S.A.R. ASSOCIATES
CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Sopan Multiple Company Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

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

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

Basis for Qualified Opinion

The Company has recognized dividend income amounting to NPR 165,300,000 from Kantipur Engineering College and 37,7150,000 from Acme Engineering College in its books of accounts based on the declaration of interim dividend by the said companies after the financial year end. Though the company has received the said amount from the companies before the financial year end with the understanding of said amount to be set off against the interim dividend to be declared by the said companies after the financial year end, the right to receive the said amount is not established as on financial year end and hence such income recognition constitutes a departure from Para 5.7.1A of NFRS 9: Financial Instruments.

This has resulted in overstatement of Net Profit by 542,450,000 and Reserves and Surplus as well as the statement of financial position by the said amount.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.N.	Key Audit Matters	Auditor's Response
1.	**Revenue Recognition** Revenue, comprising dividend on investment, capital gain on sale of investments, income from fixed deposits (hereinafter referred to as "Revenue"), is recognized when transactions are complete, right to receive the amount is established, it is probable that future economic benefits will flow to the Company, and both	Our audit approach regarding verification of process of revenue recognition included: a. Understanding and evaluating the controls and processes over the recording of revenue in system level and control in place for manual processes. We also assessed the revenue recognition policies adopted by the company for compliance with the relevant accounting

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	revenue and related costs can be reliably measured. Due to the significant risks associated with revenue, we have identified revenue recognition as a Key Audit Matter.	standards. b. Obtaining the detailed breakup revenue from individual stream and reconciled the same with general ledger and financial statements. c. Process to assess and establish the right to receive the dividend income on the investment is duly reviewed as a part of the audit. We performed risk-based target testing of revenue journals posted into the general ledger which included identification of those journals posted to revenue which did not follow expected posting pattern.
2.	**Information Technology General Controls** IT controls with respect to recording transactions, generating various reports in compliance to regulators is an important part of the process. Such reporting is highly dependent on the effective working of the information systems used. We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management, shareholders, and regulators	Our audit approach regarding Information technology of the company is included: a. Understanding the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system existing in the company b. Reviewing the reports generated by the system on sample basis. We also verified the income booking under various revenue stream on test basis with the system.

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

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

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

Those charged with Governance are responsible for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting polices used and the reasonableness of accounting estimates and related disclosures made by the management,
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

S.A.R. Associates
Chartered Accountants
Kathmandu

conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor' report to the related disclosures in the consolidated financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the requirements of Company Act, 2063

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

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

S.A.R. Associates Chartered Accountants Kathmandu

Sunir Kumar Dhungel
Managing Partner

Place: Kathmandu, Nepal
Date: August 22, 2025

UDIN: 250921CA001095nRVb

Sopan Multiple Company Limited
Kathmandu-32, Subidhanagar
Consolidated Statement of Financial Position
As on 32nd Ashadh 2082 (15th July 2025)

Particulars	Notes	Group		Company	
		2081-82	2080-81	2081-82	2080-81
Assets					
Non-Current Assets					
Property, Plant and Equipment	3.1	2,312,083,173	3,071,102,209	6,169,427	2,444,724
Intangible Assets	3.2	301,267,040	300,980,682	2,955	3,693
Investment	3.3	319,931,375	222,105,550	1,381,956,263	1,121,669,630
Investment Properties	3.4	361,521,759	297,269,759	45,569,759	45,569,759
Deferred Tax Assets	3.5	10,085,440	13,404,279	-	4,949,357
Other Non Current Assets	3.6	3,325,710	7,734,395	-	-
Total Non Current Assets (A)		**3,308,214,498**	**3,912,596,874**	**1,433,698,404**	**1,174,637,163**
Current Assets					
Inventories	3.7	338,110,865	65,800,971	-	-
Loans Advances and Deposits	3.8	135,054,396	51,131,480	675,541,588	51,298,669
Trade and Other Receivables	3.9	840,075,595	197,964,641	108,382,595	-
Cash and Cash Equivalents	3.10	608,045,972	126,631,296	21,812,698	36,639,283
Other Current Assets	3.11	310,316,918	32,742,708	126,966,764	21,845,091
Total Current Assets (B)		**2,231,603,745**	**474,271,095**	**932,703,645**	**109,783,043**
Total Assets (A+B)		**5,539,818,242**	**4,386,867,968**	**2,366,402,048**	**1,284,420,204**
Equity & Liabilities					
Share Capital	3.12	1,166,000,000	1,166,000,000	1,166,000,000	1,166,000,000
Advance for Share Capital	3.14	-	-	-	-
Reserves and Surplus	3.13	826,118,132	(294,806,467)	980,415,692	74,989,316
Other Reserve	3.15	944,327,711	1,457,532,493	34,666,300	-
Equity attributable to Owners of Parent		**2,936,445,842**	**2,328,726,026**	**2,181,081,992**	**1,240,989,316**
Non- Controlling Interest (NCI)		839,515,767	568,731,693	-	-
Total Equity (C)		**3,775,961,609**	**2,897,457,720**	**2,181,081,992**	**1,240,989,316**
Non Current Liabilities					
Long Term Borrowings	3.16	444,529,471	561,761,542	-	6,000,000
Other Non Current Liabilities	3.17	41,886,418	53,208,374	-	-
Deferred Tax Liability	3.5	262,781,392	391,727,590	10,952,783	-
Long Term Provision	3.18	4,738,472	4,857,726	-	-
Total Non Current Liabilities (D)		**753,935,753**	**1,011,555,232**	**10,952,783**	**6,000,000**
Current Liabilties					
Trade & Other Payables	3.19	488,536,300	132,604,292	51,365,138	6,390,504
Current Portion Of Non-Current Liabilities	3.20	55,494,840	122,055,379	-	29,956,185
Short term Borrowings	3.21	94,604,357	200,028,345	-	-
Short term Provision	3.22	328,309,638	12,605,934	122,176,207	-
Other Current Liabilities	3.23	42,975,745	10,561,065	825,929	1,084,199
Total Current Liabilities (E)		**1,009,920,880**	**477,855,016**	**174,367,273**	**37,430,888**
Total Liabilities F=(D + E)		**1,763,856,632**	**1,489,410,248**	**185,320,057**	**43,430,888**
Total Equity and Liabilites (C+F)		**5,539,818,242**	**4,386,867,968**	**2,366,402,048**	**1,284,420,204**

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

As per our report on even date

Dr. Birendra Pd. Mahato
Chairman

Mr. Suman Rijal
Finance Head

Sunir Kumar Dhungel, FCA
Managing Partner
For S.A.R. Associates,
Chartered Accountants

Dr. Er. Tara Psd. Pokharel
Board Director

Er. Rameshwar Rijal
Board Director

Mr. Ashok Kumar Khadka
Board Director

Mr. Anish Shah
Board Director

SOPAN MULTIPLE COMPANY LIMITED
KATHMANDU-NEPAL, 2008

Mr. Vinay Kumar Todi
Board Director

Mrs. Lalita Bashyal
Independent Director

Date: 22 Aug 2025
Place: Kathmandu, Nepal

Sopan Multiple Company Limited
Kathmandu-32, Subidhanagar
Consolidated Statement of Profit or Loss
For the year ended 32nd Ashadh 2082 (15th July 2025)

Particulars	Notes	Group		Company	
		2081-82	2080-81	2081-82	2080-81
Revenue From Operation	3.25	1,087,663,083	631,805,608	136,399,742	186,500,000
Other Income	3.26	148,637,071	210,204,621	549,541,892	2,247,055
Project Income	3.27	12,371,642	7,553,024	-	-
Income from Associate	3.28	530,864,712	258,101	482,620,158	-
Total Income		**1,779,536,507**	**849,821,354**	**1,168,561,792**	**188,747,055**
Expenses					
Cost of Sales	3.29	508,299,041	360,944,605	128,445,416	126,152,312
Employee Benefit Expenses	3.30	57,208,097	78,208,140	2,243,609	1,582,764
Office and Administrative Expenses	3.31	103,282,503	73,753,160	4,761,947	3,062,536
Selling And Distribution Cost	3.32	40,700,542	43,625,313	-	-
Depreciation and Amortization	3.33	45,854,962	28,579,939	710,936	607,393
Employee Bonus	3.34	-	-	-	-
Finance Costs	3.35	60,592,820	122,711,836	450,594	22,423,133
Project Expenses	3.36	12,371,642	7,553,024	-	-
Total Expenses		**828,309,606**	**715,376,017**	**136,612,502**	**153,828,138**
Profit Before Tax		**951,226,901**	**134,445,337**	**1,031,949,290**	**34,918,917**
Income Tax Expenses	3.37	202,994,412	43,222,113	126,522,914	10,970,718
Profit for the Year		**748,232,489**	**91,223,223**	**905,426,376**	**23,948,199**
Profit attributable to :					
Equity holders of the Company		637,948,817	118,532,768	905,426,376	23,948,199
Non Controlling interest		110,283,673	(27,309,544)	-	-
Basic Earning Per Share		**64.17**	**7.82**	**77.65**	**2.05**
Diluted Per Share		**64.17**	**7.82**	**77.65**	**2.05**

As per our report on even date

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

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Board Director

Mrs. Lalita Bashyal
Independent Director

Date: 22 Aug 2025
Place: Kathmandu, Nepal

SOPAN MULTIPLE COMPANY LIMITED * KATHMANDU-NEPAL, 2008 *

Sopan Multiple Company Limited
Kathmandu-32, Subidhanagar
Consolidated Statement of Other Comprehensive Income
For the year ended 32nd Ashadh 2082 (15th July 2025)

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
Profit for the year	748,232,489	91,223,223	905,426,376	23,948,199
Other comprehensive income, net of income tax				
a) Items that will not be reclassified to profit or loss				
Gains/(losses) from investments in equity instruments measured at fair value	(7,633,628)	367,284,554	46,221,733	-
Gains/(losses) on revaluation	3,858,150	678,922,292	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-
Income tax relating to above items	943,870	(169,727,974)	(11,555,433)	-
Net other comprehsive income that will not be reclassified to profit or loss	**(2,831,609)**	**876,478,872**	**34,666,300**	-
b) Items that are or may be reclassified to profit or loss				
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-	-
Gains/(losses) on cash flow hedge	-	-	-	-
Income tax relating to above items	-	-	-	-
Reclassify to profit or loss	-	-	-	-
c) Share of OCI of associate accounted as per equity method	-	(10,396)	-	-
Other comprehensive income for the year, net of income tax	**(2,831,609)**	**876,468,476**	**34,666,300**	-
Total comprehensive income for the year	**745,400,881**	**967,691,700**	**940,092,676**	**23,948,199**
Total comprehensive income attributable to:				
Equity holders of the Company	635,117,208	995,001,244		
Non-controlling interest	110,283,673	(27,309,544)		
Total comprehensive income for the period	**745,400,881**	**967,691,700**	**940,092,676**	**23,948,199**

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

As per our report on even date

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Independent Director

Date: 22 Aug 2025
Place: Kathmandu, Nepal

SOPAN MULTIPLE COMPANY LIMITED
KATHMANDU-NEPAL, 2008

Sopan Multiple Company Limited
Kathmandu-32, Subidhanagar
Consolidated Statement of Cash Flow
For the year ended 32nd Ashadh 2082 (15th July 2025)

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
Cash Flows from Operating Activites				
Profit After Tax:	**748,232,489**	**91,223,223**	**905,426,376**	**23,948,199**
Adjustment for:			-	
Adjustment of Previous Year	(12,311)	3,293,954	-	-
Share Premium Income	-	22,004,800	-	22,004,800
Share on Profit and Loss of Investment	-	(258,101)	-	-
Adjustment for Provision of Loss	-	7,882,875	-	-
Depreciation on Fixed Assets	45,449,529	28,573,938	710,938	606,470
Other Current Assets Written off	64,743	-	-	
Revalaution Reserve	-	503,269,855	-	
Amortisation of Intangibles	405,435	6,000	-	923
Profit/ Loss on Sale Of Fixed Assets	(4,777,267)	(735,829)	-	-
CSR Expenses	(100,000)	(100,000)	-	-
Finance Income	(10,394)	(35,252,380)	-	-
Finance Charge	3,717,307	31,378,332	450,594	22,423,133
Interest Expense	56,875,513	85,249,856	-	-
Deferred Tax	(55,447,455)	55,304,960	4,346,707	10,970,718
Interest Income	(4,929,989)	(188,076)	(4,444,430)	-
Operating Profit before working capital changes	**789,467,601**	**791,653,408**	**906,490,184**	**79,954,243**
(Increase)/ Decrease in Current Assets				
Trade Receivables	(679,076,332)	(53,328,197)	-	-
Inventories	(271,581,550)	(15,221,615)	-	-
Loans Advances and Deposits	-		-	
Other Current Assets	(1,003,569,325)	44,831,202	(837,747,187)	(2,797,500)
(Increase)/ Decrease in Non-Current Assets	(47,583,277)	116,790,083	-	
Increase/ (Decrease) in Current Liabilities	14,760,175		14,760,175	116,791,671
Trade & Other Payables	398,520,180	(36,452,443)	-	-
Current Tax Liabilities	15,242	(444,313)	-	-
Other Non Current Liabilities	(424,100)	-	-	-
Provision	122,056,953	(3,552,001)	122,176,207	-
Short term Borrowings	(45,034,836)	(7,914,158)	-	-
Other Current Liabilities	616,662,783	(2,989,714)	-	-
Cash Generated From Operations	**(105,786,486)**	**833,372,252**	**205,679,379**	**193,948,414**
Interest Paid	(57,332,724)	(107,672,989)	(450,594)	(22,423,133)
Income Tax	(6,036,751)	16,944,110	-	-
Net Cash flows from Operating activities	**(169,155,961)**	**742,643,373**	**205,228,785**	**171,525,281**
Cash Flows from Investing Activities			-	-
(Purchase)/ Sale of Property and Equipment	721,886,410	(706,486,539)	(4,434,900)	(73,000)
(Increase)/Decrease in Investments	(326,561,454)	(39,500,000)	(214,064,900)	(39,500,000)
(Purchase)/ Sale of Intangible Assets	(334,197)	(24,000)	-	-
(Purchase)/ Sale of Capital WIP	-	735,829	-	-
Interest Received	4,940,383	191,992	4,444,430	-
Net Cash Flows from Investing Activities	**399,931,142**	**(745,082,718)**	**(214,055,370)**	**(39,573,000)**
Cash Flows from Financing Activities				
Proceeds from issue of Equity and Preference ShareCapital	307,000,000	407,119,200	-	97,119,200
Proceeds Advance Against Share Capital	(68,250)	(16,300,000)	-	-
Dividend Paid	(28,550,000)	(15,000,000)	-	-
Proceeds form Share Premium	10,350,401	-	-	
Proceeds from/ (Repayment) of Non- Current Borrowings	(27,178,002)	(251,589,752)	-	(180,500,000)
Proceeds from/ (Repayment) of Other Non- Current Liabilities	(7,767,941)	(2,126,178)	(6,000,000)	(12,028,926)
Interest Paid	(3,266,714)	(15,038,847)	-	-
Net Cash Flows from Financing Activities	**250,519,495**	**107,064,423**	**(6,000,000)**	**(95,409,726)**
Net Increase (Decrease) in Cash and Cash Equivalents	**481,294,677**	**104,625,078**	**(14,826,584)**	**36,542,555**
Cash and Cash Equivalents at the Beginning of the Period	126,751,295	22,006,218	36,639,282	96,728
Cash and Cash Equivalents at the End of the Period	**608,045,972**	**126,631,296**	**21,812,698**	**36,639,283**

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

As per our report on even date

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Independent Director

Date: 22 Aug 2025
Place: Kathmandu, Nepal

Sopan Multiple Company Limited

Kathmandu-32, Subidhanagar

Consolidated Statement of Changes in Equity Company

Particulars	Share Capital	Share Premium	Retained Earnings	Share Based Payment Reserve	Fair value Reserve	Corporate Social Responsibility Fund	Revaluation Reserve	Acturial Reserve	Total	Non- Controlling Interest	Total Group Equity
Balance at Ashad 32, 2080	1,068,880,800		(405,860,587)	3,075,000	(1,947,566)	520,193	577,882,183	170,044	1,242,720,068	298,154,799	1,540,874,866
Adjustments									-		-
NFRS 3 Consolidation Adjustment									-		-
Adjustment in Kantipur SOE			(33,985)						(33,985)		(33,985)
Comprehensive Income for the year									-		-
Profit for the year			118,532,768						118,532,768		118,532,768
Deferred Tax Adjustment			151,139						151,139	(27,309,544)	(27,158,405)
Other Comprehensive Income, Net of Tax									-		-
Gains/(losses) from investment in equity instruments measured at fair value									367,284,554		367,284,554
Revaluation Reserve arising on revaluation of ACME									509,194,318		509,194,318
Gains/(losses) on revaluation							876,478,872		-		-
Actuarial gains/(losses) on defined benefit plans Associate								(10,396)	(10,396)		(10,396)
Gains/(losses) on cash flow hedge									-		-
Total Comprehensive Income for the year									-		-
Effect of change in holding without losing control			(27,386,439)						(27,386,439)	297,886,439	270,500,000
Transfer to Reserves during the year			(1,464,162)			1,464,162			-		-
Transfer from Reserves during the year									-		-
Transactions with Owners, directly recognized in Equity									-		-
Share Issued	97,119,200	22,004,800							119,124,000		119,124,000
Expenditure made out of CSR Fund						(100,000)			(100,000)		(100,000)
Dividend to Equity-Holders									-		-
Bonus Shares									-		-
Cash Dividend			(750,000)						(750,000)		(750,000)
Balance at Ashad 32, 2081	1,166,000,000	22,004,800	(316,811,267)	3,075,000	(1,947,566)	1,884,355	1,454,361,056	159,648	2,328,726,026	568,731,693	2,897,457,720
Adjustments											-
NFRS 3 Consolidation Adjustment			(39,084)						(39,084)		(39,084)
Adjustment in Kantipur SOE			(12,311)						(12,311)		(12,311)
Comprehensive Income for the year									-		-
Profit for the year			637,948,817						637,948,817	110,283,673	748,232,489
Deferred Tax Adjustment									-		-
Other Comprehensive Income, Net of Tax							2,893,612		2,893,612		2,893,612
Gains/(losses) from investment in equity instruments measured at fair value					(5,725,221)				(5,725,221)		(5,725,221)
Revaluation Reserve arising on revaluation of ACME							(147,829,457)		(147,829,457)		(147,829,457)
Gains/(losses) on revaluation									-		-
Actuarial gains/(losses) on defined benefit plans *Associate*								-	-		-
Gains/(losses) on cash flow hedge									-		-
Total Comprehensive Income for the year									-		-
Effect of change in holding without losing control									-	150,150,000	150,150,000
Transfer to Reserves during the year			(1,739,835)			1,739,835	(367,284,554)		(367,284,554)		(367,284,554)
Transfer from Reserves during the year			512,067,135			2,177,916			514,245,051		514,245,051
Transactions with Owners, directly recognized in Equity									-		-
Deferred Tax Recognized on Equity			1,249,876				(2,554)	56,681	1,304,003		1,304,003
Share Issued									-	10,350,401	10,350,401
Expenditure made out of CSR Fund						768,960			768,960		768,960
Dividend to Equity-Holders									-		-
Bonus Shares									-		-
Cash Dividend			(28,550,000)						(28,550,000)		(28,550,000)
Balance at Ashad 31, 2082	1,166,000,000	22,004,800	804,113,332	3,075,000	(7,672,787)	6,571,066	942,138,102	216,329.80	2,936,445,842	839,515,767	3,775,961,610

SOPAN MULTIPLE COMPANY LIMITED * KATHMANDU-NEPAL, 2008 *

S.A.R. Associates * Chartered Accountants * Kathmandu

Sopan Multiple Company Limited
Kathmandu-32, Subidhanagar
Statement of Changes in Equity Company

Particulars	Share Capital	Share Premium	Retained Earnings	Share Based Payment Reserve	Fair value Reserve	Corporate Social Responsibility Fund	Revaluation Reserve	Acturial Reserve	Total	Non- Controlling Interest Share	Total Group Equity
Balance at Ashad 32, 2080	1,068,880,800		29,036,319	-	-	-	-	-	1,097,917,118	-	1,097,917,118
Comprehensive Income for the year									-		-
Profit for the year			23,948,200						23,948,199		23,948,198.00
Deferred Tax Adjustment									-		
Other Comprehensive Income, Net of Tax									-		-
Gains/(losses) from investment in equity instruments measured at fair value									-		-
Gains/(losses) on revaluation									-		-
Actuarial gains/(losses) on defined benefit plans									-		-
Total Comprehensive Income for the year									-		-
Share Issued	97,119,200	22,004,800							119,124,000		119,124,000
Dividend to Equity-Holders									-		-
Bonus Shares									-		-
Cash Dividend									-		-
Balance at Ashad 32, 2081	1,166,000,000	22,004,800	52,984,518	-	-	-	-	-	1,240,989,316	-	1,240,989,316
Comprehensive Income for the year									-		-
Profit for the year			905,426,376						905,426,376		905,426,376
Deferred Tax Adjustment									-		-
Other Comprehensive Income, Net of Tax									-		-
Gains/(losses) from investment in equity instruments measured at fair value					34,666,300				34,666,300		34,666,300
Gains/(losses) on revaluation									-		-
Actuarial gains/(losses) on defined benefit plans									-		-
Total Comprehensive Income for the year									-		-
Share Issued	-	-							-		-
Dividend to Equity-Holders									-		-
Bonus Shares									-		-
Cash Dividend									-		-
Balance at Ashad 31, 2082	1,166,000,000	22,004,800	958,410,895	-	34,666,300	-	-	-	2,181,081,992	-	2,181,081,991

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

As per our report on even date

Dr. Birendra Pd. Mahato
Chairman

Mr. Suman Rijal
Finance Head

Sunir Kumar Dhungel, FCA
Managing Partner
For S.A.R. Associates,
Chartered Accountants

Dr. Er. Tara Pd. Pokharel
Board Director

Er. Rameshwar Rijal
Board Director

Mr. Ashok Kumar Khadka
Board Director

Mr. Anish Shah
Board Director

Mr. Vinay Kumar Todi
Board Director

Mrs. Lalita Bashyal
Independent Director

Date: 22 Aug, 2025
Place: Kathmandu, Nepal

Property Plant and Equipment

Schedule 3.1

Group

Particulars	Land	Building	Office Equipment, Furniture and Computer	Vehicles	Lab Equipments & Machinery	Electrical and Eectronics	Sport Items, Books	Plant & Machinery	Electricity Extension Line	Miscellaneous	Total
Cost											
As on Shrawan 1, 2080	**987,666,636**	**460,293,495**	**18,429,406**	**24,295,364**	**16,000,644**	**84,924**	**3,308,456**	**392,539,181**	**707,265**	**169,214**	**1,903,494,585**
Addition during the Year	8,960,400	4,536,903	5,703,711	-	1,035,807	-	349,998	7,743,817	-	-	28,330,636
Disposal during the year	-	-	-	(805,713)	-	-	-	-	-	-	(805,713)
Adjustment	6,277,219	(6,271,219)	-	-	-	-	-	-	-	-	6,000
Revaluation Gain/Loss	884,356,939	284,278,092	-	-	-	-	-	-	-	-	1,168,635,031
Depreciation for the year	-	(7,785,440)	(3,739,481)	(3,954,900)	(2,534,852)	(13,024)	(521,639)	(9,877,525)	(106,090)	(25,383)	(28,558,334)
Carrying Amount as on Asadh end 2081	**1,887,239,589**	**735,073,436**	**20,393,636**	**19,534,752**	**13,098,400**	**1,626,633**	**3,094,671**	**390,296,084**	**601,175**	**143,832**	**3,071,102,209**
Addition during the Year	-	3,108,956	6,801,808	10,444,190	433,984	-	370,716	17,129,987	-	-	38,289,641
Disposal during the year	(600,800,253)	(153,608,350)	(308,496)	-	-	-	-	(1,000,938)	-	-	(755,718,037)
Adjustment	-	-	-	-	-	-	-	-	-	-	-
Revaluation Gain/Loss	1,101,500	2,756,650	-	-	-	-	-	-	-	-	3,858,150
Depreciation for the year	-	(21,659,055)	(5,583,326)	(4,634,480)	(2,026,530)	(244,209)	(501,687)	(10,687,751)	(90,176)	(21,575)	(45,448,789)
Carrying Amount as on Asadh end 2082	**1,287,540,835**	**565,671,636**	**21,303,623**	**25,344,462**	**11,505,854**	**1,382,424**	**2,963,699**	**395,737,383**	**510,999**	**122,257**	**2,312,083,173**

Property Plant and Equipment

Company

Particulars	Land	Building	Office Equipment, Furniture and Computer	Vehicles	Lab Equipments	Electrical and Eectronics	Sport Items, Books	Plant & Machinery	Electricity Extension Line	Miscellaneous	Total
Cost											-
As on Shrawan 1, 2080			**216,616**	**2,761,577**							**2,978,193**
Addition during the Year	-	-	73,000	-	-	-	-	-	-	-	73,000
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	(54,154)	(552,315)	-	-	-	-	-	-	(606,469)
Impairment for the year	-	-	-	-	-	-	-	-	-	-	-
Carrying Amount as on Asar end 2081	-		**235,462**	**2,209,262**	-		-		-		**2,444,724**
Addition during the Year	-	-		4,434,902	-	-	-	-	-	-	4,434,902
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	(58,866)	(651,332)	-	-	-	-	-	-	(710,198)
Impairment for the year	-	-	-	-	-	-	-	-	-	-	-
Carrying Amount as on Asar end 2082	-	-	**176,597**	**5,992,831**	-	-	-		-	-	**6,169,427**

Intangible Assets | **Schedule 3.2**

Group

Particulars	Goodwill	Software	Software-Capital WIP	Others	Total
Cost					
As on Shrawan 1, 2080	300,409,778	4,616	465,750	64,816	300,944,960
Addition during the Year	-	-	-	-	-
Acquisition	-	-	-	-	-
Capitalization	-	30,000	34,250	-	64,250
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
Ammortization for the year	-	(6,923)	-	(21,605)	(28,528)
Impairment for the year	-	-	-	-	-
Carrying Amount as on Asar end 2081	300,409,778	27,693	500,000	43,211	300,980,682
Addition during the Year	-	653,448	-	-	653,448
Acquisition	-	-	-	-	-
Capitalization	-				-
Disposal during the year	-				-
Adjustment/Revaluation	-				-
Ammortization for the year	-	(384,568)	-	(21,605)	(406,173)
Impairment for the year	-	-	-	-	-
Carrying Amount as on Asar end 2082	300,409,778	296,572	500,000	21,606	301,227,956

Intangible Assets | **Schedule 3.2**

Company

Particulars	Goodwill	Software	Software-Capital WIP	Others	Total
Cost					
As on Shrawan 1, 2080	-	4,616	-	-	4,616
Addition during the Year	-	-	-	-	-
Acquisition	-	-	-	-	-
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
Ammortization for the year	-	(923)	-	-	(923)
Impairment for the year	-	-	-	-	-
Carrying Amount as on Asar end 2081	-	3,693	-	-	3,693
Addition during the Year	-	-	-	-	-
Acquisition	-	-	-	-	-
Capitalization	-	-	-	-	-
Disposal during the year	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-
Ammortization for the year	-	(738)	-	-	(738)
Impairment for the year	-	-	-	-	-
Carrying Amount as on Asar end 2082	-	2,955	-	-	2,955

Investments

Schedule 3.3

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Investment in Subsidiaries	-	-	1,138,927,380	982,077,380
Investment in Associates	-	111,226,608	(0)	105,615,800
Other Investment	319,931,375	110,878,942	243,028,883	33,976,450
Total	**319,931,375**	**222,105,550**	**1,381,956,263**	**1,121,669,630**

3.3.1: Investment in subsidiaries

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Acme Engineering College	-	-	168,543,255	168,543,255
Kantipur Engineering College	-	-	254,959,125	254,959,125
Sopan Properties Company Limited	-	-	10,000,000	10,000,000
Sopan Pharmaceuticals Limited	-	-	636,350,000	489,500,000
Molnia Power Limited	-	-	59,075,000	59,075,000
Sopan Healthcare Ltd.	-		10,000,000	-
Total	-	-	**1,138,927,380**	**982,077,380**

3.3.2: Investment in associates

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Mailun Khola Jal Vidhyut Company Limited	-	111,226,608	(0)	105,615,800
Total	-	**111,226,608**	**(0)**	**105,615,800**

3.3.3: Other Investments

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Mathillo Mailun Khola Jalvidhyut Limited	108,001,450	108,001,450	33,976,450	33,976,450
Mailun Khola Jal Vidhyut	54,052,433	-	54,052,433	-
Investment in Star Hospital	2,877,492	2,877,492	-	-
Ridgeline Energy Limited	155,000,000	-	155,000,000	-
Total	**319,931,375**	**110,878,942**	**243,028,883**	**33,976,450**

Investment Properties

Schedule 3.4

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Dhapakhel Land	315,952,000	251,700,000	-	-
Chapali Land	2,397,802	2,397,802	2,397,802	2,397,802
Dhapakhel Land	2,600,000	2,600,000	2,600,000	2,600,000
Lubhu Land	20,513,957	20,513,957	20,513,957	20,513,957
Nabalparasi Land (Beldehia)	6,188,000	6,188,000	6,188,000	6,188,000
Nabalparasi Land (Pithauli)	8,670,000	8,670,000	8,670,000	8,670,000
Pokhara Land	5,200,000	5,200,000	5,200,000	5,200,000
Total	**361,521,759**	**297,269,759**	**45,569,759**	**45,569,759**

Other Non Current Assets

Schedule 3.6

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
NTC Security Deposit	400,710	880,256	-	-
Hal Chowk Fuel Station	25,000	25,000	-	
Fee Receivables	-	3,929,139	-	-
Shakti Devi Petrol Station	400,000	400,000	-	-
Tribhuvan University (Nepal Bank Ltd)	2,500,000	2,500,000	-	-
Total	**3,325,710**	**7,734,395**	-	-

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S.A.R. Associates * Chartered Accountants *

Inventories

Schedule 3.7

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Raw Material	92,999,595	63,403,281	-	-
Work In Progress	8,684,715		-	
Finished Goods	236,426,555	2,397,690	-	-
Total	**338,110,865**	**65,800,971**	-	-

Loans Advances and Deposits

Schedule 3.8

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Advance to Staff	7,117,923	3,197,624	1,255,325	1,255,325
Dividend Recievable	-	-	542,450,000	-
Rent Receivable	450,155	774,155	882,155	774,155
Land Advance	112,408,800	31,058,800	112,408,800	31,058,800
LC/TT Margin and Advance	4,150,690	4,299,190	-	-
Deposit with Vendor and Other Deposit	1,189,500	828,500	18,475,353	18,142,139
Prepaid Advances	4,273,681	4,099,251	-	-
Advance to Supplier	4,870,442	6,459,210	-	-
Other Loan Advances and Deposits	593,205	414,750	69,955	68,250
Total	**135,054,396**	**51,131,480**	**675,541,588**	**51,298,669**

3.8.1: Other Loan Advances and Deposits

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Sopan Healthcare Limited	-	68,250	68,250	68,250
Basu Pasa Singh	15,000	15,000	-	-
Lal Bahadur Maharjan	86,000	86,000	-	-
Mana Lal Maharjan	25,500	25,500	-	-
Nara Ram Maharjan	200,000	200,000	-	-
Shiva Ram Maharjan	20,000	20,000	-	-
Nepal Pragya Pratisthan	245,000	-	-	-
Prepaid Insurance	1,705	-	1,705	-
Total	**593,205**	**414,750**	**69,955**	**68,250**

3.8.2: Deposit with Vendor and Other Deposit :

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Deposit with Vendor	327,000	327,000	-	-
Nepal Telecommunication (Security Deposit)	9,000	9,000	9,000	9,000
Molnia Power Ltd. - Advance for Investment	-	-	17,973,853	17,640,639
Annapurna Catering Services	11,000	-	-	-
Shyam Krishna Shahi	100,000	-	-	-
Anup K.C.	250,000	-	-	-
NMB Capital	492,500	492,500	492,500	492,500
Total	**1,189,500**	**828,500**	**18,475,353**	**18,142,139**

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SOPAN MULTIPLE COMPANY LIMITED * KATHMANDU-NEPAL, 2008 *

Trade and Other Recievables

Schedule 3.9

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Student Fee Receivables	3,270,743	3,824,269	-	-
Unsecured Deposits	727,862,030	192,415,629	-	-
Other Receivables	560,226	104,743	-	-
Crystal Kanchanjunga Securities Pvt. Ltd.	108,382,595	-	108,382,595	-
Advance	-	1,620,000	-	-
Total	**840,075,595**	**197,964,641**	**108,382,595**	-

3.9.1: Other Receivables

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Prime Ants	-	40,000	-	-
Other Receivables	-	64,743	-	-
Total	-	**104,743**	-	-

Cash and Cash Equivalents

Schedule 3.10

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Cash in Hand	8,178	12,166	46	4,034
Cash at Bank	608,037,794	126,619,130	21,812,652	36,635,249
Total	**608,045,972**	**126,631,296**	**21,812,698**	**36,639,283**

Other Current Assets

Schedule 3.11

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Advance Tax	309,791,967	31,916,304	126,966,764	21,845,091
Insurance and other	524,951	826,404	-	-
Total	**310,316,918**	**32,742,708**	**126,966,764**	**21,845,091**

SOPAN MULTIPLE COMPANY LIMITED * KATHMANDU-NEPAL, 2008 *

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Share Capital

Schedule 3.12

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Paid up Share Capital	1,166,000,000	1,166,000,000	1,166,000,000	1,166,000,000
Provision for Bonus Share	-	-	-	-
Total	**1,166,000,000**	**1,166,000,000**	**1,166,000,000**	**1,166,000,000**

Paidup Share Capital

Particulars	Company	
	32nd Ashadh 2082	31st Ashadh 2081
Authorized Capital		
20,000,000 Ordinary shares of Rs. 100 each	2,000,000,000	2,000,000,000
Issued capital		
14,575,000 Ordinary shares of Rs.100 each	1,457,500,000	1,457,500,000
Subscribed and paid up capital		
11,660,000 Ordinary shares of Rs.100 each	1,166,000,000	1,091,380,800
Bonus Share Issued		
Advance Share Capital		74,619,200
Total	**1,166,000,000**	**1,166,000,000**

Reserve and Surplus

Schedule 3.13

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Share Premium	22,004,800	22,004,800	22,004,800	22,004,800
Retained Earnings	804,113,331	(316,811,267)	958,410,892	52,984,516
Total	**826,118,132**	**(294,806,467)**	**980,415,692**	**74,989,316**

Advance Share Capital

Schedule 3.14

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Advance for Share Capital	-	-	-	-
Total	-	-	-	-

Other Reserves

Schedule 3.15

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Share Based Payment Reserve	3,075,000	3,075,000	-	-
Fair value Reserve	(7,672,787)	(1,947,566)	34,666,300	-
Corporate Social Responsibility Fund	6,571,065	1,884,355	-	-
Revaluation Reserve	942,138,103	1,454,361,056	-	-
Transfer to Retained Earnings on Sale of Land & Bui	-	-		
Acturial Reserve	216,330	159,648	-	-
Total	**944,327,711**	**1,457,532,493**	**34,666,300**	-

Non Controlling Interest

Particulars	Group	
	32nd Ashadh 2082	31st Ashadh 2081
Closing NCI	839,515,767	568,731,693
Total	**839,515,767**	**568,731,693**

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Long Term Borrowings — Schedule 3.16

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Bank Loan	438,423,018	555,907,697	-	6,000,000
Secured Loan	6,106,453	5,853,845	-	-
Total	**444,529,471**	**561,761,542**	-	**6,000,000**

3.16.1: Bank Loan

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Nepal Bank Limited - Revolving TL	-	6,000,000	-	6,000,000
Prabhu Bank Limited (Term Loan) - Pharma	438,423,018	504,673,000	-	-
Prabhu Bank Limited (Term Loan) - Oxygen Plant	-	36,992,000	-	-
Prabhu Bank Limited (Mid Term Loan)-Pharma	-	8,242,697	-	-
Total	**438,423,018**	**555,907,697**	-	**6,000,000**

3.16.2: Secured Loan

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Loan P. K. P.	1,419,704	2,061,645	-	-
Vehicle Loan	4,686,749	3,792,200	-	-
Total	**6,106,453**	**5,853,845**	-	-

Other Non Current Liabilities — Schedule 3.17

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Grant Liability	3,059,752	4,193,593	-	-
Student Deposit Payable	4,556,467	6,324,407	-	-
Other Payable	3,475,415	424,100	-	-
Advance from Shareholder for Investment	4,481,210	4,481,210	-	-
Advance for Share Capital	2,826,400	2,826,400	-	-
Loan from Director	14,000,000	8,000,000	-	-
Teacher Security Bond	29,876	-	-	-
Student Security Deposits	4,457,298	7,325,256	-	-
Other Advances	5,000,000	19,633,408	-	-
Total	**41,886,418**	**53,208,374**	-	-

3.17.1: Grant Liability

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
EU Grant Liability (E-access Project)	3,024,582	(5,341,954)	-	-
EU Grant Liability (Smart Link Project)	-	9,670,265	-	-
EU Grant Liability (Sunspace Project)	35,170	(105,956)	-	-
EU Grant Liability (Yetis Project)	-	(28,762)	-	-
Total	**3,059,752**	**4,193,593**	-	-

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3.17.2: Loan From Director

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Unsecured Loan from Directors	14,000,000			
Total	**14,000,000**	-	-	-

3.17.3: Other Advances

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Advance - Ganesh Lamsal	-	889,103	-	-
Advance - Basanta Chandra Marahattha	5,000,000	5,000,000		
Advance - Sudip Kumar Chaudhary	-	13,744,305	-	-
Advance - Nava Raj Raut	-	8,000,000	-	-
Total	**5,000,000**	**27,633,408**	-	-

Long Term Provision — Schedule 3.18

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Provision for Gratuitiy	443,565	539,787	-	-
Provision for Accumulated Leave	3,908,712	3,908,393	-	-
Provision for Medical Expenses	386,195	409,546	-	-
Total	**4,738,472**	**4,857,726**	-	-

Trade and others Payables — Schedule 3.19

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Trade Payables	448,863,970	97,375,388	696,709	6,038,164
Payables to Acme Engineering College	-	-	50,000,000	-
Audit Fee Payable	1,172,725	603,215	278,750	352,340
Other Payables	38,499,605	34,625,690	389,678	-
Total	**488,536,300**	**132,604,292**	**51,365,138**	**6,390,504**

3.19.1: Payables to Related Parties

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Acme Engineering College	-	-	50,000,000	-
Total	-	-	**50,000,000**	-

3.19.2: Other Payables

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Salary & Wage Payable	267,894	-	62,370	-
T.U. Sewa Sulka Payable	16,948,350	14,302,350	-	-
PF/CIT Payable	14,395,996	7,978,937	-	-
Advance Income	-	3,739,565	-	-
IOE Payable	72,400	2,999,000	-	-
Employee Bonus Payable	4,070,770	2,601,898	-	-
Leave Salary Payable	1,694,358	1,145,612	-	-
Other Individual Payable	-	495,212	-	-
Income Tax Payable	282,625	495,125	-	-
Nepal Engineering Council	397,000	443,000	-	-
Chand and Associates	-	223,000	-	-
Annuapurna Catering Services	-	200,000	-	-
TDS Payable	-	1,991	206,608	-
Interest Payable	-	-	-	-
Payable(Electricity & water)	2,412	-	-	-
Meeting Fee Payable	367,800	-	120,700	
Total	**38,499,605**	**34,625,690**	**389,678**	-

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Current Portion of Non-Current Liabilities Schedule 3.20

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Bank Loan	53,040,645	90,190,000	-	-
Loan P. K. P.	641,940	566,194	-	-
Vehicle Loan	1,812,254	1,343,000	-	-
Current Portion of Long Term Loan	-	29,956,185	-	29,956,185
Total	**55,494,840**	**122,055,379**	**-**	**29,956,185**

3.20.1: Bank Loan

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Prabhu Bank Limited (Term Loan) - Pharma	52,650,000	53,250,000	-	-
Prabhu Bank Limited (Term Loan) - Oxygen Plant	-	17,100,000	-	-
Prabhu Bank Limited (Hire Purchase Loan)	-	19,840,000	-	-
NMB Bank (HP Loan)	390,645	-	-	
Total	**53,040,645**	**90,190,000**	**-**	**-**

Short Term Borrowings Schedule 3.21

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Bank Loan	-	59,034,836	-	-
Advance from Promoter and Director	39,989,357	43,970,112	-	-
Loans and Borrowings (Secured)	54,615,000	97,023,397	-	-
Total	**94,604,357**	**200,028,345**	**-**	**-**

3.21.1: Bank Loan

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Nepal Bank Limited - (OD Loan)	-	59,034,836	-	-
Total	**-**	**59,034,836**	**-**	**-**

3.21.2: Advance from Promoter and Director

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Sopan Multiple Company Limited - Payable	-	-	-	-
Advance from Director	39,989,362	43,970,112	-	-
Total	**39,989,362**	**43,970,112**	**-**	**-**

3.21.3: Loans and Borrowings (secured)

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Prabhu Bank Limited (Short Term Loan)	14,615,000	15,801,084	-	-
Prabhu Bank Limited (OD Account)	40,000,000	40,000,000	-	-
Overdraft GIBL	-	17,472,313	-	-
Demand Loan (GIBL)	-	23,750,000	-	-
Total	**54,615,000**	**97,023,397**	**-**	**-**

Short Term Provision Schedule 3.22

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Provision for Income Tax	326,275,202	10,620,965	122,176,207	-
Provision for Bonus	2,034,436	1,984,969	-	-
Total	**328,309,638**	**12,605,934**	**122,176,207**	**-**

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Other Current Liabilities Schedule 3.23

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Cash Dividend Payable	817,955	817,955	817,955	817,955
Employee-Related Liabilities	1,090,685	48,538	7,974	48,538
Accrued Expenses	3,333,197	2,318,185	-	195,787
Taxes Payable	29,144,985	536,386	-	21,919
Security Deposits	7,303,891	4,592,413	-	-
Advance fee	1,285,032	2,247,588	-	-
Total	**42,975,745**	**10,561,065**	**825,929**	**1,084,199**

3.23.1: Employee-Related Liabilities

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
CIT Payable	7,974	48,538	7,974	48,538
Leave Payable	1,082,711	-	-	
Total	**1,090,685**	**48,538**	**7,974**	**48,538**

3.23.2: Accrued Expenses

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Salary & Allowance Payable	3,144,485	2,175,860	-	195,787
Office Rent Payable	162,000	81,000	-	-
Payable to Staff	2,000	-	-	-
Legal Fee Payable	22,300	44,600	-	-
Payable(Electricity & water)	2,412	-	-	-
Shree Legal Practitioner's Firm	-	16,725	-	-
Total	**3,333,197**	**2,318,185**	-	**195,787**

3.23.3: Taxes Payable

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Tax Payable	544,643	484,883	-	1,991
TDS Payable	4,706	20,153	-	19,928
Salary Tax Payable	450	300	-	-
TDS Payable- Audit Fee	900	600	-	-
TDS Payable- Legal Fee	-	300	-	-
Dividend Tax Payable	28,550,000	-	-	-
TDS on Office Rent	21,000	15,000	-	-
TDS on Pvt. Ltd.	126	-	-	-
TDS Other - Individual Firm	23,160	15,150	-	-
Total	**29,144,985**	**536,386**	-	**21,919**

3.23.4: Security Deposits

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	32nd Ashadh 2082	31st Ashadh 2081
Student Security Deposits	6,930,000	4,156,542	-	-
Teacher Security Bond	373,891	435,871	-	-
Total	**7,303,891**	**4,592,413**	-	-

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Revenue Schedule 3.25

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
Revenue From Operations	1,087,663,083	631,805,608	136,399,742	186,500,000
Total	**1,087,663,083**	**631,805,608**	**136,399,742**	**186,500,000**

Other Income Schedule 3.26

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
Rent Income	2,432,133	2,723,055	1,940,000	2,247,055
Interest Income	4,975,748	191,992	4,442,072	-
Dividend Income	693,075	-	543,143,075	-
Grant Income	-	159,866	-	-
Admission Cancelled Income	295,000	150,000	-	-
Kabadi Sale	104,894	82,721	-	-
Sponsorship Income	-	205,000	-	-
Gain on Sale of Fixed Assets	126,312,900	735,829	-	-
Exchange Gain (Loss)	632,363	3,658	-	-
Management fee	-	29,945,375	-	-
Other Income	1,027,923	176,007,125	16,745	-
Payables Written Off	12,163,035	-	-	
Total	**148,637,071**	**210,204,621**	**549,541,892**	**2,247,055**

Project Income Schedule 3.27

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
Grant Income (Smart Link Project)	9,640,163	2,275,000	-	-
Grant Income (E-access Project)	1,197,884	4,662,213	-	-
SSS Conference Project	14,461	-	-	-
Grant Income (Sunspace Project)	5,708	525,411	-	-
Grant Income (Yetis Project)	1,513,426	90,400	-	-
Total	**12,371,642**	**7,553,024**	**-**	**-**

Income From Associates Schedule 3.28

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
Share of Profit/(Loss) on Associates	-	258,101	-	-
Gain/(Loss) on disposal of Associates	530,864,712	-	482,620,158	-
Total	**530,864,712**	**258,101**	**482,620,158**	**-**

Cost of Sales Schedule 3.29

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
Opening Stock	66,529,315	222,301,427	-	171,722,071
Purchase	599,819,325	55,612,858	125,711,319	-
Direct Costs	163,910,671	168,196,834	2,734,097	-
Less: Closing Stock	(338,110,865)	(111,370,730)	-	(45,569,759)
Registration Expenses	1,249,857	2,052,450	-	-
Lab Expenses	148,149	219,737	-	-
Project Works	590,300	381,822	-	-
Training and Promotional Expenses	1,629,667	1,295,832	-	-
Workshop/ Training Expenses	163,497	67,500	-	-
Student Examination Expenses	4,969,900	4,762,585	-	-
Field Expense	2,711,154	4,224,925	-	-
Study Support Expenses	64,000	200,490	-	-
Affiliation Expenses	4,092,000	5,100,000	-	-
Transportation Expenses	532,070	16,000	-	-
Loss of Inventory	-	7,882,875	-	-
Total	**508,299,041**	**360,944,605**	**128,445,416**	**126,152,312**

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Employee Benefit Expenses Schedule 3.30

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
Salary & Allowances Expenses	49,484,752	68,366,853	2,243,609	1,582,764
Contribution Expenses	3,652,575	3,864,672	-	-
Employee Gratuity Expenses	-	3,327,854	-	-
Employee Bonus	4,070,770	2,601,898	-	-
Overtime expenses	-	46,864	-	-
Total	**57,208,097**	**78,208,140**	**2,243,609**	**1,582,764**

Office and Administrative Expenses Schedule 3.31

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
Meeting Allowance Expenses	2,309,327	1,528,355	884,000	703,000
Land Mortgage and Other	-	236,400	-	236,400
Office Rent Expenses	2,928,000	343,000	2,000,000	-
AGM Expenses	528,735	687,011	397,810	457,876
Legal Expenses	328,830	437,310	113,000	363,860
Audit Fee Expenses	745,800	508,500	282,500	282,500
Consultancy	878,822	539,850	326,310	150,000
Repair & Maintenance	3,245,035	12,850	41,926	12,850
Printing & Stationery	1,855,472	1,987,528	68,478	7,350
Renewal & Registration	782,405	545,960	5,300	431,400
Office Refreshment and Other Expenses	166,889	459,453	166,889	66,315
Fine & Penalty	422,555	298,845	29,910	282,973
Fuel Expenses	2,773,597	3,256,357	75,137	49,670
Miscellaneous Expenses	183,211	109,861	183,211	12,142
Telephone & Mobile Expenses	7,769	6,200	7,769	6,200
Advertisement Expenses	113,770	2,432,033	86,198	-
Office Expenses	332,557	298,081	85,792	-
Land and Building Tax	572,786	605,417	-	-
Newspaper and Magazine	15,550	74,321	-	-
Insurance Expenses	1,302,509	1,180,513	7,717	-
Bank Charges	452,323	50,333	-	-
Picnic Expenses	162,461	-	-	-
Employee Remuneration	21,263,844	-	-	-
Training and Research	313,030	-	-	-
Software & Internet exp	247,627	-	-	-
Board Meeting Expenses	398,715	-	-	-
Rate and Taxes	45,206	-	-	-
Utilities Expenses	2,412,944	2,334,217	-	-
Furnishing Expenses	643,668	356,414	-	-
Inspection Expenses	130,000	130,000	-	-
Admission promotional Expense	2,341,527	1,911,494	-	-
Advertisement	5,268,090	142,795	-	-
Security Expense	1,840,750	1,636,220	-	-
Software Expense	408,426	-	-	-
Charity and Donation	221,000	143,000	-	-
Miscellaneous Expense	537,686	467,393	-	-
Annual Maintenance Charge (Software)	-	650,893	-	-
Training and Research	2,720,000	313,199	-	-
Software & Internet exp	49,946	296,315	-	-
Repair and Maintanance*	1,051,382	8,036,879	-	-
Oxygen Unit*	9,906,022	10,076,991	-	-
Pharmaceuticals Unit*	33,374,236	31,659,172	-	-
Total	**103,282,503**	**73,753,160**	**4,761,947**	**3,062,536**

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3.30.1: Repair and Maintanance

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
Repair - Building/Structure	-	2,893,721	-	-
Repair - Equipment , Funiture, Computer, Printer	-	630,355	-	-
Repair - Vehicles	-	532,032	-	-
Cleaning Expenses	182,464	305,198	-	-
Rate, Renewal & Other Tax Expenses	568,918	398,773	-	-
Study Support	300,000	100,000	-	-
Receivable Written off	-	3,176,800	-	-
Total	**1,051,382**	**8,036,879**	-	-

3.30.2: Oxygen Unit

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
Fuel-Oxygen	3,152,216	3,214,635	-	-
Repair and Maintenance of Vehicle-Oxygen	511,721	567,820	-	-
Repair and Maintenance of Oxygen Cylinder	671,154	675,021	-	-
Salary and Allowances Expense (Admin Oxygen)	3,710,551	3,783,350	-	-
Security Service	1,860,379	1,836,165	-	-
Total	**9,906,022**	**10,076,991**	-	-

3.30.3: Pharmaceuticals Unit

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
Audit Fees	-	62,150	-	-
Fines and Penalties	-	662,625	-	-
Donation	110,000	79,100	-	-
Board Meeting Expenses	-	130,500	-	-
Board Meeting Allowances	330,000	-	-	-
Telephone & Communication Expenses	700	-	-	-
Renew & Registration Expenses	-	162,500	-	-
Admin expenses-Pharma Unit	32,933,536	30,562,297	-	-
Total	**33,374,236**	**31,659,172**	-	-

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Selling And Distribution Cost

Schedule 3.32

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
Advertising Expenses	262,632	78,714	-	-
Air Ticket	3,805,639	1,930,689	-	-
Consumable Goods -Marketing	-	10,183	-	-
CME Program Expenses	670,760	386,539	-	-
Fuel - Marketing	1,846,624	2,088,735	-	-
Gift & Event Decoration -Marketing	-	800	-	-
Lunch & Refreshment Expenses	1,370,240	1,394,504	-	-
Marketing Training Expenses	706,014	682,735	-	-
Promotional Input Expenses	1,801,321	4,336,755	-	-
Printing & Stationary Exp (Marketing)	207,683	187,314	-	-
Incentive to Marketing Staff	25,253	-	-	-
Lunch & Refreshment - Marketing	-	19,270,528	-	-
Salary and TADA of Marketing	17,800,471	160,000	-	-
Stationary & Printing - Marketing	-	13,069,218	-	-
TADA of Marketing	12,203,906	2,600	-	-
Transportation Expense -Marketing	-	8,000	-	-
Vehicle Rent Expense -Marketing	-	18,000	-	-
Total	**40,700,542**	**43,625,313**	-	-

Depreciation and Amortization

Schedule 3.33

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
Depreciation on Fixed Assets	45,448,789	28,558,334	710,198	607,393
Amortization on Intangible Assets	406,173	21,605	738	-
Total	**45,854,962**	**28,579,939**	**710,936**	**607,393**

Finance Costs

Schedule 3.35

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
Bank Interest Expenses	59,933,976	121,659,126	413,793	22,168,309
Interest-Unsecured Loan	-	692,630	-	-
Bank Charges Expenses	658,844	360,081	36,800	254,824
Total	**60,592,820**	**122,711,836**	**450,594**	**22,423,133**

Project Expenses

Schedule 3.36

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
SSS Conference Project	14,461	-	-	
E-acces Project Expenses	1,197,884	4,662,213	-	-
Sunspace Project Expenses	5,708	525,411	-	-
Yetis Project Expenses	1,513,426	90,400	-	-
Smart Link Project Expense	9,640,163	2,275,000	-	-
Total	**12,371,642**	**7,553,024**	-	-

Income Tax Expenses

Schedule 3.37

Particulars	Group		Company	
	2081-82	2080-81	2081-82	2080-81
Current Tax	326,275,197	10,620,965	122,176,207	-
Deferred Tax Expenses (Income)	(123,280,786)	32,451,361	4,346,707	10,970,718
Previous Year's Tax Expenses	-	149,787	-	-
Total	**202,994,412**	**43,222,113**	**126,522,914**	**10,970,718**

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3.5.1: Deferred Tax Assets

Particulars	Group		Company	
	32nd Ashadh 2082	31st Ashadh 2081	As At 31st Ashad 2082	As At 31st Ashad 2081
Carrying Amount				
Fixed Assets Except Land	1,704,727,728	2,071,399,112	6,172,382	2,448,416
Non Depreciable Assets-Land	607,380,000	999,750,000	-	-
Investment properties	315,952,000	251,700,000	-	-
Loans Advances and Deposits	-	150,426	-	-
Cash and Cash Equivalents	-	434,130	-	-
Other current Assets	-	64,743	-	-
Trade and other payables	-	39,499,903	-	-
Intangible Assets	491,550	24,000	-	-
Gratuity Provision	443,565	539,787	-	-
Leave Provision	3,908,712	3,908,393	-	-
Medical Expenses Provision	386,195	409,546	-	-
Investment Measured at FVTOCI	54,052,433			
Investment Measured at FVTOCI	179,877,492	24,877,492	155,000,000	-
Investment in Associates	-	111,226,608	-	-
Total Carrying Amount(A)	**2,867,219,675**	**3,503,984,140**	**161,172,382**	**2,448,416**
Tax Base				
Carry Forward Tax Loss	283,878,539	656,589,951	-	19,817,527
Inventories	7,882,875	7,882,875	-	-
Non Depreciable assets	66,393,236	109,115,842	-	-
Investment properties	244,510,363	-	-	-
Loans Advances and Deposits	-	-	-	-
Cash and Cash Equivalents	-	-	-	-
Other current Assets	-	-	-	-
Trade and other payables	-	-	-	-
Depreciable Assets including Intangibles	816,955,790	901,388,742	6,020,984	2,428,317
Investment Measured at Cost	192,784,800	27,392,100	165,392,700	-
Investment in Associates	-	105,615,800	-	-
Total Tax Base(B)	**1,612,405,604**	**1,807,985,311**	**171,413,684**	**22,245,845**
Taxable/ (Deductible) Temporary Difference(A-B)	1,254,814,071	1,695,998,829	43,811,131	(19,797,429)
Applicable Tax Rate				
Closing Deferred Tax Assets	**10,085,440**	**13,404,279**	**(10,952,783)**	**4,949,357**
Closing Deferred Tax liability	**262,781,392**	**391,727,590**		
Net Closing Deferred Tax Assets/(Liablities)	**(252,695,952)**	**(378,323,311)**	**(10,952,783)**	**4,949,357**

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Sopan Multiple Company Limited

1. Significant Accounting Policies and Notes to Financial Statement

1.1 General Background of the Company

Sopan Multiple Company Limited (PAN 302982176) is a limited liability company established in Nepal. The address of its registered office is Kathmandu-32, Subidhanagar, Nepal. The Company basically invests in health, education, hydropower, and infrastructure development projects.

1.2 Basis of Preparation

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

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

These financial statements for the year ended 32nd Ashadh 2082 prepared by Sopan Multiple Company Limited is in accordance with NFRSs issued and prevailing as on date.

1.3 Statement of Compliance

The Financial Statement of Sopan Multiple Company Limited which comprises components mentioned above have been prepared in accordance with Nepal Financial Reporting Standards (hereafter referred as NFRS laid down by the Institute of Chartered Accountants of Nepal).

1.4 Responsibility for Financial Statements

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

1.5 Basis of measurement

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

- Defined Benefit plans
- Financial Assets and Liabilities Classified as measured at Fair value
- Lease assets measured as per NFRS 16
- Investment Property measured at Cost.
- Property, Plant and Equipment (i.e., land and building) measured under Revaluation Model other assets have been measured using cost model.

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1.6 Functional and Presentation Currency

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

1.7 Presentation of Financial Statements

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

1.8 Principle of Consolidation

The financial statements encompass the parent company, Sopan Multiple Company Limited, its subsidiaries—Acme Engineering College, Kantipur Engineering College, Sopan Properties Limited, Sopan Pharmaceuticals Limited, Molnia Power Limited, Kalash Properties Limited and Sopan Healthcare Limited.

The Financial Statements has been consolidated in accordance with NFRS 1, NFRS 3 and NFRS 10. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the parent and its subsidiaries have been combined on a line-by-line basis by adding together the carrying values of assets, liabilities, revenues and expenses after eliminating intra-Group balances / transactions and resulting profits in full. Unrealized profit / losses resulting from intra-Group transactions has also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group.

b) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Companies' separate financial statements.

c) Non-Controlling Interest's share in net profit of consolidated subsidiary's result for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to the group and noncontrolling interest.

d) Non-Controlling Interest's share in net assets of 'the Group' is identified and presented in the consolidated statement of financial position separate from liabilities and the equity of the Company's shareholders as Non-Controlling Interest (NCI).

e) The extent of the group's control on the subsidiaries is reflected by the shareholding in the subsidiaries. The details of which is as under:

Name of the Company	As on 32 Ashadh 2082	As on 31 Ashadh 2081
Acme Engineering College	100%	100%
Kantipur Engineering College (KEC)	100%	100%
Sopan Properties Limited	100%	100%
Sopan Pharmaceuticals Limited	49.44%	49.44%
Molnia Power Limited	69.5%	69.5%
Kalash Properties Limited	100%	100%
Sopan Healthcare Limited	100%	-
Mailun Khola Jal Vidhyut Company Ltd.	0.02%	28.07%

f) The financial statements of the subsidiary used for consolidation are drawn for the same reporting period as that of the parent Company i.e., year ended 32nd Ashadh, 2082.

As per NFRS 10 An investor needs to determine whether it controls an investee and if yes then the investor would be treated as a parent and the investee would be treated as a subsidiary of the parent.

An investor controls an investee if and only if the investor has all of the following three elements:

a) Power over the investee.
b) Exposure or rights to variable returns from the investee.
c) Ability to use power over the investee to affect the investor's return.

After doing an initial assessment of control over an investee, the investor should reassess the control over the investee when there are changes to one or more of the three elements of control mentioned above.

The Group's ownership interest in its subsidiary, Sopan Pharmaceuticals, is 49.44%. This holding has remained unchanged during the year. The Group continues to exercise effective control over the subsidiary, primarily through its ability to elect a majority of the Board of Directors. Accordingly, the subsidiary is fully consolidated, and the non-controlling interest is recognized within equity.

A gain on disposal of investment in Mailun Khola Jal Vidhyut Company Ltd. has been recognized in the profit or loss. For the Group, which previously accounted for the investment using the equity method, the gain was calculated as the difference between the fair value of the retained interest, the disposal proceeds, and the carrying amount. For the Company, which measured the investment at cost, the gain was determined as the difference between the fair value of the retained interest, the disposal proceeds, and the original cost of the investment.

The retained interest has been classified as a financial asset at fair value through profit or loss (FVTPL) in accordance with NFRS 9. As a result, subsequent fair value changes of the retained interest has been recognized in the profit or loss.

1.9 Non-Controlling Interest

Non-controlling interest in the Sopan Multiple Company (Group) pertains to the other shareholding in Sopan Pharmaceuticals Limited and Molnia Power Limited. Non-controlling interest is presented in accordance with the provision of NFRS 3 and NFRS 10 by allocating the net assets in the respective company in proportion to the shares held by other shareholders other than Sopan Multiple Company (the parent).

1.10 Materiality and Aggregation

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

1.11 Offsetting

In compliance with Nepal Accounting Standard- NAS 01 (Presentation of Financial Statements), assets and liabilities or income and expenses are not offset, unless required or permitted by a NFRS.

Also, as per Para 42 of NAS 32 Financial Instruments-Presentation, Financial Assets and Financial

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Liabilities are offset and the net amount reported in the Statement of Financial Position, only when:

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

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

1.12 Comparative Information

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

1.13 Judgments, Estimates and Assumptions

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

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

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

1.14 Going Concern

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

1.15 Fair Value measurement

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2. SCHEDULE TO THE FINANCIAL STATEMENTS

2.1 Property, Plant and Equipment

The company applies same valuation models to assets within the same class of property, plant, and equipment (PPE) in accordance with **NAS 16: Property, Plant and Equipment.** However different model has been used for PPE within different class of PPE. **NAS 16** permits two methods of measurement for PPE:

Revaluation Model: Under the revaluation model, certain assets are measured at their fair value, which is determined through periodic revaluations by independent valuers. The revaluation model is applied where active markets exist, and fair value can be reliably measured. Revaluation gains are recognized in other comprehensive income and credited to the revaluation surplus within equity, except where they reverse a previous revaluation loss recognized in profit or loss.

Cost Model: The cost model is applied to other assets where fair value cannot be reliably determined due to the absence of an active market. In these cases, assets are measured at historical cost less accumulated depreciation and impairment losses. This method provides a stable and consistent measurement basis.

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

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

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

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

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

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Depreciation is charged to statement of income on a written down value method over the estimated useful life of fixed assets. The company has applied the provision of Schedule 2 of Income Tax Act 2058 for calculating absorbed depreciation base during the year and rate of depreciation. The depreciation rate applied for various asset categories are as follows.

Nate of Assets	Depreciation Rate
Building and Structure of Permanent Nature	5 %
Furniture and Fixtures	25 %
Office Equipment, Computer & Accessories	25 %
Vehicle	20 %
Plant & Machinery	15 %

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

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (NAS 36 Impairment of assets). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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

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

2.2 Right of Use Assets

A lease is a contract in which the right to use an asset (the leased asset) is granted for an agreed-upon period in return for compensation. The Company has recognized at present value assets for the right of use received and liabilities for the payment obligation entered into for all leases. Lease liabilities include the following lease payments:

- Fixed payments, less lease incentives offered by the lessor
- Variable payment linked to an index or interest rate
- Expected residual payment from residual value guarantees
- The exercise price of call options when exercise is estimated to be sufficiently likely and
- Contractual penalties for the termination of lease if the lease term reflects the exercise of terminable option

Lease payments are discounted at the implicit interest rate underlying the lease to the extent that this can be determined. Otherwise, discounting is at the incremental borrowing rate. The Group lease discount rate has been considered for the reporting period.

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Right of Use assets are measured at cost, which comprises the following:

- Lease liabilities,
- Lease payments made at or prior to delivery, less lease incentives received,
- Initial Direct Costs, and
- Restoration Obligations

However, lease contracts are not entered into by Sopan Multiple Company till date.

2.3 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level.

2.4 Financial Assets

Initial Recognition, Classification and Subsequent Measurement

Date of Recognition
All financial assets and liabilities are initially recognized on the trade date, i.e., the date that Sopan Multiple Company becomes a party to the contractual provisions of the instrument. This includes 'regular way trades'. Regular way trade means purchases or sales of financial assets that required delivery of assets within the time frame generally established by regulation or convention in the market place.

Recognition and Initial Measurement of Financial Instruments
Transaction costs are expensed as incurred for financial instruments classified or designated as fair value through profit or loss. For other financial instruments, transaction costs are included in the carrying amount. All regular-way purchases or sales of financial assets are accounted for on a settlement date basis.

The classification of financial instruments at the initial recognition depends on their purpose and characteristics and the management's intention in acquiring them.

Classification and Subsequent Measurement of Financial Assets and Liabilities
At the inception, a financial asset or liability is classified as subsequently measured at either amortized cost or fair value on the basis of both:

a. Sopan Multiple Company's business model for managing the financial assets and
b. The contractual cash flow characteristics of the financial asset.

The financial asset thus may be classified into following categories:

a. Financial Assets measured at amortized cost
b. Financial assets at fair value through Other Comprehensive Income
c. Financial assets at fair value through profit or loss

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Financial Assets measured at amortized cost

The financial assets held by Sopan Multiple Company which meets following conditions are classified as Financial Assets measured at amortized cost:

i. Held within the business model with objective to collect contractual cash flows.
ii. The contractual cash flows are solely payments of principal and interest on the principal amount outstanding

Thus, these are non- derivative financial assets with fixed or determinable payments and fixed maturities, which Sopan Multiple Company has the intention and ability to hold till maturity. At initial recognition, such financial asset is measured at its fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequently such financial asset is measured at amortized cost using the effective interest rate, less impairment. Amortized cost is generally calculated by taking into account any discount or premium on acquisition and fees that are an integral part of EIR.

Interest income from these financial assets is included in other income using the effective interest rate method.

Financial assets at fair value through Other Comprehensive Income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue, dividend and foreign exchange gains & losses which are recognized in profit and loss. Interest income from these financial assets is included in income using the effective interest rate method.

Equity Investments

As per NFRS 9 Appendix B, Section B5.2.3, All investments in equity instruments and contracts on those instruments must be measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

This policy has been applied to the unlisted promoter shares held in Mathilo Mailun Jalabidhyut Company Ltd. and shares held in Ridgeline Energy Ltd. for the year 2081/82. Due to the unlisted nature of these shares, their fair value could not be reliably measured. Accordingly, these investments have been measured at cost. The Group continuously assesses these investments for indicators of impairment at each reporting period.

2.5 Investment Properties

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

- Use in the production or supply of goods or services or for administrative purposes; or
- Sale in the ordinary course of business.

As per Para 30 of NAS 40 states "An entity shall choose either the cost model in paragraph 56 or the revaluation model in paragraph 33-35 as its accounting policy and shall apply that policy to an entire class of property, plant and equipment."

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An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) shall be included in profit or loss in the period in which the property is derecognized.

The Group's investment properties are held for long-term capital appreciation and rental income. They consist of land parcels located in Dhapakhel, Chapali, Lubhu, Nabalparasi (Beldehia), Nabalparasi (Pithauli), and Pokhara.

The Company holds investment properties in Chapali, Dhapakhel, Lubhu, Nabalparasi (Beldehia), Nabalparasi (Pithauli), and Pokhara.

2.6 Deferred Tax Assets/Liabilities

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

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

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2.7 Other Non-Current Assets

As of the reporting dates, the Group's receivables and advances include a security deposit with Nepal Telecom and an unchanged balance from Hal Chowk Fuel Station. The balances from Shakti Devi Petrol Station and Tribhuvan University (Nepal Bank Ltd) have remained consistent across all periods.

2.8 Inventories

Inventories comprise consumables and repair spares, stocks, stock in transit, etc. Inventories are stated at the lower of cost and estimated net realizable value.

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

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

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

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

2.9 Loans Advances and Deposits

The schedule of loans, advances, and deposits includes amounts provided to staff, dividend receivables from institutions, rent receivables, land advances, and deposits in banks. It also consists of advances to various companies, individuals, and entities for services, investments, and operational needs. The balances fluctuate across the periods due to changes in receivables, repayments, or adjustments made against liabilities or expenses. Additionally, there are specific deposits with vendors, security deposits, and advances for investment in projects, reflecting the company's diversified financial engagements and operational requirements.

2.10 Trade and Other Receivables

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

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

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The Group's trade and other receivables as of the reporting dates include student fee receivables, unsecured deposits, and other receivables. The balances are presented after provisions for any doubtful accounts.

2.11 Cash and Cash Equivalent

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

2.12 Other Current Assets

The Group's other current assets consist of advance tax and prepaid expenses. The balance is primarily driven by a significant increase in advance tax paid during the period.

The Company's other current assets primarily consist of advance tax. This balance has also increased significantly from the prior reporting period.

2.13 Share capital

Share capital represents the funds received in the form of cash or cash equivalents, including initial equity contributions. It encompasses provisions for issuing bonus shares, as guided by the relevant accounting standards, including NAS 32 (Financial Instruments: Presentation) and NAS 1 (Presentation of Financial Statements).
Bonus shares are issued from retained earnings or eligible reserves. Transaction costs related to equity are deducted from share capital, and the balance may be categorized under paid-up capital or other equity components.

2.14 Reserve and Surplus

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

2.15 Other reserves

Other Reserves are a group of reserves set aside by a company for specific purposes, other than retained earnings or general reserves. These reserves have been reported in the equity section of the balance sheet and are not available for distribution as dividends, ensuring the company's long-term financial stability.

The Group's other reserves include the Share Based Payment Reserve, Fair Value Reserve, Corporate Social Responsibility Fund, Revaluation Reserve, and Actuarial Reserve.

The Company has a Fair Value Reserve, which primarily reflects the cumulative net changes in the fair value of its financial instruments designated as at FVOCI.

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2.16 Long Term Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings using the effective interest method.

2.17 Other Non-Current Liabilities

Other Non-Current Liabilities represent obligations that are due beyond one year from the balance sheet date and are not classified under other specific liabilities. These liabilities has been presented separately to distinguish them from short-term obligations, ensuring transparency in the company's financial position.

The Group's other non-current liabilities primarily consist of Grant Liability, Student Deposit Payable, Other Payable, Advances from Shareholders, Advances for Share Capital, and Loans from Directors.

2.18 Deferred Tax Liability

As per NAS 12 (Income Taxes), "A deferred tax liability is the amount of income taxes payable in future periods in respect of taxable temporary differences." Sopan Multiple Company has accounted for deferred tax liability in compliance with the relevant provisions of **NAS 12 (Income Taxes)** and has presented it on the liability side of the Statement of Financial Position.

2.19 Long Term Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Possible obligation, arising from past events and whose existence will be confirmed upon uncertain future events not wholly within the control of the Corporation and present obligation arising from past events with least probability of payment or the amount cannot be measured with sufficient reliability are disclosed as contingent liability.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The company has recognized the following long-term provisions as of the reporting date: Provision for Gratuity, Provision for Leave Encashment, Provision for Accumulated Leave, and Provision for Medical Expenses.

2.20 Trade and Other Payables

Trade and other payables represent liabilities for goods or services provided to Sopan Multiple Company prior to the end of financial year which are unpaid. Trade payables are classified as current liabilities unless payment is not due within twelve (12) months after the reporting period.

The Group's trade and other payables have increased significantly during the period.

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The Company's payables are mainly comprised of Payables to Related Parties, with a significant balance being recorded as of the current reporting date. The balances also include Trade Payables and Audit Fee Payable.

2.21 Current Portion of Non-Current Liabilities

The current portion of non-current liabilities refers to the portion of long-term liabilities that is due for settlement within the next 12 months or the company's operating cycle, whichever is longer. These liabilities are reclassified from non-current to current on the balance sheet in accordance with NAS 1 (Presentation of Financial Statements), ensuring that the financial position reflects obligations expected to be settled within the short term.

The company's current portion of non-current liabilities as of the reporting date includes loans from Prabhu Bank Limited (Pharma), NMB Bank (HP Loan), Vehicle Loan, and the Current Portion of Long-Term Loan. It is mentioned in schedule no 3.20.

2.22 Short Term Borrowings

Short-term borrowings are liabilities other than non-current borrowings and are measured at transaction value considering the short period of maturity, scheduled as under:

The company's short-term borrowings include loans from Nepal Bank Limited, Prabhu Bank Limited (Short Term and OD) and advances from promoters/directors. Details are mentioned in schedule no 3.21

2.23 Short Term Provision

The company has recognized provisions for Income Tax and Bonus under Short-Term Provisions in accordance with the applicable accounting standards, reflecting its current liabilities for the period.

2.24 Other Current Liabilities

Other Current Liabilities are obligations due for settlement within the normal operating cycle or 12 months, excluding trade payables and short-term borrowings.

2.25 Revenue from Operation

All income relating to normal business operations is recognized as revenue in the income statement in accordance with NFRS 15. All other income is reported as other operating income.

Revenue is recognized when control over the goods or services transfers to the customer, i.e., when the customer has the ability to control the use of the transferred goods or services provided and generally derive their remaining benefits. There must be a contract with enforceable rights and obligations and, amongst other things, the receipt of consideration must be likely, taking into account the customer's credit quality. Revenue corresponds to the transaction price to which Sopan Multiple Company is expected to be entitled. Variable consideration is included in the transaction price when it is highly probable that a significant reversal in the amount of revenue recognized will not occur and to the extent that the uncertainty associated with the variable consideration no longer exists.

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For each performance obligation, revenue is either recognised at a point in time or over time. The revenue generated by providing services is recognised in the reporting period in which the service was rendered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

2.26 Other Income

Other Income are the income earned by a company from activities outside its core operations. It includes revenue generated from non-operating sources such as interest income, dividend income, rental income, gains on sale of assets, and foreign exchange gains. These items are typically reported separately from revenue from operations in the financial statements.

The Group's other income includes Rental Income, Interest Income, Dividend Income, Exchange Gain, Fair Value Gain on FVTPL Investment, Payables Written Off, and a substantial Gain on Sale of Fixed Assets. The significant increase in the Gain on Sale of Fixed Assets is a result of a major asset disposal in the current period. Additionally, the Group recognized a significant gain from the write-off of payables and from fair value changes on its FVTPL investments.

The Company's other income primarily consists of Rental Income and a substantial amount from Dividend Income, which was not present in the prior period. It has also recorded a significant Fair Value Gain on FVTPL Investment.

2.27 Project Income

Project Income represents income earned from long-term contracts and projects undertaken by the company, primarily related to construction, development, and other service-based contracts. In accordance with NAS 15 (Revenue from Contracts with Customers), revenue from such projects is recognized based on the transfer of control over time as the performance obligations are satisfied. This is done using the percentage-of-completion method or other contract-specific milestones.
Revenue is recognized when it is probable that the company will collect the consideration to which it is entitled and when the costs incurred for the project can be measured reliably.
The income is recognized in line with the progress of the project and reflects the completion of performance obligations as agreed in the contract.

The Group's Project Income is primarily comprised of various grants and income from specific projects, including the Smart Link Project, E-access Project, Sunspace Project, and Yetis Project. The total project income has increased significantly in the current period, largely driven by an increase in grant income from the Smart Link Project and Yetis Project. The Company does not have any project income.

2.28 Cost Of Sales

The **Cost of Sales** includes all costs directly attributable to the production of goods and services sold during the period, in line with **NAS 2**. These costs consist of direct materials, direct labor, manufacturing overheads, and the cost of inventory sold. The cost of sales is recognized in the period when the related revenue is recognized.

The **Cost of Sales** includes all costs directly attributable to the production of goods and services sold during the period, in line with **NAS 2**. This amount includes the cost of the materials used in

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the production of goods and services along with the direct labor costs, manufacturing overheads, and the cost of inventory sold and it does not include overhead expense related to the general operation of the business. An expense is recognized immediately in the income statement when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the balance sheet as an asset.

2.29 Employee Benefit Expenses

As per NAS-19 Employee benefits include:

- Short Term Employee Benefits
- Post Employee Benefits
- Termination Benefits
- Other Long Term Employee Benefits

Company has complied with the relevant provision of NAS-19 regarding employee benefits.

2.30 Office and Administration Expense

Office and Administration Expense include the expenses from repair and maintenance, rent, rates and taxes, printing and stationeries, advertisement expenses, insurance premium, etc. Audit fees have also been incorporated in general administrative expenses. These expenses are recognized as and when incurred.

2.31 Selling and Distribution Cost

The Company's Selling and Distribution Expenses include advertising, marketing consumables, product launching, promotional costs, employee expenses (salary, TADA), and transportation-related costs.

2.32 Finance Cost

Finance cost includes expenses related to borrowing funds, such as interest, bank charges, and fees. These costs are expensed unless directly related to qualifying assets, in which case they are capitalized, as per NAS 23.

2.33 Project Expenses

The Group's Project Expenses include costs directly related to various projects, such as the E-access Project, Sunspace Project, Yetis Project, and Smart Link Project. The total project expenses for the period have increased significantly, corresponding to the increase in project-related activities and income. The Company did not incur any project-related expenses.

2.34 Deferred Tax expense/(Income)

The Deferred Tax Expense or Income has been recognized in line with the provision of NAS 12. Details disclosed in schedule no. 3.5.

2.35 Contingent Liability

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in financial statements and when the realization of income is virtually certain, then the related asset is not a contingent

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asset and its recognition is appropriate. Where an inflow of economic benefits is probable, the Corporation discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect.

2.36 Related Party Disclosures

Under **NAS 24 Related Party Disclosures,** Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include major shareholders, subsidiary companies, associates, retirement funds, directors and key management personnel and their close family members.

Subsidiary

Transactions between Sopan Multiple and its subsidiaries, meet the definition of related party as defined under NAS-24 "Related Party Disclosures".

Name of Subsidiary	Nature of Transactions	Transactions during the year Dr/(CR.)	2081-82 (NPR) Dr/(CR.)	2080-81 (NPR) Dr/(CR.)
Sopan Properties Company Ltd.	Account Payable	34,98,431	-	(34,98,431)
Acme Engineering College	Account Payable	(4,76,08,477)	(5,00,00,000)	(23,91,723)

Associates

Company considers an investee as its associate if the company can exercise significant influence in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

Transactions during the year	Nature of Transaction	2081-82 (NPR)	2080-81 (NPR)
Molnia Power Limited	Loans and Advances	1,79,73,853	1,76,40,639

Directors and other Key Managerial Personnel (KMP)

Key Management Personnel and their immediate family members are also considered to be related parties for disclosure purpose as per NAS-24 "Related Party Disclosures".

As per Nepal Financial Reporting Standard (NAS 24) "Related Party Disclosures", Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Company considers the members of its Board, Chief Executive Officer and all managerial level executives as Key Management Personnel (KMP) of the Bank.

Following is the list of Board of Directors bearing office at 32nd Ashadh 2082

Name of Member	Designation
1) Dr. Birendra Pd. Mahato	Chairman
2) Dr. Er. Tara Pd. Pokhrel	Director
3) Er. Rameshwar Rijal	Director
4) Mr. Ashok Kumar Khadka	Director
5) Mr. Vinay Kumar Todi	Director
6) Mr. Anish Shah	Director
7) Mrs. Lalita Bashyal	Independent Director

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Compensation to the members of the Board

All members of the Board are non-executive directors and no executive compensation is paid to the directors. Specific non-executive allowances paid to directors are as under:

Compensation to other KMP of the Company

Nature of Compensation	Total Compensation (NPR)	Remarks
Board Meeting Allowance	7,03,000	FY 2080-081
Board Meeting Allowance	8,84,000	FY 2081-082