



**ARUN K CHAUDHARY**  
Chairman



**BIJAY B SHRESTHA**  
Director



**Purna Prasad Rijal**  
Director



**RABINDRA RAJ PANT**  
Director



**SHILA CHAUDHARY**  
Director



**ANIL BASNYAT**  
Director



**NIRANJANA NEUPANE**  
Director



**KARAN K CHAUDHARY**  
Executive Director



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# नेपाल ल्यूव आयल लिमिटेडको

## एकत्तीसौ वार्षिक साधारण सभाको सूचना

मिति २०७९।०६।०४ मा बसेको सञ्चालक समितिको ३६४ औं बैठकको निर्णय अनुसार यस कम्पनीको एकत्तीसौ वार्षिक साधारण सभा निम्नलिखित मिति, समय, र स्थानमा देहायका विषयहरु उपर छलफल गर्न बस्ने भएको हुँदा सम्पूर्ण सेयरधनी महानुभावहरुको उपस्थितिका लागि हार्दिक अनुरोध गरिएको छ।

### १. सभा हुने मिति, समय र स्थान:

मिति : २०७९ साल आश्विन २८ गते शूक्रवार (१४ अक्टोबर, २०२२)

समय : बिहान ११:३० बजे

स्थान : याक प्यालेस, पूल्चोक, ललितपुर

### २. छलफलका विषय सूची :

- आ.व.२०७८।७९को सञ्चालक समितिको प्रतिवेदन माथि छलफल गरी पारित गर्ने।
- आ.व.२०७८।७९ को लेखा परीक्षकको प्रतिवेदन, २०७९ आसार मसान्तसम्मको वासलात आ.व.२०७८।७९ को आय विवरण र सोही अवधिको नगद प्रवाह विवरण छलफल गरि स्वीकृत गर्ने।
- सञ्चालक समितिले सिफारिस गरे बमोजिमको २५ प्रतिशत बोनस शेयर तथा ५ प्रतिशत नगद लाभांश वितरण स्वीकृत गर्ने।
- आ.व.२०७९।८० को कारोबारको हिसाब लेखा परीक्षण गर्नका निमित्त लेखा परीक्षकको नियुक्ति तथा निजको पारिश्रमिक निर्धारण गर्ने। (हालका लेखा परीक्षक पूर्वनियुक्त हून सक्ने)
- विविध।

### ३. विशेष प्रस्ताव

- कम्पनीको अधिकृत एवं जारी पूँजि रु. ५ करोड थप वृद्धि गरि रु. १० करोड कायम गर्ने।
- हाल प्रस्तावित बोनस शेयर वितरण स्वीकृत पश्चात सो बराबरको चूक्ता पूँजि वृद्धि गर्ने।
- अधिकृत पूँजी, जारी पूँजी तथा चुक्ता पूँजी वृद्धि गर्ने सन्दर्भमा कम्पनीको प्रवन्धपत्र तथा नियमावलीमा आवश्यक संसोधन गर्न विवरणहरु तयार गरी श्री कम्पनी रजिस्ट्रारको कार्यालयमा पेश गर्न तथा आवश्यक अन्य कार्य गर्न गराउन संचालक समितिलाई अख्तियारी प्रदान गर्ने।

सञ्चालक समितिको आज्ञाले  
कम्पनी सचिव

## साधारण सभाहुने सम्बन्धमा सामान्य जानकारी

- COVID 19 तथा Dengue को हालको अवस्थालाई मध्यनजर गर्दै सुरक्षा मापदण्डको पुर्ण पालना गरी सभा सम्पन्न गरिने छ र सहभागी शेयरधनी महानुभावहरुलाई समेत सुरक्षाको सम्पूर्ण उपाय अवलम्बन गरि सभामा उपस्थितिको निमित्त हार्दिक अनुरोध छ।
- प्रतिनिधि (प्रोक्सी) नियुक्त गरिएकोमा सो प्रतिनिधिपत्र कम्पनीको कर्पोरेट कार्यालय, साकेत भवन, त्रिपुरेश्वर, काठमाण्डौंमा सभा सुरु हुनुभन्दा कम्तीमा ७२ घण्टा अगाडि दर्ता गरी सक्नु पर्नेछ। शेयरवालाको नाम शेयर संख्या र दस्तखत नमिलेको प्रतिनिधिपत्र रद्द हुन्छ।
- उपस्थित गणपुरक संख्या सभा संचालनको निमित्त निर्दिष्ट संख्या अनुसार पर्याप्त भएमा मात्र सभा संचालन हुने छ।
- साधारण सभा प्रयोजनका लागि कम्पनीको शेयर दाखिल खारिजको काम मिति २०७९।०६।१४ देखि २०७९।०६।२८ सम्म बन्द रहने छ।
- साधारण सभाको सूचना र आर्थिक विवरण शेयरधनीको दर्ता किताबमा कायम रहेको ठेगानामा पठाइने छ।
- साधारण सभा सम्बन्धी अन्य कुराहरुको जानकारी आवश्यक भएमा कम्पनीको कर्पोरेट कार्यालय, साकेत भवन, त्रिपुरेश्वरमा, कार्यालय समयमा सम्पर्क राखी लिन सकिने छ।



# प्रोक्सी फारम

श्री सञ्चालक समिति  
नेपाल ल्यूब आयल लिमिटेड  
भूमिखेल, ललितपुर

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

..... जिल्ला ..... म.न.पा./उ.न.पा./न.पा./गा.वि.स. वडा  
नं. .... बस्ने म र हामी ..... ले त्यस कम्पनीको से  
यरधनीको हैसियतले २०७९ साल आश्विन २८ गते हुने साधारण सभामा स्वयम् उपस्थित भई छलफल तथा  
निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान गर्नको लागि .....

..... जिल्ला ..... म.न.पा./उ.न.पा./न.पा./गा.वि.स. वडा नं. ....  
बस्ने त्यस कम्पनीको सेयरवाला श्री ..... सेयर प्रमाण पत्र नं. .... लाई  
मेरो र हाम्रो प्रतिनिधि मनोनित गरी पठाएको छु / छौं ।

निवेदकको दस्तखत .....

नाम.....

ठेगाना.....

सेयर प्रमाण पत्र नं. ....

सेयर संख्या .....

नेपाल ल्यूब आयल लिमिटेड  
भूमिखेल, ललितपुर


## प्रवेश पत्र

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

सेयरधनीको सहि :

नेपाल ल्यूब आयल लि.को २०७९।०६।२८ मा हुने तिसौं वार्षिक साधारण सभामा उपस्थितिका लागि जारी गरिएको  
प्रवेश पत्र ।

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

  
.....  
कम्पनी सचिव

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



# नेपाल ल्यूब आयल लिमिटेडको मिति २०७८ साल आश्विन २८ गते

बोलाइएको एकत्तीसौं वार्षिक साधारण सभामा सञ्चालक  
समितिको तर्फबाट अध्यक्ष श्री अरुण कुमार चौधरी  
द्वारा प्रस्तुत आ.व.२०७८।७९ को

## वार्षिक हिसाब र प्रतिवेदन

सेयरधनी महानुभावहरु,  
नेपाल ल्यूब आयल लि. को एकत्तीसौं वार्षिक  
साधारण सभामा सहभागी हुनु भएका सम्पूर्ण शेयर  
धनी महानुभावहरुमा कम्पनीको सञ्चालक समिति,  
सम्पूर्ण कम्पनी परिवार र मेरो व्यक्तिगत तर्फबाट  
समेत म यहाँहरुलाई हार्दिक स्वागत तथा न्यानो  
अभिवादन व्यक्त गर्दछु।

विगत २ वर्ष विश्वव्यापी रुपमा फैलिएको कोरोना  
महामारीको कारणले Virtual रुपमा वार्षिक साधारण  
सभा सम्पन्न गरिएकोमा आज यसरी धेरै भन्दा धेरै  
शेयरधनी महानुभावहरुको भौतिक उपस्थितीमा यस  
वर्षको एकत्तीसौं वार्षिक साधारण सभा संचालन गर्न  
पाउंदा असाध्यै हर्ष विभोर भएको छु।

अघिल्ला २ वर्षको वार्षिक साधारण सभामा  
जानकारी गराए अनुरूप कम्पनीले COVID 19 को  
पहिलो लहर पश्चातनै सुरक्षाका सम्पूर्ण उपायहरु  
अवलम्बन गर्दै दैनिक उत्पादन तथा कारोवारलाई  
निरन्तरता दिई आएको छ र आगामी दिनमा पनि  
यसलाई निरन्तरता दिदै जानेछ। यसको निमित्त  
उत्पादनस्थल, कामदार, कर्मचारी, उत्पादित वस्तु,  
ढुवानीका माध्यम र कारोवारमा प्रत्यक्ष तथा  
अप्रत्यक्षरुपमा संलग्न रहने सबैको सुरक्षामा कटिबद्ध रहन  
सञ्चालक समितीले व्यवस्थापनलाई निर्देशन तथा सूभाव  
दिदै आएको र समय समयमा सोको अवलोकन समेत  
गर्ने गरिएको छ।

COVID 19 को पहिलो लहर पश्चात धेरै किसिमका

व्यापार व्यवसाय लामो समयसम्म सञ्चालननै हुन  
नसकेर धरासायी भएका र सञ्चालनमा रहेका केहि  
समेत पूर्ण क्षमतामा संचालन हुन नसकिरहेको  
हामिहरु सबैलाई अवगत भएकै छ। यस्तो अवस्थामा  
पनि हाम्रो कम्पनी संलग्न रहेको उत्पादीत वस्तु दे  
शभिन्नको दैनिक कार्य सञ्चालनको निमित्त  
अत्यावश्यक वस्तु सरहनै रहेकोले निरन्तर मागमा  
अथवा प्रयोग गरिरहनू पर्ने वस्तु भएकोले दैनिक  
निरन्तर रुपमा कारोवार भने भईरहेको छ। समिक्षा  
वर्षको अन्तिम ४ महिना देशको विद्यमान  
आर्थिक अवस्था र कम्पनीको प्रत्यक्ष खरिदकर्ताहरुको  
व्यवसायमा असर पुग्ने गरि निर्यातमा भएको  
प्रतिबन्धले समेत असर पुग्न गएको छ। माथिका  
कठिनाइका बाबजुद पनि हाल हासिल गरेको उपलब्धी  
निरासाजनक नभई प्रगतीशीलरुपमा अग्रसरनै रहेको  
छ।

यसरी कम्पनीको प्रत्यक्ष ग्राहक वर्ग अर्थात सवारी  
साधन र उद्योगहरु क्षमता भन्दा धेरै सिमित मात्रामा  
सञ्चालन हुंदा हुंदै पनि लिएको विक्रि लक्ष्य ३७५९  
के.एल. को ९०.५ प्रतिशत अर्थात ३४०२ के.एल. विक्री  
यस समिक्षा वर्षमा गर्न सफल भएका छौं। ३०००  
के.एल.विक्रि परिमाणको आंकडामा कम्पनी पहिलो पटक  
पुग्न सफल भएको छ। तसर्थ ३४०२ के.एल.विक्रि  
कम्पनीको हालसम्मको उच्चतम विक्रि परिमाण हो। यो  
उपलब्धि हासिल गर्नमा मुख्य रुपमा योगदान गर्ने  
हाम्रा कुसल व्यवस्थापन समुह लगायत अन्य सहयोगी



महानुभावहरु लाई धन्यवाद ज्ञापन प्रदान गर्दछौ । समिक्षा अवधिमा कम्पनीले केहि दीर्घकालिन रणनीति आधारित लक्षित कार्यहरु सम्पन्न गरेको छ र केहि कार्यक्रमहरु भावी वर्षहरुमा समेत प्रभाव पार्ने हेतुले सञ्चालित थिए । उक्त कार्यक्रमहरु सम्बन्धमा छोटकरी रुपमा प्रकाश पार्दै कम्पनीले हासिल गरेका केहि ठोस उपलब्धिहरुका साथै यस गरिमामय सभामा संचालक समितीको तर्फबाट म २०७९ अषाढ मसान्तको कम्पनीको वासलात, आर्थिक वर्ष २०७८।७९ को नाफा नोक्सान हिसाव, नगद प्रवाह विवरण र अन्य विभिन्न वित्तीय परिसूचकहरु प्रस्तुत गर्दै कम्पनीको गत आर्थिक वर्षको कार्यको समीक्षा तथा भावी कार्यक्रमहरु स्विकृतीका लागि प्रस्तुत गर्न अनुमति चाहन्छु ।

सेयरधनी महानुभावहरु,

यस समिक्षा अवधिमा कम्पनीले आफ्ना डिष्ट्रिब्युटरहरु लाई COVID तथा देशको विद्यमान आर्थिक अवस्थालाई मध्यनजर गर्दै यस विषम परिस्थितीमा डिस्ट्रिब्युटर, रिटेलर र मेकानिक्सहरुलाई थप प्रोत्साहन र सहयोग मिलोस भनि टारगेट र टारगेट बोनसमा केहि लचकता अपनाएका थियौ । जसले हाम्रा निकट Partner हरुलाई कम्पनी प्रति लामो समयसम्म आवद्ध हुन थप हौसला र प्रेरणा मिल्ने छ भन्ने विश्वास बढेको छ । यसैको नतिजा पनि हो हाल देशका १२ जना डिष्ट्रिब्युटरहरुले Exclusive Showroom निर्माण गरिसकेको र अन्यले समेत गर्दै गरेको अवस्था छ । यसले बजारमा आम उपभोक्तालाई प्रतिस्पर्धिहरुको माझमा GULF Brand र यसका उत्पादन प्रतिको विश्वासमा वृद्धि गर्ने बातावरण श्रृजना गरेको छ । आज भन्दा ७ वर्ष अधिसम्म १००० के.एल.को विक्रि परिमाण आसपासमा बसेका हामि हाल ३४०२ के.एल. विक्रि गर्न सफल भएका छौ र यसको निमित्त हामी संग भएका श्रोत र साधनलाई समयअनुकूल क्षमता

विस्तार गर्न जरुरी भएकोले गत वर्ष यसै गरिमामय सभामा जानकारी गराए अनुरूप हामिले यस वर्ष ४ वटा फिलिंग मेशिन, २ वटा नयां गोदामघर, पुरानो गोदामघरको क्षमता वृद्धि, ग्रिजको निमित्त छुट्टै सेडको निर्माण सम्पन्न भएको छ । त्यस्तै थप दुई अत्याधुनिक Blending Kettle को जडान सहित हालसालैसो बाट उत्पादन समेत शुरू भएको छ । यसबाट कम्पनीको उत्पादन क्षमता वार्षिक रुपमा ८००० के.एल. भएको छ र यसबाट आगामि केहि वर्ष सम्म उच्च गुणस्तरको उत्पादन छिटोछरितो रुपमा उपभोक्ता माझ पुऱ्याउने सामर्थ्य हासिल गरेका छौ । यसका साथै हाल उत्पादन भईरहेका बाहेकका थप केहि उत्पादन, जो आज सम्म हामि GULF का विभिन्न निकायबाट आयात गरिरहे का थियौ, सो समेत यहि उत्पादन गर्न सक्षम भएका छौ ।

समिक्षा वर्षमा कर्मचारी तथा कामदारहरुको निमित्त माथि उल्लेख गरिएका सुरक्षित वातावरणमा कार्य गर्ने उपाय त अपनाएका थियौ नै तर यसका साथ साथै निजहरुको वृतिविकास र कार्यालयको उत्पादकत्व वृद्धिको निमित्त विभिन्न किसिमका तालिम र आकर्षक Incentive को व्यवस्थालाई समेत निरन्तरता दिई रहेका छौ ।





## (क) विगत वर्षको कारोबारको सिंहावलोकन :

विगत पांच वर्षको तुलनात्मक वित्तीय स्थिति निम्नानुसार रहेको छ ।

S.N.	Particulars	F.Y.74/75	F.Y.75/76	F.Y.76/77	F.Y.77/78	F.Y.78/79
1	Sales Quantity (KL)	2601	2807	2086	2920	3402
2	Turnover	781,251,831	909,125,132	673,334,427	960,672,584	1,245,187,002
3	Total Expenses	724,711,533	851,020,674	659,089,176	918,885,908	1,197,306,088
4	Profit Before Tax & Provision	56,540,298	58,104,458	14,245,251	41,786,676	47,880,914
5	Provision for CSR	565,403	581,045	124,478	379,879	379,879
6	Provision of Bonus	5,088,627	5,229,401	1,797,476	3,798,789	4,357,893
7	Provision of Tax	10,600,322	11,346,723	3,626,188	6,866,321	9,850,141
8	Deffered Tax Income/(Loss)	40,285,946	40,947,289	8,697,109	30,741,687	33,293,001
9	Net Profit	-	-	1,128,828	25,205,752	1,745,084
10	Other Comprehensive Income/(Loss)	-	-	96,186,489	(215,132)	-
11	Total Comprehensive Income	40,285,946	40,947,289	106,012,426	55,732,307	35,038,085

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

COVID-19 महामारिको तेश्रो लहरबाट केहि हद सम्म असर त परेकै हो तर त्यो भन्दा

प्रत्यक्ष असर कम्पनीको निमित्त कच्चा पदार्थ अर्थात Base Oil को अन्तर्राष्ट्रिय बजारमा भएको व्यापक वृद्धि संग संगै Shipping line हरुको भाडादरमा भएको वृद्धिले समेत धेरै असर पुग्न गएको छ । Base oil मा भएको वृद्धि त हामिले दैनिक जिवनमा उपयोग गर्ने इन्धनको मूल्य वृद्धिले पनि जानकार बनाएकै छ तर उक्त Base oil को मूल्य वृद्धिलाई समायोजन गर्न आफ्नो तयारी बस्तुको मूल्य वृद्धि कार्यान्वयन गर्न नसक्नु मुख्य चुनौती रहन गयो । कम्पनीले २०७९ बैशाख १८ गते देखि लागू गर्ने भनेको मूल्य वृद्धि प्रतिस्पर्धि ब्राण्डहरुद्वारा उनिहरुको वस्तुको मूल्य वृद्धि नगरेको कारण बजारमा स्विकार्य नभएकोले कार्यान्वयन गर्न नसकिएको हो । कम्पनीले हाल सालै अर्थात मिति २०७९ भाद्र १ देखि नयां मूल्य कार्यान्वयनमा ल्याएको छ । गत वर्ष भै अर्थात २०७८।२।१ म लागू गरिए भै यस वर्ष पनि

अधिकतम खुद्रा मूल्य (MRP) मूल्य वृद्धि गर्ने र तुरुन्त बजारमा लागू गर्नेमा हामिनै अगाडि रहेका छौ । हाल सम्म उक्त मूल्य वृद्धिलाई बजारले पूर्ण रुपमा स्विकार नगरेता पनि कम्पनीको Base oil, Additives र प्याकिङ्ग मेटेरियलमा भएको व्यापक वृद्धिले कम्पनीको प्रत्यक्ष लागतमा हुन गएको वृद्धिलाई समायोजन गर्न पनि आफ्नो उत्पादनको मूल्य वृद्धि गर्न जरुरी भएको ले गरिएको हो ।

यसरी कच्चापदार्थको बजेटमा अनुमान गरे भन्दा व्यापक मूल्य वृद्धि हुन जानु तर तयारी सामानको मूल्य वृद्धि तत्कालै गर्न असमर्थ हुनु र मूल्य वृद्धि समेत वर्षको अन्ततिर र नगन्य मात्रमा भएको कारण प्रत्यक्ष लागत खर्चमा व्यापक बढोत्तरी भएको छ । यस्तो अवस्थामा कम्पनीको खुद नाफामा समेत प्रभाव पारेको स्पष्ट देखिन्छ । याहा अझ प्रष्ट पार्न जरुरी भनेको उक्त मूल्य वृद्धि हुने अवस्थामा कम्पनीले आफ्नो Storage Capacity र वित्तीय अवस्थाले धान्न सक्ने गरि अग्रिम रुपमा Base Oil को Smart Buying गरि केहि

हदसम्म Base Oil Storage गर्न सकेको कारणले गर्दा नै हालको अवस्था सम्म आउन सफल भएका हौं । त्यस्तै बैंक ब्याजदर वृद्धि र माथि भनिए अनुरूप डिष्ट्रिब्यूटर, रिटेलर तथा मेकानिक्सको प्रोत्साहन बोनस एवंम स्किममा गरिएको समायोजन र स्किमका विद्युत्तीय वस्तुहरुको मूल्य वृद्धिले समेत कम्पनीको खुद नाफामा असर पार्न गएको छ ।

बारम्बार भन्ने गरिएको कम्पनीको कारोवारलाई असर गर्ने अर्को मुख्य विषय भनेको कुनै ठोस नियम र गुणस्तर मापन विना विभिन्न किसिमका लुब्रिकेन्ट्स आयात हुनु हो । गतवर्ष १५८ विभिन्न व्यक्ति तथा संस्थाहरुले लुब्रिकेन्ट्स आयात गरेका थिए । ति सबै लुब्रिकेन्ट्सको गुणस्तरको सम्बन्धमा नियमनाकारी संस्था अर्थात नेपाल सरकारको कुनै किसिमको नियन्त्रण छैन । बजार मा भने ३० प्रतिशत भन्दा बढि हिस्सा ओगटेको यस्ता अनियन्त्रित रुपमा भित्रिने यस्ता लुब्रिकेन्ट्स सस्तो दर मा प्राप्त हुने र अन्य प्रतिष्ठित Brand को मूल्यमा उपभोक्तालाई विक्री गर्न पाईने भएकोले रिटेलर र मे कानिक्सको पहिलो रोजाईमा पर्न गएको छ ।

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

चालु आ.व. २०७९।८० मा ४१०९ के.एल. विक्रि गरी सञ्चालन मुनाफा रु. ५ करोड ९१ लाख हुने लक्ष्य र खि कारोबार सञ्चालन भई रहेकोमा हालको देशमा विध्यमान रहेको तरलताको अभाव, Cash Crunch, ब्यजदरमा भएको ब्यापक वृद्धि र Overall Market Centiment नै धेरै Low भएको अहिलेको परिस्थितिमा २०७८ भाद्र मसान्त सम्ममा जम्मा ३५० के.एल. लुब्रिकेन्टस् विक्रि वितरण भएको छ । यी सब कुराहरुलाई मनन गर्दा यस वर्ष व्यापार ब्यवसाय धेरै नै चुनौतिपुर्ण (Challenging) हुने देखिएको छ ।

### आ.व. २०७८।७९ को कार्यक्रमको स्थिति :

- गत वर्ष यसै गरिमामय सभामा पेश गरिए अनुरूप

यस समिक्षा वर्षमा कम्पनीले ४ वटा विभिन्न किसिमका फिलिङ्ग मेशिन जडान कार्य समाप्त भई सञ्चालनमा आएको छ ।

- त्यसै गरि ३ वटा सेडहरुको निर्माण कार्य समेत समाप्त भई सञ्चालनमा ल्याइएको छ भने पुरानो गोदामघरको समेत क्षमता विस्तार कार्य सम्पन्न भई सञ्चालनमा आईसकेको छ ।



- कम्पनीले विभिन्न किसिमका Branding tools हरु मार्फत Brand Value वृद्धि गर्ने कार्यहरु गरेको छ । सोको विवरण र नमुनाहरु यसै प्रतिवेदन पुस्तिकाको अन्त्यमा राखिएको छ ।

- कम्पनीले मोटर साईकलको निमित्त उच्च गुणस्तर को थप १ वटा, कर्मशियल गाडीहरुको निमित्त २ वटा लुब्रिकेन्ट्स र औद्योगिक प्रतिष्ठानहरुको निमित्त ४ वटा नयां लुब्रिकेन्ट्सहरु बजारमा ल्याएको छ । उक्त उत्पादनहरुलाई बजारले सकारात्मक रुपमा लिएता पनि सोको दिर्घकालिन मागको बारेमा यस आ.व.मा मात्र जानकारी प्राप्त हुने छ ।

- १०।१० के.एल.को दुईवटा अत्याधुनिक Blending Kettle को जडान अन्तिम अवस्थामा रहेको थियो र यो प्रतिवेदन तयार भईरहदा अर्थात २०७९ आश्विनमा



सोबाट उत्पादन समेत सुरु भई सकेको छ ।

● यस वर्ष कम्पनीले Hologram सहितका भार तबाट आयातित नयां डिजाइन र आकर्षक स्टिकरहरू प्रयोगमा आई सकेको छ । यस्ता स्टिकरहरूमा जार वा पेल भित्र रहेको Product को समेत जानकारी प्रदान गर्ने हिसावले Color Coding गर्ने कार्य सम्पन्न भई प्रचलनमा ल्याई सकिएको छ ।



● त्यस्तै यस वर्ष ३ वटा नयां ग्रिज बजारमा ल्याएको छ । कम्पनीको countionus effortको उपलब्धीको रूपमा यो कार्य सम्पन्न भएको हो । बजारले सो ग्रिजहरूलाई उत्साहपूर्ण रूपमा स्विकार गरिरहेको हामिले उक्त ग्रिजहरूको विक्री परिमाणबाट प्राप्त भएको छ । त्यस्तै अगामी दिनमा कम्पनीको विक्रिमा यी ग्रिज उत्पादनहरूले धेरै ठुलो योगदान पुर्याउने छ, भन्ने विश्वास लिएका छौं ।

● यस वर्ष हेटौडा तथा चितवनमा थप २ नयां डिष्ट्रिब्युटर नियुक्त गरिएको छ ।

● यस वर्ष कारोवारको वृद्धिलाई मध्यनजर गर्दै थप ४ जना नयां कर्मचारीहरू नियुक्ती गर्नुका साथै २ जना कर्मचारीहरूको प्रतिस्थापन गरिएको छ ।

● वितरकहरूका कर्मचारीहरूका साथ साथै कम्पनीका कर्मचारी तथा कामदारहरूलाई लाई यस पटक स्वदेश तथा विदेशमा तालिम प्रदान गर्नुका साथै आकर्षक तथा

व्यवहारिक प्रोत्साहन भत्तालाई निरन्तरता दिईएको छ ।

● यस वर्ष पनि काठमाण्डौं शहर भित्र संचालन हुने र तराईमा लामो रुटमा संचालन हुने ट्रक कन्टेनरमा ब्राण्डिङ्ग गरिएको छ र सोको बजारमा राम्रो छाप पर्न गई थप कन्टेनरहरूबाट ब्राण्डिङ्गको माग पनि भई रहेको छ ।

● हालको महामारीको स्थितिलाई ध्यानमा राखेर कम्पनीले विगतका वर्षहरूमा बजार प्रबर्द्धनको निमित्त सदैव भै टि शर्ट, सर्जिकल मास्क, कि रिङ्ग, डटपेन, क्यालेण्डर तथा मेकानिक्सहरूको निमित्त ट्रयाक सुट वितरण गरिएको छ ।

● Flex, Light Board र Wall paint मार्फत Branding गर्ने कार्यलाई यस वर्ष पनि निरन्तरता दिईएको छ ।

● दशैं, तिहार र छठको समयमा विभिन्न रिटेलर तथा ग्यारेजहरूमा शुभकामना गेटहरू निर्माण गरिएको छ ।

● काष्ठमण्डप टि.भि.मा समाचार प्रायोजन समेत गरिएको छ । समाचार वाचक वा वाचिकाले प्रयोग गर्ने ल्यापटपमा हाम्रो लोगो रहेको छ ।

● यस वर्ष कम्पनीले GULF ब्राण्डको jingle समेत बनाईएको छ ।

● कम्पनीले यसवर्ष कान्तिपूर F.M. मा प्रत्येक महिना सञ्चालन हुने “सलाम जिउदों ईतिहासलाई” कार्यक्रम ६ महिनाको निमित्त सह प्रायोजन गरिएको थियो र साथ साथै ६ महिनाको निमित्त विहान ९ बजेसम्मको समाचारमा आफ्नो विज्ञापन समेत गरिएको थियो ।

● यस समिक्षा वर्षमा कम्पनीले कम्पनी ऐनको प्रावधान अनुरूप सञ्चालक श्री निरञ्जन न्यौपानेको संयो जकत्वमा ४ सदसीय लेखा परीक्षण समिति गठन भएको छ ।

● अन्य विवरण यसै प्रतिवेदनको अन्त्यमा उल्लेख गरिएको छ ।



## आर्थिक वर्ष २०७८/८० मा लक्षित नयां कार्यक्रमहरू :

कम्पनीले आ.व. २०७८/७९ मा आफ्नो लक्ष्य हासिल गर्ने कटिबद्धताका साथ पहिलै देखि निरन्तर रूपमा गर्दै आएको कार्यलाई निरन्तरता दिदै निम्न नयां कार्यक्रमहरू कार्यान्वयनमा ल्याएको छ ।

- गतवर्ष जडान गर्न नसकिएको **Blending Kettle** यस वर्ष जडान गरिने छ (जडान कार्य समाप्त भई उत्पादन शुरू भई सकेको छ) ।

- यस वर्ष कम्पनीले आफ्ना वास्तविक उपभोगकर्ता एवम् **major Influencer** अर्थात् मेकानिक्सहरूको विवरण ज्ञात गर्न र सोको अभिलेख राख्दै निजहरूलाई थप प्रोत्साहन गर्न तथा कम उपयोग गर्ने मेकानिक्सहरूको किटान गरि निजहरूलाई बढी भन्दा बढी उपयोग गराउनको निमित्त **e-sewa** कम्पनीसंग मेकानिक्स **coupon** सट्टा गर्ने **system** को निमित्त सहकार्य गर्ने मुख्य लक्ष्य लिईएको छ ।

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

- **Dealer Monitor software (DMS)** जडान गर्ने लक्ष्य पूरा गरिने छ, उक्त software को यो प्रतिवेदन तयार गर्दा सम्ममा परिक्षण शुरू भई सकेको छ ।

यस वर्ष शहरोन्मुख वस्ती तथा स्थानहरूमा र पहिले कै ठूला शहरहरूमा थप सहित ६ वटा नयां डिष्ट्रिब्यूटर नियुक्ती गर्ने लक्ष्य छ ।

- त्यस्तै थप ७ जना आवश्यक कर्मचारीहरूको नियुक्ती गर्ने लक्ष्य लिइएकोमा यो प्रतिवेदन तयार गर्दासम्ममा देशको विद्यमान आर्थिक परिस्थिती र व्यापार व्यवसायको हालको स्थिर वृद्धिदरलाई ध्यानमा राखेर हाल २ जना अतिआवश्यक कर्मचारी तथा कामदार मात्र नियुक्त गर्ने र आगामि दिनमा हुने व्यवसायको परिस्थितीलाई मध्यनजर गर्दै कर्मचारीहरूको

पदपूर्ति गरिने छ ।

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

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

- त्यस्तै देशकै सफल र ठूलो आन्तरिक हवाई कम्पनी **Buddha Air** संग निजको हवाई **Magzine** मा दशैँ लक्षित गर्दै विज्ञापन गर्ने ।

- कामदार तथा कर्मचारीहरूलाई समय साक्षेप र कार्य क्षमता वृद्धि गर्न स्थिती सामान्य भए पश्चात देश तथा विदेशका विभिन्न ठाउँहरूमा तालिमका निमित्त पठाइने लक्ष्य लिएको छ (यस प्रतिवेदन तयार पारुञ्जेल सम्ममा २ जना **Industrial sector** का कर्मचारी भारतबाट ६ दिनको तालिम लिई फर्किसक्नु भएको छ) ।

- यस वर्ष कम्पनीले बजारबाट माग भई आएका ३ नयां प्याकसाईजका विभिन्न बस्तुहरू उत्पादन गरि विक्रीको निमित्त ल्याउने तयारी गरेको छ ।

- **Vertical Tank** को **epoxy coating**, **Electric overhauling** तथा **Quarter area** को **compound wall**, मन्दिरको **retro fitting**, फूलबारीको व्यवस्थापन, भवनहरूको रंगरोगन, **Plant** मा ढूँजा बिछ्याउने देखि विभिन्न आवश्यक अफिस उपकरण खरिद गर्ने समेत यस वर्षको कार्यक्रममा समावेश छ ।

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

### (घ) कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्ध :

समीक्षा अवधिमा कम्पनीले आफ्ना ग्राहक, कर्मचारी तथा सम्पूर्ण सरोकारवालाहरूसंग असल व्यावसायिक सम्बन्ध कायम राखेको छ । समीक्षा वर्षमा ४ वटा नयां



OEM/Project बिजनेसको निमित्त व्यवसायिक कम्पनीहरु संग करार गर्न सफल भएका छौ । त्यस्तै गतवर्षको कम्पनीको विभिन्न औद्योगिक तथा व्यवसायिक कम्पनीहरु संगको विक्रि वृद्धिले पनि कम्पनीको औद्योगिक व्यावसायिक एवं समाजिक सम्बन्ध विस्तार भइरहेको छ, भन्ने प्रमाणित गर्दछ, र यसलाई आफ्नो हित प्रवर्द्धन र कारोबार विस्तारका लागि समेत उपयोग गरिएको छ । यस समिक्षा वर्षमा कम्पनीको आफ्ना खरिदकर्ताहरु मध्ये एक M/s China Railway No. 2 Engineering Group Co. Ltd. ले हामिलाई उक्त कम्पनीलाई दिएको वस्तुको उच्चस्तर गुणस्तर, कबोल गरेको समय भित्र प्रदान गरेको सेवा र वस्तु विक्री पश्चात दिइदै आएको सेवालार्इ कदर गर्दै उच्चस्तरिय स्तर अविस्मरणिय रहेको भनि सम्मान पत्र प्रदान गरेको छ । यसरी सम्मान पाउन सफल एक मात्र लुब्रिकेन्ट्स उद्योग भएकोमा समेत हामी गौरवान्वित हुँदै आगामी दिनमा पनि अझ राम्रो वस्तु र सेवा प्रदान गर्न हौसला मिलेको छ ।



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

यस समिक्षा वर्षको अन्त्यमा सञ्चालक श्री हेमन्त अग्रवाल ज्युले आफ्नो व्यक्तिगत कारण देखाई सञ्चालकको पदबाट राजिनामा दिनु भएको छ । उक्त राजिनामा स्विकृत संगै रिक्त रहन गएको

सञ्चालकको पदमा यो प्रतिवेदन तयार हुने क्रममा व्यवस्थापन समूहबाट सञ्चालक समितिमा महिला प्रतिनिधिको रुपमा श्री सिला चौधरी ज्यु सञ्चालकमा नियुक्त हुनु भएको छ ।

त्यस्तै सार्वजनिक प्रतिष्ठानबाट रोलक्रमबाट नियुक्त हुनु भएका श्री राष्ट्रिय विमा कम्पनी लि. का तर्फबाट प्रतिनिधित्व गर्दै आउनु भएका श्री मोहन तिमल्सिना ज्युको कार्यकाल समाप्त भएको छ । श्री मोहन तिमल्सिना र श्री हेमन्त अग्रवाल ज्युले सञ्चालकको रुपमा आफ्नो तर्फबाट प्रदान गर्नु भएको विभिन्न र चनात्मक सुझाव, सल्लाह साथै निर्णयले कम्पनीको अग्रगामि र प्रगतीमा पुऱ्याउनु भएको योगदानको निमित्त हार्दिक धन्यवाद ज्ञापन गर्दछौ ।

श्री राष्ट्रिय विमा कम्पनी लि. पश्चात रोलक्रमबाट श्री हिमाल सिमेन्ट कं. लि.को तर्फबाट सञ्चालक समितिमा प्रतिनिधित्व गर्दै श्री रविन्द्र राज पन्त ज्यु सञ्चालकको रुपमा नियुक्त हुनु भएको छ ।

श्री सिला चौधरी ज्यु र श्री रविन्द्र राज पन्त ज्युलाई नेपाल ल्युब आयल लिमिटेड परिवारको तर्फबाट हार्दिक स्वागत गर्दै उहाँहरुको सफल, प्रेरणादायी र उपलब्धीमूलक कार्यकालको निमित्त शुभकामना व्यक्त गर्दछौ । त्यस्तै उहाँहरुको रचनात्मक र परिणाममूखी सल्लाह सुझावहरुले कम्पनी सफलताको अझ थप उचाईमा पुग्ने आशा समेत लिएको छु ।

#### (व) कारोबारलाई असर पार्ने मुख्य कुराहरु :

कम्पनीको कारोबारलाई असर पार्ने मुख्य कुराहरु निम्न बमोजिम रहेका छन् ।

१) COVID -19 महामारीको बेला बेलामा आउने नयां लहरबाट उत्पन्न परिस्थितीले असर ।

२) सीमित बजारभित्र प्रतिस्पर्धीहरुको संख्यामा हुने वृद्धि र निजहरुबाट बजारमा बेला बखत प्रदान गरिने प्रलोभनबाट सिर्जित युक्तिहिन तथा अस्वस्थ



प्रतिस्पर्धात्मक व्यवहार र यसबाट केहि समयको निमित्त भएपनि सम्भावित विक्री सम्बन्धि जोखिमहरु ।

३) बजार भित्रको अस्वस्थ प्रतिस्पर्धाले कर्मचारी, डिष्ट्रिब्युटर, रिटेलर, मेकानिक्स र OEM लाई लामो समय सम्म आबद्ध गरिरहन कठिनाई ।

४) ठूलो मात्राको बजार क्षेत्र हुने अनियन्त्रित र सस्ता लुब्रिकेन्ट्स आयातकर्ताले अन्तराष्ट्रिय स्तरमा हुने कच्चा पदार्थको मूल्य वृद्धिलाई समायोजन गर्न नचाहने स्थितीको कारण उत्पन्न हुने परिस्थिती जसले मूल्यतया कम्पनीको नाफा नोक्सानमा प्रत्यक्ष असर पारिरहेको हुन्छ ।

### **(छ) लेखा परीक्षण प्रतिवेदनमा कुनै कौफियत भए सोउपर सञ्चालक समितिको धारणा :**

आ.व.२०७८।७९ को लेखा परीक्षण प्रतिवेदनमा कम्पनीको सामान्य कारोबारको सिलसिलामा देखिएका सामान्य टिप्पणीबाहेक प्रतिकूल टिप्पणी छैन । लेखा परीक्षण प्रतिवेदनमा उल्लेखित सुझावहरु कार्यान्वयन गर्न व्यवस्थापन लाई निर्देशन दिई सकिएको छ ।

### **(ज) लाभान्श बाँडफाँड गर्न सिफारिस गरिएको रकम :**

आ.व. २०७८।७९ को कारोबार मुनाफा तथा सञ्चित मुनाफाबाट चुक्ता पुँजीको २५ प्रतिशत बोनस शेयर लाभान्श र ५ प्रतिशत नगद लाभान्श वितरण गर्ने प्रस्ताव गरेका छौं । आशा छ शेयरधनी महानुभावहरुले यसलाई सहर्ष स्वीकृत गर्नु हुनेछ ।

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

अन्त्यमा,

यस वर्ष पनि कम्पनीलाई आफ्नो क्षेत्रमा विगत ६ वर्ष भन्ने अग्र स्थानमा राख्न आ.आफ्नो क्षेत्रबाट यो गदान पूर्याउनु हुने हाम्रा Distributor, Retailer, Mechanics, OEM Partner,

Projects, Industries, व्यवसायी, DSE, आम उपभोक्ता र अन्य सम्पूर्ण शुभेच्छुकहरु प्रति हामि सदैव आभारी छौ ।

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

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

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

अन्त्यमा सबैलाई सुरक्षित रहन र आफूबाट अरुलाई सुरक्षित राख्न आग्रह गर्दछु ।

धन्यवाद !



सञ्चालक समितिको तर्फबाट

श्री अरुण कुमार चौधरी

अध्यक्ष एवं प्रबन्ध सञ्चालक

मिति : २०७८।०६।०८

सञ्चालक समितिको तर्फबाट

श्री बिजय बहादुर श्रेष्ठ

सञ्चालक

श्री पूर्ण प्रसाद रिजाल

सञ्चालक

श्री रविन्द्र राज पन्त

सञ्चालक

श्री सीला चौधरी

सञ्चालक

श्री निरञ्जन नेउपाने

सञ्चालक

श्री अनिल बस्नेत

सञ्चालक

श्री करण कुमार चौधरी

कार्यकारी सञ्चालक



# नेपाल ल्यूब आयल लि.

## एकत्तिसौं बार्षिक साधारण सभा

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

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

आ.व. २०७८।७९ मा कुनै सेयर जफत नभएको ।

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

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

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

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

(घ) विगत आर्थिक वर्षमा कम्पनीका आधारभूत सेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी ।

गत वर्षमा आधारभूत सेयरधनीहरूबाट कुनै जानकारी

प्राप्त भएको छैन ।

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

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

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

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

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

कम्पनीले २०७९ असार मसान्तसम्म आफ्नो सेयर आफैले खरिद गरेको छैन ।

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

कम्पनीका अध्यक्ष, सञ्चालक, कार्यकारी सञ्चालक, महा प्रबन्धक एवं विभागीय प्रमुखहरू रहेको व्यवस्थापन समितिबाट कम्पनी कारोबारको आन्तरिक नियन्त्रणको



अनुगमन तथा मूल्याङ्कन हुने गरेको छ ।

**(थ) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण :**

कम्पनीको विगत आ.व. २०७८।७९ को कुल व्यवस्थापन खर्च आय विवरणको अनुसूची १२ अनुसार रु ४,५४,७४,२८९/- रहेको छ ।

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

कम्पनी ऐन, २०६३ को दफा १६४ अनुसार मिति २०७८/१०/१३ गतेको सञ्चालक समितिको ३६१औं बैठकबाट निर्णय भई निम्न बमोजिम लेखा परीक्षण समिति गठन गरिएको छ ।

श्री निरञ्जन न्यौपाने-संयोजक

श्री पूर्ण प्रसाद रिजाल-सदस्य

श्री मोहन तिमल्सीना-सदस्य

श्री अनिल बस्न्यात-सदस्य

श्री गंगा राज भट्टराई-सदस्य सचिव

मिति २०७९/०५/०६ गतेको ३६३औं बैठकको निर्णय अनुसार श्री रविन्द्रराज पन्तलाई सदस्य तोकि (साविक श्री मोहन तिमल्सीनाको सट्टामा) अन्य सदस्य तथा संयोजक यथावत रहने गरि समिति पुर्नगठन गरिएको ।

आ.व. २०७८/७९ मा लेखा परीक्षण समितिका सदस्यहरूलाई जम्मा रु.८८,२३५।२९ भत्ता दिइएको र उक्त समितिका संयोजक तथा सदस्यहरूलाई बैठक भत्ता बाहेक अन्य कुनै सुविधा नदिइएको ।

लेखा परीक्षण समितिले यस आ.व.मा १ वटा बैठक गरि कम्पनीको लेखा निती लेखा परीक्षण गर्ने गराउने कार्य विधि सम्बन्धमा छलफल गरि व्यवस्थापनलाई सूझाव

दिइएको ।

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

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

**(न) सञ्चालक, प्रबन्ध सञ्चालक कार्यकारी प्रमुख तथा पदाधिकारीहरू लाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :**

अध्यक्ष एवं प्रबन्ध सञ्चालक, सञ्चालक एवं पदाधिकारीहरू र बरिष्ठ कर्मचारी (उप प्रबन्धक सम्मको) लाई आ.व.२०७८।७९ मा भुक्तान भएको पारिश्रमिक रकम रु. १,७७,३९,५०५/- रहेको छ ।

**(प) सेयरधनीहरूले बुझि लिन बांकी रहेको लाभांश रकम :**

NIBL ACE क्यापिटलले पेश गरेको विवरण बमोजिम २०७९ आषाढ मसान्त सम्ममा जम्मा बुझिलिन बांकी लाभांश रकम रु. २८,६५,०७६।७५ । (२०७८ आषाढ मसान्तमा ७२,२३,९६९/-) ।

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

आ.व. २०७८।७९ मा १,५६४,७४५६/- मूल्य बराबरको सम्पत्ति खरिद भएको छ। यो सवै खर्चहरू गोदाम, मेशिनरी, सवारी, साधन र अफिस सरसामान निमित्त भएको हो ।

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

कम्पनी ऐन, २०६३ को दफा १७५ बमोजिम



सम्बद्ध कम्पनी बीच कारोबार भएको छैन ।

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

छैन ।

(म) अन्य आवश्यक कुराहरु ।

छैन ।



# R. Parajuli & Associates

Chartered Accountants

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

Ref. No.:

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

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of NEPAL LUBE OIL LTD. (the Company), which comprise the statement of Financial Position as at Ashadh 32, 2079, and the Statement of Profit or Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, attached financial statements prepared in accordance with Nepal Financial Reporting Standards (NFRS) along with applicable carved out provisions, generally accepted accounting principles, and read together with notes to accounts, give a true and fair view of financial position of the Company as at 32 Ashadh 2079, its operation results for the period then ended, its cash flow for the period then ended and changes in equity during the period.

#### Basis for Opinion

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

#### Key Audit Matters

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

KEY AUDIT MATTER	RESPONSE TO KEY AUDIT MATTER
<b>Sales Revenue from Operation</b> Sales revenue is the key performance indicator of any business. There has been significant increment i.e. by 29.62% in revenue in the current year compared to the previous year. That is why we recognized it as a key audit matter.	<b>Principal Audit Procedures</b> We assessed the Company's operational processes regarding sales and marketing Our audit approach consisted testing of the design and operating effectiveness of internal controls and substantive testing as follows:

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# R. Parajuli & Associates

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<p>Refer Note 15 to the financial statements</p>	<ul style="list-style-type: none"> <li>Evaluated the design of internal controls relating to recognition of revenue/sales</li> <li>Selected a sample of continuing and new sales contracts and tested the operating effectiveness of internal controls relating to overall sales management. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls</li> </ul> <p><b>Conclusion:</b> Our procedure did not identify any material exceptions.</p>
<p><b>Long Term Sustainability</b> The world is rapidly changing and converting petroleum energy based vehicles into clean energy vehicles. The business of lubricants for vehicles in a near future is very uncertain. This uncertainty of lubricant business in the future is recognized by us as key audit matters.</p> <p>Refer the Company's nature of business and its products range.</p>	<p><b>Principal Audit Procedures</b> We assessed the company's current marketing strategy for sustainability through a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these marketing strategies. We also analyzed the current growth rate of green energy vehicles vs. petroleum energy based vehicles in Nepal in order to assess current impact on lubricant businesses.</p> <p><b>Conclusion:</b> Our procedure did not identify any material exceptions for the current period but the company has been suggested to bring out a alternative business plans to make the company fit for the future.</p>
<p><b>Fair Value Measurement</b> The Property Plant and Equipment mainly, land and buildings and other assets have been reassessed by the management of the company which was independently valued previous year. The company categories assets or liability carried on the reporting date at fair value using a three level hierarchy. Determination of fair value is based on a high degree of judgment and input</p>	<p><b>Principal Audit Procedures</b> We reviewed the basis and categorization of assets and liabilities carried on the reporting date at fair value using a three level hierarchy including key assumptions around discounted cash flows to estimate fair value. We reviewed land and building reassessment reports provided by the management. We assessed the methodology and the assumptions applied in</p>





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from data that is not directly observable in the market. Further, the fair value is significantly influenced by the expected pattern of future benefits of the tangible assets.	determining the fair value. We have assessed the objectivity, independence and competence of the experts involved in the process. We assessed the adequacy of disclosure of Property plant and equipment in the notes to accounts.
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## Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

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

NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Page 3 of 7





# R. Parajuli & Associates

Chartered Accountants

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

Ref. No.:

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

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

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

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

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

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

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

  
CA Rajesh Parajuli  
R. Parajuli & Associates  
Address: Kathmandu, Nepal

Date: Ashoj 4, 2079

UDIN No. : 220922CA00240i1N78



# Nepal Lube Oil Limited

Kathmandu, Nepal

Statement of Financial Position As on Ashad 32, 2079 (July 16, 2022)

Particulars	Note No.	Current Year	Previous Year
<b>ASSETS</b>			
<b>Non-Current Assets:</b>			
Property, Plant and Equipment	5	190,919,705	179,926,175
<b>Financial Assets</b>	6		
Investments in Shares	6A	-	-
Trade & Other Receivables	6B	-	-
Prepayment & Other Advances	7	-	-
Deferred Tax Assets	8	8,243,028	6,497,944
<b>Total Non-Current Assets</b>		<b>199,162,733</b>	<b>186,424,120</b>
<b>Current Assets:</b>			
Inventories	9	251,961,954	192,453,462
<b>Financial Assets</b>			
Trade & Other Receivables	6B	423,145,872	338,022,455
Cash and Cash Equivalents	6C	8,362,025	9,643,092
Prepayments & Other Advances	7	35,547,042	36,235,449
Current Tax Assets	8	12,270,782	6,227,985
<b>Total Current Assets</b>		<b>731,287,675</b>	<b>582,582,443</b>
<b>Total Assets</b>		<b>930,450,408</b>	<b>769,006,563</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	10	38,758,500	29,753,200
Other Component of Equity		95,971,357	95,971,357
Retained Earnings		220,422,016	195,876,891
<b>Total Equity</b>		<b>355,151,873</b>	<b>321,601,448</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities:</b>			
<b>Financial Liabilities</b>	11		
Loans and Borrowings	11A	-	-
Trade & Other Payables	11B	-	-
Employee Benefits Liabilities	12	41,588,702	37,098,191
Other Non-Current Liabilities	13	-	-
Deferred Tax Liabilities	8	-	-
<b>Total Non-current Liabilities</b>		<b>41,588,702</b>	<b>37,098,191</b>
<b>Current Liabilities:</b>			
<b>Financial Liabilities</b>			
Loans and Borrowings	11A	308,033,299	284,797,240
Trade & Other Payables	11B	139,003,728	54,273,640
Current Tax Liabilities	8	-	-
Employee Benefits Liabilities	12	23,091,973	7,895,655
Other Current Liabilities	13	16,027,316	9,410,566
Provisions	14	47,553,516	53,929,824
<b>Total Current Liabilities</b>		<b>533,709,832</b>	<b>410,306,924</b>
<b>Total Liabilities</b>		<b>575,298,534</b>	<b>447,405,115</b>
<b>Total Equity and Liabilities</b>		<b>930,450,408</b>	<b>769,006,563</b>

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

As Per Our Report of Even Date



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**Arun Kumar Chaudhary**  
Chairman & Managing Director

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**Bijay Bahadur Shrestha**  
Director  
ABB Investment P. Ltd.

---

**CA Rajesh Parajuli**  
R.Parajuli & Associates  
Chartered Accountants

---

**Karan Kumar Chaudhary**  
Executive Director  
ABB Investment P. Ltd.

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**Purna Prasad Rijal**  
Director  
Nepal Oil Corporation Ltd.

---

**Rabindra Raj Pant**  
Director  
Himal Cement Co. Ltd.

---

**Anil Basnyat**  
Director  
G.Public Shareholders

---

**Niranjana Neupane**  
Director  
G. Public Shareholders

---

**Shila Chaudhary**  
Director  
ABB Investment P. Ltd.

Date: 2079-06-04  
Place: Kathmandu, Nepal

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**Ganga Raj Bhattarai**  
General Manager  
Nepal Lube Oil Ltd.



# Nepal Lube Oil Limited

Kathmandu, Nepal

## Statement of Profit or Loss and Other Comprehensive Income

For the year ended Ashad 32, 2079 (July 16, 2022)

Amounts in NPR.

Particulars	Note No.	Current Year	Previous Year
Revenue From Operations	15	1,245,187,002	960,672,584
Cost of Operations/Sales	16	(865,690,343)	(661,455,604)
<b>Gross Profit</b>		<b>379,496,658</b>	<b>299,216,979</b>
Other Operating Revenue/Income	17	5,739,278	4,714,474
Selling & Distribution Expenses	20	(267,369,386)	(207,279,934)
Administrative & General Expenses	21	(45,474,289)	(36,312,033)
Other Operating Expenses	22	(435,789)	(379,879)
<b>Profit From Operations</b>		<b>71,956,472</b>	<b>59,959,607</b>
Finance Cost	23	(28,813,330)	(22,351,599)
Other Expenses/Losses	24	-	-
Other Income	25	-	-
<b>Profit Before Tax</b>		<b>43,143,143</b>	<b>37,608,008</b>
<b>Income Tax (Expenses)/Income:</b>			
- Current Tax	10A	(9,850,141)	(6,866,321)
- Deferred Tax	10C	1,745,084	25,205,752
<b>Profit From Continuing Operations</b>		<b>35,038,085</b>	<b>55,947,439</b>
Profit/ (Loss) on Discontinued Operations(net of tax)		-	-
<b>Net Profit for the Year</b>		<b>35,038,085</b>	<b>55,947,439</b>
<b>Other Comprehensive Income:</b>			
<i>Other Comprehensive Income that is subsequently not reclassified to profit or loss</i>			
Actuary gain/(loss) on Defined Benefit Obligation		-	(268,915)
Revaluation Gain on Land & Building		-	-
-Income Tax Relating to Components of Other Comprehensive Income		-	53,783
<b>Total Other Comprehensive Income, Net of Tax</b>		<b>-</b>	<b>(215,132)</b>
<b>Total Comprehensive Income for the Period</b>		<b>35,038,085</b>	<b>55,732,307</b>
<b>Earning per Equity share</b>			
Basic (NRs.)	27	117.76	188.04
Diluted (NRs.)	27	117.76	188.04

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

As Per Our Report of Even Date

**Arun Kumar Chaudhary**  
Chairman & Managing Director

**Bijay Bahadur Shrestha**  
Director  
ABB Investment P. Ltd.

**CA Rajesh Parajuli**  
R.Parajuli & Associates  
Chartered Accountants

**Karan Kumar Chaudhary**  
Executive Director  
ABB Investment P. Ltd.

**Purna Prasad Rijal**  
Director  
Nepal Oil Corporation Ltd.

**Rabindra Raj Pant**  
Director  
Himal Cement Co. Ltd.

**Anil Basnyat**  
Director  
G.Public Shareholders

**Niranjan Neupane**  
Director  
G. Public Shareholders

**Shila Chaudhary**  
Director  
ABB Investment P. Ltd.

Date: 2079-06-04  
Place: Kathmandu, Nepal

**Ganga Raj Bhattarai**  
General Manager  
Nepal Lube Oil Ltd.

नेपाल ल्यूब आयल लि.



# Nepal Lube Oil Limited

Kathmandu, Nepal

## Statement of Change in Equity

For the year ended Ashad 32, 2079 (July 16, 2022)

Amounts in NPR.

Particulars	Equity Share Capital	Retained Earnings	Other Component of Equity		Total Equity
			Actuarial Reserve	Revaluation Reserve	
<b>Balance as of Shrawan 1, 2077</b>	<b>29,753,200</b>	<b>142,904,772</b>	<b>(7,311,963)</b>	<b>103,498,452</b>	<b>268,844,461</b>
Changes in Accounting Policies	-	-	-	-	-
Correction of Prior Period Errors	-	-	-	-	-
<b>Restated Balance as of Shrawan 1, 2077</b>	<b>29,753,200</b>	<b>142,904,772</b>	<b>(7,311,963)</b>	<b>103,498,452</b>	<b>268,844,461</b>
<b>Changes in equity for the year ended Ashad 31, 2078</b>					
Profit / (Loss) for the year	-	55,947,439	-	-	55,947,439
Revaluation Surplus/(Deficit) for the Year	-	-	-	-	-
Actuarial Gain/(loss) on defined contribution plan	-	-	(268,915)	-	(268,915)
Revaluation Gain on Land & Building	-	-	-	-	-
Effect of tax on Actuarial Valuation & Revaluation	-	-	53,783	-	53,783
Issue of Ordinary Share	-	-	-	-	-
Cash Dividend	-	(2,975,320)	-	-	(2,975,320)
Issue of Bonus Share (Dividend)	-	-	-	-	-
Cash Dividend for Tax Purpose	-	-	-	-	-
<b>Balance as of Ashad 31, 2078</b>	<b>29,753,200</b>	<b>195,876,891</b>	<b>(7,527,095)</b>	<b>103,498,452</b>	<b>321,601,448</b>
<b>Balance as of Shrawan 1, 2078</b>	<b>29,753,200</b>	<b>195,876,891</b>	<b>(7,527,095)</b>	<b>103,498,452</b>	<b>321,601,448</b>
Changes in Accounting Policies	-	-	-	-	-
Correction of Prior Period Errors	-	-	-	-	-
<b>Restated Balance as of Shrawan 1, 2078</b>	<b>29,753,200</b>	<b>195,876,891</b>	<b>(7,527,095)</b>	<b>103,498,452</b>	<b>321,601,448</b>
<b>Changes in equity for the year ended Ashad 32, 2079</b>					
Profit / (Loss) for the year	-	35,038,085	-	-	35,038,085
Revaluation Surplus/(Deficit) for the Year	-	-	-	-	-
Actuarial Gain/(loss) on defined contribution plan	-	-	-	-	-
Revaluation Gain on Land & Building	-	-	-	-	-
Effect of tax on Actuarial Valuation & Revaluation	-	-	-	-	-
Issue of Ordinary Share	-	-	-	-	-
Cash Dividend	-	(1,487,660)	-	-	(1,487,660)
Issue of Bonus Share (Dividend)	9,005,300	(9,005,300)	-	-	-
Cash Dividend for Tax Purpose	-	-	-	-	-
<b>Balance as of Ashad 32, 2079</b>	<b>38,758,500</b>	<b>220,422,016</b>	<b>(7,527,095)</b>	<b>103,498,452</b>	<b>355,151,873</b>

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

As Per Our Report of Even Date

**Arun Kumar Chaudhary**  
Chairman & Managing Director

**Bijay Bahadur Shrestha**  
Director  
ABB Investment P. Ltd.

**CA Rajesh Parajuli**  
R.Parajuli & Associates  
Chartered Accountants

**Karan Kumar Chaudhary**  
Executive Director  
ABB Investment P. Ltd.

**Purna Prasad Rijal**  
Director  
Nepal Oil Corporation Ltd.

**Rabindra Raj Pant**  
Director  
Himal Cement Co. Ltd.

**Anil Basnyat**  
Director  
G.Public Shareholders

**Niranjan Neupane**  
Director  
G. Public Shareholders

**Shila Chaudhary**  
Director  
ABB Investment P. Ltd.

Date: 2079-06-04  
Place: Kathmandu, Nepal

**Ganga Raj Bhattarai**  
General Manager  
Nepal Lube Oil Ltd.



# Nepal Lube Oil Limited

Kathmandu, Nepal

## Statement of Cash Flow

For the year ended Ashad 32, 2079 (July 16, 2022)

(Amounts in NPR.)

Particulars	Current Year	Previous Year
<b>Cash Flows from Operating Activities</b>		
Profit for the Year	35,038,085	55,947,439
<b>Adjustment for: Non-Cash Items &amp; Non-Operating items</b>		
Income Tax Expenses for the year	8,105,058	(18,339,431)
Depreciation/amortisation on PPE, Investment Property & Intangible Assets	4,653,926	3,423,473
Reclassification Adjustment (Gain)/losses	-	-
Finance Income	(5,739,278)	(4,552,965)
Prior Year Adjustment	-	-
Rental Income from Investment Property	-	-
<b>Adjustment for: Working Capital Changes except cash &amp; Cash equivalent</b>		
Increase / Decrease in Trade & other receivables	(85,123,417)	(93,952,631)
Increase / Decrease in Inventories	(59,508,492)	9,655,290
Increase / Decrease in Prepayments & other Advances	688,407	16,704,464
Increase/Decrease in Trade & Other Payables	84,730,088	4,405,427
Increase/Decrease in Current Employee Benefits	18,199,170	(1,011,313)
Increase/Decrease in Provisions	(6,376,308)	24,610,108
Increase/Decrease in Current Loan & Borrowings	23,236,059	39,818,214
Increase / Decrease in other Liabilities	6,616,750	(1,710,760)
<b>Cash generated from Operations.</b>	<b>24,520,049</b>	<b>34,997,315</b>
Finance Cost on Working Capital Loan	-	-
Prior Year Adjustment	-	-
Income Tax Paid	(15,892,938)	(12,825,588)
<b>Net Cash Flows from Operating Activities (A)</b>	<b>8,627,111</b>	<b>22,171,727</b>
<b>Cash Flow from Investing Activities</b>		
Acquisition of Property, plant and Equipment	(15,647,456)	(14,999,128)
Acquisition of Investment Property	-	-
Finance Income	5,739,278	4,552,965
Rental Income from Investment Property	-	-
Dividend Income Received	-	-
<b>Net Cash flows from Investing Activities (B)</b>	<b>(9,908,178)</b>	<b>(10,446,163)</b>
<b>Cash Flow from Financing Activities</b>		
Finance Cost Paid	-	-
Proceed from the Issue of Share	-	-
Proceeds from the issue of Forfeited shares	-	-
Payments for Finance Lease Liabilities	-	-
Proceeds from loan & borrowings	-	-
Repayment of loan & borrowings	-	-
Dividend Paid (Both Interim & Final)	-	(2,975,320)
Dividend Tax Paid	-	-
Cash Dividend for tax purpose	-	-
<b>Net Cash Flows from Financing Activities (C)</b>	<b>-</b>	<b>(2,975,320)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,281,067)</b>	<b>8,750,244</b>
Cash and Cash Equivalents at the beginning	9,643,092	892,848
<b>Cash and Cash Equivalents at the end</b>	<b>8,362,025</b>	<b>9,643,092</b>

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

As Per Our Report of Even Date

**Arun Kumar Chaudhary**  
Chairman & Managing Director

**Bijay Bahadur Shrestha**  
Director  
ABB Investment P. Ltd.

**CA Rajesh Parajuli**  
R.Parajuli & Associates  
Chartered Accountants

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**Karan Kumar Chaudhary**  
Executive Director  
ABB Investment P. Ltd.

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**Purna Prasad Rijal**  
Director  
Nepal Oil Corporation Ltd.

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**Rabindra Raj Pant**  
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Himal Cement Co. Ltd.

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**Anil Basnyat**  
Director  
G. Public Shareholders

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**Nirajan Neupane**  
Director  
G. Public Shareholders

---

**Shila Chaudhary**  
Director  
ABB Investment P. Ltd.

Date: 2079-06-04  
Place: Kathmandu, Nepal

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**Ganga Raj Bhattarai**  
General Manager  
Nepal Lube Oil Ltd.



# Nepal Lube Oil Limited

Kathmandu, Nepal

For the year ended Ashad 32, 2079 (July 16, 2022)

## Notes to the Financial Statements

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

### 5 Property Plant & Equipment

For the year ended Ashad 31, 2078

Particulars	Land & Land Improvement	Office Building	Office Work In Progress	Factory Building	Plant & Machinery	Furniture & Fixture	Vehicle	Computing Equipment	Other Office Equipment	Total
<b>Cost</b>										
Balance at Sharawan 1 2077	130,054,000	7,719,859	-	9,788,358	11,888,231	192,579	12,684,906	971,560	27,840	173,327,333
Purchase During the Year	-	-	-	10,655,711	3,810,941	96,716	-	-	435,759	14,999,128
Transfer from Capital WIP	-	-	-	-	-	-	-	-	-	-
Acquisition Through Business Combination	-	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
<b>Balance at Ashad 31, 2078</b>	<b>130,054,000</b>	<b>7,719,859</b>	<b>-</b>	<b>20,444,069</b>	<b>15,699,172</b>	<b>289,295</b>	<b>12,684,906</b>	<b>971,560</b>	<b>463,599</b>	<b>188,326,461</b>
<b>Depreciation &amp; Impairment Losses</b>										
Balance at Sharawan 1 2076	-	634,859	-	455,358	1,393,332	38,058	2,036,883	407,186	11,136	4,976,813
Depreciation charged for the Year	-	317,430	-	493,179	786,457	21,730	1,546,819	232,559	25,300	3,423,473
Adjustment due to Impairment losses	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
<b>Balance at Ashad 31, 2078</b>	<b>-</b>	<b>952,289</b>	<b>-</b>	<b>948,537</b>	<b>2,179,789</b>	<b>59,788</b>	<b>3,583,702</b>	<b>639,745</b>	<b>36,436</b>	<b>8,400,286</b>
<b>Carrying Amount</b>										
Balance at Sharawan 1 2077	130,054,000	7,085,000	-	9,333,000	10,494,898	154,521	10,648,023	564,374	16,704	168,350,520
Balance at Ashad 31, 2078	130,054,000	6,767,570	-	19,495,532	13,519,383	229,507	9,101,204	331,815	427,163	179,926,175

### Security

There is security on PPE

### Property Plant Equipment under Construction

There is no Property Plant Equipment under Construction

# Nepal Lube Oil Limited

Kathmandu, Nepal

For the year ended Ashad 32, 2079 (July 16, 2022)

## Notes to the Financial Statements (All Amount are stated in NPR, unless otherwise provided)

For the year ended Ashad 31, 2079

Particulars	Land & Land Improvement	Office Building	Office Work In Progress	Factory Building	Plant & Machinery	Furniture & Fixture	Vehicle	Computing Equipment	Other Office Equipment	Total
<b>Cost</b>										
Balance at Sharawan 1 2078	130,054,000	7,719,859	-	20,444,069	15,699,172	289,295	12,684,906	971,560	463,599	188,326,461
Additions	-	2,838,955	27,130	-	10,698,027	217,277	-	-	1,866,067	15,647,456
Transfer from Capital WIP	-	-	-	-	-	-	-	-	-	-
Acquisition Through Business Combination	-	-	-	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
<b>Balance at Ashad 32, 2079</b>	<b>130,054,000</b>	<b>10,558,815</b>	<b>27,130</b>	<b>20,444,069</b>	<b>26,397,199</b>	<b>506,572</b>	<b>12,684,906</b>	<b>971,560</b>	<b>2,329,666</b>	<b>203,973,917</b>
<b>Depreciation &amp; Impairment Losses</b>										
Balance at Sharawan 1 2078	-	952,289	-	948,537	2,179,789	59,788	3,583,702	639,745	36,436	8,400,286
Depreciation charged for the Year	-	365,139	-	1,008,015	1,150,304.18	59,395	1,546,819	232,559	291,695	4,653,926
Adjustment due to Impairment losses	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
<b>Balance at Ashad 32, 2079</b>	<b>-</b>	<b>1,317,428</b>	<b>-</b>	<b>1,956,552</b>	<b>3,330,093</b>	<b>119,183</b>	<b>5,130,520</b>	<b>872,304</b>	<b>328,131</b>	<b>13,054,212</b>
<b>Carrying Amount</b>										
Balance at Sharawan 1 2078	130,054,000	6,767,570	-	19,495,532	13,519,383	229,507	9,101,204	331,815	427,163	179,926,175
Balance at Ashad 31, 2079	130,054,000	9,241,386	27,130	18,487,517	23,067,105	387,389	7,554,386	99,257	2,001,535	190,919,705

### Security

There is security on PPE

### Property Plant Equipment under Construction

There is no Property Plant Equipment under Construction





# Nepal Lube Oil Limited

Kathmandu, Nepal

For the year ended Ashad 32, 2079 (July 16, 2022)

## Note to the Financial Statements

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

### 6 Financial Assets

	Current Year		Previous Year	
	Current	Non-Current	Current	Non-Current
<b>Financial Assets at Amortized Cost</b>				
Cash & Cash Equivalents	8,362,025	-	9,643,092	-
Trade & Other Receivables	423,145,872	-	338,022,455	-
Loan, Advances & Deposits	-	-	-	-
Less: Allowance for Impairment Loss	-	-	-	-
<b>Total</b>	<b>431,507,897</b>	<b>-</b>	<b>347,665,547</b>	<b>-</b>
Financial Assets at Fair Value Through PL	-	-	-	-
Financial Assets at Fair Value Through OCI	-	-	-	-
<b>Total</b>	<b>431,507,897</b>	<b>-</b>	<b>347,665,547</b>	<b>-</b>

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

#### 6 A : Investment in Shares

Particulars	Current Year		Previous Year	
	Current	Non-Current	Current	Non-Current
<b>Investment Held for Trading</b>				
Investment in Equity Shares	-	-	-	-
Investment in Preference Shares	-	-	-	-
<b>Investment Available for Sale</b>				
Investment in Equity Shares	-	-	-	-
Investment in Preference Shares	-	-	-	-
<b>Investment in Associates &amp; Subsidiaries</b>				
Investment in Equity Shares	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 6 B : Trade & Other Receivables

Particulars	Current Year		Previous Year	
	Current	Non-Current	Current	Non-Current
<b>Trade Receivables</b>				
Secured Debtors (BG+Institution Regular)	347,501,761	-	251,020,598	-
Unsecured and under litigation	30,564,801	-	30,564,801	-
Outstanding above 6 months period	30,806,796	-	26,757,279	-
Loan Receivables	-	-	-	-
<b>Deposits</b>				
LC Margin at Bank	14,272,514	-	29,679,777	-
Security Deposit	-	-	-	-
<b>Other Advances</b>				
Less: Allowance for Impairment	-	-	-	-
<b>Total</b>	<b>423,145,872</b>	<b>-</b>	<b>338,022,455</b>	<b>-</b>



# Nepal Lube Oil Limited

Kathmandu, Nepal

For the year ended Ashad 32, 2079 (July 16, 2022)

## Note to the Financial Statements

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

### 6 C : Cash & Cash Equivalents

Particulars	Current Year	Previous Year
Cash on hand	15,566	39,596
Balance with Banks	8,346,459	9,603,497
Short-term Deposit		
<b>Total</b>	<b>8,362,025</b>	<b>9,643,092</b>

### 6 D : Allowance for Impairment Losses

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

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

## 7 Prepayments & Other Advances

Particulars	Current Year	Previous Year
<b>Non-Current</b>		
Prep-payments	31,866,882.35	-
Contract Advances	-	-
Advances	-	-
<b>Total (A)</b>	<b>31,866,882.35</b>	<b>-</b>
<b>Current</b>		
Advance Tax	-	-
LC Advance	-	-
Staff Advance	10,643,801	11,350,479
Value Added Tax	-	-
Deposit against Adm.Review & Revenue Tribunal appeal	22,602,517	22,602,517
Other Advances	1,811,046	1,811,046
Advance to parties	489,678	471,407
<b>Total (B)</b>	<b>35,547,042</b>	<b>36,235,449</b>
<b>Total Prepayments &amp; Other Advances (A+B)</b>	<b>67,413,924</b>	<b>36,235,449</b>
<b>Impairment for Assets Written Off</b>	<b>-</b>	<b>-</b>
<b>Prepayments &amp; Other Advances</b>	<b>67,413,924</b>	<b>36,235,449</b>



# Nepal Lube Oil Limited

Kathmandu, Nepal

For the year ended Ashad 32, 2079 (July 16, 2022)

## Note to the Financial Statements

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

### 8 Taxations

#### 8A Current Tax Expenses/Income

Particulars	Current Year	Previous Year
Taxable Profit for the Year	49,250,706	34,331,607
Current Tax @ 20% for the Year	9,850,141	6,866,321
Prior Years Income Taxes	-	-
<b>Total Current Tax Expenses charges to Profit or loss</b>	<b>9,850,141.23</b>	<b>6,866,321.35</b>

#### 8B Current Tax liability/(Assets)

Particulars	Current Year	Previous Year
Balance at the beginning of the period	(6,227,985)	(268,718)
Charged during the Year	9,850,141	6,866,321
Total Current Tax Liabilities	<b>3,622,157</b>	<b>6,597,603</b>
<b>Current Tax Assets</b>		
Capital Gain Tax	-	-
Advance Income Tax	(15,892,938)	(12,825,588)
<b>Current Tax Liabilities/(Assets)</b>	<b>(12,270,782)</b>	<b>(6,227,985)</b>

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

#### 8C Deferred Tax Liability/(Assets)

For the Year 2078-79

Particulars	Tax Base	Carrying Amount	Temporary Differences	Deferred Tax @ 20%
Property, Plant & Equipment				
Depreciable	52,529,594	60,865,705	8,336,111	1,667,222
Non-Depreciable	130,054,000	130,054,000	-	-
Investment Property	-	-	-	-
Investment in Shares	-	-	-	-
Inventories	251,961,954	251,961,954	-	-
Leave Payable	-	(10,401,465)	(10,401,465)	(2,080,293)
Gratuity Payable	-	(40,754,368)	(40,754,368)	(8,150,874)
Provisions	(45,948,934)	(47,553,516)	1,604,582	320,916
<b>Balance at Ashad 32, 2079</b>				<b>(8,243,028)</b>
<b>Balance at Shrawan 1, 2078</b>				<b>(6,497,944)</b>
<b>Deferred Tax Expenses/(Income) for Origination/Reversal of Temporary Differences</b>				<b>(1,745,084)</b>
Recognized in Profit or Loss for the year ended Ashad 31, 2079				(1,745,084)
Recognized in Other Comprehensive Income for the year ended Ashad 31, 2079				-
Recognized in Equity for the year ended Ashad 31, 2079				-



## Nepal Lube Oil Limited

Kathmandu, Nepal

For the year ended Ashad 32, 2079 (July 16, 2022)

### Note to the Financial Statements

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

#### For the Year 2077-78

Inventories	Tax Base	Carrying Amount	Temporary Differences	Deferred Tax @ 20%
Property, Plant & Equipment				
Depreciable	42,213,113	49,872,175	7,659,063	1,531,813
Non-Depreciable	130,054,000	130,054,000	-	-
Investment Property	-	-	-	-
Investment in Shares	-	-	-	-
Inventories	192,453,462	192,453,462	-	-
Leave Payable	-	(7,710,380)	(7,710,380)	(1,542,076)
Gratuity Payable	-	(32,438,403)	(32,438,403)	(6,487,681)
Provisions	-	-	-	-
<b>Balance at Ashad 31, 2078</b>				<b>(6,497,944)</b>
<b>Balance at Shrawan 1, 2077</b>				<b>18,761,591</b>
<b>Deferred Tax Expenses/(Income) for Origination/Reversal of Temporary Differences</b>				<b>(25,259,535)</b>
Recognized in Profit or Loss for the year ended Ashad 31, 2078				(25,205,752)
Recognized in Other Comprehensive Income for the year ended Ashad 31, 2078				(53,783)
Recognized in Equity for the year ended Ashad 31, 2078				-

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

Particulars	Current Year	Previous Year
Accounting Profit Before Tax from continuing Operations	43,143,143	37,608,008
Accounting Profit Before Tax from Discontinued Operations	-	-
Accounting Profit Before Tax	43,143,143	37,608,008
Accounting Profit Before Tax multiplied by Applicable Tax Rates	8,628,629	7,521,602
<b>Adjustment for Differences</b>	-	-
Prior Year income Taxes	-	-
Additional Taxable Sales As per Tax	-	-
Tax Effect on Exempted/Final Withholding Income	-	-
Tax Effect Utilization of Previously unrecognized Losses	-	-
<b>Tax Effect of Disallowed Expenses</b>	-	-
Impairment losses on goodwill	-	-
Other non-deductible expenses under Sec 21 of Income Tax Act 2058	-	-
<b>Income Tax Expenses charges to Profit or loss</b>	<b>8,628,629</b>	<b>7,521,602</b>



# Nepal Lube Oil Limited

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## Note to the Financial Statements

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

### 9 Inventories

Particulars	Current Year	Previous Year
<b>Trading/Manufacturing Goods</b>		
Raw Materials	105,640,948	53,345,967
Work-in Progress	-	-
Finished Goods	134,103,990	127,234,888
Stock of Stationary	-	112,500
Tools & Consumables	-	-
Spare Parts	12,217,016	11,760,107
<b>Total (A)</b>	<b>251,961,954</b>	<b>192,453,462</b>

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

### 10 Share Capital

Particulars	Current Year		Previous Year	
	Number	NPR	Number	NPR
<b>Ordinary Shares of NPR 100 each</b>				
Authorized Share Capital	500,000	50,000,000	500,000	50,000,000
Subscribed Share Capital	500,000	50,000,000	500,000	50,000,000
<b>Issued &amp; Fully Paid</b>				
At the Beginning of the Year	297,532	29,753,200	297,532	29,753,200
Bonus Issues during the Year	90,053	9,005,300	-	-
Issues for Cash During the Year	-	-	-	-
<b>Total</b>	<b>387,585</b>	<b>38,758,500</b>	<b>297,532</b>	<b>29,753,200</b>

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

#### Status of Paid up Capital

Particulars	Current Year		Previous Year	
	Number	NPR	Number	NPR
<b>Ordinary Shares of NPR 100 each</b>				
Per share Rs. 100.00 each	168,361	16,836,100	168,361	16,836,100
(i) Bonus share 34,561 Nos	34,561	3,456,100	34,561	3,456,100
(ii) Bonus share 65,503 Nos	65,503	6,550,300	65,503	6,550,300
(iii) Bonus share 29,107 Nos.	29,107	2,910,700	29,107	2,910,700
(iv) Bonus share 90,053 Nos.	90,053	9,005,300	-	-
<b>Total</b>	<b>387,585</b>	<b>38,758,500</b>	<b>297,532</b>	<b>29,753,200</b>



# Nepal Lube Oil Limited

Kathmandu, Nepal

For the year ended Ashad 32, 2079 (July 16, 2022)

## Note to the Financial Statements

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

### 11 Financial Liabilities

Particulars	Current Year		Previous Year	
	Current	Non-Current	Current	Non-Current
<b>Financial Liabilities at Amortized Cost</b>				
Trade & Other Payables	139,003,728	-	54,273,640	-
Loans & Borrowings	308,033,299	-	284,797,240	-
<b>Total</b>	<b>447,037,026</b>	<b>-</b>	<b>339,070,880</b>	<b>-</b>
Financial Liabilities at Fair Value Through PL	-	-	-	-
<b>Total</b>	<b>447,037,026</b>	<b>-</b>	<b>339,070,880</b>	<b>-</b>

#### 11 A Loan & Borrowings

Particulars	Current Year		Previous Year	
	Current	Non-Current	Current	Non-Current
<b>Bank Loan</b>				
Over Draft Loan	9,647,299	-	18,210,240	-
Trust Receipt Loan	27,991,000	-	97,587,000	-
Demand Loan	270,395,000	-	169,000,000	-
<b>Other Loan/Borrowing</b>				
Loan From Director	-	-	-	-
Loan from Associate/Subsidiaries/Holding Co.	-	-	-	-
<b>Total</b>	<b>308,033,299</b>	<b>-</b>	<b>284,797,240</b>	<b>-</b>

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

#### 11 B Trade & Other Payables

Particulars	Current Year		Previous Year	
	Current	Non-Current	Current	Non-Current
Trade Payables	133,757,190	-	54,273,640	-
Other Payables	5,246,538	-	-	-
<b>Total</b>	<b>139,003,728</b>	<b>-</b>	<b>54,273,640</b>	<b>-</b>



# Nepal Lube Oil Limited

Kathmandu, Nepal

For the year ended Ashad 32, 2079 (July 16, 2022)

## Note to the Financial Statements

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

### 12 Employee Benefits Liabilities

Particulars	Current Year	Previous Year
<b>Defined Benefit Scheme</b>	-	-
Gratuity Payable	40,754,368	32,438,403
<b>Defined Contribution Scheme</b>		
Providend Fund Payable	128,386	122,191
CIT Payable	297,490	91,230
Leave Payable	10,401,465	7,710,380
<b>Other Employee Benefits Payable</b>		
Staff Bonus Payable	4,357,893	3,798,789
Salary Payable	8,112,989	204,767
Other Staff Payables	628,085	628,085
Wages & OT Expenses Payables	-	-
<b>Total</b>	<b>64,680,675</b>	<b>44,993,846</b>
<b>Categorized as:</b>		
Current	23,091,973	7,895,655
Non- Current	41,588,702	37,098,191
<b>Total</b>	<b>64,680,675</b>	<b>44,993,846</b>

### 13 Other Liabilities

Particulars	Current Year	Previous Year
<b>Non-Current</b>		
Other Liabilities & Payables	-	-
Advance from Customers	-	-
<b>Total (A)</b>	<b>-</b>	<b>-</b>
<b>Current</b>		
TDS Payable	2,578,516	5,611,158
Social Security Tax Payables	95,016	50,937
Social Security Fund Payables	-	-
Staff Welfare Fund Payables	(40,329)	24,726
Interest Payable	705,888	705,888
Insurance Claim Payable	-	165,830
Dividend Payable	-	-
Advance from Customers	-	-
Excise Duty Payables	-	-
Value Added Tax Payables (13A)	12,688,226	2,852,027
<b>Total (B)</b>	<b>16,027,316</b>	<b>9,410,566</b>
<b>Total Other Liabilities (A+B)</b>	<b>16,027,316</b>	<b>9,410,566</b>

#### 13A VAT Payables/Receivables

Net VAT Payable/(Receivable)	Current Year	Previous Year
VAT Payables	163,191,700	208,890,827
VAT Receivables	150,503,475	206,038,800
<b>Net VAT Payable/(Receivable)</b>	<b>12,688,226</b>	<b>2,852,027</b>



# Nepal Lube Oil Limited

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## Note to the Financial Statements

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

### 14 Provisions

Particulars	Current Year	Previous Year
Provision for CSR Expenses	80,475	1,161,436
Provision for Housing Expenses	-	-
Provision for Expenses Payables	-	7,006,592
Provision for Raw Material Purchase	-	-
Provision for Selling & Distribution Expenses	47,473,041	45,761,796
Other Provisions	-	-
<b>Total</b>	<b>47,553,516</b>	<b>53,929,824</b>

#### 14A Provision for CSR Expenses

Particulars	Current Year	Previous Year
Balance at the beginning of the period	1,161,436	1,269,057
Additions during the year	435,789	379,879
Amount charged against provision during the Year	(1,516,750)	(487,500)
Unused amounts reversed	-	-
<b>Total</b>	<b>80,475</b>	<b>1,161,436</b>

#### 14B Provision for Housing Expenses

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

#### 14C Provision for Expenses Payables

Particulars	Current Year	Previous Year
Balance at the beginning of the period	7,006,592	382,891
Adjustment during the year	-	7,759,875
Amount charged against provision during the Year	(7,006,592)	(1,136,174)
Unused amounts reversed	-	-
<b>Total</b>	<b>-</b>	<b>7,006,592</b>

#### 14D Provision for Raw Material Purchase

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



# Nepal Lube Oil Limited

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## Note to the Financial Statements

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

### 14E Provision for Selling & Distribution Expenses

Particulars	Current Year	Previous Year
Balance at the beginning of the period	45,761,796	27,667,768
Additions during the year	47,660,179	46,079,760
Amount charged against provision during the Year	(45,948,934)	(27,985,732)
Unused amounts reversed		
<b>Total</b>	<b>47,473,041</b>	<b>45,761,796</b>

### Disclosure Related to Gratuity & Leave

#### 14F. Gratuity

Particulars	Current Year	Previous Year
Opening Defined Benefit Obligation	32,438,403	35,591,726
Net Current Service Cost	4,926,792	2,605,901
Interest Cost on Defined Benefit Obligation	1,621,920	1,779,586
Actuarial (Gain)/Losses - Experience Adjustment	-	268,915
Benefits Paid	(6,128,403)	(7,807,725)
Past Service Cost		
Losses/Gain on Curtailment Settlements		
<b>Defined Benefit Obligation at the end of the Period</b>	<b>32,858,713</b>	<b>32,438,403</b>

### Reconciliation of Statement of Financial Position Amount

Particular	Current Year	Previous Year
Balance at the Beginning of the Period	32,438,403	35,591,726
Total Charge Recognized in P & L	6,548,713	4,385,487
Total Remeasurement Recognized in OCI	-	268,915
Benefit Paid by Company During the Year	(6,128,403)	(7,807,725)
<b>Balance at the End of the Period</b>	<b>32,858,713</b>	<b>32,438,403</b>

### Current / Non-Current Bifurcation

Particular	Current Year	Previous Year
Current Benefit Obligation	420,310	2,123,130
Non Current Benefit Obligation	32,438,403	30,315,273
<b>Liability Recognized in the Statement of Financial Position</b>	<b>32,858,713</b>	<b>32,438,403</b>

### Financial Assumption Used to Determine the Defined Benefit Obligation

Discount Rate	5.00%
Salary Escalation Rate	6.67%

### Financial Assumption Used to Determine the Profit & Loss Charge

Discount Rate	5.00%
<b>Salary Escalation Rate</b>	<b>6.67%</b>
Expected Return on Plan Assets	N.A



## Nepal Lube Oil Limited

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### Note to the Financial Statements

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

#### Demographic Assumption Used to Determine the Defined Benefit Obligation

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

#### Expected Future Cash Flows

Year	Cash Flow
2023	4,101,467
2024	7,053,502
2025	5,111,435
2026-2030	20,342,882

## Nepal Lube Oil Limited

Kathmandu, Nepal

For the year ended Ashad 32, 2079 (July 16, 2022)

### Note to the Financial Statements

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

#### Demographic Assumption Used to Determine the Defined Benefit Obligation

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

#### Expected Future Cash Flows

Year	Cash Flow
2023	4,101,467
2024	7,053,502
2025	5,111,435
2026-2030	20,342,882



## Nepal Lube Oil Limited

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### Note to the Financial Statements

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

#### Breakup of Actuarial (Gain) / Losses

#### Change in Defined Benefit Obligation

Particular	Current Year
Opening Defined Benefit Obligation	32,438,403
Service Cost	4,926,792
Interest Cost	1,621,920
Actual Plan participant Contribution	
<b>Total Actuarial (Gain) / Losses</b>	-
a. Effect of Change in Financial Assumption	
b. Effect of Change in Demographic Assumption	
c. Experience (Gain)/ Losses	-
Benefit Paid	(6,128,403)
Past Service Cost	
Loss/(Gain) on Curtailment Settlement	
<b>Defined Benefit Obligation at the end of the Period</b>	<b>32,858,713</b>

#### 14G. Leave Encashment

Particular	Current Year	Previous Year
Casual Leave	49,954	49,954
Home Leave	3,723,204	1,032,119
Sick Leave	6,628,307	6,628,307
<b>Total</b>	<b>10,401,465</b>	<b>7,710,380</b>

Note: There is no any fair value of plan assets



# Nepal Lube Oil Limited

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## Note to the Financial Statements

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

### Reconciliation of Amount Recognized in Statement of Financial Position

Particular	Current Year		
	Casual Leave	Home Leave	Sick Leave
Amount at the Beginning of the Period	49,954.00	1,032,119.06	6,628,306.98
Total Expenses/(income) Recognized in P&L	-	3,363,817.19	-
Benefit Payout	-	(672,732.55)	-
<b>Liabilities at the End of the Period</b>	<b>49,954.00</b>	<b>3,723,203.70</b>	<b>6,628,306.98</b>

### Current/ Non Current Bifurcation

Particular	Current Year		
	Casual Leave	Home Leave	Sick Leave
Current Benefit Obligation	6,008.84	447,854.83	797,302.41
Non-Current Benefit Obligation	43,945.16	3,275,348.87	5,831,004.57
<b>Total Liabilities</b>	<b>49,954.00</b>	<b>3,723,203.70</b>	<b>6,628,306.98</b>

### Actuarial Valuation Assumptions Used for Valuation

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



# Nepal Lube Oil Limited

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## Note to the Financial Statements

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

### 15 Revenue from Operation

Particulars	Current Year	Previous Year
Sale of goods	1,247,151,376	960,720,034
Less: Sales Return	(1,964,375)	(47,450)
Sales Incentive Income		
Rendering of Services		
<b>Total</b>	<b>1,245,187,002</b>	<b>960,672,584</b>

### 16 Cost of Goods Sold

Particulars	Current Year	Previous Year
Opening Stock of goods	192,453,462	202,108,752
Purchase during the period	887,160,291	619,904,337
Direct & Manufacturing Expenses (See Note 18A)	38,038,544	31,895,978
Less: Closing Stock of goods	(251,961,954)	(192,453,462)
<b>Total</b>	<b>865,690,343</b>	<b>661,455,604</b>

### 16A Direct & Manufacturing Expenses

Particulars	Current Year	Previous Year
Carriage Inwards	-	-
Factory Depreciation	1,150,304	786,457
Machinery Repair & Maintenance	559,726	355,196
Repair of Factory Building	125,864	-
Renewal Charges	10,000	
Royalty Expenses	7,682,593	10,587,993
<b>Production Cost</b>	<b>-</b>	<b>0</b>
Electricity, Fuel, Water	1,966,433	1,034,670
Plant Insurance	1,015,085	906,593
Drum Painting	8,751	4,407
Lab Chemical	204,189	390,017
Telephone Expenses	46,152	42,546
Printing & Stationary	69,400	17,219
Production Employee Benefit Expenses	25,200,047	17,770,879
<b>Total</b>	<b>38,038,544</b>	<b>31,895,978</b>



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### 17 Other Operating Revenue/Income

Particulars	Current Year	Previous Year
<b>Operating Revenue</b>		
Dividend Income	-	-
Interest Income	5,739,278	4,552,965
Royalty Income	-	-
<b>Other Operating Income</b>		
Gain on disposal of Property, Plant & Equipments	-	-
Rental Income	-	-
Miscellaneous income	-	161,509
<b>Total</b>	<b>5,739,278</b>	<b>4,714,474</b>

### 18 Depreciation, Amortization & Impairment Losses

Particulars	Current Year	Previous Year
Depreciation Expenses & Impairment Losses for the Year	4,653,926	3,423,473
Amortization Expenses for the Year	-	-
<b>Total</b>	<b>4,653,926</b>	<b>3,423,473</b>
Less: Transfer to the Administrative & General Expenses	3,503,622	2,637,016
Less: Transfer to the Selling & Distribution Expenses	-	-
Less: Transfer to the Manufacturing Expenses & Cost of Sales	1,150,304	786,457
<b>Total</b>	<b>4,653,926</b>	<b>3,423,473</b>

### 19 Employee Benefit Expenses

Particulars	Current Year	Previous Year
Short-Term Employee Benefits		
Wages & Salaries	58,956,958	52,317,532
Allowances	-	-
PF & Medical Expenses	6,282,728	2,565,235
Staff Bonus Expenses	4,357,893	3,798,789
Labour Welfare & Uniform Expenses	2,452,913	1,556,434
<b>Gratuity Cost</b>		
Defined Contribution	4,926,792	1,913,071
Defined Benefits	3,363,817	2,472,416
<b>Total Employee Benefit Expenses</b>	<b>80,341,102</b>	<b>64,623,477</b>
Less: Transfer to the Administrative & General Expenses	35,632,856	30,141,364
Less: Transfer to the Selling & Distribution Expenses	19,508,199	19,950,926
Less: Transfer to the Manufacturing Expenses & Cost of Sales	25,200,047	17,770,879
<b>Total</b>	<b>80,341,102</b>	<b>67,863,169</b>



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

### 20 Selling & Distribution Expenses

Particulars	Current Year	Previous Year
Advertisement & Event Expenses	6,107,786	2,706,876
Wall Painting & Flex printing expenses	7,799,132	4,606,430
Marketing Staff Travelling Expenses	9,755,657	2,497,350
Telephone, Printing, Stationary etc of Marketing	549,089	497,680
PF & Medical Expenses of Marketing	1,714,681	1,774,316
Sales Incentive of Marketing	7,858,650	6,831,592
Scheme Expenses (Retailer & PGM)	106,506,460	99,491,100
Lubricants Outward transportation expenses	25,731,012	17,496,143
Service Camp Expenses	3,613,200	-
Third party Testing Expenses	900,795	22,115
Local level sport branding expenses	559,103	553,591
Sales Target Bonus (Distributors)	51,912,715	42,967,564
Interest Expenses	6,558,699	4,665,706
Market promotion expenses	7,746,351	3,093,544
Retailer Meet Expenses	7,846,375	-
Legal Expensese	-	125,000
Private Garage Mechanics Meet Expenses	4,416,162	-
Sales & Marketing Employee Benefits Expenses	17,793,518	19,950,926
<b>Total</b>	<b>267,369,386</b>	<b>207,279,934</b>

### 21 Administrative and General Expenses

Particulars	Current Year	Previous Year
House/Godown Rent	1,524,860	-
Repair & Maintenance (Building)	-	-
Electricity, Fuel & Water Expenses	568,722	380,838
Vehicle Fuel & Repair Expenses	830,801	631,678
Audit Fee	195,000	195,000
Legal Court Fee & Other legal expenses	19,270.75	159,565
Board Meeting Allowance	875,307	660,000
Bank charge & Commission	952,028	868,407
Annual General Meeting Expenses	123,437.00	239,063
Repair Plant & Machinery of Amlekhgunj	268,735	161,029
Insurance Expenses (Staff & office assets)	185,304	160,540
Communication (Postage, Courier, Telephone, Internet)	371,289	548,501
Printing & Stationary Expenses	342,185	157,782
Notice Publication expenses	-	-
Charity & Donation	95,000.00	91,700
Books & Magazine Expenses	7,870.00	4,770
Uniform Expenses	144,584.91	40,668
Guest Entertainment & Fooding Expenses	228,741.00	24,777
Misc. Expenses	15,940.00	1,818
Tender form purchase expenses	42,000.00	21,000
Nepse, RTS, Security Board, NFRS, Share Reg. Expenses	479,621.20	260,200
Advertisement Expenses	3,149	57,668
Annual renewal Expenses	192,529	225,956
Puja Expenses (Daily, Bishwokarma, Hanuman, Dashain, Deepawali etc.)	182,352	163,825
Office & Factory Tea & food Expenses	453,920	239,143
Consumable Goods	289,714	244,725
Depreciation, Amortization & Impairment Losses	3,503,622	2,637,016
Board of Directors' Exxpenses	-	1,067,103
Employee Benefit Expenses	33,578,309	27,069,263
<b>Total</b>	<b>45,474,289</b>	<b>36,312,033</b>



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## Note to the Financial Statements

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

### 22 Other Operating Expenses

Particulars	Current Year	Previous Year
Provision for CSR Expenses	435,789	379,879
Loss on disposal of Property, Plant & Equipment	-	-
Loss on disposal of Equity Shares	-	-
Loss on Derecognition of Financial Assets	-	-
<b>Total</b>	<b>435,789</b>	<b>379,879</b>

### 23 Finance Cost

Particulars	Current Year	Previous Year
Finance Cost on Bank Loan	28,813,330	22,351,599
Finance cost on other financial liabilities measured at amortized cost	-	-
<b>Total</b>	<b>28,813,330</b>	<b>22,351,599</b>

### 24 Other Expenses/Losses

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

### 25 Other Income/Gains

Particulars	Current Year	Previous Year
Dividend income from equity instruments at fair value through OCI	-	-
Fair value gain on equity instruments at fair value through profit or loss	-	-
Gain on Hedge Ineffectiveness	-	-
Reclassification Adjustment Gain	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



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### Note to the Financial Statements

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

#### 26 Distributions made and proposed

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

#### 27 Earning Per Share

Particulars	Current Year	Previous Year
Profit from Continuing Operations	35,038,085	55,947,439
Profit/ (Loss) on Discontinued Operations(net of tax)	-	-
<b>Profit for the Year (A)</b>	<b>35,038,085</b>	<b>55,947,439</b>
<b><u>Weighted Average No. of Shares</u></b>		
No of Shares at the Beginning of the period	297,532	297,532
Weighted Average No. of Shares Issued during the Year	-	-
Bonus Shares Issued During the Year	-	-
<b>Total Weighted Average No. of Shares(B)</b>	<b>297,532</b>	<b>297,532</b>
<b><i>Adjustment for potential Shares</i></b>		
No of Potential Equity Shares	-	-
<b>Total Weighted Average No. of Shares for Diluted EPS (C)</b>	<b>297,532</b>	<b>297,532</b>
<b><u>Earning per Share</u></b>		
a) Basic EPS	117.76	188.04
b) Diluted EPS	117.76	188.04



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## Note to the Financial Statements

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

### 28 Disclosures Related to Financial Instruments Risk

#### Financial instruments risk management objectives and policies

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

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

#### Market Risk

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



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## Note to the Financial Statements

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

### Sensitivity Analysis

Particulars	Name of Variables	Changes in Variables	Current Year		Previous Year	
			Profit before tax	Equity	Profit before tax	Equity
Increase in variables	Interest Rates	+1%	(3,080,333)		(2,847,972)	
Decrease in variables	Interest Rates	-1%	3,080,333		2,847,972	
Increase in variables	Equity Price	+1%	(1,224,769)	-	(940,201)	
Decrease in variables	Equity Price	-1%	1,224,769	-	940,201	

### Credit Risk

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

*Aging of Financial Assets that are past due*

Particulars	Amount As per Account	Days Exceeding Normal Credit Period				Total
		<30 days	30-60 days	61-90 days	90+ days	
For Year 2077-78						
Trade Receivables	277,777,877	251,020,598	-	-	26,757,279	277,777,877
Trade Receivables - under litigation	30,564,801	-	-	-	30,564,801	30,564,801
Advances	-	-	-	-	-	-
<b>Total</b>	<b>308,342,678</b>	<b>251,020,598</b>	<b>-</b>	<b>-</b>	<b>57,322,080</b>	<b>308,342,678</b>
For Year 2078-79						
Trade Receivables	378,308,557	347,501,761	-	-	30,806,796	378,308,557
Trade Receivables - under litigation	30,564,801	-	-	-	30,564,801	30,564,801
Advances	-	-	-	-	-	-
<b>Total</b>	<b>408,873,358</b>	<b>347,501,761</b>	<b>-</b>	<b>-</b>	<b>61,371,597</b>	<b>408,873,358</b>

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## Note to the Financial Statements

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### Liquidity Risk

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

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

Particulars	Payable on					
	On Demand	Less than 3 months	3-12 months	1-5 Years	>5 Years	Total
For Year 2077-78						
Loans & Borrowings	-	284,797,240	-	-	-	284,797,240
Preference Shares	-	-	-	-	-	-
Trade & Other Payables	-	54,273,640	-	-	-	54,273,640
<b>Total</b>	<b>-</b>	<b>339,070,880</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>339,070,880</b>
For Year 2078-79						
Loans & Borrowings	-	308,033,299	-	-	-	308,033,299
Preference Shares	-	-	-	-	-	-
Trade & Other Payables	-	139,003,728	-	-	-	139,003,728
<b>Total</b>	<b>-</b>	<b>447,037,026</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>447,037,026</b>





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## Note to the Financial Statements

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

### 29 Disclosures Related to Fair Value of Financial Instruments

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

Particulars	Current Year		Previous Year		Nature of Inputs to Valuation
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
<b>A) Financial Assets</b>					
Trade & Other Receivables	423,145,872	423,145,872	338,022,455	338,022,455	Level 3
Loan Assets	-	-	-	-	Level 3
Advances	-	-	-	-	Level 3
Investment in Quoted Shares	-	-	-	-	Level 1 (Quoted Price)
Deposits	-	-	-	-	Level 3
<b>Total</b>	<b>423,145,872</b>	<b>423,145,872</b>	<b>338,022,455</b>	<b>338,022,455</b>	
<b>B) Financial Liabilities</b>					
Loans & Borrowings	308,033,299	308,033,299	284,797,240	284,797,240	Level 3
Trade Payables	139,003,728	139,003,728	54,273,640	54,273,640	Level 3
Customer Deposits	-	-	-	-	Level 3
<b>Total</b>	<b>139,003,728</b>	<b>139,003,728</b>	<b>54,273,640</b>	<b>54,273,640</b>	
<b>C) Investment Property</b>					
Land	-	-	-	-	Level 3
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

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

# Nepal Lube Oil Limited

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## Note to the Financial Statements

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

### 30 Related Party Transactions

#### Major Key Related Parties: Entity

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

#### Major Key Related Parties: Natural Person

Name of Parties	Nature of Relationships	Positions
Arun Kumar Chaudhary	Key Management Personnel	Chairman & Managing Director
Bijaya Bahadur Shrestha	Key Management Personnel	Directors
Karan Kumar Chaudhary	Key Management Personnel	Directors
Representative- Rastrya Beema Sashta	Key Management Personnel	Directors
Representative- Nepal Oil Corporation	Key Management Personnel	Directors
Nirajan Neupane	Key Management Personnel	Directors
Anil Basnet	Key Management Personnel	Directors
Hemant Agrawal	Key Management Personnel	Directors
Ganga Raj Bhattacharai	Key Management Personnel	General Manager

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





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## Note to the Financial Statements (All Amounts are stated in NPR, unless otherwise specifically stated)

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

Particulars	Sales to Related Parties		Purchase from Related Parties		Receivables Balance		Payable Balance	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
a) Key Management Personnel	30,298,608.87	19,855,031.00	-	2,901,769.91	7,347,881.63	1,620,499.89	-	-
<b>Total</b>	<b>30,298,608.87</b>	<b>19,855,031.00</b>	<b>-</b>	<b>2,901,769.91</b>	<b>7,347,881.63</b>	<b>1,620,499.89</b>	<b>-</b>	<b>-</b>

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

## Loans & Advance to related parties

Particulars	Repayment/Borrowing during the year		Interest Income		Loan Balance	
	2078-79	2077-78	2078-79	2077-78	Current Year	Previous Year
a) its Parent Entity	-	-	-	-	-	-
b) Its Subsidiaries	-	-	-	-	-	-
c) Key Management Personnel	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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## Note to the Financial Statements

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

### Loans & Advance from related parties

Particulars	Repayment/Borrowing during the year		Interest Expenses		Loan Balance	
	2078-79	2077-78	2078-79	2077-78	Current Year	Previous Year
a) its Parent Entity	-	-	-	-	-	-
b) Its Subsidiaries	-	-	-	-	-	-
c) Key Management Personnel	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

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

### Key Management Personnel Compensation

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

Particulars	Current Year			Previous Year		
	Directors	G.M	Key Manager	Directors	G.M	Key Manager
<b>Short-term Employee Benefits</b>						
Remuneration Benefits and Allowances	1,067,102.66	2,537,158.34	16,758,612.37	1,067,102.66	1,963,652.71	13,602,393.56
<b>Total</b>	<b>1,067,102.66</b>	<b>2,537,158.34</b>	<b>16,758,612.37</b>	<b>1,067,102.66</b>	<b>1,963,652.71</b>	<b>13,602,393.56</b>

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





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## Note to the Financial Statements

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

### 31 Capital Management

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

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

Particulars	Current Year	Previous Year
Loans & Borrowing	308,033,299	284,797,240
Preference shares	-	-
Trade and other payables	139,003,728	54,273,640
Less: cash and short-term deposits	(8,362,025)	(9,643,092)
<b>Net Debt</b>	<b>438,675,002</b>	<b>329,427,787</b>
Convertible Preference Shares	-	-
Equity	355,151,873	321,601,448
<b>Total Capital</b>	<b>355,151,873</b>	<b>321,601,448</b>
<b>Total Capital &amp; Net Debt</b>	<b>793,826,875</b>	<b>651,029,235</b>
<b>Gearing Ratio(%)</b>	<b>55%</b>	<b>51%</b>

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

### 32 Contingencies

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



# Nepal Lube Oil Limited

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## 33 Commitments

### (a) Capital commitments

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

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

There are no Non-Cancellable Lease during the year

## 34 Standard Issued But not yet Effective

There was no new and amended standards and interpretations that were issued, but not yet effective, up to the date of entity's financial statements. However Institute of Chartered Accountant of Nepal (ICAN) has issued notice of applicability of new Nepal Financial Reporting Standard (NFRS-2018) for the preparation of financial statements effective from fiscal year 2078-79. As on date of issuance of entity's financial statements, there are no material changes in new standard which would attract ammendment and disclosure in any components of financial statements. However, in regard to impairment of trade debtors, the expected loss model of NFRS 2018 may require re-measurement of trade debtors realizable value in the financial statements of 2079-80

## 35 Events After the end of the Reporting Date

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



# Nepal Lube Oil Limited

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Particulars	Details	Total Amount	Normal Sales	Battery Sales
Net Profit as per Income Statements		43,143,143	42,839,602	303,541
<b>Adjustments</b>				
Disallowed Expenses	192,946			
<b>Amount as per NFRS</b>				
Gratuity & Leave Expenses	11,654,427			
Repair Exp As per NFRS	942,461			
Depreciation as per Income Statement	4,653,926			
Provision for Business Promotion Expenses	47,660,179			
<b>Amount as per Taxation</b>				
Gratuity Paid	(6,128,403)			
Leave Paid	(672,733)			
Depreciation as per Tax WDV	(5,303,845)			
Business Promotion Expenses	(45,948,934)			
Repair Exp As per Tax	(942,461)	6,107,563	6,064,593	42,971
<b>Assessable income before loss adjustment</b>	<b>(942,461)</b>	<b>49,250,706</b>	<b>48,904,195</b>	<b>346,512</b>
<b>Previous 7 Years Losses</b>				
Year 7	-			
Year 6	-			
Year 5	-			
Year 4	-			
Year 3	-			
Year 2	-			
Year 1	-			
<b>Assessable Income From Business</b>		<b>49,250,706</b>	<b>48,904,195</b>	<b>346,512</b>
Eligible Donation Expenses u/s 12				
<b>Taxable Income</b>		<b>49,250,706</b>	<b>48,904,195</b>	<b>346,512</b>
Nature of Taxable Person		Entity	Entity	Entity
Tax Rate		20.04%	20.00%	25.00%
Exemption		N/A	N/A	N/A
Tax Liability		9,867,467	9,780,839	86,628

## Computation of Fine & Penalty

Particulars	Upto Poush 40%	Upto Chaitra 70%	Upto Ashad 100%	Total
Tax Liability	3,946,987	6,907,227	9,867,467	
90 % of intallment payable	3,552,288	6,216,504	8,880,720	
Payment Made	(4,000,000)	(7,000,000)	(7,500,000)	
Short for Payment	(447,712)	(783,496)	1,380,720	
Delayed Period-Months	3	3	3	
Interest u/s 118	(16,789)	(29,381.10)	51,777	5,607
Interest u/s 119				
Fine for Delayed Return Filing				
Fine for Non- Filing of Estimated Return				
<b>Total Fees, Charges &amp; Interest Payable</b>				<b>5,607</b>



# Nepal Lube Oil Limited

Central Office

Saket Complex, Tripureshwor, Kathmandu

Report to Company Registrar's Office for Fiscal Year 2078/79 as per Company Act, 2063, Section 78

Approved by the meeting of the Board of Directors held on

A) Number of Shares Allotted,

Particulars	Number
Number of ordinary shares allotted	387,585

B) Number of Shares Paid- up or remaining unpaid among the shares allotted,

Particulars	Number
Number of ordinary shares paid up	387,585

C) Details of the Directors, Managing Director, Auditor, Chief Executive, Manager along with the Remuneration, Allowance and Other Benefits paid to them,

Particulars	Meeting Fees	Remuneration & Allowances
Executive Director, Schedule I & II	123,529.41	533,551.33
Board Of Directors, Schedule II	670,588.24	533,551.33
Managing Directors and Managers, Schedule I & II	141,176.47	16,672,402.01
<b>Total</b>	<b>935,294.12</b>	<b>17,739,504.67</b>

Details of Auditor

Particulars	Name	Audit Fee (NPR.)
Statutory Audit	Rajesh Parajuli	100,000.00
Tax Audit	Rajesh Parajuli	50,000.00
Corporate Governance and Section 78 Certification	Rajesh Parajuli	45,000.00
<b>Total</b>		<b>195,000.00</b>

D) Name of Person/s or Organization /s that has purchased 5% or more of the paid up Share Capital of the Company and details of Shares or Debentures held by them,

Share Holder's Name	No of Share	Value (NPR.)	%
ABB Investment Pvt. Ltd.	154,717	15,471,700	39.92%
Nepal Oil Corporation	56,187	5,618,700	14.50%
Arun Kumar Chaudhary	19,989	1,998,900	5.16%
Karan Kumar Chauduary	22,067	2,206,700	5.69%

E) Total amount realised from the sale of shares along with details of new shares and /or debentures purchased/ issued during the concerned financial year, **None**

F) Amounts owed to the Company by the Directors or core shareholders or their close relatives, **None**

G) Amounts paid or payable against sale of shares or any other work done, **None**

H) Amounts taken as loan from banks and financial institutions along with the amount remaining payable as principal and interest, **None**

I) Details of amounts receivable or claims for payment received or details of law suits that have been filed or is continuing in this regard,

Person / Party	Particulars
Various Debtors	Defaulters

J) Number of employees working in the management, other levels or as labours in the Company (During the Year),

Particulars	Number
Management Level	11
Other Level	57
<b>Total</b>	<b>68</b>



K) Number of foreign employees working in the management and other levels along with the remuneration, allowances and other benefits paid to them, **None**

L) Details of any agreement made between the company and any foreign company or individual/s, regarding investment management, technical service, or any other subject for more than one year, alongwith the amounts paid during the financial year as dividend, commission, fees, charges, royalty, etc. as per the agreement,

Party Name	Project	Payment During F/Y 2078/79 (US\$)	Payment During F/Y 2078/79 (NPR)
Gulf International Lubricants Ltd		72,828.75	7,682,592.67
<b>Total</b>		72,828.75	7,682,592.67

M) **Details of the Administrative Expenses incurred during the Financial Year,**

Particulars	Current Year
House/Godown Rent	1,524,860
Repair & Maintenance (Building)	-
Electricity, Fuel & Water Expenses	568,722
Vehicle Fuel & Repair Expenses	830,801
Audit Fee	195,000
Legal Court Fee & Other legal expenses	19,271
Board Meeting Allowance	875,307
Bank charge & Commission	952,028
Annual General Meeting Expenses	123,437
Repair Plant & Machinery of Amlekhgunj	268,735
Insurance Expenses (Staff & office assets)	185,304
Communication (Postage,Courier, Telephone, Internet)	371,289
Printing & Stationary Expenses	342,185
Notice Publication expenses	-
Charity & Donation	95,000
Books & Magazine Expenses	7,870
Uniform Expenses	144,585
Guest Entertainment & Fooding Expenses	228,741
Misc. Expenses	15,940
Tender form purchase expenses	42,000
Nepse, RTS, Security Board, NFRS, Share Reg. Expenses	479,621
Advertisement Expenses	3,149
Annual renewal Expenses	192,529
Puja Expenses (Daily, Bishwokarma, Hanuman, Dashain, Deepawali etc.)	182,352
Office & Factory Tea & food Expenses	453,920
Consumable Goods	289,714
Depreciation, Amortization & Impairment Losses	3,503,622
Board of Directors' Exxpenses	-
Employee Benefit Expenses	33,578,309
<b>Total</b>	<b>45,474,289</b>

N **Particulars**

Particulars	Amount (NPR.)
Unclaimed Dividend for FY 2069/70	103,984.00
Unclaimed Dividend for FY 2070/71	177,593.00
Unclaimed Dividend for FY 2071/72	94,116.50
Unclaimed Dividend for FY 2072/73	90,873.00
Unclaimed Dividend for FY 2073/74	362,140.00
Unclaimed Dividend for FY 2074/75	730,020.00
Unclaimed Dividend for FY 2075/76	846,393.00
Unclaimed Dividend for FY 2076/77	295,887.00
Unclaimed Dividend for FY 2077/78	164,070.00
<b>Total</b>	<b>2,865,076.50</b>

O) Any other matters.  
We declare that Company has followed the provisions of Company Act, 2063 and other Laws in effect.

This is to certify that the above statements prepared by the Company on the basis of information made available to us for our verification and approved by the Board of Directors are true and correct to the best of our knowledge.

For and on behalf of the Board



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**Arun Kumar Chaudhary**  
Chairman & Managing Director

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**Bijay Bahadur Shrestha**  
Director  
ABB Investment P. Ltd.

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**CA Rajesh Parajuli**  
R.Parajuli & Associates  
Chartered Accountants

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**Karan Kumar Chaudhary**  
Executive Director  
ABB Investment P. Ltd.

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**Purna Prasad Rijal**  
Director  
Nepal Oil Corporation Ltd.

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**Rabindra Raj Pant**  
Director  
Himal Cement Co. Ltd.

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**Anil Basnyat**  
Director  
G.Public Shareholders

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**Nirajan Neupane**  
Director  
G. Public Shareholders

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**Shila Chaudhary**  
Director  
ABB Investment P. Ltd.

Date: 2079-06-04  
Place: Kathmandu, Nepal

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**Ganga Raj Bhattarai**  
General Manager  
Nepal Lube Oil Ltd.



# Nepal Lube Oil Limited

Kathmandu, Nepal

For the year ended Ashad 32, 2079 (July 16, 2022)

## Notes to Financial Statements

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

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## 1. Corporate Information and Background:

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

## 2. Significant Account Policies

### 2.1. Basis of Preparation

#### 2.1.1 Statement of compliance

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

#### 2.1.2 Basis of Measurement

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

- Investment property is measured at fair value.
- Liabilities for cash-settled, share-based-payment arrangements are measured at fair value.
- Biological assets are measured at fair value less cost to sell.
- Available for sale financial assets are measured at fair value.
- Investments held-for-trade is measured at fair value.
- Derivative financial instruments are measured at fair value.



- Defined benefit schemes, surpluses and deficits are measured at fair value.
- Defined Contribution schemes are measured as per actuary valuation
- Impairment of asset is measured at fair value and related disposal cost.
- Assets acquired & Liabilities assumed in a business combination are recognized at fair value.

### 2.1.3 Functional & Presentation Currency

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

### 2.1.4 Reporting Dates

Particulars	Nepalese Calendar Date / Period	Gregorian Calendar Date / Period
Comparative SFP* Date	31 Ashadh 2078	15 July 2021
Comparative reporting period	1 Shrawan 2077 - 31 Ashadh 2078	17 July 2020 - 15 July 2021
NFRS SFP* Date	32 Ashadh 2079	15 July 2022
NFRS reporting period	1 Shrawan 2077 - 31 Ashadh 2078	16 July 2021 - 15 July 2022

\*SFP = Statement of Financial Position

\*Nepal Financial Reporting Standards

### 2.1.5 Going Concern

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

### 2.1.6 Materiality

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

### 2.1.7 Re-grouping & Re-classification

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



## 2.2. Summary of Accounting Policies

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

### 2.2.1 Current/Non-current Distinction

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

The Entity classifies all other liabilities as non-current.

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

### 2.2.2 Foreign Currency

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



### 2.2.3 Property, Plant and equipment

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

### 2.2.4 Depreciation

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

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

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

### 2.2.5 Leased Assets

When all the risks and rewards incidental to ownership of a leased asset are transferred to the Company (a “finance lease”), the asset is treated as if it had been purchased outright. The amount



initially recognized as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analyzed between principal and interest. The interest element is charged to the statement of comprehensive income over the period of the lease so that it represents a constant proportion of the lease liability. The principal element reduces the balance owed to the lesser.

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

## 2.2.6 Intangible Assets

### **Goodwill (If there is a goodwill arising on acquisition)**

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

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

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

### **Computer Software**

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

### **Research and Development**

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

### **Other Intangible Assets**

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



## Amortization

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

### 2.2.7 Financial Assets

A financial asset is any asset that is:

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

#### A. Recognition of Financial Assets

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

#### B. Derecognition of Financial Assets

- A financial asset is de-recognized when:
  - (a) Contractual right to Cash flows expires or
  - (b) There is a transfer of risk & rewards relating to ownerships or
  - (c) There is a transfer of control of Financial Assets(practical ability to Sell financial Assets) or
  - (d) Retain Rewards, but assume obligation to pay cash flow to one or more parties & fulfill following conditions”
    - No obligation to pay until receipts from original assets
    - Restriction from sale/pledge except collateral for above obligation



- Obligation to remit cash flow without material delay (except temporary investment)
- Gain/(loss) on derecognition of Financial Assets is recognized in profit or loss.

### C. Classification and Measurement of Financial Assets

#### 1. Financial Assets at Amortized Cost

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

#### 2. Financial Assets at Fair Value through profit or loss

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

#### 3. Financial Assets at Fair Value through Other comprehensive income

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

### D. Reclassification of Financial Assets

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



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

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

### 2.2.8 Financial Liabilities

A financial liability is any liability that is:

(a) a contractual obligation:

- (i) to deliver cash or another financial asset from another entity; or
- (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) a contract that will or may be settled in the entity's own equity instruments and is:

- (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
- (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

#### A. Recognition of Financial Liabilities

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

#### B. Derecognition of Financial Liabilities

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

#### C. Classification and Measurement of Financial Liabilities

##### 1. Financial Liabilities at Amortized Cost

- ✓ All financial liabilities are measured at amortized cost except for exception given in **point no 2.**
- ✓ It is initially measured at Fair value plus transactions costs.



- ✓ It is subsequently measured at amortized cost using effective interest method.
- ✓ Interest Charges shall be calculated on Opening balance of amortized cost.

## 2. Exception of Financial Liabilities at Amortized Cost

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

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

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

### D. Reclassification of Financial liabilities

- No Financial liabilities shall be reclassified.

## 2.2.9 Presentation of Financial Instruments

### A. Treasury Shares

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

### B. Offsetting of Financial assets and Financial liabilities

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

- Has legally enforceable rights to set off the recognized amount



- Nets basis or simultaneous basis settlement of FA & FL

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

### C. Interest Dividend, losses & gains

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

### 2.2.10 Investment property

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

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

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

### 2.2.11 Inventories

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

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

### 2.2.12 Cash and Cash Equivalents

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



### 2.2.13 Impairment

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

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

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

### 2.2.14 Share Capital

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

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

### 2.2.15 Borrowing costs

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

### 2.2.16 Retirement Benefits

#### Defined contribution schemes

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

#### Defined Benefit schemes

Defined benefit scheme surplus and deficit are measured at the fair value of plan assets at the reporting



date; less plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus unrecognized past service costs; less the effect of minimum funding requirements agreed with scheme trustees.

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

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

### **Other long-term service benefits**

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

### **2.2.17 Share-based Payments**

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

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

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

### **2.2.18 Taxation**

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

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



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

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

### **Value Added Tax**

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

### **2.2.19 Non-current assets held for sale and disposal**

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

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

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

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

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

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

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



## 2.2.20 Government Grants/Deferred Revenue

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

## 2.2.21 Trade & Other Payables

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

## 2.2.22 Provisions

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

## 2.2.23 Revenue

Revenue from the sales of goods is recognized when:

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

Revenue from the sales of goods is recognized when:

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

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

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



revenue for services is recognised in the period in which they are rendered.

### **Interest income**

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

### **2.2.24 Expenses**

#### **Interest Expenditure on Early payment by debtors**

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

### **2.2.25 Segment Reporting**

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

### **2.2.26 Discontinued Operations**

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

## **3. Significant Accounting Judgments, Estimates and Assumptions**

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

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

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

### **3.1 Judgments**

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

#### **(a) Use of Fair Value as deemed cost at transitions dates**

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



### 3.2 Estimates and assumptions

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

(a) ***Impairment of financial assets-Sundry Debtors***

It is estimated that all outstanding receivable as on date of statement of financial position (Ashad, 31 2077) are recoverable.

(b) ***Deferred Tax Assets***

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

(c) ***Fair value measurement of financial instruments***

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

(d) ***Fair of Property, Plant and equipment at transitions date:*** See Note 4



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# MARKETING



## Gulf and McLaren Partnership Bold is back



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

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

### Together through history

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

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

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

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

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





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## SCHEME

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



## Product Scheme

Nepal Lube Oil Limited has launched 2W (Introductory Scheme), Grease (Introductory Scheme) and DEO product scheme.





# Coupons

NLOL has issued coupons from Rs.5 to Rs. 200 for MCO and DEO segments. This scheme is targeted to mechanics specially.





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# BRANDING

## Showroom Branding



## MOTOR RALLY





# VEHICLE BRANDING

## Container Branding



## Gulf Van Branding





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LIMITED

# Customer Care Department (CCD)



## ANNUAL CALENDAR





# Media Advertisement & Coverage

## Advertisement

**FORMULA GX 5W-40**  
HIGH PERFORMANCE  
FULLY SYNTHETIC  
CAR ENGINE OIL

**SYNTRAC 4T 10W-40**  
SYNTHETIC 4-STROKE  
MOTORCYCLE OIL  
ACHIEVE THE  
OUTSTANDING  
PERFORMANCE LEVEL

**FORMULA GX 5W-40**  
HIGH PERFORMANCE  
FULLY SYNTHETIC  
CAR ENGINE OIL

**KATHMANDU**  
THE BEST FOR TWO WHEELERS

DELIVERS MAXIMUM POWER  
ACHIEVES HIGH PERFORMANCE  
ENSURES ENGINE'S DURABILITY

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YOUR NEEDS**

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P.O. Box: 1916, Tel: +977-1-4245891/95, Fax: +977-1-4246223, 5026455  
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# News Coverage





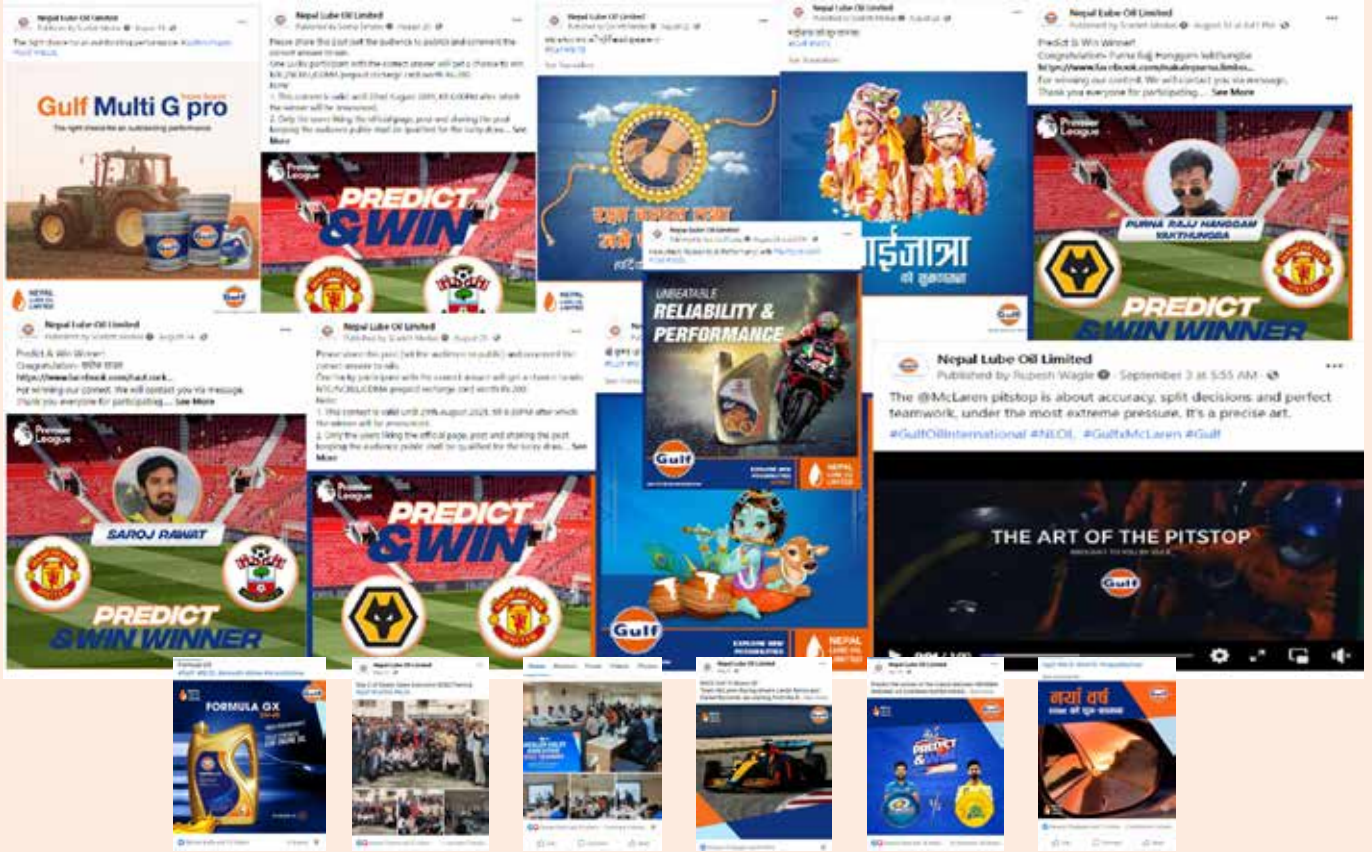
NEPAL  
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# MERCHANDISE





# Social Media Advertisement



# Sponsorships





# ACTIVATION

## Wall Paint

(Retailers, PGM and Fuel Stations all over Nepal)



## Flex Board and Light Board





## DASHAIN ACTIVATION



## GULF SERVICE MASCOT



Development of Service Mascot to create uniformity in communication and also create visibility. The Mascot will be used for the promotion of all types of service camps.



## 30<sup>th</sup> NLOL AGM



## DISTRIBUTOR VISIT





## CODE OF BUSINESS PRINCIPLES (COBP)

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

### Standard of Conduct

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

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

### Obeying the Law

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

### Family Bonding

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

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

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

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

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

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

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

### Consumers

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

### Shareholders

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

### Business Partners

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

### CSR

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

### Public Activities

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

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

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



### The Environment

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

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

### Innovation

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

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

### Competition

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

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

### Business Integrity

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

and reported to management.

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

### Conflicts of Interests

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

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

### Compliance-Monitoring-Reporting

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

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

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