

U.V. ASSOCIATES

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT To The Shareholders of SAMA PRINTERS P. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Sama Printers P. Ltd.** which comprise the Statement of Financial Position as at Ashad 31, 2078, (July 15, 2021), the Statement of Profit or Loss and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid the financial statements presents fairly, in all material respects, the financial position of the firm, as at Ashad 31, 2078 (July 15, 2021), and its financial performance, changes in equity, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Accounting Standards and comply with other prevailing laws.

Basis for Opinion

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

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

The Firm's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management report, Report of the Board of Directors and Chairman's statement but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility 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 Nepal Accounting Standards (NSA), and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud and error.

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

The Management is also responsible for overseeing the firm's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in



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

accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Firm's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the firm's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the firm to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

Based on our examination, we would like to further report that:

- i. We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
- ii. The firm has kept proper books of accounts as required by law, in so far as it appears from our examination of those books of account.
- iii. The Statement of Financial Position, Statement of Profit or Loss and the Statement of Cash Flows and attached Schedules dealt with by this report are in agreement with the books of account maintained by the firm.
- iv. During our examination of the books of account of the Company, we have not come across the cases where the Board of Directors or any member thereof or any representative or any office holder or any employee of the Company has acted contrary to the provisions of law or caused loss or damage to the Company and
- v. We have not come across any fraudulence in the accounts, based on our sample examination of the books.

For, U. V. Associates, Chartered
Accountants



(Handwritten Signature)

CA Virochan Khanal

Partner

Place: Kathmandu

Date: 2078.09.09

UDIN: 211224CA00888mns8A

SAMA PRINTERS PVT. LTD.Bhaisepatti
Lalitpur, Nepal**BALANCE SHEET**

As at 31 Ashad 2078 (15 July 2021)

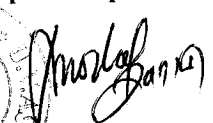
Particulars	Schedules	As at 31 Ashad 2078	As at 31 Ashad 2077
		Amount in NPR	Amount in NPR
SOURCES OF FUNDS			
Shareholders' Fund:			
Share Capital	1	67,796,000	67,796,000
Reserves and Surplus	2	17,661,595	13,679,021
Total Equity		85,457,595	81,475,021
Non-Current Liabilities:			
Bank Loan	3	547,080,169	477,765,341
Total Non-Current Liabilities		547,080,169	477,765,341
Current Liabilities:			
Sundry Creditors and Other Payables	9	261,937,438	185,186,217
Provisions	10	6,212,661	6,951,715
Total Current Liabilities		268,150,099	192,137,931
Total		900,687,863	751,378,293
APPLICATION OF FUNDS			
Non-Current Assets:			
Fixed Assets	4	278,355,142	297,797,536
Intangible Assets	4.1	4,945,800	7,281,326
Deferred Tax Asset	14.3c	1,127,126	1,529,731
Total Non-Current Assets		284,428,068	306,608,593
Current Assets:			
Current Assets, Loans and Advances			
Inventories	5	395,133,300	189,465,788
Account Receivables	6	71,025,532	171,937,676
Cash and Cash Equivalents	7	13,302,233	12,575,671
Advances, Deposits and Prepayments	8	136,798,730	70,790,565
Total Current Assets		616,259,795	444,769,700
Total		900,687,863	751,378,293
Schedules 1 to 10 & 14 forms an integral part of this Balance Sheet		14	
Significant Accounting Policies and Notes to Accounts		14	



Nimesh Khadikari
Director



As per our report of even date

CA Virochan Khanal
Partner
U. V. Associates
Chartered Accountants

Place: Kathmandu
Date: December 24, 2021

SAMA PRINTERS PVT. LTD.

Bhaisepatti
Lalitpur, Nepal

INCOME STATEMENT

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

Particulars	Schedules	Current Year	Previous Year
		Amount in NPR	Amount in NPR
Income			
Sales			
Other Income		208,473,159	186,864,916
Unrealised Foreign Exchange Gain	11	3,805	948,962
Total Income		-	19,095
		208,476,963	187,832,973
Expenditure			
Cost of Sales	12	74,089,372	106,217,442
Administrative expenses	13	17,738,535	21,429,744
Interest expenses		81,291,905	31,318,882
Depreciation		26,223,726	23,672,267
Foreign exchange fluctuations	4 & 4.1	4,261,004	2,068,007
Provision for staff bonus		487,242	312,664
Provision for CSR		-	172,815
Total Expenditure		204,091,785	185,191,821
Profit Before Tax		4,385,178	2,641,152
Provision for Taxation:			
Current Tax Expense		-	-
Deferred Tax (Income)/Expense	14.3c	402,605	(7,783,980)
Profit/(loss) After Tax		3,982,574	10,425,132
Profit transferred to CSR Reserves		-	-
Other Adjustment for Previous Years		-	-
Interim Dividend		-	-
Net Profit/(loss)		3,982,574	10,425,132
Schedules 4 and 11 to 14 forms an integral part of this Income Statement			
Significant Accounting Policies and Notes to Accounts			14


Nimesh Adhikari
Director



Place: Kathmandu
Date: December 24, 2021

As per our report of even date





CA Virochan Khanal
Partner
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Bhaisepatti

Lalitpur, Nepal

CASH FLOW STATEMENT

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

Particulars	Current Year	Previous Year
	Amount in NPR	Amount in NPR
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation & extraordinary items	4,385,178	2,641,152
Adjustments:		
Depreciation	26,223,726	23,672,267
Interest expenses	81,291,905	31,318,882
Foreign exchange fluctuation	4,261,004	2,068,007
Provision for bonus	487,242	312,664
Provision for gratuity	830,120	989,220
Provision for csr	-	172,815
Cash flow from operation before changes in working capital	117,479,176	61,175,007
(Increase) / decrease in current assets	(169,545,317)	5,852,802
Increase / (decrease) in current liabilities	76,751,221	(55,896,607)
Cash flow from operation before income tax	24,685,080	11,131,203
Gratuity Paid	(1,743,752)	(455,467)
Bonus paid	(312,664)	(2,711,364)
Advance income tax	(1,218,216)	3,497,062
Net cash flow from operating activities:	21,410,449	11,461,434
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(4,445,805)	(8,835,964)
Proceeds from sale of investment	-	-
Proceeds from sale of fixed assets	-	-
Net cash flow from investing activities:	(4,445,805)	(8,835,964)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of loan	69,314,828	(4,970,359)
Advance share capital	-	39,999,546
Proceeds from borrowing	-	(13,609,881)
Interest income/(expenses)	(81,291,905)	(31,318,882)
Net cash flow from financing activities :	(11,977,077)	(9,899,577)
D. EFFECT OF EXCHANGE RATE CHANGES	(4,261,004)	(2,068,007)
Net increase/ (decrease) in cash (A+B+C+D) :	726,562	(9,342,115)
Cash and cash equivalents at the beginning of the year	12,575,671	21,917,785
Cash and cash equivalents at the end of the year	13,302,233	12,575,671

Schedule 1 to 14 form an integral part of this Cash Flow Statement

Significant Accounting Policies and Notes to Accounts

14

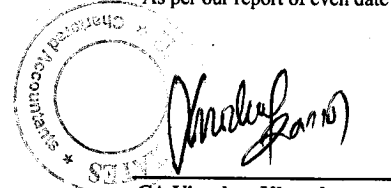




Nishesh Adhikari
Director

Place: Kathmandu

Date: December 24, 2021

As per our report of even date

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