

ANNUAL REPORT  
2024/25



RESILIENCE  
REFINED.  
GROWTH  
REDEFINED.





This year's Annual Report photoshoot for the Board of Directors and Management Team of Himalayan Distillery Limited was held at Bhaktapur Durbar Square. By choosing this historic and culturally rich heritage site, we continue our initiative to celebrate and promote Nepal's legacy of art, architecture and tradition.





## FROM VISION TO LEGACY

For four decades, Himalayan Distillery Limited has stood as a symbol of quality, trust, and innovation in Nepal's spirits industry. Our 40-year journey reflects not just our growth, also unwavering commitment to craftsmanship, sustainability, and community. As we celebrate this milestone, we look forward to continuing our legacy-raising the bar higher with every pour.

Through changing times and evolving tastes, we have remained dedicated to creating world-class spirits that embody the essence of Nepal. This milestone is not just a reflection of our past achievements, but a celebration of the people behind our success-our employees, partners, and loyal consumers who have been part of our journey. Together, we toast to 40 years of excellence and to an even brighter future ahead.



HIMALAYAN DISTILLERY LIMITED



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RESILIENCE REFINED. GROWTH REDEFINED.





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Board of Director's Report

### DISCLAIMER:

This publication is intended  
for information purpose only.













## 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 an outcome 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.

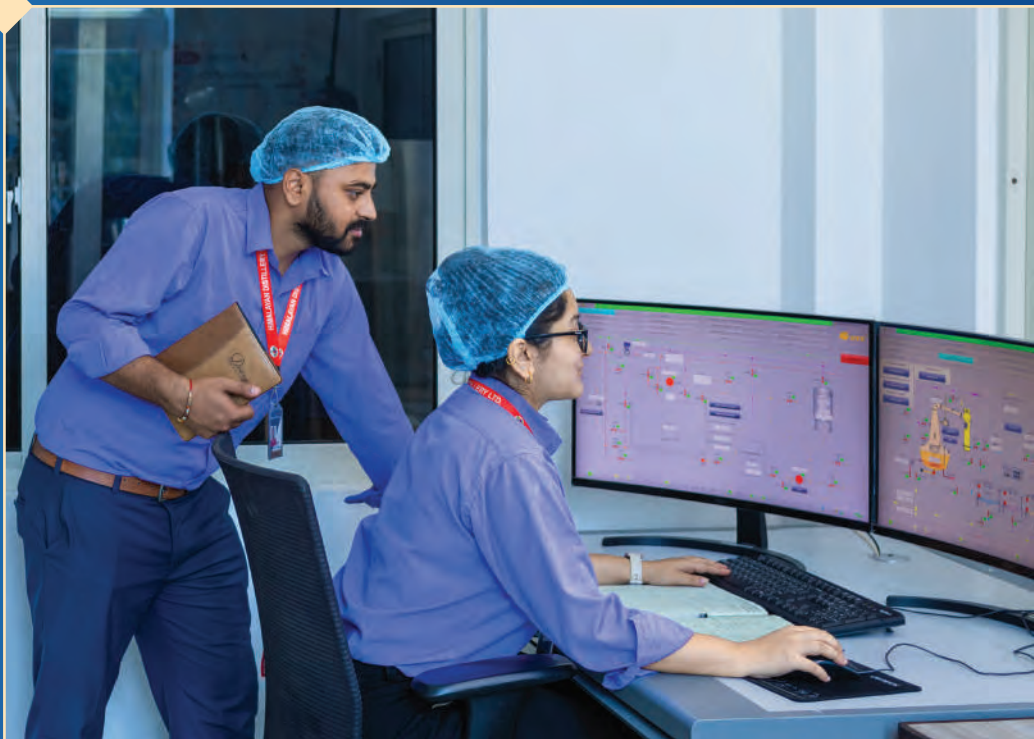


**Rs. 1,237**

FY 2024/25  
Closing Market  
Price

Rs.  
**3.71 B**

FY 2024/25  
Net Sales







STRATING AS OF PVT.  
LTD. COMPANY IN

**1985 AD**

MARKING THE START  
OF OUR LEGACY

TO

MORE THAN  
**60K**  
SHAREHOLDERS



*Himalayan Distillery thrives in research to develop, manufacture, and market quality alcoholic beverages responsibly and competently through continuous improvement and professionalism.*



## 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.



## OUR OBJECTIVES

HDL's objectives are:

- 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.



## CORE VALUES

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





# THE GROWTH STORY OF HDL

**1985****Established**

In 1985 as a Private Limited Company

**Public Limited**

Converted to Public Limited Company by issuing shares; First company in the Alco-Bev Industry in Nepal to be listed in stock-exchange

**2000****2000****MNC**

Agreement with MNC Pernod Riocard for production of Royal Stag, Blender's Pride and other brands

**Golden Oak**

Launched Golden Oak in the 40 UP Whisky segment; the most successful brand in terms of sales quantity in Nepal till date; 6.5 million cases primary sales till FY 2024-25

**2014**



A journey of strategic evolution driven by innovation, research & product development, from concept to market success.

### Black Oak

Launched Black Oak at a more premium segment compared to Golden Oak. Has shown a CAGR of 41% over the period of 8 years



**2016**

### Royal Treasure

Launched Royal Treasure in 25 UP Whisky segment



**2018**

**2021**

### Blue Oak

Launched Blue Oak as the top premium brand in the Oak Whisky series



### Silver Oak

Launched Silver Oak to fulfil the growing demand in 40 UP Vodka segment



**2023**

**2025**

### Shlok

Being Launched in the 25 UP premium whisky segment towards the end of 2025





# From Strength to Stability

Highs and lows in the financial journey of HDL over the past decade .

DPS approved by each years AGM









## BOARD OF DIRECTORS

Shikher Prasai  
*Director*

Santoo Shrestha  
*Director*

Shanker Raj Pandey  
*Chairperson*

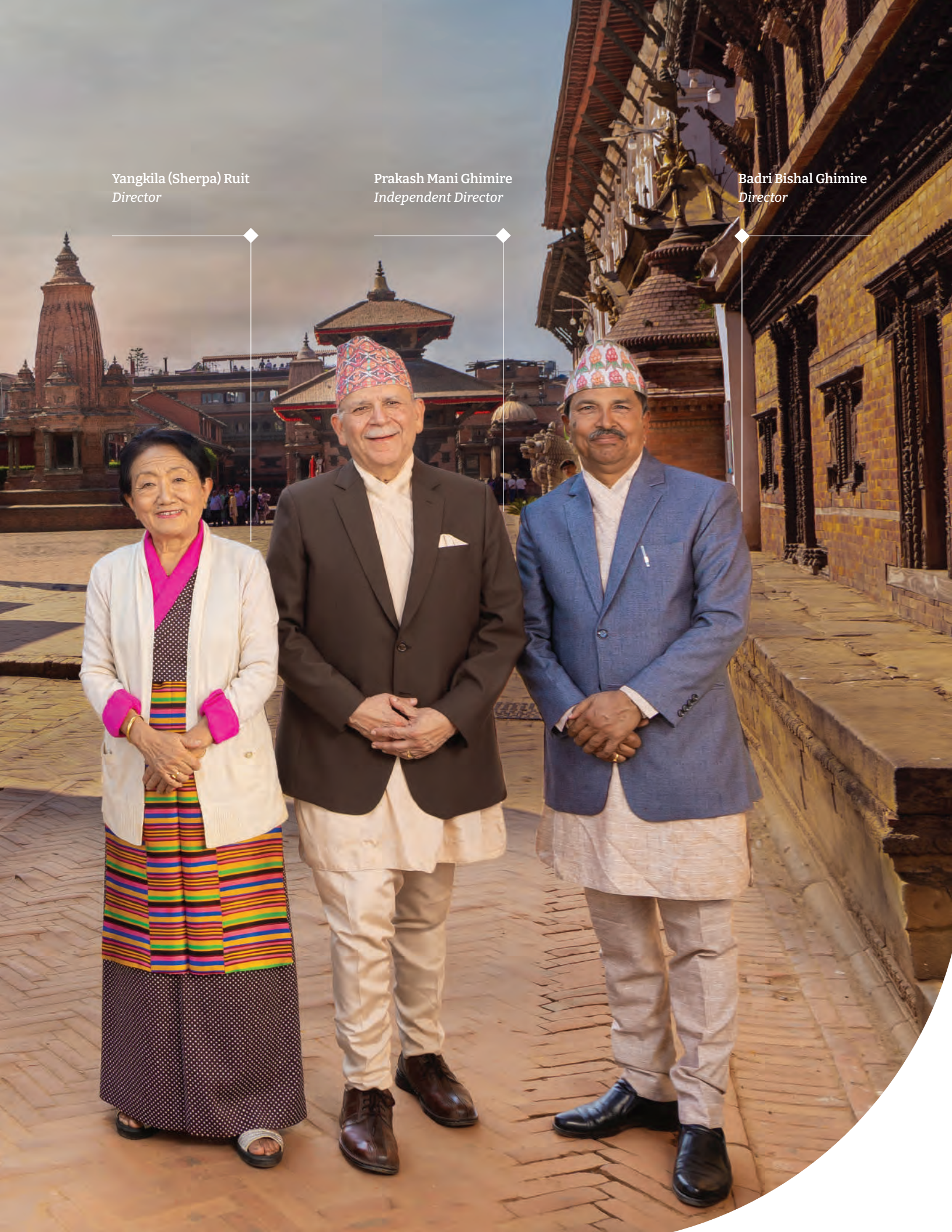




Yangkila (Sherpa) Ruit  
*Director*

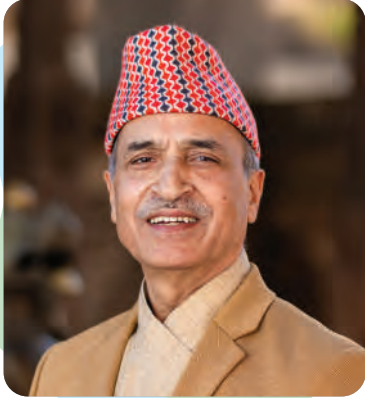
Prakash Mani Ghimire  
*Independent Director*

Badri Bishal Ghimire  
*Director*





## BOARD OF DIRECTORS



**SHANKER RAJ PANDEY**  
*Chairperson*

Mr. Shanker Raj Pandey has been in the Board of HDL since 2009. He became Chairperson in April 2025. He retired from a full time job in December 2024 bringing a career of 40 plus years to a closure. His expertise is across sectors with wide experiences in the public, development and private sectors especially in areas of commerce and industry, health, energy, and economic development. He is associated with several not-for-profit organizations working in the fields of education and mental health. Mr. Pandey is a graduate of Xavier University and Georgetown University and was a Humphrey Fellow at American University in 1997-98.



**SANTOO SHRESTHA**  
*Director*

Mr. Santoo Shrestha has been a Board member at HDL since 2009. He holds a bachelor's degree in international business management from University of Maryland. He is also a former Director of Kumari Bank Ltd. He serves as 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. Yangkila (Sherpa) Ruit joined the HDL Board in 2020. She is a tourism entrepreneur who has been recognised with various awards for her contributions to the sector. She is also a former State Minister of the Government of Nepal (2005/06) and former parliamentarian (2001-2007). Ms. Ruit is also former President at the Federation of Women 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), given by the Federation of International Women Entrepreneurs (2000).





**SHIKHER PRASAI**  
*Director*

Mr. Shikher Prasai joined the HDL Board in 2025. A versatile entrepreneur with experience in travel, tourism, and hospitality, Mr. Prasai is Managing Director at Natraj Tours & Travels and is the Founder of Trip Turbo. He is also Director at Natraj Trekking Pvt. Ltd. and Nagarkot Cottage Pvt. Ltd., and the President of the P.P. Prasai Foundation. Mr. Prasai is recognized for his strategic insight and hands-on leadership, and has successfully led multiple ventures.



**BADRI BISHAL GHIMIRE**  
*Director*

Mr. Badri Bishal Ghimire joined the HDL Board in 2025. He brings extensive boardroom experience, having served as Independent Director at the Akama Hotel Ltd. and Sanima Hydropower Ltd., and as Director at Bishal Law Associates Pvt. Ltd. A legal professional, Mr. Ghimire is recognized for his expertise in corporate governance, strategic planning, and project management, where he has contributed to driving sustainable growth and organizational excellence at various companies.



**PRAKASHMANI GHIMIRE**  
*Independent Director*

Mr. Prakashmani Ghimire, Independent Director. Mr. Ghimire has been an Independent Director at HDL since 2011. He has extensive experience in business consulting and in management field both in Nepal and abroad. He is a former General Manager of Bhrikuti Pulp & Paper Nepal Limited.



## Financial Overview (5 years)

Amount in Rs. '000'

PARTICULARS	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Sales (Cases)	642,612	682,689	470,557	359,673	582,906
Net Sales	3,699,668	4,059,120	2,970,514	2,081,497	3,708,714
COGS	1,474,723	1,572,365	1,201,050	858,208	1,573,106
Gross Profit	2,224,945	2,486,755	1,769,463	1,223,289	2,135,608
Indirect Expenses	821,459	1,015,374	830,936	740,059	864,218
EBITDA	1,403,486	1,471,381	938,527	483,230	1,271,390
Non Operating Income	72,955	5,339	10,508	66,384	66,945
Depreciation	51,090	54,829	50,488	52,193	67,095
EBIT	1,425,351	1,421,891	898,548	497,421	1,271,240
Financial Expenses	17,226	2,157	4,510	1,344	1,896
EBT	1,408,125	1,419,735	894,037	496,077	1,269,344
Tax	366,728	362,794	233,514	131,029	327,897
Net Profit	1,041,397	1,056,940	660,524	365,049	941,446
Share Capital	867,702	1,518,479	2,429,567	2,672,523	3,073,402
Retained Earnings	1,136,893	1,326,131	925,237	682,894	1,089,836
Non-Current Borrowings	12	-	-	-	-
Non-Current Lease Payables	-	9,139	1,743	12,405	20,149
Deferred Tax Liabilities	35,621	32,398	29,822	28,943	31,572
Property, Plant and Equipment	513,856	497,484	458,612	484,888	936,189
Capital Work in Progress	-	-	35	311,431	7,737
Intangible Assets	451	867	1,006	1,060	931
Right to use assets	-	11,477	2,116	12,635	22,637
Other Non-Current Assets	23,431	20,193	42,809	43,715	64,319
Investment	69,000	101,100	101,100	111,100	111,200
Deferred Tax Assets	-	-	-	-	-
Inventory	164,954	207,327	447,224	326,155	579,797
Account Receivables	517,130	1,150,583	1,962,177	216	-
Cash and Cash Equivalents	909,119	1,064,422	469,591	1,239,203	1,611,825
Other Bank Balances	-	51,847	76,456	1,000,000	1,100,000
Other Current Assets	111,714	87,088	108,182	101,861	125,880
Current Borrowings	1,470	-	-	-	-
Current Liabilities	267,956	306,243	282,939	235,497	345,556
Net Current Assets/Working Capital	1,433,490	2,255,025	2,780,691	2,431,938	3,071,946
Total Assets	2,309,655	3,192,389	3,669,308	3,632,263	4,560,515
Total Capital & Liabilities	2,309,655	3,192,389	3,669,308	3,632,263	4,560,515
Capital Employed	2,006,078	2,844,610	3,354,804	3,355,418	4,163,238
Net Worth	2,004,595	2,844,610	3,354,804	3,355,418	4,163,238
Gross Profit Margin	60%	61%	60%	59%	58%
Operating Profit Margin	38%	36%	32%	23%	34%
Net Profit Margin	28%	26%	22%	18%	25%
Dividend Per Share (Cash)	25	10	15	5	5
Dividend Per Share (Bonus)	75	60	10	15	20
Dividend Per Share (Interim)	-	-	-	-	-
Share Price Per Share (End of FY) (Rs.)	5,512	3,410	2,248	1,384	1,237
Earning Per Share (Rs.)	120	70	27	14	31
Price Earning Ratio	46	49	83	101	40
Net Worth Per Share	231	187	138	126	135
Return on Equity	52%	37%	20%	11%	23%
Return on Capital Employed	71%	50%	27%	15%	31%
Return on Total Assets	45%	33%	18%	10%	21%
Current Ratio	6.32	8.36	10.83	11.33	9.89
Debt to Equity Ratio	0.00	-	-	-	-



## Operational Overview

Himalayan Distillery Limited (HDL) sustains its leadership in the premium spirits segment through world-class production infrastructure aligned with international standards. The primary distillation facility, developed in partnership with KATZEN International (USA), maintains a capacity of 30 KLPD and delivers up to 6 million liters of high-purity Extra Neutral Alcohol (ENA) per annum.

During the fiscal year, HDL operationalized an advanced Malt Spirit Distillation plant, achieving seamless integration into commercial production. This initiative has enabled self-sufficient manufacturing and supply of superior malt spirits, which has lowered exposure to volatile import costs.

Enhancements in process control were realized through plant automation, ensuring consistency in Extra Neutral Alcohol (ENA) quality. Concurrently, the deployment of Zero Liquid Discharge (ZLD) technology has eliminated liquid effluent, reinforcing HDL's commitment to sustainable operations.

The year recorded increase in the ENA and finished liquor output compared to the past years. Supported by state-of-the-art quality control laboratories, HDL upholds uncompromising standards across its portfolio. With macroeconomic conditions stabilizing, the Company is strategically positioned to accelerate growth and establish new benchmarks in production efficiency.

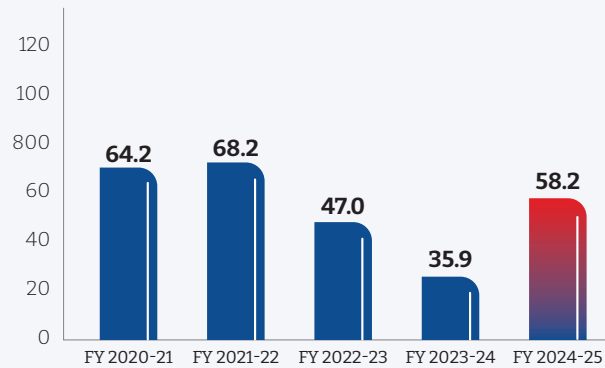
<ul style="list-style-type: none"> <li>■ 1 million cases of Golden Oak (GO) sold for the 2<sup>nd</sup> time in a fiscal year</li> <li>■ Started contract bottling of GO in another company</li> <li>■ 147% Growth in the sales of Black Oak</li> <li>■ Launched a premium brand in 40 UP segment: Blue Oak</li> <li>■ Revenue growth by 54%</li> <li>■ Net profit growth by 123%</li> <li>■ Distributed cash dividend of 25% and 75% bonus shares maintaining 100% dividend for third year in a row.</li> </ul>	<ul style="list-style-type: none"> <li>■ 1 million cases of Golden Oak (GO) sold for the 3<sup>rd</sup> time in a fiscal year.</li> <li>■ 33% Growth in the sales of Black Oak</li> <li>■ 76% Growth in the sales of Blue Oak</li> <li>■ Revenue growth by 10%</li> <li>■ Net profit growth by 149%</li> <li>■ Distributed cash dividend of 10% and 60% bonus shares.</li> </ul>	<ul style="list-style-type: none"> <li>■ Introduced new closure imported from Ukraine in 750ml Products of Oak Series and new bottle in Black Oak 750 ml to add premiumness.</li> <li>■ <b>Silver Award</b> in "Best presented National Annual Reports 2022" in manufacturing category by ICAN.</li> <li>■ Distributed final cash dividend of 15% and bonus share of 10%</li> </ul>	<ul style="list-style-type: none"> <li>■ Launched a new product <b>Silver Oak</b> in 40 UP Vodka segment in the month of December 2023.</li> <li>■ Impact of continued economic slowdown in Net sales revenue with a decrease of 30% than Last Year, thus decreasing PAT by 45%.</li> <li>■ <b>Gold Award</b> in "Best presented National Annual Reports 2023" in manufacturing category by ICAN.</li> <li>■ Distributed final cash dividend of 5% and bonus share of 15%</li> </ul>	<ul style="list-style-type: none"> <li>■ Started production and Sales of Malt Spirit during the year.</li> <li>■ Completed installation of Zero Liquid Discharge (ZLD) System.</li> <li>■ Net profit more than doubled, reaching Rs. 941 million.</li> <li>■ Proposed distribution of cash dividend of 5% and bonus shares of 20% to be approved in AGM of FY 2024-25.</li> <li>■ <b>Bronze Award</b> in "Best presented National Annual Reports 2024" in manufacturing category by ICAN.</li> </ul>
2020-21	2021-22	2022-23	2023-24	2024-25



# Financial Highlights (5 years)

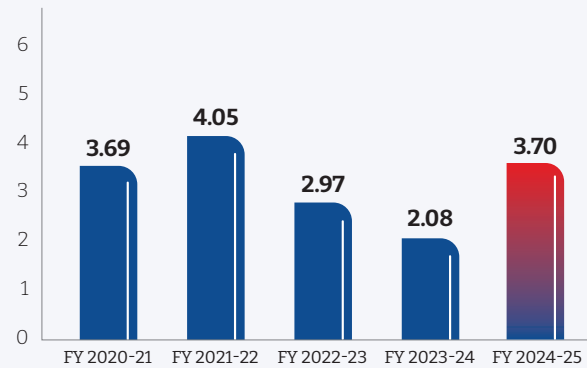
## SALES (CASES)\*

in Ten Thousands



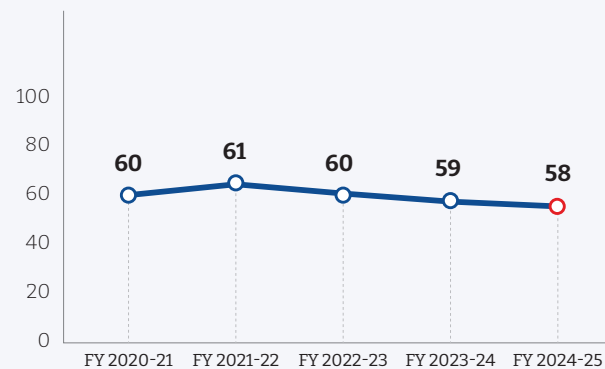
## NET SALES

in Rs. Billion



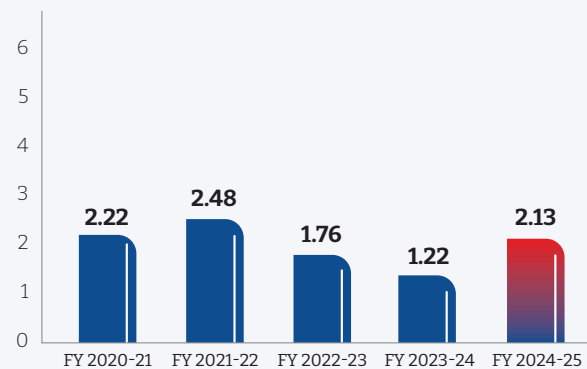
## GROSS PROFIT MARGIN

in Percentage



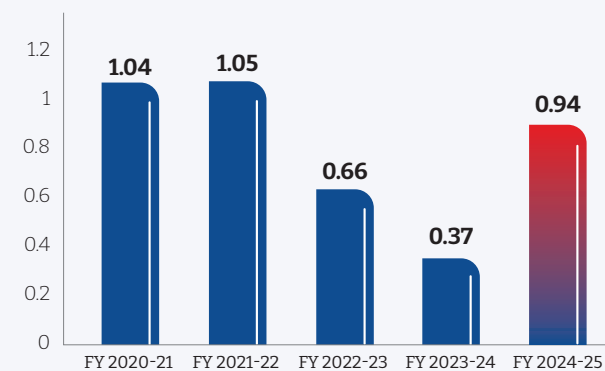
## GROSS PROFIT

in Rs. Billion



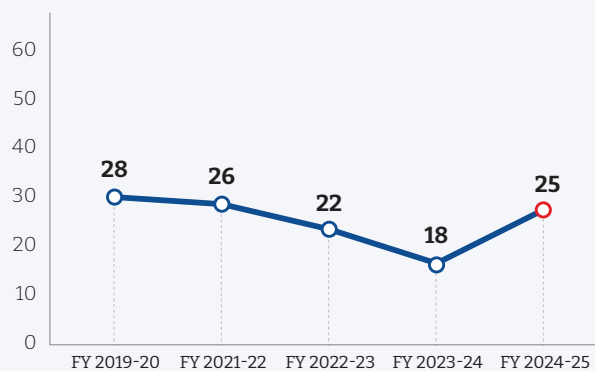
## NET PROFIT

in Rs. Billion



## NET PROFIT MARGIN

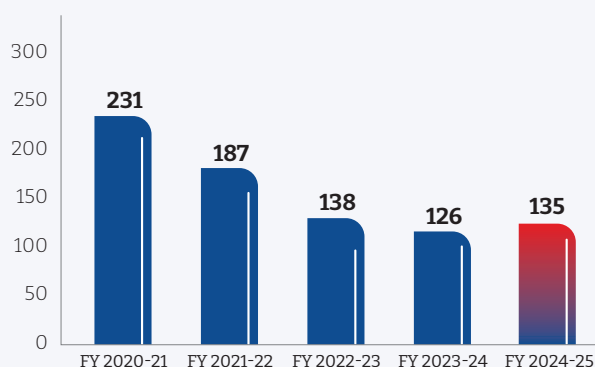
in Percentage



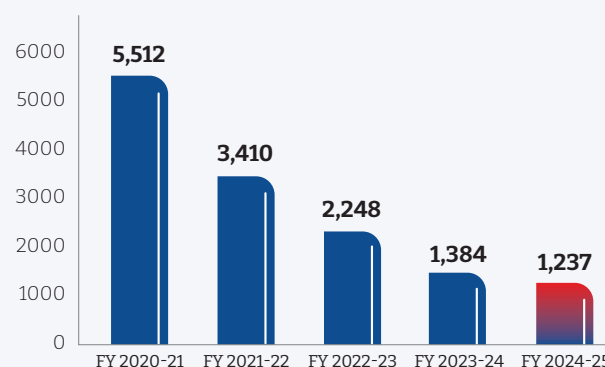


**NET WORTH PER SHARE**

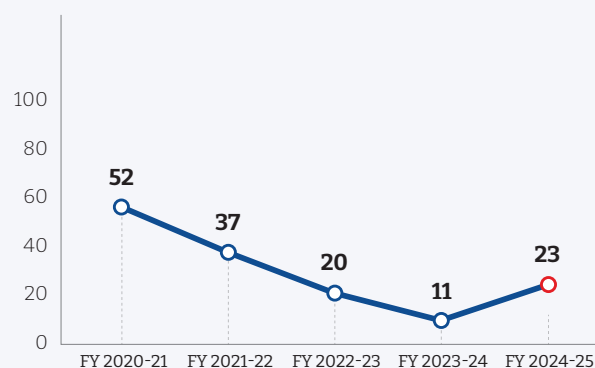
in Rs.

**MARKET VALUE PER SHARE**

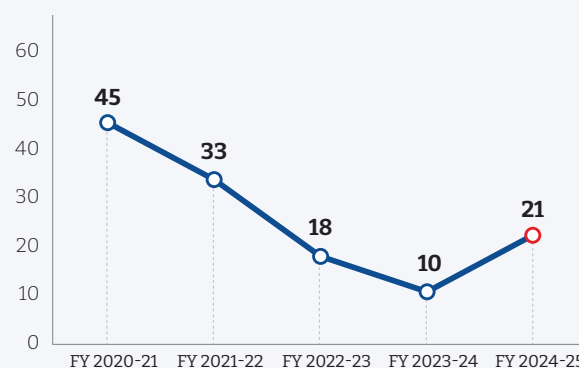
in Rs.

**RETURN ON EQUITY**

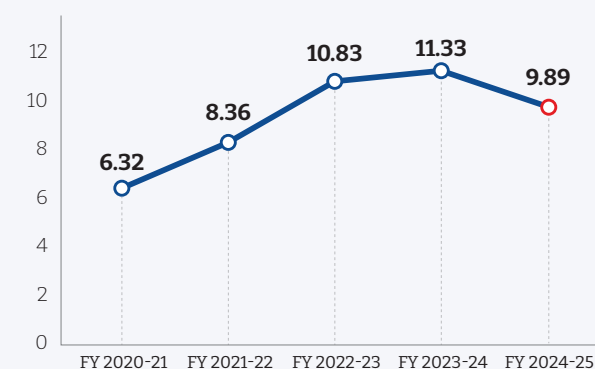
in Percentage

**RETURN ON TOTAL ASSETS**

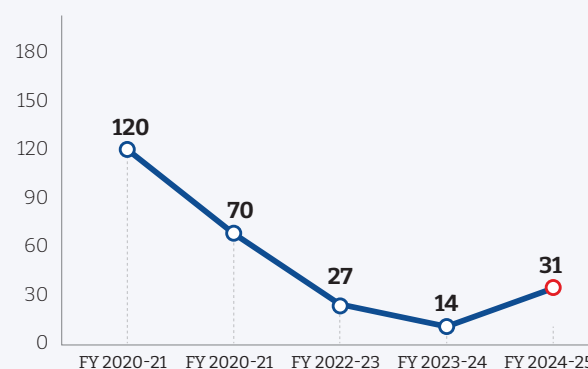
in %

**CURRENT RATIO**

in Times

**EARNING PER SHARE (EPS)**

in Rs.





# Vertical Analysis of Profit and Loss (Company)

For the year ended Asadh 32, 2082 (16th July 2025)

Amount in Rs.

## STATEMENT OF PROFIT OR LOSS

PARTICULARS	FY 2077-78	PERCENTAGE	FY 2078-79	PERCENTAGE	FY 2079-80	PERCENTAGE	FY 2080-81	PERCENTAGE	FY 2081-82	PERCENTAGE
Net Sales Revenue	3,699,668,410	100%	4,059,119,963	100%	2,970,513,595	100%	2,081,496,998	100%	3,708,714,189	100%
COGS	1,474,723,249	40%	1,572,365,334	39%	1,201,050,397	40%	858,208,076	41%	1,573,106,097	42%
<b>Gross Profit</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>	<b>2,135,608,092</b>	<b>58%</b>
Employee benefit expenses	277,536,179	8%	310,158,478	8%	230,866,395	8%	190,033,598	9%	313,043,057	8%
Administration and other expenses	101,742,075	3%	78,468,637	2%	73,435,700	2%	71,521,720	3%	92,401,342	2%
Selling and distribution expenses	442,180,809	12%	626,746,744	15%	526,633,722	18%	478,503,632	23%	458,773,407	12%
<b>Operating Profit</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>	<b>1,271,390,286</b>	<b>34%</b>
Non Operating Income	72,955,118	2%	5,339,132	0%	10,508,372	0%	66,384,021	3%	66,945,023	2%
Depreciation	51,090,332	1%	54,828,501	1%	50,488,080	2%	52,193,106	3%	67,095,466	2%
Financial Expenses	17,225,869	0%	2,156,551	0%	4,510,304	0%	1,343,656	0%	1,895,991	0%
<b>Profit Before Tax</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>496,077,232</b>	<b>24%</b>	<b>1,269,343,852</b>	<b>34%</b>
Income Tax Expenses										
Current Tax	360,694,741	10%	366,017,791	9%	230,655,503	8%	130,270,079	6%	322,105,747	9%
Deferred Tax	6,033,508	0%	(3,223,429)	0%	(2,575,177)	0%	(878,846)	0%	2,628,734	0%
Prior Period Tax Adjustment	-	0%	-	0%	5,433,212	0%	1,637,269	0%	3,162,884	0%
<b>Net Profit</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>365,048,730</b>	<b>18%</b>	<b>941,446,488</b>	<b>25%</b>

Percentage of Net Sales Revenue



# Horizontal Analysis of Profit and Loss (Company)

## STATEMENT OF PROFIT OR LOSS

For the year ended Asadh 32, 2082 (16th July 2025)

Amount in Rs.

PARTICULARS	FY 2077-78	PERCENTAGE	FY 2078-79	PERCENTAGE	FY 2079-80	PERCENTAGE	FY 2080-81	PERCENTAGE	FY 2081-82	PERCENTAGE
Net Sales Revenue	3,699,668,410	100%	4,059,119,963	110%	2,970,513,595	80%	2,081,496,998	56%	3,708,714,189	100%
COGS	1,474,723,249	100%	1,572,365,334	107%	1,201,050,397	81%	858,208,076	58%	1,573,106,097	107%
<b>Gross Profit</b>	<b>2,224,945,161</b>	<b>100%</b>	<b>2,486,754,629</b>	<b>112%</b>	<b>1,769,463,198</b>	<b>80%</b>	<b>1,223,288,922</b>	<b>55%</b>	<b>2,135,608,092</b>	<b>96%</b>
Employee benefit expenses	277,536,179	100%	310,158,478	112%	230,866,395	83%	190,033,598	68%	313,043,057	113%
Administration and other expenses	101,742,075	100%	78,468,637	77%	73,435,700	72%	71,521,720	70%	92,401,342	91%
Selling and distribution expenses	442,180,809	100%	626,746,744	142%	526,633,722	119%	478,503,632	108%	458,773,407	104%
<b>Operating Profit</b>	<b>1,403,486,098</b>	<b>100%</b>	<b>1,471,380,769</b>	<b>105%</b>	<b>938,527,381</b>	<b>67%</b>	<b>483,229,974</b>	<b>34%</b>	<b>1,271,390,286</b>	<b>91%</b>
Non Operating Income	72,955,118	100%	5,339,132	7%	10,508,372	14%	66,384,021	91%	66,945,023	92%
Depreciation	51,090,332	100%	54,828,501	107%	50,488,080	99%	52,193,106	102%	67,095,466	131%
Financial Expenses	17,225,869	100%	2,156,551	13%	4,510,304	26%	1,343,656	8%	1,895,991	11%
<b>Profit Before Tax</b>	<b>1,408,125,015</b>	<b>100%</b>	<b>1,419,734,848</b>	<b>101%</b>	<b>894,037,368</b>	<b>63%</b>	<b>496,077,232</b>	<b>35%</b>	<b>1,269,343,852</b>	<b>90%</b>
Income Tax Expenses										
Current Tax	360,694,741	100%	366,017,791	101%	230,655,503	64%	130,270,079	36%	322,105,747	89%
Deferred Tax	6,033,508	100%	(3,223,429)	-53%	(2,575,177)	-43%	(878,846)	-15%	2,628,734	44%
Prior Period Tax Adjustment	-	0%	-	0%	5,433,212	0%	1,637,269	0%	3,162,884	0%
<b>Net Profit</b>	<b>1,041,396,766</b>	<b>100%</b>	<b>1,056,940,486</b>	<b>101%</b>	<b>660,523,830</b>	<b>63%</b>	<b>365,048,731</b>	<b>35%</b>	<b>941,446,488</b>	<b>90%</b>

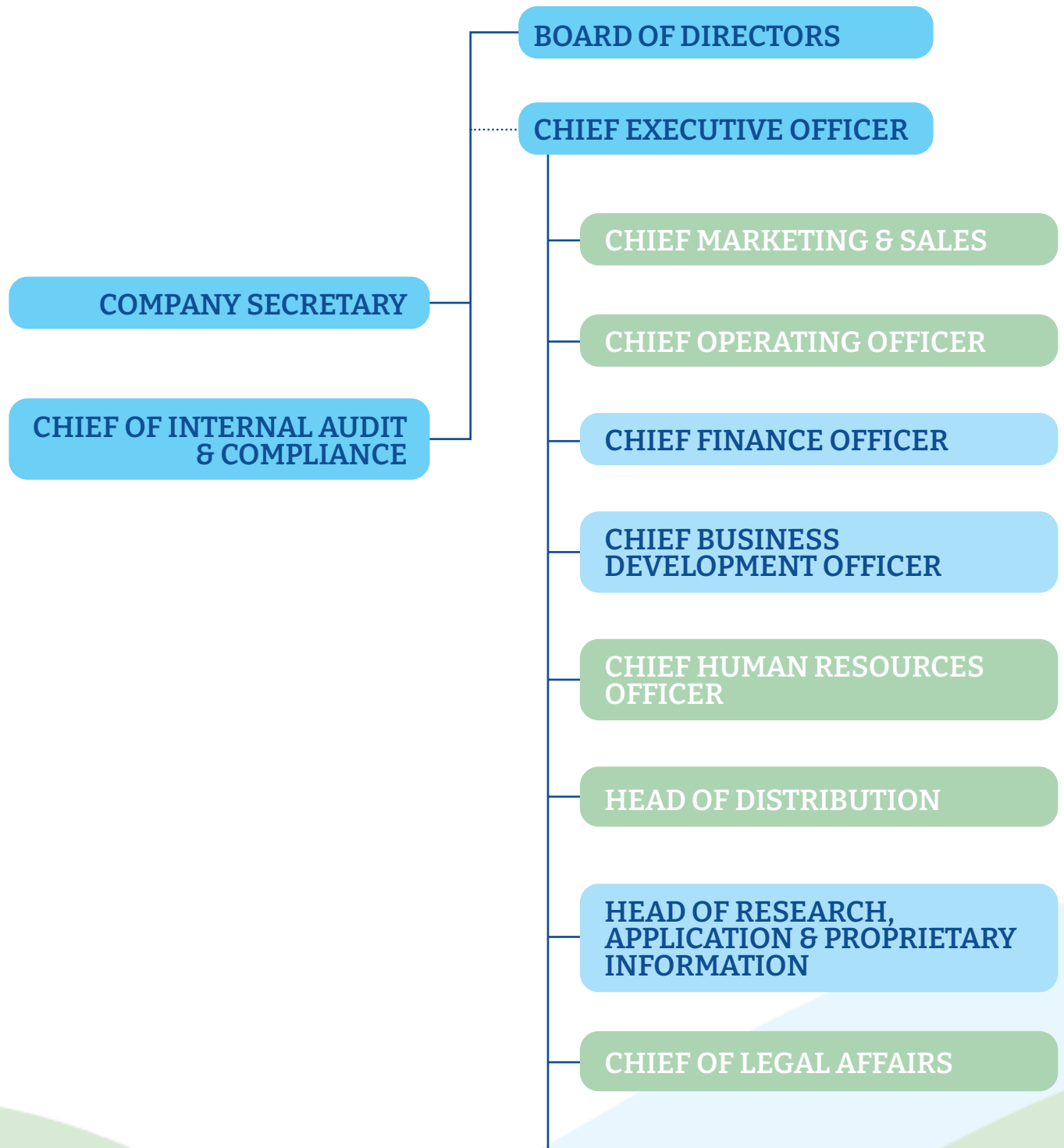
FY 2077-78 is taken as the base year







## HDL'S ORGANIZATIONAL CHART







## MANAGEMENT REPORT

HDL delivered a landmark year in 2024-25, with net sales surging 78% and net profit more than doubling to Rs. 941 million. Strategic investments in a Zero Liquid Discharge system, plant automation, robust CSR contributions, and the launch of malt spirit production supported by a near-complete maturation warehouse-reinforce our sustainability leadership and accelerate long-term growth.



**23%**  
RETURN  
ON EQUITY


**25%**  
NET PROFIT  
MARGIN











CHAIRPERSON'S STATEMENT

# **ACTION IS THE ESSENCE OF GROWTH**

Growth begins with action - thoughtful, consistent and courageous. It is through action that ideas take shape, teams unite and progress becomes real. Our journey is defined by this belief: that purposeful action is the foundation upon which lasting success is built.



**Respected Shareholders,**

It gives me immense pleasure, gratitude, and pride to welcome all the esteemed shareholders present at the 25th Annual General Meeting of Himalayan Distillery Limited, Parsa, in my capacity as the Chairperson of the Board of Directors. Since its establishment, the company has gone through various ups and downs in its business operations. I would like to inform this meeting that your continued trust, support, and encouragement have been instrumental in sustaining the company's business operations. Your direct and indirect support has been indispensable for the company's financial progress, and I express my heartfelt gratitude for your contributions.

At the beginning of the fiscal year 2024-25, our business environment faced several challenges due to floods and landslides in the country, fluctuations in fuel prices, rising costs of raw materials, unhealthy market competition, declining consumer purchasing power, political instability, and an increase in the exchange rate of foreign currencies. These factors have adversely affected the overall business climate, including our operations. The rise in the price of our products and the mismatch between product pricing and consumer income levels have also impacted on our business transactions.

During the first quarter of this fiscal year, the Gen-Z Movement led to damage to private property belonging to industrialists, and incidents such as arson and vandalism were seen as threats to the entire industrial sector. Moreover, natural disasters such as floods and landslides during the Dashain period had direct and indirect effects, resulting in a 10% decline in sales compared to the same period of the previous year.

We are pleased to inform you that the Malt Spirit Production has already commenced as part of our efforts to reduce production costs and enhance and expand our business. The sludge (grain residue) generated during the spirit production process is being processed into dry cake for sale and distribution.

The Plant Automation process has been completed to enhance productivity. Similarly, a Spirit Maturation Plant has been established within the factory compound with the aim of introducing high-quality liquor products to the market.

Additionally, for the purpose of maturing spirit under the unique temperature conditions of the Mount Everest Region, land has been acquired



and warehouse construction is nearly complete. In line with our commitment to expanding business operations, we have consistently developed and launched new brands. Continuing this trend, we are preparing to launch a premium whisky brand “SHLOK” and an RTD (Ready-to-Drink) product line in the market. We are confident that these initiatives will increase the company's sales revenue and positively enhance shareholder value. The company also expects your continued efforts and cooperation in achieving these goals.

From the profit earned this fiscal year, the company has proposed a 5% cash dividend (including dividend tax) and a 20% bonus share distribution for shareholders.

The credit for sustaining the company's business goes to our respected shareholders, distributors, wholesalers, retailers, consumers, management team, employees, factory workers, and the concerned agencies of the Government of Nepal. I express my sincere gratitude for their continued cooperation and invaluable contribution and look forward to similar support in the future.

I would also like to extend my thanks to our esteemed shareholders and regulatory bodies — the Office of the

Company Registrar, Securities Board of Nepal (SEBON), Nepal Stock Exchange (NEPSE), Department of Industry, Department/Office of Inland Revenue, Department of Labor and Employment, and all financial institutions and regulatory agencies associated with the company — for their valuable guidance and suggestions.

Finally, I express my hope that the management team, workers, shareholders, and other well-wishers will continue their trust, support, and goodwill towards the company. Once again, I warmly welcome all the distinguished shareholders present at this 25th Annual General Meeting and request you to actively participate in the discussions and approve the agenda items presented for deliberation.

Thank you.

**Shanker Raj Pandey**  
*Chairperson*  
Board of Directors

Date: November 16, 2025



CEO'S STATEMENT

# A YEAR OF STRATEGIC GROWTH, RESILIENCE, AND VISION



The past year has been an inspiring journey of resurgence, resilience, and renewed ambition. We have not only achieved strong financial results but also set the stage for an exciting era of expansion and innovation.









**Dear Valued Shareholders,**

It is with great pride and gratitude that we present to you the Annual Report of Himalayan Distillery Limited (HDL) for the fiscal year 2024-25 — a transformative chapter in our storied journey—one defined by extraordinary resilience, bold strategic execution, and a renewed commitment to pioneering innovation in Nepal's alcobev industry. This year marked a significant turnaround for the company — a period of strategic recovery, renewed focus, and significant growth. The year reflected a strong rebound and renewed business momentum, demonstrating our team's resilience, operational discipline, and commitment to value creation.

While Nepal's economy continues to face multiple headwinds — from sluggish domestic consumption and slow economic growth to the outward migration of youth and recent socio-political movements reshaping consumer sentiment — HDL has remained unwavering in its pursuit of sustainable growth, product innovation, and long-term value creation. HDL not only weathered the storm but emerged stronger, delivering significant financial results and laying the groundwork for sustainable, long-term value creation.

**STRONG PERFORMANCE – BUILDING ON RESILIENCE AND EXECUTION**

The fiscal year 2024-25 stands as a testament to HDL's operational excellence and strategic agility. The fiscal year under review was exceptionally strong for HDL, reflecting our ability to rebound from past challenges and capitalize on market opportunities.

● **Sales Revenue:** NPR 3.71 billion, representing a 78% growth compared to NPR 2.08 billion in FY 2023-24. This surge was fueled by robust demand for our core brands, expanded market penetration, and the initial revenue streams from our new strategic assets.

● **Net Profit:** NPR 941 million, an extraordinary 158% increase from NPR 365 million last year. This leap underscores our disciplined cost management, zero-leverage financial model, and a healthy cash position exceeding NPR 2 billion as of 16th July 2025, providing ample liquidity for future investments.

This strong performance underscores the strength of our brands, the dedication of our teams, and the success of our strategic initiatives aimed at brand-focused growth and operational excellence. Our flagship Oak Series — comprising Golden Oak, Black Oak, and Silver Oak — collectively recorded 5% growth in sales volume and retained a commanding 66% market share in the 40UP whisky segment. While Golden Oak maintained its position as Nepal's most trusted 40UP brand, Black Oak grew 36% in volume, gaining strong traction among emerging urban consumers. Silver Oak also recorded 24% growth in the 40UP Vodka category, marking consistent progress in an increasingly competitive space.

These achievements reflect the robustness of our distribution network, targeted marketing initiatives, and the trust that our consumers continue to place in the HDL brand portfolio.

Strategic Product Diversification and Innovation  
During the year, HDL made significant progress in expanding and diversifying its product portfolio to align with evolving consumer preferences and new growth segments:

**1. SPIRIT MATURATION CENTER**

The construction of our Spirit Maturation Center in the Khumbu Region continues to progress as part of HDL's vision to enter the premium-aged spirits category. Leveraging Nepal's unique Himalayan climate, this project will produce high-quality matured malt spirits — a pioneering move that positions HDL as a potential global name in authentic Himalayan-aged whisky.



## 2. STRATEGIC COLLABORATIONS

HDL is actively exploring strategic collaborations with multinational companies to introduce globally recognized brands into the Nepali market and vice versa. These strategic avenues align with our long-term ambition to evolve from a domestic leader to a regional powerhouse in the alcobev industry.

### NAVIGATING CHALLENGES IN COMPLEX ENVIRONMENT

The macroeconomic and socio-political environment in Nepal during FY 2024-25 remained challenging. The country faced the aftereffects of prolonged inflation, liquidity tightening, sluggish consumer spending and political instability marked by recent youth-driven protests that disrupted both the political and business sentiments.

Furthermore, continued migration of the working-age population abroad, low disposable income, and consumer shift toward cheaper liquor and strong beer segments impacted the overall alcobev demand landscape. New entrants, aggressive discounting strategies, and trade tie-ups further intensified competition in the 40UP whisky segment.



From recovery to resurgence — HDL has regained its growth trajectory with renewed strategic clarity and operational strength.

Amid these pressures, HDL maintained its growth trajectory through strategic focus, brand strength, and prudent financial management. HDL has proactively fortified its risk management framework to address these challenges. Through disciplined credit control, robust compliance systems, and strong fund management, the Company has continued to operate with zero leverage, maintaining a healthy cash position. Our zero-debt structure and strong operational cash flows provided flexibility to navigate macroeconomic challenges while investing in innovation, capacity enhancement, and people development.

### AGILITY AMIDST POLITICAL UNREST AND RECENT EVENTS

While the fiscal year 2024-25 marked a strong recovery phase for HDL, the onset of FY 2025-26 presented unexpected socio-political challenges. The recent Gen-Z protest in September 2025, which led to nationwide curfews and temporary business closures, tested the resilience and agility of businesses across Nepal, including ours.

Amidst these circumstances, HDL demonstrated remarkable agility by swiftly implementing safety measures, to ensure employee security, and maintaining stable factory production without disruptions. Despite logistical hurdles and restricted market movement, supply chain continuity was maintained through effective coordination with vendors and distributors. Strategic foresight allowed HDL to avoid excess stock accumulation and ensure business continuity.

Furthermore, HDL's crisis response highlighted the strength of its operational systems, financial prudence, and digital readiness. Disaster Recovery Plan, robust system access procedures, and enhanced cybersecurity measures ensured uninterrupted financial and operational continuity. Factory operations maintained steady



output, ensuring stability in workforce utilization and prevention of supply chain bottlenecks.

### **STRENGTHENING RISK MANAGEMENT AND OPERATIONAL EFFICIENCY**

HDL has adopted a comprehensive risk management framework that proactively identifies, assesses, and mitigates risks related to market volatility, regulatory changes, and operational continuity.

#### **Key initiatives include:**

- Enhancing business agility through data-driven decision making and cost control.
- Strengthening internal compliance and governance mechanisms.
- Investment in plant automation and energy-efficient technologies to mitigate production risks and improve sustainability.
- Establishing crisis response protocols to address potential disruptions in logistics, supply chain, or policy environments.

These actions ensure HDL remains robust and well-prepared, even amid macroeconomic uncertainty and dynamic regulatory landscapes.

### **COMMITMENT TO SUSTAINABILITY AND SOCIAL RESPONSIBILITY**

At HDL, we firmly believe that business success must go hand in hand with social responsibility and environmental stewardship. Our CSR and sustainability framework focuses on three core pillars:

#### **1. COMMUNITY DEVELOPMENT:**

HDL's success is deeply rooted in its responsibility toward society and the environment. Our CSR and sustainability programs focus on supporting local employment, education, and healthcare initiatives in communities, particularly in the regions where we operate.

#### **2. ENVIRONMENTAL STEWARDSHIP:**

Investing in plant automation project, Zero Liquid Discharge (ZLD) project, energy optimization, plantation, waste management programs and exploration of renewable energy solutions to position the company as a sustainability-driven leader in the industry. It highlights our commitment to reducing carbon footprint and aligning with Nepal's green development goals.

#### **3. EMPLOYEE EMPOWERMENT:**

At the heart of our success are our people — the dedicated employees across our factory, offices, and field teams — whose commitment continues to drive HDL's business. Continuous training, career development, employee engagement and employee recognition programs are in place to ensure our team remains motivated and aligned with organizational goals.

These initiatives reflect HDL's commitment to being a responsible corporate citizen and contributing positively to society beyond commercial objectives.

#### **Creating Sustainable Value for Shareholders**

Our philosophy remains rooted in long-term value creation for all stakeholders. HDL's growth strategy is designed to balance profitability with reinvestment into innovation, capacity enhancement, and diversification.

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From the  
Himalayas to the  
World — HDL is  
rising stronger,  
prouder, and more  
purposeful than  
ever.



At HDL, we view every strategic initiative through the lens of shareholder value creation. While 2024-25 was a recovery year, it lays the foundation for a return to stable profitability and growth momentum. Each initiative is carefully assessed to ensure it strengthens our brand equity, market share, and shareholder returns.

Our focus now is on:

- Strengthening brand-led growth in whisky and vodka flavored spirits, and new categories that we are planning for the current year.
- Pursuing collaborations with reputed multinational companies to bring global expertise into the Nepali alcobev landscape and capture synergies across the value chain.
- Sustaining long-term profitability through efficiency, product innovation, and market leadership.

As HDL grows, so too does our responsibility to deliver consistent, sustainable, and inclusive outcomes — ensuring that every decision we make today contributes to the prosperity of our shareholders, employees, consumers, and the nation as a whole.

#### **The Road Ahead – From Growth to Leadership**

Looking forward, FY 2025-26 will be a year of consolidation and transformation. Our focus will be on:

- Scaling up “Shlok” and preparing for the launch of new products in new categories.
- Accelerating the Everest Spirit Maturation Project and introducing aged malt spirit products.

- Investing in automation, renewable energy, and plant optimization for operational sustainability.

- Deepening market reach and reinforcing HDL’s leadership in the whisky and vodka segments.

- Exploring selective export opportunities to extend HDL’s footprint beyond Nepal.

- Pursuing strategic alliances to accelerate growth and portfolio diversification.

- Deepening our commitment to sustainability, digitalization, and operational excellence.

- Robust Enterprise Resources Planning along with Distributor Management Software and Sales Force Automation

The past year has been an inspiring journey of resurgence, resilience, and renewed ambition. We have not only achieved strong financial results but also set the stage for an exciting era of expansion and innovation.

Our shareholders’ trust and confidence continue to guide us forward. Together, we are committed to building a stronger, more sustainable company — one that continues to embody excellence, integrity, and pride in Nepali craftsmanship.

Thank you for your continued support.

**Niraj Subedi**

*Chief Executive Officer*



## EXTERNAL ENVIRONMENT AND IMPACT ON HDL

Fiscal year 2024-25  
witnessed a real GDP growth  
of approximately

**4.6%**



### 1. MACROECONOMIC LANDSCAPE

Nepal's economy has been gradually stabilizing after several years of macroeconomic volatility. Fiscal year 2024-25 witnessed a real GDP growth of approximately 4.6%, driven by recovery in industry, trade, and services. Inflation has moderated to around 4%, providing price stability for consumers and easing input cost pressures on manufacturers. Remittance inflows have reached record highs, improving household disposable incomes and supporting demand for discretionary and lifestyle products such as alcoholic beverages.

For HDL, these trends present a positive consumption outlook, particularly in urban and semi-urban centers where income elasticity for premium spirits is higher. The growing remittance-driven middle class and rising urbanization trends are expected to strengthen demand for premium and aspirational brands like Black Oak Whisky and Silver Oak Vodka, while maintaining steady consumption for mass brands such as Golden Oak.

Tourism and hospitality have also rebounded, providing opportunities in the on-trade segment (hotels, restaurants, and bars). Strengthening presence in this segment can further enhance brand visibility and drive consumer trials, especially in premium categories.



## 2. FINANCIAL AND INDUSTRIAL ENVIRONMENT

Reports of the Nepal Rastra Bank indicate a healthy liquidity position in the banking system and a decline in lending rates. This environment favors HDL's ongoing expansion plans, including investments in plant automation and spirit maturation projects.

However, the planned shift to a direct distribution model in the upcoming year can increase HDL's exposure to working capital financing, as the company will directly be managing distributor credit, receivables, and the cost of logistics. While this will increase financial responsibility, the approach will also allow HDL to retain the commission previously paid to the national distributor, effectively improving gross revenue and profitability margins.

Input costs, however, remain a moderate risk. Fluctuating foreign exchange rates may affect the cost of packaging materials and imported ingredients. HDL's strategy to expand grain-based ENA production and promote local sourcing would be essential to mitigate the impact. Additionally, managing wage inflation and optimizing human resource utilization through automation and efficiency measures will be critical for maintaining profitability amid an expanding operational structure.

## 3. SOCIOCULTURAL AND POLITICAL ENVIRONMENT – IMPACT OF GEN Z PROTESTS

The Gen Z protests of September 2025 have emerged as a defining socio-political event in Nepal's recent history. Sparked by widespread dissatisfaction over increasing corruption, poor governance, and increasing unemployment among youth, the protests resulted in nationwide disruptions, curfews, and instability. The development resulted in several implications for HDL:

- **Operational and Logistic Risks:** Road blockades, transport delays, and temporary retail

shutdowns during the unrest disrupted supply chains, particularly in Kathmandu Valley and major trading corridors. HDL overcame the risk by strengthening regional warehouse capabilities through its distributors, establishing feasible alternate transport routes, and maintaining safety stock at key supply chain points.

- **Consumer and Brand Perception:** As Nepal will remain in a transition until elections are held, brands must remain cautious in communication. Tone-deaf or lavish marketing may risk backlash in a socially conscious environment. HDL ensured the alignment of its messaging with responsible consumption, local empowerment, and community identity, ensuring emotional relevance among younger audiences. Further, the launch plan of new products was postponed and promotional activities of existing products were reduced to account for the situation.
- **Regulatory and Policy Shifts:** Political instability and public pressure for reforms could lead to tighter scrutiny of regulated industries such as alcohol. HDL will focus on proactively enhancing compliance transparency, adopting responsible marketing codes, and engaging with policymakers to maintain goodwill.
- **Digital Platform Dependence:** The temporary social media disruptions prior to the protests, revealed the risk of reliance on digital engagement tools for communication. HDL aims to diversify its outreach methods such as building hybrid communication channels such as SMS campaigns, Customer Relationship Management (CRM)-driven trade communication, and offline retail activations.

Overall, the evolving socio-political landscape emphasizes the need for corporate agility, digital



resilience, and social responsibility. HDL's aims to evolve its brand narratives to reflect values of integrity, inclusivity, and cultural authenticity which resonate with today's youth-driven market.

#### 4. ENVIRONMENTAL, TECHNOLOGICAL, AND GLOBAL CONTEXT

Growing environmental consciousness and regulatory attention to sustainability are reshaping the manufacturing sector. This has resulted in expectations for responsible water use, energy efficiency, and packaging waste management at HDL. The Company's ongoing grain-based ENA, Malt Spirit Production and spirit maturation projects align with sustainability goals and create export potential for value-added malt spirits.

Technological advancement has presented new strategic opportunities. Expanding data-driven decision-making, predictive analytics, and real-time business intelligence can enable faster responses to market disruptions, optimize inventory levels, and improve forecasting accuracy across regions. Strengthening digital sales monitoring and consumer feedback loops will further reinforce HDL's competitive advantage in a dynamic market.



## CONCLUSION

The combination of Nepal's improving macroeconomic fundamentals and the emerging social activism dynamics mark a turning point for HDL. While the macro-environment promised to support growth through higher remittances, stable inflation, and better liquidity, the Gen Z movement has underscored the importance of ethical governance, brand authenticity, and operational resilience.

HDL's strategic realignment—direct market control and investment in plant automation and spirit maturation projects—positions it strongly to thrive in this evolving environment. By integrating financial prudence, technological innovation, and socially-conscious brand management, HDL can safeguard its leadership position and capture long-term growth opportunities in Nepal's transforming Alco-bev landscape.







## NEPAL LIQUOR INDUSTRY OVERVIEW (FY 2022/23 – 2024/25)

### 1. INDUSTRY PERFORMANCE SUMMARY

The Nepali liquor industry has shown a strong recovery after two consecutive sluggish years, with total industry sales reaching 2.21 million cases in FY 2024/25 – up 31% compared to FY 2023/24 and 23% higher than FY 2022/23. This rebound was driven mainly by resilient domestic whisky and vodka categories, reflecting renewed consumer confidence, easing of macroeconomic pressures, and post-pandemic normalization of consumption, and tourism.

- FY 2022/23 → FY 2023/24: Industry had a contraction (-6.2%), largely due to a prolonged liquidity crunch and low disposable income resulting in weak consumer demand.
- FY 2023/24 → FY 2024/25: Sharp rebound (+31%), indicating improved economic conditions and stronger market confidence.

Industry Growth

# 31%

compared to Last Year

HDL's Growth

# 5%

compared to LY's sales qty.









2. CATEGORY-WISE INSIGHTS

Segment	Growth FY81/82 vs FY80/81	Key Highlights
WHISKY	<div><div></div><div>+18%</div></div>	Largest category with 1.16 million cases (52% of industry); dominated by 40UP whisky (87% of whisky sales).
VODKA	<div><div></div><div>+52%</div></div>	Fastest-growing segment, total 515,000 cases (23% share); rising urban and youth preference for clear spirits.
GIN	<div><div></div><div>+10%</div></div>	Still niche but steady revival; 40UP gin dominates.
RUM	<div><div></div><div>+134%</div></div>	Big rebound driven by strong regional & rural demand in the 25UP category.
BRANDY, WINE, OTHERS	<div><div></div><div>+20–70%</div></div>	Small but growing premium lifestyle segments; wine consumption is rising with urban lifestyle change.

(The market data is based on internal survey)



### 3. KEY STRUCTURAL TRENDS

- **Premiumization & 40UP dominance:** 40UP Whisky and 40UP Vodka together account for 55%+ of total industry volume, showing consumer movement toward stronger and affordable products.
- **Domestic brands expanded faster than imported ones:** While imported spirits grew 30–50%, their overall contribution remains below 2% of market share, confirming dominance of local manufacturers like HDL and related entities.
- **Vodka's sharp rise signals youth transition:** Vodka's 52% annual growth suggests changing consumption behavior — younger, urban consumers are preferring light, mixable spirits over traditional brown spirits.
- **Rum resurgence:** The comeback of 25UP Rum signals mass-market recovery, possibly tied to affordability and consumption at local bhattis and semi-urban markets.
- **Wine and liqueur adoption:** Still niche but indicative of evolving lifestyle and gender-diverse consumption patterns in Kathmandu and tourist corridors.

### 4. IMPLICATIONS FOR HDL

#### Current Position

- HDL's current portfolio – Golden Oak & Black Oak (40UP Whisky) and Silver Oak (40UP Vodka) – sit in the fastest-growing segments of the industry.
- Both segments represent nearly 39% of total industry growth contribution in FY 2024-25, providing a favorable platform for HDL's expansion.
- HDL's 40UP Whisky (Golden Oak & Black Oak) remains part of the largest segment by volume, offering scale stability, while 40UP Vodka (Silver Oak) caters to the highest growth demographic—urban youth and female drinkers.





#### Opportunities ahead

- **Entry into Premium 25UP Whisky:** The 25UP whisky sub-segment, though smaller (133K cases in FY 2024-25), grew by +35% year-on-year, suggesting an emerging mid-premium category. HDL aims to position its upcoming 25UP whisky as a bridge between mass and premium categories, capturing both aspirational and value-driven consumers.
- **Leverage brand halo:** Building on the equity of Golden Oak and Black Oak, the new 25UP brand can attract first-time premium consumers with refined taste, lighter strength, and lifestyle branding.





## 5. STRATEGIC OUTLOOK

Opportunity Area	Strategic Direction for HDL
 <p>40UP Whisky (core)</p>	<p>Reinforce leadership through loyalty programs, premium packaging, regional push and increased focus on retail consumers.</p>
 <p>40UP Vodka (growth engine)</p>	<p>Invest in influencers'-led campaigns, urban sampling, and mixology-based promotions.</p>
 <p>25UP Whisky (new entry)</p>	<p>Launch with a distinct identity targeting semi-premium consumers seeking lighter blends.</p>
 <p>Trade &amp; Distribution</p>	<p>Strengthen last-mile availability and product visibility with a dedicated salesforce.</p>

## 6. SUMMARY

Nepal's liquor industry has been rebounding with diversified growth drivers, led by premium brown spirits and increasing clear spirit consumption. With favorable macroeconomic trends and evolving consumer preferences, HDL is well-positioned to consolidate leadership in 40UP segments and capture new share in the emerging 25UP premium whisky category.

By aligning marketing, distribution, and innovation strategies toward consumer-centric premiumization, HDL aims to outpace overall market growth and strengthen its competitive position in Nepal's evolving alco-bev landscape.







\*Enjoy Responsibly

सुनौलो साथी  
पलको



## INDUSTRY OVERVIEW AND EXTERNAL ENVIRONMENT ANALYSIS

### 1. NEPAL LIQUOR INDUSTRY: POST-RECOVERY GROWTH AND MARKET DYNAMICS

The Nepali liquor industry demonstrated strong and broad-based growth during FY 2024/25, registering an overall industry volume of 2.21 million cases, marking a 31% year-on-year growth compared to 1.68 million cases in FY 2023/24. This remarkable rebound was driven by easing macroeconomic pressures, a resurgence in consumer spending, and a gradual return of social and festive consumption patterns after years of inflationary and regulatory disruptions. The recovery was particularly strong in the 40UP whisky and 40UP vodka segments, which collectively account for over 55% of the total industry volume.

The 40UP Whisky segment, which remains the dominant category in the spirits market, grew by 14% to reach one million cases. This segment continued to be the centerpiece of Nepal's domestic liquor consumption, reflecting the cultural preference and affordability balance of mid-tier whiskies. The 40UP Vodka segment witnessed the most dynamic expansion, increasing by 56% year-on-year – from 141,020 cases to 220,297 cases – indicating a strong consumer shift towards modern, lighter, and premium drinking preferences, especially among urban youth and women consumers.

These shifts reflect broader socio-cultural transformations. Urban consumers are increasingly aligning with global drinking trends – favoring clear spirits, modern packaging, and lifestyle-oriented brands – while rural and mid-market consumers continue to drive volume in the 40UP Whisky category. Additionally, the emergence of imported brands in niche urban markets and growing tourism-driven demand in premium outlets has further diversified the competitive landscape.

### 2. PERFORMANCE OF HIMALAYAN DISTILLERY LIMITED

HDL maintained its strong foothold in the domestic market with its flagship brands – Golden Oak, Black Oak, and Silver Oak – competing primarily in the 40UP Whisky and 40UP Vodka categories.

During FY 2024/25, HDL achieved a total sales volume of 687,111 cases, reflecting a 5% growth from the previous year. However, despite the growth in volume, HDL's overall market share declined to 31% from 39%, primarily due to the accelerated entry of new competitors, market fragmentation, and the resurgence of smaller local distilleries leveraging aggressive discounting and trade-level incentives.

In the 40UP Whisky segment, HDL's combined portfolio (Golden Oak, Black Oak, and Blue Oak) accounted for 66% of the category, compared to 72% in the previous year. While Golden Oak remained the top-selling brand in the country, recording 503,258 cases, it saw a 2% decline in volume compared to the previous fiscal year. The decline was partly due to increasing competition in the mainstream whisky category, the presence of counterfeit and look-alike brands, and changing consumer behavior driven by promotional disruptions. Conversely, Black Oak exhibited robust growth of 36%, increasing from 120,152 to 162,998 cases, indicating the success of its premium positioning and rising consumer acceptance in urban markets.

Overall Industry Volume

# 2.21 M

cases in 2024-25





HDL's Brand's Contribution

**66%**

in 40UP whisky segment



In the 40UP Vodka segment, HDL's Silver Oak Vodka, launched in 2023, achieved 24% growth, reaching 21,010 cases in FY 2024/25 from 16,888 cases in the previous year. Despite being a new entrant, Silver Oak has successfully established a foothold in a market dominated by a single major competitor holding over 85 - 90% market share. Silver Oak's performance demonstrates the potential of HDL's innovation pipeline and consumer resonance among younger consumers.



HDL's Brand's Contribution

**10%**

in 40UP vodka segment





### 3. SOCIO-ECONOMIC AND POLITICAL ENVIRONMENT

The liquor industry's trajectory in FY 2024/25 was shaped by a complex socio-economic environment. On the economic front, Nepal's GDP growth stabilized at around 4.6%, supported by remittance inflows and easing of inflationary pressure compared to the previous fiscal year. Consumer spending began to recover, particularly in urban areas, as liquidity improved and market confidence returned. However, rural consumption remained strained due to lower agricultural productivity and high household indebtedness.

The monetary tightening policy of the Nepal Rastra Bank in FY 2023/24 continued to have a lagged impact, restricting credit growth to trading and manufacturing sectors. Despite these constraints, the liquor sector's semi-resilient demand profile – anchored by festival seasons, weddings, and tourism – enabled the industry to maintain double-digit growth.

The Gen Z-led protests in 2025 also influenced consumer markets. Although the protests were primarily socio-political in nature, the resulting uncertainty and curfews temporarily disrupted urban trade channels and on-premise consumption. Yet, the protests also underscored a generational shift in values, preferences, and activism, which brands like HDL must strategically address in marketing communication such as balancing tradition with progressive and responsible messaging.

Politically, the environment remained volatile yet functional. Changes in provincial leadership and local governance structures caused temporary inconsistencies in excise administration and permit renewals in certain provinces. The frequent regulatory discussions around liquor advertisement bans, excise rate revisions, and distribution licensing continued to present compliance and operational challenges for all manufacturers. Nevertheless, HDL's adherence to ethical business practices, compliance discipline, and transparent reporting remained a source of competitive advantage and brand credibility.

### CHANGING CONSUMER PREFERENCES AND COMPETITIVE INTENSITY

The most visible market shift is evolving consumer preference: a growing cohort of younger, urban consumers prefer vodka, ready-to-drink (RTD) beverages and beer, favoring lighter, mixable beverages. Concurrently, the market is witnessing a proliferation of new entrants offering cheaper 40UP products, often competing aggressively on price, discounting, and trade incentives. Key market behaviors include:

- Shift to strong beer & cheaper 40UP variants: Price-sensitive consumers and new entrants promote "strong beer" and cheaper spirit alternatives. These products are often sold in high volumes via aggressive trade schemes and outlet tie-ups, quickly capturing shelf space and consumer trials.
- Aggressive promotional tactics: New players deploy deep discounts, buy-one-get-one offers, and heavy outlet funding. While these tactics drive short-term volumes, they compress industry margins and encourage channel dependence on incentives rather than brand loyalty.
- Channel dynamics: With advertising restrictions in mass media, below-the-line (BTL) activities (in-store promotions, outlet tie-ups, spot sampling) dominate. New entrants that invest heavily in trade incentives can rapidly scale distribution even with lower brand equity.
- Premiumization tempered by affordability: Although there remains a premiumization trend among remittance-supported urban consumers, the broader market shows simultaneous fragmentation – a growing number of consumers lean toward value offerings.

For HDL, these market realities mean a harsher competitive environment: protecting share in 40UP categories will require a careful balance between promotional spend and brand investment; entering the 25UP premium space will require differentiation not reliant on price wars.



#### 4. GEOGRAPHY AND MARKET DYNAMICS

Nepal's liquor market continues to be shaped by its geographical diversity and logistical complexity. The terai belt, Kathmandu Valley, and the mid-hill urban centers contribute nearly 70% of total liquor consumption, while mountain and rural areas account for emerging but still limited volumes. The lack of uniform infrastructure and the seasonal accessibility challenges during monsoons affect distribution efficiency, especially in the far-western and high-hill zones.

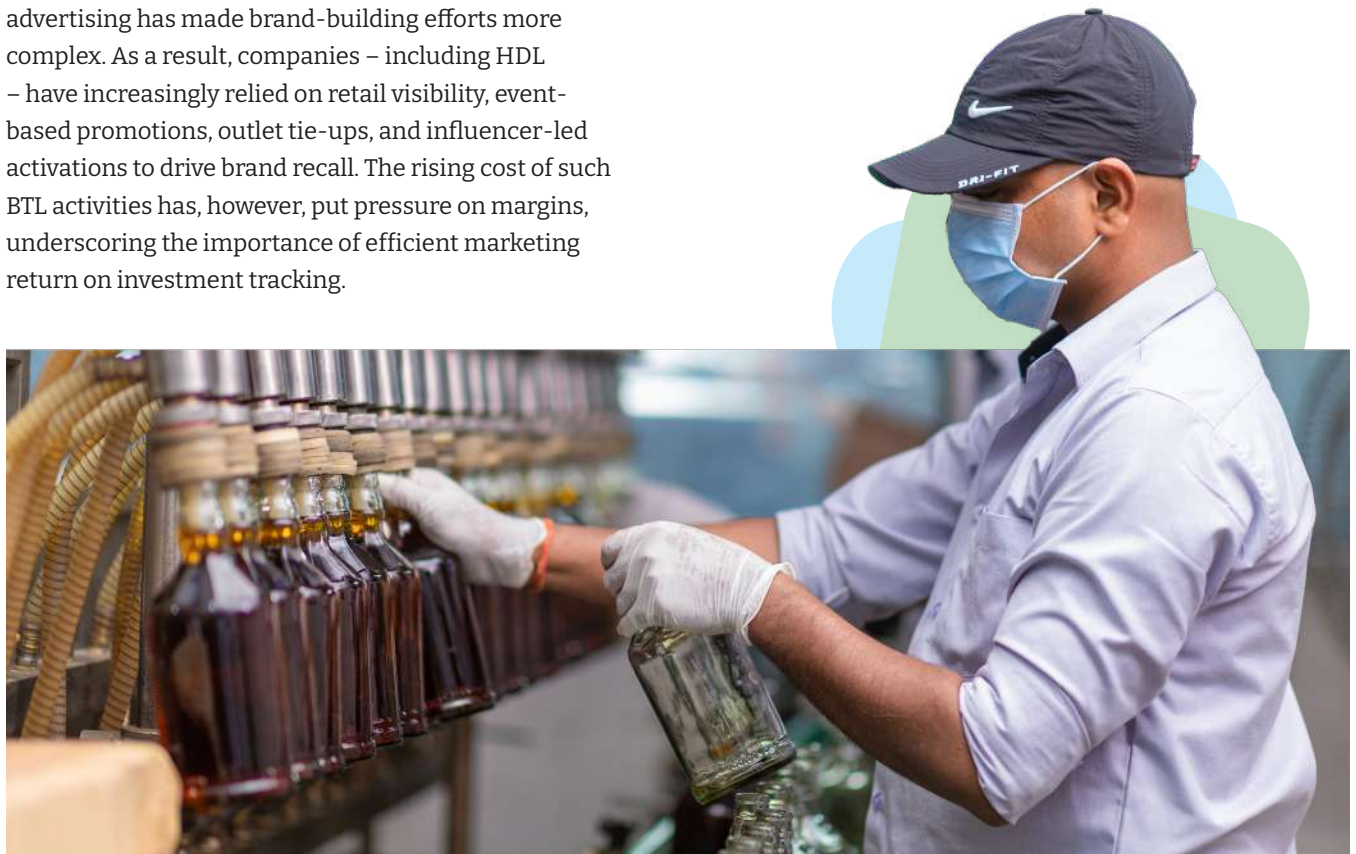
For HDL, the strategic withdrawal of the National Distributor (JGIDPL) and transition to a direct distribution model from FY 2025/26 will create both opportunities and operational challenges. While this shift will increase HDL's gross revenue, it will also require substantial investment in logistics, credit management, and field human resources. The company's focus on building a dedicated sales and marketing force across Nepal is expected to enhance long-term control, market responsiveness, and a brand focus. This is necessary for combating competitive pressures at the retail level.

Additionally, the government ban on direct liquor advertising has made brand-building efforts more complex. As a result, companies – including HDL – have increasingly relied on retail visibility, event-based promotions, outlet tie-ups, and influencer-led activations to drive brand recall. The rising cost of such BTL activities has, however, put pressure on margins, underscoring the importance of efficient marketing return on investment tracking.

#### 5. EMERGING TRENDS AND STRATEGIC OUTLOOK

Data for FY 2024/25 underscore several key trends shaping the future of Nepal's liquor industry:

- **Premiumization and portfolio segmentation:** Consumers are showing a growing willingness to upgrade from value to mid-tier or semi-premium brands. HDL's Black Oak and Silver Oak are well-positioned to capture this segment.
- **Younger demographic shift:** Gen Z and millennials are driving demand for vodka, RTD, and lighter spirits. Their purchasing decisions are influenced more by brand storytelling, packaging, and social engagement than by traditional brand loyalty.
- **Localization and authenticity:** Despite modernization, local identity remains crucial. Brands that effectively blend Nepali heritage with contemporary appeal are likely to sustain growth.
- **Responsible drinking and social scrutiny:** The liquor industry continues to face increasing societal and policy pressure for ethical marketing, CSR compliance, and messaging for responsible consumption. A proactive communication strategy and alignment with corporate integrity principles can, therefore, anchor sustainable growth in the coming years.





6. HDL’S STRATEGIC POSITION AND PATHWAY

The Company’s performance in FY 2024/25 reflects both the opportunities and challenges in Nepal’s liquor landscape. While industry growth of 31% signals a healthy recovery, intensified competition and structural shifts in consumer behavior demand adaptive strategies. HDL’s core strength – whisky, led by Golden Oak and Black Oak – continues to anchor its market leadership in volume. Meanwhile, emerging brands like Silver Oak Vodka demonstrate the company’s ability to innovate and diversify into growing segments.

Going forward, HDL’s strategic priorities will remain focused on:

- Strengthening direct distribution and sales capabilities post-national distributor withdrawal.
- Enhancing brand differentiation and consumer engagement under advertising restrictions.

- Leveraging data and analytics for precise budgeting, performance monitoring, and resource optimization.
- Expanding production capacity and improving supply chain efficiency.
- Entering the 25UP premium whisky segment to diversify revenue streams and compete across price tiers.

Despite the external challenges which range from regulatory uncertainty to socio-political volatility, HDL’s financial stability, brand equity, and organizational reforms provide it a strong foundation for growth. The company’s commitment to operational excellence, responsible marketing, and innovation-driven strategy position it to remain a market leader and a benchmark of corporate resilience in Nepal’s liquor industry.

STRATEGIC IMPLICATIONS

Taken together, the externalities faced by HDL call for a mix of resilience, portfolio agility, and disciplined execution, which can be attained through:



1. Portfolio Strategy:	2. Channel and Trade Governance:	3. Supply-chain Resilience:	4. Compliance & Financial Hygiene:	5. Brand & Social Positioning:	6. Cost Discipline & Efficiency:
Maintain a two-pronged approach – protect volume through competitively priced value SKUs and capture margin via premium and differentiated offerings. Introduce pack size and price variations to match local affordability.	Reframe trade investments toward sustainable schemes (volume-linked, ROT-based incentives) and limit short-term discounting that erodes brand equity. Strengthen distributor credit policies to limit over-extension in weaker economic pockets	Localize sourcing where feasible (glass, ENA inputs), build regional buffer stocks, and secure alternative logistics routes to mitigate protest or monsoon disruptions.	Tighten anti money laundering/ know your customer (AML/ KYC) practices across distributor financing; align treasury operations to manage foreign exchange risk and ensure robust supplier contracts to reduce cost volatility.	Adapt brand communication to the current social mood – emphasize responsible drinking, community support, and authentic local narratives. Avoid ostentation and ensure CSR investments are visible and relevant to younger cohorts.	Adopt strict margin controls, lean operations, and productivity measures at the factory to offset promotional pressure in the market.







## MANAGEMENT TEAM



**NIRAJ SUBEDI**  
*Chief Executive Officer*

Mr. Subedi, a Chartered Accountant with a Master's in Economics and a law degree from Nepal Law Campus, also holds certification as a Certified Financial Manager from India's Centre for Financial Management. With over 2 decades of experience in finance and operations within the liquor sector, he excels in financial planning and analysis, supply chain management, market dynamics, and specialized production processes for alcoholic beverages. His leadership emphasizes unwavering adherence to international quality standards, robust corporate governance, and relentless pursuit of innovation.



**PRABIN PANT**  
*Chief Internal Auditor*

An MBA graduate, Mr. Pant spent six years with an FMCG Group where he played a key role in investment management and financial controls. With 17 years of experience in the banking sector, starting at Standard Chartered Bank and progressing through senior positions in various commercial banks, he has expertise in financial management and compliance. His ongoing leadership strengthens HDL's internal audit framework, ensuring rigorous oversight and alignment with evolving regulatory and operational demands.



**BAM DEV DAHAL**  
*Chief Operating Officer*

Mr. Dahal, an accomplished management graduate, has recently taken over the role Chief Operating Officer at HDL. He brings over five years of leadership experience in the liquor manufacturing and distribution sector, where he played a key role in strengthening operational governance, supply chain management and business performance. Prior to this, he served for more than 36 years in the banking industry, including senior positions at NIC Asia, Prabhu Bank and other leading commercial banks, gaining extensive expertise in financial management, risk oversight, and institutional compliance.





**NETRA PRASAD TIMSINA**  
*Legal & Compliance Head*

Holding a bachelor's degree in law, Mr. Timsina brings over two decades of experience in Nepal's legal environment, complemented by ten years as a company secretary in the liquor industry. He specializes in industrial laws and regulations, with a comprehensive grasp of both national and international environmental legislation. His leadership fortifies HDL's compliance architecture, ensuring steadfast adherence to regulatory standards and proactive risk mitigation.



**SASHI BHANDARI**  
*Country Sales Manager*

Mr. Bhandari, recently joined HDL as a Country Sales Manager, he holds a bachelor's degree in economics from Tribhuvan University. With over 25 years of experience in Nepal's leading liquor companies, he brings wealth of expertise in sales leadership, distribution, and market expansion and has proven ability in strengthening nationwide network and brand visibility, inspiring teams with commitment and integrity.



**SUDESH POUDEL**  
*Senior Institutional Marketing Manager*

With a bachelor's degree, Mr. Poudel contributes more than 21 years of broad marketing proficiency from diverse organizations. He excels in trade marketing, channel management, promotions, customer insights, and in cultivating retailer relationships to propel sales and enhance market presence. His leadership bolsters HDL's institutional marketing initiatives, driving strategic growth and deeper engagement in key distribution channels.



## MANAGEMENT TEAM



**BIMAL BHATTARAI**  
*Senior Logistics Manager*

Mr. Bhattarai, a BA graduate, recently assumed the position of Senior Logistics Manager at HDL. Prior to this, he dedicated 18 years to leading companies in the alcobev industry, where he played a key role in logistics/ transportation and store management operations. He brings two decades of hands-on experience to HDL's logistics and store management.



**KRISHNA HARI ADHIKARI**  
*Factory Manager*

Mr. Adhikari recently joined HDL as Factory Manager, bringing in more than 13 years of experience in the liquor manufacturing sector and a leadership style marked by excellence and dedication. With an MBS from Tribhuvan University, he excels in strong leadership, streamlined production management, and unwavering commitment to quality and safety. His strategic vision and team-oriented approach contribute to delivering operational success and ongoing improvements throughout the factory.



**SAMIP RAJ DHUNGANA**  
*Head - Distribution*

Mr. Dhungana, a Chartered Accountant and MBA graduate from the University of the West of Scotland, UK, brings over six years of expertise in financial leadership and sales distribution management. He previously led internal audit and distribution finance at Jawalakhel Group of Industries and gained global exposure as Senior Internal Auditor with RSM International (UK) in Bahrain. Mr. Dhungana drives sustainable growth through financial discipline, strategic agility, and collaborative leadership.





**JEEVAN PANDAY**  
*Operation Manager*

An FCCA professional and MBA graduate, Mr. Panday has been associated with HDL for the past five years. With over a decade of extensive experience across manufacturing and service sectors, he demonstrates profound expertise in financial planning, budgeting, project execution, and resource optimization. He plays a pivotal role in operations and key projects, driving efficiency and strategic implementation. His contributions enhance HDL's operational resilience and project delivery, aligning resources with long-term growth objectives.



**NIKUNJ GHIMIRE**  
*Business Development Manager*

Mr. Ghimire brings over 18 years of progressive experience in procurement and strategic growth across development, manufacturing, and business sectors. A certified procurement expert with UNFPA credentials in ethics and foundational procurement principles, he now drives HDL's expansion with sharp skills in market analysis, vendor partnerships, product innovation, and revenue-generating initiatives. His expertise in negotiation, materials optimization, and opportunity evaluation fuels new business ventures, forging strong client relationships and propelling sustainable growth.



**ALINA SHRESTHA**  
*Finance Manager*

An MBA graduate and semi-qualified Chartered Accountant, she leads daily managerial finance operations and provides strategic insights on financial planning. She has over a decade of extensive experience in accounting, auditing, and financial reporting across manufacturing and service industries. Her ongoing leadership fortifies HDL's financial framework, driving enhanced reporting accuracy, regulatory compliance, and strategic alignment amid evolving economic challenges.



## MANAGEMENT TEAM



**AMAR MAHARJAN**  
*Business Analytics Manager*

Mr. Maharjan, a Chartered Accountant with a bachelor's degree in accounts and finance, leads the Business Analytics & MIS department at HDL. 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.



**RAJEEV KUMAR YADAV**  
*Technical Research & Application Head*

Mr. Yadav holds a master's degree in Fermentation and Alcohol Technology from Kanpur, India. In 2023, he completed a fellowship in Fermentation Technology. With over a decade of experience as an Alcohol Technologist, he specializes in product development across liquor sectors, excelling in fermentation, distillation, and quality control processes.

His leadership advances HDL's technical innovation, elevating product quality and process efficiency to meet evolving industry standards.





**ANJALI SHRESTHA**  
*Human Resource Manager*

An MBA graduate from Kathmandu University with a specialization in Human Resource Management, she has led HDL's HR department for the past five years. With over eight years of substantial experience in the HR field, she brings expertise in talent management, organizational development, and employee engagement. Her leadership strengthens HDL's human capital management, fostering a culture of excellence, retention, and alignment with strategic business goals.



**NISHA NIRAULA**  
*Company Secretary*

Ms. Niraula holds a Master's Degree in Law and has been associated with HDL for the past four years. During her tenure, she has contributed significantly to strengthening the company's governance, compliance, and corporate affairs functions. In addition to her role at HDL, she serves as a Board Member at the Nepal Institute of Company Secretaries (NICS), where she actively supports initiatives aimed at promoting good governance and professional excellence in the field of corporate secretarial practice. Prior to joining HDL, Ms. Niraula gained extensive experience in the humanitarian and development sectors, where she was involved in policy formulation, organizational management, and advocacy programs.





# **INSPIRED BY NATURE, PERFECTED BY EXPERTISE**

## **PRODUCT AND SERVICES**

HDL forecasts a positive market outlook for 2025/26 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.







## BOTTLING UNIT

HDL's bottling facility is installed at the factory in Birgunj, Parsa. All HDL products are manufactured under the strict supervision of Excise Officers of the Government of Nepal. Besides, the company has its own quality control officers, who thoroughly check all quality parameters before the goods are dispatched to the markets. The company has a capacity to bottle more than 6 million litres of alcohol in a year. The Company produces quality brands such as Golden Oak, Black Oak, Silver Oak in the 40 UP segments and it will be launching a new brand called Shlok in the more premium 25 UP segment in 2025.





## DISTILLATION UNIT

HDL is one of the few liquor manufacturing companies in Nepal which has a bottling unit as well as a state-of-art distillation unit, with the capacity for further expansion if the need arises. HDL's 30 KLPD distillation unit was designed by KATZEN (USA) with a production capacity of six million liters of Extra Neutral Alcohol (ENA). Distillation is a scientific procedure that begins with proper storage of grains, pre-cleaning, and testing of grain quality before milling the grains for further processing. Liquefaction of flour takes after the milling after which the slurry is converted into sugar for fermentation to obtain the final product i.e., ENA.

The distillation process has a stringent built-in quality control process with a series of sample tests to ensure that the final product is ready to be sent to the production department for further processing. HDL has a modern, well-equipped laboratory which is the central repository for various quality checks.

HDL has recently invested heavily in plant automation for delivering ENA with a consistent quality that is possible only with minimal manual intervention.



FY	ENA		Finished Goods	
	Sales Qty	Production Qty	Sales Qty	Production Qty
2081-82 (2024-25)	1,703	3,559	583	592
2080-81 (2023-24)	800	1,707	420	399
2079-80 (2022-23)	1,800	3,450	739	760
2078-79 (2021-22)	2,491	4,971	1,165	1,156
2077-78 (2020-21)	2,640	4,072	1,122	1,124

- ENA Qty in '000 liters' & FG Qty in '000 Cases  
 - FG Qty includes outsourced bottling qty as well



## MALT DISTILLATION UNIT

### LAUNCH OF HDL'S ADVANCED MALT PRODUCTION FACILITY

HDL has completed an innovative malt production plant, which represents a pinnacle of modern engineering. This plant is tailored for top-tier performance, eco-friendliness, and unmatched purity in crafting malt spirits. This development represents a pivotal advancement in the Company's pursuit of superiority in the spirits sector, which it seeks to attain by blending cutting-edge innovations with traditional artisan methods. Some highlights of the distillation facility are:

#### 1. Mashing and Lautering Equipment:

- o The setup includes a robust mash tun capable of handling large volumes with exact thermal management, promoting ideal starch breakdown. Paired with a sophisticated lauter tun, it delivers pristine wort separation, setting the stage for exceptional fermentation results.

#### 2. Fermentation Setup:

- o Featuring premium stainless steel vessels, this system guarantees uniform fermentation in optimized environments. With automated climate controls and innovative oxygen infusion methods, it supports robust yeast activity and cultivates nuanced taste characteristics.

#### 3. Distillation Apparatus:

- o Driven by bespoke copper pot stills for wash and spirit phases, the process maximizes reflux and metal interaction to yield deep, multifaceted malt spirits. Additionally, finely tuned columns provide flexibility across various distillation styles.

#### 4. Sustainable Energy Measures:

- o Integrated with resource-saving technologies like vapor recapture and thermal transfer units, the facility minimizes ecological footprint without compromising output quality.

#### 5. Control Systems and Assurance:

- o Backed by an advanced digital oversight platform, the operations run smoothly with real time tracking of key metrics. An on-site lab devoted to testing upholds stringent quality benchmarks throughout the process.

HDL produced a total of 38,716 liters of malt spirit during the year and had already sold 25,600 litres.

**Prospects:** The groundbreaking malt facility boosts HDL's manufacturing prowess and establishes the Company as a frontrunner in premium malt spirit creation. The facility embodies HDL's steadfast dedication to progress, superior standards, and responsible practices. The Company is fully committed to distilling outstanding malt spirits that honor the past while adapting to modern tastes.

The malt spirits produced by the facility undergo at least three years of maturation to form high-end single malt whisky, ideal for our blends, which also decreases the reliance on imported Scotch varieties. Operational since 2024, the plant is to be expanded with six new fermentation vessels following which the malt spirit output will be increased by almost 1.5 times. HDL continues to innovate relentlessly to ensure outstanding results in distillation.





**SPIRIT MATURATION WAREHOUSE**

HDL is enhancing its position in the spirits industry by establishing a new spirit maturation facility focused on producing high-quality aged spirits, a critical ingredient for premium liquors. This strategic investment can ensure a continuous supply of top-tier spirit, which is aged for a minimum of three years in barrels to develop the rich, complex flavors characteristic of elite beverages. By bringing this production process in-house, HDL is reducing its dependence on expensive imported blended malt spirits. Locally produced malt spirits not only lower manufacturing costs but also allow greater control over product quality and consistency. This development has placed HDL in a position to elevate the standard of its liquor offerings, reinforcing its commitment to excellence in craftsmanship.

HDL has acquired land in the Himalayas for a specialized maturation warehouse, chosen for its ideal environmental conditions that enhance the aging of the spirits. The construction of this facility in Solukhumbu is nearing completion. Beyond meeting its own production needs, HDL aims to capitalize on its aged spirits by selling them in both domestic and international markets to create new revenue streams and strengthen its global presence in the spirits industry. This integrated approach to supply chain management – by combining a state-of-the-art distillation facility with a strategically located maturation warehouse – underscores HDL's innovation and dedication to sustainable growth, which also sets the stage for long-term success of the Company in the highly competitive spirits market.





## HUMAN RESOURCE MANAGEMENT

### EMPLOYEES FIRST

At Himalayan Distillery Limited (HDL), the core belief is that our employees are our most valuable assets. The successes achieved directly reflect the dedication, skills, and commitment of our staff. As a public limited company, we recognize our profound responsibility to provide not just employment, but a workplace that is safe, healthy, and conducive to both professional and personal growth. Our efforts over the past fiscal year have centred on enhancing the Company's contribution to the well-being of each employee.

HDL's primary focus is workplace health and safety, which is ensured through stringent safety protocols, regular training, the provision of Personal Protective Equipment (PPE), and access to health



support, including an Employee Assistance Service for mental health issues. Besides, HDL is fully committed to fostering a supportive and inclusive work environment by investing in professional development, promoting open communication, and encouraging a collaborative culture. HDL operates in full compliance with national labor laws and provides a fair and equitable compensation structure designed to attract and retain talent. We actively promote a healthy work-life balance and are dedicated to a diverse and inclusive workplace that values the contribution of each individual.

HDL's commitment to our staff is unwavering. The Company will continue to invest in employee welfare, safety, and professional growth, as we believe that a strong, healthy, and happy workforce is the foundation of a resilient and successful company.





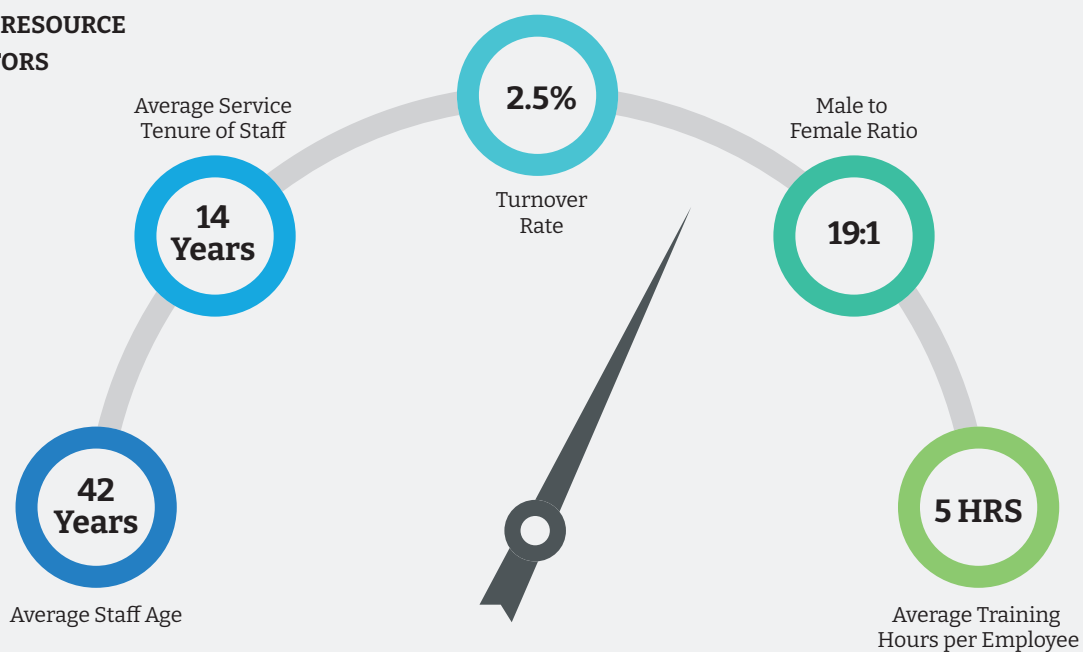
## CONTRIBUTION TO THE NATIONAL EXCHEQUER AND THE ECONOMY

As a public limited company, HDL recognizes its role in contributing to the national exchequer and supporting and fostering economic growth in Nepal. HDL is proud to be a responsible corporate citizen, which is reflected in its contribution to the national economy over the years, including the past fiscal year. HDL's direct financial contributions include significant payments made in the form of duties, taxes, and other levies to the government. Further, the Company's business activities have a broader economic impact. During the year, HDL created a substantial number of new jobs, providing meaningful employment opportunities. Adding to the contributions are taxes paid by payroll employees and outsourced workforce, all of which collectively contribute to strengthening the national economy. These contributions underscore HDL's dedication to not only its business success but also to the prosperity and development of the nation.



## HUMAN RESOURCE INDICATORS

2024/25

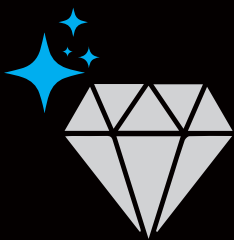






## OUR CORE VALUES AND ETHICS

HDL's Core Values provide the blueprint for the organizational culture, defining how everyone in the Company interacts, performs, and innovates on a daily basis. At the heart of the operations lies uncompromising integrity and mutual respect for each other, which enables the building of an environment of openness and motivation. HDL has translated this strong internal culture into market success by focusing on stringent quality control and a fierce drive for teamwork and competitiveness. At HDL each employee is expected to be diligent, ensuring consistent delivery of exceptional customer satisfaction. With innovation and creativity, the HDL family collectively challenges the status quo and commits to continuously evolving to secure perpetual growth.



## CAPABILITY ENHANCEMENT 2024/25

HDL organized 29 training programs to enhance both functional and behavioral competencies across all levels in the company. Functional training, such as Letter of Credit and Production Optimization, has helped to strengthen job-specific expertise and operational efficiency. Behavioral interventions like Leading at the Speed of Trust (FranklinCovey) and I to We (Team Building) focused on leadership development, collaboration, and interpersonal growth. Professional development courses, including Intermediate to Advanced Excel and Strategy Management, empowered employees to sharpen their analytical and strategic acumen. Additionally, health and safety trainings, such as Boiler and Pressure Vessel Safety, Quality Management System, Anti-Money Laundering, and Responsible Drinking (HDL) have contributed to reinforcing the Company's commitment to compliance, employee safety, and overall well-being. The training programs reflect the Company's commitment to cultivating a culture of continuous learning alongside growth and excellence.



**29**

Trainings



**195**

Participants



**378**

Total number of  
employees October 2025



## EMPLOYEE ENGAGEMENT AND CELEBRATIONS

Fostering an inclusive and vibrant workplace culture remains at the heart of HDL's people strategy. The Company organized several employee engagement initiatives to celebrate diversity, promote well-being, and strengthen team spirit. The International Women's Day celebration on March 9, 2025 featured a special lunch and complimentary dental health check-up for female employees. It was a reflection of the Company's commitment to holistic wellness. The Yomari Punhi festivities on December 15, 2025 was celebrated with Yomari treats for all employees at the Head Office. It was also a celebration of Nepal's rich culinary heritage. On National Unity Day, January 9, 2025, HDL employees embraced cultural diversity by donning ethnic or national attire, reinforcing the Company's pride in unity and tradition. Additionally, the Twin Heart Meditation session organized by the Company served as a rejuvenating engagement activity for the workforce that promoted mindfulness, emotional balance, and inner harmony. The initiatives discussed above embody HDL's endeavor to nurture a cohesive, motivated, and culturally enriched organizational community.

## POLICIES & PRACTICES

### ARCHIVES

HDL organization maintains strict archival policies to ensure confidentiality and integrity of data on employees. The Company adheres to all legal and regulatory requirements, while systematically managing and retaining employee records such as employment

applications and records on performance reviews, disciplinary actions, compensation records, benefit information, attendance and so on. This practice provides a valuable historical record for reference and analysis.

### HUMAN RESOURCES MANAGEMENT

1. Code of Conduct: In order to ensure a positive organizational culture and enhance the Company's reputation HDL has enforced a code of conduct, which guides behaviour towards alignment with core organizational.
2. Occupational Health and Safety (OHS): HDL has an OHS policy that provides guidance for attaining the Company's commitment to provide a safe and healthy work environment for all staff, contractors and visitors
3. Recruitment and Selection: The Recruitment and Selection Policy outlines the process for attracting, selecting, and hiring the best-qualified candidates for open positions, ensuring fairness, transparency, and consistency in recruitment practices.
4. Performance Evaluation: HDL has a performance evaluation policy that describes the Company's approach for evaluating employee performance.
5. Learning and Development (L&D): The L&D policy outlines the Company's approach to developing employee skills, knowledge, and competencies through structured learning and development programs. The goal is to ensure that employees are equipped to perform their roles effectively, while also providing them developmental opportunities.







HIMALAYAN DISTILLERY LIMITED

# THE ESSENCE OF HDL

Himalayan Distillery Ltd. (HDL), established in 1985, has grown into one of Nepal's leading producers of alcoholic beverages. From inception, the Company has been guided by a vision of excellence and innovation in distillation, which is embodied in its emphasis on research and development to continuously improve its products and processes. HDL focuses on manufacturing and marketing alcoholic beverages

responsibly, ensuring full compliance with ethical and regulatory standards.

HDL's diverse portfolio caters to a wide range of tastes and preferences, positioning it as a pioneer in the national market. The company's production facilities incorporate modern technologies to ensure consistency and superior product quality.

HDL prioritizes professionalism

in every aspect of operations, from sourcing raw materials like Extra Neutral Alcohol (ENA) to delivering the final product. The Company's continuous improvement drives its competitive edge, enabling the brand to stay relevant in a dynamic industry.

HDL actively invests in training and skill development to build a knowledgeable and capable workforce. Sustainability and responsible practices are integral to the Company's manufacturing ethos, reflecting care for consumers and the environment. HDL has quality assurance systems in place at every stage of production which is vital for maintaining high standards of safety and product quality.

The company's success represents the realization of a perfectionist's dream to create a distillery of distinction. Its goal has always been to produce world-class alcoholic beverages, which HDL does by combining tradition with technology and by blending local heritage with modern craftsmanship. Today, HDL has become a symbol of innovation, quality, and trust in Nepal's beverage industry.





## MARKETING APPROACH

HDL has adopted a marketing strategy focused on premiumization, responsible branding, and diversified market reach. It has strengthened its brand equity by highlighting its blend of Nepali heritage and quality production standards, and by positioning its beverages as aspirational while also being authentic. The Company has segmented customers into premium, mid-range, and mass categories while remaining focused on urban youth and high-end institutional buyers such as off trade outlets, hotels, restaurants, MOT's and on-trade outlets. Within Nepal, the company expands its visibility through carefully chosen retail touchpoints, branded experiences, and exclusive tasting events that comply with advertising regulations. For exports, it pursues partnerships with international distributors and leverages Nepali identity as a differentiator.

Marketing communication at HDL relies on digital storytelling, influencer collaborations, and social campaigns on responsible drinking, rather than traditional advertising. It has taken this approach to build trust and relevance. Simultaneously, HDL focuses on innovative packaging and product variants to match evolving tastes. The emphasis is on sustainability to appeal to modern, environmentally conscious consumers. Together, these initiatives have created a distinctive and responsible market presence of HDL's products, which have continued to drive both domestic growth and international recognition.

HDL executes spot promotions at key retail points to directly engage consumers and enhance product visibility. These activities include tastings, sampling, and attractive point-of-sale displays and are intended to build immediate awareness amongst consumers. HDL incentivizes trial and repeat buying by offering limited time offers, or tie-ups linked with purchase.





## BRAND EVENT PHOTOS











Restaurant promotions focus on partnering popular outlets, lounges, and bars frequented by target audiences. HDL ensures that its products stand out at the point of consumption through branded counters, menu mentions, spot promotions and bartender recommendations. These initiatives strengthen the emotional connection with customers and enhance brand loyalty. HDL also leverages co-branding opportunities with restaurants to create premium brand perceptions and brand loyalty. Feedback from these promotions is used to understand consumer preferences and to fine-tune marketing strategies. Altogether, spot and restaurant promotions help HDL maintain a strong consumer base and differentiate itself in a highly competitive market.

HDL actively supports events to enhance brand visibility and create a lasting impression among consumers. By sponsoring and participating in high-profile events, the Company positions its products directly in front of the target audience. These events provide ideal platforms for introducing new offerings and encouraging product trials in engaging environments. HDL

ensures that each event experience delivers a “feel-good” factor, combining enjoyment with brand interaction. Interactive sessions, tastings, and entertainment activities are organized to create memorable consumer experiences.

These approaches strengthen emotional connections of consumers with the brand and encourage repeat engagement. HDL’s event support also helps in generating word-of-mouth publicity, extending reach beyond the event attendees. Collaborations with event organizers and influencers amplify brand messaging effectively. Insights gained from consumer behavior during events guide future marketing and product strategies. Overall, HDL’s presence in events has helped to build awareness, drive trials, and reinforce a positive brand image in the market. By supporting events, HDL not only gains direct consumer engagement but also builds strong associations with the events and the artists involved. This linkage enhances the brand’s image, positioning it as a modern, vibrant, and culturally connected company. Collaborating with popular artists or high-profile events allows HDL to tap into their fan base, extending both reach and





credibility. Such associations create a halo effect, where the excitement, creativity, and prestige of the event or artist reflect positively on the brand. It also helps HDL convey lifestyle values by connecting its products with entertainment, celebration, and premium experiences. Over time, such strategic partnerships foster brand loyalty as consumers start associating HDL with memorable moments and cultural relevance. Additionally, co-branded marketing materials, social media mentions, and event visibility amplify this effect, ensuring long-lasting brand impressions. These approaches to marketing communication have assisted in reinforcing HDL's market positioning as a brand that celebrates both people and experiences.

Outlets reach

**15,000+**





# 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, on the rocks, or with mixers, it's perfect for creating memorable moments.

As Nepal's satisfaction-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

**+50%**

of total 40 UP whisky segment



## 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 celebrate 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 lifestyles'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 seek 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

**+16%**

of total 40 UP whisky segment



## 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 unique 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**  
**+10%**

of total 40UP Vodka



# COMING SOON

## SHLOK'S INCEPTION: POETRY OF THE PEAKS

In the land of the Himalayas, where peaks touch the sky and ancient verses echo, Shlok Himalayan Premium Whisky is born, infused with the soul of the mountains and the timeless beauty of poetry. Like its namesake-a Sanskrit verse-Shlok captures the essence of these majestic heights and the spirit of lyrical expression. This medium-bodied spirit is a crafted masterpiece, with each bottle telling a story as old as the mountains and as fresh as the morning dew on Himalayan pines, inviting you to savor a sip of nature's poetry.

## AROMA & TASTE: THE PRELUDE OF VERSE

With the first twist of the cap, Shlok unveils a warm embrace: an aromatic dance of honeyed

oak, nurtured in Quercus Alba barrels. As you take the first sip, soft vanilla greets the palate, unfolding into layers of rich caramel, before fading into a lingering whisper of smokiness. Every element is masterfully composed, much like the verses of a Shlok-flowing seamlessly, inviting you to savor a tale of depth, warmth, and timeless craftsmanship.

## THE FINAL VERSE: A POETIC FINISH

The final sip unveils a delicate harmony with a cascade of tropical fruits, enveloped in a velvety embrace of oak and cream. Like a verse woven from the soul of the mountains, Shlok Himalayan Premium Whisky is a poetry poured into a glass, where nature and tradition entwine in a timeless celebration of flavour and artistry.



Raise your glass to Shlok  
Where every drop tells a story!





## VALUE CREATION MODEL

Himalayan Distillery Limited (HDL) transforms financial strength, human capital, innovation, and natural resources into sustainable growth for stakeholders, society, and Nepal's economy. Through efficient production, responsible sourcing, technology investment, and sustainability, it delivers premium brands like the Oak Series and upcoming Shlok. Strong governance, risk management, and data-driven decisions ensure transparency and investor trust. Community programs, renewable energy, and local jobs promote social well-being, aligning profitability with long-term, inclusive value.



**Rs. 135**

NET WORTH  
PER SHARE

**Rs. 1,237**

MARKET VALUE  
PER SHARE





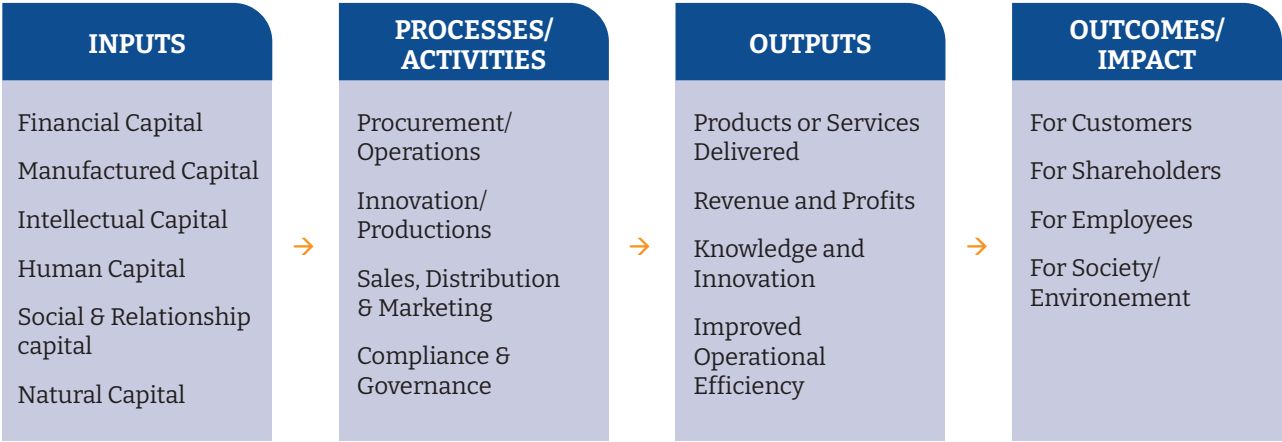
# 1. OVERVIEW OF THE BUSINESS MODEL

Himalayan Distillery Limited (HDL) operates as one of Nepal’s leading manufacturers of premium liquor and alcoholic beverages. Its business model is centered on sustainable value creation through the effective utilization of our tangible and intangible capital to deliver quality products, strengthen stakeholder trust, and ensure long-term profitability.

Our value creation approach focuses on responsible manufacturing, innovation, and sustainable growth, aligning with national regulations and international governance standards.



## VALUE CREATION PROCESS





## 2. INPUTS (CAPITALS UTILIZED)

Capital Category	Description of Key Inputs	Data / Indicators
Financial Capital	Equity capital, retained earnings, borrowings, and reinvested profits enabling capacity expansion and operational sustainability.	Shareholder's equity: Rs. 3.07 billion Retained earnings: Rs. 1.09 billion
Manufactured Capital	Modern distillation plants, bottling lines, warehouses, and storage infrastructure ensuring efficient production and product quality.	Property, Plant & Equipment (incl CWIP): Rs. 944 million
Intellectual Capital	Proprietary blends, brand portfolio, process know-how, and R&D capabilities fostering product innovation.	Trademark Registered Products: Golden Oak, Black Oak, Silver Oak, Shlok, etc.
Human Capital	Skilled and dedicated workforce, technical experts, and management professionals driving excellence across operations.	Total Number of directly employed: 316 Avg. daily outsourced workers: 40
Social & Relationship Capital	Strong dealer and distributor network, long-term relationships with farmers, vendors, and community trust.	CSR Activities across various sectors such as education, environmental conservation, health & community welfare Appointment of 80 distributors and reach to above 10k outlets across the country
Natural Capital	Water resources, raw materials (molasses, grains), and energy inputs, managed with sustainability and efficiency in focus.	22,727 KL DM water consumption, 2.78 million KWh energy consumption, 98% renewable energy consumed

## 3. BUSINESS PROCESS ACTIVITIES

Core Business Activities	Purpose / Value Contribution
Procurement & Raw Material Sourcing	Ensures quality input materials while supporting local suppliers.
Distillation & Blending	Production of high-quality spirits through advanced technology and craftsmanship.
Bottling & Packaging	Efficient, hygienic & quality packaging contributing to product differentiation.
Distribution & Marketing	Wide dealer network, promotional campaigns, and customer engagement strategies to strengthen brand equity.
Compliance & Governance	Ensures adherence to laws, excise policies, and responsible alcohol practices.
Community & Environmental Stewardship	Implements CSR initiatives and sustainability programs to minimize environmental impact and uplift local communities.



## 4. OUTPUTS

Output Type	Details
Key Products	40 Up Whisky segment: Golden Oak & Black Oak 40 Up Vodka segment: Silver Oak 25 UP Whisky segment: Shlok Grain ENA (Extra Neutral Alcohol) Malt Spirit Denatured Spirit Dry Cake (By-product)
Production Volume	583K cases FG produced 3.56 million liters ENA produced 38.7K liters Malt Spirit produced 311.6K Kg Dry cake produced
Revenue & Profits	Net Sales Rs. 3.71 billion, Net Profit Rs. 941 million
Employment Generation	Continuous employment to more than 350 people directly or indirectly
Taxes & Duties Paid	Custom, Excise, VAT & Income taxes paid to the government
CSR Contributions	CSR contribution to 17 different parties across various sectors as prescribed by the law

## 5. OUTCOMES

### INTERNAL OUTCOMES

- Improved operational efficiency through automation and process optimization.
- Enhanced profitability and shareholder value.
- Strengthened workforce engagement and talent retention.
- Reinforced brand image and market share growth.

### EXTERNAL OUTCOMES

- Contribution to national revenue through taxes and excise duties.
- Employment creation and local economic development.
- Responsible environmental practices promoting plantation and renewable energy consumption.
- Social development through contribution to the education, health, and community programs.



## 6. STAKEHOLDER VALUE CREATION

Stakeholder Group	Value Created
Shareholders	Sustainable financial returns and growth in market capitalization. EBITDA: Rs. 1.27 billion, PAT: Rs. 941 million, Dividend: 25%, ROCE: 23%
Employees	Career development, skill enhancement, and a safe working environment. Employee benefit expenses payment: Rs 313 million, Training expenses: Rs. 748K Staff Turnover: 2.79%, which is low, indicating employee satisfaction New recruitment during the year: 67
Customers	Consistent product quality, responsible alcohol promotion, and trusted brands. Net Sales Revenue: Rs. 3.71 billion
Suppliers & Partners	Stable demand and long-term partnerships promote mutual growth. Total supplier payments: > Rs. 2 billion
Government	Fiscal contributions via taxes and compliance with regulatory frameworks. Approx Total payment: Rs 4.6 billion for excise duty, custom duty, VAT & income taxes
Community & Environment	CSR programs, environment conservation initiatives, and responsible resource management. Total CSR contribution: Rs. 7.05 million Tree Plantation: 2,000 Recycle bottle consumption: 15%

## 7. OUTLOOK AND SUSTAINABILITY

HDL is committed to continuously enhancing its capital base through:

- Investment in technological upgradation and renewable energy use.
- Strengthening R&D and brand innovation.
- Fostering a culture of excellence and integrity among employees.
- Promoting sustainable sourcing, environment conservation and community development.

We anticipate steady growth in revenue and market share, supported by robust governance and an integrated sustainability approach.





A hand in a light blue shirt is stacking three wooden blocks. The top block features a green heart with a blue and green globe inside. The middle block has a green recycling symbol. The bottom block has a brown circular arrow icon. The blocks are on a dark wooden surface.

## SUSTAINABILITY REPORTING

Himalayan Distillery Limited (HDL) integrates sustainability across all operations, guided by ESG principles and global best practices. The company actively reduces its carbon footprint through renewable energy adoption, efficient manufacturing, and DDGS-based waste recycling. Certified under ISO standards, HDL upholds strong quality, safety, and environmental management systems. Its CSR programs in education, health, and community upliftment further reinforce social responsibility. HDL remains committed to sustainable growth, transparency, and environmental stewardship for a better future.



**43%**

ELECTRICITY  
FROM NEA  
(HYDRO)

**2%**

ENERGY  
GENERATED  
FROM DIESEL  
GENERATORS  
(FUEL-DIESEL)





## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)



As a leading producer of alcoholic beverages in Nepal, Himalayan Distillery Limited (HDL) is fully committed to integrating Environmental, Social, and Governance (ESG) principles in core operations. HDL's ESG framework reflects a holistic approach to sustainability, ethical conduct, and stakeholder value creation. Guided by international standards, robust internal policies, and a dedication to corporate social responsibility, HDL strives to minimize environmental impacts, foster social well-being, and uphold the highest standards of governance. This section highlights the key ESG initiatives, achievements, and commitments for the fiscal year 2024-25 and demonstrates our investments and progress toward long-term sustainability goals.

## ENVIRONMENTAL RESPONSIBILITY

HDL recognizes the importance of environmental stewardship in mitigating climate change, conserving resources, and reducing its operational footprint. The environmental efforts at HDL are anchored in ISO 14001:2015 certification for Environmental Management Systems (EMS), Green Building standards, and various other innovative measures to promote sustainability.

### MEASURES TO REDUCE CARBON FOOTPRINT

HDL has implemented several initiatives to lower its carbon emissions and promote resource efficiency:

#### ○ Zero Liquid Discharge (ZLD) System:

Building on the existing Effluent Treatment Plant (ETP), HDL has invested in a ZLD system to treat industrial effluents effectively. This technology makes it possible to reuse processed water in cooling towers, gardening, and plantation activities, which has contributed to reducing groundwater intake by approximately 40%.

○ **Ash Handling and Pollution Control:** An improved ash handling system at HDL's production centre uses conveyor belts to transport burnt husk ash to a mixer, where it is combined with water to prevent dusting. This reduces environmental pollution and minimizes health risks from dust inhalation.

○ **Energy Optimization:** HDL operates a 500 kW steam turbine for in-house power generation, which has replaced the use of furnace oil with rice husk as a fuel source. HDL's energy consumption breakdown is as follows:



Energy Source	Percentage
1. Electricity from Nepal Electricity Authority (Hydro)	43%
2. Energy produced by Steam Turbine (Fuel - Rice Husk)	56%
3. Energy generated from Diesel Generators (Fuel - Diesel)	2%

○ **Afforestation and Green Initiatives:** Over 4,000 trees, including species such as Simal, Red Sandalwood, Ashoka, Bamboo, and Malaysian teak, have been planted at HDL's factory premises to enhance biodiversity and sequester carbon.

○ **Sustainable Transportation:** HDL promotes electric vehicles and has already acquired two electric-powered four-wheelers and one two-wheeler for use. This marks the first steps towards moving towards reducing vehicular emission.

○ **Recycling Practices:** HDL incorporates 15% recycled bottles in production, which has helped in reducing waste glass litter and marks first steps towards embracing circular economy principles.

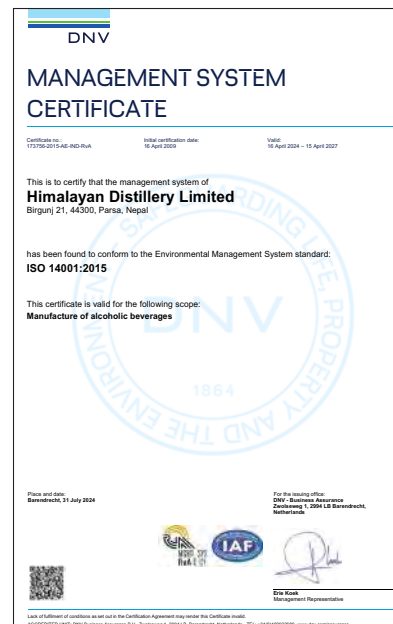
All of these measures align with HDL's Integrated Management System (IMS) policy, which commits to environmental protection, pollution prevention, waste reduction, and sustainable growth. HDL is also pursuing projects for zero discharge from distillation plants and full plant automation to enhance efficiency and quality consistency.



## CERTIFICATIONS AND COMPLIANCE

HDL maintains ISO 14001:2015 certification (Certificate Number: 173756-2015-AE-IND-RvA, Initial Certification Date: 16 April 2009, Validity: 16 April 2024–15 April 2027), which provides a framework for managing environmental responsibilities, reducing impacts, and demonstrating commitment to sustainability. Key activities include improving environmental performance, ensuring legal compliance, preventing pollution, enhancing resource efficiency, engaging stakeholders, promoting transparency and accountability, managing waste, and driving continuous improvement.

Additionally, HDL holds a Green Existing Building Gold certification under LEED V4 and BREEAM standards from Otabu Certification Limited (UK) (Certificate Number: 601010517, Initial Certification Date: 1 May 2017, Validity: 13 March 2024–13 March 2026). This certification underscores HDL's focus on sustainable building practices, including efficient energy and water usage, resource conservation, indoor environmental quality, site sustainability, health and well-being, adaptability and resilience, carbon footprint reduction, waste minimization, green infrastructure, and community benefits.







## NATIONAL BEST PRESENTED ANNUAL REPORT 2024

The Himalayan Distillery Ltd earned the esteemed **Bronze Award in the "National Best Presented Annual Reports Award 2024"** in the Manufacturing Sector, acknowledging its exceptional presentation of the 2024 annual report. This recognition, bestowed by the Institute of Chartered Accountants of Nepal (ICAN) on July 18, 2025, emphasizes the company's excellence in transparently and accurately communicating its financial data and strategic accomplishments within its annual report.



## SOCIAL RESPONSIBILITY

HDL's social initiatives emphasize community development, employee welfare, health and safety, and ethical practices. The efforts are guided by ISO 45001:2018 for Occupational Health and Safety Management Systems (OHSMS), ISO 22000:2018 for Food Safety Management Systems (FSMS), and a structured CSR framework.

### EMPLOYEE AND COMMUNITY WELFARE

Under ISO 45001:2018 (Certificate Number: 10000436760-MSC-RvA-IND, Initial Certification Date: 16 April 2009, Validity: 16 April 2024–15 April 2027), HDL focuses on OHS risk management, reducing workplace incidents, enhancing employee well-being, preventing occupational illnesses, engaging stakeholders, ensuring legal compliance, and continuous improvement. Our IMS policy provides safe working conditions, eliminates hazards, reduces risks, and promotes worker consultation and participation.



HDL complies with labor laws, including the Labor Act 2074 B.S. and Bonus Act 2030, ensuring fair wages, working hours, leave, and social security contributions. The company provides employment to over 400 personnel directly and indirectly. In October 2025 (Ashwin end 2082 B.S.), HDL had 378 employees.

In FY 2081/82, (2024/25) HDL conducted 29 training programs that reached out to 195 participants. The trainings covered functional skills (e.g., Letter of Credit, Production Optimization), behavioral development (e.g., Leading at the Speed of Trust by FranklinCovey, I to We Team Building), professional courses (e.g., Intermediate to Advanced Excel, Strategy Management), and health/safety topics (e.g., Boiler and

Pressure Vessel Safety, Quality Management System, Anti-Money Laundering, Responsible Drinking).

Other employee engagement initiatives of HDL in 2024/25 included celebrations such as International Women's Day (March 9, 2025, with lunch and dental check-ups for female employees), Yomari Punhi (December 15, 2025, with treats), National Unity Day (January 9, 2025 where staff dressed in ethnic attire), and Twin Heart Meditation sessions for mindfulness and well-being.

### FOOD SAFETY AND QUALITY

ISO 22000:2018 (Certificate Number: C619749, Initial Certification Date: 27 February 2009, Validity: 19 March 2024–26 February 2027) ensures food safety

throughout the supply chain, with activities including assurance, contamination prevention, legal compliance, risk management, traceability, resource optimization, operational controls (via PRP, HACCP, and OPRP plans), and continuous improvement.



ISO 9001:2015 (Certificate Number: 173250-2015-AQ-IND-RvA, Initial Certification Date: 4 May 2007, Validity: 4 May 2024–3 May 2027) emphasizes customer satisfaction, process improvement, standardization, legal compliance, risk management, leadership, employee involvement, resource optimization, evidence-based decisions, and continual improvement.





## CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

In compliance with the Industrial Enterprise Act 2076 and Regulations 2078, HDL allocates at least 1% of annual profits to CSR, prioritizing industry affected areas (50% of funds) and other sectors such as disaster prevention (2.5%), health (10%), cultural preservation (5%), skill development (5%), education (10%), environment (5%), social awareness (2.5%), and physical infrastructure (10%).

HDL has a dedicated CSR Committee, composed of the CEO, Factory Manager,

Company Secretary, Operations Manager, Finance Manager, and an independent member, to oversee fund utilization.

Major CSR activities in FY 2024-25 included:

- **Education:** Rs. 325,000 to Nepal Rastriya Adharbhat Vidhyalaya for teacher salaries; Rs. 100,000 to Sahid Adharbhat Vidhyalaya for educational materials; Rs. 100,000 to Karnali Region Tourism and Cultural Reservation Centre for scholarships; Rs. 1,000,000 to Shree Nepal Rastriya Adharbhat Vidhyalaya for classroom construction; Rs. 400,000 to Rajghat Adharbhat School for building toilet facilities.

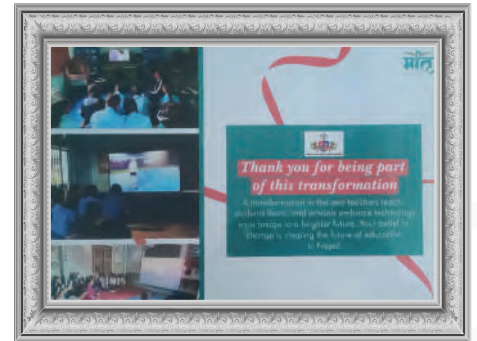
- **Healthcare:** Rs. 100,000 monthly (for 9 months) to Mugling Highway Hospital for medical services; Rs. 200,000 to Life Line Society Lalitpur for health camps; Rs. 500,000 to Maryknoll Nepal for mental health facility repairs; Rs. 500,000 to Rotary Diagnostic Centre for artificial limbs; Rs. 200,000 to Medical Rehabilitation Organization for diagnostics.

- **Community and Infrastructure:** Rs. 952,441 to Lalitpur Metropolitan for urban beautification; Rs. 70,000 to Shakti Yuwa Club for sports programs; Rs. 55,555 to Siyaram Mandir for temple works; Rs. 1,000,000 to Nyano Ghar for rehabilitation building; Rs. 400,000 to Martin Chautari for public dialogue initiatives; Rs. 300,000 to Birgunj Metropolitan for building Exercise Park.

These initiatives reflect HDL's commitment to societal contributions, including job creation, cultural preservation, gender equality, education, health, poverty alleviation, and disaster support.



## AWARDS AND RECOGNITION





## GOVERNANCE

HDL's governance framework ensures transparency, accountability, and ethical operations, supported by a strong board, internal controls, and compliance with relevant national and international standards.

### BOARD AND OVERSIGHT

The Board of Directors (BOD) oversees governance, risk management, and strategic alignment. An Audit Committee reviews internal audit reports and provides recommendations to the BOD. HDL adheres to all corporate laws, including the Companies Act 2063, Corporate Governance Directives, and Securities Act 2063.

### INTERNAL CONTROLS AND AUDITS

HDL maintains a robust internal control framework for transparency and efficiency. Quarterly internal audits by external auditors (N. Amatya & Chartered Accountants) evaluate processes for compliance and effectiveness. Market audits, conducted by HDL's Audit and Compliance department, verify sales, marketing expenditures, promotional schemes, and competitor assessments.



## POLICIES AND ETHICAL STANDARDS

Key policies in place at HDL include the Procurement Manual (for transparent acquisitions), HR and Administration Manual (for fair employment practices), IT Manual (for data security), Internal CSR Guideline, Investment Policy (for surplus fund utilization), and departmental SOPs (for operational consistency).





Business ethics at HDL emphasize integrity, fairness, and transparency. HDL focuses on customer safety with accurate labeling and responsible marketing; conducting business without bribery or corruption; conserving the environment through high standards and initiatives like ZLD; and by contributing to society via CSR.

Compliance covers taxation (Income Tax Act, VAT Act, Excise Act), environmental laws (Environment Protection Act), labor policies, securities regulations, consumer protection, customs, insurance, anti-money laundering, and competition laws.

HDL's anti-corruption measures prohibit illicit practices, ensuring adherence to laws on gifts, donations, and financial records.

### COMMITMENTS GOING FORWARD

HDL's ESG performance in FY 2024-25 demonstrates the company's dedication to sustainable growth, ethical practices, and broad societal impact. Going forward, HDL commits to enhancing our IMS, expanding CSR reach, and advancing environmental innovations, such as full plant automation and zero discharge projects. By aligning with stakeholder expectations and regulatory requirements, HDL aims to build resilience and deliver long-term value in Nepal's alcoholic beverage industry.





# CORPORATE SOCIAL RESPONSIBILITY (CSR)

Himalayan Distillery Limited (HDL) is committed to fulfilling its corporate social responsibilities in accordance with the Industrial Enterprise Act 2076 (Section 54) and the Industrial Enterprise Regulations 2078 (Rule 43). These regulations mandate that medium or large-scale industries, or

domestic/small enterprises with annual turnover of Rs. 150 million or more, allocate at least 1% of their annual profits to CSR initiatives. In line with the requirement, HDL has been directing its CSR funds to the following priority areas, to ensure targeted and impactful contributions to society:

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	2.50%
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	2.50%
9.	Physical infrastructure for social welfare (including repair and maintenance) - drinking water, roads, drainage, sports grounds, religious sites, community buildings including those for old age, orphanages, meditation, rest houses, bus stops/parks, etc.	10%





HDL's CSR Committee is responsible for ensuring effective use of available funds. The committee has six members:

- Niraj Subedi, Chief Executive Officer (CEO)
- Krishna Hari Adhikari, Factory Manager
- Nisha Niraula, Company Secretary
- Jeevan Panday, Operations Manager
- Alina Shrestha, Finance Manager
- Independent Member (as required)

All disbursements from the CSR fund require approval by the Committee. In cases where the allocated percentage for a specific project is insufficient, the Committee may reallocate funds from projects where funds are underutilized, provided that the adjustment remains within the overall approved budget.

#### **CSR ACTIVITIES IN FISCAL YEAR 2024-25**

During Fiscal Year 2024-25, Himalayan Distillery Limited continued its dedication to social upliftment through a series of targeted CSR initiatives. These efforts focused on education, healthcare, infrastructure development, community welfare, and cultural preservation, aligning with our CSR guidelines. Below is a comprehensive overview of the key activities supported, including contributions made and their intended impacts. (Relevant photographs of these initiatives are included where applicable.)

##### **A. Nepal Rastriya Adharbhut Vidhyalaya**

HDL contributed Rs. 325,000 to Nepal Rastriya Adharbhut Vidhyalaya to support teacher salaries. The funding ensured the continuity of quality education at the school during the review period.

##### **B. Mugling Highway Hospital**

Mugling Highway Hospital (MHH) provides essential medical services to the local community, while serving road accident victims along the Naubise-Pokhara-Mugling highway. It has plans to expand to a 100-bed facility, establish a pre-hospital care and trauma center, and enhance grassroots healthcare access in alignment with national objectives. In response to the request from MHH for monthly funding of Rs. 200,000 over five years, the CSR Committee approved a monthly contribution of Rs. 100,000 at its meeting on March 1, 2024.

##### **C. Lalitpur Metropolitan City**

HDL entered into an agreement with Lalitpur Metropolitan for the maintenance of Jawalakhel Traffic Circle and other islands along the Jawalakhel to Kupondole road section. The maintenance work included enhancements such as fountains, gardening, and overall upkeep. A contribution of Rs. 952,441 was made during the year for supporting the beautification of the urban landscape, promoting cleanliness, and improving air quality.

##### **D. Karnali Region Tourism and Cultural Reservation Centre (KRTCT)**

KRTCT operates a scholarship program for students at government schools in Kalikot and 10 other districts. The support is intended for students who have completed their SEE exams but face financial barriers to pursue further education in Kathmandu. Targeting marginalized groups, including the economically disadvantaged, individuals with disabilities, orphans, and victims of conflicts or disasters, the program provided each of the 30 students with Rs. 50,000 as scholarship 2024/25 (FY 2081/82). To extend the impact, HDL proposed a contribution of Rs. 100,000 to fund scholarships for two more students. This was its contribution to advancing educational equity in underserved regions.





#### E. Sahid Adharbhut Vidhyalaya (SAV)

Located in Uday Tole, Biratnagar-3, Morang, SAV is a primary school serving 161 students from Nursery to Class 5. The students come mainly from marginalized communities. The school had requested Rs. 800,000 for toilet construction (Rs. 500,000) and educational materials such as uniforms, bags, and stationery (Rs. 300,000). HDL proposed a contribution of Rs. 100,000 towards supporting procurement of educational materials.

#### F. Lifeline Society Lalitpur (LSL)

LSL, in collaboration with Lifeline Health Home Care (LHHC), runs the “Better Health Better Society” program and offers health services across the wards of Lalitpur Metropolitan City, and in over 30 districts in Nepal. Its services address conditions like hypertension, diabetes, heart disease, and cancer screening. LSL had sought Rs. 75,78,000 for holding 30 health camps. The CSR Committee meeting on March 1, 2024 proposed providing Rs. 200,000 to support one camp near its Birgunj Factory Office to enhance access to health for underserved communities in the area.

#### G. Shakti Yuwa Club

Established in 2063 B.S., Shakti Yuwa Club organizes annual sports programs in Parwanipur, Birgunj, to empower youth through physical fitness and community engagement. HDL proposed a contribution of Rs. 70,000 to support the initiatives as a contribution towards supporting youth development and engendering a spirit of community.

#### H. Siyaram Mandir Bewasthapan Samiti

HDL contributed Rs. 55,555 toward temple inauguration works at Patelnagar, Parwanipur as

part of its efforts to support the preservation and enhancement of local religious and cultural sites.

#### I. Rajghat Adharbhut School (RAS)

RAS, a public school in Urlabari, Morang, provides basic education (Grades 1–8) to 118 students. The school requested Rs. 916,613 for building toilet facilities. The CSR Committee meeting on April 4, 2025 proposed providing Rs. 400,000 to support the infrastructure upgrade, which is expected to contribute to improving hygiene and the overall learning environment.

#### J. Maryknoll Nepal (Aashadeep)

Maryknoll Nepal, a non-profit founded in 1991, focuses on treatment of people with mental health issues, including their rehabilitation, and on building awareness, and providing training for caring for such people. HDL had provided the organization Rs. 400,000 in FY 2022. In 2024/25 Aashadeep requested Rs. 14,33,546.25 for various repairs to water systems, bathrooms, and for installing a solar water heater at its facility in Chandol, Kathmandu. The CSR Committee, on April 4, 2025, recommended Rs. 500,000 as contribution to support rehabilitation of essential services and income-generating activities for people with mental health issues.

#### K. Rotary Diagnostic Centre (RDC)

RDC's unit provides free artificial limbs to the needy in partnership with Mahaveer Jaipur Limb Rehabilitation Centre and the Rotary Artificial Hand Project, which has so far distributed over 900





artificial limbs (200 hands and 700 legs). In 2022 HDL had provided the organization Rs. 625,000 contribution to support its work. In 2024/25 RDC requested further support (@ Rs. 16,000 per leg; Rs. 12,500 per hand). On April 4, 2025, the CSR Committee proposed providing Rs. 500,000 to RDC subject to receiving distribution details on the use of support provided earlier.

#### L. Nyano Ghar

Founded in 2081 B.S. by Sonam Tsering Sherpa in Thaiba, Godavari, Nyano Ghar offers rehabilitation services to improve quality of life and societal reintegration for people in need. Following a site visit by the CEO, the CSR Committee, on April 4, 2025, proposed providing Rs. 1,000,000 for constructing a prefabricated building to create a safe and supportive environment for residents.



#### M. Medical Rehabilitation Organization (MERO)

MERO, established by biomedical professionals and social workers, provides free medical care—including surgeries, medicines, and physiotherapy—to over 1,500 marginalized individuals at its facility in Chandol, Kathmandu. MERO had requested Rs. 200,000 for diagnostics of 20 patients in 2025. HDL's CSR committee proposed a contribution of Rs. 200,000 towards the effort.



#### N. Martin Chautari (MC)

MC, a Kathmandu-based NGO since 1991 (registered in 2002), promotes public dialogue through research, seminars, publications (116 books, 39 policy briefs so far), and runs a library with over 25,000 resources on topics like democracy and education. The HDL's CSR Committee proposed providing Rs. 400,000 to MC from its CSR fund for FY 2081-82 B.S. to support the effort.

#### O. Shree Nepal Rastriya Adharbhut Vidhyalaya, Patelnagar

The school in Birgunj, Parsa had requested support for building a two-story building with four classrooms, estimated to cost around Rs. 69,58,401. On April 4, 2025 the CSR Committee proposed providing Rs. 1,000,000 for the construction. It also decided to consider additional support in the next fiscal year provided funds are available.







## CORPORATE GOVERNANCE

Corporate governance is more than a statutory obligation at Himalayan Distillery Limited (HDL), it is culture and lies deeply embedded in every aspect of its operations. For HDL, governance represents ethical leadership, accountability, transparency, and fairness, which are values that have guided the Company to become one of Nepal's leading liquor manufacturers. The Board and management work together to ensure that the Company remains compliant with the Companies Act 2063, Securities-related regulations, and all other applicable laws, while upholding the highest principles of integrity and responsibility.



**12**

TOTAL NUMBER  
OF MEETINGS  
(BOD'S)

**7**

TOTAL NUMBER  
OF MEETINGS  
(AUDIT  
COMMITTEE)





## COMMITMENT TO RESPONSIBLE LEADERSHIP

Corporate governance is more than a statutory obligation at Himalayan Distillery Limited (HDL), it is culture and lies deeply embedded in every aspect of its operations. For HDL, governance represents ethical leadership, accountability, transparency, and fairness, which are values that have guided the Company to become one of Nepal's leading liquor manufacturers. The Board and management work together to ensure that the Company remains compliant with the Companies Act 2063, Securities-related regulations, and all other applicable laws, while upholding the highest principles of integrity and responsibility. HDL's governance framework has continued to evolve for aligning its practices with national and international standards, rules and regulations, which is indicative of a governance model that is not only compliant but also both visionary and dynamic.

## BOARD LEADERSHIP AND STEWARDSHIP

The Board of Directors of HDL provides strategic direction and ethical oversight to ensure continued stakeholder confidence. The Board's collective expertise spans entrepreneurship, finance, banking, law, public service, and corporate management, and this has ensured that its decisions are informed, balanced, and future-focused. During FY 2024/25, the Board comprised of Mr. Shanker Raj Pandey (Chairperson), Mr. Santoo Shrestha, Ms. Yangkila (Sherpa) Ruit, Mr. Shikher Prasai, Mr. Badri Bishal Ghimire, and Mr. Prakash Mani Ghimire (Independent Director). Each member brings unique experience and strategic insight to the Board. Under the stewardship of Chairperson Mr. Pandey—an internationally recognized development professional—the Board

continues to reinforce HDL's core values of transparency, accountability, and operational excellence.

## BOARD FUNCTIONING AND MEETINGS

HDL's Board met 12 times during FY 2024/25, reflecting its engagement and close supervision of management functions. These meetings served as platforms for reviewing business performance, approving strategic policies, and ensuring that all actions adhered to the Company's governance principles. Key decisions during the year included approval of audited financial statements, dividend and bonus share distribution, formulation of the Investment Policy, brand acquisitions, organizational restructuring, and risk reviews. All deliberations were recorded through comprehensive minutes and shared with relevant stakeholders.

## BOARD COMMITTEES AND OVERSIGHT

HDL operates through specialized committees that provide dedicated oversight on critical aspects of governance. This has been done to strengthen focused decision-making. The committees are:

**Audit Committee** – Chaired by Mr. Santoo Shrestha, the Audit Committee met seven times during the fiscal year. It reviewed internal audit findings, monitored financial controls, evaluated auditor reports, and ensured compliance with IFRS and NFRS. The committee also recommended provisions and write-offs, reinforcing HDL's commitment to transparency in financial reporting.

**Asset and Liability Committee (ALCO)** – Oversees liquidity management, capital investment, and balance sheet efficiency. During the year, the Committee led by Mr. Santoo Shrestha, assessed HDL's financial





strength, monitored working capital cycles, and guided prudent allocation of resources.

**Risk Management Committee –** Chaired by the Independent Director Mr. Prakashmani Ghimire, identifies strategic, operational, and market risks and recommends mitigation strategies. The committee reviewed compliance risks, internal control mechanisms, and environmental challenges to ensure that HDL remained resilient in a dynamic business landscape.

**Internal Control and Risk Management**  
HDL's internal control environment is robust and continuously improving. A comprehensive

internal audit program, conducted quarterly by independent professionals, provides assurance on financial accuracy and operational compliance. Market audits verify promotional and distribution expenditures, ensuring that field operations remain efficient and transparent. The Audit Committee reviews all findings and ensures that corrective measures are promptly implemented. The Risk Committee regularly assesses business continuity risks, financial exposures, and compliance obligations, supported by a well-defined reporting system that provides early warning indicators.





## ETHICAL CULTURE AND POLICY FRAMEWORK

Ethics and integrity are central to HDL's corporate philosophy. The Company has adopted a number of governance documents to guide operations, including the Finance Manual, Procurement Manual, HR and Administration Manual, IT Policy, CSR Guidelines, Standard Operating Procedures (SOPs) and the newly adopted Investment Policy. These policies and manuals promote fairness, accountability, and compliance in every sphere of activity. HDL's Code of Conduct reinforces a zero-tolerance policy to corruption, bribery, discrimination, and other types of unethical behavior.

## CORPORATE SOCIAL RESPONSIBILITY (CSR) AND COMMUNITY DEVELOPMENT

HDL firmly believes that responsible business means giving back to society. Its CSR strategy aligns with the national CSR guidelines and focuses on long-term community impact. During FY 2024/25, HDL supported various initiatives in education, health, environment, and livelihoods development. Key projects included support for teacher salaries, scholarships for marginalized students, construction of school infrastructure, monthly contributions to Mugling Highway Hospital, and community health and rehabilitation programs. These initiatives demonstrate HDL's commitment to inclusive growth and sustainable impact. The CSR activities of 2024/25 are discussed in the Corporate Social Responsibility section.

## SUSTAINABILITY AND ENVIRONMENTAL EXCELLENCE

Sustainability is an integral part of HDL's governance ethos. The Company holds international certifications including ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 45001 (Occupational Health & Safety), ISO 22000 (Food Safety), and a Green Building Gold Certification. HDL operates a Zero Liquid Discharge (ZLD) system, which has helped to reduce water consumption by 40%. It also has a 500 kW steam turbine for renewable power, and utilizes rice-husk fuel to minimize carbon emissions during production. The use of 15% recycled bottles, plantation of over 4,000 trees, and adoption of electric vehicles further demonstrate HDL's commitment to a sustainable future.

## GOVERNANCE REFORMS AND CONTINUOUS IMPROVEMENT

In FY 2024/25, HDL undertook several governance reforms, including revising the organizational





structure, strengthening committee functions, implementing digital monitoring tools, and updating Standard Operating Procedures. These initiatives ensure that HDL's governance framework remains dynamic, efficient, and transparent.

## COMMITMENT TO THE FUTURE

Going forward, governance will be a journey of continuous improvement for HDL. The Company is committed to integrating Environmental, Social, and Governance (ESG) principles more deeply in its strategy and to reinforcing ethics, transparency, and responsibility to build a stronger business and a legacy of trust that can withstand the test of time.

HDL's corporate governance framework embodies responsible leadership in business. With integrity as its compass and sustainability as its path, HDL continues to demonstrate that good governance is good business, which is the foundation for excellence, resilience, and shared prosperity.

## 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. Santoo Shrestha, Chairperson
- Mr. Prakashmani Ghimire, Member
- Mr. Shikher Prasai, Member

Meeting Type		Asset Liability Committee	Risk Management Committee	Audit Committee	Board of Directors	Remarks
<b>Total No. of Meetings</b>		<b>1</b>	<b>1</b>	<b>7</b>	<b>12</b>	
<b>Attendees</b>	<b>Designation</b>					
Akhileshwor Prasad Singh	Chairperson				8	Resignation approved by the 8th meeting of the Board
Shanker Raj Pandey	Chairperson			7	12	Appointed as Chairperson by 9th meeting of the Board
Narendra Kumar Basnyat	Director			6	4	Resignation approved by 6th meeting of the Board
Santoo Shrestha	Director	1		7	12	
Yangkila (Sherpa) Ruit	Director	1	1		12	
Shikher Prasai	Director				5	Appointed by the 7th meeting of the Board
Badri Bishal Ghimire	Director				2	Appointed by the 10th meeting of the Board
Prakash Mani Ghimire	Independent Director		1		12	



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 seven times this fiscal year and discussed the following activities:

- Review of quarterly internal audit reports and 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 2024/25 for submission to the Board for its approval.
- The Audit Committee reviewed the proposed write-off of obsolete inventories and fixed assets and recommends the same to the Board of Directors for 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 appointment of internal auditors and statutory auditors for the FY 2024/25.

#### 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
- Ms. Yangkila (Sherpa) Ruit, 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 on the legal and regulatory compliance status.
- 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.

#### **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. Yangkila (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:

- Reviewed the assets and liabilities position of the company.
- Reviewed the profitability and key financial ratios of the company.
- Reviewed the fixed assets investment during the FY.
- Reviewed the contingent liabilities of the company and recommended the report to the board for its consideration and approval.



# ANNUAL COMPLIANCE REPORT RELATED TO CORPORATE GOVERNANCE

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

NAME OF THE LISTED BODY CORPORATE

**Himalayan Distillery Limited**

ADDRESS, EMAIL INCLUDING WEBSITE

**Parsa, Birgunj Metropolitan City, Ward No. 21, Lipanibirta Parsa,  
Contact Office Lalitpur Metropolitan City, Ward No. 05, Jawalakhel,  
Lalitpur  
www.himalayandistillery.com**

FISCAL YEAR OF PRESENTATION OF REPORT

**2024/2025**

## 1. DETAILS RELATING BOARD OF DIRECTORS:

a) Name of the Chairperson of the Board of Directors and Date of Appointment: Mr. Akhileshwar Prasad Singh was appointed as the Chairperson of the Board of Directors as per the decision of the Board Meeting held on January 26, 2022 (A.D.). After his resignation was approved by the Board Meeting held on March 30, 2025 (A.D.), Mr. Shanker Raj Pandey, Member of the Board of Directors was appointed as the new Chairperson as per the decision of the board meeting held on April 2, 2025 (A.D.).

b) Details regarding the share structure of the organization (promoter, ordinary public and others): Since the company's preference shares have expired, all such shares have been converted into ordinary shares and have been listed accordingly.

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	Ordinary	127,512	January 12, 2022 A.D.	January 12, 2022 A.D.	Appointed by the General Meeting through election and his resignation was approved on 30th March 2025.
2	Mr. Narendra Kumar Basnyat, Lalitpur Metropolitan City, Ward No. 01, Kupondole	Ordinary	19,923	January 12, 2022 A.D.	January 12, 2022 A.D.	Appointed by the General Meeting through election and his resignation was approved on 30th March 2025.
3	Ms. Yangkila (Sherpa) Ruit, KMC -01, Naxal	Ordinary	531	January 12, 2022 A.D.	January 12, 2022 A.D.	Appointed by the General Meeting through election and ratified by Annual General Meeting.
4	Mr. Shanker Raj Pandey, Old Baneshwor, Kathmandu	Ordinary	875	January 12, 2022 A.D.	January 12, 2022 A.D.	Appointed by the General Meeting through election and ratified by Annual General Meeting and Appointed as Chairperson of the Board of Directors on 20th Chaitra 2082.
5	Mr. Santoo Shrestha, KMC-11, Thapathali	Ordinary	876	January 12, 2022 A.D.	January 12, 2022 A.D.	Appointed by the General Meeting through election.
6	Mr. Prakash Mani Ghimire, Lalitpur Metropolitan City -03, Pulchowk	Independent		January 26, 2022 A.D.	January 26, 2022 A.D.	Recommended Pursuant to rule 6 (a) of the Articles of Association of the company and ratified through Annual General Meeting.



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
7.	Mr. Shikher Prasai, KMC-11, Thapathali, Kathmandu	Ordinary	172	March 30, 2025 A.D.	March 30, 2025 A.D.	Pursuant to Rule 13(e) of the Company's Articles of Association and as per the decision of the Board of Directors, the vacant position of the Board of Director has been filled until the remaining term of other Board of Directors.
8.	Mr. Badri Bishal Ghimire, Madhyapur Thimi-03, Kaushaltar, Bhaktapur	Ordinary	200	April 07, 2025	April 07, 2025	Pursuant to Rule 13(e) of the Company's Articles of Association and as per the decision of the Board of Directors, the vacant position of the Board of Director has been filled until the remaining term of other Board of Directors.

#### 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.	18th September 2024	6 persons	Yes	No	5th September 2023
2.	6th December 2024	6 persons	Yes	No	26th November 2023
3.	8th December 2024	6 persons	Yes	No	3rd December 2023
4.	12th January, 2025	5 persons	Yes	No	10th January 2024
5.	5th February, 2025	6 persons	Yes	No	11th March 2024
6.	23rd March, 2025	5 persons	Yes	No	12th March 2024
7.	30th March, 2025	5 persons	Yes	No	10th May, 2024
8.	30th March, 2025	6 persons	Yes	No	29th May, 2024
9.	2nd April, 2025	5 persons	Yes	No	1st July, 2024
10.	7th April, 2025	5 persons	Yes	No	
11.	2nd June, 2025	6 persons	Yes	No	
12.	16th July, 2025	6 persons	Yes	No	7th July, 2024

The meeting of the Board of Directors convened this year was not adjourned without attaining the quorum.

#### e) Other details relating meeting of Board of Directors:

Whether the director and alternate director attended the meeting of the board of directors (if not, disclose the reason along with the date of the meeting):

1. On January 12, 2025 Director Mr. Narendra Kumar Basnyat fell sick so he couldn't attend the meeting.
2. On April 2, 2025 Chairperson Akhileshwar Prasad Singh had resigned and no new appointment was made on the vacant position.
3. On April 7, 2025 Chairperson Akhileshwar Prasad Singh had resigned and no new appointment on the vacant position was made.



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 minutes is kept.

The maximum gap between two consecutive meetings of the Board of Directors:

78 days

The date of the annual general meeting regarding the determination of the meeting allowance of the board of directors:

January 11, 2023 A.D.  
(Decided during 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 2024/2025

Rs. 20,40,000.00

## 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 directed by the prevailing law has been followed. Separate code of conducted has not been formulated.

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, 2025 A.D.	DETAILS OF PARTICIPATED DIRECTORS	PLACE OF CONDUCT OF TRAINING	TRAINER
1	Institutional governance practices currently adopted in Nepal, provisions mentioned in the prevailing acts, rules, policies, and directives, and the essential matters that the directors of a public company must take into consideration while making decisions or operating the company.	1) Mr. Shanker Raj Pandey 2) Mr. Santoo Shrestha 3) Ms. Yangkila (Sherpa) Ruit 4) Mr. Prakash Mani Ghimire 5) Mr. Shikher Prasai 6) Mr. Badri Bishal Ghimire	Contact Office, Jawalakhel	Advocate Madhab Regmi

Every director has/has not informed the following in writing within 15 days of being appointed or nominated to the post of director and details of the same if not:

Has been done.

If he or any member of his same family has entered into or is about to enter into any kind of agreement with the organization, the details thereof,

None



Details of shares or debentures held by him or any member of his family in the organization or the main or subsidiary company of the organization,	No
If he is the basic shareholder or director of any other body corporate, the details thereof,	No information is received.
If any member of his family is working as an officer or employee in the organization, the details thereof,	Not done
If the director has worked as a director, salary officer, executive officer or employee of a listed organization having the same objectives, the details thereof,	Not done
If any action has been taken against the director by regulatory bodies and other bodies, the details thereof:	No information is received.

### 3. DETAILS REGARDING THE ORGANIZATION'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM:

- a) If any committee has been formed for risk management or not, reason thereof: Formed.
- b) Information about risk management committee: A three-member committee has been formed under the coordination of independent director Mr. Prakash Mani Ghimire, director Ms. Yangkila (Sherpa) Ruit, 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   | Chairperson |
| Ms. Yangkila (Sherpa) Ruit | Member      |
| Chief Executive Officer    | Member      |
- (ii) Nos. of meeting of the committee: One meeting is conducted on FY 2024/2025.
- (iii) Summarized details of functions of the Committee are prescribed as under:
- (a) This committee shall mainly take into account the company's physical property risk, business strategic risk, legal governance risk, human resource risk, technology related risk and financial planning and implementation related risk and shall work to solve and minimize it.
  - (b) To determine company's risk management policy, make a risk management plan, approving it and perform and caused to perform its periodic evaluation, review and assessment.
  - (c) To study the policy directives and suggestions received from the regulatory body, to give or to give the answer or information to be submitted on behalf of the company in view of its implementation or need.
  - (d) To develop and implement policies and procedures related to risk management process, development of risk control or mitigation structures and operational methods, periodically evaluate, assess and review the same.
  - (e) To adopt and caused to adopt contingency fund mobilization methods for risk management.
  - (f) To identify, evaluate, supervise, review, control, set boundaries, prepare reports, take appropriate initiatives to manage the main risk areas, and to frame and caused to frames policies and procures in such regard as per necessity.
  - (g) To work with a plan to prevent and minimize the impact of rapidly developing information technology and cyber security risks.
  - (h) To prepare the company's governance methods and policies related to risk management, formulate a risk management plan and submit it for the approval of the board of directors if necessary and implement it.



- (2) Whether there is an internal Control procedure or not: The company's human resources manual and financial and accounting related manuals, procurement manuals have been adopted and works has been done accordingly, and in addition external internal auditors have been appointed and they shall independently conduct audits and produce a report, and the report 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: Separate Committee is not formed. Audit Committee itself observes the Internal Control System.
- (4) Details relating internal Control system committee: Separate committee is not formed. The independent internal auditor appointed by the Board of Directors conducts a quarterly review of the company's transactions and internal control systems. The report prepared thereafter is first discussed in the Audit Committee and subsequently in the Board of Directors meeting.
- (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 24th Annual General Meeting	National level daily newspaper (Kantipur)	Published on December 21, 2024 A.D. at Kantipur National Daily, December 22, 2024 A.D. at Aarthik Abhiyan Daily and in Company's website as well.
Notice of Extra Ordinary General Meeting		Not called.
Annual Report	National level daily newspaper (Kantipur)	Published on December 21 and 22, 2022 A.D. (summarized financial details (2021/2022 A.D.) on Kantipur National Daily, Rajdhani National Daily respectively and in Company's website as well.
Quarterly report	National level daily newspaper (Kantipur) National level daily newspaper(AarthikAbhiyan) National level daily newspaper(AarthikAbhiyan) National level daily newspaper(AarthikAbhiyan)	Oct. 24, 2024 A.D. – First quarter Feb. 11, 2025 A.D. – second quarter May 12, 2025 A.D. – Third quarter Aug. 14, 2025 A.D. – Fourth quarter Published in company website and circulated to Securities Board of Nepal and Nepal Stock Exchange too.
Price sensitive notice that effect on stock price	Through the letter of company, the decision made by the Board of Directors on December 9, 2025 A.D. regarding the distribution of cash dividend and bonus shares to the shareholders from the profit of fiscal year 2023/24 was uploaded and notified to the Securities Board of Nepal (SEBON) and Nepal Stock Exchange Limited (NEPSE) on the same date, i.e., December 9, 2025.	
Annual Report	The Annual General meeting was held on January 12, 2025, and the decisions made by the general meeting were published in the Arthik Abhiyan national daily newspaper on February 4 2025 and also uploaded to the company's website for public information.	Informed to the Shareholder.



SUBJECT	MEDIUM	DATE OF PUBLISH
Information Regarding Resignation of Board of Directors		The resignations of Board Member Mr. Narendra Kumar Basnyat (dated Feb. 22, 2025) and Chairperson Mr. Akhileshwar Prasad Singh (dated March 30, 2025) were reported to the Office of the Company Registrar, the Securities Board of Nepal, and the Nepal Stock Exchange Ltd. (NEPSE).
Appointment of Directors in the Vacant Position		The appointments of Board Member Mr. Shikher Prasai (dated March 30 2025) and Board Member Mr. Badri Bishal Ghimire (dated April 7 2025) were also reported to the Office of the Company Registrar, the Securities Board of Nepal, and NEPSE.

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 fourth Annual General Meeting January 12, 2025 A.D.

## 5. DETAILS RELATING ORGANIZATION STRUCTURE AND PERSONNEL: ENCLOSED

- 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
- Enclose organization structure: Enclosed
- Name, academic qualifications and details of experience of the personnel at high level management:
  - Niraj Subedi, C.A. with 20 years of experience
  - Bam Dev Dahal, BBA with 41 years of experience in banking and private sectors.
  - Sashi Bhandari, B. Ed. with 25 years of experience.
  - Prabin Pant, MBA with 24 years of experience in banking and private sectors.
  - Sudesh Paudel, MBA with 21 years of experience in liquor industry.
  - Nabin Upadhyaya, MBA with 19 years of experience.
  - Netra Prasad Timsina, Bachelors in Law with 25 years of experience in liquor industry.
  - Jeevan Panday, ACCA with 13 years of experience.
  - Alina Shrestha, MBA with 11 years of experience.
  - Anjali Shrestha, MBA with 9 years of experience.
  - Nisha Niraula, LLM with 10 years of experience.

(d) Other details relating personnel: There are 316 personnel by the end of Ashad.

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
Nos. of personnel under management	human resource related organizations
Nos. of total personnel	145
Succession plan of the personnel has been made or not	316
Nos. of training given to the personnel and nos. of personnel participated for the fiscal year 2022/2023 A.D.	Is in process
Personnel training expenditure for fiscal year 2022/2023 A.D.	29 trainings, 195 attendees
Percentage of personnel expenditure in total expenditure	Rs. 748,244
Percentage of training expenditure in total personnel expenditure	11.94
	0.24



## 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	January 7, 2025 A.D.
Date of publication of quarter end financial details	Oct. 22, 2024 A.D. – First quarter
Date of completion of last auditing:	Feb. 11, 2025 A.D. – second quarter
Date of approval of financial details from the General Meeting	May 12, 2025 A.D. – Third quarter Aug. 14, 2025 A.D. – Fourth quarter
Details regarding the internal audit of the institution:	October 10, 2025A.D.
i) An internal audit is done or an external expert is appointed	January 12, 2024 A.D.
ii) Details of the external expert, if appointed	Done by appointing external expert N Amatya & Co., Chartered Accountants (For FY 2023/24 quarterly reports)
iii) How often are internal audits conducted (quarterly, quarterly or semi-annually)	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 Where in the Board meeting held on April 7, 2025, an Audit Committee was formed comprising Mr. Santoo Shrestha as the Chairperson, and Mr. Prakash Mani Ghimire and Mr. Shikher Prasai as members.
Date of meeting convened and nos. of members present:	July 22, 2024 A.D., 3 persons September 16, 2024 A.D., 3 persons December 4, 2024 A.D., 3 persons January 18, 2025 A.D., 3 persons March 30, 2025 A.D., 2 persons July 15, 2025 A.D., 3 persons
Allowance per meeting	Rs. 20,000.00 (with tax)
The date on which the Audit Committee submitted its report of its functions to the Board of Directors	1. On July 26 2025: The remarks raised in the internal auditor's report for the fourth quarter of FY 2023/24 were discussed, and it was decided to present them to the Board of Directors along with comments and suggestions. Directions were given to verify the write off, write back and balances of suppliers. It was also recommended to the Board of Directors to appoint N. Amatya & Chartered Accountants as the internal auditor for FY 2024/25.



2. On September 15 2024: The annual business plan for FY 2023/24 was recommended to the Board of Directors for approval.
3. On December 5 2024: The audit report for FY 2023/24 was discussed and recommended to the Board of Directors for approval. The consolidated income and expenditure statement, including those of subsidiary companies, was also reviewed and directed to be presented to the Board for discussion and approval. Furthermore, the appointment of the external auditor for FY 2024/25 was recommended to the Board of Directors.
4. On January 14 2025: The remarks raised in the internal auditor's report for the first quarter of FY 2023/24 were discussed, and it was directed to submit them to the Board of Directors with opinions and suggestions.
5. On March 30 2025: The remarks raised in the internal auditor's report for the second quarter of FY 2023/24 were discussed, and it was directed to submit them to the Board of Directors with opinions and suggestions.
6. On June 1 2025: The remarks raised in the internal auditor's report for the third quarter of FY 2023/24 were discussed, and it was directed to submit them to the Board of Directors with opinions and suggestions.
7. On July 15 2025: It was recommended to the Board of Directors to write off various items and fixed assets amounting to NPR 10,777,987.77 for FY 2024/025.

## 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

Direction not given.

If there is a court case against the institution and director, details thereof

- a. Some individuals filed a case at the Labour Court, Kathmandu, falsely claiming employment in this company by submitting forged documents. In this matter, the District Court, Parsa issued a partial decision in favor of the plaintiffs. The company then appealed to the High Court, Janakpur (Temporary Bench, Birgunj), but the High Court upheld the District Court's decision. Dissatisfied with this verdict, the company filed a writ petition before the Supreme Court of Nepal, seeking an order of certiorari and related reliefs. The Supreme Court has issued an interim order directing that the Labour Court's decision not be implemented, and the case is still under consideration.
- b. Regarding the VAT for Shrawan 2068 and the income statement for FY 2072/073, issues were raised by the Large Taxpayers' Office during the tax audit. Similarly, for FY 2074/075, revised tax assessment orders were received after assessments were made under Section 102 of the Income Tax Act, 2058. As the company disagreed with the charges imposed under Section 117 (fees), Section 118 (interest), and Section 120 (penalties) of the same Act, it filed an administrative review under Section 115. However, no decision has yet been received regarding that review.
- c. Mr. Subash Shah, a resident of Arnaha Rural Municipality, Ward No. 2, Sarlahi District, filed an appeal under the Right to Information Act, 2064, alleging that the company failed to provide the requested information and attempted to evade responsibility. The company has already submitted a written response to the National Information Commission, but no hearing has taken place on the matter as of the reporting period.



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d. The written judgment of the Supreme Court of Nepal regarding VAT, excise duty, and income tax for FY 2061/062 has been received. The decision favored the company's claim concerning excise duty, and accordingly, the company has filed an application with the concerned office to reconcile the excise duty, fines, and related amounts. Regarding VAT and income tax, some issues were decided in favor of the company and some against it. For the matters decided against the company, a judicial review petition was filed, but it was rejected, and the rejection became final. The company is now proceeding to settle its obligations in accordance with the Supreme Court's decision and is taking steps to obtain the original copy of the judgment from the Supreme Court for submission to the concerned tax office.

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Signature:

Name of the compliance Officer: Netra Prasad Timsina

Designation: Compliance Officer

Date: October 16, 2025 A.D.

Seal of the Institution:

Signature of Auditor:

Seal of the Institution:

Report approved date by the Board of Directors: October 16, 2025A.D.



## Himalayan Distillery Limited

# ANNUAL REPORT OF BOARD OF DIRECTORS PRESENTED TO 25TH ANNUAL GENERAL MEETING

### Respected Shareholders,

We extend our heartfelt welcome to all the esteemed shareholders of Himalayan Distillery Limited who are present at the 25th Annual General Meeting of the company.

In this meeting, we have presented the company's financial statements for the fiscal year 2024/025 — including the Balance Sheet, Profit and Loss Account, and Cash Flow Statement — for your approval. We also request your valuable participation in the detailed discussion of the proposals presented in this meeting, and kindly ask for your approval and constructive suggestions for the future business expansion of the company.

On behalf of the Board of Directors, we would also like to present before you a review of the major activities accomplished by the company in the last year, along with the future plans and programs.

### 1. OVERVIEW OF BUSINESS FOR THE FISCAL YEAR 2024/2025:

A brief description of the business done by the company in the financial year 2024/2025 is as follows.

PARTICULARS	(In NPR)
	ACTUAL PROFIT/LOSS ACCOUNT FOR THE FISCAL YEAR 2024/2025 (IN NPR)
Net Sales	3,708,714,189.30
Gross Profit	2,135,608,091.99
Gross Operation profit	1,271,390,286.32
Profit before provision of income tax	1,269,343,852.38
Profit after provision of income tax	941,446,487.55

1. The contribution of the Golden Oak brand has remained significant in the company's business operations for the past several years. We would like to inform our respected shareholders that the company has been making various efforts to

increase its sales and distribution. Similarly, the company's other premium product, Black Oak, has become a preferred choice among consumers, and the gradual increase in its sales, distribution, and market demand reflects this growing popularity. In the same way, the company is also making continuous efforts to establish Silver Oak in the White Segment and make it accessible to consumers. We would like to inform you that the company has always prioritized producing and distributing brands that meet consumer preferences and increasing the company's revenue through such initiatives.

2. With the plan to expand the Brand Portfolio by diversifying consumer preferences and the company's business operations to increase revenue, the company had aimed to produce and market a new liquor product — 25 UP power and a new Whiskey Segment. The company firmly believes that once the sales and distribution of the new brand commence, it will certainly contribute to an increase in the company's sales revenue.
3. Among the business expansion initiatives undertaken by the company, the production of Malt Spirit has already commenced. The produced spirit is being sold to other industries as well, thereby contributing to an increase in the company's sales revenue. Similarly, the sludge generated during the spirit production process is being processed into dry cake and being sold at a premium price than the sludge. In addition, the automation of the distillation plant was completed, and production activities have already begun under this system. The company expects that automation in spirit production will enhance both the quality and standard of the spirit produced. We are confident that these initiatives will result in a notable increase in the company's sales revenue.





4. Accordingly, with the objective of producing high-quality liquor through the maturation of spirits produced by the company, we have also commenced the process of spirit maturation. With the intention of carrying out such activities even outside the factory premises, the company has purchased land in the high Himalayan region of the Khumbu area and the construction of a warehouse building is nearing its completion. We are pleased to proudly inform all the respected shareholders present at this meeting of this progress.

5. The company has also formulated and approved an Investment Policy through the Board of Directors with an objective of optimal utilization of accumulated surplus funds to increase shareholder's wealth, and we are exploring various potential sectors for the investment.

6. It has been observed that unhealthy competition in the liquor production and distribution market, consumer unawareness regarding brand identity,

and increases in customs and other taxes on various raw materials have collectively led to rising product costs. However, due to declining consumer purchasing power and reduced market demand, adverse effects have been seen in the sales and distribution of the company's products. Nevertheless, as there was no increase in excise duty on liquor during the past year, the company experienced some relief as product prices remained stable.

7. It has been found that some industries, with the intention of gaining financial benefits, have been producing and distributing low-quality, low-strength, and low-priced liquor using bottles printed with the names of our highly preferred brands — Golden Oak and Black Oak — or with similar appearances and names that mislead consumers. The company has filed complaints against such industries with the concerned authorities.



8. Due to existing policies that prohibit brand promotion and advertising of alcoholic beverages, it has become extremely difficult to introduce and establish new brands among consumers. It has been observed that such restrictions may have a long-term adverse impact on the overall Brand Health of the company.

9. Despite the various challenges faced during the review period, our relentless efforts have resulted in a 78% increase in the company's net sales compared to the same period last year. Consequently, the net profit more than doubled, reaching NPR 941,446,487.55 (Rupees Nine hundred forty one million four hundred forty six thousand four hundred eighty seven and fifty paisa only), which we are pleased to report with great satisfaction.

## **2. IMPACT OF NATIONAL AND INTERNATIONAL SITUATIONS ON THE COMPANY'S BUSINESS:**

(a) During the year under review, economic sluggishness continued. Activities that could have revitalized the economy remained largely inactive. The liquor business is a luxury-oriented industry — such businesses tend to grow when income levels rise and economic activities are vibrant. However, due to the lack of overall business growth, problems arose in the operation of working capital, delays in payments receivable by the company's distribution network, and unhealthy market competition. Consequently, the company's overall business transactions could not grow as expected.

(b) The Government of Nepal increased customs duties of some raw materials used by liquor manufacturers, excise duties on liquor, prices of raw materials, and foreign exchange rates. Additionally, fluctuations in fuel prices, rising transportation costs, and increases in the foreign exchange rates of the raw materials used in production have contributed to a rise in production costs. As a result, the prices of finished liquor products also increased accordingly. Given the lack of economic activities that could raise income levels, it was natural for liquor sales and distribution to be adversely affected.

(c) The main raw materials used in spirit production — broken rice and rice husk (used as boiler fuel) — are seasonal goods that can only be collected during specific periods. The year-round availability of such materials is limited, leading to an increase in their prices and consequently raising the production cost of ENA (Extra Neutral Alcohol).

(d) The Government of Nepal regulates the production and distribution of liquor produced and sold through the formal sector. However, the illegal and informal production and distribution of liquor in the market has had an adverse impact, to some extent, on the businesses of the formal sector.

(e) Every year, a large number of young men and women migrate abroad for employment and study. Since most of these people belong to the age group that consumes liquor, this outward migration has had a negative impact on the growth of the liquor business.

(f) Among liquor consumers, some have shifted their preference to other alcoholic beverages such as beer, which has also affected liquor consumption levels.

(g) Despite these various challenges, the company's management has continued operating the industry with utmost dedication, professional efficiency, and sensitivity — ensuring the continued safety and growth of shareholders' investments through effective production and distribution of its products.

## **3. ACHIEVEMENTS OF THE CURRENT YEAR UP TO THE DATE OF THIS REPORT AND BOARD OF DIRECTORS' OPINION ON THE FUTURE:**

(a) Compared to the first three months of fiscal year 2081/82, the sales revenue of the first three months of fiscal year 2082/83 has declined. This decrease has been primarily attributed to the political instability following the Gen-Z movement, as well as the subsequent floods and landslides that disrupted markets and transportation networks across the country. The details of these impacts are presented in the schedule below.



MONTH	F/Y 2024/025 (NRS)	PROJECTED FOR F/Y 2025/026 (NRS.)
From Shrawan (July/ August) to Ashwin (September/October)	734,544,601.00	584,800,000.00

- (b) Due to the inability to fully operate the distillation plant (for spirit production) and the limited operational hours during the reporting period, the company could only produce spirit partially within Nepal. However, the company managed to achieve notable production efficiency by utilizing the distillation unit to its feasible capacity and carrying out uninterrupted production activities.
- (c) To ensure continuous and efficient production in the future and to address technical and operational challenges, the company has initiated the process of maturation of the spirit produced. For this purpose, a suitable land area located in a high-altitude region has been acquired, and necessary administrative and legal procedures have been completed for establishing infrastructure related to environmental conservation. Meanwhile, the matured spirit has already begun to be utilized in the production process, and it is expected that using this matured spirit will significantly improve the quality and market competitiveness of the company's products.
- (d) During the ENA production process, the grain sludge generated as a byproduct from the distillation plant of spirit is being processed into dry cakes using drying technology. This initiative has been successfully implemented to convert slurry waste into value-added products, which not only helps increase the company's revenue but also contributes to environmental conservation management by reducing industrial effluents, as evidenced by improved environmental performance indicators.
- (e) We have completed the plant automation project to reduce production costs, increase productivity, and ensure the continuous production of spirit with consistent quality, and production has also

been commenced. It is expected that the high-quality spirit thus produced through this project will not only improve the quality of the liquor it produces but also be sold and distributed to other industries, thereby increasing the company's sales revenue.

- (f) We are studying various possibilities and methods of investment to ensure the proper utilization of the company's accumulated funds so that maximum returns can be achieved.
- (g) With special focus on market management and promotion, the company has conducted studies and analyses to expand the market share of its products across the country, covering hilly, Himalayan, Terai, valley, and inner Madhesh regions, and accordingly appointed distributors. Based on mutual agreement, the contracts with national distributors have been terminated, and starting from fiscal year 2082/083, the company has arranged to sell and distribute its products directly through the distributors. Furthermore, under a long-term agreement with Food and Beverage Technology Research Center Pvt. Ltd. (FBTRC) for liquor research, development, blending, and flavor procurement and sales, FBTRC has continuously provided training and development support to various employees in flavor blending and related activities. As a result, the company's current employees are now capable of independently performing all necessary blending and flavor creation activities for liquor production. Accordingly, based on mutual understanding, the agreement with FBTRC has been terminated, and the company will henceforth undertake all the flavor purchase, blending and related activities independently.
- (h) Some of the company's brands, such as Golden Oak and Black Oak, are also being produced by other industries under a Trademark Licensing Agreement. In the future, such products will be manufactured by other companies as per the company's requirements.
- (i) Productivity can improve only if harmony and work unity between workers and management are



maintained. Therefore, this year as well, the company has provided training, gatherings, and team-building programs such as picnic and social events for factory workers to foster cohesion and motivation.

(j) From the profit earned in the previous year, the company has spent NPR 70,52,996 within the legally prescribed limits on corporate social responsibility (CSR) activities. Detailed information regarding these expenditures has been included in the report. The company will continue to carry out its CSR obligations in accordance with the law and regulations in the current fiscal year as well.

#### 4. INDUSTRIAL AND BUSINESS RELATIONS:

(a) The company will continue to fulfill its corporate social responsibility (CSR) obligations in the current fiscal year. By carrying out CSR activities within the framework of laws and regulations, the company expects to maintain good relations with beneficiary organizations, foster positive perceptions among recipients, and enhance the company's reputation. With this belief, such activities will be continued in the coming years.

(b) The company continues its efforts to strengthen relations with distributors, wholesalers, retailers, and all consumers who prefer our brands through social, cultural, and business partnerships. By always adhering to the law and maintaining transparency, the company has sustained good relations with regulatory authorities, the Department of Industry, the Inland Revenue Department, Customs Department, Office of the Company Registrar, Nepal Securities Board, Nepal Stock Exchange Limited, banks, financial institutions, and other partners investing in the company. The company aims to

maintain and further strengthen these relationships in a trustworthy and sustainable manner in the future.

(c) Agreements have been concluded with suppliers providing raw materials and packaging-related items necessary for the company, and operations are being conducted under the terms of these agreements. To ensure uninterrupted supply of industrial raw materials and packaging items, the company continuously seeks new and alternative suppliers, establishes flexible business arrangements, and evaluates product quality and pricing to maintain professional partnerships. By developing a system that monitors supply and quality while coordinating with internal departmental mechanisms, the company expects to achieve long-term benefits.

#### 5. CHANGES IN THE BOARD OF DIRECTORS AND THE REASONS THEREFOR:

During the review period, there were changes in the Board of Directors. Mr. Akhileshwar Prasad Singh, Chairperson of the Board, and Mr. Narendra Kumar Basnyat, a Director, resigned from their positions. Subsequently, Mr. Shikher Prasai and Mr. Badri Bishal Ghimire were appointed to fill the vacant positions. Currently, Mr. Shanker Raj Pandey has been selected as the Chairperson of the Board and is actively serving in that role.

#### 6. MAJOR FACTORS AFFECTING BUSINESS:

(a) The business has been affected by several factors, including the impact of foreign currency fluctuations in the banking and financial sectors, economic sluggishness in commercial transactions, continuous availability of copy-cat |



brands in the market, and increases in the cost of fuel, transportation, and raw materials, which have led to higher production costs. Additionally, the negative impacts of the Russia-Ukraine, Israel, and Palestine Geo-political conflicts, unhealthy competition in the market, and floods and landslides have adversely affected liquor production and the sales of liquor. These effects are expected to persist in the current fiscal year as well.

- (b) Unhealthy competition arising from the production and sale of counterfeit products mimicking the company's brands to mislead consumers has also impacted business operations.
- (c) The introduction of numerous new products by various liquor industries has increased competitive risks in the market.
- (d) The increase in customs duties on raw materials for liquor by the Government of Nepal has raised the cost of production.
- (e) Frequent changes in policies and regulations related to liquor production, sale, and distribution, along with restrictions on advertising (a primary tool for market promotion), have made it difficult to create brand awareness among consumers.
- (f) Since most raw materials and packaging items required for liquor production are not readily available domestically, they must be imported from abroad, leading to increased costs and a noticeable impact on business operations.

#### 7. REMARKS ON AUDIT REPORT, IF ANY: -

It is made known that there is no comment as there is no remarks in the audit.

#### 8. RECOMMENDATION FOR DISTRIBUTION OF BONUS SHARES AND CASH DIVIDEND:

The company, from the net profit and accumulated profit earned in the fiscal year 2081/82, has recommended distributing a cash dividend of NPR 153,670,090.61 (Rupees One hundred fifty three million six hundred seventy thousand ninety and sixty-one paisa only) (Fifteen crore thirty-six lakh seventy thousand ninety rupees and sixty-one paisa only) at the rate of NPR 5 per paid-up share (inclusive of dividend tax purpose) to its shareholders. In addition, a 20% bonus share of the existing paid-up capital (i.e., 2 bonus shares for every 10 shares) amounting to NPR 614,680,362.45 (Rupees Six hundred fourteen million six hundred eighty thousand three hundred sixty two and forty-five paisa only) (Sixty-one crore forty-six lakh eighty thousand three hundred sixty-two rupees and forty-five paisa only) has also been recommended. The Board of Directors has presented this proposal for discussion and approval at this meeting. In conclusion, as always, we express our hope and confidence that the company will continue to receive support and valuable suggestions from its respected shareholders. On behalf of the Board of Directors, we would like to extend our heartfelt gratitude and thanks to all the distinguished participants of this meeting, including the company's management and employees, workers, suppliers, distributors, consumers, shareholders, security personnel, well-wishers of the company, and representatives of various government agencies.

Thank you.

**Shanker Raj Pandey**

*Chairperson*

On behalf of the Board of Directors



## कम्पनी ऐन २०६३ को दफा १०८ को उप दफा ८ अनुसारको अतिरिक्त विवरण: (आर्थिक वर्ष २०८१/८२)

१. शेयर जफत सम्बन्धि विवरण : यस आर्थिक वर्षमा कुनै पनि शेयरहरु जफत गरिएको छैन ।
२. कम्पनी र सहायक कम्पनी बीचको कारोबार : प्रस्तुत आ.व.२०८१/०८२ 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 गरेका आर्थिक कारोवारहरु र कारोवारमा आएको महत्वपूर्ण परिवर्तन : चालु आ.व.मा हिमालयन मल्टी एग्रो लिमिटेडलाई रु.२५,७२४ उद्देश्य अनुसारको कार्य अन्तर्गत विविध खर्चका लागि Advance रकम उपलब्ध गराइएको छ । त्यसै गरि हिमालयन फिसरीज लिमिटेडलाई रु.८११,१९१ उद्देश्य अनुसारको कार्यका लागि विविध शिर्षकमा हुने खर्चको लागि Advance रकम उपलब्ध गराइएको छ ।
४. कम्पनीका आधारभूत शेयरधनीहरुले कम्पनीलाई उपलब्ध गराएको जानकारी : यस प्रतिवेदनको अवधिमा कुनै जानकारी प्राप्त भएको छैन ।
५. गत आर्थिक वर्षमा कम्पनीका संचालक र पदाधिकारीहरुले लिएको शेयर स्वामित्वको विवरण : संचालक सदस्य श्री शिखर प्रसाई र संचालक सदस्य श्री वद्री विशाल घिमिरेले संचालक हुनु भन्दा अगाडि खरिद गरेको शेयर वाहेक प्रस्तुत अवधिमा कुनै पनि कम्पनीका संचालक वा पदाधिकारीले कम्पनीले वितरण गरेको वोनस शेयर वाहेक कम्पनीको थप शेयरको स्वामित्व लिएको जानकारी कम्पनीमा प्राप्त भएको छैन ।
६. कम्पनीसंग सम्बन्धित सम्भौताहरुमा कुनै संचालक वा निजको नजिकको नातेदारको व्यक्तीगत स्वार्थ बारे उपलब्ध गराइएको 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 छन ।
  - क. वार्षिक वजेट बनाई लेखा समितिमा छलफल गरी संचालक समितिबाट स्विकृत गराई सो वजेटमा भएका लक्ष्यलाई प्राथमिकता दिई कार्यन्वयन गर्न विक्री योजना, वजार प्रवर्धन योजना, उत्पादन योजना लगायत सम्बन्धित कार्य क्षेत्रमा निश्चित योजना तर्जुमा गरी आवधिक रुपमा हुने सम्बन्धित विभाग वा बैठक मार्फत 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 मार्फत सुपरिवेक्षण, निर्देशन र नियन्त्रण गर्ने प्रणाली अपनाईएको छ ।
  - ग. कम्पनीले कम्प्युटराईज्ड विलिङ्ग प्रणालीको स्विकृती लिई लागु गरेको, आफ्नो कारोवारलाई प्रभावकारी बनाउन ERP System लागु गरेको छ ।
  - घ. कम्पनीले अर्ध वार्षिक रुपमा आफ्नो कार्यहरुको अवस्था र आगामि अर्ध वार्षिकमा के के कार्य गर्ने भन्ने विषयमा समिक्षा गर्ने गरेको छ । यसबाट कम्पनीका उत्पादनहरु, वजारमा अन्य प्रतिस्पर्धि उद्योगहरुका ब्राण्डको अवस्था र क्रियाकलापहरुको अवस्था पहिचान गरी व्यवसाय विस्तारमा अगाडि कदम चाल्न सहज हुने गरेको छ ।
  - ङ. कामदार तथा कर्मचारीको हितका लागि भईपरि आउने दुर्घटनाबाट कसरी बच्ने, बचाउने सम्बन्धि तालिम, काम गर्दा अपनाउनु पर्ने सावधानीहरु आदीका विषयमा प्रयोगात्मक एवं



सैद्धान्तिक तालिमहरू, कामदार तथा कर्मचारीहरूको स्वास्थ्य प्रत्यक्ष असर नपरोस् भन्का लागि आवश्यक स्वास्थ्य उपचार सम्बन्धि सामाग्रीहरूको वितरण जस्ता कार्यले कार्यगत एकता एवं वातावरण मैत्री बनाउनमा सहयोग पुगेको महसुस गरिएको छ। श्रम ऐन २०७४, श्रम नियमावली २०७५ वमोजिम सम्पूर्ण श्रमिकहरूको दुर्घटना विमा र स्वास्थ्य सम्बन्धि विमा समेत गरेका छौं। यसका अतिरिक्त कारखाना र सम्पर्क कार्यालय बीच नियमित भ्रमण, छलफल, निरीक्षण गरी प्रत्यक्ष सम्पर्कबाट गतिविधि बुझ्ने आदि गरिएको छ।

च. उत्पादन तथा बिक्रि वितरणमा प्रत्यक्ष नियन्त्रण तथा अनुगमनका लागी नेपाल सरकार, आन्तरिक राजश्व कार्यालयबाट पूर्णकालिन कर्मचारी खटिई प्रत्यक्ष नियन्त्रण एवं अनुगमन गर्ने गरिएको छ भने उच्च व्यवस्थापनद्वारा समेत मासिक रुपमा नै निरीक्षण, जाच, तथा आवश्यक स्थलगत परीक्षण गर्ने गरिएको छ।

छ. कम्पनीले सामाजिक उत्तरदायित्व बहन गर्नका लागि गत वर्ष छुट्याएको रकम मध्ये औद्योगिक व्यवसाय ऐनको प्रावधान र औद्योगिक व्यवसाय नियमावलीले निर्धारण गरेका क्षेत्रमा जम्मा रु.७०,५२,९९६ मात्र विभिन्न सामाजिक, शैक्षिक, परोपकारी संस्थामा स्थानीय निकायको समन्वयमा खर्च गरेको छ। उक्त शिर्षकमा भएको खर्चहरूको विवरण विस्तृत रुपमा ऐनको प्रावधान अनुसार सम्बन्धित नियामक निकायमा समेत पेश गर्ने गरेका छौं। प्रस्तुत प्रतिवेदनमा समेत सो संस्थागत सामाजिक उत्तरदायित्व सम्बन्धि कार्यहरूको विवरण प्रकाशित गरिएको छ।

९. समिक्षा बर्षमा भएको कुल व्यवस्थापन खर्च :

विवरण	रुपैया
पारिश्रमिक खर्च	३१,३०,४३,०५७
कार्यालय संचालन खर्च	९,२४,०१,३४२
जम्मा व्यवस्थापन खर्च	४०,५४,४४,३९९

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

क. लेखा परीक्षण समितिका सदस्यहरूको नामावली : लेखा परीक्षण समितीमा निम्नानुसारका सदस्यहरू रहनु भएको छ।

१. श्री शंकर राज पाण्डे
२. श्री सान्दु श्रेष्ठ
३. श्री नरेन्द्र कुमार वस्न्यात् रहनु भएकोमा मिति २०८१ चैत्र २५ पश्चात संचालक समितिबाट संचालक सदस्य श्री साण्डु श्रेष्ठ, अध्यक्ष, प्रकाशमणी धिमिरे, सदस्य र शाखर प्रसाई सदस्य रहने गरी लेखा समिति पुर्नगठन गरिएको।

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

ग. समितिले गरेको काम कारवाहिको विवरण :

१. प्रत्येक त्रैमासिक अबधिको कम्पनीको आर्थिक प्रगति विवरण, आन्तरिक लेखा परीक्षकबाट लेखा परीक्षण गराई निजले दिएको लेखा प्रतिवेदनमा जनाएका कैफियत अनुसार समिक्षा गर्ने र सो अनुसार कम्पनी व्यवस्थापनलाई सुधार गर्न, गराउनका लागि निर्देशन दिने गरी संचालक समितिमा पेश गर्ने गरेको।

२. कम्पनीको आर्थिक अवस्था र अन्य अवस्थाहरूको जानकारी र सुधार गर्ने उद्देश्यले त्रैमासिक रुपमा लेखा परीक्षण कार्य गर्न निर्देशन दिएको।

३. कम्पनीको आन्तरिक लेखा परीक्षक र लेखा परीक्षकको नियुक्तीका सम्बन्धमा आवश्यक छलफल गरी सिफारिस गर्ने गरिएको।

४. लेखा परीक्षक नियुक्तिका लागी सिफारीस गर्ने लगायत कम्पनीको लेखा सम्बन्धि बिषयमा राय सल्लाह र सुझावहरू लेखा समितिले संचालक समितिलाई दिने गरेको।

५. कम्पनीको वासलात, नाफा नोक्सान हिसाव, वास्तविक नाफा नोक्सानको तुलनात्मक हिसाव, वास्तविक खर्चहरूको विवरण, बिक्रि परिमाण र मूल्य, लक्ष्य र विक्रिको तुलनात्मक विवरण सहितको विवरणहरू माग गरी समिक्षा गर्ने कार्य गरेको।



६. कम्पनीको वार्षिक विक्री 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 ।

११. संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख, आधारभुत शेयरधनी र निजका नजिकका नातेदार तथा संलग्न फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकि भए सो कुरा : छैन

१२. संचालक, प्रबन्ध संचालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम:

संचालक समिति र कर्मचारीहरूलाई पारिश्रमिक भत्ता तथा सुविधाको रकम:	आ.ब. २०८१/८२ (रु.)
अध्यक्ष र संचालक समितिका सदस्यलाई प्रदान गरिएको बैठक भत्ता	२०,४०,०००
प्रमुख कार्यकारी अधिकृतको पारिश्रमिक	१,२३,०२,५८७
अन्य पदाधिकारी (प्रबन्धक तहदेखि माथि)	४,६०,०७,०८६
<b>जम्मा खर्च</b>	<b>६,०३,४९,६७३</b>

१३. शेयरधनीहरूले बुझि लिन बाँकि रहेको लाभांशको रकम: आ.व. २०७२/०७३ देखि २०७५/०७६ सम्मको रकम कम्पनी ऐन, २०६३ को प्रावधान अनुसार यस कम्पनीको २०८१ मंसिर र २०८२ जेष्ठ महिनामा शेयर रजिष्ट्रार श्री नविल ईन्भेष्टमेण्ट बैकिङ लिमिटेड, नक्साल काठमाण्डौ मार्फत लगानीकर्ता संरक्षण कोषमा रु. ५३,८२,२२१।४४ जम्मा गरिएको छ । आर्थिक वर्ष २०७६/७७ देखि २०८०/८१ सम्मको लाभांश भुक्तानी लिन बाँकी रकम रु. २,९९,८९,०७२।२१ सम्बन्धित शेयरधनीहरूले कम्पनीको शेयर रजिष्ट्रार श्री नविल ईन्भेष्टमेण्ट बैकिङ लिमिटेड, नक्साल काठमाण्डौमा सम्पर्क गरि लिन हुनका लागि अनुरोध गर्दछौ ।

१४. यस अवधिमा खरिद/बिक्री गरेको सम्पत्ति विवरण: यस समिक्षा वर्षमा कम्पनीले क्यापिटल ओर्क इन प्रोग्रेस लगायतका स्थिर सम्पत्ति रु. ६५,२७,९२,८३८ को खरिद गरेको छ भने रु. २२,०३० को बिक्री गरेको छ ।

१५. सम्बद्ध कम्पनी बीच भएका कारोबार : यस कम्पनीले तपशिल बमोजिमका सम्बद्ध कम्पनी सँग कारोबार गरेको छ ।

कम्पनी	बिक्री (रु.)	खरिद (रु.)
श्री जे.जि.आई.डिष्टिल्यूसन प्रा.लि.	७,२९,०३,५०,०२७	३५,३७,३४,८६९
श्री विजय डिष्टिलरी प्रा.लि.	३४,६४,६४,२२०	
श्री रोलिङ रिभर डिष्टिलर्स प्रा.लि.	४३,८२,१६,९९७	५३,१३,७५७
श्री फुड एण्ड बेभरेज टेक्नोलोजी रिसर्च सेन्टर प्रा.लि.	२,३२,७८०	५६,६०,०३,३२७
हिमालयन मल्टी एग्रो लिमिटेड	६,६२,२९९	
हिमालयन इन्डेभर अर्गानिक लिमिटेड		३,८७,७५०



## 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. लेखा परीक्षकको प्रतिवेदन : सम्बन्धित शिर्षक अन्तर्गत राखिएको ।
३. लेखा परीक्षणमा भएको वित्तीय विवरण: सम्बन्धित शिर्षक अन्तर्गत राखिएको ।
४. कानूनी कारवाहि सम्बन्धि विवरण:

(क) संगठित संस्थाले वा संस्था विरुद्ध कुनै मुद्धा दायरा भएको भए : तपशिलमा उल्लेख भए वमोजिमका मुद्धाहरु विभिन्न न्यायिक र अर्धन्यायिक निकायमा चलि रहेका छन् ।

१. यस कम्पनीलाई विपक्षी बनाई श्रम अदालत काठमाण्डौमा केहि व्यक्तिले यस कम्पनीमा नियुक्ती पाऊँ भनी कीर्ते जालसाजी कागज बनाई मुद्धा दायर गरेकोमा सो विषयमा सम्मानित जिल्ला अदालत पर्साबाट आंसीक माग दावी पुग्ने ठहराई फैसला भएकोमा सो फैसला उपर कम्पनीले उच्च अदालत, जनकपुरको अस्थायी ईजलास बिरगन्जमा पुनरावेदन गरेकोमा सम्मानित उच्च अदालत, जनकपुर अस्थायी ईजलासबाट समेत जिल्ला अदालतले गरेको फैसलालाई नै सदर हुने गरी निर्णय आए उपर चित नबुझि कम्पनीले सम्मानित सर्वोच्च अदालतमा उत्प्रेषण लगायतको आदेश जारी गरि पाउन रिट मार्फत निवेदन गरेकोमा श्रम अदालतको फैसलालाई कार्यान्वयन नगर्न अन्तरिम आदेश जारी भएकोमा हाल सम्म उक्त मुद्धा विचाराधिन अवस्थामा रहेको छ ।

२. 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 विषय र अग्रिम आयकरका विषयमा कैफियत उठान गरी आयकर ऐन, २०५८ को दफा १०२ वमोजिम कर निर्धारण गरी संसोधित कर निर्धारण आदेशहरु प्राप्त भएकोमा सो कर निर्धारण आदेश उपर सोही ऐनको दफा ११७ वमोजिमको शुल्क, दफा ११८ वमोजिमको व्याज र दफा १२० वमोजिमको शुल्क उपर चित नबुझि आयकर ऐन, २०५८ को दफा ११५ वमोजिम प्रशासकीय पुनरावलोकन गरेकोमा हाल सम्म पनि उक्त पुनरावलोकनको निर्णय भएको जानकारी प्राप्त भएको छैन ।

३. सर्लाही जिल्ला अर्नाहा वडा नं. २ वस्ने सुभाष शाहले सूचनाको हक सम्बन्धि ऐन, २०६४ वमोजिम माग गरिएको सूचना उपलब्ध नगराई जिम्मेवारीवाट पन्छि खोजेकोले कानुन वमोजिम 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 अवधिमा प्राप्त भएको छैन

४. आ.व. २०६१।०६२ को अवधिको मु.अ.कर, अन्तः शुल्क र आयकर सम्बन्धमा सम्मानित सर्वोच्च अदालतबाट फैसलाको लिखित प्रति प्राप्त भएको छ । अन्तः शुल्क सम्बन्धमा यस कम्पनीको माग बमोजिम नै फैसला प्राप्त भएकोले कम्पनीले दाखिला गरेको अन्तः शुल्क, जरिवाना आदि रकम मिलानका लागि सम्बन्धित कार्यलयमा निवेदन समेत दर्ता गराई सकिएको छ । अन्य मु.अ.कर र आयकरको हकमा केहि विषयमा कम्पनीको माग बमोजिम र केही विषयमा विरुद्धमा फैसला प्राप्त भएकाले माग विरुद्धका विषयमा न्यायिक पुनरावलोकनका लागी निवेदन दर्ता गरिएकोमा सो निवेदन उपर कारवाहि हुदां निवेदन उपर दर पिठ भएको र उक्त दरपिठ उपर सुनवाई नहुने गरी अन्तिम भएकोले सम्मानित सर्वोच्च अदालतको



फैसला वमोजिमको दायित्व यकिन गरी फरछ्यौट गर्ने कार्यका लागि कम्पनी अगाडि बाँड्न सकेको छ । सो कार्यका लागि सम्मानित सर्वोच्च अदालतबाट उक्त मुद्दा सम्बन्धि सकल फैसला सम्बन्धित कर कार्यालयमा उपलब्ध गराउनका लागि प्रयासरत रहेका छौं ।

(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 पाटनबाट वदर भएको छ । सो वदर उपर धितोपत्र बोर्डले सम्मानित सर्वोच्च अदालतमा मुद्दा दोहोर्‍याई पाऊनको निवेदन गरेकोले सो मुद्दा हाल सम्मानित सर्वोच्च अदालतमा विचाराधिन रहेको छ ।।

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

#### ५. संगठित संस्थाको शेयर कारोवार तथा प्रगतिका विश्लेषण :

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

(ख) आ.व. २०८१/०८२ मा संगठित संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोवार शेयर संख्या र कारोवार दिन:

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

(१) यस कम्पनीका ब्राण्डहरूको नक्कल गरी यस कम्पनीको वोटल र लेवल जस्तै देखिने गरी विभिन्न ब्राण्डका उत्पादन उत्पादनहरू बजारमा उपभोक्ताहरूलाई भुक्‍याउने उद्देश्य राखी विक्री वितरणमा आएकाले कम्पनीको मदिता व्यवसायमा नकारात्मक प्रभाव परेको छ ।

(२) नयां नयां ब्राण्डका मदिताहरूको उत्पादन तथा विक्री वितरणले व्यवसायिक प्रतिस्पर्धाको उच्च जोखिम उच्च रहेको छ ।

(३) उभोक्ताको क्रय शक्तिमा हास आएको तर उत्पादित मदिताको मूल्य भने वृद्धि भएवाट उपभोक्ताको क्रय शक्ती र मदिताको मुल्यमा समाज्यस्ता नहुदा मदिता विक्री वितरणमा प्रतिकूल असर पर्न जाने देखिएको छ ।

(३) नीति नियममा स्थिरता नभएका कारण मदिताको कारोवारमा प्रभाव पर्ने गरेको छ ।

(४) उद्योगले प्रयोग गर्ने कच्चा पदार्थ तथा प्याकेजिङ्गका सामाग्रीहरूको विदेशबाट नै खरिद गरी ल्याउनु परेकोले विदेशी मुद्राको सटही दरमा उतार चढाव हुदा उत्पादित वस्तुको लागतमा पनि स्वतः वृद्धि हुन पुगी व्यवसायिक कारोवारमा प्रभाव परेको छ ।

(५) विज्ञापन गरी ब्राण्ड बढ्बचभलभकक गर्न नपाईने भएकाले औपचारिक क्षेत्रबाट उत्पादन हुने मदिता व्यवसायको अपेक्षित विस्तार र कारोवार वृद्धिमा प्रभाव परेको छ ।

त्रैमास	अधिकतम मूल्य रु.	न्यूनतम मूल्य रु.	अन्तिम मूल्य रु.	कुल कारोबार दिन	कुल कारोबार संख्या	कुल कारोबार शेयर संख्या
प्रथम त्रैमास	१७४९	१२१६	१३६५	५७	८५,०३९	४५,१४,५१६
दोश्रो त्रैमास	१४७०	११५५	११५६	५५	४१,१५५	२३,५६,६८७
तेश्रो त्रैमास	१४००	११३६	११९५	५६	४३,१९५	२७,३६,८२९
चौथो त्रैमास	१२८१	११६५	१२३६	६३	३२,८८२	२१,९५,६४९

श्रोत: नेपाल स्टक एक्स्चेन्ज )



(६) घरेलु मदिराहरुको ब्राण्डीङ्ग गरि विक्री वितरण शुरु भएको हुदा औपचारिक क्षेत्रको लगानी संकटमा पर्ने सम्भावना रहेको छ ।

वितरणमा ल्याउने तयारी गरि रहेका छौं । जसबाट कम्पनीको विक्री आमदानीमा वृद्धि हुने विश्वास लिएका छौं ।

#### ख) रणनीति:

१. आन्तरिक तथा बाह्य समस्या एवं चुनौतिहरु रहे पनि कम्पनीले लिएका लक्ष्यहरुलाई पुरा गर्न र शेयरधनीहरुको हितमा कार्य गर्ने गरी उत्पादनको चापलाई मध्यनजर गरी कच्चा पदार्थ भण्डारण लगायत उत्पादनका सामग्रीहरु 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 उत्पादनहरु प्रति बिश्वस्त गराउने कार्यमा प्रथामिकताका साथ कार्य गरेका छौं ।

३. कम्पनीको मुख्य व्यवसायलाई केन्द्रमा राखेर सोहि आधारमा प्रतिफल लक्षित खर्चलाई मात्र प्राथमिकता दिने र अगाडि वढाउने नीति लिएका छौं ।

४. उत्पादित ब्राण्डको विस्तार एवं उत्पादनमा विविधता ल्याउन अनुसन्धान र विश्लेषण गरी कार्य गर्ने व्यवस्था मिलाएका छौं ।

५. प्रस्तुत वर्षको शुरु देखि नै कारखानाबाट उत्पादन भएका मदिराहरु समयमा नै बजारमा पुर्याउने र उपभोक्तालाई समयमा नै उपलब्ध गराउने उद्देश्यले सिधै कारखानाबाट डिष्ट्रिब्यूटरहरु विक्री वितरण गर्ने नीति लिएका छौं । जसबाट कम्पनीका उत्पादनहरुको Supply Chain मा चुस्त र दुरुस्त देखिने छ ।

६. व्यवसाय विस्तार एवं कम्पनी र डिष्ट्रिब्यूटर बीच रहेको Brand Gaps लाई केहि मात्रामा भए पनि ग्राहिणी गर्नका लागि प्रस्तुत वर्ष देखि नै २५ यु.पि. शक्तीको टिस्वकी र मदिरा मिश्रित पेय पदार्थ ( Ready To Drink Alcoholic Beverage- RTD ) उत्पादन तथा विक्री

७. उत्पादन स्थल वातावरण मैत्री, उत्पादनमा विविधीकरण, उच्च स्तरको उत्पादन गर्ने लगायत उद्योगको उत्पादकत्व वृद्धि गर्न कम्पनी व्यवस्थापनले आवश्यक पहल अगाडि वढाई सकेको विषयमा कम्पनीको संचालक समितिको प्रतिवेदनमा उल्लेख गरेका छौं । उक्त प्रतिवेदनमा उल्लेख गरे अनुसारको कार्यलाई जति सक्दो चाडो कार्यन्वय गरी कम्पनीको व्यवसाय विस्तार गर्ने नीति कम्पनीको रहने छ ।

#### ग) संस्थागत सुशासन :

१. संस्थागत सुशासनलाई सदैव उच्च प्रथामिकतामा राख्दै आएको र संस्थागत सुशासन सम्वन्धि निर्देशिका तथा प्राप्त परिपत्रहरुको पूर्ण रुपमा परिपालना गर्ने गरिएको छ । परिपालना प्रतिवेदन तयार पारि संचालक समिति र लेखा अधिकृतबाट प्रमाणित गरिएको छ ।

२. आन्तरिक नियन्त्रण प्रणालीलाई व्यवस्थित गर्नका लागि कम्पनीले संचालक समितिबाट मानव संसाधन तथा प्रशासकीय म्यानुवल, लेखा सम्वन्धि म्यानुवल, खरिद म्यानुवल र आई टी म्यानुअल स्विकृत गराई सो अनुसार कम्पनीको संचालन गर्ने गरिएको । उक्त म्यानुवल र अन्य ऐन, नियम अनुसार कार्य भएका छन् छैनन् भनी बाह्य स्वतन्त्र रुपमा आन्तरिक लेखा परिक्षक नियुक्त गरी निजबाट लेखा परीक्षण गरी त्रैमासिक रुपमा प्राप्त प्रतिवेदनका कौफियत उपर लेखा समितिमा छलफल गरी संचालक समितिको निर्णय अनुसार कार्य गर्ने गरिएको छ ।

३. कारोबारलाई छिटो, छरितो, चुस्त तथा बैज्ञानिक बनाउन तथा आवश्यक रणनीति तय गर्न विभिन्न समितिहरु गठन गरि त्रियाशील गरिएको छ ।

४. संस्थागत सुशासनलाई पूर्ण रुपमा परिपालना गर्ने र यसलाई अभि सुदृढ बनाउदै लैजान यस कम्पनी प्रतिबद्ध रहेको छ ।



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

- (क) ऐन, नियमावली तथा नियमानकारी निकायबाट समय समयमा जारी भएका निर्देशन तथा निर्देशिका बमोजिम गर्नु पर्ने कुरा पालना भए/नभएको: पालना भएको ।
- (ख) नियमनकारी निकायले ईजाजत जारी गर्दा तोकेका शर्तहरू पालना भए/नभएको: पालना गरिएको ।
- (ग) नियमनकारी निकायले संस्थाको नियमन, निरिक्षण वा सुपरिवेक्षण गर्दा सम्वन्धित संस्थालाई दिएको निर्देशन : पालना भएको
- (घ) पछिल्लो वार्षिक/विशेष साधारण सभा भएको मिति : मिति २०८१ पौष २८ गते सम्पन्न भएको ।
- (ङ) कर्मचारीहरूको संरचना, पदपूर्ति, वृत्ति विकाश, तालिम, तलव भत्ता तथा अन्य सुविधा, हाजिर र विदा आचार संहिता लगायतका कुराहरू समेत समेटिएका कर्मचारी सेवा शर्त विनियमावली/व्यवस्था भए नभएको : यस कम्पनीको संचालक समितिबाट निर्णय भई कम्पनीको सगठानिक तालिका, संरचना, पदपूर्ति, वृत्ति विकास, तालिम तथा अन्य सुविधा, हाजिर र विदा आचार संहिता लगायतका कुराहरू समेत समेटिएका कर्मचारी सेवा शर्त विनियमावली (HR & Administrative Manual) लागु भएको ।
- (च) आर्थिक प्रशासन विनियमावली भए नभएको : लेखा सम्वन्धि म्यानुअल (Finance Manual) संचालक समितिबाट स्विकृत भई लागु गरिएको ।
- (छ) आन्तरिक नियन्त्रण कार्यविधि भए/नभएको : कम्पनीको संचालक समितिबाट HR & Administrative Manual, Finance Manual, Procurement Manual, Information Technology (IT) Policy स्विकृत गरि लागु गरिएको साथै छुट्टै स्वतन्त्र लेखा परीक्षकको नियुक्ती गरि त्रैमासिक रुपमा कम्पनीको आर्थिक तथा अन्य गतिविधिहरूको परीक्षण गराई आन्तरिक नियन्त्रण प्रणालीलाई मजबुत राख्ने गरिएको । यसरी वाह्य लेखा परीक्षकले त्रैमासिक रुपमा लेखा परीक्षण गरी उपलब्ध गराएको प्रतिवेदनमा लेखा समितिमा छलफल भई भई र आय सुझाव सहित संचालक समितिमा पेश गर्ने गरिएको र संचालक समितिले निर्णय, निर्देशन गरे मुताविक कार्य गर्ने गरिएको ।
- (ज) आन्तरिक नियन्त्रण प्रणालीका लागि कुनै समिति गठन भए/नभएको, गठन नभएको भए सो को कारण: आन्तरिक नियन्त्रण प्रणाली सम्वन्धि छुट्टै समिति गठन नभए पनि माथि वुदां नं. (छ) मा उल्लेख भएको पद्धतीद्वारा कार्य गर्ने गरिएको हुनाले छुट्टै समितिको आवश्यकता महसुस नगरिएको ।



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

### प्रबन्ध पत्रको दफा ३(क), ५(क), ५(ख) र ५(ग) मा कायम भएको संसोधन तथा थप व्यवस्था:

#### प्रबन्ध पत्रको दफा ३(क) मा कायम गरिएको संसोधित व्यवस्था:

स्विकृत लिनु पर्ने निकायबाट स्विकृत लिई आधुनिक प्रविधियुक्त मेसिन जडित उद्योगको स्थापना गरी स्पिट तथा मदिरा उत्पादन गर्ने । उद्योगबाट सवै किसिमका उच्चकोटी र निम्नकोटीका मदिराहरुः, हिस्वकी, ब्राण्डी, रम, जिन, जेनेभा, ककटेल, मक्तेल, छ्याङ्ग, स्पिट, माल्ट स्पिट, स्याम्पेन, शेरी, अल्कोहल मिश्रित तयारी पेय (Ready-To Drink Alcoholic Beverage, RTDAB) लगायत विभिन्न शक्ती र साईजमा विभिन्न किसिमका स्पिट मिश्रण, ब्लेण्ड गरेका मदिराजन्य वस्तुहरुको उत्पादन तथा विक्री वितरण गर्ने, निर्यात गर्ने, उत्पादित मदिराहरुलाई पुनः प्रसोधन गरी उत्पादन गर्ने, स्पिट रिडिस्टलेशन गर्नका साथै कम्पनीको कारखानाबाट उत्पादन भएका, खरिद गरिएका माल्ट, माल्ट स्पिट, स्पिट तथा मेचियोर स्पिटलाई म्याचुरेशन, एजिङ गर्ने, यस्ता स्पिटको प्रयोग गरि मदिरा उत्पादन गर्ने र वढि भएको विभिन्न किसिमको स्पिटहरु अन्य उद्योगलाई विक्री वितरण गर्ने, निर्यात गर्ने ।

#### दफा ५(क) मा कायम संसोधित व्यवस्था:

कम्पनीको अधिकृत पूँजी रु.४,००,००,००,०००।०० (चार अरब) हुनेछ । उक्त पूँजीलाई रु.१००।०० का दरले ४,००,००,००० (चार करोड ) थान साधारण शेयरमा विभाजन गरिएको छ । हाल प्रिफरेन्स शेयर सम्बन्धि कुनै व्यवस्था गरिएको छैन ।

#### दफा ५(ख) मा कायम संसोधित व्यवस्था:

कम्पनीको जारी पूँजी र चुक्ता पूँजी रु.३,६८,८०,८२,१७४।७० (तीन अरब अठसठ्ठी करोड, असी लाख वयासी हजार एक सय चौहत्तर पैसा सत्तरी मात्र) हुनेछ ।

#### दफा ५(ग) मा कायम संसोधित व्यवस्था:

कम्पनीको जारी पूँजी मध्ये ३,६८,८०,८२१.७५ थान साधारण शेयरमा विभाजन गरिएको छ ।

शंकर राज पाण्डे  
सभापति/अध्यक्ष  
मिति: २०८२।०७।३०

निशा निरौला  
कम्पनी सचिव  
मिति: २०८२।०७।३०



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

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

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

नियमावलीको नियम ५(क) मा कायम संसोधित व्यवस्था:  
कम्पनीको अधिकृत पूँजी रु.४,००,००,००,०००।००  
(चार अरब ) हुनेछ ।

#### नियमावलीको नियम ५(ख)मा कायम संसोधित व्यवस्था:

कम्पनीको जारी पूँजी र चुक्ता पूँजी रु.३,६८,८०,८२,१७४।७०  
(तीन अरब अठसठ्ठी करोड, असी लाख वयासी हजार एक सय चौहत्तर पैसा सत्तरी मात्र) हुनेछ ।

#### नियमावलीको नियम ५(घ) मा कायम संसोधित व्यवस्था:

कम्पनीको जारी पूँजी मध्ये ३,६८,८०,८२१.७५ थान साधारण शेयरमा विभाजन गरिएको छ ।

हाल प्रिफरेन्स शेयर सम्बन्धि व्यवस्था गरिएको छैन ।

नियमावलीको नियम ५(ङ) मा कायम संसोधित व्यवस्था:  
कम्पनीले तत्काल जारी गरेको पूँजीलाई ३,६८,८०,८२१.७५ थान साधारण शेयर सर्व साधारण शेयरधनीहरूले ग्रहण गर्नेछन ।

शंकर राज पाण्डे

सभापति/अध्यक्ष

मिति: २०८२।०७।३०

निशा निरौला

कम्पनी सचिव

मिति: २०८२।०७।३०



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

साविकमा भएको व्यवस्था	हाल कायम गरिएको व्यवस्था	कारण
प्रवन्ध पत्रको दफा ३(क) मा कायम रहेको व्यवस्था: स्विक्ृत लिनु पर्नेमा सम्बन्धित निकायबाट स्विक्ृत लिई आधुनिक प्रविधि र मेशिन जडित उद्योगको स्थापना गरी सबै किसिमका उच्चकोटीका हस्वकी, रम, भोड्का, कक्टेल्, जीन, ब्राण्डी, लिक्र्स, स्पिटहरु र सो साथ उत्पादन हुन सक्ने अन्य मदिरासंग सम्बन्धित अन्य पेशाय पदार्थहरु प्रसोधन, पुन प्रसोधन, उत्पादन तथा पुर्नउत्पादन गर्ने ।	प्रवन्ध पत्रको दफा ३(क) मा गरिएको संसोधित व्यवस्था: स्विक्ृत लिनु पर्ने निकायबाट स्विक्ृत लिई आधुनिक प्रविधियुक्त मेशिन जडित उद्योगको स्थापना गरी स्पिट तथा मदिरा उत्पादन गर्ने । उद्योगवाट सबै किसिमका उच्चकोटी र निम्नकोटीका मदिराहरु, हस्वकी, ब्राण्डी, रम, जिन, जेनेभा, कक्टेल्, मक्टेल्, छ्याङ्ग, स्पिट, माल्ट स्पिट, स्याम्पेन, शेरी, अल्कोहल मिश्रित तयारी पेय (Ready-To Drink Alcoholic Beverage, RTDAB) लगायत विभिन्न शक्ती र साईजमा विभिन्न किसिमका स्पिट मिश्रण, ब्लेण्ड गरेका मदिराजन्य वस्तुहरुको उत्पादन तथा विक्री वितरण गर्ने, निर्यात गर्ने, उत्पादित मदिराहरुलाई पुनः प्रसोधन गरी उत्पादन गर्ने, स्पिट रिडिस्लेशन गर्नका साथै कम्पनीको कारखानावाट उत्पादन भएका, खरिद गरिएका माल्ट, माल्ट स्पिट, स्पिट तथा मेचियोर स्पिटलाई म्याचुरेशन, एजिङ गर्ने, यस्ता स्पिटको प्रयोग गरि मदिरा उत्पादन गर्ने र बढि भएको विभिन्न किसिमको स्पिटहरु अन्य उद्योगलाई विक्री वितरण गर्ने, निर्यात गर्ने ।	व्यवसाय विस्तारका लागि संसोधन गर्न आवश्यक भएकाले
प्रवन्ध पत्रको दफा ५(क) मा कायम संसोधित 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) थान साधारण शेयरमा विभाजन गरिएको छ । हाल प्रिफरेन्स शेयर सम्बन्धि कुनै व्यवस्था गरिएको छैन ।	प्रवन्ध पत्रको दफा ५(क) मा कायम संसोधित व्यवस्था: कम्पनीको अधिकृत पूँजी रु.४,००,००,००,०००।०० (चार अरब ) हुनेछ । उक्त पूँजीलाई रु.१००।०० का दरले ४,००,००,००० (चार करोड ) थान साधारण शेयरमा विभाजन गरिएको छ । हाल प्रिफरेन्स शेयर सम्बन्धि कुनै व्यवस्था गरिएको छैन ।	कम्पनीले बोनस शेयर वितरण गर्दा साविकको अधिकृत पुर्जी भन्दा कम्पनीको पुर्जी बढ्न जाने भएकाले ।
प्रवन्ध पत्रको दफा ५(ख)मा कायम संसोधित 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 पैसा पच्चीस मात्र) हुनेछ ।	दफा ५(ख) मा कायम संसोधित व्यवस्था: कम्पनीको जारी पूँजी र चुक्ता पूँजी रु.३,६८,८०,८२,१७४।७० (तीन अरब अठसठ्ठी करोड, असी लाख वयासी हजार एक सय चौहत्तर पैसा सत्तरी मात्र) हुनेछ ।	बोनस शेयर वितरण गर्दा जारी पूँजी बढाउनु पर्ने आवश्यकता भएकोले ।



## क्रमशः

साविकमा भएको व्यवस्था	हाल कायम गरिएको व्यवस्था	कारण
प्रबन्ध पत्रको दफा ५(ग) मा कायम संसोधित: कम्पनीको जारी पूँजी मध्ये रु. ३,०७,३४,०१८.१२ थान साधारण शेयरमा विभाजन गरिएको छ ।	दफा ५(ग) मा कायम संसोधित व्यवस्था: कम्पनीको जारी पूँजी मध्ये रु. ३,६८,८०,८२१.७५ थान साधारण शेयरमा विभाजन गरिएको छ ।	वोनस शेयर वितरण गरेकोले संसोधन गर्न आवश्यक भएको ।
नियमावलीको नियम ५(क) मा कायम संसोधित: कम्पनीको अधिकृत पूँजी रु. ३,५०,००,००,०००।०० (तीन अरब पचास करोड ) हुनेछ ।	नियमावलीको नियम ५(क) मा कायम संसोधित व्यवस्था: कम्पनीको अधिकृत पूँजी रु. ४,००,००,००,०००।०० (चार अरब ) हुनेछ ।	कम्पनीले वोनस शेयर वितरण गर्दा साविकको अधिकृत पूर्ण भन्दा कम्पनीको पूँजी बढ्न जाने भएकाले ।
नियमावलीको नियम ५(ख) मा कायम संसोधित 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 पैसा पच्चीस मात्र) हुनेछ ।	नियमावलीको नियम ५(ख) मा कायम संसोधित व्यवस्था: कम्पनीको जारी पूँजी र चुक्ता पूँजी रु. ३,६८,८०,८२,१७४।७० (तीन अरब अठसठ्ठी करोड, असी लाख वयासी हजार एक सय चौहत्तर पैसा सत्तरी मात्र) हुनेछ ।	वोनस शेयर वितरण गरेकोले संसोधन गर्न आवश्यक भएको ।
नियमावलीको नियम ५(घ) मा कायम संसोधित व्यवस्था: कम्पनीले आफ्नो जारी पूँजीलाई रु. ३,०७,३४,०१८.१२ कित्ता साधारण शेयर विभाजन गरी जारी गर्नेछ । हाल प्रिफरेन्स शेयर सम्बन्धि व्यवस्था गरिएको छैन ।	नियमावलीको नियम ५(घ) मा कायम संसोधित व्यवस्था: कम्पनीको जारी पूँजी मध्ये रु. ३,६८,८०,८२१.७५ थान साधारण शेयरमा विभाजन गरिएको छ । हाल प्रिफरेन्स शेयर सम्बन्धि व्यवस्था गरिएको छैन ।	वोनस शेयर वितरण गरेकोले संसोधन गर्न आवश्यक भएको ।
नियमावलीको नियम ५(ङ) मा कायम संसोधित व्यवस्था: कम्पनीले तत्काल जारी गरेको पूँजी मध्ये रु. ३,०७,३४,०१८.१२ कित्ता शेयर सर्व साधारण शेयरधनीहरूले ग्रहण गर्नेछन ।	नियमावलीको नियम ५(ङ) मा कायम संसोधित व्यवस्था: कम्पनीले तत्काल जारी गरेको पूँजीलाई रु. ३,६८,८०,८२१.७५ थान साधारण शेयर सर्व साधारण शेयरधनीहरूले ग्रहण गरेका हुन्छन ।	वोनस शेयर वितरण गरेकोले संसोधन गर्न आवश्यक भएको ।

शंकर राज पाण्डे  
सभापति/अध्यक्ष  
मिति: २०८२।०७।३०

निशा निरौला  
कम्पनी सचिव  
मिति: २०८२।०७।३०

कम्पनीको छाप :



# हिमालयन डिष्टिलरी लिमिटेड

## पच्चीसौं वार्षिक साधारण सभा सम्बन्धी सूचना ।

आदरणीय शेयरधनी महानुभावहरू,

यस कम्पनीको मिति २०८२ साल आश्विन ३० गते बिहिवार दिनको ३:०० बजे बसेको संचालक समितिको बैठकको निर्णयानुसार कम्पनीको पच्चीसौं 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. २०८१/०८२ को वार्षिक प्रतिवेदनलाई पारित गर्ने ।
२. कम्पनीको आ.व. २०८१/०८२ को वासलात, नाफा-नोक्सान हिसाब र नगद प्रवाह हिसाब सहितको लेखा परीक्षण प्रतिवेदनलाई स्वीकृत गर्ने ।
३. यस कम्पनीको सहायक कम्पनी हिमालयन मल्टी एग्रो लि., हिमालयन फिसरीज लि. र हिमालयन ईन्डेवर अर्गानिक लि. को आ.व. २०८१/०८२ को वित्तीय विवरण सहितको एकिकृत (Consolidated) वित्तीय विवरण उपर छलफल गरी स्वीकृत गर्ने ।
४. संचालक समितिले सिफारिस गरे बमोजिम हाल कायम चुक्ता पूँजिको ५ प्रतिशतले हुने नगद लाभांश रु. १५,३६,७०,०९०।६१ (अक्षरूपी पन्ध्र करोड छत्तिस लाख सत्तरी हजार नब्बे रुपैयाँ एकसठ्ठी पैसा मात्र) ( लाभांश कर प्रयोजनार्थ समेत) वितरण गर्न स्वीकृत गर्ने ।
५. आ.व. २०८२/०८३ 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 पुनः नियुक्तीका लागि योग्य हुनु हुन्छ ) ।
६. संचालक समितिमा रहनु हुने ५ (पाँच) जना संचालकको आगामी ४ (चार) वर्ष अवधिका लागि चयन गर्ने ।
७. कम्पनीका विभिन्न ब्राण्डका मदिराहरूको उत्पादन अन्य कम्पनीबाट समेत गराउन सक्ने गरि Trademark Usage Agreement गर्ने ।
८. संचालक समितिका अध्यक्ष तथा सदस्यहरूको दुर्घटना तथा औषधोपचार विमा गर्ने विषय उपर छलफल गरि स्वीकृत गर्ने ।

**ख. विशेष प्रस्तावहरू:**

९. कम्पनीको प्रवन्ध पत्रको दफा ३ (क) मा संसोधन गर्ने ।
१०. संचालक समितिले प्रस्ताव गरे बमोजिम हालको चुक्ता पूँजिको २० प्रतिशत (कायम १० शेयरमा २ बोनस शेयर जारी गर्ने) का दरले हुने रु. ६१,४६,८०,३६२।४५ (अक्षरूपी एकसठ्ठी करोड छ्यालिस लाख असी हजार तीन सय बैसठ्ठी रुपैयाँ पैतालिस पैसा मात्र) वरावरको बोनस शेयर जारी गरी वितरण गर्न स्वीकृत गर्ने ।
११. कम्पनीको साविकको अधिकृत पूँजी रु. ३,५०,००,००,०००।०० (अक्षरूपी तीन अरब पचास करोड मात्र) बाट रु. ४,००,००,००,०००।०० (अक्षरूपी चार अरब मात्र) कायम गर्न स्वीकृत गर्ने ।
१२. साविकको चुक्ता पूँजी रु. ३,०७,३४,०१,८१२।२५ (तीन अरब सात करोड चौतीस लाख एक हजार आठ सय बाह्र पैसा पचीस मात्र) लाई वृद्धि गरी रु. ३,६८,८०,८२,१७४।७० (अक्षरूपी तीन अरब अडसठ्ठी करोड असी लाख बयासी हजार एक सय चौहत्तर रुपैयाँ सत्तरी पैसा मात्र) कायम गर्न स्वीकृत गर्ने ।
१३. साविकका कायम भएको अधिकृत पूँजी र चुक्ता पूँजीमा बृद्धि/संसोधन हुने हुनाले कम्पनीको प्रवन्ध पत्रको दफा ३(क), ५(क), (ख), (ग) तथा नियमावलीको नियम ५(क), (ख), (घ) र (ङ) मा सोही अनुसार संसोधन गर्न स्वीकृत गर्ने ।
१४. कम्पनीको प्रवन्ध पत्र तथा नियमावलीमा हुने संसोधन सम्बन्धमा नियमनकारी निकायबाट कुनै फेरवदलको सुझाव आएमा सो अनुसार गर्न संचालक समितिलाई अख्तियार प्रदान गर्ने ।
१५. आ.व. २०८२/०८३ को लागि कम्पनी ऐन २०६३ को दफा १०५ (ग) ले व्यवस्था गरे भन्दा वढिको खर्चलाई पूर्व स्वीकृतीको लागि विशेष प्रस्ताव पारित गर्ने ।

**ग. विविध ।**

मिति : २०८२ कार्तिक ३० गते, आईतवार (तदनुसार १६ नोभेम्बर, सन् २०२५)

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

समय : विहान ठिक १०:०० (दश) बजे ।



#### साधारण सभा सम्बन्धि जानकारी :

१. शेयरधनी महानुभावहरूको सुविधाको लागि हाजिरी पुस्तिका सभास्थलमा सभा हुने दिन विहान ८:०० वजे देखि सभा संचालन रहे सम्म खुल्ला रहने छ ।
२. वार्षिक साधारण सभामा भाग लिन आउनु हुने शेयरधनी महानुभावहरूले हितग्राही खाता खोलिएको (डिम्याट)/शेयर प्रमाण पत्र वा आफ्नो परिचय खुल्ने प्रमाण वा सो को प्रतिलिपी साथमा लिई आउन हुन अनुरोध छ । अन्यथा सभा हुने स्थानमा प्रवेश गरी छलफल तथा मतदानमा भाग लिन पाइने छैन ।
३. 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 ।
४. साधारण सभामा भाग लिन प्रतिनिधि नियुक्ती गर्दा प्रोक्सी पत्र साधारण सभा हुनु भन्दा ४८ घण्टा अगावै विरगन्ज, पर्सा स्थित कम्पनीको रजिष्टर्ड कार्यालयमा दर्ता गराउनु पर्नेछ । प्रोक्सी दर्ता गरि सके पछि सो वदर गराउन चाहेमा सो को सूचना सभा हुनु भन्दा २४ घण्टा अगावै प्रोक्सी दर्ता गरेको स्थानमा लिखित निवेदन दर्ता गर्नु पर्नेछ । प्रतिनिधि मुकरर गर्दा केहि शेयर आफै 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 गरिएको प्रतिनिधि (प्रोक्सि) स्वतः रद्द हुनेछ ।
५. हिमालयन डिष्टिलरी लिमिटेडको संचालक निर्वाचन सम्बन्धमा हिमालयन डिष्टिलरी लिमिटेड, निर्वाचन अधिकृतको कार्यालय, विरगन्ज-२१,पर्साले प्रकाशन गरेको निर्वाचन कार्य तालिका अनुसार हुनेछ ।
६. निर्वाचन अधिकृतको कार्यालय, पर्साले हिमालयन डिष्टिलरी लिमिटेडको संचालक निर्वाचन सम्बन्धि प्रकाशन गरेको कार्य तालिका हिमालयन डिष्टिलरी लिमिटेड, निर्वाचन अधिकृतको कार्यालय, विरगन्ज-२१,पर्साको सूचना पाटीमा टाँस गरी शेयरधनीहरूलाई जानकारी गराउनु पर्नेछ ।
७. संरक्षक रहनु भएका शेयरधनी महानुभावहरूको तर्फबाट कम्पनीको शेयरधनी दर्ता कितावमा संरक्षकको रुपमा नाम दर्ता भएको व्यक्तिले सभामा भाग लिन वा मतदान गर्न वा प्रतिनिधि(प्रोक्सी) तोक्न सकिनेछ ।
८. 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 ।
९. प्रतिनिधि नियुक्त गर्ने शेयरधनी कम्पनी वा संगठित संस्था भएमा त्यस्तो कम्पनी वा संगठित संस्थाले नियुक्ती गर्ने व्यक्तिको नाम ठेगाना र परिचय पत्र सहित सो संस्था वा कम्पनीको आधिकारिक लेटरहेडमा सो कुरा खुलाई संस्थाको छाप, आधिकारिक ब्यक्तिको दस्तखत भएको हुनु पर्नेछ । संस्थागत शेयरधनी बाहेक अरुले प्रतिनिधि नियुक्त गर्दा प्रोक्सी मार्फत कम्पनीको अर्को कुनै शेयरधनीलाई मात्र गर्न सकिनेछ ।
१०. साधारण सभामा उपस्थित हुने शेयरधनी महानुभावहरूलाई यथासक्य भोला, व्याग आदि नल्याई दिनुहुन अनुरोध गर्दछौं । सभामा सुरक्षाका लागि खटिएका सुरक्षाकर्मीहरूले साधारण सभाकक्षमा प्रवेश गर्दा सवैको भोला, व्याग, आदि जाच गर्न सक्नेछन् ।
११. विविध शिर्षक अन्तर्गत सभामा छलफल गर्न ईच्छुक शेयरधनीहरूले सभा हुनु भन्दा सात दिन अगावै छलफलको बिषय खोलि कम्पनी सचिव मार्फत लिखित रुपमा संचालक समितिका अध्यक्षलाई जानकारी दिनु पर्नेछ ।
१२. सभामा आक्तनो मन्तव्य वा जिज्ञासा व्यक्त गर्न चाहनु हुने शेयरधनी महानुभावले सभाध्यक्षले तोकेको समयमा पालो पालो गरी आफ्नो मन्तव्य वा जिज्ञासा व्यक्त गरि दिनु भई सहयोग गरि दिनु हुन अनुरोध छ ।
१३. शेयरधनीहरूले व्यक्त गर्नु भएको मन्तव्य वा प्रश्नहरूका सम्बन्धमा संचालक समितिकाका एकल सदस्य वा सामुहिक रुपमा वा सभाध्यक्षको निर्देशनमा कम्पनी व्यवस्थापनका प्रतिनिधिहरूले जवाफ दिनेछन् ।
१४. वार्षिक साधारण प्रयोजनका लागि कम्पनीको शेयर दर्ता किताव मिति २०८२ साल कार्तिक २० गतेका दिन बन्द हुनेछ । नेपाल स्टक एक्सचेन्ज लिमिटेडमा दर्ता किताब बन्द हुनु भन्दा अगाडी कारोवार भई शेयर खरिद गरेका र नियमानुसार शेयर नामसारी भई आएका शेयरधनीहरू पच्चीसौं वार्षिक साधारणसभामा भाग लिन र सो सभाबाट निर्णय भए बमोजिम नगद लाभांस तथा बोनस शेयर पाउन योग्य हुने व्यहोरा यसै सूचनाबाट अवगत गराइन्छ ।

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 डिष्टिलरी लिमिटेड  
पर्सा, विरगञ्ज ।

**बिषय : प्रतिनिधि नियुक्त गरेको बारे ।**

महाशय,

..... जिल्ला ..... न. पा. /गा.पा. वडा नं ..... बस्ने म/हामी .....  
.....ले हिमालयन डिष्टिलरी लिमिटेडको शेयरवालाको हैसियतले संवत् २०८२ साल  
कार्तिक ३० गते आईतबारका दिन हुने पच्चीसौं 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 .....बस्ने त्यस कम्पनीका शेयरवाला श्री ..... लाई मेरो/हाम्रो  
प्रतिनिधि नियुक्ती गरी पठाएको छु/छौं ।

प्रतिनिधि नियुक्त भएको ब्यक्तिको

हस्ताक्षरको :

शेयरधनीको नाम:

हितग्राही खाता नं.:

मिति:

निवेदक,

हस्ताक्षर :

नाम:

ठेगाना :

शेयर प्रमाण पत्र नं. :

हितग्राही खाता नं.

शेयर शंख्या :

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

हिमालयन डिष्टिलरी लिमिटेडको पच्चीसौं 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 डिष्टिलरी लि.को मिति २०८२/०७/३० गतेका  
दिन हुने पच्चीसौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेश-पत्र ।

.....  
(कम्पनी सचिव)

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





## RISK MANAGEMENT

At Himalayan Distillery Limited (HDL), risk management forms an integral part of our corporate governance and strategic decision-making process. Our framework ensures that potential risks are systematically identified, assessed, mitigated, and monitored across all levels of the organization to safeguard business sustainability, shareholder value, and brand integrity.



**9.89**  
CURRENT  
RATIO

**21%**  
RETURN  
ON TOTAL  
ASSETS





## RISK MANAGEMENT FRAMEWORK

At Himalayan Distillery Limited (HDL), risk management forms an integral part of our corporate governance and strategic decision-making process. Our framework ensures that potential risks are systematically identified, assessed, mitigated, and monitored across all levels of the organization to safeguard business sustainability, shareholder value, and brand integrity.

The Company's Risk Management Framework (RMF) is built around five core components:

### 1. RISK IDENTIFICATION

HDL continuously identifies potential risks that may affect its operations, reputation, and long-term objectives. These risks encompass strategic, operational, financial, regulatory, reputational, and market-related dimensions. In addition, emerging external factors—such as economic volatility, evolving tax and excise structures, political uncertainty, and consumer behavioral shifts—are periodically reviewed to ensure comprehensive coverage.

### 2. MEASUREMENT & ASSESSMENT

Each identified risk is evaluated in terms of likelihood, magnitude, and potential business impact. Quantitative indicators (e.g., cost exposure, volume impact, credit exposure) and qualitative measures (e.g., reputational harm, regulatory compliance implications) are utilized. This structured assessment allows HDL to prioritize critical risks and allocate resources effectively to mitigate them.

### 3. RISK MITIGATION

Mitigation strategies are developed to either eliminate, transfer, reduce, or accept risks, depending on their nature and business impact. The Company's philosophy emphasizes preventive action over reactive response. This includes financial hedging, contractual safeguards, supply chain diversification, compliance monitoring, insurance coverage, and building robust internal controls to preempt risk exposure.

### 4. REPORTING & MONITORING

Risks are reviewed through regular reporting cycles at both departmental and corporate levels. Departmental heads, supported by the Business Analysis team, provide monthly input to the Chief Executive Officer. Significant risks and emerging trends are escalated to the Board through periodic review meetings. This continuous monitoring ensures that the mitigation strategies remain effective and adaptive to changing business environments.

### 5. GOVERNANCE

The Board of Directors sets the overall tone for risk management through the Risk Management Committee (RMC). The Committee defines HDL's risk appetite, reviews mitigation adequacy, and ensures compliance with applicable regulations. Each department aligns with the governance framework, ensuring accountability and ownership of identified risks.





## PRINCIPAL RISKS AND UNCERTAINTIES FACED BY THE ORGANIZATION

### 1. MARKET AND COMPETITIVE RISK

The Nepalese liquor industry is becoming increasingly competitive with the entry of new players, aggressive pricing strategy, and deep trade incentives. The shift of consumer preference towards strong beer and lower-priced 40UP products has intensified pricing pressures.

**Impact:** Margin compression, market share erosion, and brand dilution.

**Control Measures:** Strategic brand positioning, differentiated pricing architecture, targeted marketing, and enhanced retail execution to sustain brand recall and volume leadership.

### 2. ECONOMIC RISK

Slower economic recovery, high inflation, and low disposable income due to stagnant domestic employment and migration abroad have constrained discretionary spending on alcoholic beverages.

**Impact:** Reduction in demand for premium segments and a shift toward value-for-money brands.

**Control Measures:** Portfolio diversification with affordable SKUs, flexible pack sizes, and promotional strategies tailored for varied income groups.

### 3. REGULATORY RISK

Frequent regulatory changes in taxation policies, licensing, and advertising restrictions, along

with local government interventions, can disrupt production, distribution, and marketing activities.

**Impact:** Compliance burden, potential cost escalation, and operational uncertainty.

**Control Measures:** Continuous engagement with policymakers, adherence to compliance protocols, and building adaptive pricing mechanisms.

### 4. OPERATIONAL RISK

Geographical challenges, climatic disruptions, and dependency on certain raw materials and packaging imports expose HDL to logistics and production delays.

**Impact:** Stockouts, production inefficiencies, and increased costs.

**Control Measures:** Localized sourcing, enhanced inventory management, alternate supplier development, and improved warehousing and logistics planning.

### 5. FINANCIAL AND LIQUIDITY RISK

Fluctuations in cash flows, delayed receivables from trade channels, and rising cost structures can impact liquidity.

**Impact:** Working capital constraints and pressure on profitability.

**Control Measures:** Stringent credit controls, robust cash flow planning, and prudent financial risk management supported by internal audit reviews.



## 6. SOCIAL AND REPUTATIONAL RISK

Growing social activism, changing moral perceptions, and movements like the 2025 Gen-Z protests have heightened sensitivity towards responsible marketing and ethical business conduct.

**Impact:** Brand reputation and consumer perception risks.

**Control Measures:** Responsible drinking campaigns, strict adherence to advertising guidelines, CSR engagements aligned with community values.

## 7. COMPLIANCE AND LEGAL RISK

Changes in excise regulations, advertisement regulations, and anti-money-laundering scrutiny (especially under FATF observation) demand heightened governance vigilance.

**Impact:** Potential penalties, disruptions in operations, and reputational harm.

**Control Measures:** Legal compliance audits, KYC enforcement in distributor financing, and proactive risk reviews.

## 8. ENVIRONMENTAL AND SUSTAINABILITY RISK

Water scarcity, waste disposal norms, and environmental compliance requirements affect distillation operations.

**Impact:** Potential operational restrictions or reputational risk.

**Control Measures:** Implementation of water recycling systems, effluent treatment facilities, and sustainable packaging initiatives.

## RISK MITIGATION STRATEGIES

HDL's risk mitigation framework emphasizes prevention, preparedness, and performance monitoring.

Risk Area	Mitigation Strategy
Financial Risk	Robust fund management, hedging exposure for imports, efficient working capital management, and maintaining cash buffers.
Market Risk	Diversifying brand portfolio, introducing 25UP premium whisky segment, strengthening distribution network, and leveraging consumer insights for targeted campaigns.
Operational Risk	Process automation, safety audits, preventive maintenance schedules, and internal capacity enhancement to reduce outsourcing dependency.
Regulatory Risk	Dedicated compliance cell, regular review of excise and tax frameworks, proactive liaison with regulators.
Reputational Risk	Responsible marketing, CSR engagement, consumer safety compliance, and community-based initiatives.
Credit Risk	Regular credit assessment of distributors, controlled exposure limits, and robust collection mechanisms.
Environmental Risk	Energy-efficient distillation, carbon footprint reduction initiatives, and adherence to environmental regulations.



## RISK MANAGEMENT PRACTICES

**1. INTERNAL CONTROLS & AUDIT:** Strong internal audit mechanisms to verify compliance with financial and operational controls.

**2. POLICY FRAMEWORK:** Implementation of standard operating procedures (SOPs) across production, procurement, marketing, and finance functions.

**3. TRAINING AND AWARENESS:** Continuous employee training on compliance, ethical standards, and risk management practices.

**4. TECHNOLOGY INTEGRATION:** Use of MIS and BI dashboards for real-time visibility on performance, variances, and emerging risks.

**5. BOARD OVERSIGHT:** Risk Management Committee reviews high-impact risks and approves mitigation action plans.



## CONCLUSION: RISK GOVERNANCE AND WAY FORWARD

HDL's approach to risk management aligns with its core mission of "sustainable growth with governance and accountability." The Company acknowledges that in a rapidly evolving external environment—marked by economic fluctuations, social activism, regulatory vigilance, and competitive aggression—risk resilience is a key differentiator.

Going forward, HDL aims to:

- Institutionalize a comprehensive enterprise risk management (ERM) system.

- Develop a risk culture that encourages transparency and proactive problem-solving.
- Strengthen its governance framework for better Board oversight.
- Continuously calibrate its business strategy to anticipate macro and micro-level disruptions.

Through a combination of strong governance, strategic foresight, and operational agility, HDL remains committed to protecting its stakeholders, ensuring regulatory compliance, and building a resilient, future-ready organization.





## INTERNAL CONTROLS

HDL maintains a comprehensive system of internal controls designed to promote openness, streamline operations, and ensure adherence to all relevant standards. Through ongoing internal reviews, the company pinpoints potential vulnerabilities and refines its workflows. This is complemented by third-party audits that offer objective evaluations. The HDL leadership implements these safeguards ensuring conformity with strategic objectives and legal requirements, while the Board of Directors provides overall stewardship and guidance for threat mitigation.



**4**  
ISO  
CERTIFICATES

**1**  
GREEN  
BUILDING  
CERTIFICATE

EVERY  
**3**  
MONTHS AUDIT  
FOR STRONG  
OVERSIGHT





## GOVERNANCE AND OVERSIGHT

HDL maintains a comprehensive system of internal controls designed to promote openness, streamline operations, and ensure adherence to all relevant standards. Through ongoing internal reviews, the company pinpoints potential vulnerabilities and refines its workflows. This is complemented by third-party audits that offer objective evaluations. The HDL leadership implements these safeguards ensuring conformity with strategic objectives and legal requirements, while the Board of Directors provides overall stewardship and guidance for threat mitigation. Detailed company guidelines that adhere to regulatory requirements steer daily activities. This integrated approach underscores HDL's dedication to ensure superior performance and reliability.

## ROUTINE INTERNAL REVIEWS

Central to HDL's achievements is its solid oversight mechanism that is paired with a thorough auditing process. These evaluations occur every three months. The audits are done by N. Amatya & Chartered Accountants and each cycle of audit is followed by presentation and deliberations on the findings. The Audit Committee formulates essential suggestions, which are escalated to the Board of Directors for consideration. The primary purpose of these audits is to confirm that procedures are optimized, productive, and in line with established protocols, and domestic and global norms. Additionally, this auditing bolsters efficiency in operations and finances, ensures conformity with laws and rules, and fosters sound leadership practices and resilient safeguards. This method helps HDL to resolve possible issues, uphold exemplary levels of clarity and dependability, and strengthen its operational soundness and standing.

## FIELD EXPENDITURE OVERSIGHT

HDL operates its dedicated Audit and Compliance Unit, which not only verifies the application of safeguards across finance and operations but also confirms that funds allocated to field activities via sales and marketing are deployed according to existing guidelines. The field reviews entail a thorough, impartial scrutiny of spending tied to market initiatives. The company's broad and cohesive chain of distributors, wholesalers, and retailers has been instrumental in driving sales across the country. To promote responsibility and productivity, HDL performs extensive field audits, which encompass rigorous checks of incentive programs and promotions for partners and this is coupled with routine monthly assessments of partner revenue outcomes and inventory holdings. Further, the audits also evaluate branding efforts for HDL's products, including site visuals, merchandise positioning, deployment of advertising tools, and the rollout of promotional drives. For sustained market advantage, auditors conduct in-depth analyses of rivals, allowing HDL to track and adapt to evolving industry trends effectively.







QUALITY PRODUCT OF  
HIMALAYAN DISTILLERY

# SHLOK

हरेक  
थोपामा  
मीठो कथा...



\*ENJOY RESPONSIBLY

AGED, BLENDED AND BOTTLED IN NEPAL  
HIMALAYAN DISTILLERY LTD.  
BIRGUNJ-21, PARSA, NEPAL | IND. REG. NO. 2083/042

ALC 42.8% VOL | 750ML



CUSTOMER CARE HELPLINE  
01-54338239





## SHAREHOLDERS INFORMATION

HDL is deeply committed to transparent communication with shareholders, delivering a comprehensive overview of key information impacting our share market performance. This section showcases the Company's reliable dividend distribution history, meaningful contributions to the national economy, and details on unclaimed dividends. It outlines efficient channels for addressing shareholder queries and enabling direct communication with the Company. Investors will also explore our robust distribution network, ensuring widespread product availability and enduring market leadership, while reinforcing HDL's focus on accountability, value creation, and sustained trust.



**25%**  
DIVIDEND  
PROPOSED

RS.  
**38B**  
HDL'S  
MARKET  
CAPITALIZATION  
AS ON FY  
2024-25 END





## VALUE ADDED STATEMENT

Amount in '000'

Particulars	FY 2081-82	% Mix	FY 2080-81	% Mix	FY 2079-80	% Mix
<b>Value Generated:</b>						
Sales (Gross of Excise Duty)	7,201,151	140%	4,155,237	148%	5,654,788	146%
Less: Cost of Bought in Materials & Services	(2,122,241)	-41%	(1,406,638)	-50%	(1,799,953)	-47%
<b>Value Added from Operations</b>	<b>5,078,910</b>		<b>2,748,599</b>		<b>3,854,835</b>	
Add: Other Income	66,945	1%	66,384	2.4%	10,508	0.3%
<b>Gross Value Added</b>	<b>5,145,855</b>	<b>100%</b>	<b>2,814,983</b>	<b>100%</b>	<b>3,865,344</b>	<b>100%</b>
<b>Value Applied:</b>						
Towards Employees	313,043	6%	190,034	7%	230,866	6%
Towards Directors	2,040	0.04%	1,595	0.1%	1,167	0.0%
Towards Government	3,820,334	74%	2,204,768	78%	2,917,788	75%
Towards Shareholders	534,505	10%	607,392	22%	1,062,935	27%
Towards Providers of Finance	1,896	0.04%	1,344	0.0%	4,510	0.1%
Towards Entity	474,037	9%	(190,150)	-7%	(351,923)	-9%
<b>Gross Value Added</b>	<b>5,145,855</b>	<b>100%</b>	<b>2,814,983</b>	<b>100%</b>	<b>3,865,344</b>	<b>100%</b>

## CONTRIBUTION TO NATIONAL ECONOMY

During the review period, HDL demonstrated its unwavering commitment to regulatory compliance and local fiscal responsibilities by contributing a total of Rs. 4,654 million in taxes to the government. The breakdown of tax contributions across key categories for the past five fiscal years is illustrated below:

Amount in Million

Description	FY 2077-78	FY 2078-79	FY 2079-80	FY 2080-81	FY 2081-82
Total Revenue	3,773	4,064	2,971	2,081	3,709
<b>Duties</b>					
Excise	2,808	3,524	2,684	2,074	3,492
VAT	832	783	535	404	696
Custom	43	64	100	45	92
TDS	62	89	88	50	52
Income Tax	421	378	223	130	322
<b>Total Tax</b>	<b>4,167</b>	<b>4,838</b>	<b>3,630</b>	<b>2,703</b>	<b>4,654</b>



## UNCLAIMED DIVIDEND

HDL had a total of Rs. 29,989,072.21 unclaimed dividend in the custody of Nabil Invest Banking Ltd at the end of FY 2081/82. Details of the unclaimed dividend are as follows:

Fiscal Year	Amount (Rs.)
2019/20	5,095,350.00
2020/21	3,209,205.00
2021/22	3,222,592.47
2022/23	12,592,222.50
2023/24	5,869,702.24
<b>Total</b>	<b>29,989,072.21</b>

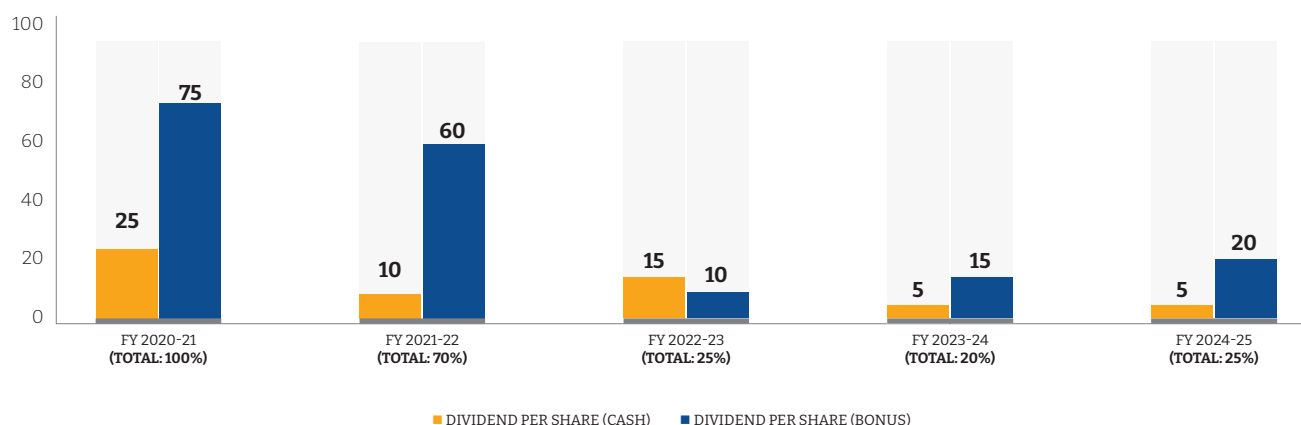
## SHAREHOLDER'S WITH MORE THAN 1% HOLDING IN THE COMPANY

Shareholder's Name	Total holding	%
Rahisha Shah Shrestha	8,290,174	26.97%
Food & Beverages Technology Research Centre Pvt. Ltd.	4,540,940	14.77%
R. and R. Suppliers Pvt. Ltd.	3,655,848	11.90%
Majestic Ventures Pvt. Ltd.	741,163	2.41%
Other General Public Shareholders	13,505,893	43.94%
<b>Total</b>	<b>30,734,018</b>	

Data as on the end of Asadh 2082.

## DIVIDEND DISTRIBUTION (PER SHARE)

in Percentage



## HDL SHARE PRICES 2020/21 - 2024/25

Amount in Rs.

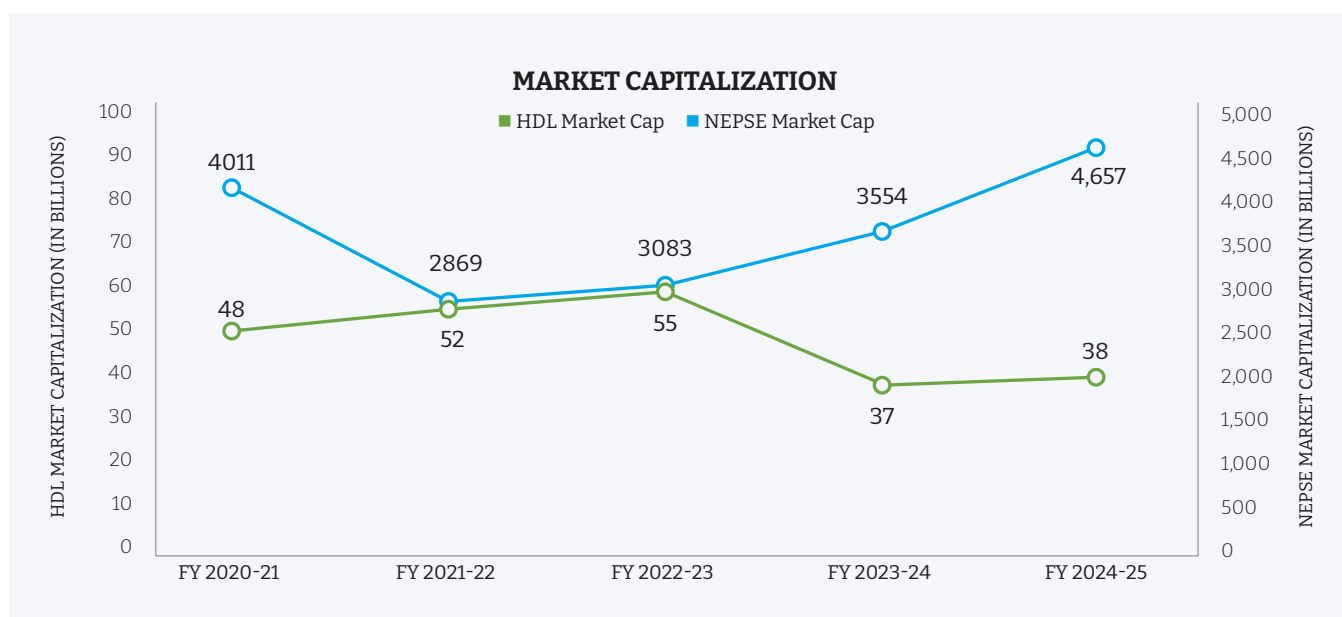
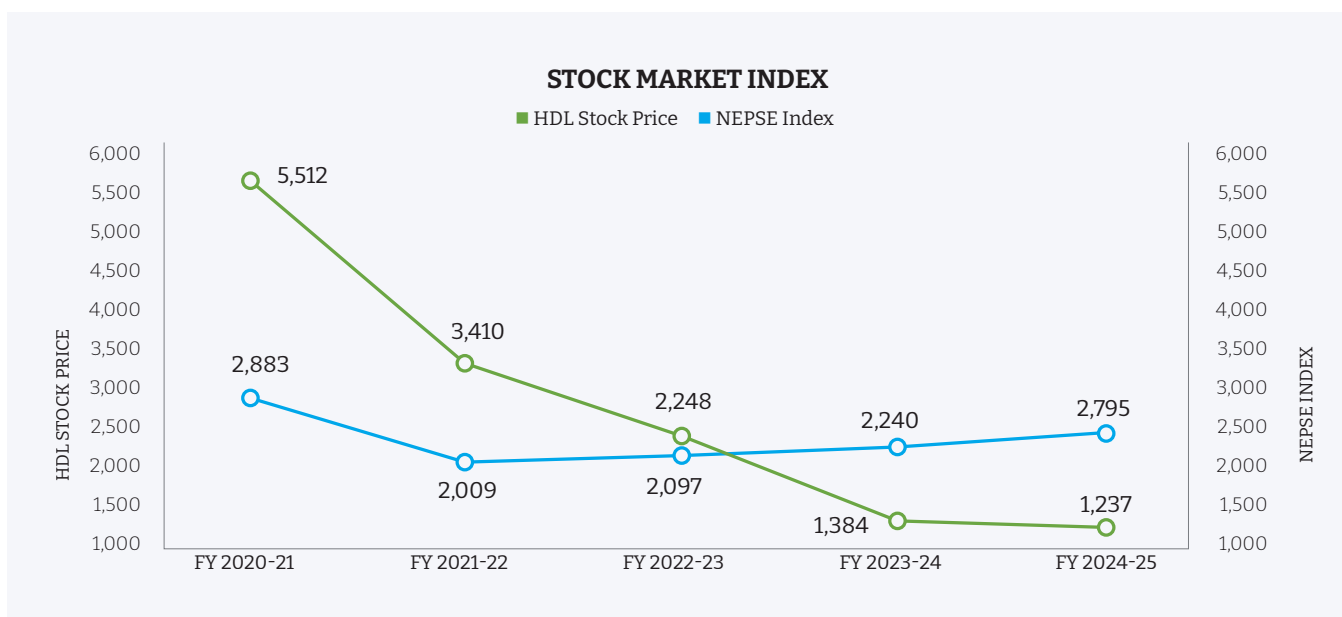
FY	Maximum	Minimum	Closing	Number of Trades	Traded Shares Qty	Trading Days
2020-21	5,916	1,595	5,512	110,092	7,401,311	245
2021-22	7,938	2,825	3,410	162,867	5,042,125	239
2022-23	4,323	1,807	2,248	155,994	5,404,769	235
2023-24	2,389	1,140	1,384	138,539	5,646,444	229
2024-25	1,749	1,136	1,237	202,271	11,803,681	231

(Source: Nepal Stock Exchange)



Throughout the 2024-25 fiscal year, HDL continued to rank among the most actively traded securities on the Nepal Stock Exchange (NEPSE).

Secondary market transactions involved 11.76 million shares across 230 trading sessions. The stock reached a peak of Rs. 1,749 and a low of Rs. 1,136, before closing the year at Rs. 1,231. A comprehensive overview of HDL's share price movements, broader market dynamics, and comparative market capitalization trends for both HDL and NEPSE over the preceding five years is provided in the accompanying analysis





## SHAREHOLDERS ENQUIRIES AND COMMUNICATION

### Communication with Shareholders

Himalayan Distillery Limited (HDL) places the highest priority on maintaining open, transparent, and consistent dialogue with its shareholders. The company ensures that all relevant updates, financial results, and corporate developments reach investors promptly through a well-structured and multi-faceted communication framework.

Statutory notices, dividend announcements, and other significant disclosures are published in widely circulated national daily newspapers and simultaneously made available on the company's official website, [www.himalayandistillery.com](http://www.himalayandistillery.com). This dual approach guarantees broad accessibility and adherence to regulatory requirements.

The company's unaudited quarterly financial statements and the comprehensive audited annual report are released within stipulated timelines and disseminated through print media as well as the corporate website. These reports provide shareholders with detailed insights into financial performance, operational progress, strategic initiatives, and governance practices. All such documents are also formally submitted to the Securities Board of Nepal (SEBON) and the Nepal Stock Exchange (NEPSE) in compliance with listing obligations. The investor relations portal on the company's website serves as a centralized digital hub, offering convenient access to annual reports, quarterly results, notices related to the procurement & recruitment, annual general meetings' notices and its resolutions. This online resource enables shareholders and other stakeholders as well to stay informed at their convenience.

The Annual General Meeting (AGM) remains a pivotal platform for direct engagement between the management and the shareholders. Conducted with meticulous planning, the AGM allows the leadership to present the year's accomplishments, discuss future strategies, and address shareholder concerns in an interactive setting. Participation is facilitated through in-person attendance, and proxy voting, ensuring inclusivity and active involvement.

Additionally, HDL maintains a robust mechanism for addressing investor grievances, with clear contact channels prominently featured across all communication materials. This reflects the company's proactive stance in resolving queries and reinforcing investor confidence.

Through these integrated and sustained communication practices, HDL continues to uphold the principles of transparency, accountability, and shareholder-centric governance, thereby nurturing enduring trust within its investor community.

### 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,  
Himalayan Distillery Limited  
Jawalakhel, Lalitpur, Nepal  
Email: [info@himalayandistillery.com](mailto:info@himalayandistillery.com)  
P.O. BOX: 23521  
Tel.: +977 01 522028/01 5438239



## OPERATION ROUTE TO MARKET

ZONES	VALLEY	ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	TOTAL
Sales Contribution	34%	13%	20%	11%	5%	10%	7%	100%
Distributor	12	12	17	10	8	12	9	80
Wholesalers	365	463	366	427	133	455	165	2,374
Off Trade	3,035	272	149	177	429	252	583	4,897
On Trade	2,534	938	638	806	772	1,292	918	7,898
Manpower Sales	20	9	10	6	6	9	9	69
Sales Trainees	10	4	3	2	3	4	4	30

### SALES & MARKETING

### EMPLOYEE

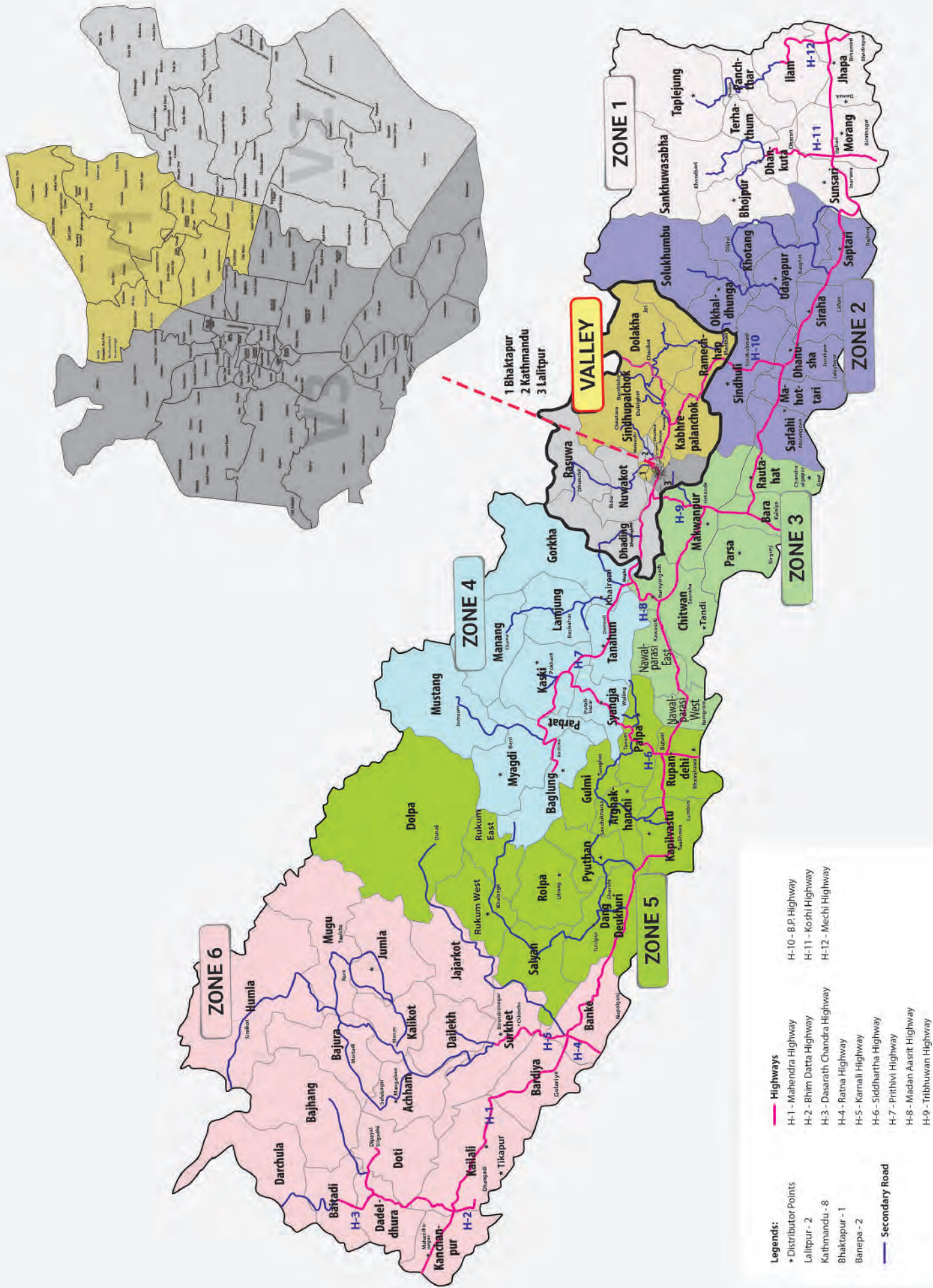
Sales & Distribution	80
Territory Managers	8
Sales Executives	69
Sales Trainees	30

### DISTRIBUTION CHANNEL

Total Distributor	80
<b>Channel Classification</b>	
Wholesale	2,374
Modern Off Trade(MOFT)	637
Liquor Store	3,334
Traditional Off Trade(TOFT)	926
High End(HE)	199
Bar & Restaurant(B& R)	6,534
Hospitality	1,165
<b>Grand Total</b>	<b>15,169</b>











## FINANCIAL STATEMENTS

The financial statements of HDL for the fiscal year 2024-25 have been audited by the independent auditor, SAR Associates, Chartered Accountants. The auditor has issued an unqualified opinion, confirming that the financial statements present a true and fair view of the Company's financial position, performance, and cash flows. Prepared in accordance with Nepal Financial Reporting Standards (NFRS), these statements reflect robust growth, prudent financial management, and transparent reporting. They provide stakeholders with reliable insights into HDL's strengthened balance sheet and enhanced profitability. This audit opinion underscores our commitment to governance excellence and investor confidence.



PAT  
INCREASED BY  
**158%**  
COMPARED  
TO LY

NET SALES  
INCREASED BY  
**78%**  
COMPARED  
TO LY





## Independent Auditor's Report

To the Shareholders of Himalayan Distillery Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of the Himalayan Distillery Limited (the "Company") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as at Ashadh 32, 2082 (July 16, 2025), and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements presents fairly, in all material respects, the consolidated financial position of the Group as at Ashadh 32, 2082 (July 16, 2025), and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

#### Basis for opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the 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 matters described below to be the key audit matters to be communicated in our report.

S.N.	Key Audit Matters	Auditor's Response
1.	<p><b>Revenue Recognition</b></p> <p>Revenue, comprising income from product sales (hereinafter referred to as "Revenue"), is recognized at a point in time when products are delivered to the customer, it is probable that future economic benefits will flow to the Company, and both revenue and related costs can be reliably measured. Additionally, no performance obligations should remain pending for the recognized revenue</p> <p>Due to the significant risks associated with revenue, we have identified revenue recognition as a Key Audit Matter.</p>	<p>Our audit approach regarding verification of process of revenue recognition included:</p> <ul style="list-style-type: none"> <li>a. Understanding and evaluating the controls and processes over the recording of revenue in system level and control in place for manual processes. We also assessed the revenue recognition policies adopted by the company for compliance with the relevant accounting standards.</li> <li>b. Obtaining the detailed breakup revenue from individual stream and reconciled the same with general ledger and financial statements.</li> <li>c. We reviewed the contracts, wherever applicable, to ensure whether revenue as per contract is recognized or not.</li> <li>d. We performed risk-based target testing of revenue journals posted into the general ledger which included identification of those journals posted to revenue which did not follow expected posting pattern.</li> </ul>
2.	<p><b>Information Technology General Controls</b></p> <p>IT controls with respect to recording transactions, generating various reports in compliance to</p>	<p>Our audit approach regarding Information technology of the company is included:</p>





<p>regulators is an important part of the process. Such reporting is highly dependent on the effective working of the information systems used.</p> <p>We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management, shareholders, and regulators</p>	<p>a. Understanding the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system existing in the company</p> <p>b. Reviewing the reports generated by the system on sample basis. We also verified the income booking under various revenue stream on test basis with the system.</p>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

### ***Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements***

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatement 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 risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained 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 purposes of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management,
- Conclude on the appropriateness of the 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.





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

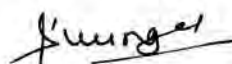
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### ***Report on the requirements of Company Act, 2063***

We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit; the returns received from the Company were adequate for the purpose of the audit; the consolidated financial statements including the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows including a summary of significant accounting policies and other explanatory notes have been prepared in all material respect in accordance with the provisions of the Company Act, 2063, and they are in agreement with the books of accounts of the Company; and the accounts and records of the Company are properly maintained in accordance with the prevailing laws.

To the best of our information and according to the explanations given to us, in the course of our audit, we observed the business of the Company was conducted satisfactorily, and the Company's transactions were found to be within the scope of its authority. We did not come across cases of accounting related fraud and the cases where the board of directors or any director or any office bearer of the Company has acted contrary to the provisions of law or caused loss or damage to the Company or committed any misappropriation of the funds of Company.



Sunir Kumar Dhungel  
Partner



Place: Kathmandu, Nepal  
Date: October 16, 2025

UDIN: 251017CA00109MxtsB



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at Ashad 32, 2082 (July 16, 2025)

Amount in Rs.

DESCRIPTIONS	NOTE GROUP / COMPANY	GROUP		COMPANY	
		AS AT	AS AT	AS AT	AS AT
		ASHAD 32, 2082 (JULY 16, 2025)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 32, 2082 (JULY 16, 2025)	ASHAD 31, 2081 (JULY 15, 2024)
ASSETS					
Non-Current Assets					
a) Property, plant and equipment	3A	971,396,859	520,095,814	936,188,931	484,887,884
b) Capital work-in-progress	3B	7,736,784	311,430,554	7,736,784	311,430,554
c) Intangible assets	3C	931,305	1,059,857	931,305	1,059,857
d) Right to use assets	3D	22,637,053	12,635,108	22,637,053	12,635,108
e) Investments	-/4	-	-	111,200,000	101,100,000
f) Advance For Investment	-/5	-	-	-	10,000,000
g) Other non-current assets	4/6	64,318,966	43,714,724	64,318,966	43,714,724
Total non-current assets		1,067,020,968	888,936,057	1,143,013,039	964,828,127
Current Assets					
a) Inventories	5/7	579,797,016	326,155,027	579,797,016	326,155,027
b) Financial assets					
Trade receivables	6/8	-	216,303	-	216,303
Cash and cash equivalents	7/9	1,613,201,614	1,240,060,121	1,611,824,576	1,239,202,925
Other Bank Balances	8/10	1,100,000,000	1,000,000,000	1,100,000,000	1,000,000,000
Other Financial assets	9/11	8,946,462	14,488,612	8,946,462	14,488,612
c) Other current assets	4/6	111,995,035	87,372,232	116,933,801	87,372,232
Total current assets		3,413,940,128	2,668,292,295	3,417,501,855	2,667,435,099
TOTAL ASSETS		4,480,961,096	3,557,228,352	4,560,514,894	3,632,263,226

Contd...



Contd...

Amount in Rs.

DESCRIPTIONS	NOTE GROUP / COMPANY	GROUP		COMPANY	
		AS AT	AS AT	AS AT	AS AT
		ASHAD 32, 2082 (JULY 16, 2025)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 32, 2082 (JULY 16, 2025)	ASHAD 31, 2081 (JULY 15, 2024)
EEQUITY AND LIABILITIES					
Equity					
a) Equity					
Share capital	10/12	3,073,401,812	2,672,523,315	3,073,401,812	2,672,523,315
b) Other equity					
Reserves and surplus	11/13	1,010,118,082	603,450,963	1,089,836,052	682,894,227
Total equity		4,083,519,894	3,275,974,278	4,163,237,864	3,355,417,542
Non-Current Liabilities					
a) Financial liabilities					
Borrowings	12/14	-	-	-	-
Lease Payables	13/15	20,149,209	12,405,204	20,149,209	12,405,204
b) Deferred tax liabilities	14/16	31,572,226	28,943,492	31,572,226	28,943,492
Total non-current liabilities		51,721,434	41,348,696	51,721,435	41,348,696
Current Liabilities					
a) Financial Liabilities					
Borrowings	12/14	-	-	-	-
Lease Payables	13/15	4,686,172	1,281,373	4,686,172	1,281,373
Trade payables	15/17	68,946,086	30,699,488	68,857,324	30,699,488
Other financial liabilities	16/18	70,167,933	70,628,065	70,101,961	66,223,077
b) Other current liabilities	17/19	197,119,257	136,160,699	197,109,819	136,157,297
c) Current tax liabilities (net)	18/20	4,800,319	1,135,753	4,800,319	1,135,753
Total current liabilities		345,719,768	239,905,377	345,555,595	235,496,988
TOTAL EQUITY AND LIABILITIES		4,480,961,096	3,557,228,352	4,560,514,894	3,632,263,226

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

.....  
**Santoo Shrestha**  
 DIRECTOR

.....  
**Yangkila (Sherpa) Ruit**  
 DIRECTOR

.....  
**Shanker Raj Pandey**  
 CHAIRMAN

.....  
**Sunir Kumar Dhungel**  
 PARTNER  
 S.A.R. Associates  
 Chartered Accountants

.....  
**Alina Shrestha**  
 FINANCE MANAGER

.....  
**Shikher Prasai**  
 DIRECTOR

.....  
**Badri Bishal Ghimire**  
 DIRECTOR

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

PLACE: **Kathmandu**  
 DATE: **16<sup>th</sup> October, 2025**



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

For the Year ended Ashad 32, 2082 (July 16, 2025)

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 32, 2082 (JULY 16, 2025)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 32, 2082 (JULY 16, 2025)	ASHAD 31, 2081 (JULY 15, 2024)
Revenue from operations	19/21	7,201,326,974	4,155,236,993	7,201,150,897	4,155,236,993
Less: excise duties		(3,492,436,707)	(2,073,739,995)	(3,492,436,707)	(2,073,739,995)
Net sales revenue		3,708,890,267	2,081,496,998	3,708,714,189	2,081,496,998
Less: cost of goods sold	20/22	(1,340,839,420)	(737,051,029)	(1,340,392,509)	(737,051,029)
Less: manufacturing expenses	21/23	(232,713,589)	(121,157,047)	(232,713,589)	(121,157,047)
Gross profit		2,135,337,258	1,223,288,922	2,135,608,092	1,223,288,922
Total income from operations		2,135,337,258	1,223,288,922	2,135,608,092	1,223,288,922
Employee benefit expenses	22/24	313,043,057	190,033,598	313,043,057	190,033,598
Administration and other expenses	23/25	92,757,965	71,734,352	92,401,342	71,521,720
Selling and distribution expenses	24/26	458,420,657	478,503,632	458,773,407	478,503,632
Operating profit		1,271,115,579	483,017,341	1,271,390,286	483,229,974
Non Operating Income	25/27	66,945,023	57,722,260	66,945,023	66,384,021
Depreciation and amortisation		67,095,466	52,193,107	67,095,466	52,193,106
Finance costs	26/28	1,895,991	1,343,656	1,895,991	1,343,656
Profit before tax		1,269,069,145	487,202,838	1,269,343,852	496,077,232
Income tax expenses					
Current tax	27/29	322,105,747	130,270,079	322,105,747	130,270,079
Deferred tax	27/29	2,628,734	(878,846)	2,628,734	(878,846)
Prior Period Tax Expenses		3,162,884	1,637,269	3,162,884	1,637,269
Profit for the year		941,171,781	356,174,336	941,446,488	365,048,730

Contd...



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 32, 2082 (JULY 16, 2025)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 32, 2082 (JULY 16, 2025)	ASHAD 31, 2081 (JULY 15, 2024)
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
(i) Remeasurements of Defined Benefit Obligations		-	-	-	-
(ii) Income tax credit/(charge) relating to these items		-	-	-	-
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>941,171,781</b>	<b>356,174,336</b>	<b>941,446,488</b>	<b>365,048,730</b>
<b>Profit is attributable to:</b>					
Owners of Himalayan Distillery Limited		941,171,781	356,174,336	941,446,488	365,048,730
Non - Controlling Interests		-	-	-	-
		<b>941,171,781</b>	<b>356,174,336</b>	<b>941,446,488</b>	<b>365,048,730</b>
Other comprehensive income is attributable to:					
Owners of Himalayan Distillery Limited		-	-	-	-
Non - Controlling Interests		-	-	-	-
		-	-		
Total comprehensive income is attributable to:					
Owners of Himalayan Distillery Limited		941,171,781	356,174,336	941,446,488	365,048,730
Non - Controlling Interests		-	-		
		<b>941,171,781</b>	<b>356,174,336</b>	<b>941,446,488</b>	<b>365,048,730</b>
Earning per equity share (face value of Rs. 100 each)					
Basic EPS	28/30	30.62	11.59	30.63	11.88
Diluted EPS	28/30	30.62	11.59	30.63	11.88

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

.....  
**Santoo Shrestha**  
 DIRECTOR

.....  
**Yangkila (Sherpa) Ruit**  
 DIRECTOR

.....  
**Shanker Raj Pandey**  
 CHAIRMAN

.....  
**Sunir Kumar Dhungel**  
 PARTNER  
 S.A.R. Associates  
 Chartered Accountants

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**Alina Shrestha**  
 FINANCE MANAGER

.....  
**Shikher Prasai**  
 DIRECTOR

.....  
**Badri Bishal Ghimire**  
 DIRECTOR

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

PLACE: **Kathmandu**  
 DATE: **16<sup>th</sup> October, 2025**



## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year ended Ashad 32, 2082 (July 16, 2025)

Amount in Rs.

DESCRIPTIONS	GROUP		COMPANY	
	FOR THE YEAR ENDED	FOR THE YEAR ENDED	FOR THE YEAR ENDED	FOR THE YEAR ENDED
	ASHAD 32, 2082 (JULY 16, 2025)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 32, 2082 (JULY 16, 2025)	ASHAD 31, 2081 (JULY 15, 2024)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax	1,269,069,145	487,202,838	1,269,343,852	496,077,232
Adjustments for :				
Depreciation and amortisation	67,095,466	52,193,107	67,095,466	52,193,106
Asset Write Off	4,345,177	-	4,345,177	843,639
(Gain)/loss on sale of property, plant and equipment (net)	(48,249)	(975,174)	(48,249)	(9,636,935)
Gain/(loss) on Disposal of Right to Use Assets	(59,923)	-	(59,923)	-
Interest expense	1,895,991	1,343,656	1,895,991	1,343,656
Operating profit before working capital changes	1,342,297,607	539,764,427	1,342,572,314	540,820,699
Adjustments for :				
(Increase)/decrease in inventory	(253,641,989)	121,069,223	(253,641,989)	121,069,223
(Increase)/decrease in trade receivables, loans and other assets	(24,406,501)	1,979,413,476	(29,345,267)	1,978,377,379
Increase/(decrease) in Other Bank Balances	(100,000,000)	(923,543,993)	(100,000,000)	(923,543,993)
Increase/(decrease) in lease payables				
Increase/(decrease) in trade payables, other liabilities and provisions	120,436,108	(93,405,647)	124,680,325	(97,768,838)
Increase/(decrease) in Other Financial Assets	5,542,150	(10,096,124)	5,542,150	(10,096,124)
Cash generated from operation	1,090,227,376	1,613,201,362	1,089,807,534	1,608,858,346
Reversal of Provision for Tax	-	-	-	-
Income tax paid	(321,604,065)	(134,741,357)	(321,604,065)	(134,741,357)
Net cash from operating activities	768,623,311	1,478,460,004	768,203,469	1,474,116,989
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment & intangible assets	(252,045,048)	(354,159,548)	(252,045,048)	(348,619,631)
Sale of property, plant and equipment	70,279	1,866,731	70,279	10,323,092
Disposal of ROU Assets				
Investment in Equity instrument of subsidiaries	-	-	(100,000)	(10,000,000)
Net cash generated from / (used in) investing activities	(251,974,769)	(352,292,817)	(252,074,769)	(348,296,539)

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 32, 2082 (JULY 16, 2025)	ASHAD 31, 2081 (JULY 15, 2024)	ASHAD 32, 2082 (JULY 16, 2025)	ASHAD 31, 2081 (JULY 15, 2024)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase/(decrease) in short term loan	-	-	-	-
Repayment of term loan	-	-	-	-
Payment of Lease Liability	(1,543,879)	(1,144,338)	(1,543,879)	(1,144,339)
Dividend paid	(140,067,180)	(353,720,845)	(140,067,180)	(353,720,845)
Interest paid	(1,895,991)	(1,343,656)	(1,895,991)	(1,343,656)
<b>Net cash generated from / (used in) financing activities</b>	<b>(143,507,050)</b>	<b>(356,208,839)</b>	<b>(143,507,050)</b>	<b>(356,208,839)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>373,141,493</b>	<b>769,958,348</b>	<b>372,621,651</b>	<b>769,611,610</b>
Cash and cash equivalents at the beginning of the year	1,240,060,121	470,101,773	1,239,202,925	469,591,315
<b>Cash and cash equivalents at the end of the year</b>	<b>1,613,201,614</b>	<b>1,240,060,121</b>	<b>1,611,824,576</b>	<b>1,239,202,925</b>
<b>Cash and cash equivalents comprise of:</b>				
Cash on hand	101,232	57,163	99,624	55,555
Balance with banks in current accounts	1,613,100,382	1,240,002,958	1,611,724,952	1,239,147,370
<b>Total</b>	<b>1,613,201,614</b>	<b>1,240,060,121</b>	<b>1,611,824,576</b>	<b>1,239,202,925</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

.....  
**Santoo Shrestha**  
 DIRECTOR

.....  
**Yangkila (Sherpa) Ruit**  
 DIRECTOR

.....  
**Shanker Raj Pandey**  
 CHAIRMAN

.....  
**Sunir Kumar Dhungel**  
 PARTNER  
 S.A.R. Associates  
 Chartered Accountants

.....  
**Alina Shrestha**  
 FINANCE MANAGER

.....  
**Shikher Prasai**  
 DIRECTOR

.....  
**Badri Bishal Ghimire**  
 DIRECTOR

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

PLACE: **Kathmandu**  
 DATE: **16<sup>th</sup> October, 2025**



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended Ashad 32, 2082 (July 16, 2025)

Amount in Rs.

	GROUP			COMPANY		
	EQUITY AND RESERVES		TOTAL	EQUITY AND RESERVES		TOTAL
	SHARE CAPITAL	RETAINED EARNINGS		SHARE CAPITAL	RETAINED EARNINGS	
Balance as at Shrawan 1, 2080 (July 17, 2023)	2,429,566,650	854,668,291	3,284,234,941	2,429,566,650	925,237,160	3,354,803,810
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>603,450,966</b>	<b>3,275,974,280</b>	<b>2,672,523,315</b>	<b>682,894,228</b>	<b>3,355,417,542</b>
Profit for the year	-	941,171,781	941,171,781	-	941,446,488	941,446,488
Reversal of Provision for Tax	-	-	-	-	-	-
Other comprehensive income (OCI) - net of tax	-	-	-	-	-	-
Final dividend paid	-	(133,626,166)	(133,626,166)	-	(133,626,166)	(133,626,166)
Issue of bonus shares	400,878,497	(400,878,497)	-	400,878,497	(400,878,497)	-
<b>Balance as at Ashad 32, 2082 (July 16, 2025)</b>	<b>3,073,401,812</b>	<b>1,010,118,082</b>	<b>4,083,519,894</b>	<b>3,073,401,812</b>	<b>1,089,836,052</b>	<b>4,163,237,864</b>

### Retained earnings:

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

For and on behalf of Himalayan Distillery Limited

As per our report of even date

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

.....  
**Santoo Shrestha**  
 DIRECTOR

.....  
**Yangkila (Sherpa) Ruit**  
 DIRECTOR

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**Alina Shrestha**  
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**Badri Bishal Ghimire**  
 DIRECTOR

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

PLACE: **Kathmandu**  
 DATE: **16<sup>th</sup> October, 2025**



## 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.

Himalayan Multi Agro Ltd. is a public company domiciled in Birgunj, Nepal. The registered office of the company is at Parsa 21, Birgunj and has the objective of managing by-products generated from industrial productions.

Himalayan Fisheries Ltd. is a public company domiciled in Birgunj, Nepal. The registered office of the company is at Parsa 21, Birgunj and has the objective of carrying out various activities related to agriculture.

Himalayan Endeavor Organic Ltd. is a public company domiciled in Birgunj, Nepal. The registered office of the company is at Parsa 21, Birgunj and has the objective of manufacturing and trading non-alcoholic drinks and food products.

These financial statements are approved for issue by the Company’s board of directors on 16th October 2025.

### 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 (Road, temporary structures etc)	3 - 10 years
Leasehold improvements	9-10 years
Computers	3 - 6 years
Office equipment	5 -10 years
Electrical installations	5- 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.

### 1.4 Intangible assets

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

### **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 1.14.

## 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 32, 2082 (July 16, 2025)

GROUP				
COST				
PARTICULARS	OPENING BALANCE	ADDITIONS	WITHDRAWALS AND ADJUSTMENTS	AS AT ASHAD 32, 2082 (JULY 16, 2025)
3A. Property, plant and equipment				
Freehold lands	69,416,506	38,076,256	-	107,492,762
Leasehold Improvements	4,370,557	-	-	4,370,557
Buildings	202,244,178	54,122,383	10,075,867	246,290,694
Computers	13,697,808	5,453,752	949,982	18,201,579
Office equipment	14,066,528	2,956,553	3,168,141	13,854,939
Electrical Installations	26,473,057	6,544,883	748,885	32,269,055
Furniture and fixtures	6,257,513	673,387	951,461	5,979,439
Vehicles	31,237,166	10,626,372	351,543	41,511,994
Plant and machinery	911,514,971	401,118,855	39,415,435	1,273,218,390
Other Assets	2,061,539	112,053	647,448	1,526,144
Total	1,281,339,821	519,684,494	56,308,762	1,744,715,553
3B. Capital work-in-progress	311,430,554	132,908,343	436,602,114	7,736,784
3C. Intangible assets				
Brand Software	100,000			100,000
Nimble PMS Software 50%	75,000	75,000		150,000
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
Windows Server License		125,000		125,000
Total	4,105,938	200,000	-	4,305,938
3D. Right to Use Assets	18,489,206	13,260,671	513,665	31,236,211

## 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 16, 2024)

GROUP				
COST				
PARTICULARS	OPENING BALANCE	ADDITIONS	WITHDRAWALS AND ADJUSTMENTS	AS AT ASHAD 31, 2081 (JULY 16, 2024)
A. Property, plant and equipment				
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	3,025,497	-	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
Total	1,215,813,979	78,125,594	12,599,752	1,281,339,821
B. Capital work-in-progress	34,743	311,395,811	-	311,430,554
C. Intangible assets				
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
Total	3,790,938	315,000	-	4,105,938
D. Right to use assets	6,079,374	12,426,215	16,383	18,489,206



Amount in Rs.

DEPRECIATION			CARRYING AMOUNT		
OPENING BALANCE	FOR THE YEAR	ON WITHDRAWALS AND ADJUSTMENTS	UP TO ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)
-	-	-	-	107,492,762	69,416,506
45,935	485,617	-	531,552	3,839,005	4,324,622
104,846,127	8,059,912	8,968,694	103,937,345	142,353,350	97,398,051
6,249,333	2,369,581	853,839	7,765,074	10,436,505	7,448,475
8,843,498	1,284,088	2,640,739	7,486,847	6,368,092	5,223,030
21,667,989	1,432,559	670,059	22,430,488	9,838,567	4,805,068
2,925,256	433,342	920,546	2,438,052	3,541,387	3,332,256
7,714,857	4,598,388	351,541	11,961,703	29,550,290	23,522,308
607,047,871	45,303,590	36,888,712	615,462,749	657,755,642	304,467,100
1,903,140	49,164	647,423	1,304,881	221,263	158,399
<b>761,244,006</b>	<b>64,016,240</b>	<b>51,941,555</b>	<b>773,318,692</b>	<b>971,396,859</b>	<b>520,095,814</b>
-	-	-	-	<b>7,736,784</b>	<b>311,430,554</b>
99,999	-	-	99,999	1	1
1,068	24,631	-	25,699	124,301	73,932
16,438	48,000	-	64,438	175,562	223,562
64,075	63,900	-	127,975	191,525	255,425
320,437	160,000	-	480,437	319,563	479,563
2,471,433	-	-	2,471,433	4	4
72,630	20,000	-	92,630	7,370	27,370
-	12,022	-	12,022	112,978	-
<b>3,046,081</b>	<b>328,552</b>	-	<b>3,374,633</b>	<b>931,305</b>	<b>1,059,857</b>
<b>5,854,098</b>	<b>2,745,060</b>	-	<b>8,599,158</b>	<b>22,637,053</b>	<b>12,635,108</b>

DEPRECIATION			CARRYING AMOUNT		
OPENING BALANCE	FOR THE YEAR	ON WITHDRAWALS AND ADJUSTMENTS	UP TO ASHAD 31, 2081 (JULY 16, 2024)	AS AT ASHAD 31, 2081 (JULY 16, 2024)	AS AT ASHAD 31, 2080 (JULY 16, 2023)
-	-	-	-	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	104,110,377
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	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>



## 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 32, 2082 (July 16, 2025)

PARTICULARS	COST			COMPANY
	OPENING BALANCE	ADDITIONS	WITHDRAWALS AND ADJUSTMENTS	AS AT ASHAD 32, 2082 (JULY 16, 2025)
<b>3A. Property, plant and equipment</b>				
Freehold lands	34,208,574	38,076,256	-	72,284,830
Leasehold Improvements	4,370,557	-	-	4,370,557
Buildings	202,244,178	54,122,383	10,075,867	246,290,694
Computers	13,697,808	5,453,752	949,982	18,201,579
Office equipment	14,066,528	2,956,553	3,168,141	13,854,939
Electrical Installations	26,473,057	6,544,883	748,885	32,269,055
Furniture and fixtures	6,257,513	673,387	951,461	5,979,439
Vehicles	31,237,166	10,626,372	351,543	41,511,994
Plant and machinery	911,514,971	401,118,855	39,415,435	1,273,218,390
Other Assets	2,061,539	112,053	647,448	1,526,144
<b>Total</b>	<b>1,246,131,890</b>	<b>519,684,494</b>	<b>56,308,762</b>	<b>1,709,507,621</b>
<b>3B. Capital work-in-progress</b>	<b>311,430,554</b>	<b>132,908,343</b>	<b>436,602,114</b>	<b>7,736,784</b>
<b>3C. Intangible assets</b>				
Brand Software	100,000			100,000
Nimble PMS Software 50%	75,000	75,000		150,000
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
Windows Server License		125,000		125,000
<b>Total</b>	<b>4,105,938</b>	<b>200,000</b>	<b>-</b>	<b>4,305,938</b>
<b>3D. Right to Use Assets</b>	<b>18,489,206</b>	<b>13,260,671</b>	<b>513,665</b>	<b>31,236,211</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	497,442	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>



Amount in Rs.

DEPRECIATION			CARRYING AMOUNT		
OPENING BALANCE	FOR THE YEAR	ON WITHDRAWALS AND ADJUSTMENTS	UP TO ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)
-	-	-	-	72,284,830	34,208,574
45,935	485,617	-	531,552	3,839,005	4,324,622
104,846,127	8,059,912	8,968,694	103,937,345	142,353,350	97,398,051
6,249,333	2,369,581	853,839	7,765,074	10,436,505	7,448,475
8,843,498	1,284,088	2,640,739	7,486,847	6,368,092	5,223,030
21,667,989	1,432,559	670,059	22,430,488	9,838,567	4,805,068
2,925,256	433,342	920,546	2,438,052	3,541,387	3,332,256
7,714,857	4,598,388	351,541	11,961,703	29,550,290	23,522,308
607,047,870	45,303,590	36,888,712	615,462,748	657,755,643	304,467,101
1,903,140	49,164	647,423	1,304,881	221,263	158,399
<b>761,244,005</b>	<b>64,016,240</b>	<b>51,941,555</b>	<b>773,318,691</b>	<b>936,188,931</b>	<b>484,887,884</b>
-	-	-	-	<b>7,736,784</b>	<b>311,430,554</b>
99,999	-		99,999	1	1
1,068	24,631		25,699	124,301	73,932
16,438	48,000		64,438	175,562	223,562
64,075	63,900		127,975	191,525	255,425
320,437	160,000		480,437	319,563	479,563
2,471,433	-		2,471,433	4	4
72,630	20,000		92,630	7,370	27,370
-	12,022		12,022	112,978	-
<b>3,046,081</b>	<b>328,552</b>	-	<b>3,374,633</b>	<b>931,305</b>	<b>1,059,857</b>
<b>5,854,098</b>	<b>2,745,060</b>		<b>8,599,158</b>	<b>22,637,053</b>	<b>12,635,108</b>

DEPRECIATION			CARRYING AMOUNT		
OPENING BALANCE	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 16, 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	8,843,498	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	1,903,140	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>



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Amount in Rs.

	GROUP		COMPANY	
	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)
<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 (300,000 nos. of ordinary shares of Rs. 100 each , fully paid up)			30,000,000	20,000,000
Himalayan Endeavour Organic Limited. (1,000 nos. of ordinary shares of Rs. 100 each , fully paid up)			100,000	-
<b>Total</b>			<b>111,200,000</b>	<b>101,100,000</b>
<b>-/5. ADVANCE FOR INVESTMENT</b>				
Advance for Investment in Himalayan Multi Agro Ltd (100,000 nos. of ordinary shares of Rs. 100 each , Rs. 100 advance for share)			-	10,000,000
<b>Total</b>			<b>-</b>	<b>10,000,000</b>
<b>4/6. OTHER ASSETS</b>				
<b>NON-CURRENT</b>				
Advance for property, plant and equipment	26,770,824	6,166,582	26,770,824	6,166,582
Deposits with statutory authorities - for appeals	37,548,142	37,548,142	37,548,142	37,548,142
<b>Total</b>	<b>64,318,966</b>	<b>43,714,724</b>	<b>64,318,966</b>	<b>43,714,725</b>
<b>CURRENT</b>				
Advance for goods and services	3,873,391	1,447,250	8,812,157	1,447,250
Employee advances	3,445	253,289	3,445	253,289
Advance with statutory authorities	70,275,008	37,468,310	70,275,008	37,468,310
Prepaid expenses	5,068,889	7,048,366	5,068,889	7,048,366
Others	32,774,302	41,155,016	32,774,302	41,155,016
<b>Total</b>	<b>111,995,035</b>	<b>87,372,232</b>	<b>116,933,801</b>	<b>87,372,232</b>
<b>5/7. INVENTORIES</b>				
At lower of cost and net realisable value				
Raw materials	218,317,702	103,217,951	218,317,702	103,217,951
Packing and other materials	95,210,907	61,506,268	95,210,907	61,506,268
Semi finished goods	46,047,816	28,342,464	46,047,816	28,342,464
Finished goods	185,431,091	103,995,910	185,431,091	103,995,910
Stores and consumables	33,267,048	25,634,200	33,267,048	25,634,200
Promotional materials	1,522,452	3,458,234	1,522,452	3,458,234
<b>Total</b>	<b>579,797,016</b>	<b>326,155,027</b>	<b>579,797,016</b>	<b>326,155,027</b>



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Amount in Rs.

	GROUP		COMPANY	
	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)
<b>6/8. TRADE RECEIVABLES</b>				
Unsecured, considered good	-	216,303	-	216,303
<b>Total</b>	<b>-</b>	<b>216,303</b>	<b>-</b>	<b>216,303</b>
<b>7/9. CASH AND CASH EQUIVALENTS</b>				
Cash on hand	101,232	57,163	99,624	55,555
Balances with banks				
In current accounts	1,613,100,382	1,240,002,958	1,611,724,952	1,239,147,370
<b>Total</b>	<b>1,613,201,614</b>	<b>1,240,060,121</b>	<b>1,611,824,576</b>	<b>1,239,202,925</b>
<b>8/10. OTHER BANK BALANCES</b>				
Fixed Deposits with banks	1,100,000,000	1,000,000,000	1,100,000,000	1,000,000,000
Dividend Account with banks	-	-	-	-
<b>Total</b>	<b>1,100,000,000</b>	<b>1,000,000,000</b>	<b>1,100,000,000</b>	<b>1,000,000,000</b>
<b>9/11. OTHER FINANCIAL ASSETS</b>				
Margin deposits	8,342,008	5,830,758	8,342,008	5,830,758
Sundry deposits	580,500	8,587,787	580,500	8,587,787
Forward Contract	23,954	70,067	23,954	70,067
<b>Total</b>	<b>8,946,462</b>	<b>14,488,612</b>	<b>8,946,462</b>	<b>14,488,612</b>
<b>10/12. SHARE CAPITAL</b>				
<b>Authorised</b>				
(2081-82 : 35,000,000 nos. of ordinary shares of Rs. 100 each)	3,500,000,000	3,000,000,000	3,500,000,000	3,000,000,000
(2080-81 : 30,000,000 nos. of ordinary shares of Rs. 100 each)				
<b>Issued</b>				
(2081-82 : 3,07,34,018.12 nos. of ordinary shares of Rs. 100 each)	3,073,401,812	2,672,523,315	3,073,401,812	2,672,523,315
(2080-81 : 2,67,25,233.15 nos. of ordinary shares of Rs. 100 each)				
Subscribed and paid up				
(2081-82 : 3,07,34,018.12 nos. of ordinary shares of Rs. 100 each)	3,073,401,812	2,672,523,315	3,073,401,812	2,672,523,315
(2080-81 : 2,67,25,233.15 nos. of ordinary shares of Rs. 100 each)				
<b>Total</b>	<b>3,073,401,812</b>	<b>2,672,523,315</b>	<b>3,073,401,812</b>	<b>2,672,523,315</b>



**A. RECONCILIATION OF NUMBER OF SHARES OUTSTANDING:**

Amount in Rs.

	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)
At the beginning of the year	26,725,233.15	24,295,666.50	26,725,233.15	24,295,666.50
Add: shares issued during the year	-	-	-	-
Add: bonus shares issued during the year	4,008,784.97	2,429,566.65	4,008,784.97	2,429,566.65
<b>At the end of the year</b>	<b>30,734,018.12</b>	<b>26,725,233.15</b>	<b>30,734,018.12</b>	<b>26,725,233.15</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 Rs.

	GROUP		COMPANY	
	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)
<b>11/13. RESERVES AND SURPLUS</b>				
Retained earnings	1,010,118,082	603,450,963	1,089,836,052	682,894,227
<b>Total</b>	<b>1,010,118,082</b>	<b>603,450,963</b>	<b>1,089,836,052</b>	<b>682,894,227</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	24,835,381	13,686,577	24,835,381	13,686,577
Less: current maturities of lease payables	(4,686,172)	(1,281,373)	(4,686,172)	(1,281,373)
<b>Total</b>	<b>20,149,209</b>	<b>12,405,204</b>	<b>20,149,209</b>	<b>12,405,204</b>
<b>CURRENT</b>				
Current maturities of lease payables	4,686,172	1,281,373	4,686,172	1,281,373
<b>Total</b>	<b>4,686,172</b>	<b>1,281,373</b>	<b>4,686,172</b>	<b>1,281,373</b>



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Amount in Rs.

	GROUP		COMPANY	
	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)
<b>14/16. DEFERRED TAX LIABILITIES (NET)</b>				
<b>Deferred tax liabilities</b>				
On property, plant and equipment	34,777,397	31,115,544	34,777,397	31,115,544
On Right to use assets	5,772,449	3,221,953	5,772,449	3,221,953
On Forward Contract	6,108	17,867	6,108	17,867
	<b>40,555,954</b>	<b>34,355,364</b>	<b>40,555,954</b>	<b>34,355,364</b>
<b>Deferred tax assets</b>				
On Derivative Financial Liability	172,216	45,480	172,216	45,480
On corporate social responsibility	2,478,490	1,876,315	2,478,490	1,876,315
On Lease Liability	6,333,022	3,490,077	6,333,022	3,490,077
	<b>8,983,728</b>	<b>5,411,872</b>	<b>8,983,728</b>	<b>5,411,872</b>
<b>Total</b>	<b>31,572,226</b>	<b>28,943,492</b>	<b>31,572,226</b>	<b>28,943,492</b>

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

Amount in Rs.

	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>a. For the year ended Ashad 32, 2082 (July 16, 2025)</b>								
<b>Deferred tax liabilities</b>								
On property, plant and equipment	31,115,544	3,661,853	-	34,777,397	31,115,544	3,661,853	-	34,777,397
On right to use Assets	3,221,953	2,550,496	-	5,772,449	3,221,953	2,550,496	-	5,772,449
On Forward Contract	17,867	(11,759)	-	6,108	17,867	(11,759)	-	6,108
<b>Total deferred tax liabilities</b>	<b>34,355,364</b>	<b>6,200,590</b>	<b>-</b>	<b>40,555,954</b>	<b>34,355,364</b>	<b>6,200,590</b>	<b>-</b>	<b>40,555,954</b>
<b>Deferred tax (assets)</b>								
On Derivative Financial Liability	(45,480)	(126,736)	-	(172,216)	(45,480)	(126,736)	-	(172,216)
On corporate social responsibility	(1,876,315)	(602,175)	-	(2,478,490)	(1,876,315)	(602,175)	-	(2,478,490)
On Lease Liability	(3,490,077)	(2,842,945)	-	(6,333,022)	(3,490,077)	(2,842,945)	-	(6,333,022)
<b>Total deferred tax (assets)</b>	<b>(5,411,872)</b>	<b>(3,571,856)</b>	<b>-</b>	<b>(8,983,728)</b>	<b>(5,411,872)</b>	<b>(3,571,856)</b>	<b>-</b>	<b>(8,983,728)</b>
<b>Deferred tax liabilities - Net</b>	<b>28,943,492</b>	<b>2,628,734</b>	<b>-</b>	<b>31,572,226</b>	<b>28,943,492</b>	<b>2,628,734</b>	<b>-</b>	<b>31,572,226</b>

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

<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>



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Amount in Rs.

	GROUP		COMPANY	
	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)
<b>15/17. TRADE PAYABLES</b>				
Trade payables for goods and services	68,946,086	30,699,488	68,857,324	30,699,488
<b>Total</b>	<b>68,946,086</b>	<b>30,699,488</b>	<b>68,857,324</b>	<b>30,699,488</b>
<b>16/18. OTHER FINANCIAL LIABILITIES</b>				
<b>CURRENT</b>				
Payable for property, plant and equipment	29,989,936	45,240,018	29,989,936	45,240,018
Employee benefits payable	19,052,461	9,921,416	19,052,461	9,921,416
Payable to provident and other funds	2,934,690	2,160,485	2,934,690	2,160,485
Others	18,190,846	13,306,146	18,124,874	8,901,158
<b>Total</b>	<b>70,167,933</b>	<b>70,628,065</b>	<b>70,101,961</b>	<b>66,223,077</b>
<b>17/19. OTHER LIABILITIES</b>				
<b>CURRENT</b>				
Advance collected from customers	8,086,548	30,988,314	8,086,548	30,988,314
Statutory dues	6,314,026	4,292,672	6,304,588	4,289,270
Employees' bonus	141,038,206	55,119,692	141,038,206	55,119,692
Staff Welfare Fund	1,971,837	1,971,836	1,971,837	1,971,836
Unpaid dividend	29,989,072	36,430,086	29,989,072	36,430,086
Corporate social responsibility	9,719,568	7,358,099	9,719,568	7,358,099
<b>Total</b>	<b>197,119,257</b>	<b>136,160,699</b>	<b>197,109,819</b>	<b>136,157,297</b>
<b>18/20. CURRENT TAX LIABILITIES / ADVANCE INCOME TAX (NET)</b>				
Provision for income tax	322,105,747	130,270,079	322,105,747	130,270,079
Less: advance tax	(317,305,428)	(129,134,326)	(317,305,428)	(129,134,326)
<b>Total</b>	<b>4,800,319</b>	<b>1,135,753</b>	<b>4,800,319</b>	<b>1,135,753</b>
<b>19/21. GROSS REVENUE FROM OPERATIONS</b>				
Local sales	7,144,941,712	4,137,643,332	7,144,765,635	4,137,643,332
Export sales	761,205	-	761,205	-
Royalty income	55,624,057	17,593,662	55,624,057	17,593,662
<b>Total</b>	<b>7,201,326,974</b>	<b>4,155,236,993</b>	<b>7,201,150,897</b>	<b>4,155,236,993</b>
<b>20/22. COST OF GOODS SOLD</b>				
Raw materials consumed	834,911,960	335,654,958	834,465,048	335,654,958
Packing and auxillary materials consumed	564,716,699	318,318,522	564,716,699	318,318,522
Purchase of Stock-in-trade	-	-	-	-
Cost of raw material sold	40,351,294	20,737,969	40,351,294	20,737,969
Change in semi finished goods and finished goods				
Opening 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>
Closing stock				
Semi finished goods	46,047,816	28,342,464	46,047,816	28,342,464
Finished goods	185,431,091	103,995,910	185,431,091	103,995,910
	<b>231,478,907</b>	<b>132,338,374</b>	<b>231,478,907</b>	<b>132,338,374</b>
<b>Total change in semi finished goods and finished goods</b>	<b>(99,140,533)</b>	<b>62,339,580</b>	<b>(99,140,533)</b>	<b>62,339,580</b>
<b>Total</b>	<b>1,340,839,420</b>	<b>737,051,029</b>	<b>1,340,392,509</b>	<b>737,051,029</b>

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Amount in Rs.

	GROUP		COMPANY	
	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)
<b>21/23. MANUFACTURING EXPENSES</b>				
Power and fuel	13,147,308	6,160,907	13,147,308	6,160,907
Blending and distillation charges	161,681,420	88,682,557	161,681,420	88,682,557
Repair and maintenance	18,732,591	10,747,483	18,732,591	10,747,483
Wages and service charges	32,719,459	15,566,100	32,719,459	15,566,100
Inventory written off	6,432,811	-	6,432,811	-
<b>Total</b>	<b>232,713,589</b>	<b>121,157,047</b>	<b>232,713,589</b>	<b>121,157,047</b>
<b>22/24. EMPLOYEE BENEFITS EXPENSES</b>				
Salary and allowances	146,187,400	114,261,306	146,187,400	114,261,306
Contribution to provident fund and social security fund	14,237,209	11,849,880	14,237,209	11,849,880
Staff welfare expenses	5,331,904	4,690,120	5,331,904	4,690,120
Earned leave	6,248,337	4,112,598	6,248,337	4,112,598
Employees' bonus	141,038,206	55,119,692	141,038,206	55,119,692
<b>Total</b>	<b>313,043,057</b>	<b>190,033,598</b>	<b>313,043,057</b>	<b>190,033,598</b>
<b>23/25. ADMINISTRATION AND OTHER EXPENSES</b>				
Annual general meeting expenses	435,139	412,626	435,139	412,626
Repair and maintenance	6,031,503	6,161,824	6,031,503	6,161,824
Office expenses	3,394,550	2,782,218	3,247,730	2,780,554
Travelling and conveyance	9,520,148	4,027,247	9,520,148	4,027,247
Charity and donations	179,002	203,535	179,002	203,535
Corporate social responsibility expenses	9,414,465	3,650,487	9,414,465	3,650,487
Audit fees	515,200	495,200	450,000	450,000
Rent	73,333	1,174,800	73,333	1,174,800
Rates and taxes	7,275,858	12,996,955	7,237,248	12,861,387
Power and fuel	7,058,962	6,095,564	7,058,962	6,095,564
Meeting fees	2,040,000	1,595,000	2,040,000	1,595,000
Communication, postage and courier	5,628,216	3,521,022	5,539,631	3,508,221
Printing and stationery	1,027,917	829,741	1,027,917	829,741
Professional fees	8,042,668	3,537,433	8,025,268	3,520,033
Training expenses	748,244	866,429	748,244	866,429
Security and other service expenses	11,126,157	10,726,701	11,126,157	10,726,701
Insurance	6,347,813	5,337,130	6,347,813	5,337,130
Bank charges	1,486,943	635,301	1,486,935	635,301
Guest entertainment	3,094,360	1,967,952	3,094,360	1,967,952
Laboratory and sample expenses	1,116,126	414,324	1,116,126	414,324
Foreign exchange loss	953,291	22,437	953,291	22,437
Exchange loss on forward contract	651,401	108,285	651,401	108,285
Asset Write Off	4,345,177	4,172,141	4,345,177	4,172,141
Tax Administrative Expense	2,251,491	-	2,251,491	-
<b>Total</b>	<b>92,757,965</b>	<b>71,734,352</b>	<b>92,401,342</b>	<b>71,521,720</b>



Contd...

Amount in Rs.

	GROUP		COMPANY	
	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)
<b>24/26. SELLING AND DISTRIBUTION EXPENSE</b>				
Trade promotion	246,794,629	254,183,910	247,182,379	254,183,910
Marketing promotion	143,919,109	167,807,425	143,919,109	167,807,425
Insurance	687,354	288,292	687,354	288,292
Delivery expense	67,019,565	56,224,004	66,984,565	56,224,004
<b>Total</b>	<b>458,420,657</b>	<b>478,503,632</b>	<b>458,773,407</b>	<b>478,503,632</b>
<b>25/27. OTHER OPERATING INCOME</b>				
Rent Income	61,613	60,000	61,613	60,000
Gain/(loss) on sale of property, plant and equipment (net)	48,249	975,174	48,249	9,636,935
Gain/(loss) on Disposal of Right to Use Assets	59,923	-	59,923	-
Interest Income	64,285,988	54,666,800	64,285,988	54,666,800
Other income	2,489,250	2,020,286	2,489,250	2,020,286
<b>Total</b>	<b>66,945,023</b>	<b>57,722,260</b>	<b>66,945,023</b>	<b>66,384,021</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	-	14,623
On Lease Liability	1,895,991	1,329,033	1,895,991	1,329,033
<b>Total</b>	<b>1,895,991</b>	<b>1,343,656</b>	<b>1,895,991</b>	<b>1,343,656</b>
<b>27/29. TAX EXPENSES</b>				
<b>A. AMOUNT RECOGNISED IN PROFIT OR LOSS</b>				
Current tax				
Income tax for the year	322,105,747	130,270,079	322,105,747	130,270,079
Income tax related to previous years	3,162,884	1,637,269	3,162,884	1,637,269
<b>Total current tax</b>	<b>325,268,631</b>	<b>131,907,348</b>	<b>325,268,631</b>	<b>131,907,348</b>
Deferred tax				
Deferred tax for the year	2,628,734	(878,846)	2,628,734	(878,846)
<b>Total deferred tax</b>	<b>2,628,734</b>	<b>(878,846)</b>	<b>2,628,734</b>	<b>(878,846)</b>
<b>Total</b>	<b>327,897,365</b>	<b>131,028,502</b>	<b>327,897,365</b>	<b>131,028,502</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>

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Contd...

Amount in Rs.

	GROUP		COMPANY	
	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)	AS AT ASHAD 32, 2082 (JULY 16, 2025)	AS AT ASHAD 31, 2081 (JULY 15, 2024)
<b>C. RECONCILIATION OF INCOME TAX EXPENSE AND ACCOUNTING PROFIT</b>				
<b>Profit before tax</b>	<b>1,269,069,145</b>	<b>487,202,838</b>	<b>1,269,343,852</b>	<b>496,077,232</b>
Income tax at the applicable rate of 25.50%	323,612,632	126,499,694	323,682,682	126,499,694
Tax effect of amounts which are not deductible / (included) in calculating taxable income:				
Non-deductible expense	(1,901,130)	3,770,385	(1,901,130)	3,770,385
Taxable loss not recognised				
Taxable Gain not recognized	70,050			
Interest paid	324,194	-	324,194	-
<b>Income tax recognised in profit or loss</b>	<b>322,105,746</b>	<b>130,270,079</b>	<b>322,105,746</b>	<b>130,270,079</b>
<b>28/30. EARNINGS PER SHARE</b>				
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	941,171,781	356,174,336	941,446,488	365,048,730
Weighted average number of shares	30,734,018.12	26,725,233.15	30,734,018.12	26,725,233.15
<b>Basic and diluted earnings per share</b>	<b>30.62</b>	<b>13.33</b>	<b>30.63</b>	<b>13.66</b>
The company issued 4,008,784.97 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 2080-81 has been restated as follows:				
Profits attributed to equity holders of the Company	-	356,174,336	-	365,048,730
Weighted average number of shares	-	30,734,018.12	-	30,734,018.12
<b>Restated Basic and diluted earnings per share</b>	<b>-</b>	<b>11.59</b>	<b>-</b>	<b>11.88</b>

## 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 32, 2082 (JULY 16, 2025)	PERCENTAGE OF OWNERSHIP INTEREST AS AT ASHAD 31, 2081 (JULY 15, 2024)
Himalayan Multi Argo Ltd.	100	100
Himalayan Fisheries Ltd.	100	100
Himalayan Endeavour Organic Ltd.	100	



### 30. Dividend

For the year ended Ashad 32, 2082 (July 16, 2025), the board of directors proposed for dividend of 25% of the paid-up share capital amounting to Rs. 76,83,50,453.06 which consists of 20% bonus shares amounting to Rs. 614,680,362.45 and 5% final cash dividend amounting to Rs. 153,670,090.61 (Inclusive of dividend tax).

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. 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).

### 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 32, 2082 (JULY 16, 2025)		AS AT ASHAD 31, 2081 (JULY 15, 2024)	
	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
Cash and cash equivalents & other Bank Balances	2,713,201,614	2,713,201,614	2,240,060,121	2,240,060,121
Other Financial Asset	8,946,462	8,946,462	14,488,612	14,488,612
<b>Total financial assets</b>	<b>2,722,148,076</b>	<b>2,722,148,076</b>	<b>2,254,765,035</b>	<b>2,254,765,035</b>
<b>Financial liabilities – measured at amortized cost</b>				
Borrowings	-	-	-	-
Lease payables	24,835,381	24,835,381	13,686,577	13,686,577
Trade payables	68,946,086	68,946,086	30,699,488	30,699,488
Other financial liabilities	70,167,933	70,167,933	70,628,065	70,628,065
<b>Total financial liabilities</b>	<b>163,949,401</b>	<b>163,949,401</b>	<b>115,014,129</b>	<b>115,014,129</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 (2080-81: Rs. Nil) and short-term and demand loan is Rs. Nil (2080-81: 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 Nil (2080-81: Rs. 96).

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. 3,413,940,128 (2080-81: Rs. 2,668,292,295) including cash and cash equivalent and other bank balances of Rs. 2,713,201,614 (2080-81: Rs. 2,240,060,121) against the aggregate current liabilities of Rs. 345,719,768 (2080-81: Rs. 239,905,378) including term loan maturing within one year from the reporting date of Rs. Nil (2080-81: Rs. Nil).

Further the Group has access to undrawn borrowing facilities from banks of Rs. 375,000,000 (2080-81: 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 (2080-81: 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:

	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	24,835,381	13,686,577
<b>Total financial liabilities</b>		<b>24,835,381</b>	<b>13,686,577</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%)
- Himalayan Endeavour Organic 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.
- Asian Distillery Pvt. Ltd.
- Food and Beverage Technology Research Centre Pvt. Ltd.
- Vijay Distillery Pvt. Ltd.
- R & R Suppliers Pvt. Ltd.
- Raj Brewery Pvt. Ltd.
- Majestic Ventures P. Ltd.

#### c. Key management personnel

- |                               |                         |
|-------------------------------|-------------------------|
| ○ Mr. Shanker Raj Pandey      | Chairperson             |
| ○ Mr. Santoo Shrestha         | Director                |
| ○ Mrs. Yangkila (Sherpa) Ruit | Director                |
| ○ Mr. Shikher Prasai          | Director                |
| ○ Mr. Badri Bishal Ghimire    | Director                |
| ○ Mr. Prakashmani Ghimire     | Independent Director    |
| ○ Mr. Niraj Subedi            | Chief Executive Officer |



Amount in Rs.

	FOR THE YEAR ENDED	
	ASHAD 32, 2082 (JULY 16, 2025)	ASHAD 31, 2081 (JULY 16, 2024)
<b>Summary of the transactions with related parties</b>		
<b>Sale of goods</b>		
JGI Distribution Pvt. Ltd.	7,290,350,027	4,347,887,831
Rolling River Distillers Pvt. Ltd.	378,474,245	98,234,606
Food & Beverage Technology Research Centre Pvt. Ltd.	232,780	-
Vijay Distillery Pvt. Ltd.	343,351,788	199,080,869
Himalayan Multi Agro Limited	662,299	-
<b>Purchase of goods</b>		
Rolling River Distillers Pvt. Ltd.	5,313,757	2,355,101
Food & Beverage Technology Research Centre Pvt. Ltd.	386,426,083	154,918,103
Himalayan Endeavor Organic Limited	387,750	-
<b>Purchase of services</b>		
Jawalakhel Group of Industries Pvt. Ltd.		
Food & Beverage Technology Research Centre Pvt. Ltd.	179,577,244	100,195,385
JGI Distribution Pvt. Ltd.	353,734,869	383,609,000
<b>Royalty income</b>		
Rolling River Distillers Pvt. Ltd.	59,742,752	16,683,730
Vijay Distillery Pvt. Ltd.	3,112,432	3,197,107
<b>Sale of Property, Plant &amp; Equipment</b>		
Vijay Distillery Pvt. Ltd.	-	71,534
Himalayan Multi Agro Limited	-	9,300,000
Food & Beverage Technology Research Centre Pvt. Ltd.	-	81,360
<b>Reimbursement of Expenses</b>		
JGI Distribution Pvt. Ltd.	36,530,809	31,246,727
<b>Advance Given</b>		
Himalayan Multi Agro Limited	25,724	126,396
Advance For Share	-	10,000,000
Himalayan Fisheries Limited	811,191	9,172
<b>Purchase of Property Plant &amp; Equipment</b>		
Vijay Distillery (P) Ltd.	-	452,000
<b>Dividend Paid</b>		
Food & Beverage Technology Research Centre Pvt. Ltd.	78,972,894	89,741,925
Majestic Ventures Pvt. Ltd.	12,889,800	14,647,500
R & R Suppliers Pvt. Ltd.	63,579,978	72,249,975
<b>Summary of closing balances with related parties</b>		
JGI Distribution Pvt. Ltd.	(7,901,615)	(30,482,281)
Rolling River Distillers Pvt. Ltd.	-	-
Jawalakhel Group of Industries Pvt. Ltd.	-	-
Food & Beverage Technology Research Centre Pvt. Ltd.	-	-
Vijay Distillery Pvt. Ltd.	-	-
Himalayan Endeavor Organic Limited	(2,790)	-
<b>Advances</b>		
Himalayan Multi Agro Limited	2,427,948	2,402,224
Himalayan Fisheries Limited	2,769,354	1,958,164



## Transaction with key management personnel

Meeting fees paid to chairman and directors during the year amount to Rs. 2,040,000 (2080-81: Rs. 1,595,000). Cash Dividend of Rs 650,950 (2080-81: 1,775,340) and dividend in the form of bonus shares amounting to Rs 1,952,851 (2080-81: Rs. 1,183,560) were also paid during the year.

Meeting fees paid to Independent Director during the year amount to Rs 365,000 (2080-81: Rs. 240,000).

## Salary and Allowance to related persons

Amount in Rs.

NAMES	SALARY AND OTHER BENEFITS
Mr. Niraj Subedi (CEO)	12,302,587

## 34. Commitment and contingencies

### a. Capital Commitment

Amount for contracts remaining to be executed on capital account as on Ashad 32, 2082 (July 16, 2025) Rs. 15,573,496.13 (2080-81: Rs. 44,685,748.37).

### 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 (2080-81: Rs. 88,822,492), additional VAT for the financial years 2058-59 and 2068-69, amounting to Rs. 30,458,825 (2080-81: Rs. 30,458,825) and additional TDS for the financial year 2079-80 amounting to Rs. 4,336,366 (2080-81: Rs. Nil). These matters are under legal proceedings with the relevant authorities. The company has deposited Rs. 37,548,142 (2080-81: 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.

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. Similarly, during the year company has also made provision of Rs. 4,346,060 and Rs. 54,151 against Income Tax and VAT for the liability created against Tax Audit for FY 2079-80.

Additionally, the company has received an order from the Labor Court for the payment of compensation to laborers, with the estimated amount being Rs. 16,477,165. 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.

The details of contingent liabilities and deposits are as follows:

Amount in Rs.

NATURE	FISCAL YEAR	AUTHORITY	ASHAD 32,2082 (16, JULY 2025)		ASHAD 31,2081 (15, JULY 2024)	
			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	-	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	-	2,777,759	-	2,777,759
Income Tax	2061/62	Supreme Court	-	3,659,531	-	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	Supreme Court	16,477,165	-	14,269,885	-
TDS	2079/80	Inland Revenue Department	4,336,366	-	-	-
<b>Total</b>			<b>140,094,848</b>	<b>37,548,142</b>	<b>133,551,202</b>	<b>37,548,142</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.





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**Independent Auditor's Report**

**To the Shareholders of Himalayan Multi Agro Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of the Himalayan Multi Agro Limited (the "Company"), which comprise the statement of financial position as at Ashadh 32, 2082 (July 16, 2025), and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as at Ashadh 32, 2082 (July 16, 2025), and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

**Basis for opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the 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 are no key audit matters to communicate in our report.

**Responsibility of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the 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.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is 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. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic 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 risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained 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 purposes 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 the management,
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

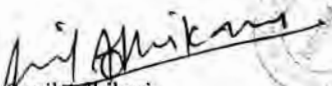
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### ***Report on the requirements of Company Act, 2063***

We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit; the returns received from the Company were adequate for the purpose of the audit; the financial statements including the statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flows including a summary of significant accounting policies and other explanatory notes have been prepared in all material respect in accordance with the provisions of the Company Act, 2063, and they are in agreement with the books of accounts of the Company; and the accounts and records of the Company are properly maintained in accordance with the prevailing laws.

To the best of our information and according to the explanations given to us, in the course of our audit, we observed the business of the Company was conducted satisfactorily, and the Company's transactions were found to be within the scope of its authority. We did not come across cases of accounting related fraud and the cases where the board of directors or any director or any office bearer of the Company has acted contrary to the provisions of law or caused loss or damage to the Company or committed any misappropriation of the funds of Company.

  
Sunil Adhikari  
Partner

Place: Kathmandu, Nepal  
Date: October 16, 2025

UDIN No.: 251017CA00598G6t8P



HIMALAYAN MULTI AGRO LTD.

**STATEMENT OF FINANCIAL POSITION**

As on 32 Ashad, 2082 (16 July, 2025)

Amount in Rs.

PARTICULAR	SCH	CURRENT YEAR	PREVIOUS YEAR
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	1	30,679,000	30,679,000
Deferred Tax Assets		-	-
<b>Total Non-Current Assets</b>		<b>30,679,000</b>	<b>30,679,000</b>
<b>Current Assets</b>			
Inventory	2	-	-
Cash & Cash Equivalents	3	900,587	822,138
Trade & Other Receivables	4	13,536	-
<b>Total Current Assets</b>		<b>914,124</b>	<b>822,138</b>
<b>Total Assets</b>		<b>31,593,124</b>	<b>31,501,138</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Share Capital	5	30,000,000	20,000,000
Share Application Money	6	-	10,000,000
Reserve & Surplus	7	(952,280)	(925,087)
<b>Total Equity</b>		<b>29,047,720</b>	<b>29,074,913</b>
<b>Current Liabilities</b>			
Sundry Creditor	8	91,553	-
Trade & Other Payables	9	2,453,851	2,426,225
<b>Total Current Liabilities</b>		<b>2,545,404</b>	<b>2,426,225</b>
<b>Total Equity &amp; Liabilities</b>		<b>31,593,124</b>	<b>31,501,138</b>

Schedule 1 to 13 and accompanying notes are an integral part of this financial statements

As per our report of even date

ALINA SHRESTHA  
FINANCE MANAGER

NIRAJ SUBEDI  
CHIEF EXECUTIVE OFFICER

SHANKER RAJ PANDEY  
CHAIRPERSON

PRAKASHMANI GHIMIRE  
INDEPENDENT DIRECTOR

SUNIL ADHIKARI  
PARTNER  
For: S.A.R. Associates  
Chartered Accountants

PLACE: Kathmandu  
DATE: 16<sup>th</sup> October, 2025



HIMALAYAN MULTI AGRO LTD.

**STATEMENT OF PROFIT OR LOSS**

For the year ended on 32 Ashad, 2082 (16 July, 2025)

Amount in Rs.

PARTICULAR	SCH	CURRENT YEAR	PREVIOUS YEAR
<b>Income</b>			
Revenue From Operations	10	762,183	-
Less : Cost of Sales	11	680,515	-
<b>Gross Profit</b>		<b>81,668</b>	-
Add:			
Other Income		-	-
Less:			
Administrative Expenses	12	73,861	164,928
Selling & Distribution Expenses	13	35,000	-
Financial Expenses		-	-
Depreciation Charges		-	-
<b>Profit Before Tax</b>		<b>(27,193)</b>	<b>(164,928)</b>
Current Tax		-	-
Deferred Tax		-	-
<b>Net Profit/(Loss) After Tax</b>		<b>(27,193)</b>	<b>(164,928)</b>
Basic Earning Per Share		(0.091)	(0.550)
Diluted Per Share		(0.091)	(0.550)

Schedule 1 to 13 and accompanying notes are an integral part of this financial statements

As per our report of even date

ALINA SHRESTHA  
FINANCE MANAGER

NIRAJ SUBEDI  
CHIEF EXECUTIVE OFFICER

SHANKER RAJ PANDEY  
CHAIRPERSON

PRAKASHMANI GHIMIRE  
INDEPENDENT DIRECTOR

SUNIL ADHIKARI  
PARTNER  
For: S.A.R. Associates  
Chartered Accountants

PLACE: Kathmandu  
DATE: 16<sup>th</sup> October, 2025



HIMALAYAN MULTI AGRO LTD.

**STATEMENT OF OTHER COMPREHENSIVE INCOME**

For the year ended on 32 Ashad, 2082 (16 July, 2025)

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
<b>Profit for the year</b>	<b>(27,193)</b>	<b>(164,928)</b>
<b>Other comprehensive income, net of income tax</b>		
<b>a) Items that will not be reclassified to profit or loss</b>		
Gains/(losses) from investments in equity instruments measured at fair value		
Gains/(losses) on revaluation		
Actuarial gains/(losses) on defined benefit plans		
Income tax relating to above items		
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>	<b>-</b>	<b>-</b>
<b>b) Items that are or may be reclassified to profit or loss</b>		
Gains/(losses) on cash flow hedge		
Exchange gains/(losses) (arising from translating financial assets of foreign operation)		
Income tax relating to above items		
Reclassify to profit or loss		
Net other comprehensive income that are or may be reclassified to profit or loss		
<b>c) Share of other comprehensive income of associate accounted as per equity method</b>		
<b>Other comprehensive income for the year, net of income tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>(27,193)</b>	<b>(164,928)</b>

The accompanying notes are an integral part of this financial statements.

As per our report of even date

ALINA SHRESTHA  
FINANCE MANAGER

NIRAJ SUBEDI  
CHIEF EXECUTIVE OFFICER

SHANKER RAJ PANDEY  
CHAIRPERSON

PRAKASHMANI GHIMIRE  
INDEPENDENT DIRECTOR

SUNIL ADHIKARI  
PARTNER  
For: S.A.R. Associates  
Chartered Accountants

PLACE: Kathmandu  
DATE: 16<sup>th</sup> October, 2025



## HIMALAYAN MULTI AGRO LTD.

**STATEMENT OF CASH FLOWS** As on 32 Ashad, 2082 (16 July, 2025)

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
<b>A. Cash Flow From Operating Activities</b>		
Net Profit/(Loss) after Tax	(27,193)	(164,928)
Add: Depreciation Charges	-	-
<b>Net Cash Flow Before Changes in Working Capital</b>	<b>(27,193)</b>	<b>(164,928)</b>
Interest Paid	-	-
Changes in Trade and Other Receivables	(13,536)	127,797
Changes in Sundry Creditors	91,553	-
Changes in Trade and Other Payables	27,626	-
<b>Net Cash Flow From Operating Activities</b>	<b>78,450</b>	<b>(37,131)</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>-</b>	<b>(9,579,000)</b>
<b>C. Cash Flow From Financing Activities</b>		
Increase/(Decrease) in Share Capital	10,000,000	-
Increase/(Decrease) in Advance for Share Capital	(10,000,000)	10,000,000
Increase/(Decrease) in Bank Loans	-	-
<b>Net Cash Flow From Financing Activities</b>	<b>-</b>	<b>10,000,000</b>
<b>Net Cash Flow</b>	<b>78,450</b>	<b>383,869</b>
Add: Opening Cash & Bank Balance	822,138	438,269
<b>Closing Cash &amp; Bank Balance</b>	<b>900,587</b>	<b>822,138</b>

Schedule 1 to 13 and accompanying notes are an integral part of this financial statements

As per our report of even date

ALINA SHRESTHA  
FINANCE MANAGER

NIRAJ SUBEDI  
CHIEF EXECUTIVE OFFICER

SHANKER RAJ PANDEY  
CHAIRPERSON

PRAKASHMANI GHIMIRE  
INDEPENDENT DIRECTOR

SUNIL ADHIKARI  
PARTNER  
For: S.A.R. Associates  
Chartered Accountants

PLACE: Kathmandu  
DATE: 16<sup>th</sup> October, 2025



HIMALAYAN MULTI AGRO LTD.

**STATEMENT OF CHANGES IN EQUITY** As on 32 Ashad, 2082 (16 July, 2025)

PARTICULARS	EQUITY SHARE	SHARE PREMIUM	REVALUATION RESERVE	ACCUMULATED PROFIT/(LOSS)	TOTAL
<b>Balance As on 01.04.2080</b>	<b>20,000,000</b>	-	-	<b>(760,159)</b>	<b>19,239,841</b>
Profit / ( Loss ) for the year	-	-	-	(164,928)	(164,928)
Issue of Share Capital	-	-	-	-	-
<b>Balance As on 31.03.2081</b>	<b>20,000,000</b>	-	-	<b>(925,087)</b>	<b>19,074,913</b>
Balance As on 01.04.2081	20,000,000	-	-	(925,087)	19,074,913
Profit / ( Loss ) for the year	-	-	-	(27,193)	(27,193)
Issue of Share Capital	10,000,000	-	-	-	10,000,000
<b>Balance As on 32.03.2082</b>	<b>30,000,000</b>	-	-	<b>(952,280)</b>	<b>29,047,720</b>

The accompanying notes are an integral part of this financial statements.

As per our report of even date

ALINA SHRESTHA  
FINANCE MANAGER

NIRAJ SUBEDI  
CHIEF EXECUTIVE OFFICER

SHANKER RAJ PANDEY  
CHAIRPERSON

PRAKASHMANI GHIMIRE  
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SUNIL ADHIKARI  
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For: S.A.R. Associates  
Chartered Accountants

PLACE: Kathmandu  
DATE: 16<sup>th</sup> October, 2025



HIMALAYAN MULTI AGRO LTD.

**SCHEDULE FORMING PART OF FINANCIAL STATEMENTS**

As on 32 Ashad, 2082 (16 July, 2025)

PARTICULARS	LAND	BUILDING	LEASEHOLD PROPERTIES	COMPUTER & ACCESSORIES	VEHICLES	MACHINERY	TOTAL ASAR END 2082 (16 JULY, 2025)	TOTAL ASAR END 2081 (15 JULY, 2024)
Cost								
<b>As on Shrawan 1, 2080</b>	<b>30,679,000</b>							<b>30,679,000</b>
Addition during the Year								
Acquisition	-							-
Capitalization	-							-
Disposal during the year	-							-
Adjustment/Revaluation	-							-
<b>Balance as on Asar end 2081</b>	<b>30,679,000</b>	-	-	-	-	-		<b>30,679,000</b>
Addition during the Year								
Acquisition	-							-
Capitalization	-							-
Disposal during the year	-							-
Adjustment/Revaluation	-							-
<b>Balance as on Asar end 2082</b>	<b>30,679,000</b>	-	-	-	-	-	<b>30,679,000</b>	
Depreciation and Impairment								
<b>As on Shrawan 1, 2080</b>	-							-
Depreciation charge for the Year	-							-
Impairment for the year	-							-
Disposals	-							-
Adjustment	-							-
<b>As on Asar end 2081</b>	-	-	-	-	-	-		-
Impairment for the year	-	-	-	-	-	-	-	
Depreciation charge for the Year	-	-						
Disposals	-	-						
Adjustment	-	-						
<b>As on Asar end 2082</b>	-	-	-	-	-	-	-	
<b>Capital Work in Progress</b>	-	-	-	-	-	-	-	-
<b>Net Book Value</b>								
<b>As on Asar end 2081</b>	<b>30,679,000</b>	-	-	-	-	-		<b>30,679,000</b>
<b>As on Asar end 2082</b>	<b>30,679,000</b>	-	-	-	-	-	<b>30,679,000</b>	



HIMALAYAN MULTI AGRO LTD.

**SCHEDULE FORMING PART OF FINANCIAL STATEMENTS** For the year ended on 32 Ashad, 2082 (16 July, 2025)**INVENTORY** Schedule -2

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Packing Materials	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**CASH & BANK** Schedule -3

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Cash-in-Hand (as certified by the Management )	832	832
<b>Bank Balances:</b>		
Citizens Bank International Ltd.	899,755	821,306
<b>Total</b>	<b>900,587</b>	<b>822,138</b>

**TRADE & OTHER RECEIVABLES** Schedule -4

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Debtors	-	-
Advance from Suppliers	13,536	-
<b>Total</b>	<b>13,536</b>	<b>-</b>

**SHARE CAPITAL** Schedule -5

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
<b>Authorised Capital</b>		
2,000,000 no. 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>		
3,00,000 nos. of shares of Rs. 100	30,000,000	
2,00,000 nos. of shares of Rs. 100		20,000,000
1,00,000 nos. of shares of Rs. 100		10,000,000
Less: Amount Received on call	-	(10,000,000)
<b>Total</b>	<b>30,000,000</b>	<b>20,000,000</b>

**SHARE APPLICATION** Schedule -6

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Amount Received for Share Capital on Call	-	10,000,000
<b>Total</b>	<b>-</b>	<b>10,000,000</b>

**RESERVE & SURPLUS** Schedule -7

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Profit/(Loss) upto Previous Year	(925,087)	(760,159)
Profit/(Loss) for the Year	(27,193)	(164,928)
<b>Total</b>	<b>(952,280)</b>	<b>(925,087)</b>



## HIMALAYAN MULTI AGRO LTD.

**SUNDRY CREDITORS** Schedule -8

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Creditors	91,553	-
	-	-
<b>Total</b>	<b>91,553</b>	<b>-</b>

**TRADE & OTHER PAYABLES** Schedule -9

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
TDS Payable	2,389	1,701
Audit Fee Payable	19,700	22,300
Other Payable	2,427,948	2,402,224
VAT Payables	3,814	-
<b>Total</b>	<b>2,453,851</b>	<b>2,426,225</b>

**SALES** Schedule -10

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Sales Revenue	762,183	-
<b>Total</b>	<b>762,183</b>	<b>-</b>

**COST OF GOODS SOLD** Schedule -11

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Opening Inventory	-	-
Add: Purchase	680,515	-
Less: Closing Stock	-	-
<b>Total</b>	<b>680,515</b>	<b>-</b>

**ADMINISTRATIVE EXPENSES** Schedule -12

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Audit Fee	20,000	22,600
Legal Expenses	8,700	8,700
Notice & Publicaiton Expenses	18,080	6,400
Other Expenses	1,356	832
Registration & Renewal Expenses	25,724	126,396
<b>Total</b>	<b>73,861</b>	<b>164,928</b>

**SELLING AND DISTRIBUTION** Schedule -8

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Transportation	35,000	-
<b>Total</b>	<b>35,000</b>	<b>-</b>



## A. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENT

### 1. General Background of the Company

Himalayan Multi Agro Ltd. is a public company domiciled in Birgunj, Nepal. The registered office of the company is at Parsa 21, Birgunj and has the objective of managing by-products generated from industrial productions.

### 2. Basis of Preparation

Himalayan Multi Agro Ltd. financial statements are prepared in accordance with the Nepal Financial Reporting Standards which comprises of Nepal Accounting Standards and Nepal Financial Reporting Standards issued by Nepal Accounting Standards Board. These financial statements for the year ended 32nd Ashadh 2082 comprising of following have been prepared as prescribed under Companies Act, 2063:

- a) Statement of Financial Position as at the end of the period;
- b) Statement of Profit or Loss and other Comprehensive Income for the period;
- c) Statement of Changes in Equity for the period;
- d) Statement of Cash Flows for the period;
- e) Notes, comprising significant accounting policies and other explanatory information;
- f) Comparative information in respect of the preceding period
- g) Statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective statement of items in its financial statement, or when it reclassifies items in its financial statements.

These financial statements for the year ended 32nd Ashadh 2082 prepared by Himalayan Multi Agro Ltd. is in accordance with NFRSs issued and prevailing as on date. Carve-outs issued by the Accounting Standard Board Nepal and applicable for Himalayan Multi Agro Ltd. have been adopted as and where necessary.

### 3. Statement of Compliance

The Financial Statement of Himalayan Multi Agro Ltd. which comprises components mentioned above have been prepared in accordance with Nepal Financial

Reporting Standards (hereafter referred as NFRS laid down by the Institute of Chartered Accountants of Nepal).

### 4. Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of Financial Statements as per applicable and relevant laws and provisions in force.

### 5. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Defined Benefit plans
- Financial Assets and Liabilities Classified as measured at Fair value
- Lease assets measured as per NFRS 16
- Investment in Associates measured using equity method
- Investment Property measured at Fair Value

### 6. Functional and Presentation Currency

The Financial Statements of Himalayan Multi Agro Ltd. are presented in Nepalese Rupees (NPR), which is the currency of the primary economic environment in which the Company operates. There was no change in Himalayan Multi Agro Ltd.'s presentation and functional currency during the year under review.

### 7. Presentation of Financial Statements

The assets and liabilities of the company presented in the Statement of Financial Position are grouped in an order of the functions of assets within the entity and the amounts nature and timing of liabilities. An analysis is made on recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current).

### 8. Materiality and Aggregation

In compliance with Nepal Accounting Standard - NAS 01 (Presentation of Financial Statements), each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or functions too are presented separately unless they are immaterial.

### 9. Offsetting

In compliance with Nepal Accounting Standard- NAS



01 (Presentation of Financial Statements), assets and liabilities or income and expenses are not offset, unless required or permitted by a NFRS.

Also, as per Para 42 of NAS 32 Financial Instruments- Presentation, Financial Assets and Financial Liabilities are offset and the net amount reported in the Statement of Financial Position, only when:

- a. There is legally enforceable right to set off the recognized amounts; and
- b. Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Different material and relevant items identified to have significant impact on user's decision-making process have been shown separately.

#### 10. Comparative Information

The Financial Statement of the Company provides comparative information in respect of previous periods. The accounting policies have been consistently applied by the Company with those of the previous financial year in accordance with NAS 01 Presentation of Financial Statements, except those which had to be changed as a result of application of the new NFRSs. Further, comparative information is reclassified wherever necessary to comply with the current period presentation.

#### 11. Judgments, Estimates and Assumptions

The preparation of Financial Statements in conformity with Nepal Accounting Standards requires the management to make judgments, estimates and assumptions in respect of the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these judgments, estimates and assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the period in which the estimates are revised and in any future periods affected.

The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have significant effect in the Financial Statements are as follows:

#### 12. Going Concern

The Board has made an assessment of the Company's ability to continue as a going concern and satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Board is aware of any material uncertainties that may cast significant doubt upon ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it. Therefore, the Financial Statements continue to be prepared on the going concern basis.

#### 13. Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market are considered when these are accessible by the Company.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### B. SCHEDULE TO THE FINANCIAL STATEMENTS

#### 1. Property, Plant and Equipment

The company applies cost model of valuation to assets within the same class of property, plant, and equipment (PPE) in accordance with NAS 16: Property, Plant and Equipment.

Cost Model: In this model, assets are measured at historical cost less accumulated depreciation and impairment losses. This method provides a stable and consistent measurement basis.



## Recognition and Measurement

The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into the operation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Revaluations have been made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period

When parts of property, plant and equipment are significant in cost in comparison to the total cost of the item, and where such parts/components have a useful life different than other parts and are required to be replaced at different intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhaul is performed, the directly attributable cost of the overhaul is recognized in the carrying amount of the plant and equipment if the recognition criteria are satisfied. This is recorded as a separate component with a useful life generally equal to the time period up to the next scheduled major overhaul.

## Subsequent Expenditures

Subsequent expenditure incurred to replace a component of an item of property, plant and equipment or to improve its operational performance, that is accounted for separately, is included in the asset's carrying amount or recognized as a separate asset as appropriate when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced asset is subsequently derecognized.

Expenditure on major inspection and overhauls of production plant is capitalized when it meets the asset recognition criteria and is depreciated over the period until the next major overhaul. All other repair and maintenance costs are charged to the consolidated statement of comprehensive income during the year in which they are incurred

## Depreciation

Depreciation is provided on all other items of property, plant and equipment so as to write off the carrying value over the expected useful economic life.

Depreciation is charged to statement of income on a written down value method over the estimated useful life of fixed assets.

Impairment of Assets other than financial assets: - Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (NAS 36 Impairment of assets). An impairment loss is recognized 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 other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

At each financial reporting date, Himalayan Multi Agro Ltd. reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, Himalayan Multi Agro Ltd. the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual



cash-generating units, or otherwise they are allocated to the smallest entity of cash-generating units for which a reasonable and consistent allocation basis can be identified.

However, assets are not tested for impairment as on reporting date.

## 2. Deferred Tax Assets/Liabilities

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except: -

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and

tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax asset/liability has been recognized and accounted for on the temporary timing difference between the Tax base with Carrying amount of assets and liabilities.

## 3. Inventories

Inventories comprise raw material, work in progress and finished. Inventories are stated at the lower of cost and estimated net realizable value.

Cost is determined using the weighted average method. Inventory cost includes:

- costs of purchase (including taxes, transport, and handling) net of trade discounts received
- costs of conversion (including fixed and variable manufacturing overheads) and
- other costs incurred in bringing the inventories to their present location and condition

Net realizable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, shall be recognized as a reduction in the number of inventories recognized as an expense in the period in which the reversal occurs.



#### 4. Trade and Other Receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. They are subsequently measured at amortised cost less Impairment allowance.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Usually, the collection of such trade receivables is expected in 1 year or less (or in the normal operating cycle of the business if longer).

#### 5. Cash and Cash Equivalent

Cash and Cash Equivalent comprise of cash in hand, cheques in hand, current and call accounts with the banks. For the purposes of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at current and call accounts with banks, other short term highly liquid investments with original maturities of three months or less. Allowance for loss in lieu of shortage of cash and cash equivalents are made for, if any, in the value of such cash and cash equivalents.

#### 6. Share capital

Share capital represents the funds received in the form of cash or cash equivalents, including initial equity contributions. It encompasses provisions for issuing bonus shares, as guided by the relevant accounting standards, including NAS 32 (Financial Instruments: Presentation) and NAS 1 (Presentation of Financial Statements).

Bonus shares are issued from retained earnings or eligible reserves. Transaction costs related to equity are deducted from share capital, and the balance may be categorized under paid-up capital or other equity components.

#### 7. Reserve and Surplus

Reserves and surplus comprise various components, including the opening balance, additions during the year, transfers to and from reserves, dividends, bonus shares issued, adjustments, and consolidation adjustments in retained earnings from owner transactions. It also includes share premium and transfers from revaluation surplus to retained earnings upon the disposal of assets, in compliance with NAS 1 and NAS 16.

#### 8. Sundry creditors, Trade and Other Payables

Trade and other payables represent liabilities for goods or services provided to Himalayan Multi Agro Ltd. prior to the end of financial year which are unpaid. Trade payables are classified as current liabilities unless payment is not due within twelve (12) months after the reporting period.

#### 9. Revenue from Operation

All income relating to normal business operations is recognized as revenue in the income statement in accordance with NFRS 15. All other income is reported as other operating income.

Revenue is recognized when control over the goods or services transfers to the customer, i.e., when the customer has the ability to control the use of the transferred goods or services provided and generally derive their remaining benefits. There must be a contract with enforceable rights and obligations and, amongst other things, the receipt of consideration must be likely, taking into account the customer's credit quality. Revenue corresponds to the transaction price to which Himalayan Multi Agro Ltd. is expected to be entitled. Variable consideration is included in the transaction price when it is highly probable that a significant reversal in the amount of revenue recognized will not occur and to the extent that the uncertainty associated with the variable consideration no longer exists.

For each performance obligation, revenue is either recognized at a point in time or over time. The revenue generated by providing services is recognized in the reporting period in which the service was rendered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

#### 10. Cost Of Sales

The Cost of Sales includes all costs directly attributable to the production of goods and services sold during the period, in line with NAS 2. These costs consist of direct materials, direct labor, manufacturing overheads, and the cost of inventory sold. The cost of sales is recognized in the period when the related revenue is recognized.



The Cost of Sales includes all costs directly attributable to the production of goods and services sold during the period, in line with NAS 2. This amount includes the cost of the materials used in the production of goods and services along with the direct labor costs, manufacturing overheads, and the cost of inventory sold. and it does not include overhead expense related to the general operation of the business. An expense is recognized immediately in the income statement when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the balance sheet as an asset.

### 11. Other Income

Other Income are the income earned by a company from activities outside its core operations. It includes revenue generated from non-operating sources such as interest income, dividend income, rental income, gains on sale of assets, and foreign exchange gains. These items are typically reported separately from revenue from operations in the financial statements.

### 12. Administration Expense

Office and Administration Expense include the expenses from repair and maintenance, rent, rates and taxes, printing and stationeries, advertisement expenses, insurance premium, etc. Audit fees have also been incorporated in general administrative expenses. These expenses are recognized as and when incurred.

### 13. Selling and Distribution Cost

The Company's Selling and Distribution Expenses include advertising, marketing consumables, product launching, promotional costs, employee expenses (salary, TADA), and transportation-related costs.

### 14. Finance Cost

Finance cost includes expenses related to borrowing funds, such as interest, bank charges, and fees. These costs are expensed unless directly related to qualifying assets, in which case they are capitalized, as per NAS 23.

### 15. Income Taxes

Provision for current tax is made with reference to profit for the financial year based on the provisions of Income Tax Act, 2058. Since, there is taxable loss during the

year, provision for current tax has not been made in the financial statements.

Since there are not any temporary differences, there is no deferred tax income or expense for current financial year

### 16. Earnings Per Share (EPS)

Basic EPS Calculation (as per NAS 33):

According to NAS 33 – Earnings per Share, Basic Earnings Per Share (EPS) is calculated by dividing the profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS Calculation (as per NAS 33):

NAS 33 also requires entities to present Diluted EPS, which reflects the potential dilution that could occur if convertible instruments, share options, or unpaid portions of share capital were converted into ordinary shares.

As per NAS 33, anti-dilutive potential ordinary shares should be ignored in calculating diluted EPS. Therefore, when dilution leads to an increase in EPS, it is treated as anti-dilutive, and the basic EPS is reported as the diluted EPS.

### 17. Contingent Liability

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in financial statements and when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

### 18. Related Party Disclosures

Under NAS 24 Related Party Disclosures, Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational



decisions and include major shareholders, subsidiary companies, associates, retirement funds, directors and key management personnel and their close family members.

Directors and other Key Managerial Personnel (KMP) Key Management Personnel and their immediate family members are also considered to be related parties for disclosure purpose as per NAS-24 "Related Party Disclosures".

As per Nepal Financial Reporting Standard (NAS 24) "Related Party Disclosures", Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Company considers the members of its Board, Chief Executive Officer and all managerial level executives as Key Management Personnel (KMP) of the company

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**Name of related parties and description of relationship.**

A. Holding Company	Himalayan Distillery Limited
B. Fellow Subsidiary	Himalayan Fisheries Limited
	Himalayan Endeavor Organic Limited
C. Key Management Personnel	Mr. Shanker Raj Pandey      Chairman
	Mr. Prakashmani Ghimire      Independent Director
	Mr. Niraj Subedi      Chief Executive Officer

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**Summary of closing balance with related parties**

Particulars	Ashad 32, 2082	Ashad 31, 2081
Amount Received for Share Capital on call (Himalayan Distillery Ltd.)	-	10,000,000
Purchase (Himalayan Distillery Ltd.)	662,299	-
Other Payables (Himalayan Distillery Ltd.)	2,427,948	2,402,224

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**Independent Auditor's Report**

**To the Shareholders of Himalayan Fisheries Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of the Himalayan Fisheries Limited (the "Company"), which comprise the statement of financial position as at Ashadh 32, 2082 (July 16, 2025), and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as at Ashadh 32, 2082 (July 16, 2025), and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

**Basis for opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the 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 are no key audit matters to communicate in our report.

**Responsibility of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the 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.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is 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. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic 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:



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- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained 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 purposes 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 the management,
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

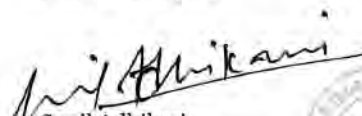
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### ***Report on the requirements of Company Act, 2063***

We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit; the returns received from the Company were adequate for the purpose of the audit; the financial statements including the statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flows including a summary of significant accounting policies and other explanatory notes have been prepared in all material respect in accordance with the provisions of the Company Act, 2063, and they are in agreement with the books of accounts of the Company; and the accounts and records of the Company are properly maintained in accordance with the prevailing laws.

To the best of our information and according to the explanations given to us, in the course of our audit, we observed the business of the Company was conducted satisfactorily, and the Company's transactions were found to be within the scope of its authority. We did not come across cases of accounting related fraud and the cases where the board of directors or any director or any office bearer of the Company has acted contrary to the provisions of law or caused loss or damage to the Company or committed any misappropriation of the funds of Company.

  
 Sunil Adhikari  
 Partner  
 Place: Kathmandu, Nepal  
 Date: October 16, 2025



UDIN No.: 251017CA00598b5X2c



## HIMALAYAN FISHERIES LTD.

**STATEMENT OF FINANICAL POSITION**

As on 32 Ashad, 2082 (16 July, 2025)

Amount in Rs.

PARTICULAR	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	461,461	35,058
Trade & Other Receivables	3	245,000	-
<b>Total Current Assets</b>		<b>706,461</b>	<b>35,058</b>
<b>Total Assets</b>		<b>83,225,711</b>	<b>82,554,308</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Share Capital	4	81,100,000	81,100,000
Reserve & Surplus	5	(670,551)	(527,857)
Total Equity		80,429,449	80,572,143
Current Liabilities			
Trade & Other Payables	6	2,796,262	1,982,165
<b>Total Current Liabilities</b>		<b>2,796,262</b>	<b>1,982,165</b>
<b>Total Equity &amp; Liabilities</b>		<b>83,225,711</b>	<b>82,554,308</b>

Schedule 1 to 7 and accompanying notes are an integral part of this financial statements

As per our report of even date

ALINA SHRESTHA  
FINANCE MANAGER

SANTOO SHRESTHA  
DIRECTOR

SHANKER RAJ PANDEY  
CHAIRPERSON

BADRI BISHAL GHIMIRE  
DIRECTOR

SUNIL ADHIKARI  
PARTNER  
For: S.A.R. Associates  
Chartered Accountants

PLACE: Kathmandu  
DATE: 16<sup>th</sup> October, 2025



## HIMALAYAN FISHERIES LTD.

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended on 32 Ashad, 2082 (16 July, 2025)

Amount in Rs.

PARTICULAR	SCH	CURRENT YEAR	PREVIOUS YEAR
<b>Income</b>			
Revenue From Operations		-	-
Less : Cost of Sales			
<b>Gross Profit</b>		-	-
Add:			
Other Income		-	-
Less:			
Administrative Expenses	7	142,695	47,704
Financial Expenses		-	-
Depreciation Charges		-	-
<b>Profit Before Tax</b>		<b>(142,695)</b>	<b>(47,704)</b>
Current Tax		-	-
Deferred Tax		-	-
<b>Net Profit/(Loss) After Tax</b>		<b>(142,695)</b>	<b>(47,704)</b>
Basic Earning Per Share		(0.176)	(0.059)
Diluted Per Share		(0.176)	(0.059)

Schedule 1 to 7 and accompanying notes are an integral part of this financial statements

As per our report of even date

ALINA SHRESTHA  
FINANCE MANAGER

SANTOO SHRESTHA  
DIRECTOR

SHANKER RAJ PANDEY  
CHAIRPERSON

BADRI BISHAL GHIMIRE  
DIRECTOR

SUNIL ADHIKARI  
PARTNER  
For: S.A.R. Associates  
Chartered Accountants

PLACE: Kathmandu  
DATE: 16<sup>th</sup> October, 2025



HIMALAYAN FISHERIES LTD.

**STATEMENT OF OTHER COMPREHENSIVE INCOME**

For the year ended on 32 Ashad, 2082 (16 July, 2025)

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
<b>Profit for the year</b>	<b>(142,695)</b>	<b>(47,704)</b>
<b>Other comprehensive income, net of income tax</b>		
<b>a) Items that will not be reclassified to profit or loss</b>		
Gains/(losses) from investments in equity instruments measured at fair value		
Gains/(losses) on revaluation		
Actuarial gains/(losses) on defined benefit plans		
Income tax relating to above items		
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>	<b>-</b>	<b>-</b>
<b>b) Items that are or may be reclassified to profit or loss</b>		
Gains/(losses) on cash flow hedge		
Exchange gains/(losses) (arising from translating financial assets of foreign operation)		
Income tax relating to above items		
Reclassify to profit or loss		
Net other comprehensive income that are or may be reclassified to profit or loss		
<b>"c) Share of other comprehensive income of associate accounted as per equity method"</b>		
<b>Other comprehensive income for the year, net of income tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>(142,695)</b>	<b>(47,704)</b>

The accompanying notes are an integral part of this financial statements.

As per our report of even date

ALINA SHRESTHA  
FINANCE MANAGER

SANTOO SHRESTHA  
DIRECTOR

SHANKER RAJ PANDEY  
CHAIRPERSON

BADRI BISHAL GHIMIRE  
DIRECTOR

SUNIL ADHIKARI  
PARTNER  
For: S.A.R. Associates  
Chartered Accountants

PLACE: Kathmandu  
DATE: 16<sup>th</sup> October, 2025



## HIMALAYAN FISHERIES LTD.

**STATEMENT OF CASH FLOWS**

For the Year Ended 32 Ashad, 2082 (16 July, 2025)

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
<b>A. Cash Flow From Operating Activities</b>		
Net Profit/(Loss) after Tax	(142,695)	(47,704)
Add: Depreciation Charges	-	-
<b>Net Cash Flow Before Changes in Working Capital</b>	<b>(142,695)</b>	<b>(47,704)</b>
Interest Paid	-	-
Changes in Trade and Receivables	(245,000)	10,573
Changes in Trade and Payables	814,097	-
<b>Net Cash Flow From Operating Activities</b>	<b>426,403</b>	<b>(37,131)</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>426,403</b>	<b>(37,131)</b>
Add: Opening Cash & Bank Balance	35,058	72,189
<b>Closing Cash &amp; Bank Balance</b>	<b>461,461</b>	<b>35,058</b>

Schedule 1 to 7 and accompanying notes are an integral part of this financial statements

As per our report of even date

ALINA SHRESTHA  
FINANCE MANAGER

SANTOO SHRESTHA  
DIRECTOR

SHANKER RAJ PANDEY  
CHAIRPERSON

BADRI BISHAL GHIMIRE  
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SUNIL ADHIKARI  
PARTNER  
For: S.A.R. Associates  
Chartered Accountants

PLACE: Kathmandu  
DATE: 16<sup>th</sup> October, 2025



HIMALAYAN FISHERIES LTD.

**STATEMENT OF CHANGES IN EQUITY** For the Year Ended 32 Ashad, 2082 (16 July, 2025)

PARTICULARS	EQUITY SHARE	SHARE PREMIUM	REVALUATION RESERVE	ACCUMULATED PROFIT/(LOSS)	TOTAL
<b>Balance As on 01.04.2080</b>	<b>81,100,000</b>	-	-	<b>(480,153)</b>	<b>80,619,848</b>
Profit / ( Loss ) for the year	-	-	-	(47,704)	(47,704)
Issue of Share Capital	-	-	-	-	-
<b>Balance As on 31.03.2081</b>	<b>81,100,000</b>	-	-	<b>(527,857)</b>	<b>80,572,143</b>
<b>Balance As on 01.04.2081</b>	<b>81,100,000</b>	-	-	<b>(527,857)</b>	<b>80,572,143</b>
Issue of Share Capital	-	-	-	-	-
Profit / ( Loss ) for the year	-	-	-	(142,695)	(142,695)
<b>Balance As on 32.03.2082</b>	<b>81,100,000</b>	-	-	<b>(670,551)</b>	<b>80,429,449</b>

As per our report of even date

ALINA SHRESTHA  
FINANCE MANAGER

SANTOO SHRESTHA  
DIRECTOR

SHANKER RAJ PANDEY  
CHAIRPERSON

BADRI BISHAL GHIMIRE  
DIRECTOR

SUNIL ADHIKARI  
PARTNER  
For: S.A.R. Associates  
Chartered Accountants

PLACE: Kathmandu  
DATE: 16<sup>th</sup> October, 2025



## HIMALAYAN FISHERIES LTD.

**SCHEDULE FORMING PART OF FINANCIAL STATEMENTS**

For the year ended on 32 Ashad, 2082 (16 July, 2025)

PARTICULARS	LAND	BUILDING	LEASEHOLD PROPERTIES	COMPUTER & ACCESSORIES	VEHICLES	MACHINERY	TOTAL ASAR END 2082 (16 JULY, 2025)	TOTAL ASAR END 2081 (15 JULY, 2024)
Cost								
As on Shrawan 1, 2080	82,519,250							82,519,250
Addition during the Year								
Acquisition	-							-
Capitalization	-							-
Disposal during the year	-							-
Adjustment/Revaluation	-							-
<b>Balance as on Asar end 2081</b>	<b>82,519,250</b>	-	-	-	-	-		<b>82,519,250</b>
Addition during the Year								
Acquisition	-							
Capitalization	-							
Disposal during the year	-							
Adjustment/Revaluation	-							
<b>Balance as on Asar end 2082</b>	<b>82,519,250</b>	-	-	-	-	-	<b>82,519,250</b>	
Depreciation and Impairment								
As on Shrawan 1, 2080	-							-
Depreciation charge for the Year	-							-
Impairment for the year	-							-
Disposals	-							-
Adjustment	-							-
<b>As on Asar end 2081</b>	-	-	-	-	-	-		-
Impairment for the year	-	-	-	-	-	-	-	
Depreciation charge for the Year	-	-						
Disposals	-	-						
Adjustment	-	-						
<b>As on Asar end 2082</b>	-	-	-	-	-	-	-	
<b>Capital Work in Progress</b>	-	-	-	-	-	-	-	-
<b>Net Book Value</b>								
<b>As on Asar end 2081</b>	<b>82,519,250</b>	-	-	-	-	-		<b>82,519,250</b>
<b>As on Asar end 2082</b>	<b>82,519,250</b>	-	-	-	-	-	<b>82,519,250</b>	



HIMALAYAN FISHERIES LTD.

**SCHEDULE FORMING PART OF FINANCIAL STATEMENTS** For the year ended on 32 Ashad, 2082 (16 July, 2025)**CASH & BANK** Schedule -2

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Cash-in-Hand (as certified by the Management )	776	776
<b>Bank Balances:</b>		
Citizens Bank International Ltd.	460,685	34,282
<b>Total</b>	<b>461,461</b>	<b>35,058</b>

**TRADE & OTHER RECEIVABLES** Schedule -3

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Debtors	-	-
Advance to Suppliers	245,000	-
<b>Total</b>	<b>245,000</b>	<b>-</b>

**SHARE CAPITAL** Schedule -4

Amount in Rs.

PARTICULAR	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 -5

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Profit/(Loss) upto Previous Year	(527,857)	(480,153)
Profit/(Loss) for the Year	(142,695)	(47,704)
<b>Total</b>	<b>(670,551)</b>	<b>(527,857)</b>

**TRADE & OTHER PAYABLES** Schedule -6

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
TDS Payable	2,935	1,701
Audit Fee Payable	22,300	22,300
Other Payable	2,771,027	1,958,164
<b>Total</b>	<b>2,796,262</b>	<b>1,982,165</b>

**ADMINISTRATIVE EXPENSES** Schedule -6

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Audit Fee	22,600	22,600
Legal Expenses	8,700	8,700
Notice & Publication Expenses	43,505	6,401
Other Expenses	55,004	832
Registration & Renewal Expenses	12,886	9,172
<b>Total</b>	<b>142,695</b>	<b>47,704</b>



## A. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENT

### 1. General Background of the Company

Himalayan Fisheries Ltd. is a public company domiciled in Birgunj, Nepal. The registered office of the company is at Parsa 21, Birgunj and has the objective of carrying out various activities related to agriculture.

### 2. Basis of Preparation

Himalayan Fisheries Ltd. financial statements are prepared in accordance with the Nepal Financial Reporting Standards which comprises of Nepal Accounting Standards and Nepal Financial Reporting Standards issued by Nepal Accounting Standards Board. These financial statements for the year ended 32nd Ashadh 2082 comprising of following have been prepared as prescribed under Companies Act, 2063:

- a) Statement of Financial Position as at the end of the period;
- b) Statement of Profit or Loss and other Comprehensive Income for the period;
- c) Statement of Changes in Equity for the period;
- d) Statement of Cash Flows for the period;
- e) Notes, comprising significant accounting policies and other explanatory information;
- f) Comparative information in respect of the preceding period
- g) Statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective statement of items in its financial statement, or when it reclassifies items in its financial statements.

These financial statements for the year ended 32nd Ashadh 2082 prepared by Himalayan Fisheries Ltd. is in accordance with NFRSs issued and prevailing as on date. Carve-outs issued by the Accounting Standard Board Nepal and applicable for Himalayan Fisheries Ltd. have been adopted as and where necessary.

### 3. Statement of Compliance

The Financial Statement of Himalayan Fisheries Ltd. which comprises components mentioned above have been prepared in accordance with Nepal Financial Reporting Standards (hereafter referred as NFRS laid down by the Institute of Chartered Accountants of Nepal).

### 4. Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of Financial Statements as per applicable and relevant laws and provisions in force.

### 5. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Defined Benefit plans
- Financial Assets and Liabilities Classified as measured at Fair value
- Lease assets measured as per NFRS 16
- Investment in Associates measured using equity method
- Investment Property measured at Fair Value

### 6. Functional and Presentation Currency

The Financial Statements of Himalayan Fisheries Ltd. are presented in Nepalese Rupees (NPR), which is the currency of the primary economic environment in which the Company operates. There was no change in Himalayan Fisheries Ltd.'s presentation and functional currency during the year under review.

### 7. Presentation of Financial Statements

The assets and liabilities of the company presented in the Statement of Financial Position are grouped in an order of the functions of assets within the entity and the amounts nature and timing of liabilities. An analysis is made on recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current).



## 8. Materiality and Aggregation

In compliance with Nepal Accounting Standard - NAS 01 (Presentation of Financial Statements), each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or functions too are presented separately unless they are immaterial.

## 9. Offsetting

In compliance with Nepal Accounting Standard - NAS 01 (Presentation of Financial Statements), assets and liabilities or income and expenses are not offset, unless required or permitted by a NFRS.

Also, as per Para 42 of NAS 32 Financial Instruments- Presentation, Financial Assets and Financial Liabilities are offset and the net amount reported in the Statement of Financial Position, only when:

- a. There is legally enforceable right to set off the recognized amounts; and
- b. Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Different material and relevant items identified to have significant impact on user's decision-making process have been shown separately.

## 10. Comparative Information

The Financial Statement of the company provides comparative information in respect of previous periods. The accounting policies have been consistently applied by the Company with those of the previous financial year in accordance with NAS 01 Presentation of Financial Statements, except those which had to be changed as a result of application of the new NFRSs. Further, comparative information is reclassified wherever necessary to comply with the current period presentation.

## 11. Judgments, Estimates and Assumptions

The preparation of Financial Statements in conformity with Nepal Accounting Standards requires the management to make judgments, estimates and assumptions in respect of the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these judgments, estimates and assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the period in which the estimates are revised and in any future periods affected.

The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have significant effect in the Financial Statements are as follows:

## 12. Going Concern

The Board has made an assessment of the Company's ability to continue as a going concern and satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Board is aware of any material uncertainties that may cast significant doubt upon ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it. Therefore, the Financial Statements continue to be prepared on the going concern basis.

## 13. Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market are considered when these are accessible by the Company.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable



## B. SCHEDULE TO THE FINANCIAL STATEMENTS

### 1. Property, Plant and Equipment

The company applies cost model of valuation to assets within the same class of property, plant, and equipment (PPE) in accordance with NAS 16: Property, Plant and Equipment.

**Cost Model:** In this model, assets are measured at historical cost less accumulated depreciation and impairment losses. This method provides a stable and consistent measurement basis.

#### Recognition and Measurement

The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into the operation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Revaluations have been made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period

When parts of property, plant and equipment are significant in cost in comparison to the total cost of the item, and where such parts/components have a useful life different than other parts and are required to be replaced at different intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhaul is performed, the directly attributable cost of the overhaul is recognized in the carrying amount of the plant and equipment if the recognition criteria are satisfied. This is recorded as a separate component with a useful life generally equal to the time period up to the next scheduled major overhaul.

#### Subsequent Expenditures

Subsequent expenditure incurred to replace a component of an item of property, plant and equipment or to improve its operational performance, that is accounted for separately, is included in the asset's carrying amount or recognized as a separate asset as appropriate when it is probable that future economic benefits in excess of the

originally assessed standard of performance of the existing asset will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced asset is subsequently derecognized.

Expenditure on major inspection and overhauls of production plant is capitalized when it meets the asset recognition criteria and is depreciated over the period until the next major overhaul. All other repair and maintenance costs are charged to the consolidated statement of comprehensive income during the year in which they are incurred

#### Depreciation

Depreciation is provided on all items of property, plant and equipment (other than land) so as to write off the carrying value over the expected useful economic life.

Depreciation is charged to statement of income on a written down value method over the estimated useful life of fixed assets.

**Impairment of Assets other than financial assets:** - Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (NAS 36 Impairment of assets). An impairment loss is recognized 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 other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



At each financial reporting date, Himalayan Fisheries Ltd. reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, Himalayan Fisheries Ltd. the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest entity of cash-generating units for which a reasonable and consistent allocation basis can be identified.

However, assets are not tested for impairment as on reporting date.

## 2. Deferred Tax Assets/Liabilities

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except: -

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax asset/liability has been recognized and accounted for on the temporary timing difference between the Tax base with Carrying amount of assets and liabilities.

## 3. Cash and Cash Equivalent

Cash and Cash Equivalent comprise of cash in hand, cheques in hand, current and call accounts with the banks. For the purposes of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at current and call accounts with banks, other short term highly liquid investments with original maturities of three months or less. Allowance for loss in lieu of shortage of cash and cash equivalents are made for, if any, in the value of such cash and cash equivalents.

## 4. Trade and Other Receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are



recognized at fair value. They are subsequently measured at amortised cost less Impairment allowance.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Usually, the collection of such trade receivables is expected in 1 year or less (or in the normal operating cycle of the business if longer).

## 5. Share capital

Share capital represents the funds received in the form of cash or cash equivalents, including initial equity contributions. It encompasses provisions for issuing bonus shares, as guided by the relevant accounting standards, including NAS 32 (Financial Instruments: Presentation) and NAS 1 (Presentation of Financial Statements).

Bonus shares are issued from retained earnings or eligible reserves. Transaction costs related to equity are deducted from share capital, and the balance may be categorized under paid-up capital or other equity components.

## 6. Reserve and Surplus

Reserves and surplus comprise various components, including the opening balance, additions during the year, transfers to and from reserves, dividends, bonus shares issued, adjustments, and consolidation adjustments in retained earnings from owner transactions. It also includes share premium and transfers from revaluation surplus to retained earnings upon the disposal of assets, in compliance with NAS 1 and NAS 16.

## 7. Trade and Other Payables

Trade and other payables represent liabilities for goods or services provided to Himalayan Fisheries Ltd. prior to the end of financial year which are unpaid. Trade payables are classified as current liabilities unless payment is not due within twelve (12) months after the reporting period.

## 8. Revenue from Operation

All income relating to normal business operations is recognized as revenue in the income statement in accordance with NFRS 15. All other income is reported as other operating income.

Revenue is recognized when control over the goods or services transfers to the customer, i.e., when the customer has the ability to control the use of the transferred goods or services provided and generally derive their remaining benefits. There must be a contract with enforceable rights and obligations and, amongst other things, the receipt of consideration must be likely, taking into account the customer's credit quality. Revenue corresponds to the transaction price to which Himalayan Fisheries Ltd. is expected to be entitled. Variable consideration is included in the transaction price when it is highly probable that a significant reversal in the amount of revenue recognized will not occur and to the extent that the uncertainty associated with the variable consideration no longer exists.

For each performance obligation, revenue is either recognised at a point in time or over time. The revenue generated by providing services is recognised in the reporting period in which the service was rendered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

## 9. Cost Of Sales

The Cost of Sales includes all costs directly attributable to the production of goods and services sold during the period, in line with NAS 2. These costs consist of direct materials, direct labor, manufacturing overheads, and the cost of inventory sold. The cost of sales is recognized in the period when the related revenue is recognized.

The Cost of Sales includes all costs directly attributable to the production of goods and services sold during the period, in line with NAS 2. This amount includes the cost of the materials used in the production of goods and services along with the direct labor costs, manufacturing overheads, and the cost of inventory sold. and It does not include overhead expense related to the general operation of the business. An expense is recognized immediately in the income statement when an expenditure produces no future economic benefits or when, and to the extent



that, future economic benefits do not qualify, or cease to qualify, for recognition in the balance sheet as an asset.

#### 10. Other Income

Other Income are the income earned by a company from activities outside its core operations. It includes revenue generated from non-operating sources such as interest income, dividend income, rental income, gains on sale of assets, and foreign exchange gains. These items are typically reported separately from revenue from operations in the financial statements.

#### 11. Administration Expense

Office and Administration Expense include the expenses from repair and maintenance, rent, rates and taxes, printing and stationeries, advertisement expenses, insurance premium, etc. Audit fees have also been incorporated in general administrative expenses. These expenses are recognized as and when incurred.

#### 12. Selling and Distribution Cost

The Company's Selling and Distribution Expenses include advertising, marketing consumables, product launching, promotional costs, employee expenses (salary, TADA), and transportation-related costs.

#### 13. Finance Cost

Finance cost includes expenses related to borrowing funds, such as interest, bank charges, and fees. These costs are expensed unless directly related to qualifying assets, in which case they are capitalized, as per NAS 23.

#### 14. Income Taxes

Provision for current tax is made with reference to profit for the financial year based on the provisions of Income Tax Act, 2058. Since, there is taxable loss during the year, provision for current tax has not been made in the financial statements.

Since there are not any temporary differences, there is no deferred tax income or expense for current financial year

#### 15. Earnings Per Share (EPS)

Basic EPS Calculation (as per NAS 33):

According to NAS 33 – Earnings per Share, Basic

Earnings Per Share (EPS) is calculated by dividing the profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.

#### Diluted EPS Calculation (as per NAS 33):

NAS 33 also requires entities to present Diluted EPS, which reflects the potential dilution that could occur if convertible instruments, share options, or unpaid portions of share capital were converted into ordinary shares.

However, in this case, if we give effect to the unpaid share capital to calculate diluted EPS, the resulting EPS would actually increase instead of decrease – indicating an anti-dilutive effect.

As per NAS 33, anti-dilutive potential ordinary shares should be ignored in calculating diluted EPS. Therefore, when dilution leads to an increase in EPS, it is treated as anti-dilutive, and the basic EPS is reported as the diluted EPS.

#### 16. Contingent Liability

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in financial statements and when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

#### 17. Related Party Disclosures

Under NAS 24 Related Party Disclosures, Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include major shareholders, subsidiary companies, associates, retirement funds, directors and key management personnel and their close family members.



Directors and other Key Managerial Personnel (KMP) Key Management Personnel and their immediate family members are also considered to be related parties for disclosure purpose as per NAS-24 “Related Party Disclosures”.

As per Nepal Financial Reporting Standard (NAS 24) “Related Party Disclosures”, Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Company considers the members of its Board, Chief Executive Officer and all managerial level executives as Key Management Personnel (KMP) of the company.

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**Name of related parties and description of relationship.**

A. Holding Company	Himalayan Distillery Limited
B. Fellow Subsidiary	Himalayan Multi Agro Limited
	Himalayan Endeavour Organic Ltd.
C. Key Management Personnel	Mr. Shanker Raj Pandey      Chairman
	Mr. Santoo Shrestha      Director
	Mr. Badri Bishal Ghimire      Director

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**Summary of closing balance with related parties**

Particulars	Ashad 32,2082	Ashad 31, 2081
Other Payables (Himalayan Distillery Ltd.)	2,769,355	1,958,164

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**Independent Auditor's Report**

**To the Shareholders of Himalayan Endeavor Organic Limited**

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of the Himalayan Endeavor Organic Limited (the "Company"), which comprise the statement of financial position as at Ashadh 32, 2082 (July 16, 2025), and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Company as at Ashadh 32, 2082 (July 16, 2025), and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

***Basis for opinion***

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

***Key Audit Matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the 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 are no key audit matters to communicate in our report.

***Responsibility of Management and Those Charged with Governance for the Financial Statements***

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the 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.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is 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. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic 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 risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained 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 purposes 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 the management,
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### ***Report on the requirements of Company Act, 2063***

We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit; the returns received from the Company were adequate for the purpose of the audit; the financial statements including the statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flows including a summary of significant accounting policies and other explanatory notes have been prepared in all material respect in accordance with the provisions of the Company Act, 2063, and they are in agreement with the books of accounts of the Company; and the accounts and records of the Company are properly maintained in accordance with the prevailing laws.

To the best of our information and according to the explanations given to us, in the course of our audit, we observed the business of the Company was conducted satisfactorily, and the Company's transactions were found to be within the scope of its authority. We did not come across cases of accounting related fraud and the cases where the board of directors or any director or any office bearer of the Company has acted contrary to the provisions of law or caused loss or damage to the Company or committed any misappropriation of the funds of Company.

  
 Sunil Adhikari  
 Partner  
 Place: Kathmandu, Nepal  
 Date: October 16, 2025



UDIN No.: 251017CA00598y3nDK



HIMALAYAN ENDEAVOR ORGANIC LTD.

**STATEMENT OF FINANCIAL POSITION**

As on 32 Ashad, 2082 (16 July, 2025)

Amount in Rs.

PARTICULAR	SCH	CURRENT YEAR	PREVIOUS YEAR
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	1	-	-
Deferred Tax Assets		-	-
<b>Total Non-Current Assets</b>		-	-
<b>Current Assets</b>			
Inventory	3	-	-
Cash & Cash Equivalents	2	14,990	-
Trade & Other Receivables	4	2,790	-
<b>Total Current Assets</b>		<b>17,780</b>	-
<b>Total Assets</b>		<b>17,780</b>	-
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Share Capital	5	100,000	-
Reserve & Surplus	6	(104,820)	-
Total Equity		(4,820)	-
<b>Current Liabilities</b>			
Sundry Creditor	7	-	-
Trade & Other Payables	8	22,600	-
<b>Total Current Liabilities</b>		<b>22,600</b>	-
<b>Total Equity &amp; Liabilities</b>		<b>17,780</b>	-

Schedule 1 to 11 and accompanying notes are an integral part of this financial statements

As per our report of even date

ALINA SHRESTHA  
FINANCE MANAGER

PRAKASHMANI GHIMIRE  
INDEPENDENT DIRECTOR

SHANKER RAJ PANDEY  
CHAIRMAN

SHIKHER PRASAI  
DIRECTOR

SUNIL ADHIKARI  
PARTNER  
For S.A.R. Associates  
Chartered Accountants

PLACE: Kathmandu  
DATE: 16<sup>th</sup> October, 2025



## HIMALAYAN ENDEAVOR ORGANIC LTD.

**STATEMENT OF PROFIT OR LOSS**

For the year ended on 32 Ashad, 2082 (16 July, 2025)

Amount in Rs.

PARTICULAR	SCH	CURRENT YEAR	PREVIOUS YEAR
<b>Income</b>			
Revenue from Operations	9	387,750.00	-
Less : Cost of Sales	10	352,501.69	-
<b>Gross Profit</b>		<b>35,248</b>	-
<b>Add:</b>			
Other Income		-	-
<b>Less:</b>			
Administrative Expenses	11	140,068	-
Financial Expenses		-	-
Depreciation Charges		-	-
<b>Profit Before Tax</b>		<b>(104,820)</b>	-
Current Tax		-	-
Deferred Tax		-	-
<b>Net Profit/(Loss) After Tax</b>		<b>(104,820)</b>	-
Basic Earning Per Share		(105)	
Diluted Per Share		(105)	

Schedule 1 to 11 and accompanying notes are an integral part of this financial statements

As per our report of even date

ALINA SHRESTHA  
FINANCE MANAGER

PRAKASHMANI GHIMIRE  
INDEPENDENT DIRECTOR

SHANKER RAJ PANDEY  
CHAIRMAN

SHIKHER PRASAI  
DIRECTOR

SUNIL ADHIKARI  
PARTNER  
For S.A.R. Associates  
Chartered Accountants

PLACE: Kathmandu  
DATE: 16<sup>th</sup> October, 2025



HIMALAYAN ENDEAVOR ORGANIC LTD.

**STATEMENT OF OTHER COMPREHENSIVE INCOME**

For the year ended on 32 Ashad, 2082 (16 July, 2025)

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
<b>Profit for the year</b>	<b>(104,820)</b>	-
<b>Other comprehensive income, net of income tax</b>		
<b>a) Items that will not be reclassified to profit or loss</b>		
Gains/(losses) from investments in equity instruments measured at fair value		
Gains/(losses) on revaluation		
Actuarial gains/(losses) on defined benefit plans		
Income tax relating to above items		
<b>Net other comprehensive income that will not be reclassified to profit or loss</b>	-	-
<b>b) Items that are or may be reclassified to profit or loss</b>		
Gains/(losses) on cash flow hedge		
Exchange gains/(losses) (arising from translating financial assets of foreign operation)		
Income tax relating to above items		
Reclassify to profit or loss		
Net other comprehensive income that are or may be reclassified to profit or loss		
<b>"c) Share of other comprehensive income of associate accounted as per equity method"</b>		
<b>Other comprehensive income for the year, net of income tax</b>	-	-
<b>Total comprehensive income for the year</b>	<b>(104,820)</b>	-

Schedule 1 to 11 and accompanying notes are an integral part of this financial statements

As per our report of even date

ALINA SHRESTHA  
FINANCE MANAGER

PRAKASHMANI GHIMIRE  
INDEPENDENT DIRECTOR

SHANKER RAJ PANDEY  
CHAIRMAN

SHIKHER PRASAI  
DIRECTOR

SUNIL ADHIKARI  
PARTNER  
For: S.A.R. Associates  
Chartered Accountants

PLACE: Kathmandu  
DATE: 16<sup>th</sup> October, 2025



## HIMALAYAN ENDEAVOR ORGANIC LTD.

## STATEMENT OF CASH FLOWS

For the Year Ended 32 Ashad, 2082 (16 July, 2025)

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
<b>A. Cash Flow From Operating Activities</b>		
Net Profit/(Loss) after Tax	(104,820)	-
Add: Depreciation Charges	-	-
<b>Net Cash Flow Before Changes in Working Capital</b>	<b>(104,820)</b>	<b>-</b>
Interest Paid	-	-
Changes in Trade and Other Receivables	(2,790)	-
Changes in Sundry Creditors	-	-
Changes in Trade and Other Payables	22,600	-
<b>Net Cash Flow From Operating Activities</b>	<b>(85,010)</b>	<b>-</b>
<b>B. Cash Flow From Investing Activities</b>		
Sales of Fixed Assets	-	-
Purchase of Fixed Assets	-	-
Net Cash Flow From Investing Activities	-	-
<b>C. Cash Flow From Financing Activities</b>		
Increase/(Decrease) in Share Capital	100,000	-
Increase/(Decrease) in Bank Loans	-	-
<b>Net Cash Flow From Financing Activities</b>	<b>100,000</b>	<b>-</b>
<b>Net Cash Flow</b>	<b>14,990</b>	<b>-</b>
Add: Opening Cash & Bank Balance	-	-
<b>Closing Cash &amp; Bank Balance</b>	<b>14,990</b>	<b>-</b>

Schedule 1 to 11 and accompanying notes are an integral part of this financial statements

As per our report of even date

ALINA SHRESTHA  
FINANCE MANAGER

PRAKASHMANI GHIMIRE  
INDEPENDENT DIRECTOR

SHANKER RAJ PANDEY  
CHAIRMAN

SHIKHER PRASAI  
DIRECTOR

SUNIL ADHIKARI  
PARTNER  
For: S.A.R. Associates  
Chartered Accountants

PLACE: Kathmandu  
DATE: 16<sup>th</sup> October, 2025



HIMALAYAN ENDEAVOR ORGANIC LTD.

**STATEMENT OF CHANGES IN EQUITY** As on 32 Ashad, 2082 (16 July, 2025)

PARTICULARS	EQUITY SHARE	SHARE PREMIUM	REVALUATION RESERVE	ACCUMULATED PROFIT/(LOSS)	TOTAL
<b>Balance As on 01.04.2080</b>	-	-	-	-	-
Profit / ( Loss ) for the year	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-
<b>Balance As on 31.03.2081</b>	-	-	-	-	-
<b>Balance As on 01.04.2081</b>	-	-	-	-	-
Profit / ( Loss ) for the year	-	-	-	(104,820)	(104,820)
Issue of Share Capital	100,000	-	-	-	100,000
<b>Balance As on 32.03.2082</b>	<b>100,000</b>	-	-	<b>(104,820)</b>	<b>(4,820)</b>

Schedule 1 to 11 and accompanying notes are an integral part of this financial statements

As per our report of even date

.....  
**ALINA SHRESTHA**  
 FINANCE MANAGER

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

.....  
**SHANKER RAJ PANDEY**  
 CHAIRMAN

.....  
**SHIKHER PRASAI**  
 DIRECTOR

.....  
**SUNIL ADHIKARI**  
 PARTNER  
 For: S.A.R. Associates  
 Chartered Accountants

PLACE: **Kathmandu**  
 DATE: **16<sup>th</sup> October, 2025**



## HIMALAYAN ENDEAVOR ORGANIC LTD.

**SCHEDULE FORMING PART OF FINANCIAL STATEMENTS**

For the year ended on 32 Ashad, 2082 (16 July, 2025)

PARTICULARS	LAND	BUILDING	LEASEHOLD PROPERTIES	COMPUTER & ACCESSORIES	VEHICLES	MACHINERY	TOTAL ASAR END 2082 (16 JULY, 2025)	TOTAL ASAR END 2081 (15 JULY, 2024)
Cost								
As on Shrawan 1, 2080								-
Addition during the Year								
Acquisition	-							-
Capitalization	-							-
Disposal during the year	-							-
Adjustment/Revaluation	-							-
<b>Balance as on Asar end 2081</b>	-	-	-	-	-	-		-
Addition during the Year								
Acquisition	-							
Capitalization	-							
Disposal during the year	-							
Adjustment/Revaluation	-							
<b>Balance as on Asar end 2082</b>	-	-	-	-	-	-	-	
Depreciation and Impairment								
As on Shrawan 1, 2080	-							-
Depreciation charge for the Year	-							-
Impairment for the year	-							-
Disposals	-							-
Adjustment	-							-
<b>As on Asar end 2081</b>	-	-	-	-	-	-		-
Impairment for the year	-	-	-	-	-	-	-	
Depreciation charge for the Year	-	-						
Disposals	-	-						
Adjustment	-	-						
<b>As on Asar end 2082</b>	-	-	-	-	-	-	-	
<b>Capital Work in Progress</b>	-	-	-	-	-	-	-	-
<b>Net Book Value</b>								
<b>As on Asar end 2081</b>	-	-	-	-	-	-		-
<b>As on Asar end 2082</b>	-	-	-	-	-	-	-	



HIMALAYAN ENDEAVOR ORGANIC LTD.

**SCHEDULE FORMING PART OF FINANCIAL STATEMENTS** For the year ended on 32 Ashad, 2082 (16 July, 2025)**CASH & BANK** Schedule -2

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Cash-in-Hand (as certified by the Management )	-	-
<b>Bank Balances:</b>		
Citizens Bank International Ltd.	14,990	-
<b>Total</b>	<b>14,990</b>	<b>-</b>

**INVENTORY** Schedule -3

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Inventory	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**TRADE & OTHER RECEIVABLES** Schedule -4

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Debtors	2,790	-
Advance from Suppliers	-	-
<b>Total</b>	<b>2,790</b>	<b>-</b>

**SHARE CAPITAL** Schedule -5

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
<b>Authorised Capital</b>		
5,00,000 no. of shares of Rs. 100 each	50,000,000	-
<b>Issued Capital</b>		
5,00,000 no. of shares of Rs. 100 each	50,000,000	-
<b>Paid Up Capital</b>		
1,000 nos. of shares of Rs. 100	100,000	-
<b>Total</b>	<b>100,000</b>	<b>-</b>

**RESERVE & SURPLUS** Schedule -6

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Profit/(Loss) upto Previous Year	-	-
Profit/(Loss) for the Year	(104,820)	-
<b>Total</b>	<b>(104,820)</b>	<b>-</b>

**SUNDRY CREDITORS** Schedule -7

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Creditors	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**TRADE & OTHER PAYABLES** Schedule -8

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
TDS Payable	300	-
Audit Fee Payable	22,300	-
<b>Total</b>	<b>22,600</b>	<b>-</b>

**SALES** Schedule -9

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Sales Revenue	387,750	-
<b>Total</b>	<b>387,750</b>	<b>-</b>

**COST OF GOODS SOLD** Schedule -10

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Opening Inventory	-	-
Add: Purchase	352,502	-
Less: Closing Stock	-	-
<b>Total</b>	<b>352,502</b>	<b>-</b>

**ADMINISTRATIVE EXPENSES** Schedule -10

Amount in Rs.

PARTICULAR	CURRENT YEAR	PREVIOUS YEAR
Audit Fee	22,600	-
Notice & Publication Expenses	27,000	-
Bank Charge	8	-
Other Expenses	90,460	-
<b>Total</b>	<b>140,068</b>	<b>-</b>



## A. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENT

### 1. General Background of the Company

Himalayan Endeavor Organic Ltd. is a public company domiciled in Birgunj, Nepal. The registered office of the company is at Parsa 21, Birgunj and has the objective of manufacturing and trading nonalcoholic drinks and food products.

### 2. Basis of Preparation

Himalayan Endeavor Organic Ltd. financial statements are prepared in accordance with the Nepal Financial Reporting Standards which comprises of Nepal Accounting Standards and Nepal Financial Reporting Standards issued by Nepal Accounting Standards Board. These financial statements for the year ended 32nd Ashadh 2082 comprising of following have been prepared as prescribed under Companies Act, 2063:

- a) Statement of Financial Position as at the end of the period;
- b) Statement of Profit or Loss and other Comprehensive Income for the period;
- c) Statement of Changes in Equity for the period;
- d) Statement of Cash Flows for the period;
- e) Notes, comprising significant accounting policies and other explanatory information;
- f) Comparative information in respect of the preceding period
- g) Statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective statement of items in its financial statement, or when it reclassifies items in its financial statements.

These financial statements for the year ended 32nd Ashadh 2082 prepared by Himalayan Endeavor Organic Ltd. is in accordance with NFRSs issued and prevailing as on date. Carve-outs issued by the Accounting Standard Board Nepal and applicable for Himalayan Endeavor Organic Ltd. have been adopted as and where necessary.

### 3. Statement of Compliance

The Financial Statement of Himalayan Endeavor Organic Ltd. which comprises components mentioned above have been prepared in accordance with Nepal Financial Reporting Standards (hereafter referred as NFRS laid down by the Institute of Chartered Accountants of Nepal).

### 4. Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of Financial Statements as per applicable and relevant laws and provisions in force.

### 5. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Defined Benefit plans
- Financial Assets and Liabilities Classified as measured at Fair value
- Lease assets measured as per NFRS 16
- Investment in Associates measured using equity method
- Investment Property measured at Fair Value

### 6. Functional and Presentation Currency

The Financial Statements of Himalayan Endeavor Organic Ltd. are presented in Nepalese Rupees (NPR), which is the currency of the primary economic environment in which the Company operates. There was no change in Himalayan Endeavor Organic Ltd.'s presentation and functional currency during the year under review.

### 7. Presentation of Financial Statements

The assets and liabilities of the company presented in the Statement of Financial Position are grouped in an order of the functions of assets within the entity and the amounts nature and timing of liabilities. An analysis is made on recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current).



## 8. Materiality and Aggregation

In compliance with Nepal Accounting Standard - NAS 01 (Presentation of Financial Statements), each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or functions too are presented separately unless they are immaterial.

## 9. Offsetting

In compliance with Nepal Accounting Standard - NAS 01 (Presentation of Financial Statements), assets and liabilities or income and expenses are not offset, unless required or permitted by a NFRS.

Also, as per Para 42 of NAS 32 Financial Instruments - Presentation, Financial Assets and Financial Liabilities are offset and the net amount reported in the Statement of Financial Position, only when:

- a. There is legally enforceable right to set off the recognized amounts; and
- b. Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Different material and relevant items identified to have significant impact on user's decision-making process have been shown separately.

## 10. Comparative Information

The Financial Statement of the company provides comparative information in respect of previous periods. The accounting policies have been consistently applied by the Company with those of the previous financial year in accordance with NAS 01 Presentation of Financial Statements, except those which had to be changed as a result of application of the new NFRSs. Further, comparative information is reclassified wherever necessary to comply with the current period presentation.

## 11. Judgments, Estimates and Assumptions

The preparation of Financial Statements in conformity with Nepal Accounting Standards requires the management to make judgments, estimates and assumptions in respect of the application of accounting policies and the reported amounts of assets, liabilities,

income and expenses. Actual results may differ from these judgments, estimates and assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the period in which the estimates are revised and in any future periods affected.

The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have significant effect in the Financial Statements are as follows:

## 12. Going Concern

The Board has made an assessment of the Company's ability to continue as a going concern and satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Board is aware of any material uncertainties that may cast significant doubt upon ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it. Therefore, the Financial Statements continue to be prepared on the going concern basis.

## 13. Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market are considered when these are accessible by the Company.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable



- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

## B. SCHEDULE TO THE FINANCIAL STATEMENTS

### 1. Property, Plant and Equipment

The company applies cost model of valuation to assets within the same class of property, plant, and equipment (PPE) in accordance with NAS 16: Property, Plant and Equipment.

**Cost Model:** In this model, assets are measured at historical cost less accumulated depreciation and impairment losses. This method provides a stable and consistent measurement basis.

#### Recognition and Measurement

The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into the operation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Revaluations have been made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period

When parts of property, plant and equipment are significant in cost in comparison to the total cost of the item, and where such parts/components have a useful life different than other parts and are required to be replaced at different intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhaul is performed, the directly attributable cost of the overhaul is recognized in the carrying amount of the plant and equipment if the recognition criteria are satisfied. This is recorded as a separate component with a useful life generally equal to the time period up to the next scheduled major overhaul.

#### Subsequent Expenditures

Subsequent expenditure incurred to replace a component of an item of property, plant and equipment or to improve

its operational performance, that is accounted for separately, is included in the asset's carrying amount or recognized as a separate asset as appropriate when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced asset is subsequently derecognized.

Expenditure on major inspection and overhauls of production plant is capitalized when it meets the asset recognition criteria and is depreciated over the period until the next major overhaul. All other repair and maintenance costs are charged to the consolidated statement of comprehensive income during the year in which they are incurred

#### Depreciation

Depreciation is provided on all items of property, plant and equipment (other than land) so as to write off the carrying value over the expected useful economic life.

Depreciation is charged to statement of income on a written down value method over the estimated useful life of fixed assets.

**Impairment of Assets other than financial assets:** - Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (NAS 36 Impairment of assets). An impairment loss is recognized 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 other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

At each financial reporting date, Himalayan Endeavor Organic Ltd. reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, Himalayan Endeavor Organic Ltd. the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest entity of cash-generating units for which a reasonable and consistent allocation basis can be identified.

However, assets are not tested for impairment as on reporting date.

## 2. Deferred Tax Assets/Liabilities

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except: -

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax asset/liability has been recognized and accounted for on the temporary timing difference between the Tax base with Carrying amount of assets and liabilities.

## 3. Cash and Cash Equivalent

Cash and Cash Equivalent comprise of cash in hand, cheques in hand, current and call accounts with the banks. For the purposes of presentation in the statement of cash flows, cash and cash equivalents include cash in hand,



deposits held at current and call accounts with banks, other short term highly liquid investments with original maturities of three months or less. Allowance for loss in lieu of shortage of cash and cash equivalents are made for, if any, in the value of such cash and cash equivalents.

#### 4. Trade and Other Receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. They are subsequently measured at amortised cost less Impairment allowance.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Usually, the collection of such trade receivables is expected in 1 year or less (or in the normal operating cycle of the business if longer).

#### 5. Share capital

Share capital represents the funds received in the form of cash or cash equivalents, including initial equity contributions. It encompasses provisions for issuing bonus shares, as guided by the relevant accounting standards, including NAS 32 (Financial Instruments: Presentation) and NAS 1 (Presentation of Financial Statements).

Bonus shares are issued from retained earnings or eligible reserves. Transaction costs related to equity are deducted from share capital, and the balance may be categorized under paid-up capital or other equity components.

#### 6. Reserve and Surplus

Reserves and surplus comprise various components, including the opening balance, additions during the year, transfers to and from reserves, dividends, bonus shares issued, adjustments, and consolidation adjustments in retained earnings from owner transactions. It also includes share premium and transfers from revaluation surplus to retained earnings upon the disposal of assets, in compliance with NAS 1 and NAS 16.

#### 7. Trade and Other Payables

Trade and other payables represent liabilities for goods or services provided to Himalayan Endeavor Organic Ltd. prior to the end of financial year which are unpaid. Trade

payables are classified as current liabilities unless payment is not due within twelve (12) months after the reporting period.

#### 8. Revenue from Operation

All income relating to normal business operations is recognized as revenue in the income statement in accordance with NFRS 15. All other income is reported as other operating income.

Revenue is recognized when control over the goods or services transfers to the customer, i.e., when the customer has the ability to control the use of the transferred goods or services provided and generally derive their remaining benefits. There must be a contract with enforceable rights and obligations and, amongst other things, the receipt of consideration must be likely, taking into account the customer's credit quality. Revenue corresponds to the transaction price to which Himalayan Endeavor Organic Ltd. is expected to be entitled. Variable consideration is included in the transaction price when it is highly probable that a significant reversal in the amount of revenue recognized will not occur and to the extent that the uncertainty associated with the variable consideration no longer exists.

For each performance obligation, revenue is either recognised at a point in time or over time. The revenue generated by providing services is recognised in the reporting period in which the service was rendered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

#### 9. Cost Of Sales

The Cost of Sales includes all costs directly attributable to the production of goods and services sold during the period, in line with NAS 2. These costs consist of direct materials, direct labor, manufacturing overheads, and the cost of inventory sold. The cost of sales is recognized in the period when the related revenue is recognized.



The Cost of Sales includes all costs directly attributable to the production of goods and services sold during the period, in line with NAS 2. This amount includes the cost of the materials used in the production of goods and services along with the direct labor costs, manufacturing overheads, and the cost of inventory sold. and It does not include overhead expense related to the general operation of the business. An expense is recognized immediately in the income statement when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the balance sheet as an asset.

#### 10. Other Income

Other Income are the income earned by a company from activities outside its core operations. It includes revenue generated from non-operating sources such as interest income, dividend income, rental income, gains on sale of assets, and foreign exchange gains. These items are typically reported separately from revenue from operations in the financial statements.

#### 11. Administration Expense

Office and Administration Expense include the expenses from repair and maintenance, rent, rates and taxes, printing and stationeries, advertisement expenses, insurance premium, etc. Audit fees have also been incorporated in general administrative expenses. These expenses are recognized as and when incurred.

#### 12. Selling and Distribution Cost

The Company's Selling and Distribution Expenses include advertising, marketing consumables, product launching, promotional costs, employee expenses (salary, TADA), and transportation-related costs.

#### 13. Finance Cost

Finance cost includes expenses related to borrowing funds, such as interest, bank charges, and fees. These costs are expensed unless directly related to qualifying assets, in which case they are capitalized, as per NAS 23.

#### 14. Income Taxes

Provision for current tax is made with reference to profit for the financial year based on the provisions of Income Tax Act, 2058. Since, there is taxable loss during the year, provision for current tax has not been made in the financial statements.

Since there are not any temporary differences, there is no deferred tax income or expense for current financial year

#### 15. Earnings Per Share (EPS)

Basic EPS Calculation (as per NAS 33):

According to NAS 33 – Earnings per Share, Basic Earnings Per Share (EPS) is calculated by dividing the profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS Calculation (as per NAS 33):

NAS 33 also requires entities to present Diluted EPS, which reflects the potential dilution that could occur if convertible instruments, share options, or unpaid portions of share capital were converted into ordinary shares.

As per NAS 33, anti-dilutive potential ordinary shares should be ignored in calculating diluted EPS. Therefore, when dilution leads to an increase in EPS, it is treated as anti-dilutive, and the basic EPS is reported as the diluted EPS.

#### 16. Contingent Liability

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in financial statements and when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.



## 17. Related Party Disclosures

Under NAS 24 Related Party Disclosures, Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include major shareholders, subsidiary companies, associates, retirement funds, directors and key management personnel and their close family members.

Directors and other Key Managerial Personnel (KMP) Key Management Personnel and their immediate family

members are also considered to be related parties for disclosure purpose as per NAS-24 "Related Party Disclosures".

As per Nepal Financial Reporting Standard (NAS 24) "Related Party Disclosures", Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Company considers the members of its Board, Chief Executive Officer and all managerial level executives as Key Management Personnel (KMP) of the company.

### Name of related parties and description of relationship.

A. Holding Company

Himalayan Distillery Limited

B. Fellow Subsidiary

Himalayan Fisheries Limited

Himalayan Multi Agro Limited

C. Key Management Personnel

Mr. Shanker Raj Pandey

Chairman

Mr. Prakashmani Ghimire

Independent Director

Mr. Shikher Prasai

Director

### Summary of closing balance with related parties

Particulars	Ashad 32, 2082	Ashad 31, 2081
Sales (Himalayan Distillery Ltd.)	387,750	-
Other Receivables (Himalayan Distillery Ltd.)	2,790	-



[illegible]



[illegible]



[illegible]



[illegible]



[illegible]









HIMALAYAN DISTILLERY LIMITED

REGISTERED ADDRESS:

Birgunj Metropolitan City-21, Parsa, Nepal

CONTACT OFFICE:

Jawalakhel, Lalitpur, Nepal

P.O. Box: 23521

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BANKING PARTNER



The Bank For All



STATUTORY AUDITOR:

S.A.R. Associates

Chartered Accountants