



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 the Nepal Republic Media Limited which comprises the Statement of Financial Position as at Ashadh 31, 2081 (corresponding to July 15, 2024), 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 31, 2081 (corresponding to July 15, 2024) 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.

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 We have determined that there are no key audit matters to communicate in our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the Key Audit Matter was Addressed
<p>a. Valuation of Trade Receivables</p> <p>The Company has a significant balance in trade receivables amounting to [insert amount], representing a substantial portion of its total assets as at [balance sheet date].</p> <p>Notably, 95% of this balance consists of amounts outstanding for more than one year, while only 5% represents sales made in the current year. Despite this,</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.

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Key Audit Matter	How the Key Audit Matter was Addressed
<p>the Company has not recognized any allowance for doubtful debts.</p> <p>The absence of an allowance raises concerns about the recoverability of these long-outstanding receivables, especially given the inherent credit risk associated with such balances. This situation requires significant management judgment in evaluating the adequacy of accounts receivable and presents a risk of material misstatement in the financial statements.</p>	<ul style="list-style-type: none"> • Testing a sample of significant receivables to verify subsequent cash collections and assess the appropriateness of management's decision not to record an allowance. <p>We concluded that the lack of an allowance for 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, leading to a potential misstatement in the financial statements.</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>
<p>Valuation of Trade Payables</p> <p>The Company has reported a significant trade payables balance of NPR 98,839,429 as at Ashadh 31, 2081, an increase from NPR 88,341,096 in the previous year. This represents an increase of approximately 11.8%. Given the size of this balance, it is important to consider the implications of such an increase on the Company's liquidity, cash flow management, and overall financial health.</p> <p>The increase in trade payables indicate changes in supplier terms, delayed payments, or potential liquidity constraints. It raises questions regarding the Company's ability to meet its short-term obligations and may impact its relationships with suppliers.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Reviewing the aging analysis of trade payables to assess the extent of overdue amounts and evaluate payment trends. • Analyzing changes in trade payables year-over-year, including investigating significant fluctuations in specific supplier balances. • Testing a sample of payments made post-year-end to assess the timing of cash outflows and verify the existence of the liabilities recorded. • Evaluating the Company's policies and practices regarding supplier management and payment terms. • Considering the impact of the increased trade payables on the Company's liquidity position and any related risks that may arise from this increase. <p>We have concluded that the increase in trade payables is a significant area of focus in our audit due to its potential implications for liquidity and cash flow management. It is crucial for the Company to devise strategic plans to effectively manage its obligations to creditors and ensure timely payments to maintain supplier relationships and mitigate potential liquidity risks.</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. Ujjwal Lamichhane
Proprietor



Date: October 29, 2024
Place: Kathmandu, Nepal

UDIN:241108CA00964FZ18Z

Nepal Republic Media Ltd.
Kathmandu, Nepal
Statement of Financial Position
As at 31st ashadh 2081 (15th July 2024)

in NPR


Particulars	Notes	31.03.2081 (15.07.2024)	31.03.2080 (16.07.2023)
Assets			
Non Current Assets			
Property, Plant and Equipment	3	534,502,568	541,236,495
Intangible Assets	4	10,688,777	1,746,719
Investment	5	135,300,000	-
Right-of-Use Asset	6	18,083,857	25,618,974
Deferred Tax Asset	7	40,250,239	40,250,239
Other Non-Current Asset	8	1,046,898	1,001,898
Total Non Current Assets		739,872,338	609,854,325
Current Assets			
Inventory	9	71,226,249	74,189,285
Trade & Other Receivables	10	476,141,082	420,719,503
Cash and Cash Equivalents	11	6,477,643	193,948,423
Total Current Assets		553,844,974	688,857,211
Total Assets		1,293,717,312	1,298,711,536
Equity and Liabilities			
Equity			
Share Capital	12	967,500,000	967,500,000
Retained Earnings	13	(507,686,136)	(509,759,038)
Other Component of Equity	14	397,309,938	397,688,896
Total Equity		857,123,802	855,429,858
Non Current Liabilities			
Long Term Borrowings	15	91,394,389	25,605,732
Lease Liability	16	13,063,285	21,187,461
Other Non Current Liabilities	17	11,821,891	12,739,915
Total Non Current Liabilities		116,279,565	59,533,108
Current Liabilities			
Trade and Other Payables	18	81,321,891	88,341,096
Employee Benefit Liability	19	32,254,129	28,782,319
Lease Liability	16	8,124,176	7,260,215
Short Term Borrowings	20	198,613,749	259,364,941
Total Current Liabilities		320,313,945	383,748,571
Total Liabilities		436,593,510	443,281,679
Total Equity and Liabilities		1,293,717,312	1,298,711,536

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

As per our report of even date


 Binod Raj Gyawali
 Chairman


 Sambidhi Gyawali
 Chief Executive Officer


 Ujjawal Kumar Timilsina
 Chief Finance Officer


 CA. Ujjwal Lamichhane
 Proprietor,
 For and on behalf of
 U. L & Associates,
 Chartered Accountants



Date: 2024/10/24

Place: Kathmandu, Nepal

Nepal Republic Media Ltd.
Kathmandu, Nepal
Statement of Profit or Loss and Other Comprehensive Income
For the period ended 31 Ashadh 2081 (15th July, 2024)

in NPR

Particulars	Notes	31.03.2081 (15.07.2024)	31.03.2080 (16.07.2023)
Revenue	21	180,463,189	224,689,699
Cost of Sales	23	60,596,464	81,553,799
Gross Income		119,866,725	143,135,900
Other Income	22	12,147,316	40,782,028
Administration Expenses	24	56,536,800	77,784,426
Selling & Distribution Expenses	25	15,327,808	23,486,855
IPO Expenses		3,807,729	5,302,313
Other Expenses	26	-	11,416
Operating Profit/ (Loss)		56,341,705	77,332,918
Finance Charge	27	37,132,366	62,493,006
Depreciation and Amortization	28	17,136,436	24,354,876
Profit/ (Loss) before Tax		2,072,902	(9,514,964)
Less: Tax			
Current Tax		-	
Deferred Tax Income (Expense)	7	-	10,593,343
Net Profit/ (Loss) For the Year		2,072,902	1,078,379

Earnings Per Share

Basic EPS (Net Profit/(Loss)/Share Capital)	0.21	0.11
Diluted EPS	0.21	0.11

Other Comprehensive Income:


Changes in Revaluation Surplus	(378,958)	(900,026)
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)	(900,026)

Total Comprehensive Income

1,693,944 **178,353**

As per our report of even date


Binod Raj Gyawali
Chairman


Sambridhi Gyawali
Chief Executive Officer


CA. Ujjwal Lamichhane
Proprietor,
For and on behalf of
U. L & Associates,




Ujjawal Kumar Timilsina
Chief Finance Officer

Nepal Republic Media Ltd.
Kathmandu, Nepal

Statement of Changes in Equity
For the period ended 31 Ashadh 2081 (15th July, 2024)

Particular	Share Capital	Other components of Equity			in NPR
		Retained Earnings	CSR Fund	Revaluation Reserve	Total
Opening Balance As On 01.04.2079	460,400,000	(510,837,417)	328,846	439,021,511	460,791,354
Net Profit (Loss) During The Year	-	178,353	-	-	178,353
Amount Transferred To General Reserve	-	-	-	-	-
Issue Of Share Capital	507,100,000	-	-	-	435,221,586
Dividend	-	-	-	-	-
Revaluation Gain This Year	-	-	-	-	-
Disposal On Revalued Assets	-	-	-	(40,761,436)	(40,761,436)
Depreciation on Revalued	-	900,026	-	(900,026)	-
Share Issued This Year	-	-	-	-	-
Advance Share Capital	-	-	-	-	-
Transfer To CSR Fund	-	-	-	-	-
Dividend Paid	-	-	-	-	-
Balance As On 31.03.2080	967,500,000	(509,759,038)	328,846	397,360,049	855,429,858
Opening Balance As On 01.04.2080	967,500,000	(509,759,038)	328,846	397,360,049	855,429,858
Net Profit (Loss) During The Year	-	1,693,944	-	-	1,693,944
Amount Transferred To General Reserve	-	-	-	-	-
Issue Of Share Capital	-	-	-	-	-
Dividend	-	-	-	-	-
Revaluation Gain This Year	-	-	-	-	-
Disposal On Revalued Assets	-	-	-	-	-
Depreciation on Revalued	-	378,958	-	(378,958)	-
Share Issued This Year	-	-	-	-	-
Transfer To CSR Fund	-	-	-	-	-
Dividend Paid	-	-	-	-	-
Balance As On 31.03.2081	967,500,000	(507,686,136)	328,846	396,981,091	857,123,802


As per our report of even date


Binod Raj Gyawali
Chairman


Sambridhi Gyawali
Chief Executive Officer


CA. Ujjwal Lamichhane
Proprietor,
For and on behalf of
U. L & Associates
Chartered Accountants




Ujjawal Kumar Timilsina
Chief Finance Officer

Nepal Republic Media Ltd.
Kathmandu, Nepal

Statement of Cash Flows
For the period ended 31 Ashadh 2081 (15th July, 2024)

Particulars	in NPR	
	31.03.2081 (15.07.2024)	31.03.2080 (16.07.2023)
Cash Flow from Operating Activities		
Profit before Tax	2,072,902	(9,514,964)
Adjustments		
Depreciation & Ammortization	17,136,436	24,354,876
Income from Investment and Bank Deposit	-	-
Lease Expense	(9,291,924)	(9,241,752)
Gain on Disposal of assets	(601,373)	(40,782,028)
Finance Charge	37,132,366	62,493,006
Cash flow before Working Capital Changes	<u>46,448,408</u>	<u>27,309,138</u>
Movements in Working Capital		
(Increase)/Decrease in Inventory	2,963,036	(2,379,191)
(Increase)/Decrease in Trade and Other Receivables	(55,421,578)	(104,129,755)
(Increase)/Decrease In Other Non-Current Asset	(45,000)	-
Increase/(Decrease) in Provisions	-	-
Increase/(Decrease) in Trade and Other Payable	(7,019,205)	(67,059,279)
Increase/(Decrease) Non-Current Liabilities	(918,024)	(2,376,120)
Increase/(Decrease) Employee Benefit Liabilities	3,471,810	4,464,895
Income Taxes Paid		
Total Adjustments	<u>(56,968,961)</u>	<u>(171,479,451)</u>
Net Cash flow from Operating Activities (A)	<u>(10,520,554)</u>	<u>(144,170,313)</u>
Cash Flow from Investing Activities		
Increase in Property, Plant and Equipment	(13,654,965)	(22,920,000)
Proceeds from Sale of Asset	2,067,931	66,400,931
Decrease/ (Increase) in Investment	(135,300,000)	1,300,000
Income from Investment and Bank Deposit	-	-
Net Cash Flow from Investing Activities (B)	<u>(146,887,034)</u>	<u>44,780,932</u>
Cash Flow from Financing Activities		
Interest Payment	(35,100,657)	(59,782,632)
Increase/ (Decrease) in Capital	-	435,221,586
Increase/ (Decrease) in Borrowings	5,037,465	(84,524,236)
Net Cash Flow from Financing Activities (C)	<u>(30,063,191)</u>	<u>290,914,719</u>
Net Increase in Cash (A+B+C)	<u>(187,470,779)</u>	<u>191,525,338</u>
Cash and Cash Equivalents at Beginning of the Year	<u>193,948,423</u>	<u>2,423,085</u>
Cash and Cash Equivalents at the End of the Year	<u>6,477,643</u>	<u>193,948,423</u>

As per our report of even date


Binod Raj Gyawali
Chairman


Sambirchi Gyawali
Chief Executive Officer


CA. Ujjwal Lamichhane
Proprietor,
For and on behalf of
U. L & Associates,
Chartered Accountants




Ujjawal Kumar Timilsina
Chief Finance Officer

Accounting Policies and Explanatory Notes to Financial Statements
Nepal Republic Media Ltd.
For the period Shrawan 1, 2080 to Ashadh 31, 2081

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.

The company has issued its initial public offering of 9,675,000 units of shares at NPR 100 each which was approved on 11 Baisakh, 2080 by Security Boards of Nepal.

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 29 October 2024.

- **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 1st Shrawan 2080 to 31st Ashadh 2081 (corresponding to 17 July 2023 to 15 July 2024)

- **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.







Accounting Policies and Explanatory Notes to the Financial Statements of Nepal Republic Media Ltd.
For the period from Shrawan 1 2080 to Ashadh 31, 2081

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)**. Under this method, depreciation is charged evenly over the useful life of the asset, reflecting the consumption of economic benefits evenly over time.

Prior to fiscal year 2080/81, the Company used the **Written Down Value (WDV)** method for certain assets. This method has now been changed to SLM for these assets in accordance with NAS 16, as the new method better reflects the pattern of economic benefits expected from the assets.

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



Accounting Policies and Explanatory Notes to the Financial Statements of Nepal Republic Media Ltd.
For the period from Shrawan 1 2080 to Ashadh 31, 2081

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.

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 also 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. The updated 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 has been conducted on Ashadh 32, 2079. The revaluation surplus in the period has been recognized under " Revaluation Reserve" under other components of equity.

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 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,





Accounting Policies and Explanatory Notes to the Financial Statements of Nepal Republic Media Ltd.
For the period from Shrawan 1 2080 to Ashadh 31, 2081

- 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.

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).

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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.

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.



Accounting Policies and Explanatory Notes to the Financial Statements of Nepal Republic Media Ltd.
For the period from Shrawan 1 2080 to Ashadh 31, 2081

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

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

As at Ashadh 31, 2080

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				420,719,503		420,719,503
Cash and Cash Equivalents	11				193,948,423		193,948,423
Other Non-Current Asset	8				1,001,898		1,001,898

Financial Liabilities	Notes	Liabilities at fair value		Liabilities at amortized costs	Total
		Trading	Designated at FVTPL		
Long Term Loan	15			25,605,732	25,605,732
Other Non-Current Liabilities	17			12,739,915	12,739,915
Trade and Other Payables	18			88,341,096	88,341,096
Employee Benefit Liability	19			28,782,319	28,782,319
Short Term Loan	20			259,364,941	259,364,941

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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 principle 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.

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.



Accounting Policies and Explanatory Notes to the Financial Statements of Nepal Republic Media Ltd.
For the period from Shrawan 1 2080 to Ashadh 31, 2081

Particulars	As at Ashadh 31, 2081			As at Ashadh 31, 2080		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Trade & Other Receivables			476,141,082			420,719,503
Cash and Cash Equivalents			6,477,643			193,948,423
Other Non-Current Asset			1,046,898			1,001,898
Financial Liabilities						
Long Term Loan			91,394,389			25,605,732
Other Non-Current Liabilities			11,821,891			12,739,915
Trade and Other Payables			81,321,891			88,341,096
Employee Benefit Liability			32,254,129			28,782,319
Short Term Loan			198,613,749			259,364,941

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.

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

Accounting Policy

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.

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2.17 Retained Earnings

Accounting Policy

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 2080/81.

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 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.

- Identify contract(s) with customer
- Identify separate performance obligations in the contract(s)
- Determine the transaction price
- Allocate the transaction price
- 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 are 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 facilitates 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.

During the current financial year, the Company made two significant changes with respect to its property, plant, and equipment:

- The depreciation method for certain asset categories was changed from the **Written Down Value (WDV) method** to the **Straight Line Method (SLM)**, effective from 2080/04/01.
- The estimated useful lives of these assets were also revised as of 2080/04/01 following a detailed technical review of their usage patterns and expected future benefits.

Rationale for the Changes

The Company undertook a review of its asset utilization, determining that the Straight Line Method better represents the consistent consumption of economic benefits over the assets' lives. Additionally, based on an assessment of actual asset usage and technological factors, the useful lives of [specific assets] were adjusted to reflect more accurately the period over which these assets are expected to provide economic benefits.

Comparative Figures



**Accounting Policies and Explanatory Notes to the Financial Statements of Nepal Republic Media Ltd.
For the period from Shrawan 1 2080 to Ashadh 31, 2081**

No restatement of prior period financial statements is required as this change is accounted for prospectively. Comparative figures have not been adjusted.

Future Impact

The changes are expected to result in a more systematic allocation of the cost of assets over their useful lives. Future financial statements will reflect the use of the revised depreciation method and asset lives.

2.31 Employee Benefits

Accounting Policy

2.32 Retirement benefit obligations

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

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. Organization pays accumulated leave at the time of retirement.

Explanatory Notes

The salary and provident fund payables of staffs amounts to NPR15,822,804 and NPR 16,431,325 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.

2.33 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	CEO

The following transactions were carried with related parties;

Particulars	Current Year	Previous Year
Sale of Goods/Services		
Republica News Nepal Pvt. Ltd.		64,899,504.42
Vehicle Sale		16,261,504.42

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Accounting Policies and Explanatory Notes to the Financial Statements of Nepal Republic Media Ltd.
For the period from Shrawan 1 2080 to Ashadh 31, 2081

Plant & Machinery Sale		3,178,000.00
Land Sale		45,460,000
Purchase of Goods / Services		
Shubharambha Holdings & Developers (P.) Ltd (Lease Expenses for current year)	85,20,000	8,520,000
Shubharambha Holdings & Developers (P.) Ltd (Outstanding lease expenses pertaining to previous years)		17,040,000
Republica News Pvt. Ltd.- (Purchase)	1,26,06,130	42,313,266
Particulars	Current Year	Previous Year
Advances / (Payables)		
Shubharambha Holdings & Developers (P.) Ltd	(265784.48)	(2,112,466.48)
Live Cell Pvt. Ltd	90,93,793.07	9,093,793.07
Lila Tech Pvt.Ltd	14,12,462.11	1,412,462.11
NamasteyUrjaP.Ltd	2,26,845.00	226,845.00
Republica Academy Of Communication& Entertainment	0.00	153,150.00
Diskenth Media	0	4,500.00
Nagarik Puraskar Kosh	(25000)	(25,000.00)
Link Youth Media Pvt. Ltd	0.00	12,246,313.20
Nagrik Network Pvt Ltd.	2,24,67,395.38	24,810,248.38

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 benefit	83,38,987.00	10,617,345.20
Total	83,38,987.00	10,617,345.20

2.34 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.

2.35 Interim Reports

The company has to publish its interim financial reports on quarterly basis.

2.36 Events after reporting period

Accounting Policy

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

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

2.37 Contingent Liabilities and Commitments

2.37.1 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.

NRM does not have contingent liabilities existing at reporting date.

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Nepal Republic Media Ltd.
Notes to Financial Statements

3 Property, Plant and Equipment

Particulars	Cost					Revaluation Surplus				WDV as at			
	Opening	Addition	Disposal	Closing	Useful Life	Accumulated Depreciation	Depreciation For the Year	Closing	Opening Revaluation surplus	Depreciation on Revalued Assets	Closing Revaluation Surplus	31.03.2081	31.03.2080
Building	128,321,029	3,756,205	-	132,077,233	50	37,782,370	2,185,231	39,967,601	17,100,489	378,958	16,721,531	108,831,163	107,639,148
Furnitures	11,696,038	156,987	-	11,853,025	7	10,242,960	230,009	10,472,969	-	-	-	1,380,056	1,453,078
Land	4,565,420	-	-	4,565,420	-	-	-	-	380,259,561	-	380,259,561	384,824,981	384,824,981
Leasehold Assets	7,242,955	97,373	-	7,340,328	8	4,526,847	339,514	4,866,361	-	-	-	2,473,967	2,716,108
Office Equipments	43,718,810	241,712	-	43,960,523	6	37,984,834	973,105	38,937,939	-	-	-	5,022,584	6,671,442
Machinery	118,132,409	-	433,266	117,699,142	10	99,508,681	2,250,920	101,759,601	-	-	-	15,939,541	17,701,097
Vehicles	58,394,537	-	1,033,292	57,361,246	9	38,169,062	3,161,908	41,330,970	-	-	-	16,030,276	20,230,640
Total	372,071,199	4,252,276	1,466,558	374,856,917		228,194,753	9,140,687	237,335,441	397,360,050	378,958	396,981,092	534,502,568	541,236,495

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4 Intangible Assets

Particulars	SOFTWARE	Intangible Assets Under Development	TOTAL
Cost			
Opening Balance	5,922,585	-	5,922,585
Addition	2,136,000	7,266,689	9,402,689
Disposal	-	-	-
Total Cost	8,058,585	7,266,689	15,325,274
Amortization			
Amortization Up To The Last Year	4,175,866	-	4,175,866
Amortization For The Year	460,631	-	460,631
Amortization on Disposals	-	-	-
Total Amortization	4,636,498	-	4,636,498
Balance as on 31.03.2081	3,422,088	7,266,689	10,688,777

4.1 Intangible Assets Under Development

The company has been started the development of dynamic web portal of Nagarik News. The portal is under development during the current fiscal year.

The company has been capitalized the costs incurred for development of dynamic web portal of Nagarik News, which consists of the salary costs of developers, server costs and web hosting costs related to the web portal amounting to NPR 7,266,689.

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Nepal Republic Media Ltd.
Kathmandu, Nepal
Notes to the Financial Statements
For the period ended 31 Ashadh 2081 (15th July, 2024)

Investment	Note 5	
Particulars	Current Year	Previous Year
Investment in Link Youth Media Pvt.Ltd.	12,800,000	-
Investment Other	2,500,000	-
Fixed Deposits	120,000,000	-
Total	135,300,000	-

Right-of Use Assets	Note 6	
Particulars	Current Year	Previous Year
Opening Balance	25,618,974	32,570,276
Addition	-	568,162
Depreciation	(7,535,117)	(7,519,464)
Closing Balance	18,083,857	25,618,974

Deferred Tax Assets and Expenses	Note 7	
Particulars	Current Year	Previous Year
DEFERRED TAX ASSET / (LIABILITY) FOR FY 2080/81	40,250,239	40,250,239
Opening deferred Tax Asset	40,250,239	29,656,896
Deferred Tax Income /(Expenses) For FY 2080/81	-	10,593,343
Closing Deferred Tax Asset	40,250,239	40,250,239

The Company has opted not to recognize deferred tax assets and liabilities 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. The Company will continue to evaluate its future tax position and recognize deferred tax in future periods once the assessment of future taxable profits and the utilization of deferred tax assets

Other Non-Current Asset	Note 8	
Particulars	Current Year	Previous Year
Security Deposit	1,046,898	1,001,898
Total	1,046,898	1,001,898

Inventories	Note 9	
Particulars	Current Year	Previous Year
Newsprint	50,541,044	53,915,050
Printing Materials	19,961,107	19,550,137
Stationery	724,098	724,098
Total	71,226,249	74,189,285

Trade & Other Receivables	Note 10	
Particulars	Current Year	Previous Year
Advance Income Tax	12,216,791	10,349,925
Staff Salary Advance	35,996,332	35,996,332
Sundry Advance	7,006,794	7,093,760
Other Advances	26,359,056	35,844,190
Sundry Debtors	394,562,109	331,435,296
Total	476,141,082	420,719,503

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Nepal Republic Media Ltd.

Kathmandu, Nepal

Notes to the Financial Statements

For the period ended 31 Ashadh 2081 (15th July, 2024)

Total	476,141,082	420,719,503
Cash and Cash Equivalents		Note 11
Particulars	Current Year	Previous Year
Cash In Hand	26,393	-
Cheque In Hand	1,679,627	1,570,354
Cash At Bank	4,771,624	192,378,069
Total	6,477,643	193,948,423
Equity Share Capital		Note 12
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
Retained Earnings		Note 13
Particulars	Current Year	Previous Year
Opening Balance	(509,759,038)	(510,837,417)
Profit	1,693,944	178,353
Depreciation on Revalued Assets	378,958	900,026
Total	(507,686,136)	(509,759,038)
Other Component of Equity		Note 14
Particulars	Current Year	Previous Year
Revaluation Reserve	396,981,091	397,360,049
CSR Fund	328,846	328,846
Total	397,309,938	397,688,896
Long Term Borrowings		Note 15
Particulars	Current Year	Previous Year
Secured Loan		
Term Loan	91,394,389	25,605,732
Secured Loan Total	91,394,389	25,605,732
Total	91,394,389	25,605,732
Lease Liability		Note 16
Particulars	Current Year	Previous Year
Opening Lease Liability	28,447,676	34,452,186
Lease Modification	-	-
Additions	-	568,162
Finance Cost	2,031,709	2,710,374
Redemption	(9,291,924)	(9,283,047)
	21,187,461	28,447,676
Current Portion	8,124,176	7,260,215
Non-Current Portion	13,063,285	21,187,461
Balance as on 32.03.2079	21,187,461	28,447,676



Nepal Republic Media Ltd.
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Notes to the Financial Statements
For the period ended 31 Ashadh 2081 (15th July, 2024)

Other Non-Current Liabilities		Note 17	
Particulars	Current Year	Previous Year	
Agency Deposit	11,197,049	12,115,073	
Other Deposit	624,842	624,842	
Total	11,821,891	12,739,915	

Trade And Other Payables		Note 18	
Particulars	Current Year	Previous Year	
Sundry Creditor	65,070,355	65,547,465	
Audit Fee Payable	278,750	250,000	
TDS on Audit Fee	3,750	3,750	
Ward Taxes	934,841	935,141	
TDS Payable	3,328,056	16,897,768	
Rent Payable	3,306,578		
VAT Payable	2,786,939	3,640,042	
Other Expenses Payable	5,612,622	1,066,930	
Total	81,321,891	88,341,096	

Employee Benefit Liability		Note 19	
Particulars	Current Year	Previous Year	
Salary Payable	15,822,804	12,236,586	
Provident Fund Payable	16,431,325	16,545,733	
Total	32,254,129	28,782,319	

Short Term Borrowings		Note 20	
Particulars	Current Year	Previous Year	
Working Capital Loans	80,716,667	128,737,334	
Cash Credit Loan	49,506,697	49,506,707	
Demand Loan	28,255,029	30,000,000	
Overdraft Loans	607,727	51,120,900	
Other Short Term Loan	37,294,549	-	
Bank Import LC Loan	2,233,081		
Term Loan Payable Within 1 Year	-	-	
HP Loan Payable Within 1 Year	-	-	
Total	198,613,749	259,364,941	







Nepal Republic Media Ltd.
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Notes to the Financial Statements
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Revenue		Note 21	
Particulars	Current Year	Previous Year	
Sales	180,463,189	223,208,060	
Total	180,463,189	223,208,060	

Other Income		Note 22	
Particulars	Current Year	Previous Year	
Gain on disposal of Property, Plant and Equipment	601,373	40,782,028	
Insurance Claim	132,324	366,444	
Other Income	722,333	1,115,195	
Interest Income	10,691,286	-	
Total	12,147,316	42,263,668	

Cost of Sales		Note 23	
Particulars	Current Year	Previous Year	
Opening Stock	74,189,285	71,810,094	
Purchase During The Period	21,885,398	50,115,501	
Less Closing Stock	(71,226,249)	(74,189,285)	
Material Consumed	24,848,434	47,736,310	
Direct Employee Expense (Note 23.1)	28,376,943	26,848,698	
Other Direct Expenses (Note 23.2)	7,371,087	6,968,791	
Cost Of Sales	60,596,464	81,553,799	

Direct Employee Expense		Note 23.1	
Particulars	Current Year	Previous Year	
Press	3,906,782	3,882,263	
Nagarik	14,358,533	15,567,649	
Photo/IT	1,811,275	1,859,300	
Republica	1,342,435	1,762,075	
Online	3,414,701	875,293	
It.Design	3,543,217	2,902,118	
Total	28,376,943	26,848,698	

Other Direct Expenses		Note 23.2	
Particulars	Current Year	Previous Year	
Electricity And Water Charge	1,373,350	2,311,287	
Generator Expenses	118,644	80,861	
Repair And Maintenance - Machinery	209,951	126,838	
Miscellaneous Press Expenses	425,068	437,434	
Freight	-	32,500	
Article Remuneration-Nagarik	1,120,772	1,430,199	
Article Remuneration-Republica	20,000	-	
Internet & Agency Charges	3,687,811	1,942,696	
Stringer Remuneration	287,491	431,975	
Magazine Printing Expense	128,000	175,000	
Total	7,371,087	6,968,791	

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Nepal Republic Media Ltd.
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Notes to the Financial Statements
For the period ended 31 Ashadh 2081 (15th July, 2024)

Administrative Expenses	Note 24	
Particulars	Current Year	Previous Year
Audit Fee	250,000	250,000
Advertisement Expenses (Other Media)	2,674,313	8,560
AGM Expenses	154,000	-
Anniversary Expenses	2,924,295	2,354,819
Audit Expenses	21,610	19,175
Business Promotion Expenses	1,736,758	688,895
Conveyance	83,018	45,280
Salary, Overtime, Wages & Allowances	32,105,712	38,983,157
P/F Contribution	1,338,699	2,346,048
Dashain Allowance	-	-
Electricity & Water Supply	2,666,380	2,048,007
Entertainment & Refreshment	708,603	918,014
Event Management Expenses	105,410	-
Generator Expenses	55,439	72,232
House Rent	56,484	148,656
Insurance Premium	679,432	2,901,675
Legal Fee And Expenses	410,000	-
Outstanding Lease Expenses	-	17,040,000
Miscellaneous Expenses	259,826	444,086
Newspaper And Periodicals	1,430	21,255
Postage And Courier Charges	111,249	17,886
Registration And Renewals	2,523,169	2,004,068
Repair And Maintenances (Building)	205,977	128,535
Repair And Maintenance (Other Assets)	363,833	672,883
Repair And Maintenance, (Vehicle)	506,150	473,219
Security And Cleanings	130,923	152,915
Staff Welfare Expenses	742,248	1,354,796
Stationery And Printing	827,233	408,004
Telephone & Fax Expenses (Ktm)	329,577	306,072
Tour And Travelling	1,326,299	1,129,613
Parking Charges	700	15,050
Holi Event Expenses	1,203,609	-
Consultancy /Advisory Service	243,716	402,000
Property valuation	-	48,900
Meeting allowance	200,000	135,000
Vehicle Running Expenses	1,590,708	2,245,628
Total	56,536,800	77,784,426

Selling And Distribution Expenses	Note 25	
Particulars	Current Year	Previous Year
Advertisement Expense Other Media	143,665	-
Salary, Overtime, Wages & Allowances	13,024,811	20,434,846
Newspaper Despatched (Road)	624,034	949,854
Newspaper Despatched (Air)	343,228	653,807
Paper Distribution Expenses	15,700	-
Subscription Scheme Expenses	589,566	651,126
Subscription Wages	43,680	111,915
Scheme Expenses	543,124	685,307
Total	15,327,808	23,486,855

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Nepal Republic Media Ltd.
Kathmandu, Nepal
Notes to the Financial Statements
For the period ended 31 Ashadh 2081 (15th July, 2024)

Other Expenses		Note 26
Particulars	Current Year	Previous Year
Foreign Exchange Loss		11,416
Loss on Sales of Fixed Assets		-
Total	-	11,416

Finance Charge		Note 27
Particulars	Current Year	Previous Year
Interest on Loan & Borrowings	34,664,495	56,550,890
Interest on Lease Liability	2,031,709	2,710,374
Other Financial Expenses	436,162	3,231,742
Total	37,132,366	62,493,006

Depreciation and Amortization		Note 28
Particulars	Current Year	Previous Year
Property, Plant & Equipment	9,140,687	16,585,881
Ammortization	460,631	249,531
Right-of-Use Asset	7,535,117	7,519,464
Total	17,136,436	24,354,876

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