

# 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

#### Disclaimer of Opinion

We have audited the accompanying financial statements of **Sama Printers P. Ltd.** which comprise the Statement of Financial Position as at Ashad 32, 2079, (July 16, 2022), 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").

Because of significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient audit evidence for cumulative effect for not restating financial items and making additional disclosures as required by first time adaptation of NFRS to provide a basis for an audit opinion.

Financial statements of Sama Printers P. Ltd. have not been prepared in compliance with the Nepal Financial Reporting Standards. Accordingly, **we do not express an opinion** on the financial statements.

#### Basis for Disclaimer of Opinion

The Institute of Chartered Accountants of Nepal (ICAN) has changed the applicable financial reporting framework for the corporate bodied/entities not defined as SMEs to Nepal Financial Reporting Standards (NFRS) effective from the financial year 2073/74(2016/2017). However, the company has prepared accompanying financial statement as per previous applicable financial reporting framework.

Based on test of criteria for applicability of NFRS, Sama Printers P. Ltd. has to prepare its financial statements complied with Nepal Financial Reporting Standards from Fiscal Year 2078/79(i.e. 2021/22). Restating, presenting & disclosing of financial information in compliance with transitional provision of NFRS is under process where management is ascertaining the cumulative material effect for implementation of transitional provision of "NFRS 1 First time Adoption of Nepal Financial Reporting Standards" considering its technicality in order to duly comply with the Financial Reporting Framework so laid down by ICAN.

#### 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 Standard, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.



### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our responsibility is to conduct an audit of the Company's financial statements in accordance with Nepal Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

Place: Kathmandu

Date: 2079.09.08

UDIN: 230102CA008888ftyT

For, U. V. Associates, Chartered  
Accountants



CA Virochan Khanal

Partner

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

As at 32 Ashad 2079 (16 July 2022)


Particulars	Schedules	As at 32 Ashad 2079	As at 31 Ashad 2078
		Amount in NPR	Amount in NPR
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Fund:</b>			
Share Capital	1	112,796,000	67,796,000
Reserves and Surplus	2	19,480,517	17,661,595
<b>Total Equity</b>		<b>132,276,517</b>	<b>85,457,595</b>
<b>Non-Current Liabilities:</b>			
Bank Loan	3	633,595,469	547,080,168
<b>Total Non-Current Liabilities</b>		<b>633,595,469</b>	<b>547,080,168</b>
<b>Current Liabilities:</b>			
Sundry Creditors and Other Payables	9	311,947,747	261,937,438
Provisions	10	6,024,954	6,212,661
Deferred Tax Liabilities		768,784	-
<b>Total Current Liabilities</b>		<b>318,741,485</b>	<b>268,150,098</b>
<b>Total</b>		<b>1,084,613,471</b>	<b>900,687,862</b>
<b>APPLICATION OF FUNDS</b>			
<b>Non-Current Assets:</b>			
Fixed Assets	4	346,126,289	278,355,142
Intangible Assets	4.1	2,684,017	4,945,800
Deferred Tax Asset	14.3c	-	1,127,126
<b>Total Non-Current Assets</b>		<b>348,810,306</b>	<b>284,428,068</b>
<b>Current Assets:</b>			
<b>Current Assets, Loans and Advances</b>			
Inventories	5	540,133,301	395,133,300
Account Receivables	6	97,327,927	71,025,532
Cash and Cash Equivalents	7	6,146,431	13,302,233
Advances, Deposits and Prepayments	8	92,195,505	136,798,730
<b>Total Current Assets</b>		<b>735,803,164</b>	<b>616,259,795</b>
<b>Total</b>		<b>1,084,613,471</b>	<b>900,687,862</b>
Schedules 1 to 10 & 14 forms an integral part of this Balance Sheet			
Significant Accounting Policies and Notes to Accounts		14	



**Nkesh Adhikari**  
Director



As per our report of even date



**CA Virochan Khanal**  
Partner  
U. V. Associates  
Chartered Accountants

Place: Kathmandu  
Date: December 23, 2022

**SAMA PRINTERS PVT. LTD.**

Bhaisepatti  
Lalitpur, Nepal

**INCOME STATEMENT**

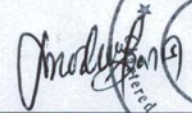
For the year ended 32 Ashad 2079 (16 July 2022)

Particulars	Schedules	Current Year	Previous Year
		Amount in NPR	Amount in NPR
<b>Income</b>			
Sales		206,725,299	208,473,159
Other Income	11	4,000	3,805
Unrealised Foreign Exchange Gain		-	-
<b>Total Income</b>		<b>206,729,299</b>	<b>208,476,963</b>
<b>Expenditure</b>			
Cost of Sales	12	113,067,108	74,089,372
Administrative expenses	13	18,871,714	17,738,535
Interest expenses		42,651,648	81,291,905
Depreciation	4 & 4.1	28,011,237	26,223,726
Foreign exchange fluctuations		-	4,261,004
Provision for staff bonus		412,759	487,242
<b>Total Expenditure</b>		<b>203,014,466</b>	<b>204,091,785</b>
<b>Profit Before Tax</b>		<b>3,714,833</b>	<b>4,385,178</b>
Provision for Taxation:			
Current Tax Expense		-	-
Deferred Tax (Income)/Expense	14.3c	1,895,910	402,605
<b>Profit/(loss) After Tax</b>		<b>1,818,922</b>	<b>3,982,574</b>
Profit transferred to CSR Reserves		-	-
Other Adjustment for Previous Years			
Interim Dividend			
<b>Net Profit/(loss)</b>		<b>1,818,922</b>	<b>3,982,574</b>
<b>Schedules 4 and 11 to 14 forms an integral part of this Income Statement</b>			
<b>Significant Accounting Policies and Notes to Accounts</b>	14		

  
Nikesh Adhikari  
Director

Place: Kathmandu  
Date: December 23, 2022

As per our report of even date

  
CA Virochan Khari  
Partner  
U. V. Associates  
Chartered Accountants

**CASH FLOW STATEMENT**

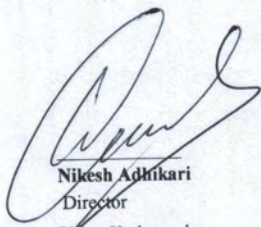
For the year ended 32 Ashad 2079 (16 July 2022)

Particulars	Current Year	Previous Year
	Amount in NPR	Amount in NPR
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation & extraordinary items	3,714,833	4,385,178
Adjustments:		
Depreciation	28,011,237	26,223,726
Interest expenses	42,651,648	81,291,905
Foreign exchange fluctuation	-	4,261,004
Provision for bonus	412,759	487,242
Provision for gratuity	849,535	830,120
<b>Cash flow from operation before changes in working capital</b>	<b>75,640,012</b>	<b>117,479,175</b>
(Increase) / decrease in current assets	(125,328,561)	(169,545,317)
Increase / (decrease) in current liabilities	50,010,310	76,751,221
<b>Cash flow from operation before income tax</b>	<b>321,761</b>	<b>24,685,079</b>
Gratuity Paid	(962,766)	(1,743,752)
Bonus paid	(487,242)	(312,664)
Advance income tax	(1,370,609)	(1,218,216)
<b>Net cash flow from operating activities:</b>	<b>(2,498,856)</b>	<b>21,410,449</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(93,520,600)	(4,445,805)
Proceeds from sale of investment	-	-
Proceeds from sale of fixed assets	-	-
<b>Net cash flow from investing activities:</b>	<b>(93,520,600)</b>	<b>(4,445,805)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of loan	86,515,301	69,314,828
Advance share capital	45,000,000	-
Proceeds from borrowing	-	-
Interest income/(expenses)	(42,651,648)	(81,291,905)
<b>Net cash flow from financing activities :</b>	<b>88,863,653</b>	<b>(11,977,077)</b>
<b>D. EFFECT OF EXCHANGE RATE CHANGES</b>	-	(4,261,004)
<b>Net increase/ (decrease) in cash (A+B+C+D) :</b>	<b>(7,155,803)</b>	<b>726,563</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>13,302,234</b>	<b>12,575,671</b>
Loss from Foreign exchange fluctuation	-	(4,261,004)
<b>Cash and cash equivalents at the end of the year</b>	<b>6,146,431</b>	<b>13,302,234</b>

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

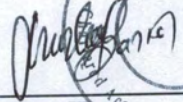
Significant Accounting Policies and Notes to Accounts

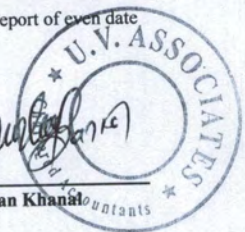
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**Nikesh Adhikari**  
 Director  
 Place: Kathmandu  
 Date: December 23, 2022



As per our report of even date

  
**CA Virochan Khanal**  
 Partner  
 U. V. Associates  
 Chartered Accountants



**SAMA PRINTERS PVT. LTD.**

Bhaishepatti  
Lalitpur, Nepal

**STATEMENT OF CHANGES IN EQUITY**  
As at 32 Ashad 2079 (16 July 2022)

Particulars	Share Capital	Share application	CSR reserve	Revaluation Reserve	Accumulated Profit/(loss)	Total
Balance as at 31 Ashad 2077	27,796,000	85,000,000	-	170,750,830	(157,071,807)	126,475,021
Share application money	-	-	-	-	-	-
Net profit/(loss) for the period	-	-	-	-	3,982,574	3,982,574
Balance as at 31 Ashad 2078	27,796,000	85,000,000	-	170,750,830	(153,089,233)	130,457,595
Share application money	-	-	-	-	-	-
Net profit/(loss) for the period	-	-	-	-	1,818,922	1,818,922
Balance as at 32 Ashad 2079	27,796,000	85,000,000	-	170,750,830	(151,270,311)	132,276,517

Amount in NPR

  
Nikesh Adhikari  
Director



Place: Kathmandu  
Date: December 23, 2022

  
CA Virochan Khanal  
Partner  
U. V. Associates  
Chartered Accountants



**SAMA PRINTERS PVT. LTD.**

**Bhaisepatti**

**Lalitpur, Nepal**

**SCHEDULES annexed to and forming part of the INCOME STATEMENT**

**For the year ended 32 Ashad 2079 (16 July 2022)**

**Schedule 11: Other Income**

Particulars	Current Year	Previous Year
	Amount in NPR	Amount in NPR
Other Income	4,000	3,805
<b>Total</b>	<b>4,000</b>	<b>3,805</b>

**Schedule 12 : Cost of Sales**

Particulars	Current Year	Previous Year
	Amount, in NPR	Amount in NPR
Opening stock	395,133,300	189,465,788
Add : Purchases	207,413,736	234,370,410
Less: Closing stock	(540,133,301)	(395,133,300)
<b>Raw materials consumed</b>	<b>62,413,735</b>	<b>28,702,898</b>
Add: Direct expenses	50,653,373	45,386,474
<b>Total</b>	<b>113,067,108</b>	<b>74,089,372</b>



**SAMA PRINTERS PVT. LTD.**

Bhaisepatti

Lalitpur, Nepal

**SCHEDULES annexed to and forming part of the BALANCE SHEET**

As at 32 Ashad 2079 (16 July 2022)

**Schedule 1 : Share Capital**

Particulars	As at 32 Ashad 2079	As at 31 Ashad 2078
	Amount in NPR	Amount in NPR
<b>A. Authorized Capital</b>		
1,720,000 Ordinary shares of Rs 100/- each	172,000,000	172,000,000
<b>B. Issued Capital</b>		
600,000 Ordinary shares of Rs 100/- each	60,000,000	60,000,000
<b>C. Subscribed &amp; Paid-up Capital</b>		
277,960 Ordinary shares of @Rs 100/-	27,796,000	27,796,000
<b>D. Share Application Money</b>	85,000,000	40,000,000
<b>Total</b>	<b>112,796,000</b>	<b>67,796,000</b>

**Schedule-2: Reserves and surplus**

Particulars	As at 32 Ashad 2079	As at 31 Ashad 2078
	Amount in NPR	Amount in NPR
<b>Accumulated Profit/(Loss)</b>		
Balance brought forward	(153,089,236)	(157,071,809)
Current year profit/(loss)	1,818,922	3,982,574
<b>Sub Total</b>	<b>(151,270,314)</b>	<b>(153,089,236)</b>
<b>Revaluation Reserve</b>		
Balance brought forward	170,750,830	170,750,830
<b>Sub Total</b>	<b>170,750,830</b>	<b>170,750,830</b>
<b>Total</b>	<b>19,480,517</b>	<b>17,661,595</b>





**SAMA PRINTERS PVT. LTD.**

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Lalitpur, Nepal

**SCHEDULES annexed to and forming part of the BALANCE SHEET**

As at 32 Ashad 2079 (16 July 2022)

**Schedule-3: Bank Loan**

Particulars	As at 32 Ashad 2079	As at 31 Ashad 2078
	Amount in NPR	Amount in NPR
<b>Long term loan</b>		
Long term loan	257,129,387	219,027,704
Hire purchase loan	7,694,466	158,650
<b>Sub Total</b>	<b>264,823,853</b>	<b>219,186,354</b>
<b>Short term loans</b>		
Working capital loan	236,344,537	144,686,251
Demand loan/Trust Receipt Loan	52,427,078	103,447,779
Overdraft Loan	80,000,000	79,759,783
<b>Total</b>	<b>368,771,614</b>	<b>327,893,813</b>
<b>Total</b>	<b>633,595,469</b>	<b>547,080,168</b>

**Note:** Hire purchase loan and working capital loan are secured against hypothecation of machineries and working capital loan, short term loan, demand loan and trust receipt loan are secured against hypothecation of inventories, sundry debtors, corporate guarantee of the company and director's personal guarantee.



**SAMA PRINTERS PVT. LTD.**

Bhaisepati

Lalitpur, Nepal

**SCHEDULES annexed to and forming part of the BALANCE SHEET**

As at 32 Ashad 2079 (16 July 2022)

**Schedule 4 : Fixed Assets**

Amount in NPR

Particulars	Gross Block			Depreciation			WDV		
	As at 31 Ashad 2078	Addition during the year	As at 32 Ashad 2079	As at 31 Ashad 2078	For the year	Sales/Adjustment	As at 32 Ashad 2079	As at 32 Ashad 2079	As at 31 Ashad 2078
	Building and lease hold assets	15,684,777	80,491,114	96,175,891	4,925,543	1,768,309	-	6,693,852	89,482,040
Computers & Accessories	6,311,591	431,792	6,743,383	5,481,606	442,256	-	5,923,862	819,521	829,985
Furniture & Fixtures	5,951,626	213,531	6,165,157	4,699,771	207,044	-	4,906,815	1,258,342	1,251,855
Office Equipment's	6,013,308	354,488	6,367,795	5,028,981	298,325	-	5,327,306	1,040,489	984,327
Vehicle	1,363,659	11,444,926	12,808,584	675,877	1,430,061	-	2,105,937	10,702,647	687,782
Plant & Machinery	527,548,349	486,750	528,035,099	263,706,389	21,505,458	-	285,211,848	242,823,249	263,841,958
<b>Sub Total</b>	<b>562,873,309</b>	<b>93,422,600</b>	<b>656,295,909</b>	<b>284,518,169</b>	<b>25,651,453</b>	<b>-</b>	<b>310,169,620</b>	<b>346,126,289</b>	<b>278,355,142</b>
Previous Year	558,427,504	4,445,805	562,873,309	260,629,968	23,888,200	-	284,518,168	278,355,142	297,797,536

**Schedule 4.1 : Intangible Assets**

Particulars	Gross Block			Depreciation			WDV		
	As at 31 Ashad 2078	Addition during the year	As at 32 Ashad 2079	As at 31 Ashad 2078	For the year	Sales/Adjustment	As at 32 Ashad 2079	As at 32 Ashad 2079	As at 31 Ashad 2078
	Software	9,128,093	98,000	9,226,093	4,182,293	2,359,784	-	6,542,076	2,684,017
<b>Sub Total</b>	<b>9,128,093</b>	<b>98,000</b>	<b>9,226,093</b>	<b>4,182,293</b>	<b>2,359,784</b>	<b>-</b>	<b>6,542,076</b>	<b>2,684,017</b>	<b>4,945,800</b>
Previous Year	9,128,093	-	9,128,093	1,846,767	2,335,526	-	4,182,293	1,945,800	7,281,326



*(Handwritten Signature)*

**SAMA PRINTERS PVT. LTD.**

Bhaisepatti

Lalitpur, Nepal

**SCHEDULES annexed to and forming part of the BALANCE SHEET**

As at 32 Ashad 2079 (16 July 2022)

**Schedule 5 : Inventories**

Particulars	As at 32 Ashad 2079	As at 31 Ashad 2078
	Amount in NPR	Amount in NPR
Plates	2,387,690	967,799
Web ink	2,670,229	1,141,374
News print	83,483,843	86,457,887
Commercial paper	299,228,210	187,814,406
Other consumables	152,363,328	118,751,835
<b>Total</b>	<b>540,133,301</b>	<b>395,133,300</b>

**Schedule 6 : Account Receivables**

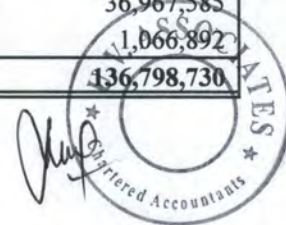
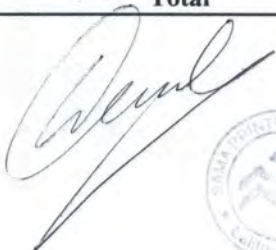
Particulars	As at 32 Ashad 2079	As at 31 Ashad 2078
	Amount in NPR	Amount in NPR
Sundry Debtors	97,327,927	71,025,532
<b>Total</b>	<b>97,327,927</b>	<b>71,025,532</b>

**Schedule 7 : Cash and Cash Equivalents**

Particulars	As at 32 Ashad 2079	As at 31 Ashad 2078
	Amount in NPR	Amount in NPR
Cash in hand	43,783	136,365
Cheque in hand	3,507,212	4,706,156
Cash in bank	2,595,436	8,459,712
<b>Total</b>	<b>6,146,431</b>	<b>13,302,233</b>

**Schedule 8 : Advance, Deposit and Prepayments**

Particulars	As at 32 Ashad 2079	As at 31 Ashad 2078
	Amount in NPR	Amount in NPR
Due from employees	3,157,686	1,010,769
Security deposit and margin	13,520,389	13,015,861
Advance to suppliers	12,569,627	78,601,111
Prepaid expenses	1,577,072	1,142,022
Deposit with custom and inland revenue department	4,994,490	4,994,490
Advance Tax (TDS receivables)	38,338,194	36,967,585
Vat receivables	18,038,047	1,066,892
<b>Total</b>	<b>92,195,505</b>	<b>136,798,730</b>



**SAMA PRINTERS PVT. LTD.**

Bhaisepatti

Lalitpur, Nepal

**SCHEDULES annexed to and forming part of the BALANCE SHEET**

As at 32 Ashad 2079 (16 July 2022)

**Schedule 9 : Sundry Creditors and Other Payables**

Particulars	As at 32 Ashad 2079	As at 31 Ashad 2078
	Amount in NPR	Amount in NPR
Sundry creditors	54,923,935	46,684,297
Sundry creditors related party	109,371,977	97,089,622
Expenses payables	27,831,884	23,373,287
Advance from related parties	-	17,300,000
Security Deposit/advance	10,551,253	2,838,423
Letter of credit- Usance (Bank)	106,027,034	73,264,087
TDS payable	3,241,664	1,387,722
<b>Total</b>	<b>311,947,747</b>	<b>261,937,438</b>

**Schedule 10 : Provisions**

Particulars	As at 32 Ashad 2079	As at 31 Ashad 2078
	Amount in NPR	Amount in NPR
Provision for Income Tax	-	-
Provision for Gratuity	5,092,070	5,205,293
Provision for Bonus	412,759	487,242
Provision for CSR	520,126	520,126
<b>Total</b>	<b>6,024,954</b>	<b>6,212,661</b>

\*Provision for CSR includes transfer from opening balance of CSR Reserve.

