



HIMALAYAN DISTILLERY LIMITED



**RAISING SPIRITS,  
ELEVATING SUCCESS**

ANNUAL REPORT  
2023/24



# **RAISING SPIRITS, ELEVATING SUCCESS**

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The most respected Liquor Company in  
Nepal in terms of products, service, profit  
and shareholder value.

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**DISCLAIMER:**  
This publication is intended  
for information purpose only.





# 01

## STRATEGIC REPORT

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Himalayan Distillery Limited (HDL), a landmark name in the alcoholic beverage industry of Nepal has prominently placed itself as the market leader with an astounding market share of approximately above 70% market share in the 40UP whisky segment. HDL has been able to stand strong in the ever-competitive liquor industry of Nepal. This can be attributed to a series of factors including but not limited to higher degree of compliance with and implementation of international standard quality benchmarks, uncompromised adherence to corporate governance, continuous product innovation and upgradation, state-of-the-art automation and better scalability of its manufacturing processes to further enhance its operational efficiency and productivity and not to forget a highly involved and customer-oriented, competitive and a robust sales and distribution team.





One of the core strengths of HDL is the fact that it has always maintained relentless commitment when it comes to adherence to various national and international manufacturing, operational and statutory and regulatory requirements. The Company has in place a competent and dedicated team of internal as well as external auditors. This team not only minutely observes and scrutinizes HDL's each and every business transactions but also ensures utmost financial discipline and transparency in these operations. The Company's manufacturing plant produces a range of high quality products as per the requirements demarcated by the Excise Act, Regulations, Guidelines, Liquor Act, and Rules and Regulations and under the supervision of the Excise Inspector. In addition to this, HDL has in place stringent and codified internal control mechanisms in each of the functional areas throughout the organization.

A key driver of HDL's growth and sustainability lies in its team of dedicated, competent, vibrant and enthusiastic staff members who have put their relentless efforts to further enhance HDL's scalability and efficiency in all of its functional areas including but not limited to management, operations, production, finance and investment, brand management, sales and distribution to name a few. The Company's well defined and vigorous human resources management policy and guidelines have empowered it to onboard and retain a team of efficient and capable staff members. In addition to this, HDL has in place a system of continuous training and capacity enhancement of its staff

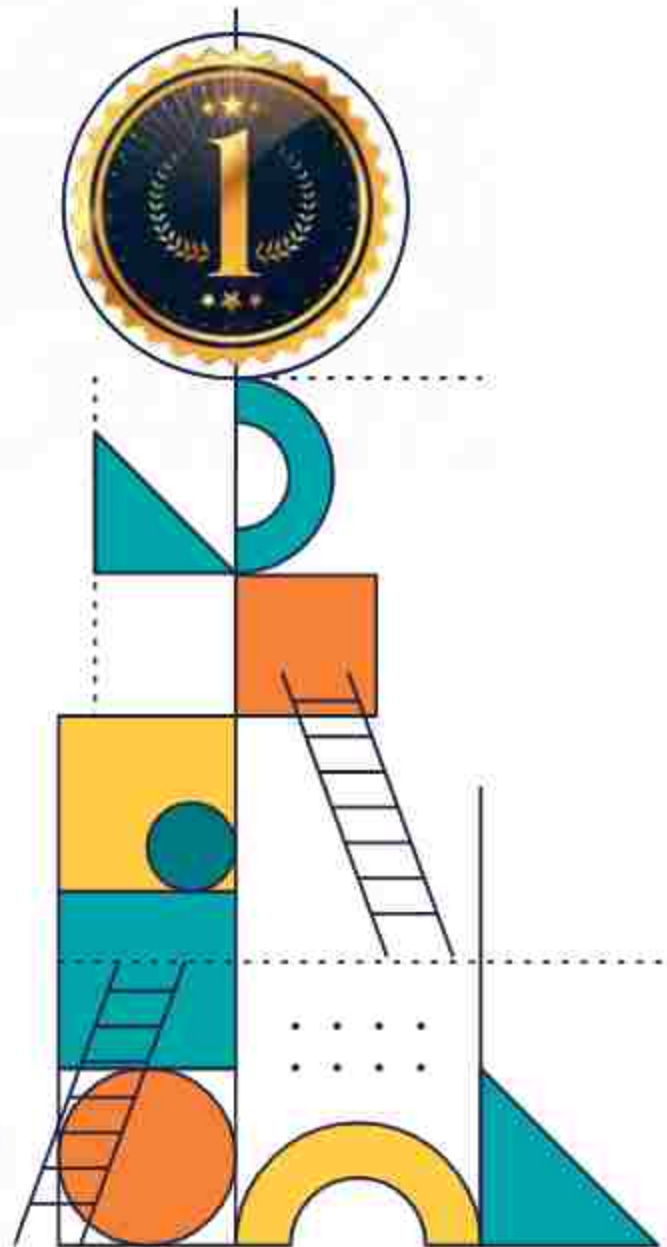
members across all organizational levels to enhance their technical and non-technical skills to enable them to stay on top of their game in the ever-competitive and dynamic liquor industry of the country.

HDL has always placed utmost emphasis on continuous product innovation, automation, state-of-the-art manufacturing practices and procedures and most important of all comparatively higher standards of corporate governance and business ethics. This has empowered the Company to command a higher customer confidence for its unique blend of high-quality spirits and they have played a pivotal role in further strengthening and enhancing its market leadership with more than 70 percent market share in the Nepalese beverages industry.

Apart from manufacturing products as demanded by the market, the company has equally prioritized creation and strengthening of its brand equity as well as its price leadership and at the same time, also been able to successfully be the first choice of its diverse set of customers and suppliers. It has also been able to maintain an uncompromised focus on onboarding larger number of newer customers as result of its varied product categories and distinct, customer oriented and effective market expansion initiatives.

All these thoughtful business initiatives implemented by HDL are expected to enable the Company to generate

higher shareholders' value and establish itself as a responsible corporate citizen contributing back to the society through impactful corporate social responsibility initiatives especially in the areas of a green and sustainable economy, environmental conservation, health and social wellbeing and basic livelihood services to the socially and economically marginalized communities and individuals of the country.



## AN OVERVIEW

Himalayan Distillery Ltd. (HDL) is a dominant and revered name in the Nepalese manufacturing industry that has been delivering exemplary products and performance each year. This has been possible only because of the Company's high priority and investment in areas of research and development, manufacturing and operations, finance and investment and marketing and branding of its international quality alcoholic beverages while strictly abiding by the principles of fair competition, higher standards of corporate governance and business ethics and above all an uncompromised financial accountability and transparency.

HDL came into existence on July 24, 1995 as a private company registered under Company Act 2072 and ever since its initial days it has been changing and enhancing the rules of the game in the highly competitive Nepalese liquor industry came into existence. HDL was converted into a Public Limited Company on November 3, 2000 and has been a valuable investment opportunity in the Nepalese secondary share market throughout these years.

HDL is highly committed to create value for excellence which traces back to its illustrious legacy of Jumbhalesh Distillery Pvt. Ltd. which is not only HDL's legacy company but also the largest player in current Nepalese liquor industry. HDL is in fact a perfectionist's dream of building a unique distillery company to outperform its competitors in all aspects of business coming true in context of Nepal. This actualization has been further strengthened and enhanced by its stellar performance over the years clearly signaling HDL's commitment to become a long-term market leader.

HDL's distinctive market edge comes from its assortment of international standard alcoholic beverages manufactured through internationally benchmarked hi-tech and high-end manufacturing processes and practices. The company has recently received capacity increase permission from Department of Industry with annual production capacity of 10 million LP liter of blended liquor, 9000 KL of V&A 50° and 1000 KL of High Spire. This factory is an example of excellence in itself and has strong adherence to the international best manufacturing practices that have enabled it to produce high-quality products for HDL's diverse and demanding customer segments.





## 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 achieve above 75% 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

HDL's objectives have been highlighted as follows:

- 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 experience through continuous employee development and a strong focus on health and safety, and
- Increase profitability and share value.

## Code of Conduct

HDL has unfettered adherence to its stringent and comprehensive Code of Conduct and this is taken to heart by all its staff and suppliers. This Code demarcates the minimum acceptable behavior standards for its employees, stakeholders, and market. In addition to this, it also puts in place a consistent behavioral approach for all of its staff members so that they are empowered with the right set of guidelines to maintain and further enhance HDL's goodwill. Apart from this, it also aims to foster healthy professional working relationships within the company and eventually create a respectful and harassment-free (including sexual harassment) workplace for its diverse staff members. HDL leaves no stone unturned when it comes to the investigation of any major or minor non-compliance with the Code of Conduct and does not step back from much-needed disciplinary actions and corrective measures as well as disciplinary action even up to the extent of termination of employment.

## Operational Highlights

Himalayan Distillery Limited (HDL) boasts a significant advantage due to its advanced manufacturing and distillation facilities, which allow it to produce internationally recognized alcoholic beverages. Its distillation plant, designed by KATZEN (USA), has a capacity of 30 KLPD and can produce 6 million liters of Extra Neutral Alcohol (ENA). Additionally, HDL has recently invested in a cutting-edge Malt Distillation Plant to reduce reliance on expensive imports of Malt spirits.

The company maintains rigorous quality control laboratories, reflecting its steadfast commitment to quality and consistency across its product range. Despite challenges

posed by the economic slowdown, HDL is on a recovery path and aims to exceed its previous production capacities.

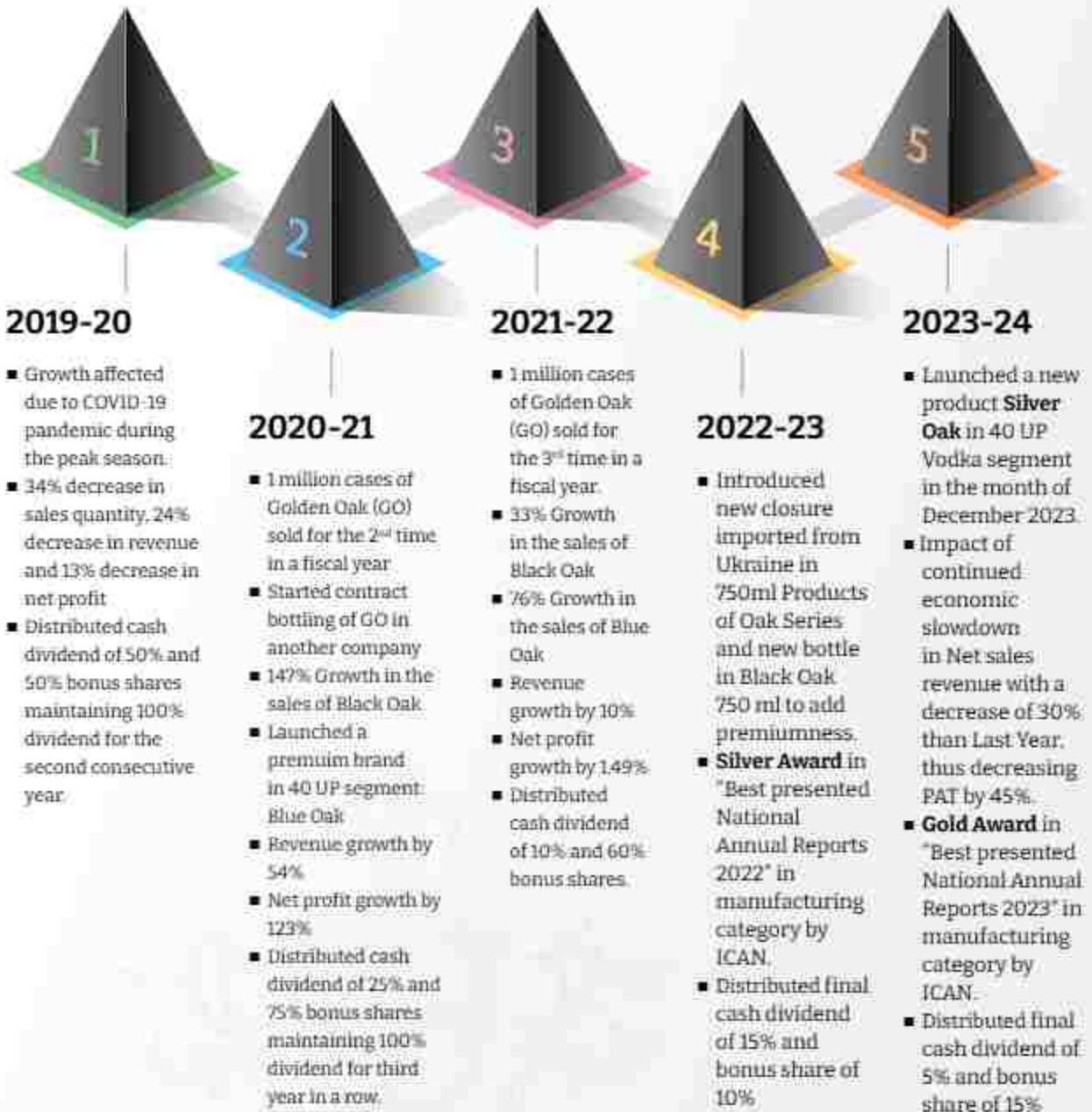
Furthermore, HDL excels in its distribution and sales network, which is crucial for manufacturing success. Its strategic network of distributors and wholesalers, along with marketing intermediaries throughout Nepal, has strengthened its market position. Currently, J.G.I Distribution Pvt. Ltd. manages HDL's sales and distribution with a dedicated team of over 85 experienced professionals led by the Chief Sales Officer.

## Financial Overview (5 years)

Amount in Rs. '000

PARTICULARS	2019-20	2020-21	2021-22	2022-23	2023-24
Sales (Cases)	549,940	642,612	682,689	470,557	359,673
Net Sales	2,404,628	3,699,668	4,059,120	2,970,514	2,081,497
COGS	1,369,575	1,474,723	1,572,365	1,201,050	858,208
Gross Profit	1,235,053	2,224,945	2,486,755	1,769,463	1,223,289
Indirect Expenses	528,942	821,459	1,015,374	830,936	740,059
EBITDA	706,112	1,403,486	1,471,381	938,527	483,230
Non Operating Income	959	72,955	5,339	10,508	66,384
Depreciation	49,689	51,090	54,829	50,488	52,193
EBIT	657,381	1,425,351	1,421,891	898,548	497,421
Financial Expenses	30,288	17,226	2,157	4,510	1,344
EBT	627,094	1,408,125	1,419,735	894,037	496,077
Tax	160,177	366,728	362,794	233,514	131,029
Net Profit	466,917	1,041,397	1,056,940	660,524	365,049
Share Capital	578,468	867,702	1,518,479	2,429,567	2,672,523
Retained Earnings	673,964	1,136,893	1,326,131	925,237	682,894
Non-Current Borrowings	1,956	12	-	-	-
Non-Current Lease Payables	-	-	9,139	1,743	12,405
Deferred Tax Liabilities	29,587	35,621	32,398	29,822	28,951
Property, Plant and Equipment	557,371	513,856	497,484	458,612	484,888
Capital Work in Progress	-	-	-	35	311,431
Intangible Assets	874	451	867	1,006	1,060
Right to use assets	-	-	11,477	2,116	12,635
Other Non-Current Assets	32,921	23,431	20,193	42,809	43,715
Investment	20,000	69,000	101,100	101,100	111,100
Deferred Tax Assets	-	-	-	-	-
Inventory	426,305	164,954	207,327	447,224	326,155
Account Receivables	911,577	517,130	1,150,583	1,962,177	216
Cash and Cash Equivalents	12,137	909,119	1,064,422	469,591	1,239,203
Other Bank Balances	-	-	51,847	76,456	1,000,000
Other Current Assets	34,631	111,714	87,088	108,182	101,861
Current Borrowings	150,396	1,470	-	-	-
Current Liabilities	561,245	267,956	306,243	282,939	235,490
Net Current Assets/Working Capital	672,810	1,433,490	2,255,025	2,780,691	2,431,945
Total Assets	1,995,616	2,309,655	3,192,389	3,669,308	3,632,263
Total Capital & Liabilities	1,995,616	2,309,655	3,192,389	3,669,308	3,632,263
Capital Employed	1,404,784	2,006,078	2,844,610	3,354,804	3,355,418
Net Worth	1,252,432	2,004,595	2,844,610	3,354,804	3,355,418
Gross Profit Margin	51%	60%	61%	60%	59%
Operating Profit Margin	29%	38%	36%	32%	23%
Net Profit Margin	19%	28%	26%	22%	18%
Dividend Per Share (Cash)	50	25	10	15	5
Dividend Per Share (Bonus)	50	75	60	10	15
Dividend Per Share (Interim)	-	-	-	-	-
Share Price Per Share (End of FY)	1,599	5,512	3,410	2,248	1,384
Earning Per Share	81	120	70	27	14
Price Earning Ratio	20	46	49	83	101
Net Worth Per Share	217	231	187	138	126
Return on Equity	37%	52%	37%	20%	11%
Return on Capital Employed	47%	71%	50%	27%	15%
Return on Total Assets	23%	45%	33%	18%	10%
Current Ratio	1.95	6.32	8.36	10.83	11.33
Debt to Equity Ratio	0.11	0.00	-	-	-

## Operational Overview (5 years)



## Financial Highlights (5 years)

### 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





### 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



## MACRO-ECONOMIC OUTLOOK: A COMPARATIVE INSIGHT OF THE YEAR 2023-24

In the year 2023, the estimated real GDP growth rate for the Nepalese economy stood at 3.87%, signaling an increase from preceding year's GDP growth rate of 1.95%. The country's annual average inflation rate was recorded at 5.44%, down from 7.74% during the same period in the previous year.

This higher inflation in the domestic economy can be attributed to various national and international factors namely the unpredictability of global fuel prices, disruptions in the supply chain, and the ongoing and often unfavorable impacts of the Global Geo-political instability. In the review period of 2023-24, there have been slight improvements in the liquidity condition of the Nepalese economy as compared to the previous year. However, the country's financial sector is not free from the myriad of effects resulting from the tightened banking policies as well as the slow economic recovery.

In the review period, one can see ongoing financial transitions in the domestic economy, although the merger of Nepalese commercial banks progressed in a positive light. In the corresponding period, the businesses operating in the country had to feel strained as a result of the operational challenges created by stringent tax collection policies and shifting regulations. Despite these several challenges, Nepal a country has remained optimistic which can be attributed to its growing young population, which holds promising potential for long-term growth of the country.

In the year 2023-24, the alcohol industry of Nepal also witnessed some shifts in the overall consumer behavior. Similar to the previous year, customers continued to prioritize the purchase of essential commodities for their livelihood as compared to premium purchases. As a result of this, the liquor industry, particularly the premium segment of liquors, was affected since consumers continued to shift towards more affordable, fast-moving brand so that they can manage both their need for alcoholic beverages without further straining their finances.

As per Macroeconomic and Financial Report of Nepal Rastra Bank (NRB) Nepal's GDP witnessed a growth rate of 3.87% while the inflation rate stood at

# 5.44%

in the FY 2023/24.

The downturn in the Nepalese economy in the review period also had broader impacts across several industries. Specifically, the automobile sector witnessed some traces of recovery but still had to undergo a 40% decline in overall sales for the year. On the other hand, Nepal's logistics sector, which suffered a 70% drop last year rebounded slightly in the corresponding period, though its recovery stood at only 30%.

In contrast to several other industries, Nepal's tobacco industry experienced a meager loss of 5% in its premium segment when its overall regular market grew by 10%. In contrast, the Nepalese noodle industry experienced an overall decline of 10%, primarily in the premium segment, which shrunk by 12%, while the economy segment grew by 15%. Similarly, in the personal care sector the country increased its overall revenue despite reduced sales volumes but increased revenue due to higher prices for essential products.

## Business Review of HDL for the year 2023-24

The overall liquor industry of Nepal, including Himalayan Distillery, had to undergo several challenging global and local economic conditions in the year 2023. However, it is to be noted that despite the short-term setbacks resulting from the national and international economic crises, they also brought with them different opportunities for strategic adaptation. Abiding by this fact, HDL continuously refined its business approaches which enabled it to leverage market trends for sustainable growth.

At the beginning of the review period, HDL's initial growth projections for the liquor market indicated a growth of 5%

for the first quarter, with expectations rising to 6% for the second quarter. As such a growth of 5-6% growth in the liquor market was projected for the first half of the review period. Although these numbers are comparatively lower than the preceding fiscal year, they act as crucial benchmarks for HDL enabling it to effectively adjust to the current economic environment and seize emerging opportunities to charter a path of sustainability and growth.

Some of the major trends which have affected HDL's overall business performance in the review period have been highlighted below:

**EXTENDED ECONOMIC CRISIS**

■ Cause:

In the review period, the ongoing global economic instability, fueled by the Russia-Ukraine war, led to fluctuating fuel and gas prices which further impacted the status of inflation in Nepal. In addition to this, the Government of Nepal also imposed import restrictions, restricted operations of cooperative organizations, and all these unfavorable economic challenges further fueled the ever rising permanent migration of Nepalese youths.

■ Impact on the industry:

The economic challenges of the year 2023-24 led to rising cases of default payments and difficulties in collecting funds for the entire liquor industry and HDL was no exception to this. As such, the liquidity issues affected both the retail and wholesale sectors, which ultimately drove the consumers to opt for more budget-friendly alternatives such as 70 UP brands and homemade spirits. This shift in consumer behavior eventually led to 8% of consumers trading down from premium products to more affordable offerings, making it harder for high-end brands to retain their existing market share.

**STRICT BANKING NORMS**

■ Cause:

The Nepalese banking sector continued to face challenges from the high levels of non-performing assets (NPA), slow fund rotation, and a prolonged liquidity crunch due to elevated loan interest rates. All of these factors adversely impacted businesses across several industries, including the liquor sector, making it challenging for companies to secure funding and maintain liquidity for business growth.

■ Impact on the Industry:

HDL's retailers and distributors also focused on fast-moving brands, often cutting margins to stay competitive in the market. This aggressive price-cutting became a common industry practice, especially in the economy segment to sustain the cash flow. In the review period, on-premise

consumption of alcoholic drinks also dropped significantly, as consumers reduced their spending on non-essential items and favored essential purchases for their livelihood. The economic concerns of individual consumers highly subdued festivities throughout the year and as a result of this, the entire industry witnessed decline in high-end liquor sales.

**NEW COMPETITION**

■ Cause:

In the review period, the economic downturn of the Nepalese economy also led many companies to take risks by diversifying into new segments of the liquor market. Despite tough economic and market conditions, a total of 12 new brands were introduced in the year 2023 in which the core focus was towards affordable categories to cater to comparatively highly price-sensitive consumers.

■ Impact on the industry:

New product launches across the whisky and vodka categories created increased competition for established brands, including Himalayan Distillery in the corresponding period. Overall 12 new products were launched by competitors during the year. In the whisky category, brands like Royal Blue (40 UP), Imperial Blue, Grey Wolf, and AMS Himalayas made their market entry. Similarly, brands such as 8848 Rye Vodka, Yeti Vodka, and Berries & Blue (40 UP) entered the vodka segment. In addition to this, locally produced rums such as Karda Rum and Makalu Rum, also gained popularity as consumers sought for more affordable alternatives.

These new brands, especially in the economy segment, have captured significant consumer attention especially the consumers who are highly price-conscious. This shift in consumer mindset and purchasing behavior has driven strong sales for economy brands, while premium offerings have struggled to maintain their market share.



# Vertical Analysis of Profit and Loss

## STATEMENT OF PROFIT OR LOSS

For the year ended Asatth 31, 2021 (15th July 2024)

Amount in Ru.

PARTICULARS	FY 2019-20	PERCENTAGE	FY 2020-21	PERCENTAGE	FY 20210-22	PERCENTAGE	FY 2022-23	PERCENTAGE	FY 2023-24	PERCENTAGE
Net Sales Revenue	2,404,628,250	100%	3,699,668,410	100%	4,059,119,963	100%	2,970,513,595	100%	2,081,496,998	100%
COGS	1,169,574,868	49%	1,474,723,249	40%	1,572,365,394	39%	1,201,050,397	40%	858,208,076	41%
<b>Gross Profit</b>	<b>1,235,053,382</b>	<b>51%</b>	<b>2,224,945,161</b>	<b>60%</b>	<b>2,486,754,629</b>	<b>61%</b>	<b>1,769,463,198</b>	<b>60%</b>	<b>1,223,288,922</b>	<b>59%</b>
Employee benefit expenses	161,346,735	7%	277,536,179	8%	310,156,478	8%	230,866,395	8%	190,033,598	9%
Administration and other expenses	146,875,215	6%	101,742,075	3%	78,468,637	2%	73,435,700	2%	71,521,720	3%
Selling and distribution expenses	220,719,843	9%	442,180,809	12%	626,746,744	15%	526,633,722	18%	476,503,632	23%
<b>Operating Profit</b>	<b>706,111,589</b>	<b>29%</b>	<b>1,403,486,098</b>	<b>38%</b>	<b>1,471,380,769</b>	<b>36%</b>	<b>938,527,381</b>	<b>32%</b>	<b>483,229,974</b>	<b>23%</b>
Non Operating Income	959,149	0%	72,955,118	2%	5,339,132	0%	30,508,372	0%	66,384,021	3%
Depreciation	49,689,492	2%	51,090,332	1%	54,828,501	1%	50,488,080	2%	52,193,107	3%
Financial Expenses	30,287,614	1%	17,225,869	0%	2,196,551	0%	4,510,304	0%	1,943,656	0%
<b>Profit Before Tax</b>	<b>627,093,632</b>	<b>26%</b>	<b>1,408,125,015</b>	<b>38%</b>	<b>1,419,734,848</b>	<b>35%</b>	<b>894,037,368</b>	<b>30%</b>	<b>496,077,231</b>	<b>24%</b>
Income Tax Expenses:										
Current Tax	159,114,481	7%	360,694,741	10%	366,017,791	9%	230,655,503	8%	1,10,262,994	6%
Deferred Tax	1,062,197	0%	6,033,508	0%	(3,223,429)	0%	(2,575,377)	0%	(871,762)	0%
Prior Period Tax Adjustment	-	0%	-	0%	-	0%	5,433,212	0%	1,637,269	0%
<b>Net Profit</b>	<b>466,916,954</b>	<b>19%</b>	<b>1,041,396,766</b>	<b>28%</b>	<b>1,056,940,486</b>	<b>26%</b>	<b>660,523,830</b>	<b>22%</b>	<b>365,048,731</b>	<b>18%</b>

Percentage of Net Sales Revenue

# Horizontal Analysis of Profit and Loss

STATEMENT OF PROFIT OR LOSS For the year ended Asat: 31, 2081 (15th July 2024)

(Amount in Ru.)

PARTICULARS	FY 2019-20	PERCENTAGE	FY 2020-21	PERCENTAGE	FY 20210-22	PERCENTAGE	FY 2022-23	PERCENTAGE	FY 2023-24	PERCENTAGE
Net Sales Revenue	2,404,628,250	100%	3,699,668,410	154%	4,059,119,963	169%	2,970,513,595	124%	2,081,496,998	87%
COGS	1,169,574,868	100%	1,474,723,249	126%	1,572,365,334	134%	1,201,050,997	103%	858,208,076	73%
<b>Gross Profit</b>	<b>1,235,053,382</b>	<b>100%</b>	<b>2,224,945,161</b>	<b>180%</b>	<b>2,486,754,629</b>	<b>201%</b>	<b>1,769,463,198</b>	<b>143%</b>	<b>1,223,288,922</b>	<b>99%</b>
Employee benefit expenses	161,346,735	100%	277,536,179	172%	310,158,478	192%	230,846,395	143%	190,033,598	118%
Administration and other expenses	146,875,215	100%	101,742,075	69%	78,468,637	53%	73,435,700	50%	71,521,720	49%
Selling and distribution expenses	220,719,843	100%	443,180,809	200%	626,746,744	284%	526,633,722	239%	478,503,632	217%
<b>Operating Profit</b>	<b>706,111,589</b>	<b>100%</b>	<b>1,403,486,098</b>	<b>199%</b>	<b>1,471,380,769</b>	<b>208%</b>	<b>938,527,381</b>	<b>133%</b>	<b>483,229,974</b>	<b>68%</b>
Non Operating Income	959,149	100%	72,955,118	7606%	5,339,132	557%	10,508,372	1096%	66,394,021	6921%
Depreciation	49,689,492	100%	51,090,392	103%	54,828,501	110%	50,488,080	102%	52,193,107	105%
Financial Expenses	30,287,634	100%	17,225,869	57%	2,156,551	7%	4,510,304	15%	1,343,656	4%
<b>Profit Before Tax</b>	<b>627,093,632</b>	<b>100%</b>	<b>1,408,125,015</b>	<b>225%</b>	<b>1,419,734,848</b>	<b>226%</b>	<b>894,037,368</b>	<b>143%</b>	<b>496,077,231</b>	<b>79%</b>
<b>Income Tax Expenses</b>										
Current Tax	159,114,481	100%	360,694,741	227%	366,017,791	230%	230,655,503	145%	130,262,994	82%
Deferred Tax	1,062,197	100%	6,033,508	568%	(9,223,429)	-303%	(2,575,377)	-242%	(871,762)	-82%
Prior Period Tax Adjustment	-	0%	-	0%	-	0%	5,433,212	0%	1,637,269	0%
<b>Net Profit</b>	<b>466,916,954</b>	<b>100%</b>	<b>1,041,396,766</b>	<b>223%</b>	<b>1,056,940,486</b>	<b>226%</b>	<b>660,523,830</b>	<b>141%</b>	<b>365,048,730</b>	<b>78%</b>

FY 2019-20 is taken as the base year



# 02

## CORPORATE GOVERNANCE

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One of the key strengths of Himalayan Distillery Limited (HDL) lies in the fact that the Company operates based on a stringent, robust and comprehensive governance framework encompassing various essential components of the business. The Company boasts a well-structured Board of Directors, uncompromised adherence to several national and international legal and ethical and corporate governance standards, robust risk management mechanisms, transparent and accurate financial reporting, responsible shareholders engagement, sustainable business practices, state-of-the-art quality control practices, equitable employee relations, active community involvement, robust cybersecurity safeguards, thoughtful succession planning, effective internal controls, well-defined and effective capital allocation strategies, sound management of possible conflict of interest, and above all a dedicated commitment to agility and continuous improvement.



HDL's overarching approach towards corporate governance has not only assisted it to guarantee lawful and ethical operations but also in upholding its market credibility, financial stability, and long-term prosperity, all while championing responsible business practices in the dynamic alcoholic beverage industry of Nepal.



## Governance Policies

Himalayan Distillery Limited (HDL)'s commitment to robust and responsible governance is distinctly evident in its series of essential policy documents governing diverse facets of its overall operations.

The Company's Procurement Manual clearly demarcates stringent procedures for acquiring goods and services for the Company while highly emphasizing transparency and cost-effectiveness in its procurement processes no matter what the scale of procurement is.

Similarly, there is in place a well defined HR and Administration Manual that efficiently establishes fair and consistent practices for human resources management and administrative functions and has enabled HDL to create a conducive work environment for its valued staff members.

HDL has in place a robust IT Manual with utmost emphasis on data security, access controls, and network management which has enabled the organization to ensure the integrity of information and compliance with national and international legal parameters in the context of an increasingly digital landscape.

HDL's Internal CSR Guideline has helped the company to reinforce its dedication to contribute back to the society via several well thought corporate social responsibility initiatives while guiding HDL's efforts in the areas including but not limited to sustainability, community engagement, and ethical business practices.

As a whole, all of these governance policies have provided the Company with a comprehensive framework that has empowered it to maintain ethical, transparent, and responsible operations and are in close alignment with HDL's commitment to excellence and corporate social responsibility.







## Board of Directors

FROM LEFT TO RIGHT:

**Santoo Shrestha,**  
*Director*

**Akhileshwar Prasad Singh,**  
*Chairperson*

**Shanker Raj Pandey,**  
*Director*

**Prakash Mani Ghimire,**  
*Independent Director*

**Narendra Kumar Basnyal,**  
*Director*

**Yanglola (Sherpa) Ruit,**  
*Director*





## Profile of Directors



**Akhileshwar Prasad Singh**  
CHAIRPERSON

Mr. Singh's tenure with the company began in 2006 when he became a Board member. His progression led to his appointment as Chair in 2017, a position he retained after being selected in the AGM held in 2022 as the Chairperson. Notably, his background includes serving as a former Zonal Commissioner and active involvement as a social activist. His diverse background includes valuable experience collaborating with governmental and non-governmental entities, emphasizing the enhancement of governance structures.



**Narendra Kumar Basnyat**  
DIRECTOR

Mr. Basnyat was instrumental to HDL Board as the Former Chairperson and has had a longstanding affiliation with the company for over two decades. His diverse business engagements include Founding Chairperson of the Nepal USA Chamber of Commerce & Industries and holding the position of Former Chair at the Bank of Kathmandu. His extensive experience extends to serving as a Former Member of the Executive Committee of the Federation of Nepal Chambers of Commerce and Industries (FNCCI), President of the Confederation of Nepalese Industries (CNI). Furthermore, he has contributed as the Former Executive Director of the Economic Liberalization Project, a venture funded by USAID.



**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 of the economy especially in areas of commerce & industries, health, energy, and economic development. He is also associated with several not-for-profit organizations that are working in the field of education and mental health. He is a graduate of Xavier University and Georgetown University and was also 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 also the former Director of Kumari Bank Ltd. He is also the Vice-Chairperson of Rosebud School, Joint Managing Director Soorya Holdings Pvt. Ltd. and Director of Yeti Originals Pvt. Ltd.



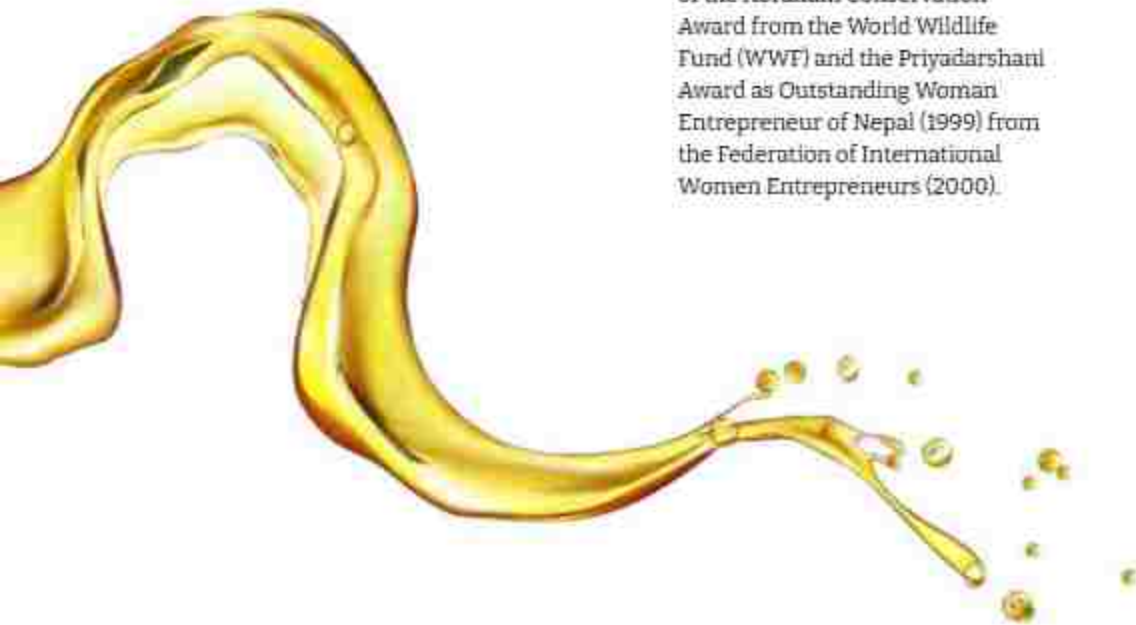
**Yangkila (Sherpa) Ruit**  
DIRECTOR

Ms. Ruit joined the HDL board in the year 2020. She is a tourism entrepreneur who has won various awards and accolades for her contribution. She is the former State Minister of the Government of Nepal (2005/06) and Parliament Member (2001-2007). She has also been the former President of the Federation of Woman Entrepreneurs of Nepal (FWEAN) and Trekking Agents Association of Nepal (TAAN). 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).



**Prakash Mani Ghimire**  
DIRECTOR (INDEPENDENT)

Mr. Ghimire has been serving as an independent director at HDL since 2011. He has extensive experience in various Agri-based businesses. He is also the former General Manager of Bhrikuti Pulp & Paper Nepal Limited.





## Progress Through Unity

Respected Shareholders, Honorable Guests, Journalists, Friends from Security forces, and our dear staff members I am immensely delighted and grateful to be able to welcome you all to today's 24th Annual General Meeting of Himalayan Distillery Limited.

As the Chairperson of the Board of Directors, I would like to extend my sincere appreciation to each one of you present here for graciously accepting our invitation and for blessing us with your valuable time by attending this remarkable gathering.

Like any other business organization in Nepal, HDL had its fair share of fair share of challenges and achievements throughout its several years of operations. Yet amidst all those uncertainties and disruptions, your unwavering support and goodwill has enabled us to overcome all these tests and trials of time and carve our unique oath of sustainability, growth and success.

In the review period of 2023-24, the economic environment of the country posed significant challenges for our business. We faced a slowdown in overall domestic economic activities, steep

inclination in prices of petroleum products, rising costs of various raw materials, spike in rates of excise duties, intense and often unhealthy market competition, and a steady decline in disposable income of our consumers and all of these factors jointly and adversely affected our business growth and revenue streams. We are sure that we will continue facing many such challenges in the coming days as well. Yet we are confident that your unwavering guidance and uncompromised support shall continue to be indispensable for HDL's growth, success, and sustainability and we are confident to receive your cooperation in the days to come.

In past few years, additional contingent variables including but not limited to the overarching effects of COVID-19 pandemic and the dengue outbreak, along with several global geopolitical uncertainties, fluctuating fuel prices,

## RETURN ON EQUITY

# 11%

and disruptions in the raw material supply chain, have created further challenges for the Company. In addition to this, increasing foreign exchange rates, transportation costs, and alarming prices of imported raw materials and packaging have driven up HDL's overall production and operational overheads. Furthermore, the annual increments in excise duties on liquor products imposed by the Government of Nepal have pressured our product prices leading to price adjustments that coincide with continuously declining purchasing capacity of our consumers. This mismatch is clearly evident in the decline of our annual business transactions.

To address these challenges and ensure sustainable growth, HDL has developed and implemented several strategic initiatives. Some of such major interventions have been highlighted as follows:

- Establishment of a Malt Spirit Production Unit to diversify and enhance production capacity.
- Conversion of grain sludge generated during spirit production into dry cakes

for sale, promoting efficiency and environmental sustainability.

- Automation of plant operations to enhance productivity and quality of spirits production and reduction in overall production costs.

Once these projects are completed and fully operational, we anticipate a notable reduction in our aggregate production overheads as well as enhancement in quality along with an overall improvement in our environmental sustainability practices. We are also aimed at further upgrading our product quality and for this, we have initiated spirit maturation processes at our factory site. In addition to this, we have also acquired land outside our factory to develop maturation facilities under high Himalayan temperatures and I am delighted to let you know that we have already made significant progresses in this front.

HDL's continued resilience and growth has been possible only because of our esteemed shareholders, distributors, wholesalers, retailers, consumers, management team, staff members, and



## GROSS PROFIT MARGIN

# 59%

various government and regulatory bodies. We remain extremely thankful and deeply grateful to all of you for your invaluable contributions and unwavering support for the Company and we look forward to your continued cooperation in the days ahead.

As we navigate through the myriad of challenges resulting from intense competition, maintaining and further expanding our sales and distribution channels remains as our top priority. I have already shared with you all that we are adopting new technologies to produce high-quality spirits, malt spirits, and related by-products to effectively address these challenges.

For this fiscal year, we have proposed a 5% cash dividend (inclusive of dividend tax) and a 15% bonus share from the company's profits for our valuable shareholders. We are confident that your valuable insights and unmatched guidance will help empower us to shape the future direction of Himalayan Distillery Limited. I would also like to express my sincere gratitude to the Office of the Company Registrar, Nepal Securities Board, Nepal

Stock Exchange, Department of Industry, Inland Revenue Department, Inland Revenue Offices, Labor and Employment Office, as well as various financial institutions and regulatory bodies for their invaluable support and guidance throughout these years.

As I conclude, I extend my heartfelt thanks to HDL's management team, employees, workers, shareholders, and well-wishers for their dedication, hard work, and contributions to the Company's success. I hope for your continued trust and support as we move forward. Once again, I warmly welcome all shareholders to this 24th Annual General Meeting and invite you to engage in meaningful discussions and approve the proposals listed in today's agenda for the success and sustainable growth of our company.

Thank you.

**Akhileshwar Prasad Singh**  
*Chairperson, Board of Directors*



## Business Innovation Re-Engineered

HDL faced one of its most challenging period in the fiscal year 2080/81. It had to undergo through adverse impacts of both global and local economic downturns which led to a reduction in consumer spending, leaving an indelible adverse impact on the company's sales.

Dear Valued Shareholders,  
I feel deeply honored and privileged to be able to address you once again in this meeting where we look back to another year filled with remarkable achievements. Our journey has been marked with unmatched growth, resilience and innovation throughout these years and I am happy to be sharing with our valued shareholders that we have been able to continue our exemplary performance in the fiscal year 2080/81 as well. The year 2080/81 was marked with undeniable economic challenges; despite all the adversities, HDL stood steadfast in its commitment to deliver value to its stakeholders, maintain its leadership in the ever-competitive alcohol industry of Nepal, and while doing all this, charter a sustainable path for the future.

I would like to take this opportunity to share with you an in-depth overview of our performance in the FY 2080/81

along with the key action points that we undertook to overcome the myriad of challenges that came our way along with our future plans, and most importantly, our unwavering commitment to create and deliver long-term value for our dear shareholders.

### PERFORMANCE REVIEW: FY 2080/81

HDL faced one of its most challenging period in the fiscal year 2080/81. It had to undergo through adverse impacts of both global and local economic downturns which led to a reduction in consumer spending, leaving an indelible adverse impact on the company's sales. Our Sales Revenue decline by 30 percent as compared to the preceding fiscal year and stood at an amount of Rs. 208 crores while our Profit after Tax witnessed a decline of 45 percent in comparison to last year and stood at an amount of Rs. 36.50 crores.

## NET PROFIT MARGIN

# 18%

Despite these figures indicating the derogatory effects of the recession, it is

noteworthy that HDL demonstrated its organizational resilience by successfully maintaining its profitability and efficiently managing its costs. This resilience is also the result of the company's robust operational strategies and undoubtedly, the undeterred commitment and dedication of entire HDL team.

In addition to this, HDL continued to benefit from its zero-leverage financial model and a cash balance of more than NPR 2 billion as on 31<sup>st</sup> Asadh 2081, ensuring financial stability as well as its capacity to invest in future growth of the company.

### STRATEGIC INVESTMENTS FOR LONG-TERM GROWTH

Despite operating in a very challenging environment, HDL was able to double down on its strategic investments which were aimed at reinforcing its market leadership as well as carving the path ahead for sustainable returns. Some of the major strategic investments done by the company are highlighted below:

#### 1. Malt Distillation Unit

HDL took a proactive approach by investing in a state-of-the-art Malt Distillation Unit as a recognition of the international trend of alcohol manufacturing companies shifting towards premium products. This strategic initiative aims to produce malt spirits that will also be matured in the Everest Region, leveraging the unique climatic conditions

to create a premium product with unmatched character and premiumness.

This investment is also a part of the company's broader vision to position HDL as a renowned global name in the category of premium aged spirits. HDL plans to launch the first batches of this premium product in the coming years. We are confident that the launch of this premium product will empower the company to significantly enhance its product portfolio as well as its overall brand equity.

#### 2. Technological Advancements in Distillation

The Company has also invested in cutting-edge distillation automation technologies with the intention of ensuring consistency and maintaining its market leadership in Extra Neutral Alcohol (ENA) production. These upgrades has also enabled the company to meet the growing demand for its product offerings while ensuring the highest quality standards.

#### 3. Sustainable Practices with DDGS Dryer

HDL's commitment to sustainability has been clearly demonstrated through its investment in the dryer system for Distillers Dried Grains with Solubles (DDGS). This initiative not only eliminates the need for traditional wet sludge disposal but also reduces the environmental impact of its production process eventually contributing to a cleaner and greener ecosystem.

#### 4. Renewable Energy Initiatives

The Company is proactively exploring solar energy solutions to address

the demands of its internal power consumption with plans to sell any surplus energy generated from these initiatives to the national grid. As part of this initiative, HDL is closely evaluating the feasibility of agrivoltaics, which is a mechanism that combines renewable energy production with agricultural activities and also enables efficiency maximization of land use efficiency.

#### PRODUCT PORTFOLIO EXPANSION

In the Fy 2080/81, HDL continued its commitment to diversifying and strengthening its product portfolio to effectively address the ever-evolving preferences of its diverse customer base.

##### 1. New Product Lines

It is delightful news that HDL's Oak Series, featuring the promising Silver Oak, has already gained traction in the market. However, the company believes in the need to continuously nurture this product line for the upcoming 2-3 years through innovative marketing and consumer engagement strategies and initiatives so that Silver Oak is able to unlock its full potential.

##### 2. Premium and Deluxe Categories

HDL has plans to launch new products in the category of whisky, vodka, rum, gin, liqueurs, and ready-to-drink (RTD) beverages to fill the existing gaps in the premium and deluxe segments in the market. HDL believes that these categories hold significant potential, and as such it is committed to creating offerings that resonate with its demanding consumers.

##### 3. Strategic Partnerships

The Company is also exploring potential

partnerships with various multinational companies so that it is able to bring internationally recognized products to Nepal. This strategic collaboration is also expected to further strengthen HDL's market position and thereby enable it to offer a broader range of premium offerings to suit the unique needs of its diverse customers.

#### EXPLORING NEW BUSINESS VENTURES

HDL has not only been expanding its core operations, but it is also exploring suitable and profitable opportunities in adjacent industries so that it is able to further diversify its existing revenue streams:

##### 1. Fisheries Project

HDL is also venturing into the fisheries business with the help of a subsidiary, where it plans to utilize its vacant land to produce and supply fresh, high-quality fish to the market. This project is also an effective representation of HDL's innovative diversification strategy while at the same time addressing the demands of the local market and enhancing its contributions to the Nepalese agricultural scenario.

##### 2. Merger and Acquisitions

The Company is also stringently evaluating possibilities of potential mergers and acquisitions of Distillery to further solidify its product portfolio, increase its market share, and thereby achieve economies of scale.

##### 3. Investment Plan

In the future, HDL aims to create a platform for strategic investments in the high-growth sectors through optimum

utilization of its available resources so that it is able to ensure maximum returns fits valued shareholders. This initiative is in close alignment with HDL's long-term vision to achieve sustainable growth and value creation. As such, it is evaluating various options for the best investment opportunities for the Company.

#### **MARKETING CHALLENGES AND CREATIVE SOLUTIONS**

The Nepalese alcohol industry has always faced the wrath of the country's restrictive advertising policies for liquor products and this one factor has always remained as a persistent challenge for alcohol manufacturing industries. Though HDL's direct communication with consumers has been affected by these limitations, its teams are continuously and rigorously developing various innovative yet compliant marketing strategies to enhance brand visibility and engagement of its series of product offerings as well as the overall corporate brand.

The Company has been able to establish meaningful connections with its diverse set of consumers through maximum leveraging of different digital platforms, experiential marketing, and creative storytelling.

#### **OPERATIONAL EXCELLENCE AND DIGITAL TRANSFORMATION**

To support the Company's growth ambitions, HDL is continuously enhancing its operational capabilities with the help of a more efficient ERP system. This system will also assist HDL to further streamline its processes, improve its transparency, and enable data-driven decision-making.

All this will ultimately help the company to ensure that it remains agile and competitive in the dynamic market landscape.

#### **COMMITMENT TO CORPORATE SOCIAL RESPONSIBILITY (CSR)**

HDL is fully aware of its roles and responsibilities as a responsible corporate citizen and as a result of this, it has always prioritized giving back to the community. The Company's CSR initiatives are spread across a myriad of areas including but not limited to education, healthcare, environmental conservation, and community development. HDL strongly abides by the fact that a strong and prosperous society is essential for sustainable business growth and has been implementing various CSR initiatives throughout the country for the same.

#### **EMPLOYEE VALUE AND RECOGNITION**

HDL is well aware of the fact that its true strength lies in its team of competent and dedicated employees. It has placed its utmost emphasis on fostering a culture of inclusivity, innovation, and collaboration in the organization. At the same time, it has also placed recognition and reward of employee contributions as an integral component of its core values and as a result of this, the Company has been continuously investing in the growth and well-being of its employees.

#### **FY 2081/82: A PROMISING START**

It fills me with immense pride and pleasure to share with you all that HDL has been able to register double-digit

growth in both Sales Revenue and Profit after Tax in the first quarter of FY 2081/82. This remarkable achievement is a strong testament to the resilience of HDL's innovative and robust strategies and the dedication and hard work of its staff members.

#### THE ROAD AHEAD

As we look to the future, our roadmap is clear. Our path looks very promising with some of the major strategies that we believe will assist us to deliver exemplary performances in the days to come as well:

- **Premium Product Leadership:** we plan to complete the Malt Distillation Unit and launch world-class aged spirits under the HDL banner.
- **Diversification:** we aim to further diversify our business by expanding into newer and promising areas such as fisheries, agrivoltaics, renewable energy etc.
- **Portfolio Expansion:** we are geared up to introduce new products in the premium and deluxe categories so that we are to capture untapped market potential and reap benefits and value for our company and our stakeholders.
- **Sustainability:** we aim to reduce our carbon footprint through development and implementation of renewable energy initiatives and sustainable practices.
- **Global Presence:** we are ready to further explore viable export opportunities for finished goods and surplus ENA to establish a global footprint of HDL.

HDL is undeterred and steadfast in its commitment to transparency, compliance,

and governance, ensuring that every decision we make aligns with its values and the interests of its stakeholders. As I draw to a close, I would like to reiterate the fact to our dear shareholders that HDL's journey is a shared success story. All of our achievements are based on the strong foundation of your trust, support, and belief in our vision. The journey ahead will require us to navigate through a series of uncharted challenges and seize beneficial opportunities. I assure you that in the days to come, HDL will continue to prioritize your interests, deliver exceptional returns, and build a legacy of excellence as a successful, dependable and sustainable organization. We are confident that we shall not only be able to travel the path ahead that is filled with promises and dreams, and together with your undoubted trust and unwavering support we shall be able to make HDL not just a national market leader but also a global name that resonates with quality, innovation, and sustainability.

I once again express my heartfelt appreciation to each one of you for your continued support and confidence and I am confident that HDL will continue receiving your trust and assistance to achieve new milestones and create lasting value for generations to come.

**Niraj Subedi**  
*Chief Executive Officer*



A QUALITY PRODUCT OF  
HIMALAYAN DISTILLERY

**GOLDEN  
OAK**  
PREMIUM BLENDED MALT



• Enjoy Responsibly

**सुनौलो**   
पलको साथी





HIMALAYAN  
DISTILLERY LIMITED







A QUALITY PRODUCT OF  
HIMALAYAN DISTILLERY

  
**BLACK  
OAK**  
PREMIUM BLENDED MALT



सफलताको  
साथी 



• Enjoy Responsibly

## Profile of Management Team

### Prabin Pant

CHIEF INTERNAL AUDITOR

Mr. Pant, an MBA graduate, has recently taken on the role of Chief Internal Audit at HDL. Before this, he spent six years with an FMCG Group, where he was pivotal in investment management and financial controls. With 17 years of experience in the banking sector, beginning at Standard Chartered Bank and advancing through various commercial banks in significant roles, he brings a wealth of expertise in financial management and compliance.



### Niraj Subedi

CHIEF EXECUTIVE OFFICER

Mr. Subedi was appointed the Chief Executive Officer of HDL in July 2023. He is a Chartered Accountant with a Master's degree in Economics. He is also Law Graduate from Nepal Law Campus along with a certification as a Certified Financial Manager from the Centre for Financial Management in India. With over 19 years of extensive experience in Finance and Operations in the liquor industry, he possesses a deep and broad knowledge based in financial planning and analysis, supply chain management and market trends, along with a deep understanding of the production processes specific to alcoholic beverages. His tenure has been marked by a steadfast commitment to international quality standards, corporate governance, and continuous innovation.



### Amul Ghimire

SENIOR TECHNICAL MANAGER

Mr. Ghimire, a B. Tech Graduate in Food Science and Technology, also holds degrees in Physics and an MBA. With over a decade of extensive experience in manufacturing including Fermentation, Quality assurance, R&D, Project Management, and Operation Management in State-of-the-art Distillery and Brewery, he also has an International Diploma in Brewing technology from Seibel Institute of Technology, USA & Domens Akademie, Germany along with a Diploma in Brewing from Institute of Brewing and Distilling from London, UK.

### Netra Prasad Timsina

LEGAL & COMPLIANCE MANAGER

Mr. Timsina holds a bachelor's degree and has more than two decades of valuable experience in the country's legal landscape, along with ten years as a company secretary in the liquor industry. He specializes in industrial laws and regulations and has a strong command of both national and international environmental laws.



### Nabin Upadhyaya

FACTORY MANAGER

Mr. Upadhyaya has been serving as the Factory Manager at HDL for the past four years. He holds an MBA degree and brings over 17 years of diverse professional experience across various organizations. Additionally, he has completed training in Food Safety Awareness (Standards in Manufacturing) in the United Kingdom and possesses extensive knowledge of production processes, regulatory compliance, and quality control specific to the liquor industry.



### Sudesh Poudel

BRAND MANAGER

Mr. Poudel has recently joined HDL as a Brand Manager. He holds a bachelor's degree and has over 21 years of diverse experience in the marketing field across various organizations. He brings in wealth of experience in trade marketing and excels in channel management, promotions, customer insights, and fostering retailer relationships to drive sales and market presence.



### Jeevan Panday

OPERATION MANAGER

Mr. Panday, an professional FCCA and MBA graduate, has been with HDL for the past four years. He has over a decade of extensive experience in various companies across the manufacturing and service sectors, demonstrating his expertise and insights in financial planning, budgeting, project planning and resource management. He is playing a pivotal role in Operation and various Projects.

## Profile of Management Team

### Anjali Shrestha

HUMAN RESOURCE MANAGER

Ms. Shrestha has been at the helm of the Human Resource Department at HDL for the past four years. She earned her MBA from Kathmandu University, specializing in Human Resource Management. With over seven years of substantial experience in the HR field, she brings a wealth of expertise and knowledge to her position.



### Rajeev Kumar Yadav

TECHNICAL RESEARCH & APPLICATION MANAGER

Mr. Yadav joined HDL's research and application department in July 2023, holding a master's degree in Fermentation and Alcohol Technology from Kanpur, India. In 2023, he also completed a fellowship in Fermentation Technology. With over ten years of experience as an Alcohol Technologist, he specializes in product development across various liquor sectors, demonstrating expertise in fermentation, distillation, and quality control processes.



### Alina Shrestha

FINANCE MANAGER

Ms. Shrestha, an MBA graduate, is also a semi-qualified Chartered Accountant. She has recently joined HDL and is leading daily managerial finance in the company as well as providing strategic inputs on financial planning. She has extensive experience of over a decade in accounting, auditing and financial reporting in manufacturing as well as service industries.

**Amar Maharjan**

MIS & SUPPLY CHAIN MANAGER

Mr. Maharjan, a Chartered Accountant with a bachelor's degree in accounts and finance, leads the MIS & Supply Chain department at HDL, a role he has held since January 2024. With over five years of diverse experience in MIS reporting, financial planning, analysis, and audit, he leverages his expertise and knowledge to support data-driven management reporting, strategic decision-making, and efficient supply chain coordination.



**Shrida Shah**

BRAND MANAGER

Ms. Shah has recently joined HDL as a Brand Manager. She holds a master's degree and has over a decade of diverse experience in the development and manufacturing sectors. With expertise in public relations, event management, and brand marketing, she plays a key role in developing strategic and tactical plans for all our brands.



**Nikunj Ghimire**

PROCUREMENT MANAGER

Mr. Ghimire has over 18 years of progressive experience in procurement across various sectors, including development and manufacturing. He is a trained procurement professional with certifications in ethics and an introductory course on procurement from UNFPA. He possesses extensive knowledge in vendor negotiation, evaluation, materials management, and supply chain management.



**Nisha Niraula**

COMPANY SECRETARY

Ms. Niraula holds a Master's Degree in Law and has been with HDL for the past three years. She also serves as a Board Member at the Nepal Institute of Company Secretaries (NICS) and has significant experience in the humanitarian and development sectors.

## Corporate Governance Overview

Himalayan Distillery Limited (HDL)'s commitment to corporate social responsibility (CSR) has been exemplified through its governance framework which heavily emphasizes ethical, sustainable, and community-centric practices. The Company's intense focus on responsible shareholder relations, sustainability, fair employee relations, and active community engagement shed light on its dedication not only to profit generation and financial growth but also to the well-being of the overall environment and society. HDL's integrated approach has close alignment with its CSR principles, showcasing HDL's efforts to minimize its environmental impact, support local communities, and promote responsible practices within the alcoholic beverage industry. As a result, HDL's governance structure is inextricably linked with its CSR initiatives, reflecting a holistic approach to business that goes beyond profits and prioritizes broader social and environmental implications of its operations.

## Business ethics, compliance, and anti-corruption measures

Himalayan Distillery Limited (HDL)'s commitment to corporate social responsibility (CSR) has been exemplified through its governance framework which heavily emphasizes ethical, sustainable, and community-centric practices. The Company's intense focus on responsible shareholder relations, sustainability, fair employee relations, and active community engagement shed light on its dedication not only to profit generation and financial growth but also to the well-being of the overall environment and society. HDL's integrated approach has close alignment with its CSR principles, showcasing HDL's efforts to minimize its environmental impact, support local communities, and promote responsible practices within the alcoholic beverage industry. As a result, HDL's governance structure is inextricably linked with its CSR initiatives, reflecting a holistic approach to business that goes beyond profits and prioritizes broader social and environmental implications of its operations.





## Annual compliance report related to corporate governance

(Pursuant to the Governance Guidelines of Listed Body Corporate, 2074 (2017))

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	2080/081 (2023/2024)

### 1. Details relating Board of Directors:

- a) Name of the Chairperson of the Board of Directors and Date of Appointment: Mr. Akhileshwar Prasad Singh, date January 26, 2022 A.D.
- b) Details regarding the share structure of the organization (promoter, ordinary public and others): Lock-in period of the Company has been completed. Therefore, all the shares have been listed by converting into ordinary share.

### c) Details relating Board of Director:

S. N.	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. Akhileshwar Prasad Singh, Sarlahi	General Public	110880	January 12, 2022 A.D.	January 12, 2022 A.D.	Appointed by the General Meeting through election
2	Mr. Narendra Kumar Basnyat, Lalitpur Metropolitan City, Ward No. 01, Rupandole	General Public	17235	January 12, 2022 A.D.	January 12, 2022 A.D.	Appointed by the General Meeting through election
3	Mr. Shanker Raj Pandey, Old Baneshwar, Kathmandu	General Public	762	January 12, 2022 A.D.	January 12, 2022 A.D.	Appointed by the General Meeting through election
4	Mr. Santoo Shrestha, KMC-11, Thapathali	General Public	762	January 12, 2022 A.D.	January 12, 2022 A.D.	Appointed by the General Meeting through election
5	Mrs. Yagjeeta (Sherpa) Buit, KMC -01, Naxal	General Public	462	January 12, 2022 A.D.	January 12, 2022 A.D.	Appointed by the General Meeting through election
6	Mr. Prakash Marni Ghimire, Lalitpur Metropolitan City -03, Puichowk	Independent		January 26, 2022 A.D.	January 26, 2022 A.D.	Pursuant to rule 6 (a) of the Articles of Association of the company.

### d) Meeting of Board of Directors

S. N.	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.	September 5, 2023	5 persons	Yes	No	August 29, 2022
2.	November 26, 2023	6 persons	Yes	No	November 8, 2022
3.	December 3, 2023	6 persons	Yes	No	November 24, 2022
4.	January 10, 2024	4 persons	Yes	No	November 25, 2022
5.	March 11, 2024	6 persons	Yes	No	January 11, 2022
6.	March 12, 2024	6 persons	Yes	No	April 4, 2023
7.	May 10, 2024	5 persons	Yes	No	May 24, 2023
8.	May 29, 2024	5 persons	Yes	No	May 25, 2023
9.	July 1, 2024	6 persons	Yes	No	July 7, 2023
10.	July 7, 2024	4 persons	Yes	No	
11.	July 12, 2024	6 persons	Yes	No	

The meeting of the Board of Directors convened this year was not adjourned due to lack of 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):	1. On September 5, 2023 Director Yangkila Sherpa Ruit was out of the Valley and could not attend the meeting 2. On January 10, 2024 Director Narendra Kumar Basnyat could not attend the meeting held on Birgung due to health problem and Director Yangkila Sherpa Ruit were out of the country. 3. On May 10, 2024 and May 29, 2024 Director Yangkila Sherpa Ruit was out of the country and could not attend the meeting and Mr. Santoo Shrestha and Yangkila Sherpa Ruit could not attend the meeting dated July 7, 2024 due to personal household problem.
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 has are kept.
The maximum gap between two consecutive meetings of the Board of Directors:	81 days
The date of the annual general meeting regarding the determination of the meeting allowance of the board of directors:	January 10, 2024 A.D. (23rd Annual General Meeting)
Board of Directors per meeting allowance Rs.	Rs. 25,000.00 for chairperson Rs. 20,000.00 for member
Total meeting allowance of Board of Directors, Account Committee and Other Committee for the fiscal year 2023/2024	Rs. 15,95,000.00

## 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 prescribed by the prevailing law has been followed. Separate code of conducted has not been formulated.
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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. N.	SUBJECT DATE JULY 7, 2024 A.D.	DETAILS OF PARTICIPATED DIRECTORS	PLACE OF CONDUCT OF TRAINING:
1	Laws, rules, policies, directives related to body corporate governance, Internal Control System, Work responsibilities of Board of Directors that are being practiced in Nepal.	1) Mr. Akhileshwar Prasad Singh 2) Mr. Narendra Kumar Basnyat 3) Mr. Shanker Raj Vandey 4) Mr. Santoo Shrestha 5) Mr. Prakash Mani Ghimire 6) Ms. Yangkila (Sherpa) Ruit	Linson Office, Jawalakhe, Lalitpur Advocate Madhab Biegni

Whether each director has/has not provided the information of the following in writing within 15 days of being appointed or nominated to the post of director and details of the same if not:	Provided
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/her or any member of his/her family in the body corporate or the main or subsidiary company of the organization,	No
If he/her is the basic shareholder or director of any other body corporate, the details thereof,	No
If any member of his/her 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 information has been found

### 3. Details regarding the organization's risk management and internal check system: The function of internal control system has been carried out via Board of Directors and Internal Audit Committee.

a) Whether 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. Prakashmani Ghimire, director Mr. Santoo Shrestha, and the chief executive officer of the company and the committee has been analyzing risk 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: One

(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 frame 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 check procedure or not: The company's human resources manual and financial and accounting related manuals, procurement manuals have been adopted and works has been done accordingly, and in addition independent internal auditors have been appointed and they shall independently conduct audits and prepare a report, and the report shall be 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: No separate committee has been formed.
- (4) Details relating internal control system committee: No separate committee is formed. The report prepared by the independent internal auditor appointed by the Board of Directors after quarterly examination of the transactions and internal control system is discussed in the Audit Committee and then discussed by the Board of Directors.
- (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 18, 2023 A.D. at Kantipur National Daily, December 19, 2023 A.D. at Arthik Abhiyan National Daily and in Company's website also
Notice of Extra Ordinary General Meeting		Not been called
Annual Report	National level daily newspaper (Kantipur)	Published on December 18 and 19, 2023 A.D. (Abridged Financial Report (2022/2023 A.D.) on Kantipur National Daily, Arthik Abhiyan National Daily respectively and in Company's website also
Quarterly report	National level daily newspaper (Arthika Abhiyan)	Nov. 30, 2023 A.D. – First quarter Feb. 11, 2024 A.D. – Second quarter May 03, 2024 A.D. – Third quarter Aug. 14, 2024 A.D. – Fourth quarter Published in website too and the publication has been submitted to SEBON and NEPSE.
Price sensitive notice that effect on stock price	Though the letter of company Decision of the Board of Directors dated December 3, 2023 A.D. relating Cash dividend and bonus share allocation upto the fiscal year 2079/080 (2022/023) has been uploaded on the same day that is December 3, 2203 A.D. and informed to Securities Board of Nepal and Nepal Stock Exchange Limited.	
Annual details	Annual General Meeting was held on January 10, 2024 and decision of the meeting was published in Arthik Abhiyan national daily newspaper dated February 4, 2024 AD and also uploaded in website for information.	Informed to the shareholders.

(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-Third Annual General Meeting, January 10, 2024 A.D.

5. Details relating Organization Structure and Personnel: Enclosed

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. Niraj Subedi, CA, 19 years

2. Netra Prasad Timsina, Law Graduates, 25 years

3. Nabin Upadhyaya, MBA, 18 years

4. Jeevan Panday, FCCA, 12 years

5. Anjali Shrestha, MBA, 7.5 years

6. Nisha Niraula, Master's Degree in Law, 9 years

7. Keshav Sigdel, Bachelor's Degree in Law and Management, 12 years

d. Other details relating personnel: There are 257 employees and workers till mid-July.

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
Total number of employees (Till mid-July)	257
Nos. of personnel under management	81
Whether succession plan of the personnel has been made or not	Yes
Nos. of training given to the personnel and nos. of personnel participated for the fiscal year 2023/2024 A.D.	37 trainings, 364 personnel
Personnel training expenditure for fiscal year 2023/2024 A.D.	Rs. 866,428.85
Percentage of personnel expenditure in total expenditure	11.50
Percentage of training expenditure in total personnel expenditure	0.46

**6. Details of Account and Audit of the Institution:**

**a. Details relating account:**

Whether the financial details of last fiscal year of the institution has 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 3, 2023 A.D.
Date of publication of quarter end financial details	Nov. 10, 2023 A.D. Feb. 11, 2024 A.D. May 3, 2024 A.D. Aug. 14, 2024 A.D.
Date of completion of last final auditing:	December 3, 2023 A.D.
Date of approval of financial details from the General Meeting	January 10, 2024 A.D.
Details regarding the internal audit of the institution: i) An internal audit is done or an external expert is appointed ii) Details of the external expert, if appointed iii) How often are internal audits conducted (quarterly, quarterly or semi- annually)	Done by appointing external expert SAR B Associates (for fiscal year 2080/081 (2023/024)  Quarterly

**b. Details relating auditing:**

Name, designation and qualification of coordinator and members	Mr. Shanker Raj Pandey, Chairperson Mr. Narendra Kumar Basnyat, Member Mr. Santoo Shrestha, Member
Date of meeting convened and nos. of members present:	September 1, 2023 A.D., 3 persons November 24, 2023 A.D., 3 persons December 27, 2023 A.D., 3 persons March 10, 2024 AD, 3 persons May 29, 2024 A.D., 3 persons
Allowance per meeting	Rs. 20,000.00 (including tax)
The date on which the Audit Committee submitted its report of its functions to the Board of Directors	1. On the date August 19, 2023 A.D. decision made by the audit committee after reviewing the internal auditor's report for the for fourth quarter period of fiscal year 2022/2023 are recommended to the Board of Directors for discussion. Discussion held on annual business plan of FY 2023/24 and new projects such as establishment of plant automation, zero liquid discharge and malt spirit unit. 2. On November 24, 2023 A.D., after the review, directed to submit the audited financial statements of the company including the subsidiaries for FY 2022/23 to the Board and recommended G. Poudyal & Associates as the statutory auditor for FY 2023/24 after discussion.

3. On the date December 27, 2023 A.D. decision made by the audit committee after reviewing the internal auditor's report for the first quarter period of fiscal year 2023/2024 has been submitted to the board of directors.
4. On the date March 10, 2024 A.D. discussion made by the audit committee after reviewing the internal auditor's report for the second quarter period of fiscal year 2023/2024 has been submitted to the board of directors.
5. On May 29, 2024 A.D. decision made by the audit committee after reviewing the internal auditor's report for third quarter period of fiscal year 2023/2024 has been 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 If there is a court case against the institution and director, details thereof	No direction has been obtained

Signature:

Name of the compliance Officer: Netra Prasad Timsina

Designation: Compliance Officer

Date: December 8, 2024 AD

Seal of the Institution:

Signature of Auditor:

Seal of the Institution:

Report approved date by the Board of Directors: December 8, 2024 A.D.





## NATIONAL BEST PRESENTED ANNUAL REPORTS AWARD 2023



The Himalayan Distillery Ltd earned the esteemed **Gold Award in the "National Best Presented Annual Reports Award 2023"** in the Manufacturing Sector, acknowledging its exceptional presentation of the 2023 annual report. This recognition, bestowed by the Institute of Chartered Accountants of Nepal (ICAN) on July 20, 2024, emphasizes the company's excellence in transparently and accurately communicating its financial data and strategic accomplishments within its annual report.

## Internal Control

### INTERNAL CONTROL MEASURES

HDL has established a strong internal control framework to ensure transparency, efficiency, and compliance. Regular internal audits help identify risks and improve operational processes, while external audits provide independent reviews to enhance trust and accountability. The management team enforces these controls, aligning them with organizational goals and regulatory requirements, while the Board of Directors oversees governance and risk management. Comprehensive internal policies further guide operations, ensuring ethical standards and compliance. Together, these measures demonstrate HDL's commitment to operational excellence and accountability.

### INTERNAL AUDIT

A cornerstone of HDL's success is its robust control system and meticulous internal audit framework. Conducted quarterly by SAR Associates Chartered Accountants, these audits are followed by detailed discussions on the reports submitted by the Internal Auditor. The Audit Committee provides key recommendations and forwards them to the Board of Directors for review. The audits aim to ensure the company's processes are efficient, effective, and compliant with internal control policies and national and international regulations. The internal audit function also ensures operational and financial efficiency, as well as legal and regulatory compliance, supporting robust corporate governance and strong internal control. This approach helps HDL proactively address potential weaknesses, maintain high standards of transparency and accountability, and enhance operational integrity and reputation.

### MARKET AUDIT

Market audits involve an in-depth and independent evaluation of an organization's market-related expenditures. HDL's expansive and well-integrated network of distributors, wholesalers, and retailers has played a pivotal role in boosting the company's nationwide sales. HDL conducts comprehensive market audits to ensure accountability and effectiveness. These audits include systematic verification of trade and promotional schemes for its business partners, along with monthly checks of their sales performance and stock levels. Moreover, market audits assess promotional activities for HDL's brands, examining venue branding, product placement, use of promotional materials, and the execution of marketing campaigns. To maintain a competitive edge, market auditors also carry out detailed competitor assessments, enabling HDL to monitor and respond effectively to market dynamics.



## ISO Audit & Certification

HDL prioritizes compliance with ISO (International Organization for Standardization) standards, viewing ISO audits and certifications as essential indicators of its dedication to quality, safety, environmental stewardship, and adherence to international standards. The company possesses five ISO certifications: ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), ISO 45001:2018 (Occupational Health and Safety Management System), ISO 22000:2018 (Food Safety Management System), and a Green Building certification.

Furthermore, HDL has consolidated three ISO standards—QMS, EMS, and OHSMS—into a cohesive framework known as the Integrated Management System (IMS). This system aims to enhance management processes and ensure the effective application of ISO standards. Additionally, HDL has achieved certification for four ISO standards through DNV (Det Norske Veritas), a globally recognized independent certification body renowned for its role in facilitating global transformations.

To maintain high compliance with ISO and Green Building standards, HDL regularly conducts various activities to evaluate, confirm, and verify its internal processes. Key activities include:

- Annual Risk Management
- Annual Review of Objectives
- Legal Compliance Review
- Evaluation of External Providers
- Consultation and Participation
- Customer Surveys
- Training and Awareness
- Good Manufacturing Practices Audit
- Internal Audit
- Management Review Meetings
- Performance Evaluation and Review
- Regular External Surveillance Audits

### GREEN EXISTING BUILDING - GOLD STATUS:

Green Building practices focus on creating sustainable construction that minimizes environmental impact while promoting occupant health and well-being. HDL has achieved Green Building standards (LEED V4 BREAM) under the Green Existing O&M rating system from Otabu Certification Limited (UK), earning a Green Building Gold certification. Key activities supporting compliance with Green Building requirements include:

- Efficient Energy Usage
- Efficient Water Usage
- Resource Conservation
- Indoor Environmental Quality
- Site Sustainability
- Health and Well-being
- Adaptability and Resilience
- Carbon Footprint Reduction
- Waste Reduction
- Green Infrastructure
- Community and Social Benefits

Green Existing Building Certificate Information:

**Certificate Number:** 601010517

**Initial Certification Date:** May 1, 2017

**Validity:** March 13, 2024 - March 13, 2026

### QUALITY MANAGEMENT SYSTEM ISO 9001:2015:

The Quality Management System provides a structured approach to ensure quality management across all organizational operations, focusing on meeting and exceeding customer expectations. Key activities conducted by HDL to enhance compliance with ISO 9001:2015 include:

- Customer Satisfaction Surveys
- Process Improvement Initiatives
- Consistency and Standardization Efforts
- Legal and Regulatory Compliance Checks
- Risk Management Strategies
- Leadership Commitment Initiatives
- Employee Involvement Programs

- Resource Optimization Practices
- Evidence-based Decision Making
- Continuous Improvement Efforts

ISO 9001:2015 Certificate Information:

**Certificate Number:** 173250-2015-AQ-IND-RvA

**Initial Certification Date:** May 4, 2007

**Validity:** May 4, 2024 - May 3, 2027

#### FOOD SAFETY MANAGEMENT SYSTEM ISO 22000:2018:

This standard provides a comprehensive framework for ensuring food safety throughout the supply chain, enabling HDL to strengthen its food safety culture. Key compliance activities for ISO 22000:2018 include:

- Food Safety Assurance Measures
- Contamination Prevention Strategies
- Legal Compliance Efforts
- Risk Management Protocols
- Traceability and Transparency Initiatives
- Resource Optimization Techniques
- Operational Control through PRP, Hazard Analysis, HACCP Plan, and OPRP Plan
- Continuous Improvement Practices

ISO 22000:2018 Certificate Information:

**Certificate Number:** C619749

**Initial Certification Date:** February 27, 2009

**Validity:** March 19, 2024 - February 26, 2027

#### ENVIRONMENTAL MANAGEMENT SYSTEM ISO 14001:2015:

This international standard outlines a framework for effective environmental management, aiming to minimize environmental impact while demonstrating commitment to sustainability. Key activities for compliance with ISO 14001:2015 include:

- Environmental Performance Improvement Initiatives
- Legal Compliance Checks
- Pollution Prevention Strategies
- Resource Efficiency Measures
- Stakeholder Engagement Efforts
- Transparency and Accountability Practices
- Waste Reduction/Management Initiatives
- Continuous Improvement Strategies

ISO 14001:2015 Certificate Information:

**Certificate Number:** 173756-2015-AE-IND-RvA

**Initial Certification Date:** April 16, 2009

**Validity:** April 16, 2024 - April 15, 2027

#### OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM ISO 45001:2018:

This standard provides a framework for protecting employee health and safety by identifying and mitigating risks. Key compliance activities for ISO 45001:2018 include:

- Occupational Health and Safety Risk Management
- Workplace Accident Reduction Strategies
- Employee Well-being Initiatives
- Occupational Illness Prevention Measures
- Stakeholder Engagement Activities
- Legal Compliance Efforts
- Continuous Improvement Practices

ISO 45001:2018 Certificate Information:

**Certificate Number:** 10000436760-MS-C-RvA-IND

**Initial Certification Date:** April 16, 2009

**Validity:** April 16, 2024 - April 15, 2027





A QUALITY PRODUCT OF  
HIMALAYAN DISTILLERY

  
**SILVER  
OAK**



Enjoy Responsibly

**SMOOTH  
FINISH**

A blend of *Pure Artesian  
Himalayan Water & Carefully Selected Grains*

## Sustainability Measures

### TREE PLANTATION

This year, HDL planted an additional 1,650 trees at its factory premises, adding to the trees planted last year. These trees, in various species, provide multiple environmental and economic benefits. Strategically placed trees reduce energy costs by providing shade, cutting down on air conditioning needs in hot months. Expanding tree covers around industrial sites helps reduce carbon footprints and supports sustainability goals. This initiative contributes to climate regulation and strengthens the ecosystem, benefiting both the environment and the community.

### INDUSTRIAL WASTE REDUCTION

HDL is installing a zero liquid discharge (ZLD) system to better manage its industrial wastage, demonstrating its commitment to sustainable operations. Sludge generated during the distillation process will be converted into dry cakes, which will be sold at a higher value than untreated sludge, contributing to an increased sales revenue. Additionally, the industrial waste currently processed through the Effluent Treatment Plant (ETP) is targeted to be eliminated. This initiative will significantly enhance the industry's Environmental Performance Index, aligning with HDL's goals of environmental stewardship and operational efficiency.

### REDUCING GROUND WATER INTAKE

HDL has implemented a zero liquid discharge (ZLD) system, reinforcing its commitment to sustainable and efficient operations. This system enables the recycling of water, which can be reused in industrial processes such as cooling towers and also in the gardening and plantation, reducing groundwater intake by approximately 40%.

### IN PROCESS WASTE RECYCLE

HDL actively incorporates sustainability into its operations by using recycled bottles and selling scrap materials to generate additional revenue. These initiatives not only contribute to resource optimization but also play a significant role in reducing environmental pollution. By prioritizing recycling and waste management, HDL demonstrates its commitment to environmental responsibility while creating economic value from materials that would otherwise be discarded.

### GIVING BACK TO THE COMMUNITY

HDL is dedicated to giving back to the community through a wide range of Corporate Social Responsibility (CSR) initiatives. These efforts focus on key areas such as education, health & wellness, sports, support for religious & cultural activities and so on. Through these initiatives, HDL aims to uplift communities, promote well-being, and foster holistic development, reflecting its commitment to social responsibility and sustainable growth. During the fiscal year, HDL contributed about Rs. 84 million in the CSR activities. The detailed report for the CSR activities done during the year can be found in the CSR section of this report. Furthermore, the company provides direct employment to more than 200 local people on a regular basis in addition to the jobs provided indirectly on a daily wage basis.





# 03

## RISK MANAGEMENT

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An organization is exposed to a series of risks throughout its business journey. These risk areas are spread across a variety of functional areas of the organization and they often come with diverse and often severe implications. This has made it inevitable for any business organization to emphasize risk management regarding its business operations.





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Risk management can be defined as a systematic process that focuses on the identification, assessment, and prioritization of a series of risks to which an organization is exposed. It involves the collaborative and economical application of available resources to monitor, minimize, and control the impact of these various categories of risks. Risk management stands as one of the crucial aspects of decision-making and planning for any organization throughout the course of its business.

HDL, a thriving business organization is also exposed to various implicit and explicit implications of risk management. As such, the company has undertaken a system-based approach to identify inherent and potential risks within and beyond the company and implement mitigation measures to reduce the impact of such risks on the profitability and sustainability of the company. The various categories of risks that HDL is exposed to along with the mechanisms to curtail them are highlighted below:

#### **FINANCIAL RISK:**

Financial risk can be defined as the failure to achieve expected financial returns on an investment or in the course of business operations. It has an organization-wide impact with a direct threat to the sustainability and survival of any organization.



HDL has in place a system-based risk management philosophy which acts as the basis for its policies and procedures and internal financial controls that are focused on the identification, evaluation, and management of the crucial financial risks of the company including but not limited to market risks, credit risks, and liquidity risks. These policies, procedures, and controls aim to minimize and neutralize the probable consequence created by the financial risk variables in the company's business operations as well as investing and financing activities.

In addition to this, HDL's risk management framework also prioritizes ensuring uncompromised and consistent management of financial risks in line with the acceptable and approved risk parameters of the company as well as the standards set aside by national and international regulations.

#### **MARKET RISK:**

Market risk refers to the potential fluctuations in the fair value of future cash flows from financial instruments due to changes in market prices, such as interest rates, foreign exchange rates, and equity prices. These fluctuations can impact on the Group's income or the value



of its financial holdings. The group's exposure to changes in market interest rates primarily stems from its short-term demand loans with variable interest rates. At the end of the year, the balance of term loans was Rs. Nil (2079-80: Rs. Nil), with short-term and demand loans also at Rs. Nil (2079-80: Rs. Nil). To manage interest rate risk, the Group actively monitors cash flows and negotiates favorable borrowing and deposit rates. If interest rates were to rise or fall by 50 basis points while keeping all other variables constant, the profit before tax for the year would decrease or increase by Rs. 96 (2079-80: Rs. 1,69,306). Additionally, the Group engages in transactions primarily denominated in Indian Rupees, which mitigates exposure to exchange rate fluctuations. The Group does not actively invest in equity markets.

#### LIQUIDITY RISK

The Group's current assets total Rs. 2,66,82,92,295 (2079-80: Rs. 3,05,99,15,611), which includes cash and cash equivalents along with other bank balances amounting to Rs. 2,24,00,60,121 (2079-80: Rs. 54,65,57,780). This is against the total current liabilities of Rs. 23,98,98,292 (2079-80: Rs. 28,29,84,354), which includes term loans maturing within one year totaling Rs. Nil (2079-80: Rs. Nil).

Furthermore, the Group has access to undrawn borrowing facilities from banks amounting

to Rs. 375,000,000 (2079-80: Rs. 375,000,000) as of the reporting date. Given these circumstances, there is no risk of liquidity that would prevent the Group from meeting its obligations as they come due.

#### CREDIT RISK MANAGEMENT

Credit risk represents a potential financial loss to the Group if a customer or counterparty fails to fulfill their contractual obligations. This risk primarily arises from trade receivables. The Group extends credit to its customers based on its business interests in accordance with its credit policy. Any exceptions are managed and approved by designated authorities after careful consideration of the counterparty's credentials and financial capacity as well as prevailing business conditions. As of the reporting date, the Group's exposure net of loss allowance was Rs. Nil (2079-80: Rs. Nil).

Additionally, the Group holds other financial assets such as bank balances, other bank balances and receivables. Bank deposits are maintained with reputable commercial banks known for their strong financial positions; therefore, based on historical experience and current assessments, the counterparty risk associated with these assets is deemed minimal.

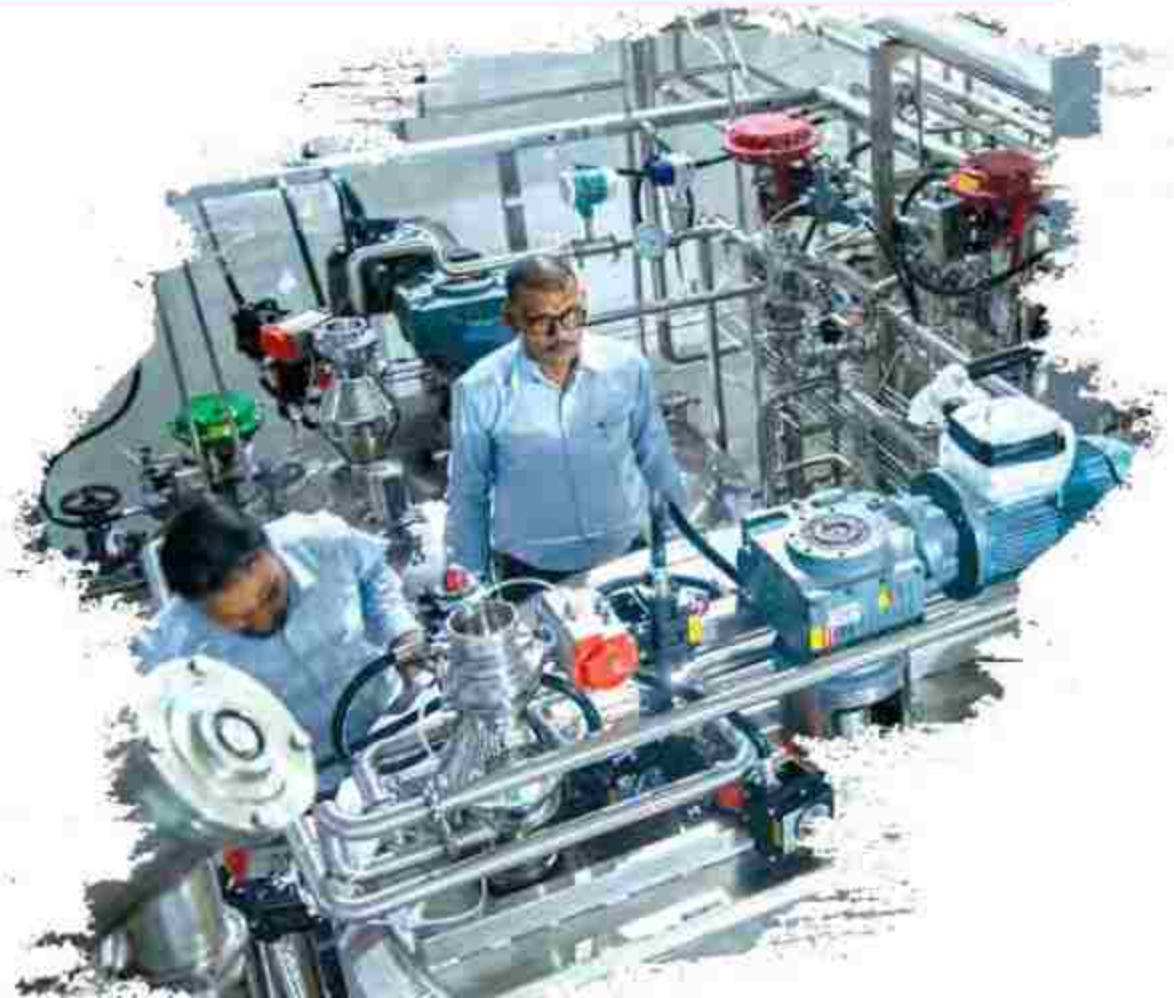
## RISK MANAGEMENT AND CONTROL ENVIRONMENT

HDL has in place well-manned committees at the board of directors' level which assists the company in curtailing its exposure to various forms of business, operational, financial, and market risks. HDL's board of directors are strong champion of corporate governance, business

ethics, and risk management practices which has enabled the company to have a strong hold in the competitive liquor industry of Nepal.

The following section highlights the purpose, frequency, and composition of the Board Meetings and other Committee Meetings are highlighted below:

MEETING TYPE	ASSET LIABILITY COMMITTEE	RISK MGMT. COMMITTEE	AUDIT COMMITTEE	BOARD OF DIRECTORS	REMARKS
<b>Total No. of Meetings</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>11</b>	
Akhileshwar Prasad Singh, Chairperson				11	
Narendra Kumar Basnyal, Director			5	10	Absent in 1 BOD Meeting
Shankar Raj Pandey, Director			5	11	
Santoo Shrestha, Director	1	1	5	10	Absent in 1 BOD Meeting
Yangjola Sherpa Ruit, Director				6	Absent in 5 BOD & an ALCO meeting
Prabash Mani Ghimire, Independent Director		1		11	



## Board Level Committees

HDL has three Board-level committees each with its own well-defined purpose and clearly demarcated responsibilities that have enabled the company to further solidify its internal control measures and to ensure full compliance with various national and international regulations and standards.

### AUDIT COMMITTEE

HDL's Audit Committee offers internal financial management guidance to the company and conducts a thorough review of its internal audits, oversees and evaluates the appointment of external auditors to the Annual General Meeting, and Monitors and ensures legal and regulatory compliance of all the audits of the organization. The Audit Committee is composed of three members as follows:

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

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 of 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 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, standards, and directives determined by the competent body pursuant to the prevailing law, formulate the policies required to be observed by the company with respect to 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.

The Committee met five times this fiscal year and discussed the following activities:

- Review of quarterly internal audit reports provided necessary recommendations to the management and submitted it to the Board for its review and approval.
- Detailed discussion on the annual business plan prepared by the management. After a detailed discussion, the Committee recommended the Business Plan for FY 2023/24 for submission to the Board for its approval.
- Presentation on the annual financial report and statutory audit report, which were thoroughly reviewed during the meeting and were recommended for the board's approval.
- Recommendation to the Board for the continuation of current internal auditors and statutory auditors for the FY 2023/24.

#### RISK MANAGEMENT COMMITTEE

HDL has in place a dedicated Risk Management Committee that identifies, minimizes, and eliminates the company's risk exposure to diverse risk variables in areas like physical assets, legal governance, human resources, technology, financial planning, and implementation. The Committee is also responsible for the preparation and implementation of a comprehensive risk policy and risk management plan.

The Risk Management Committee has three members:

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

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 the risk management policy of the company, to make a 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 the 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 for the company regarding risk management, and
- To formulate a 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.

The Committee met one time this fiscal year and covered the following activities:

- The CEO updated the committee members on the legal and regulatory compliance status of the company in the FY.
- The committee members held a comprehensive discussion regarding the potential risks and mitigation measures related to legal/regulatory risks, operational risks, environmental risks, market risks, and financial risks.

- The Risk Management Committee reviewed all the aspects of Legal/Regulatory Risks, Operational Risks, Environment Risks, Market Risks, and Financial Risks, having endorsed the same, and recommended that the same be submitted for the Board's review.

**ASSET LIABILITY MANAGEMENT COMMITTEE**

HDL's Asset & Liability Committee oversees sound inspection, supervision, and management of its assets and liabilities. The Committee is also responsible for ensuring capital adequacy through the development and implementation of relevant strategies and courses of action to mitigate market risks, including liquidity risk.

The Asset Management Committee is composed of three members:

- Mr. Santoo Shrestha, Chairperson
- Ms. Yangkia (Sherpa) Ruit, Member
- Chief Executive Officer, Member

The major functions of this Committee are presented below:

- 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 supervise 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, the structure of the above-mentioned information system, periodically evaluates, approves, and reviews 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.

The Committee met once this fiscal year and discussed the following:

- Review of the assets and liability position of the company with a major focus on profitability and financial ratios. During the meeting, it was highlighted that the current assets of the company covered more than twice the current liabilities of the company, indicating that the company has adequate liquid assets.
- A review of contingent liabilities of the company and the progress on the litigation status was also briefed by the management.
- Presentation of progress of investment in capital expenditure in the year including progress of new projects such as Zero Liquid Discharge & Plant Automation Project and installation of Malt Distillation Unit.

## 04

CORPORATE SOCIAL  
RESPONSIBILITY

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At Himalayan Distillery Limited, building trust and ethical corporate behaviors stands at the heart of its each and every activities. The strong inclination towards trustworthy and ethical business practices have been deeply engraved in the Company's corporate values. The company strongly believes in being a good corporate citizen by creating a positive impact on society.





## Focus on Customers and Consumers

HDL has always emphasized on ensuring integrity and transparency in all of its interactions and relationships with its customers and consumers by providing them with safe, reliable and qualitative products and services. It highly prioritizes dissemination of accurate information to its customers and consumers so as to assist them in making informed decisions. HDL always makes sure that its product labels, advertisements as well as commercial messages are accurate, clear, and not misleading to its customers as it highly abides by responsible marketing of its market offerings.

## Conduct Business with Integrity and Fairness

HDL has always been conducting its business activities in a fair and transparent manner and in due adherence with relevant national and international laws, regulations and guidelines with an intent to abide by the highest ethical standards of conducting business in the dynamic alcoholic beverage industry of Nepal. It not only ensures that its corporate activities are fair and transparent but also pays attention to the fact that the Company's activities are respectful towards various religion, culture, customs and traditions in all of the countries where it conducts its business operations.

HDL does not chase profit by resorting to unfair or illegal practices and is highly committed to conducting business undertakings based on the principles of free and fair competition. The Company has zero tolerance for any form of bribery, corrupt practices, money laundering activities or other illicit practices in our maneuvers or with any person or company. In addition to this, HDL also diligently abides by all applicable laws and regulations regarding gifts, entertainment, charitable donations, and political contributions. The Company has always prioritized upholding and disclosing its financial and business-related records as per parameters and requirements demarcated by all the applicable laws and regulations so that it can precisely reflect the true state of its business operations.

## Conservation of the Environment

HDL has highly emphasized adherence to and maintenance of the highest environmental and safety standards with an intent to ensure that the Company's operations do not result in any harm to the community and its surrounding environment.

As a result of this, HDL is on the path of embarking on a project with the aim of achieving Zero Discharge from its distillation plant. It is also on the verge of initiating a project for complete Plant Automation to achieve improved efficiency through a data-driven decision-making process that has comparatively less manual intervention and

that also enables the company to achieve consistency in quality of its market offerings. The Company has always placed utmost emphasis on constant improvements of its environmental performance and has already implemented various measures on this front such as the use of recycled bottles, availability of effluent treatment of plants, management of industrial waste through selling of packaging materials and plantation within the periphery of its factory to reduce the level of pollution resulted by the factory operations.

## Contribution to Society

HDI is dedicated to have meaningful engagements with the community through its well-thought-out Corporate Social Responsibility initiatives. It passionately supports diverse set of individuals and groups who are committed to meaningful causes including but not limited to culture, gender equality, social inclusion, education, health, poverty alleviation, community support and natural disasters to name a few.



## CSR Policies

As per the Industrial Enterprise Act 2076, Section 54, any medium/large-scale industries/domestic/small enterprises with an annual turnover of Rs. 150 million and above are supposed to allocate at least 1% of their annual profit for Corporate Social Responsibility (CSR) initiatives. In addition to this, Industrial Enterprise Regulation 2078, Rule 43 has clearly demarcated the core areas in which the CSR fund can be utilized. In compliance with these provisions, Himalayan Distillery Limited has allocated funds available under the heading of CSR in the following core areas in the review period:

S.N.	CORE AREAS	% ALLOCATION
1.	Affected Areas- To be further sub-allocated as per sub categories 2-9	50%
2.	Disaster prevention and rescue related activities	2.5%
3.	Health and related activities	10%
4.	Preservation and conservation of Nepali art, cultural heritage and monuments	5%
5.	Skill development and income generation activities	5%
6.	Educational activities	10%
7.	Environmental activities	5%
8.	Social Awareness and related activities	2.5%
9.	Physical Infrastructure for Social Welfare (including repair and maintenance) - drinking water, roads, drainage, sports grounds, religious sites, community buildings including for old age, orphanage, meditation, rest houses, bus stand/park, etc.	10%

HDL also has in place a dedicated CSR committee to effectively utilize the CSR fund with following members:

#### SN. COMMITTEE MEMBER

1.	Mr. Niraj Subedi, Chief Executive Officer (CEO)
2.	Ms. Nisha Niraula, Company Secretary
3.	Mr. Jeevan Pandey, Manager (Operation)
4.	Ms. Alina Shrestha, Manager (Finance)
5.	Ms. Anjali Shrestha, Manager (HR)
6.	Independent Invitee

The Committee is responsible for approval of the fund to be disbursed for various CSR initiatives and activities. In cases where the percentage of fund allocated is insufficient in any particular area, the Committee has the authority to decide to allocate a higher percentage by carving an amount from an area where a lower allocation has been made provided it is within the total CSR budget available for the year. The approving authorities for the same have been highlighted in the following table:

#### AUTHORIZED PERSON

Proposed by	Manager (Finance)
Recommended by	Company Secretary
Approved by	Chief Executive Officer

## CSR Overview & Activities

### 1. Nepal Rastriya Adharvut Vidhyalaya

#### School Teacher Salary: 260,000

In the review period, HDL has contributed an amount worth Rs. 260,000 to Nepal Rastriya Adharvut Vidhyalaya for disbursement of salary of the School's teachers.



### 2. Easy Healthcare Foundation (EHF)

In the review period, HDL contributes a total of RS 1,000,000 to Easy Healthcare Foundation (EHF) for fulfilling their intent to establish healthcare services and facilities in every ward of Kathmandu. EHF is an institution located in Kathmandu with the primary objective of providing essential healthcare services to marginalized, disadvantaged, and impoverished citizens in the country, especially senior citizens. EHF intends to use the contributed amount towards the implementation of a comprehensive healthcare assurance scheme, covering primary, secondary, and tertiary healthcare services.



**3. Pabitra Prithvi Samaj (PPS)**  
 in the review period. **HDL also offered assistance of Rs. 700,000 to Pabitra Prthivi Samaj (PPS)**, Biratnagar for providing one automatic wheelchair and auto-adjustable beds to four individuals with severe disabilities. PPS, Biratnagar, was founded in the year 2071 B.S. with a core mission of assisting individuals with disabilities, the elderly, and those facing economic hardship and vulnerability. PPS is also actively engaged in organizing training sessions and awareness programs to benefit the community.



**4. Birgunj Metropolitan Office (BMO)**  
 In the same period, HDL also provided financial assistance worth **Rs. 997,920** on the request of the Birgunj Metropolitan Office to address critical infrastructure needs in various community schools within their jurisdiction.

The contributed amount was utilized for purchase of combination of 100 desks and benches and two laptops.

**5. Shakti Yuva Club (SYC)**  
 HDL contributed a total of **Rs. 60,000** to Shakti Youth Club, based in Parwanipur Ward, for its annual football event with an intent to support the physical well-being of local youth in the fiscal year 2023/24.



**6. Terai Youth Samudayik Sastha (TYSS)**  
 In the review period, **HDL offered assistance of 50 dustbins worth of Rs. 187,500 to Terai Youth Samudayik Sastha (TYSS)** to ensure proper waste management infrastructure in Patel Nagar Village. TYSS was registered in the year 2079 B.S. and it identified the scenario of rise in improper disposal of garbage leading to a deteriorating environment and a substantial impact on public health in Patel Nagar area.

**7. Karnali Region Tourism and Cultural Reservation Center (KRTCRC)**  
**HDL contributed a total of Rs. 100,000 to Karnali Region Tourism and Cultural Reservation Center (KRTCRC)** in the review period to assist its scholarship program for students from government schools in Kalikot and 10 other districts who have completed their SEE exams but lack the financial means



to pursue further education in Kathmandu. The program targets marginalized, economically disadvantaged, disabled, and individuals affected by war or natural disasters. A total of 25 students have been benefitted from this initiative in the Fiscal Year 2023/24.

#### 8. Katha Nepal

HDL also made two separate contributions of Rs. 450,000 each to Katha Nepal for supporting 18 schools in Birgunj under its "Matri for 30 schools at Birgunj Municipality" project on the request of Birgunj Metropolitan Office. As the project has become huge success in Birgunj, BMO had requested HDL for support through Katha Nepal of Matri's content for grade 9 and 10 of government schools Parsa at a cost of Rs. 25,000 per school per year for same 30 schools.

The project has introduced customized audiovisual teaching materials specifically designed for the Nepali subject in grade 8, aligning with the national curriculum.

#### 9. Open Eyes Nepal (OEN)

OEN, is an organization that supports children and families in Nepal grappling with Retinoblastoma, a form of childhood eye cancer. Its core objectives include raising awareness about the condition, facilitating affordable access to treatment, and establishing sustainable support networks for affected children and their families. The treatment for this disease is prolonged, costly, and difficult, often necessitating financial assistance for

families traveling from outside Kathmandu. HDL contributed a total of Rs. 500,000 for supporting this cause in the FY 2023/24.

#### 10. Lalitpur Metropolitan Office

Himalayan Distillery Ltd. has been continuously coordinating with Lalitpur Municipality Office for the maintenance of Jawalakhel Circle Traffic Island since the Nepalese Year 2077 B.S. Marking the day of the "Bhotojatra Festival" HDL supported the plantation of trees for environmental conservation and repair & maintenance of physical infrastructure for social welfare as per the company's CSR Policy. HDL has been regularly supporting the maintenance work of the traffic island for which it has contributed Rs. 1,114,434 for maintenance of J-Circle in FY 2023/24.

#### 11. Dhangadhi Sub-MetroPolitan Office (DSO)

HDL made a contribution of Rs. 525,000 to support 100 students at the cost of Rs. 5,250 per student to Dhangadhi Sub-Metropolitan Office (DSO) in the review period to launch a program to provide free school uniforms to students in community schools in Dhangadhi, funded by the Mayor's Education Improvement Fund. The initiative aims to supply uniforms, bags, and other materials to community schools in Dhangadhi.

#### 12. Sambhabhya Foundation (SF)

Sambhabhya Foundation has been implementing "School Mental Health Program" through a comprehensive curriculum with components of mental health literacy, Social-Emotional Learning (SEL), digital citizenship, and comprehensive sexual reproductive education (CSRE) in government schools across Nepal since 2018. It has also initiated a project entitled "Wellness for All" in a total of 8 schools in the Shankarapur Municipality and

5 schools in the Kageshwari Municipality. HDL made a contribution of Rs. 615,000 to support the School Mental Health Program for 8 schools in Shankarapura Municipality in the review period for the construction of a counseling room.

### 13. Mugling Highway Hospital (MHH)

Mugling Highway Hospital (MHH) has been dedicatedly offering vital medical services to the local community and addressing the significant occurrence of road accidents along the Naubise-Pokhara-Mugling highway. The hospital has outlined several future initiatives, including expanding its capacity to accommodate 100 beds, establishing a pre-hospital care and trauma center to assist survivors of road accidents with a pure intention to improve access at the grassroots level to treatable and diagnostic healthcare services, which is very much in line with the healthcare objectives set by the Government of Nepal.

**HDL made a total financial contribution of Rs. 300,000 in the FY 2023/24 at the rate of Rs. 100,000 each month, beginning from Mid April 2024 for the salary disbursement of the doctors and nurses employed at the institution.**

### 14. Ek Ek Paila Foundation (EPPF)

**HDL contributed a total of Rs. 500,000 to Ek Ek Paila Foundation (EPPF).** EPPF, in collaboration with the local government, plans to conduct a health clinic at Kolti, Bajura District to address the lack of health services in the region. As part of its five-year strategic plan, EPPF provides annual eye, ear, nose, throat, dental, and gynecological services. This program includes cervical cancer screening and prevention, pregnancy and postpartum care, lactation and family planning, screening for prolapse and fistula, other gynecological examinations, post-abortion care, and minor surgeries (biopsies).

### 15. Birgunj Metropolitan Office (BMO); For Lab equipment at Lipanibirta Health Post

**HDL contributed a total of Rs. 500,000 to Lipanibirta Health Post for the purchase of lab equipment at the request of Birgunj Metropolitan Office (BMO).** BMO had requested financial assistance for the installation of lab equipment at Lipanibirta Health Post at Parwanipur 21, Lipanibirta to promote physical fitness among local communities.



**16. Lifeline Health Home Care: HDL also contributed an amount of Rs. 175,000 to Lifeline Health Home Care for conducting health camps and symposiums in different communities of Lalitpur during the year.**



## 05

HUMAN RESOURCE  
MANAGEMENT

HDL has always prioritized innovation as a major cornerstone for its product portfolio diversification and business growth. The meticulous product development approach of HDL also gave birth to the company's core brand - Golden Oak which is a widely accepted product in the 40UP Whisky category of Nepal. Further, its constant focus towards product innovation and development has enabled it to expand its product lines beyond the well-established brand, Golden Oak, with two other equally qualitative product variants namely Black Oak and Silver Oak. Each of these Oak brands caters to distinct consumer segments and have been able to create a favorable market response outperforming the competition.





Every new group member receives a clean and particular activity description. This now not handiest enables them to apprehend their roles and responsibilities however also affords a foundation for normal overall performance evaluations. Our employment guidelines are employee-targeted and strictly adhere to Nepal's Labor Law, making sure fairness and compliance.

We cost a wholesome paintings-lifestyle balance for all our personnel. For example, we offer extra breastfeeding time for nursing moms with infants beneath six months and paternity depart for fathers. These projects reflect our dedication to assisting both the non-public and professional lives of our group individuals.

To help our team grow and excel, we've implemented robust HR policies and provide ample training opportunities. Each year, we prepare and review a training and staff development plan to guide these efforts. During the last review period, we conducted 25 training sessions, enhancing the skills of 335 employees—all fully funded by the company.

At HDL, we strive to be a human-centric organization, even in Nepal's highly competitive liquor industry. Below are some of the key HR policies that make this possible:

- Transparent and fair recruitment processes
- Clear job roles and responsibilities with regular performance evaluations



- Employee-friendly benefits, including support for work-life balance.
- Annual training and development plans to enhance staff skills and career growth.

These policies and practices ensure that our team remains motivated, skilled, and ready to drive the company forward.

#### **EQUAL OPPORTUNITY EMPLOYER**

At HDL, we are proud to be an equal opportunity employer dedicated to imparting an inclusive place of job. We have a coverage of no longer tolerating any form of discrimination based totally on race, ethnicity, colour, faith, sex, age, or disability—whether or not overt or subtle. Employees are strongly encouraged to file any instances of discrimination to their supervisors, making sure that concerns are addressed through the organisation's proceedings process.

Our recruitment manner is overseen by way of a committee that ensures that each hiring selection is truthful, transparent and benefit-primarily based. Candidates undergo a rigorous evaluation technique, consisting of information and skills assessments, practical assessments and benchmark checks. Once on board, new employees will take part in a complete orientation software to familiarize themselves with HDL's imaginative and prescient, challenge, operations, code of conduct and workplace way of life.

At HDL, we trust that the fulfillment of any enterprise relies upon on the competencies and in shape of its team. To hold this wellknown, we behavior quarterly performance opinions. These appraisals no longer only degree real employee performance towards expectations but also identify opportunities for

schooling, reimbursement, mentoring, or merchandising. HDL's Promotion Committee conducts those opinions, making sure that each one personnel provide honest and constructive remarks.

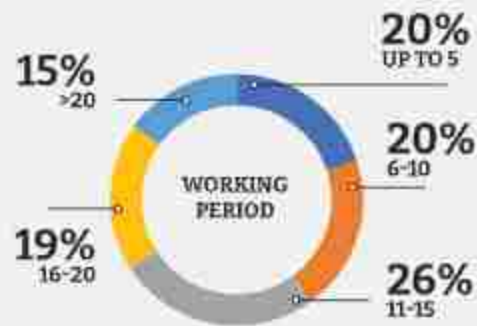
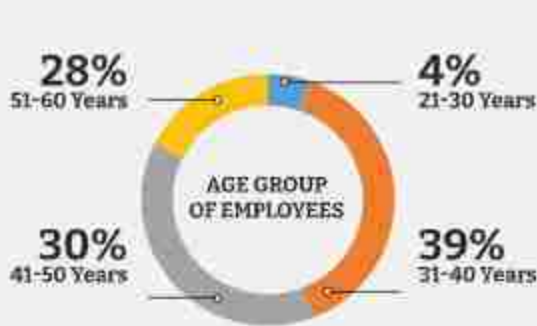
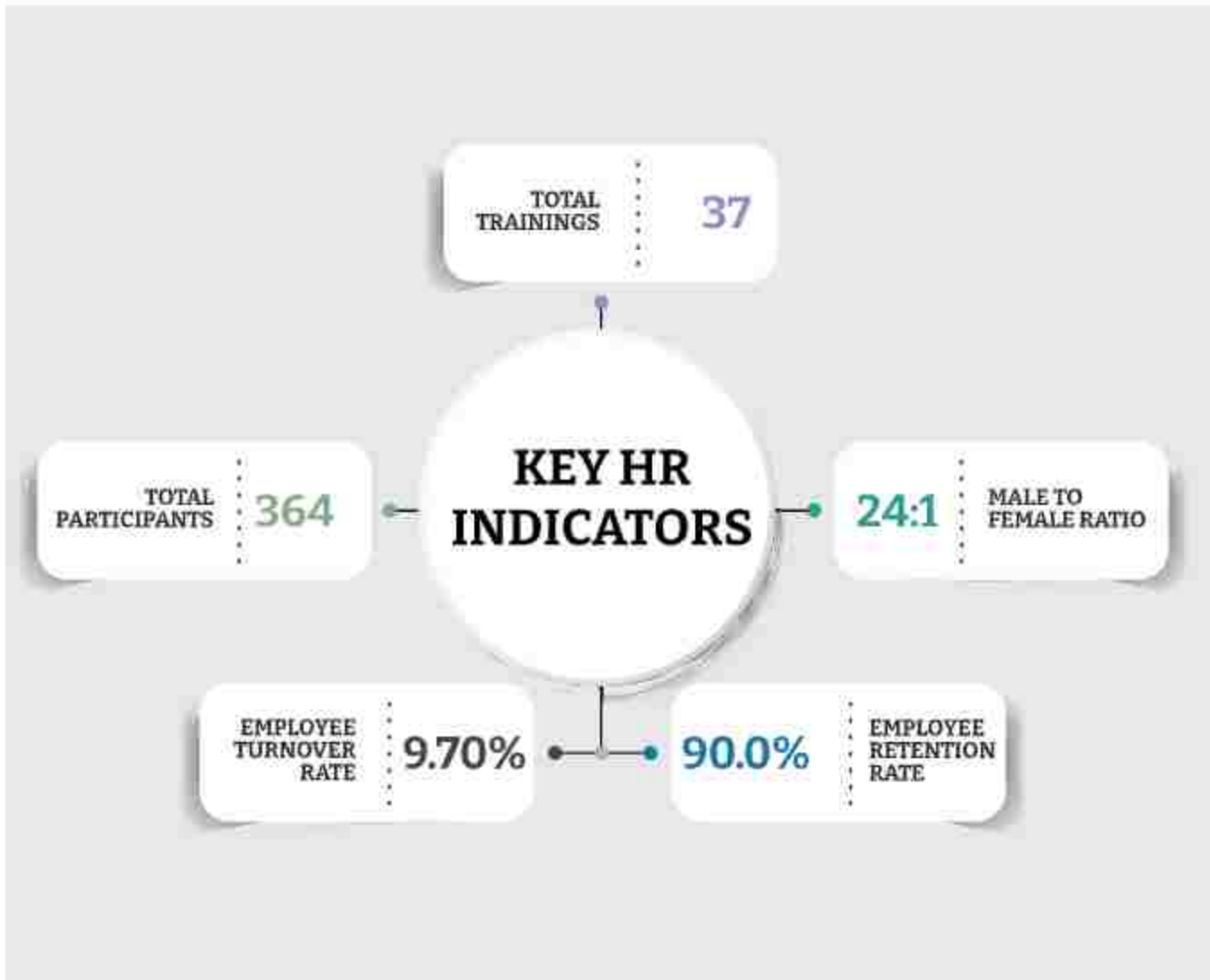
#### **HEALTH AND SAFETY**

The fitness, safety and nicely-being of our personnel is a top precedence at HDL. We provide Personal Protective Equipment (PPE) to personnel working in excessive-danger areas and ensure that every one safety regulations and techniques are strictly followed to save you injuries or accidents. Compliance with those protection measures is taken critically, and corrective movement is taken where vital.

#### **GRIEVANCE HANDLING**

At HDL, we accept as true with that addressing employee worries is key to improving our administrative center and guidelines. That's why we have a clear and powerful complaint dealing with manner in region to clear up troubles quickly and pretty. Our Grievance Handling Committee includes the CEO, Grievance Handling Officer, Head of HR, Head of Legal, and the Department Head of the employee elevating the concern. Employees can publish their grievances thru a straightforward process, with clean timelines set for resolving each case. If any employee isn't satisfied with the final results, they could take their attraction without delay to the CEO. The choice made with the aid of the CEO is very last, ensuring every complaint is addressed transparently and thoroughly.

At HDL, we are dedicated to developing a supportive workplace where anybody feels heard, reputable, and valued.



Data based on FY 2023/24





# 06

## PRODUCTS AND SERVICES

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HDL forecasts a positive market outlook for 2024 in case of the economy and mid-range segments as it expects growth in demand for affordable local spirits. HDL is well-positioned to reap benefits from these current market and consumer trends and aims to focus on its fast-moving economy brands while managing costs and maintaining a competitive edge.



HIMALAYAN

हिमालयन  
NEPAL'S ORIGIN  
EXPORT, 2011

SILVER OAK



SILVER OAK

750ML

The Original  
BLACK OAK  
PREMIUM BLENDED MALT  
EXTRA MATURE  
-IN OAK CASK-

The Original  
GOLDEN OAK  
PREMIUM BLENDED MALT

Blue Oak

ROYAL  
TREASURE

ROYAL  
TREASURE

However, the premium segment faces more uncertainty in the upcoming year as well as the disposable income levels of its consumers are not expected to rise significantly in the near future. Despite this overarching challenge, HDL aims to deploy strategic innovations through new products and marketing efforts within the premium category so that it can mitigate the decline in demand. It is evident that in the year 2024, HDL will need to continue adapting its product portfolio to the evolving consumer landscape as well as the overall financial and economic environment.

Overall, HDL is well prepared to navigate the challenges and opportunities of the period 2023-24 and is driven by a strong focus on sustainability, affordability, product innovation, and adaptability in the ever-evolving economic landscape of Nepal.

## Bottling Unit

The company's distillation and bottling takes place at the factory in Birgunj, 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.





## A RANGE OF CUSTOMER ORIENTED, HIGH VALUE PRODUCTS AND SERVICES AND A STELLAR BRAND PORTFOLIO

The liquor industry's business is highly influenced by consumer-centric trends particularly changing consumer preferences, values, and behaviors. The ever-changing set of consumer expectations makes it inevitable for liquor manufacturers to be innovative, adaptive, relevant and competitive in the markets that they serve.

HDL being a customer oriented and dynamic business organization always emphasizes and implements a proactive approach to align its products and product/brand experiences to effectively meet the ever-changing demands and preferences of its diverse yet selective audience.

Further, the company is committed to stay attune to its consumers' needs and this has been remarkably justified by its various continuous product development and design improvement initiatives. This uncompromisable customer centric approach has empowered HDL and its products to meet the customer needs, gain customer loyalty and also achieve strategic advantage to enhance its competitiveness and sustainability in the market.

HDL's thoughtfully tailored product mix caters diverse consumer segments and quenches their diverse preferences. HDL's Golden Oak, a much-loved liquor brand in the country is able to establish itself as a reputed choice for its customer segments who appreciate the finer things in life and have an unyielding passion for exceptional taste.

Similarly, its Black Oak targets individuals pursuing perfection in every facet of their lives and who are meticulous about their work and their craft. Blue Oak, a luxury offering of HDL targets those consumers who value the rare and the extraordinary.

HDL has maintained its strategic focus to develop and implement effective marketing efforts focusing to enhance the premium image of its brand. As a result of this, the company has made visible efforts to enhance the visual and aesthetic aspects of its products, thereby, ultimately enhancing its brands' identity and creation of "brand equity" through impactful advertising.

HDL's holistic marketing strategy encompasses a range of carefully integrated marketing channels and platforms to portray a consistent and premium brand image. It is the result of this strategy that HDL boasts a strong digital presence, consumer-led activations through outlet-level promotions, and various impactful regional events. HDL aims to create a harmonious and memorable experience for its consumers to reinforce their confidence in the company's brands and product portfolio and to create and sustain a favorable brand image. Hence, it is an undeniable fact that HDL's customer-centric business philosophy is strongly reflected in all of its products and marketing efforts. In the present context of evolving consumer preferences, the company is committed to stay agile and creative and it looks forward to a promising journey of growth and transformation in the days ahead.

Some of the major product brands of HDL and their story has been presented below:

## Our Products

### 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

# Serving

Golden Oak is a completely unique mixture of premium malts and Nepalese grain spirits, matured in American oak casks. Its rich aroma of dried end result, toasted vanilla, and smoked cereals gives a clean, medium-bodied end. Perfect for the ones ready to embody new demanding situations, Golden Oak represents success and generosity. Whether served neat, at the rocks, or with mixers, it's perfect for creating memorable moments.

As Nepal's satisfactory-promoting liquor inside the 40UP segment, Golden Oak comes in 180ml, 375ml, and 750ml bottles, presenting premium taste at an amazing price. Its upgraded packaging with mono-carton instances, a polished label, and cap design adds a touch of elegance, making it best for festivals and celebrations. With its enduring exception, Golden Oak keeps to the same old for premium combined malts.

#### MARKET SHARE

**+59%**

of total 40 UP ready to drink



## 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 crafted to have fun success. This remarkable whisky, double-matured in charred sherry oak casks, gives a cultured palate of nutty, woody flavors with a velvety smoky finish. Designed for perfectionists, Black Oak's top rate packaging mirrors its sophisticated essence, making it an ideal companion for lifestyle's milestones.

Available in 180ml, 375ml, and 750ml bottles (with the latter encased in a stylish canister), Black Oak is a preference for folks who feel refinement and achievement. With its rich person and stylish air of secrecy, Black Oak is more than a whisky—it's an experience for achievers.



### MARKET SHARE

**+14%**

of total 4017P whisky segment

## Our Products

### SILVER OAK

**STRENGTH:** 34.23% v/v

**SKU:** 750ml - Sold in a mono carton with tamper-proof closure. 375ml - and 180ml and also sold with with tamper-proof closure

**BEST SERVED:** Served straight or with ice

**KEY SELLING POINTS**

- Blend of pure Artesian Himalayan water & carefully selected grains
- Premium packaging

# Serving

Silver Oak represents innovation and purity, blending premium grains with Himalayan artesian water. This spirit's smooth finish and easy-to-open premium cap offer an unparalleled drinking experience. The clear, transparent bottle reflects the brand's commitment to quality and visual appeal.

Crafted for the modern drinker, Silver Oak delivers a hangover-free experience, whether enjoyed straight or with ice. Its premium taste and hassle-free packaging make it a standout choice, especially for those seeking a refined white spirit.



**MARKET SHARE**

**+12%**

of total 400P Vodka

## Our Products

### 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:

Blue Oak is a bold and complex blend, double-smoked in charred sherry and American oak casks. Its peaty aroma and hints of baked fruits and spices create a luxurious drinking experience. As you savor it, the rich smoky malt unfolds layers of character and complexity.

Available in 180ml, 375ml, and 750ml bottles (with the latter encased in premium packaging). Blue Oak is designed for special celebrations and triumphs. It's a pinnacle of luxury, crafted for those with a taste for sophistication and extravagance.

## Our Products

### HIMALAYAN AILA

**TYPE:** Traditional Nepali Liquor

**STRENGTH:** 48.5% v/v

**SKU:** 750 ml

**KEY SELLING POINT:** Nepal's original taste, perfect blend of art, tradition and science

**SERVING:** Neat

# Serving

Himalayan Aaila is a tribute to Nepal's cultural heritage, crafted from fine basmati rice and offering a robust 48.5% alcohol content. Presented in a frosted bottle, this spirit stays true to the traditional Newari "Aaila", known for its purity and strength.

Ideal for traditional feasts or rituals, Himalayan Aaila can be enjoyed neat or on the rocks, delivering a thrilling and authentic experience with every sip.



## Our Products

### 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.





A QUALITY PRODUCT OF  
HIMALAYAN DISTILLERY



SILVER  
OAK



**No Hang  
No Lyang!**

\*Enjoy Responsibly





### BRAND PHILOSOPHY

At Himalayan Distillery (HDL), we recognize the evolving preferences of Nepalese consumers. Our products resonate with local values, offering premium quality and innovation. Through design enhancements and thoughtful packaging, we align with the needs of a dynamic market, ensuring our brands remain relevant and desired.

Our Oak Series—Golden Oak, Black Oak, Blue Oak, and Silver Oak—caters to diverse tastes, providing premium options for every occasion. From festivals to personal milestones, our spirits create memorable experiences. Over the years, our focus on premiumization has strengthened our brand identity, backed by engaging advertising and vibrant community participation.

### MARKETING STRATEGY

Golden Oak stands as a trusted companion for life's golden moments with the tagline "Sunaulo Pal Ko Sathi." Participating in cultural celebrations like Lhosar, Tharu, and Maghi festivals, Golden Oak connects with its audience through meaningful experiences. Black Oak embodies ambition with its tagline "Safalta Ko Saathi" ("Companion of Success"),

Through aspirational storytelling and presence at regional events, it's positioned as the whisky for achievers celebrating their milestones.

Silver Oak appeals to a youthful demographic with its promise of "No Hang No Lyang," offering a premium, hangover-free experience. Its smooth taste and sleek design make it a standout choice at vibrant events like Holi and Lhosar.

### PRODUCT INNOVATION

Innovation has always remained as a key driver for HDL's growth. In 2023-24, it launched a new and fresh 40 UP vodka variant. These additions reflect modern tastes, featuring refined ingredients, advanced techniques, and elegant packaging. Our iterative design approach ensures products evolve with market trends, maintaining consistency and quality. Golden Oak recently adopted a new Guala cap, while Black Oak's transparent black-tinted glass enhances its distinctive appeal. Blue Oak will also see design updates, underscoring our commitment to continuous improvement.

Golden Oak DVC Link



By integrating consumer feedback, we create spirits that resonate deeply with our audience. HDL remains dedicated to leading Nepal's spirits market, offering exceptional quality and experiences that celebrate life's finest moments.

### **NEW PRODUCT DEVELOPMENT: EXPANDING INTO THE PREMIUM AND 40UP SEGMENTS**

HDL's innovation strategy for the year In 2023-24 geared towards addressing two critical opportunities. First, the company is planning to enter the premium segment, a category in which it currently has limited offerings. Recognizing the demand for higher-quality, refined spirits, it is developing a new product aimed at tasteful consumers who prioritize quality and craftsmanship in their alcoholic beverages. This premium product aims to showcase the finest ingredients, advanced distillation techniques, and refined packaging to compete at the top end of the market. It will cater to consumers seeking a sophisticated drinking experience, marking a significant step for HDL in expanding into this competitive segment.

Simultaneously, the Company is also capitalizing on the growth of the 40UP segment, which continues to show strong demand as consumers explore new flavors and experiences in the whisky category. As such it plans to introduce a new 40UP whisky variant portraying modern tastes and preferences, offering a fresh take on traditional whisky with a distinctive flavor profile. This product aims to appeal to both the existing whisky enthusiasts and the new consumers in search of newness in their drinking experience.

### **ITERATIVE DESIGN AND CONTINUOUS IMPROVEMENT**

HDL's commitment to iterative design is evident in its ongoing product enhancements.

For instance, Golden Oak recently underwent a packaging transformation with the addition of a new Guala cap, enhancing its premium imagery. Similarly, Black Oak now features a transparent black-tinted glass bottle, reinforcing its distinctive character. On the other hand, Silver Oak has been introduced with striking packaging designed to enhance the brand's premium appeal.

These physical improvements are part of HDL's broader strategy to ensure that its product presentation matches with the high quality of the final product. This approach, combined with its focus on continuous improvement, allows HDL to maintain brand consistency while adapting to the dynamic market trends.

### **CONSUMER-CENTRIC INNOVATION**

HDL's innovation efforts have always been firmly rooted in its consumer feedback. Through sampling campaigns and consumer-led activations, we gather insights into changing tastes and preferences, which guide our product development. This synergy between consumer input and HDL's internal expertise ascertains that it remains at the forefront of the industry, offering products that align their needs and wants.

### **THE PATH AHEAD**

With the launch of a new product in the 40 UP Vodka segment and a fresh offering in the 40UP whisky category, HDL is geared up to expand its market presence and tap into new consumer bases. These new additions have also helped the Company to reflect its commitment to innovation and adaptability in the dynamic alcoholic beverage industry of Nepal. Moving forward, HDL aims to continue to its quest to explore new frontiers in the alcoholic beverages industry while ensuring its market leadership both in the brown spirits segment and in the evolving white spirits category.

## PERFORMANCE AND MARKET SHARE

Industry: Overall Liquor Industry

Industry Volume 2079/80: 1,793,678

Industry Volume 2080/81: 1,682,071

BRANDS	VOLUME IN CS		MARKET SHARE IN %	
	2079/80	2080/81	2079/80	2080/81
Golden Oak	603,209	515,407	34%	31%
Black Oak	115,836	120,152	6%	7%
Silver Oak		16,888	0%	1%
Blue Oak	943	-44	0%	0%
Anila	77	150	0%	0.0%
<b>Total</b>	<b>720,065</b>	<b>652,553</b>	<b>40%</b>	<b>39%</b>

Between last year and current year HDL's Golden Oak's market share decreased by 3% in the review period while its total volume has decreased by 1%. The overall industry volume in the same period declined by 6 percent signalling an overall decline in sales of alcoholic beverages.

Industry: 40 UP Whisky Category

Industry Volume 2079/80: 924,088

Industry Volume 2080/81: 877,985

BRANDS	VOLUME IN CS		MARKET SHARE IN %	
	2079/80	2080/81	2079/80	2080/81
Golden Oak	603,209	515,407	65%	59%
Black Oak	115,836	120,152	13%	14%
Blue Oak	943	-44	0%	0%
<b>Total</b>	<b>719,988</b>	<b>635,515</b>	<b>78%</b>	<b>72%</b>

In the 40 UP Whisky Category, HDL's brand volume fell by 7% for Golden Oak this year as compared to last year while its overall share decreased by 6% where the market share of Black Oak increased by 1%. The overall industry volume declined by 5%.

Industry: 40 UP Vodka Category

Industry Volume 2079/80: 101,729

Industry Volume 2080/81: 141,022

BRANDS	VOLUME IN CS		MARKET SHARE IN %	
	2079/80	2080/81	2079/80	2080/81
Silver Oak		16,888	0%	12%

In the review period, Silver Oak recorded a market share of 12% in its segment.

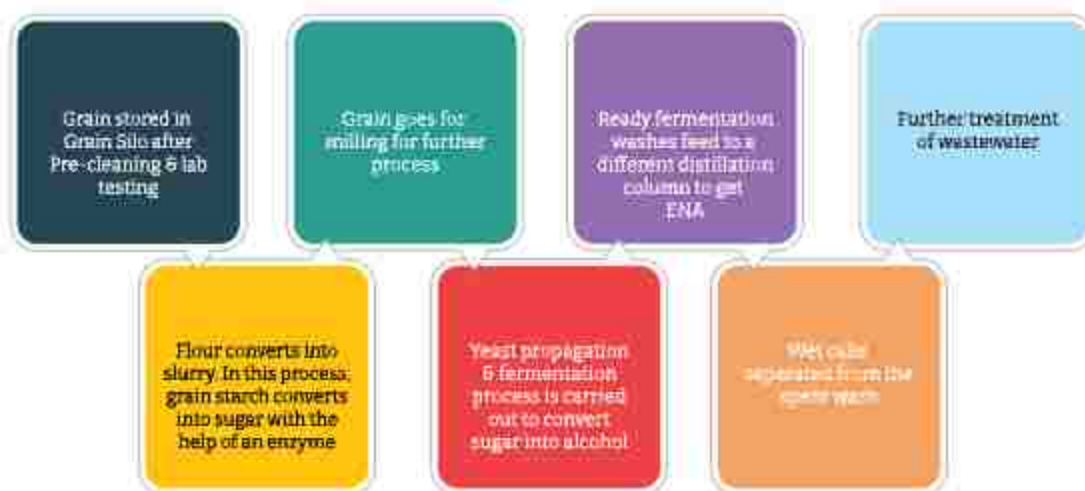
(Data Based on Internal Survey)

## State-of-Art Distillation Unit

Himalayan Distillery Limited (HDL) is among the few liquor producers in Nepal that features both a state-of-the-art bottling facility and a world-class distillation unit, which is designed for future expansion if necessary. The 30 KLPD distillation plant, crafted by KATZEN (USA), has the capability to produce six million liters of Extra Neutral Alcohol (ENA). The distillation process follows a scientific methodology that begins with the proper storage of grains, followed by pre-cleaning and quality testing. After milling the grains into flour, the process continues with liquefaction and conversion of the slurry into sugar, which is then fermented to produce alcohol.

HDL's distillation process includes a strict quality control system that involves a series of sample tests to confirm that the final product is market-ready. The company also operates a modern, well-equipped laboratory that serves as the central hub for these quality assessments.

Additionally, HDL has made significant investments this year in automating its distillation plant. This automation will improve operational efficiency by minimizing downtime and resource use, resulting in substantial cost savings. It allows for precise control over processes, enhancing product quality and consistency while reducing human error. The upgraded safety features will mitigate hazards, and the system's adaptability will enable quick responses to market demands. Overall, this automation is expected to enhance profitability and sustainability in HDL's distillation operations.



\* 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 analyses in a highly advanced laboratory.

2019-20	3,059	539
2020-21	4,072	642
2021-22	4,971	678
2022-23	3,450	486
2023-24	1,707	344



## A Journey of Innovation and Sustainability

HDL is thrilled to announce important advancements throughout our operations, reflecting our willpower for excellence, sustainability, and growth. Here's a picture of HDL's recent initiatives:

### MODERN MALT PLANT INSTALLATION:

We are proud to unveil our newly installed malt plant, a contemporary facility designed to provide top-first-rate malt spirits effectively and sustainably. This marks a sizeable step forward in our adventure to create premium spirits by blending the current generation with traditional information.

#### KEY FEATURES:

##### ■ Mash Tun & Lauter Tun:

Advanced equipment ensures precise temperature control for optimal starch conversion and efficient wort extraction, setting the stage for superior fermentation.

##### ■ Fermentation System:

Stainless steel fermenters with automated temperature control and aeration techniques ensure consistent fermentation, resulting in rich flavor profiles.

##### ■ Distillation Units:

Custom copper stills and precision-engineered distillation columns create high-quality, complex spirits.

##### ■ Energy Efficiency:

Energy-saving systems like steam recovery and heat exchangers reduce environmental impact while maintaining high production standards.

### AUTOMATION & QUALITY CONTROL:

A modern automation system ensures seamless operations, while an integrated quality control lab upholds the highest product standards.

The malt spirit from this facility will be aged for at least three years to produce premium single malt whisky, reducing our reliance on Scotch whisky imports and setting a new standard for quality and innovation in the spirits industry.





# New Projects

## SPIRIT MATURATION WAREHOUSE

To support our malt production, HDL is building a dedicated maturation warehouse inside the Himalayan Region, selected for its perfect weather for getting aged matured spirit. The facility will age malt spirits for a minimum of 3 years, enhancing their taste and being first-rate. This initiative will assist us to:

- Reduce dependence on high-priced imported malt spirits.
- Lower production costs whilst retaining superior first-class quality.
- Open opportunities to promote sales of aged spirits locally and across the world.

By making an investment in this warehouse, HDL is strengthening its position as a main producer of premium spirits, paving the way for extra efficiency and new sales streams.



CONCEPT IMAGES





A QUALITY PRODUCT OF  
HIMALAYAN DISTILLERY

### ZERO LIQUID DISCHARGE (ZLD) SYSTEM

As a part of our commitment to sustainability, we've mounted a Zero Liquid Discharge (ZLD) system at our distillation plant. This present-day system eliminates liquid waste by changing it into strong "Dry Cakes," which can be sold at a higher price as the raw material of cattle feed.

#### Benefits of the ZLD System:

- No liquid waste discharge, enhancing our environmental performance.
- Dry Cakes generate better sales than conventional sludge.
- Supports global sustainability dreams even as boosting our operational performance.

This innovation is a win-win for both the environment and our enterprise, reflecting HDL's management in responsible production.

### VENTURING INTO THE FISHERY MARKET

HDL is increasing its horizons by way of coming into the fishery market through a subsidiary organization. With land already obtained and feasibility research confirming the undertaking's capacity, we are launching a pilot segment to make sure of a successful rollout.

#### WHY THIS MATTERS:

- Meets the growing call for regionally-sourced fish, decreasing reliance on imports.
- Supports local food safety and creates process opportunities in nearby communities.

This new challenge aligns with our vision of diversification and sustainable growth, promising to make a high-quality effects on the local economic system.

At HDL, we stay committed to innovation, exceptionalism, and sustainability. These projects not only beautify our operations but also strengthen our position as an enterprise leader. Thank you for joining us on this interesting journey as we continue to push limitations and create excellent products.

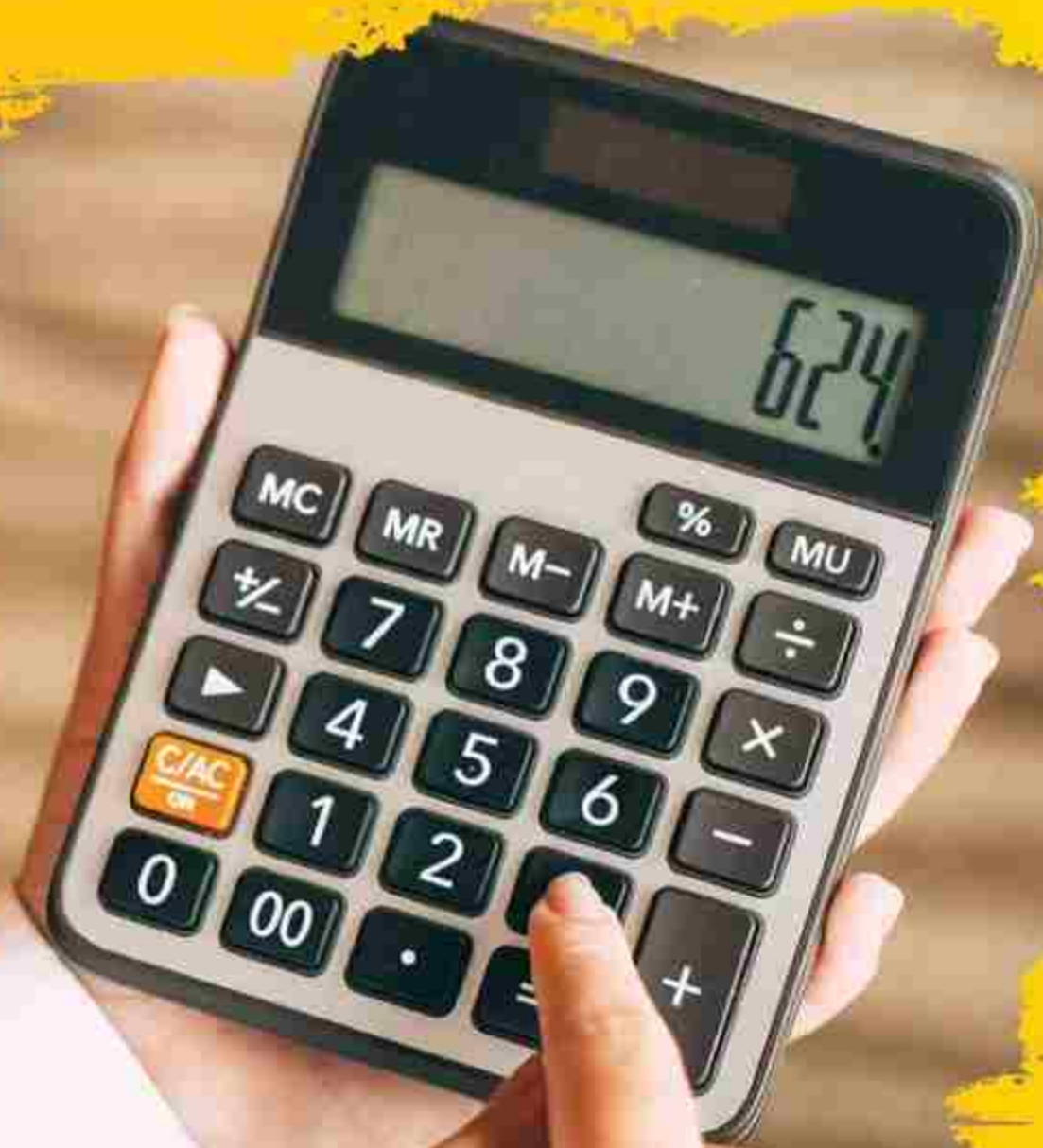




# 07

## FINANCIAL STATEMENTS

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The Original

**GOLDEN  
OAK**

PREMIUM  
BLENDED MALT

*Season's  
Greetings*

OAK CASK MATURED  
PREMIUM MALT BLENDED WITH DOMESTIC SCOTCH WHISKY

GOLDEN OAK

The Original

**GOLDEN  
OAK**

PREMIUM BLENDED MALT

OAK CASK MATURED  
PREMIUM MALT BLENDED WITH DOMESTIC SCOTCH WHISKY

GOLDEN OAK

## हिमालयन डिष्टिलरी लिमिटेड

### चौविसौ वार्षिक साधारण सभा सम्बन्धी सूचना ।

आदरणीय शेयरधनी महानुभावहरू,

यस कम्पनीको मिति २०८१ साल मीसिर २३ गते आइतबार दिनको ३:०५ बजे बसेको संचालक समितिको बैठकको निर्णयानुसार कम्पनीको चौविसौ 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 आ.व. २०८०/०८१ को वार्षिक प्रतिवेदनलाई पारित गर्ने ।
२. कम्पनीको आ.व. २०८०/०८१ को वासलात, नाफा-नोक्सान हिसाब र नगद प्रवाह हिसाब सहितको लेखा परीक्षण प्रतिवेदनलाई स्वीकृत गर्ने ।
३. यस कम्पनीको सहायक कम्पनी हिमालयन मल्टी एण्डो लि. र हिमालयन फिन्सरीज लि.को आ.व. २०८०/०८१ को वित्तीय विवरण सहितको एकीकृत (Consolidated) वित्तीय विवरण उपर छलफल गरी स्वीकृत गर्ने ।
४. संचालक समितिले सिफारिस गरे बमोजिम हाल कायम चुक्ता पूँजिको ५ प्रतिशतले हुने नगद लाभांश रु १३,३६,२६,१६५।७५ (अक्षरपी तेह करोड छीत्तिस लाख छीत्तिस हजार एक सय पैसठ्ठी रुपैया पचहत्तर पैसा मात्र) (लाभांश कर प्रयोजनार्थ समेत) वितरण गर्न स्वीकृत गर्ने ।
५. आ.व. २०८१/०८२ का लागि लेखा परीक्षकको नियुक्तिका सम्बन्धमा लेखा परीक्षण समितिबाट समेत सिफारिस भई आएका SAR Associates, Chartered Accountants लाई नियुक्ती गरी निजको पारिश्रमिक निर्धारण गर्ने (सिफारिस भएका SAR Associates, Chartered Accountants नियुक्तीका लागि योग्य हुनु हुन्छ) ।
६. Passion Cooler नामक ब्राण्ड लगायतका RTD ब्राण्डहरू उत्पादनका लागि श्री विजय डिष्टिलरी प्रा. लि. सँग Trademark Licensing Agreement गर्ने ।

**ख. विशेष प्रस्तावहरू:**

८. संचालक समितिले प्रस्ताव गरे बमोजिम हालको चुक्ता पूँजिको १५ प्रतिशत (कायम १० शेयरमा १.५ बोनस) का ढरले हुने रु. ४०,०८,७८,४९७।२५ (अक्षरपी चालिस करोड आठ लाख अठ्ठहत्तर हजार चार सय सन्तानबन्ने रुपैया पचिस पैसा मात्र) बराबरको बोनस शेयर वितरण गर्न स्वीकृत गर्ने ।
९. कम्पनीको साविकको अधिकृत पूँजी रु.३,००,००,००,०००।०० (अक्षरपी तीन अरब मात्र) बाट रु. रु. रु.३,५०,००,००,०००।०० (अक्षरपी तीन अरब पचास करोड मात्र) कायम गर्न स्वीकृत गर्ने ।
१०. साविकको चुक्ता पूँजि रु.२,६७,२५,२३,३१५।०० (अक्षरपी दुई अरब सतसठ्ठी करोड पचिस लाख तेईस हजार तीन सय पन्ध्र मात्र) लाई वृद्धि गरी रु ३,०७,३४,०१,८१२।२५ (अक्षरपी तीन अरब सात करोड चौत्तिस लाख एक हजार आठ सय बाइ रुपैया पचिस पैसा मात्र) कायम गर्न स्वीकृत गर्ने ।
११. साविकमा कायम भएको अधिकृत पूँजी र चुक्ता पूँजीमा वृद्धि/संसोधन हुने हुनाले कम्पनीको प्रकथ पत्रको टपत्र ५(क), (ख), (ग) तथा नियमावलीको नियम ५(क), (ख), (घ) र (ङ) मा संसोधन गर्न स्वीकृत गर्ने । ।
१२. कम्पनीको प्रकथ पत्र तथा नियमावलीमा हुने संसोधन सम्बन्धमा नियमनकारी निकायबाट कनै फेरबदल सुझाव आएमा सो अनुसार गर्न संचालक समितिलाई अख्तियार प्रदान गर्ने ।
१३. आ.व. २०८१/०८२ को लागि कम्पनी ऐन २०६३ को टपत्र १०५ (ग) ले व्यवस्था गरे भन्दा बाहिरको खर्चलाई पूर्व स्वीकृतीको लागि विशेष प्रस्ताव पारित गर्ने ।
१४. विविध ।

मिति : २०८१ पौष २८ गते, आइतबार (तदनुसार १२ जनवरी सन् २०२५)

स्थान : कम्पनीको रजिष्टर्ड कार्यालय, विरगन्ज महानगरपालिका वार्ड नं. २१, लिपिनिर्जिता, पर्सा ।

समय : विहान ठिक १०:०० बजे ।

## साधारण सभा सम्बन्धि जानकारी :

- शेयरधनी महानुभावहरूको सुविधाको लागि हाजिरी पुस्तिका सभास्थलमा सभा हुने दिन बिहान ८:०० बजे देखि सभा संचालन रहे सम्म खुल्ला रहने छ। सभामा उपस्थित हुदा स्वास्थ्य मापदण्डको परिपालन तथा न्यूनतम पनि सुरक्षाको उपकरणहरू प्रयोग गरी सभास्थलमा उपस्थित भई दिन हुन अनुरोध छ।
- वार्षिक साधारण सभामा भाग लिन आउनु हुने शेयरधनी महानुभावहरूले हितग्राही खाता खोलिएको (डिप्याट) / शेयर प्रमाण पत्र वा आफ्नो परिचय खुल्ने प्रमाण वा सोको प्रतिलिपी साथमा लिई आउन हुन अनुरोध छ, अन्यथा सभा कक्ष भित्र प्रवेश गर्न पाइने छैन।
- 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](http://www.himalayandistillery.com) मा पनि हेर्न सकिने गरि राखिएको छ।
- साधारण सभामा भाग लिन प्रतिनिधि नियुक्ती गर्दा प्रोक्सी पत्र साधारण सभा हुनु भन्दा ४८ घण्टा अगावै विरगन्ज, पर्सा स्थित कम्पनीको रजिष्टर्ड कार्यालयमा प्रोक्सी दर्ता गराउनु पर्नेछ। प्रोक्सी दर्ता गरि सके पछि सो वर गराउन चाहिँमा सो को सूचना २४ घण्टा अगावै प्रोक्सी दर्ता गरेको स्थानमा लिखित निवेदन दर्ता गर्नुपर्नेछ। प्रतिनिधि मुकरर गर्दा कौहि शेयर आफैँ संग बाकी राखि प्रतिनिधि मुकरर गर्न पाइने छैन। सम्पूर्ण शेयरको लागि एकै व्यक्तिलाई प्रतिनिधि मुकरर गर्नु पर्नेछ। प्रतिनिधि मुकरर गर्ने शेयरधनी सभामा स्वयं उपस्थित भएमा उक्त मुकरर गोरिएको प्रतिनिधि (प्रोक्सि) स्वतः रद्द हुनेछ।
- 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।
- 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।
- 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।
- शान्ती सुरक्षाका कारण साधारण सभामा उपस्थित हुने शेयरधनी महानुभावहरूलाई यथासक्य भोला, व्याग आदि नल्याई दिनुहुन अनुरोध गर्दछौं। सभामा सुरक्षाका लागि खाटेका सुरक्षाकर्मीहरूले साधारण सभाकक्षमा प्रवेश गर्दा सबैको भोला, व्याग, आदि जाच गर्न सक्नेछन्।
- विविध शिर्षक अन्तर्गत छलफल गर्न ईच्छुक शेयरधनीहरूले सभा हुनु भन्दा सात दिन अगावै छलफलको विषय खोलिए कम्पनी सचिव मार्फत लिखित रूपमा संचालक समितिका अध्यक्षलाई जानकारी दिनु पर्नेछ।
- सभामा आक्तनो मन्तव्य वा जिज्ञासा व्यक्त गर्न चाहनु हुने शेयरधनी महानुभावले सभाध्यक्षले तोकेको समयमा एक एक गरि पालो पालो मन्तव्य वा जिज्ञासा व्यक्त गरि दिनु भई सहयोग गरि दिनु हुन अनुरोध छ।
- शेयरधनीले व्यक्त गरेको मन्तव्य वा प्रश्नहरूका सम्बन्धमा संचालक समितिकाका एकल सदस्य वा सामूहिक रूपमा वा संचालक समितिको निर्देशनमा कम्पनी व्यवस्थापनका प्रतिनिधिहरूले जवाफ दिनेछन्।
- वार्षिक साधारण प्रयोजनका लागि कम्पनीको शेयर दर्ता किताव मिति २०८१ साल पौष १९ गतेका दिन बन्द हुनेछ। नेपाल स्टक एक्सचेन्ज लिमिटेडमा दर्ता किताब बन्द हुनु भन्दा अगाडी कारोवार भई शेयर खरिद गरेका र नियमान'सार शेयर नामसारी भई आएका शेयरधनीहरू तेहिमा 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 सम्बन्धित)

श्री संचालक समिति,

हिमालयन डिजिटलरी लिमिटेड

पर्स, विरागञ्ज ।

**विषय : प्रतिनिधि नियुक्त गरेको बारे ।**

महाशय,

..... जिल्ला ..... न. पा. /गा.पा. वडा नं ..... वस्ने म/हामी .....  
.....ले हिमालयन डिजिटलरी लिमिटेडको शेयरवालाको हैसियतले संवत् २०८१  
साल पौष २८ गते आईतवारका दिन हुने चौबिसौं वार्षिक साधारण सभामा म/हामी स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने  
भएकोले मेरो/हाम्रो तर्फबाट भाग लिनका लागि .....जिल्ला ..... म.न.पा/उप.म.न.पा./  
न.पा./गा.पा. वडा नं ..... वस्ने 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 संख्या :

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

हिमालयन डिजिटलरी लिमिटेडको चौबिसौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको

**प्रवेश-पत्र**

शेयरधनीको नाम .....शेयरधनी नं./हितग्राही खाता नं.  
.....शेयरधनीको सही ..... प्र.प.न. ....शेयर संख्या नं .....  
देखि ..... सम्म जम्मा .....थान । हिमालयन डिजिटलरी लि.को मिति २०८१/०९/२८ गतेका  
दिन हुने चौबिसौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेश-पत्र ।

.....  
(कम्पनी सचिव)

दृष्टव्य : शेयरवाला आफैले खाली कोष्ट अनिवार्य रूपमा भर्नुहोला ।

(सभाकक्षमा प्रवेश गर्न यो प्रवेश-पत्र अनिवार्य रूपमा प्रस्तुत गर्नुपर्नेछ)



## Director's Report

### 23<sup>rd</sup> Annual General Meeting

#### Dear Shareholders,

We warmly welcome all the shareholders in this 24<sup>th</sup> Annual General Meeting of Himalayan Distillery Limited (HDL). We shall be taking this opportunity to present HDL's financial statements including balance sheet, profit and loss account, cash flow statement for the fiscal year 2023/024 for your due approval. We would also like to request you to thoroughly discuss and approve the agenda presented in this meeting.

Moving ahead, on behalf of the Board of Directors, we would like to present a brief review of the major activities of the company last year and its future programs.

#### 1. Overview of business for the fiscal year 2023/2024:

A brief description of the business done by the company in the financial year 2023/2024 is as follows:

(IN NPR)	
PARTICULARS	AMOUNT (IN 100K)
Net Sales	2,081,496,998
Gross Profit	1,223,268,922
Gross Operating profit	483,229,974
Non Operating Income	66,384,021
Profit before provision of income tax	496,077,231
Profit after provision of income tax	365,048,730



1. Although the contribution of the "Golden Oak" brand has been significant in the company's business over the past few years, we can observe a decline in its contribution recently. We have already initiated various strategies and efforts to minimize and prevent further decline in its sales and distribution. At the same time, we have also prioritized its brand diversification. In the review period we have introduced the "Silver Oak" brand in the market. However, HDL's "Blue Oak" has not been able to establish itself in the market strongly. We are committed to ensuring the safety of investors' funds and providing high returns to investors. As such we are confident that we will continue receiving direct and indirect support from our investors, in this endeavor. We would like to inform that producing brands that are well aligned with our consumer preferences and increasing company revenue remains our top priority.
2. We are also working on producing high-quality liquor in new segments to further diversify our business, to cater to our changing consumer preferences, and to increase our overall revenue by enhancing our brand portfolio.
3. In the review period, HDL's production and sales have declined due to unhealthy competition in the liquor industry of the country, lack of consumer awareness about brand identity, annual increases in excise duty leading to higher product prices, reduced consumer purchasing power, and decreasing market demand. This has led to a decline in the company's revenue as well.
4. HDL's premium products, Golden Oak and Black Oak, have been counterfeited by certain industries to gain short term financial benefits. They have been producing and distributing low-quality, lower-strength, and lower-priced liquor in bottles that are similar to these two brands and have misleading names to deceive consumers. We have already filed complaints against those industries with the relevant authority.
5. Since advertisement of liquor products is prohibited, it has become challenging to introduce new brands to consumers. Additionally, the reduction in ongoing brand awareness programs for established brands has made it increasingly difficult to maintain their recognition in the minds of consumers.
6. The restrictions on brand promotion activities for various products have also resulted additional challenges for future brand promotion efforts.
7. During the review period, the company's net sales have declined by approximately 30% compared to the preceding fiscal year. This decrease can be attributed to economic recession, unhealthy competition in the liquor industry, lack of consumer awareness about brand identity, rising excise duty and production costs creating higher product prices, reduced consumer purchasing capacity, and an declining overall market demand. Despite the decline in net sales, HDL has deployed effective cost-minimization strategies which has enabled it to generate a net profit of Rs. 36,50,48,730.00 during this period.

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

- In the review period, the global economy also showed signs of stagnation with visible impacts in the Nepalese economy. Most activities aimed at revitalizing the country's economic momentum remained largely stagnant and this contraction in economic activities inevitably also affected the liquor industry. Challenges of difficulties in mobilizing working capital due to lack of business growth, decrease in consumers' disposable income, fluctuating interest rates undermining investor confidence, and intense and unhealthy market competition have collectively led to a decline in overall industrial and business transactions.
- The annual increase in excise duty by the Government of Nepal, increase in foreign exchange rates, fluctuations in fuel prices, higher transportation costs, and the rising cost of raw materials used in production have contributed to increased production costs, resulting in a corresponding rise in the price of liquors manufactured. The stagnation of income-generating economic activities has further reduced the sales and distribution of liquor. Moreover, the economy has not yet fully normalized due to challenges such as lack of enough economic activities, dengue outbreaks, and the migration of active labor to foreign countries, which have continued to impact the overall business operations in the review period.
- Similar to the previous year, the industry's production of spirit faced challenges resulting from the export ban on its primary raw materials, broken rice by the neighboring country India. This has led to significantly more expensive procurement of broken

rice from local market, since they can only be collected during specific periods and this in turn has increased production costs substantially.

- Various restrictions imposed on the production and distribution of liquor through formal channels have led to the supply of liquor through informal sectors leading to a direct adverse impact on the business of the industry.
- Despite operational challenges, HDL's management has been efficiently running the Company and has been ensuring the sales and distribution of its products with a high level of professional competence.

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

- There has been an increase of 49 percent in the sales volume of HDL in the first three months of the fiscal year 2024/2025 as compared to the preceding fiscal year. Further details of the same are as follows:

Month	In NPR	
	FY 2023/2024 Amount in (NPR)	FY 2024/2025 Amount in (NPR)
Shrawan (July/August) to Ashtwin (September/ October)	493,10,9048.00	734,544,601.00

- Due to the high cost and delays associated with the import of malt spirits from abroad, the company has initiated the establishment of a malt spirit production unit within Nepal to further streamline production. By the end of the review period, an expert consultant has been selected, and with their direct support, the construction work has already been completed, and the unit is currently in the process of trial production.
- HDL has purchased land in high himalayan region and is in the process of designing

the architect of necessary infrastructure to achieve its aim to produce high-quality liquor that aligns with consumer preferences by maturing spirits. In the future, after selling matured spirits and introducing products made with its own matured spirits to the market, it is expected that our production costs will decrease and this will lead to an improvement in HDL's overall profitability.

- We have prioritized the principle of effective implementation of legal standards in our operations. The grain sludge generated during our spirits production is currently processed in our Effluent Treatment Plant and is sold, contributing to the HDL's revenue generation. In the future, by drying the grain sludge into dry cakes and selling them, we aim to further increase our revenue stream, enhance the efficiency of our industrial waste management, and improve our environmental sustainability indicators. To achieve this dream, we are in the final stages of the installation of necessary machinery to advance our Zero Liquid Discharge initiative.
- We have already completed our plant automation process to reduce production costs, enhance productivity, and ensure consistent quality in spirit production. The production has already begun, and we are working on plans to sell the high-quality spirit produced under this project to other industries based on the quality and quantity of the produce.
- Additionally, HDL is also exploring various investment possibilities and strategies to ensure optimal utilization of its retained earnings and maximization of returns. We are in the stage of preparing a concrete plan for this and we are hopeful to finalize and implement it within this fiscal year.
- To increase the market share of the HDL's products, a special attention has been given

to our market management and promotion initiatives. A study and analysis for the same has been conducted to cover markets across Nepal, including the Himalayan, Hilly, Terai, Kathmandu Valley, and Inner Madhesh regions. Based on this, we have already appointed distributors in all these regions till the end of mid October 2025.

- Improvement in productivity can only be achieved by maintaining harmony and operational unity between workers and management. To enable this, we have conducted several programs including but limited to training sessions, gatherings, and recreational events (like picnics) to further enhance solidarity and motivation among our employees.
- From the provisions for CSR made till last year, the company spent a total of Rs. 84,348,854.00 under the heading of Corporate Social Responsibility (CSR) within the legal framework. The company will continue its CSR activities in the current fiscal year as per applicable laws and regulations.

#### 4. Relating industrial and commercial: -

- HDL will continue its Corporate Social Responsibility (CSR) activities in the current fiscal year as well. By carrying out CSR activities within the framework of laws and regulations, we gain both satisfaction and strengthening of our relationship with the beneficiary institutions. They also enable us to foster trust and confidence in the company's reputation among stakeholders. We shall continue to prioritize these activities in the future as well.
- HDL is continuously working to strengthen its relationships with various national

distributors, distributors, wholesalers, retailers, and consumers through well-planned social, cultural, and business partnerships. By consistently ensuring strict adherence to relevant laws and regulations and maintaining transparency, we have been able to establish harmonious relationships with the regulatory bodies including but not limited to the Department of Industry, Inland Revenue Department, Inland Revenue Offices, Customs Department, Office of the Company Registrar, Nepal Securities Board, Nepal Stock Exchange Limited, as well as with banks and financial institutions, and other stakeholders of the company. HDL is committed to making these relationships even more fruitful, trustworthy and strong in the future.

- We have entered into different agreements with suppliers of essential raw materials and packaging items, ensuring that the operations are conducted under the specified terms and conditions. Further, to prevent any disruption in the supply of raw materials and packaging goods, HDL is actively seeking new and alternative suppliers to add as partners to its supply chain. All of these agreements are entered following strict professional procedures, considering the quality and price of materials. To ensure long-term benefits, HDL has also developed a system that focuses on supply chain efficiency and quality, taking into account the feedback and requirements of internal departments. This approach has led to the adoption of a systematic and consultative method of operations.

- We are also coordinating with various associations, organizations, and government agencies to support business growth. To enhance employee development and foster enthusiasm in their work HDL has been actively involving employees in seminars, workshops, training programs, and discussions to ensure their skills enhancement and relevance in the market. Additionally, we are dedicated to contribute to the development of industry-friendly policies with unwavering commitment similar to previous years.

#### **5. Change in Board of Directors and Reason thereof:**

No any change has been made in Board of Directors during the review period.

#### **6. Main matters impacting the transaction:-**

- The impact of foreign currency reserves observed in the banking and financial sector, coupled with economic sluggishness in business transactions, instability in interest rates, and rising costs of fuel, transportation, and raw materials, has led to an increase in the overall production costs of the Company. In addition to this, instability in global geopolitics, growing market competition, and adverse effects of natural disasters such as floods and landslides have also negatively affected our production and distribution of liquor. We expect that these impacts will continue to persist in the current fiscal year as well.

- Unfair competition, such as the counterfeiting and sales of HDL's brands with the intent to deceive consumers, has disrupted our business operations.
- The introduction of numerous new products by various liquor industries has heightened the risk of intense competition in the market.
- Government's increase in excise duty rates has created an imbalance between our product pricing and consumer purchasing power, leading to a noticeable decline in our liquor sales.
- Frequent changes in policies and regulations regarding liquor production and distribution have made it difficult to raise our brand awareness among consumers.
- As most raw materials and packaging materials for liquor production are unavailable domestically and need to be imported, the associated high costs for imports have adversely impacted our business operations.

#### 7. Remarks on Audit Report, if any:-

We would like to let you know that there is no comment as remarks in the Audit Report.

#### 8. Recommendation for Distribution of Bonus Shares and Cash Dividend:

We propose 15% bonus shares (15 bonus shares for every 10 existing shares) to be distributed to our shareholders, along with a cash dividend

of Rs. 133,626,165.75 (One Hundred Thirty Three Million Six Hundred Twenty Six Thousand One Hundred Sixty Five Rupees and Seventy Five Paise only) at the rate of Rs. 5 per paid-up share (inclusive of dividend tax purposes) from the net profit and retained earnings for the fiscal year 2023-24. The Board of Directors requests approval of this proposal from this Annual General Meeting for the distribution of bonus shares and cash dividends.

As I draw to a closer, I would like to express my hope and confidence that HDL will continue to receive valuable support and suggestions from its shareholders in the days to come. On behalf of HDL's Board of Directors, I would like to extend heartfelt gratitude and sincere appreciation to HDL's management team, employees, suppliers, distributors, consumers, shareholders, security personnel, well-wishers, and representatives from various government agencies of Nepal for their presence in today's Annual General Meeting.

Thank you

**Akhileshwor Prasad Singh**

Chairperson

On behalf of the Board of Directors

## कम्पनी ऐन २०६३ को दफा १०९ को उप दफा ४ अनुसारको अतिरिक्त विवरण : (आर्थिक वर्ष २०८०/८१)

१. शेयर जफत सम्बन्धि विवरण : यस आर्थिक वर्षमा कुनै पनि शेयरहरु जफत गरिएको छैन ।
२. कम्पनी र सहायक कम्पनी बीचको कारोबार : प्रस्तुत आ.व. २०८०/८१ सम्ममा सहायक कम्पनी मा बुँदा नं ३ मा उल्लेख भए अनुसार लगानी / सापटी प्रदान गरिएको छ ।
३. कम्पनी तथा यसका सहायक कम्पनीले यस आर्थिक वर्षमा गरेको आर्थिक कारोबारहरु र कारोबारमा आएको महत्वपूर्ण परिवर्तन : चालु आ.व.मा हिमालयन मल्टी एग्रो लिमिटेडलाई रु. ९३,००,०००/०० मा जग्गा विक्री गरिएको छ । सो जग्गा खरिद गर्न शेयर पूँज वापत उक्त कम्पनीले कल गरेको रकम रु.१,००,००,०००/०० पेशकी र रु. १,२६,३९६/०० उद्देश्य अनुसारको कार्य गर्नका लागि सापटि उपलब्ध गराईएको छ । त्यसैगरी हिमालयन फिसरीज लिमिटेडलाई पनि रु.९,१७२/०० उद्देश्य अनुसारको कार्य गर्नका लागि सापटि उपलब्ध गराईएको छ ।
४. कम्पनीका आधारभुत शेयरधनीहरुले कम्पनीलाई उपलब्ध गराएको जानकारी : यस प्रतिवेदनको अर्वाधमा कुनै जानकारी प्राप्त भएको छैन ।
५. गत आर्थिक वर्षमा कम्पनीका संचालक र पदाधिकारीहरुले लिएको शेयर स्वामित्वको विवरण : प्रस्तुत अर्वाधमा कुनै पनि कम्पनीका संचालक वा पदाधिकारीले कम्पनीले वितरण गरेको वॉन्स शेयर बाहेक कम्पनीको थप शेयरको स्वामित्व लिएको जानकारी कम्पनीमा प्राप्त भएको छैन ।
६. कम्पनीसंग सम्बन्धित सम्भन्धीताहरुमा कुनै संचालक वा निजको निजकको नातेदारको व्यक्तीगत स्वार्थ वारे उपलब्ध गराईएको जानकारीको व्यहोरा : छैन ।
७. बाई ब्याक गरिएका शेयरको विवरण : कम्पनीले आफ्ना शेयरहरु आफैले बाई ब्याक गरेको छैन ।
८. आन्तरीक नियन्त्रण व्यवस्था : कम्पनीको आन्तरीक नियन्त्रण व्यवस्था प्रभावकारी बनाउन अबलम्बन गरिएका मुख्य प्रकृयाहरु निम्नानुसार रहेका छन् ।
- क. वार्षिक बजेट काई लेखा समितिमा छलफल गरी संचालक समितिबाट स्विकृत गराई सो बजेटमा भएका लक्ष्यलाई प्राथमिकता दिई कार्यन्वयन गर्न विक्री योजना, बजार प्रवर्धन योजना, उत्पादन योजना लगायत सम्बन्धित कार्य क्षेत्रमा निश्चित योजना तर्जुमा गरी आवधिक रुपमा हुने सम्बन्धित विभाग वा बैठक माफत सो को प्रभावकारीता मुल्याङ्कन गर्ने गरिएको छ ।
- ख. मानव संसाधन तथा प्रशासकीय म्यानुअल, खरिद म्यानुअल, वित्त म्यानुअल र आई टी म्यानुअल संचालक समितिले स्विकृत गरी सो स्विकृत म्यानुअल अनुसार कार्य गर्ने गरिएको छ । स्विकृत म्यानुअललाई आवश्यकता अनुसार समयानुकूल संसोधन गर्ने गरिएको छ । संचालक समितिले आन्तरिक लेखा परीक्षक नियुक्ती गरी त्रैमासिक रुपमा प्राप्त प्रतिवेदनलाई लेखा समितिमा छलफल र पुनरावलोकन गरी संचालक समिति माफत सुपरिवेक्षण र नियन्त्रण गर्ने प्रणाली अपनाईएको छ ।
- ग. कम्पनीले कम्प्युटराईज्ड विलिङ प्रणाली स्विकृती लिई लागु गरेको र आफ्नो कारोबारलाई प्रभावकारी बनाउन च्यदगकत प्च कथकतभर लागु गरिएको छ ।
- घ. कामदार तथा कर्मचारीको हितका लागि भईपेरि 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 भन्नाका लागि आवश्यक स्वास्थ्य सम्बन्धि सामग्रीहरुको वितरण जस्ता कार्यले कार्यगत एकता एवं वातावरण मैत्री बनाउनमा सहयोग पुगेको महसुस गरिएको छ । श्रम ऐ

न २०७४, श्रम नियमावली २०७५ वर्गोर्जम सम्पूर्ण श्रमिकहरुको दुर्घटना विमा र स्वास्थ्य सम्बन्धि विमा समेत गरेका छौं। यसका अतिरिक्त कारखाना र सम्पर्क कार्यालय बीच नियमित भ्रमण, छलफल, निरिक्षण गरी प्रत्यक्ष सम्पर्कबाट गतिविधि बुझ्ने गरिएको छ।

ड. उत्पादन तथा बिक्रि वितरणमा प्रत्यक्ष नियन्त्रण तथा अनुगमनका लागि नेपाल सरकार, आन्तरिक राजश्व कार्यालयबाट पूर्णकालिन कर्मचारी खाट्टी प्रत्यक्ष नियन्त्रण एवं अनुगमन गर्ने गरिएको छ भने उच्च व्यवस्थापनद्वारा समेत मासिक रुपमा नै निरिक्षण, जाच, परिक्षण गर्ने गरिएको छ।

च.. कम्पनीले सामाजिक उत्तरदायित्व बहन गर्नका लागि गत वर्ष छुट्याएको रकम मध्ये औद्योगिक व्यवसाय ऐनको प्रावधान र औद्योगिक व्यवसाय नियमावलीले निर्धारण गरेका क्षेत्रमा जम्मा रु. ८४,३४,८५४।०० मात्र विभिन्न सामाजिक, शैक्षिक, परोपकारी संस्थामा स्थानीय निकायको समन्वयमा खर्च गरेका छौं। उक्त शिर्षकमा भएको खर्चहरुको विवरण विस्तृत रुपमा ऐनको प्रावधान अनुसार सम्बन्धित नियमक निकायमा समेत पेश गर्ने गरेका छौं। प्रस्तुत प्रतिवेदनमा समेत सो संस्थागत सामाजिक उत्तरदायित्व सम्बन्धि कार्यहरुको जानकारी दिने उद्देश्यले प्रकाशन गरिएको छ।

८. समिक्षा वर्षमा भएको कुल व्यवस्थापन खर्च :

विवरण	रुपैया
पारिश्रमिक खर्च	१९,००,३३,५९८।००
कार्यालय संचालन खर्च	७,१५,२१,७२०।००
जम्मा व्यवस्थापन खर्च	२६,१५,५५,३१८।००

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

क. लेखा परिक्षण समितिका सदस्यहरुको नामावली : लेखा परिक्षण समितिमा निम्नानुसारका सदस्यहरु रहनु भएको छ।

१. श्री शंकरराज पाण्डे, अध्यक्ष
२. श्री नरेन्द्र कुमार वस्न्यात्
३. श्री सान्दु श्रेष्ठ

ख. लेखा समितिको सदस्यहरुलाई रु. २०,०००/- (कर सहित) का इरले बैठक भत्ताको व्यवस्था गरिएको छ।

ग. समितिले गरेको काम कारवाहिको विवरण :

१. प्रत्येक त्रैमासिक अवधिको कम्पनीको आर्थिक प्रगति विवरण, आन्तरिक लेखा परिक्षकबाट लेखा परिक्षण 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 अवस्थाहरुको जानकारी र सुधार गर्ने उद्देश्यले त्रैमासिक रुपमा लेखा परिक्षण कार्य गर्न निर्देशन दिएको।
३. कम्पनीको आन्तरिक लेखा परिक्षक र लेखा परिक्षकको नियुक्तीका सम्बन्धमा सिफारिस गर्ने गरिएको।
४. लेखा परिक्षक नियुक्तीका लागि सिफारिस गर्ने लगायत कम्पनीको लेखा सम्बन्धि विषयमा राय सल्लाह र सुझावहरु लेखा समितिले दिने गरेको।

५. कम्पनीको वासलात, नाफा नोक्सान हिसाब, वास्तविक नाफा नोक्सानको तुलनात्मक हिसाब, वास्तविक खर्चहरूको विवरण, वित्त्रिक परिमाण र मूल्य, लक्ष्य र वित्त्रिको तुलनात्मक विवरण सहितको विवरणहरू माग गरी समिक्षा गर्ने कार्य गरेको ।
६. कम्पनीको वार्षिक वित्ती लक्ष्य, आम्दानी 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 प्रमुख, आधारभूत शोयधनी र निजका नजिकका नातेदार तथा संलग्न फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा : छैन
११. संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम:

कर्मचारीहरूको विवरण	आ.व. २०८०/८१(रु)
अध्यक्ष र संचालक समितिका सदस्यलाई प्रदान गरिएको बैठक भत्ता	१५,९५,०००।००
प्रमुख कार्यकारी अधिकृतको पारिश्रमिक	७२,२५,७९९।००
अन्य पदाधिकारी (प्रबन्धक तहदेखि माथि)	३,३२,५५,९२७।००
<b>जम्मा खर्च</b>	<b>९,९०,७६,७२६।००</b>

१२. शोयधनीहरूले बुझि लिन बाँकी रहेको लाभांशको रकम : कम्पनीले आ.व. २०७२/०७३ देखि २०७९/८० विभिन्न आ.व.हरूमा संचित मुनाफाबाट वितरण गरिएको नगद तथा अन्तरिम लाभांसमध्ये जम्मा रु. ३,६४,३०,०८६।०० प्रतिवेदन अर्वाध सम्म शोयधनीहरूले बुझि लिन बाँकी रहेकोमा आ.व. २०७२/०७३ देखि २०७४/०७५ सम्मको रकम कम्पनी ऐन, २०६३ को प्रावधान अनुसार यस कम्पनीको २०८१ मसिमा पहिलो शोय रजिष्ट्रार श्री नविल इन्भेष्टमेण्ट वीकित लिमिटेड, नक्साल काठमाण्डौ माफ्रत लगानीकर्ता संरक्षण कोषमा रु. २१,०४,२२८।७५ जम्मा गरिएकाले आर्थिक वर्ष २०७४/७५ (अन्तरिम लाभांस) देखि २०७९/८० सम्मको लाभांस भुक्तानी लिन बाँकी शोयधनीहरूले यस कम्पनीको शोय रजिष्ट्रार श्री नविल इन्भेष्टमेण्ट वीकित लिमिटेड, नक्साल काठमाण्डौमा सम्पर्क गरि लिन हुन समेत जानकारी गराइन्छ ।
१३. यस अवधिमा खरिद/विक्री गरेको सम्पत्ति विवरण: यस समिक्षा वर्षमा कम्पनीले क्यापिटल ओर्क इन प्रोग्रेस लगायतका स्थिर सम्पत्ति रु. ३८,९५,५७,४०६।४३ को खरिद गरेको छ भने रु. १०,२३,०९,२।००को विक्री गरेको छ ।
१४. सम्बद्ध कम्पनी बीच भएका कारोवार : यस कम्पनीले तपशिल वर्गीकरणका सम्बद्ध कम्पनी सँग कारोवार गरेको छ ।

कम्पनी	विक्री (रु.)	खरिद (रु.)
श्री जे.जि.आई.डिफिन्सन्स प्रा.लि.	४,३४,७८,८७,८३१।००	३८,३६,०९,०००।००
श्री विजय डिफिन्सरी प्रा.लि.	२०,२३,४९,५२०।००	
श्री रोलिङ रिभर डिफिन्स प्रा.लि.	११,४९,१८,३३६।००	२३,५५,१०१।००
श्री फुड एण्ड वेभरेज टेक्नोलोजी रिसर्च सेन्टर प्रा.लि.	८,१३६।००	२५,५१,१३,४८८।००



## 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) संशोधित संस्थाले वा संस्था विरुद्ध कुनै मुद्दा दायरा भएको भए : तपशिलमा उल्लेख भए बमोजिमका मुद्दाहरु विभिन्न न्यायिक र अर्धन्यायिक निकायमा चलिरहेका छन् ।

१. यस कम्पनीलाई विपक्षी बनाई सम्मानित श्रम अदालत काठमाण्डौंमा कोह व्यक्तिले नियुक्ती पाऊ भनी कौतौ जालसाजी कागज बनाई मुद्दा दायर गरेकोमा सो विषयमा सम्मानित जिल्ला अदालत पर्साबाट आम्सोक वादी वावी पुम्ने ठहराई फैसला भएकोमा सो फैसला उपर कम्पनीले सम्मानित उच्च अदालत, जनकपुरको अस्थायी ईजलास विरगन्जमा पुनरावेदन गरेको थियो । सम्मानित उच्च अदालत, जनकपुर अस्थायी ईजलासबाट समेत जिल्ला अदालतले गरेको फैसलालाई नै सदर हुने गरी निर्णय आएको । सोही मुद्दा संग सम्बन्धित विषय सम्मानित श्रम अदालत काठमाण्डौंमा मुलतवी रहेकोमा सो जागी तर्हाबाट निवेदकहरुको पक्षमा निर्णय प्राप्त भएको छ । सो निर्णय उपर चित्त नवुक्ति कम्पनीले सम्मानित सर्वोच्च अदालतमा उत्प्रेषण लगायतको आदेश जारी गरि पाउन रिट निवेदन दायर गरेकोमा सम्मानित श्रम अदालतको फैसलालाई कार्यान्वयन नगर्न अन्तरिम आदेश जारी भएको हुनाले उक्त मुद्दामा यस अवधिमा समेत सम्मानित सर्वोच्च अदालतबाट अन्तिम फैसला हुन बाँकी नै रहेकाले हाल सम्म विचारार्थिन अवस्थामा नै रहेको छ ।

२. आर्थिक ऐन २०७३ ले अन्तः शुल्क ऐन, २०५८ को दफा ४(ड) मा कायम गरिएको संशोधित दफा "मदिरा, बियर वा सूतजन्य पदार्थ सम्बन्धी उद्योग र त्यस्तो वस्तुको पैठारीकर्ता तथा तिनका विक्रेताले कुनै पनि प्रकारको उपहार कार्यक्रम सञ्चालन गर्न वा त्यस्ता उद्योगले .....त्यस्तो उत्पादन विक्री गर्दा छुट दिन पाइने छैन" भन्ने व्यवस्था उपर यस कम्पनीले मुल्य अभिवृद्धि कर विनकमा छुट दिन पाउने कि नपाउने भनी आन्तरिक राजश्व विभागका महानिर्देशक समक्ष पूर्वदिश माग गरेकोमा अन्तः शुल्क ऐनको उल्लेखित संशोधित व्यवस्थामा निहित भए मात्र पूर्वदिश प्राप्त भएकोले सो पुर्वदिश उपर चित्त नवुक्ति श्री राजश्व न्यायधिकरण, काठमाण्डौंमा पुनरावेदन गरिएको । सो पुनरावेदनमा तर्हाबाट यस उद्योगले माग गरेको मुल्य अभिवृद्धि कर ऐन तथा नियमावलीको व्यवस्था अनुसार छुट पाउने नपाउने सम्बन्धमा केहि नबोली भएको निर्णय त्रुटिपुर्ण देखिदा बदर गरी निवेदकको पूर्वदिश माग गरेका सबै विषयमा जे जो गर्नु पर्ने गरी पूर्वदिश सम्बन्धि निर्णय गर्नु भनी आन्तरिक राजश्व विभागमा नै फाईल फिर्ता गरेको विषयमा समेत आन्तरिक राजश्व विभाग, लाजिम्पाटबाट कुनै निर्णय भएको जानकारी प्राप्त भएको छैन ।

३. आ.व. २०६१/०६२ को अवधिको मु.अ.कर र आयकर सम्बन्धमा सम्मानित सर्वोच्च अदालतबाट फैसलाको लिखित प्रति प्राप्त भएको र प्राप्त भएको फैसलामा मु.अ.कर र आयकरको हकमा केहि विषयमा कम्पनीको माग बमोजिम र केही विषयमा विरुद्धमा फैसला प्राप्त हुन आएकोले कम्पनीले लिएका दावी विरुद्धमा आएको फैसला उपर न्यायिक पुनरावलोकनको लागि अनुमति माग गरेकोमा सम्मानित सर्वोच्च अदालतबाट अनुमति नहुने भएको छ । सो फैसलाबाट हुन आउने अनुमानित दायित्वका लागि कम्पनीले आ.व. २०८०/८१ कै आर्थिववरणमा व्यवस्था गरिसकेको छ ।

४. २०६८ श्रावण को मु.अ.कर सम्बन्धमा अन्तिम कर निर्धारण आदेश तथा आ.व. २०७२/०७३ को आय विवरण उपर टूलाकरदाता कार्यालयबाट कर परीक्षणको सिलसिलामा उठान गरेको मु.अ.कर सम्बन्धी विषयमा चित्त नवुक्ति आन्तरिक राजश्व विभागमा प्रशासकीय पुनरावलोकन गरिएको छ ।

५. कम्पनीको आ.व.२०७४/०७५ को आय विवरण उपर आयकर ऐन, २०५८ को दफा १०२ बमोजिम कर निर्धारण गरी संशोधित कर निर्धारण आदेशहरु प्राप्त भएकोमा सो निर्धारण आदेशबाट लगाएको सोही ऐनको दफा ११७ बमोजिमको शुल्क, दफा ११८ बमोजिमको व्याज र दफा १२० बमोजिमको शुल्क उपर चित्त नवुक्ति आयकर ऐन, २०५८ को दफा ११५ बमोजिम प्रशासकीय पुनरावलोकन गरिएको छ ।

६. कम्पनी व्यवस्थापनले अनुसाशन सम्बन्धि कारवाहि (मादक पदार्थ सेवन) गरी हटाईएका २ जनाले श्रमिकले सम्मानित श्रम अदालत,

भक्तपुरमा सेवावाट हटाईएको बढर गरिपाऊँ भनी पुनरावेदन गरेकोमा सम्मानित अदालतवाट कम्पनी व्यवस्थापनले गरेको कारवाहिलाई सदर गर्ने गरी निर्णय भएको जानकारी प्राप्त भएको छ भने निर्णयको पूर्णपाठ भने आउन बाँकी रहेको छ ।

७. सर्लाही जिल्ला अर्नाहा बडा नं. २ वस्ने सुभाष शाहले सूचनाको हक सम्बन्धि ऐन, २०६४ बमोजिम माग गरिएको सूचना उपलब्ध नगराई जिम्मेवारीवाट पन्छिन खाँजेकोले कानुन बमोजिम कारवाहि गरी सूचना उपलब्ध गराई पाऊँ भनी पुनरावेदन दिएकोमा सो पुनरावेदन उपर यस कम्पनीले लिखित जवाफ राष्ट्रिय सूचना आयोगमा पेश गरि सकेकोमा सो उपर हाल सम्म कुनै सुनवाई भएको जानकारी प्रस्तुत अर्वाधमा प्राप्त भएको छैन ।

(ख) संगठित संस्थाका संस्थापक वा संचालक वा संस्थापक वा संचालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायरा गरेको वा भएको भए; संस्थाको पूर्व संचालकलाई धितोपत्र बोर्डले जरिवाना गर्ने निर्णय उपर पुनरावेदन परी सम्मानित उच्च अदालत पाटनवाट बढर भएको छ । सो बढर उपर धितोपत्र बोर्डले सम्मानित सर्वोच्च अदालतमा मुद्दा दोहोर्याई पाऊँको निवेदन गरेकोले सो मुद्दा हाल सम्मानित सर्वोच्च अदालतमा विचाराधिन रहको बाहेक अन्य विषयमा कुनै मुद्दा रहेको जानकारी प्राप्त नभएको ।

(ग) कुनै संस्थापक वा संचालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायरा भएको भए; यस कम्पनीको जानकारीमा छैन ।

५. संगठित संस्थाको शेर कारोवार तथा प्रगतिका विश्लेषण :

(क) धितोपत्र बजारमा भएको संगठित संस्थाको शेरको कारोवार सम्बन्धमा व्यवस्थापनको धारणा:

नेपाल स्टक एक्सचेन्ज तथा धितो पत्र बोर्डको सुपरिवेक्षण व्यवस्थाको अधिनमा रहि कारोवार हुने गरेको ।

(ख) आ.व. २०८०/०८१ मा संगठित संस्थाको शेरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोवार शेर 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	२,३८९	१,८४०	१,८५७	६१	३०,३४२	१,०८८,६०८
दोस्रो त्रैमास	२,१५५	१,५४०	१,७१२	४९	२९,६३८	१,२०२,९५५
तेस्रो त्रैमास	१,८१९	१,४४१	१,४८८	५८	३७,९७३	१,५३२,९१३
चौथो त्रैमास	१,५००	१,१४०	१,३८४	६१	४०,५८६	१,८२१,९६८

(स्रोत: नेपाल स्टक एक्सचेन्ज )

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

- (१) बजारमा व्यवसायिक गतिविधिहरु सोचे अनुसार नभएकाले मंदिराको व्यवसायमा प्रभाव परेको छ ।
- (२) व्यवसाय हास देखिएकोले मंदिरा व्यवसायहरुले धप चालु पूजाका लागि बैक तथा विज्ञीव संस्थावाट अतिरिक्त ऋण रकम लिई लगानी नगरेकाले मंदिराको व्यवसाय विस्तार हुन नसकेको देखिएको छ ।
- (३) उपभोक्ताहरुलाई भुक्त्याउने उद्देश्यले यस कम्पनीका बाण्डहरुको नक्कल गरी जस्ताको त्यस्तै देखिने बोतल र लेबल प्रयोग गरी उत्पादन तथा विक्री गर्ने प्रवृत्ति बढि रहेकोले कम्पनीको कारोवारमा प्रभाव परेको छ ।
- (३) अत्यधिक मात्रामा विभिन्न उत्पादक कम्पनीले नयाँ बाण्डका मंदिराको उत्पादन तथा विक्री वितरणमा आएकाले प्रतिस्पर्धाको जोखिम उच्च भएको छ ।
- (४) वर्षौनी अन्तः शुल्क दरमा हुने गरेको उच्च वृद्धिका कारण वस्तुको मूल्य वृद्धि हुने तर उपभोक्ताको कय शक्तिमा भने हास आएको कारणवाट वस्तुको विक्री वितरणमा प्रतिकुल असर पर्ने जाने देखिएको छ ।
- (५) नीति नियममा स्थिरता नभएका कारण कारोवारमा प्रभाव पर्ने गरेको छ ।

- (६) उद्योगले प्रयोग गर्ने कच्चा पदार्थ तथा प्याकोजङ्गका सामग्रीहरूको विदेशबाट नै खरिद गरी ल्याउनु परेकोले विदेशी मुद्राको सटही दरमा उतार चढाव हुदा उत्पादित वस्तुको लागतमा वृद्धि हुन पुगी व्यवसायिक कारोबारमा प्रभाव परेको छ।
- (७) बाण्ड Awareness गर्न नपाईने भएकाले औपचारिक क्षेत्रबाट उत्पादन हुने मादिरा व्यवसायको अपेक्षित विस्तार र कारोबार वृद्धिमा प्रभाव परेको छ।

#### ख) रणनीति:

१. आन्तरिक तथा बाह्य समस्या एवं चुनौतिहरू रहे पनि कम्पनीले लिएका लक्ष्यहरूलाई पूरा गर्न र शेरधनीहरूको हितमा कार्य गर्ने गरी उत्पादनको चापलाई मध्यनजर गरी कच्चा पदार्थ भण्डारण लगायत उत्पादनका सामग्रीहरू समयमा नै उत्पादन स्थल सम्म सर्व सुलभ तरिकाबाट उपलब्ध गराउने कार्यमा सजग रहेका छौं।
२. कम्पनीको व्यवस्थापन प्रणाली, उत्पादन प्रकृया आदि प्रति सजग रहि उत्पादनको गुणस्तर प्रति जिम्मेवार भई उपभोक्तालाई कम्पनीका उत्पादनहरू प्रति विश्वस्त गराउने कार्यमा प्रथामिकताका साथ हेरेका छौं।
३. कारखानामा कुनै पनि किसिमको अवरोध भएको खण्डमा पनि माग र आपूर्तिमा सहजताको लागी अन्य स्थानबाट समेत उत्पादन गरि बजारमा विक्री वितरण गर्ने प्रबन्धलाई निरन्तरता दिने उद्देश्य राखेका छौं।
४. कम्पनीको मुख्य व्यवसायलाई केन्द्रमा राखेर सोहि आधारमा प्रतिफल लक्षित खर्चलाई मात्र प्राथमिकता दिने र अगाडि बढाउने नीति लिएका छौं।
५. उत्पादित बाण्डको विस्तार एवं उत्पादनमा विविधता ल्याउन अनुसन्धान र विश्लेषण गरी कार्य गर्ने व्यवस्था मिलाएका छौं।
६. उत्पादन स्थल चातावरण मैत्री, उत्पादनमा विविधीकरण, उच्च स्तरको उत्पादन गर्ने लगायत उद्योगको उत्पादकत्व वृद्धि गर्न कम्पनी व्यवस्थापनले आवश्यक पहल अगाडि बढाई सकेको विषयमा कम्पनीको संचालक समितिको प्रतिवेदनमा उल्लेख गरेका छौं। उक्त प्रतिवेदनमा उल्लेख गरे अनुसारको कार्यलाई जाँत सक्दा चाडो कार्यन्वय गरी कम्पनीको व्यवसाय विस्तार गर्ने नीति कम्पनीको रहने छ।

#### ग) संस्थागत सुशासन :

- क. संस्थागत सुशासनलाई सदैव उच्च प्रथामिकतामा राख्दै आएको र संस्थागत सुशासन सम्बन्धि निर्देशिका तथा प्राप्त परिपत्रहरूको पूर्ण रुपमा परिपालना गर्ने गरिएको छ।
- ख. आन्तरिक नियन्त्रण प्रणालीलाई व्यवस्थित गर्नका लागि कम्पनीले संचालक समितिका मानव संसाधन तथा प्रशासकीय म्यानुअल, लेखा सम्बन्धि म्यानुअल, खरिद म्यानुअल र आई टी म्यानुअल स्विकृत गराई सो अनुसार कम्पनीको संचालन गर्ने गरिएको। उक्त म्यानुअल र अन्य ऐन, नियम अनुसार कार्य भएका छन् छैनन् भनी बाह्य स्वतन्त्र रुपमा आन्तरिक लेखा परिक्षक नियुक्ती गरी निजहरूबाट लेखा परीक्षण गरी त्रैमासिक रुपमा प्राप्त प्रतिवेदनका कौफियत उपर गठन गरिएको लेखा समितिमा छलफल गरी संचालक समितिको निर्णय अनुसार गर्ने गरिएको छ।
- ग. कारोबारलाई छिटो, छरितो, चुस्त तथा वैज्ञानिक बनाउन तथा आवश्यक रणनीति तय गर्न विभिन्न समितिहरू गठन गरि त्रियाशील रहेको छ।
- घ. संस्थागत सुशासनलाई पूर्ण रुपमा परिपालना गर्ने र यसलाई अभि सुदृढ बनाउदै लैजान यस कम्पनी प्रतिबद्ध रहेको छ।

## सूचिकृत संगठित संस्थाहरूको संस्थागत सुशासन सम्बन्धि निर्देशिका २०७४ को निर्देशन नं. २० (३) तथा २०(४) प्रयोजनार्थ प्रतिवेदनको शारंश ।

- (क) ऐन, नियमावली तथा नियमातकारी निकायबाट समय समयमा जारी भएका निर्देशन तथा निर्देशिका बमोजिम गर्नु पर्ने कुरा पालना भए/ तमएको : पालना भएको ।
- (ख) नियमतकारी निकायले ईजाजत जारी गर्दा तोकिएको शर्तहरू पालना भए/ तमएको : पालना गरिएको ।
- (ग) नियमतकारी निकायले संस्थाको नियमन, निरीक्षण वा सुपरिवेक्षण गर्दा सम्बन्धित संस्थालाई दिएको निर्देशन : पालना भएको ।
- (घ) पठिन्तो वार्षिक/ विशेष साधारण सभा भएको मिति : मिति २०८० पौष २५ गते सम्पन्न भएको ।
- (ङ) कर्मचारीहरूको संरचना, पदपूर्ति, वृत्ति विकास, तालिम, तलब भन्सा तथा अन्य सुविधा, हानिर 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, हानिर र विदा आचारसंहिता लगायतका कुराहरू समेत समेटिएका कर्मचारी सेवा शर्त विनियमावली (HR & Administrative Manual) लागू भएको ।
- (च) आर्थिक प्रशासन विनियमावली भए नभएको : सेवा सम्बन्धि म्यानुअल (Finance Manual) संचालक समितिबाट स्वीकृत भई लागू गरिएको ।
- (छ) आन्तरिक नियन्त्रण कार्यविधि भए/ तमएको : कम्पनीको संचालक समितिबाट HR & Administrative Manual, Finance Manual, Procurement Manual, Information Technology (IT) Policy स्वीकृत गरि लागू गरिएको साथै वार्षिक छुट्टै स्वतन्त्र लेखा परीक्षकको नियुक्ती गरि त्रैमासिक रूपमा कम्पनीको आर्थिक तथा अन्य गतिविधिहरूको परीक्षण गराई आन्तरिक नियन्त्रण प्रणालीलाई मजबुत राख्ने गरिएको । यसरी वार्षिक लेखा परीक्षकले त्रैमासिक रूपमा 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/ तमएको, गठन नभएको भए सो को कारण: आन्तरिक नियन्त्रण प्रणाली सम्बन्धि छुट्टै समिति गठन तभए पनि माथि वुदां नं. (छ) मा उल्लेख भएको पदवीद्वारा कार्य गर्ने गरिएको हुनाले छुट्टै समितिको आवश्यक महसुस नगरिएको ।

साविकमा कायम भएको अधिकृत पूँजी र चुक्ता पूँजीमा बृद्धि/संशोधन हुने हुनाले कम्पनीको प्रबन्ध पत्रको दफा ५(क), (ख), (ग) तथा नियमावलीको नियम ५(क), (ख), (घ) र (ङ) मा संशोधन गर्न स्विकृत गर्ने।

संचालक समितिले सिफारिस गरे बमोजिम कम्पनीका शेयरधनीहरूलाई वोनस शेयर वितरण गर्ने निर्णय भए अनुसार कम्पनीको साविकको अधिकृत पूँजी र जारी पूँजीमा बृद्धि हुने निर्णय सर्व सम्मतिले भएको तपशिलमा उल्लेख भए बमोजिम कम्पनीको प्रबन्ध पत्रको दफा ५(क), (ख), (ग) र नियमावलीको नियम ५(क), (ख), (घ) र (ङ) मा देशय अनुसार संशोधन गर्ने निर्णय गरियो।

## हिमालयन डिष्टिलरी लिमिटेड (लि.नं. ७५७)

प्रबन्ध पत्रको दफा ५(क), ५(ख) र ५(ग) मा कायम भएको संशोधित व्यवस्था:

दफा ५(क) मा कायम संशोधित व्यवस्था:

कम्पनीको अधिकृत पूँजी रु ३,५०,००,००,०००.०० (तीन अरब पचास करोड) हुनेछ। उक्त पूँजीलाई रु १००.०० का दरले ३,५०,००,००० (तीन करोड पचास लाख) यान साधारण शेयरमा विभाजन गरिएको छ। हाल प्रिफरन्स शेयर सम्बन्धि कुनै व्यवस्था गरिएको छैन।

दफा ५(ख) मा कायम संशोधित व्यवस्था:

कम्पनीको जारी पूँजी र चुक्ता पूँजी रु ३,०७,३४,०९,८९२।९५ (तीन अरब सात करोड चौतीस लाख एक हजार अठ सय बाह्र पैसा पचीस मात्र) हुनेछ।

दफा ५(ग) मा कायम संशोधित व्यवस्था:

कम्पनीको जारी पूँजी मध्ये रु ३,०७,३४,०९,८९८.९९ यान साधारण शेयरमा विभाजन गरिएको छ।

## हिमालयन डिष्टिलरी लिमिटेड (लि.नं. ७५७)

नियमावलीको नियम ५(क), ५(ख), ५(घ) र ५(ङ) मा कायम भएको संशोधित व्यवस्था:

नियमावलीको नियम ५(क) मा कायम संशोधित व्यवस्था:

कम्पनीको अधिकृत पूँजी रु ३,५०,००,००,०००.०० (तीन अरब पचास करोड) हुनेछ।

नियमावलीको नियम ५(ख)मा कायम संशोधित व्यवस्था:

कम्पनीको जारी पूँजी र चुक्ता पूँजी रु ३,०७,३४,०९,८९२।९५ (तीन अरब सात करोड चौतीस लाख एक हजार अठ सय बाह्र पैसा पचीस मात्र) हुनेछ।

नियमावलीको नियम ५(घ) मा कायम संशोधित व्यवस्था:

कम्पनीले आफ्नो जारी पूँजीलाई रु ३,०७,३४,०९,८९८.९९ कित्ता साधारण शेयर विभाजन गरी जारी गर्नेछ। हाल प्रिफरन्स शेयर सम्बन्धि व्यवस्था गरिएको छैन।

नियमावलीको नियम ५(ङ) मा कायम संशोधित व्यवस्था:

कम्पनीले तत्काल जारी गरेको पूँजी मध्ये रु ३,०७,३४,०९,८९९ कित्ता शेयर सर्व साधारण शेयरधनीहरूले ग्रहण गर्नेछन।

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

साविकमा भएको व्यवस्था	हाल कायम गरिएको व्यवस्था	कारण
प्रबन्ध पत्रको दफा ५(क) मा कायम व्यवस्था: कम्पनीको अधिकृत पूँजी रु.३,००,००,००,०००।०० (तीन अरब) हुनेछ। उक्त पूँजीलाई रु.१००।०० का दरले ३,००,००,००० (तीन करोड) धान साधारण शेयरमा विभाजन गरिएको छ। हाल प्रिफरेन्स शेयर सम्बन्धि कुनै व्यवस्था गरिएको छैन।	प्रबन्ध पत्रको दफा ५(क) मा कायम संशोधित व्यवस्था: कम्पनीको अधिकृत पूँजी रु.३,५०,००,००,०००।०० (तीन अरब पचास करोड) हुनेछ। उक्त पूँजीलाई रु.१००।०० का दरले ३,५०,००,००० (तीन करोड पचास लाख) धान साधारण शेयरमा विभाजन गरिएको छ। हाल प्रिफरेन्स शेयर सम्बन्धि कुनै व्यवस्था गरिएको छैन।	कम्पनीले वोनस शेयर वितरण गर्दा साविकको अधिकृत पूँजी भन्दा कम्पनीको पूँजी बढ्न जाने भएकाले।
प्रबन्ध पत्रको दफा ५(ख) मा कायम व्यवस्था: कम्पनीको जारी पूँजी र चुक्ता पूँजी रु.२,६७,२५,२३,३१५।०० (दुई अरब सतसठ्ठी करोड पाँचस लाख तेईस हजार तीन सय पन्ध्र मात्र) हुनेछ।	प्रबन्ध पत्रको दफा ५(ख)मा कायम संशोधित व्यवस्था: कम्पनीको जारी पूँजी र चुक्ता पूँजी रु.३,०७,३४,०१,८१२।२५ (तीन अरब सात करोड चौतीस लाख एक हजार आठ सय बाह्र रुपैयाँ पचास पैसा मात्र) हुनेछ।	वोनस शेयर वितरण गर्दा जारी पूँजी बढाउनु पर्ने आवश्यकता भएकोले।
प्रबन्ध पत्रको दफा ५(ग) मा कायम व्यवस्था: कम्पनीको जारी पूँजी मध्ये रु.६७,२५,२३,३१५ धान साधारण शेयरमा विभाजन गरिएको छ।	प्रबन्ध पत्रको दफा ५(ग) मा कायम संशोधित: कम्पनीको जारी पूँजी मध्ये रु.०७,३४,०१८.१२ धान साधारण शेयरमा विभाजन गरिएको छ।	वोनस शेयर वितरण गरेकोले संसोधन गर्न आवश्यक भएको।
नियमावलीको नियम ५(क) मा कायम व्यवस्था: कम्पनीको अधिकृत पूँजी रु.३,००,००,००,०००।०० (तीन अरब) हुनेछ।	नियमावलीको नियम ५(क) मा कायम संशोधित व्यवस्था: कम्पनीको अधिकृत पूँजी रु.३,५०,००,००,०००।०० (तीन अरब पचास करोड) हुनेछ।	कम्पनीले वोनस शेयर वितरण गर्दा साविकको अधिकृत पूँजी भन्दा कम्पनीको पूँजी बढ्न जाने भएकाले।
नियमावलीको नियम ५(ख) मा कायम व्यवस्था: कम्पनीको जारी पूँजी र चुक्ता पूँजी रु.२,६७,२५,२३,३१५।०० (दुई अरब सतसठ्ठी करोड पाँचस लाख तेईस हजार तीन सय पन्ध्र मात्र) हुनेछ।	नियमावलीको नियम ५(ख) मा कायम संशोधित व्यवस्था: कम्पनीको जारी पूँजी र चुक्ता पूँजी रु.३,०७,३४,०१,८१२।२५ (तीन अरब सात करोड चौतीस लाख एक हजार आठ सय बाह्र रुपैयाँ पचास पैसा मात्र) हुनेछ।	वोनस शेयर वितरण गरेकोले संसोधन गर्न आवश्यक भएको।

क्रमशः

क्रमशः

साविकमा भएको व्यवस्था	हल कायम गरिएको व्यवस्था	कारण
नियमावलीको नियम ५(घ): कम्पनीले आफ्नो जारी पूँजीलाई २,६७,२५,२३,३.१५ कित्ता साधारण शेयर विभाजन गरी जारी गर्नेछ। हाल प्रिफरेन्स शेयर सम्बन्धि व्यवस्था गरिएको छैन।	नियमावलीको नियम ५(घ) मा कायम संसोधित व्यवस्था: कम्पनीले आफ्नो जारी पूँजीलाई ३,०७,३४,०१८.१२ कित्ता साधारण शेयर विभाजन गरी जारी गर्नेछ। हाल प्रिफरेन्स शेयर सम्बन्धि व्यवस्था गरिएको छैन।	बोनस शेयर वितरण गरेकोले संसोधन गर्न आवश्यक भएको।
नियमावलीको नियम ५(ङ):- कम्पनीले तत्काल जारी गरेको पूँजी मध्ये रु. २,६७,२५,२३३.१५ कित्ता शेयर सर्व साधारण शेयरधनीहरूले ग्रहण गर्नेछन।	नियमावलीको नियम ५(ङ) मा कायम संसोधित व्यवस्था:- कम्पनीले तत्काल जारी गरेको पूँजी मध्ये ३,०७,३४,०१८.१२ कित्ता शेयर सर्व साधारण शेयरधनीहरूले ग्रहण गर्नेछन।	बोनस शेयर वितरण गरेकोले संसोधन गर्न आवश्यक भएको।

अखिलेश्वर प्रसाद सिंह  
सभापति/अध्यक्ष  
मिति: २०८१/०९/२८

कम्पनी सचिव  
मिति: २०८१/०९/२८

कम्पनीको छाप :

# G. Paudyal & Associates

Chartered Accountants

ICAN Regd. No.: 307

PAN : 602785567

5th Floor, Tewa Tower

Teku, Kathmandu

Tel: 01-5333709

Website: www.gpa.com.np

Email: info.gpacu@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 31, 2081 (corresponding to July 15, 2024), 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 31, 2081 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 31, 2081 (corresponding to July 15, 2024). 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
<p><b>Revenue Recognition</b> (Refer Note 1.13 "Revenue" and Note 19 of the financial statements)</p> <p>Revenue from the sale of products (hereinafter referred to as "Revenue") is recognised at a point in time when control of the products is transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products, 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 Company. The management considers revenue as key measure of evaluation of performance. There is a risk of revenue being reordered before performance obligation satisfied.</p>	<p>Our audit procedures including following:</p> <ul style="list-style-type: none"> <li>Assessed the Group's accounting policies on revenue recognition in line with NFRS 15 (Revenue from Contract with Customer) and tested thereof.</li> <li>Evaluated 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.</li> <li>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.</li> <li>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.</li> </ul>





Key audit Matter	How our audit addressed the key audit matter
<p><i>Inventory Valuation</i> (Refer Note 1.7 "Inventories" and Note 05 of the financial statements)</p> <p>The group deals with various types of bulk material &amp; Finished goods such as Spirit, Liquor, Grains, etc. The group has inventory of Finished Goods &amp; Raw materials at various locations. Inventories valuation and existence has been determined to be a key audit matter as inventories may be held for long periods of time at various locations before being sold and thus makes it vulnerable to obsolescence.</p> <p>This could result in an overstatement of the value of the inventories if the cost is higher than the net realisable value. Further the measurement of these inventories involved certain estimations/assumption and also involved volumetric measurements.</p>	<p>Our audit focused on whether the valuation of year-end inventory was in accordance with NAS 2 'Inventories'. This included challenging the judgements taken regarding the obsolescence and net realisable value of inventory and the appropriateness of provisions for such items. We carried out the following procedures in assessing the appropriateness of the valuation of inventories:</p> <ul style="list-style-type: none"> <li>• obtained an understanding of the relevant controls, which included a review of the inventory provision recorded at a banner level by members of the finance team and assessed inventory controls in the group's most significant locations;</li> <li>• assessed the group's inventory provisioning policy, with specific consideration of its ongoing appropriateness in light of changes in the business and the macroeconomic environment, the risk profile of inventory and consideration of any expected clearance activity;</li> <li>• assessed the existence and condition of inventory by attending a sample of inventory counts throughout the year across all in-scope components;</li> <li>• checked the value of a sample of inventory to assess whether it is held at the lower of cost and net realisable value, through comparison to vendor invoices and current sales prices; and</li> <li>• in addressing the fraud risk, we re-calculated the provisions recorded to evaluate whether they are in line with group policy and NAS 2.</li> </ul>

**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 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:

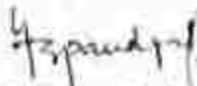
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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 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 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 Ghanshyam Paudyal  
Partner  
G. Paudyal & Associates  
Chartered Accountant



Place: Kathmandu, Nepal

Date: 2081/08/23

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** AS AT ASHAD 31, 2081 (JULY 15, 2024)

Amount in Rs

DESCRIPTIONS	NOTE GROUP/ COMPANY	GROUP		COMPANY	
		AS AT	AS AT	AS AT	AS AT
		ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
a) Property, plant and equipment	3A	520,095,814	492,902,512	484,887,884	458,611,822
b) Capital work-in-progress	3B	311,430,554	34,743	311,430,554	34,743
c) Intangible assets	3C	1,059,857	1,006,264	1,059,857	1,006,263
d) Right to use assets	3D	12,635,108	2,116,239	12,635,108	2,116,239
e) Investments	-/4	-	-	101,100,000	101,100,000
f) Advance For Investment	-/5	-	-	10,000,000	-
g) Other non-current assets	4/6	43,714,724	42,809,060	43,714,724	42,809,060
<b>Total non-current assets</b>		<b>888,936,057</b>	<b>538,868,818</b>	<b>964,828,127</b>	<b>605,678,127</b>
<b>CURRENT ASSETS</b>					
a) Inventories	5/7	326,155,027	447,224,251	326,155,027	447,224,251
b) Financial assets					
Trade receivables	6/8	216,303	1,962,176,573	216,303	1,962,176,573
Cash and cash equivalents	7/9	1,240,060,121	470,101,773	1,239,202,925	469,591,315
Other Bank Balances	8/10	1,000,000,000	76,456,007	1,000,000,000	76,456,007
Other Financial assets	9/11	14,488,612	4,392,488	14,488,612	4,392,488
c) Other current assets	4/6	87,372,232	99,564,339	87,372,232	103,789,339
<b>Total current assets</b>		<b>2,668,292,295</b>	<b>3,059,915,611</b>	<b>2,667,435,099</b>	<b>3,063,629,973</b>
<b>TOTAL ASSETS</b>		<b>3,557,228,352</b>	<b>3,598,784,429</b>	<b>3,632,263,226</b>	<b>3,669,308,100</b>

Contd.

Contd.

Amount in Ru

DESCRIPTIONS	NOTE GROUP/ COMPANY	GROUP		COMPANY	
		AS AT	AS AT	AS AT	AS AT
		ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
a) Equity					
Share capital	10/12	2,672,523,315	2,429,566,650	2,672,523,315	2,429,566,650
b) Other equity					
Reserves and surplus	11/13	603,450,963	854,668,290	682,894,227	925,237,160
<b>Total equity</b>		<b>3,275,974,278</b>	<b>3,284,234,940</b>	<b>3,355,417,542</b>	<b>3,354,803,810</b>
<b>NON-CURRENT LIABILITIES</b>					
a) Financial liabilities					
Borrowings	12/14	-	-	-	-
Lease Payables	13/15	12,405,204	1,742,797	12,405,204	1,742,797
b) Deferred tax liabilities	14/16	28,943,492	29,822,338	28,943,492	29,822,338
<b>Total non-current liabilities</b>		<b>41,348,696</b>	<b>31,565,135</b>	<b>41,348,696</b>	<b>31,565,135</b>
<b>CURRENT LIABILITIES</b>					
a) Financial Liabilities					
Borrowings	12/14	-	-	-	-
Lease Payables	13/15	1,281,373	678,287	1,281,373	678,287
Trade payables	15/17	30,699,488	115,303,794	30,699,488	115,303,794
Other financial liabilities	16/18	70,628,065	19,570,609	66,223,077	19,525,410
b) Other current liabilities	17/19	136,160,699	143,461,902	136,157,297	143,461,902
c) Current tax liabilities (net)	18/20	1,135,753	3,969,763	1,135,753	3,969,763
<b>Total current liabilities</b>		<b>239,905,377</b>	<b>282,984,354</b>	<b>235,496,988</b>	<b>282,939,155</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,557,228,352</b>	<b>3,598,784,429</b>	<b>3,632,263,225</b>	<b>3,669,308,100</b>

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

Niraj Subedi  
CHIEF EXECUTIVE OFFICER

Shanker Raj Pandey  
DIRECTOR

Narendra K. Basnyat  
DIRECTOR

Akhileshwar P. Singh  
CHAIRPERSON

Ghanshyam Paudyal  
PARTNER  
G. Paudyal & Associates  
Chartered Accountants

Alina Shrestha  
FINANCE MANAGER

Santoo Shrestha  
DIRECTOR

Yangkila (Sherpa) Ruit  
DIRECTOR

Prakashmani Ghimire  
INDEPENDENT DIRECTOR

PLACE: Kathmandu

DATE: 8th December, 2024

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended Ashad 31, 2080 (July 16, 2023)

Amount in Bx

DESCRIPTIONS	NOTE GROUP/ COMPANY	GROUP		COMPANY	
		FOR THE YEAR ENDED	FOR THE YEAR ENDED	FOR THE YEAR ENDED	FOR THE YEAR ENDED
		ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)	ASHAD 31, 2080 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
Revenue from operations	19/21	4,155,236,993	5,654,787,998	4,155,236,993	5,654,787,998
Less: excise duties		2,073,739,995	2,684,274,403	2,073,739,995	2,684,274,403
Net sales revenue		2,081,496,998	2,970,513,595	2,081,496,998	2,970,513,595
Less: cost of goods sold	20/22	737,051,029	1,032,029,081	737,051,029	1,032,029,081
Less: manufacturing expenses	21/23	121,157,047	169,021,316	121,157,047	169,021,316
<b>Gross profit</b>		<b>1,223,288,922</b>	<b>1,769,463,198</b>	<b>1,223,288,922</b>	<b>1,769,463,198</b>
Total income from operations		1,223,288,922	1,769,463,198	1,223,288,922	1,769,463,198
Employee benefit expenses	22/24	190,033,598	230,866,395	190,033,598	230,866,395
Administration and other expenses	23/25	71,734,352	73,655,411	71,521,720	73,435,700
Selling and distribution expenses	24/26	478,503,632	526,633,722	478,503,632	526,633,722
<b>Operating profit</b>		<b>483,017,341</b>	<b>938,307,670</b>	<b>483,229,974</b>	<b>938,527,381</b>
Non-Operating Income	25/27	57,722,260	10,508,372	66,384,021	10,508,372
Depreciation and amortisation		52,193,107	50,488,080	52,193,107	50,488,080
Finance costs	26/28	1,343,656	4,510,304	1,343,656	4,510,304
<b>Profit before tax</b>		<b>487,202,838</b>	<b>893,817,658</b>	<b>496,077,231</b>	<b>894,037,369</b>
Income tax expenses					
Current tax	27/29	130,270,079	230,655,503	130,270,079	230,655,503
Deferred tax	27/29	(878,846)	(2,575,177)	(878,846)	(2,575,177)
Prior Period Tax Expenses		1,637,269	5,433,212	1,637,269	5,433,212
<b>Profit for the year</b>		<b>356,174,336</b>	<b>660,304,119</b>	<b>365,048,730</b>	<b>660,523,830</b>

Cont'd.

Contd.

Amount in Rs.

DESCRIPTIONS	NOTE GROUP/ COMPANY	GROUP		COMPANY	
		FOR THE YEAR ENDED	FOR THE YEAR ENDED	FOR THE YEAR ENDED	FOR THE YEAR ENDED
		ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)	ASHAD 31, 2080 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
<b>Other comprehensive income</b>					
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		-	-	-	-
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>356,174,336</b>	<b>660,304,119</b>	<b>365,048,730</b>	<b>660,523,830</b>
<b>Profit is attributable to:</b>					
Owners of Himalayan Distillery Limited		356,174,336	660,304,119	365,048,730	660,523,830
Non - Controlling Interests		-	-	-	-
		<b>356,174,336</b>	<b>660,304,119</b>	<b>365,048,730</b>	<b>660,523,830</b>
<b>Other comprehensive income is attributable to:</b>					
Owners of Himalayan Distillery Limited		-	-	-	-
Non - Controlling Interests		-	-	-	-
		-	-	-	-
<b>Total comprehensive income is attributable to:</b>					
Owners of Himalayan Distillery Limited		356,174,336	660,304,119	365,048,730	660,523,830
Non - Controlling Interests		-	-	-	-
		<b>356,174,336</b>	<b>660,304,119</b>	<b>365,048,730</b>	<b>660,523,830</b>
Earning per equity share (face value of Rs. 100 each)					
Basic EPS	28/30	13.33	24.71	13.66	24.72
Diluted EPS	28/30	13.33	24.71	13.66	24.72

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

.....  
Niraj Subedi  
CHIEF EXECUTIVE OFFICER

.....  
Shanker Raj Pandey  
DIRECTOR

.....  
Narendra K. Basnyat  
DIRECTOR

.....  
Akhileshwar P. Singh  
CHAIRPERSON

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

.....  
Alina Shrestha  
FINANCE MANAGER

.....  
Santoo Shrestha  
DIRECTOR

.....  
Yangkila (Sherpa) Ruit  
DIRECTOR

.....  
Prakashmani Ghimire  
INDEPENDENT DIRECTOR

PLACE: Kathmandu

DATE: 8th December, 2024

**CONSOLIDATED STATEMENT OF CASH FLOWS** For the year ended aashad 31, 2080 (July 16, 2023)

Amount in Rs

DESCRIPTIONS	GROUP		COMPANY	
	FOR THE YEAR ENDED	FOR THE YEAR ENDED	FOR THE YEAR ENDED	FOR THE YEAR ENDED
	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax	487,202,838	893,817,658	496,077,231	894,037,369
<b>Adjustments for:</b>				
Depreciation and amortisation	52,193,107	50,488,080	52,193,107	50,488,080
Asset Write Off	-	-	843,639	-
(Gain)/loss on sale of property, plant and equipment (net)	(975,174)	(718,865)	(9,636,935)	(718,865)
Gain/(loss) on Disposal of Right to Use Assets	-	(598,968)	-	(598,968)
Interest expense	1,343,656	4,510,304	1,343,656	4,510,304
Operating profit before working capital changes	539,764,427	947,498,209	540,820,699	947,717,921
<b>Adjustments for:</b>				
(Increase)/decrease in inventory	121,069,223	(239,896,779)	121,069,223	(239,896,779)
(Increase)/decrease in trade receivables, loans and other assets	1,979,413,476	(850,040,739)	1,978,377,379	(850,178,668)
Increase/(decrease) in Other Bank Balances	(923,543,993)	(24,609,415)	(923,543,993)	(24,609,415)
Increase/(decrease) in lease payables	-	-	-	-
Increase/(decrease) in trade payables, other liabilities and provisions	(93,405,647)	(25,765,932)	(97,768,838)	(25,761,245)
Increase/(decrease) in Other Financial Assets	(10,096,124)	136,683	(10,096,124)	136,683
<b>Cash generated from operation</b>	<b>1,613,201,362</b>	<b>(192,677,974)</b>	<b>1,608,858,346</b>	<b>(192,591,503)</b>
Reversal of Provision for Tax	-	1,518,066	-	1,518,066
Income tax paid	(134,741,357)	(235,814,582)	(134,741,357)	(235,814,582)
<b>Net cash from operating activities</b>	<b>1,478,460,004</b>	<b>(426,974,490)</b>	<b>1,474,116,989</b>	<b>(426,888,019)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment & intangible assets	(354,159,548)	(16,109,470)	(348,619,631)	(16,109,474)
Sale of property, plant and equipment	1,866,731	2,076,493	10,323,092	2,076,493
Disposal of ROU Assets	-	-	-	-
Investment in Equity instrument of subsidiaries	-	-	(10,000,000)	-
<b>Net cash generated from / (used in) investing activities</b>	<b>(352,292,817)</b>	<b>(14,032,977)</b>	<b>(348,296,539)</b>	<b>(14,032,981)</b>

Contd.

Contd.

Amount in Rs

DESCRIPTIONS	GROUP		COMPANY	
	FOR THE YEAR ENDED	FOR THE YEAR ENDED	FOR THE YEAR ENDED	FOR THE YEAR ENDED
	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase/(decrease) in short term loan	-	-	-	-
Repayment of term loan	-	-	-	-
Payment of Lease Liability	(1,144,338)	(563,863)	(1,144,339)	(563,863)
Dividend paid	(353,720,845)	(148,835,701)	(353,720,845)	(148,835,701)
Interest paid	(1,343,656)	(4,510,304)	(1,343,656)	(4,510,304)
Net cash generated from / (used in) financing activities	(356,208,839)	(153,909,868)	(356,208,839)	(153,909,868)
Net increase / (decrease) in cash and cash equivalents	769,958,348	(594,917,336)	769,611,610	(594,830,869)
Cash and cash equivalents at the beginning of the year	470,101,773	1,065,019,110	469,591,315	1,064,422,185
Cash and cash equivalents at the end of the year	1,240,060,121	470,101,773	1,239,202,925	469,591,315
Cash and cash equivalents comprise of				
Cash on hand	57,163	83,166	55,555	81,958
Balance with banks in current accounts	1,240,002,958	470,018,608	1,239,147,370	469,509,358
<b>Total</b>	<b>1,240,060,121</b>	<b>470,101,773</b>	<b>1,239,202,925</b>	<b>469,591,315</b>

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

.....  
**Niraj Subedi**  
 CHIEF EXECUTIVE OFFICER

.....  
**Shaniker Raj Pandey**  
 DIRECTOR

.....  
**Narendra K. Basnyat**  
 DIRECTOR

.....  
**Akhileshwar P. Singh**  
 CHAIRPERSON

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**Gbanshyam Paudyal**  
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**Alina Shrestha**  
 FINANCE MANAGER

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**Santoo Shrestha**  
 DIRECTOR

.....  
**Yangjila (Sherpa) Ruit**  
 DIRECTOR

.....  
**Prakashmani Ghimire**  
 INDEPENDENT DIRECTOR

PLACE **Kathmandu**  
 DATE **8th December, 2024**



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** FOR THE YEAR ENDED (ASHAD) 31, 2081 (JULY 15, 2024)

Amount in Rs

	GROUP			COMPANY		
	EQUITY AND RESERVES		TOTAL	EQUITY AND RESERVES		TOTAL
	SHARE CAPITAL	RETAINED EARNINGS		SHARE CAPITAL	RETAINED EARNINGS	
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
Profit for the year	-	660,304,119	660,304,119	-	660,523,830	660,523,830
Reversal of Provision for Tax	-	1,518,066	1,518,066	-	1,518,066	1,518,066
Other comprehensive income (OCI) - net of tax	-	-	-	-	-	-
Final dividend paid	-	(151,847,916)	(151,847,916)	-	(151,847,916)	(151,847,916)
Issue of bonus shares	911,087,494	(911,087,494)	-	911,087,494	(911,087,494)	-
<b>Balance as at Ashad 31, 2080 (July 16, 2023)</b>	<b>2,429,566,650</b>	<b>854,668,291</b>	<b>3,284,234,940</b>	<b>2,429,566,650</b>	<b>925,237,160</b>	<b>3,354,803,810</b>
Profit for the year	-	356,174,336	356,174,336	-	365,048,730	365,048,730
Reversal of Provision for Tax	-	-	-	-	-	-
Other comprehensive income (OCI) - net of tax	-	-	-	-	-	-
Final dividend paid	-	(364,434,998)	(364,434,998)	-	(364,434,998)	(364,434,998)
Issue of bonus shares	242,956,665	(242,956,665)	-	242,956,665	(242,956,665)	-
<b>Balance as at Ashad 31, 2081 (July 15, 2024)</b>	<b>2,672,523,315</b>	<b>603,450,964</b>	<b>3,275,974,278</b>	<b>2,672,523,315</b>	<b>682,894,227</b>	<b>3,355,417,542</b>

**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

.....  
Niraj Subedi  
CHIEF EXECUTIVE OFFICER

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Shanker Raj Pandey  
DIRECTOR

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Narendra K. Basnyat  
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DIRECTOR

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Yangtina (Sherpa) Ruit  
DIRECTOR

.....  
Prakashmani Ghimire  
INDEPENDENT DIRECTOR

PLACE: Kathmandu  
DATE: 8th December, 2024

## 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.

These financial statements are approved for issue by the Company's board of directors on 08th December 2024

### 1. SIGNIFICANT ACCOUNTING POLICIES

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

#### 1.1 Basis of preparation of financial statements

##### a. Statement of compliance

These 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 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.

##### c. Current V/S Non-current classification:

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 Financial Statements based on the nature and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

The Group has classified the assets as current when:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Expected to be realized within twelve Month.
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;
- Held primarily for the purpose of the trading.

All other assets are classified as non-current.

The Group has classified the liability as current when:

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

The Group has classified all other liabilities as non-current.

Deferred tax assets/ liabilities are classified as non-current.

##### d. Functional and presentation currency

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

#### 1.2 Basis of consolidation

##### 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 transaction 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 derecognised when replaced. All other repairs and maintenance expenses are charged to 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 statement of financial position, are disclosed under capital work-in-progress.

#### Disposals and derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continuing 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 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:

Assets	Useful lives (years)
<b>Building</b>	
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	9-10 years
Computers	3 - 6 years
Office equipment	5 - 10 years
Electrical installations	10 years
Furniture and fixtures	10 years
Vehicles	5 - 10 years
<b>Plant and machinery</b>	
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

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.

### 14 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 amortisation and accumulated impairment losses, if any.

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

#### **Derecognition**

Intangible assets are derecognised 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 statement of profit or loss in the year the asset is derecognised.

#### **Useful economic lives and amortisation**

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 amortised using the straight-line method to write down the cost over its estimated useful economic lives and is recognised in statement of profit or loss.

Capitalized software and websites are amortized over a period of five years, as estimated by the management.

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

#### **Impairment**

At each statement of financial position date, these assets are assessed for indication of impairment. In the event that an asset's carrying amount being exceeds than its recoverable amount, the assets are considered to be impaired and are written down immediately.

#### **1.5 Non-Current Assets held for sale**

Non current assets are classified as held for sale if the carrying amount will be recovered by the Group principally through a sale transaction rather than through continuing use. This condition is considered to be met only when the asset is available for immediate sale in its present condition and the sale is highly probable.

Non current asset classified as held for sale are measured at the lower of the carrying amount and fair value less costs to sell. Impairment loss is recognized for any initial or subsequent write down of the asset to fair value less costs to sell. Gain due to any subsequent increases in fair value less costs to sell of an asset is recognised, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the

sale of such non-current assets is recognised at the date of de-recognition.

### **1.6 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 its fair value plus or minus, in the case of financial assets or liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial assets and 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 amortised 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 a 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.

#### **a. Financial assets**

Financial assets include advances, trade receivables and cash or cash equivalents and other bank balances. 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 statement of profit or loss and other comprehensive income.

#### **Subsequent measurement**

Financial assets are subsequently measured at amortised 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:

**i. Measured at amortised cost.**

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

Advances, trade receivables and cash or cash equivalents and other bank balances are classified for measurement at amortised cost.

**ii. 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 derecognised, 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 non operating income using the effective interest method.

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

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income or foreign exchange gains or loss from these financial assets is included in 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 amortised 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 statement of profit or loss.

**Derecognition of financial assets**

Financial assets are derecognised 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.

**b. 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 amortised cost. Any discount or premium on redemption / settlement is recognised in the 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 statement of financial position.

Financial liabilities are derecognised 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 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.

**1.7 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 realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Raw material, packaging materials and bottles, stores and spares;

Cost includes cost of purchase and other cost incurred in bringing the inventories to their present location and conditions.

**Finish goods and semi finished goods:**

Cost includes cost of direct materials and labour and proportion of manufacturing overheads based on the normal operating capacity but excludes depreciation on plant and machinery.

**Stock in trade:**

Cost includes cost of purchase and other assets incurred

in bringing the inventories to their present location and condition.

## 1.8 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 collection is expected within twelve months after the reporting period. Where the collection is expected after twelve months after the reporting period, they are presented as non-current assets.

## 1.9 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, balances with banks that are readily convertible and fixed deposit with original maturity of less than 3 months 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 statement of cash flows.

## 1.10 Other Bank Balances

Other bank balances include bank deposits with an original maturity of less than 12 months but more than 3 months. Bank balances on current accounts towards unpaid dividend.

## 1.11 Borrowings

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

## 1.12 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 amortised cost using the effective interest method.

## 1.13 Revenue

Revenue is measured at the fair value of the consideration received or receivable net of returns, discounts and value added taxes. Revenue from the sale of products is recognised at a point in time when control of the products is transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. The gross revenue of the Group includes excise duty but excludes value added tax (VAT) collected on the behalf of the government and net revenue excludes duties collected on the behalf of the government.

### Sale of products

Revenue from sale of products is recognised at the point of time when the significant risks and reward of ownership of the products has been transferred to the customer, usually on delivery of the products and there is no unfulfilled obligation that could affect the customers' acceptance of the products. Net Revenue from sale of product is measured at the amount of transaction price, net of returns and allowances, discounts and value added tax (VAT).

### Royalty income

The Group provides a license to manufacture its product in exchange for a royalty fee which is based on sales made to the customers. Royalty income is recognised in terms of the respective contracts upon sale of products by the franchisees.

### Interest Income

Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is included under the head "non operating income" in the statement of profit or loss.

### Rental income

Policy for recognition of revenue from operating lease is described in note 114.

## 1.14 Leases

Leases are classified as finance lease 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 Group, 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 Group 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 Group 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 Group uses an incremental borrowing rate. For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a systematic basis over the lease term.

In addition, the carrying amount of the lease liability is remeasured if there is modification; a change in lease term, a change in lease payments in case of early termination of the lease, the Group derecognize lease liability and ROU Assets to reflect the full termination of the lease and recognize gain and loss on the termination of the lease in profit and loss account.

## 1.15 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 statement of profit or loss.

## 1.16 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 twelve 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, social security fund and gratuity. The Group's payments to the defined contribution plans are recognised as employee benefit expenses when they are due.

## 1.17 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised 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 a statement of profit or loss in the period in which they are incurred.

## 1.18 Income tax

Income tax comprises of current tax and deferred tax. Current tax in the 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 financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially

enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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.

### 1.19 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.

### 1.20 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.

### 1.21 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 financial statements.

### 1.22 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 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 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 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.

**b. Leases**

The Group determines the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement and considers all relevant factors that create an economic incentive in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. After the commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or terminate. The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR requires estimate when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates), when available and makes entity-specific estimates, wherever required.

**c. Tax contingencies and provisions**

Significant management judgement is required to determine the amounts of tax contingencies and provisions, including amount expected to be paid/recovered for uncertain tax positions.

**d. Impairment of investments carried at cost and non-financial assets**

Investments carried at cost and non-financial assets such as property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances

indicate that their carrying amounts may not be recoverable. A significant management judgement is required to determine the recoverable amount and the impairment loss, if any.

**e. Provision for expected credit loss on trade receivables**

The measurement of expected credit loss reflects a probability-weighted outcome, the time value of money and the best available forward-looking information. The correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The amount of expected credit loss is sensitive to changes in circumstances and forecasted economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of the actual default in the future. The Group has not provided any provision for expected credit loss on trade receivables.

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

**3. PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK IN PROGRESS, INTANGIBLE ASSETS & RIGHT TO USE ASSETS**

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

PARTICULARS	COST			AS AT ASHAD 31, 2080 (JULY 16, 2023)
	OPENING BALANCE	ADDITIONS	WITHDRAWALS AND ADJUSTMENTS	
<b>3A. Property, plant and equipment</b>				
Freehold lands	47,915,506	21,501,000	-	69,416,506
Leasehold Improvements	-	4,370,557	-	4,370,557
Buildings	202,658,599	1,670,421	2,084,842	202,244,178
Computers	8,309,945	5,572,535	184,673	13,697,808
Office equipment	14,018,038	3,247,262	3,198,772	14,066,528
Electrical Installations	26,292,050	497,442	316,434	26,473,057
Furniture and fixtures	3,232,015	3,025,487	-	6,257,503
Vehicles	15,096,898	20,824,074	4,683,807	31,237,166
Plant and machinery	896,315,167	17,283,806	2,084,003	911,514,971
Other Assets	1,975,760	133,000	47,221	2,061,539
<b>Total</b>	<b>1,215,813,979</b>	<b>78,125,594</b>	<b>12,599,752</b>	<b>1,281,339,821</b>
<b>3B. Capital work-in-progress</b>	<b>34,743</b>	<b>311,395,811</b>		<b>311,430,554</b>
<b>3C. Intangible assets</b>				
Brand Software	100,000			100,000
Nimble PMS Software 50%	-	75,000		75,000
HDI, Server Software	-	240,000		240,000
HDI, Website	319,500			319,500
BIG IP Firewall License	800,000			800,000
ERP Software	2,471,438			2,471,438
Fixed Asset Software	100,000			100,000
<b>Total</b>	<b>3,790,938</b>	<b>315,000</b>	<b>-</b>	<b>4,105,938</b>
<b>3D. Right to Use Assets</b>	<b>6,079,374</b>	<b>12,426,215</b>	<b>16,383</b>	<b>18,489,206</b>

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

**3. PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK IN PROGRESS, INTANGIBLE ASSETS & RIGHT TO USE ASSETS**

For the year ended Ashad 31, 2080 (July 15, 2023)

PARTICULARS	COST			AS AT ASHAD 31, 2079 (JULY 16, 2022)
	OPENING BALANCE	ADDITIONS	WITHDRAWALS AND ADJUSTMENTS	
<b>3A. Property, plant and equipment</b>				
Freehold lands	47,915,506			47,915,506
Buildings	198,420,468	4,238,190		202,658,599
Computers	7,631,523	1,352,221	673,799	8,309,945
Office equipment	13,500,330	517,708		14,018,038
Electrical Installations	24,966,375	1,325,674		26,292,050
Furniture and fixtures	3,185,015	47,000		3,232,015
Vehicles	19,908,326	1,746,342	6,557,769	15,096,898
Plant and machinery	893,611,360	2,820,195	116,388	896,315,167
Other Assets	1,934,760	41,000		1,975,760
<b>Total</b>	<b>1,211,073,664</b>	<b>12,088,271</b>	<b>7,347,956</b>	<b>1,215,813,979</b>
<b>3B. Capital work-in-progress</b>	<b>-</b>	<b>34,743</b>	<b>-</b>	<b>34,743</b>
<b>3C. Intangible assets</b>				
Brand Software	100,000			100,000
HDI, Website		319,500		319,500
BIG IP Firewall License	800,000			800,000
ERP Software	2,471,438			2,471,438
Fixed Asset Software	100,000			100,000
<b>Total</b>	<b>3,471,438</b>	<b>319,500</b>	<b>-</b>	<b>3,790,938</b>
<b>3D. Right to Use Assets</b>	<b>14,734,828</b>	<b>-</b>	<b>8,655,454</b>	<b>6,079,374</b>

Amount in Bz

OPENING BALANCE	DEPRECIATION			CARRYING AMOUNT	
	FOR THE YEAR	ON WITHDRAWALS AND ADJUSTMENTS	UP TO ASHAD 31, 2020 (JULY 16, 2023)	AS AT ASHAD 31, 2020 (JULY 16, 2023)	AS AT ASHAD 31, 2023 (JULY 16, 2022)
-	-	-	-	69,416,506	47,915,506
-	45,935	-	45,935	4,324,622	-
98,548,222	7,723,177	1,425,271	104,846,127	97,398,051	104,110,376
5,259,481	1,174,516	184,664	6,249,333	7,448,475	3,050,464
10,951,930	1,090,293	3,198,724	8,843,498	5,223,030	3,066,107
20,732,457	1,217,011	281,480	21,667,989	4,805,068	5,559,592
2,787,007	138,249	-	2,925,256	3,332,256	445,008
10,221,933	2,176,726	4,683,801	7,714,857	23,522,308	4,874,966
572,473,524	36,461,384	1,887,037	607,047,871	304,467,100	323,841,644
1,936,912	13,447	47,218	1,903,140	158,399	38,848
<b>722,911,464</b>	<b>50,040,738</b>	<b>11,708,195</b>	<b>761,244,006</b>	<b>520,095,814</b>	<b>492,902,512</b>
-	-	-	-	<b>311,430,554</b>	<b>34,743</b>
99,999	-	-	99,999	1	1
-	1,068	-	1,068	73,932	-
-	16,438	-	16,438	223,562	-
175	63,900	-	64,075	255,425	319,325
160,437	160,000	-	320,437	479,563	639,563
2,471,433	-	-	2,471,433	4	5
52,630	20,000	-	72,630	27,370	47,370
<b>2,784,674</b>	<b>261,406</b>	-	<b>3,046,081</b>	<b>1,059,857</b>	<b>1,006,264</b>
<b>3,963,135</b>	<b>1,890,963</b>	-	<b>5,854,098</b>	<b>12,635,108</b>	<b>2,116,239</b>

OPENING BALANCE	DEPRECIATION			CARRYING AMOUNT	
	FOR THE YEAR	ON WITHDRAWALS AND ADJUSTMENTS	UP TO ASHAD 31, 2023 (JULY 16, 2022)	AS AT ASHAD 31, 2023 (JULY 16, 2022)	AS AT ASHAD 31, 2023 (JULY 15, 2022)
-	-	-	-	47,915,506	47,915,506
90,364,575	8,183,647	-	98,548,222	104,110,377	108,055,894
5,181,767	751,510	673,797	5,259,481	3,050,465	2,449,756
9,603,504	1,348,425	-	10,951,930	3,066,108	3,896,825
19,109,722	1,622,735	-	20,732,457	5,559,592	5,856,653
2,658,158	128,849	-	2,787,007	445,008	526,857
13,502,042	2,015,675	5,295,785	10,221,933	4,874,966	6,406,284
536,946,665	35,547,605	20,747	572,473,524	323,841,644	356,664,694
1,932,966	4,046	-	1,936,912	38,849	1,894
<b>679,299,300</b>	<b>49,602,492</b>	<b>5,990,328</b>	<b>722,911,464</b>	<b>492,902,515</b>	<b>531,774,364</b>
-	-	-	-	<b>34,743</b>	-
99,999	-	-	99,999	1	1
-	175	-	175	319,325	-
437	160,000	-	160,437	639,563	799,563
2,471,433	-	-	2,471,433	4	4
32,630	20,000	-	52,630	47,370	67,370
<b>2,604,500</b>	<b>180,175</b>	-	<b>2,784,674</b>	<b>1,006,263</b>	<b>866,938</b>
<b>3,257,722</b>	<b>705,413</b>	-	<b>3,963,135</b>	<b>2,116,239</b>	<b>11,477,106</b>

## NOTES TO THE FINANCIAL STATEMENTS

**3. PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK IN PROGRESS, INTANGIBLE ASSETS & RIGHT TO USE ASSETS** For the year ended Ashad 31, 2081 (July 15, 2024)

PARTICULARS	COST			COMPANY
	OPENING BALANCE	ADDITIONS	WITHDRAWALS AND ADJUSTMENTS	AS AT ASHAD 31, 2081 (JULY 15, 2024)
<b>3A. Property, plant and equipment</b>				
Freehold lands	13,624,813	21,222,000	638,239	34,208,574
Leasehold Improvements	-	4,370,557	-	4,370,557
Buildings	202,658,599	1,670,421	2,084,842	202,244,178
Computers	8,309,945	5,572,535	184,673	13,697,808
Office equipment	14,018,038	3,247,262	3,198,772	14,066,528
Electrical Installations	26,292,050	457,442	316,434	26,473,057
Furniture and fixtures	3,232,015	3,025,497	-	6,257,513
Vehicles	15,096,898	20,824,074	4,683,807	31,237,166
Plant and machinery	896,315,167	17,283,806	2,084,003	911,514,971
Other Assets	1,975,760	133,000	47,221	2,061,539
<b>Total</b>	<b>1,181,523,286</b>	<b>77,846,595</b>	<b>13,237,991</b>	<b>1,246,131,890</b>
<b>3B. Capital work-in-progress</b>	<b>34,743</b>	<b>311,395,811</b>		<b>311,430,554</b>
<b>3C. Intangible assets</b>				
Brand Software	100,000	-	-	100,000
Nimble PMS Software 50%	-	75,000	-	75,000
HDL Server Software	-	240,000	-	240,000
HDL Website	319,500	-	-	319,500
BIG IP Firewall License	800,000	-	-	800,000
ERP Software	2,471,438	-	-	2,471,438
Fixed Asset Software	100,000	-	-	100,000
<b>Total</b>	<b>3,790,938</b>	<b>315,000</b>	<b>-</b>	<b>4,105,938</b>
<b>3D. Right to Use Assets</b>	<b>6,079,374</b>	<b>12,426,215</b>	<b>16,383</b>	<b>18,489,206</b>

## NOTES TO THE FINANCIAL STATEMENTS

**3. PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK IN PROGRESS, INTANGIBLE ASSETS & RIGHT TO USE ASSETS** For the year ended Ashad 31, 2080 (July 16, 2023)

PARTICULARS	COST			COMPANY
	OPENING BALANCE	ADDITIONS	WITHDRAWALS AND ADJUSTMENTS	AS AT ASHAD 31, 2081 (JULY 15, 2024)
<b>3A. Property, plant and equipment</b>				
Freehold lands	13,624,813	-	-	13,624,813
Buildings	198,420,468	4,238,130	-	202,658,599
Computers	7,631,523	1,352,221	673,799	8,309,945
Office equipment	13,500,330	517,708	-	14,018,038
Electrical Installations	24,966,375	1,325,674	-	26,292,050
Furniture and fixtures	3,185,015	47,000	-	3,232,015
Vehicles	19,908,326	1,746,342	6,557,769	15,096,898
Plant and machinery	893,611,360	2,820,195	116,388	896,315,167
Other Assets	1,934,760	41,000	-	1,975,760
<b>Total</b>	<b>1,176,782,971</b>	<b>12,088,271</b>	<b>7,347,956</b>	<b>1,181,523,286</b>
<b>B. Capital work-in-progress</b>	<b>-</b>	<b>34,743</b>	<b>-</b>	<b>34,743</b>
<b>C. Intangible assets</b>				
Brand Software	100,000	-	-	100,000
HDL Website	-	319,500	-	319,500
BIG IP Firewall License	800,000	-	-	800,000
ERP Software	2,471,438	-	-	2,471,438
Fixed Asset Software	100,000	-	-	100,000
<b>Total</b>	<b>3,471,438</b>	<b>319,500</b>	<b>-</b>	<b>3,790,938</b>
<b>D. Right to use assets</b>	<b>14,734,828</b>	<b>-</b>	<b>8,655,454</b>	<b>6,079,374</b>

Amount in Bt

OPENING BALANCE	DEPRECIATION		CARRYING AMOUNT		
	FOR THE YEAR	ON WITHDRAWALS AND ADJUSTMENTS	UP TO ASHAD 31, 2081 (JULY 15, 2024)	AS AT ASHAD 31, 2081 (JULY 15, 2024)	AS AT ASHAD 31, 2080 (JULY 15, 2023)
-	-	-	-	34,208,574	13,624,813
-	45,935	-	45,935	4,324,622	-
98,548,222	7,723,177	1,425,271	104,846,127	97,398,051	104,110,377
5,259,481	1,174,516	184,664	6,249,333	7,448,475	3,050,465
10,951,930	1,090,293	3,198,724	8,843,496	5,223,030	3,066,108
20,732,457	1,217,011	281,480	21,667,989	4,805,068	5,559,592
2,787,007	138,249	-	2,925,256	3,332,256	445,008
10,221,933	2,176,726	4,683,801	7,714,857	23,522,308	4,874,966
572,473,524	36,461,383	1,887,037	607,047,870	304,467,101	323,841,644
1,936,912	13,447	47,218	1,993,140	158,399	38,849
<b>722,911,464</b>	<b>50,040,737</b>	<b>11,708,195</b>	<b>761,244,005</b>	<b>484,887,884</b>	<b>458,611,822</b>
-	-	-	-	<b>311,430,554</b>	<b>34,743</b>
99,999	-	-	99,999	1	1
-	1,068	-	1,068	73,932	-
-	16,438	-	16,438	223,562	-
175	63,900	-	64,075	255,425	319,325
160,437	160,000	-	320,437	479,563	639,563
2,471,433	-	-	2,471,433	4	4
52,630	20,000	-	72,630	27,370	47,370
<b>2,784,674</b>	<b>261,406</b>	-	<b>3,046,081</b>	<b>1,059,857</b>	<b>1,006,263</b>
<b>3,963,135</b>	<b>1,890,963</b>	-	<b>5,854,098</b>	<b>12,635,108</b>	<b>2,116,239</b>

OPENING BALANCE	DEPRECIATION		CARRYING AMOUNT		
	FOR THE YEAR	ON WITHDRAWALS AND ADJUSTMENTS	UP TO ASHAD 31, 2081 (JULY 15, 2024)	AS AT ASHAD 31, 2081 (JULY 15, 2024)	AS AT ASHAD 31, 2080 (JULY 15, 2023)
-	-	-	-	13,624,813	13,624,813
90,364,575	8,183,647	-	98,548,222	104,110,377	108,055,894
5,181,767	751,510	673,797	5,259,481	3,050,465	2,449,756
9,603,504	1,348,425	-	10,951,930	3,066,108	3,896,825
19,109,722	1,622,735	-	20,732,457	5,559,592	5,856,653
2,658,158	128,849	-	2,787,007	445,008	526,857
13,502,042	2,015,675	5,295,785	10,221,933	4,874,966	6,406,284
536,946,665	35,547,605	20,747	572,473,524	323,841,644	356,664,694
1,932,866	4,046	-	1,936,912	38,849	1,894
<b>679,299,300</b>	<b>49,602,492</b>	<b>5,990,328</b>	<b>722,911,464</b>	<b>458,611,822</b>	<b>497,483,671</b>
-	-	-	-	<b>34,743</b>	-
99,999	-	-	99,999	1	1
-	175	-	175	319,325	-
437	160,000	-	160,437	639,563	799,563
2,471,433	-	-	2,471,433	4	4
32,630	20,000	-	52,630	47,370	67,370
<b>2,604,500</b>	<b>180,175</b>	-	<b>2,784,674</b>	<b>1,006,263</b>	<b>866,938</b>
<b>3,257,722</b>	<b>705,413</b>	-	<b>3,963,135</b>	<b>2,116,239</b>	<b>11,477,106</b>

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Amount in Rs.

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
<b>4. INVESTMENTS</b>				
<b>INVESTMENTS IN EQUITY INSTRUMENTS</b>				
In subsidiary (at cost unless otherwise stated)				
Himalayan Fisheries Limited (811,000 nos. of ordinary shares of Rs. 100 each, fully paid up)			81,100,000	81,100,000
Himalayan Multi Agro Limited (500,000 nos. of ordinary shares of Rs. 100 each, Rs. 40 paid up)			20,000,000	20,000,000
<b>Total</b>			<b>101,100,000</b>	<b>101,100,000</b>
<b>4.5. ADVANCE FOR INVESTMENT</b>				
Advance for Investment in Himalayan Multi Agro Ltd (500,000 nos. of ordinary shares of Rs. 100 each, Rs. 20 advance for share)			10,000,000	-
<b>Total</b>			<b>10,000,000</b>	<b>-</b>
<b>4/6. OTHER ASSETS</b>				
<b>NON-CURRENT</b>				
Advance for property, plant and equipment	6,166,582	5,260,917	6,166,582	5,260,917
Deposits with statutory authorities - for appeals	37,548,142	37,548,142	37,548,142	37,548,142
<b>Total</b>	<b>43,714,724</b>	<b>42,809,060</b>	<b>43,714,724</b>	<b>42,809,060</b>
<b>CURRENT</b>				
Advance for goods and services	1,447,250	3,648,327	1,447,250	3,648,327
Employee advances	253,289	522,248	253,289	522,248
Advance with statutory authorities	37,468,310	65,857,122	37,468,310	65,857,122
Prepaid expenses	7,048,366	3,825,756	7,048,366	3,825,756
Others	41,155,016	25,711,067	41,155,016	29,935,887
<b>Total</b>	<b>87,372,232</b>	<b>99,564,519</b>	<b>87,372,232</b>	<b>103,789,339</b>

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Amount in Rs.

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
<b>5/7. INVENTORIES</b>				
At lower of cost and net realisable value				
Raw materials	103,217,951	104,632,084	103,217,951	104,632,084
Packing and other materials	61,506,268	125,358,419	61,506,268	125,358,419
Semi finished goods	28,342,464	41,206,831	28,342,464	41,206,831
Finished goods	103,995,910	153,471,123	103,995,910	153,471,123
Stores and consumables	25,634,200	22,379,531	25,634,200	22,379,531
Promotional materials	3,458,234	176,262	3,458,234	176,262
<b>Total</b>	<b>326,155,027</b>	<b>447,224,251</b>	<b>326,155,027</b>	<b>447,224,251</b>
<b>6/8. TRADE RECEIVABLES</b>				
Unsecured, considered good	216,303	1,962,176,573	216,303	1,962,176,573
<b>Total</b>	<b>216,303</b>	<b>1,962,176,573</b>	<b>216,303</b>	<b>1,962,176,573</b>
<b>7/9. CASH AND CASH EQUIVALENTS</b>				
Cash on hand	57,163	83,166	55,555	81,958
Balances with banks				
In current accounts	1,240,002,958	470,018,608	1,239,147,370	469,509,358
<b>Total</b>	<b>1,240,060,121</b>	<b>470,101,773</b>	<b>1,239,202,925</b>	<b>469,591,315</b>
<b>8/10. OTHER BANK BALANCES</b>				
Fixed Deposits with banks	1,000,000,000	75,000,000	1,000,000,000	75,000,000
Dividend Account with banks	-	1,456,007	-	1,456,007
<b>Total</b>	<b>1,000,000,000</b>	<b>76,456,007</b>	<b>1,000,000,000</b>	<b>76,456,007</b>
<b>9/11. OTHER FINANCIAL ASSETS</b>				
Margin deposits	5,830,758	3,569,287	5,830,758	3,569,287
Sundry deposits	8,587,787	823,201	8,587,787	823,201
Forward Contract	70,067	-	70,067	-
<b>Total</b>	<b>14,488,612</b>	<b>4,392,488</b>	<b>14,488,612</b>	<b>4,392,488</b>

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Amount in Rs.

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
<b>10/12. SHARE CAPITAL</b>				
<b>Authorised</b>				
(2080-81: 230000,000 nos. of ordinary shares of Rs. 100 each)	3,000,000,000	2,500,000,000	3,000,000,000	2,500,000,000
(2079-80: 25,000,000 nos. of ordinary shares of Rs. 100 each)				
<b>Issued</b>				
(2080-81: 26,725,233.15 nos. of ordinary shares of Rs. 100 each)	2,672,523,315	2,429,566,650	2,672,523,315	2,429,566,650
(2079-80: 24,295,666.50 nos. of ordinary shares of Rs. 100 each)				
<b>Subscribed and paid up</b>				
(2080-81: 26,725,233.15 nos. of ordinary shares of Rs. 100 each)	2,672,523,315	2,429,566,650	2,672,523,315	2,429,566,650
(2079-80: 24,295,666.50 nos. of ordinary shares of Rs. 100 each)				
<b>Total</b>	<b>2,672,523,315</b>	<b>2,429,566,650</b>	<b>2,672,523,315</b>	<b>2,429,566,650</b>
<b>a. Reconciliation of number of shares outstanding:</b>				
At the beginning of the year	24,295,666.50	15,184,791.56	24,295,666.50	15,184,791.56
Add: shares issued during the year	-	-	-	-
Add: bonus shares issued during the year	2,429,566.65	9,110,874.94	2,429,566.65	9,110,874.94
<b>At the end of the year</b>	<b>26,725,233.15</b>	<b>24,295,666.50</b>	<b>26,725,233.15</b>	<b>24,295,666.50</b>

### b. Rights, preference and restrictions attached to equity shares:

The Company 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

Amount in Bx

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
<b>11/13. RESERVES AND SURPLUS</b>				
Retained earnings	603,450,963	854,668,290	682,894,227	925,237,160
<b>Total</b>	<b>603,450,963</b>	<b>854,668,290</b>	<b>682,894,227</b>	<b>925,237,160</b>
<b>12/14. BORROWINGS</b>				
<b>NON-CURRENT</b>				
Due to banks				
Term loan	-	-	-	-
Less: current maturities of term loan	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CURRENT</b>				
Due to banks				
Short term and demand loan	-	-	-	-
Bank overdraft	-	-	-	-
Current maturities of term loan	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>13/15. LEASE PAYABLES</b>				
<b>NON-CURRENT</b>				
Lease Payables	13,686,577	2,421,084	13,686,577	2,421,084
Less: current maturities of lease payables	(1,281,373)	(678,287)	(1,281,373)	(678,287)
<b>Total</b>	<b>12,405,204</b>	<b>1,742,797</b>	<b>12,405,204</b>	<b>1,742,797</b>
<b>CURRENT</b>				
Current maturities of lease payables	1,281,373	678,287	1,281,373	678,287
<b>Total</b>	<b>1,281,373</b>	<b>678,287</b>	<b>1,281,373</b>	<b>678,287</b>

Amount in Bx

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
<b>14/16. DEFERRED TAX LIABILITIES (NET)</b>				
Deferred tax liabilities				
On property, plant and equipment	31,115,544	32,996,402	31,115,544	32,996,402
On Right to use assets	3,221,953	539,641	3,221,953	539,641
On Forward Contract	17,867	-	17,867	-
	<b>34,355,364</b>	<b>33,536,043</b>	<b>34,355,364</b>	<b>33,536,043</b>
Deferred tax assets				
On Derivative Financial Liability	45,480	-	45,480	-
On corporate social responsibility	1,876,315	3,096,329	1,876,315	3,096,329
On Lease Liability	3,490,077	617,376	3,490,077	617,376
	<b>5,411,872</b>	<b>3,713,705</b>	<b>5,411,872</b>	<b>3,713,705</b>
<b>Total</b>	<b>28,943,492</b>	<b>29,822,338</b>	<b>28,943,492</b>	<b>29,822,338</b>

## MOVEMENT IN DEFERRED TAX LIABILITIES / (ASSETS) BALANCES

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

Amount in ₹

	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
<b>Deferred tax liabilities</b>								
On property, plant and equipment	32,996,402	(1,880,858)	-	31,115,544	32,996,402	(1,880,858)	-	31,115,544
On right to use Assets	539,641	2,682,312	-	3,221,953	539,641	2,682,312	-	3,221,953
On Forward Contract	-	17,867	-	17,867	-	17,867	-	17,867
<b>Total deferred tax liabilities</b>	<b>33,536,043</b>	<b>819,321</b>	<b>-</b>	<b>34,355,364</b>	<b>33,536,043</b>	<b>819,321</b>	<b>-</b>	<b>34,355,364</b>
<b>Deferred tax (assets)</b>								
On Derivative Financial Liability	-	(45,480)	-	(45,480)	-	(45,480)	-	(45,480)
On corporate social responsibility	(3,096,329)	1,220,014	-	(1,876,315)	(3,096,329)	1,220,014	-	(1,876,315)
On Lease Liability	(617,376)	(2,872,701)	-	(3,490,077)	(617,376)	(2,872,701)	-	(3,490,077)
<b>Total deferred tax (assets)</b>	<b>(3,713,705)</b>	<b>(1,698,167)</b>	<b>-</b>	<b>(5,411,872)</b>	<b>(3,713,705)</b>	<b>(1,698,167)</b>	<b>-</b>	<b>(5,411,872)</b>
<b>Deferred tax liabilities - Net</b>	<b>29,822,338</b>	<b>(878,846)</b>	<b>-</b>	<b>28,943,492</b>	<b>29,822,338</b>	<b>(878,846)</b>	<b>-</b>	<b>28,943,492</b>

b. For the year ended Ashad 31, 2080 (July 16, 2023)

Amount in ₹

	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
<b>Deferred tax liabilities</b>								
On property, plant and equipment	35,518,268	(2,521,866)	-	32,996,402	35,518,268	(2,521,866)	-	32,996,402
On right to use Assets	2,926,662	(2,387,021)	-	539,641	2,926,662	(2,387,021)	-	539,641
<b>Total deferred tax liabilities</b>	<b>38,444,930</b>	<b>(4,908,887)</b>	<b>-</b>	<b>33,536,043</b>	<b>38,444,930</b>	<b>(4,908,887)</b>	<b>-</b>	<b>33,536,043</b>
<b>Deferred tax (assets)</b>								
On Derivative Financial Liability	(172,791)	172,791	-	-	(172,791)	172,791	-	-
On corporate social responsibility	(2,753,585)	(342,744)	-	(3,096,329)	(2,753,585)	(342,744)	-	(3,096,329)
On Lease Liability	(3,121,039)	2,503,663	-	(617,376)	(3,121,039)	2,503,663	-	(617,376)
<b>Total deferred tax (assets)</b>	<b>(6,047,415)</b>	<b>2,333,710</b>	<b>-</b>	<b>(3,713,705)</b>	<b>(6,047,415)</b>	<b>2,333,710</b>	<b>-</b>	<b>(3,713,705)</b>
<b>Deferred tax liabilities - Net</b>	<b>32,397,515</b>	<b>(2,575,177)</b>	<b>-</b>	<b>29,822,338</b>	<b>32,397,515</b>	<b>(2,575,177)</b>	<b>-</b>	<b>29,822,338</b>

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Amount in Bx

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
<b>15/17. TRADE PAYABLES</b>				
Trade payables for goods and services	30,699,488	115,303,794	30,699,488	115,303,794
<b>Total</b>	<b>30,699,488</b>	<b>115,303,794</b>	<b>30,699,488</b>	<b>115,303,794</b>
<b>16/18. OTHER FINANCIAL LIABILITIES</b>				
<b>CURRENT</b>				
Payable for property, plant and equipment	45,240,018	3,396,577	45,240,018	3,396,577
Employee benefits payable	9,921,416	11,017,737	9,921,416	11,017,737
Payable to provident and other funds	2,160,485	2,051,863	2,160,485	2,051,863
Others	13,306,146	3,104,432	8,901,158	3,059,233
<b>Total</b>	<b>70,628,065</b>	<b>19,570,609</b>	<b>66,223,077</b>	<b>19,525,410</b>
<b>17/19. OTHER LIABILITIES</b>				
<b>CURRENT</b>				
Advance collected from customers	30,988,314	140,591	30,988,314	140,591
Statutory dues	4,292,672	4,748,664	4,289,270	4,748,664
Employees' bonus	55,119,692	99,337,485	55,119,692	99,337,485
Staff Welfare Fund	1,971,836	1,376,762	1,971,836	1,376,762
Unpaid dividend	36,430,086	25,715,934	36,430,086	25,715,934
Corporate social responsibility	7,358,099	12,142,466	7,358,099	12,142,466
<b>Total</b>	<b>136,160,599</b>	<b>143,461,902</b>	<b>136,157,297</b>	<b>143,461,902</b>
<b>18/20. CURRENT TAX LIABILITIES / ADVANCE INCOME TAX (NET)</b>				
Provision for income tax	130,270,079	230,655,503	130,270,079	230,655,503
Less: advance tax	(129,134,326)	(226,685,740)	(129,134,326)	(226,685,740)
<b>Total</b>	<b>1,135,753</b>	<b>3,969,763</b>	<b>1,135,753</b>	<b>3,969,763</b>
<b>19/21. GROSS REVENUE FROM OPERATIONS</b>				
Local sales	4,137,643,332	5,578,926,968	4,137,643,332	5,578,926,968
Export sales	-	-	-	-
Royalty income	17,593,662	75,861,030	17,593,662	75,861,030
<b>Total</b>	<b>4,155,236,993</b>	<b>5,654,787,998</b>	<b>4,155,236,993</b>	<b>5,654,787,998</b>
<b>20/22. COST OF GOODS SOLD</b>				
Raw materials consumed	335,654,958	595,329,428	335,654,958	595,329,428
Packing and auxiliary materials consumed	318,318,522	445,366,573	318,318,522	445,366,573
Purchase of Stock-in-trade	-	-	-	-
Cost of raw material sold	20,737,969	81,129,914	20,737,969	81,129,914
Change in semi finished goods and finished goods				
<b>Opening stock</b>				
Semi finished goods	41,206,831	4,316,644	41,206,831	4,316,644
Finished goods	153,471,123	100,564,476	153,471,123	100,564,476
<b>Total</b>	<b>194,677,954</b>	<b>104,881,120</b>	<b>194,677,954</b>	<b>104,881,120</b>

Contd.

Contd.

Amount in Rs.

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
Closing stock				
Semi finished goods	28,342,464	41,206,831	28,342,464	41,206,831
Finished goods	103,995,910	153,471,123	103,995,910	153,471,123
	<b>132,338,374</b>	<b>194,677,954</b>	<b>132,338,374</b>	<b>194,677,954</b>
<b>Total change in semi finished goods and finished goods</b>	<b>62,339,580</b>	<b>(89,796,834)</b>	<b>62,339,580</b>	<b>(89,796,834)</b>
<b>Total</b>	<b>737,051,029</b>	<b>1,032,029,081</b>	<b>737,051,029</b>	<b>1,032,029,081</b>
<b>21/23. MANUFACTURING EXPENSES</b>				
Power and fuel	6,160,907	5,293,711	6,160,907	5,293,711
Blending and distillation charges	88,682,557	121,748,626	88,682,557	121,748,626
Repair and maintenance	10,747,483	18,512,290	10,747,483	18,512,290
Wages and service charges	15,566,100	21,512,467	15,566,100	21,512,467
Other expenses	-	1,954,222	-	1,954,222
<b>Total</b>	<b>121,157,047</b>	<b>169,021,316</b>	<b>121,157,047</b>	<b>169,021,316</b>
<b>22/24. EMPLOYEE BENEFITS EXPENSES</b>				
Salary and allowances	114,261,306	112,594,115	114,261,306	112,594,115
Contribution to provident fund and social security fund	11,849,880	10,916,535	11,849,880	10,916,535
Staff welfare expenses	4,690,120	4,226,630	4,690,120	4,226,630
Earned leave	4,112,598	3,791,630	4,112,598	3,791,630
Employees' bonus	55,119,692	99,337,485	55,119,692	99,337,485
<b>Total</b>	<b>190,033,598</b>	<b>230,866,395</b>	<b>190,033,598</b>	<b>230,866,395</b>
<b>23/25. ADMINISTRATION AND OTHER EXPENSES</b>				
Annual general meeting expenses	412,626	390,346	412,626	390,346
Repair and maintenance	6,161,824	7,189,579	6,161,824	7,189,579
Office expenses	2,782,218	3,802,946	2,780,554	3,800,034
Travelling and conveyance	4,027,247	3,653,918	4,027,247	3,653,918
Charity and donations	203,535	151,011	203,535	151,011
Corporate social responsibility expenses	3,650,487	6,605,238	3,650,487	6,605,238
Audit fees	495,200	495,200	450,000	450,000
Rent	1,174,800	3,331,545	1,174,800	3,331,545
Rates and taxes	12,996,955	7,446,418	12,861,387	7,311,218
Power and fuel	6,095,564	9,373,380	6,095,564	9,373,380
Meeting fees	1,595,000	1,167,000	1,595,000	1,167,000
Communication, postage and courier	3,521,022	1,977,091	3,508,221	1,954,691
Printing and stationery	829,741	1,121,779	829,741	1,121,779
Professional fees	3,537,433	5,556,460	3,520,033	5,542,460
Training expenses	866,429	136,842	866,429	136,842
Security and other service expenses	10,726,701	10,766,768	10,726,701	10,766,768
Insurance	5,337,130	5,254,478	5,337,130	5,254,478
Bank charges	635,301	1,908,522	635,301	1,908,522
Guest entertainment	1,967,952	2,088,603	1,967,952	2,088,603
Laboratory and sample expenses	414,324	798,655	414,324	798,655
Foreign exchange loss	22,437	396,108	22,437	396,108

Contd.

Contd.

Amount in Rs

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
Exchange loss on forward contract	108,285	43,525	108,285	43,525
Asset Write Off	4,372,141	-	4,372,141	-
<b>Total</b>	<b>71,734,352</b>	<b>73,655,411</b>	<b>71,521,720</b>	<b>73,435,700</b>
<b>24/26. SELLING AND DISTRIBUTION EXPENSE</b>				
Trade promotion	254,183,910	269,907,640	254,183,910	269,907,640
Marketing promotion	167,807,425	204,608,825	167,807,425	204,608,825
Insurance	288,292	642,836	288,292	642,836
Delivery expense	56,224,004	51,474,421	56,224,004	51,474,421
<b>Total</b>	<b>478,503,632</b>	<b>526,633,722</b>	<b>478,503,632</b>	<b>526,633,722</b>
<b>25/27. OTHER OPERATING INCOME</b>				
Rent Income	60,000	60,000	60,000	60,000
Gain/(loss) on sale of property, plant and equipment (net)	975,174	718,865	9,636,935	718,865
Gain/(loss) on Disposal of Right to Use Assets	-	598,968	-	598,968
Interest Income	54,666,800	8,715,183	54,666,800	8,715,183
Other income	2,020,286	415,356	2,020,286	415,356
<b>Total</b>	<b>57,722,260</b>	<b>10,508,372</b>	<b>66,384,021</b>	<b>10,508,372</b>
<b>26/28. FINANCE COSTS</b>				
Interest expense:				
On borrowing from banks measured at amortised cost:				
On term loan	-	-	-	-
On short term and working capital loan	14,623	4,253,048	14,623	4,253,048
On Lease Liability	1,329,033	257,257	1,329,033	257,257
<b>Total</b>	<b>1,343,656</b>	<b>4,510,304</b>	<b>1,343,656</b>	<b>4,510,304</b>
<b>27/29. TAX EXPENSES</b>				
<b>A. AMOUNT RECOGNISED IN PROFIT OR LOSS</b>				
Current tax				
Income tax for the year	130,270,079	230,655,503	130,270,079	230,655,503
Income tax related to previous years	1,637,269	5,433,212	1,637,269	5,433,212
Total current tax	131,907,348	236,088,715	131,907,348	236,088,715
Deferred tax				
Deferred tax for the year	(878,846)	(2,575,177)	(878,846)	(2,575,177)
<b>Total deferred tax</b>	<b>(878,846)</b>	<b>(2,575,177)</b>	<b>(878,846)</b>	<b>(2,575,177)</b>
<b>Total</b>	<b>131,028,502</b>	<b>233,513,538</b>	<b>131,028,502</b>	<b>233,513,538</b>
<b>B. AMOUNT RECOGNISED IN OTHER COMPREHENSIVE INCOME</b>				
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	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Contd.

Contd.

Amount in Rs

DESCRIPTIONS	GROUP		COMPANY	
	AS AT	AS AT	AS AT	AS AT
	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
<b>C. RECONCILIATION OF INCOME TAX EXPENSE AND ACCOUNTING PROFIT</b>				
Profit before tax	487,202,838	893,817,658	496,077,231	894,037,369
Income tax at the applicable rate of 25.50%	124,236,724	227,913,615	126,499,694	227,979,529
Tax effect of amounts which are not deductible / (included) in calculating taxable income:				
Non-deductible expense	3,763,300	2,675,974	3,770,385	2,675,974
Taxable loss not recognised		65,914		
Taxable Gain not recognized	2,208,749			
Interest paid	54,221		-	
<b>Income tax recognised in profit or loss</b>	<b>130,262,994</b>	<b>230,655,503</b>	<b>130,270,079</b>	<b>230,655,503</b>

**28/30. 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	356,174,336	660,304,119	365,048,730	660,523,830
Weighted average number of shares	26,725,233	24,295,667	26,725,233	24,295,667
Basic and diluted earnings per share	13.33	27.18	13.66	27.19

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	-	660,304,119	-	660,523,830
Weighted average number of shares	-	26,725,233	-	26,725,233
Restated Basic and diluted earnings per share	-	24.71	-	24.72

**29. 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 31, 2081 (JULY 15, 2024)	AS AT ASHAD 31, 2080 (JULY 16, 2023)
Himalayan Multi Argo Ltd.	100	100
Himalayan Fisheries Ltd.	100	100

### 30. Dividend

For The Year Asadh 31,2081, (July 15,2024), the board of directors proposed for dividend of 20% of the paid-up share capital amounting to Rs. Rs. 534,504,663 which consists of 15% bonus shares amounting to Rs. 400,878,497.25 and 5% final cash dividend amounting to Rs. 133,626,165.75 (inclusive of dividend tax).

For the Year Ashadh 31,2080, (July 16,2023), the board of directors proposed for dividend of 25% of the paid-up share capital amounting to Rs. 607,391,662.50 which consists of 10% bonus shares amounting to Rs. 242,956,665.00 and 15% final cash dividend amounting to Rs. 364,434,997.50 (inclusive of dividend tax).

### 31. Non-current assets classified as held for sale.

The Group has not classified any assets as held for sale in the current fiscal year.

### 32. 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 31, 2081 (JULY 15, 2024)		AS AT ASHAD 31, 2080 (JULY 16, 2023)	
	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
<b>Financial assets</b>				
<b>Measured at amortized cost</b>				
Trade receivables	2,16,303	2,16,303	1,962,176,573	1,962,176,573
Cash and cash equivalents & other Bank Balances	2,24,00,60,121	2,24,00,60,121	546,557,780	546,557,780
Other Financial Asset	1,44,88,612	1,44,88,612	43,92,488	43,92,488
<b>Total financial assets</b>	<b>2,25,47,65,035</b>	<b>2,25,47,65,035</b>	<b>2,51,31,26,841</b>	<b>2,51,31,26,841</b>
<b>Financial liabilities – measured at amortized cost</b>				
Borrowings	-	-	-	-
Lease payables	1,36,86,577	1,36,86,577	2,421,083	2,421,083
Trade payables	3,06,99,488	3,06,99,488	115,303,794	115,303,794
Other financial liabilities	7,06,28,065	7,06,28,065	1,95,70,609	1,95,70,609
<b>Total financial liabilities</b>	<b>11,50,14,129</b>	<b>11,50,14,129</b>	<b>13,72,95,487</b>	<b>13,72,95,487</b>

#### 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 short-term/demand loan with variable interest rates. The balance of term loans at the end of the year is Rs. Nil (2079-80: Rs. Nil) and short-term and demand loan is Rs. Nil (2079-80: 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 96 (2079-80: Rs. 1,69,306).

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. 2,66,82,92,295 (2079-80: Rs. 3,05,99,15,611) including cash and cash equivalent and other bank balances of Rs. 2,24,00,60,121 (2079-80: Rs. 54,65,57,780) against the aggregate current liabilities of Rs. 23,98,98,292 (2079-80: Rs. 28,29,84,354) including term loan maturing within one year from the reporting date of Rs. Nil (2079-80: Rs. Nil).

Further the Group has access to undrawn borrowing facilities from banks of Rs. 375,000,000 (2079-80: Rs. 375,000,000) 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. NIL (2079-80: Rs. NIL).

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 taking into account 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 31, 2080 (JULY 16, 2023)	AS AT ASHAD 32, 2079 (JULY 16, 2022)
<b>Financial liabilities</b>			
<b>Measured at amortized cost</b>			
Borrowings	3		
Lease payables	3	1,36,86,577	24,21,083
<b>Total financial liabilities</b>		<b>1,36,86,577</b>	<b>24,21,083</b>



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 the 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 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.

### 33. Related party disclosures

Names of related parties and description of relationship

#### a. Subsidiary

- Himalayan Multi Agro Limited (100%)
- Himalayan Fisheries Limited (100%)

#### b. 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.
- Asari 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.

#### c. Key management personnel

- |                                |                         |
|--------------------------------|-------------------------|
| ■ Mr. Akhileshwor Prasad Singh | Chairman                |
| ■ Mr. Narendra Kumar Basnyat   | Director                |
| ■ Mr. Shanker Raj Pandey       | Director                |
| ■ Mr. Santoo Shrestha          | Director                |
| ■ Mrs. Yankeela (Sherpa) Ruit  | Director                |
| ■ Mr. Prakashmani Ghimire      | Independent Director    |
| ■ Mr. Niraj Subedi             | Chief Executive Officer |

## Summary of the transactions with related parties

	Amount in Rs.	
	FOR THE YEAR ENDED	
	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
<b>Sale of goods</b>		
JGI Distribution Pvt. Ltd.	4,34,78,87,831	5,501,923,577
Rolling River Distillers Pvt. Ltd.	9,82,34,606	289,816,362
Food & Beverage Technology Research Centre Pvt. Ltd.	-	92,886
Vijay Distillery Pvt. Ltd.	19,90,80,869	472,852,116
<b>Purchase of goods</b>		
Rolling River Distillers Pvt. Ltd.	23,55,101	18,878
Food & Beverage Technology Research Centre Pvt. Ltd.	15,49,18,103	261,638,804
Vijay Distillery Pvt. Ltd.	-	2,711,785
<b>Purchase of services</b>		
Food & Beverage Technology Research Centre Pvt. Ltd.	10,01,95,385	137,069,944
JGI Distribution Pvt. Ltd.	38,36,09,000	370,274,415
<b>Royalty Income</b>		
Rolling River Distillers Pvt. Ltd.	1,66,83,730	44,681,906
Vijay Distillery Pvt. Ltd.	31,97,107	41,041,058
<b>Sale of Property, Plant &amp; Equipment</b>		
Vijay Distillery Pvt. Ltd.	71,534	131,520
Himalayan Multi Agro Limited	93,00,000	
Food & Beverage Technology Research Centre Pvt. Ltd.	81,360	
<b>Reimbursement of Expenses</b>		
JGI Distribution Pvt. Ltd.	3,12,46,727	34,769,734
<b>Advance Given</b>		
Himalayan Multi Agro Limited (HMAL)	1,26,396	1,27,689
Advance For Share – HMAL	1,00,00,000	-
Himalayan Fisheries Limited	9,172	10,2340
<b>Purchase of Property Plant &amp; Equipment</b>		
Vijay Distillery (P) Ltd.	4,52,000	-
<b>Dividend Paid</b>		
Food & Beverage Technology Research Centre Pvt. Ltd.	8,97,41,925	157,048,369
Majestic Ventures Pvt. Ltd.	1,46,47,500	25,633,125
R & R Suppliers Pvt. Ltd.	7,22,49,975	126,437,455

## Summary of the transactions with related parties

	Amount in Rs.	
	FOR THE YEAR ENDED	
	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 31, 2080 (JULY 16, 2023)
<b>Trade receivables</b>		
JGI Distribution Pvt. Ltd.	(30,482,281)	1,960,892,905
Rolling River Distillers Pvt. Ltd.	-	-
Jawalakhei Group of Industries Pvt. Ltd.	-	-
Food & Beverage Technology Research Centre Pvt. Ltd.	-	(65,012,207)
Vijay Distillery Pvt. Ltd.	-	-
<b>Advances</b>		
Himalayan Multi Agro Limited	24,02,224	22,75,828
Himalayan Fisheries Limited	19,58,164	19,48,992

## Transaction with key management personnel

Meeting fees paid to chairman and directors during the year amount to Rs. 15,95,000 (2079-80: Rs. 11,67,000). Cash Dividend of Rs 1,775,340 (2079-80: 7,39,725) and dividend in the form of bonus shares amounting to Rs 1,183,560 (2079-80: Rs. 44,38,350) were also paid during the year.

Meeting fees paid to Independent Director during the year amount to Rs 2,40,000 (2079-80: Rs. 185,000).

#### Salary and Allowance to related/key management persons

Amount in Rs.

NAMES	SALARY AND OTHER BENEFITS
Mr. Niraj Subedi (CEO)	72,25,799

### 34. Commitment and contingencies

#### a. Capital Commitment

Amount for contracts remaining to be executed on capital account as on Ashad 31, 2081 (July 15, 2024) Rs. 44,685,748.37 (2079-80: Rs. Nil).

#### b. Contingent liabilities

The company has received a demand for additional income tax from the Large Taxpayers' Office for the financial years 2062-63 and 2074-75, amounting to Rs. 88,822,492 (2079-80: Rs. 96,141,554), and additional VAT for the financial years 2058-59 and 2068-69, amounting to Rs. 30,458,825 (2079-80: Rs. 32,504,824). These matters are under legal proceedings with the relevant authorities. The company has deposited Rs. 37,548,142 (2079-80: Rs. 37,548,142) as part of the appeals for these cases. However, if the decisions are not in favor of the company, additional fines and interest may be charged on these amounts.

During the year, the company has made provisions of Rs. 7,319,062 and Rs. 355,627 against income tax and VAT respectively, as per the verdicts of Honorable Supreme Court for the fiscal year 2061-62. However, the company has not provisioned for potential interest and fines that could arise on these amounts.

Additionally, the company has received an order from the Labor Court for the payment of compensation to laborers, with the estimated amount being Rs. 14,269,885. However, the company has obtained a stay order from the Honorable Supreme Court. Furthermore, two laborers have filed petitions against their termination from employment in the Labor Court; the liability against these petitions has not been estimated.

Amount in Rs.

NATURE	FISCAL YEAR	AUTHORITY	ASHAD 31, 2081 (15, JULY 2024)		ASHAD 31, 2080 (16, JULY 2023)	
			CONTINGENT LIABILITIES AS PER ASSESSMENT ORDER (RS.)	DEPOSIT FOR APPEAL (RS.)	CONTINGENT LIABILITIES AS PER ASSESSMENT ORDER (RS.)	DEPOSIT FOR APPEAL (RS.)
VAT	2058/59	Supreme Court	291,696	97,232	291,696	97,232
VAT	2061/62	Supreme Court	-	1,023,000	2,045,999	1,023,000
VAT	2068/69	Inland Revenue Department	30,167,129	12,056,000	30,167,129	12,056,000
Excise	2061/62	Supreme Court	-	2,777,779	-	2,777,779
Income Tax	2061/62	Supreme Court	-	3,659,531	7,319,062	3,659,531
Income Tax	2062/63	Supreme Court	1,159,150	579,620	1,159,150	579,620
Income Tax	2074/75	Inland Revenue Department	87,663,342	17,355,000	87,663,342	17,355,000
Labor wage	2016 to Till Date	Parsa District Court	14,269,885	-	12,062,605	-
<b>Total</b>			<b>133,551,202</b>	<b>37,548,162</b>	<b>140,708,983</b>	<b>37,548,162</b>

### 35. Interim Reporting

Interim reports have been publicly reported for each public company in the group, in accordance with the requirement of SEBON and NEPSE. These requirements are materially aligned with the requirements of NAS 34. Consolidated interim results have not been published.

# G. Paudyal & Associates

Chartered Accountants

ICAN Regd. No.: 307

PAN : 602785567

5th Floor, Towa Tower

Teku, Kathmandu

Tel: 01-5333709

Website: www.gpa.com.np

Email: info.gpa@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 **31 Ashad 2081, (15 July, 2024)**, 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 **31 Ashad 2081 (15 July, 2024)** 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 31, 2081 (corresponding to July 15, 2024). 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 communicate 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 include 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 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 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 findings, 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.
- 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: 2071/06/18

For: G. Paudyal & Associates  
Chartered Accountants

  
CA Anoj Kumar Neupane  
Partner

*(Circular stamp: KATHMANDU, 2071, CA ANOJ KUMAR NEUPANE)*

**BALANCE SHEET** As on 31 Ashad, 2081 (15 July, 2024)

PARTICULAR	SCH	Amount in Rs.	
		CURRENT YEAR	PREVIOUS YEAR
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	1	30,679,000	21,100,000
Deferred Tax Assets		-	-
<b>Total Non-Current Assets</b>		<b>30,679,000</b>	<b>21,100,000</b>
<b>Current Assets</b>			
Cash & Cash Equivalents	2	822,138	438,269
<b>Trade &amp; Other Receivables</b>			
<b>Total Current Assets</b>		<b>822,138</b>	<b>438,269</b>
<b>Total Assets</b>		<b>31,501,138</b>	<b>21,538,269</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Share Capital	3	20,000,000	20,000,000
Share Application Money	4	10,000,000	-
Reserve & Surplus	5	(925,087)	(760,159)
<b>Total Equity</b>		<b>29,074,913</b>	<b>19,239,841</b>
<b>Current Liabilities</b>			
<b>Trade &amp; Other Payables</b>	6	<b>2,426,225</b>	<b>2,298,428</b>
<b>Total Current Liabilities</b>		<b>2,426,225</b>	<b>2,298,428</b>
<b>Total Equity &amp; Liabilities</b>		<b>31,501,138</b>	<b>21,538,269</b>

Significant Accounting Policies and Notes to Accounts 8

Schedule 1 to 8 form an integral part of the Financial Statements

As per our report of even date

.....  
**JEEVAN PANDAY**  
 FINANCE MANAGER

.....  
**SANTOO SHRESTHA**  
 DIRECTOR

.....  
**AKHILESHWAR P. SINGH**  
 CHAIRMAN

.....  
**PRAKASHMANI GHIMIRE**  
 DIRECTOR

.....  
**CA Anoj Rumar Neupane**  
 PARTNER  
**G. Paudyal & Associates**  
 Chartered Accountants

PLACE: Kathmandu  
 DATE: 4th October, 2024

**INCOME STATEMENT** For the year ended on 31 Ashad, 2081 (15 July, 2024)

PARTICULAR	SCH	Amount in Rs.	
		CURRENT YEAR	PREVIOUS YEAR
<b>Income</b>			
Sales Income		-	-
Less: Cost of Sales		-	-
<b>Gross Profit</b>		-	-
<i>Add:</i>			
Other Income		-	-
<i>Less:</i>			
Administrative Expenses	7	164,928	169,284
Financial Expenses		-	-
Depreciation Charges		-	-
<b>Profit Before Tax</b>		<b>(164,928)</b>	<b>(169,284)</b>
Current Tax		-	-
Deferred Tax		-	-
<b>Net Profit/(Loss) After Tax</b>		<b>(164,928)</b>	<b>(169,284)</b>

Significant Accounting Policies and Notes to Accounts 8  
 Schedule 1 to 8 form an integral part of the Financial Statements

As per our report of even date

.....  
**JEEVAN PANDAY**  
 FINANCE MANAGER

.....  
**SANTOO SHRESTHA**  
 DIRECTOR

.....  
**AKHILESHWAR P. SINGH**  
 CHAIRPERSON

.....  
**PRAKASHMANI GHIMIRE**  
 DIRECTOR

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

PLACE: Kathmandu  
 DATE: 4th October, 2024

## CASH FLOW STATEMENT

For the year ended on 21 Ashad, 2081 (15 July, 2024)

PARTICULAR	Amount in Rs.	
	CURRENT YEAR	PREVIOUS YEAR
<b>A. Cash Flow From Operating Activities</b>		
Net Profit/(Loss) after Tax	(164,928)	(169,284)
Add: Depreciation Charges	-	-
<b>Net Cash Flow Before Changes in Working Capital</b>	<b>(164,928)</b>	<b>(169,284)</b>
Interest Paid	-	-
Changes in Working Capital	127,797	126,029
<b>Net Cash Flow From Operating Activities</b>	<b>127,797</b>	<b>(43,255)</b>
<b>B. Cash Flow From Investing Activities</b>		
Sales of Fixed Assets	-	-
Purchase of Fixed Assets	(9,579,000)	-
<b>Net Cash Flow From Investing Activities</b>	<b>(9,579,000)</b>	<b>-</b>
<b>C. Cash Flow From Financing Activities</b>		
Increase/(Decrease) in Share Capital	-	-
Increase/(Decrease) in Advance for Share Capital	10,000,000	-
Increase/(Decrease) in Bank Loans	-	-
<b>Net Cash Flow From Financing Activities</b>	<b>10,000,000</b>	<b>-</b>
<b>Net Cash Flow</b>	<b>383,869</b>	<b>(43,255)</b>
Add: Opening Cash & Bank Balance	438,269	481,524
<b>Closing Cash &amp; Bank Balance</b>	<b>822,138</b>	<b>438,269</b>

Significant Accounting Policies and Notes to Accounts 8

Schedule 1 to 8 form an integral part of the Financial Statements

As per our report of even date

\_\_\_\_\_  
JEEVAN PANDAY  
FINANCE MANAGER

\_\_\_\_\_  
SANTOO SHRESTHA  
DIRECTOR

\_\_\_\_\_  
AKHILESHWAR P. SINGH  
CHAIRPERSON

\_\_\_\_\_  
PRAKASHMANI GHIMIRE  
DIRECTOR

\_\_\_\_\_  
CA Anoj Kumar Neupane  
PARTNER  
G. Paudyal & Associates  
Chartered Accountants

PLACE: Kathmandu  
DATE: 4th October, 2024



**STATEMENT OF CHANGES IN EQUITY** For the Year Ended Ashad 31, 2081 (July 15, 2024)

PARTICULARS	EQUITY SHARE	SHARE APPLICATION MONEY	REVALUATION RESERVE	ACCUMULATED PROFIT/(LOSS)	Amount in Rs
					TOTAL
Balance As on 32.03.2079	20,000,000	-	-	(590,875)	19,409,125
Profit / ( Loss ) for the year	-	-	-	(169,284)	(169,284)
Issue of Share Capital	-	-	-	-	-
<b>Balance As on 31.03.2080</b>	<b>20,000,000</b>	<b>-</b>	<b>-</b>	<b>(760,159)</b>	<b>19,239,841</b>
Balance As on 01.04.2080	20,000,000	-	-	(760,159)	19,239,841
Profit / ( Loss ) for the year	-	-	-	(164,928)	(164,928)
Share Application Money Received on Call	-	10,000,000	-	-	10,000,000
Issue of Share Capital	-	-	-	-	-
<b>Balance As on 31.03.2081</b>	<b>20,000,000</b>	<b>10,000,000</b>	<b>-</b>	<b>(925,087)</b>	<b>29,074,913</b>

As per our report of even date.

JEEVAN PANDAY  
FINANCE MANAGER

Santoo Shrestha  
DIRECTOR

Akhilshwar P. Singh  
CHAIRPERSON

PRAKASHMANI GHIMIRE  
DIRECTOR

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

PLACE: Kathmandu  
DATE: 4th October, 2024

**PROPERTY, PLANT & EQUIPMENT** For the year ended on 31 Ashad, 2081 (15 July, 2024)

PARTICULAR	RATE	OPENING BALANCE	ADDITION DURING THE YEAR			DISPOSAL	TOTAL	DEPRECIATION	CLOSING BALANCE
			SHRAWAN TO POUASH	MAGH TO CHAITRA	BAISAKH TO ASADH				
			Land	21,100,000	-				
<b>Total</b>	<b>21,100,000</b>	<b>-</b>	<b>-</b>	<b>9,579,000</b>	<b>-</b>	<b>30,679,000</b>	<b>-</b>	<b>30,679,000</b>	

**SCHEDULE FORMING PART OF FINANCIAL STATEMENTS** For the year ended on 31 Ashad, 2081 (15 July, 2024)

**CASH & BANK** Schedule -2

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Cash in Hand (as certified by the Management)	832	1,132
<b>Bank Balances:</b>		
Citizens Bank International Ltd.	821,306	437,137
<b>Total</b>	<b>822,138</b>	<b>438,269</b>

**SHARE CAPITAL** Schedule -3

PARTICULAR	Amount in Rs.	
	CURRENT YEAR	PREVIOUS YEAR
<b>Authorised Capital</b>		
2,000,000 nos. of shares of Rs. 100 each	200,000,000	200,000,000
<b>Issued Capital</b>		
1,000,000 nos. of shares of Rs. 100 each	100,000,000	100,000,000
<b>Paid Up Capital</b>		
5,00,000 nos. of shares of Rs. 100 each Rs. 40 paid up	20,000,000	20,000,000
5,00,000 nos. of shares of Rs. 100 each Rs. 20 called up	10,000,000	-
Less: Amount Received on call	(10,000,000)	-
<b>Total</b>	<b>20,000,000</b>	<b>20,000,000</b>

**SHARE APPLICATION MONEY** Schedule -4

PARTICULAR	Amount in Rs.	
	CURRENT YEAR	PREVIOUS YEAR
Amount Received for Share Capital on call	10,000,000	-
<b>Total</b>	<b>10,000,000</b>	<b>-</b>

**RESERVE & SURPLUS** Schedule -5

PARTICULAR	Amount in Rs.	
	CURRENT YEAR	PREVIOUS YEAR
Profit/(Loss) upto Previous Year	(760,159)	(590,875)
Profit/(Loss) for the Year	(164,928)	(169,284)
<b>Total</b>	<b>(925,087)</b>	<b>(760,159)</b>

**TRADE & OTHER PAYABLES** Schedule -6

PARTICULAR	Amount in Rs.	
	CURRENT YEAR	PREVIOUS YEAR
TDS Payable	1,701	300
Audit Fee Payable	22,300	22,300
Other Payable	2,402,224	2,275,828
<b>Total</b>	<b>2,426,225</b>	<b>2,298,428</b>

**ADMINISTRATIVE EXPENSES** Schedule -7

PARTICULAR	Amount in Rs.	
	CURRENT YEAR	PREVIOUS YEAR
Audit Fee	22,600	22,600
Legal Expenses	8,700	8,000
Notice & Publication Expenses	6,400	11,200
Other Expenses	832	1,456
Registration & Renewal Expenses	126,396	126,028
<b>Total</b>	<b>164,928</b>	<b>169,284</b>

# G. Paudyal & Associates

Chartered Accountants

ICAN Regd. No.: 307

PAN : 602785567

5th Floor, Tewa Tower

Teku, Kathmandu

Tel: 01-5333709

Website: www.gpa.com.np

Email: info.gpa@gmail.com

## 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 **31 Ashad 2081, (15 July, 2024)**, 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 **31 Ashad 2081 (15 July, 2024)** 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 31, 2081 (corresponding to July 15, 2024). 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.
- 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: 2081/06/18

For: G. Paudyal & Associates  
Chartered Accountants

  
CA Anoj Kumar Neupane  
Partner



**BALANCE SHEET** As on 31.Ashad, 2081 (15 July, 2024)

PARTICULAR	Amount in Rs.		
	SCH	CURRENT YEAR	PREVIOUS YEAR
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	1	82,519,250	82,519,250
Deferred Tax Assets		-	-
<b>Total Non-Current Assets</b>		<b>82,519,250</b>	<b>82,519,250</b>
<b>Current Assets</b>			
Cash & Cash Equivalents	2	35,058	72,189
Trade & Other Receivables		-	-
<b>Total Current Assets</b>		<b>35,058</b>	<b>72,189</b>
<b>Total Assets</b>		<b>82,554,308</b>	<b>82,591,439</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Share Capital	3	81,100,000	81,100,000
Reserve & Surplus	4	(527,857)	(480,153)
<b>Total Equity</b>		<b>80,572,143</b>	<b>80,619,848</b>
<b>Current Liabilities</b>			
Trade & Other Payables	5	1,982,165	1,971,592
<b>Total Current Liabilities</b>		<b>1,982,165</b>	<b>1,971,592</b>
<b>Total Equity &amp; Liabilities</b>		<b>82,554,308</b>	<b>82,591,439</b>

Significant Accounting Policies and Notes to Accounts 7

Schedule 1 to 7 form an integral part of the Financial Statements

As per our report of even date

\_\_\_\_\_  
**JEEVAN PANDAY**  
 FINANCE MANAGER

\_\_\_\_\_  
**SANTOO SHRESTHA**  
 DIRECTOR

\_\_\_\_\_  
**AKHILESHWAR P. SINGH**  
 CHAIRPERSON

\_\_\_\_\_  
**PRAKASHMANI GHIMIRE**  
 DIRECTOR

\_\_\_\_\_  
**CA Anoj Kumar Neupane**  
 PARTNER  
**G. Paudyal & Associates**  
 Chartered Accountants

PLACE: Kathmandu  
 DATE: 4th October, 2024

## INCOME STATEMENT

For the Year Ended 31 Ashad, 2081 (15 July, 2024)

PARTICULAR	Amount in Rs.		
	SCH	CURRENT YEAR	PREVIOUS YEAR
<b>Income</b>			
Sales Income		-	-
Less: Cost of Sales		-	-
<b>Gross Profit</b>		-	-
<b>Add:</b>			
Other Income		-	-
<b>Less:</b>			
Administrative Expenses	6	47704	50,428
Financial Expenses		-	-
Depreciation Charges		-	-
<b>Profit Before Tax</b>		<b>(47,704)</b>	<b>(50,428)</b>
Current Tax		-	-
Deferred Tax		-	-
<b>Net Profit/(Loss) After Tax</b>		<b>(47,704)</b>	<b>(50,428)</b>

Significant Accounting Policies and Notes to Accounts 7

Schedule 1 to 7 form an integral part of the Financial Statements

As per our report of even date

JEEVAN PANDAY  
FINANCE MANAGER

SANTOO SHRESTHA  
DIRECTOR

AKHILESHWAR P. SINGH  
CHAIRPERSON

PRAKASHMANI GHIMIRE  
DIRECTOR

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

PLACE: Kathmandu  
DATE: 4th October, 2024

**CASH FLOW STATEMENT** For the Year Ended 31 Ashad, 2081 (25 July, 2024)

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
<b>A. Cash Flow From Operating Activities</b>		
Net Profit/(Loss) after Tax	(47,704)	(50,428)
Add: Depreciation Changes	-	-
<b>Net Cash Flow Before Changes in Working Capital</b>	<b>(47,704)</b>	<b>(50,428)</b>
Interest Paid	-	-
Changes in Working Capital	10,573	7,216
<b>Net Cash Flow From Operating Activities</b>	<b>(37,131)</b>	<b>(43,212)</b>
<b>B. Cash Flow From Investing Activities</b>		
Sales of Fixed Assets	-	-
Purchase of Fixed Assets	-	-
<b>Net Cash Flow From Investing Activities</b>	<b>-</b>	<b>-</b>
<b>C. Cash Flow From Financing Activities</b>		
Increase/(Decrease) in Share Capital	-	-
Increase/(Decrease) in Bank Loans	-	-
<b>Net Cash Flow From Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Cash Flow</b>	<b>(37,131)</b>	<b>(43,212)</b>
Add: Opening Cash & Bank Balance	72,189	115,401
<b>Closing Cash &amp; Bank Balance</b>	<b>35,058</b>	<b>72,189</b>

Significant Accounting Policies and Notes to Accounts 7

Schedule 1 to 7 form an integral part of the Financial Statements :

As per our report of even date

.....  
**JEEVAN PANDAY**  
 FINANCE MANAGER

.....  
**SANTOO SHRESTHA**  
 DIRECTOR

.....  
**AKHILESHWAR P. SINGH**  
 CHAIRPERSON

.....  
**PRAKASHMANI GHIMIRE**  
 DIRECTOR

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

PLACE: Kathmandu  
 DATE: 4th October, 2024

**STATEMENT OF CHANGES IN EQUITY** For the Year Ended 31 Ashad, 2081 (15 July, 2024)

PARTICULARS	Amount in Rs.				TOTAL
	EQUITY SHARE	SHARE PREMIUM	REVALUATION RESERVE	ACCUMULATED PROFIT/(LOSS)	
Balance As on 31.03.2079	81,100,000	-	-	(429,725)	80,670,275
Profit / ( Loss ) for the year	-	-	-	(50,428)	(50,428)
Issue of Share Capital	-	-	-	-	-
Balance As on 32.03.2080	81,100,000	-	-	(480,153)	80,619,848
Balance As on 01.04.2080	81,100,000	-	-	(480,153)	80,619,848
Issue of Share Capital	-	-	-	-	-
Profit / ( Loss ) for the year	-	-	-	(47,704)	(47,704)
Balance As on 31.03.2081	81,100,000	-	-	(527,857)	80,572,143

Significant Accounting Policies and Notes to Accounts 7

Schedule 1 to 7 form an integral part of the Financial Statements

As per our report of even date

-----  
**JEEVAN PANDAY**  
 FINANCE MANAGER

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**Santoo Shrestha**  
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 CHAIRPERSON

-----  
**PRAKASHMANI GHIMIRE**  
 DIRECTOR

-----  
**CA Anoj Kumar Neupane**  
 PARTNER  
**G. Paudyal & Associates**  
 Chartered Accountants

PLACE: Kathmandu  
 DATE: 4th October, 2024



**PROPERTY, PLANT & EQUIPMENT** For the Year Ended 31 Ashad, 2081 (15 July, 2024)

PARTICULAR	RATE	Amount in Rs.							
		OPENING BALANCE	ADDITION DURING THE YEAR			DISPOSAL	TOTAL	DEPRECIATION	CLOSING BALANCE
			SHRAWAN TO POUASH	MAGH TO CHAITRA	BAISAHH TO ASADH				
Land		82,519,250					82,519,250		82,519,250
<b>Total</b>		<b>82,519,250</b>	-	-	-	-	<b>82,519,250</b>		<b>82,519,250</b>

**SCHEDULE FORMING PART OF FINANCIAL STATEMENTS** For the Year Ended 31 Ashad, 2081 (15 July, 2024)

**CASH & BANK** Schedule -2

PARTICULAR	Amount in Rs.	
	CURRENT YEAR	PREVIOUS YEAR
Cash-in-Hand (as certified by the Management)	776	76
<b>Bank Balances:</b>		
Citizens Bank International Ltd.	34,282	72,113
<b>Total</b>	<b>35,058</b>	<b>72,189</b>

**SHARE CAPITAL** Schedule -3

PARTICULAR	Amount in Rs.	
	CURRENT YEAR	PREVIOUS YEAR
<b>Authorised Capital</b>		
15,00,000 no. of shares of Rs. 100 each	150,000,000	150,000,000
<b>Issued Capital</b>		
15,00,000 no. of shares of Rs. 100 each	150,000,000	150,000,000
<b>Paid Up Capital</b>		
8,11,000 no. of shares of Rs. 100 each	81,100,000	81,100,000
<b>Total</b>	<b>81,100,000</b>	<b>81,100,000</b>

**RESERVE & SURPLUS** Schedule -4

PARTICULAR	Amount in Rs.	
	CURRENT YEAR	PREVIOUS YEAR
Profit/(Loss) upto Previous Year	(480,153)	(429,725)
Profit/(Loss) for the Year	(47,704)	(50,428)
<b>Total</b>	<b>(527,857)</b>	<b>(480,153)</b>

**TRADE & OTHER PAYABLES** Schedule -5

PARTICULAR	Amount in Rs.	
	CURRENT YEAR	PREVIOUS YEAR
TDS Payable	1,701	300
Audit Fee Payable	22,300	22,300
Other Payable	1,958,164	1,948,992
<b>Total</b>	<b>1,982,165</b>	<b>1,971,592</b>

**ADMINISTRATIVE EXPENSES** Schedule -6

PARTICULAR	Amount in Rs.	
	CURRENT YEAR	PREVIOUS YEAR
Audit Fee	22,600	22,600
Legal Expenses	8,700	6,000
Notice & Publication Expenses	6,401	11,200
Other Expenses	832	1,456
Registration & Renewal Expenses	9,172	9,172
<b>Total</b>	<b>47,704</b>	<b>50,428</b>

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## INVESTOR'S RELATIONSHIP

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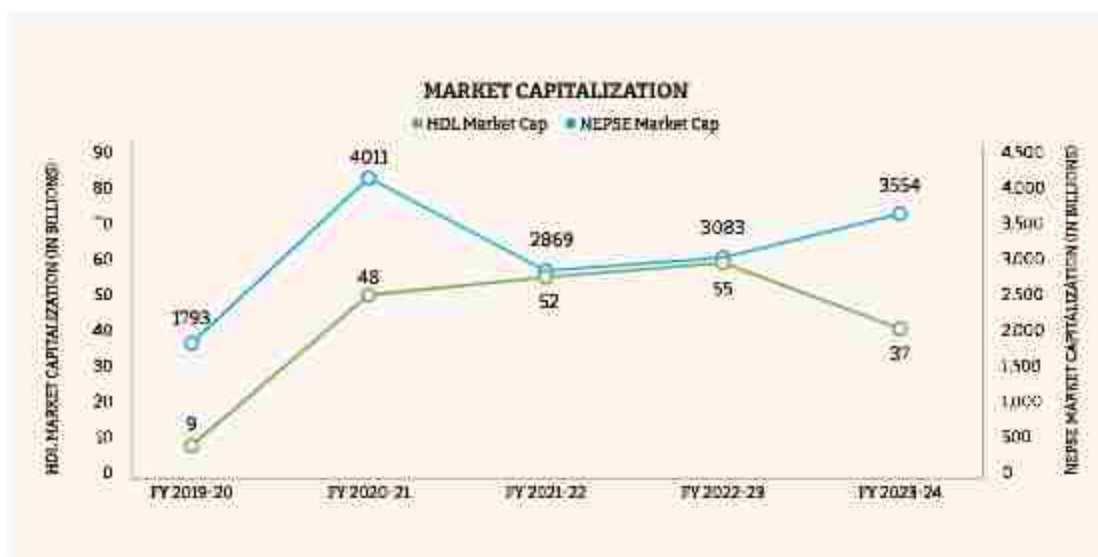
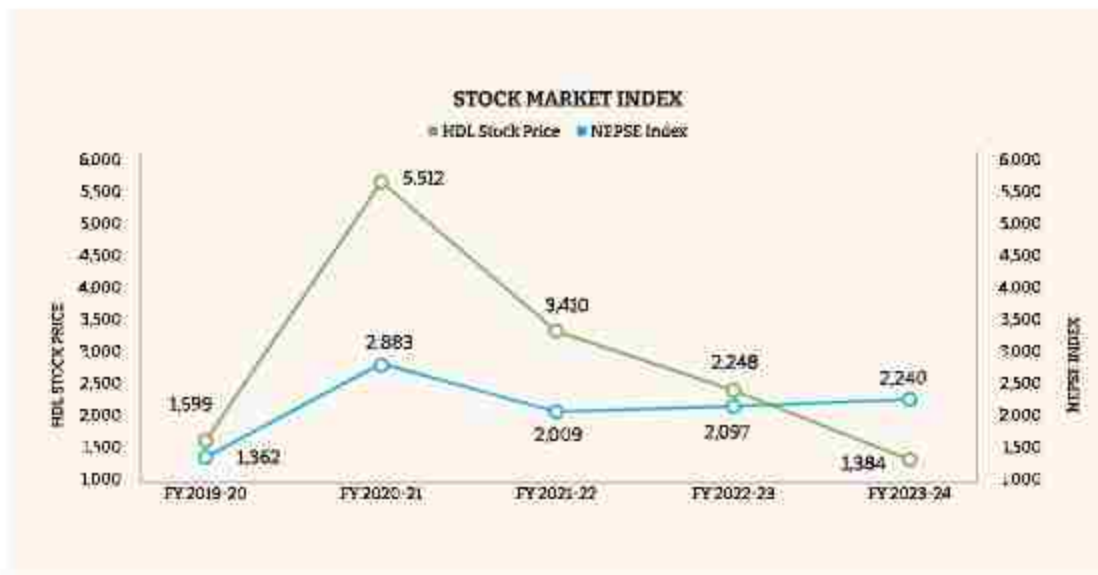
HDL is a prominent company on the Nepal Stock Exchange that has consistently provided high returns to its shareholders. Despite a significant decline in the NEPSE Index, the company's stock prices have remained robust. HDL delivered a remarkable 100% dividend for three consecutive years from FY 2018/19 to FY 2020/21. In FY 2021/22, it distributed a total of 70% in dividends (60% as bonus shares and 10% as cash), followed by a 25% dividend in FY 2022/23 (10% bonus and 15% cash). For FY 2023/24, HDL has announced a total dividend of 20% (15% bonus and 5% cash). The company maintains over Rs. 2 billion in its bank balance and minimal receivables, indicating a strong liquidity position and a healthy financial relationship with its channel partners. Its impressive performance over the years has established HDL as a key player in driving the manufacturing sector index. Currently, there are 26,725,233.15 fully paid-up shares listed on the Nepal Stock Exchange, which will increase to 30,734,018.12 upon approval of the dividends by the AGM.



HDL's stock price rose from Rs. 1,599 in FY 2019/20 to Rs. 5,512 by the end of FY 2020/21 when the NEPSE Index reached 2,883. Even after a significant drop in the NEPSE index to 2,009, HDL's stock price remained stable at Rs. 3,410 in FY 2021/22. The NEPSE Index further declined to 2,097 while HDL's stock price held at Rs. 2,248 by the end of FY 2022/23. However, in FY 2023/24, HDL's stock price fell to Rs. 1,384 despite an increase in the NEPSE Index to 2,240.

#### MARKET CAPITALIZATION

HDL shares have consistently been among the most sought-after stocks in the market. Over the past five years, while the overall market capitalization of NEPSE grew from Rs. 1,793 billion to Rs. 3,554 billion, reflecting a CAGR of 19%, HDL's market capitalization surged from Rs. 9 billion to Rs. 37 billion, showcasing an impressive CAGR of 42% during the same period.



### CONTRIBUTION TO NATIONAL ECONOMY

In the review period, HDL made a total of Rs. 2,703 million as a tax contribution to the Government of Nepal which is a clear testament to the Company's adherence to compliance and respect for local regulations and provisions. The various categories under which the Company made tax contributions to the Government of Nepal for the last 5 fiscal years have been presented in the following table:

### CONTRIBUTION TO NATIONAL ECONOMY

In Million

DESCRIPTION	FY 2076-77	FY 2077-78	FY 2078-79	FY 2079-80	FY 2080-81
<b>Total Revenue</b>	<b>2,406</b>	<b>3,773</b>	<b>4,064</b>	<b>2,971</b>	<b>2,081</b>
Excise	2,384	2,808	3,524	2,684	2,074
VAT	654	832	783	535	404
Custom	79	43	64	100	45
TDS	35	62	89	88	50
Income Tax	90	421	378	223	130
<b>Total Tax</b>	<b>3,442</b>	<b>4,167</b>	<b>4,838</b>	<b>3,630</b>	<b>2,703</b>



Silver Award in manufacturing category for National Best Presented Annual Report 2022.



Award of Excellence provided by Madhesh Province for Leading Tax Payer 2022.

## Unclaimed/Unpaid Dividends

At the end of FY 2023-24, HDL had a total of Rs. 36,430,086.48, as the unclaimed dividend which is in the custody of its Registrar To Shares (RTS)- Nabil Invest Banking Limited. Further details of the same are provided in the following table:

YEAR	UNPAID/UNCLAIMED DIVIDEND AMOUNT (IN RS.)
2015-16	1,027,300
2016-17	913,440.00
2017-18	805,103.30
2017-18 (Interim)	2,621,605.84
2018-19	2,010,057.50
2019-20	6,213,577.50
2020-21	4,094,070.00
2021-22	3,664,993.84
2022-23	15,079,938.50
<b>Total</b>	<b>36,430,086.48</b>

The Unclaimed Dividend amount from FY 2015-16 to FY 2017-18 has been transfer to investor protection fund in December 2024.

### Share Prices

YEAR	MAXIMUM (IN NPR)	MINIMUM (IN NPR)	CLOSING (IN NPR)	NUMBER OF TRADES	TRADED SHARES QTY	TRADING DAYS
2018-19	2,070	1,197	1,670	2,813	476,947	198
2019-20	1,989	1,123	1,599	27,445	3,303,414	175
2020-21	5,916	1,595	5,512	110,092	7,401,311	245
2021-22	7,938	2,825	3,410	162,867	5,042,125	239
2022-23	4,323	1,807	2,248	155,994	5,404,769	235
2023-24	2,389	1,140	1,384	138,539	5,646,444	229

### SHARE MARKET TREND AND SHARE PRICE HISTORY

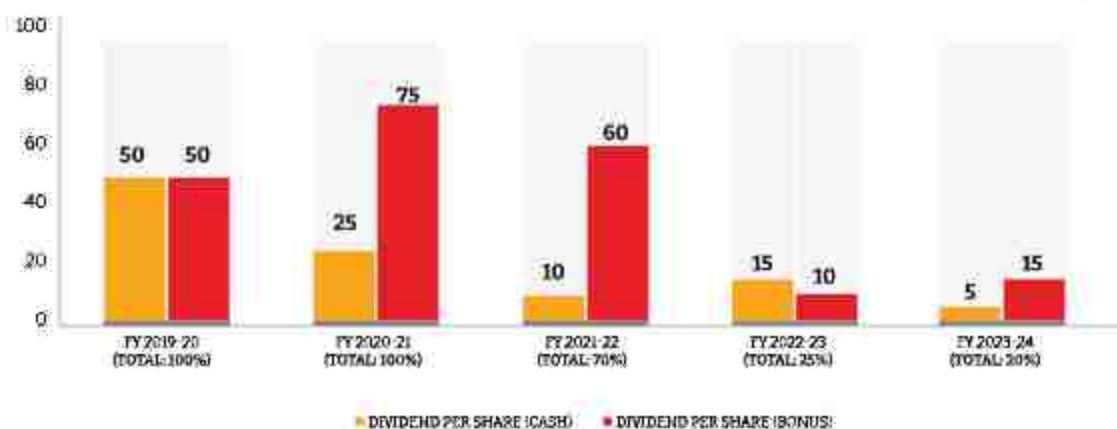
In the review period of 2023-24, a total of 5,646,444 units of HDL shares were traded in the secondary market in a period of 229 days. In this period, the Maximum Share Price remained Rs. 2,389, the Minimum Share Price stood at Rs. 1,140 and the Closing Price stood at Rs. 1,384. Further the trend of HDL's share prices and traded quantity over the last five fiscal years has been presented below:

### Shareholders' with more than 1% holding in the company

SHAREHOLDER'S NAME	Data as on end of Asadh 2081	
	TOTAL HOLDING	%
Rahisha Shah Shrestha	9,922,126	37.13%
Food & Beverages Technology Research Center Pvt. Ltd.	3,948,644	14.77%
R. and R. Suppliers Pvt. Ltd.	3,178,998	11.90%
Majestic Ventures Pvt. Ltd.	644,490	2.41%
Other General Public Shareholders	9,030,975	33.79%
<b>Total</b>	<b>26,725,233</b>	<b>100.00%</b>

### DIVIDEND DISTRIBUTION (PER SHARE)

In Percentage



## VALUE ADDED STATEMENT

PARTICULARS	In Thousands			
	FY 2080-81	% FY 2080-81	FY 2079-80	% FY 2079-80
<b>Value Generated:</b>				
Sales (Gross of Excise Duty)	4,155,237	148%	5,654,788	146%
Less: Cost of Bought in Materials & Services	(1,406,638)	(50%)	(1,799,953)	(47%)
<b>Value Added from Operations</b>	<b>2,748,599</b>		<b>3,854,835</b>	
Add: Other Income	66,384	2.4%	10,508	0.3%
<b>Gross Value Added</b>	<b>2,814,983</b>	<b>100%</b>	<b>3,865,344</b>	<b>100%</b>
<b>Value Applied:</b>				
Towards Employees	190,034	7%	230,866	6%
Towards Directors	1,595	0.1%	1,167	0.0%
Towards Government	2,204,768	78%	2,917,788	75%
Towards Shareholders	607,392	22%	1,062,935	27%
Towards Providers of Finance	1,344	0.0%	4,510	0.1%
Towards Entity	(190,150)	(7%)	(351,923)	(9%)
<b>Gross Value Added</b>	<b>2,814,983</b>	<b>100%</b>	<b>3,865,344</b>	<b>100%</b>

## Shareholders Enquiries and Communication

### Communication to Shareholders

HDL regularly interacts with the shareholders through various modes of communication such as its notice and publications by publishing in newspapers and through its website [www.himalayandistillery.com](http://www.himalayandistillery.com). The quarterly and annual reports of the company are published in the national daily newspaper and in the official website of the company to impart timely information about the performance of the company to its shareholders. The reports are also reported to the regulatory authorities such as Securities Board of Nepal (SEBON) and Nepal Stock Exchange (NEPSE).

### Redressal of Shareholder's Complaint

The company has appointed a grievance handling officer to address any complaints, queries and correspondence related to HDL. Shareholders can file any queries at Nabil Investment Banking Limited, Share Registrar or to the Grievance handling officer at the address mentioned below:

Nabil Investment Banking Limited  
3rd Floor, Central Plaza  
Narayanchaur, Naxal, Kathmandu  
Email: [info@nabilinvest.com.np](mailto:info@nabilinvest.com.np)  
Tel: +977 01 4511604/01 4511733, Ext: 117/152

Or,

Grievance Handling Officer  
Mr. Keshab Sigdel  
Jawalakhel, Lalitpur, Nepal  
Email: [info@himalayandistillery.com](mailto:info@himalayandistillery.com)  
P.O. BOX: 23521  
Tel: +977 01 522028/01 5438239

## Archival Policy

Company has an archival policy which is a set of guidelines, procedures, and practices that the company follows to manage, preserve, and maintain its records and documents of historical & legal significance. It outlines the rules and principles governing the creation, retention, storage, retrieval, and disposal of both physical and digital records.

## INTERIM FINANCIAL REPORT

### Unaudited Statement of Financial Position for the Quarter Ended on 30th Ashwin 2081

PARTICULARS	Amount in Rs.		
	THIS QUARTER END	PREVIOUS QUARTER END (PUBLISHED)	CORRESPONDING PREVIOUS YEAR QUARTER END
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
a) Property, plant and equipment	476,025,084	484,408,460	454,259,417
b) Capital work-in-progress	349,025,371	311,370,909	2,756,477
c) Intangible assets	981,676	836,328	944,127
d) Right to use assets	12,183,952	13,835,899	14,059,190
e) Investments	111,100,000	101,100,000	101,100,000
f) Other non-current assets	66,659,027	43,714,724	37,548,142
<b>Total Non-Current Assets</b>	<b>1,015,975,110</b>	<b>955,266,320</b>	<b>610,667,354</b>
<b>CURRENT ASSETS</b>			
a) Inventories	447,031,984	326,561,976	344,124,536
b) Financial assets			
Trade receivables	11,358,817	216,307	2,473,615,122
Cash and cash equivalents	1,555,263,044	1,239,702,925	88,988,825
Other bank balances	1,200,000,000	1,000,000,000	275,000,000
c) Other current assets	151,574,080	112,372,476	97,350,167
<b>Total current assets</b>	<b>3,365,227,925</b>	<b>2,678,353,685</b>	<b>3,279,078,650</b>
<b>TOTAL ASSETS</b>	<b>4,381,203,035</b>	<b>3,633,620,005</b>	<b>3,889,746,004</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity			
Share capital	2,672,523,315	2,672,523,315	2,429,566,650
b) Other equity			
Reserves and surplus	889,647,548	670,899,158	1,030,436,551
<b>Total Equity</b>	<b>3,562,170,863</b>	<b>3,343,422,473</b>	<b>3,460,003,201</b>
<b>NON-CURRENT LIABILITIES</b>			
a) Financial liabilities			
Borrowings	-	-	-
Lease Payables	12,010,656	13,406,371	13,388,159
b) Deferred tax liabilities	28,177,501	20,735,029	28,626,768
<b>Total Non-Current Liabilities</b>	<b>40,188,157</b>	<b>34,141,400</b>	<b>42,014,927</b>
<b>CURRENT LIABILITIES</b>			
a) Financial Liabilities			
Borrowings	-	-	-
Trade payables	400,174,305	77,027,726	75,214,302
Other financial liabilities	104,554,630	64,371,482	64,201,966
Lease Payables	1,371,096	1,469,988	1,185,674
b) Other current liabilities	205,683,095	108,871,872	210,955,539
c) Current tax liabilities (net)	67,060,888	4,315,063	36,170,395
<b>Total Current Liabilities</b>	<b>778,844,014</b>	<b>256,056,131</b>	<b>387,227,877</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,381,203,035</b>	<b>3,633,620,005</b>	<b>3,889,746,004</b>



## INTERIM FINANCIAL REPORT

### Unaudited Statement of Profit or Loss and Other Comprehensive Income for the Quarter Ended on 30th Ashwin 2081

PARTICULARS	Amount in Rs.		
	UP TO THIS QUARTER	UP TO PREVIOUS QUARTER (PUBLISHED)	CORRESPONDING PREVIOUS YEAR QUARTER END
Gross revenue from operations	1,486,634,583	4,355,236,993	971,815,391
Less: excise duties	752,069,962	2,073,739,995	478,706,343
Net sales revenue	734,544,601	2,081,496,998	493,109,048
Less: cost of goods sold	265,353,073	731,193,605	176,949,869
Less: manufacturing expenses	43,624,833	118,615,410	28,011,932
<b>Gross Profit</b>	<b>425,566,695</b>	<b>1,231,687,984</b>	<b>288,147,247</b>
Employee benefit expenses	68,670,358	186,719,865	52,206,365
Administration and other expenses	21,819,711	104,625,186	17,278,045
Selling and distribution expenses	70,420,085	474,402,342	68,292,565
<b>Operating Profit</b>	<b>264,656,541</b>	<b>465,940,591</b>	<b>150,370,273</b>
Non operating income:	17,291,332	64,442,963	5,911,269
Depreciation and amortisation	14,259,837	52,248,590	12,748,209
Finance costs	326,384	1,375,422	358,872
<b>Profit Before Tax</b>	<b>267,361,662</b>	<b>476,759,542</b>	<b>143,174,461</b>
Income tax expenses	68,490,309	123,705,882	37,975,067
<b>Profit For The Year</b>	<b>198,871,353</b>	<b>353,053,660</b>	<b>105,199,394</b>
<b>Other comprehensive income</b>			
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	-	-	-
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>198,871,353</b>	<b>353,053,660</b>	<b>105,199,394</b>
<b>Earning per equity share</b> (face value of Rs. 100 each)			
Basic EPS*	29.77	13.21	15.75
Diluted EPS*	29.77	13.21	15.75
<b>Other Financial Ratios:</b>			
PE Ratio	45.86	104.77	117.94
Net Worth Per Share	133.29	125.10	142.41
Liquidity Ratio	4.32	10.46	8.46

#### Notes:

- Account heads have been re-grouped/re-classified wherever necessary so as to comply with the Nepal Financial Reporting Standards (NFRS)
- EPS has been annualized wherever necessary
- Corresponding Previous Year's Basic & Diluted EPS has been restated to reflect the effect of issuance of Bonus Shares



# 09

## DISTRIBUTION NETWORK

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HDFI has appointed J.G.I. Distribution Pvt. Ltd. (JGDPL) as its National Distributor (ND), responsible for managing the nationwide distribution of its products. The ND operates through a vast network that includes a total of 15,214 distributors, wholesalers, and retailers throughout the country. ND's distribution system is organized into eight primary zones, with two located in the Kathmandu Valley and six in other regions. Each zone encompasses specific areas: for example, Valley-1 consists of Kathmandu West South, Bhaktapur, Banepa, Barabise, Chairkoof, and Lalitpur, while Valley-2 includes Kathmandu East, Kathmandu West North, Nuwakot, and Dhading.



SILVER OAK

This zonal framework is designed to enhance logistics and ensure effective supply chain management for HDL products. The ND collaborates with 97 distributors and 2,330 wholesalers across all zones, with the highest concentrations found in zones 1, 3, and 5. Additionally, there are 12,787 retailers responsible for delivering

products directly to consumers. Among all zones, the Kathmandu Valley generates the highest sales figures, while zone 4 has the lowest. A comprehensive breakdown of each zone can be found in the accompanying table.

## 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	38%	13%	19%	11%	4%	9%	6%	100%
Distributor	19	15	17	13	7	14	12	97
Wholesalers	359	463	357	427	131	430	163	2330
Off trade	3146	300	157	188	444	261	584	5080
On trade	2478	936	624	795	770	1186	918	7707
Manpower Sales	31	8	9	6	7	9	9	79

### SALES & DISTRIBUTION

- Territory Managers
- Sales Executives

### EMPLOYEE

9  
79

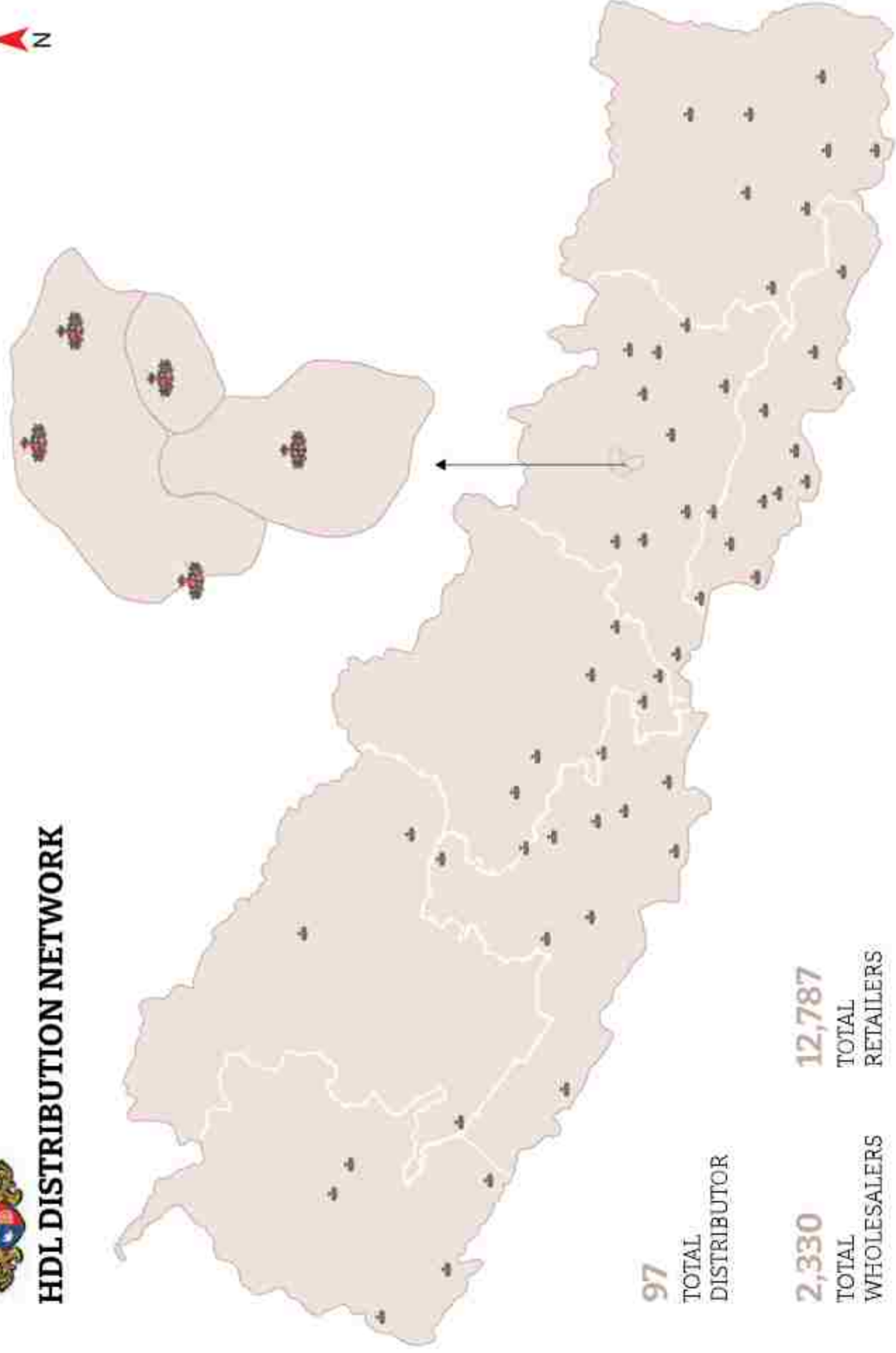
Total Distributor 97

### Channel Classification

Wholesale	2330
Modern Off Trade(MOFT)	650
Liquor Store	3503
Traditional Off Trade(TOFT)	927
High End(HE)	142
Bar & Restaurant(B&R)	6412
Hospitality	1153



## HDL DISTRIBUTION NETWORK











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HIMALAYAN  
DISTILLERY LIMITED



HIMALAYAN DISTILLERY LIMITED

**REGISTERED ADDRESS:**

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

**CONTACT OFFICE:**

Jawalakhel, Lalitpur, Nepal  
P.O. Box: 23521  
+977 01 5422028 / 01 5438239  
[Info@himalayandistillery.com](mailto:Info@himalayandistillery.com)

[www.himalayandistillery.com](http://www.himalayandistillery.com)

**BANKING PARTNER**



**STATUTORY AUDITOR:**

G. Paudyal & Associates  
Chartered Accountants