CA Sagar Acharya
Membership No. 2117
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A. Sagar & Associates
Chartered Accountants

INDEPENDENT PRACTITIONER'S REVIEW REPORT

TO THE BOARD OF DIRECTORS OF

TIME PHARMACEUTICALS LIMITED

Report on the Financial Statements

We have reviewed the accompanying financial statements of Time Pharmaceuticals Limited, which comprise the Statement of Financial Position as at Chaitra 30, 2082, and Statement of Profit or Loss, Statement of Cash Flow and Statement of Changes in Equity for the period from Shrawan 1, 2082 to Chaitra 30, 2082, and Notes to the Financial Statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Nepal Financial Reporting Standard 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with Standard on Review Engagements (NSRE) 2400 (Revised), Engagements to Review Historical Financial Statements. NSRE 2400 (Revised) acquires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with NSRE 2400 (Revised) is limited assurance engagement. The Auditor performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not give true and fair view of (or present fairly, in all material respects), the financial position of Time Pharmaceuticals Limited as at Chaitra 30, 2082, and of its financial performance and cash flows for the period from Shrawan 1, 2082 to Chaitra 30, 2082, in accordance with the Nepal Financial Reporting Standard (NFRS).

Restriction To Use

The Uses of these financial statements have been limited for the purpose of fulfilling requirement of SEBON, NEPSE, OTC, Issue Mananger and Qualified Institutional Investors to grant approval for Initial Public Offering of shares.

CA. Sagar Acharya
Principal
A.Sagar & Associates
Chartered Accountant

Date:2083.01.28
Place: Kathmandu, Nepal
UDIN: 260511CA02117gBZSE

TIME PHARMACEUTICALS LTD.

Gaindakot, Nawalpur

Statement of Financial Position

As on Chaitra 30, 2082 (Apr 13, 2026)

Particulars	Note	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Assets:			
Non Current Assets:			
Property, Plant and Equipment	4.1	479,416,299	466,440,246
Intangible Assets	4.2	3,589,080	2,533,815
Investments	5	17,000,000	17,000,000
Deferred Tax Assets	6	-	-
Other Non Current Assets	7	-	-
Total Non-Current Assets (A)		**500,005,379**	**485,974,061**
Current Assets:			
Inventories	8	347,957,301	282,358,546
Financial Assets:			
Trade Receivables	9	644,428,569	550,799,464
Cash & Cash Equivalents	12	25,819,662	62,492,065
Other Financial Assets	10	10,159,596	8,783,267
Other Current Assets	11	12,638,926	13,943,354
Income Tax Assets (Net)	22	-	-
Total Current Assets (B)		**1,041,004,055**	**918,376,696**
Total Assets (A+B)		**1,541,009,434**	**1,404,350,757**
Equity & Liabilities:			
Equity:			
Share Capital	13	421,350,000	365,000,000
Share Premium	14	56,150,000	49,000,000
Revaluation Reserve		138,764,498	138,764,498
Retained Earnings	15	228,296,054	238,294,042
Total Equity (C)		**844,560,552**	**791,058,540**
Non Current Liabilities:			
Financial Liabilities:			
Long Term Borrowings	16.1	40,221,250	41,689,625
Deferred Tax Liabilities	6	4,021,380	4,021,380
Other Non Current Liabilities	17	-	-
Total Non-Current Liabilities (D)		**44,242,630**	**45,711,005**
Current Liabilities:			
Financial Liabilities:			
Short Term Borrowings	16.2	514,346,534	421,076,969
Trade Payable	18	69,261,986	79,449,180
Other Financial Liabilites	19	29,498,899	25,849,069
Other Current Liabilities	20	15,494,280	16,794,195
Provisions	21	20,691,667	22,317,646
Income Tax Liability (Net)	22	2,912,886	2,094,152
Total Current Liabilities (E)		**652,206,252**	**567,581,211**
Total Equity & Liabilities (C+D+E)		**1,541,009,434**	**1,404,350,757**

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

For & on behalf of the Board

G. N. B. Chettri
Chairman

Sudarshan Lal Shrestha
Managing Director

Manoj Pradhan
Finance Director

Ashesh Bhandari
Factory Operation Director

Raju Karmacharya
Director

J.N. Bhatta
Director

Sajana Maharjan
Independent Director

CA. A. Sagar & Associates
Chartered Accountants

TIME PHARMACEUTICALS LTD.
Gaindakot, Nawalpur

Statement of Profit or Loss & Other Comprehensive Income
As on Chaitra 30, 2082 (Apr 13, 2026)

Particulars	Notes	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Revenue from Operations:	23	671,191,977	904,105,806
Less: Cost of Goods Sold	24	335,567,746	436,143,058
Gross Profit/(Loss)		**335,624,230**	**467,962,748**
Add: Other Income	25	350,070	445,085
Less: Administrative Expenses	26	26,150,304	46,334,074
Less: Selling & Distribution Expenses	27	102,193,537	123,869,840
Less: Employee Benefit Expenses	28	98,471,749	120,217,163
Less: Depreciation	4.1	21,741,351	28,630,658
Less: Amortization	4.2	301,687	317,272
Less: Provision for Annual Incentive		5,423,231	7,305,175
Profit/(Loss) From Operations		**81,692,441**	**141,733,652**
Finance Cost	29	24,558,279	36,286,950
Profit/(Loss) Before Bonus & Tax		**57,134,161**	**105,446,702**
Provision for CSR		**571,342**	1,054,467
Staff Bonus		5,142,075	9,490,203
Income Tax Expenses	30	8,318,734	18,435,754
Net Profit/(Loss) after Tax for the year (A)		**43,102,011**	**76,466,278**
Basic Earnings Per Share (NPR) - Annualized	31	13.64	**20.95**
Diluted Earnings per share (NPR) - Annualized	31	13.64	**20.95**
Other Comprehensive Income			
Gains/(losses) from investment in equity instruments measured at fair value			-
Gains/(losses) on revaluation		-	**138,764,498**
Income tax relating to above items		-	**(22,202,320)**
Other Comprehensive Income for the year (B)		-	**116,562,178**
Total Comprehensive Income		**43,102,011**	**193,028,456**

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

For & on behalf of the Board

G. N. B. Chettri
Chairman

Sudarshan Lal Shrestha
Managing Director

Manoj Pradhan
Finance Director

TIME Pharmaceuticals Ltd. 1994

Ashesh Bhandari
Factory Operation Director

Raju Karmacharya
Director

J.N. Bhatta
Director

Sarana Maisali
Independent Director

A. Sagar & Associates Kathmandu Nepal Chartered Accountants

CA. A. Sagar & Associates
Chartered Accountants

TIME PHARMACEUTICALS LTD.

Gaindakot, Nawalpur

Statement of Cash Flow

As on Chaitra 30, 2082 (Apr 13, 2026)

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Cash Flow From Operating Activities:		
Net Profit as per SOPL	43,102,011	76,466,278
Adjustments:		
Finance Cost	24,558,279	36,286,950
Depreciation & Amortization	22,043,038	28,947,930
Loss/(profit) on sale of PPE	-	-
Staff Provision Expenses charged to SOPL	5,142,075	9,490,203
Income Tax Expenses charged to SOPL	8,318,734	14,963,892
Staff Bonus Provision	-	-
Staff Bonus paid	-	-
Deffered Tax Expenses/ (Income)	-	1,232,436
Cash Flow before changes in Working Capital	**103,164,138**	**167,387,689**
Changes in Working Capital		
Decrease/(Increase) in Inventories and Trade & Other Receivable	(159,299,762)	(12,427,506)
Increase/(Decrease) in Current Liabilities	71,164,232	43,822,221
Cash Generated from Operations	**15,028,608**	**198,782,404**
Less: Income Tax Paid	-	-
Net Cash Flow From Operating Activities (A)	**15,028,608**	**198,782,404**
Cash Flow From Investing Activities:		
Proceeds from sale of Property, Plant and Equipment	-	-
Acquisition of Property, plant and Equipment	(36,074,356)	(51,795,193)
(Increase)/Decrease in Project work-in-progress	-	(71,600,275)
Proceeds from sale of Property, Plant and Equipment	-	-
Purchased of Intangibles	-	-
Investment	-	(12,000,000)
Net Cash Flow From Investing Activities (B)	**(36,074,356)**	**(135,395,468)**
Cash Flow From Financing Activities:		
Increase/(Decrease) in Long term Borrowing	(1,468,375)	15,013,125
Change in Share Capital	10,400,000	-
Dividend paid	-	-
Finance Cost	(24,558,279)	(36,286,950)
Net Cash Flow From Financing Activities (C)	**(15,626,654)**	**(21,273,825)**
Total Cash Flow from All Activities (A+B+C)	**(36,672,403)**	**42,113,112**
Opening Cash & Bank Balances	62,492,065	20,378,954
Closing Cash & Bank Balances	**25,819,662**	**62,492,065**

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

For & on behalf of the Board

G. N. B. Chettri
Chairman

Sudarshan Lal Shrestha
Managing Director

Manoj Pradhan
Finance Director

TIME Pharmaceuticals Ltd. 1994

Ashesh Bhandari
Factory Operation Director

A. Sagar & Associates Kathmandu Nepal Chartered Accountants

Raju Karmacharya
Director

J.N. Bhatta
Director

Sajana Mainali
Independent Director

CA. A. Sagar & Associates
Chartered Accountants

TIME PHARMACEUTICALS LTD.
Gaindakot, Nawalpur

Statement of Change in Equity
As on Chaitra 30, 2082 (Apr 13, 2026)

Particulars	Share Capital (NPR)	Share Premium (NPR)	Revaluation Reserves (NPR)	Retained Earnings (NPR)	Other Reserves (NPR)	Total (NPR)
Balance as on 1st Shrawan, 2081	365,000,000	49,000,000	-	161,827,764	-	575,827,764
Changes Resulting from Profit or Loss	-	-	-	76,466,278		76,466,278
Changes Resulting from Other Comprehensive Income	-	-	138,764,498	-	-	138,764,498
Dividend to shareholders	-	-	-	-	-	-
Transactions with owners recorded directly in equity	-	-	-	-	-	-
Change in Share Capital	-		-	-	-	-
Balance as on 31st Ashadh, 2082	**365,000,000**	**49,000,000**	**138,764,498**	**238,294,042**	**-**	**791,058,540**
Balance as on 1st Shrawan, 2082	365,000,000	49,000,000	138,764,498	238,294,042	-	791,058,540
Changes Resulting from Profit or Loss	-	-	-	43,102,011		43,102,011
Changes Resulting from Other Comprehensive Income	-	-	-	-	-	-
Dividend to shareholders	53,100,000	-	-	(53,100,000)	-	-
Transactions with owners recorded directly in equity	-	-	-	-	-	-
Change in Share Capital	3,250,000	7,150,000	-	-	-	10,400,000
Balance as on 30th Chaitra, 2082	**421,350,000**	**56,150,000**	**138,764,498**	**228,296,054**	**-**	**844,560,552**

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
Chairman

Sudarshan Lal Shrestha
Managing Director

Manoj Pradhan
Finance Director

Ashesh Bhandari
Factory Operation Director

Raju Karmacharya
Director

J.N. Bhatta
Director

Sajana Mainali
Independent Director

CA. A. Sagar & Associates
Chartered Accountants

TIME Pharmaceuticals Ltd. 1994

A. Sagar & Associates Chartered Accountants Kathmandu Nepal

TIME PHARMACEUTICALS LTD.

Gaindakot, Nawalpur

Schedules forming part of the Accounts for the Quater ended Chaitra 30, 2082 (Apr 13, 2026)

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	Capital Work In Progress	Total
Book Value															
Balance as on 1st Shrawan, 2082	152,389,000	132,480,105	38,848,676	227,605	14,979,081	16,061,335	27,904,805	41,760,949	325,680,197	20,631,549	11,448,823	6,377,519	31,958,446	70,018,275	890,766,365
Revaluation during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the year	-	6,207,124	-	27,400	582,607	1,122,989	910,531	1,684,079	23,081,273	419,583	-	-	681,818	-	34,717,404
Transfer from CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deletion during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 30th Chaitra, 2082	**152,389,000**	**138,687,229**	**38,848,676**	**255,005**	**15,561,688**	**17,184,324**	**28,815,336**	**43,445,028**	**348,761,471**	**21,051,132**	**11,448,823**	**6,377,519**	**32,640,264**	**70,018,275**	**855,465,493**
Cummulative Depreciation															
Balance as on 1st Shrawan, 2082	-	49,093,359	12,597,155	176,708	10,220,612	14,323,748	22,836,367	32,329,651	233,481,267	15,072,460	4,759,867	5,396,978	24,037,947	-	424,326,119
Depreciation for the year	-	2,081,173	624,231	13,537	1,051,203	533,584	1,124,336	1,976,633	11,060,533	1,064,728	546,062	109,234	1,556,097	-	21,741,351
Deletion during the year	-														
Balance as on 30th Chaitra, 2082	**-**	**51,174,532**	**13,221,386**	**190,245**	**11,271,816**	**14,857,332**	**23,960,704**	**34,306,284**	**244,541,800**	**16,137,188**	**5,305,928**	**5,506,212**	**25,594,043**	**-**	**446,067,470**
Carrying Amount															
As on 32nd Ashadh, 2082	**152,389,000**	**83,386,746**	**26,251,520**	**50,897**	**4,758,468**	**1,737,587**	**5,068,438**	**9,431,298**	**92,198,931**	**5,559,089**	**6,688,957**	**980,541**	**7,920,499**	**70,018,275**	**466,440,246**
As on 30th Chaitra, 2082	**152,389,000**	**87,512,696**	**25,627,289**	**64,760**	**4,289,872**	**2,326,992**	**4,854,632**	**9,138,744**	**104,219,671**	**4,913,944**	**6,142,895**	**871,307**	**7,046,221**	**70,018,275**	**479,416,299**

Intangible Assets

Schedule 4.2

Particulars	Software	Capital Work In Progress	Total
Book Value			
Balance as on 1st Shrawan, 2082	2,999,730	1,581,999	4,581,730
Addition during the year	2,938,952	(1,581,999)	1,356,953
Deletion during the year	-	-	-
Balance as on 30th Chaitra, 2082	**5,938,682**	**-**	**5,938,682**
Amortization			
Balance as on 1st Shrawan, 2082	2,047,915	-	2,047,915
Depreciation for the year	301,687	-	301,687
Deletion during the year	-	-	-
Balance as on 30th Chaitra, 2082	**2,349,602**	**-**	**2,349,602**
Carrying Amount			
As on 31st Ashadh, 2082	**951,816**	**1,581,999**	**2,533,815**
As on 30th Chaitra, 2082	**3,589,080**	**-**	**3,589,080**

During the period, land was revalued. The revaluation was based on an independent valuation conducted by Design & Drawing Engineering Consultancy (Registered Valuers and Loss Assessors) using Fair Market Value Method.

Property, Plant and Equipment - Land

Particulars	Amount	Plot No.	Purpose
Gaidakot 04, Head Office	30,160,000	Land(Plot No. 4049, 719, 720)	Head Office of the Company
Gaidakot 10, Factory	101,064,000	Land(Plot No. 111,1378,1390,1388,387,385,1066,388 & 386)	Manufacturing Plant of the Company
Ratnanagar	21,165,000	Land(Plot No. 253)	For future facility expansion
	152,389,000		

Property, Plant and Equipment under construciton

The net book value of assets under construction includes amount of NPR 7,00,18,275.06 all relating to companies new plant which is under construction. The cost of these assets will be depreciated once the project is completed and available for use.

TIME PHARMACEUTICALS LTD.

Gaindakot, Nawalpur

Schedules forming part of the Accounts for the Quater ended Chaitra 30, 2082 (Apr 13, 2026)

1. General Information of the Company

Time Pharmaceuticals is a public limited company domiciled in Nepal. The company has its registered office at Gaindakot-4, Nawalpur.

The company is registered in Inland Revenue Office and its PAN no is 300094590.

The principal activity of the company is manufacturing of various medicine with due permission from the office of Department of Drugs Administration.

The Board of Directors of the company acknowledges the responsibility of preparation of financial statements of the company.

The company has been converted into Public Limited Company as per Sec 13 of Company act 2063 from Ashadh 31st

1.1. Board of Directors

The composition of Board of Directors as on 30th Chaitra 2082 is as follow:

Name	Position
G. Narayan Bdr. Chettri	Chairman
Sudarshan Lal Shrestha	Managing Director
Manoj Pradhan	Finance Director
Ashesh Bhandari	Factory Operation Director
Jhamka Nath Bhatta	Director
Raju Karmacharya	Director
Sajana Mainali	Independent Director

1.2. Major shareholding pattern

Name of Shareholder	Percentage	Paid-up share capital
Alpha Capital Limited	14.5%	61,294,600
Raju Kamrmacharya	9.0%	37,989,800
Jhanka Nath Bhatta	8.5%	35,902,800
G.Narayan Bdr. Chettri	6.5%	27,491,500
Bibas Piya	3.5%	14,937,000
Smita/Samriddha Bdr. Nyachhyon	3.4%	14,130,600
Sudarshan Lal Shrestha	3.4%	14,127,200
Gaurishanker Lal Shrestha	3.4%	14,127,200
Sanjina Joshi	2.5%	10,340,200
Dr. Manohar Pradhan	2.3%	9,898,100
Mahesh Pradhan	2.3%	9,898,100
Manoj Pradhan	2.3%	9,768,600
Gyanendra Man Shakya	2.1%	8,833,900
Tirtha Bahadur Pradhananga	2.0%	8,616,300
Ashesh Bhandary	2.0%	8,616,300
Raj kumar Kanu	1.7%	7,065,300
Sewak Dahal	1.6%	6,895,800
Bhagat Bdr. Bista	1.6%	6,679,300
Chandra Dutta Poudel	1.6%	6,562,500
Shanta Bahadur Shrestha	1.5%	6,207,400
Dilip Agrawal	1.4%	5,899,200
Badri Nath Wagle	1.4%	5,758,300
Gyanu Rajbhandary Munakami	1.3%	5,339,100
Amit Gupta	1.1%	4,581,900
Others	19.1%	80,389,000
Total	**100.0%**	**421,350,000**

TIME Pharmaceuticals Ltd. 1994

Sagar & Associates Chartered Accountants Kathmandu Nepal

TIME PHARMACEUTICALS LTD.

Gaindakot, Nawalpur

Schedules forming part of the Accounts for the Quater ended Chaitra 30, 2082 (Apr 13, 2026)

1.3. Statement of Compliance

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) as published by the Accounting Standards Board (ASB) – Nepal and Issued by Institute of Chartered Accountant of Nepal (ICAN).

1.4. Approval of financial statements

The financial statements have been approved by the Board of Directors.

2. Basis of Preparation

The company while complying with the reporting standards, makes critical accounting judgement as having potentially material impact on the financial statements. The significant accounting policies that relate to the financial statements as a whole along with the judgements made are described herein.

Where an accounting policy is generally applicable to a specific item, the policy is described within that relevant note. NFRS requires the company to exercise judgment in making accounting estimates. Description of such estimates has been given in the relevant sections wherever they have been applied.

2.1. Reporting pronouncements

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) as published by the Accounting Standards Board (ASB) – Nepal and Issued by Institute of Chartered Accountant of Nepal (ICAN). The company has, for the preparation of financial statements, adopted the NFRS effective on July 17, 2019.

2.2. Accounting conventions

The financial statements have been prepared on a historical cost basis, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

The financial statements have been prepared on a going concern basis where the accounting policies and judgements as required by the standards are consistently used and in case of deviations disclosed specifically.

2.3. Presentation

The financial statements have been presented in the nearest Nepalese Rupees.

For presentation of the statement of financial position assets and liabilities have been bifurcated into current and non-current distinction.

The statement of profit or loss has been prepared using classification 'by nature' method.

The cash flows from operation within the statement of cash flows have been derived using the indirect method.

2.3.1 Presentation currency

Financial statements are denominated in Nepalese Rupees, which is the functional and presentation currency of the company.

2.3.2 Current and Non current distinction

Assets

Apart from the property, plant and equipment, intangible assets and deferred taxes assets all the assets are taken as current assets unless specific additional disclosure is made in the notes for current and non-current distinction.

Liabilities

Apart from the deferred taxes liabilities all the liabilities are taken as current liabilities unless specific additional disclosure is made in the notes for current and non-current distinction.

2.4. Accounting Policies and Accounting Estimates

The company, under NFRS, is required to apply accounting policies to most appropriately suit its circumstances and operating environment. Further the company is required to make judgement 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.

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

NFRS requires the company to make 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. The estimates and underlying assumptions are reviewed periodically. Revision to accounting estimates are recognized in the period in which the estimates is revised, and are applied prospectively.

Sagar & Associates Kathmandu Nepal Chartered Accountants

TIME Pharmaceuticals Ltd. 1994

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

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.5. Reporting Periods

The company follows the Nepalese financial year based on the Nepalese calendar as reporting period.

2.6. Discounting

Discounting has been applied where assets and liabilities are non-current and the impact of the discounting is material.

2.7. Determination of Fair Values

The Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the respective notes

2.8. Limitation of NFRS implementation

If the information is not available and the cost to develop would exceed the benefit derived, such exception to NFRS implementation has been noted and disclosed in respective section.

3. Summary of significant accounting policies

3.1. Property, Plant, and Equipment

Property, plant and equipment are tangible items that are held for serving revenue generation purposes and are expected to be used during more than one period. **Details in note 4.1**

3.1.1 Basis of recognition

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the Company and cost of the asset can be reliably measured.

3.1.2. Basis of Measurement

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and cost incurred subsequently to add to, replace part of, or service it. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for their intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

3.1.3. Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are charged to the statement of profit or loss as incurred

3.1.4. De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de recognition of an item of property, plant and equipment is included in statement of profit or loss when the item is derecognized. When replacement costs are recognized in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognized. Major inspection costs are capitalized. At each such capitalization, the remaining carrying amount of the previous cost is derecognized

3.1.5. Revaluation

During the period, the company has not revalued any of its property plant and equipment

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3.1.6. Depreciation

Depreciation on assets is calculated using Written Down Value (WDV) Method on the basis of effective useful life of the asset decided by the management. Accordingly, fixed assets are depreciated from the day the assets are ready to be used as intended by the Management applying the following years to calculate rate:

Assets	Life
Building	50 years
Fire & Safety Equipment	10years
Furniture & Fixtures	10years
Office & Electrical Equipment	7years
Laboratory Equipment	10years
Plant & Machinery	15years
Tools &Spare Parts	10years
Solar Plant	20years
Water & Boring Supply	20years
Vehicles	10years

Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Depreciation on assets is provided on daily basis.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The company has charged depreciation as per useful lives of respective assets as decided by management, accordingly the rate of depreciation has been changed.

3.2. Intangible Assets

An intangible asset is an identifiable non monitory asset without physical substance held for use in the production or supply of goods or services, or for administrative purpose

3.2.1. Basis of recognition

Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably.

3.2.2. Amortization

Intangible assets amortized over their estimated useful economic life on Straight Line Method.

They are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The estimated useful lives for the current and comparative periods are as follows:

Intangibles: 5 Years

Amortization methods, useful lives and residual values are reviewed at each reporting date.

3.2.3 De-recognition

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal.

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3.3. Investments

3.3.1 Nature of Investment:

The investment in Time Lifestyle Pvt. Ltd. represented equity shares with a holding of 100% ownership and The investment in Time Pharma Investment Pvt. Ltd. represented equity shares with a holding of 10.77% ownership.

3.3.2. Basis of Measurement Prior to Disposal:

The investment was initially recognized and measured at cost until the date of disposal.

3.3.3 Disposal of Investment:

During the reporting period, No investment of Time Pharmasuticals Ltd has been disposed.

Investments **Note-5**

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Investment in Time Lifestyle Pvt. Ltd. (Share)	12,000,000	12,000,000
Investment in Time Pharma Investment Pvt. Ltd. (Share)	5,000,000	5,000,000
Total	**17,000,000**	**17,000,000**

Deferred Tax Assets/(Liabilities) **Note-6**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that the future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

A. Deferred Tax credit/charge recognised in Statement of Profit and Loss

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Tax Rate	**0.16**	**0.16**
On Properties, Plant & Equipment	(7,774,510)	(7,774,510)
On Intangible Assets	32,299	32,299
On Provision for Grautity	1,892,068	1,892,068
On Provision for CSR	509,927	509,927
On Provision for Doutful Debt	1,318,836	1,318,836
Deferred Tax Assets/(Liabilities)	**(4,021,380)**	**(4,021,380)**
Opening Balance	(2,788,944)	(2,788,944)
Charge to Statement of Profit and Loss	**(1,232,436)**	**(1,232,436)**

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B. Deferred Tax credit/charge recognised in Other Comprehensive Income

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Tax Rate	0.16	0.16
On Land	-	(22,202,320)
Deferred Tax Assets/(Liabilities)	-	(22,202,320)
Opening Balance	-	-
Charge to Other Comprehensive Income	-	(22,202,320)

Other Non Current Assets **Note-7**

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Total	-	-

Inventories **Note-8**

Inventories are carried at the lower of cost or net realizable value. Cost comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is measured using Weighted Average Method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the necessary estimated expenses.

The closing inventory has been valued using Weighted Average Cost Formula. Costs of finished goods are arrived at after deducting gross profit margin from related selling price.

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Finished Goods		
Finished Goods	86,869,344	70,793,858
Physician sample	1,789,671	2,039,671
	88,659,015	**72,833,530**
Other Materials		
Other Stock	2,013,221	2,433,221
Printing & Stationery	749,216	805,671
Gift	746,981	920,626
	3,509,418	**4,159,518**
Raw Materials		
Packing Material	90,213,173	77,211,004
Lab Chemicals	2,583,184	2,896,127
Raw Materials	148,717,093	110,568,675
	241,513,450	**190,675,807**
Work in Progess	14,275,417	14,689,691
Total	**347,957,301**	**282,358,546**

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Trade Receivables

Note-9

The trade receivables that fall under the classification of financial instruments are carried at amortized costs and those other assets that do not fall within the definition are carried at cost. These instruments are regularly monitored for impairment.

The trade and other receivable are non-interest bearing.

The carrying amount of trade and other receivable approximate their fair values at the respective reporting dates.

The receivables that are to be settled within a year is classified as current assets and other are classified as non-current assets.

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Secured, considered good	-	-
Unsecured, considered good	644,428,569	550,799,464
Unsecured, considered Doutfull Debt	-	8,242,723
	644,428,569	**559,042,187**
Less:- Impairment of Receivables	-	(8,242,723)
Total	**644,428,569**	**550,799,464**

Other Financial Assets

Note-10

Other Financial Assets includes Margin amount of NPR 85.38 Lakhs receivable from the bank in respect of Letters of Credit (LC) issued, which will be adjusted upon settlement of the respective transactions and Custom Receivable is which the Company has imported raw materials under a buy-back agreement for contract manufacturing at our facility. As per the terms of the agreement, the finished goods has been exported to the overseas buyer. In connection with this import, a receivable of NPR 16.21 lakhs from Customs authorities is recorded, representing duties recoverable in accordance with the applicable export and customs regulations.

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Margin Receivable - LC	8,538,466	7,162,137
Custom Receivable	1,621,130	1,621,130
Total	**10,159,596**	**8,783,267**

Other Current Assets

Note-11

The Prepaid Expenses & Advances that fall under the classification of financial instruments are carried at amortized costs and those other assets that do not fall within the definition are carried at cost. These instruments are regularly monitored for impairment

The fair value of prepayments approximates their carrying value in the statement of financial position.

The prepayments that are to be settled within a year is classified as current assets and other are classified as non-current assets.

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Pre-paid Insurance	169,800	169,800
Other Deposits - Telephone	417,750	417,750
Deposit - Cylinder	33,900	-
Staff Advance	11,803,313	13,327,929
Other current assets	214,163	27,875
Total	**12,638,926**	**13,943,354**

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Cash & Bank Balances **Note-12**

Cash and cash equivalents include deposits account balances maintained with Banks or Financial Institutions. These enable the Company to meet its short term liquidity requirements. The carrying amount of cash and cash equivalents approximates their fair value. They are readily convertible to known amount of cash and are subject to insignificant risk of change in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques on hand, and balances with banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Particulars	**As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)**	**As on Ashadh 32, 2082 (July 16, 2025) (NRS)**
Cash Balance:		
Cash in Hand (As Certified by the Management)	1,505,064	224,517
Bank Balance:		
Cheque In Hand	3,295,391	14,343,590
Nabil Bank	7,824,543	31,833,291
Lumbini Bank Ltd.	7,293	7,293
Nepal Bangladesh Bank Ltd.	10,751	10,751
Nepal Bank Ltd.	113,389	113,389
Nepal SBI Bank Ltd.	1,220,797	6,021,172
Rastriya Banijya Bank Ltd.	11,760,145	9,889,660
Mega Bank Bank Ltd.	74,496	40,610
Triveni Bikas Bank Ltd.	7,793	7,793
Total	**25,819,662**	**62,492,065**

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Share Capital **Note-13**

Financial instruments issues are classified as equity when there is no contractual obligation to transfer cash, other financial assets or issue available number of own equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction net of taxes from the proceeds.

Share Capital represents the nominal (par) value of ordinary equity shares that have been issued.

The company has a single class of equity shares. According, all equity shares rank equally with regards to dividends and shares in the company's residual assets. The equity shares are entitled to receive dividend was declared from time to time.

Particulars	**As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)**	**As on Ashadh 32, 2082 (July 16, 2025) (NRS)**
Authorised		
60,00,000 Equity Shares @ Rs.100.00 each	600,000,000	600,000,000
Issued		
46,00,000 Equity Shares @ Rs.100.00 each	460,000,000	429,111,800
Called up and Paid Up		
42,13,500 Equity Shares @ Rs.100.00 each	421,350,000	365,000,000
Total	**421,350,000.00**	**365,000,000**

Reconciliation of number of shares outstanding:

Particulars	**As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)**	**As on Ashadh 32, 2082 (July 16, 2025) (NRS)**
	@ Rs 100 per share	**@ Rs 100 per share**
At the beginning of the year	3,650,000	3,650,000
Add:- Bonus Share issued during the year	531,000	-
Add:- Right Share issued during the year	-	-
Add:- New share issued at premium during the year	32,500	-
Total	**4,213,500**	**3,650,000**

Distributions **Note-13.1**

The distributions, if any to shareholders are recognized in statement of change in equity.

Share Premium **Note-14**

Particulars	**As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)**	**As on Ashadh 32, 2082 (July 16, 2025) (NRS)**
At the beginning of the year	49,000,000	49,000,000
Add: Increase due to share issued at premium	7,150,000	-
Less: Share issuance cost	-	-
Total	**56,150,000**	**49,000,000**

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Retained Earnings **Note-15**

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Opening Balance	238,294,042	161,827,764
Profit During The Year	43,102,011	76,466,278
Cash Dividend distributed during the year		-
Bonus Share distributed during the year	53,100,000	-
Total	**228,296,054**	**238,294,042**

Borrowing **Note-16.1**

3.15. Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the repayable amount is recognised in statement of profit or loss over the period of the borrowings using the effective interest method.

The company has obtained term and demand loans from commercial banks. Current portion of term loans which are due for payment within twelve months from the date of reporting period are grouped under short term borrowings.

Long Term Borrowings

The long-term loans are carried at amortized cost using effective interest rate. The installments payable within 12 months from the date of the reporting period is classified as short-term loan under current liability. All long term loans are against collateral of Head Office building, Plant & Machinery and Land in the name of company.

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Secured Loan		
Term Loan for Solar	-	1,185,000
Term Loan for Machinery	44,132,000	48,545,000
Vehicle Loan	3,138,750	4,019,625
Less: Current Portion of Long Term Debt	(7,049,500)	(12,060,000)
Total	**40,221,250**	**41,689,625**

Short Term Borrowings **Note-16.2**

All kinds of overdraft, demand loan, working capital loan, trust receipt loan, cash credit, packing credit, bills discounted, force loan, the installments of long-term loan and other types of loan payable within 12 months from reporting date are categorized as short-term loan. All short term loans are against collateral of net current assets of the company.

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
BGL Loan	14,981,800	9,203,802
BLC Loan	11,698,921	-
Short Term Loan	277,000,000	184,900,000
Demand Loan	151,500,000	159,000,000
TR Loan	2,116,312	5,913,167
Overdraft Account	50,000,000	50,000,000
Add: Current Portion of Long Term Debt	7,049,500	12,060,000
Total Short Term Borrowing	**514,346,534**	**421,076,969**
Total Borrowing	**554,567,784**	**462,766,594**

3.15.3. Security against loan from the Bank:

BOD Members has provided personal gurantee (PG) against company bank loan. And total assets of company has been kept as mortgage against bank loan.

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

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Total	-	-

Trade Payable — **Note-18**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per credit period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Sundry Creditors	69,261,986	79,449,180
Total	**69,261,986**	**79,449,180**

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

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Overtime Payable	81,167	1,061,456
Daily Wages Payable	110,317	845,002
Staff Bonus Payable	14,632,278	9,490,203
Staff Payable	14,675,137	14,452,408
Total	**29,498,899**	**25,849,069**

Other Current Liabilities — **Note-20**

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Expenses Payable		
Audit Fee Payable	298,485	298,485
Other Payable	5,419,284	10,841,784
Statutory Dues		
Nagarik Lagani Kosh	888,414	213,600
Income Tax Payable (Assessment)	-	756,839
Social Security Fund Payable	2,389,090	2,040,739
Reverse Vat Payable	-	386,827
TDS Payable	6,499,008	2,255,922
Total	**15,494,280**	**16,794,195**

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Provisions **Note-21**

3.19.1. Provisions

A provision is a liability of uncertain timing or amount.

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking in to account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of time value of money and the risks specific to the liability (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

CSR Provision is accounted as per Industrial Enterprises Act 2020 (2076 BS) (the "Act") has been introduced with effect from February 11, 2020, repealing the Industrial Enterprises Act 2016 (2073 BS) (the "Previous Act"). Section 54 of Industrial Enterprises Act 2020 (2076 BS) makes it mandatory to allocate 1% of the annual profit to be utilized towards corporate social responsibility (the "CSR Requirement").

The fund created for CSR is to be utilized based on annual plans and programs in the sectors that are prescribed under the Act.

As per company policy, annual incentive for stockiest is calculated taking a base of collection up to Poush end of following financial year which is uncertain at the time of preparation of reviewing financial Statement. Company estimated that, around 40% of the stockiest to be eligible for annual incentive. Based on that estimate, company has set aside provision at the rate of 2.02% of eligible net sales (i.e.40% of net sales) during the period.

The company has set aside staff bonus at the rate of 10% of net profit after bonus for staff.

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Provision for CSR	3,758,387	3,187,046
Provision for Annual Incentive	5,423,231	7,305,175
Provision for Grautity	11,510,049	11,825,426
Total	**20,691,667**	**22,317,646**

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Reconcilation of Provisions :

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Provision for CSR		
Opening balance	3,187,046	2,247,243
Addition during the year	571,342	1,054,467
CSR Expenses	-	114,664
Closing Balance	3,758,387	3,187,046
Provision for annual incentives		
Opening Provision	7,305,175	7,725,060
Target Incentive	14,009,322.00	15,196,010
target incentive excess of provision - to be shown in sopl	(6,704,147)	(7,470,950)
Provision for annual incentives for 2082-83	5,423,231	7,305,175
Closing Balance	**5,423,231.17**	**7,305,175**
Provision for Gratuity		
Opening Provision	11,825,426	14,151,280
Gratuity Expenses- Factory	281,511.00	940,274
Gratuity Expenses	33,865.51	1,385,580
Closing Balance	**11,510,049**	**11,825,426**
Provision for Doubtful Debt.		
Opening Provision	8,242,723	7,861,011
Add: Provision made during the year	-	381,712
Less: Reversal/Write-off (if any)	-	-
Closing Balance	**8,242,723**	**8,242,723**

3.19.2. Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence 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 the present obligation that arises from past event but is not recognized because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation: or the amount of obligation cannot be measured with sufficient reliability.

Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is

Contingent asset is a probable asset that arises from the past events and whose existence 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. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

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

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Current Tax		
Advance Tax	5,405,848	12,869,740
Less : Provision for Income Tax	(8,318,734)	(14,963,892)
Income Tax Assets / (Liability)	**(2,912,886)**	**(2,094,152)**

Large taxpayer office has completed income tax assessment till FY 2080-81.

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Revenue from Operation **Note - 23**

Revenue is measured at the fair value of the consideration received or receivable net of returns, discounts and value added taxes. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customers, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognised when the significant risks and reward of ownership of the goods has been transferred to the customer, usually on delivery of the goods.

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Cosmo Sales	131,819,998	160,608,468
Erra Sales	98,994,797	118,426,080
Galaxy Sales	23,694,414	36,278,592
Genesis Sales	113,580,810	129,926,070
Institutional Sales	13,273,498	40,689,535
Nexus Sales	89,042,404	122,573,981
Time Sales	200,582,536	222,693,055
Job Work Income	180,000	72,910,025
Scrap Sales	23,520	-
Total	**671,191,977**	**904,105,806**

Cost of Goods Sold **Note - 24**

All the expenses that are directly related to generating revenue are classified as cost of sales.

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Opening stock of Finished Goods	70,793,858	78,071,494
Add: Cost of Production (Schedule 17A)	351,643,232	428,865,423
	422,437,090	**506,936,916**
Less: Closing Stock	86,869,344	70,793,858
Total	**335,567,746**	**436,143,058**

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Cost of Production

Notes - 24A

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Opening Stock		
Raw Material	110,568,675	77,972,028
Lab Chemicals	2,896,127	3,528,654
Packaging Materials	77,211,004	67,848,650
Physician Sample	2,039,671	1,308,283
Other Stock	2,433,221	2,535,311
Work-in progress	14,689,691	21,144,350
Total Opening Stock	**209,838,390**	**174,337,276**
Add: Purchase during the year		
Purchase	297,322,858	347,573,995
Direct Expenses	19,449,193	21,857,877
TOTAL	**316,772,050**	**369,431,872**
Less: Closing Stock		
Raw Material	148,717,093	110,568,675
Lab Chemicals	2,583,184	2,896,127
Packaging Materials	90,213,173	77,211,004
Physician Sample	1,789,671	2,039,671
Other Stock	2,013,221	2,433,221
Work-in-Progress	14,275,417	14,689,691
Total Closing Stock	**259,591,760**	**209,838,390**
Cost of Material consumption (1+2-3)	**267,018,681**	**333,930,758**
Add: Manufacturing Expenses (Schedule 16B)	84,624,551	**94,934,665**
Cost of Production	**351,643,232**	**428,865,423**

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Manufacturing Expenses — **Notes - 24B**

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Cleaning Expenses	943,667	1,075,410
Electricity & Water Expenses -Factory	5,968,741	6,014,380
Environment Monitoring Expenses	-	-
Fuel- Generator	3,604,712	3,331,964
Lab Test Expenses	378,420	946,957
Insurance Expenses-Factory	2,027,672	1,702,278
Research & Development	3,355,704	3,338,679
Validation Expenses	174,105	494,375
Transportation Expense- Factory	380,378	616,263
Factory Supply expenses	923,975	860,344
Repair & Maintenance -Pool A	259,127	639,010
Repair & Maintenance -Pool D	3,529,958	5,339,067
Employee Benefit Expense (Direct)	63,078,093	70,575,937
Total	**84,624,551**	**94,934,665**

Other Income — **Note - 25**

All the incomes that are not qualified to be classified as revenue is treated as other income.

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Other Income	350,070	445,085
Total	**350,070**	**445,085**

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Administrative Expenses

Note - 26

All the general administrative expenses are recognized when the benefit is received by the company and are not qualified to be classified as cost of sales.

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Annual Day Expenses	313,350	238,085
AGM Expenses	1,454,655	3,362,750
Audit Fee Expense	113,000	302,500
Board Meeting Allowance	360,000	1,200,000
Books & News Paper	4,700	23,900
Charity & Donation	136,550	121,500
Cleaning Expenses-Admin	15,310	36,537
Communication Expenses -Admin	524,229	557,080
Consultancy Fee	1,690,043	9,898,730
Directors Allowance - Non Working	667,500	1,170,000
Electricity & Water- Administration	292,255	373,069
Fuel Expenses -Admin	1,167,814	2,053,442
Furnishing & Decoration	59,012	152,984
Gardening Expenses	30,010	49,650
Gas & Fuel Expenses	10,505	42,125
Courier Expenses-Admin	68,194	29,018
Guest Hospitality Expenses	281,610	1,263,264
House Rent Expense	1,518,333	2,880,000
Insurance Premium	457,982	682,168
Meeting Expenses (B.O.D.)	240,891	312,467
Miscelleneous Expenses	346,337	263,804
Office Expenses	17,263	929,495
Printing & Stationery Expenses	1,000,125	879,931
Prize & Award	170,750	56,500
Repair & Maintenance -Pool C	492,411	1,041,553
Sub-Committee Allowances	59,500	10,000
Security Expenses	1,856,388	2,684,880
Software Expenses	710,879	789,441
Fine & Penalty	660,962	874,764
Tea & Refreshment	2,696,694	4,066,745
Exchange Loss/(Gain)	1,195,821	88,063
Travelling & Daily Allowance	3,898,929	5,032,446
Travelling -Local	78,771	29,453
Membership & Renewal Expenses	207,000	1,361,065
L/C Charges & Commission	1,113,448	1,214,421
Bank Charge & Commission	497,596	1,016,028
Provision for Doutful Debt	-	381,712
Interest on late deposit of PF/CIT	-	64,829
Internal Audit Expenses	648,570	787,300
Medical Exepenses	107,677	12,375
Rates & Tax	985,238	-
Total	**26,150,304**	**46,334,074**

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

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Communication Expenses -MKT	536,382	746,620
Meeting Expenses-MKT	2,635,482	1,465,447
Printing & Stationery-MKT	786,190	524,638
Sales Promotion- Advertisement	903,060	721,729
Sales Promotion Exepenses- Gift	28,500	172,451
Sales Promotion - Scheme	6,266,587	6,984,184
Sales Promotion - Sponser	17,233,102	15,337,038
Sales Promotion Expenses - MKT	25,992,611	28,534,297
Target Incentive	6,704,147	7,470,950
Medicine Transportation Expenses	2,942,358	3,942,261
Travelling Expenses - MKT	30,891,167	50,104,111
Courier Expenses-MKT	29,605	89,400
Fuel Expenses-MKT	225,319	478,206
Prize & Award-MKT	289,459	550,800
Tea & Refreshment-MKT	97,378	614,304
Training Expenses-MKT	331,181	49,365
Market Research Expenses-MKT	512	1,177,103
Branding Development Expenses	844,459	921,535
Cash Discount	5,456,037	3,985,401
Total	**102,193,537**	**123,869,840**

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Employee Benefit Expenses **Note - 28**

The company provides employee benefits in accordance to its by-laws in compliance with the local laws and rgulations. The employee benefits are classified as current benefits and post-employment benefits.

Post Employment Benefits:

The company operates separate defined benefit and defined contribution plans for its employees as a plan for post-employment benefits.

Defined Contribution Obligations:

The defined contribution expenses includes employer's contribution for Social Security Fund (SSF). These amounts have been deposited in Social Security Fund (SSF), a 100% Government of Nepal undertaking. The company contributes 20% of the basic salary on monthly basis as provident fund contribution for its employees.

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Employee Benefit Expenses- Administration and Selling & Distribution Department		
Salary Expenses	32,400,372	39,803,300
Other Allowance	32,762,032	39,175,714
SSF Expense	6,487,654	7,960,660
Dashain Allowance	4,585,810	4,078,457
Leave Compensation	1,261,644	2,241,920
Remuneration of Director	14,536,350	13,325,970
Incentive - Staff	5,687,063	12,703,302
Dress & Uniform Expenses	750,825	927,840
Total (A)	**98,471,749**	**120,217,163**
Employee Benefit Expenses - Under Direct Manufacturing Expenses		
Salary - Factory	27,836,616	29,296,890
Other Allowance -Factory	19,854,499	20,473,338
SSF expenses - Factory	5,570,609	5,859,378
Dashain Allowance- Factory	2,555,564	2,273,725
Dress & Uniform -Factory	662,387	647,818
Overtime expenses- Factory	4,264,894	4,673,001
Daily Wages Expenses	1,892,227	5,886,898
Leave Compensation -Factory	441,297	1,464,889
Total (B)	**63,078,093**	**70,575,937**
Grand Total (A+B)	**161,549,842**	**190,793,100**

Financial Expenses **Note - 29**

An entity shall capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. An entity shall recognise other borrowing costs as an expense in the period in which it incurs them.

All borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

Finance costs are the Interest Expenses related to the servicing of borrowings. These costs include finance cost for both long term loans and short term loans.

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Bank Interest Expenses	24,558,279	36,286,950
Total	**24,558,279**	**36,286,950**

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Income Tax Expenses

Note - 30

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Current Tax		
Income tax for the year	8,318,734	14,963,892
Income tax related to the previous year	-	2,239,426
Total current tax	**8,318,734**	**17,203,317**
Deferred Tax	-	1,232,436
Total	**8,318,734**	**18,435,754**

Earning Per Share

Note - 31

Basic earning per share (BEPS)

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

Diluted earnings per share(DEPS)

Diluted earnings per share 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, which comprise of share options granted on convertible preference shares, debentures or to employees. Since, the company does not have any convertible instrument and has not granted any options to its employees, diluted earnings per share is considered the same as basic earnings per share.

Explanation:

The company discloses basic and diluted earnings per share (EPS) for its ordinary shares.

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, which comprise share options granted on convertible preference shares, debentures or to employees.

Since, the company does not have any convertible instruments and has not granted any options to its employees, diluted EPS is considered the same as basic EPS. The details of EPS, Restated EPS and DEPS are as below:

Particulars	As on Chaitra 30, 2082 (Apr 13, 2026) (NRS)	As on Ashadh 32, 2082 (July 16, 2025) (NRS)
Net Profit/(Loss) after Tax	43,102,011	76,466,278
Average Number of Share during the year	4,213,500	3,650,000
Basic Earning Per Share - Annualized	**13.64**	**20.95**
Diluted Earning Per Share - Annualized	**13.64**	**20.95**

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Other Basis of Preparation :

A) Financial Instruments

The company's principal financial assets comprise assets held at fair value through profit and loss, assets measured at amortized cost, loans and receivables. The main purpose of these financial instruments is to generate a return on the investment made by shareholders. The company's principal financial liabilities comprise accrued expenses and other payables which arise directly from its operations.

In accordance with NFRS 9; Financial Instruments: Recognition and Measurement, the company's interest receivables are classified and measured at Amortized cost method. Equity securities / debentures are classified as fair value through profit and loss or Fair Value thorough OCI. The amount attributable to shareholders is classified as equity and is carried at the redemption amount being net asset value. Payables are measured at amortized cost.

i) Classification:

The Company's investments are classified as fair value through profit or loss, fair value through OCI and at amortized cost. They comprise:

Financial Assets at amortized cost

Financial assets whose objective is to collect Contractual Cash flow and Contractual Cash flow received in specified day includes interest and principal is classified at amortized Cost. These incudes Fixed Deposit investment, staff loans receivable and trade receivable. There are measured at Amortized cost.

Financial assets and liabilities held at fair value through profit or loss

Financial assets whose objective/ business model is not to collect Contractual Cash flow but to gain from movement is fair value is classified at fair value through profit or loss. These includes investment in equity shares. Gain on movement of fair value is charged to statement of profit or loss.

Financial assets and liabilities held at fair value through OCI

In rare circumstances, financial assets whose objective or business model is not to collect Contractual Cash flow is classified at fair value through OCI. Investments in equity which are not regularly traded are classified at fair value through OCI.

ii) Recognition/ De-recognition

The company recognizes financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognizes changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognized when the right to receive cash flows from the investments have expired or the company has transferred substantially all risks and rewards of ownership.

Financial liabilities at fair value through profit or loss are derecognized when the obligation specified in the contract is discharged or expired.

Realized gains and realized losses on de-recognition are determined and are included in the profit or loss in the period in which they arise. The realized gain is the difference between an instrument's cost and disposal amount.

iii) Measurement

At initial recognition, the company measures a financial asset at its fair value.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of profit or loss and other comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the company is the closing price.

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques.

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B) Risk management

The company's activities are exposed to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The company's overall risk management program focuses on ensuring compliance with the company's investment policy. It also seeks to maximize the returns derived for the level of risk to which the Company is exposed and seeks to minimize potential adverse effects on the Company's financial performance.

The Company uses different methods to measure and mitigate different types of risk to which it is exposed.

i) Technological Risk

The company is exposed to the technological risk. This risk generates from chances of technology being obsolete. The company has tried to mitigate this risk by making regular investment in new technology and product.

ii) Market Risk

a. Foreign exchange rate Risk

The company is exposed to the foreign exchange fluctuations loss in financial during the year. The exchange differences arise due to rate difference between initial recognition and final settlement of transaction. The gain/loss has been calculated at the time of settlement of transaction.

b. Cash flow and fair value interest rate Risk

The company is exposed to interest rate risk on financial instruments with variable interest rates.

Financial instruments with fixed rates expose the Company to fair value interest rate risk. The company's interest-bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

The company has direct exposure to interest rate changes on the valuation and cash flows of its interest-bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the company invests and impact on the valuation of certain assets that use interest rates as an input in their valuation model.

c. Credit Risk

The Company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which the company is exposed arises from the company's investments in debt securities. However, there is no investment in debt securities.

Credit risk on cash and cash equivalents, other receivable balances.

The company's management monitors the status of the receivables in a periodical basis as per necessity. The Company can maximize the returns derived for the level of risk to which the Company is exposed.

d. Liquidity Risk

Liquidity risk is the risk that the company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The company's principal source of liquidity is cash and cash equivalent and the cash flow that are generated from operations.

The company has the ability to borrow in the short term to ensure settlement.

The Management monitors the company's liquidity position on a regular basis.

B. Assets held for sale and discontinued operations

Non-current assets (such as property) and disposal groups (including both the assets and liabilities of the disposal groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less cost to sell when: (i) their carrying amounts will be recovered principally through sale; (ii) they are available-for-sale in their present condition; and (iii) their sale is highly probable.

Immediately before the initial classification as held for sale, the carrying amounts of the assets (or assets and liabilities in a disposal group) are measured in accordance with the applicable accounting policies described above.

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C. Income from financial instruments at fair value

Gains and losses arising from changes in the fair value of financial instruments held at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise.

Gains and losses arising from changes in the fair value through Other Comprehensive Income is charged to OCI. Once such selection is done the changes in fair value is also charged through Other Comprehensive Income unless the assets are derecognized. The gain or loss on disposal of financial instrument measure at fair value through OIC is recognized directly in equity.

Dividends on equity instruments are recognized in the statement of profit or loss within other income when the Company's right to receive payment is established.

Realized gain is the difference between the cost price and realized price on the sale of the shares after deducting the selling expenses.

Unrealized gain is the difference between the cost price and the closing market price available at the end of the reporting period or the latest trading price if the closing price as on the period end is not available.

D. Impairment

The company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. 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.

The company also reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss, if any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so 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 (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

The company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. 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.

Impairment of assets other than financial assets

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.

E. Events after reporting period

The company monitors and assesses events that may have potential impact to qualify as adjusting and / or non-adjusting events after the end of the reporting period. All adjusting events are adjusted in the books with additional disclosures and non-adjusting material events are disclosed in the notes with possible financial impact, to the extent ascertainable. There are no material events that has occurred subsequent to 32nd Ashadh, 2082 till the signing of this financial statements.

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F. Fair value Measurements

Level 1 Disclosures

Level 1 Hirearchy includes Financial Instrumetns measured using quoted prices.

Level 2 Disclosures

Level 2: Inputs other than quoted prices in Level 1 that are observable either directly or indirectly includes Quoted prices for similar assets or liabilities in active markets, Quoted prices for identical or similar assets in inactive markets.

Level 3 Dosclosure

The following sets out the basis of establishing fair values of amortized cost financial instruments. These are not generally traded and there is a significant level of management judgment involved in calculating the fair values.

i. Prepaid Expenses and Advanecs

These assets are generally with the residual maturity of less than one year. The impact of discounted cash flows of those assets with maturity period of more than one year is insignificant. Therefore, the fair value of other assets generally approximates the carrying amount.

ii. Trade Receivables

These assets are generally with the residual maturity of less than one year. The impact of discounted cash flows of those assets with maturity period of more than one year is insignificant. Therefore, the fair value of other assets generally approximates the carrying amount.

iii. Investment

Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

G. Cash flow statement

The statement of cash flows has been prepared by using the "indirect method" of preparing cash flows in accordance with the Nepal Accounting Standard – NAS 7 on 'Statement of cash flows. Cash and cash equivalents comprise of cash in hand and cash at bank.

H. Related Party Transactions

i. Relationship

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or one other party controls both. The definition includes subsidiaries, associates, directors, key management personnel. The Company identifies the following as the related parties under the requirements of Nepal Accounting Standards.

Name	Designation
G.Narayan Bdr. Chhetri	Chairman
Sudarshan Lal Shrestha	Managing Director
Manoj Pradhan	Finance Director
Ashesh Bhandari	Factory Operation Director
Jhamka Nath Bhatta	Director
Raju Karmacharya	Director
Sajana Mainali	Independent Director

ii. Loans and Advances extended to Promoters

The company has not disbursed any loans to promoters till Chaitra 30, 2082.

I. Litigations and Claims

There are no pending litigations and claims against the company till Chaitra 30, 2082.

J. Lease

For the purpose of preparation of quarterly financial statements and for the review of historical financial statements, the company has not calculated, recognized, or presented Right-of-use (ROU) assets and corresponding Lease Liabilities as required under NFRS 16.

Accordingly, lease payments incurred during the period have been recognized as expenses on a straight- line basis over the lease term and are included in the relevant expense headings in the statement of profit or loss.

The management intends to compute and recognize ROU assets and Lease Liabilities in accordance with NFRS 16 at the time of preparation of the annual financial statements, and any resulting adjustments will be recognized prospectively or retrospectively, as applicable.

K. Other Disclosure

Office of Medium Tax Payer has completed final tax assessment up to financial year 2080-81.

Financial data has been round off to nearest Rupees

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