



## Pure Energy Limited

**Auditors Report and Annual Accounts  
for the F/Y 2081-82 (2024-25)**

**B.K. AGRAWAL & CO.**  
Chartered Accountants

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## Independent Auditors' Report to the Members of Pure Energy Limited

### Opinion:

We have audited the accompanying Standalone Financial Statements of M/s Pure Energy Limited (hereinafter referred to as 'the Company') which comprise the Statement of Financial Position as at Ashad 32, 2082 (July 16, 2025), and the Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows attached thereto, for the year then ended and notes to the Standalone Financial Statements, including a summary of Significant Accounting Policies and other Explanatory Notes & information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements read together with Notes forming part of the Standalone Financial Statement give the information required by the provisions of Nepal Companies Act, 2063, as amended ("the Act") in the manner so required and, give a true and fair view in conformity with the Nepal Financial Reporting Standards (NFRS), of the state of affairs of the Company as at Ashad 32, 2082 (July 16, 2025), its Profit including its Other Comprehensive Income, Cash Flows and the Changes in Equity for the year ended on that date.

### Basis of Opinion:

We conducted our audit in accordance with Nepal Standards on Auditing (NSA). Our responsibilities under those Standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statement* section of our report. We are independent of the Entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of Nepal together with the ethical requirements that are relevant to our audit of the Standalone Financial Statement under the provisions of the Companies Act, 2063 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with those requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on the circumstances and facts of the audit, we consider following as key audit matters:

S.N.	Details of Key Audit Matters	How the matters were addressed in our audit
1.	<b>Revenue Recognition</b> (Refer Note 3.11 "Revenue Recognition" and Note 19 of the financial statements)	
	The company applies NFRS 15 for recognition of revenue from sale of goods. The Company generated revenues of NPR.259 millions for the year ended Ashad 32, 2082. Revenue is a key indicator for measuring performance, and this implies the presence of inherent risks by overstatement of revenue recognition to increase profitability. Therefore, revenue recognition was considered a key audit matter.	Our audit procedures in this are included, among others, based on our judgment, the following: - An examination of the revenue recognition process, taking into account the requirements of the relevant accounting standards, and an assessment of the appropriateness of the accounting policies used. - Test the design and implementation of internal control procedures related to revenue recognition and their operational effectiveness including anti-fraud control procedures.



S.N.	Details of Key Audit Matters	How the matters were addressed in our audit
		<ul style="list-style-type: none"><li>- Conducting analytical audit procedures for revenues, by comparing sales quantities and prices for the current year with the previous year, and determining whether there are any significant trends or fluctuations that need additional examination in light of our understanding of the current market conditions.</li><li>- On sample basis, test revenue transactions with the supporting documents, to verify that the revenues are recorded in their correct periods.</li></ul>
2	<b>Property, Plant and Equipment and Investment Property</b> (Refer Note 3.2, 3.3 & 3.4 and 5 & 6 of the Financial Statements)	
	There are areas where management judgement impacts the carrying value of property, plant and equipment and investment property and their respective depreciation or amortization rates. These include the decision to capitalize or expense the costs, the annual asset life review, the timeliness of the capitalization of assets and the use of management assumptions and estimates for the determination or the measurement and recognition criteria for assets retired from active use. Due to the materiality in the context of the balance sheet of the company and the level of judgment and estimates required, we consider this to be a Key Audit Matter.	We assessed the controls in place over the fixed asset, evaluated the appropriateness of capitalization process, performed tests on costs capitalized, the timeliness of the capitalization of the assets and the derecognition criteria for assets retired from active use. In performing these procedures, we reviewed the judgments made by the management including the nature of underlying costs capitalized, impairment, determination of realizable value of the assets retired from the active use, the appropriateness of useful life of assets. We have observed that the management has regularly reviewed the aforesaid judgements and there are no material misstatement of impairment and capitalization of assets

**Other Information:**

The directors are responsible for the other information such as "Report of Board of Director's/Chairman's Statement" to be presented in the Annual Report and Accounts for FY 2080/81 (2023/24) of the Pure Energy Limited. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express any audit opinion or, except as explicitly stated above, any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether, based on audit work done by us on financial statement, the information therein is materially misstated or inconsistent with the financial statements. We have nothing to report in this regard.

**Responsibilities of Management and those charged with Governance for the Standalone Financial Statements:**

The company's Management and Board of Directors are responsible for the preparation and fair presentation of these Standalone Financial Statements in accordance with Nepal Financial Reporting Standards. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.





In preparing the Standalone Financial Statement, the respective management and Board of Directors are responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

#### **Auditors' Responsibility for the Audit of the Standalone Financial Statements**

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Financial Statements are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Nepal Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial information.

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 Standalone Financial Statement, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. We are also responsible for expressing our opinion on whether the Company has adequate internal financial controls in place and the operating effectiveness of such controls.
- 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 auditors' report to the related disclosures in the Standalone 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statement, including the disclosures, and whether the Standalone Financial Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

#### **Report on Other Legal and Regulatory Requirements**

On the basis of our examination, we would like to further report that:

- i. We have obtained information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;
- iii. In our opinion, the Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity attached thereto, for the year then ended and notes to the Standalone Financial Statements, including a summary of Significant Accounting Policies and other Explanatory Notes & information dealt with by this report are in compliance with the provisions of the Companies Act, 2063 and are in agreement with the books of account maintained by the company;
- iv. In our opinion, so far as appeared from our examination of the books, the business of the Company has been conducted satisfactorily; and
- v. To the best of our information and according to the explanations given to us and from our examination of the books of accounts of the Company necessary for the purposes of the audit, we have not come across cases where the Board of Directors or any employees of the Company have acted contrary to legal provisions relating to accounts, or committed any misappropriation or caused loss or damage to the company or committed any accounting frauds in the company.

Kathmandu  
Date: 2025-08-14

  
**B.K. Agrawal, FCA**  
*Managing Partner*

**For: B.K. Agrawal & Co.**  
Chartered Accountants  
UDIN: 250814CA00018BV4G7





**Pure Energy Limited**  
**Statement of Financial Position**  
**As on Ashad 32, 2082 (July 16, 2025)**

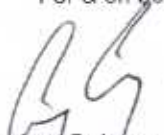
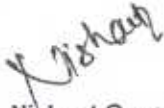
<u>Particulars</u>	<u>Notes</u>	<u>As on Ashad 32, 2082 (July 16, 2025) (NRS)</u>	<u>As on Ashad 31, 2081 (July 15, 2024) (NRS)</u>
<b><u>Assets</u></b>			
<b><u>Non Current Assets</u></b>			
Property, Plant and Equipment	4	2,094,635,033.09	2,192,148,023.07
Intangible Assets	5	4,235,002.77	4,811,354.75
Right-of-use Assets	6	133,066,678.36	138,926,878.36
Other Assets	10.1	1,456,839.61	3,028,624.65
Investment	11	27,010,000.00	-
<b>Total Non Current Assets</b>		<b>2,260,403,553.83</b>	<b>2,338,914,880.83</b>
<b><u>Current Assets</u></b>			
Inventories		3,365,129.37	137,054.98
Cash and Cash Equivalents	7	7,906,434.11	3,407,972.69
Trade Receivables	8	45,407,804.00	46,063,070.63
Prepayments	9	3,203,066.79	2,666,722.05
Other Assets	10.2	24,549.83	534,826.00
<b>Total Current Assets</b>		<b>59,906,984.10</b>	<b>52,809,646.35</b>
<b>Total Assets</b>		<b>2,320,310,537.93</b>	<b>2,391,724,527.18</b>
<b><u>Equity and Liabilities</u></b>			
<b><u>Equity</u></b>			
Share Capital	12	800,000,000.00	640,000,000.00
Other Equity	13	3,837,901.67	(22,694,696.44)
<b>Total Equity</b>		<b>803,837,901.67</b>	<b>617,305,303.56</b>
<b><u>Non Current Liabilities</u></b>			
Long Term Borrowings	14	1,393,957,454.61	1,595,801,879.00
<b>Total Non Current Liabilities</b>		<b>1,393,957,454.61</b>	<b>1,595,801,879.00</b>
<b><u>Current Liabilities</u></b>			
Trade Payables	15	4,128,714.85	24,856,104.76
Short Term Borrowings	16	86,969,424.00	123,277,365.07
Other Liabilities	17	30,270,505.66	30,483,874.79
Provisions	18	1,146,537.14	-
<b>Total Current Liabilities</b>		<b>122,515,181.65</b>	<b>178,617,344.62</b>
<b>Total Equity and Liabilities</b>		<b>2,320,310,537.93</b>	<b>2,391,724,527.18</b>

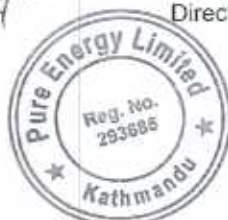
Summary of Significant Accounting Policies  
and explanatory notes form integral part  
of the Financial Statement

1 to 31

  
**Md. Sahin Ekwai**  
Finance Manager

Place : Kathmandu  
Date : 2025-08-14

For & on behalf of the Board  
  
**Akshay Golyan**  
Chairman  
  
**Nishant Goyal**  
Director



As per our attached report  
of even date

  
**B.K. Agrawal, FCA**  
Managing Partner  
**B.K. Agrawal & Co.**  
Chartered Accountants



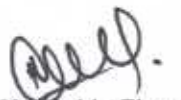
**Pure Energy Limited**  
**Statement of Profit or Loss**  
For the year ended Ashad 32, 2082 (July 16, 2025)

<u>Particulars</u>	<u>Notes</u>	<u>Year ended Ashad 32, 2082 (July 16, 2025) (NRS)</u>	<u>Year ended Ashad 31, 2081 (July 15, 2024) (NRS)</u>
<b>Income:</b>			
Revenue From Operations	19	259,256,915.80	200,747,296.63
Other Income		15,191,585.98	3,801,800.00
<b>Total Income</b>		<b>274,448,501.78</b>	<b>204,549,096.63</b>
<b>Expenses:</b>			
Cost of Plant Operation	20	14,158,724.43	9,083,533.23
Employee Cost	21	11,935,023.58	8,519,689.00
Administration Expenses	22	9,527,824.92	10,684,249.57
Extraordinary Expenses	23	-	4,095,660.00
Borrowing Cost	24	101,114,031.72	110,244,234.84
Depreciation and Amortization	25	104,774,487.96	79,501,976.86
<b>Total Expenditure</b>		<b>241,510,092.61</b>	<b>222,129,343.50</b>
<b>Profit/(Loss) Before CSR,Bonus and Tax</b>		<b>32,938,409.17</b>	<b>(17,580,246.87)</b>
Provision for Bonus		639,580.76	-
Provision for CSR		319,790.38	-
<b>Profit/(Loss) Before Tax</b>		<b>31,979,038.03</b>	<b>(17,580,246.87)</b>
<b>Less:</b>			
Current Tax		-	-
Deferred Tax		-	-
Prior Year Taxes		-	-
<b>Net Profit/(Loss) After Tax</b>		<b>31,979,038.03</b>	<b>(17,580,246.87)</b>

Summary of Significant Accounting Policies  
and explanatory notes form integral part  
of the Financial Statement

1 to 31

For & on behalf of the Board

  
**Md. Sahin Ekwel**  
Finance Manager

  
**Akshay Golyan**  
Chairman

  
**Nishant Goyal**  
Director

As per our attached report  
of even date

  
**B.K. Agrawal, FCA**  
Managing Partner  
**B.K. Agrawal & Co.**  
Chartered Accountants

Place : Kathmandu  
Date : 2025-08-14



Pure Energy Limited  
Statement of Other Comprehensive Income  
For the year ended Ashad 32, 2082 (July 16, 2025)

Particulars	Year ended Ashad 32, 2082 (July 16, 2025) (NRS)	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)
Profit/(Loss) for the Year	31,979,038.03	(17,580,246.87)
Other Comprehensive Income		
Income that will not be reclassified to profit or loss	-	-
Revaluation of Land	-	-
Items that are or may be reclassified subsequently to profit or loss	-	-
Total Other Comprehensive Income, net of tax	-	-
Total Comprehensive Income of the year	31,979,038.03	(17,580,246.87)

For & on behalf of the Board

As per our attached report  
of even date

  
Md. Sahin Ekwel  
Finance Manager

  
Akshay Golyan  
Chairman

  
Nishant Goyal  
Director

  
B.K. Agrawal, FCA  
Managing Partner  
B.K. Agrawal & Co.  
Chartered Accountants

Place : Kathmandu  
Date : 2025-08-14





**Pure Energy Limited**  
**Statement of Cash Flows**  
For the year ended Ashad 32, 2082 (July 16, 2025)

<u>Particulars</u>	<u>Year ended Ashad 32, 2082 (July 16, 2025) (NRS)</u>	<u>Year ended Ashad 31, 2081 (July 15, 2024) (NRS)</u>
<b>A Cash Flow from Operating Activities:</b>		
Profit/(Loss) after Tax	31,979,038.03	(17,580,246.87)
<b>Adjustments for:</b>		
Borrowing Cost	101,114,031.72	110,244,234.84
Depreciation	104,774,487.96	79,501,976.86
<b>Cash generated from Operation before W/C change</b>	<b>237,867,557.71</b>	<b>172,165,964.83</b>
<b>Add/Less:</b>		
(Increase)/Decrease in Trade Receivables	655,266.63	(22,633,180.36)
(Increase)/Decrease in Inventories	(3,228,074.39)	(137,054.98)
(Increase)/Decrease in Prepayments	(536,344.74)	2,630,440.63
(Increase)/Decrease in Other Assets	510,276.17	(272,674.33)
Increase/(Decrease) in Trade Payables	(20,727,389.91)	(6,281,919.52)
Increase/(Decrease) in Other Liabilities - Current	(213,369.13)	7,963,020.25
Increase/(Decrease) in Provision	1,146,537.14	-
<b>Net Cash Flow From Operating Activities</b>	<b>215,474,459.48</b>	<b>153,434,596.52</b>
<b>B Cash Flow from Investing Activities :</b>		
(Increase)/Decrease in Property, Plant and Equipment	(824,946.00)	(208,972,684.87)
(Increase)/Decrease in Investment	(27,010,000.00)	-
(Increase)/Decrease in Other Assets - Non Current	1,571,785.04	119,055,860.45
<b>Net Cash Flow From Investing Activities</b>	<b>(26,263,160.96)</b>	<b>(89,916,824.42)</b>
<b>C Cash Flow from Financing Activities :</b>		
Receipt from Share issue	160,000,000.00	139,950,000.00
Receipt from Share Application Money	-	(68,293,425.81)
Share Issue Charges	(5,446,439.92)	(1,087,750.00)
Borrowing Cost	(101,114,031.72)	(110,244,234.84)
Increase/(Decrease) in Short Term Borrowings	(36,307,941.07)	57,751,365.07
Increase/(Decrease) in Long Term Borrowings	(201,844,424.39)	(78,815,793.82)
<b>Net Cash Flow From Financing Activities</b>	<b>(184,712,837.10)</b>	<b>(60,739,839.40)</b>
<b>Net Increase in cash &amp; cash equivalents</b>	<b>4,498,461.42</b>	<b>2,777,932.70</b>
Opening Cash & Cash Equivalents	3,407,972.69	630,039.99
<b>Closing Cash &amp; Cash Equivalents</b>	<b>7,906,434.11</b>	<b>3,407,972.69</b>

For & on behalf of the Board

As per our attached report  
of even date

  
**Md. Sahin Ekwal**  
Finance Manager

  
**Akshay Golyan**  
Chairman

  
**Nishant Goyal**  
Director

  
**B.K. Agrawal, FCA**  
Managing Partner  
**B.K. Agrawal & Co.**  
Chartered Accountants

Place : Kathmandu  
Date : 2025-08-14



**Pure Energy Limited**  
**Statement of change in equity**  
**For the year ended Ashad 32, 2082 (July 16, 2025)**

Particulars	Equity Share Capital (NRS)	Advance for Share Capital (NRS)	Accumulated Profit/(Loss) (NRS)	Total (NRS)
Balance as at Ashad 31 2080	500,050,000.00	68,293,425.81	(4,137,262.33)	564,206,163.48
Change in accounting policy	-	-	110,562.77	110,562.77
Restated Balance as at Ashad 31 2080	500,050,000.00	68,293,425.81	(4,026,699.56)	564,316,726.25
Net Profit/(loss) for the period	-	-	(17,580,246.87)	(17,580,246.87)
Transfer to Share capital	-	(68,293,425.81)	-	(68,293,425.81)
Share Issuance Expenses	-	-	(1,087,750.00)	(1,087,750.00)
Issue of Share Capital	139,950,000.00	-	-	139,950,000.00
Balance as at Ashad 31, 2081	640,000,000.00	-	(22,694,696.44)	617,305,303.56
Net Profit/(loss) for the period	-	-	31,979,038.03	31,979,038.03
Share Issuance Expenses	-	-	(5,446,439.92)	(5,446,439.92)
Issue of Share Capital	160,000,000.00	-	-	160,000,000.00
Balance as at Ashad 32, 2082	800,000,000.00	-	3,837,901.67	803,837,901.67

For & on behalf of the Board

As per our attached report  
of even date

  
**Md. Sahin Ekwai**  
Finance Manager

  
**Akshay Golyan**  
Chairman

  
**Nishant Goyal**  
Director

  
**B.K. Agrawal, FCA**  
Managing Partner  
**B.K. Agrawal & Co.**  
Chartered Accountants

Place : Kathmandu  
Date : 2025-08-14





# Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

## Significant Account Policies

### 1 General Information:

Pure Energy Limited ("the Company") is a limited liability company domiciled in Nepal with registration no 192018/074/75. The address of its registered office is Soalteemode-13, Kathmandu, Nepal. The principal objective of the company is to generate Solar-electricity and sell the same to Nepal Electricity Authority (NEA). The company has obtained license for 10 MW each (Block I and II - total capacity of 20 MW). Block II-10 MW and Block I-10 MW has achieved its Commercial Operation Date (COD) on 1 May 2023 and on 23 December, 2023 respectively.

Share Purchase cum Joint Venture Agreement for equity Investment in the company has been entered on September 04 2019 with M/s Renergo Developers Pvt Ltd. Out of NPR 50 Crore ordinary share capital of the company, 40% portion of NPR 20 Crore shall be acquired by Renergo Developers Pvt Ltd through Foreign direct investment and 60% portion of NPR 30 Crore shall be acquired by Mr. Akshay Golyan.

Approval for Foreign Direct Equity Investment through Share Purchase agreement granted by Department of Industry Foreign Investment and Technology Transfer department on 2076.06.12 for aforesaid Shareholding ratio of NPR 50 Crore divided between Mr. Akshay Golyan at 60% of NPR 30 Crore and Foreign Direct Investment from Renergo Developers Pvt Ltd, India at 40% of NPR 20 Crore.

### 2 Basis of preparation:

#### 2.1 Basis of Preparation:

The Financial Statement of the company which comprises components mentioned above have been prepared in accordance with Nepal Financial Reporting Standards comprising of Nepal Financial Reporting Standards and Nepal Accounting Standards (hereafter referred to as NFRSs), laid down by the Institute of Chartered Accountants of Nepal and in compliance with the requirements of the Companies Act, 2006.

#### 2.2 Responsibility of Financial statements:

The Management is responsible for the preparation and presentation of Financial Statements of the entity as per the provisions of the Companies Act, 2006.

#### 2.3 Basis of Measurement:

The financial statements are prepared under historical cost conventions on an accrual concept and are in accordance with NFRS. The accounting policies are consistently applied by the company.

#### 2.4 Functional and Reporting Currency:

The Financial Statements of the company are presented in Nepalese Rupees (Rs), which is the currency of the primary economic environment in which the company operates. Financial information presented in Nepalese Rupees. There was no change in the company's presentation and functional currency during the year under review.

#### 2.5 Materiality and Aggregation:

In compliance with Nepal Accounting Standard - NAS 01 (Presentation of Financial Statements), each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or functions too are presented separately unless they are immaterial. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by an Accounting Standard.

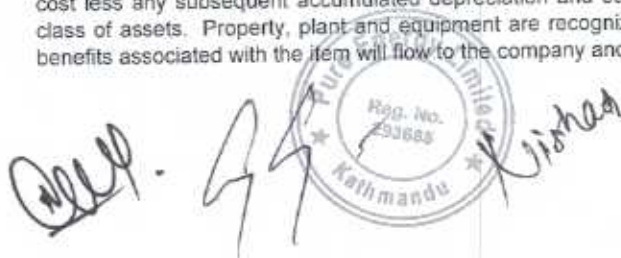
### 3 Significant Accounting Policies:

#### 3.1 Going Concern:

The management have made an assessment of the company's ability to continue as a going concern and satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it. Therefore, the Financial Statements continue to be prepared on the going concern basis.

#### 3.2 Property, Plant & Equipment:

Property, plant and equipment are initially measured at cost in the statement of financial position. These are inclusive of all cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses, if applicable for each class of assets. Property, plant and equipment are recognized as an asset, if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

The block contains a handwritten signature and a circular stamp. The stamp is from 'Pure Energy Limited' with 'Reg. No. 192018/074/75' and 'Kathmandu'.





## Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

Cost includes the purchase price and other directly attributable costs of property, plant and equipment. Cost also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. If an item of property, plant and equipment consists of several components with different estimated useful lives, those components that are significant are depreciated over their individual useful lives. Subsequent costs that do not qualify the recognition criteria under NFRS are expensed as and when incurred.

### 3.2.1 Depreciation:

Depreciation on items of property plant and equipment is calculated on the straight-line method based on the useful life of the assets estimated by the management. Depreciation on additions to property plant and equipment is provided on pro-rata basis in the year of purchase when the asset is ready to use. The residual values, useful lives and the depreciation methods of assets are reviewed at least at each financial year end and if expectations differ from previous estimates, are accounted for as a change in accounting estimates in accordance with NAS 8. If an item of property plant and equipment consist of several components with different useful lives, those components that are significant are depreciated over their individual useful life.

Particulars	Useful Life ( In Years)	
	For Opening Depn Base	From the Date of put to use
Office Equipment	5 Years	5 Years
Furniture and Fixture	5 Years	5 Years
Vehicles	7 Years	7 Years
Guard House and Watch Tower	5 Years	5 Years
Sloar Project - Block I	22 years	Remaining Life
Sloar Project - Block II	23 years	Remaining Life
Right of Use Assets	25 Years	Remaining Lease period

### 3.3 Intangible Assets:

Intangible assets are recognized on the basis of costs incurred to acquire and bring to use the specific intangible assets such as, software, where it is probable that such asset will generate future economic benefits in excess of its cost.

Computer software cost are amortized on the basis of expected useful life which is estimated as 10 years (the estimate is being reviewed periodically). Costs associated with maintaining software are recognized as expenses as and when incurred. At each statement of financial position date, these assets are assessed for indication of impairment. In the event that an asset's carrying amount being greater than its recoverable amount, the assets is considered to be impaired and is written down immediately.

### 3.4 Impairment of Assets:

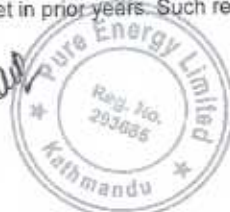
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased.

If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed, only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income.

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## Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

### 3.5 Deferred Tax:

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the statement of profit or loss is recognized outside statement of profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Since the entity is in a tax holiday period, losses are not allowed to be carried forward, and the applicable tax rate is zero. Therefore, no deferred tax is recognized despite the existence of differences between the accounting base and the tax base.

### 3.6 Financial Instrument:

As per NFRS 9 Financial instrument are classified into following types;

- a) Financial instrument measured at amortized cost
- b) Financial instrument at fair value through profit and loss
- c) Financial instrument at fair value through other comprehensive income

#### 3.6.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax.

#### Financial Liabilities:

Financial Liabilities are those liabilities which are contractually or otherwise to be discharged by outgo of financial assets or will be settled against similar Financial Assets either as per contract or otherwise.

#### Initial Recognition:

Financial liabilities are recognized initially at transaction price at its fair value net of transaction cost and are subsequently measured at its amortized cost.

For Trade and other payables maturing within one year from the transaction date, the carrying amount approximates fair value due to short maturity of these Financial Liabilities.

#### Subsequent measurement

##### Financial liabilities measured at amortised cost:

Financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.



## Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

### Financial liabilities measured at fair value through profit or loss (FVTPL):

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities at fair value through profit or loss are carried in the financial statements at fair value with changes in fair value recognized in other income or finance costs in the statement of profit and loss.

### Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### 3.6.2 Investments and other financial assets

#### Classification

The Company classifies its financial assets in the following measurement categories:

- those measured at amortized cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

#### Measurement

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are recognised immediately in the statement of profit and loss.

#### – Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

#### – Fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

#### – Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### 3.7 Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis or available quoted market prices, as applicable. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.





## Pure Energy Limited

### Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

#### 3.8 Current tax assets & liabilities:

As per Income tax Act, 2058 section 11 "Business Exemption and Concession" subsection 3Gha, Person or entity having a license to generate, transmit or distribute electricity (electricity generated from hydro, solar, wind or organic material) shall be provided concession if the commercial operation commences before mid-April 2028 (chaitra end 2084).  
100% exempt up to 10 years and 50% rebate in subsequent 5 years from the date of commercial production

Since the entity is solar based project, the commercial operation of the entity started during for F/Y 2079-80, hence the entity is eligible to 100% tax holiday till F/Y 2088-89 and 50% tax rebate thereafter for further 5 years.

#### 3.9 Cash & Cash equivalents:

Cash and cash equivalent in the statement of financial position comprise cash at banks and on hand.

#### 3.10 Inventories (As taken, valued and certified by the management):

Inventories are assets:

- Held for sale in the ordinary course of business;
- In the process of production for such sale; or

• In the form of materials or supplies to be consumed in the production process or in the rendering of services

Inventories are initially recognized at cost and subsequently at the lower of cost and 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 estimated cost necessary to make the sale. The cost of inventories is determined on FIFO method which comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

#### 3.11 Revenue Recognition:

The company applies accrual basis of accounting for recognition of revenues. Revenue comprises the fair value for the sale of goods, net of value added tax & Excise. Specific criteria for major revenue component's revenue recognition are as follows:

##### i) Sale of Power(Energy):

Revenue from the sale of Power is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and are stated at net of Value Added Tax, Rebates & Discounts.

Entity has Power Purchase Agreement with Nepal Electricity Authority (NEA), based on the Same Entity is selling power @ 7.30 KWH For the Dedicated contracted Power and @ 3.65 KWH for the Power over such contracted Power.

##### ii) Insurance & Other Claims:

Insurance and other claims, to the extent considered recoverable, are accounted for in the year of claim. However, claims and refunds, whose recovery can not be ascertained with reasonable certainty, are accounted for on acceptance basis.

##### iii) Dividend Income:

The dividend income is recognized on right to receive basis and stated net of TDS.

##### iv) Interest Income:

The interest income is recognized on accrual basis and stated gross of TDS.

#### 3.12 Retirement Benefits Obligations:

##### Defined Contribution Plan:

A Defined Contribution Plan includes post-employment benefit plan under which the company pays fixed contribution into a separate Institution (or own fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods, as defined in Nepal Accounting Standards - NAS 19 (Employee Benefits).

The company has Social Security Fund (SSF) as Defined contribution Plan.

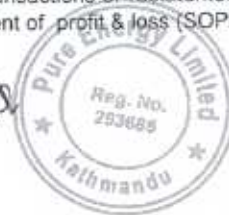
#### 3.13 Foreign currency transaction:

Transactions in foreign currency are recorded at the original rates of exchange in force at the time transactions are effected.

Foreign currency denominated assets and liabilities are reported as follows:

Monetary items are translated into rupees at the exchange rates prevailing at the reporting date. Non-Monetary items such as fixed assets are carried at their historical rupee values.

Gains/losses arising on the settlement of foreign currency transactions or restatement of foreign currency denominated assets and liabilities (monetary items) are recognized in the statement of profit & loss (SOPL).



# Pure Energy Limited

## Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

### 3.14 Provisions, Contingent Liability and Contingent Assets:

Provisions are recognized when the Company has a present obligation as a result of past event; it is more likely than not that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the assets and related income are recognized in the period in which the charge occurs.

### 3.15 Events occurring after balance sheet date:

Events after the reporting period are those events, favorable and unfavorable, that occur between the reporting date and the date when the financial statements are authorized for issue.

All material post reporting date events have been considered and where appropriate, adjustments or disclosures have been made in the respective notes to the financial statements.

### 3.16 Related party transactions:

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

### 3.17 Share Based Payments:

Share based payment transaction is a transaction in which entity receives goods and services as consideration for equity instruments (including shares or share options) of the entity (referred to as "equity settled share passed transaction"). There is no share based transactions during the Year.

### 3.18 Leases:

The Company has adopted NFRS 16 'Leases' with the date of initial application of 1 Shrawan, 2078. NFRS 16 introduces significant changes to lessee accounting. It requires a lessee to recognize a right-of-use asset and a lease liability at lease commencement for all leases, except for short term leases and leases of low value assets.

The Company has not entered into any lease contracts in the capacity of the lessor.

It has applied NFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated.

#### Initial Recognition :

At the commencement date, right-of-use asset is measured at cost. It includes:

a. Initial measurement of lease liability measured at the present value of lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If it is not readily determinable, incremental borrowing rate is used;

b. The lease payments made before or after the commencement date, less lease incentive received;

c. Any initial direct cost incurred; and

d. An estimate of cost incurred by the lessee upon disassembling or eliminating the underlying asset, restoring the place where it was located or restoring the underlying asset to the condition required by the terms of the lease. The lessee may incur obligations as a result of these costs either at the commencement date or as a result of having used the underlying asset during the specific period.

#### Subsequent measurement of right-of-use asset:

At the commencement date, the right-of-use asset is measured using cost model. If the right-of-use asset relates to the class of property, plant and equipment to which the lessee applies NFRS 16's revaluation model, the lessee may opt to use that revaluation model for all right-of-use assets related to this class of property, plant and equipment.

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## Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

### Subsequent measurement of lease liability:

After the commencement date, the lease liability is measured as follows:

- Increasing the carrying amount to reflect the interest on the lease liability;
- Reducing the carrying amount to reflect the lease payments made; and
- Measuring the carrying amount again to reflect the new measurements and changes in the lease and also to reflect the in-substance fixed lease payments that have been reviewed.

### 3.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expense recognised in the profit and loss account over the period of borrowing using effective interest method and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 3.20 Significant Accounting Judgments, Estimates and Assumptions:

The preparation of Financial Statements in conformity with Nepal Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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**Pure Energy Limited**  
Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

**4. Property, Plant and Equipment**

Particulars	Freehold Land - Block 2 (NRS)	Office Equipments & Furnitures (NRS)	Vehicles (NRS)	Solar PV Project Block II (NRS)	Solar PV Project Block I (NRS)	Watch Tower & Guard house (NRS)	Total (NRS)
<b>Cost</b>							
Gross Block As on July 15, 2024	97,058,592.55	1,244,543.50	3,152,250.00	1,069,880,728.21	1,106,829,641.56	235,000.00	2,278,400,755.82
Additions For the year	-	97,000.00	-	-	-	727,946.00	824,946.00
Revaluation Surplus of PPE	-	-	-	-	-	-	-
Transfer to PPE	-	-	-	-	-	-	-
Revaluation & Adjustments	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-
<b>Gross Block As on July 16, 2025</b>	<b>97,058,592.55</b>	<b>1,341,543.50</b>	<b>3,152,250.00</b>	<b>1,069,880,728.21</b>	<b>1,106,829,641.56</b>	<b>962,946.00</b>	<b>2,279,225,701.82</b>
<b>Depreciation &amp; Impairment Losses</b>							
Accumulated Depreciation as on July 15, 2024	-	260,180.42	967,579.85	57,163,926.07	27,860,788.88	257.53	86,252,732.75
Charge for the year	-	258,500.78	450,321.43	47,202,271.34	50,310,438.26	116,404.17	98,337,935.98
Adjustment due to Revaluations & others	-	-	-	-	-	-	-
Impairment Losses	-	-	-	-	-	-	-
Transfer to PPE	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-
<b>Accumulated Depreciation as on July 16, 2025</b>	<b>-</b>	<b>518,681.20</b>	<b>1,417,901.28</b>	<b>104,366,197.41</b>	<b>78,171,227.14</b>	<b>116,661.70</b>	<b>184,590,668.73</b>

<b>Net Block</b>							
As on July 16, 2025	97,058,592.55	822,862.30	1,734,348.72	965,514,530.80	1,028,658,414.42	846,284.30	2,094,635,033.09
As on July 15, 2024	97,058,592.55	984,363.08	2,184,670.15	1,012,716,802.14	1,078,968,852.68	234,742.47	2,192,148,023.07



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Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

5. Intangible Assets

Particulars	Softwares/ Licences (NRS)	Others (NRS)	Total (NRS)
<b>Cost</b>			
Gross Block As on July 15, 2024	5,763,519.80	-	5,763,519.80
Additions	-	-	-
Revaluation Surplus of Intangible Assets	-	-	-
Transfer to PPE	-	-	-
Revaluation & Adjustments	-	-	-
Disposals/Adjustments	-	-	-
<b>Gross Block As on July 16, 2025</b>	<b>5,763,519.80</b>	<b>-</b>	<b>5,763,519.80</b>
<b>Amortization</b>			
Accumulated Amortization as on July 15, 2024	952,165.05	-	952,165.05
Charge for the year	576,351.98	-	576,351.98
Adjustment due to Revaluations & others	-	-	-
Impairment Losses	-	-	-
Transfer to PPE	-	-	-
Disposals/Adjustments	-	-	-
<b>Accumulated Amortization as on July 16, 2025</b>	<b>1,528,517.03</b>	<b>-</b>	<b>1,528,517.03</b>
<b>Net Block</b>			
As on July 16, 2025	4,235,002.77	-	4,235,002.77
As on July 15, 2024	4,811,354.75	-	4,811,354.75

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Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

6. Right-of-use Assets

Particulars	Land (NRS)	Building (NRS)	Total (NRS)
<b>Cost</b>			
Gross Block As on July 15, 2024	146,505,000.00	-	146,505,000.00
Additions	-	-	-
Revaluation Surplus of Intangible Assets	-	-	-
Transfer to PPE	-	-	-
Revaluation & Adjustments	-	-	-
Disposals/Adjustments	-	-	-
<b>Gross Block As on July 16, 2025</b>	<b>146,505,000.00</b>	<b>-</b>	<b>146,505,000.00</b>
<b>Accumulated Amortisation</b>			
Accumulated Depreciation as on July 15, 2024	7,578,121.64	-	7,578,121.64
Charge for the year	5,860,200.00	-	5,860,200.00
Adjustment due to Revaluations & others	-	-	-
Impairment Losses	-	-	-
Transfer to PPE	-	-	-
Disposals/Adjustments	-	-	-
<b>Accumulated Depreciation as on July 16, 2024</b>	<b>13,438,321.64</b>	<b>-</b>	<b>13,438,321.64</b>
<b>Net Block</b>			
As on July 16, 2025	133,066,678.36	-	133,066,678.36
As on July 15, 2024	138,926,878.36	-	138,926,878.36

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## Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

### 7. Cash and Cash Equivalents

<u>Particulars</u>	As on Ashad 32, 2082 (July 16, 2025) (NRS)	As on Ashad 31, 2081 (July 15, 2024) (NRS)
Cash Balances (As Certified by the Management)	576.00	48,645.00
Balances with Banks:		
Balances with Banks	7,905,858.11	3,359,327.69
	<u>7,906,434.11</u>	<u>3,407,972.69</u>

### 8. Trade Receivables

<u>Particulars</u>	As on Ashad 32, 2082 (July 16, 2025) (NRS)	As on Ashad 31, 2081 (July 15, 2024) (NRS)
Nepal Electricity Authority	45,407,804.00	46,063,070.63
	<u>45,407,804.00</u>	<u>46,063,070.63</u>

#### 8.1 Trade receivables

Trade receivables comprises of amount receivable from customers and are non-interest bearing and are generally receivable on terms of 45 days in the ordinary course of business.

### 9. Prepayments

<u>Particulars</u>	As on Ashad 32, 2082 (July 16, 2025) (NRS)	As on Ashad 31, 2081 (July 15, 2024) (NRS)
Prepaid Insurance	3,068,066.79	2,666,722.05
Prepaid Rental	135,000.00	-
	<u>3,203,066.79</u>	<u>2,666,722.05</u>

### 10. Other Assets

#### 10.1 Other Assets - Non Current

<u>Particulars</u>	As on Ashad 32, 2082 (July 16, 2025) (NRS)	As on Ashad 31, 2081 (July 15, 2024) (NRS)
Deposits	-	600,000.00
Bank Margin	119,835.00	200,356.80
Advance to Vendor	1,337,004.61	2,228,267.85
	<u>1,456,839.61</u>	<u>3,028,624.65</u>

#### 10.2. Other Assets - Current

<u>Particulars</u>	As on Ashad 32, 2082 (July 16, 2025) (NRS)	As on Ashad 31, 2081 (July 15, 2024) (NRS)
Advance for Expenses	23,759.83	534,826.00
TDS Receivable	790.00	-
	<u>24,549.83</u>	<u>534,826.00</u>



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# Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

## 11. Investment

Particulars	As on Ashad 32, 2082 (July 16, 2025) (NRS)	As on Ashad 31, 2081 (July 15, 2024) (NRS)
Sol Power Pvt. Ltd. (260,000 shares @ 100 each)	26,000,000.00	-
Share Application Money to Sol Power Pvt. Ltd. (10,100 shares @ 100 each)	1,010,000.00	-
	<u>27,010,000.00</u>	<u>-</u>

## 12. Share Capital

Particulars	As on Ashad 32, 2082 (July 16, 2025) (NRS)	As on Ashad 31, 2081 (July 15, 2024) (NRS)
<b>Authorised:</b> 8,000,000 Equity Shares of Rs.100/- each	800,000,000.00	800,000,000.00
<b>Issued:</b> 8,000,000 Equity Shares of Rs.100/- each	800,000,000.00	800,000,000.00
<b>Paid Up:</b> 6,400,000 Equity Shares of Rs.100/- each 8,000,000 Equity Shares of Rs.100/- each	- 800,000,000.00 <u>800,000,000.00</u>	640,000,000.00 - <u>640,000,000.00</u>

12.1. Financial Instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's equity shares are classified as equity instruments.

12.2. Numbers and value of equity shares outstanding at the end of the year is as per follows:

Particulars	Nos. of Shares	Paid Up value (NRS)
<b>Promotor's Share:</b>		
Akshay Golyan	4,099,500.00	409,950,000.00
Renargo Developers Pvt Ltd	2,000,000.00	200,000,000.00
Pawan Kumar Golyan	100.00	10,000.00
Basu Dev Golyan	100.00	10,000.00
Surabhi Golyan	100.00	10,000.00
Kumud Golyan	100.00	10,000.00
Shakti Kumar Golyan	100.00	10,000.00
Golyan Power Limited	300,000.00	30,000,000.00
<b>TOTAL Promotor's Share (A)</b>	<u>6,400,000.00</u>	<u>640,000,000.00</u>
<b>Ordinary Shares - Public Offering (B)</b>	1,600,000.00	160,000,000.00
<b>Total Shares outstanding at 16-07-2025 (A+B)</b>	<u>8,000,000.00</u>	<u>800,000,000.00</u>



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## Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

### 13. Other Equity

<u>Particulars</u>	As on Ashad 32, 2082 (July 16, 2025) (NRS)	As on Ashad 31, 2081 (July 15, 2024) (NRS)
<b>Retained Earnings</b>		
Upto Last Year	(22,694,696.44)	(4,137,262.33)
For the Year	31,979,038.03	(17,580,246.87)
IPO Issuance Charges	(5,446,439.92)	(1,087,750.00)
Prior Period Items	-	110,562.77
	<u>3,837,901.67</u>	<u>(22,694,696.44)</u>

### 14. Long Term Borrowings

<u>Particulars</u>	As on Ashad 32, 2082 (July 16, 2025) (NRS)	As on Ashad 31, 2081 (July 15, 2024) (NRS)
<b>Secured Loans:</b>		
Term Loan (Nabil Bank)	405,807,895.61	495,736,896.00
Term Loan (Standard Chartered Bank)	1,075,118,983.00	1,183,342,643.00
Less:		
Current Maturity of Term Loan	(86,969,424.00)	(83,277,660.00)
<b>Total</b>	<u>1,393,957,454.61</u>	<u>1,595,801,879.00</u>

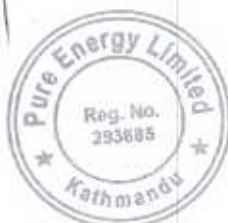
#### Credit facilities have been secured against the

- First legal charge by way of registered mortgage/pledge/hypothecation over the entire present and future fixed assets, created with or without financing owned by the Borrower solely in favour of the financing Banks.
- First charge over entire current assets of the project including receivables from Nepal Electricity Authority, compensation/ incentives paid to the borrower etc solely in favour of the Banks.
- Assignment of Power Purchase Agreements signed between Nepal Electricity Authority and the Borrower for supply and delivery of energy (electricity) produced by the Borrower from the two Grid Tied Solar PV Electricity Projects of 10 MW each (Block I and Block II) located at Raniyapur, Khajura Rural Municipality of Banke District, Lumbini Province (Province No. 5), Nepalgunj,
- Assignment of Power generation/transmission license.
- Assignment of Project Guarantees.
- Personal Guarantee of Mr.Akshay Golyan till the tenure of loan.

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## Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

### 15. Trade Payables

<u>Particulars</u>	As on Ashad 32, 2082 (July 16, 2025) (NRS)	As on Ashad 31, 2081 (July 15, 2024) (NRS)
Retention Payables	-	22,226,068.80
Sundry Creditors	4,128,714.85	2,630,035.96
	<u>4,128,714.85</u>	<u>24,856,104.76</u>

### 16. Short Term Borrowings

<u>Particulars</u>	As on Ashad 32, 2082 (July 16, 2025) (NRS)	As on Ashad 31, 2081 (July 15, 2024) (NRS)
Secured Loans:		
Short Term Loan	-	39,999,705.07
Current Maturity of Non-Current Borrowings	86,969,424.00	83,277,660.00
	<u>86,969,424.00</u>	<u>123,277,365.07</u>

### 17. Other Liabilities

<u>Particulars</u>	As on Ashad 32, 2082 (July 16, 2025) (NRS)	As on Ashad 31, 2081 (July 15, 2024) (NRS)
Withholding Taxes	154,883.66	158,337.92
Audit Fee Payable	111,500.00	111,500.00
Salary & Wages Payable	928,737.50	794,717.00
Advance from Director	26,000,000.00	25,500,000.81
Retirement Fund Payable	111,839.42	109,614.42
Expense Payable	117,937.84	248,079.54
Interest Payable	2,836,837.24	3,526,459.74
Other Payable	8,770.00	35,165.36
	<u>30,270,505.66</u>	<u>30,483,874.79</u>

### 18. Provision

<u>Particulars</u>	As on Ashad 32, 2082 (July 16, 2025) (NRS)	As on Ashad 31, 2081 (July 15, 2024) (NRS)
Provision for Bonus	639,580.76	-
Provision for Corporate Social Responsibility	319,790.38	-
Provision for Leave encashment	187,166.00	-
	<u>1,146,537.14</u>	<u>-</u>

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## Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

### 19. Revenue From Operations

<u>Particulars</u>	Year ended Ashad 32, 2082 (July 16, 2025) (NRS)	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)
Sale of Electricity	259,256,915.80	200,747,296.63
	<u>259,256,915.80</u>	<u>200,747,296.63</u>

### 20. Cost of Plant Operation

<u>Particulars</u>	Year ended Ashad 32, 2082 (July 16, 2025) (NRS)	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)
Bay Control Panel Charges	582,804.67	500,154.24
Civil Materials and Consumables	875,843.77	1,110,673.18
Internal Consumption of Electricity	2,402,243.98	1,618,596.00
Insurance Expenses	5,682,841.79	3,576,283.16
Labour Wages	665,640.22	177,780.79
Security Expenses	3,949,350.00	2,100,045.86
	<u>14,158,724.43</u>	<u>9,083,533.23</u>

### 21. Employee Cost

#### 21.1 Employee Cost charged to Statement of Profit and Loss

<u>Particulars</u>	Year ended Ashad 32, 2082 (July 16, 2025) (NRS)	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)
Short Term Employee benefits:		
Salary & Allowances	11,134,749.58	8,075,958.00
Long Term Employee benefits:		
Contribution to Social Security Fund	613,108.00	443,731.00
Leave Encashment	187,166.00	-
	<u>11,935,023.58</u>	<u>8,519,689.00</u>

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# Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

## 22. Administration Expenses

Particulars	Year ended Ashad 32, 2082 (July 16, 2025) (NRS)	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)
Office Expenses	1,074,071.05	755,941.00
Rent Expenses	1,623,628.47	1,291,407.22
Audit Fee	113,000.00	113,000.00
Bank Charges	455,516.00	46,993.02
Printing & Stationery	31,620.25	48,658.00
Maintenance Cost	691,359.24	3,269,615.09
Staff Welfare Expense	84,545.38	92,361.09
Donation and Charity	67,450.00	32,675.00
Site Office Setup	26,489.39	89,100.50
Festival Expenses	251,780.02	27,620.00
Transportation and Courier Charges	252,668.24	420,699.00
Fuel Expenses	573,502.18	226,283.68
Communication Expenses	84,748.93	21,808.66
Site Visit Expenses	135,932.95	329,779.91
Insurance Cost Staff and Vehicle	50,273.82	-
Management and Consultancy Charges	2,474,700.00	3,401,187.00
Certification & Translation	85,350.00	261,560.40
Registration and Renewal	58,300.00	118,820.00
Advertisement and Promotional Cost	921,114.00	136,740.00
Legal Fees	471,775.00	-
	<b>9,527,824.92</b>	<b>10,684,249.57</b>

## 23. Extraordinary Expenses

Particulars	Year ended Ashad 32, 2082 (July 16, 2025) (NRS)	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)
Fine and Penalty	-	4,095,660.00
	<b>-</b>	<b>4,095,660.00</b>

22.1 Fine and Penalty consists of penalty charged by the Nepal Electricity Authority (NEA) for not meeting the commercial operation date of Block I as outlined in the Power Purchase Agreement (PPA) in F/Y 2080-81.

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Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

24. Borrowing Cost

Particulars	Year ended Ashad 32, 2082 (July 16, 2025) (NRS)	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)
Interest on Bank Borrowings	101,114,031.72	110,244,234.84
	<u>101,114,031.72</u>	<u>110,244,234.84</u>

24.1 Capitalization of Interest on Bank Borrowings

Particulars	Year ended Ashad 32, 2082 (July 16, 2025) (NRS)	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)
<b>Block 2:</b>		
Bank Interest	-	69,213,745.18
Bank Commission and Fee	-	-
Less: Borrowing cost charged to Profit and Loss	-	(69,213,745.18)
<b>Total Borrowing cost capitalized in Block 2</b>	-	-
<b>Block 1:</b>		
Bank Interest	-	77,137,883.42
Bank Commission and Fee	-	-
Less: Borrowing cost charged to Profit and Loss	-	(41,030,489.66)
<b>Total Borrowing cost capitalized in Block 1</b>	-	<u>36,107,393.76</u>
<b>Borrowing cost Capitalized under PPE</b>	-	<u>36,107,393.76</u>
<b>Borrowing cost Charged to PL</b>	-	<u>110,244,234.84</u>

25. Depreciation and Amortization

Particulars	Year ended Ashad 32, 2082 (July 16, 2025) (NRS)	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)
Depreciation on PPE	98,337,935.98	75,682,445.71
Depreciation on ROU Assets	5,860,200.00	5,860,200.00
Amortization of Intangible Assets	576,351.98	576,351.98
Less: Depreciation on ROU Asset Capitalized to Block I	-	(2,617,020.82)
	<u>104,774,487.96</u>	<u>79,501,976.86</u>

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Pure Energy Limited  
Reg. No. 293665  
Kathmandu



Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

26. Earnings Per Share

Particulars	Year ended Ashad 32, 2082 (July 16, 2025) (NRS)	Year ended Ashad 31, 2081 (July 15, 2024) (NRS)
Numerator		
Profit/(Loss) for the year	31,979,038.03	(17,580,246.87)
Denominator (Weighted Avg No. of Shares)		
Basic	6,798,164	5,824,863
Diluted	6,798,164	5,824,863
Earning Per Share (in NRs) (Face Value Rs 100/- each)		
Basic	4.70	(3.02)
Diluted	4.70	(3.02)

Earning Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluted potential equity shares.

27. Contingent Liabilities, Capital Commitment & Contingent Assets:

27.1 Contingent Liabilities

Contingent liabilities are potential future cash out flows, where the likelihood of payment is considered more than remote but is not considered probable or cannot be measured reliably.

27.1.1 Bank Guarantee has been provided to the Department of Customs for obtaining EXIM Code. As at the reporting date the guarantee amount is NPR 300,000

27.2 Commitment

A commitment is a contractual obligation to make a payment in the future. These amounts are not recorded in the statement of financial position since the company has not yet received the goods or services from the supplier.

27.3 Contingent Assets

Contingent asset where it is probable that future economic benefits will flow to the company are not recognized but disclosed in the financial statements.

28. Related Party Transactions

28.1 A related party is a person or entity that is related to the entity that is preparing its financial statements

a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control of the reporting entity
- (ii) has significant influence over the reporting entity or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.





Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Entity has following Related party transaction:

28.2 List of Related Parties

Name of Related Parties	Nature of Relationship
<b>a. Key Management personnel (KMP):</b>	
Mr. Akshay Golyan	Chairman and MD
Ms.Surabhi Golyan	Director
Mr. Shakti Kumar Golyan	Director
<b>Representative Directors</b>	
Mr. Nishant Goyal (Renergo Developers Pvt Ltd, Delhi, India)	Director
Mr. Mayank Rohilla (Renergo Developers Pvt Ltd,	Director
<b>b. Other Related Parties:</b>	
Westar Galaxy Trading Pvt Ltd	Common Shareholder
Renergo Developers Pvt. Ltd.	Common Shareholder
Renergo Developers Pvt.Ltd (India)	Common Shareholder
Nexus Engineering Consultancy and C	Significant Influence by KMP
Clear Energy Pvt Ltd	Common Shareholder
Pious Energy Pvt Ltd	Common Shareholder
Sol Power Pvt. Ltd.	Significant Influence
Golyan Tower Pvt Ltd	Common Shareholder

28.3 Transactions with Directors & Key Management Personnel

The company has received Rs. 2.6 Crore loan from Mr. Akshay Golyan to meet temporary fund requirement and it is non-Interest bearing.

28.4 Other Related Party Transaction and Balances

Related party Identified	Nature of Transaction	Transaction during the Year Purchase/(Sales)	Closing Balance Receivable/ (payable)
Westar Galaxy Trading Pvt Ltd	Service Agreement	2,536,850.00	-
Golyan Tower Pvt Ltd	Rental Services	1,450,296.00	694,733.60
Nexus Engineering Consultancy and Construction Pvt Ltd	Repair Service	-	(1,685,165.87)

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## Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

### 29. Financial risk management objectives and policies

The Company's business activities expose to a variety of risks, namely primarily to, liquidity and interest rate risk, which may adversely impact the fair value of its financial instruments. The Company's Board and senior management has overall responsibility for the establishment and oversight of the Company's risk management. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

#### 29.1 Market risk

In spite of having a very high potentiality of Hydropower and Solar energy sector, it is volatile to geopolitical and domestic incidents. With stabilization in the geopolitical and domestic issues, the energy sector looks for bright future. However, there is risk that any domestic/ international or geopolitical incidents would impact the business of the company. However, the company through its experienced management and strong promoters will sustain through such risks.

#### 29.2 Credit risk

The company provides 45 days credit to Nepal Electricity Authority. NEA being a government enterprise, the company estimates no credit risk.

#### 29.3 Liquidity risk

The Company monitors its risk to a shortage of funds on a regular basis through fund forecast. The Company's objective is to maintain a balance between continuity of funding through equity and cash flows from operations to meet its operational cost and debt servicing. The company estimates that it will generate sufficient revenue from sale of electricity to meet its fund requirement.

#### 29.4 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has borrowings from banks to fund the construction of the project. Company's interest rate on such borrowing is determined based on the quarterly base rate published by the bank. Such base rate changes with the change in market scenario. Hence company is exposed to Interest Rate risk.

#### 29.5 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is less exposed to foreign currency risk.

#### 29.6 Operational Risk

The company have prepared and implemented various Standard Operating Procedures (SOPs) in the form of clear cut delegation of authority for the activities, guidelines regulations etc. Company believes that the controls implemented by the company have minimized the operational risk to acceptably low level.

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## Pure Energy Limited

Notes forming part of the Accounts for the year ended Ashad 32, 2082 (July 16, 2025)

### 30. Financial Instruments Classification and Fair value measurements

Financial Instruments are classified in accordance with Note 3.6. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values are determined according to the following hierarchy:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability. Company has used its own data (accounting value) and considered if there exist factors that would otherwise result in changes to the book value of assets or liabilities. Such factors did not exist as per management evaluation and accordingly, book value has been considered as fair value.

Particulars	As on Ashad 32, 2082		As on Ashad 31, 2081	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Cash and cash equivalents	-	7,906,434.11	-	3,407,972.69
Investments	-	27,010,000.00	-	
Trade receivables	-	45,407,804.00	-	46,063,070.63
<b>Total Financial assets</b>	-	<b>80,324,238.11</b>	-	<b>49,471,043.32</b>
<b>Financial liabilities</b>				
Borrowings	-	1,480,926,878.61	-	1,719,079,244.07
Trade Payables	-	4,128,714.85	-	123,277,365.07
Other Liabilities	-	30,270,505.66	-	30,483,874.79
Lease liabilities	-	-	-	-
<b>Total Financial liabilities</b>	-	<b>1,515,326,099.12</b>	-	<b>1,872,840,483.93</b>

### 31. Miscellaneous:

#### 31.1. Bonus Provision:

Provision for Bonus has been made @2% of profit as per Electricity Act, 2049.

#### 31.2 Provision for CSR:

Provision of CSR as required under Industrial Enterprises Act, 2076 has been made during the Year @1% of the Profit.

#### 31.3 Retention Money Written back:

The company has decided to write back the retention money payable to vendors as the same stands not payable and stated under other income in the profit or loss statement.

#### 31.4 Income Tax:

The provision for income tax has not been made in view of tax holiday enjoy by the company as per the provision of applicable Income Tax Law.

#### 31.5 Regrouping and Round off:

Figures have been regrouped and rearranged so as to facilitate comparison. Insignificant rounding off differences may exist.

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