

PRADHAN & SHAKYA ASSOCIATES

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT To the Shareholders of Nepal Republic Media Limited.

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Nepal Republic Media Limited, which comprises the Statement of Financial Position as at Ashadh 32, 2082 (corresponding to July 16, 2025), and the statement of profit & loss, the 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 financial statements present fairly, in all material respect, the Statement of Financial Position as at Ashadh 32, 2082 (corresponding to July 16, 2025) and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis for Opinion

We have conducted our audit in accordance with Nepal Standards on Auditing (NSA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of the entity in accordance with the *Institute of Chartered Accountant of Nepal'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 ethical responsibilities in accordance with these requirements and the ICAN's Handbook of The 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.

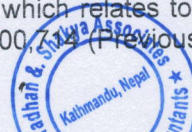
Emphasis of Matter

We draw attention to Note 3.26 to the financial statements, which states that the Company has carried forward deferred tax asset of NPR 40,250,239 in the Statement of Financial Position; however, the corresponding deferred tax income or deferred tax expense arising from the movement in this balance has not been recognized in the Statement of Profit or Loss for the period. The Company has opted not to recognize deferred tax expenses in its financial statements for the year. The reason for this decision is that the Company is in the process of assessing its future tax position. Until this assessment is complete, the Company has determined that it would not be appropriate to recognize deferred tax. This treatment is not in compliance with the requirements of NAS 12 – Income Taxes, which mandates that all movements in deferred tax assets and liabilities be recognized as deferred tax income or expense in profit or loss, except when relating to items recognized outside profit or loss. The omission results in incomplete presentation of income tax effects for the period, and management has acknowledged the need to ensure full compliance with NAS 12 in future reporting periods. Our opinion is not modified in respect of this matter.

We draw attention to Note 3.27 of the financial statement which states that the Company's sundry debtors amount to NPR 413,958,342 as at 32nd Ashadh 2082 (previous year: NPR 394,562,109). A significant portion of these debtors has been outstanding for over a year and the company has not recognized any provision for doubtful debts against these aged receivables and acknowledges that the recoverability of such long-outstanding balances is subject to uncertainty. The management is in the process of reviewing these balances and taking necessary actions for recovery and appropriate provision. Appropriate provisions on doubtful debts will be recognized from next year upon assessment of such balances. Our opinion is not modified in respect of this matter.

We draw attention to Notes 3.17.1 to the financial statements, which relates to the balance of provident fund payables as at 32nd Ashadh 2082 amounting to NPR 17,800,704 (Previous Year: NPR 16,431,325).

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The organization has not deposited these amounts with any recognized retirement fund, nor has a separate fund been created to meet these obligations. As a result, the full amount remains payable to employees. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Those matters were addressed in the context of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the Key Audit Matter was Addressed
<p>a. IT System Controls over Revenue Recording and Compliance with Electronic Billing Requirements</p> <p>The Company utilizes an Enterprise Resource Planning system for its billing and revenue recognition. During our review of the system and application controls, we identified that the system allows creation of pre-dated invoices and editing or deletion of invoices after posting.</p> <p>We identified this as a Key Audit Matter because:</p> <ul style="list-style-type: none"> • Regulatory Compliance: This function is inconsistent with the mandatory requirements of the Inland Revenue Department (IRD) of Nepal regarding Electronic Billing, which requires that invoices must be immutable once issued. • Revenue Integrity: The ability to modify or delete invoices without a permanent audit trail creates a significant risk regarding the completeness and accuracy of the reported Revenue and Trade Receivables. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Evaluating the ERP system's user access controls and testing the ability of users to modify issued invoices • Assessing the configuration of the system for compliance with IRD guidelines for e-billing • Discussing findings with management and assessing their plans for remediating system weaknesses or transitioning to IRD-approved e-billing software <p>Key Observations</p> <ul style="list-style-type: none"> • We found that the current billing system does not restrict users from deleting or editing issued invoices including posting of pre-dated invoices, which is contrary to IRD e-billing protocol requirements. • The absence of such access restrictions increases the risk of invoice data manipulation and non-compliance with legal requirements. • Management has confirmed awareness of this issue and is evaluating options to align their system with IRD-approved e-billing standards to ensure compliance.
<p>b. Valuation of Trade and Other Receivables</p> <p>The Trade and Other Receivables amount to Rs. 471,634,427 as of 32nd Ashadh 2082, represents 38% of the company's total assets size is considered a Key Audit Matter due to the significant proportion of balances outstanding for over one year and the related uncertainty regarding their ultimate realization.</p> <p>Management has not recognized any provision for doubtful debts against these long-outstanding balances for the period ended 31st Ashadh 2082. Further details regarding the status of these aged receivables and the associated risks are disclosed by management in Note 3.26, and attention is drawn to this issue in the Emphasis of Matter section of our report.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Evaluating the Company's policies and procedures for managing credit risk and collections, particularly regarding long-outstanding balances. • Reviewing aging reports for trade receivables and assessing the implications for recoverability. • Engaging in discussions with management to understand their rationale for not providing an allowance for doubtful debts, including any assessments made regarding the collectability of long outstanding amounts. • Testing a sample of significant receivables to verify subsequent cash collections and assess the appropriateness of management's decision not to reward an allowance. <p>Key Observations</p> <p>We concluded that the lack of an allowance for</p>

Key Audit Matter	How the Key Audit Matter was Addressed
	<p>doubtful debts in the context of the significant proportion of long-outstanding receivables represents a material risk. Management's decision not to recognize an allowance may not reflect the expected credit losses.</p> <p>Furthermore, it is essential for the Company to devise strategic plans to enhance its credit management practices, improve collections, and establish an effective process for monitoring the recoverability of trade receivables.</p>

Responsibilities 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 (NFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

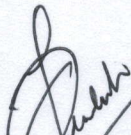

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Nepal Standards on Auditing will always detect a material misstatement when it exists. Misstatements 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 Nepal Standards on Auditing, 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 obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 cause significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial 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 report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirement

- We have obtained information and explanations asked for, which, to the best knowledge and belief, were necessary for the purpose of our audit.
- In our opinion, Statement of financial position, Statement of Profit & Loss, Statement of Changes in Equity and Statement of Cash Flows, have been prepared in accordance with the requirements of the Companies Act, 2063 and are in agreement with the books of account maintained by the Company.
- To the best of our information and according to explanation given to us and so far, appeared from our examination of the books of account of the Company, we have not come across cases where Board of Directors or any employees of the Company have acted contrary to the provisions of law relating to the accounts, or committed any misappropriation or caused loss or damage to the company.



CA. Pratish Shakya
Partner

UDIN: 251228CA00988CwKSt



Date: 2082-08-28 (2025-12-14)
Place: Kathmandu, Nepal



नेपाल चार्टर्ड एकाउन्टेन्ट्स संस्था
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UDIN Document

Fiscal Year: 2081/82

Generated Date / Time: 2025-12-28 16:47:08	UDIN Number: 251228CA00988CwKSf
Member Name: PRATISH SHAKYA	Date of Signing Document: 2025-12-14
Document Type: Audit	Audit Type: Statutory Audit
Office Type: Listed Public Company	Office Name: NEPAL REPUBLIC MEDIA LTD.
Type of Audit Opinion: Unqualified Opinion	
Client PAN: 302977750	

Financial figures

S.N.	Heading	Value
1	Total Assets/Liabilities	NRs. 1,228,435,167.00
2	Gross Revenue / Turnover	NRs. 193,558,087.00
3	Gross Expenses	NRs. 191,091,985.00
4	Net Profit or Loss	NRs. 2,466,102.00

Status: Active Document

Document Description:

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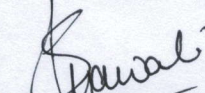
Nepal Republic Media Ltd.
Kathmandu, Nepal
Statement of Financial Position
As at 32 Ashadh 2082 (16th July 2025)

Particulars	Notes	Amount at NPR	
		32.03.2082 (16.07.2025)	31.03.2081 (15.07.2024)
Assets			
Non Current Assets			
Property, Plant and Equipment	3.1	530,083,903	534,502,568
Intangible Assets	3.2	17,314,587	10,688,777
Investment	3.3	15,700,000	135,300,000
Right-of-Use Asset	3.4	10,548,740	18,083,857
Deferred Tax Asset	3.5	40,250,239	40,250,239
Other Non-Current Asset	3.6	1,046,898	1,046,898
Total Non Current Assets		614,944,367	739,872,339
Current Assets			
Inventory	3.7	48,561,022	71,226,249
Trade & Other Receivables	3.8	471,634,427	476,141,081
Cash and Cash Equivalents	3.9	93,295,352	6,477,643
Total Current Assets		613,490,801	553,844,974
Total Assets		1,228,435,167	1,293,717,312
Equity and Liabilities			
Equity			
Share Capital	3.10	967,500,000	967,500,000
Retained Earnings	3.11	(505,220,034)	(507,686,136)
Other Component of Equity	3.12	396,930,980	397,309,938
Total Equity		859,210,946	857,123,802
Non Current Liabilities			
Long Term Borrowings	3.13	83,509,936	91,394,389
Lease Liability	3.14	4,862,806	13,063,285
Other Non Current Liabilities	3.15	10,991,284	11,821,891
Total Non Current Liabilities		99,364,027	116,279,565
Current Liabilities			
Trade and Other Payables	3.16	80,425,659	81,321,891
Employee Benefit Liability	3.17	26,211,893	32,254,129
Lease Liability	3.14	8,261,399	8,124,176
Short Term Borrowings	3.18	154,961,243	198,613,749
Total Current Liabilities		269,860,193	320,313,945
Total Liabilities		369,224,220	436,593,510
Total Equity and Liabilities		1,228,435,167	1,293,717,312

Significant Accounting Policies and Notes to Account form integral part of financial statements

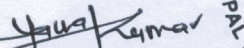
As per our report of even date



Binod Raj Gyawali
Chairman


Sambiridhi Gyawali
Managing Director


CA Pratish Shakya
Partner

Pradhan & Shakya Associates,
Chartered Accountants


Ujjawal Kumar Timilsina
Chief Finance Officer


Rome Nath Ghimire
Director

Date: 2082-08-28
Place: Kathmandu, Nepal



Nepal Republic Media Ltd.
Kathmandu, Nepal
Statement of Profit or Loss and Other Comprehensive Income
For the period ended 32 Ashadh 2082 (16th July, 2025)

Particulars	Notes	Amount at NPR	
		32.03.2082 (16.07.2025)	31.03.2081 (15.07.2024)
Revenue	3.19	180,479,656	180,463,189
Cost of Sales	3.20	81,399,022	60,596,464
Gross Income		99,080,634	119,866,725
Other Income	3.21	13,078,432	12,147,316
Administration Expenses	3.22	47,676,077	56,536,800
Selling & Distribution Expenses	3.23	15,210,703	15,327,808
IPO Expenses		-	3,807,729
Operating Profit/ (Loss)		49,272,286	56,341,705
Finance Charge	3.24	30,808,222	37,132,366
Depreciation and Amortization	3.25	15,997,961	17,136,436
Profit/ (Loss) before Tax		2,466,102	2,072,902
Income Tax Expenses	3.26	-	-
Net Profit/ (Loss) For the Year		2,466,102	2,072,902

Earnings Per Share

Basic EPS (Net Profit/(Loss)/Share Capital)	0.25	0.21
Diluted EPS	0.25	0.21

Other Comprehensive Income:


Changes in Revaluation Surplus	3.28	(378,958)	(378,958)
Actuarial Gain (Loss) on Remeasurements of Defined Benefit Plans			

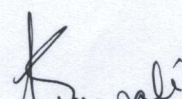
Gains and Losses on financial assets measured at Fair Value through other Comprehensive Income
Income Tax relating to items that will not be Reclassified

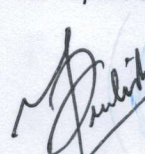
Other Comprehensive Income for the Year	(378,958)	(378,958)
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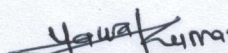
Total Comprehensive Income	2,087,144	1,693,944
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As per our report of even date

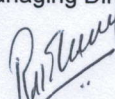

Binod Raj Gyawali
Chairman


Sambuddhi Gyawali
Managing Director


CA Pratish Shakya
Partner
Pradhan & Shakya
Associates,


Ujjawal Kumar Timilsina
Chief Finance Officer




Rome Nath Ghimire
Director

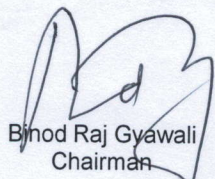


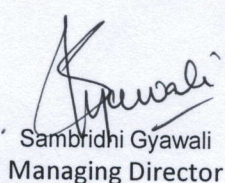
Nepal Republic Media Ltd.
Kathmandu, Nepal

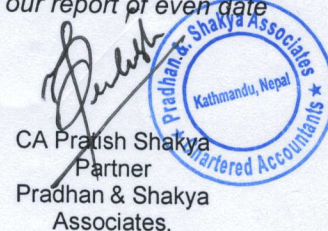
Statement of Cash Flows
For the period ended 32 Ashadh 2082 (16th July, 2025)

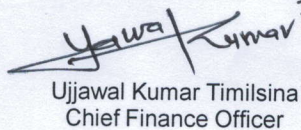
Particulars	32.03.2082 (16.07.2025)	31.03.2081 (15.07.2024)
Cash Flow from Operating Activities		
Profit before Tax	2,466,102	2,072,902
Adjustments		
Depreciation & Ammortization	15,997,961	17,136,436
Income from Investment and Bank Deposit		-
Lease Expense	(9,333,319)	(9,291,924)
Gain on Disposal of assets	-	(601,373)
Finance Charge	30,808,222	37,132,366
Cash flow before Working Capital Changes	<u>39,938,967</u>	<u>46,448,408</u>
Movements in Working Capital		
(Increase)/Decrease in Inventory	22,665,227	2,963,036
(Increase)/Decrease in Trade and Other Receivables	4,506,654	(55,421,578)
(Increase)/Decrease In Other Non-Current Asset	-	(45,000)
Increase/(Decrease) in Provisions		
Increase/(Decrease) in Trade and Other Payable	(896,232)	(7,019,205)
Increase/(Decrease) Non-Current Liabilities	(830,606)	(918,024)
Increase/(Decrease) Employee Benefit Liabilities	(6,042,236)	3,471,810
Income Taxes Paid		
Total Adjustments	<u>19,402,806</u>	<u>(56,968,962)</u>
Net Cash flow from Operating Activities (A)	<u>59,341,773</u>	<u>(10,520,554)</u>
Cash Flow from Investing Activities		
Increase in Property, Plant and Equipment	(11,048,948)	(13,654,965)
Proceeds from Sale of Asset		2,067,931
Decrease/ (Increase) in Investment	119,600,000	(135,300,000)
Income from Investment and Bank Deposit		-
Net Cash Flow from Investing Activities (B)	<u>108,551,052</u>	<u>(146,887,034)</u>
Cash Flow from Financing Activities		
Interest Payment	(29,538,159)	(35,100,657)
Increase/ (Decrease) in Capital		-
Increase/ (Decrease) in Borrowings	(51,536,959)	5,037,465
Net Cash Flow from Financing Activities (C)	<u>(81,075,118)</u>	<u>(30,063,191)</u>
Net Increase in Cash (A+B+C)	<u>86,817,708</u>	<u>(187,470,779)</u>
Cash and Cash Equivalents at Beginning of the Year	6,477,644	193,948,423
Cash and Cash Equivalents at the End of the Year	<u>93,295,352</u>	<u>6,477,644</u>

As per our report of even date

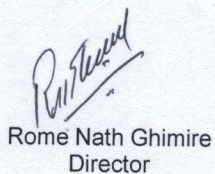

Binod Raj Gyawali
Chairman

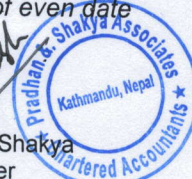

Sambiridhi Gyawali
Managing Director


CA Prakash Shaky
Partner
Pradhan & Shaky
Associates,


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Rome Nath Ghimire
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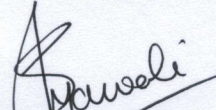
Nepal Republic Media Ltd.
Kathmandu, Nepal

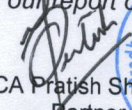
Statement of Changes in Equity
For the period ended 32 Ashadh 2082 (16th July, 2025)

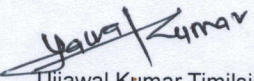
Particular	Other components of Equity				in NPR
	Share Capital	Retained Earnings	CSR Fund	Revaluation Reserve	Total
Opening Balance As On 01.04.2081	967,500,000	(507,686,136)	328,846	396,981,091	857,123,802
Prior Period Error					-
Net Profit (Loss) During The Year	-	2,087,144			2,087,144
Difference In Investment Revaluation	-				
Depreciation on Revalued Assets		378,958		(378,958)	-
Revaluation Gain This Year	-				
Share Issued This Year					
Advance Share Capital					
Dividend Paid	-				
Balance As On 32/03/2082	967,500,000	(505,220,034)	328,846	396,602,133	859,210,946

As per our report of even date



Binod Raj Gyawali
Chairman

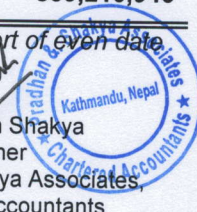

Sambiridhi Gyawali
Managing Director


CA Pratish Shakya
Partner
Pradhan & Shakya Associates,
Chartered Accountants


Ujjawal Kumar Timilsina
Chief Finance Officer




Rome Nath Ghimire
Director



Accounting Policies and Explanatory Notes to Financial Statements
Nepal Republic Media Ltd.
For the period Shrawan 1, 2081 to Ashadh 32, 2082

1 General Information

Nepal Republic Media Ltd (hereafter referred to as "NRM") is a public limited liability company domiciled in Nepal. The address of its registered office is Kathmandu, Nepal. The principal objective of the company is providing news. The company has been registered in Inland Revenue Department with PAN 302977750.

2 Significant accounting policies:

2.1 Basis of Preparation and measurement

• **Statement of compliance**

The financial statements have been prepared and approved by Board of Directors in accordance with applicable Nepal Financial Reporting Standard (NFRS) as issued by the Institute of Chartered Accountants of Nepal (ICAN) to the extent applicable. The financial statements have also been prepared in accordance with the relevant presentational requirements of Company Act, 2063 of Nepal.

The financial statements were authorized for issue by the Board of Directors on 28-08-2082

• **Basis of Preparation**

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statement. All current or non-current Assets/Liabilities is segregated as per the Company's normal operating cycle. Based on the nature of the products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

• **Presentation Currency**

The financial statements are prepared in functional and presentation currency of the company i.e. Nepalese Rupee "NPR" which is the currency of the primary economic environment in which the company operates.

• **Basis of Measurement**

These financial statements are prepared under historical cost convention except for the certain material items that have been measured at fair value as required by the relevant NFRS and explained in the ensuing policies below.

• **Financial Period**

NRM follows the Nepalese financial year based on the Nepalese calendar. The financial statements has been prepared for the period of Shrawan 1 2081 to Ashadh 32 2082 (corresponding to 16 July 2024 to 16 July 2025)

• **Accounting Convention**

The financial statements have been prepared on a historical cost convention except for certain financial elements that have been measured at fair value, wherever standard requires or allowed such measurement. The fair values, wherever used, are discussed in relevant Notes.





The financial statements are prepared on accrual basis. The financial statements have been prepared on a going concern basis. The company has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future.

- **Rearrangement and Reclassification**

The figures for previous years are rearranged, reclassified and/or restated wherever necessary for the purpose of facilitating comparison. Appropriate disclosures are made wherever necessary.

2.2 Critical accounting estimates and judgments:

The preparation of the financial statements in conformity with Nepal Financial Reporting Standards requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the company's accounting policies. The company makes certain estimates and assumptions regarding the future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Property, Plant & Equipment

Accounting Policy

Property, Plant and Equipment (PPE) are those tangible assets used for generation and supply of energy, for administrative purpose or for rentals to others. These are recognized as PPE, if and only if it is probable that future (i.e. for more than one accounting period) economic benefits associated with the items will flow to the Company; and the cost of the item can be measured reliably.

PPE are stated in the SFP at their cost less accumulated depreciation and accumulated impairment losses, if applicable. In each year, PPE is revaluated and any changes in revaluation is charged to Revaluation Reserve.

Cost

The initial cost of PPEs includes purchase price and directly attributable cost to bringing the asset to the location and conditions necessary for it to be capable of operating in the manner intended by management. Subsequent costs that do not qualify the recognition criteria under NAS 16 are expensed as and when incurred.

NAS 16 requires cost of PPE to include the estimated cost for dismantling and removal of the assets, and restoring the site on which they are located. Management perceives that such costs are difficult to estimate and considering the past practice the amount of such costs will not be material to affect the economic decision of the user as a result of such non-inclusion. Therefore, asset retirement obligation has not be recognized.

Depreciation

The Company depreciates its property, plant, and equipment using the **Straight-Line Method (SLM)** in accordance with NAS 16. Under this method, depreciation is charged evenly over the useful life of the asset, reflecting the consumption of economic benefits evenly over time.

The management has estimated that the cost equals depreciable amount of the asset and thus the cost is systematically allocated based on the expected useful life of an asset. Items of property, plant and equipment are depreciated in full in the year of acquisition.

If an item of PPE consists of several significant components with different estimated useful lives and if the cost of each component can be measured reliably, those components are depreciated separately over their individual useful lives. The residual values, useful lives and the depreciation methods of assets are reviewed at least annually, and if expectations differ from previous estimates, changes are made in the estimates and are accounted for as a change in accounting estimates.

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Pradip & Shikya Associates
Kathmandu, Nepal
Chartered Accountants

De-recognition

Assets that have been decommissioned or identified as damaged beyond economic repair or rendered useless due to obsolescence, are derecognized whenever identified. On disposal of an item of PPE or when no economic benefits are expected from its use or disposal, the carrying amount of an item is derecognized. The gain or loss arising from the disposal of an item of PPE is the difference between net disposal proceeds, if any, and the carrying amount of that item and is recognized in the Statement of Profit and Loss.

Estimation of Useful Lives and Depreciation Method used

The Company revised the estimated useful lives of [specific asset categories, e.g., machinery, equipment] as of Shrawan 1, 2080. This revision was based on a management decision, considering the actual usage patterns and future expected economic benefits. Same useful life has been consistently applied for current fiscal year. The useful lives are as follows:

Asset Class	Revised Useful Life
Land	-
Building	50 years
Office Equipment	6 years
Furniture's and Fixtures	7 years
Machineries	10 years
Vehicle	9 years
Leasehold Assets	8 years

The useful lives are reviewed periodically and adjusted when there is evidence that they no longer reflect the expected pattern of economic benefits.

Revaluation of Assets

Revaluation of land and building owned by the organization was carried out on Ashadh 32, 2079. The resulting revaluation surplus was recognized under "Revaluation Reserve" within other components of equity in the previous year.

2.4 Investments

2.4.1 Investment Property

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

Investment Property are recognized on fair value model, where at the end of each period, fair value is determined & any gain/loss on such fair value measurement will be transferred to statement of Profit & Loss and no depreciation is charged for such assets. Fair value reflects the actual market state and circumstances as of the reporting date. The best evidence of fair value is normally given by current prices on an active market for similar property in the same location and condition and subject to similar lease and other contracts.

2.5 Intangible Assets

Accounting Policy

2.5.1 Acquired Intangible Assets

Intangible assets are initially measured at fair value, which reflects market expectations of the probability that the future economic benefits associated in the asset will flow to SCPL, and are amortized on the basis of their expected useful lives.

2.5.2 Software

Acquired software (including websites) are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with the development of software are capitalized

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where it is probable that it will generate future economic benefits in excess of its cost. Computer software costs are amortized on the basis of expected useful life. Costs associated with maintaining software are recognized as an expense as incurred.

At each reporting date, these assets are assessed for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately. Amortization is charged on systematic basis over the estimated life of intangible assets. The estimated life of intangible assets are provided below:

Software(including Websites)	Estimated Life (Years)
Software (Accounting-ERP)	10 Years

2.6 Impairment of Property, Plant and Equipment

2.6.1 Application of Impairment Tests

Impairment of an item of PPE is identified by comparing the carrying amount with its recoverable amount. If individual asset does not generate future cash flows independently of other assets, recoverability is assessed on the basis of cash generating unit (CGU) to which the asset can be allocated.

At each reporting date the company assesses whether there is any indication that an asset may have been impaired. If such indication exists, the recoverable amount is determined. The recoverable amount of a CGU is determined at the higher of fair value less cost to sell on disposal and value-in-use. Generally recoverable amount is determined by means of discounted cash flows unless it can be determined on the basis of a market price. Cash flow calculations are supported by past trend and external sources of information and discount rate is used to reflect the risk specific to the asset or CGU.

2.6.2 Impairment Indication

There has been no apparent indication of impairment of PPE taken as cash generating units (CGU). The recoverability of economic benefits from the existing PPE is considered more than the carrying amount.

2.7 Financial Instruments

The company classifies financial assets and financial liabilities in accordance with the categories specified in NAS 32 and NAS 39.

2.7.1 Financial Instruments: Financial Assets

Financial asset is any asset that is:

- a. cash
- b. an equity instrument of another entity;
- c. a contractual right
 - i. to receive cash or another financial asset from another entity; or
 - ii. to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity; or
- d. a contract that will or may be settled in the entity's own equity instruments and is:
 - i. a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - ii. a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets are classified under four categories as required by NAS 39, namely,

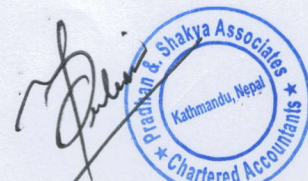
- Fair Value through Profit or Loss,
- Held to Maturity,
- Loans and Receivables and
- Available for Sale.

Financial assets of the Company comprise of Trade & Other Receivables, Cash and Cash Equivalents & Other Non-Current Asset.

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Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and it is expected that substantially all of the initial resource will be recovered, other than because of credit deterioration.

Held-to-maturity

Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that NRM's management has the intention and ability to hold to maturity.

Available-for-sale

Available-for-sale assets are those non-derivative financial assets intended to be held for an indefinite period of time, which may be sold in response to liquidity requirements or changes in interest rates, exchange rates, commodity prices or equity prices.

2.7.2 Financial Liabilities

A financial liability is any liability that is:

- a. contractual obligation:
 - i. to deliver cash or another financial asset to another entity; or
 - ii. to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
- b. a contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial Liabilities under NAS 39 are to be classified as Fair Value through Profit or Loss and those Held at Amortized Cost. All financial liabilities held by the Company are classified as financial liabilities held at amortized cost using effective interest rate.

Financial liabilities held by the company are non-interest bearing. The non-interest-bearing instruments' carrying value represents the amortized cost.

Financial liabilities of NRM consists of Long-Term Loan, Other Non-Current Liabilities, Trade and Other Payables, Employee Benefit Liability & Short-Term Loan.

Financial liabilities held at amortized cost

Financial liabilities, not classified as held at fair value through statement of profit or loss which includes borrowings, are classified as amortized cost instruments.

2.7.3 Initial recognition


All financial instruments are initially recognized at fair value, which is normally the transaction price plus, for those financial assets and liabilities not carried at fair value through profit and loss, directly attributable transaction costs. Purchases and sales of financial assets and liabilities held at fair value through profit or loss, and financial assets classified as held-to-maturity or available-for-sale are initially recognized on the trade-date (the date on which the NRM commits to purchase or sell the asset).

2.7.4 Subsequent measurement

Financial assets and liabilities held at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value taken directly to the net trading income line in the statement of profit or loss.

Available-for-sale financial assets are subsequently carried at fair value, with gains and losses arising from changes in fair value taken to the available-for-sale reserve within equity until the asset is sold, or is impaired, at which point the cumulative gain or loss is transferred to the statement of profit or loss.

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Chartered Accountants
Kathmandu, Nepal

Loans and receivables and held-to-maturity financial assets are subsequently measured at amortized cost using the effective interest rate method. However, it has not been done as the difference of using effective interest rate method and current method gives immaterial impact and the cost to generate the effective interest rate exceeds its benefit.

Financial liabilities are subsequently measured at amortized cost, with any difference between proceeds net of directly attributable transaction costs and the redemption value recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.7.5 Derecognition

Financial assets are derecognized when the right to receive cash flows from the assets have expired or where the NRM has transferred substantially all risks and rewards of ownership. If substantially all the risks and rewards have been neither retained nor transferred and NRM has retained control, the assets continue to be recognized to the extent of the NRM's continuing involvement.

Financial liabilities are derecognized when they are extinguished. A financial liability is extinguished when the obligation is discharged, cancelled or expired.

Explanatory Notes

As at Ashadh 32, 2082

Financial Assets	Notes	Assets at fair value			Assets at amortized costs		Total
		Trading	Designated at FVTPL	Available for sale	Loans and Receivables	Held to maturity	
Trade & Other Receivables	10				471,634,427		471,634,427
Cash and Cash Equivalents	11				93,295,352		93,295,352
Other Non-Current Asset	8				1,046,898		1,046,898

Financial Liabilities	Notes	Liabilities at fair value		Liabilities at amortized costs	Total
		Trading	Designated at FVTPL		
				NPR	
Long Term Loan	15			8,35,09,936	8,35,09,936
Other Non-Current Liabilities	17			1,09,91,284	1,09,91,284
Trade and Other Payables	18			8,04,75,659	8,04,75,659
Employee Benefit Liability	19			2,62,11,893	2,62,11,893
Short Term Loan	20			15,49,61,243	15,49,61,243

As at Ashadh 31, 2081

Financial Assets	Notes	Assets at fair value			Assets at amortized costs		Total
		Trading	Designated at FVTPL	Available for sale	Loans and Receivables	Held to maturity	
Trade & Other Receivables	10				476,141,082		476,141,082
Cash and Cash Equivalents	11				6,477,643		6,477,643
Other Non-Current Asset	8				1,046,898		1,046,898

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NPR

Financial Liabilities	Notes	Liabilities at fair value		Liabilities at amortized costs	Total
		Trading	Designated at FVTPL		
Long Term Loan	15			91,394,389	91,394,389
Other Non-Current Liabilities	17			11,821,891	11,821,891
Trade and Other Payables	18			81,321,891	81,321,891
Employee Benefit Liability	19			32,254,129	32,254,129
Short Term Loan	20			198,613,749	198,613,749

2.8 Cash and Cash Equivalent

Cash and cash equivalents include deposits account balances maintained with banks and financial institutions. These enable the Company to meet its short-term liquidity requirements.

The carrying amount of cash and cash equivalents approximates their fair value. They are readily convertible to known amount of cash and are subject to insignificant risk of change in value.

These balances have been used as Cash and Cash Equivalents for the presentation of Statement of Cash Flows as well.

Banks and financial institution in Nepal are closely regulated by the Central Bank. The Company closely assesses the risks of these instruments and there are no apparent indications of impairment of these balances.

2.9 Long Term Loans

Initially, Long Term Loans is to be measured at Fair value which is generally loan amount plus or minus direct incremental cost/charges the outstanding loan is segregated into current and non-current portion.

2.10 Trade and Other Payables

Trade and other payables mainly consist of amounts the company owes to suppliers and government authority that have been invoiced or are accrued. These also include taxes due in relation to the company's role as an employer. These amounts have been initially recognized at cost and it is continued at cost as it fairly represents the value to be paid since it does not include interest on payment.

2.11 Employee Benefit Liability

Employee Benefit Liability consists of balances payable in relation to employee benefits.

2.12 Short Term Loans

Short Term loans are those borrowings which are to be paid within 1 year of end of fiscal year and consists of working capital loan and principal amount of long-term loan to be paid within 1 year.

2.13 Valuation hierarchy

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. NRM recognizes transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

Level 1 - fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.

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Level 2 - valuations are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 - portfolios are those where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

Fair value of Financial Instruments held at Amortized Costs on recurring basis

The following table shows the carrying amounts and incorporates NRM's estimate of fair value of those financial assets and liabilities not presented on the NRM's statement of financial position at fair value. These fair values may be different from the actual amount that will be received or paid on the settlement or maturity of the financial instruments. For certain instruments, fair value may be determined using assumptions for which no observable prices are available.

Explanatory Notes

Particulars	As at Ashadh 32, 2082			As at Ashadh 31, 2081		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Trade & Other Receivables			47,16,34,427			476,141,082
Cash and Cash Equivalents			9,32,95,352			6,477,643
Other Non-Current Asset			1,046,898			1,046,898
Financial Liabilities						
Long Term Loan			8,35,09,936			91,394,389
Other Non-Current Liabilities			1,09,91,284			11,821,891
Trade and Other Payables			8,04,75,659			81,321,891
Employee Benefit Liability			2,62,11,893			32,254,129
Short Term Loan			15,49,61,243			198,613,749

2.14 Impairment of financial assets

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through the statement of profit of loss.

NRM recognizes impairment loss on trade receivables using expected credit loss model. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognized. Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on the financial instruments has significantly increased since initial recognition.

2.15 Right of Use Assets & Lease Liability

Accounting Policy

NRM has used modified retrospective transition approach where it has recognized Lease Liability at the date of transition to NFRS and is measured at the present value of the remaining lease payments discounted using the lessee's incremental borrowing rate. Right-of-Use-Assets is recognized at the date of transition to NFRS equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of transition to NFRS. Depreciation of Right of Use Assets has been calculated on systematic basis for remaining lease term of leased assets.

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NRM has taken land and building at lease in Pokhara & Biratnagar which been accounted in purview of NFRS 16- Lease. The contractual rents corresponding to low value units or short-term lease are directly recognized as expenses. The incremental borrowing rate used for calculation is 10 percent per annum.

2.16 Share Capital

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

Dividends on ordinary shares classified as equity are recognized in equity in the period in which they are declared.

2.17 Retained Earnings

Retained Earnings reflects accumulated profit/loss of NRM.

Movement in reserves

Movements in the reserves are given in detail in Statement of Changes in Equity.

2.18 Other Component of Equity

Other Component of Equity includes equity components other than accumulated gain/loss of the company.

2.19 Taxation

2.19.1 Current Tax

Current tax payable (or recoverable) is based on the taxable profit for the year. Taxable profit differs from the profit reported in the Statement of Profit or Loss, because some item of income or expense are taxable or deductible in different years or may never be taxable or deductible.

NRM does not have any current tax for the year 2081/82.

2.19.2 Deferred Tax

Deferred Tax is the tax expected to be payable or recoverable in future arising from:

- Temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit,
- Unused tax losses and/or
- Unused tax credits.

Deferred Tax Liabilities are generally recognized for all taxable temporary differences and Deferred Tax Assets recognized to the extent that is probable that taxable profit will be available against which Deferred Tax Assets can be utilized.

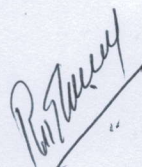
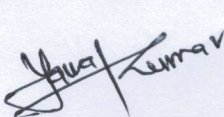
2.20 Provisions

When the Company has a present obligation (legal or constructive) as a result of a past event, provisions are recognized only if it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. The organization has not made for any provisions for the reporting period.

2.21 Inventory

Inventories are carried at the lower of cost or net realizable value (NRV). Cost comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost is measured using Weighted Average Method.



2.22 Revenue

NRM has adopted the policy to recognize revenue as per the recognition criteria of NFRS 15-Revenue from Contracts with Customers. Revenue is recognized when the goods or services are transferred to the customer, at the transaction price. Revenue is recognized in accordance with that core principle by applying a 5-step model as shown below.

- a. Identify contract(s) with customer
- b. Identify separate performance obligations in the contract(s)
- c. Determine the transaction price
- d. Allocate the transaction price
- e. Recognize revenue when the performance obligation is satisfied

NRM has identified the performance obligation and has recognized revenue when performance obligation is satisfied. The revenue is not recognized for contracts for which performance obligation is not satisfied. Revenue is deferred for contracts for which performance obligation is not satisfied.

2.23 Cost of Sales

Cost of Sales refers to the direct costs of producing the goods/services sold by a company. This amount includes the cost of the materials, direct cost and labor used to create the goods. It excludes indirect expenses, such as distribution costs and sales force costs.

2.24 Other Direct Expenses

Other Direct Expenses are those direct cost required for production of goods/services.

2.25 Other Income

Other Income is one-time non-business income earned by the company.

2.26 Other Expenses

Other Expenses includes one-time non-business expenses of the company.

2.27 Administrative Expenses

Administrative expenses are expenses incurred that are not directly tied to a specific core function such as manufacturing, production, or sales. These overhead expenses are related to the company as a whole, as opposed to individual departments or business units.

2.28 Selling and Distribution Expenses

Selling expenses are those expenses which are incurred to promote sales and service to customers. Such expenses facilitate on selling of organization goods/services.

2.29 Finance / Borrowing Cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur. Finance/Borrowing Cost also includes interest on lease liability.

2.30 Depreciation

Depreciation is charged for Property, Plant & Equipment and Right-of-Use Asset.

Employee Benefits

2.31 Retirement benefit obligations

NRM operates provident fund and leave payment of its employees under its staff rules.

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For Provident Fund, NRM contributes 10% of basic salary which is paid at the time of retirement. NRM has no further payment obligations once the contributions have been paid. NRM does not have any provision of Gratuity. However, 8.33 % of basis salary is provided to staffs along with monthly salary.

Explanatory Notes

The salary and provident fund payables of staffs amounts to NPR84,11,179 and NPR 1,78,00,714 respectively. The organization has not maintained a separate fund for provident fund of the employees and is paid at the time of the retirement/resignation of the employee along with the salary.

2.32 Related Party Transactions

Accounting Policy

The company has carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with parties who are defined as related parties as per the Nepal Accounting Standard - NAS 24 - 'Related Party Disclosures', except for the transactions that Key Management Personnel (KMPs) have availed under schemes uniformly applicable to all staff at concessionary rates. Those transactions include lending activities, acceptance of deposits, Off-Balance Sheet transactions and provision of other banking and finance services.

The Company identifies the following as the related parties under the requirements of NAS 24.

- i. Directors of the Company and their close family members, if any
- ii. Other Related Party

Those charged with Governance

Those charged with governance of the NRM include members of Board of directors namely:

Name	Designation
Mr. Binod Raj Gyawali	Chairperson
Ms. Shova Gyawali	Director
Ms. Samridhi Gyawali	Director

The following transactions were carried with related parties;

Particulars	Current Year	Previous Year
Purchase of Goods / Services		
Shubharambha Holdings & Developers (P.) Ltd (Lease Expenses for current year)	9,333,319	8,520,000
Republica News Pvt. Ltd. (Purchase News Print)		12,606,130

Particulars	Current Year	Previous Year
Advances / (Payables)		
Shubharambha Holdings & Developers (P.) Ltd	(28,089)	(2,65,784)
Live Cell Pvt. Ltd	90,93,793.07	90,93,793
Lila Tech Pvt.Ltd	14,12,462.11	14,12,462
Namastey Urja P.Ltd	2,26,845.00	2,26,845
Green Tail Pvt. Ltd.	127,338	127,338
Nagarik Puraskar Kosh	(25,000)	(25,000)
Link Youth Media Pvt. Ltd	692,285	
Nagrik Network Pvt Ltd.	2,767,395	22,467,395.38
Republica News Nepal Pvt Ltd	8,247,150	1,997,910
Quidex Pvt. Ltd.	4,907,007	4,907,007.00

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Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, including the directors.

Particulars	Current Year	Previous Year
Salary and other short term employee benefits	9,669,454	8,338,987

2.33 Operating Segment

NFRS 8 Operating Segments requires particular classes of entities (essentially those with publicly traded securities) to disclose information about their operating segments, products and services, the geographical areas in which they operate, and their major customers.

The Company has only one reportable operating segment (both in terms of geography and products) and therefore, identification, classification and disclosure of separate reportable operating segments in accordance with NFRS 8 is not disclosed separately.

2.34 Interim Reports

The company has published its interim financial reports on quarterly basis.

2.35 Events after reporting period

The Company monitors and assesses events that may have potential impact to qualify as adjusting and / or non-adjusting events after the end of the reporting period. All adjusting events are adjusted in the books with additional disclosures and non-adjusting material events are disclosed in the notes with possible financial impact, to the extent ascertainable.

Explanatory Notes

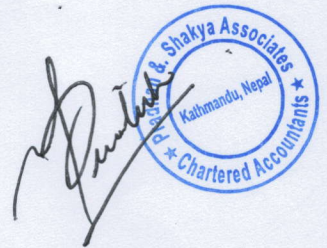
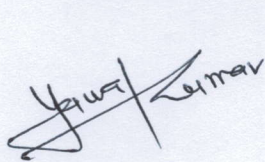
No any significant events have been occurred after the reporting period.

2.36 Contingent Liabilities and Commitments

2.36.1 Contingent Liabilities

A contingent liability is identified as follows:

- a. A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b. A present obligation that arises from past events but is not recognized because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability. The organization discloses contingent liabilities unless the possibility of an outflow of resources embodying economic benefits is remote.



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Chartered Accountants
Kathmandu, Nepal



Explanatory Notes to Financial Statements
Property, Plant and Equipment

	Cost			Accumulated Depreciation			Revaluation Surplus				Net Value			
	Opening	Addition	Disposal	Closing	Useful Life	Accumulated Depreciation For the Year	Closing	Opening Revaluation Surplus	Revaluation during the year	Depreciation on Revalued Assets	Disposals	Closing Revaluation Surplus	As at 32.03.2082	As at 31.03.2081
Original	132,077,233	2,245,545	-	134,322,778	50	39,967,601	2,202,915	42,170,516	16,721,531	-	378,958	16,342,573	108,494,835	108,831,163
Acquisitions	11,853,025	752,612	-	12,605,637	7	10,472,969	367,916	10,840,885	-	-	-	-	1,764,751	1,380,056
Disposals	4,565,420	-	4,565,420	-	-	-	-	-	380,259,561	-	-	380,259,561	384,824,981	384,824,981
Revaluation	7,340,328	-	-	7,340,328	8	4,866,361	309,246	5,175,606	-	-	-	-	2,164,721	2,473,967
Depreciation	43,950,523	466,000	-	44,426,523	6	38,937,939	1,084,216	40,022,155	-	-	-	-	4,404,368	5,022,584
Revaluation	117,699,142	-	-	117,699,142	10	101,759,601	1,647,467	103,407,069	-	-	-	-	14,292,074	15,939,541
Disposals	57,361,246	-	57,361,246	-	9	41,330,970	1,892,103	43,223,073	-	-	-	-	14,138,173	16,030,276
	374,856,917	3,464,157	-	378,321,074		237,335,441	7,503,864	244,839,304	396,981,092	-	378,958	396,602,134	530,083,903	534,502,568

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3.3 Investment

Particulars	Current Year	Previous Year
Investment in Link Youth Media Pvt.Ltd.	13,200,000	12,800,000
Investment Other	2,500,000	2,500,000
Fixed Deposits	-	120,000,000
Total	15,700,000	135,300,000

3.4 Right-of Use Assets

Particulars	Current Year	Previous Year
Opening Balance	18,083,857	25,618,947
Addition	-	-
Depreciation	(7,535,117)	(7,535,117)
Closing Balance	10,548,740	18,083,857

3.5 Deferred Tax Asset

Particulars	Current Year	Previous Year
Opening deferred Tax Asset	40,250,239	40,250,239
Deferred Tax Income /(Expenses)	-	-
Closing Deferred Tax Asset	40,250,239	40,250,239

3.6 Other Non-Current Asset

Particulars	Current Year	Previous Year
Security Deposit	1,046,898	1,046,898
Total	1,046,898	1,046,898

3.7 Inventories

Particulars	Current Year	Previous Year
Newsprint	33,923,768	50,541,044
Printing Materials	13,913,156	19,961,107
Stationery	724,098	724,098
Total	48,561,022	71,226,249

3.8 Trade & Other Receivables

Particulars	Current Year	Previous Year
Advance Income Tax	14,749,201	12,216,791
Staff Salary Advance	35,986,182	35,996,332
Sundry Advance	2,349,309	7,006,794
Other Advances	4,577,394	26,359,056
Sundry Debtors	413,958,342	394,562,109
Bank LC Margin	14,000	-
Total	471,634,427	476,141,082

3.9 Cash and Cash Equivalent

Particulars	Current Year	Previous Year
Cash In Hand	8,479	26,393
Cheque In Hand	5,768,381	1,679,627
Cash At Bank	87,518,492	4,771,624
Total	93,295,352	6,477,643

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3.10 Equity Share Capital

Particulars	Current Year	Previous Year
Authorized Capital		
10,000,000 Shares @ NPR 100 each	1,000,000,000	1,000,000,000
Issued Capital		
9,675,000 Shares @ NPR 100 each	967,500,000	967,500,000
Paid Up Capital		
9,675,000 Shares @ NPR 100 each	967,500,000	967,500,000
Total	967,500,000	967,500,000

3.11 Retained Earnings

Particulars	Current Year	Previous Year
Opening Balance	(507,686,136)	(509,759,038)
Profit	2,466,102	2,072,902
Total	(505,220,034)	(507,686,136)

3.12 Other Component of Equity

Particulars	Current Year	Previous Year
Revaluation Reserve	396,602,133	396,981,091
CSR Fund	328,846	328,846
Total	396,930,980	397,309,938

3.13 Long Term Borrowings

Particulars	Current Year	Previous Year
Secured Loan		
Term Loan	83,509,936	91,394,389
Secured Loan Total	83,509,936	91,394,389
Total	83,509,936	91,394,389

3.14 Lease Liability

Particulars	Current Year	Previous Year
Opening Lease Liability	21,187,461	28,447,676
Lease Modification	-	-
Additions	1,270,063	2,031,709
Finance Cost	(9,333,319)	(9,291,924)
Redemption		
Closing Lease Liability	13,124,205	21,187,461
Current Portion	8,261,399	8,124,176
Non-Current Portion	4,862,806	13,063,285
Balance as on 32.03.2082	13,124,205	21,187,461

3.15 Other Non-Current Liabilities

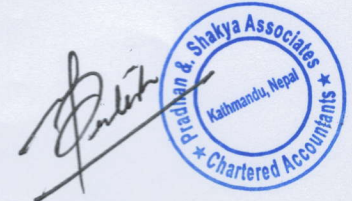
Particulars	Current Year	Previous Year
Agency Deposit	10,372,942	11,197,049
Other Deposit	618,342	624,842
Total	10,991,284	11,821,891

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3.16 Trade And Other Payables

Particulars	Current Year	Previous Year
Sundry Creditor	62,019,778	65,070,355
Audit Fee Payable	246,250	278,750
TDS on Audit Fee	3,750	3,750
Ward Taxes	1,021,456	934,841
TDS Payable	2,805,331	3,328,056
Rent Payable	2,295,328	3,306,578
VAT Payable	5,150,760	2,786,939
Other Expenses Payable	1,345,443	5,612,622
Bank Interest Payable	5,537,562	-
Total	80,425,659	81,321,891

3.17 Employee Benefit Liability

Particulars	Current Year	Previous Year
Salary Payable	8,411,179	15,822,804
Provident Fund Payable	17,800,714	16,431,325
Total	26,211,893	32,254,129

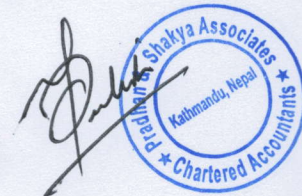
3.17.1 Provident Fund Payable

The balance of provident fund payables as at 32nd Ashadh 2082 is Rs. 17,800,714 (Previous Year: Rs. 16,431,325). The organization has not deposited these amounts with any recognized retirement fund, nor has a separate fund been created to meet these obligations. As a result, the full amount remains payable to employees.

3.18 Short Term Borrowings

Particulars	Current Year	Previous Year
Working Capital Loans	76,916,665	80,716,667
Cash Credit Loan	49,747,234	49,506,697
Demand Loan	25,661,766	28,255,029
Overdraft Loans	-	607,727
Other Short Term Loan	2,635,579	37,294,549
Bank Import LC Loan	-	2,233,081
Total	154,961,243	198,613,749

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3.19 Revenue

Particulars	Current Year	Previous Year
Sales	180,479,656	180,463,189
Total	180,479,656	180,463,189

3.20 Cost of Sales

Particulars	Current Year	Previous Year
Opening Stock	71,226,249	74,189,285
Purchase During The Period	18,079,032	21,885,398
Less Closing Stock	(48,561,022)	(71,226,249)
Material Consumed	40,744,259	24,848,434

Direct Employee Expense (Note 3.21.1)	26,048,947	28,376,943
Other Direct Expenses (Note 3.21.2)	14,605,816	7,371,087
Cost Of Sales	81,399,022	60,596,464

3.20.1 Direct Employee Expense

Particulars	Current Year	Previous Year
Press	3,367,255	3,906,782
Nagarik	11,602,422	14,358,533
Photo/IT	1,351,858	1,811,275
Republica	2,453,762	1,342,435
Online	3,985,388	3,414,701
It,Design	3,288,262	3,543,217
Total	26,048,947	28,376,943

3.20.2 Other Direct Expenses

Particulars	Current Year	Previous Year
Electricity And Water Charge	1,188,026	1,373,350
Generator Expenses	29,150	118,644
Repair And Maintenance - Machinery	668,019	209,951
Miscellaneous Press Expenses	552,681	425,068
Freight	47,500	-
Article Remuneration-Nagarik	1,060,722	1,120,772
Article Remuneration-Republica	-	20,000
Internet & Agency Charges	3,224,337	3,687,811
Stringer Remuneration	333,694	287,491
Magazine Printing Expense	-	128,000
Cloud Expenses	1,041,963	-
Digital Launch and subscription	6,459,724	-
Total	14,605,816	7,371,087

3.21 Other Income

Particulars	Current Year	Previous Year
Gain on disposal of Property, Plant and Equipment	-	601,373
Insurance Claim	8,488,712	132,324
Other Income	151,662	722,333
Interest Income	4,416,692	10,691,286
Foreign Exchange Gain	21,366	-
Total	13,078,432	12,147,316

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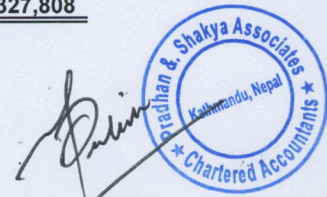
3.22 Administrative Expenses

Particulars	Current Year	Previous Year
Audit Fee	250,000	250,000
Audit Expenses	31,640	21,610
Advertisement Expenses (Other Media)	28,000	2,674,313
AGM Expenses	385,591	154,000
Anniversary Expenses	2,096,249	2,924,295
Business Promotion Expenses	311,700	1,736,758
Conveyance	55,874	83,018
Salary, Overtime, Wages & Allowances	27,485,473	32,105,712
P/F Contribution	1,237,171	1,338,699
Electricity & Water Supply	1,800,018	2,666,380
Entertainment & Refreshment	211,397	708,603
Event Management Expenses	78,433	105,410
Generator Expenses	90,542	55,439
House Rent	105,408	56,484
Insurance Premium	1,761,862	679,432
Legal Fee And Expenses	35,000	410,000
Kitchen Expenses	134,281	-
Miscellaneous Expenses	125,325	259,826
Newspaper And Periodicals	-	1,430
Postage And Courier Charges	25,783	111,249
Registration And Renewals	1,601,058	2,523,169
Repair And Maintenances (Building)	321,455	205,977
Repair And Maintenance (Other Assets)	508,646	363,833
Repair And Maintenance (Vehicle)	757,939	506,150
Security And Cleanings	340,612	130,923
Staff Welfare Expenses	218,827	742,248
Stationery And Printing	267,988	827,233
Telephone & Fax Expenses (Ktm)	289,674	329,577
Tour And Travelling	951,733	1,326,299
Parking Charges	398,315	700
Holi Event Expenses	-	1,203,609
Consultancy /Advisory Service	994,335	243,716
Property valuation	5,000	-
Meeting allowance	75,000	200,000
Vehicle Running Expenses	1,363,439	1,590,708
Climate Conclave Expenses	531,301	-
Competition and prizes expenses	2,274,046	-
Meeting Expenses	120,000	-
Water Expenses	246,125	-
Emergency and Contengencies Expenses	120,695	-
Staff Meal Expenses	40,241	-
Total	47,676,077	56,536,800

3.23 Selling And Distribution Expenses

Particulars	Current Year	Previous Year
Advertisement Expense Other Media	21,060	143,665
Salary, Overtime, Wages & Allowances	11,794,458	13,024,811
Newspaper Despatched (Road)	590,355	624,034
Newspaper Despatched (Air)	376,859	343,228
Paper Distribution Expenses	-	15,700
Subscription Scheme Expenses	701,026	589,566
Subscription Wages	160	43,680
Scheme Expenses	394,839	543,124
Packing Materials	81,926	-
Advertisement Agency Bonus	1,250,020	-
Total	15,210,703	15,327,808

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3.24 Finance Charge

Particulars	Current Year	Previous Year
Interest on Loan & Borrowings	29,310,501	34,664,495
Interest on Lease Liability	1,270,063	2,031,709
Other Financial Expenses	227,658	436,162
Total	30,808,222	37,132,366

3.25 Depreciation and Amortization

Particulars	Current Year	Previous Year
Property, Plant & Equipment	7,503,864	9,140,687
Ammortization	958,980	460,631
Right-of-Use Asset	7,535,117	7,535,117
Total	15,997,961	17,136,436

3.26 Income Tax Expenses

The Company has carried forward deferred tax asset of Rs. 40,250,239 in the Statement of Financial Position; however, the corresponding deferred tax income or deferred tax expense arising from the movement in this balance has not been recognized in the Statement of Profit or Loss for the period. This treatment is not in compliance with the requirements of NAS 12 – Income Taxes, which mandates that all movements in deferred tax assets and liabilities be recognized as deferred tax income or expense in profit or loss, except when relating to items recognized outside profit or loss. The omission results in incomplete presentation of income tax effects for the period, and management has acknowledged the need to ensure full compliance with NAS 12 in future reporting periods.

The Company has opted not to recognize deferred tax expenses in its financial statements for the year. The reason for this decision is that the Company is in the process of assessing its future tax position and the potential utilization of deferred tax assets. Until this assessment is complete, the Company has determined that it would not be appropriate to recognize deferred tax.

3.27 Provision for Doubtful Debts on Sundry Debtors

The Company's sundry debtors amount to Rs. 413,958,342 as at 31st Ashadh 2082 (previous year: Rs. 394,562,109). A significant portion of these debtors has been outstanding for over a year.

The company has not recognized any provision for doubtful debts against these aged receivables and acknowledges that the recoverability of such long-outstanding balances is subject to uncertainty. The management is in the process of reviewing these balances and taking necessary actions for recovery and appropriate provision. Management also acknowledges that the absence of such a provision may result in an overstatement of trade receivables and may not fully reflect the potential recoverability risks associated with aged debtor balances.

3.28 Ageing of Balances

The ageing of the receivables and payables as of 32nd Ashadh 2082 is as follows;

Particulars	Age of Receivables	
	Gross Amount	Due above 365 Days
Staff Salary Advances	35,986,182	35,986,182
Sundry Debtors	413,958,342	395,019,407

Particulars	Age of Payables	
	Gross Amount	Due above 365 Days
Sundry Creditor	62,019,778	19,948,808
Salary Payable	8,411,179	3,854,979
Provident Fund Payable	17,800,714	2,567,343

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[Circular Stamp: P. Prasad & Shukya Associates, Chartered Accountants, Kathmandu, Nepal]