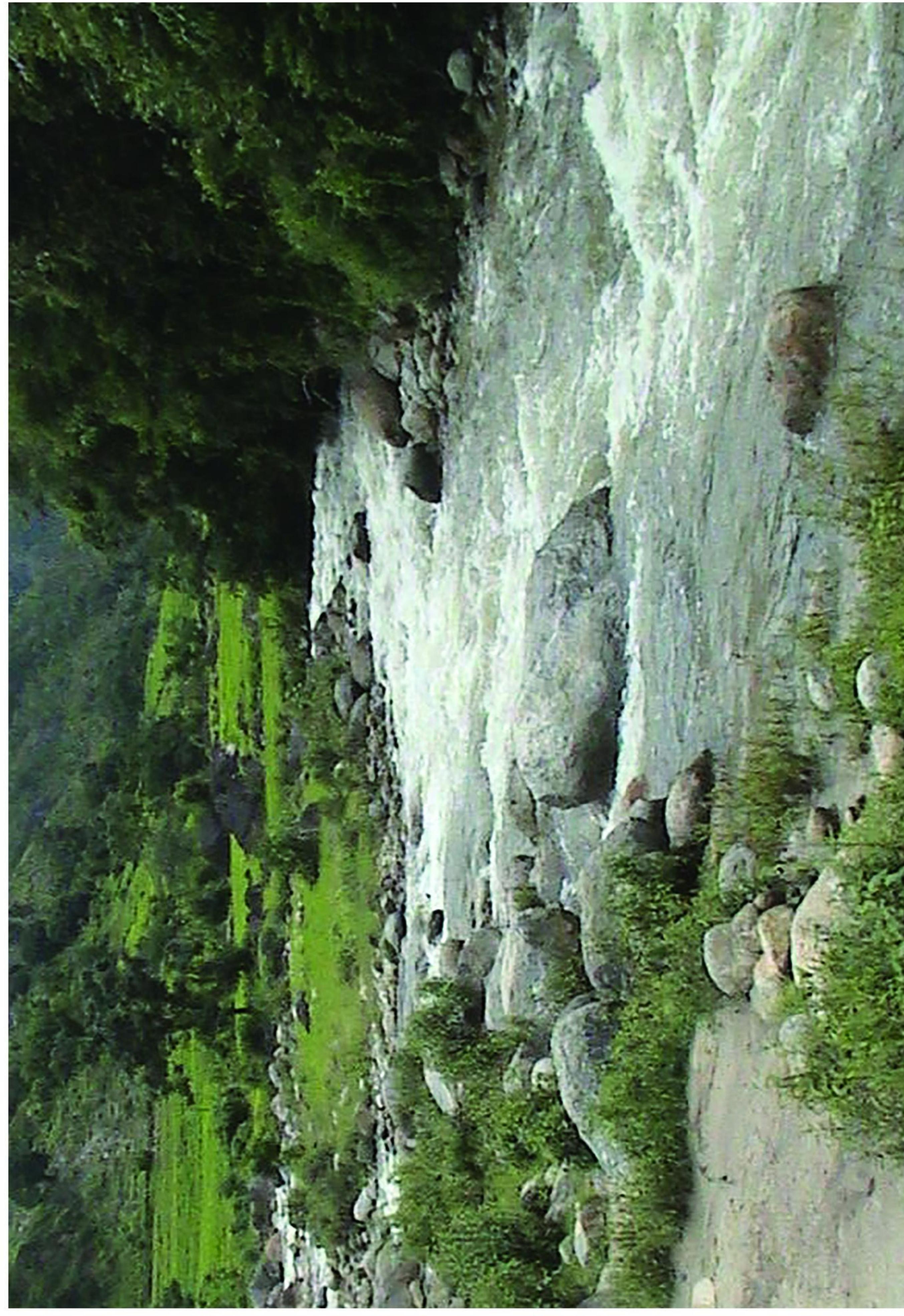




# शैलेश्वरी पावर नेपाल लिमिटेड

## Shaileshwori Power Nepal Limited



# ANNUAL REPORT

## 2080/081

ANNUAL REPORT

2080/081



# शैलेश्वरी पावर नेपाल लिमिटेड

## Shaileshwori Power Nepal Limited

Kathmandu Metropolitan City-31  
Shankhamul, Kathmandu, Nepal  
9848425002, 9843116449, 9851018901  
saileshwori.power17@gmail.com  
[www.shaileshwaripower.com](http://www.shaileshwaripower.com)

# शैलेश्वरी पावर नेपाल लिमिटेड

## संचालक समिति



जगदिश बहादुर पाल  
प्रबन्ध संचालक



लाल बहादुर बहम  
अध्यक्ष



दिलिप सिंह बुठाथोकी  
संचालक



जयराज जोशी  
संचालक

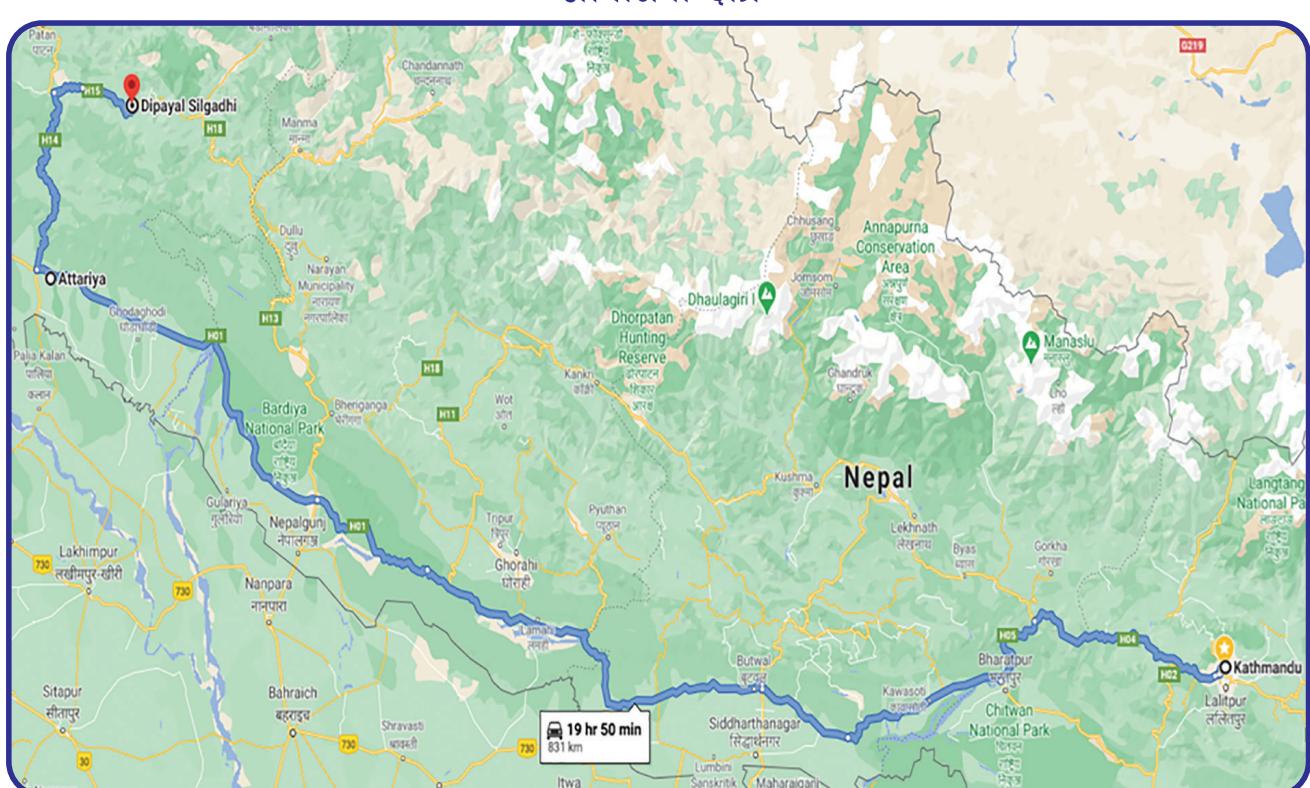
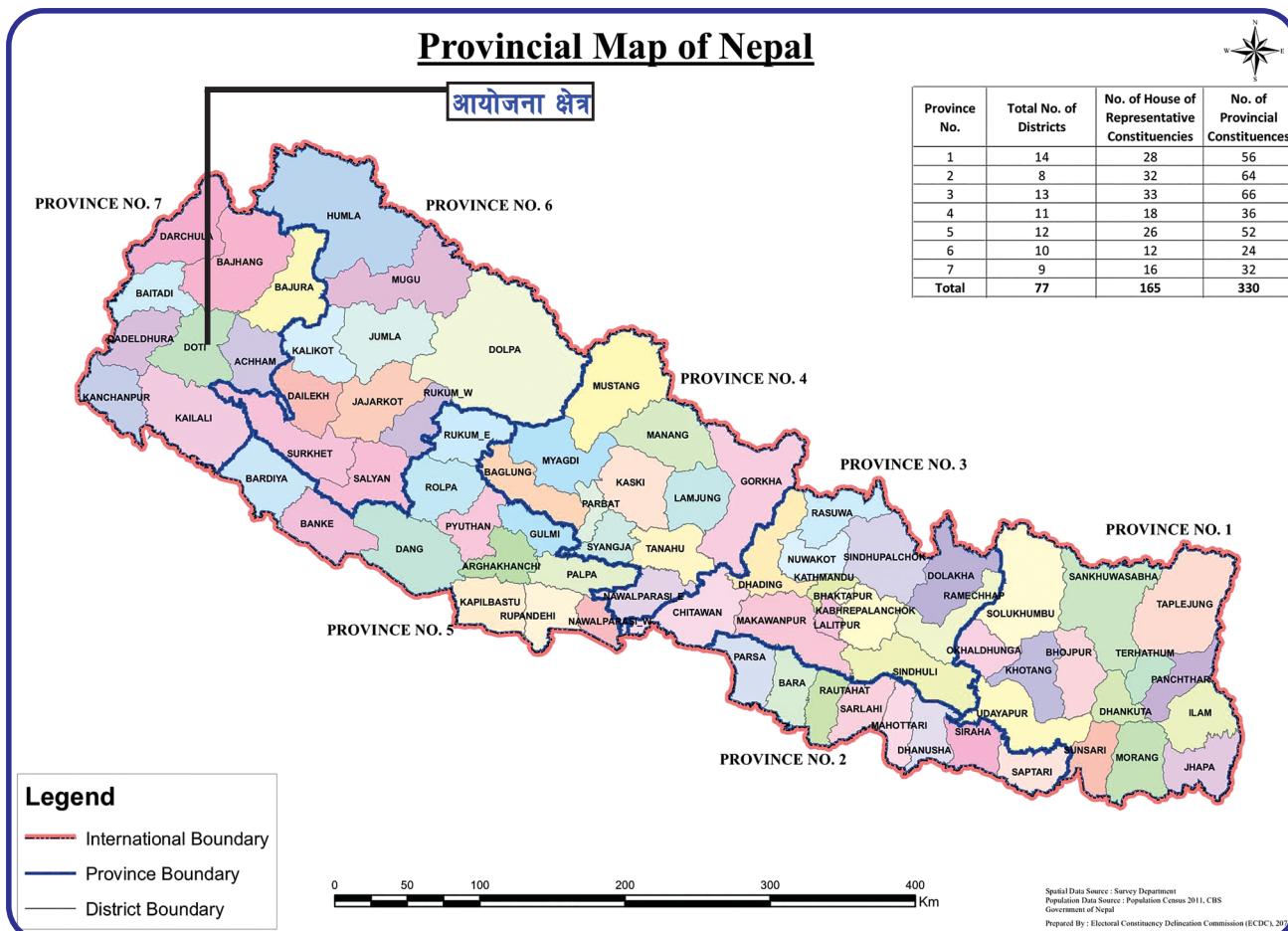


भिमराज कपाडी  
संचालक



लाल बहादुर धामी  
कम्पनी सचिव

## शैलेश्वरी पावर नेपाल लिमिटेडले निर्माण गरिरहेको माथिल्लो गड्ढीगाड जलविद्युत आयोजना क्षेत्र



**काठमाण्डौ देखि आयोजना स्थलसम्मको सडकमार्ग**

## विषय सूची

क्र.सं.	शीर्षक	पेज नं.
१.	दोस्रो वार्षिक साधारण सभा सम्बन्धि सूचना	
२.	प्रोक्सी फारम तथा प्रवेश पत्र	
३.	सञ्चालक समितिको वार्षिक प्रतिवेदन	
४.	आयोजना निर्माणको प्रगति सम्बन्धि तस्विरका केही भलकहरू	
५.	आ.व. २०८०/८९ को लेखा परीक्षण प्रतिवेदनसहितको वित्तिय विवरण	
६.	टिपोट	



# शैलेश्वरी पावर नेपाल लिमिटेड

का.म.न.पा.-३१, शंखमुल, काठमाण्डौ

आ. व. २०८०/०८१ को वार्षिक साधारण सभा सम्बन्धी सूचना

आदरणीय शेयरधनी महानुभावहरू,

यस शैलेश्वरी पावर नेपाल लिमिटेडको संचालक समितिको मिति २०८१/०९/०९ गते बसेको बैठकको निर्णय अनुसार कम्पनीको दोस्रो वार्षिक साधारण सभा निम्न लिखित मिति, समय र स्थानमा बस्ने भएको हुँदा सम्पूर्ण शेयरधनी महानुभावहरूको उपस्थितिका लागि यो सूचना प्रकाशित गरिएको छ।

## वार्षिक साधारण सभा सम्बन्धी कार्यक्रमः

मिति : २०८१/०९/२५ गते, बिहीबार

समय : विहान ११:०० बजे।

स्थान : होटल ए वन प्यालेस, शंखमुल, काठमाण्डौ

## वार्षिक साधारण सभाको विषय सूचीः

### (क) सामान्य प्रस्तावहरू :

- (१) संचालक समितिको तर्फबाट अध्यक्षज्यूले प्रस्तुत गर्नु हुने आ.व. २०८०/०८१ को सञ्चालक समितिको वार्षिक प्रतिवेदन उपर छलफल गरी पारित गर्ने सम्बन्धमा।
- (२) कम्पनीको आ.व. २०८०/०८१ को लेखापरीक्षण प्रतिवेदन सहितको वित्तिय विवरणमा छलफल गरी पारित गर्ने सम्बन्धमा।
- (३) कम्पनी ऐन २०६३ को दफा १११ अनुसार आ.व. २०८१/०८२ को लागि लेखा परिक्षक नियुक्ति गर्ने र निजको पारिश्रमिक निर्धारण गर्ने सम्बन्धमा।
- (४) संचालक समितिले गरेका निर्णयहरू अनुमोदन गर्ने सम्बन्धमा।

### (ख) विशेष प्रस्तावहरू :

- (१) सर्वसाधारणको लागि शेयर निष्काशन (IPO) गर्ने तथा सो सम्बन्धमा गर्नु पर्ने सम्पूर्ण कार्यहरू गर्न संचालक समितिलाई अखिलयारी दिने सम्बन्धमा।
- (२) प्रवन्धपत्र र नियमावलीमा गरिने संसोधन/थप उपर नियमनकारी निकाय वा कार्यालयबाट प्राप्त हुने निर्देशन बमोजिम प्रवन्धपत्र वा नियमावली संसोधन एवं परिमार्जन तथा शेयर संरचना परिवर्तन गर्न संचालक समितिलाई अखिलयारी दिने सम्बन्धमा।
- (३) यस कम्पनीले सर्वसाधारणका लागि शेयर निष्काशन (IPO) गर्दा नियमनकारी निकाय वा कार्यालयबाट प्राप्त हुने निर्देशन बमोजिम गरिने संसोधन / थप उपर संसोधन एवं परिमार्जन गर्न संचालक समितिलाई अखिलयारी दिने सम्बन्धमा।
- (४) यस कम्पनीको अधिकृत र जारी पूँजी बृद्धि गर्न र प्रवन्धपत्रको दफा ६ को (क), (ख), (ग) (घ) र (ङ) संशोधन गर्न संचालक समितिलाई अखिलयारी दिने सम्बन्धमा।

- (५) यस कम्पनीबाट प्रवर्द्धित माथिल्लो गड्डीगाड्ड जलविद्युत आयोजना (१.५५ मे.वा) निर्माणका लागि माछापुच्छे बैंकसँग भएको कर्जा सम्झौता बमोजिमको हालसम्म प्रवाह भएको कर्जा रकम अनुमोदन गराउने तथा आयोजना निर्माणको लागि सम्झौता बमोजिमको आवश्यक बाँकी कर्जा लिन संचालक समितिलाई अखिलयारी दिने सम्बन्धमा ।
- (६) सर्वसाधारणको लागि शेयर निष्काशन (IPO) गर्न Issue Manager नियुक्ति सम्बन्धमा लक्ष्मी सनराइज क्यापिटल मार्केट लि. सँग भएको सम्झौता अनुमोदन गर्ने ।
- (७) यस कम्पनीको Credit Rating को लागि Infomerics Credit Rating Nepal Ltd. सँग भएको सम्झौता अनुमोदन गर्ने सम्बन्धमा ।
- (८) यस कम्पनीद्वारा निर्माणाधीन माथिल्लो गड्डीगाड्ड जलविद्युत आयोजनाको Cascade को रूपमा अर्को आयोजनाको प्रारम्भिक अध्ययन अनुसार अनुमानित ३ मे.वा.को आयोजना र यस्तै प्रकृतिका आकर्षक अन्य जलविद्युत आयोजनाहरू अगाडी बढाउनसंचालक समितिलाई अखिलयारी दिने, आदि सम्बन्धमा ।
- (९) विविध:

### **साधारण सभा सम्बन्धी सामान्य जानकारी**

अन्य जानकारीका लागि कम्पनीको रजिस्टर्ड कार्यालय, का.म.न.पा. वडा नं. ३१, शंखमुल, काठमाडौंमा सम्पर्क राख्न हुन समेत अनुरोध गरिन्छ ।

**संचालक समितिको आज्ञाले  
कम्पनी सचिव**

# शैलेश्वरी पावर नेपाल लिमिटेड

का.म.न.पा.-३१, शंखमुल, काठमाण्डौ

## प्रतिनिधि नियुक्ती गर्ने फारम (प्रोक्सी)

श्री संचालक समिति

शैलेश्वरी पावर नेपाल लिमिटेड

का.म.न.पा.-३१, काठमाण्डौ ।

### विषय: प्रतिनिधि नियुक्त गरिएको बारे ।

.....जिल्ला .....न.पा./गा.पा. वडा नं. ....बस्ने म/हामी..... ले  
त्यस संस्थाको शेयरधनीको हैसियतले मिति २०८१ साल पौष २५ गतेका दिन हुने दोस्रो वार्षिक साधारण सभामा  
स्वयम उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान  
गर्नका लागि मेरो/हाम्रो प्रतिनिधित्व गरी भाग लिन ..... जिल्ला .....न.पा./गा.पा. वडा  
नं. ....बस्ने त्यस संस्थाका शेयरधनी श्री ..... शेयरधनी नं./हितग्राही परिचय नं.  
..... लाई मेरो/हाम्रो प्रतिनिधि मनोनयन गरी पठाएको छु/छौ ।

द्रष्टव्य: यो निवेदन साधारण सभा हुनु भन्दा कम्तमा ४८ घण्टा अगावै कम्पनीको रजिस्टर्ड कार्यालयमा पेश गरी सक्नु पर्नेछ ।

#### प्रतिनिधि हुनेको

नाम: .....

दस्तखत:.....

शेयरधनी नं.....

शेयर संख्या:.....

मिति:.....

द्रष्टव्य: यो निवेदन साधारण सभा हुनु भन्दा कम्तमा ४८ घण्टा अगावै कम्पनीको रजिस्टर्ड कार्यालयमा पेश गरी सक्नु पर्नेछ ।

#### प्रतिनिधि नियुक्त गर्नेको

नाम: .....

दस्तखत:.....

शेयरधनी नं.....

शेयर संख्या:.....

मिति:.....

# शैलेश्वरी पावर नेपाल लिमिटेड

का.म.न.पा.-३१, शंखमुल, काठमाण्डौ

## प्रवेश-पत्र

शेयरधनीको नाम :

शेयरधनी नं.:

हितग्राही परिचय नं.:

कूल शेयर संख्या :

शेयरधनीको सहि :

द्रष्टव्य: सभाकक्षमा प्रवेश गर्न यो प्रवेश-पत्र अनिवार्य रूपमा लिई आउनु हुन अनुरोध छ ।

कम्पनी सचिव

# शैलेश्वरी पावर नेपाल लिमिटेड

## संचालक समितिको आ.व. २०८०/०८१ को वार्षिक प्रतिवेदन

### आदरणीय शेयरधनी महानुभावहरू,

यस शैलेश्वरी पावर नेपाल लिमिटेडको दोस्रो वार्षिक साधारण सभामा आफ्नो अमूल्य समय दिएर उपस्थित हुनु भएका प्रमुख अतिथि तथा विशिष्ट अतिथिज्यु संचालक समितिका सदस्यज्यूहरू, सम्पूर्ण आदरणीय शेयरधनी महानुभावहरू, एवम आमन्त्रित व्यक्तित्वहरू, सञ्चारकर्मी मित्रहरूमा संचालक समिति तथा मेरो व्यक्तिगत तर्फबाट हार्दिक स्वागत तथा अभिवादन गर्दछु । कम्पनीको यस वार्षिक साधारण सभामा उपस्थित भएर वार्षिक प्रतिवेदन प्रस्तुत गर्न पाउँदा मलाई अत्यन्तै खुसी लागेको छ ।

नेपालमा जलविद्युत आयोजनाहरूको अध्ययन, सर्वेक्षण, निर्माण तथा संचालन गरी विद्युतको माग परिपुर्तिमा सहयोग पुऱ्याउने हेतुले निजि क्षेत्रका उद्यमीहरू मिलेर शैलेश्वरी पावर नेपाल प्राइभेट लिमिटेड वि.स. २०६८ साल जेष्ठ १७ गते कम्पनी रजिष्ट्रारको कार्यालयमा दर्ता भएको हो । कम्पनीमा जनसहभागिता विस्तार गर्ने हेतुले यस कम्पनीलाई वि. स. २०८० साल अषाढ २९ गते पब्लिक लिमिटेड कम्पनीमा परिणत गरिएको छ । जलविद्युत क्षेत्रको विकासमा टेवा पुऱ्याउने उद्देश्य लिई स्थापना भएको यस कम्पनीले डोटी जिल्लाको पुर्वीचौकी गाउँपालिकामा अवस्थित माथिल्लो गड्ढीगाड जलविद्युत आयोजना (१.५५ मे.वा.) निर्माण गरिरहेको यहाँहरू सबैमा विदितै छ । श्री विद्युत विकास विभागबाट विद्युत उत्पादनको अनुमतिपत्र प्राप्त भई श्री नेपाल विद्युत प्राधिकरणसँग विद्युत खरिद विक्री सम्झौता भएको यस आयोजना हाल निर्माणको अन्तिम चरणमा रहेको अवगत गराउन चाहान्छौं ।

### कम्पनी तथा कम्पनीले निर्माण गरिरहेको आयोजना सम्बन्धी संक्षिप्त विवरण

#### १. कम्पनीको पृष्ठभूमि

- (क) कम्पनीको नाम : शैलेश्वरी पावर नेपाल लिमिटेड  
(ख) कम्पनी स्थापना मिति : २०६८/०२/१७  
(ग) पब्लिक लिमिटेडमा परिणत भएको मिति : २०८०/०३/२९  
(घ) कम्पनीको दर्ता नं.: ३१५२२५  
(ङ) कम्पनीको पान नं.: ६००२५३७४९  
(च) कम्पनीको उद्योग दर्ता नं.: १८१६/१२०/०६९/०७०  
(छ) रजिष्टर्ड कार्यालय : का.म.न.पा. ३१, शंखमुल, काठमाण्डौ ।  
सम्पर्क नं.: ९८४८४२५००२, ९८४३१६४४९, ९८५१०९८९०९  
इमेल : saileshwori.power17@gmail.com  
वेबसाइट : shaileshwaripower.com  
(ड) कम्पनीको पूँजी संरचना:  
अधिकृत पूँजी: रु. ४०,००,००,०००/-  
जारी पूँजी: रु. २५,००,००,०००/-  
चुक्ता पूँजी: रु. १९,४६,९८,०००/-

#### (२) आयोजना सम्बन्धी विवरण

शैलेश्वरी पावर नेपाल लिमिटेडले सुदूरपश्चिम प्रदेश अन्तरगत डोटी जिल्ला, पुर्वीचौकी गाउँपालिका वडा नं. ३, ४ र ५ भएर बहने गण्डीगाडमा १.५५ मे.वा. क्षमताको माथिल्लो गड्ढीगाड जलविद्युत आयोजना पहिचान गरी निर्माण

गरिरहेको छ । यस कम्पनीले आयोजनाको विद्युत खरिद बिक्रि सम्झौता मिति २०७५ साल श्रावण ६ गते नेपाल विद्युत प्राधिकरणसँग सम्पन्न गरी नेपाल सरकार ऊर्जा, जलस्रोत तथा सिंचाई मन्त्रालय, विद्युत विकास विभागबाट मिति २०७४ साल फाल्गुन ३० गते विद्युत उत्पादनको अनुमतिपत्र प्राप्त गरेको र सो अनुमतिपत्रको वहाल अवधि मिति वि. सं. २०७४/११/३० देखि मिति वि. सं. २१०९/११/२९ गतेसम्म कायम रहेको छ । त्यसैगरी यस कम्पनीले विद्युत प्रसारणको अनुमतिपत्र श्री विद्युत विकास विभागबाट मिति २०७९ साल वैसाख २६ गते प्राप्त गरेको छ ।

यस आयोजनाको लागि आवश्यक पानी प्रयोग गर्नको लागि गड्ढीगाडमा १३ मि. लम्बाई तथा ५.४४ मि. उचाई भएको बाँध (Weir) निर्माण गरी ३.६ मि. चौडाई र ०.९ मि. उचाईको साइड इन्टेक मार्फत ४.५ मि. लम्बाई, २.९ मि. चौडाई र २.४ मि. उचाई भएको ग्राभेल ट्र्याप हुँदै पानीलाई ३५.९ मि. लम्बाई, ५ मि. चौडाई र ४.८ मि. गहिराई भएको बालुवा थिग्राउने पोखरीमा लगिनेछ । तत्पश्चात पानीलाई ५४.१ मि. लामो वाइपास क्यानल मार्फत हेडपोण्डमा लगिनेछ । हेडपोण्डबाट पानीलाई १५५३.० मि. लामो हेडरेस पाइप मार्फत सर्जट्याङ्कमा लगिनेछ । यस आयोजनाको लागि चाहिने थप पानी लिनको लागि चिण्डीगाडमा ११.० मि. लम्बाई तथा १.५ मि. उचाई भएको बाँध (Weir) निर्माण गरी २१६.० मि. लामो पाइपबाट हेडरेस पाइपमा लगिने छ । सर्जट्याङ्कबाट पानीलाई ४७.० मि. लम्बाई भएको पेनस्टक पाईपद्वारा सतही विद्युतगृहमा खसालिनेछ । विद्युतगृहबाट निष्काशन भएको पानीलाई २२.५ मि. लम्बाई भएको टेलरेस नहरद्वारा पुनः गड्ढीगाडमा खसालिनेछ । विद्युतगृहबाट उत्पादित भएको १.५५ मे. वा. विद्युतलाई स्विचयार्डबाट ३०० मि. लामो प्रसारण लाइन् मार्फत नेपाल विद्युत प्राधिकरणको दिपायल - साँफेबगर ३३ के.भी. प्रसारण लाईन अन्तर्गतको यस कम्पनीबाट सानागाउँमा निर्माण भएको स्वीचङ्ग / सव-स्टेशनमा Loop in Loop Out गरी जोडिनेछ ।

यस आयोजनाका केही संरचनाहरू जस्तै: इन्टेक, ग्राभेलट्र्याप, बालुवा थिग्राउने पोखरी, हेडपोण्ड र हेडरेस पाइपको केही भाग गड्ढीगाडको दाँया किनारामा रहेका छन् भने हेडरेस पाइपको बाँकी भाग, सर्जपाइप, पेनस्टक पाईप तथा विद्युतगृह गड्ढीगाडको बाँया किनारामा रहेका छन् ।

#### Salient Features in Brief

Project Name	Mathillo Gaddigad Hydroelectric Project
Type	Run of River
Design Discharge	2.02 m <sup>3</sup> /s
Gross Head	105 m
Net Head	96.06 m
Capacity	1.55 MW
Headrace Pipe Length	1553 m
Penstock Pipe Length	447m
Turbine Type	Horizontal Francis
No. of Units	Two
Generator	Synchronous, 3-phase, 912.5 kVA
No. of Units	Two
Transformer	Step up Power Transformer
Rated Capacity	2.15 MVA
Length of Transmission Line	300 m
Total energy	8.48 GWh/yr
Revised Estimated Cost	39 Crore

## आयोजना लागत सम्बन्धमा

यस आयोजना निर्माणको लागि शुरुआति चरणमा तय गरिएको अनुमानित लागत रु. ३९ करोड ५४ लाख रहेको र सो रकममा बैंक ऋण ५५% र इक्वीटी ४५% रहेको थियो । निर्माणको क्रममा विभिन्न कारणहरूले गर्दा आयोजनाको लागत बढ़ि हुन गई परिमार्जित अनुमानित लागत रु. ३९ करोड भएको र सोही बमोजिम माछापुच्छे बैंक लि. सँग वित्तिय व्यवस्थापन सम्झौता परिमार्जन भएको छ जसअनुसार बैंक ऋण ५०% र इक्वीटी ५०% को प्रावधान रहेको छ । आयोजनाको लागत बढ़ि हुनुका मुख्य कारणहरू यस प्रकार छन्:

- हेडवर्क्समा हेडरेस पाईप Alignment मा निजी जग्गा पर्ने जाने, ३ वटा सिचाई कुलोहरू मासिने तथा सामुदायिक वनक्षेत्र समेत पर्ने भएका कारण सो क्षति जोगाउन RCC Saddle Support निर्माण गरी खोल किनारबाट Headrace Pipe जडान गर्नु पर्ने बाध्यताका कारण Anchor Blocks तथा Saddle Support हरूको संख्या थप गरी हेडरेस पाईप जडान गर्नु परेको ।
- Technical Study बाट Structural Analysis गर्दा संरचनाहरूको साईजमा परिवर्तन आएको ।
- विद्युतगृहको जग खन्दा माथि पट्टि (दिपायल - साँफेबगर राजमार्गको मुनी) बाट पहिरो जाँदा Excavation को Quantity बढेको ।
- विद्युतगृह र राजमार्गलाई पहिरोबाट जोगाउन Retaining Wall निर्माण गर्नु परेको ।
- पावरहाउस Structure बढेको, Brick Masonry Wall को सट्टामा Shear Wall निर्माण गर्नु परेको ।
- Surge Tank को Soil Bearing Capacity कम भएका कारण Structure को साईज बढ़ि भएको ।
- अन्तराष्ट्रिय बजारमा स्टील तथा फलामको मूल्य बढ़ि हुनु ।
- इन्धनमा एक्कासि भारी मूल्य बढ़ि हुनु ।
- नेपाल विद्युत प्राधिकरणसँगको सम्झौता बमोजिम Loop in Loop out सव-स्टेशन तथा कन्ट्रोलरुम सहितको भवन निर्माण गर्नु र सव-स्टेशन र भवनको लागि थप जग्गा खरिद गर्नु परेको ।
- सव-स्टेशन तथा कन्ट्रोलरुम सहितको भवन निर्माण गर्न थप समय लाग्न गएको र निर्माण अवधिको बैंक व्याज (IDC) ले गर्दा समेत लागत थप हुन गएको ।
- आयोजनाको अद्यावधिक सम्भाव्यता अध्ययन प्रतिवेदनले हेडरेस क्यानलको को सट्टा हेडरेस पाईप राख्न सुभाव दिए बमोजिम संरचना परिवर्तन भएका कारण पूरक आइट्ट (IEE) गर्नु परेको ।
- आयोजनाका लागि आवश्यक पर्ने निजी जग्गा अनुमान गरिएको क्षेत्रफल भन्दा विभिन्न कारणहरू (जस्तै: पाईपलाइन खन्दा माथिबाट पहिरो आउने, तलपट्टी माटो तथा ढुङ्गा खस्न गई लगाएको वालीनाली तथा जग्गालाई क्षति पुग्नु, आदि) ले बढी जग्गा खरिद गर्नु परेको र क्षतिपूर्ति समेत दिनु परेको, आदि ।

## आदरणीय शेयरधनी महानुभावहरू,

निर्माणाधीन यस आयोजनाका कार्यहरू कर्ति सम्पन्न भए भन्ने सम्बन्धमा जिज्ञासा लाग्नु स्वभाविक नै हो । यस सम्बन्धमा अब म यो आयोजनाको विभिन्न क्षेत्रमा भएको कार्य प्रगति प्रस्तुत गर्दछु ।

### ❖ सिभिल निर्माण कार्य

सिभिलतर्फको हेडवर्क्स संरचनाहरूको निर्माण कार्य शतप्रतिशत सम्पन्न भईसकेको छ । यी संरचनाहरूमा River Diversion, Wair and Floodwall, Undersluice, Side Intake, Gravel Trap, Spillway and Approach Canal, Settling Basin, Bypass Canal, Forbay, Desander आदि सम्पन्न भईसकेका छन् । त्यसैगरी Surge Tank निर्माण कार्य समेत सम्पन्न भई सकेको छ । Anchor Blocks तथा Saddle Support हरूको निर्माण कार्य

भईसकेको छ । विद्युतगृहको सिभिल निर्माणको काम सम्पन्न भईसकेको छ । विद्युतगृह Protection Wall को काम ९०% तथा टेलरेस क्यानल निर्माणको काम समेत सम्पन्न भईसकेको छ । समग्रमा, हालसम्म सिभिल तर्फको भौतिक प्रगति करिब ९८% रहेको छ ।

#### ❖ हाइड्रोमेकानिकल तर्फको कार्य

हाइड्रोमेकालिकल तर्फको कार्य अन्तरगत आयोजनालाई आवश्यक पर्ने स्पाइरल पाईप (हेडरेस सर्जपाईप तथा पेनस्टक पाईप) Deep Seals (India) Limited, Gujurat, India बाट आयात गरी आयोजना स्थलमा डेलिभरी समेत भई पाईप जडानको कार्य सम्पन्न भईसकेको छ । हालसम्म पाईप जडान कार्य शतप्रतिशत भईसकेको छ । त्यसैगरी यस कार्यतर्फको Undersluice मा Steel Lining को काम सम्पन्न भईसकेको छ भने Bends and Fittings , Frame Installation Gate Shutters, Gate Operating System लगायतको Fabrication and Erection को काम करिब ८०% सम्पन्न भईसकेको जानकारी गराउँदछु ।

#### ❖ इलेक्ट्रोमेकानिकल उपकरण सम्बन्धि कार्य

आयोजनामा महत्वपूर्ण भुमिका रहने इलेक्ट्रोमेकानिकल उपकरणको हुन्छ जुन विद्युतगृहमा जडान हुने उपकरणहरूसँग सम्बन्धित छ । यस कार्यसँग सम्बन्धित सबै उपकरण (जेनेरेटर, टर्वाइन, ट्रान्सफर्मर आदि) तथा अन्य सबै सामान Altman Power LLP, India बाट आयात भई साइटमा डेलिभरी हुनुका साथै विद्युतगृहमा जडान गर्ने कार्य सुरु भईसकेको छ ।

#### ❖ स्विचयार्ड सब-स्टेशन तथा ट्रान्समिसन लाईन सम्बन्धि कार्य

यस आयोजनाको विद्युतगृहबाट उत्पादित विद्युत शक्ति प्रवाहको लागि ३०० मिटर लम्बाईको प्रसारण लाईन निर्माण कार्य अन्तिम चरणमा छ । उक्त प्रसारण लाईन मार्फत नेपाल विद्युत प्राधिकरणको दिपायल - साँफेबगर ३३ के. भि. प्रसारण लाईन अन्तरगतको सानागाउँमा निर्माण भएको स्वीचिङ्ग सब-स्टेशनमा Loop in Loop Out गरी विद्युत जडान हुँदैछ । स्विचयार्ड र सब-स्टेशन र कन्ट्रोल रुम निर्माणको काम सम्पन्न भईसकेको छ । त्यसैगरी ३३ के.भि. प्रसारण लाईनमा विद्युत जोड्न ३०० मिटरको ट्रान्समिसन लाईनको पोल गाड्ने काम सम्पन्न भई तार तान्ने काम चालु रहेको छ । यस कम्पनीलाई आयोजनाबाट उत्पादित विद्युत प्रसारणको लागि नेपाल सरकार, विद्युत विकास विभागबाट मिति २०७९/०९/२६ मा विद्युत प्रसारणको अनुमतिपत्र प्राप्त भईसकेको छ ।

#### ❖ जग्गा प्राप्ति सम्बन्धमा

आयोजनाको लागि आवश्यक पर्ने जग्गा मध्ये अधिकांश (करिब ९८% जति) जग्गा खरिद गर्ने कार्य सम्पन्न भईसकेको छ । सबस्टेशन निर्माणको कार्य अन्तिम चरणमा छ । त्यसैगरी प्रसारण लाईनमा पर्ने तथा सब-स्टेशन निर्माणको लागि आवश्यक पर्ने जग्गा समेत खरिद भईसकेको छ ।

#### ❖ कर्मचारी आवास गृह

आयोजना निर्माणको क्रममा आयोजनास्थलमा साइट अफिस, कर्मचारी तथा अतिथि आवासको लागि घर भाडामा लिईएको थियो भने हाल आएर विद्युतगृहसँगै कर्मचारी आवासगृह निर्माण सम्पन्न भईसकेको छ र सो प्रयोजनको लागि आफ्नो भवन प्रयोगमा ल्याइएको छ ।

## ❖ संस्थाको सामाजिक उत्तरदायित्व सम्बन्धमा

सामाजिक उत्तरदायित्व तर्फ स्थानीय तहसँगको समन्वयमा स्थानीय सरोकारवालाहरू तथा स्थानीय वासिन्दाहरूको प्रतक्ष्य सहभागितामा गड्ढीगाड र चिण्डीगाडको संगमस्थल त्रिवेणीधाममा शिव मन्दिर निर्माणको कार्य यस कम्पनीले सम्पन्न गरेको छ। साथै, सानागाउँ स्थित मूल सडक देखि सरस्वती मा. वि. सम्म जाने करिव ५०० मिटर सडक ग्रामेल गर्ने तथा नाली निर्माण गर्ने कार्य, सिंचाई कुलो मर्मत, आदि कार्यहरू सम्पन्न भईसकेका छन्। भविष्यमा पनि स्थानीय तहसँगको समन्वय तथा प्रतक्ष्य सहभागितामा प्राथमिकताको आधारमा सामाजिक उत्तरदायित्व सम्बन्धि कार्यहरूको जिम्मेवारी निभाउदै जानेछ।

## आदरणीय शेयरधनी महानुभावहरू,

कोभिड-१९ तथा प्राकृतिक प्रकोप (भुकम्प, बाढिपहिरो, बेमौसमी वर्षा आदि) बाट उत्पन्न भएको काबु बाहिरको परिस्थितिका कारण आयोजना निर्माण सम्पन्न गर्न कठिनाई भई केही ढिलाई हुन गएको छ। विद्युतगृहसँगै सब-स्टेशनको साथै कन्ट्रोल रुम भवन निर्माण गर्नुपर्ने प्रावधान बमोजिम सबस्टेशन निर्माण गर्नुपरेको कारण आयोजना सम्पन्न हुनुमा केही थप समय लाग्न गएको हो। तथापि, यस आयोजनालाई छिटो भन्दा छिटो सम्पन्न गर्न हामी प्रयत्नशील छौं।

## (३) कम्पनीको संस्थागत सुशासन

हामी र हाम्रो कम्पनी सुशासनमा विश्वास गर्दछ। कम्पनीको संस्थागत सुशासनका लागि शैलेश्वरी पावर नेपाल लिमिटेड प्रतिवद्ध छ। निर्णयहरूको कार्यान्वयन भए नभएको समिक्षा गर्ने साथै सम्बन्धित क्षेत्रबाट आएका सल्लाह सुझाव तथा गुनासाहरू कार्यान्वयन पक्षलाई जोड दिने गरिन्छ। कम्पनीको उद्देश्य, दूरदृष्टि, लक्ष तथा मुल्य मान्यताहरूलाई अनुशरण गर्ने क्रममा नैतिक, इमान्दार तथा पारदर्शी भई शेयरधनीहरूको विश्वासलाई कायम राख्न कम्पनी दृढ छ।

## (४) कम्पनीको व्यवसायिक सम्बन्ध

माथिल्लो गड्ढीगाड जलविद्युत आयोजना निर्माणको चरणमा रहेको र यस क्रममा सबै क्षेत्रबाट यथेष्ट सहयोग प्राप्त भई नै रहेको छ। मूलतः विद्युत सम्बन्धी अनुमतिपत्र प्रदान गर्ने नेपाल सरकार, ऊर्जा मन्त्रालय र सो मन्त्रालयसँग सम्बूद्ध विद्युत विकास विभाग, जलविद्युत क्षेत्र नियमन गर्ने विद्युत नियमन आयोग, विद्युत खरिद गर्ने नेपाल विद्युत प्राधिकरण र आयोजना निर्माणमा वित्तीय सहयोग प्रदान गर्ने माछापुच्छे वैंकसँग कम्पनीको व्यवसायिक सम्बन्ध रहेको छ। साथै, कम्पनी रजिष्ट्रारको कार्यालय, उद्योग विभाग तथा आयोजना क्षेत्रका सरकारी निकाय, स्थानीय सरकार तथा सरोकारवालाहरू तथा स्थानीयवासीहरूसँग पनि सुमधुर सम्बन्ध रहेको छ। यस किसिमका संस्थाहरू तथा पक्षहरूसँगको सुमधुर सम्बन्धले कम्पनीलाई थप सफलता हासिल गर्न टेवा दिएकोले भविष्यमा पनि व्यवसायिक सम्बन्धलाई अभै प्रगाढ तुल्याउन कम्पनी सदैव प्रयत्नशील रहनेछ।

## (५) सञ्चालक समिति

यस कम्पनीमा हाल ५ जनाको सञ्चालक समिति रहेको छ। सञ्चालक समितिका सदस्यहरूको कार्यकाल ४ वर्षको हुने प्रावधान छ। कम्पनीका हाल कायम रहनु भएका सञ्चालक समिति सदस्यहरूको विवरण तपसिल बमोजिम प्रस्तुत गरिएको छ।

क्र.सं.	सञ्चालकहरूको नाम	पद
१	श्री लाल बहादुर बम	अध्यक्ष
२	श्री जगदिश बहादुर पाल	प्रवन्ध सञ्चालक
३	श्री दिलिप सिंह बुढाथोकी	सञ्चालक
४	श्री भिमराज कपाडी	सञ्चालक
५	श्री जयराज जोशी	सञ्चालक

## (६) कम्पनीको नेतृत्व तथा व्यवस्थापन

यस कम्पनीको नेतृत्व अध्यक्ष श्री लाल बहादुर बमज्यूले लिनु भएको छ । उहाँ एक सफल निर्माण व्यवसायी, शिक्षा प्रेमी एवं समाजसेवी व्यक्तित्व हुनु हुन्छ । अध्यक्षज्यूको निर्देशन एवं सल्लाह सुभाव बमोजिम कम्पनीका क्रियाकलापहरू संचालन भई रहेका हुन्छन् । त्यसैगरी संचालक सदस्यमा श्री दिलिप सिंह बुढाथोकी हुनु हुन्छ । उहाँ एक सफल जडिबुटी व्यवसायी, समाजसेवी, एवं शिक्षाप्रेमी हुनु हुन्छ । यस संस्थाका अर्का संचालक सदस्यमा श्री भिमराज कपाडी रहनु भएको छ उहाँ एक सफल हार्डवेयर व्यवसायी तथा समाजसेवी हुनु हुन्छ । साथै, संस्थाका संचालक सदस्य श्री जयराज जोशी एक सफल निर्माण व्यवसायी एवं हार्डवेयर व्यवसायी, समाजसेवी हुनुका साथै शिक्षा क्षेत्र तथा वित्तिय क्षेत्रमा संलग्न रहनु भएको छ ।

यस कम्पनीको व्यवस्थापन नेतृत्व संचालक सदस्य एवं प्रवन्ध निर्देशक श्री जगदिश बहादुर पालले गर्नु भएको छ । अध्यक्षज्यूको निर्देशन एवं सल्लाह सुभाव तथा संचालक समितिको निर्णय बमोजिम कम्पनीका काम कारबाहीहरू अगाडी बढाईरहनु भएको छ । उहाँसँग जलविद्युत क्षेत्रमा विगत लामो समय देखीको अनुभव रहेको छ । अपि पावर कम्पनी लिमिटेडमा १० वर्ष संस्थापक अध्यक्ष पदमा रहि काम गर्नुका साथै यस क्षेत्रमा विभिन्न पदमा रही जिम्मेवारी वहन गर्नु भएको करिव २१ वर्षको अनुभव उहाँसँग रहेको छ ।

## (७) कम्पनीको आगामी योजना

- शेयरको सार्वजनिक निष्काशन (IPO) सम्बन्धी कार्य अगाडी बढाउनका लागि Informerics Credit Rating Nepal Ltd. सँग सम्झौता भई Infomerics बाट Rating को कार्य भईसकेको छ र Issue Manager लक्ष्मी सनराईज क्यापिटल ले IPO सम्बन्धी पूर्व तयारीका कार्यहरू अगाडी बढाई सकेको छ । छिटोभन्दा छिटो IPO निष्काशन गर्ने तर्फ कार्य भईरहेको जानकारी गराउन चाहान्छौं ।
- यस कम्पनीद्वारा निर्माणाधीन (१.५५ मे.वा.) आयोजनाको Cascade को रूपमा अर्को आयोजनाको प्रारम्भिक अध्ययन अनुसार अनुमानित ४ मे.वा. विद्युत उत्पादन हुने देखिएको हुँदा सो Cascade आयोजनाको लागि फुलौटीगाडको पानी समेत प्रयोग गर्ने गरी आयोजनाको विकास गर्ने लक्ष्य लिएका छौं । साथै, यसै कम्पनी मार्फत जलविद्युत आयोजनाहरूको सम्भाव्यता अध्ययन अनुसन्धान गरी नयाँ आयोजनाहरू अगाडी बढाउनुका साथै कम्पनीको हितमा हुने देखिएमा अर्को कम्पनीसंग वा अर्को कम्पनीलाई यस कम्पनीसंग मर्ज गर्न समेत सकिने योजना रहेको छ ।

## (८) लेखापरीक्षण प्रतिवेदनमा संचालक समितिको धारणा

लेखापरीक्षण प्रतिवेदन सहित आ. व. २०८०/०८१ को आर्थिक विवरणहरू यहाँहरूलाई उपलब्ध गराईएको छ। लेखा परीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख नभएको कुरा जानकारी गराउन चाहान्छौं।

## (९) अन्तमा,

आयोजना निर्माणको दौरानमा हामीलाई सहयोग गर्ने पूर्वीचौकी गाउँपालिका परिवार, स्थानीय प्रशासन, प्रहरी चौकी, स्थानीय सरोकारवालाहरू, तथा स्थानीयवासीहरू विशेष धन्यवादका पात्र छन्। यसै क्रममा यस आयोजना निर्माणमा प्रत्यक्ष वा अप्रत्यक्ष रूपले सहयोग पुऱ्याउदै आउनु भएका नेपाल सरकार, ऊर्जा मन्त्रालय, विद्युत विकास विभाग, विद्युत नियमन आयोग, नेपाल विद्युत प्राधिकरण केन्द्रिय कार्यालय, प्रादेशिक कार्यालय अत्तरिया, कैलाली एवं डोटी वितरण केन्द्र लगायत नेपाल सरकारका विभिन्न निकाय तथा पदाधिकारीहरू, आयोजना निर्माणमा वित्तीय सहयोग प्रदान गर्ने माछापुच्छे, बैंक लिमिटेड त्यसैगरी उद्योग विभाग, कम्पनी रजिस्ट्रारको कार्यालय लगायत सबैलाई धन्यवाद दिन चाहान्छौं।

यस कम्पनीले प्रवर्धन गरिरहेको आयोजना निर्माणमा सहयोग पुऱ्याउनु हुने वित्तीय सल्लाहकार नारायण पौडेल, परामर्शदाताहरू, ठेकेदार कम्पनीहरू, लक्ष्मी सनराइज क्यापिटल लि., Infomerics Credit Rating Nepal, लेखा परीक्षक APS & Associates स्थानीय सरकारी निकायका पदाधिकारीहरू, जग्गादाताहरू तथा कम्पनीका कर्मचारी मित्रहरू, शुभचिन्तकहरू सबैलाई हार्दिक धन्यवाद दिन चाहान्छौं।

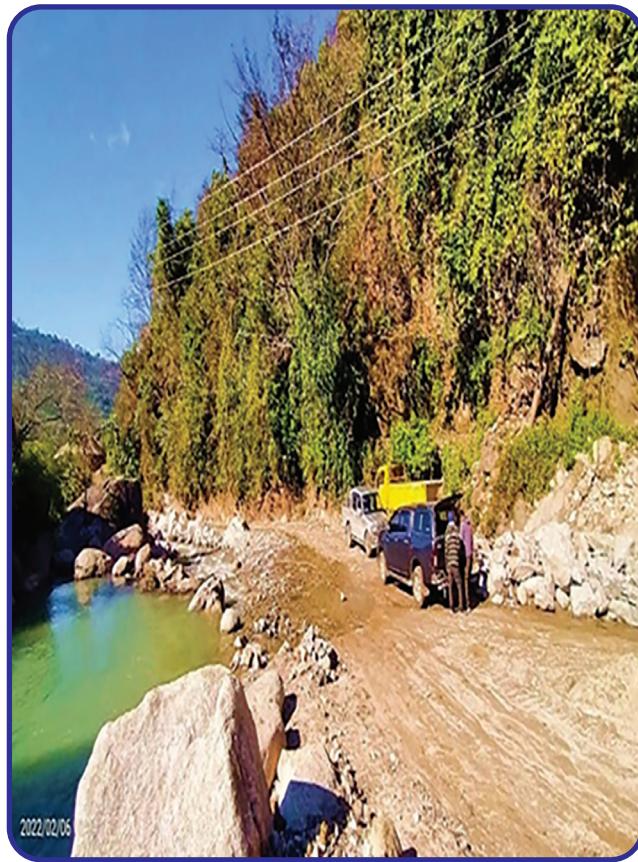
यस कम्पनीप्रति आदरणीय शेयरधनी महानुभावहरूले देखाउनु भएको आस्था, विश्वास तथा सदाशयता प्रति हार्दिक कृतज्ञता प्रकट गर्दै कम्पनीको हौसला बढाई दिनु भएकोमा संचालक समिति तथा मेरो व्यक्तिगत तर्फबाट हृदयदेखी धन्यवाद दिन चाहान्छु।

**लाल बहादुर बम**  
अध्यक्ष, संचालक समिति  
शैलेश्वरी पावर नेपाल लिमिटेड

## आयोजना निर्माणको प्रगति सम्बन्धमा तस्विरका केही झलकहरू:



आयोजनाको हेडवर्स जाने पहुँच सडक



कन्स्ट्रक्शन पावरको लागि जडान गरिएको ट्रान्सफरमर तथा वितरण लाइन



हेडवर्क्स (निर्माण कार्य सम्पन्न भएको)



सेटलिङ वेसिन तथा अन्य संरचना (निर्माण कार्य सम्पन्न भएको)



हेडवर्क्स साइटमा हेडरेस पाइप जडान



हेडवर्स स्थित अन्डरस्लसमा स्टिल लाइनिङको काम सम्पन्न



बेलमाउथ र स्यान्ड फ्लसिङ डक्ट जडान



ग्रामेल फ्लसिङ डक्ट जडान



Shot on OnePlus  
Powered by Quad Camera



Shot on OnePlus  
Powered by Quad Camera

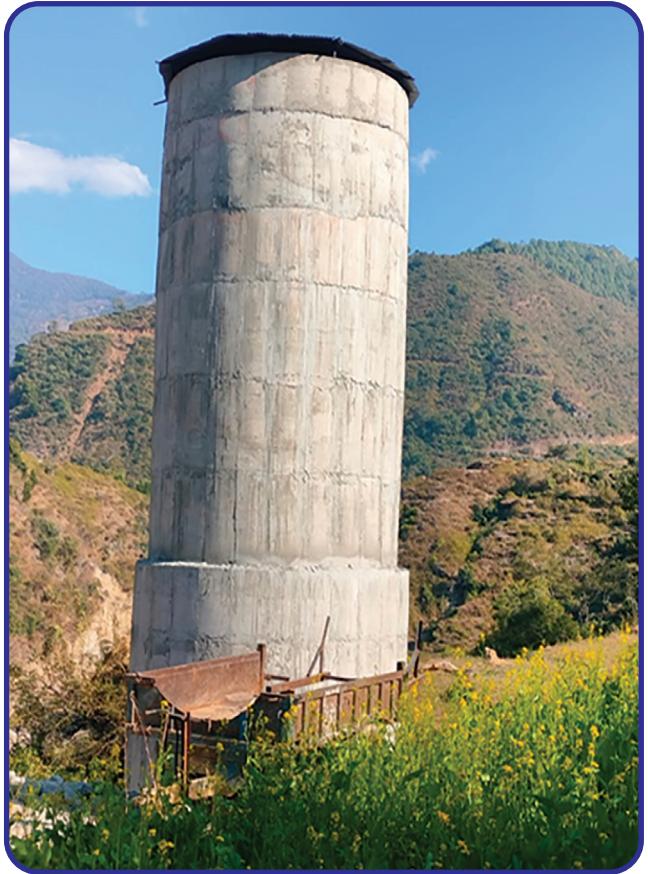
आयोजनाको लागि आवश्यक हेडरेस तथा पेनस्टक पाइप आयात भई साइटमा अन्तोडिङ्ग हुँदै



जडानका लागि साइटमा पाइप ढुवानी गरिदै



सर्जटयाङ्क जाने बाटो



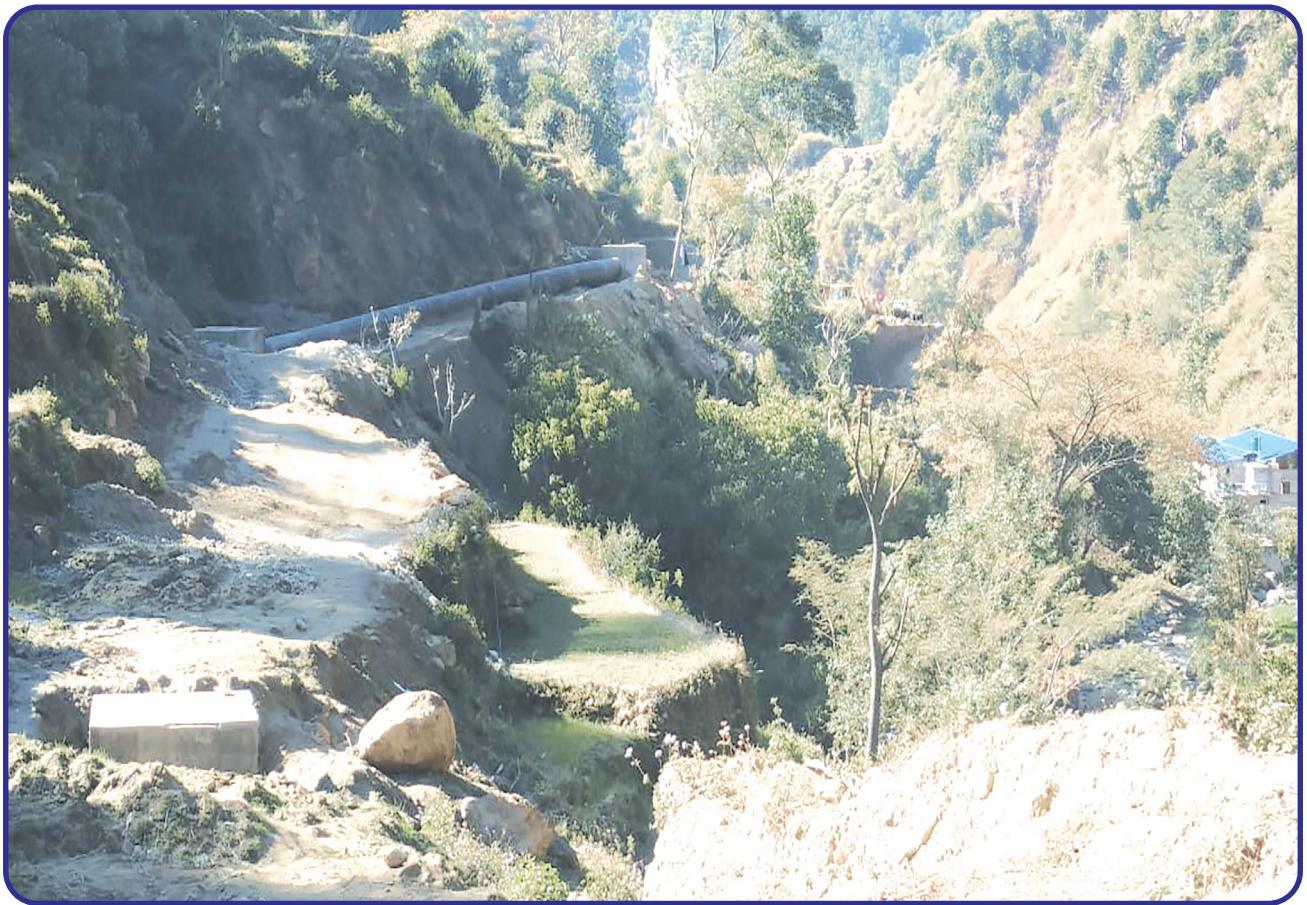
सर्ज टयाङ्क (निर्माण सम्पन्न भएको)



हेडरेश पाइप लाइन



सर्ज पाइप लाइन



पेनस्टक पाइप लाइन



पावर हाउस विल्डिङ



पावर हाउस कन्ट्रोल रूम



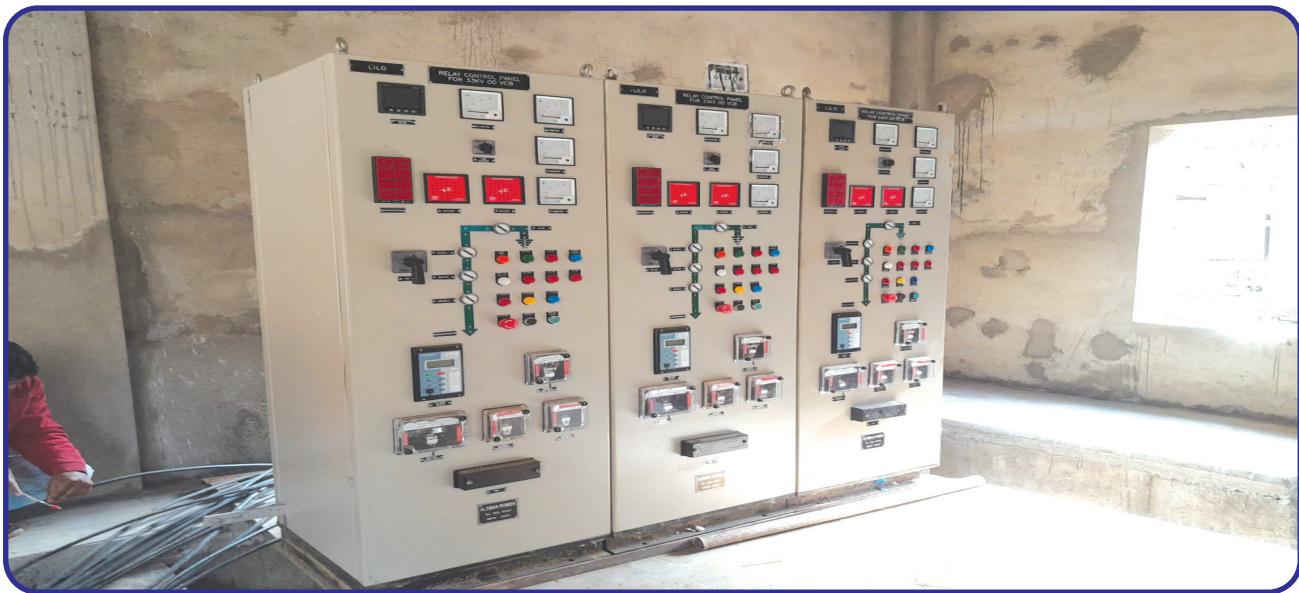
पावर हाउसमा Turbine/ Generator जडान हुँदै



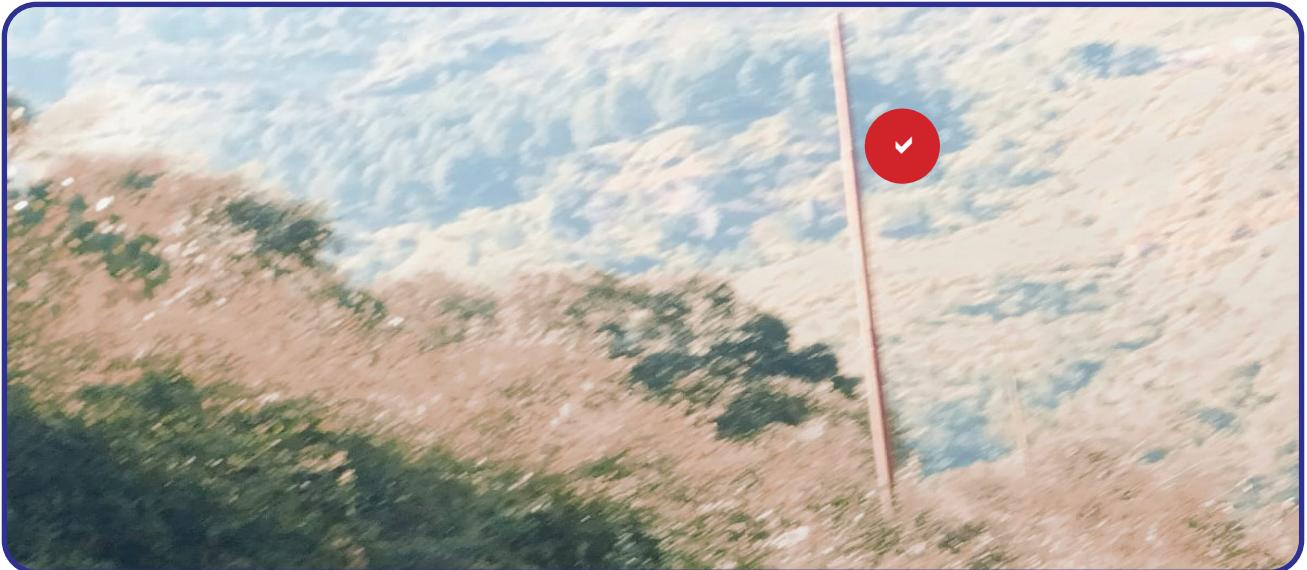
EOT क्रेन



स्वीचयार्ड/सब-स्टेशन



सब-स्टेशन कंट्रोल रूम



प्रसारण लाइन पोल



हेडवर्क्स साइटमा स्टाफ क्वाटर निर्माण हुँदै

# आ.व. २०८०/०८१ को वित्तीय विवरणसंहितको लेखा परीक्षण प्रतिवेदन

## Independent Auditor's Report

To the Shareholders' of

**Shaileshwori Power Nepal Ltd.**

**Report on Financial Statements**

### Opinion

We have audited the accompanying financial statements of **Shaileshwori Power Nepal Ltd.** (*hereinafter referred as the Company*) which comprises Statement of Financial Position as at 31<sup>st</sup> Ashad, 2081 (Corresponding 15<sup>th</sup> July 2024), Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Cash Flow, Statement of Changes in Equity for the year then ended and a Summary of Significant Accounting Policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31<sup>st</sup> Ashad, 2081 (Corresponding 15<sup>th</sup> July 2024), and its financial performance and its cash flows for the year 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 The 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.

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

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

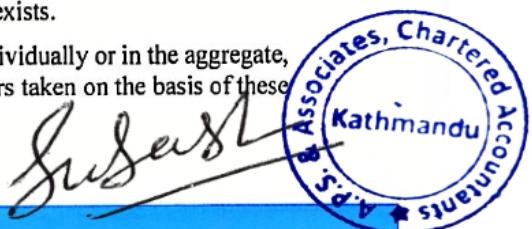
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Financial Statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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

- 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.
- Obtain an understanding of internal controls 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 to cease to continue as a going concern.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

#### Report Legal and Regulatory Requirements.

As required by Section 115 of Companies Act, 2063 (Including Amendments), we also report:

- i. We have obtained all information and explanations, which to the best of our knowledge and belief, are necessary for the purpose of our audit.
- ii. Proper books of account as required by Companies Act have been properly maintained by the Company in a manner to reflect the real affairs of its business.
- iii. Statement of Financial Position, Statement of Profit or Loss and Statement of Changes in Equity, Statement of Cash Flow and Significant Accounting Policies and other explanatory notes have been prepared in compliance with accounting standards under prevailing laws and are in agreement with the books of account maintained by the Company.
- iv. The Board of Directors or any representatives or any employee has not acted contrary to the law or misappropriated any property of the Company or caused any loss or damage to the Company.
- v. The accounting fraud or any misappropriation has not been noticed by us during the course of our audit.

For A.P.S. & Associates

Chartered Accountants



Subash  
Ghimire

CA. Subash Ghimire

Partner



Place: Kathmandu

Date: 17/09/2081

UDIN: 250104CA0143995FUv

**Shaileshwori Power Nepal Ltd.**

Kathmandu,Nepal

**Statement of Financial Position**

As at Ashadh End, 2081

(All amounts are in NPR, unless otherwise stated)

**Restated**

<b>Particulars</b>	<b>Note</b>	<b>Ashad End,2081</b>	<b>Ashad End,2080</b>	<b>Shrawan 1, 2079</b>
<b>Assets</b>				
<b>Non Current Assets</b>				
Property, Plant and Equipment	4	28,03,54,479.52	18,51,71,941.18	6,99,42,784.54
Intangible assets	5	22,071.23	30,071.23	38,071.23
Investments	6	-	-	-
Deferred tax assets	7	5,311.00	556.00	-
Financial Assets measured through OCI	8	-	-	-
<b>Total Non Current Assets</b>		<b>28,03,81,861.75</b>	<b>18,52,02,568.41</b>	<b>6,99,80,855.77</b>
<b>Current Assets</b>				
Inventories	9	-	-	-
Other Current Assets	10	7,73,06,423.62	4,84,61,306.09	4,01,64,322.61
Cash & Cash Equivalents	11	93,70,062.13	33,510.82	48,16,257.34
Financial Assets (at amortized cost)	12	46,55,858.00	1,28,49,801.50	-
<b>Total Current Assets</b>		<b>9,13,32,343.75</b>	<b>6,13,44,618.41</b>	<b>4,49,80,579.95</b>
<b>Total Assets</b>		<b>37,17,14,205.50</b>	<b>24,65,47,186.82</b>	<b>11,49,61,435.72</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
Long term loan	13	16,71,40,215.94	8,94,95,142.36	-
Deferred tax liabilities	7	14.00	14.00	6,971.00
Employee Benefit Obligation		-	-	-
<b>Total Non Current Liabilities</b>		<b>16,71,40,229.94</b>	<b>8,94,95,156.36</b>	<b>6,971.00</b>
<b>Current Liabilities</b>				
Short Term Loan	14	-	-	-
Financial Liabilities	15	57,37,511.58	76,59,194.29	6,15,853.95
Other Current Liabilities	16	39,93,044.70	36,30,491.67	16,99,383.41
Employee Benefit Obligation		-	-	-
<b>Total Current Liabilities</b>		<b>97,30,556.28</b>	<b>1,12,89,685.96</b>	<b>23,15,237.36</b>
<b>Total liabilities</b>		<b>17,68,70,786.22</b>	<b>10,07,84,842.32</b>	<b>23,22,208.36</b>
<b>Equity</b>				
Share Capital	17	15,42,53,000.00	15,42,53,000.00	6,92,00,000.00
Share Application Money		5,89,95,000.00	69,00,000.00	5,61,98,000.00
Reserves	18	(1,84,04,580.72)	(1,53,90,655.50)	(1,27,58,772.64)
<b>Total equity</b>		<b>19,48,43,419.28</b>	<b>14,57,62,344.50</b>	<b>11,26,39,227.36</b>
<b>Total liabilities and equity</b>		<b>37,17,14,205.50</b>	<b>24,65,47,186.82</b>	<b>11,49,61,435.72</b>

The accompanying notes are an integral part of the financial statements.

For : Shaileshwori Power Nepal Ltd.

As per our report of even date

Lal Bahadur Bam  
Chairman

Jagdish Bahadur Pal  
Managing Director

CA.Subash Ghimire  
Partner  
A.P.S. & Associates  
Chartered Accountants

Dilip Singh Budathoki  
Director

Bhim Raj Kapadi  
Director

Date: 17/09/2081  
Place: Kathmandu

Jaya Raj Joshi  
Director

Lal Bahadur Dhami  
Finance Manager

## Shaileshwori Power Nepal Ltd.

Kathmandu,Nepal

### Statement of Profit or Loss

For the period 1st Shrawan 2080 to 31st Ashad 2081  
(All amounts are in NPR, unless otherwise stated)

<b>Particulars</b>	<b>Note</b>	<b>Current Year</b>	<b>Previous Year</b>
Revenue From Operations	19	-	-
Cost of Sales	20	-	-
<b>Gross Profit</b>		<b>-</b>	<b>-</b>
Other Income	21	-	-
Selling and Distribution Expenses	22	-	-
Administrative Expenses	23	(28,30,078.15)	(24,28,890.81)
Depreciation and Amortization Expense	4 & 5	(1,88,704.84)	(2,11,296.29)
<b>Profit from Operations</b>		<b>(30,18,782.99)</b>	<b>(26,40,187.10)</b>
Finance Costs	24	-	-
Finance Income	25	102.77	791.24
<b>Profit/(Loss) Before Tax</b>		<b>(30,18,680.22)</b>	<b>(26,39,395.86)</b>
Income Tax Expense	26		
Current tax		-	-
Deferred tax income/(expense)		4,755.00	7,513.00
<b>Profit/(Loss) for the year</b>		<b>(30,13,925.22)</b>	<b>(26,31,882.86)</b>
Earnings Per Share (EPS)			
Basic EPS (Rs)		(1.95)	(1.71)
Diluted EPS (Rs)		(1.95)	(1.71)

**The accompanying notes are an integral part of the financial statements.**

**For : Shaileswori Power Nepal Ltd.**

**As per our report of even date**

Lal Bahadur Bam  
**Chairman**

Jagdish Bahadur Pal  
**Managing Director**

CA.Subash Ghimire  
**Partner**  
A.P.S. & Associates  
Chartered Accountants

Dilip Singh Budathoki  
**Director**

Bhim Raj Kapadi  
**Director**

Date: 17/09/2081  
Place: Kathmandu

Jaya Raj Joshi  
**Director**

Lal Bahadur Dhami  
**Finance Manager**

**Shaileshwori Power Nepal Ltd.**

Kathmandu,Nepal

**Statement of Cash Flow**

For the period 1st Shrawan 2080 to 31st Ashad 2081  
(All amounts are in NPR, unless otherwise stated)

Particulars	Note	Current Year	Previous Year
<b>A Cash Flow from Operating Activities:</b>			
Profit before Income Tax		(30,18,680.22)	(26,39,395.86)
<b>Adjustments for Non Cash Items:</b>			
Depreciation & Amortization		1,88,704.84	2,11,296.29
<b>Adjustments for non operating items:-</b>			
Interest Expenses		-	-
Profit on sale of fixed assets		-	-
Investment Income		-	-
<b>Operating profit before changes to receivables and payables</b>		<b>(28,29,975.38)</b>	<b>(24,28,099.57)</b>
(Increase)/Decrease in Trade & Other Receivables		(2,06,51,174.03)	(2,11,46,784.98)
(Increase)/Decrease in Inventories		-	-
(Decrease)/Increase in Current Liabilities		(15,59,129.68)	89,74,448.60
<b>Cash Generated from Operations</b>		<b>(2,50,40,279.09)</b>	<b>(1,46,00,435.95)</b>
Income Tax Paid		-	-
<b>Net Cash Inflow from Operating Activities</b>		<b>(2,50,40,279.09)</b>	<b>(1,46,00,435.95)</b>
<b>B Cash Flow from Investing Activities :</b>			
Proceeds from disposal of property and equipment		-	-
Purchase of property and equipment and intangible assets		(9,53,63,243.18)	(11,54,32,452.93)
Purchase of quoted shares		-	-
<b>Nett Cash Used in Investing Activities</b>		<b>(9,53,63,243.18)</b>	<b>(11,54,32,452.93)</b>
<b>C Cash Flow from Financing Activities :</b>			
Issue of Share Capital		-	8,50,53,000.00
Proceeds from Issuance of Share Application Money		5,20,95,000.00	(4,92,98,000.00)
Increase / (Decrease) in Long Term Loan		7,76,45,073.58	8,94,95,142.36
Interest paid		-	-
Dividends paid		-	-
<b>Nett Cash Flow From Financing Activities</b>		<b>12,97,40,073.58</b>	<b>12,52,50,142.36</b>
<b>Net Increase in cash &amp; cash equivalents</b>	A+B+C	<b>93,36,551.31</b>	<b>(47,82,746.52)</b>
Opening Cash & Cash Equivalents		33,510.82	48,16,257.34
<b>Closing Cash &amp; Cash Equivalents</b>		<b>93,70,062.13</b>	<b>33,510.82</b>

The accompanying notes are an integral part of the financial statements.

For : Shaileshwori Power Nepal Ltd.

As per our report of even date

Lal Bahadur Bam  
**Chairman**

Jagdish Bahadur Pal  
**Managing Director**

CA.Subash Ghimire  
**Partner**  
A.P.S. & Associates  
Chartered Accountants

Dilip Singh Budathoki  
**Director**

Bhim Raj Kapadi  
**Director**

Date: 17/09/2081  
Place: Kathmandu

Jaya Raj Joshi  
**Director**

Lal Bahadur Dhami  
**Finance Manager**

# **Shaileshwori Power Nepal Ltd.**

Kathmandu,Nepal

## **Statement of Other Comprehensive Income**

For the period 1st Shrawan 2080 to 31st Ashad 2081

(All amounts are in NPR, unless otherwise stated)

<b>Particulars</b>	<b>Note</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Profit for the year</b>		(30,13,925.22)	(26,31,882.86)
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
<b>Net fair value (Losses)/Gains on financial assets</b>			
Quoted Promoter Shares		-	-
Quoted Ordinary Shares		-	-
<b>Items that are or/may be reclassified subsequently to profit and Loss</b>			
Deferred Tax asset / (liability) on other comprehensive Income		-	-
<b>Total other comprehensive income, net of tax</b>		-	-
<b>Total comprehensive income for the Year</b>		(30,13,925.22)	(26,31,882.86)

The accompanying notes are an integral part of the financial statements.

For : Shaileswori Power Nepal Ltd.

As per our report of even date

Lal Bahadur Bam  
**Chairman**

Jagdish Bahadur Pal  
**Managing Director**

CA.Subash Ghimire  
**Partner**  
A.P.S. & Associates  
Chartered Accountants

Dilip Singh Budathoki  
**Director**

Bhim Raj Kapadi  
**Director**

Date: 17/09/2081  
Place: Kathmandu

Jaya Raj Joshi  
**Director**

Lal Bahadur Dhami  
**Finance Manager**

**Shaileshwori Power Nepal Ltd.**

Kathmandu,Nepal

**Statement of Changes in Equity**

For the period 1st Shrawan 2080 to 31st Ashad 2081

(All amounts are in NPR, unless otherwise stated)

Particulars	Equity Share Capital	Preference Share Capital	Fair Value Reserve	Retained Earnings	Total
<b>For the Year 2080-81</b>					
<b>As Start of Year</b>	16,11,53,000.00	-	-	(1,53,90,655.50)	14,57,62,344.50
<b>Profit for the Year</b>	-	-	-	(30,13,925.22)	(30,13,925.22)
<b>Other Comprehensive Income</b>	-	-	-	-	-
Change in fair value of financial assets through Deffered Tax Reserves	-	-	-	-	-
Transfer to retained earnings on disposal	-	-	-	-	-
<b>Total comprehensive income for the year</b>					-
<b>Transactions with owners:</b>					-
Ordinary Shares Dividend - Final	-	-	-	-	-
Ordinary Shares Dividend - Interim	-	-	-	-	-
Preference Shares Dividend	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-
Proceeds from Issuance of Share Application					
Money & application money transferred to share capital	5,20,95,000.00	-	-	-	5,20,95,000.00
Total transactions with owners					
<b>Balance as at Ashad 31,2081</b>	<b>21,32,48,000.00</b>	-	-	<b>(1,84,04,580.72)</b>	<b>19,48,43,419.28</b>
<b>Opening As at Shrawan 1, 2079</b>					
<b>At start of year</b>	<b>6,92,00,000.00</b>	-	-	<b>(1,27,58,772.64)</b>	<b>5,64,41,227.36</b>
<b>Proceeds from Issuance of Share Application Money</b>	<b>5,61,98,000.00</b>	-	-	-	<b>5,61,98,000.00</b>
Deffered Tax Reserves	-	-	-	-	-
Equalization assets account	-	-	-	-	-
Provision for dividend	-	-	-	-	-
OCI Reserve	-	-	-	-	-
<b>NFRS Remeasurement Adjustments</b>	-	-	-	-	-
<b>Restated Opening As at Shrawan 1, 2079</b>	<b>12,53,98,000.00</b>	-	-	<b>(1,27,58,772.64)</b>	<b>11,26,39,227.36</b>
Profit for the year	-	-	-	(26,31,882.86)	(26,31,882.86)
Earlier Years' Taxes	-	-	-	-	-
<b>Other comprehensive income</b>					
Change in fair value of financial assets through O	-	-	-	-	-
Deffered Tax Reserves	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>12,53,98,000.00</b>	-	-	<b>(1,53,90,655.50)</b>	<b>11,00,07,344.50</b>
Dividend declared (Proposed Last Year)	-	-	-	-	-
Issue of Share Capital	8,50,53,000.00	-	-	-	8,50,53,000.00
Proceeds from Issuance of Share Application					
Money & application money transferred to share capital	(4,92,98,000.00)				(4,92,98,000.00)
Dividend paid Preference Shares	-	-	-	-	-
Final Dividend Paid - Ordinary Shares	-	-	-	-	-
Interim Dividend Paid - Ordinary Shares	-	-	-	-	-
<b>Total transactions with owners</b>					
<b>Balance as at Ashad 31, 2080</b>	<b>16,11,53,000.00</b>	-	-	<b>(1,53,90,655.50)</b>	<b>14,57,62,344.50</b>

**Shaileswori Power Nepal Ltd.**  
Kathmandu,Nepal

**Significant Accounting Policies and Notes to Financial Statements**  
As at Ashadh End, 2081

**1 Reporting Entity**

Shaileswori Power Nepal Ltd. is a public limited company, incorporated on 7th Jesta, 2068 and domiciled in Nepal. The registered address of Shaileswori Power Nepal Ltd. is Ward No 31, KMC, Nepal. The company is registered with Office of Company Registrar with registration number: 83580/067/068 and registered in Inland Revenue Department with PAN No : 600253741.

The company's principal Activity comprises of developing 1550 KW Hydropower Project in Doti District.

The Board of Directors of the company acknowledges the responsibility of preparation of Financial Statements of the company.

The composition of Board of Directors are as follows:

Name	Position
Lal Bahadur Bam	Chairman
Jagdish Bahadur Pal	Managing Director
Dilip Singh Budhathoki	Director
Bhim Raj Kapadi	Director
Jaya Raj Joshi	Director

**2 Basis of Preparation**

The financial statements comprise the Statement of Financial Position, Statement of Profit or Loss and Statement (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Accounts.

**2.1 Statement of Compliance**

The financial statements have been prepared on accrual basis and approved by the Board of Directors on 1st Poush, 2081. The Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN).

These policies have been consistently applied to all the years presented except otherwise stated.

**2.2 Reporting period and approval of financial statements**

The Company has, for the preparation of financial statements, adopted the NFRS pronounced by ASB with effect from FY 2079/080. To comply the NFRS provisions following dates have been considered, in terms of first-time adoption.

Relevant Financial	Nepalese Calendar	English Calendar
Opening NFRS SFP* Date	1 Shrawan 2078	17th July, 2022
Comparative SFP* Date	1 Shrawan 2079	17th July, 2022
Comparative reporting period	1 Shrawan 2078 - 31 Ashad 2079	17th July 2022 - 16th July 2023
First NFRS SFP* Date	31 Ashad 2080	16th July, 2023
First NFRS reporting period	1 Shrawan 2080 - 31 Ashad 2081	17th July 2023-15th July

\*SFP- Statement of Financial Position

**2.3 Functional and Presentation Currency**

The financial statements are presented in Nepalese Rupees (NPR) which is the Company's functional currency. All financial information presented in NPR has been rounded to the nearest rupee except where indicated otherwise.

**Shaileshwori Power Nepal Ltd.**  
Kathmandu,Nepal

**Significant Accounting Policies and Notes to Financial Statements**

**2.4 Use of Estimates, Assumptions and Judgements**

The Company, under NFRS, has applied accounting policies which appropriately suit its circumstances and operating environment. Further, the Company has made judgments in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. This may later be determined that a different choice could have been more appropriate.

The accounting policies have been included in the relevant notes for each item of the financial statements and the effect and nature of the changes, if any, have been disclosed.

The Company has made estimates and assumptions that will affect the assets, liabilities, disclosure of contingent assets and liabilities, and profit or loss as reported in the financial statements. The Company applies estimates in preparing & presenting the financial statements and such estimates and underlying assumptions are reviewed periodically. The revision to accounting estimates are recognized in the period in which the estimates are revised and are applied prospectively.

Disclosures of the accounting estimates have been included in the relevant sections of the notes wherever the estimates have been applied along with the nature and effect of changes of accounting estimates, if any.

**2.5 Going Concern**

The financial statements are prepared on a going concern basis, as the Board of the Company is satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

**2.6 Changes in Accounting Policies**

The company has changed its accounting policies, wherever required, to ensure compliance with NFRS. The effect of change in accounting policy at the date of transition has been given to the retained earnings (and reserves, if applicable).

**2.7 Reporting Pronouncements**

The Company has, for the preparation of financial statements, adopted the NFRS pronounced by ASB as effective on September 13,2013. The NFRS conform, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

However, the Institute of Chartered Accountants of Nepal (ICAN) vide its notice dated 20 September 2018 has resolved that Carve-outs in NFRS with alternative treatment and effective period shall be provided to Banks and Financial Institutions regulated by NRB on the specific recommendation of Accounting Standard Board (ASB). In the same decision the ASB has outlined that the other entities may also use those carve-outs with necessary disclosures. Accordingly the company has decided to adopt those carve-outs. Details of carve out provided are as follows:

## **Shaileshwori Power Nepal Ltd.**

Kathmandu,Nepal

### **Significant Accounting Policies and Notes to Financial Statements**

#### **2.7.1 NAS 39: Financial Instruments: Recognition and Measurement**

##### **a) Impracticability to determine transaction cost of all previous years which is the part of effective interest rate**

In para 9, The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received, unless it is immaterial or impracticable to determine reliably, between parties to the contract that are an integral part of the effective interest rate (see NAS 18 Revenue), transaction costs and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

The carve out is optional and has been provided till FY 2080.81. Accordingly, the Company has opted the carve out.

##### **b) NFRS 9'Financial Instruments'-Impairment**

IFRS 9 'Financial Instruments' was issued by the IASB in July 2014 and effective internationally for the financials beginning on or after 1 January 2018. Accounting Standard Board of Nepal endorsed NFRS 9 Financial Instruments with some exceptions, mainly in the Impairment. Currently, Incurred Loss Model as specified in NAS 39 is used. The requirement of IFRS 9 is Expected Credit Loss Model.

The management is still assessing the potential impact on its financial statements, if Expected Credit Loss (ECL) model is introduced.

#### **2.8 New Standards in issue but not yet effective**

For the reporting of financial instruments, NAS 32 Financial Instruments, Presentation, NAS 39 Financial Instruments Recognition and Measurements and NFRS 7 Financial Instruments - Disclosures have been applied. NFRS I has been complied for the classification of Financial Instruments.A number of new standards and amendments to the existing standards and interpretations have been issued by IASB after the pronouncements of NFRS with varying effective dates. Those become applicable when ASB Nepal incorporates them within NFRS.

#### **2.9 Limitation of NFRS Implementation**

Wherever the information is not adequately available, and/or it is impracticable to develop the, such exception to NFRS implementation has been noted and disclosed in respective sections.

**Shaileshwori Power Nepal Ltd.**  
Kathmandu,Nepal

**Significant Accounting Policies and Notes to Financial Statements**  
As at Ashadh End, 2081

### **3 Significant Accounting Policies**

#### **3.1 Basis of Measurement**

The financial statements have been prepared on historical cost basis except for the following material items in the statement of financial position:

- Financial assets other than measured at amortized cost are measured at fair value.
- Inventories are measured at cost or net realizable value whichever is lower

#### **3.2 Presentation - Current versus Non-Current Classification**

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. Based on the nature of products and the time between 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/non-current classification of assets and liabilities.

The Company classifies an asset as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or

All other assets are classified as non-current.

The Company classifies a liability as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading ,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

#### **3.3 Critical accounting estimates**

The preparation of the financial statements in conformity with Nepal Financial Reporting Standards requires the use of certain critical accounting estimates and judgments. The management has exercised judgments in the process of applying the Company's accounting policies. The Company makes certain estimates and assumptions regarding the future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual result may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year primarily includes:

##### **a) Recognition of deferred tax assets**

Deferred tax assets are recognised for taxable temporary difference to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, 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. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

## **Shaileshwori Power Nepal Ltd.**

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### **Significant Accounting Policies and Notes to Financial Statements**

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#### **b) Provision for depreciation and amortisation**

Depreciation and amortisation is calculated over the estimated useful lives of the assets. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### **3.4 Capital management**

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

#### **3.5 Impairment of non-financial assets (excluding inventories and deferred tax assets)**

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or Cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An assessment is also done for whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have been decreased. If any such indication exists the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

Impairment loss or reversal shall be included in profit or loss if any. The company has no impairment loss/ gain during the relevant reporting periods.

#### **3.6 Foreign Currency Transactions**

Transactions entered into by the Company in a currency other than Nepali Rupees (the currency of primary economic environment in which it operates) are recorded at the rates ruling when the transactions occur. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit or Loss. Unsettled foreign currency monetary assets & liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss statement.

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**3.7 Lease**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

When all the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are taken to the statement of profit or loss.

Lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term unless either another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis.

**Lease rental expense:** The company leases Office premises and site office premises under operating leases from various parties. These leases typically run for a period of 1 year with an option to renew with the mutual consent after the expiry of initial lease term. Future minimum rentals payable under non-cancellable operating leases as at balance sheet date area as follows:

Period	Amount in NPR		
	As at Ashad 31,2081	As at Ashad 31,2080	Opening as at Shrawal 1,2079
Less than one year	-	-	-
One year to five years	-	-	-
More than five years	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **Shaileshwori Power Nepal Ltd.**

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#### **4 Property, Plant & Equipments:**

##### **A) Recognition and Measurement**

The cost of an item of property and equipment shall be recognized as an asset, initially recognized at cost, if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labor;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- Capitalized borrowing costs.

The Company adopts cost model for entire class of property and equipment. Neither class of the property and equipment are measured at revaluation model nor is their fair value measured at the reporting date. The items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Subsequent expenditure is capitalized if it is probable that the future economic benefits from the expenditure will flow to the Company. Ongoing repairs and maintenance to keep the assets in working condition are expensed as incurred. Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized within other income in profit or loss.

##### **B) Revaluation Of Land**

Land under Property, Plant & Equipment has not been revalued.

##### **C) Capital Work in Progress**

Fixed assets under construction and other project cost not ready for use are shown as capital work in progress. Borrowing Costs for the qualifying assets are recognised under Capital work in progress and apportioned to the respective assets proportionately at the time of Capitalization.

##### **D) Depreciation**

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write-off their depreciable amount over the expected useful economic lives.

Depreciation is provided on a pro-rata basis on the straight-line method based on the estimated useful life of the assets determined by management as per application guidance to NAS 16 issued by Accounting Standard Board.

The estimated useful lives of various class of PPE for the current year has not been decided as the project is still in progress.

##### **Effect of rearrangement of assets:**

During the fiscal year, the Company has changed its method of depreciation from the Written Down Method (WDV) into Straight Line method based on useful life of the assets. Due to change in method of calculation of depreciation assets excess depreciation in upto F.Y 2078-79 of amount Rs. 34,854.40 has been reversed in Retain Earning of F.Y 78-79. Depreciation for F.Y 2079-80 underbooked in financial statement under GAAP of Rs. 37,560.78 has been debited in SPL.

##### **D) De-Recognition**

An item of property plant and equipment is de-recognised on disposal or when no future economic benefits are expected from the use of that asset. The gain or loss arising from the disposal of an item of property plant and equipments is the difference between net disposal proceeds if any, and the carrying amount of that item and is recognised in the statement of Profit and Loss.

#### 4.1 Property, Plant & Equipments (PPE)

Particulars		Amount in NPR									
		Land	Buildings	Computers & Accessories	Vehicles	Furniture & Fixtures	Plant & Machinery	Other Assets	Office Equipment	Total Ashad End 2080	Total Ashad End 2079
<b>Cost</b>											
As on Shrawan 1, 2079	-	-	-	2,98,147.88	3,37,346.46	2,72,746.36	-	-	80,427.82	-	9,88,668.52
<b>Addition during the Year</b>											
Acquisition	-	-	-	-	-	-	-	-	-	-	23,340.00
Capitalization	-	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashad end 2080</b>	-	-	<b>2,98,147.88</b>	<b>3,37,346.46</b>	<b>2,96,086.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,427.82</b>	<b>-</b>	<b>10,12,008.52</b>
<b>Addition during the Year</b>											
Acquisition	-	-	-	-	-	30,000.00	-	-	-	30,000.00	-
Capitalization	-	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as on Ashad end 2081</b>	-	-	<b>2,98,147.88</b>	<b>3,37,346.46</b>	<b>3,26,086.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,427.82</b>	<b>30,00,000</b>	<b>30,00,000</b>
<b>Depreciation &amp; Impairment</b>											
As on Shrawan 1, 2079	-	-	76,135.25	1,74,268.77	39,879.77	-	-	-	1,68,218.87	-	4,58,502.66
Adjustment/Revaluation	-	-	19,494.39	(97,694.18)	22,142.81	-	-	-	(1,40,728.88)	-	(1,96,785.86)
<b>Restated opening as on Shrawan 1, 2079</b>	-	-	<b>95,629.64</b>	<b>76,574.59</b>	<b>62,022.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,489.99</b>	<b>-</b>	<b>2,61,716.80</b>
Depreciation charge for the Year	-	-	67,982.72	58,326.43	58,584.07	-	-	-	18,403.07	-	2,03,296.29
Impairment for the year	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-
<b>As on Ashad end 2080</b>	-	-	<b>1,63,612.36</b>	<b>1,34,901.02</b>	<b>1,20,606.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,893.06</b>	<b>-</b>	<b>4,65,013.09</b>
Depreciation charge for the Year	-	-	47,099.90	58,326.43	62,669.19	-	-	-	12,609.32	1,80,704.84	-
Impairment for the year	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-
<b>As on Ashad end 2081</b>	-	-	<b>2,10,712.26</b>	<b>1,93,227.45</b>	<b>1,83,275.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,502.38</b>	<b>1,80,704.84</b>	<b>4,65,013.09</b>
<b>Capital Work in Progress</b>											
As on Ashad end 2079	<b>1,44,58,488.00</b>	-	-	-	-	<b>13,87,223.95</b>	<b>5,33,70,120.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,92,15,832.82</b>
As on Ashad end 2080	<b>1,44,58,488.00</b>	-	-	-	-	<b>7,66,35,647.79</b>	<b>9,35,30,809.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,46,24,945.75</b>
As on Ashad end 2081	<b>1,50,59,988.00</b>	-	-	-	-	<b>11,94,77,700.29</b>	<b>14,54,20,500.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,99,58,188.93</b>
<b>Net Book Value</b>											
As on Ashad end 2079	-	-	<b>2,02,518.24</b>	<b>2,60,771.87</b>	<b>2,10,723.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$2,937.83</b>	<b>7,26,951.72</b>	<b>-</b>
As on Ashad end 2080	-	-	<b>1,34,535.52</b>	<b>2,02,445.44</b>	<b>1,75,479.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,534.76</b>	<b>5,46,955.43</b>	<b>-</b>
As on Ashad end 2081	-	-	<b>87,435.62</b>	<b>1,44,119.01</b>	<b>1,42,810.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,925.44</b>	<b>3,96,200.59</b>	<b>-</b>

All categories of Property, Plant and Equipment are initially recorded at cost. Property, Plant and Equipment are subsequently measured at historical cost less depreciation and impairment losses. Historical cost includes expenditure. Subsequent cost are included in the assets carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits are associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The rates have been applied consistently over the years. The assets residual values and useful lives are reviewed and adjusted if appropriate, at each reporting period. An assets carrying amount is written down immediately to its estimated recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and Losses on disposal of property and equipment are determined by reference to their carrying amount and are included in profit or loss.

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#### **5 Intangible Assets**

##### **Computer Software**

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Computer software costs are amortized on the basis of expected useful life. Costs associated with maintaining software are recognized as an expense as incurred.

Software is amortised on a straight-line basis in profit or loss over its estimated useful life, from the date that it is available for use. The estimated useful life of software for the current and comparative periods is five years.

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

Particulars	Computer Software	Ashad End 2080	Amount in NPR Ashad End 2079
<b>Cost:</b>			
As on Shrawan 1, 2079	40,000.00	-	40,000.00
Addition during the Year			
Acquisition			-
Capitalization			-
Disposal During the Year			-
Adjustment/Revaluation			-
<b>Balance as on Ashad end 2080</b>	<b>40,000.00</b>	-	<b>40,000.00</b>
Addition during the Year			
Acquisition			-
Capitalization			-
Disposal During the Year			-
Adjustment/Revaluation			-
<b>Balance as on Ashad end 2081</b>	<b>40,000.00</b>	-	<b>40,000.00</b>
<b>Amortisation and impairment losses</b>			
As on Shrawan 1, 2079	2,000.00	-	2,000.00
Amortization charge for the Year	8,000.00	-	8,000.00
Impairment for the Year			-
Disposals			-
Adjustment	(71.23)	-	(71.23)
<b>As on Ashad end 2080</b>	<b>9,928.77</b>	8,000.00	<b>9,928.77</b>
Amortization charge for the Year	8,000.00	-	
Impairment for the Year			-
Disposals			-
Adjustment			-
<b>As on Ashad end 2081</b>	<b>17,928.77</b>	<b>8,000.00</b>	<b>9,928.77</b>
<b>Net Book Value</b>			
<b>As on Shrawan 1, 2079</b>	<b>38,071.23</b>	<b>38,071.23</b>	-
<b>As on Ashad end 2080</b>	<b>30,071.23</b>	<b>30,071.23</b>	-
<b>As on Ashad end 2081</b>	<b>22,071.23</b>	<b>22,071.23</b>	-

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#### **6 Financial Instruments : Financial Assets**

Financial Asset is any asset that is:

- a) Cash
- b) an equity instrument of another entity
- c) a contractual right:
  - i) to receive cash or other financial asset from another entity, or
  - ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity, or
- d) a contract that will or may be settled in the entity's own equity instruments and is:
  - i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments, or
  - ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

#### **A) Recognition**

All financial assets are initially recognized on the date on which the company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at the initial recognition depends on their purpose and characteristics and the management's intention in acquiring them.

#### **B) Classification**

The financial assets are measured at amortized cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The two classes of financial assets are as follows:

##### **i) Financial assets measured at amortized cost**

Financial asset are measured at amortized cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold 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.

##### **ii) Financial asset measured at fair value**

Financial assets other than those measured at amortized cost are measured at fair value. Financial assets measured at fair value are further classified into two categories as below:

###### **a) Financial assets at fair value through profit or loss (FVTPL)**

Financial assets are classified as fair value through profit or loss (FVTPL) if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction cost is directly attributable to the acquisition are recognized in profit or loss as incurred. Such assets are subsequently measured at fair value and changes in fair value are recognized in Statement of Profit or Loss.

###### **b) Financial assets at fair value through other comprehensive income (FVTOCI)**

Investment in an equity instrument that is not held for trading and at the initial recognition, the Company makes an irrevocable election that the subsequent changes in fair value of the instrument is to be recognized in other comprehensive income are classified as financial assets at fair value though other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

## C) Measurement

### i) Initial Measurement

A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction cost in relation to financial assets and liabilities at fair value through profit or loss are recognized in Statement of Profit or Loss.

### ii) Subsequent Measurement

A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability. Financial asset or liability classified as measured at amortized cost is subsequently measured at amortized cost using effective interest rate method.

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility.

Financial assets classified at fair value are subsequently measured at fair value. The subsequent changes in fair value of financial assets at fair value through profit or loss are recognized in Statement of Profit or Loss whereas of financial assets at fair value through other comprehensive income are recognized in other comprehensive income.

## D) Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Any interest in such transferred financial assets that qualify for derecognition that is created or retained by the Company is recognized as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

In transactions in which the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

## E) Determination of Fair Value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. If a market for a financial instrument is not active, the Company establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analysis.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price - i.e. the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognized in profit or loss on initial recognition of the instrument. In other cases, the difference is not recognized in profit or loss immediately but is recognized over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

All unquoted equity investments are recorded at cost, considering the non-trading of promoter shares up to the date of balance sheet, the market price of such shares could not be ascertained with certainty. Hence, these investments are recognized at cost net of impairment, if any.

#### F) Impairment

At each reporting date the Company assesses whether there is any indication that an asset may have been impaired. If such indication exists, the recoverable amount is determined. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company considers evidence of impairment for loans and advances and held-to-maturity investment securities at both a specific asset and collective level. All individually significant loans and advances and held-to-maturity investment securities are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Loans and advances and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and held-to-maturity investment securities with similar risk characteristics. Impairment test is done on annual basis for trade receivables and other financial assets based on the internal and external indication observed.

In assessing collective impairment, the Company uses statistical modelling of historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

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**6.1a Equity Investments**

Amount in NPR

**6.2 Equity Investments at FVTOCI**

Particulars	Ashad 31, 2081	Ashad 31, 2080	Shrawan 1, 2079
<b>Corporate Equity shares:</b>			
Quoted Ordinary Shares	-	-	-
Allowance for impairment loss	-	-	-
<b>Total</b>	-	-	-

**6.3 Fair Value Disclosure**

Particulars	No. of Shares	Cost	Fair Value**	No. of Shares	Cost	Fair Value**	No. of Shares	Cost	Fair Value**
<b>Quoted</b>									
<b>Unquoted</b>	-	-	-	-	-	-	-	-	-
<b>Total Fair Value</b>		-	-		-	-		-	-

**6.1b Investment in debentures**

**Measured at Amortized Cost**

Particulars	Ashad 31, 2081	Ashad 31, 2080	Shrawan 1, 2079
	-	-	-
<b>Total</b>	-	-	-
<b>Total Investment</b>	-	-	-

\*\*Closing Market Price listed in NEPSE as on last trading day of relevant Financial Year has been considered for deriving the fair value of Investment in Equity Shares.

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As at Ashadh End, 2081

**7 Deferred Income Tax**

Deferred tax is provided using the balance sheet liability method, providing for carried forward losses and 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.

The principal temporary difference arise from depreciation of fixed assets and unused tax losses.

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. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Particulars	Amount in NPR		
	Ashad 31, 2081	Ashad 31, 2080	Shrawan 1, 2079
Deferred Tax Asset	5,311.00	556.00	-
Deferred Tax Liability	14.00	14.00	6,971.00
<b>Net Deferred Tax Asset / (Liability)</b>	<b>5,297.00</b>	<b>542.00</b>	<b>(6,971.00)</b>
<b>Net Changes</b>	<b>4,755.00</b>	<b>7,513.00</b>	<b>(6,971.00)</b>
Deferred Tax charged in OCI	-	-	-
<b>Deferred Tax charged in SPL</b>	<b>4,755.00</b>	<b>7,513.00</b>	<b>(6,971.00)</b>
<b>Deferred Tax charged directly in Equity due to change in estiamte of the life of asset</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred tax Assets:</b>			
Recognized in profit or loss	5,311.00	556.00	-
Recognized in OCI	-	-	-
Recognized in Equity	-	-	-
<b>Deferred tax Assets at the end of year</b>	<b>5,311.00</b>	<b>556.00</b>	<b>-</b>
<b>Deferred tax liability:</b>			
Recognized through profit or loss	14.00	14.00	6,971.00
Recognized through OCI	-	-	-
Recognized in Equity	-	-	-
<b>Deferred tax liability at the end of year</b>	<b>14.00</b>	<b>14.00</b>	<b>6,971.00</b>

**Significant Accounting Policies and Notes to Financial Statements**  
As at Ashadh End, 2081

**7.1. Deferred Income Tax Assets and Liabilities, deferred tax charge/(credit) in the profit or loss and OCI**

								Amount in NPR
	As at Ashadh 31, 2081	Book Value Base	Tax Base	Difference	Deferred Tax Assets	Deferred Tax through profit or loss	Recognised through OCI	Recognised in Equity
Provision for Foreign Exchange Loss	-	-	-	-	-	-	-	-
Corporate Social Responsibility	-	-	-	-	-	-	-	-
Provision for Leave Encashment	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-
Property Plant and Equipments	3,96,290.59	4,22,843.57	26,552.98	5,311.00	5,311.00	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-
Fair Value Change on Investment	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,96,290.59</b>	<b>4,22,843.57</b>	<b>26,552.98</b>	<b>5,311.00</b>	<b>5,311.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
								Amount in NPR
	As at Ashadh 31, 2080	Book Value Base	Tax Base	Difference	Deferred Tax Liabilities	Deferred Tax through profit or loss	Recognised through OCI	Recognised in Equity
Property Plant and Equipment	-	-	-	-	-	-	-	-
Intangible Assets	22,071.23	22,000.00	71.23	14.00	14.00	-	-	-
Loss	-	-	-	-	-	-	-	-
Fair Value Change on Investment	-	-	-	-	-	-	-	-
<b>Total</b>	<b>22,071.23</b>	<b>22,000.00</b>	<b>71.23</b>	<b>14.00</b>	<b>14.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
								Amount in NPR
	As at Ashadh 31, 2080	Book Value Base	Tax Base	Difference	Deferred Tax Assets	Deferred Tax through profit or loss	Recognised through OCI	Recognised in Equity
Provision for Foreign Exchange Loss	-	-	-	-	-	-	-	-
Provision for Gratuity	-	-	-	-	-	-	-	-
Corporate Social Responsibility	-	-	-	-	-	-	-	-
Property Plant and Equipments	5,46,995.43	5,49,773.56	2,778.13	556.00	556.00	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5,46,995.43</b>	<b>5,49,773.56</b>	<b>2,778.13</b>	<b>556.00</b>	<b>556.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Significant Accounting Policies and Notes to Financial Statements**

As at Ashadh End, 2081

**7.1. Deferred Income Tax Assets and Liabilities, deferred tax charge/(credit) in the profit or loss and OCI**

	Book Value Base	Tax Base	Difference	Deferred Tax Liabilities	Recognised through profit or loss	Recognised through OCI	Recognised in Equity
Property Plant and Equipment Loss	-	-	-	-	-	-	-
Intangible Assets	30,071.23	30,000.00	-71.23	14.00	-14.00	-	-
Fair Value Change on Investment	-	-	-	-	-	-	-
<b>Total</b>	<b>30,071.23</b>	<b>30,000.00</b>	<b>71.23</b>	<b>14.00</b>	<b>14.00</b>	<b>-</b>	<b>-</b>
Amount in NPR							
	Book Value Base	Tax Base	Difference	Deferred Tax Assets	Recognised through profit or loss	Recognised through OCI	Recognised in Equity
<b>Opening As at Shrawan 1, 2079</b>							
Corporate Social Responsibility	-	-	-	-	-	-	-
Provision for Gratuity	-	-	-	-	-	-	-
Property Plant and Equipments	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-
Loss	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Book Value Base	Tax Base	Difference	Deferred Tax Liabilities	Recognised through profit or loss	Recognised through OCI	Recognised in Equity
Corporate Social Responsibility	-	-	-	-	-	-	-
Property Plant and Equipments	7,26,951.72	6,92,169.07	-34,782.65	6,957.00	6,957.00	-	-
Intangible Assets	38,071.23	38,000.00	-71.23	14.00	14.00	-	-
Fair Value Change on Investment	-	-	-	-	-	-	-
<b>Total</b>	<b>7,65,022.95</b>	<b>7,30,169.07</b>	<b>34,853.88</b>	<b>6,971.00</b>	<b>6,971.00</b>	<b>-</b>	<b>-</b>

**Shaileshwori Power Nepal Ltd.**  
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**Significant Accounting Policies and Notes to Financial Statements**  
As at Ashadh End, 2081

**8 Financial Assets measured through OCI**

Amount in NPR

Particulars	Ashad 31, 2081	Ashad 31, 2080	Shrawan 1, 2079
Financial Assets measured through OCI	-	-	-
<b>Total</b>	-	-	-

**9 Inventories**

Inventories are carried at the lower of cost or Net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the necessary estimated expenses. The cost of obsolescence and other anticipated losses are also considered for determining the net realizable values.

Cost of finished goods includes the cost of raw materials, direct labor and appropriate proportion of fixed and variable production overheads incurred in bringing the inventory to their present location and condition. Inventories of Raw material are carried at Cost.

In determining the cost of raw materials First In First Out (FIFO) method is used. Cost of inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities), cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost of consumables, stores and spares First In First Out (FIFO) method is used.

Amount in NPR

Particulars	Ashad 31, 2081	Ashad 31, 2080	Shrawan 1, 2079
Raw materials	-	-	-
Finished & Trading Goods	-	-	-
Store, Spares and Consumables	-	-	-
<b>Gross Total</b>	-	-	-
Less: Allowance for Obsolescence	-	-	-
<b>Total Inventories</b>	-	-	-

Given the nature of the business of the company there will be no inventories. The company is currently in construction phase and all the construction materials are booked under Work In Progress.

**10 Other Current Assets**

Amount in NPR

Particulars	Ashad 31, 2081	Ashad 31, 2080	Shrawan 1, 2079
Prepaid Insurance	-	327.23	-
Prepaid Internet	2,034.00	-	-
Security Deposits	4,50,000.00	13,80,000.00	13,80,000.00
Cash Margin	11,71,000.00	38,06,000.00	39,24,000.00
Share Capital Receivable	-	54,00,000.00	-
Contractor Advance	7,03,96,736.96	3,46,80,676.87	3,43,60,505.89
Advance for Land	12,85,000.00	9,02,000.00	4,92,000.00
Advances to Suppliers	39,93,704.06	22,84,368.80	-
Advance Income Tax (Net of Provision)	7,948.60	7,933.19	7,816.72
<b>Total</b>	<b>7,73,06,423.62</b>	<b>4,84,61,306.09</b>	<b>4,01,64,322.61</b>

## **Shaileshwori Power Nepal Ltd.**

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### **Significant Accounting Policies and Notes to Financial Statements**

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The prepayment such as Prepaid Internet that are to be settled within a year is classified as Current Assets and rest are classified as non-current asset.

Security Deposits include Bank Guarantee Margin for exim code which is renewable every year and Security Deposit to Nepal Electricity Authority for TOD Meter.

Cash Margin includes Margin Money held by bank against payment through LC which is refundable.

Advance provided to Contractors against works relating to Capital Nature are classified under Contractor Advance.

The company has provided baina amount to various parties for the purchase of land which is yet to be registered in companies name. Such amount is booked under Advance For Land.

Advance provided to suppliers other than Contractor Advance against works other than Capital Nature are classified under Advance To Suppliers.

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**Significant Accounting Policies and Notes to Financial Statements**  
As at Ashadh End, 2081

**11 Cash and Cash Equivalents**

Cash and cash equivalents are defined as cash on hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Balances with banks includes balances in all current and call accounts of the company.

For the purpose of cash flow statements, cash and cash equivalents consist of cash in hand and balance in bank accounts.

Particulars	Ashad 31, 2081	Ashad 31, 2080	Shrawan 1, 2079
Cash In Hand (as certified by Management)	37,858.00	2,121.00	-
<b>Balances with Banks</b>			
Sanima Bank Ltd.	15,749.97	15,662.64	2,04,987.84
Global IME Bank Ltd.	53,79,497.18	5,727.18	5,727.18
Macchapuchhare Bank Ltd.	39,26,956.98	-	45,95,542.32
NMB Bank Ltd.	10,000.00	10,000.00	10,000.00
<b>Total</b>	<b>93,70,062.13</b>	<b>33,510.82</b>	<b>48,16,257.34</b>

**12 Financial Assets (at amortized cost)**

Loans and advance include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, loans and receivables shall be subsequently measured at amortized cost using the effective interest rate, less allowance for impairment, if any.

Trade receivables comprises of amount receivable from our customers and are non-interest bearing. Such trade receivables are generally on credit terms of 30 - 90 days.

Payment under Letter of Credit shall cause an event of disbursement of Term Loan Facility.

Particulars	Ashad 31, 2081	Ashad 31, 2080	Shrawan 1, 2079
Staff Advance	-	6,865.00	-
Letter of Credit / TT	46,55,858.00	1,28,42,936.50	-
<b>Total</b>	<b>46,55,858.00</b>	<b>1,28,49,801.50</b>	<b>-</b>

The balance seen under head Lettert of Credit/TT pertains to LC advance given to Altman Power LLP, company located in India for Electromechanical Works and are subsequently settled with purchases of Electromechanical Items.

The fair values of all the above financial assets are equal to their carrying amounts. These advances are non-interest bearing and are expected to be settled in the normal course of operations.

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### **Significant Accounting Policies and Notes to Financial Statements**

As at Ashadh End, 2081

#### **13 Financial Instruments : Financial Liabilities**

Financial Liability is any liability that is:

- a) a contractual obligation:
  - i) to deliver cash or other financial asset to another entity, or
  - ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, or
- b) a contract that will or may be settled in the entity's own equity instruments and is:
  - i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments, or
  - ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

#### **A) Recognition**

All financial liabilities are initially recognized on the date on which the company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at the initial recognition depends on their purpose and characteristics and the management's intention in acquiring them.

#### **B) Classification**

The Company classifies its financial liabilities, other than financial guarantees and loan commitments, as follows:

##### **i) Financial Liabilities at Fair Value through Profit or Loss (FVTPL)**

Financial liabilities are classified as fair value through profit or loss if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction costs are directly attributable to the acquisition are recognized in Statement of Profit or Loss as incurred. Subsequent changes in fair value is recognized at profit or loss.

##### **ii) Financial Liabilities measured at amortized cost**

All financial liabilities other than measured at fair value though profit or loss are classified as subsequently measured at amortized cost using effective interest rate method.

#### **C) Measurement**

##### **i) Initial Measurement**

A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction cost in relation to financial assets and liabilities at fair value through profit or loss are recognized in Statement of Profit or Loss.

##### **ii) Subsequent Measurement**

A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability. Financial asset or liability classified as measured at amortized cost is subsequently measured at amortized cost using effective interest rate method.

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectability.

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### **Significant Accounting Policies and Notes to Financial Statements**

As at Ashadh End, 2081

#### **13.1 Non Current Borrowings**

Non Current Borrowings are interest bearing financial liabilities consisting of Bank Borrowings. For these financial liabilities interest charged by the bank approximates effective interest rate and such rate is considered for calculation of amortized cost of liability and the finance cost. The effect of initial charges and its impact on effective rate is considered not material and the carrying value is considered approximate amortized cost.

Particulars	Ashad 31, 2081	Ashad 31, 2080	Shrawan 1, 2079	Amount in NPR
<b>Secured Loans from Banks</b>				
Term Loan	16,71,40,215.94	6,64,95,142.36	-	
Bridge Gap Loan	-	2,30,00,000.00	-	
<b>Total</b>	<b>16,71,40,215.94</b>	<b>8,94,95,142.36</b>	<b>-</b>	

Fixed Term Loan Facility has been sanctioned amounting to Rs. 195,000,000.00 and partly disbursed by Machhapuchchhre Bank Ltd(MBL) for Upper Gadi Gad Hydroelectric project. Such term loan is repayable in 12 years from the date of operation. .The loan is secured by overall project and irrevocable and unconditional several personal Guarantees and Promissory Notes of all the board members and shareholders with stake more than 5%.

Interest rate is charged at 2% premium rate on Base Rate as notified by Nepal Rastra Bank. Entire term loan carries interest at the rate of 10% p.a. to 13.00 % p.a. during the year.

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**Significant Accounting Policies and Notes to Financial Statements**  
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**14 Short Term Loan**

Current Borrowings are interest bearing financial liabilities consisting of Bank Borrowings. For these financial liabilities interest charged by the bank approximates effective interest rate and such rate is considered for calculation of amortized cost of liability and the finance cost. The effect of initial charges and its impact on effective rate is considered not material and the carrying value is considered approximate amortized cost.

Particulars	Ashad 31, 2081	Ashad 31, 2080	Shrawan 1, 2079
<b>Secured Loans from Banks</b>			
Working Capital Loan	-	-	-
TR Loans	-	-	-
Bank Overdraft	-	-	-
<b>Total</b>	-	-	-

Overdraft loans of Rs. 10,000,000.00 has been proposed by the bank but the same has not been disbursed yet as such loan is to be utilized during operation of the project.

**15 Financial Liabilities**

Trade payables are amount payable to creditors for goods and services and are non interest bearing. These trade payables are normally settled on credit period of 30 to 90 days or as per contract period.

Particulars	Ashad 31, 2081	Ashad 31, 2080	Shrawan 1, 2079
Trade Payables	57,37,511.58	76,59,194.29	6,15,853.95
<b>Total</b>	<b>57,37,511.58</b>	<b>76,59,194.29</b>	<b>6,15,853.95</b>

**16 Other Current Liabilities**

Particulars	Ashad 31, 2081	Ashad 31, 2080	Shrawan 1, 2079
Audit Fee Payable	1,11,500.00	1,11,500.00	55,750.00
TDS Payable	2,06,738.64	5,84,458.22	3,59,604.56
Staff Payable	-	4,96,038.00	-
Retention Payable	36,74,806.06	23,82,089.65	10,78,384.88
Other Payable	-	56,405.80	2,05,643.97
<b>Total</b>	<b>39,93,044.70</b>	<b>36,30,491.67</b>	<b>16,99,383.41</b>

TDS Payable includes tax deducted at source by the company on various payments as required under Income Tax Act and which are payable within next month of deduction.

Staff payable includes all the employee benefits to be paid to the staff which are current in nature.

Retention Payable includes amount deducted @ 5% on the IPC bill issued by contractor for Civil and Hydro Mechanical works.

Contractor for such projects are given as below:

Type of Work	Contractor Name
Civil Works	Dhulikhel Nirman Sewa Pvt. Ltd.
Installation Erection & Fabrication Works	Precise Hydro Engineering And Construction Pvt. Ltd.

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**17 Share Capital**

The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. Equity is defined as residual interest in total assets of the Company after deducting all its liabilities.

Accordingly the share capital of the company comprises following equity types:

Amount in NPR			
<b>Ashad 31, 2081</b>	<b>No of share</b>	<b>Value Per Share</b>	<b>Capital In value</b>
Authorised capital	40,00,000	100.00	40,00,00,000.00
Issued capital	25,00,000	100.00	25,00,00,000.00
Paid up capital	15,42,530	100.00	15,42,53,000.00

<b>Ashad 31, 2080</b>	<b>No of share</b>	<b>Value Per Share</b>	<b>Capital In value</b>
Authorised capital	40,00,000	100.00	40,00,00,000.00
Issued capital	25,00,000	100.00	25,00,00,000.00
Paid up capital	15,42,530	100.00	15,42,53,000.00

<b>Shrawan 1, 2079</b>	<b>No of share</b>	<b>Value Per Share</b>	<b>Capital In value</b>
Authorised capital	40,00,000	100.00	40,00,00,000.00
Issued capital	25,00,000	100.00	25,00,00,000.00
Paid up capital	6,92,000	100.00	6,92,00,000.00

In order to meet the temporary fund requirement of the company, it has received advance from Shareholders and classified under Share Application Money in Financial Statements. Share Application Money of NPR 58,995,000.00 is still not converted into Share Capital.

**18 Reserve and Surplus**

The reserves include retained earnings and other reserves, if any.

Amount in NPR			
<b>Particulars</b>	<b>Ashad 31, 2081</b>	<b>Ashad 31, 2080</b>	<b>Shrawan 1, 2079</b>
Balance up to Last Year	(1,53,90,655.50)	(1,27,58,772.64)	(92,58,119.01)
Profits for the Year	(30,13,925.22)	(26,31,882.86)	(29,50,381.26)
Other Comprehensive Income for the Year	-	-	-
Depreciation reversed due to change of method of depreciation-F.Y 77-78	-	-	31,294.77
Depreciation reversed due to change of method of depreciation-F.Y 78-79	-	-	3,559.63
Deferred Tax charged directly in Equity for the excess DTA created in GAAP	-	-	(5,85,126.77)
<b>Total Comprehensive Income</b>	<b>(1,84,04,580.72)</b>	<b>(1,53,90,655.50)</b>	<b>(1,27,58,772.64)</b>
<b>Less:</b>			
Earlier Years' Tax	-	-	-
Earlier Years' Gratuity	-	-	-
Dividend Distribution	-	-	-
<b>Total</b>	<b>(1,84,04,580.72)</b>	<b>(1,53,90,655.50)</b>	<b>(1,27,58,772.64)</b>

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**Significant Accounting Policies and Notes to Financial Statements**  
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**19 Revenue from Operations**

Revenue from sale of goods is recognized when the significant risks and rewards are transferred to the buyer by virtue of dispatch of such goods to the buyer after issuance of sales invoice.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue and associated costs incurred or to be incurred can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable net of trade discounts. Revenue include all revenue from ordinary activities of the company that are recorded excluding Excise and Value Added Taxes collected from customers that are remitted or are to be remitted to the government authorities.

Particulars	Amount in NPR	
	For the Year 2080-81	For the Year 2079-80
Sales		
Construction Contract Revenue	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**20 Cost of Sales**

Particulars	Amount in NPR	
	For the Year 2080-81	For the Year 2079-80
Direct Cost	-	-
<b>Total Cost of Sales</b>	<b>-</b>	<b>-</b>

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**21 Other Income**

<b>Particulars</b>	<b>Amount in NPR</b>	
	<b>For the Year 2080-81</b>	<b>For the Year 2079-80</b>
Miscellaneous Income	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**22 Selling and Distribution Expenses**

<b>Particulars</b>	<b>Amount in NPR</b>	
	<b>For the Year 2080-81</b>	<b>For the Year 2079-80</b>
Advertisement Expenses	-	-
Salary & Allowances	-	-
Sales Promotion	-	-
Travelling Expenses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**23 Administrative Expenses**

<b>Particulars</b>	<b>Amount in NPR</b>	
	<b>For the Year 2080-81</b>	<b>For the Year 2079-80</b>
Audit Fee	1,13,000.00	1,13,000.00
AMC-Software	5,650.00	-
Bank Charge	8,398.75	24,136.11
Consultancy fee	4,18,100.00	4,92,665.00
Courier Charges	4,955.00	4,622.00
Electricity Expenses	4,294.00	3,032.00
Repair-Pool B	10,600.00	-
Repair-Pool C	1,770.00	-
Kitchen Expenses	45,435.00	59,035.00
Guest Refreshment Expenses	1,67,918.00	-
Insurance Expenses	2,032.23	3,311.07
Registration & Renewal Expenses	75,061.00	1,22,104.70
Rates & Taxes	81.00	-
Parking Expenses	2,155.00	-
General Repair & Maintenance	41,695.00	15,246.00
Gift & Donation	64,900.00	-
Fines And Penalties	-	42,413.97
Fuel Expenses	1,12,110.00	-
Internet Expenses	27,685.00	27,120.00
Local Conveyance Expenses	36,360.00	24,115.00
Office Salary	7,80,000.00	7,80,000.00
Office Expenses	10,260.00	19,782.96
Office Rent Expenses	6,67,330.67	6,40,008.00
Travelling Expenses-Indirect	71,100.00	-
Printing And Stationery Expenses	1,53,085.50	58,299.00
Website Development Fee	6,102.00	-
<b>Total</b>	<b>28,30,078.15</b>	<b>24,28,890.81</b>

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#### 23.1 Employee Benefit Expense Disclosure

Particulars	Amount in NPR	
	For the Year 2080-81	For the Year 2079-80
<b>Included in cost of sales</b>		
Wages and Salaries	-	-
Staff Welfare	-	-
<b>Included in Selling and Distribution Expenses</b>		
Wages and Salaries	-	-
Staff Welfare	-	-
<b>Included in Administrative Expenses</b>		
Wages and Salaries	7,80,000.00	7,80,000.00
Provident Fund	-	-
Staff Welfare	-	-
<b>Included in Capital Work in Progress</b>		
Wages and Salaries	15,62,833.00	31,80,000.00
Provident Fund	-	-
Staff Welfare	-	-
Bonus*	-	-
<b>Total</b>	<b>23,42,833.00</b>	<b>39,60,000.00</b>

\*Bonus represents bonus provision made for Production, Administrative and Selling & Distribution employees.

The company has not been registered in SSF and has not been deducting the PF, gratuity as required by the act.

#### 24 Finance Cost

Finance Cost comprises of interest on short term loan, interest on Bank Overdraft and allied charges. All these costs are carried at amortized cost using effective interest rate which is assumed to be bank interest rate.

Particulars	Amount in NPR	
	For the Year 2080-81	For the Year 2079-80
Finance Expense	-	-
Net exchange losses on foreign currency borrowings	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### 25 Finance Income

Interest Income is recognized on period basis using effective interest rate which is assumed to be bank interest

Particulars	Amount in NPR	
	For the Year 2080-81	For the Year 2079-80
Interest Income	102.77	791.24
<b>Total</b>	<b>102.77</b>	<b>791.24</b>

## **Shaileshwori Power Nepal Ltd.**

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### **Significant Accounting Policies and Notes to Financial Statements**

As at Ashadh End, 2081

#### **26 Income Tax**

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

##### **A) Current Tax**

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

##### **B) Deferred Tax**

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.

Particulars	Amount in NPR	
	For the Year 2080-81	For the Year 2079-80
<b>Current tax expense</b>		
Provision for income tax	-	-
Previous years tax	-	-
<b>Total Current Tax Expense</b>	-	-
 <b>Deferred Tax</b>		
Origination and reversal of temporary differences	4,755.00	7,513.00
Recognition of previously unrecognized deferred tax assets	-	-
<b>Total Deferred Tax( Income) / Expense</b>	<b>4,755.00</b>	<b>7,513.00</b>
 <b>Total Tax Expense for the Year</b>	<b>4,755.00</b>	<b>7,513.00</b>

## **Shaileshwori Power Nepal Ltd.**

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### **Significant Accounting Policies and Notes to Financial Statements**

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#### **27 Earnings Per Share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. The basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Particulars	Amount in NPR	
	For the Year 2080-81	For the Year 2079-80
Net profit attributable to Shareholders for Basic and diluted earnings	(30,13,925.22)	(26,31,882.86)
Weighted average number of Ordinary Shares for basic EPS	15,42,530.00	15,42,530.00
<b>Effects of dilution:</b>		
Share Option	-	-
Weighted average number of ordinary shares adjusted for the effect of	-	-
<b>Basic earning per ordinary share</b>	<b>(1.95)</b>	<b>(1.71)</b>
<b>Diluted earning per ordinary share</b>	<b>(1.95)</b>	<b>(1.71)</b>

Since there is no convertible and other option, diluted earning per share would be equal to Basic earning per share.

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#### **28 Declared and Proposed Dividends**

Dividends payable to the Company's shareholders are charged to equity in the period in which they are declared. Proposed dividends are disclosed in notes separately until declared.

Particulars	Amount in NPR	
	<b>For the Year 2080-81</b>	<b>For the Year 2079-80</b>
<b>28.1 Declared and Approved during the year</b>	-	-
Dividends on Ordinary Shares (Dividend Per Share 80/81 0% 79/80 0%)	-	-
<b>Total Dividend Declared</b>	-	-

#### **28.2 Proposed for approval at the annual general meeting (not recognised as a liability as at balance sheet date)**

Dividends on Ordinary Shares (Dividend Per share)	-	-
<b>Total Dividend Proposed</b>	-	-

#### **29 Contingent Liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows. It is not practicable for the Company to estimate the timings of the cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the same.

All the contingent liabilities and the guarantees given by the Company to the third parties are disclosed below:

Particulars	Amount in NPR	
	<b>Ashad 31, 2081</b>	<b>Ashad 31, 2080</b>
Towards Exim Code	3,00,000.00	3,00,000.00
Towards PPA Guarantee	-	9,30,000.00
<b>Total</b>	<b>3,00,000.00</b>	<b>12,30,000.00</b>

### **Significant Accounting Policies and Notes to Financial Statements**

As at Ashadh End, 2081

#### **30 Related Parties and Transactions with Related Parties**

All transactions with related parties are carried out by the Company at arm's length prices.

S.N.	Party Name	Nature of	Opening Balance	For the Period (Dr)	For the Period (Cr)	Closing Balance
1	Jaggish Bahadur Pal	Managing Director	-	6,50,000.00	-	-
2	Jay Raj Joshi	Director	33,524.00	-	33,524.00	-
3	L.B & A.B Builders Pvt. Ltd.	Common Director -Lal Bahadur Bam	(5,58,194.95)	5,58,194.95	-	-

#### **Terms and Conditions of Transactions with related parties**

Outstanding Balances at the year end are unsecured and settlement occurs in cash/bank. There have been no guarantee provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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**Significant Accounting Policies and Notes to Financial Statements**  
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**31 Financial risk management objectives and policies**

The Company's principal financial liabilities comprise term loan, trade and other payables. The main purpose of these financial liabilities is to finance the Company's project. The Company's principal financial assets comprise advance to contractors and other advances and cash and bank balances that arrive directly from its operations.

The Company is exposed to market risk and credit risk. The Company's senior management oversees the management of these risks.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

**31.1 Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk.

**31.1.1 Interest rate risk**

The Company is affected by variable interest rate charged by the financial institutions for the long term loan which will eventually increase the borrowing cost of the organization.

The Company has planned to hold cash and highly liquid asset to mitigate the impact of changes in interest rate. It has also structured the financing as such that it aligns with the cash flow generation of the hydropower project. The company has further maintained the debt equity ratio to minimize the burden.

**31.2 Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

The Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, Bank Guarantees and Sales Usage Letter of Credit where appropriate as a means of mitigating the risk of financial loss from defaults.

**31.2.1 Trade receivables**

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed and individual credit limits are defined in accordance with this. The company has PPA with the Nepal Electricity Authority so there is minimal chance of customer credit risk.

**31.2.2 Cash deposits**

Credit risk From balances with banks and financial institutions are managed by maintaining the balances with highly reputed Commercial banks only.

**31.3 Liquidity risk**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. A material and sustained shortfall in the cash flow could undermine the Company's credit rating, impair investor confidence and also restrict the Company's ability to raise funds.

The Company maintains a cautious funding strategy to mitigate the liquidity risk. The Company's Finance Department regularly monitors the liquidity position to ensure it has sufficient liquidity on going basis to meet the operational needs. The Company monitors its risk to a shortage of funds on pre-regular basis through cash forecast.

The Company will maintain a balance between continuity of funding and flexibility through equity and loan from bank for now and through cash flow generated after the operation.

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**Significant Accounting Policies and Notes to Financial Statements**  
As at Ashadh End, 2081

**32 First Time Adoption reconciliations and disclosures**

NFRS 1 (First-time Adoption of Nepal Financial Reporting Standards) provides a suitable starting point for accounting in accordance with NFRS and is required to be mandatorily followed by first-time adopters.

The Company has prepared the opening Statement of Financial Position as per NFRS as of 1st Shrawan, 2079 (17th July 2022),the transition date by:

- a) Recognizing all assets and liabilities whose recognition is required by NFRS,
- b) Derecognizing items of assets or liabilities which are not permitted by NFRS,
- c) Reclassifying items from previous Generally Accepted Accounting Principles(GAAP) to NFRS as required under NFRS, and
- d) Applying NFRS in measurement of recognized assets and liabilities.

**32.1 Significant changes from the policies adopted in the past**

Significant changes from the accounting policies adopted under previous GAAP (erstwhile Nepal Accounting Standards and directives issued by Insurance Board of Nepal) and the adoption of NFRS has been disclosed in the respective segments, including the impact. The detailed impact disclosure is given below.

Amount in NPR			
32.2 Reconciliation of Equity	Explanitory Notes *	As at Ashad 31, 2080	Opening As at Shrawan 1, 2079
<b>Total equity (shareholders' funds) under previous GAAP</b>		<b>14,69,82,519.92</b>	<b>11,31,89,499.73</b>
<b>NFRS Adjustments:</b>			
Depreciation reversed in Reserve due to change in method of Depreciation	1	(37,560.77)	34,854.40
Deferred Tax charged directly in Equity for the excess DTA created in GAAP	2	(6,32,342.28) (5,50,272.37)	(5,85,126.77) -
<b>Total Adjustment to Equity</b>		<b>(12,20,175.42)</b>	<b>(5,50,272.37)</b>
<b>Total Equity as per NFRS</b>		<b>14,57,62,344.50</b>	<b>11,26,39,227.36</b>

Amount in NPR		
32.3 Reconciliation of Profit or Loss	Explanitory Notes *	For the Year 2079 -80
<b>Profit as per previous GAAP</b>		<b>(1,41,70,480.08)</b>
<b>NFRS Adjustments:</b>		
Depreciation reversed in Reserve due to change in method of Depreciation	1	(37,560.77)
Deferred Tax charged directly in Equity for the excess DTA created in GAAP	2	(6,32,342.28) (5,50,272.37)
<b>Total Adjustment to profit or loss</b>		<b>(12,20,175.42)</b>
<b>Profit or loss under NFRS</b>		<b>(1,53,90,655.50)</b>

**Explanitory Notes \***

- 1 Depreciation reversed in Reserve due to change in method of Depreciation.
- 2 Change in Deferred Tax through SPL due to depreciation reversed in the books due to change of method of depreciation and DTA created in Loss.

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**Significant Accounting Policies and Notes to Financial Statements**

As at Ashadh End, 2081

**32.4 Effect of NFRSs adoption on the Statement of Financial Position**

**32.4.1 Effect of NFRSs adoption for the Statement of Financial Position as at Ashad 31, 2080**

	Explanatory Notes*	Previous GAAP	Cumulative Effect of Transition to NFRS	Amount in NPR Amount as per NFRSs
<b>Assets</b>				
<b>Non Current Assets</b>				
Property, Plant and Equipment		18,52,04,719.30	(32,778.12)	18,51,71,941.18
Intangible assets		-	30,071.23	30,071.23
Investments		-	-	-
Deferred tax assets		12,18,010.53	(12,17,454.53)	556.00
Financial Assets measured through OCI		-	-	-
<b>Total Non Current Assets</b>		<b>18,64,22,729.83</b>	<b>(12,20,161.42)</b>	<b>18,52,02,568.41</b>
<b>Current Assets</b>				
Inventories		-	-	-
Other Current Assets		6,13,11,107.59	(1,28,49,801.50)	4,84,61,306.09
Cash & Cash Equivalents		33,510.82	-	33,510.82
Financial Assets (at amortized cost)		-	1,28,49,801.50	1,28,49,801.50
<b>Total Current Assets</b>		<b>6,13,44,618.41</b>	<b>-</b>	<b>6,13,44,618.41</b>
<b>Total Assets</b>		<b>24,77,67,348.24</b>	<b>(12,20,161.42)</b>	<b>24,65,47,186.82</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
Long term loan		8,94,95,142.36	-	8,94,95,142.36
Deferred tax liabilities		-	14.00	14.00
Employee Benefit Obligation		-	-	-
<b>Total Non Current Liabilities</b>		<b>8,94,95,142.36</b>	<b>14.00</b>	<b>8,94,95,156.36</b>
<b>Current Liabilities</b>				
Short Term Loan		-	-	-
Financial Liabilities		-	76,59,194.29	76,59,194.29
Other Current Liabilities		1,12,89,685.96	(76,59,194.29)	36,30,491.67
Employee Benefit Obligation		-	-	-
<b>Total Current Liabilities</b>		<b>1,12,89,685.96</b>	<b>-</b>	<b>1,12,89,685.96</b>
<b>Total liabilities</b>		<b>10,07,84,828.32</b>	<b>14.00</b>	<b>10,07,84,842.32</b>
<b>Equity</b>				
Share Capital		15,42,53,000.00	-	15,42,53,000.00
Share Application Money		69,00,000.00	-	69,00,000.00
Reserves		(1,41,70,480.08)	(12,20,175.42)	(1,53,90,655.50)
<b>Total equity</b>		<b>14,69,82,519.92</b>	<b>(12,20,175.42)</b>	<b>14,57,62,344.50</b>
<b>Total liabilities and equity</b>		<b>24,77,67,348.24</b>	<b>(12,20,161.42)</b>	<b>24,65,47,186.82</b>

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**Significant Accounting Policies and Notes to Financial Statements**

As at Ashadh End, 2081

**32.4.2 Effect of NFRSs adoption for the Statement of Financial Position as at Shrawan 1,2079**

	Explanatory Notes*	Previous GAAP	Cumulative Effect of Transition to NFRS	Amount as per NFRSs
<b>Assets</b>				
<b>Non Current Assets</b>				
Property, Plant and Equipment		6,99,46,001.89	(3,217.35)	6,99,42,784.54
Intangible assets		-	38,071.23	38,071.23
Investments		-	-	-
Deferred tax assets		5,78,155.25	(5,78,155.25)	-
Financial Assets measured through OCI		-	-	-
<b>Total Non Current Assets</b>		<b>7,05,24,157.14</b>	<b>(5,43,301.37)</b>	<b>6,99,80,855.77</b>
<b>Current Assets</b>				
Inventories		-	-	-
Other Current Assets		4,01,64,322.61	-	4,01,64,322.61
Cash & Cash Equivalents		48,16,257.34	-	48,16,257.34
Financial Assets (at amortized cost)		-	-	-
<b>Total Current Assets</b>		<b>4,49,80,579.95</b>	<b>-</b>	<b>4,49,80,579.95</b>
<b>Total Assets</b>		<b>11,55,04,737.09</b>	<b>(5,43,301.37)</b>	<b>11,49,61,435.72</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
Long term loan		-	-	-
Deferred tax liabilities		-	6,971.00	6,971.00
Employee Benefit Obligation		-	-	-
<b>Total Non Current Liabilities</b>		<b>-</b>	<b>6,971.00</b>	<b>6,971.00</b>
<b>Current Liabilities</b>				
Short Term Loan		-	-	-
Financial Liabilities		-	6,15,853.95	6,15,853.95
Other Current Liabilities		23,15,237.36	(6,15,853.95)	16,99,383.41
Employee Benefit Obligation		-	-	-
<b>Total Current Liabilities</b>		<b>23,15,237.36</b>	<b>-</b>	<b>23,15,237.36</b>
<b>Total liabilities</b>		<b>23,15,237.36</b>	<b>6,971.00</b>	<b>23,22,208.36</b>
<b>Equity</b>				
Share Capital		6,92,00,000.00	-	6,92,00,000.00
Share Application Money		5,61,98,000.00	-	5,61,98,000.00
Reserves		(1,22,08,500.27)	(5,50,272.37)	(1,27,58,772.64)
<b>Total equity</b>		<b>11,31,89,499.73</b>	<b>(5,50,272.37)</b>	<b>11,26,39,227.36</b>
<b>Total liabilities and equity</b>		<b>11,55,04,737.09</b>	<b>(5,43,301.37)</b>	<b>11,49,61,435.72</b>

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**Significant Accounting Policies and Notes to Financial Statements**  
As at Ashadh End, 2081

**32.5 Effect of NFRS adoption on Statement of Profit or loss and other Comprehensive income**

**32.5.1 Effect of NFRSs adoption for Statement of Profit or loss and other Comprehensive income for the year ended Ashad 31, 2080:**

	Explanatory Notes*	Previous GAAP	Effect of Transition to NFRS	Amount in NPR Amount as Per NFRS
Revenue from Operations		-	-	-
Cost of Sales		-	-	-
<b>Gross Profit</b>		-	-	-
Other Income		791.24	(791.24)	-
Selling and Distribution Expenses		-	-	-
Administrative Expenses		(24,28,890.81)	-	(24,28,890.81)
Depreciation and Amortization Expense		(1,73,735.51)	(37,560.78)	(2,11,296.29)
<b>Operating Profit</b>		<b>(26,01,835.08)</b>	<b>(38,352.02)</b>	<b>(26,40,187.10)</b>
Finance costs		-	-	-
Finance Income		-	791.24	791.24
<b>Profit Before Tax</b>		<b>(26,01,835.08)</b>	<b>(37,560.78)</b>	<b>(26,39,395.86)</b>
<b>Income tax expense</b>				
Provision for income tax		-	-	-
Previous years tax		-	-	-
Deferred tax income/(expense)		6,39,855.28	(6,32,342.28)	7,513.00
<b>Profit for the year</b>		<b>(19,61,979.80)</b>	<b>(6,69,903.06)</b>	<b>(26,31,882.86)</b>

Earnings Per Share (EPS)

**Explanatory Notes\***

Net changes is due to change in estimate of life of assets and regrouping to suit NFRS Presentation.

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**Significant Accounting Policies and Notes to Financial Statements**

As at Ashadh End, 2081

**32.6 Effect of NFRS adoption on the Statement of Cash Flows**

**32.6.1 Effect of NFRS adoption on the Statement of Cash Flows for the year ended Ashad 31, 2080:**

Particulars	Explanatory Notes*	Previous GAAP	Effect of Transition to	Amount as Per NFRS
Net Cash Flows from Operating Activities		(1,46,00,435.95)	-	(1,46,00,435.95)
Net Cash Flows from Investing Activities		(11,54,32,452.93)	-	(11,54,32,452.93)
Net Cash Flows from Financing Activities		12,52,50,142.36	-	12,52,50,142.36
<b>Net increase/(decrease) in cash and cash Equivalents</b>		<b>(47,82,746.52)</b>	-	<b>(47,82,746.52)</b>
Cash and Cash Equivalent at the beginning of the Period		48,16,257.34	-	48,16,257.34
<b>Cash and Cash Equivalent at the end of the Period</b>		<b>33,510.82</b>	-	<b>33,510.82</b>

Explanatory Notes\*

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