

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
HESTER BIOSCIENCES NEPAL PVT LTD.**

1. We have audited the accompanying financial statements of **HESTER BIOSCIENCES NEPAL PVT LTD.**, which comprise the Balance Sheet as at March 31, 2026, Profit and Loss Account, and Cash Flow Statement for the year then ended, and a Summary of significant Accounting Policies and other explanatory notes.

**Management's Responsibility for the financial Statements**

2. Management is responsible for the preparation and fair presentation of these financial Statements in accordance with NFRS for SMEs. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on our professional judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal control relevant to Company's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

4. On the basis of our examination, we would like to report that:
  - a. We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
  - b. The Company has kept proper books of accounts as required by law, in so far as it appears from our examination of those books of account.
  - c. The Balance Sheet, Profit and Loss Account, Cash Flow Statement and attached Schedules dealt with by this report are prepared as per Generally Accepted Accounting Practices in Nepal and are in agreement with the books of account maintained by the Company.
  - d. During our examination of the books of account of the Company, we have not come across the cases where the Board of Directors or any member thereof or any representative or any office holder or any employee of the Company has acted contrary to the provisions of law or caused loss or damage to the Company, and
  - e. We have not come across any fraudulence in the accounts.
5. In our opinion, the accompanying financial statements give a true and fair view, in all material respects the financial position of the company as at March 31, 2026 and of the results of its financial performance and its cash flows for the year then ended in accordance with Accounting Standards applicable in Nepal.



For: U.R Paudel & Associates  
Chartered Accountants

  
Umesh Raj Paudel, FCA

Place: Kathmandu  
Date: May 08, 2026

**Hester Biosciences Nepal Private Limited**  
**Ganabahal, Kathmandu, Nepal**  
**Balance Sheet as at 31st March 2026**

(Figures in NPR)

Particulars	Note No	As at 31 March 2026	As at 31 March 2025
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, plant and equipment	1	379,637,958	408,291,297
(ii) Intangible Assets		-	-
(iii) Capital Work-In-Progress		-	-
(iv) Biological Assets other than bearer plants		-	-
(b) Financial Assets		-	-
(i) Investments		-	-
(ii) Loans		-	-
(iii) Other Financial Assets		-	-
(c) Other Non Current Assets		-	-
		<b>379,637,958</b>	<b>408,291,297</b>
<b>(2) Current Assets</b>			
(a) Inventories	2	41,902,683	50,808,907
(b) Financial Assets		-	-
(i) Cash and Cash Equivalents	3	18,005,833	39,717,353
(ii) Trade Receivables	4	86,389,920	14,162,096
(c) Other Current Assets	5	13,518,464	14,267,967
		<b>159,816,900</b>	<b>118,956,323</b>
<b>Total</b>		<b>539,454,858</b>	<b>527,247,620</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	6	268,214,000	268,214,000
(b) Other Equity	7	77,091,821	21,721,682
		<b>345,305,821</b>	<b>289,935,682</b>
<b>Liabilities</b>			
<b>(2) Non-Current Liabilities</b>			
(a) Financial Liabilities		-	-
(i) Borrowings	8	-	-
(b) Deferred Tax Liabilities (Net)	9	1,157,413	1,524,243
(c) Other Non Current Liabilities	10	17,268,919	20,531,422
		<b>18,426,333</b>	<b>22,055,665</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities		-	-
(i) Borrowings	11	-	15,000,000
(ii) Trade Payables	12	40,671,848	53,919,785
(iii) Other Financial Liabilities	13	126,561,905	138,088,805
(b) Other Current Liabilities	14	8,488,951	8,247,683
		<b>175,722,704</b>	<b>215,256,273</b>
<b>Total</b>		<b>539,454,858</b>	<b>527,247,620</b>

The significant accounting policies and accompanying notes are an integral part of the financial statements.

**For and on Behalf of the Board**

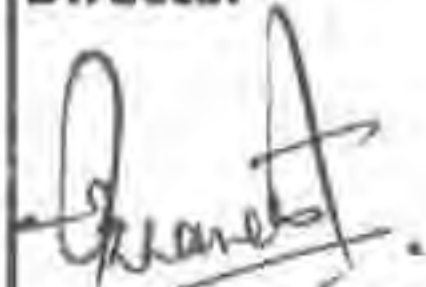
**In terms of our report of even date**



Director



Director



Asst. Manager - Accounts & Finance



For U.R Paudel & Associates  
Chartered Accountants



Umesh Raj Paudel

Place: Kathmandu, Nepal

Date: 08.05.2026

Place: Kathmandu, Nepal

Date: 08.05.2026

**Hester Biosciences Nepal Private Limited**  
**Ganabahal, Kathmandu, Nepal**  
**Statement of Profit and Loss for the period ended 31st March 2026**

Particulars	Note No	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue from Operations	15	186,948,262	160,976,417
-Revenue from sale of goods		185,747,295	146,819,039
-Revenue from stock-in-trade		-	8,382,620
-Other operating Income-Export Incentives & Duty Drawback		1,200,967	5,774,758
Other Income	16	6,311,096	5,502,468
<b>Total Revenue</b>		<b>193,259,358</b>	<b>166,478,885</b>
<b>Expenses:</b>			
Cost of raw materials and components consumed	17	14,816,807	30,271,465
Purchase of Stock-In-Trade		-	8,382,620
Changes In Inventories of Finished Goods, Work-In-Progress (WIP)	18	5,923,774	(12,188,697)
Finance Cost	19	722,708	5,979,426
Depreciation Expense	20	33,904,863	34,761,257
Employee Benefit Expenses	21	32,506,585	26,555,749
Other Expenses	22	49,116,327	50,738,301
<b>Total Expenses</b>		<b>136,991,064</b>	<b>144,500,123</b>
<b>Profit Before Exceptional items and Tax</b>		<b>56,268,294</b>	<b>21,978,761</b>
<b>Exceptional Items</b>		<b>-</b>	<b>-</b>
<b>Profit Before Tax</b>		<b>56,268,294</b>	<b>21,978,761</b>
<b>Tax Expense:</b>			
(1) Current Tax		4,275,340	1,573,682
(2) Tax adjustment of earlier years		(3,010,355)	1,438,585
(3) Deferred Tax		(366,830)	(254,956)
<b>Profit For The Year</b>		<b>55,370,139</b>	<b>19,221,451</b>
<b>Other comprehensive income</b>			
A. Income reclassified to profit or loss in subsequent periods:			
Net change in fair value of forward contracts designated as cash flow hedges		-	-
Income tax effect		-	-
B. Income not to be reclassified to profit or loss in subsequent periods:			
Actuarial (loss) / Gain relating to Gratuity		-	-
Income tax effect		-	-
Net change in fair value of financial instruments through Other Comprehensive Income		-	-
<b>Total other comprehensive income for the year, net of tax [A+B]</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>55,370,139</b>	<b>19,221,451</b>
Earnings Per Equity Share: [Nominal value of Share NPR 100]			
(1) Basic & Diluted		<b>20.64</b>	<b>7.17</b>

The significant accounting policies and accompanying notes are an integral part of the financial statements.

**For and on Behalf of the Board**

**In terms of our report of even date**

  
Director

  
Director

  
Asst. Manager - Accounts & Finance



**For U.R Paudel & Associates  
Chartered Accountants**

  
Umesh Raj Paudel

Place: Kathmandu, Nepal  
Date: 08.05.2026

Place: Kathmandu, Nepal  
Date: 08.05.2026

**Hester Biosciences Nepal Private Limited**  
Ganabahal, Kathmandu, Nepal

**Cash Flow Statement For the Year Ended 31 March 2026**

(Figures in NPR)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	59,278,650	21,978,761
Adjustments for:		
Deferred Grant Income	(3,262,503)	(3,262,503)
Depreciation expense	33,904,863	34,761,257
Interest expense	722,708	5,979,426
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>90,643,717</b>	<b>59,456,942</b>
Adjustments for:		
Inventory	8,906,223	(14,083,485)
Trade Receivables	(72,227,823)	4,851,267
Current Assets	749,503	(616,269)
Trade Payables	(13,247,937)	4,307,273
Other Financial Liabilities	(11,526,900)	(52,129,599)
Other Current Liabilities	241,269	483,277
<b>CASH GENERATED FROM OPERATIONS</b>	<b>3,538,052</b>	<b>2,269,406</b>
Less: Income Tax Paid (Net)	(4,275,340)	(3,012,267)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES (A)</b>	<b>(737,288)</b>	<b>(742,861)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant & Equipment	(5,251,524)	(2,491,747)
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>(5,251,524)</b>	<b>(2,491,747)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-Term Borrowings	-	-
Repayment of Long-Term Borrowings	-	(41,876,957)
Proceeds from Short-Term Borrowings	-	15,000,000
Repayment of Short-Term Borrowings	(15,000,000)	(44,404,215)
Interest Paid	(722,708)	(5,979,426)
<b>CASH AVAILABLE FROM FINANCING ACTIVITIES (C)</b>	<b>(15,722,708)</b>	<b>(77,260,598)</b>
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(21,711,520)</b>	<b>(80,495,206)</b>
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	39,717,353	120,212,559
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>18,005,833</b>	<b>39,717,353</b>

For and on Behalf of the Board

In terms of our report of even date



Director



Director

For U.R Paudel & Associates  
Chartered Accountants



Asst. Manager - Accounts & Finance



  
Umesh Raj Paudel

Place: Kathmandu, Nepal

Date: 08.05.2026

Place: Kathmandu, Nepal

Date: 08.05.2026

**Hester Biosciences Nepal Private Limited**  
**Ganabahal, Kathmandu, Nepal**

**Statement of Changes in Equity for the year ended 31 March 2026**

(Figures in NPR)

Particulars	Share Capital	Share Premium	Accumulated Profit	Total
Balance as at 31 March 2025	268,214,000	-	21,721,682	289,935,682
Issue of share capital	-	-	-	-
Net Profit / (loss)	-	-	55,370,139	55,370,139
<b>Balance as at 31 March 2026</b>	<b>268,214,000</b>	<b>-</b>	<b>77,091,821</b>	<b>345,305,821</b>

For and on Behalf of the Board

In terms of our report of even date



Director



Director

For U.R Paudel & Associates  
Chartered Accountants



Asst. Manager - Accounts & Finance



Umesh Raj Paudel

Place: Kathmandu, Nepal

Date: 08.05.2026

Place: Kathmandu, Nepal

Date: 08.05.2026

**Hester Biosciences Nepal Private Limited**  
**Ganabahal , Kathmandu, Nepal**  
**Notes forming part of the financial statements as on 31 March 2026**


**NOTE 1 : PROPERTY PLANT AND EQUIPMENTS**

(Figures in NPR)

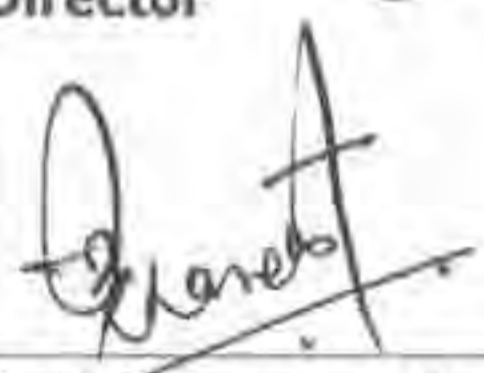
Particulars	Freehold land	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Total
<b>At Cost or Deemed cost</b>							
As at 31 March 2025	50,393,402	352,326,663	379,924,074	3,792,684	7,255,337	8,263,605	801,955,765
Additions during the period	-	5,088,302	-	14,000	149,222	-	5,251,524
Disposals	-	-	-	-	-	-	-
<b>As at 31 March 2026</b>	<b>50,393,402</b>	<b>357,414,965</b>	<b>379,924,074</b>	<b>3,806,684</b>	<b>7,404,559</b>	<b>8,263,605</b>	<b>807,207,289</b>
<b>Accumulated Depreciation</b>							
As at 31 March 2025	-	123,384,289	253,780,996	3,365,042	4,870,536	8,263,605	393,664,468
Depreciation expense	-	18,470,633	14,394,620	107,935	931,675	-	33,904,863
Eliminated on disposals	-	-	-	-	-	-	-
<b>As at 31 March 2026</b>	<b>-</b>	<b>141,854,922</b>	<b>268,175,616</b>	<b>3,472,977</b>	<b>5,802,211</b>	<b>8,263,605</b>	<b>427,569,331</b>
<b>Carrying Amount</b>							
As at 31 March 2025	50,393,402	228,942,374	126,143,078	427,642	2,384,800	-	408,291,297
As at 31 March 2026	50,393,402	215,560,043	111,748,457	333,707	1,602,348	-	379,637,958

For and on Behalf of the Board

In terms of our report of even date

  
 Director

  
 Director

  
 Asst. Manager - Accounts & Finance



For U.R Paudel & Associates  
 Chartered Accountants

  
 Umesh Raj Paudel

Place: Kathmandu, Nepal  
 Date: 08.05.2026

Place: Kathmandu, Nepal  
 Date: 08.05.2026

**Hester Biosciences Nepal Private Limited**  
**Ganabahal , Kathmandu, Nepal**  
**Notes forming part of the financial statements as on 31 March 2026**

**Note 2 INVENTORY (Figures in NPR)**

Particulars	As at 31 March 2026	As at 31 March 2025
Finished Goods and Work In Progress (Including In Transit)	27,086,604	33,010,378
Raw Materials	3,446,131	5,825,525
Packing Materials	9,574,150	10,005,140
Stores and Spares	1,795,799	1,967,864
<b>Total</b>	<b>41,902,683</b>	<b>50,808,907</b>

**Note 3 CASH AND CASH EQUIVALENTS (Figures in NPR)**

Particulars	As at 31 March 2026	As at 31 March 2025
Balances with Banks		
- In Current Accounts*	17,932,762	39,650,524
Everest Bank Ltd.	15,560	15,560
Pravu Bank Ltd. (Formerly CCBL)	270	270
Nepal Investment Mega Bank Ltd.	17,616,932	39,634,694
Cash In hand	73,071	66,829
<b>Total</b>	<b>18,005,833</b>	<b>39,717,353</b>

\*The amount in current account bank balance as on 31 March 2026 includes NPR 6,852,506.39 pertaining to Export Incentives received by the Company on which lien exists due to funds pending to be released by the Government to Bank.

**Note 4 TRADE RECEIVABLES (Figures in NPR)**

Particulars	As at 31 March 2026	As at 31 March 2025
Trade Receivables (Unsecured, Considered Good)	86,389,920	14,162,096
<b>Total</b>	<b>86,389,920</b>	<b>14,162,096</b>

**Note 5 OTHER CURRENT ASSETS (Figures in NPR)**

Particulars	As at 31 March 2026	As at 31 March 2025
Advance for Expenses (Refer Note 23)	7,067,365	6,670,208
Advance to Suppliers	6,451,099	7,594,758
Staff Advances	-	3,000
<b>Total</b>	<b>13,518,464</b>	<b>14,267,967</b>

**Note 6 EQUITY SHARE CAPITAL (Figures in NPR)**

Particulars	As at 31 March 2026	As at 31 March 2025
The capital composition of the company is as under:		
<b>Authorised Capital</b>		
40,00,000 Shares @ NPR 100 each	400,000,000	400,000,000
<b>Issued Capital</b>		
26,82,140 Shares @ NPR 100 each	268,214,000	268,214,000
<b>Paid up Capital</b>		
26,82,140 Shares @ NPR 100 each	<b>268,214,000</b>	<b>268,214,000</b>
17,43,390 SHARES OF NPR 100 EACH OF HBL, INDIA	174,339,000	174,339,000
469,375 SHARES OF NPR 100 EACH OF HEPL, NEPAL	46,937,500	46,937,500
469,375 SHARES OF NPR 100 EACH OF HANSRAJ, NEPAL	46,937,500	46,937,500
<b>Total</b>	<b>268,214,000</b>	<b>268,214,000</b>

**RECONCILIATIONS OF OUTSTANDING EQUITY SHARES**

Particulars	As at 31 March 2026	As at 31 March 2025
Equity Shares at the beginning of the year	2,682,140	2,682,140
Changes during the year	-	-
Outstanding Shares at the end of the year	2,682,140	2,682,140

**RIGHTS, PREFERENCE AND RESTRICTIONS ATTACHED TO SHARES**

The Company has only one class of equity shares having par value of NPR 100 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Each equity shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity Shareholders are eligible to receive the remaining asset of the Company, after distribution of all preferential amounts, in proportion to the number of equity shares held.



*(Handwritten signatures)*



**Hester Biosciences Nepal Private Limited**  
**Ganabahal , Kathmandu, Nepal**  
**Notes forming part of the financial statements as on 31 March 2026**

**Note 7 OTHER EQUITY** (Figures in NPR)

Particulars	As at 31 March 2026	As at 31 March 2025
Retained Earnings		
As at beginning of the year	21,721,682	2,500,231
Add: Profit for the year	55,370,139	19,221,451
<b>Total</b>	<b>77,091,821</b>	<b>21,721,682</b>

**Note 8 LONG TERM BORROWINGS** (Figures in NPR)

Particulars	As at 31 March 2026	As at 31 March 2025
Term Loan (Refer Note "a" below)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

a) The Term Loan is from Nepal Investment Mega Bank Limited which is secured against Buildings and Plant & Machinery of the Company by way of hypothecation.

**Note 9 DEFERRED TAX LIABILITY (NET)** (Figures in NPR)

Particulars	As at 31 March 2026	As at 31 March 2025
<b>Tax effect of items constituting deferred tax liabilities</b>		
Accelerated depreciation for tax purposes	1,157,413	1,524,243
<b>Total</b>	<b>1,157,413</b>	<b>1,524,243</b>

**Note 10 OTHER NON CURRENT LIABILITIES** (Figures in NPR)

Particulars	As at 31 March 2026	As at 31 March 2025
Deferred Capital Grant	17,268,919	20,531,422
<b>Total</b>	<b>17,268,919</b>	<b>20,531,422</b>

Grant received from Netherland Government relates to Plant & Machinery as presented in the balance sheet by setting up the grant as deferred income.

**Note 11 SHORT TERM BORROWINGS** (Figures in NPR)

Particulars	As at 31 March 2026	As at 31 March 2025
Balance in Cash Credit Account (Refer Note "a" below)	-	15,000,000
Current Maturities of Long Term Borrowings	-	-
<b>Total</b>	<b>-</b>	<b>15,000,000</b>

a) The Short Term Credit Facilities is from Nepal Investment Mega Bank Limited which is secured against charge on inventories and receivables of the Company.

**Note 12 TRADE PAYABLES** (Figures in NPR)

Particulars	As at 31 March 2026	As at 31 March 2025
Trade Creditors (Refer Note 23)	40,671,848	53,919,785
Provision for Expenses	-	-
<b>Total</b>	<b>40,671,848</b>	<b>53,919,785</b>

**Note 13 OTHER FINANCIAL LIABILITIES** (Figures in NPR)

Particulars	As at 31 March 2026	As at 31 March 2025
Payables to Related Parties (Refer Note 23)	126,561,905	138,088,805
<b>Total</b>	<b>126,561,905</b>	<b>138,088,805</b>

Related Parties Payables include advances given by Hester Biosciences Ltd (India) (65% Holding Company) and Fellow Subsidiaries (For Supply of Vaccines)

**Note 14 OTHER CURRENT LIABILITIES** (Figures in NPR)

Particulars	As at 31 March 2026	As at 31 March 2025
TDS Payable	972,181	829,283
Statutory Dues & Other Payables	3,241,430	3,351,110
Income Tax Payable (net of advance tax)	4,275,340	4,067,289
<b>Total</b>	<b>8,488,951</b>	<b>8,247,683</b>



*[Handwritten signatures]*



**Hester Biosciences Nepal Private Limited**  
**Ganabahal , Kathmandu, Nepal**  
**Notes forming part of the financial statements as on 31 March 2026**

**Note 15 REVENUE FROM OPERATIONS**

(Figures in NPR)

Particulars	As at 31 March 2026	As at 31 March 2025
Revenue from Sale of Goods (Refer Note 23)	185,747,295	155,201,659
Other operating Income - Export Incentives & Duty Drawback	1,200,967	5,774,758
<b>Total</b>	<b>186,948,262</b>	<b>160,976,417</b>

**Note 16 OTHER INCOME**

(Figures in NPR)

Particulars	As at 31 March 2026	As at 31 March 2025
Amortization of Grant Income	3,262,503	3,262,503
Foreign Exchange Gain (net)	-	-
Liabilities no longer required written back	1,743	1,890,765
Other miscellaneous income	3,046,850	349,200
<b>Total</b>	<b>6,311,096</b>	<b>5,502,468</b>

**Note 17 COST OF GOODS SOLD**

(Figures in NPR)

Particulars	As at 31 March 2026	As at 31 March 2025
<b>Cost of Material Consumed</b>		
Opening Stock RMPM	15,830,665	13,972,026
Add: Purchase RMPM (Refer Note 23)	12,006,422	32,130,105
Add: Direct Manufacturing Expenses (Refer note below)	-	-
Less: Closing Stock RMPM	13,020,280	15,830,665
<b>Total Cost of Material Consumed</b>	<b>14,816,807</b>	<b>30,271,465</b>

**Note 18 CHANGE IN FINISHED GOODS AND WIP**

(Figures in NPR)

Particulars	As at 31 March 2026	As at 31 March 2025
Opening Stock of finished goods and WIP	33,010,378	20,821,681
Less: Closing Stock of finished goods and WIP	27,086,604	33,010,378
<b>Change in Finished Goods and WIP</b>	<b>5,923,774</b>	<b>(12,188,697)</b>

**Note 19 FINANCE COSTS**

(Figures in NPR)

Particulars	As at 31 March 2026	As at 31 March 2025
<b>Financial Expenses</b>		
Bank Charges	215,460	1,528,173
Exchange Loss	-	-
Interest Expenses	507,247	4,451,254
<b>Total</b>	<b>722,708</b>	<b>5,979,426</b>

**Note 20 DEPRECIATION**

(Figures in NPR)

Particulars	As at 31 March 2026	As at 31 March 2025
Depreciation & Adjustment to PPE	33,904,863	34,761,257
<b>Total</b>	<b>33,904,863</b>	<b>34,761,257</b>

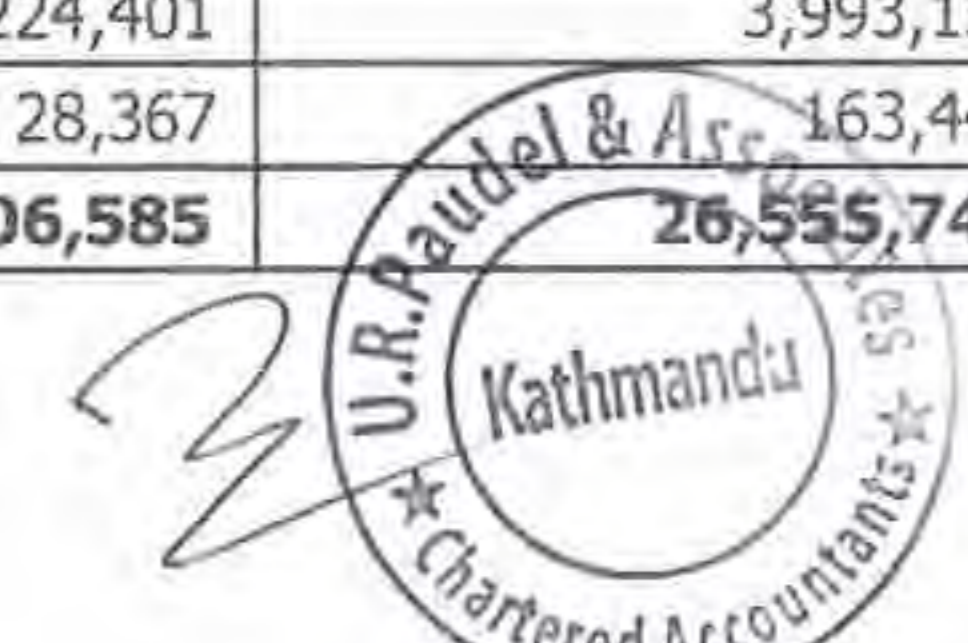
**Note 21 EMPLOYEE BENEFIT EXPENSES**

(Figures in NPR)

Particulars	As at 31 March 2026	As at 31 March 2025
Salary & Employee Benefits (Refer Note 23)	28,253,817	22,399,159
Contribution to Funds	4,224,401	3,993,150
Staff Welfare	28,367	163,440
<b>Total</b>	<b>32,506,585</b>	<b>26,555,749</b>



*[Handwritten signatures]*



**Hester Biosciences Nepal Private Limited**  
**Ganabahal , Kathmandu, Nepal**  
**Notes forming part of the financial statements as on 31 March 2026**

**Note 22 OTHER EXPENSES**

(Figures in NPR)

Particulars	As at 31 March 2026	As at 31 March 2025
<b>Administrative Expenses</b>		
Audit Fee	327,700	169,500
Books & Periodicals	2,800	2,800
Certification Fee (COO)	199,897	203,553
Charity & Donations	25,000	-
Foreign Exchange Loss (net)	2,671,475	1,199,308
Guests & Entertainment Expense	20,799	198,145
Guest House Running Expense	225,746	380,324
Guest House Rent	404,800	1,056,000
Insurance Expenses	2,327,434	2,288,104
Local Conveyance	43,940	80,147
Miscellaneous Expense	1,519,310	2,044,500
Office Expenses	91,035	150,069
Parking Charge	36,530	36,790
Postage, Courier and Parcel	-	500
Printing and Stationery expenses	1,083,597	1,303,617
Professional and Legal Fee	954,200	913,825
Provision for Doubtful Debts	-	943,016
Rent (Office) (Refer Note 23)	84,000	84,000
Repairs and Maintenance	4,326,562	7,213,848
Rates And Taxes	451,187	1,656,860
Telephone, Email & Internet	56,508	68,756
Travelling Expense	54,000	512,704
Transportation and loading unloading	2,210,304	2,181,618
Vehicle Running Expenses	703,782	822,442
Water & Electricity	62,166	34,257
<b>Total Administrative Expenses</b>	<b>17,882,773</b>	<b>23,544,682</b>
<b>Selling and Distribution Expenses</b>		
Advertising & promotion Expenses	207,375	546,963
Marketing Expense	2,445,050	1,272,832
Commission on Sales	-	-
Sample Expenses (Export)	259,239	392,476
Freight & Insurance Expense	5,831,298	7,270,934
<b>Total Selling and Distribution Expenses</b>	<b>8,742,962</b>	<b>9,483,206</b>
<b>Manufacturing Expense</b>		
Diesel Expenses	4,286,680	5,125,700
Electricity Expense Factory	7,627,845	7,310,965
Fuel Expense	52,695	75,709
Consumables Expenses	653,797	1,846,227
Testing Animal Purchase Expenses	-	-
Quality Control Expenses	133,932	397,128
Testing Expenses	7,190,123	604,286
Security Charges	1,846,434	1,556,474
Factory Rent	53,333	88,889
Factory running Expenses	645,752	705,035
Wages & Labour Charges	-	-
<b>Total Manufacturing Expenses</b>	<b>22,490,591</b>	<b>17,710,414</b>
<b>Total</b>	<b>49,116,327</b>	<b>50,738,301</b>



*[Handwritten signatures]*



**Note 23 RELATED PARTY DISCLOSURES**

**I) Directors and Key Managerial Personnel (KMPs)**

a)	Mr. Shekhar Golchha	Director
b)	Mr. Rajiv Gandhi	Director
c)	Ms. Priya Gandhi	Director
d)	Mr. Amitabh Agrawal	Director
e)	Dr. Sulochana Shrestha	CEO

**II) List of other related parties:**

a)	Hester Biosciences Limited, India	Holding Company
b)	Hester Biosciences Africa Limited, Tanzania	Fellow Subsidiary
c)	Hester Biosciences Tanzania Limited, Tanzania	Fellow Subsidiary
d)	Hester Biosciences Kenya Limited, Kenya	Fellow Subsidiary
e)	Hansraj Hulashchand & Co. Private Limited, Nepal	Significantly influenced by KMP or their relatives
f)	HIM Electronics Private Limited, Nepal	Significantly influenced by KMP or their relatives
g)	Gujarat Polyplast Private Limited, India	Significantly influenced by KMP or their relatives

**II) Transactions with Related Parties during the period:**

S. No.	Particulars	Nature of Transaction	FY 2025-26	FY 2024-25
<b>1)</b>	<b>Transactions with Directors and KMPs</b>			
a)	Dr. Sulochana Shrestha	Remuneration	4,822,838	4,822,838
b)	Mr. Raj Kumar Gera	Reimbursement of Expenses Paid	-	80,254
<b>2)</b>	<b>Transactions with other Related Parties</b>			
a)	HIM Electronics Private Limited	Rent Payment	84,000	84,000
b)	HIM Electronics Private Limited	Purchase of Goods	35,400	108,900
c)	Hester Biosciences Limited	Purchase of Goods	3,835,144	22,058,531
d)	Gujarat Polyplast Private Limited	Purchase of Goods	1,225,484	1,576,677
e)	Hester Biosciences Africa Limited	Purchase of Goods	-	1,611,960
e)	Hester Biosciences Africa Limited	Sale of Goods	35,435,534	23,104,585
f)	Hester Biosciences Tanzania Limited	Reimbursement of Expenses paid	-	210,672
g)	Hansraj Hulashchand & Co. Private Limited	Reimbursement of Expenses received	1,821,871	3,342,512

**III) Outstanding Balances at the end of the year:**

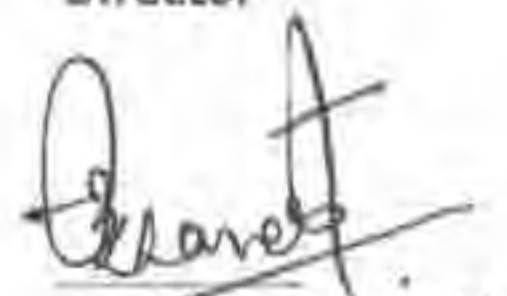
S. No	Particulars	Nature of Transaction	31-Mar-26	31-Mar-25
a)	Hester Biosciences Limited	Advances Payable	52,974,545	52,974,545
b)	Hester Biosciences Tanzania Limited	Advances Payable	-	18,777,220
c)	Hester Biosciences Kenya Limited	Advances Payable	73,587,360	66,337,040
d)	Hansraj Hulashchand & Co. Private Limited	Advances Receivable	-	421,675
e)	Hester Biosciences Limited	Trade Payables	(0)	8,347,677
f)	HIM Electronics Private Limited	Trade Payables	50,400	216,000
g)	Hester Biosciences Africa Limited	Trade Receivables	28,800,938	4,111,800
h)	Gujarat Polyplast Private Limited	Trade Payables	-	899,635

**Note 24** Previous Year figures have been regrouped/reclassified wherever required to conform to current year's classification.

For and on Behalf of the Board

  
Director

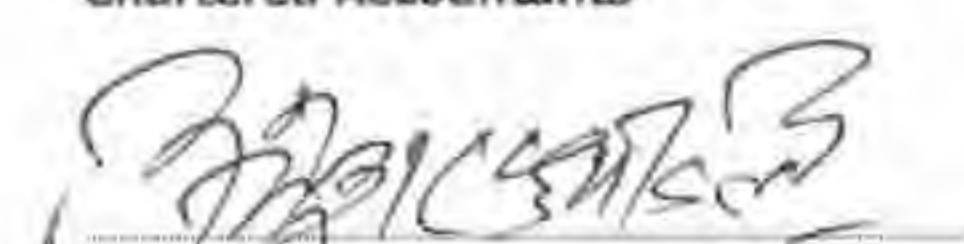
  
Director



Asst. Manager - Finance & Accounts  
Kathmandu



For UR Paudel & Associates  
Chartered Accountants

  
Umesh Raj Paudel

Place : Kathmandu, Nepal

Date : 08.05.2026

**Hester Biosciences Nepal Private Limited**  
**Ganabahal, Kathmandu, Nepal**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2026**

**A) GENERAL INFORMATION**

Hester Biosciences Nepal Private Limited is a private limited company incorporated under the Companies Act, 2063 (2006). The Company is in the business of manufacturing and supplying of animal vaccines in domestic and export markets.

**B) SIGNIFICANT ACCOUNTING POLICIES**

**i) BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable IndAs as issued by the Institute of Chartered Accountants of India (ICAI).

**ii) USE OF ESTIMATES**

The preparation of financial statements is in conformity with the Nepal Financial Reporting Standards (NFRS) which requires the management to make estimates and assumption that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Difference between the actual results and the estimates are recognized in the periods in which the results are known/ materialized. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year primarily includes:-

**Useful Life and Residual Value of Property, Plant & Equipment:**

Management reviews the useful life and residual values of property, plant and equipment at least once a year. Such useful life are dependent upon an assessment of both the technical life of the assets and also their likely economic life, based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

**iii) REVENUE RECOGNITION**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and can be reliably measured. Revenue from sale of products is recognized on dispatch or appropriation of goods in accordance with the terms of sale and rewards of ownership have passed to the buyer and Revenue from services are recognized as the related services are performed.

**iv) PROPERTY, PLANT AND EQUIPMENT**

- a) Tangible Assets are stated at cost net of recoverable taxes / duties and rebates less accumulated depreciation and impairment loss, if any. Borrowing costs directly attributable to the construction or production of qualifying assets during the period of construction / acquisition are capitalized as part of the cost. Subsequent expenditures related to an item of tangible assets are added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standards of performance. Exchange differences arising out of fluctuation in exchange rate on settlement / period end in foreign currency monetary liabilities in respect of acquisition of fixed assets are adjusted to the cost of the fixed assets.
- b) Cost of fixed assets not ready for their intended use before the balance sheet date is disclosed as capital work-in-progress and is carried at cost, comprising direct cost, related incidental expenses and directly attributable interest. Advances paid towards the acquisition of fixed assets outstanding as of each balance sheet date is disclosed under long term loans and advances.
- c) Depreciation is provided, pro rata for the period of use, on the straight line method (SLM) as per the estimated useful life of the assets, other than land, as per the estimated useful life mentioned below:

<b>Class of assets</b>	<b>Useful Life</b>
- Buildings	- 20 Years
- Furniture and Fixtures	- 9 Years
- Vehicles	- 8-10 Years
- Plant and Machinery	- 5-15 Years
- Office Equipment	- 5 Years

- d) The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such, indication exist, the carrying value of such asset is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to Profit and Loss Account. If at the Balance Sheet date there is an indication that previously assessed impairment losses no longer exist, then such loss is reversed and the asset is restated to that effect.

**v) BORROWING COSTS**

Borrowing cost that are attributable to the acquisition or construction of fixed assets / qualifying assets for expansion / new project are capitalized to respective fixed assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to revenue in the year in which they are incurred.

**vi) INVENTORIES**

Inventories include raw materials, bought out components, work-in-progress and manufactured finished goods.

**"Finished Products:**

Finished products produced by the Company are valued at lower of cost and net realizable value. Cost includes direct materials, labour, a proportion of manufacturing overheads and duties charged on finished goods."

**"Work in Progress:**

Work in progress is valued at cost of direct materials, labour and other manufacturing overheads up to stage of process."

**"Raw materials and stores and spares:**

Raw materials and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The cost is determined using First in First out (FIFO) method."

**vii) GRANTS**

Government grants related to assets is presented in the balance sheet by setting up the grant as deferred income. Non-Government grants received are charged to Statement of Profit and Loss.

The grant set up as deferred income had been treated as income on a systematic and rational basis over the useful life of the asset. Accordingly the grant income received had been recognized in the Profit and Loss account in proportion to the depreciation charged in relation to the original cost of asset.



*[Handwritten signatures]*

