



Himalayan Distillery Ltd.

QUALITY ABOVE ALL ELSE



Annual Report
2021/22



The Original



BLACK
OAK

PREMIUM BLENDED

EXTRA MATURED
— IN OAK CASK —
PREMIUM SCOTCH MALTS BLENDED WITH DOMESTIC

BLACK
OAK

The Original



BLACK
OAK

PREMIUM BLENDED MALT

EXTRA MATURED
— IN OAK CASK —
PREMIUM SCOTCH MALTS BLENDED WITH DOMESTIC GRAIN SPIRITS



ENJOY EVERY SIP



**THE MOST
RESPECTED LIQUOR
COMPANY IN
NEPAL IN TERMS
OF PRODUCTS,
SERVICE, PROFIT
AND SHAREHOLDER
VALUE.**

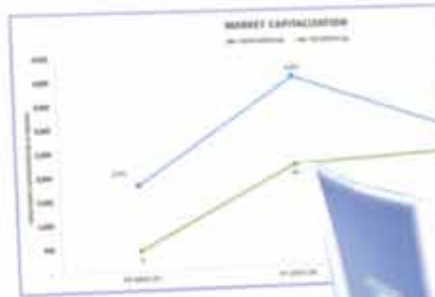
DISCLAIMER:
This publication is intended
for information purpose only.



Contents

1.	STRATEGIC REPORT		
	Overview / Company Profile	8	
	Vision	8	
	Mission	8	
	Strategic Direction	8	
	Core Values	8	
	Our Objective	9	
	Operational Highlights	9	
	Code of Conduct	9	
	Financial Overview	10	
	Operational Overview	11	
	Financial Highlights	12	
	Customer Centric Business Model	15	
2.	CORPORATE GOVERNANCE		
	Board of Directors	18	
	Profile of Directors	20	
	Chairman's Statement	23	
	CEO's Statement	25	
	Profile of Management Team	26	
	Business Ethics and Compliance	29	
	Internal Control	39	
	ISO Audit & Certifications	39	
3.	RISK REVIEW		
	Board Level Committees	45	
	Audit Committee	45	
	Risk Management Committee	46	
	Asset & Liability Committee	46	
4.	CORPORATE SOCIAL RESPONSIBILITY		
	Focus on customers	49	
	Fairness and integrity	49	
	Environmental conservation	49	
	Contribution to society	49	
	Golden Oak 12th Crity Awards	52	
5.	HUMAN RESOURCE MANAGEMENT		
	Organization Chart	56	
	Employees	57	
6.	PRODUCTS & SERVICES		
	Bottling Unit	60	
	Our Products	61	
	Distillation Unit	67	
7.	ANNUAL REPORT		
	Information to Shareholder	69	
	Directors' Report	74	
	Auditor's Report	86	
	Financial Statement	89	
8.	INVESTOR'S RELATIONSHIP		
	Share Market Information	137	
	Contribution to National Economy	137	
	Stock Market Index	137	
	Dividend Distribution	138	
	Value Added Statement	138	
	Interim Financial Report	139	
9.	DISTRIBUTION NETWORK		
	Supply Chain	143	
	HDL Distribution Network	145	

Category	Market Share				
	Brand	Industry		Whisky Segment	
		FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18
Whisky	GO	56.3%	58.3%	54.7%	43.7%
Whisky	BD	4.3%	5.0%	7.5%	5.8%
Whisky	BLG	0.7%	0.2%	0.3%	0.2%
Whisky	BT	0.2%	0.2%	0.2%	0.2%
HDI Market Share		41.2%	48.8%	66.5%	66.7%



Strategic Report

HDL is the market leader the business with about 80% market share in the 40UP whisky segment. Our success has resulted from a number of factors, including adherence to international standard quality benchmarks, very high standards of corporate governance, continuous innovation, and mechanization of production to enhance productivity, a robust sales and distribution team that has ensured market presence across the country and sound relations with communities where we are located and work.

HDL has fully complied with all statutory and regulatory requirements, and the accounts are audited both internally and externally by independent auditors. In full compliance with existing laws, all goods produced in the factory are recorded according to the Excise Act, Regulations, Guidelines, Liquor Act, and Rules and Regulations, under the supervision of the Excise Inspector. The company has strict internal control measures that have been codified, and applies across the entire company.

The company has an energetic and motivated workforce, trained in the skills required for different jobs in management, production, sales, and distribution. The company's robust human resources management policy and rules have assisted us to hire and retain a very capable workforce, which has been behind the success of the company's dominance in the market. HDL also has a policy of continuous training for staff to ensure that they are updated with the changing skills required by 21st century businesses.

The company has the confidence of consumers on its products, which has been a result of the high-quality spirits we produce and market, and the continuous innovations

in product development. The state-of-art distillation facilities and strong quality control has assisted us to remain the market leader.

The focus of the commercial strategy going forward will be to maintain, if not improve, the 80% market share we currently have by remaining competitive, in an industry that has been stagnating for a number of reasons. We will continue to build on the equity of our brands to ensure that HDL remains the supplier of brands of first choice to consumers, while maintaining price leadership in the market. We will be working to ensure that our initiatives in market expansion will assist towards bringing more consumers from other segments to the products we produce and sell.

These initiatives will assist the company to deliver high value to shareholders, while also strengthening our position to give back to the communities where we work. We will continue our initiatives to promote a green and circular economy and environmental conservation, while also giving more towards improving the health and wellbeing of those who do not have the same access to basic services as the rest of the population.

An Overview

Himalayan Distillery Ltd. (HDL) is a well-known manufacturing company that thrives on research, development, manufacturing, and marketing quality alcoholic beverages responsibly and competitively.

It was established on 24 July 1985, beginning as a private company registered under Company Act 2021. It was converted into a Public Limited Company on 3 November 2000.

The company's value for excellence comes from the legacy it has inherited from Jawalakhel Distillery Pvt. Ltd. – the legacy company and the largest player in Nepal's liquor market at the time. HDL is a culmination of a perfectionist's dream – a dream to build a distillery

distinct from the competition in all aspects. This is what the company is today. HDL's performance over a period of time has underscored its commitment to lead.

HDL offers a wide variety of best-in-class alcoholic products manufactured through hi-tech processes. It has over 11.76 million liters of production capacity per annum at its factory in Birgunj. The factory adheres to international production standards to ensure quality products.

VISION

To be the most respected liquor company in Nepal in terms of profit and shareholders value.

MISSION

Research, develop, manufacture and market quality alcoholic products profitably in a responsible manner through continuous improvement and professionalism.

STRATEGIC DIRECTION

HDL aims to maintain 80% market share in the segment, guided by the following strategies:

- Remain competitive with a balanced portfolio in a stagnating industry.
- Build on the equity of existing brands to ensure HDL continues producing the brands of first choice of consumers and maintain price leadership, and
- Ensure our efforts trade in consumers from other segments.

CORE VALUES

- Focus on customer satisfaction.
- Committed to stringent quality control.
- Diligent, innovative, and creative in achieving our goals.
- Work with uncompromising integrity, teamwork and competitiveness.
- Foster an atmosphere of openness, motivation, and respect for each other.

Our Objectives

The company's objectives:

- Attain efficiencies in production and marketing through automation and consumer-focused business operations.
- Comply with existing laws and continue to advocate for enhancing the business environment
- Ensure transparent operations and accountability, respect competition and stay ahead with fair marketing practices
- Enhance employee satisfaction with continuous development opportunities, and
- Increase profitability and share value.

Code of Conduct

HDL has a Code of Conduct that applies to all staff and suppliers. The Code is intended to ensure a minimum standard of behavior of employees, with stakeholders, and with the market. It aims to ensure a uniform approach to behavior of all staff to safeguard and enhance company image, and to foster a sound professional working relationship within the company and a respectful and harassment-free (including sexual harassment) workplace. Non-compliance with the Code is investigated and could invoke disciplinary actions, including termination of employment.

Operational Highlights

HDL operates a state-of-art distillery to produce world-class spirits. Its 30 KLPD distillation plant was designed by KATZEN (USA) and has a potable extra neutral alcohol (ENA) capacity of 6 million liters. The quality control is done by its own laboratories, which have been certified by the National Accreditation Board for Testing and Calibration Laboratories (NABL), India. HDL's production declined slightly in 2019/20 owing to the pandemic-related shutdowns but has begun recovering.

The market operations include a large network of distributors and wholesalers and off trade and on trade channels across Nepal. J.G.I Distribution Pvt. Ltd. (JGIDPL) does the sales and marketing, with a sales and marketing team of about 200 people. The sales team is led by the General Manager of sales and marketing.

Financial Overview (5 years)

Amount in Rs.

PARTICULARS	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Sales (Cases)	804,048	836,192	549,940	642,612	682,689
Net Sales	2,452,452,726	3,179,540,869	2,404,628,250	3,699,668,410	4,059,119,963
COGS	1,365,441,473	1,555,816,139	1,169,574,868	1,474,723,249	1,572,365,334
Gross Profit	1,087,011,253	1,623,724,730	1,235,053,382	2,224,945,161	2,486,754,628
Other Operating Income	22,441	1,774,587	959,149	72,955,118	5,339,132
Indirect Expenses	579,044,776	809,858,184	528,941,793	821,459,063	1,015,373,860
EBITDA	507,988,918	815,641,133	707,070,738	1,476,441,216	1,476,719,901
Depreciation	47,767,049	55,773,747	49,689,492	51,090,332	54,828,501
EBIT	460,221,869	759,867,386	657,381,246	1,425,350,884	1,421,891,400
Financial Expenses	18,294,872	19,813,073	30,287,614	17,225,869	2,156,551
EBT	441,926,997	740,054,313	627,093,632	1,408,125,015	1,419,734,848
Tax	147,862,708	203,011,567	160,176,678	366,728,249	362,794,362
Net Profit	294,064,289	537,042,746	466,916,954	1,041,396,766	1,056,940,486
Share Capital	385,645,500	385,645,500	578,468,250	867,702,375	1,518,479,156
Retained Earnings	410,835,441	602,841,158	673,964,046	1,136,892,562	1,326,130,673
Non-Current Borrowings	5,072,834	3,765,256	1,956,030	12,195	-
Non-Current Lease Payables	-	-	-	-	9,138,595
Deferred Tax Liabilities	31,985,248	28,525,239	29,587,436	35,620,944	32,397,515
Property, Plant and Equipment	625,693,775	605,043,243	557,370,760	513,856,348	497,483,671
Intangible Assets	1,912,008	1,392,967	874,220	451,264	866,938
Right to use assets	-	-	-	-	11,477,106
Other Non-Current Assets	20,297,774	20,193,142	32,921,112	23,430,898	20,193,142
Investment	117,000	20,000,000	20,000,000	69,000,000	101,100,000
Deferred Tax Assets	-	-	-	-	-
Inventory	383,999,572	301,632,908	426,104,882	164,953,755	207,327,472
Account Receivables	127,346,457	403,175,744	911,576,944	517,130,075	1,150,583,354
Cash and Cash Equivalents	5,459,514	3,594,383	12,136,959	909,119,078	1,116,268,777
Other Current Assets	35,858,300	48,608,968	34,631,368	111,713,565	87,088,062
Current Borrowings	181,392,235	162,710,868	150,395,638	1,470,430	-
Current Liabilities	185,753,142	220,153,334	561,244,845	267,956,477	306,242,583
Net Current Assets/Working Capital	185,518,466	374,147,801	672,809,670	1,433,489,566	2,255,025,082
Total Assets	1,200,684,400	1,403,641,355	1,995,616,245	2,309,654,983	3,192,388,522
Total Capital & Liabilities	1,200,684,400	1,403,641,355	1,995,616,245	2,309,654,983	3,192,388,522
Capital Employed	982,946,010	1,154,962,782	1,404,783,964	2,006,077,562	2,844,609,829
Net Worth	796,480,941	988,486,658	1,252,432,296	2,004,594,937	2,844,609,829
Gross Profit Margin	44%	51%	51%	60%	61%
Operating Profit Margin	21%	26%	29%	40%	36%
Net Profit Margin	12%	17%	19%	28%	26%
Dividend Per Share (Cash)	21%	53%	50%	25%	10%
Dividend Per Share (Bonus)	-	50%	50%	75%	60%
Dividend Per Share (Interim)	-	68%	-	-	-
Earning Per Share	76	139	81	120	70
Market Value Per Share	1,351	1,670	1,599	5,512	3,410
Price Earning Ratio	18	12	20	46	49
Net Worth Per Share	207	256	217	231	187
Return on Equity	58%	77%	52%	71%	50%
Return on Capital Employed	47%	66%	47%	71%	50%
Return on Total Assets	24%	38%	23%	45%	33%
Current Ratio	1.51	1.98	1.95	6.32	8.36
Debt to Equity Ratio	0.19	0.14	0.11	0.00	-

Operational Overview (5 years)

2017-18

- 153% increase in sales of Golden Oak
- Launched new deluxe brand in 40 UP segment: Black Oak
- Revenue growth by 73%
- Net profit growth by 502%

2019-20

- Growth affected due to COVID-19 pandemic during the peak season.
- 34% decrease in sales qty, 24% decrease in revenue and 13% decrease in net profit
- Distributed cash dividend of 50% and 50% bonus shares maintaining 100% dividend for the second consecutive year.

2018-19

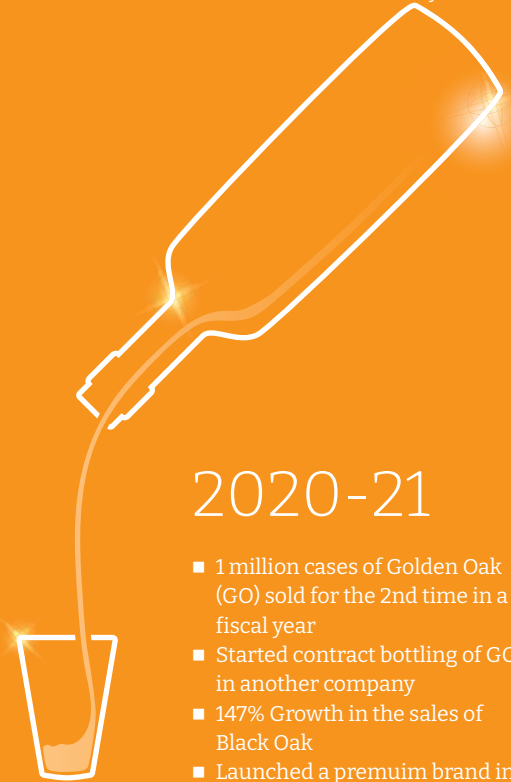
- 1 million cases of Golden Oak (GO) sold for the 1st time in a fiscal year in history of the liquor industry
- 334% growth in the sales of Black Oak
- Revenue Growth by 30%
- Net profit Growth by 83%
- Distributed interim cash dividend of 68.42%, final cash dividend of 52.63% and 50% bonus shares.

2020-21

- 1 million cases of Golden Oak (GO) sold for the 2nd time in a fiscal year
- Started contract bottling of GO in another company
- 147% Growth in the sales of Black Oak
- Launched a premium brand in 40 UP segment: Blue Oak
- Revenue growth by 54%
- Net profit growth by 123%
- Distributed cash dividend of 25% and 75% bonus shares maintaining 100% dividend for third year in a row.

2021-22

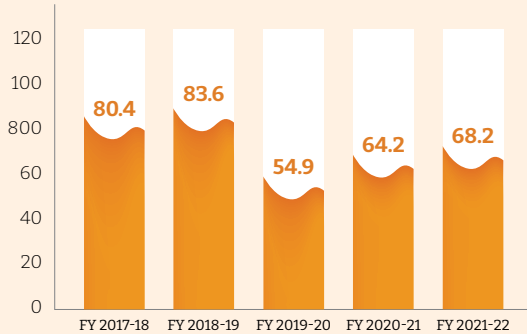
- 1 million cases of Golden Oak (GO) sold for the 3rd time in a fiscal year.
- 33% Growth in the sales of Black Oak
- 76% Growth in the sales of Blue Oak
- Revenue growth by 10%
- Net profit growth by 1.49%
- Distributed cash dividend of 10% and 60% bonus shares.



Financial Highlights (5 years)

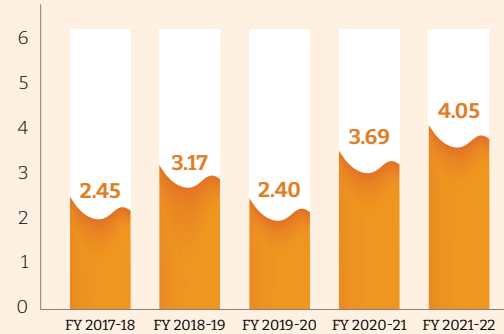
SALES (CASES)*

in Ten Thousands



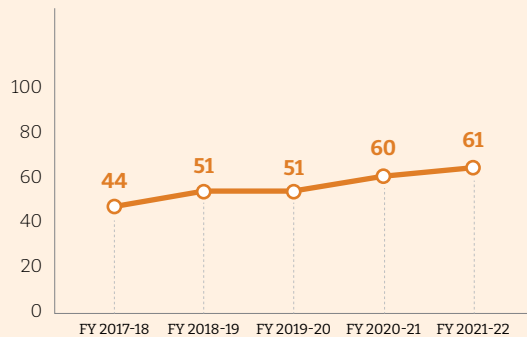
NET SALES

in Rs. Billion



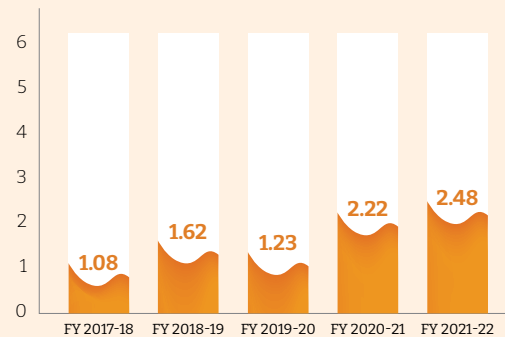
GROSS PROFIT MARGIN

in Percentage



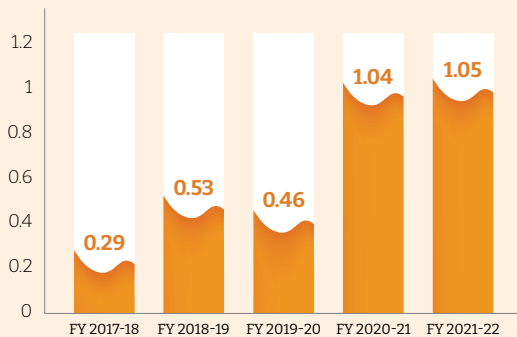
GROSS PROFIT

in Rs. Billion



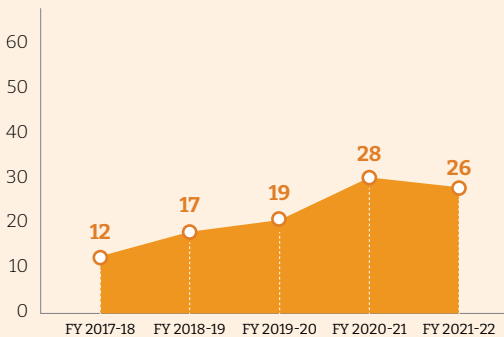
NET PROFIT

in Rs. Billion



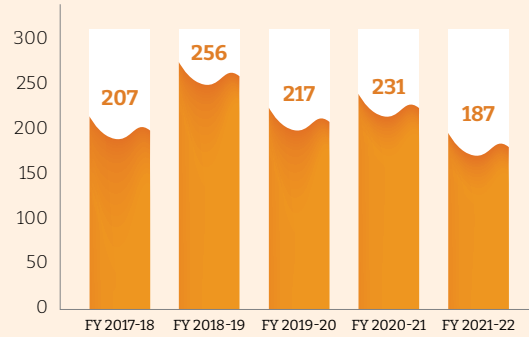
NET PROFIT MARGIN

in Percentage



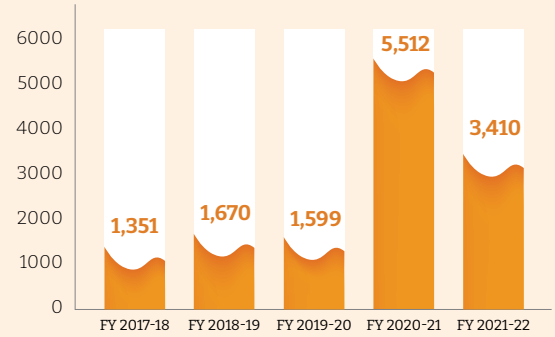
NET WORTH PER SHARE

in Rs.



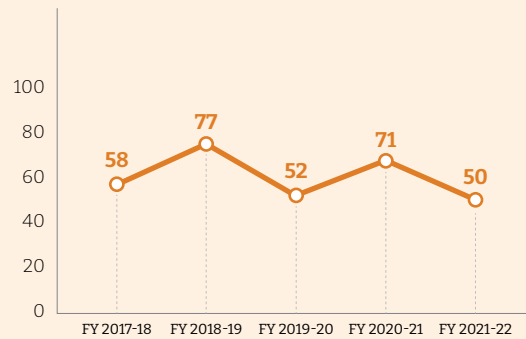
MARKET VALUE PER SHARE

in Rs.



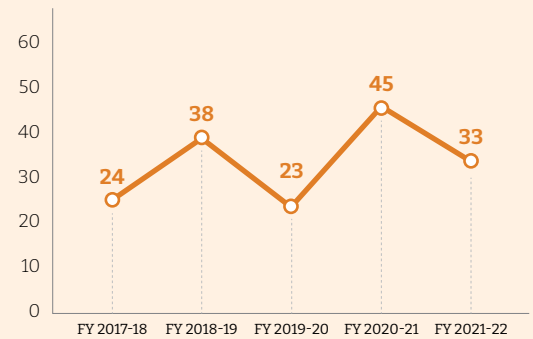
RETURN ON EQUITY

in Percentage



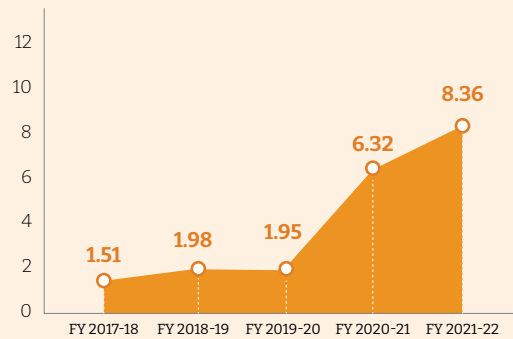
RETURN ON TOTAL ASSETS

in %



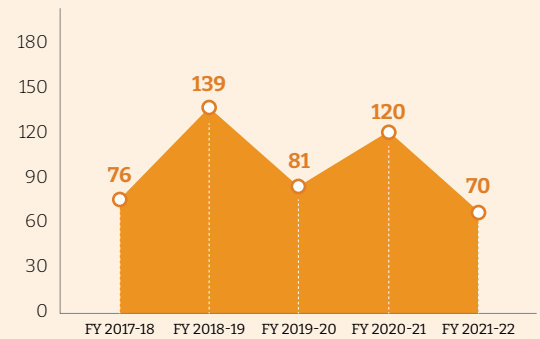
CURRENT RATIO

in Percentage



EARNING PER SHARE (EPS)

in Rs.





A YOUNG POPULATION AND GROWING ECONOMY FUELING HDL'S GROWTH PROSPECTS



**29.7
MILLION**

Population in Nepal in 2021

4.01%

2021 GDP growth rate, 5% growth expected for 2023

3.6%

Un-employment rate

39.5 %

of population between 19-49, while 48.5% are below 18 years of age

COVID-19

Consumption levels expected to improve significantly following ease of Covid-19

CONSUMERS

Key consumption trends introduce substantial opportunities for well- positioned firms across a variety of sectors, including food & beverage

Customer Centric Business Model

HDL is a company that dominates the whisky market segment. The company sells about 1 million cases, commanding about 80% market share in the 40 UP segment.

THE MARKET SITUATION

Golden Oak is the company's largest selling brand, and Black Oak is another brand that has been making a steady inroad.

There are, however, newer challenges that are of concern in the 40UP whisky market. Even though HDL has been able to maintain its share, the industry has not been able to attain substantial growth. This is largely due to a shift of the young population to other beverages like beer, rum, and white spirits. New players have also entered the segment with high investment, requiring HDL to ensure that its brands continue to remain relevant among both existing and new consumers.

MACRO-ECONOMIC OUTLOOK

The market in Nepal remains optimistic despite the setbacks caused by the COVID-19 pandemic. Nepal has a growing young population, which underlies the growth prospects for HDL. The population between 19-49 years age group in 2021 was almost 40 percent, which underpins the growth prospects and the anticipated consumption with the COVID-19 pandemic now on the wane. Further, the economy is expected to grow by five percent in 2023. Macro factors like the high birth rate, increasing disposable income and a desire of individuals to seek luxury and entertainment bode well for continued growth for HDL brands, making this a sector with tremendous potential to attract foreign direct investment (FDI).

Nepal welcomes FDI, and beverages is one sector where the Government allows 100 percent foreign ownership. In 2022 the government lowered the

investment threshold for foreign investors from Rs. 50 million to Rs. 20 million (approx.: USD 200,000).

Nepal has a reliable labor supply, and a strong national commitment to further enhance the business environment. All foreign investments in Nepal are approved by either of two entities: The Nepal Investment Board, chaired by the Prime Minister and the Department of Industry, under the Ministry of Industry, Commerce and Supplies. The approving agency depends on the volume of the investment. The Nepal Rastra Bank, the central bank, provides approvals for transferring foreign exchange into the country and for the repatriation of earnings.

Based on market trends, company expects the markets for both premium and regular spirits to continue to grow with a niche appearing for premiumization of spirits and beers. The growth will be driven by brand presence, supported by experiential and digital marketing.





Corporate Governance

Appointing an independent internal auditor has been continued. Goods produced in the factory are recorded according to the Excise Act, Regulations, Guidelines, Liquor Act, rules and regulations under the direct supervision of an Excise Inspector.

The inspection and analysis of production, quantity of sales and distribution, inventory and raw materials are done internally based on a time table, and online billing is used to make financial transactions orderly, reasonable and transparent. The company requires quotations for all items to be purchased, and the price and quality of goods are assessed to make purchase decisions.

The company maintains good relations with local bodies. It has always focused on increasing the productivity of the factory and to maintain the quality of its products. The company also studies the quality and prices of the raw materials used in the production to ensure good quality inputs are procured at reasonable prices.

HDL is confident that the financial condition of the company will be strengthened, given the controls on the price of the purchased goods and its work on quality control.

The company has always worked with the communities and local stakeholders. These activities are part of its Corporate Social Responsibility (CSR) undertakings. The CSR projects are selected through a transparent and competitive process to ensure that maximum value can be delivered with the funds available for the purpose.



Board of Directors



FROM LEFT TO RIGHT

Santoo Shrestha
Yangkila (Sherpa) Ruit
Shanker Raj Pandey
Akhileshwor Prasad Singh
Narendra Kumar Basnyat
Prakash Mani Ghimire

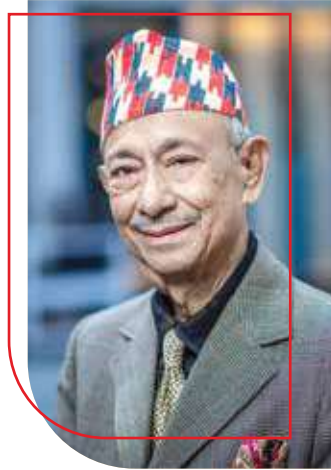


Profile of Directors



Akhileshwar Prasad Singh
CHAIRMAN

Mr. Singh has been associated with the company since 2006 when he joined the Board as a member. He was appointed as chair in 2017. He is a former Zonal Commissioner and a social activist.



Narendra Kumar Basnyat
DIRECTOR

Mr. Basnet has been associated with the HDL Board for over 20 years. He has worked in different business associations, including as Chairperson of the Nepal USA Chamber of Commerce & Industries. He is also former Chair of the Sungava Tea Industries Pvt. Ltd, and Bank of Kahtmandu, former member of the executive committee of the Federation of Nepali Chambers of Commerce and Industries (FNCCI), former joint secretary of the Foreign Investment Promotion Board, and former executive director of the Economic Liberalization Project at the Ministry of Industry.



Yangkila (Sherpa) Ruit
DIRECTOR

Ms. Ruit joined the HDL board in 2020. The former State Minister of the Government of Nepal (2005/06) and Parliament Member (2001-2007) is a tourism entrepreneur who has received a number of awards and decorations. She is a former president of the Federation of Woman Entrepreneurs of Nepal (FWEAN) and Trekking Agents Association of Nepal (TAAN). She is Managing Director of Snow Leopard Trek. She is a recipient of the Abraham Conservation Award from the World Wildlife Fund (WWF) and the Priyadarshani Award as Outstanding Woman Entrepreneur of Nepal (1999) from the Federation of International Women Entrepreneurs (2000).



Shanker Raj Pandey
DIRECTOR

Mr. Pandey has been in the HDL board since 2009. He is a development professional with wide experience in both the public and private sector in areas of commerce & industries, health, energy, and economic development. He is also associated with not-for-profit organizations working in education and mental health. The graduate of Xavier University and Georgetown University was a Humphrey Fellow at American University in 1997-98.



Santoo Shrestha
DIRECTOR

Mr. Shrestha has been in the HDL board since 2009. He holds a Bachelor's degree in International Business Management from University of Maryland. He is a former director of Kumari Bank Ltd. He is vice-chairman of Rosebud School, Joint Managing Director Soorya Holdings Pvt. Ltd. and a director of Yeti Originals Pvt. Ltd.



Prakash Mani Ghimire
DIRECTOR (INDEPENDENT)

Mr. Ghimire has been an independent director at HDL since 2011. He has experience in various agriculture-related businesses and is also the former General Manager of Bhrikuti Pulp & Paper Nepal Limited.



CHAIRMAN'S STATEMENT

Ensuring Sustainable Growth

I want to inform you that the business growth of the company was possible because of our ability to efficiently project the superiority of our products using the latest technology, superior marketing, cost efficiency, etc.

Dear Shareholders,
I am delighted to welcome all of you to the 22nd Annual General Meeting of Himalayan Distillery Limited on behalf of the Board of Directors of HDL and myself.

The impact of the COVID-19 pandemic of the past years continued this financial year. Additionally, for some time in the current financial year, the country had widespread Dengue infections. Both the pandemic and Dengue infections affected us both personally and as a company. These diseases have continued to affect the business as is the case with other economic sectors.

ROE
50%

Further, the liquidity crunch at the banks, weakening of the Nepali currency against the U.S. Dollar, increase in cost of packaging and raw materials, rise in fuel prices, increase in transportation cost, etc., have all added to the challenges of doing business. Nonetheless, we were able to generate an increase in the net profit.

The main reasons for the achievement have been improvements in the company's work processes, including managerial agility, improvements in the internal control system and cost management.

I would like to express my thanks to the company management, all the workers and employees, as well as the business partners and consumers of alcohol, for helping us to attain a profit despite the adverse circumstances.

Even in these adverse times, the company's business has been growing, which I believe many of you are also aware of. The credit for continued growth goes to all of you the shareholders, distributors of the company, wholesalers, retailers, consumers, company management and employees, workers at the factories and the relevant bodies of the Government of Nepal.

I would like to express my gratitude to all for their support and contributions, which I expect to continue in the coming days as well.

Competition remains high due to the operation of some new industries and various new brands of liquor entering the market during this period. Increasing competitive pressure requires all of us to push harder to not just maintain the sales and distribution levels of our brands but to raise it even further. Even in such a competitive situation, our financial report suggests that we have been able to do well, which is a result of the goodwill and cooperation of the people here today and consumers in general.

Keeping in view the current liquidity situation, we have proposed 10 percent cash dividend and 60 percent bonus share distribution to shareholders. The company will provide maximum benefits to shareholders in the coming years should the financial situation continue to improve.

I thank the Office of the Company Registrar, Securities Board of Nepal, Nepal Stock Exchange, Department of Industry and the Internal Revenue Department/ Internal Revenue Office for guidance and support during the past year. In addition, I also believe that this general meeting will provide us guidance to continue our efforts.

Finally, I once again extend a warm welcome to all shareholders present at the 22nd Annual General Meeting of the company.

Thank You,

Akhileshwor Prasad Singh
Chairman



CEO'S STATEMENT

Enriching Shareholders' Value

This year we continued production and sales despite disruptions caused by public health crises, which began with COVID-19 and later Dengue infections.

I am happy to report that the effects of the infections have eased, even though they are still not fully over. We hope the present situation with low infections will allow us to perform to our fullest going forward.

We at HDL are now all geared up to stretch performance to make up for the lost time during the past years. This will involve enhancing production efficiency, including through mechanization/ automation, and renewed efforts to support employee performance with timely capacity development support.

EPS
70%

We will meet all regulatory compliances as we have done in the past, while ensuring

employee satisfaction to keep productivity high. The company will always adhere to its value of transparency to ensure well-informed shareholders and customers, while aiming to provide maximum value in terms of profitability and share value to the investors.

The environment is not challenge free, however. There are new challenges in economy the, particularly in terms of external sector stability. The ongoing Russia-Ukraine war, increasing fuel and transport prices, and increasing interest rates amidst liquidity shortages at the banks are some of the more immediate challenges we face.

Another challenge is the stagnancy in consumer incomes that is also the situation in the market. We have begun consolidation and planning to tackle these challenges (through) innovative solutions.

We are a dominant player in the whisky segment and aim to improve upon this, and maintain our position going forward. This will be an uphill task given the increasing shift of younger consumers to other types of beverages, as well as the entry of newer players in the market segment. Despite these challenges, we are confident we will be able to continue excelling in what we do, which has been possible with continued support from the consumers.

Mahesh Prasad Pokharel

Chief Executive Officer

Profile of Management Team



Mahesh Prasad Pokharel
CHIEF EXECUTIVE OFFICER

Mr. Pokhrel was appointed Chief Executive Officer at HDL in November 2020. He has a Bachelor's Degree. Prior to working at HDL, Mr. Pokhrel was the Chief Administration Officer at the Jawalakhel Group of Industries Pvt. Ltd., where he worked for five years. Before that he was with the Nepal CRS company, as Director.



Laxman Kaphle
CHIEF ACCOUNTANT

Mr. Kaphle, the Chief Accountant, has a Bachelor's Degree and is also a registered auditor. He has worked in the liquor industry accounts and finances for over 27 years. He has been with the HDL for the past two years.



Raju Akhilandam
CHIEF TECHNICAL OFFICER

Mr. Akhilandam is the Chief Technical Officer at HDL. He holds a M.B.A degree (finance). In addition, he holds a diploma in Industrial Fermentation and & Alcohol Technology. He has worked in fermentation and distillation in India, Uganda, Nigeria and Kenya.



Netra Praasd Timsina
COMPLIANCE OFFICER

Mr. Timsina is the Compliance Officer. Mr. Timsina has a Bachelor's Degree and 20 years of experience as legal officer and 10 as company secretary in the liquor industry. His specializations are laws and regulations that relate to industry and trade in Nepal, including environmental laws.



Nabin Upadhyaya
DY. FACTORY MANAGER

Mr Upadhyaya is the Deputy Factory Manager at HDL for the past year. He has a MBA degree and has worked at various companies, including those in the finance sector, for over 16 years. He is trained in Food Safety Awareness (Standards in Manufacturing), (United Kingdom).



Jeevan Panday
DY. MANAGER - FINANCE

Mr. Panday is the Deputy Finance Manager at HDL. Mr. Panday is an FCCA by profession and has been with HDL for the past two years. Mr. Panday has about 10 years experience working in the Account & Finance department of Manufacturing and Service Sector.



Nisha Niraula
COMPANY SECRETARY

Ms. Niraula is the Company Secretary at HDL. Ms. Niraula has Master's Degree in law and has been working at HDL for one year. She is also a Board Member at Nepal Institute of Company Secretaries (NICS). She also has experience working in the humanitarian and development sectors.



Business Ethics and Compliance

HDL has complied fully with all regulatory requirement, and also has a code of conduct that applies across the company.

Annual compliance report related to corporate governance

(Pursuant to the Governance Guidelines of Listed Body Corporate, 2018)

NAME OF THE LISTED BODY CORPORATE	HIMALAYAN DISTILLERY LIMITED
Address, Email including Website	Parsa, Birgunj Metropolitan City, Ward No. 21, Lipanibirta Parsa, Liaison Office Lalitpur Metropolitan City, Ward No. 05, Jawalakhel, Lalitpur www.himalayandistillery.com
Fiscal year of presentation of report	2021/2022

1. Details relating Board of Directors:

a) Name of the Chairperson of the Board of Directors and Date of Appointment: Mr. Akhileshwor Prasad Singh, date January 26, 2022.

b) Details regarding the share structure of the organization (promoter, ordinary public, and others): Though it is mentioned that there shall be 58 percent share of promoter group in the company and 42 percent share of ordinary group, as entire shares are listed as ordinary shares, thus, accordingly, there is no promoter group for the time being.



c) Details relating to the Board of Directors:

S. NO.	NAME AND ADDRESS OF DIRECTORS	REPRESENTED GROUP	NOS. OF SHARES	DATE OF APPOINTMENT	DATE OF TAKING OATH AND SECRECY OF THE POST	MODE OF APPOINTMENT OF DIRECTOR
1	Mr. Akhileshwor Prasad Singh, Sarlahi	Ordinary	63,000	January 12, 2022	January 12, 2022	Appointed by the General Meeting through election
2	Mr. Narendra Kumar Basnyat, Lalitpur Metropolitan City, Ward No. 01, Kupondole	Ordinary	9843	January 12, 2022	January 12, 2022	Appointed by the General Meeting through election
3	Mrs. Yankila (Sherpa) Ruit, KMC -01, Naxal	Ordinary	262	January 12, 2022	January 12, 2022	Appointed by the General Meeting through election
4	Mr. Shanker Raj Pandey, Purano Baneshwor, Kathmandu	Ordinary	433	January 12, 2022	January 12, 2022	Appointed by the General Meeting through election
5	Mr. Santoo Shrestha, KMC-11, Thapathali	Ordinary	433	January 12, 2022	January 12, 2022	Appointed by the General Meeting through election
6	Mr. Prakash Mani Ghimire, Lalitpur Metropolitan City -03, Pulchowk	Independent		January 26, 2022 A.D.	January 26, 2022	Pursuant to rule 6 (a) of the Articles of Association of the company.

d) Meeting of Board of Directors

S. NO.	DATE AND NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS CONVENED DURING THIS PERIOD	NUMBER OF DIRECTORS PRESENT	HAS THE REQUIRED QUORUM BEEN REACHED OR NOT?	THE NUMBER OF DIRECTORS WHO SIGNED THE DECISION OF THE MEETING WITH A DISSENTING VOTE	DATE OF MEETING HELD IN PREVIOUS PERIOD
1.	Sep. 03, 2021 -01	6 persons	Yes	No	Jul. 05, 2020
2.	Oct. 11, 2021 -02	6 persons	Yes	No	Oct. 20, 2020
3.	Dec. 21, 2021 -03	5 persons	Yes	No	Nov. 03, 2020
4.	Jan. 26, 2022 -04	5 persons	Yes	No	Nov. 26, 2020
5.	Mar. 31, 2022 - 05	4 persons	Yes	No	Dec. 02, 2020
6.	May 19, 2022 -06	6 persons	Yes	No	Dec. 14, 2020
7.	Jun 08, 2022 - 07	5 persons	Yes	No	Nov. 17, 2020 Dec. 31, 2020 Jan. 22, 2021 Mar. 22, 2021 Jun. 18, 2021

The meeting of the Board of Directors convened this year was not adjourned for not attaining the quorum.

e) Other details relating meeting of Board of Directors:

Whether the director and alternate director attended the meeting of the board of directors (if not, disclose the reason along with the date of the meeting):	On December 21, 2021 independent director Prakash Mani Ghimire was out of the country, on March 31, 2020, independent director Prakash Mani Ghimire and director Santoo Shrestha, and on June 08, 2022 independent director Prakash Mani Ghimire were absent from the meeting of the board of directors as they were traveling out of the country.
Having kept a separate record of the directors present at the meeting of the board of directors, the agenda discussed and the details of the resolution (minute) kept in that regard:	Separate record of minute is kept.
The maximum gap between two consecutive meetings of the Board of Directors:	63 days
The date of the annual general meeting regarding the determination of the meeting allowance of the board of directors:	January 13, 2021 (annual general meeting)
Board of Directors per meeting allowance Rs.	Rs. 18,000.00 for chairperson Rs. 15,000.00 for members
Total meeting allowance of Board of Directors, Account Committee and Other Committee for the fiscal year 2021/2022	Rs. 906,000

2. Details relating conduct of Directors and other:

Whether there is a code of conduct of the relevant organization regarding the conduct of the director or not	The code of conduct directed by the prevailing law has been followed
If there is more than one director of a same family, the relevant details:	None

Details related to annual training and refresher program of directors:

S. NO.	DATE: MAY 19, 2022 TOPIC	DETAILS OF PARTICIPATED DIRECTORS	PLACE OF TRAINING
1	Laws, rules, policies, directives related to body corporate governance that are being practiced in Nepal.	1) Mr. Akhileshwor Prasad Singh 2) Mr. Narendra Kumar Basnyat 3) Mr. Shanker Raj Pandey 4) Mr. Santoo Shrestha 5) Ms. Yankila (Sherpa) Ruit 6) Mr. Prakash Mani Ghimire	Lalitpur

Every director has/has not informed the following in writing within 15 days of being appointed or nominated to the post of director and details of the same if not:	Informed
If he or any member of his same family has entered into or is about to enter into any kind of agreement with the organization, the details thereof,	None
Details of shares or debentures held by him or any member of his family in the organization or the main or subsidiary company of the organization,	No
If he is the basic shareholder or director of any other body corporate, the details thereof,	No
If any member of his family is working as an officer or employee in the organization, the details thereof,	Not done
If the director has worked as a director, salary officer, executive officer or employee of a listed organization having the same objectives, the details thereof,	Not done
If any action has been taken against the director by regulatory bodies and other bodies, the details thereof:	No

3. Details regarding the organization's risk management and internal control system:

- a) If any committee has been formed for risk management or not, reason thereof: Formed.
- b) Information about risk management committee: A three-member committee has been formed under the coordination of independent director Mr. Prakash Mani Ghimire, director Mr. Santoo Shrestha, and the chief executive officer of the company and the committee has been analyzing risks and performing works for minimizing them.
- (i) Structure of the committee (name and designation of the coordinator and member):
- | | |
|--------------------------|-------------|
| Mr. Prakash Mani Ghimire | Coordinator |
| Mr. Santoo Shrestha | Member |
| Chief Executive Officer | Member |
- (ii) Nos. of meeting of the committee: F/Y 2021/2022, date March 23, 2022 A.D.
- (iii) Summarized details of functions of the Committee are prescribed as under.
1. (a) This committee shall mainly take into account the company's physical property risk, business strategic risk, legal governance risk, human resource risk, technology related risk and financial planning and implementation related risk and shall work to solve and minimize it.
 - (b) To determine company's risk management policy, make a risk management plan, approving it and perform and caused to perform its periodic evaluation, review and assessment.
 - (c) To study the policy directives and suggestions received from the regulatory body, to give or to give the answer or information to be submitted on behalf of the company in view of its implementation or need.
 - (d) To develop and implement policies and procedures related to risk management process, development of risk control or mitigation structures and operational methods, periodically evaluate, assess and review the same.
 - (e) To adopt and caused to adopt contingency fund mobilization methods for risk management.

- (f) To identify, evaluate, supervise, review, control, set boundaries, prepare reports, take appropriate initiatives to manage the main risk areas, and to frame and caused to frames policies and procures in such regard as per necessity.
- (g) To work with a plan to prevent and minimize the impact of rapidly developing information technology and cyber security risks.
- (h) To prepare the company's governance methods and policies related to risk management, formulate a risk management plan and submit it for the approval of the board of directors if necessary and implement it.
- (2) Whether there is an internal control procedure or not: The company's human resources manual and financial and accounting related manuals, procurement manuals have been adopted and work has been done accordingly, and in addition external internal auditors have been appointed and they shall independently conduct audits and produce a report, and the report is discussed in the audit committee and submitted to the board of directors for discussion and the management shall act according to the direction of the board of directors.
- (3) If any committee has been formed/not formed for the internal control system, the reason thereof: Human resources, financial/accounting and procurement manuals have specified the necessary procedures and officers for the control and monitoring of the company's operations. There is no need for a separate committee as the internal control system is well managed by the internal auditor of the overall activity and the subject committee and the board of directors.
- (4) Details relating internal control system committee: Have not formed separately.
- (5) Whether there is Financial Administration by-laws or not: Yes

4. Details relating notice and information flow:

(a) Details of notice and information published by the institution:

SUBJECT	MEDIUM	DATE OF PUBLISH
Notice of Annual General Meeting	National level daily newspaper (Kantipur)	Published on December 22, 2021 at Kantipur National Daily, December 23, 2021 at Rajdhani National Daily and in Company's website also.
Notice of Extra Ordinary General Meeting		Not called
Annual Report	National level daily newspaper (Kantipur)	Published on December 22 and 23, 2021 (summarized financial details (2020/2021) on Kantipur National Daily, Rajdhani National Daily respectively and in Company's website also.
Quarter report	National level daily newspaper (Kantipur)	Nov. 14, 2021 – first quarter Feb. 11, 2022 – second quarter May 28, 2022 – Third quarter Aug. 14, 2022 – Fourth quarter Published in www.himalayandistillery.com
Price sensitive notice that effect on stock price	The letter of company Decision of the Board of Directors dated December 23, 2021 A.D. relating Cash dividend and bonus share allocation) has been uploaded on the same day that is December 23, 2021 A.D. and informed to Securities Board of Nepal and Nepal Stock Exchange Limited.	
Other	None	None

- (b) If the information has not been made public or if it has been prosecuted by the Securities Board and other agencies due to other reasons, the information thereof: No.
- (c) Date of last annual and extra ordinary general meeting: Twenty-first Annual General Meeting January 12, 2022.

5. Details relating organization structure and personnel:

- a. Whether there is Personnel Service, Terms By-laws containing personnel structure, vacancy fulfillment, career development, training, salary, allowances and other facilities, attendance and leave, code of conduct, etc or not: Present
- b. Enclose organization structure: Enclosed
- c. Name, academic qualifications, and details of experience of the personnel at high level management:
1. Mahesh Prasad Pokhrel
 2. Udaya Bahadur Bhandari
 3. Laxman Kafle
 4. Netra Prasad Timsina
 5. Nabin Upadhyaya
 6. Jeevan Panday
 7. Nisha Niraula
- d. Other details relating personnel: There are 274 personnel and workers

Whether vacancy has been fulfilled according to the structure or not	Done according to necessity
Procedures adopting for fulfilling new personnel	Advertisement, done through internal and external human resource related organizations
Nos. of personnel under management	87
Nos. of total personnel	274
Succession plan of the personnel has been made or not	Is in process
Nos. of training given to the personnel and nos. of personnel participated for the fiscal year 2021/2022 A.D.	25 trainings, 335 personnel
Personnel training expenditure for fiscal year 2021/2022 A.D.	Rs. 657,979
Percentage of personnel expenditure in total expenditure	29 (approximate)
Percentage of training expenditure in total personnel expenditure	0.06 (approximate)

6. Details of account and audit of the institution:

a. Details relating account:

Whether the financial details of last fiscal year of the institution have been prepared according to NFRS or not, if not, reason thereof.	Prepared
Date of approval of latest financial details approved by the Board of Directors	December 21, 2021,
Date of publication of quarter end financial details	Nov. 14, 2021, Feb. 11, 2022, May 28, 2022, Aug. 14, 2022
Date of completion of last auditing:	December 21, 2021
Date of approval of financial details from the General Meeting	January 13, 2022
Details regarding the internal audit of the institution:	
i) An internal audit is done or an external expert is appointed	Done by appointing external expert SAR & Associates
ii) Details of the external expert, if appointed	
iii) How often are internal audits conducted (quarterly, quarterly or semi-annually)	Quarterly

b. Details relating to auditing:

Name, designation and qualification of coordinator and members	Mr. Shanker Raj Pandey, Chairperson Mr. Santoo Shrestha, Member Mr. Narendra Kumar Basnyat, Member
Date of meeting convened and nos. of members present:	August 20, 2021, 3 persons August 24, 2021, 3 persons December 03, 2021, 3 persons December 07, 2021, 3 persons March 11, 2022, 2 persons June 02, 2022, 3 persons
Allowance per meeting	Rs. 15,000.00 (with tax)
The date on which the Audit Committee submitted its report of its functions to the Board of Directors	1. On the date August 20, 2021 decision made by the audit committee after reviewing the internal auditor's report for the third quarter period of fiscal year 2020/2021 and submitted to the board of directors. 2. On the date August 24, 2021, the decision made by the audit committee after reviewing the internal auditor's report for the fourth quarter period of fiscal year 2020/2022 and recommendation for appointment of internal auditor and submitted to the board of directors. 3. On the date December 07, 2021 decision made by the audit committee after reviewing the internal auditor's report for the first quarter period of fiscal year 2020/2022 and submitted to the board of directors.

4. On the date December 07, 2021 discussion on the income and expenditure for the fiscal year 2020/2021 done, direction given to the company management to make some changes in the statement and revised income and expenditure statement has been submitted to the board of directors. Considering the letter of intent of the chartered accounting firm and the provisions of Section 111(3) of the Company Act 2006 regarding the appointment of the auditor of the company for the year 2021/2022, G. Poudel and Associates recommended to the Board of Directors for appointment as auditor.
5. On the date March 11, 2022 A.D. decision made by the audit committee after reviewing the internal auditor's report for the second quarter for the fiscal year 2021/2022 and submitted to the board of directors.
6. On the date June 02, 2022 decision made by the audit committee after reviewing the internal auditor's report for the second quarter for the fiscal year 2021/2022 and submitted to the board of directors.

7. Other Details:

Whether the institution has taken any credit or borrowings or money in any form from the person, bank and financial institution having financial interest of the director his family members.	Not taken
Whether any person, firm, company, employee, advisor or consultant having financial interest in a listed institution other than the benefits or facility received as a company director, shareholder, employee, advisor or consultant have use the property of the institution in other manner	None
Whether the directives issued by the regulatory body while issuing license has been complied or not	Done
Whether the instructions given to the institution by the regulatory body while regulating, inspecting or supervising the organization have been followed or not	Followed
If there is a court case against the institution and director, details thereof	a) This company filed counterfeit fraud lawsuit at District Court, Parsa against the applicant in a case of some individuals at Worker Court, Kathmandu and as the District Court, Parsa made judgment that the partial claim of the plaintiff was reachable, appeal was made before temporary

bench Janakpur of High Court, Janakpur. The judgment of the case related thereof at Worker Court, Kathmandu said that the claim of the company is not reachable. Writ has been filed at the Supreme Court thereof and stay order was issued on October 20, 2022 and the matter is subjudice.

- b) Regarding the matter relating to VAT raised by the Large Taxpayers Office on the income details for the fiscal year 2015/2016 was not acceptable to the company that has submitted for administrative review before Inland Revenue Department; and no decision has been received till date.
- c) In relation to the trademark registered in the name of the company, case was filed against some companies in the Department of Industries, Tripureshwor and not satisfied with the decision of the Department, HDL filed an appeal at the High Court, Patan/Supreme Court.
- d) Large Taxpayers Office Lalitpur has invalidated the expenditure claim of the company after examining the tax of the company for the fiscal year 2004/2005 and an appeal was made against now subjudice at Supreme Court.

Signature:

Name of the compliance Officer: Netra Prasad Timsina

Designation: Compliance Officer

Date: November 04, 2022 A.D.

Seal of the Company:

Signature of Auditor:

Seal of the Company:

Report approved date by the Board of Directors: November 08, 2022 A.D.



Internal Control

The company has robust manuals for human resources management and financial and accounting, and procurement, and has arrangements for regular external and internal audits who report to the Audit Committee and through the committee to the Board of Directors. The manuals and procedures assist towards effective internal controls. The company also complies with Financial Administration by-laws. The internal control system comprises of:

Quarterly Internal Audits: Carried out by an independent, external accounting firm each quarter to ensure that both controls and business processes are adequate, effective, and efficient. The quarterly internal audits are presently done by SAR Associates.

Market Audits: Market audits are independent verification of market related expenditure incurred; it also helps to mitigate grievances and strengthen overall market presence. The audit covers verification of market-related trade and other schemes, branding, promotions, events, promotional assets, etc. to ensure effective use of resources.

ISO Audit & Certifications

The company has maintained an Integrated Management System (IMS) in line with ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and FSMS 22000:2018 requirements. All certifications have been done by DNV GL – Business Assurance, one of the world's recognized international independent accredited certification body.

ISO 9001: 2015:

Quality Management System
Implemented for coordinating and directing organizational activities to meet customer and regulatory requirements, and to improve effectiveness and efficiency continuously.

ISO 14001: 2015:

Environmental Management System
Assures internalizing environmental management as part of the organizational culture.

ISO 45001: 2018:

Occupational Health and Safety Management System

Assures adoption of arrangements to provide a healthy and safe workplace and a commitment to proactively improve the occupational health and safety performance. This has helped prevent work-related injuries and other health hazards.

FSMS 22000: 2018:

Food Safety Management System

Assists to strengthen food safety culture, demonstrate due diligence and commitment to food safety. This standard has helped us maintain compliance in the entire food manufacturing process.

GREEN BUILDING CERTIFICATE

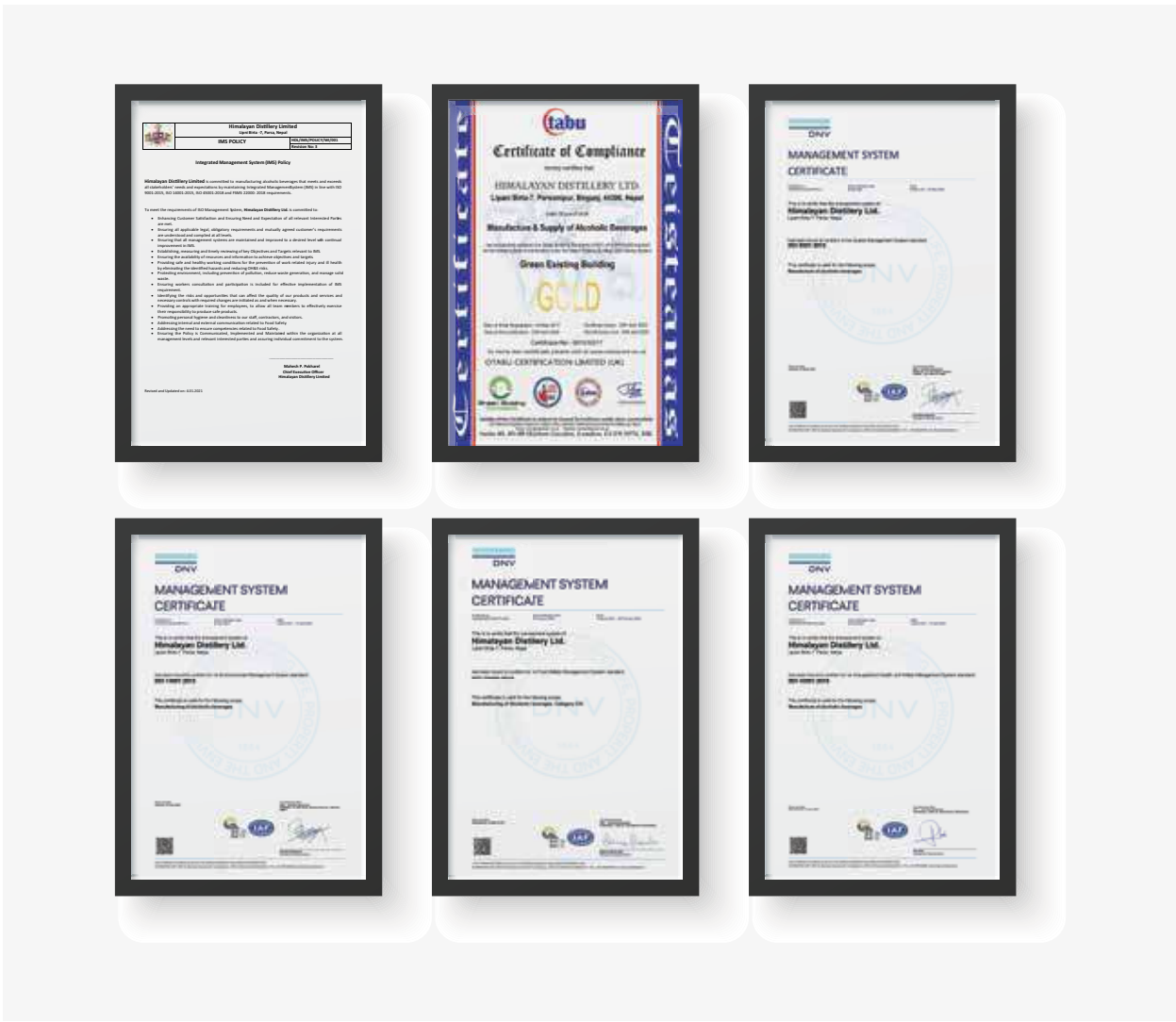
HDL has received Green Building GOLD certification for achieving the Green Building Standards (LEED v4 & BREEAM) under the Green Existing O&M Rating System from Otabu Certification Limited (UK).

INTEGRATED MANAGEMENT SYSTEM (IMS) POLICY

Himalayan Distillery Limited manufactures alcoholic beverages that meet consumer expectations, by using an Integrated Management System (IMS) policy to assure compliance with ISO9001:2015, ISO 14001:2015, ISO 45001:2018 and FSMS 22000:2018 requirements. The IMS assists in:

- Enhancing customer satisfaction by meeting the needs and expectations of all consumers.
- Ensuring compliance with all applicable legal requirements and mutually agreed customer requirements.
- Ensuring that all management systems are maintained and improved continuously.
- Establishing, measuring and regularly reviewing key objectives and targets relevant to IMS.
- Ensuring the availability of resources and information to achieve objectives and targets.
- Providing safe and healthy working conditions to prevent work-place injuries and ill health by eliminating the identified hazards and reducing OH&S risks.
- Protecting the environment, including pollution control, waste reduction, and managing solid waste.
- Ensuring workers, consultation and participation for effective implementation of IMS requirements.

- Identifying the risks and opportunities that could affect product and service quality.
- Providing appropriate training to employees to enable all team members to effectively undertake responsibilities for producing safe products.
- Promoting personal hygiene and cleanliness among staff, contractors, and visitors.
- Addressing internal and external communication related to food safety by helping build up the required competencies.
- Ensuring that all policies are communicated effectively, internalized and implemented at all levels of the company as part of the individual commitment of all team members.





A QUALITY PRODUCT OF
HIMALAYAN DISTILLERY


**BLACK
OAK**
PREMIUM BLENDED MALT



CRAFTED TO PERFECTION

*Enjoy Responsibly



Risk Review

The company has system based approach to identify the potential financial management risk, market risk, credit risk and liquidity risk to address them beforehand to help maintain overall organizational strength.

FINANCIAL RISK MANAGEMENT

The Company has a system-based approach to risk management with policies and procedures and internal financial controls aimed at identification, evaluation, and management of key financial risks (such as market risks, credit risks and liquidity risks) that may arise as a consequence of its business operations as well as investing and financing activities. Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a consistent manner and in compliance with applicable regulation.

MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as interest rate, foreign exchange rates, and equity prices, and will affect the Group's income or the value of its holdings of financial instruments.

The Group's exposure to the risk of changes in market interest rates relates primarily to term loans and short-term/demand loans with variable interest rates. The balance

of term loans at the end of the year was nil (2020-21: Rs. 1,482,625) and short-term and demand loan were also zero (2020-21:). The Group manages its interest rate risk by monitoring and managing cash flows and negotiating favorable rates on borrowings and deposits.

If interest rates had been higher/lower by 50 basis points and all other variables were held constant, the profit before tax for the year would decrease/increase by Rs. 48,995 (2020-21: Rs. 1,201,189).

The Group undertakes transactions denominated in foreign currency, mainly Indian Rupees, which are not subject to the risk of exchange rate fluctuations.

The Group is not an active investor in equity markets.

LIQUIDITY RISK

The Group's current assets aggregate to Rs. 2,557,777,699 (2020-21: Rs. 1,667,535,461) including cash and cash equivalent of Rs. 1,116,865,702 (2020-21: Rs. 909,656,083) against the aggregate current liabilities of Rs. 306,291,932 (2020-21: Rs. 269,478,107), including term loan maturing within one year from the reporting date which was zero (2020-21: Rs. 1,470,430).

Further, the Group has access to undrawn borrowing facilities from banks of Rs. 375,000,000 (2020-21: Rs. 56,413,855) as at the reporting date. In such circumstances, liquidity risk or the risk that the Group may not be able to settle or meet its liabilities as they become due does not exist.

CREDIT RISK MANAGEMENT

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade receivables.

The Group extends credit to its customers keeping in view its business interest in accordance with the Group's credit policy. Exceptions are managed and approved by appropriate authorities, after due consideration of the counterparty's credentials and financial capacity, trade practices and prevailing business and economic conditions. The Group's exposure, as on the reporting date, net of loss allowance stood at Rs. 1,150,583,354 (2020-21: Rs. 517,130,075). The Group carries other financial assets, such as balances with banks and other receivables. Bank deposits are held with commercial banks having a strong financial position and considering the experience of the Group over time, the counter party risk attached to such assets is considered insignificant.



Board Level Committees

HDL has three Board-level committees with specific responsibilities and system approach to strengthen internal control and to comply with regulatory and legal requirements.

AUDIT COMMITTEE

HDL's Audit Committee provides overall internal financial management oversight, including review of all internal audits, referring appointment of external auditors to the Annual General Meeting, and to supervise and ensure all audits are done in compliance with regulatory and legal requirements. The Audit Committee has three members:

- Mr. Shanker Raj Pandey, Chairperson
- Mr. Santoo Shrestha, Member
- Mr. Narendra Kumar Basnyat, Member

The Committee met six times this fiscal year.

The Audit Committee of the company comprises of Mr. Shanker Raj Pandey (Chairperson), Mr. Santoo Shrestha and Ms. Yangkila (Sherpa) Ruit. The major functions, duties and authority of the committee in accordance with the Companies Act, 2006, Sub-section (1) of Section 164 are:

- To review the internal financial control system and the risk management system of the company.
- To review the accounts and financial statements of the company and ascertain the truth of the facts mentioned in such statements.
- To supervise and review the internal auditing activity or the company.
- To recommend the names of potential auditors for the appointment of the auditor of the company, fix the remuneration and terms and conditions of appointment of the auditor and present the same in the general meeting for ratification thereof.
- To review and supervise as to whether the auditor of the company has observed such conduct, standards and directives determined by the competent body pursuant to the prevailing law as required to be observed in the course of doing auditing work.
- Based on the conduct, standard and directives determined by the competent body pursuant to the prevailing law, to formulate the polices required to be observed by the company in respect of the appointment and selection of the auditor.
- To prepare the accounts related policy of the company and enforce, or cause the same to be enforced.



Where any regulator body has provided for the long-term audit report to be set out in the audit report of the company, to comply with the terms required to prepare such report.

To perform other functions as prescribed by the Board of Directors in respect of the accounts, financial management and audit of the company.

ASSET AND LIABILITIES MANAGEMENT COMMITTEE

The Asset & Liability Committee is responsible for ensuring sound management of company assets and liabilities, including inspection and supervision of the same. It is also tasked with ensuring capital adequacy, which includes assessing and devising strategies to overcome market risks, including liquidity risk. The Asset Management Committee has three members:

- Mr. Santoo Shrestha, Chairperson
- Ms. Yangkila (Sherpa) Ruit, Member
- Mr. Mahesh Prasad Pokharel, Member

The Committee met one time this fiscal year.

Its functions are:

- To properly manage the assets and liabilities of the company and contribute towards achieving the goal of giving maximum return. To have the assets and liabilities of the company inspected and supervised.
- To prepare or supervise the strategy and procedures to be adopted by the management of the company and the policies to be formulated, focusing on the achievement of the goals set by the Board of Directors, the level of risk to be taken by the company and the standard of operation.
- To manage and mobilize the capital required to achieve the goals of the company.
- To get the information of income and expenditure of the company and to supervised the statement.
- To make effective evaluation and monitoring of the risk and liquidity of the company, to formulate policy regarding the source and management methods of liquidity risk management, and to monitor the implementation.
- To prepare for market risk management, structure of the above-mentioned information system, periodically and evaluate, approve, and review the liquidity and fund management policy.
- To determine the method of formulation and operation of contingency fund plan, and to have it reviewed.
- To make the operation of assets and liquidity to fulfill the daily and contingent capital needs and obligations.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee works to identify, minimize, and eliminate all risks facing the company. The risks could stem from physical assets, legal governance, human resources, technology, financial planning, and implementation. It is responsible for preparing a risk policy and risk management plan and ensuring its implementation. The Risk Management Committee has three members:

- Mr. Prakash Mani Ghimire, Chairperson
- Mr. Santoo Shrestha, Member
- Chief Executive Officer, Member

The Committee met one time this fiscal year.

Its functions are:

- To work to eliminate and minimize potential risks of the company including the company's physical assets risks, business strategic risks, legal governance risks, human resource risks, technology risks, and financial planning and implementation risks.
- To formulate risk management policy of the company, to make risk management plan, to approve it and to evaluate, monitor and review it periodically.
- To study the policy directives and suggestions received from the regulatory body, to respond or provide information to be submitted on behalf of the company depending on its implementation or requirement.
- To formulate and implement policies and procedures related to risk management process, development and operation method of risk control or mitigation structure, to periodically evaluate, assess, and review it.
- To adopt contingency fund mobilization methods for risk management.
- To take appropriate initiative for the identification, evaluation, supervision, review, control, delimitation, reporting, etc. of the main risk areas and to formulate policies and procedures as per the requirement.
- To work with a plan to prevent and minimize the rapidly developing information technology and cyber security risks. To prepare good governance methods and policies of the company regarding risk management, and
- To formulate risk management plan and to get approval as required, to submit it for the approval of the Board of Directors and to ensure its implementation.



A QUALITY PRODUCT OF
HIMALAYAN DISTILLERY


**GOLDEN
OAK**
PREMIUM BLENDED MALT



TASTE ABOVE ALL ELSE



HIMALAYAN DISTILLERY LIMITED
Company Name: Himalayan Distillery Limited, Kathmandu, Nepal
Branch: Pashchim Pashchim, Kathmandu, Nepal
Date: 10/01/2023
Rs. 10,00,000

जल्मिण श्च गते. आईतबार, ज

Corporate Social Responsibility

Himalayan Distillery Limited is a good corporate citizen, fully aware of its responsibility to contribute towards the welfare of society. Our Corporate Social Responsibility (CSR) activities are guided by core values, which include but are not limited to:

FOCUS ON CUSTOMERS

We strive to ensure integrity and transparency in our dealings with consumers to ensure supply of safe, reliable, and high-quality products and services. We provide accurate information to help customers make informed decisions, and ensure that our product labels, advertisements, and commercial messages are accurate, clear, and not misleading. We are committed to responsible marketing.

FAIRNESS AND INTEGRITY

All business activities are conducted fairly and transparently in accordance with relevant laws and the highest ethical standards. HDL respects all religions, cultures, customs, and traditions in all countries where it does business. We believe in free and fair competition and forbid profit by unfair or illegal means, including any form of bribery, corrupt practices, money laundering. The company adheres rigorously to all applicable laws and regulations in the matters related to gifts, entertainment, charitable donations, and political contributions. All financial and business records are disclosed as per applicable laws and regulations.

ENVIRONMENTAL CONSERVATION

HDL believes in a green and circular economy and is committed to ensuring the highest environmental and safety standards to minimize harm. The company is undertaking a project to attain Zero Discharge from its distillation plant. It also plans to fully automate the plant to attain efficiencies through data-driven decision-making. HDL is committed to continuous improvements in environmental performance delivered through use of recycled bottles, effluent treatment and management of industrial waste, recycling packaging materials, and establishing plantations to help reduce the company's carbon footprint.

CONTRIBUTION TO SOCIETY

The company has always tried to contribute positively to society. We help to improve lives of communities through CSR activities. We have also supported individuals and groups involved in various socially responsible activities including the promotion of culture, gender equality and social inclusion, education, health, poverty alleviation and community support, natural disasters, among others.



All CSR engagements are guided by Section 54 of the Industrial Enterprises Act 2020, which requires companies with an annual turnover of over Rs. 150 million to allocate at least one percent of the profit for the purpose. Similarly, Industrial Enterprise Rule 2022, Rule 43 stipulates the core areas for using CSR funds. In full compliance, HDL has made the following arrangements for fund allocation:

S.N.	CORE AREAS	% ALLOCATION
1.	Affected areas of the company	25 %
2.	Health	12.5 %
3.	Education	12.5 %
4.	Natural Disasters	10%
5.	Poverty Alleviation and Community Support	10 %
6.	Preservation of Cultural Heritage	10 %
7.	Gender Equality and Social Inclusion	10 %
8.	Other areas as per the objective	10 %

The use of the CSR fund is determined by a five-member committee.



CSR CONTRIBUTIONS IN FY 2021/22

Gajendra Narayan Singh Memorial Foundation, Chandranigapur, Rautahat

HDL contributed Rs. 1 million towards the construction of a 300-bed hospital in Chandranigapur, Rautahat District, 63 km from Birgunj.

Rs.1 million

CONTRIBUTION

EK EK Paila Foundation, Thapathali, Kathmandu

The foundation is an initiative of a group of volunteers in Nepal to provide free health services to the people in remote rural areas. It began working in Sindhupalchowk District after the devastating 2015 earthquake. The Foundation is building a 15-bed hospital at Thokarpa, as part of its 10-year effort to build a sustainable healthcare delivery model. HDL decided to contribute Rs. 1 million towards the effort.

Rs. 1 million

CONTRIBUTION

Shree Nepal Rastriya Adharbhut School, Patelnagar, Birgunj

Nepal Rashtriya Aadharbhut Vidyalaya, Patel Nagar, Parsa, is located near the distillery. The school had a budget to build a two-room classroom from the government, which was not enough and requested HDL for support. The company decided to contribute of Rs. 500,000. The company also provided an additional Rs. 260,000 towards teacher salaries at the same school.

**Rs. 0.5 million
Rs. 0.26 million**

CONTRIBUTION



Rotary Mahaveer Limb Rehabilitation Centre, Birgunj, Parsa

Rotary Mahaveer Jaipur Limb Rehabilitation Centre (RMJRC) is a unit of Rotary Diagnostic Centre, an organization affiliated to Rotary Club of Birgunj. The center is a joint venture between Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS) Jaipur, India and RMJRC. It is the only center providing free artificial limbs to people in Nepal and neighboring India. The center had been planning expansion of its program from 150 to 250 limbs per year, in addition to other enhancements at the center. The Board approved RMJRC proposal.

Rs. 0.625 million

CONTRIBUTION

Maryknoll Nepal/Aashadeep, Kathmandu

Maryknoll Nepal (Aashadeep) is a non-profit, non-governmental organization established in 1991, and works to promote mental health. The organization treats people with mental disorders, and rehabilitates them in the community, in addition to training health personnel in mental health. Maryknoll Nepal sought support for expanding its operations and to build a multipurpose hall. HDL approved support of Rs. 4,000,000.

Rs. 4 million

CONTRIBUTION

Samata Education Trust, Kathmandu

Samata Education Trust provides affordable high-quality education to socially and economically disadvantaged children nationwide for a monthly fee of only Rs. 100. Currently, the trust is running 84 schools with 70,000 students. Tuition fees from students and irregular donations do not meet its expenses. The Trust had requested HDL support for balancing its budget. The company contributed Rs. 2,500,000 to the Trust's Endowment fund.

Rs. 2.5 million

CONTRIBUTION

Radhe Radhe Nirman Sewa, Patelnagar, Birgunj
For construction of Maa Janaki Temple in Patelnagar

Rs. 0.3 million

CONTRIBUTION



Golden Oak 12th Crity Awards

Golden Oak 12th Crity Awards was presented in 31 different categories under the segment of mainstream Advertisement Creativity, Technical and Campaign Category for work done from April 14, 2019 to the end of 2021.





1 Event **700+** Crowd



13 televisions promotions on 13 major television channels. 330 spots per channel was run during the promotional period.



16 online portals Title Sponsor announcement Press release major, **13 carried online portals**.



10 led screens, 10 spots per screen was broadcast. Total spots during the promotion period was **1,320**.



11 newspaper carried Title Sponsor announcement; Press release on **11 Daily Newspapers**.



Human Resource Management

HDL has 274 staff members with 87 in management positions. It has robust procedures for human resources management and provisions for regular capacity building opportunities for staffs. This fiscal year the company provided 25 trainings involving 335 people.

HDL recognizes the value of quality human resources for driving progress and has an extensive policy to facilitate the management this important resource. All vacancies are filled competitively and transparent, and in accordance with the company's employment policies. HDL is also open to headhunting and hiring talent, and also has provisions for rehiring former employees, as required. The recruitment approach adopted is one that provides value for money and time spent. All employees are provided detailed job descriptions that provide a basis for regular performance assessments.

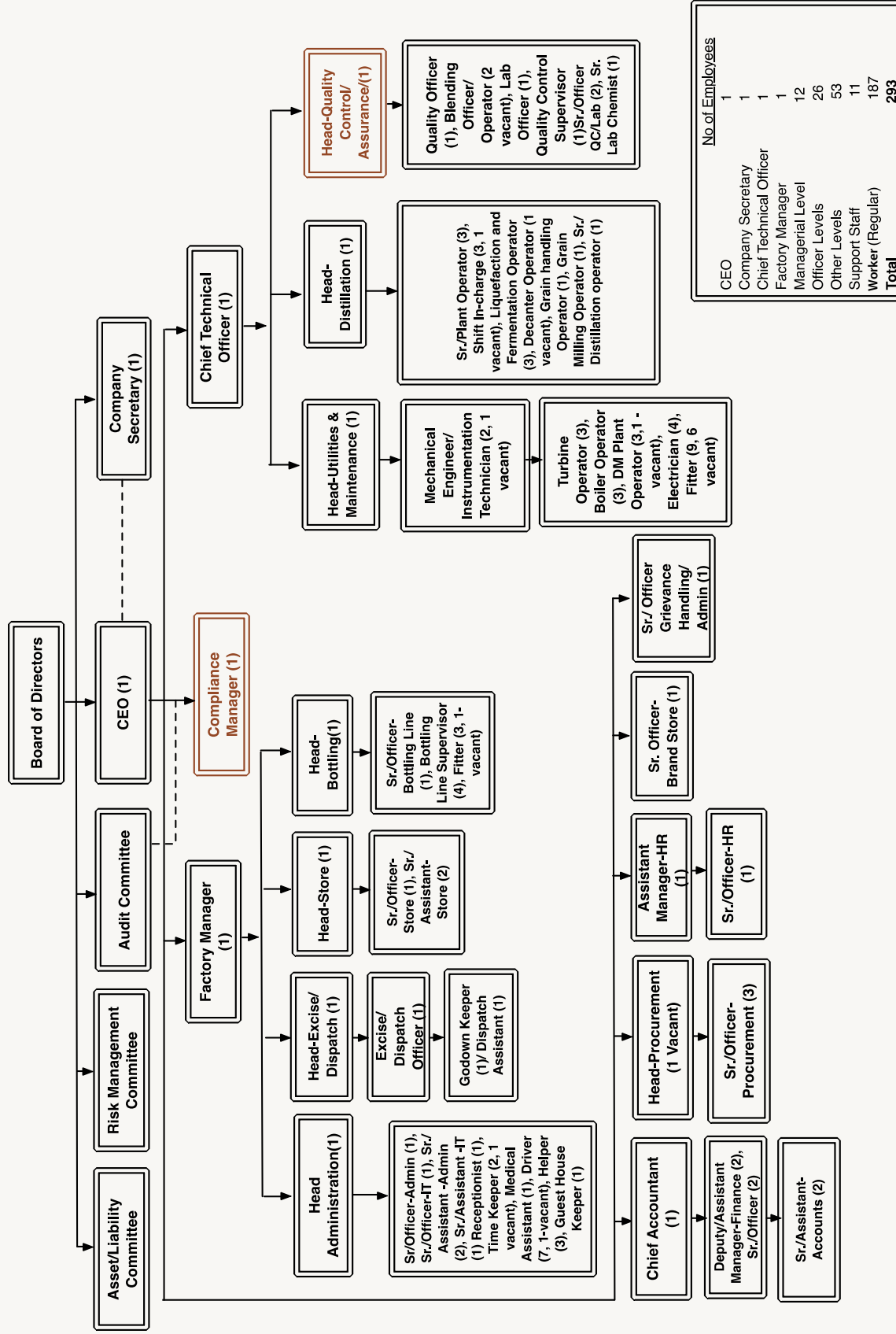
Employment rules at HDL are comparable, if not more employee-oriented compared to other companies and are also compliant with the provisions of the labor law. The company also allows time for mothers with children under six months extra time to breastfeed babies. Male employees are also eligible for paternity leave.

The company prepares and reviews annual training and staff development plans, which are the basis for providing training to employees at the expense of the company.

Company provided
25 Trainings
involving 335 personnel



Organization Chart



No. of Employees	
CEO	1
Company Secretary	1
Chief Technical Officer	1
Factory Manager	1
Managerial Level	12
Officer Levels	26
Other Levels	53
Support Staff	11
Worker (Regular)	187
Total	293

Employees

HDL has 274 staff members, 87 in management positions. It has robust procedures for human resources management and provisions for regular capacity building opportunities for staffs. This fiscal year the company provided 25 trainings for 335 personnel.

EQUAL OPPORTUNITY EMPLOYER

HDL is an equal opportunity employer. It does not discriminate on the basis of caste, ethnicity, color, religion, sex, age, and disability and provides everyone an equal opportunity to work at the company. It is a discrimination-free workplace and all employees with discrimination-related grievances are encouraged to report incidents to the supervisor for redress through the grievances handling mechanism.

The company has a transparent hiring process that includes tests of required knowledge and skills, practical assessments, and reference checks. The recruitment process is handled by the Recruitment Committee. All new employees are required to participate in the on-boarding process for becoming familiar with the company's vision, mission and goals, operations, systems and practices, Code of Conduct, and expected staff behavior.

The company carries out performance evaluations of all staff on a quarterly basis. This provides a basis for identifying candidates for training, incentives, counselling and promotions. These tasks are carried out by the Promotions Committee.

HEALTH AND SAFETY

HDL places high importance to health and safety of employees. All employees are required to abide by all safety rules and processes to avoid accidents or damages. Employees are required to have read the safety guidelines at the workstations and comply with the provisions. Employees found in violation of guidelines are subject to disciplinary action. The company has provided appropriate personal protective equipment that employees engaged in certain processes are mandatorily required to use.

GRIEVANCE HANDLING

All grievances are handled by a committee comprised of the CEO, Grievance Handling Officer and the Head of HR, legal and the concerned department. There are established procedures for submitting grievances and specific timeline within which each of the responsible units in the company are required to take decisions. All appeals to decisions on grievances can be made to the CEO, whose decision is final.







Products & Services

The history of Oak barrels goes centuries back in history. Thanks to its natural attributes, a generous amount of time in oak barrels provides malts the refined tastes that we know and love. As the legacy of Oak continues, so does its ancient tradition of blended malts. It is a craft, perfected through generations.

The Oak family is not unknown to all who seek sophistication and aim for a premium experience. Throughout history Oak matured beverages have been known to people who live life to the fullest, celebrating every moment and triumph that comes their way.

Key Market Trends Impacting Consumption

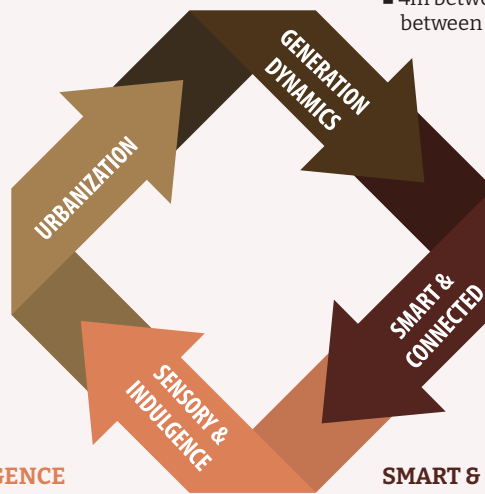
URBANIZATION

Beer brand positioning & brand build-out for operational profit and initiating certain line extensions for key growth areas.

Opportunities to expand distribution to other geographies.

GENERATION DYNAMICS

- Male median age is estimated at 20.7 years
- Female median age is estimated at 22.5 years
- 10.5m under 18 years
- 4m between 19-24 years 3. 11.5m between 25-54 years



SENSORY & INDULGENCE

Explore opportunities around premium rum industry, premium gin industry and soft drinks.

Opportunity for a strategic investor to leverage JGI's unique national distribution infrastructure and keep consumer expertise for alcohol brands also extensions such as water, soft drinks, energy drinks and other consumer beverages.

SMART & CONNECTED

- C.100% Mobile penetration
- 13m active social users, 30% growth in 2021 vs 2020
- 10m internet users
- 13m social media users
- Tiktok and facebook are the most visited apps in Nepal.

Bottling Unit

The company's distillation and bottling takes place at the factory in Birjung, Parsa District. All products at the factory are manufactured under the supervision of an Excise Inspector. All products are tested at the company's laboratory prior to sending them to the market.



Our Products

BLACK OAK

TYPE: Premium Blended Malt

STRENGTH: 34.23% v/v

SKU: 750 ml - Sold in a canister with tamper - proof closure, 375 ml and 180 ml also sold with tamper - proof closure

KEY SELLING POINTS

- Extra matured in oak casks
- Blended with Nepali grain spirits
- Smokey and Oaky taste
- Premium packaging

SERVING

Neat or on the rocks

Black Oak is meticulously crafted to perfection. Blended with domestic grain spirits, it is bottled, aged, and blended in Nepal. The secrets to the greatness of Black Oak are the premium malts and grain spirits double matured in charred Sherry Oak casks.

Rich in fruity flavors, charred oak contributes

to a refined palate of nuttiness, delicious woody fragrance, and a velvety deep peat smoky finish. Black Oak comes neatly bound in a premium package that preserves its fine smoky taste. This malt serves as the excellent concoction for those who aspire to be a class apart.

A truly extraordinary blend with an outstanding taste, Black Oak is a creation fit for perfectionists. It has an aura of elegance that caters to those who believe in impeccable details of life.

Black oak is a widely appreciated premium blended malt available all over Nepal. It comes in 40UP segment in 180ml and 375ml bottle. Its 750ml bottles in an aesthetically pleasing canister that compliments its extraordinary flavor.



MARKET SHARE

+7.3%

of total whisky segment



GOLDEN OAK

TYPE: Premium Blended Malt

STRENGTH: 34.23% V/V

SKU: 750ml - with tamper-proof closure. 375ml - and 180ml and also sold with with tamper-proof closure

KEY SELLING POINTS

- Matured in Oak casks
- Blended with Nepali grain spirits
- Original taste
- Premium packaging

An exceptionally innovative blend – Golden Oak – combines a tasteful balance of exotic aromatic flavors. This magnificent perfection is specially crafted with selected Nepali grain spirits and premium hand-picked malts, matured in American Oak casks.

Golden Oak has a profound flavor that unravels a taste like no other. It is an excellent choice for the wise and decisive who aim to achieve. Each sip blossoms into a smooth surprise of exotic dried fruits, toasted vanilla, and smoked cereals.

The flavor is followed by long, lingering finish of Oak wood casks, igniting the passion to keep moving ahead in the journey of life.

Golden Oak is the highest selling liquor brand in Nepal, omnipresent in the market in 40UP segment and available in 180ml, 375ml, and 750ml bottles. Its premium taste with value for money caters to all who appreciate making moments memorable. This product has been achieving big sales growth continuously for last two years - 1 million cases of gross sales in FY 2021/22. New packaging in mono-carton cases along with our new label design boasts a premium feel, serving customers specially during festivals and celebrations. We continuously aspire to keep the fine tradition of premium blended malts to deliver superior taste going forward.

MARKET SHARE

+58.7%

of total whisky segment

BLUE OAK

TYPE: Premium Blended Malt

STRENGTH: 34.23% v/v

SKU: 750 ml - Solid in a canister with tamper - proof closure. 375 ml - and 180 ml also sold with tamper - proof closure

KEY SELLING POINTS

- Matured in Charred Sherry and American Oak casks. Blend of the rarest malts, double smoked and Oaky taste
- Premium packaging

SERVING

Neat or on the rocks.

The rich culture and history of the Oak family continues with the Blue Oak. This is a blend that appreciates the tradition of the mystic Himalayas of Nepal. We promote Blue Oak as the drink to celebrate victories that bring joy in life.

An invigorating blend of the rarest malts and grain spirits, Blue Oak relishes a gloriously fine blend of charred Sherry and American Oak. To add to its complexity, Blue Oak is

double smoked to achieve a distinct taste with a velvety smooth finish. A premium blended malt crafted to perfection, its peaty aroma with hints of baked fruits and spicy wood shaving, encapsulate a taste that is unforgettable.

This is the drink for dreamers, innovators, and those who create their own path. It is also a signature of their personality. Its aromatic flavors along with its fine blend of Oak is a match made in heaven for those who seek peace and serenity.

Blue Oak is available only in major cities and towns of Nepal in 180ml and 375ml bottles. Its 750ml version comes in an enclosed bottle worthy of the finest celebration. The blended malt is a taste of extravagance for those with a 40UP preference and reserved specially for victories.



MARKET SHARE

+0.3%

of total whisky segment



HIMALAYAN AILA

TYPE: Premium Blended Malt

STRENGTH: 34.23% v/v

SKU: 750 ml - Solid in a canister with tamper - proof closure 375 ml and 180 ml also sold with with tamper - proof closure

Himalayan Aila is an indigenous Nepali liquor with unique frosted bottling and a strength of 48.5% (V/V). Aila is a signature drink of Newars, the original inhabitants of Kathmandu Valley, and even the name is a Newari one.

Besides being served during Newari feasts, it is also offered to God and Goddess as an expression of purity.

The Himalayan Aila has been blended to give connoisseurs its purest nature, unmistakable thrilling strength, and robustness comparable to the ancient traditional Aila made from the finest Basmati rice. Aila, despite the high alcohol content, is preferred to be drunk neat or on the rocks.

ROYAL TREASURE

TYPE: Premium Whisky

STRENGTH: 42.8% v/v

SKU: 750ml - Sold in a mono carton with tamper-proof closure. Also available in 375ml and 180ml.

KEY SELLING POINTS

- Deep and smooth taste
- Blended with handpicked grain spirits and imported Scottish malts
- Taste of royalty from start to finish
- Premium packaging

SERVING

Neat, on the rocks or as whisky cocktails

Royal Treasure Premium Whisky is a smooth, complex blend of golden Scottish malts and handpicked grain spirits from Nepal. This is a delicious smoky bouquet with a rich creamy body.

MARKET SHARE

+0.1%

of total whisky segment





BOILERS
(4 TPH &
12 TPH)

DM
PLANT

TURBINE
HOUSE
(0.5 MW)

KEY UTILITIES

Distillation Unit

Apart from bottling unit, HDL also has a world-class distillation facility with the capacity for further expansion. The 30 KLPD distillation plant at HDL was designed by KATZEN (USA) and has the capacity to produce six million liters of extra neutral alcohol (ENA).

The distillation process begins with proper storage of grains, pre-cleaning, and testing grain quality before it is milled for further processing. The next steps are

liquefaction of the flour and conversion of the slurry into sugar for fermentation into alcohol.

The entire process has a built-in quality control process, including a number of laboratory tests of the samples, before the product is ready for the market. The tests are carried out at the company's own modern laboratory, which have been certified by NABL (India).

HDL is one of the few liquor manufacturing companies in Nepal with both the distillation and bottling facility.



* HDL produces via a state-of-the-art 30 KLPD distillation plant design by KATZEN (USA) for high quality potable ENA. Capacity: 6 million liters.

* Stringent quality control is performed at multiple levels through different lab analyse in a highly advanced laboratory (approved by NABL, India)

Year	Production Quantity	
	ENA (Bulk Liter '000')	Finished Goods (Cases '000')
2017-18	5,961	826
2018-19	3,527	810
2019-20	3,059	539
2020-21	4,072	642
2021-22	4,971	678



12/31/2015	1.0000
12/31/2016	1.0000
12/31/2017	1.0000
12/31/2018	1.0000
12/31/2019	1.0000
12/31/2020	1.0000
12/31/2021	1.0000
12/31/2022	1.0000
12/31/2023	1.0000
12/31/2024	1.0000
12/31/2025	1.0000
12/31/2026	1.0000
12/31/2027	1.0000
12/31/2028	1.0000
12/31/2029	1.0000
12/31/2030	1.0000
12/31/2031	1.0000
12/31/2032	1.0000
12/31/2033	1.0000
12/31/2034	1.0000
12/31/2035	1.0000
12/31/2036	1.0000
12/31/2037	1.0000
12/31/2038	1.0000
12/31/2039	1.0000
12/31/2040	1.0000
12/31/2041	1.0000
12/31/2042	1.0000
12/31/2043	1.0000
12/31/2044	1.0000
12/31/2045	1.0000
12/31/2046	1.0000
12/31/2047	1.0000
12/31/2048	1.0000
12/31/2049	1.0000
12/31/2050	1.0000

हिमालयन डिष्टिलरी लिमिटेड

विरगञ्ज महानगरपालिका वार्ड नं. २१, लिपनिवित्ता, पर्सा, नेपाल

आदरणीय शेयरधनी महानुभावहरू,

यस कम्पनीको मिति २०७९ साल मंसिर ९ गते शुक्रबार बिहानको ११:३० बजे बसेको संचालक समितिको बैठकको निर्णयानुसार कम्पनीको वार्डसौं वार्षिक साधारण सभा देहायका विषयहरूमा छलफल र निर्णय गर्नका लागि निम्न मिति, स्थान तथा समयमा बस्ने भएको छ।

छलफलका विषयहरू :

क. सामान्य प्रस्तावहरू :

१. संचालक समितिको तर्फबाट साधारण सभामा पेश हुने वार्षिक प्रतिवेदनलाई पारित गर्ने।
२. कम्पनीको आ.व.२०७८/०७९ को वासलात, नाफा-नोक्सान हिसाब र नगद प्रवाह हिसाब सहितको लेखा परीक्षण प्रतिवेदनलाई स्वीकृत गर्ने।
३. यस कम्पनीको सहायक कम्पनी हिमालयन मल्टी एग्री लि. र हिमालयन फिसरीज लि.को आ.व. २०७८/०७९ को वित्तीय विवरण सहितको एकिकृत (Consolidated) वित्तीय विवरण उपर छलफल गरी स्वीकृत गर्ने।
४. संचालक समितिले सिफारिस गरे बमोजिम हाल कायम चुक्ता पूँजीको १० प्रतिशतले हुने नगद लाभांश रु. १५,१८,४७,९१५।६३ (अक्षरूपी पन्ध्र करोड अठार लाख सत्चालिस हजार नौ सय पन्ध्र रुपैया त्रिसठ्ठी पैसा मात्र) (लाभांश कर प्रयोजनार्थ समेत) वितरण गर्न स्वीकृत गर्ने।
५. आ.व. २०७९/०८० का लागि लेखा परीक्षकको नियुक्तिका सम्बन्धमा लेखा परीक्षण समितिबाट समेत सिफारिस भई आएका जी. पौडेल एण्ड एसोसिएट्स, चार्टर्ड एकाउन्टेन्ट्सलाई नियुक्ती गरी निजको पारिश्रमिक निर्धारण गर्ने (सिफारिस भएका जी. पौडेल एण्ड एसोसिएट्स, चार्टर्ड एकाउन्टेन्ट्स नियुक्तीका लागि योग्य हुनु हुन्छ)।
६. कम्पनीको नियमावली बमोजिम संचालक समितिले नियुक्त गरेका स्वतन्त्र संचालकको नियुक्तीलाई अनुमोदन गर्ने।
७. संचालक समितिको सदस्यहरूको बैठक भत्ता बृद्धि गर्ने।

ख. विशेष प्रस्तावहरू:

८. संचालक समितिले प्रस्ताव गरे बमोजिम हालको चुक्ता पूँजीको ६० प्रतिशत (कायम १० शेयरमा ६ बोनस) का दरले हुने रु ९१,१०,८७,४९३।७५. (अक्षरूपी एकानब्बे करोड दश लाख सतासी हजार चार सय त्रियानब्बे रुपैया, पचहत्तर पैसा मात्र) वरावरको बोनस शेयर वितरण गर्न स्वीकृत गर्ने।
९. कम्पनीको साविकको अधिकृत पूँजी रु. १,६०,००,००,०००।०० (अक्षरूपी एक अरब साठी करोड मात्र) बाट रु. २,५०,००,००,०००।०० (अक्षरूपी दुई अरब पचास करोड मात्र) गर्ने र बोनस शेयर वितरणबाट साविकको चुक्ता पूँजी रु. १,५१,८४,७९,१५६।२५ (अक्षरूपी एक अरब एकाउन करोड चौरासी लाख उनान्असी हजार एक सय छपन्न रुपैया पचिस पैसा मात्र) लाई वृद्धि गरी रु. २,४२,९५,६६,६५०।०० (अक्षरूपी दुई अरब बयालिस करोड पन्चानब्बे लाख छैसठ्ठी हजार छ सय पचास रुपैया मात्र) हुने हुनाले सो अनुसार कम्पनीको प्रवन्ध पत्रको दफा ५(क),(ख),(ग) तथा नियमावलीको नियम ५(क), (ख), (घ) र (ङ) मा संसोधन गर्ने।
१०. कम्पनीको प्रवन्ध पत्र तथा नियमावलीमा हुने संसोधन सम्बन्धमा नियमनकारी निकायबाट कुनै फेरवदल सुभावा आएमा सो अनुसार गर्न संचालक समितिलाई अख्तियार प्रदान गर्ने।
११. आ.व. २०७९/०८० को लागि कम्पनी ऐन २०६३ को दफा १०५ (ग) ले व्यवस्था गरे भन्दा वढिको खर्चलाई पूर्व स्वीकृतीको लागि विशेष प्रस्ताव पारित गर्ने।
१२. विविध।

मिति : २०७९ पौष २७ गते, बुधवार (तदनुसार ११ जनवरी सन् २०२३)

स्थान : कम्पनीको रजिष्टर्ड कार्यालय, विरगञ्ज महानगरपालिका वार्ड नं. २१, लिपनिवित्ता, पर्सा।

समय : बिहान ठिक १०:०० बजे

साधारण सभा सम्बन्धि जानकारी :

१. शेयरधनी महानुभावहरूको सुविधाको लागि हाजिरी पुस्तिका सभास्थलमा सभा हुने दिन विहान ९:०० वजे देखि सभा संचालन रहे सम्म खुल्ला रहने छ । विश्वव्यापी रूपमा फैलिएको कोरोना भाईरस(कोभिड-१९) को कारण सभामा उपस्थित हुदा स्वास्थ्य सम्बन्धि मापदण्ड पालना गरी सभास्थलमा उपस्थित भई दिन हुन अनुरोध छ ।
२. शेयरधनी महानुभावहरूको जानकारीका लागि यस कम्पनीको संक्षिप्त आर्थिक विवरण यसै सूचनासंग प्रकाशित गरिएको छ । संक्षिप्त आर्थिक विवरण लगायतका वार्षिक साधारण सभामा पेश हुने सम्पूर्ण प्रस्तावहरू कम्पनीको Website: www.himalayandistillery.com मा पनि हेर्न सकिने गरि राखिएको छ ।
३. साधारण सभामा भाग लिन प्रतिनिधि नियुक्ती गर्दा प्रोक्सी पत्र साधारण सभा हुनु भन्दा ४८ घण्टा अगावै विरगन्ज, पर्सा स्थित कम्पनीको रजिस्टर्ड कार्यालयमा प्रोक्सी दर्ता गराउनु पर्नेछ । प्रोक्सी दर्ता गरि सके पछि सो वदर गराउन चाहेमा सो को सूचना २४ घण्टा अगावै प्रोक्सी दर्ता गरेको स्थानमा लिखित निवेदन दर्ता गर्नु पर्नेछ । प्रतिनिधि मुकरर गर्दा केहि शेयर आफै संग बाकी राखि प्रतिनिधि मुकरर गर्न पाईने छैन । सम्पुर्ण शेयरको लागि एकै व्यक्तिलाई प्रतिनिधि मुकरर गर्नु पर्नेछ । प्रतिनिधि मुकरर गर्ने शेयरधनी सभामा स्वयं उपस्थित भएमा उक्त मुकरर गरिएको प्रतिनिधि (प्रोक्सि) स्वतः रद्द हुनेछ ।
४. वार्षिक साधारण सभामा भाग लिन आउनु हुने शेयरधनी महानुभावहरूले हितग्राही खाता खोलिएको (डिम्याट)/शेयर प्रमाण पत्र वा आफ्नो परिचय खुल्ने प्रमाण वा सोको प्रतिलिपी साथमा लिई आउन हुन अनुरोध छ, अन्यथा सभा कक्ष भित्र प्रवेश गर्न दिईने छैन
५. संरक्षक रहनु भएका शेयरधनी महानुभावहरूको तर्फबाट कम्पनीको शेयरधनी दर्ता कितावमा संरक्षकको रूपमा नाम दर्ता भएको व्यक्तिले सभामा भाग लिन वा मतदान गर्न वा प्रतिनिधि(प्रोक्सी) तोक्न सक्नेछ ।
६. संयुक्त नाममा शेयर रहेको भए शेयर लगत कितावमा पहिले नाम उल्लेख भएको व्यक्ति वा सर्व सम्मतबाट प्रतिनिधि नियुक्त गरिएको एक व्यक्तिले मात्र सभामा भाग लिन पाउनेछ ।
७. प्रतिनिधि (प्रोक्सी)नियुक्त गर्ने व्यक्ति कम्पनी वा संगठित संस्था भएमा त्यस्तो नियुक्ती पत्रमा सो संस्था वा कम्पनीको छाप सहित अधिकृत व्यक्तिको दस्तखत भएको हुनु पर्नेछ । संस्थागत शेयरधनी बाहेक अरुले यसरी प्रतिनिधि(प्रोक्सी) नियुक्त गर्दा कम्पनीको अर्को शेयरधनीलाई मात्र गर्नु पर्नेछ ।
८. शान्ती सुरक्षाका कारण साधारण सभामा उपस्थित हुने शेयरधनी महानुभावहरूलाई यथासक्य भोला, व्याग आदि नल्याई दिनुहुन अनुरोध गर्दछौं । सभामा सुरक्षाका लागि खाटएका सुरक्षाकर्मीहरूले साधारण सभाकक्षमा प्रवेश गर्दा सवैको भोला, व्याग, आदि जाच गर्न सक्नेछन् ।
९. विविध शिर्षक अन्तर्गत छलफल गर्न ईच्छुक शेयरधनीहरूले सभा हुनु भन्दा सात दिन अगावै छलफलको बिषय खोलि कम्पनी सचिव मार्फत लिखित रूपमा संचालक समितिका अध्यक्षलाई जानकारी दिनु पर्नेछ ।
१०. सभामा आक्तनो मन्तव्य वा जिज्ञासा व्यक्त गर्न चाहनु हुने शेयरधनी महानुभावले सभाध्यक्षले तोकेको समयमा एक एक गरि पालो पालो मिलाई मन्तव्य वा जिज्ञासा व्यक्त गरि दिनु भई सहयोग गरि दिनु हुन अनुरोध छ ।
११. शेयरधनीले ब्यक्त गरेको मन्तव्य वा प्रश्नहरूका सम्बन्धमा संचालक समितिका एकल सदस्य वा सामुहिक रूपमा वा सभाध्यक्षको निर्देशनमा कम्पनी व्यवस्थापनका प्रतिनिधिहरूले जवाफ दिनु हुनेछ ।
१२. वार्षिक साधारण प्रयोजनका लागि कम्पनीको शेयर दर्ता किताव मिति २०७९ साल पौष २० गतेका दिन बन्द हुनेछ । नेपाल स्टक एक्सचेन्ज लिमिटेडमा दर्ता किताब बन्द हुनु भन्दा अगाडी कारोवार भई शेयर खरिद गरेका र नियमानुसार शेयर नामसारी भई आएका शेयरधनीहरू वाईसौं वार्षिक साधारणसभामा भाग लिन र सो सभाबाट निर्णय भए बमोजिम नगद लाभांस तथा बोनस शेयर पाउन योग्य हुने यसै सूचनाबाट अवगत गराईन्छ ।

आज्ञाले,
कम्पनी सचिव

साधारण सभामा आफ्नो प्रतिनिधि नियुक्त गर्ने निवेदन (प्रोक्सी फारम)

(कम्पनी ऐन २०६३ को दफा ७१ को उपदफा(३) संग सम्वन्धित)

श्री संचालक समिति,
हिमालयन डिष्टिलरी लिमिटेड
पर्सा, विरगञ्ज ।

बिषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला न. पा. /गा.पा. वडा नं बस्ने म/हामी ..
.....ले हिमालयन डिष्टिलरी लिमिटेडको शेयरवालाको हैसियतले
संवत् २०७९ साल पौष गतेवारका दिन हुने वाईसौं वार्षिक साधारण सभामा म/हामी स्वयं उपस्थित भई छलफल तथा
निर्णयमा सहभागी हुन नसक्ने भएकोले मेरो/हाम्रो तर्फबाट भाग लिनका लागिजिल्ला
..... म.न.पा/उप.म.न.पा./ न.पा./गा.पा. वडा नंबस्ने त्यस कम्पनीका शेयरवाला श्री
..... लाई मेरो/हाम्रो प्रतिनिधि नियुक्ती गरी पठाएको छु/छौं ।

प्रतिनिधि नियुक्त भएको ब्यक्तिको
हस्ताक्षरको :
शेयरधनीको नाम:
हितग्राही खाता नं.:
मिति:

निवेदक,
हस्ताक्षर :
नाम:
ठेगाना :
शेयर प्रमाण पत्र नं. :
हितग्राही खाता नं.
शेयर शंख्या :

नोट : यो निवेदन साधारण सभा हुनु भन्दा कम्तिमा ४८ घण्टा अगावै कम्पनीको रजिष्टर्ड कार्यालय विरगञ्ज म.न.पा. वार्ड नं. २१,
लिपनिविर्ता, पर्सामा पेश गरि सक्नु पर्नेछ । एक भन्दा बढी प्रोक्सीमा नाम उल्लेख गरेमा प्रोक्सी फारम रद्द गरिने छ ।

हिमालयन डिष्टिलरी लिमिटेडको वाईसौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको

प्रवेश-पत्र

शेयरधनीकोनाम.....शेयरधनीनं./हितग्राहीखातानं.....
शेयरधनीको सही प्र.प.न. शेयर संख्या नंदेखि
सम्म जम्माथान ।
हिमालयन डिष्टिलरी लि.को मिति २०७९/०९/२७ गतेका दिन हुने वाईसौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको
प्रवेश-पत्र ।

.....
(कम्पनी सचिव)

द्रष्टव्य : शेयरवाला आफैले खाली कोष्ट अनिवार्य रुपमा भर्नुहोला ।
(सभाकक्षमा प्रवेश गर्न यो प्रवेश-पत्र अनिवार्य रुपमा प्रस्तुत गर्नुपर्नेछ)



Himalayan Distillery







22nd Annual General Meeting

Directors' Report

Dear Shareholders,

We warmly welcome all of you attending this 22nd Annual General Meeting of Himalayan Distillery Limited. We will bring to you the company's financial statements, including balance sheet, profit and loss account, and cash flow statement for Fiscal Year (FY) 2021/2022 for your approval. We also request you to thoroughly discuss the agenda of this meeting prior to approval.

On behalf of the Board of Directors, I would like to present here the review of the main activities carried out by the company last year and the future programs we have.

1. Overview of business for the fiscal year 2021/2022:

A brief description of the business done by the company in financial year 2021/2022 follows:

(In NPR)

PARTICULARS	FY 2021/2022
Net Sales	4,059,119,963
Gross Profit	2,486,754,628
Operating profit	1,476,719,901
Profit before tax	1,419,734,848
Profit after tax	1,056,940,486

Golden Oak
Production Qty (2021/22)

533,796

Black Oak
Production Qty (2021/22)

135,973

Blue Oak
Production Qty (2021/22)

8,256

1. In terms of sales and distribution, Golden Oak has remained the main brand of the company for the past few years. In the course of the continuous expansion of the brand portfolio, our Black Oak brand has been gradually taking its place in the market. During brand development we have also been trying to establish the Black Oak brand, whose production and distribution began in the last quarter of F.Y. 2020/2022. We would like to inform you that the company has succeeded in increasing its business by expanding and diversifying this kind of brand.
 2. The liquors produced by this company – Golden Oak, Black Oak and Blue Oak – are the choice of the consumers. But they have been produced and distributed under different names in low quality and strength by using bottles with the names printed on them that are different but resemble our brands. We have also filed a complaint with the Department of Industry under the Patent, Design and Trademark Act, 1965 against the industry that has been found to be doing the same. We have also informed them about this by publishing it in our quarterly report.
 3. During this period, there has been a severe shortage of liquidity crunch and bank interest has increased. Infections from the third wave of the COVID pandemic still linger, to adapt to which the management has remained very sensitive and careful in production and sales and distribution. It has also adopt thriftiness in operating expenses. Through these measures we have managed to increase the sales income. As result, the company was able to earn a net profit of Rs. 1,056,940,486 (One billion fifty-six million nine hundred forty thousand four hundred eighty-six), a one percent increase made possible by frugality in administrative and financial expenses.
- (b) Further, the credit crunch at banks and financial institutions disrupted the flow of business loans as well as the production, sales and distribution of the goods, including the work related to alcohol business partners, distributors, wholesalers, and retailers. In short, all these had negative impact on alcohol business.
 - (c) Due to the increase in the price of raw materials used by the industry, the continuous increase in the price of fuel, the increase in excise duty rate of the Government of Nepal and the changes in the foreign currency exchange rate increased the cost of production of manufactured goods. The price of readymade liquor has also been increased accordingly and because income-earning economic activities have almost stagnated in the market, there has been a decline in disposable income of consumers. Further, new liquor industries have also been established and as the number of the competition continues to increase their various brands are also reaching the markets, the operating environment has become very competitive. This has affected the consumption, sales and distribution of alcohol.
 - (d) Increase in the exchange rate of foreign currency, unstable bank interest rates and rising fuel price have also caused transportation cost to increase. Further, these have caused the prices of raw materials, packaging materials, machines, machine parts, etc., to also increase continuously and all of this has affected the production cost of the industry. This has made it difficult to maintain a balance between the prices of the products and the purchasing power of consumers.
 - (e) In addition, neighboring India had stopped the import of broken rice for some time. This caused some problems in the arrangement of raw materials. Broken rice is also subject to a 20 percent customs tariff, which has affected the price of the produced goods.

2. The impact of the national and international situation on the business of the company

- (a) This year, the third wave of Covid-19 and the effects of previous infections made it difficult to run the business smoothly.

- (f) We would also like to inform the meeting consumer preference has begun shifting to softer drinks (beer, for example). As result, we have noticed an increase in the business of beers while there has been a decrease in liquor business.
- (g) Despite various problems and challenges, the management has been operating the industry and selling and distributing the manufactured goods with high business efficiencies.
- (h) There is, however, still a market risk that could affect the sales and distribution of liquor, until the credit crunch eases.
- (i) Finally, I would like to inform you that the company's performance would have been much better had the above issues and circumstances not been there.

3.Opinion of the Board of Directors regarding the achievements of the current year and the future up to the date of the report

- (a) There has been some increase in the amount sales in the first three months of the F.Y. 2022/2023 compared to the first three months of F.Y. 2021/2022. The details on sales are provided in the detailed tables.

Month	In NPR	
	FY 2021/22	FY 2022/23
Mid-July to Mid-October	696,550,740	755,756,506

- (b) With the aim of increasing market share of our products, we have paid special attention to quality and market management and promotion. We have studied and analyzed the markets (mountainous, Himalayan and Terai) throughout the country and appointed distributors to continue with the sales function.
- (c) The company has also undated international quality certification related to the quality of products, liability towards environment, health and safety in the workplace, etc. like ISO 22000:2018 (Food Safety Management System Standard), ISO 45001:2018 (Occupational Health and Safety Management System Standard), ISO 9001:2015 (Quality Management System Standard), ISO 14001:2015 (Environmental Management System

- Standard), and Green Existing Building. The company is also always ready to increase the productivity and quality by arranging trainings for the career development of employees and for fulfilling the responsibility towards the society and the environment. We hope that this will increase the confidence of the general public and the regulatory bodies towards the company.
- (d) Keeping the main business of the company at the center, we have been working continuously by adopting frugality in expenses in areas identified as unproductive. The company will continue to spend on activities that have the potential to increase income. Since the company's spirit production plant is old, it needs a lot of capital for maintenance and repairs, modifications, and effluent management / automation. The process of demanding cost from various suppliers has been initiated to see how the costs can be reduced. We aim to complete the work of selecting the supplier in the current F.Y. and complete the work within the next F.Y. Further, since the aforementioned tasks could take time to be completed, we are also looking for alternative solutions to ensure that the production is not disrupted.
- (e) In order to maintain harmony and functional unity between the workers in the factory and the management, as in the previous years, the work of providing unity and motivation to factory workers through programs such as training, seminars, gatherings, and picnics will be continued. We believe that these activities will have a positive impact on productivity growth by creating more synergy between the human resources at the company.
- (f) From the profit earned by the company last year, we have spent NPR 10,185,000 in corporate social responsibility (CSR) in the areas specified in Industrial Enterprises Act. The company will continue its business and CSR activities in the current fiscal year as well.
- (g) We are also studying the production of an additional brand of liquor to assist in the company's business expansion.
- (h) The various brands of liquor produced and sold by the company has had a positive effect on the

company's business. Due to this, the sellers at different levels were also able to diversify the brand and expand their businesses. With this, we hope that business relations with the national distributors, distributors, wholesalers, retailers, and consumers will be strengthened, and the trust in the company's quality products will increase.

4. Industrial and business-related matters

- (a) We are working on strengthening the relationship with the national distributors, distributors, wholesalers, and retailers of the various brands of liquor produced by the company, and with consumers who prefer our brands through social, cultural, and business partnerships. While always acting in compliance with the law and transparently, we have good relations with the regulatory bodies such as the Department of Industry, Inland Revenue Department, Department of Customs, Office of the Company Registrar, Securities Board of Nepal, Nepal Stock Exchange Limited and others, and banks and financial institutions that invest in this company. We will continue towards maintaining very good relations with regulators, partners and investors.
- (b) In order to ensure smooth supply of necessary raw materials and packaging-related materials, this year we also plan to search for alternative suppliers, evaluate the quality and prices of the goods used and identify them accordingly. The company is always working with the expectation that the supply and quality of inputs will benefit the company in the long run and the prices will also be reasonable.
- (c) As the main raw material of spirit is broken rice, it is a seasonal product, so its proper management and storage is done in silos. The company is confident that broken rice will be easily stored and there will be no shortage in the future.
- (d) It has been learned that the polluted liquid effluent discharged from the industry should be studied by specialists in order to work more cautiously and progressively with the aim of achieving zero discharge. Keeping in view the need to fully comply with the prevailing laws and our social responsibility towards environmental pollution, we have been maintaining our Effluent Treatment Plant regularly. In addition, we have also been taking reasonable returns from the operation of the decanter connected with the production of wet cake to reprocess the wasted items and benefit from them. We would like to inform you that we have continued to build the necessary infrastructure in accordance with the goal of making the company's operations technology-friendly in the changing environment.
- (e) We have been participating in various seminars, conferences, meetings and discussions of various associations, organizations, and government agencies and continuously advocating for industry-friendly policies.
- (f) Under CSR, as in previous years, the company has prioritized responsibility towards the environment and society. For this, the company has been working in coordination with the relevant agencies of the Government of Nepal and local government agencies, local clubs, social organizations, sports-related areas, and related stakeholders to protect cultural heritage. We have the goal to continue such work.

5. Changes in Board of Directors and reason thereof

We have proposed the appointment of independent directors that have fallen vacant during the reviewed period for approval in this general meeting.

6. Major matters affecting the business

- (a) Supplies, production and sales and distribution has been adversely impacted due by foreign currency accumulation in the banking and financial sector, contraction of commercial lending, increase in interest rates, high increases in fuel prices and price increases in transportation. We believe this will not improve in the current fiscal year.
- (b) Further, we have observed tendencies to imitate the brands of this company with the aim of luring the consumers to cheaper, low-quality products, which has affected the business.
- (c) The risk of competition has increased due to the large number of new products in the market.
- (d) Due to the high increase in the internal duty rate of the government, the price of goods has increased significantly, but the purchasing power of the consumer has decreased. The imbalance in consumption and sales distribution is likely to have an adverse effect on our business.
- (e) Further, the lack stability in policies and rules is also likely to impact the business.
- (f) Since most of the raw materials and packaging materials have to be imported from abroad, it takes time and cost to import and receive them at the production site.

7. Response to remarks on Auditor's Report, if any: -

There were no remarks in the Auditor's Report.

8. Recommendation for bonus share and cash dividend

For the year ended 16th July 2022 (32nd Asadh 2079), the Board of Directors has proposed to distribute a cash dividend of 10 percent of the existing paid-up share capital to shareholders of the company, which amounts to Rs. 151,847,915.63 (One hundred fifty-one million eight hundred forty-seven thousand nine hundred fifteen and paise sixty-three only) (including dividend tax). Further, the Board has proposed to distribute bonus shares at the rate of 60 percent of the current paid-up capital (6 bonus shares for 10 existing shares) amounting to Rs. 911,087,493.75 (Nine hundred eleven million eighty-seven thousand four hundred ninety-three and paise seventy-five only). We request the Board of Directors to include the presented recommendation of cash dividend and bonus share distribution in the discussion for approval before this meeting.

Finally, I hope the company will continue to receive support and suggestions from shareholders as usual, on behalf of the board of directors, I want to express my gratitude and thanks all dignitaries, including the various agencies of the Government of Nepal, employees, company workers, management officials, suppliers, distributors, consumers, shareholders, and well-wishers, for supporting the company all along. We at the company also hope this support will continue for years to come.

Thank you!

On behalf of Board of Directors

Akhileshwor Prasad Singh
Chairperson

कम्पनी ऐन २०६३ को दफा १०९ को उप दफा ४ अनुसारको अतिरिक्त बिबरणः

(आर्थिक बर्ष २०७८ / ७९)

१. शेयर जफत सम्बन्धि बिबरण : यस आर्थिक बर्षमा कुनै पनि शेयरहरु जफत गरिएको छैन ।
२. कम्पनी र सहायक कम्पनी बीचको कारोबार : प्रस्तुत आ.व. मा सहायक कम्पनीहरु मा रु. ३,२१,००,०००।०० लगानी गरिएको छ ।
३. कम्पनी तथा यसका सहायक कम्पनीले यस आर्थिक वर्षमा गरेका आर्थिक कारोवारहरु र कारोवारमा आएको महत्वपूर्ण परिवर्तन : प्रतिवेदन अवधि सम्ममा हिमालयन मल्टी एग्रो लिमिटेडमा शेयर पूजिं वापत रु.२,००,०००।०० र हिमालयन फिसरीज लिमिटेडमा शेयर पुजीं वापत रु.८,११,००,०००।०० चुक्ता गरिएको छ र केही रकम पेशकीमा रहेको छ ।
४. कम्पनीका आधारभुत शेयरधनीहरुले कम्पनीलाई उपलब्ध गराएको जानकारी : यस प्रतिवेदनको अवधिमा कुनै जानकारी शेयरधनीबाट प्राप्त भएको छैन ।
५. गत आर्थिक बर्षमा कम्पनीका संचालक र पदाधिकारीहरुले लिएको शेयर स्वामित्वको बिबरण : प्रस्तुत अवधिमा कुनै पनि कम्पनीका संचालक वा पदाधिकारीले कम्पनीको शेयरको स्वामित्व थप लिएको जानकारी कम्पनीमा प्राप्त भएको छैन ।
६. कम्पनी संग सम्बन्धित सम्भौताहरुमा कुनै संचालक वा निजको नजिकको नातेदारको व्यक्तीगत स्वार्थ बारे उपलब्ध गराईएको जानकारीको व्यहोरा : उल्लेख भए अनुसारको सम्भौता नभएको जानकारी गराउँदछौं ।
७. बाई ब्याक गरिएका शेयरको बिबरण : कम्पनीले आफ्ना शेयरहरु आफैले बाई ब्याक गरेको छैन ।
८. आन्तरीक नियन्त्रण व्यवस्था : कम्पनीको आन्तरीक नियन्त्रण व्यवस्था प्रभावकारी वनाउन अबलम्बन गरिएका मुख्य प्रकृयाहरु निम्नानुसार रहेका छन ।
- क. मानव संसाधन तथा प्रशासकीय म्यानुवल, खरिद म्यानुवल र वित्त म्यानुवल संचालक समितिले स्विकृत गरी सो स्विकृत म्यानुवल अनुसार कार्य भएको छ छैन भनी संचालक समितिले आन्तरिक लेखा परिक्षक नियुक्ती गरी त्रैमासिक रुपमा प्राप्त प्रतिवेदनलाई लेखा समितिमा छलफल र पुनरावलोकन गरी संचालक समिति मार्फत निरिक्षण र नियन्त्रण गर्ने प्रणाली अपनाईएको छ ।
- ख. कम्पनीले कम्प्युटराईज्ड विलिङ्ग प्रणाली स्विकृत लिई अवलम्बन गरेको,आफ्नो कारोवारलाई पारदर्शी बनाउन भ्च् कथकतभ मा रेकर्ड राखी कारोवार गर्न थालिएको छ । यसै गरि श्रमिकहरुको हाजिरी विदा आदिको रेकर्ड समेत ज्चक्व कथकतभ वाट गर्ने गरिएको छ ।
- ग. वार्षिक वजेट वनाई लेखा समितिमा छलफल गरी संचालक समितिवाट स्विकृत गराई सो वजेटमा भएका लक्ष्यलाई प्राथमिकता कार्यन्वयन गर्न विक्री योजना, वजार प्रर्वधन योजना, उत्पादन योजना लगायत सम्बन्धित कार्य क्षेत्रमा निश्चित योजना तर्जुमा गरी आवाधिक रुपमा हुने सम्बन्धित विभाग वा वैठक मार्फत सो को प्रभावकारीता मुल्याङ्कन गर्ने गरिएकोछ ।
- ङ उत्पादन तथा बिक्रि वितरणमा प्रत्यक्ष नियन्त्रण तथा अनुगमनका लागी नेपाल सरकार, आन्तरिक राजश्व कार्यालयबाट पूर्णकालिन कर्मचारी खर्टई प्रत्यक्ष नियन्त्रण एवं अनुगमन गर्ने गरिएको छ ।
- च. कामदार तथा कर्मचारीको हितका लागि भैपरि आउने दुर्घटनाबाट कसरी बच्ने, बचाउने सम्बन्धि तालिम, काम गर्दा अपनाउनु पर्ने सावधानीहरु आदीका विषयमा प्रयोगात्मक एवं सैद्धान्तिक तालिमहरु, कामदार तथा कर्मचारीहरुको स्वास्थ्यमा प्रत्यक्ष असर नपरोस् भन्नका लागि आवश्यक

स्वास्थ्य सम्बन्धि सामाग्रीहरूको वितरण जस्ता कार्यले कार्यगत एकता एवं वातावरण मैत्री बनाउनेमा सहयोग पुगेको महसुस गरिएको छ। श्रम ऐन २०७४, श्रम नियमावली २०७५ वमोजिम सम्पूर्ण श्रमिकहरूको दुर्घटना विमा र स्वास्थ्य सम्बन्धि विमा समेत गरेका छौं। यसका अतिरिक्त कारखाना र सम्पर्क कार्यालय वीच नियमित भ्रमण, छलफल, निरिक्षण गरी प्रत्यक्ष सम्पर्कबाट गतिविधि बुझ्ने गरिएको छ।

छ. कम्पनीले सामाजिक उत्तरदायित्व बहन गर्नका लागि गत वर्ष छुट्टयाएको रकम मध्ये औद्योगिक व्यवसाय ऐन २०७५ को दफा ४८ को प्रावधान अनुसार औद्योगिक व्यवसाय नियमावली २०७६ को नियम ३७ ले निर्धारण गरेका क्षेत्रमा जम्मा रु. १,०१,८५,०००।०० मात्र विभिन्न सामाजिक, शैक्षिक, परोपकारी संस्थामा स्थानीय निकायको समन्वयमा खर्च गरेका छौं। उक्त शिर्षकमा भएको खर्चहरूको विवरण विस्तृत रूपमा ऐनको प्रावधान अनुसार सम्बन्धित सरकारी निकायमा समेत पेश गर्ने गरेका छौं।

८. समिक्षा बर्षमा भएको कुल व्यवस्थापन खर्च :

बिवरण	रुपैया
पारिश्रमिक खर्च	३१,०१,५८,४७८।-
कार्यालय संचालन खर्च	७,८४,६८,६३७।-
जम्मा व्यवस्थापन खर्च	३८,८६,२७,११५।-

९. लेखा परीक्षण समितिको सदस्यहरूको नामावली, पारिश्रमिक भत्ता तथा सुविधा, सो समितिले गरेको काम कारवाहिको बिवरण र समितिले दिएको सुझावको विवरण :

क. लेखा परीक्षण समितिको सदस्यहरूको नामावली : लेखा परीक्षण समितीमा निम्नानुसारका सदस्यहरु रहनु भएको छ।

१. श्री शंकरराज पाण्डे
२. श्री सान्टु श्रेष्ठ
३. श्री नरेन्द्र कुमार वस्न्यात्

ख. लेखा समितिको सदस्यहरूलाई रु.१५,०००/- (कर सहित) का दरले बैठक भत्ताको व्यवस्था गरिएको छ।

ग. समितिले गरेको काम कारवाहिको बिवरण :

१. प्रत्येक त्रैमासिक अबधिको कम्पनीको आर्थिक प्रगति विवरण, आन्तरिक लेखा परीक्षकबाट लेखा परीक्षण गराई निजले दिएको लेखा प्रतिवेदनमा जनाएका कौफियत अनुसार समिक्षा गर्ने र सो अनुसार कम्पनी व्यवस्थापनलाई सुधार गर्न गराउनका लागि निर्देशन दिने गरी संचालक समितिमा पेश गर्ने गरेको।
२. कम्पनीको आर्थिक अवस्था र अन्य अवस्थाहरूको जानकारी र सुधार गर्ने उद्देश्यले त्रैमासिक रूपमा लेखा परीक्षण कार्य गर्न निर्देशन दिएको।
३. कम्पनीको आन्तरीक लेखा परीक्षक र लेखा परीक्षकको नियुक्तीका सम्बन्धमा सिफारिस गर्ने गरिएको।
४. लेखा परीक्षक नियुक्तीका लागि सिफारिस गर्ने लगायत कम्पनीको लेखा सम्बन्धि बिषयमा राय सल्लाह र सुझावहरु लेखा समितिले दिने गरेको।
५. कम्पनीको वासलात, नाफा नोक्सान हिसाव, वास्तविक नाफा नोक्सानको तुलनात्मक हिसाव, वास्तविक खर्चहरूको बिवरण, बिक्रि परिमाण र मूल्य, लक्ष्य र विक्रिको तुलनात्मक विवरण सहितको बिवरणहरु माग गरी समिक्षा गर्ने कार्य गरेको।

६. कम्पनीको वार्षिक विक्री लक्ष्य, आमदानी तथा खर्च आदिको समिक्षा गरी वार्षिक बजेट तयार गर्न कम्पनी व्यवस्थापनलाई निर्देशन दिने गरेको ।

७. कम्पनीको वार्षिक बजेट उपर छलफल गरी स्विकृतको लागि संचालक समितिमा सिफारिस गर्ने गरेको ।

१०. संचालक, प्रबन्ध संचालक, कार्यकारी प्रमूख, अधारभुत शेयरधनी र निजका नजिकका नातेदार तथा संलग्न फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाकि भए सो कुरा :

श्री जे.जि.आई.डिष्टिब्यूसन प्रा.लि.

रु. १,१४,७२,८९,९०६/-

१. संचालक, प्रबन्ध संचालक, कार्यकारी प्रमूख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम:

कर्मचारीहरूको विवरण	आ.व. २०७८/७९(रु)
अध्यक्ष र संचालक समितिका सदस्यलाई प्रदान गरिएको वैठक भत्ता	९,०६,०००.००
प्रमूख कार्यकारी अधिकृतको पारिश्रमिक, भत्ता तथा सुविधा	७६,५०,३८२.५०
जम्मा खर्च	८५,५६,३८२.५०

१२. शेयरधनीहरूले बुझि लिन बाकि रहेको लाभांशको रकम : कम्पनीले आ.व. २०७०/०७१ देखि २०७७/०७८ सम्म विभिन्न आ.व.हरूमा संचित मुनाफाद्वारा वितरण गरिएको नगद तथा अन्तरिम लाभांशको जम्मा रु. २,२७,०३,७१९।०० प्रतिवेदन अवधि सम्म शेयरधनीहरूले बुझि लिन बाकि रहेको हुनाले हाल सम्म लाभांश भुक्तानी लिन वाकी शेयरधनीहरूले कम्पनीको सम्पर्क कार्यालय, ललितपुर तथा कम्पनीका शेयर र जिष्टार श्री नविल ईन्भेष्टमेण्ट वैकिङ्ग लिमिटेड, नक्साल काठमाण्डौंमा सम्पर्क गरि लिन सक्ने व्यवस्था गरिएको छ ।

१३. यस अवधिमा खरिद/विक्री गरेको सम्पत्ति विवरण: यस समिक्षा वर्षमा कम्पनीले स्थिर सम्पत्ति रु. ३,५८,३०,२९०।०० को खरिद गरेको छ भने रु. २१,६६,७४९।०० को विक्री गरेको छ ।

१४.सम्बद्ध कम्पनी वीच भएका कारोवार : यस कम्पनीले तपशिल बमोजिमका सम्बद्ध कम्पनी संग कारोवार गरेको छ ।

कम्पनी	बिक्री (रु.)	खरिद (रु.)
श्री जे.जि.आई.डिष्टिब्यूसन प्रा.लि.	७,२३,२७,२१,४४९	४,९५,१४,५३५
श्री विजय डिष्टिलरी प्रा.लि.	६४,४६,०७,२८६	२,०३,५८,८६६
श्री रोलिङ्ग रिभर डिष्टिलर्स प्रा.लि.	६०,६५,७३,३५६	१,१४,४५,०९३
श्री फुड एण्ड बेभरेज टेक्नोलोजी रिसर्च सेन्टर प्रा.लि.	-	४९,५०,१६,७३६
श्री जावलाखेल ग्रुप अफ इण्डिष्ट्रिज प्रा. लि.	-	१,३३,१९०

धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ को नियम २६ को उपनियम २ संग सम्बन्धित अनुसूची १५ बमोजिमको वार्षिक विवरण ।

१. संचालक समितिको प्रतिवेदन : सम्बन्धित शिर्षक अन्तर्गत राखिएको ।

२. लेखापरीक्षकको प्रतिवेदन : सम्बन्धित शिर्षक अन्तर्गत राखिएको ।

३. लेखा परीक्षणमा भएको वित्तीय विवरण: सम्बन्धित शिर्षक अन्तर्गत राखिएको ।

४. कानूनी कारवाहि सम्बन्धि विवरण:

(क) त्रैमासिक अवधिमा संगठित संस्थाले वा संस्था विरुद्ध कुनै मुद्धा दायरा भएको भए : यस कम्पनीलाई विपक्षी बनाई श्रम अदालत काठमाण्डौमा केहि व्यक्तिले नियुक्ती पाऊ भनी निवेदन दिएकोमा निज निवेदकहरु उपर जिल्ला अदालत, पर्सांमा यस कम्पनीले कीर्ते जालसाजी मुद्धा दायरा गरेकोमा सम्मानित जिल्ला अदालत पर्सांवाट किर्ते जालसाजी ठहर भई आम्सीक वादी दावी पुग्ने ठहर भएको फैसला प्राप्त भएकोमा सो फैसला उपर कम्पनीले उच्च अदालत, जनकपुरको अस्थायी ईजलास विरगन्जमा पुनरावेदन गरेकोमा तहाँबाट समेत जिल्ला अदालतले गरेको फैसलालाई नै सदर हुने गरी निर्णय आएको । सोही मुद्धा सँग सम्बन्धित विषय श्रम अदालत काठमाण्डौमा मुलतवी रहेकोमा सो मुद्धा जागी तहाँबाट निवेदकहरुको पक्षमा निर्णय प्राप्त भएकोमा सो उपर यस कम्पनीले सम्मानित सर्वोच्च अदालतमा उत्पेष्ण युक्त परमादेश जारी गरी पाऊ भनी निवेदन दायरा गरेको । सम्मानित सर्वोच्च अदालतबाट समेत निवेदनको माग बमोजिम रिट जारी भएको अवस्था छ ।

(ख)संगठित संस्थाका संस्थापक वा संचालक वा संस्थापक वा संचालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्धा दायरा गरेको वा भएको भए: संस्थाको पूर्व संचालकलाई धितोपत्र बोर्डले जरिवाना गरेकोमा सो बिषयमा पुनरावेदन परी उच्च अदालत पाटनवाट निर्णय उल्टी हुने गरी निर्णय भएकोमा सो उपर सर्वोच्च अदालतमा धितो पत्र बोर्डले मुद्धा दोहोर्‍याई पाऊ भनी निवेदन गरेको बाहेक अन्य नभएको ।

(ग) कुनै संस्थापक वा संचालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्धा दायरा भएको भए: यस कम्पनीको जानकारीमा नरहेको ।

५. संगठित संस्थाको शेयर कारोवार तथा प्रगतिका विश्लेषण :

(क)धितोपत्र वजारमा भएको संगठित संस्थाको शेयरको कारोवार सम्बन्धमा व्यवस्थापनको धाराणा: नेपाल स्टक एक्सचेन्ज तथा धितो पत्र बोर्डको सुपरिवेक्षण व्यवस्थाको अधिनमा रहि कारोवार हुने गरेको ।

(ख) आ.व. २०७८।०७९ मा संगठित संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोवार शेयर संख्या र कारोवार दिन:

त्रैमास	अधिकतम मूल्य रु.	न्यूनतम मूल्य रु.	अन्तिम मूल्य रु.	कुल कारोवार दिन	कुल कारोवार संख्या	कुल कारोवार शेयर संख्या
प्रथम त्रैमास	७,९३८	५,५४०	६,८९९	५७	४४,९३०	१६,१७,७१७
दोश्रो त्रैमास	७,३०७	४,००४	४,४८६	५९	४३,९१८	१३,२९,३१३
तेश्रो त्रैमास	५,०४९	३,४८२	३,५९१	५८	४३,२०३	११,९१,१६२
चौथो त्रैमास	३,८००	२,८२५	३,४१०	६४	३०,३०२	८,८९,७८८

(श्रोत: नेपाल स्टक एक्चेन्ज)

६. (क) समस्या तथा चुनौति : आन्तरिक तथा बाह्य

- (१) प्रस्तुत प्रतिवेदन अवधिमा बैंक तथा वित्तीय संस्थाहरूले ऋचभमपत ऋचगलअज को समस्या भोग्नु परेकोले मदिरा व्यवसायीहरूले माग अनुसार को ऋण प्राप्त गर्न नसक्दा व्यवसाय विस्तारमा समस्या भैल्लु पर्यो ।
- (२) उपभोक्ताहरूलाई भुक्त्याउने उद्देश्यले यस कम्पनीका ब्राण्डहरूको नक्कल गरी जस्ताको त्यस्तै देखिने वोतल र लेवल प्रयोग गरी उत्पादन तथा विक्री गर्ने प्रवृत्ति वढि रहेकोले कम्पनीको कारोवारमा प्रभाव परेको छ ।
- (३) बजारमा अत्यधिक मात्रामा नयां ब्राण्डका मदिराको उत्पादन विक्री वितरणमा आएकाले प्रतिस्पर्धाको जोखिम उच्च भएको छ ।
- (४) वर्षौंनी अन्तः शुल्क दरमा हुने गरेको उच्च वृद्धिका कारण वस्तुको मूल्य वृद्धि हुने तर उभोक्ताको क्रय शक्तिमा भने ह्रास आएको कारणवाट वस्तुको विक्री वितरणमा प्रतिकूल असर पर्न जाने देखिएको छ ।
- (५) नीति नियममा स्थिरता नभएका कारण कारोवारमा प्रभाव पर्ने गरेको छ ।
- (६) अधिकांश कच्चा पदार्थ तथा प्याकेजिङ्गका सामाग्रीहरूको भर विदेशमा नै पर्नु पर्ने, विदेशी मुद्राको सटही दरमा उच्च किसिमले वृद्धि हुदा उत्पादित वस्तुको लागतमा वृद्धि भई फन वस्तुको मुल्यमा वृद्धि हुदा व्यवसायिक कारोवारमा प्रभाव पर्ने देखिएको छ ।

ख) रणनीति:

१. आन्तरिक तथा बाह्य समस्या एवं चुनौतिहरू रहे पनि कम्पनीले लिएका लक्ष्यहरूलाई पुरा गर्न र शेयरधनीहरूको हितमा कार्य गर्ने गरी उत्पादनको चापलाई मध्यनजर गरी कच्चा पदार्थ भण्डारण लगायत उत्पादनका सामाग्रीहरू समयमा नै उत्पादन स्थल सम्म उपलब्ध गराउने कार्यमा कार्य योजना बनाई कार्य गर्ने नीति लिएका छौं ।
२. कम्पनीको व्यवस्थापन प्रणाली, उत्पादन प्रकृया आदि प्रति शुष्म रुपमा सजग रहि उत्पादनको गुणस्तर प्रति जिम्मेवार भई उपभोक्तालाई कम्पनीका उत्पादनहरू प्रति विश्वस्त गराउने कार्यमा प्रथामिकताका साथ हेरेका छौं ।
३. कारखानामा कुनै पनि किसिमको अबरोध भएको खण्डमा पनि माग र आपूर्तिमा सहजताको लागि अन्य स्थानबाट समेत उत्पादन गरि बजारमा विक्री वितरण गर्ने प्रबन्धलाई जारी राखेका छौं ।
४. कम्पनीको मुख्य व्यवसायलाई केन्द्रमा राखेर सोहि आधारमा प्रतिफल लक्षित खर्चलाई मात्र प्राथामिकता दिने र अगाडि वढाउने नीति लिएका छौं ।
५. उत्पादित ब्राण्डको विस्तार एवं उत्पादनमा विविधता ल्याउन अनुसन्धान र विश्लेषण गरी कार्य गर्ने व्यवस्था मिलाएका छौं ।

ग) संस्थागत सुशासन :

- क. संस्थागत सुशासनलाई सदैव उच्च प्राथामिकतामा राख्दै आएको र संस्थागत सुशासन सम्वन्धि निर्देशिका तथा प्राप्त परिपत्रहरूको पूर्ण रुपमा परिपालना गर्ने गरिएको छ ।

- ख. आन्तरिक नियन्त्रण प्रणालीलाई व्यवस्थित गर्नका लागि कम्पनीले संचालक समितिबाट मानव संसाधन तथा प्रशासकीय म्यानुवल, लेखा सम्बन्धि म्यानुवल र खरिद म्यानुवल स्विकृत गराई सो अनुसार कम्पनीको दैनिक व्यवस्थापकीय कार्य गर्ने गरिएको । उक्त म्यानुवल र अन्य ऐन, नियम अनुसार कार्य भएका छन छैनन् भनी वाह्य स्वतन्त्र रुपमा आन्तरिक लेखा परिक्षक नियुक्ती गरी निजहरुबाट लेखा परीक्षण गरी त्रैमासिक रुपमा प्राप्त प्रतिवेदनका कैफियत उपर गठन गरिएको लेखा समितिमा छलफल गरी संचालक समितिको निर्णय अनुसार गर्ने गरिएको छ ।
- ग. कारोबारलाई छिटो, छरितो, चुस्त तथा बैज्ञानिक बनाउन तथा आवश्यक रणनिति तय गर्न विभिन्न समितिहरु गठन गरि त्रियाशील रहेको छ ।
- घ. संस्थागत सुशासनलाई पूर्ण रुपमा परिपालना गर्ने र यसलाई अभि सुदृढ बनाउदै लैजान यस कम्पनी प्रतिबद्ध रहेको छ ।



G. Paudyal & Associates

Chartered Accountants

ICAN Regd. No.: 307

PAN : 602785567

5th Floor, Tewa Tower

Teku, Kathmandu

Tel: 01-4233709

Website: www.gpa.com.np

Email: info.gpaca@gmail.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HIMALAYAN DISTILLERY LIMITED

Reports on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Himalayan Distillery Limited** (hereinafter referred to as "the Parent"), and its subsidiaries (the Parent and its subsidiaries hereinafter referred to as "the Group"), which comprises the consolidated statement of financial position as at Ashadh 32, 2079 (corresponding to July 16, 2022), the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of change in equity, the consolidated statement of cash flows for the year then ended, and note to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respect, the financial position of the Group as at Ashadh 32, 2079 and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

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 the consolidated financial statements section of our report. We are independent of the Group in accordance with the code of ethics for the professional accountant issued by The Institute of Chartered Accountants of Nepal together with the ethical requirement that is relevant to our audit of the consolidated financial statements under the provisions of the Company Act, 2063, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAN 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 consolidated financial statements for the financial year ended on Ashadh 32, 2079 (corresponding to July 16, 2022). These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key matter to be communicated in our report.

Key audit Matter	How our audit addressed the key audit matter
Revenue Recognition <i>(Refer Note 1.11 "Revenue" and Note 17 of the consolidated financial statements)</i>	
Revenue from sale of goods (hereinafter referred to as "Revenue") is recognized when the Group transfer the significant risks and rewards of ownership to the customer, which mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of revenue recognition is relevant to the reported performance of the Group. The management considers revenue as key measure of evaluation of performance. There is a risk of revenue being reordered before significant risks and rewards of ownership are transferred.	Our audit procedures including following: <ul style="list-style-type: none">Assessed the Group's accounting policies on revenue recognition in line with NFRS 15 (Revenue from Contract with Customer) and tested thereofEvaluated the integrity of the Group's general information and technology control environments and tested the operating effectiveness of IT application control over the revenue recognition.Performed detailed analysis of revenue, analytical testing with monthly sales information filed with monthly sales information filed with tax authorities, tested the timing of the recognition and accuracy of the amounts recognized and verification of the supporting information of the Revenue transactions.Tested the supporting documents for selected sample of sales transactions recorded during the period closer to the year end and subsequent to the year end to evaluate whether Revenue was recognized in the correct period.



Information Other Than the Consolidated Financial Statements and Auditor's Report Thereon.

The management of the Parent is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

Management of the Parent is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the NFRS, and for such internal control as management determines is necessary to enable preparation of the consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Parent'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 Parent or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 Parent'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 Parent'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 consolidated financial statement or, if such disclosure is 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 Parent to cease as a going concern.
- Evaluate the overall presentation of the consolidated financial statements including disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation,

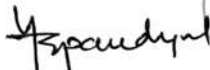


We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit finding, including any significant deficiencies in internal control that we identify during our audit.

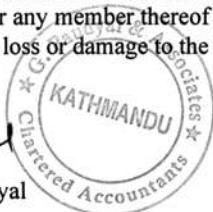
Report on Other Legal and Regulatory Requirements

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 enclosed consolidated statement of financial position, statement of profit or loss and other comprehensive income and statement of cash flow have been prepared as per the Company Act, 2063 are in agreement with the books of account maintained by the Group.
- c. In our opinion, proper books of accounts as required by law have been kept by the Group, so far as appears from our examination of those books.
- 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 Group, we have not come across the cases where the Board of Directors or any member thereof or any employee of the Group has acted contrary to the provisions of law or caused loss or damage to the Group relating to the accounts of the Group.



CA Ghaashyam Paudyal
Partner
G. Paudyal & Associates
Chartered Accountant.



Place: Kathmandu, Nepal

Date: २०७५/०८/०९

UDIN Number: 221207CA00387BzRx0

STATEMENT OF FINANCIAL POSITION

As At Ashad 32, 2079 (July 16, 2022)

DESCRIPTIONS	NOTE GROUP/ COMPANY	GROUP		COMPANY	
		AS AT	AS AT	AS AT	AS AT
		ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
ASSETS					
Non-Current Assets					
a) Property, plant and equipment	3A	531,774,364	548,102,445	497,483,671	513,811,752
b) Capital work-in-progress	3B	-	44,596	-	44,596
c) Intangible assets	3C	866,938	451,264	866,938	451,264
d) Right to use assets	3D	11,477,106	-	11,477,106	-
e) Investments	-/4	-	-	101,100,000	69,000,000
f) Other non-current assets	4/5	20,193,142	23,430,898	20,193,142	23,430,898
Total Non-Current Assets		564,311,551	572,029,203	631,120,858	606,738,510
Current Assets					
a) Inventories	5/6	207,327,472	164,953,755	207,327,472	164,953,755
b) Financial asset					
Trade receivables	6/7	1,150,583,354	517,130,075	1,150,583,354	517,130,075
Cash and cash equivalents	7/8	1,116,865,702	909,656,083	1,116,268,777	909,119,078
c) Other current assets	4/5	83,001,171	75,795,548	87,088,062	111,713,565
Total Current assets		2,557,777,699	1,667,535,461	2,561,267,664	1,702,916,473
TOTAL ASSETS		3,122,089,250	2,239,564,664	3,192,388,522	2,309,654,983

The accompanying notes are an integral part of the consolidated financial statements.

For and on behalf of Himalayan Distillery Limited

As per our report of even date

.....
Laxman Kaphle
 CHIEF ACCOUNTANT

.....
Mahesh Prasad Pokharel
 CHIEF EXECUTIVE OFFICER

.....
Santoo Shrestha
 DIRECTOR

.....
Akhileshwor P. Singh
 CHAIRMAN

.....
Ghanshyam Paudyal
 PARTNER
G. Paudyal & Associates
 Chartered Accountants

PLACE: Kathmandu
 DATE: 24th November, 2022

Contd... STATEMENT OF FINANCIAL POSITION

DESCRIPTIONS	NOTE GROUP/ COMPANY	GROUP		COMPANY	
		AS AT	AS AT	AS AT	AS AT
		ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
EQUITY AND LIABILITIES					
Equity					
a) Equity					
Share capital	8/9	1,518,479,156	867,702,375	1,518,479,156	867,702,375
b) Other equity					
Reserves and surplus	9/10	1,255,781,515	1,066,751,043	1,326,130,673	1,136,892,562
Total Equity		2,774,260,671	1,934,453,418	2,844,609,829	2,004,594,937
Non-Current Liabilities					
a) Financial liabilities					
Borrowings	10/11	-	12,195	-	12,195
Lease Payables	11/12	9,138,595	-	9,138,595	-
b) Deferred tax liabilities	12/13	32,397,515	35,620,944	32,397,515	35,620,944
Total Non-Current Liabilities		41,536,110	35,633,139	41,536,110	35,633,139
Current Liabilities					
a) Financial Liabilities					
Borrowings	12/11	-	1,470,430	-	1,470,430
Lease Payables	11/12	3,100,775	-	3,100,775	-
Trade payables	12/13	78,285,482	43,212,587	78,285,481	43,167,987
Other financial liabilities	14/15	44,144,327	34,869,420	44,099,727	34,869,420
b) Other current liabilities	15/16	177,066,256	174,422,979	177,060,971	174,416,379
c) Current tax liabilities (net)	16/17	3,695,629	15,502,691	3,695,629	15,502,691
Total Current Liabilities		306,292,469	269,478,107	306,242,583	269,426,907
TOTAL EQUITY AND LIABILITIES		3,122,089,250	2,239,564,664	3,192,388,522	2,309,654,983

The accompanying notes are an integral part of the consolidated financial statements.

For and on behalf of Himalayan Distillery Limited

As per our report of even date

.....
Laxman Kaphle
 CHIEF ACCOUNTANT

.....
Mahesh Prasad Pokharel
 CHIEF EXECUTIVE OFFICER

.....
Santoo Shrestha
 DIRECTOR

.....
Akhileshwor P. Singh
 CHAIRMAN

.....
Ghanshyam Paudyal
 PARTNER
G. Paudyal & Associates
 Chartered Accountants

PLACE: Kathmandu

DATE: 24th November, 2022

STATEMENT OF PROFIT OR LOSS

As At Ashad 32, 2079 (July 16, 2022)

DESCRIPTIONS	NOTE GROUP/ COMPANY	GROUP		COMPANY	
		AS AT	AS AT	AS AT	AS AT
		ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
Revenue from operations	17/18	7,583,029,044	6,507,081,210	7,583,029,044	6,507,081,210
Less: excise duties		3,523,909,081	2,807,412,800	3,523,909,081	2,807,412,800
Less: cost of goods sold	18/19	1,346,817,677	1,335,253,891	1,346,817,677	1,335,253,891
Less: manufacturing expenses	19/20	225,547,657	139,469,358	225,547,657	139,469,358
Gross profit		2,486,754,628	2,224,945,161	2,486,754,628	2,224,945,161
Other operating income	20/21	5,339,132	4,523,088	5,339,132	72,955,118
Total income from operations		2,492,093,760	2,229,468,249	2,492,093,760	2,297,900,279
Employee benefit expenses	21/22	310,158,478	277,536,178	310,158,478	277,536,179
Administration and other expenses	22/23	78,676,276	102,026,599	78,468,637	101,742,075
Selling and distribution expenses	23/24	626,746,744	442,180,809	626,746,744	442,180,809
Operating profit		1,476,512,261	1,407,724,663	1,476,719,901	1,476,441,216
Depreciation and amortisation		54,828,501	51,090,332	54,828,501	51,090,332
Finance costs	24/25	2,156,551	17,225,869	2,156,551	17,225,869
Profit before tax		1,419,527,209	1,339,408,462	1,419,734,848	1,408,125,015
Income tax expenses					
Current tax	25/26	366,017,791	360,694,741	366,017,791	360,694,741
Deferred tax	25/26	(3,223,429)	6,033,508	(3,223,429)	6,033,508
Profit for the year		1,056,732,847	972,680,213	1,056,940,486	1,041,396,766

The accompanying notes are an integral part of the consolidated financial statements.

For and on behalf of Himalayan Distillery Limited

As per our report of even date

.....
Laxman Kaphle
 CHIEF ACCOUNTANT

.....
Mahesh Prasad Pokharel
 CHIEF EXECUTIVE OFFICER

.....
Santoo Shrestha
 DIRECTOR

.....
Akhileshwor P. Singh
 CHAIRMAN

.....
Ghanshyam Paudyal
 PARTNER
G. Paudyal & Associates
 Chartered Accountants

PLACE: **Kathmandu**
 DATE: **24th November, 2022**

OTHER COMPREHENSIVE INCOME

As At Ashad 32, 2079 (July 16, 2022)

DESCRIPTIONS	NOTE GROUP/ COMPANY	GROUP		COMPANY	
		AS AT	AS AT	AS AT	AS AT
		ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
Items that will not be reclassified to profit or loss:					
(i) Remeasurements of Defined Benefit Obligations		-	-	-	-
(ii) Income tax credit/(charge) relating to these items		-	-	-	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		1,056,732,847	972,680,213	1,056,940,486	1,041,396,766
Profit is attributable to:					
Owners of Himalayan Distillery Limited		1,056,732,847	972,680,213	1,056,940,486	1,041,396,766
Non - Controlling Interests		-	-	-	-
		1,056,732,847	972,680,213	1,056,940,486	1,041,396,766
Other comprehensive income is attributable to:					
Owners of Himalayan Distillery Limited		-	-	-	-
Non - Controlling Interests		-	-	-	-
Total comprehensive income is attributable to:					
Owners of Himalayan Distillery Limited		1,056,732,847	972,680,213	1,056,940,486	1,041,396,766
Non - Controlling Interests		-	-	-	-
		1,056,732,847	972,680,213	1,056,940,486	1,041,396,766
Earning per equity share (face value of Rs. 100 each)					
Basic EPS	26/27	69.59	64.06	69.61	68.58
Diluted EPS	26/27	69.59	64.06	69.61	68.58

The accompanying notes are an integral part of the consolidated financial statements.

For and on behalf of Himalayan Distillery Limited

As per our report of even date

.....
Laxman Kaphle
 CHIEF ACCOUNTANT

.....
Mahesh Prasad Pokharel
 CHIEF EXECUTIVE OFFICER

.....
Santoo Shrestha
 DIRECTOR

.....
Akhileshwor P. Singh
 CHAIRMAN

.....
Ghanshyam Paudyal
 PARTNER
G. Paudyal & Associates
 Chartered Accountants

PLACE: **Kathmandu**DATE: **24th November, 2022**

STATEMENT OF CASH FLOWS

As At Ashad 32, 2079 (July 16, 2022)

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
A. Cash Flow From Operating Activities				
Profit before tax	1,419,527,209	1,339,408,462	1,419,734,848	1,408,125,015
Adjustments for :				
Depreciation and amortisation	54,828,501	51,090,332	54,828,501	51,090,332
(Gain)/loss on sale of property, plant and equipment (net)	(1,994,832)	(1,028,367)	(1,994,832)	(1,028,367)
(Gain)/loss on sale of non current asset - held for sale	-	-	-	(68,372,030)
Bad debts	-	46,996	-	46,996
Interest expense	2,156,551	17,225,869	2,156,551	17,225,869
Liabilities written back	-	(3,476,354)	-	(3,476,354)
Operating profit before working capital changes	1,474,517,430	1,403,266,938	1,474,725,069	1,403,611,461
Adjustments for :				
(Increase)/decrease in inventory	(42,373,717)	261,151,127	(42,373,717)	261,151,127
(Increase)/decrease in trade receivables, loans and other assets	(637,421,146)	351,157,834	(605,590,020)	317,317,676
Increase/(decrease) in trade payables, other liabilities and provisions	44,301,926	(236,346,236)	44,303,240	(236,352,236)
Cash generated from operation	839,024,493	1,779,229,663	871,064,572	1,745,728,028
Income tax paid	(377,824,853)	(421,093,142)	(377,824,853)	(421,093,142)
Net cash from operating activities	461,199,640	1,358,136,521	493,239,720	1,324,634,886
B. Cash Flow From Investing Activities				
Purchase of property, plant and equipment & intangible assets	(34,591,411)	(14,581,582)	(34,591,411)	(13,162,332)
Sale of property, plant and equipment	2,166,749	2,122,124	2,166,749	2,122,124
Sale of non-current assets held for sale	-	-	-	81,100,000
Investment in equity instrument of subsidiaries	-	-	(32,100,000)	(49,000,000)
Net cash generated from / (used in) investing activities	(32,424,662)	(12,459,458)	(64,524,662)	21,059,792

Contd... STATEMENT OF CASH FLOWS

Contd... STATEMENT OF CASH FLOWS

DESCRIPTIONS	NOTE GROUP/ COMPANY	GROUP		COMPANY	
		AS AT	AS AT	AS AT	AS AT
		ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
C. Cash Flow From Financing Activities					
Increase/(decrease) in short term loan		-	(145,000,000)	-	(145,000,000)
Repayment of term loan		(1,482,625)	(2,282,898)	(1,482,625)	(2,282,898)
Payment of Lease Liability		(2,495,459)	-	(2,495,459)	-
Dividend paid		(215,430,724)	(280,617,647)	(215,430,724)	(280,617,647)
Interest paid		(2,156,551)	(17,225,869)	(2,156,551)	(17,225,869)
Net cash generated from / (used in) financing activities		(221,565,359)	(445,126,414)	(221,565,359)	(445,126,414)
Net increase / (decrease) in cash and cash equivalents		207,209,619	900,550,649	207,149,699	900,568,264
Cash and cash equivalents at the beginning of the year		909,656,083	9,105,434	909,119,078	8,550,814
Cash and cash equivalents at the end of the year		1,116,865,702	909,656,083	1,116,268,777	909,119,078
Cash and cash equivalents comprise of:					
Cash on hand		161,341	28,558	156,141	23,358
Balance with banks in current accounts		1,116,704,361	909,627,525	1,116,112,636	909,095,720
Bank overdraft		-	-	-	-
Total		1,116,865,702	909,656,083	1,116,268,777	909,119,078

The accompanying notes are an integral part of the consolidated financial statements.

For and on behalf of Himalayan Distillery Limited

As per our report of even date

.....
Laxman Kaphle
 CHIEF ACCOUNTANT

.....
Mahesh Prasad Pokharel
 CHIEF EXECUTIVE OFFICER

.....
Santoo Shrestha
 DIRECTOR

.....
Akhileshwor P. Singh
 CHAIRMAN

.....
Ghanshyam Paudyal
 PARTNER
 G. Paudyal & Associates
 Chartered Accountants

PLACE: Kathmandu

DATE: 24th November, 2022

STATEMENT OF CHANGES IN EQUITY

As At Ashad 32, 2079 (July 16, 2022)

	GROUP			COMPANY		
	EQUITY AND RESERVES		TOTAL	EQUITY AND RESERVES		TOTAL
	SHARE CAPITAL	RETAINED EARNINGS		SHARE CAPITAL	RETAINED EARNINGS	
Balance as at Ashad 31, 2077 (July 15, 2020)	578,468,250	672,539,080	1,251,007,330	578,468,250	673,964,046	1,252,432,296
Profit for the year	-	972,680,213	972,680,213	-	1,041,396,766	1,041,396,766
Other comprehensive income (OCI)- net of tax	-	-	-	-	-	-
Final dividend paid	-	(289,234,125)	(289,234,125)	-	(289,234,125)	(289,234,125)
Issue of bonus shares	289,234,125	(289,234,125)	-	289,234,125	(289,234,125)	-
Balance as at Ashad 31, 2078 (July 15, 2021)	867,702,375	1,066,751,043	1,934,453,418	867,702,375	1,136,892,562	2,004,594,937
Profit for the year	-	1,056,732,847	1,056,732,847	-	1,056,940,486	1,056,940,486
Other comprehensive income (OCI)- net of tax	-	-	-	-	-	-
Final dividend paid	-	(216,925,594)	(216,925,594)	-	(216,925,594)	(216,925,594)
Issue of bonus shares	650,776,781	(650,776,781)	-	650,776,781	(650,776,781)	-
Balance as at Ashad 32, 2079 (July 16, 2022)	1,518,479,156	1,255,781,515	2,774,260,671	1,518,479,156	1,326,130,673	2,844,609,829

Retained earnings:

Represents the cumulative profits of the Group and can be distributed / utilized by the Group.

The accompanying notes are an integral part of the consolidated financial statements.

For and on behalf of Himalayan Distillery Limited

As per our report of even date

.....
Laxman Kaphle
 CHIEF ACCOUNTANT

.....
Mahesh Prasad Pokharel
 CHIEF EXECUTIVE OFFICER

.....
Santoo Shrestha
 DIRECTOR

.....
Akhileshwor P. Singh
 CHAIRMAN

.....
Ghanshyam Paudyal
 PARTNER
G. Paudyal & Associates
 Chartered Accountants

PLACE: **Kathmandu**
 DATE: **24th November, 2022**

GROUP OVERVIEW

Himalayan Distillery Ltd. (hereinafter referred to as “the Company”) is a public limited company having its registered office at Lipani Birta, Parsa, Nepal. The Company together with its subsidiaries (hereinafter collectively referred to as “the Group”) is engaged in production and distribution of liquor and managing by-products generated from industrial production.

These financial statements are approved for issue by the Company’s board of directors on 8th Mangsir 2079 (24th November 2022).

1. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

a. Statement of compliance

These consolidated financial statements have been prepared in all material aspects in accordance with requirements of Company Act, 2063 of Nepal and applicable Nepal Financial Reporting Standards (NFRS) and the relevant presentation requirements thereof.

b. Historical cost convention

These consolidated financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies below.

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle and other criteria set out in NAS 1 - Presentation of Consolidated financial statements based on the nature and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

c. Functional and presentation currency

The consolidated financial statements are presented in Nepalese Rupee (Rs.), which is the functional and presentation currency of the Group. Amounts in the consolidated financial statements are rounded off to the nearest rupee.

1.2 BASIS OF CONSOLIDATION

a. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. All intergroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between companies of the Group are eliminated in full on consolidation. Unrealized gains on transactions between Group companies are eliminated.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of financial position, consolidated statement of profit and loss and other comprehensive income and consolidated statement of changes in equity respectively.

1.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less depreciation, and impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of an item of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged for a consolidated statement of profit or loss during the reporting period in which they are incurred.

The cost of property, plant and equipment which are not ready for their intended use till the date of consolidated statement of financial position, are disclosed under capital work-in-progress.

Disposals and derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the property, plant and equipment and is recognised in the consolidated statement of profit or loss.

Depreciation method, estimated useful lives and residual value

Depreciation is calculated using the straight-line method over their useful lives. The estimated useful lives of property, plant and equipment is as follows:

BUILDINGS

Buildings RCC frame structure	60 years
Buildings other than RCC frame structure	30 years
Factory buildings	30 years
Fences	5 years
Others (including temporary structures)	3 years
Leasehold improvements	10 years
Computers	3 - 6 years
Office equipment	5 - 10 years
Electrical installations	10 years
Furniture and fixtures	10 years
Vehicles	8 - 10 years
Plant and machinery	
Production plant	20 - 30 years
Other machinery and equipment	3 - 15 years
Other assets	5 years
Freehold land is not depreciated.	

Residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted if appropriate.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed

for possible reversal of the impairment at the end of each reporting period.

1.4 INTANGIBLE ASSETS

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible asset acquired separately are measured at cost. Cost includes expenditure that is directly attributable to the acquisition of an item of intangible assets. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in a consolidated statement of profit or loss as incurred.

Derecognition

Intangible assets are derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset, is recognised in consolidated statement of profit or loss in the year the asset is derecognized.

Useful economic lives, amortization and impairment

The useful economic life of an intangible asset is considered finite where the right to such asset is limited to a specified period of time by contract or by the likelihood of technological obsolescence. Intangible assets with finite lives are amortized using the straight-line method to write down the cost over its estimated useful economic lives and is recognised in consolidated statement of profit or loss.

Capitalized software is amortized over a period of five years.

The amortization method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

1.5 FINANCIAL INSTRUMENTS, FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities.

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in consolidated statement of profit or loss or other comprehensive income.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets

Financial assets include advances, trade receivables and cash and cash equivalents. Such assets are initially recognised at transaction price when the Group becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being measured at fair value through a consolidated statement of profit or loss and other comprehensive income.

Subsequent measurement

Financial assets are subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both (a) the entity's business model for managing the financial assets and (b) the contractual cash flow characteristics of the financial asset.

Financial assets are classified as those:

a. Measured at amortized cost

A financial asset is measured at amortized cost, if it is held solely for collection of cash flows arising from payments of principal and interest.

Advances, trade receivables and cash and cash equivalents are classified for measurement at amortized cost.

b. Measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI, if it is held with an objective to collect contractual cash flows and

selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognised in the other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains or losses. Interest income from these financial assets is included in other operating income using the effective interest method.

c. Measured at fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in the other operating income.

Impairment of financial assets

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) held at amortized cost and financial assets that are measured at fair value through other comprehensive income are impaired based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances is recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition. Losses arising from impairment are recognised in the consolidated statement of profit or loss.

Derecognition of financial assets

Financial assets are derecognized when the right to receive cash flows from the assets has expired, or has been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Income recognition

Interest income is recognised in the consolidated statement of profit or loss using the effective interest method.

Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortized cost. Any discount or premium on redemption / settlement is recognised in the consolidated statement of profit or loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the consolidated statement of financial position.

Financial liabilities are derecognized when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or expired.

Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.6 INVENTORIES

Inventories are stated at the lower of cost and net realizable value. Cost of inventories is determined on first-in first-out (FIFO) basis. Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

1.7 TRADE AND OTHER RECEIVABLES

Trade receivables are amount due from customers for goods sold or services performed in the ordinary course of business. These are classified as current assets, if the collection is expected within twelve months from the date of statement of financial position. Where collection is expected after twelve months from the date of statement of financial position, they are presented as non-current assets.

1.8 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash 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.

Bank overdrafts that form an integral part of the Group's cash management are included as a component of cash and cash equivalent for the purpose of the consolidated statement of cash flows.

1.9 BORROWINGS

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

1.10 TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group 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 amortized cost using the effective interest method.

1.11 REVENUE

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 Group and the revenue can be reliably measured.

Sale of goods

Revenue from the 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.

Royalty income

Royalty income is recognised in terms of the respective contracts upon sale of products by the franchisees.

Rental income

Policy for recognition of revenue from operating lease is described in note 1.13.

1.12 LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Group as lessor

Rental income from operating lease is recognised on straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Group as lessee

The Company, as a lessee, recognizes a right of use asset and a lease liability for its leasing arrangements, as the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified

asset, as it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right of use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a systematic basis over the lease term.

1.13 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in consolidated statement of profit or loss.

1.14 EMPLOYEE BENEFITS

a. Short-term obligations

Expenses in respect of short-term benefits are recognised on the basis of the amount paid or payable during which services are rendered by the employees. Liabilities for salary and allowances that are expected to be settled wholly within 12 months after the end of the financial year in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

b. Defined contribution plan

These are plans in which the Group pays pre-defined amounts to publicly administered funds

as per local regulations and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the social security fund with the government on account of provident fund and gratuity. The Group's payments to the defined contribution plans are recognised as employee benefit expenses when they are due.

1.15 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

1.16 INCOME TAX

Income tax comprises of current tax and deferred tax. Current tax in the consolidated statement of profit or loss and other comprehensive income is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws applicable during the period, together with any adjustment to tax payable in respect of previous years.

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 consolidated 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 realized 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.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

1.17 DIVIDEND DISTRIBUTION

Dividends paid are recognised in the period in which the interim dividends are approved by the board of directors, or in respect of the final dividend when approved by shareholders.

1.18 EARNINGS PER SHARE

a. Basic earnings per share

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

b. Diluted earnings per share

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 group 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.

1.19 SEGMENTAL INFORMATION

The Group is engaged in the business of manufacture and sale of liquor. The executive committee of the Group (being the chief operating decision maker) assesses performance and allocates resources for the business of the Group as a whole and hence the management considers group's business activities as a single operating segment and no segment disclosures have been made in these consolidated financial statements.

1.20 PROVISIONS AND CONTINGENCIES

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. The carrying amounts of provisions are reviewed at each date of consolidated statement of financial position and adjusted to reflect the current best estimate.

Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

2. USE OF ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with NFRS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a. Useful lives of property, plant, and equipment

As described in the significant accounting policies, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

For the year ended Ashad 32, 2079 (July 16, 2022)

PARTICULARS	COST			
	AS AT ASHAD 31, 2078 (JULY 15, 2021)	ADDITIONS	WITHDRAWALS AND ADJUSTMENTS	AS AT ASHAD 32, 2079 (JULY 16, 2022)
A. Property, Plant And Equipment				
Freehold lands	47,915,506		-	47,915,506
Buildings	191,476,998	6,943,470	-	198,420,468
Computers	5,609,496	2,022,027	-	7,631,523
Office equipment	10,747,081	2,753,249	-	13,500,330
Electrical Installations	22,424,577	2,541,798	-	24,966,375
Furniture and fixtures	2,997,448	187,567	-	3,185,015
Vehicles	25,095,622	1,077,522	6,264,818	19,908,326
Plant and machinery	874,106,704	19,504,656	-	893,611,360
Other Assets	1,934,760		-	1,934,760
Total	1,182,308,192	35,030,290	6,264,818	1,211,073,664
B. Capital Work-in-Progress	44,596		44,596	-
C. Intangible Assets				
Brand Software	100,000	-	-	100,000
BIG IP Firewall License	-	800,000	-	800,000
ERP Software	2,471,438	-	-	2,471,438
Fixed Asset Software	100,000		-	100,000
Total	2,671,438	800,000	-	3,471,438
D. Right to use Assets	-	14,734,828	-	14,734,828

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

For the year ended Ashad 32, 2079 (July 16, 2022)

PARTICULARS	COST			
	OPENING BALANCES	ADDITIONS	WITHDRAWALS AND ADJUSTMENTS	AS AT (JULY 16, 2022)
A. Property, Plant And Equipment				
Freehold lands	13,624,813	-	-	13,624,813
Buildings	191,476,998	6,943,470	-	198,420,468
Computers	5,609,496	2,022,027	-	7,631,523
Office equipment	10,747,081	2,753,249	-	13,500,330
Electrical Installations	22,424,577	2,541,798	-	24,966,375
Furniture and fixtures	2,997,448	187,567	-	3,185,015
Vehicles	25,095,622	1,077,522	6,264,818	19,908,326
Plant and machinery	874,106,704	19,504,656	-	893,611,360
Other Assets	1,934,760	-	-	1,934,760
Total	1,148,017,499	35,030,290	6,264,818	1,176,782,971
B. Capital work-in-progress	44,596	-	44,596	-
C. Intangible assets				
Brand Software	100,000			100,000
BIG IP Firewall License	-	800,000		800,000
ERP Software	2,471,438	-	-	2,471,438
Fixed Asset Software	100,000	-	-	100,000
Total	2,671,438	800,000	-	3,471,438
D. Right to Use Assets		14,734,828	-	14,734,828

UP TO ASHAD 31, 2078 (JULY 15, 2021)	DEPRECIATION			CARRYING AMOUNT	
	FOR THE YEAR	ON WITHDRAWALS AND ADJUSTMENTS	AS AT	AS AT	AS AT
			ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
-	-	-	-	47,915,506	47,915,506
80,599,723	9,764,852	-	90,364,575	108,055,894	110,877,275
4,517,951	663,816	-	5,181,767	2,449,756	1,091,545
8,532,843	1,070,661	-	9,603,504	3,896,825	2,214,238
17,719,732	1,389,990	-	19,109,722	5,856,653	4,704,845
2,540,485	117,673	-	2,658,158	526,857	456,963
16,917,010	2,677,933	6,092,901	13,502,042	6,406,284	8,178,612
501,504,518	35,442,147	-	536,946,665	356,664,694	372,602,186
1,873,485	59,381	-	1,932,866	1,894	61,275
634,205,747	51,186,454	6,092,901	679,299,300	531,774,364	548,102,445
-	-	-	-	-	44,596
99,999	-	-	99,999	1	1
-	437	-	437	799,563	-
2,107,545	363,888	-	2,471,433	5	363,893
12,630	20,000	-	32,630	67,370	87,370
2,220,174	384,326	-	2,604,500	866,938	451,264
-	3,257,722	-	3,257,722	11,477,106	-

OPENING BALANCES	DEPRECIATION			CARRYING AMOUNT	
	FOR THE YEAR	ON WITHDRAWALS AND ADJUSTMENTS	UP TO	AS AT	AS AT
			(JULY 16, 2022)	(JULY 16, 2022)	(JULY 15, 2021)
-	-	-	-	13,624,813	13,624,813
80,599,723	9,764,852	-	90,364,575	108,055,894	110,877,275
4,517,951	663,816	-	5,181,767	2,449,756	1,091,545
8,532,843	1,070,661	-	9,603,504	3,896,825	2,214,238
17,719,732	1,389,990	-	19,109,722	5,856,653	4,704,845
2,540,485	117,673	-	2,658,158	526,857	456,963
16,917,010	2,677,933	6,092,901	13,502,042	6,406,284	8,178,612
501,504,518	35,442,147	-	536,946,665	356,664,694	372,602,186
1,873,485	59,381	-	1,932,866	1,894	61,275
634,205,747	51,186,454	6,092,901	679,299,300	497,483,671	513,811,752
-	-	-	-	-	44,596
99,999	-	-	99,999	1	1
-	437	-	437	799,563	-
2,107,545	363,888	-	2,471,433	5	363,893
12,630	20,000	-	32,630	67,370	87,370
2,220,174	384,326	-	2,604,500	866,938	451,264
-	3,257,722	-	3,257,722	11,477,106	-

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

For the year ended Ashad 31, 2078 (July 15, 2021)

PARTICULARS	COST			
	OPENING BALANCES	ADDITIONS	WITHDRAWALS AND ADJUSTMENTS	AS AT (JULY 16, 2022)
A. Property, Plant And Equipment				
Freehold lands	46,496,256	1,419,250	-	47,915,506
Buildings	189,909,896	1,567,102	-	191,476,998
Computers	4,935,003	674,493	-	5,609,496
Office equipment	10,097,772	649,309	-	10,747,081
Electrical Installations	22,424,577	-	-	22,424,577
Furniture and fixtures	2,997,448	-	-	2,997,448
Vehicles	28,964,116	-	3,868,494	25,095,622
Plant and machinery	868,895,483	5,211,221	-	874,106,704
Other Assets	1,934,760	-	-	1,934,760
Total	1,176,655,311	9,521,375	3,868,494	1,182,308,192
B. Capital work-in-progress	-	44,596	-	44,596
C. Intangible assets				
Brand Software	100,000	-	-	100,000
ERP Software	2,471,438	-	-	2,471,438
Fixed Assets Software	-	100,000	-	100,000
Total	2,571,438	100,000	-	2,671,438

Property plant and equipment pledged as security:

Freehold lands and buildings with carrying value of Rs. 124,502,088 (2076-77: Rs. 133,668,439) have been pledged as security against loans obtained from bank under mortgage.

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

For the year ended Ashad 31, 2078 (July 15, 2021)

PARTICULARS	COST			
	OPENING BALANCES	ADDITIONS	WITHDRAWALS AND ADJUSTMENTS	AS AT (JULY 16, 2022)
A. Property, Plant And Equipment				
Freehold lands	13,624,813	-	-	13,624,813
Buildings	189,909,896	1,567,102	-	191,476,998
Computers	4,935,003	674,493	-	5,609,496
Office equipment	10,097,772	649,309	-	10,747,081
Electrical Installations	22,424,577	-	-	22,424,577
Furniture and fixtures	2,997,448	-	-	2,997,448
Vehicles	28,964,116	-	3,868,494	25,095,622
Plant and machinery	868,895,483	5,211,221	-	874,106,704
Other Assets	1,934,760	-	-	1,934,760
Total	1,143,783,868	8,102,125	3,868,494	1,148,017,499
B. Capital work-in-progress	-	44,596	-	44,596
C. Intangible assets				
Brand Software	100,000	-	-	100,000
ERP Software	2,471,438	-	-	2,471,438
Fixed Asset Software	-	100,000	-	100,000
Total	2,571,438	100,000	-	2,671,438

Property plant and equipment pledged as security:

Freehold lands and buildings with carrying value of Rs. 124,502,088 (2076-77: Rs. 133,668,439) have been pledged as security against loans obtained from bank under mortgage.

OPENING BALANCES	FOR THE YEAR	DEPRECIATION		CARRYING AMOUNT	
		ON WITHDRAWALS AND ADJUSTMENTS	UP TO (JULY 16, 2022)	AS AT (JULY 16, 2022)	AS AT (JULY 15, 2021)
-	-	-	-	47,915,506	46,496,256
69,886,270	10,733,453	-	80,619,723	110,857,275	120,023,626
4,039,118	478,833	-	4,517,951	1,091,545	895,885
7,584,751	948,092	-	8,532,843	2,214,238	2,513,021
16,479,617	1,240,115	-	17,719,732	4,704,845	5,944,960
2,430,850	109,635	-	2,540,485	456,963	566,598
17,035,648	2,656,099	2,774,737	16,917,010	8,178,612	11,928,468
467,337,327	34,167,191	-	501,504,518	372,602,186	401,558,156
1,639,527	233,958	-	1,873,485	61,275	295,233
586,433,108	50,567,376	2,774,737	634,225,747	548,082,445	590,222,203
-	-	-	-	44,596	-
87,866	12,133	-	99,999	1	12,134
1,609,352	498,193	-	2,107,545	363,893	862,086
-	12,630	-	12,630	87,370	-
1,697,218	522,956	-	2,220,174	451,264	874,220

OPENING BALANCES	FOR THE YEAR	DEPRECIATION		CARRYING AMOUNT	
		ON WITHDRAWALS AND ADJUSTMENTS	UP TO (JULY 16, 2022)	AS AT (JULY 16, 2022)	AS AT (JULY 15, 2021)
-	-	-	-	13,624,813	13,624,813
69,866,270	10,733,453	-	80,599,723	110,877,275	120,043,626
4,039,118	478,833	-	4,517,951	1,091,545	895,885
7,584,751	948,092	-	8,532,843	2,214,238	2,513,021
16,479,617	1,240,115	-	17,719,732	4,704,845	5,944,960
2,430,850	109,635	-	2,540,485	456,963	566,598
17,035,648	2,656,099	2,774,737	16,917,010	8,178,612	11,928,468
467,337,327	34,167,191	-	501,504,518	372,602,186	401,558,156
1,639,527	233,958	-	1,873,485	61,275	295,233
586,413,108	50,567,376	2,774,737	634,205,747	513,811,752	557,370,760
-	-	-	-	44,596	-
87,866	12,133	-	99,999	1	12,134
1,609,352	498,193	-	2,107,545	363,893	862,086
-	12,630	-	12,630	87,370	-
1,697,218	522,956	-	2,220,174	451,264	874,220

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the year ended Ashad 32, 2079 (July 16, 2022)

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
-/4. Investments				
Investments In Equity Instruments				
In subsidiary (at cost unless otherwise stated)				
Himalayan Fisheries Limited (2077-2078 490,000 nos. of ordinary shares of Rs. 100 each, fully paid up) (2078-2079 811,000 nos. of ordinary shares of Rs. 100 each, fully paid up)			81,100,000	49,000,000
Himalayan Multi Agro Limited (500,000 nos. of ordinary shares of Rs. 100 each, Rs. 40 paid up)			20,000,000	20,000,000
Total			101,100,000	69,000,000
4/5. Other Assets				
Non-Current				
Advance for property, plant and equipment	-	3,237,756	-	3,237,756
Deposits with statutory authorities - for appeals	20,193,142	20,193,142	20,193,142	20,193,142
Total	20,193,142	23,430,898	20,193,142	23,430,898
Current				
Advance for goods and services	23,293,631	10,057,535	23,293,631	10,057,535
Employee advances	-	13,175,279	-	13,175,279
Advance with statutory authorities	30,028,793	15,390,534	30,028,793	15,390,534
Prepaid expenses	2,841,309	2,441,194	2,841,309	2,441,194
Margin deposits	4,003,969	13,707,293	4,003,969	13,707,293
Sundry deposits	525,201	510,201	525,201	510,201
Others	22,308,267	20,513,512	26,395,158	56,431,529
Total	83,001,171	75,795,548	87,088,062	111,713,565

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS For the year ended Ashad 32, 2079 (July 16, 2022)

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
5/6. Inventories				
At lower of cost and net realisable value				
Raw materials	37,474,418	40,737,494	37,474,418	40,737,494
Packing and other materials	41,560,126	31,002,218	41,560,126	31,002,218
Semi finished goods	4,316,644	19,994,680	4,316,644	19,994,680
Finished goods	100,564,476	45,280,897	100,564,476	45,280,897
Stores and consumables	22,528,834	21,157,179	22,528,834	21,157,179
Promotional materials	882,973	6,781,287	882,973	6,781,287
Total	207,327,472	164,953,755	207,327,472	164,953,755
6/7. TRADE RECEIVABLES				
Unsecured, considered good	1,150,583,354	517,130,075	1,150,583,354	517,130,075
Total	1,150,583,354	517,130,075	1,150,583,354	517,130,075
7/8. CASH AND CASH EQUIVALENTS				
Cash on hand	161,341	28,558	156,141	23,358
Balances with banks				
In current accounts	1,116,704,361	909,627,525	1,116,112,636	909,095,720
Total	1,116,865,702	909,656,083	1,116,268,777	909,119,078
8/9. Share Capital				
Authorised				
(2078-79 : 16,000,000 nos. of ordinary shares of Rs. 100 each)	1,600,000,000	900,000,000	1,600,000,000	900,000,000
(2077-78 : 9,000,000 nos. of ordinary shares of Rs. 100 each)				
Issued				
2078-79 : 15,184,791.56 nos. of ordinary shares of Rs. 100 each)	1,518,479,156	867,702,375	1,518,479,156	867,702,375
(2077-78 : 8677,023.75 nos. of ordinary shares of Rs. 100 each)				
Subscribed and paid up				
(2078-79 : 15,184,791.56 nos. of ordinary shares of Rs. 100 each)	1,518,479,156	867,702,375	1,518,479,156	867,702,375
(2077-78 : 8677,023.75 nos. of ordinary shares of Rs. 100 each)				
Total	1,518,479,156	867,702,375	1,518,479,156	867,702,375

A. RECONCILIATION OF NUMBER OF SHARES OUTSTANDING:

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
At the beginning of the year	8,677,024	3,856,455	8,677,024	5,784,683
Add: shares issued during the year	-	-	-	-
Add: bonus shares issued during the year	6,507,768	4,820,569	6,507,768	2,892,341
At the end of the year	15,184,792	8,677,024	15,184,792	8,677,024

B. RIGHTS, PREFERENCE AND RESTRICTIONS ATTACHED TO EQUITY SHARES:

The Group has one class of equity shares having a face value of Rs. 100 per share. Each holder of the equity shares is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in the case of interim dividend.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS For the year ended Ashad 32, 2079 (July 16, 2022)

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
9/10. Reserves And Surplus				
Retained earnings	1,255,781,515	1,066,751,043	1,326,130,673	1,136,892,562
Total	1,255,781,515	1,066,751,043	1,326,130,673	1,136,892,562
10/11. Borrowings				
Non-Current				
Due to banks				
Term loan	-	1,482,625	-	1,482,625
Less: current maturities of term loan	-	(1,470,430)	-	(1,470,430)
Total	-	12,195	-	12,195
Current				
Due to banks				
Short term and demand loan	-	-	-	-
Bank overdraft	-	-	-	-
Current maturities of term loan	-	1,470,430	-	1,470,430
Total	-	1,470,430	-	1,470,430
11/12. Lease Payables				
Non-Current				
Lease Payables	12,239,369.52	-	12,239,370	-
Less: current maturities of lease payables	(3,100,774.60)	-	(3,100,775)	-
Total	9,138,595	-	9,138,595	-
Current				
Current maturities of lease payables	3,100,774.60	-	3,100,775	-
Total	3,100,775	-	3,100,775	-

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS For the year ended Ashad 32, 2079 (July 16, 2022)

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
12/13. Deferred Tax Liabilities (Net)				
Deferred tax liabilities				
On property, plant and equipment	35,518,268	38,276,506	35,518,268	38,276,506
On Right to use assets	2,926,662	-	2,926,662	-
	38,444,930	38,276,506	38,444,930	38,276,506
Deferred tax assets				
On Derivative Financial Liability	172,791	-	172,791	-
On corporate social responsibility	2,753,585	2,655,562	2,753,585	2,655,562
On Lease Liability	3,121,039	-	3,121,039	-
	6,047,415	2,655,562	6,047,415	2,655,562
Total	32,397,515	35,620,944	32,397,515	35,620,944

MOVEMENT IN DEFERRED TAX LIABILITIES / (ASSETS) BALANCES

A. For the year ended Ashad 32, 2079 (July 16, 2022)

	GROUP				COMPANY			
	OPENING BALANCE	RECOGNIZED IN PROFIT OR LOSS	RECOGNIZED IN OCI	CLOSING BALANCE	OPENING BALANCE	RECOGNIZED IN PROFIT OR LOSS	RECOGNIZED IN OCI	CLOSING BALANCE
Deferred Tax Liabilities								
On property, plant and equipment	38,276,506	(2,758,238)	-	35,518,268	38,276,506	(2,758,238)	-	35,518,268
On right to use Assets	-	2,926,662	-	2,926,662	-	2,926,662	-	2,926,662
Total deferred tax liabilities	38,276,506	168,424	-	38,444,930	38,276,506	168,424	-	38,444,930
Deferred Tax (Assets)								
On Derivative Financial Liability	-	(172,791)	-	(172,791)	-	(172,791)	-	(172,791)
On corporate social responsibility	(2,655,562)	(98,023)	-	(2,753,585)	(2,655,562)	(98,023)	-	(2,753,585)
On Lease Liability	-	(3,121,039)	-	(3,121,039)	-	(3,121,039)	-	(3,121,039)
Total deferred tax (assets)	(2,655,562)	(3,391,853)	-	(6,047,415)	(2,655,562)	(3,391,853)	-	(6,047,415)
Deferred tax liabilities - Net	35,620,944	(3,223,429)	-	32,397,515	35,620,944	(3,223,429)	-	32,397,515

b. For the year ended Ashad 31, 2078 (July 15, 2021)

	GROUP				COMPANY			
	OPENING BALANCE	RECOGNIZED IN PROFIT OR LOSS	RECOGNIZED IN OCI	CLOSING BALANCE	OPENING BALANCE	RECOGNIZED IN PROFIT OR LOSS	RECOGNIZED IN OCI	CLOSING BALANCE
Deferred Tax Liabilities								
On property, plant and equipment	38,481,629	(205,123)	-	38,276,506	38,481,629	(205,123)	-	38,276,506
Total deferred tax liabilities	38,481,629	(205,123)	-	38,276,506	38,481,629	(205,123)	-	38,276,506
Deferred Tax (Assets)								
On gratuity	(7,539,825)	7,539,825	-	-	(7,539,825)	7,539,825	-	-
On corporate social responsibility	(1,354,368)	(1,301,194)	-	(2,655,562)	(1,354,368)	(1,301,194)	-	(2,655,562)
Total deferred tax (assets)	(8,894,193)	6,238,631	-	(2,655,562)	(8,894,193)	6,238,631	-	(2,655,562)
Deferred tax liabilities - Net	29,587,436	6,033,508	-	35,620,944	29,587,436	6,033,508	-	35,620,944

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

For the year ended Ashad 32, 2079 (July 16, 2022)

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
13/14. Trade Payables				
Trade payables for goods and services	78,285,482	43,212,587	78,285,481	43,167,987
Total	78,285,482	43,212,587	78,285,481	43,167,987
14/15. Other Financial Liabilities				
Current				
Payable for property, plant and equipment	1,802,620	608,337	1,802,620	608,337
Employee benefits payable	13,126,136	10,146,814	13,126,136	10,146,814
Payable to provident and other funds	1,445,878	498,500	1,445,878	498,500
Unpaid dividend	22,703,719	21,208,849	22,703,719	21,208,849
Others	5,065,974	2,406,920	5,021,374	2,406,920
Total	44,144,327	34,869,420	44,099,727	34,869,420
15/16. Other Liabilities				
Current				
Advance collected from customers	200,002	262,151	200,002	262,151
Statutory dues	7,551,934	7,288,525	7,546,649	7,281,925
Employees' bonus	157,748,317	156,458,335	157,748,317	156,458,335
Staff Welfare Fund	767,630	-	767,630	-
Corporate social responsibility	10,798,373	10,413,968	10,798,373	10,413,968
Total	177,066,256	174,422,979	177,060,971	174,416,379
16/17. Current Tax Liabilities / Advance Income Tax (Net)				
Provision for income tax	366,017,791	360,694,741	366,017,791	360,694,741
Less: advance tax	(362,322,162)	(345,192,050)	(362,322,162)	(345,192,050)
Total	3,695,629	15,502,691	3,695,629	15,502,691
17/18. Revenue From Operations				
Local sales	7,463,001,512	6,396,472,218	7,463,001,512	6,396,472,218
Export sales		-	-	-
Royalty income	120,027,531	110,608,992	120,027,531	110,608,992
Total	7,583,029,044	6,507,081,210	7,583,029,044	6,507,081,210
18/19. Cost Of Goods Sold				
Raw materials consumed	723,302,626	578,065,577	723,302,626	578,065,577
Packing and auxiliary materials consumed	527,465,582	502,286,575	527,465,582	502,286,575
Purchase of Stock-in-trade	14,221,952	13,495,490	14,221,952	13,495,490
Cost of raw material sold	121,433,059	171,767,572	121,433,059	171,767,572
Change in semi finished goods and finished goods				
Opening stock				
Semi finished goods	19,994,680	19,528,485	19,994,680	19,528,485
Finished goods	45,280,897	115,385,769	45,280,897	115,385,769
	65,275,577	134,914,254	65,275,577	134,914,254

Continue: Consolidated Note...

Continue: Consolidated Note...

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
Closing stock				
Semi finished goods	4,316,644	19,994,680	4,316,644	19,994,680
Finished goods	100,564,476	45,280,897	100,564,476	45,280,897
	104,881,120	65,275,577	104,881,120	65,275,577
Total change in semi finished goods and finished goods	(39,605,543)	69,638,677	(39,605,543)	69,638,677
Total	1,346,817,677	1,335,253,891	1,346,817,677	1,335,253,891
19/20. Manufacturing Expenses				
Power and fuel	10,243,138	7,402,563	10,243,138	7,402,563
Blending and distillation charges	152,683,586	96,285,913	152,683,586	96,285,913
Repair and maintenance	20,218,314	8,674,976	20,218,314	8,674,976
Wages and service charges	35,847,407	26,063,129	35,847,407	26,063,129
Other expenses	6,555,212	1,042,777	6,555,212	1,042,777
Total	225,547,657	139,469,358	225,547,657	139,469,358
20/21. Other Operating Income				
Rent Income	16,000	-	16,000	60,000
Liabilities written back	-	3,476,354	-	3,476,354
Gain/(loss) on sale of property, plant and equipment (net)	1,994,832	1,028,367	1,994,832	1,028,367
Gain/(loss) on sale of non current assets-held for sale	3,078,561	-	-	68,372,030
Interest Income	249,739	6,617	3,078,561	-
Other income	-	11,750	249,739	6,617
Gain on foreign exchange	11,750	-	-	11,750
Total	5,350,882	4,523,088	5,339,132	72,955,118
21/22. Employee Benefits Expenses				
Salary and allowances	131,998,318	103,605,889	131,998,318	103,605,890
Contribution to provident fund and social security fund	10,995,599	8,208,111	10,995,599	8,208,111
Staff welfare expenses	4,702,606	4,254,606	4,702,606	4,254,606
Earned leave	4,713,638	5,009,237	4,713,638	5,009,237
Employees' bonus	157,748,317	156,458,335	157,748,317	156,458,335
Total	310,158,478	277,536,178	310,158,478	277,536,179
22/23. Administration And Other Expenses				
Annual general meeting expenses	380,249	378,384	380,249	378,384
Repair and maintenance	8,963,476	2,840,282	8,963,476	2,840,282
Office expenses	7,395,253	6,156,798	7,395,252	6,151,597
Travelling and conveyance	2,919,980	1,278,583	2,919,980	1,278,583
Charity and donations	210,700	379,753	210,700	379,753
Corporate social responsibility expenses	10,569,405	10,413,968	10,569,405	10,413,968
Audit fees	495,200	490,000	450,000	450,000
Rent	818,272	4,714,199	818,272	4,714,199
Rates and taxes	11,357,693	3,977,042	11,265,420	3,737,734
Power and fuel	5,530,313	3,178,227	5,530,313	3,178,227
Management fees	-	46,791,499	-	46,791,499
Meeting fees	906,000	878,000	906,000	878,000

Continue: Consolidated Note...

Continue: Consolidated Note...

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
Communication, postage and courier	2,632,281	2,275,207	2,589,567	2,275,207
Printing and stationery	987,584	581,431	987,584	581,431
Professional fees	5,498,320	2,313,235	5,470,870	2,313,235
Training expenses	199,177	100,056	199,177	100,056
Security and other service expenses	9,772,794	8,267,013	9,772,794	8,267,013
Insurance	4,767,916	4,969,672	4,767,916	4,969,672
Bank charges	1,354,312	1,038,157	1,354,312	1,038,142
Guest entertainment	2,628,830	947,297	2,628,830	947,297
Laboratory and sample expenses	497,502	10,800	497,502	10,800
Foreign exchange loss	113,407	-	113,407	-
Bad debts	-	46,996	-	46,996
Exchange loss on forward contract	677,610	-	677,610	-
Total	78,676,276	102,026,599	78,468,637	101,742,075
23/24. Selling And Distribution Expense				
Trade promotion	355,214,180	276,661,300	355,214,180	276,661,300
Marketing promotion	207,930,034	109,129,394	207,930,034	109,129,394
Insurance	870,974	739,450	870,974	739,450
Delivery expense	62,731,556	55,650,665	62,731,556	55,650,665
Total	626,746,744	442,180,809	626,746,744	442,180,809
24/25. Finance Costs				
Interest expense:				
On borrowing from banks measured at amortised cost				
On term loan	66,461	252,677	66,461	252,677
On short term and working capital loan	909,318	16,973,192	909,318	16,973,192
On Lease Liability	1,180,772	-	1,180,772	-
Total	2,156,551	17,225,869	2,156,551	17,225,869
25/26. Tax Expenses				
A. Amount Recognised In Profit Or Loss				
Current tax				
Income tax for the year	366,017,791	360,694,741	366,017,791	360,694,741
Income tax related to previous years	-	-	-	-
Total current tax	366,017,791	360,694,741	366,017,791	360,694,741
Deferred tax				
Deferred tax for the year	(3,223,429)	6,033,508	(3,223,429)	6,033,508
Total deferred tax	(3,223,429)	6,033,508	(3,223,429)	6,033,508
Total	362,794,362	366,728,249	362,794,362	366,728,249
B. Amount Recognised In Other Comprehensive Income				
The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:				
On items that will not be reclassified to profit or loss				
Remeasurements of Defined Benefit Obligations	-	-	-	-
Total	-	-	-	-

Continue: Consolidated Note...

Continue: Consolidated Note...

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
B. Reconciliation Of Income Tax Expense And Accounting Profit				
Profit before tax	1,419,527,209	1,339,408,462	1,419,734,848	1,408,125,015
Income tax at the applicable rate of 25.50%	361,970,094	358,968,522	362,032,386	359,071,879
Tax effect of amounts which are not deductible / (included) in calculating taxable income:				
Non-deductible expense	761,976	5,027,708	761,976	5,027,708
Taxable loss not recognised	62,291	103,357	-	-
Interest paid	-	2,628,662	-	2,628,662
Income tax recognised in profit or loss	362,794,362	366,728,249	362,794,362	366,728,249
26/27. Earnings Per Share				
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.				
Profits attributed to equity holders of the Company	1,056,732,847	972,680,213	1,056,940,486	1,041,396,766
Weighted average number of shares	15,184,792	8,677,024	15,184,792	8,677,024
Basic and diluted earnings per share	69.59	112.10	69.61	120.02
The company issued 6,507,767.81 numbers of shares as fully paid up bonus shares during the financial year.				
The effect of such issue on earning per share of previous year 2077-78 has been restated as follows:				
Profits attributed to equity holders of the Company	-	972,680,213	-	1,041,396,766
Weighted average number of shares	-	15,184,792	-	15,184,792
Restated Basic and diluted earnings per share	-	64.06	-	68.58

27. Subsidiaries

The subsidiaries (which along with Himalayan Distillery Ltd., the parent, constitute the Group) considered in the preparation of these consolidated financial statements are:

NAME	PERCENTAGE OF OWNERSHIP INTEREST	
	AS AT ASHAD 32, 2079 (JULY 16, 2022)	AS AT ASHAD 31, 2078 (JULY 16, 2021)
Himalayan Multi Agro Ltd.	100	100
Himalayan Fisheries Ltd.	100	100

28. Dividend

For the year ended Ashad 32, 2079 (July 16, 2022), the board of directors proposed for dividend of 70% of the paid-up share capital amounting to Rs. 1,06,29,35,409/38 which consists of 60% bonus shares amounting to Rs. 91,10,87,493/75 and 10% final cash dividend amounting to Rs. 15,18,47,915.63 (Inclusive of dividend tax). (2077-78: Bonus issue in the ratio of 4:3 with par value of Rs. 65,07,76,781/25 and final cash dividend of Rs. 25 per share amounting to Rs. 21,69,25,593/75).

29. Financial instrument and related disclosures

a. Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern so that it can continue to provide returns for the shareholders and benefits for other stakeholders through optimization of debt and equity balance. The Group monitors the return on capital employed based on asset turnover and profitability ratio.

The Group is not subject to any capital adequacy norms under regulations presently in force.

b. Category of financial instrument

Amount in Rs.

	AS AT ASHAD 32, 2079 (JULY 16, 2022)		AS AT ASHAD 31, 2078 (JULY 15, 2021)	
	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
Financial assets				
Measured at amortized cost				
Trade receivables	1,150,583,353.66	1,150,583,353.66	517,130,075.00	517,130,075.00
Cash and cash equivalents	1,116,865,702.32	1,116,865,702.32	909,656,083.00	909,656,083.00
Total financial assets	2,267,449,055.98	2,267,449,055.98	1,426,786,158.00	1,426,786,158.00
Financial liabilities - measured at amortized cost				
Borrowings	-	-	1,482,625.00	1,482,625.00
Lease Payables	12,239,369.52	12,239,369.52	-	-
Trade payables	78,285,482.47	78,285,482.47	43,212,587.00	43,212,587.00
Other financial liabilities	44,144,326.65	44,144,326.65	34,869,420.00	34,869,420.00
Total financial liabilities	134,669,178.64	134,669,178.64	79,564,632.00	79,564,632.00

c. Financial risk management

The Group has a system-based approach to risk management with policies and procedures and internal financial controls aimed at identification, evaluation, and management of key financial risks (such as market risks, credit risks and liquidity risks) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a consistent manner and in compliance with applicable regulation.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as interest rate, foreign exchange rates, and equity prices, and will affect the Group's income or the value of its holdings of financial instruments.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's term loan and short-term/demand loan with variable interest rates. The balance of term loans at the end of the year is Rs. Nil (2077-78: Rs. 1,482,625) and short-term and demand loan is Rs. Nil (2077-78: Rs. Nil). The Group manages its interest rate risk by monitoring and managing cash flows and negotiating favorable rates on borrowings and deposits.

If interest rates had been higher/lower by 50 basis points and all other variables were held constant, the profit before tax for the year would decrease/increase by Rs. 48,995 (2077-78: Rs. 1,201,189).

The Group undertakes transactions denominated in foreign currency, mainly Indian Rupees which are not subject to the risk of exchange rate fluctuations.

The Group is not an active investor in equity markets.

Liquidity risk

The Group's current assets aggregate to Rs. 2,557,777,699 (2077-78: Rs. 1,667,535,461) including cash and cash equivalent of Rs. 1,116,865,702 (2077-78: Rs. 909,656,083) against the aggregate current liabilities of Rs. 306,291,932 (2077-78: Rs. 269,478,107) including term loan maturing within one year from the reporting date of Rs. Nil (2077-78: Rs. 1,470,430).

Further the Group has access to undrawn borrowing facilities from banks of Rs. 375,000,000 (2077-78: Rs. 56,413,855) as at the reporting date. In such circumstances, liquidity risk or the risk that the Group may not be able to settle or meet its liabilities as they become due does not exist.

Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade receivables.

The Group extends credit to its customers keeping in view its business interest in accordance with the Group's credit policy. Exceptions are managed and approved by appropriate authorities, after due consideration of the counterparty's credentials and financial capacity, trade practices and prevailing business and economic conditions. The Group's exposure, as on the reporting date, net of loss allowance stood at Rs. 1,150,583,354 (2077-78: Rs. 517,130,075).

The Group carries other financial assets, such as balances with banks and other receivables. Bank deposits are held with commercial banks having a strong financial position and considering the experience of the Group over time, the counter party risk attached to such assets is considered insignificant.

d. Fair value

The following presents the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

Amount in Rs.

	FAIR VALUE HIERARCHY (LEVEL)	AS AT ASHAD 32, 20798 (JULY 15, 2021)	AS AT ASHAD 31, 207 (JULY 16, 2022)
Financial liabilities			
Measured at amortized cost			
Borrowings	3	-	12,195
Lease Payables	3	9,138,595	-
Total financial liabilities		9,138,595	12,195

The carrying amounts of trade and other receivables, cash and cash equivalents, current portion of loans, current portion of borrowings, trade payables and due to employees and other parties are same as their fair values, due to their short-term nature.

An explanation of each level is provided below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have a quoted price. The fair value of all equity instruments which are traded on the stock exchanges is valued using the closing price as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

30. Related party disclosures

Names of related parties and description of relationship

e. Companies in which the investor (including close member of family) has significant influence

- Jawalakhel Group of Industries Pvt. Ltd.
- JGI Distribution Pvt. Ltd.
- Rolling River Distillers Pvt. Ltd.
- Asian Distillery Pvt. Ltd.
- Food and Beverage Technology Research Centre Pvt. Ltd.
- Vijay Distillery Pvt. Ltd.
- R & R Suppliers Pvt. Ltd.
- Raj Brewery Pvt. Ltd.
- Majestic Ventures P. Ltd.

f. Key management personnel

- | | |
|--------------------------------|-------------------------|
| ▪ Mr. Akhileshwor Prasad Singh | Chairman |
| ▪ Mr. Narendra Kumar Basnyat | Director |
| ▪ Mr. Shankar Raj Pandey | Director |
| ▪ Mr. Santoo Shrestha | Director |
| ▪ Ms. Yankila (Sherpa) Ruit | Director |
| ▪ Mr. Prakashmani Ghimire | Independent Director |
| ▪ Mr. Mahesh Prasad Pokhrel | Chief Executive Officer |

Summary of the transactions with related parties

Amount in Rs.

	FOR THE YEAR ENDED	
	ASHAD 32, 2079 (JULY 16, 2022)	ASHAD 31, 2078 (JULY 15, 2021)
Sale of goods		
JGI Distribution Pvt. Ltd.	7,232,721,449	5,957,215,056
Rolling River Distillers Pvt. Ltd.	525,953,042	685,755,895
Food & Beverage Technology Research Centre Pvt. Ltd.	-	11,639
Vijay Distillery Pvt. Ltd.	589,596,489	538,706,567
Purchase of goods		
Rolling River Distillers Pvt. Ltd.	11,445,093	304,896
Food & Beverage Technology Research Centre Pvt. Ltd.	322,484,284	348,756,106
Vijay Distillery Pvt. Ltd.	20,358,866	1,906,255
Purchase of services		
Jawalakhel Group of Industries Pvt. Ltd.	-	52,874,395
Food & Beverage Technology Research Centre Pvt. Ltd.	172,532,452	108,803,082
JGI Distribution Pvt. Ltd.	49,514,535	30,364,180
Royalty income		
Rolling River Distillers Pvt. Ltd.	80,620,314	92,154,709
Vijay Distillery Pvt. Ltd.	55,010,797	32,833,452
Expenses Reimbursed		
JGI Distribution Pvt. Ltd.	35,168,115	328,637,428
Jawalakhel Group of Industries Pvt. Ltd.	-	-
Vijay Distillery Pvt. Ltd.	-	-
Purchase of Property Plant & Equipment		
Jawalakhel Group Of Industries Pvt. Ltd.	133,190	-
Dividend Paid		
Food & Beverage Technology Research Centre Pvt. Ltd.	128,202,750	85,468,450
Majestic Ventures Pvt. Ltd.	20,925,000	13,950,000
R & R Suppliers Pvt. Ltd.	103,214,250	68,809,500

Summary of closing balances with related parties

Amount in Rs.

Trade receivables		
JGI Distribution Pvt. Ltd.	1,147,289,906	516,106,829
Rolling River Distillers Pvt. Ltd.	-	345,000
Jawalakhel Group of Industries Pvt. Ltd.	-	-
Food & Beverage Technology Research Centre Pvt. Ltd.	-	4,790,442
Vijay Distillery Pvt. Ltd.	-	345,000
Advances		
Himalayan Multi Agro Limited	2,148,139	2,101,467
Himalayan Fisheries Limited	1,938,752	33,816,550

Transaction with key management personnel

Meeting fees paid to chairman and directors during the year amount to Rs. 906,000 (2077-78: Rs. 878,000). Cash Dividend of Rs. 1,056,750 (2077-78: 1,404,000) and dividend in form of bonus shares amounting to Rs. 3,170,250 (2077-78: Rs. 1,404,000) were also paid during the year.

Meeting fees paid to Independent Director during the year amount to Rs. 75,000 (2077-78: Rs. 125,000).

Commitment and contingencies

g. Capital Commitment

Amount for contracts remaining to be executed on capital account as on Ashad 32, 2079 (July 16, 2022) Rs. Nil (2077-78: Rs. 3,908,290).

h. Contingent liabilities

The Company has received a demand for additional income tax from the Large Taxpayers' Office for the financial year 2061-62 and 2062-63 amounting to Rs. 8,478,212 (2077-78: Rs. 8,478,212), additional VAT for financial year 2058-59, 2061-62 and 2068-69 amounting to Rs. 32,504,824 (2077-78: Rs. 32,504,824) and excise duty for financial year 2061-62 amounting to Rs 2,777,779 (2077-78: Rs 2,777,779) which is under legal proceedings with the appropriate authorities. The Company has deposited Rs. 20,193,142 (2077-78: Rs. 20,193,142) for appeals. However, if the verdict from the authorities doesn't come in favor of the company, an additional fine and interest will be charged in the above amounts. Further, the company has received the order from the labor court for the payment of compensation to labor, the estimated amount of compensation is Rs 10,148,065. However, the company obtained the stay order from Honorable Supreme court.





A QUALITY PRODUCT OF
HIMALAYAN DISTILLERY



Blue Oak
PREMIUM BLENDED MALT



WELCOME TO
LUXURY

*Enjoy Responsibly

G. Paudyal & Associates

Chartered Accountants

ICAN Regd. No.: 307

PAN : 602785567

5th Floor, Tewa Tower
Teku, Kathmandu
Tel: 01-4233709
Website: www.gpa.com.np
Email: info.gpaca@gmail.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HIMALAYAN MULTI AGRO LIMITED

Reports on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Himalayan Multi Agro Limited** ('the company') which comprise the balance sheet as at **32 Ashad 2079, (16 July, 2022)**, the income statement the statement of changes of equity, statement of cash flow for the year ended and significant accounting policies and notes to the accounts.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at **32 Ashad 2079 (16 July, 2022)** and its financial performance and its cash flow for the year ended in accordance with Generally Accepted Accounting Policies (GAAP).

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 code of ethics for the professional accountant issued by The Institute of Chartered Accountants of Nepal together with the ethical requirement that is relevant to our audit of the financial statements under the provisions of the Company Act, 2063, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAN 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 for the financial year ended on Ashad 32, 2079 (corresponding to July 16, 2022). 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 that there is no key matter to communicated in our report.

Information Other Than the Financial Statements and Auditor's report thereon.

The management of the Company is responsible for the other information. The other information comprises the information included in the annual report, but does not included the financial statements and our auditor's report thereon.

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

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

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

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

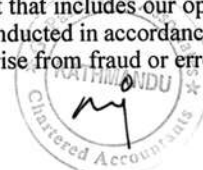
Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with the GAAP, and for such internal control as management determines is necessary to enable preparation of the financial statements that are free from material misstatements, 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 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 Company'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 disclosure 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,

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

Report on Other Legal and Regulatory Requirements


On the basis of our examination and explanations given to us, we would like to report that:

- i. We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
- ii. Company has kept proper books of accounts as required by law, in so far as it appears from our examination of those books of account subject to advance and party conformations.
- iii. The Balance Sheet, Income Statement, Statement of Cash Flow, Statement of Changes in Equity dealt with by this report are in agreement with the books of account maintained by the Company.
- iv. During our examination of the books of account of the Company, we have not come across the cases where the Board of Directors or any member thereof or any representative or any office holder or any employee of the Company has acted contrary to the provisions of law or caused loss or damage to the Company.

Place: Kathmandu

Date: 2079/08/14

**For: G. Paudyal & Associates
Chartered Accountants**


**CA Anoj Kumar Neupane
Partner**

UDIN Number:221207CA01618tMRBI

BALANCE SHEET As on 32 Ashad, 2079 (16 July, 2022)

Figures in NPR

PARTICULAR	SCH	CURRENT YEAR	PREVIOUS YEAR
Assets			
Non-Current Assets			
Property, Plant & Equipment	1	21,100,000	21,100,000
Deferred Tax Assets		-	-
Total Non-Current Assets		21,100,000	21,100,000
Current Assets			
Cash & Cash Equivalents	2	481,525	529,920
Trade & Other Receivables			
Total Current Assets		481,525	529,920
Total Assets			
		21,581,525	21,629,920
Equity & Liabilities			
Equity			
Share Capital	3	20,000,000	20,000,000
Reserve & Surplus	4	(590,875)	(494,147)
Total Equity		19,409,125	19,505,853
Current Liabilities			
Sundry Creditor			
Trade & Other Payables	5	2,172,399	2,124,067
Total Current Liabilities		2,172,399	2,124,067
Total Equity & Liabilities		21,581,525	21,629,920

Significant Accounting Policies and Notes to Accounts 7
Schedule 1 to 6 form an integral part of the Financial Statements

As per our report of even date

.....
Laxman Kaphle
CHIEF ACCOUNTANT

.....
Santoo Shrestha
DIRECTOR

.....
Akhileshwor P. Singh
CHAIRMAN

.....
Anoj Kumar Neupane
PARTNER
G. Paudyal & Associates
Chartered Accountants

PLACE: **Kathmandu**
DATE: **30th November, 2022**

INCOME STATEMENT For the Year Ended 32 Ashad, 2079 (16 July, 2022)

Figures in NPR

PARTICULAR	SCH	CURRENT YEAR	PREVIOUS YEAR
Income			
Sales Income		-	-
Less : Cost of Sales		-	-
Gross Profit		-	-
Add:			
Other Income		-	-
Less:			
Administrative Expenses	6	96,728	195,908
Financial Expenses		-	-
Depreciation Charges		-	-
Profit Before Tax		(96,728)	(195,908)
Current Tax		-	-
Deferred Tax		-	-
Net Profit/(Loss) After Tax		(96,728)	(195,908)

Significant Accounting Policies and Notes to Accounts 7
Schedule 1 to 6 form an integral part of the Financial Statements

As per our report of even date

.....
Laxman Kaphle
CHIEF ACCOUNTANT

.....
Santoo Shrestha
DIRECTOR

.....
Akhileshwor P. Singh
CHAIRMAN

.....
Anoj Kumar Neupane
PARTNER
G. Paudyal & Associates
Chartered Accountants

PLACE: **Kathmandu**
DATE: **30th November, 2022**

CASH FLOW STATEMENT As on 32 Ashad, 2079 (16 July, 2022)

Figures in NPR

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
A.Cash Flow From Operating Activities		
Net Profit/(Loss) after Tax	(96,728)	(195,908)
Add: Depreciation Charges	-	-
Net Cash Flow Before Changes in Working Capital	(96,728)	(195,908)
Interest Paid	-	-
Changes in Working Capital	48,332	(19,826,392)
Net Cash Flow From Operating Activities	(48,396)	(20,022,300)
B.Cash Flow From Investing Activities		
Sales of Fixed Assets	-	-
Purchase of Fixed Assets	-	-
Net Cash Flow From Investing Activities	-	-
C. Cash Flow From Financing Activities		
Increase/(Decrease) in Share Capital	-	20,000,000
Increase/(Decrease) in Bank Loans	-	-
Net Cash Flow From Financing Activities	-	20,000,000
Net Cash Flow	(48,396)	(22,300)
Add: Opening Cash & Bank Balance	529,920	552,220
Closing Cash & Bank Balanace	481,525	529,920

Significant Accounting Policies and Notes to Accounts 7
Schedule 1 to 6 form an integral part of the Financial Statements

As per our report of even date

.....
Laxman Kaphle
CHIEF ACCOUNTANT

.....
Santoo Shrestha
DIRECTOR

.....
Akhileshwor P. Singh
CHAIRMAN

.....
Anoj Kumar Neupane
PARTNER
G. Paudyal & Associates
Chartered Accountants

PLACE: Kathmandu
DATE: 30th November, 2022

STATEMENT OF CHANGES IN EQUITY

For the Year Ended Ashad 32, 2079 (July 16, 2022)

Figures in NPR

PARTICULARS	EQUITY SHARE	SHARE PREMIUM	REVALUATION RESERVE	ACCUMULATED PROFIT/(LOSS)	TOTAL
Balance As on 01.04.2077	-	-	-	(298,239)	(298,239)
Profit / (Loss) for the year	-	-	-	(195,908)	(195,908)
Issue of Share Capital	20,000,000	-	-	-	20,000,000
Balance As on 31.03.2078	20,000,000	-	-	(494,147)	19,505,853
Balance As on 01.04.2078	20,000,000	-	-	(494,147)	19,505,853
Profit / (Loss) for the year	-	-	-	(96,728)	(96,728)
Balance As on 32.03.2079	20,000,000	-	-	(590,875)	19,409,125

As per our report of even date

.....
Laxman Kaphle
 CHIEF ACCOUNTANT

.....
Santoo Shrestha
 DIRECTOR

.....
Akhileshwor P. Singh
 CHAIRMAN

.....
Anoj Kumar Neupane
 PARTNER
G. Paudyal & Associates
 Chartered Accountants

PLACE: **Kathmandu**
 DATE: **30th November, 2022**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
HIMALAYAN FISHERIES LIMITED**

Reports on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Himalayan Fisheries Limited** ('the company') which comprise the balance sheet as at **32 Ashad 2079, (16 July, 2022)**, the income statement the statement of changes of equity, statement of cash flow for the year ended and significant accounting policies and notes to the accounts.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at **32 Ashad 2079 (16 July, 2022)** and its financial performance and its cash flow for the year ended in accordance with Generally Accepted Accounting Policies (GAAP).

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 code of ethics for the professional accountant issued by The Institute of Chartered Accountants of Nepal together with the ethical requirement that is relevant to our audit of the financial statements under the provisions of the Company Act, 2063, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAN 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 for the financial year ended on Ashad 32, 2079 (corresponding to July 16, 2022). 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 that there is no key matter to communicated in our report.

Information Other Than the Financial Statements and Auditor's report thereon.

The management of the Company is responsible for the other information. The other information comprises the information included in the annual report, but does not included the financial statements and our auditor's report thereon.

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

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

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

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

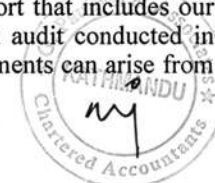
Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with the GAAP, and for such internal control as management determines is necessary to enable preparation of the financial statements that are free from material misstatements, 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 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 Company'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 disclosure 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,

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

Report on Other Legal and Regulatory Requirements


On the basis of our examination and explanations given to us, we would like to report that:

- i. We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
- ii. Company has kept proper books of accounts as required by law, in so far as it appears from our examination of those books of account subject to advance and party conformations.
- iii. The Balance Sheet, Income Statement, Statement of Cash Flow, Statement of Changes in Equity dealt with by this report are in agreement with the books of account maintained by the Company.
- iv. During our examination of the books of account of the Company, we have not come across the cases where the Board of Directors or any member thereof or any representative or any office holder or any employee of the Company has acted contrary to the provisions of law or caused loss or damage to the Company.

Place: Kathmandu

Date: 2079/08/14

For: G. Paudyal & Associates
Chartered Accountants


CA Anoj Kumar Neupane
Partner

UDIN Number:221207CA01618wlYjq

BALANCE SHEET

As on 32 Ashad, 2079 (16 July, 2022)

Figures in NPR

PARTICULAR	SCH	CURRENT YEAR	PREVIOUS YEAR
Assets			
Non-Current Assets			
Property, Plant & Equipment	1	82,519,250	82,519,250
Deferred Tax Assets		-	-
Total Non-Current Assets		82,519,250	82,519,250
Current Assets			
Cash & Cash Equivalents	2	115,401	7,085
Trade & Other Receivables			
Total Current Assets		115,401	7,085
Total Assets			
		82,634,651	82,526,335
Equity & Liabilities			
Equity			
Share Capital	3	81,100,000	49,000,000
Reserve & Surplus	4	(429,725)	(318,815)
Total Equity		80,670,275	48,681,185
Current Liabilities			
Trade & Other Payables	5	1,964,376	33,845,150
Total Current Liabilities		1,964,376	33,845,150
Total Equity & Liabilities		82,634,651	82,526,335

Significant Accounting Policies and Notes to Accounts 7
Schedules 1 to 6 form an integral part of the financial statements

As per our report of even date

.....
Laxman Kaphle
CHIEF ACCOUNTANT

.....
Santoo Shrestha
DIRECTOR

.....
Akhileshwor P. Singh
CHAIRMAN

.....
Anoj Kumar Neupane
PARTNER
G. Paudyal & Associates
Chartered Accountants

PLACE: Kathmandu
DATE: 30th November, 2022

INCOME STATEMENT

For the Year Ended 32 Ashad, 2079 (16 July, 2022)

Figures in NPR

PARTICULAR	SCH	CURRENT YEAR	PREVIOUS YEAR
Income			
Sales Income		-	-
Less : Cost of Sales		-	-
Gross Profit		-	-
Add:			
Other Income		-	-
Less:			
Administrative Expenses	6	110,910	148,615
Financial Expenses		-	-
Depreciation Charges		-	-
Profit Before Tax		(110,910)	(148,615)
Current Tax		-	-
Deferred Tax		-	-
Net Profit/(Loss) After Tax		(110,910)	(148,615)

Significant Accounting Policies and Notes to Accounts 7
Schedules 1 to 6 form an integral part of the financial statements

As per our report of even date

.....
Laxman Kaphle
CHIEF ACCOUNTANT

.....
Santoo Shrestha
DIRECTOR

.....
Akhileshwor P. Singh
CHAIRMAN

.....
Anoj Kumar Neupane
PARTNER
G. Paudyal & Associates
Chartered Accountants

PLACE: **Kathmandu**
DATE: **30th November, 2022**

CASH FLOW STATEMENT As on 32 Ashad, 2079 (16 July, 2022)

Figures in NPR

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
A.Cash Flow From Operating Activities		
Net Profit/(Loss) after Tax	(110,910)	(148,615)
Add: Depreciation Charges	-	-
Net Cash Flow Before Changes in Working Capital	(110,910)	(148,615)
Interest Paid	-	-
Changes in Working Capital	(31,880,774)	33,672,550
Net Cash Flow From Operating Activities	(31,991,684)	33,523,935
B.Cash Flow From Investing Activities		
Sales of Fixed Assets	-	-
Purchase of Fixed Assets	-	(82,519,250)
Net Cash Flow From Investing Activities	-	(82,519,250)
C. Cash Flow From Financing Activities		
Increase/(Decrease) in Share Capital	32,100,000	49,000,000
Increase/(Decrease) in Bank Loans	-	-
Net Cash Flow From Financing Activities	32,100,000	49,000,000
Net Cash Flow	108,316	4,685
Add: Opening Cash & Bank Balance	7,085	2,400
Closing Cash & Bank Balance	115,401	7,085

Significant Accounting Policies and Notes to Accounts 7
Schedules 1 to 6 form an integral part of the financial statements

As per our report of even date

.....
Laxman Kaphle
CHIEF ACCOUNTANT

.....
Santoo Shrestha
DIRECTOR

.....
Akhileshwor P. Singh
CHAIRMAN

.....
Anoj Kumar Neupane
PARTNER
G. Paudyal & Associates
Chartered Accountants

PLACE: Kathmandu
DATE: 30th November, 2022

STATEMENT OF CHANGES IN EQUITY For the Year Ended Ashad 32, 2079 (July 16, 2022)

Figures in NPR

PARTICULARS	EQUITY SHARE	SHARE PREMIUM	REVALUATION RESERVE	ACCUMULATED PROFIT/(LOSS)	TOTAL
Balance As on 01.04.2077	-	-	-	(170,200)	(170,200)
Profit / (Loss) for the year	-	-	-	(148,615)	(148,615)
Issue of Share Capital	49,000,000	-	-	-	49,000,000
Balance As on 31.03.2078	49,000,000	-	-	(318,815)	48,681,185
Balance As on 01.04.2079	49,000,000	-	-	(318,815)	48,681,185
Issue of Share Capital	32,100,000	-	-	-	32,100,000
Profit / (Loss) for the year	-	-	-	(110,910)	(110,910)
Balance As on 32.03.2079	81,100,000	-	-	(429,725)	80,670,275

As per our report of even date

.....
Laxman Kaphle
 CHIEF ACCOUNTANT

.....
Santoo Shrestha
 DIRECTOR

.....
Akhileshwor P. Singh
 CHAIRMAN

.....
Anoj Kumar Neupane
 PARTNER
G. Paudyal & Associates
 Chartered Accountants

PLACE: **Kathmandu**
 DATE: **30th November, 2022**

सूचिकृत संगठित संस्थाहरूको संस्थागत सुशासन सम्बन्धि निर्देशिका २०७४ को निर्देशन नं.२०

(३) तथा २०(४) प्रयोजनार्थ प्रतिवेदनको शारंश ।

- (क) ऐन, नियमावली तथा नियमानकारी निकायबाट समय समयमा जारी भएका निर्देशन तथा निर्देशिका बमोजिम गर्नु पर्ने कुरा पालना भए/नभएको : पालना भएको ।
- (ख) नियमनकारी निकायले ईजाजत जारी गर्दा तोकेका शर्तहरू पालना भए/नभएको : पालना गरिएको ।
- (ग) नियमनकारी निकायले संस्थाको नियमन, निरीक्षण वा सुपरिवेक्षण गर्दा सम्बन्धित संस्थालाई दिएको निर्देशन : पालना भएको ।
- (घ) पछिल्लो वार्षिक/विशेष साधारण सभा भएको मिति : मिति २०७८ पौष २९ गते सम्पन्न भएको ।
- (ङ) कर्मचारीहरूको संरचना, पदपूर्ति, वृत्ति विकास, तालिम, तलव भत्ता तथा अन्य सुविधा, हाजिर र विदा आचार संहिता लगायतका कुराहरू समेत समेटिएका कर्मचारी सेवा शर्त विनियमावली/व्यवस्था भए नभएको : यस कम्पनीको संचालक समितिबाट निर्णय भई कर्मचारीहरूको संरचना, पदपूर्ति, वृत्ति विकास, तालिम तथा अन्य सुविधा, हाजिर र विदा आचारसंहिता लगायतका कुराहरू समेत समेटिएका कर्मचारी सेवा शर्त विनियमावली (HR & Administrative Manual) लागु भएको ।
- (च) आर्थिक प्रशासन विनियमावली भए नभएको : लेखा सम्बन्धि म्यानुअल (Finance Manual) संचालक समितिबाट स्विकृत भई लागु गरिएको ।
- (छ) आन्तरिक नियन्त्रण कार्यविधि भए/नभएको : कम्पनीको संचालक समितिबाट HR & Administrative Manual, Finance Manual / Procurement Manual स्विकृत गरि लागु गरिएको साथै वाह्य छुट्टै स्वतन्त्र लेखा परीक्षकको नियुक्ती गरि त्रैमासिक रुपमा कम्पनीको आर्थिक तथा अन्य गतिविधिहरूको परीक्षण गराई आन्तरिक नियन्त्रण प्रणालीलाई मजबुत राख्ने गरिएको । यसरी वाह्य लेखा परीक्षकले त्रैमासिक रुपमा लेखा परीक्षण गरी उपलब्ध गराएको प्रतिवेदनमा लेखा सम्बन्धिमा छलफल भई संचालक समितिले निर्णय गरे अनुसार गर्ने गरिएको ।
- (ज) आन्तरिक नियन्त्रण प्रणालीका लागि कुनै समिति गठन भए/नभएको, गठन नभएको भए सो को कारण: आन्तरिक नियन्त्रण प्रणाली सम्बन्धि छुट्टै समिति गठन नभए पनि माथि वुदां नं. (छ) मा उल्लेख भएको पद्धतिद्वारा कार्य गर्ने गरिएको हुनाले छुट्टै समितिको आवश्यक महसुस नगरिएको ।

हिमालयन डिस्टिलरी लिमिटेड, २२औं वार्षिक साधारण सभामा कम्पनीको प्रवन्ध पत्र तथा

नियमावलीमा संशोधनको प्रस्ताव (लि.नं. ५७५)

हिमालयन डिस्टिलरी लिमिटेडको प्रवन्ध पत्रको दफा ५(क), ५(ख) र ५(ग) मा कायम भएको संसोधित व्यवस्था:

दफा ५(क) मा कायम संसोधित व्यवस्था:

कम्पनीको अधिकृत पूँजी रु. २,५०,००,००,०००।०० (दुई अरब पचास करोड) हुनेछ। उक्त पूँजीलाई रु.१००।०० का दरले २,५०,००,००० (दुई करोड पचास लाख मात्र) थान साधारण शेयरमा विभाजन गरिएको छ। हाल प्रिफरेन्स शेयर सम्बन्धि कुनै व्यवस्था गरिएको छैन।

दफा ५(ख) मा कायम संसोधित व्यवस्था:

कम्पनीको जारी पूँजी रु. २,४२,९५,६६,६५०।०० (दुई अरब बयालिस करोड पन्चानब्बे लाख छैसठ्ठी हजार छ सय पचास रुपैया मात्र) हुनेछ।

दफा ५(ग) मा कायम संसोधित व्यवस्था:

कम्पनीको जारी पूजिं मध्ये रु. २,४२,९५,६६,६५०।०० (दुई अरब बयालिस करोड पन्चानब्बे लाख छैसठ्ठी हजार छ सय पचास रुपैया मात्र) को साधारण शेयर हुनेछ ।

हिमालयन डिष्टिलरी लिमिटेडको नियमावलीको नियम ५(क), ५(ख), ५(घ), ५(ङ) मा कायम भएको संसोधित व्यवस्था:

नियमावलीको नियम ५(क) मा कायम संसोधित व्यवस्था:

कम्पनीको अधिकृत पूजिं रु. २,५०,००,००,०००।०० (दुई अरब पचास करोड) हुनेछ ।

नियमावलीको नियम ५(ख)मा कायम संसोधित व्यवस्था:

कम्पनीको जारी पूजिं रु. २,४२,९५,६६,६५०।०० (दुई अरब बयालिस करोड पन्चानब्बे लाख छैसठ्ठी हजार छ सय पचास रुपैया मात्र) हुनेछ ।

नियमावलीको नियम ५(घ) मा कायम संसोधित व्यवस्था:

कम्पनीले आफनो जारी पूजिं मध्ये २,४२,९५,६६६.५० कित्ता साधारण शेयर विभाजन गरी जारी गर्नेछ । हाल प्रिफरेन्स शेयर सम्बन्धि व्यवस्था गरिएको छैन ।

नियमावलीको नियम ५(ङ) मा कायम संसोधित व्यवस्था:

कम्पनीले तत्काल जारी गरेको पूजिं मध्ये २,४२,९५,६६६.५० थान शेयर सर्व साधारण शेयरधनीहरुले ग्रहण गर्नेछन ।

प्रवन्ध पत्रको दफा ५ (क), (ख) र (ग) मा तथा नियमावलीको नियम ५(क), (ख), ५(घ), ५(ङ), कायम भएको संशोधित व्यवस्था सम्बन्धमा खडा गरिएको तीन महले :

साविकमा भएको व्यवस्था	हाल कायम गरिएको व्यवस्था	कारण
<p>प्रवन्ध पत्रको दफा ५(क) मा कायम व्यवस्था: कम्पनीको अधिकृत पूर्जा रू.१,६०,००,००,०००।०० (अक्षरूपी एक अरब साठी करोड मात्र) हुनेछ। उक्त पूर्जालाई रू.१००।०० का दरले १,६०,००,००० (एक करोड साठी लाख) थान साधारण शेयरमा विभाजन गरिएको छ। हाल प्रिफरेन्स शेयर सम्बन्धि कुनै व्यवस्था गरिएको छैन।</p>	<p>प्रवन्ध पत्रको दफा ५(क) मा कायम संशोधित व्यवस्था: कम्पनीको अधिकृत पूर्जा रू. २,५०,००,००,०००।०० (दुई अरब पचास करोड) हुनेछ। उक्त पूर्जालाई रू.१००।०० का दरले २,५०,००,००० (दुई करोड पचास लाख मात्र) थान साधारण शेयरमा विभाजन गरिएको छ। हाल प्रिफरेन्स शेयर सम्बन्धि कुनै व्यवस्था गरिएको छैन।</p>	<p>कम्पनीले वोनश शेयर वितरण गर्दा साविकको अधिकृत पूर्जा भन्दा कम्पनीको अधिकृत पूर्जा वढन जाने भएकाले।</p>
<p>प्रवन्ध पत्रको दफा ५(ख) मा कायम व्यवस्था: कम्पनीको जारी पूर्जा रू.१,५१,८४,७९,१५६।२५ (एक अरब एकाउन्न करोड चौरासी लाख उनाअसी हजार एक सय छपन्न पैसा पच्चीस मात्र) हुनेछ।</p>	<p>प्रवन्ध पत्रको दफा ५(ख)मा कायम संशोधित व्यवस्था: कम्पनीको जारी पूर्जा रू. २,४२,९५,६६,६५०।०० (दुई अरब बयालिस करोड पन्चानब्बे लाख छैसठ्ठी हजार छ सय पचास रुपैया मात्र) हुनेछ।</p>	<p>वोनस शेयर वितरण गर्दा जारी पूर्जा वढाउनु पर्ने आवश्यकता भएकोले।</p>
<p>प्रवन्ध पत्रको दफा ५(ग) मा कायम व्यवस्था: कम्पनीको जारी पूर्जा मध्ये रू.१,५१,८४,७९,१५६।२५ (एक अरब एकाउन्न करोड चौरासी लाख उनाअसी हजार एक सय छपन्न पैसा पच्चीस मात्र) हुनेछ।</p>	<p>प्रवन्ध पत्रको दफा ५(ग) मा कायम संशोधित: कम्पनीको जारी पूर्जा रू. २,४२,९५,६६,६५०।०० (दुई अरब बयालिस करोड पन्चानब्बे लाख छैसठ्ठी हजार छ सय पचास रुपैया मात्र) हुनेछ।</p>	<p>वोनस शेयर वितरण गरेकोले संशोधन गर्न आवश्यक भएको।</p>
<p>नियमावलीको नियम ५(क) मा कायम व्यवस्था: कम्पनीको अधिकृत पूर्जा रू.१,६०,००,००,०००।०० (अक्षरूपी एक अरब साठी करोड मात्र) छ।</p>	<p>नियमावलीको नियम ५(क) मा कायम संशोधित व्यवस्था: कम्पनीको अधिकृत पूर्जा रू. २,५०,००,००,०००।०० (दुई अरब पचास करोड) हुनेछ।</p>	<p>कम्पनीले वोनश शेयर वितरण गर्दा साविकको अधिकृत पूर्जा भन्दा कम्पनीको अधिकृत पूर्जा वढन जाने भएकाले।</p>

क्रमशः

क्रमशः

साविकमा भएको व्यवस्था	हाल कायम गरिएको व्यवस्था	कारण
<p>नियमावलीको नियम ५(ख) मा कायम व्यवस्था: कम्पनीले आफ्नो जारी पूजिं मध्ये रु. रु.१,५१,८४,७९,१.५६२५ कित्ता साधारण शेयर विभाजन गरी जारी गर्नेछ । हाल प्रिफरेन्स शेयर सम्बन्धि कुनै व्यवस्था गरिएको छैन ।</p>	<p>नियमावलीको नियम ५(ख)मा कायम संसोधित व्यवस्था: कम्पनीले आफ्नो जारी पूजिं मध्ये २,४२,९५,६६६.५० कित्ता साधारण शेयर विभाजन गरी जारी गर्नेछ । हाल प्रिफरेन्स शेयर सम्बन्धि व्यवस्था गरिएको छैन</p>	<p>वोनस शेयर वितरण गरेकोले संसोधन गर्न आवश्यक भएको ।</p>
<p>नियमावलीको नियम ५(घ): कम्पनीले आफ्नो जारी पूजिं मध्ये रु. रु.१,५१,८४,७९,१.५६२५ कित्ता साधारण शेयर विभाजन गरी जारी गर्नेछ । हाल प्रिफरेन्स शेयर सम्बन्धि कुनै व्यवस्था गरिएको छैन ।</p>	<p>नियमावलीको नियम ५(घ) मा कायम संसोधित व्यवस्था: कम्पनीले आफ्नो जारी पूजिं मध्ये २,४२,९५,६६६.५० कित्ता साधारण शेयर विभाजन गरी जारी गर्नेछ । हाल प्रिफरेन्स शेयर सम्बन्धि व्यवस्था गरिएको छैन</p>	<p>वोनस शेयर वितरण गरेकोले संसोधन गर्न आवश्यक भएको ।</p>
<p>नियमावलीको नियम ५(ङ):- कम्पनीले तत्काल जारी गरेको पूजिं मध्ये १,५१,८४,७९१.५६२५ थान शेयर सर्व साधारण शेयरधनीहरूले ग्रहण गर्नेछन ।</p>	<p>नियमावलीको नियम ५(ङ) मा कायम संसोधित व्यवस्था:- कम्पनीले तत्काल जारी गरेको पूजिं मध्ये २,४२,९५,६६६.५० थान शेयर सर्व साधारण शेयरधनीहरूले ग्रहण गर्नेछन ।</p>	<p>वोनस शेयर वितरण गरेकोले संसोधन गर्न आवश्यक भएको ।</p>

अखिलेश्वर प्रसाद सिंह
सभापति/अध्यक्ष
मिति: २०७९।०९।२७

कम्पनी सचिव
मिति: २०७९।०९।२७



Investor's Relationship

SHARE MARKET INFORMATION

HDL is one company in the Nepal Stock Exchange that has consistently delivered high returns to shareholders. The stock prices of the company have consistently remained high, despite the massive slide in the NEPSE Index. It consistently delivered 100% dividend in three consecutive years from FY 2018/19 to FY 2020/21 and has announced 70% dividends in FY 2021/22 (60% bonus and 10% cash). The company's sound performance over the years has made it one of the strongest drivers of the manufacturing sector index. The company has 15,184,794 fully paid-up shares listed at the Nepal Stock Exchange.

HDL stock prices rose from Rs. 1,599 in FY 2019/20 to Rs. 5,512 by the end of FY 2021/22 when the NEPSE Index had reached 2,883. HDL stock price

MAXIMUM PRICE HDL'S SHARE HAS BEEN TRADED AT NEPSE IS

Rs. 7,938

ON 17TH AUG, 2021

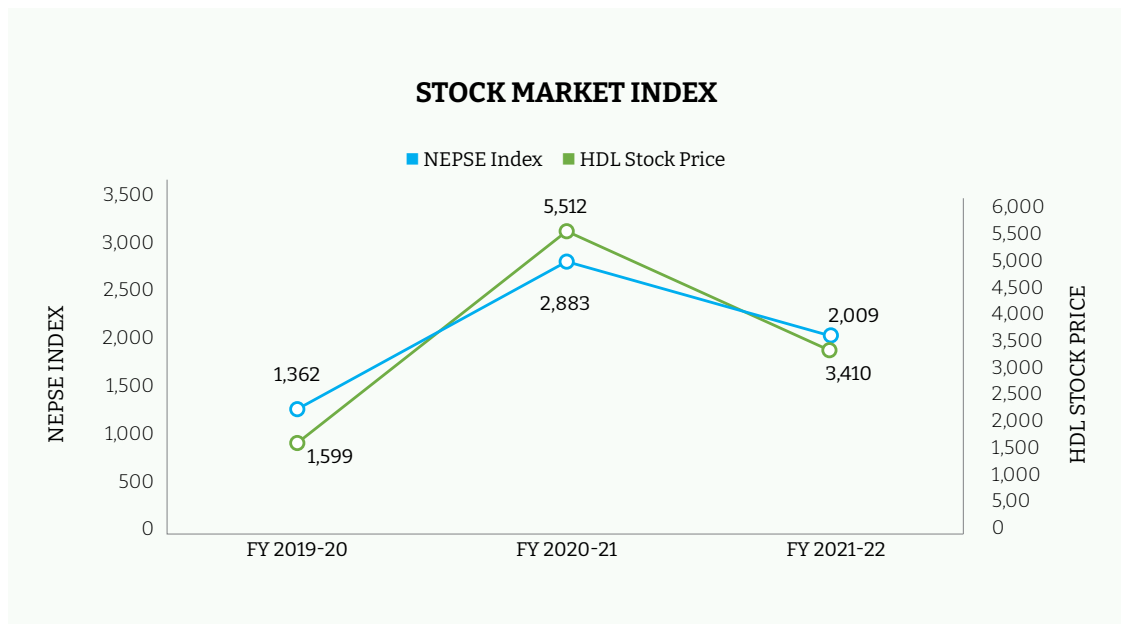
remained at Rs. 3,410 in FY 2021/22, even after a major drop in the NEPSE Index to 2,009. The Index has shrunk further since, but HDL stock prices have remained high.

MARKET CAPITALISATION

HDL shares are among the most-preferred stocks in the market. The traded price of each stock in NEPSE was Rs. 3,842 on 22 December 2022, which adds up to a market capitalization of Rs. 58,339,978,548 or Rs. 58.34 billion.

CONTRIBUTION TO NATIONAL ECONOMY

HDL has remained a major taxpayer in Nepal. Its revenue has grown from about Rs. 2.5 billion in FY 2017/18 to over Rs. 4 billion in FY 2021/22. Its contributions to the national coffers have also grown over time. In FY 2021/22 the company paid over Rs. 3.5 billion as excise duties alone. Putting all the taxes together, HDL paid about Rs. 4.1 billion in FY 2020/21 which includes excise, Value Added Tax, custom duties, deductible taxes, and income tax, which increased to Rs. 4.8 billion in FY 2021/22. The total income tax alone paid in FY 2021/22 was Rs. 377 million.



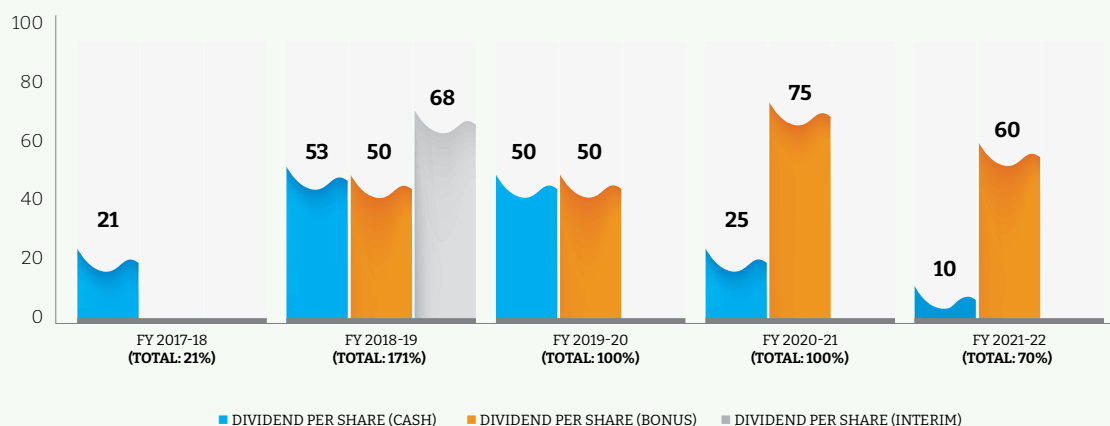
CONTRIBUTION TO NATIONAL ECONOMY

In Million

DESCRIPTION	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Total Revenue	2,452	3,181	2,405	3,772	4,064
DUTIES					
Excise	2,783	3,260	2,384	2,808	3,524
VAT	677	382	853	832	783
Custom	76	80	78	42	63
TDS	14	44	35	62	88
Income Tax	99	254	90	421	377
Total Tax	3,649	4,020	3,440	4,165	4,835

DIVIDEND DISTRIBUTION (PER SHARE)

in Percentage



VALUE ADDED STATEMENT

In Thousands

PARTICULARS	FY 2021-22	% FY 2021-22	FY 2020-21	% FY 2020-21
Value Generated:				
Sales (Gross of Excise Duty)	7,583,029	143%	6,507,081	143%
Less: Cost of Bought in Materials & Services	(2,276,675)	-43%	(2,017,768)	-44%
Value Added from Operations	5,306,354		4,489,313	
Add: Other Income	5,339	0.1%	72,955	2%
Gross Value Added	5,311,694	100%	4,562,268	100%
Value Applied:				
Towards Employees	310,159	6%	277,536	6%
Towards Directors	906	0.02%	878	0.02%
Towards Government	3,886,703	73%	3,174,141	70%
Towards Shareholders	867,702	16%	578,468	13%
Towards Providers of Finance	2,157	0.04%	17,226	0.4%
Towards Entity	244,067	5%	514,019	11%
Gross Value Applied	5,311,694	100%	4,562,268	100%

INTERIM FINANCIAL REPORT

Unaudited Statement of Financial Position for the Quarter Ended as on 17th October 2022

Amount in Rs.

PARTICULARS	THIS QUARTER END	PREVIOUS QUARTER END	CORRESPONDING PREVIOUS YEAR QUARTER END
ASSETS			
NON-CURRENT ASSETS			
a) Property, plant and equipment	486,286,324	497,507,685	504,462,634
b) Capital work-in-progress	-	-	44,596
c) Intangible assets	821,516	67,378	321,840
d) Investments	101,100,000	69,000,000	69,000,000
e) Other non-current assets	20,193,142	20,193,142	20,193,142
Total Non-Current Assets	608,400,982	586,768,205	594,022,212
CURRENT ASSETS			
a) Inventories	296,828,002	209,962,192	254,661,419
b) Financial assets			
Trade receivables	2,498,619,550	1,268,720,123	1,977,230,907
Cash and cash equivalents	388,975,564	1,116,182,117	17,205,468
c) Other current assets	97,194,204	106,112,271	135,727,310
Total	3,281,617,320	2,700,976,701	2,384,825,104
Non-current assets held for sale	-	-	-
Total current assets	3,281,617,320	2,700,976,701	2,384,825,104
TOTAL ASSETS	3,890,018,302	3,287,744,907	2,978,847,315
EQUITY AND LIABILITIES			
EQUITY			
a) Equity			
Share capital	1,518,479,156	1,518,479,156	867,702,375
b) Other equity			
Reserves and surplus	1,543,367,650	1,324,481,981	1,348,174,409
Total Equity	3,061,846,807	2,842,961,137	2,215,876,784
NON-CURRENT LIABILITIES			
a) Financial liabilities			
Borrowings	-	-	-
b) Deferred tax liabilities	32,817,279	35,620,944	35,620,944
Total Non-Current Liabilities	32,817,279	35,620,944	35,620,944
CURRENT LIABILITIES			
a) Financial Liabilities			
Borrowings	150,000,000	-	39,150,316
Trade payables	238,964,611	78,223,772	228,160,526
Other financial liabilities	70,320,752	160,533,093	77,631,680
b) Other current liabilities	265,756,198	170,405,961	310,586,427
c) Current tax liabilities (net)	70,312,655	-	71,820,638
Total Current Liabilities	795,354,217	409,162,826	727,349,587
TOTAL EQUITY AND LIABILITIES	3,890,018,302	3,287,744,907	2,978,847,315

INTERIM FINANCIAL REPORT

Unaudited Statement of Profit or Loss and Other Comprehensive Income for the Quarter Ended as on 17th October 2022

Amount in Rs.

PARTICULARS	THIS QUARTER END	PREVIOUS QUARTER END	CORRESPONDING PREVIOUS YEAR QUARTER END
Revenue from operations	1,382,400,383	7,583,030,937	1,231,060,219
Less: excise duties	626,643,877	3,523,909,082	534,509,479
Less: cost of goods sold	243,617,185	1,342,139,957	215,176,987
Less: manufacturing expenses	42,110,182	213,866,701	34,516,998
Gross profit	470,029,138	2,503,115,197	446,856,755
Other operating income	3,411,903	5,294,346	-
Total income from operations	473,441,041	2,508,409,542	446,856,755
Employee benefit expenses	66,995,586	308,364,071	70,099,889
Administration and other expenses	19,625,594	96,471,160	13,493,267
Selling and distribution expenses	83,044,693	634,473,519	66,735,744
Operating profit	303,775,168	1,469,100,792	296,527,854
Depreciation and amortisation	13,016,476	51,625,961	12,806,523
Finance costs	1,147,003	975,779	121,538
Profit before tax	289,611,690	1,416,499,052	283,599,793
Income tax expenses	73,850,981	361,207,258	72,317,947
Profit for the year	215,760,709	1,055,291,794	211,281,846
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
(i) Remeasurements of Defined Benefit Obligations	-	-	-
(ii) Income tax credit/(charge) relating to these items	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	215,760,709	1,055,291,794	211,281,846
Earning per equity share (face value of Rs. 100 each)			
Basic EPS*	56.84	69.50	55.66
Diluted EPS*	56.84	69.50	55.66
Other Financial Ratios:			
PE Ratio	60.00	49.07	123.96
Net Worth Per Share	201.64	187.22	255.37
Liquidity Ratio	4.13	6.60	3.28

Notes:

Account heads have been re-grouped/re-classified wherever necessary so as to comply with the Nepal Financial Reporting Standards (NFRS)

* Corresponding Previous Year's Basic & Diluted EPS has been restated to reflect the effect of issuance of Bonus Shares as per NFRS

* EPS is annualized



TREASURE THE GOOD TIMES







Distribution Network

The J.G.I. Distribution Pvt. Ltd. is the national distributor for the distribution of all the products of HDL in market. The JGIDPL distributes products of four manufacturing units, including HDL, and also of units that manufacture beer. The national distributor (JGIDPL) has separate networks for distributing spirits and beer made up of distributors, wholesalers, and retailers.

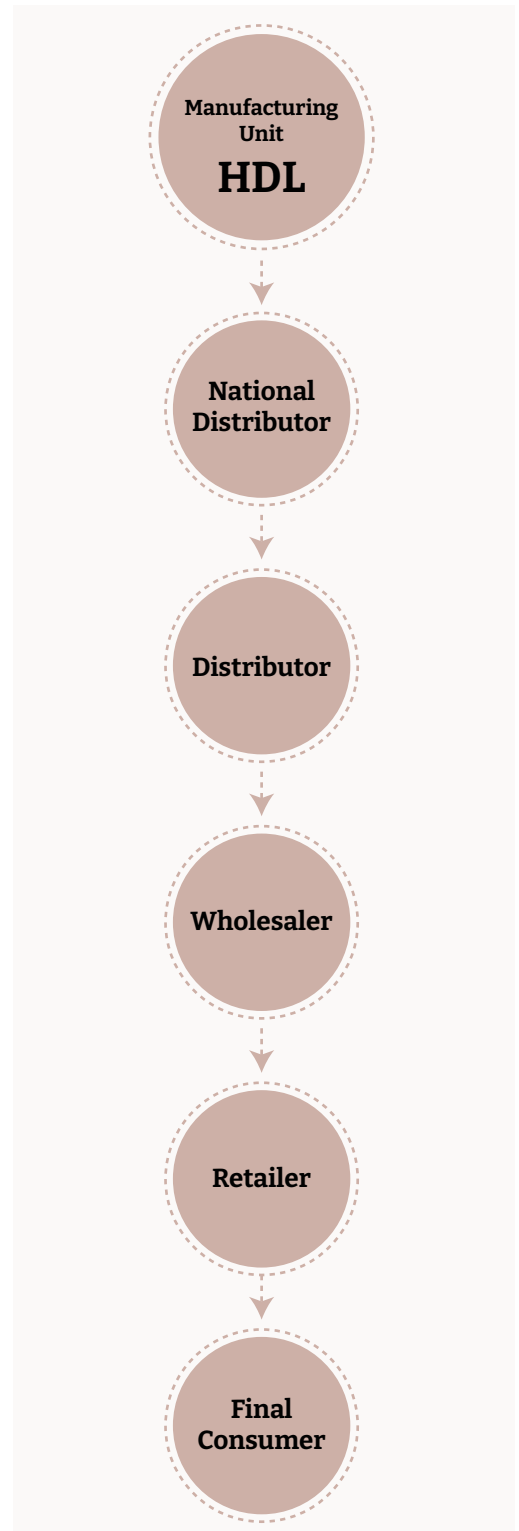
HDL has a wide distribution network who add up to 12,018, including distributors, wholesalers, and retailers across the country. This does not include high-end wholesaling and retailing units that number 1,075. There distribution network is divided into nine zones, three in Kathmandu Valley, and seven outside Kathmandu Valley. Each zone has a number of areas, for example Valley-1 Includes Kathmandu West North, Bhaktapur, Banepa, Barabishe, and Chairkot. Similarly, Valley -2 includes Kathmandu East, Nuwakot and Dhading. The distribution has been planned to consider the logistics and supply lines for the products. In all the company has 104 distributors, including the HDL and the national distributor.

Similarly, there are 8,078 wholesalers in the distribution network, who operate in different areas and zones. The highest number of wholesalers operate in zones five, six, Valley-1 and Valley-2. Seventy-nine of the wholesalers operate high-end/ modern outlets.

The total number of retailers involved in getting the products to consumers is 3,836, including 1,075 with high end/ modern outlets.

Among the different zones, zones five and three include 10 and nine different locations in the region. Zone Five, for example, includes Parasi, Butwal, Palpa, Bahirahawa, Gorusinghe, Argakhanchi, Dang, Tulsipur, Rolpa and Pyuthan. Similarly, zone three includes Gaur, Birgunj, Hetauda, Palung, Narayanghat, Kawasoti and Tandi.

SUPPLY CHAIN



Operation Route to market

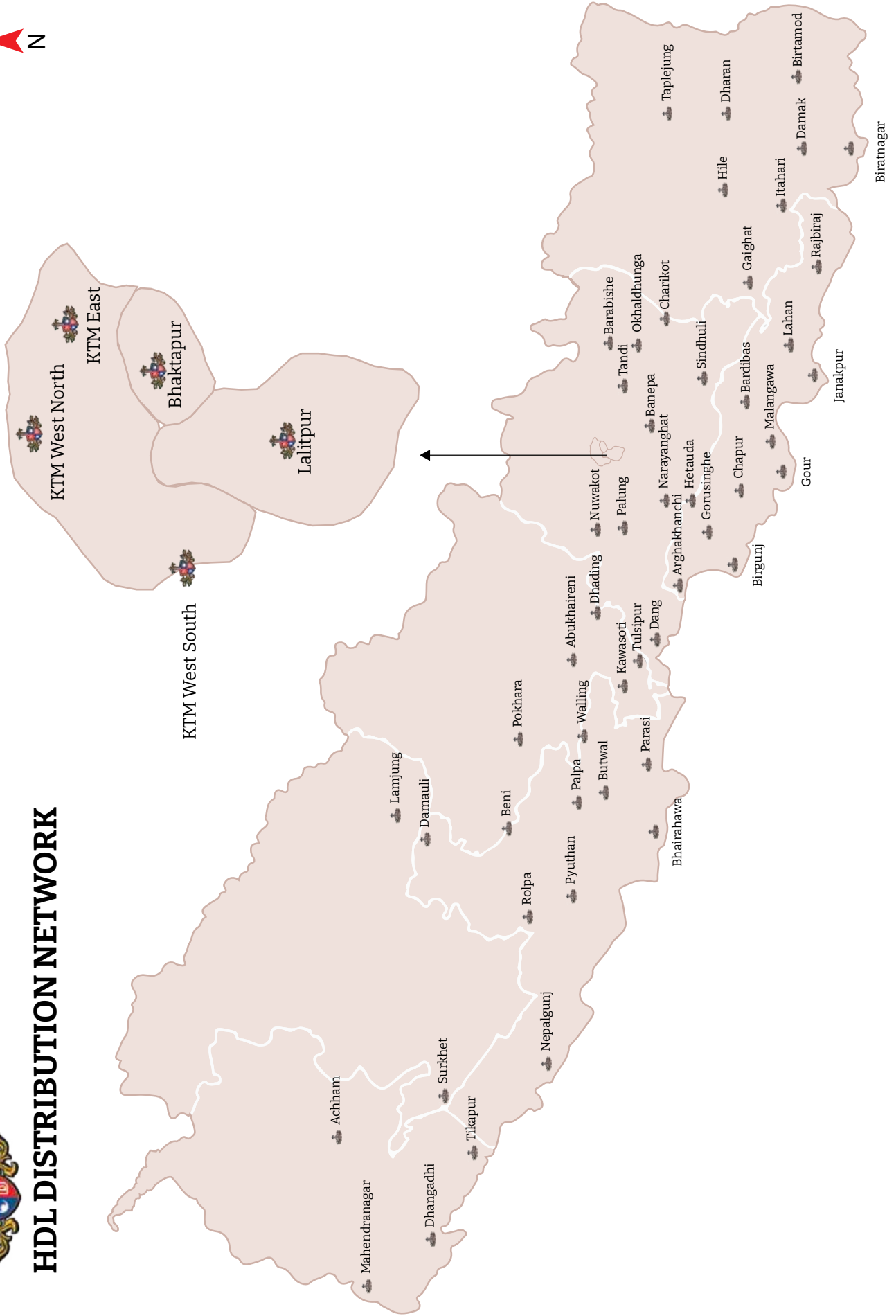
ZONES	Eastern Nepal				Western Nepal			TOTAL
	VALLEY	ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	
Sales Contribution (In %)	31	11	15	15	5	10	12	100
Channel Distribution								
Distributors	24	16	18	17	12	17	11	115
Wholesalers	289	764	241	203	275	365	342	2,479
Off Trade	2975	1299	409	511	1417	833	766	8210
On Trade	5144	2870	1053	971	4112	2744	2235	19129
Manpower								
Sales and Marketing	65	27	19	16	26	22	22	197

GENERAL MANAGER SALES & MARKETING

- Chief Sales Officer Liquor
- Regional Sales Manager (4 Nos)
- Territory Managers (5 Nos)
- Sales Executive (65 Nos)



HDL DISTRIBUTION NETWORK





Factory Team



Himalayan Distillery Ltd.

REGISTERED ADDRESS:

Birjung Metropolitan City-21, Parsa, Nepal
+977 051-620223

CONTACT OFFICE:

Jawalakhel, Lalitpur, Nepal
P.O. Box: 423
+977 01 5522010 / 01 5538875
info@himalayandistillery.com

www.himalayandistillery.com



BANKING PARTNER



STATUTORY AUDITOR:

G. Paudyal & Associates
Chartered Accountants