

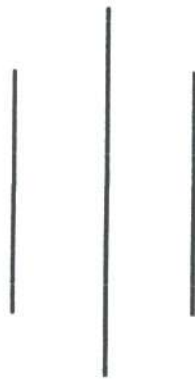
Super Mai Hydropower Pvt. Ltd.

Tangal-5 Kathmandu



Financial Statements

F.Y.2072-73



**Audited Report
Balance Sheet
Income Statement
Cash flow Statement
Statement of Changes in Equity**

Shrestha S & Associates

Chartered Accountants

P. O. Box 472
Kathmandu, Nepal

info@ssa.com.np

Auditor's Report to Shareholders of Super Mai Hydropower Pvt Ltd

Introduction

We have examined the attached Balance Sheet of Super Mai Hydropower Pvt Ltd as at 32nd Ashad, 2073 (15th July, 2016), Income Statement and Cash Flow Statement for the period ended on that date annexed thereto.

These financial statements are the responsibility of the management of Super Mai Hydropower Pvt Ltd and our responsibility is to express an opinion on these financial statements based on our audit.

Scope

The audit was conducted in accordance with generally accepted auditing standards and these standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion, proper books of accounts as required by law have been maintained by Super Mai Hydropower Pvt Ltd, in so far as appears from our examination of those accounts. Balance Sheet, Income Statement and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.

Further, in our opinion, to the best of our information, according to the explanations given to us and from our examination of the books of accounts of the Super Mai Hydropower Pvt Ltd, we have not come across cases where any member or Board of Directors or any employee of the company have acted contrary to the provisions of law or caused loss or damage to the Company or committed any misappropriation and acted in a way to jeopardize the interest and security of company.

Date: 02.08.2073
Place: Kathmandu



CA Sarmendra Shrestha
Managing Partner



नेपाल सरकार
अर्थ मन्त्रालय
आन्तरिक राजस्व विभाग

602424750

विषय : आयविवरण पेश गरेको प्रमाणपत्र बारे

यस स्थायी लेखा नम्बर ६०२४२४७५० का करदाता श्री सुपर माई हाईड्रोपावर प्रा. लि. ले कारोबार
सुपर माई हाईड्रोपावर प्रा. लि. को आ.व २०७२.०७३ को आय विवरण सं.नं. ७३०००६९७५१५२ मिति २०७३.०९.११
मा दाखिला गरेको व्यहोरा प्रमाणित गरिन्छ ।

(यो कम्प्युटर प्रणालीबाट आय विवरण दाखिला गरेको प्रमाणित गर्ने निस्सा मात्र हो, कर चुक्ताको प्रमाणपत्र होईन ।)

Super Mai Hydropower Pvt. Ltd.
Tangal-5 Kathmandu

Balance-Sheet

As at Ashad 31, 2073 (15 July, 2016)

(Amount In Nrs)

SOURCE OF FUND	Sch	F.Y.2072-073	F.Y.2071-072
<u>Equities and Non-Current Liabilities</u>			
Share Capital	1	80,500,000	9,500,000
Total		80,500,000	9,500,000
Accumulated Profit/(loss)	2	(3,699,207)	(2,106,432)
Shareholder's Fund		76,800,793	7,393,568
<u>Non-Current Liabilities</u>			
Medium and Long Term loan	3	-	2,956,352
Total Equities and Non-Current Liabilities		76,800,793	10,349,920
<u>APPLICATION OF FUND</u>			
<u>Assets and Current Liabilities</u>			
<u>Non Current Assets</u>			
Property, Plant & Equipment	4	135,926	-
less: Accumulated Depreciation		(10,197)	-
Net Fixed Assets		125,729	-
WIP-Project cost(Supermai Hydropower Project 7.8MW)	5	23,222,641	4,100,000
Total Non-Current Assets		23,222,641	4,100,000
<u>Current Assets</u>			
Cash and bank balances	6	5,063,202	3,207,970
Loan and Advances	7	48,617,861	3,108,450
Total Current Assets (A)		53,681,063	6,316,420
<u>Less: Current Liabilities & Provisions</u>			
Tds and Other Paybles	8	228,640	66,500
Total Current Liabilities (B)		228,640	66,500
Net Current Assets (A-B)		53,452,423	6,249,920
Total Assets		76,800,793	10,349,920

Significant Accounting Policies & Notes to the Accounts - Schedule 10


Ramesh Kandel
Account Officer


Mohan Bikram Karki
Chairman

As per our report of even date


CA Sarmendra Shrestha
Shrestha S & Associates



Date: Mangsir 2, 2073
Place: Kathmandu



Super Mai Hydropower Pvt. Ltd.
Tangal-5 Kathmandu

Income Statement

For the period from Shrawan 1, 2072 to Ashadh 31, 2073
(July 17, 2015 to July 15, 2016)

(Amount In Nrs)

Particulars	Sch	F.Y.2072-73	F.Y.2071-72
Income			
Revenue		-	-
Other Income		-	-
Total		-	-
Expenditure			
Administrative and General Expenditures	9	1,582,578	2,106,432
Depreciation		10,197	
Profit from Operations		(1,592,775)	(2,106,432)
Financial Charges		-	-
Net Profit/(Loss)		(1,592,775)	(2,106,432)
Income tax			-
Deferred tax Assets (liability)			-
Loss Brought forward from last year		(2,106,432)	-
Balance transferred to Balance sheet		(3,699,207)	(2,106,432)

Significant Accounting Policies & Notes to the Accounts - Schedule 10

As per our report of even date



Ramesh Kandel
Account Officer



Mohan Bikram Karki
Chairman



CA Sarmendra Shrestha
Shrestha S & Associates



Date: Mangsir 2, 2073
Place: Kathmandu



Super Mai Hydropower Pvt. Ltd.
Tangal-5 Kathmandu

Cash Flow Statement
For the year ended Ashadh 31, 2073 (July 15, 2016)

(Amount In Nrs)

Particulars	F.Y.2072-073	F.Y.2071-072
Cash flows from operating activities		
Net Profit Before Taxation	(1,592,775)	(2,106,432)
Adjustment for:		
Depreciation	10,197	-
Cash flow from operating activities before changes in working capital	(1,582,578)	(2,106,432)
Cash flows from changes in working capital		
(Increase)/ Decrease in current assets	(45,509,411)	(3,108,450)
Increase/(Decrease) in current liabilities	(2,794,212)	3,022,852
Cash flows from operating activities	(49,886,201)	(2,192,030)
Interest payment	-	-
Income tax payment	-	-
Net Cash flow from Operating Activities (1)	(49,886,201)	(2,192,030)
Cash flow on investing activities		
(Increase)/decrease of Fixed Assets	(135,926)	-
(Increase)/decrease in Work in Progress	(19,122,641)	(4,100,000)
Net cash flows on Investing Activities (2)	(19,258,567)	(4,100,000)
Cash flows on financing activities		
Issue of share	71,000,000	9,500,000
Increase/(Decrease) of loan	-	-
Net cash flows from financing activities (3)	71,000,000	9,500,000
Net cash flows during the year (1+2+3)	1,855,232	3,207,970
Opening cash and bank balances	3,207,970	-
Closing cash and cash equivalents	5,063,202	3,207,970

Significant Accounting Policies & Notes to the Accounts - Schedule 10

As per our report of even date



Ramesh Kandel
Account Officer



Mohan Bikram Karki
Chairman




CA Sarmendra Shrestha
Shrestha S & Associates

Date: Mangsir 2, 2073
Place: Kathmandu



Super Mai Hydropower Pvt. Ltd.

Tangal-5 Kathmandu

Statement of Changes in Equity for the year Ended Ashad 31,2073

Particulars	Share Capital	General Reserve	Capital Reserve	Share Premium	Accumulated Profit / (Loss)	(Amount in Nrs)	
						Total	Total
Balance as at 1 st Shrawan 2072	9,500,000	-	-	-	(2,106,432)	7,393,568	-
Change in accounting Policies:	-	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-	-
Deferred tax Assets	-	-	-	-	-	-	-
Profit and Loss Account for the Period	-	-	-	-	(1,592,775)	(1,592,775)	-
Dividends	-	-	-	-	-	-	-
Issue of Share Capital	71,000,000	-	-	-	-	71,000,000	-
Balance As at 31 Ashad 2073	80,500,000	-	-	-	(3,699,207)	76,800,793	-

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Ramesh Kandel
Accounts Officer

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Mohan Bikram Karki
Chairman



As per our report of even date

[Signature]

CA Samendra Shrestha
Shrestha S & Associates



Date: Mangsir 2, 2073
Place: Kathmandu

Super Mai Hydropower Pvt. Ltd.
Tangal-5 Kathmandu

Salary Sheet For The F.Y. 2072-73

A) Head office Salary

S.N	Name	Designation	Basic Salary	Annual Salary	Tds-Sst	Net Salary
1	Bikram Bista	Director	30,000	300,000	3,000	297,000
2	Mohan Bikram Karki	CFO	30,000	300,000	3,000	297,000
3	Madhab Prasad Mainali	Office Incharge	30,000	300,000	3,000	297,000
4	Rupesh Budhathoki	Accountant	25,000	300,000	3,000	297,000
Total			115,000	1,200,000	12,000	1,188,000

B) Site Office Salary

S.N	Name	Designation	Basic Salary	Annual Salary	Tds-Sst	Net Salary
1	Gurme Dorje Shrestha	Director	30,000	60,000	600	59,400
2	Prem Basnet	Engineer	30,000	300,000	3,000	297,000
3	Raj kumar mishra	Site coordinator	28,400	284,000	2,840	281,160
4	Shankar sapkota	Engineer	28,000	280,000	2,800	277,200
5	Top Raj Siwakoti	Asst-Accountant	20,000	240,000	2,400	237,600
6	Sagar Thapa	Office Assistant	20,000	240,000	2,400	237,600
7	Ambika aale	Helper	20,000	240,000	2,400	237,600
8	Bijaya niure	Oversear	25,000	300,000	3,000	297,000
9	Purna Dhoj Karki	site Incharge	25,000	300,000	3,000	297,000
10	Hari Bdr roka	Draft Engineer	25,000	300,000	3,000	297,000
11	Sekhar Paudel	Store keeper	24,000	288,000	2,880	285,120
12	Prabhu Mahat	Sub-oversear	22,000	264,000	2,640	261,360
Total			297,400	3,096,000	30,960	3,065,040

Grand Total			412,400	4,296,000	42,960	4,253,040
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Super Mai Hydropower Pvt. Ltd.
Tangal-5 Kathmandu
FY 2072-73

Schedules forming part of financial statements.

Share Capital		Schedule 1	
Particulars	Current Year	Previous Year	
Authorized Capital (10,00,000 Ordinary shares of Rs. 100 each.)	100,000,000	100,000,000	
Issued Capital (10,00,000 Ordinary shares of Rs. 100 each.)	100,000,000	10,000,000	
Paid up Capital			
Ashok Kumar Khadka-Share Capital	4,000,000.00	-	
Bam Bdr Thapa-Share Capital	2,870,000.00	-	
Bed Bdr Shrestha-Share Capital	3,830,000.00	-	
Bikram Bista-Share Capital	11,500,000.00	4,500,000	
Budhi Bdr Karki-Share Capital	11,500,000.00	-	
Budhi Bdr Thapa-Share Capital	2,880,000.00	-	
Gopal Prasad Niure-Share Capital	5,750,000.00	-	
Kailashman Rajbhandari-Share Capital	7,670,000.00	-	
Madhab Prasad Mainali-Share Capital	5,750,000.00	-	
Mohan Bikram Karki-Share Capital	7,500,000.00	-	
Rajendra Kumar Bc-Share Capital	5,750,000.00	-	
Sabita Bartaula-Share Capital	11,500,000.00	-	
Sonam Lama Shrestha	-	500,000.00	
Gurme Dorje Shrestha	-	4,500,000.00	
Total	80,500,000	9,500,000	

Reserve & Surplus		Schedule 2	
Particulars	Current Year	Previous Year	
Balance at beginning of the year	(2,106,432)	-	
Add: Profit/ (loss) during the year	(1,592,775)	(2,106,432)	
Total transferred to Balance Sheet	(3,699,207)	(2,106,432)	

Short Term Borrowings		Schedule 3	
Particulars	Current Year	Previous Year	
Loan from Director	-	2,956,352	
Total	-	2,956,352	

Cash & Bank Balance		Schedule 6	
Particulars	Current Year	Previous Year	
Nepal Investment Bank Ltd	-	3,207,970	
Machhapuchre Bank Ltd	4,969,940	-	
Cash In Hand	93,262	-	
Total	5,063,202	3,207,970	

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Super Mai Hydropower Pvt. Ltd.
Tangal-5 Kathmandu
FY 2072-73

Schedules forming part of financial statements.

Loan and Advances		Schedule 7
Particulars	Current Year	Previous Year
Khilraj Chauhan	-	1,340,000.00
Sana Consulting Pvt.Ltd	129,250.00	129,250.00
Tac Hydro	-	1,639,200.00
Land Purchase Advance	37,325,000.00	
Site advance	4,263,611.00	
Work Advance	6,900,000.00	
Total	48,617,861	3,108,450

TDS, Trade and other Payables		Schedule 8
Particulars	Current Year	Previous Year
Tds Payables	172,890	33,050
TDs-Audit Fee	750	450
TDS-Rent	20,000	17,000
TDS-Social Security Tax	102,810	15,600
TDS -Service	49,330	
Trade & other Payables	55,750	33,450
Audit Fee Payable	55,750	33,450
Total	228,640	66,500

Administrative & General Expenditures		Schedule-9
Particulars	Current Year	Previous Year
Audit Fee	56,500	33,900
Bank Charges	60	800
Business Promotion	-	84,252
Office Rent	200,000	170,000
Fuel	-	47,300
Office Expenses	2,700	5,755
Printing And Stationery	36,240	10,125
Registration and Renewals	20,000	118,000
Salary & Allowances-Head Office	1,200,000	1,560,000
Travelling Expenses	49,617	76,300
Internet and Communication	7,061	-
Membership fee	10,000	-
Refreshment and Hospitality	-	-
Water and Electricity	400	-
Total	1,582,578	2,106,432

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Super Mai Hydropower Pvt. Ltd.
Tangal-5 Kathmandu
Fiscal Year 2072-73

Particulars	Gross Value						Depreciation			Net Value	Schedule 4
	Opening Balanc	Addition			Deletion	Total	Opening	For the Year	Total	Net Value	Net Value
	Rate	Poush	Chaitra	Ashad						Closing	Closing
										31.03.2073	31.03.2072
Non - Depreciable Assets											
Land and Land Development											
Land and Land Development	0%	-	-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-	-
Depreciable Assets											
Block - B	25%	-			102,026		102,026	-	8,502	8,502	93,524
Logistic & Office Equipments											
Total		-	-	-	102,026	-	102,026	-	8,502	8,502	93,524
Block - C											
Vehicle											
Vehicle	20%	-	-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-	-
Block - D											
Other Assets											
Software Package	15%	-	-	-	33,900	-	33,900	-	1,695	1,695	32,205
Block - E											
		-	-	-	-	-	-	-	-	-	-
TOTAL					135,926	-	135,926	-	10,197	10,197	125,729

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Super Mai Hydropower Pvt. Ltd.
Tangal-5 Kathmandu
FY 2072-73

Project Cost-WIP (Supermai Hydropower Project 7.8MW)

Schedule 5

Particulars	F.Y.2071-72	Addition During the Year	F.Y.2072-73
Grid Connection Expense	100,000	100,000	200,000
License Fee Doed	4,000,000	-	4,000,000
Access Road		3,221,495	3,221,495
Due Diligence Study		960,500	960,500
Feasibility Study		6,077,215	6,077,215
NASW,NAM & SRT Test		878,461	878,461
PPA Charge		180,000	180,000
Refreshment and Hospitality site		1,747,120	1,747,120
Salary and allowance-Site		3,096,000	3,096,000
Survey expenses		1,630,000	1,630,000
Travelling Expenses		1,056,400	1,056,400
Business Promotion		175,450	175,450
Total	4,100,000	19,122,641	23,222,641

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SUPER MAI HYDROPOWER PVT. LTD.
TANGAL-5, KATHMANDU
F.Y. 2072-073

Significant Accounting Policies & Notes to the Accounts

Schedule 10

1. General Information

Super Mai Hydropower Pvt Ltd is a Private limited company incorporated under the Companies Act, 2063 on Ashwin 27, 2071. The registered office is located at Tangal-5, Kathmandu. The basic objective of the company is generation, supply as well as consultancy services of hydroelectricity and alternative energy projects.

2. Significant Accounting Policies

(I) Basis of Accounting

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles "GAAP" in Nepal under the historical cost convention applying accrual basis in compliance with the Provisions of the Companies Act, 2063 and Accounting Standards issued by the Institute of Chartered Accountants of Nepal (ICAN).

(II) Presentation of financial statement

The Balance Sheet and the Income Statement are prepared and the presented as per the format recommended by the Nepal Accounting Standard (NAS) 1, "Presentation of Financial Statements". The Cash Flow Statement is prepared and presented as per Nepal Accounting Standard (NAS) 3 "Cash Flow Statement". The items associated with Balance Sheet and Income Statement are disclosed as per the requirement of the Nepal Accounting Standard by way of notes forming part of financial statements.

(III) Fixed Assets

Fixed assets are stated at original cost of acquisition less accumulated depreciation. Further expenses i.e. administrative or general expenses that are attributable to construction or acquisition of fixed assets or increase the future benefits from the existing fixed assets or bring the assets to working condition are allocated and capitalized as a part of the cost of the fixed assets.

(IV) Depreciation

Depreciation is calculated as per the Income Tax Act, 2058.

(V) Taxes on Income

Since the project is under construction and the company does not generate any income, no income tax liability provision is made. Deferred tax is not recognized as there is virtual certainty



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with reasonable evidence that such assets would be recoverable or set off against the taxable profits of foreseeable future.

(VI) Provisions, contingent assets and contingent liabilities

Provisions are made and recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that a cash flow of resources is expected to settle the obligation and the amount of the obligation can be reliably estimated.

Contingent liability is disclosed only if a present obligation arising from past events, when it is not probable that an outflow of resources having no possibility of reliable estimate will be required to settle the obligation and where the probability of outflow of resource is not remote.

(VII) Cash Flow Statement

Cash Flow Statement is prepared segregating the cash flows from "operating", "Investing" and "financing" activities. Cash flow from operation is calculated and presented using indirect method. And under this method, the net profit is adjusted to:

- (a) transaction of a non-cash nature
- (b) any deferrals or accruals of past or future operating cash receipts and payments and
- (c) items of income or expense associated with investing and financing activities

3. Notes to Accounts

3.1 Project Cost-WIP

The total amount directly attributable to project is capitalized under the head "Project Cost-WIP" except the expenses including the items of Income Statement.

3.2 Land Acquisition

Advance has been given for purchase of land amounting NPR 37,325,000. Land transferred in the name of Company till Bhadra 2073 amounted to NPR 32,325,000. Remaining land is in process of transfer as per commitment from management.

3.3 Contingent Liabilities

Company has no contingent liabilities as on Ashadh 31,2073.

3.4 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cheques in hand and deposits with banks.

3.5 Previous Year Figures

Previous year figures are regrouped and reclassified wherever necessary.



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A handwritten signature in black ink, appearing to be "DMP".





नेपाल सरकार

अर्थ मन्त्रालय

आन्तरिक राजस्व विभाग

करदाता सेवा केन्द्र, टंगाल

लाजिम्पट (केन्द्र) विभाग
टंगाल, काठमाडौं



४-४३९४७७

४-४३९४७८

४-४३९४७९

फ्याक्स: ४-४३९४७६

प.सं. २०७३१०७४

च.नं. २४८०

विषय: कर चुक्ता प्रमाणपत्र ।

मिति: २०७३१०१०७

श्री सुपर माई हाईड्रोपावर प्रा.लि.

स्थायी लेखा नं. ६०२४२४७५०

यस कार्यालय अन्तर्गत दर्ता रहेका तपाईंले आ.व. २०७२१०७३ मा देहाय बमोजिमको आय रकमको आय विवरण मिति २०७३१०९११ मा यस कार्यालयमा पेश गरी सो अनुसार देहाय बमोजिमको आयकर दाखिला गरेकोले यो कर चुक्ताको प्रमाणपत्र प्रदान गरिएको छ।

आय विवरण पेश गरेको मिति	जम्मा आय (कारोबार) रकम रू.	करयोग्य आय रकम रू.	दाखिला कर रकम रू.
२०७३१०९११	०१००	०१००	०१००


२०७३१०१०७
कर अधिकृत
कर अधिकृत

पुनश्च: यो प्रमाणपत्र त्यस फर्म उद्योग कम्पनी संस्थाले पेश गरेको आय विवरणको आधारमा जारी गरिएको छ । पेश भएको आय विवरण छानविनमा परेमा आयकर ऐन, २०६८ को दफा १०९ बमोजिम नशर्तित कर निर्धारण हुने व्यहोरा जानकारी गराइन्छ ।