



*Nepal Hydro Developer Limited.*



*Nepal Hydro Developer Limited.*

१२औं, १३औं र १४औं

# वार्षिक प्रतिवेदन

आ.व. २०७४/७५, ०७५/०७६, ०७६/७७

📍 कम्पनीको रजिस्टर्ड कार्यालय, डिल्लीबजार, काठमाडौं, नेपाल

☎ +९७७ १ ४४४९९३९, ४४४९९९८, ४४४९४४४

✉ info@charnawatihydro.com

🌐 www.charnawatihydro.com

# सञ्चालक समिति



श्री ज्ञानेन्द्र लाल प्रधान  
अध्यक्ष  
संस्थापक शेयरधनी



श्री पशुपती मुरारका  
सञ्चालक  
संस्थापक शेयरधनी



श्री कुमुद दुगड  
सञ्चालक  
संस्थापक शेयरधनी



श्रीमती पुजा अटल  
सञ्चालक  
सर्वसाधारण शेयरधनी



श्री शेष कुमार ढुंगाना  
प्रमुख कार्यकारी अधिकृत



श्री रमाकान्त मणी नेपाल  
कम्पनी सचिव

# संस्थामा कार्यरत कर्मठ कर्मचारीहरू



## नेपाल हाइड्रो डेभलपर लिमिटेड वार्षिक साधारण सभा सम्बन्धी सूचना

(प्रथम पटक प्रकाशित मिति: २०७७/११/२४)

### आदरणीय शेयरधनी महानुभावहरू

यस कम्पनीको मिति २०७७/११/२० मा बसेको ६० औं सञ्चालक समितिको बैठकको निर्णयानुसार यस कम्पनीको आर्थिक वर्ष २०७४/७५, २०७५/७६ र २०७६/७७ (१२ औं, १३औं र १४औं) वार्षिक साधारण सभा निम्न लिखित मिति, समय र स्थानमा निम्न लिखित प्रस्ताव उपर छलफल गरी निर्णय गर्नको लागि बस्ने भएको हुँदा सम्पूर्ण शेयरधनी महानुभावहरूको जानकारीको लागि यो सूचना प्रकाशित गरिएको छ।

### सभा हुने मिति, समय र स्थान :

मिति : २०७७ चैत्र १७ गते (मार्च ३०, २०२१)

समय : दिउँसो ३ बजे

स्थान : डिल्लीबजार, काठमाण्डौ स्थित कम्पनीको रजिष्टर्ड कार्यालयबाट  
Virtual (Zoom App) माफत सभा सञ्चालन गरिनेछ।

### क. सामान्य प्रस्तावहरू :

१. सञ्चालक समितिको तर्फबाट अध्यक्षज्यूले पेश गर्नु हुने आर्थिक वर्ष २०७४/७५, २०७५/७६ र २०७६/७७ को वार्षिक आर्थिक विवरण सहितको वार्षिक प्रतिवेदन पारित गर्ने।
२. लेखापरीक्षकको प्रतिवेदन सहितको आर्थिक वर्ष २०७४/७५, २०७५/७६ र २०७६/७७ को वार्षिक वित्तीय विवरण (वासलात, नाफा नोक्सान हिसाब, नगद प्रवाह विवरण तथा सम्बन्धित अनुसूचीहरू) स्वीकृत गर्ने।
३. कम्पनी रजिष्ट्रारको कार्यालयको पत्रबाट यस कम्पनीको आर्थिक वर्ष २०७५/०७६ र २०७६/०७७ को लेखा परीक्षण गर्न नियुक्त लेखा परीक्षकको नियुक्ति तथा निजको पारिश्रमिकको अनुमोदन सम्बन्धमा।
४. सञ्चालक समितिले प्रस्ताव गरे बमोजिम हाल कायम चुक्ता पूँजी रु.२६,००,००,०००/- को ०.७८९५ प्रतिशतका दरले हुन आउने रु.२०,५२,६३२/- बराबरको नगद लाभांश (बोनस शेयरको कर प्रयोजनार्थ) वितरण गर्न स्वीकृत गर्ने।
६. लेखा परीक्षण समितिको सिफारिश बमोजिम आर्थिक वर्ष २०७७/०७८ को लेखापरीक्षण गर्नका लागि लेखापरीक्षकको नियुक्त तथा निजको पारिश्रमिक निर्धारण गर्ने। (वर्तमान लेखापरीक्षक श्री UHY Subodh Associates, Chartered Accountants पुनः नियुक्तिको लागि योग्य रहेको)।
७. स्वतन्त्र सञ्चालकको नियुक्तिको अनुमोदन सम्बन्धमा।

### ख. विशेष प्रस्ताव :

१. सञ्चालक समितिले प्रस्ताव गरे बमोजिम आर्थिक वर्ष २०७६/०७७ सम्मको सञ्चित मुनाफाबाट शेयरधनीहरूलाई हाल कायम चुक्ता पूँजीको पन्ध्र प्रतिशतका दरले हुन आउने रु.३,९०,००,०००/- बराबरको बोनस शेयर वितरण गर्ने प्रस्ताव स्वीकृत गर्ने सम्बन्धमा। (यस कम्पनीको सञ्चालक समितिबाट आ. व. २०७४/०७५ को मुनाफाबाट शेयरधनीहरूलाई ४ प्रतिशत बोनस शेयर वितरण गर्ने निर्णय भएकोमा साधारण सभा हुन नसकेको र सो का लागि शेयर दाखिला खारेजी बन्द समेत नभएकाले सो समेत समावेश गरी एकमुष्ट १५ प्रतिशत प्रस्ताव गरिएको।)
२. बोनस शेयर निष्काशन प्रयोजनका लागि कम्पनीको जारी तथा चुक्ता पुँजी वृद्धि गर्ने तथा सोही अनुरूप प्रबन्धपत्रमा आवश्यक संशोधन गर्ने।
३. सञ्चालकहरूको बैठक भत्ता निर्धारण गर्ने।
४. कम्पनीको प्रबन्धपत्रमा भएको संशोधनका सम्बन्धमा नियमनकारी निकायबाट कुनै फेरबदल वा संशोधन वा परिमार्जन गर्न कुनै सुझाव वा निर्देशन दिएमा सोही अनुरूप गर्न गराउन सञ्चालक समितिलाई पूर्ण अख्तियारी दिने सम्बन्धमा।

### ग. विविध :

सञ्चालक समितिको आज्ञाले  
कम्पनी सचिव

## नेपाल हाइड्रो डेभलपर लिमिटेड

### वार्षिक साधारणसभा सम्बन्धी अन्य जानकारी :

- (१) यस कम्पनीको बाह्रौं, तेह्रौं तथा चौधौं वार्षिक साधारणसभा प्रयोजनको लागि मिति २०७७/१२/०३ गतेबाट २०७७/१२/१७ गतेसम्म यस कम्पनीको शेयर दाखिल खारेज बन्द रहने छ। नेपाल स्टक एक्सचेन्ज लिमिटेडमा मिति २०७७/१२/०२ गतेसम्म कारोबार भई प्रचलित कानुन बमोजिम यस कम्पनीको शेयर रजिष्ट्रार एनएमबि क्यापिटल लिमिटेड, नागपोखरी काठमाण्डौमा रहेको शेयरधनी दर्ता किताबमा कायम शेयरधनीहरूले सो सभामा भाग लिन, मतदान गर्न तथा बोनस शेयर तथा नगद लाभांश प्राप्त गर्न योग्य हुनेछन्।
- (२) विश्वव्यापी रूपमा फैलिएको महामारी कोरोना भाइरस कोभिड-१९ को रोकथाम तथा नियन्त्रणका लागि नेपाल सरकारबाट जारी गरिएका स्वास्थ्य सम्बन्धी निर्देशन एवम् मापदण्डहरूको पालना गर्दै जुम (Zoom) प्रविधिको माध्यमबाट सभामा सहभागी हुने व्यवस्था मिलाइएको कुरा शेयरधनी महानुभावहरूलाई जानकारी गराउँदछौं।
- ३) जुम (Zoom) मार्फत उपस्थित भई साधारण सभामा सहभागी हुन, मतदान गर्न तथा मन्तव्य राख्न चाहनुहुने शेयरधनी महानुभावहरूले सभा शुरु हुनुभन्दा कम्तीमा ४८ घण्टा अगावै यस कम्पनीको ईमेल ठेगाना info@charnawatihydro.com मा ईमेल पठाउनु पर्नेछ र प्राप्त भएको ईमेलको आधारमा शेयरधनीको पहिचान गरी जुम Meeting ID/ PassCode उपलब्ध गराइनेछ। अनलाइन (Zoom) माध्यमबाट उपस्थित हुने शेयरधनी महानुभावहरूलाई सभा स्थलमा उपस्थित भए सरह मान्यता प्रदान गरी निजहरू हाजिरी जनाइने छ।
- (४) नाबालक शेयरधनीहरूको तर्फबाट संरक्षक (शेयरधनीको दर्ता किताबमा उल्लेख) ले सभामा भाग लिन, छलफल गर्न, प्रतिनिधि नियुक्त गर्न र मत दिन समेत सक्नेछन्।
- (५) सभामा भाग लिन स्वयं उपस्थित हुन नसक्ने भई प्रोक्सी मार्फत प्रतिनिधि नियुक्त गर्न चाहने शेयरधनी महानुभावहरूले सभा शुरु हुनुभन्दा ४८ घण्टा अगावै कम्पनीको रजिष्टर्ड कार्यालय, डिल्लीबजार, काठमाण्डौमा प्रोक्सी दर्ता गरी सक्नु पर्नेछ। नाबालक वा अशक्त शेयरधनीको प्रतिनिधिको हकमा कम्पनीको शेयर लगत किताबमा संरक्षकको रूपमा नाम दर्ता भएको व्यक्तिले मात्र प्रतिनिधि तोक्न सक्नेछ।
- (६) प्रतिनिधि नियुक्त गर्नु भएको शेयरधनीहरूको निवेदनमा भएको दस्तखत कम्पनीको शेयरको अभिलेखमा रहेको दस्तखतसँग मिल्नुपर्नेछ।
- (७) कम्पनीको वार्षिक साधारणसभा सम्बन्धी सूचना, सञ्चालक समितिको वार्षिक प्रतिवेदन, आर्थिक विवरणहरू कम्पनीको वेबसाईट [www.charnawatihydro.com](http://www.charnawatihydro.com) मा राखिने छ। कसैले हेर्न नसक्नु भएमा यस कम्पनीको रजिष्टर्ड कार्यालय डिल्लीबजार, काठमाण्डौं वा यस कम्पनीको शेयर रजिष्ट्रार श्री एनएमबि क्यापिटल लिमिटेड, नागपोखरी, काठमाण्डौंबाट वितरण गर्ने व्यवस्था मिलाइनेछ। शेयरधनीको प्रमाण प्रस्तुत गरी सो प्रतिवेदन प्राप्त गर्न सक्नुहुनेछ।
- (८) कुनै शेयरधनी महानुभावहरूलाई कम्पनी सम्बन्धमा केही जिज्ञासा भए त्यस्तो व्यहोरा लिखितरूपमा सभा शुरु हुनुभन्दा कम्तीमा ७ दिन अगावै कम्पनीको रजिष्टर्ड कार्यालय डिल्लीबजार, काठमाण्डौंमा पठाउनु हुन अनुरोध गर्दछौं। तर यसलाई छलफल र पारित हुने प्रस्तावको रूपमा समावेश गरिने छैन।
- (९) अन्य विस्तृत जानकारीको लागि कम्पनीको रजिष्टर्ड कार्यालय डिल्लीबजार, काठमाण्डौंमा कार्यालय समय भित्र फोन नं. ०१-४४४११३१ मा सर्म्पर्क राख्न सक्नु हुनेछ।
- (१०) अन्य कुराहरू प्रचलित कानुन बमोजिम हुनेछन्।

वार्षिक साधारण सभामा आफ्नो प्रतिनिधि नियुक्त गर्ने निवेदन (प्रोक्सी) फारम  
कम्पनी ऐन, २०६३ को दफा ७१ को उपदफा ३ सँग सम्बन्धित

(प्रोक्सी फारम)

श्री सञ्चालक समिति  
नेपाल हाईड्रो डेभलपेर लिमिटेड  
डिल्लीबजार, काठमाडौं

विषय: प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

.....जिल्ला ..... न.पा./गा.पा..... वडा नं ..... बस्ने म/हामी .....ले  
त्यस कम्पनीको शेयरधनीको हैसियतले मिति २०७७/१२/१७ मा हुने १२औं १३औं र १४औं वार्षिक साधारण सभामा म/हामी स्वयं  
उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा मेरो/हाम्रो तर्फबाट भाग लिन तथा मतदान गर्नको  
लागि .....जिल्ला ..... न.पा./गा.पा.वडा नं..... बस्ने त्यस कम्पनीका शेयरधनी  
श्री..... शेयरधनी नं. / BOID No. ....लाई मेरो/हाम्रो प्रतिनिधि मनोनीत गरी पठाएको  
छु/छौं । वहाँलाई भर्चुअल माध्यमको जुम ठेगाना र पासवर्ड उपलब्ध गराउनुहुन मेरो मन्जुरी रहेको छ ।

प्रतिनिधि नियुक्त भएको व्यक्तिको	प्रतिनिधि नियुक्त गर्ने शेयरधनीको
नाम:	नाम:
ठेगाना:	ठेगाना:
शेयरधनी नं. /DEMAT No:	शेयरधनी नं. /DEMAT No:
हस्ताक्षर नमुना:	हस्ताक्षर नमुना:
परिचय पत्र नं :	परिचय पत्र नं :
मिति:	शेयर संख्या :

द्रष्टव्य : यो निवेदन साधारण सभा शुरु हुन भन्दा कम्तिमा ४८ घण्टा अगावै कम्पनीको रजिष्टर्ड कार्यालयमा पेश गरी सक्नु पर्नेछ ।



## विषयसूची

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आर्थिक वर्ष २०७५/७६ को वित्तीय विवरणहरू	५९-९६
आर्थिक वर्ष २०७४/७५ को वित्तीय विवरणहरू	९७-१२०
धितोपत्र दर्ता तथा निष्कासन नियमावली बमोजिमका वार्षिक प्रतिवेदनहरू (आर्थिक वर्ष २०७६/०७७, २०७५/०७६, २०७४/०७५)	१२१
संस्थागत सुशासन सम्बन्धी अनुपालना प्रतिवेदन (आर्थिक वर्ष २०७६/०७७, २०७५/०७६)	१२४
प्रबन्धपत्र संशोधन सम्बन्धी तिनमहने विवरण	१३९
नोट	१४०



## नेपाल हाईड्रो डेभलपर लिमिटेड कम्पनीको परिचयात्मक समीक्षा

नेपालमा विद्युत विकासको लागि साना तथा मझौला आयोजनाहरूको संचालन गरी विद्युत उत्पादन, विक्री वितरण तथा प्रसारण गर्ने लगायतका उद्देश्यहरूका लागि मिति २०६३।०५।२८ मा कम्पनी रजिष्ट्रारको कार्यालयमा प्राईभेट लिमिटेडको रूपमा दर्ता भई मिति २०७१ साल आषाढ ३१ गते पब्लिक लिमिटेडमा परिणत भएको यस नेपाल हाईड्रो डेभलपर लिमिटेडले विद्युत विकास विभागबाट मिति २०६७।०८।२० गते ३५ वर्षको लागि विद्युत उत्पादन अनुमति प्राप्त गरी दोलखा जिल्ला भीमेश्वर नगरपालिका स्थित चर्नावती खोलामा ३.५२ मे.वा.को चर्नावती खोला जलविद्युत आयोजना निर्माणपश्चात उक्त आयोजनाबाट मिति २०७०/०२/२४ देखि व्यापारिक उत्पादनशुरु गरी विक्री वितरण तथा प्रसारण गर्दै आएको छ। यस आयोजनाको सम्पूर्ण लागत व्यवस्थापन प्रवर्द्धकहरूको स्वपूँजी तथा विभिन्न बैंकहरूबाट प्राप्त सहवित्तियकरण कर्जाबाट गरिएको हो।

विगत वर्षहरूमा भैं यो वर्ष पनि कम्पनीले संचालनमा ल्याएको चर्नावती खोला जलविद्युत आयोजनाले सन्तोषजनकरूपले विद्युत उत्पादन गर्दै आएको छ। आ.व २०७६।७७ को वैशाख १५ गतेका दिन आयोजनाको उपकरणमा विद्युतीय सर्किटका कारण उपकरणहरू पुर्णरूपमा सञ्चालन हुन नसकेका कारण आयोजनाले तुलनात्मक रूपमा केही क्षति ब्यहोर्नु परेको छ। उक्त क्षतिको क्षतिपूर्तिका लागि आयोजनाले बिमा कम्पनीलाई रकम माग दाबी समेत गरीसकेको छ। यसका साथै कम्पनीको यसवर्षको आर्थिक गतिविधिहरू बुँदागत रूपमा तल प्रस्तुत गरिएको छ।

### (१) आम्दानी तथा खर्चको तुलनात्मक विवरण

कम्पनीको आ.व. २०७६/७७, आ.व. २०७५/०७६ र आ.व. २०७४।७५ को आम्दानी तथा खर्चको तुलनात्मक विवरण तालिका नं १ मा प्रस्तुत गरिएको छ।

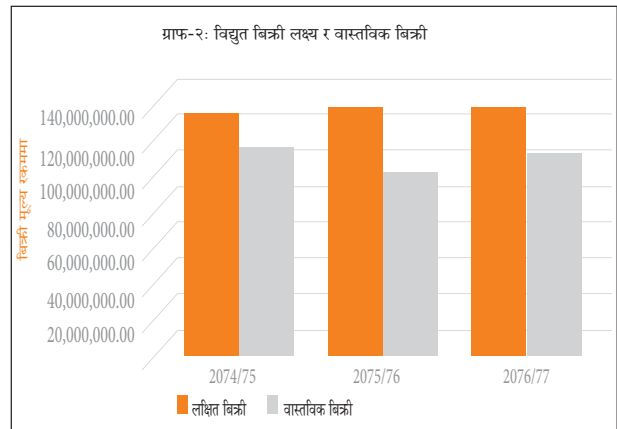
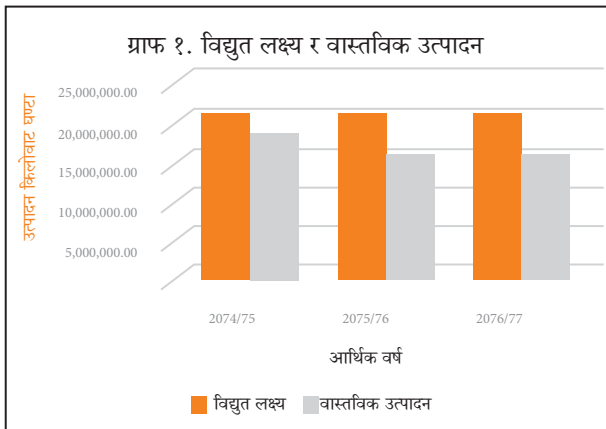
तालिका नं १

विवरण	२०७६/७७	२०७५/७६	२०७४/७५	२ वर्षको वृद्धि र कम	२ वर्षको वृद्धि प्रतिशत
विक्री बाट आम्दानी	१०,४२,४९,६५२	९,४०,३८,१२२	१०,७२,५५,६२८.१५	१,०२,११५३०	०.११
अन्य आम्दानी	७,६६,२४१.४६	२,८५२.५९	६१,१६,४७४.७६	७,६३,३८८.८७	२६७.६१
जम्मा आम्दानी	१०,५०,१५,८९४.४०	९,४०,४०,९७४.६३	१०,७२,५५,६२८.१५	१०,९७,४९१८.८७	२६७.७२
रोयल्टी भुक्तानी	३४,०९,४७०.३०	१९,७५,१७०	२२,३७,५५०.५०	१४,३४,३००.३०	०.७३
आयोजना संचालन खर्च	१,०८,२७,२४५.७३	१३,०६,७२५१.०८	१,४०,४५,३५५.४१	(२२,४०,००५.३५)	(०.१७)
प्रशासकिय खर्च	१३,५९,१४३.९२	१७,९५,२६४.४८	६०,२५,५१८.०१	(४,३६,१२०.५६)	(०.२४)
ब्याज र वित्तिय खर्च	३,२२,२९,०१४.५२	३,९१,९३,२११.४४	४,२९,१२,२४६.६३	(६९,६४,१९६.९२)	(०.१८)
ह्रास खर्च	२,७६,३३,३५३.७३	२,७७,१९,७३७.४५	२,७९,१७,८५२.३४	(८६३८३.७२)	००
कर्मचारी बोनस	५,७९,५६२	२,०१,७७१	३,९६,७३७	३,७७,७९१	१.८७
सामाजिक उत्तरदायित्व खर्च व्यवस्था	२,८६,९१२	९९,८८७	१,९६,४०४	१,८७,०२५	१.८७
जम्मा खर्च	७,६३,२४,७०२.२०	८,४,०५,२२,९२.४५	९,३७,३९,६६३.८९	(७७२७५९०.२५)	३.८८
कर अधिको खुद नाफा / (नोक्सान)	२,८६,९१,२०५.२०	९९,८८,६८२.१८	१,९६,४०,४३९.०२	१,८७,०२,५०९.१२	१.८७
आयकर खर्च	१,००,९६८			१,००,९६८	
खुद नाफा / (नोक्सान)	२,८५,९०,२३७.२०	९९,८८,६८२.१८	१,९६,४०,४३९.०२	१,८६,०१,५४९.१२	१.८६
भारित औषत शेथर संख्या	२६०००००	२६०००००	२६०००००		
प्रति शेथर आम्दानी	११	३.८४	७.५५	७.१५	

(२) आयोजनाको विद्युत उत्पादनबाट

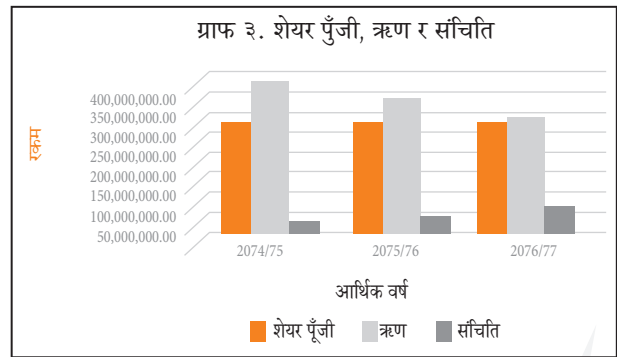
लक्षित आम्दानी र वास्तविक आम्दानी :

यस कम्पनी र नेपाल विद्युत खरिद विक्री सम्झौता अनुसार वार्षिक २,०५,०३,१३१.८२ किलोवाट घन्टा विद्युत शक्ति उपलब्ध गराउन सकिने प्रावधान भए अनुसार आ.व. २०७४/७५, २०७५/७६ र २०७६/२०७७ मा यस कम्पनीले जम्मा क्रमश १,७८,७७,६२०.४४ (८७.१९५), १,५१,९४,३८९.५३ (७४.११५) र १,५५,८७,१३७.४६ (७६.०२५) किलोवाट घन्टा विद्युत उत्पादन गरी क्रमश रु.१०,७२,५५,६२८।१५ (दस करोड बहत्तर लाख पचपन्न हजार छ सय अट्ठईस रूपैया पन्ध्र पैसा मात्र), रु. ९,४०,३८,१२२ (नौ करोड चालीस लाख अड्तीस हजार एकसय बाईस रूपैया) र १०,४२,४९,६५२ ( दस करोड बयालीस लाख उनान्चालीस हजार छ सय बाउन्न रूपैया) वार्षिक आय भएको छ । विद्युत खरिद विक्री सम्झौता अनुसार कम्पनीले विक्रम सम्वत् २०७० जेष्ठ २२ गते देखि व्यावसायिक विद्युत उत्पादन गरे पश्चात हाल सम्मको उत्पादन तथा बिक्रीबाट प्राप्त आम्दानीका तुलनात्मक अवस्था ग्राफ नं. १ र ग्राफ नं. २ मा प्रस्तुत गरिएको छ ।



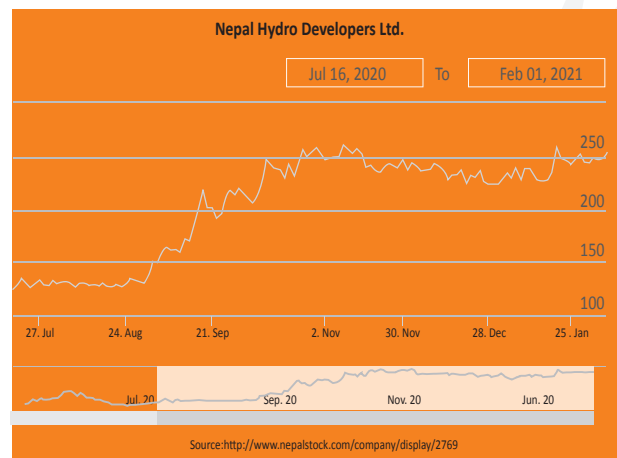
(३) कम्पनीको शेयर पूँजी, ऋण तथा सञ्चिति

कम्पनीको विगत तीन वर्षको शेयर पूँजी, ऋण तथा सञ्चिति रकमको अवस्था ग्राफ नं ३ मा प्रस्तुत गरिएको छ । आ. व. २०७४/७५ सम्ममा कम्पनीले स्थानीय र अन्य सर्बसाधारणको लागि साधारण शेयरको निष्काशन गरीसकेपछि यस कम्पनीको शेयर पूँजी रु. २६,००,००,०००।- यथावत रहेको छ । सोही वर्ष कम्पनीको ऋण रु. ३६,०४,११,९६९.५८ तथा सञ्चिति रु. १,०७,२६,५५७.९१ रहेको थियो भने आ. व. २०७५/७६ ऋण रु. ३२,०९,९५,०२१।- र सञ्चिति रु. २,०७,१५,२४०.०९ रहेको थियो । त्यस्तै आ.व. २०७६।७७ मा कम्पनीको ऋण रु. २६,८४,९९,५५१ तथा सञ्चिति रु. ४,९३,०५,४४७.२९ रहेको छ ।



(४) कम्पनीको शेयरको बजार मूल्य

यस आर्थिक वर्ष २०७७/७८मा यस कम्पनीको बजार शेयर मूल्यमा निकै उतारचढाव रह्यो । देशका आर्थिक सूचांकहरूमा भारी मात्रामा बढोत्तरी भएको छ । शेयर कारोबारमा आर्थिक वर्ष २०७७/७८ को श्रावण १ गते देखि माघ २२ सम्म अधिकतम मूल्य रु. २६०।- र न्यूनतम मूल्य रु. १२५।- रहेको छ । यस आर्थिक वर्ष २०७७/७८ मा यस कम्पनीको शेयर बजार मूल्यको स्थिति ग्राफ नं ४ मा प्रस्तुत गरिएको छ ।



● ज्ञानेन्द्र लाल प्रधान  
अध्यक्ष





## नेपाल हाईड्रो डेभलपर लिमिटेडको (१२ औं, १३औं र १४ औं) वार्षिक साधारण सभामा सञ्चालक समितिको तर्फबाट अध्यक्षज्यूको प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,  
आजको यस १२ औं, १३ औं र १४ औं संयुक्त वार्षिक साधारण सभामा विद्युतीय माध्यमबाट तपाईं शेयरधनीहरू महानुभावहरू, विभिन्न नियमनकारी निकायहरूबाट उपस्थित हुनुभएका प्रतिनिधि ज्यूहरूमा यस नेपाल हाईड्रो डेभलपर लिमिटेड सञ्चालक समिति तथा मेरो व्यक्तिगत तर्फबाट हार्दिक स्वागत अभिवादन गर्न चाहन्छु।

प्रचलित ऐननियम बमोजिम सम्बन्धित निकायहरूबाट ईजाजत पत्र प्राप्त यस कम्पनीद्वारा दोलखा जिल्लाको भिमेश्वर नगरपालिकामा अवस्थित चर्नावती खोलामा निर्माण सम्पन्न यस चर्नावती खोला जलविद्युत आयोजना (३.५२ मे.वा.) ले विभिन्न आरोह अवरोहलाई व्यवस्थापन गर्दै विगत ७ वर्षदेखि विद्युत उत्पादन गरी बिक्रि गरिरहेको कुरा सम्पूर्ण शेयरधनी महानुभावहरूलाई अवगत गराउन चाहन्छु।

यस वार्षिक साधारण सभामा सञ्चालक समितिको तर्फबाट आ.व. २०७४।७५, २०७५।७६ र २०७६।७७ को वासलात, नाफा नोक्सान हिसाब, नगद प्रवाहको विवरण लगायत अन्य वित्तीय विवरण सहितको वार्षिक प्रतिवेदन छुट्टै पेश गरिएको छ। उक्त प्रतिवेदनको बिषयमा यहाँहरूबाट प्राप्तहुने सकारात्मक तथा अमूल्य सुझावहरूलाई कम्पनीले मार्गनिर्देशनको रूपमा लिनेछ। शेयरधनी महानुभावहरूबाट प्राप्तहुने रचनात्मक सुझावहरूले आगामी दिनहरूमा कम्पनीको व्यवस्थापनमा महत्वपूर्ण सहयोग पुग्ने कुरा सबै शेयरधनी महानुभावहरूलाई अवगत गराउन चाहन्छु।

शेयरधनी महानुभावहरूले जलविद्युत आयोजनामा गर्नु भएको लगानीको प्रतिफल सुनिश्चितताको अतिरिक्त अधिकतम प्रतिफल दिने पनि कम्पनीको प्रमुख उद्देश्य हो। यसै उद्देश्यलाई साकार पार्नको लागि विगतका साधारण सभामा प्राप्त भएका सुझावहरूलाई हृदयंगम गरी कम्पनीले शतप्रतिशत स्वामित्वमा रहने गरी तल्लो



चर्नावती जलविद्युत आयोजना ६ मे.वा.को निर्माणका लागि बिस्तृत अध्ययन गरी रहेको जानकारी गराउन चाहन्छु । उक्त आयोजनाको हाल सम्मको प्रगत विवरण प्रतिवेदनमा उल्लेख गरिएको समेत जानकारी गराउन चाहन्छु ।

#### शेयरधनी महानुभावहरू,

यस कम्पनीले शेयरधनी महानुभावहरूलाई कम्पनीको आर्थिक वर्ष २०७६/०७७ सम्मको खुद वितरणयोग्य मुनाफाबाट हाल कायम चुक्ता पूँजी रु. २६,००,००,०००/- को १५ प्रतिशतका दरले हुन आउने रु. ३,९०,००,०००/- बराबरको बोनस शेयर जारी गर्ने र चुक्ता पूँजी रु. २६,००,००,०००/- को ०.७८९५ प्रतिशतका दरले हुन आउने रु. २०,५२,६३२/- बराबरको नगद लाभांश (बोनस शेयरको कर प्रयोजनार्थ) बितरण गर्ने प्रस्ताव यस गरिमामय सभामा पेश गर्न पाउँदा केही खुसी भएको छ । आगामी वर्ष यसको प्रतिशत बृद्धि गर्दै लैजाने हाम्रो अथक प्रयास रहनेछ भन्ने यस गरिमामय सभालाई अनुरोध गर्न चाहन्छु ।

अन्त्यमा यस आयोजना प्रति देखाउनु भएको अटुट विश्वास तथा कम्पनीको निरन्तर उन्नति एवं प्रगतिमा साथ दिनुहुने सम्पुर्ण शेयरधनी महानुभावहरू, नियमनकारी निकायहरू, नेपाल सरकार,

उर्जा मन्त्रालय, विद्युत व्यापार विभाग, नेपाल विद्युत प्राधिकरण, नेपाल धितोपत्र बोर्ड, कम्पनी रजिष्ट्रारको कार्यालय, नेपाल स्टक एक्सचेन्ज लिमिटेड, सहवित्तियकरणका लगानीकर्ता बैकहरू, शेयर रजिष्ट्रार एनएमबी क्यापिटल लिमिटेड तथा अन्य सहयोगी सघं सस्थाहरूलाई प्राप्त सहयोग तथा मार्ग निर्देशनको लागि हार्दिक कृतज्ञता ज्ञापन गर्दै भविष्यमा पनि निरन्तर सहयोग पाइरहने विश्वास लिएको छु । कम्पनीको निरन्तर हितका लागि क्रियाशील भई प्रतिकुल परिस्थितिमा पनि उच्च मनोबलका साथ निरन्तर सेवामा संलग्न सम्पुर्ण कर्मचारीहरूलाई हार्दिक ज्ञापन गर्दछु ।

धन्यवाद ।

ज्ञानेन्द्रलाल प्रधान  
अध्यक्ष

मिति: २०७७/११/२०



## नेपाल हाईड्रो डेभलपर लिमिटेडको १२ औं, १३ औं र १४औं वार्षिक साधारण सभामा सञ्चालक समितिको तर्फबाट प्रस्तुत वार्षिक प्रतिवेदन

कम्पनी ऐन, २०६३ को दफा १०९ उपदफा (४) बमोजिम सञ्चालक समितिको प्रतिवेदन

आर्थिक वर्ष २०७४।७५, २०७५।७६ र २०७६।७७

समीक्षा अवधि र चालु आ.व. को यथास्थिति बारेमा सम्पूर्ण शेरधनी महानुभावहरूको जानकारीको लागि कम्पनी ऐन २०६३ ले निर्दिष्ट गरे अनुरूप देहाय बमोजिम विवरण पेश गरिएको छ ।

### क. विगत वर्षहरूको कारोबारको सिंहावलोकन :

हाल हाम्रो देशले खेपिरहेको उर्जाको व्यापक समस्या तथा लोडसेडिङ्ग भार भोगिरहेको तत्कालिन अवस्थालाई सानो मात्रामा भएपनि कम गर्दै हामीले चर्नावतीखोला जलविद्युत आयोजना बाट ३.५२ मे.वा. विद्युत उत्पादन गरि राष्ट्रिय प्रशारण लाइनमा आपूर्ति गरिरहेको र दोलखा जिल्लाको चरिकोट बजारलाई लोड सेडिङ्ग मुक्त गरेको व्यहोरा सर्वविदितै छ । यस कम्पनी अन्तर्गतको चर्नावति जलविद्युत आयोजनाले २०७० जेष्ठ महिना देखि व्यापारिक उत्पादन शुरु गरि सफलता पूर्वक संचालन भईरहेको छ ।

### आ.व. २०७१-७२ देखि २०७७ सम्ममा आयोजनाको विद्युत विक्री निम्न बमोजिम छ :

आर्थिक वर्ष	उर्जा विक्रीबाट आम्दानी
२०७६/७७	१०,४२,४९,६५२
२०७५/७६	९,४०,३८,१२२
२०७४/७५	१०,७२,५५,६२८.१५
२०७३/७४	१०,४६,३४,६६७
२०७२/७३	१०,३९,५८,९२४
२०७१/७२	९,६९,७६,६२५

उक्त आयोजना रु ६९,६०,७२,४४५।- को लागतमा सम्पन्न भएको हो । सो आयोजना ३.५२ मे.वा. को भएता पनि यसको जम्मा उत्पादन क्षमता (Installed Capacity) ६ मे.वा. रहने गरी निर्माण गरिएको हो । हामीले यसमा लगभग अतिरिक्त रु ७ करोड लगानी थप गरेमा हाल भईरहेको वार्षिक आम्दानीमा पुनः वृद्धि हुने जानकारी गराउँदछौं ।

यस आयोजना बनाउनको लागि हामीले बैंक अफ काठमान्डुको अगुवाईमा सहवित्तियकरण मार्फत परियोजना कर्जा रु ५०,५०,००,०००।- (रु.पचास करोड पचास लाख मात्र) लिई निर्माण सम्पन्न गरिएको हो । उक्त कर्जा २०७७ आषाढ मसान्त सम्ममा रु २३,६५,००,४२९।- (रु.तेइस करोड पैसठ्ठी लाख चार सय उनान्तीस मात्र) भुक्तान गरि उक्त अवधि को अन्त्यमा रु २६,८४,९९,५७१।- (रु.छब्बीस करोड चौरासी लाख उनान्सय हजार पाँच सय एकहत्तर मात्र) कर्जा बाँकी रहेको जानकारी गराउदछौं । उक्त कर्जा २०८२ साल पौष महिना भित्र चुक्ता गरिसक्ने गरि भुक्तानी तालिका रहेको र सोही बमोजिम कर्जा भुक्तान गर्दै लगिने छ । साथै यस कम्पनीले त्यस सहवित्तियकरणबाट चालु पुँजी व्यवस्थापन गर्न रु एक करोड बराबरको स्वीकृत सीमा रहेको अल्पकालिन कर्जा सुविधा लिएको छ ।

म यसै सभा मार्फत सम्पूर्ण शेरधनी महानुभावहरूलाई जानकारी गराउन चाहन्छु कि हामीले नेपाल विद्युत प्राधिकरणबाट पोस्टेड दर प्राप्त गर्ने अन्तिम मिति २०७६ चैत्र महिना सम्मको रु. ८,१८,९३,५१४.३९/- (रु.आठ करोड अठार लाख तिरानब्बे हजार पाँच सय चौध तथा उनन्चालीस पैसा मात्र) को दाबी बिल नेपाल विद्युत प्राधिकरणलाई पेश गरिएकोमा हाल सम्म रोयल्टी रकम रु.५९,६०,५९३/- कट्टा गरी रु.५,८१,८८,३४५.५४ (रु. पाँच करोड एकासी लाख अठासी हजार तीन सय पैतालिस रूपैया

चौवन्न पैसा मात्र) प्राप्त गरीसकेको छ साथै मु.अ. कर वापत करिब रु.१,७६,००,०००/- (रु.एक करोड छयत्तर लाख मात्र) प्राप्त गर्न बाँकी रहेको छ। हामीले बाँकी रहेको उक्त राशी समयमा पाउन सकेमा तिर्नुपर्ने व्याजमा कमी आई खुद नाफामा उल्लेखनीय वृद्धि हुने अपेक्षा गरिएको छ।

- ख. राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सो असर,**  
राष्ट्रिय तथा अन्तर्राष्ट्रिय आर्थिक तथा वित्तीय क्षेत्रमा देखापर्ने विभिन्न प्रतिकूलताहरू जस्तै मुद्रा स्फिति, विदेशी मुद्राको मुल्यमा हुने परिवर्तन, अन्तर्राष्ट्रिय मुल्यस्तरमा हुने परिवर्तन आदिका कारणले आयोजनाको नियमित मर्मत संभारका लागि आवश्यक पर्ने विभिन्न यान्त्रिक उपकरण लगायत निर्माण सामग्री, प्राविधिक परामर्श सेवा आदि बढ्न गई कम्पनीको खर्च बढ्न गएको छ।
- ग. प्रतिवेदन तयार भएको मितिसम्म चालु वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा**  
कम्पनीको ब्यवसायिक उद्देश्य बमोजिम जलविद्युत आयोजनाको निर्माण तथा सञ्चालनको लागि अन्य नयाँ आयोजनाको पहिचान गरी अनुमतिको लागि सम्बन्धित निकायमा निवेदन गर्ने, सरकारी संस्थाले कानून बमोजिम अध्ययन गरेका र प्रतिस्पर्धाका आधारमा बेलामा उपलब्ध गराउने आयोजनाहरूमा पनि प्रतिस्पर्धा लिने निति लिएको छ।
- घ. कम्पनीको औद्योगिक तथा व्यावसायिक सम्बन्ध**  
आयोजना निर्माणको क्रममा सबै क्षेत्रबाट यथेष्ट सहयोग मिलेकै कारण चर्चावतीखोला जलविद्युत आयोजना सफलतापूर्वक सञ्चालनमा आईरहेको छ। यो सफलताले आयोजना निर्माण कार्यमा लागेका र आयोजनासँग प्रत्यक्ष वा अप्रत्यक्ष रूपमा संलग्न रहेका हामी सबैलाई गौरवान्वित तुल्याएको छ। कम्पनीको व्यावसायिक सम्बन्ध मूलतः विद्युत सम्बन्धी अनुमति पत्र प्रदान गर्ने उर्जा मन्त्रालय र सो मन्त्रालय मातहतको श्री विद्युत विकास विभाग र विद्युत खरिद गरिदिने नेपाल विद्युत प्राधिकरण तथा आयोजनाको निर्माणमा वित्तीय सहयोग प्रदान गर्ने बैंकहरू बैंक अफ काठमाडौं लि., ग्लोबल आइएमइ बैंक लि., सिटिजन्स बैंक इन्टरनेशनल लि. र सिद्धार्थ बैंक लि, शेयर रजिष्ट्रार एनएमबी क्यापिटल लि., आयोजनाको बीमा गर्ने बीमा कम्पनी तथा आयोजना क्षेत्रका स्थानिय बासिन्दा, निकाय तथा सरोकारवालाहरूसँग पनि सुमधुर सम्बन्ध रहेको छ। यस किसिमका संस्थाहरूसँगको व्यावसायिक सम्बन्धले कम्पनीलाई थप सफलता हासिल गर्न टेवा दिएकोले भविष्यमा पनि व्यावसायिक सम्बन्धलाई अभूँ बलियो तुल्याउन कम्पनी सदैव सजग रहनेछ।
- ङ. सञ्चालक समितिमा भएको हेरफेर र सोको कारण**  
कम्पनीको संशोधित नियमावली अनुसार यस कम्पनीमा ५ जना सञ्चालकहरू रहने व्यवस्था छ। प्रत्येक सञ्चालक समितिको कार्यकाल ४ वर्षको हुने प्रावधान छ। सर्वसाधारणमा २५ प्रतिशत शेयर बिक्री निष्काशन भएपछि संस्थापक “क” समुहबाट ३ जना तथा सर्वसाधारण “ख” समुहबाट १ जना र स्वतन्त्र सञ्चालक १ जना रहने व्यवस्था रहेको छ। मिति २०७५।०३।२९ मा सम्पन्न कम्पनीको साधारण सभाबाट निर्वाचित हुनुभएका सञ्चालक समिति सदस्यहरूको विवरण निम्नानुसार प्रस्तुत गरिएको छ।

क्र.स.	सञ्चालकको नाम, थर	पद	समूह	सञ्चालकमा हेरफेर
१	श्री ज्ञानेन्द्र लाल प्रधान	अध्यक्ष	संस्थापक	यथावत
२	श्री पशुपति मुरारका	सञ्चालक	संस्थापक	यथावत
३	श्री कुमुद कुमार ढुगड	सञ्चालक	संस्थापक	यथावत
४	श्रीमति पूजा अटल	सञ्चालक	सर्वसाधारण	यथावत

- च. कारोबारलाई असर पार्ने मुख्य कुराहरू**
- १) नेपालको संबिधान बमोजिम संधियता कार्यान्वयनका क्रममा संघीय सरकार तथा प्रादेशिक सरकारले जारी गर्ने नयाँ ऐन नियम कानून तथा बिद्यमान ऐन कानूनमा हुने परिवर्तन तथा संसोधनले निजी क्षेत्रबाट प्रबर्धन गरिने जलविद्युत आयोजनाको निर्माण तथा सञ्चालनमा अनुकूल/प्रतिकूल असर पर्न सक्ने।
- २) बन्द हडताल चक्काजाम, नाकाबन्दी, जस्ता राजनैतिक घटनाक्रम, बाढीपहिरो, खडेरी, भुकम्प जस्ता अप्रत्याशित प्रकोप तथा मुद्रा स्फिति, इन्धनको मुल्यमा बृद्धि, बैंकको ब्याजदरमा बृद्धि, विनिमय दरमा परिवर्तन आदि आर्थिक वित्तीय कारणहरूले पनि जलविद्युत आयोजनाको विकासमा प्रतिकूल असर पार्न सक्दछ।
- छ. लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया,**
- १) यस कम्पनीले आ.व. २०७४।७५ बाट NFRS(Nepal Financing Reporting System) मापदण्ड अनुसार कम्पनीको

वित्तिय विवरण तयार गरिएको छ भने आवश्यक थप सुधारसहित सोही बमोजिम आ.व. २०७६।७७ सम्म पनि निरन्तरता दिईरहेको छ ।  
२) लेखा परीक्षण प्रतिवेदनमा नियमित कारोबारमा देखिएका सामान्य कैफियत ,प्रतिक्रिया र सुझावहरूमाथि सञ्चालक समितिको ध्यानाकर्षण हुनुको साथै सोको सुधारका निम्ति आवश्यक कदम चालिएको छ ।

**ज. लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम**

यसै सम्बन्धमा सञ्चालक समितिको मिति २०७५/०९/०९ मा बसेको बैठकबाट आर्थिक वर्ष २०७४/०७५ सम्मको सञ्चित मुनाफाबाट शेयरधनीहरूलाई तत्काल कायम चुक्ता पूँजी रु.२६,००,००,०००।- को ४ प्रतिशतका दरले बोनस शेयर वितरण गर्ने निर्णय भई नियामक निकायहरूमा समेत जानकारी गराईएकोमा विशेष कारण वश उक्त आर्थिक वर्षको वार्षिक साधारण सभा समेत सम्पन्न हुन नसकेको र सो बोनस शेयर जारी गर्ने प्रयोजनार्थ शेयर दाखिला खारेजी बन्द समेत नभएको हुँदा उक्त बोनस शेयर जारी गर्ने निर्णयलाई समेत समावेश गरी आर्थिक वर्ष २०७६/०७७ सम्मको खुद वितरणयोग्य मुनाफाबाट हाल कायम चुक्ता पूँजी रु.२६,००,००,०००।- को १५ प्रतिशतका दरले हुन आउने रु. ३,९०,००,०००।- बराबरको बोनस शेयर जारी गर्ने र चुक्ता पूँजी रु. २६,००,००,०००।- को ०.७८९५ प्रतिशतका दरले हुन आउने रु. २०,५२,६३२।- बराबरको नगद लाभांश (बोनस शेयरको कर प्रयोजनार्थ) साधारण सभाबाट स्वीकृत भए पश्चात वितरण गर्ने गरी समितिबाट स्वीकृत गरी साधारण सभामा प्रस्ताव पेश गरिएको छ । । हाल प्रस्ताव गरिएको बोनस शेयर स्वीकृत भए पश्चात कम्पनीको चुक्ता पूँजी रु. २९,९०,००,०००।- कायम हुनेछ ।

**झ. शेयर जफत भएको भए जफत भएको शेयर सङ्ख्या, त्यस्तो शेयरको अङ्कित मूल्य, त्यस्तो शेयर जफत हुनुभन्दा अगावै सो बापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयर बापत रकम फिर्ता गरेको भए सोको विवरण,**  
आ.व. २०७६।७७ मा शेयर जफत सम्बन्धी कार्य भएको छैन ।

**ञ. विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन**

कम्पनीबाट प्रवाहित तल्लो चर्नावती जलविद्युत आयोजना :

यस कम्पनीको कारोबारको प्रगति माथि उल्लेख गरिएको छ साथै यस कम्पनीले लगानीको थप क्षेत्र विस्तार गरी लगानीकर्ताहरूको प्रतिफलमा वृद्धिको अवसर सृजना गर्ने उद्देश्यका साथ नयाँ योजनाहरूमा निरन्तर लागि परेको छ । यसक्रममा यस कम्पनीको शतप्रतिशत स्वामित्वमा रहने गरि विकास हुने तल्लो क्रममा चर्नावती जलविद्युत आयोजना ६ मे. वा. (क्यास्केड आयोजना) को लागि तल्लो चर्नावती हाइड्रोपावर लिमिटेड नामको कम्पनी २०७३/१२/०६ मा कम्पनी रजिष्ट्रार कार्यालयमा दर्ता गरि संचालनमा रहेको जानकारी गराउँदछौ । यस आयोजनामा हालसम्म भएको प्रगति निम्नानुसार छन् :

विवरण	प्रगति
संभाव्यता अध्ययन	सम्पन्न भइसकेका
विस्तृत आयोजना प्रतिवेदन	भइरहेको
प्रारम्भिक वातावरण परीक्षण प्रतिवेदन	भइरहेको
कनेक्सन सम्झौता	भइरहेको
विद्युत खरिद विक्री सम्झौता	नेपाल विद्युत प्राधिकरणमा प्रस्तुतिकरण गरी सकेको
विद्युत उत्पादन अनुमति	आवेदन दिईएको
वित्तिय व्यवस्थापन	बैंक अफ काठमान्डूले लगानी उत्सुकता पत्र (Letter of Intent) दिएको

**ट. कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरू र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन,**

यस कम्पनीले आर्थिक वर्षमा गरेका मुख्य कारोबारहरू संलग्न वासलात,नाफा नोक्सान हिसाब र नगद प्रवाह विवरण तथा लेखा सम्बन्धी टिप्पणीले स्पष्ट पाईन्छ । सहायक कम्पनीको हकमा सामान्य मात्र कारोवार मात्र भएकाले महत्वपूर्ण परिवर्तन भएको छैन ।

**ठ. विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी,**

विगत आर्थिक वर्षमा कम्पनीले कम्पनीको आधारभूत शेयरधनीहरूले कम्पनीलाई कुनै जानकारी उपलब्ध गराएको छैन ।

- ड. विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी, आर्थिक वर्ष २०७६।७७ सम्म यस कम्पनीका सञ्चालक तथा पदाधिकारीहरूको शेयर स्वामित्व निम्न बमोजिम रहेको छ र निजहरूले कम्पनीको शेयर कारोबारमा संलग्न रहेको पाईएको छैन।

नाम थर	पद	शेयर स्वामित्व
श्री ज्ञानेन्द्रलाल प्रधान	अध्यक्ष	४,३८,७५० कित्ता
श्री पशुपति मुरारका	सञ्चालक	२,४३,७५० कित्ता
श्री कुमुदकुमार दुगड	सञ्चालक	२,४३,७५० कित्ता
श्री पुजा अटल	सञ्चालक	३४,५९८ कित्ता

- ढ. विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्भौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराईएको जानकारीको व्यहोरा, त्यस प्रकारको जानकारी उपलब्ध नभएको।

- ण. कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको सङ्ख्या र अङ्कित मूल्य तथा त्यसरी शेयर खरिद गरे बापत कम्पनीले भुक्तानी गरेको रकम, कम्पनीले आफ्नो शेयर आफै खरिद गरेको छैन।

- त. आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण, प्रभावकारी आन्तरिक नियन्त्रण प्रणालीले कम्पनीको आर्थिक तथा प्रशासनिक कार्य चुस्त र दुरुस्त राख्ने कुरामा कम्पनी विश्वस्त रही सोही अनुरूप कार्य गरिरहेको छ। आर्थिक प्रशासन र कर्मचारीको उचित व्यवस्थापनको लागि हालसालै कम्पनीले २०७५ श्रावण देखि लागू कर्मचारी विनियमावली -२०७५ र आर्थिक प्रशासन विनियमावली -२०७५ जारी गरी लागू गरिरहेको छ।

- थ. विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण

विगत आर्थिक वर्षको कुल व्यवस्थापन खर्च देहाय बमोजिम रहेको छ।

शिर्षक	आ. व. २०७६/७७	आ. व. २०७५/७६	आ. व. २०७४/७५
कर्मचारी खर्च	७६,२२,१६९।००	७९,८४,२६९।००	८६,४७,२३१।६८
व्यवस्थापन तथा प्रशासनिक खर्च	१३,५९,१४३।९२	१७,९५,२६४।४८	६०,२५,५१८।०१

- द. लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारवाहीको विवरण र सोसमितिले कुनै सुझाव दिएको भए सोको विवरण

लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा निम्नानुसार छ।

नाम	पद	संयोजक	भत्ता तथा सुविधा
श्री कुमुद कुमार दुगड	सञ्चालक		भत्ता तथा सुविधा
श्रीमति पुजा अटल	सञ्चालक	सदस्य	नलिएको
श्री रमाकान्त मणि नेपाल	वित्त तथा प्रशासन प्रमुख	सदस्य सचिव	नलिएको

लेखापरीक्षक समितिले लेखा परीक्षक श्री UHY SUBODH ASSOCIATES बाट आ.व. २०७६।७७ को वार्षिक आर्थिक विवरण, तथा Subash and Company ले तयार पारेको आ.व २०७४।७५ र २०७५।७६ को वार्षिक आर्थिक विवरण स्वीकृत गरी अनुमोदनको लागि वार्षिक साधारण सभामा पेश गर्ने सुझाव दिए बमोजिम प्रस्ताव गरिएको छ।

समितिले लेखा परीक्षक श्री UHY SUBODH ASSOCIATES बाट आ.व. २०७७।७८ को लेखापरीक्षक नियुक्त गर्ने र सोको पारिश्रमिक १,२५,०००/- (अक्षरेपी एकलाख पच्चीस हजार मात्र) उपलब्ध गराउने गरी लेखा परीक्षक नियुक्तिको प्रस्ताव प्रस्तुत गरिएको छ।

- ध. सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी छैन ।
- न. सञ्चालक तथा उच्चपदस्थ पदाधिकारीहरूको पारिश्रमिक:  
यस कम्पनीमा हाल सम्म कम्पनीका सञ्चालकहरूलाई पारिश्रमिक, भत्ता तथा सुविधा वापत कुनै किसिमको भुक्तानी गरिएको छैन ।
- प. शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम  
शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम छैन ।
- फ. दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण  
आ.व. २०७४।७५, २०७५।७६ तथा २०७६।७७ मा खरिद भएका खर्च भएर नजाने पुँजीगत प्रकृतिका सामानको विवरण वार्षिक आर्थिक विवरणमा उल्लेख गरिएको छ ।
- ब. दफा १७५ बमोजिम सम्बद्ध कम्पनीबीच भएको कारोबारको विवरण,  
सम्बद्ध कम्पनी बिच भएको कारोबारको विवरण वार्षिक आर्थिक विवरणमा उल्लेख गरिएको छ ।
- भ. यस ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुरा,  
सञ्चालक समितिले आफ्नो वार्षिक प्रतिवेदनमा पारदर्शी भई खुलाउनुपर्ने बिषयका सन्दर्भमा सदैव सचेत रहेको छ र त्यसमा अभ्र सकेसम्म स्पष्ट पार्नु पर्ने कुराहरू प्रष्ट पाउँ लागिनेछ ।
- म. अन्य आवश्यक कुराहरू,  
आवश्यकतानुसार आवश्यककुराको सन्दर्भमा यस कम्पनीले सम्बन्धित बिषयमा अभ्र सकेसम्म स्पष्ट पार्नु पर्ने कुराहरू प्रष्ट पाउँ लागिनेछ ।
७. धन्यवाद ज्ञापन  
म यस गरिमामय सभाबाट यस कम्पनी प्रति शेयरधनी महानुभावहरूले देखाउनु भएको आस्था, सदासयता तथा विश्वासप्रति हार्दिक धन्यवाद तथा कृतज्ञता ज्ञापन गर्दछु। यस कम्पनीले निर्माण गरेको चर्नावतीखोला जलविद्युत आयोजनाको सर्वेक्षण तथा उत्पादनको अनुमति प्रदान गर्ने उर्जा मन्त्रालय तथा विद्युत विकास विभागलाई धन्यवाद प्रकट गर्न चाहन्छु। त्यसैगरी आयोजनाबाट उत्पादित विद्युत शक्ति खरिद गर्ने नेपाल विद्युत प्राधिकरणलाई धन्यवाद दिन चाहन्छु। आयोजना निर्माण गर्न स्थानीय निकाय, विभिन्न उपभोक्ता समुहहरू, स्थानिय जग्गादाताहरू तथा आयोजना प्रभावित परिवारहरू जसको सहयोग बिना यो आयोजना कल्पना नै गर्न सकिन्न, वहाँहरू सबैलाई कम्पनीको तर्फबाट हार्दिक धन्यवाद दिन चाहन्छु। अन्त्यमा, यस कम्पनीले विकास तथा निर्माण गरेको चर्नावतीखोला जल विद्युत आयोजना निर्माण कार्यमा अथक मेहनत गर्ने तथा आयोजना सुचारु रूपमा सञ्चालन गर्ने कर्मचारी साथीहरूमा कम्पनीको सञ्चालक समिति तथा मेरो व्यक्तिगत तर्फबाट स-हृदय धन्यवाद दिन चाहन्छु।

ज्ञानेन्द्रलाल प्रधान  
अध्यक्ष

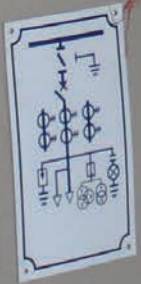


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## **Fiscal year 2076/77**

**Auditor's report**

**Financial Statements**

**Significant accounting policies & notes to accounts**

**UHY** Suvod Associates

Chartered Accountants  
357/55, Ganesh Marg  
Sankhamul, New Baneshwor  
Kathmandu-44600, Nepal

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P.O. Box: 10709, Kathmandu  
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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NEPAL HYDRO DEVELOPER LIMITED

### Opinion

We have audited the accompanying Standalone Financial Statements of Nepal Hydro Developer Limited ("the Company") which comprises the Statement of Financial Position as at Ashad 31, 2077, Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity & Statement of Cash Flows for the year ended Ashad 31, 2077, and Notes to Financial Statement including Summary of Significant Accounting Policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give a true and fair view in conformity with Nepal Financial Reporting Standards (NFRSs), of the state of affairs of the Company as at Ashad 31, 2077, and its profit, total comprehensive income, its cash flows & the changes in equity for the year ended on that date.

### Basis of Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Nepal Standard on Auditing (NSAs) & applicable law. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the audit of the Standalone Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of Nepal (ICAN) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAN's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis of our audit opinion on Standalone Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the matter was addressed in our audit
Balance Confirmation from NEA not provided for verification (Note-8)	Our principal audit procedures performed, among other procedures, included the following:
Account Receivable Balance Confirmation from Nepal Electricity Authority has not been provided for a sum of Rs.42,405,084.14	<ol style="list-style-type: none"> <li>1. We have reviewed all electricity bill debited to NEA &amp; payment received from NEA.</li> <li>2. We inquired from management and those charged with governance about the recoverability status.</li> <li>3. In respect of the provision relating to agreed rate on power purchase agreement, we review the rate charging at the time of power sales.</li> </ol>

Contingent Liabilities related to Appeals against Assessments of Income Tax and VAT (Note-28):

The Company is exposed to different laws, regulations and their interpretations thereof. In this regulatory environment there is inherent risk of litigations and claims. Consequently, contingent liabilities disclosures may arise from Direct & Indirect Taxes and Other Matters (If Any).

The company applies significant judgement in estimating the likelihood of the future outcome in each case and in determining the provisions or disclosures required. Resolution of tax and legal proceedings may span over multiple years due to the highly complex nature and magnitude of the legal matters involved and may involve protracted litigation.

These estimates could change significantly over time as new facts emerge and each legal case progresses.

Given the inherent complexity and magnitude of potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures this is a key audit matter.

Our audit procedures included:

1. We have gained an understanding of outstanding litigations against the company from the company's in-house legal counsel and other key managerial personnel who have knowledge of these matters.
2. We have read the correspondence between the Company and the various tax authorities and the legal opinions of external legal advisors where applicable for significant matters.
3. We have tested the completeness of the litigations and claims by examining on a sample basis the Company's legal expenses and minutes of the Board meetings.
4. We have assessed the adequacy of the Company's disclosures in respect of contingent liabilities for tax and legal matters.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' report and Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility report, but does not include the Consolidated Financial Statements, Standalone Financial Statements & our Auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

#### Managements Responsibility for the Standalone Financial Statements

Management is responsible for preparation and fair presentation of the Standalone Financial Statements in accordance with the Nepal Financial Reporting Standards (NFRSs) and for such internal control as management determines is necessary to enable the preparation of Standalone Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's Financial Reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Standalone 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 decision of users taken on the basis of these Standalone Financial Statements.

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

- i) Identify and assess the risk of material misstatement of the Standalone 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, misrepresentation, or the override of internal controls.
- ii) Obtain an understanding of Internal Control relevant to 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 Company's Internal Control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, Future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure, and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on the Other Legal & Regulatory Requirements

- i) 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.
- ii) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Financial Statements have been kept so far as it appears from our examination of those books.
- iii) Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows have been prepared in accordance with the requirements of the Companies Act, 2063 and are in agreement with the books of account of the Company.
- iv) During our examination of the books of account of the Company, we have not come across the cases where the Board of Directors or any member of there or any representative or any office holder or any employee of the Company has acted contrary to the provisions of law or caused loss or damage to the Company, and
- v) We have not come across any fraudulent activities in the books of accounts.

**Place:** Kathmandu  
**Date:** 2021-  
**UDIN:**

For, UHY Subodh Associates  
Chartered Accountants

CA. Subodh K. Karn  
Partner

## Nepal Hydro Developer Limited

### STATEMENT OF FINANCIAL POSITION

As At Ashad 31, 2077 ( July 15, 2020)

ASSETS	Note	As at 31st Ashad 2077	As at 31st Ashad 2076
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	1,108,957.42	1,416,421.60
Intangible Assets	5	484,788,011.38	512,340,005.11
Financial Assets			
Investment Advances	6	5,500,000.00	5,500,000.00
<b>Total Non-Current Assets</b>		<b>491,396,968.80</b>	<b>519,256,426.71</b>
<b>Current Assets:</b>			
Inventories (as Certified)	7	214,581.33	214,581.33
Financial assets			
Trade Receivables	8	42,405,084.14	80,157,490.29
Cash & cash equivalent	9	1,357,053.55	52,032.35
Bank Balance other than Cash & Cash Equivalent	10	12,500,000.00	-
Other financial assets	11	7,663,065.16	5,032,963.70
Other Current Assets	12	29,296,240.60	23,531,761.29
Current Tax Assets (Net)	12	323,348.48	363,736.00
<b>Total current assets</b>		<b>93,759,373.26</b>	<b>109,352,564.96</b>
Non current assets held for sale			
<b>Total assets</b>		<b>585,156,342.06</b>	<b>628,608,991.68</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	260,000,000.00	260,000,000.00
Other equity	14	49,305,477.29	20,715,240.09
<b>Total Equity</b>		<b>309,305,477.29</b>	<b>280,715,240.09</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial liabilities			
Long Term Borrowings	15	226,499,531.00	268,494,971.00
<b>Total Non-Current Liabilities</b>		<b>226,499,531.00</b>	<b>268,494,971.00</b>
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
Short Term Borrowings	16	44,500,040.00	62,350,050.00
Trade payables	17	909,360.77	438,348.63
Other financial liabilities	18	1,792,834.36	14,985,396.96
Provisions	19	959,773.00	453,356.00
Other current liabilities	20	1,189,325.64	1,171,629.00
<b>Total Current Liabilities</b>		<b>49,351,333.77</b>	<b>79,398,780.59</b>
<b>Total Liabilities</b>		<b>275,850,864.77</b>	<b>347,893,751.59</b>
<b>Total Equity and Liabilities</b>		<b>585,156,342.06</b>	<b>628,608,991.68</b>
Contingent Liability	28		

The accompanying notes are integral part of these financial statements.

**Mr. Kumud Kumar Dugar**  
Director

**Mr. Pashupati Murarka**  
Director

**Er. Gyanendra Lal Pradhan**  
Chairman

As per our  
report of  
even date

**Mrs. Puja Atal**  
Director (Public)

**Mr. Ramakant Mani Nepal**  
Finance Controller /  
Company Secretary

**CA. S.K. Jhunjhunwala**  
Partner  
Subhash & Company  
Chartered Accountants

**Date:**

**Place:** Kathmandu

## Nepal Hydro Developer Limited

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended On Ashad 31, 2077 ( July 15, 2020)

Particulars	Note	As at 31st Ashad 2077	As at 31st Ashad 2076
Revenue	21	104,249,652.94	94,038,122.04
Interest Income	22	403,869.86	-
Other Income	22	362,371.60	2,852.59
Total Income		105,015,894.40	94,040,974.63
Generation & Distribution Expenses	23	6,614,534.03	7,058,152.08
Employee Cost	24	7,622,169.00	7,984,269.00
Administrative and other operating expenses	25	1,047,679.74	1,398,137.26
Depreciation expenses	4	311,464.18	397,127.22
Amortization of intangible assets	5	27,633,353.73	27,719,737.45
Impairment loss			
<b>Profit from Operation</b>		<b>61,786,693.72</b>	<b>49,483,551.62</b>
Finance costs	26	32,229,014.52	39,193,211.44
<b>Profit Before Bonus, CSR &amp; Tax</b>		<b>29,557,679.20</b>	<b>10,290,340.18</b>
<b>Provision</b>			
Staff Bonus		579,562.00	201,771.00
Corporate Social Responsibility		286,912.00	99,887.00
<b>Profit Before Tax</b>		<b>28,691,205.20</b>	<b>9,988,682.18</b>
<b>Income Tax Expense</b>			
Current tax		100,968.00	-
Deferred tax expense/(income)			-
<b>Profit for the year</b>		<b>28,590,237.20</b>	<b>9,988,682.18</b>
<b>Other comprehensive Income:</b>			
<b>Other comprehensive Income not to be reclassified to profit or loss in subsequent periods</b>			
i. Re-measurement (losses) / gains on post employment defined benefit plans			-
ii. Equity instruments through other comprehensive income			-
iii. Tax relating to items that will not to be reclassified to profit or loss			-
<b>Other comprehensive gain/(loss) for the year, net of tax</b>			
<b>Total Comprehensive gain/(loss) for the year, net of tax</b>			<b>9,988,682.18</b>
Earnings per equity share of Rs. 100 each			
Basic Earnings per share - Rs.	27	11.00	3.84
Diluted Earnings per share - Rs		11.00	3.84
Contingent Liability	28		

The accompanying notes are integral part of these financial statements.

<b>Mr. Kumud Kumar Dugar</b> Director	<b>Mr. Pashupati Murarka</b> Director	<b>Er. Gyanendra Lal Pradhan</b> Chairman	As per our report of even date
<b>Mrs. Puja Atal</b> Director (Public)	<b>Mr. Ramakant Mani Nepal</b> Finance Controller / Company Secretary	<b>CA. S.K. Jhunjunwala</b> Partner Subhash & Company Chartered Accountants	
<b>Date:</b>			
<b>Place:</b> Kathmandu			

## Nepal Hydro Developer Limited

## STATEMENT OF CASH FLOW

For the Year Ended On Ashad 31, 2077 ( July 15, 2020)

Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076
<b>Cash flow from operating activities</b>		
Profit for the year	28,691,205.20	9,988,682.18
Adjustments for:		
Depreciation on property, plant and equipment	311,464.18	397,127.22
Investment Income	(403,869.86)	-
Amortization of Intangible Assets	27,633,353.73	27,719,737.45
Finance cost	32,229,014.52	39,193,211.44
Working capital adjustments:		
(Increase)/ Decrease in Trade receivables	37,752,406.15	(7,743,064.60)
(Increase)/ Decrease in other financial assets	(2,630,101.46)	(4,000.00)
(Increase)/ Decrease in other current assets	(5,764,479.31)	(2,703,313.08)
(Increase)/ Decrease in Inventories	-	190,226.85
Increase / (Decrease) in trade payables	471,012.14	91,656.23
Increase / (Decrease) in financial liabilities	(31,042,572.60)	20,053,261.89
Increase / (Decrease) in other current liabilities	17,696.64	(35,020.00)
<b>Cash generated from operations</b>	<b>87,265,129.33</b>	<b>87,148,505.58</b>
Bonus paid	377,791.00	(194,966.00)
CSR paid	128,626.00	315.00
Advance Income Tax Paid	(60,580.48)	-
Prior year adjustment	-	-
<b>Net cash flows from operating activities (A)</b>	<b>87,710,965.85</b>	<b>86,953,854.58</b>
<b>Cash flows from investing activities</b>		
Purchase of Property, Plant and Equipment	(4,000.00)	(20,501.59)
(Increase)/Decrease in Investment	-	-
Interest received From Fixed Deposit	403,869.86	-
Addition to Intangibles	(81,360.00)	(177,750.00)
<b>Net cash flow from investing activities (B)</b>	<b>318,509.86</b>	<b>(198,251.59)</b>
<b>Cash flows from financing activities</b>		
Issue of further public offering (IPO)		-
Issue of right share		-
Loan & borrowing (non-current)	(41,995,440.00)	(51,166,958.58)
Share Issue Cost		-
Interest paid	(32,229,014.52)	(39,193,211.44)
<b>Net cash flows from financing activities (C)</b>	<b>(74,224,454.52)</b>	<b>(90,360,170.02)</b>
Net changes in cash flow for the year (A+B+C)	13,805,021.20	(3,604,567.04)
Net foreign exchange difference on cash and cash equivalents		-
<b>Cash &amp; cash equivalent, Beginning of Year</b>	<b>52,032.35</b>	<b>3,656,599.39</b>
<b>Cash &amp; cash equivalent, End of Period</b>	<b>13,857,053.55</b>	<b>52,032.35</b>

The accompanying notes are integral part of these financial statements.

<b>Mr. Kumud Kumar Dugar</b> Director	<b>Mr. Pashupati Murarka</b> Director	<b>Er. Gyanendra Lal Pradhan</b> Chairman	As per our report of even date
<b>Mrs. Puja Atal</b> Director (Public)	<b>Mr. Ramakant Mani Nepal</b> Finance Controller / Company Secretary	<b>CA. S.K. Jhunjunwala</b> Partner Subhash & Company Chartered Accountants	
<b>Date:</b>			
<b>Place:</b> Kathmandu			

Nepal Hydro Developer Limited  
STATEMENT OF CHANGES IN EQUITY

For the Year Ended On Ashad 31, 2077 (July 15, 2020)

	Equity Share Capital	Share Premium	General Reserve	Retained Earnings	Total
<b>Balance as at Shrawan 1, 2075</b>	260,000,000.00	-	-	10,726,557.91	270,726,557.91
Profit for the year	-	-	-	9,988,682.18	9,988,682.18
Issue of equity shares	-	-	-	-	-
<b>Balance as at 31 Ashad 2076</b>	260,000,000.00	-	-	20,715,240.09	280,715,240.09
<b>Balance as at Shrawan 1, 2076</b>	260,000,000.00	-	-	20,715,240.09	280,715,240.09
Profit for the year	-	-	-	28,590,237.20	28,590,237.20
Issue of equity shares	-	-	-	-	-
<b>Balance as at 31 Ashad 2076</b>	260,000,000.00	-	-	49,305,477.29	309,305,477.29

## Nepal Hydro Developer Limited

## SIGNIFICANT INFORMATION, ACCOUNTING POLICIES &amp; NOTES TO THE ACCOUNTS

For the Year Ended On Ashad 31, 2077 ( July 15, 2020)

Note -1 &amp; Note-2

## 1 General Information

**Background**

Nepal Hydro Developers Limited (NHDL) (Hereafter referred as “The Company”) is incorporated under Nepal Company Act, 2006 vide Pvt. Ltd. Reg. No. 41666/063 on Bhadra 29, 2063. The Registered office of the Company is Dillibazzar ward no. 33, Kathmandu. The company has commenced operations from 24/02/2070 (2013/06/07). The name of the company has been changed from “Nepal Hydro Developers Private Limited” to “Nepal Hydro Developers Limited” w.e.f 31/03/2071 as per certificate obtained from Company Registrar Office.

The Company has obtained License from Department of Electricity Development (DOED) to develop hydro electricity from 3.52 MW Charnawati Khola in Dolkha District, Nepal. Further company has also received license for development of 6.4 MW Lower Chandrawati Hydro Power Project (cascade project).

**Principle Activity**

The main objective of the company is to develop, generate and distribute hydro electric power in Nepal.

The financial statements apply to the financial year ended 31st Ashad 2076 (16th July 2019). The financial statements of Nepal Hydro Developer Limited has been referred at “NHDL”

The accompanied financial statements have been approved for publication by the Board of Directors of the NHDL in its meeting held on . The Board of Directors acknowledges the responsibility of preparation of financial statements.

## 2 Basis of Preparation and Measurement

## a) Statement of compliance

The Financial Statements have been prepared in accordance with the Nepal Financial Reporting Standards (NFRS) issued by the Nepal Accounting Standards Board (NASB), as per the provisions of The Institute of Chartered Accountants of Nepal Act, 1997. These confirm, in material respect, to NFRS as issued by the Nepal Accounting Standards Board. The Financial Statements have been prepared on a going concern basis. The term NFRS, includes all the standards and the related interpretations which are consistently used.

## b) Basis of preparation

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements as per NFRS'. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. The financial statements is presented in functional and presentation currency of the Company i.e. Nepalese Rupee (“NPR”) which is the currency of the primary economic environment in which the Company operates.

## c) Use of Estimates

The preparation of these Financial Statements in conformity with NFRS requires management to make

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estimates, judgements and assumptions. These estimates, judgments and assumptions affect the reported balances of Assets & Liabilities, disclosures relating to Contingent Liabilities as at the date of the Financial Statements and the reported amounts of Income & Expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the Notes to the financial statements.

### d) **Going Concern**

The Financial Statements are prepared on a going concern basis. The Board of Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources while assessing the going concern basis. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of it.

### e) **COVID - 19 Impact & Assessment**

"The COVID-19 pandemic has developed rapidly towards the end of FY: 2076|77 with a substantial rise in number of cases. Measures taken to contain the virus have contributed to significant decline & volatility in global as well as Nepalese financial markets thereby leading to a significant decrease in economic activities.

In view of the highly uncertain economic environment, the extent to which the COVID-19 pandemic will impact the business of the Company depends upon future developments that cannot be predicted reliably at this stage. However, based on the preliminary estimates the company has considered the possible effects that may result from this pandemic on the carrying amounts of its Property, Plant & Equipment, Inventory, advances & receivables based on this assessment the Company does not foresee or anticipate any significant risk to the recoverability & carrying value of its assets or in meeting its financial obligations over the foreseeable future.

Management has considered wide range of factors, such as: Current & Expected Profitability, Debt Repayment Schedules, Overall impact to Economy & Industry in which it operates, ability to generation & selling of electricity and impact of subsequent events while evaluating going concern based on the same it has concluded that there is not a significant doubt upon Company's ability to continue as a going concern due to ongoing COVID-19 pandemic.

Beside that we have taken number of actions to monitor & mitigate the effects of COVID-19, such as safety & health measures for our people (Social Distancing & Work from home culture has been adapted) and securing the supply of materials that are essential to our production process is kept on top priority.

The Company will continue to closely monitor any material changes arising due to the impact of this pandemic/future economic conditions impacting the financial & operational performance of the Company and take necessary measures to address the same.

Given the uncertainty because of COVID-19, the final impact of the same on Company's assets in future may differ from that estimated as at the date of approval of these financial statements."

### f) **Changes in Accounting Policies**

Accounting policies are the specific principles, bases, conventions, rules and practices applied by the Company in preparing and presenting financial statements. The Company is permitted to change an accounting policy only if the change is required by a sta

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### g) Basis of measurement

These financial statements are prepared under historical cost convention except for certain material items that have been measured at fair value as required by the relevant NFRS and explained in the significant account policies section.

## 3 Significant accounting policies

### 3.1 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:-

#### a) Useful life and residual value of property, plant and equipments

Management reviews the useful life and residual values of property, plant and equipment at least once a year. Such life are 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.

#### b) Impairment of property, plant and equipments

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.

#### c) 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.

#### d) Fair value measurement

Some of the Company's assets and liabilities 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. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model

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e) **Defined benefits plan**

The cost of defined benefit plan and other postemployment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

f) **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 were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company.

### 3.2 Property, plant and equipment

Property, Plant & Equipment are stated at cost inclusive of all expenses incurred in commissioning/ putting them into use, less accumulated depreciation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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.

Assets in the course of construction are capitalized in the assets under capital work in progress account (CWIP). At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. 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.

### 3.3 Other Intangible Asset

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated

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amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

### 3.4 Depreciation and Amortization

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the written down method.

Amortisation is recognised on a straight line basis over their estimated useful lives. 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.

Depreciation is provided on the written down method based on the estimated useful lives of the assets determined by the management. Depreciation on additions to fixed assets is charged on pro-rata basis in the year of purchase. The useful life of the assets and the corresponding rates at which the assets are depreciated are as follows:-

Category of asset	Estimated useful life	Depreciation Rate
Furnitures & Fixtures	10-11 years	25%
Office Equipment	10-11 years	25%
Vehicles	13-14 years	20%

Useful life is either the period of time which the asset is expected to be used or the number of production or similar units expected to be obtained from the use of asset. The estimated useful life, residual values an depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

### 3.5 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible 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 Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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.

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Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 or Loss.

### 3.6 Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

### 3.7 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### 3.8 Inventories

Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories of stores, spare parts and loose tools are stated at the lower of weighted average cost and net realizable value. Net realizable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

### 3.9 Revenue recognition

#### Sale of electricity

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances. Revenue is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

#### Interest & dividend income

Dividend income (net of withholding taxes) from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). In case of stock dividend only the number of shares is increased.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which

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is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3.10 Foreign currency transactions

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Nepalese Rupee (NPR).

In preparing the financial statements the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit or Loss in the period in which they arise.

### 3.11 Employment Benefits

#### i) Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Statement of Financial Position.

#### ii) Post - Employment Benefits

##### - Defined Contribution Plan

The Company pays Provident Fund contributions to publicly administered Provident Funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contribution are recognized as Employee Benefit Expense when they are due.

##### - Defined Benefit Plan

For Defined Benefit Plan in the form of Gratuity, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out at each Statement of Financial Position. Actuarial Gains & Losses are recognized in the Other Comprehensive Income in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a Straight Line Basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the Fair Value of plan Assets (If Any). Any Asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

#### iii) Long Term Employee Benefits

The liabilities for un-availed earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Leave Encashment has been

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computed using Actuarial Assumptions and these are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the year using the Projected Unit Credit Method. The benefits are discounted using the market yields at the end of the year that have terms approximating to the terms of assumptions.

### 3.12 Taxation

#### Income tax

Income tax on the profit or loss for the year comprises current taxes and deferred taxes. Income tax is recognized in the profit or loss statement except to the extent that it relates to items recognized directly to equity.

#### Current tax

Current tax is the expected tax payable on the taxable income for the year using tax rates at the balance sheet date and any adjustment to tax payable in respect of previous years.

Currently company enjoys full tax holidays for 1 to 10 years & half of applicable tax rates for next 5 years.

#### Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### 3.13 Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/ (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

### 3.14 Provisions, contingencies and commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required

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to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is a possible asset that 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.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

### 3.15 Financial Instruments

#### I Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts 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 and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities 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.

Investment in equity instruments issued by subsidiaries, associates and joint ventures are measured at cost less impairment.

Investment in preference shares/debentures of the subsidiaries are treated as equity instruments if the

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same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares/ debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

### II 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.

### III Financial assets:

#### 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 outstanding.

#### 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 or 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

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit of loss.

The company recognises impairment loss on trade receivables using expected credit loss model. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

#### 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,

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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.

### IV Financial liabilities and equity instruments

#### Classification as debt or equity

Financial liabilities and equity instruments issued by the Company 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 Company 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.

#### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

#### 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 or loss.

### V Off-setting of financial instruments

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

#### Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the

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arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. For arrangements entered into prior to Shrawan 1, 2074, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

### **The company as a lessee**

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased asset or, at the present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- a) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

### **The company as lessor**

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### **3.16 Service concession arrangements**

Under IFRIC 12 – Service Concession Arrangements applies to public-to-private service concession arrangements if:

- a) The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what prices: and
- b) The grantor controls through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement.
- c) Is the infrastructure constructed or acquired by the operator from a third party for the purpose of the

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service arrangement OR is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement ?

Infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole life of assets) is within the scope of this IFRIC, if the conditions in (a) above are met.

These arrangements are accounted on the basis of below mentioned models depending on the nature of consideration and relevant contract law.

### Financial asset model:

The Financial asset model is used when the Company, being an operator, has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Unconditional contractual right is established when the grantor contractually guarantee to pay the operator (a) specific or determinable amount; (b) the shortfall, if any, between amounts received from the users of the public services and specified or determinable amounts.

### Intangible asset model:

The intangible asset model is used to the extent that the Group, being an operator, receives a right (a license) to charge users of the public service. A right to charge users of a public services is not an unconditional right to receive cash because the amounts are contingent on to the extent that public uses the services. Both type of arrangements may exist within a single contract to the extent that the grantor has given an unconditional guarantee of payment for the construction and the operation i.e. considered as a Financial asset and to the extent that the operator has to rely on the public using the service in order to obtain payment, the operation has an intangible asset.

The Company manages concession arrangements which include power supply from its two hydro power plant. The Company maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the services to be provided. The right to consideration gives rise to an intangible asset and accordingly, the intangible asset models is applied.

Income from the concession arrangements earned under the intangible asset model consists of the (i) Fair Value of the contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

### 3.17 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

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The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

### 3.18 Financial risk management objectives and policies

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

The Risk Management is done by the Company's management that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

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

#### a) Credit risk

Credit risk refers to the risk that a counterparty including its subsidiaries and associates will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. No amount has been recognised in the financial position as financial liabilities.

#### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term debt obligations. Since, the interest rate risk is influenced by market forces, company has little role to play for minimizing this risk. Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings by negotiating with highly reputed commercial banks.

#### c) Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company'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.

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In order to control liquidity risk and for better working capital management, NHDL has made arrangement adequate level of OD facility for short term financing. The Company's Finance department regularly monitors the cash position to ensure it has sufficient cash on-going basis to meet operational needs

### d) Currenty risk

The Company is subject to the risk that changes in foreign currency values impact the Company's imports of inventories and property, plant and equipment. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar.

### 3.19 Segment reporting

The Chief Executive Officer and functional managers of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by NFRS 8, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz., "Generation and Sale of electricity" and that most of the operations are in Nepal. Hence the Company does not have any reportable Segments as per NFRS 8 "Operating Segments"

### 3.20 CSR & Bonus Provision

The provision for corporate social liability @1% has been made during the year as per section 54 of Industrial Enterprise Act, 2076 on Net profit for the year after bonus but before tax. Staff bonus has been provided @ 2% on electricity income in line with the provisions of the Electricity Act 2049.

### 3.21 Description of Subsidiaries, Associates and other equity investments

#### Lower Chandrawati Hydropower Ltd

The company has invested of Rs.5,500,000 in equity share of 100% subsidiary company i.e. namely Lower Charnawati Hydropower Public Limited (LCHPL) & the same has been shown as Investment Advance as the share lagat of LCHPL has not been approved from Office of Company Registrar till the end of reporting period.

### 3.22 Earnings Per Share

Earning per share is calculated by dividing the profit attributable to owners of the company by the Weighted Average Number of equity shares outstanding during the Financial Year.

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Property, Plant & Equipment					Note-4
Cost	Furnitures & Fixtures	Office Equipment	Vehicles	Bicycle	Total
<b>As at Shrawan 1 2075</b>	<b>112,700.00</b>	<b>2,860,035.71</b>	<b>4,336,940</b>	<b>5,500.00</b>	<b>7,315,176.04</b>
Addition for the year	20,501.59				20,501.59
Disposal/ Adjustment					-
<b>As at 31 Ashad 2076</b>	<b>133,201.59</b>	<b>2,860,035.71</b>	<b>4,336,940</b>	<b>5,500.00</b>	<b>7,335,677.63</b>
Addition for the year	-	4,000.00	-	-	4,000.00
Disposal/ Adjustment					-
<b>As at 31 Ashad 2077</b>	<b>133,201.59</b>	<b>2,864,035.71</b>	<b>4,336,940</b>	<b>5,500.00</b>	<b>7,339,677.63</b>
<b>Accumulated Depreciation</b>					
<b>As at Shrawan 1 2075</b>	<b>95,972.44</b>	<b>2,174,746.51</b>	<b>3,246,948</b>	<b>4,461.90</b>	<b>5,522,128.81</b>
Addition for the year	7,598.82	171,322.30	217,998	207.62	397,127.22
Disposal/ Adjustment					
<b>As at 31 Ashad 2076</b>	<b>103,571.26</b>	<b>2,346,068.81</b>	<b>3,464,946</b>	<b>4,669.52</b>	<b>5,919,256.03</b>
Addition for the year	7,407.58	129,491.72	174,399	166.10	311,464.18
Disposal/ Adjustment					
<b>As at 31 Ashad 2077</b>	<b>110,978.84</b>	<b>2,475,560.54</b>	<b>3,639,345</b>	<b>4,835.62</b>	<b>6,230,720.21</b>
<b>Carrying Value</b>					
<b>Ashad 31, 2076</b>	<b>29,630.33</b>	<b>513,966.90</b>	<b>871,993.90</b>	<b>830.48</b>	<b>1,416,421.60</b>
<b>Ashad 31, 2077</b>	<b>22,222.75</b>	<b>388,475.17</b>	<b>697,595.12</b>	<b>664.38</b>	<b>1,108,957.42</b>

The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

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Intangible Assets			Note-5
Particular	Intangibles	Service Concession Arrangement	Total
<b>Balance as at 32 Ashad 2075</b>	-	688,925,034.97	688,925,034.97
Addition for the year		177,750.00	177,750.00
Disposal/ Adjustment		-	-
<b>Balance as at 31 Ashad 2076</b>	-	689,102,784.97	689,102,784.97
Addition for the year		81,360.00	
Disposal/ Adjustment		-	-
<b>As at 31 Ashad 2077</b>	-	689,184,144.97	689,102,784.97
<b>Amortization</b>			
<b>Balance as at 32 Ashad 2075</b>	-	149,043,042.41	149,043,042.41
Addition for the year	-	27,719,737.45	27,719,737.45
Disposal/ Adjustment		-	-
<b>Balance as at 31 Ashad 2076</b>	-	176,762,779.86	176,762,779.86
Addition for the year	-	27,633,353.73	-
Disposal/ Adjustment		-	-
<b>As at 31 Ashad 2077</b>	-	204,396,133.59	204,396,133.59
<b>Carrying Value</b>			
<b>Ashad 31, 2076</b>	-	512,340,005.11	512,340,005.11
<b>Ashad 31, 2077</b>	-	484,788,011.38	484,788,011.38

The Company has obtained the generation license for operation from the Department of Electricity Development (Ministry of Energy) and remains valid till Mangsir 16, 2102 & remains in ownership of the company for 30 years from commercial operation date upto Jestha 24, 2100, the useful life of assets of the project cannot exceed 30 years even if the economic life of the asset is more. After the end of 30 years of operation, company will have to transfer the entire generation unit to Government of Nepal under BOOT provision.

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**Financial Assets** Note-4

Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076
Investment in Subsidiary Companies		
Lower Chandrawati Hydro Power Ltd. (Shares @ NRs 100, fully paid up)		
Investment advance	5,500,000.00	5,500,000.00
<b>Net Investment</b>	<b>5,500,000.00</b>	<b>5,500,000.00</b>

The company has invested of Rs.5,500,000 in equity share of 100% subsidiary company i.e. namely Lower Charnawati Hydropower Public Limited (LCHPL) & the same has been shown as Investment Advance as the share lagat of LCHPL has not been approved from Office of Company Registrar till the end of reporting period.

**Inventories (as Taken, Valued & Certified by the Management)** Note-7

Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076
Office consumables		
Consumable, spares & parts	214,581.33	214,581.33
<b>Total</b>	<b>214,581.33</b>	<b>214,581.33</b>

**Trade Receivables** Note-8

Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076
Nepal Electricity Authority	42,405,084.14	80,157,490.29
Provision for impairment losses		-
<b>Total</b>	<b>42,405,084.14</b>	<b>80,157,490.29</b>

**ICash & cash equivalents** Note-9

Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076
Cash in Hand (as certified)	72,397.00	451.00
<b>Balances with Banks:</b>		
Bank of Kathmandu Ltd. (Current)	1,022.96	1,000.00
Bank of Kathmandu Ltd.	662,704.99	-
Citizens Bank International Ltd.	110,769.79	-
Global IME Bank Ltd.	238,424.41	-
Prabhu Bank Ltd.	50,581.35	50,581.35
Siddhartha Bank Ltd.	221,153.05	-
<b>Total</b>	<b>1,357,053.55</b>	<b>52,032.35</b>

## Bank Balance Other than Cash &amp; Cash Equivalent

Note-10

Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076
Fixed Deposits with Original Maturity of More than 3 months	12,500,000.00	-
<b>Total</b>	<b>12,500,000.00</b>	<b>-</b>

## Other Financial Assets

Note-11

Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076
Deposits		
Deposit- IRD	7,503,000.00	5,003,000.00
Short term deposits	25,963.70	25,963.70
Staff advance	134,101.46	4,000.00
<b>Total</b>	<b>7,663,065.16</b>	<b>5,032,963.70</b>

## Other current assets

Note-12

Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076
Advance for expenses	1,512,251.50	1,506,134.96
Advance for contractor & consultant	25,667,606.16	20,598,703.16
Advance to Suppliers	2,081,482.74	-
Prepaid expense	12,311.20	1,426,923.17
TDS Advance	22,589.00	-
<b>Total</b>	<b>29,296,240.60</b>	<b>23,531,761.29</b>

## Current Tax Assets (Net)

Advance Income Tax	424,316.48	363,736.00
Less: Current Tax	100,968.00	-
<b>Closing Advance</b>	<b>323,348.48</b>	<b>363,736.00</b>

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Long Term Borrowings		Note-15	
Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076	
<b>Term loan</b>			
Bank of Kathmandu Ltd	96,666,081.00	113,921,331.00	
Citizen Bank International Ltd	61,436,440.00	73,388,540.00	
Global IME Bank Ltd	60,965,270.00	72,889,720.00	
Sidhartha Bank Ltd	49,431,780.00	60,795,430.00	
<b>Total</b>	<b>268,499,571.00</b>	<b>320,995,021.00</b>	
<b>Current Portion</b>	<b>42,000,040.00</b>	<b>52,500,050.00</b>	
<b>Non-current Portion</b>	<b>226,499,531.00</b>	<b>268,494,971.00</b>	

Company has borrowed loans through consortium, Bank of Kathmandu being leading bank in consortium. Loan agreement has been entered dated 22nd April 2010. The loan arrangement contains NRs 440 millions as term loan & NRs. 10 million as working capital loan against which licence to operate, all the assets owned & created by the companies shall remain as collateral.

Short Term Borrowings		Note-16	
Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076	
Short Term Loan	2,500,000.00	9,850,000.00	
Current Portion of Term Loan	42,000,040.00	52,500,050.00	
<b>Non-current portion</b>	<b>44,500,040.00</b>	<b>62,350,050.00</b>	

Trade Payables		Note-17	
Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076	
Sundry Creditors	909,360.77	438,348.63	
<b>Total</b>	<b>909,360.77</b>	<b>438,348.63</b>	

Trade and other payables mainly consist of amounts the Company owes to suppliers and government authority that have been invoiced or are accrued. These amounts have been initially recognized at cost and it is continued at cost as it fairly represents the value to be paid since it does not include interest on payment.

Other financial liabilities		Note-18	
Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076	
Retention Money Payable	660,888.22	660,888.22	
Advance from directors	236,752.14	3,436,752.14	
Royalty payables	20,568.00	20,568.00	
Expenses Payable	814,731.00	-	
Other payables	59,895.00	10,867,188.60	
<b>Current</b>	<b>1,792,834.36</b>	<b>14,985,396.96</b>	
<b>Non-current</b>	<b>-</b>	<b>-</b>	

Retention Money Payable, director advance, royalty payables & other payables are expected to be paid within twelve months end of fiscal year.

Provisions		Note-19	
Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076	
Staff Bonus Provision	579,562.00	201,771.00	
Provision for Corporate Social Responsibility	380,211.00	251,585.00	
<b>Current</b>	<b>959,773.00</b>	<b>453,356.00</b>	
<b>Non current</b>	<b>-</b>	<b>-</b>	

The provision for Employee Bonus has been made during the year as per section 15 of Electricity Act, 2049 read with rule 86(2) of Electricity Regulation 2050. Provision is expected to be paid within 12 months end of Fiscal year so, all apportioned under current liabilities

Other Current Liabilities		Note-20	
Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076	
Audit fee payables	479,450.00	156,100.00	
TDS payables	132,302.00	202,845.00	
Salary Payable	577,573.64	812,684.00	
<b>Total</b>	<b>1,189,325.64</b>	<b>1,171,629.00</b>	

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## Equity share capital

Note-13

## I) Equity Shares

Particulars	As at 31st Ashad 2077		As at 31st Ashad 2076	
	No.of Shares	Amount	No.of Shares	Amount
<b>Authorized Shares</b>				
Equity shares of Rs 100 each with full voting power	6,000,000.00	600,000,000.00	6,000,000.00	600,000,000.00
<b>Issued Shares</b>				
Equity shares of Rs 100 each with full voting power	6,000,000.00	600,000,000.00	6,000,000.00	600,000,000.00
<b>Subscribed &amp; Fully paidup</b>				
Equity shares of Rs 100 each with full voting power	2,600,000.00	260,000,000.00	2,600,000.00	260,000,000.00
<b>Total subscribed &amp; paidup shares</b>	<b>2,600,000.00</b>	<b>260,000,000.00</b>	<b>2,600,000.00</b>	<b>260,000,000.00</b>

## II) Shares Reconciliation

Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076
Opening number of Shares	2,600,000.00	2,600,000.00
Add: issue of ordinary shares	-	-
Add: issue of right shares	-	-
Less: Buyback of shares	-	-
<b>Closing number of Shares for FY End</b>	<b>2,600,000.00</b>	<b>2,600,000.00</b>

The company has allotted ordinary equity shares to public of "Project Affected Area" (10% of total subscribed equity capital i.e. 260,000 units of equity shares) on Magh 21, 2073. And, the company has also issued initial public offering of ordinary shares of 3,90,000 units (15% of total subscribed equity capital) to general public (including 2% to employee & 5% to Mutual Funds) which has been allotted to eligible applicants on Bhadra 30, 2074 and listed in NEPSE on Kartik 20, 2074.

III) Details of Shareholding greater than 5%	As at 31st Ashad 2077		As at 31 Ashad 2076	
	Share %	Shares Num.	Share %	Shares Num.
Mr. Ananda Prasad Pokhrel	5.19	135,000.00	5.19	135,000.00
Mr. Kumud Kumar Dugar	9.38	243,750.00	9.38	243,750.00
Mr. Pashupati Murarka	9.38	243,750.00	9.38	243,750.00
Mr. Dev Kishan Mundan	9.38	243,750.00	9.38	243,750.00
Mr. Gyanendra Lal Pradhan	16.88	438,750.00	16.88	438,750.00
Mr. Rajendra Prasad Mundan	7.50	195,000.00	7.50	195,000.00
Mr. Bikash Dugar	7.50	195,000.00	7.50	195,000.00
Mr. Shishir Kumar Murarka	7.50	195,000.00	7.50	195,000.00
General public/ Employees	25.00	650,000.00	25.00	650,000.00

The company has only one class of equity shares having a par value of Rs. 100/- per share. In the event of the liquidation of the company, the equity share holders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts according to Companies Act 2063. The distribution will be in proportion of the number of the equity shares held by the shareholders.

## Other Equity

Note-14

	Share Premium	Retained Earning	General Reserve	Total
<b>Balance as at 32 Ashad 2075</b>	-	<b>10,726,557.91</b>	-	<b>10,726,557.91</b>
Profit for the year	-	9,988,682.18	-	9,988,682.18
Other comprehensive income	-	-	-	-
Dividend distribution	-	-	-	-
Prior period adjustments	-	-	-	-
<b>Balance as at 31 Ashad 2076</b>	-	<b>20,715,240.09</b>	-	<b>20,715,240.09</b>
Profit for the year	-	28,590,237.20	-	28,590,237.20
Opening Varaince	-	-	-	-
Dividend distribution	-	-	-	-
Prior period adjustments	-	-	-	-
<b>Balance as at 31 Ashad 2077</b>	-	<b>49,305,477.29</b>	-	<b>49,305,477.29</b>

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Revenue		Note-21	
Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076	
Revenue from power sales	104,249,652.94	94,038,122.04	
<b>Total</b>	<b>104,249,652.94</b>	<b>94,038,122.04</b>	

Interest & Other Income		Note-22	
Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076	
Interest Income on FD	403,869.86	-	
	403,869.86	-	
<b>Other Income</b>			
Miscellaneous Income-writeoff	362,371.60	2,852.59	
	362,371.60	2,852.59	
<b>Total</b>	<b>766,241.46</b>	<b>2,852.59</b>	

Generation & Distribution Expenses		Note-23	
Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076	
Consultancy Charge	67,800.00	247,770.00	
Electricity & Water	79,007.54	69,198.00	
Fuel & Lubricants-stores consumption	768,061.00	687,736.34	
Office Expenses - Site	532,545.00	679,321.00	
Project Insurance	1,412,843.19	2,397,701.97	
Rent Expenses	-	12,000.00	
R & M of Hydro & Electromechanical Equipment	234,400.00	805,214.77	
Royalty Charge	3,409,457.30	1,975,170.00	
Telephone Expenses	7,300.00	10,800.00	
Transportation Charge	103,120.00	173,240.00	
<b>Total</b>	<b>6,614,534.03</b>	<b>7,058,152.08</b>	

Employee Cost		Note-24	
Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076	
Salary & Allowances- Site	6,237,999.00	6,887,316.29	
Provident Fund Site	374,994.00	-	
Gratuity Expenses	312,354.00	-	
Generation Bonus - Site Staff	30,209.00	94,297.00	
Labour Expenses-site	-	6,000.00	
Salary & Allowances -Admin	657,013.00	970,555.71	
TADA-HO	9,600.00	26,100.00	
<b>Total</b>	<b>7,622,169.00</b>	<b>7,984,269.00</b>	

Administrative Expenses		Note-25	
Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076	
Audit Fee	141,250.00	141,250.00	
Tax Audit Fee	16,950.00	16,950.00	
Consultancy Fee	169,500.00	-	
Insurance	38,712.78	52,440.94	
Share management fee	200,000.00	320,000.00	
Office Expenses	24,078.00	124,126.35	
Office Rent	180,636.46	170,230.19	
Printing & Stationery	60,824.50	27,724.78	
Rate & Taxes	35,400.00	35,435.00	
Registration & Renewal Fee	60,840.00	48,995.00	
Travelling Exp	77,137.00	282,143.00	
Solar Expenses	-	71,800.00	
Annual General Meeting Expenses	-	36,300.00	
Vehicle Running Expenses	42,351.00	70,742.00	
<b>Total</b>	<b>1,047,679.74</b>	<b>1,398,137.26</b>	

Finance Cost		Note-26	
Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076	
Interest on Loan from Bank & Financial Institution	31,459,699.96	38,291,812.34	
Bank Charges & Commission	769,314.56	901,399.10	
<b>Total</b>	<b>32,229,014.52</b>	<b>39,193,211.44</b>	

Earning per share		Note-27	
Particulars	As at 31st Ashad 2077	As at 31st Ashad 2076	
Profit for the year	28,590,237.20	9,988,682.18	
Weighted average number of shares outstanding	2,600,000.00	2,600,000.00	
Basic Earning per share (EPS) NRs.	11.00	3.84	
Diluted Earning per share (EPS) NRs.	11.00	3.84	
Face value of share NRs.	100.00	100.00	

## Nepal Hydro Developer Limited

THE ACCOMPANYING NOTES ARE INTEGRAL PART OF THESE  
FINANCIAL STATEMENTS

For the Year Ended On Ashad 31, 2077 ( July 15, 2020)

Contingent liabilities		Note-28	
Particulars	Contingent nature	As at 31st Ashad 2077	As at 31st Ashad 2076
Financial year 2068/69	Income tax & VAT	7,389,585	7,389,585.00
Financial year 2069/70	Full Audit	6,414,571	6,414,571.00
Financial year 2070/71	Full Audit	1,176,663	1,176,663.00
Financial year 2071/72	Full Audit	9,585	9,585.00
<b>Total</b>		<b>14,990,404</b>	<b>14,990,404</b>

Income tax department has made assessment of Income and VAT liability of company for 4 financial year from 2068/69 to 2071/72 and issue assessment order under section 20 of VAT Act 2058. Company has filed an application for administrative review to department. Income tax department has levied following amount of additional VAT liability of company of following financial years under section 8(3) of VAT Act 2052. As it is possible obligation of past event but possibility of outflow of economic benefits in future is not remote, it is recognised as contingent liability.

## Related party disclosure

## Note-29

## Name of Related Party

## Name of Entity

Modi Energy Limited  
Lower Charnawoti Hydropowers Ltd.  
Supreme Cement Pvt. Ltd.-Closing (Dr)  
Dev Kishan Mundara  
Gyanendra Lal Pradhan  
Kumud Dugar  
Pashupati Murarka  
Key managerial personnel

## Relationship

Common Director  
Subsidiary Company  
Common Director  
Director  
Director  
Director  
Chairman  
Finance Controller

## Transaction with related party

As at 31 Ashad, 2077

Particulars	Nature of Transaction	Opening	Transaction for the Year	Closing	Remarks
Modi Energy Limited	Loan & advances	209,900.00	209,900.00	-	
Lower Charnawoti Hydropowers Ltd.	Construction advances	25,888,803.16	5,278,803.00	31,167,606.16	Receivable
Dev Kishan Mundara	Loan & advances	859,188.04	(800,000.00)	59,188.04	Advance payable
Gyanendra Lal Pradhan	Loan & advances	859,188.03	(800,000.00)	59,188.03	Advance payable
Kumud Dugar	Loan & advances	859,188.03	(800,000.00)	59,188.03	Advance payable
Pashupati Murarka	Loan & advances	859,188.04	(800,000.00)	59,188.04	Advance payable
Rajendra Prasad Mundara			-	-	Advance payable
Key managerial personnel	Salary & allowance	554,340.00			

As at 31 Ashad, 2076

Particulars	Nature of Transaction	Opening	Transaction for the Year	Closing	Remarks
Modi Energy Limited	PPE related		209,900.00	209,900.00	Receivable
Lower Charnawoti Hydropowers Ltd.	Construction advances	23,256,367.16	2,632,436.00	25,888,803.16	Receivable
Dev Kishan Mundara	Loan & advances	59,188.04	800,000.00	859,188.04	Advance payable
Gyanendra Lal Pradhan	Loan & advances	59,188.03	800,000.00	859,188.03	Advance payable
Kumud Dugar	Loan & advances	59,188.03	800,000.00	859,188.03	Advance payable
Pashupati Murarka	Loan & advances	59,188.04	800,000.00	859,188.04	Advance payable
Key managerial personnel	Salary & allowance	-	554,340.00	554,340.00	

## Nepal Hydro Developer Limited

THE ACCOMPANYING NOTES ARE INTEGRAL PART OF THESE  
FINANCIAL STATEMENTS

For the Year Ended On Ashad 31, 2077 ( July 15, 2020)

## Fair Value Measurements

Note-30

## (i) Financial Instruments by Category &amp; Hierarchy

"This section explains the judgements and estimates made in determining the Fair Values of the Financial Instruments that are measured at Amortised Cost and at which Fair Values are disclosed in the Financial Statements. The Company doesn't have any Financial Instruments which are to be measured at Fair Value through Profit & Loss or Fair Value through Other Comprehensive Income. To provide an indication about the reliability of the inputs used in determining Fair Value, the Company has classified its financial instruments into Three Levels prescribed as per applicable NFRS. However, all the Financial Instruments held by the Company fall under Level 3 Category."

Level 1: Level 1 Hierarchy includes Financial Instruments measured using Quoted Prices.

Level 2: Fair Value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to determine Fair Value of an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There is no transfer of Financial Instruments between different levels as mentioned above during the year.

## i) Financial Risk Management

Note-31

The Company's activities expose it to Credit Risk, Liquidity Risk & Market Risk.

## i) Credit Risk

The Company is exposed to credit risk for various Financial Instruments, For Example Customer Receivables, Loans or Advances given. The Company continuously monitors Receivables and defaults with customers & other counterparties. Appropriate Security Deposits along with Bank Guarantee are kept against the supplies to customers.

Credit Risk with respect to Trade Receivable is managed by the Company through regular followup by management. The major trade receivable is from Nepal Electricity Authority which is government owned business enterprises. Although risk of non recovery is rear company has provided impairment for possible losses.

Expected Credit Loss For Trade Receivables under Simplified Approach:

Particulars	As at 31 Ashad 2077	As at 31 Ashad 2076	As at 32 Ashad 2075
Carrying amount	42,405,084.14	80,157,490.29	72,414,425.69
Expeded credit loss	-	-	-
<b>Net carrying amount</b>	<b>42,405,084.14</b>	<b>80,157,490.29</b>	<b>72,414,425.69</b>

The credit risk for cash & cash equivalents and bank deposits including accrued interest is considered negligible, since the counterparties are Nepal Rastra Bank approved Financial Institutions.

**ii) Liquidity Risk**

Prudent Liquidity Management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of internal and external financing to meet obligations when due. The Company monitors its risk to a shortage of funds on a regular basis through cash forecast for scheduled debts servicing payments and considering maturity profiles of Financial Assets & Other Financial Liabilities.

**a) Financing Arrangements:**

The Company had availed Financing Arrangements as categorised below. Closing balances of the same stands as follows:

Particulars	As at 31 Ashad 2077	As at 31 Ashad 2076	As at 32 Ashad 2075
Long term loan & borrowings	226,499,531.00	268,494,971.00	319,661,929.58
Short term loan & borrowings	44,500,040.00	62,350,050.00	346,692.40
<b>Total borrowings</b>	<b>270,999,571.00</b>	<b>330,845,021.00</b>	<b>320,008,621.98</b>

**iii) Market Risk****a) 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 rates. The company's policy is to minimise interest rate cash flow risk exposure on borrowings.

**a1) Interest Rate Sensitivity**

Profit or Loss is Sensitive to changes in Interest Rate for Borrowings. A change in Market Interest Level by 100 Basis Points which is reasonably possible based on Management's Assessment would have the following effect on the Profit.

Particulars	As at 31 Ashad 2077	As at 31 Ashad 2076
Interest Rate - Increase By 100 Basis Points*	2,709,995.71	3,308,450.21
Interest Rate - Decrease By 100 Basis Points*	(2,709,995.71)	(3,308,450.21)

\* Holding all other Variable Constant

As company is subject to tax holidays, above amount is without effect of tax.

## Nepal Hydro Developer Limited

THE ACCOMPANYING NOTES ARE INTEGRAL PART OF THESE  
FINANCIAL STATEMENTS

For the Year Ended On Ashad 31, 2077 ( July 15, 2020)

**Capital Management****Note-31**

"For the purpose of the Company's Capital Management, capital includes issued capital and all other equity reserves attributable to the equity holders of the company. The company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to the shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's aim to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods."

"Board meeting dated 2077/10/.... of NHDL has approve and recommended bonus share & cash dividends @..... & ..... respectively from the accumulated reserves of 2074/75, 2075/76,2076/77 subject to approval of Shareholder at Annual general Meeting."

Months	"No. of Days"	Shares	"Days X No. of Shares"
Shrawan	32.00	2,600,000.00	83,200,000.00
Bhadra	31.00	2,600,000.00	80,600,000.00
Ashoj	31.00	2,600,000.00	80,600,000.00
Karthik	30.00	2,600,000.00	78,000,000.00
Mangsir	29.00	2,600,000.00	75,400,000.00
Poush	30.00	2,600,000.00	78,000,000.00
Magh	29.00	2,600,000.00	75,400,000.00
Falgun	30.00	2,600,000.00	78,000,000.00
Chaitra	30.00	2,600,000.00	78,000,000.00
Baishakh	31.00	2,600,000.00	80,600,000.00
Jestha	31.00	2,600,000.00	80,600,000.00
Ashad	32.00	2,600,000.00	83,200,000.00
	366.00		951,600,000.00
Weighted Average Shares			2,600,000.00



2077/03 Ganshimang,  
Shankhamul  
New Baneshwor  
Kathmandu-44620  
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Email: [info@uhy-suvodassociates.com.np](mailto:info@uhy-suvodassociates.com.np)  
[suvodassociatesnepal.com](http://suvodassociatesnepal.com)

Date: 2021/03/24

To,  
The Shareholders  
Nepal Hydro Developer Limited

Subject: Regarding the proposed dividend.

In this regard, from the 60<sup>th</sup> meeting of the board of directors held on 2077/11/20, the bonus shares for the financial year ended 2074/75 at the rate of 4 percent (4%) to be distributed along with the proposed dividend from the net distributable profit till the financial year ended 2076/77. The current paid up capital of Rs. 26,00,00,000 (twenty-six crores) 15% of which is Rs. 3,90,00,000 will be distributed as bonus shares and 0.7895% of Rs. 26,00,00,000 which comes out to be Rs. 20,52,632 as cash dividend (for the purpose of bonus share tax) to be distributed after approval from the general meeting, the same has been proposed by the board of directors and is accordingly certified.

Sincerely Yours,  
For: UHY Suvod Associates  
Chartered Accountants



CA(Dr) Suvod Kumar Karn  
Managing Partner  
Place: Kathmandu



# Fiscal year 2075/76

Auditor's report

Financial Statements

Significant accounting policies & notes to accounts

**SUBHASH & CO.**

Chartered Accountants  
House No, 199  
Tanka Prasad Marg  
Old Baneshwor Height  
Kathmandu, Nepal

Tel. : 01-4497223, 4482239  
P.O. Box: 129, Kathmandu  
E-mail: casubhash @ outlook.com

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NEPAL HYDRO DEVELOPER LIMITED

**Opinion**

we have audited the accompanying Financial Statements of Nepal Hydro Developer Limited which comprises the Statement of Financial position as at Ashad 31, 2076, Statement of Profit or Loss & Other Comprehensive Income, statement of Changes in Equity & Statement of Cash Flows for the year ended Ashad 31,2076:, and Notes to Financial statement including summary of significant Accounting Policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial statements give a true and fair view in conformity with Nepal Accounting Standards (NASs), of the state of affairs of Nepal Hydro Developer Limited as at Ashad 31, 2076, and its profit, cash flows for the year ended on that date.

**Basis of Opinion**

We conducted our audit of the financial statements in accordance with the Nepal Standard on Auditing (NSAs) & applicable law. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of Nepal (ICAN), and we have full filled our ethical responsibilities in accordance with these.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis of our audit opinion on financial statements.

**Managements Responsibility for the Financial Statements**

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

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

Those charged with governance are responsible for overseeing the Company's Financial Reporting Process.

**Auditor's responsibility for the audit of the Financial Statements**

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

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

- i. Identify and assess the risk of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsible 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, misrepresentation, or the override of internal controls.
- ii. obtain an understanding of Internal Control relevant to 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 Company's Internal Control.
- iii. iii) Evaluate the appropriateness of accounting policies used and' the reasonableness of accounting estimates and related disclosures made by the management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on its ability to continue as a going concern. If we conclude that a material uncertainty exists' we are required to draw attention in our Auditor's Report to the related disclosures in the Financial statements or, if such disclosures are inadequate, to modify our opinion' Our conclusions are based on the audit evidence obtained up to the date of our Audit Report' However, Future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures' and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.  
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.  
we also communicate with those dragged with governance that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.  
Report on the Other Legal and Regulatory Requirements
- (i) 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.
- (ii) Company has kept proper books of accounts as required by law, so far as it appears from the examination of those books of accounts.
- (iii) Statement of Financial Position, Statement of profit and loss and other comprehensive Income, Statement of Changes in Equity and Statement of requirements of the Companies Act,2063 and are in agreement with the books of account of the company.
- (iv) During our examination of the books of account of the company, we have not come across the cases where the Board of Directors or any member of there or any representative or any office holder or any employee of the Company has acted contrary to the provisions of law or caused loss or damage to the Company' and
- (v) We have not come across any fraudulent activities in the books of accounts.

CA S.K. JHUNJHUNWALA

Partner

SUBHASH & CO. Chartered Accountants

Place: Kathmandu

Date: 13-0-2020

UDIN: 200113 CA0062 EekSA

## Nepal Hydro Developer Limited

### STATEMENT OF FINANCIAL POSITION

As At Ashadh 31, 2076 ( July 16, 2019)

ASSETS	Note	As at 31st Ashadh 2076	Restated, As at 32nd Ashadh 2075	Restated, As at 1st Shrawan 2074
<b>Non-Current Assets</b>				
Property, Plant and Equipment	4	1,416,421.60	1,793,047.23	2,111,135.88
Intangible Assets	5	512,340,005.11	539,881,992.56	567,686,001.80
Financial Assets				
Investment advances	6	5,500,000.00	5,500,000.00	5,500,000.00
<b>Total Non-Current Assets</b>		<b>519,256,426.71</b>	<b>547,175,039.79</b>	<b>575,297,137.68</b>
<b>Current Assets:</b>				
Inventories (as Certified)	7	214,581.33	404,808.18	-
Financial assets				
Trade Receivables	8	80,157,490.29	72,414,425.69	50,384,335.83
Cash & cash equivalent	9	52,032.35	3,656,599.39	5,144,155.83
Other financial assets	10	5,032,963.70	5,028,963.70	5,213,000.00
Other Current Assets	11	23,895,497.29	21,192,184.21	20,097,044.43
Current Tax Assets (Net)				
<b>Total current assets</b>		<b>109,352,564.96</b>	<b>102,696,981.17</b>	<b>80,838,536.09</b>
<b>Non current assets held for sale</b>				
<b>Total assets</b>		<b>628,608,991.68</b>	<b>649,872,020.96</b>	<b>656,135,673.77</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	12	260,000,000.00	260,000,000.00	221,000,000.00
Other equity	13	20,715,240.09	10,726,557.91	(8,563,783.23)
<b>Total Equity</b>		<b>280,715,240.09</b>	<b>270,726,557.91</b>	<b>212,436,216.77</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Financial liabilities				
Loan and borrowings	14	268,494,971.00	319,661,929.58	351,249,651.00
Other financial liabilities	15			
<b>Total Non-Current Liabilities</b>		<b>268,494,971.00</b>	<b>319,661,929.58</b>	<b>351,249,651.00</b>
<b>Current Liabilities</b>				
Financial liabilities				
Loan and borrowings	15	62,350,050.00	50,750,040.00	81,469,270.00
Trade payables	16	438,348.63	346,692.40	3,306,106.40
Other financial liabilities	17	14,985,396.96	6,532,145.07	5,190,876.88
Provisions	18	453,356.00	648,007.00	377,094.00
Other current liabilities	19	1,171,629.00	1,206,649.00	2,106,458.72
<b>Total Current Liabilities</b>		<b>79,398,780.59</b>	<b>59,483,533.47</b>	<b>92,449,806.00</b>
<b>Total Liabilities</b>		<b>347,893,751.59</b>	<b>379,145,463.05</b>	<b>443,699,457.00</b>
<b>Total Equity and Liabilities</b>		<b>628,608,991.68</b>	<b>649,872,020.96</b>	<b>656,135,673.77</b>

Contingent Liability 27

The accompanying notes are integral part of these financial statements.

Mr. Kumud Kumar Dugar  
Director

Mr. Pashupati Murarka  
Director

Er. Gyanendra Lal Pradhan  
Chairman

As per our  
report of  
even date

Mrs. Puja Atal  
Director (Public)

Mr. Pradeep Kumar Das  
Finance Controller /  
Company Secretary

CA. S.K. Jhunjhunwala  
Partner  
Subhash & Company  
Chartered Accountants

Date:

Place: Kathmandu

**Nepal Hydro Developer Limited**  
**STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME**

For the Year Ended Ashadh 31, 2076 ( July 16, 2019)

Particulars	Note	FY 2075-76	Restated 2074-75
Revenue	20	94,038,122.04	107,255,628.15
Other income	21	2,852.59	6,116,474.76
<b>Total Income</b>		<b>94,040,974.63</b>	<b>113,372,102.91</b>
Generation & Distribution Expenses	22	7,058,152.08	7,191,705.23
Employee Cost	23	7,984,269.00	9,847,775.68
Administrative and other operating expenses	24	1,398,137.26	1,479,935.26
Depreciation expenses	4	397,127.22	463,940.98
Amortization of intangible assets	5	27,719,737.45	27,804,009.24
Impairment loss	8	-	-
<b>Profit from Operation</b>		<b>49,483,551.62</b>	<b>66,584,736.52</b>
Finance costs	25	39,193,211.44	42,912,246.63
<b>Profit Before Bonus, CSR &amp; Tax</b>		<b>10,290,340.18</b>	<b>23,672,489.89</b>
<b>Provision</b>			
Staff Bonus		201,771.00	396,737.00
Corporate Social Responsibility		99,887.00	196,404.00
<b>Profit Before Tax</b>		<b>9,988,682.18</b>	<b>23,079,348.89</b>
<b>Income Tax Expense</b>			
Current tax		-	-
Deferred tax expense/(income)		-	-
<b>Profit for the year</b>		<b>9,988,682.18</b>	<b>23,079,348.89</b>
<b>Other comprehensive Income:</b>			
<b>Other comprehensive Income not to be reclassified to profit or loss in subsequent periods</b>			
i. Re-measurement (losses)/gains on post employment defined benefit plans		-	-
ii. Equity instruments through other comprehensive income		-	-
iii. Tax relating to items that will not to be reclassified to profit or loss		-	-
<b>Other comprehensive gain/(loss) for the year, net of tax</b>			
<b>Total Comprehensive gain/(loss) for the year, net of tax</b>		<b>9,988,682.18</b>	<b>23,079,348.89</b>
Earnings per equity share of Rs. 100 each			
Basic Earnings per share - Rs.	26	3.84	8.97
Diluted Earnings per share - Rs		3.84	8.97
Contingent Liability	27		

The accompanying notes are integral part of these financial statements.

**Mr. Kumud Kumar Dugar**  
Director

**Mr. Pashupati Murarka**  
Director

**Er. Gyanendra Lal Pradhan**  
Chairman

As per our  
report of  
even date

**Mrs. Puja Atal**  
Director (Public)

**Mr. Pradeep Kumar Das**  
Finance Controller /  
Company Secretary

**CA. S.K. Jhunjhunwala**  
Partner  
Subhash & Company  
Chartered Accountants

**Date:**

**Place:** Kathmandu

## Nepal Hydro Developer Limited

## STATEMENT OF CASH FLOW

For the Year Ended Ashadh 31, 2076 ( July 16, 2019)

Particulars	FY 2075-76	Restated 2074-75
<b>Cash flow from operating activities</b>		
Profit for the year	9,988,682.18	23,079,348.89
Adjustments for:		
Depreciation on property, plant and equipment	397,127.22	463,940.98
Amortization of Intangible Assets	27,719,737.45	27,804,009.24
Finance cost	39,193,211.44	42,912,246.63
Working capital adjustments:		
(Increase)/ Decrease in Trade receivables	(7,743,064.60)	(22,030,089.86)
(Increase)/ Decrease in other financial assets	(4,000.00)	184,036.30
(Increase)/ Decrease in other current assets	(2,703,313.08)	(1,095,139.78)
(Increase)/ Decrease in Inventories	190,226.85	(404,808.18)
Increase / (Decrease) in trade payables	91,656.23	(2,959,414.00)
Increase / (Decrease) in financial liabilities	20,053,261.89	(29,377,961.81)
Increase / (Decrease) in other current liabilities	(35,020.00)	(899,809.72)
<b>Cash generated from operations</b>	<b>87,148,505.58</b>	<b>37,676,358.69</b>
Bonus paid	(194,966.00)	144,509.00
CSR paid	315.00	126,404.00
Income Tax Paid	-	-
Prior year adjustment	-	-
<b>Net cash flows from operating activities (A)</b>	<b>86,953,854.58</b>	<b>37,947,271.69</b>
<b>Cash flows from investing activities</b>		
Purchase from sale of Property, Plant and Equipment	(20,501.59)	(243,750.00)
(Increase)/Decrease in Project work-in-progress	-	-
Proceeds from sale of Assets	-	97,897.67
Investment in Intangibles	(177,750.00)	-
<b>Net cash flow from investing activities (B)</b>	<b>(198,251.59)</b>	<b>(145,852.33)</b>
<b>Cash flows from financing activities</b>		
Issue of further public offering (IPO)	-	39,000,000.00
Issue of right share	-	-
Loan & borrowing (non-current)	(51,166,958.58)	(31,587,721.42)
Share Issue Cost	-	(3,789,007.75)
Interest paid	(39,193,211.44)	(42,912,246.63)
<b>Net cash flows from financing activities (C)</b>	<b>(90,360,170.02)</b>	<b>(39,288,975.80)</b>
Net changes in cash flow for the year (A+B+C)	(3,604,567.04)	(1,487,556.44)
Net foreign exchange difference on cash and cash equivalents	-	-
<b>Cash &amp; cash equivalent, Beginning of Year</b>	<b>3,656,599.39</b>	<b>5,144,155.83</b>
<b>Cash &amp; cash equivalent, End of Period</b>	<b>52,032.35</b>	<b>3,656,599.39</b>

The accompanying notes are integral part of these financial statements.

Mr. Kumud Kumar Dugar  
DirectorMr. Pashupati Murarka  
DirectorEr. Gyanendra Lal Pradhan  
ChairmanAs per our  
report of  
even dateMrs. Puja Atal  
Director (Public)Mr. Pradeep Kumar Das  
Finance Controller /  
Company SecretaryCA. S.K. Jhunjhunwala  
Partner  
Subhash & Company  
Chartered Accountants

Date:

Place: Kathmandu

**Nepal Hydro Developer Limited**  
**STATEMENT OF CHANGES IN EQUITY**

For the Year Ended Ashadh 31, 2076 ( July 16, 2019)

	Equity Share Capital	Share Premium	General Reserve	Retained Earnings	Total
Balance as on 1st Shrawan 2074	221,000,000.00	-	-	(8,563,783.23)	212,436,216.77
Opening NFRS adjustment at transition date					
<b>Re-adjusted opening balance 1st Shrawan 2074</b>	<b>221,000,000.00</b>	<b>-</b>	<b>-</b>	<b>(8,563,783.23)</b>	<b>212,436,216.77</b>
Profit for the year	-	-	-	23,079,348.89	23,079,348.89
Other comprehensive income	-	-	-	-	-
Issue of equity shares	39,000,000.00	-	-	-	39,000,000.00
Dividend to shareholders	-	-	-	-	-
Share issuance cost	-	-	-	(3,789,007.75)	(3,789,007.75)
<b>Balance as at 32 Ashadh 2075</b>	<b>260,000,000.00</b>	<b>-</b>	<b>-</b>	<b>10,726,557.91</b>	<b>270,726,557.91</b>
Profit for the year	-	-	-	9,988,682.18	9,988,682.18
Other comprehensive income	-	-	-	-	-
Issue of equity shares	-	-	-	-	-
Dividend to shareholders	-	-	-	-	-
Share issuance cost	-	-	-	-	-
<b>Balance as at 31 Ashadh 2076</b>	<b>260,000,000.00</b>	<b>-</b>	<b>-</b>	<b>20,715,240.09</b>	<b>280,715,240.09</b>

The accompanying notes are integral part of these financial statements.

**Mr. Kumud Kumar Dugar**  
Director

**Mr. Pashupati Murarka**  
Director

**Er. Gyanendra Lal Pradhan**  
Chairman

As per our report  
of even date

**Mrs. Puja Atal**  
Director (Public)

**Mr. Pradeep Kumar Das**  
Finance Controller /  
Company Secretary

**CA. S.K. Jhunjhunwala**  
Partner  
Subhash & Company  
Chartered Accountants

**Date:**  
**Place:** Kathmandu

## Nepal Hydro Developer Limited

### SIGNIFICANT INFORMATION, ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

Note -1 & Note-2

#### 1 General Information

##### Background

Nepal Hydro Developers Limited (NHDL)(Hereafter referred as “The Company”) is incorporated under Nepal Company Act, 2006 vide Pvt. Ltd. Reg. No. 41666/063 on Bhadra 29, 2063. The Registered office of the Company is Dillibazar ward no. 33, Kathmandu. The company has commenced operations from 24/02/2070 (2013/06/07). The name of the company has been changed from “Nepal Hydro Developers Private Limited” to “Nepal Hydro Developers Limited” w.e.f 31/03/2071 as per certificate obtained from Company Registrar Office.

The Company has obtained License from Department of Electricity Development (DOED) to develop hydro electricity from 3.52 MW Charnawati Khola in Dolkha District, Nepal. Further company has also received license for development of 6.4 MW Lower Chandrawati Hydro Power Project (cascade project).

##### Principle Activity

The main objective of the company is to develop, generate and distribute hydro electric power in Nepal.

The financial statements apply to the financial year ended 31st Ashadh 2076 (16th July 2019). The financial statements of Nepal Hydro Developer Limited has been referred at “NHDL”

The accompanied financial statements have been approved for publication by the Board of Directors of the NHDL in its meeting held on 2076-8-27. The Board of Directors acknowledges the responsibility of preparation of financial statements.

#### 2 Significant accounting policies

##### 2.1. Basis of Preparation and measurement

###### a) Statement of compliance

The financial statements have been prepared in accordance with applicable Nepal Financial Reporting Standards (NFRS) as issued by Nepal Accounting Standard Board & implemented by the Institute of Chartered Accountants of Nepal (ICAN). The Financial Statements have also been prepared in accordance with the relevant presentational requirements of the Company Act, 2063 of Nepal.

These financial statements for the year ended 31 Ashadh, 2076 are the first the Company has prepared under NFRS. For all periods upto and including the year ended 32 Ashadh, 2075, the Company prepared its financial statements in accordance with earlier issued Nepal Accounting Standards (hereinafter referred to as ‘Previous GAAP’) used for its statutory reporting requirement in Nepal immediately before adopting NFRS. The financial statements for the year ended 32 Ashadh, 2075 and the opening Balance Sheet as at 1 Shrawan, 2074 have been restated in accordance with NFRS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to NFRS on the Company’s statement of Financial Position, Statement of Profit or Loss and Statement of Cash Flows are provided in Note 3.

**b) Basis of preparation**

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening NFRS Balance Sheet as at 1 Shrawan, 2074 being the 'date of transition to NFRS'. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. The financial statements is presented in functional and presentation currency of the Company i.e. Nepalese Rupee ("NPR") which is the currency of the primary economic environment in which the Company operates.

**c) Basis of measurement**

These financial statements are prepared under historical cost convention except for certain material items that have been measured at fair value as required by the relevant NFRS and explained in the ensuing policies below.

**2.2. 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:-

**a) Useful life and residual value of property, plant and equipments**

Management reviews the useful life and residual values of property, plant and equipment at least once a year. Such life are 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.

**b) Impairment of property, plant and equipments**

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.

**c) 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.

**d) Fair value measurement**

Some of the Company's assets and liabilities 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. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model

**e) Defined benefits plan**

The cost of defined benefit plan and other postemployment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**f) 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 were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company.

**2.3 Property, plant and equipment**

On transition to NFRS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at Ashad 31, 2074 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as on Sharwan 1, 2074

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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.

Assets in the course of construction are capitalized in the assets under capital work in progress account (CWIP). At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences.

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.

#### 2.4 Other Intangible Asset

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.

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.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

#### 2.5 Depreciation and Amortization

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the written down method.

Amortisation is recognised on a straight line basis over their estimated useful lives. 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.

Depreciation is provided on the written down method based on the estimated useful lives of the assets determined by the management. Depreciation on additions to fixed assets is charged on pro-rata basis in the year of purchase. The useful life of the assets and the corresponding rates at which the assets are depreciated are as follows:-

Category of asset	Estimated useful life	Depreciation Rate
Furnitures & Fixtures	10-11 years	25%
Office Equipment	10-11 years	25%
Vehicles	13-14 years	20%

Useful life is either the period of time which the asset is expected to be used or the number of production or similar units expected to be obtained from the use of asset. The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Office furniture, equipment and vehicles costing less than NPR 5,000 per unit and plant equipment costing less than NPR10,000 per unit is charged to the profit and loss account in the year of purchase. is there any specific policy

Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

#### 2.6 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible 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 Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 or Loss.

## 2.7 Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

## 2.8 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## 2.9 Inventories

Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories of stores, spare parts and loose tools are stated at the lower of weighted average cost and net realizable value. Net realizable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

## 2.10 Revenue recognition

### Sale of electricity

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances. Revenue is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

### Interest & dividend income

Dividend income (net of withholding taxes) from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). In case of stock dividend only the number of shares is increased.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on

a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## 2.11 Foreign currency transactions

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Nepalese Rupee (NPR).

In preparing the financial statements the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit or Loss in the period in which they arise.

## 2.12 Employment Benefits

### i) Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Statement of Financial Position.

### ii) Post - Employment Benefits

#### - Defined Contribution Plan

The Company pays Provident Fund contributions to publicly administered Provident Funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contribution are recognized as Employee Benefit Expense when they are due.

#### - Defined Benefit Plan

For Defined Benefit Plan in the form of Gratuity, the cost of providing benefits is determined using the Projected Unit Credit Method, with Actuarial Valuations being carried out at each Statement of Financial Position. Actuarial Gains & Losses are recognized in the Other Comprehensive Income in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a Straight Line Basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the Fair Value of plan Assets (If Any). Any Asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

### iii) Long Term Employee Benefits

The liabilities for un-availed earned leaves are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Leave Encashment has been computed using Actuarial Assumptions and these are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the year using the

Projected Unit Credit Method. The benefits are discounted using the market yields at the end of the year that have terms approximating to the terms of assumptions.

### 2.13 Taxation

#### Income tax

Income tax on the profit or loss for the year comprises current taxes and deferred taxes. Income tax is recognized in the profit or loss statement except to the extent that it relates to items recognized directly to equity.

#### Current tax

Current tax is the expected tax payable on the taxable income for the year using tax rates at the balance sheet date and any adjustment to tax payable in respect of previous years.

Currently company enjoys full tax holidays for 1 to 10 years & half of applicable tax rates for next 5 years

#### Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### 2.13 Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/ (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

### 2.15 Provisions, contingencies and commitments

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is a possible asset that 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.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

## **2.14 Financial Instruments**

### **I Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts 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 and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities 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.

Investment in equity instruments issued by subsidiaries, associates and joint ventures are measured at cost less impairment.

Investment in preference shares/debentures of the subsidiaries are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investment in preference shares/ debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

### **II 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.

**III Financial assets:**

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 outstanding.

**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 or 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**

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through the statement of profit of loss.

The company recognises impairment loss on trade receivables using expected credit loss model. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

**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.

**IV Financial liabilities and equity instruments****Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company 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 Company 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.

### **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

### **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 or loss.

## **V Off-setting of financial instruments**

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

### **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. For arrangements entered into prior to Shrawan 1, 2074, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

### **The company as a lessee**

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased asset or, at the present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either:

- a) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

#### **The company as lessor**

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### **2.18 Service concession arrangements**

Under IFRIC 12 – Service Concession Arrangements applies to public-to-private service concession arrangements if:

- a) The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what prices: and
- b) The grantor controls through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement.
- c) Is the infrastructure constructed or acquired by the operator from a third party for the purpose of the service arrangement OR is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement ?

Infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole life of assets) is within the scope of this IFRIC, if the conditions in (a) above are met.

These arrangements are accounted on the basis of below mentioned models depending on the nature of consideration and relevant contract law.

#### **Financial asset model:**

The Financial asset model is used when the Company, being an operator, has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Unconditional contractual right is established when the grantor contractually guarantee to pay the operator (a) specific or determinable amount; (b) the shortfall, if any, between amounts received from the users of the public services and specified or determinable amounts.

#### **Intangible asset model:**

The intangible asset model is used to the extent that the Group, being an operator, receives a right (a license) to charge users of the public service. A right to charge users of a public services is not an unconditional right to receive cash because the amounts are contingent on to the extent that public uses the services. Both type of arrangements may exist within a single contract to the extent that the grantor has given an unconditional guarantee of payment for the construction and the operation i.e. considered as a Financial asset and to the extent that the operator has to rely on the public using the service in order

to obtain payment, the operation has an intangible asset.

The Company manages concession arrangements which include power supply from its two hydro power plant. The Company maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the services to be provided. The right to consideration gives rise to an intangible asset and accordingly, the intangible asset models is applied.

Income from the concession arrangements earned under the intangible asset model consists of the (i) Fair Value of the contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

## **2.20 Non-current assets held for sale**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

## **2.21 Financial risk management objectives and policies**

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

The Risk Management is done by the Company's management that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

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

**a) Credit risk**

Credit risk refers to the risk that a counterparty including its subsidiaries and associates will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. No amount has been recognised in the financial position as financial liabilities.

**b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term debt obligations. Since, the interest rate risk is influenced by market forces, company has little role to play for minimizing this risk. Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings by negotiating with highly reputed commercial banks.

**c) Liquidity risk**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company'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, NHDL has made arrangement adequate level of OD facility for short term financing. The Company's Finance department regularly monitors the cash position to ensure it has sufficient cash on-going basis to meet operational needs

**d) Currenty risk**

The Company is subject to the risk that changes in foreign currency values impact the Company's imports of inventories and property, plant and equipment. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar.

**2.23 Segment reporting**

The Chief Executive Officer and functional managers of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by NFRS 8, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz., "Generation and Sale of electricity" and that most of the operations are in Nepal. Hence the Company does not have any reportable Segments as per NFRS 8 "Operating Segments"

**2.24 CSR & Bonus Provision**

The provision for corporate social liability @1% has been made during the year as per section 48 of Industrial Enterprise Act, 2073 on Net profit for the year after bonus but before tax. Staff bonus has been provided @ 2% bonus on electricity income in line with the provisions of the Electricity Act 2049.

**2.25 Description of Subsidiaries, Associates and other equity investments**

**Lower Chandrawati Hydropower Ltd**

The company has invested of Rs.5,500,000 in equity share of 100% subsidiary company i.e. namely Lower Charnawati Hydropower Public Limited (LCHPL) & the same has been shown as Investment Advance as the share lagat of LCHPL has not been approved from Office of Company Registrar till the end of reporting period.

**2.26 Earnings Per Share**

Earning per share is calculated by dividing the profit attributable to owners of the company by the Weighted Average Number of equity shares outstanding during the Financial Year.

## Nepal Hydro Developer Limited

FOR THE ENDED ASHAD 31, 2076 (JULY 16, 2019)

### Notes to First time Adoption of NFRS

Note-3

#### 3 First time adoption of NFRS

The financial statements have been prepared in accordance with applicable Nepal Financial Reporting Standards (NFRS) as issued by the Institute of Chartered Accountants of Nepal (ICAN). These financial statements for the year ended 31 Ashadh, 2076 are the first the Company has prepared under NFRS. For all periods up to and including the year ended 32 Ashadh, 2075, the Company prepared its financial statements in accordance with earlier issued Nepal Accounting Standards (hereinafter referred to as 'Previous GAAP').

In preparing these NFRS financial statements, the Company has availed certain exemptions and exceptions in accordance with NFRS 1, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under NFRS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its Previous GAAP financial statements, including the Statement of Financial Position as at 1 Shrawan, 2074 and the financial statements as at and for the year ended 32 Ashadh, 2075 is summarized hereunder.

- i) All Assets & Liabilities have been classified into Financial Assets/Liabilities & Non-Financial Assets / Liabilities.
- ii) In accordance with NFRS 1, the resulting adjustments are considered as arising from events & transactions entered before date of transition & recognized directly in the retained earnings at the date of transition to NFRS.

#### A. Exemptions from retrospective application.

NFRS 1 allows first-time adopters certain exemptions from retrospective application of certain requirements under NFRS. The Company has elected to apply the following optional exemptions from retrospective application:

##### a) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to measure all its property, plant and equipment, intangible assets including under progress at the Previous GAAP carrying amount as its deemed cost on the date of transition to NFRS.

##### b) Past business combinations

The Company has elected not to apply NFRS 3 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1st Shrawan, 2074.

#### B. Exceptions to retrospective application

The Company has applied the following exceptions to the retrospective application of NFRS as mandatorily required under NFRS 1:

##### a) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under NFRS, as there is no objective evidence

that those estimates were in error. However, estimates that were required under NFRS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

**b) Classification and measurement of financial assets**

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to NFRS.

**c) Derecognition of financial assets and liabilities**

The Company has applied the derecognition requirements of financial assets and financial liabilities .

**C. Transition to NFRS-Reconciliations**

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to NFRS in accordance with NFRS 1:

Reconciliation of Equity as at 1 Shrawan, 2074

Reconciliation of Equity as at 32 Ashadh, 2075.

Reconciliation of Total Comprehensive income for the year ended 32 Ashadh, 2075.

**D Reconciliation between Previous GAAP & NFRS**

**Reconciliation of Equity**

Particulars	“Notes To 1st Time Adoption”	Ashadh 32, 2075	Shrawan 1, 2074
Total Equity (Shareholder’s Fund) As Per Previous GAAP:			
Equity share capital		260,000,000.00	221,000,000.00
Other equity		11,076,655.79	(8,563,783.23)
		<u>271,076,655.79</u>	<u>212,436,216.77</u>
Adjustment :			
Amortization of service concession arrangement assets	1	(350,097.88)	
Impairmen of financial assets	2	-	
Deferred tax on PPE			
Deferred tax on Intangible assets			
<b>Total Adjustments</b>		<b>(350,097.88)</b>	<b>-</b>
<b>Total Equity as Per NFRS</b>		<b>270,726,557.91</b>	<b>212,436,216.77</b>

**Reconciliation to Total Comprehensive Income as at Ashadh 32, 2075**

Particulars	Notes	Previous GAAP	Adjustment	NFRS
Revenue		107,255,628.15	-	107,255,628.15
Other income		6,116,474.76	-	6,116,474.76
<b>Total Income</b>		<b>113,372,102.91</b>	<b>-</b>	<b>113,372,102.91</b>
Generation & Distribution Expenses	3	16,282,905.91	9,091,200.68	7,191,705.23
Employee Cost	3	-	(9,847,775.68)	9,847,775.68
Administrative and other operating expenses	3	6,025,518.01	4,545,582.75	1,479,935.26

Depreciation expenses	4	27,917,852.34	27,453,911.36	463,940.98
Amortization of intangible assets	4	-	(27,804,009.24)	27,804,009.24
<b>Profit from Operation</b>		<b>63,145,826.65</b>	<b>(3,438,909.87)</b>	<b>66,584,736.52</b>
Finance costs		42,912,246.63	-	42,912,246.63
Profit Before Bonus, CSR & Tax		20,233,580.02	(3,438,909.87)	23,672,489.89
<b>Provision</b>				
Staff Bonus		396,737.00	-	396,737.00
Corporate Social Responsibility		196,404.00	-	196,404.00
<b>Profit Before Tax</b>		<b>19,640,439.02</b>	<b>(3,438,909.87)</b>	<b>23,079,348.89</b>
Income Tax Expense			-	-
Current tax		-	-	-
Deferred tax expense/(income)		-	-	-
<b>Profit for the year</b>		<b>19,640,439.02</b>	<b>(3,438,909.87)</b>	<b>23,079,348.89</b>
Other comprehensive Income:			-	-
Other comprehensive Income not to be reclassified to profit or loss in subsequent periods			-	-
i. Re-measurement (losses) / gains on post employment defined benefit plans			-	-
ii. Equity instruments through other comprehensive income			-	-
iii. Tax relating to items that will not to be reclassified to profit or loss			-	-
Other comprehensive gain/(loss) for the year, net of tax			-	-
<b>Total Comprehensive gain/(loss) for the year, net of tax</b>		<b>19,640,439.02</b>	<b>(3,438,909.87)</b>	<b>23,079,348.89</b>

### Notes to First time Adoption of NFRS

#### 1) Amortization of Service Concession Arrangement

Company has not amortized its project land under GAAP that is subsequently transferable to Government of Nepal after licence period. As company adopt policy of IFRIC 12 under which all project assets are recognized for intangible assets.

#### 2) Impairment of financial assets

Trade receivable outstanding has been impaired on the basis of risk involved & probability of losses to those assets which has been determined by management.

#### 3) Nature basis presentation of statement of profit or loss

Earlier Company prepares its statement of profit or loss on functional basis, under NFRS, company opted to present on nature basis due to which employee benefit expenses included in cost of generation, administrative expenses are segregated & presented separately.

#### 4) Projects assets in intangible model

While implementation IFRIC 12, projects assets transferable after licence period are presented as separate line item in face of financial statements, which is recognized in Intangible model of presentation & amortization. Due to the implication of model amortization has been computed & presented. Only those assets that doesn't belongs to projects are depreciation under NAS 16.

## Nepal Hydro Developer Limited

THE ACCOMPANYING NOTES ARE INTEGRAL PART OF THESE  
FINANCIAL STATEMENTS

For the Year Ended Ashadh 31, 2076 ( July 16, 2019)

## PROPERTY, PLANT &amp; EQUIPMENT

Note-4

Cost	Furnitures & Fixtures	Office Equipment	Vehicles	Bicycle	Total
As at 1st Shrawn 2074	112,700.00	2,820,485.71	4,230,638	5,500.00	7,169,323.71
RE-statement	-	-	-	-	-
<b>Restated 1 Shrawn, 2074</b>	<b>112,700.00</b>	<b>2,820,485.71</b>	<b>4,230,638</b>	<b>5,500.00</b>	<b>7,169,323.71</b>
Addition for the year	-	39,550	204,200.00		243,750.00
Disposal/ Adjustment			(97,897.67)		(97,897.67)
<b>Total as at 32 Ashadh 2075</b>	<b>112,700.00</b>	<b>2,860,035.71</b>	<b>4,336,940</b>	<b>5,500.00</b>	<b>7,315,176.04</b>
Addition for the year	20,501.59				20,501.59
Disposal/ Adjustment					
<b>As at 31 Ashadh 2076</b>	<b>133,201.59</b>	<b>2,860,035.71</b>	<b>4,336,940</b>	<b>5,500.00</b>	<b>7,335,677.63</b>
<b>Accumulated Depreciation</b>					
FY 1st Shrawn 2074	90,396.58	1,955,105.67	3,008,483	4,202.38	5,058,187.83
RE-statement					-
<b>Restated 1 Shrawn, 2074</b>	<b>90,396.58</b>	<b>1,955,105.67</b>	<b>3,008,483</b>	<b>4,202.38</b>	<b>5,058,187.83</b>
Addition for the year	5,575.86	219,640.84	238,465	259.52	463,940.98
Disposal/ Adjustment					
<b>Total as at 32 Ashadh 2075</b>	<b>95,972.44</b>	<b>2,174,746.51</b>	<b>3,246,948</b>	<b>4,461.90</b>	<b>5,522,128.81</b>
Addition for the year	7,598.82	171,322.30	217,998	207.62	397,127.22
Disposal/ Adjustment					
<b>As at 31 Ashadh 2076</b>	<b>103,571.26</b>	<b>2,346,068.81</b>	<b>3,464,946</b>	<b>4,669.52</b>	<b>5,919,256.03</b>
<b>Carrying Value</b>					
<b>Shrawan 1, 2074</b>	<b>22,303.42</b>	<b>865,380.04</b>	<b>1,222,155</b>	<b>1,297.62</b>	<b>2,111,135.88</b>
<b>Ashadh 32, 2075</b>	<b>16,727.57</b>	<b>685,289.20</b>	<b>1,089,992</b>	<b>1,038.10</b>	<b>1,793,047.23</b>
<b>Ashadh 31, 2076</b>	<b>29,630.33</b>	<b>513,966.90</b>	<b>871,994</b>	<b>830.48</b>	<b>1,416,421.60</b>

The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

INTANGIBLE ASSETS

Note-5

Particular	Intangibles	Service Concession Arrangement	Total
Balance at 1st Shrawan 2074	-	688,925,034.97	688,925,034.97
Addition for the year	-	-	-
Disposal/ Adjustment	-	-	-
<b>Balance as at 32 Ashadh 2075</b>	-	<b>688,925,034.97</b>	<b>688,925,034.97</b>
Addition for the year	-	177,750.00	177,750.00
Disposal/ Adjustment	-	-	-
<b>Balance as at 31 Ashadh 2076</b>	-	<b>689,102,784.97</b>	<b>689,102,784.97</b>
Amortization			
Balance at 1st Shrawan 2074	-	121,239,033.17	121,239,033.17
Addition for the year	-	27,804,009.24	27,804,009.24
Disposal/ Adjustment	-	-	-
<b>Balance as at 32 Ashadh 2075</b>	-	<b>149,043,042.41</b>	<b>149,043,042.41</b>
Addition for the year	-	27,719,737.45	27,719,737.45
Disposal/ Adjustment	-	-	-
<b>Balance as at 31 Ashadh 2076</b>	-	<b>176,762,779.86</b>	<b>176,762,779.86</b>
<b>Shrawan 1, 2074</b>	-	<b>567,686,001.80</b>	<b>567,686,001.80</b>
<b>Ashadh 32, 2075</b>	-	<b>539,881,992.56</b>	<b>539,881,992.56</b>
<b>Ashadh 31, 2076</b>	-	<b>512,340,005.11</b>	<b>512,340,005.11</b>

The Company has obtained the generation license for operation from the Department of Electricity Development (Ministry of Energy) and remains valid till Mangsir 16. 2102 & remains in ownership of the company for 30 years from commercial operation date upto Jestha 24, 2100, the useful life of assets of the project cannot exceed 30 years even if the economic life of the asset is more. After the end of 30 years of operation, company will have to transfer the entire generation unit to Government of Nepal under BOOT provision.

FINANCIAL ASSETS

Note-6

Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075	As at 1 Shrawan 2,074
Investment in Subsidiary Companies			
Lower Chandrawati Hydro Power Ltd. (Shares @ NRs 100, fully paid up)			-
Investment advance	5,500,000.00	5,500,000.00	5,500,000
<b>Impairment</b>			
Provision for impairment losses			-
<b>Net Investment</b>	<b>5,500,000.00</b>	<b>5,500,000.00</b>	<b>5,500,000</b>

The company has invested of Rs.5,500,000 in equity share of 100% subsidiary company i.e. namely Lower Charnawati Hydropower Public Limited (LCHPL) & the same has been shown as Investment Advance as the share lagat of LCHPL has not been approved from Office of Company Registrar till the end of reporting period.

**INVENTORIES (AS TAKEN, VALUED & CERTIFIED BY THE MANAGEMENT)** Note-7

Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075	As at 1 Shrawan 2,074
Electric goods			
Consumable, spares & parts	214,581.33	404,808.18	-
<b>Total</b>	<b>214,581.33</b>	<b>404,808.18</b>	<b>-</b>

**TRADE RECEIVABLES**

Note-8

Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075	As at 1 Shrawan 2,074
Nepal Electricity Authority	80,157,490.29	72,414,425.69	50,384,335.83
Provision for impairment losses	-	-	-
<b>Total</b>	<b>80,157,490.29</b>	<b>72,414,425.69</b>	<b>50,384,335.83</b>

**CASH & CASH EQUIVALENTS**

Note-9

Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075	As at 1 Shrawan 2,074
Cash in Hand (as certified)	451.00	40,701.00	22,021.19
Balances with Banks:			
Bank of Kathmandu Ltd. (Current)	1,000.00	1,000.00	2,281,793.20
Bank of Kathmandu Ltd.	-	3,543,618.79	2,738,164.29
Citizens Bank International Ltd.	-	20,698.25	28,737.14
Global IME Bank Ltd.	-	-	6,285.93
Prabhu Bank Ltd.	50,581.35	50,581.35	50,581.35
Siddhartha Bank Ltd.	-	-	16,572.73
<b>Total</b>	<b>52,032.35</b>	<b>3,656,599.39</b>	<b>5,144,155.83</b>

**OTHER FINANCIAL ASSETS**

Note-10

Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075	As at 1 Shrawan 2,074
Deposits			
Deposit- IRD	5,003,000.00	5,003,000.00	5,003,000.00
Short term deposits	25,963.70	25,963.70	210,000.00
Staff advance	4,000.00	-	-
<b>Total</b>	<b>5,032,963.70</b>	<b>5,028,963.70</b>	<b>5,213,000.00</b>

**OTHER CURRENT ASSETS**

Note-11

Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075	As at 1 Shrawan 2,074
Advance for expenses	1,506,134.96	1,557,891.15	17,886,730.27
Advance for contractor & consultant	20,598,703.16	17,756,367.16	167,425.00
Prepaid expense	1,426,923.17	1,877,925.90	2,042,889.16
Advance Income Tax	363,736.00	-	-
<b>Total</b>	<b>23,895,497.29</b>	<b>21,192,184.21</b>	<b>20,097,044.43</b>

Note-12

**EQUITY SHARE CAPITAL**  
**I) EQUITY SHARES**

Particulars	As at 31 Ashadh 2076		As at 32 Ashadh 2075		As at 1 Shrawan 2074	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>Authorized Shares</b>						
Equity shares of Rs 100 each with full voting power	6,000,000.00	600,000,000.00	6,000,000.00	600,000,000.00	6,000,000.00	600,000,000.00
<b>Issued Shares</b>						
Equity shares of Rs 100 each with full voting power	6,000,000.00	600,000,000.00	6,000,000.00	600,000,000.00	6,000,000.00	600,000,000.00
<b>Subscribed &amp; Fully paidup</b>						
Equity shares of Rs 100 each with full voting power	2,600,000.00	260,000,000.00	2,600,000.00	260,000,000.00	2,210,000.00	221,000,000.00
<b>Total subscribed &amp; paidup shares</b>	<b>2,600,000.00</b>	<b>260,000,000.00</b>	<b>2,600,000.00</b>	<b>260,000,000.00</b>	<b>2,210,000.00</b>	<b>221,000,000.00</b>

**II) SHARES RECONCILIATION**

Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075	As at 1 Shrawan 2074
Opening number of Shares	2,600,000.00	2,210,000.00	1,950,000.00
Add: issue of ordinary shares	-	390,000.00	260,000.00
Add: issue of right shares	-	-	-
Less: Buyback of shares	-	-	-
<b>Closing number of Shares for FY End</b>	<b>2,600,000.00</b>	<b>2,600,000.00</b>	<b>2,210,000.00</b>

The company has allotted fresh ordinary equity shares to public of "Project Affected Area" (10% of total subscribed equity capital amounting 260,000 units of equity shares) on Magh 21, 2073 (February 3, 2017).

Details of Shareholding greater than 5%	As at 31 Ashadh 2076		As at 32 Ashadh 2075		As at 1 Shrawan 2074	
	Share %	Shares Num.	Share %	Shares Num.	Share %	Shares Num.
Mr. Ananda Prasad Pokhrel	5.19	135,000.00	5.19	135,000.00	6.11	135,000.00
Mr. Kumud Kumar Dugar	9.38	243,750.00	9.38	243,750.00	11.03	243,750.00
Mr. Pashupati Murarka	9.38	243,750.00	9.38	243,750.00	11.03	243,750.00
Mr. Dev Kishan Mundan	9.38	243,750.00	9.38	243,750.00	11.03	243,750.00
Mr. Gyanendra Lal Pradhan	16.88	438,750.00	16.88	438,750.00	19.85	438,750.00
Mr. Rajendra Prasad Mundan	7.50	195,000.00	7.50	195,000.00	8.82	195,000.00
Mr. Bikash Dugar	7.50	195,000.00	7.50	195,000.00	8.82	195,000.00
Mr. Shishir Kumar Murarka	7.50	195,000.00	7.50	195,000.00	8.82	195,000.00
General public/ Employees	27.31	710,000.00	27.31	710,000.00	14.48	320,000.00

The company has only one class of equity shares having a par value of Rs. 100/- per share. In the event of the liquidation of the company, the equity share holders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts according to Companies Act 2063. The distribution will be in proportion of the number of the equity shares held by the shareholders.

#### OTHER EQUITY

Note-13

	Share Premium	Retained Earning	General Reserve	Total
Balance as at 1st Shrawan 2074	-	(8,563,783.23)	-	(8,563,783.23)
Profit for the year	-	23,079,348.89	-	23,079,348.89
Other comprehensive income	-	-	-	-
Dividend distribution	-	-	-	-
Share issuance cost	-	(3,789,007.75)	-	(3,789,007.75)
Prior period adjustments	-	-	-	-
<b>Balance as at 32 Ashadh 2075</b>	-	<b>10,726,557.91</b>	-	<b>10,726,557.91</b>
Profit for the year	-	9,988,682.18	-	9,988,682.18
Other comprehensive income	-	-	-	-
Dividend distribution	-	-	-	-
Prior period adjustments	-	-	-	-
<b>Balance as at 31 Ashadh 2076</b>	-	<b>20,715,240.09</b>	-	<b>20,715,240.09</b>

## Nepal Hydro Developer Limited

### THE ACCOMPANYING NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

For the Year Ended Ashadh 31, 2076 ( July 16, 2019)

#### LOAN & BORROWINGS

Note-14

Borrowings	As at 31 Ashadh 2076	As at 32 Ashadh 2075	As at 1 Shrawan 2074
Term loan			
Bank of Kathmandu Ltd	113,921,331.00	126,879,720.43	136,359,261.00
Global IME Bank Ltd	72,889,720.00	81,851,446.18	88,174,540.00
Citizen Bank International Ltd	73,388,540.00	82,382,040.00	88,701,030.00
Sidhartha Bank Ltd	60,795,430.00	69,298,762.97	75,284,090.00
<b>Total</b>	<b>320,995,021.00</b>	<b>360,411,969.58</b>	<b>388,518,921.00</b>
Payable within 12 months	52,500,050.00	40,750,040.00	37,269,270.00
<b>Non-current portion</b>	<b>268,494,971.00</b>	<b>319,661,929.58</b>	<b>351,249,651.00</b>

Company has borrowed loans through consortium, Bank of Kathmandu being leading bank in consortium. Loan agreement has been entered dated 22nd April 2010. The loan arrangement contains NRs 440 millions as term loan & NRs. 10 million as working capital loan against which licence to operate, all the assets owned & created by the companies shall remain as collateral.

#### LOAN & BORROWINGS

Note-15

	As at 31 Ashadh 2076	As at 32 Ashadh 2075	As at 1 Shrawan 2074
Short term loan	9,850,000.00	10,000,000.00	9,200,000.00
Birdge gap loan	-	-	35,000,000.00
Term loan payable within 12months	52,500,050.00	40,750,040.00	37,269,270.00
<b>Non-current portion</b>	<b>62,350,050.00</b>	<b>50,750,040.00</b>	<b>81,469,270.00</b>

#### TRADE PAYABLES

Note-16

	As at 31 Ashadh 2076	As at 32 Ashadh 2075	As at 1 Shrawan 2074
Sundry creditors	438,348.63	346,692.40	3,306,106.40
<b>Total</b>	<b>438,348.63</b>	<b>346,692.40</b>	<b>3,306,106.40</b>

Trade and other payables mainly consist of amounts the Company owes to suppliers and government authority that have been invoiced or are accrued. These amounts have been initially recognized at cost and it is continued at cost as it fairly represents the value to be paid since it does not include interest on payment.

**OTHER FINANCIAL LIABILITIES**

Note-17

	As at 31 Ashadh 2076	As at 32 Ashadh 2075	As at 1 Shrawan 2074
Retention Money Payable	660,888.22	660,888.22	2,060,522.86
Advance from directors	3,436,752.14	236,752.14	236,752.14
Royalty payables	20,568.00	18,698.00	-
Other payables	10,867,188.60	5,615,806.71	2,893,601.88
<b>Current</b>	<b>14,985,396.96</b>	<b>6,532,145.07</b>	<b>5,190,876.88</b>
<b>Non-current</b>	<b>-</b>	<b>-</b>	<b>-</b>

Retention Money Payable, director advance, royalty payables & other payables are expected to be paid within twelve months end of fiscal year.

**OTHER CURRENT LIABILITIES**

Note-18

	As at 31 Ashadh 2076	As at 32 Ashadh 2075	As at 1 Shrawan 2074
Audit fee payables	156,100.00	139,375.00	139,375.00
TDS payables	202,845.00	210,819.00	462,884.90
Salary Payable	812,684.00	856,455.00	1,504,198.82
<b>Total</b>	<b>1,171,629.00</b>	<b>1,206,649.00</b>	<b>2,106,458.72</b>

**PROVISIONS**

Note-19

	As at 31 Ashadh 2076	As at 32 Ashadh 2075	As at 1 Shrawan 2074
Staff bonus provision	201,771.00	396,737.00	252,228.00
Provision for Corporate Social Re- sponsibility	251,585.00	251,270.00	124,866.00
<b>Current</b>	<b>453,356.00</b>	<b>648,007.00</b>	<b>377,094.00</b>
<b>Non current</b>	<b>-</b>	<b>-</b>	<b>-</b>

The provision for Employee Bonus has been made during the year as per section 15 of Electricity Act, 2049 read with rule 86(2) of Electricity Regulation 2050. Provision is expected to be paid within 12 months end of Fiscal year so, all approtioned under current liabilities

## Nepal Hydro Developer Limited

### THE ACCOMPANYING NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS

For the Year Ended Ashadh 31, 2076 ( July 16, 2019)

REVENUE		Note-20	
Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075	
Revenue from power sales	94,038,122.04	107,255,628.15	
<b>Total</b>	<b>94,038,122.04</b>	<b>107,255,628.15</b>	

OTHER INCOME		Note-21	
Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075	
Interest Income	-	2,424,904.83	
Miscellaneous Income-writeoff	2,852.59	2,907,951.60	
Other Income	-	763,516.00	
Profit On Sales Of Fixed Assets	-	20,102.33	
<b>Total</b>	<b>2,852.59</b>	<b>6,116,474.76</b>	

GENERATION & DISTRIBUTION EXPENSES		Note-22	
Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075	
Consultancy Charge	247,770.00	200,251.00	
Electricity & Water	69,198.00	59,398.00	
Fuel & Lubricants-stores consumption	687,736.34	434,826.52	
Mitigation Expenses	-	32,600.00	
Office Expenses - Site	679,321.00	830,231.00	
Project Insurance	2,397,701.97	2,731,200.21	
Rent Expenses	12,000.00	-	
R & M of Hydro & Electromechanical Equipment	805,214.77	289,718.00	
Repairs & Maintenance (Vehicle)	-	7,870.00	
R & M -General	-	125,070.00	
Royalty Charge	1,975,170.00	2,237,550.50	
Membership Fee	-	24,000.00	
Telephone Expenses	10,800.00	20,800.00	
Transportation Charge	173,240.00	198,190.00	
<b>Total</b>	<b>7,058,152.08</b>	<b>7,191,705.23</b>	

**EMPLOYEE COST**

Note-23

Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075
Salary & Allowances- Site	6,887,316.29	8,647,231.68
TADA-site	-	77,935.00
Generation Bonus - Site Staff	94,297.00	243,056.00
Interest on Retention Amount - Site Staff	-	34,968.00
Labour Expenses-site	6,000.00	88,010.00
Salary-admin	970,555.71	743,175.00
TADA-HO	26,100.00	13,400.00
<b>Total</b>	<b>7,984,269.00</b>	<b>9,847,775.68</b>

**ADMINISTRATIVE EXPENSES**

Note-24

Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075
Audit Fee	141,250.00	141,250.00
Tax Audit Fee	16,950.00	
Fine & Penalties	-	3,449.00
Insurance	52,440.94	56,936.56
Share management fee	320,000.00	315,229.00
Legal Expenses	-	74,148.00
Office Expenses	124,126.35	58,771.35
Office Rent	170,230.19	164,626.85
Printing & Stationery	27,724.78	51,327.10
Rate & Taxes	35,435.00	68,214.00
Registration & Renewal Fee	48,995.00	10,735.00
Travelling Exp	282,143.00	204,169.00
Solar Expenses	71,800.00	40,000.00
Annual General Meeting Expenses	36,300.00	252,481.40
Vehicle Running Expenses	70,742.00	38,598.00
<b>Total</b>	<b>1,398,137.26</b>	<b>1,479,935.26</b>

**FINANCE COST**

Note-25

Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075
Interest on Loan from Bank & Financial Institution	38,291,812.34	41,828,791.60
Bank Charges & Commission	901,399.10	1,083,455.03
<b>Total</b>	<b>39,193,211.44</b>	<b>42,912,246.63</b>

**EARNING PER SHARE**

Note-26

Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075
Profit for the year	9,988,682.18	23,079,348.89
Weighted average number of shares outstanding	2,600,000.00	2,573,287.67
Earning per share (EPS) NRs.	3.84	8.97
Face value of share NRs.	100.00	100.00

## Nepal Hydro Developer Limited

THE ACCOMPANYING NOTES ARE INTEGRAL PART OF THESE  
FINANCIAL STATEMENTS.

For the Year Ended Ashadh 31, 2076 ( July 16, 2019)

### CONTINGENT LIABILITIES

Note-27

Particulars	Contingent nature	As at 31 Ashadh, 2076	As at 32 Ashadh 2075	As at 1 Shrawan 2074
Financial year 2068/69	Income tax & VAT	7,389,585	7,389,585.00	7,389,585.00
Financial year 2069/70	Full Audit	6,414,572	6,414,572.00	6,414,572.00
Financial year 2070/71	Full Audit	1,176,663	1,176,663.00	1,176,663.00
Financial year 2071/72	Full Audit	9,585	9,585.00	9,585.00
<b>Total</b>		<b>14,990,405</b>	<b>14,990,405</b>	<b>14,990,405</b>

Income tax department has made assessment of Income and VAT liability of company for 4 financial year from 2068/69 to 2071/72 and issue assessment order under section 20 of VAT Act 2058. Company has filed an application for administrative review to department. Income tax department has levied following amount of additional VAT liability of company of following financial years under section 8(3) of VAT Act 2052. As it is possible obligation of past event but possibility of outflow of economic benefits in future is not remote, it is recognised as contingent liability.

### RELATED PARTY DISCLOSURE

Note-28

#### Name of Related Party

Name of Entity	Relationship
Modi Energy Limited	Common Director
Lower Charnawoti Hydropowers Ltd.	Subsidiary Company
Supreme Cement Pvt. Ltd.-Closing (Dr)	Common Director
Dev Kishan Mundara	Director
Gyanendra Lal Pradhan	Director
Kumud Dugar	Director
Pashupati Murarka	Chairman
Key managerial personnel	Finance Controller

As at 31 Ashadh, 2076

Transaction with related party	Nature of Transaction	Opening	Transaction for the Year	Closing	Remarks
Modi Energy Limited	PPE related		209,900.00	209,900.00	Receivable
Lower Charnawoti Hydropowers Ltd.	Construction advances	23,256,367.16	2,996,172.00	26,252,539.16	Receivable
Dev Kishan Mundara	Loan & advances	59,188.04	800,000.00	859,188.04	Advance payable
Gyanendra Lal Pradhan	Loan & advances	59,188.03	800,000.00	859,188.03	Advance payable
Kumud Dugar	Loan & advances	59,188.03	800,000.00	859,188.03	Advance payable
Pashupati Murarka	Loan & advances	59,188.04	800,000.00	859,188.04	Advance payable
Key managerial personnel	Salary & allowance	-	554,340.00	554,340.00	

As at 32 Ashadh, 2075

Transaction with related party	Nature of Transaction	Opening	Transaction for the Year	Closing	Remarks
Modi Energy Limited	PPE related	-	-	-	
Lower Charnawoti Hydropowers Ltd.	Construction advances	5,506,923.00	17,749,444.16	23,256,367.16	Receivable
Dev Kishan Mundara	Loan & advances	59,188.04	-	59,188.04	Advance payable
Gyanendra Lal Pradhan	Loan & advances	59,188.03	-	59,188.03	Advance payable
Kumud Dugar	Loan & advances	59,188.03	-	59,188.03	Advance payable
Pashupati Murarka	Loan & advances	59,188.04	-	59,188.04	Advance payable
Key managerial personnel	Salary & allowance	-	466,277.00	466,277.00	

## Nepal Hydro Developer Limited

### THE ACCOMPANYING NOTES ARE INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

For the Year Ended Ashadh 31, 2076 ( July 16, 2019)

#### FAIR VALUE MEASUREMENTS

Note-29

##### (i) Financial Instruments by Category & Hierarchy

“This section explains the judgements and estimates made in determining the Fair Values of the Financial Instruments that are measured at Amortised Cost and at which Fair Values are disclosed in the Financial Statements. The Company doesn’t have any Financial Instruments which are to be measured at Fair Value through Profit & Loss or Fair Value through Other Comprehensive Income. To provide an indication about the reliability of the inputs used in determining Fair Value, the Company has classified its financial instruments into Three Levels prescribed as per applicable NFRS. However, all the Financial Instruments held by the Company fall under Level 3 Category.”

**Level 1:** Level 1 Hierarchy includes Financial Instruments measured using Quoted Prices.

**Level 2:** Fair Value of Financial Instruments that are not traded in an active market is determined using valuation techniques which maximises the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to determine Fair Value of an instrument are observable, the instrument is included in Level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There is no transfer of Financial Instruments between different levels as mentioned above during the year.

#### FINANCIAL RISK MANAGEMENT

Note-30

The Company’s activities expose it to Credit Risk, Liquidity Risk & Market Risk.

##### i) Credit Risk

The Company is exposed to credit risk for various Financial Instruments, For Example Customer Receivables, Loans or Advances given. The Company continuously monitors Receivables and defaults with customers & other counterparties. Appropriate Security Deposits along with Bank Guarantee are kept against the supplies to customers.

Credit Risk with respect to Trade Receivable is managed by the Company through regular followup by management. The major trade receivable is from Nepal Electricity Authority which is government owned business enterprises. Although risk of non recovery is rear company has provided impairment for possible losses.

Expected Credit Loss For Trade Receivables under Simplified Approach:

Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075	As at 1 Shrawan 2074
Carrying amount	80,157,490.29	72,414,425.69	50,384,335.83
Expeded credit loss	-	-	-
<b>Net carrying amount</b>	<b>80,157,490.29</b>	<b>72,414,425.69</b>	<b>50,384,335.83</b>

The credit risk for cash & cash equivalents and bank deposits including accrued interest is considered negligible, since the counterparties are Nepal Rastra Bank approved Financial Institutions.

**ii) Liquidity Risk**

Prudent Liquidity Management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of internal and external financing to meet obligations when due. The Company monitors its risk to a shortage of funds on a regular basis through cash forecast for scheduled debts servicing payments and considering maturity profiles of Financial Assets & Other Financial Liabilities.

**a) Financing Arrangements:**

The Company had availed Financing Arrangements as categorised below. Closing balances of the same stands as follows:

Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075	As at 1 Shrawan 2074
Long term loan & borrowings	268,494,971.00	319,661,929.58	351,249,651.00
Short term loan & borrowings	438,348.63	346,692.40	3,306,106.40
<b>Total borrowings</b>	<b>268,933,319.63</b>	<b>320,008,621.98</b>	<b>354,555,757.40</b>

**iii) Market Risk****a) 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 rates. The company's policy is to minimise interest rate cash flow risk exposure on borrowings.

**a1) Interest Rate Sensitivity**

Profit or Loss is Sensitive to changes in Interest Rate for Borrowings. A change in Market Interest Level by 100 Basis Points which is reasonably possible based on Management's Assessment would have the following effect on the Profit.

Particulars	As at 31 Ashadh 2076	As at 32 Ashadh 2075
Interest Rate - Increase By 100 Basis Points*	3,308,450.21	3,704,119.70
Interest Rate - Decrease By 100 Basis Points*	(3,308,450.21)	(3,704,119.70)

\* Holding all other Variable Constant

As company is subject to tax holidays, above amount is without effect of tax.

## CAPITAL MANAGEMENT

## Note-31

“For the purpose of the Company’s Capital Management, capital includes issued capital and all other equity reserves attributable to the equity holders of the company. The company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to the shareholders. The capital structure of the Company is based on management’s judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company’s aim to translate profitable growth to superior cash generation through efficient capital management. The Company’s policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company’s focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The management monitors the return on capital as well as the level of dividends to shareholders. The Company’s goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods.”

Months	“No. of Days”	Shares	“Days X No. of Shares”
Shrawan	32.00	2,600,000.00	83,200,000.00
Bhadra	31.00	2,600,000.00	80,600,000.00
Ashoj	31.00	2,600,000.00	80,600,000.00
Karthik	30.00	2,600,000.00	78,000,000.00
Mangsir	29.00	2,600,000.00	75,400,000.00
Poush	30.00	2,600,000.00	78,000,000.00
Magh	29.00	2,600,000.00	75,400,000.00
Falgun	30.00	2,600,000.00	78,000,000.00
Chaitra	30.00	2,600,000.00	78,000,000.00
Baishakh	31.00	2,600,000.00	80,600,000.00
Jestha	31.00	2,600,000.00	80,600,000.00
Ashad	32.00	2,600,000.00	83,200,000.00
	<b>366.00</b>		<b>951,600,000.00</b>
<b>Weighted Average Shares</b>			<b>2,600,000.00</b>

# Fiscal year 2074/75

Auditor's report

Financial Statements

Significant accounting policies & notes to accounts

**SUBHASH & CO.**

Chartered Accountants

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Old Baneshwor Height

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
NEPAL HYDRO DEVELOPER LIMITED**

We have audited the accompanying financial statements of Nepal Hydro Developer Limited which comprise the Statement of Financial Position as at Ashad 32nd, 2075 July 16, 2018) and the related Statement of Profit or Loss, Statement of Changes in Equity and Statement of Cash Flows for the Period ended on that date.

**Management Responsibility financial statements**

Management of the company is responsible for the preparation and fair presentation of these financial Statements in accordance with Nepal Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal control relevant to Company's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

**Basis for Disclaimer of Opinion**

The Institute of Chartered Accountants of Nepal (ICAN) changed the applicable Financial Reporting Framework to "Nepal Financial Reporting Standards (NFRS)" from "Nepal Accounting Standards (NAS)" effective from Financial Year 2073 B.S. (i.e. 2016/17). Change in financial reporting framework required transition to NFRS as at 16th July, 2016 & presentation of at least Three Statements of Financial

Position, Two Statements of Comprehensive Income, Cash Flow, Changes In Equity, Two Separate Income Statements and related notes, including comparative information.

However, Financial Statement of Nepal Hydro Developer Limited has not been prepared based on Transitional Provision of NFRS- 1 which requires Identification, Restatement, Presentation & Disclosure of Financial Information based on new accounting policies as per NFRS.

The cumulative effect of not Restating, Presenting & Disclosing Financial Information in compliance with Transitional Provision of NFRS is uncertain and could be material & pervasive.

#### **Disclaimer of Opinion**

Because of significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence for cumulative effect of not restating financial items and making additional disclosure as required by first time adopter of NFRS to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements which have not been prepared in accordance with NFRS .

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

On the basis of our examination and explanations given to us, we would like to report that:

- i. We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
- ii. Company has kept proper books of accounts as required by law, so far as it appears from examination of those books of account.
- iii. The Statement of Financial Position, Statement of Profit or Loss, Cash Flow Statement, Statement of Changes in Equity dealt with by this report is in agreement with the books of account maintained by the Company .
- iv. During our examination of the books of account of the Company, we have not come across the cases where the Board of Directors or any member of there or any representative or any office holder or any employee of the Company has acted contrary to the provisions of law or caused loss or damage to the Company , and
- v. We have not come across any fraudulence in the accounts.

## Nepal Hydro Developer Limited

### STATEMENT OF FINANCIAL POSITION

As At Ashadh 32, 2075 ( July 16, 2018)

Amounts in Rs.

Particulars	Schedule	At Asadh 32, 2075	At Asadh 31, 2074
<b>Assets</b>			
<b>Non Current Assets</b>			
Property, Plant & Equipments			
Gross Block	1	696,240,211.01	696,094,358.68
Less: Accumulated Depreciation		154,215,073.33	126,297,221.00
<b>Net Block</b>		<b>542,025,137.68</b>	<b>569,797,137.68</b>
Capital Work-In-Progress	2	-	-
<b>Total Non Current Assets</b>		<b>542,025,137.68</b>	<b>569,797,137.68</b>
<b>Current Assets</b>			
Inventory -Stores (as Certified)		404,808.18	-
Sundry Debtors		72,414,425.69	50,384,335.83
Advance & Deposits	3	31,721,147.91	30,810,044.43
Cash & Cash Equivalents	4	3,656,599.39	5,144,155.83
<b>Total Current Assets</b>		<b>108,196,981.17</b>	<b>86,338,536.09</b>
<b>Total Assets</b>		<b>650,222,118.84</b>	<b>656,135,673.77</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity Fund</b>			
Share Capital	5	260,000,000.00	221,000,000.00
Reserve & Surplus	6	11,076,655.79	(8,563,783.23)
<b>Total Equity Fund</b>		<b>271,076,655.79</b>	<b>212,436,216.77</b>
<b>Non Current Liabilities</b>			
Mid & Long Term Borrowings	7	319,661,929.58	351,249,651.00
<b>Total Non Current Liabilities</b>		<b>319,661,929.58</b>	<b>351,249,651.00</b>
<b>Current Liabilities</b>			
Sundry Creditors & Other Payables	8	8,085,486.47	10,603,442.00
Short Term Borrowings	9	50,750,040.00	81,469,270.00
Provision for Bonus		396,737.00	252,228.00
Provision for Corporate Social Liability		251,270.00	124,866.00
<b>Total Current Liabilities</b>		<b>59,483,533.47</b>	<b>92,449,806.00</b>
<b>Total Equity &amp; Liabilities</b>		<b>650,222,118.84</b>	<b>656,135,673.77</b>
Contingent Liability	13	14,990,405.00	14,990,405.00
Significant Accounting Policies & Notes to Accounts	14		

Mr. Kumud Kumar Dugar  
Director

Mr. Pashupati Murarka  
Director

Er. Gyanendra Lal Pradhan  
Chairman

As per our  
report of  
even date

Mrs. Puja Atal  
Director (Public)

Mr. Pradeep Kumar Das  
Finance Controller /  
Company Secretary

CA. S.K. Jhunjunwala  
Partner  
Subhash & Company  
Chartered Accountants

Date:

Place: Kathmandu

## Nepal Hydro Developer Limited

## STATEMENT OF PROFIT OR LOSS

For the Year Ended Ashadh 32,2075 (July 1,6,20181)

Amounts in Rs.

Particulars	Schedule	Year ended Ashad 32, 2075 (July 16, 2018)	Year Ended Ashad 31, 2074 (July 15, 2017)
Power Sales		107,255,628.15	104,634,667.31
<b>Less:</b>			
Cost of Sales	10	16,282,905.91	18,657,515.80
<b>Gross Profit</b>		<b>90,972,722.24</b>	<b>85,977,151.51</b>
<b>Add: Other Income</b>		6,116,474.76	
<b>Less:</b>			
Administrative, Selling & Distribution Expenses	11	6,025,518.01	2,775,791.06
<b>Operating Profit / (Loss)</b>		<b>91,063,678.99</b>	<b>83,201,360.45</b>
<b>Less:</b>			
Financial Cost	12	42,912,246.63	42,157,901.50
Depreciation	1	27,917,852.34	28,179,812.24
<b>Profit / (Loss) Before Bonus, CSR &amp; Tax</b>		<b>20,233,580.02</b>	<b>12,863,646.71</b>
<b>Less:</b>			
Provision for Staff Bonus		396,737.00	252,228.00
Provision for Corporate Social Responsibility (CSR)		196,404.00	124,866.00
<b>Tax Expenses (a+b)</b>		-	-
(a)Current year Tax		-	-
(b)Deferred Tax Expense (Income)		-	-
<b>Net Profit/(Loss) for the year</b>		<b>19,640,439.02</b>	<b>12,486,552.71</b>
Earning Per Share (EPS):			
Basic EPS		7.64	6.04
Diluted EPS		7.64	6.04
<b>Extraordinary items:</b>		-	-
<b>Net Profit / ( Loss) for the year transferred to Re-serve &amp; Surplus</b>		<b>19,640,439.02</b>	<b>12,486,552.71</b>
<b>Contingent Liability</b>	13	<b>14,990,405.00</b>	<b>14,990,405.00</b>
<b>Significant Accounting Policies &amp; Notes to Accounts</b>	14		

Mr. Kumud Kumar Dugar  
DirectorMr. Pashupati Murarka  
DirectorEr. Gyanendra Lal Pradhan  
ChairmanAs per our  
report of  
even dateMrs. Puja Atal  
Director (Public)Mr. Pradeep Kumar Das  
Finance Controller /  
Company SecretaryCA. S.K. Jhunjhunwala  
Partner  
Subhash & Company  
Chartered Accountants

Date:

Place: Kathmandu

## Nepal Hydro Developer Limited

STATEMENT OF CASH FLOW  
(INDIRECT METHOD)

For the Year Ended Ashadh 32,2075 (July 16, 2018)

Amounts in Rs.

Particulars	Year ended Ashad 32, 2075 (July 16, 2018)	Year Ended Ashad 31, 2074 (July 15, 2017)
<b>A) Cash flow from Operating Activities:</b>		
Net Profit / (Loss) before tax	19,640,439.02	12,486,552.71
Add:		
Interest	42,912,246.63	42,157,901.50
Prior Period Expense	-	-
Depreciation	27,917,852.34	28,179,812.24
<b>Cash Flow Before Change in Working Capital</b>	<b>90,470,537.99</b>	<b>82,824,266.45</b>
(Increase)/Decrease in Current Assets	(23,346,001.52)	(13,523,085.62)
Increase/(Decrease) in Current Liabilities	(32,966,272.53)	(13,046,292.90)
<b>Net Cash Flow from Operating Activities</b>	<b>34,158,263.94</b>	<b>56,254,887.93</b>
<b>B) Cash flow from Investing Activities</b>		
Addition in Fixed Assets	(243,750.00)	-
Investment in lower Chandrawati hydropower project	-	1,111,500.00
Proceeds from sale of Fixed Assets	97,897.67	-
<b>Net Cash Flow from Investing Activities</b>	<b>(145,852.33)</b>	<b>1,111,500.00</b>
<b>C) Cash flow from Financing Activities</b>		
Interest Expenses	(42,912,246.63)	(42,157,901.50)
Issue of Share Capital	39,000,000.00	26,000,000.00
Increase / (Decrease) in Loan	(31,587,721.44)	(37,000,040.00)
<b>Net Cash Flow from Financing Activities</b>	<b>(35,499,968.07)</b>	<b>(53,157,941.50)</b>
<b>Changes in Cash &amp; Cash Equivalents (A + B + C)</b>	<b>(1,487,556.46)</b>	<b>4,208,446.43</b>
<b>Opening Cash &amp; Cash Equivalents</b>	<b>5,144,155.83</b>	<b>935,709.38</b>
<b>Closing Cash &amp; Cash Equivalents</b>	<b>3,656,599.39</b>	<b>5,144,155.83</b>

Mr. Kumud Kumar Dugar  
DirectorMr. Pashupati Murarka  
DirectorEr. Gyanendra Lal Pradhan  
ChairmanAs per our  
report of  
even dateMrs. Puja Atal  
Director (Public)Mr. Pradeep Kumar Das  
Finance Controller /  
Company SecretaryCA. S.K. Jhunjunwala  
Partner  
Subhash & Company  
Chartered Accountants

Date:

Place: Kathmandu

Nepal Hydro Developer Limited  
STATEMENT OF CHANGES IN EQUITY

For the Year Ended Ashadh 32, 2075 ( July 16, 2018)

Particulars	Share Capital	Share Premium	General Reserve	Accumulated Profit	Total
Opening Balance At 01.04.2073	195,000,000.00	-	-	(21,022,749.94)	173,977,250.06
Changes in accounting policy	-	-	-	-	-
<b>Restated Balance At 01.04.2073</b>	<b>195,000,000.00</b>	-	-	<b>(21,022,749.94)</b>	<b>173,977,250.06</b>
Net Profit / (Loss) for the period	-	-	-	12,486,552.71	12,486,552.71
Prior Period Adjustments	-	-	-	(27,586.00)	(27,586.00)
Transfer to general reserve	-	-	-	-	-
Dividend	-	-	-	-	-
Issue of Share Capital	26,000,000.00	-	-	-	26,000,000.00
<b>Closing Balance At 31.03.2074</b>	<b>221,000,000.00</b>	-	-	<b>(8,563,783.23)</b>	<b>212,436,216.77</b>
Opening Balance At 01.04.2074	221,000,000.00	-	-	(8,563,783.23)	212,436,216.77
Changes in accounting policy	-	-	-	-	-
<b>Restated Balance At 01.04.2074</b>	<b>221,000,000.00</b>	-	-	<b>(8,563,783.23)</b>	<b>212,436,216.77</b>
Net Profit / (Loss) for the period	-	-	-	19,640,439.02	19,640,439.02
Prior Period Adjustments	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-
Dividend	-	-	-	-	-
Issue of Share Capital	39,000,000.00	-	-	-	39,000,000.00
<b>Closing Balance At 32.03.2075</b>	<b>260,000,000.00</b>	-	-	<b>11,076,655.79</b>	<b>271,076,655.79</b>

## Nepal Hydro Developer Limited

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED  
ASHAD 32, 2075 (JULY 16, 2018)

NRs.  
Schedule: 1

Particulars	Pool	Gross Block							Depreciation			Net Block as on			
		Upto Last Year	Prior period Adjustments	Upto Poush	Upto Chaitra	Upto Asar	Additions	Sales/ Adjustment	Total	Upto Last Year	For the Year	Sales/ Adjustment	Total	Ashad 32, 2075	Ashad 31, 2074
Land & land development	-	9,073,769.76	-	-	-	-	-	-	-	-	-	-	-	9,073,769.76	9,073,769.76
Buildings	A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Civil Works	A	271,698,991.77	-	-	-	-	-	-	-	46,373,189.07	10,867,959.67	-	57,241,148.74	214,457,843.03	225,325,802.70
Furnitures & Fixtures	B	112,700.00	-	-	-	-	-	-	-	90,596.58	5,575.86	-	95,972.44	1,6727.56	22,303.42
Office Equipment	B	2,820,485.71	-	-	-	39,550.00	-	-	-	1,955,105.67	219,640.84	-	2,174,746.51	685,289.20	865,380.04
Vehicles	C	4,230,638.00	-	-	-	204,200.00	-	-	-	3,008,483.20	238,464.76	-	3,246,947.96	1,089,992.37	1,222,154.80
						204,200.00									
Bicycle	C	5,500.00	-	-	-	-	-	-	-	4,202.38	259.52	-	4,461.90	1,038.10	1,297.62
Hydro & Electromechanical Equipment	D	373,978,386.55	-	-	-	-	-	-	-	64,547,285.36	149,991,155.46	-	79,506,420.82	294,471,965.73	309,431,101.19
Transmission Line	D	23,083,440.27	-	-	-	-	-	-	-	3,917,969.57	923,337.61	-	4,841,307.18	18,242,133.09	19,165,470.70
Trolley	D	248,035.00	-	-	-	-	-	-	-	159,991.44	13,206.53	-	173,197.97	74,837.03	88,943.56
Plant & Machinery	D	10,842,411.62	-	-	-	-	-	-	-	6,240,597.73	690,272.08	-	6,930,869.81	3,911,541.81	4,601,813.89
<b>Current year total</b>		<b>696,094,358.68</b>	-	-	-	<b>243,750.00</b>	<b>243,750.00</b>	<b>97,897.67</b>	<b>696,240,211.01</b>	<b>126,297,221.00</b>	<b>27,917,852.34</b>	-	<b>154,215,073.33</b>	<b>542,025,137.68</b>	<b>569,797,137.68</b>
<b>Previous year total</b>		<b>696,121,944.68</b>	-	-	-	-	-	<b>27,586.00</b>	<b>696,094,358.68</b>	<b>98,117,408.74</b>	<b>28,179,812.24</b>	-	<b>126,297,221.00</b>	<b>569,797,137.68</b>	<b>598,004,535.93</b>

## Nepal Hydro Developer Limited

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED  
ASHAD 32, 2075 (JULY 16, 2018)

## CAPITAL WORK-IN-PROGRESS

NRs.

Schedule: 2

Particulars	Sub-Sch	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
<b>Lower Chandrawati HydroPower Project</b>			
Pre operating Expenses		-	1,111,500.00
Less: Transfer to Investment in LCHPL Project		-	(1,111,500.00)
<b>Total</b>		-	-

## ADVANCE &amp; DEPOSITS

NRs.

Schedule: 3

Particulars	Sub-Sch	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
Deposits		5,028,963.70	5,213,000.00
Advance to Contractors & Consultants	1	-	167,425.00
Advance against Expenses	2	42,700.00	-
Advance Against Investment (Lower Chandrawati)	3	5,500,000.00	5,500,000.00
Sundry Advances	4	19,271,558.31	17,881,730.27
Advance to Staff	5	-	5,000.00
Prepaid Expenses		1,877,925.90	2,042,889.16
<b>Total</b>		<b>31,721,147.91</b>	<b>30,810,044.43</b>

## CASH &amp; CASH EQUIVALENTS

NRs.

Schedule: 4

Particulars	Sub-Sch	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
Cash in Hand (as certified)		40,701.00	22,021.19
Balances with Banks:			
Bank of Kathmandu Ltd. (Operating-010001061487524)		1,000.00	2,281,793.20
Bank of Kathmandu Ltd. (010000061487524)		3,543,618.79	2,738,164.29
Citizens Bank International Ltd. (0010001655CA)		20,698.25	28,737.14
Global IME Bank Ltd. (7501010000229)		-	6,285.93
Prabhu Bank Ltd.		50,581.35	50,581.35
Siddhartha Bank Ltd. (00115018689)		-	16,572.73
<b>Total</b>		<b>3,656,599.39</b>	<b>5,144,155.83</b>

## Nepal Hydro Developer Limited

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED  
ASHAD 32, 2075 (JULY 16, 2018)

## SHARE CAPITAL

NRs.

Schedule: 5

Particulars	Sub-Sch	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
<b>a. Authorized Capital:</b>			
6,000,000 Ordinary Shares @ 100 each		600,000,000.00	600,000,000.00
<b>b. Issued Capital:</b>			
2,600,000 Ordinary Shares @ 100 each		260,000,000.00	260,000,000.00
<b>c. Subscribed &amp; Paid-Up Capital:</b>			
2,210,000 Ordinary Shares @ 100 each		-	221,000,000.00
2,600,000 Ordinary Shares @ 100 each		260,000,000.00	-
<b>Closing Share Capital Balance</b>		<b>260,000,000.00</b>	<b>221,000,000.00</b>

## D. SHARES HELD BY SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Current Year

Name of Shareholder	Percentage	No. of Shares held
Mr. Ananda Prasad Pokhrel	5.19	135,000.00
Mr. Kumud Kumar Dugar	9.38	243,750.00
Mr. Pashupati Murarka	9.38	243,750.00
Mr. Dev Kishan Mundan	9.38	243,750.00
Mr. Gyanendra Lal Pradhan	16.88	438,750.00
Mr. Rajendra Prasad Mundan	7.50	195,000.00
Mr. Bikash Dugar	7.50	195,000.00
Mr. Shishir Kumar Murarka	7.50	195,000.00

## E. TERMS/RIGHTS ATTACHED TO EQUITY SHARES

The company has only one class of equity shares having a par value of Rs. 100/- per share. In the event of the liquidation of the company, the equity share holders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts according to Companies Act 2063. The distribution will be in proportion of the number of the equity shares held by the shareholders.

## Nepal Hydro Developer Limited

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED  
ASHAD 32, 2075 (JULY 16, 2018)

## RESERVE &amp; SURPLUS

NRs.

Schedule: 6

Particulars	Sub-Sch	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
<b>Opening Balance</b>		<b>(8,563,783.23)</b>	<b>(21,022,749.94)</b>
Less: Adjustment of Fixed Assets sold		-	(27,586.00)
Add: Adjustment of Bonus of financial year 2071/72		-	-
<b>Total</b>		<b>(8,563,783.23)</b>	<b>(21,050,335.94)</b>
Add: Profit/(Loss) during the Year		19,640,439.02	12,486,552.71
Less: Adjustment of Fixed Assets sold		-	-
Add: Adjustment of Bonus of financial year 2072/73		-	-
<b>Closing Balance</b>		<b>11,076,655.79</b>	<b>(8,563,783.23)</b>

## MID &amp; LONG TERM BORROWINGS

NRs.

Schedule: 7

Particulars	Sub-Sch	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
<b>Secured</b>			
Bank of Kathmandu Ltd		126,879,720.43	136,090,031.00
Global IME Bank Ltd (7566010000027)		81,851,446.18	88,174,540.00
Citizen Bank International Ltd (0010000398TL & 0010000572TL)		82,382,040.00	88,701,030.00
Sidhartha Bank Ltd		69,298,762.97	75,284,090.00
<b>Term Loan - Consortium Loan</b>		<b>360,411,969.58</b>	<b>388,249,691.00</b>
(Against Hypothecation of Fixed Assets & Project)			
<b>Less:</b>			
Portion of Long-Term loan payable within twelve months		40,750,040.00	37,000,040.00
<b>Total</b>		<b>319,661,929.58</b>	<b>351,249,651.00</b>

## SUNDRY CREDITORS &amp; OTHER PAYABLES

NRs.

Schedule: 8

Particulars	Sub-Sch	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
Retention Money Payable		660,888.22	2,060,522.86
Audit Fee Payable		139,375.00	139,375.00
TDS Payable		210,819.00	462,884.90
Royalty Payable		18,698.00	-
Sundry Creditors	6	346,692.40	3,306,106.40
Salary Payable		856,455.00	1,504,198.82
Other Payables	7	5,615,806.71	2,893,601.88
Advance from Share Holders and others	8	236,752.14	236,752.14
<b>Total</b>		<b>8,085,486.47</b>	<b>10,603,442.00</b>

## Nepal Hydro Developer Limited

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED  
ASHAD 32, 2075 (JULY 16, 2018)

## SHORT TERM BORROWINGS

NRs.

Schedule: 9

Particulars	Sub-Sch	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
Short Term Loan - Bank of Kathmandu Ltd.		10,000,000.00	9,200,000.00
Provision - BOK TL II 18th Installment		-	269,230.00
Bridge Gap Loan		-	35,000,000.00
Portion of Long-Term loan payable within twelve months		40,750,040.00	37,000,040.00
<b>Total</b>		<b>50,750,040.00</b>	<b>81,469,270.00</b>

## COST OF SALES

NRs.

Schedule: 10

Particulars	Sub-Sch	Year ended Ashad 32, 2075 (July 16, 2018)	Year ended Ashad 31, 2074 (July 15, 2017)
Consultancy Charge		200,251.00	1,216,531.00
Electricity & Water		59,398.00	123,102.00
Fuel & Lubricants-stores consumption		434,826.52	131,334.00
Generation Bonus - Site Staff		243,056.00	533,559.78
Interest on Retention Amount - Site Staff		34,968.00	71,581.00
Labour Expenses		88,010.00	54,071.00
Mitigation Expenses		32,600.00	1,610,000.00
Office Expenses - Site		830,231.00	271,625.98
Project Insurance		2,731,200.21	2,497,535.45
Rent Expense - Antenna at Site		-	12,000.00
Repair & Maintenance	9	422,658.00	3,659,627.05
Royalty Charge		2,237,550.50	2,069,163.72
Salary & Allowances		8,647,231.68	5,962,559.82
Staff Welfare - Site		-	85,008.00
TADA-site		77,935.00	94,317.00
Membership Fee		24,000.00	-
Telephone Expenses		20,800.00	-
Transportation Charge		198,190.00	265,500.00
<b>Total</b>		<b>16,282,905.91</b>	<b>18,657,515.80</b>

## Nepal Hydro Developer Limited

### SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ASHAD 32, 2075 (JULY 16, 2018)

#### ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES

NRs.

Schedule: 11

Particulars	Sub-Sch	Year ended Ashad 32, 2075 (July 16, 2018)	Year ended Ashad 31, 2074 (July 15, 2017)
Audit Fee		143,350.00	141,250.00
Audit Expenses		-	1,920.00
Consultancy Charge		-	128,500.00
Fine & Penalties		3,449.00	6,177.00
Gift & Donation		-	100,000.00
Insurance Premium Charge		56,936.56	69,422.47
IPO Related Expense		4,104,236.75	1,053,604.50
Legal Expenses		74,148.00	86,500.00
Misc. Expenses		3.10	-
Office Expenses		56,668.25	133,712.72
Office Rent		164,626.85	154,339.00
TADA-HO		13,400.00	-
Printing & Stationery		51,327.10	38,332.00
Rate & Taxes		68,214.00	36,505.00
Registration & Renewal Fee		10,735.00	34,735.00
Salary & Allowances-H.O.		743,175.00	562,049.64
Telephone Expenses		-	55,100.00
Travelling Expenses		204,169.00	152,163.73
Solar Expenses		40,000.00	-
Annual General Meeting Expenses		252,481.40	-
Vehicle Running Expenses		38,598.00	21,480.00
<b>Total</b>		<b>6,025,518.01</b>	<b>2,775,791.06</b>

#### FINANCIAL COST

NRs.

Schedule: 12

Particulars	Sub-Sch	Year ended Ashad 32, 2075 (July 16, 2018)	Year ended Ashad 31, 2074 (July 15, 2017)
Interest on Loan from Bank & Financial Institution		41,828,791.60	39,618,007.87
Interest on Other Fund - Charange Cooperative		-	1,489,293.63
Bank Charges & Commission		1,083,455.03	1,050,600.00
<b>Total</b>		<b>42,912,246.63</b>	<b>42,157,901.50</b>

#### CONTINGENT LIABILITY

NRs.

Schedule: 13

Particulars	Sub-Sch	Year ended Ashad 32, 2075 (July 16, 2018)	Year ended Ashad 31, 2074 (July 15, 2017)
Contingent liability on tax assessment		14,990,405.00	14,990,405.00
<b>Total</b>		<b>14,990,405.00</b>	<b>14,990,405.00</b>

## Nepal Hydro Developer Limited

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED  
ASHAD 32, 2075 (JULY 16, 2018)

## DEPOSITS

## Sub-Schedule - 1

Particulars	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
Custom Duty Deposit	-	-
Deposits with District Court Office - Dolkha	-	-
Inland Revenue Department	5,003,000.00	5,003,000.00
Short Term Deposits	25,963.70	210,000.00
DOED deposit (Lower Chandrawati)	-	4,000,000.00
Less: Transfer to Investment in LCHPL	-	(4,000,000.00)
<b>Total</b>	<b>5,028,963.70</b>	<b>5,213,000.00</b>

## ADVANCE TO CONTRACTOR &amp; CONSULTANT

## Sub-Schedule - 2

Particulars	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
ADMC Engineering PLtd	-	167,425.00
Hydro Solution	-	2,847,462.00
Asia Pacific Powertech	-	-
Less: Trf to Investments in LCHPL - Hydro Solution	-	(2,847,462.00)
<b>Total</b>	<b>-</b>	<b>167,425.00</b>

## ADVANCE FOR EXPENSES

## Sub-Schedule - 3

Particulars	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
Ani Ram Joshi	12,000.00	-
Raju Khadka	30,000.00	-
Pradeep K Das	700.00	-
<b>Total</b>	<b>42,700.00</b>	<b>-</b>

## SUNDRY ADVANCES

## Sub-Schedule - 4

Particulars	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
Dinesh Acharya	1,450,000.00	1,450,000.00
Prepaid Rent	56,591.15	63,925.00
Supreme Cements	-	16,345,882.27
Tanka Prasad Regmi	-	15,000.00
South Asian Beema surveyor & Consultants Pvt . Ltd	100.00	-
Dolkha Chamber of Commerce	8,500.00	-
Other Receivables - LCHPL	17,756,367.16	6,923.00
<b>Total</b>	<b>19,271,558.31</b>	<b>17,881,730.27</b>

## Nepal Hydro Developer Limited

### SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ASHAD 32, 2075 (JULY 16, 2018)

#### ADVANCE TO STAFF

Particulars	Sub-Schedule - 5	
	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
Bal Bahadur Rai	-	5,000.00
<b>Total</b>	-	<b>5,000.00</b>

#### SUNDRY CREDITORS

Particulars	Sub-Schedule - 6	
	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
A One Technology P. Ltd	-	15,650.00
Atlas Engineering & Construction Pvt. Ltd.	-	2,907,951.60
Eastern Electrical Enterprises	-	5,650.00
General Overseas Agencies	-	10,976.00
Kankai Oil Suppliers	-	116,134.00
Mega Hydro & Engineering P.Ltd	-	156,003.80
Prishika Traders & Suppliers	53,100.00	87,300.00
Subhechhha Hotel	6,441.00	6,441.00
CDS Clearing Ltd	40,000.00	-
Orient Paradise Tours and Travels Pvt Ltd	9,800.00	-
Raj Audio Video & Event MA.	10,000.00	-
Supa Deurali Printers & Suppliers Ltd	90,400.00	-
Time Media Service Pvt. Ltd	13,650.00	-
DHRUBA BAR SINGH THAPA & ASSOCIATES	55,750.00	-
GANGAUR FOODS & SEVICES PVT. LTD.	28,001.40	-
Secure Alarm Traders	39,550.00	-
Gayatri Hydro	-	3,800,000.00
Less: Trf to Investment in LCHPL	-	(3,800,000.00)
<b>Total</b>	<b>346,692.40</b>	<b>3,306,106.40</b>

## Nepal Hydro Developer Limited

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED  
ASHAD 32, 2075 (JULY 16, 2018)

## OTHER PAYABLE

## Sub-Schedule - 7

Particulars	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
DOED	4,596,866.34	2,378,013.84
FNCCI	20,000.00	20,000.00
Modi Energy Pvt. Ltd.	-	8,000.00
Nepal Castings Udhog	-	173,350.00
NMB Capital Ltd	212,500.00	42,500.00
Purushottam Thakuri	88,780.37	139,946.72
Subhash & Co.	-	27,875.00
Sujan Poudel	-	36,216.32
TADA Payable	-	6,500.00
Yubraj Chhetri	86,200.00	61,200.00
Umesh Karki	20,000.00	-
Jab Nath Bhattarai	60,000.00	-
Generation Bonus Payable	229,876.00	-
Gratuity Payable	139,914.00	-
PF Payable	59,414.00	-
Anoop Kumar	102,256.00	-
<b>Total</b>	<b>5,615,806.71</b>	<b>2,893,601.88</b>

## ADVANCE AGAINST SHARE CAPITAL

## Sub-Schedule - 8

Party	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
Dev Kishan Mundara	59,188.04	59,188.04
Gyanendra Lal Pradhan	59,188.03	59,188.03
Kumud Dugar	59,188.03	59,188.03
Pashupati Murarka	59,188.04	59,188.04
<b>Total</b>	<b>236,752.14</b>	<b>236,752.14</b>

## REPAIRS &amp; MAINTENANCE

## Sub-Schedule - 9

Particulars	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
R & M of Hydro & Electromechanical Equipment	289,718.00	3,317,344.05
Repairs & Maintenance (Vehicle)	7,870.00	15,225.00
R & M of Civil Works	-	327,058.00
R & M -General	125,070.00	-
<b>Total</b>	<b>422,658.00</b>	<b>3,659,627.05</b>

**Nepal Hydro Developer Limited**

**SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED  
ASHAD 32, 2075 (JULY 16, 2018)**

**Other Income**

Sub-Schedule

- 10

Particulars	As on Ashad 32, 2075 (July 16, 2018)	As on Ashad 31, 2074 (July 15, 2017)
Interest Income	2,424,904.83	
Miscellaneous Income	2,907,951.60	
Other Income	763,516.00	
Profit On Sales Of Fixed Assets	20,102.33	
<b>Total</b>	<b>6,116,474.76</b>	<b>-</b>

## Nepal Hydro Developer Limited

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED  
ASHAD 32, 2075 (JULY 16, 2018)

Schedule -14

## SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO THE ACCOUNTS

**A. Corporate Overview:**

Nepal Hydro Developers Limited (Hereafter referred as “The Company”) is incorporated under Nepal Company Act, 2006 vide Pvt. Ltd. No. 41666/063 on Bhadra 29, 2063. The Registered office of the Company is Dillibazzar, Kathmandu. The company has commenced operations from 24/02/2070 (2013/06/07). The name of the company has been changed from “Nepal Hydro Developers Private Limited” to “Nepal Hydro Developers Limited” w.e.f 31/03/2071 vide Ltd. Co. No. 124295/70/71 as per certificate obtained from Company Registrar Office.

The Company has obtained License from Department of Electricity Development (DOED) to develop hydro electricity from 3.52 MW Charnawati Khola in Dolkha District, Nepal. Further company has also received license for development of 6.80 MW Lower Chandrawati Hydro Power Project (cascade project)

**B. Principle Activity**

The main objective of the company is to develop, generate and distribute hydro electric power in Nepal.

**C. Approval of Financial statements**

The accompanying financial statement was authorized by Board of directors and has been recommended for its approval by Company’s Annual General meeting.

**D. Responsibility of Financial Statements**

As per section 108(5) of Companies Act 2063. the directors or the officers have the final responsibility to maintain books of accounts and record. The Board of directors acknowledges its responsibility as stated above. Accompanying financial statements includes Balance sheet as on last day of reporting year, profit & loss accounts during the reporting year, Cash flow statement, statement of change in equity and Notes to accounts.

**E. Significant Accounting Policies:****1) Accounting Convention:**

The financial statements are prepared under historical cost conventions on an accrual concept and are in accordance with Nepal Accounting Standards, unless stated otherwise, and other applicable laws as prevalent in Nepal. The accounting policies are applied consistently by the company.

**2) Use of Estimates:**

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the periods in which the results are known/materialized.

**3) Revenue:**

The Company has developed Charnawati Khola Hydro Power Located at Janakpur Zone in Dolakha District Having Capacity of 3,520 Kilowatt the Company has entered into Power Purchase Agreement (PPA) with NEA for selling electricity at the rate provided schedule of PPA given below. Further NEA and the company agree to revise the rate of PPA by signing Facility agreement on 2071/07/13 which revises the rate of electricity as per decision of Nepal government which is as follows.

Particular	Original rate	Revised rate
PPA rate (39th to 50th month of COD)	Rs.4.36 (Shrawan, 2073)	Rs.5.09 (Shrawan, 2073)
	Rs.4.49 (Bhadra to Mangsir, 2073)	Rs.5.23 (Bhadra to Mangsir, 2073)
	Rs.7.84 (Poush - Chaitra, 2074)	Rs.9.16 (Poush - Chaitra, 2074)
	Rs.4.49 (Baishakh - ashadh, 2074)	Rs.5.23 (Baishakh - ashadh, 2074)

**4) Property, Plant & Equipments**

Property, Plant & Equipment are stated at their original cost of acquisition inclusive of duties, taxes and incidental expenses incurred for erection, installation and commissioning, net of accumulated depreciation, amortization and impairment losses.

Cost paid to vendor for the construction of the project including civil & mechanical works, for detail design & other cost attributable to the project during the construction period were accounted in capital work in progress (CWIP) which has been capitalized upon the completion of the project on 24/02/2070.

**5) Depreciation:**

Fixed Assets other than Civil Works, Hydro & Electro Mechanical Equipment and Transmission Lines, are depreciated on Written Down Value (WDV) Method, at following rates, on the basis of effective useful life of the Assets decided by the management. However, for Civil Works, Hydro & Electro Mechanical Equipment and Transmission Lines, depreciation has been calculated on Straight Line Method (SLM). Depreciation on additions has been charged as per the methods as mentioned in Income Tax Act, 2058.

Particulars	Method	Rate	Estimated Life
Civil Works	SLM	4%	25
Buildings	SLM	4%	25
Hydro & Electromechanical	SLM	4%	25
Transmission line	SLM	4%	25
Furniture & Fixtures	WDV	25%	7
Office Equipment	WDV	25%	5
Vehicles	WDV	20%	10
Bicycle	WDV	20%	5
Plant & Machinery	WDV	15%	15

The useful life are reviewed by the management at end of each reporting period/year & adjusted prospectively, if it is appropriate.

**Restrictive Clause on Power Purchase Agreement (PPA):**

The Company has obtained the generation license for operation from the Department of Electricity Development (Ministry of Energy) and remains valid till Mangsir 16, 2102 & remains in ownership of the company for 30 years from commercial operation date upto Jestha 24, 2100, the useful life of assets of the project cannot exceed 30 years even if the economic life of the asset is more. After the end of 30 years of operation, company will have to transfer the entire generation unit to Government of Nepal under BOOT provision.

**6) Impairment of Assets(NAS-36):**

The Company identifies impairable fixed assets based on cash generating unit concept at the year-end for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss when crystallizes is charged to revenue for the year.

**7) Going Concern:**

The Financial Statements have been prepared on assumption that the company is a going concern.

**8) Borrowing Costs:**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. All other borrowing costs are charged to statement of profit or loss.

**9) Provisions, contingent Liability and Contingent Assets (NAS 37):**

Provisions are recognized when the Company has a present obligation as a result of past event; it is more likely than not that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates in accordance with Nepal Accounting Standards NAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

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

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

**10) Cash & Cash Equivalents**

Cash and Cash Equivalents comprises cash in hand and balances with Banks as on reporting date. Bank Overdrafts that are repayable on demand and form an integral part of the Company's cash management are shown as Short Term Loans in Current Liabilities in the Balance Sheet.

**11) Retirement Benefits (NAS-19):**

The Company has provided Provident Fund and other Employee Benefits as per Employee's Bye Rules of the company.

**12) Related party transactions(NAS-24)**

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

**13) Earning Per Share (NAS 33):**

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

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

**14) Cash Flow Statements (NAS 07):**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated. The Cash flow statement is separately attached with the Financial Statements of the company.

**15) Trade and other payables:**

Trade and other payables mainly consist of amounts the Company owes to suppliers and government authority that have been invoiced or are accrued. These also include taxes due in relation to the Company's role as an employer. These amounts have been initially recognized at cost and it is continued at cost as it fairly represents the value to be paid since it does not include interest on payment.

**16) Trade Debts and other Receivables:**

Trade Debts and other Receivables are originated by the Company and are stated at cost less provisions for any uncollectible amount. Provision is made against debts considered doubtful of recovery whereas debts considered irrecoverable are written off. Nepal Electricity Authority (NEA) is the sole customer for purchasing power/energy from the company at agreed rate established in PPA (or revised rate under facility agreement entered into).

**17) Prior Period Items and Changes in Accounting Policies:**

The prior period expenses are charged to the Statement of profit or loss. There is no change in the accounting policy during the year.

**F. Notes to the Accounts:**

**1) Taxation:**

As per Sec 11(3d) of Income Tax Act, 2002, 100% tax holiday for initial 7 years & 50% tax rebate for another 3 years shall be available to the company that has started its commercial generation on or before Chaitra 30, 2075 (April 13, 2019). The company is eligible for 100% tax exemption starting this year as it has commenced commercial generation from 24/02/2070.

**2) Staff Bonus:**

The provision for Employee Bonus of Rs. 396,737.00 has been made during the year as per section 15 of Electricity Act, 2049 read with rule 86(2) of Electricity Regulation 2050.

**3) Housing Reserves:**

The provision for Housing Reserves has not been made as required under section 15 of Electricity Act, 2049 read with rule 86(2) of Electricity Regulation 2050.

**4) Provision For Corporate Social Liability**

The provision for corporate social liability of Rs 196,404.00 has been made during the year as per section 48 of Industrial Enterprise Act, 2073 on Net profit for the year after bonus but before tax as follows:

Net Profit Before Bonus, Social liability & Tax	20,233,580.02
Provision for Bonus	396,737.00
<b>Net Profit Before Social Liability &amp; Tax</b>	<b>19,836,843.02</b>
<b>Corporate Social Liability @ 1%</b>	<b>196,404.00</b>

**5) Electricity Sales Revenue:**

The company is billing at revised rate according to Facility agreement signed by company and NEA but collection is made at old PPA rate.

**6) Provisions for Royalty**

As per Section 11(1) of Electricity Act 2049, License company should pay Royalty up to 15 year from commercial generation of Electricity at the rate of Rs. 100 per Kwhr & 2% of sales amount. In addition, royalty expense includes royalty paid to Dolkha Forest Office amounting Rs 32,451.00 in the current financial year.

Financial year	Amount received from NEA	Gen. Royalty @ 2%	Cap Royalty @ Rs. 100/ Kwh	Total
2074/75	93,342,624.88	1,866,852.50	352,000.00	2,218,852.50
	Royalty Payment to Dolkha Forest Office			18,698.00
	<b>Total Royalty Expense for the period</b>			<b>2,237,550.50</b>

**7) Advance from Shareholders:**

The advances received from Shareholders as on reporting date stood at Rs. 236,752.14, the details of which are given below:

Name of Shareholder	Opening Balance (CR)	Closing Balance (CR)
Mr. Kumud Kumar Dugar	59,188.03	59,188.03
Mr. Dev Kishn Mundara	59,188.04	59,188.04
Mr. Pashupati Murarka	59,188.04	59,188.04
Mr. Gyanendra Lal Pradhan	59,188.03	59,188.03
Closing Advance From Shareholders	236,752.14	236,752.14

**8) Investment in 100% Subsidiary Company**

The company has invested of Rs.5,500,000 in equity share of 100% subsidiary company i.e. namely Lower Charnawati Hydropower Public Limited (LCHPL) & the same has been shown as Investment Advance as the share lagat of LCHPL has not been approved from Office of Company Registrar till the end of reporting period.

9) **Related Party transactions:**

The transaction with related parties are as follows:

Particulars	Relations	Opening Dr/(Cr)	Period Dr.	Period Cr.	Closing Balance Dr/(Cr)
Supreme Cement Pvt. Ltd.-Closing (Dr)	Mr. Pashupati Murarka being common director	16,345,882.27		16,345,882.27	-
Modi Energy Ltd.	Common Director	(8,000.00)	48,000.00	40,000.00	-
Lower Chandrawati Hydropower Ltd (Closing Dr)	Subsidiary Company	6,923.00	17,749,444.16	-	17,756,367.16

9) **Trade Receivables**

Balances under Trade Receivables pertaining to NEA amounting Rs 72,414,425.69 has not been confirmed while preparing financial statement for the current reporting period.

10) **Contingent liability**

Income tax department has made assessment of Income and VAT liability of company for 4 financial year from 2068/69 to 2071/72 and issue assessment order under section 20 of VAT Act 2058. Company has filed an application for administrative review to department. Income tax department has levied following amount of additional VAT liability of company of following financial years under section 8(3) of VAT Act 2052. As it is possible obligation of past event but possibility of outflow of economic benefits in future is not remote, it is recognised as contingent liability.

Particulars	Amount
Financial year 2068/69	7,389,585.00
Financial year 2069/70	6,414,572.00
Financial year 2070/71	1,176,663.00
Financial year 2071/72	9,585.00
<b>Total</b>	<b>14,990,405.00</b>

**11) Earning Per Share (NAS 33):**

Particulars	Current Year	Previous Year
Profit Attributable to Equity	19,640,439.02	12,486,552.71
Weighted Average No. of Equity (Units)	2,572,219.18	2066110
Nominal Value of Shares/Unit (NRs)	100.00	100.00
Basic Earning Per Share (NRs)	7.64	6.04

**12) Allotment and Listing of Ordinary Share in NEPSE**

The company has issued initial public offering of ordinary shares of 3,90,000 units to general public (including 2% to employee & 5% to Mutual Funds) by appointing NMB Capital Ltd. as issue manager which has been allotted to eligible applicants on Bhadra 30, 2074 and listed in NEPSE on Kartik 20, 2074.

**13) Events after Reporting Date (NAS: 10)****13.1) Proposed Dividend of 4.2105%**

The Board of Directors of company has proposed to distribute 4% Bonus Share & 0.2105% cash dividend to its Shareholders.

**14) Regrouping of Figures:**

Previous years' figures have been regrouped and rearranged wherever necessary.

**15) Miscellaneous:**

i) All amounts are stated in Nepalese Rupees.

ii) Schedule 1 to 14 form an integral part of the Financial Statements for the period ending Asadh 32, 2075 (July 16, 2018)

## धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ को उपनियम (२) सँग सम्बन्धित अनुसूची १५ बमोजिम वार्षिक विवरण (आ.व. २०७६।७७)

१. सञ्चालक समितिको प्रतिवेदन : सम्बन्धित शिर्षक अन्तर्गत राखिएको
  २. लेखापरीक्षण प्रतिवेदन : सम्बन्धित शिर्षक अन्तर्गत राखिएको
  ३. लेखापरीक्षण भएको विवरण : सम्बन्धित शिर्षक अन्तर्गत राखिएको
  ४. कानूनी कारवाही सम्बन्धी विवरण :
- क. त्रैमासिक अवधिमा संगठित संस्थाले वा संस्था विरुद्ध कुनै मुद्दा दायर भएको भए,  
 ▲ त्रैमासिक अवधिमा संगठित संस्थाले वा संस्था विरुद्ध कुनै मुद्दा दायर भएको छैन ।
- ख. संगठित संस्थाका संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालक विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए,  
 ▲ यस कम्पनीको जानकारीमा नभएको
- ग. कुनै संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको भए,  
 ▲ यस कम्पनीको जानकारीमा नभएको
५. संगठित संस्थाको शेयर कारोबार तथा प्रगतिको विश्लेषण :
- क. धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोवार सम्बन्धमा व्यवस्थापनको धारणः  
 ▲ नेपाल धितोपत्र बोर्ड तथा नेपाल स्टक एक्सचेन्जको सुपरिवेक्षण व्यवस्थाको अधिनमा रही कारोबार गरेको
- ख. आ.व. २०७६।७७ मा संगठित संस्थाको शेयर कारोवारको विवरणः

आ.व	वार्षिक	शेयरको अधिकतम मुल्य(रु)	शेयरको न्युनतम मुल्य(रु)	अन्तिम मुल्य (रु)	कारोवार भएको दिन	कारोवार संख्या	कुल कारोवार रकम (रु)
आर्थिक वर्ष २०७६।७७		१७६	९०	१२२	१७४	१८५२	१,२४,१०,०००

### ६. समस्या र चुनौती

कम्पनीमा आइपर्ने अन्य समस्या तथा चुनौती समाधानका उपायहरूका बारेमा सञ्चालक समितिले समय समयमा समीक्षा गरी आवश्यक रणनीति अवलम्बन गर्ने गरेको छ ।

### ७. संस्थागत सुशासन

नियमनकारी निकायहरूबाट जारी गरिएका सुशासन सम्बन्धी व्यवस्थाहरू पुर्णरूपमा पालना गरिएको छ । संस्थाको दिगो विकासका लागि संस्थागत सुशासन कायम राख्न व्यवस्थापन तथा सञ्चालक समिति सदैव प्रतिवद्ध रहेको छ ।

अध्यक्ष

ज्ञानेन्द्रलाल प्रधान

## धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ को उपनियम (२) सँग सम्बन्धित अनुसूची १५ बमोजिम वार्षिक विवरण (आ.व. २०७५।७६)

१. सञ्चालक समितिको प्रतिवेदन : सम्बन्धित शिर्षक अन्तर्गत राखिएको  
२. लेखापरीक्षण प्रतिवेदन : सम्बन्धित शिर्षक अन्तर्गत राखिएको  
३. लेखापरीक्षण भएको विवरण : सम्बन्धित शिर्षक अन्तर्गत राखिएको  
४. कानूनी कारवाही सम्बन्धी विवरण :

क. त्रैमासिक अवधिमा संगठित संस्थाले वा संस्था विरुद्ध कुनै मुद्दा दायर भएको भए,

▲ त्रैमासिक अवधिमा संगठित संस्थाले वा संस्था विरुद्ध कुनै मुद्दा दायर भएको छैन ।

ख) संगठित संस्थाका संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालक विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए,

▲ यस कम्पनीको जानकारीमा नभएको

ग. कुनै संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको भए,

▲ यस कम्पनीको जानकारीमा नभएको

५. संगठित संस्थाको शेयर कारोबार तथा प्रगतिको विश्लेषण :

क. धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारणः

▲ नेपाल धितोपत्र बोर्ड तथा नेपाल स्टक एक्सचेन्जको सुपरिवेक्षण व्यवस्थाको अधिनमा रही कारोबार गरेको

ख. आ.व. २०७५।७६ मा संगठित संस्थाको शेयर कारोबारको विवरणः

आ.व	वार्षिक	शेयरको अधिकतम मुल्य(रु)	शेयरको न्युनतम मुल्य(रु)	अन्तिम मुल्य (रु)	कारोबार भएको दिन	कारोबार संख्या	कुल कारोबार रकम (रु)
आर्थिक वर्ष २०७५।७६		१७६	११६	१२१	२२१	१८८५	७२,१०,०००

६. समस्या र चुनौती

कम्पनीमा आइपर्ने अन्य समस्या तथा चुनौती समाधानका उपायहरूका बारेमा सञ्चालक समितिले समय समयमा समीक्षा गरी आवश्यक रणनीति अवलम्बन गर्ने गरेको छ ।

७. संस्थागत सुसासन

नियमनकारी निकायहरूबाट जारी गरिएका सुसासन सम्बन्धी व्यवस्थाहरू पुर्णरूपमा पालना गरिएको छ । संस्थाको दिगो विकासका लागि संस्थागत सुसासन कायम राख्न व्यवस्थापन तथा सञ्चालक समिति सदैव प्रतिवद्ध रहेको छ ।

अध्यक्ष

ज्ञानेन्द्रलाल प्रधान

## धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ को उपनियम (२) सँग सम्बन्धित अनुसूची १५ बमोजिम वार्षिक विवरण (आ.व. २०७४।७५)

१. सञ्चालक समितिको प्रतिवेदन : सम्बन्धित शिर्षक अन्तर्गत राखिएको
२. लेखापरीक्षण प्रतिवेदन : सम्बन्धित शिर्षक अन्तर्गत राखिएको
३. लेखापरीक्षण भएको विवरण : सम्बन्धित शिर्षक अन्तर्गत राखिएको
४. कानूनी कारवाही सम्बन्धी विवरण :

क. त्रैमासिक अवधिमा संगठित संस्थाले वा संस्था विरुद्ध कुनै मुद्दा दायर भएको भए,  
 ▲ त्रैमासिक अवधिमा संगठित संस्थाले वा संस्था विरुद्ध कुनै मुद्दा दायर भएको छैन ।

ख. संगठित संस्थाका संस्थापक वा सञ्चालकले वा संस्थापक वा सञ्चालक विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए,

▲ यस कम्पनीको जानकारीमा नभएको ।

ग. कुनै संस्थापक वा सञ्चालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको भए,

▲ यस कम्पनीको जानकारीमा नभएको

### ५. संगठित संस्थाको शेयर कारोबार तथा प्रगतिको विश्लेषण :

क. धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारणः

▲ नेपाल धितोपत्र बोर्ड तथा नेपाल स्टक एक्सचेन्जको सुपरिवेक्षण व्यवस्थाको अधिनमा रही कारोबार गरेको

ख) आ.व. २०७४।७५ मा संगठित संस्थाको शेयर कारोबारको विवरणः

आ.व	वार्षिक	शेयरको अधिकतम मुल्य(रु)	शेयरको न्युनतम मुल्य(रु)	अन्तिम मुल्य (रु)	कारोबार भएको दिन	कारोबार संख्या	कुल कारोबार रकम (रु)
आर्थिक वर्ष २०७६।७७		३२८	१५८	१६८	१५८	४०३९	२१,१०,०००

### ६. समस्या र चुनौती

कम्पनीमा आइपर्ने अन्य समस्या तथा चुनौती समाधानका उपायहरूका बारेमा सञ्चालक समितिले समय समयमा समीक्षा गरी आवश्यक रणनीति अवलम्बन गर्ने गरेको छ ।

### ७. संस्थागत सुसासन

नियमनकारी निकायहरूबाट जारी गरिएका सुसाशनसम्बन्धी व्यवस्थाहरू पूर्णरूपमा पालना गरिएको छ । संस्थाको दिगो विकासका लागि संस्थागत सुशासन कायम राख्न व्यवस्थापन तथा सञ्चालक समिति सदैव प्रतिवद्ध रहेको छ ।

अध्यक्ष

ज्ञानेन्द्रलाल प्रधान

## संस्थागत सुशासन सम्बन्धी वार्षिक अनुपालना प्रतिवेदन (सूचिकृत संगठित संस्थाहरूको संस्थागत सुशासन सम्बन्धी निर्देशिका २०७४ बमोजिम)

सूचिकृत संगठित संस्थाको नाम	नेपाल हाईड्रो डेभलपर लिमिटेड
ठेगाना, इमेल र वेबसाईट	का.जि.का.म.पा. वडा नं. ३०, डिल्लीबजार, काठमाडौं, नेपाल email: info@charnawatihydro.com website: www.charnawatihydro.com
फोन नं.	०१-४४४११३१
प्रतिवेदन पेश गरिएको आर्थिक वर्ष	२०७६/७७

### १. सञ्चालक समिति सम्बन्धी विवरण

क. सञ्चालक समितिको अध्यक्षको नाम तथा नियुक्ति मिति: श्री ज्ञानेन्द्रलाल प्रधान (मिति २०७५/०३/२९)

ख. संस्थाको शेयर संरचना सम्बन्धी विवरण : प्रति शेयर रु. १०० दरका २६,००,००० कित्ता शेयर

संस्थापक : १९,५०,००० कित्ता

सर्वसाधारण : ६,५०,००० कित्ता

### ग. सञ्चालक समिति सम्बन्धी विवरण :

क्र.सं	सञ्चालकहरूको नाम र ठेगाना	प्रतिनिधित्व भएको समुह	शेयर संख्या	नियुक्त भएको मिति	पद तथा गोपनियताको सपथ लिएको मिति	सञ्चालक नियुक्तिको तरिका विधि)
१.	श्री ज्ञानेन्द्रलाल प्रधान	संस्थापक	४३८७५०	२०७५/०३/२९	२०७५/०३/२९	निर्वाचन
२.	श्री पशुपति मुरारका	संस्थापक	२४३७५०	२०७५/०३/२९	२०७५/०३/२९	निर्वाचन
३.	श्री कुमुद कुमार दुगड	संस्थापक	२४३७५०	२०७५/०३/२९	२०७५/०३/२९	निर्वाचन
४.	श्रीमति पुजा अटल	सर्वसाधारण	३४५९८	२०७५/०३/२९	२०७५/०३/२९	निर्वाचन

### घ. सञ्चालक समितिको बैठक

आ.व. २०७६/७७

क्र.सं.	आ.व. २०७६/७७ मा सञ्चालक समितिको बैठक	उपस्थिति सञ्चालकको संख्या	बैठकको निर्णयमा भिन्न मत राखी हस्ताक्षर गर्ने सञ्चालक संख्या
१	२०७६/०४/१५	४	०
२	२०७६/०७/०१	४	०
३	२०७६/०८/१०	४	०
४	२०७६/०९/२२	४	०
५	२०७६/११/२८	४	०
६	२०७७/०२/१४	४	०

७	२०७७।०३।२५	४	०
१	२०७४।०४।२५	४	०
२	२०७४।०४।२९	४	०
३	२०७४।०५।१८	४	०
४	२०७४।०५।२५	४	०
५	२०७४।०६।२०	४	०
६	२०७४।०६।२९	४	०
७	२०७४।०९।१८	४	०
८	२०७४।०९।२६	४	०
९	२०७४।१०।२८	३	०
१०	२०७४।१२।१३	४	०
११	२०७५।०३।०१	४	०
१२	२०७५।०३।०४	३	०
१३	२०७५।०३।०४	३	०
१४	२०७५।०३।१३	४	०
१५	२०७५।०३।१८	४	०

कुनै सञ्चालक समितिको बैठक आवश्यक गुणपुरक संख्या नपुगी स्थगित भएको भए सो को विवरण: सञ्चालक समितिको प्रत्येक बैठकमा बहुमत संख्या पुगेको ।

## २. सञ्चालक समितिको आचरण सम्बन्धी विवरण :

क. सञ्चालकहरूको आचरण सम्बन्धमा सम्बन्धित संस्थाको आचारसंहिता भए/नभएको:

▲ प्रचलित नेपाल कानून बमोजिम हुने

ख. एकाघरको परिवारको एक भन्दा बढी सञ्चालक भए सोको विवरण:

▲ नभएको

ग. सञ्चालकहरूको वार्षिक रूपमा सिकाई तथा पुनर्ताजकी कार्यक्रमसम्बन्धी विवरण:

▲ सञ्चालकहरूले नियमितरूपमा आयोजनामा निरीक्षणबाट सिकाई भएको बाहेक कुनै पुनर्ताजकी कार्यक्रममा भाग नलिएको ।

घ. प्रत्येक सञ्चालकले आफु सञ्चालक पदमा नियुक्ति वा मनोनयन भएको पन्ध्र दिन भित्र देहायका कुराको लिखित जानकारी गराएको / नगराएको:

▲ कम्पनी ऐन २०६३ को दफा ९२ बमोजिमको विवरण बाहेक अन्य कुनै लिखित जानकारी प्राप्त नभएको ।

ङ. संस्थासँग निजको वा निजको एकाघर परिवारको कुनै सदस्यले कुनै किसिमको करार गरेको वा गर्न लागेको भए सो को विवरण :

▲ छैन ।

च. नीज वा नीज एकाघरको परिवारको कुनै सदस्यले संस्था वा सो संस्थाको मुख्य वा सहायक कम्पनीमा लिएको शेयर वा डिबेन्चर को विवरण :

▲ छैन ।

छ. निज कुनै अन्य संगठित संस्थाको आधारभुत शेयरधनी वा सञ्चालक रहेको भए त्यसको विवरण:

▲ संगठित संस्थाको आधारभुत शेयरधनी वा सञ्चालक निम्न बमोजिम रहेको छ ।

सञ्चालकको नाम	आधारभूत शेयरधनी रहेको संस्था	सञ्चालक रहेको संस्था
श्री ज्ञानेन्द्रलाल प्रधान	मोदी ईनर्जी लिमिटेड	मोदी ईनर्जी लिमिटेड
श्री पशुपति मुरारका	मोदी ईनर्जी लिमिटेड	मोदी ईनर्जी लिमिटेड, एन.एम.बि.क्यापिटल लिमिटेड
श्री कुमुद कुमार दुगड	मोदी ईनर्जी लिमिटेड	मोदी ईनर्जी लिमिटेड

ज. नीज वा नीज एकाघरको परिवारको कुनै सदस्यले संस्थामा कुनै पदाधिकारी वा कर्मचारीको हैसियतमा काम गरीरहेको भए सो को विवरण:

▲ छैन।

भ. सञ्चालक उस्तै प्रकृतिको उद्देश्य भएको सुचीकृत संस्थाको सञ्चालक, तलबी पदाधिकारी, कार्यकारी प्रमुख वा कर्मचारी भई कार्य गरेको भए सो को विवरण :

▲ छैन।

ज. सञ्चालकलाई नियमन निकाय वा अन्य निकायबाट कुनै कारवाही गरिएको भए सो को विवरण:

▲ छैन।

३. संस्थाको जोखिम व्यवस्थापन तथा नियन्त्रण प्रणाली सम्बन्धी विवरणहरू:

क. जोखिम व्यवस्थापनको लागि कुनै समिति गठन भए/नभएको, नभएको भए सोको कारण:

▲ जोखिम व्यवस्थापनको लागि कुनै समिति गठन नभएको, किनकी संस्था उच्च जोखिमको प्रकृतिको नभएकोले

ख. जोखिम व्यवस्थापन समिति सम्बन्धी जानकारी

▲ गठन नभएको।

ग. आन्तरिक नियन्त्रण कार्यविधि भए/नभएको

▲ भएको।

घ. आन्तरिक नियन्त्रण प्रणालीको लागि कुनै समिति गठन भए/नभएको, नभएको भए सोको कारण:

▲ भएको।

ङ. आन्तरिक नियन्त्रण प्रणाली समिति सम्बन्धी विवरण:

लेखा परीक्षण समिति

श्री कुमुद कुमार दुगड	सञ्चालक	संयोजक	भत्ता तथा सुविधा
श्रीमति पुजा अटल	सञ्चालक	सदस्य	नलिएको
श्री रमाकान्त माणि नेपाल	वित्त तथा प्रशासन प्रमुख	सदस्य सचिव	नलिएको

च. आर्थिक प्रशासन विनियमावली भए/नभएको :

▲ आर्थिक प्रशासन विनियमावली २०७५ लागु गरिएको छ।

४. सूचना तथा जानकारी प्रवाह सम्बन्धी विवरण:

क. संस्थाले सार्वजनिक गरेको सूचना तथा जानकारी प्रवाहको विवरण :

बिषय	माध्यम	सार्वजनिक गरेको मिति
वार्षिक साधारण सभाको सूचना	राष्ट्रिय दैनिक पत्रिका	२०७७/११/२४
बिशेष साधारण सभाको सूचना	नभएको	
वार्षिक प्रतिवेदन	पुस्तकका रूपमा	
त्रैमासिक प्रतिवेदन	राष्ट्रिय दैनिक पत्रिका	नियमित रूपमा
धितोपत्र मुल्यमा प्रभाव पार्ने संबेदनशील सूचना	नभएको	
अन्य		

सूचना सार्वजनिक नगरेको वा अन्य कुनै कारणले धितोपत्र बोर्डबाट कारवाहीमा परेको भए सो सम्बन्धी जानकारी :

■ नभएको ।

ग. पछिल्लो वार्षिक साधारण सभा वा विशेष साधारण सभा सम्पन्न भएको मिति :

■ वार्षिक साधारण सभा २०७५।०३।२९

५. संस्थाको संरचना तथा कर्मचारी सम्बन्धी विवरण:

क. कर्मचारीको संरचना, पदपूर्ति, बृत्ति विकास, तालिम, तलब, भत्ता, अन्य सुविधा, हाजिर र बिदा आचार संहिता लगायतका कुराहरू समेटिएको कर्मचारी सेवा शर्त विनियमावली व्यवस्था भए/नभएको:

■ भएको ।

ख. सांगठनिक संरचना संलग्न गर्ने:

ग. उच्च व्यवस्थापन तहका कर्मचारीहरूको नाम, शैक्षिक योग्यता तथा अनुभव सम्बन्धि विवरण

नाम पद	शैक्षिक योग्यता	अनुभव
रमाकान्त मणि नेपाल, वित्त तथा प्रशासन प्रमुख	स्नातकोत्तर	सम्बन्धित क्षेत्रमा ११ वर्षको अनुभव
नबिन घिसिङ, उपकरण इन्चार्ज (प्राविधिक सुपरिबेक्षक)	उपकरण इन्चार्ज(प्राविधिक सुपरिबेक्षक)	जलविद्युत क्षेत्रमा १० वर्षको अनुभव

घ. कर्मचारी सम्बन्धी अन्य विवरण:

संरचना अनुसार कर्मचारी पदपूर्ति गर्ने गरेको नगरेको	गरेको
नयाँ कर्मचारीहरूको पदपूर्ति गर्दा अपनाएको प्रकृया	आन्तरिक बढुवा/खुल्ला
व्यवस्थापन स्तरका कर्मचारीको संख्या	२
<b>कुल कर्मचारीको संख्या</b>	<b>१८</b>
कर्मचारीहरूको सक्सेसन प्लान भए नभएको	नभएको
आ.व. २०७६।७७ मा कर्मचारीहरूलाई दिईएको तालिम संख्या तथा कर्मचारी संख्या	नभएको
आ.व. २०७६।७७ मा कर्मचारी खर्चको प्रतिशत	१०.७५%
कुल खर्चमा कर्मचारी खर्च प्रतिशत	१०.७५%
कुल खर्चमा कर्मचारी तालिम खर्चको प्रतिशत	नभएको

६. संस्थाको लेखा तथा लेखापरीक्षण सम्बन्धी विवरण

क. लेखापरीक्षण सम्बन्धी विवरण

संस्थाको पछिल्लो आ.व.को वित्तीय विवरण NFRS अनुशार तयार गरे र नगरेको भए सोको कारण	गरेको ।
सञ्चालक समितिबाट पछिल्लो वित्तीय विवरण स्विकृत भएको मिति	२०७७।११।०४
त्रैमासिक विवरण प्रकाशित भएको मिति	२०७६।०७।२९
	२०७६।१०।२९
	२०७६।१२।३०
अन्तिम लेखापरीक्षण सम्पन्न भएको मिति	
साधारण सभाबाट वित्तीय विवरण स्विकृत भएको मिति	
संस्थाको आन्तरिक लेखापरीक्षण सम्बन्धी विवरण:	

अ) आन्तरिक रूपमा लेखापरीक्षण गर्ने गरिएको वा बाह्य बिज्ञ नियुक्त गरिएको ।	
आ) बाह्य बिज्ञ नियुक्त गरिएको भए सो को विवरण	बाह्य लेखा परीक्षण मात्र हुने ।
इ) आन्तरिक लेखापरीक्षण कति अर्वाधिको गर्ने गरिएको	छैन ।

## लेखा परीक्षण समिति सम्बन्धी विवरण:

नाम	पद
कुमुद कुमार दुगड	संयोजक
पुजा अटल	सदस्य
रमाकान्त मणि नेपाल	सदस्य सचिव

## अन्य विवरण

संस्थाले सञ्चालक तथा निजको एकाघरको परिवारको वित्तिय स्वार्थ भएको व्यक्ति, बैंक तथा वित्तिय संस्थाबाट ऋण वा सापटी वा अन्य कुनै रकम लिए नलिएको	नलिएको
प्रचलित कानून बमोजिम कम्पनीको सञ्चालक, शेयरधनी, कर्मचारी, सल्लाहकार, परामर्शदाता हैसियतमा पाउने सुबिधा वा लाभ बाहेक सूचिकृत संगठित संस्थाको वित्तिय वा परामर्शदाले संस्थाको कुनै सम्पति कुनै किसिमले भोगचलन गरेर नगरेको	नगरेको
नियमनकारी निकायले इजाजत पत्र जारी गर्दा तोकेको शर्तहरूको पालना भए र नभएको	भएको
नियमनकारी निकायले संस्थाको नियमन निरिक्षण वा सुपरिवेक्षण गर्दा संस्थालाई दिएको निर्देशन पालना भए र नभएको	हाल सम्म त्यस्ता निर्देशन प्राप्त नभएको
संस्था वा सञ्चालक विरुद्ध अदालतमा कुनै मुद्दा चलिरहेको भए सो को विवरण	आन्तरिक राजस्व कार्यालयले संस्थाको वार्षिक लेखा परीक्षण प्रतिवेदनका आधारमा संस्थाको मूल्य अभिवृद्धि करको निर्धारण गरेकोमा सो विरुद्धको मुद्दा हाल राजस्व न्यायाधिकरणमा चलिरहेको। मुद्दा नं. २०७६ RB ०१४९ २०७६ RB ०१५० २०७६ RB ०१५१

परिपालना अधिकृतको नाम : नबीन घिसिङ

पद : प्लान्ट मेनेजर प्राविधिक सुपरिवेक्षक

संस्थाको छाप :

सोही मितिको संलग्न प्रतिवेदन अनुसार

सुबोध कुमार कर्ण  
यु एच वाई सुबोध एशोसिएट्स  
चार्टर्ड एकाउन्टेन्ट्स

## संस्थागत सुशासन सम्बन्धी वार्षिक अनुपालना प्रतिवेदन (सूचिकृत संगठित संस्थाहरूको संस्थागत सुशासन सम्बन्धी निर्देशिका २०७४ बमोजिम)

सूचिकृत संगठित संस्थाको नाम	नेपाल हाईड्रो डेभलपर लिमिटेड
ठेगाना, इमेल र वेबसाईट	का.जि.का.म.पा. वडा नं. ३०, डिल्लीबजार, काठमाडौं, नेपाल email: info@charnawatihydro.com website: www.charnawatihydro.com
फोन नं.	०१-४४४११३१
प्रतिवेदन पेश गरिएको आर्थिक वर्ष	२०७५/७६

### १. सञ्चालक समिति सम्बन्धी विवरण

क. सञ्चालक समितिको अध्यक्षको नाम तथा नियुक्ति मिति: श्री ज्ञानेन्द्रलाल प्रधान मिति २०७५/०३/२९

ख. संस्थाको शेयर संरचना सम्बन्धी विवरण : प्रति शेयर रु. १०० दरका २६,००,००० कित्ता शेयर

संस्थापक : १९,५०,००० कित्ता

सर्वसाधारण : ६,५०,००० कित्ता

### ग. सञ्चालक समिति सम्बन्धी विवरण :

क्र.सं	सञ्चालकहरूको नाम र ठेगाना	प्रतिनिधित्व भएको समुह	शेयर संख्या	नियुक्त भएको मिति	पद तथा गोपनीयताको सपथ लिएको मिति	सञ्चालक नियुक्तिको तरिका विधि)
१.	श्री ज्ञानेन्द्रलाल प्रधान	संस्थापक	४३८७५०	२०७५/०३/२९	२०७५/०३/२९	निर्वाचन
२.	श्री पशुपति मुरारका	संस्थापक	२४३७५०	२०७५/०३/२९	२०७५/०३/२९	निर्वाचन
३.	श्री कुमुद कुमार दुगड	संस्थापक	२४३७५०	२०७५/०३/२९	२०७५/०३/२९	निर्वाचन
४.	श्रीमति पुजा अटल	सर्वसाधारण	३४५९८	२०७५/०३/२९	२०७५/०३/२९	निर्वाचन

### घ. सञ्चालक समितिको बैठक

आ.व. २०७५/७६

क्र.सं.	आ.व. २०७५/७६ मा सञ्चालक समितिको बैठक	उपस्थिति सञ्चालकको संख्या	बैठकको निर्णयमा भिन्न मत राखी हस्ताक्षर गर्ने सञ्चालक संख्या
१	२०७५/०४/०२	३	०
२	२०७५/०५/०५	३	०
३	२०७५/०५/०८	४	०
४	२०७५/०७/१३	४	०
५	२०७५/०८/२४	४	०

६	२०७५।०९।०९	४	०
७	२०७५।११।१२	३	०
८	२०७६।०२।०९	४	०

कुनै सञ्चालक समितिको बैठक आवश्यक गुणपुरक संख्या नपुगी स्थगित भएको भए सो को विवरणः  
सञ्चालक समितिको प्रत्येक बैठकमा बहुमत संख्या पुगेको ।

## २. सञ्चालक समितिको आचरण सम्बन्धी विवरण :

क. सञ्चालकहरूको आचरण सम्बन्धमा सम्बन्धित संस्थाको आचारसंहिता भएरनभएकोः

▶ प्रचलित नेपाल कानून बमोजिम हुने

ख. एकाघरको परिवारको एक भन्दा बढी सञ्चालक भए सोको विवरणः

▶ नभएको

ग. सञ्चालकहरूको वार्षिक रूपमा सिकाई तथा पुनर्ताजकी कार्यक्रम सम्बन्धी विवरणः

▶ सञ्चालकहरूले नियमित रूपमा आयोजनामा निरीक्षणबाट सिकाई भएको बाहेक कुनै पुनर्ताजकी कार्यक्रममा भाग नलिएको ।

घ. प्रत्येक सञ्चालकले आफु सञ्चालक पदमा नियुक्ति वा मनोनयन भएको पन्ध्र दिन भित्र देहायका कुराको लिखित जानकारी गराएको / नगराएकोः

▶ कम्पनी ऐन २०६३ को दफा ९२ बमोजिमको विवरण बाहेक अन्य कुनै लिखित जानकारी प्राप्त नभएको ।

ङ. संस्थासँग निजको वा निजको एकाघर परिवारको कुनै सदस्यले कुनै किसिमको करार गरेको वागर्न लागेको भए सो को विवरण :

▶ छैन ।

च. नीज वा नीज एकाघरको परिवारको कुनै सदस्यले संस्था वा सो संस्थाको मुख्य वा सहायक कम्पनीमा लिएको शेयर वा डिबेन्चर को विवरण :

▶ छैन ।

छ. निज कुनै अन्य संगठित संस्थाको आधारभुत शेयरधनी वा सञ्चालक रहेको भए त्यसको विवरणः

▶ संगठित संस्थाको आधारभुत शेयरधनी वा सञ्चालक निम्न बमोजिम रहेको छ ।

सञ्चालकको नाम	आधारभुत शेयरधनी रहेको संस्था	सञ्चालक रहेको संस्था
श्री ज्ञानेन्द्र लाल प्रधान	मोदी ईनर्जी लिमिटेड	मोदी ईनर्जी लिमिटेड
श्री पशुपति मुरारका	मोदी ईनर्जी लिमिटेड	मोदी ईनर्जी लिमिटेड, एन.एम.बि. क्यापिटल लिमिटेड
श्री कुमुद कुमार दुगड	मोदी ईनर्जी लिमिटेड	मोदी ईनर्जी लिमिटेड

ज. नीज वा नीज एकाघरको परिवारको कुनै सदस्यले संस्थामा कुनै पदाधिकारी वा कर्मचारीको हैसियतमा काम गरीरहेको भए सो को विवरणः

▶ छैन ।

झ. सञ्चालक उसै प्रकृतिको उद्देश्य भएको सुचीकृत संस्थाको सञ्चालक, तलबी पदाधिकारी, कार्यकारी प्रमुख वा कर्मचारी भई कार्य गरेको भए सो को विवरण :

▶ छैन ।

ञ. सञ्चालकलाई नियमन निकाय वा अन्य निकायबाट कुनै कारवाही गरिएको भए सो को विवरणः

▶ छैन ।

## ३. संस्थाको जोखिम व्यवस्थापन तथा नियन्त्रण प्रणाली सम्बन्धी विवरणहरूः

क. जोखिम व्यवस्थापनको लागि कुनै समिति गठन भए/नभएको, नभएको भए सोको कारणः

▶ जोखिम व्यवस्थापनको लागि कुनै समिति गठन नभएको, किनकी संस्था उच्च जोखिमको प्रकृतिको नभएकोले

ख. जोखिम व्यवस्थापन समिति सम्बन्धी जानकारी

▲ गठन नभएको ।

ग. आन्तरिक नियन्त्रण कार्यविधि भए/नभएको

▲ भएको ।

घ. आन्तरिक नियन्त्रण प्रणालीको लागि कुनै समिति गठन भए/नभएको, नभएको भए सोको कारण:

▲ भएको ।

ङ. आन्तरिक नियन्त्रण प्रणाली समिति सम्बन्धी विवरण:

#### लेखा परीक्षण समिति

श्री कुमुद कुमार दुगड	सञ्चालक	संयोजक	भत्ता तथा सुविधा
श्रीमति पुजा अटल	सञ्चालक	सदस्य	नलिएको
श्री प्रदीप कुमार दास	वित्त तथा प्रशासन प्रमुख	सदस्य सचिव	नलिएको

च. आर्थिक प्रशासन विनियमावली भए/नभएको :

▲ आर्थिक प्रशासन विनियमावली २०७५ लागु गरिएको छ ।

#### ४. सूचना तथा जानकारी प्रवाह सम्बन्धी विवरण:

क. संस्थाले सार्वजनिक गरेको सूचना तथा जानकारी प्रवाहको विवरण :

बिषय	माध्यम	सार्वजनिक गरेको मिति
वार्षिक साधारण सभाको सूचना	राष्ट्रिय दैनिक पत्रिका	२०७७/११/२४
बिशेष साधारण सभाको सूचना	नभएको	
वार्षिक प्रतिवेदन	पुस्तकका रूपमा	
त्रैमासिक प्रतिवेदन	राष्ट्रिय दैनिक पत्रिका	नियमित रूपमा
धितोपत्र मुल्यमा प्रभाव पार्ने संबेदनशील सूचना	नभएको	
अन्य		

सूचना सार्वजनिक नगरेको वा अन्य कुनै कारणले धितोपत्र बोर्डबाट कारवाहीमा परेको भए सो सम्बन्धी जानकारी :

▲ नभएको ।

ग. पछिल्लो वार्षिक साधारण सभा वा विशेष साधारण सभा सम्पन्न भएको मिति :

▲ वार्षिक साधारण सभा २०७५।०३।२९

#### ५. संस्थाको संरचना तथा कर्मचारी सम्बन्धी विवरण:

क. कर्मचारीको संरचना, पदपूर्ति, बृत्ति विकास, तालिम, तलब, भत्ता, अन्य सुबिधा, हाजिर र बिदा आचार संहिता लगायतका कुराहरू समेटिएको कर्मचारी सेवा शर्त विनियमावली व्यवस्था भएरनभएको:

▲ भएको ।

ख. सांगठनिक संरचना संलग्न गर्ने:

ग. उच्च व्यवस्थापन तहका कर्मचारीहरूको नाम, शैक्षिक योग्यता तथा अनुभव सम्बन्धि विवरण

नाम पद	शैक्षिक योग्यता	अनुभव
प्रदीप कुमार दास, वित्त तथा प्रशासन प्रमुख	स्नातकोत्तर	सम्बन्धित क्षेत्रमा १२ वर्षको अनुभव
नबिन घिसिङ, उपकरण इन्चार्ज(प्राविधिक सुपरिवेक्षक)	उपकरण इन्चार्ज(प्राविधिक सुपरिवेक्षक)	जलविद्युत क्षेत्रमा ९ वर्षको अनुभव

## घ. कर्मचारी सम्बन्धी अन्य विवरण:

संरचना अनुसार कर्मचारी पदपूर्ति गर्ने गरेको नगरेको	गरेको
नयाँ कर्मचारीहरूको पदपूर्ति गर्दा अपनाएको प्रकृया	आन्तरिक बढुवा/खुल्ला
व्यवस्थापन स्तरका कर्मचारीको संख्या	२
<b>कुल कर्मचारीको संख्या</b>	<b>१८</b>
कर्मचारीहरूको सक्सेसन प्लान भए नभएको	नभएको
आ.व. २०७५।७६ मा कर्मचारीहरूलाई दिईएको तालिम संख्या तथा कर्मचारी संख्या	नभएको
आ.व. २०७५।७६ मा कर्मचारी खर्चको प्रतिशत	९.५०%
कुल खर्चमा कर्मचारी खर्च प्रतिशत	९.५०%
कुल खर्चमा कर्मचारी तालिम खर्चको प्रतिशत	नभएको

## ६. संस्थाको लेखा तथा लेखापरीक्षण सम्बन्धी विवरण

## क. लेखापरीक्षण सम्बन्धी विवरण

संस्थाको पछिल्लो आ.व.को वित्तीय विवरण लैच्व अनुशार तयार गरे र नगरेको भए सोको कारण	गरेको ।
सञ्चालक समितिबाट पछिल्लो वित्तीय विवरण स्विकृत भएको मिति	२०७७।११।०४
त्रैमासिक विवरण प्रकाशित भएको मिति	२०७६।०७।२९ २०७६।१०।२९ २०७६।१२।३०
अन्तिम लेखापरीक्षण सम्पन्न भएको मिति	
साधारण सभाबाट वित्तीय विवरण स्विकृत भएको मिति	
संस्थाको आन्तरिक लेखापरीक्षण सम्बन्धी विवरण:	
अ) आन्तरिक रूपमा लेखापरीक्षण गर्ने गरिएको वा बाह्य बिज्ञ नियुक्त गरिएको ।	
आ) बाह्य बिज्ञ नियुक्त गरिएको भए सो को विवरण	बाह्य लेखा परीक्षण मात्र हुने ।
इ) आन्तरिक लेखापरीक्षण कति अवधिको गर्ने गरिएको	छैन ।

## लेखा परीक्षण समिति सम्बन्धी विवरण:

नाम	पद
कुमुद कुमार दुगड	संयोजक
पुजा अटल	सदस्य
प्रदीप कुमार दास	सदस्य सचिव

## अन्य विवरण

संस्थाले सञ्चालक तथा निजको एकाघरको परिवारको वित्तीय स्वार्थ भएको व्यक्ति, बैंक तथा वित्तीय संस्थाबाट ऋण वा सापटी वा अन्य कुनै रकम लिए नलिएको।	नलिएको
प्रचलित कानून बमोजिम कम्पनीको सञ्चालक, शेयरधनी, कर्मचारी, सल्लाहकार, परामर्शदाता हैसियतमा पाउने सुबिधा वा लाभ बाहेक सूचिकृत संगठित संस्थाको वित्तीय वा परामर्शदाले संस्थाको कुनै सम्पति कुनै किसिमले भोगचलन गरे/नगरेको	नगरेको
नियमनकारी निकायले इजाजत पत्र जारी गर्दा तोकेको शर्तहरूको पालना भए/नभएको	भएको

नियमनकारी निकायले संस्थाको नियमन निरिक्षण वा सुपरिवेक्षण गर्दा संस्थालाई दिएको निर्देशा पालना भए/नभएको	हाल सम्म त्यस्ता निर्देशन प्राप्त नभएको
संस्था वा सञ्चालक विरुद्ध अदालतमा कुनै मुद्दा चलिरहेको भए सो को विवरण	आन्तरिक राजस्व कार्यालयले संस्थाको वार्षिक लेखा परीक्षण प्रतिवेदनका आधार मा संस्थाको मूल्य अभिवृद्धि गरेको निर्धारण गरेकोमा सो विरुद्धको मुद्दा हाल राजस्व न्यायाधिकरणमा चलिरहेको । मुद्दा नं. २०७६ RB ०१४९ २०७६ RB ०१५० २०७६ RB ०१५१

परिपालना अधिकृतको नाम : नबीन घिसिङ  
पद : प्लान्ट मेनेजरप्राविधिक सुपरिवेक्षक  
संस्थाको छाप :

सोही मितिको संलग्न प्रतिवेदन अनुसार

सुबोध कुमार कर्ण  
यु एच वाई सुबोध एशोसिएट्स  
चार्टर्ड एकाउन्टेन्ट्स

## संस्थागत सुशासन सम्बन्धी वार्षिक अनुपालना प्रतिवेदन (सूचिकृत संगठित संस्थाहरूको संस्थागत सुशासन सम्बन्धी निर्देशिका २०७४ बमोजिम)

सूचिकृत संगठित संस्थाको नाम	नेपाल हाईड्रो डेभलपर लिमिटेड
ठेगाना, ईमेल र वेबसाईट	का.जि.का.म.पा. वडा नं. ३०, डिल्लीबजार, काठमाडौं, नेपाल email: info@charnawatihydro.com website: www.charnawatihydro.com
फोन नं.	०१-४४४११३१
प्रतिवेदन पेश गरिएको आर्थिक वर्ष	२०७४।७५

### १. सञ्चालक समिति सम्बन्धी विवरण

क. सञ्चालक समितिको अध्यक्षको नाम तथा नियुक्ति मिति: श्री ज्ञानेन्द्रलाल प्रधान (मिति २०७५।०३।२९)

ख. संस्थाको शेयर संरचना सम्बन्धी विवरण : प्रति शेयर रु. १०० दरका २६,००,००० कित्ता शेयर

संस्थापक : १९,५०,००० कित्ता

सर्वसाधारण : ६,५०,००० कित्ता

### ग. सञ्चालक समिति सम्बन्धी विवरण :

क्र.सं	सञ्चालकहरूको नाम र ठेगाना	प्रतिनिधित्व भएको समुह	शेयर संख्या	नियुक्त भएको मिति	पद तथा गोपनीयताको सपथ लिएको मिति	सञ्चालक नियुक्तिको तरिका विधि)
१.	श्री ज्ञानेन्द्रलाल प्रधान	संस्थापक	४३८७५०	२०७५।०३।२९	२०७५।०३।२९	निर्वाचन
२.	श्री पशुपति मुरारका	संस्थापक	२४३७५०	२०७५।०३।२९	२०७५।०३।२९	निर्वाचन
३.	श्री कुमुद कुमार दुगड	संस्थापक	२४३७५०	२०७५।०३।२९	२०७५।०३।२९	निर्वाचन
४.	श्रीमति पुजा अटल	सर्वसाधारण	३४५९८	२०७५।०३।२९	२०७५।०३।२९	निर्वाचन

### घ. सञ्चालक समितिको बैठक

आ.व. २०७४।७५

क्र.सं.	आ.व. २०७४।७५ मा सञ्चालक समितिको बैठक	उपस्थिति सञ्चालकको संख्या	बैठकको निर्णयमा भिन्न मत राखी हस्ताक्षर गर्ने सञ्चालक संख्या
१	२०७४।०४।२५	४	०
२	२०७४।०४।२९	४	०
३	२०७४।०५।१८	४	०
४	२०७४।०५।२५	४	०
५	२०७४।०६।२०	४	०

६	२०७४।०६।२९	४	०
७	२०७४।०९।१८	४	०
८	२०७४।०९।२६	४	०
९	२०७४।१०।२८	३	०
१०	२०७४।१२।१३	४	०
११	२०७५।०३।०१	४	०
१२	२०७५।०३।०४	३	०
१३	२०७५।०३।०४	३	०
१४	२०७५।०३।१३	४	०
१५	२०७५।०३।१८	४	०

कुनै सञ्चालक समितिको बैठक आवश्यक गुणपुरक संख्या नपुगी स्थगित भएको भए सो को विवरण:

- सञ्चालक समितिको प्रत्येक बैठकमा बहुमत संख्या पुगेको ।

## २. सञ्चालक समितिको आचरण सम्बन्धी विवरण :

क. सञ्चालकहरूको आचरण सम्बन्धमा सम्बन्धित संस्थाको आचारसंहिता भए/नभएको:

- प्रचलित नेपाल कानून बमोजिम हुने

ख. एकाघरको परिवारको एक भन्दा बढी सञ्चालक भए सोको विवरण:

- नभएको

ग. सञ्चालकहरूको वार्षिक रूपमा सिकाई तथा पुनर्ताजकी कार्यक्रम सम्बन्धी विवरण:

- सञ्चालकहरूले नियमितरूपमा आयोजनामा निरीक्षणबाट सिकाई भएको बाहेक कुनै पुनर्ताजकी कार्यक्रममा भाग नलिएको ।

घ. प्रत्येक सञ्चालकले आफु सञ्चालक पदमा नियुक्ति वा मनोनयन भएको पन्ध्र दिन भित्र देहायका कुराको लिखित जानकारी गराएको / नगराएको:

- कम्पनी ऐन २०६३ को दफा ९२ बमोजिमको विवरण बाहेक अन्य कुनै लिखित जानकारी प्राप्त नभएको ।

ड. संस्थासँग निजको वा निजको एकाघर परिवारको कुनै सदस्यले कुनै किसिमको करार गरेको वागर्न लागेको भए सो को विवरण :

- छैन ।

च. नीज वा नीज एकाघरको परिवारको कुनै सदस्यले संस्था वा सो संस्थाको मुख्य वा सहायक कम्पनीमा लिएको शेयर वा डिबेन्चर को विवरण :

- छैन ।

छ. निज कुनै अन्य संगठित संस्थाको आधारभुत शेयरधनी वा सञ्चालक रहेको भए त्यसको विवरण:

- संगठित संस्थाको आधारभुत शेयरधनी वा सञ्चालक निम्न बमोजिम रहेको छ ।

सञ्चालकको नाम	आधारभुत शेयरधनी रहेको संस्था	सञ्चालक रहेको संस्था
श्री ज्ञानेन्द्र लाल प्रधान	मोदी ईनर्जी लिमिटेड	मोदी ईनर्जी लिमिटेड
श्री पशुपति मुरारका	मोदी ईनर्जी लिमिटेड	मोदी ईनर्जी लिमिटेड, एन.एम.बि.क्यापिटल लिमिटेड
श्री कुमुद कुमार दुगड	मोदी ईनर्जी लिमिटेड	मोदी ईनर्जी लिमिटेड

ज. नीज वा नीज एकाघरको परिवारको कुनै सदस्यले संस्थामा कुनै पदाधिकारी वा कर्मचारीको हैसियतमा काम गरीरहेको भए सो को विवरण:

- छैन ।

झ. सञ्चालक उस्तै प्रकृतिको उद्देश्य भएको सुचिकृत संस्थाको सञ्चालक, तलबी पदाधिकारी, कार्यकारी प्रमुख वा कर्मचारी भई कार्य

गरेको भए सो को विवरण :

▲ छैन ।

ज. सञ्चालकलाई नियमन निकाय वा अन्य निकायबाट कुनै कारवाही गरिएको भए सो को विवरण:

▲ छैन ।

३. संस्थाको जोखिम व्यवस्थापन तथा नियन्त्रण प्रणाली सम्बन्धी विवरणहरू:

क. जोखिम व्यवस्थापनको लागि कुनै समिति गठन भए/नभएको, नभएको भए सोको कारण:

▲ जोखिम व्यवस्थापनको लागि कुनै समिति गठन नभएको, किनकी संस्था उच्च जोखिमको प्रकृतिको नभएकोले

ख. जोखिम व्यवस्थापन समिति सम्बन्धी जानकारी

▲ गठन नभएको ।

ग. आन्तरिक नियन्त्रण कार्यविधि भए/भएको

▲ भएको ।

घ. आन्तरिक नियन्त्रण प्रणालीको लागि कुनै समिति गठन भए/नभएको, नभएको भए सोको कारण:

▲ भएको ।

ङ. आन्तरिक नियन्त्रण प्रणाली समिति सम्बन्धी विवरण:

लेखा परीक्षण समिति

श्री कुमुद कुमार दुगड	सञ्चालक	संयोजक	भत्ता तथा सुविधा नलिएको
श्रीमति पुजा अटल	सञ्चालक	सदस्य	नलिएको
श्री प्रदीप कुमार दास	वित्त तथा प्रशासन प्रमुख	सदस्य सचिव	नलिएको

च. आर्थिक प्रशासन विनियमावली भए/नभएको :

▲ आर्थिक प्रशासन विनियमावली २०७५ लागू गरिएको छ ।

४. सूचना तथा जानकारी प्रवाह सम्बन्धी विवरण:

क. संस्थाले सार्वजनिक गरेको सूचना तथा जानकारी प्रवाहको विवरण :

बिषय	माध्यम	सार्वजनिक गरेको मिति
वार्षिक साधारण सभाको सूचना	राष्ट्रिय दैनिक पत्रिका	२०७७/११/२४
बिशेष साधारण सभाको सूचना	नभएको	
वार्षिक प्रतिवेदन	पुस्तकका रूपमा	
त्रैमासिक प्रतिवेदन	राष्ट्रिय दैनिक पत्रिका	नियमित रूपमा
धितोपत्र मुल्यमा प्रभाव पार्ने संबेदनशील सूचना	नभएको	
अन्य		

सूचना सार्वजनिक नगरेको वा अन्य कुनै कारणले धितोपत्र बोर्डबाट कारवाहीमा परेको भए सो सम्बन्धी जानकारी :

▲ नभएको ।

ग. पछिल्लो वार्षिक साधारण सभा वा विशेष साधारण सभा सम्पन्न भएको मिति :

▲ वार्षिक साधारण सभा २०७५।०३।२९

५. संस्थाको संरचना तथा कर्मचारी सम्बन्धी विवरण:

क. कर्मचारीको संरचना, पदपूर्ति, बृत्ति विकास, तालिम, तलब, भत्ता, अन्य सुविधा, हाजिर र बिदा आचार संहिता लगायतका कुराहरू समेटिएको कर्मचारी सेवा शर्त विनियमावली व्यवस्था भए / नभएको:

भएको ।

ख. सांगठनिक संरचना संलग्न गर्ने:

ग. उच्च व्यवस्थापन तहका कर्मचारीहरूको नाम, शैक्षिक योग्यता तथा अनुभव सम्बन्धि विवरण

नाम पद	शैक्षिक योग्यता	अनुभव
प्रदीप कुमार दास, वित्त तथा प्रशासन प्रमुख	स्नातकोत्तर	सम्बन्धित क्षेत्रमा ११ वर्षको अनुभव
नबिन घिसिङ, उपकरण इन्चार्ज(प्राविधिक सुपरिवेक्षक)	उपकरण इन्चार्ज(प्राविधिक सुपरिवेक्षक)	जलविद्युत क्षेत्रमा ८ वर्षको अनुभव

घ. कर्मचारी सम्बन्धी अन्य विवरण:

संरचना अनुसार कर्मचारी पदपूर्ति गर्ने गरेको नगरेको	गरेको
नयाँ कर्मचारीहरूको पदपूर्ति गर्दा अपनाएको प्रकृया	आन्तरिक बढुवारखुल्ला
व्यवस्थापन स्तरका कर्मचारीको संख्या	२
<b>कुल कर्मचारीको संख्या</b>	<b>१८</b>
कर्मचारीहरूको सक्सेसन प्लान भए नभएको	नभएको
आ.व. २०७४।७५ मा कर्मचारीहरूलाई दिईएको तालिम संख्या तथा कर्मचारी संख्या	नभएको
आ.व. २०७४।७५ मा कर्मचारी खर्चको प्रतिशत	९.२३%
कुल खर्चमा कर्मचारी खर्च प्रतिशत	९.२३%
कुल खर्चमा कर्मचारी तालिम खर्चको प्रतिशत	नभएको

६. संस्थाको लेखा तथा लेखापरीक्षण सम्बन्धी विवरण

क. लेखापरीक्षण सम्बन्धी विवरण

संस्थाको पछिल्लो आ.व.को वित्तीय विवरण NFRS अनुशार तयार गरे र नगरेको भए सोको कारण	गरेको ।
सञ्चालक समितिबाट पछिल्लो वित्तीय विवरण स्विकृत भएको मिति	
त्रैमासिक विवरण प्रकाशित भएको	नियमित रूपमा
अन्तिम लेखापरीक्षण सम्पन्न भएको मिति	
साधारण सभाबाट वित्तीय विवरण स्विकृत भएको मिति	२०७७।११।०४
संस्थाको आन्तरिक लेखापरीक्षण सम्बन्धी विवरण:	
अ) आन्तरिक रूपमा लेखापरीक्षण गर्ने गरिएको वा बाह्य बिज्ञ नियुक्त गरिएको ।	
आ) बाह्य बिज्ञ नियुक्त गरिएको भए सो को विवरण	बाह्य लेखा परीक्षण मात्र हुने ।

लेखा परीक्षण समिति सम्बन्धी विवरण:

नाम	पद
कुमुद कुमार दुगड	संयोजक
पुजा अटल	सदस्य
प्रदीप कुमार दास	सदस्य सचिव

## अन्य विवरण

संस्थाले सञ्चालक तथा निजको एकाघरको परिवारको वित्तिय स्वार्थ भएको व्यक्ति, बैंक तथा वित्तिय संस्थाबाट ऋण वा सापटी वा अन्य कुनै रकम लिए नलिएको।	नलिएको
प्रचलित कानून बमोजिम कम्पनीको सञ्चालक, शेयरधनी, कर्मचारी, सल्लाहकार, परामर्शदाता हैसियतमा पाउने सुबिधा वा लाभ बाहेक सूचिकृत संगठित संस्थाको वित्तिय वा परामर्शदाताले संस्थाको कुनै सम्पति कुनै किसिमले भोगचलन गरे/नगरेको	नगरेको
नियमनकारी निकायले इजाजत पत्र जारी गर्दा तोकेको शर्तहरूको पालना भए र नभएको	भएको
नियमनकारी निकायले संस्थाको नियमन निरिक्षण वा सुपरिवेक्षण गर्दा संस्थालाई दिएको निर्देशा पालना भए/नभएको	हाल सम्म त्यस्ता निर्देशन प्राप्त नभएको
संस्था वा सञ्चालक विरुद्ध अदालतमा कुनै मुद्दा चलिरहेको भए सो को विवरण	आन्तरिक राजस्व कार्यालयले संस्थाको वार्षिक लेखा परीक्षण प्रतिवेदनका आधारमा संस्थाको मूल्य अभिवृद्धि करको निर्धारण गरेकोमा सो विरुद्धको मुद्दा हाल राजस्व न्यायाधिकरणमा चलिरहेको । मुद्दा नं. २०७६ RB ०१४९ २०७६ RB ०१५० २०७६ RB ०१५१

परिपालना अधिकृतको नाम : नबीन घिसिङ

पद : प्लान्ट मेनेजर प्राविधिक सुपरिवेक्षक

संस्थाको छाप :

सोही मितिको संलग्न प्रतिवेदन अनुसार

सुबोध कुमार कर्ण  
यु एच वाई सुबोध एशोसिएट्स  
चार्टर्ड एकाउन्टेन्ट्स

नेपाल हाइड्रो डेभलपर लिमिटेडको

प्रबन्धपत्रमा प्रस्तावित संशोधन

(बाह्रौं, तेह्रौं, तथा चौधौं वार्षिक साधारण सभाको विशेष प्रस्ताव नं. ख (२) सँग सम्बन्धित)

दफा	साबिकको व्यवस्था	प्रस्तावित संशोधन	संशोधन गर्नुपर्ने कारण
६ (ख)	कम्पनीले तत्काल जारी गर्ने शेयर पूँजी रु. २६,००,००,०००।- (छव्विस करोड) हुनेछ जसमध्ये ६,५०,००,०००।- (छ करोड पचास लाख) बराबरको शेयर, सर्वसाधारण, आयोजना प्रभावित क्षेत्रका बासिन्दा र कर्मचारीहरूको लागि छुट्ट्याइएको छ।	कम्पनीको जारी पूँजी रु. २९,९०,००,०००।- (उनन्तीस करोड नब्बे लाख) हुनेछ। सो पूँजीलाई प्रति शेयर रु. १००।- का दरले २९,९०,००० कित्ता साधारण शेयरमा विभाजन गरिएको छ।	१५ प्रतिशत बोनस शेयर जारी गर्ने प्रस्ताव गरिएकोले।
६ (ग)	कम्पनीको संस्थापकहरूले तत्काल चुक्ता गर्न कबुल गरेको पूँजी रु. १९,५०,००,०००।- (उननाइस करोड पचास लाख) हुनेछ। सर्वसाधारण लाई छुट्ट्याइएको शेयर जारी गरे पश्चात कम्पनीको पूँजी रु. २६,००,००,०००।- (छव्विस करोड) हुनेछ।	कम्पनीको चुक्ता पूँजी रु. २९,९०,००,०००।- उनन्तीस करोड नब्बे लाख) हुनेछ। सो पूँजीलाई प्रति शेयर रु. १००।- का दरले २९,९०,००० कित्ता साधारण शेयरमा विभाजन गरिएको छ।	१५ प्रतिशत बोनस शेयर जारी गर्ने प्रस्ताव गरिएकोले।



# सञ्चालक समिति



श्री ज्ञानेन्द्र लाल प्रधान  
अध्यक्ष  
संस्थापक शेयरधनी



श्री पशुपती मुरारका  
सञ्चालक  
संस्थापक शेयरधनी



श्री कुमुद दुगड  
सञ्चालक  
संस्थापक शेयरधनी



श्रीमती पुजा अटल  
सञ्चालक  
सर्वसाधारण शेयरधनी



श्री शेष कुमार ढुंगाना  
प्रमुख कार्यकारी अधिकृत



श्री रमाकान्त मणी नेपाल  
कम्पनी सचिव

# संस्थामा कार्यरत कर्मठ कर्मचारीहरू





*Nepal Hydro Developer Limited.*



*Nepal Hydro Developer Limited.*

१२औं, १३औं र १४औं

# वार्षिक प्रतिवेदन

आ.व. २०७४/७५, ०७५/०७६, ०७६/७७

📍 कम्पनीको रजिस्टर्ड कार्यालय, डिल्लीबजार, काठमाडौं, नेपाल

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