



50<sup>th</sup>  
ANNUAL REPORT  
2023/2024 (2080/2081)

# Soaltee Hotel Limited

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 <b>The Soaltee</b> KATHMANDU	 <b>SOALTEE</b> WESTEND PREMIER NEPALGUNJ	 <b>SOALTEE</b> WESTEND RESORT CHITWAN	 <b>SOALTEE</b> WESTEND ITAHARI	 <b>SOALTEE</b> WESTEND RESORT NAGARKOT	 <b>DORJEE LOUNGE</b>	 <b>The Soaltee</b> <i>agro gourmet</i>
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SOALTEE HOTEL LIMITED, PO BOX. 3800, TAHACHAL, KATHMANDU, NEPAL

[www.soalteehotel.com](http://www.soalteehotel.com) | [www.soaltee.com](http://www.soaltee.com)

## BOARD OF DIRECTORS | संचालक समिति



Executive Chairman कार्यकारी अध्यक्ष  
Mr. Dinesh Bahadur Bista श्री दिनेश बहादुर बिष्ट  
Nominee प्रतिनिधि  
Soaltee Enterprises Pvt. Ltd. सोल्टी इन्टरप्राइजेज प्रा. लि.



Director संचालक  
Mr. Ravi Bhakta Shrestha श्री रवि भक्त श्रेष्ठ  
Nominee प्रतिनिधि  
Soaltee Enterprises Pvt. Ltd. सोल्टी इन्टरप्राइजेज प्रा. लि.



Director संचालक  
Mr. Rajesh Kazi Shrestha श्री राजेश काजि श्रेष्ठ  
Nominee प्रतिनिधि  
Soaltee Enterprises Pvt. Ltd. सोल्टी इन्टरप्राइजेज प्रा. लि.



Director संचालक  
Mrs. Jaya Rajya Laxmi Shah श्रीमती जया राय लक्ष्मी शाह  
Nominee प्रतिनिधि  
Soaltee Enterprises Pvt. Ltd. सोल्टी इन्टरप्राइजेज प्रा. लि.



Director संचालक  
Mr. Sashi Raj Pandey श्री शशिराज पाण्डे  
Elected निर्वाचित  
General Public Shareholders सर्वसाधारण शेयरधनी



Director संचालक  
Mr. Niranjan Kumar Tibrewala श्री निरञ्जन कुमार टिबरेवाला  
Elected निर्वाचित  
General Public Shareholders सर्वसाधारण शेयरधनी



Director संचालक  
Mr. Prakash Bikram Khatri श्री प्रकाश विक्रम खत्री  
Elected निर्वाचित  
General Public Shareholders सर्वसाधारण शेयरधनी



Director संचालक  
Mr. Ubaraj Adhikari श्री युवराज अधिकारी  
Nominee प्रतिनिधि  
Nepal Airlines Corporation नेपाल वायुसेवा विमान

## COMPANY SECRETARY | कम्पनी सचिव



Mr. Lil Bahadur Khatri श्री लिल बहादुर खत्री

## OWNS AND OPERATES



**NOTICE TO THE SHAREHOLDERS OF SOALTEE HOTEL LIMITED FOR 50<sup>TH</sup> ANNUAL GENERAL MEETING**

Dear Respected Shareholder,

This is to inform all Shareholders of the Company that, as decided at the 253<sup>rd</sup> Meeting of the Board of Directors of the Company held on Tuesday, 29<sup>th</sup> October 2024 (13<sup>th</sup> Kartik 2081), the 50<sup>th</sup> Annual General Meeting of Soaltee Hotel Limited (the Company) is scheduled to be held on the following date, time and venue to consider, approve and adopt the agenda. All the shareholders of the Company are hereby notified and requested to present himself/herself or present through a valid representative (proxy) through Physical and Virtual, video conference mediums.

**1 DATE, TIME, AND VENUE:**

- DATE :** THURSDAY, 19<sup>TH</sup> DECEMBER 2024 (4<sup>TH</sup> Poush 2081)  
**TIME :** 11.00 AM  
**VENUE :** NEPAL ACADEMY, PRAGYA SAMA CONFERENCE HALL, KAMALADI, KATHMANDU.

The 50<sup>th</sup> Annual General Meeting of the Company will be conducted through physical and virtual video conferencing medium. The respected shareholders of the Company have been requested to attend/participate in the Annual General Meeting through physical or a virtual video conference online medium and the virtual video conference arrangements will be made accordingly.

**2 AGENDA:**

**(A) ORDINARY RESOLUTIONS**

- To receive, consider and adopt the **Directors' Report** for the Fiscal Year 2023/24 (2080/81);
- To Consider and Approve the **Financial Statements** for the Fiscal Year 2023/24 (2080/81) comprising of **Balance Sheet** (Statement of Financial Position) as on 15<sup>th</sup> July 2024 (31<sup>st</sup> Ashadh 2081); **Profit and Loss Account** (Statement of Profit or Loss and Other Comprehensive Income) for the year ended on 15<sup>th</sup> July 2024 (31<sup>st</sup> Ashadh 2081); **Cash Flow Statement** (Statement of Cash Flow) and **Statement of Changes in Equity** for the year ended on 15<sup>th</sup> July 2024 (31<sup>st</sup> Ashadh 2081); and **Notes to Financial Statement** along with the Auditors' Report and **Consolidated Financial Statement** for the fiscal year 2023/24 (2080/81); comprising the Financial Statement of the Company and its Subsidiary Companies for the fiscal year 2023/24 (2080/81) of the Company;
- To consider and adopt the **Cash Dividend** Proposed by the Board of Directors at the rate of **26.84210526%** of the Subscribed and **Paid-up Capital** to the shareholders from the Profit of the fiscal year 2023/24 (2080/81);
- To appoint the **Statutory Auditors** of the Company and fix their remuneration for the Fiscal Year 2081/82 (2024/2025) as recommended by the Audit Committee of the Company;

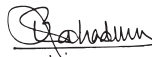
**(B) SPECIAL RESOLUTIONS:**

- To consider and approve the Proposed issue of 10% Bonus Shares i.e. 1 (one) Bonus Share for every 10 (ten) equity shares and an increase in the **Subscribed and Paid up Capital** to the extent of Bonus Shares issued to the shareholders of the Company;
- To consider and approve a Special Resolution to increase the Share Capital of the Company as proposed by the Board of Directors of the Company: -
  - To increase the Authorized Capital of the Company from Rs. 1,500,000,000 (Rupees one billion and five hundred million only) divided into 150,000,000 number of Ordinary Shares of Rs. 10/- each of the Company to Rs. 2,000,000,000 (Rupees two billion only) divided into 200,000,000 number of Ordinary Shares of Rs.10/- each of the Company.
  - To increase the Issued Capital of the Company from Rs. 10,00,000,000 (Rupees one billion) divided into 100,000,000 number of Ordinary Shares of Rs. 10/- each of the Company to Rs. 1,500,000,000 (Rupees one billion and five hundred million only) divided into 150,000,000 number of Ordinary Shares of Rs. 10/- each of the Company;
- To consider and approve a Special Resolution to amend the Memorandum of Association and the Articles of Association in accordance with the recommendation of the Board of Directors to increase in the Share Capital of the Company; Further, to authorize the Board of Directors to make any required necessary changes / amendments or adjustments or alter in proposed amendment as may be received the direction or advise / suggestion from the Office of the Company Registrar or any other regulatory authorities;

**(C) OTHERS**

- Any other matters with the permission of the Chairman

**By Order of the Board of Directors**



**Lil Bahadur Khatri  
Company Secretary**

**Enclosed documents:-**

- Information relating to the **50<sup>th</sup> Annual General Meeting**, Proxy Application Form.
- The **Directors' Report** to the shareholders of the Company for the Fiscal Year 2023/24 (2080/81)
- Financial Statements of the Company along with Auditors' Report, and Consolidated Financial Statement for the fiscal year 2023/24 (2080/81) comprising the Financial Statement of the Company and its Subsidiary Companies for the fiscal year 2023/24 (2080/81).

## GENERAL INFORMATION RELATING TO THE 50<sup>TH</sup> ANNUAL GENERAL MEETING

1. The 50<sup>th</sup> Annual General Meeting (AGM) of the Company will be held on Thursday, 4<sup>th</sup> Poush 2081 corresponding to 19<sup>th</sup> December 2024 at 11.00 am at Nepal Academy, Pragya Sama Conference Hall, Kamaladi, Kathmandu.
2. The meeting of the 50<sup>th</sup> Annual General Meeting of the company will be conducted through physical as well as virtual video conferencing mediums. At the 50<sup>th</sup> Annual General Meeting of the Company, the facility to participate through virtual video conferencing will be provided to the shareholders on a **first come first serve** basis, or who register first will be served first and provided the link to virtual participation due to limited service of the service provider. Further, the virtual participation/presence through video conferencing of the shareholders at the meeting of the 50<sup>th</sup> Annual General Meeting (AGM) will be recognized and recorded as present in the AGM hall and considered while calculating the quorum as per Section 73 of the Companies Act, 2063.
3. The Shareholders' Register shall be closed for 22 days from **Thursday, 28<sup>th</sup> November 2024 (13<sup>th</sup> Mangsir 2081) to Thursday, 19<sup>th</sup> December 2024 (4<sup>th</sup> Poush 2081)** both days inclusive i.e., till the conclusion of the 50<sup>th</sup> Annual General Meeting (AGM) of the Company. Further, shareholders who have been duly shares transacted as per the regulations in Nepal Stock Exchange Limited (NEPSE) till Wednesday, 27<sup>th</sup> November 2024 (12<sup>th</sup> Mangsir 2081) and have been received by the Share Registrar of the Company, NIMB Ace Capital Limited, Lazimpat, Kathmandu will be valid for the updates in the Share Register of the Company and will be considered as a shareholder of the Company for purpose of 50<sup>th</sup> Annual General Meeting.
4. Respected Shareholders participating/attending through virtual video conferencing will be recognized as attending the ensuing 50<sup>th</sup> Annual General Meeting. Attendance of shareholders attending/participating through virtual video conferencing will be based on their virtual login. Arrangements will be made accordingly for the shareholders to send the video conferencing link to the official email ID of the shareholders from the email [legal@soaltee.com.np](mailto:legal@soaltee.com.np) of the company for the participation of the shareholders.
5. The **AGM Notice** of the 50<sup>th</sup> Annual General Meeting and the **abstracts (summarized) of the Annual Report comprising the summarized Financial Statement and Director's report to the shareholders** for the fiscal year 2080/81 (2023/24) under Section 84 of the Companies Act, 2063 will be sent to respected shareholders at their available email address maintained in the Company's Shareholder Register. The 50<sup>th</sup> Annual Report 2080/81 (2023/24) along with the AGM Notice of the 50<sup>th</sup> Annual General Meeting, Audited Financial Statements, and related information can be viewed on the website <http://www.soalteehotel.com> of the Company.
6. Shareholders wishing to discuss any matters under the agenda item of the 50<sup>th</sup> Annual General Meeting should notify the Executive Chairman of the Company in writing through the Company Secretary 7 days before the 50<sup>th</sup> Annual General Meeting, i.e., by Thursday, 12<sup>th</sup> December 2024 (27<sup>th</sup> Mangsir 2081). However, it will not be included as an agenda and Resolution of the meeting for consideration.
7. Shareholders who wish to appoint a representative (proxy) to attend the 50<sup>th</sup> Annual General Meeting, the letter of appointment of the representative (Proxy) should be registered by the shareholder at the Registered Office of the company, KMC-13, Tahachal, Kathmandu at least 48 hours before the start of the 50<sup>th</sup> Annual General Meeting.
8. Shareholders are kindly requested to produce a Share Certificate or Statement of Demat Beneficiary Account Number details along with proof of their Identity (such as a citizenship certificate or any other certificate issued by the government of Nepal with a photograph) must be presented compulsorily and shareholders will be allowed to enter the meeting hall only after Signing the Shareholder Attendance Register available at the AGM meeting hall. All shareholders are requested to attend the meeting room half an hour before the scheduled meeting time. The Shareholder Attendance Register will be open from 9 am morning until the end of the Annual General Meeting for the signatures of the shareholders.
9. Shareholders are requested to kindly cooperate with security personnel deployed at the AGM hall venue to comply with the security procedures arrangements of the Academy Hall. Due to security reasons, Respected Shareholders shall not be allowed to bring in any kind of bags, bags, packets, etc. inside the Academy meeting hall.
10. For further information relating to the 50<sup>th</sup> Annual General Meeting of the Company, respected shareholders are kindly requested to contact the Registered Office of the Company at KMC-13, Soaltee Hotel Premises, Tahachal, Kathmandu between 10:00 am to 4:00 pm (except 1:00 pm to 2:00 pm) during office hours from Sunday to Friday.
11. Shareholders may contact the Share Registrar of the Company NIMB Ace Capital Ltd., Lazimpat, Kathmandu for more information regarding shareholding and the 50<sup>th</sup> Annual General Meeting of the Company.

### Information and guidelines to be followed by the respected shareholder to attend the 50<sup>th</sup> Annual General Meeting of the Company through the virtual medium using the Video Conferencing (Zoom) Application.

1. The participating shareholders are invited to attend the 50<sup>th</sup> Annual General Meeting to be held at Nepal Academy, Pragya Sama Conference Hall, Kamaladi, Kathmandu through video conferencing (virtual) medium using Zoom Applications. All the shareholders are requested to obtain the confirmation by registering their name in advance through the link provided by the company in the respective valid official email ID of the Shareholders available in the Shareholders' register or as may be received from the shareholder. After registration, the participating shareholders will receive a confirmation email from the company's system support, which will include a link to the virtual presence/participation at the meeting along with information and the process of joining the meeting.
2. Respected Shareholder who wishes to present and participate in the discussions at the meeting in a virtual medium and wish to express their views at the meeting should inform in advance through email at least two days before the meeting by contacting the Company Secretary or the company's official email ID [legal@soaltee.com.np](mailto:legal@soaltee.com.np). The shareholders are requested to provide their name, shareholder's Code Number or BOID number for Demat shares, number of Shares owned, email ID of the Shareholder, and mobile number should be made available to the company while registering as a speaker to the meeting.
3. As virtual participation in the 50<sup>th</sup> Annual General Meeting will depend on the limitations of technology, punctuality, availability, continuity, and interruption of the Internet, the shareholders are requested to make comments within the stipulated time. The link will be automatically disconnected if there is any technical glitch unnecessary background sound or unusual activities on the part of the participating shareholders through the virtual medium.
4. We encourage shareholders to participate in the meeting through a laptop for a technically good experience at the virtual participation in the 50<sup>th</sup> Annual General Meeting of the Company.
5. Respected Shareholders participating in the meeting through mobile devices or tablets or through Laptops connecting via mobile hotspots may experience Audio/Video loss due to fluctuation/deterioration in their respective networks. It is therefore recommended to use stable Wi-Fi and LAN connection to mitigate any kind of aforesaid glitches.

## **APPLICATION TO APPOINT PROXY**

**DATE:**

**THE BOARD OF DIRECTORS**

**SOALTEE HOTEL LIMITED**

**TAHACHAL, KATHMANDU.**

### **Appointment of Proxy**

**Sub: Representation at 50<sup>th</sup> Annual General Meeting**

Dear Sirs

In the capacity of a shareholder of your Company, I/We ..... resident(s) of .....  
District, ..... Metropolitan City/ Sub Metropolitan City / Municipality/Rural Municipality, Ward  
No. ...., being unable to be personally present and take part in the discussion and decision at the **50<sup>th</sup>  
Annual General Meeting** scheduled to be held on **Thursday, 19<sup>th</sup> December 2024 (4<sup>th</sup> Poush 2081)**,  
hereby appoint Mr./Ms....., a shareholder of the Company having Shareholder  
code No. or BO Account No. ....and a resident of ..... District .....  
Metropolitan City / Municipality/Rural Municipality, Ward No. .... as my/our representative to  
participate and vote on my/our behalf in the said General Meeting.

Applicant,

Signature of the Shareholder .....

Name of Shareholder: .....

Address: ..... .....

Demat share - BO Account No.: ..... .....

Shareholder Code No. (If holding Physical Share certificate) .....

Total No. of Shares Owned .....

Date: .....

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**Note: This Proxy application should be submitted to the Registered Office of the Company at Tahachal, Kathmandu before 48 hours of the Annual General Meeting.**

## **GENERAL RULES RELATING TO APPOINTMENT OF PROXY**

1. Shareholders desirous to send a proxy to the meeting may appoint another shareholder to attend the Annual General Meeting as a representative should register the completed proxy form within office hours in the Company's Registered Office at Tahachal, Kathmandu, at least 48 hours before the commencement of the Annual General Meeting. In such event, the representation through the proxy shall be allowed to participate and vote at the Annual general Meeting.
2. The proxy appointment by a private firm to represent them in the Annual General Meeting shall only be valid if such proxy is appointed by the owner of a private firm. Such proxy appointment application should also be accompanied by a copy of the private firm registration certificate of the shareholder. The proxy appointment by a partnership firm to represent them in the Annual General Meeting shall only be considered valid if such proxy is unanimously appointed and the application is duly signed by all the partners of the firm for proxy appointment. Such appointment of the proxy application should also be accompanied by a copy of the partnership firm registration.
3. Amongst the registered joint owners, the proxy appointed by such shareholders shall only be considered valid if all shareholders jointly sign in the proxy appointment application form. In case of the shareholders not being able to appoint unanimous proxy amongst them, the person whose name is on the top of list among them in the Register Book of the shareholder of the company will be considered to legitimate to submit the proxy application to appoint the proxy.
4. The shares owned by the minor shareholder, the guardian of such minor shareholder is authorized to appoint the proxy if such guardian is mentioned as the authorized person of the minor shareholder in the Shareholder Registration Book maintained by the Company, such guardian should have the right to sign the Proxy Form which will be considered valid.
5. In case, the Company receives more than one Proxy Form appointing a person as a proxy, the Company will treat the first application of proxy registered at its registered office, as valid and such appointed proxy shall have the right to attend the Annual General Meeting and exercise the voting right.
6. The appointment of the proxy by the shareholder shall only be acceptable and considered to be valid only if the signature in Proxy application Form is verified with the signature maintained in the company's shareholders Register Book.
7. If any shareholder desires to cancel the proxy appointed to attend the Annual General Meeting such shareholder shall have to inform in writing the cancellation of proxy 48 hours before the commencement of Annual General Meeting to the registered office of the Company such cancellation letter should be registered within the office hour. A shareholder who had already appointed a proxy and is present in the Annual General Meeting can only attend and participate in the meeting once such shareholder duly cancels earlier Proxy appointment

**CORPORATE INFORMATION**

**MANAGEMENT TEAM**

CA Mr. Dinesh Bahadur Bista	Executive Chairman
CA Mr. Sudarshan Chapagain	Vice President
Mr. Lil Bahadur Khatri	Chief of Corporate Affairs and Company Secretary
Mr. Mukti Nath Shrestha	Director of Finance
Mr. Chudamani Parajuli	Senior Manager Administration and Public Relations
Mr. Suman Gwachha	Manager Projects

**HOTEL OPERATION DIVISION | THE SOALTEE KATHMANDU**

Mr. Avinash Deshmukh	General Manager
Mr. Rajiv Kumar Thakur	EAM - Rooms Division
Mr. Harish Kumar Bhatt	Director of Sales and Marketing
Mr. Khem Bahadur Poudel	Director of Human Resource
Ms. Sumati Shakya	Sr. Director of Meetings & Events
Mr. Narendra Neupane	Financial Controller
Mr. Rupesh Shrestha	Director of Learning & Development
Mr. Niranjana Ratna Shakya	Cluster IT Manager
Mr. Naveen Dhakal	Cluster Revenue Manager
Mr. Jeeban Kumar Rai	Executive Housekeeper
Mr. Sanil Mule	Front Office Manager
Mr. Nanda Kumar Bhandari	Chief Engineer
Mr. Avanish K. Jain	Executive Chef
Mr. Harish Thakur	Food & Beverage-Manager
Mr. Sher Bahadur Chand	Security Manager

**FLIGHT SERVICES DIVISION**

Mr. Vivek T Nambiar,	General Manager- Flight Services
Mr. Yubraj Pokharel	Cluster Executive Chef – Flight Services
Ms. Binita Shrestha	Director Quality Assurance
Mr. Rajiv Baniya	Operation Manager – Flight Services

**INTERNAL AUDITORS**

**JOSHI & BHANDARY**  
Chartered Accountants  
Kathmandu.

**LEGAL ADVISORS**

**Mr. Komal Prakash Ghimire**  
Senior Advocate,

**Ghimire & Company**  
Kathmandu.

**Mr. Samir Sharma**  
Advocate,

**S S LEGAL PVT. LTD.**  
Kathmandu

**Mr. Mahesh K Thapa**  
Senior Advocate,

**SINHA VERMA LAW CONCERN**  
Kathmandu

**Mr. Shail Nath Gautam**  
Senior Advocate,  
Mercantile Law Firm  
Kathmandu

**AUDITORS**

**J. B. RAJBHANDARY & DIBINS**  
Chartered Accountants  
Kathmandu

**SHARE REGISTRAR**

**NIMB Ace Capital Limited**  
Lazimpat, Kathmandu

**BANKERS**

Nabil Bank Limited  
Nepal Investment Mega Bank Limited  
Nepal SBI Bank Limited  
Everest Bank Limited  
Himalayan Bank Limited  
Kathmandu

**REGISTERED OFFICE**

Tahachal, Kathmandu

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**SOALTEE HOTEL LIMITED**

SIMPLIFIED STATEMENT OF FINANCIAL POSITION AS AT 15 JULY 2024 (31 ASHADH 2081)

*Rupees*

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b>WHAT THE COMPANY OWNED</b>		
<b>NON-CURRENT ASSETS</b>		
Property, Plant and Equipment	2,193,754,170	1,902,297,989
Intangible Assets	49,612	426,854
Investment Property	89,383,825	87,197,495
Investments	281,276,188	275,487,563
Trade and Other Receivables	22,899,490	23,389,414
	<b>2,587,363,285</b>	<b>2,288,799,315</b>
<b>CURRENT ASSETS</b>		
Inventories, Investments, Receivables, Prepayments, Cash and Cash Equivalents	564,021,912	538,970,418
Less: Current Liabilities	525,673,188	485,776,736
<b>WORKING CAPITAL</b>	<b>38,348,724</b>	<b>53,193,682</b>
<b>TOTAL ASSETS</b>	<b>2,625,712,009</b>	<b>2,341,992,997</b>
<b>WHAT THE COMPANY OWED</b>		
Non-Current Liabilities	258,896,045	235,580,260
<b>SHAREHOLDERS FUND</b>	<b>2,366,815,964</b>	<b>2,106,412,737</b>
<b>REPRESENTED BY</b>		
Share Capital	928,953,700	884,715,060
Retained Earnings and Reserves	1,437,862,264	1,221,697,677
	<b>2,366,815,964</b>	<b>2,106,412,737</b>
<b>DEBT/EQUITY RATIO</b>	<b>0.01</b>	<b>0.01</b>

SIMPLIFIED INCOME STATEMENT FOR THE PERIOD ENDED ON 15 JULY 2024 (31 ASHADH 2081)

*Rupees*

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	INCREASE/ (DECREASE) %
<b>INCOME</b>			
<b>Rooms, Restaurants, Banquets &amp; Other Services &amp; Other Income</b>	<b>2,498,418,467</b>	<b>2,254,626,261</b>	<b>10.81%</b>
<b>EXPENDITURE</b>			
Employee Benefit Expenses	563,383,728	502,368,131	12.15%
Consumption of Food and Beverages	405,153,476	380,083,406	6.60%
Operating Expenses	303,460,367	285,399,823	6.33%
Depreciation and Amortization Expense	137,503,255	113,641,170	21.00%
Other Expenses	337,967,880	277,343,565	21.86%
Finance Cost	3,602,880	8,660,738	(58.40%)
<b>Total Expenditure</b>	<b>1,751,071,586</b>	<b>1,567,496,833</b>	<b>11.71%</b>
<b>Profit/(Loss) for the year (before Taxes)</b>	<b>747,346,881</b>	<b>687,129,428</b>	<b>8.76%</b>
Current Tax	(137,462,999)	(124,608,113)	10.32%
Deferred Tax Income/(Expense)	(9,841,419)	(7,541,720)	30.49%
<b>Net Profit/(Loss) for the year</b>	<b>600,042,463</b>	<b>554,979,595</b>	<b>8.12%</b>
Balance of Profit Brought Forward	1,160,362,926	827,114,838	
Tax Payment of Prior Years	(110,282,798)	-	
Issue of Bonus Share	(44,238,640)	(42,135,330)	
Fraction of Bonus Share Recovered/(Paid) in Cash	2,887	6,344	
Payment of Dividend	(235,147,950)	(179,602,521)	
<b>TRANSFERRED TO GENERAL RESERVE</b>	<b>1,370,738,888</b>	<b>1,160,362,926</b>	



## SOALTEE HOTEL LIMITED DIRECTORS' REPORT

### DEAR RESPECTED SHAREHOLDERS,

The Board of Directors takes immense pleasure in welcoming you all, respected shareholders at the 50<sup>th</sup> Annual General Meeting of the Company. We have the privilege of presenting before you the 50<sup>th</sup> Annual Report and Audited Financial Statements for the fiscal year ended 15<sup>th</sup> July 2024 (31<sup>st</sup> Ashadh 2081). In compliance with statutory requirements, your Company has prepared and presented its Financial Statements in accordance with the Nepal Financial Reporting Standard (NFRS).

### REVIEW OF THE OPERATING ACTIVITIES

During the fiscal year 2080/81 (2023/24), Total Revenue increased by 10.81% (previous fiscal year an increase of 64.68%) as compared to the previous fiscal year. Total Revenue for the fiscal year was Rs. 2,498.42 million (previous year Rs. 2,254.63 million) which is an increase of Rs. 243.79 million (previous fiscal year Rs. 885.50 million) compared to the previous fiscal year. During the year under review, your Company registered a Cash Profit of Rs 884.85 million as compared to the previous fiscal year's Cash Profit of Rs. 800.77 million with Net Profit after Tax being Rs. 600.04 million as compared to the previous fiscal year's Net Profit of Rs. 554.98 million.

### PERFORMANCE HIGHLIGHTS

#### FINANCIAL RESULTS

The major performance indicators of the Company for the fiscal year 2080/81 (2023/24) and comparative figures are summarised as under:

*Rupees in Million*

PARTICULARS	FISCAL YEAR		VARIANCE	INCREASE / (DECREASE) %
	2023/24	2022/23		
Total Revenue	2,498.42	2,254.63	243.79	10.81%
Total Expenditure	1,747.47	1,558.84	188.63	12.10%
<b>Profit from Operations</b>	<b>750.95</b>	<b>695.79</b>	55.16	7.93%
Less: Finance Cost	3.60	8.66	(5.06)	(58.43%)
<b>Profit before Taxes</b>	<b>747.35</b>	<b>687.13</b>	60.22	8.76%
Less: Provision for Income Tax	137.46	124.61	12.85	10.31%
Less: Deferred Tax Expenses/(Income)	9.84	7.54	2.30	30.50%
<b>Net Profit after Taxation (before appropriation)</b>	<b>600.04</b>	<b>554.98</b>	45.06	8.12%
<b>Net Profit Transfer to Reserves (before appropriation)</b>	<b>600.04</b>	<b>554.98</b>	45.06	8.12%

### AWARDS AND RECOGNITION

We are delighted and honored to inform you that your hotel **The Soaltee Kathmandu** has been awarded with the following Awards: -

#### LEADING MEETING AND CONFERENCE HOTEL/RESORT IN NEPAL

Your hotel, The Soaltee Kathmandu was awarded with South Asia's one of the Most Prestigious Travel Industry Gold Awards '**Leading Meeting and Conference Hotel/Resort**' during the 8<sup>th</sup> South Asian Travel Awards (SATA) 2024, organized by the South Asian Travel Awards (SATA). SATA has been recognizing the best of South Asia's hospitality and travel industry since 2016. The 8<sup>th</sup> edition of the South Asian Travel Awards (SATA) 2024 was held at Aloft Kathmandu on 20<sup>th</sup> September 2024.

## HAUTE GRANDEUR GLOBAL HOTEL AWARDS

Your hotel, The Soaltee Kathmandu was awarded with the **‘Best Luxury Hotel in Asia’**,

**‘Best City Hotel in Nepal’**, **‘Best Conference Venue Hotel in Nepal’**, **‘Best Family Hotel in Nepal’**, **‘Best Destination Wedding Hotel in Asia’** by Haute Grandeur Global Hotel Awards in August 2024. The Haute Grandeur Global Hotel Awards was established as an independent and unbiased initiative to honour the very highest achievements from across the global hotel industry in 2014, recognising exceptional contributions by outstanding hotels.

## BUSINESS, LEISURE, TRAVEL & MICE (BLTM) EXCELLENCE AWARD

Your hotel, The Soaltee Kathmandu was awarded with the **‘Most Exclusive Leisure Product for MICE’** by Business Leisure Travel MICE (BLTM) Excellence Award, held at Yashobhoomi (IIC) Dwarka, New Delhi on 31<sup>st</sup> August 2024.

## INTERNATIONAL, REGIONAL AND NATIONAL SCENARIOS AND THEIR IMPACTS ON THE BUSINESS

The hotel industry in Nepal faces a dynamic landscape in 2024, shaped by various international, regional, and national factors. This section outlines specific developments and events that, while unique to the current period, have a significant impact on the business environment of Nepal’s hospitality sector.

### INTERNATIONAL SCENARIO

In 2024, the global hotel industry is influenced by several critical international factors. These include geopolitical shifts, economic fluctuations, and a growing focus on sustainability, all of which play a role in shaping the travel and tourism market worldwide.

#### 1. Geopolitical Uncertainty:

Ongoing geopolitical tensions, particularly in Eastern Europe and the Middle East, have resulted in fluctuating tourist flows and flight patterns. While some regions are experiencing a tourism boom, others face disruptions. Changes in visa policies, air connectivity, and economic sanctions in certain markets can indirectly affect tourist numbers in Nepal, particularly from Europe and North America.

#### 2. Inflation and Global Economic Trends:

In 2024, global inflationary pressures have impacted disposable income levels, leading to changes in travel behaviors. Many international travellers are opting for shorter trips or budget-friendly options, while luxury travel markets remain resilient. This duality in tourist preferences necessitates adaptability within Nepal’s hotel industry, focusing on offering both affordable and premium experiences to capture diverse segments.

#### 3. Sustainability-Driven Travel:

The heightened global awareness around sustainability has reshaped international travel preferences. Travelers are increasingly seeking eco-friendly destinations and accommodations that prioritize environmental responsibility. Hotels in Nepal are expected to enhance their sustainability efforts to meet these expectations, such as reducing carbon footprints, adopting renewable energy, and offering eco-conscious guest experiences.

#### 4. Shifts in Major Tourism Markets:

A diversification of source markets is evident in 2024, with an increased influx of tourists from emerging markets such as Southeast Asia and Africa. Traditional markets, like Europe and the United States, remain significant but are increasingly complemented by newer, high-growth regions. This shift calls for hotels in Nepal to tailor their services and marketing to cater to a more geographically diverse clientele.

### REGIONAL SCENARIO

The South Asian hotel industry continues to recover in 2024, driven by increasing regional cooperation, infrastructure development, and evolving traveller preferences. These regional dynamics are reshaping the tourism landscape and impacting hotels across Nepal.

#### 1. Strengthening Regional Connectivity:

Enhanced transport and infrastructure links, such as direct flights between Nepal and cities in India, Bangladesh, and Thailand, are boosting intra-regional travel. The improved air and road networks facilitate



easier movement for business travellers and tourists alike, resulting in increased hotel bookings. This growing connectivity positions Nepal as a regional hub for cultural tourism and adventure tourism within South Asia.

## 2. Growing Popularity of Regional Tourism Circuits:

Initiatives such as the South Asian Association for Regional Cooperation (SAARC) and the BIMSTEC tourism cooperation programs have fueled interest in developing regional tourism circuits. These circuits encourage cross-border travel between neighbouring countries. Nepal's rich cultural heritage, trekking routes, and religious sites are becoming integrated into broader South Asian tourism packages, contributing to higher occupancy rates in hotels across the country.

## 3. Rise of Wellness and Adventure Tourism:

Adventure tourism and wellness retreats are gaining momentum in the region, driven by demand from tourists seeking unique and rejuvenating experiences. With Nepal's diverse landscapes and cultural offerings, hotels are increasingly collaborating with local operators to offer curated packages that cater to wellness travellers, trekkers, and spiritual seekers, tapping into this growing trend.

## NATIONAL SCENARIO

Within Nepal, the hotel industry in 2024 is shaped by domestic policies, infrastructure development, and evolving tourism trends. These national factors significantly influence business operations and growth prospects.

### 1. Government Investment in Tourism:

The Nepalese government continues to focus on tourism as a key driver of economic growth, with investments in infrastructure development, tourism marketing campaigns, and support for cultural heritage sites. A major focus has been on enhancing the country's aviation infrastructure, which is vital for accommodating the growing number of international and domestic visitors. This includes the renovation of Tribhuvan International Airport in Kathmandu, aimed at modernizing the facilities, improving operational efficiency, and providing a better experience for travelers. In addition to Tribhuvan International Airport, two new regional international airports Pokhara International Airport and Gautam Buddha International Airport in Bhairahawa have been completed. These new airports are pivotal in expanding Nepal's connectivity to global destinations, reducing reliance on Kathmandu as the sole entry point for international flights, and opening new gateways to key tourism regions.

### 2. Cultural Tourism and Festivals:

Nepal's rich cultural heritage and vibrant festivals are key drivers of domestic and international tourism. Government-supported initiatives to promote cultural tourism, such as restoring ancient temples and hosting international festivals, have increased tourist arrivals during key events. Hotels located near heritage sites or festival locations are benefiting from increased occupancy during these peak periods.

### 3. Focus on Sustainable Tourism:

The push for sustainable tourism practices has gained momentum in Nepal, with government policies encouraging eco-friendly operations across the hospitality industry. Hotels are adopting energy-efficient technologies, reducing plastic use, and offering sustainable food sourcing to align with the growing demand for responsible travel. These efforts are critical in attracting environmentally conscious travellers and ensuring long-term operational sustainability.

### 4. Rural Tourism and Community-Based Initiatives:

The development of rural tourism is gaining prominence in Nepal, with initiatives aimed at promoting off-the-beaten-path destinations. These initiatives, often supported by the government, encourage community-based tourism where visitors can experience local culture, agriculture, and lifestyles. Hotels in urban centers are leveraging this trend by offering packages that combine city stays with excursions to rural areas, providing tourists with a well-rounded Nepalese experience.

### 5. Digital Transformation in Hospitality:

With digital tools becoming increasingly important in tourism, the hotel industry in Nepal is rapidly adopting technologies that enhance guest experiences. This includes online booking platforms, contactless payments, and digital concierge services. Hotels are also investing in data-driven marketing to better target potential customers and personalize their services, which is critical for staying competitive in a digitally evolving marketplace.

The hotel industry in Nepal in 2024 is subject to a range of specific and non-generic factors that have the potential to significantly impact its performance. These events and developments underscore the need for adaptability and strategic planning in the industry, as Nepal navigates a rapidly changing tourism landscape influenced by international, regional, and national dynamics.

### **CURRENT YEAR PERFORMANCE AS OF THE DATE OF REPORT AND FUTURE OUTLOOK**

During the current fiscal year 2024/25, the hotel has posted a total revenue of Rs. 517.99 million till 30th September 2024 (14 Ashwin 2081) against Rs. 376.08 million compared to the same period last year. The room occupancy is 64% as compared to 50% same period last year. The Average Room Rate (ARR) and Revenue Per Available Room (RevPAR) are Rs. 9,496 and Rs. 6,032 against Rs. 8,383 and Rs. 4,186 respectively compared to the same period last year.

### **PRODUCT AND SERVICE UP-GRADATION**

In our continued effort to enhance guest experiences, a series of key renovation and upgrade projects have been undertaken to ensure the property remains at the forefront of luxury hospitality. These improvements demonstrate our commitment to maintaining the highest standards of comfort and elegance. Below are the highlights of these initiatives:

#### **1. New Suites - Everest, Lhotse, and Pumori:**

The addition of the Everest, Lhotse, and Pumori suites represents a significant upgrade to our accommodation offerings. These newly introduced suites are meticulously designed to exude opulence and comfort, providing an elevated experience for guests seeking the highest standards in luxury. This expansion positions the hotel as an ideal destination for both leisure and business guests who prioritize exclusivity and personalized service.

#### **2. New Patio Bar Renovation:**

The recently completed renovation of the Patio Bar has transformed it into a modern and vibrant space for guests to unwind. Designed with a contemporary aesthetic, the bar now offers an enhanced ambiance, perfect for social gatherings or a relaxed evening under the stars. This renovation has positioned the Patio Bar as a central hub for both in-house guests and local visitors, providing a perfect setting for an unforgettable dining and bar experience.

#### **3. Himalayan Wing - 4<sup>th</sup> and 5<sup>th</sup> Floor Upgrades:**

The renovation of the 4th and 5th floors of the Himalayan Wing marks a complete transformation of these rooms. With updated décor, refreshed interiors, and state-of-the-art furnishings, these rooms now offer a sophisticated blend of comfort and style. Each room has been meticulously upgraded to reflect the hotel's commitment to providing a rejuvenating and luxurious experience, ensuring guests enjoy both relaxation and modern amenities during their stay.

#### **4. Regal Suite Renovation:**

The ongoing renovation of the Regal Suite is set to elevate it into a premier luxury suite with cutting-edge design and finishes. Upon completion, the Regal Suite will offer unparalleled elegance, featuring exclusive amenities such as a private lounge area coupled with a private elevator, personalized services, and premium in-room experiences. This upgrade reinforces our dedication to maintaining a high standard of luxury accommodation for VIP and high-profile guests.

#### **5. Landscape and Main Entrance Upgrade:**

The complete redesign and beautification of the hotel's landscape including the main entrance are underway to create a grand and welcoming first impression. This project includes a revitalized landscape, modernized gate design, redesign of the fountains and enhanced lighting to make the entrance visually striking. This significant upgrade is aimed at setting the tone for the luxurious and serene atmosphere that awaits within the hotel, ensuring guests feel welcomed from the moment they arrive.

#### **6. Completion of New Corporate Office Building:**

A new state-of-the-art corporate office building has been constructed to accommodate our growing administrative needs. This modern facility is designed to streamline operations and support the hotel's long-term growth objectives. The office building features an open-concept design with cutting-edge technology, fostering a collaborative and efficient work environment.



### 7. Additional Parking Space:

In response to the increasing demand for parking, we are implementing a new puzzle-type car lift system with a capacity of 112 vehicles. A façade will be constructed to house this lift parking system in the existing parking area adjacent to the ATM lounge on the hotel premises. Additionally, the old corporate office building is being dismantled, and the resulting space will be repurposed to further expand our parking facilities. These improvements will significantly increase parking availability for guests and event attendees, alleviating congestion and ensuring smoother arrivals and departures. This initiative is part of our ongoing efforts to optimize the functionality of the hotel's infrastructure and better accommodate the growing number of visitors.

### 8. Construction of Project Store:

A dedicated project store is being constructed within the expanded car parking area. This new facility will serve as a centralized storage space for project materials and equipment, eliminating the need for the existing picket stores at different locations within the hotel premises. By moving storage to a purpose-built structure, we not only streamline operational efficiency but also free up more parking space for guests.

### 9. Megha Malhar Hall Extension Plan:

Starting in early 2025, the Megha Malhar Hall will undergo an extension, adding an additional 4,000 sq. ft. of space. This expansion will extend from the Malhar section towards Marva Hall, covering the existing Manjari area. The goal is to increase capacity and enhance the overall functionality of the space for large events and gatherings.

### 10. Princep Wing Renovation:

Renovation work will commence in early 2025 on the 3rd and 4th floors of the Princep Wing. Two rooms on each floor will be merged to create premium accommodations, designed to offer the highest level of luxury with state-of-the-art, modern technology. These rooms will reflect a contemporary Soaltee touch, blending elegance with comfort. Additionally, the interiors of the 2nd and 1st floors will be revamped, introducing a fresh and sophisticated look, much like the renovations recently completed on the 4th and 5th floors of the Himalayan Wing. This effort will further enhance the aesthetic appeal and guest experience across the Princep Wing.

These renovation and upgrade initiatives reflect our unwavering commitment to continuous improvement and the enhancement of guest experiences. By investing in both infrastructure and guest services, the hotel ensures that it remains a top destination for travellers seeking a blend of luxury, comfort, and memorable experiences. As these projects are completed, they will further strengthen the hotel's position as a premier destination in the hospitality industry. We are excited to continue offering world-class amenities and a superior stay to all our guests.

## INVESTMENT DIVERSIFICATION

### SOALTEE HOSPITALITY LIMITED

The Company has invested Rs. 250,000,000/- (Rupees Two Hundred Fifty million) in the equity of its wholly owned subsidiary Company Soaltee Hospitality Limited, incorporated under the Companies Act, 2006 (2063) as a strategic decision taken by the Company for investment in hotels outside the Kathmandu valley to be operated under the Company's trademark and brand. Further, the Company has paid aggregating Rs. 12,640,000/- against further equity in its subsidiary Company Soaltee Hospitality Limited as an advance against share Investment.

### HIMAL INTERNATIONAL POWER CORP (P) LTD

The Company has an investment in Bhote Koshi Power Company (P) Ltd (BKPC) through Himal International Power Corp (P) Ltd (HIPC).

The Company has an equity stake of 5.97% in the Share Capital of the Himal International Power Corp (P) Ltd (HIPC), the HIPC has an investment in Bhote Koshi Power Company (P) Ltd (BKPC) which owns and operates the Upper Bhote Koshi Hydroelectric Project (UBKHEP). As reported by the HIPC, the UBKHEP has been commercially operating and supplying electricity to the national grid. HIPC had distributed a dividend of Rs. 27 per ordinary share for the year ended 16<sup>th</sup> July 2023 (32<sup>nd</sup> Ashadh 2080) and accordingly your company received a cash dividend of Rs. 27,00,000/- during the year under review.

## **STREAM PEAK INTERNATIONAL PVT. LTD.**

### **(PREVIOUSLY KNOWN AS SOALTEE SIBKRIM HOTELS AND RESORTS PVT. LTD)**

Stream Peak International Pvt. Ltd. has merged with Soaltee Sibkrim Hotels & Resorts Pvt. Ltd., and following this merger, the company will continue to operate under the name Stream Peak International Pvt. Ltd. This strategic merger was undertaken to facilitate the growth and expansion of the company, it reflects the company's vision to broaden its portfolio and position itself for future growth in the hospitality sector.

This merger does not affect any prior investments, and it was executed with the goal of enhancing the company's long-term potential. By integrating these two entities, the company aims to strengthen its market presence, drive innovation, and explore new opportunities for expansion.

Additionally, Soaltee Westend Premier Nepalgunj, which was previously operating under the registered brand Soaltee Sibkrim Hotels & Resorts, will now operate under Stream Peak International Pvt. Ltd. Soaltee Westend Premier Nepalgunj, located in Lumbini state, is notable for being Nepal's first LEED-certified Green Hotel, setting a benchmark for sustainability in the hospitality industry.

### **EXPANSION OF THE "SOALTEE" BRAND**

Your Company's "Soaltee" brand has been under the expansion of new five-star standard hotels have been in operation under the Brand and Tradename "Soaltee Westend Resort Chitwan" in Chitwan Bharatpur, "Soaltee Westend Itahari" in Itahari, Sunsari, "Soaltee Westend Resort Manakamana", in Manakamana, Gorkha, Gandaki Province and "Soaltee Westend Resort Nagarkot", in Nagarkot, Bhaktapur, Bagmati Province, Nepal. Furthermore, two more Hotels and Resorts are under the pipeline and will be operated and managed with Soaltee Brand.

### **SOALTEE WESTEND PREMIER, NEPALGUNJ**

Soaltee Westend Premier, located in Nepalgunj, Lumbini Province of Nepal, is a premier luxury hotel offering a serene and modern stay experience. The hotel features 80 well-appointed rooms, including 8 suites designed for ultimate comfort. Guests can enjoy dining at exquisite restaurant, offering a range of local and international cuisines. With versatile meeting rooms, the hotel is ideal for corporate events and social gatherings. Additional amenities include an outdoor swimming pool, a fitness center, and a full-service spa, providing guests with a perfect blend of relaxation and luxury. The hotel is managed and operated by Soaltee Hospitality Limited under a Trademark License Agreement, ensuring world-class standards and service.

### **SOALTEE WESTEND RESORT, CHITWAN**

Soaltee Westend Resort is located at Patihani Chitwan, Bagmati Province of Nepal. It is a luxury resort hotel with a lush green garden. The resort features a total of 52 rooms including 10 Deluxe Villas and 2 Presidential Villas. With 2 restaurants for dining options and, 4 meeting rooms, the resort caters to all kinds of bookings including leisure, family & corporate. Outdoor swimming pool and full-service Spa add to the charm of the resort for a comfortable and luxurious stay. The resort is being managed and operated under registered brands, trade names, and trademarks of Soaltee Hospitality Limited, a wholly owned subsidiary of the Company under the arrangement of Trademarks License Agreement between the Companies.

### **SOALTEE WESTEND, ITAHARI**

Soaltee Westend located in Itahari, Koshi Province of Nepal is the first 5-star standard hotel in the Eastern Region of the Country, comfortable and inviting the hotel exudes modernity with stylish design and a contemporary look. The hotel features 85 rooms, an all-day dining restaurant, one specialty restaurant, a business centre, a travel desk, and a banquet hall of approx. 5000 Sq. feet, a swimming pool, and a spa. The hotel will be managed and operated under registered brands, trade names, and trademarks of Soaltee Hospitality Limited, a wholly owned subsidiary of the Company under the arrangement of Trademarks License Agreement between the Companies.

### **SOALTEE WESTEND RESORT, NAGARKOT**

Soaltee Westend Resort (trademark branded as Tayo Eco Resort) is located at Nagarkot, Bagmati Province of Nepal. It is. The resort features a total of 42 rooms including 10 Villas and 2 Suite Villas offering luxury and comfort. Delightful dining experience at the restaurant and bar, with both indoor and outdoor seating. The



Resort features an outdoor pool, a full-service spa, and meetings and events venue with a view of the mesmerizing mountain range. But the real highlight is the perfect sunset views, painting the sky and mountains in golden hues. The resort is being managed and operated under registered brands, trade names, and trademarks of Soaltee Hospitality Limited, a wholly owned subsidiary of the Company under the arrangement of Trademarks License Agreement between the Companies.

### **SOALTEE WESTEND RESORT, MANAKAMANA**

Soaltee Westend Resort Manakamana, opening soon in the sacred region of Manakamana, Gandaki Province will feature 51 luxurious rooms, including 47 Deluxe Rooms, 2 Junior Suites, 1 Executive Suite, and 1 ADA Room. Guests can enjoy a multi-cuisine restaurant with indoor and outdoor seating, an outdoor pool, gym, and spa. The resort will also offer modern meetings and events spaces, making it perfect for both leisure and business stays. The resort will be managed and operated under registered brands, trade names, and trademarks of Soaltee Hospitality Limited, a wholly owned subsidiary of the Company under the arrangement of Trademarks License Agreement between the Companies. The resort combines luxury with proximity to the revered Manakamana Temple for a unique and serene getaway experience.

### **MITHILA YATRI NIWAS, JANAKPUR**

Mithila Yatri Niwas, located in the heart of Janakpur, Madhesh Province of Nepal, offers a welcoming and comfortable stay for both pilgrims and travellers. The hotel features 30 well-appointed rooms, including deluxe and family suites, designed to provide a restful environment. Guests can enjoy a delightful dining experience at the in-house restaurant, which serves a variety of local and traditional Mithila cuisines. The hotel also offers facilities for gatherings and meetings, making it suitable for both leisure and business stays.

### **MAJOR FACTORS AFFECTING THE BUSINESS OF THE COMPANY**

In 2024, several key factors are shaping the business landscape of our company within Nepal's tourism and hotel industry. The global recovery of tourism is evident, with a significant increase in international arrivals from markets like India, China, and Europe. This growth enhances the outlook for the hotel sector but also intensifies competition with the rise of boutique hotels and eco-resorts. To maintain our competitive edge, we must focus on diversifying offerings and enhancing unique guest experiences, such as cultural immersions and wellness tourism.

Political stability in Nepal continues to foster a conducive environment for business operations, while global economic conditions, including inflation and fluctuating exchange rates, affect tourists' travel decisions. Infrastructure improvements—such as expanded airports and upgraded road networks have significantly enhanced accessibility to key tourist destinations, further driving visitor numbers.

Environmental concerns, particularly regarding climate change, remain critical, necessitating a commitment to sustainable practices within the hotel industry. Establishing eco-friendly initiatives and energy-efficient technologies will be vital for attracting environmentally conscious travellers. Additionally, safety and security measures are essential for maintaining Nepal's reputation as a secure destination for tourists.

Technological advancements are transforming guest experiences in 2024, with increased reliance on digital solutions for bookings and personalized services. Hotels must adopt data-driven strategies and AI tools to enhance customer engagement. Furthermore, government initiatives to promote Nepal as a vibrant, safe, and culturally rich destination are boosting the industry through strategic marketing campaigns and relaxed visa policies.

In this rapidly evolving landscape, adaptability and innovation are crucial for ensuring our continued growth and success in Nepal's hotel sector.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

Soaltee Hotel Limited ("SHL") has been at the forefront of Corporate Social Responsibility (CSR) activities. The objective of the Company's CSR activities is to attain sustainable development of the society around the area of operations of the Company and to support the society. The Company's social responsibility activities focus on using the capabilities of business to improve lives and contribute to sustainable living, through contributions to local communities and society at large.



## **1. CSR CONTRIBUTIONS TO KATHMANDU INSTITUTE OF CHILD HEALTH (KIOCH):**

Soaltee Hotel Limited has made significant CSR contributions, donating a total of 75 lakh rupees to the Kathmandu Institute of Child Health (KIOCH). This generous support is divided into two parts: for the construction and equipping of the KIOCH Damak Satellite Children's Hospital in the Jhapa district of Koshi province and for the establishment of a children's hospital in Hepali Height, Budhanilkanth Municipality, Kathmandu. The KIOCH Damak Satellite Children's Hospital in Jhapa is envisioned to serve as a crucial healthcare center for children in the eastern region of Nepal, providing specialized pediatric services. Meanwhile, the children's hospital in Kathmandu is being established with state-of-the-art facilities to address the growing need for comprehensive child healthcare services in the capital. The collaboration between Soaltee Hotel Limited and Kathmandu Institute of Child Health exemplifies the power of partnership in addressing critical healthcare challenges and fostering positive change in communities. Through such initiatives, both organizations aim to create a healthier and more prosperous future for the children of Nepal.

## **2. CONTRIBUTION TO KATHA NEPAL FOR MAATRI NEPAL PROJECT:**

Soaltee Hotel Limited has made a CSR contribution, donating a total of 15 lakh rupees to Katha Nepal Private Limited for the production and distribution of audio-visual teaching materials based on the national curriculum of the Nepali subject for Grades 8 and 9. This initiative enables students from less privileged backgrounds to receive the same quality education as their counterparts in more affluent schools. The educational audio-visual content will be circulated to 86 public schools in and around Nepalgunj, Janakpur, and Chitwan, including 43 schools in Nepalgunj, 23 schools in Janakpur, and 20 schools in Chitwan.

## **3. SHORT DOCUMENTARY ON SOCIAL AWARENESS:**

Soaltee Hotel Limited's CSR efforts include supporting the creation of a short documentary film aimed at promoting social awareness. This initiative was carried out based on a recommendation from the Kalimati Police Station. The documentary addresses important social issues, educates the public, and raises awareness on matters that require attention and action.

## **4. INSTALLATION OF STREET LIGHTS, FIBER SPLICING, AND CCTV:**

Soaltee Hotel Limited has taken steps to enhance safety and security in the vicinity of The Soaltee Kathmandu compound, particularly around the Tahachal and Bafal areas. This project has installed and tested street lights, conducted fiber splicing for improved communication infrastructure, and installed CCTV cameras. This collaborative effort with the Kalimati Police Station aims to create a safer environment for the local community and hotel guests.

## **5. ROADSIDE PLANTATION IN COORDINATION WITH KMC AND ROTARY CLUB:**

Soaltee Hotel Limited has joined hands with the Kathmandu Metropolitan City (KMC - 13) and the Rotary Club of Kathmandu to carry out a roadside plantation project. This initiative involves planting trees and greenery along the stretch from Soaltee Mode to Kalimati Bridge. It contributes to beautifying the area, improving air quality, and promoting environmental conservation.

## **6. SUPPORT FOR VULNERABLE WOMEN AT MATERNITY HOSPITAL:**

The company has provided support for vulnerable women at Maternity Hospital Prashuti Griha, following a request from the Rotary Club of Kupandole. This assistance includes financial aid, medical equipment, or other resources to help women in need, particularly in the context of maternal and child health.

## **7. CONTRIBUTION TO BASIC HEALTH EQUIPMENT:**

Soaltee Hotel Limited has made a contribution to provide basic health equipment to a public health post located in Sandhikharka Municipality Ward no 2, Kura, Argakhachi District. This support helps to improve healthcare infrastructure in a rural area, enhancing access to medical services and health outcomes for the local community.



## 8. SPONSORSHIP FOR THE 3RD JUMLA MARATHON:

Recognizing the importance of sports and community engagement, Soaltee Hotel Limited has sponsored the 3rd Jumla Marathon in response to a request from the Karnali Sports Club. This sponsorship supports the organization and execution of the marathon event, promoting sports, physical fitness, and community participation in the Jumla region.

## SUSTAINABILITY

At The Soaltee Kathmandu, our commitment to sustainability goes beyond mere compliance; it reflects our dedication to responsible resource use and environmental stewardship that positively impacts both the community and the ecosystem. We believe that true luxury hospitality harmonizes with nature, and as such, we have implemented a variety of initiatives designed to minimize our ecological footprint while enhancing guest experiences. Our approach integrates sustainable practices into every facet of our operations, ensuring that we contribute to the well-being of both the environment and the people who rely on it. Below, we detail our key sustainability initiatives:

### 1. SUSTAINABLE SOLAR PANEL PROJECT:

In partnership with Gham Power, we have launched a 500-kilowatt solar power system that exemplifies our commitment to sustainable luxury. This project makes use of available rooftop and parking area space to harness solar energy, resulting in a projected reduction of diesel consumption by 196 kiloliters over the next 15 years. Furthermore, this initiative is expected to decrease carbon emissions by 995 tons, significantly contributing to our goal of a cleaner future. Beyond environmental benefits, we anticipate a 25% reduction in electricity bills, demonstrating that sustainability can also be financially advantageous. By adopting solar energy, The Soaltee Kathmandu aims to set a benchmark for the hospitality industry and inspire other establishments to follow suit.

### 2. WATER BOTTLING PLANT:

Our state-of-the-art water bottling plant represents a significant investment in both sustainability and guest satisfaction. By purifying and bottling water on-site, we eliminate the reliance on single-use plastic bottles, a major contributor to environmental pollution. This initiative not only reduces our carbon footprint associated with transporting bottled water but also ensures that guests enjoy fresh, purified water conveniently available within the hotel premises. The glass bottles we utilize are crafted from natural materials, free from harmful chemicals like BPA and phthalates, which pose risks to both human and environmental health. By producing our own bottled water, we take substantial strides toward minimizing plastic waste while enhancing the overall guest experience.

### 3. SUSTAINABILITY PRACTICES IN HOUSEKEEPING:

Our housekeeping department has adopted a range of innovative sustainability practices aimed at reducing waste and conserving resources. The introduction of bulk dispenser bottles for toiletries significantly reduces plastic waste, while the replacement of soap bars with dispensers ensures efficient use of resources. Our Linen Reuse Program encourages guests to extend the use of their linens and towels for more than one day, leading to the conservation of millions of gallons of water daily and the generation of less grey water. Furthermore, we have established water refill stations that provide water served in jugs and carafes for meetings and events, minimizing the need for single-use bottled water and enhancing our commitment to sustainability.

### 4. WASTE MANAGEMENT:

We have initiated a comprehensive waste management program that includes waste segregation at the source. This approach helps us understand the types and volumes of waste produced, allowing for targeted reduction efforts. Our primary objective is to minimize food waste alongside single-use plastics. To support this, we plan to install a compost plant within the hotel, which will process compostable materials such as food scraps, garden waste, and paper. This facility will generate organic, chemical-free fertilizers for use in our gardens and greenhouse, further enhancing our sustainable practices.

## 5. SUSTAINABLE GARDEN:

We are proud to cultivate a sustainable garden on our premises, employing organic fertilizers to grow a variety of vegetables and herbs. This initiative not only promotes local sourcing of fresh produce but also helps us reduce the carbon footprint associated with transporting food from distant suppliers. By integrating this garden into our kitchen operations, we enhance the quality and sustainability of the food we serve while demonstrating our commitment to eco-friendly practices.

## 6. EV AND CHARGING STATION:

To promote eco-friendly transportation options, we have installed electric vehicle (EV) charging stations throughout the hotel. This initiative encourages the use of electric vehicles over traditional petroleum-powered ones, thereby contributing to reduced greenhouse gas emissions. By providing convenient charging facilities, we support our guests in making environmentally conscious choices during their stay.

## 7. SUPPORT FOR LOCAL VENDORS:

We actively promote local vendors and prioritize Nepal-made products in our offerings, ensuring that we maintain high standards of quality while supporting the local economy. By sourcing products locally, we not only minimize our environmental impact but also contribute to the livelihoods of local artisans and businesses.

Through these multifaceted initiatives, The Soaltee Kathmandu exemplifies how luxury hospitality can coexist with responsible and sustainable practices. We are dedicated to inspiring others in the industry while actively contributing to a brighter, greener future for our community and the environment.

## COMMITMENT TO SUSTAINABLE LUXURY AND COMMUNITY ENGAGEMENT

As we move forward, our goal remains steadfast: to integrate these eco-conscious practices into every aspect of our operations and redefine luxury hospitality through sustainability. We recognize that our efforts are just the beginning, and we are committed to continuous improvement and innovation in our sustainability initiatives. By prioritizing environmental stewardship and community engagement, we aim to create a lasting positive impact that benefits not only our guests but also the planet we all share. Together, we can embrace a future where luxury and sustainability thrive hand in hand.

## INDUSTRIAL AND BUSINESS OR PROFESSIONAL RELATIONS OF THE COMPANY

The Board of Directors is pleased to report that the Company's relations with employees have been very cordial and excellent throughout the year. Both the Management and employees work in close harmony with a common goal to provide high standard services to the guests of the hotel and to offer the best place to meet.

We would like to place on record our commendation and appreciation to our Soaltee family of employees and are confident that all our employees would demonstrate the greatest level of commitment and understanding, extending further cooperation to the Management team to help your Company to succeed in the future challenges for the professional growth and excellency.

Your Company maintains a good professional relationship with its customers, suppliers, service providers, banks and other agencies, contractors and consultants, travel agencies and airlines, government authorities, and regulators.

Your Company is a Hospitality Member of the internationally acclaimed travel and tourism Pacific Asia Travel Association (PATA). The Company is an Associate member of the Federation of Nepalese Chambers of Commerce & Industry (FNCCI), a Member of the Hotel Association of Nepal (HAN), Nepal India Chamber of Commerce & Industry (NICCI), Nepal- China Chamber of Commerce & Industry (NCCCI), Nepal Britain Chamber of Commerce & Industry (NBCCI), and Nepal Institute of Company Secretaries (NICS).

## EMPLOYEE CONNECT AND MANAGEMENT TEAM

The Company has been conducting regular town hall meetings to encourage interaction and work on the areas of action for better performance at work. The hotel has been consistently providing training, communicating guidelines on safety, and maintaining health protocols and practices for the employees to ensure safe working habits and working safely.



The Board of Directors is pleased to inform our valuable Shareholders that our employee's contributions to the Company have been immense and always set a high standard for the working environment. The Board wishes to keep on record its great appreciation that the Company has been receiving full support and cooperation during the difficult time from each Employee of the Company.

## **THE BOARD AND CHANGES IN THE BOARD OF DIRECTORS**

### **STRUCTURE OF THE BOARD**

The structure of the Board consists of nine members of the Board of Directors. However, currently, there are nine members on the Board of Directors including one female Director and one Independent Director in compliance with the Company Act, 2063. All the Board members are non-executive Directors except the Executive Chairman and thus they do not take part in the day-to-day operation of the hotel. The Board of Directors are from diverse backgrounds and possess specialization and expertise in various fields like Tourism, Trade and Commerce, Insurance, Banking, and Industries.

The Board sets the strategic direction for the Company, reviews the hotel's performance and approves strategic hotel operation plans, sets quarterly and annual performance targets, quarterly operational budgets, and annual financial statements, and provides regular guidance to the hotel and Corporate Management for achieving the targeted goals and its objectives.

The Board exercises its authority within the framework of regulatory provisions, Companies Act, Securities Acts and Regulations, Memorandum and Articles of Association of the Company and other relevant Laws and Regulations of Nepal.

### **CHANGES IN THE BOARD OF DIRECTORS**

There has been no change in the composition of the Board of Directors of your company during the fiscal year 2023-24 ended on 15<sup>th</sup> July 2024, under review.

Further, Mr Deepak Raj Joshi, Independent Director of The Company has resigned from the Board of the Company with effect from the 8<sup>th</sup> September 2024 (BS 2081 Bhadra 23) citing personal reasons.

The Board places on record its appreciation for the assistance and guidance provided by Mr Deepak Raj Joshi, Independent Director during his tenure as Independent Director of the Company.

### **MEETING OF THE BOARD OF DIRECTORS**

The Meeting of the Board of Directors of the Company is conducted in accordance with the Companies Act, 2006 (with amendments) of Nepal, and the Memorandum and Articles of Association of the Company. The Vice President of the company and the General Manager of The Soaltee Kathmandu (Hotel) are permanent invitees to the performance meetings of the Board of Directors of the Company.

A total of six (6) Board Meetings were held during the fiscal year 2023/24 (2080/81). A total Rs. 1,794,132 has been paid against Board Meeting sitting fees to the Board of Directors of the Company excluding the Executive Chairman who does not take the meeting fee.

### **BOARD OF DIRECTOR'S REACTION TO REMARKS MADE, IF ANY, IN THE AUDIT**

The Auditors' Report shows that the Company's operation, profitability, and financial position during the fiscal year under review were outstanding. The Management has been advised to implement recommendations and suggestions to the observations of the Statutory Auditors to further improve the operating efficiency of the Company.

### **THE AMOUNT RECOMMENDED FOR DISTRIBUTION AS A DIVIDEND**

Taking into consideration that the company had posted a Net Profit for the fiscal year 2023/24 (2080/81) the Board of Directors of the Company has recommended a Cash Dividend distribution at the rate of **26.84210526%** of the Subscribed and Paid-up Share Capital aggregating **Rs. 249,350,730** and Bonus Shares at the rate of **10%** of Subscribed and Paid up Share Capital held in the Company.

### **SUBSIDIARY COMPANY**

#### **SOALTEE HOSPITALITY LIMITED**

Soaltee Hospitality Limited, a fully owned Subsidiary of the Company had already been in the hospitality business.

The Audited Financial Statements of the subsidiary Company comprising the Statement of Financial Position, the Statement of Profit or Loss and Other Comprehensive Income as of 15<sup>th</sup> July 2024 (31<sup>st</sup> Ashadh, 2081), and the Statement of Cash Flow for the year ended 15<sup>th</sup> July 2024 (31<sup>st</sup> Ashadh, 2081) along with the Auditors' Report are reflected under the Consolidated Financial Statement as a part of this Annual Report 2023/24 for the information of the shareholders in compliance with section 143 and other applicable provisions, if any, of the Companies Act, 2063 (2006) and in accordance with Nepal Financial Reporting Standard (NFRS).

### **STATUTORY AUDITORS**

The Statutory Auditors of the Company Messrs J. B. Rajbhandary & DiBins, Chartered Accountants, Kathmandu, will be completing their one-year tenure with the Company at the conclusion of the ensuing 50<sup>th</sup> Annual General Meeting of the Company.

In terms of the provisions of the Companies Act, 2063 (2006), Statutory auditors need to be rotated on completion of three consecutive terms. The current statutory auditors, J. B. Rajbhandary & DiBins, Chartered Accountants have completed one year and are eligible for re-appointment pursuant to subsection 3 of section 111 of the Companies Act, 2006 (BS 2063).

Based on due consideration and recommendation of the Audit Committee of the Board, respected shareholders are requested to approve the appointment of Statutory Auditors for the Fiscal Year 2024/25 (2081/82) and fix their remuneration.

On your behalf and on behalf of the Board of Directors of the Company, we place on record our sincere appreciation for the services rendered by **M/s. J. B. Rajbhandary & DiBins**, Chartered Accountants during the fiscal year 2023/24 (2080/81).

### **BOARD LEVEL COMMITTEES**

The Board has delegated the authority to make decisions to Board Committees in line with the Companies Act, 2063 (2006), other prevailing Rules and Regulations and practiced corporate governance. The major Sub Committees of the Board are as follows: -

#### **AUDIT COMMITTEE**

The Audit Committee is constituted in accordance with the provisions of section 164 of the Companies Act, 2063 (2006). The primary objective of the Audit Committee is to review the accounts and financial statements of the Company and ascertain the truth of the facts mentioned in such statements, to review the internal financial control system and risk management system, to monitor, provide effective supervision and review the internal auditing activity, to recommend the names of auditor, fix the remuneration, terms, and conditions of appointment of the statutory auditor and present the same in the general meeting for the ratification thereof and to perform such other terms as prescribed by the Board of Directors in respect of the accounts, financial management, and audit of the Company.

The Committee comprises **Mr. Ravi Bhakta Shrestha (Chairman), Mr. Sashi Raj Pandey (Member), and Mr. Niranjana Kumar Tibrewala (Member)**. The internal auditor reports functionally to the Audit Committee. The Committee met five times during the fiscal year 2080/81 (2023/24).

A total of Rs. 4,41,180 has been paid against Meeting sitting fees to the Members of the Audit Committee of the Company. The Company Secretary acts as the Secretary of the Committee.

#### **CASINO PROPERTY LEASE COMMITTEE**

The Casino Property Lease Committee consists of four Board Members comprising of Mr. Dinesh Bahadur Bista, Mr. Niranjana Kumar Tibrewala, Mr. Rajesh Kazi Shrestha, and Mr. Prakash Bikram Khatri. Mr. Dinesh Bahadur Bista is the Chairman of the Casino Property Lease Committee. The Committee reports to the Board of Directors of the Company.

The main function of the Casino Property Lease Committee is to decide and review the Casino lease related matters of the Company and report to the Board of Directors with its recommendations. The Committee met one time during the fiscal year 2080/81 (2023/24).

A total of Rs. 88,236 has been paid against Meeting sitting fees to the Members of the Audit Committee of the Company.

The Company Secretary acts as the Secretary to the Committee.



### REMUNERATION REVISION COMMITTEE

The Remuneration Revision Committee consists of four non-executive Board Members comprising Mr. Ravi Bhakta Shrestha, Convenor, Mr. Sashi Raj Pandey, Mr. Niranjana Kumar Tibrewala, and Mr. Prakash Bikram Khatri as Members of the Committee. The Committee reports to the Board of Directors of the Company.

The Remuneration Revision Committee was constituted with the objective to determine remunerations and perquisites of the Executive Chairman of the Company and report to the Board of Directors for the recommendations to the Annual General Meeting of the shareholders for its approval.

The Company Secretary acts as the Secretary to the Committee.

### INVESTMENT COMMITTEE

The Investment Committee consists of four Board Members comprising of Mr Dinesh Bahadur Bista, Mr Sashi Raj Pandey, Mr. Rajesh Kazi Shrestha, Mr. Niranjana Kumar Tibrewala, and Mr. Prakash Bikram Khatri. Mr. Dinesh Bahadur Bista is the Chairman of the Committee. The Committee reports to the Board of Directors of the Company.

The Investment Committee was constituted with the objective to explore and identify the possibility of investing in and operating hotels of different categories outside the valley.

The Company Secretary acts as the Secretary to the Committee.

### INDUSTRIAL RELATIONS COMMITTEE

The Industrial Relations Committee consists of four Board Members comprising of Mr. Dinesh Bahadur Bista, Mr. Rajesh Kazi Shrestha, Mr. Niranjana Kumar Tibrewala, and Mr. Prakash Bikram Khatri. Mr. Dinesh Bahadur Bista is the Chairman of the Committee. The Committee reports to the Board of Directors of the Company.

The main function of the Industrial Relations Committee is to review the industrial relations of the Company such as human resource relations and related sectors of the Company and report to the Board of Directors with its recommendations.

The Company Secretary acts as the Secretary to the Committee.

### MANAGEMENT LEVEL COMMITTEES

#### CORPORATE SOCIAL RESPONSIBILITY (CSR) MANAGEMENT COMMITTEE

The Board has delegated authority to the Executive Chairman to constitute a Management Level Committee for Corporate Social Responsibility pursuant to the Industrial Enterprises Act, 2076, and Industrial Enterprises Rules, 2078.

The Company has set up a Corporate Social Responsibility (CSR) Management Committee with the Convenorship of the Executive Chairman. The composition of the Committee consists of the Executive Chairman, Vice President, General Manager – The Soaltee Kathmandu, Director of Finance, Director of Human Resources, Chief of Corporate Affairs & Company Secretary, Manager - Projects, and Senior Manager - Administration and Public Relations.

The Company Secretary acts as the Member Secretary of the CSR Management Committee.

The main function of the CSR Management Committee is to conduct the various corporate social activities on behalf of the Company within the CSR fund provision made by the Company as per the Industrial Enterprises Act, 2076, and utilized such funds in compliance with the Industrial Enterprises Rules, 2078 and other relevant prevailing laws of Nepal. The CSR Management Committee of the Company reports to the Board of Directors.

#### CORPORATE SOCIAL RESPONSIBILITY ALLOCATION

The Company allocated one per cent of Net Profit to CSR Fund in the form of a statutory reserve in the fiscal year under review in compliance with the Industrial Enterprises Act, 2076 which is to be utilised in the Corporate Social Responsibility (CSR) initiatives pursuant to the Industrial Enterprises Rules, 2078 and Directives as may be issued by the Department of Industries, Ministry of Industries, Government of Nepal.

#### ADDITIONAL DISCLOSURE UNDER SECTION 109 (4) OF THE COMPANIES ACT, 2063

**IN THE EVENT OF FORFEITURE OF SHARES, DETAILS REGARDING THE NUMBER OF FORFEITED SHARES, FACE VALUE OF SUCH SHARES, TOTAL AMOUNT RECEIVED BY THE COMPANY FOR SUCH SHARES PRIOR TO THE FORFEITURE THEREOF, PROCEEDS OF THE SALE OF SUCH SHARES AFTER THE FORFEITURE THEREOF, AND REFUND OF THE AMOUNT, IF ANY, MADE FOR SUCH FORFEITED SHARES;**

The Company has not forfeited any shares during the fiscal year 2080/81 (2023/24).

**PROGRESS OF TRANSACTIONS OF THE COMPANY AND ITS SUBSIDIARY COMPANY IN THE PREVIOUS FISCAL YEAR AND REVIEW OF THE SITUATION EXISTING AT THE END OF THAT FISCAL YEAR.**

The Company has one subsidiary Company, Soaltee Hospitality Limited, the subsidiary company. The financial statements of the subsidiary company have been incorporated under the Consolidated Financial Statement of the Company.

**MAJOR TRANSACTIONS CARRIED OUT BY THE COMPANY AND ITS SUBSIDIARY COMPANY DURING THE FISCAL YEAR AND ANY MATERIAL CHANGE IN THE BUSINESS OF THE COMPANY**

The hospitality business as envisaged in the Memorandum of Association of the Company remained the core business of the Company; there was no change in business activities during the year, nor was there any change in the core objectives of the subsidiary Company.

**INFORMATION FURNISHED TO THE COMPANY BY ITS SUBSTANTIAL SHAREHOLDERS DURING THE FISCAL YEAR UNDER REVIEW**

There has been no information received or disclosure made by the substantial shareholders of the Company to the Company during the fiscal year 2080/81 (2023/24).

**PARTICULARS OF THE OWNERSHIP OF SHARES TAKEN BY THE DIRECTORS AND OFFICE-BEARERS OF THE COMPANY DURING THE PREVIOUS FISCAL YEAR, AND IN THE EVENT OF THEIR INVOLVEMENT IN SHARE TRANSACTIONS OF THE COMPANY, INFORMATION RECEIVED BY THE COMPANY FROM THEM ABOUT THEIR INVOLVEMENT;**

To the knowledge of the Company, the Directors, and the Office Bearers of the Company had not taken any ownership of shares or acquired or relinquished shares (sold) of the company during the period of the Fiscal Year 2080/81 (2023/24) under review.

To the knowledge of the Company, the Directors, and the Office Bearers of the Company had not been involved in the share transactions of the Company, nor do they have any information regarding any involvement in the share transactions of the Company's shares in contravention of the prevailing laws of Nepal during the fiscal year 2080/81 (2023/24).

**PARTICULARS OF DISCLOSURES FURNISHED BY ANY DIRECTOR OR ANY OF HIS /HER CLOSE RELATIVES ABOUT HIS PERSONAL INTEREST IN ANY AGREEMENT CONNECTED WITH THE COMPANY DURING THE PREVIOUS FISCAL YEAR;**

There is no such information furnished by the Directors and any of their close relatives in any agreements/contracts related to the Company during the fiscal year 2080/81 (2023/24).

**IN THE EVENT THAT THE COMPANY HAS BOUGHT ITS OWN SHARES (BUY-BACK), THE REASONS FOR SUCH BUYBACK, THE NUMBER AND FACE VALUE OF SUCH SHARES, AND THE AMOUNT PAID BY THE COMPANY FOR SUCH BUY-BACK;**

The Company has not purchased its own shares during the fiscal year 2080/81 (2023/24). The Company does not have the policy to buy back its own shares.

**WHETHER OR NOT THERE IS AN INTERNAL CONTROL SYSTEM IN PLACE, IF THERE ARE ANY SUCH SYSTEM DETAILS THEREOF;**

The hotel followed the guidelines and system prescribed by the hotel manager for its Internal Control System. The Company is also guided by detailed financial procedures for the Internal Control System. The following Internal Control Systems are in practice in the Company:-

- (a) Operation Manuals, Procedures, and Guidelines for systematic conduct of Operations of the Hotel
- (b) Financial Policies and Accounting Guidelines
- (c) Monthly Reporting on Internal Checks and Control System
- (d) Internal Audit Unit of the hotel to exercise adequate control of financial transactions
- (e) Internal Audit carried out by outside Independent Certified Auditors.
- (f) Periodic review of the Internal Control System by the Management and Audit Committee
- (g) Computerized system of operation for the Front Office, Reservations, Accounting, and Inventory
- (h) Control Self-Assessment conducted by the hotel manager every six months.

**PARTICULARS OF THE TOTAL MANAGEMENT EXPENSES DURING THE PREVIOUS FISCAL YEAR**

Sin	Particulars	Amount Rs.		Increase / (Decrease) %
		This Year 2023/24 (2080/81)	This Year 2022/23 (2079/80)	
1	Staff Expenses	563,383,728	502,368,131	12.15%
2	Operating (Management) Expenses	337,967,880	277,343,565	21.86%
	<b>Total</b>	<b>901,351,608</b>	<b>779,711,696</b>	<b>15.60%</b>

The total Management Expenses for the fiscal year 2080/81 (2023/24) have increased by 15.60% due to a significant increase in the business and revenue of the Company.

**A LIST OF THE MEMBERS OF THE AUDIT COMMITTEE, REMUNERATIONS, ALLOWANCES, AND FACILITIES BEING RECEIVED BY THEM, PARTICULARS OF FUNCTIONS DISCHARGED BY THE COMMITTEE, AND DETAILS OF SUGGESTIONS, IF ANY, MADE BY THAT COMMITTEE;**

The Company has an Audit Committee comprising the following members of the Board of Directors:-

Sin	Particulars	Capacity / Position
1	Mr. Ravi Bhakta Shrestha	Chairperson
2	Mr. Sashi Raj Pandey	Member
3	Mr. Niranjana Kumar Tibrewala	Member

All other members of the Audit Committee are non-executive Directors thus ensuring complete independence.

The Audit Committee meets on a quarterly basis and reviews internal and external audit reports, control and compliance issues, the Company's financial condition, outstanding receivables, etc. The Audit Committee provides feedback to the Board of Directors by tabling Audit Committee meeting minutes at the subsequent Board meeting for review.

During the fiscal year under review, the Audit Committee invited the Independent Statutory Auditors, the Independent Internal Auditors, the Executive Chairman, the Vice President, the General Manager, the Financial Controller, the Director of Finance, Credit Manager to its Meetings. The Management Letter (Preliminary Audit Report) of the Statutory Audit Report for the fiscal year 2080/81 (2023/24) was presented before the Audit Committee by the Independent Statutory Auditors.

During the fiscal year, 2080/81 (2023/24) Audit Committee performed the following tasks: -

- Quarterly reviews were conducted on outstanding receivables of the hotel and appropriate measures were advised to the Management to recover the old pending receivables and to deal properly with debtors, and necessary instructions were also given to the management to keep receivables under control.
- The Audit Committee reviewed the Preliminary Statutory Audit Report of the Statutory Auditors along with the Annual Financial Statements for the fiscal year 2080/81 (2023/24) of the Company and recommended the Audited Financial Statements, the Abbreviated Abstract Financial Statement, the Report under section 78 and Corporate Governance Compliance Report, and Financial Highlights for the Fiscal Year ended on 15<sup>th</sup> July 2024 (31 Ashadh 2081) to the Board for adoption and approval.
- Quarterly reviewed the Internal Audit reports and discussions made on the issues raised in the reports and directed the management for resolution.
- The Audit Committee reviewed the performance of the Internal Auditors and made the recommendations for the appointment of the independent Internal Auditors of the Company and their remuneration for the fiscal year 2080/81 (2023/24).
- The Committee informed the Board of Directors that the Management had taken all possible necessary actions to recover the old outstanding receivables and that the status of recovery of the old receivables had been satisfactory.
- The Committee reported to the Board of Directors about its meeting and various recommendations and directions issued to the Management to be implemented quarterly.
- The Audit Committee had recommended the appointment of Statutory Auditors and their remunerations to the ensuing 50<sup>th</sup> Annual General Meeting of the shareholders of the Company.



The Board of Directors is pleased to report that the Management has implemented or is in the process of implementing most of the recommendations, and its status is found to be satisfactory.

The Committee Members are glad to report that during the fiscal year 2080/81 (2023/24) no major issues have been reported in the Internal Audit Reports of the Company. The Internal Control System of the Company has been reported to be satisfactory.

The Company Secretary acts as the Secretary to the Audit Committee.

**PAYMENTS DUE, IF ANY, TO THE COMPANY FROM ANY DIRECTOR, MANAGING DIRECTOR CHIEF EXECUTIVE, OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR CLOSE RELATIVES, OR FROM ANY FIRM, COMPANY, OR CORPORATE BODY IN WHICH HE/SHE IS INVOLVED;**

A sum of Rs. 44.19 million (previous year Rs. 50.44 million) is outstanding receivable to be received from Nepal Airlines Corporation (NAC) which has corporate share ownership of the Company. The amount pertains to dues receivables against catering to NAC on board flights by The Soaltee Gate Gourmet – Flight Catering Division of the Company. The Company has had a business relationship with NAC for many years in the past.

**AMOUNT OF REMUNERATIONS, ALLOWANCES, AND FACILITIES PAID TO THE DIRECTORS, THE MANAGING DIRECTOR, THE CHIEF EXECUTIVE, AND OFFICE-BEARERS;**

The Directors have not been paid any remuneration, allowances, and facilities except meeting fees of Rs. 25,000/- net of taxes per sitting.

The total meeting fees paid during the financial year 2080/81(2023/24) to the Non-Executive Board of Directors was Rs. 1,794,132.

The remuneration, allowances, and other facilities paid to the Executive Chairman, the Vice President, General Manager, and the Managers of the Company during the fiscal year 2080/81 (2023/24) was Rs. 162,018,738/- (Previous fiscal year Rs. 143,646,377 /-).

The Company also provides an office car to the Executive Chairman, the Vice President, and the General Managers with a driver, fuel, and maintenance as other facilities.

**AMOUNT OF DIVIDENDS REMAINING UNCLAIMED BY THE SHAREHOLDERS;**

The dividend yet to be collected by the Shareholders amounts to a total of Rs. 17,936,251/-(previous year Rs. 13,539,009/-) as on 15 July 2024 (31 Ashadh 2081) for the fiscal year which includes dividends not collected from fiscal year 1992/93 to 2022/23 (2049/50 to 2079/80). Out of the above-mentioned unclaimed dividends, Rs. 4,862,735/- (previous year Rs. 3,281,979/-) pertains to the fiscal years from 1992/93 to 2016/17 (2049/50 to 2073/74) - periods more than five years from the dates of declaration.

Under the Companies Law, the dividend not claimed/received by any shareholder even after a period of five years from the date of the resolution adopted by the Company in its Annual General Meeting to distribute the dividend should be deposited to the Investor Protection Fund to be established by the Government of Nepal. Therefore, shareholders who have not yet collected their Dividends relating to the above fiscal years are requested to kindly contact the Share Registrar of the Company, NIMB Ace Capital Market Limited, Lazimpat, Kathmandu, Nepal to collect such unclaimed dividends.

**DETAILS OF SALE AND PURCHASE OF PROPERTIES PURSUANT TO SECTION 141;**

No Acquisition and Sales of properties pursuant to section 141 of the Companies Act, 2063 (2006) took place during the Fiscal Year 2080/81 (2023/24).

**DETAILS OF THE TRANSACTIONS CARRIED ON BETWEEN THE ASSOCIATED COMPANIES PURSUANT TO SECTION 175 OF THE COMPANIES ACT, 2063 (2006);**

No transaction between associated Companies pursuant to section 175 of the Companies Act, 2063 (2006) took place during the fiscal year 2080/81 (2023/24).

**ANY OTHER MATTERS REQUIRED TO BE SET OUT IN THE REPORT OF THE BOARD OF DIRECTORS UNDER THE COMPANIES ACT, 2063 (2006) AND THE PREVAILING LAWS OF NEPAL;**

There are no other matters to be disclosed in the Director's Report of the Board of Directors pursuant to the Companies Act, 2063 (2006) and the prevailing law of Nepal during the fiscal year 2080/81 (2023/24).

**OTHER NECESSARY MATTERS;**

There are no other necessary matters to be disclosed by the Board of Directors.

**DISCLOSURES RELATED TO SUB RULE (2) OF RULE 26 OF SECURITIES REGISTRATION AND ISSUANCE REGULATION, 2073 (2016) (SCHEDULE 15):****REPORT OF BOARD OF DIRECTORS:**

Report of the Board of Directors is included in the Annual Report 2080/81 (2023/24) under the Director's Report section heading.

**AUDITOR'S REPORT:**

The Auditor's Report is included in the Annual Report 2080/81 (2023/24) under the Auditors Report section heading.

**AUDITED FINANCIAL REPORTS:**

The Audited Financial Reports for the Fiscal Year 2080/81 (2023/24), comprising the Statement of Financial Position (Balance Sheet) as on 15<sup>th</sup> July 2024, Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account), and Statement Cash Flow, and Statement of Changes in Equity for the year ended 15<sup>th</sup> July 2024 and Notes to the Financial Statement of the Company appended under the respective section heading of the Annual Report 2080/81 (2023/24).

**LEGAL PROCEEDINGS:**

- (a) Lawsuit filed by or against the corporate body during the quarterly period.
- The Company filed a writ petition before the High Court Patan against the respondent Labour Office Kathmandu and 11 laborers during the year under review. The writ was dismissed by the Honourable High Court.
  - The Company filed a petition before the Labour Court Kathmandu against the respondent 11 labour during the year under review. This case is sub judice in the Honourable Labour Court Kathmandu/Supreme Court.
  - The Company has filed writ petitions with the District Court of Nepal against the Civil Aviation Authority of Nepal & TIA for the continuation of the Lease Agreement as per the Contract renewal provision for a further period of three years. The District Court has awarded a stay order until the final verdict of the Court during this fiscal year.
  - The Company has filed a writ petition with the Honorable High Court against additional demand of Tax deducted at source (Income Tax) by Large Tax Office relating to Fiscal Year 2073/74. The Matter is sub-judice in the Honorable High Court.
  - The Company had filed the appeal petitions at the Appellate Revenue Tribunal Kathmandu against the Ministry of Finance, Large Tax Payers' Office challenging the disallowance of expenses on Self-Assessment Income Tax Return orders for the Fiscal Year 2067-68, 2069-70, 2070-71, and 2071-72. The Tax case is under litigation and sub judice with the Appellate Court Revenue Tribunal.
- (b) Lawsuit filed by or against the promoter or director of the corporate body involving violations of statutory regulations or criminal offences.  
The Company has not received any such information during the fiscal year 2080/81 (2023/24).
- (c) Law-suit filed against any promoters or directors for committing economic crimes;  
The Company has not received any such information during the fiscal year 2080/81 (2023/24).

**ANALYSIS OF STOCK TRANSACTION PERFORMANCE OF THE CORPORATE BODY:****(a) MANAGEMENT'S VIEW ON THE PERFORMANCE OF THE STOCKS OF THE CORPORATE BODY IN THE STOCK EXCHANGE:-**

Since the price and transactions of the shares of the Company are, being determined by the open share market operations through Nepal Stock Exchange Ltd. (NEPSE) Management's view on the performance of the stocks of the Company is neutral.

**(b) MAXIMUM, MINIMUM AND CLOSING PRICE OF THE STOCKS OF THE CORPORATE BODY DURING EACH QUARTER OF THE PRECEDING YEAR ALONG WITH THE TOTAL VOLUME OF TRADING OF SHARES AND NUMBER OF DAYS TRADED:-**

Maximum, Minimum, and Closing price of the stocks of the Company, the total volume of transacted shares, and the total number of transactions and days transacted during each quarter of the Fiscal year 2080/81 (2023/24) are undermentioned: -

Quarters of FY 2080/81 (2023/24)	Share Price (Rs.) 2080/81 (2023/24) Share Price (Face value of Rs. 10 for each Share)			The fiscal Year 2080/81 (2023/24) Total Number of		
	Maximum	Minimum	Closing	Trading Days	Transactions	Transacted Shares
1 <sup>ST</sup> QUARTER (END OF ASHWIN 2080)	506.00	390.00	393.00	61	24,253	7,450,754
2 <sup>ND</sup> QUARTER (END OF POUISH 2080)	533.00	382.20	478.00	49	19,085	6,612,574
3 <sup>RD</sup> QUARTER (END OF CHAITRA 2080)	494.00	426.00	439.00	58	11,017	3,516,192
4 <sup>TH</sup> QUARTER (END OF ASHADH 2081)	470.20	416.50	442.00	61	12,937	3,763,396
			<b>TOTAL</b>	<b>229</b>	<b>67,292</b>	<b>21,342,916</b>

(SOURCE: NEPAL STOCK EXCHANGE LTD.)

**PROBLEMS AND CHALLENGES:-**

**(A) INTERNAL**

The Company has got no internal problems.

**(B) EXTERNAL**

- (i) Rise in cost of operation, scarcity of potable water, increasing cost of human resources, goods and services, energy, and cost of products and services;
- (ii) Over supply rooms due to new properties coming into operation, however, demand is not growing accordingly. The gap between the supply and demand of rooms is ever widening.
- (iii) Adverse effects on tourism because of unfavourable global incidents;
- (iv) Political instability and disturbances, and lack of tourism infrastructures and Government policy;
- (v) Natural disasters such as earthquakes, the spreading of Coronavirus Covid - 19 and other catastrophes;

**STRATEGY:**

- (i) Develop a customer oriented services culture – emphasis on customer care and convenience;
- (ii) Increase market share by following a disciplined growth strategy;
- (iii) Develop innovative products and services that attract customers and market segments;
- (iv) Upgrade the infrastructures of the hotel and continue to develop products and services that reduce the cost of funds and explore new avenues for growth and profitability;
- (v) Explore the possibility of investing in or operating hotels outside Kathmandu;
- (vi) Achieve service excellence and continue enhancement in products and services to exceed customer expectations;

**CORPORATE GOVERNANCE:**

**MANAGEMENT'S INITIATIVES TOWARDS GOOD CORPORATE GOVERNANCE:**

Transparency and accountability are the two basic tenets of Corporate Governance. The Board of Directors are committed to sound principles of Corporate Governance in the Company. The Board of Directors of the Company are pleased to report that during the year ended 15<sup>th</sup> July 2024, the Company had complied and followed the corporate governance, which includes: -

- (a) The Company has been complying with the Acts, Directives, Guidelines, Regulations and Byelaws issued



by the Government of Nepal, Security Board of Nepal, Nepal Stock Exchange Ltd., and CDS & Clearing Ltd. regarding Corporate Governance.

- (b) Board of Directors and its Committees' (Audit Committee of the Board) meeting are held on a regular basis.
- (c) Adequately experienced core Management team
- (d) Regular Executive Committee meetings to review the operational activities and progress in various areas of hotel operation
- (e) Adequate Internal Control System, policies, procedures, manuals of the Company and compliance with the relevant laws
- (f) The Company has an external independent Internal Auditors who carries out an internal audit for the review, checking the compliances and internal control system, procedures and policies of the Company and provide independent information on the internal control. The independent Internal Auditors reports directly to the Audit Committee. The Company also has its own Internal Audit unit, which carries out internal reviews of the hotel.
- (g) Adequate compliance with the regulatory requirement of the Company to the Office of Company Registrar, SEBON, NEPSE, CDS & Clearing, Nepal Rastra Bank, and Ministry of Tourism and Civil Aviation etc.

**SUMMARY OF THE COMPLIANCE REPORT CONTAINING MAJOR POINTS OF REPORT UNDER CLAUSE 20(4) OF THE CORPORATE GOOD GOVERNANCE DIRECTIVES ISSUED FOR LISTED INSTITUTION, 2074 TO BE PLACED IN THE ANNUAL REPORT**

The Company Secretary acts as a Compliance Officer, who oversees the overall compliance function in the Company. For the period under review, the compliance status of the Company with respect to the Companies Act, 2063, Securities Act, 2063, its rules, and Corporate Governance Directives issued for listed Institutions, 2074 has been found at a good level.

A glimpse of compliance status as per the compliance report is furnished below:

- The Company did not make any public offering or right issue in the FY 2080/81, hence the provisions to be fulfilled in those respects are not applicable.
- The bonus share issued by the Company is listed with SEBON.
- The Company has submitted requisite reports to the concerned regulatory bodies within the specified timelines and in the manner as prescribed in the relevant directives, laws, rules, and regulations. The Company has maintained proper recording of the transactions as per the prevailing laws.
- The Company has disclosed all the information with regulators which supplements and requires assessment of the financial position of the Company.
- None of the Directors, employees, shareholders, or professional service providers to the Company or any other person having direct or indirect contact with them has been found involved in insider trading.
- The Company has published quarterly financial statements along with the information required to be disclosed.
- Provisions regarding the election, the nomination of directors/independent directors, and their tenure have been found as per the provisions of prevailing laws applicable for the Company and Articles Association and Memorandum of Association of the Company.
- Compliance with the Directions and Directives issued by the regulatory body from time to time and all the requirements of prevailing acts and regulations including directions have duly complied.

*(Note: This is only the executive summary of the report approved by the Board and Certified by the Statutory Auditor. The detailed report will be submitted to SEBON pursuant to the Corporate Good Governance Directives.)*

## **APPRECIATIONS AND ACKNOWLEDGEMENTS**

The Board of Directors places on record their deep appreciation to employees at all levels for their work, dedication, and commitment. The Board wishes to thank the Executive Chairman and his leadership team for their excellence and for leading the team during the difficult time of post-pandemic with the outstanding financial performance of the Company.

The Board of Directors wishes to express its gratitude to the respected shareholders at large for their valuable insight, guidance, cooperation, and support through their personal inputs and their active participation in our Annual General Meetings.

The Board of Directors places to record its sincere appreciation and gratitude for the support and cooperation the Company has received from all our valued customers, travel agencies, airlines, vendors, consultants, contractors, suppliers, service providers, banks, business associates, and other agencies.

The Board of Directors would like to express its gratitude to the Government of Nepal, Nepal Rastra Bank, and other Government agencies and regulatory authorities for their support, guidance, and cooperation and look forward to their continued support in the future.

---

**DINESH BHADUR BISTA**  
**EXECUTIVE CHAIRMAN**

**UBARAJ ADHIKARI**  
**PRAKASH BIKRAM KHATRI**  
**SASHI RAJ PANDEY**  
**JAYA RAJYA LAXMI SHAH**  
**RAVI BHAKTA SHRESTHA**  
**RAJESH KAZI SHRESTHA**  
**NIRANJAN KUMAR TIBREWALA**  
**DIRECTORS**

**DATE: 29<sup>TH</sup> OCTOBER 2024**  
**(13<sup>TH</sup> KARTIK 2081)**

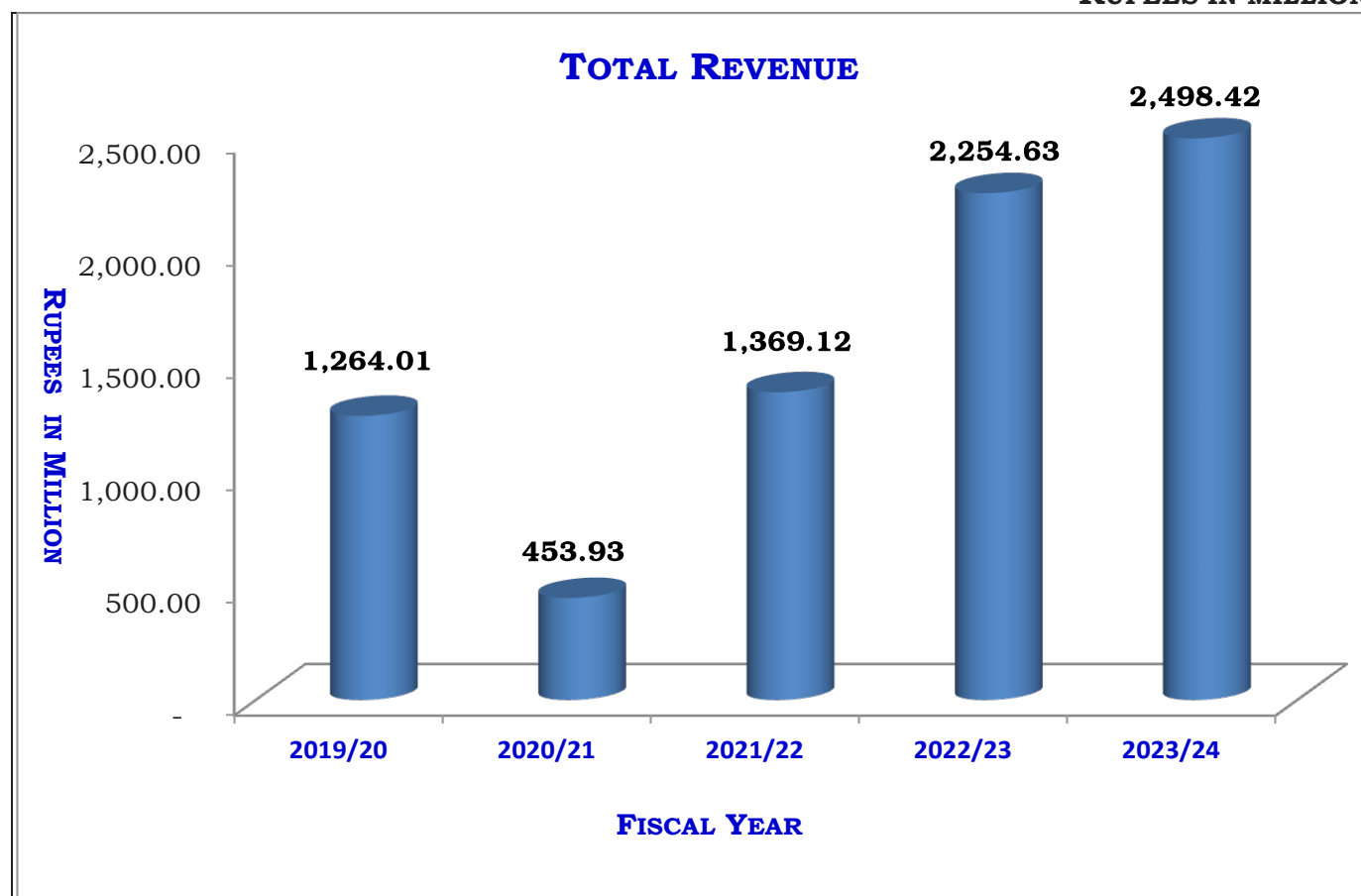
**PLACE: KATHMANDU**

**SOALTEE HOTEL LIMITED****FINANCIAL HIGHLIGHTS**

The major performance indicators comparative figures of the Company for the last five years are summarized as under:

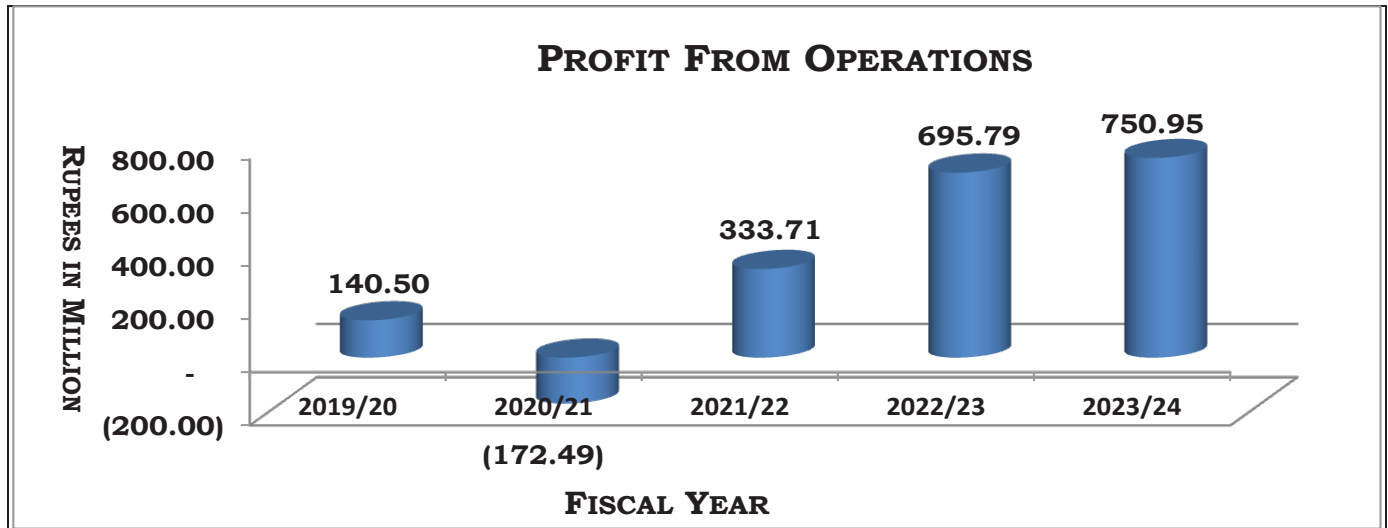
**RUPEES IN MILLION**

PARTICULARS	FINANCIAL YEAR				
	2023/24	2022/23	2021/22	2020/21	2019/20
TOTAL REVENUE	2,498.42	2,254.63	1,369.12	453.93	1,264.01
TOTAL EXPENDITURE	1,747.47	1,558.84	1,035.41	626.42	1,123.51
<b>PROFIT FROM OPERATIONS</b>	<b>750.95</b>	<b>695.79</b>	<b>333.71</b>	<b>(172.49)</b>	<b>140.50</b>
LESS: FINANCE COST	3.60	8.66	18.54	2.87	0.58
<b>PROFIT BEFORE TAXES</b>	<b>747.35</b>	<b>687.13</b>	<b>315.17</b>	<b>(175.36)</b>	<b>139.92</b>
LESS: PROVISION FOR INCOME TAX	137.46	124.61	-	-	15.90
LESS: DEFERRED TAX EXPENSES/(IN-COME)	9.84	7.54	17.93	49.57	11.98
<b>NET PROFIT AFTER TAXATION</b>	<b>600.04</b>	<b>554.98</b>	<b>297.24</b>	<b>(224.93)</b>	<b>112.04</b>
<b>NET TRANSFER TO RESERVES FOR THE YEAR</b>	<b>600.04</b>	<b>554.98</b>	<b>297.24</b>	<b>(224.93)</b>	<b>112.04</b>

**GRAPH: TOTAL REVENUE (TOTAL INCOME)****RUPEES IN MILLION**

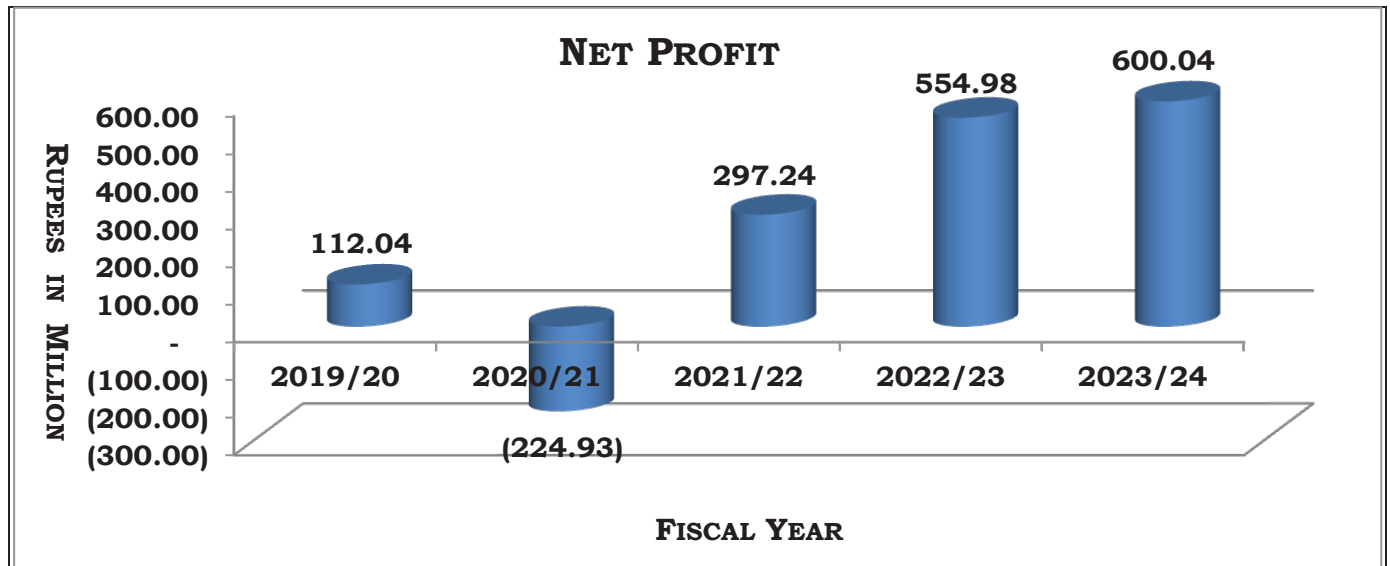
GRAPH: PROFIT FROM OPERATIONS

RUPEES IN MILLION



GRAPH: NET PROFIT

RUPEES IN MILLION



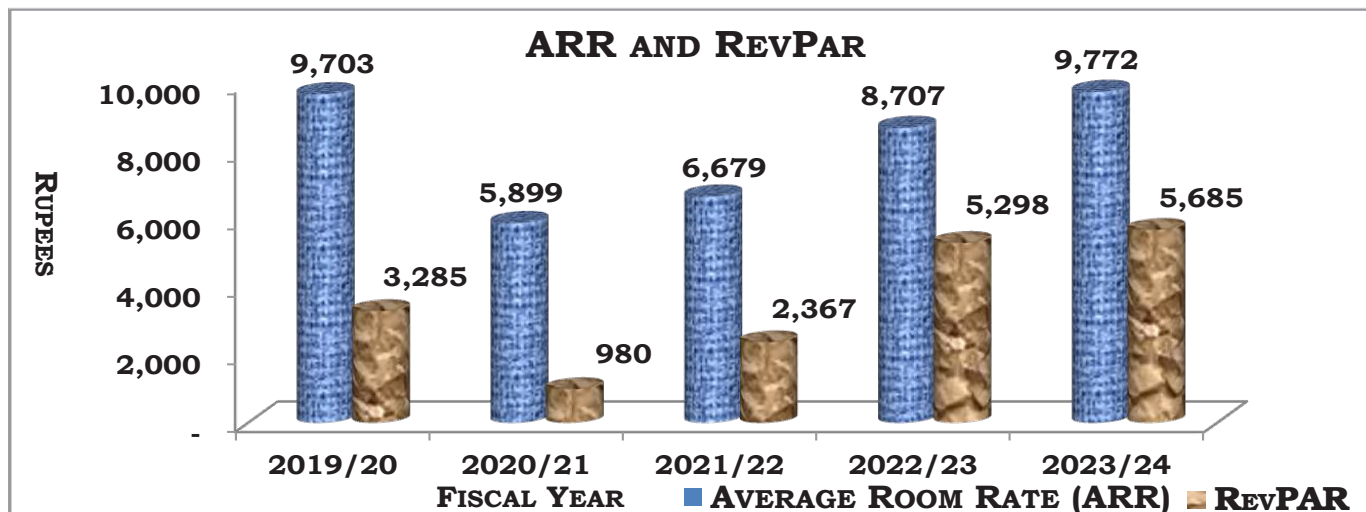
ROOM REVENUE, OCCUPANCY, AVERAGE ROOM RATE (ARR) AND RevPAR

PARTICULARS	FINANCIAL YEAR					INCREASE / (DECREASE) % (THIS FY VS LAST FY 2022/23)
	2023/24	2022/23	2021/22	2020/21	2019/20	
ROOM COUNT	285	285	285	161	260	-
ROOM REVENUE (RS. IN MILLIONS)	591.43	551.09	246.99	57.43	311.35	7.32%
ROOM AVAILABLE	104,025	104,025	104,355	58,604	94,785	-
SALEABLE ROOM	104,025	104,025	104,355	58,604	94,785	-
ROOM OCCUPIED	60,524	63,290	36,982	9,736	32,088	(4.37%)
OCCUPANCY PERCENTAGE	58.18%	60.84%	35.44%	16.61%	33.85%	(2.66%)
AVERAGE ROOM RATE (ARR) Rs.	9,772	8,707	6,679	5,899	9,703	12.22%
RevPAR (REVENUE PER AVAILABLE ROOM) Rs.	5,685	5,298	2,367	980	3,285	7.32%



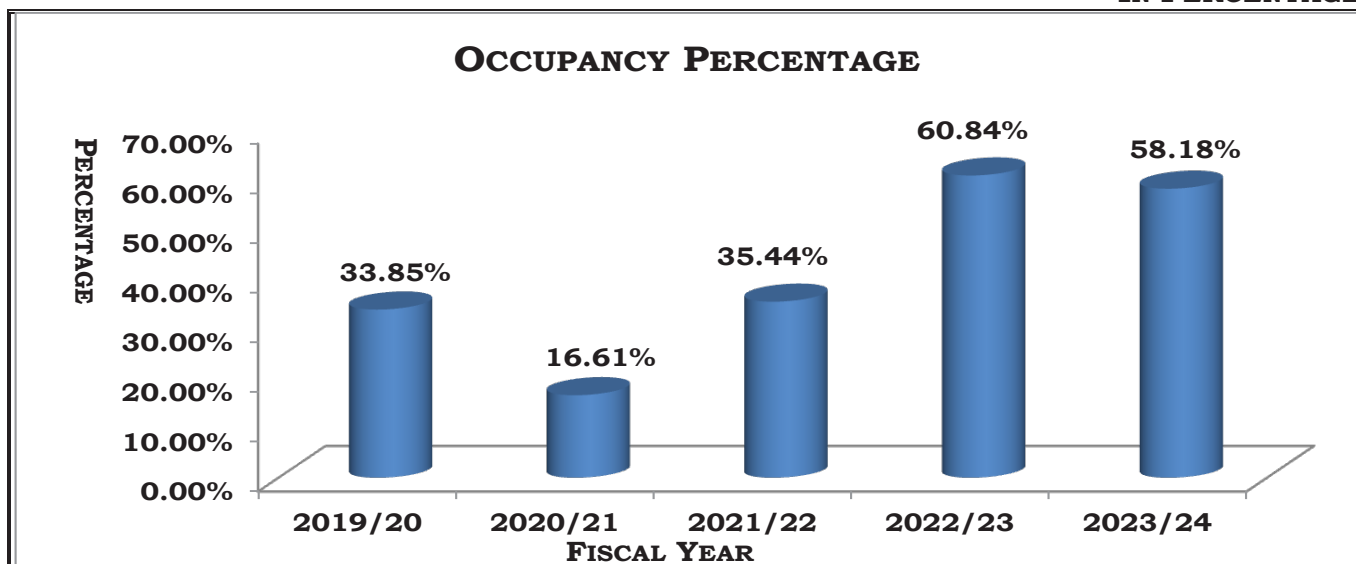
GRAPH- AVERAGE ROOM REVENUE (ARR) AND RevPAR

IN RUPEES



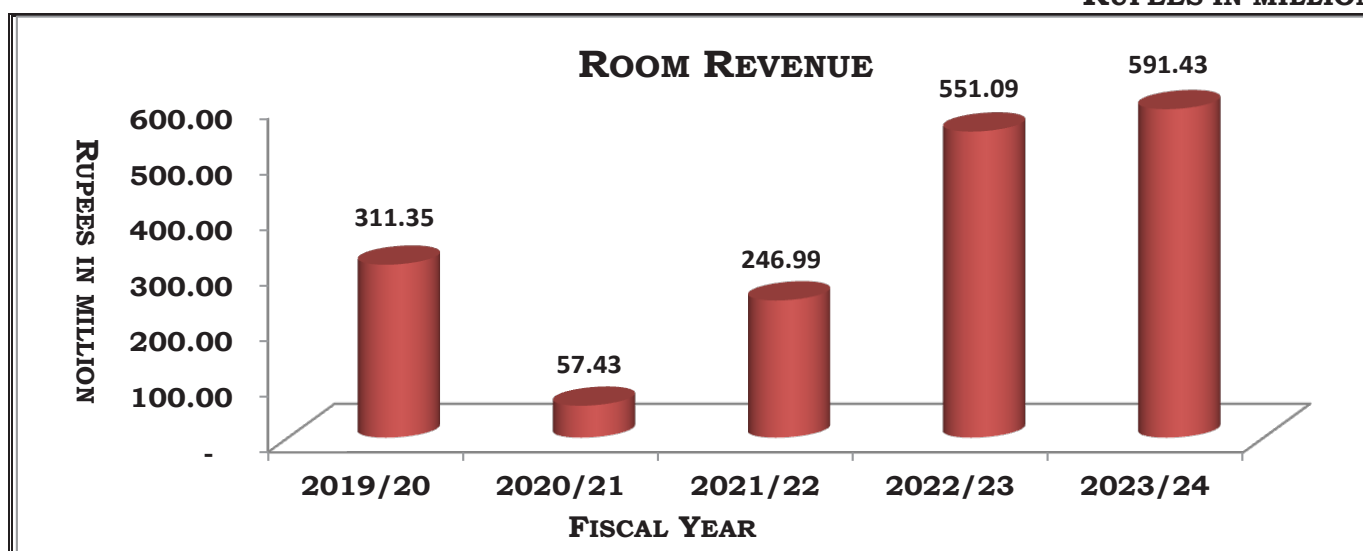
GRAPH - OCCUPANCY PERCENTAGE

IN PERCENTAGE



GRAPH - ROOM REVENUE

RUPEES IN MILLION





**FINANCIAL HIGHLIGHTS**

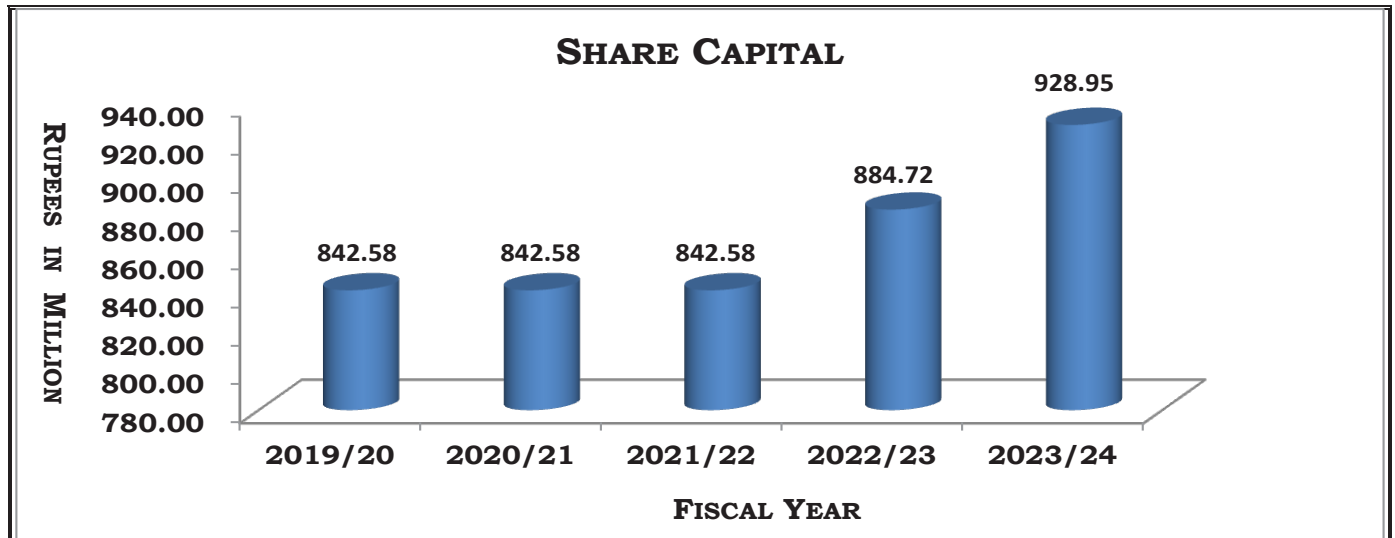
The following are the comparative figures which highlight the Company's performance for last five years: -

**RUPEES IN MILLION**

PARTICULARS	FINANCIAL YEAR					INCREASE / (DECREASE) % (THIS FY Vs LAST FY 2022/23)
	2023/24	2022/23	2021/22	2020/21	2019/20	
SHARE CAPITAL	928.95	884.72	842.58	842.58	842.58	5.00%
FIXED ASSETS GROSS BLOCK	3,789.47	3,281.28	2,909.57	2,826.83	2,722.99	15.49%
TOTAL REVENUE	2,498.42	2,254.63	1,369.12	453.93	1,264.01	10.81%
PROFIT FROM OPERATIONS	750.95	695.79	333.71	(172.49)	140.50	7.93%
NET PROFIT/ (LOSS)	600.04	554.98	297.24	(224.93)	112.04	8.12%

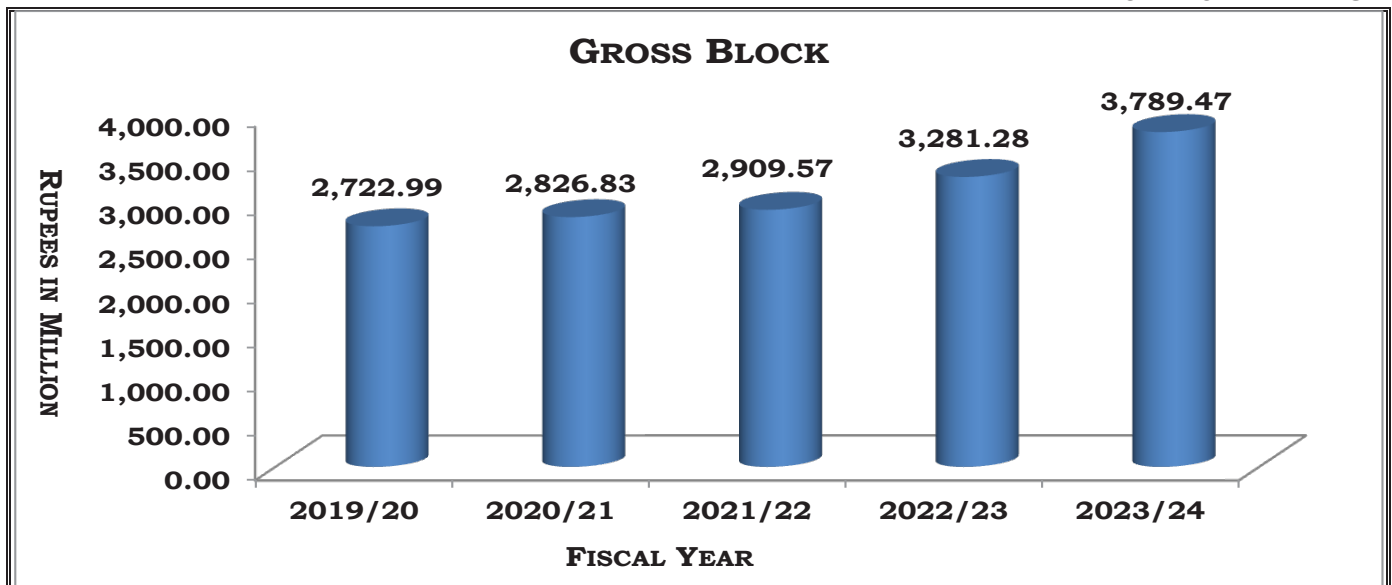
**GRAPH: FINANCIAL HIGHLIGHTS SHARE CAPITAL**

**RUPEES IN MILLION**



**GRAPH: FINANCIAL HIGHLIGHTS – FIXED ASSETS GROSS BLOCK**

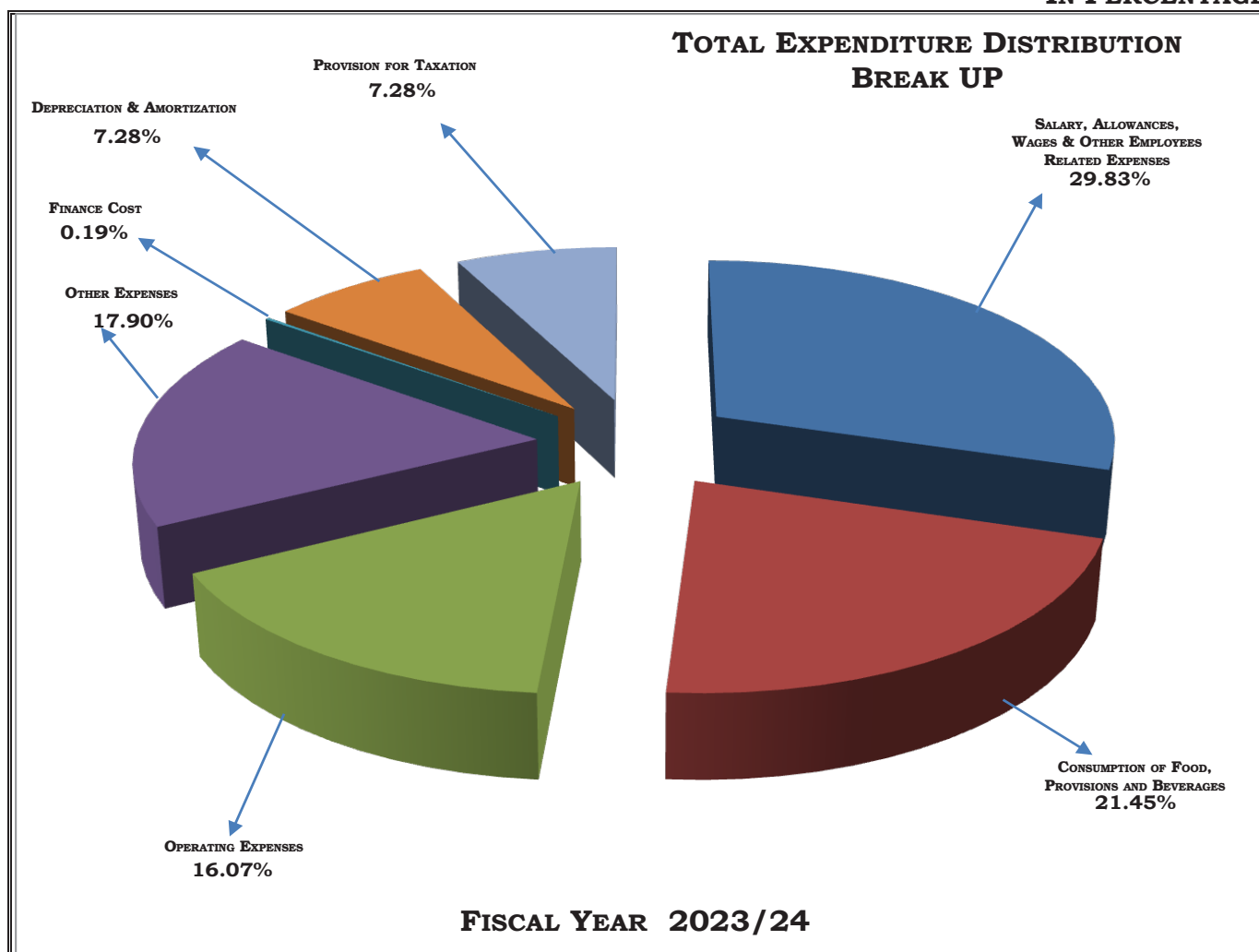
**RUPEES IN MILLION**



**FINANCIAL HIGHLIGHTS – TOTAL EXPENDITURE DISTRIBUTION BREAK UP**

The following are the break up for Total Expenses made: -

PARTICULARS	CURRENT YEAR (2023/24)	
	RUPEES IN MILLION	PERCENTAGE (%) IN BREAK UP
<b>SALARY, ALLOWANCES, WAGES &amp; OTHER EMPLOYEES RELATED EXPENSES</b>	<b>563.38</b>	<b>29.83%</b>
<b>CONSUMPTION OF FOOD, PROVISIONS AND BEVERAGES</b>	<b>405.15</b>	<b>21.45%</b>
<b>OPERATING EXPENSES</b>	<b>303.46</b>	<b>16.07%</b>
<b>OTHER EXPENSES</b>	<b>337.97</b>	<b>17.90%</b>
<b>FINANCE COST</b>	<b>3.60</b>	<b>0.19%</b>
<b>DEPRECIATION &amp; AMORTIZATION</b>	<b>137.50</b>	<b>7.28%</b>
<b>PROVISION FOR TAXATION</b>	<b>137.46</b>	<b>7.28%</b>
<b>TOTAL EXPENDITURE</b>	<b>1,888.53</b>	<b>100.00%</b>

**GRAPH: FINANCIAL HIGHLIGHTS – DISTRIBUTION BREAK UP OF TOTAL EXPENSES****IN PERCENTAGE**

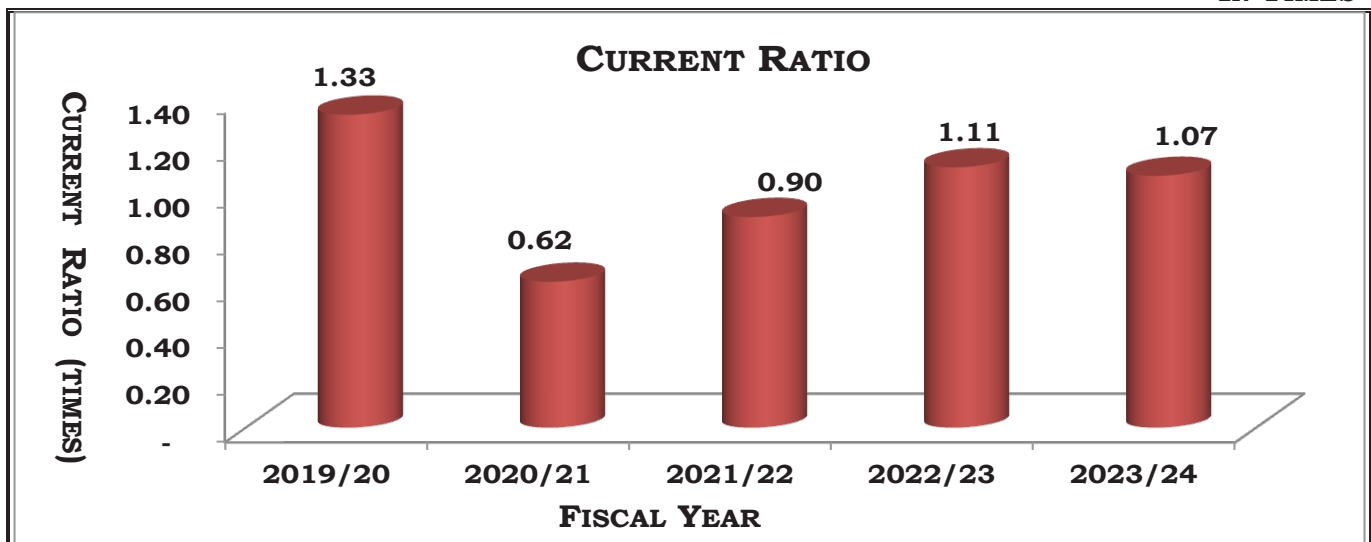
## MAJOR FINANCIAL INDICATORS

The following are the comparative figures for major Financial Indicators which show the performance of the Company for last five years: -

PARTICULARS	FINANCIAL YEAR				
	2023/24	2022/23	2021/22	2020/21	2019/20
DEBT EQUITY RATIO	0.01	0.01	0.04	0.07	0.01
RETURN ON EQUITY SHAREHOLDERS FUND	0.25	0.26	0.17	(0.16)	0.07
EARNINGS PER SHARE (RS)	6.46	6.27	3.53	(2.67)	1.33
NET WORTH PER SHARE (RS)	25.48	23.81	20.52	17.00	19.67
GROSS ASSETS VALUE PER SHARE (RS)	33.92	31.96	29.07	26.06	29.83
MARKET VALUE PER SHARE (SHARE OF RS.10 EACH)	442.00	485.00	202.50	262.00	154.00
PRICE EARNINGS RATIO (TIMES)	68.43	77.32	57.40	(98.14)	115.81
CURRENT RATIO	1.07	1.11	0.90	0.62	1.33
DEBTS/CAPITAL EMPLOYED RATIO (TIMES)	0.34	0.44	3.51	6.26	0.23

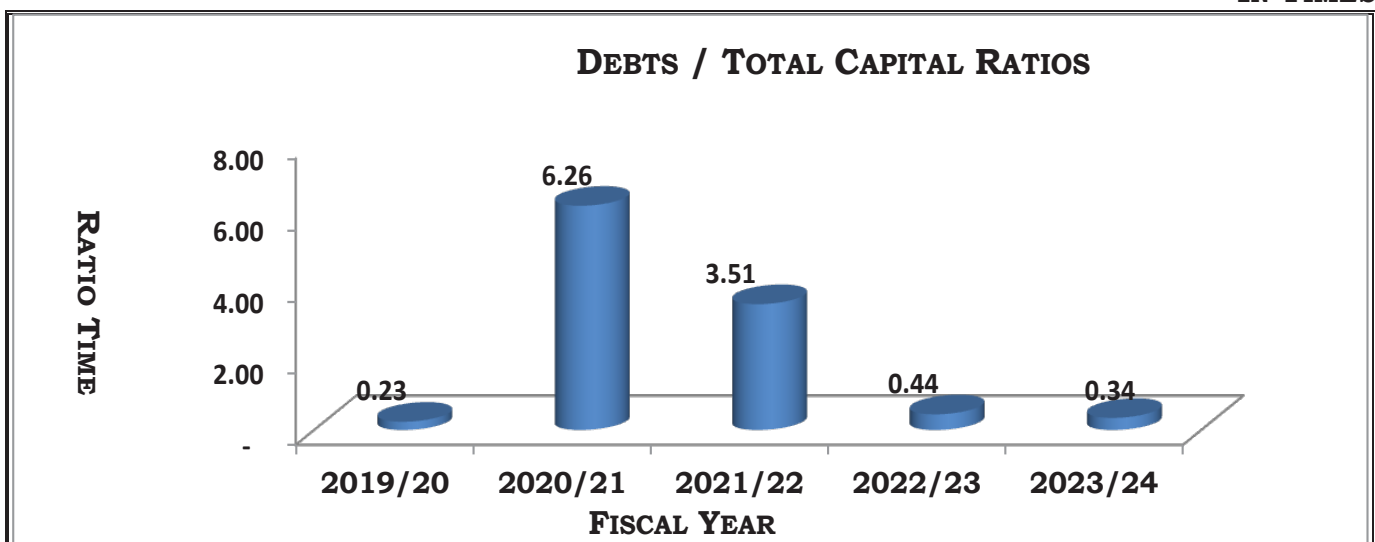
**GRAPH: FINANCIAL HIGHLIGHTS - LIQUIDITY AND CASH POSITION: CURRENT RATIO**

IN TIMES



**GRAPH: FINANCIAL HIGHLIGHTS - DEBTS / TOTAL CAPITAL RATIO**

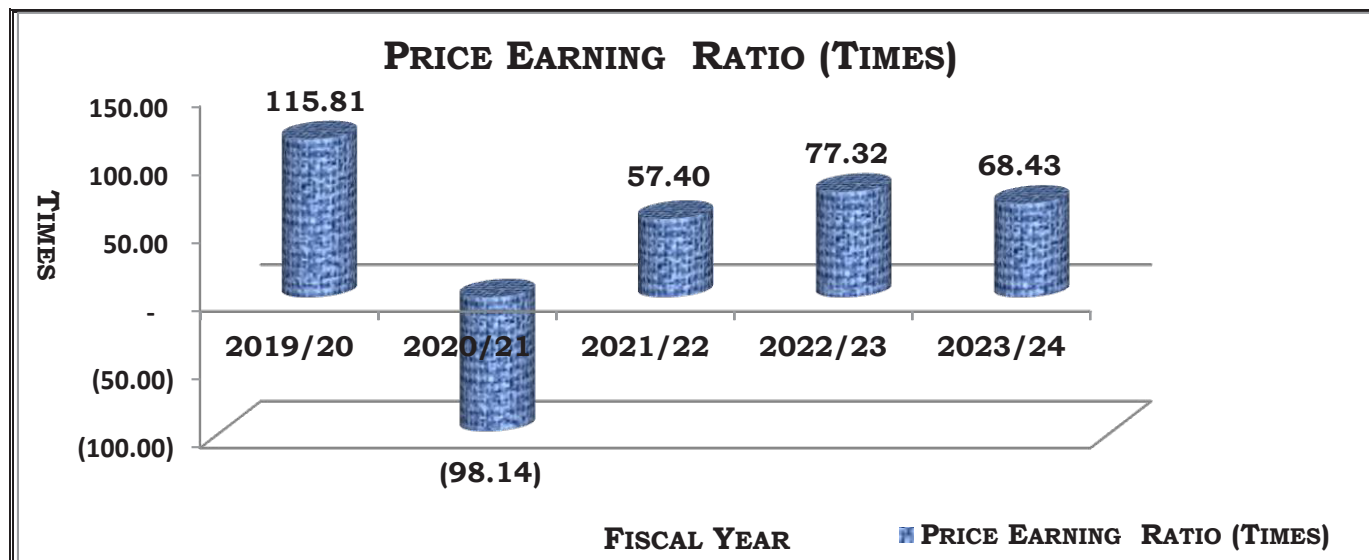
IN TIMES





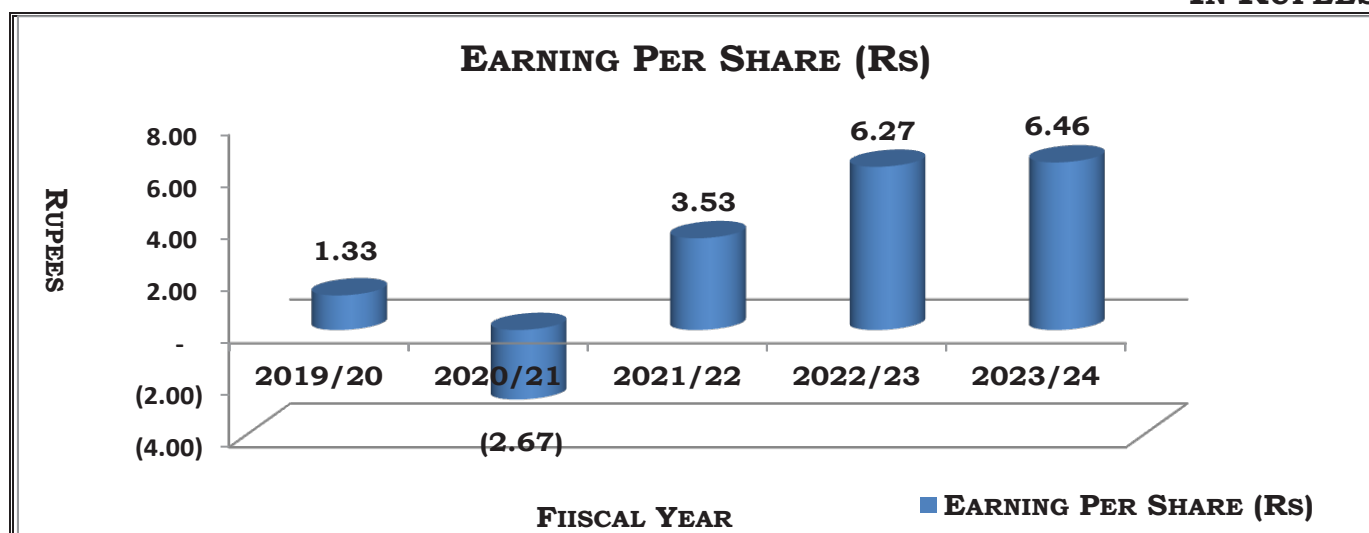
GRAPH: FINANCIAL HIGHLIGHTS – PRICE EARNINGS RATIO

IN TIMES



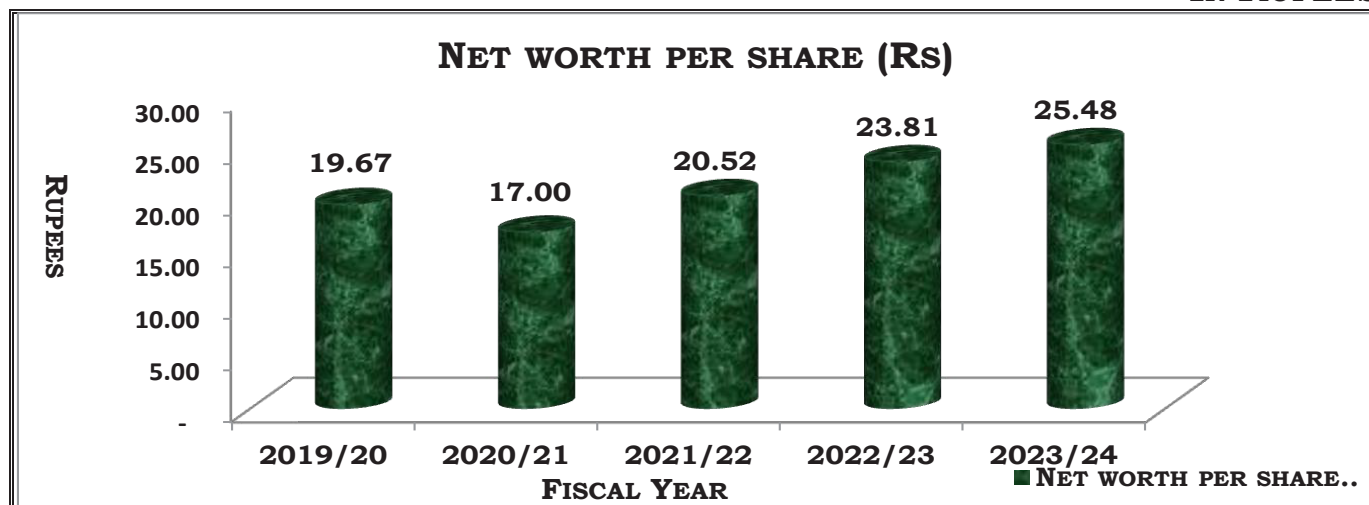
GRAPH: FINANCIAL HIGHLIGHTS – EARNINGS PER SHARE

IN RUPEES



GRAPH: FINANCIAL HIGHLIGHTS – NET WORTH PER SHARE

IN RUPEES



**FINANCIAL HIGHLIGHTS - GEARING RATIO, CURRENT ASSETS, LIABILITIES AND CAPITAL EMPLOYED**

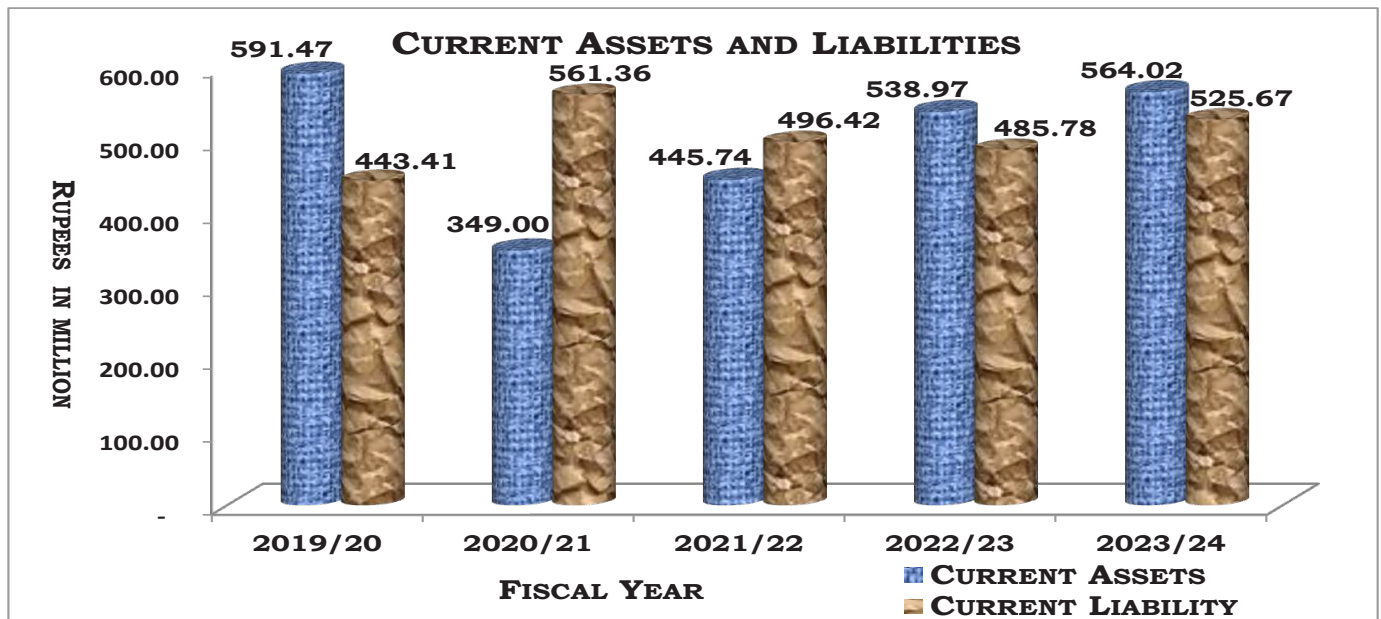
The Debts and total capital employed in the Company for last five years are enlisted below with a comparison on current ratio which shows the Company's ability to meet its current obligations: -

**RUPEES IN MILLION**

PARTICULARS	FINANCIAL YEAR				
	2023/24	2022/23	2021/22	2020/21	2019/20
CURRENT ASSETS	564.02	538.97	445.74	349.00	591.47
CURRENT LIABILITY	525.67	485.78	496.42	561.36	443.41
DEBTS	8.00	9.24	62.99	95.70	3.82
TOTAL EQUITY	2,366.82	2,106.41	1,729.32	1,432.24	1,657.18
CAPITAL EMPLOYED (CE) (SHARE CAPITAL + RESERVES + DEBTS)	2,374.81	2,115.65	1,792.32	1,527.95	1,661.00

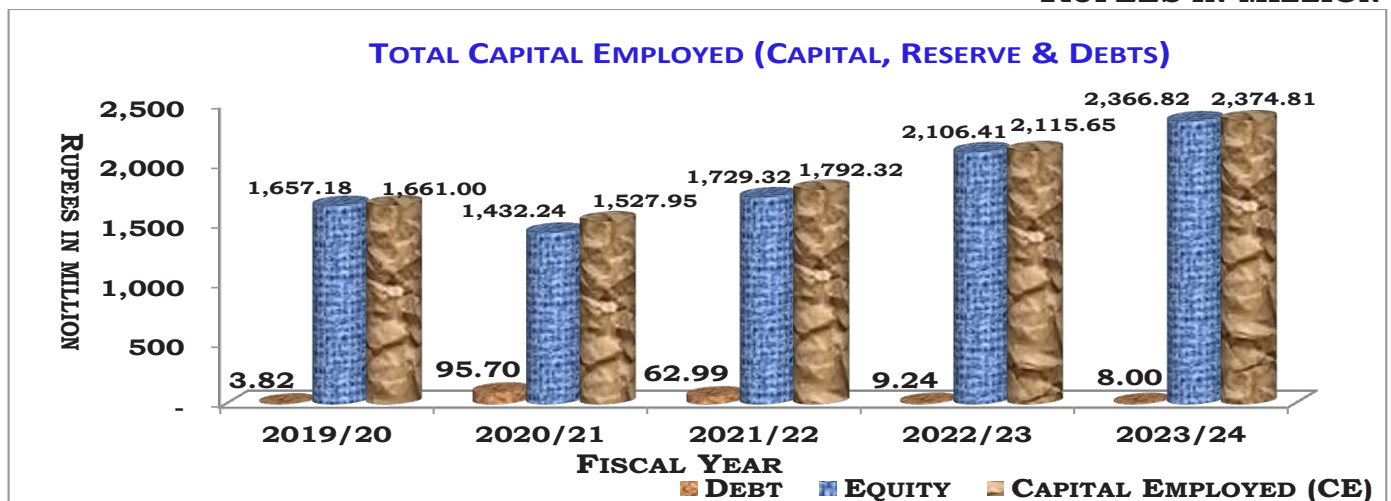
**GRAPH: FINANCIAL HIGHLIGHTS - CURRENT ASSETS AND CURRENT LIABILITIES**

**RUPEES IN MILLION**



**GRAPH: FINANCIAL HIGHLIGHTS – TOTAL CAPITAL EMPLOYED (SHARE CAPITAL, RESERVE & DEBTS)**

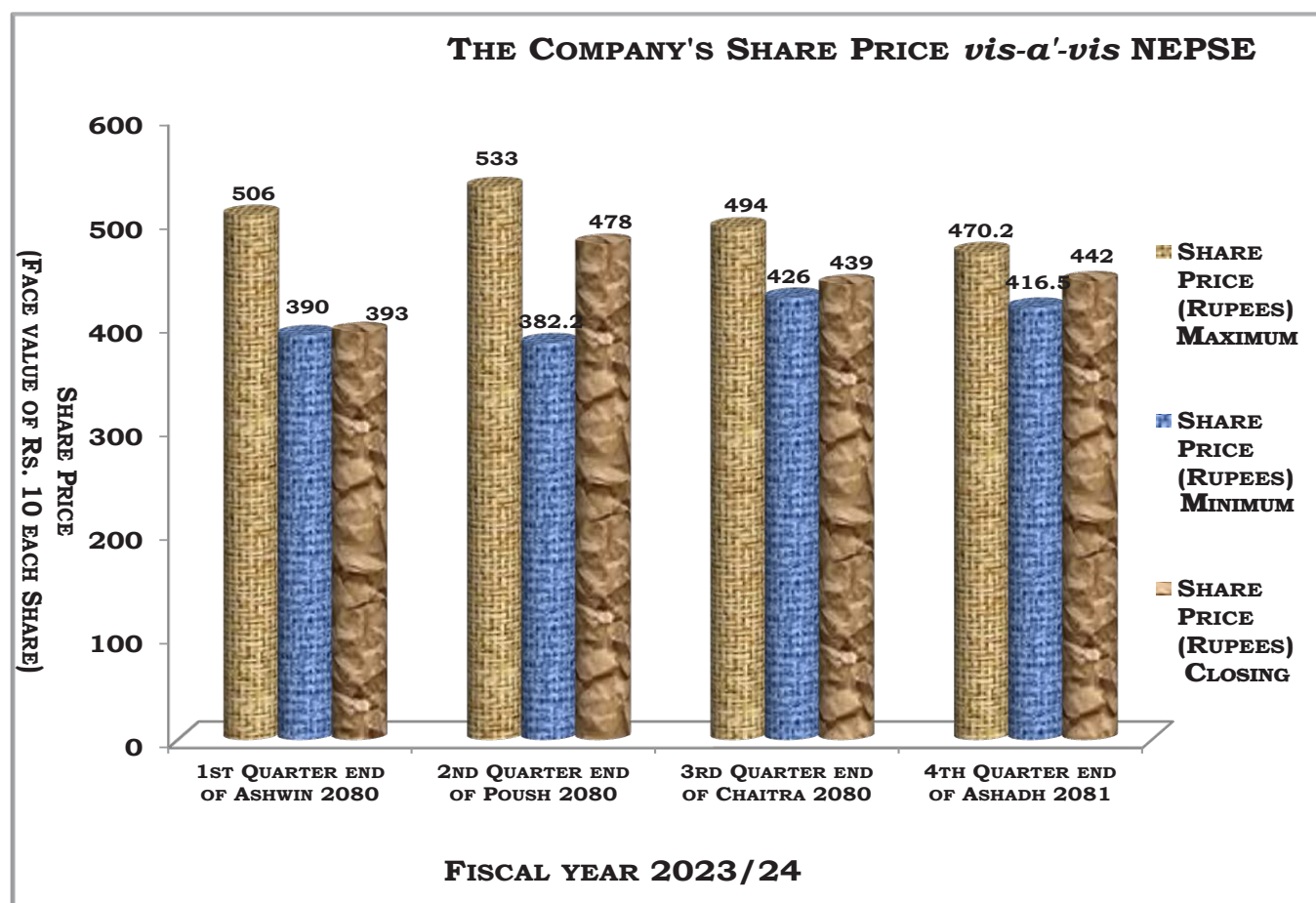
**RUPEES IN MILLION**



**ANALYSIS OF SHARE TRANSACTIONS**

Maximum, Minimum and Closing price of the stocks of the Company, Total volume of transacted shares, Total number of transactions and Trading days during each quarter of the financial year are: -

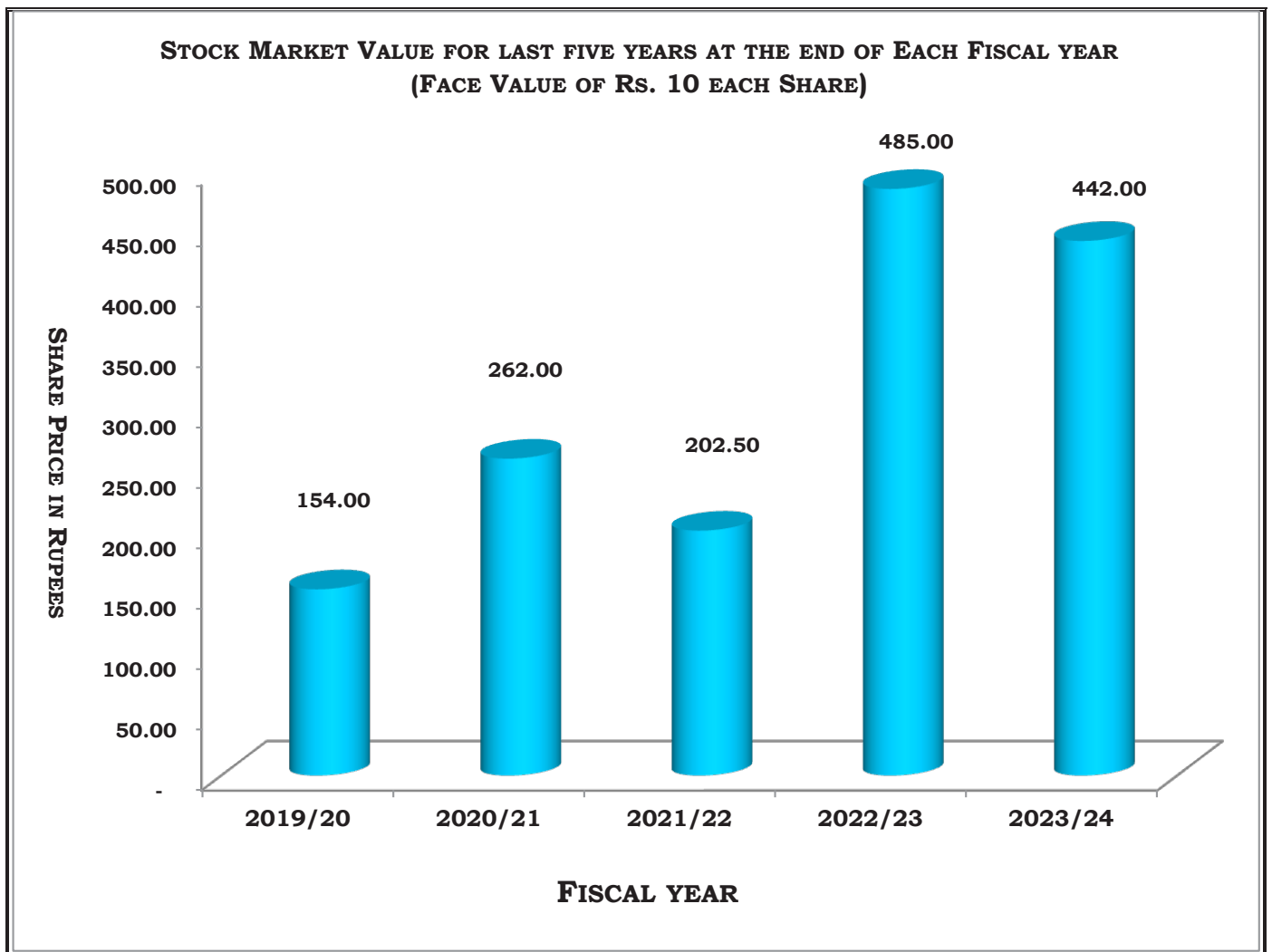
QUARTERS OF FY 2023/24	SHARE PRICE (FACE VALUE OF RS. 10 EACH SHARE)			TOTAL NUMBER OF		
	MAXIMUM	MINIMUM	CLOSING	TRADING DAYS	TRANSACTIONS	TRANSACTIONED SHARES
1ST QUARTER (END OF ASHWIN 2080)	506.00	390.00	393.00	61	24,253	7,450,754
2ND QUARTER (END OF POUISH 2080)	533.00	382.20	478.00	49	19,085	6,612,574
3RD QUARTER (END OF CHAITRA 2080)	494.00	426.00	439.00	58	11,017	3,516,192
4TH QUARTER (END OF ASHADH 2081)	470.20	416.50	442.00	61	12,937	3,763,396
			<b>Total</b>	<b>229</b>	<b>67,292</b>	<b>21,342,916</b>

**GRAPH: THE COMPANY'S SHARE PRICE vis-à-vis NEPSE**

**STOCK MARKET VALUE PER SHARE FOR LAST FIVE YEARS AT THE END OF FINANCIAL YEAR**

FINANCIAL YEAR	MARKET VALUE PER SHARE (RS)
2019/20	154.00
2020/21	262.00
2021/22	202.50
2022/23	485.00
2023/24	442.00

**GRAPH: FINANCIAL HIGHLIGHTS – MARKET VALUE PER SHARE (SHARE OF RS.10 EACH)**





# J. B. Rajbhandary & DiBins

CHARTERED ACCOUNTANTS

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Kathmandu, Nepal, P.O.Box: 23725  
Tel: (01) 5347177, (01) 5344971  
E-mail : info@jbrdibins.com.np  
web : www.jbrdibins.com.np

INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF SOALTEE HOTEL LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the Financial Statements of Soaltee Hotel Limited (hereinafter referred to as "SHL"), which comprise the Statement of Financial Position as at 31<sup>st</sup> Ashad 2081 (15<sup>th</sup> July 2024) and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of SHL as at 31<sup>st</sup> Ashad 2081 (15<sup>th</sup> July 2024), its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

Basis for Opinion

We conducted our audit in accordance with Nepal Standard 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 audit report. We are independent of SHL in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements under the provision of the Companies Act 2063 and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

S.N.	Description of Key Audit Matters	How the matter was addressed in our audit
1.	<p><b>Revenue Recognition</b> ( refer Note 2.2.16 "Revenue" and Note 3.15 of the Financial Statement)</p> <p>The Company is principally engaged as a hotel owner and property owner. It's revenue comprises hotel revenue (including hotel room revenue, food and beverage revenue, in-flight catering, and other hotel-related revenue) and rental income from investment properties.</p> <p>Revenue from sale of service is recognized at the time of delivery of services and it is probable that the future economic benefits will flow to the company and that revenue and associated costs incurred or to be incurred can be reliably measured and no performance obligation is pending with respect to revenue recognized.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the Company's revenue recognition accounting policies in line with NFRS 15 (Revenue from Contracts with Customers) and testing the accounting of revenue in books of accounts thereof.</li> <li>Assessing the implementation as well as testing of the operating effectiveness of the key controls associated to revenue including effectiveness of IT application controls, process flows, automation/integration of various applications, manual interventions etc.</li> </ul>





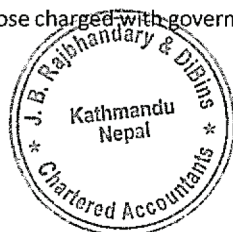
	<p>Therefore, there is significant risk in accuracy of recognition, measurement, presentation and disclosures of revenues because of timing and appropriateness relative to underlying service conditions. Hence, we have identified revenue recognition as Key Audit Matter</p>	<ul style="list-style-type: none"> <li>Assessing the recognition of revenues on accrual basis by testing entries and accruals affecting revenues based on the delivery terms in sales and delivery documents or system generated reports.</li> <li>Performed detailed analysis of revenue, analytical testing with sales information filed with tax authorities, testing the timing of its recognition and accuracy of amounts recognized and verification of the supporting information of the revenue transactions.</li> <li>Evaluated the adequacy of disclosures in the financial statements.</li> </ul>
2.	<p><b>General Controls in IT Environment</b> Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions and the reliance on automated and IT dependent manual controls. Among others, these are key to ensuring operating effectiveness of IT dependent application – based controls. Also, if the IT controls over-financial data is improper, there is risk of wrong reporting to the management, regulator as well as other stakeholders.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Test of the operating effectiveness of the company's access controls over the information systems that are critical to financial reporting. We inspected requests of changes to systems for appropriate approval and authorization.</li> <li>Evaluated whether IT guidelines have been formulated and assess the contracts with the IT vendor.</li> <li>Understanding, where relevant, changes were made to the IT controls and applications during the audit period that may have a significant impact on financial reporting.</li> </ul>

**Information other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the presentation of the other information. The other information comprises the information included in SHL's Annual Report, including "Report of Board of Directors/Chairman's Statement" but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to communicate the matter with those charged with governance. We have nothing to report in this regard.



*[Handwritten signature]*



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

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

In preparing the Financial Statements, management is responsible for assessing SHL'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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the SHL'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 it 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 judgement and maintain professional skepticism throughout the audit. We also:

- i. 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. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.
- ii. 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 SHL's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SHL's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause SHL to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within SHL to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.



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

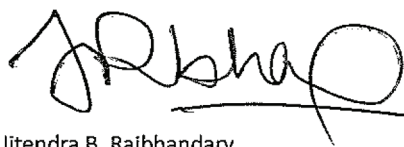
We also provide those charged with governance with a statement that we have complied with the relevant ethical requirement regarding independence, and to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related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

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

#### Report on Other Legal and Regulatory Requirements

To the best of our knowledge and according to explanations given to us and from our examination of the books of account of SHL necessary for the purpose of our audit to the extent for the scope of our audit:

- a. We have obtained all the information and explanations along with replies to our queries, which to the best of our knowledge and understanding, were necessary for the purpose of the audit.
- b. In our opinion, books of accounts, records, books and ledgers have been maintained accurately in accordance with prevailing laws.
- c. In our opinion, the financial statements comprising of Statements of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash flows, prepared in accordance with the requirements of Company Act, 2063 and are in agreement with the Books of Accounts maintained by SHL.
- d. To the best of our information and according to the explanations provided to us and as so far appeared from the examination of the books of accounts, we have not come across cases where board of directors or any official has committed any act contrary to the prevailing laws or committed any irregularity or caused any loss or damage to SHL or acted in a manner to jeopardize the interest and security of SHL.



CA Jitendra B. Rajbhandary

Senior Partner

COP: 25

Place: Kathmandu

Date: 13<sup>th</sup> Kartik 2081 (29<sup>th</sup> October 2024)

UDIN: 241107CA00014LzXjX



**SOALTEE HOTEL LIMITED****Statement of Financial Position**

As at 31 Ashad 2081 (15 July 2024)

Amount in Rs.

Particulars	Note	As At Ashad 31, 2081 (July 15, 2024)	As At Ashad 31, 2080 (July 16, 2023)
<b>ASSETS</b>			
<b>Non-Current Assets:</b>			
Property, Plant and Equipment	3.1	2,193,754,170	1,902,297,989
Intangible Assets	3.2	49,612	426,854
Investment Property	3.3	89,383,825	87,197,495
Investments	3.5	281,276,188	275,487,563
Trade and Other Receivables	3.6	22,899,490	23,389,414
<b>Total Non-Current Assets</b>		<b>2,587,363,285</b>	<b>2,288,799,315</b>
<b>Current Assets:</b>			
Inventories	3.7	131,237,015	122,203,519
Trade and Other Receivables	3.6	307,900,732	325,843,505
Prepayments		22,968,794	21,379,704
Cash and Cash Equivalent	3.8	101,915,371	69,543,690
<b>Total Current Assets</b>		<b>564,021,912</b>	<b>538,970,418</b>
<b>Total Assets</b>		<b>3,151,385,197</b>	<b>2,827,769,733</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and Reserves and Surplus:</b>			
Share Capital	3.9	928,953,700	884,715,060
Retained Earnings and Reserves	3.10	1,437,862,264	1,221,697,677
<b>Total Equity</b>		<b>2,366,815,964</b>	<b>2,106,412,737</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities:</b>			
Loans and Borrowings	3.11	6,636,303	7,931,571
Employee Benefits	3.12	125,414,473	125,674,212
Deferred Tax Liabilities	3.4	34,169,877	24,328,458
Trade and Other Payables	3.14	92,675,392	77,646,019
<b>Total Non-Current Liabilities</b>		<b>258,896,045</b>	<b>235,580,260</b>
<b>Current Liabilities:</b>			
Loans and Borrowings	3.11	1,360,289	1,308,207
Employee Benefits	3.12	87,595,759	81,741,340
Income Tax Payable	3.13	5,826,327	14,883,487
Trade and Other Payables	3.14	430,890,813	387,843,702
<b>Total Current Liabilities</b>		<b>525,673,188</b>	<b>485,776,736</b>
<b>Total Liabilities</b>		<b>784,569,233</b>	<b>721,356,996</b>
<b>Total Equity and Liabilities</b>		<b>3,151,385,197</b>	<b>2,827,769,733</b>

Notes 1 to 4.21 form an integral part of this statement

As per our report of even date

For and on behalf of Soaltee Hotel Limited

**Mukti Nath Shrestha**  
DIRECTOR OF FINANCE**Sudarshan Chapagain**  
VICE PRESIDENT**Dinesh Bahadur Bista**  
EXECUTIVE CHAIRMAN**CA. Jitendra B. Rajbhandary**  
Senior Partner  
J.B. Rajbhandary & DiBins  
Chartered Accountants**Lil Bahadur Khatri**  
CHIEF OF CORPORATE AFFAIRS  
& COMPANY SECRETARY**Ubaraj Adhikari**  
**Prakash Bikram Khatri**  
**Sashi Raj Pandey**  
**Jaya Rajya Laxmi Shah**  
**Ravi Bhakta Shrestha**  
**Rajesh Kazi Shrestha**  
**Niranjana Kumar Tibrewala**  
DIRECTORSDate: 29 October 2024  
(13 Kartik 2081)  
Place: Kathmandu, Nepal

**SOALTEE HOTEL LIMITED**

Statement of Profit or Loss and Other Comprehensive Income  
For the period ended on 31 Ashad 2081 (15 July 2024)

Amount in Rs.

Particulars	Note	Year Ended Ashad 31, 2081 (July 15, 2024)	Year Ended Ashad 31, 2080 (July 16, 2023)
Revenue from Operation	3.15	2,390,449,411	2,156,216,621
Other Income	3.16	107,969,056	98,409,640
<b>Total Revenue</b>		<b>2,498,418,467</b>	<b>2,254,626,261</b>
Consumption of Foods and Beverage	3.17	405,153,476	380,083,406
Employee Benefit Expenses	3.18	563,383,728	502,368,131
Operating Expenses	3.19	303,460,367	285,399,823
Depreciation and Amortization Expense	3.1/3.2/3.3	137,503,255	113,641,170
Other Expenses	3.20	337,967,880	277,343,565
<b>Total Expenditures</b>		<b>1,747,468,706</b>	<b>1,558,836,095</b>
<b>Profit/(Loss) from Operations</b>		<b>750,949,761</b>	<b>695,790,166</b>
Finance Cost		3,602,880	8,660,738
<b>Profit/(Loss) Before Tax</b>		<b>747,346,881</b>	<b>687,129,428</b>
<b>Income Tax</b>		<b>147,304,418</b>	<b>132,149,833</b>
Current Tax		137,462,999	124,608,113
Deferred Tax Expenses/(Income)	3.4	9,841,419	7,541,720
<b>Profit/(Loss) from Continuing Operations</b>		<b>600,042,463</b>	<b>554,979,595</b>
Profit/(Loss) on Discontinued Operations (Net of tax)		-	-
<b>Net Profit/(Loss) for the Year</b>		<b>600,042,463</b>	<b>554,979,595</b>
<b>Other Comprehensive Income</b>			
Change in Fair Value of Equity Shares		5,788,625	1,704,821
<b>Total Other Comprehensive Income</b>		<b>5,788,625</b>	<b>1,704,821</b>
<b>Total Comprehensive Income</b>		<b>605,831,088</b>	<b>556,684,416</b>
Basic Earnings per Share (Rs.)	3.21	6.46	5.97
Diluted Earnings per Share (Rs.)		6.46	5.97

Notes 1 to 4.21 form an integral part of this statement

As per our report of even date

For and on behalf of Soaltee Hotel Limited

Mukti Nath Shrestha  
DIRECTOR OF FINANCE

Sudarshan Chapagain  
VICE PRESIDENT

Dinesh Bahadur Bista  
EXECUTIVE CHAIRMAN

CA. Jitendra B. Rajbhandary  
Senior Partner  
J.B. Rajbhandary & DiBins  
Chartered Accountants

Lil Bahadur Khatri  
CHIEF OF CORPORATE AFFAIRS  
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Ubaraj Adhikari  
Prakash Bikram Khatri  
Sashi Raj Pandey  
Jaya Rajya Laxmi Shah  
Ravi Bhakta Shrestha  
Rajesh Kazi Shrestha  
Niranjana Kumar Tibrewala  
DIRECTORS

Date: 29 October 2024  
(13 Kartik 2081)

Place: Kathmandu, Nepal

**SOALTEE HOTEL LIMITED****Statement of Cash Flows**

For the year ended on 31 Ashad 2081 (15 July 2024)

Amount in Rs.

Particulars	Year Ended Ashad 31, 2081 (July 15, 2024)	Year Ended Ashad 31, 2080 (July 16, 2023)
<b>Cash Flows from Operating Activities</b>		
Profit/(Loss) Before Tax for the Year	747,346,881	687,129,428
<b>Adjustment for:</b>		
Dividend Income	(2,700,000)	(19,271,347)
Loss/(Gain) on Sale of Property, Plant and Equipment	(179,281)	(4,506,502)
Interest Income on Term and Call Deposits	(503,776)	(147,395)
Impairment Allowance on Trade Receivable	5,000,000	5,000,061
Provision for Bonus	74,734,688	68,712,943
Depreciation/Amortization on PPE, Investment Property & Intangible Assets	137,503,255	113,641,170
Finance Cost	3,602,880	8,660,738
<b>Operating Cash Flow before changes in Working Capital</b>	<b>964,804,647</b>	<b>859,219,096</b>
(Increase) / Decrease in Trade and Other Receivables	13,432,697	(44,297,143)
(Increase) / Decrease in Inventories	(9,033,496)	(37,259,559)
(Increase) / Decrease in Prepayment	(1,589,090)	(6,973,834)
Increase / (Decrease) in Trade and Other Payables	53,679,242	(12,425,112)
Increase/ (Decrease) in Employee Benefits	(427,065)	4,479,864
<b>Cash generated from Operations</b>	<b>1,020,866,935</b>	<b>762,743,312</b>
Bonus Paid	(68,712,943)	(31,517,125)
Income Tax Paid	(256,802,957)	(76,188,557)
<b>Net Cash Flows from Operating Activities (A)</b>	<b>695,351,035</b>	<b>655,037,630</b>
<b>Cash Flow from Investing Activities</b>		
Proceeds from Sale of Property, Plant and Equipment	4,638,540	7,081,771
Acquisition of Property, Plant and Equipment, Investment Property and Intangible Assets	(435,227,783)	(421,780,458)
(Increase)/Decrease in Investments	-	16,906,928
Dividend Income	2,700,000	19,271,347
Interest Income on Term and Call Deposits	503,776	147,395
<b>Net Cash Flows from Investing Activities (B)</b>	<b>(427,385,467)</b>	<b>(378,373,017)</b>
<b>Cash Flow from Financing Activities</b>		
Finance Cost	(3,602,880)	(8,660,738)
Increase/(Repayment) of Borrowings	(1,243,186)	(53,751,817)
Recovery/(Paid) of Cash for Fractional Bonus Shares	2,887	6,344
Dividend Paid Net	(230,750,708)	(176,578,128)
<b>Net Cash Flows from Financing Activities (C)</b>	<b>(235,593,887)</b>	<b>(238,984,339)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>32,371,681</b>	<b>37,680,274</b>
Cash and Cash Equivalents at the Beginning	69,543,690	31,863,416
<b>Cash and Cash Equivalents at the End</b>	<b>101,915,371</b>	<b>69,543,690</b>

For and on behalf of Soaltee Hotel Limited

As per our report of even date

**Mukti Nath Shrestha**  
DIRECTOR OF FINANCE**Sudarshan Chapagain**  
VICE PRESIDENT**Dinesh Bahadur Bista**  
EXECUTIVE CHAIRMAN**CA. Jitendra B. Rajbhandary**  
Senior Partner  
J.B. Rajbhandary & DiBins  
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**Prakash Bikram Khatri**  
**Sashi Raj Pandey**  
**Jaya Rajya Laxmi Shah**  
**Ravi Bhakta Shrestha**  
**Rajesh Kazi Shrestha**  
**Niranjan Kumar Tibrewala**  
DIRECTORSDate: 29 October 2024  
(13 Kartik 2081)

Place: Kathmandu, Nepal

**SOALTEE HOTEL LIMITED**  
 Statement of Changes in Equity  
 For the period ended on 31 Ashad 2081 (15 July 2024)

Amount in Rs.

Particulars	Share Capital	Share Premium	Revaluation Reserve	Other Reserve	Retained Earning	Fair Value Reserve (OCI)	Total
<b>Closing Balance as at 32.03.2079</b>	<b>842,579,730</b>	<b>16,000,000</b>	<b>35,198,427</b>	<b>7,288,761</b>	<b>827,114,838</b>	<b>1,142,742</b>	<b>1,729,324,498</b>
Change in Fair Value of Investment through OCI	-	-	-	-	-	1,704,821	1,704,821
Net Profit/(Loss) for Year 2079-80	-	-	-	-	554,979,595	-	554,979,595
Payment of Dividend for 2078-79	-	-	-	-	(179,602,521)	-	(179,602,521)
Issue of Bonus Shares	42,135,330	-	-	-	(42,135,330)	-	-
Adjustment of Fractional Bonus Shares Received/(Paid)	-	-	-	-	6,344	-	6,344
<b>Closing Balance as at 31.03.2080</b>	<b>884,715,060</b>	<b>16,000,000</b>	<b>35,198,427</b>	<b>7,288,761</b>	<b>1,160,362,926</b>	<b>2,847,563</b>	<b>2,106,412,737</b>
Change in Fair Value of Investment through OCI	-	-	-	-	-	5,788,625	5,788,625
Net Profit/(Loss) for Year 2080-81	-	-	-	-	600,042,463	-	600,042,463
Payment of Dividend for 2079-80	-	-	-	-	(235,147,950)	-	(235,147,950)
Issue of Bonus Shares	44,238,640	-	-	-	(44,238,640)	-	-
Adjustment of Fractional Bonus Shares Received/(Paid)	-	-	-	-	2,887	-	2,887
Tax payments of earlier year	-	-	-	-	(110,282,798)	-	(110,282,798)
<b>Closing Balance as at 31.03.2081</b>	<b>928,953,700</b>	<b>16,000,000</b>	<b>35,198,427</b>	<b>7,288,761</b>	<b>1,370,738,888</b>	<b>8,636,188</b>	<b>2,366,815,964</b>

For and on behalf of Soaltee Hotel Limited

As per our report of even date

**Mukti Nath Shrestha**  
DIRECTOR OF FINANCE

**Sudarshan Chapagain**  
VICE PRESIDENT

**Dinesh Bahadur Bista**  
EXECUTIVE CHAIRMAN

**CA. Jitendra B. Rajbhandary**  
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Jaya Rajya Laxmi Shah  
Ravi Bhakta Shrestha  
Rajesh Kazi Shrestha  
Niranjan Kumar Tibrewala  
DIRECTORS

Date: 29 October 2024  
(13 Kartik 2081)

Place: Kathmandu, Nepal



## SOALTEE HOTEL LIMITED

For the period ended on 31 Ashad 2081 (15 July 2024)

### Notes to the Financial Statements

#### 1. General Information

Soaltee Hotel Limited (the Company or SHL) is a limited liability company registered with Office of Company Registrar as per erstwhile Company Act. Its shares are enlisted with Security Board of Nepal (SEBON) and listed and traded at Nepal Stock Exchange Ltd. (NEPSE). The registered office of the Company and the principal place of business is located at Tahachal, Kathmandu, Nepal. Since its incorporation more than 57 years, SHL has been catering the Tourism sector services with five-star quality hotel facilities and flight catering kitchen since its commercial operation. SHL has invested in subsidiary Company Soaltee Hospitality Ltd. for expanding its hotel business. Through Soaltee Hospitality Ltd., wholly owned subsidiary, it has also invested in Soaltee Sibkrim Hotels and Resorts Pvt. Ltd.

The Company owns and operates a deluxe luxurious property classified under **Five Star Deluxe** category by the Government of Nepal with business name and brand "The Soaltee Kathmandu" hotel at Tahachal, Kathmandu Metropolitan City ward No 13, Kathmandu, Nepal. The property (hotel) is owned and operated by the Company. The Soaltee Kathmandu has 285 saleable rooms ranging from Deluxe, Club to Suites. Further, the Company also owns and operates The Soaltee Gate Gourmet, an Inflight Catering Division under a Technical Assistance Agreement with Gate Gourmet Singapore Pte. Limited, Singapore.

The Financial Statements were authorized for issue by the meeting of the Board of Directors on 29 October 2024 (13 Kartik 2081) and has recommended for approval by shareholders in the Annual General Meeting.

#### 2. Significant Accounting Policies

##### 2.1. Basis of Preparation

###### 2.1.1. Statement of Compliance

The financial statements are prepared in accordance with Nepal Financial Reporting Standards (NFRS) as issued by Accounting Standard Board Nepal and pronounced by The Institute of Chartered Accountants of Nepal.

###### 2.1.2. Basis of Measurement

These financial statements are prepared under historical cost convention except for the following material items:

- Investment in shares of entities other than subsidiaries, which have been measured at fair value
- Staff loans provided at subsidized interest rate, which have been measured at amortized cost.
- Other long term liabilities (leave liability), which has been measured at present value of the obligation.

###### 2.1.3. Critical Accounting Estimates

The preparation of the financial statements in conformity with Nepal Financial Reporting Standards (NFRS) requires the use of certain critical accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the company's accounting policies. The company makes certain estimates and assumptions regarding the future events. Estimates and judgements are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual result may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

###### a) Useful life of Property, Plant and Equipment

Management reviews the useful life and residual values of property, plant and equipment at the end of each reporting period. Such life is dependent upon an assessment of both the technical life of the assets and also their likely economic life, based on various internal and external factors including relative efficiency and operating costs.



**b) Impairment of Property, Plant and Equipment**

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact on the carrying value of assets.

**c) Recognition of Deferred Tax**

Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company.

Deferred tax is calculated on temporary differences using a known future tax rate 21.25% (Previous Year 21.25%). Deferred tax assets are recognized in respect of all temporary differences giving rise to deferred tax assets where the management believes it is probable that these assets will be recovered.

**d) Other long term employee benefits**

Significant judgement is required to determine the estimated liability that shall arise on part of unused/accumulated leave by the staff and which is generally paid out on retirement or termination of employment. Valuation of such is done by qualified actuary using assumption like interest rate, rate of increase in annual compensation, remaining service period etc. Factors considered may change depending on market changes or legal changes which are beyond the control of the company.

**2.1.4. Functional and Presentation Currency**

The financial statements are prepared and presented in Nepalese Rupees (Rs.), which is also the company's functional currency.

**2.2. 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 judgements and estimates have been made in preparing the financial statements and their effects are disclosed in relevant areas.

**2.2.1. Standalone financial statements**

This financial statement is the standalone financial statement of the company. Consolidated financial statement as per NFRS 10 is prepared separately.

**2.2.2 Associates**

Profits or losses arising on transactions between the company and its associates are recognized only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the company's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalized and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.



### 2.2.3 Financial Assets and Financial Liabilities

#### i. Recognition

The company initially recognizes financial assets on trade date which is the date on which the company becomes a party to the contractual provisions of the instruments.

A financial asset or financial liability is measured initially at fair value plus, or an item not at fair value through profit or loss, transactions costs that are directly attributable to its acquisition or issue.

#### ii. Classification and Measurement

##### Financial Assets

The classification and measurement of financial assets depend on how these are managed (the entity's business model) and their contractual cash-flows characteristics. These factors determine whether the financial assets are measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVPL').

– **At amortized cost:** Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments for which the Company has intent and ability to hold till maturity. They are initially recognized at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, such financial assets are measured at amortized cost using effective interest rate method less any impairment losses.

– **At fair value through profit or loss:** Financial assets are classified at fair value through profit or loss if the company manages such instruments and makes purchases and sales decisions based on its fair value. Attributable transaction costs and changes in fair value are taken to revenue.

– **At fair value through other comprehensive income:** Financial assets at FVOCI are non-derivative financial assets that are not classified in any of the above category. Financial assets at FVOCI are recognized initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, financial assets are measured at fair value, as far as such fair value is available, and changes therein, which are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, gain or loss accumulated in equity is reclassified to retained earnings.

##### Financial Liabilities

All financial liabilities are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. Subsequent to initial recognition, these financial liabilities are measured at amortized costs using effective interest rate method.

#### iii. Derecognition

##### Financial Assets

The Company derecognizes a financial asset when the contractual rights to the cash flow from the financial assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of the ownership of the financial assets are transferred or in which the Company neither transfer nor retains substantially all of the risk and rewards of the ownership and it does not retain control of the financial assets.

On derecognition of a financial asset, the difference between the carrying amount of the assets (or the carrying amount allocated to the portion of the assets derecognized) and the sum of (i) the consideration received (including any new assets obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in Other Comprehensive Income (OCI) is recognized in retained earnings.

##### Financial Liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

#### iv. Offsetting

The financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when and only when, the Company has a legal right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

#### v. Amortized cost measurement

The 'amortized cost' of a financial asset and financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between initial amount recognized and the maturity amount minus any reduction for impairment.

#### vi. Fair value measurement

Fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction. Quoted market values represent fair value when a financial instrument is traded in an organized and liquid market. Where quoted market values are not available, fair values are estimated by other techniques.

#### vii. Identification and measurement of impairment

##### Financial assets

At each reporting date the Company assesses the objective evidence that a financial asset or group of financial assets is impaired or not. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated.

Objective evidence that financial assets are impaired includes:

- significant financial difficulty of the debtor
  - breach of contract, such as default or delinquency by a debtor
  - observable data relating to a group of assets such as adverse changes in the payment status of debtor
- The amount of loss is measured as the difference between the asset's carrying amount and amount the management considers it as recoverable on the basis of financial position of the party and appropriate estimation made by the management. Receivables considered as less likely to be received are provided allowance for loss and charged to Statement of Profit or Loss.

In addition, for an investment in an unquoted equity security, a significant or prolonged decline in its net worth is objective evidence of impairment.

Impairment losses are recognized in Statement of Profit or Loss and reflected in an allowance account against debtors. Impairment losses on equity investment are routed through Statement of OCI. Interest on the impaired assets continues to be recognized through the unwinding of the discount. If an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through income statement (OCI in case of available for sale investment).

If, in a subsequent period, the fair value of an equity investments increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairing loss is reversed through profit or loss; otherwise, any increase in fair value is recognized through OCI.

#### 2.2.4 Impairment of Non-Financial Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost and value in use. An impairment loss is recognized in Statement of Profit or Loss. Provisions against impairment are reviewed at each reporting date and adjusted to reflect the current best estimates. Impairment charges are included in profit or loss except to the extent they reverse gains previously recognized in Other Comprehensive Income.

#### 2.2.5 Foreign Currency

Transactions entered into by the company entities in a currency other than the currency of the primary economic environment in which they operate (the "functional currency" is Rs.) 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 recognized immediately in profit or loss.



## 2.2.6 Property, Plant and Equipment

Items of property, plant and equipment are initially recognized 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. Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow in to the Company. Ongoing repair and maintenance are expensed as incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

### Capital Work in Progress

Assets in the course of construction are capitalized in the assets under capital work in progress (CWIP). At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

### Salvage Value

Company has assessed the salvage value of all its property, plant and equipment to be 5% of its original cost.

### 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.

Items of property, plant and equipment are depreciated on Straight Line Method over their useful life.

Management of the company has assessed useful life of the following category of assets as mentioned.

Category of Assets	Estimated useful life
Building	35 - 70 years
Other civil structures	20 - 35 years
Plant and machinery	10 - 30 years
Vehicle	10 - 20 years
Computer and accessories	7 years
Office Equipment	10 years
Furniture, fixture and furnishing	10 years
Leasehold Development	3 years

## 2.2.7 Intangible Assets

### 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.

## 2.2.8 Investment Property

The Company holds certain assets (land and building) for purpose other than its core operating function. Such assets are classified as investment property.

Items of investment property are initially recognized 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. Subsequent

expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow in to the company. Ongoing repair and maintenance are expensed as incurred.

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 recognized directly in equity if it is a gain. Upon disposal of the item, the gain is transferred to retained earnings. Any loss is recognized in statement of profit or loss.

Incomes arising from use of investment property by third parties are recognized as lease income from operating lease. The lease rental is adjusted for inflation rate periodically and the same amount is booked as operating lease income, which the Company believes is more representative than the straight line method, in line with NFRS 16: Leases.

#### **Salvage Value**

Company has assessed the salvage value of its depreciable investment property to be 5% of its original cost.

#### **Depreciation**

Land that form part of investment property is not depreciated. Depreciation is provided on other items of investment property so as to write-off their carrying value over the expected useful economic lives.

Depreciable investment properties are depreciated on Straight Line Method over their useful life. Management considered the useful life of investment property to be of 55 years.

### **2.2.9 Investments**

Investments in shares of the companies are classified as either at amortized cost or at fair value. The classification of investment and its subsequent measurement is dependent on the business model for managing such investments and contractual cash flow characteristics.

Investments are measured at fair value unless measured at amortized cost. Investments are measured at amortized cost if such investment is held with in order to collect contractual cash flows and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent changes in the investments measured at amortized cost are charged to Profit or Loss. Investments measured at fair value opting the routing through Other Comprehensive Income, at initial recognition, for adjusting the changes in fair value are charged through Other Comprehensive Income that forms part of the equity of the Company. Changes in fair value of other investments are charged to Profit or Loss.

### **2.2.10 Inventories**

Stock of food, beverages, store and operating supplies are initially recognized at cost and subsequently at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the variable selling expenses.

The cost is determined on weighted average method and includes expenditure incurred directly in acquiring the inventories and bringing them to their present location and condition.

### **2.2.11 Cash and cash equivalents**

Cash and cash equivalents comprises cash balances, call deposits and other short term highly liquid investments. For the purpose, any cash placement deposits, call deposit or other highly liquid items with the maturity period of 90 days from the date of transaction is considered as cash equivalent.

### **2.2.12 Trade and other receivables**

Trade and other receivables are stated at transaction value less allowance for impairment.

Staff loan are measured at amortized cost. Discounting rate has been arrived by considering comparable market rates of similar types of loan. Difference of amortized value and book value of loan is charged to profit or loss for the period of staff loan.

### **2.2.13 Share capital**

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



#### 2.2.14 Employee Benefits

Employee benefits are either defined benefit plan or defined contribution plan. Employee benefits of the company comprise of gratuity, provident fund and accumulated leave. These benefits are provided as per the Employee Service Manual and Collective Bargaining Agreement between Employee Union and the Company.

##### **Provident Fund-Defined Contribution Plan**

The Company pays pre-defined provident fund benefit to Social Security Fund (SSF) and the company does not have any legal or constructive obligation to pay additional amount in future. Contributions to Provident fund are charged to the statement of profit or loss in the year to which they relate.

##### **Gratuity-Defined Contribution Plan**

The Company is required to pay pre-defined amount to Social Security Fund as gratuity to employees. The Company accrues 8.33% of basic salary of staff as gratuity benefits in accordance with Labor Law of Nepal and the Company has deposited Employee Gratuity in SSF. The amount presented in financial statements is the actual liability of gratuity at each reporting date.

##### **Short term and long-term employment benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Accumulated leaves, encashment of which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the obligation as at the reporting date determined based on an actuarial valuation.

#### 2.2.15 Income Tax

##### **Deferred Tax**

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. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 realization or settlement of the carrying amount of assets and liabilities using tax rates that are expected to apply in subsequent periods.

##### **Current Tax**

Current tax is the expected tax payable on the taxable income for the year using tax rates at the reporting date and any adjustment to tax payable in respect of previous years. Current tax is calculated reasonably in accordance with the provisions of Income Tax Act as per management assumption and best judgement.

General corporate tax rate is 25%. The Company is entitled to a rebate of 15% on the General tax rate as per the provisions of Income Tax Act 2058 Sec. 11(2Chha). Accordingly, tax rate applicable to the company for current fiscal year is 21.25% (previous year rate was 21.25%).

#### 2.2.16 Revenue

Revenue is recognized only when it is probable that the future economic benefits will flow to the Company and that revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of Value Added Taxes, Civil Aviation Fee and Luxury Tax where applicable.

### **Revenue from Sale of Services**

Revenue is recognized at the time of delivery of services and is stated net of Value Added Tax (VAT) and Luxury Tax. Revenue from The Soaltee Gate Gourmet -Flight Catering Division sales is stated net of Civil Aviation Fee.

Revenue from package sales is disclosed net of credits and refunds, included as part of the package.

### **Dividend**

Dividend income from investment in shares is recognized when the right to receive the payment is established.

### **Other Income**

Other income is recognized on accrual basis when there is reasonable basis to ascertain the amount and there is reasonable basis for recoverability except for certain membership fee, which are insignificant to the total revenue.

#### **2.2.17 Expenses**

Expenses are accounted on accrual basis where there is reasonable basis to estimate ascertain the obligation and rationality of such obligation.

#### **License Fee**

License fees payable in relation to technical assistance to Gate Gourmet Singapore Pte. Ltd, to operate the Flight Catering Unit under the brand name of 'The Soaltee Gate Gourmet' is based on a fixed percentage of the Net Sales Value as specified in the Technical Assistance Agreement.

#### **Employee Bonus**

Employee bonus is provided in line with the provisions of Bonus Act 2030 BS.

#### **2.2.18 Lease**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. For arrangements entered into prior to 1 Shrawan 2074 the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

The Company has entered into operating lease arrangement for use of property at The Soaltee Gate Gourmet. The lease rental is adjusted for inflation rate periodically and the same amount is booked as operating lease expenses, which the Company believes is more representative than the straight line method, in line with NFRS 16: Leases.

The Company has entered into operating lease arrangement allowing to use its facilities and infrastructures to third parties. The lease rental is adjusted for inflation rate periodically and the same amount is booked as operating lease income, which the Company believes is more representative than the straight line method, in line with NFRS 16: Leases.

#### **2.2.19 Provisions**

The Company applies NAS 37 Provisions, Contingent Liabilities and Contingent Assets in accounting for non-financial liabilities.

Provisions are recognized for present obligations arising as consequences of past events where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, which can be reliably estimated. Provision is made for the anticipated costs when an obligation exists.

#### **2.2.20 Current versus non-current classification**

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. Based on the nature of products and the time between acquisition of assets for



processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

The Company classifies an asset as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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.

The Company classifies a liability as current when:

- It is expected to be settled in 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 Company classifies all other liabilities as non-current.

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

#### **2.2.21 Segment Reporting**

The Company's segmental reporting is in accordance with NFRS 8 Operating Segments. Operating segments are reported in a manner consistent with the internal reporting provided to the Company's management, which is responsible for allocating resources and assessing performance of the operating segments. All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated centrally. Income and expenses directly associated with each segment are included in determining business segment performance.

#### **2.2.22 Government Grant**

Government grants, including non-monetary grants at fair value, is recognized when there is reasonable assurance that the Company will comply with the conditions attaching to grant and the grants will be received. Government grants is recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

#### **2.2.23 Operating Cycle**

The Company considers its operating cycle to be of 12 months.



**SOALTEE HOTEL LIMITED**  
 As at 31 Ashad 2081 (15 July 2024)  
 Notes to the Financial Statements  
 Note 3.1: Property, Plant & Equipment

*Amount in Rs.*

Particulars	Freehold Land	Building	Plant and Machinery	Furniture and Fixture	Office Equip-ment	Computers	Vehicles	Leasehold	Capital WIP	Total
<b>Cost</b>										
Balance at 01.04.2079	149,488,779	914,155,783	1,180,937,429	456,078,979	6,304,391	70,468,468	114,992,907	17,142,913	167,269,984	3,076,839,633
Addition	-	185,269,220	179,422,284	19,550,868	714,940	2,991,597	18,125,664	-	289,357,378	695,431,951
Disposal/Transfer	-	(1,262,458)	(25,135,424)	(1,239,068)	(370,000)	(5,130,696)	(1,225,000)	-	(273,651,493)	(308,014,139)
<b>Balance at 31.03.2080</b>	<b>149,488,779</b>	<b>1,098,162,545</b>	<b>1,335,224,289</b>	<b>474,390,779</b>	<b>6,649,331</b>	<b>68,329,369</b>	<b>131,893,571</b>	<b>17,142,913</b>	<b>182,975,869</b>	<b>3,464,257,445</b>
Addition	-	257,197,773	182,174,582	28,305,184	59,900	1,465,120	46,552,428	7,500,084	320,773,231	844,028,302
Disposal/Transfer	-	(1,235,738)	(4,695,938)	(2,165,267)	(21,490)	(594,100)	(6,350,000)	-	(413,080,649)	(428,143,182)
<b>Balance at 31.03.2081</b>	<b>149,488,779</b>	<b>1,354,124,580</b>	<b>1,512,702,933</b>	<b>500,530,696</b>	<b>6,687,741</b>	<b>69,200,389</b>	<b>172,095,999</b>	<b>24,642,997</b>	<b>90,668,451</b>	<b>3,880,142,565</b>
<b>Depreciation and Impairment loss</b>										
Balance at 01.04.2079	-	323,688,419	741,466,290	313,060,893	5,954,747	51,558,949	41,366,005	5,366,726	-	1,482,462,028
Charge for the year	-	25,436,935	42,363,007	24,711,275	108,195	5,042,022	7,518,353	6,105,018	-	111,284,805
Disposal	-	(802,227)	(23,022,084)	(1,239,068)	(368,302)	(5,130,696)	(1,225,000)	-	-	(31,787,377)
<b>Balance at 31.03.2080</b>	<b>-</b>	<b>348,323,127</b>	<b>760,807,213</b>	<b>336,533,100</b>	<b>5,694,640</b>	<b>51,470,275</b>	<b>47,659,358</b>	<b>11,471,744</b>	<b>-</b>	<b>1,561,959,456</b>
Charge for the year	-	32,006,546	53,699,393	26,530,825	172,180	5,222,756	10,239,895	7,160,618	-	135,032,213
Disposal	-	(929,048)	(4,636,579)	(2,161,607)	(21,490)	(555,589)	(2,298,961)	-	-	(10,603,274)
<b>Balance at 31.03.2081</b>	<b>-</b>	<b>379,400,625</b>	<b>809,870,027</b>	<b>360,902,318</b>	<b>5,845,330</b>	<b>56,137,442</b>	<b>55,600,292</b>	<b>18,632,362</b>	<b>-</b>	<b>1,686,388,395</b>
<b>Net Book Value</b>										
At 01.04.2079	149,488,779	590,467,364	439,471,139	143,018,086	349,644	18,909,519	73,626,902	11,776,187	167,269,984	1,594,377,605
At 31.03.2080	149,488,779	749,839,418	574,417,076	137,857,679	954,691	16,859,094	84,234,213	5,671,169	182,975,869	1,902,297,989
At 31.03.2081	149,488,779	974,723,955	702,832,906	139,628,378	842,411	13,062,947	116,495,707	6,010,635	90,668,451	2,193,754,170

**Property, Plant and Equipment under construction**

Assets under construction majorly comprises of the works related to Corporate Building Project includes cost of assets Rs. 28.91 million, capital advance Rs. 11.06 million and other related costs Rs. 0.3 million. The amount shall be capitalized to respective heads as and when the assets are available for use.

**SOALTEE HOTEL LIMITED**

As at 31 Ashad 2081 (15 July 2024)

Notes to the Financial Statements

**Note 3.2: Intangible Assets***Amount in Rs.*

Particulars	Software	Total
<b>Cost</b>		
<b>Balance at 01.04.2079</b>	<b>14,937,654</b>	<b>14,937,654</b>
Addition	-	-
Disposal/Transfer	-	-
<b>Balance at 31.03.2080</b>	<b>14,937,654</b>	<b>14,937,654</b>
Addition	-	-
Disposal	-	-
<b>Balance at 31.03.2081</b>	<b>14,937,654</b>	<b>14,937,654</b>
<b>Amortization</b>		
<b>Balance at 01.04.2079</b>	<b>14,133,558</b>	<b>14,133,558</b>
Charge for the year	377,242	377,242
Disposal	-	-
<b>Balance at 31.03.2080</b>	<b>14,510,800</b>	<b>14,510,800</b>
Charge for the year	377,242	377,242
Disposal	-	-
<b>Balance at 31.03.2081</b>	<b>14,888,042</b>	<b>14,888,042</b>
<b>Net Book Value</b>		
<b>At 01.04.2079</b>	<b>804,096</b>	<b>804,096</b>
<b>At 31.03.2080</b>	<b>426,854</b>	<b>426,854</b>
<b>At 31.03.2081</b>	<b>49,612</b>	<b>49,612</b>

**Note 3.3: Investment Property***Amount in Rs.*

Particulars	Freehold Land	Building	Total
<b>Cost</b>			
<b>Balance at 01.04.2079</b>	<b>4,707,287</b>	<b>166,146,812</b>	<b>170,854,100</b>
Addition	-	-	-
Disposal/Transfer	-	-	-
<b>Balance at 31.03.2080</b>	<b>4,707,287</b>	<b>166,146,812</b>	<b>170,854,100</b>
Addition	-	4,280,130	4,280,130
Disposal	-	-	-
<b>Balance at 31.03.2081</b>	<b>4,707,287</b>	<b>170,426,942</b>	<b>175,134,230</b>
<b>Amortization</b>			
<b>Balance at 01.04.2079</b>	-	<b>81,677,482</b>	<b>81,677,482</b>
Charge for the year	-	1,979,123	1,979,123
Disposal	-	-	-
<b>Balance at 31.03.2080</b>	-	<b>83,656,605</b>	<b>83,656,605</b>
Charge for the year	-	2,093,800	2,093,800
Disposal	-	-	-
<b>Balance at 31.03.2081</b>	-	<b>85,750,405</b>	<b>85,750,405</b>
<b>Net Book Value</b>			
<b>At 01.04.2079</b>	<b>4,707,287</b>	<b>84,469,330</b>	<b>89,176,618</b>
<b>At 31.03.2080</b>	<b>4,707,287</b>	<b>82,490,207</b>	<b>87,197,495</b>
<b>At 31.03.2081</b>	<b>4,707,287</b>	<b>84,676,537</b>	<b>89,383,825</b>

**SOALTEE HOTEL LIMITED**

As at 31 Ashad 2081 (15 July 2024)

**Notes to the Financial Statements**

**Note 3.4: Deferred Tax Assets/(Liabilities)**

Deferred tax is calculated on temporary differences using known future tax rate effective to the Company 21.25% (Previous Year 21.25%). Deferred tax assets are recognized in respect of all temporary differences giving rise to deferred tax assets where the management believes it is probable that these assets will be recovered.

*Amount in Rs.*

Particulars	01.04.2080	Credit/(Charge) to SOPL	Credit/(Charge) to OCI	31.03.2081
Fixed Assets	(62,270,628)	(10,900,967)	-	(73,171,595)
Gratuity Provision	15,009,798	(921,269)	-	14,088,529
Provision for Leave	11,963,694	918,317	-	12,882,011
Trade and Other Receivable	10,968,678	1,062,500	-	12,031,178
<b>Total</b>	<b>(24,328,458)</b>	<b>(9,841,419)</b>	<b>-</b>	<b>(34,169,877)</b>

Particulars	01.04.2079	Credit/(Charge) to SOPL	Credit/(Charge) to OCI	31.03.2080
Fixed Assets	(53,303,422)	(8,967,206)	-	(62,270,628)
Gratuity Provision	16,203,871	(1,194,073)	-	15,009,798
Provision for Leave	10,406,635	1,557,059	-	11,963,694
Trade and Other Receivable	9,906,178	1,062,500	-	10,968,678
<b>Total</b>	<b>(16,786,738)</b>	<b>(7,541,720)</b>	<b>-</b>	<b>(24,328,458)</b>

**Note 3.5: Investments**

*Amount in Rs.*

Particulars	31.03.2081	31.03.2080
<b>Non-Current</b>		
At Amortized Cost		
At Fair Value Through Profit or Loss		
At Fair Value Through OCI	281,276,188	275,487,563
<b>Total</b>	<b>281,276,188</b>	<b>275,487,563</b>
<b>Current</b>		
At Amortized Cost	-	-
At Fair Value Through Profit or Loss	-	-
At Fair Value Through OCI	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Investment comprises the following:

At Amortized Cost (A)	31.03.2081	31.03.2080
Term Deposit	-	-
<b>Total Investment at Amortized Cost</b>	<b>-</b>	<b>-</b>
<b>At Fair Value Through OCI (B)</b>		
<b>Investment in Subsidiaries</b>		
Soaltee Hospitality Ltd. (2,500,000 shares of Rs. 100 each)	250,000,000	250,000,000
Advance for Investment in Soaltee Hospitality Ltd.	12,640,000	12,640,000
<b>Sub-Total</b>	<b>262,640,000</b>	<b>262,640,000</b>
<b>Investment in Other Entities</b>		
Himal International Power Corp. Pvt. Ltd. (100,000 shares of Rs. 100 each)	18,636,188	12,847,563
<b>Sub-Total</b>	<b>18,636,188</b>	<b>12,847,563</b>
<b>Total Investment through OCI</b>	<b>281,276,188</b>	<b>275,487,563</b>
<b>Proportion of voting rights</b>		
Soaltee Hospitality Ltd.	100%	100%
Himal International Power Corp. Pvt. Ltd.	5.97%	5.97%

**SOALTEE HOTEL LIMITED**

As at 31 Ashad 2081 (15 July 2024)

**Notes to the Financial Statements****Note 3.6: Trade and Other Receivable***Amount in Rs.*

Particulars	31.03.2081	31.03.2080
<b>Non-Current</b>		
Other Receivable	7,051,419	7,051,419
Deposit for Appeal	12,289,454	9,299,783
Deposits	6,073,912	7,065,592
Loans and Advances to Employees	4,536,124	6,982,735
Deferred Employee Benefit Expenses	-	41,304
<b>Total</b>	<b>29,950,909</b>	<b>30,440,833</b>
Less: Allowance for Impairment	(7,051,419)	(7,051,419)
<b>Total</b>	<b>22,899,490</b>	<b>23,389,414</b>
<b>Current</b>		
<b>Trade Receivable</b>		
Trade Receivable	278,565,118	266,725,614
Less: Allowance for Impairment	(49,565,887)	(44,565,887)
<b>Trade Receivable-Net</b>	<b>228,999,231</b>	<b>222,159,727</b>
<b>Other Receivable</b>		
Loans and Advances to Employees	11,679,674	13,814,856
Loans and Advances to Other	33,742,472	28,209,222
Advances to Contractor and Suppliers	27,793,193	54,267,965
VAT Recoverable	1,342,801	3,089,678
Management Fees Recoverable	4,036,281	4,036,281
Deferred Employee Benefit Expenses	307,080	265,776
<b>Total Other Receivable</b>	<b>78,901,501</b>	<b>103,683,778</b>
<b>Total</b>	<b>307,900,732</b>	<b>325,843,505</b>

Additional information on Other receivable included in non-current receivable is provided in Note 4.10.1.

Trade receivables are normally collected as per credit terms with the parties, generally within a period of 90 days. Trade receivable is non-interest bearing. Additional information on Trade Receivable included in Current Receivable is provided in Note 4.10.2.

**Note 3.7: Inventories**

Particulars	31.03.2081	31.03.2080
Stores and Spares	22,620,542	21,790,412
Provision, Beverage and Others	43,581,747	37,221,699
Uniform and Linen	39,701,656	42,147,234
Crockery, Cutlery etc.	25,333,070	21,044,174
<b>Total</b>	<b>131,237,015</b>	<b>122,203,519</b>

**Note 3.8: Cash and Cash Equivalent**

Particulars	31.03.2081	31.03.2080
Cash in Hand	3,287,161	3,889,934
Cheques in Hand	-	700,000
Balances with Bank	98,628,210	64,953,756
<b>Total</b>	<b>101,915,371</b>	<b>69,543,690</b>

**SOALTEE HOTEL LIMITED**

As at 31 Ashad 2081 (15 July 2024)

Notes to the Financial Statements

**Note 3.9: Share Capital**

*Amount in Rs.*

Particulars	31.03.2081	31.03.2080
<b>Authorized Share Capital</b>		
150,000,000 Shares of Rs. 10/- each	1,500,000,000	1,500,000,000
<b>Issued Share Capital</b>		
100,000,000 Shares of Rs. 10/- each	1,000,000,000	1,000,000,000
<b>Subscribed and Fully Paid up</b>		
92,895,370 Shares of Rs.10/- each	928,953,700	884,715,060
<b>Total</b>	<b>928,953,700</b>	<b>884,715,060</b>

**Reconciliation of no. of shares outstanding**

Particulars	31.03.2081	31.03.2080
Balance at the beginning of the year	88,471,506	84,257,973
Add: Bonus Issue	4,423,864	4,213,533
<b>Balance at the end of year</b>	<b>92,895,370</b>	<b>88,471,506</b>

**Details of Shareholding**

Major Corporate Shareholders	69%	69%
General Shareholders	31%	31%

**Note 3.10: Retained Earning and Reserves**

Particulars	31.03.2081	31.03.2080
Share Premium	16,000,000	16,000,000
Other Reserve	7,288,761	7,288,761
Revaluation Reserve	35,198,427	35,198,427
Fair Value Reserve for Equity Investment	8,636,188	2,847,563
Retained Earnings	1,370,738,888	1,160,362,926
<b>Total</b>	<b>1,437,862,264</b>	<b>1,221,697,677</b>

**Note 3.11: Loans and Borrowings**

Particulars	31.03.2081	31.03.2080
<b>Non-Current</b>		
Secured- Hire Purchase	6,636,303	7,931,571
<b>Total</b>	<b>6,636,303</b>	<b>7,931,571</b>
<b>Current</b>		
Current Portion of Hire Purchase Loan	1,360,289	1,308,207
<b>Total</b>	<b>1,360,289</b>	<b>1,308,207</b>

**Note 3.12: Employee Benefits**

Particulars	31.03.2081	31.03.2080
<b>Non-Current</b>		
Gratuity	66,298,960	70,634,343
Less: Plan Assets	(1,505,714)	(1,259,866)
<b>Net Gratuity Liability</b>	<b>64,793,246</b>	<b>69,374,477</b>
Accumulated Leave	60,621,227	56,299,735
<b>Total</b>	<b>125,414,473</b>	<b>125,674,212</b>
<b>Current</b>		
Salary and Wages Payable	12,861,071	13,028,397
Bonus Payable	74,734,688	68,712,943
<b>Total</b>	<b>87,595,759</b>	<b>81,741,340</b>

**SOALTEE HOTEL LIMITED**

As at 31 Ashad 2081 (15 July 2024)

**Notes to the Financial Statements****Note 3.13: Income Tax Receivable/(Payable)***Amount in Rs.*

Particulars	31.03.2081	31.03.2080
Advance Income Tax	131,636,672	109,724,626
Income Tax Liability	(137,462,999)	(124,608,113)
<b>Total</b>	<b>(5,826,327)</b>	<b>(14,883,487)</b>

**Note 3.14: Trade and Other Payable**

Particulars	31.03.2081	31.03.2080
<b>Non-Current</b>		
Retention and Security Deposit	29,704,246	15,159,071
Advances Received	45,034,895	48,947,939
Unclaimed Dividend	17,936,251	13,539,009
<b>Total</b>	<b>92,675,392</b>	<b>77,646,019</b>
<b>Current</b>		
Sundry Creditors	261,023,853	236,545,187
<b>Other Payable</b>		
Advances Received	34,999,574	34,999,574
Flight Kitchen Franchise Fee	1,230,305	1,148,430
Service Charge	12,025,508	12,102,566
Housing Fund	26,334,029	26,334,029
Corporate Social Responsibility	10,536,663	8,431,238
Other Liabilities	84,740,881	68,282,678
<b>Total</b>	<b>430,890,813</b>	<b>387,843,702</b>

Trade and other payable are non-interest bearing in nature.

**Note 3.15: Revenue from Operation**

Particulars	2080-81	2079-80
Room	591,426,885	551,094,425
Food	1,670,573,962	1,496,892,775
Beverage	124,152,256	104,935,519
Cigar and Cigarettes	2,052,476	1,497,714
Laundry Income	2,222,726	1,779,057
Business Centre	21,106	17,131
<b>Total</b>	<b>2,390,449,411</b>	<b>2,156,216,621</b>

**Note 3.16: Other Income**

Particulars	2080-81	2079-80
Premises Rental Charge	51,910,324	36,463,978
Interest on Loans & Advances at Amortized Cost	901,531	1,108,581
Interest on Call Account/Time Deposit	503,776	147,395
Miscellaneous Receipts	50,953,635	10,644,900
Income from Service Charge	-	21,403,302
Dividend Income	2,700,000	19,271,347
Profit on Sale of Assets	179,281	4,506,502
Exchange Gain	708,585	2,548,345
Reversal of Provision for Gratuity	-	2,315,290
Unclaimed Balance Written Back	111,924	-
<b>Total</b>	<b>107,969,056</b>	<b>98,409,640</b>

**SOALTEE HOTEL LIMITED**

As at 31 Ashad 2081 (15 July 2024)

**Notes to the Financial Statements**

**Note 3.17: Consumption of Food and Beverage**

*Amount in Rs.*

Particulars	2080-81	2079-80
Food	372,362,310	350,648,786
Beverage	32,081,547	28,830,695
Cigarettes	709,619	603,925
<b>Total</b>	<b>405,153,476</b>	<b>380,083,406</b>

**Note 3.18: Employee Benefit Expenses**

Particulars	2080-81	2079-80
Salary and Wages	281,051,900	250,363,992
Allowances	91,285,848	69,270,703
Festival Allowance	14,721,002	13,042,251
Overtime	9,030,487	8,510,124
Employees Meal	45,212,425	42,212,553
Soaltee Staff Welfare	2,398,228	2,468,229
Gratuity	14,978,588	13,593,805
Leave	8,872,154	11,095,599
Provident Fund	17,982,025	16,315,871
Clinic Expenses	3,116,383	2,806,557
Incentive Exit Scheme	-	3,975,504
Bonus	74,734,688	68,712,943
<b>Total</b>	<b>563,383,728</b>	<b>502,368,131</b>

Additional information on Gratuity is provided in Note 4.4.a.

**Note 3.19: Operating Expenses**

Particulars	2080-81	2079-80
Linen	16,021,984	11,354,900
Laundry Supplies	49,467,434	37,871,510
Crockery & Cutlery	4,513,645	3,913,305
Silverware	1,627,007	529,198
Cleaning Supplies	17,803,578	14,245,204
F & B Paper Supplies	21,476,771	17,328,664
Guest Supplies	35,240,718	32,244,290
Water & Water Treatment	11,331,873	10,413,839
Garden Maintenance	844,886	1,692,064
Pest Control	2,508,000	2,496,000
Waste Removal	1,491,503	1,243,300
Power and Fuel	107,851,520	115,138,899
Repair and Maintenance	33,281,448	36,928,650
<b>Total</b>	<b>303,460,367</b>	<b>285,399,823</b>

**SOALTEE HOTEL LIMITED**

As at 31 Ashad 2081 (15 July 2024)

**Notes to the Financial Statements****Note 3.20: Other Expenses***Amount in Rs.*

Particulars	2080-81	2079-80
Rental Charges	15,997,048	10,367,981
Travelling	22,718,769	24,778,318
Transport and Conveyance	29,927,122	34,364,718
Audit Fee	605,000	605,000
Legal and Professional Fees	9,920,027	9,303,004
Directors' Meeting Fees	1,794,132	1,494,123
Licence & Taxes	87,442,500	33,879,627
Bank Charges	10,827,365	8,794,279
Annual General Meeting Expenses	1,185,640	970,145
Commissions	13,250,510	16,110,637
Insurance	10,959,771	10,071,617
Communication Expenses	4,848,811	5,452,574
Printing and Stationery	9,190,712	7,551,309
Advertisement and Sales Promotion	19,250,117	16,795,825
Marketing and Reservation Expenses	7,818,957	7,717,702
Training and Conference	1,858,882	1,683,173
Books and Newspaper	200,418	186,937
Membership & Subscription	1,996,947	2,281,856
Security Services	15,123,943	15,204,998
Uniform Expenses	7,949,331	7,340,730
Entertainment	5,714,191	4,536,967
Allowance for Impairment	5,000,000	5,000,061
Software Service Charges	8,251,196	6,501,297
Investment Written Off	-	3,443,328
Banquet Expenses	7,434,667	9,421,467
Kitchenette Expenses	5,980,553	7,870,198
Corporate Social Responsibility	6,000,425	5,549,796
Miscellaneous	26,720,846	20,065,898
<b>Total</b>	<b>337,967,880</b>	<b>277,343,565</b>

**Note 3.21: Earnings per Share**

Basic earnings per share is calculated by dividing the total profit or loss attributable to equity shareholders. Diluted earnings per share is calculated by dividing the profit or loss attributable to equity shareholders by weighted average number of equity shares for the effects of all dilutive potential equity shares. If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented is adjusted retrospectively.

Calculation of basic and diluted earnings per share shall have been done as stated above.

Particulars	2080-81	2079-80
<b>Basic Earnings per Share</b>		
Profit/(Loss) for the year	600,042,463	554,979,595
Number of shares	92,895,370	92,895,370
<b>Basic Earnings per Share (Rs.)</b>	<b>6.46</b>	<b>5.97</b>
<b>Diluted Earnings per Share</b>		
Profit for the year	600,042,463	554,979,595
Weighted average number of shares	92,895,370	92,895,370
<b>Diluted Earnings per share (Rs.)</b>	<b>6.46</b>	<b>5.97</b>



**SOALTEE HOTEL LIMITED**

As at 31 Ashad 2081 (15 July 2024)

**Notes to the Financial Statements**

**Note 3.22: Financial Instruments Classification and Fair Value Measurement**

Financial Instruments are classified in accordance with Note 2.2.3.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values are determined according to the following hierarchy:

The Company has used fair value model for measurement of its financial assets and financial liabilities. Fair value hierarchy levels presented represent the available inputs considered to arriving at the fair value of category of financial assets/liabilities.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability. The Company has used its own data (accounting value) and considered if there exist factors that would otherwise result in changes to the book value of assets or liabilities.

	<i>Amount in Rs.</i>			
As at 31.03.2081	Carrying Amount	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>Financial Assets at Amortized Cost</b>				
Trade and Other Receivable	330,493,142			330,493,142
Investment	-			-
Cash and Cash Equivalent	101,915,371			101,915,371
<b>Total At Amortized Cost</b>	<b>432,408,513</b>			<b>432,408,513</b>
<b>Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)</b>				
Investment	281,276,188			281,276,188
<b>Total Financial Assets</b>	<b>713,684,701</b>	-	-	<b>713,684,701</b>
<b>Financial Liabilities</b>				
<b>Financial Liabilities at Amortized Cost</b>				
Trade and Other Payable	523,566,205			523,566,205
Loans and Borrowings	7,996,592			7,996,592
<b>Total Financial Liabilities</b>	<b>531,562,797</b>	-	-	<b>531,562,797</b>

	<i>Amount in Rs.</i>			
As at 31.03.2080	Carrying Amount	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>Financial Assets at Amortized Cost</b>				
Trade and Other Receivable	348,925,839			348,925,839
Investment	-			-
Cash and Cash Equivalent	69,543,690			69,543,690
<b>Total At Amortized Cost</b>	<b>418,469,529</b>			<b>418,469,529</b>
<b>Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)</b>				
Investment	275,487,563			275,487,563
<b>Total Financial Assets</b>	<b>693,957,092</b>	-	-	<b>693,957,092</b>
<b>Financial Liabilities</b>				
<b>Financial Liabilities at Amortized Cost</b>				
Trade and Other Payable	465,489,721			465,489,721
Loans and Borrowings	9,239,778			9,239,778
<b>Total Financial Liabilities</b>	<b>474,729,499</b>	-	-	<b>474,729,499</b>



## SOALTEE HOTEL LIMITED

For the period ended on 31 Ashad 2081 (15 July 2024)

### Notes to the Financial Statements

#### 4 Additional Information

##### 4.1 Share Capital

The Company has single class of equity shares having face value of Rs. 10 per share. Every member holding equity shares therein shall have voting rights in proportion to the member's share of the paid up equity share capital.

##### 4.2 Dividend

Dividend is proposed by the Board of Directors and approved by shareholders in the Annual General Meeting.

Board of Directors have proposed 10% bonus shares and 26.84210526% cash dividend for the year 2080-81 (previous year 5% bonus shares and 26.57894737% cash dividend). Accordingly, the total distribution by the Company from the profits arising from 2080-81 is as follows:

Particulars	Bonus Shares	Cash Dividend
Proposed for 2080-81	92,895,370	249,350,730
Number of shares	9,289,537	
Paid for 2079-80 (Amount)	44,238,640	235,147,950
No. of shares	4,423,864	

##### 4.3 Reserves and Retained Earnings

###### a. Share premium

The Company had issued shares in premium on 1992-93. The amount collected by the company in excess of its face value is credited to this account. Use of share premium shall be as provided in Company Act 2063.

###### b. Other Reserves

The Company had created other reserves out of capital profits on 1995. There is no movement on this reserve since then.

###### c. Retained Earning

Net profit for each year is added to this reserve. Company uses this to provide dividend to its shareholders.

###### d. Fair Value Reserve

This reserve is created to account for changes in fair value of investments for those investments that are opted to be measured at fair value through Other Comprehensive Income.

###### e. Revaluation Reserve

Revaluation Reserve was created in 1986 when the land of the company was revalued. For the first time adoption of NFRS (1 Shrawan 2074), the revalued amount of land has been considered at deemed cost which as allowed by NFRS 1 and accordingly, this reserve has remain intact.

##### 4.4 Employee Benefits

###### a. Gratuity

Up to 19 Bhadra 2074, gratuity was in the form of defined benefit liability in which Company was required to pay gratuity to staff considering the number of years in service and the recent salary of the staff. Changes in Labour laws has changed the nature of gratuity and this is now a defined contribution plan whereby Company is required to provide 8.33% of monthly basic remuneration

as gratuity to employee with effect from 19 Bhadra 2074. The Company has enrolled itself and its employees in Social Security Fund (SSF) in Chaitra 2076 and thereafter it has started making contribution towards Employee Gratuity in the fund.

Particulars	2080-81	2079-80
Opening Liability	70,634,343	76,253,510
Payment Made	(4,335,383)	(3,303,876)
Expenses Booked	14,978,588	13,593,805
Reversal of Excess Provision	-	(2,315,291)
Deposited in SSF	(14,978,588)	(13,593,805)
<b>Closing Liability</b>	<b>66,298,960</b>	<b>70,634,343</b>

#### b. Leave

Leave is classified as other long term employee liability. Liability is measured by way of actuarial valuation for accumulated leave balance at the end of reporting periods. Changes in value of liability is as follows:

Particulars	2080-81	2079-80
Opening Liability	56,299,735	48,972,399
Service Cost	8,046,925	8,229,115
Interest Cost	4,827,894	4,022,294
Actuarial Gain/(Loss)	(3,715,503)	(1,152,677)
Benefit Paid	(4,837,824)	(3,771,396)
<b>Closing Liability (A)</b>	<b>60,621,227</b>	<b>56,299,735</b>
<b>Liability recognized in the financial statements (B)</b>	<b>60,621,227</b>	<b>56,299,735</b>

**Basic assumptions considered for measurement of leave liability related to leave are as follows:**

Particulars	2079-80	2078-79
Discount Rate	9.00%	8.50%
Rate of compensation increase	6%	6%
Average expected future service	16	14
Average duration of liabilities	11	10

Plan assets have not been created for funding of payment of leave liability.

#### Sensitivity Analysis

The following table demonstrates the impact of 1% increase in discount rate considered for calculating the present value of long term leave liability.

Particulars	2080-81	2079-80
Effect on:		
- Service Cost	(829,497)	(912,634)
- Interest Cost	536,430	473,209
- Leave Liability	(11,129,540)	(10,883,442)

The following table demonstrates the impact of 1% decrease in discount rate considered for calculating the present value of long term leave liability.

Particulars	2080-81	2079-80
Effect on:		
- Service Cost	1,009,124	1,109,033
- Interest Cost	(536,430)	(473,209)
- Leave Liability	13,347,626	13,101,212

#### 4.5 Lease

The Company has entered into a lease arrangement of premises for a period of 2-3 years. The future minimum lease rental payment to be made is as follows:

Period	2080-81	2079-80
Up to one year	11,249,756	13,012,097
One to five years	5,648,627	11,185,354
<b>Total</b>	<b>16,898,383</b>	<b>24,197,451</b>



The Company has entered into operating lease arrangement allowing to use some part of its assets on lease. Minimum lease amount receivable under such lease is as follows:

Period	2080-81	2079-80
Up to one year	62,221,492	37,607,133
One to five years	303,558,343	291,633,300
Above five years	150,365,219	172,386,540
<b>Total</b>	<b>516,145,054</b>	<b>501,626,973</b>

#### 4.6 Corporate Social Responsibility

During the year, the Company has provided Rs. 6.00 million (previous year Rs. 5.55 million) (1% of net profit after tax) as Corporate Social Responsibility as per the Section 54 (1) of the Industrial Enterprises Act 2076.

#### 4.7 Risk Management objectives and policies

The Company's business activities expose to a variety of risks, namely primarily to fluctuations in foreign currency exchange rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company's Board and senior management has overall responsibility for the establishment and oversight of the Company's risk management. The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

##### i. Market Risk

In spite of having a very high potentiality of Tourism Sector and its related to services, it is volatile to geopolitical and domestic incidents. With stabilization in the geopolitical and domestic issues, the tourism sector looks for bright future. However, there is risk that any domestic/international or geopolitical incidents would impact the business of the company. However, the company through years of operations has sustained through such risks over the years in the past.

##### ii. Credit Risk

The company provides reasonable level of credit facilities to debtors and so does it enjoy credit facility from its creditors as well. In impact on tourism sector may have impact of company debtors' ability to pay the company within reasonable credit period allowed. Accordingly, there exist the credit risks to that extent. The company through its experience over the many years has been managing such risk well through proper way of close monitoring and supervising the regular recoverability position by the management and the Board.

##### iii. Liquidity Risk

The Company has very less amount of debt funding and will not be impacted significantly. The Company monitors its liquidity position on regular basis through effective planning and forecasting.

The company current assets aggregate positively against the current liabilities and accordingly, the liquidity risk or risk that the company may not be able to settle its liabilities as they become, due does not exist.

##### iv. Operational Risk

The Company has been in operation since more than 57 years and have prepared and implemented various Standard Operating Procedures (SOPs) in the form of clear cut delegation of authority for the activities, guidelines regulations etc. Beside the company is required to also follow specific operating guidelines issued by its franchise. Company believes that the controls implemented by the company have minimized the operational risk to acceptably low level. The franchise also carries out Control Self-Assessment at reasonable interval where the company scored high level marks placing it as one among better managed hotel among hotels being managed by Franchise.

**v. Exchange Rate Fluctuation Risk**

The Company's revenue will be impacted coming from any fluctuation of exchange rate fluctuation so be on the certain level of supplies of the company as such exchange rate fluctuation will contribute certain level of inflations. Since its tariffs are quoted in USD, any rate fluctuation will have the risk of impacting the income of the company. It has been the tendency that the exchange rate fluctuation has generally been upward movement except of occasional down turn movement as well. The Company has practiced not to hold foreign currency monetary assets and liabilities for substantial period so as to minimize the risk of exchange rate fluctuation.

**4.8 Related Party Transactions**

Related parties of the company comprise of key management personnel, organization having significant influence on the company, subsidiaries of the company and Board of Directors.

**a. Subsidiary Company**

The Company has one subsidiary company. The Company has presence on the Board of this company in proportion of its shareholding. Company provides office space to the subsidiary on operating lease. Other than this, there is no any transaction with subsidiary company.

Name of Subsidiary	Holding %	Rental Charge		Outstanding balance	
		This Year	Last Year	This Year	Last Year
<b>Soaltee Hospitality Ltd.</b>	100	66,667	66,667	-	-

**b. Significant Influence**

Entities having significant influence over the Company is as follows:

**i. Soaltee Enterprise Pvt. Ltd. (SEPL)**

Soaltee Enterprise Pvt. Ltd. is major shareholder of the company. This company has four representatives in the current Board of Soaltee Hotel Ltd. (SHL). SEPL has paid Rs. 66,667 (previous year Rs. 66,667) to SHL as operating lease rent. SHL has paid Rs. 1,102,500 to SEPL as operating lease rent. There is no outstanding balance at the year end.

**c. Other related entities**

**i. Nepal Airlines Corporation (NAC)**

Nepal Airlines Corporation is institutional shareholder of the company. NAC has one representative in the Board of SHL.

SHL provides flight catering services to the international flights of Nepal Airlines Corporation. Transactions and outstanding balance with Nepal Airlines Corporation are as follows:

Particulars	Revenue (in million)		Receivable (in million)	
	This Year	Last Year	This Year	Last Year
Flight Catering Services	338.86	274.49	44.19	50.44

**ii. Sibkrim Holdings Pvt. Ltd.**

There is no transaction of this company with SHL.

**d. Those charged with Governance**

Those charged with governance include the Board of Directors of the Company. The composition of Board on the reporting date is as follows:

Name	Position	Representative of
Mr. Dinesh Bahadur Bista	Executive Chairman	Soaltee Enterprises Pvt. Ltd.
Mr. Ravi Bhakta Shrestha	Director	Soaltee Enterprises Pvt. Ltd.
Mr. Rajesh Kazi Shrestha	Director	Soaltee Enterprises Pvt. Ltd.
Mrs. Jaya Rajya Laxmi Shah	Director	Soaltee Enterprises Pvt. Ltd.
Mr. Ubaraj Adhikari	Director	Nepal Airlines Corporation
Mr. Prakash Bikram Khatri	Director	Public Shareholder
Mr. Sashi Raj Pandey	Director	Public Shareholder
Mr. Niranjana Kumar Tibrewala	Director	Public Shareholder
Mr. Deepak Raj Joshi	Director	Independent Director

Mr. Lil Bahadur Khatri serves as Company Secretary of the Company.



Board members are paid Rs. 25,000 (net of withholding tax) per meeting as meeting fee for attending each meeting of Board. Meeting fee paid to members of Board for Board as well as Other Committee meetings during the year amounts to Rs. 1.79 million (previous year Rs. 1.49 million).

#### **e. Key Management Personnel**

The company's key management personnel are Executive Chairman & Vice President of SHL and General Manager of The Soaltee Kathmandu.

Total compensation to key management personnel during the year is Rs. 47.64 million (previous year Rs. 31.84 million). The compensation paid to Executive Chairman also includes the performance incentive paid based on the profit of the Company.

#### **4.9 Unpaid Dividend**

Total unpaid dividend amounted to Rs. 17.94 million (previous year Rs. 13.54 million).

#### **4.10 Trade and Other Receivable**

##### **4.10.1 Civil Aviation Fee Recoverable from Airlines**

Civil Aviation Fees levied on In-flight catering services provided on international flights by the company to three different airlines have been disputed and not paid by the respective airlines which amounted to Rs 7.051 million (previous year Rs. 7.051 million) is still pending recovery. This has been reflected under Non-Current Trade and other receivables.

##### **4.10.2 Trade Receivable from Jet Airways**

Trade receivable amounting to Rs. 16,061,418 is pending recoverable from Jet Airways as of the reporting date which has closed its operation from 17 April 2019 and is undergoing its insolvency proceedings. In October 2020, a revival takeover plan of potential investors has been approved by the Committee of Creditors of Airlines. The company has already lodged the outstanding with Jet Airways & confirmed by Jet Airways in their official website as eligible creditors. However, the outcome of the proceeding and business revival is not yet known.

#### **4.11 Lien on Company's Assets**

The company current and non-current assets where applicable has been pledged hypothecated to bankers providing the credit facilities. The credit facility as of the reporting date included term loan and overdraft against a vehicle, movable and immovable properties amounting to Rs. 7.99 million (previous year Rs. 9.24 million).

#### **4.12 Contingent Liability**

The Company recognizes contingent liability when a possible obligation arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or company as a present obligation as a result of past events which is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. All adjusting events are considered for appropriate reflection in the current financial year.

#### **4.13 Bank Guarantee**

Unexpired bank guarantee issued by the company amounted to Rs. 56.34 million (previous year Rs. 26.04 million).

#### **4.14 Litigations or Legal Cases**

##### **i. Income Tax Matters**

##### **Appeal Revenue Tribunal**

The Inland Revenue Department has filed an appeal to review the verdict of the Revenue Tribunal in the Honorable Supreme Court for the Fiscal Year 2068-69 which had ruled in favor of the Company. The Honorable Supreme Court issued its final verdict in favor of the Company during this fiscal year.

The Supreme Court upheld the Revenue Tribunal's verdict and dismissed the appeal by the Inland Revenue Department. The full text of the verdict of the Supreme Court is yet to be received after publication by the Supreme Court at a later date.

The Company has filed an appeal with Revenue Tribunal challenging the disallowance of expenses on Self-Assessment Income Tax Return for the Fiscal Year 2067-68, 2069-70, 2070-71, 2071-72, 2072-73, 2073-74, 2074-75 & 2075-76. The appeals arise due to an additional income tax demand/claim as assessed by the Large Taxpayers Office during their administrative review. The Company's management believes that it should not incur a significant financial obligation to the Company due to these tax claims. If any tax claim does arise, such charges would be directly charged to Company's accumulated profit, in accordance with past practice.

The Company has filed a writ petition with High Court against additional demand of Tax deducted at source (Income Tax) by Large Tax Office relating to FY 2073/74. The Matter is sub-judiced in the High Court.

**ii. Arbitration Suit**

The Company has filed a Writ Petition with the Honorable High Court Patan on the issue of Outstanding Receivable recovery pending settlement by the then Hotel Manager, Holiday Inns (China) Ltd (Manager) seeking the court's assistance for appointment of an arbitrator on behalf of Holiday Inns (China) Ltd. as they did not appoint their arbitrator. The High Court has appointed an arbitrator on behalf of Holiday Inns (China) Ltd. However, Holiday Inns (China) Ltd has challenged the appointment in the Supreme Court of Nepal stating that they have already appointed their arbitrator. The matter is sub-judiced in the Supreme Court.

**iii. Casino Royalty of the Closed down period**

The Company has filed writ petition with the Honorable Supreme Court of Nepal against the demand of Casino Royalty by Government of Nepal for the period in which the casino was not in operation from Shrawan 2068 to Kartik 2069 due to the cancellation of Nepal Recreation Centre's Casino Operation permission. The Supreme Court has dismissed the writ and the Company has settled said Casino Royalty as per the full text of the verdict from the Honorable Supreme Court of Nepal during this fiscal year.

**iv. Civil Aviation Authority for TIA Lounge contract continuation**

The Company has filed writ petitions with the District Court of Nepal against the Civil Aviation Authority of Nepal & TIA for the continuation of the Lease Agreement as per the Contract renewal provision for the further period of three years. The District Court has awarded stay order until final verdict of the Court during this fiscal year.

**v. Legal cases**

The company has filed a few other cases to recover dues from some debtors and other parties in the course of its regular business.

**4.15 Capital Commitment**

Capital contract remaining to be executed on capital accounts net of advances to Rs. 145.85 million (Previous year Rs. 175.33 million).

**4.16 Letter of Credit**

There is Rs. 6.68 million (previous year Rs. Nil) outstanding letter of credit as at the reporting date.

**4.17 Housing Fund**

This fund was created as per the requirement of erstwhile Labor laws. Owing to changes in Labor law, this fund is no longer required and no provision has been made. The Company has not paid during the year out of this fund to a separate entity called Employee Housing.



#### 4.18 Operating Segment

Management of the company has considered the total operation to be segregable into three operating segment based on the nature of operation and services rendered.

- i. **Room Segment:** The Room Segment of a hotel includes reservations, front desk, housekeeping and guest services.
- ii. **Food & Beverage Segment:** The function of Food & Beverage Segment and Flight Services Division is to provide food and beverages services to its customers.
- iii. **Other Segment:** Other Segment includes the Corporate Division, Sales & Marketing Department, Human Resource Department and other services centres except Room and Food & Beverage Segment of the Hotel.

The financial information about the identified segments are as follows:

(Amount in millions)

Operating Segment	Room Segment	Food & Beverage Segment	Other Segment	Total
- Revenue	591.43	1,794.72	112.27	2,498.42
<b>Total Revenue</b>	<b>591.43</b>	<b>1,794.72</b>	<b>112.27</b>	<b>2,498.42</b>
<b>Expenses</b>				
Consumption Cost	133.27	405.15	-	538.42
Employee Benefit Expenses	97.44	292.60	173.34	563.38
Management, Operating and Other Expenses	33.56	279.40	195.20	508.16
Depreciation and Amortization				137.50
Finance Cost				3.60
<b>Total Expenses</b>	<b>264.27</b>	<b>977.15</b>	<b>368.54</b>	<b>1,751.07</b>
<b>Segment Result</b>	<b>327.16</b>	<b>817.57</b>	<b>(256.27)</b>	<b>747.35</b>
Income Tax				147.30
<b>Profit/(Loss) for the Period</b>				<b>600.04</b>
<b>Segment Assets*</b>				<b>3,151.39</b>
<b>Segment Liabilities**</b>				<b>3,151.39</b>

\* Segment wise assets has not been prepared due to absence internal reporting system of segment assets.

\*\* Segment wise liabilities has not been prepared due to absence internal reporting system of segment liability.

#### 4.19 Capital Management

Capital includes issued capital and all other reserves attributable to the equity holders of the company. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to the shareholders. The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aim is to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company's will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods.

No changes were made in the objectives, policies or processes for managing capital during all the years reported in this financial statement.



#### **4.20 Events after reporting date**

Events after the reporting date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statement are authorized for issue. There are no material events that have occurred subsequent to 15 July 2024 till the date of signing of this financial statements.

#### **4.21 Regrouping and Round off**

Figures have been regrouped and rearranged and rounded off to nearest rupee. Insignificant rounding off differences may exist.



# J. B. Rajbhandary & DiBins

CHARTERED ACCOUNTANTS

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Tel: (01) 5347177, (01) 5344971  
E-mail : info@jbrdibins.com.np  
web : www.jbrdibins.com.np

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SOALTEE HOTEL LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the Consolidated Financial Statements of Soaltee Hotel Limited (hereinafter referred to as "SHL") and its subsidiaries (collectively referred to as the "Group"), which comprise of the Consolidated Statement of Financial Position as at 31<sup>st</sup> Ashad 2081 (15<sup>th</sup> July 2024) and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of Significant Accounting Policies.

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the financial position of the Group as at 31<sup>st</sup> Ashad 2081 (15<sup>th</sup> July 2024), its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

#### Basis for Opinion

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

#### Key Audit Matters

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

S.N.	Description of Key Audit Matters	How the matter was addressed in our audit
1.	<p><b>Revenue Recognition</b> ( refer Note 2.2.16 "Revenue" and Note 3.16 of the consolidated financial statement)</p> <p>The Company is principally engaged as a hotel owner and property owner. It's revenue comprises hotel revenue (including hotel room revenue, food and beverage revenue, in-flight catering, and other hotel-related revenue) and rental income from investment properties.</p> <p>Revenue from sale of service is recognized at the time of delivery of services and it is probable that the future economic benefits will flow to the company and that revenue and associated costs incurred or to be incurred can be reliably measured and no performance obligation is pending with respect to revenue recognized.</p> <p>Therefore, there is significant risk in accuracy of recognition, measurement, presentation and disclosures of revenues because of timing and appropriateness relative to</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the Company's revenue recognition accounting policies in line with NFRS 15 (Revenue from Contracts with Customers) and testing the accounting of revenue in books of accounts thereof.</li> <li>Assessing the implementation as well as testing of the operating effectiveness of the key controls associated to revenue including effectiveness of IT application controls, process flows, automation/integration of various applications, manual interventions etc.</li> <li>Assessing the recognition of revenues on accrual basis by testing entries and accruals affecting revenues based on the delivery terms in sales and</li> </ul>



	underlying service conditions. Hence, we have identified revenue recognition as Key Audit Matter	<p>delivery documents or system generated reports.</p> <ul style="list-style-type: none"> <li>Performed detailed analysis of revenue, analytical testing with sales information filed with tax authorities, testing the timing of its recognition and accuracy of amounts recognized and verification of the supporting information of the revenue transactions.</li> <li>Evaluated the adequacy of disclosures in the financial statements.</li> </ul>
2.	<p><b>General Controls in IT Environment</b></p> <p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions and the reliance on automated and IT dependent manual controls. Among others, these are key to ensuring operating effectiveness of IT dependent application – based controls. Also, if the IT controls over-financial data is improper, there is risk of wrong reporting to the management, regulator as well as other stakeholders.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Test of the operating effectiveness of the company's access controls over the information systems that are critical to financial reporting. We inspected requests of changes to systems for appropriate approval and authorization.</li> <li>Evaluated whether IT guidelines have been formulated and assess the contracts with the IT vendor.</li> <li>Understanding, where relevant, changes were made to the IT controls and applications during the audit period that may have a significant impact on financial reporting.</li> </ul>

**Other Matter**

We did not audit the financial statement and other financial information of "Soaltee Hospitality Limited" ( 100% Subsidiary of SHL), whose financial statement reflect total assets of Rs.268.55 million and net assets of Rs.267.39 million as at July 15,2024 and net profit of Rs.2.40 million and net cash outflows amounting to Rs.0.77 million for the year then ended. These financial statements and other financial information have been audited by other auditors who have expressed an unmodified opinion on those statements. Those reports have been furnished to us by the management, and our opinion on the consolidated financial statements in so far as it relates to the accounts and disclosures included in respect of these subsidiary, are based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report on Other legal and regulatory requirements below in not modified in respect of the above matters with respect to our reliance on the work done.

**Information other than the Consolidated Financial Statements and Auditor's Report Thereon**

Management of the Group are responsible for the presentation of the other information. The other information comprises the information included in SHL's Annual Report, including "Report of Board of Directors/Chairman's Statement" but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement therein, we



*[Handwritten signature]*



are required to communicate the matter with those charged with governance. We have nothing to report in this regard.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 Consolidated Financial Statements.

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

- i. Identify and assess the risks of material misstatement of the Consolidated Financial Statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.
- ii. 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 Group's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



- vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

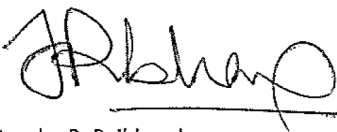
We also provide those charged with governance with a statement that we have complied with the relevant ethical requirement regarding independence, and to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related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

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

#### Report on Other Legal and Regulatory Requirements

To the best of our knowledge and according to explanations given to us and from our examination of the books of account of the Group and SHL necessary for the purpose of our audit to the extent for the scope of our audit:

- We have obtained all the information and explanations along with replies to our queries, which to the best of our knowledge and understanding, were necessary for the purpose of the audit.
- In our opinion, books of accounts, records, books and ledgers have been maintained accurately in accordance with prevailing laws.
- In our opinion, the consolidated and separate financial statements comprising of Statements of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash flows, prepared in accordance with the requirements of Company Act, 2063 and are in agreement with the Books of Accounts maintained by the Group.
- To the best of our information and according to the explanations provided to us and as so far appeared from the examination of the books of accounts, we have not come across cases where board of directors or any official has committed any act contrary to the prevailing laws or committed any irregularity or caused any loss or damage to the Group or acted in a manner to jeopardize the interest and security of the Group.

  
CA Jitendra B. Rajbhandary  
Senior Partner  
COP: 25

Place: Kathmandu

Date: 13<sup>th</sup> Kartik 2081 (29<sup>th</sup> October 2024)

UDIN: 241107CA0014cDfdy



**SOALTEE HOTEL LIMITED**Consolidated Statement of Financial Position  
As at 31 Ashad 2081 (15 July 2024)

Amount in Rs.

Particulars	Note	As At Ashad 31, 2081 (July 15, 2024)	As At Ashad 31, 2080 (July 16, 2023)
<b>ASSETS</b>			
<b>Non-Current Assets:</b>			
Property, Plant and Equipment	3.1	2,193,754,170	1,902,297,989
Intangible Assets	3.2	49,612	426,854
Investment Property	3.3	89,383,825	87,197,495
Investments	3.5	280,476,188	274,687,563
Trade and Other Receivables	3.6	22,899,490	23,389,414
<b>Total Non-Current Assets</b>		<b>2,586,563,285</b>	<b>2,287,999,315</b>
<b>Current Assets:</b>			
Inventories	3.7	131,237,015	122,203,519
Trade and Other Receivables	3.6	310,894,572	326,337,348
Prepayments		22,968,794	21,379,704
Cash and Cash Equivalent	3.8	104,200,164	72,596,935
<b>Total Current Assets</b>		<b>569,300,545</b>	<b>542,517,506</b>
<b>Total Assets</b>		<b>3,155,863,830</b>	<b>2,830,516,821</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and Reserves and Surplus:</b>			
Share Capital	3.9	928,953,700	884,715,060
Retained Earnings and Reserves	3.10	1,442,613,052	1,224,040,511
<b>Total Equity of Parent</b>		<b>2,371,566,752</b>	<b>2,108,755,571</b>
Non-Controlling Interest	3.11	-	-
<b>Total Equity</b>		<b>2,371,566,752</b>	<b>2,108,755,571</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities:</b>			
Loans and Borrowings	3.12	6,636,303	7,931,571
Employee Benefits	3.13	125,414,473	125,674,212
Deferred Tax Liabilities	3.4	34,169,877	24,328,458
Trade and Other Payables	3.15	92,675,392	77,646,019
<b>Total Non-Current Liabilities</b>		<b>258,896,045</b>	<b>235,580,260</b>
<b>Current Liabilities:</b>			
Loans and Borrowings	3.12	1,360,289	1,308,207
Employee Benefits	3.13	87,595,759	81,741,340
Income Tax Payable	3.14	5,201,315	14,970,517
Trade and Other Payables	3.15	431,243,670	388,160,926
<b>Total Current Liabilities</b>		<b>525,401,033</b>	<b>486,180,990</b>
<b>Total Liabilities</b>		<b>784,297,078</b>	<b>721,761,250</b>
<b>Total Equity and Liabilities</b>		<b>3,155,863,830</b>	<b>2,830,516,821</b>

Notes 1 to 4.21 form an integral part of this statement

For and on behalf of Soaltee Hotel Limited

As per our report of even date

**Mukti Nath Shrestha**  
DIRECTOR OF FINANCE**Sudarshan Chapagain**  
VICE PRESIDENT**Dinesh Bahadur Bista**  
EXECUTIVE CHAIRMAN**CA. Jitendra B. Rajbhandary**  
Senior Partner  
J.B. Rajbhandary & DiBins  
Chartered Accountants**Lil Bahadur Khatri**  
CHIEF OF CORPORATE AFFAIRS  
& COMPANY SECRETARY**Ubaraj Adhikari**  
**Prakash Bikram Khatri**  
**Sashi Raj Pandey**  
**Jaya Rajya Laxmi Shah**  
**Ravi Bhakta Shrestha**  
**Rajesh Kazi Shrestha**  
**Niranjana Kumar Tibrewala**  
DIRECTORSDate: 29 October 2024  
(13 Kartik 2081)  
Place: Kathmandu, Nepal

**SOALTEE HOTEL LIMITED**

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

For the period ended on 31 Ashad 2081 (15 July 2024)

Amount in Rs.

Particulars	Note	Year Ended Ashad 31, 2081 (July 15, 2024)	Year Ended Ashad 31, 2080 (July 16, 2023)
Revenue from Operation	3.16	2,390,449,411	2,156,216,621
Other Income	3.17	111,279,243	100,484,458
<b>Total Revenue</b>		<b>2,501,728,654</b>	<b>2,256,701,079</b>
Consumption of Foods and Beverage	3.18	405,153,476	380,083,406
Employee Benefit Expenses	3.19	563,383,728	502,368,131
Operating Expenses	3.20	303,460,367	285,399,823
Depreciation and Amortization Expense	3.1/3.2/3.3	137,503,255	113,641,170
Other Expenses	3.21	338,063,989	277,399,001
<b>Total Expenditures</b>		<b>1,747,564,815</b>	<b>1,558,891,531</b>
<b>Profit/(Loss) from Operations</b>		<b>754,163,839</b>	<b>697,809,548</b>
Finance Cost		3,602,880	8,660,738
<b>Profit/(Loss) Before Tax</b>		<b>750,560,959</b>	<b>689,148,810</b>
<b>Income Tax</b>		<b>148,110,542</b>	<b>132,662,215</b>
Current Tax		138,269,123	125,120,495
Deferred Tax Expenses/(Income)	3.4	9,841,419	7,541,720
<b>Net Profit/(Loss) for the Year</b>		<b>602,450,417</b>	<b>556,486,595</b>
<b>Other Comprehensive Income</b>			
Change in Fair Value of Equity Shares		5,788,625	1,704,821
<b>Total Other Comprehensive Income</b>		<b>5,788,625</b>	<b>1,704,821</b>
<b>Total Comprehensive Income</b>		<b>608,239,042</b>	<b>558,191,416</b>

**Net Profit/(Loss) Attributable to:**

The Parent		602,450,417	556,486,595
Non-Controlling Interest		-	-

**Other Comprehensive Income Attributable to:**

The Parent		5,788,625	1,704,821
Non-Controlling Interest		-	-

Basic Earnings per Share (Rs.)		6.49	5.99
Diluted Earnings per Share (Rs.)	3.22	6.49	5.99

Notes 1 to 4.21 form an integral part of this statement

For and on behalf of Soaltee Hotel Limited

As per our report of even date

**Mukti Nath Shrestha**  
DIRECTOR OF FINANCE

**Sudarshan Chapagain**  
VICE PRESIDENT

**Dinesh Bahadur Bista**  
EXECUTIVE CHAIRMAN

**CA. Jitendra B. Rajbhandary**  
Senior Partner  
J.B. Rajbhandary & DiBins  
Chartered Accountants

**Lil Bahadur Khatri**  
CHIEF OF CORPORATE AFFAIRS  
& COMPANY SECRETARY

**Ubaraj Adhikari**  
**Prakash Bikram Khatri**  
**Sashi Raj Pandey**  
**Jaya Rajya Laxmi Shah**  
**Ravi Bhakta Shrestha**  
**Rajesh Kazi Shrestha**  
**Niranjan Kumar Tibrewala**  
DIRECTORS

Date: 29 October 2024  
(13 Kartik 2081)  
Place: Kathmandu, Nepal

**SOALTEE HOTEL LIMITED****Consolidated Statement of Cash Flows**

For the year ended on 31 Ashad 2081 (15 July 2024)

Amount in Rs.

Particulars	Year Ended Ashad 31, 2081 (July 15, 2024)	Year Ended Ashad 31, 2080 (July 16, 2023)
<b>Cash Flows from Operating Activities</b>		
Profit/(Loss) Before Tax for the Year	750,560,959	689,148,810
<b>Adjustment for:</b>		
Dividend Income	(2,700,000)	(19,271,347)
Loss/ (Gain) on Sale of Property, Plant and Equipment	(179,281)	(4,506,502)
Interest Income on Call and Term Deposit	(563,632)	(156,390)
Impairment Allowance on Trade Receivable	5,000,000	5,000,061
Provision for Bonus	74,734,688	68,712,943
Depreciation/Amortization on PPE, Investment Property & Intangible Assets	137,503,255	113,641,170
Finance Cost	3,602,880	8,660,738
<b>Operating Cash Flow Before changes in Working Capital</b>	<b>967,958,869</b>	<b>861,229,483</b>
(Increase) / Decrease in Trade and Other Receivables	10,932,700	(43,783,592)
(Increase) / Decrease in Inventories	(9,033,496)	(37,259,559)
(Increase) / Decrease in Prepayment	(1,589,090)	(6,973,834)
Increase / (Decrease) in Trade and Other Payables	53,714,875	(12,209,513)
Increase/ (Decrease) in Employee Benefits	(427,065)	4,479,864
<b>Cash generated from Operations</b>	<b>1,021,556,793</b>	<b>765,482,849</b>
Bonus Paid	(68,712,943)	(31,517,125)
Income Tax Paid	(258,321,123)	(76,266,634)
<b>Net Cash Flows from Operating Activities (A)</b>	<b>694,522,727</b>	<b>657,699,090</b>
<b>Cash Flow from Investing Activities</b>		
Proceeds from Sale of Property, Plant and Equipment	4,638,540	7,081,771
Acquisition of Property, Plant and Equipment, Investment Property and Intangible Assets	(435,227,783)	(421,780,458)
(Increase) / Decrease in Investments	-	12,374,864
Dividend Income	2,700,000	19,271,347
Interest Income on Term and Call Deposits	563,632	156,390
<b>Net Cash flows from Investing Activities (B)</b>	<b>(427,325,611)</b>	<b>(382,896,086)</b>
<b>Cash Flow from Financing Activities</b>		
Finance Cost	(3,602,880)	(8,660,738)
Increase/(Repayment) of Borrowings	(1,243,186)	(53,751,817)
Recovery of Cash for Fractional Bonus Shares	2,887	6,344
Dividend Paid Net	(230,750,708)	(176,578,128)
<b>Net Cash Flows from Financing Activities (C )</b>	<b>(235,593,887)</b>	<b>(238,984,339)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>31,603,229</b>	<b>35,818,665</b>
Cash and Cash Equivalents at the Beginning	72,596,935	36,778,270
<b>Cash and Cash Equivalents at the End</b>	<b>104,200,164</b>	<b>72,596,935</b>

For and on behalf of Soaltee Hotel Limited

As per our report of even date

**Mukti Nath Shrestha**  
DIRECTOR OF FINANCE**Sudarshan Chapagain**  
VICE PRESIDENT**Dinesh Bahadur Bista**  
EXECUTIVE CHAIRMAN**CA. Jitendra B. Rajbhandary**  
Senior Partner  
J.B. Rajbhandary & DiBins  
Chartered Accountants**Lil Bahadur Khatri**  
CHIEF OF CORPORATE AFFAIRS  
& COMPANY SECRETARY**Ubaraj Adhikari**  
Prakash Bikram Khatri  
Sashi Raj Pandey  
Jaya Rajya Laxmi Shah  
Ravi Bhakta Shrestha  
Rajesh Kazi Shrestha  
**Niranjan Kumar Tibrewala**  
DIRECTORSDate: 29 October 2024  
(13 Kartik 2081)  
Place: Kathmandu, Nepal



**SOALTEE HOTEL LIMITED**  
**Consolidated Statement of Changes in Equity**  
**For the period ended on 31 Ashad 2081 (15 July 2024)**

Amount in Rs.

Particulars	Share Capital	Share Premium	Revaluation Reserve	Other Reserve	Retained Earning	Fair Value Reserve (OCI)	Total Equity of Parent	Non-Controlling Interest	Total Equity
<b>Closing Balance as at 32.03.2079</b>	<b>842,579,730</b>	<b>16,000,000</b>	<b>35,198,427</b>	<b>7,288,761</b>	<b>846,400,371</b>	<b>1,142,742</b>	<b>1,748,610,031</b>	<b>(3,324,563)</b>	<b>1,745,285,468</b>
Change in Fair Value of Investment through OCI	-	-	-	-	-	1,704,821	1,704,821	-	1,704,821
Net Profit/(Loss) for Year 2079-80	-	-	-	-	556,486,595	-	556,486,595	-	556,486,595
Liquidation of Subsidiary	-	-	-	-	(18,449,699)	-	(18,449,699)	3,324,563	(15,125,136)
Payment of Dividend for 2078-79	-	-	-	-	(179,602,521)	-	(179,602,521)	-	(179,602,521)
Issue of Bonus Shares	42,135,330	-	-	-	(42,135,330)	-	-	-	-
Adjustment of Fractional bonus shares received (paid)	-	-	-	-	6,344	-	6,344	-	6,344
<b>Closing Balance as at 31.03.2080</b>	<b>884,715,060</b>	<b>16,000,000</b>	<b>35,198,427</b>	<b>7,288,761</b>	<b>1,162,705,760</b>	<b>2,847,563</b>	<b>2,108,755,571</b>	<b>-</b>	<b>2,108,755,571</b>
Change in Fair Value of Investment through OCI	-	-	-	-	-	5,788,625	5,788,625	-	5,788,625
Net Profit/(Loss) for Year 2080-81	-	-	-	-	602,450,417	-	602,450,417	-	602,450,417
Payment of Dividend for 2079-80	-	-	-	-	(235,147,950)	-	(235,147,950)	-	(235,147,950)
Issue of Bonus Shares	44,238,640	-	-	-	(44,238,640)	-	-	-	-
Adjustment of fractional bonus share received (paid)	-	-	-	-	2,887	-	2,887	-	2,887
Tax payments of earlier year	-	-	-	-	(110,282,798)	-	(110,282,798)	-	(110,282,798)
<b>Closing Balance as at 31.03.2081</b>	<b>928,953,700</b>	<b>16,000,000</b>	<b>35,198,427</b>	<b>7,288,761</b>	<b>1,375,489,676</b>	<b>8,636,188</b>	<b>2,371,566,752</b>	<b>-</b>	<b>2,371,566,752</b>

**For and on behalf of Soaltee Hotel Limited**

**Mukti Nath Shrestha**  
**DIRECTOR OF FINANCE**

**Lil Bahadur Khatri**  
**CHIEF OF CORPORATE AFFAIRS**  
**& COMPANY SECRETARY**

Date: 29 October 2024  
(13 Kartik 2081)

Place: Kathmandu, Nepal

**Sudarshan Chapagain**  
**VICE PRESIDENT**

**Ubaraj Adhikari**  
**Prakash Bikram Khatri**  
**Sashi Raj Pandey**  
**Jaya Rajya Laxmi Shah**  
**Ravi Bhakta Shrestha**  
**Rajesh Kazi Shrestha**  
**Niranjana Kumar Tibrewala**  
**DIRECTORS**

**Dinesh Bahadur Bista**  
**EXECUTIVE CHAIRMAN**

**CA. Jitendra B. Rajbhandary**  
**Senior Partner**  
**J.B. Rajbhandary & DiBins**  
**Chartered Accountants**

As per our report of even date

**SOALTEE HOTEL LIMITED****For the period ended on 31 Ashad 2081 (15 July 2024)****Notes to the Consolidated Financial Statements****1. General Information**

Soaltee Hotel Limited (the Company or SHL) is a limited liability company registered with Office of Company Registrar as per erstwhile Company Act. Its shares are enlisted with Security Board of Nepal (SEBON) and listed and traded at Nepal Stock Exchange Ltd. (NEPSE). The registered office of the Company and the principal place of business is located at Tahachal, Kathmandu, Nepal. Since its incorporation more than 57 years, SHL has been catering the Tourism sector services with five-star quality hotel facilities and flight catering kitchen since its commercial operation. SHL has invested in subsidiary company namely Soaltee Hospitality Ltd. for expanding its hotel business. Through Soaltee Hospitality Ltd., a wholly owned subsidiary, it has also invested in Soaltee Sibkrim Hotels and Resorts Pvt. Ltd.

SHL owns and operates a luxurious property classified under **Five Star Deluxe** category by the Government of Nepal with business name and brand "The Soaltee Kathmandu" hotel at Tahachal, Kathmandu Metropolitan City ward No 13, Kathmandu, Nepal. The property (hotel) is owned and operated by the SHL. The Soaltee Kathmandu has 285 saleable rooms ranging from Deluxe, Club to Suites. Further, the Company also owns and operates The Soaltee Gate Gourmet, an Inflight Catering Division under a Technical Assistance Agreement with Gate Gourmet Singapore Pte. Limited, Singapore. The consolidated financial statements are prepared by consolidating the financial statements of Soaltee Hotel Limited (the Parent or SHL) and Soaltee Hospitality Ltd. (100% subsidiary), collectively stated as "the Group" hereinafter. The Group's principal activity is to invest in hotel industry. The Group has invested in hotels in Kathmandu and Nepalgunj.

The Consolidated Financial Statements were authorized for issue by the meeting of the Board of Directors on 29 October 2024 (13 Kartik 2081) and has recommended for approval by shareholders in the Annual General Meeting.

**2. Significant Accounting Policies****2.1. Basis of Preparation****2.1.1. Statement of Compliance**

The consolidated financial statements are prepared in accordance with Nepal Financial Reporting Standards (NFRS) as issued by Accounting Standard Board Nepal and pronounced by The Institute of Chartered Accountants of Nepal.

**2.1.2. Basis of Measurement**

The consolidated financial statements are prepared under historical cost convention except for the following material items:

- Investment in shares of entities other than subsidiaries, which have been measured at fair value
- Staff loans provided at subsidized interest rate, which have been measured at amortized cost.
- Other long-term liabilities (leave liability), which has been measured at present value of the obligation

**2.1.3. Critical Accounting Estimates**

The preparation of the consolidated financial statements in conformity with Nepal Financial Reporting Standards (NFRS) requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the Group's accounting policies. The Group makes certain estimates and assumptions regarding the future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual result may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial

year are:

**a) Useful life of Property, Plant and Equipment**

Management of each company reviews the useful life and residual values of property, plant and equipment in each year. Such life is dependent upon an assessment of both the technical life of the assets and also their likely economic life, based on various internal and external factors including relative efficiency and operating costs.

**b) Impairment of Property, Plant and Equipment**

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact on the carrying value of assets.

**c) Recognition of deferred tax**

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group.

Deferred tax is calculated on temporary differences using a known future tax rate. Deferred tax assets are recognized in respect of all temporary differences giving rise to deferred tax assets where the management believes it is probable that these assets will be recovered.

**d) Other long term employee benefits**

Significant judgment is required to determine the estimated liability that shall arise on part of unused/accumulated leave by the staff and which is generally paid out on retirement or termination of employment. Valuation of such is done by qualified actuary using assumption like interest rate, rate of increase in annual compensation, remaining service period etc. Factors considered may change depending on market changes or legal changes which are beyond the control of the Group.

**2.1.4. Functional and Presentation Currency**

The financial statements are prepared in Nepalese Rupees (Rs.), which is also the Group's functional currency.

**2.2. Accounting Policies**

The principal accounting policies adopted in the preparation of the consolidated 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 disclosed in relevant areas.

**2.2.1. Basis of Consolidation**

Where the Group has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Group and its subsidiaries ("the Group") as if they formed a single entity.

Consolidation of financial statements of subsidiaries has been done in line with NFRS 10: Consolidated Financial Statements. In preparing the consolidated financial statements, the financial statements are



combined line by line by adding the like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. The carrying amount of the parent's investment in subsidiary and the parent's portion of equity of subsidiary are eliminated. All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group are eliminated in preparation of the consolidated financial statements. SHL has opted for carve out alternative accounting treatment issued by ICAN relation to use uniform accounting policies for like transactions in consolidation of financial statement. Under the carve out alternative treatment, the investment made in associate by SHL's fully owned subsidiary is measured at cost instead of measuring it using equity method.

### 2.2.2 Associates

Profits or losses arising on transactions between the Group and its associates are recognized only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalized and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Investment in associates of the subsidiaries are recorded at cost in line with the carve out issued by ICAN for alternative accounting treatment as described in note 2.2.1.

### 2.2.3 Financial Assets and Financial Liabilities

#### i. Recognition

The Group initially recognizes financial assets on trade date which is the date on which the Group becomes a party to the contractual provisions of the instruments.

A financial asset or financial liability is measured initially at fair value plus, or an item not at fair value through profit or loss, transactions costs that are directly attributable to its acquisition or issue.

#### ii. Classification and Measurement

##### Financial Assets

The classification and measurement of financial assets depend on how these are managed (the entity's business model) and their contractual cash-flows characteristics. These factors determine whether the financial assets are measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL).

– **At amortized cost:**

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments for which the Group has intent and ability to hold till maturity. They are initially recognized at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, such financial assets are measured at amortized cost using effective interest rate method less any impairment losses.

– **At fair value through profit or loss:**

Financial assets are classified at fair value through profit or loss if the Group manages such instruments and makes purchases and sales decisions based on its fair value. Attributable transaction costs and changes in fair value are taken to revenue.

– **At fair value through other comprehensive income:**

Financial assets at FVOCI are non-derivative financial assets that are not classified in any of the above category. Financial assets at FVOCI are recognized initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, financial assets are measured at fair value, as far as such fair value is available, and changes therein, which are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is

derecognized, gain or loss accumulated in equity is reclassified to retained earnings.

### **Financial Liabilities**

All financial liabilities are recognized initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. Subsequent to initial recognition, these financial liabilities are measured at amortized costs using effective interest rate method.

### **iii. Derecognition**

#### **Financial Assets**

The Group derecognizes a financial asset when the contractual rights to the cash flow from the financial assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of the ownership of the financial assets are transferred or in which the Group neither transfer nor retains substantially all of the risk and rewards of the ownership and it does not retain control of the financial assets.

On derecognition of a financial asset, the difference between the carrying amount of the assets (or the carrying amount allocated to the portion of the assets derecognized) and the sum of (i) the consideration received (including any new assets obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in Other Comprehensive Income (OCI) is recognized in retained earnings.

#### **Financial Liabilities**

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

### **iv. Offsetting**

The financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when and only when, the Group has a legal right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### **v. Amortized cost measurement**

The 'amortized cost' of a financial asset and financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between initial amount recognized and the maturity amount minus any reduction for impairment.

### **vi. Fair value measurement**

Fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction. Quoted market values represent fair value when a financial instrument is traded in an organized and liquid market. Where quoted market values are not available, fair values are estimated by other techniques.

### **vii. Identification and measurement of impairment**

#### **Financial assets**

At each reporting date the Group assesses the objective evidence that a financial asset or group of financial assets is impaired or not. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated.

Objective evidence that financial assets are impaired includes:

- significant financial difficulty of the debtor
- breach of contract, such as default or delinquency by a debtor
- observable data relating to a group of assets such as adverse changes in the payment status of debtor



The amount of loss is measured as the difference between the asset's carrying amount and amount the management considers it as recoverable on the basis of financial position of the party and appropriate estimation made by the management. Receivables considered as less likely to be received are provided allowance for loss and charged to Statement of Profit or Loss.

In addition, for an investment in an unquoted equity security, a significant or prolonged decline in its net worth is objective evidence of impairment.

Impairment losses are recognized in Statement of Profit or Loss and reflected in an allowance account against debtors. Impairment losses on equity investment are routed through Statement of OCI. Interest on the impaired assets continues to be recognized through the unwinding of the discount. If an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through income statement (OCI in case of available for sale investment).

If, in a subsequent period, the fair value of an equity investments increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairing loss is reversed through profit or loss; otherwise, any increase in fair value is recognized through OCI.

#### **2.2.4 Impairment of Non-Financial Assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost and value in use. An impairment loss is recognized in Statement of Profit or Loss. Provisions against impairment are reviewed at each reporting date and adjusted to reflect the current best estimates. Impairment charges are included in profit or loss except to the extent they reverse gains previously recognized in Other Comprehensive Income.

#### **2.2.5 Foreign Currency**

Transactions entered into by the Group entities in a currency other than the currency of the primary economic environment in which they operate (the "functional currency" is Rs.) 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 recognized immediately in profit or loss.

#### **2.2.6 Property, Plant and Equipment**

Items of property, plant and equipment are initially recognized 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. Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow in to the Group. Ongoing repair and maintenance are expensed as incurred.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

### Capital Work in Progress

Assets in the course of construction are capitalized in the assets under capital work in progress (CWIP). At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

### Salvage Value

The Group has assessed the salvage value of all its property, plant and equipment to be 5% of its original cost.

### 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.

Items of property, plant and equipment are depreciated on Straight Line Method over their useful life.

Management of the Group has assessed useful life of the following category of assets as mentioned.

Category of Assets	Estimated useful life
Building	35 - 70 years
Other civil structures	20 - 35 years
Plant and machinery	10 - 30 years
Vehicle	10 - 20 years
Computer and accessories	7 years
Office Equipment	10 years
Furniture, fixture and furnishing	10 years
Leasehold Development	3 years

### 2.2.7 Intangible Assets

#### 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.

### 2.2.8 Investment Property

The Group holds certain assets (land and building) for purpose other than its core operating function. Such assets are classified as investment property.

Items of investment property are initially recognized 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. Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow in to the Group. Ongoing repair and maintenance are expensed as incurred.

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 recognized directly in equity if it is a gain. Upon disposal of the item, the gain is transferred to retained earnings. Any loss is recognized in statement of profit or loss.

Incomes arising from use of investment property by third parties are recognized as lease income from operating lease. The lease rental is adjusted for inflation rate periodically and the same amount is booked as operating lease income, which the Group believes is more representative than the straight line method, in line NFRS 16: Leases.

#### Salvage Value

Group has assessed the salvage value of its depreciable investment property to be 5% of its original cost.

#### Depreciation

Land that form part of investment property is not depreciated. Depreciation is provided on other items



of investment property so as to write-off their carrying value over the expected useful economic lives. Depreciable investment properties are depreciated on Straight Line Method over their useful life. Management considered the useful life of investment property to be of 55 years.

### **2.2.9 Investments**

Investments in shares of the companies are classified as either at amortized cost or at fair value. The classification of investment and its subsequent measurement is dependent on the business model for managing such investments and contractual cash flow characteristics.

Investments are measured at fair value unless measured at amortized cost. Investments are measured at amortized cost if such investment is held with in order to collect contractual cash flows and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent changes in the investments measured at amortized cost are charged to Profit or Loss. Investments measured at fair value opting the routing through Other Comprehensive Income, at initial recognition, for adjusting the changes in fair value are charged through Other Comprehensive Income that forms part of the equity of the Company. Changes in fair value of other investments are charged to Profit or Loss.

### **2.2.10 Inventories**

Stock of food, beverages, store and operating supplies are initially recognized at cost and subsequently at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the variable selling expenses.

The cost is determined on weighted average method and includes expenditure incurred directly in acquiring the inventories and bringing them to their present location and condition.

### **2.2.11 Cash and cash equivalents**

Cash and cash equivalents comprises cash balances, call deposits and other short term highly liquid investments. For the purpose, any cash placement deposits, call deposit or other highly liquid items with the maturity period of 90 days from the date of transaction is considered as cash equivalent.

### **2.2.12 Trade and other receivables**

Trade and other receivables are stated at transaction value less allowance for impairment.

Staff loan are measured at amortized cost. Discounting rate has been arrived by considering comparable market rates of similar types of loan. Difference of amortized value and book value of loan is charged to profit or loss for the period of staff loan.

### **2.2.13 Share capital**

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

### **2.2.14 Employee Benefits**

Employee benefits are either defined benefit plan or defined contribution plan. Employee benefits of SHL comprise of gratuity, provident fund and accumulated leave. These benefits are provided as per the Employee Service Manual and Collective Bargaining Agreement between Employee Union and the Company.

#### **Provident Fund-Defined Contribution Plan**

SHL pays pre-defined Provident Fund benefit to Social Security Fund (SSF) and SHL does not have any legal or constructive obligation to pay additional amount in future. Contributions to Provident fund are charged to the statement of profit or loss in the year to which they relate.

#### **Gratuity-Defined Contribution Plan**

SHL is required to pay pre-defined amount to Social Security Fund as gratuity to employees. SHL accrues 8.33% of basic salary of staff as gratuity benefits in accordance with the Labor Law of Nepal till Falgun



2076 while SHL has deposited Employee Gratuity in SSF from Chaitra 2076. The amount presented in financial statements is the actual liability of gratuity at each reporting date.

#### **Short term and long-term employment benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Accumulated leaves, encashment of which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the obligation as at the reporting date determined based on an actuarial valuation.

### **2.2.15 Income Tax**

#### **Deferred Tax**

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. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 realization or settlement of the carrying amount of assets and liabilities using tax rates that are expected to apply in subsequent periods.

#### **Current Tax**

Current tax is the expected tax payable on the taxable income for the year using tax rates at the reporting date and any adjustment to tax payable in respect of previous years. Current tax is calculated reasonably in accordance with the provisions of Income Tax Act as per management assumption and best judgment.

General corporate tax rate is 25%. SHL is entitled to a rebate of 15% on the General tax rate as per the provisions of Income Tax Act 2058 Sec. 11(3Chha). Accordingly, tax rate applicable to the SHL for current fiscal year is 21.25% (previous year rate was 21.25%).

### **2.2.16 Revenue**

Revenue is recognized only when it is probable that the future economic benefits will flow to the group and that revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of Value Added Taxes, Civil Aviation Fee and Luxury Tax where applicable.

#### **Revenue from Sale of Services**

Revenue is recognized at the time of delivery of services and is stated net of Value Added Tax (VAT) and Luxury Tax. Revenue from The Soaltee Gate Gourmet -Flight Catering Division sales is stated net of Civil Aviation Fee.

Revenue from package sales is disclosed net of credits and refunds, included as part of the package.

#### **Dividend**

Dividend income from investment in shares is recognized when the right to receive the payment is established.

#### **Other Income**

Other income is recognized on accrual basis when there is reasonable basis to ascertain the amount and there is reasonable basis for recoverability except for certain membership fee, which are insignificant to the total revenue.



### 2.2.17 Expenses

Expenses are accounted on accrual basis where there is reasonable basis to estimate ascertain the obligation and rationality of such obligation.

#### License Fee

License fees payable in relation to technical assistance to Gate Gourmet Singapore Pte. Ltd, to operate the Flight Catering Unit under the brand name of 'The Soaltee Gate Gourmet' is based on a fixed percentage of the Net Sales Value as specified in the Technical Assistance Agreement.

#### Employee Bonus

Employee bonus is provided in line with the provisions of Bonus Act 2030 BS.

### 2.2.18 Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. For arrangements entered into prior to 1 Shrawan 2074 the group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

SHL has entered into operating lease arrangement for use of property at The Soaltee Gate Gourmet. The lease rental is adjusted for inflation rate periodically and the same amount is booked as operating lease expenses, which the Group believes is more representative than the straight line method, in line with NFRS 16: Leases.

Group has entered into operating lease arrangement allowing to use its facilities and infrastructures to third parties. The lease rental is adjusted for inflation rate periodically and the same amount is booked as operating lease income, which the Company believes is more representative than the straight line method, in line with NFRS 16: Leases.

### 2.2.19 Provisions

The Group applies NAS 37 Provisions, Contingent Liabilities and Contingent Assets in accounting for non-financial liabilities.

Provisions are recognized for present obligations arising as consequences of past events where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, which can be reliably estimated. Provision is made for the anticipated costs when an obligation exists.

### 2.2.20 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

The Group classifies an asset as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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.

The Group classifies a liability as current when:

- It is expected to be settled in 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 Group classifies all other liabilities as non-current.

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

#### **2.2.21 Segment Reporting**

The Group's segmental reporting is in accordance with NFRS 8 Operating Segments. Operating segments are reported in a manner consistent with the internal reporting provided to the Company's management of the Group, which is responsible for allocating resources and assessing performance of the operating segments. All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated centrally. Income and expenses directly associated with each segment are included in determining business segment performance.

#### **2.2.22 Government Grant**

Government grants, including non-monetary grants at fair value, is recognized when there is reasonable assurance that the Group will comply with the conditions attaching to grant and the grants will be received. Government grants is recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

#### **2.2.23 Operating Cycle**

The Company considers its operating cycle to be of 12 months.

**SOALTEE HOTEL LIMITED**

As at 31 Ashad 2081 (15 July 2024)

Notes to the Consolidated Financial Statements

Note 3.1: Property, Plant &amp; Equipment

Amount in Rs.

Particulars	Freehold Land	Building	Plant and Machinery	Furniture and Fixture	Office Equipment	Computers	Vehicles	Leasehold	Capital WIP	Total
<b>Cost</b>										
Balance at 01.04.2079	149,488,779	914,155,783	1,180,937,429	456,078,979	6,304,391	70,468,468	114,992,907	17,142,913	167,269,984	3,076,839,633
Addition	-	185,269,220	179,422,284	19,550,868	714,940	2,991,597	18,125,664	-	289,357,378	695,431,951
Disposal/Transfer	-	(1,262,458)	(25,135,424)	(1,239,068)	(370,000)	(5,130,696)	(1,225,000)	-	(273,651,493)	(308,014,139)
Balance at 31.03.2080	149,488,779	1,098,162,545	1,335,224,289	474,390,779	6,649,331	68,329,369	131,893,571	17,142,913	182,975,869	3,464,257,445
Addition	-	257,197,773	182,174,582	28,305,184	59,900	1,465,120	46,552,428	7,500,084	320,773,231	844,028,302
Disposal/Transfer	-	(1,235,738)	(4,695,938)	(2,165,267)	(21,490)	(594,100)	(6,350,000)	-	(413,080,649)	(428,143,182)
Balance at 31.03.2081	149,488,779	1,354,124,580	1,512,702,933	500,530,696	6,687,741	69,200,389	172,095,999	24,642,997	90,668,451	3,880,142,565
<b>Depreciation and Impairment Loss</b>										
Balance at 01.04.2079	-	323,688,419	741,466,290	313,060,893	5,954,747	51,558,949	41,366,005	5,366,726	-	1,482,462,028
Charge for the year	-	25,436,935	42,363,007	24,711,275	108,195	5,042,022	7,518,353	6,105,018	-	111,284,805
Disposal	-	(802,227)	(23,022,084)	(1,239,068)	(368,302)	(5,130,696)	(1,225,000)	-	-	(31,787,377)
Balance at 31.03.2080	-	348,323,127	760,807,213	336,533,100	5,694,640	51,470,275	47,659,358	11,471,744	-	1,561,959,456
Charge for the year	-	32,006,546	53,699,393	26,530,825	172,180	5,222,756	10,239,895	7,160,618	-	135,032,213
Disposal	-	(929,048)	(4,636,579)	(2,161,607)	(21,490)	(555,589)	(2,298,961)	-	-	(10,603,274)
Balance at 31.03.2081	-	379,400,625	809,870,027	360,902,318	5,845,330	56,137,442	55,600,292	18,632,362	-	1,686,388,395
<b>Net Book Value</b>										
At 01.04.2079	149,488,779	590,467,364	439,471,139	143,018,086	349,644	18,909,519	73,626,902	11,776,187	167,269,984	1,594,377,605
At 31.03.2080	149,488,779	749,839,418	574,417,076	137,857,679	954,691	16,859,094	84,234,213	5,671,169	182,975,869	1,902,297,989
At 31.03.2081	149,488,779	974,723,955	702,832,906	139,628,378	842,411	13,062,947	116,495,707	6,010,635	90,668,451	2,193,754,170

**Property, Plant and Equipment under construction**

Assets under construction majorly comprises of the works related to Corporate Building Project includes cost of assets Rs. 28.91 million, capital advance Rs. 11.06 million and other related costs Rs. 0.3 million. The amount shall be capitalized to respective heads as and when the assets are available for use.

**SOALTEE HOTEL LIMITED**

As at 31 Ashad 2081 (15 July 2024)

Notes to the Consolidated Financial Statements

**Note 3.2: Intangible Assets**

*Amount in Rs.*

Particulars	Software	Total
<b>Cost</b>		
<b>Balance at 01.04.2079</b>	<b>14,937,654</b>	<b>14,937,654</b>
Addition	-	-
Disposal/Transfer	-	-
<b>Balance at 31.03.2080</b>	<b>14,937,654</b>	<b>14,937,654</b>
Addition	-	-
Disposal	-	-
<b>Balance at 31.03.2081</b>	<b>14,937,654</b>	<b>14,937,654</b>
<b>Amortization</b>		
<b>Balance at 01.04.2079</b>	<b>14,133,558</b>	<b>14,133,558</b>
Charge for the year	377,242	377,242
Disposal	-	-
<b>Balance at 31.03.2080</b>	<b>14,510,800</b>	<b>14,510,800</b>
Charge for the year	377,242	377,242
Disposal	-	-
<b>Balance at 31.03.2081</b>	<b>14,888,042</b>	<b>14,888,042</b>
<b>Net Book Value</b>		
<b>At 01.04.2079</b>	<b>804,096</b>	<b>804,096</b>
<b>At 31.03.2080</b>	<b>426,854</b>	<b>426,854</b>
<b>At 31.03.2081</b>	<b>49,612</b>	<b>49,612</b>

**Note 3.3: Investment Property**

*Amount in Rs.*

Particulars	Freehold Land	Building	Total
<b>Cost</b>			
<b>Balance at 01.04.2079</b>	<b>4,707,287</b>	<b>166,146,812</b>	<b>170,854,100</b>
Addition	-	-	-
Disposal/Transfer	-	-	-
<b>Balance at 31.03.2080</b>	<b>4,707,287</b>	<b>166,146,812</b>	<b>170,854,100</b>
Addition	-	4,280,130	4,280,130
Disposal	-	-	-
<b>Balance at 31.03.2081</b>	<b>4,707,287</b>	<b>170,426,942</b>	<b>175,134,230</b>
<b>Amortization</b>			
<b>Balance at 01.04.2079</b>	-	<b>81,677,482</b>	<b>81,677,482</b>
Charge for the year	-	1,979,123	<b>1,979,123</b>
Disposal	-	-	-
<b>Balance at 31.03.2080</b>	-	<b>83,656,605</b>	<b>83,656,605</b>
Charge for the year	-	2,093,800	<b>2,093,800</b>
Disposal	-	-	-
<b>Balance at 31.03.2081</b>	-	<b>85,750,405</b>	<b>85,750,405</b>
<b>Net Book Value</b>			
<b>At 01.04.2079</b>	<b>4,707,287</b>	<b>84,469,330</b>	<b>89,176,618</b>
<b>At 31.03.2080</b>	<b>4,707,287</b>	<b>82,490,207</b>	<b>87,197,495</b>
<b>At 31.03.2081</b>	<b>4,707,287</b>	<b>84,676,537</b>	<b>89,383,825</b>

**SOALTEE HOTEL LIMITED**

As at 31 Ashad 2081 (15 July 2024)

**Notes to the Consolidated Financial Statements****Note 3.4: Deferred Tax Assets/(Liabilities)**

Deferred tax is calculated on temporary differences using known future tax rate. Deferred tax assets are recognized in respect of all temporary differences giving rise to deferred tax assets where the management believes it is probable that these assets will be recovered.

*Amount in Rs.*

Particulars	01.04.2080	Credit/(Charge) to SOPL	Credit/(Charge) to OCI	31.03.2081
Fixed Assets	(62,270,628)	(10,900,967)	-	(73,171,595)
Gratuity Provision	15,009,798	(921,269)	-	14,088,529
Provision for Leave	11,963,694	918,317	-	12,882,011
Trade and Other Receivable	10,968,678	1,062,500	-	12,031,178
<b>Total</b>	<b>(24,328,458)</b>	<b>(9,841,419)</b>	<b>-</b>	<b>(34,169,877)</b>

Particulars	01.04.2079	Credit/(Charge) to SOPL	Credit/(Charge) to OCI	31.03.2080
Fixed Assets	(53,303,422)	(8,967,206)	-	(62,270,628)
Gratuity Provision	16,203,871	(1,194,073)	-	15,009,798
Provision for Leave	10,406,635	1,557,059	-	11,963,694
Trade and Other Receivable	9,906,178	1,062,500	-	10,968,678
<b>Total</b>	<b>(16,786,738)</b>	<b>(7,541,720)</b>	<b>-</b>	<b>(24,328,458)</b>

**Note 3.5: Investments***Amount in Rs.*

Particulars	31.03.2081	31.03.2080
<b>Non-Current</b>		
At Amortized Cost	-	-
At Fair Value Through Profit or Loss	-	-
At Fair Value Through OCI	280,476,188	274,687,563
<b>Total</b>	<b>280,476,188</b>	<b>274,687,563</b>
<b>Current</b>		
At Amortized Cost	-	-
At Fair Value Through Profit or Loss	-	-
At Fair Value Through OCI	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Investment comprises the following:**

At Amortized Cost (A)	31.03.2081	31.03.2080
Term Deposit	-	-
<b>Total Investment at Amortized Cost</b>	<b>-</b>	<b>-</b>
<b>At Fair Value Through OCI (B)</b>		
<b>Investment in Associates</b>		
Soaltee Sibkrim Hotels and Resorts Pvt. Ltd.	261,840,000	261,840,000
<b>Sub-total</b>	<b>261,840,000</b>	<b>261,840,000</b>
<b>Investment in other Entities</b>		
Himal International Power Corp. Pvt. Ltd. (100,000 shares of Rs. 100 each)	18,636,188	12,847,563
<b>Sub-total</b>	<b>18,636,188</b>	<b>12,847,563</b>
<b>Total Investment through OCI</b>	<b>280,476,188</b>	<b>274,687,563</b>
<b>Proportion of voting rights</b>		
Soaltee Sibkrim Hotels and Resorts Pvt. Ltd.	24%	24%
Himal International Power Corp. Pvt. Ltd.	5.97%	5.97%

**SOALTEE HOTEL LIMITED**

As at 31 Ashad 2080 (16 July 2023)

**Notes to the Consolidated Financial Statements**

**Note 3.6: Trade and Other Receivable**

	<i>Amount in Rs.</i>	
Particulars	31.03.2081	31.03.2080
<b>Non-Current</b>		
Other Receivable	7,051,419	7,051,419
Deposit for Appeal	12,289,454	9,299,783
Deposits	6,073,912	7,065,592
Loans and Advances to Employees	4,536,124	6,982,735
Deferred Employee Benefit Expenses	-	41,304
<b>Total</b>	<b>29,950,909</b>	<b>30,440,833</b>
Less: Allowance for Impairment	(7,051,419)	(7,051,419)
<b>Total</b>	<b>22,899,490</b>	<b>23,389,414</b>
<b>Current</b>		
<b>Trade Receivable</b>		
Trade Receivable	278,565,118	266,725,614
Less: Allowance for Impairment	(49,565,887)	(44,565,887)
<b>Trade Receivable-Net</b>	<b>228,999,231</b>	<b>222,159,727</b>
<b>Other Receivable</b>		
Loans and Advances to Employees	11,679,674	13,814,856
Loans and Advances to Other	33,742,472	28,209,222
Advances to Contractor and Suppliers	27,793,193	54,267,965
VAT Recoverable	1,342,801	3,089,678
Management Fees Recoverable	4,036,281	4,036,281
Others	2,993,840	493,843
Deferred Employee Benefit Expenses	307,080	265,776
<b>Total Other Receivable</b>	<b>81,895,341</b>	<b>104,177,621</b>
<b>Total</b>	<b>310,894,572</b>	<b>326,337,348</b>

Additional information on other receivable included in non-current receivable is provided in Note 4.10.1.

Trade receivables are normally collected as per credit terms with the parties, generally within a period of 90 days. Trade receivable is non-interest bearing. Additional information on Trade receivable included in Current receivable is provided in Note 4.10.2.

**Note 3.7: Inventories**

Particulars	31.03.2081	31.03.2080
Stores and Spares	22,620,542	21,790,412
Provision, Beverage and Others	43,581,747	37,221,699
Uniform and Linen	39,701,656	42,147,234
Crockery, Cutlery etc.	25,333,070	21,044,174
<b>Total</b>	<b>131,237,015</b>	<b>122,203,519</b>

**Note 3.8: Cash and Cash Equivalent**

Particulars	31.03.2081	31.03.2080
Cash in Hand	3,287,161	3,889,934
Cheques in Hand	-	700,000
Balances with Bank	100,913,003	68,007,001
<b>Total</b>	<b>104,200,164</b>	<b>72,596,935</b>

**SOALTEE HOTEL LIMITED**

As at 31 Ashad 2081 (15 July 2024)

**Notes to the Consolidated Financial Statements****Note 3.9: Share Capital***Amount in Rs.*

Particulars	31.03.2081	31.03.2080
<b>Authorized</b>		
150,000,000 Shares of Rs. 10/- each	1,500,000,000	1,500,000,000
<b>Issued</b>		
100,000,000 Shares of Rs. 10/- each	1,000,000,000	1,000,000,000
<b>Subscribed</b>		
92,895,370 Shares of Rs.10/- each (Fully Paid Up)	928,953,700	884,715,060
<b>Total</b>	<b>928,953,700</b>	<b>884,715,060</b>

**Reconciliation of no. of shares outstanding**

Particulars	31.03.2081	31.03.2080
Balance at the beginning of the year	88,471,506	84,257,973
Add: Bonus Issue	4,423,864	4,213,533
<b>Balance at the end of year</b>	<b>92,895,370</b>	<b>88,471,506</b>
<b>Details of Shareholding</b>		
Major Corporate Shareholders	69%	69%
General Shareholders	31%	31%

**Note 3.10: Retained Earning and Reserves**

Particulars	31.03.2081	31.03.2080
Share Premium	16,000,000	16,000,000
Other Reserve	7,288,761	7,288,761
Revaluation Reserve	35,198,427	35,198,427
Fair Value Reserve for Equity Investment	8,636,188	2,847,563
Retained Earnings	1,375,489,676	1,162,705,760
<b>Total</b>	<b>1,442,613,052</b>	<b>1,224,040,511</b>

**Note 3.11: Non-Controlling Interest**

Particulars	31.03.2081	31.03.2080
Share Capital	-	-
Retained Earnings	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 3.12: Loans and Borrowings**

Particulars	31.03.2081	31.03.2080
<b>Non-Current</b>		
Secured- Hire Purchase	6,636,303	7,931,571
<b>Total</b>	<b>6,636,303</b>	<b>7,931,571</b>
<b>Current</b>		
Current portion of Hire Purchase Loan	1,360,289	1,308,207
<b>Total</b>	<b>1,360,289</b>	<b>1,308,207</b>

**Note 3.13: Employee Benefits**

Particulars	31.03.2081	31.03.2080
<b>Non-Current</b>		
Gratuity	66,298,960	70,634,343
Less: Plan Assets	(1,505,714)	(1,259,866)
<b>Net Gratuity Liability</b>	<b>64,793,246</b>	<b>69,374,477</b>
Accumulated Leave	60,621,227	56,299,735
<b>Total</b>	<b>125,414,473</b>	<b>125,674,212</b>
<b>Current</b>		
Salary and Wages Payable	12,861,071	13,028,397
Bonus Payable	74,734,688	68,712,943
<b>Total</b>	<b>87,595,759</b>	<b>81,741,340</b>



**SOALTEE HOTEL LIMITED**

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**Notes to the Consolidated Financial Statements**

**Note 3.14: Income Tax Receivable/(Payable)**

	<i>Amount in Rs.</i>	
Particulars	31.03.2081	31.03.2080
Advance Income Tax	133,068,430	110,149,978
Income Tax Liability	(138,269,745)	(125,120,495)
<b>Total</b>	<b>(5,201,315)</b>	<b>(14,970,517)</b>

**Note 3.15: Trade and Other Payable**

Particulars	31.03.2081	31.03.2080
<b>Non-Current</b>		
Retention and Security Deposit	29,704,246	15,159,071
Advances Received	45,034,895	48,947,939
Unclaimed Dividend	17,936,251	13,539,009
<b>Total</b>	<b>92,675,392</b>	<b>77,646,019</b>
<b>Current</b>		
Sundry Creditors	261,073,103	236,584,587
<b>Other Payable</b>		
Advances Received	34,999,574	34,999,574
Flight Kitchen Franchise Fee	1,230,305	1,148,430
VAT Payable	302,857	277,224
Service Charge	12,025,508	12,102,566
Housing Fund	26,334,029	26,334,029
Corporate Social Responsibility	10,536,663	8,431,238
Other Liabilities	84,741,631	68,283,278
<b>Total</b>	<b>431,243,670</b>	<b>388,160,926</b>

Trade and other payable are non-interest bearing in nature.

**Note 3.16: Revenue from Operation**

Particulars	2080-81	2079-80
Room	591,426,885	551,094,425
Food	1,670,573,962	1,496,892,775
Beverage	124,152,256	104,935,519
Cigar and Cigarettes	2,052,476	1,497,714
Laundry Income	2,222,726	1,779,057
Business Centre	21,106	17,131
<b>Total</b>	<b>2,390,449,411</b>	<b>2,156,216,621</b>

**Note 3.17: Other Income**

Particulars	2080-81	2079-80
Premises Rental Charge	51,843,657	36,397,311
Interest on Loans & Advances at Amortized Cost	901,531	1,108,581
Interest on Call Account/Time Deposit	563,632	156,390
Miscellaneous Receipts	50,953,635	10,644,900
Income from Service Charge	-	21,403,302
Dividend Income	2,700,000	19,271,347
Profit on Sale of Assets	179,281	4,506,502
Exchange Gain	708,585	2,548,345
Others	3,316,998	2,132,490
Reversal of Provision for Gratuity	-	2,315,290
Unclaimed Balance Written Back	111,924	-
<b>Total</b>	<b>111,279,243</b>	<b>100,484,458</b>

**SOALTEE HOTEL LIMITED**

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**Notes to the Consolidated Financial Statements****Note 3.18: Consumption of Food and Beverage***Amount in Rs.*

Particulars	2080-81	2079-80
Food	372,362,310	350,648,786
Beverage	32,081,547	28,830,695
Cigarettes	709,619	603,925
<b>Total</b>	<b>405,153,476</b>	<b>380,083,406</b>

**Note 3.19: Employee Benefit Expenses**

Particulars	2080-81	2079-80
Salary and Wages	281,051,900	250,363,992
Allowances	91,285,848	69,270,703
Festival Allowance	14,721,002	13,042,251
Overtime	9,030,487	8,510,124
Employees Meal	45,212,425	42,212,553
Soaltee Staff Welfare	2,398,228	2,468,229
Gratuity	14,978,588	13,593,805
Leave	8,872,154	11,095,599
Provident Fund	17,982,025	16,315,871
Clinic Expenses	3,116,383	2,806,557
Incentive Exit Scheme	-	3,975,504
Bonus	74,734,688	68,712,943
<b>Total</b>	<b>563,383,728</b>	<b>502,368,131</b>

Additional information on Gratuity is provided in Note 4.4.a.

**Note 3.20: Operating Expenses**

Particulars	2080-81	2079-80
Linen	16,021,984	11,354,900
Laundry Supplies	49,467,434	37,871,510
Crockery & Cutlery	4,513,645	3,913,305
Silverware	1,627,007	529,198
Cleaning Supplies	17,803,578	14,245,204
F & B Paper Supplies	21,476,771	17,328,664
Guest Supplies	35,240,718	32,244,290
Water & Water Treatment	11,331,873	10,413,839
Garden Maintenance	844,886	1,692,064
Pest Control	2,508,000	2,496,000
Waste Removal	1,491,503	1,243,300
Power and Fuel	107,851,520	115,138,899
Repair and Maintenance	33,281,448	36,928,650
<b>Total</b>	<b>303,460,367</b>	<b>285,399,823</b>

**SOALTEE HOTEL LIMITED**

As at 31 Ashad 2081 (15 July 2024)

**Notes to the Consolidated Financial Statements**

**Note 3.21: Other Expenses**

Particulars	Amount in Rs.	
	2080-81	2079-80
Rental Charges	15,997,048	10,367,981
Travelling	22,718,769	24,778,318
Transport and Conveyance	29,927,122	34,364,718
Audit Fee	655,000	645,000
Legal and Professional Fees	9,935,027	9,303,004
Directors' Meeting Fees	1,794,132	1,494,123
Licence & Taxes	87,444,500	33,879,627
Bank Charges	10,827,365	8,794,279
Annual General Meeting Expenses	1,185,640	970,145
Commissions	13,250,510	16,110,637
Insurance	10,959,771	10,071,617
Communication Expenses	4,851,071	5,454,834
Printing and Stationery	9,193,262	7,551,309
Advertisement and Sales Promotion	19,250,117	16,795,825
Marketing and Reservation Expenses	7,818,957	7,717,702
Training and Conference	1,858,882	1,683,173
Books and Newspaper	200,418	186,937
Membership & Subscription	1,996,947	2,281,856
Security Services	15,123,943	15,204,998
Uniform Expenses	7,949,331	7,340,730
Entertainment	5,714,191	4,536,967
Allowance for Impairment	5,000,000	5,000,061
Software Service Charges	8,251,196	6,501,297
Investment Written Off	-	3,443,328
Banquet Expenses	7,434,667	9,421,467
Kitchenette Expenses	5,980,553	7,870,198
Corporate Social Responsibility	6,000,425	5,549,796
Miscellaneous	26,745,145	20,079,074
<b>Total</b>	<b>338,063,989</b>	<b>277,399,001</b>

**Note 3.22: Earnings per Share**

Basic earnings per share is calculated by dividing the total profit or loss attributable to equity shareholders. Diluted earnings per share is calculated by dividing the profit or loss attributable to equity shareholders by weighted average number of equity shares for the effects of all dilutive potential equity shares. If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented is adjusted retrospectively.

Calculation of basic and diluted earnings per share has been done as stated above.

Particulars	2080-81	2079-80
<b>Basic Earnings per Share</b>		
Profit/(Loss) for the year	602,450,417	556,486,595
Number of shares	92,895,370	92,895,370
<b>Basic Earnings per Share (Rs.)</b>	<b>6.49</b>	<b>5.99</b>
<b>Diluted Earnings per Share</b>		
Profit/(Loss) for the year	602,450,417	556,486,595
Weighted average number of shares	92,895,370	92,895,370
<b>Diluted Earnings per share (Rs.)</b>	<b>6.49</b>	<b>5.99</b>

**SOALTEE HOTEL LIMITED**

As at 31 Ashad 2081 (15 July 2024)

**Notes to the Consolidated Financial Statements****Note 3.23: Financial Instruments Classification and Fair Value Measurement**

Financial Instruments are classified in accordance with Note 2.2.3. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values are determined according to the following hierarchy:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability. Company has used its own data (accounting value) and considered if there exist factors that would otherwise result in changes to the book value of assets or liabilities. Such factors did not exist as per management evaluation and accordingly, book value has been considered as fair value.

*Amount in Rs.*

As at 31.03.2081	Carrying Amount	Level 1	Level 2	Level 3
<b>Financial Assets</b>				
<b>Financial Assets at Amortized Cost</b>				
Trade and Other Receivable	333,486,982			333,486,982
Investment	-			-
Cash and Cash Equivalent	104,200,164			104,200,164
<b>Total At Amortized Cost</b>	<b>437,687,146</b>			<b>437,687,146</b>
<b>Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)</b>				
Investment	280,476,188			280,476,188
<b>Total Financial Assets</b>	<b>718,163,334</b>	-	-	<b>718,163,334</b>
<b>Financial Liabilities</b>				
<b>Financial Liabilities at Amortized Cost</b>				
Trade and Other Payable	523,919,062			523,919,062
Loans and Borrowings	7,996,592			7,996,592
<b>Total Financial Liabilities</b>	<b>531,915,654</b>	-	-	<b>531,915,654</b>
<b>As at 31.03.2080</b>				
<b>Financial Assets</b>				
<b>Financial Assets at Amortized Cost</b>				
Trade and Other Receivable	349,419,682			349,419,682
Investment	-			-
Cash and Cash Equivalent	72,596,935			72,596,935
<b>Total At Amortized Cost</b>	<b>422,016,617</b>			<b>422,016,617</b>
<b>Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)</b>				
Investment	274,687,563			274,687,563
<b>Total Financial Assets</b>	<b>696,704,180</b>	-	-	<b>696,704,180</b>
<b>Financial Liabilities</b>				
<b>Financial Liabilities at Amortized Cost</b>				
Trade and Other Payable	465,806,945			465,806,945
Loans and Borrowings	9,239,778			9,239,778
<b>Total Financial Liabilities</b>	<b>475,046,723</b>	-	-	<b>475,046,723</b>

## SOALTEE HOTEL LIMITED

For the period ended on 31 Ashad 2081 (15 July 2024)

### Notes to the Consolidated Financial Statements

#### 4 Additional Information

##### 4.1 Share Capital

The Group has single class of equity shares where shares of Soaltee Hotel Limited have face value of Rs. 10 per share and subsidiaries have face value of Rs. 100 per share. Every member holding equity shares therein shall have voting rights in proportion to the member's share of the paid up equity share capital.

##### 4.2 Non-Controlling Interest

Soaltee Hotel Ltd. has made investment in one subsidiary where holding is 100%. Upon consolidation of the financial statements, total portion of financial statements is added by eliminating the portion of other shareholders by way of non-controlling interest.

##### 4.3 Reserves and Retained Earnings

###### a. Share premium

SHL had issued shares in premium on 1992-93. The amount collected by SHL in excess of its face value is credited to this account. Use of share premium shall be as provided in Company Act 2063.

###### b. Other Reserves

SHL had created other reserves out of capital profits on 1995. There is no movement on this reserve since then.

###### c. Retained Earning

Net profit for each year is added to this reserve. Group uses this to provide dividend to its shareholders.

###### d. Fair Value Reserve

This reserve is created to account for changes in fair value of investments for those investments that are opted to be measured at fair value through Other Comprehensive Income.

###### e. Revaluation Reserve

Revaluation Reserve was created in 1986 when the land of SHL was revalued. For the first time adoption of NFRS (1 Shrawan 2074), the revalued amount of land has been considered at deemed cost which as allowed by NFRS 1 and accordingly, this reserve has remain intact.

##### 4.4 Employee Benefits

###### a. Gratuity

Up to 19 Bhadra 2074, gratuity was in the form of defined benefit liability in which SHL was required to pay gratuity to staff considering the number of years in service and the recent salary of the staff. Changes in Labor law has changed the nature of gratuity and this is now a defined contribution plan whereby SHL is required to provide 8.33% of monthly basic remuneration as gratuity to employee with effect from 19 Bhadra 2074. SHL has enrolled itself and it's employees in Social Security Fund (SSF) in Chaitra 2076 and thereafter it has started making contribution towards Employee Gratuity in the fund.

Particulars	2080-81	2079-80
Opening Liability	70,634,343	76,253,510
Payment Made	(4,335,383)	(3,303,876)
Expenses Booked	14,978,588	13,593,805
Reversal of Excess Provision	-	(2,315,291)
Deposited in SSF	(14,978,588)	(13,593,805)
<b>Closing Liability</b>	<b>66,298,960</b>	<b>70,634,343</b>

###### b. Leave

Leave is classified as other long term employee liability. Liability is measured by way of actuarial valuation for accumulated leave balance at the end of reporting periods. Changes in value of liability



is as follows:

Particulars	2080-81	2079-80
Opening Liability	56,299,735	48,972,399
Service Cost	8,046,925	8,229,115
Interest Cost	4,827,894	4,022,294
Actuarial Gain/(Loss)	(3,715,503)	(1,152,677)
Benefit Paid	(4,837,824)	(3,771,396)
<b>Closing Liability (A)</b>	<b>60,621,227</b>	<b>56,299,735</b>
<b>Liability recognized in the financial statements (B)</b>	<b>60,621,227</b>	<b>56,299,735</b>

**Basic assumptions considered for measurement of leave liability related to leave are as follows:**

Particulars	2080-81	2079-80
Discount Rate	9.00%	8.50%
Rate of Compensation Increase	6%	6%
Average Expected Future Service	16	14
Average Duration of Liabilities	11	10

Plan assets have not been created for funding of payment of leave liability.

#### Sensitivity Analysis

The following table demonstrates the impact of 1% increase in discount rate considered for calculating the present value of long term leave liability.

Particulars	2080-81	2079-80
Effect on:		
- Service Cost	(829,497)	(912,634)
- Interest Cost	536,430	473,209
- Leave Liability	(11,129,540)	(10,883,442)

The following table demonstrates the impact of 1% decrease in discount rate considered for calculating the present value of long term leave liability.

Particulars	2080-81	2079-80
Effect on:		
- Service Cost	1,009,124	1,109,033
- Interest Cost	(536,430)	(473,209)
- Leave Liability	13,347,626	13,101,212

#### 4.5 Lease

SHL has entered into a lease arrangement of premises for a period of 2-3 years. The future minimum lease rental payment to be made is as follows:

Period	2080-81	2079-80
Up to one year	11,249,756	13,012,097
One to five years	5,648,627	11,185,354
<b>Total</b>	<b>16,898,383</b>	<b>24,197,451</b>

SHL has entered into operating lease arrangement allowing to use some part of its assets on lease. Minimum lease amount receivable under such lease is as follows:

Period	2080-81	2079-80
Up to one year	62,221,492	37,607,133
One to five years	303,558,343	291,633,300
Above five years	150,365,219	172,386,540
<b>Total</b>	<b>516,145,054</b>	<b>501,626,973</b>

#### 4.6 Corporate Social Responsibility

During the year, SHL has provided Rs. 6.00 million (previous year Rs. 5.55 million (1% of net profit after tax) as Corporate Social Responsibility as per the Section 54 (1) of the Industrial Enterprises Act 2076.

#### **4.7 Risk Management objectives and policies**

The Group's business activities expose to a variety of risks, namely primarily to fluctuations in foreign currency exchange rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Board of each Group and senior management has overall responsibility for the establishment and oversight of the Group's risk management. The Group's risk management policies are established to identify and analyses the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

##### **i. Market Risk**

In spite of having a very high potentiality of Tourism Sector and its related to services, it is volatile to geopolitical and domestic incidents. With stabilization in the geopolitical and domestic issues, the tourism sector looks for bright future. However, there is risk that any domestic/international or geopolitical incidents would impact the business of the company. However, the group through years of operations has sustained through such risks over the years in the past.

##### **ii. Credit Risk**

The Group (SHL, in particular) provides reasonable level of credit facilities to debtors and so does it enjoy credit facility from its creditors as well. In impact on tourism sector may have impact of company debtors' ability to pay SHL within reasonable credit period allowed. Accordingly, there exist the credit risks to that extent. The Group through its experience over the many years has been managing such risk well through proper way of close monitoring and supervising the regular recoverability position by the management and the Board.

##### **iii. Liquidity Risk**

The Group has very less amount of debt funding and will not be impacted significantly. Group monitors its liquidity position on regular basis through effective planning and forecasting.

The Group's current assets aggregate positively against the current liabilities and accordingly, the liquidity risk or risk that the company may not be able to settle its liabilities as they become, due does not exist.

##### **iv. Operational Risk**

Group has been in operation since more than 57 years and have prepared and implemented various Standard Operating Procedures (SOPs) in the form of clear cut delegation of authority for the activities, guidelines regulations etc. Beside the companies of Group is required to also follow specific operating guidelines issued by its franchise. Group believes that the controls implemented by the company have minimized the operational risk to acceptably low level. The franchise also carries out Control Self-Assessment at reasonable interval where the SHL scored high level marks placing it as one among better managed hotel among hotels being managed by Franchise.

##### **v. Exchange Rate Fluctuation Risk**

SHL's revenue will be impacted coming from any fluctuation of exchange rate fluctuation so be on the certain level of supplies of SHL as such exchange rate fluctuation will contribute certain level of inflations. Since its tariffs are quoted in USD, any rate fluctuation will have the risk of impacting the income of the SHL. It has been the tendency that the exchange rate fluctuation has generally been upward movement except of occasional down turn movement as well. The Group has practiced not to hold foreign currency monetary assets and liabilities for substantial period so as to minimize the risk of exchange rate fluctuation.

#### **4.8 Related Party Transactions**

Related parties of the Group comprise of key management personnel, organization having significant influence and Board of Directors.



#### a. Significant Influence

Entities having significant influence over the Group is as follows:

##### i. Soaltee Enterprise Pvt. Ltd. (SEPL)

Soaltee Enterprise Pvt. Ltd. is major shareholder of SHL. SEPL has four representatives in the current Board of Soaltee Hotel Ltd. (SHL). SEPL has paid Rs. 66,667 (previous year Rs. 66,667) to SHL as operating lease rent. SHL has paid Rs. 1,102,500 to SEPL as operating lease rent. There is no outstanding balance at the year end.

Entity where the Group has significant influence is:

##### i. Soaltee Sibkrim Hotels and Resorts Pvt. Ltd.

Soaltee Sibkrim Hotels and Resorts Pvt. Ltd. is associate of the Group. One of the subsidiary of SHL, Soaltee Hospitality Ltd. has 24% shares in this company with investment of Rs. 261.84 million. There is no transaction or outstanding balance of this company with the Group.

#### b. Other related entities

##### i. Nepal Airlines Corporation (NAC)

Nepal Airlines Corporation is institutional shareholder of the company. NAC has one representative in the Board of SHL.

SHL provides flight catering services to the international flights of Nepal Airlines Corporation. Transactions and outstanding balance with Nepal Airlines Corporation are as follows:

Particulars	Revenue (in million)		Receivable (in million)	
	This Year	Last Year	This Year	Last Year
Flight Catering Services	338.86	274.49	44.19	50.44

##### ii. Sibkrim Holdings Pvt. Ltd.

There is no transaction of this company with SHL.

#### c. Those charged with Governance

Those charged with governance include the Board of Directors of each companies. As SHL is the major shareholder of all subsidiaries, the Board of those companies is ultimately controlled by Board of SHL. The composition of Board of SHL on the reporting date is as follows:

Name	Position	Representative of
Mr. Dinesh Bahadur Bista	Executive Chairman	Soaltee Enterprises Pvt. Ltd.
Mr. Ravi Bhakta Shrestha	Director	Soaltee Enterprises Pvt. Ltd.
Mr. Rajesh Kazi Shrestha	Director	Soaltee Enterprises Pvt. Ltd.
Mrs. Jaya Rajya Laxmi Shah	Director	Soaltee Enterprises Pvt. Ltd.
Mr. Ubaraj Adhikari	Director	Nepal Airlines Corporation
Mr. Prakash Bikram Khatri	Director	Public Shareholder
Mr. Sashi Raj Pandey	Director	Public Shareholder
Mr. Niranjana Kumar Tibrewala	Director	Public Shareholder
Mr. Deepak Raj Joshi	Director	Independent Director

Mr. Lil Bahadur Khatri serves as Company Secretary of the Company.

Board members are paid Rs. 25,000 (net of withholding tax) per meeting as meeting fee for attending each meeting of Board. Meeting fee paid to members of Board for Board as well as Other Committee meetings during the year amounts to Rs. 1.79 million (previous year Rs. 1.49 million).

#### d. Key Management Personnel

The Groups' key management personnel include are Executive Chairman & Vice President of SHL and General Manager of The Soaltee Kathmandu.

Total compensation to key management personnel during the year is Rs. 47.64 million (previous



year Rs. 31.84 million). The compensation paid to Executive Chairman of SHL also includes the performance incentive paid based on the profit of Hotel.

#### **4.9 Unpaid Dividend**

Total unpaid dividend of SHL amounted to Rs. 17.94 million (previous year Rs. 13.54 million).

#### **4.10 Trade and Other Receivable**

##### **4.10.1 Civil Aviation Fee recoverable from Airlines**

Civil Aviation Fees levied on Inflight catering services provided on international flights by SHL to three different airlines is disputed and has not been paid by these respective airlines which amounted to Rs. 7.051 million (previous year Rs. 7.051 million) is still pending recovery. This has been reflected under Non-Current Trade and other receivables.

##### **4.10.2 Trade Receivable from Jet Airways**

Trade receivable amounting to Rs. 16,061,418 is pending recoverable from Jet Airways as of the reporting date which has closed its operation from 17 April 2019 and is undergoing its insolvency proceedings. In October 2020, a revival takeover plan of potential investors has been approved by the Committee of Creditors of Airlines. The company has already lodged an outstanding with Jet Airways & confirmed by Jet Airways in their official website as eligible creditors. However, the outcome of the proceeding and business revival is yet to be known.

#### **4.11 Lien on company's assets**

Current and non-current assets of SHL, where applicable has been pledged hypothecated to bankers providing the credit facilities. The credit facility as of the reporting date included term loan and over draft against a vehicle, movable and immovable properties amounting to Rs. 7.99 million (previous year Rs. 9.24 million).

#### **4.12 Contingent Liability**

Group recognizes contingent liability when a possible obligation arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or company as a present obligation as a result of past events which is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. All adjusting events are considered for appropriate reflection in the current financial year.

#### **4.13 Bank Guarantee**

Unexpired bank guarantee issued by Group amounted to Rs. 56.34 million (previous year Rs. 26.04 million).

#### **4.14 Litigations or legal cases**

##### **i. Income tax Matters**

##### **Appeal Revenue Tribunal**

The Inland Revenue Department has filed an appeal to review the verdict of the Revenue Tribunal in the Honorable Supreme Court for the Fiscal Year 2068-69 which had ruled in favor of the SHL. The Honorable Supreme Court issued its final verdict in favor of the SHL during this fiscal year. The Supreme Court upheld the Revenue Tribunal's verdict and dismissed the appeal by the Inland Revenue Department. The full text of the verdict of the Supreme Court is yet to be received after publication by the Supreme Court at a later date.

SHL has filed an appeal with Revenue Tribunal challenging the disallowance of expenses on Self-Assessment Income Tax Return for the Fiscal Year 2067-68, 2069-70, 2070-71, 2071-72, 2072-73, 2073-74, 2074-75 & 2075-76. The appeals arise due to an additional income tax demand/claim as assessed by the Large Taxpayers Office during their administrative review. SHL's management believes that it should not incur a significant financial obligation to the Company due to these tax claims. If any tax claim does arise, such charges would be directly charged to SHL's accumulated profit, in accordance with past practice.



SHL has filed a writ petition with High Court against additional demand of Tax deducted at source (Income Tax) by Large Tax Office relating to FY 2073/74. The Matter is sub-judiced in the High Court.

**ii. Arbitration Suit**

SHL has filed a Writ Petition with the Honorable High Court Patan on the issue of Outstanding Receivable recovery pending settlement by the then Hotel Manager, Holiday Inns (China) Ltd (Manager) seeking the court's assistance for appointment of an arbitrator on behalf of Holiday Inns (China) Ltd. as they did not appoint their arbitrator. The High Court has appointed an arbitrator on behalf of Holiday Inns (China) Ltd. However, Holiday Inns (China) Ltd has challenged the appointment in the Supreme Court of Nepal stating that they have already appointed their arbitrator. The matter is sub-judiced in the Supreme Court.

**iii. Casino Royalty of the Closed down period**

SHL has filed writ petition with the Honorable Supreme Court of Nepal against the demand of Casino Royalty by Government of Nepal for the period in which the casino was not in operation from Shrawan 2068 to Kartik 2069 due to the cancellation of Nepal Recreation Centre's Casino Operation permission. The Supreme Court has dismissed the writ and the SHL has settled said Casino Royalty as per the full text of the verdict from the Honorable Supreme Court of Nepal during this fiscal year.

**iv. Civil Aviation Authority for TIA Lounge contract continuation**

SHL had filed writ petitions in the District Court of Nepal against the Civil Aviation Authority of Nepal, & TIA for the continuation of the Lease Agreement as per the Contract renewal provision for the further period of three years. The District Court has awarded stay order until final verdict of the Court during this fiscal year.

**v. Legal cases**

SHL has filed a few other cases to recover dues from some debtors and other parties as a part of its regular business operation.

**4.15 Capital Commitment**

Capital contract of SHL remaining to be executed on capital accounts net of advances to Rs. 145.85 million (Previous year Rs. 175.33 million).

**4.16 Letter of Credit**

There is Rs. 6.68 million (Previous year Rs. Nil) outstanding letter of credit as at the reporting date.

**4.17 Housing Fund**

This fund was created as per the requirement of erstwhile Labour laws. Owing to changes in Labour law, this fund is no longer required and no provision has been made. SHL has not paid during the year out of the opening balance from this fund to a separate entity called Employee Housing.

**4.18 Operating Segment**

Management of the companies of the Group has considered the total operation to be segregable into three operating segment based on the nature of operation and services rendered.

- i. Room Segment:** The Room Segment of a hotel includes reservations, front desk, housekeeping and guest services.
- ii. Food & Beverage Segment:** The function of Food & Beverage Segment and Flight Services Division is to provide food and beverages services to its customers.
- iii. Other Segment:** Other Segment includes the Corporate Division, Sales & Marketing Department, Human Resource Department and other services centres except Room and Food & Beverage Segment of the Hotel.

The financial information about the identified segments are as follows:

*(Amount in millions)*

Operating Segment	Room Segment	Food & Beverage Segment	Other Segment	Total
- Revenue	591.43	1,794.72	115.58	2,501.73
<b>Total Revenue</b>	<b>591.43</b>	<b>1,794.72</b>	<b>115.58</b>	<b>2,501.73</b>
<b>Expenses</b>				
Consumption cost	133.27	405.15	-	538.42
Employee Benefit Expenses	97.44	292.60	173.34	563.38
Management, Operating and Other Expenses	33.56	279.40	195.29	508.25
Depreciation and Amortization	-	-	-	137.50
Finance Cost	-	-	-	3.60
<b>Total Expenses</b>	<b>264.27</b>	<b>977.15</b>	<b>368.64</b>	<b>1,751.17</b>
<b>Segment Result</b>	<b>327.16</b>	<b>817.57</b>	<b>(253.06)</b>	<b>750.56</b>
Income Tax				148.11
<b>Profit for the period</b>				602.45
<b>Segment Assets*</b>				<b>3,155.86</b>
<b>Segment Liabilities**</b>				<b>3,155.86</b>

\* Segment wise assets has not been prepared due to absence internal reporting system of segment assets.

\*\* Segment wise liabilities have not been prepared due to absence internal reporting system of segment liability.

#### 4.19 Capital Management

Capital includes issued capital and all other reserves attributable to the equity holders of the Group. The Companies of the Group manage their capital so as to safeguard its ability to continue as a going concern and to optimize returns to the shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group's aim is to translate profitable growth to superior cash generation through efficient capital management. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Group's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Group. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The management monitors the return on capital as well as the level of dividends to shareholders. The Group's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods.

No changes were made in the objectives, policies or processes for managing capital during all the years reported in this financial statement.

#### 4.20 Events after reporting date

Events after the reporting date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statement are authorized for issue. There are no material events that have occurred subsequent to 15 July 2024 till the date of signing of this financial statements.

#### 4.21 Regrouping and Round off

Figures have been regrouped and rearranged and rounded off to nearest rupee. Insignificant rounding off differences may exist.



**SPECIAL RESOLUTION****AMENDMENT IN THE SECTION 5 OF THE MEMORANDUM OF ASSOCIATION (MOA)**

SECTION	EXISTING		PROPOSED AMENDMENTS	REMARK (REASON)
5	The Authorised Capital of the Company shall be Rs. 1,500,000,000 (Rupees one billion and five hundred million only) which shall be divided into Rs. 150,000,000 (Rupees one hundred fifty million only) equity shares of Rs. 10/- (Ten) each. The Company on approval of the General Meeting shall have the power to increase the capital, change the nature or types or conditions of the share and have the power to raise debentures	5	The Authorised Capital of the Company shall be Rs. 2,000,000,000 (Rupees two billion only) which shall be divided into Rs. 200,000,000 (Rupees two hundred million only) equity shares of Rs. 10/- (Ten) each. The Company on approval of the General Meeting shall have the power to increase the capital, change the nature or types or conditions of the share and have the power to raise debentures	to increase the Capital Base
	The Issued Capital of the Company shall be Rs. 1,000,000,000/- (Rupees one billion only) divided into Rs. 100,000,000 (hundred million only) equity shares of Rs. 10 (Ten) each.		The Issued Capital of the Company shall be Rs. 1,500,000,000 (Rupees one billion and five hundred million only) which shall be divided into Rs. 150,000,000 (Rupees one hundred fifty million only) equity shares of Rs. 10/- (Ten) each.	

**AMENDMENT IN THE ARTICLE 6 OF THE ARTICLES OF ASSOCIATION (AOA)**

SECTION	EXISTING		PROPOSED AMENDMENTS	REMARK (REASON)
6	The Authorised Capital of the Company shall be Rs. 1,500,000,000 (Rupees one billion and five hundred million only) which shall be divided into Rs. 150,000,000 (Rupees one hundred fifty million only) equity shares of Rs. 10/- (Ten) each. The Company on approval of the General Meeting shall have the power to increase the capital, change the nature or types or conditions of the share and have the power to raise debentures	6	The Authorised Capital of the Company shall be Rs. 2,000,000,000 (Rupees two billion only) which shall be divided into Rs. 200,000,000 (Rupees two hundred million only) equity shares of Rs. 10/- (Ten) each. The Company on approval of the General Meeting shall have the power to increase the capital, change the nature or types or conditions of the share and have the power to raise debentures	to increase the Capital Base
	The Issued Capital of the Company shall be Rs. 1,000,000,000/- (Rupees one billion only) divided into Rs. 100,000,000 (hundred million only) equity shares of Rs. 10 (Ten) each.		The Issued Capital of the Company shall be Rs. 1,500,000,000 (Rupees one billion and five hundred million only) which shall be divided into Rs. 150,000,000 (Rupees one hundred fifty million only) equity shares of Rs. 10/- (Ten) each.	

Further, to authorize the Board of Directors to make any required necessary changes / amendments or adjustments or alter in proposed amendment as may be received the direction or advise / suggestion from the Office of the Company Registrar or any other regulatory authorities;



**Rodi Bar**



**Regal Suites**



**Patio**



**Megha Malhar Hall**



**Kakori Indian Restaurant**



**Garden Terrace Restaurant**



**Everest Suite**



**Bao Xuan Chinese Restaurant**



**Sports Lounge**



**Lobby**



**PDR Garden Terrace**



**Lobby-Reception**



**Soaltee Hotel Limited**  
★ ★ ★ ★ ★

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