

INDEPENDENT AUDITOR'S REPORT
THE SHAREHOLDERS OF M/S Chirkhwa Hydropower Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **M/s Chirkhwa Hydropower Limited (the Company)** which comprise the Statement of Financial Position as on Ashad 32, 2082 (Corresponding to July 16, 2025), and the Statement of Profit and Loss for the period from 1st Shrawan 2081 to 32nd Ashad 2082 (corresponding 16th July, 2024 to 16th July, 2025), Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, based on the information and explanation provided to us and our audit, the financial statements referred to above read together with the notes attached thereon give true and fair view of the financial position of **M/s Chirkhwa Hydropower Limited** as on Ashad 32, 2082, the result of its operation, its cash flows and changes in equity position for the period then ended in accordance with Nepal Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook of the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended on 31 Ashad 2082 (16 July 2025). These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | How our Audit addressed the Key Audit Matter |
|--|--|
| Land Advance Land title (Ownership) in other | We carried out discussion with the management and those charged with governance regarding the land |



| | |
|---|--|
| <p>person's name instead of company name and shown as land advance in the financial statements.</p> | <p>advance & ownership of the land. Our audit procedures to address this matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Reviewing legal agreements, supporting documents, and correspondences to assess the company's rights over the land. • Verifying payments made and reconciling them with the advance balance disclosed in the financial statements. • Engaging with management and, where applicable, external legal counsel to evaluate the steps taken by the company transfer the title to its name. • Site inspection to confirm whether the land is used by the company and same has been confirmed by the management. <p>Based on the procedures performed, we considered the company's payment against the land as an advance and the related disclosures in the financial statements are considered appropriate.</p> |
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Other Information

The Company's Management is responsible for the preparation of other information. The other information comprises the information includes in the Management report, Report of the Board of Directors and Chairman's Statement but does not include the financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact, we have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Accounting Standards (NAS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material mis-statement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit



evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's to cease to continue as a going concern.

- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements:

As per requirements of section 115 of the Companies Act, 2063, we further report that:

- 1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 2) In our opinion proper books of account as required by the law have been kept by the company so far as it appears from the examination of those books.
- 3) The Statement of Financial Position, the Statement of Profit & Loss, the Cash Flow Statement and the Statement of Changes in equity referred to in this report are in compliance with the Nepal Financial Reporting Standard and are in agreement with the books of account maintained by the Company.
- 4) The Statement of Financial Position, the Statements of Profit or Loss and Other Comprehensive Income and the Statement of Cash Flows read together with notes to account give information required by the Companies Act, 2063 in the manner so required and give a true and fair view:
 - a. In case of Statement of Financial Position, of the state of affairs of the company as at 32nd Ashadh, 2082; and
 - b. In case of Statement of Profit or Loss and Other Comprehensive Income, of the results of operation of the company for the year ended on 32nd Ashadh, 2082; and
 - c. In case of Statement of Cash Flows, of the cash inflow and outflow of the company for the year ended on 32nd Ashadh, 2082
- 5) Neither we have come across any information about the misappropriation of the fund by the directors or any of the representatives of the company's staff during the course of our audit nor have we received any such information from the management.
- 6) No accounting fraud has been observed during the course of our audit.
- 7) As per our examination we have observed following non-compliance with other legal and regulatory requirements.



- I. As per Section 91 of Companies Act, 2063, the meeting allowance to be receivable by the directors, for attending a meeting, their monthly remuneration, daily allowance and travelling allowance or other facility shall be as determined by the general meeting. However, the directors of the company have been receiving meeting allowances and salaries from the company but such remuneration was not approved by the general meeting.
- II. With reference to note 21 of the notes to the accounts, the company has not made provision for any liabilities relating to the employee benefits in accordance with Labour Act, 2074 and has neither been registered with Social Security Fund as per the provision of Contribution based Social Security Act, 2074.

For G.R.B Associates

Chartered Accountants



CA. Sanga Ram Basnet

Principal

COP No. 1173

Date: 2082.08.20

Place: Birtamode, Jhapa


UDIN No: 251207CA01730Yjn6S

Chirkhwa Hydropower Limited
KMC-10, Nepal
Statement of Financial Position
As on Ashadh 32nd, 2082 (16th July, 2025)

Amount in NRs.


| Particulars | Notes | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 |
|--------------------------------------|-------|----------------------------|----------------------------|
| Assets | | | |
| Non- Current Assets | | | |
| Property, Plant and Equipment | 5 | 19,90,240 | 17,08,293 |
| Intangible Assets | 6 | 1,14,64,03,579 | 1,08,07,02,256 |
| Right of Use Asset (ROU) Asset | 7 | 22,52,370 | 28,80,938 |
| Intangible Assets Under Construction | 8 | - | - |
| Other Non-Current Assets | 9 | 52,250 | 52,250 |
| Total Non- Current Assets | | 1,15,06,98,439 | 1,08,53,43,737 |
| Current Assets | | | |
| Financial Assets | | | |
| Cash and Cash Equivalents | 10 | 5,52,499 | 3,68,264 |
| Trade Receivables | 11 | 1,56,59,120 | 49,35,862 |
| Margins and Deposits | 12 | 48,66,312 | 64,11,061 |
| Other Current Assets | 13 | 1,46,29,916 | 2,49,72,635 |
| Total Current Assets | | 3,57,07,847 | 3,66,87,822 |
| Total Assets | | 1,18,64,06,286 | 1,12,20,31,560 |
| Equity | | | |
| Share Holder's Fund | | | |
| Share Capital | 14 | 40,00,00,000 | 40,00,00,000 |
| Reserve and Surplus | 15 | (5,22,26,455) | (2,37,32,795) |
| Advance for Share Capital | 16 | - | - |
| Total Equity | | 34,77,73,545 | 37,62,67,205 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| Long Term Loans and Borrowings | 17 | 68,79,40,251 | 54,73,65,441 |
| Lease liability | 18 | 18,36,669 | 24,19,334 |
| Deffered Tax Liabilities(Net) | 19 | - | - |
| Total Non-Current Liabilities | | 68,97,76,920 | 54,97,84,774 |
| Current Liabilities: | | | |
| Financial Liabilities | | | |
| Short Term Loans and Borrowings | 20 | 6,03,50,000 | 6,97,51,790 |
| Trade and Other Payables | 21 | 8,56,81,921 | 12,03,79,977 |
| Lease Liability | 22 | 5,82,664 | 5,22,232 |
| Other Current Liabilities | 23 | 22,41,236 | 53,25,580 |
| Total Current Liabilities | | 14,88,55,821 | 19,59,79,580 |
| Total Liabilities | | 83,86,32,741 | 74,57,64,354 |
| Total Equity and Liabilities | | 1,18,64,06,286 | 1,12,20,31,560 |

The accompanying Significant Accounting Policies and Explanatory Notes form an integral part of the financial statements.


Sabita Maharjan
Accountant


Dipak Rai
Chairman




CA. Ganga Ram Basnet
Principal
For G.R.B. Associates

Date: 3rd Ashoj, 2082
Place: Kathmandu

Chirkhwa Hydropower Limited

KMC-10, Nepal

Statement of Profit or Loss and Other Comprehensive Income

For the Period from 1st Shrawan, 2081 to 32nd Ashadh, 2082 (16th July, 2024 to 16th July, 2025)

Amount in NRs.

| Particulars | Note | Year Ended 32nd Ashadh, 2082 | Year Ended 31st Ashadh, 2081 |
|---|------|---------------------------------|---------------------------------|
| Revenue from Operation | 24 | 11,84,74,363 | 1,11,94,752 |
| Less: Cost of Sales | 25 | 3,45,87,071 | 1,12,62,187 |
| Gross Profit/(Loss) | | 8,38,87,291 | (67,435) |
| Other Income | 26 | - | - |
| Total Income/(Loss) | | 8,38,87,291 | (67,435) |
| Employee Benefit Expenses | 27 | 92,62,788 | 9,51,547.88 |
| Administrative Expenses | 28 | 58,53,277 | 32,49,776 |
| Depreciation and Amortization Expenses | 29 | 4,39,11,307 | 52,05,373 |
| Total Expenses | | 5,90,27,372 | 94,06,697 |
| Profit/(Loss) from Operation | | 2,48,59,919 | (94,74,131) |
| Finance Costs | 30 | 5,33,53,579 | 64,47,565 |
| Profit/(Loss) before Bonus, Tax and CSR Expenses | | (2,84,93,660) | (1,59,21,697) |
| Provision for Staff Bonus | | - | - |
| Profit/(Loss) before tax and CSR Expenses | | (2,84,93,660) | (1,59,21,697) |
| Tax Expenses | | | |
| Current Tax Expenses | 32 | - | - |
| Deferred Tax-Income/(Expense) | 19 | - | - |
| Profit/(Loss) before CSR Expenses | | (2,84,93,660) | (1,59,21,697) |
| CSR Expenses | | - | - |
| Net Profit/(Loss) for the Year | | (2,84,93,660) | (1,59,21,697) |
| Other Comprehensive Income | | | |
| Revaluation of Property, Plant & Equipment | | - | - |
| Revaluation of Intangible Assets | | - | - |
| Other Comprehensive Income / (Loss) for the Year | | - | - |
| Total Comprehensive Income | | (2,84,93,660) | (1,59,21,697) |
| Earnings per Equity Shares of NRs. 100 each | | | |
| Basic Earnings per share-NRs. | 31 | (7.12) | (3.98) |

The accompanying Significant Accounting Policies and Explanatory Notes form an integral part of the financial statements.

Sabita Maharjan
Accountant

Dipak Rai
Chairman



G.R.B. Associates
Ganga Ram Basnet
Principal
For G.R.B. Associates

Date: 3rd Ashoj, 2082
Place: Kathmandu

Chirkhwa Hydropower Limited

KMC-10, Nepal

Statement of Cash Flows

For the Period from 1st Shrawan, 2081 to 32nd Ashadh, 2082 (16th July, 2024 to 16th July, 2025)

Amount in NRs.

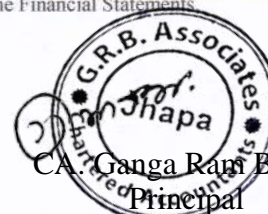
| Particulars | Year Ended 31th Ashadh, 2081 | Year Ended 31th Ashadh, 2080 |
|---|---------------------------------|---------------------------------|
| <u>Cash Flows from Operating Activities</u> | | |
| Net Profit After Tax | (2,84,93,660) | (1,59,21,697) |
| <u>Adjustment for:</u> | | |
| Depreciation and Amortization Expenses | 4,39,11,307 | 52,05,373 |
| Finance Costs | 5,33,53,579 | 63,07,175 |
| Cash Flow Before Working Capital Changes | 6,87,71,227 | (44,09,149) |
| Changes in Current Assets | 11,64,209 | (46,85,651) |
| Changes in Current Liabilities | (4,71,23,759) | 1,09,06,425 |
| Cash Generated from Operating Activities | 2,28,11,677 | 18,11,625 |
| Income Tax Paid | - | - |
| Cash Flows from Operating Activities (A) | 2,28,11,677 | 18,11,625 |
| <u>Cash Flows on Investing Activities</u> | | |
| Changes in Intangible Assets Under Construction | - | 91,33,96,866 |
| Changes in Property, Plant and Equipment | (5,16,253) | 4,08,27,944 |
| Changes in Project Assets | (10,87,49,756) | (1,08,54,01,985) |
| Changes in Investment | - | - |
| Changes in Right of Use Asset | - | (31,42,842) |
| Cash Flows from Investing Activities (B) | (10,92,66,009) | (13,43,20,018) |
| <u>Cash Flows on Financing Activities</u> | | |
| Changes in Share Capital | - | 12,00,00,000 |
| Change in Long Term Loans and Borrowings | 14,05,74,810 | (2,97,649) |
| Expenses Related to Public Issue | - | (35,33,705) |
| Changes in Lease Liability | (5,82,665) | 24,19,334 |
| Finance Costs | (5,33,53,579) | (63,07,175) |
| Dividend Paid | - | - |
| Cash Flows from Financing Activities (C) | 8,66,38,567 | 11,22,80,805 |
| Net Changes in Cash and Cash Equivalents (A+B+C) | 1,84,235 | (2,02,27,588) |
| Opening Cash and Cash Equivalents | 3,68,264 | 2,05,95,852 |
| Closing Cash and Cash Equivalents | 5,52,499 | 3,68,264 |

The accompanying Significant Accounting Policies and Explanatory Notes form an integral part of the Financial Statements.

Sabita Maharjan
Accountant



Dipak Rai
Chairman



For G.R.B. Associates

Date: 3rd Ashoj, 2082
Place: Kathmandu

Chirkhwa Hydropower Limited

KMC-10, Nepal


Statement of Changes in Equity

For the Period from 1st Shrawan, 2081 to 32nd Ashadh, 2082 (16th July, 2024 to 16th July, 2025)

Amount in NRs.

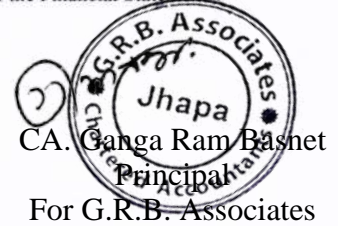
| Particulars | Share Capital | Reserve and Surplus | Advance for Share Capital | Total |
|--|------------------------|----------------------|---------------------------|---------------------|
| Balance as on 1st Shrawan, 2080 | 28,00,00,000 | (2,37,32,795) | - | 25,62,67,205 |
| Issue of Share Capital | 12,00,00,000.00 | - | - | 12,00,00,000 |
| Expense Related to Public Issue | - | - | - | - |
| Net Profit for the Year | - | - | - | - |
| Balance as on 31st Ashadh, 2081 | 40,00,00,000 | (2,37,32,795) | - | 37,62,67,205 |
| Balance as on 1st Shrawan, 2080 | 40,00,00,000 | (2,37,32,795) | - | 37,62,67,205 |
| Issue of Share Capital | - | - | - | - |
| Net Profit for the Year | - | (2,84,93,660) | - | (2,84,93,660) |
| Expense Related to Public Issue | - | - | - | - |
| Dividend to the Shareholders | - | - | - | - |
| Balance as on 31st Ashadh, 2081 | 40,00,00,000 | (5,22,26,454) | - | 34,77,73,546 |

The accompanying Significant Accounting Policies and Explanatory Notes form an integral part of the Financial Statements.


Sabita Maharjan
Accountant


Dipak Rai
Chairman




CA. Ganga Ram Basnet
Principal
For G.R.B. Associates

Date: 3rd Ashoj, 2082
Place: Kathmandu

Chirkhwa Hydropower Limited
KMC-10, Nepal
Notes forming part of the Financial Statements

Amount in NRs.

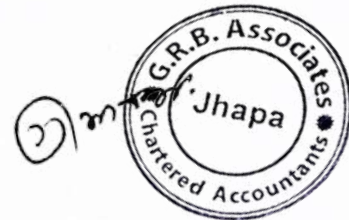
Intangible Assets Under Construction

Note 8

| S.N. | Particulars | As on 31st Ashad, 2081 | Addition during the year 81-82 | As on 32nd Ashadh, 2082 |
|---|--|---------------------------|-----------------------------------|----------------------------|
| 1 | Pre-Operating Expenses | 3,78,46,419 | - | 3,78,46,419 |
| 2 | Civil Works | 37,02,92,469 | 8,37,53,394 | 45,40,45,863 |
| 3 | Electro Mechanical Works | 12,79,21,884 | - | 12,79,21,884 |
| 4 | Hydro Mechanical Works | 16,66,20,227 | 1,87,00,789 | 18,53,21,016 |
| 5 | Transmission Line and Switchyard | 5,31,11,224 | - | 5,31,11,224 |
| 6 | Infrastructure Development Cost | 2,72,44,205 | - | 2,72,44,205 |
| 7 | Environment/Social Mitigation Cost | 69,56,977 | - | 69,56,977 |
| 8 | Project Supervision and Management | 11,87,83,310 | - | 11,87,83,310 |
| 9 | Interest During Construction | 13,98,44,360 | - | 13,98,44,360 |
| 10 | Add:Land Assets Regrouped from Property, Plant and Equipment | - | - | - |
| Total Capital WIP | | 1,04,86,21,075 | 10,24,54,183 | 1,15,10,75,259 |
| Less:Project Supervision and Management Expenses Transferred to Profit/(Loss) Statement | | - | - | - |
| Less: Expense Related to IPO Transferred to Reserve | | - | - | - |
| Less:Depreciation Amount Restated and Reclassified to Profit/(Loss) Statement* | | - | - | - |
| Balance at the end of the Year | | 1,04,86,21,075 | 10,24,54,183 | 1,15,10,75,259 |
| Less: Transfer to Intangible Assets | | (1,04,86,21,075) | (10,24,54,183) | (1,15,10,75,259) |
| Balance | | - | - | - |

*During the previous years, depreciation of Property, Plant and Equipment was charged to Intangible Assets Under Construction. In the current year, management reassessed the useful life of the Property, Plant and Equipment revised depreciation is now charged to the Profit and Loss Account instead of Intangible Assets under Construction.

The company has developed Upper Chirkhwa Hydropower Project(4.70 MW). The cost associated with the project has been capitalized under the respective heads till the date of commercial operations. Commercial Operations has been started on 20th Jestha, 2081.



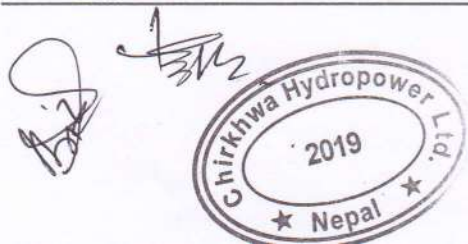
Chirkhwa Hydropower Limited
KMC-10, Nepal
Notes forming part of the Financial Statements

Details of Intangible Assets Under Construction

Pre-Operating Expenses

Sub Note 8.1

| 1 | Particulars | As on 31st Ashad, 2081 | Addition during the year 81-82 | As on 32nd Ashadh, 2082 |
|---|--|---------------------------|-----------------------------------|----------------------------|
| | Audit Fees | 1,08,950 | - | 1,08,950 |
| | NEA Expenses | 2,85,000 | - | 2,85,000 |
| | DOED Expenses | 17,00,000 | - | 17,00,000 |
| | Field & Survey Expenses | 31,46,462 | - | 31,46,462 |
| | Letter Intent Charge | 49,000 | - | 49,000 |
| | PPA Bank Guarantee Expenses | 2,95,513 | - | 2,95,513 |
| | Detail Surveyer Expenses | 7,76,500 | - | 7,76,500 |
| | PPA Translation | 4,068 | - | 4,068 |
| | Survey Design | 15,00,000 | - | 15,00,000 |
| | Chirkhwa Credit Rating | 4,23,750 | - | 4,23,750 |
| | Chirkhwa DDA | 6,21,500 | - | 6,21,500 |
| | Project Travelling & Transportation Expenses | 11,91,363 | - | 11,91,363 |
| | Project Lodging and Fooding Expenses | 18,67,408 | - | 18,67,408 |
| | Detail Survey Wages | 20,44,107 | - | 20,44,107 |
| | Consultancy Expenses | 6,72,119 | - | 6,72,119 |
| | Employee Cost | 1,22,06,385 | - | 1,22,06,385 |
| | Office Rent | 23,54,964 | - | 23,54,964 |
| | Repair and Maintenance | 1,14,263 | - | 1,14,263 |
| | Meeting Expenses | 1,32,514 | - | 1,32,514 |
| | Courier Charge | 685 | - | 685 |
| | Bank Charge | 16,111 | - | 16,111 |
| | Meeting Allowance | 1,90,588 | - | 1,90,588 |
| | Office Expenses | 9,09,633 | - | 9,09,633 |
| | Legal Fee | 8,275 | - | 8,275 |
| | Internet & Fax and Telephone Expenses | 2,14,096 | - | 2,14,096 |
| | Electricity Charges | 50,012 | - | 50,012 |
| | Donation | 2,08,502 | - | 2,08,502 |
| | GPO Box Renewal | 3,750 | - | 3,750 |
| | Access Road Wages | 1,00,000 | - | 1,00,000 |
| | TADA Expense | 11,03,914 | - | 11,03,914 |
| | IEE Study Expenses | 5,65,000 | - | 5,65,000 |
| | Consultancy Expenses | 5,85,000 | - | 5,85,000 |
| | Computer Accessories | 31,695 | - | 31,695 |
| | Printing & Stationery | 3,39,078 | - | 3,39,078 |
| | Advertisement Notice Publication | 1,30,168 | - | 1,30,168 |
| | Membership & Subscription | 33,000 | - | 33,000 |
| | Staff Training Expenses | 5,000 | - | 5,000 |
| | Fine & Penalty | 10,366 | - | 10,366 |
| | Vehicle Insurance | 35,961 | - | 35,961 |
| | Tiffine Expenses | 3,96,075 | - | 3,96,075 |
| | Books & Periodicals | 79,576 | - | 79,576 |
| | Registration & Renewal Expenses | 2,27,227 | - | 2,27,227 |
| | Transportation Expenses | 3,42,797 | - | 3,42,797 |
| | Miscellaneous Expenses | 2,33,608 | - | 2,33,608 |
| | Vehicle Hire | 21,60,000 | - | 21,60,000 |
| | Depreciation | 3,72,435 | - | 3,72,435 |
| | Total | 3,78,46,419 | - | 3,78,46,419 |

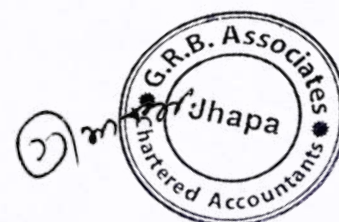
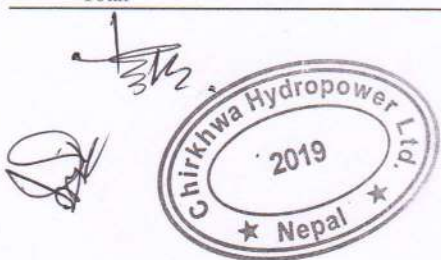


Chirkhwa Hydropower Limited
KMC-10, Nepal
Notes forming part of the Financial Statements

| Civil Construction Work | | Sub Note 8.2 | |
|--------------------------|---------------------------|-----------------------------------|----------------------------|
| 2 Particulars | As on 31st Ashad, 2081 | Addition during the year 81-82 | As on 32nd Ashadh, 2082 |
| Gabion Work | 2,56,000 | - | 2,56,000 |
| IPC Civil Works | 34,65,41,078 | 8,37,53,394 | 43,02,94,472 |
| Civil Works Wages | 2,69,800 | - | 2,69,800 |
| Consultancy Expenses | 1,20,30,776 | - | 1,20,30,776 |
| Project Civil Expenses | 1,00,30,000 | - | 1,00,30,000 |
| Grouting | 6,21,451 | - | 6,21,451 |
| Headrace Alignment Wages | 5,43,364 | - | 5,43,364 |
| Total | 37,02,92,469 | 8,37,53,394 | 45,40,45,864 |

| Electro Mechanical Works | | Sub Note 8.3 | |
|-------------------------------------|---------------------------|-----------------------------------|----------------------------|
| 3 Particulars | As on 31st Ashad, 2081 | Addition during the year 81-82 | As on 32nd Ashadh, 2082 |
| Bank Charge | 2,500 | - | 2,500 |
| Eot Crane | - | - | - |
| Anchor Rod for Crane Beam | 1,43,763 | - | 1,43,763 |
| Battery | 3,44,000 | - | 3,44,000 |
| Crane Accessories | - | - | - |
| Custom Expenses | 25,33,500 | - | 25,33,500 |
| Embedded Pipes and Drain Box | - | - | - |
| Electro-Mechanical Expenses | 14,44,262 | - | 14,44,262 |
| Hydraulic Oil | 1,59,048 | - | 1,59,048 |
| L/C Charge | 17,95,127 | - | 17,95,127 |
| Machinery and Ass Part | 11,88,49,533 | - | 11,88,49,533 |
| Electro-Mechanical Parts | - | - | - |
| Electro-Mechanical Runner Insurance | - | - | - |
| Allowances | 2,17,189 | - | 2,17,189 |
| Custom Relating Expenses | 17,010 | - | 17,010 |
| EM Powerhouse Equipment | 5,19,451 | - | 5,19,451 |
| Transportation Expenses | 18,96,501 | - | 18,96,501 |
| Total | 12,79,21,884 | - | 12,79,21,884 |

| Hydro Mechanical Works | | Sub Note 8.4 | |
|------------------------------|---------------------------|-----------------------------------|----------------------------|
| 4 Particulars | As on 31st Ashad, 2081 | Addition during the year 81-82 | As on 32nd Ashadh, 2082 |
| Custom Expenses | 30,49,272 | - | 30,49,272 |
| HM Expenses | 7,23,605 | - | 7,23,605 |
| Headrace Pipe | 7,06,50,456 | - | 7,06,50,456 |
| L/C Charge | 6,13,176 | - | 6,13,176 |
| MS Pipe | 2,17,412 | - | 2,17,412 |
| Penstock Pipe | 3,44,00,818 | 1,87,00,789 | 5,31,01,606 |
| Pipe Transportation Expenses | 1,40,74,298 | - | 1,40,74,298 |
| Pipe Work | 15,000 | - | 15,000 |
| Wages Welder | 4,36,690 | - | 4,36,690 |
| Hydro Mechanical Works | 4,24,39,501 | - | 4,24,39,501 |
| Total | 16,66,20,227 | 1,87,00,789 | 18,53,21,016 |

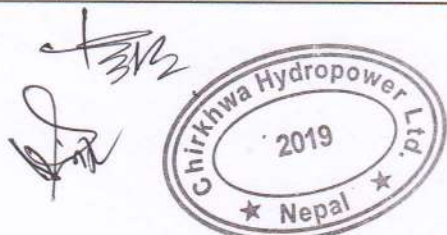


Chirkhwa Hydropower Limited
KMC-10, Nepal
Notes forming part of the Financial Statements

| Transmission Line and Switchyard | | Sub Note 8.5 | | |
|----------------------------------|--|---------------------------|-----------------------------------|----------------------------|
| 5 | Particulars | As on 31st Ashad, 2081 | Addition during the year 81-82 | As on 32nd Ashadh, 2082 |
| | Transmission Line and Civil Work Wages | 6,22,317 | - | 6,22,317 |
| | Transmission Line Compensation | 60,86,956 | - | 60,86,956 |
| | IEE of transmission line | 7,02,689 | - | 7,02,689 |
| | Tabular Pole for Transmission line | 8,44,024 | - | 8,44,024 |
| | Transformer | 22,74,325 | - | 22,74,325 |
| | Transmission and Switchyard | 7,39,063 | - | 7,39,063 |
| | JS Meter | 16,95,000 | - | 16,95,000 |
| | Electric Ware | 27,600 | - | 27,600 |
| | Site Expenses | 5,36,905 | - | 5,36,905 |
| | Transmission Line Testing and Commissioning | 4,58,824 | - | 4,58,824 |
| | Civil Work of Transmission Line | 11,05,496 | - | 11,05,496 |
| | Transportation Expenses | 51,754 | - | 51,754 |
| | Transmission Line Inspection-Meeting Allowance | 1,58,915 | - | 1,58,915 |
| | Land Compensation | 44,000 | - | 44,000 |
| | Other Transmission Line Compensation | 30,310 | - | 30,310 |
| | Transmission Line Expenses | 3,55,245 | - | 3,55,245 |
| | Transmission Line Phase -2 Expenses | 2,80,26,728 | - | 2,80,26,728 |
| | Transmission Line Renew Expenses | 1,00,000 | - | 1,00,000 |
| | Transmission Line Work | 11,96,448 | - | 11,96,448 |
| | Transmission Line Work-Phase 1 Expenses | 80,54,625 | - | 80,54,625 |
| | Total | 5,31,11,224 | - | 5,31,11,224 |

| Infrastructure Development Works | | Sub Note 8.6 | | |
|----------------------------------|--------------------------|---------------------------|-----------------------------------|----------------------------|
| 6 | Particulars | As on 31st Ashad, 2081 | Addition during the year 81-82 | As on 32nd Ashadh, 2082 |
| | Access Road Construction | 2,59,34,000 | - | 2,59,34,000 |
| | Construction Materials | 7,82,938 | - | 7,82,938 |
| | Access Road Wages | 4,17,268 | - | 4,17,268 |
| | Hume Pipe | 1,09,999 | - | 1,09,999 |
| | Total | 2,72,44,205 | - | 2,72,44,205 |

| Environment/ Social Mitigation Cost | | Sub Note 8.7 | | |
|-------------------------------------|-----------------------------------|---------------------------|-----------------------------------|----------------------------|
| 7 | Particulars | As on 31st Ashad, 2081 | Addition during the year 81-82 | As on 32nd Ashadh, 2082 |
| | Contribution to Road Construction | 12,13,360 | - | 12,13,360 |
| | Donation | 3,32,900 | - | 3,32,900 |
| | Compensation Expenses | 6,00,890 | - | 6,00,890 |
| | Social Cost | 25,05,083 | - | 25,05,083 |
| | Environment Protection Expenses | 22,45,494 | - | 22,45,494 |
| | Project Allowance to DFO | 59,250 | - | 59,250 |
| | Total | 69,56,977 | - | 69,56,977 |

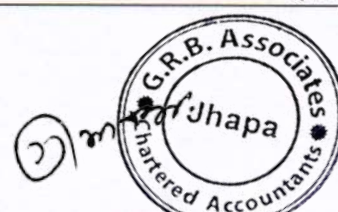
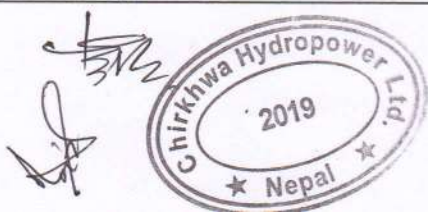


Chirkhwa Hydropower Limited
KMC-10, Nepal
Notes forming part of the Financial Statements

Project Supervision and Management Cost

Sub Note 8.8

| 8 Particulars | As on 31st Ashad, 2081 | Addition during the year 81-82 | As on 32nd Ashadh, 2082 |
|---------------------------------------|---------------------------|-----------------------------------|----------------------------|
| AGM Expenses | 76,691 | - | 76,691 |
| Audit Fee | 65,850 | - | 65,850 |
| Amini Expenses | 10,000 | - | 10,000 |
| Advertisement Expenses | 46,324 | - | 46,324 |
| Book & Periodicals | 1,83,184 | - | 1,83,184 |
| Bank Charge | 11,376 | - | 11,376 |
| Certification Charge | 13,560 | - | 13,560 |
| Consultancy Expenses | 47,97,950 | - | 47,97,950 |
| Chirkhwa Credit Rating | 4,26,104 | - | 4,26,104 |
| Consultancy Fee | 2,63,35,568 | - | 2,63,35,568 |
| Dashain Allowance | 4,28,859 | - | 4,28,859 |
| DOED Meeting Allowance | 14,118 | - | 14,118 |
| Depreciation | 22,21,863 | - | 22,21,863 |
| Electricity Expenses | 40,389 | - | 40,389 |
| Exim Code Renew | 3,500 | - | 3,500 |
| Fine | 1,07,561 | - | 1,07,561 |
| Fuel Expenses | 22,43,916 | - | 22,43,916 |
| Goods (Loading Unloading) | 1,39,755 | - | 1,39,755 |
| Gratuity Fund | 1,12,110 | - | 1,12,110 |
| GPO Box Renewal | 2,437 | - | 2,437 |
| Guest Refreshment-Site | 90,588 | - | 90,588 |
| Hydropower Operation & Maintenance | 52,99,558 | - | 52,99,558 |
| Installation Fee-CCTV | 11,280 | - | 11,280 |
| Internet and Telephone Exp | 1,25,025 | - | 1,25,025 |
| Interest | 2,96,938 | - | 2,96,938 |
| Issure Rating | 2,54,250 | - | 2,54,250 |
| Kitchen Utensil for Site Expenses | 62,470 | - | 62,470 |
| Land Expenses | 7,95,531 | - | 7,95,531 |
| Legal Charge | 86,810 | - | 86,810 |
| Meeting Expenses | 46,330 | - | 46,330 |
| Meeting Allowance | 13,02,240 | - | 13,02,240 |
| Meeting Allowance-NEA | 80,000 | - | 80,000 |
| Montly Consultancy Fee | 4,74,600 | - | 4,74,600 |
| Nea Grid | 50,000 | - | 50,000 |
| Notary Expenses | 41,000 | - | 41,000 |
| Office Expenses | 1,02,566 | - | 1,02,566 |
| Office Refreshment Expenses | 30,117 | - | 30,117 |
| Penalty | 2,16,682 | - | 2,16,682 |
| PG Interest Charge | 10,00,000 | - | 10,00,000 |
| PPA Bank Gurantee Expenses | 89,700 | - | 89,700 |
| PPA BG Margin | - | - | - |
| Printing and Stationery Expenses | 3,00,380 | - | 3,00,380 |
| Project Electricity NEA | 27,22,066 | - | 27,22,066 |
| Project Equipment | 3,01,000 | - | 3,01,000 |
| Project Expenses | 14,65,443 | - | 14,65,443 |
| Project Fooding and Lodging | 64,72,390 | - | 64,72,390 |
| Project Room Hire | 90,000 | - | 90,000 |
| Project Transportation and Travelling | 10,27,511 | - | 10,27,511 |
| Publication Expenses | 9,695 | - | 9,695 |
| Renewal Expenses | 6,400 | - | 6,400 |



Chirkhwa Hydropower Limited
KMC-10, Nepal
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Project Supervision and Management Cost

Sub Note 8.8.

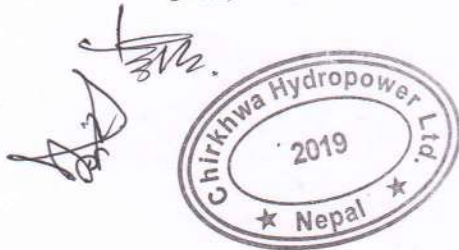
| 8 Particulars | As on 31st Ashad, 2081 | Addition during the year 81-82 | As on 32nd Ashadh, 2082 |
|------------------------------|---------------------------|-----------------------------------|----------------------------|
| <i>Continued...</i> | | | |
| Rent | 32,62,346 | - | 32,62,346 |
| Registration and Renewal | 4,47,900 | - | 4,47,900 |
| Repair and Maintainance | 18,77,687 | - | 18,77,687 |
| Site Office Expenses | 43,075 | - | 43,075 |
| Site Project Compensation | 65,665 | - | 65,665 |
| Salary & Wages | 4,52,86,219 | - | 4,52,86,219 |
| Share Lagat Expenses | 2,00,000 | - | 2,00,000 |
| Telephone Expenses | 9,800 | - | 9,800 |
| Travelling Allowances | 8,97,559 | - | 8,97,559 |
| Tiffen Expenses | 6,00,347 | - | 6,00,347 |
| Turbine Insurance | 37,741 | - | 37,741 |
| Transportation Expenses | 1,15,390 | - | 1,15,390 |
| Under Writing Expenses | 3,00,000 | - | 3,00,000 |
| Courier Charges | 8,377 | - | 8,377 |
| IPO Expenses | 11,41,450 | - | 11,41,450 |
| Project Maintenance Cost | 44,665 | - | 44,665 |
| Upper Project Supervision | 8,15,255 | - | 8,15,255 |
| Upper EM Runner Insurance | 7,65,703 | - | 7,65,703 |
| Upper Generator Insurance | 30,118 | - | 30,118 |
| Vehicle Renewal | 61,650 | - | 61,650 |
| Vehicle Insurance | 1,22,629 | - | 1,22,629 |
| Verification Consultancy Fee | 3,10,750 | - | 3,10,750 |
| Vehicle Hire | 1,50,000 | - | 1,50,000 |
| Valuation Fee | 11,300 | - | 11,300 |
| Wages | 20,23,655 | - | 20,23,655 |
| Webpage Expenses | 22,347 | - | 22,347 |
| Total | 11,87,83,310 | - | 11,87,83,310 |

Interest During Construction

Sub Note 8.9

| 9 Particulars | As on 31st Ashad, 2081 | Addition during the year 81-82 | As on 32nd Ashadh, 2082 |
|------------------------------------|---------------------------|-----------------------------------|----------------------------|
| Commitment Charge | 11,26,875.00 | - | 11,26,875 |
| Loan Processing Charge | 1,80,000.00 | - | 1,80,000 |
| Interest on Bridge Gap Loan | 1,54,82,358.04 | - | 1,54,82,358 |
| Interest Refund on Bridge Gap Loan | (4,08,068.05) | - | (4,08,068) |
| Interest on Term Loan | 12,48,53,669.09 | - | 12,48,53,669 |
| Interest Refund on Term Loan | (13,90,473.83) | - | (13,90,474) |
| Total | 13,98,44,360 | - | 13,98,44,360 |

The borrowing costs that are directly attributable to the acquisition, construction of project of qualifying assets as part of the cost of that assets. (As per NAS 23-Borrowing costs).



Chirkhwa Hydropower Limited
KMC-10, Nepal
Notes forming part of the Financial Statements
As on Ashadh 32nd, 2082 (16th July, 2025)

Other Non Current Assets

| S.N. Particulars | Note 9 | |
|--|----------------------------|----------------------------|
| | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 |
| 1 Share Investment in LC Energy Limited* | 50,000 | 50,000 |
| 2 Security Deposit | | |
| Nepal Telecom | 750 | 750 |
| GPO Box Security Deposit | 1,500 | 1,500 |
| Total | 52,250 | 52,250 |

* The Company had made investment of NRs. 50,000 in LC Energy Limited. The company has plan to hold the investment for long term and not for sale. Investments are measured at fair value through other comprehensive income (FVTOCI) as per NFRS-09 "Financial Instrument" since its initial recognition date. Management of the company has considered the cost of investment as fair value since the latest share price of the investee company has traded at cost.

Cash and Cash Equivalents

| S.N. Particulars | Note 10 | |
|--|----------------------------|----------------------------|
| | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 |
| A Cash in Hand | | |
| 1 Cash in Hand | 6,825 | 14,419 |
| B Balance with Banks | | |
| 1 Agricultural Development Bank Limited (Current A/C-Itahari Branch) | 7,337 | 7,337 |
| 2 Agriculture Development Bank Limited (Current A/C-Khadbari Branch) | 14,390 | 14,390 |
| 3 Century Commercial Bank Limited (Current A/C) | 22,537 | 22,537 |
| 4 Citizens Bank Limited (Current A/C) | 15,727 | 15,727 |
| 5 Laxmi Sunrise Bank Limited (Current A/C) | 5,000 | 5,000 |
| 6 Nabil Bank Limited (Current A/C) | 9,975 | 9,975 |
| 7 NMB Bank (Current A/C) | 10,715 | 10,715 |
| 8 Rastriya Banijay Bank Ltd (Current A/C) | 4,47,011 | 2,56,043 |
| 9 Rastriya Banijay Bank Ltd (Loan A/C) | 3,923 | 3,063 |
| 10 Rastriya Banijya Bank Ltd (Current A/C-Dingla Branch) | 6,059 | 6,059 |
| 11 Rastriya Banijay Bank Ltd (ESCROW A/C) | 3,000 | 3,000 |
| Total | 5,52,499 | 3,68,264 |

Trade Receivables

| S.N. Particulars | Note 11 | |
|-------------------------------------|----------------------------|----------------------------|
| | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 |
| 1 Nepal Electricity Authority (NEA) | 1,56,59,120 | 49,35,862.27 |
| Total | 1,56,59,120 | 49,35,862 |

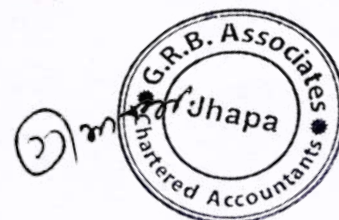
Income from sale of electricity is booked on monthly basis as per the invoice raised by company and issued to Nepal Electricity Authority (NEA). The amount is receivable from NEA within 45 days of issue of invoice. The receivable amount from NEA as on reporting date represents the income from sale of energy for the month of Ashadh, 2081. Trade Receivable is non-interest bearing in nature.

Margins and Deposits

| S.N. Particulars | Note 12 | |
|--------------------------------|----------------------------|----------------------------|
| | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 |
| 1 Margin for Letter of Credit* | 45,51,312 | 60,96,061 |
| 2 Margin for Bank Guarantee** | 3,15,000 | 3,15,000 |
| Total | 48,66,312 | 64,11,061 |

*Letter of Credit(LC) Margin has been retained by Rastriya Banijya Bank Limited against Letter of Credit(LC) issued for import of Electromechanical parts.

**Bank Guarantee Margin has been retained by Rastriya Banijya Bank Limited against Bank Guarantee issued for Exim Code to the Department of the Customs.



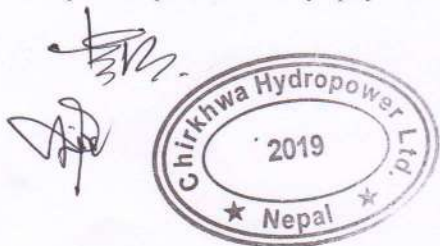
Chirkhwa Hydropower Limited
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Notes forming part of the Financial Statements
As on Ashadh 32nd, 2082 (16th July, 2025)

| Other Current Assets | | Note 13 | |
|--|----------------------------|----------------------------|--|
| S.N. Particulars | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 | |
| A Mobilization Advances | | | |
| 1 Precise Hydro Engineering and Construction Private Limited | - | - | |
| 2 Rabin Nirman Sewa Private Limited | - | - | |
| 3 P.S. Construction Company Private Limited | - | - | |
| B Advance to Contractors | | | |
| 1 Gorkha Hydro and Engineering Private Limited | - | - | |
| 2 Neppower Enterprises Private Limited | 46,44,525 | 18,53,540 | |
| 3 RBB Merchant Banking Ltd | 1,10,150 | - | |
| 4 N. E. S. Power Company Pvt. Ltd. | (19,05,630) | - | |
| 5 P.S Construction Company Private Limited | - | - | |
| 6 Precise Hydro Engineering and Construction Private Limited | - | 19,76,759 | |
| C Advances to Parties | | | |
| 1 Buddha Subba Hardware | - | - | |
| 2 Global Shipping and Air Cargo Private Limited | - | 2,75,000 | |
| 3 Gorkha Parta Coporation | - | - | |
| 4 Lower Erkhwa Hydropower Company Limited | - | - | |
| 5 LC Energy Limited | - | - | |
| 6 A One Hotel & Guest House | - | - | |
| 7 Dipen Suppliers | - | - | |
| 8 Goyal Hardware | - | - | |
| 9 Watt & Volt House (P) Ltd. | - | - | |
| 10 Prabhukiran Computer | - | - | |
| 11 RBB Merchant Banking Limited | - | - | |
| 12 SARP Engineering Private Limited | - | 43,550 | |
| 13 Kamana Newspublications Pvt. Ltd. | 743 | - | |
| 14 United Ajod Insurance Limited | - | - | |
| 15 Sriya Clearing Agency | 8,326 | 8,326 | |
| 16 Taregan IT Private Limited | - | - | |
| 17 T N D Associates | - | - | |
| D Other Advances | | | |
| 1 Advance Tax | 2,65,379 | - | |
| 2 Site Staff Advance | - | - | |
| 3 Land Advance* | 1,15,06,423 | 1,69,87,460 | |
| 4 Site Staff Salary Advance | - | - | |
| 5 Other Advances | - | - | |
| 6 Office Advance | - | 9,09,163 | |
| E Prepaid Expense | | | |
| | - | 29,18,837 | |
| Total | 1,46,29,916 | 2,49,72,635 | |

*Advance for land includes advance given to various person for acquisition of land by the company. The company has opted to record the land advance in its financial records, acknowledging the payment made towards acquiring the land, even though legal ownership cannot yet be transferred.

| Share Capital | | Note 14 | |
|---|----------------------------|----------------------------|--|
| S.N. Particulars | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 | |
| 1 Authorized Capital | | | |
| Ordinary shares of NRs. 100 each. | 40,00,00,000 | 40,00,00,000 | |
| 2 Issued Capital | | | |
| Ordinary shares of NRs. 100 each. | 40,00,00,000 | 40,00,00,000 | |
| 3 Subscribed and Paid Up Capital | | | |
| 2,800,000 Equity Shares of NRs. 100 each-Promoter share | 28,00,00,000 | 28,00,00,000 | |
| 1,200,000 Equity Shares of NRs. 100 each-Public Issue | 12,00,00,000 | 12,00,00,000 | |
| Total | 40,00,00,000 | 40,00,00,000 | |

Paid up share capital is an ordinary equity share capital fully paid up having equal voting right.



Chirkhwa Hydropower Limited
KMC-10, Nepal
Notes forming part of the Financial Statements
As on Ashadh 32nd, 2082 (16th July, 2025)

| Reconciliation of No. of Shares Outstanding | | Note 14.1 | |
|---|--------------------------------------|----------------------------|----------------------------|
| S.N | Particulars | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 |
| 1 | Balance at the beginning of the year | 28,00,000 | 28,00,000 |
| 2 | Add: Public Issue of Shares* | 12,00,000 | 12,00,000 |
| 3 | Add: Bonus Shares | - | - |
| Total | | 40,00,000 | 40,00,000 |

*Refer Note 37 for more details

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Chirkhwa Hydropower Limited
KMC-10, Nepal
Notes forming part of the Financial Statements
As on Ashadh 32nd, 2082 (16th July, 2025)

Reserve and Surplus

| S.N. Particulars | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 |
|---|----------------------------|----------------------------|
| 1 Opening Balance | (2,01,99,090) | (42,77,392.91) |
| 2 Add: Profit or Loss during the year | (2,84,93,660) | (1,59,21,697) |
| 3 Less: Expenses Related to Public Issue* | (35,33,705) | (35,33,705) |
| Total | (5,22,26,455) | (2,37,32,795) |

*Cost attributable to issue to Public offer (Initial Public Offering) has been charged to reserve and surplus directly. Such cost includes fee paid to Securities Board of Nepal (SEBON), Electricity Regulatory Authority (ERC), Underwriting Commission, Issuer Rating Expenses, IPO Registrations expenses & Other related expenses.

Advance for Share Capital

| S.N. Particulars | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 |
|--|----------------------------|----------------------------|
| 1 Amount received but share not allotted | - | - |
| Total | - | - |

Note 16

Long term Loans and Borrowings

| S.N. Particulars | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 |
|---|----------------------------|----------------------------|
| A Secured Loan | | |
| 1 Term Loan-Rastriya Banijya Bank Limited | 69,49,90,251 | 55,05,18,441 |
| 2 Less: Current Maturity of Term Loan* | (70,50,000) | (31,53,000) |
| Total | 68,79,40,251 | 54,73,65,441 |

Note 17

The company has entered a financial credit facility with Rastriya Banijya Bank Limited for the development of the Upper Chirkhwa Hydropower Project (4.70 MW) located at Bhojpur District. The credit facility is being utilized exclusively for the construction and development of this project, in accordance with the terms outlined in the agreement. The company is actively servicing the loan through periodic repayments, strictly adhering to the repayment schedule and the conditions stipulated in the agreement.

Loan has been secured against registered mortgage over of the entire assets of the project (present and to be created in future) including the land, building, plant and machinery, movable and immovable assets on land owned (including lease hold land) by the company and entire present/future current assets of the project including receivable from NEA and against registered mortgage of personal real estate properties provided by the promoter.

*Loans scheduled for repayment within one year from the reporting date are categorized as short-term liabilities as Current Maturity of Term Loan that is essential for presenting a precise and transparent picture of the company's near-term financial commitments.

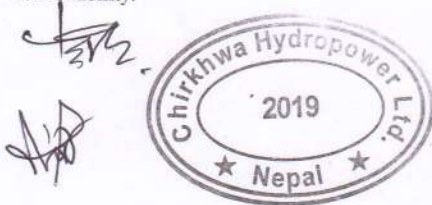
Lease liability

| S.N Particulars | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 |
|--|----------------------------|----------------------------|
| 1 Lease Liability* | 24,19,334 | 29,41,566 |
| 2 Less: Current Portion of Lease Liability** | (5,82,664) | (5,22,232) |
| Total | 18,36,669 | 24,19,334 |

Note 18

*The company has adopted NFRS-16 Lease for the first time in current FY 2081/82. The company has recognized NRs. 3,142,842 as Right to Use Asset and corresponding lease Liability in Statement of Financial Position.

**Lease Liability scheduled for repayment within one year from the reporting date are categorized as Current liabilities as current portion of lease liability.



Chirkhwa Hydropower Limited
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Notes forming part of the Financial Statements
As on Ashadh 32nd, 2082 (16th July, 2025)

Deferred Tax Liabilities(Net)

| S.N. Particulars | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 |
|--|----------------------------|----------------------------|
| Property, Plant and Equipment and Intangible Assets | | |
| 1 Written Down Value (WDV) as per Company Act (A) | 1,14,83,93,819 | 1,08,24,10,549 |
| 2 Written Down Value (WDV) as per Income Tax Act(B) | 1,14,78,30,765 | 1,08,19,55,701 |
| 3 Timing Difference (A-B) | 5,63,054 | 4,54,848 |
| 4 Rate of Income Tax applicable to company | 0% | 0% |
| 5 Amount of Tax recognized in Statement of Income | - | - |
| 6 Deferred Tax Assets/(Liability) recognized in statement of Financial Position | - | - |
| Lease Liability | | |
| 1 Net Carrying Amount | | |
| Carrying Amount of Lease Liability | 1,66,964 | 60,627 |
| Carrying Amount of Right of Use Asset(ROU) | 24,19,334 | 29,41,566 |
| 2 Tax Base of the Liability(B) | 22,52,370 | 28,80,938 |
| 3 Timing Difference (A-B) | - | - |
| 4 Rate of Income Tax applicable to company | 1,66,964 | 60,627 |
| 5 Amount of Tax recognized in Statement of Income | 0% | 0% |
| 6 Deferred Tax Assets/(Liability) recognized in statement of Financial Position | - | - |
| Total | - | - |

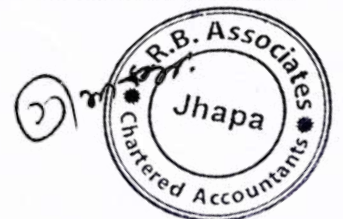
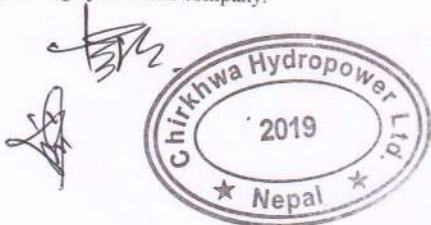
The tax exemption as per the provisions of section 11 (3 Gha) of Income Tax Act, 2058 is applicable for the financial year 2080/81 (i.e. the company is assessed at 0% tax rates for first 10 years of operation and 50% tax rate for later 5 years). Accordingly, the tax rate applicable to the company for the year is 0%. As a result, no current tax expense or deferred tax liability has been recognized in the financial statements for this period. The company will be subject to a 50% concession on the applicable tax rate (20%) for the subsequent 5 years after the tax holiday period ends. Deferred tax calculations will consider these tax concessions in future periods as required.

Short Term Loans and Borrowings

| S.N. Particulars | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 |
|--|----------------------------|----------------------------|
| A Secured Loan from Bank | | |
| 1 Bridge Gap Loan-Rastriya Banijya Bank Limited | - | 1,45,49,990 |
| 2 Loan against IPO-Rastriya Banijya Bank Limited | - | - |
| 3 Cash Credit Loan-16043 | - | - |
| 5 Add:Current Maturity of Term Loan* | 75,00,000 | - |
| B Unsecured Loan** | 70,50,000 | 31,53,000 |
| Loan from Directors | | |
| 1 Dipak Rai | - | - |
| 2 Ang Dorji Lama | - | - |
| 3 Dawa Shrestha | 2,50,000 | 2,50,000 |
| 4 Ganesh Man Singh Karki | - | 2,48,800 |
| 5 Kedar Nath Karki | - | 9,00,000 |
| Loan from Shareholders | | |
| 1 Bir Bahadur Rai | 50,000 | 4,50,000 |
| 2 Biswo Shrestha | - | 2,50,000 |
| 3 Gelje Lama | - | 16,50,000 |
| Loan from Others | | |
| 1 Ang Jangmu Lama | - | - |
| 2 Nagwang Thogme Lama | 75,00,000 | 75,00,000 |
| 3 Nagwang Thogme Lama / Ongchhu Lama | 80,00,000 | 80,00,000 |
| 4 Ongchhu Lama | 1,40,00,000 | 1,40,00,000 |
| 5 Mingma Kanchi Sherpa | 70,00,000 | 70,00,000 |
| Total | 6,03,50,000 | 6,97,51,790 |

*Refer Note 17 for more details.

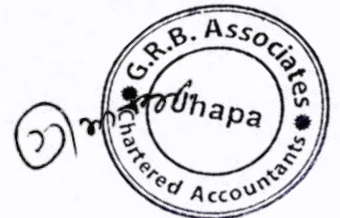
**The company has obtained interest-free unsecured short-term loans from the shareholders, directors and others with repayment due within a operating cycle of the company.



Chirkhwa Hydropower Limited
KMC-10, Nepal
Notes forming part of the Financial Statements
As on Ashadh 32nd, 2082 (16th July, 2025)

| Trade and Other Payables | | Note 21 | |
|---|----------------------------|----------------------------|--|
| S.N. Particulars | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 | |
| A Trade Payable | | | |
| 1 Ajay Store | - | - | |
| 2 Apollo Trade Link | 16,894 | 16,894 | |
| 3 Buddha Subba Hardware | (0) | 2,77,713 | |
| 4 CDS and Clearing Limited | - | 11,25,753 | |
| 5 Gorkha Hydro and Engineering Private Limited | 0 | 1,22,650 | |
| 6 Hydro Infrastructure Consulting Services Private Limited | - | - | |
| 7 Kandel and Associates | - | 1,39,375 | |
| 8 Kandel and Associates-Partnership | - | 55,750 | |
| 9 Kwalaty Banquet | - | 1,92,149 | |
| 10 Lumbini Engineering and Hydropower Private Limited | 19,229 | 70,296 | |
| 11 LC Energy Limited | - | - | |
| 12 Lumbini General Insurance Company Limited | - | - | |
| 13 Media Master Concept Private Limited | - | 16,725 | |
| 14 Mecamidi HPP India Private Limited | 4,05,320 | 58,06,378 | |
| 15 N. E. S. Power Company Private Limited | - | 20,05,476 | |
| 16 New Manakamana Hotel and Lodge | - | 1,07,740 | |
| 17 Nepal Electricity Authority | - | - | |
| 18 Priyanka Stores | - | 15,130 | |
| 19 Precise Hydro Engineering and Construction Private Limited | 17,73,343 | - | |
| 20 P.S Construction Company Private Limited | 5,74,45,941 | 4,15,81,734 | |
| 21 RBB Merchant Banking Limited | - | 1,40,000 | |
| 22 Rabin Nirman Sewa Private Limited | 28,77,281 | 38,77,281 | |
| 23 Saket Acharya and Associates | 74,925 | 3,51,225 | |
| 24 Satbise Construction Private Limited | - | - | |
| 25 Sitala Jalpa Devi Construction | - | 1,03,902 | |
| 26 Sunshine Kirana Pasal and Khaja Ghar | - | - | |
| 27 Sarsij Travels and Tours | - | - | |
| 28 Maiyung Panda Construction Pvt. Ltd. | - | - | |
| 29 Watt & Volt House (P) Ltd. | - | - | |
| 30 Sudip Iron Suppliers | - | - | |
| 31 SARP Engineering Private Limited | - | - | |
| 32 Times Media | - | 7,507 | |
| 33 Three Dimensional Freight and Cargo Private Limited | - | 2,57,453 | |
| B Retention Payable | | | |
| 1 Precise Hydro Engineering and Construction Private Limited | 18,77,854 | 18,77,854 | |
| 2 P.S Construction Company Private Limited | 1,36,56,039 | 1,36,56,039 | |
| 3 Rabin Nirman Sewa Private Limited | 15,96,520 | 15,96,520 | |
| C Other Payables | | | |
| 1 Audit Fee Payable | 5,69,000 | 3,34,500 | |
| 2 House Rent Payable | - | - | |
| 3 Interest Payable* | 4,18,978 | 4,18,32,890 | |
| 4 Social Cost Payable | - | 75,000 | |
| 5 Site Expenses Payable | 10,17,558 | 13,47,955 | |
| 6 Meeting Allowance Payable | 2,17,014 | 10,52,015 | |
| 7 Land Payable | - | - | |
| D Payable to Staffs | | | |
| 1 Salary Payable(Annexure-1) | 36,88,327 | 23,13,435 | |
| 2 Petty Payables | 27,698 | 22,641 | |
| Total | 8,56,81,921 | 12,03,79,977 | |

*The interest on the loan, which accrued for the third and fourth quarter of FY 2081/082 was outstanding as of the reporting date. However, the accrued interest was fully settled as of the date of adoption of the financial statements by the Board of Directors.



Chirkhwa Hydropower Limited
KMC-10, Nepal
Notes forming part of the Financial Statements
As on Ashadh 32nd, 2082 (16th July, 2025)

| Lease liability | Note 22 | |
|---------------------------------------|----------------------------|----------------------------|
| S.N Particulars | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 |
| 1 Current Portion of Lease Liability* | 5,82,664 | 5,22,232 |
| Total | 5,82,664 | 5,22,232 |

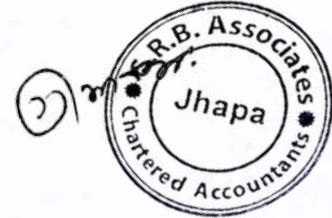
*Refer Note 18 for more details

| Other Curent Liabilities | Note 23 | |
|---|----------------------------|----------------------------|
| S.N. Particulars | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 |
| 1 Duties and Taxes(Annexure-2)* | 22,41,236 | 15,59,360 |
| 2 Provisions and Other Liabilities | | |
| Provision for Income Tax** | - | - |
| Provision for Staff Bonus | - | - |
| Fine for Late COD Payable | - | 32,96,220 |
| Provision for fixed Royalty | - | 4,70,000 |
| Total | 22,41,236 | 53,25,580 |

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

**The company has not made provision for current tax due to entitlement to Tax holiday of 10 years from commencement of commercial operation as per the Section 11(3Gha) of Income Tax Act, 2058. The commercial operation of company was started on 20th Jestha, 2081. For details refer Note 19

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| | 8283 | | | | TOTAL |
|--------|--------------|--------------|--------------|--------------|--------------|
| TERM 1 | 12,30,227.89 | 12,57,914.94 | 12,86,524.89 | 13,15,134.84 | 50,89,802.56 |
| TERM 2 | 1,02,772.11 | 1,05,085.06 | 1,07,475.11 | 1,09,865.16 | 4,25,197.44 |
| TERM 3 | 2,97,790.45 | 3,04,211.81 | 3,11,435.83 | 3,18,659.86 | 12,32,097.95 |
| TERM 4 | 73,209.55 | 74,788.19 | 76,564.17 | 78,340.14 | 3,02,902.05 |
| TOTAL | 17,04,000.00 | 17,42,000.00 | 17,82,000.00 | 18,22,000.00 | 70,50,000.00 |



Chirkhwa Hydropower Limited
KMC-10, Nepal
Notes forming part of the Financial Statements

Revenue from Operation

Note 24

| S.N. Particulars | Year Ended 32nd Ashadh, 2082 | Year Ended 31st Ashadh, 2081 |
|------------------------------------|---------------------------------|---------------------------------|
| 1 Revenue from Sale of Electricity | 11,84,74,363 | 1,11,94,752 |
| Total | 11,84,74,363 | 1,11,94,752 |

The commercial operation of company was started from 20th Jestha 2081. The company issues invoice to Nepal Electricity Authority (NEA) on monthly basis and amount is receivable within 45 days of issue of invoice as per internal memo of NEA. Revenue is measured as the fair value of consideration received or receivable and accordingly revenue is recognized as per the memo of NEA.

Cost of Sales

Note 25

| S.N. Particulars | Year Ended 32nd Ashadh, 2082 | Year Ended 31st Ashadh, 2081 |
|-------------------------------------|---------------------------------|---------------------------------|
| 1 Back Feed Energy | 17,712 | 13,176 |
| 2 Revenue Royalty Expense | 23,70,693 | 2,23,631 |
| 3 Fixed Royalty Expense | 8,83,342 | 56,658 |
| 4 Short Supply Charge* | 10,77,054 | 8,62,590 |
| 5 Insurance Expenses | 44,59,635 | 77,855 |
| 6 Salary and Allowances-Site Office | 38,57,280 | 4,89,935 |
| 7 Site office Expenses | 8,68,988 | 45,730 |
| 8 Repair and Maintenance | 2,10,52,368 | 10,36,899 |
| 9 Fine for Late COD** | - | 84,55,712 |
| Total | 3,45,87,071 | 1,12,62,187 |

*The Company has incurred short supply charges as per the terms of the Power Purchase Agreement (PPA) with the Nepal Electricity Authority (NEA). Under the PPA, the Company is required to deliver a minimum quantity of electricity, and any shortfall in supply results in a penalty. The short supply charges has been recognized as per the internal memo issued by NEA to the company.

**As of the reporting date, the project has incurred a fine for failing to meet the Required Commercial Operation Date (RCOD) as stipulated in the Power Purchase Agreement (PPA) signed with the Nepal Electricity Authority (NEA). The project was delayed due to various reasons. As per the agreement, the project is liable to a fine of NRs. 84,55,712. The remaining fine is recognized as a liability and has been settled as on the date of adoption of financial Statements by Board of Directors.

Other Income

Note 26

| S.N. Particulars | Year Ended 32nd Ashadh, 2082 | Year Ended 31st Ashadh, 2081 |
|------------------|---------------------------------|---------------------------------|
| 1 Other Income | - | - |
| Total | - | - |

Employee Benefit Expenses

Note 27

| S.N. Particulars | Year Ended 32nd Ashadh, 2082 | Year Ended 31st Ashadh, 2081 |
|-------------------------------------|---------------------------------|---------------------------------|
| 1 Staff Salary & Allowance Expenses | 92,62,788 | 9,51,548 |
| Total | 92,62,788 | 9,51,548 |

The company does not have any scheme of employment benefits other than salary and allowance. Accordingly, the company has not made provisions for any liabilities relating to employees which arise on account of accumulated leave, provident fund, etc. in accordance with Labor Act, 2074 and has neither been registered with Social Security Fund as per the provision of Contribution based Social Security Act, 2074 as on reporting date.

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Chirkhwa Hydropower Limited
KMC-10, Nepal
Notes forming part of the Financial Statements

Administrative Expenses

| S.N. Particulars | Note 28 | |
|------------------------------------|---------------------------------|---------------------------------|
| | Year Ended 32nd Ashadh, 2082 | Year Ended 31st Ashadh, 2081 |
| 1 AGM Expenses | 4,06,433 | 3,75,899 |
| 2 Advance Land Tax Written off | - | 2,13,780 |
| 3 Advertisement Expenses | 1,77,975 | 16,950 |
| 4 Audit Fee | 3,39,000 | 3,40,950 |
| 5 Bank Charge | 6,658 | 49,619 |
| 6 Meeting Allowance | 4,00,000 | 9,94,119 |
| 7 Fooding and Lodging | 2,72,120 | 2,42,753 |
| 8 Fine and Penalties | - | - |
| 9 Guest Refreshment | 98,648 | 76,804 |
| 10 Internet and Telephone Expenses | 1,12,912 | 1,05,657 |
| 11 Inauguration Expenses | - | 2,11,849 |
| 12 Office Expenses | - | 2,59,686 |
| 13 Office Refreshment Expenses | 36,39,232 | - |
| 14 Printing and Stationery | 32,975 | 41,621 |
| 15 Repair and Maintenance | 2,55,294 | 1,33,075 |
| 16 Rent Expenses* | - | 85,750 |
| 17 Site Office Expenses | 20,000 | 25,890 |
| 18 Shut Down Expenses | - | 34,465 |
| 19 Travelling Expenses | 92,029 | 40,910 |
| Total | 58,53,277 | 32,49,776 |

The company has entered into a new lease agreement during the current period effective from 11th Falgun, 2080 for lease term of five years.. As such, NFRS 16 has been applied to the new lease agreement. The company has recognized a right-of-use asset and a lease liability at the commencement date of the lease, with subsequent measurement in accordance with the requirements of NFRS 16.

Depreciation and Amortization Expenses

| S.N. Particulars | Note 29 | |
|---|---------------------------------|---------------------------------|
| | Year Ended 32nd Ashadh, 2082 | Year Ended 31st Ashadh, 2081 |
| 1 Depreciation on Property, Plant and Equipment | 2,34,306 | 2,18,638 |
| 2 Amortization of Intangible Assets | 4,30,48,433 | 47,24,832 |
| 3 Depreciation on Right of Use Assets | 6,28,568 | 2,61,903 |
| Total | 4,39,11,307 | 52,05,373 |

Finance Costs

| S.N. Particulars | Note 30 | |
|--|---------------------------------|---------------------------------|
| | Year Ended 32nd Ashadh, 2082 | Year Ended 31st Ashadh, 2081 |
| 1 Interest Expenses* | 5,30,55,815 | 63,07,175 |
| 2 Interest Expenses on Lease Liability** | 2,97,764 | 1,40,391 |
| Total | 5,33,53,579 | 64,47,565 |

*The company has entered into credit facility agreement for the project financing with Rastriya Banijya Bank Limited for the development of the Upper Chirkhwa Hydropower Project (4.70 MW) & shall capitalise borrowing costs that are directly attributable to the acquisition, construction of project of qualifying asset as part of the cost of that assets and after the generation of the Electricity same has been charged in the Statement of Profit or Loss and Other Comprehensive Income (As per NAS 23-Borrowing costs).

**Refer note 45 for more details.



Chirkhwa Hydropower Limited
KMC-10, Nepal
Notes forming part of the Financial Statements

Earnings Per Share

Note 31

| S.N. Particulars | Year Ended 32nd Ashadh, 2082 | Year Ended 31st Ashadh, 2081 |
|-------------------------------------|---------------------------------|---------------------------------|
| 1 Net Profit | (2,84,93,660) | (1,59,21,697) |
| 2 No of Shares Outstanding | 40,00,000 | 40,00,000 |
| 3 Weighted Average Number of Shares | 40,00,000 | 40,00,000 |
| 4 Basic Earnings per Share | (7.12) | (3.98) |

The weighted average number of shares outstanding for the calculation of Basic and Diluted Earnings Per Share (EPS) has been determined based on the shares outstanding as of the reporting date. In accordance with NAS-33, the weighted average number of shares is calculated by taking into account any changes in the number of shares during the reporting period. The company does not have any potential equity shares. Hence, Diluted Earnings per Share has not been calculated.

Calculation of weighted average number of Shares

| S.N | Share Issued Date | Shares Outstanding | No of days Outstanding | Weighted average Equity Share Outstanding |
|--------------|----------------------|--------------------|---------------------------|---|
| 1 | 2080.04.01 | 28,00,000 | 365 | 28,00,000 |
| 2 | 2080.07.16* | 12,00,000 | 365 | 12,00,000 |
| Total | | | | 40,00,000 |

*The company has issued shares to public during the current fiscal year. For the purpose of EPS calculation, date on which the share amount become receivable i.e. allotment date has been taken.



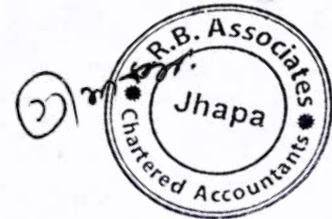
Chirkhwa Hydropower Ltd.
KMC-10, Nepal
Annexure forming part of the Financial Statements
As on Ashadh 32nd, 2082 (16th July, 2025)

Annexure 1

Salary Payables

Amount in NRs.

| S.N Particulars | As on Ashadh 32nd, 2082 | As on Ashadh 31st, 2081 |
|--------------------------|----------------------------|----------------------------|
| 1 Bhim Kumar Rai | - | - |
| 2 Bhumi Hang Rai | - | - |
| 3 Bishal Rai | 20,000 | 65,000 |
| 4 Dambar Bahadur Karki | 2,43,540 | 25,700 |
| 5 Dhanya Prasad Timsina | 34,836 | 1,76,912 |
| 6 Dipak Rai | 31,88,505 | 3,38,386 |
| 7 Dipesh Lal Chaudhary | 19,800 | 89,100 |
| 8 Divya Raj Chauhan | - | 4,471 |
| 9 Gajandra Bahadur Karki | - | 74,250 |
| 10 Gaurav Rai | 20,400 | 47,903 |
| 11 Gelje Lama | - | 1,50,505 |
| 12 Gobinda Prasad Rai | - | - |
| 13 Gyanadra Kumar Rai | - | 1,00,000 |
| 14 Kiran Hang Rai | - | 1,497 |
| 15 Kos Bahadur Bista | - | 74,250 |
| 16 Krishna Bahadur Rai | 19,800 | 1,01,400 |
| 17 Kumar Bishwakarma | - | - |
| 18 Mahesh GC | 35,000 | 36,445 |
| 19 Manita Khadka | - | - |
| 20 Mukunda GC | 19,140 | 19,140 |
| 21 Prakash Kumar Rai | - | 1,34,998 |
| 22 Prem Prakash Basnet | 22,770 | 45,540 |
| 23 Rabin Budhathoki | 34,836 | 2,20,660 |
| 24 Rabin Thapa | 19,800 | 19,800 |
| 25 Rajendra Karki | - | 91,259 |
| 26 Sabita Maharjan | - | 1,03,950 |
| 27 Sambay Rai | - | 27,000 |
| 28 Santosh Rai | - | - |
| 29 Satish Tamrakar | - | - |
| 30 Shakti Khatri | 9,900 | 9,900 |
| 31 Subha Laxmi Shrestha | - | 2,07,804 |
| 32 Subina Bajracharya | - | - |
| 33 Sundar Bishowkarma | - | 19,800 |
| 34 Suresh Shrestha | - | 1,27,765 |
| Total | 36,88,327 | 23,13,435 |

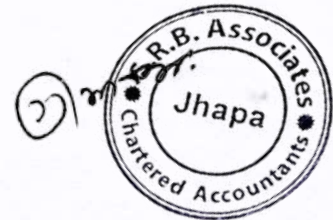


Chirkhwa Hydropower Ltd.
KMC-10, Nepal
Annexure forming part of the Financial Statements
As on Ashadh 32nd, 2082 (16th July, 2025)

Annexure 2

Duties and Taxes

| S.N Particulars | As on 31st Ashad, 2081 | As on Ashadh 31st, 2081 |
|--------------------------------------|---------------------------|----------------------------|
| 1 TDS on IPO Related Expense | - | 58,574 |
| 2 TDS on AGM Expense | - | 5,447 |
| 3 TDS on Access Road Construction | - | 6,978 |
| 4 TDS on Audit Fee | 4,500 | 4,725 |
| 5 TDS on Allowance | 67,057 | 1,63,235 |
| 6 TDS on Certification | - | 45 |
| 7 TDS on Civil Construction | 13,60,012 | 5,03,291 |
| 8 TDS on Consultancy Fee | 2,87,657 | 27,435 |
| 9 TDS on Contract | - | - |
| 10 TDS on Wages | 780 | - |
| 11 TDS on Hydropower and Maintenance | - | 84,112 |
| 12 TDS on Publication Expense | - | 371 |
| 13 TDS on Project Expenses | - | - |
| 14 TDS on Advertisement | - | 225 |
| 15 TDS on Rent | - | 82,978 |
| 16 TDS on Transportation | - | 15,450 |
| 17 TDS on Transmission Line | - | 1,09,326 |
| 18 TDS on Installation | - | 150 |
| 19 TDS on Hydraulic Oil | - | 2,111 |
| 20 TDS on Hydromechanical Expenses | - | - |
| 21 TDS on Grouting | - | 8,249 |
| 22 TDS on Electromechanical Expenses | - | 18,829 |
| 23 TDS on Custom Clearing Charge | - | 15 |
| 24 Social Security Tax | 95,036 | 77,081 |
| 25 Remuneration Tax | 3,34,994 | 3,52,332 |
| 26 Provident Fund | 91,200 | 38,400 |
| Total | 22,41,236 | 15,59,360 |



Chirkhwa Hydropower Limited
KMC-10, Nepal
Notes forming part of the Financial Statements

Amount in NRs.

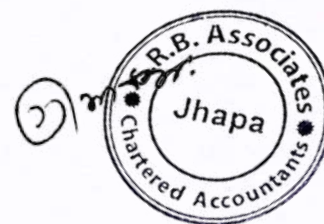
Note 5

Property, Plant and Equipment

| Particulars | Land at Site | Lower Chirkhwa Land | Furniture and Fixture | Computer and Accessories | Vehicles | Site Machineries | Total |
|------------------------------------|--------------------|---------------------|-----------------------|--------------------------|------------------|------------------|--------------------|
| Balance at Ashadh end, 2080 | 3,83,42,864 | 28,75,570 | 4,46,940 | 2,41,790 | 29,39,000 | 3,42,130 | 4,51,88,294 |
| Balance at 1st Shrawan, 2080 | 3,83,42,864 | 28,75,570 | 4,46,940 | 2,41,790 | 29,39,000 | 3,42,130 | 4,51,88,294 |
| Addition during FY 80-81 | - | - | 78,767 | 1,21,500 | - | 1,90,224 | 3,90,491 |
| Disposal During the year | (3,83,42,864) | (28,75,570) | - | - | - | - | (4,12,18,434) |
| Balance at Ashadh end, 2081 | - | - | 5,25,707 | 3,63,290 | 29,39,000 | 5,32,354 | 43,60,351 |
| Balance at 1st Shrawan, 2081 | - | - | 5,25,707 | 3,63,290 | 29,39,000 | 5,32,354 | 43,60,351 |
| Addition during FY 81-82 | - | - | - | 3,88,000 | - | 1,28,253 | 5,16,253 |
| Transferred to Intangible Assets | - | - | - | - | - | - | - |
| Balance at Ashadh end, 2081 | - | - | 5,25,707 | 7,51,290 | 29,39,000 | 6,60,607 | 48,76,604 |
| Depreciation | | | | | | | |
| Balance at Ashadh end, 2080 | - | - | 3,96,687 | 1,77,467 | 16,72,588 | 1,86,678 | 24,33,420 |
| Balance at 1st Shrawan, 2080 | - | - | 3,96,687 | 1,77,467 | 16,72,588 | 1,86,678 | 24,33,420 |
| Depreciation for FY 80-81 | - | - | 17,402 | 32,194 | 1,26,641 | 42,401 | 2,18,638 |
| Disposal during year | - | - | - | - | - | - | - |
| Balance at Ashadh end, 2081 | - | - | 4,14,089 | 2,09,661 | 17,99,229 | 2,29,079 | 26,52,057 |
| Balance at 1st Shrawan, 2081 | - | - | 4,14,089 | 2,09,661 | 17,99,229 | 2,29,079 | 26,52,057 |
| Depreciation for FY 81-82 | - | - | 22,324 | 45,468 | 1,13,977 | 52,537 | 2,34,306 |
| Disposal during year | - | - | - | - | - | - | - |
| Balance at Ashadh end, 2082 | - | - | 4,36,413 | 2,55,129 | 19,13,206 | 2,81,616 | 28,86,363 |
| Net Carrying Amounts | | | | | | | |
| As at Ashadh end, 2080 | 3,83,42,864 | 28,75,570 | 50,253 | 64,323 | 12,66,413 | 1,55,452 | 4,27,54,874 |
| As at Ashadh end, 2081 | - | - | 1,11,618 | 1,53,629 | 11,39,771 | 3,03,275 | 17,08,293 |
| As at Ashadh end, 2082 | - | - | 89,294 | 4,96,161 | 10,25,794 | 3,78,991 | 19,90,240 |

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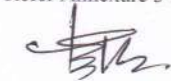
Chirkhwa Hydropower Limited
KMC-10, Nepal
Notes forming part of the Financial Statements

Amount in NRs.

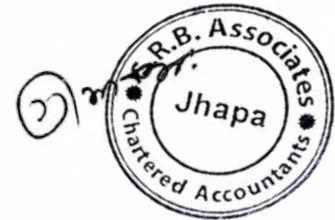
| Intangible Assets* | Note 6 | | |
|------------------------------------|----------------|--------------------------------|----------------|
| Particulars | Tally Software | Project Assets (Annexure-3) | Total |
| Cost | | | |
| Balance at Ashadh end, 2080 | 40,115 | - | 40,115 |
| Balance at 1st Shrawan 2080 | 40,115 | - | 40,115 |
| Addition during the year | - | - | - |
| Balance at Ashadh end, 2081 | 40,115 | 1,08,54,01,985 | 1,08,54,42,100 |
| Balance at 1st Shrawan 2081 | 40,115 | 1,08,54,01,985 | 1,08,54,42,100 |
| Addition during the year | - | 10,87,49,756 | 10,87,49,756 |
| Balance at Ashadh end, 2082 | 40,115 | 1,19,41,51,741 | 1,19,41,91,856 |
| Amortization | | | |
| Balance at Ashadh end, 2080 | 15,013 | - | 15,013 |
| Balance at 1st Shrawan, 2080 | 15,013 | - | 15,013 |
| Amortization for the year | 8,023 | 47,16,809 | 47,24,832 |
| Balance at Ashadh end, 2081 | 23,036 | 47,16,809 | 47,39,845 |
| Balance at 1st Shrawan, 2081 | 23,036 | 47,16,809 | 47,39,845 |
| Amortization for the year | - | 4,30,48,433 | 4,30,48,433 |
| Balance at Ashadh end, 2082 | 23,036 | 4,77,65,242 | 4,77,88,278 |
| Carrying Amounts | | | |
| As at Ashadh end, 2080 | 25,102 | - | 25,102 |
| As at Ashadh end, 2081 | 17,079 | 1,08,06,85,177 | 1,08,07,02,256 |
| As at Ashadh end, 2082 | 17,079 | 1,14,63,86,500 | 1,14,64,03,579 |

*The company has to transfer the entire generation unit to Government of Nepal(GON) under BOOT arrangement after the expiry of period of generation license i.e 10th Falgun,2108 or 35 years from Commercial Operation Date(COD) whichever is earlier.Thus the useful life of the project assets is 27.74 years from the date of commercial operation.

Property, Plant and Equipment and Intangible Assets given as security for Long Term Loans and borrowings.(Refer note 17)
Refer Annexure 3 for more details.





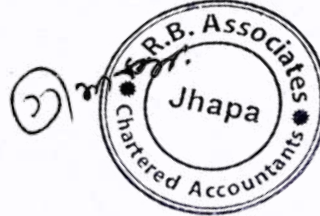
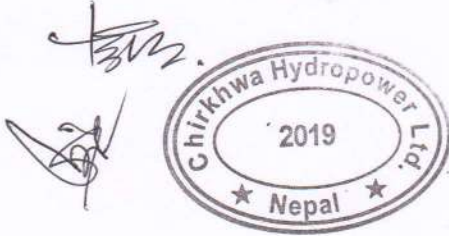


Chirkhwa Hydropower Limited
KMC-10, Nepal
Notes forming part of the Financial Statements

Amount in NRs.

| Right of Use Asset* | Note 7 | |
|------------------------------------|--------------------------------|--------------|
| Particulars | Right of Use Asset(ROU) | Total |
| Cost | | |
| Balance at Ashadh end, 2080 | - | - |
| Balance at 1st Shrawan 2080 | - | - |
| Addition during the year | 31,42,842 | 31,42,842 |
| Balance at Ashadh end, 2081 | 31,42,842 | 31,42,842 |
| Balance at 1st Shrawan 2081 | 31,42,842 | 31,42,842 |
| Addition during the year | - | - |
| Balance at Ashadh end, 2082 | 31,42,842 | 31,42,842 |
| Amortization | | |
| Balance at Ashadh end, 2080 | - | - |
| Balance at 1st Shrawan, 2080 | - | - |
| Amortization for the year | 2,61,903 | 2,61,903 |
| Balance at Ashadh end, 2081 | 2,61,903 | 2,61,903 |
| Balance at 1st Shrawan, 2081 | 2,61,903 | 2,61,903 |
| Amortization for the year | 6,28,568 | 6,28,568 |
| Balance at Ashadh end, 2082 | 8,90,472 | 8,90,472 |
| Carrying Amounts | | |
| As at Ashadh end, 2080 | - | - |
| As at Ashadh end, 2081 | 28,80,938 | 28,80,938 |
| As at Ashadh end, 2082 | 22,52,370 | 22,52,370 |

*Refer note 45 for more details.



Chirkhwa Hydropower Limited
KMC-10, Nepal
Annexure forming part of the Financial Statements
As on Ashadh 32nd, 2082 (16th July, 2025)

Annexure 3
Intangible Assets(Project Assets)

| Particulars | Land | | Civil Construction Works | | Hydro Mechanical Works | | Electro Mechanical Works | | Transmission Line and Switchyard | | Total |
|--|--------------------|--|--------------------------|--|------------------------|--|--------------------------|--|----------------------------------|--|-----------------------|
| | | | | | | | | | | | |
| Cost | | | | | | | | | | | |
| Opening Balance as on 01.04.2081 | 4,12,18,434 | | 53,85,55,004 | | 24,23,33,195 | | 18,60,50,153 | | 7,72,45,198 | | 1,08,54,01,984 |
| Add: Addition during the year | 62,95,573 | | 8,37,53,394 | | 1,87,00,789 | | - | | - | | 10,87,49,756 |
| Less: Disposal / Adjustment | - | | - | | - | | - | | - | | - |
| Balance as on 32nd Ashadh, 2082 | 4,75,14,007 | | 62,23,08,399 | | 26,10,33,984 | | 18,60,50,153 | | 7,72,45,198 | | 1,19,41,51,740 |
| Depreciation Details | | | | | | | | | | | |
| Rate of Depreciation | 3.60% | | 3.60% | | 3.60% | | 3.60% | | 3.60% | | 3.60% |
| Method | SLM | | SLM | | SLM | | SLM | | SLM | | SLM |
| Estimated Useful Life | 26.74 Year | | 26.74 Year | | 26.74 Year | | 26.74 Year | | 26.74 Year | | 26.74 Year |
| Amortization Expenses | | | | | | | | | | | |
| Balance as on 1st Shrawan 2081 | 1,79,122 | | 23,40,387 | | 10,53,102 | | 8,08,514 | | 3,35,683 | | 47,16,809 |
| Add: Addition during the year | 17,12,851 | | 2,24,33,834 | | 94,10,114 | | 67,06,993 | | 27,84,642 | | 4,30,48,433 |
| Balance as on 32nd Ashadh, 2082 | 18,91,973 | | 2,47,74,221 | | 1,04,63,216 | | 75,15,507 | | 31,20,325 | | 4,77,65,242 |
| Carrying amounts as on 32.03.2082 | 4,56,22,034 | | 59,75,34,178 | | 25,05,70,768 | | 17,85,34,645 | | 7,41,24,874 | | 1,14,63,86,499 |

*The company has developed Upper Chirkhwa Hydropower Project of 4.70 MW. The development/construction of hydropower project has been completed and commercial operation of company was started on 20th Jestha, 2081. All the cost associated with development/construction of project till the date of commercial operation has been capitalized. As on the date of commercial operation of company, the capital work in progress (project cost) has been transferred to Intangible Assets of Company. Such project assets (PPE) shall be depreciated/amortized over the remaining useful life of the project on SLM basis. As per the clause in PPA agreement with Nepal Electricity Authority (NEA), and the agreement shall end on 2108/1/10 BS and the remaining life of project from commercial date of operation is approximate 26.74 years.

The company has to transfer the entire generation unit to Government of Nepal(GON) under BOOT arrangement after the expiry of period of generation license i.e 10th Falgun, 2108 or 35 years from Commercial Operation Date(COD) whichever is earlier. Thus, useful life of the assets is estimated to 26.74 years. from the date of commercial operation. The development/construction of hydropower project has been completed during the year.

