Ankhu Khola Jalvidhyut Co. Ltd.

Naxal, Kathmandu

Financial Statements

Financial Year 2073/74

INDEPENDENT AUDITOR'S REPORT
TO
AANKHU KHOLA JALAVIDYUT COMPANY LTD.
BHAKTAPUR, NEPAL

1. We have audited the accompanying Balance Sheet of **M/S AANKHU KHOLA JALAVIDYUT COMPANY LTD, NEPAL** as at 31st Ashad 2074 and profit and loss account for the year ended 31st Ashad 2074. Preparation of these financial statements is the responsibility of the company. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with Nepal Standards on Auditing and relevant practices. Those Standards and relevant practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3. On the basis of our examination we would like to report that:

   i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
   ii) The Balance Sheet, Profit and Loss dealt with by this report are in agreement with the books of account maintained by the company.
   iii) In our opinion, proper books of account as required by the applicable law have been kept by the company so far as it appears from our examination of those books of account.
   iv) In our opinion and to the best of our information and according to the explanations given to us and from our examination of the books of account of the company, we have not come across to the cases where the members of the firm or any employee of the company has acted contrary to the provisions of the applicable law or caused loss or damage to the company.

4. In our opinion, the financial statements give a true and fair view in all material respects of the financial position of the company as at 31st Ashad 2074 and of the results of its operations for the year then ended in accordance with applicable Nepal Accounting Standards, Companies Act 2063 and relevant practices .

R D Associates
Kathmandu
Nepal
Chartered Accountants

Date: 02/09/2074
Place: Kathmandu

CA Rajan Dahal
R D Associates
Chartered Accountants

Ankhu Khola Jalabidhyut Company Limited
Narayanchaur, Naxal, Kathmandu
Nepal

BALANCE SHEET

As at 31st Ashad 2074 (15th July 2017)

Particulars	Sch	Current Year (In NRs)	Previous Year (In NRs)
EQUITIES AND NON CURRENT LIABILITIES			
Equityholders' fund			
Share Capital	1	600,000,000.00	600,000,000.00
Reserves & Surplus	2	(248,534,413.28)	(224,111,937.58)
Total Equities		**351,465,586.72**	**375,888,062.42**
Long Term Loan			
Term Loan	3	1,539,828,332.01	1,548,683,532.01
Total loan		**1,539,828,332.01**	**1,548,683,532.01**
TOTAL EQUITIES AND NON-CURRENT LIABILITIES		**1,891,293,918.73**	**1,924,571,594.43**
ASSETS			
Non Current Assets:			
Fixed Assets			
Gross Block	4	2,427,320,344.35	2,426,688,316.75
Less: Accumulated Depreciation	4	312,234,973.08	231,100,484.08
Net Block		**2,115,085,371.27**	**2,195,587,832.67**
Investment-at cost	5	**6,600,000.00**	**6,600,000.00**
Current assets			
Cash and Bank Balances	6	603,934.16	50,789.64
Prepaid, Advance & Deposits	7	7,114,376.33	9,358,749.72
Receivable from NEA	8	136,454,115.26	101,751,479.77
Sub- total		**144,172,425.75**	**111,161,019.13**
Less: Current liabilities & provisions			
Prime Bank (OD)		26,999,921.62	27,000,000.00
Creditors & account payables	9	231,746,178.69	228,433,330.19
Other Payable	10	115,817,777.98	133,343,927.18
Sub-Total		**374,563,878.29**	**388,777,257.37**
Net Current assets		**(230,391,452.54)**	**(277,616,238.24)**
TOTAL ASSETS		**1,891,293,918.73**	**1,924,571,594.43**

Significant accounting policies & Notes to accounts

Schedules 1-10 form an integral part of Balance Sheet

As per our report of Even Date

Yuvaraj Upadhyaya
Finance Manager

Keshav Tuladhar
Director

Ram Shrestha
Chairman

CA Rajan Dahal
RD Associates
Chartered Accountants

RD Associates Chartered Accountants Kathmandu Nepal

Pratikshya Sharma
Account Officer

Aankhukhola Jalvidhyut Company Ltd. Naxal

Ram Prasad sapkota
Director

Chungba Sherpa
Director

Date: 2074.09.02
Place: Kathmandu

Ankhu Khola Jalabidhyut Company Limited
Narayanchaur, Naxal, Kathmandu
Nepal
INCOME STATEMENT
For the period ended 31st Ashad 2074 (15th July 2017)

Particulars	Sch	Current Year (In NRs)	Previous Year (In NRs)
INCOMES			
Revenue from Sale of electricity	11	217,807,207.59	205,116,995.80
Interest & Discount income	12	155.71	6,694.80
Other Income	13	31,138,406.17	59,948,177.45
Insurance Claim	14	-	6,481,000.00
Total		**248,945,769.47**	**271,552,868.05**
EXPENSES			
Administrative & General Expenses	15	6,692,004.83	9,781,411.93
Generation & Distribution Expenses	16	27,656,742.69	24,237,439.12
Finance Expenses	17	157,835,160.03	165,292,250.54
Depreciation & Amortization Expenses	4	81,134,489.00	78,106,321.28
Total		**273,318,396.55**	**277,417,422.87**
Net Profit/ (Loss) for the year		(24,372,627.08)	(5,864,554.82)
Provision for Tax		-	-
Profit After Tax		**(24,372,627.08)**	**(5,864,554.82)**

Schedules 4, 11 -17 form an integral part of Income Statement

As per our report of Even Date

Yuvaraj Upadhyaya
Finance Manager

Keshav Tuladhar
Director

Ram Shrestha
Chairman

CA Rajan Dahal
RD Associates
Chartered Accountants

RD Associates Kathmandu Nepal Chartered Accountants

Pratikshya Sharma
Account Officer

Aankhukhola Jalvidhyut Company Ltd. Naxal

Ram Prasad sapkota
Director

Chungba Sherpa
Director

Date: 2074.09.02
Place: Kathmandu

Ankhu Khola Jalabidhyut Company Limited
Narayanchaur, Naxal, Kathmandu
Nepal

Statement of Changes in Equity for the year ended on 31st Ashad 2074 (15th July 2017)

(Amount in NRs)

Particulars	Share Capital	Accumulated Profit or loss	Total
Balance as at 1st Shrawan 2073	**600,000,000.00**	**(224,111,937.58)**	**375,888,062.42**
Prior year Restatement	-	(49,848.62)	(49,848.62)
Profit/(Loss) for the year	-	(24,372,627.08)	(24,372,627.08)
Dividends	-	-	-
Issue of Share Capital	-	-	-
As at 31st Ashad 2074	**600,000,000.00**	**(248,534,413.28)**	**351,465,586.72**

As per our report of even date

Yuvaraj Upadhyaya
Finance Manager

Keshav Tuladhar
Director

Ram Shrestha
Chairman

CA Rajan Dahal
RD Associates
Chartered Accountants

Pratikshya Sharma
Account Officer

Aankhukhola Jalvidhyut Company Ltd. Naxal

Ram Prasad sapkota
Director

Chungba Sherpa
Director

RD Associates Kathmandu Nepal Chartered

Date: 2074.09.02
Place: Kathmandu

Ankhu Khola Jalabidhyut Company Limited
Narayanchaur, Naxal, Kathmandu
Nepal
Cash Flow Statement
For the period ended 31st Ashad 2074 (15th July 2017)

Particulars	Current Year (In NRs)	Previous Year (In NRs)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit(Loss) of the Year	(24,372,627.08)	(5,864,554.82)
Add: Depreciation	81,134,489.00	78,106,321.28
less : Adjustment for prior period		
less : Write off of payables	(31,137,656.17)	
Add: Assets writtenoff during the year	-	66,176.50
Add: Finance Expenses	157,835,160.03	165,292,250.54
Add/less: Loss /profit on Sales of Assets	-	(482,915.99)
Cash Flow from Operating Activities before changes in working capital	183,459,365.78	237,117,277.51
Cash Flow from changes in working capital		
Decrease(Increase) in Current Assets	(33,701,622.30)	(22,754,917.29)
Increase(Decrease) in Current Liabilities	17,503,038.75	(7,385,948.10)
Cash Flow from Operating Activities (A)	**167,260,782.23**	**206,976,412.12**
CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Fixed and Tangible Assets	(632,027.60)	(1,100,457.80)
Investment in shares	-	-
Decrease in investment	-	-
Sale/diposal of Fixed Assets		925,000.00
Cash Flow from Investing Activities (B)	**(632,027.60)**	**(175,457.80)**
CASH FLOW FROM FINANCING ACTIVITIES		
Paid-up capital	-	-
Increase/Decrease in Loan	(8,855,200.00)	(5,000,000.00)
Finance Expenses	(157,220,410.11)	(201,806,680.53)
Cash Flow From Financing Activities (C)	***(166,075,610.11)***	***(206,806,680.53)***
Total Cash Generated in this year (A+B+C)	**553,144.52**	**(5,726.21)**
Opening cash and bank balance	50,789.64	56,515.85
Cash and Bank Balance at the End of the Year	**603,934.16**	**50,789.64**

As per our report of Even Date

Yuvaraj Upadhyaya Finance Manager	Keshav Tuladhar Director	Ram Shrestha Chairman	CA Rajan Dahal RD Associates Chartered Accountants
Pratikshya Sharma Account Officer		Ram Prasad sapkota Director	Chungba Sherpa Director

RD Associates Kathmandu Nepal Chartered Accountants

Aankhukhola Jalvidhyut Company Ltd. Naxal

Date: 2074.09.02
Place: Kathmandu

Ankhu Khola Jalabidhyut Company Limited
Naxal
Kathmandu, Nepal

Schedules annexed to and forming part of financial statement as at 31st Ashad 2074 (15th July 2017)

Particulars	Current Year (In Nrs)	Previous Year (In Nrs)
Schedule 1: Share Capital		
Authorised Share Capital		
115,00,000 ordinary shares of Rs. 100 each	1,150,000,000.00	1,150,000,000.00
Issued Share Capital		
8,000,000 ordinary shares of Rs. 100 each	800,000,000.00	800,000,000.00
Paid-Up Share Capital		
6,000,000 ordinary shares of Rs. 100 each	600,000,000.00	600,000,000.00
Total	**600,000,000.00**	**600,000,000.00**

Schedule 2: Reserves & Surplus

Opening balance (Restated)	(224,161,786.20)	(218,247,382.76)
Net Profit/Loss during the year	(24,372,627.08)	(5,864,554.82)
Total	**(248,534,413.28)**	**(224,111,937.58)**

Schedule 3: Term Loan

TL-Kasthamandap Bank	89,091,400.00	89,610,600.00
TL-Machhapuchhre Bank	412,026,756.60	414,428,356.60
TL-PCBL(00100031 TL)	586,122,227.68	590,398,227.68
TL-Prabhu Bank	160,930,446.50	161,868,046.50
TL-Rastriya Banijya Bank	168,000,000.00	168,000,000.00
TL-Sunrise Bank	123,657,501.23	124,378,301.23
Total	**1,539,828,332.01**	**1,548,683,532.01**

Schedule 5: Investments

Share in Singati Hydro Energy Pvt. Ltd.	6,500,000.00	6,500,000.00
Share of Sahid Smriti Sanchar Sahakari	100,000.00	100,000.00
Total	**6,600,000.00**	**6,600,000.00**

Schedule 6: Cash & Bank Balances

Cash	1,058.00	14,010.53
Prabhu Bank (Call Current)	10,285.19	10,452.84
Prabhu Bank (CA)	10,000.00	10,000.00
Prime Commercial Bank Ltd (1367 CA)	577,590.97	9,970.80
Prime Commercial Bank Ltd (3772 CA)	5,000.00	5,000.00
Standard Finance Limited	-	1,355.47
Total	**603,934.16**	**50,789.64**

Schedule 7: Prepaid, Advances & Deposits

ABB Sp.Z.O.O.	509,270.85	-
Advance salary	2,866.31	-
Advance Tax (TDS)	42,014.83	41,991.47
Advance to landlord	3,625,000.00	3,625,000.00
Bhojraj Puri Adv.	18,633.52	-
Deposits(Nepal Telecom & Bhajuratna eng.)	65,000.00	65,000.00
Ganesh K. Shrestha	-	10,000.00
Nandu Lal Poudel	90,000.00	-
Pre-Paid Insurance	961,535.82	985,258.25

Aankhukhola Jalvidhyut Company Ltd. Naxal

R D Associates Kathmandu Nepal Chartered Accountants

Ankhu Khola Jalabidhyut Company Limited
Naxal
Kathmandu, Nepal

Schedules annexed to and forming part of financial statement as at 31st Ashad 2074 (15th July 2017)

Particulars	Current Year (In Nrs)	Previous Year (In Nrs)
Quinkang Allonward HE Co. Ltd.	1,478,055.00	-
Receivable from Insurance Company	-	1,481,000.00
Receivable from Ramesh Nath Pandey (Excavator)	235,000.00	1,935,000.00
Shanker Oxygen Gas (Deposit)	36,000.00	-
Sunil Thapa	-	150,000.00
TT margin	51,000.00	-
Welink Associates(P.) Ltd	-	1,065,500.00
Total	**7,114,376.33**	**9,358,749.72**

Schedule 8: Receivable from NEA

Receivabe From NEA (Forced Majeure Event)	25,203,755.56	25,203,755.56
Receivable from NEA (20% Posted Rate)	90,316,261.82	54,047,839.28
Receivable from NEA (Normal)	20,934,097.88	22,499,884.93
Total	**136,454,115.26**	**101,751,479.77**

Schedule 9: Creditors & Accounts Payables

3 MW (P.) LTD- Hydromechanical work	65,975,617.23	65,975,617.23
Abbas Ansari(Adv)	209,412.00	104,527.00
Adwell Interenational PVT Ltd	59,095.00	-
AMBAY Oils	157,265.00	-
Anjan Suppliers	9,798.00	9,798.00
Autoland Pvt. Ltd	-	261,206.74
Bageshwori Auto Parts	251,261.00	251,261.00
Bihani Traders	218,277.00	218,277.00
Dhading-Kathmandu samparka munch	8,500.00	8,500.00
Dipesh Traders	141,472.00	141,472.00
Eastern Electrical Works	685,407.90	266,532.53
EIS Marketing P. Ltd	-	-
Energy Development Council	-	100,000.00
Ghatal Trading and suppliers	589.00	140,589.00
Himalayan Counsellor and Attornies-At -Law Pvt. Ltd	55,750.00	-
Independent Power Producer's Association Nepal	-	20,000.00
Interest Payable on Personal loan (Sub Sch 9.2)	41,096,452.61	47,817,041.19
Interest Payable on PF	-	6,588.00
Interest Payable on term loan (Sub Sch 9.3)	52,252,813.63	42,835,652.95
Keren International	12,337.50	-
Kishor Bimali/Rajib	-	5,800.00
Lalit Hardware Concern	290,555.63	-
Manahari Sapkota	-	97,500.00
Media Eye	10,175.00	10,175.00
Miscelleneous Supplier	2,935,650.78	2,935,650.78
Mitra Auto Parts	19,500.00	19,500.00
Nabraj Sapkota(Adv)	350.00	-
Narayan Puri (Adv.)	-	154,520.00
Natraj Cargo(P) Ltd	363,302.40	363,302.40
Nepal Waterproofing Traders	-	162,650.56
New Bageshwori Trading	186,434.75	-

Aankhukhola Jalvidhyut Company Ltd. Naxal

R D Associates Kathmandu Nepal Chartered Accountants

Ankhu Khola Jalabidhyut Company Limited
Naxal
Kathmandu, Nepal

Schedules annexed to and forming part of financial statement as at 31st Ashad 2074 (15th July 2017)

Particulars	Current Year (In Nrs)	Previous Year (In Nrs)
Payable to Land owner	1,040,956.00	1,040,956.00
Payable to Umesh Kumar Thapa	1,200,000.00	-
Pragati Nirman Sewa	207,806.66	1,407,806.66
Quinking Allonward He. Co.Ltd.	-	32,500.00
R.J Construction Civil Works	7,071,490.92	7,071,490.92
Ram Kaji Ale	7,470.00	-
Ramechhap Sherpa Construction P. Ltd.	53,783,357.89	53,783,357.89
RD Associates	334,500.00	-
Remoon Construction(Sub-station)	1,160,315.62	1,160,315.62
Rent Payable	959,998.60	959,998.60
RP Khanal & Company	6,900.00	6,900.00
Screen & Arts	9,450.00	11,700.00
Sk Electric Engineering Technology	452.01	-
Staff Salary Payable	-	17,068.98
TDS Payable (Sub Sch 9.1)	1,001,164.56	1,035,074.14
Tridev Vehicles Service Pvt. Ltd.	22,300.00	-
Total	**231,746,178.69**	**228,433,330.19**

Sub Schedule 9.1: TDS payable

Social Security Tax (1%) -11211	-	1,999.99
TDS Payable	470,174.91	470,174.91
TDS on Individual/Proprietorship Form (11111)	4,500.00	4,500.00
TDS on Private LTD (11123)	-	4,881.04
TDS on Rent (11131)	-	27,028.55
TDS on Salary (11112)	526,489.65	526,489.65
Total	**1,001,164.56**	**1,035,074.14**

Sub Schedule 9.2: Interest Payable on Personal Loan

Interest on PL(Ananda Kumar Jha)	429,262.31	379,262.30
Interest on PL(Ang Tenzi Sherpa)	3,656,106.89	3,276,106.89
Interest on PL(Ashish Kumar Shrestha)	69,558.89	6,558.90
Interest on PL(Babu Sherpa)	2,319,534.25	1,949,534.25
Interest on PL(Batu Pd Lamichhane	-	6,228,688.52
Interest on PL(Chandra mani adhikari)	169,847.20	129,847.21
Interest on PL(Civil Capital Market)	3,189,269.46	2,201,896.11
Interest on PL(Dipak Maskey)	258,053.00	208,052.99
Interest on PL(Kaji Lama)	38,821.63	4,457,860.61
Interest on PL(Kamal Silwal)	-	626,721.31
Interest on PL(Keshav Tuladhar)	14,762.68	4,684.93
Interest on PL(Parmananda Thapa)	3,919,959.03	3,579,959.02
Interest on PL(Prakash Chandra Lohani)	-	735,337.26
Interest on PL(Praladh Limbu)	1,244,400.00	829,600.00
Interest on PL(Pramod Chaudhary)	5,525,301.79	6,064,531.42
Interest on PL(Punya pd/indra shekher)	8,616,536.89	6,726,536.89
Interest on PL(Ram Prasad sapkota)	59,621.91	5,621.92
Interest on PL(Ram Shrestha)	109,306.86	10,306.85
Interest on PL(Shekher Basnet)	752,016.40	644,016.39
Interest on PL(Siddhi Charan Shrestha)	1,200,000.01	800,000.00

Aankhukhola Jalvidhyut Company Ltd. Naxal

R D Associates Kathmandu Nepal Chartered Accountants

Ankhu Khola Jalabidhyut Company Limited
Naxal
Kathmandu, Nepal

Schedules annexed to and forming part of financial statement as at 31st Ashad 2074 (15th July 2017)

Particulars	Current Year (In Nrs)	Previous Year (In Nrs)
Interest on PL(Sri Ram KC)	7,531,742.61	7,505,612.51
Interest on PL(Sunil pokhrel)	118,137.69	72,091.80
Interest on PL(Tendi Sherpa)	1,874,213.11	1,374,213.11
Total	**41,096,452.61**	**47,817,041.19**

Sub Schedule 9.3: Interest Payable on Term Loan

Interest Payable to Kasthamandap Bank	-	938,610.25
Interest Payable to Kumari Bank	139,827.75	-
Interest Payable to Machhapuchhre Bank	660,610.85	4,354,684.34
Interest Payable to PCBL	2,361,838.16	6,882,058.61
Interest Payable to Prabhu Bank	1,032,886.59	1,715,746.29
Interest Payable to RBB	47,947,650.28	27,638,003.77
Interest Payable to Sunrise Bank	110,000.00	1,306,549.69
Total	**52,252,813.63**	**42,835,652.95**

Schedule 10: Other Payable

G & G Associates	-	607,500.00
Meeting Allowance Payable	357,000.00	357,000.00
Other Interesr Bearing Short Term Loan (Sub Sch 10.2)	80,430,922.69	92,200,922.69
Other Payable	-	69,174.00
Non Interest Bearing Loan and Advances(Sub Sch 10.3)	19,047,054.69	24,311,804.69
Payable to NTC for VSAT	628,685.88	1,200,000.00
Royalty Payable	15,218,492.94	14,460,030.50
Sibakoti & Associates	121,500.00	121,500.00
Subash Bir Singh Tuladhar	14,121.78	15,995.30
Total	**115,817,777.98**	**133,343,927.18**

Sub Schedule 10.2 Other Interest Bearing Short Term Loan

payable to Ananda Kumar Jha	500,000.00	500,000.00
payable to Ang Tenzi Sherpa	3,800,000.00	3,800,000.00
Payable to Ashish K Shrestha	700,000.00	700,000.00
Payable to Babu Sherpa	3,700,000.00	3,700,000.00
Payable to Batu Lamichhane	-	5,100,000.00
Payable to Chandra Mani Adhikari	400,000.00	400,000.00
Payable to Civil Capital Market	3,607,274.47	3,607,274.47
Payable to Dipak Maskey	500,000.00	500,000.00
Payable to Kaji Lama	9,903,000.00	14,803,000.00
Payable to Kamal Silwal	-	550,000.00
Payable to Keshav Tuladhar	111,975.00	111,975.00
Payable to Parmananda Thapa	3,400,000.00	3,400,000.00
Payable to Prakash Chandra Lohani	-	1,200,000.00
Payable to Pralhad Limbu	4,148,000.00	4,148,000.00
Payable to Pramodh Chaudhary	6,553,548.20	6,553,548.20
Payable to Punya Pd. /Indra Shekher	18,900,000.00	18,900,000.00
Payable to Ram Shrestha	1,100,000.00	1,120,000.00
Payable to Ram Pd Sapkota	600,000.00	600,000.00
Payable to Shekher Basnet	1,080,000.00	1,080,000.00

Aankhukhola Jalvidhyut Company Ltd. Naxal

R D Associates Kathmandu Nepal Chartered Accountants

Ankhu Khola Jalabidhyut Company Limited
Naxal
Kathmandu, Nepal

Schedules annexed to and forming part of financial statement as at 31st Ashad 2074 (15th July 2017)

Particulars	Current Year (In Nrs)	Previous Year (In Nrs)
Payable to Siddhi Charan Shrestha	4,000,000.00	4,000,000.00
Payable to Sri Ram KC	11,966,666.00	11,966,666.00
Payable to Sunil pokhrel	460,459.02	460,459.02
Payable to Tendi Sherpa	5,000,000.00	5,000,000.00
Total	**80,430,922.69**	**92,200,922.69**

Sub Schedule 10.3 Non Interest Bearing Loan

Payable to Bishwo N Kadel	6,047,054.69	13,347,054.69
Advance Share of Dhurba Dharel	250,000.00	250,000.00
Advance Share of Singati Hydro Energy	10,000,000.00	7,700,000.00
Payable to Chungwa Sherpa	2,750,000.00	2,750,000.00
Payable to Nandu Lal Poudel	-	264,750.00
Total	**19,047,054.69**	**24,311,804.69**

Schedule:11 Direct Income

Revenue From Sale of Electricity	217,807,207.59	205,116,995.80
Total	**217,807,207.59**	**205,116,995.80**

Schedule: 12 Interest & Discount Income

Discount Received	-	560.00
Interest Received	155.71	6,134.80
Total	**155.71**	**6,694.80**

Schedule: 13 Other Income

Director Salary Payable (Write off)	-	19,160,400.00
Payable Write Off	31,138,406.17	5,861,759.20
Payable Write off of Contractor (RSC)	-	34,443,102.26
Profit on Sales of Vehicles	-	482,915.99
Total	**31,138,406.17**	**59,948,177.45**

Schedule 14: Insurance Claim Income

Insurance Claim	-	6,481,000.00
Total	**-**	**6,481,000.00**

Schedule 15: Administrative & General Expenses

Repair & Mainenance Head Office	17,050.00	6,800.00
Advertisement Expenses	57,675.50	110,874.00
AGM Expenses	143,170.00	546,098.00
Assets Write Off Expenses	-	66,176.50
conveyance and fare expenses	15,500.00	800.00
Donation	57,061.50	249,420.00
Guest Reception Expenses	226,000.00	39,494.00
Share Issue Expenses	13,521.00	1,668,300.00
KMC Rental Tax Expenses	25.00	11,947.92
Miscellaneous Expenses	-	5,563.00
Newspaper & Periodicals		3,400.00

Aankhukhola Jalvidhyut Company Ltd. Naxal

R D Associates Kathmandu Nepal Chartered Accountants

Ankhu Khola Jalabidhyut Company Limited
Naxal
Kathmandu, Nepal

Schedules annexed to and forming part of financial statement as at 31st Ashad 2074 (15th July 2017)

Particulars	Current Year (In Nrs)	Previous Year (In Nrs)
Office Expenses	40,734.24	165,187.08
Printing & Stationary	29,300.00	165,836.00
Refreshment Expenses	63,494.53	116,320.00
Registration & Renewals	-	32,000.00
Rent Expenses	751,094.00	663,702.33
Consultancy Fee	1,411,764.00	547,750.00
Salary Expenses (Head Office)	2,259,000.00	3,135,520.57
Dashain Allowance (Head Office)	282,272.00	257,200.00
PF Contribution (Head Office)	150,300.00	186,240.00
Rates & Taxes	-	75,160.00
Telephone & Communication Expenses	41,663.00	69,945.00
Fuel Expenses	83,446.00	105,937.40
Audit fee	339,000.00	339,000.00
Bòard Meeting Expenses	-	432,000.00
Membership Fee	30,000.00	120,000.00
Travelling exenses	418,969.67	246,177.78
Business Promotion Expenses	5,659.00	-
Legal Fees	57,000.00	-
Bank Charges	8,043.91	9,530.00
Fine & Penalties	-	208,460.00
Utilities & Securities Expenses	181,221.48	136,572.35
Website Expenses	9,040.00	60,000.00
Total	**6,692,004.83**	**9,781,411.93**

Schedule16 : Generation & Distribution Expenses

Dashian Allowance (Site)	739,500.00	649,400.00
Gratuity Expenses (Site)	51,232.70	122,500.00
PF Contribution (Site)	751,600.00	634,798.75
Salary Expenses (Site)	9,322,540.82	10,463,336.76
Site Security Expenses	240,000.00	270,000.00
Communication Allowance	22,250.00	-
Over Time Expenses	2,233,338.39	-
Royalty Expenses	5,196,144.15	4,942,339.92
Electricity Charge(General)	22,923.00	15,000.00
Compensation	40,000.00	-
Festival Celebtration	39,505.00	71,225.00
Fuel(General Expenses)	1,017,687.50	497,321.00
Insurance Premium Expenses	4,705,823.19	4,438,809.02
Medical Expenses (General)	14,404.00	2,614.00
Printing & Stationery (General)	12,465.00	15,506.00
Repair & Maintenance Expenses (Sub Sch 16.1)	2,545,540.29	1,689,707.33
Site Expenses (General)	353,205.11	258,848.00
Communication Expenses	36,800.00	38,000.00
Transportation Expenses	311,783.54	125,833.34
Wages (General)	-	2,200.00
Total	**27,656,742.69**	**24,237,439.12**

Ankhu Khola Jalabidhyut Company Limited
Naxal
Kathmandu, Nepal

Schedules annexed to and forming part of financial statement as at 31st Ashad 2074 (15th July 2017)

Particulars	Current Year (In Nrs)	Previous Year (In Nrs)
Sub-Schudle 16.1 : Repair & Maintenance		
Power House Expenses (Repair of Powerhouse)	888,421.54	402,318.00
Repair & Maintainance Cons Equip (General)	-	74,060.00
Repair & Maintainance Site (General)	158,100.20	21,992.00
Repair and Maintenance of Civil Works	-	751,053.00
Repair of hydromechanical	159,060.00	-
Repair of Substation	10,800.00	8,000.00
Repair Of Transmission Line	1,329,158.55	432,284.33
Total	**2,545,540.29**	**1,689,707.33**

Schedule 17: Finance Expenses

Interest on Personal Loan	9,761,467.76	9,685,626.60
Total (A)	**9,761,467.76**	**9,685,626.60**
Interest on OD Loan	1,374,357.67	3,083,741.07
Total (B)	**1,374,357.67**	**3,083,741.07**
Interest on TL- Kasthamandap Bank	5,996,841.06	8,536,224.65
Interest on TL-Kumari Bank	2,043,061.10	-
Interest on TL- Machhapuchree Bank	37,209,012.86	39,481,768.12
Interest on TL-00100031TL(PCBL)	53,232,190.46	56,385,230.35
Interest on TL-Prabhu Bank	14,538,883.79	15,437,783.04
Interest on TL-Rastriya Banijya Bank	20,309,646.51	18,399,497.58
Interest on TL-Sunrise Bank	11,197,949.19	11,851,348.63
Total (C)	**144,527,584.97**	**150,091,852.37**
Loan Management Fee	2,171,749.63	2,431,030.50
Total	**157,835,160.03**	**165,292,250.54**

Aankhukhola Jalvidhyut Company Ltd. Naxal

R D Associates Kathmandu Nepal Chartered Accountants

Ankhu Khola Jalabidhyut Company imiLted
Naxal, Kathmandu, Nepal

Schedule 4: Fixed Asstes & Depreciation

Group	Particulars	Dep. Rate	Gross Value Last Year	Addition During The Year	Total Gross Value	Adjustment In Gross Value	Revised Gross Value	Absorbed Addition During the year	Depreciation Base	Depreciation Last Year	Depreciation For The Year	Depreciation Total	Depreciation Adjustment	Rev. Acc Dep	WDV Current Year	WDV Last year
	Depreciable Assets															
	Pool A	5%														
A	Permanent Structure								-							
	Pool B	25%														
B	Computers		468,624.00	57,000.00	525,624.00	254,225.00	779,849.00	57,000.00	291,505.37	234,118.63	72,876.34	306,994.97	235,557.48	542,552.45	237,296.55	234,505.37
	Furnitures and Fixtures		1,315,970.80	5,550.00	1,321,520.80	295,775.15	1,617,295.95	1,850.00	719,380.73	598,440.07	179,845.18	778,285.25	285,183.07	1,063,468.32	553,827.63	717,530.73
			1,784,594.80	62,550.00	1,847,144.80	550,000.15	2,397,144.95	58,850.00	1,010,886.10	832,558.70	252,721.52	1,085,280.22	520,740.55	1,606,020.77	791,124.18	952,036.10
	Pool C															
C	Vehicles	20%	149,900.00	-	149,900.00	-	149,900.00	-	31,436.32	118,463.68	6,287.26	124,750.95	0.00	124,750.95	25,149.05	31,436.32
			149,900.00	-	149,900.00	-	149,900.00	-	31,436.32	118,463.68	6,287.26	124,750.95	0.00	124,750.95	25,149.05	31,436.32
	Pool D	15%														
D	Machinery & Equipment		11,586,449.15	565,177.60	12,151,626.75	(659,300.15)	11,492,326.60	422,302.55	4,229,658.13	7,779,093.57	634,448.72	8,413,542.29	(659,300.20)	7,754,242.09	3,738,084.51	3,807,355.58
	Other Assets		512,350.00	4,300.00	516,650.00	109,300.00	625,950.00	1,433.33	322,042.56	191,740.78	48,306.38	240,047.16	138,559.64	378,606.80	247,343.20	320,609.22
			12,098,799.15	569,477.60	12,668,276.75	(550,000.15)	12,118,276.60	423,735.88	4,551,700.68	7,970,834.35	682,755.10	8,653,589.45	(520,740.55)	8,132,848.90	3,985,427.70	4,127,964.80
	Total Assets		14,033,293.95	632,027.60	14,665,321.55	0.00	14,665,321.55	482,585.88	5,594,023.10	8,921,856.73	941,763.89	9,863,620.62	0.00	9,863,620.62	4,801,700.93	5,111,437.22
31.30	Capitalized Assets	31.3 Years														
E.	Civil Works		1,314,861,249.22	-	1,314,861,249.22	-	1,314,861,249.22	-	1,193,908,526.76	120,952,722.46	43,732,913.07	164,685,635.53	-	164,685,635.53	1,150,175,613.69	1,193,908,526.76
27.3																
	Access Road(lessDDC Dhading)		28,547,811.75		28,547,811.75		28,547,811.75		25,876,445.38	2,671,366.37	947,855.14	3,619,221.51	-	3,619,221.51	24,928,590.24	25,876,445.38
	Approach Canal		24,158,081.47		24,158,081.47		24,158,081.47		21,897,484.87	2,260,596.60	802,105.67	3,062,702.28	-	3,062,702.28	21,095,379.20	21,897,484.87
	Civil Works(VAT Adjustment)		122,418,956.29		122,418,956.29		122,418,956.29		111,109,217.78	11,309,738.51	4,069,934.72	15,379,673.22	-	15,379,673.22	107,039,283.06	111,109,217.78
	Construction Material Exp.		2,828,032.53		2,828,032.53		2,828,032.53		2,563,398.90	264,633.63	93,897.40	358,531.02	-	358,531.02	2,469,501.51	2,563,398.90
	Crusher Yard and Forway Canal Construction		4,018,150.30		4,018,150.30		4,018,150.30		3,642,151.20	375,999.10	133,412.13	509,411.23	-	509,411.23	3,508,739.07	3,642,151.20
	Desander		183,261,768.69		183,261,768.69		183,261,768.69		166,113,017.34	17,148,751.34	6,084,725.91	23,233,477.25	-	23,233,477.25	160,028,291.43	166,113,017.34
	Drilling Expenses		7,948,183.36		7,948,183.36		7,948,183.36		7,204,430.74	743,752.62	263,898.56	1,007,651.18	-	1,007,651.18	6,940,532.18	7,204,430.74
	Equipment Hire Charge		5,690,996.72		5,690,996.72		5,690,996.72		5,158,460.73	532,535.99	188,954.61	721,490.60	-	721,490.60	4,969,506.12	5,158,460.73
	Fuel Expenses (Civil Works)		8,273,124.70		8,273,124.70		8,273,124.70		7,498,965.64	774,159.06	274,687.39	1,048,846.44	-	1,048,846.44	7,224,278.25	7,498,965.64
	Grouting Works		674,671.68		674,671.68		674,671.68		611,539.16	63,132.52	22,400.70	85,533.22	-	85,533.22	589,138.46	611,539.16
	Headrace Pipe & Penstock Pipe		42,513,983.85		42,513,983.85		42,513,983.85		38,535,730.54	3,978,253.31	1,411,565.22	5,389,818.53	-	5,389,818.53	37,124,165.32	38,535,730.54
	Headworks & Intake		531,177,768.99	-	531,177,768.99		531,177,768.99	-	482,764,082.05	48,413,686.94	17,683,666.01	66,097,352.95	-	66,097,352.95	465,080,416.04	482,764,082.05
	House Protection		14,052,345.49		14,052,345.49		14,052,345.49		12,737,394.86	1,314,950.63	466,571.24	1,781,521.87	-	1,781,521.87	12,270,823.62	12,737,394.86
	Power House Civil Works		150,356,157.26		150,356,157.26		150,356,157.26		136,286,554.13	14,069,603.13	4,992,181.47	19,061,784.60	-	19,061,784.60	131,294,372.66	136,286,554.13
	River Training Works(Less Insurance Claim)		78,037,183.33	-	78,037,183.33		78,037,183.33	-	71,383,484.44	6,653,698.89	2,614,779.65	9,268,478.54	-	9,268,478.54	68,768,704.79	71,383,484.44
	Site Camp		10,982,306.94		10,982,306.94		10,982,306.94		9,954,635.69	1,027,671.25	364,638.67	1,392,309.92	-	1,392,309.92	9,589,997.02	9,954,635.69
	Spillway		14,858,809.09		14,858,809.09		14,858,809.09		13,468,393.49	1,390,415.60	493,347.75	1,883,763.35	-	1,883,763.35	12,975,045.74	13,468,393.49
	Surge Tank		26,536,333.43		26,536,333.43		26,536,333.43		24,053,191.49	2,483,141.94	881,069.29	3,364,211.22	-	3,364,211.22	23,172,122.20	24,053,191.49
	Switch Yard Bay		7,518,384.11		7,518,384.11		7,518,384.11		6,814,850.03	703,534.08	249,628.21	953,162.29	-	953,162.29	6,565,221.83	6,814,850.03
	Tail Race Canal		51,008,199.24		51,008,199.24		51,008,199.24		46,235,098.27	4,773,100.97	1,693,593.34	6,466,694.31	-	6,466,694.31	44,541,504.93	46,235,098.27
									-		-				-	-
	Electromechanical Works		379,875,644.08	-	379,875,644.08	-	379,875,644.08	-	344,780,636.50	35,095,007.59	12,629,327.34	47,724,334.93	-	47,724,334.93	332,151,309.15	344,780,636.50
	Electro Mechanical Equipments		378,512,704.07		378,512,704.07		378,512,704.07		343,543,612.40	34,969,091.67	12,584,015.11	47,553,106.78	-	47,553,106.78	330,959,597.29	343,543,612.40
	Power House(Electric Work)		1,362,940.02		1,362,940.02		1,362,940.02		1,237,024.10	125,915.92	45,312.24	171,228.16	-	171,228.16	1,191,711.86	1,237,024.10
	Land & Land Development		217,846,446.86	-	217,846,446.86	-	217,846,446.86	-	197,802,681.85	20,043,765.01	7,245,519.48	27,289,284.49	-	27,289,284.49	190,557,162.37	197,802,681.85
	Environmental Mitigation Expenses		71,665,414.84		71,665,414.84		71,665,414.84		65,044,568.48	6,620,846.37	2,382,584.93	9,003,431.29	-	9,003,431.29	62,661,983.55	65,044,568.48
	Land		112,283,293.60		112,283,293.60		112,283,293.60	-	101,956,179.65	10,327,113.94	3,734,658.60	14,061,772.54	-	14,061,772.54	98,221,521.06	101,956,179.65
	Land Development		33,897,738.42	-	33,897,738.42		33,897,738.42	-	30,801,933.72	3,095,804.70	1,128,275.96	4,224,080.67	-	4,224,080.67	29,673,657.76	30,801,933.72
	Transmission Line and Sub-Station		47,610,366.35	-	47,610,366.35	-	47,610,366.35	-	43,211,858.06	4,398,508.29	1,582,851.94	5,981,360.23	-	5,981,360.23	41,629,006.12	43,211,858.06
	Power Connection Expenses		2,566,697.88		2,566,697.88		2,566,697.88		2,329,572.17	237,125.71	85,332.31	322,458.02	-	322,458.02	2,244,239.86	2,329,572.17
	Sub-Station Construction		7,486,878.54		7,486,878.54		7,486,878.54		6,795,199.40	691,679.14	248,908.40	940,587.54	-	940,587.54	6,546,290.99	6,795,199.40
	Transmission Line		37,556,789.93		37,556,789.93		37,556,789.93		34,087,086.50	3,469,703.44	1,248,611.23	4,718,314.66	-	4,718,314.66	32,838,475.27	34,087,086.50
	Hydro Mechanical Work		451,246,316.28	-	451,246,316.28	-	451,246,316.28	-	409,557,692.28	41,688,624.00	15,002,113.27	56,690,737.27	-	56,690,737.27	394,555,579.01	409,557,692.28
	Hydro Mechanical Work		451,246,316.28	-	451,246,316.28		451,246,316.28	-	409,557,692.28	41,688,624.00	15,002,113.27	56,690,737.27	-	56,690,737.27	394,555,579.01	409,557,692.28
	Capital Work In Progress		1,215,000.00	-	1,215,000.00	-	1,215,000.00	-	1,215,000.00	-	-	-	-	-	1,215,000.00	1,215,000.00
	Expenses for Ankhu 2		1,215,000.00		1,215,000.00		1,215,000.00		1,215,000.00		-				1,215,000.00	1,215,000.00
	Total Capitalised Assets		2,412,655,022.80	-	2,412,655,022.80	-	2,412,655,022.80	-	2,190,476,395.45	222,178,627.35	80,192,725.11	302,371,352.46	-	302,371,352.46	2,110,283,670.34	2,190,476,395.45
	Grand Total		2,426,688,316.75	632,027.60	2,427,320,344.35	0.00	2,427,320,344.35	482,585.88	2,196,070,418.55	231,100,484.08	81,134,489.00	312,234,973.08	0.00	312,234,973.08	2,115,085,371.27	2,195,587,832.67

Aankhukhola Jalabidhyut Company Ltd. Naxal

R D Associates Kathmandu Nepal Chartered

Ankhu Khola Jalvidhyut Co. Ltd.
Financial Year 2073/74

Naxal, Kathmandu

SCHEDULE ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE: 18 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. Significant Accounting Policies:

1. Corporate Information

Ankhu Khola Jalvidhyut Company Ltd is a public company having limited liability incorporated under Companies Act, 2063 and registered with the Office of Company Registrar on 13th Bhadra 2067 with registration number 1254/067/068. Its corporate office is located at Naxal, Kathmandu and Hydro-project is situated at Salyangkot, Dhading. The Required Commercial Operation Date (RCOD) was 13th February 2012 (corresponding to 2068/11/01 BS). It has started generation and distribution of electricity from 24th August 2013 (corresponding to 2070/05/08 BS).

The composition of Board of directors of the company throughout the F.Y. 2073/74 was as follows:

S. No.	Name	Position	Date of Appointment	Tenure
1.	Ram Shrestha	Chairman	2071/12/13	Till date
2.	Ashish Kumar Shrestha	Director	2073/01/16	2073/02/26
3.	Chungba Sherpa	Director	2071/12/13	Till date
4.	Keshav Tuladhar	Director	2071/06/27	Till date
5.	Ram Pd Sapkota	Director	2072-02-05	Till Date
6.	Shambhu Timilsina	Company Secretary	2067-03-31	Till date

Financial Statements of the company for F.Y. 2073/74 have been authorized by the Board of directors prevailing on the Financial Statements authorization date.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation & presentation of the financial statements are set out below. Except where otherwise stated, they are based on accrual and historical cost convention basis. These policies have been consistently applied to all the years presented unless stated otherwise.

3. Statement of compliance

The financial statements are presented in Nepalese Currency. These financial statements are prepared in accordance with Nepal Accounting Standards (NASs) and Generally Accepted

Aankhukhola Jalvidhyut Company Ltd. Naxal

R D Associates Chartered Accountants Kathmandu Nepal

Accounting Principles (GAAPs), Companies Act 2063 and Nepal Electricity Act 2049. The preparation of financial statements requires the management to make estimates and assumptions that are considered while reporting amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

4. **Method of Accounting**

The accounts have been prepared on historical cost convention, in accordance with the Nepal Accounting Standards which have been prescribed by the Companies Act 2063, Electricity Act 2049, except stated otherwise.

5. **Revenue Recognition**

Company has policy to recognize revenue on accrual basis.

6. **Fixed Assets and Depreciation/Amortization of Tangible and Intangible Assets**

i) Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any cost attributable in bringing the assets into its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

ii) Capitalized Project Expenditures including land thereon have been amortized at SLM Basis. (Total Duration from date of Generation 2070/05/08 to handover date 2101/08/25 is 31.3 years).

iii) Apart from capitalized project expenditures, office equipment & data processing units, automobiles, plant & machineries and other assets are depreciated as per the rates and procedures specified under Income Tax Act, 2058.
However benefits of one third additional depreciation prescribed under Sec. 2 of Schedule-2 of Income Tax Act, 2058 have not been claimed as depreciation expenses on such assets.

iv) In prior years, the gross block of the assets and accumulated depreciation was not deducted for disposal and write of the fixed assets due to which the Gross block as well as accumulated depreciation was overstated. The gross value and net value of the fixed assets have been rearranged without affecting the total value of the assets.

7. **Foreign Exchange Transaction**

Transactions in foreign currency are recognized at the exchange rates prevailing on the date of transactions. Exchange difference arising due to foreign currency transactions related to the liabilities for acquisition of fixed assets is adjusted to the cost of the related fixed assets. All monetary items in balance sheet which are required to be settled in foreign currency are translated applying exchange rates prevailing on the balance sheet date except as mentioned in notes to account.

Aankhukhola Jalvidhyut Company Ltd. Naxal

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

9. **Going Concern**
   Ankhu Khola Hydropower Project constitutes a substantial business portion of the company. As per provision of the license granted to the company by the Department of Electricity Department (DOED), the total assets of the Ankhu Khola Hydropower Project shall be transferred to Nepal Government on 2101.08.25 B.S. without taking any considerations.

10. **Investment**
    Company has a policy of recognizing its investment at cost or market price whichever is lower. However, investment in shares of unlisted companies has been shown at cost.

11. **Related Party Transactions**
    Transaction with related party has been disclosed in accordance with Nepal Accounting Standard-24.

12. **Tax Provision**
    Provision for income tax has been made as per the provisions of Income Tax Act, 2058 and Income Tax Rules; 2059. The Company's business is exempt from tax for the year under audit.

B. <u>NOTES TO ACCOUNTS</u>

1. **Share Capital & Calls in Advance**
   Authorized Share Capital of the company is Rs. 1,150,000,000.00 and its Issued Share Capital and Paid-Up Capital are Rs. 800,000,000.00 and Rs. 600,000,000.00 respectively.

2. **Fixed Assets**
   Amount which are directly attributable to particular assets are directly recorded as cost of assets.

3. **Income Tax Liability:**
   As per Income Tax Act 2058 (Amended), the company is eligible for 100% tax holiday for first 10 years from the date of commencement of electricity generation (and has entitlement of 50% tax concession for next 5 years) hence; provision for tax is not applicable for current financial year.

4. **Deferred Tax**
   As the company is not entitled to carry forward loss of tax holiday period, company has not calculated deferred tax.

5. **Other Income**

The Composition of other income is as under

Particulars	Amount in NRs
Reversal of Loan and Interest Payable (ref 5.1 below)	30,857,500.46
Payable Write off (Autoland P Ltd) (Ref 5.2)	193,912.74
Adjustment of Payable of VSAT	394,019.12
Adjustment for Other payable	86,242.97
Deposit refunded from NTC	750.00
Total	**31,138,406.17**

5.1 Reversal of Director's and other's loan and interest payable

The company had earlier wrongly booked loan and interest payable to directors and other parties. The company is able to negotiate with directors and other parties in lieu of which the company is not required to pay the unpaid liability which arised on account of their loan and interest payable. Such amount has been transferred to other income.

5.2 Adjustment for Payable of VSAT

The payable balance of VSAT which is not to be paid according to Nepal Telecom has been transferred to Other Income.

6. **Term Loan**

The company has availed term loan for execution of Ankhu Khola 8.4 MW HEP, with mortgage of assets of the project, corporate guarantee of the company and personal guarantee of directors. The outstanding loans at the end of financial year 2073/74 are as follows:

SN	Bank/FI	O/S Amount in Nrs.
1	Kumari Bank Ltd	89,091,400.00
2	Machhapuchhre Bank	412,268,756.60
3	Prime Commercial Bank Ltd (00100031)	586,122,227.68
4	Sunrise Bank	123,657,501.23
5	RastriyaBanijya Bank	168,000,000.00
6	Prabhu Bank	160,930,446.50
	Total	**1,539,828,332.01**

7. **Related Party Transactions**

As required by Nepal Accounting Standard -24 "Related Party Disclosures". Disclosure of loans obtained from the directors is as follows:

Clause 18: disclosure of transactions between related parties

Name	Status	Loan obtained (NRs)
Ram Shrestha	Chairman	1,100,000.00
Chungba Sherpa	Director	2,750,000.00
Keshav Tuladhar	Director	111,975.00
Ram Prasad Sapkota	Director	600,000.00
Ashish Kumar Shrestha	Director	700,000.00

Aankhukhola Jalvidhyut Company Ltd. Naxal

R D Associates Kathmandu Nepal Chartered Accountants

Interest expenses on such loan have been booked at the rate of 9 % Per annum. Interest expenses for the loan provided by Chungba Sherpa have not been booked as the amount has been booked as non interest bearing advance given to company.

8. **Interest on loan from director**
Interest rate on the loan from directors has been booked at the rate of 9% except for the Loan provide by Mr. Chungba Sherpa.

9. **Restated Balance of Accumulated Profit & Loss Opening Balance**
The opening balance of reserve and surplus has been restated due to prior period adjustment. The amount of adjustment is as below.

	Particular	**Amount In NRs.**
	Previous Year Balance	**(224,111,937.58)**
10.1	Payable Write off Manahari Sapkota	110,000.00
10.2	Receivable Write off (Sunil Thapa)	(150,000.00)
10.3	Interest payable to Prabhu Bank ltd	27,778.75
10.4	Royalty Overbooked Adjusted	462,173.72
10.5	Receivable Adjustment (We Link Associates)	(1,065,000.00)
10.6	Interest payable to PCBL	586,970.91
10.7	Interest Payable to Kastamandap Dev Bank	0.26
10.8	Excess NEA Receivable booked	(27,860.20)
10.9	Interest on PF Booked adjustment	6,588.00
	Total	**(49,848.62)**
	Closing Restated Balance	**(224,161,786.20)**

10.1) There was error in booking the expenses in prior year so payable has been adjusted.
10.2) Consultancy Charge paid in earlier year but expenses not booked in earlier now written off.
10.3) Over booked interest in previous year has been adjusted.
10.4) Over booked royalty has been now adjusted.
10.5) Consultancy Charge paid in earlier year but expenses not booked in earlier now written off.
10.6) Over booked interest in previous year has been adjusted.
10.7) Over booked interest in previous year has been adjusted.
10.8) Over booked NEA receivable now adjusted.
10.9) Over booked expenses in previous year has been adjusted.

10. **Previous Year Figure**
Previous year's figure have been re-grouped and re-arranged, wherever necessary to facilitate the comparison.

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