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Chairman



BIJAY B SHRESTHA
Director



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Director



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Director



SHILA CHAUDHARY
Director



ANIL BASNYAT
Director



NIRANJAN NEUPANE
Director



KARAN K CHAUDHARY
Executive Director



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अध्यक्ष ज्युको मन्तव्य

नेपाल ल्यूव आयल लि. को बत्तिसौं वार्षिक साधारण सभामा सहभागी हूनु भएका सम्पूर्ण शेयरधनी महानुभावहरूमा कम्पनीको सञ्चालक समिति, सम्पूर्ण कम्पनी परिवार र मेरो व्यक्तिगत तर्फबाट समेत म यहाँहरूलाई हार्दिक स्वागत तथा न्यानो अभिवादन व्यक्त गर्दछु ।

शेयरधनी महानुभावहरू, नेपाल ल्यूव आयल लि. को यात्रा ४० वर्ष पूग्न गएको छ, ४० वर्षको यति लामो संघर्षपूर्ण र गौरवमय अवधिमा कम्पनी, सञ्चालक समिती तथा व्यवस्थापन प्रति यहाँहरूले देखाउनु भएको विश्वास प्रति हामि सदैव आभारी छौ । कम्पनि निजिकरण भएकोनै ३० वर्ष पुग्न गईरहेको छ र यत्रो लामो अवधिमा कम्पनीको प्रत्येक आरोह अवरोहको यहाँहरू साक्षिको रूपमा रहनु भएको छ । कम्पनीको प्रत्येक निर्णयको यहाँहरूबाट गम्भिरता पूर्वक विचार गरेर हामिहरूलाई कदम कदममा भकभकाई रहनु भएको छ । यसैले पनि निजिकरण भएका विभिन्न र त्यत्रा धेरै कम्पनीहरूमध्ये हालसम्म पनि आफूलाई पृथक र निजिकरणको एकमात्र सफल नमूना उद्योगको रूपमा स्थापित गराउन सकेका छौ ।

यत्रो वर्षको विभिन्न आरोह अवरोह देखेका भोगेका हामीहरूले यस समिक्षा वर्षको अवधिमा नितान्त फरक अवरोह देख्नु परेको कटू यथार्थ यहाँहरूलाई बताउनु मेरो रहर नभई बाध्यता बन्न गएको छ । म सम्झन्छु गत वर्ष यहि गरिमामय सभामा यहाँहरू सवैले म लगायत सञ्चालक समिती सदस्य र सम्पूर्ण व्यवस्थापकिय टिमलाई कति धेरै माया, सदभाव र हौसला प्रदान गर्ने हेतूले हामीसवैको प्रसँसा गर्दै गुणगान गाउनु भएको थियो तर ठिक त्यसको विपरितको परिस्थिती यस वर्ष रहन गयो । हामि तपाईहरूले गर्नु देखाउनु भएको विश्वासमा आफ्नो काबू भन्दा बाहिरकै परिस्थितीको कारण किन नहोस खरो उत्रन सकेनौ भन्न आज म बाध्य हुन परेको छ । COVID Pandemic, द्वन्द, नाकावन्दी र विश्वबजारको आर्थिक मन्दी देखेका भोगेका हामिले समिक्षा वर्षमा देशमा फरक आर्थिक सूस्तता र सोबाट उत्पन्न गम्भिर किसिमको आर्थिक संकट भोग्न बाध्य भयौ र जसको कारण पनि कम्पनी यसवर्ष आफूले लिएको लक्ष्यको कहि कतै नजिकै पनि पूग्न असमर्थ रह्यो ।

आ.ब.२०७९।८० मा हामिले लिएको ४९०९ के.एल.को लक्ष्य मध्ये २४०६ के.एल.मात्र विक्री गर्न समर्थ भयौ । उक्त परिमाण लक्ष्यको ५९% मात्र हो । त्यस्तै उक्त विक्री परिमाण यस अधिको वर्ष अर्थात आ.ब.२०७८।७९ को विक्री परिमाण ३४०२ के.एल.बाट २९% घटी हो । यसले हाम्रो विक्रीमा आएको गम्भिर संङ्कटलाई इंगित त गर्दछ तर उक्त अवधिमा नेपालको सम्पूर्ण लूब्रिकेन्ट्स बजारमा अघिल्लो वर्षको तूलनामा भएको ३२ % को गिरावटमा कम्पनीले केहि हद सम्म आफूलाई यथास्थितीमा राख्न सकेको देखाउदछ । यस परिस्थितीका वावजूद पनि कम्पनीले आफूलाई विक्री परिमाणमा आफ्ना प्रतिस्पर्धि माभमा उच्च स्थानमै कायम राखेको छ । कच्चा पदार्थको लागत बढनु, विक्री परिमाण कम भई स्थिर व्यवस्थापन खर्चको भार बढन जानू र बैंक ब्याजदरको उच्चतम वृद्धिले गर्दा नाफामा पनि प्रत्यक्ष असर पर्न गएको छ ।

समिक्षा अवधिको अन्तिम २ महिनामा भएको व्यापारले मात्र आज हामिलाई कम्पनी नोक्सानीमा जान बाट बचाएको छ । अन्यथा सञ्चालक समिती समिक्षा वर्षको मंसिर देखिनै यस वर्ष कम्पनी नोक्सानीमा जाने निश्चित प्राय देखिएको र यसलाई कसरी टार्न सकिन्छ भन्ने तिर आफ्नो रणनिती परिवर्तन गरी सोहि अनुरूपको निर्देशन व्यवस्थापनलाई दिदै आएको हो ।

यहाँहरूलाई अवगतनै छ कम्पनीको सवैभन्दा धेरै विक्री ट्याक्टर, टूला हेभि इक्विपमेन्ट र सिमेन्ट तथा स्टिल उद्योगहरूमा हूने गर्दथ्यो । यसअधिका वर्षहरूको आंकडा हेर्नेहो भने कम्पनीको विक्रीको ४५% विक्री यी वर्गमा हूने गर्दथ्यो । तर समिक्षा वर्षमा ट्याक्टर, टूला हेभि इक्विपमेन्ट र सिमेन्ट तथा स्टिल उद्योगहरूमा गम्भिर संकट आएको देखियो ट्याक्टर र टूला हेभि इक्विपमेन्टको व्यापार अघिल्लो वर्षहरूको



अनूपातमा ८५ % गिरावट आयो भने सिमेन्ट र स्टिल उद्योगतर्फ पनि आफ्नो क्षमतामा कूनै पनि उद्योग संचालन हुन सकेनन र एक दूर्ई उद्योग बाहेक अन्य सवै उद्योगहरू वर्षको धेरै समय बन्दनै रहेको थियो । यस्तो अवस्थामा पनि कम्पनीले आफ्नो रणनीति तूरुन्त परिवर्तन गरि अहिलेको परिमाण सम्म पूगन विभिन्न टेण्डर, राष्ट्रिय गौरवका आयोजनाहरू जस्तै फास्ट ट्रयाक्, सूनकोशि मरिन ड्राईभ, नागढूङ्गा सूरूङ्ग, विभिन्न निर्माणाधिन र स्तारोन्नती भईरहेको राजमार्ग र निर्माणाधिन हाइड्रोपावरहरू तर्फ ध्यान केन्द्रित गरि विक्रि गर्न सफल भएकोले हो ।

यहाँनिर अभ् हृदयदेखिनै मनन गर्न पर्ने विशाल कूरा भनेको २०७९ आश्विन महिना देखिनै देशमा देखिन थाले को सूस्त व्यवसायिक गतिविधि र ठप्प प्राय विक्रीले गर्दा कम्पनीमा पर्न गईरहेको चरम आर्थिक सङ्कटलाई केहि हदसम्म पनि आफ्नो तर्फबाट योगदान पूगोस भन्दै कम्पनीका कामदार तथा कर्मचारीहरू सवैले एकै स्वरमा कम्पनीमा हप्ताको १ दिन बेतलवि काम गर्ने प्रस्ताव सञ्चालक समितीमा पेश गर्नु भएको थियो । उहांहरूको प्रस्ताव कम्पनीको लागि स्वागतयोग्य भए पनि मानविय दृष्टिकोणले व्यवहारिक नदेखिएकोले हामिले केहि महिना यस विषयमा सोचेका थिएनौ । तर कच्चा पदार्थको भाउमा वृद्धि र देशमा क्रेताको दिनवदिन क्षय हूदै गईरहेका क्रयशक्तीका कारण बस्तूको मूल्यमा वृद्धि गर्न नसकिरहेको परिस्थितीका कारण कामदार तथा कर्मचारीको तर्फबाट आएको उक्त प्रस्ताव हामिले २०७९ पौष १५ देखि लागू गर्ने निर्णय गरियो । हो यो परिस्थिती आउनु दूखद भएतापनि त्यस बेला लूब्रिकेन्ट्स उद्योगमा अन्य प्रतिस्पर्धिहरूले भने व्यापक कर्मचारी कटौती गरिरहेको अवस्थामा यस निर्णयलाई केहि हदसम्म पनि व्यवहारिक मानेका छौ । यसको निमित्त हामि सवै हाम्रा कामदार तथा कर्मचारीहरू प्रति सदैव कृतज्ञ रहने छौ ।

यस वर्ष हामिले आगामि ५ वर्षको निमित्त GULF ब्राण्डको उपयोगको निमित्त GULF Oil international ltd संग सम्भौता गर्न सफल भएका छौ । त्यस्तै विश्वबजारमा समान स्तरमा प्रयोग हुने नाम, पेकिङ्ग जार र स्टिकरहरू प्रयोग गर्न सूरूवात गरेका छौ । यसले सम्पूर्ण विश्व बजारमा देखिने पाईने GULF का product हरू संग एकरूपता ल्याई सो सरहनै हाम्रो उत्पादन रहेको छ भन्ने जनाउ बजार सामू पूगन सफल भएको छ ।

त्यस्तै अधिल्ला वर्षहरूमा बजारमा विक्री हुने हाम्रो बस्तूहरूको हाम्रो उद्योगमा हुने उत्पादन ६०% को हाराहारीमा रहेको हुन्थ्यो भने आयात गरिने तयारी सामानको भार ४०% हुने गर्दथ्यो । गत वर्ष कम्पनीमा नयाँ प्रविधीको उत्पादन केटलहरू जडान गरेपश्चात विभिन्न उच्चस्तरिय ग्रेडका लूब्रिकेन्ट्स आफ्नै उद्योगमा उत्पादन गर्न सक्षम भई अधिल्लो वर्ष उद्योगमा उत्पादन हुने वस्तूको भार ६५% पूगन गएको थियो र यस आ.ब. अर्थात २०८०/८१ मा हाम्रो उत्पादनको भार ७२% पूगाउने लक्ष्य लिएका छौ । त्यस्तै आउने दिनमा आफ्नै कारखानामा उत्पादित वस्तूको भार ८२% सम्म पूगाउने लक्ष्य हो । बांकी १८% प्रतिशत बस्तूको उत्पादन हाम्रो उद्योगमा हुन नसक्ने र GULF को अन्य ईकाईहरू संग अन्य मेशिनरी र सवारी साधन कम्पनी विच भएको सम्भौतामा अधिन रहेका बस्तूहरू मात्र रहेको छ ।

समिक्षा वर्षमा हामीले हाम्रा एक महत्वपूर्ण सदस्यलाई गूमाउन पूगेका छौ । सञ्चालक समितीका सदस्य स्वर्गिय रविन्द्रराज पन्त हामी माभ रहनु भएन, निजको असामयिक निधनले हामिलाई स्तब्ध र भावविहल बनाएको छ । विभिन्न विषयको विज्ञताका धनि उहाँले सञ्चालकको रूपमा कम्पनी प्रति पूर्याउनु भएको योगदान अतूलनिय र सदैव स्मरणिय रहने छ । निज प्रति हामी सवैको तर्फबाट पुन हार्दिक श्रदान्जली अर्पण गर्दछु ।

सेयरधनी महानुभावहरू,

समिक्षा वर्षमा नेपालको सम्पूर्ण लूब्रिकेन्ट्स व्यापारका साथ साथै कम्पनीको विक्री कारोवारमा पनि उल्ले खनिय गिरावट आएता पनि उपभोक्ता माभ बस्तूको चिनारी अर्थात Brand Building को कार्यलाई सदैव भै निरन्तारता दिएका थियौ । उक्त सवैको विस्तृत विवरण यसै प्रतिवेदनमा पेश गरेका छौ । हामि सवैलाई थाहा छ सवै किसिमको व्यापारमा उतार चढाव आरोह अबरोह त व्यापारको अभिन्न अङ्गनै हो । अहिले देखिरहे



को सङ्कट पनि अवस्थ टरेर जाने छ । अहिलेको परिस्थिती भनेको यस सङ्कटको अवस्थामा आफूलाई sustain गर्न अर्थात सम्हालिने जोगिएर कार्य गर्ने हो । परिस्थिती अनुकूल भएपछि अगाडि अवस्थ बढ्ने नै छौ ।

हाल पनि बजारको अवस्था फरक छैन, ट्रयाक्टर र हेभि इक्विपमेन्टको व्यापार व्यवसाय र संचालनको अवस्था गत वर्ष भन्दा रति भर पनि फरक छैन । नेपालमा २ पाङ्गे, ३ पाङ्गे र ४ पाङ्गे तर्फ बढ्दो बिद्युतिय सवारी साधनको प्रचलनले पनि आउने दिनमा लूब्रिकेन्ट्स व्यवसायको निमित्त एउटा Threat कै रूपमा आईरहेको छ । त्यस्तै देशमा हालसम्म पनि बजारमा देखिरहेको सूस्त आर्थिक गतिविधी (Liquidity Crunch) ले पनि उठाउन पर्ने रकम उठन ढिला भई व्यापारको व्यवसायीक चक्रलाई प्रभाव पारिरहेको देखिएकोले यस आ.ब.२०८०/८१ मा बजारको अवस्थालाई सूच्छ्म दृष्टिले हेर्दै ३४९८ के.एल. विक्रीको लक्ष्य सहित कतिपय शिर्षकमा खर्चको कटौति गर्दै यस वर्ष ४ करोड ४८ लाख नाफाको लक्ष्य लिएका छौ । उक्त दूवै लक्ष्य हालको बजारको परिस्थितीमा कूनै ठूलो जोखिम नलिई बजारको एकदम नजिक रहेर गरिएकोले यो लक्ष्य पूरा गर्न सकिन्छ भन्ने विश्वास लिएको छु ।

शेयरधनी महानुभावहरू,

समिक्षा वर्षमा कम्पनीको आर्थिक परिस्थिती सोचे अनुरूप नभएपनि शेयरधनी महानुभावहरूलाई सदैव कम्पनी प्रतिको विश्वासमा कमि नहोस र सदैभै केहि हौसला मिलोस भनि कम्पनीको वितरण योग्य नाफाबाट सञ्चालक समितिले २५% बोनस शेयर र ५% नगद लाभासं वितरणको प्रस्ताव गरेको छ । आशा छ यहाँहरूले उक्त प्रस्तावलाई सहृदयले स्विकार गरि स्विकृत गरिदिनु हुनेछ । त्यस्तै कम्पनी ऐन बमोजिम पेश गर्न पर्ने सवै विवरणहरू यस प्रतिवेदनमा पेश भएको छ । यसका साथै सञ्चालक समितीको तर्फबाट आजको यस सभामा पेश भएका सवै प्रस्तावहरू सर्वसम्मत रूपमा स्विकृत गरि पारित गरिदिनुहुने छ भन्ने आशा लिएको छु ।

अन्त्यमा,

यस वर्ष पनि कम्पनीलाई आफ्नो क्षेत्रमा विगत ७ वर्ष भै अग्र स्थानमा राख्न आ.आफ्नो क्षेत्रबाट यो गदान पूर्याउनु हुने हाम्रा Distributor, Retailer, Mechanics, OEM Partner, Projects, Industries, व्यवसायी, DSE, आम उपभोक्ता र अन्य सम्पूर्ण सूभेच्छकहरू प्रति हामि सदैव आभारी छौ ।

त्यसैगरी कम्पनीको शुरुवातदेखि नै कम्पनीको सघर्षको दिनहरूका प्रत्येक पलको साक्षि रहनु भएका र कम्पनीलाई सदैव महत्वपूर्ण र रचनात्मक मार्गदर्शन प्रदान गर्ने हाम्रा शेयरधनी महानुभावहरूलाई पनि हामि हार्दिक धन्यवाद टक्र्याउदै आगामि दिनहरूमा पनि यसरी नै निरन्तररूपमा सकारात्मक एवं रचनात्मक सहयोग पाईरहने छौ भन्ने आशा लिएका छौ । यहाँहरूले कम्पनी प्रति देखाउनु भएको सदभाव र हामि प्रति देखाउनु भएको विश्वासबाट अलिकतिपनि डगमगाउन दिने छैनौ ।

यस सञ्चालक समिती तथा कम्पनीलाई प्रत्यक्ष अप्रत्यक्ष रूपमा मार्गनिर्देशन गर्ने नेपाल सरकारका विभिन्न नियमनकारी निकाय, श्री धीतोपत्र बोर्ड, श्री नेपाल स्टक एक्सेन्ज, CDS and Clearing र कम्पनीको दैनिक गतिविधिमा साथ तथा सहयोग पूर्याउने श्री एभरेष्ट बैंक लि. तथा अन्य बैंक तथा वित्तिय संस्था, RTS र पत्रकार मित्रहरू प्रति पनि हार्दिक आभार प्रकट गर्दछौ ।

साथै कम्पनीका मेरुदण्डका रूपमा रहनु भएका हाम्रा कर्त्यव्यनिष्ठ, मेहनती, रणनितिज्ञ र उर्जावान सम्पूर्ण कामदार तथा कर्मचारीहरूको परिश्रमको कदर गर्दै उहाँहरूसवैमा सदैव भै हार्दिक धन्यवाद प्रदान गर्दछौ ।

सञ्चालक समितिको तर्फबाट

श्री अरुण कुमार चौधरी

अध्यक्ष



नेपाल ल्यूब आयल लिमिटेडको

बत्तीसौ वार्षिक साधारण सभाको सूचना

मिति २०८०।०९।०९ गते मा बसेको सञ्चालक समितिको ३७९ औं बैठकको निर्णय अनुसार यस कम्पनीको बत्तीसौ वार्षिक साधारण सभा निम्नलिखित मिति, समय, र स्थानमा देहायका विषयहरू उपर छलफल गर्न बस्ने भएको हुँदा सम्पूर्ण सेयरधनी महानुभावहरूको उपस्थितिका लागि अनुरोध गरिएको छ ।

१. सभा हुने मिति, समय र स्थान:

मिति : २०८० साल पौष २५ गते, बुधवार (१० जनवरी, २०२४)

समय : बिहान ११:३० बजे

स्थान : याक प्यालेस, पूल्चोक, ललितपुर

२. छलफलका विषय सूची :

- आ.ब.२०७९।८०को सञ्चालक समितिको प्रतिवेदन माथि छलफल गरी पारित गर्ने ।
- आ.व.२०७९।८० को लेखा परीक्षकको प्रतिवेदन, २०८० आसार मसान्तको वासलात र आ.व.२०७९।८० को आय विवरण र सोही अवधिको नगद प्रवाह विवरण छलफल गरि स्वीकृत गर्ने ।
- सञ्चालक समितिले सिफारिस गरे बमोजिमको २५% प्रतिशत बोनस शेयर तथा ५% नगद लाभांश वितरणको निमित्त स्वीकृत गर्ने । साथै प्रस्तावित वोनस शेयर वितरण र सो बराबरको चुक्ता पूंजी वृद्धि गर्ने ।
- आ.व.२०८०।८१ को कारोबारको हिसाब लेखा परीक्षण गर्नका निमित्त हालका लेखा परिक्षक लगातार तीन वर्ष लेखा परिक्षण कार्य गरेकोले नयां लेखा परीक्षकको नियुक्ति तथा निजको पारिश्रमिक निर्धारण गर्ने । नयां लेखा परिक्षकमा ३ वटा लेखापरिक्षक बाट प्रस्ताव प्राप्त भएको मध्ये लेखा परिक्षण समितीले सिफारिस गरे बमोजिमको ए.आई. एसोसिएट्सलाई नियुक्तीको निमित्त स्वकृतीको लागी प्रस्ताव गर्ने ।
- विविध ।

३. विशेष प्रस्ताव

- हाल प्रस्तावित वोनस शेयर वितरण स्वीकृत पश्चात सो बराबरको चुक्ता पूंजी वृद्धि गर्ने ।
- अधिकृत पूंजी, जारी पूंजी तथा चुक्ता पूंजी वृद्धी गर्ने सन्दर्भमा कम्पनीको प्रबन्धपत्र तथा नियमावलीमा आवश्यक संसोधन गर्न विवरणहरू तयार गरी श्री कम्पनी रजिष्ट्रारको कार्यलयमा पेश गर्न तथा आवश्यक अन्य कार्य गर्न गराउन संचालक समितीलाई अख्तियारी प्रदान गर्ने ।

सञ्चालक समितिको आज्ञाले

कम्पनी सचिव

साधारण सभा हुने सम्बन्धमा सामान्य जानकारी

- प्रतिनिधि (प्रोक्सी) नियुक्त गरिएकोमा सो प्रतिनिधिपत्र कम्पनीको कर्पोरेट कार्यालय, साकेत भवन, त्रिपुरेश्वर, काठमाण्डौंमा सभा सुरु हुनुभन्दा कम्तीमा ७२ घण्टा अगाडि दर्ता गरी सक्नु पर्नेछ । सेयर वालाको नाम सेयर संख्या र दस्तखत नभिलेको प्रतिनिधिपत्र रद्द हुन्छ ।
- उपस्थित गणपुरक संख्या सभा संचालनको निमित्त निर्दिष्ट संख्या अनुसार पर्याप्त भएमा मात्र सभा संचालन हुने छ ।
- साधारण सभा प्रयोजनका लागि कम्पनीको शेयर दाखिल खारिजको काम मिति २०८०।०९।१० देखि २०८०।०९।२५ सम्म बन्द रहने छ ।
- साधारण सभाको सूचना र आर्थिक विवरण सेयरधनीको दर्ता किताबमा कायम रहेको ठेगानामा पठाइने छ ।
- साधारण सभा सम्बन्धी अन्य कुराहरूको जानकारी आवश्यक भएमा कम्पनीको कर्पोरेट कार्यालय, साकेत भवन, त्रिपुरेश्वरमा, कार्यालय समयमा सम्पर्क राखी लिन सकिने छ ।



प्रोक्सी फारम

श्री सञ्चालक समिति

नेपाल ल्यूव आयल लिमिटेड

त्रिपुरेश्वर, काठमाण्डौं

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला म.न.पा./उ.न.पा./न.पा./गा.वि.स. वडा नं. बस्ने म र हामी
..... ले त्यस कम्पनीको सेयरधनीको हैसियतले २०८० साल पौष २५ गते हुने साधारण सभामा स्वयम्
उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान गर्नको
लागि जिल्ला म.न.पा./उ.न.पा./न.पा./गा.वि.स. वडा नं. बस्ने त्यस कम्पनीको
सेयरवाला श्री सेयर प्रमाण पत्र नं. लाई मेरो र हाम्रो प्रतिनिधि मनोनित गरी पठाएको
छु र छौं ।

निवेदकको दस्तखत

नाम.....

ठेगाना.....

सेयर प्रमाण पत्र नं.

सेयर संख्या

नेपाल ल्यूव आयल लिमिटेड

भूमिसखेल, ललितपुर

प्रवेश पत्र

सेयरधनीको नाम..... सेयर प्रमाणपत्र नं..... सेयर संख्या.....

सेयरधनीको सहि :

नेपाल ल्यूव आयल लि.को २०८०।०९।२५ मा हुने बत्तिसौं वार्षिक साधारण सभामा उपस्थितिका लागि जारी गरि
एको प्रवेश पत्र ।

(सभाकक्षमा प्रवेश गर्दा यो प्रवेश पत्र पेस गर्नु पर्ने छ ।)

कम्पनी सचिव

(सभाकक्षमा प्रवेश गर्दा यो प्रवेश पत्र अनिवार्य रूपमा पेश गर्नु पर्ने ५ ।)



नेपाल ल्यूब आयल लिमिटेडको मिति २०८० साल पौष २५ गते

बोलाइएको बतिसौं वार्षिक साधारण सभामा सञ्चालक

समितिको तर्फबाट अध्यक्ष श्री अरुण कुमार

चौधरीज्यूद्धारा प्रस्तुत आ.व.२०७९/८० को

वार्षिक हिसाब र प्रतिवेदन

शेयरधनी महानुभावहरू,

नेपाल ल्यूब आयल लि. को बतिसौं वार्षिक साधारण सभामा सहभागी हूनु भएका सम्पूर्ण शेयरधनी महानुभावहरूमा कम्पनीको सञ्चालक समिति, सम्पूर्ण कम्पनी परिवार र मेरो व्यक्तिगत तर्फबाट समेत म यहाँहरूलाई हार्दिक स्वागत तथा न्यानो अभिवादन व्यक्त गर्दछु ।

शेयरधनी महानुभावहरू, नेपाल ल्यूब आयल लि. को यात्रा ४० वर्ष पूग्न गएको छ, ४० वर्षको यति लामो संघर्षपूर्ण र गौरवमय अवधिमा कम्पनी, सञ्चालक समिती तथा व्यवस्थापन प्रति यहाँहरूले देखाउनु भएको विश्वास प्रति हामि सदैव आभारी छौ । कम्पनि निजिकरण भएकोनै ३० वर्ष पुग्न गईरहेको छ र यत्रो लामो अवधिमा कम्पनीको प्रत्येक आरोह अवरोहको यहाँहरू साक्षिको रूपमा रहनु भएको छ । कम्पनीको प्रत्येक निर्णयको यहाँहरूबाट गम्भिरता पूर्वक विचार गरेर हामिहरूलाई कदम कदममा भकभककाई रहनु भएको छ । यसैले पनि निजिकरण भएका विभिन्न र त्यत्रा धेरै कम्पनीहरूमध्ये हालसम्म पनि आफूलाई पृथक र निजिकरणको एकमात्र सफल नमूना उद्योगको रूपमा स्थापित गराउन सकेका छौ ।

यत्रो वर्षको विभिन्न आरोह अवरोह देखेका भोगेका हामीहरूले यस समिक्षा वर्षको अवधिमा नितान्त फरक अवरोह देख्नु परेको कटू यथार्थ यहाँहरूलाई बताउनु मेरो रहर नभई बाध्यता बन्न गएको छ । म सम्भ्रन्छु गत वर्ष यहि गरिमामय सभामा यहाँहरू सवै ले म लगायत सञ्चालक समिती सदस्य र सम्पूर्ण व्यवस्थापकिय टिमलाई कति धेरै माया, सदभाव र हौसला प्रदान गर्ने हेतूले हामीसवैको प्रसँसा गर्दै गुणगान गाउनु भएको थियो तर ठिक त्यसको विपरितको परिस्थिती यस वर्ष रहन गयो । हामि तपाईंहरूले गर्नु देखाउनु भएको विश्वासमा आफ्नो काबू भन्दा बाहिरकै परिस्थितीको कारण किन नहोस खरो उत्रन सकेनौ भन्न

आज म बाध्य हुन परेको छ । COVID Pandemic, द्वन्द, नाकावन्दी र विश्वबजारको आर्थिक मन्दी देखेका भोगेका हामिले समिक्षा वर्षमा देशमा फरक आर्थिक सूस्तता र सोबाट उत्पन्न गम्भिर किसिमको आर्थिक संकट भोग्न बाध्य भयौ र जसको कारण पनि कम्पनी यसवर्ष आफूले लिएको लक्ष्यको कहि कतै नजिकै पनि पूग्न असमर्थ रह्यो । आ.ब.२०७९/८० मा हामिले लिएको ४९०९ के.एल.को लक्ष्य मध्ये २४०६ के.एल.मात्र विक्री गर्न समर्थ भयौ । उक्त परिमाण लक्ष्यको ५९% मात्र हो । त्यस्तै उक्त विक्री परिमाण यस अघिको वर्ष अर्थात आ.ब.२०७८/७९ को विक्री परिमाण ३४०२ के.एल.बाट २९% घटी हो । यसले हाम्रो विक्रीमा आएको गम्भिर संङ्कटलाई इंगित त गर्दछ तर उक्त अवधिमा नेपालको सम्पूर्ण लूब्रिकेन्ट्स बजारमा अघिल्लो वर्षको तूलनामा भएको ३२ % को गिरावटमा कम्पनीले केहि हद सम्म आफूलाई यथास्थितीमा राख्न सकेको देखाउदछ । यस परिस्थितीका वावजूद पनि कम्पनीले आफूलाई विक्री परिमाणमा आफ्ना प्रतिस्पर्धि माफमा उच्च स्थानमै कायम राखेको छ । कच्चा पदार्थको लागत बढनु, विक्री परिमाण कम भई स्थिर व्यवस्थापन खर्चको भार बढन जानू र बैंक ब्याजदर को उच्चतम वृद्धिले गर्दा नाफामा पनि प्रत्यक्ष असर पर्न गएको छ ।

समिक्षा अवधिको अन्तिम २ महिनामा भएको व्यापारले मात्र आज हामिलाई कम्पनी नोकसानीमा जान बाट बचाएको छ । अन्यथा सञ्चालक समिती समिक्षा वर्षको मंसिर देखिनै यस वर्ष कम्पनी नोकसानीमा जाने निश्चित प्राय देखिएको र यसलाई कसरी टार्न सकिन्छ भन्ने तिर आफ्नो रणनिती परिवर्तन गरी सोहि अनुरूपको निर्देशन व्यवस्थापनलाई दिदै आएको हो ।

यहाँहरूलाई अवगतनै छ कम्पनीको सवैभन्दा धेरै विक्री ट्याक्टर, ठूला हेभि इक्विपमेन्ट र सिमेन्ट तथा स्टिल उद्योगहरूमा हूने गर्दथ्यो । यसअघिका



वर्षहरूको आंकडा हेर्नेहो भने कम्पनीको विक्रिको ४५% विक्री यी वर्गमा हुने गर्दथ्यो । तर समिक्षा वर्षमा ट्याक्टर, टूला हेभि इक्विपमेन्ट र सिमेन्ट तथा स्टिल उद्योगहरूमा गंभिर संकट आएको देखियो ट्याक्टर र टूला हेभि इक्विपमेन्टको व्यापार अघिल्लो वर्षहरूको अनुपातमा ८५ % गिरावट आयो भने सिमेन्ट र स्टिल उद्योगतर्फ पनि आफ्नो क्षमतामा कूनै पनि उद्योग संचालन हुन सकेन र एक दूर्ई उद्योग बाहेक अन्य सबै उद्योगहरू वर्षको धेरै समय बन्दनै रहेको थियो । यस्तो अवस्थामा पनि कम्पनीले आफ्नो रणनीति तुरून्त परि वर्तन गरि अहिलेको परिमाण सम्म पुग्न विभिन्न टेण्डर, राष्ट्रिय गौरवका आयोजनाहरू जस्तै फास्ट ट्र्याक, सूनको शि मरिन ड्राईभ, नागढूङ्गा सूरुङ्ग, विभिन्न निर्माणाधिन र स्तारोन्नती भईरहेको राजमार्ग र निर्माणाधिन हाइड्रो पावरहरू तर्फ ध्यान केन्द्रित गरि विक्रि गर्न सफल भएकोले हो ।

यहाँनिर अभ् हृदयदेखिनै मनन गर्न पर्ने विशाल कूरा भनेको २०७९ आश्विन महिना देखिनै देशमा देखिन थालेको सूस्त व्यवसायिक गतिविधि र ठप्प प्राय विक्रीले गर्दा कम्पनीमा पर्न गईरहेको चरम आर्थिक सङ्कटलाई केहि हदसम्म पनि आफ्नो तर्फबाट योगदान पुगोस भन्दै कम्पनीका कामदार तथा कर्मचारीहरू सबैले एकै स्वरमा कम्पनीमा हप्ताको १ दिन बेतलवि काम गर्ने प्रस्ताव सञ्चालक समितीमा पेश गर्नु भएको थियो । उहाँहरूको प्रस्ताव कम्पनीको लागि स्वागतयोग्य भए पनि मानविय दृष्टिकोणले व्यवहारिक नदेखिएकोले हामिले केहि महिना यस विषयमा सोचेका थिएनौ । तर कच्चा पदार्थको भाउमा वृद्धि र देशमा क्रैताको दिनवदिन क्षय हूदै गईरहेका ऋयशक्तीका कारण बस्तूको मूल्यमा वृद्धि गर्न नसकिरहेको परिस्थितीका कारण कामदार तथा कर्मचारीको तर्फबाट आएको उक्त प्रस्ताव हामिले २०७९ पौष १५ देखि लागू गर्ने निर्णय गरियो । हो यो परिस्थिती आउनु दूखद भएतापनि त्यस बेला लूब्रिकेन्ट्स उद्योगमा अन्य प्रतिस्पर्धिहरूले भने व्यापक कर्मचारी कटौती गरिरहेको अवस्थामा यस निर्णयलाई केहि हदसम्म पनि ब्यवहारिक मानेका छौ । यसको निमित्त हामि सबै हाम्रा कामदार तथा कर्मचारीहरू प्रति सदैव कृतज्ञ रहने छौ ।

यस वर्ष हामिले आगामि ५ वर्षको निमित्त GULF ब्राण्डको उपयोगको निमित्त GULF Oil international ltd संग सम्भौता गर्न सफल भएका

छौ । त्यस्तै विश्वबजारमा समान स्तरमा प्रयोग हुने नाम, पेकिङ्ग जार र स्टिकरहरू प्रयोग गर्न सूरुवात गरेका छौ । यसले सम्पूर्ण विश्व बजारमा देखिने पाईने GULF का product हरू संग एकरूपता ल्याई सो सरहनै हाम्रो उत्पादन रहेको छ भन्ने जनाउ बजार सामू पुग्न सफल भएको छ ।

त्यस्तै अघिल्ला वर्षहरूमा बजारमा विक्री हुने हाम्रो बस्तूहरूको हाम्रो उद्योगमा हुने उत्पादन ६०% को हाराहारीमा रहेको हुन्थ्यो भने आयात गरिने तयारी सामानको भार ४०% हुने गर्दथ्यो । गत वर्ष कम्पनीमा नयाँ प्रविधीको उत्पादन केटलहरू जडान गरे पश्चात विभिन्न उच्चस्तरिय ग्रेडका लूब्रिकेन्ट्स आफ्नै उद्योगमा उत्पादन गर्न सक्षम भई अघिल्लो वर्ष उद्योगमा उत्पादन हुने वस्तूको भार ६५% पुग्न गएको थियो र यस आ.ब. अर्थात २०८०/८१ मा हाम्रो उत्पादनको भार ७२% पुगाउने लक्ष्य लिएका छौ । त्यस्तै आउने दिनमा आफ्नै कारखानामा उत्पादित वस्तूको भार ८२% सम्म पुगाउने लक्ष्य हो । बांकी १८% प्रतिशत बस्तूको उत्पादन हाम्रो उद्योगमा हुन नसक्ने र GULF को अन्य ईकाईहरू संग अन्य मेशिनरी र सवारी साधन कम्पनी विच भएको सम्भौतामा अधिन रहेका बस्तूहरू मात्र रहेको छ ।

समिक्षा वर्षमा हामीले हाम्रा एक महत्वपूर्ण सदस्यलाई गुमाउन पुगेका छौ । सञ्चालक समितीका सदस्य स्वर्गिय रविन्द्रराज पन्त हामी माभ रहनु भएन, निजको असामयिक निधनले हामिलाई स्तब्ध र भावविहल बनाएको छ । विभिन्न विषयको विज्ञताका धनि उहाँले सञ्चालकको रूपमा कम्पनी प्रति पूर्याउनु भएको योगदान अतूलनिय र सदैव स्मरणिय रहने छ । निज प्रति हामी सबैको तर्फबाट पुन हार्दिक श्रदान्जली अर्पण गर्दछौ ।

सेयरधनी महानुभावहरू,

समिक्षा वर्षमा नेपालको सम्पूर्ण लूब्रिकेन्ट्स व्यापारका साथ साथै कम्पनीको विक्री कारोवारमा पनि उल्ले खनिय गिरावट आएता पनि उपभोक्ता माभ बस्तूको चिनारी अर्थात Brand Building को कार्यलाई सदैव भै निरन्तरता दिएका थियौ । उक्त सबैको विस्तृत विवरण यसै प्रतिवेदनमा पेश गरेका छौ । हामि सबै लाई थाहा छ सबै किसिमको व्यापारमा उतार चढाव आरोह अबरोह त व्यापारको अभिन्न अङ्गनै हो ।



अहिले देखिरहेको सङ्कट पनि अवस्य टरेर जाने छ । अहिलेको परिस्थिती भनेको यस सङ्कटको अवस्थामा आफूलाई sustain गर्न अर्थात सम्हालिने जोगिएर कार्य गर्ने हो । परिस्थिती अनुकूल भएपछि अगाडि अवस्य बढने नै छौ ।

(क) विगत वर्षको कारोबारको सिंहावलोकन :

विगत पांच वर्षको तुलनात्मक वित्तीय स्थिति निम्नानुसार रहेको छ ।

S.N.	PARTICULARS	F.Y.75/76	F.Y.76/77	F.Y.77/78	F.Y.78/79	F.Y.79/80
1	Sales Quantity (KL)	2807	2086	2920	3402	2406
2	Turnover	909,125,132	673,334,427	960,672,584	1,245,187,002	926,660,835
3	Total Expenses	851,020,674	659,089,176	918,885,908	1,197,306,088	920,914,791
4	Profit Before Tax & Provision	58,104,458	14,245,251	41,786,675	47,880,914	5,746,044
5	Provision for CSR	581,045	124,478	379,879	435,789	53,852
6	Provision of Bonus	5,229,401	1,797,476	3,798,789	4,357,893	604,339
7	Provision of Tax	113,46,723	3,626,188	6,866,321	9,850,141	2,969,418
8	Deffered Tax Income/(Loss)	40,947,289	8,697,109	30,741,687	1,745,084	3,310,353
9	Net Profit	0	1,128,828	25,205,752	5,038,085	5,428,788
10	Other Comprehensive Income/(Loss)	0	96,186,489	(215,132)	0	(1,279,239)
11	Total Comprehensive Income	40,947,289	106,012,426	55,732,307	35,038,085	4,149,549

(ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सोको असरको वितरण :

देशमा देखिएको चरम आर्थिक सूस्तताले उपभोक्ताको क्रय शक्तिमै ठूलो गिरावट ल्याएको छ, बजार मा लगानि गर्न नरुचाउने र नचाहने बातावरण छ । विक्री भए पश्चातको रकम उठने वातावरण नै देखिएको छैन । अघिल्ला बर्षहरूमा डिष्ट्रिब्यूटरहरूले हप्तामा २० देखि २५ हजार को रिटेलरहरूलाई गरेको उधारो विक्रिको रकम सजिलै उठाउने गरेकोमा सोहि रिटेलरबाट यस वर्ष हप्ताको २००० उठने बाताबरण पनि छैन । यसवाट डिष्ट्रिब्यूटरहरूको बजारमा उधारो लगानी रकमको वृद्धि धेरै भएको छ र यसको असर कम्पनीमा पनि पर्न गएको छ । अर्को मुख्य असर कच्चा पदार्थ अर्थात Base Oil को अन्तर्राष्ट्रिय बजारमा भएको व्यापक वृद्धि संग संगै Shipping line हरूको भाडादरमा भएको वृद्धिले समेत धेरै असर पूग्न गएको छ । Base oil मा भएको वृद्धि त हामिले दैनिक जिवनमा उपयोग गर्ने इन्धनको मूल्य वृद्धिले पनि जानकार बनाएकै छ तर उक्त Base oil को मूल्य वृद्धिलाई समायोजन गर्न आफ्नो तयारी बस्तूको मूल्य वृद्धि कार्यान्वयन गर्न नसक्नु मुख्य चुनौती रहन गयो । हालको खस्किएको बजारको परिस्थितीमा बस्तूको मूल्य वृद्धि गर्नु भईरहेको विक्रीलाई थप जोखिममा पार्ने रणनिति हुने भएकोले वस्तूको मूल्य वृद्धि गरिएको छैन । यसवाट प्रत्यक्षलागत वृद्धि हुन पूगेको छ । बारम्बार



भन्ने गरिएको कम्पनीको कारोवारलाई असर गर्ने अर्को मुख्य विषय भनेको कूनै ठोस निति नियम र गुणस्तर मापन विना विभिन्न किसिमका लूब्रिकेन्ट्स आयात हुनु हो । लूब्रिकेन्ट्सको गुणस्तरको सम्बन्धमा नियमनाकारी संस्था अर्थात नेपाल सरकारको कूनै किसिमको नियन्त्रण छैन । बजारमा भने ३० प्रतिशत भन्दा बढी हिस्सा ओगटेको यस्ता अनियन्त्रित रूपमा भित्रिने लूब्रिकेन्ट्स सस्तो दरमा प्राप्त हुने र अन्य प्रतिष्ठित Brand को मूल्यमा उपभोक्तालाई विक्री गर्न पाईने भएको लेरिटेलेर र मेकानिक्सको पहिलो रोजाईमा पर्न गएको छ ।

अर्को असर भनेको नेपालमा देखिएको Elictric vehicle को बढ्दो माग र प्रचलन पनि हो । Electic vehicle मा Engine नहुने भएकोले बढि खपत हुने इन्जिन आयलको खपत निकट भविष्यमा अवस्य नै घटदै जानेछ ।

(ग) प्रतिवेदन तयार भएको मितिसम्म चालु वर्षको उपलब्धि र भविष्यका सम्बन्धमा सञ्चालक समितिको धारणा :

चालु आ.व. २०८०।८१ मा ३४९८ के.एल. विक्री गरी सञ्चालन मुनाफा रु. ४ करोड ४८ लाख हुने लक्ष्य राखी कारोबार सञ्चालन भई रहेकोमा २०८० मंसिर मसान्त सम्ममा जम्मा १९२५ के.एल. लूब्रिकेन्ट्स विक्री वितरण भएको छ ।

यस सम्बन्धमा अफ विस्तृत विवरण यहाँ प्रस्तुत गरिएको छ :

आ.व. २०७९।८० को कार्यक्रमको स्थिति :

- यस वर्षको बजारको आर्थिक अवस्थालाई दृष्टिगत गर्दै कम्पनीले स्थिर सम्पतीमा गर्ने लगानीको योजनालाई पूर्ण रूपमा स्थगित गरेको छ । यस वर्ष आर्थिक विवरणमा देखिएको थप स्थिर सम्पती अघिल्लो अर्थात २०७८।७९ देखिकै कारखानास्थलमा भएको विभिन्न मेशिनहरूको जडानले पूर्णता यस वर्ष मात्र

पाएकोले यस वर्ष स्थिर सम्पतीमा लेखाङ्कन गरिएकोले देखिएको हो ।

- यस वर्ष कम्पनीले लक्ष्य लिएअनुरूप आफ्ना वास्तविक उपभोगकर्ता एवम **major Influencer** अर्थात मेकानिक्सहरूको विवरण ज्ञात गर्न र सोको अभिलेख राख्दै निजहरूलाई थप प्रोत्साहन गर्न तथा कम उपयोग गर्ने मेकानिक्सलाई किटान गरि निजहरूलाई बढी भन्दा बढी उपयोग गराउनको निमित्त e-sewa कम्पनीसंग मेकानिक्स अयगउयल सट्टा गर्ने system को निमित्त सहकार्य सुरु गरिएको र उक्त कार्यबाट सकारात्मक प्रतिफल पाईएको छ ।
- DMS अर्थात Dealer monitor system को परिक्षण कार्यको शुरुवात गर्न सफल भएका छौ ।
- यस वर्ष कम्पनीको Policy अनुसार कार्य नगर्ने २ वटा डिलरहरूलाई निश्कासन गरि उहाँहरूको स्थानमा २ नयाँ डिलरहरू बनाउन सफल भएका छौ । यसले सो स्थानमा कम्पनीको बजारमा पकड यथास्थितीमा रहेको छ र अफ राम्रो हुने आंकलन गरेका छौ ।
- त्यस्तै थप ७ जना आवश्यक कर्मचारीहरूको नियुक्ती गर्ने लक्ष्य लिईएकोमा हालको परिस्थितीलाई मध्यनजर गर्दै ३ नयाँ कर्मचारी नियुक्त गरिएको छ ।
- वितरकहरूका कर्मचारीहरूका साथ साथै कम्पनीका कर्मचारी तथा कामदारहरूलाई लाई यस पटक पनि आकर्षक तथा व्यावहारिक प्रोत्साहन भत्तालाई निरन्तरता दिइएको ।
- गतवर्ष सफल रहेको ट्रक कन्टेनर ब्राण्डिङ तथा Taxi Branding लाई निरन्तरता दिईएको छ ।
- त्यस्तै देशकै सफल र ठूलो आन्तरिक हवाई कम्पनी Buddha Air संग निजको हवाई Magazine को दशैँ संस्करणमा विज्ञापन गरिएको



र यसको सकारात्मक Feedback प्राप्त भएको थियो ।

- कामदार तथा कर्मचारीहरूलाई समय साक्षेप र कार्य क्षमता वृद्धि गर्न स्थिती सामान्य भए पश्चात देश तथा विदेशका विभिन्न ठाउँहरूमा तालिमका निमित्त पठाइने लक्ष्यलाई निरन्तरता दिईएको थियो, यसपटक देशमै तालिमको व्यवस्था गरिएको थियो ।
- यस वर्ष कम्पनीले बजारमा GULF को विश्वबजारमा वितरण हुने सो सरहको बनावट, गुणस्तर, स्टिकरको डिजाईन, बस्तूको नाम र ग्रेडमा एकरूपता कायम गरेको छ र अब हाम्रो उत्पादन विश्वबजारमा प्राप्त हुने GULF को उत्पादन संग समानता बनाएको छ । पहिला केहि बस्तूको नाम र स्टिकर डिजाईन फरक हुने गर्दथ्यो ।

साथै, माथि उल्लेखित तथा अन्य कार्यहरू यसै पुस्तिकामा छुट्टै समावेश गरिएको छ

आर्थिक वर्ष २०८०।८१ मा लक्षित नयाँ कार्यक्रमहरू :

कम्पनीले आ.व. २०७९।८० मा आफ्नो लक्ष्य हासिल गर्ने कटिबद्धताका साथ पहिलै देखि निरन्तर रूपमा गर्दै आएको कार्यलाई निरन्तरता दिदै निम्न नयाँ कार्यक्रमहरू कार्यान्वयनमा ल्याएको छ ।

- गतवर्षको सूस्त विक्रीको समयमा फरक रणनीति अपनाएर सफल रूपमा कार्यान्वयन गरि प्रतिफल पनि राम्रो आएको लक्षित उपभोक्ता वर्ग अर्थात Project Sales लाई Institutional sales तर्फ प्राथमिकताका दिदै अझ व्यापक रूपमा यस वर्गमा आफ्नो विक्रीलाई बढाउने उद्देश्यले नितान्त फरक विभाग कायम गरिएको र यसको निमित्त छुट्टै कर्मचारी पनि नियुक्त गर्ने लक्ष्य लिईएको छ ।

- यस वर्ष कम्पनीले आफ्ना वास्तविक उपभो गकर्ता एवम् major Influencer अर्थात मेकानिक्सहरूको विवरण ज्ञात गर्न र सोको अभिलेख राख्दै निजहरूलाई थप प्रोत्साहन गर्न तथा कम उपयोग गर्ने मेकानिक्सलाई किटान गरि निजहरूलाई बढी भन्दा बढी उपयोग गराउनको निमित्त e-sewa कम्पनीसंग मेकानिक्स coupon सट्टा गर्ने system को निमित्त सहकार्य गर्ने मुख्य लक्ष्यलाई बढावा गर्दै अझ सवै वस्तू संग आबद्ध गरिने ।

- कारखानास्थलको प्रसासन भवनको माथि अफिस र मिटिङ्गहल निर्माण गरिने छ ।

- परिक्षणकालमा रहेको Dealer Monitor software (DMS) पूर्ण रूपमा संचालन गर्ने निर्णय लिईएको ।

- यस वर्ष शहरोन्मुख वस्ती तथा ठाउँहरूमा २ तथा विभिन्न परिस्थितीले गर्दा हामि संग आबद्ध नरहने २ ठाउँका गरि ४ वटा नयाँ डिस्ट्रिब्युटर नियुक्ती गर्ने लक्ष्य छ ।

- त्यस्तै माथि भनिए भै Project sales को निमित्त १, DMS system हेर्ने १, र कारखानामा हेल्पर १ गरि ३ जना आवश्यक कर्मचारीहरूको नियुक्ती समेत गर्ने लक्ष्य लिईएको छ ।

- वितरकहरूका कर्मचारीहरूका साथ साथै कम्पनीका कर्मचारी तथा कामदारहरूलाई लाई यस पटक पनि आकर्षक तथा व्यावहारिक प्रोत्साहन भत्तालाई निरन्तरता दिने ।

- गतवर्ष सफल रहेको ट्रक कन्टेनर ब्राण्डिङ्ग तथा Taxi Branding लाई बढावा गर्ने ।

- GULF International संगको सहकार्यमा कामदार तथा कर्मचारीहरूलाई समय



साक्षेप र कार्य क्षमता वृद्धि गर्न स्थिती सामान्य भए पश्चात देश तथा विदेशका विभिन्न ठाउँहरूमा तालिमका निमित्त पठाइने लक्ष्य लिइएको छ । In house बाट हाम्रा डिष्ट्रिब्यूटर का विक्रि कर्मचारीहरूको निमित्त पोखरामा यहि भाद्रमा तालिम प्रदान गरिसकिएको छ ।

- यस वर्ष कम्पनीले बजारबाट माग भई आएका नयां बस्तुहरू कूनै पनि नयां प्याकसाईजमा विक्रिको निमित्त ल्याउन सक्ने क्षमता हासिल गरेकोले Customise उत्पादनहरू पनि निकाल्ने लक्ष्य लिएको छ । यसको निमित्त बजार को अध्ययन भईरहेको छ ।
- गत वर्ष थांति रहेको Vertical Tank को epoxy coating, Electirc overhauling तथा Quarter area को compound wall, मन्दिरको retro fitting, फूलबारीको व्यवस्थापन, भवनहरूको रंगरोगन, एबिलत मा ढूङ्गा बिछ्याउने देखि विभिन्न आवश्यक अफिस उपकरण खरिद गर्ने समेत यस वर्षको कार्यक्रममा समावेश छ ।
- यस वर्षको अर्को महत्वपूर्ण लक्ष्य भनेको कम्पनीको हाल विध्यमान रहेको उत्पादन क्षमताको पूर्ण उपयोग गर्दै थप आम्दानीको श्रोतको रूपमा Toll Blending को निमित्त बजार अध्ययन गरिरहेको छ र निकट भविष्यमै यसलाई मूर्तरूपदिने लक्ष्य लिएको छ ।
- त्यस्तै अर्को मुख्य लक्ष्य भनेको हाल देशमा विद्युतिय सवारीसाधनको प्रचलन र उपयोगमा भईरहेको वृद्धिलाई आत्मासात गर्दै विद्युतिय चार्जिङ्ग स्टेशन र उपकरणको विक्री व्यवसायको निमित्त पनि अध्ययन गरिरहेको छ । यसको निमित्त GULF oil International पहिले देखिनै कार्य गरिरहेकोले सो को लाभ नेपालमा कम्पनीले कसरी लिन सकिन्छ भन्ने तर्फ अध्ययन भईरहेको छ ।

- कम्पनीले गर्ने विक्रीको घरेलू उत्पादनको भार यस वर्ष ६५ बाट बढाएर ७२ प्रतिशत पूर्याउने लक्ष्य लिएको छ । यसबाट तयारी सामान आयात गरि विक्री गर्ने भन्दा केहि बढी प्रतिफल हासिल गर्न सकिन्छ भने बजारमा पनि प्रतिस्पर्धाको निमित्त थप रणनिति अगाल्न सकिन्छ ।
- हालसम्म पनि ठूलो संख्यामा गर्न नसकिरहेको ब्याट्रिको व्यवसाय यस वर्ष GULF India को सहकार्यमा अफ्र विस्तृत रूपमा गर्ने योजना छ । हाल GULF india ले पनि तेश्रो मूलुक बाट आयात गरिरहेकोले केहि महंगो भईरहेको ब्याट्रि अब GULF India को भारत स्थित आफ्नै कारखानाबाट उत्पादन हुने र यसबाट लागत घटने देखिएको छ र यसबाट बजारमा प्रतिस्पर्धिमाफ्र हामि अफ्र राम्रो अवस्थामा उत्रन सक्ने छौ भन्ने विश्वास छ ।
- साथै, माथि उल्लेखित तथा अन्य कार्यहरू यसै पुस्तिकामा छुट्टै समावेश गरिएको छ ।

(घ) कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्ध :

समीक्षा अवधिमा कम्पनीले आफ्ना ग्राहक, कर्मचारी तथा सम्पुर्ण सरोकारवालाहरूसंग असल व्यावसायिक सम्बन्ध कायम राखेको छ । समिक्षा वर्षमा थप १ नयां OEM/Project जोडन सफल भए पनि सोचे अनुरूपको व्यापार भएको थिएन तर यसले आगामि दिनको निमित्त सकारात्मक सन्देश भने प्राप्त भएको छ । त्यस्तै गतवर्षको कम्पनीको विभिन्न औद्योगिक तथा व्यवसायीक कम्पनीहरू संगको विक्रि वृद्धिले पनि कम्पनीको औद्योगिक व्यावसायिक एवं समाजिक सम्बन्ध विस्तार भइरहेको छ भन्ने प्रमाणित गर्दछ र यसलाई आफ्नो हित प्रवर्द्धन र कारोबार विस्तारका लागि समेत उपयोग गरिएको छ ।

(ड.) सञ्चालक समितिमा भएको हेरफेर र सोको कारण :

यस समिक्षा वर्षको अन्त्य तिर सञ्चालक श्री रविन्द्र राज पन्त ज्युको असामयिक निधनले गर्दा निजको स्थान खालि रहेको र उक्त स्थानमा कोई नियुक्त भई नआउनु भएकोले समिक्षा वर्षको अन्तिम १ महिना खालि रहेको थियो ।



यो प्रतिवेदन तयार पारूज्जेल सम्ममा नेपाल आयल निगमको तर्फबाट प्रतिनिधित्व गर्दै आउनु भएका सञ्चालक श्री पूर्ण प्रसाद रिजाल अन्यत्र सरुवा हुनुभएकोले निजको सट्टामा निगमको प्रतिनिधित्व गर्न निगमका नायव कार्यकारी निर्देशक सि.ए. नागेन्द्र साह सञ्चालकको रूपमा नियुक्त हुनु भएको छ ।

त्यस्तै अन्य संस्थापक सार्वजनिक संस्थानहरू मध्ये रोलक्रम बमोजिम खाध्य व्यवस्था तथा व्यापार कं.लि. का तर्फबाट श्री डिल्ली राज लम्साल सञ्चालकको रूपमा नियुक्त हुनु भएको छ ।

(च) कारोबारलाई असर पार्ने मुख्य कुराहरू :

कम्पनीको कारोबारलाई असर पार्ने मुख्य कुराहरू निम्न बमोजिम रहेका छन् ।

- १) देशमा विद्यमान आर्थिक गतिविधिको सूस्तताबाट उत्पन्न परिस्थितीको असर ।
- २) सीमित बजारभित्र प्रतिस्पर्धीहरूको संख्यामा हुने वृद्धी र निजहरूबाट बजारमा बेला बखत प्रदान गरिने प्रलोभनबाट सिर्जित यूक्तिहित प्रतिस्पर्धात्मक व्यवहार र यसबाट केहि समयको निमित्त भएपनि

सम्भावित विक्री सम्बन्धि जोखिमहरू ।

- ३) बजार भित्रको अस्वस्थ प्रतिस्पर्धाले कर्मचारी, डिष्ट्रिब्युटर, रिटेलर, मेकानिक्स र OEM लाई लामो समय सम्म आबद्ध गरिरहन कठिनाई ।
- ४) ठूलो मात्राको बजार क्षेत्र हुने अनियन्त्रित र सस्ता लूब्रिकेन्ट्स आयातकर्ताले अन्तराष्ट्रिय स्तर मा हुने कच्चा पदार्थको मूल्य वृद्धिलाई समायो जन गर्न नचाहने स्थितीको कारण उत्पन्न हुने परिस्थिती जसले मुख्यतया कम्पनीको नाफा नोक्सानमा प्रत्यक्ष असर पारिरहेको हुन्छ ।

(ध) लेखा परीक्षण प्रतिवेदनमा कुनै कौफियत भए सोउपर सञ्चालक समितिको धारणा :

आ.व.२०७९।८० को लेखा परीक्षण प्रतिवेदनमा कम्पनीको सामान्य कारोबारको सिलसिलामा देखिएका सामान्य टिप्पणीबाहेक प्रतिकूल टिप्पणी छैन । लेखा परीक्षण प्रतिवेदनमा उल्लेखित सुभावहरू कार्यान्वयन गर्न व्यवस्थापनलाई निर्देशन दिई सकिएको छ ।

(ज) लाभान्श बाँडफाँड गर्न सिफारिस गरिएको रकम :

आ.व. २०७९।८० को कारोबार मुनाफा तथा सञ्चित मुनाफाबाट चुक्ता पुँजीको २५% प्रतिशत बोनस शेयर लाभान्श र ५% प्रतिशत नगद लाभान्श वितरण गर्ने प्रस्ताव गरेका छौं । आशा छ सेयरधनी महानुभावहरूले यसलाई सहर्ष स्वीकृत गर्नु हुनेछ ।

उपरोक्त विवरणका अतिरिक्त कम्पनी ऐन, २०६३ को दफा १०९ (४) सम्बन्धी दिनु पर्ने अन्य जानकारी यसै साथ संलग्न गरिएको छ ।

अन्त्यमा,

- यस वर्ष पनि कम्पनीलाई आफ्नो क्षेत्रमा विगत ६ वर्ष भै अग्र स्थानमा राख्न



आ-आफ्नो क्षेत्रबाट योगदान पूर्याउनु हुने हाम्रा Distributor, Retailer, Mechanics, OEM Partner, Projects, Industries, व्यवसायी, DSE, आम उपभोक्ता र अन्य सम्पूर्ण सूभेच्छकहरू प्रति हामि सदैव आभारी छौ ।

त्यसैगरी कम्पनीको शुरुवातदेखि नै कम्पनीको सर्घर्षको दिनहरूका प्रत्येक पलको साक्षि रहनु भएका र कम्पनीलाई सदैव महत्वपूर्ण र रचनात्मक मार्गदर्शन प्रदान गर्ने हाम्रा शेयरधनी महानुभावहरूलाई पनि हामि हार्दिक धन्यवाद टर्क्याउदै आगामि दिनहरूमा पनि यसरी नै निरन्तररूपमा सकारात्मक एवं रचनात्मक सहयोग पाईरहने छौ भन्ने आशा लिएका छौ । यहाँहरूले कम्पनी प्रति देखाउनु भएको सदभाव र हामि प्रति देखाउनु भएको विश्वासबाट अलिकतिपनि डगमगाउन दिने छैनौ ।

- यस सञ्चालक समिती तथा कम्पनीलाई प्रत्यक्ष अप्रत्यक्ष रूपमा मार्गनिर्देशन गर्ने नेपाल सरकार का विभिन्न नियमनकारी निकाय, श्री धीतोपत्र बोर्ड, श्री नेपाल स्टक एक्सेन्ज, CDS and Clearing र कम्पनीको दैनिक गतिविधिमा साथ तथा सहयोग पूर्याउने श्री एभरेष्ट बैंक लि. तथा अन्य बैंक तथा वित्तिय संस्था, RTS र पत्रकार मित्रहरू प्रति पनि हार्दिक आभार प्रकट गर्दछौ ।

साथै, कम्पनीका मेरुदण्डका रूपमा रहनु भएका हाम्रा कर्त्यव्यनिष्ठ, मेहनती, रणनितिज्ञ र उर्जावान सम्पूर्ण कामदार तथा कर्मचारीहरूको परिश्रमको कदर गर्दै उहाँहरूसवैमा सदैव भै हार्दिक धन्यवाद प्रदान गर्दछौ ।

सञ्चालक समितिको तर्फबाट

श्री अरुण कुमार चौधरी

अध्यक्ष

श्री बिजय बहादुर श्रेष्ठ

सञ्चालक

श्री सि.ए नागेन्द्र साह

सञ्चालक

श्री डिल्ली राज लम्साल

सञ्चालक

श्रीमती शिला चौधरी

सञ्चालक

श्री निरञ्जन नेउपाने

सञ्चालक

श्री अनिल बस्नेत

सञ्चालक

श्री करण कुमार चौधरी

कार्यकारी सञ्चालक

मिती : २०८० पौष १ गते

नेपाल ल्यूब आयल लि.

१३



नेपाल ल्यूब आयल लि.

बत्तिसौं बार्षिक साधारण सभा

कम्पनी ऐन, २०६३ को दफा १०९ (४) सम्बन्धी अन्य जानकारी

(क) सेयर जफत भएको भए जफत भएको सेयर संख्या, त्यस्तो सेयरको अंकित मूल्य, त्यस्तो सेयर जफत हुनुभन्दा अगावै सो बापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो सेयर जफत भएपछि सो सेयर विक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको सेयर बापत रकम फिर्ता गरेको भए सो को वितरण:

आ.व. २०७९/८० मा कुनै सेयर जफत नभएको ।

(ख) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्त्यमा रहेको स्थितिको पुनरावलोकन:

कम्पनीको कारोबारको विवरण माथि प्रस्ट गरिएको छ भने कम्पनीको कुनै पनि सहायक कम्पनी हाल चालु अवस्थामा रहेको छैन ।

(ग) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरू र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन:

कम्पनीको कारोबारको विवरण माथि प्रस्ट गरिएको छ भने कम्पनीको कुनै पनि सहायक कम्पनी हाल चालु अवस्थामा रहेको छैन ।

(घ) विगत आर्थिक वर्षमा कम्पनीका आधारभूत सेयर धनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी:

गत वर्षमा आधारभूत सेयरधनीहरूबाट कुनै जानकारी प्राप्त भएको छैन ।

(ङ) विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको सेयरको स्वामित्वको वितरण र कम्पनीको सेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी :

कम्पनीको सेयर कारोबारमा कम्पनीका सञ्चालक एवं पदाधिकारी संलग्न रहेको जानकारी कम्पनीलाई नभएको ।

(च) विगत आर्थिक वर्षमा कम्पनीसंग सम्बन्धित सम्झौताहरूमा कुनै सञ्चालक तथा निजको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारी त्यहोरा :

कम्पनीको कारोबार सम्बन्धमा कुनै सञ्चालक वा निजका नातेदारसंग कुनै प्रकारको सम्झौता नभएको ।

(छ) कम्पनीले आफ्नो सेयर आफैले खरिद गरेको भए त्यसरी आफ्नो सेयर खरिद गर्नुको कारण, त्यस्तो सेयरको संख्या र अङ्कित मूल्य तथा त्यसरी सेयर खरिद गरे बापत कम्पनीले भुक्तानी गरेको रकम :

कम्पनीले २०८० असार सान्तसम्म आफ्नो सेयर आफैले खरिद गरेको छैन ।

(ज) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको सोको विस्तृत वितरण :

कम्पनीका अध्यक्ष, सञ्चालक, कार्यकारी सञ्चालक, महा प्रबन्धक एवं विभागीय प्रमुखहरू रहेको व्यवस्थापन समितिबाट कम्पनी कारोबारको आन्तरिक नियन्त्रणको अनुगमन तथा मूल्याङ्कन हुने गरेको छ ।



(थ) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण :

कम्पनीको विगत आ.व. २०७९/८० को कुल व्यवस्थापन खर्च आय विवरणको अनुसूची १२ अनुसार रु ४,०२,४६,९९८/- रहेको छ ।

(द) लेखा परीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक भत्ता तथा सुविधा सो समितिले गरेको काम कारवाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण :

कम्पनी ऐन, २०६३ को दफा १६४ अनुसार कम्पनी ऐन बमोजिम समिक्षा वर्ष अवधिमा तपसिलमा उल्लेखित सदस्यहरू समावेश भएको ४ सदस्यीय लेखा परिक्षण समिती गठन भई ऐन बाट निर्दिष्ट कार्य भईरहेको छ ।

तपसिल

श्री निरञ्जन न्यौपाने, सञ्चालक : संयोजक

श्री पूर्ण प्रसाद रिजाल, सञ्चालक : सदस्य

श्री अनिल बस्नेत, सञ्चालक : सदस्य

श्री गंगा राज भट्टराई, महाप्रबन्धक तथा कम्पनी सचिव : सदस्य ।

(ध) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत सेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बांकी भए सो कुरा :

कम्पनीका सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत सेयरधनी वा निजका नजिकका नातेदार वा निज संलग्न रहेको फर्म कम्पनी वा संगठित संस्थाले कुनै रकम बुझाउन बांकी रहेको छैन ।

(न) सञ्चालक, प्रबन्ध सञ्चालक कार्यकारी प्रमुख तथा पदाधिकारीहरू लाई भुक्तानी

गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :

अध्यक्ष एवं प्रबन्ध सञ्चालक, सञ्चालक एवं पदाधिकारीहरू र बरिष्ठ कर्मचारी (उप प्रबन्धक सम्मको) लाई आ.व.२०७९/८० मा भुक्तान भएको पारिश्रमिक रकम रु. २,३९,४३,७०५/९८ रहेको छ ।

(प) सेयरधनीहरूले बुझि लिन बांकी रहेको लामांश रकम :

एनइविल एस क्यापिटलले पेश गरेको विवरण बमोजिम २०८० आषाढ मसान्त सम्ममा जम्मा बुझिलिन बांकी लामांश रकम रु. २८,२०,०३३/२५ (२०७९ आषाढ मसान्तमा २८,६५,०७६।७५) ।

(फ) कम्पनी ऐन, २०६३ को दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण :

आ.व. २०७९/८० मा रु. ९८,८२,४६७/- मूल्य बराबरको सम्पत्ति खरिद भएको छ । यो सवै खर्च कारखाना स्थलमा उत्पादनको निमित्त प्लान्ट र मेशिनरी, कर्मचारीहरूका निमित्त सवारी साधन र उपकरणहरूको निमित्त भएको हो ।

(ब) कम्पनी ऐन, २०६३ को दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएको कारोबारको विवरण :

कम्पनी ऐन, २०६३ को दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच कारोबार भएको छैन ।

(म) कम्पनी ऐन, २०६३ तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुरा रहेको छ र छैन ।

(म) अन्य आवश्यक कुराहरू ।

छैन ।



R. Parajuli & Associates

Chartered Accountants

PAN: 301534561
ICAN Membership No.: 240
ICAN COP No.: 201

Ref. No.:

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NEPAL LUBE OIL LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NEPAL LUBE OIL LTD. (the Company), which comprise the statement of Financial Position as at Ashadh 31, 2080, and the Statement of Profit or Loss, 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, attached financial statements prepared in accordance with Nepal Financial Reporting Standards (NFRS) along with applicable carved out provisions, generally accepted accounting principles, and read together with notes to accounts, give a true and fair view of financial position of the Company as at 31 Ashadh 2080, its operation results for the period then ended, its cash flow for the period then ended and changes in equity during the period.

Basis for Opinion

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

Key Audit Matters

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

KEY AUDIT MATTER	RESPONSE TO KEY AUDIT MATTER
Sales Revenue from Operation Sales revenue is the key performance indicator of any business. The sales revenue has been decreased significantly i.e. by 25.58% in the current year compared to the previous year. That is why we recognized it as a key audit matter. Refer Note 15 to the financial statements	Principal Audit Procedures We assessed the Company's operational processes regarding sales and marketing Our audit approach consisted testing of the design and operating effectiveness of internal controls and substantive testing as follows: <ul style="list-style-type: none">Evaluated the design of internal controls relating to recognition of revenue/sales



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R. Parajuli & Associates

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	<ul style="list-style-type: none"> Selected a sample of continuing and new sales contracts and tested the operating effectiveness of internal controls relating to overall sales management. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls <p>Conclusion: Our procedure did not identify any material exceptions.</p>
<p>Long Term Sustainability The world is rapidly changing and converting petroleum energy based vehicles into clean energy vehicles. The business of lubricants for vehicles in a near future is very uncertain. This uncertainty can also be observed from the declined revenue as well. This uncertainty of lubricant business in the future is recognized by us as key audit matters.</p> <p>Refer the Company's nature of business and its products range.</p>	<p>Principal Audit Procedures We assessed the company's current marketing strategy for sustainability through a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these marketing strategies. We also analyzed the current growth rate of green energy vehicles vs. petroleum energy based vehicles in Nepal in order to assess current impact on lubricant businesses.</p> <p>Conclusion: Our procedure did not identify any material exceptions for the current period but the company has been suggested to bring out a alternative business plans to make the company fit for the future.</p>
<p>Fair Value Measurement The Property Plant and Equipment mainly, land and buildings and other assets have been reassessed by the management of the company which was independently valued during previous year. The company categories assets or liability carried on the reporting date at fair value using a three level hierarchy. Determination of fair value is based on a high degree of judgment and input from data that is not directly observable in the market. Further, the fair value is significantly influenced by the expected pattern of future benefits of the tangible assets.</p>	<p>Principal Audit Procedures We reviewed the basis and categorization of assets and liabilities carried on the reporting date at fair value using a three level hierarchy including key assumptions around discounted cash flows to estimate fair value. We reviewed land and building reassessment reports provided by the management. We assessed the methodology and the assumptions applied in determining the fair value. We have assessed the objectivity, independence and competence of the experts involved in the process. We assessed the adequacy of disclosure of Property plant and equipment in the notes to accounts.</p>





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Emphasis of Matter Paragraph

We draw attention to Note 4.2 (d) of the financial statements, which describes that although NFRS requires the revaluation of Property, Plant and Equipment once in every three years, the company has not revalued its Property, Plant and Equipment. We further draw attention to Note 4.3 (e) of the financial statements, which describes that the company has not done actuary valuation even after expiry of three years from the date of last valuation. Our opinion is not modified in respect of this matter.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or





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conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained upto the date of our auditor's report. However, future events or conditions may cause the Company 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.

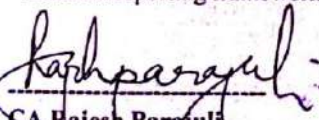
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Requirements of the Companies Act 2063 and other regulatory requirements

Besides the reports mentioned in the above paragraphs, we further report on the followings based on our audit, and the information and explanations provided to us.

- We have obtained all the information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- The attached balance sheet, the Income Statement, the cash flow statement and the related annexure are prepared in the format prescribed by Companies Act 2063, and are in agreement with books of account maintained by the Company.
- Except for the matters described in Emphasis of Matter Paragraph above, the Financial Statements prepared by the company are in compliance with the Nepal Financial Reporting Standard.
- In our opinion, proper books of account required by law has been kept by the Company.
- To the best of our information and according to explanations given to us and from our examination of the books of the Company necessary for the purpose of our audit, we have not come across cases where Board of Directors or any employee of the Company have acted contrary to the provisions of law, or committed any misappropriation or caused loss or damage to the Company and violated any directives of Regulatory or acted in a manner to jeopardise the interest and security of the Company, its stakeholders.

In our Opinion, the financial statements have been prepared, in all material aspects, in accordance with financial reporting framework as per the regulatory requirements of the Company.



CA Rajesh Parajuli
R. Parajuli & Associates
Address: Kathmandu, Nepal
Date: Poush 06, 2080



UDIN No. : 231222CA002403PZTe



Nepal Lube Oil Limited

Kathmandu, Nepal

Statement of Financial Position As on Ashad 31, 2080 (July 16, 2023)

Particulars	Note No.	Current Year	Previous Year
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	5	195,312,172	190,919,705
Financial Assets	6		
Investments in Shares	6A	-	-
Trade & Other Receivables	6B	47,946,894	-
Prepayment & Other Advances	7	-	-
Deferred Tax Assets	8	11,873,191	8,243,028
Total Non-Current Assets		255,132,258	199,162,733
Current Assets:			
Inventories	9	215,382,818	251,961,954
Financial Assets			
Trade & Other Receivables	6B	340,585,506	423,145,872
Cash and Cash Equivalents	6C	22,107,713	8,362,025
Prepayments & Other Advances	7	28,017,127	35,547,042
Current Tax Assets	8	10,457,138	12,270,782
Total Current Assets		616,550,302	731,287,675
Total Assets		871,682,560	930,450,408
EQUITY AND LIABILITIES			
Equity			
Share Capital	10	48,514,900	38,758,500
Other Component of Equity	10A	94,692,118	95,971,357
Retained Earnings	10B	216,094,405	220,422,017
Total Equity		359,301,422	355,151,874
LIABILITIES			
Non-Current Liabilities:			
Financial Liabilities	11		
Loans and Borrowings	11A	-	-
Trade & Other Payables	11B	-	-
Employee Benefits Liabilities	12	37,801,273	42,014,578
Other Non-Current Liabilities	13	-	-
Deferred Tax Liabilities	8	-	-
Total Non-current Liabilities		37,801,273	42,014,578
Current Liabilities:			
Financial Liabilities			
Loans and Borrowings	11A	345,710,887	308,033,299
Trade & Other Payables	11B	61,540,058	146,899,383
Current Tax Liabilities	8	-	-
Employee Benefits Liabilities	12	12,199,175	14,770,443
Other Current Liabilities	13	13,335,763	16,027,316
Provisions	14	41,793,982	47,553,516
Total Current Liabilities		474,579,865	533,283,957
Total Liabilities		512,381,138	575,298,535
Total Equity and Liabilities		871,682,560	930,450,408

The accompanying notes form an integral part of the financial statements.

As Per Our Report of Even Date



Arun Kumar Chaudhary
Chairman & Managing Director

Bijay Bahadur Shrestha
Director
ABB Investment P. Ltd.

CA Rajesh Parajuli
R.Parajuli & Associates
Chartered Accountants

Shila Chaudhary
Director
ABB Investment P. Ltd.

CA Nagendra Sah
Director
Nepal Oil Corporation Ltd.

Dilli Raj Lamsal
Director
Food Management & T.Co.L

Karan Kumar Chaudhary
Executive Director
ABB Investment P. Ltd.

Niranjana Neupane
Director
G. Public Shareholders

Anil Basnyat
Director
G.Public Shareholders

Date: 2080-09-01
Place: Pulchowk, Lalitpur

Ganga Raj Bhattarai
General Manager
Nepal Lube Oil Ltd.



Nepal Lube Oil Limited

Kathmandu, Nepal

Statement of Profit or Loss and Other Comprehensive Income

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

Amounts in NPR.

Particulars	Note No.	Current Year	Previous Year
Revenue From Operations	15	926,660,835	1,245,187,002
Cost of Operations/Sales	16	(685,506,024)	(865,690,343)
Gross Profit		241,154,811	379,496,658
Other Operating Revenue/Income	17	9,612,093	5,739,278
Selling & Distribution Expenses	20	(162,839,217)	(267,369,386)
Administrative & General Expenses	21	(40,246,998)	(45,474,289)
Other Operating Expenses	22	(53,852)	(435,789)
Profit From Operations		47,626,838	71,956,473
Finance Cost	23	(42,538,985)	(28,813,330)
Other Expenses/Losses	24	-	-
Other Income	25	-	-
Profit Before Tax		5,087,853	43,143,143
Income Tax (Expenses)/Income:			
- Current Tax	8A	(2,969,418)	(9,850,141)
- Deferred Tax	8C	3,310,353	1,745,084
Profit From Continuing Operations		5,428,788	35,038,086
Profit/ (Loss) on Discontinued Operations(net of tax)		-	-
Net Profit for the Year		5,428,788	35,038,086
Other Comprehensive Income:			
<i>Other Comprehensive Income that is subsequently not reclassified to profit or loss</i>			
Actuary gain/(loss) on Defined Benefit Obligation		(1,599,050)	-
Revaluation Gain on Land & Building		-	-
-Income Tax Relating to Components of Other Comprehensive Income		319,810	-
Total Other Comprehensive Income, Net of Tax		(1,279,240)	-
Total Comprehensive Income for the Period		4,149,549	35,038,086
Earning per Equity share			
Basic (NRs.)	27	11.19	90.40
Diluted (NRs.)	27	11.19	90.40

The accompanying notes form an integral part of the financial statements.

As Per Our Report of Even Date

Arun Kumar Chaudhary
Chairman & Managing Director

Bijay Bahadur Shrestha
Director
ABB Investment P. Ltd.

CA Rajesh Parajuli
R.Parajuli & Associates
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Shila Chaudhary
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Karan Kumar Chaudhary
Executive Director
ABB Investment P. Ltd.

Niranjan Neupane
Director
G. Public Shareholders

Anil Basnyat
Director
G.Public Shareholders

Date: 2080-09-01
Place: Pulchowk, Lalitpur

Ganga Raj Bhattarai
General Manager
Nepal Lube Oil Ltd.



Nepal Lube Oil Limited

Kathmandu, Nepal

Statement of Cash Flow

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

(Amounts in NPR.)

Particulars	Current Year	Previous Year
Cash Flows from Operating Activities		
Profit for the Year	5,428,788	35,038,085
Adjustment for: Non-Cash Items & Non-Operating items		
Income Tax Expenses for the year	(340,935)	8,105,058
Depreciation/amortisation on PPE, Investment Property & Intangible Assets	5,489,999	4,653,926
Reclassification Adjustment (Gain)/losses	-	-
Finance Income	(9,167,545)	(5,739,278)
Prior Year Adjustment	-	-
Rental Income from Investment Property	-	-
Adjustment for: Working Capital Changes except cash & Cash equivalent		
Increase / Decrease in Trade & other receivables	34,613,472	(85,123,417)
Increase / Decrease in Inventories	36,579,136	(59,508,492)
Increase / Decrease in Prepayments & other Advances	7,529,915	688,407
Increase/Decrease in Trade & Other Payables	(85,359,325)	84,730,088
Increase/Decrease in Current Employee Benefits	(8,383,622)	19,686,830
Increase/Decrease in Provisions	(5,759,534)	(6,376,308)
Increase/Decrease in Current Loan & Borrowings	37,677,589	23,236,059
Increase / Decrease in other Liabilities	(2,691,554)	6,616,750
Cash generated from Operations.	15,616,384	26,007,709
Finance Cost on Working Capital Loan	-	-
Prior Year Adjustment	-	-
Income Tax Paid	(1,155,774)	(15,892,938)
Net Cash Flows from Operating Activities (A)	14,460,610	10,114,771
Cash Flow from Investing Activities		
Acquisition of Property, plant and Equipment	(9,882,467)	(15,647,456)
Acquisition of Investment Property	-	-
Finance Income	9,167,545	5,739,278
Rental Income from Investment Property	-	-
Dividend Income Received	-	-
Net Cash flows from Investing Activities (B)	(714,922)	(9,908,178)
Cash Flow from Financing Activities		
Finance Cost Paid	-	-
Proceed from the Issue of Share	-	-
Proceeds from the issue of Forfeited shares	-	-
Payments for Finance Lease Liabilities	-	-
Proceeds from loan & borrowings	-	-
Repayment of loan & borrowings	-	-
Dividend Paid (Both Interim & Final)	-	(1,487,660)
Dividend Tax Paid	-	-
Cash Dividend for tax purpose	-	-
Net Cash Flows from Financing Activities (C)	-	(1,487,660)
Net Increase in Cash and Cash Equivalents (A+B+C)	13,745,688	(1,281,067)
Cash and Cash Equivalents at the beginning	8,362,025	9,643,092
Cash and Cash Equivalents at the end	22,107,713	8,362,025

The accompanying notes form an integral part of the financial statements.

As Per Our Report of Even Date



Arun Kumar Chaudhary
Chairman & Managing Director

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Niranjana Neupane
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G. Public Shareholders

Anil Basnyat
Director
G.Public Shareholders

Date: 2080-09-01
Place: Pulchowk, Lalitpur

Ganga Raj Bhattarai
General Manager
Nepal Lube Oil Ltd.



Nepal Lube Oil Limited

Kathmandu, Nepal

Statement of Change in Equity

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

Amounts in NPR.

Particulars	Equity Share Capital	Retained Earnings	Other Component of Equity		Total Equity
			Actuarial Reserve	Revaluation Reserve	
Balance as of Shrawan 1, 2078	29,753,200	195,876,891	(7,527,095)	103,498,452	321,601,448
Changes in Accounting Policies	-	-	-	-	-
Correction of Prior Period Errors	-	-	-	-	-
Restated Balance as of Shrawan 1, 2078	29,753,200	195,876,891	(7,527,095)	103,498,452	321,601,448
Changes in equity for the year ended Ashad 32, 2079					
Profit / (Loss) for the year	-	35,038,086	-	-	35,038,085
Revaluation Surplus/(Deficit) for the Year	-	-	-	-	-
Actuarial Gain/(loss) on defined contribution plan	-	-	-	-	-
Revaluation Gain on Land & Building	-	-	-	-	-
Effect of tax on Actuarial Valuation & Revaluation	-	-	-	-	-
Issue of Ordinary Share	-	-	-	-	-
Cash Dividend	-	(1,487,660)	-	-	(1,487,660)
Issue of Bonus Share (Dividend)	9,005,300	(9,005,300)	-	-	-
Cash Dividend for Tax Purpose	-	-	-	-	-
Balance as of Ashad 32, 2079	38,758,500	220,422,016	(7,527,095)	103,498,452	355,151,873
Balance as of Shrawan 1, 2079	38,758,500	220,422,016	(7,527,095)	103,498,452	355,151,873
Changes in Accounting Policies	-	-	-	-	-
Correction of Prior Period Errors	-	-	-	-	-
Restated Balance as of Shrawan 1, 2079	38,758,500	220,422,016	(7,527,095)	103,498,452	355,151,873
Changes in equity for the year ended Ashad 31, 2080					
Profit / (Loss) for the year	-	5,428,788	-	-	5,428,788
Revaluation Surplus/(Deficit) for the Year	-	-	-	-	-
Actuarial Gain/(loss) on defined contribution plan	-	-	(1,599,050)	-	(1,599,050)
Revaluation Gain on Land & Building	-	-	-	-	-
Effect of tax on Actuarial Valuation & Revaluation	-	-	319,810	-	319,810
Issue of Ordinary Share	-	-	-	-	-
Cash Dividend	-	-	-	-	-
Issue of Bonus Share (Dividend)	9,756,400	(9,756,400)	-	-	-
Cash Dividend for Tax Purpose	-	-	-	-	-
Balance as of Ashad 31, 2080	48,514,900	216,094,405	(8,806,335)	103,498,452	359,301,422

The accompanying notes form an integral part of the financial statements.

As Per Our Report of Even Date

Arun Kumar Chaudhary
Chairman & Managing Director

Bijay Bahadur Shrestha
Director
ABB Investment P. Ltd.

CA Rajesh Parajuli
R.Parajuli & Associates
Chartered Accountants

Shila Chaudhary
Director
ABB Investment P. Ltd.

CA Nagendra Sah
Director
Nepal Oil Corporation Ltd.

Dilli Raj Lamsal
Director
Food Management & T.Co.L

Karan Kumar Chaudhary
Executive Director
ABB Investment P. Ltd.

Niranjana Neupane
Director
G. Public Shareholders

Anil Basnyat
Director
G.Public Shareholders

Date: 2080-09-01
Place: Pulchowk, Lalitpur

Ganga Raj Bhattarai
General Manager
Nepal Lube Oil Ltd.

Nepal Lube Oil Limited

Kathmandu, Nepal

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

Property Plant & Equipment

For the year ended Ashad 32, 2079

Particulars	Land & Land Improvement	Office Building	Office Work In Progress	Factory Building	Plant & Machinery	Furniture & Fixture	Vehicle	Computing Equipment	Other Office Equipment	Total
Cost										
Balance at Sharawan 1 2078	130,054,000	7,719,859	-	20,444,069	15,699,172	289,295	12,684,906	971,560	463,599	188,326,461
Additions	-	2,838,955	27,130	-	10,698,027	217,277	-	-	1,866,067	15,647,456
Transfer from Capital WIP	-	-	-	-	-	-	-	-	-	-
Acquisition Through Business Combination	-	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Balance at Ashad 32, 2079	130,054,000	10,558,815	27,130	20,444,069	26,397,199	506,572	12,684,906	971,560	2,329,666	203,973,917
Depreciation & Impairment Losses										
Balance at Sharawan 1 2078	-	952,289	-	948,537	2,179,789	59,788	3,583,702	639,745	36,436	8,400,286
Depreciation charged for the Year	-	365,139	-	1,008,015	1,150,304	59,395	1,546,819	232,559	291,695	4,653,926
Adjustment due to Impairment losses	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Balance at Ashad 32, 2079	-	1,317,428	-	1,956,552	3,330,093	119,183	5,130,520	872,304	328,131	13,054,212
Carrying Amount										
Balance at Sharawan 1 2078	130,054,000	6,767,570	-	19,495,532	13,519,383	229,507	9,101,204	331,815	427,163	179,926,175
Balance at Ashad 32, 2079	130,054,000	9,241,386	27,130	18,487,517	23,067,105	387,389	7,554,386	99,257	2,001,535	190,919,705
Security										
There is security on PPE										

Property Plant Equipment under Construction

There is no Property Plant Equipment under Construction





Nepal Lube Oil Limited

Kathmandu, Nepal

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

Notes to the Financial Statements

(All Amount are stated in NPR, unless otherwise provided)

For the year ended Ashad 31, 2080

Particulars	Land & Land Improvement	Office Building	Office Work In Progress	Factory Building	Plant & Machinery	Furniture & Fixture	Vehicle	Computing Equipment	Other Office Equipment	Software	Total
Cost											
Balance at Sharawan 1 2079	130,054,000	10,538,815	27,130	20,444,069	26,397,199	506,572	12,684,906	971,560	2,329,666	-	203,973,917
Additions	-	123,787	-	230,000	8,460,357	-	-	38,717	281,768	747,838	9,882,467
Transfer from Capital WIP	-	-	-	-	-	-	-	-	-	-	-
Acquisition Through Business Combination	-	27,130	(27,130)	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance at Ashad 31, 2080	130,054,000	10,709,731	-	20,674,069	34,857,556	506,572	12,684,906	1,010,277	2,611,434	747,838	213,856,383
Depreciation & Impairment Losses											
Balance at Sharawan 1 2079	-	1,317,428	-	1,956,552	3,330,093	119,183	5,130,520	872,304	328,131	-	13,054,212
Depreciation charged for the Year	-	423,492	-	1,032,002	1,833,707.19	50,657	1,546,819	102,814	500,508	12,703	5,489,999
Adjustment due to Impairment losses	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance at Ashad 31, 2080	-	1,740,920	-	2,988,554	5,163,800	169,841	6,677,339	975,118	828,638	12,703	18,544,211
Carrying Amount											
Balance at Sharawan 1 2079	130,054,000	9,241,386	27,130	18,487,517	23,067,105	387,389	7,554,386	99,257	2,001,535	-	190,919,705
Balance at Ashad 31, 2080	130,054,000	8,968,811	-	17,685,515	29,693,755	336,732	6,007,567	35,159	1,782,796	735,135	195,312,172

Security

There is security on PPE

Property Plant Equipment under Construction

There is no Property Plant Equipment under Construction



Nepal Lube Oil Limited

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Note to the Financial Statements

(All Amounts are stated in NPR, unless otherwise specifically stated)

6 Financial Assets

	Current Year		Previous Year	
	Current	Non-Current	Current	Non-Current
Financial Assets at Amortized Cost				
Cash & Cash Equivalents	22,107,713	-	8,362,025	-
Trade & Other Receivables	340,585,506	47,946,894	423,145,872	-
Loan, Advances & Deposits	-	-	-	-
Less: Allowance for Impairment Loss	-	-	-	-
Total	362,693,218	47,946,894	431,507,897	-
Financial Assets at Fair Value Through PL	-	-	-	-
Financial Assets at Fair Value Through OCI	-	-	-	-
Total	362,693,218	47,946,894	431,507,897	-

From the above financial assets trade receivable have been placed as collateral for OD TR and Demand Loan

6 A : Investment in Shares

Particulars	Current Year		Previous Year	
	Current	Non-Current	Current	Non-Current
Investment Held for Trading				
Investment in Equity Shares	-	-	-	-
Investment in Preference Shares	-	-	-	-
Investment Available for Sale				
Investment in Equity Shares	-	-	-	-
Investment in Preference Shares	-	-	-	-
Investment in Associates & Subsidiaries				
Investment in Equity Shares	-	-	-	-
Total	-	-	-	-

6 B : Trade & Other Receivables

Particulars	Current Year		Previous Year	
	Current	Non-Current	Current	Non-Current
Trade Receivables				
Secured Debtors (BG+Institution Regular)	249,030,642	-	327,501,761	-
Unsecured and under litigation	-	30,908,164	-	-
Outstanding above 6 months period	89,947,819	17,038,731	81,371,597	-
Loan Receivables	-	-	-	-
Deposits				
LC Margin at Bank	1,607,045	-	14,272,514	-
Security Deposit	-	-	-	-
Other Advances				
Less: Allowance for Impairment	-	-	-	-
Total	340,585,506	47,946,894	423,145,872	-

6 C : Cash & Cash Equivalents

Particulars	Current Year	Previous Year
Cash on hand	41,900	15,566
Balance with Banks	22,065,813	8,346,459
Short-term Deposit	-	-
Total	22,107,713	8,362,025



Nepal Lube Oil Limited

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Note to the Financial Statements

(All Amounts are stated in NPR, unless otherwise specifically stated)

6 D : Allowance for Impairment Losses

Particulars	Current Year		Previous Year	
	Current	Non-Current	Current	Non-Current
Opening Balance	-	-	-	-
Provided During the Year	-	-	-	-
Receivable written off during the year	-	-	-	-
Unused amounts reversed	-	-	-	-
Total	-	-	-	-

* Current & non-Current portion is related to respective Financial Assets

7 Prepayments & Other Advances

Particulars	Current Year	Previous Year
Non-Current		
Prep-payments	-	-
Contract Advances	-	-
Advances	-	-
Total (A)	-	-
Current		
Advance Tax	-	-
LC Advance	-	-
Staff Advance	2,293,556	10,643,801
Value Added Tax	-	-
Deposit against Adm.Review & Revenue Tribunal appeal	22,602,517	22,602,517
Other Advances	1,811,046	1,811,046
Prepaid Expenses	1,310,008	489,678
Total (B)	28,017,127	35,547,042
Total Prepayments & Other Advances (A+B)	28,017,127	35,547,042
Impairment for Assets Written Off	-	-
Prepayments & Other Advances	28,017,127	35,547,042

8 Taxations

8A Current Tax Expenses/Income

Particulars	Current Year	Previous Year
Taxable Profit for the Year	14,847,088	49,250,706
Current Tax @ 20% for the Year	2,969,418	9,850,141
Prior Years Income Taxes	-	-
Total Current Tax Expenses charges to Profit or loss	2,969,417.56	9,850,141.23

8B Current Tax liability/(Assets)

Particulars	Current Year	Previous Year
Balance at the beginning of the period	(12,270,782)	(6,227,985)
Charged during the Year	2,969,418	9,850,141
Total Current Tax Liabilities	(9,301,364)	3,622,157
Current Tax Assets		
Capital Gain Tax	-	-
Amount Paid During the Year	(1,155,774)	(15,892,938)
Current Tax Liabilities/(Assets)	(10,457,138)	(12,270,782)

Current Tax Assets has been offsetted to the current tax liability since payment is made on net basis



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Note to the Financial Statements

(All Amounts are stated in NPR, unless otherwise specifically stated)

8C Deferred Tax Liability/(Assets) For the Year 2079-080

Particulars	Tax Base	Carrying Amount	Temporary Differences	Deferred Tax @ 20%
Property, Plant & Equipment				
Depreciable	52,597,093	65,258,172	12,661,079	2,532,216
Non-Depreciable	130,054,000	130,054,000	-	-
Investment Property	-	-	-	-
Investment in Shares	-	-	-	-
Inventories	215,382,818	215,382,818	-	-
Leave Payable	-	(12,459,542)	(12,459,542)	(2,491,908)
Gratuity Payable	-	(31,092,845)	(31,092,845)	(6,218,569)
Provisions	(13,319,336)	(41,793,982)	(28,474,646)	(5,694,929)
Balance at Ashad 31, 2080				(11,873,191)
Balance at Shrawan 1, 2079				(8,243,028)
Deferred Tax Expenses/(Income) for Origination/Reversal of Temporary Differences				(3,630,163)
Recognized in Profit or Loss for the year ended Ashad 31, 2080				(3,310,353)
Recognized in Other Comprehensive Income for the year ended Ashad 31, 2080				319,810
Recognized in Equity for the year ended Ashad 31, 2080				-

For the Year 2078-79

Inventories	Tax Base	Carrying Amount	Temporary Differences	Deferred Tax @ 20%
Property, Plant & Equipment				
Depreciable	52,529,594	60,865,705	8,336,111	1,667,222.24
Non-Depreciable	130,054,000	130,054,000	-	-
Investment Property	-	-	-	-
Investment in Shares	-	-	-	-
Inventories	251,961,954	251,961,954	-	-
Leave Payable	-	(10,401,465)	(10,401,465)	(2,080,292.94)
Gratuity Payable	-	(40,754,368)	(40,754,368)	(8,150,873.64)
Provisions	(45,948,934)	(47,553,516)	(1,604,582)	320,916.46
Balance at Ashad 32, 2079				(8,243,028)
Balance at Shrawan 1, 2078				(6,497,944)
Deferred Tax Expenses/(Income) for Origination/Reversal of Temporary Differences				(1,745,084)
Recognized in Profit or Loss for the year ended Ashad 32, 2079				(1,745,084)
Recognized in Other Comprehensive Income for the year ended Ashad 32, 2079				-
Recognized in Equity for the year ended Ashad 32, 2079				-



Nepal Lube Oil Limited

Kathmandu, Nepal

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Note to the Financial Statements

(All Amounts are stated in NPR, unless otherwise specifically stated)

8D Reconciliation of Tax Expenses and Accounting Profit multiplied by Applicable Tax Rates

Particulars	Current Year	Previous Year
Accounting Profit Before Tax from continuing Operations	5,087,853	43,143,143
Accounting Profit Before Tax from Discontinued Operations	-	-
Accounting Profit Before Tax	5,087,853	43,143,143
Accounting Profit Before Tax multiplied by Applicable Tax Rates	1,017,571	8,628,629
Adjustment for Differences	-	-
Prior Year income Taxes	-	-
Additonal Taxable Sales As per Tax	-	-
Tax Effect on Exempted/Final Withholding Income	-	-
Tax Effect Utilization of Previously unrecognized Losses	-	-
Tax Effect of Disallowed Expenses	-	-
Impairment losses on goodwill	-	-
Other non-deductible expenses under Sec 21 of Income Tax Act 2058	-	-
Income Tax Expenses charges to Profit or loss	1,017,571	8,628,629
Effective Tax Rates	20.00%	20.00%

9 Inventories

Particulars	Current Year	Previous Year
Trading/Manufacturing Goods		
Raw Materials	86,857,970	105,640,948
Work-in Progress	363,160	-
Finished Goods	122,125,149	134,103,990
Stock of Stationary	-	-
Tools & Consumables	-	-
Spare Parts	6,036,539	12,217,016
Total (A)	215,382,818	251,961,954

All items of goods is measured at cost and no impairment is made since net relizable value of inventories is greater than its cost.

10 Share Capital

Particulars	Current Year		Previous Year	
	Number	NPR	Number	NPR
Ordinary Shares of NPR 100 each				
Authorized Share Capital	500,000	50,000,000	500,000	50,000,000
Subscribed Share Capital	500,000	50,000,000	500,000	50,000,000
Issued & Fully Paid				
At the Beginning of the Year	387,585	38,758,500	297,532	29,753,200
Bonus Issues during the Year	97,564	9,756,400	90,053	9,005,300
Issues for Cash During the Year	-	-	-	-
Total	485,149	48,514,900	387,585	38,758,500

All issued shares are fully paid and have equal rights to vote at general meetings and receive dividends.

Status of Paid up Capital

Particulars	Current Year		Previous Year	
	Number	NPR	Number	NPR
Ordinary Shares of NPR 100 each				
Per share Rs. 100.00 each	168,361	16,836,100	168,361	16,836,100
(i) Bonus share 34,561 Nos	34,561	3,456,100	34,561	3,456,100
(ii) Bonus share 65,503 Nos	65,503	6,550,300	65,503	6,550,300
(iii) Bonus share 29,107 Nos.	29,107	2,910,700	29,107	2,910,700
(iv) Bonus share 90,053 Nos.	90,053	9,005,300	90,053	9,005,300
(v) Bonus share 98,011 Nos.	97,564	9,756,400	-	-
Total	485,149	48,514,900	387,585	38,758,500



Nepal Lube Oil Limited

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

Note to the Financial Statements

(All Amounts are stated in NPR, unless otherwise specifically stated)

10A. Other Components of Equity

Particulars	Current Year	Previous Year
Balance at the beginning of the period	95,971,357	95,971,357
Transfer from other comprehensive income	(1,279,240)	-
Transfer to other reserves	-	-
Other Adjustments	-	-
Utilization of reserves	-	-
Total	94,692,118	95,971,357

10B. Retained Earnings Details

Particulars	Current Year	Previous Year
Balance at the beginning of the period	220,422,017	195,876,891
Transfer from statement of profit or loss	5,428,788	35,038,086
Transfer to other reserves	-	-
Other Adjustments	-	-
Distribution of reserves	(9,756,400)	(10,492,960)
Total	216,094,405	220,422,017

11 Financial Liabilities

Particulars	Current Year		Previous Year	
	Current	Non-Current	Current	Non-Current
Financial Liabilities at Amortized Cost				
Trade & Other Payables	61,540,058	-	146,899,383	-
Loans & Borrowings	345,710,887	-	308,033,299	-
Total	407,250,945	-	454,932,682	-
Financial Liabilities at Fair Value Through PL	-	-	-	-
Total	407,250,945	-	454,932,682	-

11 A Loan & Borrowings

Particulars	Current Year		Previous Year	
	Current	Non-Current	Current	Non-Current
Bank Loan				
Over Draft Loan	43,231,887	-	9,647,299	-
Trust Receipt Loan	111,479,000	-	27,991,000	-
Demand Loan	191,000,000	-	270,395,000	-
Other Loan/Borrowing				
Loan From Director	-	-	-	-
Loan from Associate/Subsidiaries/Holding Co.	-	-	-	-
Total	345,710,887	-	308,033,299	-

Stock and debtors has been placed as collateral against the above mentioned bank loan.

11 B Trade & Other Payables

Particulars	Current Year		Previous Year	
	Current	Non-Current	Current	Non-Current
Trade Payables	60,573,830	-	141,652,845	-
Other Payables	966,228	-	5,246,538	-
Total	61,540,058	-	146,899,383	-



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Note to the Financial Statements

(All Amounts are stated in NPR, unless otherwise specifically stated)

12 Employee Benefits Liabilities

Particulars	Current Year	Previous Year
Defined Benefit Scheme	-	-
Gratuity Payable	31,092,845	32,858,713
Defined Contribution Scheme		
Provident Fund Payable	-	128,386
Social Security Fund	418,625	-
CIT Payable	583,183	297,490
Leave Payable	12,459,542	10,401,465
Other Employee Benefits Payable		
Staff Bonus Payable	604,339	4,357,893
Salary Payable	4,673,589	8,112,989
Other Staff Payables	168,324	628,085
Wages & OT Expenses Payables	-	-
Total	50,000,448	56,785,020
Categorized as:		
Current	12,199,175	14,770,443
Non- Current	37,801,273	42,014,578
Total	50,000,448	56,785,020

13 Other Liabilities

Particulars	Current Year	Previous Year
Non-Current		
Other Liabilities & Payables	-	-
Advance from Customers	-	-
Total (A)	-	-
Current		
TDS Payable	7,368,158	2,578,516
Social Security Tax Payables	-	95,016
Social Security Fund Payables	-	-
Staff Welfare Fund Payables	-	(40,329)
Interest Payable	705,888	705,888
Insurance Claim Payable	-	-
Audit Fee Payable	394,000	-
Advance from Customers	-	-
Excise Duty Payables	-	-
Value Added Tax Payables (13A)	4,867,717	12,688,226
Total (B)	13,335,763	16,027,316
Total Other Liabilities (A+B)	13,335,763	16,027,316

13A VAT Payables/Receivables

Net VAT Payable/(Receivable)	Current Year	Previous Year
VAT Payables	4,883,431	163,191,700
VAT Receivables	15,714	150,503,475
Net VAT Payable/(Receivable)	4,867,717	12,688,226



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Note to the Financial Statements

(All Amounts are stated in NPR, unless otherwise specifically stated)

14 Provisions

Particulars	Current Year	Previous Year
Provision for CSR Expenses	4,327	80,475
Provision for Housing Expenses	-	-
Provision for Expenses Payables	18,284,598	-
Provision for Raw Material Purchase	-	-
Provision for Selling & Distribution Expenses	23,505,057	47,473,041
Other Provisions	-	-
Total	41,793,982	47,553,516

14A Provision for CSR Expenses

Particulars	Current Year	Previous Year
Balance at the beginning of the period	80,475	1,161,436
Additions during the year	53,852	435,789
Amount charged against provision during the Year	(130,000)	(1,516,750)
Unused amounts reversed	-	-
Total	4,327	80,475

14B Provision for Housing Expenses

Particulars	Current Year	Previous Year
Balance at the beginning of the period	-	-
Additions during the year	-	-
Amount charged against provision during the Year	-	-
Unused amounts reversed	-	-
Total	-	-

14C Provision for Expenses Payables

Particulars	Current Year	Previous Year
Balance at the beginning of the period	-	7,006,592
Adjustment during the year	18,284,598	-
Amount charged against provision during the Year	-	(7,006,592)
Unused amounts reversed	-	-
Total	18,284,598	-

14D Provision for Raw Material Purchase

Particulars	Current Year	Previous Year
Balance at the beginning of the period	-	-
Additions during the year	-	-
Amount charged against provision during the Year	-	-
Unused amounts reversed	-	-
Total	-	-



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Note to the Financial Statements

(All Amounts are stated in NPR, unless otherwise specifically stated)

14E Provision for Selling & Distribution Expenses

Particulars	Current Year	Previous Year
Balance at the beginning of the period	47,473,041	45,761,796
Additions during the year	31,657,786	47,660,179
Amount charged against provision during the Year	(55,625,770)	(45,948,934)
Unused amounts reversed		
Total	23,505,057	47,473,041

Disclosure Related to Gratuity & Leave

14F. Gratuity

Particulars	Current Year	Previous Year
Opening Defined Benefit Obligation	32,858,713	32,438,403
Net Current Service Cost	2,130,067	4,926,792
Interest Cost on Defined Benefit Obligation	-	1,621,920
Actuarial (Gain)/Loses - Experience Adjustment	1,599,050	-
Benefits Paid	(5,494,985)	(6,128,403)
Past Service Cost		
Losses/Gain on Curtailment Settlements		
Defined Benefit Obligation at the end of the Period	31,092,845	32,858,713

Reconciliation of Statement of Financial Position Amount

Particular	Current Year	Previous Year
Balance at the Beginning of the Period	32,858,713	32,438,403
Total Charge Recognized in P & L	2,130,067	6,548,713
Total Remeasurement Recognized in OCI	1,599,050	-
Benefit Paid by Company During the Year	(5,494,985)	(6,128,403)
Balance at the End of the Period	31,092,845	32,858,713

Current / Non-Current Bifurcation

Particular	Current Year	Previous Year
Current Benefit Obligation	3,729,117	420,310
Non Current Benefit Obligation	27,363,728	32,438,403
Liability Recognized in the Statement of Financial Position	31,092,845	32,858,713

Financial Assumption Used to Determine the Defined Benefit Obligation

Discount Rate	0.00%
Salary Escalation Rate	6.67%

Financial Assumption Used to Determine the Profit & Loss Charge

Discount Rate	0.00%
Salary Escalation Rate	6.67%
Expected Return on Plan Assets	N.A



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Demographic Assumption Used to Determine the Defined Benefit Obligation

Withdrawal Rate	5%
Mortality Rate	Nepali Assured Lives Mortality 2009
Retirement Age	58 Years

Expected Future Cash Flows

Year	Cash Flow
2024	7,053,502
2025	5,111,435
2026-2030	20,342,882

Breakup of Actuarial (Gain) / Losses

Change in Defined Benefit Obligation

Particular	Current Year
Opening Defined Benefit Obligation	32,858,713
Service Cost	2,130,067
Interest Cost	-
Actual Plan participant Contribution	-
Total Actuarial (Gain) / Losses	1,599,050
a. Effect of Change in Financial Assumption	
b. Effect of Change in Demographic Assumption	
c. Experience (Gain)/ Losses	1,599,050
Benefit Paid	(5,494,985)
Past Service Cost	
Loss/(Gain) on Curtailment Settlement	
Defined Benefit Obligation at the end of the Period	31,092,845

14G. Leave Encashment

Particular	Current Year	Previous Year
Casual Leave	59,838	49,954
Home Leave	4,459,892	3,723,204
Sick Leave	7,939,811	6,628,307
Total	12,459,541	10,401,465



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Note: There is no any fair value of plan assets

Reconciliation of Amount Recognized in Statement of Financial Position

Particular	Current Year		
	Casual Leave	Home Leave	Sick Leave
Amount at the Beginning of the Period	49,954.00	3,723,203.70	6,628,306.98
Total Expenses/(income) Recognized in P&L	14,522.11	1,082,370.90	1,926,912.19
Benefit Payout	(4,638.00)	(345,682.51)	(615,408.12)
Liabilities at the End of the Period	59,838.10	4,459,892.09	7,939,811.05

Current/ Non Current Bifurcation

Particular	Current Year		
	Casual Leave	Home Leave	Sick Leave
Current Benefit Obligation	14,522.11	1,082,370.90	1,926,912.19
Non-Current Benefit Obligation	45,316.00	3,377,521.19	6,012,898.86
Total Liabilities	59,838.10	4,459,892.09	7,939,811.05

Actuarial Valuation Assumptions Used for Valuation

Particular	Current Year		
	Casual Leave	Home Leave	Sick Leave
Economic Assumptions			
Discount Rate	0%	0%	0%
Salary Escalation Rate	6.67%	6.67%	6.67%
Demographic Assumptions			
Mortality	Nepali Assured Lives Mortality 2009	Nepali Assured Lives Mortality 2009	Nepali Assured Lives Mortality 2009
Employee Turnover / Withdrawl Rate	5%	5%	5%
Leave Availment Ratio	1%	1%	1%
Retirement Age	58 Years	58 Years	58 Years



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15 Revenue from Operation

Particulars	Current Year	Previous Year
Sale of goods	927,294,938	1,247,151,376
Less: Sales Return	(634,103)	(1,964,375)
Sales Incentive Income		
Rendering of Services		
Total	926,660,835	1,245,187,002

16 Cost of Goods Sold

Particulars	Current Year	Previous Year
Opening Stock of goods	251,961,954	192,453,462
Purchase during the period	605,016,334	887,160,291
Direct & Manufacturing Expenses (See Note 16A)	43,910,553	38,038,544
Less: Closing Stock of goods	(215,382,818)	(251,961,954)
Total	685,506,024	865,690,343

16A Direct & Manufacturing Expenses

Particulars	Current Year	Previous Year
Carriage Inwards	-	-
Equipment Calibration Charge	40,850	
Factory Depreciation	2,865,709	1,150,304
Machinery Repair & Maintenance	391,803	559,726
Repair of Factory Building	-	125,864
Renewal Charges	30,000	10,000
Royalty Expenses	8,284,598	7,682,593
Travelling Expenses	56,645	
Production Cost		
Electricity, Fuel, Water	1,852,897	1,966,433
Plant Insurance	543,678	1,015,085
Drum Painting	-	8,751
Lab Chemical	50,115	204,189
Telephone Expenses	29,546	46,152
Printing & Stationary	20,354	69,400
Production Employee Benefit Expenses	29,744,357	25,200,047
Total	43,910,553	38,038,544

17 Other Operating Revenue/Income

Particulars	Current Year	Previous Year
Operating Revenue		
Dividend Income	-	-
Interest Income	9,167,545	5,739,278
Royalty Income	-	-
Other Operating Income		
Gain on disposal of Property, Plant & Equipments	-	-
Rental Income	-	-
Miscellaneous income	444,548	
Total	9,612,093	5,739,278



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18 Depreciation, Amortization & Impairment Losses

Particulars	Current Year	Previous Year
Depreciation Expenses & Impairment Losses for the Year	5,489,999	4,653,926
Amortization Expenses for the Year	-	-
Total	5,489,999	4,653,926
Less: Transfer to the Administrative & General Expenses	2,624,290	3,503,622
Less: Transfer to the Selling & Distribution Expenses	-	-
Less: Transfer to the Manufacturing Expenses & Cost of Sales	2,865,709	1,150,304
Total	5,489,999	4,653,926

19 Employee Benefit Expenses

Particulars	Current Year	Previous Year
Short-Term Employee Benefits		
Wages & Salaries	30,264,849	58,956,958
Allowances	23,625,394	-
Insurance & Medical Expenses	4,537,878	6,282,728
Staff Bonus Expenses	604,339	4,357,893
Labour Welfare & Uniform Expenses	880,539	2,452,913
Gratuity Cost		
Defined Contribution	2,585,455	4,926,792
Defined Benefits	7,733,056	3,363,817
Total Employee Benefit Expenses	70,231,511	80,341,102
Less: Transfer to the Administrative & General Expenses	26,011,738	39,632,856
Less: Transfer to the Selling & Distribution Expenses	24,475,415	19,508,199
Less: Transfer to the Manufacturing Expenses & Cost of Sales	19,744,357	25,200,047
Total	70,231,511	84,341,102

20 Selling & Distribution Expenses

Particulars	Current Year	Previous Year
Advertisement & Event Expenses	6,327,469	6,107,786
Wall Painting & Flex printing expenses	6,017,183	7,799,132
Gift and Present Distribution Expenses	424,819	-
Marketing Staff Travelling Expenses	7,306,918	9,755,657
Telephone, Printing, Stationary etc of Marketing	510,464	549,089
SSF & Medical Expenses of Marketing	2,145,218	1,714,681
Sales Incentive of Marketing	4,224,510	7,858,650
Scheme Expenses (Retailer & PGM)	45,538,956	106,506,460
Lubricants Outward transportation expenses	13,341,039	25,731,012
Service Camp Expenses	266,838	3,613,200
Third party Testing Expenses	495,657	900,795
Local level sport branding expenses	1,417,292	559,103
Sales Target Bonus (Distributors)	19,192,498	51,912,715
Interest Expenses	4,537,979	6,558,699
Market promotion expenses	25,315,073	7,746,351
Retailer Meet Expenses	2,245,423	7,846,375
Training Expenses	385,822	-
Leakage Expenses	12,361	-
Private Garage Mechanics Meet Expenses	803,500	4,416,162
Sales & Marketing Employee Benefits Expenses	22,330,197	17,793,518
Total	162,839,217	267,369,386



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21 Administrative and General Expenses

Particulars	Current Year	Previous Year
House/Godown Rent	1,811,775	1,524,860
Repair & Maintenance (Building)	-	-
Electricity, Fuel & Water Expenses	694,557	568,722
Vehicle Fuel & Repair Expenses	896,748	830,801
Audit Fee	400,000	195,000
Legal Court Fee & Other legal expenses	326,690	19,271
Board Meeting Allowance	874,941	875,307
Bank charge & Commission	1,027,203	952,028
Annual General Meeting Expenses	592,913	123,437
Repair Plant & Machinery of Amlekhgunj	67,640	268,735
Insurance Expenses (Staff & office assets)	-	185,304
Communication (Postage, Courier, Telephone, Internet)	327,313	371,289
Printing & Stationary Expenses	326,485	342,185
Notice Publication expenses	-	-
Charity & Donation	237,600	95,000
Books & Magazine Expenses	3,700	7,870
Professional Fees	57,000	-
Uniform Expenses	98,948	144,585
Guest Entertainment & Fooding Expenses	115,907	228,741
Misc. Expenses	22,285	15,940
Tender form purchase expenses	55,390	42,000
Nepse, RTS, Security Board, NFRS, Share Reg. Expenses	272,363	479,621
Advertisement Expenses	6,860	3,149
Annual renewal Expenses	341,631	192,529
Puja Expenses (Daily, Bishwokarma, Hanuman, Dashain, Deepawali etc.)	190,176	182,352
Office & Factory Tea & food Expenses	344,048	453,920
Consumable Goods	163,196	289,714
Depreciation, Amortization & Impairment Losses	2,624,290	3,503,622
Travelling Expenses	615,602	-
Security Guard Expenses	1,740,000	-
Board of Directors' Expenses	-	-
Employee Benefit Expenses	26,011,738	33,578,309
Total	40,246,998	45,474,289



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22 Other Operating Expenses

Particulars	Current Year	Previous Year
Provision for CSR Expenses	53,852	435,789
Loss on disposal of Property, Plant & Equipment	-	-
Loss on disposal of Equity Shares	-	-
Loss on Derecognition of Financial Assets	-	-
Total	53,852	435,789

23 Finance Cost

Particulars	Current Year	Previous Year
Finance Cost on Bank Loan	42,538,985	28,813,330
Finance cost on other financial liabilities measured at amortized cost	-	-
Total	42,538,985	28,813,330

24 Other Expenses/Losses

Particulars	Current Year	Previous Year
Fair value Loss on equity instruments at fair value through profit or loss	-	-
Losses on disposal of Subsidiaries	-	-
Losses on Hedge Ineffectiveness	-	-
Reclassification Adjustment Losses	-	-
Total	-	-

25 Other Income/Gains

Particulars	Current Year	Previous Year
Dividend income from equity instruments at fair value through OCI	-	-



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26 Distributions made and proposed

Particulars	Current Year	Previous Year
Cash Dividend Paid	-	-
<i>Final Dividend</i>	-	-
<i>Interim Dividend</i>	-	-
Bonus Dividend Distributed	-	-
Proposed Dividend	-	-
<i>Final Dividend</i>	-	-
Total	-	-

27 Earning Per Share

Particulars	Current Year	Previous Year
Profit from Continuing Operations	5,428,788	35,038,086
Profit/ (Loss) on Discontinued Operations(net of tax)	-	-
Profit for the Year (A)	5,428,788	35,038,086
Weighted Average No. of Shares		
No of Shares at the Beginning of the period	387,585	297,532
Weighted Average No. of Shares Issued during the Year	-	-
Bonus Shares Issued During the Year	97,564	90,053
Total Weighted Average No. of Shares(B)	485,149	387,585
Adjustment for potential Shares		
No of Potential Equity Shares	-	-
Total Weighted Average No. of Shares for Diluted EPS (C)	485,149	387,585
Earning per Share		
a) Basic EPS	11.19	90.40
b) Diluted EPS	11.19	90.40



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28 Disclosures Related to Financial Instruments Risk

Financial instruments risk management objectives and policies

The Entity's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Entity's operations. The Entity's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations. The Entity also holds investments in debt and equity instruments .transactions.

The Entity is exposed to **market risk, credit risk and liquidity risk**. The Entity's senior management oversees the management of these risks. The Entity's senior management is supported by a financial risk advisors that advises on financial risks and the appropriate financial risk governance framework for the Entity. The financial risk advisors provides assurance to the Entity's senior management that the Entity's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Entity's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Entity's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

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Sensitivity Analysis

Particulars	Name of Variables	Changes in Variables	Current Year		Previous Year	
			Financial Effect on Profit before tax	Equity	Financial Effect on Profit before tax	Equity
Increase in variables	Interest Rates	+1%	(3,457,109)	-	(3,080,333)	-
Decrease in variables	Interest Rates	-1%	3,457,109	-	3,080,333	-
Increase in variables	Equity Price	+1%	(1,533,071)	-	(1,224,769)	-
Decrease in variables	Equity Price	-1%	1,533,071	-	1,224,769	-

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Entity is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Aging of Financial Assets that are past due

Particulars	Amount As per Account	Days Exceeding Normal Credit Period				Total
		<30 days	30-60 days	61-90 days	90+ days	
For Year 2078-79						
Trade Receivables	408,873,358	327,501,761	-	-	81,371,597	408,873,358
Trade Receivables - under litigation	-	-	-	-	-	-
Advances	-	-	-	-	-	-
Total	408,873,358	327,501,761	-	-	81,371,597	408,873,358





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For Year 2079-80									
Trade Receivables	386,925,355	139,017,677	56,801,776	70,249,919	89,947,819	356,017,191			
Trade Receivables - under litigation	-	-	-	-	30,908,164	30,908,164			
Advances	-	-	-	-	-	-			
Total	386,925,355	139,017,677	56,801,776	70,249,919	120,855,982	386,925,355			

Liquidity Risk

The Entity monitors its risk of a shortage of funds using a liquidity planning tool. The Entity's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and other bank loans

Maturity Analysis of Financial liabilities (based on the contractual undiscounted amounts)

Particulars	Payable on						Total
	On Demand	Less than 3 months	3-12 months	1-5 Years	>5 Years		
For Year 2078-79							
Loans & Borrowings	-	308,033,299	-	-	-	308,033,299	
Preference Shares	-	-	-	-	-	-	
Trade & Other Payables	-	139,003,728	-	-	-	139,003,728	
Total	-	447,037,026	-	-	-	447,037,026	
For Year 2079-80							
Loans & Borrowings	-	345,710,887	-	-	-	345,710,887	
Preference Shares	-	-	-	-	-	-	
Trade & Other Payables	-	61,540,058	-	-	-	61,540,058	
Total	-	407,250,945	-	-	-	407,250,945	

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29 Disclosures Related to Fair Value of Financial Instruments

Set out below is a comparison, by class, of the carrying amounts and fair values of the Entity's financial instruments, including those with carrying amounts that are reasonable approximations of fair values:

Particulars	Current Year		Previous Year		Nature of Inputs to Valuation
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
A) Financial Assets					
Trade & Other Receivables	388,532,400	388,532,400	423,145,872	423,145,872	Level 3
Loan Assets	-	-	-	-	Level 3
Advances	-	-	-	-	Level 3
Investment in Quoted Shares	-	-	-	-	Level 1 (Quoted Price)
Deposits	-	-	-	-	Level 3
Total	388,532,400	388,532,400	423,145,872	423,145,872	
B) Financial Liabilities					
Loans & Borrowings	345,710,887	345,710,887	308,033,299	308,033,299	Level 3
Trade Payables	61,540,058	61,540,058	146,899,383	146,899,383	Level 3
Customer Deposits	-	-	-	-	Level 3
Total	61,540,058	61,540,058	146,899,383	146,899,383	
C) Investment Property					
Land	-	-	-	-	Level 3
Total	-	-	-	-	

Fair value has been determined using the level 3 inputs i.e. unobservable inputs, except for investment listed equity shares whose fair value has been determined using level 1 inputs(Quoted Market price)





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30 Related Party Transactions

Major Key Related Parties: Entity

Name of Parties	Nature of Relationships
ABB Investment Pvt Ltd	Major Share Holder
Nepal Oil Corporation	Major Share Holder
Rastrya Beema Company Ltd.	Share Holder
Himal Cement Company Ltd	Share Holder
National Trading Company Ltd	Share Holder
Rastrya Banijya Bank Ltd	Share Holder

Major Key Related Parties: Natural Person

Name of Parties	Nature of Relationships	Positions
Arun Kumar Chaudhary	Key Management Personnel	Chairman
Bijaya Bahadur Shrestha	Key Management Personnel	Directors
Karan Kumar Chaudhary	Key Management Personnel	Directors
Representative- Nepal Oil Corporation	Key Management Personnel	Directors
Representative- Himal Cement Company Ltd.	Key Management Personnel	Directors
Nirajan Neupane	Key Management Personnel	Directors
Anil Basnyat	Key Management Personnel	Directors
Shila Chaudhary	Key Management Personnel	Directors
Ganga Raj Bhattarai	Key Management Personnel	General Manager

Related Parties listed above does not include close family members of Key Management Personnel, controlling person and person with significant influence unless there is material transaction with them.

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The following table provides the total amount of sales, purchase and balances that have been entered into with related parties for the relevant financial year.

Particulars	Sales to Related Parties		Purchase from Related Parties		Receivables Balance		Payable Balance	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
a) Key Management Personnel	-	30,298,608.87	-	2,901,769.91	-	7,347,881.63	-	-
Total	-	30,298,608.87	-	2,901,769.91	-	7,347,881.63	-	-

Goods are sold based on the price lists in force and terms that would be available to third parties.

Loans & Advance to related parties

Particulars	Repayment/Borrowing during the year		Interest Income		Loan Balance	
	2079-080	2078-079	2079-080	2078-079	Current Year	Previous Year
a) its Parent Entity	-	-	-	-	-	-
b) Its Subsidiaries	-	-	-	-	-	-
c) Key Management Personnel	-	-	-	-	-	-
Total	-	-	-	-	-	-

There is no loan and advance to related parties during the above mentioned fiscal year





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Loans & Advance from related parties

Particulars	Repayment/Borrowing during the year		Interest Expenses		Loan Balance	
	2079-080	2078-079	2079-080	2078-079	Current Year	Previous Year
a) its Parent Entity	-	-	-	-	-	-
b) Its Subsidiaries	-	-	-	-	-	-
c) Key Management Personnel	-	-	-	-	-	-
Total	-	-	-	-	-	-

There is no loan and advance from related parties during the above mentioned fiscal year

Key Management Personnel Compensation

Key management includes the Board of Directors (executive and non-executive), all members of Entity Management and the Company Secretary. The compensation paid or payable to key management for employee services is shown below:

Particulars	Current Year			Previous Year		
	Directors	G.M	Key Manager	Directors	G.M	Key Manager
Short-term Employee Benefits						
Remuneration Benefits and Allowances	2,094,176.47	5,260,823.71	17,788,705.80	1,067,102.66	2,537,158.34	16,758,612.37
Total	2,094,176.47	5,260,823.71	17,788,705.80	1,067,102.66	2,537,158.34	16,758,612.37

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.



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31 Capital Management

For the purpose of the Entity's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Entity's capital management is to maximise the shareholder value.

The Entity manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Entity may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Entity monitors capital using a gearing ratio, which is 'net debt' divided by total capital plus net debt. The Entity includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits, excluding discontinued operations.

Particulars	Current Year	Previous Year
Loans & Borrowing	345,710,887	308,033,299
Preference shares	-	-
Trade and other payables	61,540,058	146,899,383
Less: cash and short-term deposits	(22,107,713)	(8,362,025)
Net Debt	385,143,232	446,570,657
Convertible Preference Shares	-	-
Equity	359,301,422	355,151,874
Total Capital	359,301,422	355,151,874
Total Capital & Net Debt	744,444,655	801,722,531
Gearing Ratio(%)	52%	56%

In order to achieve this overall objective, the Entity's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

32 Contingencies

The Company has no any contingent assets / liabilities as on the date of financial statements in respect of bank & other guarantees and other matters arising in the ordinary course of business.

33 Commitments

(a) Capital commitments

There are no Capital commitment at the end of current reporting period

(b) Operating lease Commitments – Non-Cancellable Lease Only

There are no Non-Cancellable Lease during the year



34 Standard Issued But not yet Effective

There was no new and amended standards and interpretations that were issued, but not yet effective, up to the date of entity's financial statements. However Institute of Chartered Accountant of Nepal (ICAN) has issued notice of applicability of new Nepal Financial Reporting Standard (NFRS-2018) for the preparation of financial statements effective from fiscal year 2078-79. As on date of issuance of entity's financial statements, there are no material changes in new standard which would attract amendment and disclosure in any components of financial statements. However, in regard to impairment of trade debtors, the expected loss model of NFRS 2018 may require re-measurement of trade debtors realizable value in the financial statements of 2080-81

35 Events After the end of the Reporting Date

There are no event after the end of period that requires the disclosures



Nepal Lube Oil Limited

Kathmandu, Nepal

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

Notes to Financial Statements

(All Amount are stated in NPR, unless otherwise provided)

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1. Corporate Information and Background:

Nepal Lube Oil Limited (NLOL) is a licensee of Gulf Oil International, which manufactures and distributes Gulf Lubricant in Nepalese market. Established in 1983 as Lube Blending plant with trade mark agreement with Gulf Oil Corporation Limited; it was incorporated as Nepal Lube Oil Limited under Nepal Company Act 2021 (1964 AD) in 15 July, 1984. It is one of the first four companies in Nepal to obtain ISO 9000 QMS Certification. NLOL was privatized in 2051/2052 (1994/1995) as per the Government's Privatization Policy. Gulf lubricants has strong performance and market presence in Nepal due to strong and ever expanding distribution network and wide array of products in the market.

2. Basis of Preparation

2.1. Statement of compliance

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) issued by Accounting Standard Board, Nepal and announced by Institute of Chartered Accountants of Nepal.

2.2. Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position.

- Investment property is measured at fair value.
- Liabilities for cash-settled, share-based-payment arrangements are measured at fair value.
- Biological assets are measured at fair value less cost to sell.
- Available for sale financial assets are measured at fair value.
- Investments held-for-trade is measured at fair value.
- Derivative financial instruments are measured at fair value.
- Defined benefit schemes, surpluses and deficits are measured at fair value.
- Defined Contribution schemes are measured as per actuarial valuation
- Impairment of asset is measured at fair value and related disposal cost.
- Assets acquired & Liabilities assumed in a business combination are recognized at fair value.

2.3. Functional & Presentation Currency

The financial statements are prepared in Nepalese Rupees, which is the company's functional currency. All the financial information presented in Nepalese Rupees has been rounded to the nearest thousands, except otherwise indicated.

2.4. Reporting Dates

Particulars	Nepalese Calendar Date / Period	Gregorian Calendar Date / Period
Comparative SFP* Date	32 Ashadh 2079	15 July 2022
Comparative reporting period	1 Shrawan 2078 - 32 Ashadh 2079	16 July 2021 - 15 July 2022
NFRS SFP* Date	31 Ashadh 2080	16 July 2023
NFRS reporting period	1 Shrawan 2079 - 31 Ashadh 2080	16 July 2022 - 16 July 2023

*SFP = Statement of Financial Position

*Nepal Financial Reporting Standards

2.5. Going Concern

The management considers that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.



2.6. Materiality

The company for the preparation of financial statements determines materiality based on the nature or magnitude, or both. Materiality is a pervasive constraint in financial reporting because it is pertinent to all of the qualitative characteristics.

2.7. Re-grouping & Re-classification

Regrouping & Re-classification of item of assets, liabilities, equities, income and expenses has been done where appropriate to make financial statement more reliable, fair, and informative.

3. Summary of Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The preparation of financial statements requires the use of certain accounting estimates. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are to be disclosed.

3.1. Current/Non-current Distinction

The Entity presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Entity classifies all other liabilities as non-current.

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

3.2. Foreign Currency

Transactions entered into by company entities in a currency other than the currency of the primary economic environment in which they operate (the "functional currency" is NPR) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve along with the exchange differences arising on the retranslation of the foreign operation.



3.3. Property, Plant and equipment

Items of property, plant and equipment are initially recognised at cost. Cost includes the purchase price and other directly attributable costs as well as the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. Land & building is subsequently measured at revaluation model and revaluation gain is recognized in other comprehensive income under equity component.

3.4. Depreciation

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write-off their carrying value over the expected useful economic lives.

Depreciation has been computed on Straight Line Method. The estimate useful lives for the assets are as follows:

Class of Property Plant & Equipment	Useful life	Depreciation Rates	Depreciation Method	Measurement Basis
Factory Buildings	20 Years	5%	SLM	Revaluation Model
Office Building	25 Years	4%	SLM	Revaluation Model
Plant and Machinery				
-Machine, Equipments	15 Years	6.67%	SLM	Cost Model
-Storage Tanks	20 Years	5%	SLM	Cost Model
Fixtures and Fittings	10 Years	10%	SLM	Cost Model
Other Office Equipments	5 Years	20%	SLM	Cost Model
Computer Equipment				
-Desktop Computer	5 Years	20%	SLM	Cost Model
-Laptop Computer	4 Years	25%	SLM	Cost Model
Motor Vehicles				
-2 Wheelers	10 Years	10%	SLM	Cost Model
-4 Wheelers	8 Years	12.5%	SLM	Cost Model

3.5. Leased Assets

When all the risks and rewards incidental to ownership of a leased asset are transferred to the Company (a “finance lease”), the asset is treated as if it had been purchased outright. The amount initially recognized as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analyzed between principal and interest. The interest element is charged to the statement of comprehensive income over the period of the lease so that it represents a constant proportion of the lease liability. The principal element reduces the balance owed to the lesser.

When all the risks and rewards incidental to ownership are not transferred to the company (an “operating lease”), the total rentals payable under the lease are charged to the statement of comprehensive income over the lease term on straight line basis as appropriate unless another method is found more systematic and relevant. The aggregate benefit of lease incentives is recognized as a reduction of the rental expense over the lease term.



3.6. Intangible Assets

Goodwill (If there is a goodwill arising on acquisition)

Goodwill represents excess of the cost of acquisition over the fair value of net identifiable assets acquired at the date of acquisition. Goodwill is stated at cost less accumulated amortization and impairment losses.

Negative goodwill (if there is a goodwill arising on acquisition)

Negative goodwill arising on acquisition represents excess of the fair value of net identifiable assets acquired over the cost of acquisition.

Computer Software

Purchased computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the software. These costs are amortized over the estimated useful lives.

Research and Development

Expenditure on research activities, undertaken with the prospect of gaining new scientific/ technical knowledge and understanding, is recognized in the income statement as an expense as incurred. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically and commercially feasible and the company has sufficient resources to complete development. The expenditure capitalized includes the cost of materials, direct labor and an appropriate proportion of overheads. Other development expenditure is recognized in the income statement as an expense as incurred. Capitalized development expenditure is stated at cost less accumulated amortization and impairment losses.

Other Intangible Assets

Other intangible assets that are acquired by the company are stated at cost less accumulated amortisation and impairment losses. Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Amortization

Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. Goodwill is amortised from the date of initial recognition; other intangible assets are amortised from the date they are available for use.

3.7. Financial Assets

A 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 favourable 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.

A. Recognition of Financial Assets

A financial asset is recognized when the entity become party to the contractual provision of financial instruments



B. Derecognition of Financial Assets

- A financial asset is de-recognized when:
 - (a) Contractual right to Cash flows expires or
 - (b) There is a transfer of risk & rewards relating to ownerships or
 - (c) There is a transfer of control of Financial Assets (practical ability to Sell financial Assets) or
 - (d) Retain Rewards, but assume obligation to pay cash flow to one or more parties & fulfill following conditions”
 - No obligation to pay until receipts from original assets
 - Restriction from sale/pledge except collateral for above obligation
 - Obligation to remit cash flow without material delay (except temporary investment)
- Gain/(loss) on derecognition of Financial Assets is recognized in profit or loss.

C. Classification and Measurement of Financial Assets

1. Financial Assets at Amortized Cost

- ✓ If Business Model is to hold Financial Assets to collect contractual Cash Flows & If it is held for solely payment of principal and interest on outstanding principal, Financial assets is classified under this category.
- ✓ It is initially measured at Fair value plus transactions costs.
- ✓ It is subsequently measured at amortized cost using effective interest method.
- ✓ Interest Charges shall be calculated on Opening balance of amortized cost.

2. Financial Assets at Fair Value through profit or loss

- ✓ Following Financial Assets classified under this category:
 - (a) If Financial Assets does not meet the condition of measured at amortized cost or if made irrevocable election to reduce the accounting mismatch,
 - (b) Compulsory classified under this category:
 - (i) Financial Assets held for trading,
 - (ii) All Derivatives except held for hedging
- ✓ It is initially measured at Fair value and any transactions costs is charged to Profit or loss.
- ✓ It is subsequently measured at Fair value with changes recognized in profit or loss.

3. Financial Assets at Fair Value through Other comprehensive income

- ✓ If made irrevocable election and it is investment in equity instrument not held for trading, i.e. entity has strategic intent to hold the investment in equity instruments.
- ✓ It is initially measured at Fair value plus transactions costs.
- ✓ It is subsequently measured at Fair value with changes recognized in other comprehensive income under equity (Subsequently not reclassified to profit or loss).

D. Reclassification of Financial Assets

- Reclassification on Financial Assets is made only when there is changes in business model for managing financial assets.
- New Carrying amount of financial assets is Fair value at the date of reclassification.
- Any gain/loss on reclassification is recognized in profit or loss.

E. Impairment of Financial Assets that is measured at amortized Cost

- Financial assets is test for impairment if there objective evidence of impairment at the end of every reporting period.



- Impairment losses is recognized if its carrying amount exceeds the present value of future cash flows discounted at original effective interest.
- For the purpose of impairment test Financial assets are grouped if significant on the basis on similar credit risks and other financial assets are tested on stand-alone basis.

3.8. Financial Liabilities

A financial liability is any liability that is:

- (a) a contractual obligation:
 - (i) to deliver 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 unfavourable 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.

A. Recognition of Financial Liabilities

A financial Liabilities is recognized when the entity become party to the contractual provision of financial instruments .

B. Derecognition of Financial Liabilities

- A financial Liabilities is de-recognized when:
 - (a) Contractual obligation to pay Cash flows extinguished or
 - (b) There is a substantial modification of term of contract or exchange of financial liabilities with substantial different terms.
- Gain/ (loss) on derecognition of Financial Liabilities is recognized in profit or loss.

C. Classification and Measurement of Financial Liabilities

1. Financial Liabilities at Amortized Cost

- ✓ All financial liabilities are measured at amortized cost except for exception given in **point no 2.**
- ✓ It is initially measured at Fair value plus transactions costs.
- ✓ It is subsequently measured at amortized cost using effective interest method.
- ✓ Interest Charges shall be calculated on Opening balance of amortized cost.

2. Exception of Financial Liabilities at Amortized Cost

Classification	Measurement
Financial liabilities at Fair Value Through Profit or Loss(including Derivatives held for trading)	<ul style="list-style-type: none">✓ Measured at Fair Value on initial recognition & subsequently✓ Changes is recognized in profit or loss
Liabilities created on transfer of Financial Assets	<ul style="list-style-type: none">✓ Measured at Fair of Consideration received for transfer of financial assets if it does not qualify for recognition
Financial Guarantee Contract	Subsequently Measure at higher of <ul style="list-style-type: none">➤ Amount as per NAS 37: provision, contingent liabilities & contingent assets➤ Initial amount less Cum amortization as per NAS 18 Revenue
Subsidized loan (loan at below-market interest rates)	Subsequently Measure at higher of <ul style="list-style-type: none">➤ Amount as per NAS 37: provision, contingent liabilities & contingent assets➤ Initial amount less Cum amortization as per NAS 18 Revenue



Entity made irrevocable election to classify financial liability at Fair Value through Profit or Loss on following condition:

- (a) If it reduces the accounting mismatch.
- (b) Financial liability is evaluated on Fair value basis.

D. Reclassification of Financial liabilities

- No Financial liabilities shall be reclassified.

3.9. Presentation of Financial Instruments

A. Treasury Shares

Consideration paid/received for the purchase/sale of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve (the "treasury share reserve"). Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

B. Offsetting of Financial assets and Financial liabilities

Financial Assets & liabilities are offset in Statement of financial position if entity

- Has legally enforceable rights to set off the recognized amount
- Nets basis or simultaneous basis settlement of FA & FL

In case of Transfer that does not qualify for derecognition, shall not offset transferred assets & the associated liability

C. Interest Dividend, losses & gains

- Interest dividends, losses & gains relating to financial instrument or component that is FL shall be recognized as expenses or income in PL
- Distribution to holders of equity instruments shall be debited in equity (net of tax benefit)
- **Transaction cost**(net of tax benefit) related to **equity instrument** is deducted from equity
- **Transaction cost** related to **compound instrument** is allocated to both equity & liability component in pro-rata of value of both component

3.10. Investment property

Investment property is stated at fair value determined annually by an independent valuer.

Fair value is based on current prices in an active market for similar properties in the same location and condition. Any gain or loss arising from a change in fair value is recognised in the income statement.

When an item of property, plant and equipment becomes an investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item and its fair value is recognised directly in equity if it is a gain. Upon disposal of the item, the gain is transferred to retained earnings. Any loss is recognised in the income statement.

3.11. Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the variable selling expenses.

The cost is determined on first-in first-out (FIFO) method or weighted average method and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition. In the case of manufactured inventories and work-in progress, cost includes an appropriate share of overheads based on normal operating capacity.



3.12. Cash and Cash Equivalents

Cash and cash equivalents comprises cash balances, call deposits and other short term highly liquid investments. Cash and cash equivalents are classified as financial assets. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included within borrowings in current liabilities on the balance sheet.

3.13. Impairment

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets (other than biological assets measured at fair value less cost to sell, investment property measured at fair value, Financial Assets, inventories and deferred tax assets) are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest parts of assets to which it belongs for which there are separately identifiable cash flows and its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the company's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

3.14. Share Capital

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of financial liability or financial asset. The company's equity shares are classified as equity instruments.

Preference share capital is classified as equity if it is non-redeemable and any dividend are discretionary at the option of the company. Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders and dividends thereon is recognized in the income statement as interest expenses

3.15. Borrowing costs

Interest-bearing borrowings are recognised initially at cost, net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings using the effective interest method.

3.16. Retirement Benefits

Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the statement of comprehensive income in the year to which they relate.

Defined Benefit schemes

Defined benefit scheme surplus and deficit are measured at the fair value of plan assets at the reporting date; less plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities;



plus unrecognized past service costs; less the effect of minimum funding requirements agreed with scheme trustees.

Any difference between the expected return on assets and that actually achieved, and any changes in the liabilities over the year due to changes in assumptions or experience within the scheme, are recognized in other comprehensive income in the period in which they arise.

Past service costs are recognized directly in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time. In this case, the past service costs are amortized on a straight line basis over the vesting period.

Other long-term service benefits

Employees have a statutory entitlement to certain months' paid leave or the cash equivalent after certain years' of continued service to the company, but no entitlement if the employee leaves earlier. The obligation is calculated using the projected unit credit method and is discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the expected remaining period to settlement.

3.17. Share-based Payments

When Equity share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Other Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that the cumulative amount recognized over the vesting period is based on the number of options that eventually vest.

Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

When equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with the fair value of goods and services received.

3.18. Taxation

Income tax on the profit or loss for the year comprises current taxes and deferred taxes. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly to equity. Current tax is the expected tax payable on the taxable income for the year using tax rates at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected on realization or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.



Value Added Tax

Value Added Tax is a indirect tax payable on sales of Vatable goods or services. Entity is VAT registered party. Entity pays VAT liabilities after reducing VAT on purchase from VAT on Sales which is allowed by VAT Act 2052. So, VAT Receivables and Payables are presented in statement of Financial Position by offsetting. Disallowed VAT Credit are directly capitalized to related purchase since they are non-refundable.

3.19. Non-current assets held for sale and disposal

Non-current assets and disposals are classified as held for sale when:

- They are available for immediate sale
- Management is committed to a plan to sell
- It is unlikely that significant changes to the plan will be made or the plan will be withdrawn;
- Active programme to locate a buyer has been initiated;
- Asset or disposal company is being marketed at a reasonable price in relation to its fair value and
- Sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposals classified as held for sale are measured at the lower of:

- Their carrying amount immediately prior to being classified as held for sale in accordance with the Company's accounting policy; and
- Fair value less costs to sell.

After their classification as held for sale, non-current assets (including those in a disposal company) are not depreciated. The results of operations disposed during the year are included in the statement of comprehensive income up to the date of disposal.

A discontinued operation is a component of the company's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of has been discontinued or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the statement of comprehensive income as a single line which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal company's discontinued operations.

3.20. Government Grants/Deferred Revenue

Government grants received for capital expenditure are generally deducted in arriving at the carrying amount of the asset purchased. Grants for revenue expenditure are netted against the cost incurred by the company. Where retention of a government grant is dependent on the company satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the statement of comprehensive income or netted against the asset purchased.

3.21. Trade & Other Payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.



3.22. Provisions

The provisions for liabilities of uncertain timing or amount include those for onerous leases, warranty claims, leasehold dilapidations and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability. Other provisions include provision for selling & distribution expenses, provision for CSR Expenses, Provision for Raw Material Purchase and Provision for other expenses payable which is booked on the basis of accrued but not still fixed for payments.

3.23. Revenue

Revenue from the sales of goods is recognized when:

- There is transfer of significant risk and reward of ownership and related control over goods
- the amount of revenue and cost incurred on transaction can be reliably measured;
- It is probable that future economic benefits will flow to the entity;

Revenue from the sales of goods is recognized when:

- There is transfer of significant risk and reward of ownership
- The amount of revenue, cost incurred on transaction & stage of completion can be reliably measured;
- It is probable that future economic benefits will flow to the entity;

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the group's activities. Revenue is shown net of sales/value-added tax, excise duty, returns, rebates and discounts and after eliminating sales within the group.

Where the buyer has a right of return, the company defers recognition of revenue until the right to return has lapsed. However, where high volumes of sales are made to established wholesale customers, revenue is recognised in the period where the goods are delivered less an appropriate provision for returns based on past experience. The same policy applies to warranties, provided the amount of revenue can be measured reliably and it is probable that the company will receive any consideration, revenue for services is recognised in the period in which they are rendered.

Interest income

Interest income are recognized in the statement of income using Effective interest method

3.24. Expenses

Interest Expenditure on Early payment by debtors

Such interest expenditure is recognized when the debtors makes the early payment.

3.25. Segment Reporting

A segment is a distinguishable component of the company that is engaged either in providing products or services/business segment, or in providing products or services within a particular economic environment/geographical segment, which is subject to risks and rewards that are different from those of other segments.



3.26. Discontinued Operations

A discontinued operation is a clearly distinguishable component of the company's business that is discontinued or terminated pursuant to a single plan, and which represents a separate major line of business or geographical area of operations.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Entity's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Entity's exposure to risks and uncertainties includes:

- Capital management
- Financial instruments risk management and policies
- Sensitivity analyses disclosures

4.1 Judgments

In the process of applying the Entity's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Use of Fair Value as deemed cost at reporting date

Management has made a judgment to use fair value of property, plant and equipment as deemed at the reporting dates.

4.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Entity. Such changes are reflected in the assumptions when they occur.

(a) Impairment of financial assets-Sundry Debtors

It is estimated that all outstanding receivable as on date of statement of financial position (Ashad, 31 2080) are recoverable.

(b) Deferred Tax Assets

It is assumed that future taxable profits will be available as on the basis of past trend which do not shows the signal of causing losses in near future

(c) Fair value measurement of financial instruments

Unquoted and estimated inputs (i.e. Level 3 inputs) has been used to measure the fair value of financial assets and liabilities except quoted instruments without impairing the reliability criteria of financial statements.

(d) Fair of Property, Plant and equipment at reporting date: See Note 5



MARKETING



Gulf and McLaren Partnership Bold is back



Fuelled by the competitive spirit that drives us. Bound by the unrelenting pursuit to be the best and nothing less. Our partnership with McLaren Racing initially began in 1968 and lasted until 1973. Not long after, we reignited our relationship and took to the race track together once again.

We are the preferred lubricant supplier to McLaren Automotive. As of October 2021, every car coming off the McLaren Automotive production line is filled with Gulf Formula Elite engine oil. These two iconic brands feature class-leading capabilities and have come together with a shared history of excellence and a shared hunger for innovation.

Together through history

Few partnerships hold the remarkable legacy that we share with McLaren. Stretching back over 50 years, we have managed to build a brand that is synonymous with competitive excellence, and built by the fans, for the fans.

Our initial team-up with Gulf-branded McLarens led to us participating in both Formula 1 and the Can-Am series. During that time, the team left an indelible mark winning over 40 races.

In the 1990s we came together once again, with the legendary McLaren F1 GTR running

in the 24 Hours of Le Mans while sporting the timeless Gulf livery. Our partnership reignited our thirst for victory when we had the privilege of watching Gulf branded McLaren cars claim over 10 finishes in the top 10 and a victory in 1995.

2020 brought these brands back together, with the Gulf logo appearing on McLaren F1 MCL35M race cars, but most importantly of all, it allowed our fans to once again cheer alongside us as we embraced a new era of the McLaren partnership.





NEPAL
LUBE OIL
LIMITED

SCHEME

2 wheeler, PCMO, GEO & DEO retailers & mechanics
regular scheme.



RETAILER SCHEME

Product Scheme

विशेष अफरहरू



५ बाल्टिन = १ टिसर्ट



२ बाल्टिन = १ टिसर्ट



२ केस = १ टिसर्ट



३ केस = १ टिसर्ट



Coupons

NLOL has issued coupons from Rs.5 to Rs. 500 for MCO and DEO segments. This scheme is targeted to mechanics specially.





NEPAL
LUBE OIL
LIMITED

BRANDING

Showroom Branding



Biratnagar Expo





Gulf Taxi Branding



Banner & Support Sponsor





NEPAL
LUBE OIL
LIMITED

Petrol Station Branding





2 Wheeler Service Camp





New Show Room Inauguration





NEPAL
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New Packagin Designs





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Customer Care Department (CCD)



ANNUAL CALENDAR





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Media Advertisement & Coverage

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Online Portals & News Channel Promotion



Daily Laptop Branding at Kastamandap News



Gulf Advertisement at DC Nepal Website



Gulf Advertisement Magazine & Buddha Airlines Yatra





NEPAL
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LIMITED

MERCHANDISE





NEPAL LUBE OIL LIMITED

Social Media Advertisement



Sponsorships





ACTIVATION

Wall Paint

(Retailers, PGM and Fuel Stations all over Nepal)





31st NLOL AGM





CODE OF BUSINESS PRINCIPLES (COBP)

Code of Business Principles is the company's statement of values and represent the standard of conduct which all the employees are expected to meet in their business endeavors. It supports our approach to governance and corporate responsibility. COBP has always encouraged the company to work with honesty and integrity. It is also applicable to everyone with whom the company is associated. This year was another sound year of corporate governance of the company.

Standard of Conduct

We conduct our operations with honesty, integrity, openness, and respect for human rights and interests of our employees.

We shall similarly respect the legitimate interests of those with whom we have relationships.

Obeying the Law

NLOL and employees are required to comply with the laws and regulations of the countries in which we operate.

Family Bonding

Your Company is committed to a working environment that promotes diversity and equal opportunity and where there is mutual trust, respect for human rights and no discrimination.

We will recruit, employ and promote employees on the sole basis of the qualifications and abilities required for the work to be performed.

We will provide employees with a total remuneration package that meets or exceeds the legal minimum standards and appropriate prevailing industry standards.

We will not use any form of forced, compulsory, trafficked or child labour. We are committed to working with employees to develop and enhance each individual's skills and capabilities.

We respect the dignity of the individual and the right of employees to freedom of association and collective bargaining.

We will maintain good communications with employees through company based information and consultation procedures.

We will ensure transparent, fair and confidential procedures for employees to raise concerns.

Consumers

Your Company is committed to provide branded products which consistently offer value in terms of price and quality, and which are safe for their intended use. Products will be accurately and properly labelled, advertised and communicated.

Shareholders

Your Company will conduct its operations in accordance with internationally accepted principles of good corporate governance. We will provide timely, regular and reliable information on our activities, structure, financial situation and performance to all shareholders.

Business Partners

Your Company is committed to establishing mutually beneficial relations with our suppliers, customers and business partners. In our business dealings we expect our partners to adhere to business principles consistent with our own.

CSR

Your Company strives to be a trusted corporate citizen and as an integral part of society, to fulfil our responsibilities to the societies and communities in which we operate.

Public Activities

NLOL is encouraged to promote and defend their legitimate business interests.

Your Company will co-operate with government and other organisations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations which may affect legitimate business interests.

Your Company neither supports political parties nor contributes to the funds of groups whose activities are calculated to promote party interests.



The Environment

Your Company is committed to make continuous improvement in reduction of environmental impact and developing a sustainable business in long term.

Your Company will work in partnership with other partners to promote environmental care, increase understanding of environmental issues and disseminate good practices.

Innovation

Our innovations use insights and technologies to deliver branded benefits which meet the latest trends. Our innovation is increasingly responsive to local needs, landing results faster into the market.

We will innovate on the basis of sound science, applying rigorous standards of product safety.

Competition

Your Company believes in vigorous yet fair competition and supports the competition laws of the company. Gulf companies and employees conduct their operations in accordance with the principles of fair competition and all applicable regulations.

The Legal function of your company continues to be a valued partner in facilitating the business agenda and effectively dealing with unfair competition and ensuring regulatory compliances.

Business Integrity

Your Company does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer, give or receive any gift or payment which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately

and reported to management.

Your Company's accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

Conflicts of Interests

All employees and others working for Gulf are expected to avoid personal activities and financial interests which could conflict with their responsibilities to the company.

Employees must not seek gain for themselves or others through misuse of their positions.

Compliance-Monitoring-Reporting

Compliance with these principles is an essential element to our business success. The NLOL Board is responsible for ensuring these principles are applied throughout your Company.

The Board Of Directors is responsible for implementing these principles and is supported by the Global Code and Policy Committee which is chaired by the Chief Legal Officer. Day-to-day responsibility is delegated to all senior management of the geographies, categories, functions and operating companies. They are responsible for implementing these principles, supported by local Code Committees. Assurance of compliance is subject to review by the Board supported by the Corporate Responsibility Committee and for financial and accounting issues the Audit Committee.

Any breach of the Code must be reported. Provision has been made for employees to be able to report in confidence and no employee will suffer any consequence of doing so.