



Soaltee Hotel Limited
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51st
ANNUAL REPORT
2024/2025 (2081/2082)



SOALTEE HOTEL LIMITED, PO BOX. 3800, TAHACHAL, KATHMANDU, NEPAL

www.soalteehotel.com | 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 राज्य 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. Niranjana Kumar Tibrewala श्री निरञ्जन कुमार टिबरेवाला
Elected निर्वाचित
General Public Shareholders सर्वसाधारण शेयरधनी



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



Director संचालक
Mr. Tanka Nidhi Dahal श्री टंक निधि दाहाल
Nominee प्रतिनिधि
Nepal Airlines Corporation नेपाल वायुसेवा निगम

COMPANY SECRETARY | कम्पनी सचिव



Mr. Lil Bahadur Khatri श्री लिल बहादुर खत्री

OWNS AND OPERATES



The Soaltee | Gategourmet

Registered Office : KMC-13, Tahachal, Kathmandu | Tel : 977 1 4673299 | Email : legal@soaltee.com.np | Web : www.soalteehotel.com



NOTICE TO THE SHAREHOLDERS OF SOALTEE HOTEL LIMITED FOR 51ST ANNUAL GENERAL MEETING

Dear Respected Shareholders,

Notice is hereby given to all shareholders that, pursuant to the decision of the 259th meeting of the Board of Directors of Soaltee Hotel Limited ("the Company"), held on Tuesday, 28th October 2025 (11th Kartik 2082), and in accordance with Section 67 of the Companies Act, 2063, the 51st Annual General Meeting (AGM) of the Company is scheduled to be convened on the date, time, and venue specified below to discuss, consider, approve, adopt, and transact the following business. All shareholders of the Company are hereby notified and requested to attend the meeting in person or through a duly appointed representative (proxy).

1 DATE, TIME, AND VENUE

DAY AND DATE : SUNDAY, 14TH DECEMBER 2025 CORRESPONDING TO 28TH MANGSIR 2082

TIME : 10:00 A.M.

VENUE : TRIBHUWAN ARMY OFFICERS' CLUB, SHABHA MANDAP HALL, TUDIKHEL, SUNDHARA, KATHMANDU, NEPAL

2 AGENDA:

(A)	ORDINARY RESOLUTIONS:
1.	To receive, consider and adopt the Directors' Report for the Fiscal Year 2024/25 (2081/82);
2.	To consider and approve the Financial Statements of the Company together with the Consolidated Financial Statements of its Subsidiary Company, comprising the Balance Sheet (Statement of Financial Position) as at 16 th July 2025 (32 nd Ashadh 2082); the Profit and Loss Account (Statement of Profit or Loss and Other Comprehensive Income) for the year ended 16 th July 2025 (32 nd Ashadh 2082); the Cash Flow Statement (Statement of Cash Flows) and the Statement of Changes in Equity for the year ended 16 th July 2025 (32 nd Ashadh 2082); along with the Notes to the Financial Statements and the Auditors' Report thereon for the Fiscal Year 2024/25 (2081/82).
3.	To consider and adopt the Cash Dividend Proposed by the Board of Directors at the rate of 16.57894737% of the Subscribed and Paid-up Capital to the shareholders from the Profit of the fiscal year 2024/25 (2081/82);
4.	To appoint the Statutory Auditors of the Company and fix their remuneration for the Fiscal Year 2082/83 (2025/2026) as recommended by the Audit Committee of the Company;
5.	To elect three Directors from the Public Shareholders other than the Corporate Shareholders who nominate Directors on the Board of the Company, confirmation of the Nominated Directors from the Corporate Shareholders and appointment ratification of Independent Director .
(B)	SPECIAL RESOLUTIONS:
6.	To consider and approve the issuance of 15% Bonus Shares and the consequent increase in the Subscribed and Paid-up Share Capital of the Company to the extent of the Bonus Shares issued to its shareholders.
(C)	OTHERS:
7.	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 **51st Annual General Meeting**, Proxy Application Form.
- The **Directors' Report** to the shareholders of the Company for the Fiscal Year 2024/25 (2081/82).
- Consolidated Financial Statements** of the Company together with Aditors' Report and Notes to Financial Statements for the fiscal year 2024/25 (2081/82).

GENERAL INFORMATION RELATING TO THE 51ST ANNUAL GENERAL MEETING

1. The 51st Annual General Meeting (AGM) of the Company will be held on **Sunday, 14th December 2025** corresponding to 28th Mangsir 2082 at **10.00 am** at **Tribhuvan Army Officers' Club, Shabha Mandap Hall, Tudikhel, Sundhara, Kathmandu, Nepal**
2. The Shareholders' Register shall be closed for 24 days from Friday, 21st November 2025 (5th Mangsir 2082) to Sunday, 14th December 2025 (28th Mangsir 2082), both days inclusive i.e., until the conclusion of the 51st 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 Thursday, 20th November 2025 (4th Mangsir 2082) and have been received by the Share Registrar of the Company, NIMB Ace Capital Limited, Lazimpat, Kathmandu shall be registered and recorded in the Share Register Books for the updates in the Share Register of the Company and will be considered as a shareholder of the Company for purpose of 51st Annual General Meeting.
3. A **Notice** of the **51st Annual General Meeting** (AGM) of the Company, together with summarized versions of the Auditor's Report and abstracts (summarized) of the Consolidated Financial Statements for the Fiscal Year 2024/25 (2081/82) along with Brief Directors Report, prepared in accordance with Section 84 of the Companies Act, 2063, will be published in a National Daily Newspaper for the information of Shareholders of the Company. In addition, these the Notice and summarized Financial Statements will be sent to shareholders via their email addresses registered in the Company's Shareholders' Records. Shareholders are also informed that the **Notice** of the 51st AGM and the **51st Annual Report 2024/25 (2081/82)**, will also be available on the Company's official website: <https://www.soalteehotel.com>
4. Shareholders intending to raise any matter under the agenda items of the 51st Annual General Meeting are required to submit such matters in writing to the Executive Chairman of the Company, through the Company Secretary, no later than 7 (seven) days prior to the date of the meeting, i.e., by 7th December 2024 (21st Mangsir 2082). It is hereby informed that any such matters submitted shall not be incorporated as official agenda items or resolutions for consideration at the meeting.
5. Shareholders who wish to appoint a representative (proxy) to attend and vote at the 51st Annual General Meeting are required to submit the duly completed Letter of Proxy at the Registered Office of the Company, KMC-13, Tahachal, Kathmandu, no later than 48 (forty-eight) hours prior to the commencement of the meeting.
6. Shareholders are requested to produce their Share Certificate or Statement of Demat Beneficiary Account details, along with valid proof of identity (such as a Citizenship Certificate or any other government-issued identification bearing a photograph), at the time of attending the meeting. Entry to the meeting hall will be permitted only after signing the Shareholders' Attendance Register, which will be available at the AGM venue. Shareholders are further requested to be present at the meeting venue at least half an hour prior to the scheduled time. The Shareholders' Attendance Register will remain open for signatures from 8:30 a.m. until the conclusion of the Annual General Meeting.
7. Shareholders are requested to kindly cooperate with the security personnel deployed at the AGM venue and to adhere to the security procedures and arrangements of the Meeting Hall. For security reasons, shareholders will not be permitted to carry bags, packets, or any similar items inside the Meeting Hall premises.
8. The Notice regarding the election program shall be issued by the Election Officer and published at the Company's Registered Office, Tahachal, Kathmandu, at least fifteen (15) days prior to the date of election for the 51st Annual General Meeting (AGM). Any additional information or details pertaining to the election of Directors representing public shareholders may be obtained from the Office of the Election Officer, located within the Soaltee Hotel premises, Tahachal.
9. The voting for the election of Directors representing the public shareholders shall be conducted in accordance with the election schedule, wherein the respected shareholders or their duly appointed representatives (proxies) shall cast their votes in person at the 51st Annual General Meeting venue. The appointed representative (proxy) designated to participate in the general meeting shall also remain valid for the election of directors.
10. For further information regarding the 51st Annual General Meeting of the Company, shareholders are kindly requested to contact the Registered Office of the Company, located at KMC-13, Soaltee Hotel Premises, Tahachal, Kathmandu, during office hours from 10:00 a.m. to 4:00 p.m. (excluding 1:00 p.m. to 2:00 p.m.), Sunday to Friday, except on public holidays.
11. Shareholders may contact the Share Registrar of the Company, NIMB Ace Capital Ltd., Lazimpat, Kathmandu, for any further information regarding shareholding and the 51st Annual General Meeting of the Company.

APPLICATION TO APPOINT PROXY

DATE:

THE BOARD OF DIRECTORS
SOALTEE HOTEL LIMITED
TAHACHAL, KATHMANDU.

Appointment of Proxy

Sub: Representation at 51st 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
51st Annual General Meeting scheduled to be held on **Sunday, 14th December 2025 corresponding to
28th Mangsir 2082** hereby appoint Mr./Ms....., a shareholder of the Company
having Shareholder code No. or BO Account No.and a resident of
District Metropolitan City/ Sub 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:

Note: This Proxy application should be submitted to the Registered Office 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
Mr. Binamra Singh	Manager Internal Audit & Cost Control
Mr. Leelam Karki	Deputy Manager Projects

HOTEL OPERATION DIVISION | THE SOALTEE KATHMANDU, AUTOGRAPH COLLECTION

Mr. Avinash Deshmukh	General Manager
Mr. Rajiv Kumar Thakur	EAM
Mr. Khem Bahadur Poudel	Director of Human Resource
Mr. Nirajan Ratna Shakya	Cluster Director of Information Technology
Mr. Rupesh Shrestha	Cluster Director of Learning & Development
Ms. Sumati Shakya	Sr. Director of Meetings & Events
Mr. Manoj Yadav	Director of Corporate Sales
Mr. Santosh Kumar Niraula	Finance Manager
Mr. Nanda Kumar Bhandari	Chief Engineer
Mr. Suvendu Roy	Executive Chef
Mr. Sher Bahadur Chand	Security Manager
Ms. Nyayika Bastola	Senior Manager- Marketing

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.

STATUTORY AUDITORS

J. B. RAJBHANDARY & DIBINS

Chartered Accountants
Kathmandu

SHARE REGISTRAR

NIMB ACE CAPITAL LIMITED

Lazimpat, Kathmandu

REGISTERED OFFICE

KMC-13, Tahachal, Kathmandu

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SOALTEE HOTEL LIMITED

SIMPLIFIED STATEMENT OF FINANCIAL POSITION AS AT 16 JULY 2025 (32 ASHADH 2082)

	<i>Rupees</i>	
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<u>WHAT THE COMPANY OWNED</u>		
<u>NON-CURRENT ASSETS</u>		
Property, Plant and Equipment	2,770,729,113	2,193,754,170
Intangible Assets	16,453,799	49,612
Investment Property	87,285,111	89,383,825
Investments	286,927,201	281,276,188
Trade and Other Receivables	27,055,797	22,899,490
	3,188,451,021	2,587,363,285
<u>CURRENT ASSETS</u>		
Inventories, Investments, Receivables, Prepayments,		
Cash and Cash Equivalents	528,286,284	564,021,912
Less: Current Liabilities	650,501,586	525,673,188
WORKING CAPITAL	(122,215,302)	38,348,724
TOTAL ASSETS	3,066,235,719	2,625,712,009
<u>WHAT THE COMPANY OWED</u>		
Non-Current Liabilities	306,216,350	260,731,235
SHAREHOLDERS FUND	2,760,019,369	2,364,980,774
<u>REPRESENTED BY</u>		
Share Capital	1,021,862,690	928,953,700
Retained Earnings and Reserves	1,738,156,679	1,436,027,074
	2,760,019,369	2,364,980,774
DEBT/EQUITY RATIO	0.02	0.01

SIMPLIFIED INCOME STATEMENT FOR THE PERIOD ENDED ON 16 JULY 2025 (32 ASHADH 2082)

	<i>Rupees</i>		
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	INCREASE/ (DECREASE) %
<u>INCOME</u>			
Rooms, Restaurants, Banquets & Other Services & Other Income	2,773,906,515	2,498,418,467	11.03%
<u>EXPENDITURE</u>			
Employee Benefit Expenses	613,994,707	563,383,728	8.98%
Consumption of Food and Beverages	457,801,243	405,153,476	12.99%
Operating Expenses	309,464,701	303,460,367	1.98%
Depreciation and Amortization Expense	153,820,025	137,503,255	11.87%
Other Expenses	406,144,065	337,967,880	20.17%
Finance Cost	3,955,357	3,602,880	9.78%
Total Expenditure	1,945,180,098	1,751,071,586	11.09%
Profit/(Loss) for the year (before Taxes)	828,726,417	747,346,881	10.89%
Current Tax	(163,606,757)	(137,462,999)	19.02%
Deferred Tax Income/(Expense)	(11,842,189)	(9,841,419)	20.33%
Net Profit/(Loss) for the year	653,277,471	600,042,463	8.87%
Balance of Profit Brought Forward	1,370,738,888	1,160,362,926	
Tax Payment of Prior Years	(13,351,939)	(110,282,798)	
Issue of Bonus Share	(92,908,990)	(44,238,640)	
Fraction of Bonus Share Recovered/(Paid) in Cash	13,620	2,887	
Payment of Dividend	(249,350,730)	(235,147,950)	
TRANSFERRED TO GENERAL RESERVE	1,668,418,320	1,370,738,888	

**SOALTEE HOTEL LIMITED****DIRECTORS' REPORT****DEAR RESPECTED SHAREHOLDERS,**

The Board of Directors takes immense pleasure in welcoming you all, respected shareholders at the 51st Annual General Meeting of the Company. We have the privilege of presenting before you the 51st Annual Report and Audited Financial Statements for the fiscal year ended 16th July 2025 (32nd Ashadh 2082). 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 2024/25 (2081/82), Total Revenue increased by 11.03% (previous fiscal year an increase of 10.81%) as compared to the previous fiscal year. Total Revenue for the fiscal year was Rs. 2,773.91 million (previous year Rs. 2,498.42 million), which is an increase of Rs. 275.49 million (previous fiscal year Rs. 243.79 million) compared to the previous fiscal year. During the year under review, your Company registered a Cash Profit of Rs 982.55 million as compared to the previous fiscal year's Cash Profit of Rs 884.85 million, with Net Profit after Tax being Rs 653.28 million as compared to the previous fiscal year's Net Profit of Rs 600.04 million.

PERFORMANCE HIGHLIGHTS**FINANCIAL RESULTS**

The major performance indicators of the Company for the fiscal year 2024/25 (2081/82) and comparative figures are summarised as under:

Rupees in Million

PARTICULARS	FISCAL YEAR		VARIANCE	
	2024/25	2023/24	VALUE	INCREASE / (DECREASE) %
Total Revenue	2,773.91	2,498.42	275.49	11.03%
Total Expenditure	1,941.22	1,747.47	193.75	11.09%
Profit from Operations	832.69	750.95	81.74	10.88%
Less: Finance Cost	3.96	3.60	0.36	10.00%
Profit before Taxes	828.73	747.35	81.38	10.89%
Less: Provision for Income Tax	163.61	137.46	26.14	19.02%
Less: Deferred Tax Expenses/(Income)	11.84	9.84	2.00	20.33%
Net Profit after Taxation (before appropriation)	653.28	600.04	53.24	8.87%
Net Profit Transfer to Reserves (before appropriation)	653.28	600.04	53.24	8.87%

AWARDS AND RECOGNITION

We are pleased and honoured to announce that The Soaltee Kathmandu, Autograph Collection Hotels, has received the following distinguished awards:

LEADING MEETING AND CONFERENCE HOTEL/RESORT IN NEPAL

The Soaltee Kathmandu, Autograph Collection Hotels, was recognized as South Asia's prestigious travel industry accolade "**Leading Meeting and Conference Hotel/Resort**" at the 8th South Asian Travel Awards (SATA) 2024, organized by South Asian Travel Awards. Since 2016, SATA has celebrated excellence in South Asia's hospitality and travel sectors. The 2024 ceremony took place at Aloft Kathmandu on 20th September 2024.

HAUTE GRANDEUR GLOBAL HOTEL AWARDS

The Soaltee Kathmandu, Autograph Collection, once again distinguished itself as a beacon of excellence on the international stage. At the prestigious **Haute Grandeur Global Hotel Awards** held in August 2024, the hotel was honoured with multiple accolades, including "**Best Luxury Hotel in Asia,**" "**Best City Hotel in Nepal,**" "**Best**

Conference Venue Hotel in Nepal," "Best Family Hotel in Nepal," and "Best Destination Wedding Hotel in Asia." Established in 2014, the Haute Grandeur Global Hotel Awards independently recognize and celebrate outstanding global hotel achievements and exceptional contributions to the hospitality industry. By receiving these esteemed awards, The Soaltee Kathmandu, Autograph Collection Hotels, reaffirmed its enduring legacy of service excellence in the global hospitality arena.

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

The Soaltee Kathmandu, Autograph Collection Hotels, was honored with the prestigious award for **"Most Exclusive Leisure Product for MICE"** at the Business Leisure Travel MICE (BLTM) Excellence Awards. The award ceremony was held on 31st August 2024 at Yashobhoomi (India International Convention & Expo Centre), Dwarka, New Delhi, India, and this recognition underscores the hotel's growing reputation as a leading destination for Meetings, Incentives, Conferences, and Exhibitions (MICE) in South Asia. This accolade reflects the Company's continued commitment to service excellence, innovation in hospitality, and delivery of world-class guest experiences.

HOTEL TOURISM EXCELLENCE AWARD

The Soaltee Kathmandu, Autograph Collection Hotels, was honoured with the esteemed **"Hotel Tourism Excellence Award"** at the Everest Tourism Awards 2025, held on 15th January 2025. This prestigious recognition reflects the hotel's unwavering commitment to service excellence, superior guest experience, and continued contribution to the advancement of Nepal's hospitality industry.

The Everest Tourism Awards celebrate outstanding achievements in the tourism sector, recognizing leading hotels, resorts, and tourism enterprises in Nepal for their exceptional performance, innovation, and contribution to the nation's tourism development. This accolade reaffirms The Soaltee Kathmandu, Autograph Collection Hotels' distinguished position as a benchmark of quality and excellence in the hospitality landscape.

CORPORATE EXCELLENCE AWARD

The Soaltee Kathmandu, Autograph Collection Hotels, was conferred the **"Corporate Excellence Award 2024, Hotel Category"** by Human Resource Management Nepal (HRM Nepal) on 25th February 2025. This distinguished recognition reflects the hotel's commitment to organizational excellence, strategic leadership, and sustainable business practices within the hospitality industry.

The HRM Nepal Awards honour organizations that demonstrate exemplary standards in corporate governance, human resource development, management efficiency, and service quality. This accolade reaffirms The Soaltee Kathmandu's position as a leading institution within Nepal's corporate and hospitality sectors, upholding a culture of professionalism, innovation, and continuous improvement.

BEST HOTEL – CORPORATE EVENTS (FIVE STAR)

The Soaltee Kathmandu, Autograph Collection Hotels, was honoured with the Bronze Award for **"Best Hotel – Corporate Events (Five Star Hotel)"** at the Spotlight Awards 2025, organized by the Event and Entertainment Management Association (EEMA) on 24th May 2025. This recognition reflects the hotel's excellence in hosting high-calibre corporate events and delivering exceptional service standards consistent with global hospitality benchmarks.

The Spotlight Awards celebrate innovation, leadership, and outstanding performance in the hospitality and travel industries, with a particular emphasis on event management and corporate experience delivery. This accolade reaffirms The Soaltee Kathmandu's position as a preferred destination for premium business events and reinforces its distinguished reputation within the South Asian hospitality landscape.

ADAPTING TO CLIMATE CHANGE

The Soaltee Kathmandu, Autograph Collection Hotels, was recognized as **"One to Watch" in the Adapting to Climate Change** category for the Indian Subcontinent region by the **International Centre for Responsible Tourism (ICRT)** in August 2025 during the Business & Leisure Travel Market (BLTM) 2025. This recognition highlights the hotel's proactive commitment to sustainability, climate resilience, and the adoption of environmentally responsible operational practices.



The ICRT Awards honor hotels and tourism organizations that demonstrate leadership in sustainable and responsible tourism, with an emphasis on climate adaptation, environmental stewardship, and long-term community impact. This acknowledgement reinforces The Soaltee Kathmandu's dedication to integrating sustainability into its business strategy and contributing meaningfully to global climate responsibility initiatives.

LEADING CONVENTION CENTER

The Soaltee Kathmandu, Autograph Collection Hotels, was honoured with the **“Silver Award for Leading Convention Center”** at the **2025 South Asian Travel Awards (SATA)** held on 19th September 2025 in Colombo, Sri Lanka. This accolade reflects the hotel's distinguished capabilities in hosting large-scale conventions and corporate events while maintaining exceptional standards of service, hospitality, and operational excellence.

The South Asian Travel Awards (SATA) recognize and celebrate excellence in the hospitality and tourism industries across South Asia, with a strong emphasis on leadership, service quality, innovation, and guest experience. This recognition further reinforces The Soaltee Kathmandu's reputation as a premier convention and events destination in the region.

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

The hospitality industry in Nepal is evolving within a dynamic and rapidly transforming environment shaped by interconnected international, regional, and national factors. The Fiscal Year 2024/25 has been characterized by shifting travel patterns, deepening regional cooperation, global economic realignments, and changing consumer expectations. Key developments, including the global recovery of tourism, enhanced connectivity across South Asia, and ongoing domestic policy initiatives and infrastructure upgrades have collectively exerted a significant influence on the operating landscape of Nepal's hospitality sector.

INTERNATIONAL SCENARIO

The global tourism industry continued its recovery trajectory in fiscal year 2024/25, demonstrating resilience amid ongoing macroeconomic volatility and geopolitical uncertainty. International tourist arrivals (overnight visitors) increased by 5% during the first half of 2025 compared to the same period in 2024 and surpassed pre-pandemic levels by 4%. This performance builds on the full sectoral recovery achieved in 2024, when global arrivals reached 1.5 billion, marking a key milestone in restoring industry confidence.

An estimated 690 million international tourists travelled between January and June 2025, an increase of 33 million year-on-year. This growth reflects sustained market demand and the progressive normalization of global mobility. According to UN Tourism, the first half of 2025 witnessed consistent growth in both tourist arrivals and tourism revenues across most regions, significantly contributing to economic activity, employment generation, foreign exchange earnings, and the support of livelihoods worldwide.

The International Air Transport Association (IATA) reported a 7% increase in both international air passenger traffic and airline seat capacity during the first half of 2025 compared to 2024. Similarly, global hotel occupancy reached 71% in July 2025, signalling steady demand for accommodation across major tourism destinations.

However, the operating conditions of the hospitality industry continue to face significant challenges stemming from economic pressures and geopolitical tensions. Elevated travel costs, driven by inflationary increases in transportation and accommodation expenses, remain primary challenges influencing international travel patterns in 2025. While tourism inflation is projected to ease from 8.0% in 2024 to 6.8% in 2025, it remains significantly above the pre-pandemic average of 3.1%. Consequently, travellers are displaying greater price sensitivity, with a growing preference for shorter itineraries, value-driven destinations, and intra-regional travel.

Furthermore, ongoing geopolitical instability, trade-related frictions, and selective travel restrictions continue to influence traveller confidence and demand dynamics. Despite these challenges, the international tourism outlook for 2025/26 remains broadly optimistic, supported by expanding source markets, market diversification strategies, and a growing global commitment to sustainable and inclusive tourism development. Growth is expected to be supported by diversified source markets, expanding regional connectivity, and an increasing focus on sustainable and inclusive tourism models adopted by governments and industry stakeholders worldwide.

REGIONAL SCENARIO

South Asia sustained strong visitor interest in adventure, cultural heritage, and wellness tourism during fiscal year 2024/25. Within the region, Nepal continued to be strategically positioned as a leading premier destination for these experiences. Robust tourism growth was driven by rising intra-regional travel from India, China, and Southeast Asian countries. Enhanced air connectivity, simplified and streamlined visa procedures, and coordinated destination marketing initiatives with targeted promotional campaigns significantly improved regional accessibility and reinforced Nepal's competitive positioning. Neighbouring countries of South Asian tourism market have experienced growth in short-term leisure travel, creating increased opportunities for Nepal to capture a higher-value regional tourism segment. Nepal holds a distinct advantage in attracting tourist interested in trekking, mountaineering, heritage, and wellness tourism.

In May 2025, the **Nepal Association of Tour and Travel Agents** and the **Indian Association of Tour Operators** signed a Memorandum of Understanding to promote bilateral tourism through coordinated marketing initiatives, knowledge exchange, and collaborative business development. This partnership is expected to strengthen cultural and pilgrimage tourism circuits connecting the two countries and enhance cross-border tourism flows.

Regional infrastructure initiatives under the South Asia Sub-Regional Economic Cooperation program continued to support tourism expansion during the year. Ongoing investments in cross-border transportation networks, trade facilitation, and economic corridors have improved regional accessibility and travel efficiency, benefiting both tourism and commerce. Similarly, projects from the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation have strengthened Nepal's position in regional tourism by encouraging travel routes that highlight the country's cultural heritage, adventure tourism opportunities, and natural diversity.

Strategically located between India and China, two of the world's largest and fastest-growing economies, Nepal is well-positioned to capitalize on emerging regional travel and tourism trends. With enhanced collaboration and targeted market positioning, Nepal has the potential to serve as a regional hub for diverse tourism segments, including adventure, pilgrimage, wellness, wedding tourism, solo travel, and business events. Nepal has demonstrated its growing capacity to host large-scale international events and foster regional engagement. Nepal must adopt a focused strategy to develop the MICE (Meetings, Incentives, Conferences, and Exhibitions) segment, which presents high-value growth potential. Pacific Asia Travel Association (PATA) has already expressed readiness to collaborate with tourism industry stakeholders and government agencies to develop a strategic roadmap for advancing Nepal's tourism industry.

Regional tourism growth faces ongoing challenges such as project delays, financing issues, visa and border protocol inconsistencies, infrastructure bottlenecks, and political instability affecting traveller confidence. However, the outlook for 2025–26 is cautiously optimistic, driven by improved connectivity, steady travel demand, and enhanced policy coordination, creating opportunities for luxury hotels to attract regional and international guests amid rising incomes and changing traveller preferences.

NATIONAL SCENARIO

In 2025, Nepal's hospitality industry is strongly influenced by domestic policies, infrastructure advancements, and shifting tourism patterns, which together play a crucial role in shaping business performance and future growth opportunities.

Nepal's tourism sector continued its post-pandemic recovery in the fiscal year 2024/25, with approximately 1.128 million international tourist arrivals recorded during the period. As of September 2025, the country had already welcomed total 8,15,273 arrivals of international visitors by air only, reflecting sustained growth supported by enhanced regional connectivity, strategic promotional campaigns, and improving traveler confidence. Nepal continued to strengthen its position as a leading destination in South Asia for adventure, cultural, spiritual, and wellness tourism.

Government policy reforms have provided additional momentum to the tourism industry. The Tourism Policy 2025 emphasizes sustainable tourism development, visitor safety, destination management, and service quality enhancement across the tourism value chain. Complementing this, the Visit Nepal Decade (2023–2032) initiative aims to drive long-term sectoral resilience by promoting emerging destinations, ecotourism, and community-based tourism. These strategic initiatives are complemented by expanding international air routes and targeted marketing efforts in priority source markets and enhanced community participation in tourism-led economic growth.



Significant infrastructure investments have improved access and connectivity. The operationalization of Pokhara International Airport and Gautam Buddha International Airport (Bhairahawa), together with the ongoing modernization of Tribhuvan International Airport (Kathmandu), has strengthened Nepal's aviation capacity and broadened entry points for international travelers and improved accessibility to key tourism regions.

Cultural and festival tourism remains a core pillar of Nepal's tourism appeal. Heritage restoration programs and the revival of traditional festivals have helped attract seasonal visitor inflows. At the same time, the hospitality industry is increasingly aligning with global sustainability standards. Hotels and resorts are adopting energy-efficient technologies, plastic reduction measures, and locally sourced procurement practices to meet the expectations of environmentally conscious travellers. Initiatives for rural and community-based tourism are also gaining momentum, as they promote inclusive economic growth and provide immersive experiences away from the conventional path.

The hospitality and tourism sector is further supported by digital transformation, with businesses adopting online booking systems, contactless payment platforms, digital concierge services, and data-driven marketing to enhance competitiveness and customer experience supported by targeted outreach in priority source markets.

However, external and domestic challenges impacted sector sentiment. Recent political and civil unrest in the country, including the Gen-Z protests movement in September 2025, marked by violent demonstrations, casualties, and damage to public infrastructure, has heightened political instability and introduced short-term risk to traveler confidence. Such events pose risks to tourist confidence and can disrupt travel tourism operations, supply chain logistics, and service delivery across the hospitality sector. Additionally, infrastructure gaps, regulatory delays, and seasonal vulnerabilities continue to affect sector performance. Political instability may also impede the timely implementation of tourism policies and long-term infrastructure projects, particularly in transport and tourism infrastructure.

Despite these challenges, the overall outlook for Nepal's tourism industry remains positive. Growth continues to be supported by strategic infrastructure investments, sustainability-focused initiatives, and steady regional and global travel demand. For hotels and hospitality operators, maintaining operational resilience, guest safety, enhancing service quality, leveraging sustainability and digital innovation to compete effectively in regional and global markets, and proactive coordination with government authorities will remain critical to navigating evolving risks while capitalizing on market opportunities.

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

During the current fiscal year 2025/26, the hotel has posted a total revenue of Rs. 521.56 million till 30th September 2025 against Rs. 517.99 million compared to the same period last year. The room occupancy is 52% as compared to 64% same period last year. The Average Room Rate (ARR) and Revenue Per Available Room (RevPAR) are Rs. 9,080 and Rs. 4,768 against Rs. 9,496 and Rs. 6,032 respectively compared to the same period last year.

PRODUCT AND SERVICE UP-GRADATION

As part of our strategic focus on delivering an exceptional guest experience, the Company has implemented a series of comprehensive renovation and upgrade initiatives designed to reinforce the property's position at the forefront of luxury hospitality. These measures underscore our unwavering commitment to maintaining the highest standards of comfort, elegance, and service excellence. The key highlights of these initiatives are presented below:

1. ADDITIONAL CAR PARKING FACILITIES

In addition to the existing parking facilities, the construction and installation of a state-of-the-art Automated Puzzle Car Parking system is currently underway. This advanced automated car lift system utilizes vertical stacking and horizontal movement to maximize space and is designed to accommodate up to 112 vehicles. Significant progress has been made, and the system is expected to greatly enhance the hotel's parking efficiency. Furthermore, an additional parking area has been created within the existing premises by dismantling the old corporate office building, providing space for 68 more vehicles in the expanded parking zone. This expanded facility will not only increase overall parking capacity but also streamline vehicle movement and guest flow, delivering a more organized, convenient, and premium arrival experience in line with our luxury hospitality standards. This initiative represents a strategic enhancement

to the hotel's infrastructure, designed to meet the evolving needs of guests and support large-scale events and conferences.

2. DEDICATED PROJECT STORE FACILITIES

The Company has constructed a dedicated project store near the expanded car parking area to facilitate the smooth execution of ongoing upgrades and projects. This new facility serves as a centralized hub for storing project materials and equipment, effectively consolidating previously scattered storage areas that occupied substantial space across the premises. Relocating into this single, well-organized structure has significantly enhanced operational efficiency and site management. The remaining available space has been redeveloped to extend the parking zone, further increasing vehicle capacity and improving convenience for guests and visitors. This development exemplifies the Company's ongoing commitment to optimizing space utilization and strengthening the overall functionality of the Hotel's infrastructure.

3. CONFERRING FACILITIES EXPANSION AND ENHANCEMENT:

As part of the Company's plan to expand and enhance its conference hall facilities, a new conference hall is being constructed adjacent to the existing Megha Malhar Hall. The super structural work is currently underway, and the project is progressing steadily. This expansion will add approximately 4,000 square feet of premium events and conferencing space, extending from the Megha Malhar Hall toward the Princep Wing Block, seamlessly integrating the existing Manjari Hall into a more cohesive and expansive layout.

Additionally, the extension of Manjari Hall toward the rear area will provide an additional 1,100 square feet, enhancing both spatial capacity and architectural continuity. The project also includes a new standalone block under development with a sophisticated, state-of-the-art pre-function area that ensures a graceful transition into the expanded hall.

As part of the overall enhancement, Megha Malhar Hall will undergo comprehensive refurbishment, and renovation to elevate its aesthetic appeal and introduce contemporary elegance. Both adjoining lounges of Conference hall will also be renovated to maintain design harmony and ensure a cohesive guest experience. Upon completion, these collective upgrades will redefine the banquet and conferencing environment, providing greater spatial coherence, enhanced functionality, and a modern sense of luxury hospitality suitable for high-profile events, conferences, seminars, and grand celebrations.

4. PRINCEP WING RENOVATION:

The upcoming renovation of the Princep Wing represents a significant initiative aimed at redefining the Hotel's standards of luxury and comfort. Under the Princep Wing renovation project, all guestroom floors, excluding the first floor, will be reconfigured to create expansive, world-class accommodations with increased room sizes. This transformation is designed to enhance the sense of space, comfort, and sophistication, by incorporating cutting-edge design and technology.

The renovation has been designed and developed by an internationally renowned interior designer, whose vision combines timeless elegance with a distinctly contemporary Soaltee identity. The redesigned rooms will showcase state-of-the-art amenities, refined finishes, and an enhanced spatial experience that seamlessly blends and integrates modern luxury with understated comfort.

This comprehensive renovation will substantially elevate the aesthetic and experiential quality of the Princep Wing rooms, aligning it with leading global hospitality international standards and enriching the overall guest experience.

These renovation and upgrade initiatives underscore the Company's unwavering commitment to continuous improvement and the enhancement of guest experiences. By upgrading both infrastructure and services, the Company reaffirms its position as a preferred luxury destination for travelers seeking an exceptional blend of luxury, comfort and memorable experiences. Princep Wing Project will further reinforce the Hotel's status as a premier luxury hospitality destination, offering world-class amenities and an exceptional stay for 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. 86 per ordinary share for the year ended 15th July 2024 (31st Ashadh 2081) and accordingly your company received a cash dividend of Rs. 85,81,974/- during the year under review.

SOALTEE HOTELS & RESORTS EXPANDS NEPAL AND GLOBAL FOOTPRINT THROUGH STRATEGIC HOSPITALITY VENTURE

The Company, through its subsidiary Soaltee Hospitality Limited (SHL), has invested in Stream Peak International Private Limited (SPI), a Nepalese joint venture established in collaboration with local promoters, with the objective of owning, managing, and operating hotels both within Nepal and internationally. SPI operates various luxury hotels under the registered brand, trademarks, and tradename **“Soaltee Hotels & Resorts”** which are owned by the Company through Soaltee Hospitality Limited, pursuant to a Trademark License Agreement that governs the use of the brand.

Currently, Stream Peak International Private Limited is managing and operating a diverse portfolio of Hotel Properties across Nepal, including **“Soaltee Westend Premier Nepalganj,”** a five-star LEED-certified green hotel located in Nepalganj, **“Tiger Place By Soaltee,”** Bhairahawa Lumbini Province; **“Soaltee Westend Itahari”** in Itahari, Koshi Province; **“Soaltee Westend Resorts Chitwan”** in Bharatpur and **“Soaltee Westend Resorts Nagarkot”** in Bhaktapur, Bagmati Province; **“Soaltee Westend Pokhara”** in Pokhara and **“Soaltee Westend Resorts Manakamana”** in Manakamana, Gorkha, Gandaki Province; **“Soaltee Westend Resorts Birgunj”** in Birgunj and **“Mithila Yatri Niwas”** in Janakpur, Madhesh Province of Nepal.

Consistent with its strategic growth roadmap, Soaltee Hotels & Resorts, through Stream Peak International Private Limited, has expanded its operational presence from South Asia into Europe, marking a significant milestone in its global expansion journey

Expanding its footprint internationally, Stream Peak International Private Limited is also managing two business hotel properties in Frankfurt, Germany under the **Soaltee Hotels & Resorts** brand and trademarks, namely **“Soaltee Westend Messe Frankfurt”** and **“Soaltee Hotel Frankfurt Messe”**.

Driven by its commitment to global service excellence, Stream Peak International Private Limited currently oversees an expanding operational portfolio of luxury hotels across Nepal and international markets through strategic Hotel Management Agreements.

MAJOR FACTORS AFFECTING THE BUSINESS OF THE COMPANY

Nepal's tourism and hospitality sector outlook continues to evolve amid a complex interplay of global, regional, and domestic factors in the current Fiscal Year. The ongoing global recovery in tourism has led to a satisfactory growth of international visitors, particularly from India, China, and Europe, supported by enhanced connectivity and positive travel sentiment. This trend has strengthened the growth outlook for the hotel industry. However, increased competition has emerged with the rise of boutique hotels, eco-resorts, and the entry of international hospitality brands into the Nepalese tourism destination.

Macroeconomic stability in Nepal provides a supportive environment for business operations. Nonetheless, global inflationary pressures and exchange rate volatility continue to influence traveller spending behaviour and booking trends. Infrastructure developments, notably the commencement of operations at Pokhara International Airport and Gautam Buddha International Airport, alongside upgrades at Tribhuvan International Airport, have significantly improved access to major tourist destinations. These enhancements have driven higher occupancy rates and facilitated a more balanced regional distribution of tourism demand.

Environmental sustainability has become central to the industry's competitive landscape. The growing impact

of climate change, coupled with increasing awareness among travellers, has heightened the urgency for hotels to implement eco-friendly operations, adopt renewable energy solutions, and enforce waste reduction measures. Commitment to sustainable business practices is now paramount to attracting the environmentally conscious segment of global travellers.

Rapid technological advancements are transforming guest experiences across the sector. The widespread adoption of digital booking platforms, and data analytics is crucial for enhancing operational efficiency and customer engagement. Hotels leveraging such digital innovations and smart technologies are better positioned to maintain a competitive edge in a service-driven market.

However, political instability in Nepal remains fragile. The country experienced significant unrest in September 2025, marked by widespread protests, destructions and political turmoil, which have heightened uncertainty in the business climate specially hospitality sector. The potential for further disruptions poses a material risk that could affect investment sentiment, tourism confidence, and operational continuity within the hospitality industry.

Overall, the fiscal year 2025/26 presents both opportunities and challenges for the Company. Sustained growth will depend on its ability to remain adaptive, technologically progressive, and environmentally responsible, while continuing to deliver distinctive guest experiences that align with evolving global travel preferences and expectations.

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

The Company 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 Nepalese 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.

The Company has actively contributed to social development through its Corporate Social Responsibility (CSR) initiatives. It has supported to the development and establishment of children's hospitals in Kathmandu and Jhapa, a social initiative undertaken in collaboration with the Kathmandu Institute of Child Health, which provides comprehensive paediatric healthcare services.

As part of its Corporate Social Responsibility (CSR) initiatives, the Company has contributed the production and distribution of audio-visual learning materials to enhance Nepali language education for public school students. These materials were developed in alignment with the national curriculum for lower secondary schools and distributed to 86 public secondary schools across the Lumbini, Bagmati, and Madhesh Provinces of Nepal.

In addition, the Company has provided educational scholarships to marginalized students, in collaboration with local authorities, covering public secondary schools in the Lalitpur district, including a public college in Kathmandu district, Bagamati Province.

The Company continues to support communities surrounding the Hotel by collaborating with local government bodies and nearby police stations to implement community security, safety and development initiatives. These include CCTV installation in the area, tree plantation drives, social awareness campaigns, and street lighting. All Corporate Social Responsibility initiatives are carried out in full compliance with applicable Corporate Social Responsibility regulations.

SUSTAINABILITY

The Company's commitment to sustainability at The Soaltee Kathmandu, Autograph Collection Hotels, goes beyond mere compliance with regulatory requirements. It embodies a steadfast dedication to responsible resource management and environmental stewardship, creating a positive impact on both the local community and the broader ecosystem. The Company believes that true luxury hospitality exists in harmony with nature; accordingly, the Company has implemented a comprehensive range of initiatives aimed at minimizing its ecological footprint while enhancing the overall guest experience.

Sustainable practices are integrated across all facets of the Hotel's operations, ensuring meaningful contributions to environmental conservation and the well-being of the communities it serves. Key sustainability initiatives



include significant investments in renewable energy, such as the installation of a 506-kilowatt solar power system that substantially reduces reliance on fossil fuels and lowers carbon emissions. Other measures focus on efficient water management, waste reduction, and community engagement programs aimed at promoting environmental awareness.

These initiatives underscore the Company's leadership in promoting sustainable hospitality and its ongoing commitment to fostering a greener future. The key sustainability initiatives are detailed below:

1 SUSTAINABLE SOLAR PANEL ENERGY:

The Company has installed a 506-kilowatt solar power system in collaboration and partnership with Gham Power, a leading solar energy company, demonstrating its commitment to sustainable luxury. This solar energy initiative utilizes available rooftop and parking area spaces to harness renewable energy, reducing electricity consumption over the next 14 years. Additionally, this initiative is expected to lower carbon emissions by approximately 995 tons, significantly advancing the Company's goal of promoting a cleaner, more sustainable future.

Beyond the environmental benefits, the Company anticipates a 25% reduction in electricity costs, underscoring that sustainability initiatives can also deliver substantial financial advantages. Through the adoption of solar energy, The Soaltee Kathmandu, Autograph Collection Hotels, aims to set a benchmark within the hospitality industry and inspire other establishments to embrace environmentally responsible practices.

2 WATER BOTTLING PLANT:

The Company's state-of-the-art drinking water bottling plant represents a significant investment in both sustainability and guest satisfaction. By purifying and bottling water on-site, the Company has eliminated reliance on single-use plastic bottles, a major contributor to environmental pollution, while fully complying with government policies aimed at eliminating plastic water bottles from star-classified hotels. This initiative not only reduces the carbon footprint associated with transporting bottled water but also ensures that guests have access to fresh, purified water conveniently available within the hotel premises.

The glass bottles utilized are crafted from natural materials and are free from harmful chemicals such as BPA and phthalates, which pose risks to both human health and the environment. Through producing the Hotel's own bottled water, the Company has made substantial progress toward minimizing plastic waste while simultaneously enhancing the overall guest experience.

3 SUSTAINABILITY PRACTICES IN HOUSEKEEPING:

The Company's Hotel Housekeeping Department has implemented a range of innovative sustainability practices focused on reducing waste and conserving valuable resources. The introduction of bulk dispenser bottles for toiletries has significantly minimized plastic waste, while replacing individual soap bars with dispensers ensures more efficient use of resources.

The Hotel's Linen Reuse Program encourages guests to extend the use of their linens and towels beyond a single day, resulting in the conservation of millions of gallons of water daily and the reduction of greywater generation. Additionally, water refill stations have been established to serve water in jugs and carafes during meetings and events, thereby minimizing the reliance on single-use bottled water and reinforcing the Hotel's commitment to environmental sustainability.

These initiatives not only contribute to positive environmental outcomes but also enhance operational efficiency and guest satisfaction, reflecting the Company's dedication to responsible hospitality practices.

4 WASTE MANAGEMENT:

The Company has launched a comprehensive waste management program centered on waste segregation at the source. This approach facilitates accurate tracking of waste types and volumes, enabling focused efforts to reduce waste generation. Key priorities include minimizing food waste and reducing reliance on single-use plastics.

To advance these goals, plans are underway to install an on-site composting facility. This plant will process compostable materials such as food scraps, garden waste, and paper, producing organic, chemical-free fertilizers for use in the hotel's gardens and greenhouse. This initiative exemplifies a closed-loop approach

that enhances sustainability by turning waste into valuable resources.

Through these measures, the Company aims to reduce its environmental footprint, improve operational efficiency, and reinforce its ongoing commitment to sustainable practices.

5 ELECTRIC VEHICLE (EV) AND CHARGING STATION:

The Company promotes and encourages environmentally responsible transportation, demonstrated by the Hotel's adoption of electric vehicles (EVs) and the installation of EV charging stations across the property. This initiative supports the shift from traditional petroleum-powered vehicles to electric alternatives, thereby contributing to a significant reduction in greenhouse gas emissions. By utilizing electric vehicles for operations and providing convenient access to EV charging facilities, the Company empowers guests to make environmentally conscious transportation choices during their stay, enhancing both convenience and sustainability. This commitment not only aligns with global sustainability goals but also enhances the overall guest experience by catering to the growing number of eco-conscious travelers.

6 SUPPORT FOR LOCAL VENDORS:

The Company actively prioritizes sourcing from local vendors and promoting Nepal-made products across the Hotel's offerings. This approach not only ensures adherence to high-quality standards but also strengthens the local economy by supporting artisans and businesses within the community. By emphasizing local procurement, the Company reduces environmental impacts associated with long-distance transportation while contributing to broader community development.

Through these comprehensive sustainability initiatives, The Soaltee Kathmandu, Autograph Collection Hotels, demonstrates how luxury hospitality can coexist harmoniously with responsible environmental stewardship. The Company's ongoing commitment aims to inspire the wider hospitality industry while actively contributing to a greener, more sustainable future for both the community and the environment.

COMMITMENT TO SUSTAINABLE LUXURY AND COMMUNITY ENGAGEMENT

Looking ahead, the Company is firmly committed to embedding sustainability into every aspect of the Hotel's operations, redefining luxury hospitality through a focus on environmental responsibility and innovative practices. The Company recognizes these initiatives representing as the beginning of a continuous journey, and remains dedicated to continuous advancement and the adoption of pioneering new sustainability measures. By embedding environmental stewardship and community engagement at the core of its strategic priorities, the Company aspires to create a lasting, positive impact for both its guests and the planet the Hotel shares. Together, the Company envisions a future where luxury and sustainability coexist in perfect harmony, setting new industry standards for responsible hospitality.

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.

The 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 employees' contributions to the Company have been immense and have 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 eight members on the Board of Directors including one female 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 is from diverse backgrounds and possesses 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

During the fiscal year **2024/25**, which concluded on **16th July 2025**, significant changes occurred in the composition of the Board of Directors of the Company. **Mr. Deepak Raj Joshi**, Independent Director of the Company, **resigned** from the Board with effect from **8th September 2024** (23rd Bhadra 2081), citing personal reasons. The Board placed on record its sincere appreciation for the valuable contributions and services rendered by Mr. Joshi during his tenure.

Furthermore, in the current fiscal year, **Mr. Ubaraj Adhikari**, Director representing the corporate shareholder **Nepal Airlines Corporation**, was formally withdrawn from the Board. In his place, Nepal Airlines Corporation duly nominated and appointed **Mr. Tanka Nidhi Dahal** as its representative **Director** on the Company's Board, with the appointment effective from **24th October 2025** (7th Kartik 2082). The Board recorded its sincere appreciation for the valuable contributions and dedicated services rendered by Mr. Adhikari during his tenure.

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, Autograph Collection (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 2024/25 (2081/82). A total Rs.12,05,892 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 2024/25 (2081/82) the Board of Directors of the Company has recommended a **Cash Dividend** distribution at the rate of **16.57894737%** of the Subscribed and Paid-up Share Capital **aggregating Rs. 16,94,14,078/=** and **Bonus Shares** at the rate of **15%** 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 16th July 2025 (32 Ashadh, 2082), and the Statement of Cash Flow for the year ended 16th July 2025 (32 Ashadh, 2082) along with the Auditors' Report are reflected under the Consolidated Financial Statement as a part of this Annual Report 2024/25 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 51st 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 two years 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 2025/26 (2082/83) 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 2024/25 (2081/82).

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 2024/25 (2081/82).

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 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 five 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 utilize 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 2024/25 (2081/82).

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, a wholly owned 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 2024/25 (2081/82).

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 2024/25 (2081/82) 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 2024/25 (2081/82).

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 2024/25 (2081/82).

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 2024/25 (2081/82). 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 the 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

Sln	Particulars	Amount Rs.		Increase / (Decrease) %
		This Fiscal Year 2024/25 (2081/82)	Previous Fiscal 2023/24 (2080/81)	
1	Staff Expenses	613,994,707	563,383,728	8.98%
2	Operating (Management) Expenses	406,144,065	337,967,880	20.17%
	Total	1,020,138,772	901,351,608	13.18%

The total Management Expenses for the fiscal year 2024/25 (2081/82) increased by 13.18% compared to the previous fiscal year, primarily due to a significant growth in the Company's business operations and revenue.

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:-

Sln	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 2024/25 (2081/82) was presented before the Audit Committee by the Independent Statutory Auditors.

During the fiscal year, 2024/25 (2081/82) Audit Committee performed the following tasks: -

- (a) 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.
- (b) The Audit Committee reviewed the Preliminary Statutory Audit Report of the Statutory Auditors along with the Annual Financial Statements for the fiscal year 2024/25 (2081/82) 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

16th July 2025 (32nd Ashadh 2082) to the Board for adoption and approval.

- (c) Quarterly reviewed the Internal Audit reports and discussions made on the issues raised in the reports and directed the management for resolution.
- (d) 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 2024/25 (2081/82).
- (e) 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.
- (f) The Committee reported to the Board of Directors about its meeting and various recommendations and directions issued to the Management to be implemented quarterly.
- (g) The Audit Committee had recommended the appointment of Statutory Auditors and their remunerations to the ensuing 51st 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 2024/25 (2081/82) 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. 33.31 million (previous year Rs. 44.19 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 2024/25 (2081/82) to the Non-Executive Board of Directors was Rs. 1,647,072. 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 2081/82 (2024/25) was Rs. 151,891,698/- (Previous fiscal year Rs. 162,018,738/-). 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.

DIVIDEND AMOUNT REMAINING UNCLAIMED BY SHAREHOLDERS

As of 16th July 2025 (32nd Ashadh 2082), the total amount of Dividends remaining unclaimed by shareholders amounts to Rs. 42,943,645 (Previous Year: Rs. 17,936,251), representing dividends declared but not collected from Fiscal Year 1992/93 to 2023/24 (2049/50 to 2080/81). Out of this total, Rs. 6,422,745 (Previous Year: Rs. 4,751,665) pertains to fiscal years 1992/93 to 2018/19 (2049/50 to 2075/76), i.e., dividends that have remained unclaimed for periods exceeding five years from their respective dates of declaration. In accordance with the Companies Act of Nepal, any dividend not claimed or received by a shareholder within five years from the date of the resolution adopted at the Company's Annual General Meeting (AGM) to distribute the dividend must be transferred to the Investor Protection Fund established by the Government of Nepal.

Shareholders who have not yet collected their dividends for the above fiscal years are therefore requested to contact the Company's Share Registrar, NIMB Ace Capital Market Limited, Lazimpat, Kathmandu, Nepal, at the earliest to claim 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 2024/25 (2081/82).

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 2024/25 (2081/82).

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 2024/25 (2081/82).

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 2024/25 (2081/82) under the Director's Report section heading.

AUDITOR'S REPORT:

The Auditor's Report is included in the Annual Report 2024/25 (2081/82) under the Auditors Report section heading.

AUDITED FINANCIAL REPORTS:

The Audited Financial Reports for the Fiscal Year 2024/25 (2081/82), comprising the Statement of Financial Position (Balance Sheet) as on 16th July 2025, 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 16th July 2025 and Notes to the Financial Statement of the Company appended under the respective section heading of the Annual Report 2024/25 (2081/82).

LEGAL PROCEEDINGS:

- (a) Lawsuit filed by or against the corporate body during the quarterly period.
- The Company has filed writ petition before the Supreme Court against the respondent Labour Court, and Labour Office, Kathmandu concerning the ex-employee of the Company during the year under review. The petition is sub-judice in the Honorable Supreme Court.
 - Ex-employee of the Company has filed writ petition before the Supreme Court against the respondent Labour Court Kathmandu, Labour Office, Kathmandu and the Company during the year under review. The petition is sub-judice in the Honorable Supreme Court.
 - Ex-employee of the Company had filed an appeal challenging the decision of the Company in the Honorable Labour Court and the Labour Court has given its final verdict in favor of the appellant.
 - The Company has filed an appeal before the High Court Patan, challenging the decision of the Honorable Kathmandu District Court in the case 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.
- (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 2024/25 (2081/82).

- (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 2024/25 (2081/82).

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 2024/25 (2081/82) are undermentioned: -

Quarters of FY 2024/25 (2081/82)	Share Price (Rs.) 2024/25 (2081/82) Share Price (Face value of Rs. 10 for each Share)			The fiscal Year 2024/25 (2081/82) Total Number of		
	Maximum	Minimum	Closing	Trading Days	Transactions	Transacted Shares
1 st QUARTER (END OF ASHWIN 2081)	636.50	440.00	541.00	57	37,224	11,520,290
2 nd QUARTER (END OF POUSH 2081)	588.00	455.00	480.30	55	13,720	3,561,412
3 rd QUARTER (END OF CHAITRA 2081)	532.00	469.00	492.53	56	9,654	2,594,191
4 th QUARTER (END OF ASHADH 2082)	617.9	488.1	577.58	63	34,064	13,136,650
TOTAL				231	94,662	30,812,543

(SOURCE: NEPAL STOCK EXCHANGE LTD.)

PROBLEMS AND CHALLENGES:-

(A) INTERNAL

The Company has got no internal problems.

(B) EXTERNAL

- Rise in cost of operation, scarcity of potable water, increasing cost of human resources, goods and services, energy, and cost of products and services;
- 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.
- Adverse effects on tourism because of unfavorable global incidents;
- Political instability and civil disturbances, political unrest, and lack of tourism infrastructures and inconsistent Government policy;
- Natural disasters such as earthquakes, global tensions and regional geo-political tensions, continuing effects impact of Coronavirus post Covid -19 and other catastrophes;

STRATEGY:

- Develop a customer oriented services culture – emphasis on customer care and convenience;
- Increase market share by following a disciplined growth strategy;
- 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 is committed to sound principles of Corporate Governance in the Company. The Board of Directors of the Company is pleased to report that during the year ended on 16th July 2025, the Company had complied with 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, Securities 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 THE 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 2081/82, 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 to 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 to 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 Statuary 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 BAHADUR BISTA
EXECUTIVE CHAIRMAN

TANKA NIDHI DAHAL
PRAKASH BIKRAM KHATRI
SASHI RAJ PANDEY
JAYA RAJYA LAXMI SHAH
RAVI BHAKTA SHRESTHA
RAJESH KAZI SHRESTHA
NIRANJAN KUMAR TIBREWALA
DIRECTORS

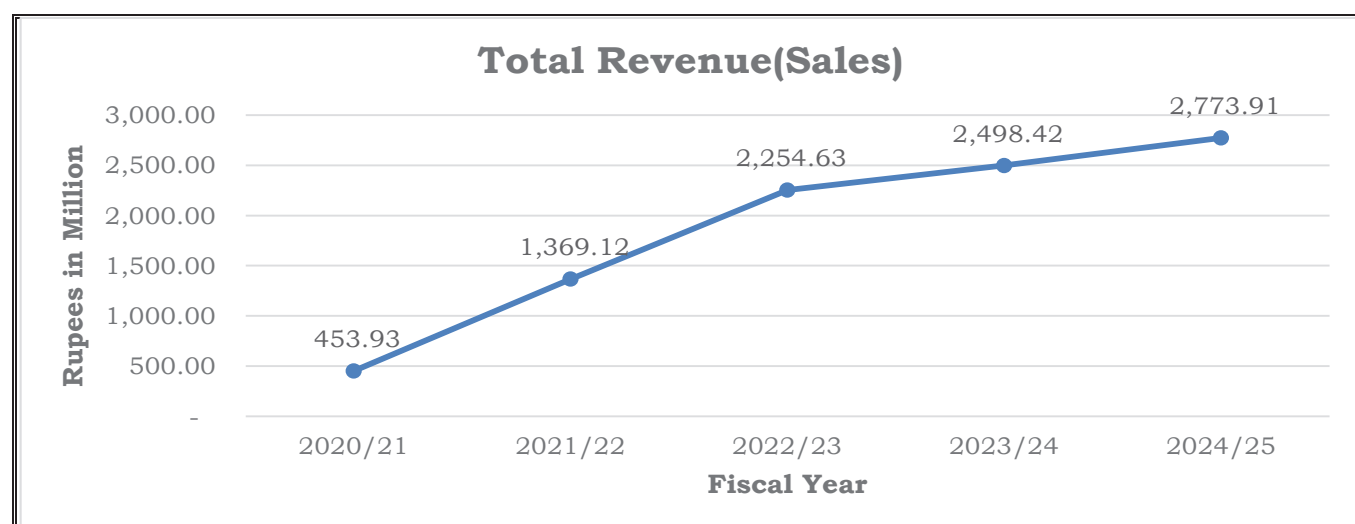
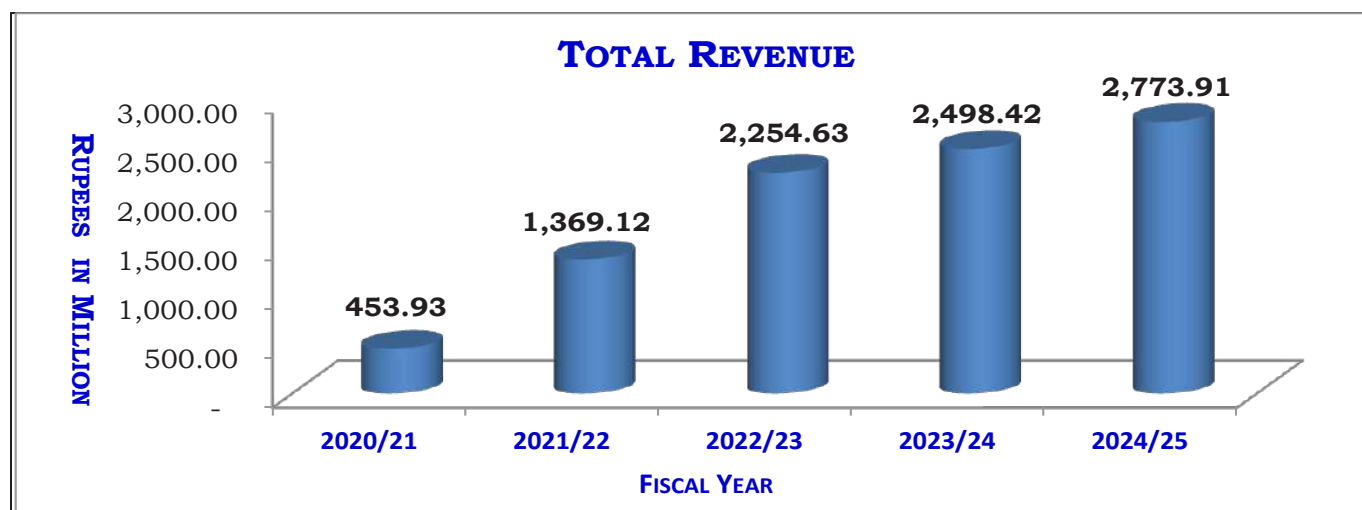
Date: 28th October 2025
(11th Kartik 2082)
Place: Kathmandu

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

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

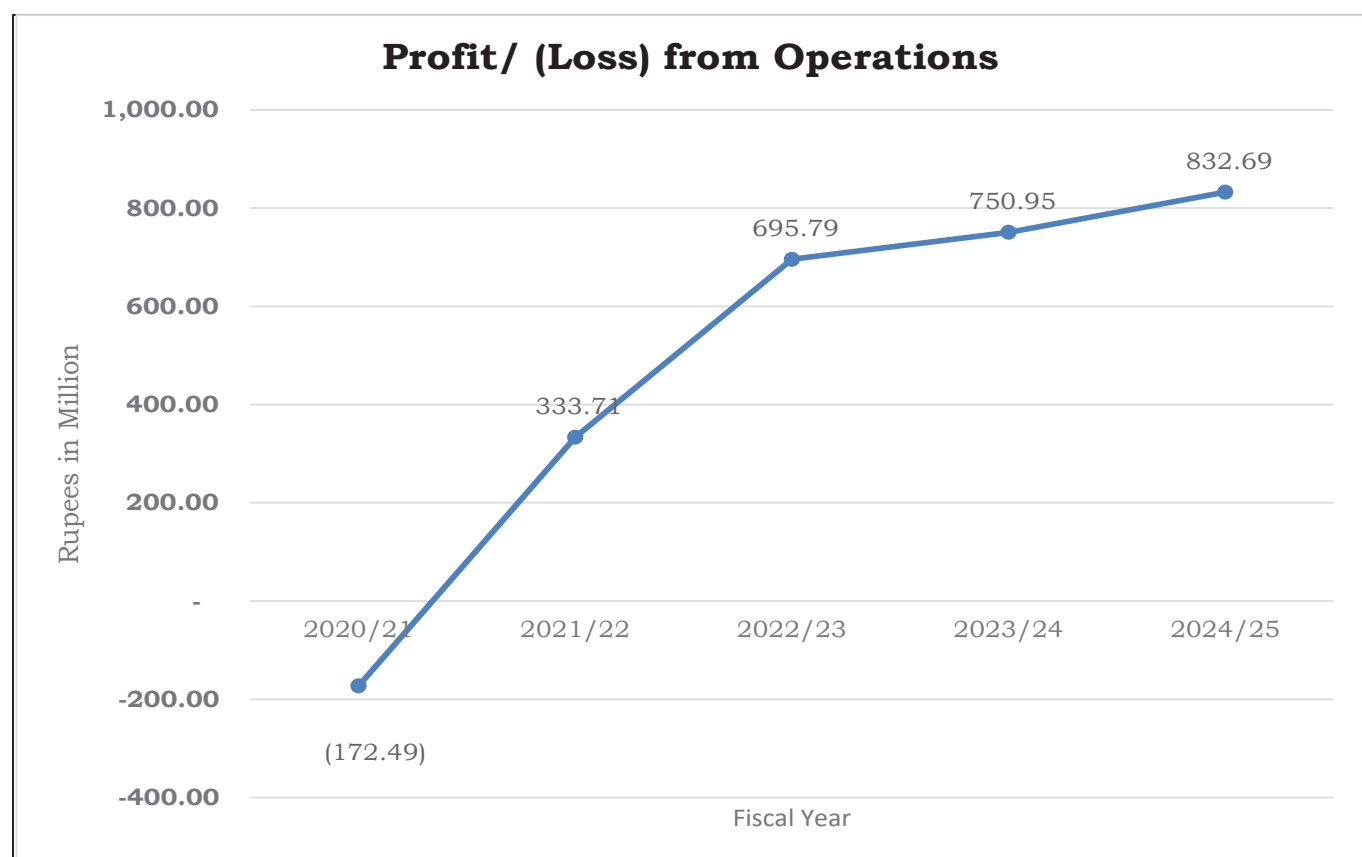
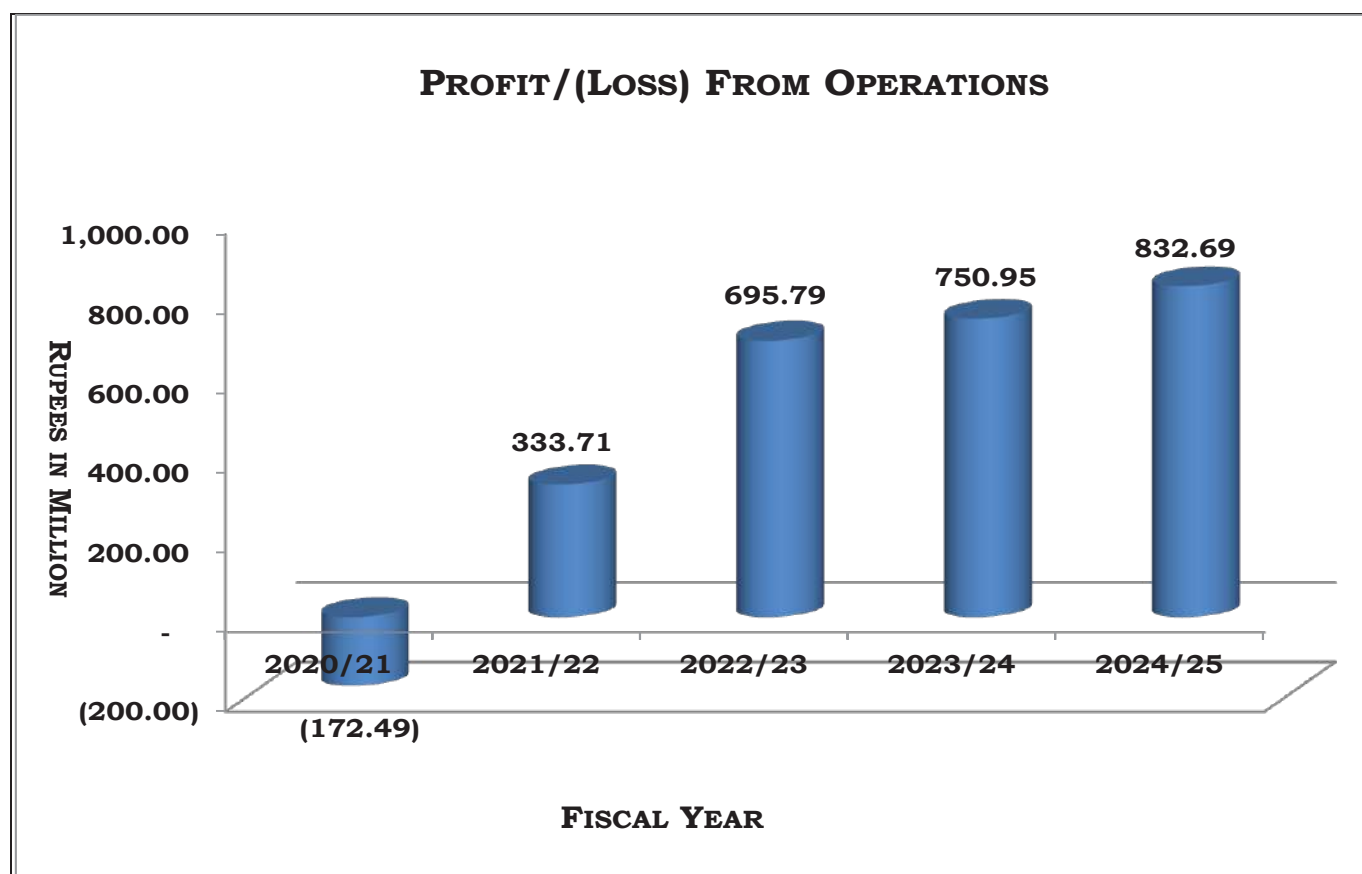
RUPEES IN MILLION

PARTICULARS	FINANCIAL YEAR				
	2024/25	2023/24	2022/23	2021/22	2020/21
TOTAL REVENUE	2,773.91	2,498.42	2,254.63	1,369.12	453.93
TOTAL EXPENDITURE	1,941.22	1,747.47	1,558.84	1,035.41	626.42
PROFIT FROM OPERATIONS	832.69	750.95	695.79	333.71	(172.49)
LESS: FINANCE COST	3.96	3.60	8.66	18.54	2.87
PROFIT BEFORE TAXES	828.73	747.35	687.13	315.17	(175.36)
LESS: PROVISION FOR INCOME TAX	163.61	137.46	124.61	-	-
LESS: DEFERRED TAX EXPENSES/ (INCOME)	11.84	9.84	7.54	17.93	49.57
NET PROFIT AFTER TAXATION	653.28	600.04	554.98	297.24	(224.93)
NET TRANSFER TO RESERVES FOR THE YEAR	653.28	600.04	554.98	297.24	(224.93)

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

GRAPH: PROFIT/(LOSS) FROM OPERATIONS

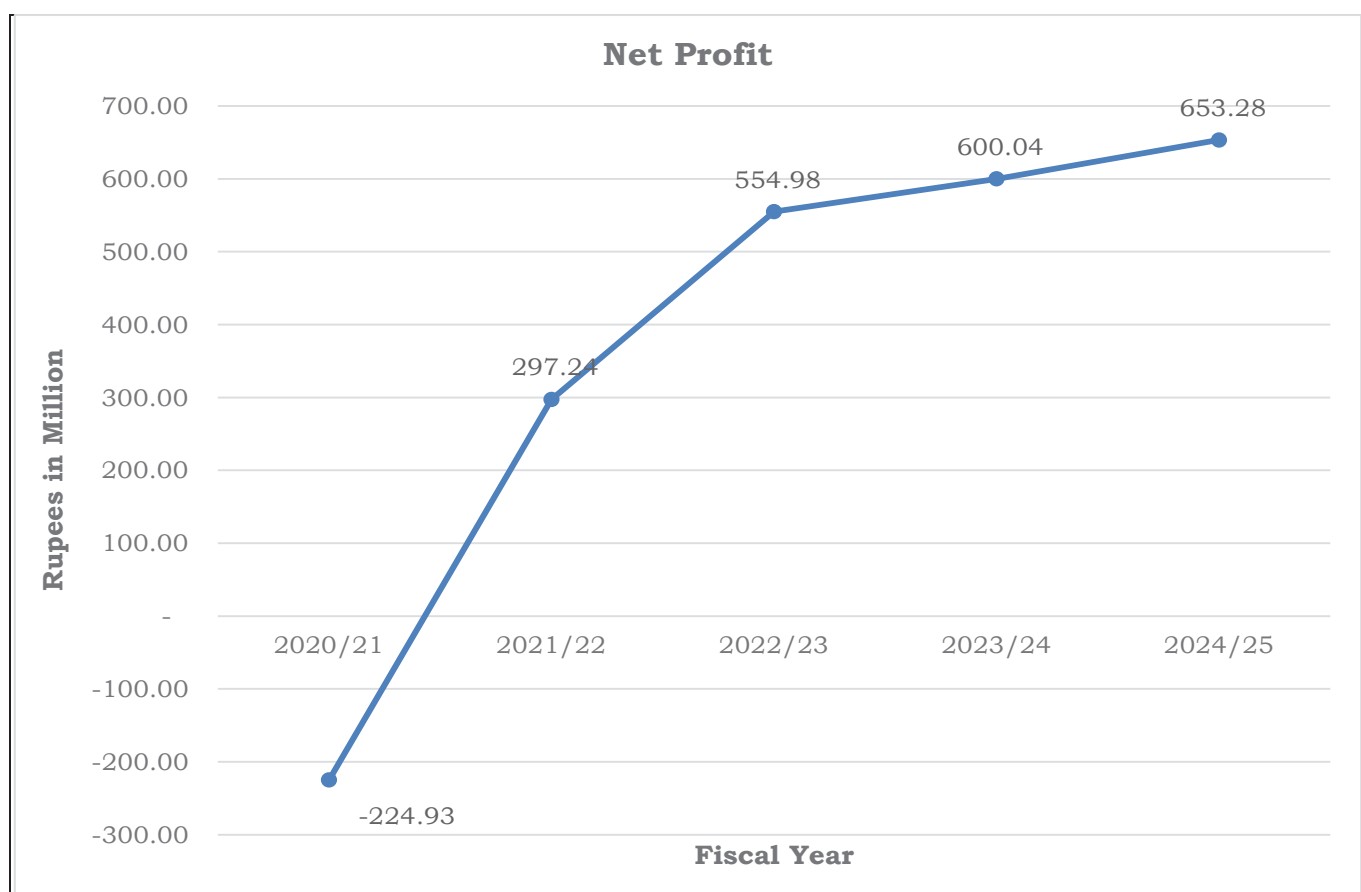
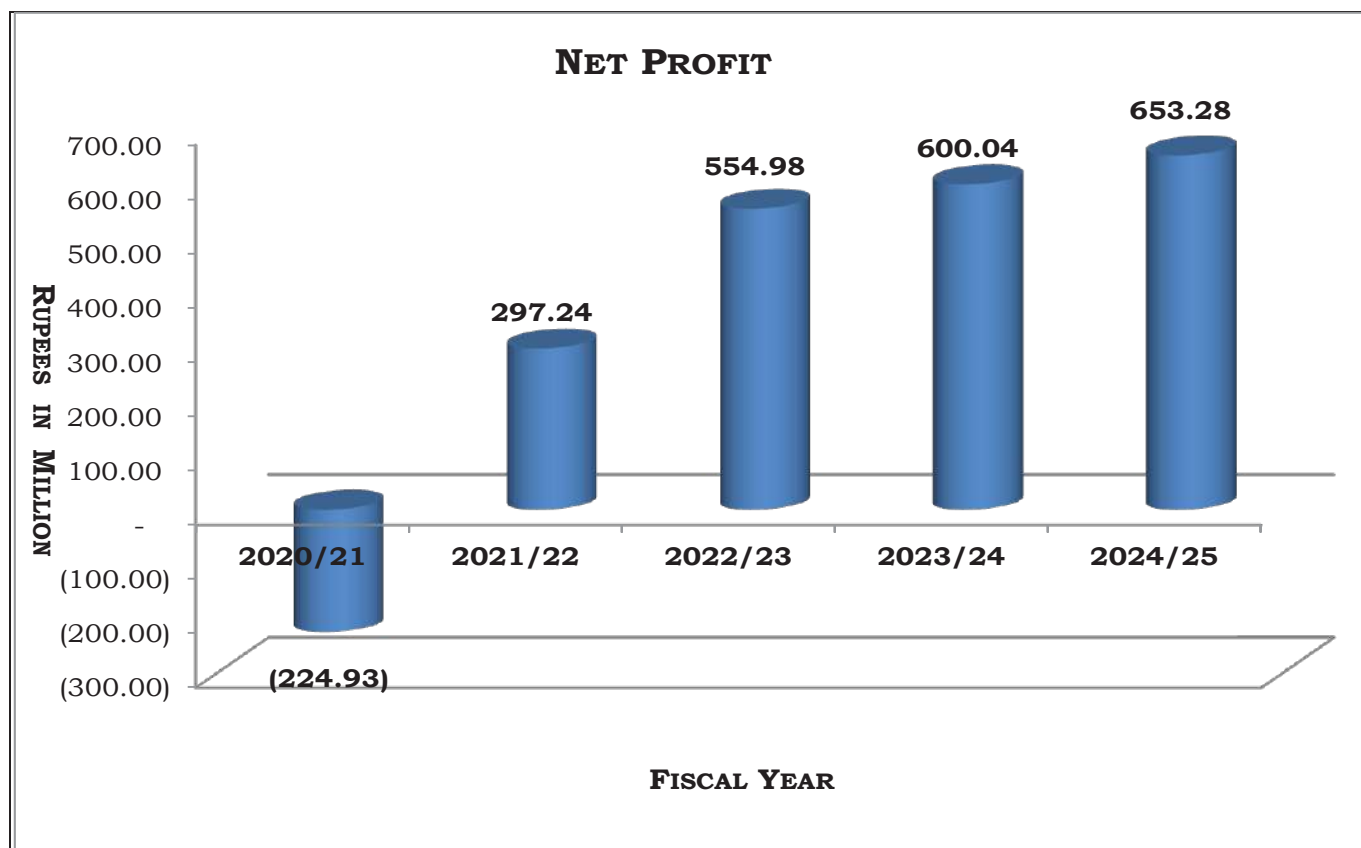
RUPEES IN MILLION





GRAPH: NET PROFIT

RUPEES IN MILLION

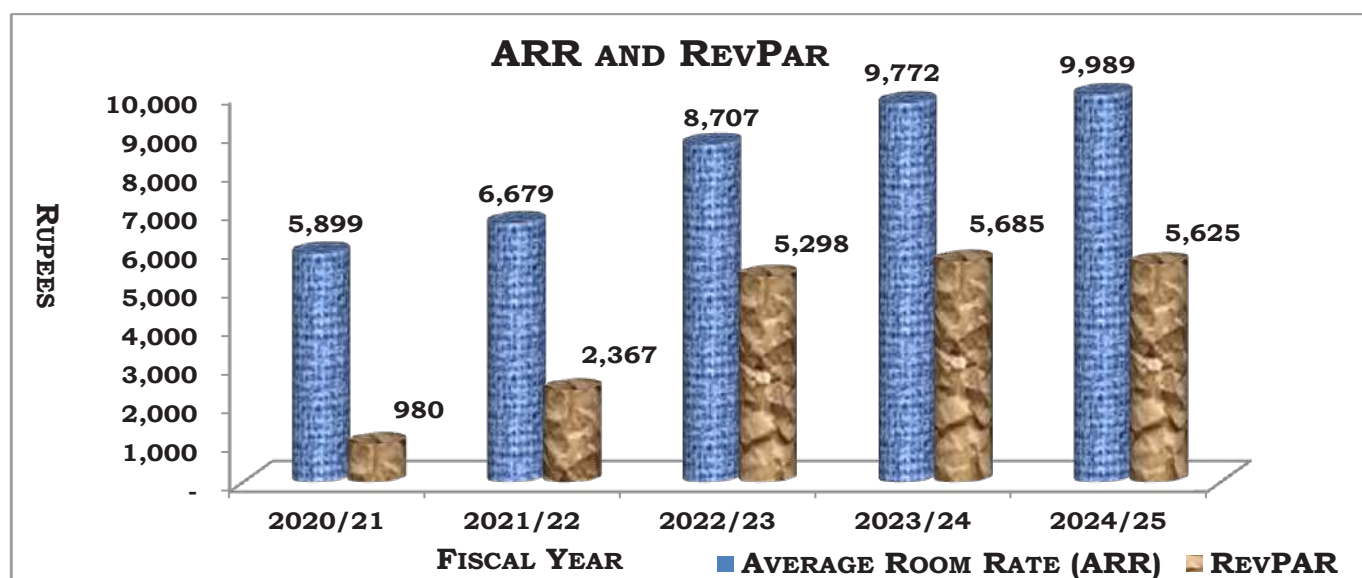


ROOM REVENUE, OCCUPANCY, AVERAGE ROOM RATE (ARR) AND RevPAR

PARTICULARS	FINANCIAL YEAR					INCREASE / (DECREASE) % (THIS FY VS LAST FY 2023/24)
	2024/25	2023/24	2022/23	2021/22	2020/21	
ROOM COUNT	285	285	285	285	161	-
ROOM REVENUE (RS. IN MILLIONS)	586.73	591.43	551.09	246.99	57.43	(0.79%)
ROOM AVAILABLE	104,310	104,025	104,025	104,355	58,604	0.27%
SALEABLE ROOM	104,310	104,025	104,025	104,355	58,604	0.27%
ROOM OCCUPIED	58,736	60,524	63,290	36,982	9,736	(2.95%)
OCCUPANCY PERCENTAGE	56.31%	58.18%	60.84%	35.44%	16.61%	(1.87%)
AVERAGE ROOM RATE (ARR) RS.	9,989	9,772	8,707	6,679	5,899	2.23%
REVPAR (REVENUE PER AVAILABLE ROOM) RS.	5,625	5,685	5,298	2,367	980	(1.06%)

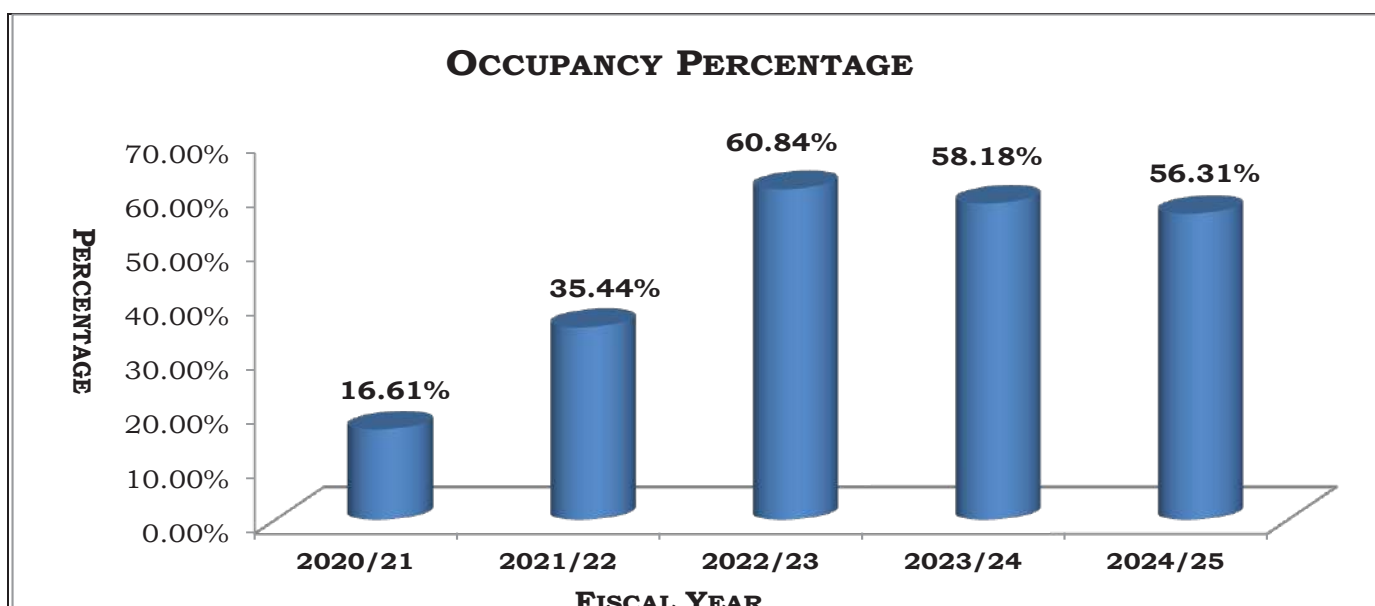
GRAPH- AVERAGE ROOM REVENUE (ARR) AND RevPAR

IN RUPEES



GRAPH - OCCUPANCY PERCENTAGE

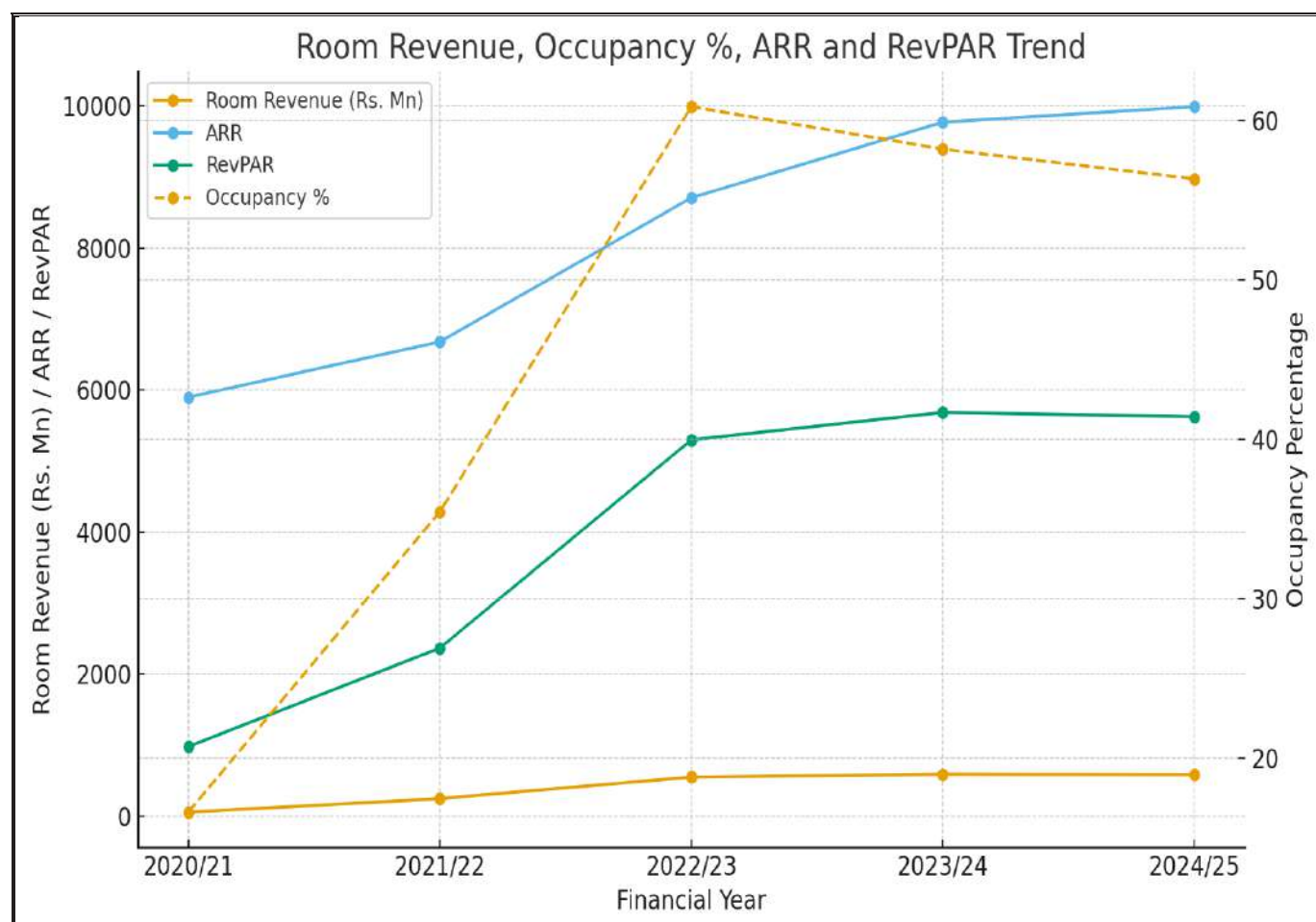
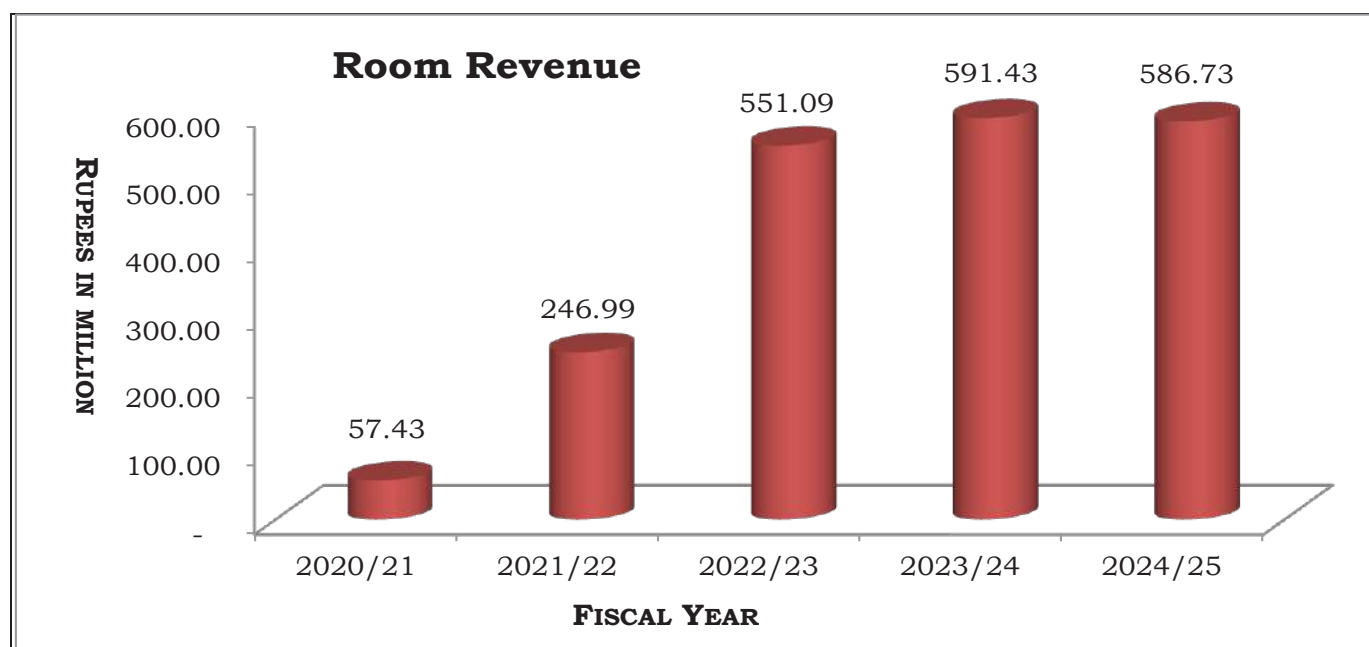
IN PERCENTAGE





GRAPH – ROOM REVENUE

RUPEES IN MILLION



FINANCIAL HIGHLIGHTS

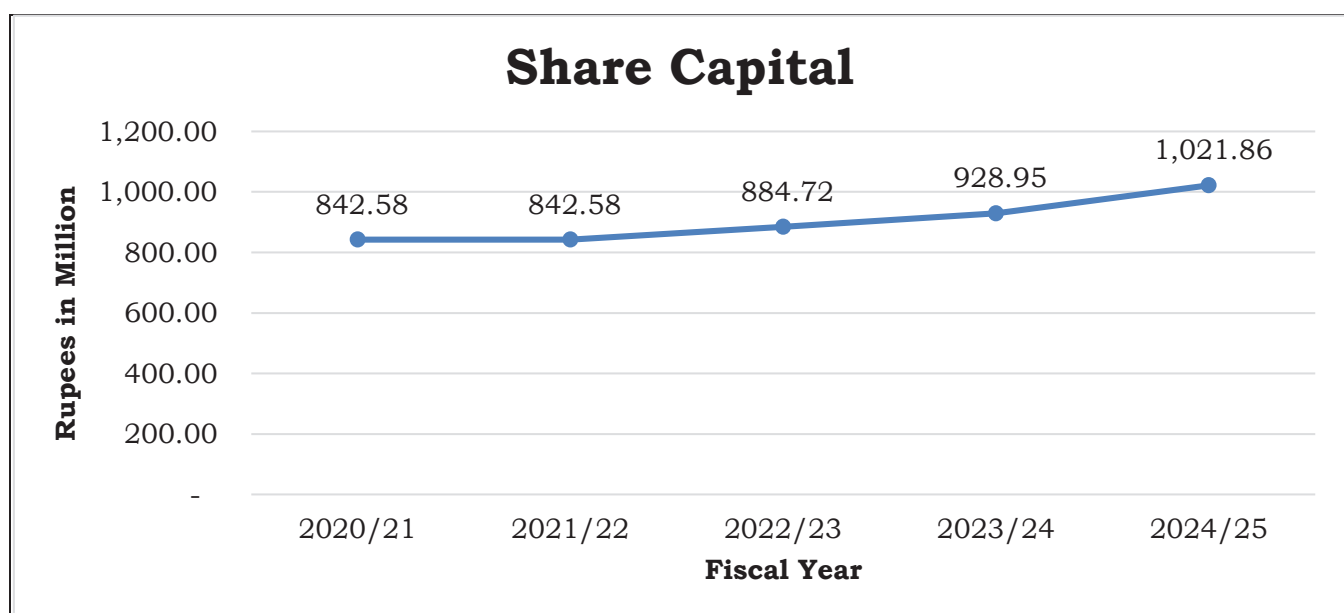
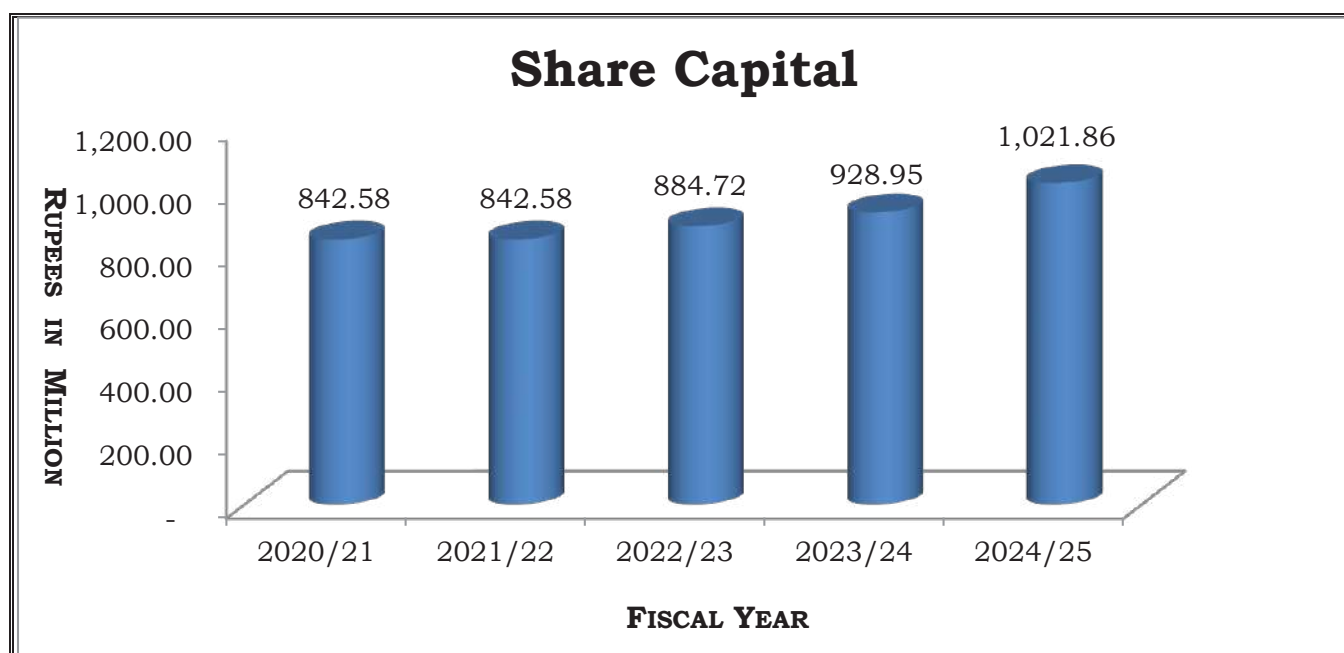
The following are the comparative figures which highlight the Company's performance for last five years: -

RUPEES IN MILLION

PARTICULARS	FINANCIAL YEAR					INCREASE / (DECREASE) % (THIS FY Vs LAST FY 2023/24)
	2024/25	2023/24	2022/23	2021/22	2020/21	
SHARE CAPITAL	1,021.86	928.95	884.72	842.58	842.58	10.00%
FIXED ASSETS GROSS BLOCK	4,466.40	3,789.47	3,281.28	2,909.57	2,826.83	17.86%
TOTAL REVENUE	2,773.91	2,498.42	2,254.63	1,369.12	453.93	11.03%
PROFIT FROM OPERATIONS	832.69	750.95	695.79	333.71	(172.49)	10.89%
NET PROFIT/ (LOSS)	653.28	600.04	554.98	297.24	(224.93)	8.87%

GRAPH – FINANCIAL HIGHLIGHTS SHARE CAPITAL

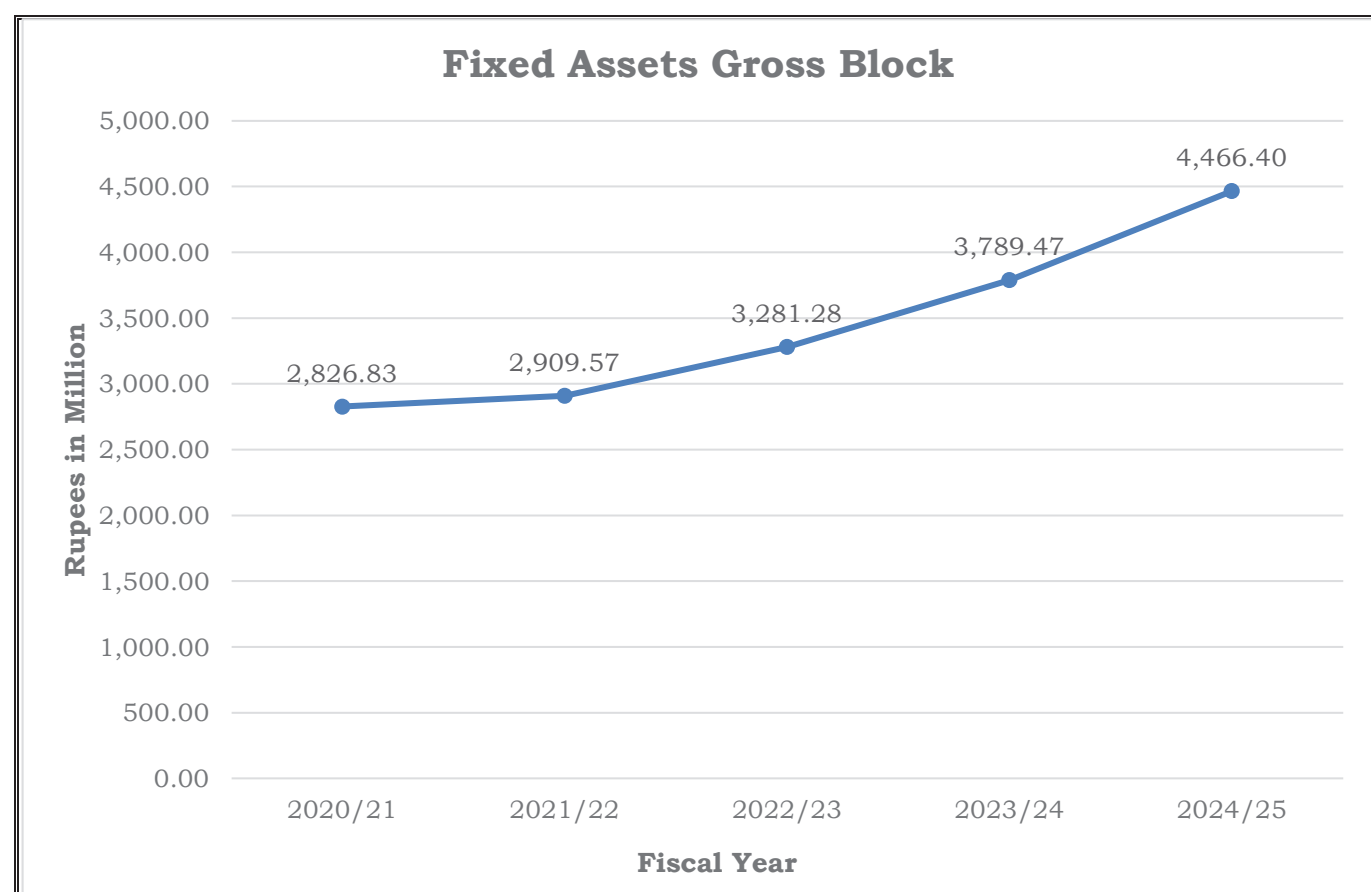
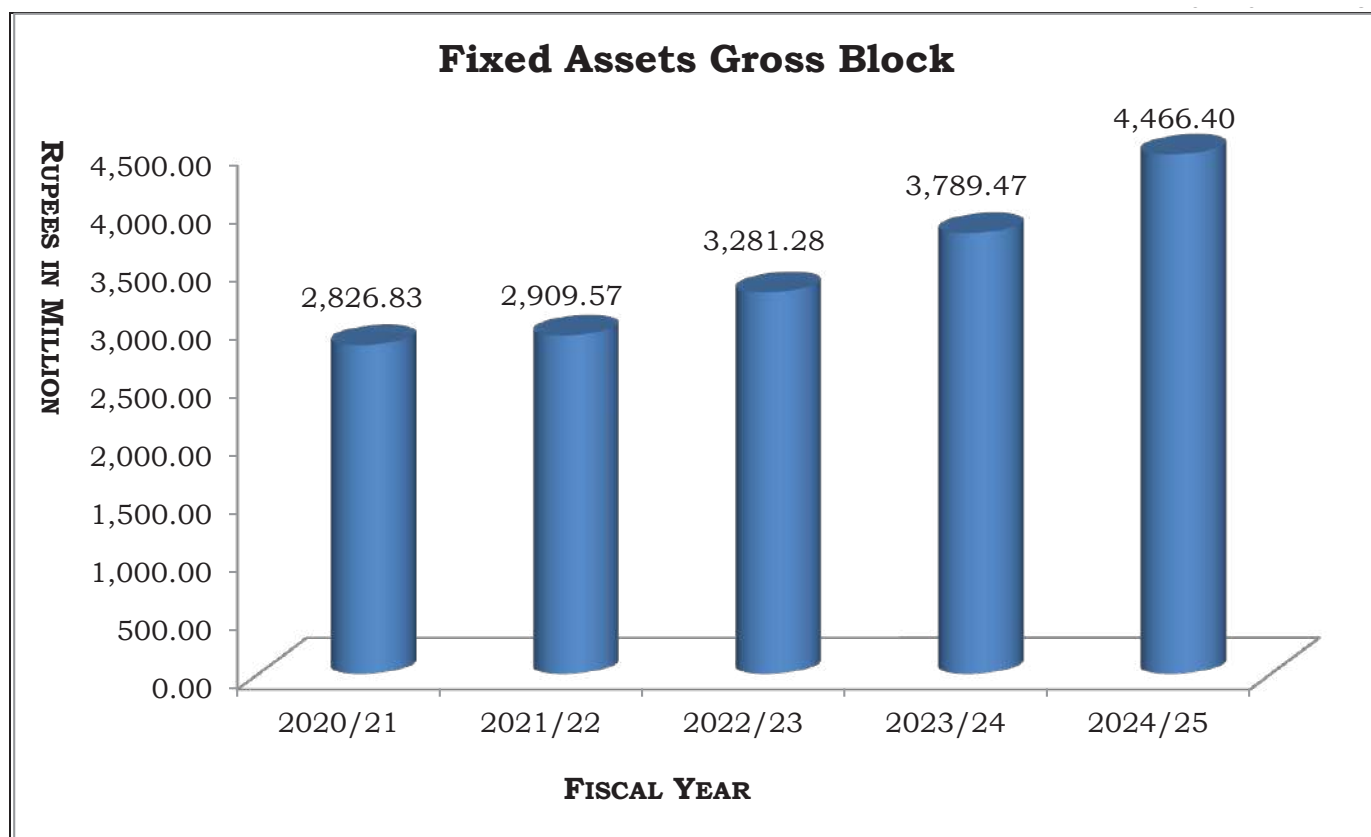
RUPEES IN MILLION





GRAPH: FINANCIAL HIGHLIGHTS – FIXED ASSETS GROSS BLOCK

RUPEES IN MILLION



FINANCIAL HIGHLIGHTS

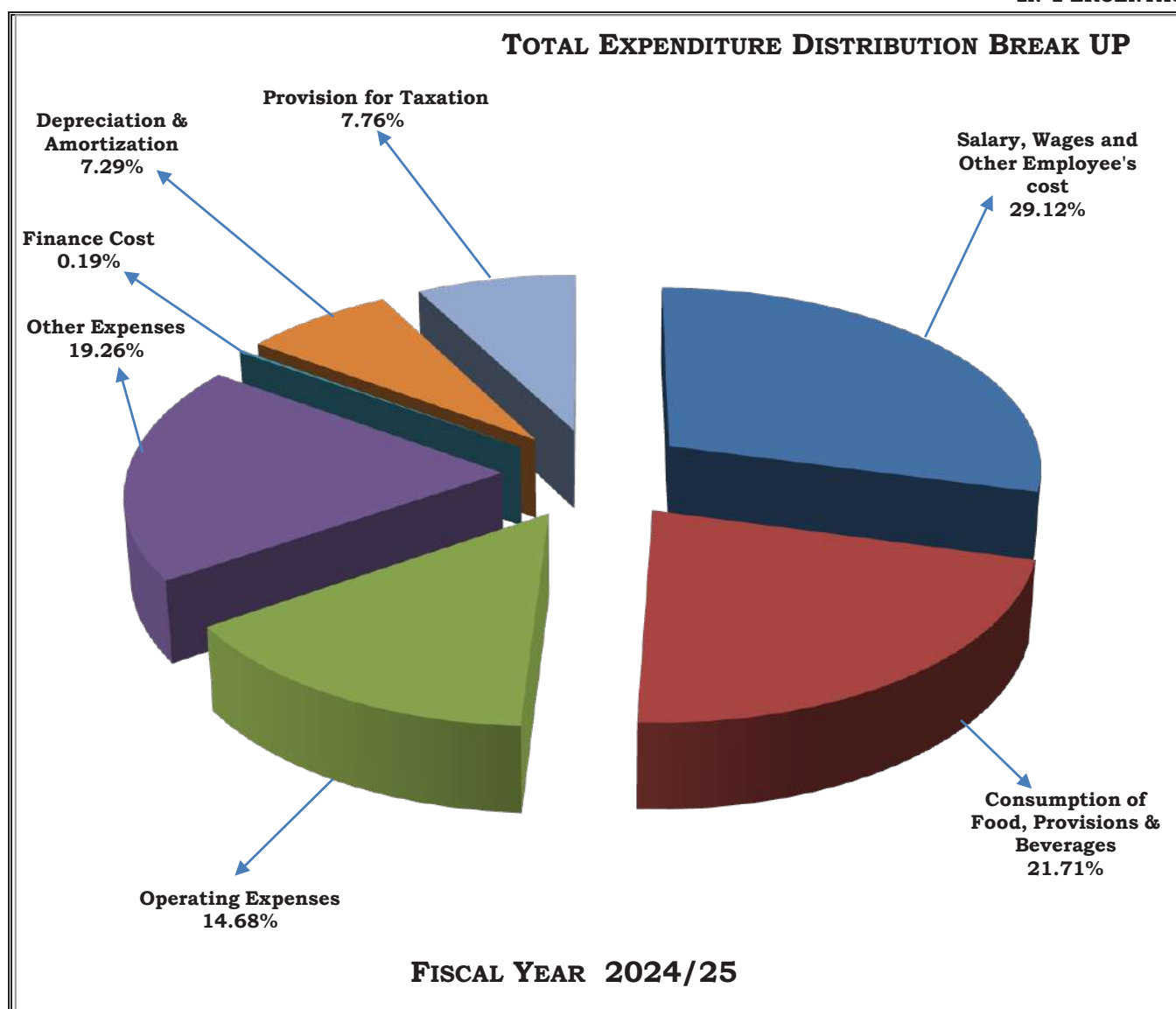
TOTAL EXPENDITURE DISTRIBUTION BREAK UP

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

PARTICULARS	CURRENT YEAR (2024/25)	
	RUPEES IN MILLION	PERCENTAGE (%) IN BREAK UP
SALARY, ALLOWANCES, WAGES & OTHER EMPLOYEES RELATED EXPENSES	613.99	29.12%
CONSUMPTION OF FOOD, PROVISIONS AND BEVERAGES	457.80	21.71%
OPERATING EXPENSES	309.46	14.68%
OTHER EXPENSES	406.14	19.26%
FINANCE COST	3.96	0.19%
DEPRECIATION & AMORTIZATION	153.82	7.29%
PROVISION FOR TAXATION	163.61	7.76%
TOTAL EXPENDITURE	2,108.79	100.00%

GRAPH: FINANCIAL HIGHLIGHTS –DISTRIBUTION BREAK UP OF TOTAL EXPENSES

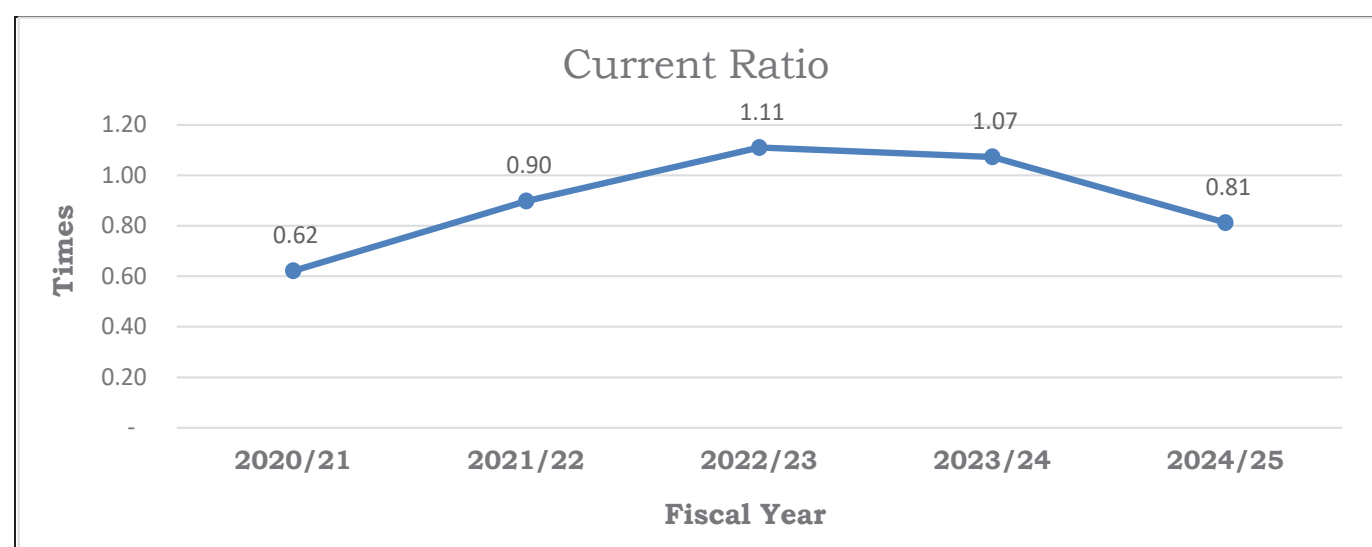
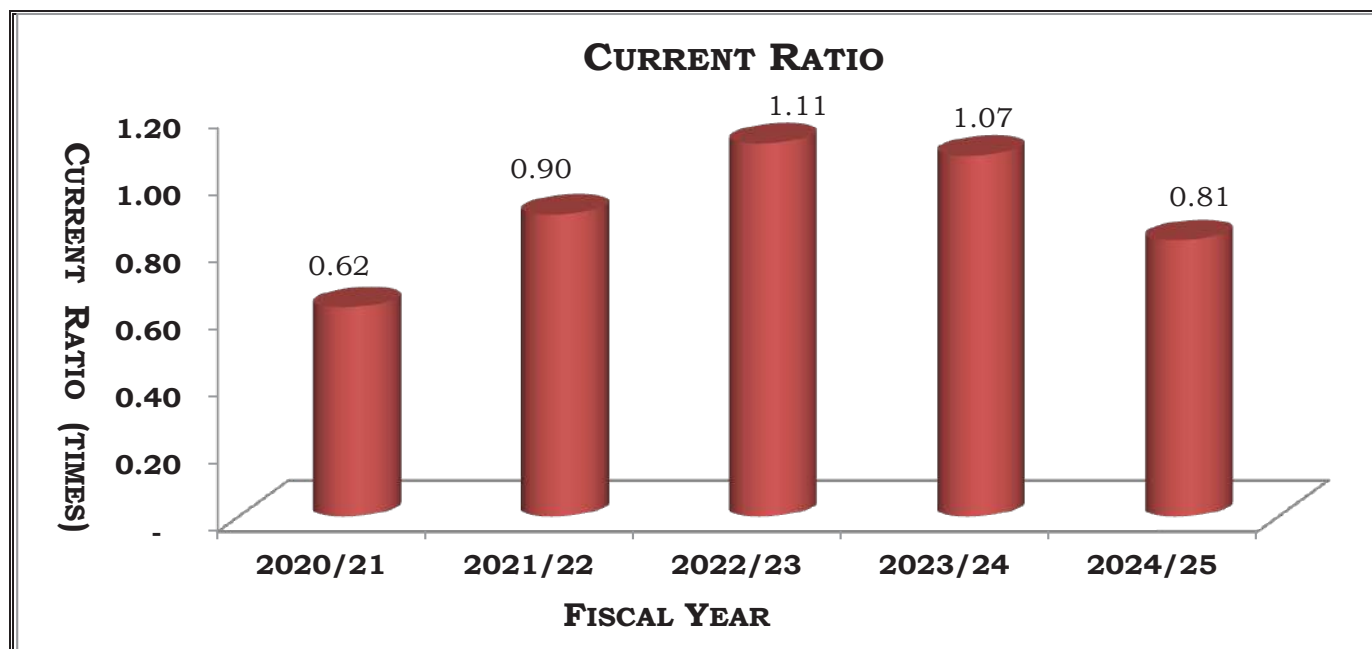
IN PERCENTAGE



**MAJOR FINANCIAL INDICATORS**

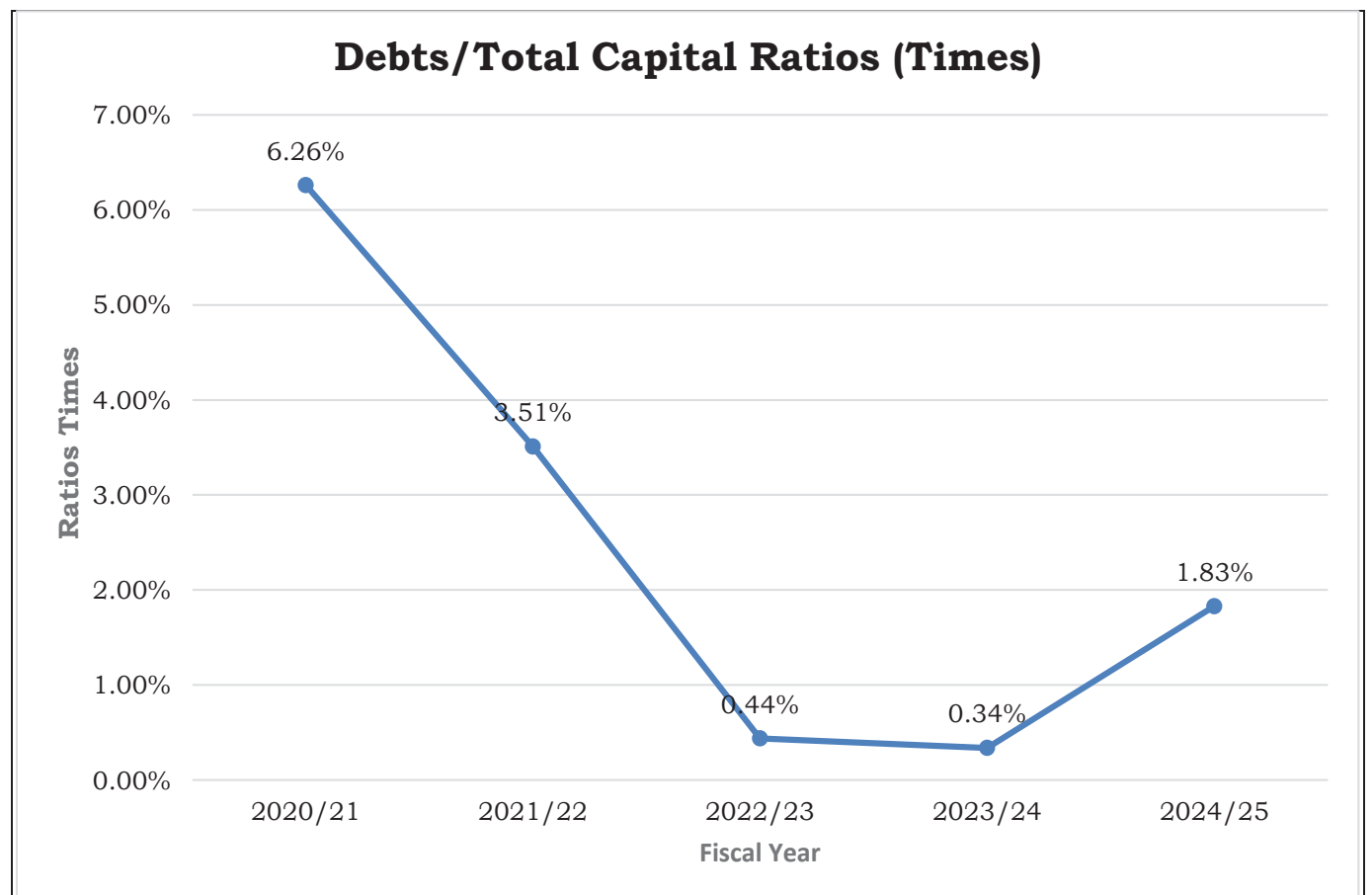
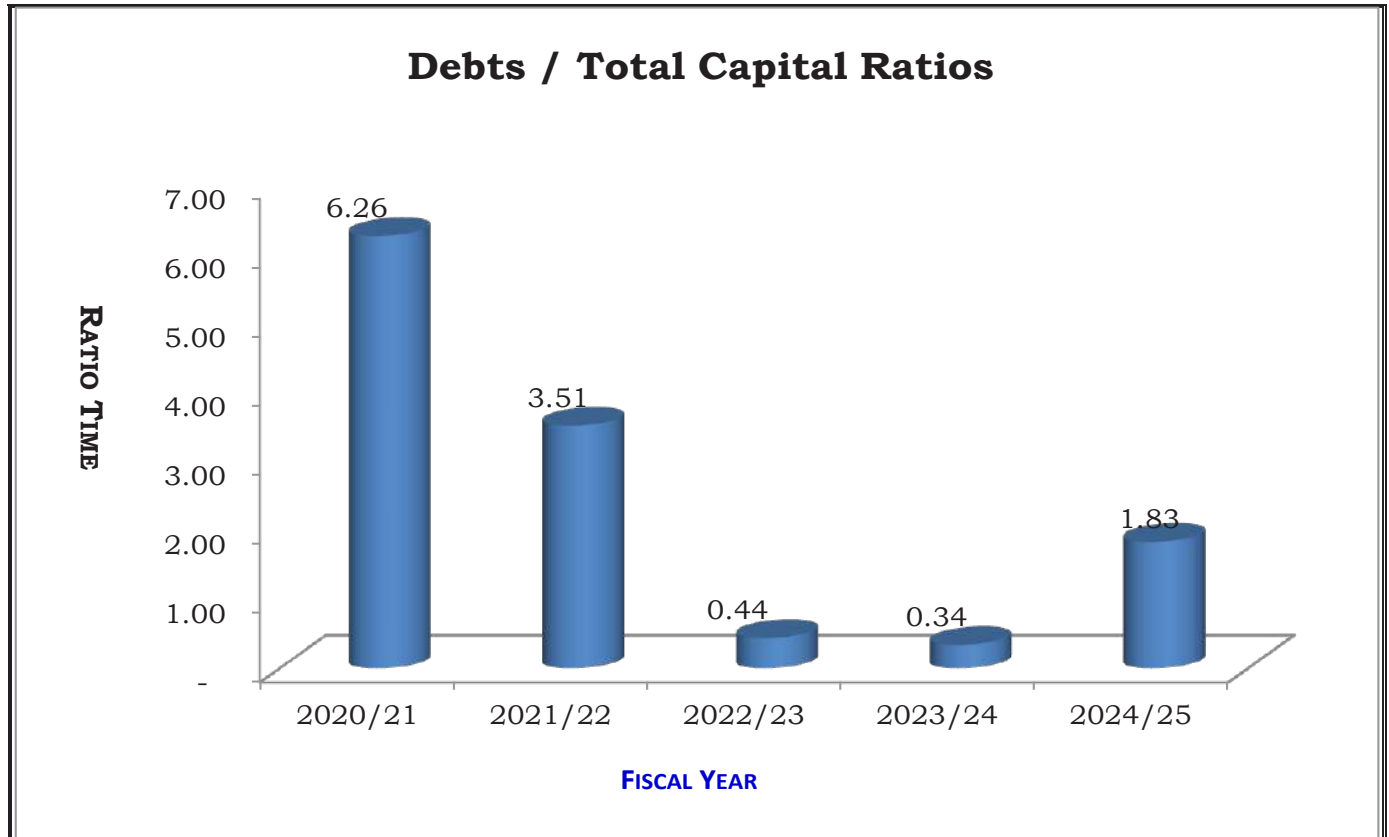
The following are the comparative figures for major Financial Indicators which show the performance of the Company for last five years: -

PARTICULARS	FINANCIAL YEAR				
	2024/25	2023/24	2022/23	2021/22	2020/21
DEBT EQUITY RATIO	0.02	0.01	0.01	0.04	0.07
RETURN ON EQUITY SHAREHOLDERS FUND	0.24	0.25	0.26	0.17	(0.16)
EARNINGS PER SHARE (RS)	6.39	6.46	6.27	3.53	(2.67)
NET WORTH PER SHARE (RS)	27.01	25.46	23.81	20.52	17.00
GROSS ASSETS VALUE PER SHARE (RS)	36.37	33.92	31.96	29.07	26.06
MARKET VALUE PER SHARE (SHARE OF RS.10 EACH)	577.58	442.00	485.00	202.50	262.00
PRICE EARNINGS RATIO (TIMES)	90.35	68.43	77.32	57.40	(98.14)
CURRENT RATIO	0.81	1.07	1.11	0.90	0.62
DEBTS/CAPITAL EMPLOYED RATIO (TIMES)	1.83	0.34	0.44	3.51	6.26

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

GRAPH: FINANCIAL HIGHLIGHTS – DEBTS / TOTAL CAPITAL RATIO

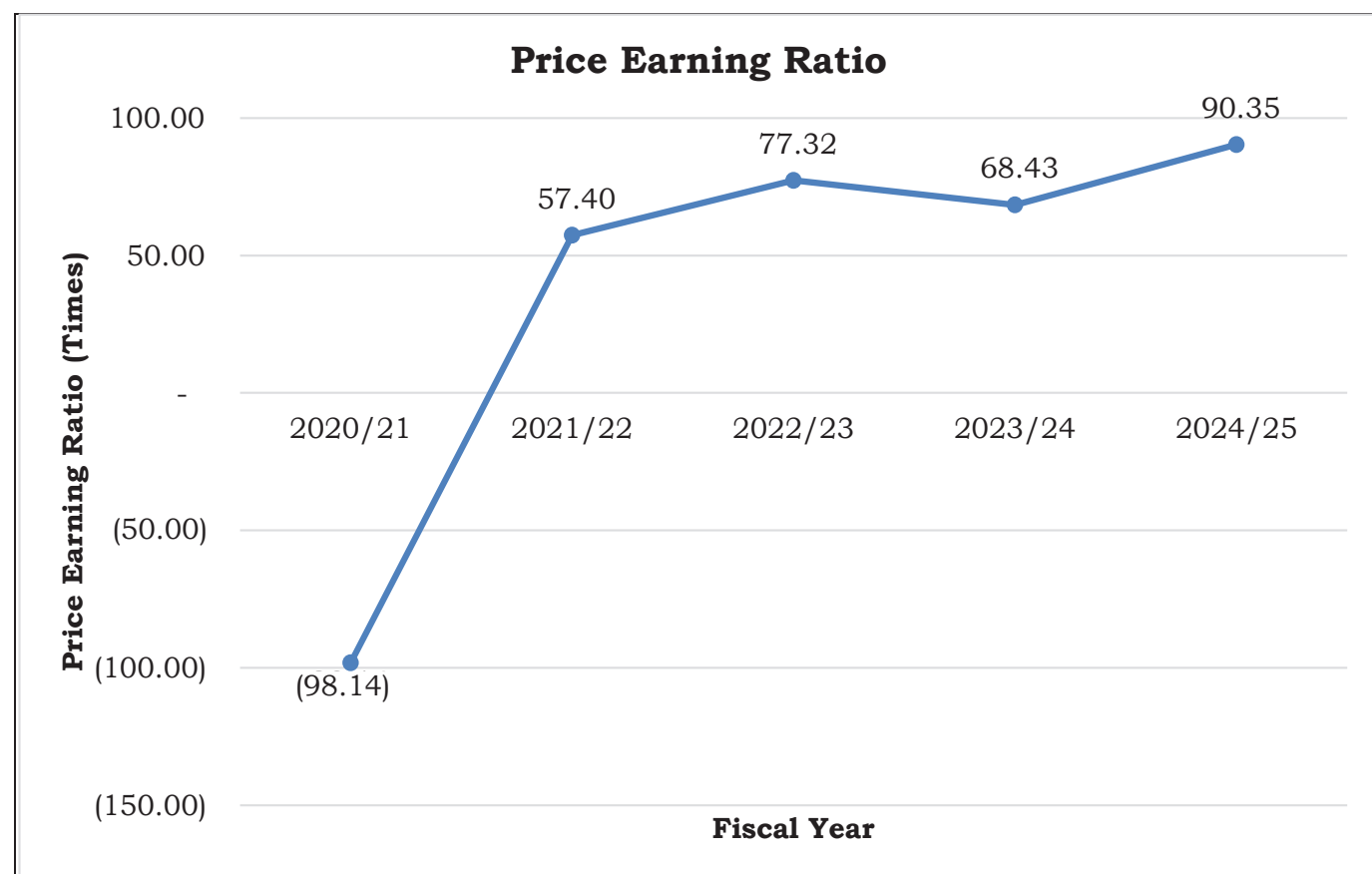
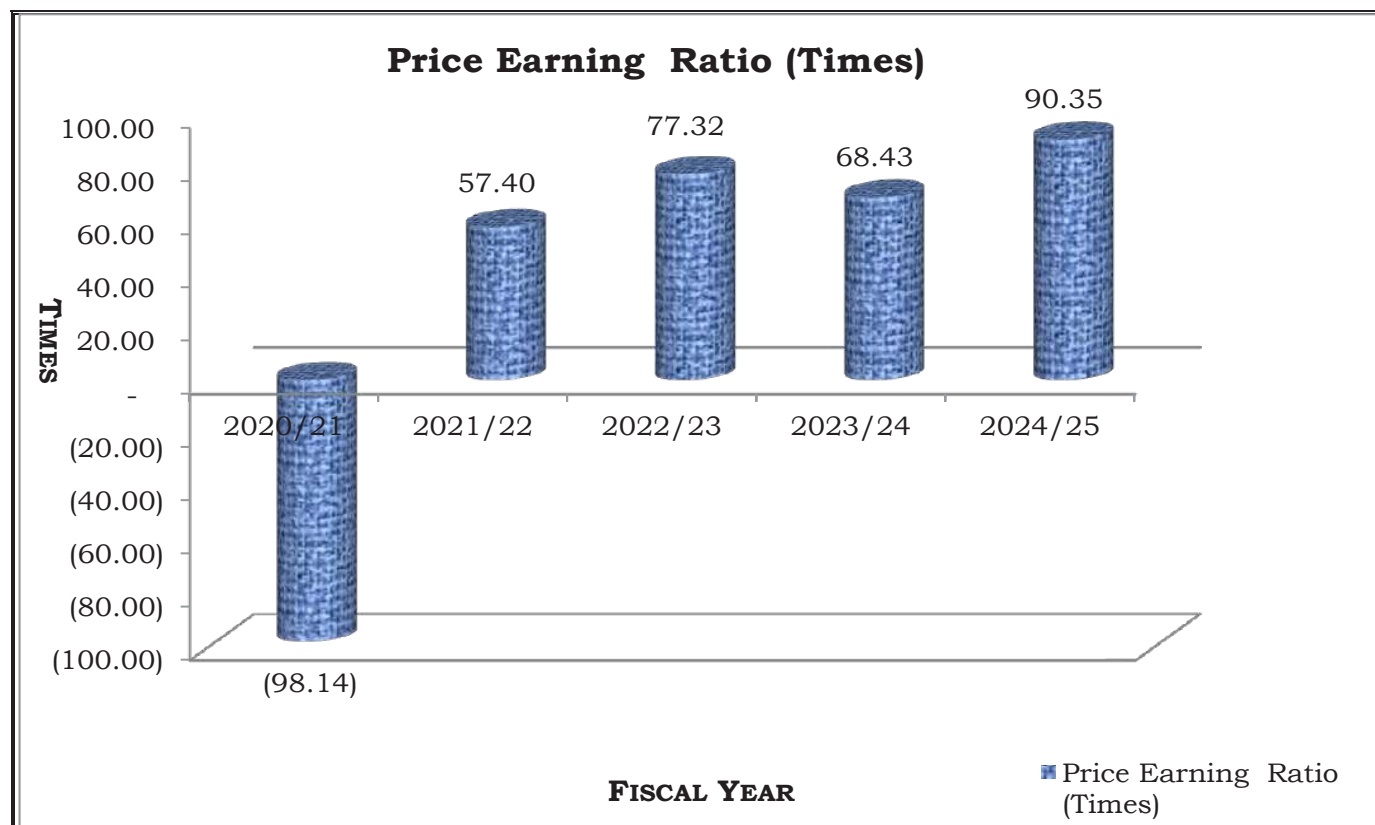
IN TIMES





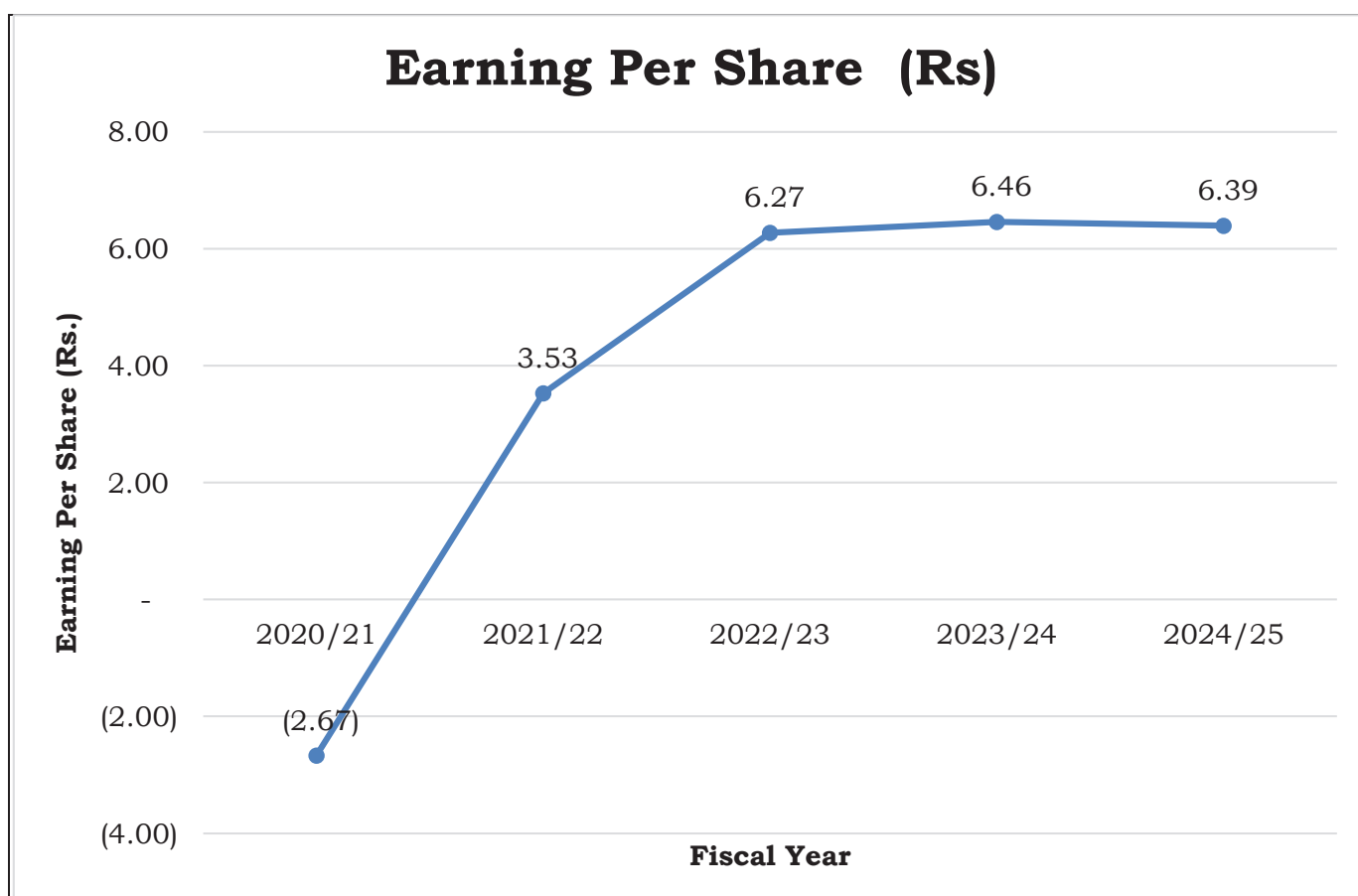
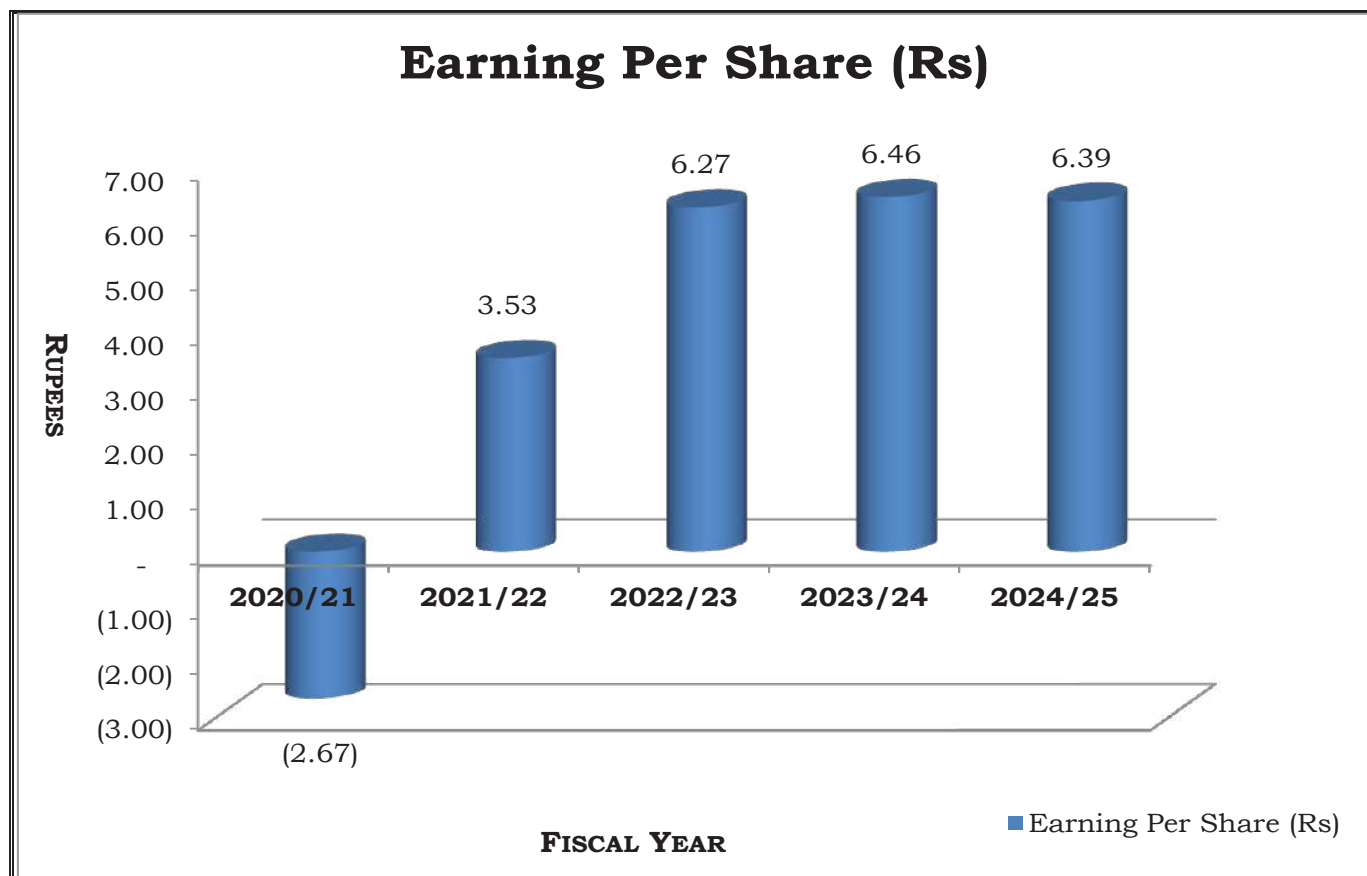
GRAPH: FINANCIAL HIGHLIGHTS – PRICE EARNINGS RATIO

IN TIMES



GRAPH: FINANCIAL HIGHLIGHTS – EARNINGS PER SHARE

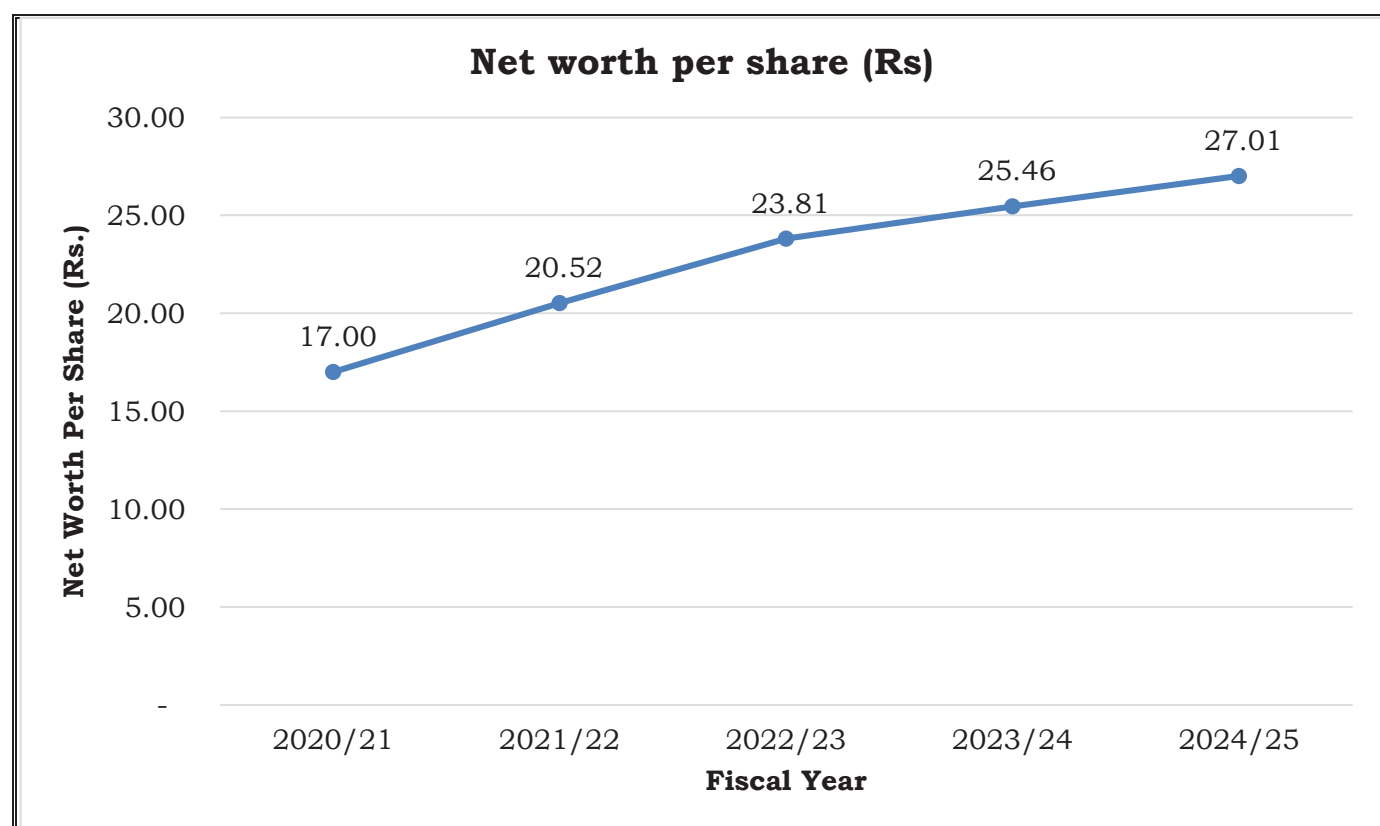
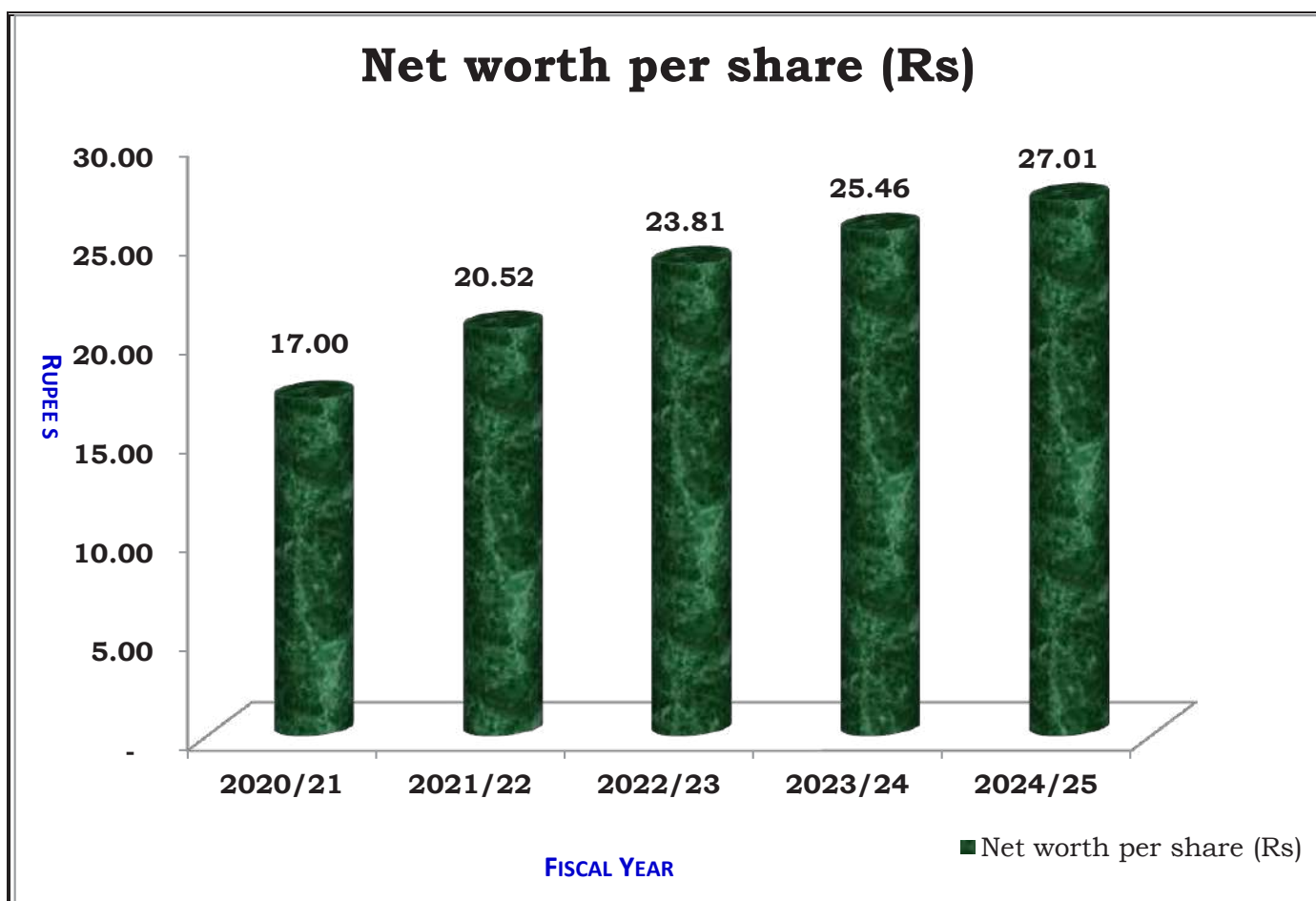
IN RUPEES





GRAPH: FINANCIAL HIGHLIGHTS – NET WORTH PER SHARE

IN RUPEES



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

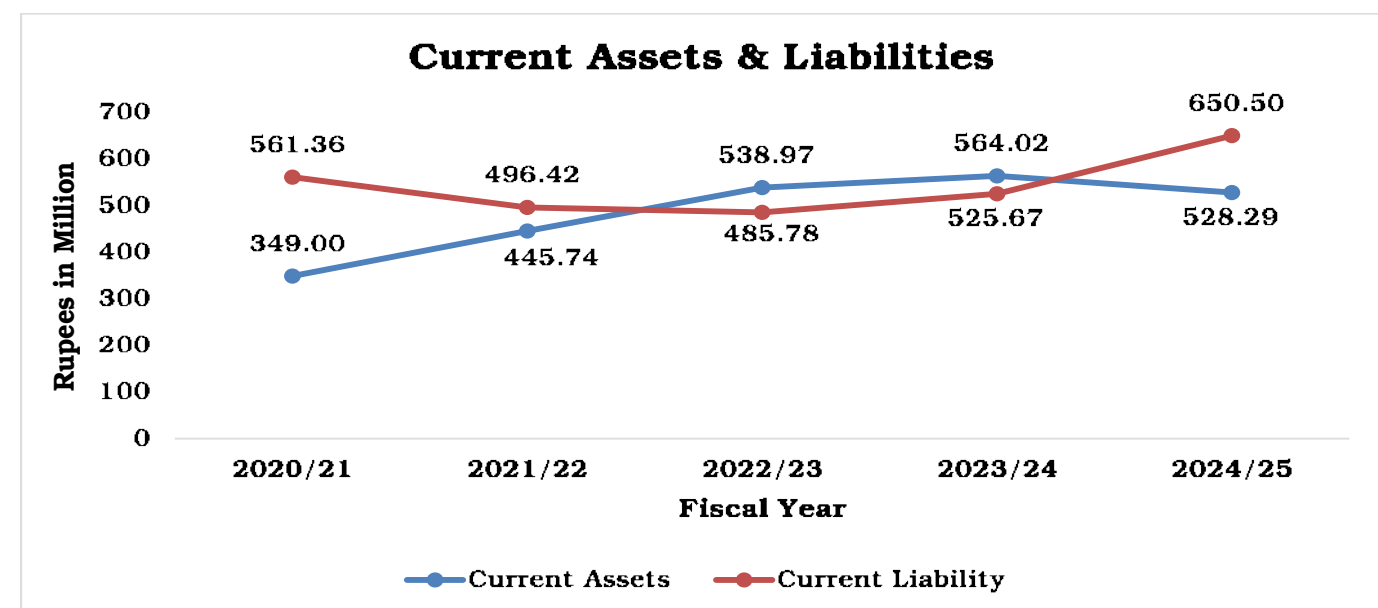
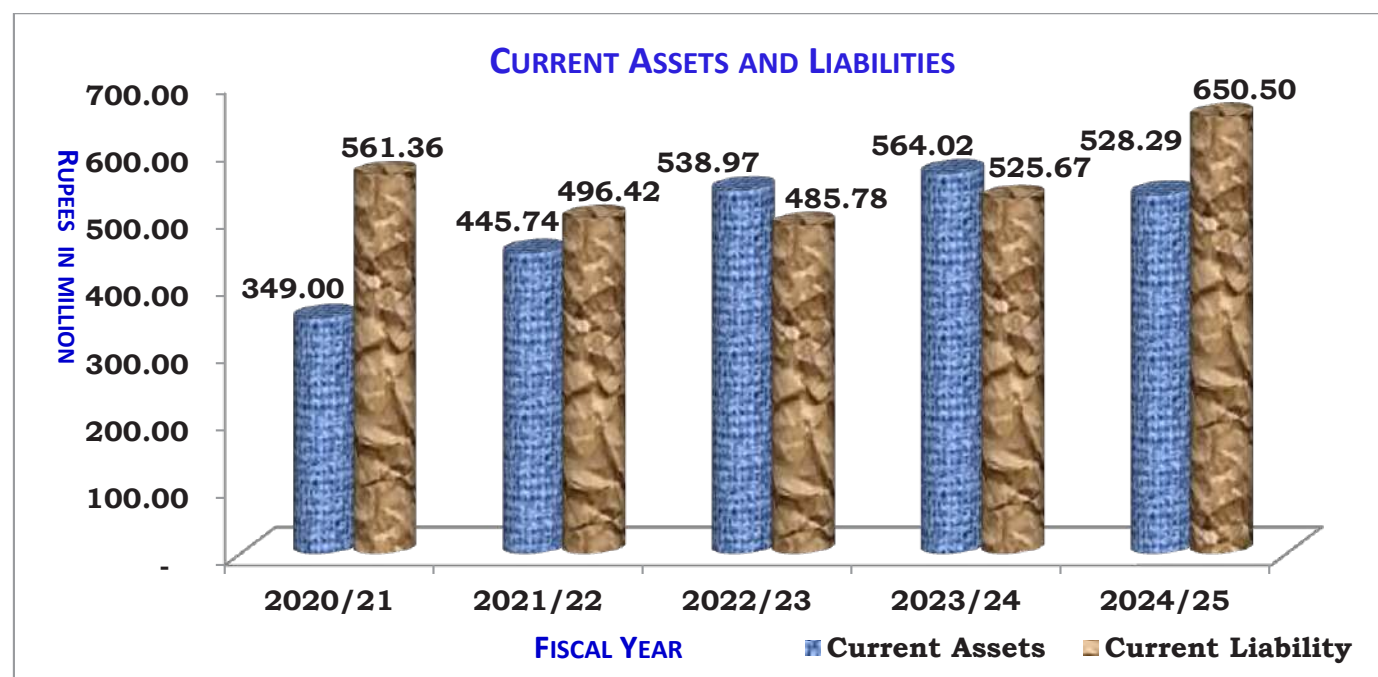
The Debts and total capital employed in the Company for last five years are enlisted below with a comparison on current ratio which shows the Company's ability to meet its current obligations: -

RUPEES IN MILLION

PARTICULARS	FINANCIAL YEAR				
	2024/25	2023/24	2022/23	2021/22	2020/21
CURRENT ASSETS	528.29	564.02	538.97	445.74	349.00
CURRENT LIABILITY	650.50	525.67	485.78	496.42	561.36
DEBTS	51.46	8.00	9.24	62.99	95.70
TOTAL EQUITY	2,760.02	2,364.98	2,106.41	1,729.32	1,432.24
CAPITAL EMPLOYED (CE) (SHARE CAPITAL + RESERVES + DEBTS)	2,811.48	2,372.98	2,115.65	1,792.32	1,527.95

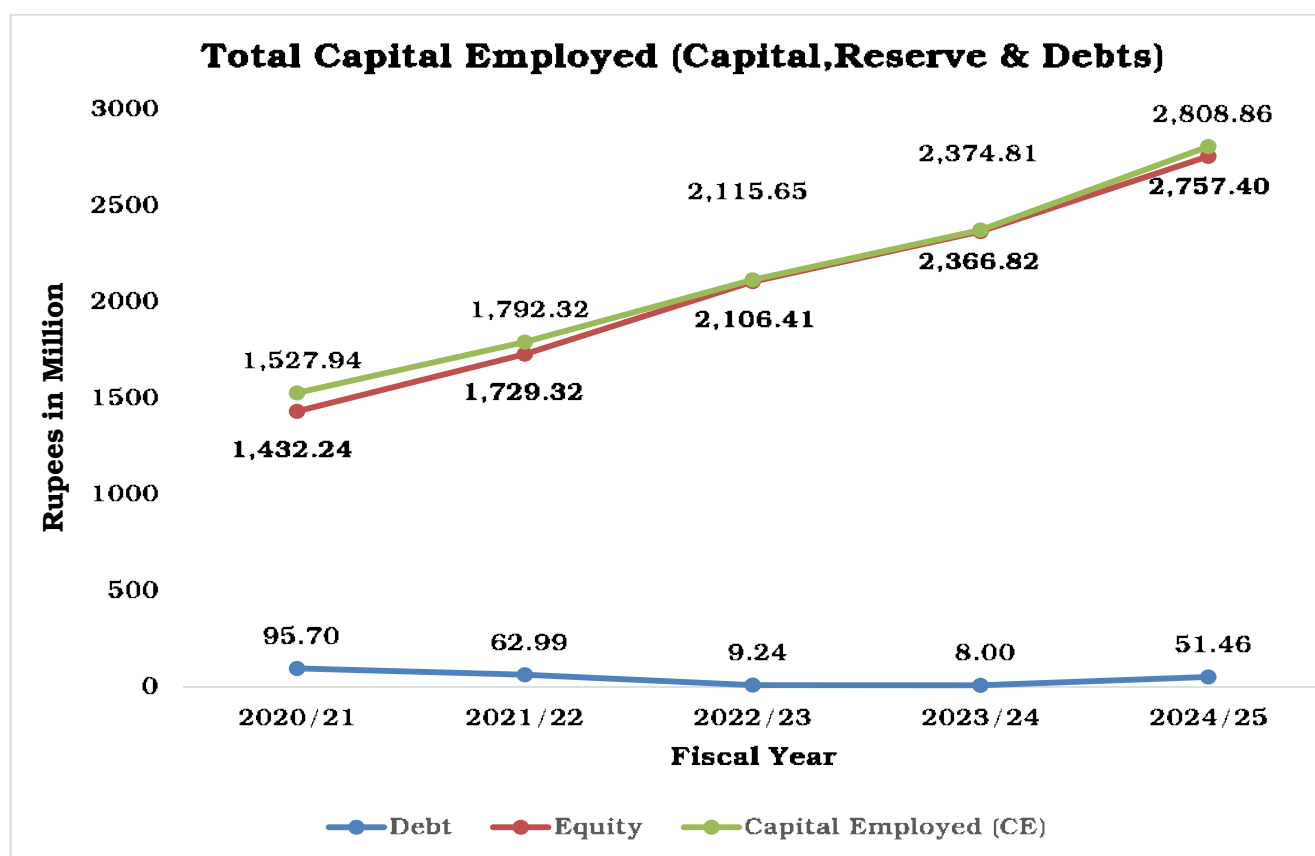
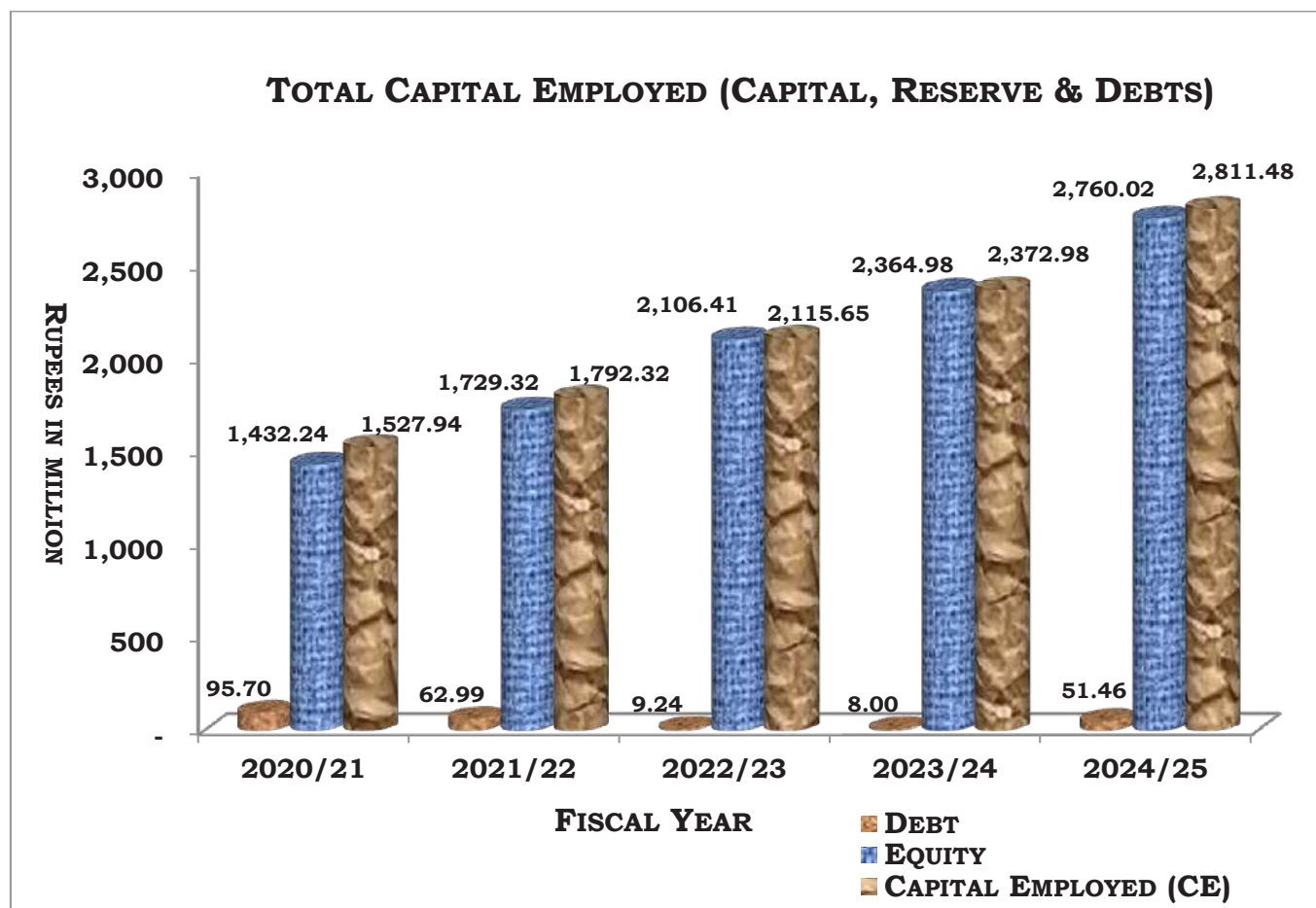
GRAPH: FINANCIAL HIGHLIGHTS – CURRENT ASSETS AND LIABILITIES

RUPEES IN MILLION



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

RUPEES IN MILLION

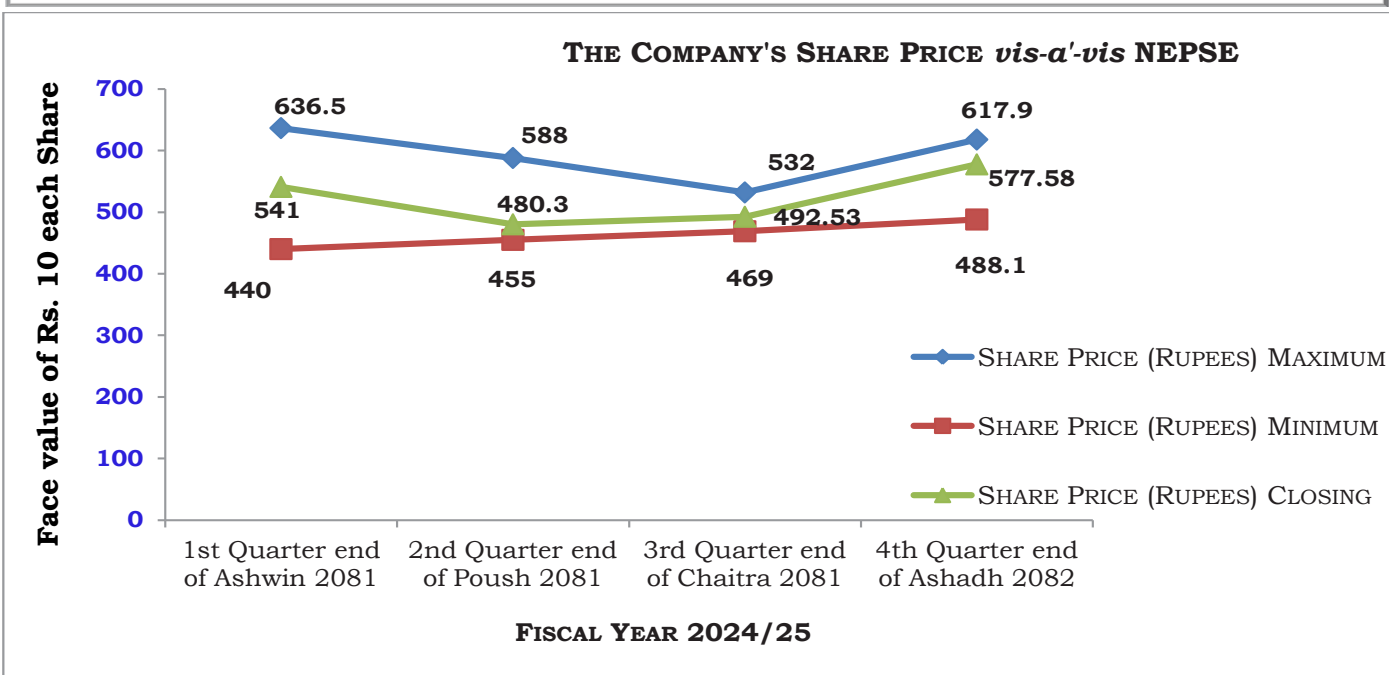
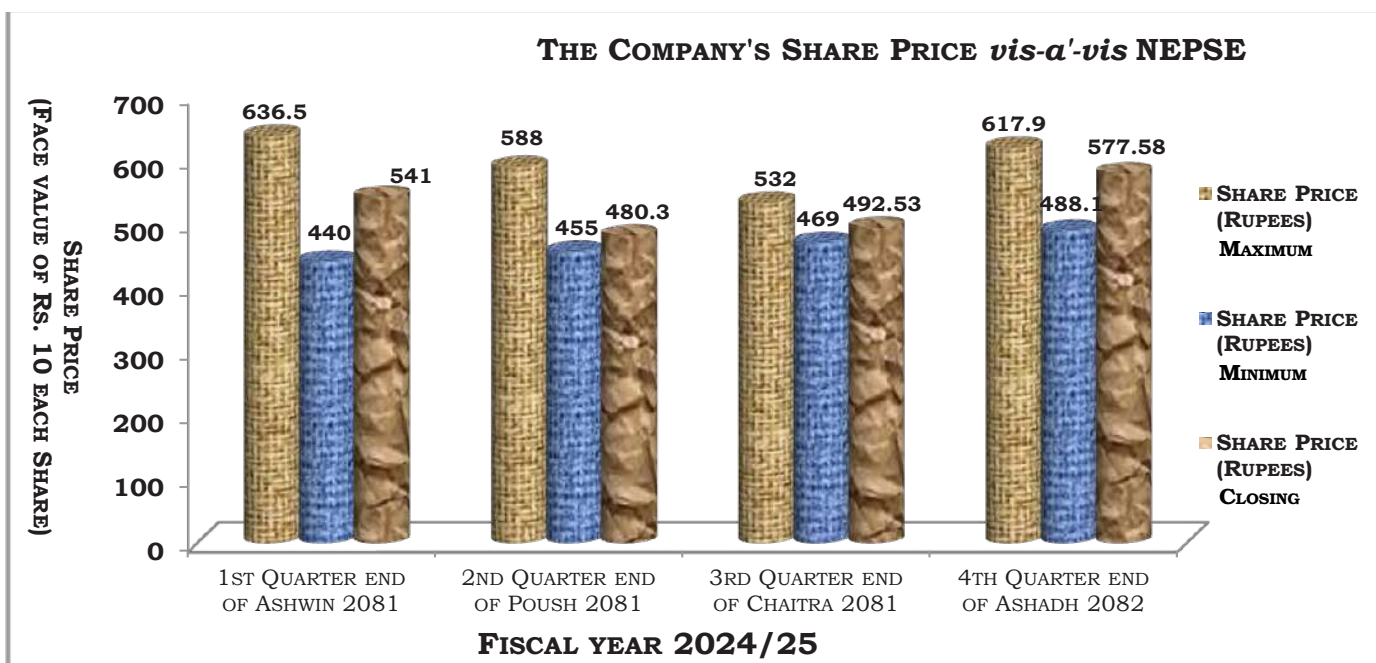


ANALYSIS OF SHARE TRANSACTIONS

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 2024/25	SHARE PRICE (FACE VALUE OF RS. 10 EACH SHARE)			TOTAL NUMBER OF		
	MAXIMUM	MINIMUM	CLOSING	TRADING DAYS	TRANSACTIONS	TRANSACTED SHARES
1ST QUARTER (END OF ASHWIN 2081)	636.50	440.00	541.00	57	37,224	11,520,290
2ND QUARTER (END OF POUSH 2081)	588.00	455.00	480.30	55	13,720	3,561,412
3RD QUARTER (END OF CHAITRA 2081)	532.00	469.00	492.53	56	9,654	2,594,191
4TH QUARTER (END OF ASHADH 2082)	617.90	488.10	577.58	63	34,064	13,136,650
Total				231	94,662	30,812,543

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

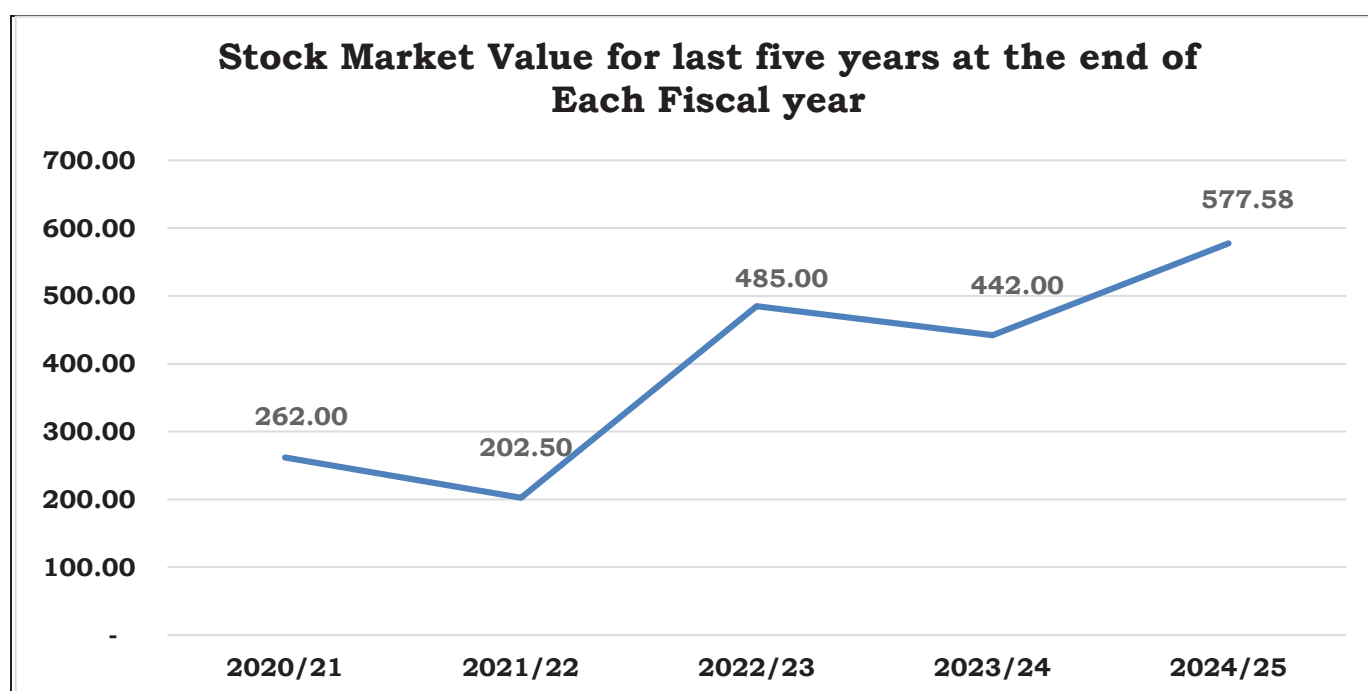
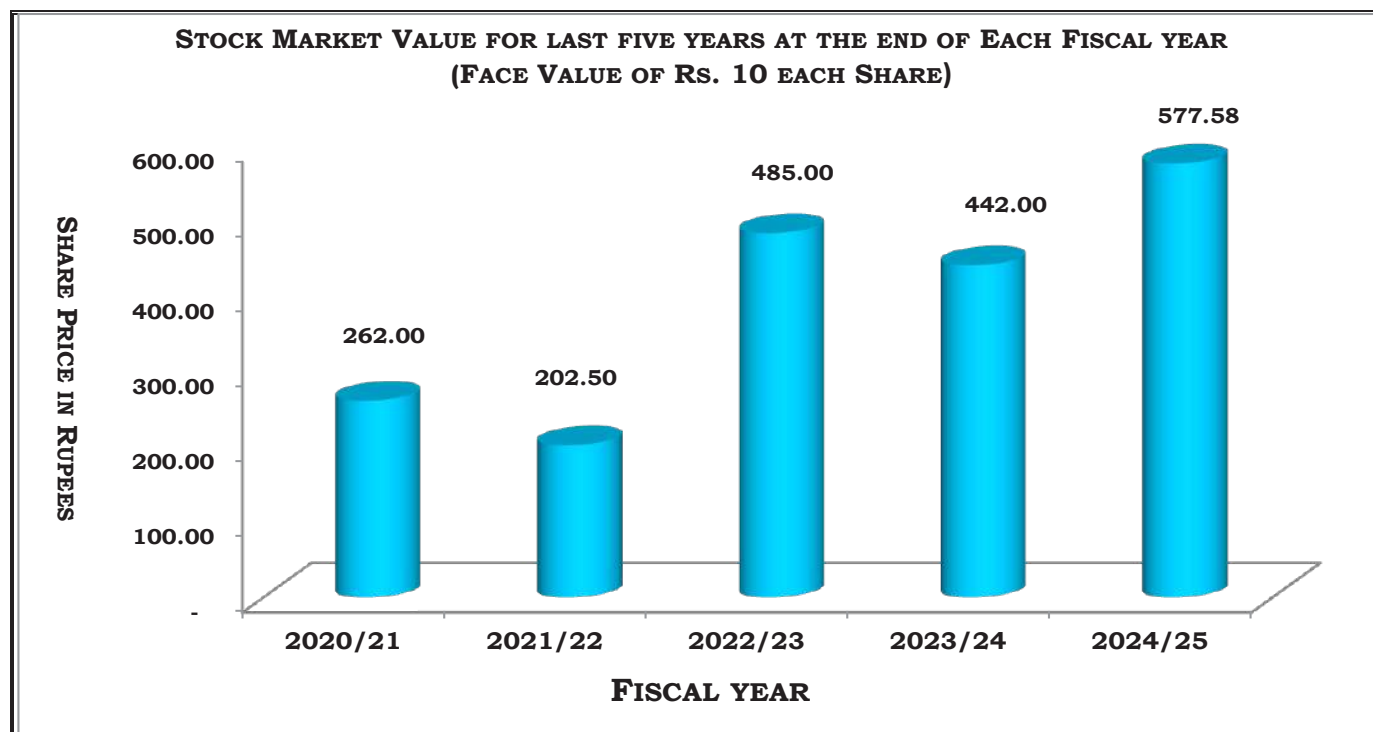


**STOCK MARKET VALUE PER SHARE FOR LAST FIVE YEARS AT THE END OF FINANCIAL YEAR**

FINANCIAL YEAR	MARKET VALUE PER SHARE (RS)
2020/21	262.00
2021/22	202.50
2022/23	485.00
2023/24	442.00
2024/25	577.58

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

IN RUPEES



J. B. Rajbhandary & DiBins

CHARTERED ACCOUNTANTS

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Web: www.jbrdbins.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 32nd Ashad 2082 (16th July 2025) and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity 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 32nd Ashad 2082 (16th July 2025), 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.	Revenue Recognition (refer Note 2.2.16 "Revenue" and Note 3.16 of the consolidated financial statement) 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. 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. Therefore, there is significant risk in accuracy of recognition, measurement, presentation and disclosures of revenues because of timing and appropriateness relative to	Our audit procedures included the following: - 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. - 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. - 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. - Performed detailed analysis of revenue, analytical testing with sales information filed with tax authorities, testing the timing

Page 1 of 4





	underlying service conditions. Hence, we have identified revenue recognition as Key Audit Matter	of its recognition and accuracy of amounts recognized and verification of the supporting information of the revenue transactions. Evaluated the adequacy of disclosures in the financial statements.
2.	General Controls in IT Environment 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.	Our audit procedures included the following: - 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. - Evaluated whether IT guidelines have been formulated and assess the contracts with the IT vendor. - 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.

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.272.26 million and net assets of Rs.271 million as at July 16,2025 and net profit of Rs.3.61 million and net cash outflows amounting to Rs.0.58 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 is 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 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.

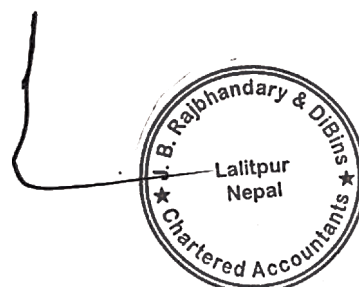
As part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- 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:

- 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 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.
- 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 the Group or acted in a manner to jeopardize the interest and security of the Group.

The stamp is circular with the text "B. Rajbhandary & Co." at the top, "Lalitpur Nepal" in the center, and "Chartered Accountants" at the bottom.

CA Jitendra B. Rajbhandary
Senior Partner
COP: 25
Place: Kathmandu
Date: 11th Kartik 2082 (28th October 2025)
UDIN: 251028CA000149JyHh

SOALTEE HOTEL LIMITED

Consolidated Statement of Financial Position

As at 32 Ashad 2082 (16 July 2025)

Amount in Rs.

Particulars	Note	Hotel		Group	
		As At	As At	As At	As At
		Ashad 32, 2082 (July 16, 2025)	Ashad 31, 2081 (July 15, 2024)	Ashad 32, 2082 (July 16, 2025)	Ashad 31, 2081 (July 15, 2024)
ASSETS					
Non-Current Assets:					
Property, Plant and Equipment	3.1	2,770,729,113	2,193,754,170	2,770,729,113	2,193,754,170
Intangible Assets	3.2	16,453,799	49,612	16,453,799	49,612
Investment Property	3.3	87,285,111	89,383,825	87,285,111	89,383,825
Investments	3.5	286,927,201	281,276,188	286,127,201	280,476,188
Trade and Other Receivables	3.6	27,055,797	22,899,490	27,055,797	22,899,490
Total Non-Current Assets		3,188,451,021	2,587,363,285	3,187,651,021	2,586,563,285
Current Assets:					
Inventories	3.7	129,911,034	131,237,015	129,911,034	131,237,015
Trade and Other Receivables	3.6	327,047,468	307,900,732	334,185,454	310,894,572
Prepayments		10,565,026	22,968,794	10,565,026	22,968,794
Cash and Cash Equivalent	3.8	60,762,756	101,915,371	62,468,659	104,200,164
Total Current Assets		528,286,284	564,021,912	537,130,173	569,300,545
Total Assets		3,716,737,305	3,151,385,197	3,724,781,194	3,155,863,830
EQUITY AND LIABILITIES					
Equity and Reserves and Surplus:					
Share Capital	3.9	1,021,862,690	928,953,700	1,021,862,690	928,953,700
Retained Earnings and Reserves	3.10	1,738,156,679	1,436,027,074	1,746,520,354	1,440,777,862
Total Equity of Parent		2,760,019,369	2,364,980,774	2,768,383,044	2,369,731,562
Non-Controlling Interest	3.11	-	-	-	-
Total Equity		2,760,019,369	2,364,980,774	2,768,383,044	2,369,731,562
Liabilities					
Non-Current Liabilities:					
Loans and Borrowings	3.12	4,813,896	6,636,303	4,813,896	6,636,303
Employee Benefits	3.13	123,898,407	125,414,473	123,898,407	125,414,473
Deferred Tax Liabilities	3.4	49,048,096	36,005,067	49,048,096	36,005,067
Trade and Other Payables	3.15	128,455,951	92,675,392	128,455,951	92,675,392
Total Non-Current Liabilities		306,216,350	260,731,235	306,216,350	260,731,235
Current Liabilities:					
Loans and Borrowings	3.12	46,645,761	1,360,289	46,645,761	1,360,289
Employee Benefits	3.13	99,031,436	87,595,759	99,031,436	87,595,759
Income Tax Payable	3.14	21,288,255	5,826,327	20,918,469	5,201,315
Trade and Other Payables	3.15	483,536,134	430,890,813	483,586,134	431,243,670
Total Current Liabilities		650,501,586	525,673,188	650,181,800	525,401,033
Total Liabilities		956,717,936	786,404,423	956,398,150	784,297,078
Total Equity and Liabilities		3,716,737,305	3,151,385,197	3,724,781,194	3,155,863,830

Notes 1 to 4.22 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

Tanka Nidhi Dahal
Prakash Bikram Khatri
Sashi Raj Pandey
Jaya Rajya Laxmi Shah
Ravi Bhakta Shrestha
Rajesh Kazi Shrestha
Niranjan Kumar Tibrewala
DIRECTORS

Date: 28 October 2025
(11 Kartik 2082)
Place: Kathmandu, Nepal

**SOALTEE HOTEL LIMITED****Consolidated Statement of Profit or Loss and Other Comprehensive Income****For the period ended on 32 Ashad 2082 (16 July 2025)***Amount in Rs.*

Particulars	Note	Hotel		Group	
		2024-25 (2081-82)	2023-24 (2080-81)	2024-25 (2081-82)	2023-24 (2080-81)
Revenue from Operation	3.16	2,585,414,046	2,390,449,411	2,585,414,046	2,390,449,411
Other Income	3.17	188,492,469	107,969,056	193,419,602	111,279,243
Total Revenue		2,773,906,515	2,498,418,467	2,778,833,648	2,501,728,654
Consumption of Foods and Beverage	3.18	457,801,243	405,153,476	457,801,243	405,153,476
Employee Benefit Expenses	3.19	613,994,707	563,383,728	613,994,707	563,383,728
Operating Expenses	3.20	309,464,701	303,460,367	309,464,701	303,460,367
Depreciation and Amortization Expense	3.1/3.2/3.3	153,820,025	137,503,255	153,820,025	137,503,255
Other Administrative Expenses	3.21	406,144,065	337,967,880	406,254,015	338,063,989
Total Expenditures		1,941,224,741	1,747,468,706	1,941,334,691	1,747,564,815
Profit/(Loss) from Operations		832,681,774	750,949,761	837,498,957	754,163,839
Finance Cost		3,955,357	3,602,880	3,955,357	3,602,880
Profit/(Loss) Before Tax		828,726,417	747,346,881	833,543,600	750,560,959
Income Tax		175,448,946	147,304,418	176,653,242	148,110,542
Current Tax		163,606,757	137,462,999	164,811,053	138,269,123
Deferred Tax Expenses/(Income)	3.4	11,842,189	9,841,419	11,842,189	9,841,419
Net Profit/(Loss) for the Year		653,277,471	600,042,463	656,890,358	602,450,417
Other Comprehensive Income					
Change in Fair Value of Investment		5,651,013	5,788,625	5,651,013	5,788,625
Tax relating to these items		(1,200,840)	(1,230,083)	(1,200,840)	(1,230,083)
Total Other Comprehensive Income		4,450,173	4,558,542	4,450,173	4,558,542
Total Comprehensive Income		657,727,644	604,601,005	661,340,531	607,008,959

Net Profit/(Loss) Attributable to:

The Parent		653,277,471	600,042,463	656,890,358	602,450,417
Non-Controlling Interest		-	-	-	-

Other Comprehensive Income Attributable to:

The Parent		4,450,173	4,558,542	4,450,173	4,558,542
Non-Controlling Interest		-	-	-	-

Basic Earnings per Share (Rs.)	3.22	6.39	5.87	6.43	5.90
Diluted Earnings per Share (Rs.)		6.39	5.87	6.43	5.90

Notes 1 to 4.22 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**Tanka Nidhi Dahal**
Prakash Bikram Khatri
Sashi Raj Pandey
Jaya Rajya Laxmi Shah
Ravi Bhakta Shrestha
Rajesh Kazi Shrestha
Niranjan Kumar Tibrewala
DIRECTORSDate: 28 October 2025
(11 Kartik 2082)
Place: Kathmandu, Nepal

SOALTEE HOTEL LIMITED

Consolidated Statement of Cash Flows

For the year ended on 32 Ashad 2082 (16 July 2025)

Amount in Rs.

Particulars	Hotel		Group	
	2024-25 (2081-82)	2023-24 (2080-81)	2024-25 (2081-82)	2023-24 (2080-81)
Cash Flows from Operating Activities				
Profit/(Loss) Before Tax for the Year	828,726,417	747,346,881	833,543,600	750,560,959
Adjustment for:				
Dividend Income	(8,581,974)	(2,700,000)	(8,581,974)	(2,700,000)
Loss/(Gain) on Sale of Property, Plant and Equipment	(3,611,750)	(179,281)	(3,611,750)	(179,281)
Interest Income on Call and Term Deposit	(376,919)	(503,776)	(415,608)	(563,632)
Impairment Allowance on Trade Receivable	5,000,000	5,000,000	5,000,000	5,000,000
Provision for Bonus	82,872,642	74,734,688	82,872,642	74,734,688
Depreciation/Amortization on PPE, Investment Property & Intangible Assets	153,820,025	137,503,255	153,820,025	137,503,255
Finance Cost	3,955,357	3,602,880	3,955,357	3,602,880
Operating Cash Flow Before changes in Working Capital	1,061,803,798	964,804,647	1,066,582,292	967,958,869
(Increase)/Decrease in Other Receivable	(28,303,043)	13,432,697	(32,447,189)	10,932,700
(Increase) / Decrease in Inventories	1,325,981	(9,033,496)	1,325,981	(9,033,496)
(Increase) / Decrease in Prepayment	12,403,768	(1,589,090)	12,403,768	(1,589,090)
Increase/(Decrease) in Trade & Other Payable	63,418,486	53,679,242	63,115,629	53,714,875
Increase/ (Decrease) in Employee Benefits	1,781,657	(427,065)	1,781,657	(427,065)
Cash generated from Operations	1,112,430,647	1,020,866,935	1,112,762,138	1,021,556,793
Bonus Paid	(74,734,688)	(68,712,943)	(74,734,688)	(68,712,943)
Income Tax Paid	(161,496,768)	(256,802,957)	(162,445,838)	(258,321,123)
Net Cash Flows from Operating Activities (A)	876,199,191	695,351,035	875,581,612	694,522,727
Cash Flow from Investing Activities				
Proceeds from Sale of Property, Plant and Equipment	4,867,478	4,638,540	4,867,478	4,638,540
Acquisition of Property, Plant and Equipment, Investment Property and Intangible Assets	(746,356,169)	(435,227,783)	(746,356,169)	(435,227,783)
Dividend Income	8,581,974	2,700,000	8,581,974	2,700,000
Interest Income on Term and Call Deposits	376,919	503,776	415,608	563,632
Net Cash flows from Investing Activities (B)	(732,529,798)	(427,385,467)	(732,491,109)	(427,325,611)
Cash Flow from Financing Activities				
Finance Cost	(3,955,357)	(3,602,880)	(3,955,357)	(3,602,880)
Increase/(Repayment) of Borrowings	43,463,065	(1,243,186)	43,463,065	(1,243,186)
Recovery of Cash for Fractional Bonus Shares	13,620	2,887	13,620	2,887
Dividend Paid Net	(224,343,336)	(230,750,708)	(224,343,336)	(230,750,708)
Net Cash Flows from Financing Activities (C)	(184,822,008)	(235,593,887)	(184,822,008)	(235,593,887)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(41,152,615)	32,371,681	(41,731,505)	31,603,229
Cash and Cash Equivalents at the Beginning	101,915,371	69,543,690	104,200,164	72,596,935
Cash and Cash Equivalents at the End	60,762,756	101,915,371	62,468,659	104,200,164

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

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Sashi Raj Pandey
Jaya Rajya Laxmi Shah
Ravi Bhakta Shrestha
Rajesh Kazi Shrestha
Niranjana Kumar Tibrewala
DIRECTORS

Date: 28 October 2025
(11 Kartik 2082)
Place: Kathmandu, Nepal

**SOALTEE HOTEL LIMITED**

Consolidated Statement of Changes in Equity
For the period ended on 32 Ashad 2082 (16 July 2025)

Amount in Rs.

Particulars	Hotel					
	Share Capital	Share Premium	Revaluation Reserve	Other Reserve	Retained Earning	Fair Value Reserve (OCI)
Balance as at 31.03.2080	884,715,060	16,000,000	35,198,427	7,288,761	1,160,362,926	2,847,563
Adjustment/Restated	-	-	-	-	-	(605,107)
Restated Balance as at 31.03.2080	884,715,060	16,000,000	35,198,427	7,288,761	1,160,362,926	2,242,456
Change in Fair Value of Investment through OCI (Net of Tax)	-	-	-	-	-	4,558,542
Net Profit/(Loss) for Year 2080-81	-	-	-	-	600,042,463	-
Payment of Dividend for 2079-80	-	-	-	-	(235,147,950)	-
Issue of Bonus Shares	44,238,640	-	-	-	(44,238,640)	-
Adjustment of Fractional Bonus Share Received/(Paid)	-	-	-	-	2,887	-
Tax Payments of Earlier Year	-	-	-	-	(110,282,798)	-
Closing Balance as at 31.03.2081	928,953,700	16,000,000	35,198,427	7,288,761	1,370,738,888	6,800,998
Change in Fair Value of Investment through OCI (Net of Tax)	-	-	-	-	-	4,450,173
Net Profit/(Loss) for Year 2081-82	-	-	-	-	653,277,471	-
Payment of Dividend for 2080-81	-	-	-	-	(249,350,730)	-
Issue of Bonus Shares	92,908,990	-	-	-	(92,908,990)	-
Adjustment of Fractional Bonus Share Received/(Paid)	-	-	-	-	13,620	-
Tax Payments of Earlier Year	-	-	-	-	(13,351,939)	-
Closing Balance as at 31.03.2082	1,021,862,690	16,000,000	35,198,427	7,288,761	1,668,418,320	11,251,171
						(13,351,939)
						2,760,019,369

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

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Ravi Bhakta Shrestha
Rajesh Kazi Shrestha
Niranjana Kumar Tibrewala
DIRECTORS

Date: 28 October 2025
(11 Kartik 2082)

Place: Kathmandu, Nepal

SOALTEE HOTEL LIMITED
 Consolidated Statement of Changes in Equity
 For the period ended on 32 Ashad 2082 (16 July 2025)

Amount in Rs.

Particulars	Group							
	Share Capital	Share Premium	Revaluation Reserve	Other Reserve	Retained Earning	Fair Value Reserve (OCI)	Total Equity of Parent	Non-Controlling Interest
Balance as at 31.03.2080	884,715,060	16,000,000	35,198,427	7,288,761	1,162,705,760	2,847,563	2,108,755,571	-
Adjustment/Restated	-	-	-	-	-	(605,107)	(605,107)	(605,107)
Restated Balance as at 31.03.2080	884,715,060	16,000,000	35,198,427	7,288,761	1,162,705,760	2,242,456	2,108,150,464	-
Change in Fair Value of Investment through OCI (Net of Tax)	-	-	-	-	-	4,558,542	4,558,542	-
Net Profit/(Loss) for Year 2080-81	-	-	-	-	602,450,417	-	602,450,417	-
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 Share Received/(Paid)	-	-	-	-	2,887	-	2,887	-
Tax Payments of Earlier Year	-	-	-	-	(110,282,798)	-	(110,282,798)	-
Closing Balance as at 31.03.2081	928,953,700	16,000,000	35,198,427	7,288,761	1,375,489,676	6,800,998	2,369,731,562	-
Change in Fair Value of Investment through OCI (Net of Tax)	-	-	-	-	-	4,450,173	4,450,173	-
Net Profit/(Loss) for Year 2081-82	-	-	-	-	656,890,358	-	656,890,358	-
Payment of Dividend for 2080-81	-	-	-	-	(249,350,730)	-	(249,350,730)	-
Issue of Bonus Shares	92,908,990	-	-	-	(92,908,990)	-	-	-
Adjustment of Fractional Bonus Share Received/(Paid)	-	-	-	-	13,620	-	13,620	-
Tax Payments of Earlier Year	-	-	-	-	(13,351,939)	-	(13,351,939)	-
Closing Balance as at 32.03.2082	1,021,862,690	16,000,000	35,198,427	7,288,761	1,676,781,995	11,251,171	2,768,383,044	-

For and on behalf of Soaltee Hotel Limited

As per our report of even date

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Rajesh Kazi Shrestha
Niranjana Kumar Tibrewala
DIRECTORS

Date: 28 October 2025
(11 Kartik 2082)
Place: Kathmandu, Nepal

**SOALTEE HOTEL LIMITED****For the period ended on 32 Ashad 2082 (16 July 2025)****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 58 years, SHL has been catering the Tourism sector services with five-star deluxe 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 Stream Peak International Pvt. Ltd. (Former 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, Autograph Collection" hotel at Tahachal, Kathmandu Metropolitan City ward No 13, Kathmandu, Nepal. The property (hotel) is owned and operated by the SHL. The Soaltee Kathmandu, Autograph Collection 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 28 October 2025 (11 Kartik 2082) 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 have been measured at fair value
- Staff loans provided at subsidized interest rate have been measured at amortized cost.
- Other long-term liabilities (leave liability) 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.

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 statement of profit or loss.

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 forms 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 is 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 are 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 32 Ashad 2082 (16 July 2025)

Notes to the Consolidated Financial Statements

Note 3.1: Property, Plant & Equipment

Amount in Rs.

Particulars	Hotel									
	Freehold Land	Building	Plant and Machinery	Furniture and Fixture	Office Equipment	Computers	Vehicles	Leasehold Development	Capital WIP	Total
Cost										
Balance at 01.04.2080	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
Addition	-	465,631,275	203,697,505	46,641,757	186,900	2,939,365	271,790	4,027,791	600,490,915	1,323,887,298
Disposal/Transfer	-	-	(41,453,650)	(5,014,853)	-	-	-	-	(594,409,184)	(640,877,687)
Balance at 32.03.2082	149,488,779	1,819,755,855	1,674,946,788	542,157,600	6,874,641	72,139,754	172,367,789	28,670,788	96,750,182	4,563,152,176
Depreciation and Impairment Loss										
Balance at 01.04.2080	-	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
Charge for the year	-	43,638,921	61,684,698	28,345,772	176,178	4,293,832	10,705,143	2,402,899	-	151,247,443
Disposal	-	-	(40,905,324)	(4,307,451)	-	-	-	-	-	(45,212,775)
Balance at 32.03.2082	-	423,039,546	830,649,401	384,940,639	6,021,508	60,431,274	66,305,435	21,035,261	-	1,792,423,063
Net Book Value										
At 01.04.2080	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
At 32.03.2082	149,488,779	1,396,716,309	844,297,387	157,216,961	853,133	11,708,480	106,062,354	7,635,527	96,750,182	2,770,729,113

Property, Plant and Equipment under construction

Assets under construction majorly comprises of the works related to Car Parking Lift Project includes cost of assets Rs. 55.41 million, capital advance Rs. 2.39 million. The amount shall be capitalized to respective heads as and when the assets are available for use.

SOALTEE HOTEL LIMITED

As at 32 Ashad 2082 (16 July 2025)

Notes to the Consolidated Financial Statements

Note 3.1: Property, Plant & Equipment

Amount in Rs.

Particulars	Group									Total
	Freehold Land	Building	Plant and Machinery	Furniture and Fixture	Office Equipment	Computers	Vehicles	Leasehold Development	Capital WIP	
Cost										
Balance at 01.04.2080	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
Addition	-	465,631,275	203,697,505	46,641,757	186,900	2,939,365	271,790	4,027,791	600,490,915	1,323,887,298
Disposal/Transfer	-	-	(41,453,650)	(5,014,853)	-	-	-	-	(594,409,184)	(640,877,687)
Balance at 32.03.2082	149,488,779	1,819,755,855	1,674,946,788	542,157,600	6,874,641	72,139,754	172,367,789	28,670,788	96,750,182	4,563,152,176
Depreciation and Impairment Loss										
Balance at 01.04.2080	-	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
Charge for the year	-	43,638,921	61,684,698	28,345,772	176,178	4,293,832	10,705,143	2,402,899	-	151,247,443
Disposal	-	-	(40,905,324)	(4,307,451)	-	-	-	-	-	(45,212,775)
Balance at 32.03.2082	-	423,039,546	830,649,401	384,940,639	6,021,508	60,431,274	66,305,435	21,035,261	-	1,792,423,063
Net Book Value										
At 01.04.2080	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
At 32.03.2082	149,488,779	1,396,716,309	844,297,387	157,216,961	853,133	11,708,480	106,062,354	7,635,527	96,750,182	2,770,729,113

Property, Plant and Equipment under construction

Assets under construction majorly comprises of the works related to Car Parking Lift Project includes cost of assets Rs. 55.41 million, capital advance Rs. 2.39 million. The amount shall be capitalized to respective heads as and when the assets are available for use.

**SOALTEE HOTEL LIMITED**

As at 32 Ashad 2082 (16 July 2025)

Notes to the Consolidated Financial Statements**Note 3.2: Intangible Assets***Amount in Rs.*

Particulars	Hotel		Group	
	Software	Total	Software	Total
Cost				
Balance at 01.04.2080	14,937,654	14,937,654	14,937,654	14,937,654
Addition	-	-	-	-
Disposal/Transfer	-	-	-	-
Balance at 31.03.2081	14,937,654	14,937,654	14,937,654	14,937,654
Addition	16,878,055	16,878,055	16,878,055	16,878,055
Disposal	-	-	-	-
Balance at 32.03.2082	31,815,709	31,815,709	31,815,709	31,815,709
Amortization				
Balance at 01.04.2080	14,510,800	14,510,800	14,510,800	14,510,800
Charge for the year	377,242	377,242	377,242	377,242
Disposal	-	-	-	-
Balance at 31.03.2081	14,888,042	14,888,042	14,888,042	14,888,042
Charge for the year	473,868	473,868	473,868	473,868
Disposal	-	-	-	-
Balance at 32.03.2082	15,361,910	15,361,910	15,361,910	15,361,910
Net Book Value				
At 01.04.2080	426,854	426,854	426,854	426,854
At 31.03.2081	49,612	49,612	49,612	49,612
At 32.03.2082	16,453,799	16,453,799	16,453,799	16,453,799

Note 3.3: Investment Property*Amount in Rs.*

Particulars	Hotel			Group		
	Freehold Land	Building	Total	Freehold Land	Building	Total
Cost						
Balance at 01.04.2080	4,707,287	166,146,812	170,854,100	4,707,287	166,146,812	170,854,100
Addition	-	4,280,130	4,280,130	-	4,280,130	4,280,130
Disposal/Transfer	-	-	-	-	-	-
Balance at 31.03.2081	4,707,287	170,426,942	175,134,230	4,707,287	170,426,942	175,134,230
Addition	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Balance at 32.03.2082	4,707,287	170,426,942	175,134,230	4,707,287	170,426,942	175,134,230
Amortization						
Balance at 01.04.2080	-	83,656,605	83,656,605	-	83,656,605	83,656,605
Charge for the year	-	2,093,800	2,093,800	-	2,093,800	2,093,800
Disposal	-	-	-	-	-	-
Balance at 31.03.2081	-	85,750,405	85,750,405	-	85,750,405	85,750,405
Charge for the year	-	2,098,714	2,098,714	-	2,098,714	2,098,714
Disposal	-	-	-	-	-	-
Balance at 32.03.2082	-	87,849,119	87,849,119	-	87,849,119	87,849,119
Net Book Value						
At 01.04.2080	4,707,287	82,490,207	87,197,495	4,707,287	82,490,207	87,197,495
At 31.03.2081	4,707,287	84,676,537	89,383,825	4,707,287	84,676,537	89,383,825
At 32.03.2082	4,707,287	82,577,823	87,285,111	4,707,287	82,577,823	87,285,111

SOALTEE HOTEL LIMITED

As at 32 Ashad 2082 (16 July 2025)

Notes to the Consolidated Financial Statements

Note 3.4: Deferred Tax Assets/(Liabilities)

Deferred tax is calculated on temporary differences using known future effective tax rate to the SHL 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	Hotel			
	01.04.2081	Credit/(Charge) to SOPL	Credit/(Charge) to OCI	32.03.2082
Fixed Assets	(73,171,595)	(12,326,749)	-	(85,498,344)
Investment in Shares at FVTOCI	(1,835,190)	-	(1,200,840)	(3,036,030)
Gratuity Provision	14,088,529	(1,286,937)	-	12,801,592
Provision for Leave	12,882,011	799,097	-	13,681,108
Trade and Other Receivable	12,031,178	972,400	-	13,003,578
Total	(36,005,067)	(11,842,189)	(1,200,840)	(49,048,096)

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)
Investment in Shares at FVTOCI	(605,107)	-	(1,230,083)	(1,835,190)
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
Total	(24,933,565)	(9,841,419)	(1,230,083)	(36,005,067)

Particulars	Group			
	01.04.2081	Credit/(Charge) to SOPL	Credit/(Charge) to OCI	32.03.2082
Fixed Assets	(73,171,595)	(12,326,749)	-	(85,498,344)
Investment in Shares at FVTOCI	(1,835,190)	-	(1,200,840)	(3,036,030)
Gratuity Provision	14,088,529	(1,286,937)	-	12,801,592
Provision for Leave	12,882,011	799,097	-	13,681,108
Trade and Other Receivable	12,031,178	972,400	-	13,003,578
Total	(36,005,067)	(11,842,189)	(1,200,840)	(49,048,096)

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)
Investment in Shares at FVTOCI	(605,107)	-	(1,230,083)	(1,835,190)
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
Total	(24,933,565)	(9,841,419)	(1,230,083)	(36,005,067)

**SOALTEE HOTEL LIMITED****As at 32 Ashad 2082 (16 July 2025)****Notes to the Consolidated Financial Statements****Note 3.5: Investments***Amount in Rs.*

Particulars	Hotel		Group	
	32.03.2082	31.03.2081	32.03.2082	31.03.2081
Non-Current				
At Amortized Cost			-	-
At Fair Value Through Profit or Loss			-	-
At Fair Value Through OCI	286,927,201	281,276,188	286,127,201	280,476,188
Total	286,927,201	281,276,188	286,127,201	280,476,188
Current				
At Amortized Cost			-	-
At Fair Value Through Profit or Loss			-	-
At Fair Value Through OCI			-	-
Total	-	-	-	-

Investment comprises the following:

At Amortized Cost (A)	32.03.2082	31.03.2081	32.03.2082	31.03.2081
Term Deposit	-	-	-	-
Total Investment at Amortized Cost	-	-	-	-
At Fair Value Through OCI (B)				
Investment in Subsidiary				
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		
Total	262,640,000	262,640,000		
Investment in Associates				
Stream Peak International Pvt. Ltd.	-	-	261,840,000	261,840,000
Sub-total	-	-	261,840,000	261,840,000
Investment in other Entities				
Himal International Power Corp. Pvt. Ltd. (100,000 shares of Rs. 100 each)	24,287,201	18,636,188	24,287,201	18,636,188
Sub-total	24,287,201	18,636,188	24,287,201	18,636,188
Total Investment through OCI	286,927,201	281,276,188	286,127,201	280,476,188
Proportion of voting rights				
Soaltee Hospitality Ltd.	100%	100%		
Stream Peak International Pvt. Ltd.	-	-	22.95%	24%
Himal International Power Corp. Pvt. Ltd.	5.97%	5.97%	5.97%	5.97%

SOALTEE HOTEL LIMITED

As at 32 Ashad 2082 (16 July 2025)

Notes to the Consolidated Financial Statements

Note 3.6: Trade and Other Receivable

Amount in Rs.

Particulars	Hotel		Group	
	32.03.2082	31.03.2081	32.03.2082	31.03.2081
Non-Current				
Other Receivable	7,051,419	7,051,419	7,051,419	7,051,419
Deposit for Appeal	13,321,854	12,289,454	13,321,854	12,289,454
Deposits	5,614,785	6,073,912	5,614,785	6,073,912
Loans and Advances to Employees	8,119,158	4,536,124	8,119,158	4,536,124
Total	34,107,216	29,950,909	34,107,216	29,950,909
Less: Allowance for Impairment	(7,051,419)	(7,051,419)	(7,051,419)	(7,051,419)
Total	27,055,797	22,899,490	27,055,797	22,899,490
Current				
Trade Receivable				
Trade Receivable	277,878,748	278,565,118	277,878,748	278,565,118
Less: Allowance for Impairment	(54,141,887)	(49,565,887)	(54,141,887)	(49,565,887)
Trade Receivable-Net	223,736,861	228,999,231	223,736,861	228,999,231
Other Receivable				
Loans and Advances to Employees	7,981,839	11,679,674	7,981,839	11,679,674
Loans and Advances to Other	35,324,293	33,742,472	35,324,293	33,742,472
Advances to Contractor and Suppliers	18,144,896	27,793,193	18,144,896	27,793,193
VAT Recoverable	37,516,218	1,342,801	37,516,218	1,342,801
Management Fees Recoverable	4,036,281	4,036,281	4,036,281	4,036,281
Other Receivable	-	-	7,137,986	2,993,840
Deferred Employee Benefit Expenses	307,080	307,080	307,080	307,080
Total Other Receivable	103,310,607	78,901,501	110,448,593	81,895,341
Total	327,047,468	307,900,732	334,185,454	310,894,572

Additional information on Other Receivable included in non-current receivable is provided in Note 4.11.1.

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 4.11.2.

Note 3.7: Inventories

Particulars	Hotel		Group	
	32.03.2082	31.03.2081	32.03.2082	31.03.2081
Stores and Spares	19,256,297	22,620,542	19,256,297	22,620,542
Provision, Beverage and Others	40,390,800	43,581,747	40,390,800	43,581,747
Uniform and Linen	44,632,394	39,701,656	44,632,394	39,701,656
Crockery, Cutlery etc.	25,631,543	25,333,070	25,631,543	25,333,070
Total	129,911,034	131,237,015	129,911,034	131,237,015

Note 3.8: Cash and Cash Equivalent

Particulars	Hotel		Group	
	32.03.2082	31.03.2081	32.03.2082	31.03.2081
Cash in Hand	2,307,273	3,287,161	2,307,273	3,287,161
Balances with Bank	58,455,483	98,628,210	60,161,386	100,913,003
Total	60,762,756	101,915,371	62,468,659	104,200,164

**SOALTEE HOTEL LIMITED****As at 32 Ashad 2082 (16 July 2025)****Notes to the Consolidated Financial Statements****Note 3.9: Share Capital***Amount in Rs.*

Particulars	Hotel		Group	
	32.03.2082	31.03.2081	32.03.2082	31.03.2081
Authorized				
200,000,000 Shares of Rs. 10/- each	2,000,000,000	1,500,000,000	2,000,000,000	1,500,000,000
Issued				
150,000,000 Shares of Rs. 10/- each	1,500,000,000	1,000,000,000	1,500,000,000	1,000,000,000
Subscribed and Fully Paid Up				
102,186,269 Shares of Rs.10/- each	1,021,862,690	928,953,700	1,021,862,690	928,953,700
Total	1,021,862,690	928,953,700	1,021,862,690	928,953,700

Reconciliation of no. of shares outstanding

Particulars	Hotel		Group	
	32.03.2082	31.03.2081	32.03.2082	31.03.2081
Balance at the beginning of the year	92,895,370	88,471,506	92,895,370	88,471,506
Add: Bonus Issue	9,290,899	4,423,864	9,290,899	4,423,864
Balance at the end of year	102,186,269	92,895,370	102,186,269	92,895,370
Details of Shareholding				
Major Corporate Shareholders	69%	69%	69%	69%
General Shareholders	31%	31%	31%	31%

Note 3.10: Retained Earning and Reserves

Particulars	Hotel		Group	
	32.03.2082	31.03.2081	32.03.2082	31.03.2081
Share Premium	16,000,000	16,000,000	16,000,000	16,000,000
Other Reserve	7,288,761	7,288,761	7,288,761	7,288,761
Revaluation Reserve	35,198,427	35,198,427	35,198,427	35,198,427
Fair Value Reserve for Equity Investment	11,251,171	6,800,998	11,251,171	6,800,998
Retained Earnings	1,668,418,320	1,370,738,888	1,676,781,995	1,375,489,676
Total	1,738,156,679	1,436,027,074	1,746,520,354	1,440,777,862

Note 3.11: Non-Controlling Interest

Particulars	Hotel		Group	
	32.03.2082	31.03.2081	32.03.2082	31.03.2081
Share Capital	-	-	-	-
Retained Earnings	-	-	-	-
Total	-	-	-	-

Note 3.12: Loans and Borrowings

Particulars	Hotel		Group	
	32.03.2082	31.03.2081	32.03.2082	31.03.2081
Non-Current				
Secured- Hire Purchase	4,813,896	6,636,303	4,813,896	6,636,303
Total	4,813,896	6,636,303	4,813,896	6,636,303
Current				
Overdraft & Working Capital Loan	45,000,000	-	45,000,000	-
Current portion of Hire Purchase	1,645,761	1,360,289	1,645,761	1,360,289
Total	46,645,761	1,360,289	46,645,761	1,360,289

Note 3.13: Employee Benefits

Particulars	Hotel		Group	
	32.03.2082	31.03.2081	32.03.2082	31.03.2081
Non-Current				
Gratuity	60,242,786	66,298,960	60,242,786	66,298,960
Less: Plan Assets	(726,062)	(1,505,714)	(726,062)	(1,505,714)
Net Gratuity Liability	59,516,724	64,793,246	59,516,724	64,793,246
Accumulated Leave	64,381,683	60,621,227	64,381,683	60,621,227
Total	123,898,407	125,414,473	123,898,407	125,414,473
Current				
Salary and Wages Payable	16,158,794	12,861,071	16,158,794	12,861,071
Bonus Payable	82,872,642	74,734,688	82,872,642	74,734,688
Total	99,031,436	87,595,759	99,031,436	87,595,759

SOALTEE HOTEL LIMITED

As at 32 Ashad 2082 (16 July 2025)

Notes to the Consolidated Financial Statements

Note 3.14: Income Tax Receivable/(Payable)

Amount in Rs.

Particulars	Hotel		Group	
	32.03.2082	31.03.2081	32.03.2082	31.03.2081
Advance Income Tax	142,318,502	131,636,672	143,892,584	133,068,430
Income Tax Liability	(163,606,757)	(137,462,999)	(164,811,053)	(138,269,745)
Total	(21,288,255)	(5,826,327)	(20,918,469)	(5,201,315)

Note 3.15: Trade and Other Payable

Particulars	Hotel		Group	
	32.03.2082	31.03.2081	32.03.2082	31.03.2081
Non-Current				
Retention and Security Deposit	44,390,455	29,704,246	44,390,455	29,704,246
Advances Received	41,121,851	45,034,895	41,121,851	45,034,895
Unclaimed Dividend	42,943,645	17,936,251	42,943,645	17,936,251
Total	128,455,951	92,675,392	128,455,951	92,675,392
Current				
Sundry Creditors	300,541,842	261,073,103	300,591,092	261,073,103
Other Payable				
Advances Received	34,999,574	34,999,574	34,999,574	34,999,574
Civil Aviation Fee	388,155	-	388,155	-
Flight Kitchen Franchise Fee	1,552,942	1,230,305	1,552,942	1,230,305
VAT Payable	-	-	-	302,857
Service Charge	12,025,375	12,025,508	12,025,375	12,025,508
Housing Fund	26,334,029	26,334,029	26,334,029	26,334,029
Corporate Social Responsibility	16,101,988	10,536,663	16,101,988	10,536,663
Other Liabilities	91,592,229	84,740,881	91,592,979	84,741,631
Total	483,536,134	430,890,813	483,586,134	431,243,670

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

Note 3.16: Revenue from Operation

Particulars	Hotel		Group	
	2081-82	2080-81	2081-82	2080-81
Room	586,732,425	591,426,885	586,732,425	591,426,885
Food	1,825,992,315	1,670,573,962	1,825,992,315	1,670,573,962
Beverage	167,652,514	124,152,256	167,652,514	124,152,256
Cigar and Cigarettes	2,201,525	2,052,476	2,201,525	2,052,476
Laundry Income	2,813,746	2,222,726	2,813,746	2,222,726
Business Centre	21,521	21,106	21,521	21,106
Total	2,585,414,046	2,390,449,411	2,585,414,046	2,390,449,411

Note 3.17: Other Income

Particulars	Hotel		Group	
	2081-82	2080-81	2081-82	2080-81
Premises Rental Charge	63,520,050	51,910,324	63,453,383	51,843,657
Interest on Loans and Advances at Amortized Cost	340,111	901,531	340,111	901,531
Interest on Call Account/Time Deposit	376,919	503,776	415,608	563,632
Miscellaneous Receipts	111,261,869	50,953,635	111,261,869	50,953,635
Dividend Income	8,581,974	2,700,000	8,581,974	2,700,000
Profit on Sale of Assets	3,611,750	179,281	3,611,750	179,281
Exchange Gain	799,796	708,585	799,796	708,585
Other Income	-	-	4,955,111	3,316,998
Unclaimed Balance Written Back	-	111,924	-	111,924
Total	188,492,469	107,969,056	193,419,602	111,279,243

**SOALTEE HOTEL LIMITED****As at 32 Ashad 2082 (16 July 2025)****Notes to the Consolidated Financial Statements****Note 3.18: Consumption of Food and Beverage***Amount in Rs.*

Particulars	Hotel		Group	
	2081-82	2080-81	2081-82	2080-81
Food	420,031,331	372,362,310	420,031,331	372,362,310
Beverage	36,995,164	32,081,547	36,995,164	32,081,547
Cigarettes	774,748	709,619	774,748	709,619
Total	457,801,243	405,153,476	457,801,243	405,153,476

Note 3.19: Employee Benefit Expenses

Particulars	Hotel		Group	
	2081-82	2080-81	2081-82	2080-81
Salary and Wages	310,788,680	281,051,900	310,788,680	281,051,900
Allowances	101,726,791	91,285,848	101,726,791	91,285,848
Festival Allowance	15,962,523	14,721,002	15,962,523	14,721,002
Overtime	9,230,650	9,030,487	9,230,650	9,030,487
Employees Meal	46,502,423	45,212,425	46,502,423	45,212,425
Soaltee Staff Welfare	2,304,513	2,398,228	2,304,513	2,398,228
Gratuity	16,817,653	14,978,588	16,817,653	14,978,588
Leave	4,097,558	8,872,154	4,097,558	8,872,154
Provident Fund	20,174,942	17,982,025	20,174,942	17,982,025
Clinic Expenses	3,516,332	3,116,383	3,516,332	3,116,383
Bonus	82,872,642	74,734,688	82,872,642	74,734,688
Total	613,994,707	563,383,728	613,994,707	563,383,728

Additional information on Gratuity is provided in Note 4.5.a.

Note 3.20: Operating Expenses

Particulars	Hotel		Group	
	2081-82	2080-81	2081-82	2080-81
Linen	13,981,431	16,021,984	13,981,431	16,021,984
Laundry Supplies	49,120,263	49,467,434	49,120,263	49,467,434
Crockery & Cutlery	5,168,722	4,513,645	5,168,722	4,513,645
Silverware	1,481,545	1,627,007	1,481,545	1,627,007
Cleaning Supplies	19,663,075	17,803,578	19,663,075	17,803,578
F & B Paper Supplies	29,462,414	21,476,771	29,462,414	21,476,771
Guest Supplies	31,033,982	35,240,718	31,033,982	35,240,718
Water & Water Treatment	9,108,577	11,331,873	9,108,577	11,331,873
Garden Maintenance	512,270	844,886	512,270	844,886
Pest Control	2,768,850	2,508,000	2,768,850	2,508,000
Waste Removal	1,469,214	1,491,503	1,469,214	1,491,503
Power and Fuel	107,904,920	107,851,520	107,904,920	107,851,520
Repair and Maintenance	37,789,438	33,281,448	37,789,438	33,281,448
Total	309,464,701	303,460,367	309,464,701	303,460,367

SOALTEE HOTEL LIMITED

As at 32 Ashad 2082 (16 July 2025)

Notes to the Consolidated Financial Statements

Note 3.21: Other Administrative Expenses

Amount in Rs.

Particulars	Hotel		Group	
	2081-82	2080-81	2081-82	2080-81
Rental Charges	34,731,270	15,997,048	34,731,270	15,997,048
Travelling	25,945,716	22,718,769	25,945,716	22,718,769
Transport and Conveyance	21,469,164	29,927,122	21,469,164	29,927,122
Audit Fee	605,000	605,000	655,000	655,000
Legal and Professional Fees	11,331,840	9,920,027	11,331,840	9,935,027
Directors' Meeting Fees	1,647,072	1,794,132	1,647,072	1,794,132
Licence & Taxes	142,840,772	87,444,500	142,840,772	87,444,500
Bank Charges	8,850,444	10,827,365	8,850,444	10,827,365
Annual General Meeting Expenses	1,382,830	1,185,640	1,382,830	1,185,640
Commissions	19,602,481	13,250,510	19,602,481	13,250,510
Insurance	11,964,720	10,959,771	11,964,720	10,959,771
Communication Expenses	6,905,415	4,848,811	6,907,415	4,851,071
Printing and Stationery	9,375,214	9,190,712	9,375,214	9,193,262
Advertisement and Sales Promotion	25,134,160	19,250,117	25,134,160	19,250,117
Marketing and Reservation Expenses	3,157,758	7,818,957	3,157,758	7,818,957
Training and Conference	1,857,300	1,858,882	1,857,300	1,858,882
Books and Newspaper	249,772	200,418	249,772	200,418
Membership & Subscription	2,110,784	1,996,947	2,110,784	1,996,947
Security Services	16,656,790	15,123,943	16,656,790	15,123,943
Uniform Expenses	6,221,417	7,949,331	6,221,417	7,949,331
Entertainment	5,389,324	5,714,191	5,389,324	5,714,191
Allowance for Impairment	5,000,000	5,000,000	5,000,000	5,000,000
Software Service Charges	8,327,910	8,251,196	8,327,910	8,251,196
Banquet Expenses	10,690,635	7,434,667	10,690,635	7,434,667
Kitchenette Expenses	7,236,575	5,980,553	7,236,575	5,980,553
Corporate Social Responsibility	6,532,775	6,000,425	6,532,775	6,000,425
Miscellaneous	10,926,927	26,720,846	10,984,877	26,745,145
Total	406,144,065	337,967,880	406,254,015	338,063,989

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	Hotel		Group	
	2081-82	2080-81	2081-82	2080-81
Basic Earnings per Share				
Profit/(Loss) for the year	653,277,471	600,042,463	656,890,358	602,450,417
Number of shares	102,186,269	102,186,269	102,186,269	102,186,269
Basic Earnings per Share (Rs.)	6.39	5.87	6.43	5.90
Diluted Earnings per Share				
Profit/(Loss) for the year	653,277,471	600,042,463	656,890,358	602,450,417
Weighted average number of shares	102,186,269	102,186,269	102,186,269	102,186,269
Diluted Earnings per share (Rs.)	6.39	5.87	6.43	5.90

**SOALTEE HOTEL LIMITED****As at 32 Ashad 2082 (16 July 2025)****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 32.03.2082	Carrying Amount	Level 1	Level 2	Level 3
Financial Assets				
Financial Assets at Amortized Cost				
Trade and Other Receivable	360,934,171			360,934,171
Investment	-			-
Cash and Cash Equivalent	62,468,659			62,468,659
Total At Amortized Cost	423,402,830			423,402,830
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)				
Investment	286,127,201			286,127,201
Total Financial Assets	709,530,031	-	-	709,530,031
Financial Liabilities				
Financial Liabilities at Amortized Cost				
Trade and Other Payable	612,042,085			612,042,085
Loans and Borrowings	51,459,657			51,459,657
Total Financial Liabilities	663,501,742	-	-	663,501,742

As at 31.03.2081	Carrying Amount	Level 1	Level 2	Level 3
Financial Assets				
Financial Assets at Amortized Cost				
Trade and Other Receivable	333,486,982			333,486,982
Investment	-			-
Cash and Cash Equivalent	104,200,164			104,200,164
Total At Amortized Cost	437,687,146			437,687,146
Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)				
Investment	280,476,188			280,476,188
Total Financial Assets	718,163,334	-	-	718,163,334
Financial Liabilities				
Financial Liabilities at Amortized Cost				
Trade and Other Payable	523,919,062			523,919,062
Loans and Borrowings	7,996,592			7,996,592
Total Financial Liabilities	531,915,654	-	-	531,915,654

SOALTEE HOTEL LIMITED

For the period ended on 32 Ashad 2082 (16 July 2025)

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 subsidiary 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 Dividend

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

Board of Directors of SHL have proposed 15% bonus shares and 16.57894737% cash dividend for the year 2081-82 (previous year 10% bonus shares and 26.84210526% cash dividend). Accordingly, the total distribution by the SHL from the profits arising from 2081-82 is as follows:

Particulars	Bonus Shares	Cash Dividend
Proposed for 2081-82	153,279,404	169,414,078
Number of shares	15,327,940	

Paid for 2080-81	92,908,990	249,350,730
No. of shares	9,290,899	

4.3 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.

4.4 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 the 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 remained intact.

4.5 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 its employees in Social Security Fund (SSF) in Chaitra 2076 and thereafter it has started making contribution towards Employee Gratuity in the fund.

Particulars	2081-82	2080-81
Opening Liability	66,298,960	70,634,343
Payment Made	(6,056,174)	(4,335,383)
Expenses Booked	16,817,653	14,978,588
Deposited in SSF	(16,817,653)	(14,978,588)
Closing Liability	60,242,786	66,298,960

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	2081-82	2080-81
Opening Liability	60,621,227	56,299,735
Service Cost	7,568,228	8,046,925
Interest Cost	5,172,811	4,827,894
Actuarial Gain/(Loss)	(2,666,961)	(3,715,503)
Benefit Paid	(6,313,622)	(4,837,824)
Closing Liability (A)	64,381,683	60,621,227
Liability recognized in the financial statements (B)	64,381,683	60,621,227

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

Particulars	2081-82	2080-81
Discount Rate	9%	9%
Rate of Compensation Increase	6%	6%
Average Expected Future Service	16	16
Average Duration of Liabilities	11	11

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	2081-82	2080-81
Effect on:		
- Service Cost	(881,112)	(829,497)
- Interest Cost	574,755	536,430
- Leave Liability	(12,208,770)	(11,129,540)

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

Particulars	2081-82	2080-81
Effect on:		
- Service Cost	1,079,290	1,009,124
- Interest Cost	(574,755)	(536,430)
- Leave Liability	14,702,084	13,347,626

4.6 Lease

SHL has entered into a lease arrangement of premises for a period of 2-5 years. The future minimum lease rental payment to be made is as follows:

Period	2081-82	2080-81
Up to one year	33,627,254	11,249,756
One to five years	59,448,795	5,648,627
Total	93,076,049	16,898,383

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	2081-82	2080-81
Up to one year	62,273,453	62,221,492
One to five years	304,020,630	303,558,343
Above five years	91,427,524	150,365,219
Total	457,721,607	516,145,054

4.7 Corporate Social Responsibility

During the year, SHL has provided Rs. 6.53 million (previous year Rs. 6.00 million (1% of net profit after tax) as Corporate Social Responsibility as per the Section 54 (1) of the Industrial Enterprises Act 2076.

4.8 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 Companies of the 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 have 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 Companies of the Group 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 58 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.

4.9 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 Enterprises Pvt. Ltd. (SEPL)

Soaltee Enterprises 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:

ii. Stream Peak International Pvt. Ltd. (Former Soaltee Sibkrim Hotels and Resorts Pvt. Ltd.)

Stream Peak International Pvt. Ltd. (Former Soaltee Sibkrim Hotels and Resorts Pvt. Ltd.) is associate of the Group. The subsidiary of SHL, Soaltee Hospitality Ltd. has 22.95% 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	363.06	338.86	33.31	44.19

ii. I.J. Group Holdings Pvt. Ltd. (Former Sibkrim Holdings Pvt. Ltd.)

There is no transaction of this company and SHL.

c. Those charged with Governance

Those charged with governance include the Board of Directors of the each Companies. As SHL is the major shareholder of all subsidiaries, the Board of those Companies are 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 till 23 October 2025	Nepal Airlines Corporation
Mr. Tanka Nidhi Dahal	Director from 24 October 2025	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 till 07 September 2024	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. 1.65 million (previous year Rs. 1.79 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. 56.77 million (previous year Rs. 47.64 million). The compensation paid to Executive Chairman of SHL also includes the performance incentive paid based on the profit of the Hotel.

4.10 Unpaid Dividend

Total unpaid dividend of SHL amounted to Rs. 42.94 million (previous year Rs. 17.94 million).

4.11 Trade and Other Receivable

4.11.1 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.

4.11.2 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.

4.12 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. 51.46 million (previous year Rs. 7.99 million).

4.13 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.

4.14 Bank Guarantee

Unexpired bank guarantee issued by Group amounted to Rs. 41.64 million (previous year Rs. 56.34 million).

4.15 Litigations or legal cases

i. Income tax Matters

The Revenue Tribunal has rendered its verdict in favor of the SHL in the appeals filed by the SHL contesting the disallowance of expenses in its Self-Assessment Income Tax Returns for the Fiscal Years 2067-68, 2069-70, 2070-71, 2071-72, 2072-73, 2073-74, 2074-75, and 2075-76. These appeals arose from additional income tax assessments imposed by the Large Taxpayers' Office following its administrative review. Subsequently, the Large Taxpayers' Office has filed appeals before the Honorable Supreme Court of Nepal, seeking revision of the Revenue Tribunal's verdicts.



SHL has also submitted an appeal to Inland Revenue Department for Administrative Review, challenging the disallowance of expenses on Self-Assessment Income Tax Return of the FY 2076-77 and 2077-78. The management does not anticipate a significant financial obligation arising from this claim, and any such obligation will be directly charged to accumulated profit, consistent with the Company's established practice.

The Honorable High Court, Patan, has rendered its verdict in favor of the SHL on the writ petition filed by the Company challenging the additional demand for Tax Deducted at Source (Income Tax) by the Large Taxpayers' Office for the Fiscal Year 2073/74.

ii. Arbitration Suit

SHL had filed a 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 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 given a verdict to appoint an arbitrator by Holiday Inns (China) Ltd. within seven days, failure to do such High Court appointed Arbitrator shall be the Arbitrator for Holiday Inns (China) Ltd. However, Holiday Inns (China) Ltd has challenged the appointment in the Supreme Court of Nepal. The matter is sub-judiced in the Supreme Court.

iii. Civil Aviation Authority for TIA Lounge contract continuation

SHL had filed petitions with the Kathmandu 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 the final verdict and the SHL has filed an appeal before the Honorable High Court Patan challenging the verdict of honorable Kathmandu District Court.

iv. Legal cases

SHL has filed writ petitions in the Honorable Supreme Court of Nepal regarding the ex-employees of the SHL challenging the verdicts of the Honorable Labour Court of Nepal.

SHL has filed a few other cases to recover dues from some debtors and other parties as a part of its regular business operation.

4.16 Capital Commitment

Capital contract of SHL remaining to be executed on capital accounts net of advances to Rs. 255.61 million (Previous year Rs. 145.85 million).

4.17 Letter of Credit

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

4.18 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.

4.19 Operating Segment

Management of the companies of the Group has considered the total operation to be segregable into three operating segments 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	586.73	1,993.64	198.46	2,778.83
Total Revenue	586.73	1,993.64	198.46	2,778.83
Expenses				
Consumption cost	103.35	457.80	-	561.15
Employee Benefit Expenses	92.98	313.06	207.95	613.99
Management, Operating and Other Expenses	31.76	326.44	254.17	612.37
Depreciation and Amortization	-	-	-	153.82
Finance Cost	-	-	-	3.96
Total Expenses	228.09	1,097.30	462.12	1,945.29
Segment Result	358.64	896.34	(263.66)	833.54
Income Tax				176.65
Profit for the period				656.89
Segment Assets*				3,724.78
Segment Liabilities**				3,724.78

* Segment wise assets have 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.

4.20 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.

4.21 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 16 July 2025 till the date of signing of these financial statements.

4.22 Regrouping and Round off

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

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Notes

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Rodi Bar



Regal Suites



Patio



Megha Malhar Hall



Kakori Indian Restaurant



Garden Terrace Restaurant



Everest Suite



Bao Xuan Chinese Restaurant



ASSOCIATES HOTELS OPERATED UNDER THE SOALTEE HOTELS & RESORTS BRAND

Soaltee Westend Resort Chitwan



Soaltee Westend Itahari



Tiger Palace by Soaltee Bhairahawa



Soaltee Westend Resort Nagarkot



Soaltee Westend Premier Nepalganj



50th AGM Last Year



Soaltee Hotel Limited
★ ★ ★ ★ ★

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