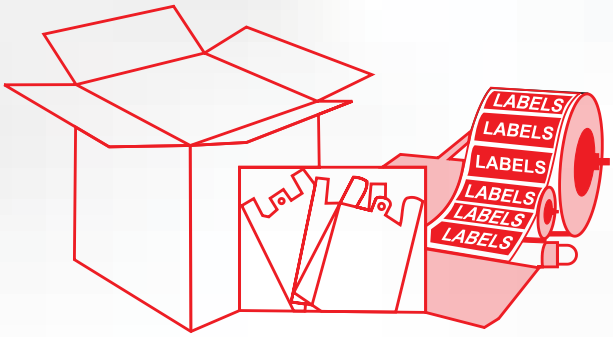


SKL

Shri Krishana Overseas PLC

2025 INVESTMENT MEMORANDUM

Shri Krishana Overseas PLC

Manufacturers of All Types of Regulated Slotted Cases, Die-Cut Cases, Laminated Die Boxes, Telescopic Flower Boxes, SFK & Kraft Paper, Archive Boxes, Wax-Coated Cases.

QUALITY BEYOND COMPARE

Our commitment to excellence ensures that our packaging solutions deliver premium quality.

FUTURE - FORWARD INNOVATION

Pioneering cutting-edge solutions to stay ahead of industry trends and meet evolving business needs.

COST - EFFICIENCY GUARANTEED

We are your trusted partners for offering unmatched value for your business investment.

Shri Krishana Overseas PLC

LISTING STATEMENT

Contents

1. IMPORTANT NOTICE 5
2. MANAGING DIRECTOR AND FOUNDER'S STATEMENT 7
3. CORPORATE INFORMATION 8
4. FEATURES OF THE TRANSACTION 10
5. ECONOMIC REVIEW 12
5.2. Description of General Economy 12
6. INDUSTRY ANALYSIS 15
6.1. Introduction: Importance of the Packaging Industry 15
6.2. Understanding Kenya's Packaging Market Landscape 15
6.3. The Growth of Packaging Companies in Kenya 15
6.4. Challenges Facing the Packaging Sector in Kenya 16
6.5. Innovations and Sustainable Practices in Kenyan Packaging 16
6.6. The Impact of Regulations on Kenya's Packaging Industry 17
6.7. The Role of Technology in Advancing Kenya's Packaging Solutions 18
6.8. Navigating the Future: Trends Shaping Packaging in Kenya 18
6.9. Corrugated Carton Manufacturing 19
7. ABOUT SHRI KRISHANA OVERSEAS PLC 20
7.1. Industries that SKL serves 20
7.2. SKL Suppliers 20
7.3. Operations 20
7.4. Strategy 21
7.5. Organisation Structure 22
7.6. Shareholders and Directors 23
7.7. Corporate Governance 24
8. RISK FACTORS 26
9. STATUTORY AND GENERAL INFORMATION 27
9.1. Incorporation 27
9.2. Shareholding 27
9.3. Directors 27
Company Secretary 28
9.4. 28
9.5. Auditors for the last three financial years 28

9.6. Board and Shareholders Authorisation for the Listing 28
9.7. Extracts of SKL Articles of Association 28
9.8. Statutory Approvals and Licenses 32
9.9. Property bought and disposed in the last five years 32
9.10. Material Indebtedness 32
9.11. Material Litigation and Claims 32
9.12. Directors' Service Contracts 32
9.13. Aggregate Directors' Remuneration in the last financial year. 32
9.14. Lock-In Undertaking 32
9.15. Directors' Declaration 33
9.16. Interests of Directors 33
9.17. Changes to the Company and its Business 33
9.18. Documents for Inspection 33
9.19. Directors Declaration 34
Appendix 1: Legal Opinion 35
Appendix 2: Accountant's Report i
LIST OF ABBREVIATION ii
BASIS OF INFORMATION 1
INTRODUCTION TO THIS REPORT 1
AUDIT REPORTS 1
AUDITED FINANCIAL STATEMENTS 1
MANAGEMENT ACCOUNTS 1
REVIEW PROCEDURES 1
CURRENCY 1
CONCLUSION AND CONSENT 1
ACCOUNTING POLICIES 1
REPORTING ENTITY 1
BASIS OF PREPARATION 2
GOING CONCERN 2
FOREIGN CURRENCY TRANSLATION 2
Functional and presentation currency 2
Transactions and balances 2
REVENUE RECOGNITION 2

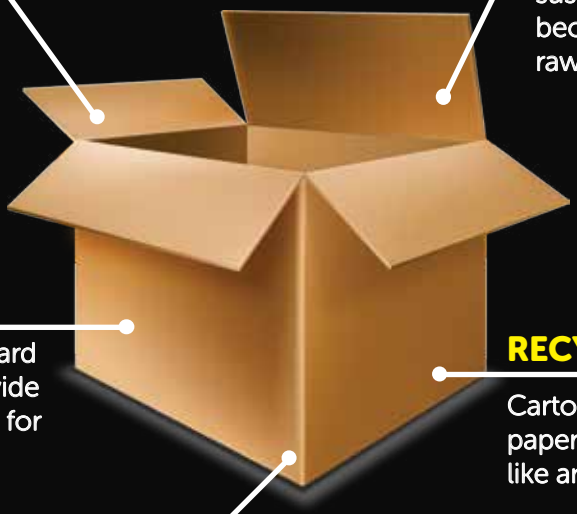
PROPERTY AND EQUIPMENT 3
IMPAIRMENT OF NON-FINANCIAL ASSETS 3
TRANSLATION OF FOREIGN CURRENCIES 3
INVENTORIES 3
TAXATION 4
Current taxes 4
Deferred Tax 4
EMPLOYEE BENEFIT COSTS 4
BORROWING COSTS 4
OPERATING LEASES 4
OFFSETTING 4
FINANCIAL INSTRUMENTS 4
Financial assets 5
Financial liabilities 5
FINANCIAL INSTRUMENTS 6
PROVISIONS FOR LIABILITIES AND CHARGES 6
CASH AND CASH EQUIVALENTS 6
COMPARATIVES 6
CAPITAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES 6
Financial risk management 6
Capital management 8
FINANCIAL STATEMENTS 9
Statement of profit and loss 9
Statement of financial position 10
a. Statement of Changes in Equity 11
Statement of Cash flows 12
Notes to the Financial Statements for the four years 13
b. Notes to the Financial Statements (Cont….) 14
c. Notes to the Financial Statements (Cont….) 15
Notes to the Financial Statements (Cont….) 16
Notes to the Financial Statements (Cont….) 17

STRONG

Cardboard and paperboard can be strengthened through a process called lamination which involves attaching multiple layers together, thus adding strength and stiffness to the cardboard.

ECO-FRIENDLY

Cardboard is one of the most sustainable packaging materials because it is made from renewable raw materials.



DURABLE

Constructed from robust cardboard or corrugated materials that provide excellent protection and support for multiple products.

RECYCLABLE

Cartons are made from 70-90% paperboard, which is recyclable just like any other paper or card.

RELIABLE

A reliable carton is a sturdy, rigid box made from paperboard or corrugated fiberboard that can be used to package products.

MADE IN KENYA

ISO 9001 BUREAU VERITAS Certification

1. IMPORTANT NOTICE

1.1. Listing

This information memorandum is issued by Shri Krishana Overseas PLC (**SKL**) and has been prepared with respect to listing by introduction of Fifty Million Five Hundred Thousand (50,500,000) Ordinary Shares at an offer price of Kenya Shillings Five and Ninety Cents (KES 5.90/=) per share with a par value of Kenya Shillings Twenty Cents (KES 0.20/=) each (the **Shares**) on the Small and Medium Enterprise (**SME**) Market Segment of the Nairobi Securities Exchange (the **NSE**).

This Information Memorandum has been prepared in accordance with the requirements under the Capital Markets Act and the Capital Markets Public Offer Listing and Disclosure Regulations, 2023 (the **Regulations**).

1.2. Approvals

The Capital Markets Authority (**CMA**) has approved the listing of the Shares by introduction on the SME Market Segment of the NSE.

As a matter of policy, the CMA assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Information Memorandum. Approval of the listing by introduction of the Shares on the SME Market Segment of the NSE should not be considered as an endorsement of the securities or the issuer.

The NSE has authorized SKL to list the Shares by introduction on the SME Segment. The Shares have not been and will not be registered or issued under any jurisdiction outside Kenya. As a matter of policy, the NSE assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Information Memorandum. Admission to the SME Market Segment of the NSE is not to be taken as an indication of the merits of the securities or the issuer.

1.3. Responsibility

The executive directors whose names appear on page 28 of this Information Memorandum accept responsibility for the information contained in this Information Memorandum. To the best of the knowledge and belief of the executive directors (who have taken reasonable care to ensure that such is the case) the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.4. Supplemental Information Memorandum

SKL will, for so long as the shares are listed in the NSE, publish a supplement to the Information Memorandum where there has been:

1.4.1. a material adverse change in the condition (financial or otherwise) of SKL; or
1.4.2. any modification of the terms of the listing of the Shares which would make the Information Memorandum inaccurate or misleading.

SKL shall seek prior approval of the CMA, in connection with any amendment or supplement to this Information Memorandum and shall, in addition, supply to the Transaction Advisers and other advisers and agents and the CMA such number of copies of such supplement to this Information Memorandum as the Transaction Advisers and other advisers and agents and the CMA may reasonably require or as may be required to be provided by law. If the terms of the listing are modified or amended in a manner which

would make this Information Memorandum, as supplemented, inaccurate or misleading, a new Information Memorandum will be prepared by SKL after seeking the approval of the CMA and the NSE.

1.5. Forward Looking Statements

This document may contain some statements that may be deemed to be "*forward-looking statements*". These are statements that reflect our current expectations, forecasts, strategies or projections about future events or performance. These statements are based on assumptions and are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated. Factors that could impact these outcomes include changes in market conditions, regulatory developments, competitive pressures, and other risks outlined in our filings with relevant regulatory authorities. We do not undertake any obligation to update or revise these statements, except as required by law.

1.6. Rounding

Some numerical figures included in this Information Memorandum have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain figures may not be an arithmetic aggregation of the figures that preceded them.

1.7. Legal Adviser's Opinion

In line with the requirements under the Regulations, MW & Company Advocates LLP (**MWC Legal**), the Legal Advisers have given and not withdrawn their written consent to the inclusion in this Information Memorandum of their Legal Opinion (attached as Appendix 1), in the form and context in which the Legal Opinion appears and the references to their names and have authorized the contents of the said Legal Opinion.

1.8. Reporting Accountant's Reports

In line with the requirements under the Regulations, Afrek and Associates (**Afrek**), the Reporting Accountants have given and not withdrawn their written consent to the inclusion in this Information Memorandum of their reports (attached as Appendix 2), in the form and context in which the reports appear and the references to their names and have authorized the contents of the said reports.

Shri Krishana Overseas PLC

HON. DR. SONVIR SINGH

MANAGING DIRECTOR AND FOUNDER

Dr. Singh's values were shaped by his early years as the son of a farmer, instilling in him hard work, humility, and a deep commitment to helping others. Throughout his life, he has faced adversity with courage, consistently persevering and pivoting to overcome challenges.

2. MANAGING DIRECTOR AND FOUNDER'S STATEMENT

It is a pleasure to announce Shri Krishana Overseas PLC's (**SKL**) intention to list by way of introduction on the Nairobi Securities Exchange (NSE). This listing is an important milestone for us, and we view it as a means to achieve our ambitious goal.

Nirmla Devi and I established SKL in 2009 as a trading company dealing in rice, spices, and other food commodities. SKL has since transitioned into manufacturing and operates a facility based in Nairobi's Industrial Area with an annual capacity of 3,000 tonnes of packaging materials.

SKL is targeting to increase capacity to 22,000 tonnes of packaging materials through a new plant to be set up in Kisaju, Kajiado County in the third quarter of 2025. The additional capacity is to meet the growing and sustained demand for packaging solutions from horticulture exports including avocados, herbs, mangoes, and vegetables. There is a similar demand for packaging solutions from the floriculture subsector. We also see increased demand in the FMCG sector as more companies establish manufacturing bases in Kenya and East Africa.

We firmly believe that listing by way of introduction on the NSE is the best way for SKL to realize its full potential. Upon listing on the NSE 8.7 million ordinary shares of KES 0.20 each shall be made available to the public at a price of KES 5.90 per share.

The support of Kenyan investors will be instrumental in helping us achieve our ambitious goals. We are also happy to share the opportunity to build this vision together with all those who buy into it and we trust that we shall achieve shared prosperity.

The Kenyan economy has faced challenges in recent times. Last year, the Kenyan Shilling reached a high of nearly 160 to the US Dollar. Interest rates surged with the 91-day Treasury bill hitting a high of 17%. The cost of living and doing business also significantly increased, resulting in social unrest. However, inflation rates have eased to a four-year low of 3.5%, and interest rates have also seen a downward trend, providing some relief to the economy.

These improvements will positively impact both the overall economy and the businesses operating in the sectors where SKL is active.

The journey to the NSE would not have been possible without our hardworking employees, loyal customers, supportive suppliers, and sincere friends. We wish to thank all of them for making this possible.

Finally, SKL is proactive towards providing environmentally friendly packaging solutions that embrace recyclable, reusable, and sustainably sourced raw materials.

Yours sincerely,

Managing Director and Founder, Shri Krishana Overseas PLC.

3. CORPORATE INFORMATION

Issuer Name	Shri Krishana Overseas PLC
Issuer Contact Information	info@skl.co.ke
Current Directors of the Issuer	Mr. Sureshkumar H Patel Independent Non-executive Chairman Dr. Sonvir Singh Managing Director Ms. Nirmla Devi Executive Director Mr. Bharat Singh Executive Director Mr. Muciri Kiambo Independent Director Ms. Alice Wanjiru Mutitu Independent Director Mr. Sheth Kumar Harshad Independent Director
Registered Office	Bomco Building, Falcon Road off Enterprise Road, Industrial Area, Nairobi
Financial Calendar	December 31st
Date of Incorporation	12th June 2009
Legislation	Companies Act, No. 17 of 2015
Legal Form	Public Limited Company
Subsidiaries	N.A.
Auditors	Prakash Associates Certified Public Accountants P.O. Box 18727, 00500 Nairobi
Bankers	DTB Kenya Ltd

	P.O. Box 61711 – 00200 Nairobi, DTB Centre 6th floor, Mombasa Road, Nairobi SBM Bank Kenya Ltd P. O. Box 34886-00100 Nairobi Riverside Mews, Riverside Drive, Nairobi. Prime Bank Ltd P. O. Box 43825 – 00100, Nairobi Prime Bank Building, Chiromo Lane/Riverside
Company Secretary	Milicent Ngetich Chepkirui (CPS Reg No. 2383) Image Registrars Limited
Registrars	Image Registrars Limited P.O. Box 9287-00100, Nairobi Absa Towers 5th floor, Loita Street, Nairobi

4. FEATURES OF THE TRANSACTION

This Information Memorandum should be read in full along with other documents available for inspection for full appreciation of the subject matter.

4.1. The Listing

SKL is pleased to be joining the Nairobi Securities Exchange (NSE). SKL has opted to list by way of introduction on the Small and Medium Enterprises (SME) Market Segment of the NSE.

4.2. Reasons for Listing

The listing on the SME Marget Segment will create a broader base of shareholders and add liquidity for existing shareholders, provide East African investors with access to the Company, and raise the profile of the Company.

This Information Memorandum will be available for inspection at the offices of Synesis Capital Limited until and for a minimum of five working days after the date of Listing. The Information Memorandum will be available on the Company's website indefinitely following the Listing.

4.3. Transaction Overview

Transaction	Listing by Introduction
Issuer	Shri Krishana Overseas PLC
Authorised and Issues Share Capital	50,500,000 ordinary shares of KES. 0.20 each comprising a total authorised share capital of KES. 10,100,000.
Status	Upon Listing, the shares shall be freely transferable Ordinary Shares ranking pari passu with each other.
Form	Ordinary Shares will be fully dematerialized and uploaded into the CDSC before trading.
Compliance	The Listing is subject to the requirements of the Articles, the Companies Act, the Capital Markets Act, the Nairobi Securities Exchange Listing Manual and the Central Depositories Act, 2000.
Listing/ Introduction Price Per Share	KES 5.90 per share
Transaction Advisor	Synesis Capital Limited
Market Segment	Small and Medium Enterprises (SME) Market Segment
Expected Listing Date	24th July 2024
Governing Law	Kenyan Law

4.4. Basis For Setting Listing Price

Synesis Capital Limited conducted a valuation, and this formed the basis of the price.

4.5. Key Listing Statistics

Listing Price Per Share	KES 5.90
Authorized Share Capital	50,500,000
Issued and Fully paid up shares	50,500,000
Par value per share	KES 0.20
Net profit for the twelve (12) months ended December 2024	KES 10,175,184
Earnings per share (EPS) for the twelve months	KES 0.20

4.6. Transaction Timetable

Event	**Date**
Board Approval of Listing	11th April, 2024
Shareholder Approval at General Meeting	11th April, 2024
Approvals from the NSE	3rd July, 2025
Uploading the shares into CDS	21st July, 2025
Dispatch of Information Memorandum to shareholders	23rd July, 2025
Listing and Commencement of Trading at the NSE	24th July, 2025

4.7. Expenses of the Listing

The expenses of the Listing which will fall under the account of the Issuer are estimated at KES 8,623,645.00.

Professional fees and related costs	**KES**
Transaction and Strategic Advisors	3,500,000
Reporting Accountants & Legal Fees	2,500,000
Advertising and Marketing Costs	1,500,000
Registrar Fees	200,000
NSE Listing Fees	178,770
CMA Listing Fees	744,875
Total	
Indicative estimates	8,623,645

4.8. Dividend Policy

The board shall be responsible for making a dividend policy from time to time which shall be ratified by the shareholders at every AGM.

4.9. Investor Relations Policy

The Company intends to adopt an open policy of full disclosure to investors and has already put measures in place to facilitate this. It intends to offer semi-annual briefings following the listing (presently anticipated to coincide with the announcement of annual and interim results).

5. ECONOMIC REVIEW

5.2. Description of General Economy

5.2.1. Kenyan Economy in General

Kenya experienced growth in 2024. According to the Kenya National Bureau of Statistics, Kenya's economy grew at the rate of 4.7% in real terms.

The growth was noted in most of the sectors of the economy with Agriculture, Forestry and Fishing growing by 4.6% compared to 6.6% growth in 2023. Other sectors also had notable growth including Financial & Insurance Activities (7.6%), Transportation and Storage (4.4%) and Real Estate (5.3%).

The Construction sector, however, recorded a contraction of 0.7% down from a growth of 3.0% in 2023. Similarly, mining and quarrying recorded a contraction of 9.2% compared to a 2023 contraction of 6.5% as evidenced in the reduced production of key minerals, including construction materials, titanium, salt (crude), and gemstones.

Employment in the modern and informal sectors, excluding small-scale agriculture, went up from 20.0 million in 2023 to 20.8 million in 2024. A total of 782.3 thousand new jobs were created in the economy in 2024. The modern sector created a total of 78.6 thousand jobs in 2024, reflecting a growth of 2.4%. The informal sector created 703.7 thousand new jobs compared to 720.9 thousand in 2023, accounting for 90.0% of all new jobs created, excluding small-scale agriculture.

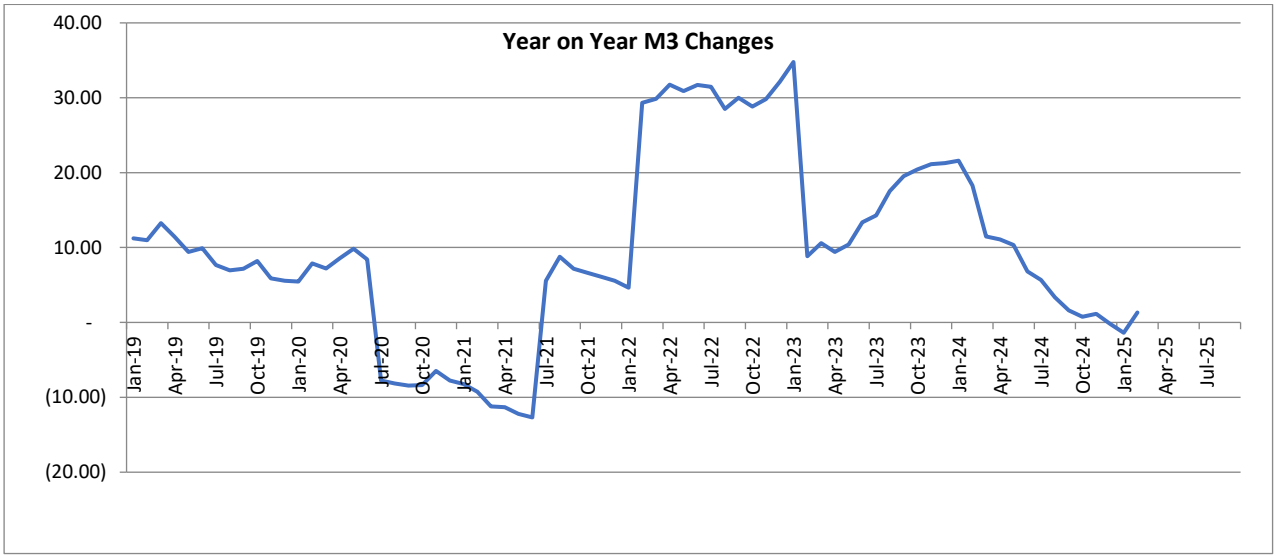
5.2.2. Fiscal Policy

Fiscal policy remained expansionary with signs that expansionary policy will continue into the near future. Historical government spending and taxation is captured below:

YEAR	2020/21	2021/22	2022/23	2023/24	2024/25
Total Revenue (inclusive of grants)	**1,933,568**	**2,230,839**	**2,323,232**	**2,724,699**	**3,115,531**
Total Spending	**2,727,036**	**2,926,819**	**3,511,777**	**3,441,484**	**3,832,323**
Deficit	(793,469)	(695,980)	(1,188,546)	(716,785)	(716,791)
Recurrent Deficit	(361,112)	(307,467)	(418,813)	(401,723)	11,018

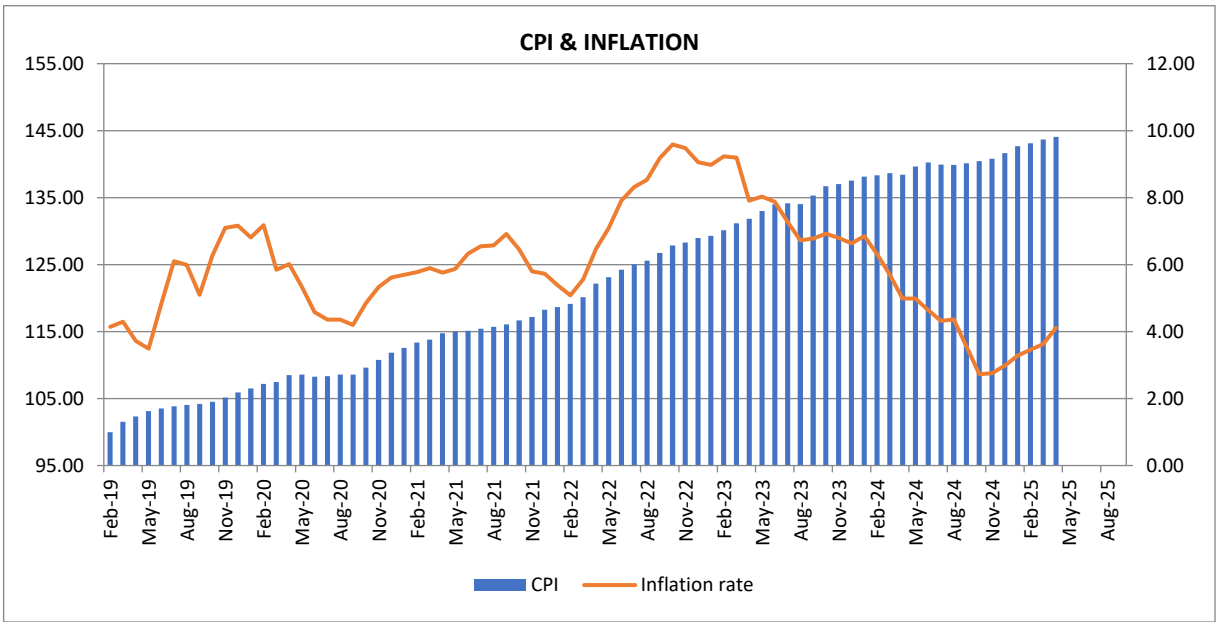
5.2.3. Monetary Policy

Most of 2025, monetary policy was generally tight as seen in the chart below. This was because of high inflation rates and rapid depreciation observed towards the end of 2023 and early 2024. However, CBK has started loosening monetary policy as seen in the reversing of trends in monetary policy.



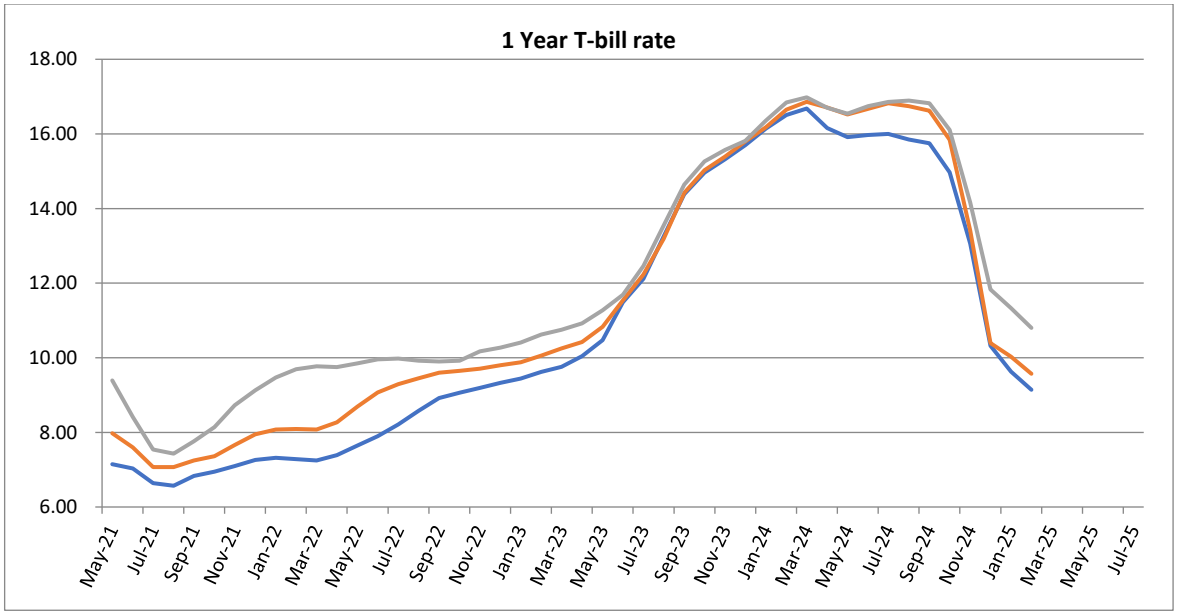
5.2.4. Inflation Rates

Inflation is not a strong concern as the Central Bank has been keeping monetary policy tight as seen above. However, it is ticking up to demonstrate effects of loosening of monetary policy. See inflation rates below.



5.2.5. Interest rates

Loosening of monetary policy has coincided with lower rates. Please see the chart below:



5.2.6. Review

Economic fundamentals remain stable and suitable for investment and growth. However, downside economic risks still exist largely from fiscal policy.

6. INDUSTRY ANALYSIS

6.1. Introduction: Importance of the Packaging Industry

All businesses that deal in goods require packaging and printing. The Packaging and Printing sector is required for:

6.1.1. Easy movement of the products;
6.1.2. Security of the products;
6.1.3. Preservation of the products;
6.1.4. Branding and marketing products;
6.1.5. Informing users of the products; and
6.1.6. Protecting the environment.

6.2. Understanding Kenya's Packaging Market Landscape

The Kenyan packaging industry has experienced a steady climb in valuation, with estimates placing its worth at approximately $585 million as of September 2021. The packaging industry incorporates diverse sectors, including agriculture, forestry, and fisheries, which contribute significantly to the national economy. Specifically, the manufacturing sector—a pillar of Kenya's industrial framework—adds roughly 11% to the Gross Domestic Product (GDP), with packaging operations carving out about 2% of this figure.

As Kenya's population grows and urban centers expand, the demand for consumer goods has surged, particularly for Fast-Moving Consumer Goods (FMCG). This surge has catalyzed advancements in the "*kadogo*" economy—small, affordable packaging tailored to meet the daily needs of the average Kenyan consumer. In response to environmental concerns, Kenya banned single-use plastic bags in 2017, catalyzing innovation in packaging solutions that comply with regulations while serving market demands.

Key trends shaping the packaging sector in Kenya include stringent restrictions on single-use plastics and a national recycling target of 30% by 2030. The introduction of Extended Producer Responsibility (EPR) regulations and initiatives like the Kenya Plastics Pact (KPP) spearhead the transition towards a circular economy for plastics. Moreover, the Institute of Packaging Professionals Kenya (IOPPK)—affiliated with the World Packaging Organization (WPO) and African Packaging Organization—plays an essential role in education and skill development.

For businesses looking to penetrate the Kenyan packaging market, thorough market research, compliance with local laws, sustainable offerings, and building local partnerships with distributors and retailers are pivotal steps. Knowing these facets of Kenya's packaging market landscape is crucial for any company aiming to make an informed and successful entry into this industry.

6.3. The Growth of Packaging Companies in Kenya

The packaging industry in Kenya is on an upward trajectory, driven by the entry and expansion of numerous packaging companies. Local enterprises have set a precedent for delivering a wide range of quality packaging solutions. Local product offerings include corrugated cartons, regular slotted cartons, and specialized packaging for floriculture and horticulture, demonstrating diversity and adaptability to different market needs.

Assessment of Kenya's Packaging Sector Dynamics

Opportunities	Challenges
Growing demand for horticulture and floriculture exports	High input costs of raw materials and energy
Expansion of FMCGs	Infrastructure gap
Government incentives for manufacturing	High credit costs
Increased FDI	Limited access to modern technology
Innovation in sustainable packaging	

6.4. Challenges Facing the Packaging Sector in Kenya

While the packaging sector in Kenya thrives with opportunity, it also grapples with a myriad of challenges that require innovative and strategic solutions. One of the key hurdles is the high cost of raw materials, which can affect the competitiveness of local packaging products in the market. This is often compounded by the import dependency for certain materials, making the industry vulnerable to global market fluctuations.

Another significant challenge is the management of waste, particularly plastic waste. Despite the national push for recycling and the advent of a circular economy, Kenya still faces a low recycling rate of only 8%. With a daily plastic consumption rate per person amounting to 0.03 kg, and a minimal fraction being recycled, the sector must prioritize establishing effective waste management systems.

The influx of non-compliant and substandard products in the market further complicates the scenario for legitimate businesses. These products not only pose a threat to the environment but also undermine the market share of conforming producers, potentially jeopardizing the integrity of the industry and consumer trust.

The infrastructure that supports the transportation and distribution of packaging materials and finished products is also in need of enhancement. The logistical challenges presented by inadequate transportation networks can lead to increased costs and inefficiencies, hampering the sector's overall productivity and reach.

In addition, the evolving landscape requires continual alignment with global and local regulatory standards. Staying abreast of changing laws and policies is essential but can be a daunting task, especially for smaller enterprises that might not have the resources to navigate complex regulatory environments as effectively as larger corporations.

Addressing these challenges is crucial for the sustained growth and development of Kenya's packaging industry. It necessitates a concerted effort from both the public and private sectors to create an enabling environment that fosters innovation, compliance, and environmental stewardship.

6.5. Innovations and Sustainable Practices in Kenyan Packaging

Kenya's packaging industry is witnessing an increased innovation and sustainable practices that will make it resilient. Key to this is the adoption of green packaging solutions. These eco-friendly alternatives are designed to minimize environmental impact and are rapidly gaining favor among businesses and consumers.

Companies are increasingly exploring biodegradable and compostable materials as viable packaging options. By leveraging advancements in material science, they can offer products that, after their useful life, can break down naturally, thus contributing to reduced landfill waste.

Technological advancements are bolstering the industry's ability to develop packaging with enhanced functionality. Examples include smart packaging that incorporates QR codes, enabling traceability and interactivity, and modified atmosphere packaging that extends the shelf life of food products, tackling the issue of food waste head-on.

Furthermore, there is an ongoing effort to reduce packaging waste through design. The focus is on creating packaging that uses fewer materials without compromising product protection. This design-centric approach leads to cost savings and aligns with the principles of the circular economy.

Efficient recycling programs are also pivotal to sustainable packaging. With concerted efforts from the government and the private sector, there is momentum to improve recycling rates and develop closed-loop systems where packaging can be continuously reprocessed and reused.

Embracing these innovations and sustainable practices is an environmental imperative and a strategic business move. It enhances the reputation of companies, appeals to environmentally conscious consumers, and aligns with global sustainability trends, ensuring the Kenyan packaging industry remains competitive and relevant internationally.

6.6. The Impact of Regulations on Kenya's Packaging Industry

The Kenyan government has been proactive in implementing regulations to steer the packaging industry towards greater ecological responsibility. The ban on single-use plastic bags is a case in point, showcasing a decisive move towards combating pollution. As a consequence, businesses have pivoted to developing and marketing alternative packaging materials, triggering a wave of innovation across the industry.

With the introduction of Extended Producer Responsibility (EPR) frameworks, companies are encouraged to take greater accountability for the lifecycle of their products, including post-consumer waste. EPR regulations emphasize the importance of packaging being designed for recyclability, and they incentivize the reduction of environmental footprints.

The national recycling target aspires to significantly improve current recycling rates by 2030, presenting a challenge and an opportunity for the packaging sector to revamp its practices. It compels the entire supply chain to collaborate more closely on sustainable waste management strategies and invest in recycling infrastructure.

The Kenya Plastic Pact (KPP) further exemplifies the commitment to transforming the industry; a multi-stakeholder initiative that brings together key players to work towards common goals for reducing plastic waste and enhancing the circularity of packaging materials.

While navigating these regulations requires a concerted effort, it stimulates progress and places Kenya at the forefront of sustainable packaging. Adherence to these rules is not just about compliance, but about participating in a broader movement towards environmental stewardship, driving innovation, and securing a competitive edge in the global marketplace.

6.7. The Role of Technology in Advancing Kenya's Packaging Solutions

Technology has become a pivotal force in transforming Kenya's packaging industry, catalyzing efficiency and innovation. The integration of cutting-edge machinery has optimized production lines, ensuring that high standards of quality are maintained while also increasing the volume and speed of packaging manufacturing. This technological advancement is essential for companies to remain competitive on both the local and global stage.

Another technological area that has seen significant uptake within the sector is digitization. From design to distribution, digitization enables companies to streamline operations, reduce errors, and respond quickly to market changes. Real-time data analysis and management systems are instrumental in predicting trends, managing inventories, and optimizing supply chain logistics.

Smart packaging is another frontier, leveraging technologies that enhance user engagement and improve product tracking. Solutions such as QR codes and RFID tags are becoming increasingly prevalent, offering customers additional information, authentication, and the ability to engage with brands through their packaging.

In the sustainability realm, technology facilitates the development of eco-friendly packaging alternatives. Research into new materials and processes is yielding products with a lower environmental impact. Technological innovations enable the scale-up of bio-based and recyclable materials to meet the growing demand for sustainable packaging solutions.

The role of technology in advancing Kenya's packaging solutions is integral and multi-faceted. It drives progress by enhancing efficiency, fostering sustainable practices, and forging deeper connections between brands and consumers through innovative packaging designs.

6.8. Navigating the Future: Trends Shaping Packaging in Kenya

As we look to the horizon of Kenya's packaging industry, several emerging trends are poised to influence its direction. A significant shift towards ecologically conscious packaging is gaining momentum, with companies investing more in research and development to produce materials that are easily recyclable, biodegradable, or compostable, aligning with global movements in environmental preservation.

Consumer behavior is also driving change, with a growing preference for convenience and personalization. Packaging solutions that offer ease of use, reseal ability and individualized experiences are expected to become more prevalent, satisfying the demand for products that fit seamlessly into busy lifestyles.

With a focus on food security and reducing waste, there is an increased interest in active and intelligent packaging. These technologies extend the shelf life of food products and provide information on product quality, ensuring that consumers receive safe and fresh products while reducing the amount of food that is discarded.

Another key trend is the rising use of digital printing technologies in packaging. This allows for more vibrant graphics, variable printing, and small-run customizations. Digital printing caters to the needs of niche markets and small businesses, enabling them to compete more effectively with larger entities.

The drive towards supply chain transparency is also noteworthy. With ethical sourcing and corporate responsibility in the spotlight, packaging that can verify the origin and journey of a product is becoming increasingly important to consumers who value trust and authenticity in their purchasing decisions.

These trends indicate a dynamic future for packaging in Kenya. Companies that are agile and responsive to these changes will be well positioned to navigate the evolving landscape and capitalize on the growth opportunities it presents.

6.9. Corrugated Carton Manufacturing

The top corrugated carton manufacturer manufacturers in Kenya are the following:

- **6.9.1.** Dodhia Packaging Kenya Ltd
- **6.9.2.** Allpack Industries Ltd
- **6.9.3.** Carton Manufacturers Ltd
- **6.9.4.** East Africa Packaging Industries Ltd
- **6.9.5.** Mega Pack Kenya Ltd
- **6.9.6.** Prime Cartons Ltd

Shri Krishana Overseas PLC

NIRMAL CHAUDHARY
FINANCE DIRECTOR

"Her courage never wavered, regardless of adversity. She believed that with hard work, no dream was out of reach, shaping a journey of success not just for herself but for many others.."

7. ABOUT SHRI KRISHANA OVERSEAS PLC

SKL is a leading packaging solutions provider based in Nairobi's Industrial Area and has more than a decade of experience in corrugated carton manufacturing. SKL was founded in 2009 as a trading business by Dr. Sonvir Singh and Nirmla Devi and in 2014, began corrugated carton manufacturing. Over the last 10 years, SKL has steadily grown to produce 3-ply, 5-ply, and 7-ply boxes, mono-boxes, and SFK rolls.

Current annual production is 3,000 metric tonnes with plans to increase this capacity to 22,000 through an investment in additional capacity via a new plant to be based in the Kisaju area of Kajiado County. The new plant is expected to be commissioned in March 2025.

7.1. Industries that SKL serves

These include the following:

7.1.1. Floriculture;
7.1.2. Herbs;
7.1.3. Fruits and vegetables;
7.1.4. Pharmaceuticals; and
7.1.5. FMCG

7.2. SKL Suppliers

Paper is the major raw material in corrugated carton manufacturing. SKL currently obtains its raw materials from a combination of local manufacturers, suppliers, and imports.

7.3. Operations

SKL operates in Industrial Area, Nairobi County but will have a second, state-of-the-art, facility in the Kisaju area of Kajiado County in March 2025. The new facility will increase annual production to 22,000 metric tonnes from 3,000 to serve small and large companies.

Creating corrugated boxes involves a systematic process to ensure their structural integrity and functionality. Here's a step-by-step guide to the creation of corrugated boxes:

7.3.1. Design and Planning:

a) Determination of the box's purpose, dimensions, and intended contents.
b) Choosing the appropriate type of corrugated board, considering factors like strength, durability, and printability.

7.3.2. Material Preparation:

a) Obtaining the necessary corrugated board sheets, inner and outer liners, and adhesives.
b) Ensuring the paperboard is properly stored to maintain its quality.

7.3.3. Cutting and Creasing:

a) Use of specialized machinery to cut the corrugated board into appropriately sized panels for the box.
b) Creasing of the panels at specific locations to facilitate folding and forming.

7.3.4. Printing and Labelling (Optional):

a) If desired, printing the branding, product information, or artwork onto the outer liner using flexographic or digital printing methods.

7.3.5. Gluing and Laminating:

a) Application of adhesive to the corrugated medium using rollers or sprayers.
b) Attachment of the inner and outer liners to the corrugated medium, creating a layered structure.

7.3.6. Die-Cutting and Slotting:

a) For specialized box designs, the use of a die-cutting machine to create precise cuts and perforations.
b) Slotting machines to create the necessary flaps and tabs for folding.

7.3.7. Folding and Forming:

a) Folding of the corrugated board along the creases to create the box's basic shape.
b) Ensuring accurate alignment of flaps and edges for a neat appearance.

7.3.8. Gluing and Closure:

a) Application of adhesive to the appropriate flaps and tabs to secure the box's structure.
b) Ensuring proper sealing to prevent the box from coming apart during handling and shipping.

7.3.9. Quality Control:

a) Inspection of the complete boxes for any defects, misalignments, or glue irregularities.
b) This involves checking dimensions, print quality, and structural integrity.

7.3.10. Packaging and Shipping:

a) Once approved, the completed boxes are stacked in a safe and organized manner for storage or distribution.
b) It is also ensured that the boxes are properly labeled and protected to prevent damage during shipping.

7.3.11. Recycling and Sustainability:

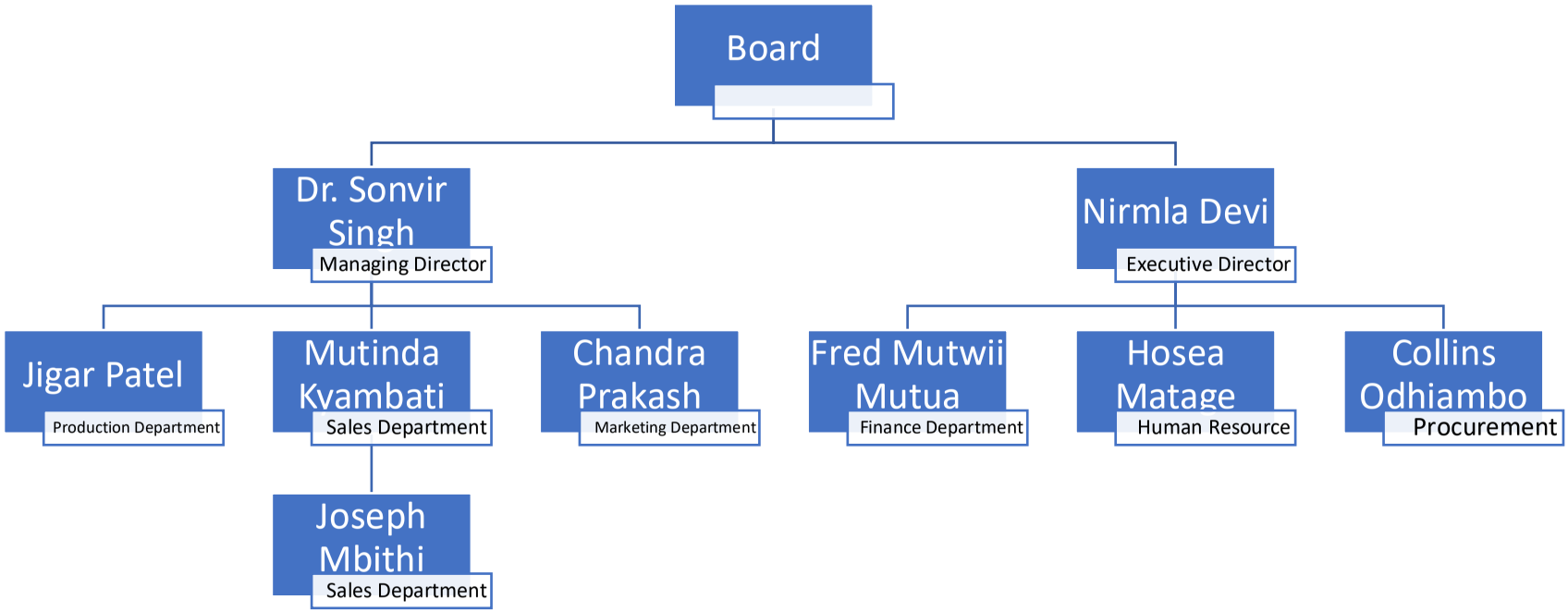
a) Encourage the recycling of corrugated boxes to contribute to environmental sustainability.
b) It is then ensured that proper disposal of any waste materials generated during the box creation process is carried out.

7.4. Strategy

SKL's strategies are customer-focused, and relationship based.

7.5. Organisation Structure

Currently, SKL employs one hundred (100) people. The organisation is structured as below:



7.6. Shareholders and Directors

The following are the shareholders and directors of SKL:

7.6.1. Sureshkumar H Patel – Chairman

Mr. Suresh Patel, an accomplished professional with four decades of experience in the agriculture sector, is the founder and Managing Director of Sai Industries, a Nairobi-based company that manufactures polythene sheets and printed bags. Mr. Patel was previously the marketing manager of Elgon Kenya for 27 years. Mr. Patel is also a dedicated philanthropist and has played a pivotal role in community leadership, having served as the Chairman of the Patel Brotherhood in Nairobi and currently as the Chairman of the Hindu Council of Kenya.

7.6.2. Dr. Sonvir Singh – Managing Director

Dr. Sonvir Singh is an entrepreneur, engineer, and the current Managing Director and co-founder of SKL. He is also the co-founder and CEO of SKL Shoes.

Dr. Sonvir has over 30 years of experience in packaging and printing solutions and has pioneered the use of innovative packaging solutions for the Kenyan market. He was the first to introduce UV printing, widely used in the FMCG sector.

Previously Dr. Sonvir headed Elgon Kenya's packaging division where he was pivotal in identifying and introducing packing solutions for the horticultural and flower sector.

Dr. Sonvir's dedication extends beyond SKL. He is the Hindu Council of Kenya vice chairman and chairs the Rajasthan Association of Kenya. He has spearheaded impactful corporate social responsibility initiatives including nationwide tree planting, water, and food distribution programs. These efforts have improved lives and livelihoods in communities, with the tree-planting project earning recognition from former President Uhuru Kenyatta

7.6.3. Mrs. Nirmla Devi – Executive Director

Nirmla Devi is the SKL Finance Director and co-founder with close to two decades of experience. Nirmla is an accomplished accountant with a Bachelor of Science degree and a master's degree in computer science.

Nirmla is also involved in various charitable organizations including the SKL International Foundation, Shri Shri Sarv Siddh Puratan Kali Bari Trust, and the Hindu Council of Kenya.

7.6.4. Alice Wanjiru Mutitu – Director

Mrs. Alice Wanjiru Mutitu is an accomplished human resource professional. She has over sixteen years of experience in strategic human resource management in the manufacturing, construction, and information technology solutions industries.

She has managed diverse workforces of over two thousand employees. She has mainly been involved in developing and implementing organizations' strategic human resource plans in line with the general organization strategy, as well as serving as the human resource advisor in the organization strategy meetings and overseeing general human resource compliance.

She currently works for the Doshi Group. She has previously worked for Sasini Group, Ramco Group, Seven Seas Technologies and other organizations.

She has a Master of Science in Human Resources from the Jomo Kenyatta University of Science and Technology.

7.6.5. Sheth Kumar Harshad – Director

Mr. Sheth Kumar is an entrepreneur and accomplished finance professional.

He is the founder of Food for Soil Africa Limited where he carries out his passion of advising farmers on how to grow organic foods. He is also the co-founder and managing director of IM Consulting Services which provides a range of services including accounting, auditing, taxation consulting, business consulting, financial advisory, training and hiring, outsourcing, profitability planning and analysis, budgeting and cash flow management.

Previously he was the finance controller at Platinum Packaging, Revital Healthcare, Topen Industries and was the manager, of banking services at Kirtane & Pandit Chartered Accountants (India).

7.6.6. Muciri Kiambo – Director

Mr. Muchiri Kiambo is an entrepreneur and a financial analyst.

He is currently the founder of African Herbal Ingredient Wholesalers Ltd which focuses on sourcing and export of various aromatic tree resins sourced sustainably from arid areas in Kenya, Somaliland and Southern Ethiopia. Previously he served as a Director and Lead Consultant at Mercantile & Projects Limited. His earlier career included roles as General Manager at Nairobi Business Ventures and a Partner at Afrograins EA.

He also has a rich history in banking where he worked for NIC Bank, CFC Bank, Ecobank in various roles including at United Bank for Africa, Uganda Ltd where he was the Head, Corporate & Energy Banking – Wholesale Banking.

He has a Master of Business Administration from Strathmore University.

7.7. Corporate Governance

The Board is at the core of SKL's system of corporate governance and is ultimately accountable and responsible for the performance and affairs of SKL. SKL holds regular board meetings and the Board has been responsible for formulating, reviewing and approving SKL's strategy, budgets and acquisitions. The Board is governed by a Board Charter which details the role and responsibilities of the Board and its approach to corporate governance.

The Board has an audit committee (the "**Board Audit Committee**"), a remuneration committee (the "**Finance, Human Resource and Remuneration Committee**") and a technical committee (the "**Technical and Strategy Committee**") with formally delegated responsibilities.

7.7.1. Board Audit Committee

The Board Audit Committee comprises of three members who are independent and non-executive members of the Board, and the Chairman of the Committee has a background in finance and accounting.

The Board Audit Committee's main functions include, inter alia, monitoring the integrity of the Group's financial statements (including its annual and half yearly reports and any other formal announcement relating to its financial performance), overseeing the internal audit function focusing on the internal controls environment, making recommendations to the Board in relation to the appointment of the company's auditors, overseeing the approval of their remuneration and terms of engagement and assessing annually their independence, objectivity and qualifications and the effectiveness of the audit process.

7.7.2. Finance, Human Resource and Remuneration Committee

The Finance, Human Resource and Remuneration Committee comprises of two non-executive and independent members of the Board and one executive member. The Finance, Human Resource and Remuneration Committee's main functions include, inter alia, determining the framework or broad policy for the remuneration of the Company's Chairman, the Company's executive directors and other members of the executive management, the design of all share incentive plans and the determination each year of individual awards to executive directors and other senior executives thereunder and the performance targets to be used. The Committee regularly reviews the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and makes recommendations with regard to any changes and to ensure diversity and independence is maintained at all times. The Committee is chaired by an independent non-executive director.

7.7.3. Technical and Strategy Committee

The Technical and Strategy Committee comprises two executive members of the Board and is chaired by a non-executive director who is independent. The Committee's main functions include, inter alia, regularly reviewing the strategy of the Company, technical aspects of production and making recommendations to the Board with regard to business development.

The Company has adopted a share dealing code for Directors and employees in accordance with Part IV of the Capital Markets Act (Cap. 485A, Laws of Kenya) and will take proper steps to ensure compliance by the Board and relevant employees. The share dealing code will apply equally to the ordinary shares listed on Small and Medium Enterprises (SME) Market Segment following the Listing.

8. RISK FACTORS

Type of Risk	Risk	Description	Mitigation Measures
Systemic	**Political Risk**	Political instability may impinge on the operating environment adversely impacting the business	We will monitor political developments and look to insulate the business within the realms of possibility
	Regulatory Risk	Adverse directives from relevant regulators	We have rapport with regulators and will comply to all directives
	Macro-economic Risk	Economic deterioration will threaten our operating results	We will monitor the environment and look on how to diversify our earnings
Idiosyncratic	**Business Risk**	Anything that imperils our business will similarly affect our investors	Ensure that we have a strong management team sensitive to execution risk
	Reputation Risk	Any negative news or sentiments on the business and management will have a similar impact on investors	By ensuring a strong and competent management team we can mitigate this
	Strategy Risk	Risk that we pick the wrong strategy or fail to adequately respond to changes in the operating environment	Strong execution and a competent management team plus effective board oversight will mitigate
	Competition	Competitive actions and strategies could leave us unable to respond	We will monitor the competitive environment and look to lead not just follow trends

9. STATUTORY AND GENERAL INFORMATION

9.1. Incorporation

The Company is a public company limited by shares duly registered under the Companies Act, 2015, Laws of Kenya with registration number PLC-QRSVQ3 and having its registered office at Bomco Building, Falcon Road, Off Enterprise Road, Industrial Area, Nairobi. The Company was incorporated on 12th June 2009 as a private limited company with registration number CPR/2009/5034 and was subsequently converted into a public limited company with registration number PLC-QRSVQ3 on 20th March 2025.

9.2. Shareholding

The Company has an authorized and issued share capital of Kenyan Shillings Ten Million, One Hundred Thousand (KES 10,100,000) divided into Fifty Million Five Hundred Thousand (50,500,000) ordinary shares of Twenty Cents (KES 0.20) each as at the date of this Information Memorandum.

The shareholders of the Company as at the date of this Information Memorandum are:

Name	Current Shareholding
Bharat Singh	505,000 ordinary shares
Nirmla Devi	25,250,000 ordinary shares
Sonvir Singh	24,725,000 ordinary shares
Chandra Prakash	5,000 ordinary shares
Dhannaram Yadav	5,000 ordinary shares
Sushama Devi	5,000 ordinary shares
Jay Prakash	5,000 ordinary shares
Total	**50,500,000 ordinary shares**

The existing capital of the Company is in conformity with the applicable laws and meets the stipulated SME listing requirements which include among others a minimum issued share capital of Kenyan Shillings Ten Millon (KES 10,000,000).

9.3. Directors

As at the date hereof, the Company has a Board of Directors consisting of the following individuals:

Director	Capacity	Address	Nationality
Sureshkumar H Patel	Chairman and Independent Director	P.O Box 207 - 00600 Nairobi	Kenyan
Sheth Kumar Harshad	Independent Non-executive Director	P.O Box 26105 - 00100 Nairobi	Kenyan
Muciri Kiambo	Independent Non-executive Director	P.O Box 254 – 00200 Nairobi	Kenyan
Alice Wanjiru Mutitu	Independent Non-executive Director	P.O Box 8689 – 00300 Nairobi	Kenyan

Bharat Singh	Executive Director	P.O. Box 22196 Nairobi	Indian
Nirmla Devi	Executive Director	P.O. Box 6138 – 00100 Nairobi	Indian
Sonvir Singh	Executive Director	P.O. Box 46826 Nairobi	Kenyan

The Board has constituted various committees to conduct its affairs as follows:

Committee	Composition
Audit Committee	1. Sheth Kumar Harshad 2. Muciri Kiambo 3. Alice Wanjiru Mutitu
Finance, Human Resource and Remuneration Committee	1. Alice Wanjiru Mutitu 2. Sheth Kumar Harshad 3. Nirmla Devi
Technical and Strategy Committee	1. Muciri Kiambo 2. Sonvir Singh 3. Bharat Singh

9.4. Company Secretary

The Company Secretary of the Company is Milicent Ngetich Chepkirui (CPS Reg No. 2383). The Company maintains statutory books at its registered office and under the custody of the Company Secretary.

9.5. Auditors for the last three financial years

The Company's auditors for the last three (3) financial years have been Prakash Associates, Certified Public Accountants of P.O. Box 18727, 00500, Nairobi

9.6. Board and Shareholders Authorisation for the Listing

This listing has been duly authorised by the resolutions of the directors and the shareholders both dated 11th April 2024.

9.7. Extracts of SKL Articles of Association

The following is an extract of the Articles of Association (the **Articles**) of the Company and is not exhaustive.

Transferability of Shares

a) The Company is a public company and save as set out in the Articles, there shall be no restriction on the right to transfer its shares nor any limitation on the number of Members.

Transfer of Shares

a) Subject to the provisions contained in the Articles and any trading and settlement rules of any stock exchange on which the shares of the Company are traded or of any settlement and

clearing house at which the Shares of the Company are cleared and settled, shares in the Company shall be transferred by written instrument in any common form executed by or on behalf of the transferee provided that the Directors may dispense with execution by the transferee in any case which they think fit to do so and will do so to the extent that any shares sought to be registered are traded on any recognized stock exchange.

b) The provisions of the Central Depositories Act 2000 as amended or modified from time to time shall apply to the Company to the extent that any securities of the Company are in part or in whole immobilized or dematerialized or are required by the regulations or rules issued under the Central Depositories Act 2000 to be immobilized or dematerialized. Where any securities in the Company are forfeited as per the Articles after being immobilized or dematerialized, the Company shall be entitled to transfer such securities to a securities account designated by the Directors for this purpose.

General Meetings

a) The Company shall in each year, hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the matter as such in the notices calling it. The annual general meeting for each year shall be held within six (6) months from and including the day following the Accounting Reference Date. Annual and extraordinary general meetings shall be held at such times and places within Kenya as the Directors shall from time to time appoint.

b) All general meetings other than annual general meetings shall be called extraordinary general meetings. The Directors may, whenever they think fit, convene an extraordinary general meeting, and shall do so upon a requisition in writing deposited and completed in accordance with applicable statutes provided that there is no requisition by a shareholder for a meeting of the Company by electronic means.

c) The Directors may convene a general meeting by giving twenty-one (21) days' notice in writing. To the extent permissible by law, the Company may serve any notice to be given to members by publishing such notice in two daily newspapers with nation-wide circulation; or by sending such notice through the post addressed to such member at their registered postal address; or by facsimile transmission to such member at their registered facsimile address; or by electronic mail or by other electronic means not prohibited by law including the publication thereof on the website of the Company. The notice shall specify the place, the day and the hour of meeting, the physical, postal or electronic addresses to which communications may be relayed, and, in case of special business, the general nature of that business shall be given, in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are under the regulations of the Company, entitled to receive such notices from the Company.

d) No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business; save as is herein otherwise provided, Two Members present in person or by proxy shall be a quorum

Decision Making by Members

a) Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hand every Member present in person and every person present as

proxy, representative or attorney of a Member shall have one (1) vote. On a poll every Member present in person or by proxy, representative or attorney shall have one (1) vote for each share of which he is the holder.

b) Where there are joint holders of a share, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. For this purpose, seniority shall be determined by the order in which the named stands in the Register in respect of such shares.

c) No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

Directors

a) The Company shall, unless and until otherwise amended from time to time, determined by a special resolution, have not less than seven (7) or more than fifteen (15) directors (excluding Alternates). If at any time the number of Directors falls below the minimum number fixed by or in accordance with the Articles, the remaining Directors may act for the purpose of convening a general meeting or for the purpose of bringing the number of Directors to such minimum, but for no other purpose.

b) The Directors shall be paid out of the funds of the Company by way of remuneration for their services, such sums as the Company may from time to time determine by ordinary resolution and such remuneration shall be divided among them in such proportion and manner determined by the Directors and in default of such determination within a reasonable period, equally. The Directors shall also be entitled to be repaid by the Company all such reasonable travelling (including hotel and incidental) expenses as they may incur in attending meetings of the Board, or of committees of the Board, or general meetings, or which they may otherwise properly incur in or about the business of the Company.

c) The Directors shall prepare a Directors' remuneration report for each financial year of the Company which report shall record such details as are required under and be presented to the Members as per the Companies Act.

d) Directors shall not be required to hold any share qualification but shall be entitled to receive notice of and to attend and speak at all general meetings of the Company.

e) Any Director may, with the consent of the Board (such consent not to be unreasonably withheld), appoint any person to be an Alternate Director of the Company, and may at any time remove any alternate Director so appointed by him from office. An alternate Director so appointed shall not be entitled to appoint an alternate to himself and shall not as such be entitled to receive any remuneration from the Company. Every person acting as an Alternate Director shall be an officer of the Company, and he shall not be deemed to be the agent of the Director by whom he was appointed.

f) The Directors may exercise all the powers of the company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock, legal and equitable mortgages and charges and other securities whether

outright or as security (principal or collateral) for any debt, liability or obligation of the Company or any third party.

g) The Directors shall duly comply with the provisions of applicable laws, and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company, or created by it, and to keeping a register of the Directors and Secretaries.

Conflict of Interest

a) The Director shall declare the nature of his interest, if any, at a meeting of the Directors in accordance with the Companies Act. The Company shall maintain a register of declared conflicts of interest, the register of which shall be kept and updated by the Company Secretary.

b) The Director and the Director's Alternate must neither vote in respect of the transaction, arrangement or contract in which the director or entity is so interested nor be counted for quorum purposes in respect of the transaction, arrangement or contract. However, an Alternate Director is not precluded from voting in respect of the transaction, arrangement or contract on behalf of another appointer who does not have such an interest and being counted for quorum purposes in respect of the transaction, arrangement or contract.

c) A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, or otherwise, or from being interested whether directly or indirectly in any contract or arrangement proposed to be entered into or in fact entered into by or on behalf of the Company; nor shall any such contract or arrangement in which any Director shall be so interested be avoided, nor shall any Director so contracting, or being interested, be liable to account to the Company for any profit realised by him from such contract or arrangement in which he shall be so interested by reason of such Director holding that office or the fiduciary relation thereby established **PROVIDED THAT** the Director has declared the nature and extent of their interest in accordance with the Articles.

d) A general notice as per section 153 of the Companies Act shall be a sufficient declaration of interest in relation to the matters to which it relates.

e) At each annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office.

f) The Directors shall have power at any time, and from time to time, to appoint a person as an additional Director either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not exceed the maximum fixed by or in accordance with these Articles; but any person so appointed shall retire from office at the next following annual general meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

9.8. Statutory Approvals and Licenses

The Company has, as at the date of this Information Memorandum, all the relevant approvals and business permits necessary to operate its business.

9.9. Property bought and disposed in the last five years

The Company has not bought or disposed of any immovable property in the last five (5) years.

9.10. Material Indebtedness

The Company has a facility of Kenya Shillings Two Hundred and Seventy-One Million Seven Hundred and Seventy-Eight Thousand Eight Hundred and Twenty-Five (KES 271,778,825.00) with SBM Bank Limited (the **Facility**) secured against an all-asset debenture over the Company and a charge over Kajiado/Kisaju/4143 for the entire sum.

As at 31st March 2025, the Company had utilized the Facility as follows:

(a) Kenya Shillings Seventy-Six Million, Three Hundred and Twelve Thousand One Hundred and Eighty-Three (KES 76,312,183.00) in the development of a new plant at Kisaju, Kajiado;
(b) An overdraft of Kenya Shillings Fourteen Million Four Hundred and Sixty-Six Thousand Four Hundred and Sixty-Seven (KES 14,466,467.00);
(c) A trade line facility of Kenya Shillings Twenty Million (KES 20,000,000.00) for bill discounting;
(d) A stock loan of Kenya Shillings Five Million (KES 5,000,000.00);
(e) A term loan of Kenya Shillings Two Million Six Hundred and Seventy-Eight One Hundred and Fifty (KES 2,678,150.00); and
(f) A post import finance facility of Kenya Shillings Four Million One Hundred and Fifty-Two Thousand One Hundred and Twenty-Nine (KES 4,152,129.00).

Save for the above, the Company has no other existing facilities.

9.11. Material Litigation and Claims

The Company is not party to and has not been threatened with any material litigation that has not been disclosed in this Information Memorandum

9.12. Directors' Service Contracts

As at the date of this Information Memorandum, each of the Directors has executed an appropriate letter of appointment in relation to their engagement as a director.

9.13. Aggregate Directors' Remuneration in the last financial year.

The aggregate remuneration paid to the Directors of the Company for the year ended 31st December 2023 was Kenya Shillings Eight Million Seven Hundred Thousand (KES 8,700,000.00).

There is no arrangement under which any of the Directors have waived or have agreed to waive future remuneration and there has been no agreement for the waiver of such remuneration in the last financial year.

9.14. Lock-In Undertaking

Each of the current shareholders have provided a written undertaken not to dispose their shareholding in the Company before the expiry of twenty-four (24) months following the listing as

required under Part B of the First Schedule of the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023, subject to the following conditions:

(a) the shareholders (excluding the controlling shareholder) may dispose part of the shares in the Company for the purpose of ensuring that at least fifteen percent (15%) of the issued shares in the Company are available for trade by the public as at the date of commencement of trading on the Nairobi Securities Exchange;
(b) the shareholders may dispose such shares as may be required to satisfy a requirement under law or a directive issued by the Capital Markets Authority;
(c) the Company may dispose such shares as may be required under an intervening court order; and
(d) the Company may transfer the shares of a deceased shareholder to the shareholder's beneficiary pursuant to a will or intestacy.

9.15. Directors' Declaration

To the best knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Information Memorandum is in accordance with accurate facts and does not omit anything likely to affect the import of such information.

9.16. Interests of Directors

As at the date of this Information Memorandum, the following Directors hold shares in the Company:

Name	Current Shareholding
Bharat Singh	505,000 ordinary shares
Nirmla Devi	25,250,000 ordinary shares
Sonvir Singh	24,725,000 ordinary shares

9.17. Changes to the Company and its Business

There have been no interruptions in the business operations of the Company or material changes to the Company or its business operations over the last three (3) years, nor are there any foreseen changes in the Company or its business operations in the near future.

9.18. Documents for Inspection

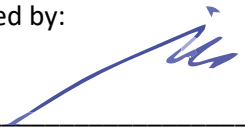
Copies of the following key documents among others will be available for inspection at the Company's registered offices:

9.18.1. This Information Memorandum;
9.18.2. The Certificate of Incorporation of the Company;
9.18.3. The Certificate of Incorporation (Conversion) of the Company;
9.18.4. The Company's Memorandum and Articles of Association;
9.18.5. A resolution of the Company's Board of Directors approving the Listing; and
9.18.6. Audited accounts of the Company for the years ended 31st December 2024, 31st December 2023 and 31st December 2022.

9.19. Directors Declaration

The executive directors whose names appear on page 28 of this Information Memorandum accept responsibility for the information contained in this Information Memorandum. To the best of the knowledge and belief of the executive directors (who have taken reasonable care to ensure that such is the case) the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Signed by:



BHARAT SINGH
Director

NIRMLA DEVI DEVI
Director

SONVIR SINGH
Director

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P.I.N: P051748550T

Appendix 1: Legal Opinion

OUR REF: BMM/COMM/SW/147
YOUR REF: TBA
DATE: 21st March 2025

Shri Krishana Overseas PLC
Bomco Building, Falcon Road
Off Enterprise Road, Industrial Area
P.O. Box 6138 - 00100
Nairobi

Dear Sirs,

LEGAL OPINION IN RESPECT OF LISTING BY INTRODUCTION

1. **BACKGROUND**

1.1. We refer to the above matter in which we act for Shri Krishana Overseas PLC (**the Company**) as legal advisers in relation to the proposed listing of the Company's shares in the Small and Medium Enterprises (SME) Segment of the Nairobi Securities Exchange.

1.2. We are Advocates of the High Court of Kenya, practicing and qualified as such to practice in Kenya, and to advise upon laws of Kenya.

1.3. This legal opinion is given in relation to the proposed listing of shares on NSE by introduction (**the Listing**). We have acted as the legal advisors in the Listing and give this opinion for the inclusion in the Information Memorandum. Unless otherwise stated or context otherwise requires, words and terms defined in the Information Memorandum in relation to the Listing bear the same meaning in this opinion.

1.4. The opinion is limited to Kenyan Law as applied in Courts of Kenya and as of the date of the Information Memorandum and of the opinion and to the matters of fact of prevailing as of date of this opinion.

2. Status of the Company

2.1. The Company is a public company limited by shares duly registered under the Companies Act, 2015, Laws of Kenya with registration number PLC-QRSVQ3 and having its registered office at Bomco Building, Falcon Road, Off Enterprise Road, Industrial Area, Nairobi. The Company was incorporated on 12th June 2009 as a private limited company with registration number

info@mwc.legal
+254 709 473 000
P.O Box 44468 - 00100 Nairobi.
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CPR/2009/5034 and was subsequently converted into a public limited company with registration number PLC-QRSVQ3 on 20th March 2025.

2.2. The disclosures made in the Information Memorandum are accurate as per information provided to us by the Company.

2.3. The Company has, as at the date hereof, a Board of Directors consisting of the following individuals:

Director	Capacity	Nationality
Suresh kumar H Patel	Chairman and Independent Director	Kenyan
Sheth Kumar Harshad	Independent Non-executive Director	Kenyan
Muciri Kiambo	Independent Non-executive Director	Kenyan
Alice Wanjiru Mutitu	Independent Non-executive Director	Kenyan
Bharat Singh	Executive Director	Indian
Nirmla Devi	Executive Director	Indian
Sonvir Singh	Executive Director	Kenyan

2.4. The Company Secretary of the Company is Milicent Ngetich Chepkirui (CPS Reg No. 2383).

2.5. The Company maintains statutory books at its registered office and under the custody of the Company Secretary.

3. Licenses and Consents

3.1. All authorizations, approvals, consents, licenses, exemptions, filings or registrations of or with the government or public bodies or authorities of or in Kenya required in connection with the business of the Company have been obtained in proper form and are in full force and effect.

4. Share Capital

4.1. The authorized share capital of the Company is Kenya Shillings Ten Million, One Hundred Thousand (KES 10,100,000) divided into Fifty Million Five Hundred Thousand (50,500,000) ordinary shares of Twenty Cents (KES 0.20) each.

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+254 709 473 000
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4.2. The issued share capital of the Company is Kenya Shillings Ten Million, One Hundred Thousand (KES 10,100,000) divided into Fifty Million Five Hundred Thousand (50,500,000) ordinary shares of Kenya Twenty Cents (KES 0.20) each.

4.3. The current shareholders of the Company are:

Name	Current Shareholding
Bharat Singh	505,000 ordinary shares
Nirmla Devi	25,250,000 ordinary shares
Sonvir Singh	24,725,000 ordinary shares
Chandra Prakash	5,000 ordinary shares
Dhannaram Yadav	5,000 ordinary shares
Sushama Devi	5,000 ordinary shares
Jay Prakash	5,000 ordinary shares
Total	**50,500,000 ordinary shares**

4.4. The existing capital of the Company is in conformity with the applicable laws and meets the stipulated SME listing requirements which include among others, a minimum issued share capital of Kenyan Shillings Ten Millon (KES 10,000,000).

5. Ownership of Assets

5.1. According to the information provided by the Company, as at the date of this opinion, the Company has the following assets:

5.1.1. Property, Plant and Equipment valued at Kenya Shillings Fifty-Seven Five Hundred and Fifty-Eight Thousand Two Hundred and Forty-Nine (KES 57,558,249.00); and

5.1.2. Land (Kajiado/Kisaju/4143) valued at Kenya Shillings Sixty-Four Million Eight Hundred and Thirty-Seven Thousand Five Hundred and Twenty-Six (KES 64,837,526.00).

5.2. Further to the foregoing, we understand that the Company is targeting to increase capacity to 22,000 tonnes of packaging materials through a new plant to be set up in Kisaju, Kajiado County in the third quarter of 2025 and as such the values of the assets owned by the Company as set out above are set to increase in due course.

6. Subsidiaries

The Company does not own subsidiaries.

7. Material Litigation

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The Company is not party to and has not been threatened with any material litigation that has not been disclosed in the Information Memorandum.

8. Material Contracts

8.1. Save for the contracts entered into in the ordinary course of business, the Company has not entered into any material contracts, which are not disclosed in the Information Memorandum.

8.2. As at the date of this opinion and Information Memorandum, the Company is not in breach of any material contractual obligations except as disclosed in the Information Memorandum.

8.3. Except contracts with advisors engaged by the Company for the Listing, there are no contracts with any bank, brokers or any other person in respect of Listing.

9. Material Borrowings

9.1. Based on the information provided by the Company, as at the date of this opinion, the Company has a facility of Kenya Shillings Two Hundred and Seventy-One Million Seven Hundred and Seventy-Eight Thousand Eight Hundred and Twenty-Five (KES 271,778,825.00) with SBM Bank Limited secured against an all asset debenture over the Company and a charge over Kajiado/Kisaju/4143 for the entire sum.

9.2. According to the information provided by the Company, as at the date of this opinion, the Company has utilized Kenya Shillings Fifty-Three Million Four Hundred and One Thousand One Hundred and Thirty (KES 53,401,103.00) in the development of new plant at Kisaju, Kajiado and an overdraft of Kenya Shillings Fourteen Million Two Hundred and Twenty Three Thousand Three Hundred and Sixty Seven (KES 14,223,367.00) out of the available Kenya Shillings Two Hundred and Seventy-One Million Seven Hundred and Seventy-Eight Thousand Eight Hundred and Twenty Five (KES 271,778,825.00). In that regard, the Company has an unutilized facility of Kenya Shillings Two Hundred and Four Thousand Million One Hundred and Fifty-Four Thousand Three Hundred and Twenty-Eight (KES 204,154,328.00).

9.3. According to the information provided to us by the Company, save for the above, the Company has no other existing facilities.

10. Consent

10.1. We consent to the inclusion of our legal opinion in the Information Memorandum to be issued for the Listing in the form and context in which it appears. We confirm that we have given and have given and have not before delivery of the Information Memorandum withdrawn our consent to issue and the inclusion of our legal opinion in the Information Memorandum.

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11. Scope of Opinion

11.1. We shall not be subject to liable for any inaccuracies in this Opinion resulting from the actions and/or omissions and/or wilful statements or representations on the part of the Company and/or of its officers, representatives or agents in the documents which may take place, or which may be in connection with the preparation and rendering of this opinion.

11.2. Any views which are expressed in respect of, or on the basis of, any law, statute, regulation or similar rules as it was in force as it was in force, and or basis of the provisions thereof at the date of this opinion.

11.3. We express no opinion on matters of fact.

11.4. Further we don't give any opinion on the commerciality of the Listing.

12. Who may rely on the Opinion

12.1. This opinion is governed by the laws of the Republic of Kenya and relate to laws of the Republic of Kenya as applied by the courts of Republic of Kenya as at the date of this opinion. We express no opinion in this letter on the laws of any other jurisdiction.

12.2. This opinion is given to the directors of the Company for their own use in relation to the Listing and other than in the Information Memorandum may not be disclosed in whole or in part by any person or otherwise quoted, referred to or relied upon for any other purpose.

12.3. We express no opinion as to any matter not stated in this opinion and this opinion is not intended to act as a recommendation as to whether a person should invest in the Company.

12.4. We have been instructed solely by the Company and therefore the issuance of this opinion shall not be taken as an implication that we owe a fiduciary duty of care or a contractual duty of care to any person who is not our client.

12.5. This opinion is given by MW & Company Advocates LLP and no partner or employee assumes any personal responsibility for it nor shall owe any duty of care in respect of it.

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Schedule 1: Documents Examined

We have examined the following documents:

1. The Information Memorandum;
2. The Certificate of Incorporation of the Company dated 12th June 2009;
3. The Certificate of Incorporation (Conversion) dated 20th March 2025;
4. The Company's Memorandum and Articles of association in force as to the date of this opinion;
5. A resolution of the Company's Board of Directors approving the Listing;
6. Audited accounts of the Company for the years ended 31st December 2024, 31st December 2023 and 31st December 2022; and
7. Documents and information supplied by the Company and other documents and/or records that we considered necessary or appropriate for the purpose of this opinion in respect of the Company.

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Schedule 2: Assumptions

For purposes of this opinion, we have assumed that;

1. The information disclosed by the documents referred to in Schedule 1 is true, accurate, complete and up to date in all respects. There is no information which should have been disclosed by those documents that has not been disclosed for any reason and there has been no alteration in the information provided in the documents referred to in Schedule 1 since the date that those documents were examined.

2. There is no other fact, matter or document which would, or might, affect this opinion and which was not revealed by the documents examined (referred to in Schedule 1).

3. That there have been no amendments to the documents referred to in Schedule 1 since the date of the copies examined by us.

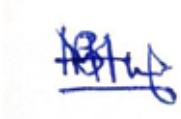
4. The information contained in the Information Memorandum and all information disclosed by the Company is true, accurate, complete and up to date in all respects. There is no information which should have been disclosed that has not been disclosed for any reason and there has been no alteration in the status or condition of the information since the date that the information was given.

5. There is no other fact, matter or document which would, or might, affect this opinion and which was not revealed by the documents examined.

6. All signatures on all documents are genuine.

7. With respect to all matters of fact, we have relied on the representations of the officers and agents and or advisers of the Company and assume that it's true in all material respects.

Yours faithfully,



Bernard Musyoka
For and on behalf of MW & Company Advocates LLP

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Appendix 2: Accountant's Report

TABLE OF CONTENTS

LIST OF ABBREVIATION		ii
1	BASIS OF INFORMATION	1
1.1	INTRODUCTION TO THIS REPORT	1
1.2	AUDIT REPORTS	1
1.3	REVIEW PROCEDURES	1
2	ACCOUNTING POLICIES	1
2.1	REPORTING ENTITY	1
2.2	BASIS OF PREPARATION	2
2.3	GOING CONCERN	2
2.4	FOREIGN CURRENCY TRANSLATION	2
2.5	REVENUE RECOGNITION	2
2.6	PROPERTY AND EQUIPMENT	3
2.7	IMPAIRMENT OF NON-FINANCIAL ASSETS	3
2.8	TRANSLATION OF FOREIGN CURRENCIES	3
2.9	INVENTORIES	3
2.10	TAXATION	4
2.11	EMPLOYEE BENEFIT COSTS	4
2.12	BORROWING COSTS	4
2.13	OPERATING LEASES	4
2.14	OFFSETTING	4
2.15	FINANCIAL INSTRUMENTS	4
2.16	FINANCIAL INSTRUMENTS	6
2.17	PROVISIONS FOR LIABILITIES AND CHARGES	6
2.18	CASH AND CASH EQUIVALENTS	6
2.19	COMPARATIVES	6
2.20	CAPITAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES	6
3	FINANCIAL STATEMENTS	8
3.1	Statement of profit and loss	8
3.2	Statement of financial position	10
3.3	Statement of Changes in Equity	11
3.4	Statement of Cash flows	12
3.5	Notes to the Financial Statements for the four years	13
3.6	Notes to the Financial Statements (Cont....)	14
3.7	Notes to the Financial Statements (Cont....)	15
3.8	Notes to the Financial Statements (Cont....)	16
3.5	Notes to the Financial Statements (Cont....)	17

LIST OF ABBREVIATION

AFS - Audited financial statements

COGS - Cost of goods sold

EBTDA - Earning Before Interest and Tax Depreciation and Amortization

FY - Financial year

IFRS - International Financial Reporting standard

IT - Information Technology

KES - Kenya Shillings

LLC -Limited Liability Corporation

LOE - Letter of Engagement

MGMT - Management

MOM - Month on month

MVMT - Movement

PPE - Property Plant and Equipment

ROA` -Return on assets

ROCE -Return on Capital employed

ROE -Return on equity

SLA -Service Level Agreements

TB -Trial balance

YOY - Year on year

BASIS OF INFORMATION

INTRODUCTION TO THIS REPORT

- The financial information set out in this report is compiled by reference to the audited financial statements of Shri Krishana Overseas Limited for the four years, from 2021 to 2024. We have not audited any information relating to Shri Krishana Overseas Limited.

AUDIT REPORTS

AUDITED FINANCIAL STATEMENTS

- Shri Krishana Overseas Limited follows the International Financial Reporting Standards (IFRS) for SMEs while preparing their financial statements.
- The audited financial statements of the company cover a period of 12 months of business and the reporting date for the company is in December.
- The auditors for the target during the period were Parkash Associates.
- Shri Krishana Overseas Limited received unmodified audit reports for the years ended 31st December 2022, 2023 and 2024.

MANAGEMENT ACCOUNTS

- Shri Krishana Overseas Limited prepares monthly management accounts; however, they do not prepare balance sheets for the branches but rely on the consolidated balance sheet.

REVIEW PROCEDURES

- We conducted our review in accordance with the International Standard on Review Engagements 2400 - Engagements to Review Financial Statements. The objective of the review engagement is to enable us to state whether, on the basis of procedures which do not provide all the evidence that would be required in an audit, anything has come to our attention that causes us to believe that the financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standards. This Standard requires that we plan and perform the review with an attitude of professional scepticism, and obtain sufficient evidence primarily through enquiry and analytical procedures to be able to draw conclusions.
- Our review procedures were limited primarily to inquiries directed to the company's management and the company's auditors that we considered necessary.

CURRENCY

- The company's accounts are denominated in Kenyan Shillings (KES).

CONCLUSION AND CONSENT

- Based on our review, nothing has come to our attention that causes us to believe that the financial statements of Shri Krishana Overseas Limited for each of the two and a half years were not prepared, in all material respects, in accordance with the full International Financial Reporting Standards.
- We confirm that the financial information in this information memorandum has been compiled with reference to the audited financial statements of Shri Krishana Overseas Limited which have been audited by Parkash Associates. The financial statements have received unmodified audit reports for the years ended 31st December 2022, 2023 and 2024.
- We consent to the inclusion of this report in the information memorandum and context in which it appears.

ACCOUNTING POLICIES

REPORTING ENTITY

Shri Krishana Overseas Limited (the Company) manufactures corrugated boxes. It is incorporated in Kenya under the Companies Act as a private limited liability company. The Company is domiciled in Kenya and the address of its registered office is:

Bomco Building,

Falcon Road, Off Enterprise Road, Industrial Area

P.O Box 6138 - 00100

BASIS OF PREPARATION

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). The measurement basis applied is the historical cost basis, except when stated otherwise, which have been measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed under Critical accounting estimates and judgements.

GOING CONCERN

The Company recorded a profit of Ksh. 10,175,184 for the period ended 31 December 2024 (2023 Ksh. 4,237,899) and as of the same date, had retained earnings of Ksh. 9,690,187 (2023 Ksh. 19,865,371).

The Company had positive cash flows from operating activities of Ksh. 21,690,209 for the year ended 31 December 2024 (2023: positive operating cash flows of Ksh. 26,206,892).

Based on the above, the directors believe that the going concern basis of preparing the financial statements is appropriate.

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "Functional currency"). The financial statements are presented in Kenya Shillings (which is the Company's Functional currency)

Transactions and balances

Foreign currency transactions are translated into the Functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other income or expenses'.

REVENUE RECOGNITION

Revenue represents the fair value of the consideration received or the receivable for the sales of goods and services, and is stated net of Value-added tax (VAT), rebates and discounts.

Sales of goods are recognised in the period in which the company delivers products to the customer, the customer has accepted the products and the collectability of the related receivables are reasonably assured.

The Company applies the following five-step model as per IFRS 15 Revenue from contracts with customers, to determine when to recognise revenue and at what amount:

- Identify the contract with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract, and
- Recognise revenue.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company accounts for a contract with a customer only when there is evidence of an arrangement.

The Company accounts for a contract with a customer only when there is evidence of an arrangement and the Company can identify each party's rights regarding the goods and services to be transferred, the contract has commercial substance and collectability is reasonably assured.

The Company recognises revenue at a point in time specifically after the performance obligation of transfer of goods to the customer has been fulfilled.

PROPERTY AND EQUIPMENT

All categories of property and equipment are initially measured at cost and subsequently measured at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure directly attributable to the acquisition of the assets. Computer software, including the operating system, that is an integral part of the related hardware is capitalised as part of the computer equipment.

Subsequent costs are included in the asset's carrying value 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. Repairs and maintenance is charged to profit or loss in the year to which it relates.

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus reserve in equity. Decreases that offset previous increases of the same asset are charged against the revaluation surplus; all other decreases are charged to the income statement. Each year the difference between depreciation charged based on the revalued carrying amount of the asset (the depreciation charged to the income statement) and depreciation based on the asset's original cost is transferred from the revaluation surplus to general reserves.

Depreciation is provided on property, plant and equipment so as to write off their cost or revalued amount over their useful lives using the reducing balance method. The annual rates used are as follows:

Assets class	**Rate**
Motor vehicles	25%
Plant and Machinery	10%
Computers and software	25%
Furniture, fittings and office equipment	10%

As no parts of items of property, plant and equipment have a cost that is significant in relation to the total cost of the item, the same rate of depreciation is applied to the whole item. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets that are carried at amortised cost are reviewed at the end of each reporting period for any indication that an asset may be impaired. If any such indication exists, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

TRANSLATION OF FOREIGN CURRENCIES

Transactions in foreign currencies during the year are converted into Kenya Shillings (functional currency), at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated in Kenya Shillings at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the income statement in the year in which they arise.

INVENTORIES

Inventories are valued by management at the lower of cost and net realisable value with due allowance for any obsolete and slow moving items. Cost is determined by First in First out (FIFO) method. Work in progress includes all the direct works and overhead expenditure in bringing the goods to their present state, but excludes interest expense. Net Realisable Value is the estimate of

selling price in the ordinary course of business, less the costs of completion and selling expenses. Work in Progress represents the value of uninvoiced and partially complete orders considered, valued at cost price.

TAXATION

Current taxes

Current Taxes are provided on the basis of results for the year as shown in the financial statements, adjusted in accordance with tax legislation. Deferred Taxes are provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying value for financial reporting purposes.

Deferred Tax

Deferred Tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses, and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and the unused tax credits can be utilised.

EMPLOYEE BENEFIT COSTS

The company contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contributions are determined by the local statute and are currently limited to Ksh.200 per employee per month. The company's contribution to the scheme are charged to the income statement in the year to which they relate.

BORROWING COSTS

Borrowing costs, net of any temporary investment income on those borrowings, that are attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the asset. The net borrowing cost capitalised is either the actual borrowing cost incurred on the amount borrowed specifically to

OPERATING LEASES

Leases of assets where a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made/received under operating leases are charged/credited to the income statement on a straight-line basis over the lease period. Prepaid operating lease rentals are recognised as assets and are subsequently amortised over the lease period.

OFFSETTING

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

FINANCIAL INSTRUMENTS

The company classifies its financial instruments into the following categories:

I. Financial assets and financial liabilities at fair value through profit or loss: which comprise financial assets or financial liabilities designated by the company at fair value through profit or loss and which are managed and their performance evaluated on a fair value basis in accordance with the company's investment strategy.
I. Held-to-maturity: which comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the company has a positive intention and ability to hold to maturity.
II. Loans and receivables: which comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and excludes assets which the entity intends to sell immediately or in the near term or those

which the entity upon initial recognition designates as at fair value through profit or loss or as available-for-sale financial assets.

III. Available-for-sale: which comprise non-derivative financial assets that are designated as available-for-sale financial assets, and not classified under any of the other categories of financial assets.

IV. Financial liabilities: which comprise all financial liabilities except financial liabilities at fair value through profit or loss.

Financial assets

All financial assets are recognised initially using the trade date accounting which is the date the company subsequently, held-to-maturity investments and loans and receivables are carried at amortised cost using the Amortised cost is the amount at which the financial asset or liability is measured on initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. Fair value is the amount for which an asset can be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. The fair value for quoted shares is determined using the quoted bid price at the balance sheet date while that of non-quoted shares is determined using valuation techniques. Investment in equity shares classified as available-for-sale assets for which there is no active market and whose fair value cannot be reliably measured are carried at cost.

The company assesses at each balance sheet whether there is objective evidence that a financial asset is impaired. If any such evidence exists, an impairment loss is recognised. Impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. In the case of held-to-maturity investments and loans and receivables, the recoverable amount is the present value of the expected future cash flows, discounted using the asset's effective interest rate.

Changes in fair value of financial assets at fair value through profit or loss are recognised in the income statement.

Changes in fair value for available-for-sale financial assets are recognised in the income statement. In the year of sale, the cumulative gain or loss recognised in the income statement. Trade and other receivables not collectible are written off against the related provision. Subsequent recoveries of amounts previously written off are credited to the income statement in the year of recovery.

All financial assets are classified as non-current except financial assets at fair value through profit or loss, those with maturities of less than 12 months from the balance sheet date, those which the directors have the express intention of holding for less than 12 months from the balance sheet date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the company has transferred substantially all risks and rewards of ownership.

Financial assets held during the year were classified as follows:

- Demand and term deposits with banking institutions and trade and other receivables were classified as 'loans and receivables'.
- Government securities were classified as 'held-to-maturity investments'.
- Investments in quoted and non-quoted shares were classified as available-for-sale financial assets.

Financial liabilities

All financial liabilities are recognised initially at fair value of the consideration given plus the transaction cost with the exception of financial liabilities carried at fair value through profit or loss, which are initially recognised at fair value and the transaction costs are expensed in the income statement.

All financial liabilities are classified as non-current except financial liabilities at fair value through profit or loss, those expected to be settled in the company's normal operating cycle, those payable or expected to be paid within 12 months of the balance sheet date and those which the company does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

FINANCIAL INSTRUMENTS

Borrowings and trade and other liabilities are classified as financial liabilities by the directors and are carried at amortised cost.

PROVISIONS FOR LIABILITIES AND CHARGES

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and demand and term deposits, with maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts. In the balance sheet, bank overdrafts are included as borrowings under current liabilities.

COMPARATIVES

Where necessary, comparative figures have adjusted to conform to changes in presentation in the current year.

CAPITAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management

The company's activities expose it to a variety of financial risks including credit, liquidity and market risks. The company's overall risk management policies are set out by the board and implemented by the management, and focus on the unpredictability of changes in the business environment and seek to minimise the potential adverse effects of such risks on the company's performance by setting acceptable levels of risk. The company does not hedge against any risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from financial assets, and is managed on a company- wide basis. The company does not grade the credit quality of financial assets that are neither past due nor impaired.

Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings and placing limits on deposits that can be held with each institution.

Credit risk on trade receivables is managed by ensuring that credit is extended to customers with an established credit history. The credit history is determined by taking into account the financial position, past experience and other relevant factors. Credit is managed by setting the credit limit and the credit period for each customer. The utilisation of the credit limits and the credit period is monitored by management on a monthly basis.

SKL

Shri Krishana Overseas PLC

MADE IN KENYA

ISO 9001 BUREAU VERITAS Certification

UKAS QUALITY MANAGEMENT 008

The maximum exposure of the company to credit risk as at the balance sheet date is as follows:

	Fully performing Ksh.	Past due but not impaired Ksh.	Past due and impaired Ksh.	Total Ksh.
December 31, 2024				
Trade receivables	78,030,040	34,101,679	-	112,131,719
Other receivables	10,964,617	-	-	10,964,617
Cash at bank	2,331,086	-	-	2,331,086
Gross financial assets	91,325,743	34,101,679	-	125,427,422
December 31, 2023				
Trade receivables	91,150,637	49,636,014	-	140,786,652
Other receivables	372,214	-	-	372,214
Cash at bank	5,750,053	-	-	5,750,053
Gross financial assets	97,272,904	49,636,014	-	146,908,919

The ageing analysis of past due but not impaired trade receivables is:

	2024 Ksh.	2023 Ksh.
0-3 months	58,013,837	69,874,136
3-6 months	54,117,883	70,912,516
	112,131,720	140,786,652

The past due debtors are not impaired and continue to be paid. The company does not hold any collateral against the past due or impaired receivables. The management continues to actively follow up past due and impaired receivables.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The board has developed a risk management framework for the management of the company's short, medium and long-term liquidity requirements thereby ensuring that all financial liabilities are settled as they fall due. The company manages liquidity risk by continuously reviewing forecasts and actual cash flows, and maintaining banking facilities to cover any shortfalls.

The table below summarises the maturity analysis for financial liabilities to their remaining contractual maturities. The amounts disclosed are the contractual undiscounted cash flows.

	Less than one month Ksh.	Between 1-3 months Ksh.	Between 3-12 months Ksh.	Over 1 year Ksh.
December 31, 2024				
Trade and other payables	9,778,140	27,321,978	49,309,160	-
Borrowings	-	35,986,859	-	71,884,251
	9,778,140	**63,308,837**	**49,309,160**	**71,884,251**
December 31, 2023				
Trade and other payables	24,005,221	32,019,446	86,431,232	-
Borrowings	-	28,846,851	-	3,994,904
	24,005,221	**60,866,297**	**86,431,232**	**3,994,904**

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price and comprises three types of risks: currency risk, interest rate risk and other price risk.

- **Interest rate risk**
  The company is exposed to cash flow interest risk on its variable rate borrowings because of changes in market interest rates. The company manages this exposure by maintaining a high interest cover ratio, which is the extent to which profits are available to service borrowing costs.

- **Currency risk**
  Currency risk arises on financial instruments that are denominated in foreign currency. The company has trade receivables, trade payables and borrowings which are denominated in foreign currency.

Capital management

The company's objective in managing its capital is to ensure that it supports the development of its business and is able to continue as a going concern, while at the same time maximising the return to its shareholders. The company is not subject to any external capital requirements.

The company manages its capital by evaluating the working capital requirements and investment in non-current assets before borrowings and based on this requirement, setting an internal debt to equity ratio, which it monitors on a regular basis. There has not been any change in this since the last financial year.

FINANCIAL STATEMENTS

Statement of profit and loss

Shri Krishana Overseas Limited
Financial statements
For the 4 years ended 31st December
Statement of comprehensive income

	2024 Ksh.	2023 Ksh.	2022 Ksh.	2021 Ksh.
Revenue	309,864,386	306,309,843	217,586,703	130,248,734
Cost of sales	(212,074,621)	(229,558,688)	(163,729,536)	(90,346,623)
Gross profit	**97,789,765**	**76,751,155**	**53,857,167**	**39,902,112**
Other income	2,601,673	-	-	-
Staff costs	(17,312,600)	(22,036,882)	(14,863,515)	(8,963,796)
Operating and administrative expenses	(41,863,509)	(39,407,046)	(31,123,959)	(20,935,370)
Finance cost	(21,656,368)	(3,985,594)	(7,651,855)	(5,635,869)
Profit before taxes	**19,558,961**	**11,321,631**	**217,837**	**4,367,077**
Tax expense	(9,383,777)	(7,083,732)	(1,875,473)	(366,328)
Profit and total comprehensive income for the year	**10,175,184**	**4,237,899**	**(1,657,635)**	**4,000,749**
Earnings per share	10	4	(166)	400
Number of shares	1,010,000	1,010,000	10,000	10,000

Statement of financial position

Shri Krishana Overseas Limited
Financial statements
For the 4 years ended 31st December

Statement of financial position

	2024 Ksh.	2023 Ksh.	2022 Ksh.	2021 Ksh.
Assets				
Non current assets				
Property, plant and equipment	120,624,337	49,243,124	53,043,640	15,608,356
Right of use asset	25,504,445	25,681,667	27,345,000	15,270,900
Deferred tax	-	-	797,872	797,872
	146,128,782	**74,924,791**	**81,186,512**	**31,677,128**
Current assets				
Inventories	24,238,300	26,185,645	26,165,231	24,142,110
Trade and other receivables	124,104,427	141,428,649	119,448,320	84,610,238
Cash and bank balances	2,331,086	5,750,052	4,160,314	5,455,809
Tax recoverable	715,701	715,701	715,701	715,701
	151,389,514	174,080,047	150,489,566	114,923,858
Total assets	**297,518,296**	**249,004,838**	**231,676,078**	**146,600,986**
Equity and liabilities				
Capital and reserves				
Share capital	10,100,000	10,100,000	100,000	100,000
Revaluation surplus	38,955,302	38,955,302	43,714,587	-
General reserves	19,865,371	9,690,187	693,003	(2,408,647)
	68,920,673	**58,745,489**	**44,507,590**	**(2,308,647)**
Non current liabilities				
Loan	71,884,251	3,994,904	25,625,892	26,224,186
Deferred tax	853,597	-	-	-
	72,737,848	**3,994,904**	**25,625,892**	**26,224,186**
Current liabilities				
Trade and other payables	112,690,752	152,696,578	144,750,706	109,426,163
Bank overdraft	15,986,859	15,865,406	15,516,545	13,259,284
Short term borrowings	20,000,000	12,981,445	-	-
Tax payable	7,182,164	4,721,016	1,275,345	-
	155,859,775	**186,264,445**	**161,542,596**	**122,685,447**
Total equity and liabilities	**297,518,296**	**249,004,838**	**231,676,078**	**146,600,986**

a. Statement of Changes in Equity

Shri Krishana Overseas Limited
Financial statements
For the 4 years ended 31st December

Notes to the financial statements (cont..)

	Share capital Ksh	Revaluation surplus Ksh	General reserves Ksh	Total Ksh
Balance as at January 1, 2022	100,000	-	(2,408,647)	**(2,308,647)**
Loss for the year	-	-	(1,657,635)	**(1,657,635)**
Revaluation	-	48,473,872	-	**48,473,872**
Transfer of excess depreciation on revaluation	-	(4,759,285)	4,759,285	**-**
Balance as at December 31, 2022	**100,000**	**43,714,587**	**693,003**	**44,507,590**
Balance as at January 1, 2023	100,000	43,714,587	693,003	**44,507,590**
Issue of new shares	10,000,000	-	-	**10,000,000**
Profit for the year	-	-	4,237,899	**4,237,899**
Transfer of excess depreciation on revaluation	-	(4,759,285)	4,759,285	**-**
Balance as at December 31, 2023	**10,100,000**	**38,955,302**	**9,690,187**	**58,745,489**
Balance as at January 1, 2024	10,100,000	38,955,302	9,690,187	**58,745,489**
Profit for the year	-	-	10,175,184	**10,175,184**
Balance as at December 31, 2024	**10,100,000**	**38,955,302**	**19,865,371**	**68,920,673**

Statement of Cash flows

Shri Krishana Overseas Limited
Financial statements
For the 4 years ended 31st December

Statement of cash flows

	2024 Ksh.	2023 Ksh.	2022 Ksh.	2021 Ksh.
Cash Flows from Operating Activities				
Net Profit before taxation	19,558,961	11,321,631	217,837	4,367,077
Adjustments for:				
Depreciation on property, plant and equipment	7,876,656	6,767,823	7,000,895	1,950,755
Asset write-off	141,827	-	-	-
Depreciation of rigth of use assets	277,222	1,663,333	-	-
Interest expense	14,569,803	7,527,531	-	-
Operating profit/(loss) before working capital changes				
Inventories	1,947,345	(20,414)	(2,023,121)	(13,263,460)
Trade and other receivables	17,324,222	(21,980,329)	(34,838,081)	8,831,973
Trade and other payables	(40,005,826)	20,927,317	35,324,543	(11,367,674)
Cash generated from operations	**21,690,210**	**26,206,892**	**5,682,073**	**(9,481,330)**
Interest expense	(14,569,803)	(7,527,531)	-	-
Income taxes	(6,069,041)	(2,840,185)	(600,126)	(580,385)
Net cash generated from/(used in) operating activities	**1,051,366**	**15,839,176**	**5,081,947**	**(10,061,715)**
Cash flows from investing activities				
Purchase of property, plant and equipment	(79,399,695)	(2,967,311)	(56,510,277)	(849,621)
Additions of right of use asset	(100,000)	-	-	-
Net cash generated from/(used in) investing activities	**(79,499,695)**	**(2,967,311)**	**(56,510,277)**	**(849,621)**
Cash flows from financing activities				
Proceeds from long-term borrowings	74,907,910	(21,630,988)	(598,295)	17,634,030
Revaluation surplus	-	-	48,473,868	-
Issue of new shares	-	10,000,000	-	-
Net cash generated from/(used in) financing activities	**74,907,910**	**(11,630,988)**	**47,875,573**	**17,634,030**
Net (decrease)/increase in cash and cash equivalents	(3,540,419)	1,240,877	(3,552,757)	6,722,695
Cash and cash equivalents at the beginning of the year	(10,115,354)	(11,356,231)	(7,803,475)	(14,526,169)
Cash and cash equivalents at the end of the year	**(13,655,773)**	**(10,115,354)**	**(11,356,231)**	**(7,803,475)**

Notes to the Financial Statements for the four years

1 Revenue	2024	2023	2022	2021
	Ksh.	Ksh.	Ksh.	Ksh.
Sale of Goods	309,864,386	306,309,843	217,586,703	130,248,734
	309,864,386	**306,309,843**	**217,586,703**	**130,248,734**

2 Cost of Sales	2024	2023	2022	2021
	Ksh.	Ksh.	Ksh.	Ksh.
Opening value of inventories	26,185,645	26,165,231	24,142,110	10,878,650
Purchases and other direct expenses	210,127,276	229,579,102	165,752,657	103,610,083
Less: Closing value of inventories	(24,238,300)	(26,185,645)	(26,165,231)	(24,142,110)
	212,074,621	**229,558,688**	**163,729,536**	**90,346,623**

3 Staff Costs	2024	2023	2022	2021
	Ksh.	Ksh.	Ksh.	Ksh.
Director's Salary	4,800,000	8,700,000	6,000,000	1,203,846
Salaries and wages	11,474,414	12,136,085	8,653,709	7,587,085
Staff medical and welfare	77,370	154,443	148,406	98,865
Employer NSSF contribution	587,802	469,829	61,400	74,000
Employer Housing Levy	222,964	171,926	-	-
Work Permit	150,050	404,600	-	-
	17,312,600	**22,036,882**	**14,863,515**	**8,963,796**

4 Operating and administrative expenses	2024	2023	2022	2021
	Ksh.	Ksh.	Ksh.	Ksh.
Premises rent	6,780,000	4,320,000	4,931,500	4,820,000
Postage, telephone and e mails	384,463	276,989	274,589	266,895
Printing and stationery	285,621	134,414	188,646	52,824
Electricity and water	5,227,829	4,683,620	3,153,025	2,287,611
Business promotion expenses	1,838,444	895,298	718,834	792,821
Insurance expense	3,407,124	2,342,120	3,454,822	2,852,065
Vehicle running expenses	4,764,633	4,096,948	3,035,333	1,660,609
Audit fee	300,000	300,000	240,000	180,000
Travelling expenses	2,401,160	3,887,402	1,561,080	1,625,716
Licences and permits	143,500	191,280	140,050	158,650
Depreciation	7,876,656	6,767,823	7,000,895	1,950,755
Office expenses	2,490,321	1,477,998	1,177,599	690,335
Donations, fines and penalties	-	88,435	82,305	45,500
Miscellaneous	14,790	25,481	13,417	120,584
Professional fee	800,000	2,289,120	1,738,024	782,254
Subscriptions	-	-	103,500	103,500
Repairs and maintainance	1,680,143	3,483,230	3,199,696	2,442,943
Security expense	246,783	118,604	110,644	102,307
Additional tax assessments	2,424,730	1,917,203	-	-
Stamp duty	520,090	447,749	-	-
Lease amortisation	277,222	1,663,333	-	-
	41,863,509	**39,407,046**	**31,123,959**	**20,935,370**

b. Notes to the Financial Statements (Cont.…)

5 Finance costs	2024	2023	2022	2021
	Ksh.	Ksh.	Ksh.	Ksh.
Bank charges	690,748	5,516,577	4,094,883	1,590,545
Interest expense	14,569,803	7,527,531	5,957,854	4,962,208
Foreign exchange gain- realised	6,070,510	(7,747,862)	(1,423,043)	(916,884)
- unrealised	325,307	(1,310,652)	(977,839)	-
	21,656,368	**3,985,594**	**7,651,855**	**5,635,869**

c. Notes to the Financial Statements (Cont….)

6 Property, plant and equipment (PPE)

Period ending 31st December 2024	Office equipments Ksh.	Motor vehicles Ksh.	Furniture and fittings Ksh.	Plant and Machinery Ksh.	Computers Ksh.	Work in progress (Buildings) Ksh.	Total Ksh.
Cost							
As on January 1, 2024	1,743,029	13,763,339	2,931,310	66,785,998	564,550	-	85,788,226
Additions	53,297	5,013,449	77,656	8,110,466	141,000	66,003,827	79,399,694
Disposals	-	(1,700,000)	-	-	-	-	(1,700,000)
As on December 31, 2024	**1,796,326**	**17,076,788**	**3,008,966**	**74,896,464**	**705,550**	**66,003,827**	**163,487,920**
Accumulated depreciation							
As on January 1, 2024	**946,231**	**8,048,487**	**1,988,628**	**25,116,000**	**445,759**	**-**	**36,545,105**
Annual depreciation	85,010	2,646,619	102,034	4,978,046	64,948	-	7,876,656
Depreciation on disposal	-	(1,558,178)	-	-	-	-	(1,558,178)
As on December 31, 2024	**1,031,241**	**9,136,928**	**2,090,662**	**30,094,046**	**510,707**	**-**	**42,863,583**
Carrying amount							
As on December 31, 2024	**765,085**	**7,939,860**	**918,304**	**44,802,418**	**194,843**	**66,003,827**	**120,624,337**

FY2023	Office equipments Ksh.	Motor vehicles Ksh.	Furniture and fittings Ksh.	Plant and Machinery Ksh.	Computers Ksh.	Computers Ksh.	Total Ksh.
Cost							
As on January 1, 2023	1,713,029	11,006,358	2,789,983	66,785,998	525,550	-	82,820,918
Additions	30,000	2,756,983	141,328	-	39,000	-	2,967,311
As on December 31, 2023	**1,743,029**	**13,763,341**	**2,931,311**	**66,785,998**	**564,550**	**-**	**85,788,229**
Accumulated depreciation							
As on January 1, 2023	857,699	6,143,535	1,883,881	20,486,000	406,163	-	29,777,278
Annual depreciation	88,533	1,904,950	104,747	4,630,000	39,597	-	6,767,827
As on December 31, 2023	**946,232**	**8,048,485**	**1,988,628**	**25,116,000**	**445,760**	**-**	**36,545,105**
Carrying amount							
As on December 31, 2023	**796,797**	**5,714,856**	**942,683**	**41,669,998**	**118,790**	**-**	**49,243,124**

Notes to the Financial Statements (Cont….)

6 Property, plant and equipment (PPE) cont….

FY2022	Office equipments Ksh.	Motor vehicles Ksh.	Furniture and fittings Ksh.	Plant and Machinery Ksh.	Computers Ksh.	Computers Ksh.	Total Ksh.
Cost							
As on January 1, 2022	1,668,805	5,337,635	2,789,983	28,062,766	525,550	-	38,384,739
Additions	44,224	320,000	-	4,502,181	-	-	4,866,405
Revaluation	-	5,348,723	-	34,221,051	-	-	39,569,774
As on December 31, 2022	**1,713,029**	**11,006,358**	**2,789,983**	**66,785,998**	**525,550**	**-**	**82,820,918**
Accumulated depreciation							
As on January 1, 2022	762,662	4,522,595	1,783,203	15,341,556	366,367	-	22,776,383
Annual depreciation	95,037	1,620,940	100,678	5,144,444	39,796	-	7,000,895
As on December 31, 2022	**857,699**	**6,143,535**	**1,883,881**	**20,486,000**	**406,163**	**-**	**29,777,278**
Carrying amount							
As on December 31, 2022	**855,330**	**4,862,823**	**906,102**	**46,299,998**	**119,387**	**-**	**53,043,640**

Notes

- Directors make estimates in determining the depreciation rates for property, plant and equipment. The rates used are set out in the accounting policy for property, plant and equipment.
- These estimates are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under prevailing circumstances.

Notes to the Financial Statements (Cont....)

7 Right of use asset	2024 Ksh.	2023 Ksh.	2022 Ksh.	2021 Ksh.
Land				
Cost				
At start of year	27,345,000	27,345,000	15,270,900	15,270,900
Additions	100,000	-	12,074,100	-
	27,445,000	**27,345,000**	**27,345,000**	**15,270,900**
Accumulated amortisation				
At start of year	1,663,333	1,386,111	-	-
Additions	277,222	277,222	-	-
At end of year	**1,940,555**	**1,663,333**	**-**	**-**
Carrying amount				
At end of year	**25,504,445**	**25,681,667**	**27,345,000**	**15,270,900**

8 Inventories	2024 Ksh.	2023 Ksh.	2022 Ksh.	2021 Ksh.
Stock in trade	24,238,300	26,185,645	26,165,231	24,142,110
	24,238,300	**26,185,645**	**26,165,231**	**24,142,110**

9 Trade and other receivables	2024 Ksh.	2023 Ksh.	2022 Ksh.	2021 Ksh.
Trade receivables	112,131,720	140,786,652	119,199,190	83,678,937
Deposits and prepayments	1,008,090	269,783	-	912,468
VAT recoverable	10,964,617	372,214	214,130	18,833
Other Receivables	-	-	35,000	-
	124,104,427	**141,428,649**	**119,448,320**	**84,610,238**

10 Cash and cash equivalents	2024 Ksh.	2023 Ksh.	2022 Ksh.	2021 Ksh.
Cash in hand	3,323	86,535	1,974,855	1,567,407
Bank balance	2,327,763	5,663,517	2,185,459	3,888,402
Bank overdraft	(15,986,859)	(15,865,406)	(15,516,545)	(13,259,284)
	(13,655,773)	**(10,115,354)**	**(11,356,231)**	**(7,803,475)**

11 Payables	2024 Ksh.	2023 Ksh.	2022 Ksh.	2021 Ksh.
Trade payables	86,063,303	141,951,175	120,810,243	97,539,107
Expenses payable	345,975	504,724	720,000	720,000
Directors Account	26,281,474	10,240,679	23,220,463	11,167,056
	112,690,752	**152,696,578**	**144,750,706**	**109,426,163**

Shri Krishana Overseas PLC

P.O. Box 6138 - 00100 Nairobi, Kenya
info@skl.co.ke, sonvir@skl.co.ke, sales@skl.co.ke
www.skl.co.ke
0728664508, 0720571984, 0718742361, 0723990046

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