

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

**Opinion**

We have audited the accompanying Financial Statements of **Sonapur Minerals & Oil Ltd.** ("the Company") which comprises the Statement of Financial Position as at Ashad 32, 2082, Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity & Statement of Cash Flows for the year ended Ashad 32, 2082, 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 32, 2082, 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.

<b>Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p><b>Useful life of Property, Plant and Equipment:</b></p> <p>Post adoption of NFRS, the Company has changed method of depreciation from Written Down Value (WDV) method to Straight Line Method (SLM). Given the judgement used for assessing useful life and its significant impact to the Financial Statement, this is a key audit matter.</p> <p>Depreciation on Property, Plant and Equipment other than Freehold Land is provided on "Straight Line Method (SLM)" based on Useful Life estimated by technical expert of the management.</p> <p>The Assets Useful Life are reviewed at the reporting date and the effect of any changes in estimates are accounted for on a prospective basis.</p>	<p>Our principal audit procedures performed, among other procedures, included the following:</p> <ol style="list-style-type: none"><li>1. We obtained understanding of the management's processes for assessing the useful life of PPE.</li><li>2. We carried out testing of management's control over assessing the useful life of PPE.</li><li>3. We tested the basis of useful life.</li><li>4. We verified the technical evaluation done by management while assessing the useful life of PPE.</li><li>5. Assessed the accounting principles applied by the Company to estimate useful life in accordance with the Nepal Financial Reporting Standards and ensured adequacy of disclosures.</li></ol>



**Contingent Liabilities related to Appeals  
against Assessments:**

The Company is exposed to different laws, regulations and their interpretations thereof. In this regulatory environment there is inherent risk of litigations and claims. Consequently, contingent liabilities disclosures may arise from Direct & Indirect Taxes and Other Matters (If Any).

The company applies significant judgement in estimating the likelihood of the future outcome in each case and in determining the provisions or disclosures required. Resolution of tax and legal proceedings may span over multiple years due to the highly complex nature and magnitude of the legal matters involved and may involve protracted litigation.

These estimates could change significantly over time as new facts emerge and each legal case progresses.

Given the inherent complexity and magnitude of potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures this is a key audit matter.

**Valuation and Existence of Inventories:**

The Company's inventories constitute a significant portion of the total assets as at the reporting date. Due to the nature, volume, and location of the inventories, and restrictions on access at the year-end, management was unable to perform full physical verification of inventories. As a result, there is an increased risk relating to the existence and valuation of inventories. Considering the materiality of the inventory balance and the degree of judgment involved, this matter was considered to be a key audit matter.

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 read the correspondence between the Company and the various tax authorities and the legal opinions of external legal advisors where applicable for significant matters.
3. 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.
4. We have assessed the adequacy of the Company's disclosures in respect of contingent liabilities for tax and legal matters.

Our audit procedures included:

1. Obtaining an understanding of management's internal controls over inventory recording, safeguarding, and periodic verification.
2. Reviewing management's alternative procedures performed in lieu of physical verification, including inventory roll-forward and roll-back procedures and quantity and value certified by technical expert.
3. Testing inventory movement records (goods received notes and goods issue notes) before and after the reporting date to assess the completeness and existence of inventories.
4. Performing substantive analytical procedures by comparing inventory levels, turnover ratios, and gross margins with prior periods and industry trends.
5. Assessing the valuation of inventories by testing cost components and evaluating whether inventories were stated at the lower of cost and net realizable value.
6. Evaluating the adequacy of disclosures made in the financial statements regarding inventory measurement and the inability to conduct physical verification.



**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.

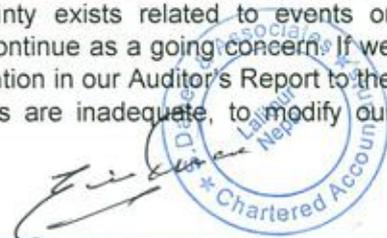
Those charged with governance are responsible for overseeing the Company's Financial Reporting process.

**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, Nepal

Date: 2082.09.07

UDIN No.: 260101CA02154zjT9R

For: S. Danee & Associates  
Chartered Accountants



*Sudip Danee*  
CA. Sudip Danee  
Proprietor

**Name:** Sonapur Minerals and Oil Limited  
**Subject:** Audit Report  
**FY:** 2081-2082 (2024-2025)  
**Period:** Shrawan 1, 2081 to Ashad 32, 2082 (July 16, 2024 to July 16, 2025)

**S. Danee & Associates**  
(Chartered Accountants)

# Sonapur Minerals and Oil Limited

## Tulsipur -18, Dang Statement of Financial Position As on Ashadh 32, 2082

Particulars	Notes	Amount in NPR	
		As at Ashadh 32, 2082	As at Ashadh 31, 2081
<b>Assets</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	4	9,964,018,023	8,533,122,755
Intangible Assets	5	-	-
<b>Financial Assets</b>			
Investments		-	-
Deferred Tax Asset		-	-
Other Non Current Assets	8	2,774,993	2,744,920
		<u>9,966,793,016</u>	<u>8,535,867,675</u>
<b>Current Assets</b>			
Inventories	9	2,586,763,474	2,269,148,989
Prepayments	10	1,011,583	429,604
Other Current Assets	11	48,196,981	83,837,329
<b>Financial Assets</b>			
Loans and Advances	12	623,393,680	505,247,006
Trade Receivables	13	928,461,101	810,653,456
Other Financial Asset	14	46,579,933	30,932,404
Cash and Cash Equivalents	15	174,412,696	16,587,940
Investments	6	8,781,860	8,442,392
		<u>4,417,601,309</u>	<u>3,725,279,119</u>
<b>Total Assets</b>		<u><u>14,384,394,325</u></u>	<u><u>12,261,146,794</u></u>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Deferred tax liability	7	377,172,838	182,641,260
<b>Financial Liabilities</b>			
Non Current Borrowings	16.1	5,682,111,154	5,188,617,054
Trade Payable	17	-	-
Other Non current liabilities	18	-	-
Provisions - Non Current	19.1	-	11,257,854
		<u>6,059,283,992</u>	<u>5,382,516,167</u>
<b>Current Liabilities</b>			
Provisions - Current	20	32,059,158	21,948,786
<b>Financial Liabilities</b>			
Current Borrowings	21	723,820,217	466,859,226
Trade Payables	22	303,034,451	293,897,977
Other Financial Liabilities	23	1,288,638,212	1,069,495,632
Other Current Liabilities	24	138,927,515	7,669,201
		<u>2,486,479,553</u>	<u>1,859,870,821</u>
<b>Total liabilities</b>		<u><u>8,545,763,545</u></u>	<u><u>7,242,386,988</u></u>
<b>Equity</b>			
<b>Share Capital</b>			
Ordinary Share Capital	25	3,075,050,000	3,075,050,000
Securities Premium		1,653,302,600	1,653,302,600
Reserve and Surplus	26	1,110,278,180	290,407,206
<b>Total equity</b>		<u><u>5,838,630,780</u></u>	<u><u>5,018,759,806</u></u>
<b>Total liabilities and equity</b>		<u><u>14,384,394,325</u></u>	<u><u>12,261,146,794</u></u>

For and on Behalf of Board

As per our report of even date



Ratan Lal Tayal  
Chairman



Nipesh Tayal  
M.D.



Prady Sedhai  
Director



Anarendra Sharan  
CFO



CA Sudip Danee  
Proprietor  
S. Danee & Associates  
Chartered Accountants

Place: Kathmandu, Nepal  
Date:



**Sonapur Minerals and Oil Limited**  
**Tulsipur -18, Dang**  
**Statement of Profit or Loss**  
**For the Period from Shrawan 1, 2081 to Ashadh 32, 2082**

Particulars	Notes	Amount in NPR	
		For the Year 2081-82	For the Year 2080-81
Revenue from Operations	27	2,597,709,325	1,639,909,279
Cost of Sales	28	(1,896,324,474)	(1,553,670,475)
<b>Gross Profit</b>		<b>701,384,851</b>	<b>86,238,804</b>
Other Income	29	25,992,879	626,474
Selling and Distribution Expenses	30	(18,449,947)	(16,789,018)
Administrative Expenses	31	(132,766,599)	(121,146,949)
Depreciation and Amortization	4	(123,773,584)	(85,370,605)
<b>Operating Profit</b>		<b>452,387,599</b>	<b>(136,441,294)</b>
Finance costs	32	(380,228,685)	(259,538,134)
<b>Profit Before Tax</b>		<b>72,158,913</b>	<b>(395,979,428)</b>
<b>Income tax expense</b>			
Provision for income tax	20.3	(5,672)	(66,350)
Previous years tax		-	(9,679,278)
Deferred tax income/(expense)	7	(24,902,939)	(65,283,786)
<b>Profit for the year</b>		<b>47,250,302</b>	<b>(471,008,842)</b>
Earnings Per Share (EPS)			
Basic EPS (Rs)		1.54	(15.32)
Diluted EPS (Rs)		1.54	(15.32)

For and on Behalf of Board

As per our report of even date

Ratan Lal Tayal  
Chairman

Nipesh Tayal  
M.D.

Prachin Sedhai  
Director

Amarendra Sharan  
CFO



CA Sudip Danee  
Proprietor  
S. Danee & Associates  
Chartered Accountants

Place: Kathmandu, Nepal  
Date:



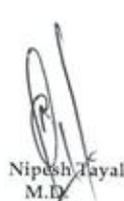
**Sonapur Minerals and Oil Limited**  
**Tulsipur -18, Dang**  
**Statement of Cash Flow**  
**For the Period from Shrawan 1, 2081 to Ashadh 32, 2082**

Amount in NPR

Particulars	Notes	For the Year 2081-82	For the Year 2080-81
<b>A. Cash flow from operating activities</b>			
Profit after income tax		47,250,302	(471,008,842)
<u>Adjustments for Non cash items: -</u>			
Depreciation and amortization		123,773,584	85,370,605
Revaluation of Land		941,909,843	
Provision for Leave Encashment		-	-
Provision for Gratuity		-	5,469,892
<u>Adjustments for non operating items: -</u>			
Finance Cost		380,228,685	259,538,134
Profit on sale of fixed assets		-	-
Profit on sales of Investments		-	-
Dividend Income		(232)	(224)
<b>Operating profit before changes to receivables and payables</b>		<b>1,493,162,183</b>	<b>(120,630,435)</b>
(Increase) / Decrease in Non-Current Assets		(30,073)	(48,000)
(Increase) / Decrease in Inventories		(317,614,486)	(429,518,002)
(Increase) / Decrease in Trade Receivables		(117,807,646)	19,682,166
(Increase) / Decrease in Prepayments		(581,980)	10,634
(Increase) / Decrease in Other Current Assets		35,640,348	(69,668,836)
(Increase) / Decrease in Loans & Advances		(118,146,673)	(113,717,253)
(Increase) / Decrease in Other Financial Assets		(15,647,529)	855,163
Increase / (Decrease) in Other Non-Current Liabilities		-	-
Increase / (Decrease) in Provisions		(11,257,854)	(4,835,234)
Increase / (Decrease) in Trade Payables		9,136,475	(256,002,269)
Increase / (Decrease) in Other Financial Liabilities & Other Current Liabilities		338,130,741	164,958,290
<b>Cash generated from operations</b>		<b>1,294,983,506</b>	<b>(808,913,777)</b>
Deferred Tax Income / (Expenses)		24,902,939	65,283,786
<b>Net cash inflow from operating activities</b>		<b>1,319,886,445</b>	<b>(743,629,991)</b>
<b>B. Cash flow from investing activities</b>			
Proceeds from disposal of property and equipment		-	-
Purchase of property, Plant and equipment and intangible assets		(1,365,881,670)	(452,212,630)
Dividend Income		232	224
Sales of Quoted Shares		-	-
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(1,365,881,438)</b>	<b>(452,212,406)</b>
<b>C. Cash flow from financing activities</b>			
Issue of Share Capital		-	1,230,020,000
Proceeds from Securities Premium		-	1,653,302,600
Increase / (Decrease) in Non Current Borrowings		493,494,101	(379,877,072)
Increase / (Decrease) in Current Borrowings		256,960,991	(644,402,557)
Finance Cost Paid Recognized in Profit & Loss Account		(546,635,331)	(666,909,472)
<b>Net cash outflow from financing activities</b>		<b>203,819,748</b>	<b>1,192,133,498</b>
<b>(Decrease)/Increase in cash and cash equivalents</b>	A + B + C	<b>157,824,756</b>	<b>(3,708,900)</b>
Cash and cash equivalents at start of year		16,587,940	20,296,840
<b>Cash and cash equivalents at end of year</b>		<b>174,412,696</b>	<b>16,587,940</b>

For and on Behalf of Board

  
Ratan Lal Tayal  
Chairman

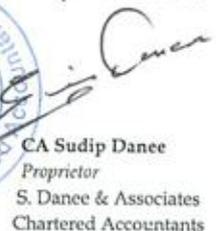
  
Nipesh Tayal  
M.D.

  
Prachud Sedhai  
Director

  
Amarendra Sharan  
CFO



As per our report of even date

  
CA Sudip Danee  
Proprietor  
S. Danee & Associates  
Chartered Accountants

Place: Kathmandu, Nepal  
Date:



**Sonapur Minerals And Oil Limited**  
**Tulsipur -18, Dang**  
**Statement of Other Comprehensive Income**  
**For the year ended Ashad 32, 2082**

Particulars	Notes	Amount in NPR	
		For the Year 2081-82	For the Year 2080-81
Profit for the year		47,250,302	(471,008,842)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net fair value (losses)/gains on financial assets			
Fair Value Changes of Listed Shares		339,468	(338,234)
Items that are or/ may be reclassified subsequently to profit or loss			
Deferred Tax asset / (liability) on other comprehensive income		(84,867)	84,559
Total other comprehensive income, net of tax		254,601	(253,676)
Total comprehensive income for the year		<b>47,759,504</b>	<b>(471,516,193)</b>

For and on Behalf of Board

As per our report of even date



Ratan Lal Tayal  
Chairman



Nipesh Tayal  
M.D.



Prachur Sedhai  
Director



Amarendra Sharan  
CFO





CA Sudip Danee  
Proprietor  
S. Danee & Associates  
Chartered Accountants

Place: Kathmandu, Nepal  
Date:



**Sonapur Minerals and Oil Limited**  
Tulsipur -18, Dang  
Statement of Changes in Equity  
For the year ended Ashad 32, 2082

Particulars	Amount in NPR						
	Equity Share Capital	Share Application Money	Revaluation Reserve	Other Comprehensive Income	Securities Premium	Retained Earnings	Total Equity
<b>For the Year 2080-81</b>							
At start of year	1,845,030,000	-	315,358,454	(7,120,491)	-	493,690,286	2,646,958,249
Profit for the year	-	-	-	-	-	(477,008,842)	(477,008,842)
Other comprehensive income	-	-	-	(338,254)	-	-	(338,254)
Change in fair value of financial assets through OCI	-	-	-	84,559	-	-	(40,173,968)
Deferred Tax Reserves	-	-	(40,258,526)	-	-	-	-
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	1,230,020,000	-	-	-	1,653,323,944	-	2,890,343,944
Total transactions with owners	1,230,020,000	-	-	-	(37,021,345)	-	(37,021,345)
Balance as at Ashad End 2081	3,075,050,000	-	275,099,928	(7,374,166)	1,653,302,600	22,681,444	5,018,759,806
<b>For the Year 2081-82</b>							
At start of year	3,075,050,000	-	275,099,928	(7,374,166)	1,653,302,600	22,681,443.98	5,018,759,806
Profit for the year	-	-	-	-	-	47,250,302.40	47,250,302
Other comprehensive income	-	-	-	339,468	-	-	339,468
Change in fair value of financial assets through OCI	-	-	-	-	-	-	-
Revaluation difference amount of Land	-	-	941,909,843	-	-	-	941,909,843
Deferred Tax on Revaluation of Land measured through Equity	-	-	(169,543,772)	(84,867)	-	-	(169,543,772)
Deferred Tax on Revaluation Reserve & Investments measured through OCI	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
Securities Premium	-	-	-	-	-	-	-
Transaction Cost for Issuance of IPO	-	-	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-
Balance as at Ashad End 2082	3,075,050,000	-	1,047,445,999	(7,119,565)	1,653,302,600	69,931,746	5,838,630,780

For and on Behalf of Board

*Uday*  
Ratan Lal Tayal  
Chairman

*M. P. Singh*  
M. P. Singh  
M.D.

*Pradip Sedhai*  
Pradip Sedhai  
Director

*Amarendra Sharan*  
Amarendra Sharan  
CFO

As per our report of even date  
*S. DANCE & ASSOCIATES*  
Lalitpur  
Nepal  
S. Dance & Associates  
Chartered Accountants



Place: Kathmandu, Nepal  
Date:

# Sonapur Minerals and Oil Limited

Tulsipur-18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

## 1 Reporting Entity

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, Trikutl Marga, Battisputali, Kathmandu. The main objectives of company is 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 of 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 2082.09.05. 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, 2081 to Ashad 32, 2082. (i.e. July 16, 2024 to July 16, 2025).

### 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 Judgements

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.

*Alman* *[Signature]* *[Signature]* *Rachu Galla*



# Sonapur Minerals and Oil Limited

Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

## 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 para 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 2082.83. 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 2082.83. 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.

Alman



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# Sonapur Minerals and Oil Limited

Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

## 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:

- ¾ Financial assets other than measured at amortized cost are measured at fair value.
- ¾ 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:

- ¾ Expected to be realized or intended to sold or consumed in normal operating cycle.
- ¾ Held primarily for the purpose of trading,
- ¾ 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:

- ¾ It is expected to be settled in normal operating cycle,
- ¾ It is held primarily for the purpose of trading,
- ¾ It is due to be settled within twelve months after the reporting period, or
- ¾ 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 includes:

#### a) 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.

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Radhu Sella



# Sonapur Minerals and Oil Limited

Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

**b) 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.

**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 of an asset (the underlying asset) for a period of time in exchange for consideration.'

Alaram



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# Sonapur Minerals and Oil Limited

Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

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

Ahoran



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# Sonapur Minerals and Oil Limited

## Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

### 4 Property, Plant & Equipments (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	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-recognised 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.

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*Radhe Sella*



Sonapur Minerals and Oil Limited  
Tulsipur-15, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

6.1 Property, Plant & Equipments (PPE)

Particulars	Land	Trees	Building	Accessories including Furniture Fixture & Office Equipment	Vehicles	Plant and Machinery	Total Ashad end 2082	Total Ashad end 2081
<b>Cost</b>								
As on Strawan 1, 2080	1,212,913,640	7,685,760	968,490,672	41,817,575	100,652,580	3,134,694,197	-	5,466,164,625
Addition during the Year								
Acquisition	61,193,210.90	-	-	72,566	489,646.02	9,644,586.00	-	71,400,009
Capitalization	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-
<b>Balance as on Ashad End 2081</b>	<b>1,274,107,051</b>	<b>7,685,760</b>	<b>968,490,672</b>	<b>41,890,142</b>	<b>101,142,226</b>	<b>3,144,248,783</b>	-	<b>5,537,564,634</b>
Addition during the Year								
Acquisition	81,604,706	-	1,483,585,928	338,963	-	4,126,033,341	5,691,532,939	-
Capitalization	-	-	-	-	-	-	-	-
Disposal during the year	941,909,843	-	-	-	-	-	941,909,843	-
Adjustment/Revaluation	2,297,621,601	-	-	-	-	-	2,297,621,601	-
<b>Balance as on Ashad end 2082</b>	<b>2,297,621,601</b>	<b>7,685,760</b>	<b>2,452,076,601</b>	<b>42,229,105</b>	<b>101,142,226</b>	<b>7,270,252,124</b>	<b>32,171,007,415.77</b>	<b>5,537,564,634</b>
<b>Depreciation and Impairment</b>								
As on Strawan 1, 2080	-	-	-	-	-	-	-	-
Adjustment/Revaluation	-	-	347,783,556	36,623,948	65,744,782	1,823,414,130	-	2,279,566,416
Depreciation charge for the Year	-	-	24,721,498	1,067,583	9,717,638	49,653,857	85,570,605.01	85,570,605
Impairment for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-
<b>As on Ashad End 2081</b>	<b>-</b>	<b>-</b>	<b>372,505,053</b>	<b>39,691,520</b>	<b>75,462,420</b>	<b>1,873,278,017</b>	<b>85,370,605</b>	<b>2,446,307,626</b>
Depreciation charge for the Year	-	-	39,260,640	946,946	9,317,633	74,248,466	123,773,584	-
Impairment for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-
<b>As on Ashad end 2082</b>	<b>-</b>	<b>-</b>	<b>411,765,693</b>	<b>40,638,476</b>	<b>84,779,053</b>	<b>1,947,526,483</b>	<b>209,144,189</b>	<b>2,446,307,626</b>
<b>Net Book Value</b>								
As on Ashad end 2081	1,274,107,051	7,685,760	968,490,672	41,890,142	100,652,580	3,134,694,197	-	5,466,164,625
As on Ashad end 2082	2,297,621,601	7,685,760	2,452,076,601	42,229,105	101,142,226	7,270,252,124	32,171,007,415.77	5,537,564,634

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.



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# Sonapur Minerals and Oil Limited

## Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

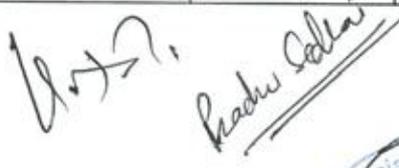
### 5 Intangible Assets

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	Amount in NPR	
	Total Ashad End 2082	Total Ashad End 2081
<b>Cost</b>		
As on Shrawan 1, 2080	900,000	900,000
Addition during the Year		
Acquisition	-	-
Capitalization	-	-
Disposal during the year	-	-
Adjustment/Revaluation	-	-
<b>Balance as on Ashad end 2081</b>	<b>900,000</b>	<b>900,000</b>
Addition during the Year		
Acquisition	-	-
Capitalization	-	-
Disposal during the year	-	-
Adjustment/Revaluation	-	-
<b>Balance as on Ashad end 2082</b>	<b>900,000</b>	<b>900,000</b>
<b>Amortization and Impairment</b>		
As on Shrawan 1, 2080	750,994	750,994
Amortization charge for the Year	149,006	149,006
Impairment for the year	-	-
Disposals	-	-
Adjustment	-	-
<b>As on Ashad end 2081</b>	<b>900,000</b>	<b>900,000</b>
Amortization charge for the Year	-	-
Impairment for the year	-	-
Disposals	-	-
Adjustment	-	-
<b>As on Ashad end 2082</b>	<b>900,000</b>	<b>900,000</b>
<b>Net Book Value</b>		
As on Ashad end 2081	-	-
As on Ashad end 2082	-	-



**Sonapur Minerals and Oil Limited**  
**Tulsipur -18, Dang**

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

**6 Financial Instruments : Financial Assets**

Financial Asset is any asset that is:

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

**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.

**B) 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 assets 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.

**ii) 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.

**b) 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 through other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

**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.

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.

*Alaman*      *WST*      *Badru Saha*



# Sonapur Minerals and Oil Limited

## Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

### D) Derecognition

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 derecognition that is created or retained by the Company is recognized as a separate asset or liability. On derecognition 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.

### E) 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.

### F) 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 modelling 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.

*Alman* *U.S.S.* *Radu Sella*



**Sonapur Minerals and Oil Limited**  
Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

6.1 Equity Investments

Equity Investments at FVTOCI

Amount in NPR

Particulars	As at	
	Ashad 32, 2082	Ashad 31, 2081
Corporate Equity shares:		
Quoted Ordinary Shares	8,780,626	8,442,392
Allowance for impairment loss		-
<b>Total</b>	<b>8,780,626</b>	<b>8,780,626</b>

Fair Value Disclosure

Particulars	As at		As at	
	Ashad 32, 2082		Ashad 31, 2081	
	No. of Shares	Fair Value	No. of Shares	Fair Value
Quoted:				
Share-Central Finance Co. Ltd. ( Cfc)	5,000.00	2,749,800	5,000.00	2,660,000.00
Share-Chhyangdi Hydropower Ltd. ( Chl)	900.00	287,226	900.00	282,600.00
Share-Mountain Hydro Nepal Limited ( Mhn)	895.00	237,059	895.00	222,855.00
Share-Nic Asia Bank Ltd.	5,418.00	2,275,560	5,418.00	2,401,237.60
Share-Nirdhan Utthan Bank Limited ( Nubl)	3,698.00	2,842,690	3,698.00	2,632,606.20
Share-Shivam Cements Ltd.	4.00	2,140	4.00	2,009.20
Share-Soaltee Hotel Limited ( Shl)	92.00	53,137	92.00	40,664.00
Share-Union Hydropower Limited ( Unhpl)	800.00	334,248	800.00	200,400.00
<b>Total Value</b>	<b>16,807</b>	<b>8,781,860</b>	<b>16,807</b>	<b>8,442,392</b>

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

6.2 Investment in Debentures

Measured at Amortized cost

Particulars	As at	
	Ashad 32, 2082	Ashad 31, 2081
		-
<b>Total</b>		-
<b>Total Investment (under Current Assets)</b>		<b>8,780,626.00</b>







**Sonapur Minerals and Oil Limited**  
Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

**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 charges 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.

	Amount in NPR	
	As at Ashad 32, 2082	As at Ashad 31, 2081
Deferred Tax Asset	220,397,385	75,019,224
Deferred Tax Liability	597,570,223	257,660,484
<b>Net Deferred Tax Asset/ (Liability)</b>	<b>(377,172,838)</b>	<b>(182,641,260)</b>
<b>Net Changes</b>	<b>(194,531,578)</b>	<b>(105,457,754)</b>
Deferred Tax charged in OCI	(84,867)	84,559
Deferred Tax charged in Equity *	(169,543,772)	(40,258,526)
Deferred Tax charged in SPL	(24,902,939)	(65,283,786)

Deferred tax charged directly in equity due to change in estimate of the life of asset

-	-
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Deferred tax Assets:

Recognized in profit or loss	219,638,025	74,174,996
Recognized in OCI	759,361	844,228
Recognized in Equity	-	-
<b>Deferred tax Assets at the end of year</b>	<b>220,397,385</b>	<b>75,019,224</b>

Deferred tax liability:

Recognized through profit or loss	367,638,662	197,272,695
Recognized through OCI	-	-
Deferred Tax charged in Equity	229,931,561	60,387,789
<b>Deferred tax liability at the end of year</b>	<b>597,570,223</b>	<b>257,660,484</b>
<b>Net (Assets)/ Liability in Balance sheet</b>	<b>377,172,838</b>	<b>182,641,260</b>

\*Note: In Previous year deferred tax related to revaluation of land was charged in OCI which now reclassified to charged in Revaluation Reserve of change in Equity.







# Sonapur Minerals and Oil Limited

## Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

### 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 32, 2082	As at Ashad 31, 2081
Security Deposits	1,876,449	2,040,762
Custom, VAT and Income Tax Deposit	898,543	704,157
Total	2,774,993	2,744,920

*Ahman* *Vish* *Rachu Sahai*



# Sonapur Minerals and Oil Limited

## Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

### 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.

Particulars	<i>Amount in NPR</i>	
	As at Ashad 32, 2082	As at Ashad 31, 2081
Raw materials & Auxiliary Materials	1,319,459,100	1,180,018,649
Packing Materials	15,196,578	21,785,396
Finished Goods	737,068,792	681,970,742
Store, Spares and Consumables	515,039,005	385,374,202
<b>Gross Total</b>	<b>2,586,763,474</b>	<b>2,269,148,989</b>
Less: Allowance for Obsolescence	-	-
<b>Total Inventories</b>	<b>2,586,763,474</b>	<b>2,269,148,989</b>

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

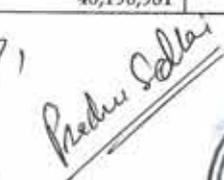
### 10 Prepayments

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.

Particulars	<i>Amount in NPR</i>	
	As at Ashad 32, 2082	As at Ashad 31, 2081
Prepaid Expenses	-	-
Prepaid Insurance	1,011,583	429,604
<b>Total</b>	<b>1,011,583</b>	<b>429,604</b>

### 11 Other Current Assets

Particulars	<i>Amount in NPR</i>	
	As at Ashad 32, 2082	As at Ashad 31, 2081
VAT Receivable	29,698,792	65,837,597
Advance Income Tax	10,992,744	10,991,011
Advance Payment for Corporate Social Responsibility	7,505,444	7,008,720
<b>Total</b>	<b>48,196,981</b>	<b>83,837,329</b>




# Sonapur Minerals and Oil Limited

## Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

### 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.

Particulars	<i>Amount in NPR</i>	
	As at Ashad 31, 2082	As at Ashad 31, 2081
Advances to Suppliers	570,197,992	481,247,369
Staff Advances	49,704,619	23,999,637
Other receivable	3,491,069	-
<b>Total</b>	<b>623,393,680</b>	<b>505,247,006</b>

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.

Particulars	<i>Amount in NPR</i>	
	As at Ashad 32, 2082	As at Ashad 31, 2081
Trade Receivables	928,461,101	810,653,456
<b>Gross Total</b>	<b>928,461,101</b>	<b>810,653,456</b>
Less: Allowance for Doubtful Recoveries	-	-
<b>Total Trade Receivables</b>	<b>928,461,101</b>	<b>810,653,456</b>

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

### 14 Other Financial Assets

Particulars	<i>Amount in NPR</i>	
	As at Ashad 31, 2082	As at Ashad 31, 2081
Margin Money	46,579,933	30,477,815
Letter of Credit	-	454,589
<b>Total</b>	<b>46,579,933</b>	<b>30,932,404</b>

### 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.

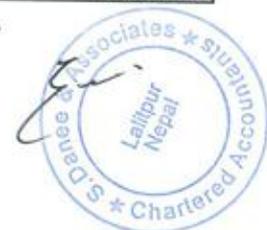
For the purpose of cash flow statements, cash and cash equivalents consist of cash in hand and balance in bank accounts.

Particulars	<i>Amount in NPR</i>	
	As at Ashad 32, 2082	As at Ashad 31, 2081
Cash In Hand (as certified)	233,064	158,546
Balances with Banks	174,179,632	16,429,394
<b>Total</b>	<b>174,412,696</b>	<b>16,587,940</b>









# Sonapur Minerals and Oil Limited

## Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

### 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 entity under conditions that are potentially unfavorable to the entity, or
- b) a contract that will or may be settled in the entity's own equity instruments and is:
  - i) a non-derivative for which the entity is or may be obliged to 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 though 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.



*Abhinav*  
*W. S. S.*  
*Rakesh Solanki*



# Sonapur Minerals and Oil Limited

## Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

### 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.

Particulars	Amount in NPR	
	As at Ashad 31, 2082	As at Ashad 31, 2081
<b>Secured Loans from Banks</b>		
Term Loan including Bridge Gap Loan	4,205,993,322	3,594,520,880
Permanent working Capital	1,768,040,694	1,793,344,667
Hire Purchase Loan	3,172,250	10,270,531
Less: Permanent working Capital (Current Portion)	(295,095,112)	(209,519,024)
<b>Total</b>	<b>5,682,111,154</b>	<b>5,188,617,054</b>

Term Loan Facility has been sanctioned and disbursed by Consortium of Banks lead 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.

In Previous year permanent working capital loan was reported under current borrowing which has been reclassified into current and non-current based on the repayment schedule agreed with lender, repayable within 12 months from the balance sheet date as current liability and remaining as non-current.

### 17 Non Current-Trade payables

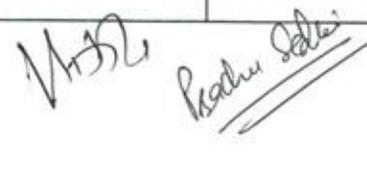
Trade payables are amount payable to creditors for goods and services and are non interest bearing. These trade payables are normally settled on credit period exceeding a year.

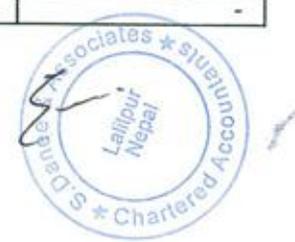
Particulars	Amount in NPR	
	As at Ashad 32, 2082	As at Ashad 31, 2081
Trade Payable	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 18 Other Non Current Liabilities

Particulars	Amount in NPR	
	As at Ashad 32, 2082	As at Ashad 31, 2081
Liability for Expense	-	-
Payable to Contractors	-	-
Security Deposit	-	-
<b>Total</b>	<b>-</b>	<b>-</b>





# Sonapur Minerals and Oil Limited

## Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

### 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.

### 19.1 Provisions - Non Current

Particulars	Amount in NPR	
	As at Ashad 32, 2082	As at Ashad 31, 2081
Provision for employee benefits		
Provision for Gratuity		
Opening Balance	4,106,952	4,189,083
Addition	(4,029,871)	(82,131)
Adjustment	(77,081)	-
Closing Balance	(0)	4,106,952

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.

The Gratuity which are no longer payable has been written back as other income.

### Provision for Leave Encashment

Opening Balance	7,150,902	7,150,902
Addition/ Derecognition	(7,150,902)	-
Payment	-	-
Closing Balance	<u>0.00</u>	<u>7,150,902</u>
Total	<u>-</u>	<u>11,257,854</u>

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



*Aharon*

*1/1/27*

*Pradeep Sedhai*



# Sonapur Minerals and Oil Limited

## Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

20 Provisions - Current	<i>Amount in NPR</i>	
	As at Ashad 32, 2082	As at Ashad 31, 2081
<b>20.1 Provision for Bonus</b>		
Opening Balance	-	2,722,894
Addition	7,215,891	-
Payment	-	(2,722,894)
Closing Balance	7,215,891	-

Provision for Bonus is made in line with provisions of Bonus Act, 2030. Due to net losses in the current year, the provision has not been made.

	<i>Amount in NPR</i>	
	As at Ashad 32, 2082	As at Ashad 31, 2081
<b>20.2 Provision for Gratuity</b>		
Opening Balance	21,948,786	18,509,103
Addition	5,744,429	5,469,892
Payment	2,849,948	2,030,209
Closing Balance	24,843,267	21,948,786
<b>20.3 Provision for Income Tax (Net of Advances)</b>		
Opening Liability( advance)	(10,991,011)	(49,465)
Current Tax Liability for the year	5,672	66,350
Opening Liability Paid During the Year	-	-
Advance Tax Deposit during the year	(7,405)	(11,007,896)
Transferred to Deposits	-	-
Net Closing Liability/(Advance)	(10,992,744)	(10,991,011)

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

<b>20.4 Provision for Corporate Social Responsibility</b>		
Opening Balance	(7,008,720)	(5,695,849)
Addition	(1,218,313)	(1,312,871)
CSR Provisioning of F/Y 2081-82	721,589	-
Payment	-	-
Closing Balance**	(7,505,444)	(7,008,720)

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

<b>20.5 Provision for Foreign Exchange Loss/ (Gain)</b>		
Opening Balance	-	-
Net Provision during the Period	-	-
Closing Balance	-	-
Total Current Provision	32,059,158	21,948,786

Aman

M...

Rachha Saha



# Sonapur Minerals and Oil Limited

## Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

### 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	
	As at Ashad 32, 2082	As at Ashad 31, 2081
<b>Secured Loans from Banks</b>		
Working Capital Loans	428,725,105	257,340,202
Non-current Maturity of Long Term Loan/ PWC	295,095,112	209,519,024
<b>Total</b>	723,820,217	466,859,226

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.

In Previous year permanent working capital loan was reported under current borrowing which has been reclassified into current and non-current based on the repayment schedule agreed with lender, repayable within 12 months from the balance sheet date as current liability and remaining as non-current.

### 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	
	As at Ashad 32, 2082	As at Ashad 31, 2081
Trade payables	303,034,451	293,897,977
<b>Total</b>	303,034,451	293,897,977

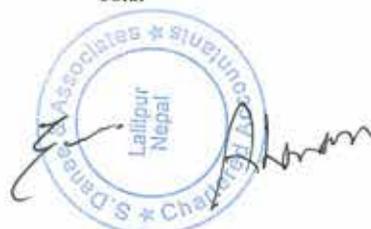
For these non interest bearing financial liabilities, the carrying value of such financial liabilities represents the amortized cost.

### 23 Other Financial Liabilities

	Amount in NPR	
	As at Ashad 32, 2082	As at Ashad 31, 2081
Interest Payable	22,380,536.59	-
Liability for Expenses	7,556,894	21,767,710
Payable to Staff	258,661	1,139,056
Sundry Payables	4,594,929	1,595,724
CIT Payable	1,675,932	1,782,000
Provident Fund Payable	58,824,759	51,126,634
Letter of Credit Payable	1,193,346,499	992,084,507
<b>Total</b>	1,288,638,212	1,069,495,632

### 24 Other Current Liabilities

	Amount in NPR	
	As at Ashad 32, 2082	As at Ashad 31, 2081
Excise Duty Payable	9,035,314	3,023,790
Advance from Customer	119,697,855	653,322
TDS Payable	10,194,345	3,992,089
<b>Total</b>	138,927,515	7,669,201



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# Sonapur Minerals and Oil Limited

## Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

### 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 types:

#### 25.1 Ordinary Share Capital

As at	No of share	Value Per Share	Capital In value
Ashad 32, 2082			
Authorized capital	50,000,000	100	5,000,000,000
Issued capital	30,750,500	100	3,075,050,000
Paid up capital	30,750,500	100	3,075,050,000
<b>As at</b>	<b>No of share</b>	<b>Value Per Share</b>	<b>Capital In value</b>
Ashad 31, 2081			
Authorized capital	50,000,000	100	5,000,000,000
Issued capital	30,750,500	100	3,075,050,000
Paid up capital	30,750,500	100	3,075,050,000

### 26 Reserve and Surplus

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

	Amount in NPR	
	As at Ashad 32, 2082	As at Ashad 31, 2081
Retained Earning	69,931,746	22,681,444
Other Comprehensive Income	(7,119,565)	(7,374,166)
Fair Value Reserve	1,047,465,999	275,099,928
<b>Total</b>	<b>1,110,278,180</b>	<b>290,407,206</b>

#### \*Revaluation Reserve

Revaluation Reserve has been created towards revaluation of land owned by the company on the basis of independent engineer valuation in current year as per their report dated 29th Poush, 2081

	As at Ashad 32, 2082	As at Ashad 31, 2081
Opening	315,358,454	315,358,454
Addition	941,909,843	-
Utilization	-	-
<b>Closing Balance</b>	<b>1,257,268,297</b>	<b>315,358,454</b>

*Akram*



*Prachin Sedhai*



# Sonapur Minerals and Oil Limited

## Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

**27 Gross Revenue:**

Particulars	Amount in NPR	
	For the Year 2081-82	For the Year 2080-81
<b>Sales</b>		
Sale of Gypsum	510,968	-
Sale of Limestone	4,269,562	-
Sale of Cement	2,554,010,871	1,619,254,897
Other Sales	38,917,925	20,654,382
<b>Total</b>	<b>2,597,709,325</b>	<b>1,639,909,279</b>

**28 Cost of Sales**

Particulars	Amount in NPR	
	For the Year 2081 -82	For the Year 2080-81
Raw Materials Consumption	722,883,279	753,853,365
Packing Bags Consumption	104,511,479	76,960,005
Cost of Trading Sales	460,809	-
Production and Manufacturing Overheads(Note 28A)	1,123,566,957	1,146,092,417
<b>Opening Stock Of:</b>		
Clinker	675,503,679	239,292,152
Cement	6,467,063	19,443,278
<b>Closing Stock Of:</b>		
Clinker	(627,389,485)	(675,503,679)
Cement	(109,679,307)	(6,467,063)
<b>Total</b>	<b>1,896,324,474</b>	<b>1,553,670,475</b>

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.

**28 A Production Expenses**

Particulars	For the Year 2081 -82	For the Year 2080-81
Annual Maintenance Charges	18,246	20,000
Electricity Charges	230,096,132	201,431,649
Generator Running Expenses	29,289,320	35,106,864
Factory Labour Wages	31,021,818	19,657,221
Packing Expenses	5,741,981	4,372,933
Salary-Production	73,305,142	71,577,553
Unloading Charges	803,261	558,021
Coal Consumption	633,361,306	743,780,085
Nepalgunj ICP Charges	3,168,219	252,261
Excavator, Loader, Tipper & Tractor Expenses	21,835,531	13,137,816
Store Consumption	8,740,276	8,355,536
Repair & Maintenance	86,185,725	47,842,479
<b>Total</b>	<b>1,123,566,957</b>	<b>1,146,092,417</b>

*Arjun*



*U. P. S. T.*

*Pradhu Saha*



**Sonapur Minerals and Oil Limited**  
Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

Amount in NPR

**29 Other Income**

Particulars	For the Year 2081 -82	For the Year 2080-81
Gain on Sales of Fixed Assets*	2,500,000	-
Other Income	11,662,005	-
Miscellaneous Income	-	472,730.01
Insurance Claim	11,768,142	93,520.00
Dividend Income	232	224.00
Rent Income	62,500	60,000.00
<b>Total</b>	<b>25,992,879</b>	<b>626,474.01</b>

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

Amount in NPR

**30 Selling and Distribution Expenses**

Particulars	For the Year 2081 -82	For the Year 2080-81
Advertisement, Publicity & Trade Promotion	1,691,591	2,998,238
Salary & Wages	16,758,356	13,790,780
<b>Total</b>	<b>18,449,947</b>	<b>16,789,018</b>

Amount in NPR

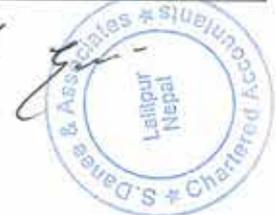
**31 Administrative Expenses**

Particulars	For the Year 2081 -82	For the Year 2080 -81
Audit Fee	1,000,000	1,000,000
Bank Charges	5,181,712	1,989,819
Canteen Mess Expenses	922,571	701,101
Charity & Donation	110,000	200,000
Consultancy & Legal Fee	4,818,454	708,600
Electricity & Water	196,900	187,203
Fines & Penalty	68,860	738,230
Guest Entertainment Expenses	1,157,637	1,019,720
Gratuity Expenses	5,716,964	5,469,892
Insurance Expenses	10,796,434	11,233,043
Internet Expenses	606,370	446,564
Lease Rental Expenses	2,266,661	2,386,656
Leave Encashment Expenses	9,050	-
Medical Expenses	341,028	243,076
Office Expenses	2,442,787	2,597,529
Pooja Expenses	496,608	392,339
Printing & Stationary	259,945	229,663
Rates & taxes	5,020,226	10,360,372
Software Renewal Expenses	142,000	142,000
Repair & Maintenance - Block A	3,611,601	786,113
Repair & Maintenance - Block B	321,097	543,307
Repair & Maintenance - Block C	1,726,942	2,603,175
Salaries and Wages of Admin Staff	64,675,437	61,849,096
Security Expenses	5,191,075	7,144,547
Staff Welfare - Admin	1,124,432	972,274
Telephone & Postage Expenses	960,978	2,180,260
Travelling & Conveyance Expenses	2,283,909	2,728,519
Staff recruitment Expenses	-	15,000
BIS Mark Expenses	-	25,700
Vehicle Running Expenses	1,905,771	1,698,684
AGM Expenses	376,669	341,588
Board Meeting Fee Expenses	846,000	174,000
Notice & Publications	251,000	38,880
	<b>124,829,119</b>	<b>121,146,949</b>
Bonus-Staff	7,215,891	-
CSR Provision	721,589	-
<b>Total</b>	<b>132,766,599</b>	<b>121,146,949</b>







## Sonapur Minerals and Oil Limited Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

Amount in NPR

### 31.1 Employee Benefit Expense Disclosure

Particulars	For the Year 2081 -82	For the Year 2080 -81
<b>Included in cost of sales</b>		
Wages and Salaries	104,326,960	91,234,774
Cost of Limestone	9,894,722	9,744,635
<b>Included in Selling and Distribution Expenses</b>		
Wages and Salaries	16,758,356	13,790,780
<b>Included in Administrative Expenses</b>		
Wages and Salaries	64,675,437	61,849,096
Staff Welfare	1,124,432	972,274
Gratuity*	5,716,964	5,469,892
Leave Encashment*		-
Bonus*	7,215,891	-
<b>Total</b>	<b>209,712,762</b>	<b>183,061,451</b>

\*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 2081 -82	For the Year 2080 -81
Gross Finance Expenditure	569,015,868	666,909,472
Interest Cost Capitalized to Capital WIP/ Fixed assets	(188,787,183)	(407,610,145)
Net exchange losses on foreign currency borrowings	-	238,806
<b>Total</b>	<b>380,228,685</b>	<b>259,538,134</b>







## Sonapur Minerals and Oil Limited Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

**33 Income Tax**

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

**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.

	For the Year 2081 -82	Amount in NPR For the Year 2080 -81
<b>Current tax expense</b>		
Provision for income tax	5,672	66,350
Previous years taxes	-	9,679,278
<b>Total Current Tax Expense</b>	5,672	9,745,628
<b>Deferred Tax</b>		
Origination and reversal of temporary differences	24,902,939	65,283,786
Recognition of previously unrecognized deferred tax assets	-	-
<b>Total Deferred Tax Income / (Expense)</b>	24,902,939	65,283,786
<b>Total Tax Expense for the Year</b>	24,908,611	75,029,414

*Arman*

*U=H*

*Rachw Sedhi*



## Sonapur Minerals and Oil Limited Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

### 33.1 Reconciliation of tax expense and the accounting profit multiplied by Company's tax rate for 2081-82 and 2080-81:

	For the Year 2081 -82	Amount in NPR For the Year 2080 -81
<b>Profit before income tax</b>	72,158,913	(395,979,428)
<b>Effects on income tax of:</b>		
Income not subject to income tax	(11,181,005)	(7,549,894)
Expenses not deductible for tax purposes	(934,145,053)	94,603,270
Carry Forward Loss on Investment Income	(7,152,064)	(6,098,388)
Carry Forward Loss on Manufacturing Income	(308,137,776)	(60,660,719)
<b>Net effect</b>	<b>(1,260,615,897)</b>	<b>20,294,269</b>
<b>Taxable Income</b>	<b>(1,188,456,984)</b>	<b>(375,685,159)</b>
<b>Income not subject to income tax</b>		
Profit on sale of Fixed Assets	-	-
Profit/Loss on Sales of Investment (Net off)	-	-
Dividend Income	(232)	(224)
Provision written off	(11,180,773)	-
Value of closing and opening stocks	-	(7,549,670)
<b>Total</b>	<b>(11,181,005)</b>	<b>(7,549,894)</b>
<b>Expenses (deductible) / non deductible for tax purposes</b>		
Excess Depreciation allowed as per Income Tax Act	(904,432,562)	(33,914,820)
Provision for Foreign Exchange Loss- Unrealized	-	-
Interest Expenses (To be Capitalized to WIP as per Tax)	-	101,338,072
Production and Manufacturing Overheads	(36,439,562)	-
Administrative Expenses	178,860	938,230
Disallowed Expenses	-	-
Non Taxable Income	-	-
Repairs and maintenance Capitalized to Fixed Assets in Tax	831,247	20,771,896
Corporate Social Responsibility	-	-
Provision for Leave Encashment	-	-
Provision for Gratuity	5,716,964	5,469,892
<b>Total</b>	<b>(934,145,053)</b>	<b>94,603,270</b>
<b>Prior year under/(over) provision</b>		
Prior Period Expenses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Tax</b>	<b>-</b>	<b>-</b>

	For the Year 2081-82		For the Year 2080-81	
Tax on Taxable Income	Taxable Income	Tax amount	Taxable Income	Tax amount
Trading Income @ 25%	(1,181,327,608)	-	265,399	66,350
Investment Income @ 25%	22,687	5,672	(7,152,064)	-
Manufacturing Income @ 18%	(7,152,064)	-	(368,798,495)	-
<b>Total Income</b>	<b>(1,188,456,984)</b>	<b>5,672</b>	<b>(375,685,160)</b>	<b>66,350</b>

*Ahwan*

*Prakash*

*Prakash*

*Prakash*



# Sonapur Minerals and Oil Limited

## Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

### 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.

Particulars	Amount in NPR	
	For the Year 2081 -82	For the Year 2080 -81
Net profit attributable to Shareholders for Basic and diluted earnings	47,250,302	(471,008,842)
Weighted average number of Ordinary Shares for basic EPS	30,750,500	30,750,500
Effects of dilution:		
Share Option	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	-	-
<b>Basic earning per ordinary share</b>	<b>1.54</b>	<b>(15.32)</b>
<b>Diluted earning per ordinary share</b>	<b>1.54</b>	<b>(15.32)</b>

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

**Sonapur Minerals and Oil Limited**  
Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

**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.

	<i>Amount in NPR</i>	
	For the Year 2081 -82	For the Year 2080 -81
<b>35.1 Declared and Approved during the year</b>		
Dividends on Ordinary Shares	-	-
Dividends on Ordinary Shares	-	-
<b>Total Dividend Declared</b>	-	-
<b>35.2 Proposed for approval at the annual general meeting (not recognized as a liability as at balance sheet date)</b>		
Dividends on Preference Shares	-	-
Dividends on Ordinary Shares	-	-
<b>Total Dividend Proposed</b>	-	-

Aharan      P.H.      H.M.      Pradyu Sallai





# Sonapur Minerals and Oil Limited

## Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

### 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:

	As at Ashad 32, 2082	As at Ashad 31, 2081
Towards Nepal Electricity Authority *	242,999,273.13	573,877,964.95
Towards Income Tax with IRD **	704,157.49	704,157.49
<b>Total</b>	<b>243,703,430.62</b>	<b>574,582,122.44</b>

\*Nepal Electricity Authority (NEA) has raised demand liability of Rs. 24,29,99,273.13 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 as per demand letter of Nepal Electricity Authority dated 28th Kartik, 2081 stands to NPR 24,29,99,273.13 which has been disclosed as contingent liabilities. Further, NEA had invited all the electricity users against whom disputed demand from NEA were raised to appeal before its Review Committee for the disputed amount, although NEA disposed off the review unilaterally and asked the company to pay the entire amount in 28 Equal Instalments. Company has appealed to Supreme Court against NEA's such unilateral action and Company is expecting a favourable court verdict against such demand- consequently company hasn't recognised the liability in the books.

\*\* The company has filed appeal in earlier years 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. The Revenue Tribunal has provided its verdict for the said cases in the current year. Out of the disputed matters, decision of Tribunal for some of the matters are made in the favour of the company whereas others in the favour of IRD. The board of the company has decided to accept the decision of Tribunal for all three financial years i.e. 2075-76, 2076-77 and 2077-78 and hence no further appeal has been done. Since the Re-assessments of the cases has not yet been conducted by the Large Taxpayer Office, the disputed tax amount has been still shown as contingent liabilities.








**Sonapur Minerals and Oil Limited**  
Tulsipur -18, Dang

Significant Accounting Policies and Notes to Financial Statements for the year ended on Ashad 32, 2082

**38 Related Parties and Transactions with 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:

Bala Mines Pvt.Ltd.  
Bhawani Refinery & Mines Pvt. Ltd.  
Ganapati Mines Pvt.Ltd.  
Ganga Mines Pvt.Ltd.  
Kalika Mines Pvt.Ltd.  
Muna Mines Pvt. Ltd.  
P.T. Mines Pvt. Ltd.  
Riche Mines Pvt. Ltd.  
Sona Mines Pvt.Ltd.  
A.N. Mining Pvt.Ltd.  
Bala Investment Pvt. Ltd.  
Bala Trade Link Pvt.Ltd.  
Bijauri Mines Pvt. Ltd.  
Ganga Investment Pvt. Ltd.  
Ganpati Investment Pvt. Ltd.  
Jaykali Khanij Udyog Pvt. Ltd.  
Kalika Malika Fuel Center Pvt. Ltd.  
Maugratara Overseas Pvt.Ltd.  
Muna Investment Pvt. Ltd.  
Pradhan Khanij Udyog Pvt. Ltd.  
R.P.Mining Pvt. Ltd.  
Sona Investment Pvt. Ltd.  
Sonalika Investment Pvt. Ltd.  
Sonalika Mines Pvt.Ltd.  
Sonapur Steels Pvt.Ltd.  
Sundar Mines Pvt.Ltd.  
Surya Mining Pvt. Ltd.  
Tayal Investment Pvt. Ltd.  
Tirupati Mines Pvt. Ltd.

Key Managerial Person:

Mr. Ratan Lal Tayal  
Mr. Nipesh Tayal  
Mr. Prakash Tayal  
Mr. Ankit Khadka  
Ms. Chandrakala Kumari Bohara  
Mr. Deepak Thapa  
Ms. Rachana Kumari Ojha  
Ms. Alsha Pandey  
Mr. Bhim Prasad Pathak

Designation:

Chairman  
Managing Director  
Director  
Director  
Director  
Director  
Former Director  
General Manager

Party Name	Purchase
A.N. Mining Private Limited	60,212,923
Kalika Malika Fuel Center Pvt. Ltd.	223,249,435
Maugratara Overseas Pvt.Ltd.	44,700,590

Party Name	Sales
A.N. Mining Private Limited	7,068,079
Kalika Malika Fuel Center Pvt. Ltd.	26,504
R.P. Mining Pvt.Ltd.	186,217

Balances As on Ashadh 32, 2082:

S.N.	Party Name	Amount in NPR Closing Balance
1	A. N. Mining Pvt. Ltd.	222,123,394
2	Bala Investment Pvt. Ltd.	(1,187,482)
3	Bala Mines Pvt.Ltd.	8,874,139
4	Bala Trade Link Pvt.Ltd	61,921,068
5	Bhawani Refinery & Mines Pvt. Ltd.	8,219,910
6	Bijauri Mines Pvt. Ltd.	2,744,269
7	Ganapati Mines Pvt.Ltd.	6,046,758
8	Ganga Investment Pvt. Ltd.	350,217
9	Ganga Mines Pvt.Ltd	(2,455,744)
10	Ganpati Investment Pvt. Ltd.	3,324,085
11	Jaykali Khanij Udyog Pvt. Ltd.	(918,250)
12	Kalika Malika Fuel Center Pvt.Ltd	(14,583,376)
13	Kalika Mines Pvt.Ltd.	2,891,624
14	Maugratara Overseas Pvt.Ltd.	19,727,431
15	Muna Investment Pvt. Ltd.	1,101,222
16	Muna Mines Pvt. Ltd.	3,832,424
17	P.T. Mines Pvt. Ltd.	10,684,316
18	Pradhan Khanij Udyog Pvt. Ltd.	13,968,756
19	R.P. Mining Pvt.Ltd	281,855,143
20	Riche Mines Pvt. Ltd.	11,451,616
21	Sona Investment Pvt. Ltd.	15,442,006
22	Sona Mines Pvt.Ltd.	10,829,283
23	Sonalika Investment Pvt. Ltd.	14,934,357
24	Sonalika Mines Pvt.Ltd.	9,185,277
25	Sonapur Steels Pvt.Ltd.	234,010
26	Sundar Mines Pvt.Ltd.	1,617,662
27	Surya Mining Pvt. Ltd.	6,217,359
28	Tayal Investment Pvt. Ltd.	1,039,468
29	Tirupati Mines Pvt. Ltd.	250,756
	<b>Total</b>	<b>699,721,696</b>

Director Remuneration:

Name of Director	Amount	Period
Mr. Nipesh Tayal	7,647,000.00	Shrawan 1st, 2081 till 32nd Ashadh, 2082 including Provident Fund and Dashain Bonus of 1 month.

Meeting Fees:

S.N.	Particulars	Amount
1	Ankit Khadka	72,000.00
2	Chandrakala Kumari Bohara	186,000.00
3	Deepak Thapa	36,000.00
4	Nipesh Tayal	174,000.00
5	Prachu Sedhai	114,000.00
6	Prakash Tayal	180,000.00
7	Rachana Kumari Ojha	42,000.00
8	Ratan Lal Tayal	42,000.00
	<b>TOTAL</b>	<b>846,000.00</b>

*Handwritten signatures and initials.*



*Handwritten signature: Anan*

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