Viman Karkee & Associates

Chartered Accountants

New Baneshwor, Kathmandu
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Independent Auditor's Report
To the Shareholders of
TIME PHARMACEUTICALS LTD.

Opinion

We have audited the accompanying financial statements of **TIME PHARMACEUTICALS LTD.** which comprises Statement of Financial Position as on Ashad 31, 2081 (corresponding to July 15, 2024), Statement of Profit or Loss, Statement of Cash Flows, Statement of Changes in Equity for the period then ended and Notes to the Financial Statements.

In our opinion, the accompanying financial statements present fairly, in all material respect, the financial position of **TIME PHARMACEUTICALS LTD.** as on Ashad 31, 2081 and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the company in accordance with the *ICAN's Handbook of Code of Ethics for Professional Accountants* together with the ethical requirement that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	**How our audit addressed the key audit matters**
Revenue Recognition	
Revenue from sale of goods (herein after referred to as "Revenue") is recognized when the Company transfer significant risk and rewards of ownership to the customers, which is mainly upon delivery, the amount of revenue can be measured reliably, and the recovery of the consideration is probable. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key	Our audit procedures included the following: • Assessed the Company's accounting policies on revenue recognition in line with NFRS 15 – Contract with Customers and tested thereof. • Evaluated the integrity of the Company's general information and technology control environment and tested the operating

VIMAN KARKEE & ASSOCIATES CHARTERED ACCOUNTANTS KATHMANDU

measure of evaluation of performance. There is a risk of revenue being recorded before significant risks and rewards of the ownership are transferred.	effectiveness of IT application controls over Revenue recognition. • Performed detailed analysis of Revenue, analytical testing with monthly sales information filed with tax authorities, tested the timing of its recognition and accuracy of the amount recognized and verification of the supporting information of the Revenue transactions. • Tested the supporting documentation for selected sample of sales transactions recorded during the period closer to the year and subsequent to the year end to evaluate whether Revenue was recognized in the correct period.

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

Management of **TIME PHARMACEUTICALS LTD.** ('the company'), is responsible for the preparation and fair presentation of the Financial Statements in accordance with the Nepal Accounting Standards and other accounting principles generally accepted, including the accounting policies as adopted and for such internal control as management determines, is necessary to enable preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatements, 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain

CHARTERED ACCOUNTANTS KATHMANDU

audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statement 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 as a going concern.
- Evaluate the overall presentation of the Financial Statements including disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation,
- Obtain sufficient appropriate audit evidences regarding the financial information of the entities or business activities within the Company to express an opinion on the Financial Statements.

Report on Other Legal and Regulatory Requirements

On the basis of our examination, we would like to report that:

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

b. The Statement of Financial Position, Statement of Profit or Loss, Cash Flow Statement, Statement of Changes in Equity and attached dealt with by this report are in agreement with the books of account maintained by the company.

c. In our opinion, proper books of accounts as required by law have been kept by the company.

d. In our opinion and to the best of our information and according to the explanations given to us and from 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 thereof or any employee of the company has acted contrary to the provisions of law or caused loss or damage to the Company except matters referred in basis of opinion paragraph.

e. We have not come across any accounting fraud.

VIMAN KARKEE & ASSOCIATES CHARTERED ACCOUNTANTS KATHMANDU

For Viman Karkee & Associates

Chartered Accountants

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CA. Viman Karkee
Chitwan, Nepal
Date : 2081.05.16
UDIN No: 240927CA00524kcyQM

TIME PHARMACEUTICALS LTD.
Gaindakot, Nawalpur

Statement of Financial Position
As on Ashadh 31, 2081 (July 15, 2024)

Particulars	Notes	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Assets:			
Non Current Assets:			
Property, Plant and Equipment	4.1	234,492,938.16	244,776,969.86
Intangible Assets	4.2	1,269,087.38	135,600.00
Investments	5	5,000,000.00	5,000,000.00
Deferred Tax Assets	6	-	-
Other Non Current Assets	7	-	-
Total Non-Current Assets (A)		**240,762,025.54**	**249,912,569.86**
Current Assets:			
Inventories	8	254,250,692.89	229,039,942.45
Financial Assets			
Trade Receivables	9	570,556,790.12	463,623,398.97
Cash & Cash Equivalents	12	20,378,953.51	28,810,873.91
Others	10	10,864,080.79	8,813,178.99
Other Current Assets	11	7,785,560.99	8,893,059.73
Income Tax Assets (Net)	22	-	-
Total Current Assets (B)		**863,836,078.30**	**739,180,454.06**
Total Assets (A+B)		**1,104,598,103.83**	**989,093,023.92**
Equity & Liabilities:			
Equity:			
Share Capital	13	365,000,000.00	229,220,000.00
Share Premium	14	49,000,000.00	-
Reserve & Surplus	15	161,827,764.21	141,038,718.74
Total Equity (C)		**575,827,764.21**	**370,258,718.74**
Non Current Liabilities:			
Financial Liabilities			
Long Term Borrowings	16.1	26,676,500.00	36,065,000.00
Deferred Tax Liabilities	6	2,788,944.16	3,464,352.04
Other Non Current Liabilities	17	-	-
Total Non-Current Liabilities (D)		**29,465,444.16**	**39,529,352.04**
Current Liabilities:			
Financial Liabilities			
Short Term Borrowings	16.2	350,296,981.24	449,808,606.28
Trade Payable	18	86,145,999.29	79,604,097.54
Other	19	27,166,723.07	20,245,670.00
Other Current Liabilities	20	7,685,459.23	4,910,852.06
Provisions	21	24,123,582.98	23,214,868.14
Income Tax Liability (Net)	22	3,886,149.27	1,520,859.13
Total Current Liabilities (E)		**499,304,895.07**	**579,304,953.15**
Total Equity & Liabilities (C+D+E)		**1,104,598,103.83**	**989,093,023.91**

Significant Accounting Policies & Notes to the Accounts are intergral Parts of Financial Statements

For & on behalf of the Board

As per our attached report of even date

G. N. B. Chettri
Executive Chairman

Sudarshan Lal Shrestha
Managing Director

Manoj Pradhan
Finance Director

Ashesh Bhandari
Factory Operation Director

CA. Viman Karkee
Viman Karkee & Associates
Chartered Accountants

Raju Karmacharya
Director

J.N. Bhatta
Director

Suman Gautam
Director

TIME PHARMACEUTICALS LTD.
Gaindakot, Nawalpur

Statement of Profit or Loss
For the year ended Ashad 31, 2081 (July 15,2024)

Particulars	Notes	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)	Year ended Ashad 31, 2080 (July 16, 2023) (NRS)
Revenue from Operations:	23	956,071,843.38	822,130,337.15
Less: Cost of Goods Sold	24	460,485,791.55	419,282,545.50
Gross Profit/(Loss)		**495,586,051.83**	**402,847,791.65**
Add: Other Income	25	878,498.39	652,541.66
Less: Administrative Expenses	26	45,045,924.19	35,031,658.95
Less: Selling & Distribution Expenses	27	142,100,559.45	122,911,020.06
Less: Employee Benefit Expenses	28	123,888,397.78	95,975,710.53
Less: Depreciation	4.1	27,686,885.10	30,799,435.03
Less: Amortization	4.2	325,746.84	192,100.00
Less: Provision for Annual Incentive		7,725,060.49	6,642,813.12
Profit/(Loss) From Operations		**149,691,976.36**	**111,947,595.61**
Finance Cost	29	51,357,820.59	58,051,027.23
Profit/(Loss) Before Bonus & Tax		**98,334,155.77**	**53,896,568.38**
Provision for CSR		983,341.56	533,320.39
Staff Bonus		8,850,074.02	4,799,883.52
Income Tax Expenses	30	16,931,694.73	12,036,988.15
Net Profit/(Loss) after Tax for the year (A)		**71,569,045.46**	**36,526,376.32**
Basic Earnings Per Share (NPR)	31	**19.61**	**15.94**
Diluted Earnings per share (NPR)	31	**19.61**	**15.94**
Other Comprehensive Income			
Gains/(losses) from investment in equity instruments measured at fair value		-	-
Gains/(losses) on revaluation		-	-
Income tax relating to above items		-	-
Other Comprehensive Income for the year (B)		-	-
Total Comprehensive Income		**71,569,045.46**	**36,526,376.32**

Significant Accounting Policies & Notes to the Accounts are intergral Parts of Financial Statements

For & on behalf of the Board

G. N. B. Chettri
Executive Chairman

Sudarshan Lal Shrestha
Managing Director

Manoj Pradhan
Finance Director

Ashesh Bhandari
Factory Operation Director

Raju Karmacharya
Director

J.N. Bhatta
Director

Suman Gautam
Director

As per our attached report of even date

CA. Viman Karkee
Viman Karkee & Associates
Chartered Accountants

TIME PHARMACEUTICALS LTD.

Gaindakot, Nawalpur

Statement of Cash Flow

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

Particulars	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)	Year ended Ashad 31, 2080 (July 16, 2023) (NRS)
Cash Flow From Operating Activities:		
Net Profit as per SOPL	71,569,045	36,526,376
Adjustments:		
Finance Cost	51,357,821	58,051,027
Depreciation & Amortization	28,012,632	30,991,535
Loss/(profit) on sale of PPE	-	-
Staff Provision Expenses charged to SOPL	8,850,074	4,799,884
Income Tax Expenses charged to SOPL	13,890,977	6,532,140
Staff Bonus Provision	-	-
Staff Bonus paid	-	-
Deffered Tax Expenses/ (Income)	(675,408)	2,445,240
Cash Flow before changes in Working Capital	**173,005,141**	**139,346,202**
Changes in Working Capital		
Decrease/(Increase) in Inventories and Trade & Other Receivable	(133,087,545)	(40,060,527)
Increase/(Decrease) in Current Liabilities	(102,741,108)	18,493,648
Cash Generated from Operations	**(62,823,511)**	**117,779,323**
Less: Income Tax Paid		-
Net Cash Flow From Operating Activities (A)	**(62,823,511)**	**117,779,323**
Cash Flow From Investing Activities:		
Proceeds from sale of PPE	-	-
Acquisition of PPE	(17,402,853)	(26,029,185)
Purchased of Intangibles	(1,459,234)	(169,500)
Net Cash Flow From Investing Activities (B)	**(18,862,088)**	**(26,198,685)**
Cash Flow From Financing Activities:		
Increase/(Decrease) in Long term Borrowing	(9,388,500)	5,267,840
Change in Share Capital	134,000,000	20,700
Dividend paid	-	(21,940,624)
Finance Cost	(51,357,821)	(58,051,027)
Net Cash Flow From Financing Activities (C)	**73,253,679**	**(74,703,111)**
Total Cash Flow from All Activities (A+B+C)	**(8,431,920)**	**16,877,527**
Opening Cash & Bank Balances	28,810,874	11,933,347
Closing Cash & Bank Balances	**20,378,954**	**28,810,874**

For & on behalf of the Board

As per our attached report of even date

G. N. B. Chettri
Executive Chairman

Sudarshan Lal Shrestha
Managing Director

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Finance Director

Ashesh Bhandari
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Suman Gautam
Director

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TIME PHARMACEUTICALS LTD.

Gaindakot, Nawalpur

Statement of Change in Equity

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

Particulars	Share Capital (NPR)	Share Premium (NPR)	Revaluation Reserves (NPR)	Retained Earnings (NPR)	Other Reserves (NPR)	Total (NPR)
Balance as on 1st Shrawan, 2080	229,220,000.00	-	-	141,038,718.74	-	370,258,718.74
Changes Resulting from Profit or Loss	-	-	-	71,569,045.46		71,569,045.46
Changes Resulting from Other Comprehensive Income	-	-	-	-	-	-
Dividend to shareholders	-	-	-	-	-	-
Transactions with owners recorded directly in equity	-	-	-	-	-	-
Change in Share Capital	135,780,000.00	49,000,000.00	-	(50,780,000.00)	-	134,000,000.00
Balance as on 31st Ashadh,2081	**365,000,000.00**	**49,000,000.00**	**-**	**161,827,764.21**	**-**	**575,827,764.21**

For & on behalf of the Board

G. N. B. Chettri
Executive Chairman

Sudarshan Lal Shrestha
Managing Director

Manoj Pradhan
Finance Director

Ashesh Bhandari
Factory Operation Director

Raju Karmacharya
Director

J.N. Bhatta
Director

Suman Gautam
Director

As per our attached report of even date

CA. Viman Karkee
Viman Karkee & Associates
Chartered Accountants

TIME PHARMACEUTICALS LTD.

Gaindakot, Nawalpur

Schedules forming part of the Accounts for the year ended Ashad 31, 2081 (July 15, 2024)

Property, Plant and Equipment — Schedule 4.1

Particulars	Land	Building Structures	Corporate Building	Fire & Safety Equipment	Furniture Fixture	Office Equipment	Electrical Equipment	Laboratory Equipment	Plant & Machinery	Tools & Spare Parts	Solar Plant	Water & Boring Supply	Vehicles	Total
Book Value														
Balance as on 1st Shrawan, 2080	13,624,502.26	104,767,149.52	35,818,121.33	182,304.59	11,143,670.83	14,702,635.36	24,968,225.23	38,384,211.59	303,936,035.68	20,533,500.67	11,365,823.13	6,377,519.28	26,981,845.66	612,785,545.13
Addition during the year		-	3,030,554.19	-	57,000.00	458,500.00	63,223.50	1,552,949.47	7,082,977.83	98,048.25	83,000.00	-	4,976,600.15	17,402,853.39
Deletion during the year					-							-		-
Balance as on 31st Ashadh, 2081	**13,624,502.26**	**104,767,149.52**	**38,848,675.52**	**182,304.59**	**11,200,670.83**	**15,161,135.36**	**25,031,448.73**	**39,937,161.06**	**311,019,013.51**	**20,631,548.92**	**11,448,823.13**	**6,377,519.28**	**31,958,445.81**	**630,188,398.52**
Cummulative Depreciation														
Balance as on 1st Shrawan, 2080	-	45,049,614.32	10,848,793.27	161,949.04	7,732,553.94	12,415,073.45	20,277,141.89	27,395,027.99	204,696,410.20	11,493,254.33	3,037,348.00	5,054,514.61	19,846,894.23	368,008,575.27
Depreciation for the year	-	1,891,625.44	889,611.07	6,513.12	1,151,006.19	876,378.98	1,401,781.77	2,431,786.01	14,533,825.84	1,937,424.53	906,010.61	184,040.99	1,476,880.55	27,686,885.10
Deletion during the year														-
Balance as on 31st Ashadh, 2081	**-**	**46,941,239.77**	**11,738,404.34**	**168,462.16**	**8,883,560.13**	**13,291,452.43**	**21,678,923.66**	**29,826,814.00**	**219,230,236.04**	**13,430,678.86**	**3,943,358.61**	**5,238,555.60**	**21,323,774.78**	**395,695,460.36**
Carrying Amount														-
As on 31st Ashadh, 2080	**13,624,502.26**	**59,717,535.20**	**24,969,328.06**	**20,355.55**	**3,411,116.89**	**2,287,561.91**	**4,691,083.34**	**10,989,183.60**	**99,239,625.48**	**9,040,246.34**	**8,328,475.13**	**1,323,004.67**	**7,134,951.43**	**244,776,969.86**
As on 31st Ashadh, 2081	**13624502.26**	**57,825,909.75**	**27,110,271.18**	**13,842.43**	**2,317,110.70**	**1,869,682.93**	**3,352,525.07**	**10,110,347.06**	**91,788,777.47**	**7,200,870.06**	**7,505,464.52**	**1,138,963.68**	**10,634,671.03**	**234,492,938.16**

Intangible Assets — Schedule 4.2

Particulars	Software	Total
Book Value		
Balance as on 1st Shrawan, 2080	1,540,496.00	1,540,496.00
Addition during the year	1,459,234.22	1,459,234.22
Deletion during the year	-	-
Balance as on 31st Ashadh 2081	**2,999,730.22**	**2,999,730.22**
Amortization		
Balance as on 1st Shrawan, 2080	1,404,896.00	1,404,896.00
Depreciation for the year	325,746.84	325,746.84
Deletion during the year		
Balance as on 31st Ashadh,2081	**1,730,642.84**	**1,730,642.84**
Carrying Amount		
As on 31st Ashadh,2080	**135,600.00**	**135,600.00**
As on 31st Ashadh,2081	**1,269,087.38**	**1,269,087.38**

TIME Pharmaceuticals Ltd. 1994

Viman Karki & Associates Chartered Accountants Kathmandu

TIME PHARMACEUTICALS LTD.

Gaindakot, Nawalpur

Schedules forming part of the Accounts for the year ended Ashad 31, 2081 (July 15, 2024)

Investments Note-5

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Investment in Time Pharma Investment P. Ltd. (Share)	5,000,000.00	5,000,000.00
Total	**5,000,000.00**	**5,000,000.00**

Deferred Tax Assets/(Liabilities) Note-6

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Tax Base	**16%**	**16%**
On Properties, Plant & Equipment	(6,702,768.52)	(6,148,179.81)
On Intangible Assets	32,298.97	32,298.97
On Provision for Grautity	2,264,204.79	2,424,840.65
On Provision for CSR	359,558.81	226,688.16
On Provision for Doutful Debt	1,257,761.79	-
Deferred Tax Assets/(Liabilities)	**(2,788,944.16)**	**(3,464,352.04)**
Opening Balance	(3,464,352.04)	(1,019,111.99)
Charge to SOPL	**675,407.88**	**(2,445,240.04)**

Other Non Current Assets Note-7

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Total	**-**	**-**

TIME Pharmaceuticals Ltd. 1994

VIMAN KARKEE & ASSOCIATES CHARTERED ACCOUNTANTS KATHMANDU

TIME PHARMACEUTICALS LTD.

Gaindakot, Nawalpur

Schedules forming part of the Accounts for the year ended Ashad 31, 2081 (July 15, 2024)

Inventories **Note-8**

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Finished Goods		
Finished Goods	78,071,493.65	64,930,351.56
Physician sample	1,308,283.00	1,278,806.54
	79,379,776.65	**66,209,158.11**
Other Materials		
Other Stock	2,535,310.99	2,696,777.05
Printing & Stationery	612,314.32	203,997.00
Gift	1,229,608.53	462,968.33
	4,377,233.84	**3,363,742.38**
Raw Materials		
Packing Material	67,848,650.13	63,328,326.69
Lab Chemicals	3,528,654.00	3,068,333.00
Raw Materials	77,972,027.86	76,436,004.19
	149,349,331.99	**142,832,663.88**
Work in Progess	21,144,350.41	16,634,378.09
Total	**254,250,692.89**	**229,039,942.45**

Trade Receivables **Note-9**

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Secured, considered good	-	-
Unsecured, considered good	570,556,790.12	463,623,398.97
Unsecured, considered good Doutfull Debt	7,861,011.21	-
	578,417,801.33	**463,623,398.97**
Less:- Impairment of Receivables	(7,861,011.21)	-
Total	**570,556,790.12**	**463,623,398.97**

TIME PHARMACEUTICALS LTD.

Gaindakot, Nawalpur

Schedules forming part of the Accounts for the year ended Ashad 31, 2081 (July 15, 2024)

Other Financial Assets — **Note-10**

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Margin Receivable - LC	10,864,080.79	8,813,178.99
	10,864,080.79	**8,813,178.99**

Other Current Assets — **Note-11**

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Pre-paid Insurance	147,122.47	159,527.74
Other Deposits - Telephone	105,250.00	105,250.00
Staff Advance	7,533,188.52	8,628,281.99
Total	**7,785,560.99**	**8,893,059.73**

Cash & Bank Balances — **Note-12**

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Cash Balance:		
Cash in Hand (As Certified by the Management)	1,909,482.85	1,209,652.08
Bank Balance:		
Cheque/Draft & Fax in Hand	11,137,911.00	2,105,954.00
Nabil Bank	815,338.94	19,079,450.09
Lumbini Bank Ltd.	7,293.18	7,293.18
Nepal Bangladesh Bank Ltd.	10,750.86	10,750.86
Nepal Bank Ltd.	113,388.85	113,388.85
Nepal SBI Bank Ltd.	60,475.77	3,173,007.39
Rastriya Banijya Bank Ltd.	6,273,964.82	3,089,555.19
Mega Bank Bank Ltd.	42,553.79	14,028.82
Triveni Bikas Bank Ltd.	7,793.45	7,793.45
Total	**20,378,953.51**	**28,810,873.91**

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Share Capital — **Note-13**

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Authorised		
60,00,000 Equity Shares @ Rs.100.00 each	600,000,000.00	300,000,000.00
(FY 2079-80 - 3,00,000 Equity Shares @ 1000 each)		
Issued		
42,91,118 Equity Shares @ Rs.100.00 each	429,111,800.00	250,000,000.00
(FY 2079-80 - 2,50,000 Equity Shares @ 1000 each)		
Called up and Paid Up		
36,50,000 Equity Shares @ Rs.100.00 each	365,000,000.00	229,220,000.00
(FY 2079-80 - 2,29,220 Equity Shares @ 1000 each)		
Total	**365,000,000.00**	**229,220,000.00**

Reconciliation of number of shares outstanding:

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
	@ Rs 100 per share	@ Rs 1000 per share
At the beginning of the year	2,292,200.00	208,363.00
Add:- Bonus Share issued during the year	507,800.00	20,857.00
Add:- Right Share issued during the year	650,000.00	-
Add:- New share issued at premium during the year	200,000.00	-
Total	**3,650,000.00**	**229,220.00**

Share Premium — **Note-14**

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
At the beginning of the year	-	
Add: Increase due to share issued at premium	49,000,000.00	
Less: Share issuance cost	-	-
Total	**49,000,000.00**	**-**

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Reserve and Surplus **Note-15**

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Opening Balance	141,038,718.74	147,289,266.32
Profit During The Year	71,569,045.46	36,526,376.32
Cash Dividend distributed during the year	-	(21,940,623.90)
Bonus Share distributed during the year	(50,780,000.00)	(20,836,300.00)
Total	**161,827,764.21**	**141,038,718.74**

Borrowing **Note-16.1**

Long Term Borrowings

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Secured Loan		
Term Loan for Solar	2,765,000.00	4,345,000.00
Term Loan for Machinery	25,095,000.00	29,992,000.00
Vehicle Loan	5,008,500.00	1,728,000.00
Less: Current Portion of Long Term Debt	(6,192,000.00)	
Total	**26,676,500.00**	**36,065,000.00**

Short Term Borrowings **Note-16.2**

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Short Term Loan	118,999,000.00	186,154,000.00
Demand Loan	165,000,000.00	210,000,000.00
TR Loan	10,288,681.24	5,082,301.93
Overdraft Account	49,817,300.00	48,572,304.35
Add: Current Portion of Long Term Debt	6,192,000.00	-
Total Short Term Borrowing	**350,296,981.24**	**449,808,606.28**
Total Borrowing	**376,973,481.24**	**449,808,606.28**

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Other Non Current Liabilities — **Note-17**

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Total	**-**	**-**

Trade Payable — **Note-18**

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Sundry Creditors	86,145,999.29	79,604,097.54
Total	**86,145,999.29**	**79,604,097.54**

Other Current Financial Liabilities — **Note-19**

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Overtime Payable	1,044,253.85	1,326,632.11
Daily Wages Payable	964,618.88	645,515.64
Staff Bonus Payable	8,850,079.26	4,799,886.32
Staff Payable	16,307,771.07	13,473,635.92
Total	**27,166,723.07**	**20,245,670.00**

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Other Current Liabilities **Note-20**

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Expenses Payable		
Audit Fee Payable	298,484.52	298,484.51
Other Payable	96,935.00	315,656.99
Statutory Dues		
Nagarik Lagani Kosh	933,400.00	324,727.80
Income Tax Payable (Assessment)	-	835,427.96
Social Security Fund Payable	1,942,297.39	1,669,411.76
Reverse Vat Payable	489,525.52	167,497.04
TDS Payable	3,924,816.80	1,299,645.99
Total	**7,685,459.23**	**4,910,852.06**

Provisions **Note-21**

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Provision for CSR	2,247,242.54	1,416,800.98
Provision for Annual Incentive	7,725,060.49	6,642,813.12
Provision for Grautity	14,151,279.95	15,155,254.04
Total	**24,123,582.98**	**23,214,868.14**

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Reconcilation of Provisions :

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Provision for CSR		
Opening balance	1,416,800.98	990,480.59
Addition during the year	983,341.56	533,320.39
CSR Expenses	152,900.00	107,000.00
Closing Balance	2,247,242.54	1,416,800.98
Provision for annual incentives		
Openign provision	6,642,813.12	12,027,745.30
Target Incentive	13,684,004.21	19,560,895.00
target incentive excess of provision - to be shown in sopl	(7,041,191.09)	(7,533,149.70)
Provision for annual incentives for 2080-81	7,725,060.49	6,642,813.12
Closing Balance	**7,725,060.49**	**6,642,813.12**

Provision for Gratuity		
Opening Provision	15,155,254.04	15,778,386.92
Gratuity Expenses- Factory	148,574.12	144,792.71
Gratuity Expenses	596,035.80	312,736.53
Current Year Exp	259,364.17	165,603.64
Closing Balance	**14,151,279.95**	**15,155,254.04**

Income Tax Assets / Liability **Note-22**

Particulars	As on Ashadh 31, 2081 (July 15, 2024) (NRS)	As on Ashad 31, 2080 (July 16, 2023) (NRS)
Current Tax		
Advance Tax	10,004,828.04	5,011,280.78
Less : Provision for Income Tax	(13,890,977.31)	(6,532,139.91)
Income Tax Assets / (Liability)	**(3,886,149.27)**	**(1,520,859.13)**

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Revenue from Operation — Note - 23

Particulars	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)	Year ended Ashad 31, 2080 (July 16, 2023) (NRS)
Cosmo Sales	177,101,474.94	147,998,152.35
Erra Sales	119,476,198.40	121,481,453.16
Galaxy Sales	43,353,464.19	25,115,875.32
Genesis Sales	168,336,970.51	116,214,882.30
Institutional Sales	34,019,849.04	76,383,864.01
Nexus Sales	150,963,290.62	119,769,337.37
Time Sales	254,122,793.68	215,166,772.64
Job Work Income	8,297,802.00	-
Scrap Sales	400,000.00	-
Total	**956,071,843.38**	**822,130,337.15**

Cost of Sales — Note - 24

Particulars	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)	Year ended Ashad 31, 2080 (July 16, 2023) (NRS)
Opening stock of Finished Goods	64,930,351.56	37,689,228.28
Add: Cost of Production (Schedule 17A)	473,626,933.65	446,523,668.79
	538,557,285.21	**484,212,897.06**
Less: Closing Stock	78,071,493.65	64,930,351.56
Total	**460,485,791.55**	**419,282,545.50**

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Cost of Production Notes - 24A

Particulars	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)	Year ended Ashad 31, 2080 (July 16, 2023) (NRS)
Opening Stock		
Raw Material	76,436,004.19	73,328,402.63
Lab Chemicals	3,068,333.00	1,802,764.00
Packaging Materials	63,328,326.69	49,302,116.02
Physician Sample	1,278,806.54	1,109,344.78
Other Stock	2,696,777.05	2,900,864.90
Work-in progress	16,634,378.09	-
Total Opening Stock	**163,442,625.57**	**128,443,492.33**
Add: Purchase during the year		
Purchase during the year	364,674,372.02	367,031,999.20
Direct Expenses	19,714,312.80	15,845,769.89
TOTAL	**384,388,684.82**	**382,877,769.09**
Less: Closing Stock		
Raw Material	77,972,027.86	76,436,004.19
Lab Chemicals	3,528,654.00	3,068,333.00
Packaging Materials	67,848,650.13	63,328,326.69
Physician Sample	1,308,283.00	1,278,806.54
Other Stock	2,535,310.99	2,696,777.05
Work-in-Progress	21,144,350.41	16,634,378.09
Total Closing Stock	**174,337,276.38**	**163,442,625.57**
Cost of Material consumption (1+2-3)	**373,494,034.00**	**347,878,635.86**
Add: Manufacturing Expenses (Schedule 16B)	**100,132,899.64**	**98,645,032.93**
Cost of Production	**473,626,933.65**	**446,523,668.79**

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Manufacturing Expenses — Notes - 24B

Particulars	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)	Year ended Ashad 31, 2080 (July 16, 2023) (NRS)
Cleaning Expenses	1,054,075.68	1,141,610.58
Dashain Allowance- Factory	2,123,499.20	2,073,394.56
Dress & Uniform -Factory	394,569.66	533,672.87
Electricity & Water Expenses -Factory	5,927,056.00	5,989,581.00
Environment Monitoring Expenses	101,700.00	92,660.00
Fuel- Generator	5,600,423.88	4,939,041.92
Lab Test Expenses	406,398.60	329,120.34
Other Allowance -Factory	19,364,575.72	18,180,426.44
Insurance Expenses-Factory	1,900,272.93	1,814,817.54
Overtime expenses- Factory	6,683,391.19	7,867,104.93
Research & Development	2,273,536.03	566,379.65
Salary - Factory	26,457,050.06	25,711,986.14
SSF expenses - Factory	5,291,409.75	5,142,396.89
Daily Wages Expenses	13,366,291.94	14,877,976.00
Leave Compensation -Factory	275,840.10	504,844.07
Validation Expenses	-	339,000.00
Transportation Expense- Factory	802,654.20	1,295,483.40
Factory Supply expenses	2,027,272.41	1,510,795.00
Repair & Maintenance -Pool A	402,396.00	568,305.06
Repair & Maintenance -Pool D	5,680,486.28	5,166,436.54
Total	**100,132,899.64**	**98,645,032.93**

Other Income — Note - 25

Particulars	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)	Year ended Ashad 31, 2080 (July 16, 2023) (NRS)
Other Income	878,498.39	652,541.66
Total	**878,498.39**	**652,541.66**

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Administrative Expenses **Note - 26**

Particulars	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)	Year ended Ashad 31, 2080 (July 16, 2023) (NRS)
Annual Day Expenses	67,910.00	2,610,712.57
AGM Expenses	2,398,846.12	1,796,301.61
Audit Fee Expense	302,500.00	302,500.00
Board Meeting Allowance	1,600,000.00	1,225,000.00
Books & News Paper	11,350.00	15,150.00
Charity & Donation	22,000.00	93,000.00
Cleaning Expenses-Admin	29,366.00	48,122.99
Communication Expenses -Admin	711,235.66	711,953.15
Consultancy Fee	2,027,387.44	264,929.26
Directors Allowance - Non Working	1,440,000.00	2,012,500.00
Electricity & Water- Administration	355,107.50	315,671.10
Fuel Expenses -Admin	2,202,292.96	2,043,254.36
Furnishing & Decoration	193,939.00	215,605.96
Gardening Expenses	45,500.00	52,903.40
Gas & Fuel Expenses	58,065.00	53,350.00
Courier Expenses-Admin	45,605.65	39,970.00
Guest Welcome expenses	1,061,121.22	395,868.90
House Rent Expense	2,700,000.00	2,797,031.15
Insurance Premium	672,957.74	709,615.57
Interest on late deposit of PF/CIT	-	20,979.00
Medical Expenses	-	4,130.00
Meeting Expenses (B.O.D.)	307,603.07	165,405.03
Miscelleneous Expenses	131,227.04	1,394,139.65
Office Expenses	1,164,461.55	750,115.63
Printing & Stationery Expenses	1,981,734.24	2,131,633.97
Prize & Award	86,198.00	327,750.00
Repair & Maintenance -Pool C	694,570.45	902,911.01
Sub-Committee Allowances	24,000.00	32,000.00
Security Expenses	2,771,801.40	2,589,721.32
Software Expenses	417,914.30	378,164.32
Fine & Penalty	700,432.57	1,076,806.71
Tea & Refreshment	6,011,496.65	4,190,194.92
Exchange Loss/(Gain)	178,203.99	710,698.50
Training Expenses	44,500.00	21,011.00
Travelling & Daily Allowance	3,834,957.96	1,971,002.60
Travelling -Local	99,330.00	103,823.00
Membership & Renewal Expenses	973,703.00	1,058,069.91
L/C Charges & Commission	1,152,775.27	998,124.00
Bank Charge & Commission	664,819.20	501,538.36
Provision for Doutful Debt	7,861,011.21	-
Total	**45,045,924.19**	**35,031,658.95**

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Selling & Distributions Expenses — **Note - 27**

Particulars	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)	Year ended Ashad 31, 2080 (July 16, 2023) (NRS)
Communication Expenses -MKT	633,459.00	711,459.00
Meeting Expenses-MKT	3,245,009.93	2,835,347.62
Printing & Stationery-MKT	1,165,508.33	943,888.88
Sales Promotion- Advertisement	146,171.20	197,850.00
Sales Promotion Expenses - Gift-Comso	79,003.83	241,537.68
Sales Promotion Expenses - Gift-Genesis	6,700.00	173,649.52
Sales Promotion Expenses - Gift-Nexus	2,500.00	162,436.00
Sales Promotion Expenses - Gift-Time	2,500.00	260,294.74
Sales Promotion Expenses - Gift-Erra	2,500.00	130,032.94
Sales Promotion Expenses - Gift-Galaxy	2,500.00	107,880.00
Sales Promotion - Scheme-Cosmo	151,201.00	107,945.00
Sales Promotion - Scheme-Genesis	14,126.00	30,795.03
Sales Promotion - Scheme-Nexus	284,344.00	12,225.00
Sales Promotion - Scheme-Time	13,535,907.08	9,635,187.05
Sales Promotion - Scheme-Erra	25,262.00	5,685.00
Sales Promotion - Scheme-Galaxy	7,694.00	3,310.00
Sales Promotion - Sponser-Cosmo	5,027,546.88	4,254,714.00
Sales Promotion - Sponser-Genesis	11,095,181.39	8,736,202.00
Sales Promotion - Sponser-Nexus	5,339,836.70	4,733,282.91
Sales Promotion - Sponser-Time	1,800,800.64	2,959,988.00
Sales Promotion - Sponser-Erra	2,027,598.00	919,500.00
Sales Promotion - Sponser-Galaxy	3,984,637.39	2,110,890.00
Sales Promotion Expenses - MKT-Cosmo	6,781,581.15	5,239,668.63
Sales Promotion Expenses - MKT-Genesis	4,029,245.13	3,070,029.41
Sales Promotion Expenses - MKT-Nexus	4,278,136.91	5,896,183.01
Sales Promotion Expenses - MKT-Time	7,899,313.99	7,940,995.54
Sales Promotion Expenses - MKT-Erra	2,985,175.38	1,060,196.69
Sales Promotion Expenses - MKT-Galaxy	416,061.59	1,157,284.55
Target Incentive	7,041,191.09	7,533,149.70
Medicine Transportation Expenses	4,039,160.80	4,279,911.45
Travelling Expenses - MKT-Cosmo	10,170,783.53	8,895,910.50
Travelling Expenses - MKT-Genesis	8,504,236.53	6,597,469.12
Travelling Expenses - MKT-Nexus	9,158,280.53	7,831,410.50
Travelling Expenses - MKT-Time	12,162,489.53	10,231,401.50
Travelling Expenses - MKT-Erra	4,289,720.53	4,268,466.50
Travelling Expenses - MKT-Galaxy	3,362,088.55	3,233,500.00
Insurance Expense-MKT	-	62,123.84
Courier Expenses-MKT	112,100.00	37,470.00
Fuel Expenses-MKT	420,708.60	516,615.34
Prize & Award-MKT	916,056.11	389,275.00
Tea & Refreshment-MKT	782,856.68	751,895.39
Training Expenses-MKT	829,874.70	235,200.00
Market Research Expenses-MKT	1,479,303.47	1,266,786.50
Branding Development Expenses	3,862,207.29	3,141,976.53
Total	**142,100,559.45**	**122,911,020.06**

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Employee Benefit Expenses **Note - 28**

Particulars	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)	Year ended Ashad 31, 2080 (July 16, 2023) (NRS)
Salary Expenses	38,135,678.90	36,870,088.33
Other Allowance	38,302,658.01	34,510,332.84
SSF Expense	7,627,136.02	7,374,017.91
Dashain Allowance	3,915,727.64	3,725,417.96
Leave Compensation	1,961,403.86	365,124.33
Remuneration of Director	11,587,800.00	11,587,800.00
Incentive - Staff	21,733,543.79	737,391.22
Dress & Uniform Expenses	624,449.56	805,537.94
Total	**123,888,397.78**	**95,975,710.53**

Financial Expenses **Note - 29**

Particulars	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)	Year ended Ashad 31, 2080 (July 16, 2023) (NRS)
Bank Interest Expenses	51,357,820.59	58,051,027.23
Total	**51,357,820.59**	**58,051,027.23**

Income Tax Expenses **Note - 30**

Particulars	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)	Year ended Ashad 31, 2080 (July 16, 2023) (NRS)
Current Tax		
Income tax for the year	13,890,977.31	6,532,139.91
Income tax related to the previous year	3,716,125.30	3,059,608.20
Total current tax	**17,607,102.61**	**9,591,748.11**
Deferred Tax	(675,407.88)	2,445,240.04
Total	**16,931,694.73**	**12,036,988.15**

Earning Per Share **Note - 31**

Particulars	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)	Year ended Ashad 31, 2080 (July 16, 2023) (NRS)
Net Profit/(Loss) after Tax	71,569,045.46	36,526,376.32
Average Number of Share during the year	3,650,000.00	2,292,200.00
Basic Earning Per Share	**19.61**	**15.94**
Diluted Earning Per Share	**19.61**	**15.94**

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