



**INDEPENDENT AUDITOR'S REPORT
THE SHAREHOLDERS OF CHIRKHA HYDROPOWER LTD.**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **M/s Chirkha Hydropower Limited (the Company)** which comprise the Balance Sheet as on Ashad 31, 2080 (Corresponding to July 16, 2023), and the Income Statement for the period from 1st Shrawan 2079 to 31st Ashad 2080 (corresponding 17th July, 2022 to 16th July, 2023), Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, based on the information and explanation provided to us and our audit, the financial statements referred to above read together with the notes attached thereon give true and fair view of the financial position of **M/s M/s Chirkha Hydropower Limited** as on Ashad 31, 2080, the result of its operation, its cash flows and changes in equity position for the period then ended in accordance with Nepal Accounting Standards and the requirements of the Company Act 2063.

Basis for Opinion

We conducted our audit 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 company in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants 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 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended on 31st Ashad 2080 (16 July, 2023). 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.

We have determined that there are no other key audit matters to communicate our report.

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Other Information

The Company's Management is responsible for the preparation of 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, accordingly, 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

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 Nepal Accounting Standards, 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 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 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 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:

- (a) 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.
- (b) Obtain an understanding of internal control 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 Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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 Company'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 Company's to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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:

We have audited attached financial statements accordingly and report that:

- 1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 2) In our opinion proper books of account as required by the law have been kept by the company so far as it appears from the examination of those books.



- 3) The Balance Sheet, the Income Statement, the Cash Flow Statement and the Statement of Changes in equity referred to in this report are in agreement with the books of account maintained by the Company.
- 4) In our opinion and to the best of our information and according to the explanations given to us, and from our examination of the books and records of the Company, we have not come across any cases where the Board of Directors or any member thereof or any employee of the company has acted contrary to the provisions of law relating to accounts or committed any misappropriation or caused any loss or damage to the Company.
- 5) In our opinion and to the best of our information and according to the explanations given to us, we have not come across any fraudulence in the accounts on our sample examination of the books of accounts of the current year.

T. N. Dahal

RA. Tara Nath Dahal
Proprietor
TND Associates
Registered Auditors



Date:

Place: Kathmandu, Nepal


UDIN No:

Chirkhwa Hydropower Ltd.
 Ghattekulo-29, Kathmandu, Nepal
Statement of Financial Position
 As on Ashadh 31, 2080 (16th July, 2023)

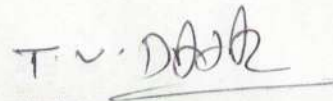
Particulars	Notes	Amount in NRs.	
		As on Ashadh 31, 2080	As on Ashadh 32, 2079
Assets			
Non- Current Assets:			
Property, Plant & Equipment & Intangible Asset	1	42,634,111	36,367,450
Capital WIP	2	917,834,391	667,261,912
Investment	3	50,000	50,000
Total Non- Current Assets		960,518,502	703,679,362
Current Assets			
Loans, Advances and Other Current Assets	4	25,537,845	58,656,556
Margin & Deposit	5	6,098,311	22,695,383
Cash & Cash Equivalents	6	20,595,852	51,662,633
Total Current Assets		52,232,008	133,014,572
Total Assets		1,012,750,510	836,693,934
Equity			
Share Holder's Fund			
Share Capital	7	280,000,000	280,000,000
Retained Earnings	8	14,267	14,267
Calls in Advance	9	-	-
Total Equity		280,014,267	280,014,267
Liabilities			
Non-Current Liabilities			
Long Term Loan	10	547,663,090	413,988,700
Deferred Tax Liability	11	-	-
Total Non-Current Liabilities		547,663,090	413,988,700
Current Liabilities:			
Short Term Liabilities	12	116,000,000	102,000,000
Duties and Taxes	13	2,502,681	1,582,775
Trade & Other Payables	14	66,570,472	39,108,192
Provisions	15	-	-
Total Current Liabilities		185,073,153	142,690,967
Total Liabilities		732,736,243	556,679,667
Total Equity and Liabilities		1,012,750,510	836,693,934

General Information & Summary of Significant accounting policies are given in 1&2
 The accompanying notes form integral part of Financial Statements.

As per our even date attached


 Accountant


 Chairman


 Registered Auditor

Date:
 Place: Kathmandu



Chirkhwa Hydropower Ltd.
Ghattekulo-29, Kathmandu, Nepal
Statements of Income

For the Year Ended from 1st Shrawan 2079 to 31st Ashadh 2080

Amount in NRs.

Particulars	Notes	Year Ended 31st Ashadh, 2080	Year Ended 32nd Ashadh, 2079
Revenue from Operation	16	-	-
Less: Cost of Sales	18	-	-
Gross Income		-	-
Employee Benefit Expenses	19	-	-
Administrative Expenses	20	-	-
Depreciation & Amortization Expenses	21	-	-
Total Expenses		-	-
Profit before Interest and Tax		-	-
Finance Costs	22	-	-
Profit before Tax		-	-
Provision for Income Tax	15	-	-
Deferred Tax		-	-
Loss Brought forward from last year		-	-
Net Profit for the Year		-	-

General Information & Summary of Significant accounting policies are given in 1&2
The accompanying notes form integral part of Financial Statements.

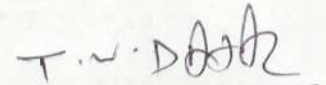
As per our even date attached

Accountant



Date:
Place: Kathmandu


Chairman


Registered Auditor



Chirkhwa Hydropower Ltd.
 Ghattekulo-29, Kathmandu, Nepal
Statements of Cash Flows
 For the Year Ended from 1st Shrawan 2079 to 31st Ashadh 2080

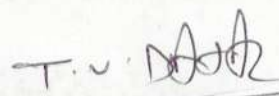
Particulars	Year Ended 32 Aashadh, 2079	Year Ended 31 Aashadh, 2078
<u>Cash flows from operating activities</u>		
Net Profit After Taxation	-	-
<u>Adjustment for:</u>		
Depreciation	-	-
Interest on Long Term Debts	-	-
Cash Flow Before Working Capital Changes	49,715,783	(2,188,791)
Changes in Current Assets	42,382,186	46,168,931
Changes in Current Liabilities	92,097,969	43,980,140
Cash Generated from Operating Activities		
Income Tax Paid	92,097,969	43,980,140
Cash flows from Operating Activities (A)		
<u>Cash flow on Investing Activities</u>		
Changes in Capital Work In Progress	(250,572,479)	(400,876,703)
Changes in Fixed Assets	(6,266,661)	(1,739,834)
Disposal of Fixed Assets	-	14,252,000
Share In Investment	(256,839,140)	(388,364,537)
Cash flows on investing activities (B)		
<u>Cash flows on financing activities</u>		
Changes in Share Capital	-	89,971,600
Change in Loan Term Loan	133,674,390	300,601,713
Interest Expenses	-	-
Dividend Paid	133,674,390	390,573,313
Cash flows from financial activities (C)		
Net Cash Changes in Cash and Cash Equivalents (A+B+C)	(31,066,781)	46,188,916
Opening Cash and Cash Equivalents	51,662,633	5,473,717
Closing Cash and Cash Equivalents	20,595,852	51,662,633

General Information & Summary of Significant accounting policies are given in 1&2
 The accompanying notes form integral part of Financial Statements.

As per our even date attached


 Accountant


 Chairman


 Registered Auditor



Date:
 Place: Kathmandu

Chirkhwa Hydropower Ltd.

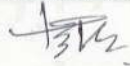
Ghattekulo-29, Kathmandu, Nepal

Statement of Changes in Equity

For the Year Ended from 1st Shrawan 2079 to 31st Ashadh 2080

Figures In NRs

Particulars	Share Capital	Accumulated Profit or Loss	Total
Opening Balance	280,000,000	14,267	280,014,267
Current year loss transfer to WIP Assets	-	-	-
Dividends	-	-	-
Issue of Share Capital	-	-	-
Closing Balance	280,000,000	14,267	280,014,267



Chirkhwa Hydropower Ltd.
Ghattekulo-29, Kathmandu, Nepal
Notes Forming Part of Financial Statements
As on Ashadh 32, 2079 (16th July, 2022)

S.N. Particulars	Note 3	
	As on Ashadh 31, 2080	As on Ashadh 32, 2079
1 Share Investment in LC Energy	50,000	50,000
Total	50,000	50,000

Loans, Advances and Other Current Assets

S.N. Particulars	Note 4	
	As on Ashadh 31, 2080	As on Ashadh 32, 2079
i. Advances		
Mobilization Advances*		
1 Mobilization Advance - P.S Construction Company Pvt Ltd	-	2,675,343
2 Mobilization Advance Rabin Nirman	-	2,602,600
3 Mobilization Advance Precise Hydro Engineering and Construction Pvt. Ltd.	1,170,292	3,937,282
ii. Advances to contractors		
1 P.S Construction Company Pvt Ltd	-	14,206,224
2 Gorkha Hydro and Engineering	-	3,810,885
3 Global Shipping and Air Cargo Pvt. Ltd.	500,000	500,000
4 Precise Hydro Engineering and Construction Pvt. Ltd.	-	6,256,152
5 LC Energy	2,210	-
6 Buddha Subba Hardware	10,000	-
7 Lower Erkhwa Hydropower Company Ltd.	842,586	-
8 Neppower Enterprises Pvt. Ltd.	-	-
iii. Advances to Consultant		
1 Nepal Dhitroptara Board (SEBON)	-	-
2 Prabhukiran Computer	48	-
3 Taregan IT Pvt. Ltd.	62	-
4 RBB Merchant Banking Ltd	100,000	100,000
5 SARP Engineering Pvt Ltd	43,550	-
6 Gorkha Parta Coporation	2,052	-
7 T N D Associates	315	-
iii. Land Advance		
1 Land Advance	2,238,120	2,100,000
2 Rabin Budhathoki / Land	12,435,278	15,535,278
iv. Other Advances		
1 Site Staff Advance	7,282,667	4,840,000
2 Site Staff Salary Advance	-	480,369
3 Other Advances	39,888	185,800
4 Advance Tax	213,780	213,780
5 Prepaid Insurance	656,997	-
Total	25,537,845	58,656,556

Mobilization advance given to the contractor has been secured with Bank Guarantee, which list as P.S. Construction BG has expired on 18th Jan, 2022, Precise Hydro Engineering & Construction Pvt. Ltd on 15th July 2022 and Rabin Nirman Sewa on 8th May 2022.

Due to threshold limit applicable for land holding, land is in the name of staff of the company and is shown as advance for land and the amount is Rs. 15535278 and also in name of Pushpa Bahadur Karki amounting Rs. 2000000 and Lekh Bahadur G.C amounting Rs. 100000.

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Margin & Deposit		Note 5	
S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079	
1 Upper EM L/C Margin	6,096,061	17,446,585	
2 Upper HM L/C Margin	-	5,246,548	
3 Nepal Telecom	750	750	
4 GPO Box Security Deposit	1,500	1,500	
Total	6,098,311	22,695,383	

Upper EM and HM L/C Margin has been regrouped to Margin and Deposit.

Cash and Cash Equivalents		Note 6	
S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079	
i. Cash			
1 Cash in Hand	10,545	46	
ii. Cash at Bank			
1 Agricultural Development Bank (Itahari)	7,337	7,337	
2 Agriculture Development Bank (Khadbari)	14,390	14,390	
3 Century Bank	22,537	22,537	
4 Citizens Bank	15,727	30,742	
5 Laxmi Bank	5,000	5,000	
6 Nabil Bank	9,975	9,975	
7 NMB Bank	10,715	10,715	
8 Rastriya Banijya Bank	411,359	324,183	
9 Rastriya Banijya Bank Loan A/c	20,083,240	51,234,337	
10 Rastriya Bank (Dingla)	5,027	3,371	
Total	20,595,852	51,662,633	

No transaction has been incurred in ADBL (Itahari and Khandbar), Century Bank Limited, Citizens Bank Limited, Laxmi Bank Limited, Nabil Bank Limited and NMB Bank Limited. Bank Balance has been carried forward as of the last year and no confirmation has been received from the same.

Share Capital		Note 7	
S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079	
1 Authorized Capital			
Ordinary shares of Rs. 100 each.	400,000,000	400,000,000	
2 Issued Capital			
Ordinary shares of Rs. 100 each.	400,000,000	400,000,000	
3 Paid Up Capital			
Equity Share @ Rs. 100 each.	280,000,000	280,000,000	
Total	280,000,000	280,000,000	

Inventory of Share Capital has been approved through share lagat from OCR.

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Share Capital

Note 7.1

S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079
1 Achyut Prasad Bhandari	958,400	958,400
2 Amrita Thapa	127,800	127,800
3 Ang Dorje Lama	18,846,983	18,846,983
4 Ang Kunga Lama	19,306,869	19,306,869
5 Ang Maya Lama	22,001,590	22,001,590
6 Ang Nuri Sherpa Lama	2,045,803	2,045,803
7 Ang Tendi Lama	5,091,601	5,091,601
8 Babita Shrestha	205,378	205,378
9 Balaram Timsina	205,378	205,378
10 Basanta Thapa	255,600	255,600
11 Bhim Kumari Luitel	127,800	127,800
12 Bhim Kumar Timsina	102,700	102,700
13 Bhim Prasad Gautam	162,600	162,600
14 Bhumi Hamg Rai	86,000	86,000
15 Bibek Timsina	255,600	255,600
16 Bidur Kumar Thapa	153,300	153,300
17 Bijaya Shrestha	5,634,937	5,634,937
18 Binaya Shrestha	5,651,593	5,651,593
19 Bir Bahadur Ghale	1,682,600	1,682,600
20 Bir Bahadur Rai	494,159	494,159
21 Bishal Rai	408,900	408,900
22 Bishnu Prasad Adhikari	2,800,000	2,800,000
23 Bishwo Raj Rijal	18,800	18,800
24 Biswo Shrestha	638,900	638,900
25 Budhinath Luitel	25,000	25,000
26 Chadani Kc	102,700	102,700
27 Chudamani Ghimire	511,100	511,100
28 Dambar Bahadur Karki	10,631,011	10,631,011
29 Dawa Jamunu Shrestha	8,088,397	8,088,397
30 Deepak Rai	127,800	127,800
31 Deuta Ram Rai	408,900	408,900
32 Dhan Bahadur Rai 2	63,900	63,900
33 Dhan Bahadur Rai	255,600	255,600
34 Dilip Kumar Katiwada	127,800	127,800
35 Dinesh Thapa	6,982,559	6,982,559
36 Dipak Rai	7,890,054	7,890,054
37 Dipendra Rai	200,000	200,000
38 Dipendra Tamang	511,100	511,100
39 Durga Niroula	102,700	102,700
40 Ganesh Budhathoki	6,664,683	6,664,683
41 Ganesh Man Singh Karki	13,331,577	13,331,577
42 Ganga Prasad Rai	37,500	37,500
43 Gelje Lama Paid	24,805,571	24,805,571
44 Gelje Lama Pai	33,848,909	33,848,909
45 Ghanashyam Ojha	205,378	205,378
46 Gita Dahal	102,700	102,700
47 Gopi Chand Pokharel	153,300	153,300
48 Gorkha Hydro Share	5,900,883	5,900,883
49 Govinda Timsina	102,700	102,700
50 Hari Bahadur Khanal	1,073,400	1,073,400
51 Hari Prasad Acharya	511,100	511,100
52 Hemlata Katle	205,378	205,378
53 Him Sagar Timsina	102,700	102,700
54 Hira Devi Mishra Thapa	894,500	894,500
55 Indira Thapa	500,000	500,000
56 Indra Bhui Bai	153,300	153,300
57 Iswor Budharhoki	817,800	817,800
58 Iswor Karki	100,000	100,000



59 Jagat Nath Katuwal	56,100	56,100
60 Jagdish Lal Baidya	4,115,100	4,115,100
61 Jamuna Rijal	102,700	102,700
62 Jhoony Karki	408,900	408,900
63 Kala Ghimire	127,800	127,800
64 Kedar Nath Karki	8,879,233	8,879,233
65 Kesar Bahadur Rai	25,000	25,000
66 Khirmananda Kandel	707,654	707,654
67 Krishna Prasad Ghimire	2,589,500	2,589,500
68 Lalita Katuwal	51,100	51,100
69 Laxmi Prasad Ojha	205,378	205,378
70 Lekh Nath Gautam	86,000	86,000
71 Madan Regmi	1,635,600	1,635,600
72 Madhav Baskota	127,800	127,800
73 Maiya Rai	37,500	37,500
74 Mesula Kafle	205,378	205,378
75 Milan Kumar Shrestha	1,022,300	1,022,300
76 Mishra Devi Bista	646,249	646,249
77 Mohan Bahadur Rai	51,100	51,100
78 Nanda Devi Bajracharya	817,800	817,800
79 Neera Shrestha Vaidya	8,830,838	8,830,838
80 Netra Kumari Ranamagar	205,378	205,378
81 Niraj Kumar Basnet	51,100	51,100
82 Nirmala Paudel	1,533,400	1,533,400
83 Prachanda Kumar Malla	4,338,328	4,338,328
84 Prakash Kumar Rai	204,500	204,500
85 Prakesh Budhathoki	95,900	95,900
86 Pralhad Karki	3,891,700	3,891,700
87 Pratisksha Nepal	204,500	204,500
88 Prem Bahadur Rai	63,900	63,900
89 Rabin Budhathoki	2,398,300	2,398,300
90 Rajendra Ale	102,700	102,700
91 Rajendra Karki	127,800	127,800
92 Rajendra Prasad Dahal	692,600	692,600
93 Rajeshwor Shrestha	3,890,765	3,890,765
94 Rakha Gautam	102,700	102,700
95 Rakhi Thapaliya	127,800	127,800
96 Ram Bahadur Karki	42,500	42,500
97 Ram Bahadur Thapa	191,700	191,700
98 Ramesh Dahal	102,700	102,700
99 Ramesh Rana	102,700	102,700
100 Ramjee Chamlagai	127,800	127,800
101 Ram Sundra Bake	102,700	102,700
102 Rohit Basnet	127,800	127,800
103 Sabitri Rai	1,256,999	1,256,999
104 Sarita Gautam	102,700	102,700
105 Sarita Maharjan	716,732	716,732
106 Shanti Shrestha	1,256,999	1,256,999
107 Sharmila Basnet	4,062,700	4,062,700
108 Shiva Kumar Bohora	255,600	255,600
109 Shiva Kumar Gautam	1,635,600	1,635,600
110 Shovitman Rai	255,600	255,600
111 Subina Bajracharya	603,300	603,300
112 Sudeep Pradhananga	2,363,300	2,363,300
113 Surya Prasad Gautam	86,000	86,000
114 Sushil Adhikarki	408,900	408,900
115 Tara Rai	2,105,800	2,105,800
116 Tulasiram Timtsina	205,378	205,378
117 Udhav Prasad Khanal	920,000	920,000
118 Uma Thapa	1,226,700	1,226,700
119 Umesh Phuyal	112,200	112,200
120 Yogendra Khatiwada	63,900	63,900
Total	280,000,000	280,000,000

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Retained Earnings		Note 8	
S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079	
1 Opening Balance	14,267	14,267	
2 Profit and Loss during the year	-	-	
Total	14,267	14,267	

Amount Received Share Not Alloted		Note 9	
S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079	
1 Share Calls in Advance	-	-	
Total	-	-	

Long Term Loan		Note 10	
S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079	
1 Rastriya Banijya Bank Ltd.- Term Loan	547,663,090	413,988,700	
Total	547,663,090	413,988,700	

Company has entered into the loan facility agreement dated 08th Poush, 2076 with Rastriya Banijya Bank Limited for the development of Upper Chirkhwa Hydropower Project (4.7 MW). Loan has been secured against registered mortgage and/or registered or unregistered pledge/hypothecation of the entire project (present and to be created in future) including the land, building, plant and machinery, movable and immovable assets on land owned by the company and entire present/future current assets of the project including receivable from NEA.

Deferred Tax Liability		Note 11	
S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079	
1 Deferred Tax	-	-	
Total	-	-	

Short Term Liabilities		Note 12	
S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079	
1 Bridge Gap Loan	9,500,000	30,000,000	
2 Bridge Gap Loan- Against IPO	72,000,000	72,000,000	
3 Loan from Director	34,500,000	-	
Total	116,000,000	102,000,000	

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S.N. Particulars	Note 13	
	As on Ashadh 31, 2080	As on Ashadh 32, 2079
1 TDS on Audit Fee	225	225
2 TDS on House Rent	40,236	-
3 TDS on Meeting Allowance	114,584	29,295
4 Social Security Tax	69,650	-
5 Remuneration Tax	550,014	730,227
6 TDS on Wages	25,196	8,844
7 TDS on Upper Transportation	2,815	-
8 TDS on Consult	-	811,537
9 TDS on Contract	-	2,647
10 TDS on Buddha Subba Hardware	2,210	-
11 TDS on Ghising Nirman Sewa	10,822	-
12 TDS on Gorkha Hydro & Engineering Private Limited	109,954	-
13 TDS on Hydro & Infrastructure Consulting Service Private Limited	9,375	-
14 TDS on ICRA Nepal Limited	3,068	-
15 TDS on Indreni Banquet	836	-
16 TDS on Janasawal Publication	129	-
17 TDS on Jor Ganesh Hardware	100	-
18 TDS on Kandel & Associates	4,575	-
19 TDS on Lumbini Engineering & Hydropower	7,228	-
20 TDS on Prabhukiran Computer	48	-
21 TDS on Precise Hydro Engineering & Construction	415,049	-
22 TDS on PS Construction Company	1,057,442	-
23 TDS on Saket Acharya & Associates	6,825	-
24 TDS on SARP Engineering Pvt Ltd	4,950	-
25 TDS on Sitala Jalpa Devi Construction	10,294	-
26 TDS on Taregan IT Pvt Ltd	62	-
27 TDS on Three Dimensional Freight & Cargo Pvt Ltd	39,787	-
28 TDS on TND Associates	90	-
29 TDS on Gorkhapatra Corporation	2,052	-
30 TDS on Rabin Nirman Sewa	15,014	-
31 Upper TDS on Wages	51	-
Total	2,502,681	1,582,775

The Company has deducted withholding taxes as per Income Tax Act 2058. The interest on the outstanding amount of TDS has not been shown in the books of account.

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Trade and Other Payables

Note 14

S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079
i. Trade Payable		
1 Hydro Infrastructure Consulting Services Pvt. Ltd.	267,600	295,475
2 Sarsij Travels and Tours	22,400	7,910
3 Nepaldada Pariwar	-	10,000
4 Kandel and Associates	167,250	55,750
5 Sudip Iron Suppliers	2,704	-
6 SARP Engineering Pvt Ltd	-	28,750
7 P.S Construction Company Pvt Ltd	23,696,807	-
8 Rabin Nirman Sewa Pvt Ltd	6,277,281	13,905,170
9 Saket Acharya & Associates	195,125	78,050
10 Lumbini Engineering and Hydropower Pvt Ltd	483,694	227,795
11 Shree Janasewa Primary School	30,000	15,000
12 Ajay Store	18,425	-
13 Gorkha Hydro and Engineering Pvt Ltd	1,277,694	-
14 Nepal Electricity Authority	60,095	-
15 Sunshin Kirana Pasal & Khaja Ghar	212,355	-
16 Mecamidi HPP India Pvt Ltd	5,808,990	-
17 Lumbini General Insurance Company Limited	67,859	-
18 Precise Hydro Engineering and Construction P Ltd	4,645,409	-
19 LC Energy	682,405	-
20 Satbise Construction Pvt Ltd	-	9,867,257
21 Three Dimensional Freight and Cargo Pvt Ltd	557,453	639,242
ii. Other Payables		
1 Audit Fee Payable	14,775	16,725
2 House Rent Payable	22,050	25,500
3 Employee Provident Fund	-	13,960
4 Rabin Site	1,389,630	379,797
5 Durga Niroula	-	-
6 Bishal Rai	5,000	-
7 Keshav Niraula	-	-
8 Sambay Rai	3,000	-
9 Jyotidev Paneru	-	11,900
iii. Payable to Staffs		
1 Site Salary Payable	790,648	719,258
2 Head Salary Payable	946,616	191,488
3 Wages Payable	-	127,102
iv. Payable to Promoters and Others		
1 BOD Allowance Payable to Director	320,000	70,000
2 Payable to Director	1,464,897	-
vi. Retention Money Payable		
1 Retention 5 % P.S Construction Company Pvt Ltd	13,656,039	10,131,233
2 Retention 5 % Precise	1,877,854	494,359
3 Retention 5 % Rabin Nirman	1,596,520	1,546,472



vii. Land Payable		
1 Khadga Bahadur Karki	-	200,000
2 Gajendar Bahadur Karki	-	-
3 Lal Bahadur Rai	9,900	-
4 Bhola Rai	-	50,000
Total	66,570,472	39,108,192

Provisions	Note 15	
	As on Ashadh 31, 2080	As on Ashadh 32, 2079
S.N. Particulars		
1 Provision for Income Tax	-	-
Total	-	-

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Chirkhwa Hydropower Ltd.

Ghattekulo-29, Kathmandu, Nepal

Notes Forming Part of Income Statement

For the Year Ended from 1st Shrawan 2079 to 31st Ashadh 2080

Revenue		Note 16	
S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079	
1 Revenue From Operation	-	-	
Total	-	-	

Other Income		Note 17	
S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079	
4 Other Income	-	-	
Total	-	-	

Cost of Sales		Note 18	
S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079	
1 Site office Expenses	-	-	
2 Material Cost	-	-	
Total	-	-	

#####		Note 19	
S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079	
1 Staff Salary & Allowance Expenses	-	-	
Total	-	-	

Administrative and General Expenditures		Note 20	
S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079	
1 Audit Fees	-	-	
2 Advertisement Expenses	-	-	
3 Bank Charge	-	-	
Total	-	-	

Depreciation and Amortization Expenses		Note 21	
S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079	
1 Depreciation and Amortization Expenses	-	-	
Total	-	-	

Finance Costs		Note 22	
S.N. Particulars	As on Ashadh 31, 2080	As on Ashadh 32, 2079	
1 Interest Expenses	-	-	
Total	-	-	



Chirkhwa Hydropower Ltd.
Ghatckulo-29, Kailimandu, Nepal
Schedule Forming Part of the Accounts
For the Year Ended 31st Ashadh, 2080

Upper Chirkhwa Fixed Assets and Depreciation

Pool	S.N	Particulars	Dep Rate %	Opening Balance	Addition during the year			Disposal	Total	Gross Depreciation		Closing Balance	
					Up To Pools	Pools To Chaitra	Baisakh to Asadh			Opening	During the year	Total	As at 2080/03/31
A	1	Land at Site	0	31,795,539	6,547,325	-	-	38,342,864	-	-	-	38,342,864	31,795,539
B		Office Equipment											
	1	Computer and Accessories	0.25	105,770	-	13,500	-	119,270	89,414	6,349	95,763	23,507	16,356
	2	Office Equipment	0.25	82,460	-	-	-	82,460	64,082	4,595	68,677	13,784	18,178
	3	Furniture and Fixtures	0.25	446,940	-	-	-	446,940	384,134	15,704	399,838	47,112	66,816
	4	Projector	0.25	40,000	-	-	-	40,000	10,000	7,500	17,500	22,500	30,000
		Total of Pool "B"		675,170		13,500		688,720	547,620	34,148	581,768	106,963	127,550
C		Automobiles & Vehicles											
	1	Motorbike	0.2	499,060	-	-	-	499,060	202,879	59,224	262,103	236,897	296,121
	2	Mahindra Bolero	0.2	2,442,000	-	-	-	2,442,000	1,328,566	222,201	1,551,197	888,803	1,111,004
		Total of Pool "C"		2,941,060				2,941,060	1,531,445	281,425	1,813,340	1,125,706	1,407,125
D		Industry Specific Assets											
	1	Other Assets	0.15	312,630	29,500,000	-	-	30,212,630	154,359	28,166	182,525	159,605	158,271
		Total of Pool "D"		312,630	29,500,000			30,212,630	154,359	28,166	182,525	159,605	158,271
E		Intangible Assets											
	1	Upper Tally Software	5 Years	40,115	-	-	-	40,115	6,990	9,716	16,706	23,429	33,125
		Total of Pool "E"		40,115				40,115	6,990	9,716	16,706	23,429	33,125
		Total Gross Assets		35,763,454	6,576,825	13,500		42,853,829	2,240,844	353,454	2,594,298	39,758,541	33,491,880

Lower Chirkhwa Fixed Assets and Depreciation

Pool	S.N	Particulars	Dep Rate %	Opening Balance	Addition during the year			Disposal	Total	Gross Depreciation		Closing Balance	
					Up To Pools	Pools To Chaitra	Baisakh to Asadh			Opening	During the year	Total	As at 2080/03/31
A	1	Land at Site	0%	2,875,570	-	-	-	2,875,570	-	-	-	2,875,570	2,875,570
		Total Gross Assets		2,875,570				2,875,570				2,875,570	2,875,570

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Chirkhwa Hydropower Ltd.
 Ghattekulo-29, Kathmandu, Nepal
Schedules Forming Part of Financial Statements
 For the Year Ended from 1st Shrawan 2079 to 31st Ashadh 2080

Note 2

Capital WIP

S.N.	Particulars	2079-80	Addition During the Year	2078-79
1	Civil Works	331,756,416	79,916,622	251,839,794
2	Environmental Mitigations	5,547,527	1,812,056	3,735,470
3	Infrastructure Development Cost	26,461,266	-	26,461,266
4	Interest During Construction (to be Capitalized)	81,925,735	54,467,403	27,458,326
5	Hydro Mechanical Cost	166,574,202	32,831,902	133,742,299
6	Electro Mechanical Cost-WIP	125,704,023	47,306,963	78,397,059
7	Pre-Operating Expenses	37,846,419	-	37,846,419
8	Project Insurance	-	-	-
9	Site Office Building	-	-	-
10	Transmission Line and Interconnection	43,521,923	3,415,557	40,106,365
11	Project Supervision and Management	98,496,881	30,821,967	67,674,913
	Total Capital WIP	917,834,391	250,572,475	667,261,912

Details of WIP Cost

1	Civil Works	2079-80	Addition During the Year	2078-79
	Gabion Wages	256,000	256,000	-
	Civil Contractor Bill Payment - Civil Works	308,626,476	79,660,621	228,965,854
	Civil Works Wages	269,800	-	269,800
	Consultancy Exp	12,030,776	-	12,030,776
	Project Civil Exp	10,030,000	-	10,030,000
	Headrace Alignment Wages	543,364	-	543,364
	Total	331,756,416	79,916,621	251,839,794

2	Environmental Mitigations	2079-80	Addition During the Year	2078-79
	Contribution to Road Construction	687,700	-	687,700
	Donation	265,000	174,000	91,000
	Social Cost	2,290,083	1,438,056	852,027
	Environment Protection exps.	2,245,494	200,000	2,045,494
	Project Allowance to DFO	59,250	-	59,250
	Total	5,547,527	1,812,057	3,735,470

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Chirkhwa Hydropower Ltd.

Ghattekulo-29, Kathmandu, Nepal

Schedules Forming Part of Financial Statements

For the Year Ended from 1st Shrawan 2079 to 31st Ashadh 2080

3	Infrastructure Development Cost	2079-80	Addition During the Year	2078-79
A. Chirkhwa Project				
	Civil Contractor Bill Payment - Access Road	25,934,000	-	25,934,000
	Access Road Wages	417,268	-	417,268
	Hume Pipe	109,999	-	109,999
	Total	26,461,267	-	26,461,266
4	Interest During Construction (to be Capitalized)	2079-80	Addition During the Year	2078-79
	Commitment Charge	1,126,875	-	1,126,875
	Loan Processing Charge	180,000	180,000	-
	Interest on Bridge Gap Loan	4,819,107	4,819,107	-
	Interest on Term Loan	75,799,753	49,468,301	26,331,451
	Total	81,925,735	54,467,408	27,458,326
5	Hydro Mechanical Cost	2079-80	Addition During the Year	2078-79
	Hm Custom Expenses	3,049,272	-	3,049,272
	HM Expenses	677,579	-	677,579
	Hm Headrace Pipe	70,650,456	-	70,650,456
	HM L/C Charge	613,176	-	613,176
	Upper HM MS Pipe	217,412	217,412	-
	HM Penstock Pipe	34,400,818	-	34,400,818
	HM Pipe Transpotation Expenses	14,074,298	1,125,908	12,948,390
	Upper Hm Pipe Work	15,000	15,000	-
	HM Wages Welder	436,690	206,594	230,095
	HM Works Precise	42,439,501	31,266,987	11,172,513
	Total	166,574,202	32,831,901	133,742,299
6	Electro Mechanical Cost-WIP	2079-80	Addition During the Year	2078-79
	Bank Charge	2,500	-	2,500
	EM Eot Crane	-	(5,181,600)	5,181,600
	Em Anchor Rod for Crane Beam	143,763	-	143,763
	Em Crane Accessories	-	(544,000)	544,000
	EM Custom Expenses	2,333,821	745,739	1,588,082
	Em Embedded Pipes and Drain Box	-	(581,400)	581,400
	EM Expenses	25,800	-	25,800
	EM L/c Charge	1,761,117	749,892	1,011,225
	EM Machinery and Ass Part	118,803,881	118,396,751	407,130
	Em Parts	-	(57,522,560)	57,522,560
	Em Runner	-	(11,389,000)	11,389,000
	Allowance (NEA for Em Factory Visit)	217,189	217,189	-
	EM Powerhouse Equipment	519,451	519,451	-
	Upper Em Transportation Local	1,896,501	1,896,501	-
	Total	125,704,023	47,306,963	78,397,059



Chirkhwa Hydropower Ltd.

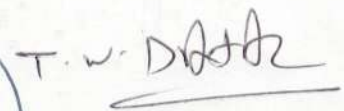
Ghattekulo-29, Kathmandu, Nepal

Schedules Forming Part of Financial Statements

For the Year Ended from 1st Shrawan 2079 to 31st Ashadh 2080

7 Pre-Operating Expenses	2079-80	Addition During the Year	2078-79
A. Chirkhwa Project			
Audit Fees	108,950	-	108,950
NEA Expenses	285,000	-	285,000
DOED Expenses	1,700,000	-	1,700,000
Field & Survey Expenses	3,146,462	-	3,146,462
Letter Intent Charge	49,000	-	49,000
PPA Bank Guarantee Expenses	295,513	-	295,513
Detail Surveyer Expenses	776,500	-	776,500
PPA Translation	4,068	-	4,068
Survey Design	1,500,000	-	1,500,000
Chirkhwa Credit Rating	423,750	-	423,750
Chirkhwa DDA	621,500	-	621,500
Project Travelling & Transportation Expenses	1,191,363	-	1,191,363
Project Lodging and Fooding Expenses	1,867,408	-	1,867,408
Detail Survey Wages	2,044,107	-	2,044,107
Consultancy Expenses	672,119	-	672,119
Salaries, Wages, Insurance and Other Employee Costs	12,206,385	-	12,206,385
Office Rent	2,354,964	-	2,354,964
Repair and Maintenance	114,263	-	114,263
Meeting Expenses	132,514	-	132,514
Courier Charge	685	-	685
Bank Charge	16,111	-	16,111
Meeting Allowance	190,588	-	190,588
Office Expenses	909,633	-	909,633
Legal Fee	8,275	-	8,275
Internet & Fax and Telephone Expenses	214,096	-	214,096
Electricity Charges	50,012	-	50,012
Donation	208,502	-	208,502
TADA Expense	1,103,914	-	1,103,914
GPO Box Renewal	3,750	-	3,750
Access Road Wages	100,000	-	100,000
IEE Study Expenses	565,000	-	565,000
Consultancy Expenses	585,000	-	585,000
Computer Accessories	31,695	-	31,695
Printing & Stationery	339,078	-	339,078
Advertisement Notice Publication	130,168	-	130,168
Membership & Subscription	33,000	-	33,000
Staff Training Expenses	5,000	-	5,000
Fine & Penalty	10,366	-	10,366
Vehicle Insurance	35,961	-	35,961
Tiffine Expenses	396,075	-	396,075
Books & Periodicals	79,576	-	79,576
Registration & Renewal Expenses	227,227	-	227,227
Transportation Expenses	342,797	-	342,797
Miscellaneous Expenses	233,608	-	233,608
Vehicle Hire	2,160,000	-	2,160,000
Depreciation	372,435	-	372,435
Total (A)	37,846,419	-	37,846,419
B. Lower Chirkhwa Project			
Audit Fees	-	-	-
NEA Expenses	-	-	-
DOED Expenses	-	-	-
Lower IEE Study Expenses	-	-	-
Field & Survey Expenses	-	-	-
Lower Letter Intent Charge	-	-	-



Chirkhwa Hydropower Ltd.
 Ghattekulo-29, Kathmandu, Nepal
Schedules Forming Part of Financial Statements
 For the Year Ended from 1st Shrawan 2079 to 31st Ashadh 2080

PPA Bank Guarantee Expenses	-	-	-
Lower PPA Translation Fee	-	-	-
Consultancy Expenses	-	-	-
Registration & Renewal Expenses	-	-	-
Lower Company Transfer	-	-	-
Total (B)	-	-	-

Grand Total (A+B)	37,846,419	-	37,846,419
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Land and other related expenses incurred on Chirkhwa Hydropower Ltd. previously has been transferred to LC Energy Ltd(Lower Project) which has been transferred as per the Valuation Report and same has been shown as disposal during the current financial year

8 Project Insurance	2079-80	Addition During the Year	2078-79
Project Insurance Expenses	-	-	-
Total	-	-	-

9 Site Office Building	2079-80	Addition During the Year	2078-79
Civil Contractor Bill Payment - Site office Building	-	-	-
Total	-	-	-

10 Transmission Line and Interconnection	2079-80	Addition During the Year	2078-79
Transmission Line and Civil Work Wages	622,317	-	622,317
Transmission Line Compensation	799,746	799,746	-
IEE of transmission line	655,400	372,900	282,500
Tabular Pole for Transmission line	844,024	-	844,024
Transformer	2,274,325	-	2,274,325
Transmission and Switchyard	739,063	-	739,063
Transmission Line Expenses	209,247	209,247	-
Transmission Line PH 2	28,026,728	1,131,078	26,895,649
Transmission Line Renew	100,000	30,000	70,000
Transmission Line Work	1,196,448	872,536	323,862
Transmission Line Work (Singal Circuit Phase 1)	8,054,625	-	8,054,625
Total	43,521,923	3,415,557	40,106,365

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Chirkhwa Hydropower Ltd.

Ghattekulo-29, Kathmandu, Nepal

Schedules Forming Part of Financial Statements

For the Year Ended from 1st Shrawan 2079 to 31st Ashadh 2080

II Project Supervision and Management	2079-80	Addition During the Year	2078-79
AGM Expenses	76,691	62,941	13,750
Bank Charge	11,376	1,030	10,346
Meeting Allowance	1,302,240	546,706	755,534
Certification Charge	10,170	6,780	3,390
Legal Charge	86,810	30,000	56,810
Interest Paid	296,938	0	296,938
Issue Rating	254,250	-	254,250
Consultancy Expenses	4,797,950	1,519,850	3,278,100
Under Writing Expenses	300,000	-	300,000
Advertisement Expenses	46,324	0	46,324
Meeting Expenses	46,330	5,650	40,680
Audit Fee	65,850	15,000	50,850
Chirkhwa Credit Rating	426,104	231,085	195,019
Registration and Renewal	447,900	61,000	386,900
Consultancy Fee Gorkha	24,545,648	7,410,523	17,135,125
Depreciation	2,221,863	323,724	1,898,139
Electricity Expenses	37,523	12,480	25,043
Exim Code Renew	3,500	1,500	2,000
Fine	41,797	9,232	32,565
Fuel Expenses	1,586,177	862,105	724,072
GPO Box Renewal	2,437	-	2,437
Internet, Telephone & Courier Expenses	122,025	20,199	101,826
NEA Grid	50,000	-	50,000
Book & Periodicals	183,184	163,984	19,200
Notary Expenses	41,000	-	41,000
Office Expenses	94,635	22,152	72,483
Office Refreshment Expenses	30,117	0	30,117
Penalty	216,682	43,942	172,740
PG Interest Charge	1,000,000	-	1,000,000
PPA Bank Guarantee Exp	119,700	34,200	85,500
PPA BG Margin	285,000	-	285,000
Printing and Stationery Expenses	300,380	130,365	170,015
Project Electricity NEA	2,407,710	819,948	1,587,762
Project Equipment	301,000	-	301,000
Project Expenses	1,465,443	803,987	661,456
Project Fooding and Lodging	4,942,200	1,768,324	3,173,876
Project Room Hire	90,000	-	90,000
Project Transportation and Travelling	926,256	494,755	431,501
Rent	3,262,346	317,084	2,945,262
Repair and Maintenance	1,530,562	421,921	1,108,641
Salary & Wages	37,235,944	9,468,280	27,767,664
Share Lagat Expenses	200,000	-	200,000
TADA	897,559	154,000	743,559
Tiffen Expenses	600,347	101,395	498,952
Transportation Expenses	115,390	114,615	775
Wages	2,023,655	1,509,856	513,799
Webpage Expenses	22,347	4,700	17,647
Vehicle Insurance	105,154	19,586	85,568
Valuation Fee	11,300	-	11,300
Land Expenses	795,531	795,531	-
Goods (Loading Unloading)	139,755	139,755	-
Publication Expenses	9,695	9,695	-
Site Project Compensation	65,665	65,665	-
Upper Courier Charges	8,377	8,377	-
Upper IPO Expenses	1,141,450	1,141,450	-
Upper Project Maintenance-Civil	44,665	44,665	-
Upper Project Supervision	815,255	815,255	-
Gratuity Fund	112,110	112,110	-
Upper EM Runner Insurance	146,446	146,446	-
Upper Generator Insurance	30,118	30,118	-
Total	98,456,881	30,821,968	67,674,913



As on Ashadh 31, 2080 (16th July, 2023)

S. No.	Name	Pan No	Gross Salary	PF	Net Taxable Income'	SST	TDS	Net Payment
1	Gelje Lama	110738325	555555.56	0.00	555555.56	5555.56	0.00	550000.00
2	Dipak Rai	106950939	975000.00	0.00	975000.00	6000.00	72500.00	896500.00
3	Suresh Shrestha	102432363	2478164.00	0.00	2478164.00	6000.00	522139.04	1950024.96
4	Rabin Budhathoki	106894512	457600.00	50688.00	406912.00	4069.12	0.00	402842.88
5	Subina Bajracharya	106894509	264000.00	47520.00	216480.00	2164.80	0.00	214315.20
6	Prem Prakesh Basnet	129892717	276000.00	0.00	276000.00	2760.00	0.00	273240.00
7	Dhanya Prasad Timsina	107891989	338000.00	37440.00	300560.00	3005.60	0.00	297554.40
8	Santosh Rai	123103875	180000.00	0.00	180000.00	1800.00	0.00	178200.00
9	Krishan Bahadur Rai	123103785	240000.00	0.00	240000.00	2400.00	0.00	237600.00
10	Rajendra Karki	135100174	216000.00	0.00	216000.00	2160.00	0.00	213840.00
11	Bhumi Hang Rai	133278147	40404.04	0.00	40404.04	404.04	0.00	40000.00
12	Satish Tamrakar	303162108	185606.06	0.00	185606.06	1856.06	0.00	183750.00
13	Prakash Kumar Rai	610656967	181818.12	0.00	181818.12	1818.18	0.00	179999.94
14	Bhim Bahadur Rai	119082524	166667.10	0.00	166667.10	1666.67	0.00	165000.43
15	Gobinda Prasad Rai		325000.00	0.00	325000.00	3250.00	0.00	321750.00
16	Bishal Rai	122893005	202020.20	0.00	202020.20	2020.20	0.00	200000.00
17	Durga Niraula	102667231	484848.48	0.00	484848.48	4848.48	0.00	480000.00
18	Raksha Pokhrel	102667231	484848.48	0.00	484848.48	4848.48	0.00	480000.00
19	Shova Kumari Basnet	102667231	484848.48	0.00	484848.48	4848.48	0.00	480000.00
20	Subha Laxmi Shrestha		210000.00	0.00	210000.00	2100.00	0.00	207900.00
21	Kiran Hang Rai		139204.55	0.00	139204.55	1392.05	0.00	137812.50
22	Dipen Karki	102667231	94444.44	0.00	94444.44	944.44	0.00	93500.00
23	Dipesh Lal Chaudhary	102667231	18000.00	0.00	18000.00	180.00	0.00	17820.00
24	Kos Bahadur Bista	102667231	45000.00	0.00	45000.00	450.00	0.00	44550.00
25	Keshav Niraula	102667231	122222.27	0.00	122222.27	1222.22	0.00	121000.04
26	Gajendra Karki	102667231	45000.00	0.00	45000.00	450.00	0.00	44550.00
27	Dambar Bahadur Karki		255000.00	0.00	255000.00	2550.00	0.00	252450.00
28	Sambey Rai		3030.30	0.00	3030.30	30.30	0.00	3000.00
	Total		9468282.09	135648.00	9332634.09	70794.70	594639.04	8667200.35



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T. V. P. Adh

CHIRKHWA HYDROPOWER LTD.
For the Financial year 2079/80
Dillibazar -29, Kathmandu

SCHEDULES FORMING PART OF THE BALANCE SHEET AND INCOME STATEMENT

SCHEDULE No.:11 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

The company is a limited company incorporated in Nepal as a limited liability company having located office at **Dillibazar -29, Kathmandu**. The principal objective of the company is to generate and supply of hydroelectricity in Nepal.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3. Statement of Compliance

The financial statements have been prepared in accordance with Nepal Accounting Standard ("NAS") except otherwise stated. Generally Accepted Accounting Principles ("GAAP") and the Company Act, 2063.

4. Method of Accounting

- i) The accounts have been prepared on accrual basis, in accordance with the Nepal Accounting Standards which have been prescribed by the Companies Act, 2063, to the extent applicable.
- ii) The financial statements are prepared on the historical cost convention and in accordance with generally accepted accounting principles. The preparation of financial statements in conformity with NAS and GAAP requires the use of certain critical accounting estimates. It also requires management to exercise judgment in process of applying the Company's Accounting Policies.

5. Revenue Recognition

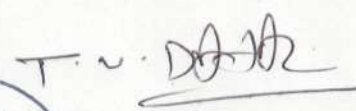
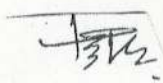
As certified by the management & our belief & information, the company has not generated revenue during the period of our audit.

6. Capitalization of borrowing costs and other expenditure

Interest on term loan and other expenditure had been deferred during construction stage which shall be capitalized as per Nepal Accounting Standard.

7. Fixed Assets and Depreciation/amortization of tangible and intangible assets

- i) Fixed Assets are recorded at cost less accumulated depreciation except otherwise stated.
- ii) The Company is following the policy of capitalizing all direct cost relating to the acquisition and installation of Fixed Assets.
- iii) Depreciation is provided under the procedures & rates as required by the income tax act 2058.



8. Contingent Liabilities

No provision is made for a liability which is contingent in nature but if material, the same is disclosed by way of note to the accounts.

9. Term Loan

Term loan comprises of longterm consortium finance obtained from the Rastriya Banijya Bank Ltd. The loans are secured against the mortgage of entire fixed assets of the company, lien on shares, hypothecation of inventories and the personal guarantee of the directors on pari-passu basis. The detail of secured loan is as under:

Particulars	Balance as on Ashad end 2080
Term Loan-1 (Rastriya Banijya Bank Ltd.)	54,76,63,090
Net Balance	54,76,63,090

10. Borrowing Cost

Term loan comprises of long finance obtained from the Rastriya Banijya Bank Ltd. The loans are secured against the mortgage of entire fixed assets of the company, lien on shares, hypothecation of inventories and the personal guarantee of the directors on pari-passu basis. The detail of secured loan is as under

Interest and other costs in connection with the borrowing of funds to the extent attributable to the acquisition or construction of a qualifying fixed asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

During the period the company has capitalized borrowing cost amounting to NRs 5,44,67,408.00 during the period to Capital WIP-Project Civil work on the basis of actual borrowing costs incurred on the funds borrowed specifically for the purpose of acquisition and construction of qualifying assets.

11. Contingent Liabilities

The Company has invested in the company which is its associate and the percentage holding of LC Energy Development Pvt. Ltd. Is mentioned below.

Name of Associate	Percentage Holding of Chirkhwa Hydropower Ltd	Value of Holding
LC Energy Development Pvt. Ltd.	1%	50,000

12. Related Party Disclosures

The transaction between Chirkhwa Hydropower Ltd. and its shareholder is as follows:

- Consultancy Service fee paid to a shareholder of Chirkhwa Hydropower Ltd.

A	Monthly Consultancy Fee (inclusive tax) paid to Gorkha Hydro and Engineering Pvt. Ltd.	79.80 8283115.00
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The transaction between Chirkhwa Hydropower Ltd. and its shareholder's company is as follows:

- Advance Payment made to shareholder's company.



A	Civil Construction Work (inclusive tax) paid to P.S Construction Company Pvt. Ltd.	79.80 79660621.64
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13. MD's salary & Benefit

The company has provided its Managing Director a total salary of Rs 975000.00 which is inclusive tax of salary, allowance, dashain allowance, vehicle facility. The company is providing fuel and maintenance of the vehicle.

14. Key Operating Person

Name	Position
Mr. Deepak Rai	Acting. Managing Director

15. Tax provision

As company is in the construction phase and does not generate any income during the period hence provision of tax liability has not been made in the financial statement.

B. NOTES TO ACCOUNTS

1. Income Tax Liability

Income tax for the year comprises current tax and deferred tax.

Current Tax: The Company has not provided current tax liability since it has not taxable income during the year.

2. Share Capital & Call in Advance

The authorized Share Capital of company is Rs. 40,00,00,000.00; issued Capital 40,00,00,000.00 and paid-up share capital is Rs 28,00,00,000

3. Capital Work in Progress (WIP)

During the year the company has capitalized Rs. 25,05,72,475 under Capital Work in Progress as disclosed in note-2.

4. Previous year figures

Previous year's figures have been re-grouped or re-arranged, wherever necessary to facilitate the comparison

