



९६औं वार्षिक प्रतिवेदन



SONAPUR
MINERALS AND OIL LTD.

सञ्चालक समिति



Ratan Lal Tayal
Chairman



Alisha Pandey
Director



Nipesh Tayal
Managing Director



Bhim Prasad Pathak
Director



Prakash Tayal
Director

विषयसूची

| सि.न. | विवरण | पेज नं |
|-------|---------------------------------------------------------------------------------|--------|
| १. | प्रोक्सी फारम (प्रतिनिधि पत्र) | अ |
| २. | प्रवेश पत्र | अ |
| ३. | १६औं वार्षिक साधारण सभा सम्बन्धि सूचना | १ |
| ४. | वार्षिक साधारण सभा सम्बन्धि जानकारी | २ |
| ५. | सञ्चालक समितिको तर्फबाट प्रस्तुत अध्यक्षज्यूको मन्तव्य सहितको वार्षिक प्रतिवेदन | ३ |
| ६. | कम्पनी ऐन, २०६३ को दफा १०९(४) अनुसारको विवरण | ५ |
| ७. | धितोपत्र दर्ता तथा निष्कासन नियमावली २०७३ बमोजिमको प्रतिवेदन | ९ |
| ८. | आ.व. २०७९/८० को लेखापरिक्षकको प्रतिवेदन तथा वित्तीय विवरण | ११ |

अनुसूचि -१

सोनापुर मिनरल्स एण्ड आयल लिमिटेडको साधारण सभामा मतदान गर्न आफ्नो प्रतिनिधि (प्रोक्सी) नियुक्त गर्ने निवेदन

श्री सञ्चालक समिति

सोनापुर मिनरल्स एण्ड आयल लिमिटेड

विषय: प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला म.न.पा./उ.प.न.पा./न.पा./गा.पा. बस्ने
म/हामी ले यस कम्पनीको शेयरधनीको हैसियतले २०८०/ /
गते का दिन हुने कम्पनीको..... औं वार्षिक साधारण सभामा म/हामी स्वयं उपस्थित भई छलफल
तथा निर्णयमा सहभागी हुन नसक्ने भएकाले उक्त सभामा मेरो/हाम्रो तर्फबाट भाग लिन तथा मतदान गर्नका लागि
..... जिल्ला न.पा./गा.पा. वडा नं. बस्ने श्री
..... लाई मेरो/हाम्रो प्रतिनिधि नियुक्त गरि पठाएको छु/पठाएका छौं ।

प्रतिनिधि नियुक्त भएको ब्यक्तिको,

हस्ताक्षरको नमुना :

नाम :

शेयरधनी प्रमाण पत्र नम्बर/वि.ओ.आई.डि. नम्बर:

निवेदक

दस्तखत :

नाम :

ठेगाना :

शेयर संख्या :

शेयर प्रमाण पत्र नं.

शेयरधनी/हिताग्राही परिचय नं:

मिति :

सोनापुर मिनरल्स एण्ड आयल लिमिटेडको

वार्षिक साधारण सभामा उपस्थितिको लागि

प्रवेश पत्र

१. शेयरधनीको नाम :

२. ठेगाना :

३. शेयरधनी नं./हितग्राहि खाता नं. :

४. लिएको शेयर संख्या :

५. शेयर धनीको दस्तखत :

द्रष्टव्य :

१) सभा कक्षमा प्रवेश गर्न यो प्रवेश पत्र प्रस्तुत गर्नु अनिवार्य छ ।


.....
Mr. Nipesh Tayal
प्रबन्ध संचालक

सोनापुर मिनरल्स एण्ड आयल लिमिटेडको १६औं वार्षिक साधारण सभा सम्बन्धि सूचना

आदरणीय शेयरधनीमहानुभावहरु

सोनापुर मिनरल्स एण्ड आयल लिमिटेडको मिति २०८० साल माघ ३ गते बसेको सञ्चालक समितिको बैठकको निर्णयानुसार देहायका विषयहरुमा छलफल तथा निर्णय गर्न निम्न लिखित मिति, समय र स्थानमा यस कम्पनीको १६औं वार्षिक साधारण सभा बस्ने भएकोले कम्पनी ऐन, २०६३ को दफा ६७ (२) अनुसार सम्पूर्ण शेयरधनी महानुभावहरुको जानकारीको लागि यो सूचना प्रकाशित गरिएको व्यहोरा अनुरोध गरिन्छ ।

वार्षिक साधारण सभा बस्ने मिति, स्थान र समय

मिति : २०८० साल माघ २६ गते शुक्रवार (तदनुसार ०९ फेब्रुवरी २०२४) ।

समय : बिहानको १०:०० बजे ।

स्थान : होटल माला इन (घोराही उपमहानगरपालिका वार्ड नं १५, दाङ्ग)

छलफल गर्ने विषयहरु:

(क) सामान्य प्रस्तावहरु

१. आ.व. २०७९/०८० को सञ्चालक समितिको प्रतिवेदन उपर छलफल गरी पारित गर्ने ।
२. लेखापरिक्षकको प्रतिवेदन सहितको २०८० आषाढ मसान्तको वासलात, सोही मितिमा समाप्त भएको आ.व. २०७९/०८० को नाफा नोक्सान हिसाब, सोही अवधिको नगद प्रवाह विवरण लगायतका वित्तीय विवरणहरुसहित अनुसूचीहरुउपर छलफल गरी पारित गर्ने ।
३. कम्पनी ऐन, २०६३ को दफा १११ अनुसार आर्थिक वर्ष २०८०/०८१ को लेखापरीक्षकको नियुक्ति तथा निजको पारिश्रमिक निर्धारण गर्ने ।
४. कम्पनी ऐन, २०६३ को दफा ९३ बमोजिम यस कम्पनीका आधारभुत शेयरधनी वा संचालक सम्बद्ध रहेको संस्थासँग तथा यसै संस्थासँग सम्बद्ध कम्पनीसँग गरेको कारोबार विवरणलाई अनुमोदन गर्ने प्रस्ताव उपर छलफल गरी पारित गर्ने ।
५. सर्वसाधारण शेयरधनी समुहबाट प्रतिनिधित्व गर्ने सञ्चालक पद-२(दुई)को निर्वाचन गर्ने ।
६. प्रबन्ध संचालक तथा अन्य संचालकहरुको सेवा सुविधा सम्बन्धमा छलफल गरी पारित गर्ने बारे ।

(ख) विशेष प्रस्तावहरु :

१. कम्पनीको उद्देश्य थप (संशोधन) गर्ने ।
२. कम्पनीको प्रबन्धपत्रको दफा ४ को उपदफा १ मा संशोधन गर्ने ।
३. प्रबन्धपत्र संशोधनका सम्बन्धमा नियमनकारी निकायबाट थपघट, परिवर्तन वा संशोधनको निर्देशन भएमा सोही बमोजिम थपघट, परिवर्तन वा संशोधन गर्नका लागि सञ्चालक समितिलाई अख्तियारी दिने ।
४. कम्पनीको हाल कायम रहेको चुक्ता पँजी र सञ्चित मुनाफा (फ्रि रिजर्भ) को जम्मा रकम भन्दा बढीको विभिन्न बैंक तथा वित्तीय संस्थाबाट लिएको ऋण रकम अनुमोदन गर्ने सम्बन्धमा ।

(ग) विविध ।

साधारण सभा सम्बन्धि जानकारी :

१. साधारण सभामा भाग लिने प्रयोजनका लागि मिति २०८०/१०/१२ गते शुक्रबार एक दिन कम्पनीको शेयरधनी दर्ता किताब बन्द (Book close) रहनेछ । नेपाल स्टक एक्सचेन्ज लि. मा मिति २०८०/१०/११ सम्म कारोबार भई शेयर खरीद गरी आफ्नो नाममा शेयर नामसारी भई आएका शेयरधनीहरूको सो सभामा भाग लिन सक्ने छन् ।
२. वार्षिक साधारणसभामा भाग लिन आउनु हुने शेयरधनी महानुभावहरूले आफ्नो परिचय खुल्ने सक्कल प्रमाण र हितग्राही खाता खोली शेयर अभौतीकरण गरिएको विवरण देखिने Demat Account Statement वा शेयर प्रमाण-पत्र साथमा लिई आउन हुन अनुरोध छ ।
३. शेयरधनी महानुभावहरूको सुविधाको लागि हाजिरी पुस्तिका सभा स्थलमा बिहान ९:०० बजे देखि खुल्ला रहनेछ । साधारण सभामा भाग लिने प्रत्येक शेयरधनी महानुभावहरू वा प्रोक्सीले सभा हुने स्थानमा उपस्थित भई उक्त स्थानमा रहेको हाजिरी पुस्तिकामा दस्तखत गर्नुपर्नेछ ।
४. वार्षिक साधारणसभामा पेश हुने सम्पूर्ण प्रस्तावहरू तथा साधारणसभा सम्बन्धी अन्य जानकारीको लागि कम्पनीको website: www.sonacement.com मा पनि हेर्न सक्नुहुनेछ ।
५. सभामा भाग लिनका लागि प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनी महानुभावहरूले प्रतिनिधि (प्रोक्सी) फाराम सभा हुने दिन भन्दा कम्तिमा ४८ घण्टा अगावै अर्थात् २०८०/१०/२३ गते अपरान्ह ५:०० बजे भित्र कम्पनीको तुल्सीपुर-१८, दाङ्ग जिल्लामा अवस्थित उद्योगको कार्यालयमा दर्ता गराईसक्नु पर्नेछ । एक जना शेयरधनीले एक जनाभन्दा बढीलाई प्रतिनिधि (प्रोक्सी) नियुक्त गर्न सक्ने छैन । एक भन्दा बढी प्रतिनिधि (प्रोक्सी) नियुक्त भएको पाइएमा सबै भन्दा पहिला दर्ता भएको प्रतिनिधि (प्रोक्सी) मात्र मान्य हुनेछ । प्रतिनिधि (प्रोक्सी) नियुक्त गरिसकेपछि सम्बन्धित शेयरधनी स्वयम् उपस्थित हुन आएमा शेयरधनीले गरिदिएको प्रतिनिधि पत्र (प्रोक्सी) स्वतह बदर हुनेछ ।
६. संयुक्त रुपमा रहेको शेयरधनीको हकमा शेयरधनीको लगत किताबमा पहिलो नाम उल्लेख भएको व्यक्तिले अथवा सर्वसम्मतिबाट प्रतिनिधि (प्रोक्सी) नियुक्त गरिएको एक जना व्यक्तिले मात्र सभामा भाग लिन पाउने छ । कुनै संगठित संस्था वा कम्पनीले शेयर खरिद गरेको हकमा त्यस्ता संगठित संस्था वा कम्पनीले मनोनित गरेको प्रतिनिधिहरूले शेयरधनीको हैसियतले सभामा भाग लिन र मतदान गर्न सक्नुहुनेछ ।
७. सभाको दिन सभा शुरु हुनु भन्दा अगावै सभाकक्षमा उपस्थित भई दिनहुन सम्पूर्ण शेयरधनी महानुभावहरूलाई अनुरोध गरिन्छ ।
८. साधारणसभाको काम कारवाही तथा अन्य कार्यविधि कम्पनी ऐन, २०६३ बमोजिम हुनेछ ।
९. वार्षिक साधारण सभा तथा सञ्चालकको निर्वाचन सम्बन्धी अन्य जानकारीका लागि तुल्सीपुर-१८, दाङ्ग जिल्लामा अवस्थित उद्योगको कार्यालयमा कार्यालय समय भित्र सम्पर्क गर्नु हुन अनुरोध छ ।
१०. सर्वसाधारण शेयरधनी समुहबाट प्रतिनिधित्व गर्ने सञ्चालकको निर्वाचन सम्बन्धि कार्यक्रम निर्वाचन समितिले तोके बमोजिम हुनेछ ।

सञ्चालक समितिको आज्ञाले
कम्पनी सचिव

सोनापुर मिनरल्स एण्ड आयल लिमिटेडको

१६औं वार्षिक साधारण सभा

सञ्चालक समितिको तर्फबाट प्रस्तुत अध्यक्षज्यूको मन्तव्य सहितको वार्षिक प्रतिवेदन

आर्थिक वर्ष २०७९/०८०

आदरणीय शेयरधनी महानुभावहरु,

यस सोनापुर मिनरल्स एण्ड आयल लि. को १६ औं वार्षिक साधारण सभामा उपस्थित सम्पूर्ण शेयरधनी महानुभावहरु, आमन्त्रित अतिथिज्यूहरु, संचालक मित्रहरु, कम्पनीका कर्मचारीहरु लगायत उपस्थित महिला तथा सज्जनबृन्दहरु प्रति म कम्पनीको सञ्चालक समिति तथा मेरो व्यक्तिगत तर्फबाट यहाँहरुलाई हार्दिक धन्यवाद ज्ञापन गर्दै स्वागत गर्न चाहन्छु ।

यस सोनापुर मिनरल्स एण्ड आयल लि. ले आफ्नै चुनदुङ्गा खानीबाट निकालिएको चुनदुङ्गाबाट उच्च गुणस्तीरय सिमेन्ट तथा क्लिङ्करको उत्पादन गरी विक्री वितरण गर्दै आएकोमा देशको समग्र पूर्वाधार विकास निर्माणमा समेत यस उद्योगको सिमेन्ट प्रयोग भई देशको अर्थतन्त्रमा योगदान गरिरहेको कुरा प्रति मैले गौरवान्वित महसुस गरेको छु । यस उद्योगसँग वर्षौंदेखि आबद्ध सम्पूर्ण ग्राहक महानुभावहरु, सप्लायर्सहरु, कर्मचारीहरु, पूर्व संचालकहरु लगायत सम्पूर्ण शेयरधनीहरुको उद्योग प्रतिको विश्वास र सहयोगले गर्दा यस उद्योगबाट उत्पादित वस्तुहरुको विक्री वितरण गर्न नेपालको पश्चिमी तथा सुदुर पश्चिम बजारको ठूलो क्षेत्र ओगट्न सफल भएको छ । यस उद्योगले आफ्नो गुणस्तीय वस्तुका कारण बजारमा चर्चित ब्रान्ड का रुपमा स्थापित भईसकेको व्यहोरा विविधितै रहेको छ । गुणस्तीय वस्तुको उत्पादनलाई मुख्य प्राथमिकताका साथ कार्य गर्न अत्याधुनिक इक्विपमेन्ट जडित रहेको प्रयोगशाला तथा अत्याधुनिक प्रविधि जडित रहेको सम्पूर्ण प्लान्ट तथा मेशिनरीजहरुको प्रयोगले वातावरणीय प्रतिकुल नहुने गरी स्थानिय श्रोत साधनहरुको प्रयोग गरी ठूलो मात्रामा रोजगारी समेत सिर्जना गरी सम्पूर्ण तहमा अर्थतन्त्रको विकासका लागि तत्पर रही संचालक समिति तथा व्यवस्थापनले कार्य गरिरहेको व्यहोरा जानकारी गराउन चाहन्छु ।

उद्योगको क्रियाकलापबाट वातावरणलाई प्रतिकुल प्रभाव पर्न नदिन उद्योग क्षेत्र भित्र प्रदुषण नियन्त्रण उपकरणको जडान साथै उद्योग तथा खानी क्षेत्रको सरसफाई र हरीयाली प्रबर्द्धन गरिएको छ ।

यहाँहरुकै निरन्तर साथ र सहयोगका कारण हरेक परिस्थितिमा उद्योगले सफलता तथा बजारमा ख्याती प्राप्त गरी आफ्ना उत्पादनहरुको विविधिकरण र भारतमा निर्यातका लागि समेत प्राथमिकता दिने दिर्घकालीन योजना राखेको छ र यसका लागि आवश्यक प्रक्रियाहरु समेत चालि सकेको जानकारी यहाँ उपस्थित सम्पूर्ण महानुभावहरुमा गराउन चाहन्छौं । उद्योगले छोटो समयमै हासिल गरेको उपलब्धिहरुको सारांश वित्तीय विवरणले समेत प्रष्ट गर्दछ । यस उद्योगको गुणस्तीय उत्पादनको निरन्तरता र सम्पूर्ण ग्राहकवर्गहरुको विश्वास हाम्रो प्रमुख उपलब्धी हो । यस उद्योगले पालना गर्नुपर्ने सम्पूर्ण मापदण्डहरु तथा प्रचलित कानून अनुसार उद्योग संचालन गरिरहेको छ ।

यस उद्योगको प्लान्ट संचालनमा आएदेखि सिमेन्ट उत्पादन गरी विक्री वितरण गर्दै आफ्नो व्यावसायीक यात्रालाई आजको दिन सम्म लिएर आएको कुरा हजुरहरुलाई अबगत नै छ । उद्योगको व्यावसायीक यात्राको क्रममा हामीले हजुरहरुलाई पनि सुनौलो भविष्यको लागि संगसंगै लिएर अघि बढ्ने निर्णय गरेर यसै वर्ष मात्र सर्वसाधारण लगानीकर्ताहरुको लागि प्राथमिक शेयर निष्काशन गरेका छौं । यसबाट उद्योगको पुँजीगत क्षमताको वृद्धि हुन गई

उद्योग विस्तारको योजना कार्यान्वयन गर्न थप आर्थिक बल प्राप्त भएको छ । कोभिड-१९ को माहामारी र त्यस लगतै भएको रुस-युकेनको द्वन्द्व र देशमा उत्पन्न आर्थिक मन्दीको कारण औद्योगिक वातावरण बिथोलिएकोले यस वर्ष उद्योगले सोचे अनुसार कारोबार गर्न नसकेको जानकारी गराउँदछौ । यो प्रतिकूलताका बावजुद उद्योगले आ.व. २०७९/८० मा रु. १,७३,०१,५७,२६०/- विक्री र २,६२,४६,२८०/- मुनाफा आर्जन गर्न सफल भएको छ । आगामी दिनहरूमा समग्र परिस्थितीमा सुधार भै अनुकूल औद्योगिक वातावरण तयार हुनेछ र हजुरहरूको लगानीमा उच्चतम प्रतिफल दिन हामी सक्षम हुनेछौ भन्ने हजुरहरूलाई आशा दिलाउन चाहन्छु ।

आदरणीय शेयर महानुभावहरू, आजको दिनमा बैकहरूमा प्रशस्त रुपमा लगानी योग्य रकमको उपलब्धता भएबाट कमशः घट्दो क्रममा रहेको कर्जाको ब्याजको कारण यस उद्योगको कर्जामा भएको ब्याजको दायित्व पनि घट्दै गैरहेको छ । यसरी कर्जा दायित्व घट्दै जादाँ र अन्तराष्ट्रिय रुपमा ईन्धनको मुल्यमा स्थिरता हुदै जाँदा उद्योगको उत्पादन लागत घट्न गई हामी हाम्रो योजना अनुरूप निकट भविष्यमा नै आफ्नो उत्पादनलाई भारत निकासी गर्न सक्षम हुनेछौ र यसबाट देशको व्यापार घाटा कम गरी विदेशी मुद्रा भित्राउन सफल हुनेछौ भन्ने प्रक्षेपण गरेको छौ ।

उद्योगलाई विश्वास गरी हाम्रा उत्पादनहरूलाई प्रयोग गरी हामीलाई माया गरिदिनुहुने सम्पूर्ण ग्राहक वर्गको अभिप्रेरणालाई आत्मशान्त गर्दै हाम्रो मुख्य पहिचानको रुपमा रहेको उच्च गुणस्तरयुक्त चुनहुङ्गाको उच्चतम प्रयोग गरी निकट भविष्यमा नै हामी देशको पश्चिमी क्षेत्रको मात्र नभई समग्र देशको अग्रणी सिमेन्ट उद्योगको रुपमा स्थापीत गराई यसबाट हुने प्रत्यक्ष लाभमा हामी हाम्रा सम्पूर्ण शेयरधनीहरूलाई सहभागी गराउदै यस उद्योग प्रतिको निष्ठालाई अझ उच्च बनाउने विश्वास लिएको छु ।

यस उद्योगको दैनिक क्रियाकलापलाई नजिकबाट समीक्षा गरी सचेत गराउनु हुने संचारकर्मी र उद्योगको हरेक परिस्थितिमा हातेमालो गर्दै सहयोग र आवश्यक सुझाव दिनु हुने स्थानीय बासिन्दाहरू लाई विशेष धन्यवाद दिन चाहन्छु । त्यसै गरी यस उद्योगसंग प्रत्यक्ष वा अप्रत्यक्ष सरोकार राखि सहयोग र सदभाव राख्ने ब्यक्ति वा संस्था प्रती आभार व्यक्त गर्न चाहन्छु । साथै नेपाल सरकार, नियमकारी निकाय, कर्जा प्रदायक बैकहरू, ढुवानी व्यावसायी, उद्योग विभाग, खानी विभाग, वातावरण विभाग, कम्पनी रजिष्टारको कार्यालय, गुणस्तर विभाग, धितोपत्र बोर्ड, बिद्युत प्राधिकरण, नेपाल स्टक एक्सचेन्ज, एन.आई.एम.वि. एस क्यापीटल लि., ग्राहकवर्ग, बितरक, सुरक्षाकर्मी, शेयरधनीहरू तथा नागरीक समाज सबै प्रती हार्दिक आभार व्यक्त गर्न चाहन्छु ।

अन्त्यमा हजुरहरू सम्पूर्णबाट निरन्तर सहयोग र सुझावको अपेक्षा राख्दै सभामा उपस्थित सम्पूर्ण महानुभावहरूले सभामा सहभागी हुन आफ्नो मूल्यवान समय दिनुभएकाले हार्दिक आभार व्यक्त गर्दै मेरो शब्दहरू यही अन्त्य गर्न चाहन्छु ।

रतन लाल तायल
अध्यक्ष

आर्थिक वर्ष २०७९/८० को संचालक समितिको प्रतिवेदन

कम्पनी ऐन, २०६३ को दफा १०९(४) को प्रयोजनको लागि तयार गरिएको विवरण

क) गत वर्षको कारोबारसंगको तुलनात्मक सिंहावलोकन :

- गत आ.व. २०७८/०७९ र आ. २०७९/०८० मा कम्पनीको वित्तीय स्थितीको तुलनात्मक संक्षिप्त प्रगति विवरण:

| विवरण | आ. व. २०७९/०८० | आ. व. २०७८/०७९ |
|---------------------------------------|----------------|----------------|
| विक्री | १,७३०,१५७,२६० | २,३७४,९०७,६२८ |
| खुद नाफा (कर पछि) | २६,२४६,२८० | १२७,०२७,४२५ |
| चुक्ता पूँजी | १,८४५,०३०,००० | १,८४५,०३०,००० |
| प्रतिशेयर आम्दानी | ११४२ | ६१८८ |
| संचित मुनाफा (रिभ्यालुसन रिजर्भ सहित) | ८०१,९२८,२४९ | ७७५,१२४,१५० |
| लाभांश प्रतिशत | - | - |
| नेटवर्थ प्रति साधारण शेयर | १४३१४६ | १४२१०१ |

- उद्योगले यस आ. व. २०७९/०८० मा गरेको विक्री वितरण (गत आ. व. २०७८/०७९ संगको तुलनात्मक परिमाण) :

| तयारी वस्तुको नाम | आ. व. २०७९/०८० | आ. व. २०७८/०७९ |
|-------------------|----------------|----------------|
| सिमेन्ट (बोरामा) | ४४,११,७६२ | ५५,६९,११४ |

- आ.व.२०७९/२०८० मा उद्योगको सिमेन्ट तथा क्लिङकर उत्पादनको विवरण निम्न बमोजिम छ (गत आ. व. २०७८/०७९ संगको तुलनात्मक परिमाण):

| विवरण | आ. व. २०७९/०८० | आ. व. २०७८/०७९ |
|--------------------|----------------|----------------|
| सिमेन्ट (मे.टन.मा) | २,२१,००० | २,७८,१०५ |
| क्लिङकर (मे.टन.मा) | १,८३,०६० | २,३९,१९० |

- कम्पनीको शेयर पूँजी र संचित कोष :

कम्पनीको अधिकृत पूँजी रु. ५००,००,००,०००/- तथा जारी पूँजी रु. ३,०७५,०५०,०००/- र चुक्ता पूँजी रु. १,८४५,०३०,०००/- रहेको छ ।

(ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सो असर:

- रूस तथा युकेन युद्धको कारणबाट सप्लाई चेनमा आएको अवरोधले ईन्धनको मूल्य वृद्धि हुन गई यसबाट चुनहुङ्गा ढुवानी तथा सिमेन्ट उत्पादन लागतमा बृद्धि हुन गएको,
- बजेटले निर्दिष्ट गरे अनुरूप सरकारको लक्ष्य बमोजिमको राजश्व असूलीमा कमि आउँदा सरकारले भौतिक पुर्वाधार विकासको लागि विनियोजन गरे बमोजिमको रकम खर्च गर्न नसक्दा यसले समग्र निर्माणजन्य सामग्रीको मागमा कमी ल्याएको,
- स्थानिय निकाय तथा संघिय सरकारबाट अपेक्षाकृत रूपमा दिर्घकालिन भौतिक पुर्वाधार निर्माणको कार्य अघि नबढाएकोले गर्दा बजारमा सिमेन्टको माग भन्दा आपूर्ती बढी हुने जस्तो सिर्जना उत्पन्न भई प्रतिस्पर्धा बढ्दै गएको,
- बैंकको व्याजदरमा भएको अत्याधिक वृद्धि,
- विद्युत लोडसेडिङको कारणले उत्पादनमा डिजेलको प्रयोग गर्नुपर्ने बाध्यताले गर्दा उत्पादन लागतमा वृद्धि भएको ।

(ग) प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा:

संचालक समितिको प्रतिवेदनमा विस्तृत रूपमा उल्लेख गरिएको ।

(घ) कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्ध:

कम्पनीले आफ्नो उद्योगको संचालनको लागि सबै किसिमका व्यक्ति तथा निकायहरूसँग सुमधुर सम्बन्ध कायम गरी आफ्नो उद्देश्य प्राप्तिका लागि कार्य गर्दै आईरहेको ।

(ड) सञ्चालक समितिमा भएको हेरफेर र सोको कारण:

मिति २०८०/०९/२६ को कम्पनीको संचालक समिति:

| संचालकको नाकम | नियुक्ति मिति | संचालक पदमा बहाल रहेको सम्म | पद | परिवर्तनको कारण |
|-----------------|---------------|-----------------------------|----------------|------------------------------------------------------------------------------------------------------|
| रतन लाल तायल | २०७६/०२/२४ | हाल संचालक रहेको | अध्यक्ष | |
| निपेश तायल | २०७४/०९/१६ | हाल संचालक रहेको | प्रबन्ध संचालक | |
| प्रकाश तायल | २०७७/१०/२२ | हाल संचालक रहेको | संचालक | |
| प्रनय तायल | २०७८/०४/०७ | २०७९/०४/१७ | - | ए.एन. माईनिङ्ग प्रा.लि. बाट श्री भिम प्रशाद पाठक ज्यूलाई संचालक पदमा मनोनयन गरि पठाउने निर्णय भएकाले |
| भिम प्रशाद पाठक | २०७९/०४/१७ | हाल संचालक रहेको | संचालक | ए.एन. माईनिङ्ग प्रा.लि. बाट श्री भिम प्रशाद पाठक ज्यूलाई संचालक पदमा मनोनयन गरि पठाईएको |
| एलिसा पाण्डे | २०७९/०४/१९ | हाल संचालक रहेको | संचालक | नयाँ नियुक्ती |

(च) कारोबारलाई असर पार्ने मुख्य कुराहरु:

- देशमा विद्यमान सिमेन्ट उद्योगहरूबीचको प्रतिस्पर्धा,
- सरकारले निर्माण सामग्रीको माग सृजना गर्न तथा दिर्घकालिन भौतिक पुर्वाधार निर्माणको कार्यलाई कार्यान्वयन गर्न कडा कदम नचाल्नु,
- बैकको व्याजदरमा भएको बृद्धि,
- विद्युतको नियमित आपूर्ती नहुनु साथै उद्योग संचालनको लागी आवश्यक भोल्टेजको कमी हुनु तथा बेला बेला हुने लोडसेडिङ्ग कारणले डिजेल प्रयोग गर्नु पर्ने बाध्यता,
- राष्ट्रिय तथा अन्तराष्ट्रिय रूपमा उपलब्ध हुने कच्चा पदार्थको मूल्यमा भएको बृद्धि ।
- खानी तथा वन सम्बन्धि कानून लगानी मैत्रि नहुनु ।

(छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया:

कुनै कैफियत उल्लेख नभएको ।

(ज) लाभांश बाँडफाड गर्न सिफारिस गरिएको रकम:

आ.व. २०७९/८० को लागि लाभांश बाँडफाड गर्न सिफारिस नगरिएको ।

(झ) शेयर जफत भएको भए जफत भएको शेयर सङ्ख्या, त्यस्तो शेयरको अङ्कित मूल्य, त्यस्तो शेयर जफत हुनुभन्दा अगावै सो बापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयर बापत रकम फिर्ता गरेको भए सोको विवरण: नभएको

(ञ) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको

स्थितिको पुनरावलोकन: यस कम्पनीको कारोबारको प्रगति र स्थितिको बारेमा वित्तीय विवरणमा उल्लेख गरिए अनुसार रहेको ।

(ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरु र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन: नरहेको ।

(ठ) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरुले कम्पनीलाई उपलब्ध गराएको जानकारी: आ.व. २०७९/८० मा संस्थाको आधारभूत शेयरधनीहरुले कुनै व्यहोराको जानकारी नगराएको ।

(ड) विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरुले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरु संलग्न रहेको भए सो सम्बन्धमा निजहरुबाट कम्पनीले प्राप्त गरेको जानकारी:

| क्र.सं. | शेयरधनीको नाम तथा ठेगाना | शेयर संख्या (कित्ता) | पद | कैफियत |
|---------|--------------------------------------------------------|----------------------|----------------|---------------------------------------------------------------------------------------------------|
| १ | निपेश तायल भद्रपुर न.पा. वडा नं.२, भापा | ४,८६१,४४४ | प्रबन्ध संचालक | |
| २ | प्रकाश तायल भद्रपुर न.पा. वडा नं.५, भापा | १,५७४,८०७ | संचालक | |
| ३ | रतन लाल तायल भद्रपुर न.पा. वडा नं.५, भापा | १,५७४,८०६ | अध्यक्ष | |
| ४ | भिम प्रशाद पाठक घोडाघोडी न.पा. वडा नं. १, कैलाली | - | संचालक | ए.एन. माईनिङ्ग प्रा.लि. का.म.न.पा.वडा नं.९ बाट प्रतिनिधि नियुक्त गरी संचालक पदमा पठाईएको |
| ५ | एलिसा पाण्डे गरामनी-०१, भापा | १८४,५०२ | संचालक | |

निजहरु कम्पनीको शेयर कारोबारमा संलग्न नभएको ।

(ढ) विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्झौताहरुमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा: यस प्रकारको कुनै जानकारी प्राप्त नभएको ।

(ण) कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको सङ्ख्या र अङ्कित मूल्य तथा त्यसरी शेयर खरिद गरे बापत कम्पनीले भुक्तानी गरेको रकम: नभएको ।

(त) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण: कम्पनीले आन्तरिक नियन्त्रण प्रणालीको अनुसरण गर्दै सम्पूर्ण औद्योगिक, प्रशासनीय तथा आर्थिक क्रियाकलापहरु तथा कारोबारहरु गर्दै आएको छ । कम्पनीद्वारा प्रभावकारीहुने गरी आन्तरिक नितिहरुको पालना गर्दै पारदर्शी एवम् विश्वसनीय बनाउन व्यवस्थापन समूह तथा विज्ञहरुबाट प्राप्त सुझाव अनुसार नियन्त्रण प्रणालीलाई उद्योगको हितमा हुने गरी विभिन्न अन्तरालमा पुनरावलोकन समेत गरिरहेको र निकट भविष्यमा थप सुधार गर्ने प्रतिबद्धता व्यक्त गर्दछौं ।

(थ) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण:

आ.व. २०७९/८० मा कुल व्यवस्थापन खर्च जम्मा रकम रु. १२,२१,३४,२११/- रहेको छ ।

(द) लेखापरीक्षण समितिका सदस्यहरुको नामावली, निजहरुले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारबाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण: हाल सम्म लेखापरीक्षण समिति गठन नभएको ।

(घ) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा: यस सम्बन्धी विवरण वित्तीय विवरणमा उल्लेख गरिएको ।

(न) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम:

| त्र.स. | विवरण | संचालकहरूको पारिश्रमिक तथा भत्ता |
|--------|-----------------------|----------------------------------|
| १. | तलब, भत्ता तथा सुविधा | १,२५,१९,८६५/- |
| २. | बैठक भत्ता | - |

कम्पनीका प्रबन्ध संचालकद्वारा कार्यकारी प्रमुखको रूपमा कार्य गर्दै आएको ।

(प) शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम: नभएको ।

(फ) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण:

सम्पत्ति खरीद वा बिक्री गरिएको विवरण वित्तीय विवरण अनुसार रहेको ।

(ब) दफा १७५ बमोजिम सम्बद्ध कम्पनीबीच भएको कारोबारको विवरण:

यस सम्बन्धी विवरण वित्तीय विवरणमा उल्लेख गरिएको ।

(भ) यस ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुरा: नभएको ।

धितोपत्र दर्ता तथा निष्कासन नियमावली २०७३ को अनुसूची

(नियम २६ को उपनियम (२) सँग सम्बन्धित आ.व. २०७९/०८० को प्रतिवेदन)

१. संचालक समितिको प्रतिवेदन

यसै वार्षिक प्रतिवेदनमा संलग्न गरिएको छ ।

२. लेखापरीक्षकको प्रतिवेदन

यसै वार्षिक प्रतिवेदनमा संलग्न गरिएको छ ।

३. लेखापरीक्षण भएको वित्तीय विवरण

वासलात, नाफा नोक्सान, नगद प्रवाह विवरण तथा सम्बन्धित अनुसूचीहरू यसै प्रतिवेदनमा संलग्न गरिएको छ ।

४. कानुनी कारबाही सम्बन्धी विवरण

यस संस्थाले वा संस्था विरुद्ध कुनै मुद्दा दायर भएको सम्बन्धी विवरण:

संस्थाद्वारा दायर गरिएका मुद्दाहरू:

| मुद्दा दायर भएको मिति | प्रतिवादी | मुद्दाको विषय | सम्भाव्य कानुनी उपचार |
|-----------------------|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| २०८०.०२.२३ | ठूला करदाता कार्यालय, ललितपुर आन्तरिक राजश्व विभाग लाजिम्पात | आयकर २०७५/७६, २०७६/७७ र २०७७/७८ : श्री ठूला करदाता कार्यालयबाट खर्च रकम कटौती गर्न नमिल्ने गरी आयकर ऐन, २०५८ को दफा १०२ को बमोजिम जारी गरिएको संशोधित कर निर्धारण सुचना विरुद्ध आन्तरिक राजश्व विभागको प्रशाशकीय पुनरावलोकनको निर्णय प्रति चित्त नबुझेकाले श्री राजश्व न्यायाधिकरण काठमाडौंमा मुद्दा दर्ता गराई हाल विचाराधीन रहेको अवस्थामा | आयकर ऐन, २०५८ तथा प्रचलित कानून बमोजिम सर्वोच्च अदालत सम्म विभिन्न निर्णय विरुद्ध रिट एवम् मुद्दा दायर गरी कानुनी उपचारको लागि अवलोकन गर्ने । |

५. संगठित संस्थाको शेयर कारोबार तथा प्रगतिको विश्लेषण:

(क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारणा

शेयर कारोबार नेपाल धितोपत्र बोर्डबाट अनुमति प्राप्त धितोपत्र बजारमा धितोपत्र सम्बन्धी सम्पूर्ण ऐन, नियमावली, विनियमाली तथा निर्देशिकाको पूर्ण रूपमा पालना गरी खुला बजारमा कारोबार हुने भएकोले यस संस्थाको शेयर कारोबार सोही अनुरूप हुने गरेको छ ।

(ख) गत वर्षको प्रत्येक त्रैमासिक अवधिमा संगठित संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोबार शेयर संख्या र कारोबार दिन: यस संस्थाको नेपाल स्टक एक्सचेन्ज लि. मा सुचिकरण कार्तिक २०८० देखि भएकोले आ.व. २०७९/८० सम्बन्धी विवरण नरहेको ।

६. समस्या तथा चुनौती

समस्या तथा चुनौतिहरू:

- विद्युत लोडसेडिङ
- बैंक कर्जाको उच्च ज्याजदर
- निर्माणाधनी आयोजनाहरूमा बजेट निकासीमा ढिलाई
- पूँजी भित्रयाउनका लागि लगानी मैत्री कानूनको अभाव



समस्या तथा चुनौती समाधान गर्न व्यवस्थापनले अवलम्बन गरेको रणनीति:

- विद्युत लोडसेडिङ अन्त्यको लागि सरकारी तहबाट तथा निजी संस्थाहरुबाट पहल हुदै गएको
- देशको आर्थिक स्थितिमा सुधार हुदै जाँदा रेमिट्यान्सको प्रवाह समेत बढ्ने आइकलन सहित बैंक तथा वित्तीय संस्थाहरुमा पर्याप्त तरलताले गर्दा बैंकको कर्जा व्याजदार घट्ने अनुमान गरिएको
- बजेट निकासीमा ढिलाई भई उद्योगले बजारबाट उठाउन पर्ने रकममा ढिलाईका लागि विभिन्न संघ संस्थाबाट समेत अर्थ मन्त्रालय लगायत सम्बन्धित निकायहरुमा पहल हुदै गरेको
- कुनै पनि उद्योग संचालनको लागि पूँजी अपरिहार्य रहेकोले पूँजी सम्बन्धी कार्य सहज गराउन निवेदन गरी नया नितिको लागि पहल समेत भईरहेको

७. संस्थागत सुशासन

संस्थागत सुशासनका लागि कम्पनीले आन्तरिक नियन्त्रण सहितको नितिले उद्योगको सम्पूर्ण क्रियाकलापहरुको संचालन पारदर्शी र कुशल तरिकाले व्यवस्थापन तथा संचालक समूहमा गरिने निर्णयहरुलाई प्रभावकारी र सहज गरिने गरी संस्थागत सुशासनको अनुसरण गरिरहेकोमा संस्थागत सुशासनको विकास गर्न सधैं क्रियाशील रहेको छ ।

M. VERMA & ASSOCIATES

Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SONAPUR MINERALS AND OIL LTD.
REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

Opinion

We have audited the accompanying Financial Statements of Sonapur Minerals And Oil Ltd. ("the Company") which comprises the Statement of Financial Position as at Ashad 31, 2080, Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity & Statement of Cash Flows for the year ended Ashad 31, 2080, and Notes to Financial Statement including Summary of Significant Accounting Policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give a true and fair view in conformity with Nepal Financial Reporting Standards (NFRSs), of the state of affairs of the Company as at Ashad 31, 2080, and its profit, total comprehensive income, its cash flows & the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the Financial Statements in accordance with the Nepal Standard on Auditing (NSAs) & applicable law. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the audit of the Financial Statements section of our report.

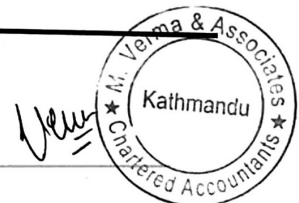
We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of Nepal (ICAN) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAN's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis of our audit opinion on Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

| Key Audit Matter | How the matter was addressed in our audit |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Related Party Transaction & Balances: The company has disclosed in note 38, the transactions and balances with related parties. We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the financial statements as a key audit matter due to: | Our audit procedures in relation to the disclosure of related party transactions included the following: 1. We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to capturing of related party transactions and management's process of ensuring all transactions and balances with related parties have been disclosed in the financial statements. |



4th Floor, Radha Bhawan



9801025301



ca.mverma@gmail.com

• the significance of transactions/balance with related parties during the year ended Ashad 31,2080.

2. We obtained an understanding of the Company's policies and procedures in respect of evaluating arms-length pricing and approval process by the board of directors.
3. We agreed the amounts disclosed with underlying documentation and read relevant agreements, evaluation of arms-length by management, on a sample basis, as part of our evaluation of the disclosure.
4. We evaluated the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.

Contingent Liabilities related to Appeals against Assessments:

The Company has disclosed in note 37 of the financial statements contingent liabilities of Rs 0.07 crores in respect of disputed claims/ levies under various tax and legal matters and Rs 57.38 crores towards Claims related to Nepal Electricity Authority. Taxation and litigation exposures have been identified as a key audit matter due to:

- Significance of these amounts and large number of disputed matters with various authorities.
- Significant judgement and assumptions required by management in assessing the exposure of each case to evaluate whether there is a need to set up a provision and measurement of exposures as well as the disclosure of contingent liabilities. We focused on this matter because of the potential financial impact on the financial statements. Additionally, the treatment of taxation and litigation cases require significant judgement due to the complexity of the cases, timescales for resolution and involvement of various authorities.

Our audit procedures included:

1. We have gained an understanding of outstanding litigations against the company from the company's in house legal counsel and other key managerial personnel who have knowledge of these matters.
2. We have tested the completeness of the litigations and claims by examining on a sample basis the Company's legal expenses and minutes of the Board meetings.
3. We have assessed the adequacy of the Company's disclosures in respect of contingent liabilities for tax and legal matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' report and Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility report, but does not include the Consolidated Financial Statements, Financial Statements & our Auditor's report thereon.



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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Managements Responsibility for the Financial Statements

Management is responsible for preparation and fair presentation of the Financial Statements in accordance with the Nepal Financial Reporting Standards (NFRSs) and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing its ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's Financial Reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these Financial Statements.

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

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



conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, Future events or conditions may cause the Company to cease to continue as a going concern.

- v) Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also communicate with those charged with governance that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Other Legal & Regulatory Requirements

- i) We have obtained information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- ii) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Financial Statements have been kept so far as it appears from our examination of those books.
- iii) Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows have been prepared in accordance with the requirements of the Companies Act, 2063 and are in agreement with the books of account of the Company.
- iv) During our examination of the books of account of the Company, we have not come across the cases where the Board of Directors or any member of there or any representative or any office holder or any employee of the Company has acted contrary to the provisions of law or caused loss or damage to the Company, and
- v) We have not come across any fraudulent activities in the books of accounts.

Place: Kathmandu

Date : 2080.09.26

UDIN: 240111CA00772d5ZvN

For: M. Verma & Associates
 Chartered Accountants

M. Verma
 CA. Mukesh Verma
 Proprietor

SONAPUR MINERALS AND OIL LIMITED
Statement of Financial Position
As on Ashad 31, 2080

Amount in NPR

| Particulars | Note | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|-------------------------------------|------|-----------------------|----------------------|
| ASSETS | | | |
| Non - Current Assets: | | | |
| Property, Plant and Equipment | 4 | 7,758,909,391 | 7,089,907,576 |
| Intangible Assets | 5 | - | 149,006 |
| Financial Assets: | | | |
| Investments | 6 | - | - |
| Deferred Tax Asset | 7 | - | - |
| Other Non-Current Assets | 8 | 2,696,920 | 6,480,034 |
| Current Assets: | | | |
| Inventories | 9 | 1,839,630,986 | 1,186,956,899 |
| Prepayments | 10 | 440,238 | 1,168,682 |
| Other Current Assets | 11 | 14,119,027 | 5,936,703 |
| Financial Assets: | | | |
| Loans and Advances | 12 | 391,529,753 | 256,909,990 |
| Trade Receivables | 13 | 829,682,300 | 755,758,049 |
| Other Financial Asset | 14 | 31,787,567 | 23,924,197 |
| Cash and Cash Equivalents | 15 | 20,296,840 | 8,673,428 |
| Investments | 6 | 8,780,626 | 19,084,247 |
| Total Assets | | 10,897,873,647 | 9,354,948,810 |
| EQUITY AND LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Deferred tax liability | 7 | 77,183,506 | 77,037,492 |
| Financial Liabilities | | | |
| Non-Current Borrowings | 16.1 | 3,799,918,483 | 3,701,475,545 |
| Trade Payable | 17 | - | 491,464,813 |
| Other Non-current liabilities | 18 | - | - |
| Provisions - Non Current | 19.1 | 11,339,985 | 13,029,960 |
| Current Liabilities | | | |
| Provisions - Current | 20 | 21,182,532 | 29,285,277 |
| Financial Liabilities | | | |
| Current Borrowings | 21 | 2,879,837,426 | 1,799,124,120 |
| Trade Payables | 22 | 549,900,246 | 147,063,634 |
| Other Financial Liabilities | 23 | 854,391,077 | 430,567,940 |
| Other Current Liabilities | 24 | 57,162,144 | 45,745,878 |
| Total liabilities | | 8,250,915,398 | 6,734,794,659 |
| Equity: | | | |
| Share Capital | | | |
| Ordinary Share Capital | 25 | 1,845,030,000 | 1,845,030,000 |
| Reserve and Surplus | 26 | 801,928,249 | 775,124,150 |
| Total Equity | | 2,646,958,249 | 2,620,154,150 |
| Total Equity and Liabilities | | 10,897,873,647 | 9,354,948,810 |

For & on behalf of board

As per our attached report of
even date

For M.Verma & Associates

Date : 2080.09.26

Place : Kathmandu, Nepal

Ratan Lal Tayal

Chairman

Nipesh Tayal

Managing Director

Prakash Tayal

Director

Alisha Pandey

Director

SONAPUR MINERALS AND OIL LIMITED
Tulsipur -18, Dang
Statement of Profit or Loss
For the year ended Ashad 31, 2080

Amount in NPR

| Particulars | Note | Year Ended 2079-80 | Year Ended 2078-79 |
|---------------------------------------|-------|--------------------|--------------------|
| Gross Revenue | 27 | 1,730,157,260 | 2,374,907,628 |
| Cost of Sales | 28 | (1,315,072,361) | (1,790,706,874) |
| Gross Profit | | 415,084,899 | 584,200,754 |
| Other Income | 29 | 70,812,755 | 183,825 |
| Selling and Distribution Expenses | 30 | (14,502,826) | (16,861,688) |
| Administrative Expenses | 31 | (122,134,211) | (130,218,909) |
| Depreciation and Amortization Expense | 4 & 5 | (91,925,296) | (92,193,533) |
| Fair Value Change of Investment | 6 | - | - |
| Operating Profit | | 257,335,321 | 345,110,449 |
| Finance costs | 32 | (230,666,928) | (202,032,867) |
| Profit Before Tax | | 26,668,394 | 143,077,582 |
| Income tax expense | 33 | | |
| Provision for income tax | | (6,535) | (12,007,289) |
| Previous year's tax | | - | - |
| Deferred tax income/(expense) | | (415,578) | (4,042,868) |
| Net Profit for the year | | 26,246,280 | 127,027,425 |
| Earnings Per Share (EPS) | | | |
| Basic EPS (Rs) | 34 | 1.42 | 6.88 |
| Diluted EPS (Rs) | 34 | 1.42 | 6.88 |

As per our attached report of even date

For M.Verma & Associates

Chartered Accountants

Ratan Lal Tayal

Chairman

Nipesh Tayal

Managing Director

Prakash Tayal

Director

Alisha Pandey

Director

Date : 2080.09.26

Place : Kathmandu, Nepal

SONAPUR MINERALS AND OIL LIMITED
Tulsipur -18, Dang
Statement of Cash Flow
For the year ended Ashad 31, 2080

Amount in NPR

| Particulars | Note | For the Year 2079 -80 | For the Year 2078 -79 |
|----------------------------------------------------------------------------------|-----------|-----------------------|-----------------------|
| Cash flow from operating activities | | | |
| Profit after income tax | | 26,246,280 | 127,027,425 |
| Adjustments for Non-cash items: - | | | |
| Depreciation and amortization | | 91,925,296 | 92,193,533 |
| Provision for Leave Encashment | | - | 1,102,482 |
| Provision for Gratuity | | 4,242,772 | 5,408,325 |
| Adjustments for non-operating items: - | | | |
| Finance Cost | | 230,666,928 | 202,032,867 |
| Profit on sale of fixed assets | | (46,757,092) | (132,328) |
| Profit on sales of Investments | | (5,083,045) | |
| Dividend Income | | (125,315) | (76,013) |
| Operating profit before changes to receivables and payables | | 301,115,824 | 427,556,291 |
| (Increase) / Decrease in Non-Current Assets | | 3,783,114 | (2,017,399) |
| (Increase) / Decrease in Inventories | | (652,674,087) | 180,045,130 |
| (Increase) / Decrease in Trade Receivables | | (73,924,251) | 37,997,248 |
| (Increase) / Decrease in Prepayments | | 728,444 | 222,031 |
| (Increase) / Decrease in Other Current Assets | | (8,182,324) | 55,099,956 |
| (Increase) / Decrease in Loans & Advances | | (134,619,763) | (149,339,035) |
| (Increase) / Decrease in Other Financial Assets | | (7,863,370) | 6,995,387 |
| Increase / (Decrease) in Other Non-Current Liabilities | | - | - |
| Increase / (Decrease) in Provisions | | (14,035,492) | (19,200,571) |
| Increase / (Decrease) in Trade Payables | | (88,628,202) | 238,193,233 |
| Increase / (Decrease) in Other Financial Liabilities & Other Current Liabilities | | 435,239,403 | (409,444,062) |
| Cash generated from operations | | (239,060,705) | 366,108,208 |
| Deferred Tax Income / (Expenses) | | 415,578 | 4,042,868 |
| Net cash inflow from operating activities | A | (238,645,126) | 370,151,076 |
| Cash flow from investing activities | | | |
| Proceeds from disposal of property and equipment | | 55,600,000 | 700,000 |
| Purchase of property and equipment and intangible assets | | (769,621,013) | (922,806,068) |
| Purchase of quoted shares | | - | (27,252,661) |
| Dividend Income | | 125,315 | 76,013 |
| Sales of quoted shares | | 15,674,920 | - |
| Net cash (outflow)/inflow from investing activities | B | (698,220,779) | (949,282,716) |
| Cash flow from financing activities | | | |
| Issue of Share Capital | | - | 11,000 |
| Increase / (Decrease) in Non-Current Borrowings | | 98,442,938 | 382,188,375 |
| Increase / (Decrease) in Current Borrowings | | 1,080,713,307 | 395,770,401 |
| Interest paid | | (230,666,928) | (202,032,867) |
| Net cash outflow from financing activities | C | 948,489,317 | 575,936,909 |
| (Decrease)/Increase in cash and cash equivalents | A + B + C | 11,623,412 | (3,194,731) |
| Cash and cash equivalents at start of year | | 8,673,428 | 11,868,159 |
| Cash and cash equivalents at end of year | | 20,296,840 | 8,673,427 |

As per our attached report of even date

For M.Verma & Associates

Chartered Accountants

Ratan Lal Tayal

Chairman

Nipesh Tayal

Managing Director

Prakash Tayal
Director

Alisha Pandey
Director

Date : 2080.09.26

Place : Kathmandu, Nepal

SONAPUR MINERALS AND OIL LIMITED
Tulsipur -18, Dang
Statement of Changes in Equity
For the year ended Ashad 31, 2080

Amount in NPR

| Particulars | Equity Share Capital | Revaluation Reserve | Other Comprehensive Income | Retained Earnings | Total Equity |
|------------------------------------------------------|----------------------|---------------------|----------------------------|--------------------|----------------------|
| For the Year 2078-79 | | | | | |
| At start of year | 1,845,019,000 | 315,358,454 | | 340,416,580 | 2,500,794,034 |
| Profit for the year | | | | 127,027,425 | 127,027,425 |
| Other comprehensive income | | | | | - |
| Change in fair value of financial assets through OCI | - | - | (8,168,414) | - | (8,168,414) |
| Deferred Tax Reserves | - | - | 490,105 | - | 490,105 |
| Transfer to retained earnings on disposal | - | - | | - | - |
| Total comprehensive income for the year | | | | | - |
| Transactions with owners: | | | | | - |
| Ordinary Shares Dividend - Final | - | - | | - | - |
| Ordinary Shares Dividend - Interim | - | - | | - | - |
| Preference Shares Dividend | - | - | | - | - |
| Issue of Share Capital | 11,000 | - | | - | 11,000 |
| Total transactions with owners | - | - | | - | - |
| Balance as at Ashad 32, 2079 | 1,845,030,000 | 315,358,454 | (7,678,309) | 67,444,005 | 2,620,154,150 |
| For the Year 2079-80 | | | | | |
| At start of year | 1,845,030,000 | 315,358,454 | (7,678,309) | 467,444,005 | 2,620,154,150 |
| Profit for the year | - | - | | 26,246,280 | 26,246,280 |
| Other comprehensive income | - | - | | - | - |
| Change in fair value of financial assets through OCI | - | - | 288,254 | - | 288,254 |
| Deferred Tax Reserves on Revaluation Reserve | - | | 269,564 | - | 269,564 |
| Transfer to retained earnings on disposal | - | - | | - | - |
| Total comprehensive income for the year | | | | | |
| Transactions with owners: | | | | | - |
| Ordinary Shares Dividend - Final | - | - | | - | - |
| Ordinary Shares Dividend - Interim | - | - | | - | - |
| Preference Shares Dividend | - | - | | - | - |
| Issue of Share Capital | - | - | | - | - |
| Total transactions with owners | - | - | | - | - |
| Balance as at Ashad 31, 2080 | 1,845,030,000 | 315,358,454 | (7,120,491) | 493,690,286 | 2,646,958,249 |

As per our attached report of even date
For M.Verma & Associates
 Chartered Accountants

Ratan Lal Tayal
 Chairman

Nipesh Tayal
 Managing Director

Prakash Tayal
 Director

Alisha Pandey
 Director

Date : 2080.09.26
 Place : Kathmandu, Nepal

SONAPUR MINERALS AND OIL LIMITED
Tulsipur -18, Dang
Statement of Other Comprehensive Income
For the year ended Ashad 31, 2080

| Particulars | Note | Amount in NPR | |
|-----------------------------------------------------------------------------|------|--------------------|--------------------|
| | | Year ended 2079-80 | Year ended 2078-79 |
| Profit for the year | | 26,246,280 | 127,027,425 |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| <i>Net fair value (losses)/gains on financial assets</i> | | | |
| Fair Value Changes of Listed Shares | | 288,254 | (8,168,414) |
| <i>Items that are or may be reclassified subsequently to profit or loss</i> | | | |
| Deferred Tax asset / (liability) on other comprehensive income | | 269,564 | 490,105 |
| Total other comprehensive income, net of tax | | 557,818 | (7,678,309) |
| Total comprehensive income for the year | | 26,804,099 | 119,349,116 |

As per our attached report of even date

For M.Verma & Associates
 Chartered Accountants

**Ratan Lal
 Tayal
 Chairman**

**Nipesh Tayal
 Managing Director**

**Prakash Tayal
 Director**

**Alisha Pandey
 Director**

Date : 2080.09.26
 Place : Kathmandu, Nepal

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 31, 2080**1. Corporate Information**

Sonapur Minerals And Oil Limited (The "Company") is incorporated under Companies Act of Nepal vide registration No. 239081/64/065 on 2065-02-31. The registered office of the company is located at Ward No 9, Trikuti Marga, Battisputali, Kathmandu. The main objectives of company are to manufacture clinker and cement. The Company offers mainly two variant of cement i.e. Ordinary Portland Cement (OPC) and Portland Pozzolana Cement (PPC). The company had been converted from private limited company to public limited company on 2077-04-07.

2. Basis for Preparation:

The financial statements comprise the Statement of Financial Position, Statement of Profit or Loss and Statement (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Accounts.

2.1. Statement of Compliance

The financial statements have been prepared on accrual basis and approved by the Board of Directors on 2080.09.26. The Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN). The applicable laws; Company Act, 2063 and Nepal Accounting Standards issued by ICAN, Bonus Act, Labour Act and other applicable laws. The financial statements have been prepared on an historical cost basis, except for investment properties and financial assets and derivative instruments that have been measured at fair value.

These policies have been consistently applied to all the years presented except otherwise stated.

2.2. Reporting period and approval of financial statements

The company follows the Nepalese financial year based on the Nepalese calendar. Reporting Period is Shrawan 1, 2079 to Ashad 31, 2080. (i.e., July 17, 2022 to July 16, 2023).

2.3. Functional and Presentation Currency

The financial statements are presented in Nepalese Rupees (NPR) which is the Company's functional currency. All financial information presented in NPR has been rounded to the nearest rupee except where indicated otherwise.

2.4. Use of Estimates, Assumptions and Judgments

The Company, under NFRS, has applied accounting policies which appropriately suit its circumstances and operating environment. Further, the Company has made judgments in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. This may later be determined that a different choice could have been more appropriate.

The accounting policies have been included in the relevant notes for each item of the financial statements and the effect and nature of the changes, if any, have been disclosed.

The Company has made estimates and assumptions that will affect the assets, liabilities, disclosure of contingent assets and liabilities, and profit or loss as reported in the financial statements. The Company applies estimates in preparing and presenting the financial statements and such estimates and underlying assumptions are reviewed periodically. The revision to accounting estimates are recognized in the period in which the estimates are revised and are applied prospectively.

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

2.5 Going Concern

The financial statements are prepared on a going concern basis, as the Board of the Company is satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Board of Directors have considered a wide range of information relating to present and future conditions,

including future projections of profitability, cash flows and capital resources.

2.6. Changes in Accounting Policies

The company has consistently followed all the accounting policies adopted in previous years.

2.7. Reporting Pronouncements

The Company has, for the preparation of financial statements, adopted the NFRS pronounced by ASB. The NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

However, the Institute of Chartered Accountants of Nepal (ICAN) vide its notice dated 20 September 2018 has resolved that Carve-outs in NFRS with alternative treatment and effective period shall be provided to Banks and Financial Institutions regulated by NRB on the specific recommendation of Accounting Standard Board (ASB). In the same decision the ASB has outlined that the other entities may also use those carve-outs with necessary disclosures. Accordingly the company has decided to adopt those carve-outs. Details of carve out provided are as follows:

2.7.1. NAS 39: Financial Instruments: Recognition and Measurement

a. **Effective Interest Rate:**

In Paragraph 9, The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received, unless it is immaterial or impracticable to determine reliably, between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

The carve out is optional and has been extended for F.Y 2080.81. Accordingly, the Company has opted the carve out.

b. **IFRS 9 'Financial Instruments'-Impairment**

IFRS 9 'Financial Instruments' was issued by the IASB in July 2014 and effective internationally for the financials beginning on or after 1 January 2018. Accounting Standard Board of Nepal endorsed NFRS 9 Financial Instruments with some exceptions, mainly in the Impairment. Currently, Incurred Loss Model as specified in NAS 39 is used. The requirement of IFRS 9 is Expected Credit Loss Model.

The carve out is optional and has been extended for F.Y 2080.81. Accordingly, the Company has opted the carve out.

2.8. New Standards in issue but not yet effective

For the reporting of financial instruments, NAS 32 Financial Instruments, Presentation, NAS 39 Financial Instruments Recognition and Measurements and NFRS 7 Financial Instruments – Disclosures have been applied. NFRS 9 has been complied for the classification of Financial Instruments.

A number of new standards and amendments to the existing standards and interpretations have been issued by IASB after the pronouncements of NFRS with varying effective dates. Those become applicable when ASB Nepal incorporates them within NFRS.

2.9. Limitation of NFRS Implementation

Wherever the information is not adequately available, and/or it is impracticable to develop the, such exception to NFRS implementation has been noted and disclosed in respective sections.

3. Significant Accounting Policies

3.1 Basis of Measurement

The financial statements have been prepared on historical cost basis except for the following material items in the statement of financial position:

- Financial assets other than measured at amortized cost are measured at fair value.
- Inventories are measured at cost or net realizable value whichever is lower

3.2 Presentation - Current versus Non-Current Classification

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

The Company classifies an asset as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or

All other assets are classified as non-current.

The Company classifies a liability as current when:

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

The Company classifies all other liabilities as non-current.

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

3.3 Critical accounting estimates

The preparation of the financial statements in conformity with Nepal Financial Reporting Standards requires the use of certain critical accounting estimates and judgments. The management has exercised judgments in the process of applying the Company's accounting policies. The Company makes certain estimates and assumptions regarding the future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual result may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year primarily include:

- **Recognition of deferred tax assets**

Deferred tax assets are recognized for taxable temporary difference to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- **Provision for depreciation and amortization**

Depreciation and amortization is calculated over the estimated useful lives of the assets. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3.4. Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

3.5. Impairment of non- financial assets (excluding inventories and deferred tax assets)

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or Cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An assessment is also done for whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have been decreased. If any such indication exists the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Impairment loss or reversal shall be included in profit or loss if any. The company has no impairment loss/ gain during the relevant reporting periods.

3.6. Foreign Currency Transactions

Transactions entered into by the Company in a currency other than Nepali Rupees (the currency of primary economic environment in which it operates) are recorded at the rates ruling when the transactions occur. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit or Loss. Unsettled foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss statement.

3.7. Lease

The Company as a lessee:

The Company enters into an arrangement for lease of buildings. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with NFRS 16 – Leases, at inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease



component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Measurement and recognition of leases as a lessee

The Company has elected not to apply the requirements of NFRS 16-Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases.

The Company as a lessor

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

3.8. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable net of trade discounts. Revenue include all revenue from ordinary activities of the company that are recorded excluding Value Added Taxes and excise collected from customers that are remitted or are to be remitted to the government authorities.

(a) Sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards are transferred to the buyer by virtue of dispatch of such goods to the buyer after issuance of sales invoice.

(b) Other Income

- Rental Income from Operating lease is recognised on straight-line basis over the tenure of the lease agreement, except for contingent rental income which is recognised when it arises and where scheduled increase in rent compensates the lessor for expected inflationary costs.
- Insurance claims are accounted for on acceptance or to the extent amount have been received.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate
- Other operating income is recognised when when no significant uncertainties as to the amount of consideration that would be derived and to its ultimate collection exist.
- Dividend income has been recognized on a cash basis when cash dividends are paid to shareholders or on the date of issuance of bonus share

4. Property, Plant & Equipment (PPE)

A) Recognition and Measurement

The cost of an item of property and equipment shall be recognized as an asset, initially recognized at cost, if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labor;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and
- removing the items and restoring the site on which they are located; and
- Capitalized borrowing costs.

The Company adopts cost model for entire class of property, plant and equipment except land. Neither class of the property, plant and equipment except land are measured at revaluation model nor is their fair value measured at the reporting date. Revaluation approach is followed for land. The items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Subsequent expenditure is capitalized if it is probable that the future economic benefits from the expenditure will flow to the Company. Ongoing repairs and maintenance to keep the assets in working condition are expensed as incurred. Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized within other income in profit or loss.

B) **Capital Work in Progress**

Fixed assets under construction and cost of assets not ready for use are shown as capital work in progress.

C) **Depreciation**

Depreciation on assets under construction does not commence until they are complete and available for use in the manner intended by the management. Depreciation is provided on all other items of property, plant and equipment so as to write-off their depreciable amount over the expected useful economic lives.

Depreciation is provided on a pro-rata basis on the straight-line method based on the estimated useful life of the assets determined by management with reference to application guidance of NAS 16 Property, Plant and Equipment issued by Accounting Standard Board.

The estimated useful lives of various class of PPE for the current year and comparative years are as follows:

| Class of PPE | Revised Useful Life under SLM Method |
|--------------------------------------------------------------------|--------------------------------------|
| Factory Buildings | 30 Years |
| Buildings (other than factory buildings) RCC Frame Structure | 60 Years |
| Computer & Accessories | 3 Years |
| Office Equipment | 5 Years |
| Furniture and Fittings | 10 Years |
| Server and Networks | 6 Years |
| Motorcycles, scooters and bicycles | 10 Years |
| Motor busses, lorries and other motor cars other than used on hire | 8 Years |
| Blower & Compressor | 15 Years |
| Cement Mill | 60 Years |
| Clinker Plant | 80 Years |
| Coal Mill | 40 Years |
| Crusher & Stacker | 50 Years |
| Dust Collector | 45 Years |
| Electrical Equipment | 10 Years |
| Instrumentation Panel | 40 Years |
| Laboratory Equipment | 10 Years |
| Motor Tractors & Heavy Vehicles | 8 Years |
| Plant & Machinery | 20 Years |
| Plant & Machinery used in Mines | 8 Years |
| Plant and Machinery used in continuous process plant | 8 Years |
| Intangible Asset | 5 Years |

D) De-Recognition

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

4.1 Property, Plant & Equipments (PPE)

| Particulars | Land | Trees | Building | Computer & Accessories including Furniture Fixture & Office Equipment | Vehicles | Plant and Machinery | Total Ashad end 2080 | Total Ashad end 2079 |
|-------------------------------------|----------------------|------------------|----------------------|-----------------------------------------------------------------------|--------------------|----------------------|----------------------|----------------------|
| Cost | | | | | | | | |
| As on Shrawan 1, 2078 | 1,118,312,048 | 7,685,760 | 968,490,672 | 41,538,027 | 100,279,680 | 3,151,668,734 | - | 5,387,974,921 |
| Addition during the Year | 38,338,007.10 | - | - | 210,521 | - | 1,504,885.00 | - | 40,053,413 |
| Acquisition | - | - | - | - | - | - | - | - |
| Capitalization | - | - | - | - | - | - | - | - |
| Disposal during the year | - | - | - | - | - | (1,975,982) | - | (1,975,982) |
| Balance as on Ashad End 2079 | 1,156,650,055 | 7,685,760 | 968,490,672 | 41,748,548 | 100,279,680 | 3,151,197,638 | | 5,426,052,353 |
| Addition during the Year | | | | | | | | |
| Acquisition | 56,263,786 | - | - | 69,027 | 372,900 | - | 56,705,713 | |
| Capitalization | - | - | - | - | - | - | - | |
| Disposal during the year | - | - | - | - | - | (16,593,441) | (16,593,441) | |
| Adjustment/Revaluation | - | - | - | - | - | - | - | |
| Balance as on Ashad end 2080 | 1,212,913,840 | 7,685,760 | 968,490,672 | 41,817,575 | 100,652,580 | 3,134,604,197 | 40,112,272 | |
| Depreciation and Impairment | | | | | | | | |
| As on Shrawan 1, 2078 | - | - | 298,340,561 | 35,977,654 | 44,748,362 | 1,721,838,273 | | 2,100,904,850 |
| Adjustment/Revaluation | - | - | - | - | - | - | | |
| Depreciation charge for the Year | | | 24,721,498 | 1,395,610 | 10,559,082 | 55,367,928 | | 92,044,118 |
| Impairment for the year | - | - | - | - | - | - | | |
| Disposals | - | - | - | - | - | (1,408,309) | | (1,408,309) |
| Adjustment | - | - | - | - | - | - | | |
| As on Ashad End 2079 | - | - | 323,062,058 | 37,373,265 | 55,307,444 | 1,775,797,891 | - | 2,191,540,658 |
| Depreciation charge for the Year | | | 24,721,498 | 1,250,683 | 10,437,338 | 55,366,771 | 91,776,290 | |
| Impairment for the year | | | - | - | - | - | | |
| Disposals | | | | | | (7,750,532) | (7,750,532) | |
| Adjustment | | | | | | | | |
| As on Ashad end 2080 | - | - | 347,783,556 | 38,623,948 | 65,744,782 | 1,823,414,130 | 84,025,758 | 2,191,540,658 |
| Capital Work in Progress | - | - | - | - | - | - | - | - |
| As on Ashad end 2079 | - | - | 969,874,120 | | | 2,885,521,761 | | 3,855,395,881 |
| As on Ashad end 2080 | - | - | 1,165,198,061 | | | 3,403,113,121 | 4,568,311,182 | - |
| Net Book Value | | | | | | | | |
| As on Ashad end 2079 | 1,156,650,055 | 7,685,760 | 645,428,614 | 4,375,284 | 44,972,236 | 1,375,399,747 | | 3,234,511,694 |
| As on Ashad end 2080 | 1,212,913,840 | 7,685,760 | 620,707,117 | 3,193,628 | 34,907,798 | 1,311,190,067 | 3,190,598,209 | |

All categories of Property, Plant and Equipment are initially recorded at cost. Property, Plant and equipment are subsequently measured at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. The value of Capital Work in progress includes the borrowing costs eligible to be capitalized as per relevant standards.

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

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

5. Intangible Assets

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Computer software costs are amortized on the basis of expected useful life. Costs associated with maintaining software are recognized as an expense as incurred.

Software is amortized on a straight-line basis in profit or loss over its estimated useful life, from the date that it is available for use. The estimated useful life of software for the current and comparative periods is five years. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

| Particulars | Total Ashad End 2080 | Total Ashad End 2079 |
|-------------------------------------|----------------------|----------------------|
| Cost | | |
| As on Shrawan 1, 2078 | 900,000 | 900,000 |
| Addition during the Year | | |
| Acquisition | - | - |
| Capitalization | - | - |
| Disposal during the year | - | - |
| Adjustment/Revaluation | - | - |
| Balance as on Ashad end 2079 | 900,000 | 900,000 |
| Addition during the Year | | |
| Acquisition | - | - |
| Capitalization | - | - |
| Disposal during the year | - | - |
| Adjustment/Revaluation | - | - |
| Balance as on Ashad end 2080 | 900,000 | 900,000 |
| Amortization and Impairment | | |
| As on Shrawan 1, 2078 | 601,579 | 425,162 |
| Amortization charge for the Year | 149,415 | 176,417 |
| Impairment for the year | - | - |
| Disposals | - | - |
| Adjustment | - | - |
| As on Ashad end 2079 | 750,994 | 601,579 |
| Amortization charge for the Year | 149,006 | 149,415 |
| Impairment for the year | - | - |
| Disposals | - | - |
| Adjustment | - | - |
| As on Ashad end 2080 | 900,000 | 750,994 |
| Net Book Value | | |
| As on Ashad end 2079 | 149,006 | 149,006 |
| As on Ashad end 2080 | - | |

6. Financial Instruments : Financial Assets

Financial Asset is any asset that is:

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

A) Recognition:

All financial assets are initially recognized on the date on which the company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at the initial recognition depends on their purpose and characteristics and the management's intention in acquiring them.

A) Classification

The financial assets are measured at amortized cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The two classes of financial assets are as follows:

i) Financial assets measured at amortized cost

The financial asset are measured at amortized cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

i) Financial asset measured at fair value

Financial assets other than those measured at amortized cost are measured at fair value. Financial assets measured at fair value are further classified into two categories as below:

a) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as fair value through profit or loss (FVTPL) if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction cost is directly attributable to the acquisition are recognized in profit or loss as incurred. Such assets are subsequently measured at fair value and changes in fair value are recognized in Statement of Profit or Loss.

a) Financial assets at fair value through other comprehensive income (FVTOCI)

Investment in an equity instrument that is not held for trading and at the initial recognition, the Company makes an irrevocable election that the subsequent changes in fair value of the instrument is to be recognized in other comprehensive income are classified as financial assets at fair value though other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

B) Measurement

i) Initial Measurement

A financial asset or financial liability is measured initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction cost in relation to financial assets and liabilities at fair value through profit or loss are recognized in Statement of Profit or Loss.

ii) Subsequent Measurement

A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability. Financial asset or liability classified as measured at amortized cost is subsequently measured at amortized cost using effective interest rate method.

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

Financial assets classified at fair value are subsequently measured at fair value. The subsequent changes in fair value of financial assets at fair value through profit or loss are recognized in Statement of Profit or Loss whereas of financial assets at fair value through other comprehensive income are recognized in other comprehensive income.

C) **De-recognition**

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

Any interest in such transferred financial assets that qualify for de-recognition that is created or retained by the Company is recognized as a separate asset or liability. On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

In transactions in which the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

D) **Determination of Fair Value**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of a liability reflects its non-performance risk

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. If a market for a financial instrument is not active, the Company establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analysis.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price – i.e. the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognized in profit or loss on initial recognition of the instrument. In other cases, the difference is not recognized in profit or loss immediately but is recognized over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

All unquoted equity investments are recorded at cost, considering the non-trading of promoter shares up to the date of balance sheet, the market price of such shares could not be ascertained with certainty. Hence, these investments are recognized at cost net of impairment, if any.

E) Impairment

At each reporting date the Company assesses whether there is any indication that an asset may have been impaired. If such indication exists, the recoverable amount is determined. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company considers evidence of impairment for loans and advances and held-to-maturity investment securities at both a specific asset and collective level. All individually significant loans and advances and held-to-maturity investment securities are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Loans and advances and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and held-to-maturity investment securities with similar risk characteristics. Impairment test is done on annual basis for trade receivables and other financial assets based on the internal and external indication observed.

In assessing collective impairment, the Company uses statistical modeling of historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

6.1a Equity Investments

6.2 Equity Investments at FVTPL

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|---------------------------------|----------------------|----------------------|
| Corporate Equity shares: | | |
| Quoted Ordinary Shares | 8,780,626.00 | 19,084,247.00 |
| Allowance for impairment loss | - | - |
| Total | 8,780,626.00 | 19,084,247.00 |

6.3 Fair Value Disclosure

| Particulars | As at Ashad 31, 2080 | | | As at Ashad 32, 2079 | | |
|--------------------------------------------|----------------------|------------------|------------------|----------------------|-------------------|-------------------|
| | No. of Shares | Book Value* | Fair Value | No. of Shares | Book Value* | Fair Value |
| Quoted: | | | | | | |
| Share-Central Finance Co. Ltd.(CFC) | 5,000 | 1,510,000 | 1,965,000 | 6,035 | 3,546,040 | 1,822,570 |
| Share-Chhyangdi Hydropower Ltd. (CHL) | 900 | 225,000 | 237,600 | 900 | 90,000 | 225,000 |
| Share-Mountain Hydro Nepal Limited (MHNL) | 895 | 243,440 | 213,010 | 895 | 526,534 | 243,440 |
| Share-Nic Asia Bank Ltd.(NICA) | 4,200 | 2,923,200 | 3,333,960 | 4,200 | 3,941,680 | 2,923,200 |
| Share-Nirdhan Utthan Bank Limited (NUBL) | 3,698 | 3,415,692 | 2,828,970 | 3,108 | 3,919,627 | 3,415,692 |
| Share-Shivam Cements Ltd. | 4 | 3,040 | 2,606 | 4 | 6,021 | 3,040 |
| Share-Soaltee Hotel Limited (SHL) | 88 | - | 42,680 | 50,762 | 14,825,214 | 10,279,305 |
| Share-Union Hydropower Limited (UNHPL) | 800 | 172,000 | 156,800 | 800 | 397,545 | 172,000 |
| Unquoted | - | - | - | - | - | - |
| Total Value | 15,585 | 8,492,372 | 8,780,626 | 66,704 | 27,252,661 | 19,084,247 |

* Book value indicates the book value without adjusting fair value gain/loss of current year.

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|------------------------------------------------|----------------------|----------------------|
| Total Investment (under Current Assets) | 8,780,626.00 | 19,084,247.00 |
| Total Investment (under Current Assets) | - | - |

7. Deferred Income Tax

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

The principal temporary difference arise from depreciation of fixed assets, provision for leave encashment, provision for CSR, provision for foreign exchange loss and fair value changes in investment.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

| Particulars | Amount in NPR | |
|-----------------------------------------------------------------------------------------------|----------------------|----------------------|
| | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
| Deferred Tax Asset | 7,706,984 | 2,165,769 |
| Deferred Tax Liability | 84,890,490 | 79,203,261 |
| Net Deferred Tax Asset / (Liability) | (77,183,506) | (77,037,492) |
| Net Changes | (146,014) | (3,552,763) |
| Deferred Tax charged in OCI | 269,564 | 490,105 |
| Deferred Tax charged in SPL | (415,578) | (4,042,868) |
| Deferred Tax charged directly in Equity due to change in estimate of the life of asset | - | - |
| Deferred tax Assets: | | |
| Recognized in profit or loss | 6,947,315 | 1,675,664 |
| Recognized in OCI | 759,669 | 490,105 |
| Recognized in Equity | - | - |
| Deferred tax Assets at the end of year | 7,706,984 | 2,165,769 |
| Deferred tax liability: | | |
| Recognized through profit or loss | 64,761,227 | 59,073,998 |
| Recognized through OCI | 20,129,263 | 20,129,263 |
| Deferred tax liability at the end of year | 84,890,490 | 79,203,261 |

8. Other Non-Current Assets

These non-current assets are non-interest bearing and are not expected to be realised or settled in the normal operating cycle of the company.

| Particulars | Amount in NPR | |
|------------------------------------|----------------------|----------------------|
| | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
| Security Deposits | 1,992,762 | 1,911,449 |
| Custom, VAT and Income Tax Deposit | 704,157 | 4,568,585 |
| Total | 2,696,920 | 6,480,034 |

9. Inventories

Inventories are initially recognized at cost and subsequently at the lower of cost and net realizable value as per NAS 2 Inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated cost necessary to make the sale.

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

Finished goods are valued at cost and cost of finished goods includes the cost of raw materials, auxiliary materials, packing materials, direct labor and appropriate proportion of fixed and variable production overheads incurred in bringing the inventory to their present location and condition.

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

In determining the cost of inventories of consumables, stores & spares and fuel, First In First Out (FIFO) method is used.

| <i>Amount in NPR</i> | | |
|-------------------------------------|----------------------|----------------------|
| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
| Raw materials & Auxiliary Materials | 1,184,019,415 | 575,022,545 |
| Packing Materials | 11,026,343 | 12,642,166 |
| Finished Goods | 258,735,430 | 239,535,738 |
| Store, Spares and Consumables | 385,849,798 | 359,756,450 |
| Gross Total | 1,839,630,986 | 1,186,956,899 |
| Less: Allowance for Obsolescence | - | - |
| Total Inventories | 1,839,630,986 | 1,186,956,899 |

Working Capital Loans are secured against trade receivables, inventories and all the current assets.

10. Pre-payments

These are expenses paid for the period beyond the financial period covered under the financial statement. These will be charged off as expenses in the respective period for which such expenses pertain to.

| <i>Amount in NPR</i> | | |
|----------------------|----------------------|----------------------|
| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
| Prepaid Expenses | - | - |
| Prepaid Insurance | 440,238 | 1,168,682 |
| Total | 440,238 | 1,168,682 |

11. Other Current Assets

| <i>Amount in NPR</i> | | |
|-----------------------------------------------------|----------------------|----------------------|
| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
| VAT Receivable | 8,423,178 | - |
| Advance Payment for Corporate Social Responsibility | 5,695,849 | 5,936,703 |
| Total | 14,119,027 | 5,936,703 |

12. Loans and Advances

Loans and advance include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, loans and receivables shall be subsequently measured at amortized cost using the effective interest rate, less allowance for impairment, if any.

| <i>Amount in NPR</i> | | |
|------------------------------------------|----------------------|----------------------|
| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
| Sundry Advances including Staff Advances | 391,529,753 | 256,909,990 |
| Total | 391,529,753 | 256,909,990 |

The fair values of all the above financial assets are equal to their carrying amounts. These advances are non-interest bearing and are expected to be settled in the entity's normal operating cycle.

13. Trade Receivable

Trade Receivables are initially recognized at its face value and subsequently carried at face value.

| <i>Amount in NPR</i> | | |
|-----------------------------------------|-----------------------|-----------------------|
| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
| Trade Receivables | 829,682,299.78 | 755,758,048.50 |
| Gross Total | 829,682,299.78 | 755,758,048.50 |
| Less: Allowance for Doubtful Recoveries | - | - |
| Total Trade Receivables | 829,682,299.78 | 755,758,048.50 |

Working Capital Loans are secured against trade receivables, inventories and all the current assets.

14. Other Financial Assets

| <i>Amount in NPR</i> | | |
|----------------------|----------------------|----------------------|
| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
| Margin Money | 26,595,226.17 | 19,052,812.17 |
| Letter of Credit | 5,192,340.77 | 4,871,385.06 |
| Total | 31,787,566.94 | 23,924,197.23 |

15. Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statements, cash and cash equivalents consist of cash in hand and balance in bank accounts.

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|-----------------------------|----------------------|----------------------|
| Cash In Hand (as certified) | 293,644 | 627,346 |
| Balances with Banks | 20,003,196 | 8,046,082 |
| Total | 20,296,840 | 8,673,428 |

16. Financial Instruments : Financial Liabilities

Financial Liability is any liability that is:

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

A) Recognition

All financial liabilities are initially recognized on the date on which the company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at the initial recognition depends on their purpose and characteristics and the management's intention in acquiring them.

B) Classification

The Company classifies its financial liabilities, other than financial guarantees and loan commitments, as follows:

- i) **Financial Liabilities at Fair Value through Profit or Loss (FVTPL)**
 Financial liabilities are classified as fair value through profit or loss if they are designated at fair value through profit or loss. Upon initial recognition, transaction costs are directly attributable to the acquisition are recognized in Statement of Profit or Loss as incurred. Subsequent changes in fair value is recognized at profit or loss.
- ii) **Financial Liabilities measured at amortized cost**
 All financial liabilities other than measured at fair value through profit or loss are classified as subsequently measured at amortized cost using effective interest rate method.

C) Measurement

- i) **Initial Measurement**
 A financial asset or financial liability is measured initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction cost in relation to financial assets and liabilities at fair value through profit or loss are recognized in Statement of Profit or Loss.
- ii) **Subsequent Measurement**
 A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability. Financial asset or liability classified as measured at amortized cost is subsequently measured at amortized cost using effective interest rate method.
 The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility.

16.1. Non-current Borrowings

Non-Current Borrowings are interest bearing financial liabilities consisting of Bank Borrowings. For these financial liabilities interest charged by the bank approximates effective interest rate and such rate is considered for calculation of amortized cost of liability and the finance cost. The effect of initial charges and its impact on effective rate is considered not material and the carrying value is considered approximate amortized cost.

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|-------------------------------------|----------------------|----------------------|
| Secured Loans from Banks | | |
| Term Loan including Bridge Gap Loan | 3,777,473,020 | 3,653,797,320 |
| Hire Purchase Loan | 22,445,463 | 47,678,225 |
| Total | 3,799,918,483 | 3,701,475,545 |

Term Loan Facility has been sanctioned and disbursed by Consortium of Banks led by Prime Commercial Bank Limited for procurement of Property, Plant and Equipment. The loan is secured by way of mortgage over the Land owned by the company with hypothecation of entire plant & machineries. Further, Loan is secured by cumulative personal guarantee of Mr. Nipesh Tayal, Mr. Prakash Tayal and Ratanlal Tayal along with corporate guarantee from Sonapur Minerals and Oil Limited, R.P. Mining Private Limited and A.N. Mining Private Limited.

Current Maturities of Term Loan which is repayable within 12 months from the reporting date has been disclosed in Note No. 21 as Current Maturity of Long Term Loan.

17. Non-Current-Trade payables

Trade payables are amount payable to creditors for goods and services and are non-interest bearing. These trade payables are normally settled on credit period exceeding a year.

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|---------------|----------------------|----------------------|
| Trade Payable | - | 491,464,813 |
| Total | - | 491,464,813 |

The company had classified some of its creditors in previous year as non-current trade payables in view of deferment of payment liability by more than one year. The vendors had agreed to these payment terms. For these non-interest bearing financial liabilities, the carrying value of such financial liabilities represents the amortized cost. The company had reclassified them as current trade payables in current year.

18. Other Non-Current Liabilities

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|------------------------|----------------------|----------------------|
| Liability for Expense | - | - |
| Payable to Contractors | - | - |
| Security Deposit | - | - |
| Total | - | - |

19. Provisions

Provisions are recognized when the company has a present obligation, legal or constructive, as a result of a past event, it is probable that a transfer of a economic benefits will be required to settle the obligation and when reliable estimate can be made of the amount of obligation. If these conditions are not met, no provision is recognized.

The amount of provision recognized is the management's best estimate of expenditure required to settle the present obligation at the reporting date.

Management reviews provisions at each reporting date and is adjusted to reflect the best estimate. If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision is reversed.

a) **Provisions - Non Current**

i) **Provision for Gratuity:**

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|-------------------------------|----------------------|----------------------|
| Provision for Gratuity | | |
| Opening Balance | 4,750,018 | 4,756,584 |
| Addition | (560,935) | 35,929 |
| Adjustment | - | 42,495 |
| Closing Balance | 4,189,083 | 4,750,018 |

Gratuity before the 1st Shrawan 2075 has been provided as per Labour Act, 2048. The company has implemented the gratuity scheme as per Labour Act, 2074 from Shrawan 1, 2075 and is depositing the said amount in Global IME Retirement Fund which is a defined contribution IRD approved Fund. Gratuity as per Labour Act, 2074 is shown as current provision.

ii) **Provision for Leave Encashment:**

Leave Encashment has been provisioned as per company policy in line with Labour Act, 2074.

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|---------------------------------------|----------------------|----------------------|
| Provision for Leave Encashment | | |
| Opening Balance | 8,279,942 | 7,177,460 |
| Addition | (1,129,040) | 1,102,482 |
| Payment | - | - |
| Closing Balance | 7,150,902 | 8,279,942 |
| Total | 11,339,985 | 13,029,960 |

20. Provisions – Current

i) **Provision for Bonus:**

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|------------------------|----------------------|----------------------|
| Opening Balance | 13,504,421 | 32,193,234 |
| Addition | 2,722,894 | 13,504,421 |
| Payment | 13,504,421 | 32,193,234 |
| Closing Balance | 2,722,894 | 13,504,421 |

Provision for Bonus is made in line with provisions of Bonus Act, 2030.

ii) **Provision for Gratuity**

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|------------------------|----------------------|----------------------|
| Opening Balance | 14,820,594 | 10,877,723 |
| Addition | 4,803,707 | 5,372,396 |
| Payment | 1,115,198 | 1,429,525 |
| Closing Balance | 18,509,103 | 14,820,594 |

iii) **Provision for Income Tax (Net of advances):**

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|----------------------------------------|----------------------|----------------------|
| Opening Liability | 960,262 | (10,759,956) |
| Current Tax Liability for the year | 6,535 | 12,007,289 |
| Opening Liability Paid During the Year | (960,262) | |
| Advance Tax Deposit during the year | (56,000) | (590,231) |
| Transferred to Deposits | - | 303,160 |
| Net Closing Liability | (49,465) | 960,262 |

iv) **Provision for Corporate Social Responsibility:**

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|---------------------------------|----------------------|----------------------|
| Opening Balance | (5,936,703) | (3,525,364) |
| Addition | 272,289 | 135,044 |
| CSR Provisioning of F/Y 2078-79 | 1,215,398 | |
| Payment | 1,246,833 | 2,546,383 |
| Closing Balance** | (5,695,849) | (5,936,703) |

**** This amount is shown as Current Asset in Note 11 Other Current Assets**

v) Provision for Foreign Exchange Loss/(Gain):

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|---------------------------------|----------------------|----------------------|
| Opening Balance | - | - |
| Net Provision during the Period | - | - |
| Closing Balance | - | - |

21. Current Borrowings

Current Borrowings are interest bearing financial liabilities consisting of Bank Borrowings. For these financial liabilities interest charged by the bank approximates effective interest rate and such rate is considered for calculation of amortized cost of liability and the finance cost. The effect of initial charges and its impact on effective rate is considered not material and the carrying value is considered approximate amortized cost.

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|------------------------------------|----------------------|----------------------|
| Secured Loans from Banks | | |
| Working Capital Loans | 2,706,619,008 | 1,605,624,120 |
| Bridge Gap Loan | - | 60,000,000 |
| Current Maturity of Long Term Loan | 173,218,418 | 133,500,000 |
| Total | 2,879,837,426 | 1,799,124,120 |

Working Capital Loan Facility has been sanctioned and disbursed by Consortium of Banks led by Prime Commercial Bank Limited for working capital requirements of the company. The loan is secured by way of hypothecation over inventories of the company, assignment of bills receivables and all other current assets. Further, Loan is secured by cumulative personal guarantee of Mr. Nipesh Tayal, Mr. Prakash Tayal and Ratanlal Tayal along with corporate guarantee from Sonapur Minerals and Oil Limited, R.P. Mining Private Limited and A.N. Mining Private Limited.

22. Trade payables

Trade payables are amount payable to creditors for goods and services and are non-interest bearing. These trade payables are generally settled on credit period of 30 to 120 days. However it also consists of amount payable since more than 120 days.

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|----------------|----------------------|----------------------|
| Trade payables | 549,900,246 | 147,063,634 |
| Total | 549,900,246 | 147,063,634 |

For these non interest bearing financial liabilities, the carrying value of such financial liabilities represents the amortized cost.

23. Other Financial Liabilities

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|--------------------------|----------------------|----------------------|
| Liability for Expenses | 24,443,435 | 8,794,570 |
| Payable to Staff | 30,761,339 | - |
| Sundry Payables | 191,621 | 456,518 |
| Letter of Credit Payable | 798,994,682 | 421,316,852 |
| Total | 854,391,077 | 430,567,940 |

24. Other Current Liabilities

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|---------------------------|----------------------|----------------------|
| CIT Payable | 1,048,226 | 423,000 |
| Excise Duty Payable | 3,286,943 | 4,425,608 |
| Provident Fund Payable | 42,516,444 | 32,006,310 |
| Value Added Tax Payable | - | 3,867,421 |
| VAT Payable on Lost Mudda | 830,617 | - |
| TDS Payable | 9,479,914 | 5,023,539 |
| Total | 57,162,144 | 45,745,878 |

25. Share Capital

The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. Equity is defined as residual interest in total assets of the Company after deducting all its liabilities.

Accordingly the share capital of the company comprises for following equity type:

Ordinary Share Capital

| As at Ashad 31, 2080 | No of share | Value Per Share | Capital In value |
|----------------------|-------------|-----------------|------------------|
| Authorized capital | 50,000,000 | 100 | 5,000,000,000 |
| Issued capital | 30,750,500 | 100 | 3,075,050,000 |
| Paid up capital | 18,450,300 | 100 | 1,845,030,000 |

| As at Ashad 32, 2079 | No of share | Value Per Share | Capital In value |
|----------------------|-------------|-----------------|------------------|
| Authorized capital | 50,000,000 | 100 | 5,000,000,000 |
| Issued capital | 50,000,000 | 100 | 5,000,000,000 |
| Paid up capital | 18,450,300 | 100 | 1,845,030,000 |

26. Reserve and Surplus

The reserves include retained earnings and other reserves, if any.

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|----------------------------|----------------------|----------------------|
| Retained Earning | 493,690,286 | 467,444,005 |
| Other Comprehensive Income | (7,120,491) | (7,678,309) |
| Fair Value Reserve | 315,358,454 | 315,358,454 |
| Total | 801,928,249 | 775,124,150 |

Revaluation Reserve has been created towards revaluation of land owned by the company on the basis of independent engineer valuation.

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|------------------------|----------------------|----------------------|
| Opening | 315,358,454 | 315,358,454 |
| Addition | - | - |
| Utilization | - | - |
| Closing Balance | 315,358,454 | 315,358,454 |

27. Gross Revenue

Amount in NPR

| Particulars | For the Year 2079 -80 | For the Year 2078-79 |
|-------------------|-----------------------|----------------------|
| Sales | | |
| Sale of Clinker | - | 10,530,408 |
| Sale of Gypsum | 499,510 | 386,232 |
| Sale of Limestone | 203,170 | 1,305,270 |
| Sale of Cement | 1,717,055,326 | 2,352,970,024 |
| Other Sales | 12,399,254 | 9,715,694 |
| Total | 1,730,157,260 | 2,374,907,628 |

28. Cost of Sales

Cost of goods sold (COGS) refers to the direct costs of producing cement and clinker sold by the company. This amount includes the cost of the materials, labor and other costs directly attributable to the production of cement and clinker.

Amount in NPR

| Particulars | For the Year 2079 -80 | For the Year 2078-79 |
|----------------------------------------|-----------------------|----------------------|
| Raw Materials and Packing Materials | 592,099,384 | 792,675,533 |
| Total Raw Material Consumed | 592,099,384 | 792,675,533 |
| Production and Manufacturing Overheads | 741,699,300 | 1,065,074,293 |
| Gross Cost of Production | 1,333,798,684 | 1,857,749,827 |
| Cost of Raw Material Sold | 473,369 | 335,719 |
| Cost of Coal Sold | - | - |
| Cost of Store Items Sold | - | - |
| Cost of Goods | 1,334,272,053 | 1,858,085,545 |
| Changes in inventory of Finished Goods | (19,199,692) | (67,378,672) |
| Cost of Goods Sold | 1,315,072,361 | 1,790,706,874 |

29. Other Income

Amount in NPR

| Particulars | For the Year 2079 -80 | For the Year 2078-79 |
|----------------------------------------------|-----------------------|----------------------|
| Gain on Sales of Fixed Assets* | 46,757,092 | 132,328 |
| Net exchange gain | 180,889 | 172,608 |
| Miscellaneous Income | 18,238,564 | 318,990 |
| Insurance Claim | 367,850 | 1,340,948 |
| Profit/Loss on Sales of Investment (Net off) | 5,083,045 | (1,877,061) |
| Dividend Income | 125,315 | 76,013 |
| Rent Income | 60,000 | 20,000 |
| Total | 70,812,755 | 183,825 |

* The company has sold off some of its PPE during the period, gain from such sales proceeds have been recognized as Gain on Sales of Fixed Assets.

30. Selling and Distribution Expense

Amount in NPR

| Particulars | For the Year 2079 -80 | For the Year 2078-79 |
|--------------------------------------------|-----------------------|----------------------|
| Advertisement, Publicity & Trade Promotion | 1,812,633 | 4,637,114 |
| Salary & Wages | 12,690,193 | 12,224,574 |
| Total | 14,502,826 | 16,861,688 |

31. Administrative Expenses

Amount in NPR

| Particulars | For the Year 2079 -80 | For the Year 2078-79 |
|------------------------------|-----------------------|----------------------|
| Audit Fee | 1,000,000 | 500,000 |
| Tax Expenses for lost cases | 5,476,698 | - |
| Bank Charges | 2,836,973 | 2,043,576 |
| Canteen Mess Expenses | 912,573 | 1,011,187 |
| Charity & Donation | 116,000 | 142,000 |
| Consultancy & Legal Fee | 2,558,095 | 2,294,274 |
| Electricity & Water | 181,555 | 196,470 |
| Fines & Penalty | 112,924 | 1,181,511 |
| Guest Entertainment Expenses | 675,456 | 1,301,725 |
| Gratuity Expenses | 4,242,772 | 5,408,325 |
| Insurance Expenses | 14,394,059 | 15,985,958 |
| Internet Expenses | 512,958 | 656,312 |
| IPO Issue Expenses | 545,000 | - |
| Lease Rental Expenses | 2,266,668 | 2,386,668 |
| Leave Encashment Expenses | - | 1,102,482 |
| Medical Expenses | 342,657 | 368,929 |
| Office Expenses | 3,408,631 | 3,037,454 |
| Puja Expenses | 289,944 | 257,292 |
| Printing & Stationary | 213,980 | 154,932 |
| Rates & taxes | 2,864,635 | 3,027,360 |
| Software Renewal Expenses | 138,915 | 132,300 |

| | | |
|-----------------------------------|--------------------|--------------------|
| Repair & Maintenance | 4,603,654 | 6,052,676 |
| Salaries and Wages of Admin Staff | 56,433,044 | 53,908,074 |
| Security Expenses | 7,640,323 | 9,304,801 |
| Staff Welfare - Admin | 827,892 | 1,045,563 |
| Telephone & Postage Expenses | 1,472,554 | 1,891,958 |
| Travelling & Conveyance Expenses | 2,250,065 | 1,934,620 |
| CSR Provisioning of F/Y 2078-79 | 1,215,398 | - |
| Vehicle Running Expenses | 1,605,603 | 1,252,996 |
| | 119,139,028 | 116,579,444 |
| Bonus-Staff | 2,722,894 | 13,504,421 |
| CSR Provision | 272,289 | 135,044 |
| Total | 122,134,211 | 130,218,909 |

31.1. Employee Benefit Expense Disclosure

Amount in NPR

| Particulars | For the Year 2079 -80 | For the Year 2078-79 |
|------------------------------------------------------|-----------------------|----------------------|
| Included in cost of sales | | |
| Wages and Salaries | 79,199,893 | 103,703,673 |
| Included in Selling and Distribution Expenses | | |
| Wages and Salaries | 12,690,193 | 12,224,574 |
| Included in Administrative Expenses | | |
| Wages and Salaries | 56,433,044 | 53,908,074 |
| Staff Welfare | 827,892 | 1,045,563 |
| Gratuity* | 4,242,772 | 5,408,325 |
| Leave Encashment* | - | 1,102,482 |
| Bonus* | 2,722,894 | 13,504,421 |
| Total | 156,116,688 | 190,897,112 |

*Gratuity, Leave Encashment and Bonus represents total provision made for Production, Administrative and Selling & Distribution employees.

32. Finance Cost

Finance Cost comprises of interest on Term Loans, hire purchase loans, short term loans and Bank Overdraft along with their allied charges. All these costs are carried at amortized cost using effective interest rate which is assumed to be bank interest rate.

Amount in NPR

| Particulars | For the Year 2079 -80 | For the Year 2078-79 |
|----------------------------------------------------|-----------------------|----------------------|
| Gross Finance Expenditure | 759,953,348 | 534,706,122 |
| Finance Income | (35,624,841) | - |
| Interest Cost Capitalized to Capital WIP | (493,738,457) | (339,366,852) |
| Net exchange losses on foreign currency borrowings | 76,877 | 6,693,598 |
| Total | 230,666,928 | 202,032,867 |

33. Income Tax

A) Current Tax

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

B) Deferred Tax

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

Amount in NPR

| Particulars | For the Year 2079 -80 | For the Year 2078-79 |
|------------------------------------------------------------|-----------------------|----------------------|
| Current tax expense | | |
| Provision for income tax | 6,535 | 12,007,289 |
| Previous year's tax | - | - |
| Total Current Tax Expense | 6,535 | 12,007,289 |
| Deferred Tax | | |
| Origination and reversal of temporary differences | 415,578 | 4,042,868 |
| Recognition of previously unrecognized deferred tax assets | - | - |
| Total Deferred Tax Income / (Expense) | 415,578 | 4,042,868 |
| Total Tax Expense for the Year | 422,113 | 16,050,157 |

33.1 Reconciliation of tax expense and the accounting profit multiplied by Company's tax rate for 2079-80 and 2078-79:

Amount in NPR

| Particulars | For the Year 2079 -80 | For the Year 2078-79 |
|------------------------------------------|-----------------------|----------------------|
| Profit before income tax | 26,668,394 | 143,077,582 |
| Effects on income tax of: | | |
| Income not subject to income tax | (51,113,441) | (1,282,990) |
| Expenses not deductible for tax purposes | (36,935,044) | (71,979,416) |
| Carry Forward Loss on Investment Income | (5,040,754) | - |
| Prior year under/(over) provision | - | - |
| Net effect | (93,089,239) | (73,262,406) |
| Taxable Income | (66,420,845) | 69,815,177 |

Income not subject to income tax

| | | |
|------------------------------------------------|---------------------|--------------------|
| Profit on sale of Fixed Assets | (46,757,092) | (132,328) |
| Profit/Loss on Sales of Investment (Net off) | (4,841,483) | |
| Dividend Income | (125,315) | (76,013) |
| Value of closing stock | 610,449 | (933,908) |
| Provision for Foreign Exchange Gain-Unrealized | - | (140,741) |
| Fair Value Change in Investment | - | - |
| Total | (51,113,441) | (1,282,990) |

| | | |
|---------------------------------------------------------------|---------------------|---------------------|
| Expenses (deductible) / nondeductible for tax purposes | | |
| Excess Depreciation allowed as per Income Tax Act | (50,783,238) | (92,860,864) |
| Provision for Foreign Exchange Loss- Unrealized | - | (3,253,353) |
| Disallowed Interest Expenses | - | - |
| Disallowed Production and Manufacturing Overheads | - | - |
| Disallowed Administrative Expenses | 5,871,242 | 3,062,564 |
| Disallowed Bonus Expenses | - | - |
| Repairs and maintenance short allowed | 2,246,492 | 7,729,992 |
| Corporate Social Responsibility | 1,487,687 | 135,044 |
| Provision for Leave Encashment | - | 1,102,482 |
| Provision for Gratuity | 4,242,772 | 3,936,305 |
| Fair Value Change in Investment | - | 8,168,414 |
| Total | (36,935,044) | (71,979,416) |

| | | |
|------------------------------------------|----------|----------|
| Prior year under/(over) provision | | |
| Prior Period Expenses | - | - |
| Total | - | - |
| Tax | - | - |

| Particulars | For the Year 2079-80 | | For the Year 2078-79 | |
|------------------------------|-----------------------|-------------------|-----------------------|-------------------|
| Tax on Taxable Income | Taxable Income | Tax amount | Taxable Income | Tax amount |
| Trading Income @ 25% | 26,141 | 6,535 | 50,513 | 12,628 |
| Investment Income @ 25% | (6,098,388) | - | (5,040,754) | - |
| Manufacturing Income @ 18% | (60,348,598) | - | 66,637,004 | 11,994,661 |
| Total Income | (66,420,845) | 6,535 | 61,646,763 | 12,007,289 |

34. Earnings Per Share

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

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Amount in NPR

| Particulars | For the Year 2079 -80 | For the Year 2078 -79 |
|--------------------------------------------------------------------------------|-----------------------|-----------------------|
| Net profit attributable to Shareholders for Basic and diluted earnings | 26,246,280 | 127,027,425 |
| Weighted average number of Ordinary Shares for basic EPS | 18,450,300 | 18,450,300 |
| Effects of dilution: | | |
| Share Option | - | - |
| Weighted average number of ordinary shares adjusted for the effect of dilution | - | - |
| Basic earnings per ordinary share | 1.42 | 6.88 |
| Diluted earnings per ordinary share | 1.42 | 6.88 |

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

35. Declared and Proposed Dividends

Dividends payable to the Company's shareholders are charged to equity in the period in which they are declared. Proposed dividends are disclosed in notes separately until declared.

Amount in NPR

| Declared and Approved during the year | For the Year 2079 -80 | For the Year 2078 -79 |
|---------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Dividends on Ordinary Shares | - | - |
| Dividends on Ordinary Shares | - | - |
| Total Dividend Declared | - | - |
| Proposed for approval at the annual general meeting (not recognized as a liability as at balance sheet date) | - | - |
| Dividends on Preference Shares | - | - |
| Dividends on Ordinary Shares | - | - |
| Total Dividend Proposed | - | - |

36. Financial risk management objectives and policies

The Company's principal financial liabilities comprise of Borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets comprises of trade receivables, loans and advances and other financial assets that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk.

B) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency). The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. Further, the Company manages its foreign currency risk by not holding the receivables and payables in foreign currencies for long durations.

C) Commodity price risk

The Company is affected by the volatility of certain commodities. Its operating activities require the ongoing purchase of raw materials and therefore require a continuous supply of the same.

The Company manages this risk by purchasing materials and supplies from the suppliers identified by the group and the Company has long term relation with the suppliers.

D) Credit risk

The Company has a policy of dealing only with credit worthy counter parties and obtains sufficient collateral, Bank Guarantees and Letter of Credit wherever the management thinks appropriate as a means of mitigating the risk of financial loss from defaults.

- **Trade receivables**

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed and individual credit limits are defined in accordance with this assessment.

Outstanding customer receivables are regularly monitored and followed up by the management team for the recovery.

- **Cash deposits**

Credit risk from balances with banks and financial institutions are managed by maintaining the balances with highly reputed Commercial banks and other agencies if it deems appropriate and beneficial to the company.

E) Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. A material and sustained shortfall in the cash flow could undermine the Company's credit rating, impair investor confidence and also restrict the Company's ability to raise funds.

The Company maintains a cautious funding strategy to mitigate the liquidity risk. The Company's Finance Department regularly monitors the liquidity position to ensure it has sufficient liquidity ongoing basis to meet the operational needs. The Company monitors its risk to a shortage of funds on a regular basis through cash forecast.

The Company maintains a balance between continuity of funding and flexibility through the use of bank loans and realization from the revenue and operations. Access to sources of funding is sufficient.

37. Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows. It is not practicable for the Company to estimate the timings of the cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the same.

All the contingent liabilities and the guarantees given by the Company to the third parties are disclosed below:

Amount in NPR

| Particulars | As at Ashad 31, 2080 | As at Ashad 32, 2079 |
|---------------------------------------------------|----------------------|----------------------|
| Towards Nepal Electricity Authority * | 573,877,965 | 422,347,362 |
| Towards Value Added Tax (VAT) with IRD ** | - | 2,534,795 |
| Towards Tax Deduction at Source (TDS) with IRD ** | - | 2,859,193 |
| Towards Income Tax with IRD ** | 704,157 | 400,998 |
| Total | 574,582,122 | 428,142,348 |

*Nepal Electricity Authority (NEA) has raised demand liability of Rs. 28,59,65,604.50 against billing difference from Bhadra, 2072 till Falgun, 2075 due to use of electricity through dedicated trunk line of NEA for the said period.

In addition, The management of the company has opted to book the Electricity Expenses as per the old tariff rate of Nepal Electricity Authority instead of new tariff rates due to which the liability on account of Electricity expenses have been understated by Rs. 101,334,630.00 in Financial Year 2076-77 and Rs. 35,047,127.00 in Financial Year 2075-76. Also, the penalty charges levied by NEA on account of non-payment of bills as per new tariff rate has not been recognized as expense. For the demand liability raised by NEA, the management of the company has requested NEA to provide sufficient evidence for consumption of electricity through the use of dedicated trunk line. However since no evidence of use of electricity through dedicated trunk line is provided by NEA and NEA has further admitted in various courts of Nepal that the data of TOD meter which is the most conclusive evidence for use of electricity is not available with the NEA, hence the management is of view that in absence of evidences and supportings for any claims made by NEA, the demand liability raised by NEA shall be waived off by appropriate authorities of Nepal.

The data provided by NEA for outstanding disputed dues payable by the company till Mangshir 2080 stands to NPR 57,38,77,965 which has been disclosed as contingent liabilities.

** The company has filed appeal for income tax assessment of FY 2075-76, FY 2076-77 and FY 2077-78 in Revenue Tribunal, Kathmandu against the decision of IRD for administrative review for income tax assessments by Large Tax payer Office for the financial years 2075-76, FY 2076-77 and FY 2077-78

38. Related Parties

All transactions with related parties are carried out by the Company at arm's length prices.

| Entity that is controlled by Key Managerial Person: | Key Managerial Person: |
|-----------------------------------------------------|------------------------|
| Bala Mines Pvt.Ltd. | Mr. Ratan Lal Tayal |
| Bhawani Refinery & Mines Pvt. Ltd. | Mr. Nipesh Tayal |
| Ganapati Mines Pvt.Ltd. | Mr. Bhim Prasad Pathak |
| Ganga Mines Pvt.Ltd | Mr. Prakash Tayal |
| Kalika Mines Pvt.Ltd. | Ms. Alisha Pandey |
| Muna Mines Pvt . Ltd | |
| P.T. Mines Pvt. Ltd. | |
| Riche Mines Pvt. Ltd. | |
| Sona Mines Pvt.Ltd. | |
| Sonalika Mines Pvt.Ltd. | |
| Sundar Mines Pvt.Ltd. | |
| Surya Mining Pvt. Ltd. | |
| Bala Trade Link Pvt.Ltd | |
| Bala Investment Pvt. Ltd. | |
| Ganpati Investment Pvt. Ltd. | |
| Muna Investment Pvt. Ltd. | |
| Sona Investment Pvt. Ltd. | |
| Sonalika Investment Pvt. Ltd. | |
| Tayal Investment Pvt. Ltd | |
| A.N. Mining Pvt.Ltd. | |
| Bijauri Mines Pvt. Ltd. | |
| Ganga Investment Pvt. Ltd. | |
| R.P.Mining Pvt. Ltd. | |
| Kalika Malika Fuel Center Pvt. Ltd. | |

| Party Name | Purchase |
|-------------------------------------|------------|
| A.N. Mining Private Limited | 44,758,320 |
| R.P. Mining Private Limited | 2,471,663 |
| Bala Mines Pvt.Ltd. | 1,500,000 |
| Bhawani Refinery & Mines Pvt. Ltd. | 1,210,000 |
| Bijauri Mines Pvt. Ltd. | 1,020,000 |
| Ganga Mines Pvt.Ltd | 540,000 |
| Kalika Mines Pvt.Ltd. | 1,410,000 |
| P.T. Mines Pvt. Ltd. | 1,460,000 |
| Riche Mines Pvt. Ltd. | 1,590,000 |
| Sona Mines Pvt.Ltd. | 1,600,000 |
| Sonalika Mines Pvt.Ltd. | 1,360,000 |
| Surya Mining Pvt. Ltd. | 980,000 |
| Kalika Malika Fuel Center Pvt. Ltd. | 77,806,749 |

| Party Name | Sales |
|-----------------------------|--------|
| A.N. Mining Private Limited | 53,177 |



Balances As on Ashadh 31, 2080:

Amount in NPR

| S.N. | Party Name | Closing Balance | S.N. | Party Name | Closing Balance |
|------|------------------------------------|-----------------|------|-------------------------------------|-----------------|
| 1 | Bala Mines Pvt.Ltd. | 7,203,656 | 13 | Bala Trade Link Pvt.Ltd | 61,912,926 |
| 2 | Bhawani Refinery & Mines Pvt. Ltd. | 6,402,939 | 14 | Bala Investment Pvt. Ltd. | (1,016,982) |
| 3 | Ganapati Mines Pvt.Ltd. | 6,040,913 | 15 | Ganpati Investment Pvt. Ltd. | 3,301,385 |
| 4 | Ganga Mines Pvt.Ltd | (2,487,282) | 16 | Muna Investment Pvt. Ltd. | 1,075,522 |
| 5 | Kalika Mines Pvt.Ltd. | 1,603,484 | 17 | Sona Investment Pvt. Ltd. | 15,421,306 |
| 6 | Muna Mines Pvt . Ltd | 4,340,900 | 18 | Sonalika Investment Pvt. Ltd. | 14,912,457 |
| 7 | P.T. Mines Pvt. Ltd. | 9,196,956 | 19 | Tayal Investment Pvt. Ltd | 1,013,768 |
| 8 | Riche Mines Pvt. Ltd. | 8,781,326 | 20 | A.N. Mining Pvt.Ltd. | 135,327,610 |
| 9 | Sona Mines Pvt.Ltd. | 8,849,067 | 21 | Bijauri Mines Pvt. Ltd. | 5,355,369 |
| 10 | Sonalika Mines Pvt.Ltd. | 8,800,089 | 22 | Ganga Investment Pvt. Ltd. | 344,517 |
| 11 | Sundar Mines Pvt.Ltd. | 1,613,261 | 23 | R.P.Mining Pvt. Ltd. | 159,933,793 |
| 12 | Surya Mining Pvt. Ltd. | 7,827,859 | 24 | Kalika Malika Fuel Center Pvt. Ltd. | 20,442,262 |

Director Remuneration:

| Name of Director | Amount | Period |
|------------------------|-----------|-------------------------------------------------------------------------------------------------|
| Mr. Nipesh Tayal | 7,647,000 | Shrawan 1st, 2079 till 31st Ashadh, 2080 including Provident Fund and Dashain Bonus of 1 month. |
| Mr. Bhim Prasad Pathak | 4,872,865 | |



SONAPUR
MINERALS AND OIL LTD.

टिपोट :

[illegible]

SONAPUR
MINERALS AND OIL LTD.

टिपोट :

This image shows a full page of primary-ruled paper. It features approximately 20 horizontal dotted lines spaced evenly down the page, providing a guide for handwriting practice. The background is white, and there are no margins or other markings present.

This image shows a full page of white paper with horizontal dotted lines. The lines are evenly spaced and run across the width of the page, providing a guide for handwriting or typing. There are no margins, text, or other markings on the page.



अब हाम्रै काँधमा छ,
सुरक्षित नेपालको अभिभारा

नेपाल गुणस्तर चिन्ह प्राप्त
आफ्नै चुनढुङ्गा खानी भएको
PPC सिमेन्ट



सोनापुर
मिनरल्स एण्ड आयल लि.
तुलसीपुर-१८, दुधरास, दाङ



अब हाम्रै काँधमा छ,
सुरक्षित नेपालको अभिभारा

नेपाल गुणस्तर चिन्ह प्राप्त
आफ्नै चुनढुङ्गा खानी भएको
OPC सिमेन्ट



सोनापुर
मिनरल्स एण्ड आयल लि.
तुलसीपुर-१८, दुधरास, दाङ



SONAPUR
MINERALS AND OIL LTD.