

SHEO HARI & CO.,
CHARTERED ACCOUNTANTS
Siddhartha Nagar-8,
Rupandehi, Nepal,
Mobile No. : 9857021102
Email : Sh_co2k@yahoo.com

PRATIVA & ASSOCIATES,
CHARTERED ACCOUNTANTS
Ekikaran Sadak, Nayabazar,
Kathmandu-17, Nepal,
Mobile No. : 9801000264
Email : ca.prativabaniya@gmail.com

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF NEPAL OIL CORPORATION LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying Financial Statements of Nepal Oil Corporation Limited (hereinafter referred to as 'the Company'), Kathmandu which comprise the Statement of Financial Position as at Ashad 32, 2082 (July 16, 2025), Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statement read together with Notes forming part of the financial statement except for the effects of the matter described in the "Basis for Qualified Opinion" section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at Ashadh 32, 2082 and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs) and comply with Companies Act, 2063.

Basis for Qualified Opinion

We conducted our audit of the financial statements in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Handbook of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Nepal (ICAN), and we have fulfilled our other ethical responsibilities in accordance with the ICAN's Handbook of the Code of Ethics for Professional Accountants 2023. We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Following are the basis of qualification.

- a) The Price Stabilization Fund (PSF), a special-purpose government fund, is held by the Company in a fiduciary capacity. However, the assets, income, and fund balances of the PSF have been included in the Company's financial statements. As at the reporting date, the Company has recognized a PSF-related liability amounting to **NPR 2,993.52 crore**, against which bank and fixed deposit balances of **NPR 1,844.29 crore** have been reported. Consequently, an unfunded balance of **NPR 1,149.23 crore** remains outstanding and is yet to be deposited into the designated PSF bank account, indicating that the fiduciary nature of the PSF and the earmarked assets has not been adequately reflected in the financial statements. Further, as disclosed in Note 2.4.22 to the financial statements, the Company has utilized **NPR 1,025 crore** from the PSF as interest-free borrowings based on decisions of the PSF Board of Directors. However, the prevailing PSF regulations do not provide for lending to the Company and permit utilization of the fund only in the form of subsidies. Accordingly, the Company is required to compensate the PSF for the opportunity cost that would have accrued had the funds been invested by the PSF. The financial impact arising from the concessional nature of this



transaction, including the notional interest benefit, has not been appropriately measured or recognized in the financial statements.

- b) As discussed in note 2.4.16 of the Notes of financial statement, the company assesses impairment based on expected credit losses (ECL) model. However, the model as per the policy is not prepared and impairment provision for financial assets is done as per management estimate.
- ❖ Old receivable amounting to **NPR 9.96 crore** as receivable not recovered and adequate provision for same has not been made.
 - ❖ Balance confirmations were not received to confirm the various receivable and payable balances. Company has been maintaining provision for doubtful debt amounting to **NPR 3.85 crore** since earlier years and without confirmations from various parties, whether adequate provision has been made could not be ascertained.
- c) The Company has unreconciled and unsettled balances amounting to **NPR 5.64 crore** (Credit) in the Goods Received Not Invoiced (GRNI) clearing account, **NPR 0.25 crore** (Debit) in the Purchase Clearing Account, **NPR 1.09 crore** (Debit) in the Stock Adjustment Account, and **NPR 1.99 lakh** in inter-branch accounts. These accounts are required to be regularly reconciled and settled and should not carry outstanding balances. The continued existence of such unreconciled balances indicates weaknesses in reconciliation processes and results in uncertainty regarding the accuracy and completeness of the financial statements.
- d) Although bank reconciliation statements were prepared, several bank accounts contained unreconciled items requiring reconciliation, including **NPR 2.57 crore** credited by banks but not recorded by NOC, **NPR 0.16 crore** debited by banks but not recorded by NOC, **NPR 0.26 crore** debited by NOC but not reflected in bank statements, and stale cheques amounting to **NPR 0.14 crore**. In addition, negative balances were noted in 33 call and current accounts aggregating **NPR 12.43 crore**, and 64 non-operating bank accounts remained open. Failure to timely reconcile bank balances, adjust identified differences, address negative balances, and close non-operating accounts indicates weaknesses in fund management and adversely affects the fair presentation of the financial statements.
- e) Nepal Oil Corporation (NOC) has a substantial VAT receivable of **NPR 7.58 Arba** that has remained outstanding for an extended period, reflecting gaps in follow-up and recovery mechanisms. This delay may negatively impact the corporation's cash flow and financial stability. The VAT accumulation is primarily due to Nepal Oil Corporation (NOC) paying VAT on freight and insurance based on both notional values computed by customs and actual invoices, resulting in double VAT payments. This practice inflates the cost of petroleum products and significantly contributes to the buildup of unutilized VAT credits.
- f) Credit balances totaling **NPR 1.85 crore** remain in unidentified accounts, including "Unidentified Dealers," "Unidentified Bottlers," and "Unidentified Transporters," while a debit balance of **NPR 45.54 lakh** remain under "Unidentified Airlines." with balances carried forward from prior years. These balances have not been resolved or properly supported by verifiable documentation, leading to uncertainty regarding their accuracy and validity. Consequently, we are unable to confirm the correctness of these credit balances in the financial statements.



- g) The balance confirmation from Indian Oil Corporation Limited (IOC) and the payable recorded in Nepal Oil Corporation's (NOC) books show a difference of **NPR 12.54 crore**, which is yet to be reconciled as the reason for the difference has not been identified.
- h) The company has been implementing ERP system for accounting and operation. The preparation of financial statements is highly dependent on various reports generated by IT system of the company. However, there are differences in report generated by default trial balance report and customized query report like difference in sales report as per trial balance, sales summary report and VAT return, value of inventory as per inventory audit report & trail balance, difference in rate of transfer of stock etc. Various adjustment entries including changes in opening balances are accounted for with manual intervention in inter-branch balances, inventory & cost of goods sold accounts. The financial impact that could arise due to variance in various reports & difference in rate of transfer of stock is not ascertainable. Additionally, an information system audit, including disaster recovery and continuity planning, has not been conducted.

Emphasis of Matter

We draw attention to note 2.4.4 of the Notes of financial statement, which describes the status of Petroleum Pipeline Project and its related expenses.

Our opinion is not modified in respect of this matters.

Key Audit Matters

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

Our assessed key audit matters and how we addressed them are outlined below:

Key Audit Matters	How the matters were addressed in our audit
i. Property, Plant and Equipment	
<p>There are areas where management judgement impacts the carrying value of property, plant and equipment, intangible assets and their respective depreciation/amortization rates and the ownership of the Property, Plant and Equipment requiring periodic review.</p> <p>These include the decision to capitalize or expense costs; the annual asset life review; the timeliness of the capitalization of assets and the use of management assumptions and estimates for the determination or the measurement and</p>	<p>We assessed the controls in place over the fixed asset cycle, evaluated the appropriateness of capitalization process, performed tests of details on costs capitalized, the timeliness of the capitalization of the assets and the de-recognition criteria for assets retired from active use.</p> <p>In performing these procedures, we reviewed the judgements made by management including the nature of underlying costs capitalized; determination of realizable value of the assets retired from active use; the appropriateness of assets lives applied in the calculation of depreciation; the useful lives of assets as per the technical assessment of the management. We</p>

Key Audit Matters	How the matters were addressed in our audit
recognition criteria for assets retired from active use and control over ownership of assets. Due to the materiality in the context of the Balance Sheet of the Company and the level of judgement and estimates required, we consider this to be as area of significance.	observed that the management has regularly reviewed the aforesaid judgements and there are no material changes. Further, we reviewed the documents evidencing ownership of immovable properties and physical verification was carried out on test basis. We considered the system and its control for the recognition, measurement, and control to be materially adequate.
ii. Capital Work in Progress	
The Company is in the process of executing various projects like expansion of, installation of new plants, depots, LPG bottling plants, terminals, pipelines, etc. Since these projects take a substantial period of time to get ready for intended use and due to their materiality in the context of the Balance Sheet of the Company, this is considered to be an area which had the significant effect on the overall audit strategy and allocation of resources in planning and completing our audit	We performed an understanding and evaluation of the system of internal control over the capital work in progress, with reference to identification and testing of key controls. We assessed the progress of the project and the intention and ability of the management to carry forward and bring the asset to its state of intended use.
iii. Information Technology (IT)	
The company's operational and financial processes are dependent on IT systems to manage large volumes of transactions that are processed daily. Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the financial statements and hence considered as a key audit matter.	Our audit procedures in Information Technology Control included: <ul style="list-style-type: none"> • Testing the design, operation and effectiveness of control over granting, revocation and appropriateness of access rights on the accounting and reporting system of the Corporation. • Obtaining and inspecting the change management policies and, for a sample of changes in inputs and control functions on the systems, reviewing to confirm that changes had been performed in line with approved decisions.

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

Management is responsible for the other information. The other information comprises the financial or non-financial information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available for our review after the date of this auditor's report.

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

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



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

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

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

Those charges with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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



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

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

Other Audit Matters

We have issued a separate Management Letter to the Management and those charged with governance, outlining required improvements and corrective measures in relation to NOC's various projects. The letter also addresses the matter of concern about Company's internal control system including the role and effectiveness of the Audit Committee, as well as the regulatory and monitoring responsibilities of NOC over petroleum dealers and LPG bottlers.

Report on Requirements of the Companies Act, 2063

We report, based on our audit, on the requirements of the Companies Act, 2063, that:

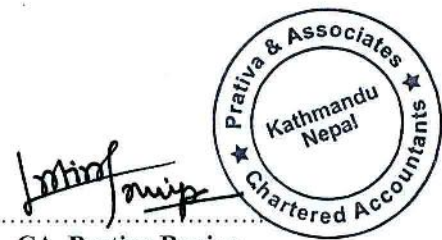
- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of such books of accounts;
- iii) In our opinion, the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this report are in agreement with the books of accounts.
- iv) To the best of our information and according to explanation given to us and from our examination of the books of account of the company necessary for the purpose of our audit, we have not come across cases where the board of directors or any representative or any employee of the company have acted contrary to the provisions of laws relating to accounts or committed any misappropriation or caused any loss or damage to the company.



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Sheo Hari Sharma, FCA
Proprietor
Sheo Hari & Co.
Chartered Accountants
UDIN: 260112CA00143vRQPU
Date: Poush 28, 2082

On behalf of Joint Auditors



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CA. Prativa Baniya
Proprietor
Prativa & Associates
Chartered Accountants
UDIN: 260112CA01479xYBRe
Date: Poush 28, 2082

Nepal Oil Corporation Limited
Babarmahal, Kathmandu
Statement of Financial Position
As at Ashad 32, 2082 (July 16, 2025)



Amount in NPR

Particulars	Notes	As at Ashad 32, 2082	As at Ashad 31, 2081
ASSETS			
Non- Current Assets			
Property, Plant and Equipment	3	8,095,678,764	8,202,468,995
Intangible Assets	4	129,542,570	173,331,871
Capital Work-in-Progress (CWIP)	5	2,699,789,892	1,621,335,084
Financial Assets			
Investment	6	22,041,488,975	6,064,889,974
Loans & Advances	7	166,475,373	242,073,507
Deposits	8	408,587,868	399,099,640
Deferred Tax Assets	9	246,896,439	2,312,176,709
Other Non-Current Assets	10	408,513,022	210,098,621
		34,196,972,904	19,225,474,401
Current Assets			
Inventories	11	13,510,642,627	10,364,570,619
Financial Assets			
Cash & Cash Equivalents	13	12,638,292,324	9,655,488,760
Trade Receivables	12	651,325,675	506,779,526
Loans & Advances	7	7,179,264	867,810,826
Other financial assets	14	18,500,000	18,500,000
Other Current Assets	15	10,738,009,596	12,409,430,671
Total Current Assets		37,563,949,486	33,822,580,403
Total Assets		71,760,922,390	53,048,054,803
LIABILITIES			
Equity			
Share Capital	16	11,000,000,000	11,000,000,000
Other Equity	17	17,313,506,921	4,830,012,765
Total Equity		28,313,506,921	15,830,012,765
Liabilities			
Non Current Liabilities			
Long Term Borrowing			
Loan From Nepal Government (At Amortised Cost)		-	-
Benefit on Concessional government Loan		-	-
Financial Liabilities			
Dealer & Airlines Deposits	18	2,033,580,591	1,891,066,627
Provisions			
Provision for Defined Benefits Obligation Plan	19	560,914,349	588,992,586
Provision for Staff housing facilities		3,258,420,957	3,258,420,957
Other Non Current Liabilities			
Other Payables	20	382,259,994	473,627,256
Total Non-Current Liabilities		6,235,175,891	6,212,107,426
Current Liabilities			
Provision			
Provision for Bonus	19	3,968,465,097	3,773,734,813
Provision for Defined Benefits Obligation Plan		116,182,448	107,013,684
Other Current Liabilities			
Price Stabilization Fund	20	29,935,223,085	25,901,667,820
Other Payables		3,192,368,947	1,223,518,294
Total Current Liabilities		37,212,239,578	31,005,934,612
Total Liabilities		43,447,415,469	37,218,042,038
Total Equity and Liabilities		71,760,922,390	53,048,054,803

Notes forms an integral part of this Balance Sheet

Significant Accounting Policies and Notes to Financial Statement

1 - 29

As per our report of even date



Nar Bahadur Pokharel
Acting Director
Finance Department

Nagendra Sah
Dy. Managing Director

Dr. Chandika P. Bhatta
Managing Director

Birendra Bahadur Chand
Invited BOD Member

Nar Bahadur Ayer
BOD Member

Roshan Gyawali
BOD Member

Kamari Jyoti Joshi
BOD Member

Shivaram Pokharel
BOD Member

Suman Dahal
BOD Member

Dr. Ram Prasad Ghimire
BOD Chairman

Pratiba Banerjee
Pratiba & Associates
Chartered Accountants



Shree Hari Sharma
Shree Hari & Co.
Chartered Accountants

Date: Poush 25, 2082
Place: Kathmandu



Nepal Oil Corporation Limited
Babarmahal, Kathmandu



Statement of Profit or Loss
For the year ended Ashad 32, 2082 (July 16, 2025)

Amount in NPR

Particular	Notes	Current Year	Previous Year
Revenue from operations	21	366,083,506,966	364,527,519,866
Cost of Goods Sold	22	337,714,272,338	342,048,679,954
Gross Profit		28,369,234,628	22,478,839,912
Other Income	23	354,697,180	492,876,245
Selling and Distribution Expenses	24	104,339,291	103,547,084
Administrative Expenses	25	1,759,207,264	1,784,101,361
Depreciation and Amortization Expenses	3,4	386,447,999	317,210,256
Pollution Control Expenses		3,284,338,637	3,123,601,160
Corporate Social Responsibility Expenses		42,634,066	12,311,016
Price Stabilization Fund Expenses		3,660,835,070	3,645,275,199
Foreign Exchange Gain / (Loss)		181,629,157	159,164,660
Profit from Operations		19,667,758,639	14,144,834,742
Finance Costs			83,399,151
Provision for Bonus		194,730,284	139,222,135
Profit/(Loss) before Tax		19,473,028,355	13,922,213,456
Income Tax Expenses		3,797,663,880	-
Deferred Tax Income / (Expenses)		(2,031,548,923)	(4,367,520,420)
Net Profit/(Loss) after tax		13,643,815,551	9,554,693,036

Notes forms an integral part of this Statement of Profit or Loss

Significant Accounting Policies and Notes to Financial Statement

1 - 29

As per our report of even date

Nababimol Pokharel
Acting Director
Finance Department

Nagendra Sah
Dy. Managing Director

Dr. Chandika P. Bhatta
Managing Director

Birendra Bahadur Chand
Invited BOD Member

Nar Bahadur Ayer
BOD Member

Roshan Gyawali
BOD Member

Kamari Jyoti Joshi
BOD Member

Shivarani Pokharel
BOD Member

Suman Dahal
BOD Member

Dr. Ram Prasad Ghimire
BOD Chairman

Pratiba Barjya
Chartered Accountants

Sheo Hari Sharma
Chartered Accountants

Date: Poush 25, 2082
Place: Kathmandu



Nepal Oil Corporation Limited
Babarmahal, Kathmandu



Statement of Other Comprehensive Income
For the year ended Ashad 32, 2082 (July 16, 2025)

Amount in NPR

Particular	Notes	Current Year	Previous Year
Net Profit/(Loss) after tax		13,643,815,551	9,554,693,036
Other Comprehensive Income			
Items that will not be subsequently reclassified to profit or loss			
Actuarial gain / (loss) on remeasurement of defined benefit plans		124,926,383	170,599,332
Tax relating to non-recycleable components of other comprehensive income		(31,231,596)	(42,649,833)
Items that may be subsequently reclassified to profit or loss			
Exchange Gain/Loss arising on translation of foreign operations			
Gain / loss on hedging instrument in a cash flow hedges			
Net fair value gain or losses on available for sale financial assets		9,999,001	10,920,966
Share of Associates's other comprehensive income			
Tax relating to recycleable components of other comprehensive income		(2,499,750)	(2,730,242)
Total Other Comprehensive Income (OCI) net of tax		101,194,038	136,140,224
TOTAL Comprehensive Income		13,745,009,589	9,690,833,260

Notes forms an integral part of this Statement of other comprehensive income

Significant Accounting Policies and Notes to Financial Statement

1 - 29 As per our report of even date


 Nababudd Pokharel
 Acting Director
 Finance Department


 Nagendra Sah
 Dy. Managing Director


 Dr. Chandika P. Bhatta
 Managing Director


 Birendra Bahadur Chand
 Invited BOD Member


 Nar Bahadur Ayer
 BOD Member


 Roshan Gyawali
 BOD Member


 Kishori Jyoti Joshi
 BOD Member


 Shivaram Pokharel
 BOD Member


 Suman Dahal
 BOD Member


 Dr. Ram Prasad Ghimire
 BOD Chairman


 Pratiba Bahiya
 Pratiba & Associates
 Chartered Accountants


 Sheo Hari Sharma
 Sheo Hari & Co.
 Chartered Accountants

Date: Poush 25, 2082
Place: Kathmandu



Nepal Oil Corporation Limited
Babarmahal, Kathmandu




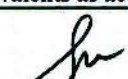
Statement of Cash Flows
For the year ended Ashad 32, 2082 (July 16, 2025)

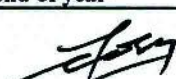
Amount in NPR

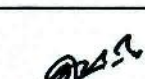
Particulars	Current Year	Previous Year
A. Cash Flow from Operating Activities		
Profit After Tax	19,473,028,355	13,922,213,456
Adjustments for:		
Depreciation and Amortization	386,447,999	317,210,256
Previous year expenses adjustment	(161,515,433)	(1,964,452)
Previous year income adjustment	-	-
Provision for Income tax	-	-
Additional Provision as per actuarial valuation	130,913,403	118,689,757
Receipt of Dealer deposit	142,513,964	109,134,715
Payment to refundable deposit	(9,488,228)	(253,483,312)
Payment of Other Liabilities	(91,367,262)	(5,268,996)
Net Disbursement of staff loan	(128,127,358)	(37,752,183)
Interest income (Concessional Loan - NFRS Adjustment)	(9,006,169)	(16,203,054)
Employee Benefit Cost (Concessional loan - NFRS Adjustment)	14,317,260	12,890,571
Actual contribution to CIT (Gratuity, Leave and Medical)	(93,467,753)	(68,706,756)
Provision for Bonus	194,730,284	139,222,135
Operating Profit before Working Capital Changes	19,848,979,062	14,235,982,137
Change in Working Capital (excluding Cash & Cash Equivalents):		
(Increase) / Decrease in Current Assets	(3,462,785,510)	(2,252,226,588)
Increase / (Decrease) in Current Liability	2,037,421,914	(1,680,330,644)
Changes in Working Capital	(1,425,363,597)	(3,932,557,232)
Cash Generated From Operations		
Less: Taxes Paid	(1,093,443,889)	(278,018,684)
Net Cash Flow From Operating Activities	17,330,171,576	10,025,406,222
B. Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment	(235,868,468)	(1,578,440,360)
Expenditure on Construction Work In Progress	(1,078,454,808)	64,637,098
Investment in FD	(15,966,600,000)	(5,498,748,000)
Net Cash Generated / (Used) in Investing Activities:	(17,280,923,276)	(7,012,551,262)
C. Net Cash Flow From Financing Activities:		
Increase in share capital	-	-
Increase in borrowing	-	(3,667,656,039)
Price stabilisation fund	4,033,555,264	3,750,569,174
Dividend / Dividend Tax Paid	(1,100,000,000)	-
Net Cash Generated / (Used) from Financing Activities:	2,933,555,264	82,913,135
D. Net Change in Cash & Cash Equivalents (A+B+C)	2,982,803,563	3,095,768,096
Cash & Cash Equivalents as at the beginning of year	9,655,488,760	6,559,720,664
Cash & Cash Equivalents as at the end of year	12,638,292,324	9,655,488,760

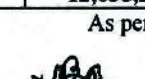
As per our report of even date

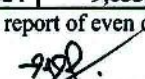
 Nababine Pokharel
 Acting Director
 Finance Department

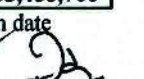
 Nagendra Sah
 Dy. Managing Director

 Dr. Chandika P. Bhatta
 Managing Director

 Birendra Bahadur Chand
 Invited BOD Member

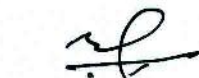
 Nar Bahadur Ayer
 BOD Member

 Roshan Gyawali
 BOD Member

 Kumari Jyoti Joshi
 BOD Member

 Shivaram Pokharel
 BOD Member

 Suman Dahal
 BOD Member

 Dr. Ram Prasad Ghimire
 BOD Chairman



Date: Poush 25, 2082
 Place: Kathmandu



Nepal Oil Corporation Limited
Babarmahal, Kathmandu



Statement of Changes in Equity
For the year ended Ashad 32, 2082 (July 16, 2025)

Amount in NPR

Particular	Shares Capital	Other Equity			Total Equity
		Retained Earning	Other Comprehensive Income	Other Equity (Sub Total)	
Balance at Ashad 31, 2080	11,000,000,000	(5,065,929,545)	207,002,611	(4,858,926,934)	6,141,073,066
Prior period adjustment	-	(1,893,561)	-	(1,893,561)	(1,893,561)
Profit/(loss) for the year	-	9,554,693,036	-	9,554,693,036	9,554,693,036
Tax Adjustment of Previous FY	-	-	-	-	-
Other Comprehensive Income	-	-	136,140,224	136,140,224	136,140,224
Dividend distribution	-	-	-	-	-
Balance at Ashad 31, 2081	11,000,000,000	4,486,869,930	343,142,835	4,830,012,765	15,830,012,765
Prior period adjustment	-	(161,515,433)	-	(161,515,433)	(161,515,433)
Profit/(loss) for the year	-	13,643,815,551	-	13,643,815,551	13,643,815,551
Tax Adjustment of Previous FY	-	-	-	-	-
Other Comprehensive Income	-	-	101,194,038	101,194,038	101,194,038
Dividend distribution	-	(1,100,000,000)	-	(1,100,000,000)	(1,100,000,000)
Balance at Ashad 32, 2082	11,000,000,000	16,869,170,049	444,336,872	17,313,506,921	28,313,506,921

As per our report of even date



Nababindra Pokharel
Acting Director
Finance Department


Nagendra Sah
Dy. Managing Director



Dr. Chanditka P. Bhatta
Managing Director


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Nar Bahadur Ayer
BOD Member


Roshan Gyawali
BOD Member



Kumbhari Jyoti Joshi
BOD Member


Shivaram Pokharel
BOD Member


Suman Dahal
BOD Member


Dr. Ram Prasad Ghimire
BOD Chairman


Sheo Hari Sharma
Shree Hari & Co.
Chartered Accountants
Rajshahi, Kathmandu
Regd. No. 93


Prativa & Associates
Chartered Accountants
Kathmandu, Nepal
Regd. No. 93

Date: Poush 25, 2082
Place: Kathmandu



Nepal Oil Corporation Limited
Babarmahal, Kathmandu
Notes to Financial Statement
3 Property, Plant and Equipment



Amount in NPR

	Land	Office Building	Plant & Machinery	Vehicle	Furniture and fixture	Office Equipment	Total
At Cost							
Balance as at 01 Shrawan 2080	5,340,820,944	1,068,698,584	735,676,650	668,248,269	82,174,534	508,956,567	8,404,575,549
Addition during the year	42,000,164		1,157,692,125	342,625,145	7,494,427	28,628,499	1,578,440,360
Disposal during the year							
Balance as at 31 Ashad 2081	5,340,820,944	1,110,698,748	1,893,368,775	1,010,873,414	89,668,961	537,585,066	9,983,015,909
Addition during the year	14,840,367		58,936,936	136,221,591	4,258,627	21,610,947	235,868,468
Disposal during the year							
Balance as at 32 Ashad 2082	5,340,820,944	1,125,539,115	1,952,305,711	1,147,095,005	93,927,588	559,196,013	10,218,884,377
Accumulated Depreciation							
Balance as at 01 Shrawan 2080		246,922,066	527,375,559	396,751,225	39,447,314	296,953,316	1,507,449,480
Addition for the year		48,468,194	100,796,071	55,487,447	8,321,790	60,023,931	273,097,434
Depreciation on Disposal							
Balance as at 31 Ashad 2081		295,390,260	628,171,630	452,238,672	47,769,104	356,977,247	1,780,546,914
Addition for the year	-	49,981,916	142,245,833	91,042,257	9,637,991	49,750,702	342,658,698
Depreciation on Disposal	-						
Balance as at 32 Ashad 2082	-	345,372,176	770,417,463	543,280,929	57,407,095	406,727,949	2,123,205,612
Net Book Value on 31 Ashad 2081	5,340,820,944	815,308,488	1,265,197,144	558,634,742	41,899,858	180,607,819	8,202,468,996
Net Book Value on 32 Ashad 2082	5,340,820,944	780,166,939	1,181,888,247	603,814,077	36,520,493	152,468,063	8,095,678,765

Nabamod Pokharel
 Acting Director
 Finance Department

Nagendra Sah
 Dy. Managing Director

Dr. Chandika P. Bhatta

Birendra Bahadur Chand
 Invited BOD Member

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 BOD Member

Roshan Gyawali
 BOD Member

Kishori Jyoti Joshi
 BOD Member

Shivaraj Pokharel
 BOD Member

Sumat Dahal
 BOD Member

Dr. Ram Prasad Ghimire
 BOD Chairman

Prativa & Associates
 Chartered Accountants
 Kathmandu, Nepal

Sheo Hari Sharma
 Chartered Accountants
 Kathmandu, Nepal

Date: Poush 25, 2082
 Place: Kathmandu


Nepal Oil Corporation Limited
Babarmahal, Kathmandu
Notes to Financial Statement





4 Intangible assets


Amount in NPR

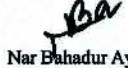
	Total
At Cost	
Balance as at 31 Ashad 2081	220,672,212
Addition during the year	-
Disposal during the year	-
Balance as at 32 Ashad 2082	220,672,212
Accumulated Amortization	
Balance as at 31 Ashad 2081	47,340,341
Addition for the year	43,789,301
Amortization on Disposal	-
Balance as at 32 Ashad 2082	91,129,642
Net Book Value on 31 Ashad 2081	173,331,871
Net Book Value on 32 Ashad 2082	129,542,570

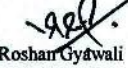
 Nababinod Pokharel
 Acting Director
 Finance Department


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 Managing Director


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 Shivaram Pokharel
 BOD Member

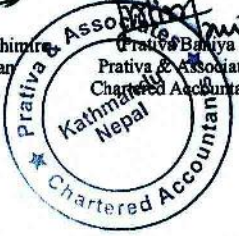
 Suman Dahal
 BOD Member

 Dr. Ram Prasad Ghimire
 BOD Chairman

 Prativa Bhatia
 Prativa & Associates
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 Sheo Hari & Co.
 Chartered Accountants

Date: Poush 25, 2082
 Place: Kathmandu



Nepal Oil Corporation Limited
Babarmahal, Kathmandu
Notes to Financial Statement



Amount in NPR

5 Capital Work-in-Progress

	As at Ashad 32, 2082	As at Ashad 31, 2081
Koshi Provincial Office-Biratnagar	9,114,480	1,540,000
Branch Office- Charali	2,244,421	2,244,421
Corporate Building Project	964,389,661	460,202,267
Aviation Fuel Station - Sinamangal	30,973,607	7,126,285
Pokhara Depot Extension Project	-	-
Lumbini Provincial Office-Bhalwari	5,472,441	884,000
Bagmati Province Office- Thankot	21,382,873	21,382,873
Head Office -Teku	23,446,031	66,607,711
Pokhara Aviation Fuel Station Project	72,500	232,267,356
Storage Capacity Enhancement Project-Pokhara	673,757,130	829,080,171
Karnali Provincial office-Surkhet	1,398,120	-
NOC Motihari-Amlekhgunj Pipeline Project	639,403	-
Storage Capacity Enhancement Project-Amlekhgunj	966,899,225	-
Total	2,699,789,892	1,621,335,084

6 Investment

	As at Ashad 32, 2082	As at Ashad 31, 2081
Investment on Listed shares-		
Nepal Lube Oil Limited (105625 shares)	30,969,250	22,290,838
Gorakhkali Rubber Udyog (206000 shares)	-	-
Investment on Unlisted shares		
Sajha Pasal Sewa (10000 shares)	16,171,725	14,851,136
Arthik Sewa Kendra (3000 shares)	-	-
	47,140,975	37,141,974
Other investment		
Fixed Deposit	7,894,348,000	1,573,448,000
Fixed Deposit - Price Stabilization Fund	14,100,000,000	4,454,300,000
Total	22,041,488,975	6,064,889,974

The number of shares in Nepal Lube Oil Limited as at Ashad End 2082 is 1,05,625(Previous Year- 87,967). During the year 17,658 bonus shares were received.

The number of shares in Sajha Pasal Sewa as at Ashad end 2082 is 10,000.(Previous year - 10,000)

7 Loans & Advances

	As at Ashad 32, 2082	As at Ashad 31, 2081
Current Portion		
Employee Advance	7,179,262	14,524,013
Advance to Indian Oil Corporation	-	853,286,813
	7,179,262	867,810,826
Non Current Portion		
Employee Loan at amortized cost (NFRS)	166,475,373	242,073,507
Total	166,475,373	256,597,521

Nababinod Rokharel
Acting Director
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Nar Bahadur Ayer
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Prativa & Associates
Chartered Accountants
Kathmandu, Nepal

Sheo Hari Sharma
Chartered Accountants

Date: Poush 25, 2082
Place: Kathmandu

Nepal Oil Corporation Limited
Babarmahal, Kathmandu
Notes to Financial Statement



Amount in NPR

8 Deposits		As at Ashad 32, 2082	As at Ashad 31, 2081
Refundable Deposit		408,587,868	399,099,640
Total		408,587,868	399,099,640
9 Deferred Tax		As at Ashad 32, 2082	As at Ashad 31, 2081
Deferred Tax Assets		246,896,439	2,312,176,709
Total		246,896,439	2,312,176,709
10 Other Non Current Assets		As at Ashad 32, 2082	As at Ashad 31, 2081
Prepayment Assets of Concessional Loan		408,513,022	210,098,621
Total		408,513,022	210,098,621
11 Inventories		As at Ashad 32, 2082	As at Ashad 31, 2081
Store, spares parts and Stationary etc.		156,413,902	128,143,880
Petroleum stock			
Stock in depo		9,365,457,305	7,819,074,598
Stock in transit		3,988,771,420	2,417,352,141
Total		13,510,642,627	10,364,570,619
12 Trade Receivable		As at Ashad 32, 2082	As at Ashad 31, 2081
Secured debtor		674,976,931	545,142,848
Less: Provision for doubtful debt		38,533,882	38,533,882
		636,443,049	506,608,966
Clearing Account Balance		14,683,585	-
Branch Balance		199,041	170,560
Total		651,325,675	506,779,526

 Nababinod Rokharel
 Acting Director
 Finance Department

 Nagendra Sah
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 BOD Member

 Dr. Ram Prasad Ghimire
 BOD Chairman

 Prativa Baniya
 Prativa & Associates
 Chartered Accountants

 Sheo Hari Sharma
 Sheo Hari & Co.
 Chartered Accountants

Date: Poush 25, 2082
 Place: Kathmandu



Nepal Oil Corporation Limited
Babarmahal, Kathmandu
Notes to Financial Statement



Amount in NPR

13 Cash and cash equivalents

	As at Ashad 32, 2082	As at Ashad 31, 2081
Petty Cash	17,675	1,069,038
Cheque/Draft in transit		
Cash at bank	6,261,736,606	7,723,586,632
Deposit for Price Stabilization Fund	4,342,957,452	39,766,464
Payable Deposit bank balance	2,033,580,591	1,891,066,627
Total	12,638,292,324	9,655,488,760

14 Other financial assets

	As at Ashad 32, 2082	As at Ashad 31, 2081
Margin Deposit (Bank Guarantee)	18,500,000	18,500,000
Total	18,500,000	18,500,000

15 Other Current Assets

	As at Ashad 32, 2082	As at Ashad 31, 2081
Advance Income tax		
Income Tax Provisions	(15,772,995,416)	(11,975,331,535)
Less: Advance Income tax paid	17,304,686,514	16,211,242,626
Total Advance Income tax	1,531,691,099	4,235,911,091
VAT Receivable	7,575,593,309	6,398,721,736
Other receivable and prepayment	1,585,880,394	1,632,202,432
Letter of credit (Margin Money)	-	98,771,498
Prepayment	44,836,842	43,815,963
Advance custom duty	7,952	7,952
Custom, transportation and clearing		
Total	10,738,009,596	12,409,430,671

Nababimad Pokharel
 Acting Director
 Finance Department

Nagendra Sah
 Dy. Managing Director

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 Managing Director

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Suman Bahal
 BOD Member

Dr. Ram Prasad Ghimire
 BOD Chairman

Pratiba Baniya
 Pratiba & Associates
 Chartered Accountants

Sheo Hari Sharma
 Sheo Hari & Co.
 Chartered Accountants

Date: Poush 25, 2082
 Place: Kathmandu



Nepal Oil Corporation Limited
Babarmahal, Kathmandu
Notes to Financial Statement



Amount in NPR

	As at Ashad 32, 2082	As at Ashad 31, 2081
16 Equity Share Capital		
Authorized	30,000,000,000	30,000,000,000
300,000,000 equity shares of Rs. 100 each		
Issued Capital	30,000,000,000	30,000,000,000
300,000,000 Equity Shares of Rs 100 each		
Subscribed and fully paid up		
110,000,000 Equity Shares of Rs 100 each	11,000,000,000	11,000,000,000
Total	11,000,000,000	11,000,000,000

	As at Ashad 32, 2082	As at Ashad 31, 2081
17 Other Equity		
General Reserves (Opening Balance)	4,830,012,765	(4,858,926,934)
(Less): Dividend distribution	(1,100,000,000)	-
Add: Profit/loss for the Year	13,643,815,551	9,554,693,036
Prior Period Adjustment	(161,094,515.97)	70,891
(Less): Previous year expenses	(420,917)	(1,964,452)
Add: Previous year income		
Other Comprehensive Income (Net of tax)	101,194,038	136,140,224
Total	17,313,506,921	4,830,012,765

	As at Ashad 32, 2082	As at Ashad 31, 2081
18 Dealer & Airlines Deposits		
Dealer & Airlines Deposits	2,033,580,591	1,891,066,627
Total	2,033,580,591	1,891,066,627


 Nababimod Pokharel
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 BOD Chairman


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 Prativa & Associates
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 Sheo Hari Sharma
 Sheo Hari & Co.
 Chartered Accountants





Date: Poush 25, 2082
 Place: Kathmandu

Nepal Oil Corporation Limited
Babarmahal, Kathmandu
Notes to Financial Statement



Amount in NPR

19 Provisions

**Defined Benefit Obligation & Other Long Term Provisions
as per Actuarial Valuation**

	As at Ashad 32, 2082	As at Ashad 31, 2081
Gratuity	320,287,384	290,721,881
Medical Benefit	259,619,401	302,475,073
Leave	97,190,012	102,809,316
	677,096,797	696,006,270
Current Portion	116,182,448	107,013,684
Non Current Portion	560,914,349	588,992,586

Long Term Provisions

	As at Ashad 32, 2082	As at Ashad 31, 2081
Provision for Staff housing facilities	3,258,420,957	3,258,420,957
Total	3,258,420,957	3,258,420,957

Short Term Provisions

	As at Ashad 32, 2082	As at Ashad 31, 2081
Provision for Bonus	3,968,465,097	3,773,734,813
Total	3,968,465,097	3,773,734,813

 Nababmod Pokharel
Acting Director
Finance Department

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BOD Chairman

 Pratiba Bariya
Pratiba & Associates
Chartered Accountants

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Sheo Hari & Co.
Chartered Accountants

Date: Poush 25, 2082
Place: Kathmandu



Nepal Oil Corporation Limited
Babarmahal, Kathmandu
Notes to Financial Statement



Amount in NPR

20 Other Liabilities

Non Current	As at Ashad 32, 2082	As at Ashad 31, 2081
Unclaimed Liabilities	55,463,544	55,463,544
Retention Money Deposit	310,286,991	401,654,253
Interest payable	16,509,460	16,509,460
Total	382,259,994	473,627,256
Current	As at Ashad 32, 2082	As at Ashad 31, 2081
Price Stabilization Fund	29,935,204,257	25,901,647,115
Total	29,935,204,257	25,901,647,115
Other Payables		
Advances from customer	235,151,797	220,304,858
Salary payable to staff	27,588,661	27,081,346
Employee providend fund deduction	48,267	23,300
Payable to Indian Oil Corporation	1,724,566,112	
EPF Loan Deduction	58,500	58,500
Employee welfare fund	53,213,171	40,130,680
Deduction for Yuva swarozgar	193	193
TDS Payable	39,413,092	48,714,357
Rastriya Beema Company Limited	73,122,933	48,771,830
Provision for Other Expenses	331,612,611	298,689,356
Payable to CIT related to salary	18,500	18,500
Expenses payable	705,225,495	541,188,874
Clearing Account Balance		(3,733,161)
Custom, transportation and clearing	2,269,661	2,269,661
Deduction for Advertisement Board	79,954	
Total	3,192,368,947	1,223,518,294

Nababirud Pokharel
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 Finance Department

Nagenra Sah
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Prativa Bariya
 Prativa & Associates
 Chartered Accountants
 Kathmandu
 Nepal
 Chartered Accountants

Sheo Hari Sharma
 Sheo Hari & Co.
 Chartered Accountants
 No. 83
 Chartered Accountants

Date: Poush 25, 2082
 Place: Kathmandu



Nepal Oil Corporation Limited
Babarmahal, Kathmandu
Notes to Financial Statement



Amount in NPR


21 Revenue from operation	Current Year	Previous Year
Sales - MS	100,199,629,611	99,968,036,366
Sales -HSD	184,547,940,430	187,351,474,678
Sales -SKO	1,713,470,550	1,729,439,959
Sales -ATF	26,333,262,900	25,973,567,785
Sales -LPG	53,289,203,475	49,505,001,078
Total	366,083,506,966	364,527,519,866


22 Cost of Sales	Current Year	Previous Year
Cost of Goods Sold		
Cost of Goods Sold - MS	93,990,873,457	91,935,684,434
Cost of Goods Sold - HSD	163,337,830,714	173,343,312,964
Cost of Goods Sold - SKO	1,369,882,715	1,336,922,427
Cost of Goods Sold - ATF	17,244,250,247	20,526,195,369
Cost of Goods Sold - LPG	61,771,435,204	54,906,564,761
Total	337,714,272,338	342,048,679,954

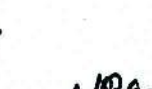
23 Other Income	Current Year	Previous Year
Interest income	293,261,041	190,178,557
Interest income (Concessional Loan - NFRS Adjustment)	9,006,169	16,203,054
Dividend income	501,079	406,305
Business income	31,860,901	32,984,358
Infrastructure Development Tax (Reimbursement)		
Miscellaneous income	6,596,416	35,184,257
Rental income	7,852,270	12,604,250
Grant income (Concessional Government Loan - NFRS Adjustment)	-	205,315,464
PV Defined Benefit Obligation for Leave	5,619,304	-
Total	354,697,180	492,876,245

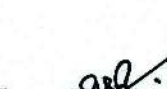

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 BOD Member

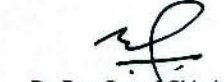

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 Chartered Accountants
 Prativa & Associates

Date: Poush 25, 2082
 Place: Kathmandu

Nepal Oil Corporation Limited
Babarmahal, Kathmandu
Notes to Financial Statement



Amount in NPR

	Current Year	Previous Year
24 Selling and distribution expenses		
Fuel Throughput Expenses	104,339,291	103,547,084
Total	104,339,291	103,547,084
25 Administration Expenses		
Salary, wages and other employee expenses	764,714,882	757,608,315
Retirement fund expenses	2,247,970	5,211,149
Employee medical expenses	33,584,222	33,132,511
Employee providend fund	28,740,287	29,066,426
Accumulated Leave	19,463,187	20,613,931
PV Defined Benefit Obligation for Gratuity	158,446,815	113,798,585
PV Defined Benefit Obligation for Medical	46,657,152	50,270,750
PV Defined Benefit Obligation for Leave	-	23,327,178
Employee Benefit Cost (Concessional loan - NFRS Adjustment)	14,317,260	12,890,571
Rental expenses	48,932,047	34,286,756
Repairs and maintenance	192,383,153	229,128,265
Electricity and water	44,995,434	34,407,772
Travelling expenses	45,086,198	40,857,675
Transportation or fuel	55,406,005	56,773,211
Office Operating expenses	65,202,978	95,835,710
Notice and Other Publication expenses	8,798,967	11,766,334
LPG Awareness & Safety expenses	7,673,479	6,257,967
Audit fee	2,315,000	2,315,000
Audit expenses	1,344,837	1,220,695
Consultancy and Legal Expenses	23,941,235	40,784,391
Tax and fee	32,949,206	10,765,331
Board meeting allowances	2,904,400	1,869,700
Board meeting expenses	1,808,940	919,419
Recruitment and meeting expenses	5,532,938	7,510,947
Bank commission expenses	90,766	282,571
Insurance fee	63,289,970	65,234,540
Communication expenses	13,603,035	19,582,410
Printing expenses	12,313,538	12,493,472
Advertisement expenses	6,012,381	6,367,644
Training expenses	10,867,219	7,604,461
Security expenses	7,600,969	10,606,421
Books & Paper Expenses	627,369	518,209
Business Promotion and Safety Related Expense	11,558,979	12,813,482
Miscellaneous expenses	13,882,392	13,705,429
Examination expenses	11,914,056	14,274,134
Total	1,759,207,264	1,784,101,361

Nababindra Pokharel
Acting Director

Nagendra Sah
Dy. Managing Director

Dr. Chandika P. Bhatta
Managing Director

Nar Bahadur Ayer
BOD Member

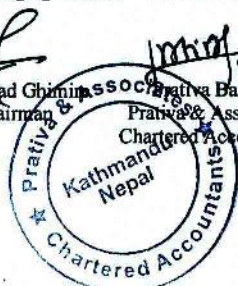
Roshan Gyawali
BOD Member

Kishori Jyoti Joshi
BOD Member



Suman Dahal
BOD Member

Dr. Ram Prasad Ghimire
BOD Chairman



Sheo Hari Sharma
Chartered Accountants

Date: Poush 25, 2082
Place: Kathmandu



26 Fair Valuation Measurement

Particulars	Note	Carrying Value		Fair Value		Fair Value Measurement hierarchy level
		As at Ashad 32, 2082	As at Ashad 31, 2081	As at Ashad 32, 2082	As at Ashad 31, 2081	
A. Financial Assets						
FVTOCI Financial Instruments						
Investments						
Quoted Equity Shares	6	2,449,900	2,449,900	30,969,250	22,290,838	Level 1
Unquoted Equity Shares		652,000	652,000	16,171,725	14,851,136	Level 3
B. Amortised Cost						
Loans and advances						
Employee Advance	7	7,179,262	14,524,013.35	7,179,262	14,524,013	Refer Notes
Employee Loan		580,086,368	433,344,050	166,475,373	242,073,507	Level 2, Refer Notes
Deposit						
Refundable Deposit	8	408,587,868	399,099,640	408,587,868	399,099,640	Refer Notes
Trade Receivables	12	651,325,675	506,779,526	651,325,675	506,779,526	Refer Notes
Cash & Cash Equivalents	13	12,638,292,324	9,655,488,760	12,638,292,324	9,655,488,760	Refer Notes
Other financial assets	14	18,500,000	18,500,000	18,500,000	18,500,000	Refer Notes
Financial Liabilities						
A. Amortised Cost						
Dealer & Airlines Deposits	18	2,033,580,591	1,891,066,627	2,033,580,591	1,891,066,627	Refer Notes
Loan from Government of Nepal		-	-	-	-	-

Notes:

The management assessed that fair value of Trade Receivables, Cash & Cash Equivalents, Bank Guarantee, Dealer & Airlines Deposits, Other Refundable Deposit & Employee Advance approximate their carrying amounts. Employee Loan has been measured at amortised cost for House, Land Loan and House Maintenance Loan and Loan from

Methods and assumptions

The following methods and assumptions were used to estimate the fair values at the reporting date:

A. Level 1 Hierarchy

(i) Quoted Equity Shares

Closing quoted price (unadjusted) in Nepal Stock Exchange.

B. Level 2 Hierarchy

(i) Loan to employees:

Discounting future cashflows using rates currently available for items on similar terms, credit risk and remaining maturities.

C. Level 3 Hierarchy

(i) Unquoted Equity Instrument

Simple average of price computed as per Net Assets Value Method (NAV) and Capitalized Earning Method (CEM) has been considered as fair value. Net Assets Value has been calculated by considering total equity i.e. paid up capital and reserves has been considered after adjusting for any earmarked regulatory reserves and capitalized earning has been taken as average of profit after tax from available data of past years

Nalabinda Pokharel
Acting Director
Finance Department

Nagendra Sah
Dy. Managing Director

Dr. Chandika P. Bhatta
Managing Director

Birendra Bahadur Chand
Invited BOD Member

Nar Bahadur Ayer
BOD Member

Roshan Gyawali
BOD Member

Kumari Jyoti Joshi
BOD Member

Shivaram Pokharel
BOD Member

Surman Dahal
BOD Member

Dr. Ram Prasad Ghimire
BOD Chairman

Prativa & Associates
Chartered Accountants

Sheo Hari Sharma
Sheo Hari & Co.
Chartered Accountants

Date: Poush 25, 2082
Place: Kathmandu
















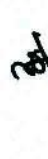


Nepal Oil Corporation Limited
Babarmahal, Kathmandu

Notes to Financial Statement

27 Reconciliation of deferred tax as at beginning and end of the year

I. As at Ashad 31, 2081

Particulars	Book Carrying Value as at end of the year	Tax Base as at end of the year	Temporary Difference	Tax Rate	Deferred Tax Asset/(Liability)
Temporary Difference for:					
Provisions					
Gratuity	290,721,881	63,469,131	227,252,750	25%	56,813,187
Medical Benefit	302,475,073		302,475,073	25%	75,618,768
Leave	102,809,316	20,613,931	82,195,385	25%	20,548,846
Total deferred tax assets - temporary differences on provisions as at end of the year	696,006,270	84,083,063	611,923,207		152,980,801
Fixed Assets					
WDV of Assets included under Tax	3,034,979,922	3,523,016,592	488,036,670	25%	122,009,167
Total deferred tax assets - temporary difference on fixed assets as at end of the year					122,009,167
Deferred Tax Asset on Carry Forward of Losses		8,182,787,036		25%	2,045,696,769
Fair valuation of Investments					
Deferred tax (expense) / income recognized in Fair valuation of Investments	37,141,974	3,101,900	34,040,074	25%	8,510,019
Net deferred tax assets / (liabilities) as at end of the period					2,312,176,708
Net deferred tax assets / (liabilities) as at end of previous year					6,725,077,203
Deferred tax (expense) / income recognized in Profit & Loss					(4,367,520,420)
Deferred tax (expense) / income recognized in Other Comprehensive Income					(45,380,075)

 Nababid Pokharel
Acting Director
Finance Department
 Shivaram Pokharel
BOD Member
 Nagesh Sah
Dy. Managing Director
 Dr. Chandika P. Bhatia
Managing Director
 Birendra Bahadur Chand
Invited BOD Member
 Nar Bahadur
BOD Member
 Roshan Gyawali
BOD Member
 K. Prati Jyoti Joshi
BOD Member
 Sheo Han Sharma
Chartered Accountants
 Siddharth
Chartered Accountants
 Prativa
Chartered Accountants
 Prativa & Associates
Chartered Accountants
 Prativa Nepal
Chartered Accountants
 Prativa Nepal
Chartered Accountants
 Prativa Nepal
Chartered Accountants
 Prativa Nepal
Chartered Accountants

Date: Poush 25, 2082
Place: Kathmandu





Notes to Financial Statement

27 Reconciliation of deferred tax as at beginning and end of the year

I. As at Ashad 32, 2082	Particulars	Book Carrying Value as at end of the year	Tax Base as at end of the year	Temporary Difference	Tax Rate	Deferred Tax Asset/(Liability)
Temporary Difference for:						
Provisions						
Gratuity		320,287,384	-	320,287,384	25%	80,071,846
Medical Benefit		259,619,401	-	259,619,401	25%	64,904,850
Leave		97,190,012	-	97,190,012	25%	24,297,503
Total deferred tax assets - temporary differences on provisions as at end of the year		677,096,797	-	677,096,797		169,274,199
Fixed Assets						
WDV of Assets included under Tax		2,884,400,390	3,238,928,428	354,528,038	25%	88,632,009
Total deferred tax assets - temporary difference on fixed assets as at end of the year						88,632,009
Deferred Tax Asset on Carry Forward of Losses					25%	-
Fair valuation of Investments						
Deferred tax (expense) / Income recognized in Fair valuation of Investments		47,140,975	3,101,900	44,039,075	25%	11,009,769
Net deferred tax assets / (liabilities) as at end of the period						246,896,439
Net deferred tax assets / (liabilities) as at end of previous year						2,312,176,709
Deferred tax (expense) / Income recognized in Profit & Loss						(2,031,548,923)
Deferred tax (expense) / Income recognized in Other Comprehensive Income						(33,731,346)

 Nabin Pokharel
 Acting Director
 Finance Department

 Shivaram Pokharel
 BOD Member

 Nagendra Sah
 Dy. Managing Director

 Dr. Chandika P. Bhatia
 Managing Director

 Dr. Ram Prasad Ghimire
 BOD Chairman

 Birendra Bahadur Chand
 Invited BOD Member

 Nar Bahadur
 BOD Member

 Roshan Gyawali
 BOD Member

 Binani Jyoti Joshi
 BOD Member

Prativa & Associates, SSOs
 Chartered Accountants
 Prativa Basny
 Chartered Accountant

Sheo Hari & Company
 Chartered Accountants
 Sheo Hari Sharma
 Sheo Hari & Co.
 Chartered Accountants

Date: Poush 25, 2082
 Place: Kathmandu



Nepal Oil Corporation Limited
 Babarmahal, Kathmandu
 Notes to Financial Statement



Amount in NPR

28 | Present Value of Defined Benefit Obligation (Net of Plan Asset)

Particulars	Opening as at 1st Shrawan 2081		CSC	Interest Cost	Act Loss/ (Gain)		Payment		Closing as at 31 Ashadh 2082
	(A)	(B)			(C)	(D)	(E)	(F)	
Gratuity	290,721,881	82,550,492	75,896,323	(79,422,219)		(49,459,093)		320,287,384	
Medical Benefit	302,475,073	19,988,597	26,668,555	(45,504,164)		(44,008,660)		259,619,401	
Leave	102,809,316	3,036,906	8,706,195	(17,362,405)		-		97,190,012	
Total	696,006,270	105,575,995	111,271,073	(124,926,383)		(93,467,753)		677,096,797	

Particulars	Opening as at 1st Shrawan 2080		CSC	Interest Cost	Act Loss/ (Gain)		Payment		Closing as at 31 Ashadh 2081
	(A)	(B)			(C)	(D)	(E)	(F)	
Gratuity	349,899,580	86,185,992	27,612,593	(107,384,011)		(65,592,273)		290,721,881	
Medical Benefit	315,419,644	23,657,278	26,613,472	(63,215,321)		-		302,475,073	
Leave	82,596,621	16,575,775	7,087,536	(336,133)		(3,114,483)		102,809,316	
Total	747,915,845	126,419,045	61,313,601	(170,599,332)		(68,706,756)		696,006,270	

 Nababof Pokharel
 Acting Director
 Finance Department
 BOD Member

 Suman Dalal
 BOD Member

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 Managing Director

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 BOD Chairman

 Birendra Bahadur Chand
 Invited BOD Member

 Nisar Bahadur Ayer
 BOD Member

 Roshan Gyawali
 BOD Member

 Kulman Jyoti Joshi
 BOD Member

 Pratiya & Associates
 Chartered Accountants
 Nepal
 Kathmandu

 Shree Shree & Company
 Chartered Accountants
 Nepal
 Kathmandu

Date: Poush 25, 2082
 Place: Kathmandu



1. ENTITY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

Nepal Oil Corporation Limited ("NOC" or "Corporation") is a state owned trading enterprise of Nepal that imports, stores and distributes various petroleum products in the country. It was established on 2027/09/26 as Private Limited Company under the Company Act 2021. Subsequently it was converted into Public Limited Company on 2033/04/06 by the Government of Nepal under the "Company Act, 2021. The government owns 99.46% of its share and rest is contributed by four other state owned enterprises: Rastriya Beema Company Limited, Food Management & Trading Company Ltd., Nepal Bank Ltd. and Rastriya Banijya Bank. The corporate office of the Corporation is situated at Babarmahal, Kathmandu. NOC, headquartered in Kathmandu, has over the years expanded and now has seven provincial offices in every province of Nepal, three branch offices, three fuel depots, two petrol pump, ten aviation fuel depots, and two aviation fuel refueling station with total existing storage capacity of 102164.73kilolitres (kl.). Currently first phase of the project of International Oil Pipeline that connects with Motihari in Bihar of India and Amlekhgunj Depot in Bara district of Nepal has been completed. This will make transportation of Oil easier and safer and faster to all the corners of Nepal.

2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation and measurement

(a) Statement of Compliance:

These financial statements have been prepared in accordance with requirements of Company Act, 2063 of Nepal and applicable Nepal Financial Reporting Standards (NFRS) and the relevant presentation requirements thereof. The Corporation adopted NFRS from 1stShrawan, 2076 (17th July, 2019).

The financial statement has been approved by Board of Directors vide meeting dated **25 Poush 2082.**

Standards issued but not yet effective

Following the 334th Council Meeting held on 11 September 2024, the application of Nepal Financial Reporting Standards 2024 (NFRS 2024) is mandatory for the reporting periods beginning on or after 16 July 2025. These standards reflect the latest changes in financial reporting requirements and are consistent with International Financial Reporting Standards (IFRS 2024), ensuring alignment with international reporting practices. The NFRS 2024 consists of the Preface and Conceptual Framework, 41 NFRS, 15 IFRICs, and 5 SICs, which form an integral part of the standards. The Corporation is in the process of assessing the implementation of the Nepal Financial Reporting Standards 2024 (NFRS 2024).

(b) Basis of preparation:

These financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.



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realization in cash and cash equivalents, the Corporation has ascertained its operating cycle as twelve months for the purpose of Current/Non-Current classification of Assets and Liabilities.

The Corporation classifies an asset as current when it is:

- i) Expected to be realized or intended to be consumed in normal operating cycle.
- ii) Held primarily for the purpose of trading.
- iii) Expected to be realized within twelve months after the reporting period or
- iv) 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 Corporation classifies a liability as current when:

- i) Expected to be settled in normal operating cycle.
- ii) Held primarily for the purpose of trading.
- iii) Settled within twelve months after the reporting period or
- v) No unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

2.4.2. Property, Plant and Equipment (PPE)

This includes tangible assets held for use in supply of services or for administrative purposes. These are recognized and carried under cost model i.e. cost less accumulated depreciation and impairment loss, if any which is akin to recognition criteria under erstwhile GAAP, except freehold land which are carried at historical cost. Cost includes purchase price/construction cost including applicable freight, duties, taxes after deducting any discounts and rebates, and other expenses directly incidental to acquisition, bringing the asset to its working condition and the location and installation including site restoration up to the time when the asset is ready for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. These costs are capitalized until the asset is ready for use and includes borrowing cost capitalized as per NFRS. When a major inspection/repair occurs, its cost is recognized in the carrying amount of the Plant and Equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of previous inspection/repair is derecognized. All other repair and maintenance costs are recognized in Profit or Loss as incurred.

Recognition:

The cost of an item of PPE is recognized as an asset if, and only if:

- (a) It is probable that future economic benefits associated with the item will flow to the entity;
- (b) And the cost of the item can be measured reliably.

In accordance with the above criteria, subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate.



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Subsequently Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. During sales of fixed assets any profit earned / loss sustained towards excess / shortfall of sale value vis-a-vis carrying cost of assets is accounted for in Statement of Profit or Loss.

Spare parts are capitalized when they meet the definition of PPE i.e. When the Corporation intends to use these during more than a period of 12 months.

The acquisition of some items of PPE although not directly increasing the future economic benefits of any particular existing item of PPE, may be necessary for the Corporation to obtain the future economic benefits from its other assets. Such items of PPE are recognized as assets.

Depreciation & Amortization:

Cost of PPE net of residual value excluding freehold land is depreciated or amortized (in case of intangible assets) on the Straight-Line Method based on the estimated useful lives of the assets determined by the management. Depreciation on assets under construction (amortization in case of software under development) does not commence until they are complete and available for use. Depreciation / amortization on additions to fixed assets/ intangible assets is charged on pro-rata basis in the year of purchase. The useful life of the assets and the corresponding rates at which the assets are depreciated / amortized are as follows:

Particulars	Useful life (Years)
Motor cycles, scooters and other mopeds	10
Motor buses, motor lorries and motor cars	8
Office Equipment	5
Office Furniture & Fittings	10
Leasehold improvements	10
Electrical Equipment and installations	10
Computer server & networks	6
End user devices, such as, desktops, laptops, etc.	3
Intangible assets	5
Fire Extinguisher	10-20
Air Condition	5-10
Electrical Vehicles	10

Residual value is determined considering past experience and generally the same as between 0% and 5% of the cost of assets.

The residual values, useful lives and methods of depreciation of PPE / amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.4.3. Intangible Assets

Recognition:

Intangible assets acquired separately are measured at cost on initial recognition. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, Intangible assets are carried at cost less any



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Nepal Oil Corporation Limited
 Babarmahal, Kathmandu
Notes to the Financial Statements
 For Year ended 16th July 2025 (32nd Ashad 2082)

accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Cost incurred on computer software/license purchased resulting in future economic benefits, other than specific software that are integral part of the related hardware, are capitalized as Intangible Assets and amortized on straight line basis over the five years period. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss unless such expenditure forms part of the carrying value of another asset.

De-recognition of PPE and Intangible Assets:

PPE and Intangible Assets are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE or Intangible Asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

2.4.4. Capital Work in Progress

Tangible assets not ready for the intended use on the date of Statement of Financial Position are disclosed as "Capital work-in-progress". Expenses exclusively attributable to projects incurred during construction are capitalized.

Petroleum Pipeline Project (PPP)

Under the G2G Agreement between Nepal & India for construction of pipeline for supply of petroleum from Motihari Bihar of India to Amlekhgunj of Bara District of Nepal the project has been successfully inaugurated by the Prime Minister of Nepal and India on 24 Bhadra, 2076. Currently, the line is used for import of diesel only. Some remaining activities relating to import of petrol from the pipeline and construction of Storage tank, lab room and operation loading bay is on process of construction. The total projected investment in the project by Nepalese & Indian government initially was as follows:

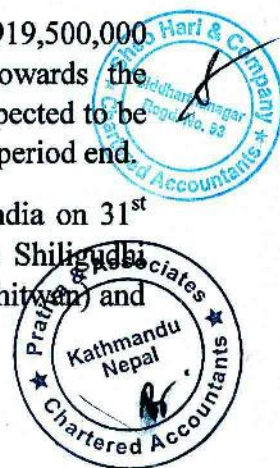
Country	Project Investment Amount (INR)	% of Investment
Nepal	750,000,000	27.27
India	2,000,000,000	72.73
Total	2,750,000,000	100.00

The NOC has made payment till reporting date of NPR 1,471,777,125 (INR 919,500,000 including INR 750,000,000) as advance to Indian Oil Corporation (IOC) towards the construction of storage tank, lab room and operation loading bay. The project is expected to be completed in January 2026 and is completed up to 99% (approx.) till the reporting period end.

As per G to G agreement between Government of Nepal and Government of India on 31st May, 2023, construction of Pipeline for supply of petroleum product from the Shilighubi (India) to Charali (Jhapa) of Nepal and from the Amlekhgunj (Bara) to Lothara (Chitwan) and



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storage tank at the Charali and Lothara has been initiated based on B to B agreement between Nepal Oil corporation and Indian Oil Corporation.

2.4.5. Impairment of non- financial assets

An asset is deemed to be impaired when the recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency. Recoverable value is the higher of the 'Value in Use' and "Fair Values reduced by cost of disposal". Test of impairment of PPE and other non-financial assets are undertaken under Cash Generating Unit (CGU) concept.

Test of impairment of assets are generally undertaken based on indication of impairment, if any, from external and internal sources of information outlined in para 12 of NAS-36. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.4.6. Investment Property

Investment property is stated at fair value determined annually by an independent valuer. Fair value is based on current prices in an active market for similar properties in the same location and condition. Any gain or loss arising from a change in fair value is recognized in the income statement. When an item of property, plant and equipment becomes an investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item and its fair value is 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 the income statement.

2.4.7. Leases

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.

Assets taken on lease (As a Lessee):

The NAS-17 Leases has been replaced by NFRS -16 leases.

The Corporation has lease arrangements for land for parking space, staff quarter and Civil Aviation Authority of Nepal for land being used at airports.

The Corporation assesses whether a contract is or contains a lease at inception of the contract. The assessment involves the exercise of judgment about whether it depends on a specified asset, whether the Company contains substantially all the economic benefits from the use of that asset, and whether the Corporation has the right to direct the use of the asset.

The Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date except for short term leases and low value asset leases. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability



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adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Corporation uses an incremental borrowing rate specific to the corporation, term and currency of the contract. Generally, the corporation uses its incremental borrowing rate as the discount rate.

After the commencement date, the amount of lease liabilities are increased to reflect the accretion of interest and reduced for the lease payments made and re-measured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

Short-term leases and leases of low-value assets

The corporation has elected not to recognize right-of-use assets and lease liabilities for short term leases as well as low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Since, the corporation has only short-term lease agreements, the Corporation has elected not to apply the requirement in paragraphs 22-49 of NFRS 16 - Lease and accordingly has recognized rental payment under its short-term lease as rent expense on accrual basis.

2.4.8. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.4.9. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals of accruals of past or future cash receipts or payments. The cash flows from regular revenue generating & investing activities of the Corporation are segregated.



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2.4.10. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis and is determined on the following basis:

- Closing stock of Petroleum products and goods in transit are valued at cost determined on Weighted average cost basis.
- Stores and spare parts are valued on actual cost basis.

The net realizable value (NRV) of stock in trade is based on the final selling price less cost required to make the sale.

2.4.11. Non-current assets held for sale:

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

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

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

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

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

2.4.12. Insurance Claims:

In case of accident of tanker carrying petroleum product all the payments relating to such tanker owner is suspended until the insurance claim is settled for the same and actual insurance claim received amount is recognized in cash basis and remaining unclaimed loss is claimed from the tanker owner.

2.4.13. Revenue Recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Corporation



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is expected to be entitled to in exchange for those goods or services: Revenue is recognized on transfer of all significant risks and rewards of ownership to the buyer.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of Goods: Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, revenue and the associated costs can be estimated reliably and it is probable that economic benefits associated with the transaction will flow to the Corporation.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverables and/or linked arrangements), net of returns, taxes or duties collected on behalf of the Government and applicable trade discounts or rebates. Where Corporation acts as an agent on behalf of a third party; the associated income is recognized on a net basis.

Interest income: Interest income on call deposits and employee advances is recognized in accrual basis / effective interest method as applicable.

Dividend Income: Dividends is recognized when the shareholder's right to receive payment is established.

Other Income: Corporation also earns various other incomes which are recognized following the revenue recognition prescribed as per applicable accounting standard.

2.4.14. Provisions for expenses

A provision is recognized in the Statement of Financial Position, when the Corporation has a legal or constructive obligation as a result of a past event, it is probable that an outflow of assets will be required to settle the obligation and the obligation can be measured reliably.

2.4.15. Employment benefits

Liabilities in respect of employee benefits to employees are provided for as follows:

Short-term employee benefits

Short-term employee benefits include benefits which are provided on periodic basis during year for the service rendered by employees during current period such as salaries and allowances. A liability is recognized for the amount expected to be paid if the Corporation has a present or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.



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Long Term Employee Benefit Plan

Contributory Nature:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an expense in statement of profit or loss when incurred.

(i) Provident Fund: The defined contribution expenses include employer's contribution to provident fund. These amounts have been deposited in Employee Provident Fund, a 100% Government of Nepal undertaking.

Defined Nature:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Corporation's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. The Corporation recognizes all actuarial gains and losses net of deferred tax arising from defined benefit plans immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefit expense in profit or loss.

The Corporation recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets, any change in the present value of the defined benefit obligation, any related actuarial gains and losses and any past service cost that had not previously been recognized.

Defined benefit scheme surplus and deficit are measured at the fair value of plan assets at the reporting date; less plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus, unrecognized past service costs; less the effect of minimum funding requirements agreed with scheme trustees. Any difference between the expected return on assets and that actually achieved, and any changes in the liabilities over the year due to changes in assumptions or experience within the scheme, are recognized in other comprehensive income in the period in which

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

(a) Post Retirement Benefit:

(i) Gratuity: Gratuity Liability is recognized on the basis of actuarial valuation as per NAS-19. Liability recognized in the date of Statement of Financial Position. In respect of gratuity, it is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries



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using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss. Gratuity is funded and deposited to a separate entity administered by an independent trust towards meeting the gratuity obligation.

(ii) **Life Insurance:** The organization maintains life insurance for permanent employees for 6 years salary and is currently done at M/S Rastriya Beema Sansthan Ltd.

(iii) **Medical Expenses:** Corporation recognizes this liability for medical fund to be provided to the employees at the time of withdrawal or retirement. Due to its defined nature the basis of determining liability is done by actuarial valuation as per NAS-19.

(b) Other Long Term Benefits:

Leave Encashment: Corporation has a policy on compensated absences which are of accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each date of Statement of Financial Position using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the date of Statement of Financial Position. Encashment of leave is recognized as expense in the period in which the encashment occurs.

2.4.16. Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Financial assets or liabilities are recognized when the corporation becomes a party to the contractual provisions of the instruments.

(a) Financial Assets

The Corporation classifies its financial assets into the following measurement categories:

- a) Financial assets measured at fair value through profit or loss showing separately;
 - those designated as such upon initial recognition and
 - those mandatorily measured at fair value in accordance with NFRS-9 on financial instrument.
- b) Financial assets measured at fair value through Other Comprehensive Income, and
- c) Financial assets measured at amortized cost.



Initial Recognition and Measurement:

At initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial assets or financial liability not at fair value

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through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

However, if the fair value of the financial assets or financial liabilities at initial recognition differs from the transaction price, the entity shall account for that instrument at that date as follows:

- (a) If that fair value is evidenced by quoted price in an active market for an identical assets or liabilities (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. An entity shall recognize the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- (b) In all other cases, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the entity shall recognize the deferred difference as a gain or loss only to the extent that it arises from a change in factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent Measurement: For purpose of subsequent measurement financial assets are classified in two broad categories:

- Financial Assets at fair value.
- Financial assets at amortized cost.

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss, or recognized in other comprehensive income.

A financial asset that meets the following two conditions is measured at amortized cost.

- **Business Model Test:** The objective of the Corporation's business model is to hold the financial asset to collect the contractual cash flows.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through OCI:

- **Business Model Test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding.

All other financial assets are measured at fair value through profit and loss.

Impairment of financial assets:

The Corporation assesses impairment based on expected credit losses (ECL) model at an amount equal to:

- 12 months expected credit losses, or



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- Lifetime expected credit losses depending upon whether there has been a significant increase in credit risk since initial recognition.

(b) Financial Liabilities

The Corporation classifies its financial liabilities into the following measurement categories:

- a) Held at fair value through profit or loss (FVTPL), or
- b) Held at amortized cost.

All financial liabilities are initially recognized at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognized in the statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of profit and loss.

De-recognition of financial assets and financial liabilities:

Corporation de-recognizes a financial asset only when the contractual right to the cash flows from the assets expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

Corporation de-recognizes financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the statement of profit or loss.

2.4.17. Fair value measurement:

The Corporation measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants in the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the assets or transfer the liability takes place either in the principal market for the assets or liability or in the absence of the principal market, in the most advantageous market for the assets or liability. The principal or the most advantageous market must be accessible to the corporation.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the assets or liability, assuming that market participants act in their economic best interest.



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A fair value measurement of non-financial asset takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the assets in its highest and best use.

The corporation uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statement are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) market price in active market.

Level 2: Valuation techniques for which the lowest level input is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the assets and liabilities that are recognized in the financial statements on a recurring basis, the corporation determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

In case of level 3 valuations, external values are also involved in some cases for valuation of assets and liabilities, such as unquoted financial assets, loans to related parties, etc.

For the purpose of fair value disclosures, the corporation has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liability and the level of the fair value hierarchy as explained above.

2.4.18. Financial risk management objectives

The Corporation's operations expose it to various risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit and liquidity risk.

Risk Management Frameworks

The management of the Corporation has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The risk management framework is intended to ensure that risks are managed with due diligence and care.

The Corporation's risk management policies are established to identify and analyze the risks it faces, 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 its activities. The Corporation, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

a. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. The major components of market risks are interest rate risk, foreign currency risk, other price risks viz. equity shares, etc. Financial instrument affected by market risk include deposits and FVTOCI investments.



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i. Interest Rate Risk:

The Corporations exposed to interest rate risk from the possibility that changes in interest rate will affect future cash flows of a financial instrument Corporation currently has investment in Bank and Financial Institutions, which expose it primarily to the financial risks of changes in interest rates.

ii. Foreign Currency Risk:

The Corporation's primary functional currency is NPR but the Corporation has few transactions denominated in foreign currencies so far therefore Corporation is exposed to risk related to foreign currency rate fluctuation which may change the fair value or future cash flows of such items.

iii. Equity Price Risk:

The Corporation's investments in listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

b. Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligation resulting in financial loss to the Corporation. Outstanding receivables are regularly monitored and any indications for its impairment are analyzed at the end of the reporting period.

c. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the Corporation who has established an appropriate liquidity risk management framework for the management of the Corporation's short term, medium term and long term funding and liquidity management requirements.

2.4.19. Foreign currency transactions

Foreign currency transactions are accounted at exchange rates prevailing on the date of the transactions. All foreign currency monetary assets and liabilities, if any, as at the date of Statement of Financial Position are restated at the applicable exchange rates prevailing on that date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognized in other comprehensive income and accumulated in the foreign exchange reserve along with the exchange differences arising on the retranslation of the foreign operation.

2.4.20. Taxation

Income Tax:

Income tax on the profit or loss for the year comprises current taxes and deferred taxes. Income tax is recognized in the Statement of Profit or Loss except to the extent that it relates to items recognized directly to equity.

Current tax:

Current tax is the expected tax payable on the taxable income for the year using tax rates at the date of Statement of Financial Position and any adjustment to tax payable in respect of previous years.



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Income tax rates applicable to Corporation: 25%

Deferred tax:

Deferred tax is provided using balance sheet approach on temporary differences at the reporting date as difference between the tax base and the carrying amount of assets and liabilities. Deferred tax asset is recognized subject to the probability that taxable profit will be available against which the temporary differences can be reversed. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are set off if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.4.21. Administrative Expenses:

Expenses having reasonable certainty are to be recognized on accrual basis and those which are incidental or are not reasonably certain are recognized as and when incurred.

2.4.22. Price Stabilization Fund:

As per the notice issued on part 64 of Nepal Gazette published on 2071, Chaitra 23 under the head Ministry of Commerce and Supplies, 0.5% of amount of retail price of all kind of petroleum products and gas shall be deposited under Price Stabilization Fund (PSF) as specified in clause C of rule 3 of Petroleum and Gas Price Stabilization Fund (Regulations, 2071). Also, as per the notice published in Nepal Gazette on 2074, Jestha 29, 1% of amount of retail selling price of petroleum product and gas shall be deposited in PSF.

Financial Year	Amount
2071/72	2,818,389,237.95
2072/73	485,159,406.00
2073/74	830,121,468.12
2074/75	1,959,423,895.76
2075/76	2,466,992,360.50
2076/77	2,057,452,938.99
2077/78	2,324,457,054.63
2078/79	3,426,215,260.12
2079/80	3,824,924,394.00
2080/81	3,645,275,199.00
2081/82	3,360,835,070.00
Total cumulative Interest income related to PSF balance	2735,976,799.93
Total	29,935,223,085.00



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Out of the total closing balance of the Price Stabilization Fund (PSF) amounting to NPR 29,935,223,085.00, and in accordance with decisions made by the Price Stabilization Fund Committee on various dates, Nepal Oil Corporation (NOC) utilized NPR 10,250,000,000.00 from the fund to make payments to the Indian Oil Corporation (IOC) for the import of petroleum products.

By the end of Ashadh of Fiscal Year 2081/82, out of the total amount of NPR 29,935,223,085.00 required to be deposited into the Price Stabilization Fund, after excluding the amount of NPR 10,250,000,000.00 already utilized by Nepal Oil Corporation for the import of petroleum products, an amount of NPR 19,345,773,693.85 had been deposited into the PSF account by Bhadra of Fiscal Year 2082/83..

Nepal Oil Corporation incurred losses in Fiscal Year 2078/79, as it was unable to increase retail selling prices despite a substantial rise in crude oil prices in the international market. As a result, NOC lacked sufficient funds to make timely payments to the Indian Oil Corporation for the import of petroleum products.

2.2.23 Employee bonus:

Employee bonus provision has been apportioned as per Bonus Act, 2030 amounting to NPR. 3,968,994,266.00

Bonus provision has been duly tabulated below:

S.N	Fiscal Year	Amount (NPR)
1	2065 –66	198,846,132.10
2	2071 –72	902,528,270.20
3	2072 –73	1,261,761,721.10
4	2073 –74	771,213,051.50
5	2074 –75	47,963,845.18
6	2075 –76	116,717,177.60
7	2076 –77	174,269,141.00
8	2077-78	Nil
9	2078-79	Nil
10	2079-80	161,213,340.00
11	2080-81	139,222,135.00
12	2081-82	195,259,453.00
Total		3,968,994,266.68

As per bonus rule, Establishment owned by government of Nepal with the objective of making profit, established on a monopoly basis in areas/sector specified by the government, shall be required to allocate as bonus 1% of the net profit made in every fiscal year.

Further, Enterprise owned by government of Nepal should obtain approval from Ministry of Finance before distributing bonus.



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Considering the above-mentioned provisions of Bonus Act and Bonus Rule along with the letter dated 2070/08/24 with Reference No. 2070/71/357 from the Ministry of Finance directing not to distribute the bonus till the wholly owned government organization's retained earnings is in positive balance along with other letter dated 2072/12/08 with Reference No. 2072/73/331 and 2073.03.21 with Reference No. 2072/73/473 and since prior approval from Ministry of Finance has not yet been received, the bonus has not been distributed to employees.

2.4.24 Prior period items:

Prior period items are income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods are prior period items. Effects of prior period expenses and income are adjusted against retained earnings.

Events Occurring after Balance Sheet Date:

Events which occur between the balance sheet date and the date on which the financial statements are approved, may indicate the need for adjustments to assets and liabilities as at the balance sheet date or may require disclosure. Events providing further evidence of conditions that existed at the reporting date are adjusting events and result in adjustment to the financial statements. Whereas events indicative of a condition that arose after the end of the reporting period and do not result in adjustment to the financial statements are non-adjusting events.

2.4.25 Proposed Dividend:

The Board of Directors, at its meeting held on 2082/09/25, proposed a dividend at the rate of 10%, subject to approval by the shareholders at the ensuing Annual General Meeting.

The proposed dividend has not been recognized as a liability in these financial statements in accordance with applicable accounting standards.

29. OTHER EXPLANATORY NOTES.

29.1. Related Party Disclosures

a) Management Committee:

The constitution of management committee is based on designation hence the constitution keeps on varying depending upon change in official position of such designation.

Management committee comprises of members as follows:



S. No.	Name of the person	Relation with NOC
1	Dr. Chandika Prasad Bhatta	Managing Director
	CA Nagendra Sah	Deputy Managing Director : Finance Administration

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3	Er. Deepak Baral	Deputy Managing Director: Marketing
4	Mr. Purna Prasad Rijal	Deputy Managing Director: Corporate Affairs
5	Er. Suraj Sah	Director :Supply & Distribution Department
6	Er. Binit Mani Upadhaya	Director: Engineering, Project and Information System Department
7	Mrs. Beeni Shrestha	Director :Quality Control & Monitoring Department
8	Mrs. Nirmala Acharya	Director: Planning Administration & Human Resource Development Department
9	CA Anjana Pokharel	Director : LPG & Aviation Department
10	Mr. Puskar Karki	Director- Koshi Province
11	Mr Pralayankar Acharya	Director – Madhesh Province
12	Mr. Naba Binod Pokharel	Act. Director, Finance
13	Er. Manoj Kumar Thakur	Deputy Director/ Spokesperson

- b) Details of remuneration to Chief Executive Officer
- c) Short term benefits: Managing Director– NPR 20,14,840/-
- d) Termination benefits - Not provided
- e) Other long term benefits - Not provided
- f) Retirement benefits - Not provided
- g) Share based payments - Not provided

Additional information:

- a) On the date of finalization of this report there are twelve employees involved in top management of the Corporations.
- b) The main management employees are receiving the facilities as provided by Employees Facilities Regulations.
- c) During the FY 2081/82, the Corporations has paid total insurance premium of **NPR 19,75,68,089.00** to Rastriya Beema Company Limited against insurance of vehicles, stocks, transits, assets, employees accident, third party insurance and air oil refueling etc.
- d) The Corporation has active bank accounts in Nepal Bank Ltd., Rastriya Banijya Bank Ltd. & Agricultural Development Bank Ltd.

e) During the FY 2081/82, the Corporation has paid **NPR 136,117,146.06** Nepal Civil Aviation Authority for using its land for the purpose of selling and distribution of air



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- f) During the FY 2081/82, the Corporation has paid insurance premium of NPR 76,973,247.42 to Rastriya Beema Company Limited against group life insurance policy.

29.2. Contingent Liabilities

The Corporation is involved in various taxes and other disputes for which final outcomes cannot be easily predicted and which could potentially result in significant liabilities. Such cases are listed below:

- a) The Corporation has been involved in disputed tax related litigations with the Revenue Tribunal for amount payable to Large Tax Payers (LTP) Office amounting to NPR 6,363,920.00.
- b) The Corporation has deposited an amount NPR 18,500,000.00 as guarantee for procurement related to petroleum pipeline project in favor of Department of Custom.
- c) The Corporation has been involved in disputed claim liability from Everest Gas Udhyog amounting to NPR. 21,989,227/- relating to the compensation for publishing the notice regarding building of Gas Bullet except for the explosive license to be obtained from IOC on which IOC later denied the final approval. The case has already been lost at district court Kathmandu as well as appellate court Patan, Lalitpur and the court has ordered to pay NPR 11,489,226/- as compensation to Everest Gas Pvt. Ltd. Furthermore, the corporation has made appeal to Supreme Court Kathmandu and the hearing will be on 2081/09/23.
- d) The Corporation has been continuously dealing with the litigation from Mr. Rana Bahadur Shah for land of kitta number 190 owned by Corporation located at Baneshwor-30 with area of 3-4-3-1(Ropani-Aana-Paisa-Daam) acquired from Aushadhi Ltd. on 2065/02/03 which was previously encroached by Aushadhi Ltd. on 2032/10/19 for the purpose of building setup for production and supply line of medicines but did not used the land for the defined purpose of encroachment.

29.3. Comparatives and regrouping

Comparatives figures have been rested and regrouped, wherever necessary.

29.4. Contribution to Staff Welfare Fund

As per the decision of board dated 2057/10/13, the amount equivalent to interest received on plan assets for gratuity maintained at Citizen Investment Trust (CIT) should be additionally transferred to staff welfare fund. Accordingly, the interest amount of NPR. 2,48,96,492.88 received for FY 2081-82 at CIT will be transferred to the specified fund now reported as Other Liability at Note 20.

29.5. Fuel Throughput Expenses

Nepal Oil Corporation is paying fuel throughput expenses @ 0.4% of ATF sales to M/s Civil Aviation Authority of Nepal as per Airport Service Fee Rules, 2078 and paid to the civil Aviation the current year 2081.82 NPR 104,339,291.00.



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29.7 Actuarial Assumptions.

The principal assumptions used for reporting period are summarized in the table below. The assumptions as at the balance sheet date are used to determine the defined benefit to obligation & employee benefit expense.

Financial Assumptions	
Discount Rate	9.00% (Previous Year – 9%)
Salary Escalation Rate	For Officer Level – 10% and Non-Officer Level – 12%
Expected Return on Assets	9.00% (Previous Year – 9%)
Demographic Assumptions	
Mortality Table *	Nepali Assured Lives Mortality - 2009
Withdrawal Rate	0.35% (Previous Year – 0.35%)
Retirement Age	58 Years

*Mortality Rates: Representative mortality rates from Nepali Assured Lives Mortality(2009) are given in the table below:

Timing Related Assumptions	
Time of Retirement	Immediately on achieving normal retirement
Salary Increase frequency	Once a year

Age	Rate (%)
20	0.10
30	0.12
40	0.22
50	0.57
60	1.44%

Bases of Assumptions

• **Discount Rate**

As per Para 83 of NAS 19, the rate used to discount other long term employee benefit obligation (both funded and unfunded) shall be determined by reference to market yield at the Balance Sheet Date on high quality corporate bonds. In countries where there is no deep market in such bonds the market yields (at the Balance Sheet Date) on government bonds shall be used. The currency and term of the corporate bond or government bond shall be consistent with currency and estimated term of the post-employment benefit obligation.

• **Expected Rate of Return on Assets**

It is the average long-term rate of return expected on investments of the Trust Fund.

• **Salary Escalation Rate**

This is Management’s estimate of the increases in the salaries of the employees over the long term. Estimated future salary increases should take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



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For Year ended 16th July 2025 (32nd Ashad 2082)

• **Withdrawal Rate**

This is Management's estimate of the level of attrition in the corporation over the long term. Estimated withdrawal rates should take into account the broad economic outlook, type of sector the corporation operates in and measures taken by the management to retain/relieve the employees.

• **Mortality Rate**

Mortality rate is a measure of the number of deaths (in general, or due to a specific cause) in population, scaled to the size of that population, per unit of time.

 Nabakumar Pokharel Acting Director Finance Department	 Nagendra Sah Dy. Managing Director	 Dr. Chandika P. Bhatta Managing Director	 Birendra Bahadur Chand Invited BOD Member	 Nar Bahadur Ayer BOD Member	 Roshan Gyawali BOD Member	 Tamari Jyoti Joshi BOD Member
 Shivaram Pokharel BOD Member	 Suman Dahal BOD Member	 Dr. Ram Prasad Ghimire BOD Chairman	 Prativa Banja Prativa & Associates Chartered Accountants	 Sheo Hari Sharma Sheo Hari & Co. Chartered Accountants	Date: Poush 25, 2082 Place: Kathmandu	
						