

P. Mahaseth & Company

COP No. 163
PAN No. 304563209

Chartered Accountants
Nayabaneswar, Kathmandu, Nepal.
01-4602423

Membership No. 75
The Institute of Chartered
Accountants of Nepal.
Date: - 2073/10/24

Independent Auditor's Report to the Shareholder of

M/S Dordi Khola Jala Bidyut Company Ltd. *On the Financial Statements.*

We have audited the attached Balance Sheet of **M/s Dordi Khola Jala Bidyut Company Ltd., Kathmandu**, as at Ashadh End 2073 (July 15, 2016), Profit & Loss Statement for the year ended Ashadh End 2073 and Cash Flow Statement for the year Ended Ashadh 2073.

It is the responsibility of the company management to prepare these statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from materials misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Our responsibility is to express opinion on these financial statements

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

1. We have obtained prompt replies to the queries and explanations asked for.
2. The enclosed Balance Sheet, Profit & Loss Statement, Project in progress Expenses and Cash Flow Statement have been prepared as per provisions of the law and the same are in agreement with the books of account maintained by the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, the enclosed Balance Sheet as at Ashadh End 2073 shows true and fair view of the state of affairs of the Company and The Profit & Loss Statement for the Year ended on that date show true Loss.
4. In our opinion and to the best of our information and according to the explanations given to us, the Directors and Staffs of the Company do not appear to have acted against law.

Date: - 2073/10/
Place: - Kathmandu


(CA, P. Mahaseth)

For: P. Mahaseth & Company
Chartered Accountants

DORDI KHOLA JALA BIDYUT COMPANY LIMITED

Bluestar Complex, Tripureswor, Kathmandu

Balance Sheet

As on Ashadh 31, 2073

S.No.	Particulars	Schedules	Ashadh 31, 2073 Nrs	Ashadh 32, 2072 Nrs
	CAPITAL & LIABILITIES			
1	Shareholder's Fund			
a	Share Capital	1	84,024,635.83	30,419,873.84
b	Reserves & Surplus		86,086,700.00	31,240,000.00
			(2,062,064.17)	(820,126.16)
	Total Shareholder's fund		84,024,635.83	30,419,873.84
2	Current Liabilities and Provisions			
a	Sundry Creditors and Payables	2	36,056,143.66	22,684,604.82
b	TDS Payables	3	562,262.22	606,731.13
	Total Current Liabilities & Provisions		36,618,405.88	23,291,335.95
	Total		120,643,041.71	53,711,209.79
	ASSETS			
3	Fixed Assets			
	Property, Plant & Equipment (land)	4	48,250.00	-
	Less: Accumulated Depreciation		(4,020.83)	-
	Net Property, Plant & Equipment		44,229.16	-
4	Current Assets			
a	Cash & Bank Balances	5	7,745,604.27	440,339.54
b	Sundry Debtors and Receivables	6	42,022,314.99	10,443,390.82
	Total Current Assets		49,767,919.26	10,883,730.36
5	Pre-operating Expenditure (WIP)	7	70,830,893.29	42,827,479.43
	Total		120,643,041.71	53,711,209.79

Significant Accounting Policies & Notes to Accounts

9

The aforementioned schedules and notes to the accounts from an integral part of this balance sheet.

As per our report of even date

Anil K. Rungta
Anil Kumar Rungata
Chairperson

Vinay Kumar Bhandari
Managing Director

Ramesh Prasad Nepal
Director

Mrs. Barsha Shrestha
Director

Uttam Bhlon Lama
Director



Hari Kanta Khanal
Director

Ajay Acharya
Asst. Manager

P. Mahaseth
P. Mahaseth & Company
Chartered Accountants

Date: 2073/10/23

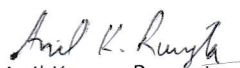
DORDI KHOLA JALA BIDYUT COMPANY LIMITED

Income Statement For the year ended as on Ashadh 31, 2073

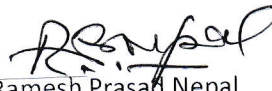
S.No.	Particulars	Schedules	Ashadh 31, 2073 Nrs	Ashadh 31, 2072 Nrs
	Others Income		32,427.11	13668.16
	Administrative Expenses	8	(1,270,344.29)	(370,884.57)
	Bank Charges & Interest			
	Depreciation		(4,020.83)	
	Total Expenses for the Year			
	Expenses upto Previous Year			
	Profit /Loss (This year)		(1,241,938.01)	(357,216.41)
	Accumulated Profit / Loss (Last year)		(820,126.16)	(462,909.75)
	Total Cost Transferred to Balance Sheet		(2,062,064.17)	(820,126.16)

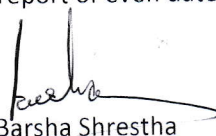
The aforementioned schedules and notes to the accounts from an integral part of this balance sheet.


As per our report of even date


Anil Kumar Rungata
Chairperson


Vinay Kumar Bhandari
Managing Director


Ramesh Prasad Nepal
Director



Mrs. Barsha Shrestha
Director


Uttam Bhlon Lama
Director




Hari Kanta Khanal
Director


Ajay Acharya
Asst. Manager


P. Mahaseth
P. Mahaseth & Company
Chartered Accountants

Date: 2073/10/23

DORDI KHOLA JALA BIDYUT COMPANY LIMITED

Cash Flow Statement As on Ashadh 31, 2073

S.No.	Particulars	Asahdh 31,2073 Nrs	Ashadh 31, 2072 Nrs
(A)	Cash Flow from Operating Activities		
	Profit/(loss) for the year	(1,241,938.01)	(357,216.41)
	Adjustment for:		
	Depreciation	4,020.83	-
	Interest		
	Income Tax Liability	-	-
	Cash flow from operating activities before changes in Working Capital	(1,237,917.18)	(357,216.41)
	Increase/(Decrease) in Current Liabilities	13,327,069.93	20,605,888.09
	(Increase)/Decrease in Current Assets	(31,578,924.17)	(9,769,976.42)
	Net Cash Flow from Operating activities (A)	(19,489,771.42)	10,478,695.26
(B)	Cash Flow from Investing Activities		
	Pre-operating Expenditure	(28,003,413.86)	(18,989,534.95)
	Purchase of fixed assets	(48,250.00)	
	Net Cash Flow from Investing Activities (B)	(28,051,663.86)	(18,989,534.95)
(C)	Cash Flow from Financing Activities		
	Issuance of Equity Share Capital	54,846,700.00	8,840,000.00
	Loan	(44,229.16)	-
	Net Cash Flow from Financing Activities (C)	54,802,470.84	8,840,000.00
	NET CASH FLOW DURING THE YEAR (A+B+C)	7,261,035.56	329,160.31
	Opening Cash & Bank Balances	440,339.54	111,179.23
	Cash and Bank Balances at the end of the year	7,701,375.10	440,339.54

Anil K. Rungta
Anil Kumar Rungata
Chairperson

Vinay Kumar Bhandari
Vinay Kumar Bhandari
Managing Director

Ramesh Prasad Nepal
Ramesh Prasad Nepal
Director

Mrs. Barsha Shrestha
Mrs. Barsha Shrestha
Director

Uttam Bhlon Lama
Uttam Bhlon Lama
Director

Hari Kanta Khanal
Hari Kanta Khanal
Director

Ajay Acharya
Ajay Acharya
Asst. Manager

P. Mahaseth
P. Mahaseth & Company
Chartered Accountants

Date: 2073/10/23

DORDI KHOLA JALA BIDYUT COMPANY LIMITED

Statement of Changes in Equity As on Ashadh 31, 2073

Particulars	Share Capital	Share Premium	Revaluation Reserve	Translation Reserve	Accumulated Profit/(Loss)	Total
Balance as at Ashadh 31, 2072						
Changes in accounting policy	31,240,000.00					
Restated Balance					(820,126.16)	30,419,873.84
Deficit on Revaluation of properties	31,240,000.00				(820,126.16)	30,419,873.84
Surplus on Revaluation of Investments						
Currency Translation Differences						
Net Gains & Losses not recognised in the Income Statement						
Net profit/(loss) for the period					(1,241,938.01)	(1,241,938.01)
Dividend Paid						
Issue of Share Capital	54,846,700.00					54,846,700.00
Balance as at Magh 29, 2072	86,086,700.00				(2,062,064.17)	84,024,635.83

Amount in NRs.

Anil K. Rungta
Anil Kumar Rungta
Chairperson

Vinay Kumar Bhandari
Managing Director

Ramesh Prasad Nepal
Director

Mrs. Barsha Shrestha
Director

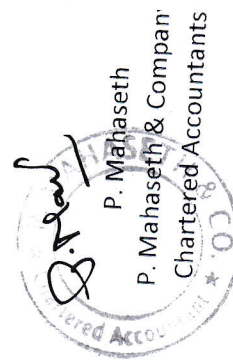


Uttam Bhlon Lama
Director

Hari Kanta Khanal
Director

Ajay Acharya
Asst. Manager

Date: 2073/10/23



P. Mahaseth
P. Mahaseth & Company
Chartered Accountants

DORDI KHOLA JALA BIDYUT COMPANY LIMITED

Schedules forming part of the Balance Sheet
As on Ashadh 31, 2073

Schedule 1 : Share Capital

S.No.	Particulars	Ashadh,31,2073 Nrs	Ashadh 31, 2072 Nrs
A.	Authorised capital 1,20,00,00,000 shares of NRs.100 each	1,200,000,000.00	500,000,000.00
B.	Issued Capital Ordinary Share: 20,00,000 shares of NRs.100 each Preference Share: 10000000 share of NRs. 100 each	1,200,000,000.00	500,000,000.00
C.	Paid up capital Ordinary Share: 3,73,606 shares of NRs.100 each LEDCO 322636 @ Nrs. 100.00 Khudi 10000 @ Nrs. 100.00 Individuel 37904 @ Nrs. 100.00 CHF 3066@ Nrs.100.00 Preference Share: 487261 Shares @ Nrs. 100.00	37,360,600.00 48,726,100.00	31,240,000.00
	Total	86,086,700.00	31,240,000.00

Schedule 2 : Sundry Creditors and Payables

S.No.	Particulars	Ashadh,31,2073 Nrs	Ashadh 31, 2072 Nrs
1	Audit Fee Payable	44,600.00	21,185.00
2	Advance from Shareholders	35,763,736.37	12,039,730.00
3	LEDCO and Others Payable	24,321.38	10,419,342.82
4	Board meeting allowance payable	30,600.00	11,900.00
5	Share Advance		90,400.00
6	Payable to Staff	192,885.91	102,047.00
	Total	36,056,143.66	22,684,604.82

Schedule 3 : TDS Payables

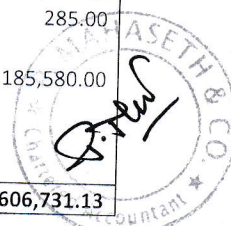
S.No.	Particulars	Ashadh,31,2073 Nrs	Ashadh 31, 2072 Nrs
1	TDS on Service fee	12,371.35	342,999.16
2	TDS on Individual firm	17,647.06	166.10
3	TDS on remuneration	16,153.33	50,189.76
4	TDS on rent	1,860.42	27,511.11
5	TDS on Audit fee	600.00	285.00
6	TDS on board meeting allowance	3,300.00	
7	TDS on Salary		185,580.00
8	TDS in Legal Fee	1.00	
9	TDS on Interest	510,279.83	
10	TDS on Public Limited Company	49.23	
	Total	562,262.22	606,731.13

Anil K. Rungta

Khand



Handwritten signature and initials.



DORDI KHOLA JALA BIDYUT COMPANY LIMITED

Schedules forming part of the Balance Sheet

As on Ashadh 31, 2073

Schedule 5: Cash and Bank balances

S.No.	Particulars	Ashadh 31,2073 Nrs	Ashadh 31, 2072 Nrs
1	Cash	6,070.00	-
2	Bank of Kathmandu Ltd.	10,000.00	10,000.00
3	NMB	4,304,226.33	365,995.70
4	Reliable Finance Ltd.	40,484.96	39,490.61
5	Sunrise Bank Ltd.	2,623,851.26	23,851.26
6	Sanima Bank Ltd	760,971.72	1,001.97
	Total	7,745,604.27	440,339.54

Schedule 6: Sundry Debtors & Receivables

S.No.	Particulars	Ashadh 31,2073 Nrs	Ashadh 31, 2072 Nrs
1	Work Advance	14,965.00	653,000.00
2	Advance to Consultancy	289,680.00	475,893.80
3	Gurantee Margin	5,618,000.00	618,000.00
4	Advance for Land	23,153,083.00	8,662,200.00
5	Others Receivable	12,909,258.81	1,833.00
6	Advance Tax	37,328.17	32,464.02
	Total	42,022,314.99	10,443,390.82

Schedule 7 : Pre-operating Expenditure (WIP)

S.No.	Particulars	Ashadh 31,2073 Nrs	Ashadh 31, 2072 Nrs
	Opening Pre-operating Expenditure	42,985,126.49	23,837,944.48
1	Consultancy service fee exp	849,252.35	3,234,279.00
2	Bank Charges		324,000.00
3	Board Meeting Expenses		-
4	Training expenses	37,035.00	6,000.00
5	Fuel	37,780.00	37,541.50
6	House Rent	566,758.75	264,000.00
7	Project Management Consultancy Expenses	5,049,000.00	5,049,000.00
8	Membership Fee	-	-
9	PPA Processing expenses	-	-
10	Transportation Expenses	-	-
11	Access road	-	-
12	Wages for Infrastructure Developments	1,015,101.00	-
13	Project Development Expenses	6,050,839.70	10,074,714.45
14	Loan processing fee	14,240,000.00	
	Total	70,830,893.29	42,827,479.43

Anil K. Rungta

Handwritten signature: *R. K. K. K.*



De Khud



Schedule 8: Administrative Expenses

SN	Details	Current Year (NRs.)	Previous Year (NRs.)
		Ashadh 31, 2073	Ashadh 31, 2072
1	AGM Expenses	28,217.60	29,527.00
2	Dearness Allowances	82,435.00	36,000.00
3	Bank Charge	1,050.63	780.00
4	Audit Fees	45,200.00	21,470.00
5	Dashain Allowance	5,375.00	1,667.00
6	Company registration exp	304,200.00	-
7	Board Meeting allowance	23,830.00	38,000.00
8	Condolence Expenses	3,708.43	-
9	Office expenses	66,848.57	-
10	Business Promossion	-	35,000.00
11	Office Maintenance	174,806.40	16,237.50
12	Housekeeping expenses	18,163.00	4,800.00
13	Membership expenses	-	37,000.00
14	Miscellaneous	3,371.00	5,580.00
15	Communication Expenses	105,245.15	13,313.07
16	Legal Expenses	-	38,894.00
17	Office Meeting Expenses	-	9,940.00
18	Printing & Stationery	32,198.60	2,395.00
19	Salary	130,439.00	60,000.00
20	Transportation Expenses	123,992.75	-
21	Water & Electricity	73,176.99	17,981.00
22	Accomodation expenses	-	2,300.00
23	Insurance Expenses	965.92	-
24	Minor Office Supplies	47,120.25	-
	Total	1,270,344.29	370,884.57

Anil K. Rungta

R. Rungta

Handwritten signature



Handwritten signature

Handwritten signature

DORDI KHOLA JAL BIDYUT COMPANY LIMITED
Bluestar Complex, Tripureshwar, Kathmandu

Fixed Assets

As on Ashadh 31, 2073

Statement of Fixed Assets & Depreciation for the year 2072/73

Schedule 4

S.N.	Particulars	F/Y 2071/72	F/Y 2072/73	Loss of this Year	Assets -Inc	Total	Depreciation Rate	Depreciation (In Rs)	Remaining
	Computer & Accessories								
1	Computer		28,250.00			28,250.00	25%	2,354.17	25,895.83
2	Printer		14,000.00			14,000.00	25%	1,166.67	12,833.33
3	Scanner		5,999.99			5,999.99	25%	500.00	5,500.00
	Total		48,250.00			48,250.00		4,020.83	44,229.16

And K. Rungla



Q

Revised

h

[Signature]



Dordi Khola Jal Bidyut Company Limited

Bluestar Complex, Tripureshwor, Kathamandu

Schedule 9: Significant Accounting Policies & Notes to Accounts

1. Introduction

Dordi khola Jal bidyut Company Ltd., is a public company incorporated under Company Act, 2063 on Falgun 14, 2066 (Feb.26, 2010) having its registered office at ward no. 11, Tripureshwor, Kathmandu, Nepal.

The main objective of the company is to generate and distribute hydropower electricity. It is promoted by Lamjung Electricity Development Company Ltd. and Khudi Hydropower Ltd. It has obtained its certificate of commencement from Company Registrar office.

2. Accounting Polices

Accounting concept (except as specifically mentioned in this schedule) in accordance with applicable Nepal Accounting Standards and generally accepted accounting principles and as per the applicable provisions of Company Act, 2063.

3. Fixed Assets

The company has purchased fixed assets till the reported period.

4. Depreciation

Company has charged diminishing depreciation method on Fixed Assets.

5. Pre- Operating Expenditure

Since the project is not in operation and not started the revenue generating activities, all the direct expenses and other preliminary expenses related to the project are booked under the account head 'Pre-operating cost' the total amount as on Ashad 31.

6. Advance from Shareholder represent amount Rs. 3,57,63,736.35 received from shareholders on interest bearing basis @ 7.5% p.a.

7. Admin overhead expenses directly related to the project is charged under the head Project Development Expenses.

8. Previous year figures have been regrouped and/or re-arranged wherever necessary.

Prithvi K. Bhandari

R. Nepal

hual

Prithvi K. Bhandari

Prithvi K. Bhandari