Nava Raj Thapaliya & Associates Chartered Accountants

House No. 197, KMC-4, Suyog Marg, Maharajgunj , Kathmandu, Nepal Tel: 01-4432552

E-mail: thapaliyanr@gmail.com

Independent Auditor's Report to the Shareholders of Vidhyut Utpadan Company Limited (VUCL)

Opinion

We have audited the accompanying Consolidated Financial Statements of Vidhyut Utpadan Company Limited and subsidiaries (collectively referred as "VUCL & Group") which comprises Consolidated Statement of Financial Position as at 32nd Ashad 2079, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements for the year then ended 32nd Ashad 2079.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the VUCL & Group as at 32nd Ashad 2079, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter is as follows:



Key Audit Matter	How our audit addressed the key audit
Investment in fixed deposits: The VUCL & Group's investment in fixed deposits is Rs. 422.08 Crores being 41.87 % of group's total assets (VUCL Rs. 260.57 Crores, being 53.18% of VUCL's total assets). Since such investment in fixed deposits represents material part of group/standalone total assets, we considered these are the Key Audit Matter.	For investment in fixed deposits, our key audit procedures included the following: -We verified the provision of companies AOA/MOA for such investments, -We verified whether the necessary approval from competent authority has been taken, -We checked whether adequate analysis has been taken before selecting the competitive BFIs regarding best interest rate based on bidding documents, -We verified required supporting documents for such investments, -We verified risk assessment procedures on such investment, -Other procedures as required for obtaining assurance for adequacy of booking of transactions.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the VUCL & Group's ability to continue as 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 VUCL and Group or to cease operation, or has not realistic alternative but to do so.

Those charged with governance are responsible for overseeing the VUCL & Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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



- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Report on the requirements of the Companies Act, 2063

We have obtained information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, the consolidated financial statements have been prepared in accordance with the requirements of the Companies Act, 2063. To the best of our information and according to explanations given to us and from our examination of the books of accounts of the VUCL & Group necessary for the purpose of our audit to the extent for the scope of our audit, we have not come across cases where the Board of Directors or any employees of the VUCL & Group have acted contrary to the provisions of law relating to the accounts or committed any misappropriation or caused loss or damage to the VUCL & Group relating to the accounts in the VUCL & Group.

CA. Nava Raj Thapaliya

Place: Maharajgung, Nepal. Date: 28th Mangsir 2079 UDIN: 221222CA00267YxXNc

3

Buddhanagar, Kathmandu 10, Nepal

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 32nd Ashad 2079 (16th July 2022)

Figures in NPR

	4		Figures in NPR
Particulars	Note	32.03.2079	31.03.2078
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4.1	539,905,674.59	188,951,247.09
Capital Work In Progress	4.2	3,563,423,506.48	2,718,968,922.11
Intangible Assets	4.3	1,358,566.97	127,721.52
Financial Assets		1,550,500.57	127,721.32
Investment in Subsidiaries	4.4.1	_	_
Investment in Associates	4.4.2	272,600,386.46	89,939,681.18
Other investment in Equity Shares	4.4.3	2,550,000.00	2,550,000.00
Other Financial Assets	4.4.4	8,352,445.00	352,445.00
Advance Tax (net)	4.5	175,509,742.06	160,044,796.67
Total Non- Current Assets		4,563,700,321.56	3,160,934,813.57
Current Assets			
Other Current Assets	4.6	657,982,470.87	1,062,652,718.01
Inventories	4.7	675,720.36	911,668.20
Financial Assets			
Investment in Fixed Deposit	4.4.5	4,220,774,146.31	4,023,706,705.70
Cash and Cash Equivalents	4.4.6	637,279,220.64	707,025,978.30
Other Financial Assets	4.4.4		84,384.00
Total Current Assets		5,516,711,558.18	5,794,381,454.21
Total Assets		10,080,411,879.74	8,955,316,267.78
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	4.8	4,055,800,000.00	4,055,800,000.00
Advance Towards Share Capital	4.9	6,186,608,792.73	5,440,265,292.70
Retained Earnings and Reserve	4.10	(489,682,450.55)	(678,218,475.15)
Non-Controlling Interest	7.10	148,573,191.15	(070,210,473.13)
Total Equity		9,901,299,533.33	8,817,846,817.55
Non Current Liabilities		7,761,277,333.33	0,017,040,017.33
Deferred Tax Liabilities	4.11	1,673,629.92	1,387,681.24
Lease Liability	4.11	17,012,448.87	1,367,061.24
Financial Liabilities		17,012,446.67	-
Employee Benefit Liabilities	4.12.1	3,874,979.82	2,877,162.32
Trade & other Payable	4.12.2	58,172,640.41	49,898,430.90
Total Non Current Liabilities	7.12.2	80,733,699.02	54,163,274.46
Current Liabilities		00,733,077.02	54,105,274.40
Lease Liability		2,977,737.27	
Financial Liabilities		2,711,131.21	THE WORLD
Employee Benefit Liabilities	4.12.1	28,603.11	168,193.00
Trade & other Payable	4.12.1	95,372,307.00	83,137,982.76
Total Current Liabilities	7.12.2	98,378,647.38	83,306,175.76
Total Liabilities		179,112,346.40	
Total Equity and Liabilities		10,080,411,879.74	137,469,450.22
Notes 1-5.11 are integral part of these financial	atatama 1	10,000,411,079.74	8,955,316,267.78

unts Officer

Q~ () J\ \^. Surya Prasad Rijal Managing Direct

Director

Kalyan Raj Sharma

Birendra Paudel Director

Kul Man Ghising Director

is per our attached report of even date

Chiranjeewee Chataut

Director

Date: 2079.08.27 Place: Kathmandu Dhundi Prasad Niraula Director

Dinesh Kumar Ghimire Chairman

CA. Nava Kaj Thapaliya Nava Raj Thapaliya & Associates

Chartered Accountants



Buddhanagar, Kathmandu 10, Nepal

CONSOLIDATED STATEMENT OF PROFIT & LOSS

For the Period ended 32nd Ashad 2079 (16th July 2022)

Figures in NPR

Particulars	Notes	FY 2078-79	FY 2077-78
Revenue from Operations		-	
Cost of Sales		-	
Gross Profit		-	
Other Income	4.13	396,067.12	344,430.12
Personnel Expenses	4.14	(47,937,073.96)	(53,588,994.02)
General Administrative Expenses	4.15	(41,218,561.73)	(45,017,765.45)
License fee, Feasibility, Environmental Study and other			***************************************
cost of Projects	4.16	(209,509,859.92)	(176,791,166.51)
Depreciation and amortization	4.17	(16,172,459.29)	(9,721,502.74)
Profit from Operations		(314,441,887.78)	(284,774,998.60)
Finance Income	4.18	338,764,060.78	300,269,889.10
Gain/(loss) on equity method accounting of associate Finance Cost		2,660,705.28	694,855.01
Profit Before Income Tax		26,982,878.28	16,189,745.51
Current Tax Expenses	4.19	(35,320,430.42)	(34,593,484.17)
Deferred Tax (Expense)/Reversal	4.11	(285,948.68)	(85,698.60)
Net Profit/(Loss) for the year		(8,623,500.82)	(18,489,437.26)
Earning per Equity share of Rs. 100 each			
Basic Earning Per Share-Rs.	4.10	(0.21)	(0.46)
Diluted Earning Per Share -Rs.	4.19	(0.21)	(0.46)

Notes 1-5.11 are integral part of these financial statements.

Sr.Accounts Officer

J2 8 11,0 Surya Prasad Rijal

Dhundi Prasad Niraula

Managing Director Director

Kalyan Raj Sharma

Birendia Paudel Director

Kul Man Ghising Director

As per our attached report of even date

Chiranjeewee Chataut Director

Date: 2079.08.27 Place: Kathmandu

Director

Dinesh Kumar Ghimire Chairman

CA. Nava Raj Thapaliya Nava Raj Thapaliya & Associates

Chartered Accountants



Buddhanagar, Kathmandu 10, Nepal

CONSOLIDATD STATEMENT OF OTHER COMPREHENSIVE INCOME

For the Year ended 32nd Ashad 2079 (16th July 2022)

Figures in NPR

	- 0
FY 2078-79	FY 2077-78
(8,623,500.82)	75,549,296.25
	-
- 1	
-	-
-	-
(8,623,500.82)	75,549,296.25
	(8,623,500.82) - - -

Bhim/La Shrestha Sr.Accounts Officer

Janoning. Surya Prasad Rijal **Managing Director**

Kalyan Raj Sharma Director

Birendra Paudel Director

Kul Man Ghising Director

As per our attached report of even date

Chiranjeewee Chataut

Director

Date: 2079.08.27

Place: Kathmandu

Dhundi Prasad Niraula

Director

Dinesh Kumar Ghimire Chairman

CA. Nava Raj Thapaliya Nava Raj Thapaliya & Associates **Chartered Accountants**

ALIYA &

Budhanagar, Kathmandu 10, Nepal

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Period ended 32nd Ashad 2079 (16th July 2022)

Figures in NPR

		Figures in NPR
Particulars	FY 2078-79	FY 2077-78
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the Year before income tax	26,982,878.28	15,494,890.50
Adjustments for:		
Depreciation and Amortization	16,172,459.29	9,739,300.24
Interest Income Received	(234,006,813.57)	(221,027,526.53
Equity method accounting of associate	(2,660,705.28)	4
Working capital adjustments	-	
(Increase)/ decrease in Other financial assets	123,318.01	(124,704.00
(Increase)/ decrease in other current assets	(410,736,704.85)	1,622,346,944.44
(Increase)/ decrease in Inventories	235,947.84	(911,668.20
Increase/ (decrease) in employee liabilities	(24,372,698.58)	34,705,390.23
Increase/ (decrease) in lease liabilities	(2,586,502.35)	-
Increase/ (decrease) in Trade and other payables	44,803,008.53	(193,201,557.11
Cash generated from operations	(586,045,812.68)	1,267,021,069.57
Bonus Paid	- 1	-
Income Tax paid	(50,021,322.53)	(44,704,422.38
Net cash flows from operating activities	(636,067,135.21)	1,222,316,647.19
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		
Acquisition of Property, Plant and Equipment	(238,800,353.07)	(18,533,662.57
Disposal of assets	42,692.00	
Purchase of Intangible Assets	(1,070,250.00)	(50,850.00
Capital Work in Progress	(844,454,584.37)	(2,601,752,866.65
Investment in Fixed Deposit	498,602,559.39	95,693,294.30
Investment in Subsidiary		(100,000,000.00
Investment in Associates	(180,000,000.00)	(8,500,000.00
Interest Received	234,006,813.57	221,027,526.53
Net cash flows from/(used in) investing activities	(531,673,122.48)	(2,412,116,558.39
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds towards share capital	601,650,000.00	25,315,287.21
Non controlling interest share addition		_
Proceeds towards advance share capital	496,343,500.03	1,389,542,292.72
Net cash flows from/(used in) financing activities	1,097,993,500.03	1,414,857,579.93
NCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(69,746,757.66)	225,057,668.73
CASH AND CASH EQUIVALENTS, Beginning of period	707,025,978.30	481,968,309.57
CASH AND CASH EQUIVALENTS, End of Period	637,279,220.64	\707,025,978.30

Bhird Lal Shrestha Sr. Accounts Officer 22615

Surya Prasad Rijal Managing Director

Kalyan Raj Sharma Director

Birendra Paudel

Kul Man Ghisin

Director

As per our attached report of even date

Chiranjeewee Chataut

Director

Date: 2079.08.27 Place: Kathmandu Dhundi Prasad Niraula

Director

Dinesh Kumar Ghimire Chairman

CA. Nava Raj Thapaliya

Nava Raj Thapaliya & Associates

Chartered Accountants





VIDHYUT UTPADAN COMPANY LIMITED Budhanagar, Kathmandu 10, Nepal

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Period ended 32nd Ashad 2079 (16th July 2022)

Figures in NPR

· · · · · · · · · · · · · · · · · · ·		Non Controlling	Advance toward		
Particulars	Share capital	Interest	the share Capital	Retained earnings	Total
Balance as at 31 Ashad 2077	4,055,800,000.00	-	4,050,723,000.00	(602,599,827,69)	7 503 923 172 31
Adjustment of Equity method accounting of					7
Associates				(6,255,173.83)	(6,255,173.83)
Restated Balance as at 1 Shrawan 2077	4,055,800,000.00	•	4,050,723,000.00	(608,855,001.52)	7,497,667,998.48
Profit for the year	•	7		(18,489,437.26)	(18,489,437.26)
Adjustment to retained earnings				(50,874,036.38)	(50,874,036.38)
Receipt towards share capital in advance			1,389,542,292.73	•	1,389,542,292.73
Balance as at 31 Ashad 2078	4,055,800,000.00	1	5,440,265,292.73	(678,218,475.16)	8,817,846,817.57
Adjustment of lease	-			(5,917,283.41)	(5,917,283.41)
Restated Balance as at 1 Shrawan 2078	4,055,800,000.00	1	5,440,265,292.73	(684,135,758.57)	8,811,929,534.16
Profit for the year				(8,623,500.82)	(8,623,500.82)
Minority shareholders introduced in subsidiary		351,650,000.00			351,650,000.00
Dilution of investment in Jagdulla Hydropower		(203,076,808.85)	-	203,076,808.85	,
Receipt towards share capital in advance			746,343,500.00		746,343,500.00
Balance as at 32 Ashad 2079	4,055,800,000.00	148,573,191.15	6,186,608,792.73	(489,682,450.54)	\$,901,299,533.34
(•	•	- '

Bhim Lal bhrestha

Sr. Accounts Officer

Managing Director Promin Surya Prasad Rijal

Dinesh Kumar Ghimire Chairman

Dhundi Prasad Niraula

Director

As per our attached report of even date

Kul Man Ghising

Director

Birendra Paudel Director

Kalyan Raj Sharma

Director

CA. Nava Raj Thapaliya - Welvat

Nava Raj Thapaliya & Associates/ Chartered Accountants

Place: Kathmandu Date: 2079.08.27 Director

Chiranjeewee Chataut

Buddhanagar, Kathmandu 10, Nepal Notes to the financial statements

For the Period ended 32nd Ashad 2079 (16th July 2022)

1 General Information of Company

Vidhyut Utpandan Company Limited (VUCL) is a public limited company incorporated under Companies Act, 2063 on 2073.08.05. The main objective of the Company is to engage in survey, development, electricity generation, operation and management of hydropower projects intended to be developed by Nepal Government. The Company also plans to develop other hydropower projects. The company has registered office at Buddhanagar, Kathmandu.

The Company is promoted by the different Ministries of the Government of Nepal and public sector undertakings.

2 Responsibility of Financial Statement

Management and those charged with governance is responsible for preparation and presentation of Financial Statements as per the provisions of Company Act, 2063 and other relevant regulations.

The responsibility for preparation of following Financial Statements is inherent with the management.

- a. Statement of Financial Position showing financial position of the company.
- b. Statement of Profit or Loss and other comprehensive income showing financial performance of the company.
- c. Cash flow Statements for assessing the company's ability to generate Cash and Cash equivalents
- d. Statement of Changes in Equity
- e. Notes comprising a summary of significant accounting policies and other explanatory notes.

2.1 Date of Authorization for Issue

The Financial Statements were authorized for issue by the resolution of the Board of Directors on 2079.08.27.

2.2 Reporting Period

The Company follows the Nepalese financial year based on the Nepalese calendar. The corresponding dates for the English calendar are as follows:

Particulars	Period
Comparative Reporting Period	1 Shrawan 2077 - 31 Ashad 2078
Reporting Period	1 Shrawan 2078 - 32 Ashad 2079

3 Significant Accounting Policies

3.1 Basis of Preparation

The financial statements are prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle.



The financial statements are prepared in line with Nepal Financial Reporting Standards (NFRS) as issued by Accounting Standards Board Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN).

3.3 Critical accounting estimates and judgements

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

The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have most significant effect in the Financial Statements are as follows:

i) Useful life and residual value of property, plant and equipment

Management reviews the useful life and residual values of property, plant and equipment at least once a year. Such life is dependent upon an assessment of both the technical life of the assets and also their likely economic life, based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

ii) Impairment of property plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

iii Contingencies

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

iv) Fair value measurements

Some of the Company's assets are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available, else moves to level 2 and level 3 inputs. The management works closely with the qualified external values to establish the appropriate valuation techniques and inputs to the model.

DX

KATHMANDU ES

M

v) Recognition of deferred tax assets

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company based its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company.

3.4 Discounting

Discounting has been applied where assets and liabilities are non-current and the impact of the discounting is material.

3.5 Limitation of NFRS Implementation

Wherever the information is not adequately available and the cost to develop the same would exceed the benefit derived, such exception to NFRS implementation has been noted and disclosed in respective sections.

3.6 Functional and presentation currency

The Company operate within the jurisdiction of Nepal. Nepalese Rupees (NPR.) is the presentation and functional currency of the Company. Accordingly, the Financial Statements are prepared and presented in Nepalese Rupees.

3.7 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. Based on the nature of service/product and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

The Company classifies an asset as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The Company classifies a liability as current when:

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

The Company classifies all other liabilities as non-current.

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

3.8 Operating Cycle

The Company considers its operating cycle to be of 12 months.





Buddhanagar, Kathmandu 10, Nepal

Notes to the financial statements

For the Period ended 32nd Ashad 2079 (16th July 2022)

4.1 Property, Plant and Equipment (PPE)

Recognition and Measurement:

Initially, items of PPE are measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the items.

Subsequently, PPE is measured at cost less accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. All other costs are charged to statement of profit and loss during the reporting period in which they are incurred.

Property, plant and equipment costing up to Rs. 25,000.00 are expensed off in the year of acquisition.

Depreciation methods, estimated useful lives and residual value:

Depreciation is calculated using the Straight Line Method to allocate their cost, net of their residual value, over their estimated useful life, from the date the assets are ready for its intended use. Leasehold assets are amortized over the primary period of lease. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The residual values, useful lives and the depreciation methods of assets are reviewed at least annually, and if expectations differ from previous estimates, changes are made in the estimates and are accounted for as a change in accounting estimates in accordance with NAS 8.

Management's estimate of the economic useful lives and salvage value are as follows:

S.N.	Assets Type	Life (in Year)	Salvage (in %)
1	Computers	5	5
2	Furniture and Fixtures	10	5
3	Office Equipment	7	5
4	Vehicles	8	5
5	Machinery and Electrical Plant	15	5
6	Electrical Structure and Transmission Line	Lease period	
7	Public Structure	Lease period	
8	Other Assets	5	5

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss within other gains/ (losses).

Impairment

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest component of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss.

MX

12

A M

and Loss.

1



De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Dex

m

a

it and loss w

n the asset is derecognised.



VIDHYUT UTPADAN COMPANY LIMITED
Buddhanagar, Kathmandu 10, Nepal
Notes to the financial statements
For the Period ended 32nd Ashad 2079 (16th July 2022)

À	
	d Equipment
	perty, Plant an
	4.1 Details of Prop

Figures in NPR

Particulars	Land	Right to Use Assets	Office Equipment	Furniture and Fixture	Vehicle	Others Assets	Total
Balance as at 1 Shrawan 2078	121,284,149.00		6,847,652.11	1,441,881.20	45,872,600.00		175,446,282.31
Additions	228,601,201.00	16,659,405.08	805,680.00	355,724.00	7,263,499.97		253,685,510.05
Transfer to PPE			•				2
Revaluation and Adjustments	1		•				•
Disposals	•		,				
Sub-Total	349,885,350.00	16,659,405.08	7,653,332.11	1,797,605.20	53,136,099.97	•	429.131.792.36
Relating to Subsidiary							
Balance as at 1 Shrawan 2078							r
Nalgad Hydropower Company Ltd			10,096,707.47	3,264,566.15	15,622,599.70		28,983,873.32
Jagdulla Hydropower Company Ltd			3,523,651.29	2,638,886.90	15,109,600.02	631,835.26	21,903,973.47
Additions							•
Nalgad Hydropower Company Ltd			788,876.57	151,420.00			940,296.57
Jagdulla Hydropower Company Ltd	111,870,414.53		337,551.09	62,482.00	٠	,	112,270,447.62
Sub-Total	111,870,414.53		14,746,786.42	6,117,355.05	30,732,199.72	631,835.26	164,098,590.98
Balance as at 32nd Ashad 2079	461,755,764.53	16,659,405.08	22,400,118.53	7,914,960.25	83,868,299.69	631,835.26	593,230,383.34
Accmulated Depreciation and Impairment Losses	pairment Losses						
Balance as at 1 Shrawan 2078			3,127,745.92	235,093.78	12,964,108.60		16,326,948.30
Charge for the year	,	2,897,287.84	968,414.18	148,467.39	5,850,473.17		9,864,642.58
Transfer to PPE					•		,
Disposals	•		42,692.00	•	•		42,692.00
Sub-Total	•	2,897,287.84	4,138,852.10	383,561.17	18,814,581.77		26,234,282.88
Relating to Subsidiary Balance as at 1 Shrawan 2078							
Nalgad Hydropower Company Ltd			8,893,550.58	1,706,956.13	5,421,638.43	116	16,022,145.14
Jagdulla Hydropower Company Ltd			1,403,803.21	268,176.02	3,070,393.94	291,415.40	5,033,788.57
				0	(~	7

	CHECK
18/23	mited
Compan	
abadul.	· W
CEP!	MAN
	Linesdan Company

Additions						,
Nalgad Hydropower Company Ltd		708,799.76	312,143.74	1,855,183,72	•	2,876,127,22
Jagdulla Hydropower Company Ltd		976.393.59	253,494.30	1 795 020 48	133 456 58	3 158 364 94
Sub-Total		11 982 547 14	2 540 770 10	2 540 770 10 12 142 336 57	474 071 00	FO. FO. 000 FC
Balance as at 32nd Ashad 2070	1 00 TOC TOO C	16 101 200 24	200100000	15,174,430.37	44,0/1.70	1,030,473.07
Taranto as at Orna Ashau 2017	+0.102,120,2	10,121,399.24	2,924,331.30	30,936,818.34	424,871.98	53,324,708.75

		THE PERSON NAMED IN					11.000
Jagdulla Hydropower Company Ltd			976,393.59		253,494.30 1.795,020.48 133,456.58 3.158,364,94	133,456.58	3 158 364 94
Sub-Total	•		11,982,547.14	2,540,770.19	11,982,547.14 2,540,770.19 12,142,236,57 424,871,98 27,090,425,87	424,871.98	27.090.425.87
Balance as at 32nd Ashad 2079	1	2,897,287.84	16,121,399.24	2,924,331.36	2,897,287.84 16,121,399.24 2,924,331.36 30,956,818.34 424,871.98 53,324,708.75	424,871.98	53,324,708.75
Net Book Value							
At 31st Ashad 2078	121,284,149.00	1	7,042,911.16	5,135,108.32	7,042,911.16 5,135,108.32 55,148.658.75 340,419.86 188,951,247,09	340,419.86	188.951.247.09
Balance as at 32nd Ashad 2079	461,755,764.53	13,762,117.24	6,278,719.29	4,990,628.89	1,755,764.53 13,762,117.24 6,278,719.29 4,990,628.89 52,911,481.35 206,963.28 539,905,674.59	206,963.28	539,905,674.59

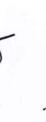
Additional Disclosure:

There is no restriction on use of assets including right to use assets and assets are not pledged as collateral with any party. Contractual commitments for assets are separately disclosed.

There is no any temporarily idle assets

The cost of the assets generally approximates to its fair value.







Buddhanagar, Kathmandu 10, Nepal

Notes to the financial statements

For the Period ended 32nd Ashad 2079 (16th July 2022)

4.2 Capital Work in Progress

Assets in the course of construction are capitalized in the assets under capital work in progress account (CWIP). The Company as well as its subsidiaries have not yet obtained the "Generation License" and is yet to enter into "Power Purchase Agreement", the work in progress is not subjected to application of IFRIC 12. Upon obtaining generation license, application of IFRIC 12 will be made. Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimate cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized. Revenue generated from production during the trial period is capitalized. Costs related to project in the course of undergoing technical design, pre-construction activities etc. after completion of feasibility study are recognized as Capital Work in Progress (CWIP) and are carried at cost, less accumulated impairment losses, if any. Expenses till feasibility of the project is established is charged to statement of profit or loss.

		Figures in NPR
Particulars	32.03.2079	31.03.2078
Balance as at 1 Shrawan 2078		
Phukot Karnali HE Project	100,637,555.08	
Kimathanka HE Project	<u>-</u>	
Nalgad Hydropower Company Ltd	2,618,331,367.03	-
Jagdulla Hydropower Company Limite		
Additions		
Phukot Karnali HE Project	105,543,482.70	100,637,555.08
Kimathanka HE Project	133,114,732.89	-
Relating to Subsidiary		
Nalgad Hydropower Company Ltd	605,796,368.78	2,618,331,367.03
Jagdulla Hydropower Company Limite		
Balance as at 32nd Ashad 2079	3,563,423,506.48	2,718,968,922.11

Impairment

At each reporting period, Company performs test as to whether the subsequent information or other events have led to the valuation of CWIP in such amount that it exceeds its recoverable amount or its apparent that CWIP will not longer be completed, then impairment test is done and any loss arising is booked in profit or loss.

4.3 Intangible Assets

Recognition and Measurement:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses, except software.

Certain computer software costs are capitalized and recognised as intangible assets based on materiality, accounting prudence and significant benefits expected to flow there from for a period longer than one year. The software generally have one time installation/acquisition charge and are run on annual renewal basis. On such scenario, a fixed period is determined to the purpose of amortization of software.

Amortization methods, estimated useful lives and residual value:

Amortization is recognized on a straight line basis over their estimated useful lives, without nil residual value. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Assets Type	Estimated useful life
Software	4 to 8 Years

Impairment

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Loss is accounted in profit or loss.





WENT !





Details of Intangible Assets		Under Development	Software	Total
Balance as at 1 Shrawan 2078	T VERY	***************************************		1-
VUCL		_	144,950.00	144,950.00
Nalgad Hydropower Company Ltd		-	297,190.00	297,190.00
Jagdulla Hydropower Co. Ltd			71,190.00	71,190.00
Additions - Externally Acquired				-
VUCL		-	590,000.00	590,000.00
Relating to Subsidiary				-
Nalgad Hydropower Company Ltd		-	433,920.00	433,920.00
Jagdulla Hydropower Co. Ltd		₩	480,250.00	480,250.00
Other acquisitions internally generated			127	72
Balance as at 32nd Ashad 2079		X=1	2,017,500.00	2,017,500.00
Balance as at 1 Shrawan 2078 VUCL		-	93,460.29	93,460.29
Amortisation and impairment losses				
		-	SOUTH AND A STANDARD CONTRACTOR	
Nalgad Hydropower Company Ltd			255,705.69	255,705.69
Jagdulla Hydropower Co. Ltd			36,442.50	36,442.50
Charge for the year VUCL			169 020 46	160,020,46
Relating to Subsidiary			168,020.46	168,020.46
Nalgad Hydropower Company Ltd			87,506.59	87,506.59
Jagdulla Hydropower Co. Ltd		-	17,797.50	17,797.50
Impairment losses			17,797.50	17,797.50
Balance as at 32nd Ashad 2079		-	658,933.03	658,933.03
Net Book Value				
At 1st Shrawan 2078		-	127,721.52	127,721.52
Balance as at 32nd Ashad 2079			1,358,566.97	1,358,566.97

4.4 Financial Assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when company becomes a party to the contractual provisions of the instruments.

Financial assets are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to subsidiaries, associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

A Effective interest method

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

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximates amortized cost due to the shorter maturity of these instruments.

B Classification and Measurement of Financial Assets

i. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount

JAX (

mi/@

K My

N

outstanding

ii. Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the shorter maturity of these instruments.

Impairment of financial assets

Financial assets, measured at amortized cost, are assessed at each Reporting date to determine whether there is objective evidence of impairment. If there is objective evidence that an impairment loss on financial assets measured at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original EIR. The losses arising from impairment are recognized in the Statement of Profit or Loss and Other Comprehensive Income.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under NFRS 9.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

Fair Value Measurement

The Company measures financial instruments, such as, investment in equity instruments at fair value at each balance sheet date. 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 value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable innute

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

F Offsetting of Financial Assets

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

During the financial year, company have not offsetted financial assets with financial liabilities.

X

an/

A W

My Solar



Buddhanagar, Kathmandu 10, Nepal

Notes to the financial statements

For the Period ended 32nd Ashad 2079 (16th July 2022)

4.4.1 Investment in Subsidiaries

As the Group's extent of investment in the invested companies allows it to have effective control over the governance and functions. The investment is treated as investment in subsidiaries.

All the subsidiaries of the company are non-listed and are just in the initial phases of operation with none of the company having commercial production till reporting date. Accordingly, company has estimated that the cost of such subsidiaries resembles the fair value at the reporting date.

Investment in subsidiaries are consolidated in this consolidated financial statements. All subsidiaries are full subsidiaries hence there is no minority interest.

4.4.2 Investment in Associates

If the investment of the Group or other matters provide significant influence over the operating and financial decision making of the company, such investment is treated as associate.

Associates are valued at cost in line with NAS 28 in consolidation financial statements.

Group has Board representation in the following companies, hence are treated as associates.

		Figures in NPR
Details of Investment in Associates- Using Equity Method	32.03.2079	31.03.2078
Betan Karnali Sanchaya Karta Hydro Power Company Ltd	234,430,630.88	57,077,740.06
NEA Engineering Company Limited	38,169,755.58	32,861,941.12
Total	272,600,386.46	89,939,681.18
Cost of investment in associates are as follows:	32.03.2079	31.03.2078
Betan Karnali Sanchaya Karta Hydro Power Company Ltd	250,000,000.00	70,000,000.00
NEA Engineering Company Limited	25,500,000.00	25,500,000.00
Total	275,500,000.00	95,500,000.00

In the absence of financial statements of such companies, the equity value has not been disclosed.

4.4.3 Other investment in Equity Shares

Investment made on strategic purpose where group neither has significant influence or control, are included under investment in equity shares. The shares are valued at fair value through OCI.

The group under such category are non-listed and without active commercial operation. Accordingly, company has estimated that the cost of such subsidiaries resembles the fair value at the reporting date.

		Figures in NPR
Details of Other investment in Equity Shares	32.03.2079	31.03.2078
Nepal Power Trading company Limited	2,550,000.00	2,550,000.00
Total	2,550,000.00	2,550,000.00

4.4.4 Other Financial Assets

Items where group has right to receive cash or other financial assets and that have not been separately presented under specific heading of financial assets are included in financial assets.

		Figures in NPR
Other Financial Assets	32.03.2079	31.03.2078
Non Current		
Sanja Sewa (Sahakari Sastha) Ltd	200,000.00	200,000.00
Nepal Telecom	40,320.00	40,320.00
Department of Electricity Authority(DoED)	8,000,000.00	-
Relating to Subsidiary		
Nalgad Hydropower Company Ltd		-
Jagdulla Hydropower Company Ltd	112,125.00	112,125.00
Total	8,352,445.00	352,445.00

DO

MINISTER OF THE PROPERTY OF TH

Ry As

W S

Current

Accounts Receivable

Relating to Subsidiary

Nalgad Hydropower Company Ltd

- 84,384.00

4.4.5 Investment in Fixed Deposit

Investment in fixed deposits are the short term investment normally with maturity less than or equal to one year. The fixed deposit are measured at amortized cost.

Group has held various fixed deposits in various banks, the details of which has been presented in the table below:

			Figures in NPR
Detail of Investment in Fixed deposit	Int. Rate	32.03.2079	31.03.2078
VUCL			
Nepal SBI Bank Ltd-FD	10.13%	80,000,000.00	-
Machhapuchhre Bank Ltd -FD	10.13%	80,000,000.00	-
Century Commercial Bank Ltd -FD			100,000,000.00
Mega Bank Nepal Ltd -FD			300,000,000.00
NMB Bank Ltd -FD	10.13%	80,000,000.00	_
Sanima bank Ltd -FD	10.13%	80,000,000.00	450,000,000.00
Everest Bank Ltd - FD			200,000,000.00
Everest Bank Ltd -FD	10.13%	50,000,000.00	300,000,000.00
Rastriya Banijya Bank Ltd -FD			700,000,000.00
NIC Asia Bank Ltd	10.13%	600,000,000.00	200,000,000.00
Prabhu Bank - FD	10.13%	50,000,000.00	-
Prime Commercial Bank -FD	10.13%	90,000,000.00	100,000,000.00
Nepal Credit and Commerce Bank-FD	10.13%	180,000,000.00	300,000,000.00
Sunrise Bank Ltd - FD	10.13%	650,000,000.00	100,000,000.00
Civil Bank Ltd FD			100,000,000.00
Nepal Bangaladesh Bank Ltd - FD	10.13%	80,000,000.00	50,000,000.00
Citizen Bank International- FD	10.13%	180,000,000.00	200,000,000.00
Agricultural Development Bank -FD	10.13%	80,000,000.00	* * * * * * * * * * * * * * * * * * *
Kumari Bank Ltd -FD	10.13%	80,000,000.00	_
Nabil Bank Ltd -FD	10.13%	80,000,000.00	-
Bank of Kathmandu- FD	10.13%	80,000,000.00	<u> </u>
Siddhartha Bank Ltd -FD	10.13%	80,000,000.00	_
Sub-Total		2,600,000,000.00	3,100,000,000.00
Add: Interest Receivable using EIR		5,704,146.31	4,306,705.70
Sub-Total		2,605,704,146.31	3,104,306,705.70
Relating to Subsidiary			
Nalgad Hydropower Company Ltd		1,615,070,000.00	919,400,000.00
Jagdulla Hydropower Company Ltd			
Sub-Total		1,615,070,000.00	919,400,000.00
Total		4.220.774.146.31	4.023.706.705.70

4.4.6 Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Group's cash management system. Cash and cash equivalents of the Group as on 32nd Ashad, 2079 is as follows:

		Figures in NPR
Detail of Cash and Cash Equivalents	32.03.2079	31.03.2078
Petty Cash	50,000.00	50,000.00
Cash at Banks		
Everest bank Ltd # 001001052-01956	35,193,759.88	1,552,768.90
Everest bank Ltd # 001001052-01921	179,583,856.26	95,628,625.02
Sanima Bank Ltd # 001010510000090	5,622,605.69	24,378,315.57
NMB Bank Ltd # 0010058980400013	3,496,505.80	2,920,965.76
Nepal SBI Bank Ltd # 17725240200865	3,485,724.10	2,322,148.93
Machhapuchhre Bank Ltd # 0101524634447016	4,583,363.21	635,232.78
Century Commercial Bank Ltd # 0010003505CA	296,943.33	17,039,900.80

mi/ A

W

Red of

W/

84,384.00

Total	637,279,220.64	707,025,978.30
Sub-Total	372,188,450.58	397,907,913.15
Jagdulla Hydropower Company Ltd	263,875,012.13	95,236,960.10
Relating to Subsidiary Nalgad Hydropower Company Ltd	108,313,438.45	302,670,953.05
Sub-Total	265,090,770.06	309,118,065.15
NCC Bank Ltd # 00030000077115	7,271,289.57	93,126,659.33
Sunrise Bank Ltd # 0020794938701001	11,742,870.39	2,633,369.85
Rastriya Banijya Bank Ltd # 142000526701	842,382.34	21,271,108.25
Nepal Bank Ltd # 00200106753709000001	178,493.23	678,493.23
Siddhartha Bank Ltd # 01715499382	3,905,175.03	10,763,859.45
NIC Asia Bank Ltd # 5441000958152402	5,373,934.65	25,461,432.95
Mega Bank Nepal Ltd # 0010010500465	3,463,866.58	10,655,184.33

4.5 Advance Tax (net)

Advance tax consists of tax deducted at source by various banks while making payment of interest on Fixed Deposit accounts held on various banks.

As advance tax settled on net basis with tax liability, net position of advance tax has been presented. The net amount of advance tax is estimated to be recovered/adjusted with tax liability of next year, hence is considered as non-current assets.

Details of such advance tax has been presented below in the table:

		Figures in NPR
Particulars	32.03.2079	31.03.2078
Advance Tax	135,977,513.47	135,483,811.67
Less: Current tax liability	(35,320,430.42)	(34,593,484.17)
Add: Previous Year interest on tax		
Advance Tax (net)	100,657,083.05	100,890,327.50
Relating to Subsidiary		
Nalgad Hydropower Company Ltd	73,420,953.80	58,486,817.24
Jagdulla Hydropower Company Ltd	1,431,705.21	667,651.93
Advance Tax (net)	74,852,659.01	59,154,469.17
Total Advance Tax (net)	175,509,742.06	160,044,796.67

4.6 Other Current Assets

Other current assets consists of prepaid insurance amount. Other current assets also includes mobilization advance provided to Paradise-Pabita JV for construction of Test Adit tunnels, Doleswor Mahadev NS P Ltd for the construction of Shed in Mugukarnali HE project and District Administrative Office, Kalikot and Shankhuwashabha for the land acquisition of Phukot Karnali HE Project and Kimathanka HE Project respectively under heading other advance . The detail of such other current assets has been illustrated below: -

		Figures in NPR
Detail of Other Current Assets	32.03.2079	31.03.2078
Advance for Expenses	00.71	387,463.98
Prepaid Expenses (Insurance)	266,013.62	223,851.16
Other Advance	311,770,635.00	32,744,000.00
Sub-Total	312,036,648.62	33,355,315.14
Relating to Subsidiary		77 98
Nalgad Hydropower Company Ltd	322,192,043.00	886,568,692.14
Jagdulla Hydropower Company Ltd	23,753,779.25	142,728,710.73
Sub-Total Sub-Total	345,945,822.25	1,029,297,402.87
Total	657,982,470.87	1,062,652,718.01

0

1

W Reld

W

4.7 Inventories

Inventories are carried at the lower of cost, which equals its net realizable value. Cost comprise of all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and conditions. The detail of such inventories has been illustrated below:

Particulars	32.03.2079	31.03.2078
Books and Reports	37,746.50	37,746.50
Electric Goods	13,552.94	360.00
Kitchen and Bathroom Items	8,633.51	10,266.00
Other Materials	83,981.49	79,362.30
Printing Goods	66,610.45	92,000.00
Promotional Goods	367,400.10	646,702.80
Stationery Goods	97,795.37	45,230.60
Total	675,720.36	911,668.20

DX.

noi/

2 W

Red

2 d



Buddhanagar, Kathmandu 10, Nepal

Notes to the financial statements

For the Period ended 32nd Ashad 2079 (16th July 2022)

4.8 Share Capital

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

Details of share Capital of the Group is as under:

Authorized Capital	200,000,000 Ordinary Shares of NPR 100 each	NPR 20,000,000,000
Issued Capital	100,000,000 Ordinary Shares of NPR 100 each	NPR 10,000,000,000
Called up Capital	71,000,000 Ordinary Shares of NPR 100 each	NPR 7,100,000,000
Less: Call in Arrears		NPR (3,044,200,000)
Paid up Capital	40,558,000 Ordinary Shares of NPR 100 each	NPR 4,055,800,000

Call in Arrears

The following called amount have not been received by the Group till reporting date.

Rastriya Bilila Salistilari	2,810,200,000.00	
Rastriya Bima Sansthan	134,000,000.00	
Jalvidhyut Lagani Tatha Vikash Company Limited	131,200,000.00	
Nepal Doorsanchar Company Limited	870,000,000.00	
Citizen Investment Trust	335,000,000.00	
Employees Provident Fund	670,000,000.00	
Nepal Electricity Authority	670,000,000.00	
Shareholder	Amount	

The Shares of the Group is held by different Ministries of the Government of Nepal and public sector undertakings listed below:

Group	Shareholder	Ownership % *	Actual Holding %**
:	Ministry of Energy, water resources and irrigation	20	44
A	Ministry of Finance	5	12
	Ministry of Law, Justice and Parliamentary Affairs	5	12
	Nepal Electricity Authority	10	8
	Employees Provident Fund	10	8
В	Citizen Investment Trust	5	4
ь	Jalvidhyut Lagani Tatha Vikash Company Limited	4	7
	Nepal Doorsanchar Company Limited	10	3
	Rastriya Bima Sansthan	2	2
	General Public	17	7 <u></u>
C	Locals affected by the project	10	ds
	Deprived/Disadvantaged families	2	-
	Called Amount Pending Allotment		12
Total	y nd	100.00	0 112.00

* Shareholding as per Memorandum of Association (based on authorized capital)

** Shareholding based on paid up share capital as on Ashad end 2079 (based on paid up capital)

Table 1 and the second of the		rigures in NPR
Detail of Paid up Share Capital is as follows: -	32.03.2079	31.03.2078
Ministry of Energy, Water Resources and Irrigation	1,802,333,300.00	1,802,333,300.00
Ministry of Finance	481,833,400.00	481,833,400.00
Ministry of Law, Justice and Parliamentary Affairs	481,833,300.00	481,833,300.00
Nepal Electricity Authority	330,000,000.00	330,000,000.00
Employees Provident Fund	330,000,000.00	330,000,000.00

Det

m./

ARAJHARA

Ch Ch

	estment Trust
Jalvidhyut l	Lagani Tatha Vikash Company Limited
Nepal Door	sanchar Company Limited
Rastriya Bi	ma Sansthan
Total	

đ	4.055.000.000.00	4.055.000.000.00
i ii	66,000,000.00	66,000,000.00
	130,000,000.00	130,000,000.00
	268,800,000.00	268,800,000.00
All I	165,000,000.00	165,000,000.00
10		

Reconciliation of no. of shares		
No. of Shares	32.03.2079	31.03.2078
Opening	40,558,000.00	4,055,800,000.00
Addition during the year	<u>.</u> .	
Fresh Issue		(#J
Bonus Issue		
Right Issue		
Closing	40,558,000.00	4,055,800,000.00

4.9 Advance Towards Share Capital

Group has received amount from one of its shareholder during the year without making formal call on such shares. Such amount is presented under advance towards share capital. Once the Group makes call, the amount shall be transferred to share capital.

Details of Advance Towards Share Capital	32.03.2079	31.03.2078
Government of Nepal	500,000,000.00	250,000,000.00
Sub-Total	500,000,000.00	250,000,000.00
Relating to Subsidiary		
Nalgad Hydropower Company Ltd	5,686,608,792.73	5,190,265,292.70
Sub-Total	5,686,608,792.73	5,190,265,292.70
Total	6,186,608,792.73	5,440,265,292.70

4.10 Retained Earning and Reserve

Retained earnings (RE) is the amount of net income left over for the business from profit generated after it has paid out dividends to its shareholders. Reserve is allocation of amount from retained earning for specific purpose or created by way of specific transaction through other comprehensive income. Detail of such retained earning and reserve has been tabulated below:

		Figures in NPR
Detail of Retained Earning and Reserve	32.03.2079	31.03.2078
Retained Earnings	262,019,881.41	159,941,725.62
Reserves	in a little sking which	-
Sub-Total	262,019,881.41	159,941,725.62
Relating to Subsidiary		φ.
Nalgad Hydropower Company Ltd	(416,684,787.74)	(475,066,914.15)
Jagdulla Hydropower Company Ltd	(335,017,544.22)	(363,093,286.62)
Sub-Total	(751,702,331.96)	(838,160,200.77)
Total	(489,682,450.55)	(678,218,475.15)

Please refer statement of changes in equity for movement in retained earning and reserve

4.11 Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary difference arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax asset is recognized 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.

MX

mi/ # W

And I

W Je

Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income 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.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period 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 has been computed using tax rate of 25%.

		Figures in NPR	
Detail of Deferred Tax	32.03.2079	31.03.2078	
Deferred Tax (Assets)	(548,146.00)	(432,480.69)	
Deferred Tax Liabilities	1,995,141.25	1,820,161.93	
Net Deferred Tax Liability	1,446,995.25	1,387,681.24	

Movement in deferred tax for the current year is as follows:

Particulars	31.03.2078	Adjustment	32.03.2079
Property, plant & equipment and intangible assets	1,480,521.94	529,206.56	2,009,728.50
Leave liability	(432,480.69)	(111,116.56)	(543,597.25)
Relating to Subsidiary			
Nalgad Hydropower Company Ltd	49,804.41	(15,480.91)	34,323.50
Jagdulla Hydropower Company Ltd	289,835.58	(116,660.41)	173,175.17
Total	1,387,681.24	285,948.68	1,673,629.92

(Negative amount relates to deferred tax assets)

4.12 Financial Liabilities

Financial liabilities are recognised when the Group becomes a party to the contract embodying the related financial instruments. All financial liabilities are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial liability. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

A Classification as liability or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

B De-recognition of financial liability

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

hi/ EX

fr 1

and I want

74



4.12.1 Employee Benefit Liabilities

The Group has schemes of employment benefits namely provident fund, employee gratuity, salaries and allowances and accumulated leave payable as per employee service manual.

Defined contribution plan

Under defined contribution plans, provident fund, the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Contributions to defined contribution schemes (Provident fund) are charged to the profit or loss statement in the year to which they relate as the Group has no further defined obligations beyond monthly contributions. Contributions to defined contribution schemes are deposited with Employees Provident Fund (Karmachari Sanchaya Kosh).

Defined Benefit Plan

Group provides gratuity facility to employee based on its employee service regulation. Such is provided based on completed years of service method. All staffs who have completed three years in service are entitled to a gratuity of one month salary for each completed year. As none of the employees have completed such period, gratuity has not been booked and considering the amount to be involved, actuarial valuation has not been done.

Short term and long-term employment benefits

- i. A liability is recognised for benefits accruing to employees in respect of wages and salaries and allowances in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
- ii. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.
- iii. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation. However, the Group has not carried out actuarial valuation this year considering cost benefit analysis, it believes that current estimates based on accrued method are nearest approximate to such valuation.

Details of Employee Benefit Liabilities are as follows:

		Figures in NPR
Detail of Employee Benefit Liabilities	32.03.2079	31.03.2078
Non-Current		
Accumulated leave	2,687,912.75	2,162,403.45
Sub-Total	2,687,912.75	2,162,403.45
Relating to Subsidiary		
*Nalgad Hydropower Company Ltd	10 10 10 10 10 10 10 10 10 10 10 10 10 1	
Jagdulla Hydropower Company Ltd	1,187,067.07	714,758.87
Sub-Total	1,187,067.07	714,758.87
Total	3,874,979.82	2,877,162.32
Current		
Leave Encashment Payable	28,603.11	168,193.00
Total	28,603.11	168,193.00
Total	28,603.11	168,193.00
Total of Employee Benefit Liabilities	3,903,582.93	3,045,355.32

^{*} Nalgad Hydropower Company Ltd has not provision the employee accumulated leave liabilities.

Wix

mj

CA W

the state of

m/

4.12.2 Trade and Other Payables

Trade and Other Payables includes short term liabilities of the Group such as TDS payable, salary payable, audit fee payable, payable to creditors etc. These have been booked on undiscounted amount as these are likely to be settled within coming fiscal year. The detail of such payables of the Group as on 32nd Ashad 2079 has been depicted in the table below:

Detail of Trade and Other Payables	32.03.2079	31.03.2078
	32.03.2079	31.03.2078
Non Current	4.540.001.05	501 (50) 05
Deposit or Retention	4,548,921.85	521,676.05
Sub-Total Sub-Total	4,548,921.85	521,676.05
Relating to Subsidiary		
Nalgad Hydropower Company Ltd	48,878,399.15	48,537,798.40
Jagdulla Hydropower Company Ltd	4,745,319.41	838,956.48
Sub-Total Sub-Total	53,623,718.56	49,376,754.88
Total	58,172,640.41	49,898,430.90
Current		
TDS Payable	233,003.05	1,485,324.58
Salary and allowance payable	1,284,604.69	973,348.50
Meeting Allowance Payable		202,725.00
Ministry of Energy, Water resources and Irrigation	150,000.00	150,000.00
Other Payable	19,000.00	=
VAT Accounts	331,988.72	4,629,301.05
Contractor Association fund	25,595.40	10,433.52
Topaz Computer Service Center	- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	2,775.00
NEA Engineering Company Ltd	50,895,693.28	13,133,618.78
Audit fee Payable- Final audit	226,000.00	226,000.00
TN Acharya and Com.	-	169,500.00
Ageno Bakery P Ltd		18,630.53
Chokchek Bhoteni		7,229.03
Trilok Chandra Bhatta		6,690.00
Human Fit Craft	100	227,480.28
Aroll P Ltd		309,750.00
Nawa Durga Tailoring		10,000.00
United Traders Syndiate P Ltd	389,066.60	
GP Rajbahak and Co	56,500.00	
Anipal Bista	7,128.00	
Buddha Kumari Khadka	1,980.00	_
Prabhakar Baral	7,128.00	
Appliation fee	52,500.00	-
Sub-Total	53,680,187.75	21,562,806.29
Relating to Subsidiary		
Nalgad Hydropower Company Ltd	25,701,238.66	24,675,059.53
Jagdulla Hydropower Company Ltd	15,990,880.59	36,900,116.94
Sub-Total	41,692,119.25	61,575,176.47
Total	95,372,307.00	83,137,982.76

MX

m

A W

W.

J/m

Buddhanagar, Kathmandu 10, Nepal Notes to the financial statements For the Period ended 32nd Ashad 2079 (16th July 2022)

4.13 Other Income

Other income consists of insurance claim received from insurance Group and amount received from sale of tender form. Detail of such income has been presented in the table below: -

		Figures in NPR
Particulars	32.03.2079	31.03.2078
Insurance claim	50,430.00	31,800.00
Tendar Form Sale	38,000.00	
Miscellaneous Income	248,635.70	4,955.24
Sub-Total	337,065.70	36,755.24
Relating to Subsidiary		
Nalgad Hydropower Company Ltd		
Tender form sales	6,000.00	35,000.00
Other Income	18,001.42	231,334.49
Jagdulla Hydropower Company Ltd		
Miscellaneous Income	_	3,340.39
Tendar Form Sale	35,000.00	38,000.00
Sub-Total	59,001.42	307,674.88
Total	396,067.12	344,430.12

4.14 Personnel Expenses

This includes employee benefit as mentioned in note 4.12.1 for the current period.

		Figures in NPR
Particulars	32.03.2079	31.03.2078
Salary	6,695,279.81	6,401,221.76
Provident Fund Contribution	662,591.18	640,122.18
Responsibility Allowance	4,981,287.74	6,085,961.43
Performance Allowance	-	3,840,000.00
Dashain Incentive	514,587.00	540,608.00
Medical Allowance	580,182.50	518,538.00
Overtime Allownce	304,173.69	302,402.15
Annual and Sick leave	1,071,304.28	1,431,798.00
Sub-Total	14,809,406.20	19,760,651.52
Relating to Subsidiary		
Nalgad Hydropower Company Ltd	18,126,871.08	19,199,926.96
Jagdulla Hydropower Company Ltd		
Salary	7,193,255.05	5,846,525.94
Provident Fund Contributions	710,074.30	565,441.40
Allowances	6,625,159.13	7,592,506.63
Annual and Sick Leave	472,308.20	623,941.57
Sub-Total Sub-Total	33,127,667.76	33,828,342.50
Total	47,937,073.96	53,588,994.02

4.15 Administrative and Other Operating Expenses

General and administrative expenses represent the necessary costs to maintain a Group's daily operations and administer its business, but these costs are not directly attributable to the production of goods and services. Details of such expenses has been illustrated below:

		Figures in NPR
Particulars	32.03.2079	31.03.2078
Travel and Perdiem in Country		a de la compania
Domestic	392,979.55	654,927.02
International		
Office Rent		4,451,073.00
Rent Expenses	146,714.88	
Lease Finance Charge	2,188,646.49	
Printing and Stationery	226,048.14	256,111.55
Postage and Telephone	472,110.12	495,069.12

KATHMANOU JES ON VI

m'/

/X

the

R.

495,069.

100

A DEPART		
Water and Elcetricity	180,030.00	145,258.00
Fuel and Lubricats	1,360,094.75	1,026,592.17
Expendable Office Materials	203,423.26	356,608.87
Books and News paper	10,325.00	49,451.25
Office expenses	162,741.37	153,169.03
Repair and Maintenance Equipment	120,056.40	100,679.90
Repair and maintenance Vehicle	1,553,799.46	1,022,420.67
Repair and Maintenance Furniture	8,000.00	23,075.00
Insurance Premium- Assets	573,374.82	489,113.86
Insurance Premium- Employee	44,953.31	80,735.95
Training and development	795,600.20	972,969.12
Meeting Allowance	2,925,900.00	3,282,400.00
Meeting Expenses	167,075.56	162,259.35
Audit Fee		-
External Audit fee	226,000.00	226,000.00
Other fee	350,300.00	354,250.00
Audit Expenses	52,495.90	7,450.00
License and Renewal Expenses Business Promotion	382,697.77	276,825.00
Advertisement and Publicity	279,302.70 445,914.59	606,584.00 233,689.35
Annual General meeting or Anniversary	215,866.22	175,211.85
Guest Entertained and Public Relation	97,158.54	94,239.74
Consultancy Fee	140,000.00	651,290.00
Bank Charges	2,155.00	699.10
Recruitment Expenses	99,526.00	381,540.00
Staffs Uniform	548,888.06	489,656.32
Miscellaneous Expenses	88,144.47	246,362.23
Write Off (Reimbursed by Insurance com)	42,692.00	-
Total	14,503,014.56	17,465,711.45
Relating to Subsidiary		
Nalgad Hydropower Company Ltd		
Advertisement and Publicity	315,932.00	55,054.00
Books and Newspaper	:=.	35,011.00
Expendable Office Materials		281,938.34
Hospitality and Public Relation	-	41,170.30
Hospitality and Public Relation Water and Electricity	- - 238,821.39	41,170.30 245,709.34
Hospitality and Public Relation Water and Electricity Meeting Allowance	238,821.39 1,687,200.00	41,170.30 245,709.34 1,731,677.00
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense	1,687,200.00	41,170.30 245,709.34 1,731,677.00 100,802.00
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone	1,687,200.00 - 428,185.04	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent	1,687,200.00 - 428,185.04 1,841,020.00	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance	1,687,200.00 - 428,185.04 1,841,020.00	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 56,500.00
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 56,500.00 623,706.50
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem Miscellaneous Expenses	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43 - 1,396,898.18	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 56,500.00 623,706.50 1,645,114.50
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem Miscellaneous Expenses Training and Development Expenses	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 56,500.00 623,706.50
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem Miscellaneous Expenses	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43 - 1,396,898.18 376,434.03	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 56,500.00 623,706.50 1,645,114.50 108,592.00 1,760.05
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem Miscellaneous Expenses Training and Development Expenses Bank Charges	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43 - 1,396,898.18 376,434.03 685.00	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 56,500.00 623,706.50 1,645,114.50 108,592.00
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem Miscellaneous Expenses Training and Development Expenses Bank Charges Statutory Audit Fee and Lunch Expenses	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43 - 1,396,898.18 376,434.03 685.00 250,000.00	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 623,706.50 1,645,114.50 108,592.00 1,760.05 261,651.00
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem Miscellaneous Expenses Training and Development Expenses Bank Charges Statutory Audit Fee and Lunch Expenses Internal Audit Fee	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43 - 1,396,898.18 376,434.03 685.00 250,000.00 169,500.00	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 623,706.50 1,645,114.50 108,592.00 1,760.05 261,651.00 169,500.00
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem Miscellaneous Expenses Training and Development Expenses Bank Charges Statutory Audit Fee and Lunch Expenses Internal Audit Fee Printing & Stationery	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43 - 1,396,898.18 376,434.03 685.00 250,000.00 169,500.00 947,343.35	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 623,706.50 1,645,114.50 108,592.00 1,760.05 261,651.00 169,500.00 386,812.31
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem Miscellaneous Expenses Training and Development Expenses Bank Charges Statutory Audit Fee and Lunch Expenses Internal Audit Fee Printing & Stationery Renewal Expenses Monitoring & Evaluating Expenses Jagdulla Hydropower Company Ltd	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43 - 1,396,898.18 376,434.03 685.00 250,000.00 169,500.00 947,343.35 324,753.14	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 623,706.50 1,645,114.50 108,592.00 1,760.05 261,651.00 169,500.00 386,812.31
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem Miscellaneous Expenses Training and Development Expenses Bank Charges Statutory Audit Fee and Lunch Expenses Internal Audit Fee Printing & Stationery Renewal Expenses Monitoring & Evaluating Expenses Jagdulla Hydropower Company Ltd Staff Uniform	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43 - 1,396,898.18 376,434.03 685.00 250,000.00 169,500.00 947,343.35 324,753.14 299,120.00	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 56,500.00 623,706.50 1,645,114.50 108,592.00 1,760.05 261,651.00 169,500.00 386,812.31 54,300.00
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem Miscellaneous Expenses Training and Development Expenses Bank Charges Statutory Audit Fee and Lunch Expenses Internal Audit Fee Printing & Stationery Renewal Expenses Monitoring & Evaluating Expenses Jagdulla Hydropower Company Ltd Staff Uniform Insurance Premium - Employee	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43 - 1,396,898.18 376,434.03 685.00 250,000.00 169,500.00 947,343.35 324,753.14 299,120.00 252,101.20 138,942.25	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 623,706.50 1,645,114.50 108,592.00 1,760.05 261,651.00 169,500.00 386,812.31 54,300.00
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem Miscellaneous Expenses Training and Development Expenses Bank Charges Statutory Audit Fee and Lunch Expenses Internal Audit Fee Printing & Stationery Renewal Expenses Monitoring & Evaluating Expenses Jagdulla Hydropower Company Ltd Staff Uniform Insurance Premium - Employee Travel and Perdiem- National	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43 - 1,396,898.18 376,434.03 685.00 250,000.00 169,500.00 947,343.35 324,753.14 299,120.00 252,101.20 138,942.25 940,600.00	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 56,500.00 623,706.50 1,645,114.50 108,592.00 1,760.05 261,651.00 169,500.00 386,812.31 54,300.00
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem Miscellaneous Expenses Training and Development Expenses Bank Charges Statutory Audit Fee and Lunch Expenses Internal Audit Fee Printing & Stationery Renewal Expenses Monitoring & Evaluating Expenses Jagdulla Hydropower Company Ltd Staff Uniform Insurance Premium - Employee Travel and Perdiem- National Travelling Expenses	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43 - 1,396,898.18 376,434.03 685.00 250,000.00 169,500.00 947,343.35 324,753.14 299,120.00 252,101.20 138,942.25 940,600.00 1,092,753.33	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 623,706.50 1,645,114.50 108,592.00 1,760.05 261,651.00 169,500.00 386,812.31 54,300.00
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem Miscellaneous Expenses Training and Development Expenses Bank Charges Statutory Audit Fee and Lunch Expenses Internal Audit Fee Printing & Stationery Renewal Expenses Monitoring & Evaluating Expenses Jagdulla Hydropower Company Ltd Staff Uniform Insurance Premium - Employee Travel and Perdiem- National Travelling Expenses House Rent	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43 - 1,396,898.18 376,434.03 685.00 250,000.00 169,500.00 947,343.35 324,753.14 299,120.00 252,101.20 138,942.25 940,600.00 1,092,753.33 2,902,241.25	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 56,500.00 623,706.50 1,645,114.50 108,592.00 1,760.05 261,651.00 169,500.00 386,812.31 54,300.00
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem Miscellaneous Expenses Training and Development Expenses Bank Charges Statutory Audit Fee and Lunch Expenses Internal Audit Fee Printing & Stationery Renewal Expenses Monitoring & Evaluating Expenses Jagdulla Hydropower Company Ltd Staff Uniform Insurance Premium - Employee Travel and Perdiem- National Travelling Expenses House Rent Printing and Stationery	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43 - 1,396,898.18 376,434.03 685.00 250,000.00 169,500.00 947,343.35 324,753.14 299,120.00 252,101.20 138,942.25 940,600.00 1,092,753.33 2,902,241.25 267,232.15	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 56,500.00 623,706.50 1,645,114.50 108,592.00 1,760.05 261,651.00 169,500.00 386,812.31 54,300.00
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem Miscellaneous Expenses Training and Development Expenses Bank Charges Statutory Audit Fee and Lunch Expenses Internal Audit Fee Printing & Stationery Renewal Expenses Monitoring & Evaluating Expenses Jagdulla Hydropower Company Ltd Staff Uniform Insurance Premium - Employee Travel and Perdiem- National Travelling Expenses House Rent Printing and Stationery Water and Electricity	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43 - 1,396,898.18 376,434.03 685.00 250,000.00 169,500.00 947,343.35 324,753.14 299,120.00 252,101.20 138,942.25 940,600.00 1,092,753.33 2,902,241.25 267,232.15 170,680.00	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 56,500.00 623,706.50 1,645,114.50 108,592.00 1,760.05 261,651.00 169,500.00 386,812.31 54,300.00
Hospitality and Public Relation Water and Electricity Meeting Allowance Annual General Meeting Expense Postage and Telephone Office Rent Fuel and Lubricants Operation and Repair Maintenance Insurance Premium Office Expenses Consultancy and Professional Fees Travel and Perdiem Miscellaneous Expenses Training and Development Expenses Bank Charges Statutory Audit Fee and Lunch Expenses Internal Audit Fee Printing & Stationery Renewal Expenses Monitoring & Evaluating Expenses Jagdulla Hydropower Company Ltd Staff Uniform Insurance Premium - Employee Travel and Perdiem- National Travelling Expenses House Rent Printing and Stationery	1,687,200.00 - 428,185.04 1,841,020.00 1,071,175.18 1,179,726.97 - 1,503,615.43 - 1,396,898.18 376,434.03 685.00 250,000.00 169,500.00 947,343.35 324,753.14 299,120.00 252,101.20 138,942.25 940,600.00 1,092,753.33 2,902,241.25 267,232.15	41,170.30 245,709.34 1,731,677.00 100,802.00 749,642.40 1,852,800.00 816,555.01 1,424,203.99 51,634.00 129,559.00 56,500.00 623,706.50 1,645,114.50 108,592.00 1,760.05 261,651.00 169,500.00 386,812.31 54,300.00

and the Kill of the

Total	41,218,561.73	45,017,765.45
Sub-Total	26,715,547.17	27,552,054.00
Amortization		17,797.50
Miscellaneous Expenses	254,750.16	267,769.45
Bank charge	530.00	16,870.00 8,505,117.76 139,180.00 76,244.44 190.00
Public Relation and guest Entertainment	18,682.76	
License and Renewal Fee	2,227,405.00	
Consultancy Fee	913,900.00	
Annual General Meeting expenses	116,557.04	
Advertisement and Publicity	414,998.00	122,477.51
Audit Expenses	43,568.00	7,200.00
Audit Fee	259,900.00	175,150.00
Business Promotion Expenses	-1	127,533.20
Wages	262,800.00	¥
Meeting Expenses	205,798.35	81,345.50
Support Staff Allowance	96,000.00	52,400.00
Meeting Allowance	1,665,000.00	1,070,500.00
Training and Development	258,105.72	191,571.00
Insurance Premium-Assets	209,004.49	153,984.13
Repair and maintenance Vehicle	714,659.57	282,593.27
Repair and maintenance Equipment	63,777.26	89,796.99
Office Expenses	159,834.00	101,103.48
Expendable office materials	220,498.60	589,426.02
aguit Wasan Congain		

4.16 License fee, Feasibility, Environmental Study and other cost of Projects

Various project related expenses has been incorporated within this heading. Project wise detail has been tabulated as below:

		Figures in NPR
Particulars	32.03.2079	31.03.2078
Phukot Karnali Hydro Electric Project	-	1,191,350.79
Kimathanka Hydro Electric Project		44,038,086.11
Mugu Karnali Hydro Electric Project	53,925,541.14	21,757,688.41
Sub-Total	53,925,541.14	66,987,125.31
Relating to Subsidiary		
Nalgad Hydropower Company Ltd		
Feasibilty study		2,094,251.79
Project License Renewal	200,000.00	-
License fee Cost	5,000,000.00	5,000,000.00
Hydrology and Meterology of Nalgad		949,817.00
Taksu Khola Hydropower		
License fee Cost	3,000,000.00	4,000,000.00
Feasibilty study	<u>-</u> ×	250,000.00
Jagdulla Hydropower Company Ltd		
Feasibility study of Jagdulla Hydro Electric Project	-	61,107,932.58
Land Acquisition	<u>-</u>	43,777.27
Public Consultation	492,881.21	1,027,503.65
Pre- Fab Building	7,220,402.23	8,555,259.74
Test Adit Works	76,225,249.07	10,063,499.17
Power Purchase Expenses		712,000.00
New Project (Jagdulla II)	42,189,710.65	16,000,000.00
License Renewal Fee	15,307,100.00	
Bridge Work	4,357,901.09	
Corporate Social Responsibility programe	1,591,074.53	
Sub-Total	155,584,318.78	109,804,041.20
Total	209,509,859.92	176,791,166.51

X

m'

OX W

A.

(BV

4.17 Depreciation and amortization

In line with note 4.1 and 4.3, depreciation and amortization is as follows

			Figures in NPR
Particulars	BENEFIT CONTROL	32.03.2079	31.03.2078
Depreciation		9,864,642.58	6,661,292.39
Amortization		168,020.46	35,715.08
Sub-Total		10,032,663.04	6,697,007.47
Relating to Subsidiary			
Nalgad Hydropower Company Ltd			
Depreciation		2,963,633.81	195,553.04
Jagdulla Hydropower Company Ltd			
Depreciation		3,176,162.44	2,828,942.23
Sub-Total		6,139,796.25	3,024,495.27
Total		16,172,459.29	9,721,502.74

4.18 Finance Income

Finance income includes interest income earned from call account opened in various bank and interest income earned from fixed deposits opened in various bank. The detail of such income has been presented below in the table:

		Figures in NPR
Particulars	32.03.2079	31.03.2078
Interest Income on call deposit	2,568,588.91	1,450,643.38
Interest Income from FD	231,438,224.66	219,576,883.15
Sub-Total	234,006,813.57	221,027,526.53
Relating to Subsidiary		
Nalgad Hydropower Company Ltd		
Interest income on term Deposit	99,663,558.71	77,001,956.83
Jagdulla Hydropower Company Ltd		
Interest from Bank accounts	5,093,688.50	2,240,405.74
Sub-Total	104,757,247.21	79,242,362.57
Total	338,764,060.78	300,269,889.10

4.19 Current Tax

Current income tax for the current and prior periods are measured at the amount expected to be paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period.

Tax rate of 25% has been considered on taxable income from this years.

		Figures in NPR
Current Tax	32.03.2079	31.03.2078
Income tax on current year taxable profit	(35,320,430.42)	34,593,484.17
Prior year tax adjustment	50	
Total	(35,320,430.42)	34,593,484.17
Relating to Subsidiary		
Nalgad Hydropower Company Ltd		
Income tax on current year taxable profit		
Sub-Total		-

Total (35,320,430.42) 34,593,484.17



\m'/

2

/ K

4.20 Earning Per Share

Basic earnings per share is computed by dividing the profit attributable to owners of the Group by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Earning per equity share (EPS) of the Group is calculated as under

Particulars	Period ended Ashad 32, 2079	Period ended Ashad 31, 2078
Net Profit	(8,623,500.82)	(18,489,437.26)
Number of shares for Basic EPS	40,558,000.00	40,558,000.00
Number of shares for diluted EPS	40,558,000.00	40,558,000.00
Basic EPS	(0.21)	(0.46)
Diluted EPS	(0.21)	(0.46)



m'/

A W

W.S.

RV





Buddhanagar, Kathmandu 10, Nepal Notes to the financial statements For the Period ended 32nd Ashad 2079 (16th July 2022)

5 Explanatory Notes

5.1 Related Party Transaction

Subsidiaries

The Group has made investments in Nalgad Hydropower Group Limited and Jagdulla Hydropower Group Limited. As the Group has control over these entities, these companies are considered to be related parties. There is no commercial transaction with the companies during the year.

Directors and their relatives

The total composition of Board of Directors as per the Articles of Association of the Group is nine, as below:

Directors appointed by shareholders of Group A	3
Directors appointed by shareholders of Group B	2
From General Public	2
Independent Director (Hydropower Expert)	1
Independent Director (Finance Expert)	1
Total	9

Currently there are seven directors in the Group. One of the Independent directors is yet to be appointed. Since the Group has not made public issue of shares, there is no representation in the Board from the public. Board members are paid meeting allowances when attending meetings. Any other facilities are not provided.

Name of Directors	Position	Board Meeting allowance	Other committee meeting allowance	Total
Existing committee at Reportin	g Date		•	
Mr. Dinesh Kumar Ghimire	Chairman			
Mr. Dhundi Prasad Niraula	Director	_	-	_
Mr. Chiranjibi Chataut	Director	14,000.00		14,000.00
Mr. Kul Man Ghising	Director	91,000.00	-	91,000.00
Mr. Birendra Poudel	Director	-	192	-
Mr. Kalyan Raj Sharma	Independent Director	42,000.00	35,000.00	77,000.00
Mr. Surya Prasad Rijal	Managing Director	42,000.00	98,000.00	140,000.00
During the year, following men	nbers were empaneled in the Bo	ard of the Company, with fo	llowing benefits	
Mr. Debendra Bahadur Karki	Ex chairman	140,000.00	-	140,000.00
Mr. Sushil Chandra Tiwari	Ex chairman	21,000.00	-	21,000.00
Mr. Rameshwor Dangal	Director	98,000.00	119,000.00	217,000.00
Mr. Madhu Prasad Bhetuwal	Director	133,000.00	126,000.00	259,000.00
Mr. Hitendra Dev Shakya	Director	14,000.00		14,000.00
Mr. Mahesh Rimal	Director	140,000.00	161,000.00	301,000.00
Mr. Mahesh Acharya	Director	56,000.00	84,000.00	140,000.00
Mr. Ananta Raj Ghimire	Managing Director	21,000.00		21,000.00
Sub-Total		812,000.00	623,000.00	1,435,000.00
Relating to Subsidiary JHPCL				
Mr. Hitendra Dev Shakya	Director	7,000.00	-	7,000.00
Mr. Madhu Prasad Bhetuwal	Ex. Chairman	133,000.00	-	133,000.00
Mr. Mahesh Rimal	Director	371,000.00	-	371,000.00
Er. Prakash Adhikaree	Independent Director	105,000.00	-	105,000.00
Mr. Arjun Kumar Gautam	Director	63,000.00	-	63,000.00
Mr. Chiranjeewee Chautaut	Chairman	28,000.00	-	28,000.00
Sub-Total		707,000.00		707,000.00

Key Management Personnel

Following officials are considered to be Key Management personnel of the Group. There has been no transaction with the key management personnel other than payment of salary and benefits as per the personnel policy of the Group.

VUCL

Name of Personnel	Designation	Date	Short term Benefits	Other Benefits
Surya Prasad Rijal	Managing Director	From 2079/01/11	705,600.00	26,200.00
Mr. Heeraman Waiba	Act. Managing Director	Till 2079/01/10	1,931,699.67	413,434.08

KATHMANOU ES

m'

b/

K

Jet &

M

Name of Personnel	Designation	Date	Short term Benefits	Other Benefits
NHPCL	30			
Sunil Poudel JHPCL	Chief Executive Officer	From	2,392,320.00	412,000.00
Er. Prakash Adhikaree	Managing Director	From 2078/12/22	717,433.26	-
Mr. Sanjay Sapkota	Act. Chief Executive Officer	Till 2078/12/21	1,579,532.00	-

Associates

The Group has significant interest in Betan Karnali Sanchaya Karta Hydro Power Group Ltd. and NEA Engineering Group Ltd. During the year, there has not been any commercial transaction with Betan Karnali Sanchaya Karta Hydro Power Group Ltd.

The transaction and oustanding balances with NEA Engineering Group Ltd. are as follows:

The transaction and dustanding balances with IVEA Engineering	ig Group Liu. are as ronows.	
	2078-79	<u>2077-78</u>
Expenses booked for consultancy services received:		
Payable balance	50,895,693.28	13,133,618.78
Retention payable:		-

5.2 Lease

Group has obtained office space on lease for a period of ten years starting from 2074 Shrawan. Lease payments are on quarterly basis advance payment with 10% increment after every two years. Group has applied NFRS -16 Leases for the first time. As per NFRS 16 para C2, the date of initial application is the beginning of the annual reporting period in which an entity first applies this Standard. Accordingly, current fiscal year is the initial application date of this standard. In line with para C5 (b), Group has applied the standard retrospectively with the cumulative effect of initially applying the Standard recognised at the date of initial application. In such scenario, Group shall not be required to restate comparative information. Instead, the Group shall recognise the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings.

Complying with this standard requirement, Group has adjusted the cumulative impact till application date amounting to Rs. 5,917,283.41 in opening balance of retained earnings of fiscal year 2078-79.

5.3 Events after the Reporting Date

There were no material events that occurred after the reporting date that require adjustments to or disclosure in the Financial Statements.

5.4 Regrouping and Rearranging of figures

Previous year's figures have been regrouped or rearranged wherever necessary.

Restatement of the amounts

Equity method accounting of associate has been carried out with retrospective adjustment to the carrying amount.

This has resulted in change in various amounts as follows:

Particulars	Amount	
Impact on opening retained earnings of comparative period (1 Shrawan 2078)	(6,255,173.83)	
Impact on profit of comparative period (FY 2077-78)	694,855.01	
Impact on value of associates on comparative period (At 31 Ashad 2078)	(5,560,318.82)	

5.5 Dividend

No any dividend has been proposed by the Board.

5.6 Corporate Social Responsibility, Labor Act and Social Security Act

Group has not provided 1% of net profit as Corporate Social Responsibility, as required by Industrial Enterprises Act. Group has not provided several facilities as required by Labour Act and Social Security Act.

5.7 Risk Management objectives and policies

The Group's business activities expose to a variety of risks, namely primarily to fluctuations in liquidity risk, interest rate risk and credit risk. The Group's Board and senior management has overall responsibility for the establishment and oversight of the Group's risk management. The Group's risk management policies are established to identify and analyses the risks faced by the Group, 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 Group's activities.

i. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Exposure to Credit Risk (by nature of assets)	32.03.2079	31.03.2078	
Cash and cash equivalent	265,090,770.06	309,118,065.15	111
Investment in fixed deposit	2,605,704,146.31	3,104,306,705.70	
Other financial assets	240,320.00	324,704.00	,
Total	2,871,035/236,37	3,413,749,474.85	

M.

n.

EX SHAPAIN

the !

3,749,474.85

ii. Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could create potential business continuity risk.

In order to control liquidity risk and for better working capital management, the Group's Finance department regularly monitors the cash position to ensure it has sufficient cash on-going basis to meet operational needs. Any short term surplus cash received or created, over and above the amount required for working capital management, investment in companies and other operational requirements, are investment in the form of fixed deposit.

Maturity Profile of Financial Instruments

The maturity profile of financial assets and liabilities of the Group are as follows:

As at 32.03.2079

Particulars	Within 6 months	6 month to 12 months	After 12 months	
Financial Assets				
Fixed Deposits	4,220,774,146.31		4,220,774,146.31	
Cash and Cash Equivalent	637,279,220.64		637,279,220.64	
Other Financial Assets	8,352,445.00		8,352,445.00	
Total	4,866,405,811.95	-	4,866,405,811.95	
Financial Liabilities				
Employee Benefit Liabilities	3,903,582.93		3,903,582.93	
Trade and Other Payable	95,372,307.00		95,372,307.00	
Total	99,275,889.93		99,275,889.93	

As at 31.03.2078

Particulars	Within 6 months	6 month to 12 months	After 12 months
Financial Assets			
Fixed Deposits	4,023,706,705.70		4,023,706,705.70
Cash and Cash Equivalent	309,118,065.15		707,025,978.30
Other Financial Assets	436,829.00		436,829.00
Total	4,333,261,599.85	-	4,731,169,513.00
Financial Liabilities			
Employee Benefit Liabilities	3,045,355.32		3,045,355.32
Trade and Other Payable	83,137,982.76		83,137,982.76
Total	86,183,338.08		86,183,338.08

iii. 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's investment in fixed deposit and surplus cash kept in call deposit. Since, the interest rate risk is influenced by market forces, Group has little role to play for minimizing this risk.

Sensitivity Analysis on Fluctuations on Interest

The Group's return is most affected by the changes in interest rate in market. Accordingly, Group has carried out sensitivity analysis of impact on interest income on fixed deposits if the interest rate were up or down by 1%, the profitability of the Group would have changed by an estimated amount of Rs. 1.3 crores.

5.8 Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the Group. The Group manages its capital so as to safeguard its ability to continue as a going concern, create funds for investment to be made in companies and in future, to provide for dividend to shareholders. Group issues call for payment of share capital based on fund requirement for making investment in companies related to hydropower generation.

Till date, no any dividend has been paid out to shareholders.

No changes were made in the objectives, policies or processes for managing capital during the current and previous year.

Ol

mi

19X

HAPALIE

K

hay /

5

5.9 Fair Value Hierarchy

The fair value measurements of financial assets and liabilities on fair value hierarchy is as follows:

As at 32.03.2079

Particulars	Measured at	Carrying Amount	Fair Value	Level
Financial Assets	# P	The state of the s		
Investment in Subsidiaries	Fair Value	-		Level 3
Investment in Associates	Fair Value	272,600,386.46	272,600,386.46	Level 3
Other investment in Equity Shares	Fair Value	2,550,000.00	2,550,000.00	Level 3
Investment in Fixed Deposit	Amortized Cost	4,220,774,146.31	4,220,774,146.31	Level 3
Cash and Cash Equivalents	Fair Value	637,279,220.64	637,279,220.64	Level 1
Other Financial Assets	Amortized Cost	8,352,445.00	8,352,445.00	Level 3
Total Financial Assets		5,141,556,198.41	5,141,556,198.41	
Financial Liabilities				
Employee Benefit Liabilities	Amortized Cost	3,903,582.93	3,903,582.93	Level 3
Trade & other Payable	Amortized Cost	95,372,307.00	95,372,307.00	Level 3
Total Financial Liabilities		99,275,889.93	99,275,889.93	

As at 32.03.2078

Particulars	Measured at	Carrying Amount	Fair Value	Level
Financial Assets				
Investment in Subsidiaries	Fair Value	-		Level 3
Investment in Associates	Fair Value	89,939,681.18	89,939,681.18	Level 3
Other investment in Equity Shares	Fair Value	2,550,000.00	2,550,000.00	Level 3
Investment in Fixed Deposit	Amortized Cost	4,023,706,705.70	4,023,706,705.70	Level 3
Cash and Cash Equivalents	Fair Value	707,025,978.30	707,025,978.30	Level 1
Other Financial Assets	Amortized Cost	436,829.00	436,829.00	Level 3
Total Financial Assets		4,823,659,194.18	4,823,659,194.18	
Financial Liabilities			e de la companya de l	
Employee Benefit Liabilities	Amortized Cost	3,045,355.32	3,045,355.32	Level 3
Trade & other Payable	Amortized Cost	83,137,982.76	83,137,982.76	Level 3
Total Financial Liabilities		86,183,338.08	86,183,338.08	

5.10 Lien on Group's assets

The Group's assets have not been pledged anywhere.

5.11 Contingent Liability

The Group recognizes contingent liability when a possible obligation arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or Group as a present obligation as a result of past events which is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. All adjusting events are considered for appropriate reflection in the current financial year.

a) Bank Guarantee

There is no unexpired bank guarantee.

b) Litigations or legal cases

A legal case with Department of Electricity Development (DoED) regarding license of Veri-1 Reservoir HE project is pending. Group obtained license for survey of the project for which Group deposited Rs. 12,000,000.00 license fee as per decision made by DoED and requested vide Pa.Sa. 2074/075 (Permission letter) Cha.No. 02 dated 02.04.2074 for deposit of Rs. 12,000,000.00 against license fee. However, later DoED has issued the license for different area than requested by Group. Group submitted a letter notifying that the Group is not interested in the area determined by DoED and requested to refund the license fee. DoED responded as being unable to refund the fee deposited by Group. Group has lodged a case for mandamus, certiorart at Supreme Court on 11.02.2075. The case is under process at supreme court..

c) Capital Commitment

Capital contract remaining to be executed on various works amounts to Rs. 3,27,44,000.00

As at 32.03.2079

Particulars	Commitment amount	Advance release amount	Advance Settlement	Balance
WAIBA Infratech P Ltd	15,228,000.00	15,228,000.00	7,614,000.00	7,614,000.00
Fewa - Acharya J/V	12,180,000.00	12,180,000.00	-	12,180,000.00
Paradise-Pabita JV	19,425,000.00	12,950,000.00		12,950,000.00
Total	46,833,000.00	40,358,000.00	7,614,000.00	32,744,000.00

MX

mi

Service