

L.A. & ASSOCIATES

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BUSINESS INTEREST GROUP OF INDUSTRIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Business Interest Group of Industries Limited, which comprise the statement of financial position as at Ashad 31, 2081 (15 July 2024), the statement of profit or loss, the statement of 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, give a true and fair view of the financial position of the Company as at Ashad 31, 2081 (15 July 2024), and its financial performance, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flow for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

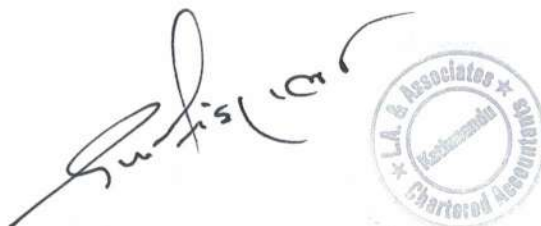
Basis for Opinion

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 the financial statements in jurisdiction, 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 judgment, were of most significance in our audit of the standalone financial statements for the year ended Ashad 31, 2081. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There is no matter to be reported under Key Audit Matters.



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 NFRSs, 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 responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.
- ☐ Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- ☐ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion, statement of financial position as at 31 Ashad 2081 (15 July 2024), 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 have been prepared in accordance with the requirements of the Companies Act, 2063, are in agreement with the books of account of the company, and proper books of account as required by law have been kept by the Company.

To the best of our information and accordingly to explanations given to us and so far appeared from our examination of the books of account of the Company necessary for the purpose of our audit, we have not come across cases where Board of Directors or any employees of the Company have acted contrary to the provisions of law relating to the accounts, or committed ant misappropriation or caused loss or damage to the Company relating to the accounts in the Company.

For and on behalf of
L.A. & Associates
Chartered Accountants

CA Sujit Koirala
Partner
COP No.: 1141



Place: Kathmandu
Date: 12th September 2024
UDIN: 240923CA01653tYSB6

Business Interest Group of Industries Limited

KMC-3 Ranibari, Kathmandu

Statement of Financial Position

As at 31st Ashad 2081 (15th July 2024)

Figures in NPR

Particulars	Note	As at 31 Ashad 2081	As at 31 Ashad 2080
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3.1	96,813,740	9,325,973
Intangible Assets	3.2	58,760	36,160
Deferred Tax Assets	3.3	-	-
Investment	3.4	756,510,455	606,783,225
Trade and Other Receivables	3.5	-	-
Total Non-Current Assets		853,382,956	616,145,357
Current Assets			
Trade and Other Receivables	3.5	226,585,537	324,249,408
Income Tax Receivables	3.6	534,293	-
Cash and Cash Equivalents	3.7	17,304,274	1,241,861
Total Current Assets		244,424,104	325,491,269
TOTAL ASSETS		1,097,807,060	941,636,627
EQUITY AND LIABILITIES			
Equity			
Share Capital	3.8	1,050,000,000	828,865,000
Share Application Money	3.9	-	101,520,000
Retained Earnings and Reserves	3.10	182,720	2,011,747
Total Equity		1,050,182,720	932,396,747
Liabilities			
Non-Current Liabilities			
Loan and Borrowing	3.11	44,000,000	-
Deferred Tax Liabilities	3.3	629	-
Total Non-Current Liabilities		44,000,629	-
Current Liabilities			
Income Tax Payable	3.6	-	594,090
Employee Benefit	3.12	235,505	-
Trade and other payables	3.13	3,388,206	8,645,790
Total Current Liabilities		3,623,711	9,239,880
Total Liabilities		47,624,340	9,239,880
TOTAL EQUITY AND LIABILITIES		1,097,807,060	941,636,627

Notes 1 to 4.7 form an integral part of these financial statements.

Ram Bhakta Dahal
Director

Indira Panta
Director

Naba Raj Burlakoti
Chairperson

Sujit Koirala, CA
Partner
For, L.A. & Associates
Chartered Accountants

Pawan Poudyal
Director

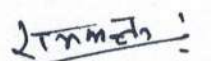


Business Interest Group of Industries Limited
KMC-3 Ranibari, Kathmandu
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31st Ashad 2081 (15th July 2024)

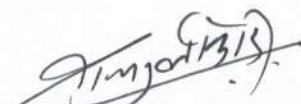
<i>Particulars</i>	<i>Note</i>	<i>FY 2080-81</i>	<i>Figures in NPR FY 2079-80</i>
Income			
Total Income	3.14	5,042,322	7,419,259
Employee Benefit Expenses		5,042,322	7,419,259
Administrative Expenses	3.15	1,896,402	80,000
Finance Costs	3.16	2,036,580	2,281,201
Depreciation, Amortization & Impairment of Assets	3.17	34,468	13,807
Total Expenditure	3.18	19,887	9,040
Profit/(Loss) Before Tax		3,987,337	2,384,048
Provision for Staff Bonus		1,054,985	5,035,211
Income Tax Expense		-	-
Profit/(Loss) from continuing operations	3.19	(263,012)	(670,583)
Profit/(Loss) on Discontinued Operations (Net of tax)		791,973	4,364,628
Net Profit/(Loss) for the year		-	-
Other comprehensive Income		791,973	4,364,628
Exchange Gain/Loss arising on translation of foreign operations		-	-
Actuarial Gain/(Loss) on defined Employment benefit		-	-
Gain/Loss on Revaluation		-	-
Total Comprehensive gain/(loss) for the year, net of tax		791,973	4,364,628

Notes 1 to 4.7 form an integral part of these financial statements.

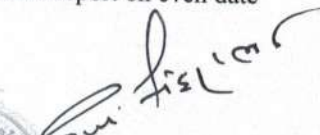
As per our attached report on even date


Ram Bhakta Dahal
 Director


Indira Panta
 Director


Naba Raj Burlakoti
 Chairperson




Sujit Koirala, CA
 Partner
 For, L.A. & Associates
 Chartered Accountants


Pawan Poudyal
 Director



Date: 12th September 2024
 Place: Kathmandu

Business Interest Group of Industries Limited

KMC-3 Ranibari, Kathmandu

Statement of Cash Flows

For the year ended 31st Ashad 2081 (15th July 2024)

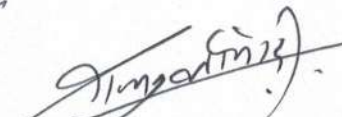
Particulars	FY 2080-81	Figures in NPR FY 2079-80
Cash Flows From Operating Activities		
Net Profit for the year	791,973	4,364,628
Adjustments for:		
Tax expense	263,012	594,090
Depreciation on property, plant and equipment	2,937	-
Amortization of Intangible Assets	16,950	9,040
IPO Issue Expenses	(2,621,000)	-
Working capital adjustments:		
(Increase)/ Decrease in Other Current Assets	97,663,871	10,124,963
Increase / (decrease) in Employee Benefits	235,505	-
Increase / (decrease) in Trade and Other payables	(5,257,583)	(828,832)
Cash generated from operations	91,095,663	14,263,889
Interest paid	-	-
Income Tax Paid	(1,390,766)	-
Net Cash Flows From Operating Activities [A]	89,704,897	14,263,889
Cash Flows From / (Used In) Investing Activities		
Purchase of property, plant and equipment	(87,530,255)	(5,840,118)
(Increase)/ Decrease in Other Non Current Assets	-	-
Increase / (decrease) in Investments	(149,727,230)	(302,943,251)
Net Cash Flows From Investing Activities [B]	(237,257,485)	(308,783,369)
Cash Flows From Financing Activities		
Proceeds from issue of ordinary shares	221,135,000	202,680,000
Increase / (decrease) in Share Application Money	(101,520,000)	90,270,000
Increase / (decrease) in Loan	44,000,000	-
Interest Expenses	-	-
Dividends paid	-	-
Net Cash Flows From Financing Activities [C]	163,615,000	292,950,000
Increase/(Decrease) In Cash And Cash Equivalents [A+B+C]	16,062,413	(1,569,482)
Cash and Cash Equivalent at the beginning of the year	1,241,861	2,811,343
Cash And Cash Equivalents At The End Of The Period	17,304,274	1,241,861

Notes 1 to 4.7 form an integral part of these financial statements.

As per our attached report on even date

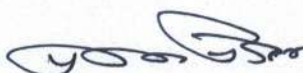

Ram Bhakta Dahal
Director


Indra Panta
Director


Naba Raj Burlakoti
Chairperson




Sujit Koirala, CA
Partner
For, L.A. & Associates
Chartered Accountants


Pawan Poudyal
Director



Date: 12th September 2024

Place: Kathmandu

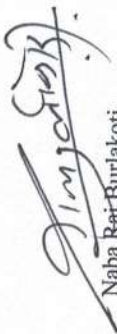
Business Interest Group of Industries Limited
KMC-3 Ranibari, Kathmandu

Statement of Changes in Equity

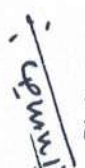
For the year ended 31st Ashad 2081 (15th July 2024)

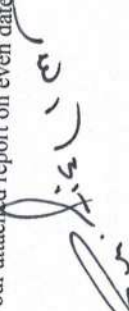
Particulars	Notes	Share capital	Share Application Money	Revaluation Reserve	Other Reserve	Retained earnings	Figures in NPR Total
Balance as at 32nd Ashadh 2079		631,660,000	11,250,000	-	-	(2,352,878)	640,557,122
Profit for the year		-	-	-	-	4,364,628	4,364,628
Other comprehensive income (loss)		-	-	-	-	-	-
Increase / (Decrease) in Share Application Money		-	-	-	-	-	-
Issue of shares		268,340,000	90,270,000	-	-	-	90,270,000
Transfers in Arrests		(71,135,000)	-	-	-	-	268,340,000
Balance at 31st Ashad 2080		828,865,000	101,520,000	-	-	2,011,749	(71,135,000)
Profit for the year		-	-	-	-	791,973	932,396,749
Other comprehensive income (loss)		-	-	-	-	-	791,973
Increase / (Decrease) in Share Application Money		-	-	-	-	-	-
Net Issue Expenses		-	(101,520,000)	-	-	-	-
Issue of shares		221,135,000	-	-	-	(2,621,000)	(101,520,000)
Balance at 31st Ashad 2081		1,050,000,000	-	-	-	182,722	221,135,000
Notes 1 to 4.7 form an integral part of these financial statements.							1,050,182,722

As per our attached report on even date


Naba Raj Burlakoti
Chairperson


Indira Panta
Director


Sum Bhakta Dahal
Director


Sujit Koirala, CA
Partner
For, L.A. & Associates
Chartered Accountants




Man Poudyal
Director

Date: 12th September 2024
Place: Kathmandu

Business Interest Group of Industries Limited

KMC-3 Ranibari, Kathmandu

Notes to the Financial Statements

As at 31st Ashad 2081 (15 July 2024)

Figures in NPR

3.1 Property, plant and equipment

	Freehold Land	Office Equipment	Project Development	Total
Cost				
Balance as at 32 Ashadh 2079	3,531,055	-	-	3,531,055
Additions	5,794,918	-	-	5,794,918
Revaluation and adjustments	-	-	-	-
Borrowing Cost Capitalized	-	-	-	-
Balance as at 31 Ashad 2080	9,325,973	-	-	9,325,973
Additions	77,636,620	84,334	9,769,751	87,490,705
Revaluation and adjustments	-	-	-	-
Borrowing Cost Capitalized	-	-	-	-
Balance as at 31 Ashad 2081	86,962,592	84,334	9,769,751	96,816,677
Depreciation and impairment losses				
Balance as at 32 Ashadh 2079	-	-	-	-
Charge for the year	-	-	-	-
Impairment Losses	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 Ashad 2080	-	-	-	-
Charge for the year	-	2,937	-	2,937
Impairment Losses	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 Ashad 2081	-	2,937	-	2,937
Net Book Value				
As at 32 Ashadh 2079	3,531,055	-	-	3,531,055
As at 31 Ashad 2080	9,325,973	-	-	9,325,973
As at 31 Ashad 2081	86,962,592	81,397	9,769,751	96,813,740

Impairment of Property, Plant and Equipment

Note 1: No items of Property, Plant and Equipment have been impaired.

Note 2: Project Under Development includes 2 Solar Energy of 10 MW each totaling 20MW and 3 star hotel under development at Dhanusha District.

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Business Interest Group of Industries Limited

KMC-3 Ranibari, Kathmandu

Notes to the Financial Statements
As at 31st Ashad 2081 (15 July 2024)

3.2 Intangible Assets:

Particulars

Balance as at 32 Ashadh 2079

Additions

Adjustment during the year

Balance as at 31 Ashad 2080

Additions

Adjustment during the year

Balance as at 31 Ashad 2081

Computer Software

Total

	-	-
	45,200	45,200
	-	-
	45,200	45,200
	39,550	39,550
	-	-
	84,750	84,750
	-	-
	9,040	9,040
	-	-
	9,040	9,040
	16,950	16,950
	-	-
	25,990	25,990
	-	-
	36,160	36,160
	58,760	58,760

Amortization

Balance as at 32 Ashadh 2079

Charge for the year

Adjustment during the year

Balance as at 31 Ashad 2080

Charge for the year

Adjustment during the year

Balance as at 31 Ashad 2081

As at 32 Ashadh 2079

As at 31 Ashad 2080

As at 31 Ashad 2081

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Business Interest Group of Industries Limited

KMC-3 Ranibari, Kathmandu

Notes to the Financial Statements

As at 31st Ashad 2081 (15 July 2024)

3.3 Deferred tax assets and liabilities:

Deferred tax is calculated on temporary differences using a tax rate of 25%. Deferred tax assets have been recognized in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the management believe it is probable that these assets will be recovered.

	As at 31 Ashad 2081	As at 31 Ashad 2080
Reconciliation of deferred tax assets/liability net		
Opening Balance as at 1st Shrawan	-	-
Tax income/(expense) during the period recognised in prof OCI	(629)	-
Closing balance	(629)	-

Details of the deferred tax assets, amounts recognized in profit or loss and amounts recognized in other comprehensive income are as follows:

Particulars	Asset/ (Liability) As at 31 Ashad 2081	As at 31 Ashad 2080
Property, Plant & Equipment	(629)	-
Accrued Lease Payable	-	-
	(629)	-

Particulars	(Charged)/Credite 31 Ashad 2081	31 Ashad 2080
Property, Plant & Equipment	(629)	-
Accrued Lease Payable	-	-
	(629)	-

Particulars	(Charged)/Credite 31 Ashad 2081	31 Ashad 2080
Property, Plant & Equipment	-	-
	-	-

3.4 Investment

	As at 31 Ashad 2081	As at 31 Ashad 2080
Investment in Agricultural Business		
Prime Janaki Agro Farm Private Limited	20,000,000.00	20,000,000.00
Go Green Private Limited	35,000,000.00	21,850,000.00
Mithila Upaban Private Limited	30,000,000.00	18,650,000.00
Safal Kishan Private Limited	20,000,000.00	10,288,000.00
Investment in Hospitality Business		
Budanilkantha Heritage Limited	109,145,000.00	109,145,000.00
Investment in Industrial Business		
Hilife Agro And Foods Industries Limited	70,000,000.00	112,700,000.00
Chitwan Food Industries Limited	100,000,000.00	50,000,000.00
All Foods Industries Limited	100,000,000.00	56,224,000.00
Investment in E Payment Business		
Pay Nep Private Limited	20,000,000.00	6,950,000.00
Investment in Solar Energy		
BIG Solar Energy Pvt. Ltd.	50,000,000.00	-
Investment in Trading Business		
Prime Corp Global Private Limited	200,000,000.00	200,000,000.00
Investment in Listed Shares	2,365,455.19	976,224.80
	756,510,455.19	606,783,224.80



Business Interest Group of Industries Limited

KMC-3 Ranibari, Kathmandu

Notes to the Financial Statements

As at 31st Ashad 2081 (15 July 2024)

3.5 Trade and Other Receivables

	<i>As at</i> <i>31 Ashad 2081</i>	<i>As at</i> <i>31 Ashad 2080</i>
Current		
Receivable from Chitwan Food Industries	4,382,489	11,405,947
Advance for Land	-	61,579,702
Other Receivables	-	450,000
Advance for Trading Business	113,687,376	161,987,749
Bank Guarantee Margin (Solar)	2,000,000	
Advance for Agricultural Business	-	2,606,061
Advance to Securities	28,820,428	45,638,149
Advance to Suppliers	180,000	155,500
Advance for Investment in Shares	77,515,244	40,426,300
	<u>226,585,537</u>	<u>324,249,408</u>

3.6 Income Tax (Receivable)/Payable

	<i>As at</i> <i>31 Ashad 2081</i>	<i>As at</i> <i>31 Ashad 2080</i>
Provision for Income Tax Payable	262,383	670,583
Less:		
Advance Income Tax	796,676	76,493
	<u>(534,293)</u>	<u>594,090</u>

3.7 Cash and Cash Equivalents:

	<i>As at</i> <i>31 Ashad 2081</i>	<i>As at</i> <i>31 Ashad 2080</i>
Cash In Hand	-	-
Cash At Bank	17,304,274	1,241,861
	<u>17,304,274</u>	<u>1,241,861</u>

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Business Interest Group of Industries Limited

KMC-3 Ranibari, Kathmandu

Notes to the Financial Statements

As at 31st Ashad 2081 (15 July 2024)

3.8 Share capital:

	<i>As at</i> <i>31 Ashad 2081</i>	<i>As at</i> <i>31 Ashad 2080</i>
Ordinary Shares	1,050,000,000	828,865,000
Other Equity Instruments	-	-
	<u>1,050,000,000</u>	<u>828,865,000</u>

Company has no any equity instruments or potential equity instruments.

Details of Ordinary Shares

	<i>As at</i> <i>31 Ashad 2081</i>	<i>As at</i> <i>31 Ashad 2080</i>
(a) Authorised Share Capital		
15,000,000 shares of Rs. 100 each	1,500,000,000	1,500,000,000
(b) Issued Share Capital		
15,000,000 shares of Rs. 100 each	1,500,000,000	1,500,000,000
(c) Subscribed Share Capital		
105,00,000 shares of Rs 100 each	1,050,000,000	900,000,000
(d) Paid Up Share Capital		
10,500,000 shares of Rs 100 each	1,050,000,000	900,000,000
Less: Calls In Arrears	-	71,135,000
Total	<u>1,050,000,000</u>	<u>828,865,000</u>

Reconciliation of no. shares outstanding

	<i>As at</i> <i>31 Ashad 2081</i>	<i>As at</i> <i>31 Ashad 2080</i>
Balance at the beginning of the year	9,000,000	6,316,600
Add: Issued and paid up	1,500,000	2,683,400
Total	<u>10,500,000</u>	<u>9,000,000</u>

3.9 Share Application Money

	<i>As at</i> <i>31 Ashad 2081</i>	<i>As at</i> <i>31 Ashad 2080</i>
Share Application Money	-	101,520,000
	<u>-</u>	<u>101,520,000</u>

3.10. Retained Earnings and Other Reserves

	<i>As at</i> <i>31 Ashad 2081</i>	<i>As at</i> <i>31 Ashad 2080</i>
Share Premium	-	-
Revaluation Reserve	-	-
Retained Earnings	182,720	2,011,747
	<u>182,720</u>	<u>2,011,747</u>

Movement in Accumulated Profit

Particulars	<i>As at</i> <i>31 Ashad 2081</i>	<i>As at</i> <i>31 Ashad 2080</i>
Opening Retained Earnings	2,011,747	(2,352,880)
Profit/(Loss) during the year	791,973	4,364,628
IPO Issue Expenses	(2,621,000)	-
Closing Retained Earnings	<u>182,720</u>	<u>2,011,747</u>

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Business Interest Group of Industries Limited

KMC-3 Ranibari, Kathmandu

Notes to the Financial Statements

As at 31st Ashad 2081 (15 July 2024)

3.11 Loan and Borrowing

	<i>As at</i> <i>31 Ashad 2081</i>	<i>As at</i> <i>31 Ashad 2080</i>
Non-current		
Bridge Gap Loan	44,000,000	-
Total non-current	44,000,000	-
Current		
Bank Overdraft	-	-
Total current	-	-

3.12 Employee benefits

	<i>As at</i> <i>31 Ashad 2081</i>	<i>As at</i> <i>31 Ashad 2080</i>
Non-current		
Salary and Wages Payable	-	-
Total non-current	-	-
Current		
Salary and Wages Payable	235,505	-
Total current	235,505	-

3.13 Trade and other payables:

	<i>As at</i> <i>31 Ashad 2081</i>	<i>As at</i> <i>31 Ashad 2080</i>
Audit Fee Payable	111,500	59,100
Rent Payable	54,000	54,000
Duties & Taxes Payables	983,371	37,312
Underwriting Commission (IPO) Payable	2,216,250	-
Other Payable	23,085	8,495,378
	3,388,206	8,645,790

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Business Interest Group of Industries Limited

KMC-3 Ranibari, Kathmandu

Notes to the Financial Statements

As at 31st Ashad 2081 (15 July 2024)

Figures in NPR

3.14 Income

	<i>FY 2080-81</i>	<i>FY 2079-80</i>
Income from Investment	249,517	7,419,259
Management Fee	4,792,805	-
	<u>5,042,322</u>	<u>7,419,259</u>

3.15 Employee benefit expenses:

	<i>FY 2080-81</i>	<i>FY 2079-80</i>
Salary & Wages	1,896,402	80,000
	<u>1,896,402</u>	<u>80,000</u>

3.16 Administrative Expenses

	<i>FY 2080-81</i>	<i>FY 2079-80</i>
Advertisement & Notice Expenses	110,528	86,441
AGM & Shareholder's Program Expenses	393,685	983,803
AMC (Software)	9,040	-
Audit Fee	113,000	60,000
Board Meeting Allowance	230,000	-
Books and Periodicals	11,426	-
Canteen & Refreshment	25,110	88,829
Cargo & Courier	2,425	600
Certification Expenses	90,400	11,300
Business Research & Study (DDA)	100,000	406,800
Fuel Expenses	117,397	-
Legal Consultancy Fee	333,920	-
Legal Expenses	45,120	82,353
Local Conveyance	5,250	-
Office Expenses	119,267	-
Printing & Stationery	36,807	88,062
Round Off Expenses	2,548	-
Registration And Renewal Expenses	184,185	255,453
Rent	60,000	60,000
Telephone Internet and Communication Expense	46,473	20,935
Travelling Expenses	-	136,625
	<u>2,036,580</u>	<u>2,281,201</u>

3.17 Finance Costs

	<i>FY 2080-81</i>	<i>FY 2079-80</i>
Bank Charges	34,468	13,807
	<u>34,468</u>	<u>13,807</u>



Business Interest Group of Industries Limited
KMC-3 Ranibari, Kathmandu

Notes to the Financial Statements
As at 31st Ashad 2081 (15 July 2024)

3.18 Depreciation, amortisation included in the statement of profit or loss :

Figures in NPR

	<u>FY 2080-81</u>	<u>FY 2079-80</u>
Depreciation on tangible assets	2,937	-
Amortisation and impairment of intangible assets	16,950	9,040
	<u>19,887</u>	<u>9,040</u>

3.19 Income tax

	<u>FY 2080-81</u>	<u>FY 2079-80</u>
Current tax expense		
Current tax on profits for the year	262,383	670,583
Adjustment for under provision in prior periods	-	-
Total current tax	<u>262,383</u>	<u>670,583</u>
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Recognition of previously unrecognized deferred tax assets	629	-
Total Deferred Tax	<u>629</u>	<u>-</u>
Total Tax Expense	<u>263,012</u>	<u>670,583</u>

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Business Interest Group of Industries Limited

KMC-3, Ranibari, Kathmandu

Notes to the Financial Statements

For the period ended on 31st Ashad 2081 (15 July 2024)

1. General Information

Business Interest Group of Industries Limited ("the Company") was incorporated as a public limited company on 16.11.2077 under the Companies Act, 2006. The registered office of the company is located in Kathmandu, Nepal. The objective of the company is to make investment in the infrastructure sectors including agriculture, hydropower, tourism, health services, etc. thereby contributing to the development of Nepal.

These financial statements were approved by the board of directors and authorized for issue on 12th September 2024.

2. Significant Accounting Policies

2.1 Basis of Preparation and measurement

2.1.1 Statement of Compliance

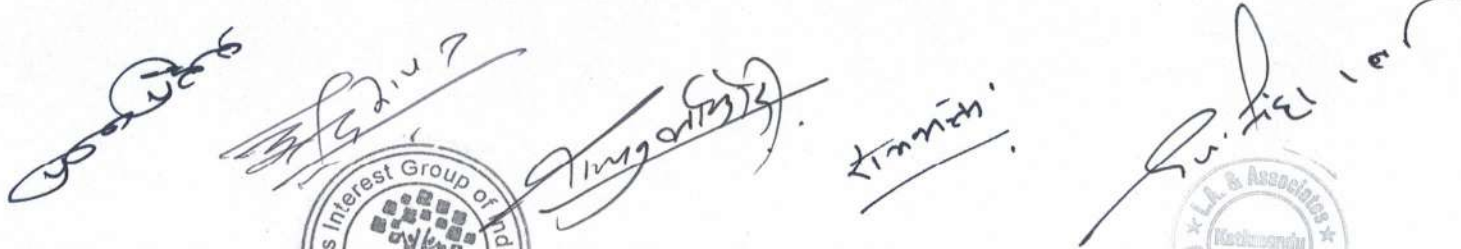
The Financial statements have been prepared in accordance with applicable Nepal Financial Reporting Standards (NFRS) as issued by Accounting Standard Board Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN). The Financial Statements have also been prepared in accordance with the relevant presentational requirements of the Companies Act, 2063 of Nepal.

2.1.2 Basis of Preparation

The financial statements have been prepared on an accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between acquisition of assets of processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.1.3 Functional and Reporting Currency

The financial statements are prepared in Nepalese Rupees (NPR), which is also the functional currency. All financial information presented in Nepalese Rupees has been rounded to the nearest Rupees and hence there may not add up and may have rounding difference.



2.2 Critical accounting estimates and judgements

The preparation of the financial statements in conformity with NFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The Company makes certain estimates and assumptions regarding the future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year primarily includes: -

2.2.1 Useful Life and Residual Value of Property, Plant and Equipment

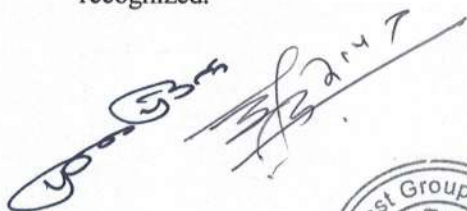
Management reviews the useful life and residual values of property, plant and equipment at least once a year. Such life is dependent upon an assessment of both the technical life of the assets and also their likely economic life, based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

2.2.2 Impairment of Property, Plant and Equipment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above-mentioned factors could impact on the carrying value of assets.

2.2.3 Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.



2.2.4 Fair Value Measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

2.2.5 Recognition of Deferred Tax

Significant management judgement is required to determine the amount of deferred tax that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company.

2.3 Accounting Policies

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

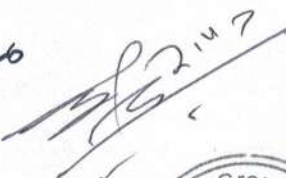
2.3.1 Standalone Financial Statements

This financial statement is the standalone financial statement of the company. Consolidated financial statement as per NFRS 10 is prepared separately.

2.3.2 Financial Instrument

i. Recognition

The company initially recognizes financial assets on trade date which is the date on which the company becomes a party to the contractual provisions of the instruments. A financial asset or financial liability is measured initially at fair value plus, or an item not at fair value through profit or loss, transactions costs that are directly attributable to its acquisition or issue.






ii. Classification and Measurement

Financial Assets

The classification and measurement of financial assets depend on how these are managed (the entity's business model) and their contractual cash-flows characteristics. These factors determine whether the financial assets are measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVPL').

At amortized cost: Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments for which the Company has intent and ability to hold till maturity. They are initially recognized at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, such financial assets are measured at amortized cost using effective interest rate method less any impairment losses. These includes loans and receivables of the company.

At fair value through profit or loss: Financial assets are classified at fair value through profit or loss if the company manages such instruments and makes purchases and sales decisions based on its fair value. Attributable transaction costs and changes in fair value are taken to revenue. There are no financial assets that are measured at FVTPL in the reporting period.

At fair value through other comprehensive income: Financial assets at FVOCI are nonderivative financial assets that are not classified in any of the above category. Financial assets at FVOCI are recognized initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, financial assets are measured at fair value, as far as such fair value is available, and changes therein, which are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, gain or loss accumulated in equity is reclassified to retained earnings. There are no financial assets that are measured at FVOCI in the reporting period.

Financial Liabilities

All financial liabilities are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. Subsequent to initial recognition, these financial liabilities are measured at amortized costs using effective interest rate method. This include Trade & Other Payable and Short Term Borrowing.

iii. Derecognition

Financial Assets

The Company derecognizes a financial assets when the contractual rights to the cash flow from the financial assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of the ownership of the financial assets are transferred or in which the Company neither transfer nor retains substantially all of the risk and rewards of the ownership and it does not retain control of the financial assets.



On derecognition of a financial assets, the difference between the carrying amount of the assets (or the carrying amount allocated to the portion of the assets derecognized) and the sum of (i) the consideration received (including any new assets obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in Other Comprehensive Income (OCI) is recognized in retained earnings.

Financial Liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

iv. Offsetting

The financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when and only when, the Company has a legal right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v. Amortized cost measurement

The 'amortized cost' of a financial asset and financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between initial amount recognized and the maturity amount minus any reduction for impairment.

vi. Fair value measurement

All assets, liabilities and equity items for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are measured at fair value in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

vii. Identification and measurement of impairment Financial assets

At each reporting date the Company assesses the objective evidence that a financial asset or group of financial assets is impaired or not. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated.

- Objective evidence that financial assets are impaired includes:
- significant financial difficulty of the debtor
- breach of contract, such as default or delinquency by a debtor
- observable data relating to a group of assets such as adverse changes in the payment status of debtor

The amount of loss is measured as the difference between the asset's carrying amount and amount the management considers it as recoverable on the basis of financial position of the party and appropriate estimation made by the management. Receivables considered as less likely to be received are provided allowance for loss and charged to Statement of Profit or Loss.

In addition, for an investment in an unquoted equity security, a significant or prolonged decline in its net worth is objective evidence of impairment.

Impairment losses are recognized in Statement of Profit or Loss and reflected in an allowance account against debtors. Impairment losses on equity investment are routed through Statement of OCI. Interest on the impaired assets continues to be recognized through the unwinding of the discount. If an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through income statement (OCI in case of available for sale investment).

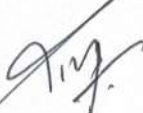
If, in a subsequent period, the fair value of an equity investments increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairing loss is reversed through profit or loss; otherwise, any increase in fair value is recognized through OCI.

2.3.3 Impairment of Non-Financial Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost and value in use. An impairment loss is recognized in Statement of Profit or Loss. Provisions against impairment are reviewed at each reporting date and adjusted to reflect the current best estimates. Impairment charges are included in profit or loss except to the extent they reverse gains previously recognized in Other Comprehensive Income.

2.3.4 Property, Plant and Equipment

Items of property, plant and equipment are initially recognized at cost. Cost includes the purchase price and other directly attributable costs as well as the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.



Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate assets are derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The company identifies and determines cost of each component/part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

On transition to NFRS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 32 Ashadh, 2078 measured as per the previous NAS and use that carrying value as the deemed cost of the property, plant and equipment as on Shrawan 1, 2078 in line with the provision of NFRS.

Depreciation

Freehold land is not depreciated. Leasehold assets is depreciated over the lease term. Depreciation is provided on all other items of property, plant and equipment so as to write-off their carrying value over the expected useful economic lives. Items of property, plant and equipment are depreciated on Straight Line Method over their useful life.

2.3.5 Intangible assets

Computer Software

Purchased computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the software. These costs are amortized over the estimated useful lives. On transition to NFRS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 31 Ashad 2078 measured as per the previous NAS and use that carrying value as the deemed cost of the intangible assets as on 1 Shrawan 2078.

Amortization

Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful life of computer software is considered to be five years.

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2.3.6 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in Statement of Profit and Loss.

2.3.7 Investment

The company has investment in various entity as per below mentioned structure.

Particulars	Percentage
Prime Janaki Agro Farm Private Limited	100%
Go Green Private Limited	100%
Mithila Upaban Private Limited	100%
Safal Kishan Private Limited	100%
Prime Corp Global Private Limited	100%
Chitwan Food Industries Limited	100%
All Foods Industries Limited	100%
BIG Solar Energy Private Limited	100%
Hilife Agro and Foods Industries Limited	17.50%
Pay Nep Pvt. Ltd. Moru Wallet	21.05%
Budanilkantha Heritage Limited	12.84%

The transactions with subsidiary companies are consolidated in the Consolidated financial Statements. However, in the separate financial statement of the company, it has been measured as per NAS 27, Separate Financial Statements.



NAS 27 separate financial statements provide the choice of measurement of Investments in subsidiary, associates and joint ventures. The investments can be measured at either of:

- i) Cost
- ii) Equity Method
- iii) Fair value

The company has opted to measure its investment in subsidiaries and associates at cost in its separate financial statements.

2.3.8 Trade and Other Receivables

Most sales are made on the cash basis, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

2.3.9 Inventories

Inventories are assets that are held for sale in the ordinary course of business, that are in the process of production for such sales or in the form of materials and supplies to be consumed in the production process or in the rendering of the services. Inventories are valued at Cost or Net Realizable Value whichever is lower. The cost of inventory includes the purchase price of the inventory including applicable taxes and net of trade discount and rebates. Other costs that are incurred to bring the inventories into location and condition intended by the management are also included in the cost of inventories. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.3.10 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. NAS 7 Statement of cash flows does not define "readily convertible" but notes that an investment would qualify as a cash equivalent if it had a short maturity of "3 months or less" from the date of acquisition. Equity Investment are excluded because there is significant risk of change in value. Accordingly, the company classifies Cash, Deposits in Banks and fixed deposits with maturity less than 3 months as Cash and Cash Equivalent.









2.3.11 Share Capital

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The company's equity shares are classified as equity instruments. Dividends on ordinary shares and preference shares classified as equity are recognized in equity in the period in which they are declared. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments considering the tax benefits achieved thereon. The reserves include retained earnings which contains the accumulated profit of the organization.

2.3.12 Employment Benefits

The Company have schemes of employment benefits namely provident fund, employee gratuity, other retirement benefit and accumulate leave as per the human resource policy.

Short term and long-term employment benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

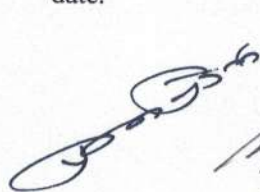
Liabilities recognized in respect of short-term employees and contractual employees, benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

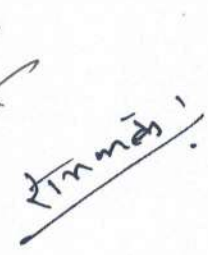
Provident Fund-Defined Contribution Plan

The Company pays pre-defined amount to Employee Provident Fund and does not have any legal or constructive obligation to pay additional amount in future. Contributions to Provident fund are charged to the statement of profit or loss in the year to which they relate.

Gratuity-Defined Contribution Plan

The Company is required to pay pre-defined amount to Social Security Fund as gratuity to employees. Changes in Labour Act has not fixed the amount to be paid on each month and instead require Company to deposit an amount calculated @8.33% of basic salary directly to specific fund account on monthly basis. The amount presented in financial statements is the actual liability of gratuity at each reporting date.






2.3.13 Taxation

Income Tax

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

Current Tax

Current tax is the expected tax payable on the taxable income for the year using tax rates at the balance sheet date and any adjustment to tax payable in respect of previous years. Income Tax rate applicable to company is 25%.

Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset 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 it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.3.14 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably.

i. Other Income

All other incomes are recognized on an accrual basis. The amounts received are recognized as revenue only when there are no obligations whatsoever in respect of such amounts.

2.3.15 Expenses

Expenses are accounted on accrual basis where there is reasonable basis to estimate ascertain the obligation and rationality of such obligation.



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2.3.16 Leases

The Company has applied NFRS 16 using the modified prospective approach.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land, buildings and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset,
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU assets have been separately presented in the financial statements and lease payments have been classified as financing cash flows.

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The Company as a lessor

The Company as a lessor Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

2.3.17 Borrowing Cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are incurred in the period in which they occur.

2.3.18 Provisions, contingencies and commitments

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

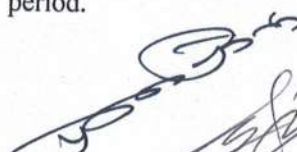
When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.



2.3.19 Foreign Currency Transactions

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Nepalese Rupee (NPR).

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in Statement of Profit and Loss in the period in the period in which they arise.

2.3.20 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/noncurrent classification. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

The Company classifies an asset as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. The Company classifies a liability as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

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2.3.21 Earnings per Share including Diluted Earnings Per Share

The company presents the basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary equity holders of the company by weighted average number of ordinary shares outstanding during the period.

The Formula used to calculate a company's diluted EPS is the company's net income minus preferred dividends divided by the weighted average number of shares outstanding plus the impact of Potential Ordinary Shares like Convertible preferred shares, options, warrants and other dilutive securities.

The company does not have any potential ordinary shares during the period covered by these consolidated financial statements.

2.3.23 Events after Reporting Period

Events after reporting period refers to those events favorable or unfavorable which occurs after the reporting date to the date of approval of financial statements by the board of directors.

Any events, which provide the evidence of conditions that existed at the reporting date are adjusting events and they are adjusted in the financial statements. Events which provide evidence of conditions existing after the reporting date are called non-adjusting events. Effects of non-adjusting events are not adjusted in the financial statements, instead, their disclosure is made if material.

2.3.24 Operating Cycle

The Company considers its operating cycle to be of 12 months.







Business Interest Group of Industries Limited

KMC-3, Ranibari, Kathmandu

Notes to the Financial Statements

For the period ended on 31st Ashad 2081 (15 July 2024)

4. Additional Information

4.1 Share Capital

The Company has single class of equity shares having face value of Rs. 100 per share. Every member holding equity shares therein shall have voting rights in proportion to the member's share of the paid-up equity share capital.

4.2 Reserves and Retained Earnings

Retained Earnings

Net profit for each year is added to this reserve. Company uses this to provide dividend to its shareholders.

No amount has been apportioned in other reserves.

4.3 Related Party Transactions

Related parties of the company comprise of key management personnel, organization having significant influence on the company, subsidiaries of the company and Board of Directors.

a. Subsidiary Companies

The Company has following balance to its subsidiary Company.

Particulars	Amount
Receivable	
Prime Corp Global Private Limited	113,687,376
Chitwan Food Industries Limited	4,382,489



b. Those charged with Governance

Those charged with governance include the Board of Directors of the Company. The composition of Board on the reporting date is as follows:

Name	Position
Mr. Nabaraj Burlakoti	Chairman
Mr. Ram Bhakta Dahal	Director
Mr. Pawan Poudyal	Director
Ms. Indira Panta	Director

Mr. Shambhu Khanal serves as Company Secretary of the Company.

c. Key Management Personnel

The company's key management personnel include:

i) Mr. Nabaraj Burlakoti – Chairman

Key Management Personnel compensation:

Particulars	Current Year	Previous Year
Short Term Employee Benefits	3,300,000.00	0.00

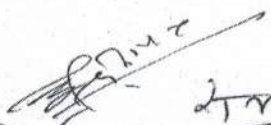
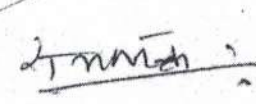
4.4 Earnings Per Share

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

Diluted EPS is 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:

Amount in Rs		
Particulars	FY 2080/81	FY 2079/80
Net profit attributable to Shareholders for Basic and diluted earnings	791,973	4,364,628
Weighted-average number of Ordinary Shares for basic EPS	10,500,000	9,000,000
Effect of Dilution:		
Share Option		
Weighted average number of ordinary shares adjusted for the effect of dilution	10,500,000	9,000,000
Basic Earnings per ordinary share	0.07	0.48
Dilutes earning per share	0.07	0.48

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

4.5 Capital Commitments, Contingencies and Guarantee issued

Advance for land

4.6 Letter of Credit

There is no outstanding letter of credit as at the reporting date.

4.7 Regrouping and around off

Figures have been regrouped and rearranged and rounded off to the nearest rupee. Insignificant rounding off differences may exist.

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