

NEHA & ASSOCIATES

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF PALPA CEMENT INDUSTRIES LTD.

Opinion

We have audited the accompanying Financial Statements of Palpa Cement Industries Ltd. which comprises the Statement of Financial Position as at Ashad 31, 2081, Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity & Statement of Cash Flows for the year ended Ashad 31, 2081, and Notes to Financial Statement including Summary of Significant Accounting Policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give a true and fair view in conformity with Nepal Financial Reporting Standards (NFRSs), of the state of affairs of Palpa Cement Industries Ltd. as at Ashad 31, 2081, and its profit, cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the financial statements in accordance with the Nepal Standard on Auditing (NSAs) & applicable law. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of Nepal (ICAN), and we have fulfilled our ethical responsibilities in accordance with these

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis of our audit opinion on financial statements.

Key Audit Matter(s)

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

We have determined that there are no key audit matters to communicate in our report.

Managements Responsibility for the Financial Statements

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

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



Those charged with governance are responsible for overseeing the Company's Financial Reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- i) Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls.
- ii) Obtain an understanding of Internal Control relevant to audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's Internal Control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our Audit Report. However, Future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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



Report on the Other Legal & Regulatory Requirements

- (i) We have obtained information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- (ii) Company has kept proper books of accounts as required by law, so far as it appears from the examination of those books of accounts.
- (iii) Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows have been prepared in accordance with the requirements of the Companies Act, 2063 and are in agreement with the books of account of the Company.
- (iv) During our examination of the books of account of the Company, we have not come across the cases where the Board of Directors or any member of there or any representative or any office holder or any employee of the Company has acted contrary to the provisions of law or caused loss or damage to the Company, and
- (v) We have not come across any fraudulent activities in the books of accounts.

Other Matters

The Financial Statements of Palpa Cement Industries Ltd. for the year ended Ashad 31, 2080 were audited by SUBHASH & CO. who expressed an unmodified opinion on those statements on the Audit Report.

Therefore, as a part of our audit of the Financial Statements for the year ended Ashad 31, 2081 we would like to state that we were not engaged to audit, review, or apply any procedures to the Financial Statements for the year ended Ashad 31, 2080.

Accordingly we do not express an opinion or any other form of assurance on the Financial Statements for the year ended Ashad 31, 2080.


CA. Neha Agrawal
Partner
Neha & Associates
Chartered Accountants



Place: Kathmandu
Date: 2024-12-15
UDIN: 250103CA02109uMdNe

NEHA & ASSOCIATES

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PALPA CEMENT INDUSTRIES LIMITED REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Consolidated Financial Statements of Palpa Cement Industries Limited. ("the Parent") & its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates, which comprises the Consolidated Statement of Financial Position as at Ashadh 31, 2081 (July 15, 2024), and the Consolidated Statement of Profit or Loss & Other Comprehensive Income, Consolidated Statement of Changes in Equity & Consolidated Statement of Cash Flows for the year ended Ashadh 31, 2081 (July 15, 2024), and Notes to Financial Statement including Summary of Significant Accounting Policies.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and associates referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give a true and fair view in conformity with Nepal Financial Reporting Standards (NFRSs), of the Consolidated state of affairs of the Group as at Ashadh 31, 2081 (July 15, 2024), and their consolidated Profit or Loss & Other Comprehensive Income, their consolidated Cash Flows and their Consolidated Changes in Equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Nepal Standard on Auditing (NSAs) & applicable law. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of Nepal (ICAN) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act & the Rules made thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAN's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis of our audit opinion on Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our 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 that there are no key audit matters to communicate in our report.



Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the Directors' report and Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility report, but does not include the Consolidated Financial Statements, Standalone Financial Statements & our Auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the Financial Statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Managements Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for preparation and fair presentation of the Consolidated Financial Statements in accordance with the Nepal Financial Reporting Standards (NFRSs) 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, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibility 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these Consolidated Financial Statements.

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

- i) 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 obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls.



- ii) Obtain an understanding of Internal Control relevant to audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's Internal Control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on its ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, Future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- v) 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.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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 communicate with those charged with governance 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.

Other Matters

In case of subsidiaries, they are audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the financial information and disclosures included in respect of the subsidiaries are based solely on such audited financial statements by other auditor.

Our opinion on the Consolidated Financial Statements above and our report on the Other Legal & Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



Report on the Other Legal & Regulatory Requirements

- i) We have obtained information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
- ii) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors
- iii) Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss & Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows have been prepared in accordance with the requirements of the Companies Act, 2063 and are in agreement with the books of account so maintained for the purpose of preparation of the consolidated financial statements.
- iv) During our examination of the books of account of the Group with reference to Other Matters so stated above, we have not come across the cases where the Board of Directors or any member of there or any representative or any office holder or any employee of the Group has acted contrary to the provisions of law or caused loss or damage to the Group, and
- v) We have not come across any fraudulent activities in the books of accounts.

Place: Kathmandu

Date: 2024-12-15

UDIN: 250103CA02109pnKMZ

For Neha & Agrawal
Chartered Accountants



CA. Neha Agrawal
Proprietor

Palpa Cement Industries Ltd.
Statement of Financial Position
As At 15 July, 2024 (Ashad 31, 2081)

Fig. In NPR

Particulars	Notes	Consolidated		Standalone	
		15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Assets					
Non Current Assets					
Property, Plant & Equipment	4	8,270,739,156	7,972,007,597	7,806,362,930	7,513,483,118
Intangible Assets	5	298,995	612,989	298,995	612,989
Investment	6	-	-	472,500,000	468,000,000
Deferred Tax Assets	7	-	-	-	-
Other Non-Current Assets	8	4,359,748	639,209	4,359,748	639,209
Total Non Current Assets		8,275,397,899	7,973,259,795	8,283,521,673	7,982,735,316
Current Assets					
Inventories	9	2,044,792,809	1,652,742,587	2,044,792,809	1,652,742,587
Financial Assets					
Trade Receivables	10	523,447,635	671,117,711	523,447,635	671,117,711
Cash & Cash Equivalent	11	174,059,490	140,508,388	172,943,218	139,289,527
Financial Asset at amortised Cost	12	3,000,000	3,000,000	3,000,000	3,000,000
Others	13	77,071,259	18,493,747	77,071,259	18,493,747
Other Current Assets	14	114,121,457	41,187,063	120,121,457	41,187,063
Income Tax Assets (Net)	23	5,022,313	4,291,913	5,022,313	4,291,913
Total Current Assets		2,941,514,963	2,531,341,411	2,946,398,691	2,530,122,550
Total Assets		11,216,912,862	10,504,601,206	11,229,920,364	10,512,857,867
Equity & Liabilities					
Equity					
Equity Share Capital	15 (a)	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Other Equity	15 (b)	973,903,057	903,400,875	974,550,670	903,846,983
Total Equity		3,973,903,057	3,903,400,875	3,974,550,670	3,903,846,983
Non Current Liabilities					
Financial Liabilities					
Long Term Borrowings	16	5,157,646,202	5,283,578,207	5,157,646,202	5,283,578,207
Other Financial Liabilities	17	11,654,097	14,810,233	11,654,097	14,810,233
Provisions	18	-	-	-	-
Deferred Tax Liabilities	7	170,992,997	228,388,518	171,208,869	228,537,221
Total Non Current Liabilities		5,340,293,296	5,526,776,958	5,340,509,168	5,526,925,661
Current Liabilities					
Financial Liabilities					
Trade Payables	19	112,000,919	174,695,104	112,000,919	174,695,104
Short Term Borrowings	20	1,303,581,249	730,000,000	1,303,581,249	730,000,000
Other Current Financial Liabilities	21	73,796,517	60,073,254	86,228,459	68,006,529
Other Current Liabilities	22	413,208,146	109,006,865	412,920,221	108,735,440
Provisions	18	129,678	648,150	129,678	648,150
Income Tax Liabilities (Net)	23	-	-	-	-
Total Current Liabilities		1,902,716,508	1,074,423,373	1,914,860,525	1,082,085,223
Total Liabilities		7,243,009,804	6,601,200,331	7,255,369,693	6,609,010,884
Total Equity and Liabilities		11,216,912,862	10,504,601,206	11,229,920,364	10,512,857,867

Summary of Significant Accounting Policies &
Accompanying Notes are an Integral Part of Financial Statements

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As per our attached Report of the even date
For Neha & Associates
Chartered Accountants

CA. Neha Agrawal
Proprietor
Place: Kathmandu



Bhishnu Kumar Agrawal
Chairman

Surendra Kumar Agrawal
Chairman

For & On Behalf of the Board

Bishnu Kumar Agrawal
Director

Palpa Cement Industries Ltd.
Statement of Profit or Loss & Other Comprehensive Income
For Period ended on 15 July, 2024 (Ashad 31, 2081)

Particulars	Notes	Consolidated		Fig. in NPR	
		15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Income:					
Revenue From Operations	24	4,226,115,855	4,141,444,204	4,226,115,855	4,141,444,204
Cost of Sales	24	3,181,777,983	3,223,844,413	3,181,777,983	3,223,844,413
Gross Profit		1,044,337,873	917,599,791	1,044,337,873	917,599,791
Other Income	26	14,398,714	166,772,066	14,395,189	166,772,066
Expenses:					
Administration Expenses	27	134,989,964	116,549,741	134,717,765	115,954,930
Selling and Distribution Expenses	27	215,923,067	172,393,629	215,923,067	172,393,629
Operating Profit		707,823,555	795,428,488	708,092,229	796,023,299
Finance Cost	29	695,254,102	731,856,420	695,254,102	731,856,420
Profit/(Loss) Before Tax		12,569,454	63,572,067	12,838,128	64,166,878
Tax Expense					
Current Tax	30	110,942	-	110,942	-
Deferred Tax	30	(57,395,521)	24,811,933	(57,328,352)	24,960,636
Net Profit/(Loss) For The Year		69,854,033	38,760,134	70,055,538	39,206,242
Other Comprehensive Income					
Actuarial Gain/Loss on Defined Benefit Pension Schemes					
Tax Relating to Components of Other Comprehensive Income					
Total Other Comprehensive Income (OCI)		-	-	-	-
Basic/ Diluted Earnings Per Share (NPR)		2.33	1.29	2.34	1.31

Summary of Significant Accounting Policies &
Accompanying Notes are an Integral Part of Financial Statements

1/3

As per our attached Report of the even date

For Neha & Associates

Chartered Accountants

CA. Neha Agrawal

Proprietor

Place: Kathmandu

Date:



Rajesh Kumar Agrawal

Rajesh Kumar Agrawal
Chairman

Sweety Kumari Agrawal

Sweety Kumari Agrawal
Director

For & On Behalf of the Board

Bishnu Kumar Agrawal

Bishnu Kumar Agrawal
Director

Begam KC

Begam KC
CFO

Palpa Cement Industries Ltd.
Statement of Cash Flow
For Period ended on 15 July, 2024 (Ashad 31, 2081)

Fig. in NPR

Particulars	Consolidated		Standalone	
	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Cash Flow From Operating Activities:				
Profit/(Loss) For the Year	69,854,033	38,760,134	70,055,538	39,206,242
Adjustment of Non Cash Charges				
Depreciation on Property, Plant & Equipment	291,466,805	278,072,740	291,466,805	278,072,740
Amortization of Intangible Assets	313,995	329,495	313,995	329,495
Provision of CSR written Back	648,150	1,304,223	648,150	1,304,223
Profit/(Loss) on Sale of PPE	(393,463)	(120,721)	(393,463)	(120,721)
Interest Income	(335,750)	(2,758,589)	(335,750)	(2,758,589)
Interest Cost	695,254,102	731,856,420	695,254,102	731,856,420
Deferred Tax	(57,395,521)	24,811,933	(57,328,352)	24,960,636
Current Tax	110,942	-	110,942	-
Cash Flow Before Working Capital Change	999,523,292	1,072,255,636	999,791,966	1,072,850,447
Changes In Working Capital				
Decrease/(Increase) In Inventory	(392,050,222)	70,749,560	(392,050,222)	70,749,560
Decrease/(Increase) In Trade Receivables	147,670,076	(189,116,839)	147,670,076	(189,116,839)
Decrease/(Increase) In Other Financial Assets	(58,577,511)	(1,641,951)	(58,577,511)	(1,641,951)
Decrease/(Increase) In Other Assets	(76,654,933)	310,369,208	(82,654,933)	310,369,208
Increase/(Decrease) In Trade Payables	(62,694,186)	44,662,522	(62,694,186)	44,662,522
Increase/(Decrease) In Financial Liabilities	10,567,127	(41,908,833)	15,065,794	(33,975,558)
Increase/(Decrease) In Other Liabilities	304,201,280	5,658,858	304,184,781	5,387,432
Increase/(Decrease) In Provisions	(518,472)	(656,073)	(518,472)	(656,073)
	(128,056,840)	198,116,453	(129,574,673)	205,778,302
Cash Generated From Operations	871,466,451	1,270,372,088	870,217,293	1,278,628,748
Income Tax Paid	(841,342)	(1,191,268)	(841,342)	(1,191,268)
Net Cash Flow From Operating Activities [1]	870,625,110	1,269,180,820	869,375,952	1,277,437,480
Cash Flow From Investing Activities				
Acquisitions of Property, Plant & Equipments	(591,026,140)	(786,180,882)	(585,174,393)	(327,656,403)
Proceeds From Sale of Property, Plant & Equipments	1,221,239	1,300,000	1,221,239	1,300,000
Acquisitions of Intangible Assets	-	25,000	-	25,000
Interest Income	335,750	2,758,589	335,750	2,758,589
Investment	-	-	(4,500,000)	(468,000,000)
Total Cash Flow From Investing Activities [2]	(589,469,151)	(782,097,293)	(588,117,404)	(791,572,814)
Cash Flow From Financing Activities				
Proceeds/(Repayment) - Long Term Borrowings	(125,932,005)	763,262,751	(125,932,005)	763,262,751
Changes in Short-term Borrowings	573,581,249	(532,739,380)	573,581,249	(532,739,380)
Interest Cost	(695,254,102)	(731,856,420)	(695,254,102)	(731,856,420)
Fixed Deposit	-	(3,000,000)	-	(3,000,000)
Total Cash Flow From Financing Activities [3]	(247,604,858)	(504,333,050)	(247,604,858)	(504,333,050)
Net Increase/(Decrease) In Cash & Cash Equivalents [1+2+3]	33,551,101	(17,249,522)	33,653,690	(18,468,383)
Cash & Cash Equivalents At Beginning of The Year/Period	140,508,388	157,757,910	139,289,527	157,757,910
Cash & Cash Equivalents At End of The Year/Period	174,059,490	140,508,388	172,943,218	139,289,527
Components of Cash & Cash Equivalents				
Cash In Hand	522,267	1,939,408	522,267	1,939,408
Balance With Banks	173,537,223	138,568,981	172,420,951	137,350,120
Total Cash & Cash Equivalents	174,059,490	140,508,388	172,943,218	139,289,527

Notes:

Cash Flow Statement has been prepared using Indirect Method In Accordance with NAS 7 [Statement of Cash Flows]
The Accompanying Notes are an Integral Part of Financial Statements



Signature
Signature

Palpa Cement Industries Ltd.
Statement of Changes In Equity
For Period ended on 15 July, 2024 (Ashad 31, 2081)

Particulars	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
Balance as on 2079 04 01	3,000,000,000			379,659,252	3,379,659,252
Addition In Capital					
Profit/(Loss) For the Year				39,206,242	39,206,242
Other Comprehensive Income for the Year			483,677,265		483,677,265
Provision for CSR writtten back				1,304,223	1,304,223
Dividend Paid					
Balance as on 2080 03 31	3,000,000,000	-	483,677,265	420,169,718	3,903,846,983
Balance as on 2080 04 01	3,000,000,000	-	483,677,265	420,169,718	3,903,846,983
Addition In Capital					
Profit/(Loss) For the Year				70,055,538	70,055,538
Other Comprehensive Income for the Year					
Provision for CSR writtten back				648,150	648,150
Dividend Paid					
Balance as on 2081 03 31	3,000,000,000	-	483,677,265	490,873,405	3,974,550,670



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Vishnu

Sincerely Appreciated,

Palpa Cement Industries Ltd.
Statement of Changes in Equity
For Period ended on 15 July, 2024 (Ashad 31, 2081)

Consolidated

Fig. In NPR

Particulars	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total
Balance as on 2079 04 01	3,000,000,000			379,659,252	3,379,659,252
Addition In Capital					
Profit/(Loss) For the Year				38,760,134	38,760,134
Other Comprehensive Income for the Year			483,677,265		483,677,265
Provision for CSR writtten back				1,304,223	1,304,223
Dividend Paid					
Balance as on 2080 03 31	3,000,000,000	-	483,677,265	419,723,610	3,903,400,875
Balance as on 2080 04 01	3,000,000,000	-	483,677,265	419,723,610	3,903,400,875
Addition In Capital					
Profit/(Loss) For the Year				69,854,033	69,854,033
Other Comprehensive Income for the Year					
Provision for CSR writtten back				648,150	648,150
Dividend Paid					
Balance as on 2081 03 31	3,000,000,000	-	483,677,265	490,225,792	3,973,903,057



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Palpa Cement Industries Ltd.
Notes to the Financial Statements
For Period ended on 15 July, 2024 (Ashad 31, 2081)

Significant Information, Accounting Policies & Notes to the Accounts

1 General Information

Palpa Cement Industries Pvt. Ltd. (Herein after referred to as 'The Company') is a Private Limited Company domiciled in Nepal registered under the Company Act, 2053 vide registration No. 67018/066/067 on 2009-10-26. The manufacturing unit is located at Sunwal - VDC 7, Sisauni Tol, Nawalparasi with its registered corporate office at Central Business Park, Thapathali, Kathmandu Metropolitan City, Ward No. 11, Nepal. The main objectives of company is to manufacture Cement & Clinker.

Further to that it has been now converted to a Limited Company under the name "Palpa Cement Industries Ltd." vide registration No. 264286/77/078 on 2021.07.05 through letter no. 62754

2 Basis of Preparation

(a) Statement of Compliance

The Financial Statements have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Nepal Accounting Standards Board (NASB), as per the provisions of The Institute of Chartered Accountants of Nepal Act, 1997. These confirm, in material respect, to NFRS as issued by the Nepal Accounting Standards Board. The Financial Statements have been prepared on a going concern basis. The term NFRS, includes all the standards and the related interpretations which are consistently used.

(b) Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for certain Financial Assets & Liabilities which have been measured at Fair Value amount:

Historical cost is generally Fair Value of the consideration given in exchange for goods & services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the Fair Value of an Asset or a Liability, the Company takes into account the characteristics of the Asset or Liability if market participants would take those characteristics into account when pricing the Asset or Liability at the measurement date. Fair Value for measurement and/ or disclosure purposes in these Financial Statements is determined on such a basis, except for, measurements that have some similarities to Fair Value but are not Fair Value, such as Net Realizable Value in NAS 2 "Inventories" or Value in use in NAS 36 "Impairment of Assets".

In addition, for Financial Reporting purposes, Fair Value measurements are categorized into Level 1, or 2, or 3 based on the degree to which the inputs to the Fair Value measurements are observable & the significance of the inputs to the Fair Value measurement in its entirety, which are described as follows:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical Assets or Liabilities that the entity can access at the measurement date;
- Level 2 - Inputs are inputs, other than quoted prices included within Level 1, that are observable for the Asset or Liability, either directly or indirectly; and
- Level 3 - Inputs are unobservable inputs for the Asset or Liability.

(c) Use of Estimates

The preparation of these Financial Statements in conformity with NFRS requires management to make estimates, judgements and assumptions. These estimates, judgments and assumptions affect the reported balances of Assets & Liabilities, disclosures relating to Contingent Liabilities as at the date of the Financial Statements and the reported amounts of Income & Expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the financial statements.

(d) Going Concern

The Financial Statements are prepared on a going concern basis. The Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources while assessing the going concern basis. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it.

(e) Functional and Presentation Currency

These Financial Statements are presented in Nepalese Rupees (NPR) which is the Company's functional currency. All financial information presented in NPR has been rounded to the nearest rupee except where indicated otherwise.



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Palpa Cement Industries Ltd.
Notes to the Financial Statements
For Period ended on 15 July, 2024 (Ashad 31, 2081)

Significant Information, Accounting Policies & Notes to the Accounts

(f) Changes in Accounting Policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by the Company in preparing and presenting financial statements. The Company is permitted to change an accounting policy only if the change is required by a standard or interpretation; or results in the Financial Statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance, or cash flows.

3 Significant Accounting Policies

(a) Property, Plant & Equipment & Depreciation

I) Recognition

Freehold land is carried at revalued amount and other items of property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation when, it is probable that future economic benefits associated with the item will flow to the Company and it can be used for more than one year and the cost can be measured reliably.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it meets the recognition criteria as mentioned above. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

On transition to NFRS, the Company has elected to continue with the carrying value of all of its Property, Plant & Equipment recognized as at 1st Shrawan, 2075 (July 17, 2018) measured as per the Previous Local GAAP & have disclosed its Gross Acquisition Value along with Accumulated Depreciation separately.

II) Depreciation

Depreciation on Property, Plant and Equipment other than Freehold Land is provided on "Straight Line Method (SLM)" based on Useful Life estimated by technical expert of the management.

The Assets Useful Life are reviewed at the reporting date and the effect of any changes in estimates are accounted for on a prospective basis.

Useful Life of Property, Plant and Equipment based on SLM is categorised as stated below:

List of Asset Categories	Life of Assets
Computer & Accessories	3 Years
Office Equipment	5 Years
Other Assets	5 Years
Furniture & Fixture	8 Years
Vehicles	8 Years
Heavy Equipments	15 Years
Plant & Machinery	30 Years
Mines Development	15 Years
Building	40 Years

III) Derecognition

An item of Property, Plant & Equipment is derecognized upon disposal or when no Future Economic Benefits are expected to arise from the continued use of the Asset. Any Gain or Loss arising on the disposal or retirement of an item of Property, Plant & Equipment is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

IV) Impairment of Assets

The Company assesses at each reporting date as to whether there is any indication that Property, Plant & Equipment may be impaired. If any such indication exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An impairment loss is recognised in the Statement of Profit or Loss to the extent, asset's carrying amount exceeds its recoverable amount.

Where the recoverable amount is higher of an asset's fair value less cost of disposal & value in use. Whereas Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

v) Capital Work-In-Progress

These are expenses of capital nature directly incurred in the construction of buildings and major plant and machinery which are to be capitalized. Capital Work in Progress would be transferred to the relevant asset when it is available for use. Capital Work in Progress is stated at cost less any accumulated impairment losses.



Palpa Cement Industries Ltd.
Notes to the Financial Statements
For Period ended on 15 July, 2024 (Ashad 31, 2081)

Significant Information, Accounting Policies & Notes to the Accounts

(b) Intangible Assets

I) Recognition

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 any accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs are not capitalized and the related expenditure is reflected in Statement of profit or loss in the year in which the expenditure is incurred.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is reflected in Statement of profit or loss in the year in which the expenditure is incurred.

II) Amortization

The useful lives of intangible assets are assessed to be either finite or indefinite. An intangible asset shall be regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected generate net cash inflow for the entity.

Amortization is recognised in Statement of Profit or Loss on straight line method (SLM) over the estimated useful life of the intangible assets from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss.

Useful Life of Intangible Assets based on SLM is categorised as stated below:

List of Asset Categories	Life of Assets
Softwares	5

III) Derecognition

An Intangible Asset is derecognised when no Future Economic Benefits are expected to arise from the continued use of the Asset. Any Gain or Loss arising on the derecognition is determined as the difference between the sales proceeds and the carrying amount of the Asset and is recognized in the Statement of Profit or Loss.

IV) Impairment of Assets

The Company assesses at each reporting date as to whether there is any indication that Intangible Asset may be impaired. If any such indication exists, the recoverable amount of an asset is estimated to determine the extent of impairment, if any. An impairment loss is recognised in the Statement of Profit or Loss to the extent, asset's carrying amount exceeds its recoverable amount.

Here the recoverable amount is higher of an asset's fair value less cost of disposal & value in use. Whereas Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

(c) Cash & Cash Equivalent

For the purpose of presentation in the Statement of Cash Flows, Cash & Cash Equivalents includes Cash In Hand, Bank Balances & Positive Balance of Cash Credit Accounts.

(d) Financial Assets

I) Initial Recognition & Measurement

Financial Assets are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Assets at initial recognition.

When Financial Assets are recognized initially, they are measured at Fair Value, plus, in the case of Financial Assets not "at Fair value through Profit or Loss", transaction costs that are attributable to the acquisition of the Financial Asset. Transaction costs of Financial Assets carried "at Fair Value through Profit or Loss" are expensed in the Statement of Profit or Loss.

II) Subsequent Measurement

a) Financial Assets carried at Amortized Cost (AC)

A Financial Asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is measured using effective interest rate method.



Palpa Cement Industries Ltd.
Notes to the Financial Statements
For Period ended on 15 July, 2024 (Ashad 31, 2081)

Significant Information, Accounting Policies & Notes to the Accounts

b) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are measured at fair value and changes are taken to statement of other comprehensive income.

c) Financial Assets at Fair Value through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL. These financial assets are measured at fair value and changes are taken to statement of profit or loss.

III) De-Recognition

A Financial Asset is derecognized only when the Company has transferred the rights to receive cash flows from the Financial Asset. Where the Company has transferred an Asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the Financial Asset. In such cases, the Financial Asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the Financial Asset, the Financial Asset is not derecognized. Where the Company retains control of the Financial Asset, the Asset is continued to be recognized to the extent of continuing involvement in the Financial Asset.

iv) Impairment of Financial Assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a financial asset or a group of financial assets is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(e) Financial Liabilities

I) Initial Recognition & Measurement

Financial Liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the Financial Instrument. The Company determines the classification of its Financial Liabilities at initial recognition.

All Financial Liabilities are recognized initially at Fair Value, plus, in the case of Financial Liabilities not at fair value through profit or loss, transaction costs that are attributable to the issue of the Financial Liability.

II) Subsequent Measurement

After initial recognition, Financial Liabilities are subsequently measured at amortized cost.

For trade and other payables maturing within one year from the date of Statement of Financial Position, the carrying amounts approximate Fair value due to short maturity of these instruments.

III) De-Recognition

A Financial Liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing Financial Liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

(f) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position where there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(g) Inventories

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated costs necessary to make the sale.

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

Raw Material Except Limestone	FIFO
Limestone	Weighted Average
WIP	Weighted Average
Finished Goods	At Cost



Signature

Palpa Cement Industries Ltd.
Notes to the Financial Statements
For Period ended on 15 July, 2024 (Ashad 31, 2081)

Significant Information, Accounting Policies & Notes to the Accounts

(h) Share Capital

Financial Instruments Issued by the Company are classified as Equity only to the extent that they do not meet the definition of a Financial Liability or Financial Asset.

(I) Reserves & Funds

I) Retained Earnings: Retained earnings includes the accumulated Profit or Loss and amount retained by Company after distribution of dividends.

(J) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit or Loss over the period of the borrowings using the effective interest method. Borrowings are derecognized from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired.

(k) Provisions, Contingent Liabilities & Contingent Assets

(I) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate to determine the present value is a Pre-Tax Rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

(II) Contingent Liabilities

Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

(III) Contingent Assets

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognized but disclosed in the Financial Statements.

(l) Employee Benefits

I) Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Statement of Financial Position.

II) Staff Bonus

The entity has not created any provision for staff bonus in absence of Taxable Profit.

(m) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at fair value of the consideration received or receivable net of Value Added Tax & Excise Duty.

Revenue is recognized upon transfer of ownership of goods to the customers, provided pervasive evidence of an arrangement exists whereby collectability of revenue is reasonably certain and no performance revenue from sales of goods or rendering of services is net of indirect taxes, returns & discounts.

I) Revenue from Sale of Goods

Revenue from sale of goods are recognized when the significant risks and rewards of ownership have been transferred to the Customers. Revenue is measured at the value of the consideration received or receivable, net of excise, trade discounts if any & Value Added Tax.

(n) Leases

The lease liability needs to be accounted for under NFRS 16 "Leases". For all the significant lease, the Right-of-Use assets has to be recognized at its initial recognition under cash model. The Lease liability needs to be recognized at the present value of the lease payments that are not paid at that date. The lease payment needs to be discounted.

Since condition of lease applicability under NFRS 16 is not satisfied, Right of use of asset is not recognised and expenses are shown in profit & loss account.

Palpa Cement Industries Ltd.
Notes to the Financial Statements
For Period ended on 15 July, 2024 (Ashad 31, 2081)

Significant Information, Accounting Policies & Notes to the Accounts

(o) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in Profit or Loss in the period in which they are incurred.

(p) Income Taxes

Income Tax Expense represents the sum of the tax currently payable & Deferred Tax.

I) Current Tax

Current Tax Expenses are accounted in the same period to which the revenue and expenses relate. Provision for Current Income Tax is made for the Tax Liability payable on Taxable Income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

II) Deferred Tax

Deferred Tax is recognized on Temporary differences between the carrying amounts of Assets & Liabilities. Deferred Tax is recognized using the Statement of Financial Position and its Tax Base. Deferred Tax Assets & Liabilities are recognized for deductible and taxable temporary differences arising between the tax base of Assets & Liabilities and their carrying amount in Financial Statements, except when the Deferred Tax arises from the initial recognition of goodwill, an Asset or Liability in a transaction that is not a business combination and affects neither accounting nor taxable Profits or Loss at the time of the transaction.

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.

Deferred Tax Liabilities are generally recognized for all taxable Temporary differences.

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 profits will be available to allow all or part of the Deferred Tax Asset to be utilized.

(q) Cash Flow Statement

Cash Flows are reported using the indirect method, whereby Net Profit Before Tax is adjusted for the effects of transactions of a non-cash nature and any deferrals of accruals of past or future cash receipts or payments.

(r) Functional Currency & Foreign Currency Transactions

The Financial Statements of the Company are presented in Nepalese Rupees, which is the Company's Functional Currency. In preparing the Financial Statements of the Company, transactions in currencies other than the Company's Functional Currency i.e. Foreign Currencies are recognized at the rates of exchange prevailing at the dates of the transactions.

(s) Earnings Per Share

Earning per share is calculated by dividing the profit attributable to owners of the company by the Weighted Average Number of equity shares outstanding during the Financial Year.



Palpa Cement Industries Ltd.
Significant Accounting Policies & Notes to Financial Statements for the Year Ended on Ashad 31, 2081

Fig. in NPR

Property, Plant & Equipments (PPE)

Particular	Land	Building	Furniture & Fixture	Computer & Accessories	Office Equipment	Plant & Machinery	Heavy Equipments	Vehicles	Mines Development	Other Assets	Total
Cost Block											
Cost on Shrawan, 2080	594,405,670	2,810,471,931	20,609,747	10,031,806	11,778,928	4,514,091,429	401,113,436	42,699,602	484,725,680	2,373,577	8,892,301,805
Addition During the Year											
Acquisition	4,688,734	52,504,298	1,033,985	325,887	667,768	111,659,143	4,130,180	-	410,164,396	-	585,174,393
Capitalization											
Disposal During the Year											
Adjustment/Revaluation											
Balance as on Ashad, 2081	599,094,404	2,862,976,230	21,643,732	10,357,692	12,446,697	4,625,750,573	405,243,615	39,760,382	894,890,076	2,373,577	9,474,536,978
Depreciation and Impairment											
Cost on Shrawan, 2080		321,603,938	9,245,687	9,173,178	8,615,622	826,806,631	152,557,628	17,794,462	30,716,341	2,305,200	1,378,818,687
Depreciation Charge For the Year		70,267,895	2,680,199	606,252	2,064,776	149,898,027	26,864,943	4,774,866	34,241,471	68,377	291,466,805
Impairment For the Year											
Disposals											
Adjustment											
Balance as on Ashad, 2081	-	391,871,833	11,925,886	9,779,430	10,680,398	976,704,658	179,422,571	20,457,884	64,957,812	2,373,577	1,668,174,049
Capital Work in Progress											
Balance as on Ashad, 2080	-	-	-	-	-	-	-	-	-	-	-
Balance as on Ashad, 2081	-	-	-	-	-	-	-	-	-	-	-

Net Book Value

Balance as on Ashad, 2080	594,405,670	2,488,867,993	11,364,059	858,628	3,163,306	3,687,284,798	248,555,808	24,905,140	454,009,339	68,377	7,513,483,118
Balance as on Ashad, 2081	599,094,404	2,471,104,397	9,717,846	578,262	1,766,298	3,649,045,915	225,821,045	19,302,498	829,932,265	-	7,806,362,930



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Palpa Cement Industries Ltd.
Significant Accounting Policies & Notes to Financial Statements for the Year Ended on Ashad 31, 2081

Fig. in NPR

Unconsolidated
 Property, Plant & Equipments (PPE)

Particular	Land	Building	Furniture & Fixture	Computer & Accessories	Office Equipment	Plant & Machinery	Heavy Equipments	Vehicles	Mines Development	Other Assets	Total
Cost Block											
Balance on Shrawan, 2080	1,052,930,149	2,810,471,931	20,609,747	10,031,806	11,778,928	4,514,091,429	401,113,436	42,699,602	484,725,680	2,373,577	9,350,826,284
Addition During the Year											
Acquisition	10,540,481	52,504,298	1,033,985	325,887	667,768	111,659,143	4,130,180	-	410,164,396	-	591,026,140
Capitalization											
Disposal During the Year											
Impairment/Revaluation								(2,939,219)			(2,939,219)
Balance as on Ashad, 2081	1,063,470,630	2,862,976,230	21,643,732	10,357,692	12,446,697	4,625,750,573	405,243,615	39,760,382	894,890,076	2,373,577	9,938,913,204
Depreciation and Impairment											
Balance on Shrawan, 2080	-	321,603,938	9,245,687	9,173,178	8,615,622	826,806,631	152,557,628	17,794,462	30,716,341	2,305,200	1,378,818,687
Provision Charge For the Year	-	70,267,895	2,680,199	606,252	2,064,776	149,898,027	26,864,943	4,774,866	34,241,471	68,377	291,466,805
Impairment For the Year								(2,111,444)			(2,111,444)
Disposals											
Adjustment											
Balance as on Ashad, 2081	-	391,871,833	11,925,886	9,779,430	10,680,398	976,704,658	179,422,571	20,457,884	64,957,812	2,373,577	1,668,174,049
Capital Work in Progress											
Balance as on Ashad, 2080											
Balance as on Ashad, 2081											

Net Book Value

Balance as on Ashad, 2080	1,052,930,149	2,488,867,993	11,364,059	858,628	3,163,306	3,687,284,798	248,555,808	24,905,140	454,009,339	68,377	7,972,007,597
Balance as on Ashad, 2081	1,063,470,630	2,471,104,397	9,717,846	578,262	1,766,298	3,649,045,915	225,821,045	19,302,498	829,932,265	-	8,270,739,156



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Palpa Cement Industries Ltd.

Significant Accounting Policies & Notes to Financial Statements for the Year Ended on Ashad 31, 2081

5 Intangible Assets

Standalone

Categories	Accounting Software - I	Accounting Software - II	Accounting Software - III	Accounting Software - IV	Total Ashad End
Gross Block					
As on Shrawan, 2080	27,000	53,000	45,000	1,505,000	1,630,000
Addition During the Year					-
Acquisition					-
Capitalization					-
Disposal During the Year					-
Adjustment/Revaluation					-
Balance As on Ashad, 2081	27,000	53,000	45,000	1,505,000	1,630,000
Amortisation & Impairment					
As on Shrawan, 2080	27,000	53,000	45,000	892,011	1,017,011
Amortisation Charge For the Year				313,995	313,995
Impairment For the Year					-
Disposals					-
Adjustment					-
Balance As on Ashad, 2081	27,000	53,000	45,000	1,206,005	1,331,005
Capital Work in Progress					
Balance As on Ashad, 2080					-
Balance As on Ashad, 2081					-
Net Book Value					
Balance As on Ashad, 2080	-	-	-	612,989	612,989
Balance As on Ashad, 2081	-	-	-	298,995	298,995



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Palpa Cement Industries Ltd.
Significant Accounting Policies & Notes to Financial Statements for the Year Ended on Ashad 31, 2081

5 Intangible Assets

Consolidated

Categories	Accounting Software - I	Accounting Software - II	Accounting Software - III	Accounting Software - IV	Total Ashad End
Gross Block					
As on Shrawan, 2080	27,000	53,000	45,000	1,505,000	1,630,000
Addition During the Year					-
Acquisition					-
Capitalization					-
Disposal During the Year					-
Adjustment/Revaluation					-
Balance As on Ashad, 2081	27,000	53,000	45,000	1,505,000	1,630,000
Amortisation & Impairment					
As on Shrawan, 2080	27,000	53,000	45,000	892,011	1,017,011
Amortisation Charge For the Year	-	-	-	313,995	313,995
Impairment For the Year					-
Disposals					-
Adjustment					-
Balance As on Ashad, 2081	27,000	53,000	45,000	1,206,005	1,331,005
Capital Work in Progress					
Balance As on Ashad, 2080					-
Balance As on Ashad, 2081					-
Net Book Value					
Balance As on Ashad, 2080	-	-	-	612,989	612,989
Balance As on Ashad, 2081	-	-	-	298,995	298,995



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Palpa Cement Industries Ltd.
Notes to the Financial Statements
For Period ended on 15 July, 2024 (Ashad 31, 2081)

6 Investment	Consolidated		Standalone	
	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Particulars				
Subsidiary				
Devdah Mines And Minerals Pvt Ltd	-	-	10,000,000	10,000,000
Ghari Mines & Minerals Pvt Ltd	-	-	10,000,000	10,000,000
Gothadi Minerals Pvt Ltd	-	-	10,000,000	10,000,000
Palpa Mines & Minerals	-	-	190,000,000	190,000,000
R.K. Minerals Pvt Ltd	-	-	12,000,000	7,500,000
R.M.C. Mines & Minerals	-	-	18,500,000	18,500,000
Rahabas Minerals Pvt Ltd	-	-	10,000,000	10,000,000
S.A. Minerals Pvt Ltd	-	-	10,000,000	10,000,000
S.R.V. Mines Pvt Ltd	-	-	14,000,000	14,000,000
Tansen Mines & Minerals	-	-	145,000,000	145,000,000
V.K. Minerals Pvt Ltd	-	-	13,000,000	13,000,000
Yash Minerals Pvt Ltd	-	-	30,000,000	30,000,000
Total	-	-	472,500,000	468,000,000
7 Deferred Tax Assets	Consolidated		Standalone	
Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Deferred Tax Asset/(Liability)				
Property, Plant & Equipment	(523,777,348)	(440,306,581)	(523,777,348)	(440,306,581)
Changes in OH Component Incl. in Cost of Conversion	(8,430,470)	(1,510,585)	(8,430,470)	(1,510,585)
Carried Forward of Losses	361,188,885	213,299,018	360,973,013	213,150,315
CSR Provision	25,936	129,630	25,936	129,630
Total	(170,992,997)	(228,388,518)	(171,208,869)	(228,537,221)
8 Other Non Current Assets	Consolidated		Standalone	
Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Capital Advances				
Security Deposits	4,359,748	639,209	4,359,748	639,209
Total	4,359,748	639,209	4,359,748	639,209
9 Inventories	Consolidated			
Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
As Certified By Management				
Raw Materials	296,131,651	365,225,930	296,131,651	365,225,930
Power & Fuel	808,522,320	870,581,537	808,522,320	870,581,537
Packing Material	15,522,723	12,053,063	15,522,723	12,053,063
Semi Finished Goods [WIP]	2,658,011	3,859,470	2,658,011	3,859,470
Finished Goods	587,122,069	82,498,346	587,122,069	82,498,346
Stores and Spares	334,836,037	318,524,241	334,836,037	318,524,241
Total	2,044,792,809	1,652,742,587	2,044,792,809	1,652,742,587



Palpa Cement Industries Ltd.
Notes to the Financial Statements

10 Trade Receivables	Consolidated		Standalone	
	15th July, 2024 (Ashad 31, 2081)	15th July, 2024 (Ashad 31, 2081)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Particulars				
Trade Receivables From Related Parties	12,171,371	111,824,587	12,171,371	111,824,587
Trade Receivables From Other Parties	511,276,264	559,293,124	511,276,264	559,293,124
Provision for Impairment of Trade Receivables				
Total	523,447,635	671,117,711	523,447,635	671,117,711

11 Cash & Cash Equivalent	Consolidated		Standalone	
	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Particulars				
Cash in Hand (As Certified By Management)	522,267	1,939,408	522,267	1,939,408
Bank Balance:				
Bank of Kathmandu Lumbini Ltd.	39,248	24,403	39,248	24,403
Citizens Bank International Ltd.	1,722,530	425,593	1,722,530	425,593
Civil Bank Ltd.	77,758	79,183	77,758	79,183
Everest Bank Ltd.	24,226,228	1,359,219	24,226,228	1,359,219
Global IME Bank Ltd.	21,005,922	1,218,861	19,931,750	
Kumari Bank Ltd.	538,917	31,266	538,917	31,266
Laxmi Sunrise Bank Ltd. [Hattisar]	17,198,852	2,815,924	17,198,852	2,815,924
Machhapuchchhre Bank Ltd.	1,862,211	2,611	1,862,211	2,611
Nepal Investment Mega Bank Ltd. [Kamaladi]	2,050,491	1,030,481	2,050,491	1,030,481
NCC Bank Ltd.	187,976	505,846	187,976	505,846
Nepal Bank Ltd.	2,814,712	36,619	2,814,712	36,619
Nepal Investment Mega Bank Ltd. [Durbarmarg]	6,246,609	931,431	6,246,609	931,431
Nepal SBI Bank Ltd.	2,263,299	233,858	2,263,299	233,858
NIC Asia Bank Ltd.	1,354,104	32,055	1,312,004	32,055
NMB Bank Ltd.	1,410,662	2,196,842	1,410,662	2,196,842
Prabhu Bank Ltd.	15,205,019	1,015,121	15,205,019	1,015,121
Prime Commercial Bank Ltd.	527,163	8,265	527,163	8,265
Rastriya Banijya Bank Ltd.	837,493	16,755	837,493	16,755
Sanima Bank Ltd.	9,507,648	1,357,159	9,507,648	1,357,159
Siddhartha Bank Ltd.	2,076,821	693,538	2,076,821	693,538
Laxmi Sunrise Bank Ltd. [Kupondole]	2,366,345	1,045,856	2,366,345	1,045,856
Overdraft				
Global IME Bank Ltd.	-	20,419,763	-	20,419,763
Himalayan Bank Ltd.	33,250,228	1,846,343	33,250,228	1,846,343
Nepal Investment Mega Bank Ltd.	16,946,075	98,326,547	16,946,075	98,326,547
Nabil Bank Ltd.	9,820,912	2,915,443	9,820,912	2,915,443
Total	174,059,490	140,508,388	172,943,218	139,289,527



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Palpa Cement Industries Ltd.
Notes to the Financial Statements

12 Financial Asset at amortised Cost		Consolidated		Standalone	
Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	
Nepal Investment Bank Ltd. [Fixed Deposit]	3,000,000	3,000,000	3,000,000	3,000,000	
Total	3,000,000	3,000,000	3,000,000	3,000,000	
13 Other Financial Assets		Consolidated		Standalone	
Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	
Current					
Custom Dharauti (Returnable Goods)	276,000	285,075	276,000	285,075	
Bank Guarantee Margin	697,900	697,900	697,900	697,900	
Export Incentive Receivable	62,883,630	12,344,958	62,883,630	12,344,958	
Letter of Credit Margin	10,700,089	5,149,209	10,700,089	5,149,209	
Letter of Credit Advance	2,513,640	16,605	2,513,640	16,605	
Total	77,071,259	18,493,747	77,071,259	18,493,747	
14 Other Current Assets		Consolidated		Standalone	
Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	
Prepaid Expenses	1,027,633	1,999,927	1,027,633	1,999,927	
Advance to Suppliers	-	-	-	-	
Advance to Related Parties	-	112,968	-	112,968	
Advance to Other Parties	37,861,044	14,638,814	37,861,044	14,638,814	
Custom Deposit	28,654,090	17,668,413	28,654,090	17,668,413	
Advance Against Staff & Labors	2,575,869	1,726,624	2,575,869	1,726,624	
Advance Expenses	-	-	-	-	
Other Receivables	1,550,000	5,040,317	7,550,000	5,040,317	
VAT Receivable	42,452,822	-	42,452,822	-	
Total	114,121,457	41,187,063	120,121,457	41,187,063	
15					
(a) Equity Share Capital		Consolidated		Standalone	
Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	
Authorised Capital:					
37,500,000 Ordinary Shares @ Rs.100 Each	3,750,000,000	3,750,000,000	3,750,000,000	3,750,000,000	
Issued Capital:					
37,500,000 Ordinary Shares @ Rs.100 Each	3,750,000,000	3,750,000,000	3,750,000,000	3,750,000,000	
Paid Up Capital:					
30,000,000 Ordinary Shares of NPR 100 Each	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	
Total	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	



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Palpa Cement Industries Ltd.
Notes to the Financial Statements

(b) Other Equity
(i) Free Reserve

Particulars	Consolidated		Standalone	
	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Retained Earnings				
Balance at the Beginning of the Year	419,723,610	379,659,252	420,169,718	379,659,252
(+) Profit For the Year	69,854,033	38,760,134	70,055,538	39,206,242
(+) Other Comprehensive Income				
Available For Distribution	489,577,642	418,419,387	490,225,255	418,865,495
(-) Dividend Paid				
(+) Provision for CSR written back	648,150	1,304,223	648,150	1,304,223
Balance at the End of the Year	490,225,792	419,723,610	490,873,405	420,169,718

(ii) Revaluation Reserve

Particulars	Consolidated		Standalone	
	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Balance at the Beginning of the Year	483,677,265		483,677,265	
Land Revaluation Reserve		483,677,265		483,677,265
Balance at the End of the Year	483,677,265	483,677,265	483,677,265	483,677,265
Grand Balance at the End of the Year	973,903,057	903,400,875	974,550,670	903,846,983

16 Long Term Borrowings

Particulars	Consolidated		Standalone	
	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Hire Purchase Loan				
Himalayan Bank Ltd.	15,714,000	22,698,000	15,714,000	22,698,000
Nepal Investment Bank Ltd.	4,460,103	6,664,917	4,460,103	6,664,917
Permament working capital				
Global Bank Ltd.	314,500,000	340,000,000	314,500,000	340,000,000
Himalayan Bank Ltd.	222,000,000	240,000,000	222,000,000	240,000,000
Nabil Bank Ltd.	156,000,000	160,000,000	156,000,000	160,000,000
Nepal Investment Bank Ltd.	360,750,000	390,000,000	360,750,000	390,000,000
Sanima Bank Ltd.	249,750,000	270,000,000	249,750,000	270,000,000
Long Term Loan				
Global Bank Ltd.	1,171,849,621	1,286,618,269	1,171,849,621	1,286,618,269
Himalayan Bank Ltd.	781,382,082	858,013,902	781,382,082	858,013,902
Nabil Bank	510,529,908	560,529,732	510,529,908	560,529,732
Nepal Investment Bank Ltd.	791,843,607	896,844,200	791,843,607	896,844,200
Sanima Bank Ltd.	803,514,400	882,209,187	803,514,400	882,209,187
(-) Term Loan Current Portion	(224,647,518)	(630,000,000)	(224,647,518)	(630,000,000)
Total	5,157,646,202	5,283,578,207	5,157,646,202	5,283,578,207

17 Other Non Current Financial Liabilities

Particulars	Consolidated		Standalone	
	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Retention Money	11,654,097	14,810,233	11,654,097	14,810,233
Total	11,654,097	14,810,233	11,654,097	14,810,233

Palpa Cement Industries Ltd.
Notes to the Financial Statements

18	Provisions	Consolidated		Standalone	
	Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
	Non - Current				
	Provision For Leave Encashment				
	Provision For Gratuity				
	Non Current Provisions	-	-	-	-
	Current				
	Provision For Corporate Social Responsibility	129,678	648,150	129,678	648,150
	Provision For Bonus				
	Current Provisions	129,678	648,150	129,678	648,150

19	Trade Payable	Consolidated		Standalone	
	Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
	Trade Payable From Related Parties	2,252,222		2,252,222	
	Trade Payable From Others	109,748,696	174,695,104	109,748,696	174,695,104
	Total	112,000,919	174,695,104	112,000,919	174,695,104

20	Short Term Borrowings	Consolidated		Standalone	
	Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
	OverDraft				
	Global Bank Ltd.	14,103,731		14,103,731	-
	Sanima Bank Ltd.	114,600,000		114,600,000	-
	Short Term Loan				
	Himalayan Bank Ltd.	140,000,000		140,000,000	-
	Nabil Bank Ltd.	98,000,000		98,000,000	-
	Nepal Investment Bank Ltd.	662,230,000		662,230,000	-
	Working Capital Loan				
	Global Bank Ltd.	50,000,000		50,000,000	-
	Nepal Investment Bank Ltd.	-	100,000,000	-	100,000,000
	(+) Current Maturity of LTL	224,647,518	630,000,000	224,647,518	630,000,000
	Total	1,303,581,249	730,000,000	1,303,581,249	730,000,000

21	Other Current Financial Liabilities	Consolidated		Standalone	
	Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
	Other Payable	827,616	456,984	13,259,558	8,390,259
	Customer Deposit	183,918	183,918	183,918	183,918
	Retention Money	9,886,806	2,991,985	9,886,806	2,991,985
	Other Employee Related Payable				
	Salaries & Wages Payable	14,603,656	13,986,573	14,603,656	13,986,573
	Staff Deposit Payable	48,294,520	42,453,792	48,294,520	42,453,792
	Total	73,796,517	60,073,254	86,228,459	68,006,529



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Palpa Cement Industries Ltd.
Notes to the Financial Statements

22 Other Current Liabilities

Particulars	Consolidated		Standalone	
	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Interest Payable	27,516,667	-	27,516,667	-
Audit Fee Payable	1,267,375	1,267,375	999,775	999,775
Advance From Customers				
From Related Parties	-	446,610	-	446,610
From Others	31,436,315	22,846,260	31,436,315	22,846,260
Statutory Dues				
TDS Payable	11,266,911	4,207,047	11,263,311	4,203,222
Excise Payable	4,360,356	5,265,270	4,360,356	5,265,270
VAT Payable	-	2,174,288	-	2,174,288
Royalty Payable	5,657,722	1,034,433	5,657,722	1,034,433
Reverse VAT Payable	-	123,645	-	123,645
Other Liabilities				
Payable Against Letter of Credit	331,686,075	71,641,938	331,686,075	71,641,938
Other Payable	16,725	-	-	-
Total	413,208,146	109,006,865	412,920,221	108,735,440

23 Income Tax (Assets)/Liabilities (Net)

Particulars	Consolidated		Standalone	
	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Income Tax Liabilities	(110,942)	-	(110,942)	-
Income Tax Assets	5,133,255	4,291,913	5,133,255	4,291,913
Total	5,022,313	4,291,913	5,022,313	4,291,913



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Palpa Cement Industries Ltd.
Notes to the Financial Statements
For Period ended on 15 July, 2024 (Ashad 31, 2081)

				Fig.In NPR	
24	Revenue From Operations	Consolidated		Standalone	
		15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
	Particulars				
	Revenue From Cement Sales	2,903,491,522	2,569,234,247	2,903,491,522	2,569,234,247
	Revenue From Clinker Sales	1,249,847,266	1,533,485,877	1,249,847,266	1,533,485,877
	Other Operating Income				
	Revenue From Trading & Service	7,800,088	20,584,222	7,800,088	20,584,222
	Revenue From Scrap Sales	2,093,350	5,794,900	2,093,350	5,794,900
	Export Incentive	62,883,630	12,344,958	62,883,630	12,344,958
	Total	4,226,115,855	4,141,444,204	4,226,115,855	4,141,444,204
25	Cost of Sales	Consolidated		Standalone	
		15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
	Particulars				
	Raw Materials Consumed	1,190,418,835	903,769,064	1,190,418,835	903,769,064
	Packing Materials Consumed	115,890,040	98,434,675	115,890,040	98,434,675
	Other Materials Consumed	2,142,463	11,610,804	2,142,463	11,610,804
	Production Expenses [Sch 25A]	2,376,748,909	2,154,124,119	2,376,748,909	2,154,124,119
	(+) Opening Stock - FG	82,498,346	138,760,511	82,498,346	138,760,511
	(+) Opening Stock - WIP	3,859,470	3,503,057	3,859,470	3,503,057
	(-) Closing Stock - WIP	(2,658,011)	(3,859,470)	(2,658,011)	(3,859,470)
	(-) Closing Stock - FG	(587,122,069)	(82,498,346)	(587,122,069)	(82,498,346)
	Total	3,181,777,983	3,223,844,413	3,181,777,983	3,223,844,413
25A	Production Expenses [Sch 25A]	Consolidated		Standalone	
		15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
	Particulars				
	Electricity Power & Fuel	1,778,861,377	1,589,771,317	1,778,861,377	1,589,771,317
	Generator Running Expenses	72,200,859	71,123,529	72,200,859	71,123,529
	Security	5,370,000	5,208,000	5,370,000	5,208,000
	Insurance Premium	10,397,578	10,940,962	10,397,578	10,940,962
	Repair & Maintenance Expense Block A	809,452	310,514	809,452	310,514
	Repair & Maintenance Expense Block D	53,422,553	41,291,649	53,422,553	41,291,649
	Cleaning & Maintenance Expenses	652,630	510,306	652,630	510,306
	Salaries & Allowances	89,783,519	91,596,080	89,783,519	91,596,080
	Wages	72,753,297	66,581,335	72,753,297	66,581,335
	Mess Expenses	2,732,777	2,265,570	2,732,777	2,265,570
	Depreciation on Building & Plant & Machinery	281,340,712	266,235,932	281,340,712	266,235,932
	Other Manufacturing Expenses	8,424,154	8,288,924	8,424,154	8,288,924
	Total	2,376,748,909	2,154,124,119	2,376,748,909	2,154,124,119
26	Other Income	Consolidated		Standalone	
		15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
	Particulars				
	Insurance Claim	5,612,700	459,030	5,612,700	459,030
	Interest Income	335,750	2,758,589	335,750	2,758,589
	Profit on Sale of Fixed Assets	393,463	120,721	393,463	120,721
	Miscellaneous Income	8,056,801	5,004,790	8,053,276	5,004,790
	Other Income (Land)	-	158,428,936	-	158,428,936
	Total	14,398,714	166,772,066	14,395,189	166,772,066

Palpa Cement Industries Ltd.
Notes to the Financial Statements
For Period ended on 15 July, 2024 (Ashad 31, 2081)

27 Administration Expenses	Consolidated		Fig.In NPR Standalone	
	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Electricity	205,631	186,860	205,631	186,860
Salaries & Allowances	43,389,364	45,362,526	43,389,364	45,362,526
Staff Welfare	2,639,255	1,979,396	2,639,255	1,979,396
Bonus				
Insurance Premium	4,372,777	4,362,611	4,372,777	4,362,611
Repair & Maintenance Expense Block B	2,678,312	1,614,724	2,678,312	1,614,724
Repair & Maintenance Expense Block C	2,709,848	3,234,120	2,709,848	3,234,120
Rent	4,844,777	4,814,111	4,844,777	4,814,111
Rates & Taxes	5,555,170	4,493,211	5,555,170	4,186,811
Consultancy Fees	7,522,226	6,626,224	7,522,226	6,609,274
Audit Fee	1,203,400	1,203,400	1,000,000	1,000,000
Tax Audit Fee	82,800	82,800	15,000	15,000
Local Conveyance	27,603	44,790	27,603	44,790
Printing & Stationery	2,101,677	1,871,771	2,101,677	1,871,771
Travelling	6,505,311	6,033,863	6,505,311	6,033,863
Bank Charges & Commission	6,399,693	5,282,861	6,398,693	5,282,601
Membership & Subscription	155,000	29,500	155,000	29,500
Donation	6,614,627	1,897,278	6,614,628	1,897,277
Communication Charges	2,212,322	2,274,776	2,212,322	2,274,776
Guest Entertainment	266,059	447,537	266,059	447,537
Miscellaneous Expenses	101,291	138,800	101,291	138,800
Office Upkeep & Maintenance	567,477	1,318,878	567,477	1,318,878
Annual Maintenance Charges	224,548	543,142	224,548	543,142
Vehicles Running Expenses	21,124,076	7,006,082	21,124,076	7,006,082
Postage & Courier Charge	278,162	213,571	278,162	213,571
Pooja Expenses*	747,501	665,395	747,501	665,395
Cleaning & Maintenance Expenses	228,984	405,912	228,984	405,912
Exchange Gain/(Loss)	80,001		80,001	
Corporate Social Responsibility (CSR)				
CSR Expenses	648,150	1,304,223	648,150	1,304,223
CSR Provision	129,678	648,150	129,678	648,150
Certificate of Origin	934,156	296,925	934,156	296,925
Depreciation of Property, Plant and Equipments	10,126,093	11,836,808	10,126,093	11,836,808
Amortization of Intangible Assets	313,995	329,495	313,995	329,495
Total	134,989,964	116,549,741	134,717,765	115,954,930

28 Selling & Distribution Expenses	Consolidated		Standalone	
	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Salaries & Allowances	26,738,507	27,213,263	26,738,507	27,213,263
Advertisement & Business Promotion	24,071,232	16,805,812	24,071,232	16,805,812
Distribution & Freight Outward	24,067,676	23,209,700	24,067,676	23,209,700
Export Expenses	20,402,178	9,618,172	20,402,178	9,618,172
Repair & Maintenance (S&D)	5,837,152	5,402,141	5,837,152	5,402,141
Commission	114,806,323	90,144,542	114,806,323	90,144,542
Total	215,923,067	172,393,629	215,923,067	172,393,629



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Palpa Cement Industries Ltd.
Notes to the Financial Statements
For Period ended on 15 July, 2024 (Ashad 31, 2081)

Fig. In NPR

29

Finance Cost	Consolidated		Standalone	
Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Interest On Term Loan	494,217,514	579,376,620	494,217,514	579,376,620
Interest On Working Loan	201,036,588	152,479,801	201,036,588	152,479,801
Total	695,254,102	731,856,420	695,254,102	731,856,420

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Income Tax Expense	Consolidated		Standalone	
Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Current Tax on Profit For The Year	110,942		110,942	
Deferred Tax For The Year	(57,395,521)	24,811,933	(57,328,352)	24,960,636
Income Tax Expense	(57,284,579)	24,811,933	(57,217,410)	24,960,636



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Palpa Cement Industries Ltd.
Notes to the Financial Statements
For Period ended on 15 July, 2024 (Ashad 31, 2081)

31 Fair Value Measurements

(i) Financial Instruments by Category & Hierarchy

This section explains the judgements and estimates made in determining the Fair Values of the Financial Instruments that are measured at Amortised Cost and at which Fair Values are disclosed in the Financial Statements. The Company doesn't have any Financial Instruments which are to be measured at Fair Value through Profit & Loss or Fair Value through Other Comprehensive Income.

To provide an indication about the reliability of the inputs used in determining Fair Value, the Company has classified its financial instruments into Three Levels prescribed as per applicable NFRS. However, all the Financial Instruments held by the Company fall under Level 3 Category.

Level 1: Level 1 Hierarchy includes Financial Instruments measured using Quoted Prices.

Level 2: Fair Value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data & rely as little as possible on entity-specific estimates. If all significant inputs required to determine Fair Value of an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There is no transfer of Financial Instruments between different levels as mentioned above during the year.

32 Financial Risk Management

The Company's activities expose it to Credit Risk, Liquidity Risk & Market Risk.

(i) Credit Risk

The Company is exposed to credit risk for various Financial Instruments, For Example Customer Receivables, Loans or Advances given. The Company continuously monitors Receivables and defaults with customers & other counterparties. Appropriate Security Deposits along with Bank Guarantee are kept against the supplies to customers.

Credit Risk with respect to Trade Receivable is managed by the Company through setting up Credit Limits for customers & also periodically reviewing the Credit worthiness of major customers.

Impairment for Trade Receivables:

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Gross Carrying Amount	523,447,635	671,117,711
Impairment Losses		
Carrying Amount of Trade Receivables	523,447,635	671,117,711

The credit risk for cash & cash equivalents is considered negligible, since the counterparties are Nepal Rastra Bank approved Financial Institutions.

(ii) Liquidity Risk

Prudent Liquidity Management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of internal and external financing to meet obligations when due. The Company monitors its risk to a shortage of funds on a regular basis through cash forecast for scheduled debts servicing payments and considering maturity profiles of Financial Assets & Other Financial Liabilities.

a) Financing Arrangements:

The Company had availed Financing Arrangements as categorised below. Closing balances of the same stands as follows:

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Short Term Borrowings	1,303,581,249	730,000,000
Long Term Borrowings	5,157,646,202	5,283,578,207
Total Borrowings	6,461,227,451	6,013,578,207



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Palpa Cement Industries Ltd.
Notes to the Financial Statements
For Period ended on 15 July, 2024 (Ashad 31, 2081)

b) Maturity of Financial Liabilities:

The table below summarises the Company's Financial Liabilities into Relevant Maturity Groupings based on their Contractual Maturities for all Financial Liabilities.

	15th July, 2024 (Ashad 31, 2081)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	16th July, 2023 (Ashad 31, 2080)
Particulars	< 1 Year	> 1 Year	< 1 Year	> 1 Year
Trade Payables	112,000,919		174,695,104	
Borrowings	1,303,581,249	5,157,646,202	730,000,000	5,283,578,207
Other Non Current Financial Liabilities		11,654,097		14,810,233
Other Current Financial Liabilities	86,228,459		68,006,529	
Total Financial Liabilities	1,501,810,627	5,169,300,299	972,701,633	5,298,388,440

III) Market Risk

a1) Foreign Currency Risk Exposure

The Company imports are predominantly denominated in INR. As the exchange rate between India & Nepal is fixed, Company doesn't have foreign currency risk for its transactions.

b1) Interest Rate Risk

Interest Rate Risk is the risk that the Fair Value or Future Cash Flows of a Financial Instrument will fluctuate because of changes in Market Rates. The Company's policy is to minimise Interest Rate Cash Flow risk exposure on borrowings. Company also have interest rate risk in-terms of opportunity cost on Interest Income.

b2) Interest Rate Sensitivity

Profit or Loss is Sensitive to changes in Interest Rate for Borrowings. A change in Market Interest Level by 100 Basis Points which is reasonably possible based on Management's Assessment would have the following effect on the Profit After Tax.

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Interest Rate - Increase By 100 Basis Points*	62,374,028	58,983,165
Interest Rate - Decrease By 100 Basis Points*	(62,374,028)	(58,983,165)

* Holding all other Variable Constant

33 Capital Management

The Company has Equity Share Capital & Reserves as the source of capital. The primary objective of the Company's capital management is to maximize the shareholder value & provide adequate return to shareholders. To maintain or adjust the Capital Structure, the company may issue new shares for further capital infusion.



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Palpa Cement Industries Ltd.
Notes to the Financial Statements
For Period ended on 15 July, 2024 (Ashad 31, 2081)

34 Related Party Disclosure

Key Managerial Personnel

Chairman - Mr. Rajesh Kumar Agrawal
 Director - Mr. Vishnu Kumar Agrawal
 Director - Mrs. Sweety Kumari Agrawal
 CEO - Mr. Atul Dalmia
 CFO - Mr. Sandeep Sewa [Upto Ashad 1st, 2081]
 CFO - Mr. Begam KC

Subsidiary Entities

Devdah Mines And Minerals Pvt. Ltd.
 Ghari Mines & Minerals Pvt. Ltd.
 Gothadi Minerals Pvt. Ltd.
 Palpa Mines & Minerals Pvt. Ltd.
 R.K. Minerals Pvt. Ltd.
 R.M.C. Mines & Minerals Pvt. Ltd.

Subsidiary Entities

Rahabas Minerals Pvt. Ltd.
 S.A. Minerals Pvt. Ltd.
 S.R.V. Mines Pvt. Ltd.
 Tansen Mines & Minerals Pvt. Ltd.
 V.K. Minerals Pvt. Ltd.
 Yash Minerals Pvt. Ltd.

Related Entities

RMC Cement Pvt. Ltd.
 Rajesh Metal Crafts Pvt. Ltd.
 RMC Foods Pvt. Ltd.
 RMC Construction Pvt. Ltd.
 Purvanchal Cement Pvt. Ltd.
 RMC Investment Pvt. Ltd.

Fig. in NPR

(a) Key Management Personnel Compensation:

Particulars	Consolidated		Standalone	
	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Short Term Employee Benefits	5,147,420	3,077,602	5,147,420	3,077,602
	5,147,420	3,077,602	5,147,420	3,077,602

(b) Related Party Transactions:

Particulars	Consolidation			Standalone		
	KMP	Other Related Entities	Total	KMP	Other Related Entities	Total
Sales						
For The Year Ended 15th July, 2024 (Asadh 31, 2081)		97,292,148	97,292,148		97,292,148	97,292,148
For The Year Ended 16th July, 2023 (Ashad 31, 2080)		146,117,564	146,117,564		146,117,564	146,117,564
Purchases						
For The Year Ended 15th July, 2024 (Asadh 31, 2081)		13,482,975	13,482,975		13,482,975	13,482,975
For The Year Ended 16th July, 2023 (Ashad 31, 2080)		2,673,235	2,673,235		2,673,235	2,673,235
Services Purchase						
For The Year Ended 15th July, 2024 (Asadh 31, 2081)	3,600,000		3,600,000	3,600,000		3,600,000
For The Year Ended 16th July, 2023 (Ashad 31, 2080)	3,600,000		3,600,000	3,600,000		3,600,000

(c) Related Party Balances:

Particulars	Consolidated			Standalone		
	KMP	Other Related Entities	Total	KMP	Other Related Entities	Total
Trade Receivables						
As at 15th July, 2024 (Asadh 31, 2081)		12,171,371	12,171,371		12,171,371	12,171,371
As at 16th July, 2023 (Ashad 31, 2080)		111,824,587	111,824,587		111,824,587	111,824,587
Trade Payables						
As at 15th July, 2024 (Asadh 31, 2081)		2,252,222	2,252,222		2,252,222	2,252,222
As at 16th July, 2023 (Ashad 31, 2080)		-	-		-	-
Net Staff Payable						
As at 15th July, 2024 (Asadh 31, 2081)	3,217,700	-	3,217,700	3,217,700		3,217,700
As at 16th July, 2023 (Ashad 31, 2080)	2,643,320	-	2,643,320	2,643,320		2,643,320



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Palpa Cement Industries Ltd.
Notes to the Financial Statements
For Period ended on 15 July, 2024 (Ashad 31, 2081)

35 Legal Matters & Contingent Liabilities

Claims against the company not acknowledged as liability - Inland Revenue Department

Particulars	Consolidated		Standalone	
	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Claims against the Company not acknowledged as debts:				
For Income Tax/VAT/Excise*	4,941,986	4,941,986	4,941,986	4,941,986

Note:

1. Company has not recognized any form of contingent liability for Income Tax & VAT so assessed for FY: 2075|76, 2076|77 & 2078|79 as the same is under review/appeal at respective legal forums.
2. Management believes that chances of these matters going against the company are remote and there will not be any probable cash outflow.

36 Corporate Social Responsibility

Provision for Corporate Social Responsibility, as required under the provision of Industrial Enterprise Act, 2076 Sec: 54 has been created.

37 Earnings Per Share

Particulars	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)	15th July, 2024 (Ashad 31, 2081)	16th July, 2023 (Ashad 31, 2080)
Profit For the Year	69,854,033	38,760,134	70,055,538	39,206,242
Weighted Avg. No. of Equity Shares O/S During the Year	30,000,000	30,000,000	30,000,000	30,000,000
Nominal Value of Equity Shares	100	100	100	100
Earnings Per Share	2.33	1.29	2.34	1.31

38 Assets Pledged

To Collateralize its borrowings following arrangements has been done:

Entity has entered into Pari Passu agreement where it has pledged all its movable/non movable assets (Existing & Future Expansions), Individual Guarantee has also been provided by Directors along with that first charge over income so generated from project has also been given to the consortium banks.

39 Regrouping of Figures:

Previous Year's figures have been regrouped/rearranged as and where necessary.

40 Miscellaneous:

- (i) All amounts are in Nepalese Rupees unless otherwise stated.
- (ii) All figures are in the Nearest Rupee & Rounded off.



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