or loss arising from the disposal of an item of property, plant and equipment is the difference between net disposal proceeds, if any, and the carrying amount of that item and is recognized in the Statement of Profit or Loss.

3.2. Intangible Assets

An intangible asset is recognized based on costs incurred to acquire and bring to use, where it is probable that the extended future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Amortization is recognized on a straight-line basis over their estimated useful lives. Accounting software is amortized over an estimated useful life of 10 years (the estimate is being reviewed periodically.) The amortization expense has been shown as a separate line item in the Statement of Profit or Loss.

3.3. Leases

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i. As a Lessee

At commencement or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

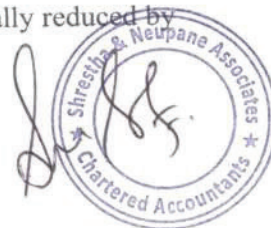
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by



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impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The company has determined its' incremental borrowing rate as per the interest rate charged by Global IME Bank on its lending which is 9.49% for the financial year.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the Effective Interest Rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'Other Liabilities' in the statement of financial position.

Short-term leases and leases of low-value assets

The company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a Lessor

At inception or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the company acts as a lessor, it determines at lease inception whether each lease is a finance



lease or an operating lease.

To classify each lease, the company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the company applies NFRS 15 to allocate the consideration in the contract.

The company recognizes lease payments received under operating leases as income on a straight line basis over the lease term as part of 'other revenue'. During the financial year, the company has not entered into any agreement as a lessor, hence no income is generated due to the same.

3.4. Income Tax Expense

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

(i) Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and any adjustments to tax payable or receivable in respect of previous years. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset if certain criteria are met.

Income tax rates applicable to the Company

Income from manufacturing and sale of goods: 20%

Income from trading activities: 25%

The company has availed rebate of 20% on tax liabilities on Income from manufacturing and sale of goods under Section 11 (2Kha) of Income Tax Act, 2058.

(ii) Deferred Tax

Deferred tax is recognized using the liability method on taxable temporary differences between the tax base and the accounting base of items included in the Statement of Financial Position of the company and the corresponding tax bases used in the computation of taxable profit. Deferred tax



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liabilities are generally recognized for all taxable temporary differences. Deferred Tax Assets (DTA) are generally recognized for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred Tax Liabilities (DTL) and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the assets realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is calculated on temporary differences at the future effective rate of 20%. Deferred tax has been recognized in respect of all tax gain/loss and other temporary differences giving rise to deferred tax liability(net) where the management believe it is probable that this liability will be adjusted.

(iii) Reconciliation of Profit

The reconciliation of the Profit as per financial statement and tax is shown below:

Profit as per Financials	3,914,018.59
Add : Fines & Penalties	27,543.21
Add : Miscellaneous Expenses	38,221.73
Add : Previous Year Expenses	20,839.00
Add : Donation Expenses	34,560.00
Add: Finance expense on lease	91,770.49
Add: Depreciation and amortization as per FS	2,726,829.11
Less : Depreciation and amortization as per Tax	(5,844,307.82)
Less: Carried forward losses	(27,372,830.37)
Less: Rent Expenses	(467,856.00)
Less: Gain on sale of vehicle	(335,029.92)
Profit as per Tax	(27,166,241.98)

3.5. Inventories

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

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



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

Cost of finished goods includes the cost of raw materials, packing materials, direct labor and appropriate portions of fixed and variable production overheads incurred in bringing the inventory to their present location and condition. The weighted average method is used for valuation of finished goods by the company.

3.6. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held with banks. Cash at bank earns interest at floating rates based on daily balances.

3.7. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument of another entity. The company classifies financial assets and financial liabilities in accordance with the categories specified in NAS 32 and NFRS 9.

3.7.1. Financial Assets

Financial Asset is any asset that is:

- a) Cash
- b) An equity instrument of another entity:
- c) A contractual right:
 - i) To receive cash or another financial asset from another entity: or
 - ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity: or
- d) A contract that will or may be settled in the entity's own equity instruments and is:
 - i) A non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments: or,
 - ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets of the company comprise of Advances, Other Current Assets, Trade Receivables and Cash and Cash Equivalents.

These instruments are interest bearing and non-interest bearing. Where, interest component is present, the implicit interest rate approximates the effective interest rate. These instruments are expected to be settled or recovered within a year. Therefore, it is assumed that the carrying amount represents the amortized cost of the assets.

3.7.1.1. Investments

The company has made investments in the shares of Chitwan Audhyogic Bikash Saving & Credit Co-operative Ltd.



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The company recognizes its investment at its cost on initial recognition, where cost is assumed to be the fair value of investments.

3.7.1.2. Trade and other Receivable

Trade and other Receivables comprises of amount receivable from the customers and are non-interest bearing and are generally on terms of 30 to 90 days. The company does not consider the fair value of the amounts to be significantly different from their carrying value. The company has estimated the expected credit losses to be immaterial.

3.7.2. Financial Liabilities

A financial liability is any liability that is:

- a) A contractual obligation:
 - i) To deliver cash or another financial asset to another entity: or
 - ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity: or
- b) A contract that will or may be settled in the entity's own equity instruments and is:
 - i) A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments: or,
 - ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instrument

Financial Liabilities are classified, at initial recognition, as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade payables and borrowings.

Financial liabilities held by the company are both interest bearing and non-interest bearing.

For interest bearing financial liabilities which comprises of the bank loans, interest charged by the bank approximates effective interest rate and the rate is considered for calculation of amortized cost of liability and the finance cost. The effect of initial charges and their impact on effective interest rate is not considered material and the carrying value is considered to approximate the amortized cost.

3.7.3. Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

When an issuer applies the definitions in Para 11 of NAS 32, "Financial Instruments" to determine whether a financial instrument is an equity instrument rather than a financial liability, the instrument is an equity instrument, if, and only if, both conditions (a) and (b) below are met:



- a) The instrument includes no contractual obligations:
- i) To deliver cash or another financial asset to another entity; or
 - ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the issuer.
- b) If the instrument will or may be settled in the issuer's own equity instruments, it is:
- i) A non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments: or,
 - ii) A derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Share Capital

The number and the face value of the shares of the company are as follows:

Particulars	As at 31 st Ashad, 2081			As at 31 st Ashad, 2080		
	Number of Shares	Face Value	Total (NRs.)	Number of Shares	Face value	Total (NRs.)
Authorized Share Capital	6,000,000	50	300,000,000	1,000,000	100	100,000,000
Issued Share Capital	6,000,000	50	300,000,000	1,000,000	100	100,000,000
Paid up Share Capital	3,350,131	50	167,506,550	653,681	100	65,368,100

Share issue expenses have not been netted off against the capital collected and such expenses have been charged off during those periods. The management considers that the cost of obtaining information is more than the benefits derived and the effect of such an amount as immaterial.

The face value of the equity shares has been decreased to NRs. 50 per share from the current financial year which was NRs. 100 per share previously.

Advance for Share Capital

The amount received for advance for share capital is the amount that is to be converted into the share capital of the company in the future. Since such amount meets the definition of the equity, they are presented as a component of equity in the Statement of the Financial Position.

3.8. Employee Benefits

(i) Short-term benefits and defined contribution

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The defined contribution expenses include employer's contribution to Social Security Fund. These amounts have been deposited in Social Security Fund, a 100% Government of Nepal undertaking.

Defined Contribution Plan is a post-employment benefit plan in which the entity pays fixed contribution to the fund and will have no legal or constructive obligation to pay further contributions



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if the fund is not able to pay the employee benefits. i.e. actuarial and investment risk lies with the employees. As per the recent amendment in Labor Act, the gratuity, which was previously classified as a Defined Benefit Plan, now is to be classified as Defined Contribution Plan and hence no actuarial calculations for the same shall have to be made.

Currently, the company does not have any defined benefit plans.

(ii) Other Long Term Employee Benefits

Other Long Term Employee Benefits include items not expected to be settled wholly before twelve months after the end of the annual reporting period. This item includes accumulated leaves and medical benefits. The company currently does not provide any long term benefits to the employees.

3.9. Revenue

The entity has applied NFRS 15-Revenue from Contracts with Customers for the recognition of revenue from its ordinary course of business.

3.9.1. Significant Accounting Policy

Revenue is measured based on the consideration specified in the contract with a customer. The entity recognizes revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e an asset) to a customer. In the comparative period, revenue was 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 and when recognition criteria related to the sale of goods i.e when the significant risks and rewards of ownership of the goods have transferred to the buyer, with the company retaining neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

3.9.2. Nature of Goods

The company is engaged in the manufacturing of paints, colourant, wall putty and trading of DTS Machine, raw materials and plastic drums.

3.9.3. Timing of Revenue Recognition

The company recognizes revenue at a point in time when control of goods is transferred to the customer, generally on delivery of the goods.

3.9.4. Sales Channel

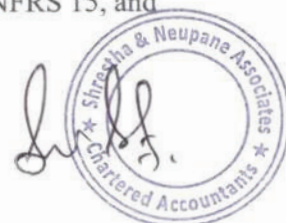
The company sells its goods through dealers as well as directly to the end consumer as well.

3.9.5. Transaction Price related to remaining performance obligations

Some of the sales made to dealers comprise trade discounts or volume rebates and incentives. Currently, the entity recognizes revenue from the sale of goods upon delivery measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If revenue cannot be reliably measured, the entity defers revenue recognition until the uncertainty is resolved. Such provisions give rise to variable consideration under NFRS 15, and will be required to be estimated at contract inception and updated thereafter.



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i) Volume Rebates

The entity provides retrospective volume rebates to its customers on all products purchased by the customer once the quantity of products purchased during the period under scheme in force exceeds a threshold specified in the scheme under constructive obligation as evidenced in sales and marketing policy of the company.

Under NFRS 15, retrospective volume rebates give rise to variable consideration. The amount of variable consideration is calculated at the end of the financial year on the basis of sales. The company has presented the rebates under Selling & Distribution Expenses.

4. Accounting Estimates and Risk Assessment:

4.1. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The critical accounting estimates and assumptions applied in the year are:

(a) Income Tax

The Company is subject to income taxes in Nepal. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Measurement of Fair Value

(i) Valuation of Quoted Equity Investments

The company uses the prevailing market rates for the valuation of quoted equity investments held by the company. The fair value changes due to valuation is transferred to Other Comprehensive Income (OCI). Currently, the company does not have any investment in quoted instruments.

(ii) Valuation of Unquoted Equity Investments

The Company uses valuation techniques for valuing unquoted shares that are not based on observable market data. The Company reviewed several valuation techniques and selected a value that is based on net assets of the company. The management has taken this decision as other methods for valuation were not available at the time of valuation.



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5. First Time Adoption of Nepal Financial Reporting Standards

These financial statements, for the year ended 31 Ashad 2081, are the first the company has prepared in accordance with NFRS. For periods up to and including the year ended 31 Ashad 2080, the company prepared its financial statements in accordance with local generally accepted accounting practice (Local GAAP).

Accordingly, the company has prepared financial statements which comply with NFRS applicable for periods ending on or after 31 Ashad 2081, together with the comparative period data as at and for the year ended 31 Ashad 2080, as described in the accounting policies. In preparing these financial statements, the company's opening statement of financial position was prepared as at 1 Shrawan 2079, the company's date of transition to NFRS. This note explains the principal adjustments made by the company in restating its Local GAAP statement of financial position as at 1 Shrawan 2079 and its previously published Local GAAP financial statements as at and for the year ended 31 Ashad 2080.

Exemptions Applied

NFRS 1 First-Time Adoption of International Financial Reporting Standards allows first-time adopters certain exemptions from the retrospective application of certain NFRS. The company has availed the following exemptions as provided by NFRS -1.

a) Deemed Cost for Property, Plant & Equipment

The entity has elected to apply to use the previous GAAP carrying amount of the property, plant and equipment at the date of transition to NFRSs as deemed cost as these costs were broadly comparable to their respective fair values.

b) Estimates

On assessment of the estimates made under previous GAAP financial statements, the company has concluded that there is no necessity to revise the estimates made under the NFRS, as there is no objective evidence that those estimates were made in error. However, estimates that were required under previous GAAP are made by the company for the relevant reporting dates reflecting conditions existing as at that date.

Transition to NFRS – Reconciliation

The following reconciliations provide the explanations and quantification of the differences arising from the transition from previous GAAP to NFRS in accordance with NFRS 1:

- A. Reconciliation of Statement of Financial Position as at Shrawan 1, 2079 (17 July 2022)
- B. Reconciliation of Statement of Financial Position as at Ashad 31, 2080 (16 July 2023)
- C. Reconciliation of Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity for the year ended Ashad 31, 2080. (16 July 2023)



7. Management of Risk

The Company's activities expose it to a variety of risks, including financial risk, credit risk, and the effects of changes in property values, debt and equity market prices, and interest rates. The Company's overall risk management program focuses on the identification and management of risks and seeks to minimize potential adverse effects on its financial performance, by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients, and defined criteria for the approval of intermediaries and reinsurers. Investment policies are in place which help manage liquidity and seek to maximize return within an acceptable level of interest rate risk.

This section summarizes the way the Company manages risk.

(i) Credit Risk Management

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. All the trade and other receivables as at the reporting date are not due for payment. The entity only has income tax receivable as at the end of the reporting date and hence, the management accordingly, does not believe that the Company has any exposure to credit risk.

(ii) Market Risk Management

Market risk comprises of four types of risk: interest rate risk, currency risk, commodity price risk, and other price risk such as equity price risk. Market risk is the risk that changes in market price, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company currently has no transactions which expose it primarily to the financial risks of changes in interest rates, equity prices etc.

(iii) Liquidity Risk Management

Liquidity risk is the risk that the Company will encounter difficulty 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 will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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8. Other Significant Disclosure

8.1. Related Party Disclosure

The Company identifies following as the related parties under the requirements of NAS 24.

- i) Companies represented by the Directors
- ii) The company and the reporting entity are the members of the same group
- iii) Directors of the Company and their close family members if any
- iv) Key Managerial Personnel and their close family members if any

8.1.1. Transactions with and payments to directors of the Company

Following constitutes the Board of Directors of the company:

Particulars	Position
Badri Nath Pokharel	Chairperson
Sailendra Kumar Sitaula	Member
Nabin Niraula	Member
Ananta Bartaula	Member
Saroj Luitel	CEO

During the fiscal year 2080/81, board meetings have been held five times. However, no allowances have been provided to the board members during the fiscal year.

8.1.2. Transactions with and payment to key management personnel

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to the key management personnel.

Following payments have been made to the key management personnel to the company during the financial year:

Particulars	2080/81
Short Term Employee Benefits	7,199,284.96
Other Long-Term Benefits	-

8.2. Subsequent Event or post balance sheet event after the reporting period.

There are no events past the reporting period which would require any adjustments to the financial statements, neither adjusting nor non-adjusting event.

8.3. Contingent Liabilities and Capital Commitment

8.3.1. Contingent Liabilities

Contingent liabilities are potential future cash outflows, where the likelihood of payment is considered more than remote but is not considered probable or cannot be measured reliably.

8.3.1.1. Corporate Tax Matters

The Inland Revenue Office, Bhaktapur has assessed income tax, and VAT liabilities of the company for the year 2076/77. For the unaccepted amount, the company has filed the case for Administrative Review. Pending decision from the Director General, additional liabilities have not



Signature

Signature

Signature



अनुसूची - ४

एभरेष्ट कलर लिमिटेड

मध्यपुर ठिमी ३, भक्तपुर ।

फोन नं. ०१-६६३४८०२

(कम्पनी ऐन, २०६३ को दफा ७१ सँग सम्बन्धित)

प्रोक्सी फारम

.....बस्ने, म..... यस एभरेष्ट कलर लिमिटेडको संस्थापक/सर्वसाधारण शेयरधनीको हैसियतले मिति २०.....।..... गते हुने वार्षिक साधारण सभामा सहभागी हुन नसक्ने भएकोले मेरो/हाम्रो प्रतिनिधित्व गरी सभाको छलफल तथा निर्णयमा भाग लिन तथा मतदान गर्नका लागि श्री..... लाई अख्तियारी प्रदान गरेको छु/छौं ।

प्रोक्सी लिनेले भर्ने :

प्रोक्सी दिनेले भर्ने :

प्रोक्सी लिनेको सही :

शेयर प्र.पत्र नं. :

शेयर धनी/DEMAT No.:

शेयर धनी/DEMAT No.:

ठेगाना :

शेयर संख्या :

मिति :

प्रोक्सी दिनेको सही :

मिति :

.....

प्रवेश पत्र

श्री एभरेष्ट कलर लिमिटेडको वार्षिक साधारण सभामा उपस्थितीको लागि जारी गरिएको प्रवेश पत्र

प्रोक्सी लिनेको नाम :

प्रोक्सी लिनेको शेयरधनी नं./DEMAT No.:

समुह : संस्थापक/सर्वसाधारण

प्रोक्सी लिनेको दस्तखत:

द्रष्टव्य:

१) शेयरधनी आफैले खाली कोष्ठहरू भर्नु होला ।

.....

२) सभाकक्षमा प्रवेश गर्न यो प्रवेश-पत्र प्रस्तुत गर्न अनिवार्य छ ।

रुजू गर्ने

३) शेयरधनी स्वयं उपस्थित भएमा प्रोक्सीद्वारा नियुक्त प्रतिनिधि स्वतः रद्द हुनेछ ।

४) प्रोक्सी दिँदा कम्पनीको शेयरधनीलाई मात्र दिन पाइनेछ ।

एभरेष्ट कलर लि.

નોટ :

[illegible]



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