



B.R.B.S. & Associates

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SUPER MAI HYDROPOWER PUBLIC LTD

OPINION

We have audited the accompanying financial statements of **M/s Super Mai Hydropower Public Limited** which comprises the Statement of Financial Position as at 31st Ashadh 2078 and the related statement of Profit or Loss & Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and accompanying Notes for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, except otherwise stated, the financial position of the Company as at 31st Ashadh 2078 and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

BASIS FOR OPINION

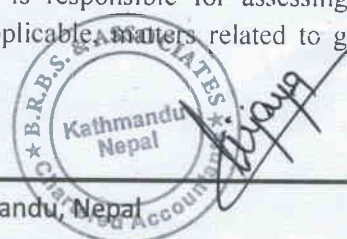
We conducted our audit in accordance with Nepal Standard on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those audit matters that, in our professional judgment, were of most significance in our audit of the financial statement 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 opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters that need to be reported for the year under audit.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with NASs/NFRS, and for such internal control as 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



Address: Shantinagar, New Baneshwor-31, Kathmandu, Nepal
Tel. No. : 01-4107788

Email Id: bijaya.brbsca@gmail.com; bishal.brbsca@gmail.com

bijaya@brbsassociates.com.np, bishal@brbsassociates.com.np, info@brbsassociates.com.np

concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the 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. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have obtained all the information and explanations, which were considered necessary for the purpose for our audit. In our opinion, the accompanying financial statements are prepared in accordance with the provisions of Companies Act 2063 and are in agreement with the books of account maintained by the Company. During the course of our audit, we did not come across any cases where the board of directors or any representative or any employee has not acted contrary to law or misappropriated any property of the company or caused any loss or damage to the company. As per our information, any accounting fraud has not been committed in the company.

For B.R.B.S. & Associates

Chartered Accountants

Bijaya Sukupayo

(Partner)

Address: Kathmandu, Nepal

Date: 2078.04.11

UDIN: 210727CA00767SBu9s



Super Mai Hydropower Public Limited

Buddha Nagar, Kathmandu, Nepal

Statement of Financial Position

As on Ashad 31, 2078 (July 15, 2021)

Particulars	Note	As on 31st Ashadh 2078	Restated As on 31st Ashadh 2077	Restated As on 1st Shrawan 2076
Equity & Liabilities				
Equity				
Equity Share Capital	1	400,000,000	395,000,000	395,000,000
Other Equity	2	46,170,866	28,782,334	(16,977,548)
Total Equity		446,170,866	423,782,334	378,022,452
Non-Current Liabilities				
Financial Liabilities				
Long Term Loan	3	1,008,920,000	1,055,780,000	1,087,116,813
Total Non-Current Liabilities		1,008,920,000	1,055,780,000	1,087,116,813
Current Liabilities				
Financial Liabilities				
Trade & Other Payable	4	552,500	-	131,407
Other Current Liabilities	5	3,117,781	8,144,782	11,885,951
Provisions	6	1,347,060	942,691	-
Total Current Liabilities		5,017,340	9,087,474	12,017,358
Total Equity & Liabilities		1,460,108,207	1,488,649,808	1,477,156,623
Assets				
Non Current Assets				
Property, Plant and Equipment	7	2,820,867	3,371,530	3,587,446
Intangible Assets		1,376,288,009	1,405,312,019	1,442,952,985
Total Non Current Assets		1,379,108,876	1,408,683,549	1,446,540,431
Current Assets				
Financial Assets				
Cash & Cash Equivalents	8	37,877,319	30,709,762	663,386
Trade & Other Receivable	9	40,688,760	43,294,382	25,279,174
Loans, Advance & Deposits	10	1,148,000	1,500,000	1,500,000
Other Current Assets	11	1,285,252	4,462,115	3,173,633
Total Current Assets		80,999,331	79,966,259	30,616,192
Total Assets		1,460,108,207	1,488,649,808	1,477,156,623

The accompanying notes are integral parts of Financial Statements

For & On Behalf of Board

(Signature)
Madhav Prashad Mainali
(Managing Director)

(Signature)
Mohan Bikraj Kurki
(Chairman)

(Signature)
Rajendra Kumar BC
(Director)

(Signature)
Buddhi Bahadur Thapa
(Director)



Sabita Bartaula
(Director)

(Signature)
Buddhi Bahadur Karki
(Director)

(Signature)
Kailasfiman Rajbhandari
(Director)

As per our attached report of even date



For BRBS & Associates
Chartered Accountants

(Signature)
Bijaya Sukupayo
(Partner)

Kathmandu, Nepal
Date: 2078/04/11

Super Mai Hydropower Public Limited

Buddha Nagar, Kathmandu, Nepal

Statement of Profit or Loss

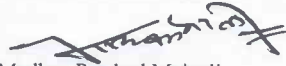
For the year ended Ashad 31, 2078 (July 15, 2021)

Particulars	Note	For the year ended 31st Ashadh 2078	Restated For the year ended 31st Ashadh 2077
Revenue	12	211,359,973	217,285,674
Cost of Sales	13	(17,385,345)	(15,664,654)
Gross Profit/(Loss)		193,974,628	201,621,020
Other Income	14	-	-
Administrative Expenses	15	(5,256,951)	(6,196,872)
Depreciation & Amortization	7	(45,468,912)	(45,578,991)
Net Profit from Operation		143,248,765	149,845,157
Finance Income	16	201,798	697,082
Finance Cost	17	(97,128,425)	(104,782,358)
Net Profit Before Tax (NPBT)		46,322,138	45,759,881
Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
Net Profit after Tax (NPAT)		46,322,138	45,759,881

The accompanying notes are integral parts of Financial Statements

As per our attached report of even date

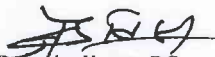
For & On Behalf of Board



Madhav Prashad Mainali
(Managing Director)



Mohan Bikram Karki
(Chairman)



Rajendra Kumar BC
(Director)



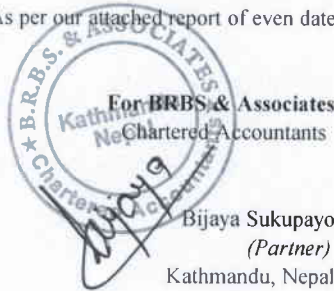
Buddhi Bahadur Thapa
(Director)



Sabita Bartaula
(Director)


Buddhi Bahadur Karki
(Director)


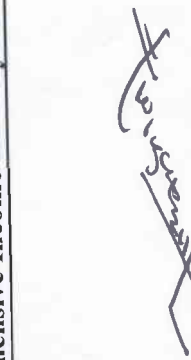




Kailashman Rajbhandari
(Director)



Bijaya Sukupayo
(Partner)
Kathmandu, Nepal
Date: 2078/04/11

Super Mai Hydropower Public Limited
 Buddha Nagar, Kathmandu, Nepal
Statement of Other Comprehensive Income

Particulars	For the year ended 31st Ashadh 2078	Restated For the year ended 31st Ashadh 2077
Net profit/(Loss) for the year	46,322,138	45,759,881
Other Comprehensive Income not to be classified to Profit or Loss in Subsequent periods		
Revaluation Gain/(Los) on Property, Plant & Equipment	-	-
Income Tax relating to above	-	-
Other Comprehensive Income not to be classified to Profit or Loss in Subsequent periods		
Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	46,322,138	45,759,881

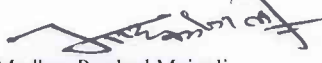



Super Mai Hydropower Public Limited
Buddha Nagar, Kathmandu, Nepal
Statement of Cash Flow
For the year ended Ashad 31, 2078 (July 15, 2021)

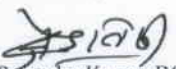
Particulars	For the year ended 31st Ashadh 2078	For the year ended 31st Ashadh 2077
Cash Flow From Operating Activities:		
Profit/(Loss) for the year	46,322,138	45,759,881
Adjustment for:		
Depreciation & Amortization	45,468,912	45,578,991
Finance Cost	97,128,425	104,782,358
Finance Income	(201,798)	-
Cash Flow from Operating activities before changes in W/C	188,717,677	196,121,230
Cash Flow From Operating Activities:		
Decrease/ (Increase) in Current Asset	6,134,485	(19,303,690)
Increase/ (Decrease) in Current Liabilities & Provisions	(4,070,134)	(3,361,884)
Cash Flow From Operating Activities	190,782,028	173,455,655
Prior year adjustments	-	432,000
Net Cash Flow From Operating Activities	190,782,028	173,887,655
Cash Flow from Investing Activities		
Acquisition of Property, Plant & Equipment	(266,796)	(734,350)
Purchase of Intangibles	(15,627,443)	(6,987,758)
Net Cash Flow From Investing Activities	(15,894,239)	(7,722,108)
Cash Flow from Financing Activities		
Increase in Share Capital	5,000,000	-
Share Issue Cost	(659,900)	-
Dividend to Shareholders	(28,273,705)	-
Increase/(Payment) of Bank Loan	(46,860,000)	(31,336,813)
Finance Cost	(97,128,425)	(104,782,358)
Finance Income	201,798	-
Net Cash Flow From Financing Activities	(167,720,232)	(136,119,171)
Total Cash Flow From All Activities	7,167,557	30,046,376
Cash & Cash Equivalent at the beginning of the year	30,709,762	663,386
Cash & Cash Equivalent at the end of the year	37,877,319	30,709,762


The accompanying notes are integral parts of Financial Statements

For & On Behalf of Board


Madhav Prasad Mainali
(Managing Director)


Mohan Bikram Karki
(Chairman)

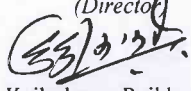

Rajendra Kumar BC
(Director)

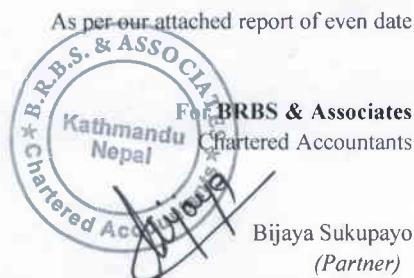

Buddhi Bahadur Thapa
(Director)



Sabita Bartaula
(Director)

Buddhi Bahadur Karki
(Director)


Kailashman Rajbhandari
(Director)



Bijaya Sukupayo
(Partner)
Kathmandu, Nepal
Date: 2078/04/11

Super Mai Hydropower Public Limited
Buddha Nagar, Kathmandu, Nepal
Statement of Changes in Equity

For the year ended Ashad 31, 2078 (July 15, 2021)

Particulars	Equity Share Capital	Share Premium	Revaluation Reserves	General Reserve	Other Reserves	Total
Opening Balance as on 01.04.2076	395,000,000	-	-	(16,977,548)	-	378,022,452
Profit/(Loss) for the Year	-	-	-	45,759,881	-	45,759,881
Other Comprehensive Income	-	-	-	-	-	-
Prior Year Adjustments	-	-	-	-	-	-
Total Comprehensive Income	395,000,000	-	-	28,782,334	-	423,782,334
Dividend to shareholders	-	-	-	-	-	-
Prior Year Adjustments	-	-	-	-	-	-
Balance as on 01.04.2077	395,000,000	-	-	28,782,334	-	423,782,334
Profit/(Loss) for the Year	-	-	-	46,322,138	-	46,322,138
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	395,000,000	-	-	75,104,471	-	470,104,471
Dividend to shareholders	-	-	-	(28,273,705)	-	(28,273,705)
Share Issue Cost	-	-	-	(659,900)	-	(659,900)
Equity Shares Issued	5,000,000	-	-	-	-	5,000,000
Closing Balance as on 31.03.2078	400,000,000	-	-	46,170,866	-	446,170,866

The accompanying notes are integral parts of Financial Statements

As per our attached report of even date

For & On Behalf of Board


Madhav Prashad Mainali
(Managing Director)


Mohan Bikram Karki
(Chairman)


Rajendra Kumar BC
(Director)


Buddhi Bahadur Thapa
(Director)

Sabita Bartaula
(Director)

Buddhi Bahadur Karki
(Director)


Kailashman Rajbhandari
(Director)



For BRBS & Associates
Chartered Accountants

CA Bijaya Sukupayo
(Partner)

Kathmandu, Nepal
Date: 2078/04/11



Super Mai Hydropower Public Limited

1. RECONCILIATION OF EQUITY

As at 1st Shrawan 2076

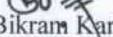
Particulars	Note	Previously Reported Balance	Reconciliation	Restated Balance (NFRS)
Equity & Liabilities				
Equity				
Equity Share Capital		395,000,000	-	395,000,000
Advance for Share Capital	A	5,000,000	(5,000,000)	-
Reserve & Retained Earnings	B	(16,545,548)	(432,000)	(16,977,548)
Non-Current Liabilities				
Financial Liabilities				
Long Term Loan		1,087,116,813	-	1,087,116,813
Current Liabilities				
Financial Liabilities				
Trade & Other Payable		131,407		131,407
Other Current Liabilities	C	6,453,951	5,432,000	11,885,951
Total Equity & Liabilities		1,477,156,623	-	1,477,156,623
Assets				
Non Current Assets				
Property, Plant and Equipment	D	1,446,516,023	(1,442,928,577)	3,587,446
Intangible Assets	E	24,408	1,442,928,577	1,442,952,985
Current Assets				
Financial Assets				
Cash & Cash Equivalents		663,386	-	663,386
Trade & Other Receivable		25,279,174	-	25,279,174
Loans, Advance & Deposits	F	4,673,633	(3,173,633)	1,500,000
Other Current Assets	G	-	3,173,633	3,173,633
Total Assets		1,477,156,623	-	1,477,156,623

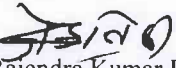
The accompanying notes are integral parts of Financial Statements


As per our attached report of even date

For & On Behalf of Board


Madhav Prashad Mainali
(Managing Director)


Mohan Bikram Karki
(Chairman)


Rajendra Kumar BC
(Director)


Buddha Bahadur Thapa
(Director)



Sabita Bartaula
(Director)

Buddhi Bahadur Karki
(Director)


Kailashman Rajbhandari
(Director)



Bijaya Sukupayo
(Partner)

Kathmandu, Nepal
Date: 2078/04/11

Super Mai Hydropower Public Limited

2. RECONCILIATION OF EQUITY

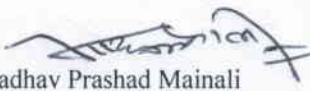
As at 31st Ashadh 2077

Particulars	Note	Previously Reported Balance	Reconciliation	Restated Balance (NFRS)
Equity & Liabilities				
Equity				
Equity Share Capital		395,000,000	-	395,000,000
Advance for Share Capital	H	5,000,000	(5,000,000)	-
Reserve & Retained Earnings		29,646,334	(864,000)	28,782,334
Non-Current Liabilities				
Financial Liabilities				
Long Term Loan		1,055,780,000	-	1,055,780,000
Current Liabilities				
Financial Liabilities				
Trade & Other Payable	I	537,867	(537,867)	-
Other Current Liabilities	J	1,742,916	6,401,867	8,144,782
Provisions		942,691	-	942,691
Total Equity & Liabilities		1,488,649,808	-	1,488,649,808
Assets				
Non Current Assets				
Property, Plant and Equipment	K	1,408,664,022	(1,405,292,493)	3,371,530
Intangible Assets	L	19,526	1,405,292,493	1,405,312,019
Current Assets				
Financial Assets				
Cash & Cash Equivalents		30,709,762	-	30,709,762
Trade & Other Receivable		43,294,382	-	43,294,382
Loans, Advance & Deposits	M	5,962,115	(4,462,115)	1,500,000
Other Current Assets	N	-	4,462,115	4,462,115
Total Assets		1,488,649,808	-	1,488,649,808

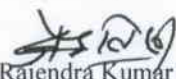
The accompanying notes are integral parts of Financial Statements

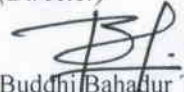
As per our attached report of even date

For & On Behalf of Board


Madhav Prashad Mainali
(Managing Director)


Mohan Bikram Karki
(Chairman)


Rajendra Kumar BC
(Director)



Buddhi Bahadur Thapa
(Director)



Sabita Bartaula
(Director)

Buddhi Bahadur Karki
(Director)


Kailashman Rajbhandari
(Director)


For BRBS & Associates
Chartered Accountants
Kathmandu
Nepal
Bijaya Sukupayo
(Partner)

Kathmandu, Nepal
Date: 2078/04/11

Super Mai Hydropower Public Limited

3. RECONCILIATION OF STATEMENT OF PROFIT OR LOSS

For the year ended Ashad 31, 2077 (July 16, 2020)

Particulars	Note	Previously Reported Balance	Reconciliation	Restated Balance (NFRS)
Revenue	O	217,834,046	(548,372)	217,285,674
Cost of Sales	P	(15,781,026)	116,372	(15,664,654)
Gross Profit/(Loss)		202,053,020	(432,000)	201,621,020
Other Income	Q	697,082	(697,082)	-
Administrative Expenses	R	(6,199,942)	3,069	(6,196,872)
Depreciation & Amortization		(45,578,991)	-	(45,578,991)
Net Profit from Operation		150,971,170	(1,126,013)	149,845,157
Finance Cost	S	(104,779,288)	(3,069)	(104,782,358)
Finance Income	T	-	697,082	697,082.04
Net Profit Before Tax (NPBT)		46,191,881	694,012.74	45,759,881
Tax Expense				
Current Tax		-	-	-
Deferred Tax		-	-	-
Net Profit after Tax (NPAT)		46,191,881		45,759,881

The accompanying notes are integral parts of Financial Statements

As per our attached report of even date

For & On Behalf of Board

Madhav Prashad Mainali
(Managing Director)

Mohan Bikram Karki
(Chairman)

Rajendra Kumar BC
(Director)

Buddhi Bahadur Thapa
(Director)



Sabita Bartaula
(Director)

Buddhi Bahadur Karki
(Director)

Kailashman Rajbhandari
(Director)



For BRBS & Associates
Chartered Accountants

Bijaya Sukupayo
(Partner)

Kathmandu, Nepal
Date: 2078/04/11

Significant Accounting Policies and Notes Forming part of Financial Statements

Fiscal Year 2077/78 (2020/21AD)

1. General Information:

2. Basis of Preparation

2.1 Statement of Compliance

The financial statements are prepared in accordance with Nepal Financial Reporting Standards (NFRS) as issued by Accounting Standards Board, Nepal which are generally in compliance with the International Financial Reporting Standards as issued and applicable, except mentioned hereinafter. NFRS also includes interpretations (IFRIC and SIC) as issued by International Accounting Standards Board. The financial statements include Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement and Notes to Accounts.

2.2 Responsibility of Financial Statements:

The Board of Directors of the Company is responsible for preparation and presentation of the Company's financial statements and for the estimates and judgments used in them.

2.3 Functional and Presentation Currency:

The financial statements are prepared in Nepalese Rupees (NRs.) which is the functional currency. All financial information presented in Nepalese Rupees has been rounded to the nearest rupee except otherwise indicated.

2.4 Fiscal Year

The financial statements relate to the fiscal year 2076/77 i.e. 1st Shrawan 2077 to 31st Ashadh 2078 corresponding to Gregorian calendar 16th July 2020 to 15th July 2021. The previous year was 1st Shrawan 2076 to 31st Ashadh 2077 (17th July 2019 to 15th July 2020).

2.5 Use of Estimates, Assumptions or Judgments:

The preparation of the financial statements in conformity with NFRS requires management to make judgment, estimates and assumption that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates. Estimated and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Information about significant areas of estimates, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are:

- Provisions and contingencies
- Determination of useful life of the property, plants and equipment
- Determination of capitalization value and useful life of the intangible assets etc

Handwritten signatures and stamps are present at the bottom of the page. The stamps include a circular stamp for "Kathmandu Nepal Chartered Accountants" and a logo for "Supermai Hydropower".

2.6 Controlling Body

There are total 42 promoter shareholders in the Company as on 31.03.2078. The details of Shareholders holding more than 1% of share capital and percentage of holding is given below:

S. No	Name	Share Qty	Percent
1	Mohan Bikram Karki	556250	13.91%
2	Buddhi Bdr Karki	529092	13.23%
3	Sabita Bartaula	510892	12.77%
4	Bam Bdr Thapa	247571	6.19%
5	Madhab Psd Mainali	203875	5.10%
6	Kailashman Rajbhandari	189464	4.74%
7	Bed Bdr Shrestha	185715	4.64%
8	Dal Bahadur Rumba	185714	4.64%
9	Rajendra Kumar BC	181072	4.53%
10	Buddhi Bdr Thapa	163875	4.10%
11	Subhash Pradhan	143108	3.58%
12	Motilal Oli	80000	2.00%
13	Gopal Psd Neure	76470	1.91%
14	Purnadhoj Karki	75000	1.88%
15	Tara Bdr Karki	56468	1.41%
16	Santosh Neupane	56000	1.40%
17	Meghnath Dhungana	50000	1.25%
18	Sunny Aggrawal	50000	1.25%
19	Mahendra Lal Shrestha	47713	1.19%
20	Topraj Shivakoti	46371	1.16%

3. Significant Accounting Policies

3.1 Basis of Measurement

The financial statements are prepared on a historical cost basis.

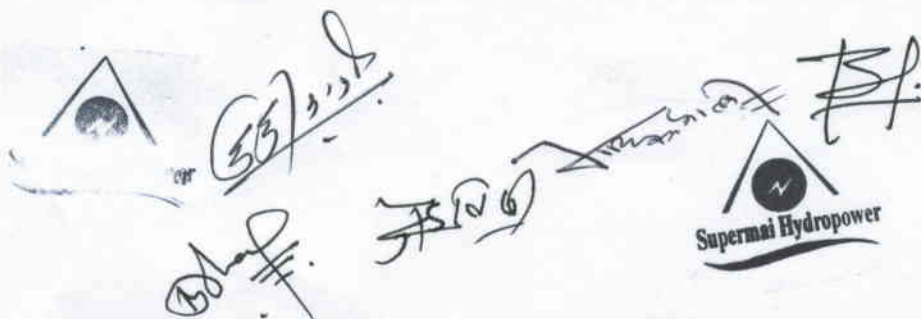
3.2 Revenue Recognition

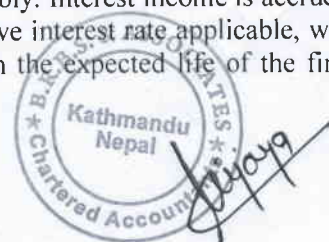
I) Sale of Electricity

Revenue is recognized to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates, charges and other similar allowances.

II) Finance Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The bottom of the page contains several handwritten signatures in black ink. There are also two circular stamps: one on the right side with the text 'Kathmandu Nepal Chartered Accountants' and a signature over it, and another at the bottom center with the logo of 'Supermai Hydropower'.



3.3 Income tax

Income tax on the profit or loss for the year comprises current taxes and deferred taxes. Income tax is recognized in the profit or loss statement 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 balance sheet date and any adjustment to tax payable in respect of previous years. Income tax rates applicable to company.

Deferred Tax

- I. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date.
- II. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
- III. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

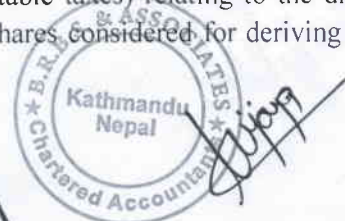
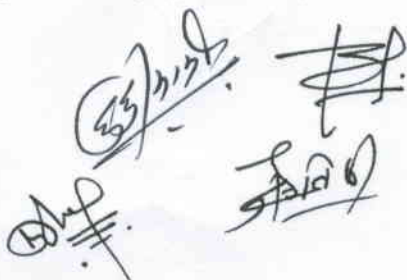
3.4 Cash and Cash Equivalents

Cash and cash equivalents include Cash in hand, unrestricted balances held with Banks and Financial Institutions that are subject to an insignificant risk of changes in their fair value.

3.5 Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/ (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic



earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

3.6 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, use in the supply of services or for administrative purpose.

3.7 Property, Plant and Equipment

i. Recognition and Measurement

Property, Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost comprises purchase price including nonrefundable duties and taxes; and any directly attributable cost incurred in bringing the asset to their present location and condition necessary for it to be capable of operating in the manner intended by the management but excluding trade discounts and rebates. Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow in to the Company. Ongoing repair and maintenance are expensed in the Statement of Profit or Loss as incurred.

If significant part of an item of property or equipment has different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and carrying amount of the items) is recognized within other income in Statement of Profit or Loss.

ii. Depreciation

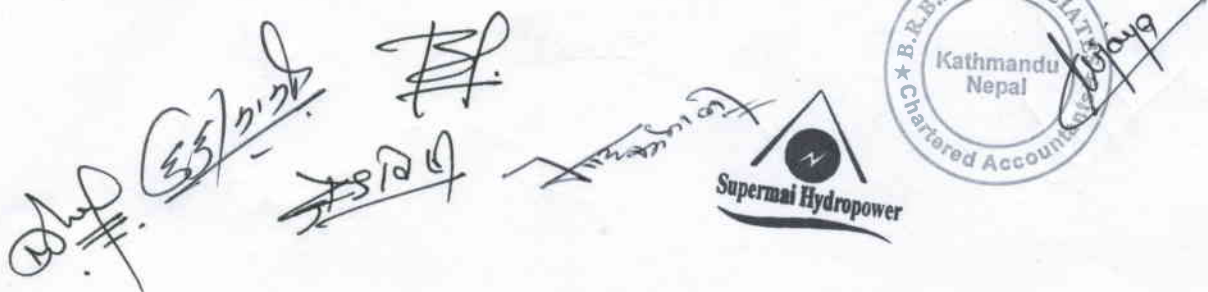
Property, Plant & Equipment and Intangible assets other than Service concession agreement are depreciated using Written down value method over its estimated Useful life from the date they are available for use. Service concession agreement is amortized over the life of agreement on Straight Line basis. The estimated useful lives of the significant items of Property & Equipment and Intangibles are as follows

Office Equipment	5-8 years	25%
Furniture & Fixtures	5-8 years	25%
Vehicles	10-12 years	20%
Intangibles Software	5-6 years	20%
Intangibles-Service Concession agreement	33 years	3.03%
Other Assets	10-12 years	15%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.8 Intangible Assets

The intangible assets that are acquired by the Company and have definite useful lives are measured at cost less accumulated amortization and any impairment losses. Intangible assets include Service Concession agreement and Software assets.


 The bottom of the page contains several handwritten signatures in blue ink. To the right, there is a circular stamp for 'Kathmandu Nepal' with the text 'B. R. B. S. & ASSOCIATES Chartered Accountants' around the perimeter. Below the stamp is the logo for 'Supermal Hydropower', which features a stylized 'N' inside a triangle above the company name.

Gain Loss on De recognition of Intangible Assets are measured at the difference between Net disposal proceeds and carrying amount of the asset as on the date of de recognition and the difference is recognized in Statement of Profit or Loss.

Costs incurred in the ongoing maintenance of software are expensed immediately as incurred. Subsequent cost on software is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Software, useful life of which have been defined by terms of contract or conditions for use are amortized on straight-line basis over the useful life of asset.

Software, useful life of which have not been clearly defined by terms of contract or condition of use as well have a definite useful lives due to technological obsolescence are amortized on straight-line basis over estimated useful life of ten years and five years for business application software and other software respectively.

Service concession arrangements

Under IFRIC 12 – Service Concession Arrangements applies to public-to-private service concession arrangements if:

- (a) The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what prices: and
- (b) The grantor controls through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement
- (c) Is the infrastructure constructed or acquired by the operator from a third party for the purpose of the service arrangement or is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement ? Infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole life of assets) is within the scope of this IFRIC, if the conditions in (a) above are met. These arrangements are accounted on the basis of below mentioned models depending on the nature of consideration and relevant contract law.

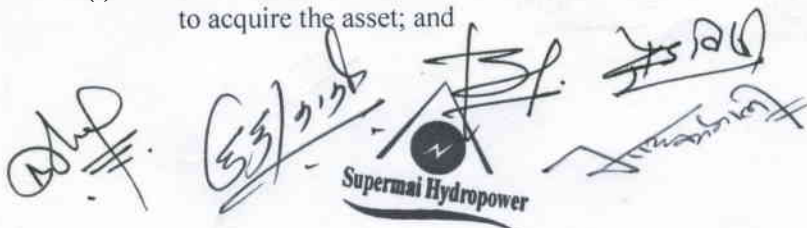
Financial Asset Model

The Financial asset model is used when the Company, being an operator, has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Unconditional contractual right is established when the grantor contractually guarantees to pay the operator (a) specific or determinable amount; (b) the shortfall, if any, between amounts received from the users of the public services and specified or determinable amounts.

Intangible Asset Model

The intangible asset model is used to the extent that the Group, being an operator, receives a right (a license) to charge users of the public service. A right to charge users of public services is not an unconditional right to receive cash because the amounts are contingent on to the extent that public uses the services. Both type of arrangements may exist within a single contract to the extent that the grantor has given an unconditional guarantee of payment for the construction and the operation i.e. considered as a Financial asset and to the extent that the operator has to rely on the public using the service in order to obtain payment, the operation has an intangible asset. The Company manages concession arrangements which include power supply from its two hydro power plants. The Company maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the services to be provided. The right to consideration gives rise to an intangible asset and accordingly, the intangible asset models is applied. Income from the concession arrangements earned under the intangible asset model consists of the

- (i) Fair Value of the contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and

 Several handwritten signatures and stamps are present at the bottom of the page. One prominent stamp is circular and contains the text "Kathmandu Nepal" and "Chartered Accountant". Another stamp is rectangular and contains the text "Supermai Hydropower".



(ii) Payments actually received from the users.

The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession. Any asset carried under concession arrangements is de-recognized on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

3.9 Impairment of Non-Financial Assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine where there is an indication of impairment. If such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are recognized in Statement of Profit or Loss. Impairment loss is reversed only to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized.

3.10 Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

3.11 Defined Benefit Plans

The cost of defined benefit plan and other postemployment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

3.12 Recognition of deferred tax assets

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

3.13 Financial Instruments- Recognition and Measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at *transaction cost* and where such values are different from the fair value, *at fair value*.

Transaction costs that is directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss.





Effective Interest Rate Method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income/ expense arising on financial instruments after applying an effective interest rate is recognized in Statement of Profit and Loss and is included in the "Other finance income" or "Other finance cost" line item.

Financial Assets

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through *other comprehensive income* if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through the *statement of profit or loss*. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the shorter maturity of these instruments.

Impairment of financial assets

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through the statement of profit or loss. The company recognizes impairment loss on trade receivables using expected credit loss model. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognized. Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies or de-recognition under NFRS 9. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. On de-recognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of de-recognition and the consideration received is recognized in statement of profit or loss.



Handwritten signatures and initials, including a large signature that appears to be 'S.P.' and another that looks like 'K. S. J. S.'.



Financial Liabilities & Equity

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at *fair value*, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

De-recognition of financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Off Setting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.14 Borrowings Cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

[Handwritten signature]
[Handwritten signature]

[Handwritten signature]
[Handwritten signature]



3.15 Provisions

A provision is recognized if as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at the pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.16 Employee Benefits

The Company does not have any schemes of Post-employment/Long term benefit plans for its employees. The company has not provided for Gratuity as per Labor Act 2074 and has not been registered with Social Security Fund as per Social Security Act 2074.

Short Term Employee Benefits

- i. A liability is recognized for benefits accruing to employees in respect of wages and salaries, in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
- ii. Liabilities recognized in respect of short-term employee and contractual employees, benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.17 Leases

Payments made under operating leases are recognized in Statement of Profit or Loss as "Office rent expense". The lease rental is recognized as per the expense incurred by the Company in the financial year. The lease expense is not recognized on straight line method considering the inflation in future.

3.18 Staff Bonus

Provision for Employee bonus is provided as per the provisions of the Electricity Act and Rules 2049 (at the rate of 2% of Net profit before transfer to CSR Fund). Provision is created as per annual profit and paid in the subsequent period as per the provisions of Bonus Act 2030. Unspent amounts are transferred to Welfare Funds as per the provisions of Bonus Act 2030.

3.19 Presentation

The presentation of certain line items of previous year financial statements have been changed (regrouped or rearranged) to align the financial statement and facilitate better presentation and comparison.

(Handwritten signatures and marks)



Super Mai Hydropower Public Limited
Buddha Nagar, Kathmandu, Nepal
Notes to and forming part of Financial Statement
As on Ashad 31, 2078 (July 15, 2021)

Equity Share Capital

Note 1

Particulars	As on 31st Ashadh 2078	As on 31st Ashadh 2077	As on 1st Shrawan 2076
Authorized Share Capital 40,00,000 Equity Shares @ 100 Each	400,000,000	400,000,000	400,000,000
Issued Subscribed and Paid up Share Capital 4,000,000/39,50,000 Equity shares @ 100 each	400,000,000	395,000,000	395,000,000
Total	400,000,000	395,000,000	395,000,000

Other Equity

Note 2

Particulars	As on 31st Ashadh 2078	As on 31st Ashadh 2077	As on 1st Shrawan 2076
Opening Reserve & Surplus	28,782,334	(16,977,548)	(16,545,548)
Add: Net profit/(loss) during the year	46,322,138	45,759,881	-
Dividend to Shareholders	(28,273,705)	-	-
Prior Year Adjustments	-	-	(432,000)
Share Issue Cost	(659,900)	-	-
Total	46,170,866	28,782,334	(16,977,548)

Long Term Loan

Note 3

Particulars	As on 31st Ashadh 2078	As on 31st Ashadh 2077	As on 1st Shrawan 2076
Century Bank-Term Loan	-	191,960,000	197,449,456
Rastriya Baniya Bank-Term Loan	1,008,920,000	-	-
Jyoti Bikash Bank-Term Loan	-	143,969,000	148,161,412
Sanima Bank-Term Loan	-	431,911,000	445,193,615
Sidhartha Bank-Term Loan	-	287,940,000	296,312,331
Total	1,008,920,000	1,055,780,000	1,087,116,813

Trade & Other Payable


Note 4

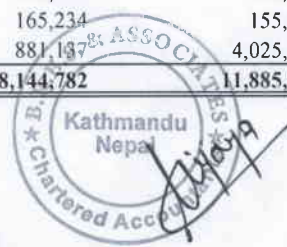
Particulars	As on 31st Ashadh 2078	As on 31st Ashadh 2077	As on 1st Shrawan 2076
Sundry Creditors	552,500	-	131,407
Total	552,500	-	131,407

Other Current Liabilities

Note 5

Particulars	As on 31st Ashadh 2078	As on 31st Ashadh 2077	As on 1st Shrawan 2076
Share Calls in Advance	-	5,000,000	5,000,000
Royalty Payable-DOED	2,079,247	537,867	1,151,864
Audit Fee Payable	111,500	111,500	111,500
Staff Salary Payable	562,262	585,045	1,009,186
Bay Charges Payable	-	864,000	432,000
Duties & Taxes Payable	129,260	165,234	155,973
Other Payable	235,512	881,137	4,025,428
Total	3,117,781	8,144,782	11,885,951





Super Mai Hydropower Public Limited
Buddha Nagar, Kathmandu, Nepal
Notes to and forming part of Financial Statement

Provisions

Note 6

Particulars	As on 31st Ashadh 2078	As on 31st Ashadh 2077	As on 1st Shrawan 2076
Provision for Staff Bonus	1,129,159	942,691	954,899
Provision for CSR	217,900	-	-
Total	1,347,060	942,691	954,899

Cash and Cash Equivalent

Note 8

Particulars	As on 31st Ashadh 2078	As on 31st Ashadh 2077	As on 1st Shrawan 2076
Cash in Hand	205,500	49,188	92,352
Balance with Banks (Local Currency)			
in Current Accounts	37,603,136	11,992,397	196,574
in Call Accounts	68,683	18,668,177	374,459
Other Accounts	-	-	-
Total	37,877,319	30,709,762	663,386

Trade & Other Receivable

Note 9

Particulars	As on 31st Ashadh 2078	As on 31st Ashadh 2077	As on 1st Shrawan 2076
Nepal Electricity Authority (NEA)	40,688,760	43,294,382	25,279,174
Total	40,688,760	43,294,382	25,279,174

Loans, Advance & Deposits

Note 10

Particulars	As on 31st Ashadh 2078	As on 31st Ashadh 2077	As on 1st Shrawan 2076
Sanima Capital Limited	400,000	400,000	400,000
Other Advance & Receivable	200,000	800,000	800,000
TT Margin Money	248,000	-	-
Deposits			
Bank Guarantee deposit (Exim Code)	300,000	300,000	300,000
Total	1,148,000	1,500,000	1,500,000

Other Current Assets

Note 11

Particulars	As on 31st Ashadh 2078	As on 31st Ashadh 2077	As on 1st Shrawan 2076
Advance for Land Purchase	-	1,550,000	1,550,000
Other Advances	188,933	2,766,815	1,478,333
Prepaid Expenses	1,086,020	-	-
Office Rent Security Deposit	-	135,000	135,000
Other Deposit	10,300	10,300	10,300
Total	1,285,252	4,462,115	3,173,633

[Handwritten signatures and initials]



Property, Plant & Equipment & Intangible Assets

Note-7

Particulars	Project Assets				Office Assets			Total
	Freehold Land	Building	Civil Structures	Hydromechanica I Equipments	Electromechanica I Equipments	Office Equipments & Furniture	Vehicle	
Cost								
Opening Balance as on 01.04.2076	53,379,975	17,767,355	704,029,420	344,954,848	352,545,048	4,098,166	3,058,050	1,479,832,862
Additions								
Reclassification to Intangibles	(53,379,975)	(17,767,355)	(704,029,420)	(344,954,848)	(352,545,048)			(1,472,676,646)
Restated Balance as on 01.04.2076						4,098,166	3,058,050	7,156,216
Addition during 2076-77						734,350		734,350
Disposal								
Closing Balance as on 31.03.2077						4,832,516	3,058,050	7,890,566
Addition during 2077-78						266,796		266,796
Disposal								
Closing Balance as on 31.03.2078						5,099,312	3,058,050	8,157,362
Accumulated Depreciation								
<i>Rate of Depreciation</i>	3.03%	3.03%	3.03%	3.03%	3.03%	25%	20%	
<i>Method</i>	SLM	SLM	SLM	SLM	SLM	WDV	WDV	
<i>Estimated Useful Life</i>	33 years	33 years	33 years	33 years	33 years	5-8 years	10-15 years	
Opening Balance as on 01.04.2076	1,078,276	358,901	14,221,394	6,968,088	7,121,410	2,217,609	1,351,161	33,316,838
Disposals/Reclassification reversal	(1,078,276)	(358,901)	(14,221,394)	(6,968,088)	(7,121,410)			(29,748,068)
Restated Balance as on 01.04.2076						2,217,609	1,351,161	3,568,770
Depreciation during the year 2076-77						608,889	341,378	950,266
Closing Balance as on 31.03.2077						2,826,497	1,692,539	4,519,036
Depreciation during the year 2077-78						544,357	273,102	817,458.69
Disposal								
Closing Balance as on 31.03.2078						3,370,854	1,965,641	5,336,495
Net Book Value								
Net Book Value as on 01.04.2076						1,880,557	1,706,889	3,587,446
Net Book Value as on 31.03.2077						2,006,019	1,365,511	3,371,530
Net Book Value as on 31.03.2078						1,728,458	1,092,409	2,820,867











B. Intangible

	Computer Software	Service Concession agreement	Total
Cost			
Opening Balance as on 01.04.2076	62,150	1,472,676,646	1,472,738,796
Additions		6,987,758	6,987,758
Disposals			
Closing Balance as on 31.03.2077	62,150	1,479,664,404	1,479,726,554
Additions during the year 2077-78		15,627,443	15,627,443
Disposals during the year 2077-78			
Closing Balance as on 31.03.2078	62,150	1,495,291,847	1,495,353,997
Accumulated Amortization			
<i>Rate of Amortization</i>	20%	3.03%	
<i>Method</i>	WDV	SLM	
<i>Estimated Useful Life</i>	5-8 years	33 years	
Opening Balance as on 01.04.2076	37,742	29,748,068	29,785,810
Amortization during the year 2076-77	4,882	44,623,843	44,628,724
Closing Balance as on 31.03.2077	42,624	74,371,911	74,414,534
Amortization during the year 2077-78	3,905	44,647,548	44,651,453
Closing Balance as on 31.03.2078	46,529	119,019,459	119,065,988
Net Book Value			
Net Book Value as on 01.04.2076	24,408	1,442,928,577	1,442,952,985
Net Book Value as on 31.03.2077	19,526	1,405,292,493	1,405,312,019
Net Book Value as on 31.03.2078	15,621	1,376,272,388	1,376,288,009



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



Super Mai Hydropower Public Limited

Buddha Nagar, Kathmandu, Nepal

Note forming Part of Statement of Profit and Loss
For the year ended Ashad 31, 2078 (July 15, 2021)

Revenue

Note 12

Particulars	For the year ended 31st Ashadh 2078	Restated For the year ended 31st Ashadh 2077
Revenue from Energy Sales	211,985,364	217,834,046
Less: Short Supply charges	(625,391)	(548,372)
Total	211,359,973	217,285,674

Cost of Sales

Note 13

Particulars	For the year ended 31st Ashadh 2078	Restated For the year ended 31st Ashadh 2077
Site office Expenses (Annexure -1)	8,196,734	6,201,171
Backfeed Energy Charges	28,836	12,960
Custom Clearing Expenses	-	7,116
Material Cost	1,582,657	42,618
Fixed Royalty Expenses	780,000.00	780,000
Revenue Royalty Expenses	4,227,199	4,345,730
Transportation Expenses	18,461	-
Bay charges	432,000	432,000
Repair & Maintenance Expenses	34,300	-
Project Insurance Expense	2,085,158	3,139,659
Social Responsibility Cost	-	703,400
Total	17,385,344.66	15,664,654

Administrative Cost

Note 15

Particulars	For the year ended 31st Ashadh 2078	Restated For the year ended 31st Ashadh 2077
Audit Fee	113,000	113,000
Accounting/Financial Consultancy Fee	113,000	-
AGM Expense	48,118	-
Corporate Social Responsibility Expenses	467,900	-
Meeting Allowance	15,294	216,760
Fuel & Local Conveyance Expenses	5,450	36,777
Fine & Penalty	7,420	-
Advertisement Expenses	24,489	38,780
Vehicle & Other Insurance Expenses	41,080	41,536
Vehicle Renewal Expenses	117,640	-
Internet and Communication Expenses	31,600	105,449
Legal & Registration Expenses	141,000	88,235
Newspaper & Periodicals	-	5,570
Office Rent Expenses	405,607	690,000
Office Supply Expenses	3,500	1,850



[Handwritten signature]

[Handwritten signature]



[Handwritten signature]

Super Mai Hydropower Public Limited

Buddha Nagar, Kathmandu, Nepal

Note forming Part of Statement of Profit and Loss
For the year ended Ashad 31, 2078 (July 15, 2021)

(Continued)

Printing and Stationery Expenses	65,650	67,561
Postage & Courier Charges	-	2,000
Refreshment and Hospitality Expenses	270,000	-
Repair & Maintenance Expenses		
<i>Repair and Maintenance Vehicle</i>	11,700	23,207
<i>Repair and Maintenance-Office</i>	110,291	32,720
<i>Repair and Maintenance-Office Equipments</i>	2,656	20,000
Staff Salary & Allowance Expenses- Head Office	2,032,496	2,860,747
Staff Bonus Expenses	954,899	942,691
Short & Excess	(1,080)	-
Staff Fooding & Refreshment Expenses	22,380	2,655
Technical Fee	-	75,000
Travelling & Transportation Expenses	57,435	16,600
Business Tax	10,000	54,400
Municipality Tax	-	185,620
Credit Rating Fee	87,426	395,500
Festival Expenses	68,000	114,114
Godak Meter Reading Expenses	-	31,100
Membership Fee	30,000	30,000
Puja Expenses	-	5,000
Total	5,256,951	6,196,872



Explanatory Notes Forming part of Financial Statements

Note-16 Finance Income

Particulars	FY 2077-78	FY 2076-77
Interest Income	201,798	697,082

Note-17 Finance Cost

Particulars	FY 2077-78	FY 2076-77
Interest Expenses	*86,614,947	103,692,172
Bank Charges	137,298	3,069
Loan Swap Charge	**7,736,850	-
Loan Service fee	***1,583,550	-
Agency Fee	1,055,780	1087,117
Total	97,128,425	104,782,358

*Total Interest expenses is reduced by Rs 1,833,691 received as 10% Covid relief from Rastriya Banijya Bank Ltd for FY 2077-78 which was credited on Bank account only on 1st Shrawan 2078. Interest of one day of 31.03.2078 of Rs 193,491 was debited by Rastriya Banijya Bank only on 1st Shrawan 2078 which has been added to interest cost of FY 2077-78 and has been noted under Bank Reconciliation statement.

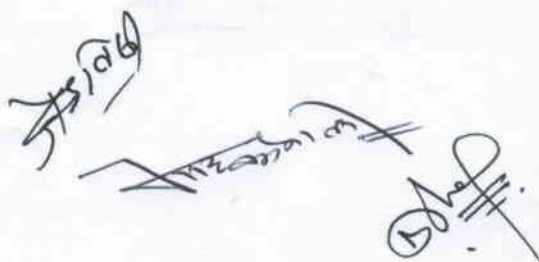
**During the year, the total loan outstanding as on 21.12.2020 of Rs 1,031,580,000 taken from Century, Jyoti Bikas, Sanima, Siddhartha Banks was swapped to Rastriya Banijya Bank Ltd and 0.75% of the swap amount was paid as loan swap charge to the above banks.

***Loan Service fee of 0.15% of Swap amount was paid to Rastriya Banijya Bank Ltd.

Note-18 First Time Adoption of NFRS

The financial statements have been prepared in accordance with applicable Nepal Financial Reporting Standards (NFRS) as issued by the Institute of Chartered Accountants of Nepal (ICAN) with effect from 1 Shrawan, 2077, with a transition date of 1 Shrawan, 2076. These financial statements for the year ended 31 Ashadh, 2078 are the first the Company has prepared under NFRS. For all periods up to and including the year ended 31 Ashadh, 2077, the Company prepared its financial statements in accordance with earlier issued Nepal Accounting Standards (hereinafter referred to as 'Previous GAAP'). The adoption of NFRS has been carried out in accordance with NFRS 1, First-time Adoption of NFRS. NFRS 1 requires that all NFRS and interpretations that are issued and effective for the first NFRS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with NFRS for year ended 31 Ashadh, 2078, together with the comparative information as at and for the year ended 31 Ashadh, 2077 and the opening NFRS Statement of Financial Position as at 1 Shrawan, 2076, the date of transition to NFRS. In preparing these NFRS financial statements, the Company has availed certain exemptions and exceptions in accordance with NFRS 1, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under NFRS and Previous GAAP have been recognized directly in equity (retained earnings or another appropriate category of equity). This note


Supermai Hydropower




Kathmandu
Nepal
Chartered Accountant

explains the adjustments made by the Company in restating its Previous GAAP financial statements, including the Statement of Financial Position as at 1 Shrawan, 2076 and the financial statements as at and for the year ended 31 Ashadh, 2077.

Exemptions from Retrospective Application

NFRS 1 allows first-time adopters certain exemptions from retrospective application of certain requirements under NFRS. The Company has elected to apply the following optional exemptions from retrospective application:

- Deemed cost for property, plant and equipment and intangible assets: The Company has elected to measure all its property, plant and equipment, intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to NFRS.

Reconciliations arising from Transition to NFRS

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to NFRS in accordance with NFRS 1:

- Reconciliation of Equity as at 1 Shrawan, 2076.
- Reconciliation of Equity as at 31 Ashadh, 2077.
- Reconciliation of Statement of Profit or Loss and other Comprehensive income for the year ended 31 Ashadh, 2077.

Previous GAAP information has been reclassified/ regrouped in accordance with NFRS, wherever necessary, based on the audited financial statements of the Company for the year ended 31 Ashad, 2076 and 31 Ashadh, 2077.

1. Adjustment to Statement of Cash Flows

The Company has paid total Bay Charges of Rs 864,000 for FY 2075-76 and FY 2076-77 during the FY 2077-78. Rs 432,000 relating to Previous Year 2076-77 has been adjusted in the Cash Flows of FY 2076-77 under prior period adjustments.

2. Other Adjustments

S. No	Remarks	Details
A	Advance for Share Capital	Advance for Share capital of Rs 5,000,000.00 previously classified as part of Equity has been classified to "other Current liabilities"
B	Reserves & Retained Earnings	Bay charges Payable to NEA of Rs 432,000.00 for FY 2075-76 which was paid during FY 2077-78 has been adjusted to Reserve & Retained Earnings of FY 2075-76.
C	Other Current Liabilities	Advance for Share capital of Rs 5,000,000.00 previously classified as part of Equity has been classified to "other Current liabilities". Bay charges Payable to NEA of Rs 432,000.00 for FY 2075-76 which was paid during FY 2077-78 has been booked as payable.

[Handwritten signature]
33/11/18

[Handwritten signature]
33/11/18
Supermai Hydropower



D	Property, Plant and Equipment	Under the Previous GAAP, PPE related to hydro power plants amounting to Rs 1,442,928,577.43 were capitalized and depreciation was charged to statement profit or loss. Under NFRS, PPE related to the hydro power plant considered as service concession arrangement (SCA), has been de-recognized and shown as intangible asset on SOFP and amortized on SLM basis till the license period of the respective project.
E	Intangible Assets	Under the Previous GAAP, PPE related to hydro power plants amounting to Rs 1,442,928,577.43 were capitalized and depreciation was charged to statement profit or loss. Under NFRS, PPE related to the hydro power plant considered as service concession arrangement (SCA), has been de-recognized and shown as intangible asset on SOFP and amortized on SLM basis till the license period of the respective project.
F	Loans, Advance & Deposits	Current Assets have been classified to Financial Assets and Other Current Assets. Project and other Advances which are non-financial Assets have been re classified to Other Current Assets.
G	Other Current Assets	Current Assets have been classified to Financial Assets and Other Current Assets. Project and other Advances which are non-financial Assets have been re classified to Other Current Assets.
H	Advance for Share Capital	Advance for Share capital of Rs 5,000,000.00 previously classified as part of Equity has been classified to "other Current liabilities"
I	Trade & Other Payable	Current Liabilities have been classified to Financial Liabilities and Other Current Liabilities. Current Liabilities which do the meet the criteria of classification as Financial Current liabilities has been re classified to Other Current Liabilities.
J	Other Current Liabilities	Current Liabilities have been classified to Financial Liabilities and Other Current Liabilities. Current Liabilities which do the meet the criteria of classification as Financial Current liabilities has been re classified to Other Current Liabilities.
K	Property, Plant and Equipment	Under the Previous GAAP, PPE related to hydro power plants were capitalized and depreciation was charged to statement profit or loss. Under NFRS, PPE related to the hydro power plant considered as service concession arrangement (SCA), has been de-recognized and shown as intangible asset on SOFP and amortized on SLM basis till the license period of the respective project.
L	Intangible Assets	Under the Previous GAAP, PPE related to hydro power plants were capitalized and depreciation was charged to statement profit or loss. Under NFRS, PPE related to the hydro power plant considered as service concession arrangement (SCA), has been de-recognized and shown as intangible asset on SOFP and amortized on SLM basis till the license period of the respective project.
M	Loans, Advance & Deposits	Current Assets have been classified to Financial Assets and Other Current Assets. Project and other Advances which are non-financial Assets have been re classified to Other Current Assets.
N	Other Current Assets	Current Assets have been classified to Financial Assets and Other Current Assets. Project and other Advances which are non-financial Assets have been re classified to Other Current Assets.
O	Revenue	Short Supply charges of Rs 548,372.00 previously classified under Cost of Sales have been deducted from Revenue and Net revenue has been presented.



 Supermai Hydropower



P	Cost of Sales	Short Supply charges of Rs 548,372.00 previously classified under Cost of Sales have been deducted from Revenue and Net revenue has been presented. Bay Charges payable to NEA of Rs 432,000 for the FY 2076-77 which was paid in the FY 2077-78 not earlier booked as expense have been booked as expense to Cost of Sales.
Q	Other Income	Interest Earned on Bank Accounts of Rs 697,082.00 classified under Other Income has now been classified to Finance Income.
R	Administrative Expenses	Bank Charge of Rs 3,069 previously booked under Administrative Expense has now been classified to Finance Cost.
S	Finance Cost	Bank Charge of Rs 3,069 previously booked under Administrative Expense has now been classified to Finance Cost.
T	Finance Income	Interest Earned on Bank Accounts of Rs 697,082.00 classified under Other Income has now been classified to Finance Income.

Note-19: Income Tax

Current Tax: Provision for Income tax has not been made due to the lack of taxable profit during the year. The detail of taxable income is given below:

Particulars	Amount (Rs)
Net Profit/Loss Before Tax	46,322,138
Add: Disallowable Expenses	
Depreciation as per books of Accounts	45,468,912
Fine & Penalty	7,420
Total	91,798,470
Less: Allowable Expenses	
Depreciation as per Income Tax Act	(111,369,358)
Total Taxable Profit/(Loss)	(19,570,888)
Add: Previous year unabsorbed loss	(160,005,196)
Total Taxable Loss C/f to Next Year	(179,576,084)

Deferred Tax: Provision for deferred tax has not been made since the company is assessed at 0% tax rates for first 10 years of operation and 50% tax rate for later 5 years.

Depreciation charged on Land: Depreciation on land was not charged up to previous year while calculating taxable profit/loss as per Income tax act. As per Income Tax Directive example 18.6.21, if any project is developed under BOOT method and later on is transferrable to Nepal Government, land has to be classified under Group "E" and the value of land has to be written off over the license period. Hence, depreciation of Rs 1,779,333 has been charged on Land assuming the remaining term of license as 30 years.

Note-20: Post- Employment Benefits

Since, the Company does not have any schemes for termination benefits of its employees; provision for post-employment benefits has not been made.



Handwritten signatures and initials in blue ink, including a large signature that appears to be 'S. P.' and another that appears to be 'S. P.' with a checkmark.



Note-21: Earning per Share

Particulars	FY 77-78	FY 76-77
Net Profit	46,322,138	45,759,881
Weighted Average No of Equity Shares	3,970,833	3,950,000
Basic Earnings Per Share	11.67	11.58
Diluted Earnings Per Share	11.67	11.58

Note-22: Segment Reporting

Since, the Company is engaged in only one segment "Generation and sale of electricity" the company does not have any reportable segments as per NFRS 8.

Note-23: CSR expenses as per Industrial Enterprises Act 2076

Industrial Enterprises Act 2076; Section 54 makes it mandatory to allocate 1% of the annual profit to be utilized towards corporate social responsibility (the "CSR Requirement"). The fund created for CSR is to be utilized on the basis of annual plans and programs. The company has Allocated Rs. 467,900 to the CSR Fund and spent Rs 250,000.00 during the year under the activity.

Note-24: Public Issue

The Company has signed an agreement with Sanima Capital Ltd herein referred as Underwriting Firm on 2074.04.16 for issuing Public Shares of Rs. 80,000,000.00 (800,000.00 Shares having face value of Rs. 100/- each) which was later amended to Rs. 100,000,000.00 (1,000,000.00 Shares having face value of Rs. 100/- each) on date 2077.08.10

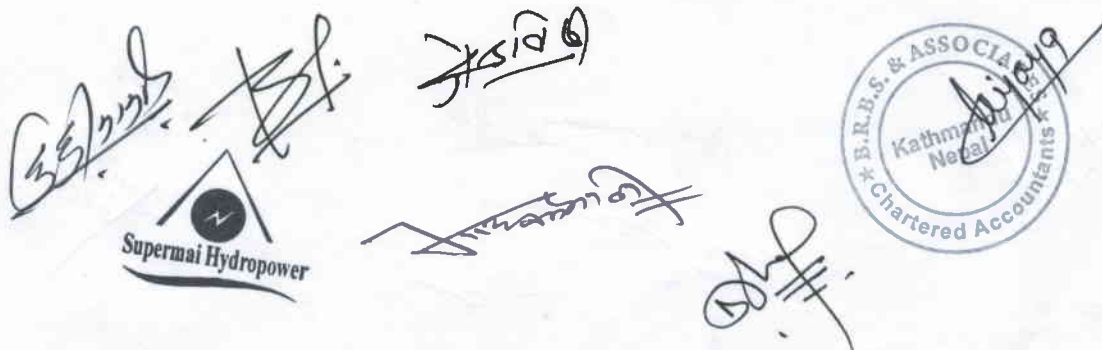
Note-25: Related Party Transactions

Related Party transactions are identified by the management. The related party transactions during the year are as follows:

S. No	Name	Nature of Transaction	Amount	Nature of Relation
1	Madhab Prashad Mainali	Salary/Allowance	704,496	Shareholder/Managing Director

Note-26: Agency fee

The Company has paid Agency fee of Rs 1,055,780 to Sanima Bank Ltd as 0.1% of total loan outstanding as on 31.03.2077 (previous year)

The bottom section of the page contains several handwritten signatures and a circular stamp. On the left, there is a logo for 'Supermai Hydropower' featuring a stylized 'S' and a lightning bolt. To its right are several handwritten signatures in black ink. On the far right, there is a circular blue stamp with the text 'B.B.S. & ASSOCIATES', 'Kathmandu Nepal', and 'Chartered Accountants'. A signature is written across the stamp.

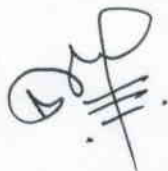
Note-27: Dividend

During the year, the Company has paid dividend of Rs 28,273,705 for the FY 2076-77 to its shareholders at the rate of 7.1579%

Note-28: Details of Key Management personnel

The details of Key Management Personnel are as follows:

1. Mohan Bikram Karki-Executive Chairman
2. Mr Madhab Prashad Mainali-Managing Director.



Annex-1

Site office expense

Details	As on 31st Ashadh 2078	As on 31st Ashadh 2077
Salary and Allowance Expenses-Site Office	5,137,100	5,309,481
Site Office Fuel Cost	868,878	20,250
Site Office Internet and Communication	20,494	66,808
Site Office Kitchen Expenses	880,540	628,144
Site Office Medical Expenses	40,000	815
Site Office Dashain Expenses	142,640	-
Site Office Material Cost	686,487	-
Site Office Puja Expenses	20,000	-
Site Office Printing and Stationary Exp	-	3,435
Site Office Refreshment and Hospitality	8,830	18,730
Site Office Supply Expense	19,500	94,743
Site Office Travelling Exp	50,000	5,000
Site Office Vehicle Repair Cost	67,721	53,765
Labour & Wages	254,544	-
Total	8,196,734	6,201,171

(Handwritten signatures and dates)

(Handwritten signatures)

