SWASTIK AGRO INDUSTRIES LTD.

LAHAN, SIRAHA

AUDIT REPORT

FY 2080/081

BY K.J.& ASSOCIATES

K.J. & ASSOCIATES
Chartered Accountants
Pulchowk, Lalitpur

INDEPENDENT AUDITOR'S REPORT

The Shareholders,
Swastik Agro Industries Limited,
Lahan, Siraha.

Opinion

We have audited the financial statements of Swastik Agro Industries Limited which comprise the Statement of Financial Position as at Asadh 31st, 2081 (Corresponding to 15th July, 2024), and the Statement of Income, Statement of Cash Flow and Statement of Changes in Equity for the Asadh 31st, 2081 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, (or give a true and fair view of) the financial position of the organization as at Asadh 31st, 2081 (Corresponding to 15th July, 2024), and its financial performance and its cash flows for the Asadh 31st, 2081 then ended in accordance with Nepal Accounting Standard (NAS) and generally accepted accounting principles.

Basis of Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the Institute of Chartered Accountant of Nepal's code of ethics for professional accountants (ICAN Code) together with ethical requirements that are relevant to our audit of financial statements in Nepal, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters: Our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in audit of the financial statements of current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Management is responsible for the preparation of the financial statements in accordance with Nepal Accounting Standards, 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 organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis or accounting unless

management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurances 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 those for one resulting from error, as fraud may involve collusion, forgery, intentional emission, misrepresentation or the override of internal control.
- Obtain an understanding of internal control relevant to 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 firm'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 use of going concern basis of accounting and based on audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the firm's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit's report to 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 date of our audit's report. However, future events or condition may cause the firm to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of financial statements, including disclosures, and whether the financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

We communicate those charged with governance regarding, among other matters, the planned scope and timing of our audit and significant 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 be reasonably be thought to bear on our independence, and where applicable, related safeguards.



Report on the Regulatory Requirements of the Entity

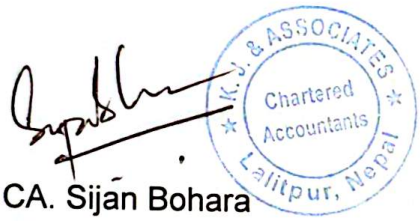
Besides the reports mentioned in the above paragraphs, we further report on the following based on our audit, and the information and explanations provided to us.

i. We have obtained all the information and explanations, which were considered necessary for the purpose of our audit.

ii. Proper books of accounts and records as required by law have been maintained by the company.

iii. Financial Statements dealt with by this report are in agreement with the books of accounts maintained by Company. Those financial statements have been prepared in compliance with Nepal Accounting Standards and Generally Accepted Accounting Principles.

iv. In our opinion and to the best our information and according to the explanations given to us and from our examination of the books of the accounts of the Company, we have not come across any cases of accounting frauds and cases where the Board of Directors, the representatives or any employee of the Company has acted contrary to the provisions of law nor misappropriated any property of the Company or caused any loss or damage to the Company.



CA. Sijan Bohara
(Partner)
K.J. & Associates
Chartered Accountants
COP No.: 1160

Place: Lalitpur, Nepal
Date: 2082.01.17
UDIN: 250430CA01677TS5Ef

Swastik Agro Industries Limited

Lahan - 8, Siraha

COMPUTATION OF TAX

Particulars	Rate	Amount
Net profit as per profit & loss account		(3,202,994)
Add: Disallowances		
Duties & Taxes		2,377
Donation		-
Repair and maintenance as per books		-
Depreciation as per books		395,313
Short & Excess		-
Less: Allowances		
Depreciation as per tax		(395,313)
Repair and maintenance as per tax		-
Total taxable income		**(3,200,617)**
Carry forward loss of previous years		(487,327)
Gross Taxable Income		**(3,687,944)**
Tax on Total Income (With benefit as per 11.1)	0.00%	-
Total Tax Payable		-
Less:		
Advance tax & TDS		270
Net tax payable		-

Swastik Agro Industries Limited
Lahan - 8, Siraha
Statement of Financial Position
As at Ashad 31, 2081 (July 15, 2024)

Figures in NPR

Particulars	Notes	Current Year	Previous Year
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	3.1	45,892,191	13,386,750
Biological Assets	3.2	476,250	-
Trade and Other Receivables	3.3	-	-
Total Non-Current Assets		**46,368,441**	**13,386,750**
Current Assets:			
Cash and Cash Equivalents	3.4	962,961	3,180,581
Trade and Other Receivables	3.3	-	-
Other Current Assets	3.5	824,270	1,034,000
Total Current Assets		**1,787,231**	**4,214,581**
Total Assets		**48,155,672**	**17,601,331**
EQUITY AND LIABILITIES			
Equity:			
Share Capital	3.6	36,000,000	18,000,000
Reserves	3.7	(3,690,321)	(487,327)
Total Equity		**32,309,679**	**17,512,673**
Non-Current Liabilities:			
Loans and Borrowings	3.8	12,005,110	-
Liabilities for Employee Benefits	3.9	-	-
Total Non-Current Liabilities		**12,005,110**	**-**
Current Liabilities:			
Loans and Borrowings	3.8	-	-
Liabilities for Employee Benefits	3.9	134,500	42,020
Trade and Other Payables	3.10	3,706,382	46,638
Income Tax Liabilities	3.11	-	-
Provisions		-	-
Total Current Liabilities		**3,840,882**	**88,658**
Total Liabilities		**15,845,992**	**88,658**
Total Equity and Liabilities		**48,155,672**	**17,601,331**

Explanatory notes form integral part of these financial statements.

As per our attached report of even date

Director Director Chairman

CA. Sijan Bohara
(Partner)
K.J. & Associates
Chartered Accountants

Director Director

Date:
Place: Lahan

Swastik Agro Industries Limited
Lahan - 8, Siraha
Statement of Income
For the year ended Ashad 31, 2081 (July 15, 2024)

Figures in NPR

Particulars	Notes	Current Year	Previous Year
Revenue from Operations	3.12	86,000	-
Finance Income	3.13	1,801	-
Other Income	3.14	20,750	220,500
Total income		**108,551**	**220,500**
Cost of Goods Sold	3.15	213,120	-
Employee Benefit Expenses	3.16	721,658	298,000
Finance Cost	3.17	1,379,983	-
Administrative & General Expenses	3.18	601,471	409,827
Depreciation	3.1	395,313	-
Total expenses		**3,311,544**	**707,827**
Profit Before Tax		(3,202,994)	(487,327)
Income Tax Expense			
For the Year	3.19	-	-
For Earlier Period		-	-
		-	-
Net Profit for the year		(3,202,994)	(487,327)

Explanatory notes form integral part of these financial statements.

As per our attached report of even date

Director Director Chairman

CA. Sijan Bohara
(Partner)
K.J. & Associates
Chartered Accountants

Director Director

Date:
Place: Lahan

Swastik Agro Industries Limited

Lahan - 8, Siraha

Statement of Cash Flow

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

Figures in NPR

Particulars	Current Year	Previous Year
Cash Flow from Operating Activites		
Profit before Tax	(3,202,994)	(487,327)
Adjustment for:		
Depreciation	395,313	-
Extra Ordinary Items	-	-
Interest Expenses	1,379,983	-
Interest Income	(1,801)	-
Operating Profit before Working Capital Changes	(1,429,498)	(487,327)
Adjustment for:		
Increase/ Decrease in Inventories	-	-
Increase/ Decrease in Trade Receivables	-	-
Increase/Decrease in Other Current Assets	209,730	(1,034,000)
Increase/Decrease in Other Current Liabilities	3,659,744	46,638
Increase/Decrease in Liability for Employee Benefit	92,480	-
Cash Generated from Operations		
Income Tax Paid	-	-
Net Cash Generated from Operating Expenses	2,532,456	(1,474,689)
Cash Flow from Investing Activities		
Addition of Fixed Assets	(32,900,754)	(13,386,750)
Sale of Fixed Assets	-	-
Interest Received	1,801	-
Addition of Biological Assets	(476,250)	-
Net Cash Flow From Investing Activites	(33,375,203)	(13,386,750)
Cash From Financing Activites		
Increase in Capital	18,000,000	18,000,000
Loans and Borrowings	12,005,110	-
Dividend Paid	-	-
Interest Paid	(1,379,983)	-
Net Cash Flow From Financing Activities	28,625,127	18,000,000
Net Increase/(decrease) in Cash and Cash Equivalents	(2,217,620)	3,138,561
Opening Cash or Cash Equivalent	3,138,561	-
Closing Cash or Cash Equivalent	920,941	3,138,561

Explanatory notes form integral part of these financial statements.

As per our attached report of even date

Director **Director** **Chairman**

CA. Sijan Bohara
(Partner)
K.J. & Associates
Chartered Accountants

Director **Director**

Date:
Place: Lahan

Swastik Agro Industries Limited

Lahan - 8, Siraha

Statement of Changes in Equity

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

Figures in NPR

Particulars	Notes	Equity Share Capital	Share Premium	General Reserve	Retained Earnings	Total
Balance at 01 Shrawan 2080		18,000,000	-	-	(487,327)	**17,512,673**
Change in Accounting Policies		-	-	-	-	-
Profit for the Year		-	-	-	(3,202,994)	**(3,202,994)**
Issue of Share Capital		18,000,000	-	-	-	**18,000,000**
Dividends to Shareholders		-	-	-	-	-
Other Changes		-	-	-		-
Balance at 31 Ashad, 2081		**36,000,000**	-	-	**(3,690,321)**	**32,309,679**

Explanatory notes form integral part of these financial statements.

As per our attached report of even date

K.J. & ASSOCIATES Chartered Accountants Lalitpur, Nepal

Director **Director** **Chairman**

CA. Sijan Bohara
(Partner)
K.J. & Associates
Chartered Accountants

Director **Director**

Date:
Place: Lahan

Swastik Agro Industries Limited
Lahan - 8, Siraha
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

1 GENERAL INFORMATION

The Company has been incorporated under the Companies Act 2063 (Registration number 303798/079/080 Dated 2079-09-01) as a public limited company having registered office at Lahan -08, Siraha, Nepal.

The company's principal activity comprises production and trading of various agro products and livestocks.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

2.1.1 Statement of Compliance
These financial statements have been prepared in accordance with Nepal Accounting Standards and Generally Accepted Accounting Principles.

2.1.2 Basis of Measurement
The financial statements have been prepared on the historical cost basis.

2.1.3 Functional and Presentation Currency
The financial statements are prepared in Nepalese Rupees, which is the company's functional currency. All the financial information presented in Nepalese Rupees has been rounded to the nearest rupee, except otherwise indicated.

2.1.4 Use of estimates
The preparation of financial statements in conformity with Nepal Accounting Standards (NAS) requires the use of certain critical accounting estimates nad judgements. The company makes certain estimates and assumptions regarding the future events. In the future, actual result may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are recognised prospectively in current and future periods. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable.

2.2 Accounting Policies

2.2.1 Cash flow Statements
Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated. The Cash flow statement is separately attached with the Financial Statements of the company.

2.2.2 Property, Plant and Equipment
Items of Property, Plant and Equipments are initially recognized at cost. Cost includes the purchase price, icluding import duties and non refundable purchase taxes, after deducting trade discount and rebates and other directly attributable costs. Subsequently, items of property, plant and equipments are measured at cost less depreciation less impairment. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, Plant and Equipments. All other expenditure is recognized in the income statement as an expense as incurred.

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Swastik Agro Industries Limited
Lahan - 8, Siraha
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

Depreciation
Freehold land is not depreciated. Depreciation on assets begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an assets ceases when the assets is derecognized. Depreciation doesnot cease when the assets becomes idle or is retired from active use unless the assets is fully depreciated. Depreciation is provided on all other items of propery, plant and equipments so as to write off their carrying value over the expected useful economic lifes.

Depreciation has been calcuated on WDV Basis as per Income Tax Act, 2058.

2.2.5 Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell.

2.2.6 Trade and Other Receivables
Trade and other receivables are stated at their cost less provision for impairment. The amount of the provision is recognized in the income statement.

2.2.7 Cash and Cash Equivalents
Cash and cash equivalents consists of cash balance, cheques in hand, balances with banks and other short term highly liquid investments. Bank Overdrafts that are repayable on demand and form an integral part of the cash management are included within borrowings in current liabilities.

2.2.8. Share Capital
Shareholder's Contribution in the firm for the registered capital and as an advance has been booked to Share Capital.

2.2.9 Trade and Other Payables
Trade and Other Payables are stated at their cost.

2.2.10 Liabilities for Employee Benefit
All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, bonus, allowances etc. are recognised in the Statement of Income in the period in which the employee renders the related service.

2.2.11 Revenue Recognization
Revenue comprises the fair value for the sale of goods, net of value added tax ,excise, rebates and discounts.

I. Revenue from Sales of Goods
Revenue from sales of goods is recognised when the goods are delivered and title has passed. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and sales-related taxes collected on behalf of the government

2.2.12 Cost of Goods Sold
The purchases and expenses that directly associates with the sales of goods is shown under this heading.

K.J. & ASSOCIATES Chartered Accountants Lalitpur, Nepal

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Swastik Agro Industries Limited
Lahan - 8, Siraha
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

2.2.13 Borrowing costs
All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.2.14 Income Tax expenses
Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date in Nepal.

2.2.15 Employee Benefit Expenses
These are short term employee benefits and are recognized when the employee has rendered the service and are measured at the undiscounted amount of benefits expected to be paid in exchange for that service.

2.2.16 Related Party Transactions
All the related party transactions have been carried out at arms length price.

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K. J. & ASSOCIATES Chartered Accountants Lalitpur, Nepal

Swastik Agro Industries Limited
Lahan - 8, Siraha

Notes forming part of the Financial Statements as on 31st Ashad 2081

3.1 Property, Plant and Equipment

Figures in NPR

Item	Rate	Gross Block				Accumulated Depreciation			WDV as on 31.03.2080	WDV as on 31.03.2081
		Balance as at 01.04.2080	Additions	Disposals	Balance at 31.03.2081	Balance as at 01.04.2080	Charge for the Year	Balance as at 31.03.2081		
Land & Land Developme	-	13,386,750	17,468,125	-	30,854,875	-	-	-	13,386,750	30,854,875
Building & Civil Constru	5.00%	-	-	-	-	-	-	-	-	-
Furnitures, Furnishing,										
Office equipment &										
Computers, Books	25.00%	-	848,826	-	848,826	-	152,541	152,541	-	696,285
Bus	20.00%	-	-	-	-	-	-	-	-	-
Bicycle	20.00%	-	-	-	-	-	-	-	-	-
Machinery	15.00%	-	1,618,482	-	1,618,482	-	242,772	242,772	-	1,375,710
Lab, Sports, Equipments	15.00%	-	-	-	-	-	-	-	-	-
Lease Hold Improvemer	1/5	-	-	-	-	-	-	-	-	-
Building Under Construction		-	12,965,321	-	12,965,321	-	-	-	-	12,965,321
									-	-
Total		13,386,750	32,900,754	-	46,287,504	-	395,313	395,313	13,386,750	45,892,191

K. J. & A... Chartered Accountants Lalitpur, Nepal

Swastik Agro Industries Limited
Lahan - 8, Siraha

Notes forming part of the Financial Statements as on 31st Ashad 2081

3.2 Biological Assets — Figures in NPR

Particulars	Current Year	Previous Year
Balance as at 01 Shrawan		
Additions	635,000	-
Disposals	158,750	-
Balance as at Ashadh	**476,250**	-
Gain/(loss on subsequent measurement at the date of statement of fiancial position	-	
Net Carrying Amount	**476,250**	-
Less: Non-Current Portion	**476,250**	
Current Portion	-	-

3.3 Trade and Other Receivables — Figures in NPR

Particulars	Current Year	Previous Year
Trade Receivables		
Other Receivables		
Total trade and other receivables	-	-
Less: Non-Current Portion	-	-
Current Portion	-	-

3.4 Cash and Cash Equivalents — Figures in NPR

Particulars	Current Year	Previous Year
Cash & Bank Balance	962,961	3,180,581
Total	**962,961**	**3,180,581**

3.5 Other Current Assets — Figures in NPR

Particulars	Current Year	Previous Year
Advance for Machinery	530,000	800,000
Advance for Construction of Cow Farm	294,000	234,000
TDS Receivables	270	-
Total	**824,270**	**1,034,000**

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K.J. & ASSOCIATES Chartered Accountants Lalitpur, Nepal

Swastik Agro Industries Limited

Lahan - 8, Siraha

Notes forming part of the Financial Statements as on 31st Ashad 2081

3.6 Share Capital

Figures in NPR

Particulars	Current Year	Previous Year
Ordinary Shares	36,000,000	36,000,000
Total	**36,000,000**	**36,000,000**

Ordinary Shares		
Authorized Capital :		
Ordinary Shares 1,000,000 @ Rs100 each	100,000,000	100,000,000
Issued :		
Ordinary Shares 600,000 @ Rs100 each	60,000,000	30,000,000
Subscribed and Paid Up:		
Ordinary Shares 360,000 @ Rs100 each	36,000,000	18,000,000
Ordinary Share Amount	**36,000,000**	**18,000,000**

3.7 Reserves

Figures in NPR

Particulars	Current Year	Previous Year
Opening Reserve & Surplus	(487,327)	-
Transferred from Statement of Income	(3,202,994)	(487,327)
Total	**(3,690,321)**	**(487,327)**

3.8 Loans and Borrowings

The details of value of loans and borrowings are as follows:

Figures in NPR

Particulars	Current Year	Previous Year
Non-Current		
Secured	12,005,110	-
Unsecured	-	-
Total	**12,005,110**	**-**
Current		
Overdrafts	-	-
Demand Loan	-	-
Total	**-**	**-**
Total Loans and Borrowings	**12,005,110**	**-**

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K. J. & ASSOCIATES Chartered Accountants Lalitpur, Nepal

Swastik Agro Industries Limited

Lahan - 8, Siraha

Notes forming part of the Financial Statements as on 31st Ashad 2081

3.9 Liability for Employee Benefits

Figures in NPR

Particulars	Current Year	Previous Year
Salary Payables	134,500	42,020
Provision for Leave Encashment	-	-
Total	**134,500**	**42,020**

3.10 Trade and other payables

Figures in NPR

Particulars	Current Year	Previous Year
Audit Fee Payable	33,450	33,900
Office Rent Payable	6,150	6,150
TDS Payable on Salary	7,217	2,980
TDS on Advertisement	91	-
TDS on Audit Fee Payable	450	-
TDS Payables	898	
TDS Payable on House Rent	5,749	3,608
Advance from Directors	3,652,377	-
Total	**3,706,382**	**46,638**

3.11 Provision for Income Tax Liability

Figures in NPR

Particulars	Current Year	Previous Year
Provision for Income Tax	-	-
Total	**-**	**-**

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K. J. & ASSOCIATES Chartered Accountants Lalitpur, Nepal

Swastik Agro Industries Limited

Lahan - 8, Siraha

Notes forming part of the Financial Statements as on 31st Ashad 2081

3.12 Revenue from Operations

Figures in NPR

Particulars	Current Year	Previous Year
Revenue from Milk Sales	86,000	-
Total	**86,000**	**-**

3.13 Finance Income

Figures in NPR

Particulars	Current Year	Previous Year
Interest Income	1,801	-
Total	**1,801**	**-**

3.14 Other Income

Figures in NPR

Particulars	Current Year	Previous Year
Promoter Entry Fee	-	150,500
Income from Mango Sales	19,500	70,000
Gain on Sale of Biological Asset	1,250	-
Total	**20,750**	**220,500**

3.15 Cost of Goods Sold

Figures in NPR

Particulars	Current Year	Previous Year
Cost of Production (Milk)	-	-
Direct Expenses	213,120	-
Total	**213,120**	**-**

3.16 Employee Benefit Expenses

Figures in NPR

Particulars	Current Year	Previous Year
Salary & Wages	721,658	298,000
Total	**721,658**	**298,000**

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K. J. & ASSOCIATES Chartered Accountants Lalitpur, Nepal

Swastik Agro Industries Limited
Lahan - 8, Siraha
Notes forming part of the Financial Statements as on 31st Ashad 2081

3.17 Finance Cost

Particulars	Current Year	Figures in NPR Previous Year
Interest Expenses	1,379,983	-
Total	**1,379,983**	**-**

3.18 Administrative and Other Operating Expenses

Particulars	Current Year	Figures in NPR Previous Year
Advertisement	6,091	10,000
Audit Fee	33,900	33,900
Audit Expenses	-	-
Bank Charges	1,375	2,500
Electricity and Water	116,567	-
Insurance Expenses	-	-
Legal Expenses	59,887	157,000
Office Stationeries	3,500	-
Office Expenses	161,822	45,200
Pooja Expenses	-	29,000
Printing, Stationery and Periodical Expenses	-	400
Rates and Taxes	2,377	-
Office Rent	57,491	36,077
Travelling Expenses	158,460	95,750
Total	**601,471**	**409,827**

3.19 Tax Expenses (Recognized in Statement of Income)

Particulars	Current Year	Figures in NPR Previous Year
Tax on Profit for the Year	-	-
Adjustment for under Provision in Prior Periods	-	-
Total	**-**	**-**

K. J. & ASSOCIATES Chartered Accountants Lalitpur, Nepal

Swastik Agro Industries Limited
Lahan - 8, Siraha
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNT

3.20 Change in Accounting Policies

There is no changes in accounting policy adopted by the company in current year.

3.21 Contingencies

The company does not have any contingent liability that might arise in future as on balance sheet date.

3.22 Related Party Disclosure

The related party comprise subsidiary companies, associated undertakings, other related companies and key management personnel. In the ordinary course of its business operation the company has conducted commercial transactions with parties who are defined as related parties. All those transactions were conducted on an arms's length basis. In considering each possible related party relationship, attention is directed to substance of the relationship and not merely the legal form.

3.23 Current/Non-current Assets and Liabilities

Current assets are expected to be realized within the normal operating cycle of the entity or within twelve months after the reporting period or are intended for sale or consumption within the normal operating cycle of the entity or are held primarily for the prupose of trading or are cash and cash equivalents. All other assets are classified as Non-current assets.

Current liabilities are expected to be settled in the entity's normal operating cycle or are primarily held for trading or are due to be settled within a period of twelve months after the reporting period. All other liabilities are classified as non-current liabilities.

3.24 Prior Period Errors

Prior period errors are ommissions or misstatements in an entity's financial statements. Such ommissions may relate to one or more prior periods. Correction of an error is done by calculating the cumulative effect of the change on the financial statements of the period as if new method or estimate had always been used for all the affected prior years' financial statements. Sometimes, such changes may not be practicable, in such cases it is applied to the latest period possible by making corresponding adjustment to the opening balance of the period.

स्वस्तिक एग्रो इण्डस्ट्रिज प्रा. लि. सिरहा

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