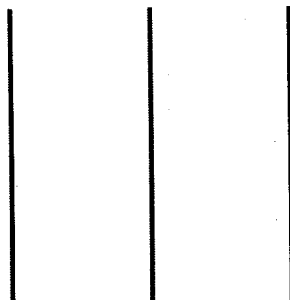
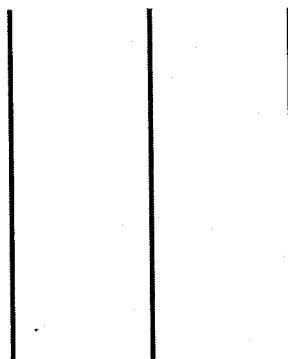


**Super Hewa Power Company Limited**  
**Kathmandu, Nepal**



**Audit Report**

**FY 2081-82**



**Statement of Financial Position**  
**Statement of Profit and Loss and Other Comprehensive Income**  
**Statement of Cashflow**  
**Statement of Changes in Equity**  
**Significant Accounting Policies & Notes to Accounts**

UDIN: 260104CA01810buBUb

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS  
OF SUPER HEWA POWER COMPANY LIMITED**

**Opinion**

We have audited the financial statements of **Super Hewa Power Company Limited.**, which comprise the Statement of Financial Position as at Ashad 32, 2082 and Statement of Profit or Loss, Statement of Cash Flow for the period then ended, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company read together with the Significant Accounting Policies and Notes to the Accounts forming part of the accounts for the year ended Ashad 32, 2082 are prepared, in all material respects and gives a true and fair view, in accordance with applicable Nepal Financial Reporting Standards and comply with provisions of the Companies Act, 2063.

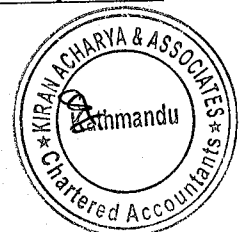
**Basis for Opinion**

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 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 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 the audit of the financial statements of the current period, and these matters were addressed in the context of the 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.

Key Audit Matter	Auditors Response
1. The project was not completed by the required Commercial Operation Date (RCOD) as stipulated in the power purchase agreement. As a result, the management has booked penalty arising from this delay. The determination and recognition of this penalty involve management's assessment and judgment, making it significant for our audit.	We reviewed the agreements and other relevant documentation to assess the terms and conditions related to the RCOD. We verified the calculation of penalty recorded by the management, corroborating them with supporting evidence. We also tested the accuracy and completeness of the related disclosures in the financial statements to ensure they provide an adequate understanding of the potential impacts of the delay on the company's financial position.



## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of the financial statements in accordance with the Generally Accepted Accounting Principles (GAAPs) and Nepal Financial Reporting Standards (NFRS) prevalent in Nepal 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 relating 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.

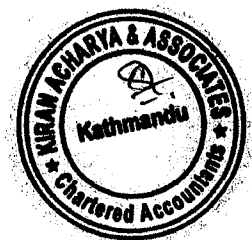
## **Auditor's Responsibilities for the Audit of the Financial Statements**

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 Nepal Standards on Auditing (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 a 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 risk of material misstatement of the financial statement, whether due to fraud and error, design and perform audit procedures responsive to those risk, 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) 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 exist related to events or conditions that may cast significant doubt on the company's going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, of 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 to cease to continue as a going concern.
- d) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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.

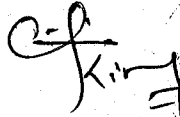


## Report on Other Legal and Regulatory Requirements

As per the requirements of Section 115 of the Companies Act, 2063 (First Amendment 2074), we further report that:

- a) 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.
- b) In our opinion the Company has kept proper books of account as required by law so far, as appears from our examinations of those Books
- c) The financial statements agree with the books of account.
- d) In our opinion and to the best of our information and according to the explanation given to us, the financial statement the said Balance Sheet, Income Statement and Cash Flow Statement, read together with the notes forming part of the accounts give the information required by the Companies Act 2063 (First Amendment 2074) in the manner so required and give a true and fair view:
  - i. In the case of Balance Sheet, of the state of affairs of the Company as at 32 Ashad, 2082; and
  - ii. In the case of Income Statement, of the results of operations of the Company for the year ended on 32 Ashad, 2082; and
  - iii. In the case of the Cash Flow Statement, of Cash inflow and outflow of Company for the year ended on that date.
- e) Neither we have come across any of the information about the misappropriation of fund by the directors or any of the representative or company's staffs during the course of our audit nor have we received any such information from the management.
- f) No accounting fraud has been observed during the course of our audit

For and on Behalf of,  
Kiran Acharya & Associates  
Chartered Accountants



Kiran Acharya  
Proprietor



Place: Kathmandu, Nepal  
Date: 2082/08/28

# Super Hewa Power Company Limited

Kathmandu, Nepal

## Statement of Financial Position

As at 32nd Ashad, 2082 (16th July, 2025)

Amount In NPR

Particulars	Notes	FY 2081-82	FY 2080-81
<b>Assets</b>			
<b>Non current Assets</b>			
Property Plant and Equipments	1	2,256,913	2,178,927
Intangible Assets	1A	96,870	18,412
Intangible Assets- Project	1B	1,717,681,265	-
Intangible Assets Under Development	2	-	1,374,166,975
Deferred Tax Asset	10	-	-
<b>Total Non Current Assets</b>		<b>1,720,035,048</b>	<b>1,376,364,315</b>
<b>Current Assets</b>			
<b>Financial Asset</b>			
Trade Receivable	3	14,691,926	-
Cash & Cash Equivalent	4	1,424,341	476,523
Other Financial Assets	5	2,627,886	11,289,106
Other Current Assets	6	4,408,171	85,524,014
<b>Total Current Assets</b>		<b>23,152,324</b>	<b>97,289,643</b>
<b>Total Assets</b>		<b>1,743,187,372</b>	<b>1,473,653,959</b>
<b>Equity and Liability</b>			
<b>Equity</b>			
Equity Share Capital	7	699,481,300	465,189,000
Other Equity	8	(16,316,896)	(20,127,295)
<b>Total Equity</b>		<b>683,164,404</b>	<b>445,061,705</b>
<b>Liability</b>			
<b>Non Current Liabilities</b>			
<b>Financial Liabilities</b>			
Loans and Borrowing	9	889,090,367	864,910,509
Deferred Tax Liabilities	10	22,764	21,153
<b>Total Non Current Liabilities</b>		<b>889,113,131</b>	<b>864,931,662</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Loan & Borrowing	11	90,518,700	99,238,561
Trade Payable	12	1,940,567	1,579,223
Other Financial Liabilities	13	75,909,436	60,643,435
Other Current Liabilities	14	2,541,135	2,199,374
<b>Total Current Liabilities</b>		<b>170,909,837</b>	<b>163,660,593</b>
<b>Total Liability</b>		<b>1,060,022,968</b>	<b>1,028,592,255</b>
<b>Total Equity and Liability</b>		<b>1,743,187,372</b>	<b>1,473,653,959</b>

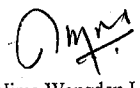
Schedule 1 to 19 forms an integral part of Statement of Financial Position

Significant Accounting Policies & Notes to Accounts

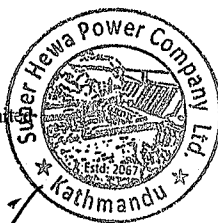
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For and the behalf of  
Super Hewa Power Company Limited

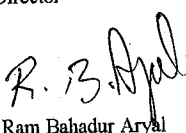
  
Harka Bahadur Tamang  
Chairperson

  
Nima Wangden Lama  
Managing Director


Date: 2082/08/28  
Place: Kathmandu, Nepal

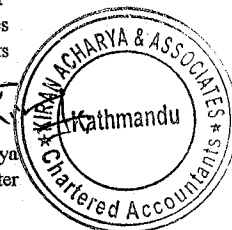


  
Jagdish Kumar Agrawal  
Director

  
Ram Bahadur Aryal  
Director

As per report of even date  
For and the behalf of  
Kiran Acharya & Associates  
Chartered Accountants

  
Kiran Acharya  
Proprietor



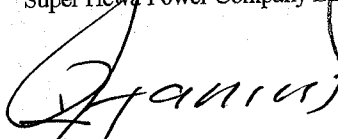
**Super Hewa Power Company Limited**  
Kathmandu, Nepal  
Statement of Profit or Loss  
For the year ended 32nd Ashad, 2082 (16th July, 2025)

Amount In NPR

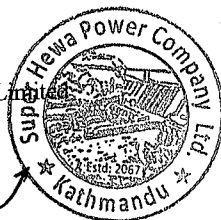
Particulars	Notes	FY 2081-82	FY 2080-81
Construction Revenue	2	358,494,069	457,556,926
Construction Costs	2	358,494,069	457,556,926
Revenue from Operation	15	50,040,853	-
<b>Gross Profit</b>		<b>50,040,853</b>	<b>-</b>
<b>Other Income</b>	<b>16</b>	<b>1,470,170</b>	<b>-</b>
<b>Admin and Operating Expenses</b>			
Administrative Expenses	17	6,885,685	2,164,646
NEA Related Charge and Expenses	18	5,054,123	-
Project Insurance Expenses	18	333,260	-
Repair and Maintenance	18	236,624	-
Royalty to Government Cost	18	1,000,817	-
Other Operating Expenses	18	1,503,709	-
<b>Admin and Operating Expenses</b>		<b>15,014,218</b>	<b>2,164,646</b>
Depreciation	1	566,600	565,961
Amortisation	1A	15,003,021	4,603
<b>Depreciation and Amortisation Cost</b>		<b>15,569,621</b>	<b>570,564</b>
<b>Profit From Operations</b>		<b>20,927,184</b>	<b>(2,735,211)</b>
Finance Cost	19	17,115,173	-
<b>Profit Before Tax &amp; Prior Period Adjustments</b>		<b>3,812,011</b>	<b>(2,735,211)</b>
Income Tax		(1,611)	(66,460)
Deffered Tax			
<b>Profit from Continuous Operations</b>		<b>3,810,400</b>	<b>(2,668,750)</b>
Profit/(Loss) on Discontinued Operation (Net of Tax)			
<b>Net Profit for the Year</b>		<b>3,810,400</b>	<b>(2,668,750)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit & loss		-	-
Items that will be reclassified subsequently		-	-
<b>Total Comprehensive Income</b>		<b>3,810,400</b>	<b>(2,668,750)</b>
Basic Earning Per Share (NPR)		0.54	(0.57)
Diluted Earning Per Share (NPR)		0.54	(0.57)

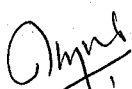
Schedule 1 to 19 forms an integral part of Statement of Financial Position  
Significant Accounting Policies & Notes to Accounts 20

For and the behalf of  
Super Hewa Power Company Limited

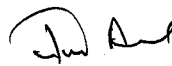


Harika Bahadur Tamang  
Chairperson

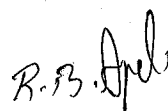




Nima Wangden Lama  
Managing Director

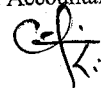


Jagdish Kumar Agrawal  
Director

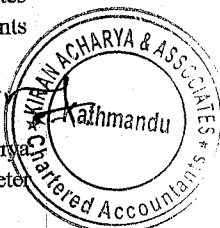


Ram Bahadur Aryal  
Director

As per report of even date  
For and the behalf of  
Kiran Acharya & Associates  
Chartered Accountants



Kiran Acharya  
Proprietor



Date: 2082108128  
Place: Kathmandu, Nepal

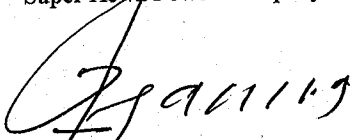
**Super Hewa Power Company Limited**  
**Kathmandu, Nepal**  
**Statement of Other Comprehensive Income**  
**For the year ended 32nd Ashad, 2082 (16th July, 2025)**

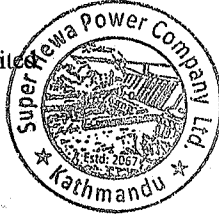
*Amount In NPR*


Particulars	Notes	FY 2081-82	FY 2080-81
Net Profit for the year as per Profit or Loss Statements		3,810,400	(2,668,750)
Other comprehensive Income:			
Other comprehensive Income not to be reclassified to profit or loss in subsequent periods		-	-
Re-measurement (losses) / gains on post employment defined benefit plans		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive gain/(loss) for the year, net of tax		-	-
<b>Total Comprehensive gain/(loss) for the year, net of tax</b>		<b>3,810,400</b>	<b>(2,668,750)</b>

Schedule 1 to 19 forms an integral part of Statement of Financial Position  
 Significant Accounting Policies & Notes to Accounts 20

For and the behalf of  
 Super Hewa Power Company Limited


  
 Harika Bahadur Tamang  
 Chairperson

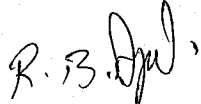


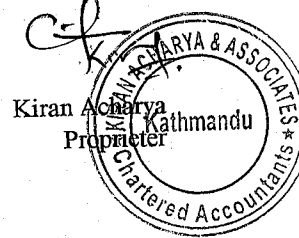
  
 Nima Wangden Lama  
 Managing Director

Date: 2082/08/28  
 Place: Kathmandu, Nepal

As per report of even date  
 For and the behalf of  
 Kiran Acharya & Associates  
 Chartered Accountants

  
 Jagdish Kumar Agrawal  
 Director

  
 Ram Bahadur Aryal  
 Director

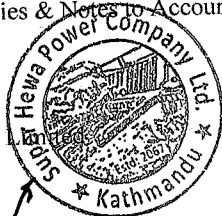


**Super Hewa Power Company Limited**  
Kathmandu, Nepal  
Statement of Cashflow  
For the year ended 32nd Ashad, 2082 (16th July, 2025)

Particulars	Notes	Amount In NPR	
		FY 2081-82	FY 2080-81
<b>A. Cash Flow from Operating Activities</b>			
Profit for the Year		3,812,011	(2,735,211)
Adjustment For:			
Depreciation on Property, Plant and Equipment		566,600	565,961
Amortisation of Intangible Asset		15,003,021	4,603
Finance Expenses		17,115,173	-
Gain on Sale of Fixed Assets		-	-
<b>Operating Profit before Working Capital change</b>		<b>36,496,805</b>	<b>(2,164,646)</b>
(Increase)/Decrease in Current Assets		75,085,137	(3,866,074)
Increase/(Decrease) in Current Liabilities		7,249,244	88,959,217
Cash Generated from Operations.		<b>118,831,186</b>	<b>82,928,497</b>
Income Tax Paid		-	-
<b>Net Cash Flows from Operating Activities</b>		<b>118,831,186</b>	<b>82,928,497</b>
<b>B. Cash Flow from Investing Activities</b>			
Decrease/(Increase) in work In progress		(358,494,069)	(457,556,926)
Adjustment for loss capitalization		-	-
Sale of PPE		-	-
Increase in PPE		(746,285)	(397,784)
<b>Net Cash flows from Investing Activities</b>		<b>(359,240,354)</b>	<b>(457,954,710)</b>
<b>C. Cash Flow from Financing Activities</b>			
Proceeds from the issue of the share capital		234,292,300	63,531,191
Borrow (Repayment) of Long Term Loan		24,179,858	309,527,400
Interest Expenses paid		(17,115,173)	-
<b>Net Cash Flows from Financing Activities</b>		<b>241,356,985</b>	<b>373,058,591</b>
Net Increase in Cash and Cash Equivalents		947,817	(1,967,623)
Cash and Cash Equivalents at the Beginning of year		476,523	2,444,146
<b>Cash and Cash Equivalents at the end of year</b>		<b>1,424,341</b>	<b>476,523</b>

Schedule 1 to 19 forms an integral part of Statement of Financial Position  
Significant Accounting Policies & Notes to Accounts 20

For and the behalf of  
Super Hewa Power Company

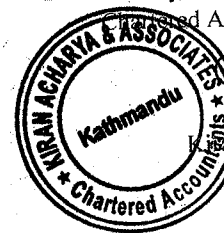


Harka Bahadur Tamang  
Chairperson

Nima Wangden Lama  
Managing Director

Date: 2082/08/28  
Place: Kathmandu, Nepal

As per report of even date  
For and the behalf of  
Kiran Acharya & Associates  
Chartered Accountants



Jagdish Kumar Agrawal  
Director

Ram Bahadur Aryal  
Director

Kiran Acharya  
Proprietor

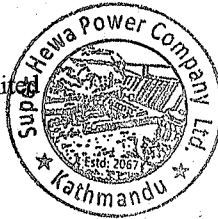
**Super Hewa Power Company Limited**  
Kathmandu, Nepal  
Statement of Changes in Equity  
For the year ended 32nd Ashadh, 2082 (16th July, 2025)

*Amount In NPR*

Particulars	Share Capital	Retained Earning	Total
Balance as at 31st Ashadh 2080	401,657,809	(17,458,545)	384,199,264
Changes in accounting policies	-	-	-
Net gain/loss from errors in prior years	-	-	-
<b>Restated Balance</b>	<b>401,657,809</b>	<b>(17,458,545)</b>	<b>384,199,264</b>
Changes in Equity for FY 2080-81			
Net profit or loss for the year		(2,668,750)	(2,668,750)
Addition toward Share capital	63,531,191		63,531,191
Net gain/loss from errors in prior years	-	-	-
Balance as at 31st Ashadh 2081	465,189,000	(20,127,294)	445,061,705
Changes in accounting policies	-	-	-
Net gain/loss from errors in prior years	-	-	-
<b>Restated Balance</b>	<b>465,189,000</b>	<b>(20,127,294)</b>	<b>445,061,705</b>
Changes in Equity for FY 2081-82			
Net profit or loss for the year		3,810,400	3,810,400
Addition toward Share capital	234,292,300		234,292,300
Net gain/loss from errors in prior years	-	-	-
Balance as at 32nd Ashadh 2082	699,481,300	(16,316,896)	683,164,404

The accompanying notes are integral part of these financial statements.

For and the behalf of  
Super Hewa Power Company Limited



*[Signature]*  
Harka Bahadur Tamang  
Chairperson

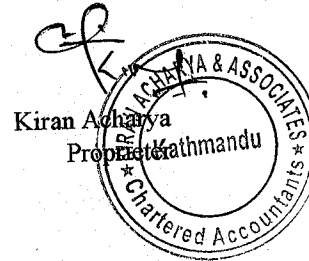
*[Signature]*  
Jagdish Kumar Agrawal  
Director

*[Signature]*  
Nima Wangden Lama  
Managing Director

*[Signature]*  
Ram Bahadur Aryal  
Director

Date: 2082/08/28  
Place: Kathmandu, Nepal

As per report of even date  
For and the behalf of  
Kiran Acharya & Associates  
Chartered Accountants



*[Signature]*  
Kiran Acharya  
Proprietor  
Kathmandu

# Super Hewa Power Company Limited

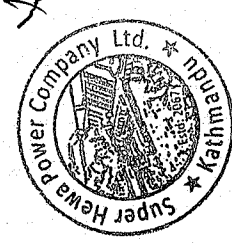
Kathmandu, Nepal

Notes to the financial statements for the year ended 32nd Ashad, 2082

Note: 1 Property, Plant and Equipment: Particulars	Amount In NPR				
	Freehold Land	Office Equipments & Furnitures	Vehicles	Plant & Machinery	Total
Closing WDV as at 31st Ashad, 2080	-	1,546,256	705,245	95,603	2,347,104
Additions	-	345,284	-	52,500	397,784
Disposals	-	-	-	-	-
WDV as at 31st Ashad 2080 before depreciation	-	1,891,540	705,245	148,103	2,744,888
Depreciation for the year	-	405,393	141,049	19,519	565,960
Closing WDV as at 31st Ashad, 2081	-	1,486,147	564,196	128,585	2,178,927
Additions	-	644,585	-	-	644,585
Disposals	-	-	-	-	-
WDV as at 32nd Ashad 2082 before depreciation	-	2,130,732	564,196	128,585	2,823,512
Depreciation for the year	-	434,473	112,839	19,288	566,600
Closing WDV as at 32nd Ashad, 2082	-	1,696,259	451,357	109,297	2,256,913

*R. B. Singh*

*D. A.*



# Super Hewa Power Company Limited

Kathmandu, Nepal

Notes to the financial statements for the year ended 32nd Ashad, 2082

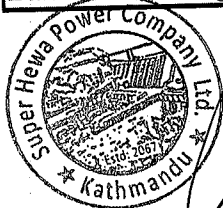
*Amount In NPR*

**Note: 1A Intangible Assets**

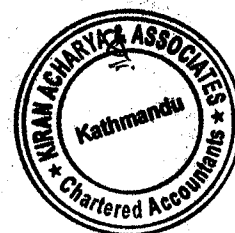
Particulars	Computer Software	Total
Closing WDV as at 31st Ashad, 2080	23,016	23,016
Additions	-	
Disposal		
<b>Balance at 31st Ashad, 2081 before Amortisation</b>	<b>23,016</b>	<b>23,016</b>
Amortization for the year	4,603	4,603
<b>Closing WDV as at 31st Ashad, 2081</b>	<b>18,412</b>	<b>18,412</b>
Additions	101,700	101,700
Disposal		
<b>Balance at 32nd Ashad, 2082 before Amortisation</b>	<b>120,112</b>	<b>120,112</b>
Amortization for the year	23,242	23,242
<b>Closing WDV as at 32nd Ashad, 2082</b>	<b>96,870</b>	<b>96,870</b>

**Note: 1B Intangible Assets-Project**

Particulars	Amount	Total
Amount of Intangible Assets Under Development till Commercial Operation Date (31st Chaitra, 2081)	1,732,661,044	1,732,661,044
Transferred from Intangible Assets-Under Development to Intangible Assets-Project	1,732,661,044	1,732,661,044
Less: Ammortization From Baisakh 1, 2082 to Ashad 32, 2082	14,979,778	14,979,778
<b>Balance of Intangible Assets-Project as on 32nd Ashad,2082</b>	<b>1,717,681,265</b>	<b>1,717,681,265</b>



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**Super Hewa Power Company Limited**

Kathmandu, Nepal

Notes to the financial statements for the year ended 31st March, 2082

**Fixed Assets and Depreciation Schedule as per Income Tax Act, 2058**

Particulars	Depreciation Rate	Opening Balance	Addition		Total Assets	Sales	Depreciation base	Depreciation for the year	Remaining Balance
			Used for more than 6 months	Used for less than 6 months					
Pool A									
Building and Structure	5%								
Pool B		1,432,688	127,856	428,881	2,077,273		1,875,214	468,804	1,608,470
Office Equipment	25%	1,432,688	127,056	428,881	2,077,273		1,875,214	468,804	1,608,470
Pool C									
Automobiles	20%	539,646	-	-	539,646		539,646	107,929	431,717
Bike-Pulsar-150-para-1-2-251- Pa. 8225	20%	325,427	-	-	325,427		325,427	65,085	260,342
Pool D									
Submersible pump and its accessories	15%	121,984	-	-	121,984		121,984	18,298	103,686
Pool E									
Tally: Prime	5 Years	18,412	101,700	-	120,112		120,112	24,022	96,090
		18,412	101,700	-	120,112		120,112	24,022	96,090
<b>Total</b>		<b>2,112,730</b>	<b>228,756</b>	<b>428,881</b>	<b>2,859,015</b>		<b>2,658,956</b>	<b>619,853</b>	<b>2,239,162</b>



*R. S. Acharya*  
*DA*



*Pracis*  
*Pracis*

# Super Hewa Power Company Limited

Kathmandu, Nepal

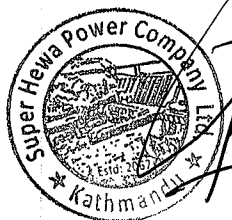
Notes to the financial statements for the year ended 32nd Ashad, 2082.

Amount In NPR

**Note: 2 Intangible Assets Under Development**

Particulars	Sub-Note	FY 2081-82	Addition during the year (FY 2081-82)	FY 2080-81
Preoperating Expenses	2.1	47,160,016	-	47,160,016
Engineering & Supervision, Contact Administration & Management	2.2	106,072,911	33,662,194	72,410,717
Land Purchase & Development	2.3	93,891,853	197,010	93,694,843
Office Set up & Site Building Cost	2.4	-	-	-
Environment and Social Mitigation Cost	2.5	28,808,055	9,242,250	19,565,805
Infrastructure Development (Access Road)	2.6	36,195,920	9,500	36,186,420
Civil Works	2.7	617,644,510	170,590,684	447,053,826
Hydromechanical Works	2.8	321,059,352	35,254,787	285,804,566
Electromechanical Works	2.9	204,947,051	6,905,535	198,041,517
Construction Power	2.10	9,159,396	-	9,159,396
Camping Facilities	2.11	10,050,036	-	10,050,036
Insurance Expenses	2.12	15,300,725	9,896,010	5,404,715
Interest During Construction*	2.13	181,757,675	73,132,851	108,624,824
Transmission Line	2.14	60,613,544	19,603,248	41,010,296
<b>Total</b>		<b>1,732,661,044</b>	<b>358,494,069</b>	<b>1,374,166,975</b>

a. The company has started commercial operation from Baisakh 1, 2082. Expenses directly associated with the development of the project has been shown as Intangible Assets under development. Revenue under service concession arrangement has been estimated to be same as cost during construction phase without any markup in the cost.



R.B. Acharya



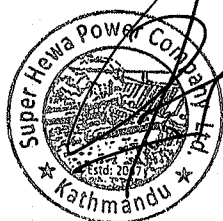
# Super Hewa Power Company Limited

Kathmandu, Nepal

Notes to the financial statements for the year ended 32nd Ashad, 2082

**Note no: 2.1 Pre-operating Expenses**

Particulars	FY 2081-82	Addition during the year (FY 2081-82)	FY 2080-81
Advertisement Expenses	169,636	-	169,636
Business Promotion	94,077	-	94,077
Communication Expenses	135,966	-	135,966
Deposit in DOED -Generation Licenses Amendment-Pre	10,100,000	-	10,100,000
Deposit in GOD for Connection Agreement-33 KV-Pre	50,000	-	50,000
Deposit in NEA for PPA of 1 MW-Pre	60,000	-	60,000
Donation Expenses	10,500	-	10,500
DPR of 5 MW- Elite Consultant-Pre	5,239,873	-	5,239,873
Field Visit Expenses	91,870	-	91,870
Fuel Expenses	232,108	-	232,108
Guest Entertainment Expenses	327,918	-	327,918
Letter of Intent Charge for 1 MW-Pre	25,000	-	25,000
Miscellaneous Expenses	267,701	-	267,701
Meeting Expenses	172,614	-	172,614
Project Expenses	377,100	-	377,100
Renewal & Registration Expenses	1,334,035	-	1,334,035
PG Charge for PPA of 1 MW-Pre	9,000	-	9,000
Updated Fesibility Report (Clean Energy)-6 MW-Pre	3,390,000	-	3,390,000
Salary Expenses	2,146,302	-	2,146,302
Survey Expenses	58,824	-	58,824
Travelling Expenses	818,258	-	818,258
Wages	22,500	-	22,500
Hydrology Expenses-Pre	6,041,162	-	6,041,162
Site Development Expenses-Pre	10,829,984	-	10,829,984
Survey & Design Expenses	5,155,588	-	5,155,588
<b>Total</b>	<b>47,160,016</b>	<b>-</b>	<b>47,160,016</b>

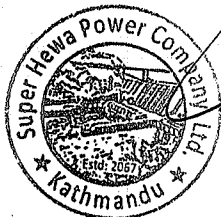


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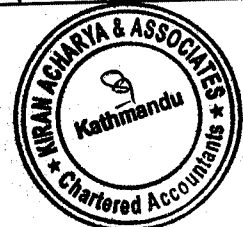


Note no: 2.2 Engineering & Supervision, Contact Administration & Management

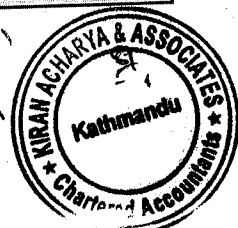
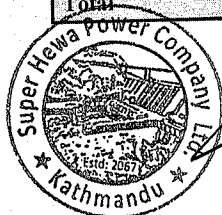
Particulars	FY 2081-82	Addition during the year (FY 2081-82)	FY 2080-81
<b>Consultancy Fees</b>			
Due Dilligence Study Fees	457,650	457,650	-
Due Diligence Assessment Fees-Clean Energy	1,243,000	113,000	1,130,000
Monitoring and Bill Verification Fees	1,389,900	1,389,900	-
Review of Working Drawing-Clean Energy	1,356,000	-	1,356,000
Survey Expenses- R.K. Survey Company (P). Ltd.	649,750	-	649,750
Consultancy Fees for Financial Closure Review	904,000	-	904,000
Financial Advisory Fees- Finman Service Pvt. Ltd.	1,226,050	276,850	949,200
Insuranc Consultancy Fees	250,000	-	250,000
UFSR 8 DPR Cost	552,585	552,585	-
	-	-	-
<b>Head Office Admin Expenses</b>			
AGM Expenses	121,055	121,055	-
Business Promotion Exp. (HO)	55,906	55,906	-
Business Promotion Exp (New)	150,000	150,000	-
Care Rating Fee	358,210	-	358,210
Water & Electricity Expenses	121,681	54,113	67,568
Salary & Wages	17,769,176	3,359,849	14,409,327
Staff Training	21,000	21,000	-
Fuel and Lubricant	2,586,300	463,643	2,122,657
Groceries HO	39,141	39,141	-
Meeting Expenses	297,019	-	297,019
Misc Expenses(Office Expenses/Parking Exp/ Newspaper)	513,548	180,779	332,769
Membership Fees (HO)	60,000	12,000	48,000
Miscellaneous Expenses (HO)	20,390	20,390	-
Office Cleaning Expense	192,382	105,382	87,000
Office Decoration	2,660	2,660	-
Registration Fee	1,014,480	125,080	889,400
Repair and Maintenance-Vehicle (HO)	2,954,372	2,100,064	854,308
Repair & Maintenance Exp.-Office Equipment (HO)	153,618	72,370	81,248
Repair of Furnitures	16,300	16,300	-
Transportaion	223,665	44,440	179,225
Advertisement Expenses	240,691	53,902	186,789
Bank Charge	303,411	-	303,411
Communication Expenses (HO)	101,840	-	101,840
Factory Visit Exp.-EM-Geppert	360,000	-	360,000
Field Visit Exp. (HO)	20,360	-	20,360
Dashain Expenses(HO)	196,000	185,000	11,000
Dearness Allowance	77,000	77,000	-
Guest and Hospitality Expenses-(HO)	301,711	185,925	115,786
Kichen Items HO	2,000	2,000	-
Laxmi Capital Market-Management Fees	100,000	-	100,000
Laxmi Puja Expenses(HO)	17,550	10,990	6,560
L/C Extension Charge	42,124	42,124	-
Legal Expenses-(HO)	760	760	-
Loan Rating Fees(HO)	195,490	-	195,490
Printing and Stationery Exp. (HO)	493,798	255,100	238,698
Tiffin Expenses-(HO)	652,458	170,935	481,523
Travelling and Conveyance-(HO)	1,608,678	25,502	1,583,176
Verification Fee-Financial Consultant	1,593,300	237,300	1,356,000
Verification Fees-Technical Consultant-IPC	1,249,780	-	1,249,780
Consultancy Fees for Cadustral Overlaying Map-TL	79,100	-	79,100
Courier Expense (HO)	4,850	255	4,595
Donation Exp. (HO)	(5,000)	(15,000)	10,000
Eletric Light Purchase (HO)	28,199	10,679	17,520
Generation Licenses Registration Fee of TL-HO	700,000	-	700,000
Telephone & Internet (HO)	98,333	94,928	3,405
Electricity Regulatory Commission	400,000	400,000	-
Equity Certification Exp. Payable-T.P. Adhikari	45,200	-	45,200



*R.B. Adhikari*  
*R.B. Adhikari, T.P. Adhikari*



Site Overhead Cost			
Air Fare	189,756	189,756	-
Chemical Purchase for Site	185,261	185,261	-
Dashain Expenses SO	504,500	504,500	-
Donation to Police Office	20,000	20,000	-
Wages for Canal Maintenance-Pipeline-Penstock	339,018	335,988	3,030
Advertisement Exp. (SO)	20,000	-	20,000
Bed Sheet,Cover,Comforter Purchase Falgun,2079	52,350	-	52,350
Cables Purchase Expenses(SO)	18,000	-	18,000
Donation to Basghari Debithan	3,500	-	3,500
Donation to Chainpur Munciple Committee and Yoth A	110,000	-	110,000
Donation to Mdebithan (Lower)	3,500	-	3,500
Donation to Mucchebug Debithan (Upper)	3,500	-	3,500
Electricity Exp. (SO)	2,202,055	605,739	1,596,316
Electric Light Purchase (SO)	469,475	458,875	10,600
Festivals Celebration Expenses (SO)	18,000	-	18,000
Fixtures and Fittings Expenses (SO)	12,850	-	12,850
HDPE Pipe Purchase	87,052	-	87,052
Kitchen Utensils (SO)	71,660	46,455	25,205
Medical Expenses for Victim of Flood-2080-03-02	157,000	-	157,000
Medical Expenses (SO)	30,950	-	30,950
Meeting & Conference Exp. (SO)	6,705	-	6,705
Office Rent	46,000	46,000	-
Pipe Purchase for Power House and Camp (SO)	100,348	-	100,348
Registration & Renew Exp. (SO)	23,550	-	23,550
Telephone & Internet (SO)	62,235	2,200	60,035
Vehicle Booking Charge-Manaram Moters	5,000	-	5,000
Wages Exp. (SO)	1,447,309	589,130	858,179
Water Expenses (SO)	50,000	-	50,000
Field Visit and Travelling Exp	1,036,429	47,288	989,141
Site Expenses	1,265,951	12,000	1,253,951
Fuel Expenses -Site	1,821,902	887,451	934,451
Groceries So	126,795	126,795	-
Travelling Expenses	1,570,166	25,800	1,544,366
Lodging Fooding Expenses	923,434	390,982	532,452
Printing & Stationery	70,242	900	69,342
Communication Expenses-(SO)	21,300	-	21,300
Repair & Maintenance Exp.-Vehicle (SO)	559,566	59,625	499,941
Safety Material for Site	30,930	-	30,930
Salary and Wages-(SO)	19,339,802	4,051,619	15,288,183
Site Visit Expenses	557,634	-	557,634
Tiffin Expenses-(SO)	1,575,531	109,514	1,466,017
Tractor Fare	24,000	24,000	-
Tractor Rental Charge SO	75,000	75,000	-
Transportation Cost SO	1,000,084	1,000,084	-
Worship for the Soul of 18 People Died in Flood	45,000	-	45,000
Breaker Uses for Stone Breaking of Pipeline-Maidane	802,526	-	802,526
Breaker Uses of BMT Nirman Sewa	221,876	-	221,876
Diesel Purchase for Excavation-Shrestha Oil	672,900	-	672,900
Excavation for Pipeline-Maidane Nirman Sewa	11,606,757	3,268,882	8,337,875
Excavtor Rental Charges	7,480,413	7,480,413	-
Vehicle Rent Exp.-Ram Bahadur Aryal (HO)	700,000	-	700,000
TOD Meter Purchase	74,975	-	74,975
Vehicle Rent Exp- SO	1,739,700	395,000	1,344,700
Puja Expenses in Site-2081-03-01 to 2081-03-03	78,020	-	78,020
Rain Coat (So)	6,000	-	6,000
Pipe Purchase for Site (SO)	11,250	-	11,250
Mess Expenses (SO)	1,518,519	477,765	1,040,754
Painting Expenses (SO)	22,013	-	22,013
Grease Purchase (SO)	47,759	-	47,759
Dress for Kitchen (SO)	1,300	-	1,300
Electrical Material Purchase for Site (SO)	377,719	302,571	75,149
Courier Expenses (SO)	345	-	345
C Chhannel and Angle Purchase	202,888	-	202,888
Accessories for Site Office (SO) and Erection team	145,597	-	145,597
Repair & Maintenance-Office Equipments (SO)	471,546	471,046	500
<b>Total</b>	<b>106,072,911</b>	<b>33,662,194</b>	<b>72,410,717</b>



**Note no: 2.3 Land Purchase & Development Cost**

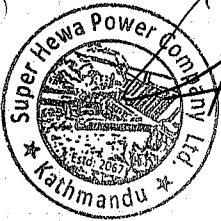
Particulars	FY 2081-82	Addition during the year (FY 2081-82)	FY 2080-81
Land Purchase	90,142,940	-	90,142,940
Logistics- Land Purchase	46,310	-	46,310
Registration Expenses	169,293	-	169,293
Land Compensation	2,970,000	-	2,970,000
Land Compensation Related Expenses	237,010	197,010	40,000
Land Expenses for the Prevention for Sale (Rokkka)	300,000	-	300,000
Logistics Expenses-Land Purchase	25,800	-	25,800
Registration Fees on Land Purchase	500	-	500
<b>Total</b>	<b>93,891,853</b>	<b>197,010</b>	<b>93,694,843</b>

**Note no: 2.4 Office Set up & Site Building Cost**

Particulars	FY 2081-82	Addition during the year (FY 2081-82)	FY 2080-81
Office Setup at Site	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note no: 2.5 Environment and Social Mitigation Cost**

Particulars	FY 2081-82	Addition during the year (FY 2081-82)	FY 2080-81
Business Promotion	868,700	245,000	623,700
Compensation for Land for Pole Erecting for Transm	3,764,050	3,764,050	
Compensation of Tree Cutting for Transmission Line	3,435,200	3,435,200	
Compensation for Crops-Social Mitigation	1,328,680	40,000	1,288,680
Compensation for Land Damage(Pipeline)-Mitigation	2,314,836	258,000	2,056,836
Compensation for Land Use for Road	805,000	-	805,000
Compensation of Crops for Pipe Line-Mitigation	1,871,594	-	1,871,594
Compensation of House-Social Mitigation	2,200,000	-	2,200,000
Excavation & Upgrading-Road Maintenance-Mitigation	466,090	-	466,090
Donation	416,000	-	416,000
Donation to Muchhebung Basghari Tole Bikas	5,000,000	1,000,000	4,000,000
Donation to Saraswoti Ni. Ma. Bi.,	2,000,000	500,000	1,500,000
Gabbin Purchase	700,420	-	700,420
Road Clearance Damage by Flood and Landslide-Mitiga	100,000	-	100,000
Consultancy Fees for Revised IEE-6 MW-NEDC	1,130,000	-	1,130,000
Compensation to Relatives of Humandied During Flood	1,800,000	-	1,800,000
Excavation Works for Track-Social Work-Thulung	547,485	-	547,485
Projector Donation to Area Police Office-Chainpur	60,000	-	60,000
<b>Total</b>	<b>28,808,055</b>	<b>9,242,250</b>	<b>19,565,805</b>



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*R.B. Das*  
*Chm*

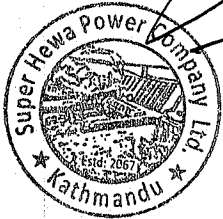


**Note no: 2.6 Infrastructure Development (Access Road)**

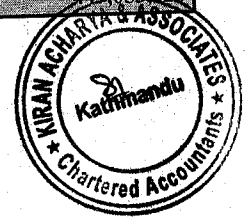
Particulars	FY 2081-82	Addition during the year (FY 2081-82)	FY 2080-81
Dry Stone Soiling, Labour & Meal	17,297,846	9,500	17,288,346
Excavation and Upgrading-Access Road	9,839,571	-	9,839,571
Access Road Use Expenses-Access Road	1,800,000	-	1,800,000
Regular Maintenance & Upgrading of Access Road	5,000,000	-	5,000,000
Fuel Exp. for Access Road Maintenance-PH to Intake	1,031,050	-	1,031,050
Access Road Maintenance Works-Local-After Flood	214,000	-	214,000
Excavation of Access Road-Panchakhapan-Thulung	1,013,453	-	1,013,453
	-	-	-
<b>Total</b>	<b>36,195,920</b>	<b>9,500</b>	<b>36,186,420</b>

**Note no 2.7: Civil Works**

Particulars	FY 2081-82	Addition during the year (FY 2081-82)	FY 2080-81
Civil Works(Running Bills)	554,714,820	153,987,906	400,726,914
Bank Guarantee Charge for Stock of Civil Works	120,000	-	120,000
Excavation Work for Pipe and Repair Maidane	4,535,605	4,535,605	-
Power House Construction JK & Sons Nirman Sewa/New	508,500	508,500	-
	-	-	-
Sheet Purchase Used in Power House	200,014	-	200,014
Tin Purchase Expenses for Power House	31,408	-	31,408
Reconstruction Works After Flood	5,722,705	-	5,722,705
Civil Works - Price Escalation	15,689,498	-	15,689,498
Civil Works-Quantity Variation As Per IPC-10	9,609,468	-	9,609,468
Construction Material Purchase at Site (SO)	13,820	-	13,820
Landslide Clearance in H/W and Pipeline-Ishan	250,000	-	250,000
Angles Sheets Nets Purchase Himalaya Fabrication	2,629,051	2,629,051	-
Civil Construction Supply of Equip Material Ishan	1,097,761	1,097,761	-
Civil Works by Chanachha Nirman Sewa	7,831,861	7,831,861	-
Site Clearance From HW to PH, Repair of C-Ishan	14,690,000	-	14,690,000
	-	-	-
<b>Total</b>	<b>617,644,510</b>	<b>170,590,684</b>	<b>442,855,826</b>

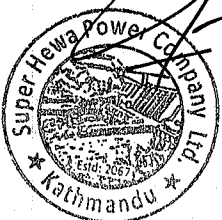


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Note no 2.8: Hydromechanical Works

Particulars	FY 2081-82	Addition during the year (FY 2081-82)	FY 2080-81
Headrace Pipes Purchase-Zetwerk(HM)	101,624,371	-	101,624,371
Charge for Custom Clearance on Guarantee	345,000	-	345,000
Custom Charge on Pipe Purchase	31,470	-	31,470
LC Charge-L21185000051-Zetwerk-HM Pipes	289,580	-	289,580
LC Charge of HM-Derep Seals-L22185000025	41,822	-	41,822
SWIFT & Commission Charge (L21185000051)-HM	287,580	-	287,580
Pipe Purchase	49,041,816	-	49,041,816
Guarantee Charge-Custom Clearane - HM	9,485	-	9,485
Headrace & Penstock Pipe Purchase- Deep Seals India	35,831,516	-	35,831,516
1st Running Bill of HM-Precise	9,942,593	-	9,942,593
2nd Running Bill of Precise Hydro Eng & Cons.	5,384,757	-	5,384,757
3rd Running Bill of HM-Precise Hydro	11,749,609	-	11,749,609
4th Running Bill of HM-Precise Hydro	9,634,462	-	9,634,462
5th Running Bill Precise Hydro-HM	17,532,561	-	17,532,561
Angle,Sheet,HDPE Pipe,Elbow Purchase-HM	690,927	-	690,927
Commission & Bank Charge on Hoisting Purase-HM-TT	4,840	-	4,840
Commission for LC Payment-Deepseals-After Flood-41	58,844	-	58,844
Custom Charge of HM-2080/81	1,958,930	-	1,958,930
Detension Charge-Jogbani-HM	124,000	-	124,000
Gate Valves	702,004	* 702,004	* -
Hoisting System Purchase-HM-Vaishno Crane & Hoist	5,120,000	-	5,120,000
Hydro Mechanical Works As Per IPC 6	28,936,069	28,936,069	-
LC Charge-090LCIIS24-0003-NIMB-After Flood-2nd Lot	59,772	-	59,772
LC Charge-L23185000041-HM-After Flood-RBB Only	32,889	-	32,889
Manufacturing Exp. of Gate-HM-Singhabahini Eng.	1,020,164	-	1,020,164
Ultrasonic Testing of Pipes-Vision Quality-HM	149,705	-	149,705
Pipe Purchase for HM Works-Santosh Suppliers	155,805	-	155,805
BG Charge for Custom Clearance- P22185000004-HM	345,000	-	345,000
Custom Clearance Charge on Pipe Purchase-Zetwerk	1,075,793	-	1,075,793
Custom Clearance Expenses on Pipe Purchase-Deepseal	375,250	-	375,250
Custom Exp-Parking,Entry,Weighbridge Charge-HM	77,803	-	77,803
TT Charge of Hoisting System	10,216	-	10,216
Transportation Expenses of Pipes (HM)	38,414,718	5,616,714	32,798,004
<b>Total</b>	<b>321,059,352</b>	<b>35,254,787</b>	<b>285,804,566</b>

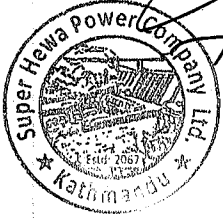


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 J. A. C. M. S.  
 R. B. B. J.



Note no. 2.9: Electromechanical Works

Particulars	FY 2081-82	Addition during the year (FY 2081-82)	FY 2080-81
Custom Charge for Earthing Material- PP No. M12495	2,561,395	-	2,561,395
All Grounding System for Power House-PP No.-M12495	1,507,418	-	1,507,418
1st Running Bill of Loading, Unloading-EM Erection	3,000,000	-	3,000,000
Custom Clearance Exp. on EOT Crane Purchase-EM	503,135	-	503,135
EOT Crane Purchase 20 T Capacity-Geppert	5,334,982	-	5,334,982
LC Charge-L21185000019 of EM-Geppert	1,432,408	31,324	1,401,085
LC Commission of Runner-15	23,321	-	23,321
Purchase of EM Equipments-Geppert-19	155,611,582	-	155,611,582
Cables Purchase for Interconnection-EM	1,963,072	-	1,963,072
Purchase of Missing Items Due to Flood-EM-Geppert	10,960,000	-	10,960,000
Repair & Maintenance of EM Generator.	1,400,000	-	1,400,000
Runner Purchase-EM-Geppert GMBH	13,494,129	-	13,494,129
Transportation Exp.-Support in Biratnagar-EM	242,428	45,150	197,278
Trapaulin Purchase for Cover of EM Equipments	15,000	-	15,000
Custom Charges for Valves for Control of Olehydraul	788,772	788,772	-
Custom Clearnace Charges for Valves Oleohydraulic O	13,085	13,085	-
Generator Parts Purchase	4,000,000	4,000,000	-
TT Charge & Commission of Missing Part of Generator	30,520	-	30,520
Custom Clearance Charge-EM	2,065,804	2,027,204	38,600
<b>Total</b>	<b>204,947,051</b>	<b>6,905,535</b>	<b>198,041,517</b>



*Handwritten signature: R. B. Singh, D. K. Singh, and others.*



**Note no. 2.10: Construction Power**

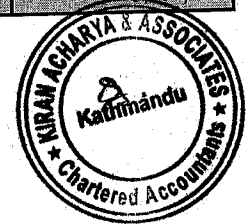
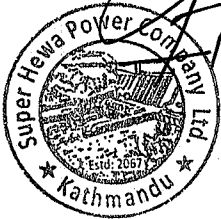
Particulars	FY 2081-82	Addition during the year (FY 2081-82)	FY 2080-81
HT Line Construction & Transformer Installation	8,592,125	-	8,592,125
Transformer Testing Expenses	567,271	-	567,271
<b>Total</b>	<b>9,159,396</b>	<b>-</b>	<b>9,159,396</b>

**Note no. 2.11: Camping Facilities**

Particulars	FY 2081-82	Addition during the year (FY 2081-82)	FY 2080-81
Camping Facility	7,708,560	-	7,708,560
2nd Camping Facility-Ishan	2,341,476	-	2,341,476
<b>Total</b>	<b>10,050,036</b>	<b>-</b>	<b>10,050,036</b>

**Note no. 2.12: Insurance Expenses**

Particulars	FY 2081-82	Addition during the year (FY 2081-82)	FY 2080-81
Insurance Expenses of Employees	187,060	33,323	153,737
Insurance Expenses of Vehicle	11,428	4,331	7,097
Insurance Expenses of Civil Works	8,790,024	4,916,792	3,873,232
Insurance Exp. of HM-EAR(Storage Com Erection)	3,054,284	2,313,100	741,184
Insurance Exp. of TL	230,892	181,261	49,631
Insurance of Camping Facility	16,671	13,466	3,205
Group Personal Accident Insurance	82,020	82,020	-
Insurance Exp Civil Contractors All Risk	534,825	534,825	-
Insurance Exp EM EAR (Storage Cum Erection)	600,765	600,765	-
Medical Insurance of Staff	14,000	14,000	-
Insurance of Electromechanical Works	1,778,756	1,202,127	576,629
<b>Total</b>	<b>15,300,725</b>	<b>9,896,010</b>	<b>5,404,715</b>



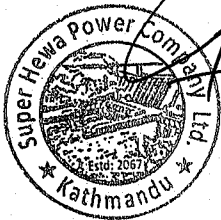
*R.B. Acharya*  
*Jw A*  
*C/MS*

Note no. 2.13: Interest During Construction

Particulars	FY 2081-82	Addition during the year (FY 2081-82)	FY 2080-81
Interest Exp. BGL From RBB-1850100000035047	2,169,242	-	2,169,242
Interest Expenses BGL From RBB-1850100000042047	1,733,163	816,187	916,975
Interest Expenses of BGL From Mega-220110001	1,084,327	-	1,084,327
Interest Expenses of Term Loan From Mega-220530002	2,979,574	-	2,979,574
Interest Exp. of BGL- RBB (1850100000041047)	650,222	-	650,222
Interest Exp. of Term Loan (RBB)-1850100000098033	86,277,489	28,987,029	57,290,460
Interest on BGL-9059890250047-NIMB	351,782	-	351,782
Interest on BGL-NIMB-09059890250009	381,659	-	381,659
Interest on BGL-NIMB-9059890250061	1,636,833	-	1,636,833
Interest on Term Loan-NIMB-09059270000772	37,614,445	10,732,677	26,881,768
Interest on Term Loan 1850100000004374	780,130	780,130	
Interest on Term Loan-III-1850100000188033	5,822,741	5,822,741	
Interest of Term Loan-RBB-1850100000158033	22,460,014	16,830,902	5,629,112
Interest on 09059890250320-NIMB-for LC	46,272	-	46,272
Interest on 1850100000091047-BGL-RBB	256,159	-	256,159
Interest on BGL-09059890250412-NIMB	76,826	-	76,826
Interest on BGL-NIMB-9059430250016	2,801,452	1,468,657	1,332,795
Interest on Term Loan-09059270250245-NIMB	1,888,896	1,880,850	8,046
Interest on Term Loan-09059430250023	863,893	862,014	1,878
Interest on Term Loan-09059890250375	128,592	-	128,592
Interest on Term Loan-09059890250382-NIMB	34,063	-	34,063
Interest on Term Loan-9059270250092-NIMB	4,726,629	2,451,664	2,274,966
Agency Fee- RBB	2,500,000	2,500,000	
Loan Management Fees	4,493,275	-	4,493,275
<b>Total</b>	<b>181,757,675</b>	<b>73,132,851</b>	<b>108,624,824</b>

Note no. 2.14: Transmission Line

Particulars	FY 2081-82	Addition during the year (FY 2081-82)	FY 2080-81
1st Running Bill of Transmission Line-Ishan Cons.	14,398,460	-	14,398,460
2nd Running Bill of Transmission Line	7,121,091	-	7,121,091
Busbar Extension at Baneshwor Substation- Works-TL	1,890,300	-	1,890,300
Last Bill of Transmission Line Ishan	11,954,835	11,954,835	-
TL Construction Material and Tractor Rent	1,737,488	1,737,488	-
IEE Study Consultance Fee	1,130,000	1,130,000	-
Transmission Line Testing Exp	150,650	150,650	-
Sub Station Charge (Yearly) by NEA	4,630,275	4,630,275	-
Compensation for Land-TL	1,590,000	-	1,590,000
Compensation of Crops for TL	4,545,000	-	4,545,000
3rd Running Bill of TL-Ishan	10,994,731	-	10,994,731
Stone Masonary Wall Construction	470,715	-	470,715
<b>Total</b>	<b>60,613,544</b>	<b>19,603,248</b>	<b>41,010,296</b>



*Handwritten signatures and initials:*  
 R.B. [Signature]  
 [Signature]  
 [Signature]



# Super Hewa Power Company Limited

Kathmandu, Nepal

Notes to the financial statements for the year ended 32nd Ashad, 2082

*Amount In NPR*

**Note: 3 Trade Receivable**

Particulars	FY 2081-82	FY 2080-81
Nepal Electricity Authority	14,691,926	-
	-	-
	14,691,926	-

*Amount In NPR*

**Note: 4 Cash & Cash Equivalent**

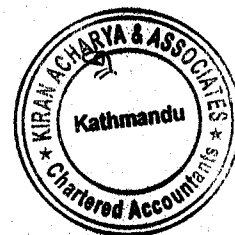
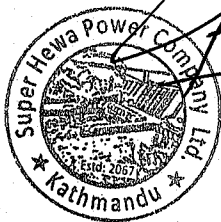
Particulars	FY 2081-82	FY 2080-81
Cash in hand	73,297	114,620
<b>Bank Balances</b>		
Mega Bank Ltd.	230,240	138,054
Rastriya Banijaya Bank Ltd( Head Office)	994,861	165,461
Rastriya Banijaya Bank Ltd- Escrow Accounts	96,684	29,128
Rastriya Banijaya Bank Ltd,	29,259	29,259
<b>Total</b>	<b>1,424,341</b>	<b>476,523</b>

Cash & Cash Equivalents includes cash & Bank Balance & other short term deposits of financial assets having maturity

*Amount In NPR*

**Note: 5 Other Financial Assets**

Particulars	FY 2081-82	FY 2080-81
<b>Margin &amp; Deposits</b>		
LC Margin Geppert (EM)-L21185000019	1,637,818	8,637,818
Margin for Nepa Altratek Cement(P22185000003)	-	-
Margin of Guarantee for Exim Code-G21185000013	30,000	30,000
Pef. Gurantee Margin for PPA-1 MW-P22185000005	600,000	600,000
Perf. Guarantee Margin For Revise RCOD-G21185000012	300,000	300,000
Margin for LC-HM-RBB Only-After Flood	-	1,519,470
Margin of LC-HM-After Flood-NIMB-2nd Lot	-	185,818
NRB Margin-1%-NIMB-090LCIIS24-0003	-	16,000
Advance Tax	60,069	-
<b>Total</b>	<b>2,627,886</b>	<b>11,289,106</b>

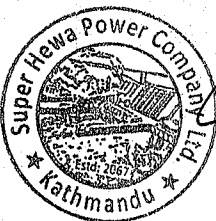


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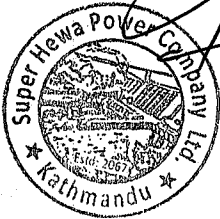
Amount In NPR

## Note: 6 Other Current Assets

Particulars	FY 2081-82	FY 2080-81
Prepaid Insurance	3,170,436	2,993,917
Clean Energy Consultancy	-	979,775
Other Advance for Project Management	-	4,084,866
Salary Advance	75,324	99,840
Advance for Fuel-Shreeram Dahal	-	15,000
Advance for Radio Communication-Decade International	20,000	20,000
Advance to Deudi Builders for Excavator Use	-	1,659,042
Basanta Bhattarai Advance-Office Use	-	150,000
Dal Bahadur Chetri- Advance for Vehicle Rent	-	332,500
Dhurba Raj Sharma Advance	-	5,450
Factory Visit Advance- EM (India)	-	350,000
India FAT of CTPT -Advance-Geppert	-	100,000
Vision Quality Inspection Pvt. Ltd-Adv. for UT Test	-	100,000
Site Office Advance	-	196,364
<b>Advance For Transmission Line</b>		
Advance for Compensation of Crops-TL	-	22,690
Land Advance	-	15,133,707
Chandachha Nirman Sewa-Transmission Line Advance	-	6,248
<b>Other Advance</b>		
Laxmi Auto Trade-Advance for Vehicle Purchase	-	280,000
Punam And Prasanna Auto Trade- Advance for Bike	-	1,600
Repair and Maintenance of C.P.-Adv-Ishan	-	1,000,000
<b>Advance for Access Road</b>		
Ishan Construction Pvt. Ltd.-Advance(Access Road)	-	1,262,600
<b>Advance for Social Mitigation</b>		
Aashish Shakya-Excavator Advance	-	372,775
Birendra KC-Excavator Advance	-	901,900
Chandachha Nirman Sewa & Suppliers-Advance	-	68,817
Chandra Jit Rai-Excavator Advance	-	12,018
Karma Rinji Sherpa-Excavator Advance	-	4,440,500
Sanjaya Limbu-Excavator Advance	-	2,418,800
Dhan Bahadur Limbu-Compensation of Crops	-	100,000
Patrus Limu Advance Fro Compensation -Crops	-	300,000
Thulung Constructions Advance for Excavation	-	68,088
Adv. for Brief Environmental Study (BES)-NEDC-IEE	-	750,000



<b>Civil Works-Advance</b>		
Ishan Construction Pvt. Ltd.-Civil Works Advance	-	27,694,484
Advance for Diesel Purchase-Ishan Construction	-	2,974,500
Debris Clearance of Power House Adv.-Patrus Limbu	-	456,250
Excavation Works for Debris Clearance-Advance-Ishan	-	2,192,551
Repair & Maintenance Works After Flood-Ishan-Adv.	-	795,000
<b>Electro Mechanical Workds-Advance</b>		
Custom Clearance Advance for EM	244,119	-
Geppert Hydro India Pvt Ltd	300,000	-
Sriya Clearing Agency	598,293	-
Custom Clearence Charge Advance of EM	-	271,023
Geppert Hydro Nepal Pvt Ltd-Adv, for Transportation	-	6
<b>Advance for Hydromechanical Works</b>		
Three Dimensional Freight& Cargo Pvt. Ltd.-Advance	-	484,968
Precise H.E.& Co. P.Ltd-Pipes Advance	-	5,784,381
Mobilization Advance for HM- Precise Hydro	-	2,348,504
Ashok Kumar Thapa-Advance for Precise	-	340,000
Raj Kumar Tamang Advance- Precise	-	505,699
Advance for Vehicle Rent-Surge Pipe-Kabeli-Site	-	100,000
Advance to SinghabahiniEng. Works-HM-Gate	-	150
J.K.& Sans Nirman Sewa-Advance for Shutter	-	350,000
Transportation of Pipes-HM-Birat Dhuwani-Advance	-	3,000,000
<b>Total</b>	<b>4,408,171</b>	<b>85,524,014</b>



# Super Hewa Power Company Limited

Kathmandu, Nepal

Notes to the financial statements for the year ended 32nd Ashad, 2082

**Note: 7 Share Capital**

*Amount In NPR*

Particulars	FY 2081-82		FY 2080-81	
	No. of Shares	Amount	No. of Shares	Amount
<b>A. Equity Shares</b>				
<b>Authorised</b>				
Equity Shares of Rs. 100 each	8,125,000	812,500,000	7,000,000	700,000,000
<b>Issued</b>				
Equity Shares of Rs. 100 each	8,125,000	812,500,000	7,000,000	700,000,000
<b>Paid-up Capital</b>				
Equity Shares of Rs. 100 each	2,083,250	208,325,000	2,083,250	208,325,000
Calls in advance	4,911,563	491,156,300	2,568,640	256,864,000
<b>Total Equity</b>	<b>6,994,813</b>	<b>699,481,300</b>	<b>4,651,890</b>	<b>465,189,000</b>

**B. Reconciliation of the number of shares outstanding at the beginning and end of the year**

*Amount In NPR*

Particulars	FY 2081-82	FY 2080-81
	No. of Shares	No. of Shares
Balance as at the beginning of the year	4,651,890	4,016,578
Changes during the year	2,342,923	635,312
<b>Balance as at the end of the year</b>	<b>6,994,813</b>	<b>4,651,890</b>

**Terms/Rights Attached To Equity Shares**

The Company has ordinary equity share of each share having par value NPR 100. The promoter in the company has inject an additional equity which has been presented as calls in advances under the share capital. Company has the right of lien or claim in shares and dividend on call-in-arrears.

Every member holding equity shares therein shall have voting rights in proportion to the member's share of the paid up equity share capital. The Company has not declared and paid any dividend yet.

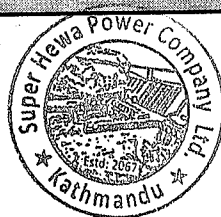
**Note: 8 Other Equity (Reserve and Surplus)**

*Amount In NPR*

Particulars	FY 2081-82	FY 2080-81
	Opening Balance	(20,127,295)
Profit/(Loss) for the Year	3,810,400	(2,668,750)
<b>Total</b>	<b>(16,316,896)</b>	<b>(20,127,295)</b>

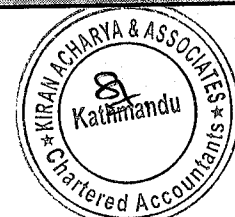
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R.B. Patel

D.A.



# Super Hewa Power Company Limited

Kathmandu, Nepal

Notes to the financial statements for the year ended 32nd Ashad, 2082

**Note: 9 Loan and Borrowing**

*Amount In NPR*

Particulars	FY 2081-82	FY 2080-81
<b>Loan From Banks &amp; Financial Institutions(BFI)</b>		
Term Loan From NIMB	257,394,372	245,978,722
Term Loan From RBB	631,695,995	618,931,786
<b>Total</b>	<b>889,090,367</b>	<b>864,910,509</b>

**Note: 11 Loan and Borrowing(Bridge Gap Loan)**

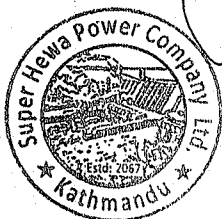
*Amount In NPR*

Particulars	FY 2081-82	FY 2080-81
<b>Bridge Gap Loan</b>		
Bridge Gap Loan RBB	-	3,475,510
<b>Loan From Director/Others</b>		
Harka Bahadur Tamang	29,166,600	37,935,000
Nima Wangdel Lama	1,896,800	328,051
Jagdish Kumar Agrawal	29,882,300	13,725,000
Ram Bahadur Aryal	4,315,500	6,800,000
Sunita Aggrawal	-	36,975,000
Binoj Pradhan	4,433,500	-
Buddha Bajra Lama	340,000	-
Sundar Lama	484,000	-
Short term portion of long term loan	20,000,000	-
<b>Total</b>	<b>90,518,700</b>	<b>99,238,561</b>

Short term portion of long term loan has been shown under short term loan.

The company has entered into consortium arrangement for the term loan with Rastriya Banijya Bank Ltd as lead bank and Nepal Investment Mega Bank Limited as participating bank as consortium, These loans are secured as charge by way of hypothecation on Building and Plant & Machinery. these assets are classified as "Service Concession Arrangement Intangibles".

The loan provided by the directors/ others will be repaid either from the equity injected by the shareholders or from the loan disbursed within the year. Consequently, this loan has been classified as a short-term liability during the financial year.



# Super Hewa Power Company Limited

Kathmandu, Nepal

Notes to the financial statements for the year ended 32nd Ashad, 2082

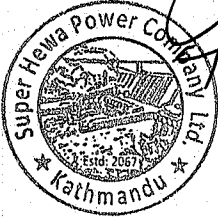
## Calculation of Deferred Tax

Note: 10 DTA/DTL

Amount In NPR

Particulars	FY 2081-82	FY 2080-81
Book Value of Asset in books of Account	2,353,783	2,197,340
Tax Base as per Income Tax Act	2,239,962	2,112,730
<b>Taxable/(Deductible) Temporary Differences</b>	<b>113,820</b>	<b>84,610</b>
Deferred tax Liability/(Asset)	22,764	21,153
Previous Year Deferred Tax Liability/(Asset)	21,153	
Deferred tax Expense/(Income) For 2081-82	1,611	21,153

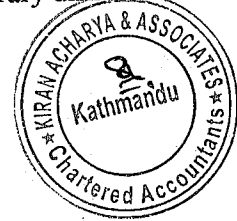
The company has availed the different policy for the depreciation as per the companies Act & hence the deferred tax assets /deferred tax liabilities has been created for the temporary difference in the amount of depreciation.



*Ompr*

*R.B. Bhandari*

*J.W. A.*



Note: 12 Trade Payable

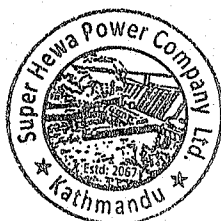
Amount In NPR

Particulars	FY 2081-82	FY 2080-81
Ram Bahadur Aryal- Director's Loan	-	50,750
Anil Shrestha Payable- For Factory Visit	-	80,000
Pioneer Fuel and Lubricants Pvt. Ltd.-Payable	68,470	68,471
Punam and Prasanna Auto Trade-Payable	-	267,900
Verification Fees Payable-TP Adhikari	412,550	468,300
Finman Service Pvt Ltd Payable-Financial Advisory	195,125	234,150
Aayam Enterprises Payable for Vehicle Rent	-	306,850
Dhanamaya Timilsina Payable-Petty Cash	-	10,000
Equity Certification Payable-T.P. Adhikari	-	44,600
BMT Nirman Suppliers Excavation Works Payable	-	12,862
Kiran Acharya & Associates	334,500	-
Nature Express Travels Payable	-	35,341
Nature Express Pvt. Ltd.- Advance for Air Ticketing	3,057	-
New Business Age Pvt. Ltd	14,718	-
Sharma & Company Pvt. Ltd.-Rent & Utilities Payable	269,944	-
TP Adhikari & Associates Verification Fees Payable	-	-
Ullekh Dhar Sharma	158,211	-
Other Creditors	6,794	-
Other Payable	477,198	-
<b>Total</b>	<b>1,940,567</b>	<b>1,579,223</b>

Note: 13 Other Financial Liabilities

Amount In NPR

Particulars	FY 2081-82	FY 2080-81
<b>Civil Works Payable</b>		
Repair & Maintenance Works Payable-Ishan-Site Clear	-	3,595,000
Chandachha Nirman Sewa Payable	2,945,389	-
Himalaya Fabrication House	27,152	-
Ishan Construction Pvt. Ltd.-Civil Works Advance	3,531,385	-
J K & Sons Nirman Sewa Civil Work Payable	151,750	-
Maidane Nirman Sewa Payable	586,895	4,419,067
<b>Electro Mechanical Works Payable</b>		
EM Equipment Purchase Payable	7,787,873	21,998,597
Geppert Hydro India Pvt Ltd Payable for EM Repair	-	1,381,416
<b>Hydro Mechanical Works</b>		
Vaishno Crane & Hoist Payable-HM	512,000	512,000
Vision Quality Inspection Pvt. Ltd. Payable	-	147,718
Transportation Cost Payable-Precise	179,100	179,100
Payable to Three Dimensional-Transportation-Pipes	379,136	-
Precise H.E. & Cons. Pvt. Ltd. Payable-HM Works	8,035,001	-
Transportation of Pipe Birat Dhuwani Payable	483,000	-
<b>Transmission Line Works Payable</b>		
Transmission Line Works Payable to Ishan Cons.	3,528,758	1,143,990
<b>Retention Amount Payable</b>		
Retention Payable to Ishan Construction-Civil Works	26,424,182	19,943,805
Retention Payable to Precise Hydro- HM Works	3,680,534	2,400,177
Retention Payable to Ishan Construction-TL Works	1,967,661	1,438,686
Retention of Civil Works Chandacha	462,872	-



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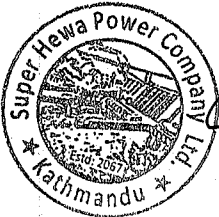


<b>Interest &amp; Agency Fee Payable to Bank</b>		
Agency fee payable to RBB	2,500,000	-
Interest Payable to RBB	6,887,163	-
<b>Others</b>		
Audit Fee Payable	169,000	669,000
Office Expense Payable	-	104,544
Salary Payable	1,874,879	1,069,025
Meeting Allowance Payable-Ram Bahadur Aryal	-	255,000
Site Expenses Payable-2080-81	-	756,311
Vehicle Rent Payable-Ram Bahadur Aryal	-	630,000
Ashok Kumar Thapa-Advance for Site	173,564	-
Chandra Gurung Advance for Site Office Admin Exp.	107,328	-
Director Payable- Personal	3,514,814	-
<b>Total</b>	<b>75,909,436</b>	<b>60,643,435</b>

**Note:14 Other Current Liabilities**

*Amount In NPR*

Particulars	FY 2081-82	FY 2080-81
<b>Duties, Taxes and Other Payable</b>		
Social Security Tax	80,506	24,914
Tds Audit Fee	4,500	4,500
Tds Rent	114,759	69,553
Tds Renumeration	207,557	132,446
Tds on Allowance-15%	154,960	1,060
Tds on Services Charge	1,978,852	1,933,993
Tds Wages	-	8,076
1.5%TDS Payable Geppert Hydro P Ltd	-	18,584
1.5% Payable Chandachha Nirman Sewa	-	6,248
<b>Total</b>	<b>2,541,135</b>	<b>2,199,374</b>



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R.B. Aryal

*Signature*  
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# Super Hewa Power Company Limited

Kathmandu, Nepal

Notes to the financial statements for the year ended 32nd Ashad, 2082

**Note: 15 Revenue from Operation** *Amount In NPR*

Particulars	FY 2081-82	FY 2080-81
Sale of electricity	50,040,853	-
<b>Total</b>	<b>50,040,853</b>	<b>-</b>

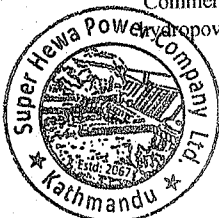
**Note: 16 Other Income** *Amount In NPR*

Particulars	FY 2081-82	FY 2080-81
Other Income	1,470,170	-
<b>Total</b>	<b>1,470,170</b>	<b>-</b>

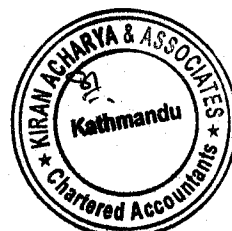
**Note: 17 Administrative Expenditures** *Amount In NPR*

Particulars	FY 2081-82	FY 2080-81
Advertisement Expenses (HO)- Admin	14,916	-
Air Fare-Admin	139,512	-
Communication Expenses	4,100	68,500
Courier Expense (HO)-Admin	155	-
Donation Expenses-Admin	40,000	-
Donation Exp. (HO)-Admin	15,000	-
Dressin and Mattress-Admin	23,640	-
Eletric Light Purchase (HO)-Admin	2,500	-
Financial Advisory Fees- Finman Service Pvt. Ltd.-Admin	197,750	-
Fuel and Lubricant (HO)-Admin	170,665	-
Groceries HO-Admin	31,450	-
Inspection Fee-Admin	226,000	-
Insurance Expenses of Vehicle-Admin	14,155	-
Insurance Exp TL EAR(Storage Cum Erection)-Admin	46,532	-
Legal Expenses	2,000	-
Lodging Fooding Expenses (SO)-Admin	419,190	-
Office Cleaning Expense (HO)-Admin	46,920	-
Office Decoration-Admin	8,333	-
Office Expenses	25,839	-
Office Rent Expenses	1,147,588	1,043,268
Parking Fees (HO)-Admin	60	-
Printing and Stationery Exp. (HO)-Admin	42,780	-
Property Insurance-Admin	11,058	-
Registration & Renewal Exp. (SO)-Admin	16,050	-
Repair of Furniture	6,600	-
Salary Expenses-Admin	3,137,168	-
Audit Fee	339,000	339,000
Fines & Penalties	5,000	5,500
Meeting Allowances	-	307,060
Bank Charges	153,236	401,318
Shutdown Charges-Admin	6,780	-
Site Visit Others-Admin	43,430	-
Surveillance Fee of Bank Loan Rating-Admin	118,650	-
Telephone & Internet (HO)-Admin	85,507	-
Tiffin Expenses-(HO)-Admin	48,865	-
Transportaion Expenses (HO)-Admin	8,914	-
Vehicle Rent Exp- SO-Admin	233,842	-
Wages for Chappan-Admin	12,000	-
Water and Electricity Expenses (HO)-Admin	40,500	-
<b>Total</b>	<b>6,885,685</b>	<b>2,164,646</b>

Commercial operation started from 1st Baisakh 2082. All the expenses directly related to the construction of hydropower project till chaitra end 2081 has been capitalised under Intangible assets under development.



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Note: 18 Other Operating Expenses

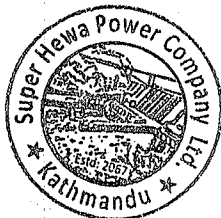
Amount In NPR

Particulars	FY 2081-82	FY 2080-81
<b>NEA Related</b>		
CRPS & OP Charge by NEA	83,441	-
Electricity Expenses	137,866	-
Energy Supply by NEA	10,476	-
Late COD Charge by NEA	1,466,720	-
Line Reconnection Charges-Admin	700,000	-
Rebet Expenses by NEA	1,274,051	-
Short Supply Charge by NEA	1,381,569	-
<b>Sub Total</b>	<b>5,054,123</b>	
<b>Insurance</b>		
<b>Sub Total</b>	<b>333,260</b>	
<b>Repair and Maintenance</b>		
Repair and Maintenance-Vehicle (HO)-Admin	51,085	-
Repair & Maintenance Exp.-Office Equipment (HO)-Admin	14,901	-
Repair & Maintenance Exp.-Vehicle (SO)-Admin	100,920	-
Repair & Maintenance-Office Equipments (SO)-Admin	69,718	-
<b>Sub Total</b>	<b>236,624</b>	
<b>Royalty Expenses</b>		
<b>Sub Total</b>	<b>1,000,817</b>	
<b>Other Expenses</b>		
Wages Expenses (SO)-Admin	263,490	-
Wages Exp. (SO)-Admin	294,923	-
Advertisement Exp. (SO)- Admin	15,000	-
Courier Expenses (SO)-Admin	115	-
Field Visit and Travelling Exp. (SO)-Admin	2,530	-
Groceries So-Admin	50,874	-
Kitchen Utensils (SO)-Admin	7,020	-
Medical Expenses(SO)-Admin	1,200	-
Mess Expenses (SO)-Admin	435,810	-
Printing and Stationery Exp.-(SO)-Admin	49,590	-
Rain Coat (So)-Admin	1,235	-
Site Office Expenses-Admin	50,047	-
Site Visit Expenses-Admin	61,425	-
Tax Expense	7,990	-
Telephone & Internet (SO)-Admin	54,525	-
Tiffin Expenses-(SO)-Admin	202,935	-
Water Expenses (SO)-Admin	5,000	-
<b>Sub Total</b>	<b>1,503,709</b>	
<b>Total</b>	<b>8,128,533</b>	

Note: 19 Finance Cost

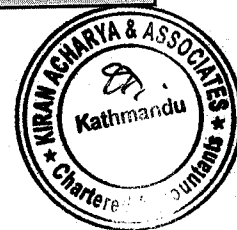
Amount In NPR

Particulars	FY 2081-82	FY 2080-81
Interest Paid to NIMB- Financial Cost	5,483,446	-
Interest Paid to RBB- Financial Cost	11,631,727	-
<b>Total</b>	<b>17,115,173</b>	



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R.B. Patel



Super Hewa Power Company Limited

Kathmandu, Nepal

20. Notes to the Statement of Financial Position and Significant Accounting Policies  
For the year ended 32<sup>nd</sup> Ashad, 2082 (16<sup>th</sup> July, 2025)

**General Information**

Super Hewa Power Company Limited (SHPCL) is incorporated as a Private limited company registered under the provisions of prevailing Nepalese Company Act, 2063 and has converted into Public Limited Company on 30<sup>th</sup> Ashad 2079. Its registered office is located at Kathmandu, Nepal.

Super Hewa Power Company Limited is a company established with the objective of production and distribution of electricity. The electricity generating capacity of the Super Hewa Khola Hydropower Project is fixed at 06 MW. The core business of SHPCL includes generation of Hydro-electricity.

The Statement of Financial Position apply to the financial year ended 32<sup>nd</sup>, Ashad 2082 (16<sup>th</sup> July 2025). In the Statement of Financial Position, Super Hewa Power Company Limited has been referred as 'SHPCL' or 'Company'. Board of Directors acknowledges the responsibility of preparation of Statement of Financial Position and has been passed by Board of Directors.

**1. Basis of Preparation of The Statement of Financial Position**

**1.1 Statement of Compliance**

The Financial Statement of the SHPCL, which comprises Statement of Financial Position, Statement of profit or loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity are the Statement of Financial Position prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Accounting Standards Board Nepal.

**1.2 Basis of Preparation**

The Statement of Financial Position have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the Statement of Financial Position.

The company uses intangible assets model of IFRIC 12 and recognized revenue in accordance with IAS 11. IFRIC-12. The Intangible Asset Model applies if the operator receives a right (a license) to charge users, or the grantor, based on usage of the public service. There is no unconditional right to receive cash as the amounts are contingent on the extent that the public uses the service.

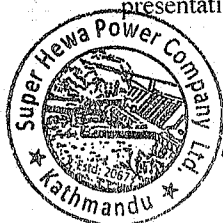
Since SHPCL receives a right (a license) to charge users, or the grantor, based on usage of the public service so intangible asset model is applied wherever necessary.

**1.3 Presentation of Statement of Financial Position**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

**1.4 Functional and Presentation Currency**

The Statement of Financial Position of the company are presented in Nepalese Rupees (NPR), which is the currency of the primary economic environment in which Company operates. There was no change in Company's presentation and functional currency during the reporting period.



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### 1.5 Financial Period

The company prepares its Statement of Financial Position in accordance with Nepalese Financial year. The financial year starts from 1st Shrawan and ends on Ashadh end of next calendar year.

### 2. Accounting estimates and judgements

The preparation of Statement of Financial Position is in conformity with Nepal Financial Reporting Standard which requires the management to make judgments, estimates and assumptions in respect of the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these judgments, estimates and assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the period in which the estimates are revised and in any future periods affected.

### 2.1 Useful Life and Residual Value of Property, Plant and Equipment

Management reviews the useful life of property, plant and equipment at least once a year. Such life is dependent upon an assessment of both the technical life of the assets and also their likely economic life, based on various internal and external factors including relative efficiency and operating costs.

Useful life is:

- (a) the period over which an asset is expected to be available for use by an entity; or
- (b) the number of production or similar units expected to be obtained from the asset by an entity.

### 2.2 Impairment of Property Plant and Equipment:

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above-mentioned factors could impact the carrying value of assets.

Since, hydropower plant is still in the process of construction and all the expenditure which are directly attributable to acquisition, construction or production of the assets are shown as Intangible Assets under Development, hence test of impairment of asset has not been made for those assets.

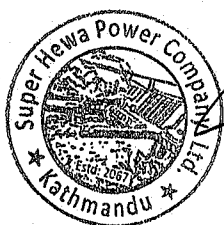
### 2.3 Contingencies

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

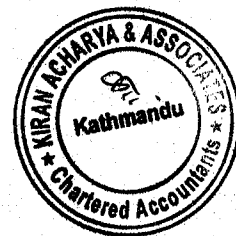
### 2.4 Income Tax

The commercial operation of the company has started from 1<sup>st</sup> Baisakh 2082.

The Financial Statement has been prepared in compliance with IFRIC 12 due to which revenue and cost of sales has been presented due to implications of construction contract. In the given project normal markup is not taken in the calculation of the revenue, Hence Revenue & cost are recognized by the same amount. However, the above implementation has not given effect in income tax calculation as it is notional income/expenses which is unrealized. Only administrative expenses has been considered for tax purpose.



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Deferred Tax Liabilities/(Assets) has been calculated by restating the Written Down Value and such has been adjusted to the other component of equity.

Particulars	Deferred Tax Liabilities /(Assets) as at 01.04.2081	Current Year Liabilities /(Assets)	Deferred Tax Liabilities /(Assets) as at 32.03.2082
<b>Deferred Tax Liabilities</b>			
Difference between book and tax depreciation	21,153	1,611	22,764
<b>Sub-Total (A)</b>	21,153	1,611	22,764
<b>Deferred Tax Assets</b>			
Difference between book and tax depreciation	-	-	-
<b>Sub- Total (B)</b>	-	-	-
<b>Deferred Tax (A-B)</b>	<b>21,153</b>	<b>1,611</b>	<b>22,764</b>

**3. Significant Accounting Policies and treatments:**

The significant accounting policies of company are explained below:

**3.1 Property, plant and equipment (PPE)**

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as on 32<sup>nd</sup> Ashad, 2082 measured in accordance with NFRS.

Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

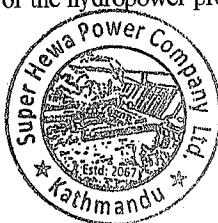
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted, if appropriate.

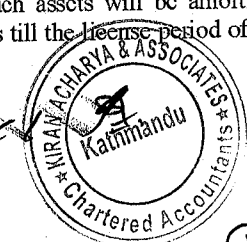
An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

Under NFRS, PPE related to the hydro power plant is considered as Service Concession arrangement (SCA) and charged to Statement of profit or Loss and Other Comprehensive Income as Cost of Sales and such cost of sales has given effect to intangible asset under development on SOFP. Such assets will be amortized when the construction of the hydropower project will be completed on SLM basis till the license period of the respective project.

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### 3.2 Capital Work-in-Progress (CWIP)

CWIP related to hydro power plants has been classified as service concession arrangement (SCA) and charged to statement of Profit or Loss and Other Comprehensive Income under Cost of Sales and respectively cost of intangible asset under development was given effect on SOFP as per IFRIC 12 (Intangible Method) which will be amortized when the construction work is completed on SLM basis till the license period of the respective project.

### 3.3 Intangible asset

NAS 38 Intangible Assets applies to the intangible asset recognized under IFRIC 12. NAS 38 allows intangible assets to be measured using the cost model or the revaluation model if there is an active market for service concession arrangements.

### 3.4 Intangible Assets under Development

Under NFRS, Direct Cost related to the hydro power plant is considered as service concession arrangement (SCA), which has been presented as Intangible asset under development up to the date of completion.

Expenses incurred up to the end of Chaitra end 2081 have been capitalized and shown under **Intangible Asset under Development**, as the project had not yet commenced commercial operations during that period. With effect from **1st Baisakh 2082**, the company commenced commercial operations; accordingly, the intangible asset has been recognized as ready for use and amortization has been charged from that date in accordance with the applicable accounting standards and the estimated useful life of the project mentioned in the Generation License (Upto 2110/12/25).

### 3.5 Project Development Cost

Under NFRS, Project Development Cost related to the hydro power plant considered as service concession arrangement (SCA) which has been charged to Statement of profit or Loss and Other Comprehensive Income under head "Cost of Sales" and respectively cost of intangible asset under development has been increased on SOFP. The cost of intangible asset will be amortized when the construction work is completed on SLM basis till the license period of the project.

### 3.6 Financial Instruments

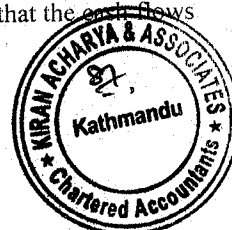
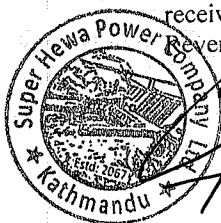
#### a. Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss.

#### b. Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see NAS 18 Revenue), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows



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and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments). Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability (see Appendix A paragraph AG13). An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

**c. Financial Assets**

**Financial assets at amortized cost**

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

**Financial assets measured at fair value**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial asset not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the shorter maturity of these instruments.

**Impairment of financial assets**

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through the statement of profit or loss.

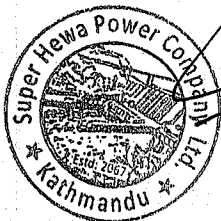
The company recognizes impairment loss on trade receivables using expected credit loss model. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognized. Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on the financial instruments has significantly increased since initial recognition.

**De-recognition of financial assets**

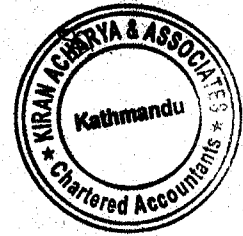
The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under NFRS 9. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and the consideration received is recognized in statement of profit or loss.



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*Super Hewa Power Company Limited*

**d. Financial Liabilities and Equity Instruments**

**Classification as debt or equity**

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

**Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

**Financial Liabilities**

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit or loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Other Current Financial Liabilities**

Other current Liabilities includes Audit fee payable, staff payable, director's payable, and Interest Payable.

**3.7 Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position comprise of cash balance in hand and Cash balance maintained in current bank accounts. Cash & Cash equivalents also includes the petty cash maintained by the company in the name of employee.

**3.8 Other Financials Assets**

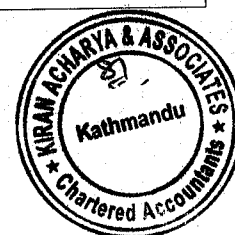
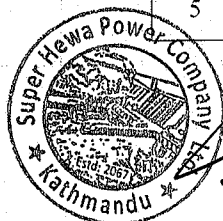
The LC and bank guarantee related margin, deposits and advances has been classified as "other Financials Assets" in SOFP in accordance with NFRS.

**3.9 Depreciation and Amortization**

Depreciation was recognized so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the Straight-Line Method (SLM). After application of IFRIC-12, Depreciation is recognized so as to write off the cost of assets (other than freehold land and assets procured directly for the project), using the Straight-line method taking useful life of assets as mentioned in Appendix I of NAS 16.

Depreciation is provided on the written down value method as the cost price of the fixed assets cannot be obtained due to the lack of data based on the estimated useful lives of the assets determined by the management i.e., as per NAS 16. Depreciation on additions to fixed assets is charged fully in the year of purchase. The useful life of the assets and the corresponding rates at which the assets are depreciated are as follows: -

S No	Particulars	Life (in Year)	%
1	Furniture & Fixtures	4	25%
2	Computer & Accessories	4	25%
3	Office Equipment	4	25%
4	Vehicles	5	20%
5	Computer Software	5	5 Years



*Dr. Arjun Chandra*  
Date: 13 April

Amortization will be recognizing on a straight-line basis over their estimated useful lives once the company will reach in operation phase. As per IFRIC-12 states that useful life of the Intangible assets is license period of the project.

### 3.10 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit or Loss.

### 3.11 Borrowings

Under NFRS Borrowing costs attributable to a concession arrangement are treated as a part of Cost of Sales. Accordingly Cost of the Project for computing Long Term Contract has been increased which gives effect to the value of Intangible assets under development.

### 3.12 Provisions, contingencies and commitments

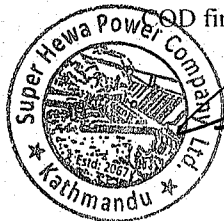
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

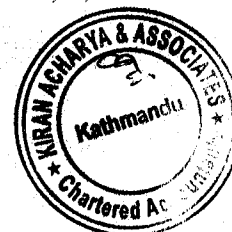
The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

As per Power Purchase Agreement the previous required commercial operation date (RCOD) was 30<sup>th</sup> Ashwin, 2081. The project was not completed on the said date. The management applied for further extension of the RCOD due to flood & the revised RCOD is 29<sup>th</sup> Poush 2081. Hence, the penalty provision has not been created. The actual Commercial Operation Date is 1<sup>st</sup> Baisakh 2082. The company has been fined NRs 14,66,720.34 as Late

OD fine.



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A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Statement of Financial Position.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

**3.13 Other Current Liabilities**

Other current liabilities include the TDS payable.

**3.14 Revenue recognition**

As per IFRIC-12, Revenue is recognized and measured in accordance with NAS 11 (Construction Contract) for construction period and NAS 18 for operation services.

IFRIC-12 states that the operator recognizes revenue in respect of construction activities with the corresponding entry increasing the amount recognized for the intangible asset during construction period. This is because the operator exchanges construction services in return for a license. The grantor makes a non-cash payment for the construction services by giving the operator an intangible asset in exchange for the construction services. As this is an exchange of dissimilar goods and services, in accordance with NAS 18:12, revenue must be recognized on the transaction. The intangible asset generates a second stream of revenue when the operator receives cash from users or from the grantor based on usage. This is in contrast with the financial asset model in which monies received are treated as partial repayment of the financial asset. In the intangible asset model, the intangible asset is reduced by amortization rather than repayment. This results in revenue being recognized twice — once on the provision of construction services (in exchange for the intangible asset) and a second time on the receipt of payments for usage. The intangible asset must be accounted in accordance with IAS 38 Intangible Assets. The intangible asset should be amortized over the period of the concession. The annuity method of amortization is specifically prohibited. [IFRIC12:BC65] The most appropriate method of amortization of the intangible asset is usually the straight-line method, unless another method better reflects the pattern of consumption of the asset's future economic benefits. However, in some circumstances, where the expected pattern of consumption of the expected economic benefits is based on usage, it may be appropriate to use an alternative method of amortization.

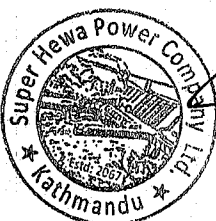
**3.15 Borrowing cost**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

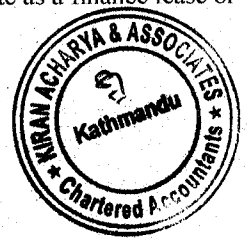
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the intangible asset. All other borrowing costs are expensed in the period in which they occur.

**3.16 Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. A lease is classified at the inception date as a finance lease or an operating lease.



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**The Company as a Lessee**

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- a. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- b. The payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

**3.17 Service concession arrangements**

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

- (a) The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what prices: and
- (b) The grantor controls through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement
- (c) Is the infrastructure constructed or acquired by the operator from a third party for the purpose of the service arrangement or is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement

Infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole life of assets) is within the scope of this IFRIC, if the conditions in (a) above are met.

These arrangements are accounted on the basis of below mentioned models depending on the nature of consideration and relevant contract law.

**Financial Asset Model:**

The Financial asset model is used when the Company, being an operator, has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Unconditional contractual right is established when the grantor contractually guarantees to pay the operator

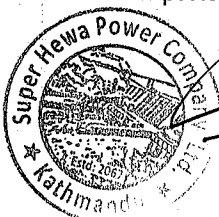
- (a) Specific or determinable amount;
- (b) The shortfall, if any, between amounts received from the users of the public services and specified or determinable amounts.

**Intangible Asset Model:**

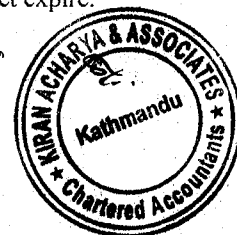
The intangible asset model is used to the extent that the operator, receives a right (a license) to charge users of the public service. A right to charge users of a public services is not an unconditional right to receive cash because the amounts are contingent on to the extent that public uses the services.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

Fair Value of the contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and payments actually received from the users. The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

Any asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.



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**4. Related Party Disclosure****a. Salary & Advances Paid to Directors**

The total outstanding payable balance to staff comprises salary and allowances payable to the company's directors. The details of salary expenses incurred and paid to the directors are provided below:

S. No.	Directors Name	Taxable Salary/ Allowance	Vehicle rent	Vehicle Rent payable till Ashadh end,2082	Salary/ Allowance Payable at the end of Ashadh,2082	Receivable at 32 ashadh,2082
1	Harka Bahadur Tamang	390,000	-	-	331,500	-
2	Jagadish Kumar Agarwal	357,000	-	-	303,450	-
3	Nima Wangdel Lama	729,000	-	-	152,150	-
4	Ram Bahadur Aryal	279,000	-	-	237,150	-
	<b>Total</b>	<b>1,755,000</b>	-	-	<b>1,024,250</b>	-

**a. Loan from Directors**

The Board of Directors (BOD) has provided a non-interest-bearing loan to the company to address the timing gap between the injection of equity and the disbursement of a loan from the bank. This amount will be withdrawn once the equity is injected or the bank loan is disbursed. Accordingly, the amount has been classified as a financial liability (short-term loan). The details of such short term loan as on Ashad 32, 2082 is provided herewith:

Name of Director	Amount(Npr)
Harka Bahadur Tamang	2,91,66,600
Nima Wagdel Lama	18,96,800
Jagadish Kumar Agrawal	2,98,82,300
Ram Bahadur Aryal	43,15,500
<b>Total</b>	<b>6,52,61,200</b>

**5. Changes in Key Management Personnel****a. Resignation of CFO**

The Chief Financial Officer (CFO) has resigned from the company during the year. The resignation has not had a material adverse impact on the company's financial position, performance, or ongoing operations, as the finance function continues to be managed by the existing finance team and under the supervision of senior management. The company is in the process of making appropriate arrangements to ensure continuity in financial management, compliance, and reporting requirements.

