

Bhujung Hydropower Limited

Tokha-10, Kathmandu, Nepal

Audited Financial Statements

FY 2080-81

For S. Bhandari & Associates

Chartered Accountants



INDEPENDENT AUDITOR's REPORT TO THE SHAREHOLDERS OF BHUJUNG HYDROPOWER LIMITED

OPINION

We have audited the accompanying financial statements of **M/s Bhujung Hydropower Limited** which comprises the Statement of Financial Position as at 31st Ashadh 2081 and the related statement of Profit or Loss & Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and Significant Accounting Policy and Notes for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, except otherwise stated, the financial position of the Company as at 31st Ashadh 2081 and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standard (NFRS).

BASIS FOR OPINION

We conducted our audit in accordance with Nepal Standard 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 International Ethics Standard Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 audit matters that, in our professional judgment, were of most significance in our audit of the financial statement of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that need to be reported for the year under audit are as follows

S. No	Details	Amount (Rs)	Remarks
1	Land Purchase advance	3,916,702.00	Land could not be brought in Company's Name due to Land Hadbandi as per Land Act. Currently Company holds Approximately 52 Ropani Land and advance for approximately 38 Ropani land has been given to various persons. As per Management Land within hadbandi shall be passed in Company's name in next fiscal year and arrangement will be made to pass the remaining land to Nepal Government.



2	Electricity Sales income for Ashadh 2081	3,220,833.12	The Income has been booked on the basis of Sales bill issued by the Company. The Income may change after the final memo has been approved by NEA
3	Operating & Maintenance Expense (SOPL)	2,344,353.17	Expense has been booked on the basis of Performa Invoice of Jade Infra P. Ltd. Bill has not been provided by the Vendor till the end of FY 2080-81
4	Project Management, Supervision And Engineering (WIP)	1,509,419.82	Expense has been booked on the basis of Performa Invoice of Jade Infra P. Ltd. Bill has not been provided by the Vendor till the end of FY 2080-81
5	Operating & Maintenance Expense (SOPL)	459,290.00	Invoice for Expenses has been received after the End of FY 2080-81 (from TPES Construction Pvt. Ltd). However, since the expense related to FY 2080-81, it has been booked as expense in the FY 2080-81
6	Additional work in Transmission line (WIP)	9,652,742.50	Expense has been booked on the basis of Performa Invoice of Luna Builders Pvt. Ltd. Bill has not been provided by the Vendor till the end of FY 2080-81.
7	Operating & Maintenance Expense (WIP)	87,242.73	Expense has been booked on the basis of Performa Invoice of Jade Infra P. Ltd. Bill has not been provided by the Vendor till the end of FY 2080-81
8	Operating & Maintenance Expense (SOPL)	1,19,455.42	

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with NASs/NFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatement 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.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have obtained all the information and explanations, which were considered necessary for the purpose for our audit. In our opinion, the accompanying financial statements are prepared in accordance with the provisions of Companies Act 2063 and are in agreement with the books of account maintained by the Company. During the course of our audit, we did not come across any cases where the board of directors or any representative or any employee has acted contrary to law or misappropriated any property of the company or caused any loss or damage to the company. As per our information, any accounting fraud has not been committed in the company.

For S. Bhandari & Associates

Chartered Accountants
Sagar Bhandari
(Proprietor)
Address: Kathmandu, Nepal
Date: 2081.07.05
UDIN: 241119CA00900cDwGv



Bhujung Hydropower Limited

Tokha-10, Kathmandu, Nepal

Statement of Financial Position

As on Ashad 31, 2081 (July 15, 2024)

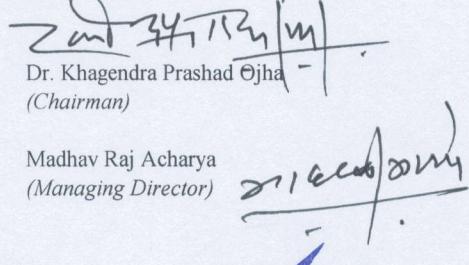
Particulars	Note	Restated			
		As on 31st Ashadh 2081	As on 31st Ashadh 2080	As on 32nd Ashadh 2079	
Equity & Liabilities					
Equity					
Equity Share Capital	1	354,500,000	354,500,000	275,510,000	
Other Equity	2	(27,245,930)	29,904,613	15,214,156	
Total Equity		327,254,070	384,404,613	290,724,156	
Non-Current Liabilities					
Financial Liabilities					
Long Term Loan	3	1,386,681,398	1,012,552,841	574,307,400	
Total Non-Current Liabilities		1,386,681,398	1,012,552,841	574,307,400	
Current Liabilities					
Financial Liabilities					
Short Term loan	4	91,500,000	132,586,769	133,168,796	
Trade & Other Payable	5	17,374,363	64,335,281	53,519,992	
Other Current Liabilities	6	70,059,806	7,437,033	55,261,210	
Total Current Liabilities		178,934,170	204,359,083	241,949,999	
Total Equity & Liabilities		1,892,869,638	1,601,316,537	1,106,981,554	
Assets					
Non Current Assets					
Property, Plant and Equipment	7	6,142,564	6,795,916	8,361,786	
Intangible Assets		-	14,690	29,380	
Intangibles Under Service Concession Agreement	7	1,791,171,919	-	-	
Total Non Current Assets		1,797,314,483	6,810,606	8,391,166	
Work in Progress	8	-	1,525,050,256	775,833,731	
Current Assets					
Financial Assets					
Cash & Cash Equivalents	9	11,887,622	3,873,362	66,563,163	
Trade & Other Receivable	10	5,042,145	-	-	
Loans, Advance & Deposits	11	73,846,031	65,582,313	256,193,495	
Other Current Assets	12	4,779,356	-	-	
Total Current Assets		95,555,155	69,455,674	322,756,658	
Total Assets		1,892,869,638	1,601,316,537	1,106,981,554	

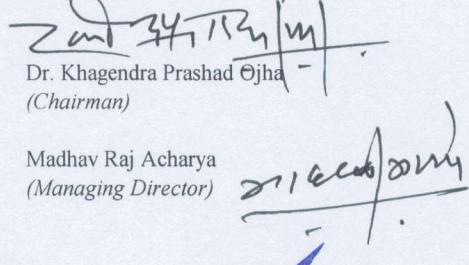
Significant Accounting Policies and Notes to Accounts

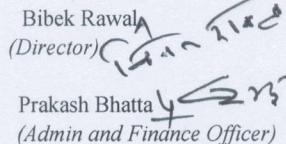
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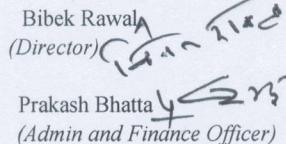
As per our attached report of even date

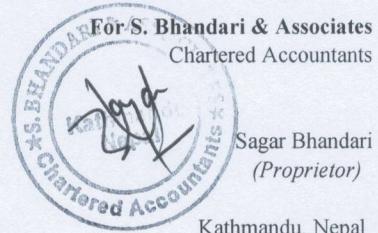
For & On Behalf of Board


Dr. Khagendra Prashad Ojha
(Chairman)


Madhav Raj Acharya
(Managing Director)


Bibek Rawal
(Director)


Prakash Bhatta
(Admin and Finance Officer)



Kathmandu, Nepal
Date: 2081/07/05

Bhujung Hydropower Limited
 Tokha-10, Kathmandu, Nepal
Statement of Profit or Loss
 For the year ended Ashad 31, 2081 (July 15, 2024)

Particulars	Note	For the year ended 31st Ashadh 2081	Restated For the year ended 31st Ashadh 2080
Revenue			
Revenue from Electricity Sales	13	11,413,051	-
Income recognized under IFRIC 12	27	280,799,345	749,213,319
Direct Cost			
Cost recognized under IFRIC 12	14	(275,293,475)	(734,522,862)
Direct Expenses	15	(13,071,987)	-
Gross Profit/(Loss)		3,846,933	14,690,457
Other Income	16	384,085	-
Administrative Expenses	17	(5,223,943)	-
Depreciation & Amortization	18	(15,042,029)	-
Net Profit from Operation		(16,034,953)	14,690,457
Finance Income		-	-
Finance Cost	19	(41,115,589)	-
Net Profit Before Tax (NPBT)		(57,150,543)	14,690,457
Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
Net Profit after Tax (NPAT)		(57,150,543)	14,690,457

Significant Accounting Policies and Notes to Accounts

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As per our attached report of even date

For & On Behalf of Board

Dr. Khagendra Prashad Ojha
 (Chairman)

Madhav Raj Acharya
 (Managing Director)

Bibek Rawal
 (Director)

Prakash Bhatta
 (Admin and Finance Officer)

For S. Bhandari & Associates
 Chartered Accountants

Sagar Bhandari
 (Proprietor)
 Kathmandu, Nepal
 Date: 2081/07/05



Bhujung Hydropower Limited
 Tokha-10, Kathmandu, Nepal
Statement of Other Comprehensive Income

Particulars	For the year ended 31st Ashadh 2081	Restated For the year ended 31st Ashadh 2080
Net profit/(Loss) for the year	(57,150,543)	14,690,457
Other Comprehensive Income not to be classified to Profit or Loss in Subsequent periods		
Revaluation Gain/(Loss) on Property, Plant & Equipment	-	-
Income Tax relating to above	-	-
Other Comprehensive Income to be classified to Profit or Loss in Subsequent periods		
Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	(57,150,543)	14,690,457



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Bhujung Hydropower Limited
 Tokha-10, Kathmandu, Nepal
Statement of Cash Flow
 For the year ended Ashad 31, 2081 (July 15, 2024)

Particulars	For the year ended 31st Ashadh 2081	Restated For the year ended 31st Ashadh 2080
Cash Flow From Operating Activities:		
Profit/(Loss) for the year	(57,150,543)	14,690,457
Adjustment for:		
Depreciation & Amortization	15,042,029	-
Finance Cost	41,115,589	-
Finance Income	-	-
Profit/(Loss) on Disposal of Property, Plant & Equipment	-	-
Cash Flow from Operating activities before changes in W/C	(992,925)	14,690,457
Cash Flow From Operating Activities:		
Decrease/ (Increase) in Current Asset	(18,085,220)	190,611,182
Increase/ (Decrease) in Current Liabilities & Provisions	(25,424,913)	(37,590,916)
Cash Flow From Operating Activities	(44,503,058)	167,710,723
Prior year adjustments	-	
Net Cash Flow From Operating Activities	(44,503,058)	167,710,723
Cash Flow from Investing Activities		
Acquisition of Property, Plant & Equipment	(793,409)	(184,860)
Acquisition of Intangibles under SCA	(1,805,849,601)	-
Disposal of Property, Plant & Equipment	-	
(Increase)/Decrease in WIP	1,526,147,360	(747,451,106)
Net Cash Flow From Investing Activities	(280,495,649)	(747,635,966)
Cash Flow from Financing Activities		
Increase in Share Capital	-	78,990,000
Increase/(Payment) of Bank Loan	374,128,557	438,245,442
Finance Cost	(41,115,589)	-
Finance Income	-	
Net Cash Flow From Financing Activities	333,012,967	517,235,442
Total Cash Flow From All Activities	8,014,260	(62,689,802)
Cash & Cash Equivalent at the beginning of the year	3,873,362	66,563,163
Cash & Cash Equivalent at the end of the year	11,887,622	3,873,362

Significant Accounting Policies and Notes to Accounts

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As per our attached report of even date

For & On Behalf of Board

Dr. Khagendra Prashad Ojha
(Chairman)

Madhav Raj Acharya
(Managing Director)

For S. Bhandari & Associates
Chartered Accountants

Sagar Bhandari
(Proprietor)

Kathmandu, Nepal
Date: 2081/07/05

Bibek Rawal
(Director)

Prakash Bhatta
(Admin and Finance Officer)



Bhujung Hydropower Limited

Tokha-10, Kathmandu, Nepal

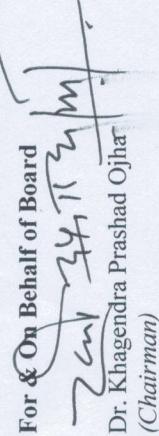
Statement of Changes in Equity

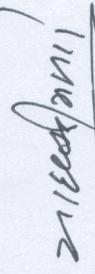
For the year ended Ashad 31, 2081 (July 15, 2024)

Particulars	Equity Share Capital	Share Premium	Revaluation Reserves	Reserves & Retained Earnings	Other Reserves	Total
Balance as on 01.04.2078	275,510,000	-	-	-	-	275,510,000
Profit/(Loss) for the Year	-	-	-	15,214,156	-	15,214,156
Change in Accounting Policy	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	15,214,156	-	15,214,156
Total Comprehensive Income	275,510,000	-	-	15,214,156	-	290,724,156
Dividend to shareholders	-	-	-	-	-	-
Share Issue Cost	-	-	-	-	-	-
Equity Shares Issued	-	-	-	-	-	-
Closing Balance as on 31.03.2079	275,510,000	-	-	15,214,156	-	290,724,156
Profit/(Loss) for the Year	-	-	-	14,690,457	-	14,690,457
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	275,510,000	-	-	29,904,613	-	305,414,613
Dividend to shareholders	-	-	-	-	-	-
Share Issue Cost	-	-	-	-	-	-
Equity Shares Issued	78,990,000	-	-	59,809,226	-	78,990,000
Closing Balance as on 31.03.2080	354,500,000	-	-	(57,150,543)	-	384,404,613
Profit/(Loss) for the Year	-	-	-	(57,150,543)	-	(57,150,543)
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	354,500,000	-	-	2,658,683	-	327,254,070
Dividend to shareholders	-	-	-	-	-	-
Share Issue Cost	-	-	-	-	-	-
Equity Shares Issued	-	-	-	-	-	-
Closing Balance as on 31.03.2081	354,500,000	-	-	2,658,683	-	327,254,070

Significant Accounting Policies and Notes to Accounts

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For & On Behalf of Board

 Dr. Khagendra Prashad Ojha
 (Chairman)

Madhav Raj Acharya

 (Managing Director)

Prakash Bhatta

 (Admin and Finance Officer)

For S. Bhandari & Associates
 Chartered Accountants

 Sagar Bhandari
 (Proprietor)

Date: 2081/07/05



Bhujung Hydropower Limited
 Tokha-10, Kathmandu, Nepal
Notes to and forming part of Statement of Financial Position (SOFP)
 As on Ashad 31, 2081 (July 15, 2024)

Equity Share Capital

Note 1

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080	Restated As on 32nd Ashadh 2079
Authorized Share Capital	500,000,000	500,000,000	500,000,000
Issued Share Capital	500,000,000	500,000,000	430,000,000
Paid up Share Capital	354,500,000	354,500,000	275,510,000
Total	354,500,000	354,500,000	275,510,000

Other Equity

Note 2

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080	Restated As on 32nd Ashadh 2079
Opening Reserve & Retained Earnings	29,904,613	15,214,156	-
Add: Net profit/(loss) during the year	(57,150,543)	14,690,457	-
Add: Income Recognized Under IFRIC 12	-	-	15,214,156
Total	(27,245,930)	29,904,613	15,214,156

Long Term Loan

Note 3

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080	Restated As on 32nd Ashadh 2079
Term Loan	1,386,681,398	1,012,552,841	574,307,400
Total	1,386,681,398	1,012,552,841	574,307,400

Short Term Loan

Note 4

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080	Restated As on 32nd Ashadh 2079
Bridge Gap Loan	-	106,286,769	133,168,796
Loan from Directors	91,500,000	26,300,000	-
Total	91,500,000	132,586,769	133,168,796

Trade & Other Payable

Note 5

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080	Restated As on 32nd Ashadh 2079
Sundry Creditors (Annex-2)	724,750	13,359,878	25,559
Consultants Payable (Annex-3)	184,500	183,975	183,975
Short Term Other Payable (Annex-4)	-	801,863	826,863
Retention Money Payable (Annex-5)	16,465,113	49,989,565	52,483,596
Total	17,374,363	64,335,281	53,519,992



Bhujung Hydropower Limited
 Tokha-10, Kathmandu, Nepal
 Notes to and forming part of Statement of Financial Position (SOFP)

Other Current Liabilities

Note 6

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080	Restated As on 32nd Ashadh 2079
Audit Fee Payable	167,250	144,950	98,673
Board Meeting Allowance Payable	266,050	139,400	-
Audit Expense Payable	-	-	12,827
Provision for Expenses	13,984,373	-	-
Duties and Taxes Payable (Annex-6)	3,841,836	6,774,727	3,005,261
Share Application Money (Annex-7)	48,200,000	-	51,740,000
Short Term Employee Benefit Payable (Annex-8)	3,600,298	377,956	404,449
Total	70,059,806	7,437,033	55,261,210

Work in Progress

Note 8

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080	Restated As on 32nd Ashadh 2079
Preliminary Expenses	61,252,981	61,252,981	61,252,981
Civil Construction Cost	482,897,079	467,950,027	160,090,689
Project Management, Supervision And Engineering	146,089,183	27,050,293	22,371,311
Project Management, Supervision And Administrative Expenses	-	83,372,489	54,482,387
Infrastructure Development/Access Road	107,918,460	117,788,557	100,886,563
Environmental Mitigation And Social Contribution	26,943,991	19,177,231	9,674,152
Interest During Construction	297,971,675	172,713,820	50,926,363
Hydro Mechanical Works	222,497,140	215,842,055	85,394,088
Electro Mechanical Works	241,218,388	231,522,492	161,453,396
Transmission Line & Interconnection Works	121,377,637	61,383,880	29,484,839
Land Purchase & Development Cost	34,996,714	11,276,263	8,336,183
Miscellaneous Expenses	13,518,372	12,904,668	4,340,028
Site Office & Camp Facilities	13,842,500	12,995,890	12,014,803
Profit Booked under IFRC 12	35,410,482	29,904,613	15,214,156
Depreciation adjustment	(85,002)	(85,002)	(88,208)
Total	1,805,849,601	1,525,050,256	775,833,731
Less: Transferred to Intangibles under Service concession Agreement	1,805,849,601	-	-
Total	-	1,525,050,256	775,833,731

Cash and Cash Equivalent

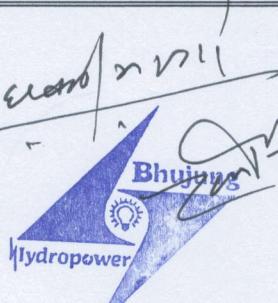
Note 9

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080	Restated As on 32nd Ashadh 2079
Cash in Hand	376,919	870,467	48,329
Balance with Banks (Local Currency)			
in Current Accounts	11,510,703	3,002,894	66,514,835
in Call Accounts	-	-	-
Other Accounts	-	-	-
Total	11,887,622	3,873,362	66,563,163

Trade & Other Receivable

Note 10

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080	Restated As on 32nd Ashadh 2079
Nepal Electricity Authority (NEA)	5,042,145	-	-
Total	5,042,145	-	-



*Mr. [Signature] [Signature]
 Mr. [Signature] [Signature]
 Mr. [Signature] [Signature]
 Mr. [Signature] [Signature]
 Mr. [Signature] [Signature]*



Bhujung Hydropower Limited
 Tokha-10, Kathmandu, Nepal
 Notes to and forming part of Statement of Financial Position (SOFP)

Loans, Advance & Deposits

Note 11

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080	Restated As on 32nd Ashadh 2079
Project Advance/Mobilization Advance			
Contractor's & Consultants Advance (Annex-9)	68,336,170	29,932,206	214,208,189
Site Office Advance (Annex-10)	1,368,659	4,207,747	2,549,247.08
Land Purchase Advance	3,916,702	19,162,000	19,162,000.00
Staff Advance (Annex-11)	-	117,095	88,593.00
Other Advance	208,000	248,000	8,000
Deposits			
Bank Guarantee Margin	15,000	240,000	3,015,000
Cash Margin	-	4,415,939	9,519,139
LC Margin	-	6,984,326	6,984,326
Custom Deposit (NRB Cheque)	-	273,500	657,500
Other Deposit	1,500	1,500	1,500
Total	73,846,031	65,582,313	256,193,495

Other Current Assets

Note 12

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080	Restated As on 32nd Ashadh 2079
Prepaid Expense			
Prepaid Insurance	4,534,359	-	-
Prepaid NEA Operation and Space Charge	244,997	-	-
Total	4,779,356	-	-



Bhujung Hydropower Limited
 Tokha-10, Kathmandu, Nepal
Note forming Part of Statement of Profit and Loss (SOPL)
 For the year ended Ashad 31, 2081 (July 15, 2024)

Revenue from Electricity Sales

Note 13

Particulars	For the year ended 31st		Restated For the year ended 31st Ashadh 2080
	Ashadh 2081	31st Ashadh 2080	
Income from Electricity Sales	12,424,714		-
Less: Short Supply charges	(1,011,664)		
Total	11,413,051		-

Cost of Sales

Note 14

Particulars	For the year ended 31st		Restated For the year ended 31st Ashadh 2080
	Ashadh 2081	31st Ashadh 2080	
Cost Recognized Under IFRIC 12	275,293,475		734,522,862
Total	275,293,475		734,522,862

Direct Expenses

Note 15

Particulars	For the year ended 31st		Restated For the year ended 31st Ashadh 2080
	Ashadh 2081	31st Ashadh 2080	
Site Office Expenses (Annex-1)	5,765,132		-
Late COD Penalty	5,401,965		-
NEA Electricity Charge	285,120		-
NEA Operation and Space Charges	79,003		-
Insurance Expenses	547,975		-
<u>Royalty Expense</u>			
Revenue Royalty 2%	242,792		-
Fix Royalty Expenses	750,000		-
Total	13,071,987		-

Other Income

Note 16

Particulars	For the year ended 31st		Restated For the year ended 31st Ashadh 2080
	Ashadh 2081	31st Ashadh 2080	
Generator Hire Income	376,544		
Miscellaneous Income	7,541		-
Total	384,085		-



Bhujung Hydropower Limited
 Tokha-10, Kathmandu, Nepal
Note forming Part of Statement of Profit and Loss (SOPL)
 For the year ended Ashad 31, 2081 (July 15, 2024)

Administrative Cost

Note 17

Particulars	For the year ended 31st Ashadh 2081	Restated For the year ended 31st Ashadh 2080
Audit Fee	113,000	-
Audit Expense	56,500	-
Rating Fee Expenses	272,361	-
Financial Projection Fee	45,200	-
Printing and Stationery Expenses	57,853	-
Office Rent Expenses	300,000	-
Staff Salary and Allowance- Head Office	1,714,297	-
Telephone & Communication Expenses	18,900	-
Insurance Expenses	945	-
Advertisement Expenses	11,526	-
Meeting Allowance Expenses	72,942	-
Board Meeting Allowance Expenses	54,000	-
Consultancy Fee Expenses	186,450	-
Courier & Cargo Expenses	4,435	-
Fuel Expense	68,003	-
Internet Expenses	15,255	-
Kitchen & Sanitary Expenses	52,405	-
Medical Compensation Expenses	260,100	-
Office Expenses	9,977	-
Parking Exps	160	-
Registration & Renewal Expenses	44,550	-
Repair & Maintenance Expense	598,248	-
Staff Tiffin Expenses	37,451	-
Ticketing Expenses	244,038	-
Travelling and Daily Allowance Exps	644,968	-
Vehicle Repair & Maintenances Expenses	112,422	-
Vehicle Rental Expenses	54,240	-
Wages Expenses	168,588	-
Drinking Water Expenses	5,130	-
Total	5,223,943	-

Depreciation and Amortization

Note 18

Particulars	For the year ended 31st Ashadh 2081	Restated For the year ended 31st Ashadh 2080
Depreciation on Property, Plant and Equipment	360,805.19	-
Amortization of Intangible Assets	3,542	-
Amortization of Intangible under Service Concession Agreement	14,677,682	-
Total	15,042,029	-

Finance Cost

Note 19

Particulars	For the year ended 31st Ashadh 2081	Restated For the year ended 31st Ashadh 2080
Interest Expenses on Loan	39,901,381	-
Bank Charges and Commission	131,241	-
Loan Processing Fee	1,082,968	-
Total	41,115,589	-



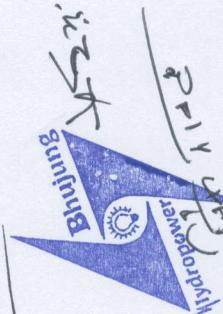
Bhujung Hydropower Limited
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FY 2080/081

Note-7

Particulars	Property, Plant & Equipment			Intangibles	
	Office Equipments & Furniture	Vehicle	Machinery and Other Assets	Software	Total
Cost					
Opening Balance as on 01.04.2078	2,905,652	7,017,300	-	73,450	9,996,402
Additions					
Restated Balance as on 01.04.2078	2,905,652	7,017,300	-	73,450	9,996,402
Addition during 2078-79	643,032	3,074,900	525,000		4,242,932
Disposal					
Closing Balance as on 31.03.2079	3,548,684	10,025,000	525,000	73,450	14,172,134
Addition during 2079-80	173,860	11,000			184,860
Disposal					
Closing Balance as on 31.03.2080	3,722,544	10,036,000	525,000	73,450	14,356,994
Addition during 2080-81	172,581	620,828			793,409
Disposal					
Closing Balance as on 31.03.2081	3,895,124	10,036,000	1,145,828	73,450	15,150,403
Accumulated Depreciation					
<i>Rate of Depreciation</i>	25%	20%	15%	20%	
<i>Method</i>	WDV	WDV	SLM		
<i>Estimated Useful Life</i>	5-8 years	10-15 years	10-15 years	5 years	
Opening Balance as on 01.04.2078	1,259,187	2,526,228	-	29,380	3,814,795
Disposals/Reclassification reversal					
Restated Balance as on 01.04.2078	1,259,187	2,526,228	-	29,380	3,814,795
Depreciation during the year 2078-79	513,043	1,438,225	216	14,690	1,966,174
Disposal					
Closing Balance as on 31.03.2079	1,772,230	3,964,453	216	44,070	5,780,968
Depreciation during the year 2079-80	458,449.56	1,213,562	78,718	14,690	1,765,419
Disposal					
Closing Balance as on 31.03.2080	2,230,679	5,178,015	78,933	58,760	7,546,388
Depreciation during the year 2080-81	397,614.24	971,597.02	77,549.67	14,690.00	1,461,451
Disposal					
Closing Balance as on 31.03.2081	2,628,294	6,149,612	156,483	73,450	9,007,839
Net Book Value					
Net Book Value as on 01.04.2078	1,646,466	4,491,072	-	44,070	6,181,608
Net Book Value as on 31.03.2079	1,776,454	6,060,547	524,784	29,380	8,391,166
Net Book Value as on 31.03.2080	1,491,865	4,857,985	446,067	14,690	6,810,606
Net Book Value as on 31.03.2081	1,266,831	3,886,388	989,345	-	6,142,564

Particulars	Intangibles under Service Concession agreement				
	Civil Construction Cost	Hydro Mechanical	Electro Mechanical	Transmission Line & Interconnection	Land Purchase & Development
Cost					Total
Addition during 2080-81	790,616,326	364,280,256.26	394,931,350.79	198,723,798.26	57,297,869.01
Disposal					
Closing Balance as on 31.03.2081	790,616,326	364,280,256	394,931,351	198,723,798	57,297,869
Amortization					
<i>Rate of Depreciation</i>	3.33%	3.33%	3.33%	3.33%	3.33%
<i>Method</i>	SLM	SLM	SLM	SLM	SLM
<i>Estimated Useful Life</i>	30 years	30 years	30 years	30 years	30 years
Annual Amortization	26,353,877.55	12,142,675.21	13,164,378.36	1,624,126.61	1,909,928.97
Amortization during the year 2080-81	6,426,013.98	2,960,816.69	3,209,944.31	1,615,197.99	465,708.71
Disposal					
Closing Balance as on 31.03.2081	6,426,013.98	2,960,816.69	3,209,944.31	1,615,197.99	465,708.71
Net Book Value					
Net Book Value as on 31.03.2081	784,190,312	361,319,440	391,721,406	197,108,600	56,832,160
Net Book Value as on 31.03.2081					1,791,171,919



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Note- 20: Significant Accounting Policies and Notes to Accounts Forming part of Financial Statements

Fiscal Year 2080/81 (2023/24AD)

1. Reporting Entity: General Information:

Bhujung Hydropower Limited is a Limited Liability Company having being converted from Private Limited to Public Limited on the 13.02.2022 pursuant to sub-section (1) of section 13 of the Companies Act, 2063 of Nepal vide Regn. No. 284055/078/079. It has obtained PAN from IRD New Baneshwor on date 2072.02.27 (PAN 603497991). The company has obtained Generation license from Department of Electricity Development (DOED) on date 2076.05.26 for the period from 2076.05.26 to 2111.05.25 (35 years). The company is currently engaged in the construction of Hydropower Project at Midim Khola and Akhora Khola named Upper Midim Hydropower Project of capacity 7.5 MW.

2. Basis of Preparation

2.1 Statement of Compliance

The financial statements are prepared in accordance with Nepal Financial Reporting Standards (NFRS) as issued by Accounting Standards Board, Nepal except otherwise stated. The financial statements include Statement of Financial Position, Statement of Profit or Loss & other comprehensive Income, Statement of Cash flows, Statement of Changes in Equity and Notes to Accounts.

2.2 Basis of Preparation

The financial statements have been prepared on an accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.3 Basis of measurement

These financial statements are prepared under historical cost convention except for certain material items that have been measured at fair value as required by the relevant NFRS and explained in the ensuing policies below.

2.4 Responsibility of Financial Statements:

The Board of Directors of the Company is responsible for preparation and presentation of the Company's financial statements and for the estimates and judgments used in them.

2.5 Functional and Presentation Currency:

The financial statements are prepared in Nepalese Rupees (NRs.) which is the functional currency. All financial information presented in Nepalese Rupees has been rounded to the nearest rupee except otherwise indicated.

2.6 Fiscal Year

The financial statements relate to the fiscal year 2080/81 i.e. 1st Shrawan 2080 to 31st Ashadh 2081 corresponding to Gregorian calendar 17th July 2023 to 15th July 2024. The previous year was 1st Shrawan 2079 to 31st Ashadh 2080 (17th July 2023 to 16th July 2024).

2.7 Use of Estimates, Assumptions or Judgments:

The preparation of the financial statements in conformity with NFRS requires management to make judgment, estimates and assumption that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates. Estimated and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Information about significant areas of estimates,



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uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are:• Provisions and contingencies• Determination of useful life of the property, plants and equipment• Determination of capitalization value and useful life of the intangible assets etc.

2.8 Controlling Body

The details of Shareholders holding more than 1% of share capital and percentage of holding is given below:

Name	No. of Shares	Percent
Khagendra Prasad Ojha	75,000,000.00	21.16%
Anu Khanal	69,025,000.00	19.47%
Madhav Raj Acharya	40,635,000.00	11.46%
Aarju Shrestha	13,500,000.00	3.81%
Saurabh Shrestha	11,500,000.00	3.24%
Anshul Acharya	11,205,000.00	3.16%
Gopal Prasad Banjara	11,000,000.00	3.10%
Mridul Acharya	10,915,000.00	3.08%
Meena Karki Sapkota	10,000,000.00	2.82%
Ram Raja Thapa	10,000,000.00	2.82%
Tilak Bahadur Rawal	9,600,000.00	2.71%
Binay Rawal	9,300,000.00	2.62%
Bibek Rawal	9,100,000.00	2.57%
Bhumika Subba Limbu	5,000,000.00	1.41%
Bigyan Gurung	5,000,000.00	1.41%
Khem Raj Joshi	5,000,000.00	1.41%
Prakash Gubhaju	5,000,000.00	1.41%
Rabi Raj Paykurel	5,000,000.00	1.41%

3. Significant Accounting Policies

3.1 Basis of Measurement

The financial statements are prepared on a historical cost basis.

3.2 Revenue Recognition

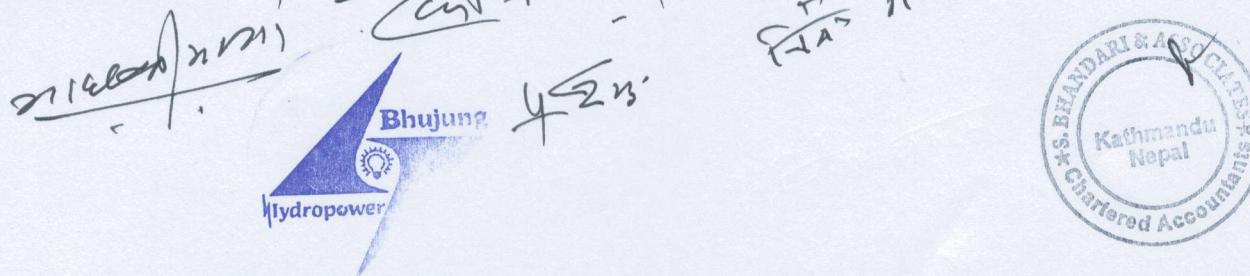
I) Sale of Electricity

Revenue is recognized to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates, charges and other similar allowances.

II) Finance Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.3 Income tax



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Income tax on the profit or loss for the year comprises current taxes and deferred taxes. Income tax is recognized in the profit or loss statement except to the extent that it relates to items recognized directly to equity.

Current Tax

Current tax is the expected tax payable on the taxable income for the year using tax rates at the balance sheet date and any adjustment to tax payable in respect of previous years. Income tax rates applicable to company.

Deferred Tax

- I. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date.
- II. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
- III. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3.4 Cash and Cash Equivalents

Cash and cash equivalents include Cash in hand, unrestricted balances held with Banks and Financial Institutions that are subject to an insignificant risk of changes in their fair value.

3.5 Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/ (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

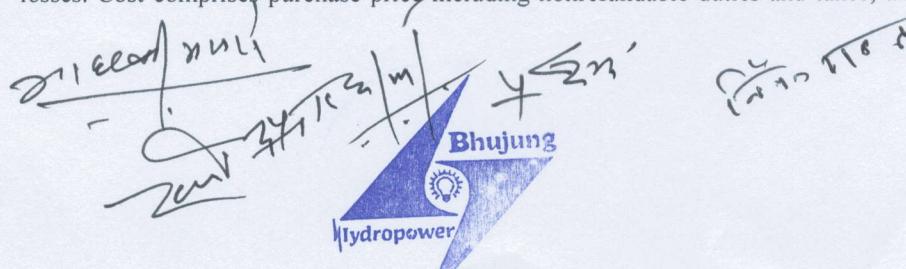
3.6 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, use in the supply of services or for administrative purpose.

3.7 Property, Plant and Equipment

i. Recognition and Measurement

Property, Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost comprises purchase price including nonrefundable duties and taxes; and any directly attributable cost



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incurred in bringing the asset to their present location and condition necessary for it to be capable of operating in the manner intended by the management but excluding trade discounts and rebates. Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow in to the Company. Ongoing repair and maintenance are expensed in the Statement of Profit or Loss as incurred.

If significant part of an item of property or equipment has different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and carrying amount of the items) is recognized within other income in Statement of Profit or Loss.

ii. Depreciation

Property, Plant & Equipment and Intangible assets other than Service concession agreement are depreciated using Written down value method over its estimated Useful life from the date they are available for use. Service concession agreement is amortized over the life of agreement on Straight Line basis. The estimated useful lives of the significant items of Property & Equipment and Intangibles are as follows

Office Equipment	5-8 years	25%
Furniture & Fixtures	5-8 years	25%
Vehicles	10-15 years	20%
Intangibles Software	5 years	20%
Intangibles-Service Concession agreement	30 years	SLM
Other Assets	10-15 years	15%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.8 Intangible Assets

The intangible assets that are acquired by the Company and have definite useful lives are measured at cost less accumulated amortization and any impairment losses. Intangible assets include Service Concession agreement and Software assets.

Gain Loss on De recognition of Intangible Assets are measured at the difference between Net disposal proceeds and carrying amount of the asset as on the date of de recognition and the difference is recognized in Statement of Profit or Loss.

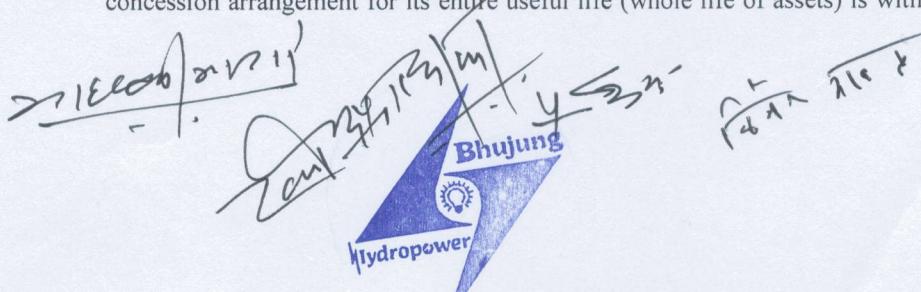
Costs incurred in the ongoing maintenance of software are expensed immediately as incurred. Subsequent cost on software is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Software, useful life of which have been defined by terms of contract or conditions for use are amortized on straight-line basis over the useful life of asset.

Software, useful life of which have not been clearly defined by terms of contract or condition of use as well have a definite useful lives due to technological obsolescence are amortized on straight-line basis over estimated useful life of ten years and five years for business application software and other software respectively.

Service concession arrangements

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

- 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
- 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
- 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



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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 Group, being an operator, receives a right (a license) to charge users of the public service. A right to charge users of 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 hydro power 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

- (i) Fair Value of the contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and
- (ii) 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 de-recognized 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.

3.9 Impairment of Non-Financial Asset

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine where there is an indication of impairment. If such indication exists, then the asset's recoverable amount is estimated. Impairment losses are recognized in Statement of Profit or Loss. Impairment loss is reversed only to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized.

3.10 Contingencies

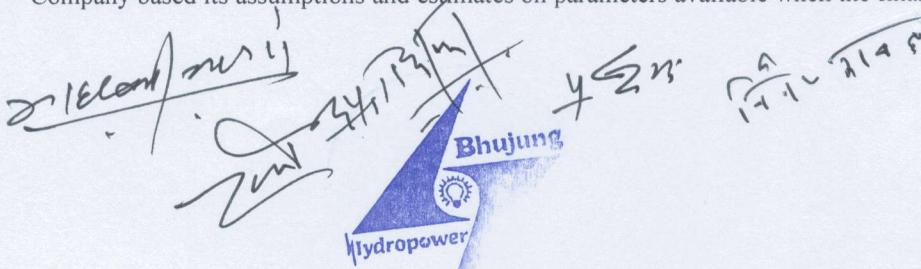
In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed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

3.11 Defined Benefit Plans

The cost of defined benefit plan and other postemployment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

3.12 Recognition of deferred tax assets

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.



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Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company.

3.13 Financial Instruments- Recognition and Measurement

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.

Effective Interest Rate Method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income/ expense arising on financial instruments after applying an effective interest rate is recognized in Statement of Profit and Loss and is included in the “Other finance income” or “Other finance cost” line item.

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.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

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 or 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

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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 differences between the carrying amounts measured at the date of de-recognition and the consideration received is recognized in statement of profit or loss.

Financial Liabilities & Equity

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. Equity instruments are recorded at the proceeds received, net of direct issue costs.

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 and 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.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

De-recognition of financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Off Setting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.14 Borrowings 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 asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

3.15 Provisions

A provision is recognized if as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at the pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.



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3.16 Employee Benefits

The Company does not have any schemes of Post-employment/Long term benefit plans for its employees. The company has not provided for Gratuity as per Labor Act 2074 and has not been registered with Social Security Fund as per Social Security Act 2074.

Short Term Employee Benefits

- i. A liability is recognized for benefits accruing to employees in respect of wages and salaries, in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
- ii. Liabilities recognized in respect of short-term employee and contractual employees, benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.17 Leases

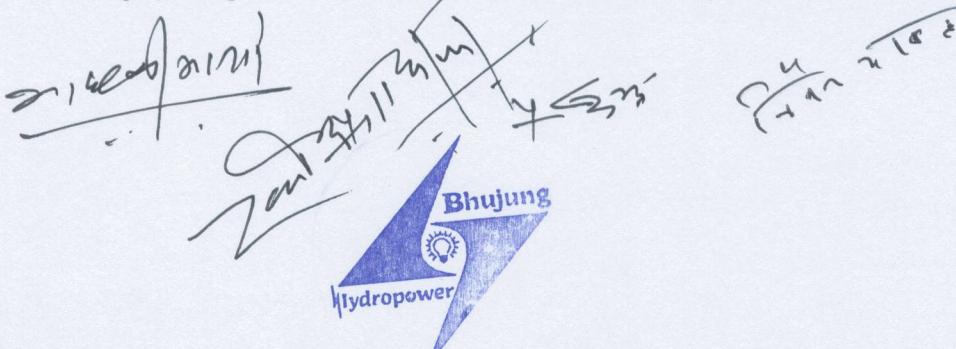
Payments made under operating leases are recognized in Statement of Profit or Loss as "Office rent expense". The lease rental is recognized as per the expense incurred by the Company in the financial year. The lease expense is not recognized on straight line method considering the inflation in future.

3.18 Staff Bonus

Provision for Employee bonus is provided as per the provisions of the Electricity Act and Rules 2049 (at the rate of 2% of Net profit before transfer to CSR Fund). Provision is created as per annual profit and paid in the subsequent period as per the provisions of Bonus Act 2030. Unspent amounts are transferred to Welfare Funds as per the provisions of Bonus Act 2030.

3.19 Presentation

The presentation of certain line items of previous year financial statements have been changed (regrouped or rearranged) to align the financial statement and facilitate better presentation and comparison.



Bhujung Hydropower Limited

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Note- 21: Explanatory Notes Forming part of Financial Statements

First Time Adoption of NFRS

The financial statements have been prepared in accordance with applicable Nepal Financial Reporting Standards (NFRS) as issued by the Institute of Chartered Accountants of Nepal (ICAN) with effect from 1 Shrawan, 2080, with a transition date of 1 Shrawan, 2079. These financial statements for the year ended 31 Ashadh, 2081 are the first the Company has prepared under NFRS. For all periods up to and including the year ended 31 Ashadh, 2080, the Company prepared its financial statements in accordance with earlier issued Nepal Accounting Standards (hereinafter referred to as 'Previous GAAP'). The adoption of NFRS has been carried out in accordance with NFRS 1, First-time Adoption of NFRS. NFRS 1 requires that all NFRS and interpretations that are issued and effective for the first NFRS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with NFRS for year ended 31 Ashadh, 2081, together with the comparative information as at and for the year ended 31 Ashadh, 2080 and the opening NFRS Statement of Financial Position as at 1 Shrawan, 2079/31 Ashadh 2079, the date of transition to NFRS. In preparing these NFRS financial statements, the Company has availed certain exemptions and exceptions in accordance with NFRS 1, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under NFRS and Previous GAAP have been recognized directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its Previous GAAP financial statements, including the Statement of Financial Position as at 1 Shrawan, 2079/31 Ashadh 2079 and the financial statements as at and for the year ended 31 Ashadh, 2080.

Exemptions from Retrospective Application

NFRS 1 allows first-time adopters certain exemptions from retrospective application of certain requirements under NFRS. The Company has elected to apply the following optional exemptions from retrospective application:

- Deemed cost for property, plant and equipment and intangible assets: The Company has elected to measure all its property, plant and equipment, intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to NFRS.

Reconciliations arising from Transition to NFRS

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to NFRS in accordance with NFRS 1:

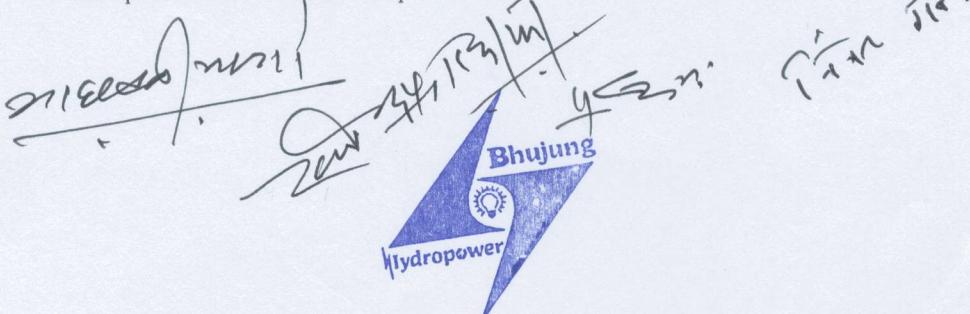
I. Reconciliation of Equity as at 31 Ashadh, 2079.

II. Reconciliation of Equity as at 31 Ashadh, 2080.

III. Reconciliation of Statement of Profit or Loss and other Comprehensive income for the year ended 31 Ashadh, 2080.

Previous GAAP information has been reclassified/ regrouped in accordance with NFRS, wherever necessary, based on the audited financial statements of the Company for the year ended 32 Ashadh, 2079 and 31 Ashadh, 2080.

The required Reconciliations are provided below:



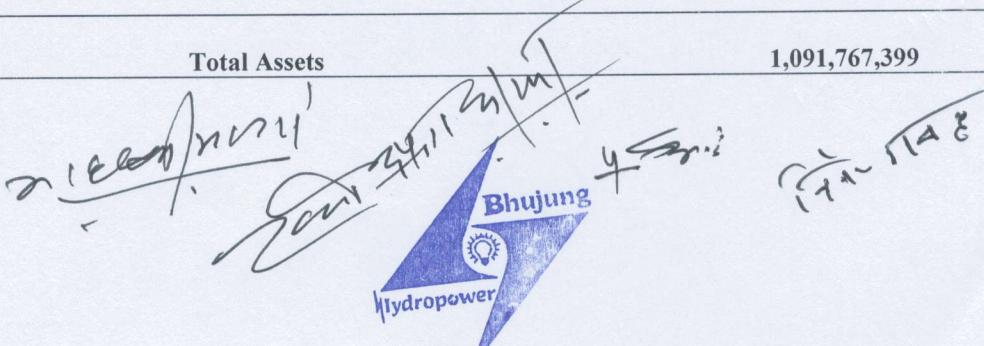
Bhujung Hydropower Limited

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1. RECONCILIATION OF EQUITY

As at 32nd Ashadh 2079 (Transition Period)

Particulars	Note	Previously Reported Balance	Reconciliation	Restated Balance (NFRS)
Equity & Liabilities				
<u>Equity</u>				
Equity Share Capital		275,510,000	-	275,510,000
Other Equity	A	-	15,214,156	15,214,156
<u>Non-Current Liabilities</u>				
Financial Liabilities				
<i>Long Term Loan</i>		574,307,400	-	574,307,400
<u>Current Liabilities</u>				
Financial Liabilities				
<i>Short Term Loan</i>		133,168,796	-	133,168,796
<i>Trade & Other Payable</i>	B	25,559	53,494,434	53,519,992
<i>Other Current Liabilities</i>	C	-	55,261,210	55,261,210
Other Current Liabilities	D	108,755,644	(108,755,644)	-
Total Equity & Liabilities		1,091,767,399	15,214,156	1,106,981,554
Assets				
<u>Non-Current Assets</u>				
Property, Plant and Equipment	E	8,273,577	88,208	8,361,786
Intangible Assets		29,380		29,380
Work in Progress	F	760,707,783	15,125,948	775,833,731
<u>Current Assets</u>				
Financial Assets				
<i>Cash & Cash Equivalents</i>		66,563,163	-	66,563,163
<i>Loans, Advance & Deposits</i>	G	234,384,155	21,809,340	256,193,495
Other Current Assets	H	21,809,340	(21,809,340)	-
Total Assets		1,091,767,399	15,214,156	1,106,981,554



Bhujung Hydropower Limited

2. RECONCILIATION OF EQUITY

As at 31st Ashadh 2080 (Opening Period)

Particulars	Note	Previously Reported Balance	Reconciliation	Restated Balance (NFRS)
Equity & Liabilities				
Equity				
Equity Share Capital		354,500,000	-	354,500,000
Other Equity	I	15,214,156	14,690,457	29,904,613
Non-Current Liabilities				
Financial Liabilities				
<i>Long Term Loan</i>		1,012,552,841	-	1,012,552,841
Current Liabilities				
Financial Liabilities				
<i>Short Term Loan</i>		132,586,769	-	132,586,769
<i>Trade & Other Payable</i>	J	13,316,676	51,018,604	64,335,281
<i>Other Current Liabilities</i>	K	-	7,437,033	7,437,033
Other Current Liabilities	L	58,412,436	(58,412,436)	-
Total Equity & Liabilities		1,586,582,878	14,733,659	1,601,316,537
Assets				
Non-Current Assets				
Property, Plant and Equipment	M	6,710,914	85,002	6,795,916
Intangible Assets		14,690	-	14,690
Work in Progress	N	1,510,444,801	14,605,455	1,525,050,256
Current Assets				
Financial Assets				
<i>Cash & Cash Equivalents</i>		3,873,362	-	3,873,362
<i>Loans, Advance & Deposits</i>	O	41,802,770	23,779,543	65,582,313
Other Current Assets	P	23,736,342	(23,736,342)	-
Total Assets		1,586,582,878	14,733,659	1,601,316,537



Bhujung Hydropower Limited
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3. RECONCILIATION OF STATEMENT OF PROFIT OR LOSS

For the year ended Ashad 31, 2080 (July 16, 2023)

Particulars	Note	Previously Reported Balance	Reconciliation	Restated Balance (NFRS)
Revenue	Q	-	749,213,319	749,213,319
Less: Cost of Sales	R	-	(734,522,862)	(734,522,862)
Gross Profit/(Loss)		-	14,690,457	14,690,457
Add: Other Income		-	-	-
Less: Administrative Expenses		-	-	-
Less: Depreciation & Amortization		-	-	-
Net Profit from Operation		-	14,690,457	14,690,457
Add: Finance Income		-	-	-
Less: Finance Cost		-	-	-
Net Profit Before Tax (NPBT)		-	14,690,457	14,690,457
Tax Expense				
Current Tax		-	-	-
Deferred Tax		-	-	-
Net Profit after Tax (NPAT)		-	14,690,457	14,690,457

Notes to Reconciliation

S. No.	Remarks	Details
Reconciliation Transition		
A	Other Equity	Net Gain from Contract as per IFRIC 12 till FY 2078-79 is Rs. 15,214,155.66. Hence total increase in Other Equity of Rs. 15,214,155.66.
B	Trade & Other Payable	Consultancy Charges Payable Rs.183,975 previously classified under Other Current Liabilities separately has been classified as Consultants Payable under Trade & Other Payable. Short Term Other Payable Rs.826,863 previously classified under Other Current Liabilities separately has been classified under Trade & Other Payable. Retention Money Payable Rs.52,483,595.54 previously classified under Other Current Liabilities separately has been classified under Trade & Other Payable. Hence total increase in Trade & Other Payable of Rs.53,494,433.54.



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C	Other Current Liabilities (Financial Liabilities)	<p>Audit Fee Payable Rs.98,672.57 previously classified under Other Current Liabilities separately has been classified under Other Current Liabilities as Financial Liabilities.</p> <p>Audit Expense Payable Rs.12,827.43 previously classified under Other Current Liabilities separately has been classified under Other Current Liabilities as Financial Liabilities.</p> <p>TDS Payable Rs.3,005,261.30 previously classified under Other Current Liabilities separately has been classified as Duties and Taxes Payable under Other Current Liabilities as Financial Liabilities.</p> <p>Share Calls in Advance Rs.51,740,000 previously classified under Other Current Liabilities separately has been classified as Share Application Money under Other Current Liabilities as Financial Liabilities.</p> <p>Staff Salary Payable Rs.404,449.12 previously classified under Other Current Liabilities separately has been classified as Short-Term Employee Benefit Payable under Other Current Liabilities as Financial Liabilities.</p> <p>Hence total increase in Other Current Liabilities as Financial Liabilities is Rs.55,261,210.42.</p>
D	Other Current Liabilities	<p>Consultancy Charges Payable Rs.183,975 previously classified under Other Current Liabilities separately has been classified as Consultants Payable under Trade & Other Payable.</p> <p>Short Term Other Payable Rs.826,863 previously classified under Other Current Liabilities separately has been classified under Trade & Other Payable.</p> <p>Retention Money Payable Rs.52,483,595.54 previously classified under Other Current Liabilities separately has been classified under Trade & Other Payable.</p> <p>Audit Fee Payable Rs.98,672.57 previously classified under Other Current Liabilities separately has been classified as Other Current Liabilities under Financial Liabilities.</p> <p>Audit Expense Payable Rs.12,827.43 previously classified under Other Current Liabilities separately has been classified under Other Current Liabilities as Financial Liabilities.</p> <p>TDS Payable Rs.3,005,261.30 previously classified under Other Current Liabilities separately has been classified as Duties and Taxes Payable under Other Current Liabilities as Financial Liabilities.</p> <p>Share Calls in Advance Rs.51,740,000 previously classified under Other Current Liabilities separately has been classified as Share Application Money under Other Current Liabilities as Financial Liabilities.</p> <p>Staff Salary Payable Rs.404,449.12 previously classified under Other Current Liabilities separately has been classified as Short-Term Employee Benefit Payable under Other Current Liabilities as Financial Liabilities.</p> <p>Hence total decrease in Other Current Liabilities of Rs.108,755,643.96.</p>
E	Property, Plant and Equipment	Depreciation reduction for FY 2078-79 due to Transition from GAAP to NFRS amounting to Rs 88,208.10. Hence PPE increased by the same amount.
F	Work in Progress	Net Contract Income as per IFRIC 12 till FY 2078-79 Rs 15,214,155.66. added to WIP and respective Other equity increased. Similarly, Depreciation reduction for FY 2078-79 due to transition from GAAP to NFRS amounting to Rs 88,208.10 deducted from WIP and added to Property, Plant and Equipment. Hence Total increase in Work in Progress is Rs.15,125,947.56.



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G	Loans, Advance & Deposits	<p>Site Office Advance Rs.2,549,247.08 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Land Purchase Advance Rs.19,162,000 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Staff Advance Rs.88,593 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Other Advance Rs.8000 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Other Deposit Rs.1,500 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Hence total increase in Loans, Advance & Deposits of Rs.21,809,340.08.</p>
H	Other Current Assets	<p>Site Office Advance Rs.2,549,247.08 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Land Purchase Advance Rs.19,162,000 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Staff Advance Rs.88,593 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Other Advance Rs.8000 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Other Deposit Rs.1,500 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Hence total decrease in Other Current Assets of Rs.21,809,340.08.</p>
Reconciliation Opening		
I	Other Equity	Net Gain from Contract as per IFRIC 12 till FY 2079-80 is Rs. 14,690,457.24. Total Increase in Other Equity of Rs. 14,690,457.24.
J	Trade & Other Payable	<p>Consultancy Charges Payable Rs.183,975 previously classified under Other Current Liabilities separately has been classified as Consultants Payable under Trade & Other Payable.</p> <p>Short Term Other Payable Rs.801,863 previously classified under Other Current Liabilities separately has been classified as Trade & Other Payable.</p> <p>Retention Money Payable Rs.49,989,564.68 previously classified under Other Current Liabilities separately has been classified as Trade & Other Payable.</p> <p>Cepad Hydro Consultant Pvt.Ltd. Rs.43,201.40 previously classified as Contractor's & Consultants' Advance under Loans, Advance & Deposits as Financial Assets has been classified as Sundry Creditors under Trade & Other Payable.</p> <p>Hence total increase in Trade & Other Payable of Rs.51,018,604.08.</p>

21/02/2021
2021/2022
X/2021/2022
X/2021/2022
X/2021/2022
X/2021/2022

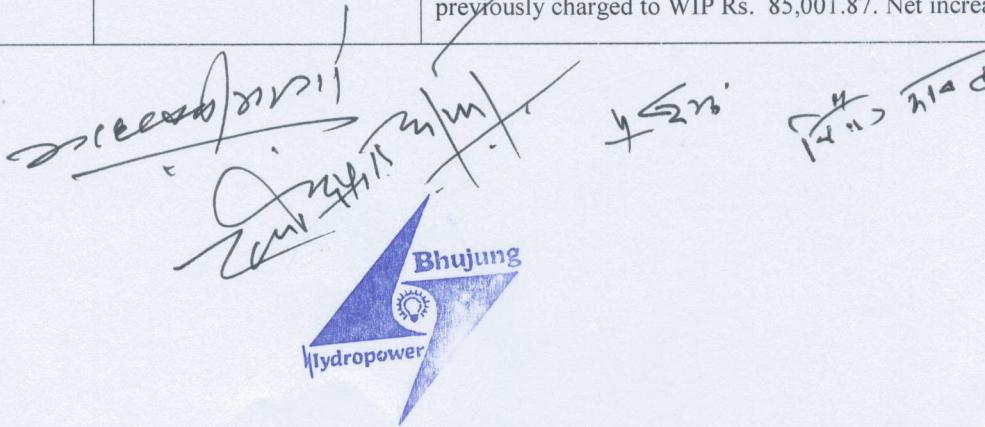
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K	Other Current Liabilities (Financial Liabilities)	<p>Audit Fee Payable Rs.144,950 previously classified under Other Current Liabilities separately has been classified under Other Current Liabilities as Financial Liabilities.</p> <p>Board Meeting Allowance Payable Rs.139,400 previously classified under Other Current Liabilities separately has been classified under Other Current Liabilities as Financial Liabilities.</p> <p>TDS Payable Rs.6,774,727 previously classified under Other Current Liabilities separately has been classified as Duties and Taxes Payable under Other Current Liabilities as Financial Liabilities.</p> <p>Staff Salary Payable Rs.377,956.28 previously classified under Other Current Liabilities separately has been classified as Short Term Employee Benefit Payable under Other Current Liabilities as Financial Liabilities.</p> <p>Hence total increase in Other Current Liabilities as Financial Liabilities is Rs.7,437,033.28.</p>
L	Other Current Liabilities	<p>Consultancy Charges Payable Rs.183,975 previously classified under Other Current Liabilities separately has been classified as Consultants Payable under Trade & Other Payable.</p> <p>Short Term Other Payable Rs.801,863 previously classified under Other Current Liabilities separately has been classified under Trade & Other Payable.</p> <p>Retention Money Payable Rs.49,989,564.68 previously classified under Other Current Liabilities separately has been classified under Trade & Other Payable.</p> <p>Audit Fee Payable Rs.144,950 previously classified under Other Current Liabilities separately has been classified under Other Current Liabilities as Financial Liabilities.</p> <p>Board Meeting Allowance Payable Rs.139,400 previously classified under Other Current Liabilities separately has been classified under Other Current Liabilities as Financial Liabilities.</p> <p>TDS Payable Rs.6,774,727 previously classified under Other Current Liabilities separately has been classified as Duties and Taxes Payable under Other Current Liabilities as Financial Liabilities.</p> <p>Staff Salary Payable Rs.377,956.28 previously classified under Other Current Liabilities separately has been classified as Short Term Employee Benefit Payable under Other Current Liabilities as Financial Liabilities.</p> <p>Hence total decrease in Other Current Liabilities of Rs.58,412,435.96.</p>
M	Property, Plant and Equipment	<p>Depreciation reduction for FY 2078-79 due to Transition from GAAP to NFRS amounting to Rs. 88,208.10 and Depreciation increase due to Transition from GAAP to NFRS for FY 2079-80 Rs. 3206.23. Hence net PPE increased by Rs. 85,001.87.</p>
N	Work in Progress	<p>Net Contract Income as per IFRIC 12 till FY 2079-80 Rs 14,690,457.24 added to WIP and respective Other equity increased less Depreciation reduction of which depreciation previously charged to WIP Rs. 85,001.87. Net increase in WIP of Rs. 14,605,455.37.</p>



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O	Loans, Advance & Deposits	<p>Site Office Advance Rs.4,207,746.55 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Land Purchase Advance Rs.19,162,000 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Staff Advance Rs.117,095 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Other Advance Rs.248,000.04 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Other Deposit Rs.1,500 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Cepad Hydro Consultant Pvt.Ltd. Rs.43,201.40 previously classified as Contractor's & Consultants' Advance under Loans, Advance & Deposits has been classified as Sundry Creditors under Trade & Other Payable.</p> <p>Hence total increase in Loans, Advance & Deposits of Rs.23,779,542.99.</p>
P	Other Current Assets	<p>Site Office Advance Rs.4,207,746.55 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Land Purchase Advance Rs.19,162,000 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Staff Advance Rs.117,095 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Other Advance Rs.248,000.04 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Other Deposit Rs.1,500 previously classified under Other Current Assets separately has been classified under Loans, Advance & Deposits.</p> <p>Hence total decrease in Other Current Assets of Rs.23,736,341.59.</p>

Reconciliation of Statement of Profit or Loss

Q	Revenue	Gross Contract Income booked as per IFRIC 12 Rs.749,213,319.24.
R	Cost of Sales	Contract Cost Booked as per IFRIC 12 considering Net Contract Margin of 2% Rs. 734,522,862.

Note-22: Intangible Asset Model

The company has elected to choose Intangible Asset model under IFRIC 12 (Service concession agreement) on the booking of Assets arising from Construction of the project. The Commercial operation date of the project is 2081.01.06 and the generation license is effective up to 2111.05.25 which is approximately 365 months or 30.42 years. However the duration of PPA is lower than Generation License period i.e. 30 years. Hence, the rate of Amortization is arrived at 3.33 % per annum. The Intangible asset has been written off at the rate of 3.33% using straight line method.

Note-23: Income Tax

Current Tax: Provision for Income tax has not been made due to the lack of taxable profit during the year. The company is assessed at 0% tax rates for first 10 years and concessional rates for later 5 years.



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Deferred Tax: Provision for deferred tax has not been made since the company is assessed at 0% tax rates for first 10 years and concessional rates for later 5 years and there will be substantial time gap for the actual realization of deferred tax.

Note-24: Post- Employment Benefits

Since, the Company does not have any schemes for termination benefits of its employees; provision for post-employment benefits has not been made.

Note-25: Earning per Share

Particulars	FY 80-81
Net Profit/(Loss)	(57,150,543)
Weighted Average No of Equity Shares	3,545,000
Basic Earnings Per Share	(16.12)
Diluted Earnings Per Share	(16.12)

Note-26: Segment Reporting

Since, the Company is engaged in only one segment "Generation and sale of electricity" the company does not have any reportable segments as per NFRS 8.

Note-27: Income and Cost recognized under IFRIC 12

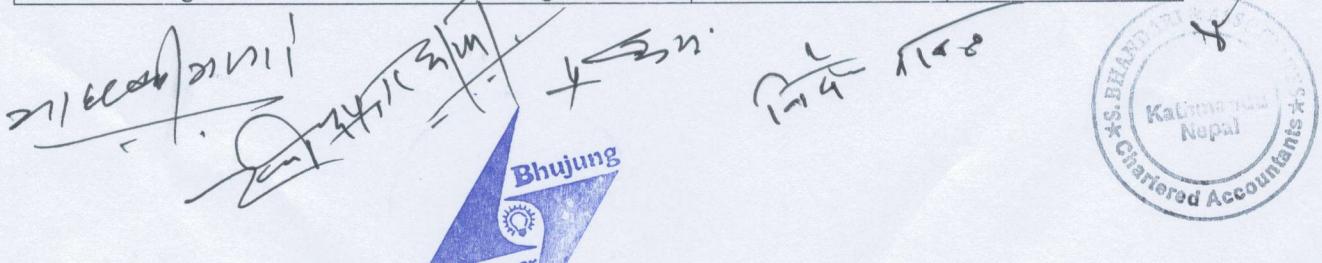
The Company has elected Intangible Asset model as the Company has entered into Power Purchase Agreement with Nepal Electricity where the Company's right to charge users of public services is not an unconditional right to receive cash because the amounts are contingent on to the extent that public uses the services applicable to it for recognition of revenue and expense. The Company has recognized revenue during the period of Construction of the Intangible asset as per NFRS 15 "Revenue from Contract with Customer". The details of Income and Expense Recognition are as below:

S. No	Details	Amount	Remarks
1	Total Estimated Project Cost	1,770,524,120.18	Actual Cost Incurred
2	Estimated Margin % Assumed for Revenue Recognition	2.00%	As per Management
3	Total Estimated Margin	35,410,482	1 x 2
4	Total Estimated Revenue	1,805,934,602.58	1 + 3
5	Total Cost Incurred up to FY 2078-79	760,707,783.00	Actual Cost
6	% of Completion	42.97%	5 / 1
7	Total Net Margin Recognized in FY 2078-79 up to 2078-79	15,214,155.66	3 x 6

Rs. 15,214,155.66 has been recognized as Net Income up to FY 2078-79 and booked under Other Equity in the restated Financial Statement as Income Recognized under IFRIC 12.

The details of Revenue and Cost recognized in FY 2079-80 and 2080-81 is detailed below:

Details	FY 2080-81	FY 2079-80
Total Estimated Project Cost	1,770,524,120.18	1,770,524,120.18
Estimated Margin % Assumed for Revenue Recognition	2.00%	2.00%



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Total Cost Incurred during the year	275,293,475.18	734,522,862.00
% Of Completion	15.55%	41.49%
Revenue Booked During the year	280,799,344.68	749,213,319.24

Note-28: Project Insurance Expense

The details of Insurance Expense and Coverage are provided below:

S.N.	Component	Insured Sum	Insurance Premium	Period Covered	Prepaid Days	Prepaid Expens
1	Civil + EM (Property)	816,892,124.81	1,846,196.20	22/06/2024- 21/06/2025	341	1,724,802.4
2	HM (Property)	223,447,768.63	467,137.56	4/10/2023- 03/10/2024	79	101,106.4
3	EM + HM (Break Down)	158,026,024.25	1,785,724.07	30/05/2024- 29/05/2025	318	1,555,781.5
4	Civil + EM (Loss of Profit)	248,588,989.20	1,207,913.91	21/06/2024- 20/06/2025	340	1,125,180.0
5	Office Vehicles		28,433.33			27,488.2
Total		1,446,954,906.89	5,306,971.74			4,534,358.8

Note-29: CSR Expenses as per Industrial Enterprises Act 2076

Industrial Enterprises Act 2076; Section 54 makes it mandatory to allocate 1% of the annual profit to be utilized towards corporate social responsibility (the “CSR Requirement”). The fund created for CSR is to be utilized on the basis of annual plans and programs. The company has not allocated any amount on CSR due to lack of profits during the year.

Note-30: Events occurring after the Balance Sheet date

Details	Amount (Rs)
Loan from Director As on 31.03.2081	91,500,000.00
Less: Paid after Ashadh 31, 2081 before Approval of Financials by BOD	91,500,000.00
Closing Balance	Nil
Advance to Luna Builders Private Limited as on 31.03.2081	72,986,352.76
Less: Settled after Ashadh 31, 2081 before Approval of Financials by BOD	72,986,352.76
Closing Balance	Nil

Closing Balance



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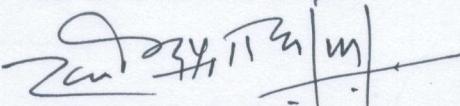
Note-31: Details of Key Management Personnel

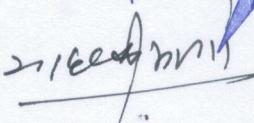
The details of Key Management Personnel are as follows:

S. N.	Name	Position
1	Dr. Khagendra Prasad Ojha	Chairman of BOD
2	Madhav Raj Acharya	Managing Director
3	Bibek Rawal	Director

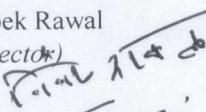
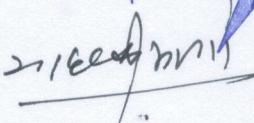
As per our attached report of even date

For & On Behalf of Board


Dr. Khagendra Prashad Ojha
(Chairman)


Madhav Raj Acharya
(Managing Director)



Bibek Rawal
(Director)

Prakash Bhatta
(Admin and Finance Officer)


For S. Bhandari & Associates

Chartered Accountants




Sagar Bhandari
(Proprietor)
Kathmandu, Nepal

Date: 2081/07/05

Bhujung Hydropower Limited

Tokha-10, Kathmandu, Nepal

Annexures Forming Part of Financial Statements

Site Office Expenses	Particulars	As on 31st Ashadh 2081	Restated As on 31st Annex-1 Ashadh 2080
Operating & Maintenance Expense		2,923,099	-
Equipments and Loose Tools		301,406	-
Electricity Expenses		6,000	-
Fuel & Lubricant Expenses		1,421,397	-
Hiring of Equipment and Machinery		13,500	-
Internet Expenses		27,968	-
Kitchen Expenses		33,501	-
Staff Salary and Allowance- Site Office		990,152	-
Site Office Accessories		48,110	-
Total		5,765,132	-

Sundry Creditors	Particulars	As on 31st Ashadh 2081	Restated As on 31st Annex-2 Ashadh 2080
CBMEW Offshore		-	987,527
CEPAD Hydro Consultants Pvt. Ltd.		724,750	43,201
TPES India		-	2,441,047
TPES Construction Pvt. Ltd.		-	749,618
Luna Builders and Contractor Pvt. Ltd.		-	9,052,315
Bindabashini Engineering Workshop		-	20,168
H & K Stationery		-	2,570
M.K Incorporated Pvt. Ltd.		-	63,432
Total		724,750	13,359,878

Consultant Payable	Particulars	As on 31st Ashadh 2081	Restated As on 31st Annex-3 Ashadh 2080
Finman Service Pvt. Ltd.		-	83,625
Darshan Consulting Services Pvt. Ltd.		184,500	-
J.B. Rajbhandary & DiBins		-	100,350
Total		184,500	183,975

Short Term Other Payable	Particulars	As on 31st Ashadh 2081	Restated As on 31st Annex-4 Ashadh 2080
Travelling Expenses Payable		-	801,863
Total		-	801,863

Retention Money Payable	Particulars	As on 31st Ashadh 2081	Restated As on 31st Annex-5 Ashadh 2080
Luna Builders & Contractor Pvt. Ltd.		13,234,296	13,103,243
CBMEW Nepal		-	1,761,629
CBMEW Offshore		-	8,524,902
TPES India		-	21,899,794
TPES Construction Pvt. Ltd.		3,230,818	4,699,995
Total		16,465,113	49,989,565



Duties and Taxes Payable
Annex-6

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080
Tds Payable On Audit Fees	2,250	1,950
Tds Payable On Advertisement	153	352
Tds Payable On Service	462,706	-
Tds Payable On Consultant Fee/Service/Contractor's	1,299,465	5,287,194
Tds Payable On Office Rent	84,000	29,800
Tds Payable On Meeting Allowance	652,104	470,992
Tds Payable On Hiring Of Equipment	6,404	4,950
Tds Payable On Transportation	1,613	15,419
Tds Payable On Salary	1,235,223	926,852
SST Payable On Salary	92,805	34,787
SST Payable On Wages	5,114	2,433
Total	3,841,836	6,774,727

Shares Application Money
Annex-7

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080
Aarju Shrestha	3,000,000	-
Ashmi Duwadi	500,000	-
Bibek Karanjit	1,000,000	-
Binaya KC	1,500,000	-
Bkesh Pradhanang	4,000,000	-
Cholakant Gyawali	1,000,000	-
Laxman Aryal	500,000	-
Minu Shrestha	1,000,000	-
Mithun Bista	2,700,000	-
Mukesh Khadka	700,000	-
Munna Shakya	1,000,000	-
Pratik Ojha	100,000	-
Purna Bhakta Pradhanang	26,400,000	-
Sarajina Khadka	1,000,000	-
Surendra Shrestha	800,000	-
Ujwol Phaiju	500,000	-
Bhagawan Bogati	500,000	-
Saurabh Shrestha	2,000,000	-
Total	48,200,000	-

Short term Employee Benefit Payable
Annex-8

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080
Salary Payable	3,600,298	377,956
Total	3,600,298	377,956



Contractor's and Consultant's advances
Annex-9

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080
Advance to Consultants		
KRS Engineering Pvt. Ltd.	30,000	30,000
ICRA Nepal	-	223,000
Kumari Capital Ltd	49,250	49,250
Advance to Contractors		
TPES India	-	12,800
TPES Construction Pvt. Ltd.	1,080,000	28,006,880
CBMEW (India) Pvt. Ltd.	-	354,436
CBMEW Nepal	-	1,030,283
Luna Builders & Contractor Pvt. Ltd.	66,940,134	-
Advance/(Payable) to Custom Clearing Agent	236,786	225,557
Total	68,336,170	29,932,206

Site Office Advances
Annex-10

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080
Binam Gyanwali- Environment and Social Cost	468,659	4,207,747
Mathillo Midim Jal Bidhut Ayojana Sarokar Samiti	900,000	-
Total	1,368,659	4,207,747

Staff Advance
Annex-11

Particulars	As on 31st Ashadh 2081	Restated As on 31st Ashadh 2080
Somnath Kandel	-	14,154
Bimala Gupta	-	80,000
Pawan Bhatta	-	10,000
Rabindra Kumar Gharti	-	10,000
Sunil Chaudhary	-	5,000
Tekendra Bhandari	-	(2,059)
Total		117,095



Bhujung Hydropower Limited

Tokha-10, Kathmandu, Nepal

Calculation of Taxable Profit/(Loss)

FY 2080-81

Particulars	Amount (Rs)
Net Profit/(Loss) Before Tax as per SOPL	(57,150,543)
Less: Gross Income Recognized under IFRIC 12	(280,799,345)
Add: Cost Recognized under IFRIC 12	275,293,475
Adjusted Taxable Income	(62,656,412)
Add: Disallowable Expenses	
Depreciation as per books of Accounts	15,042,029
Total	(47,614,383)
Less: Allowable Expenses	
Share Issue Cost routed through Equity in Financials	-
Depreciation as per Income Tax Act	(82,426,934)
Total Taxable Profit/(Loss)	(130,041,317)
Add: Previous year unabsoibed loss	-
Total Taxable Loss C/f to Next Year	(130,041,317)



Bhujung Hydropower Limited

Tokha-10, Kathmandu, Nepal

Depreciation calculated as per Income Tax Act 2058 of Nepal

FY 2080-81

Block	Particulars	Rate of Dep ^a	Additional Rate as per anusuchi 2 (1/3 additional)	Gross Block			Total	Opening Depreciation	During the Year	Total Depreciation	Net Block as on 2081/03/31	Net Block as on 2080/03/31
				Opening Balance	Addition Upto Poush	Magh to Ashad Chaitra	Disposal					
A	Building & Other similar Structures	5%	6.67%	-	-	775,150,530.34		775,150,530.34		17,234,180.12	757,916,350.21	-
B	Furniture, Computer and Office Equipments	25%	33.33%	404,493.98	23,700.00	32,800.00	-	460,993.98	167,517.00	94,171.80	261,688.80	199,305.18
	Furniture and Fixture	25%	33.33%	775,624.00	69,461.00	11,669.51	14,000.00	870,754.51	477,237.00	126,752.10	603,989.10	266,765.41
	Office Equipment	25%	33.33%	1,176,785.99	18,000.00	2,950.00		1,197,735.99	772,354.50	141,451.91	913,806.41	283,929.58
	Computer and Accessories	25%	33.33%	1,100,000.00				1,100,000.00	751,934.00	116,005.73	867,957.73	232,042.27
	Leasehold Improvement	25%	33.33%	265,640.00	-			265,640.00	92,022.00	57,866.88	149,888.88	115,751.12
	Site Office Equipment	25%	33.33%									173,618.00
C	Vehicle Asset	20%	26.67%	10,036,000.00	-			10,036,000.00	5,210,482.00	1,286,965.65	6,497,447.65	3,538,552.35
	Vehicle Asset	20%	26.67%	10,036,000.00	-							4,825,518.00
D	Plant, Machinery & Other Assets	15%	20.00%	-	-	357,154,316.70		357,154,316.70	23,810,287.78	23,810,287.78	333,344,028.92	-
	Hydromechanical Works	15%	20.00%	-	-	387,205,823.85		387,205,823.85	25,813,721.59	25,813,721.59	361,392,102.26	-
	Electromechanical Works	15%	20.00%	-	-	194,836,423.77		194,836,423.77	12,989,094.92	12,989,094.92	181,847,328.85	-
	Transmission Line	15%	20.00%	525,000.00	-			525,000.00	101,063.00	84,787.40	185,850.40	339,149.60
	Diesel Generator	15%	20.00%	-	620,828.16	620,828.16			41,388.54	41,388.54	579,439.62	-
	Machinery & Equipment	15%	20.00%									
E	Land & Land Development (BOOT)	30.42	30.42	-		56,177,025.52		56,177,025.52	615,571.18	615,571.18	55,561,454.35	-
	Software	20%	20%	73,450.00		73,450.00		58,760.00	14,690.00	73,450.00	-	14,690.00
	Total Fixed Assets			14,356,993.97	111,161.00	47,419.51	1,771,158,948.34	1,785,674,522.82	7,631,389.50	82,426,933.60	90,058,323.10	1,695,616,199.72
												6,725,604.47



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