

RajMS & Co., Chartered Accountants

Mitra Road C-11
Chakupat-10, Lalitpur
GPO Box 20189
Kathmandu, Nepal

Tel.: (977-1) 5260999/5260432
Email: rajms@wlink.com.np
admin@rajms.com

INDEPENDENT AUDITOR'S REPORT

To,
The shareholders of
Jagadulla Hydropower Company Limited
Kathmandu, Nepal

Opinion

We have audited the financial statements of **Jagadulla Hydropower Company Limited** which comprises of Statement of Financial position as at 32nd Ashadh 2079 (16 July 2022), and the statement of profit or loss and other comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the financial statements, including summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Jagadulla Hydropower Company Limited** as at 32nd Ashadh 2079 (16 July 2022), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters.



Key Audit Matter	The risk	How our audit addressed the matter
Applicability of IFRIC 12	The company has not applied provisions of IFRIC 12 while implementing Nepal Financial Reporting Standard (NFRS).	We review the applicability of IFRIC 12 in Nepal context and refer similar companies' annual report to see applicability of IFRIC 12. Most of the companies have not applied provisions of IFRIC 12. Therefore, we could not conclude about its applicability till formal instruction from Regulator.
Accounting software	The company uses Tally ERP 9 for accounting purposes which allow back date entry, deletion of an entry and modification of entry. Such accounting system might impact the reliability of financial transactions. We considered tally software as key audit matter as all the transactions are recorded here and overall financial presentation and reporting depends on it.	We inspected the documentation process whereby accounting vouchers generated were checked and verified, each supporting were also appropriately authorized by concerned employee. Tally is password protected and has limited access for unauthorized deletion and modification. Adjustment entries were properly authorized. We checked and reconciled the records maintained in Tally with the physical records maintained. Based on our result of testing on sampling basis, we have relied on the information generated by the software.

Responsibilities of Management for the financial statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with NASs, and for such internal control as the directors determine 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 the company's ability to continue as a operations or disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and events in a manner that achieves fair presentation.

Report on other legal and regulatory requirement

We have determined to communicate following matters in accordance with the requirement of Companies Act 2063 and other regulatory requirements:

- We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- The company has kept proper books of account as required by law, in so far as it appears from our examination of those books of account.
- The Statement of Financial Position, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity and summary of significant accounting policies and explanatory notes to the financial statements dealt by this report are in agreement with the books of account maintained by the company.
- In our opinion and to the best of our information and accordance to the explanations and from our examination of the books of account of the company, we have not come across the cases where board of directors or any office bearer have acted contrary to the provisions of law or committed any misappropriation or caused any loss or damage to the company.
- We have not come across any fraudulence in the accounts, so far as it appeared from our examination of the book, and
- The company has not acted in a manner to jeopardize the interest and security of the stakeholders.

M. Godar



CA. Mahesh Godar

Partner

RajMS & Co.,

Chartered Accountants

Date : 28/07/2079

Place : Lalitpur, Nepal

UDIN No.: 221114CA00347U9gVC

Jagdulla Hydropower Company Limited

BANESHWOR 10, KATHMANDU, NEPAL

STATEMENT OF FINANCIAL POSITION


As at 32nd Ashadh 2079 (16 July 2022)


Figures in NPR

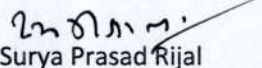
	Note	32.03.2079	31.03.2078
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	1	125,982,267.58	16,870,185.99
Intangible Assets	2	497,200.00	34,747.50
Total Non- Current Assets		126,479,467.58	16,904,933.49
Current Assets			
Prepayments and Advance Tax	3	1,614,701.62	852,681.11
Trade and Other Receivable	4	23,682,907.84	142,655,806.55
Cash and cash equivalents	5	263,875,012.13	95,236,960.10
Total Current Assets		289,172,621.59	238,745,447.76
Total Assets		415,652,089.17	255,650,381.25
EQUITY AND LIABILITIES			
Equity			
Share Capital	6	931,650,000.00	560,000,000.00
Advance Against Share		-	20,000,000.00
Retained Earnings and reserves		(538,094,353.07)	(363,093,286.62)
Total Equity		393,555,646.93	216,906,713.38
Liabilities			
Non Current Liabilities			
Provision	9	9,031,964.24	33,790,582.23
Total Non Current Liabilities		9,031,964.24	33,790,582.23
Current Liabilities			
Trade and Other payables	7	12,891,302.83	4,663,250.06
Deferred Tax Liabilities	8	173,175.17	289,835.58
Total Current Liabilities		13,064,478.00	4,953,085.64
Total Liabilities		22,096,442.24	38,743,667.87
Total Equity and Liabilities		415,652,089.17	255,650,381.25


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


As per our report of even date

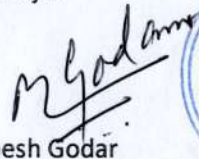

Parwat Krishna Pokharel
Account Officer


Prakash Adhikaree
Managing Director


Surya Prasad Rijal
Director


Arjun Kumar Gautam
Director


Chiranjeevee Chataut
Chairman


CA. Mahesh Godar
Partner
RajMS & Co.,
Chartered Accountants



Date: 28/07/2079

Place: Lalitpur, Nepal



Jagdulla Hydropower Company Limited

BANESHWOR 10, KATHMANDU, NEPAL

STATEMENT OF PROFIT OR LOSS

For the period from 1st Shrawan 2078 to 32nd Ashadh 2079

Figures in NPR


31.03.2078


Notes

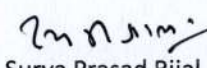
32.03.2079

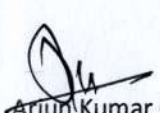
	Notes	32.03.2079	31.03.2078
Continuing Operations			
Revenue from Operations		-	-
Cost of Sales		-	-
Gross Profit		-	-
Other income	10	35,000.00	41,340.39
Administrative and operating expenses	11	(29,685,934.14)	(31,356,776.80)
Depreciation		(3,176,162.44)	(2,828,942.80)
Project Feasibility Expenses	12	(147,384,318.78)	(97,509,972.41)
Profit / (Loss) from Operations		(180,211,415.36)	(131,654,351.62)
Finance income	13	5,093,688.50	2,240,405.74
Finance Costs		-	-
Profit/ (Loss) Before Tax		(175,117,726.86)	(129,413,945.88)
Income Tax Expense			
Current Tax		-	-
Deferred Tax Income/(Expenses)		116,660.41	(50,657.00)
Profit / (Loss) from continuing operations		(175,001,066.45)	(129,464,602.88)
Net Profit/ (Loss) of Previous Year		(363,093,286.62)	(233,628,684.31)
Net Profit/ (Loss) for the year		(538,094,353.07)	(363,093,286.62)
Earning per share			
Basic		(18.78)	(23.12)
Diluted		(18.78)	(23.12)

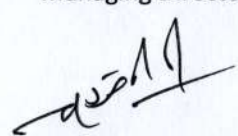
The accompanying notes are an integral part of these financial statements.



Parwat Krishna Pokharel
Account Officer


Prakash Adhikaree
Managing Director


Surya Prasad Rijal
Director


Arjun Kumar Gautam
Director


Chiranjeevee Chataut
Chairman


CA. Mahesh Godar
Partner
RajMS & Co.,
Chartered Accountants



Date: 28/07/2079
Place: Lalitpur, Nepal

Jagdulla Hydropower Company Limited

BANESHWOR 10, KATHMANDU, NEPAL

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the period from 1st Shrawan 2078 to 32nd Ashadh 2079

Figures in NPR

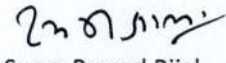
	Note	32.03.2079	31.03.2078
Net Profit/ (loss) for the year as per Profit or Loss statement		(538,094,353.07)	(363,093,286.62)
Other comprehensive income		-	-
Total Comprehensive gain/(loss) for the year, net of tax		(538,094,353.07)	(363,093,286.62)



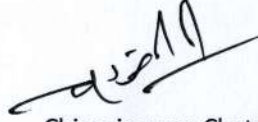
Parwat Krishna Pokharel
Account Officer



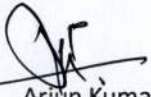
Prakash Adhikaree
Managing Director



Surya Prasad Rijal
Director



Chiranjeevee Chataut
Chairman



Arjun Kumar Gautam
Director



CA. Mahesh Godar
Partner
RajMS & Co.,
Chartered Accountants

Date: 28/07/2079
Place: Lalitpur, Nepal

Jagdulla Hydropower Company Limited

BANESHWOR 10, KATHMANDU, NEPAL


STATEMENT OF CASH FLOWS


For the period from 1st Shrawan 2078 to 32nd Ashadh 2079

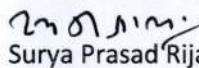
Figures in NPR

	32.03.2079	31.03.2078
CASH FLOWS FROM OPEARING ACTIVITIES		
Profit/(loss) for the Year	(175,001,066.45)	(129,464,602.31)
Adjustments for:		
Income Tax during the year	-	-
Depreciation on Property, Plant and Equipment	3,158,364.94	2,828,942.23
Deffer tax	(116,660.41)	50,657.00
Amortization on Intangible assets	17,797.50	17,797.50
Working capital adjustments		
(Increase)/ decrease in Trade and other receivables	7,102,483.71	10,598,535.75
(Increase)/ decrease in Prepayments/Advance Tax	(762,020.51)	(400,522.77)
Increase/ (decrease) in Trade and other payables	8,228,052.77	3,987,004.16
Increase/ (decrease) in Employee benefits	(24,758,617.99)	33,549,480.23
Cash generated from operations	(182,131,666.44)	(78,832,708.21)
Bonus Paid	-	-
Income Tax paid	-	-
NET CASH FLOWS FROM OPEARATING ACTIVITIES	(182,131,666.44)	(78,832,708.21)
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		
Acquisition of Property, Plant and Equipment	(400,033.09)	(3,336,610.46)
Interest Received	-	-
Purchase of Intangibles	(480,250.00)	(33,900.00)
Investment in Subsidiary and Associates	-	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(880,283.09)	(3,370,510.46)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital	351,650,000.00	80,000,000.00
Advance against share	-	20,000,000.00
NET CASH FLOWS FROM FINANCING ACTIVITIES	351,650,000.00	100,000,000.00
INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	168,638,050.47	17,796,781.33
CASH AND CASH EQUIVALENTS, Beginning of period	95,236,960.10	77,440,178.77
CASH AND CASH EQUIVALENTS, End of Period	263,875,012.13	95,236,960.10

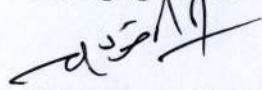
As per our report of even date

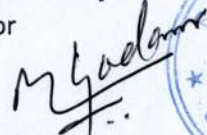

Parwat Krishna Pokharel
Account Officer


Prakash Adhikaree
Managing Director


Surya Prasad Rijal
Director


Arjun Kumar Gautam


Chiranjeevee Chataut
Chairman


CA. Mahesh Godar
Partner
RajMS & Co.,
Chartered Accountants



Date: 28/07/2079
Place: Lalitpur, Nepal

Jagdulla Hydropower Company Limited


BANESHWOR 10, KATHMANDU, NEPAL


STATEMENT OF CHANGES IN EQUITY

For the period from 1st Shrawan 2078 to 32nd Ashadh 2079

Figures in NPR

	Share capital	Retained earnings	Total
Balance as at 1st Shrawan 2077			
Profit for the year	480,000,000.00	(233,628,684.31)	246,371,315.69
Other comprehensive Income	-	-	-
Total Comprehensive Income	480,000,000.00	(233,628,684.31)	246,371,315.69
Dividends to shareholders	-	-	-
Balance as at 1st Shrawan 2078	580,000,000.00	(363,093,286.62)	216,906,713.38
Profit for the year	-	(175,001,066.45)	(175,001,066.45)
Other comprehensive Income	-	-	-
Total Comprehensive Income	-	(175,001,066.45)	-
Issue of Share Capital	351,650,000.00	-	-
Advance against share	-	-	-
Dividends to shareholders	-	-	-
Balance as at 31st Ashadh 2079	931,650,000.00	(538,094,353.07)	393,555,646.93


Parwat Krishna Pokharel
Account Officer

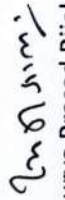

Atjuna Kumar Gautam
Director


Prakash Adhikaree
Managing Director


Chiranjeevee Chataut
Chairman

Date: 28/07/2079
Place: Lalitpur, Nepal




Surya Prasad Rijal
Director

CA. Mahesh Godar
Partner
RajMS & Co.,
Chartered Accountants



Jagdulla Hydropower Company Limited

BANESHWOR 10, KATHMANDU, NEPAL
As at 32nd Ashadh 2079 (16 July 2022)

NOTES to the financial statements

1 Property, Plant and Equipment											Figures in NPR
	Land	Buildings	Plant & Machinery	Office Equipment	Furniture and Fixture	Vehicle	Office Setup	Partition	Under Construction	Total	
Balance as at 1 Shrawan 2078	-	-	-	3,523,651.29	2,638,886.90	15,109,600.02	341,656.99	290,178.27	-	21,903,973.47	
Additions	111,870,415	-	-	337,551.09	62,482.00	-	-	-	-	112,270,447.62	
Transfer to PPE	-	-	-	-	-	-	-	-	-	-	
Revaluation and Adjustments	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	-	-	
Balance as at 32nd Ashadh 2079	111,870,415	-	-	3,861,202.38	2,701,368.90	15,109,600.02	341,656.99	290,178.27	-	134,174,421.09	
Depreciation and Impairment Losses											
Balance as at 1 Shrawan 2078	-	-	-	1,403,803.21	268,176.02	3,070,393.94	170,828.50	120,586.90	-	5,033,788.57	
Depreciation Charge for the year	-	-	-	976,393.59	253,494.30	1,795,020.48	85,414.25	48,042.33	-	3,158,364.94	
Transfer to PPE	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	-	-	
Balance as at 32nd Ashadh 2079	-	-	-	2,380,196.80	521,670.31	4,865,414.43	256,242.74	168,629.23	-	8,192,153.51	
Net Book Value											
At 1st Shrawan 2078	-	-	-	2,119,843.08	2,370,710.88	12,039,206.08	170,828.50	169,591.37	-	16,870,184.90	
Balance as at 32nd Ashadh 2079	111,870,415	-	-	1,481,005.58	2,179,698.59	10,244,185.59	85,414.25	121,549.04	-	125,982,267.58	



Handwritten signatures and initials are present in the right margin of the table, corresponding to the rows for 'Balance as at 32nd Ashadh 2079' and 'Net Book Value'.

Jagdulla Hydropower Company Limited

BANESHWOR 10, KATHMANDU, NEPAL

As at 32nd Ashadh 2079 (16 July 2022)

NOTES

to the financial statements

Figures in NPR

2 Intangible Assets	Accounting Software	MIS Software	Other	Total
Balance as at 1 Shrawan 2078	71,190	-	-	71,190
Additions	-	480,250.00	-	480,250.00
Transfer	-	-	-	-
Revaluation and Adjustments	-	-	-	-
Disposals	-	-	-	-
Balance as at 32nd Ashadh 2079	71,190.00	480,250.00	-	551,440.00
Ammortization				
Balance as at 1 Shrawan 2078	36,442.50	-	-	36,442.50
Amortization Charge for the year	17,797.50	-	-	17,797.50
Transfer	-	-	-	-
Disposals	-	-	-	-
Balance as at 32nd Ashadh 2079	54,240.00	-	-	54,240.00
Net Book Value				
At 1st Shrawan 2078	34,747.50	-	-	34,747.50
Balance as at 32nd Ashadh 2079	16,950.00	480,250.00	-	497,200.00

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Jagdulla Hydropower Company Limited

BANESHWOR 10, KATHMANDU, NEPAL

NOTES

to the financial statements

Figures in NPR

3 Prepayments and Advance Tax

	32.03.2079	31.03.2078
Advance Tax (Tax deducted by Everest Bank)	1,431,705.21	667,651.93
Prepaid Expenses	182,996.41	185,029.18
	1,614,701.62	852,681.11

4 Trade and other receivable

	32.03.2079	31.03.2078
Deposit in DoED	-	-
District Administrative Office Dolpa	17,362,715.82	129,233,130.35
Other Advanve	6,200,000.00	13,263,392.20
Deposit	112,125.00	112,125.00
Business Advance	-	-
CIT receivable	-	-
PF receivable	-	-
Account Receivable	8,067.02	47,159.00
	23,682,907.84	142,655,806.55

5 Cash and cash equivalent

	32.03.2079	31.03.2078
Everest bank Ltd # 00101103200003	933,930.02	100,001.00
Everest bank Ltd 00100105202140	22,906,942.11	95,096,723.10
Mega Bank Nepal Limited	70,000,000.00	
Nabil Bank Limited	50,000,000.00	
Century Commercial Bank Limited	120,000,000.00	
Cash in hand	34,140.00	40,236.00
	263,875,012.13	95,236,960.10

6 Share Capital

	32.03.2079	31.03.2078
Vidhyut Utpadan Company Limited	580,000,000.00	580,000,000.00
Government of karnali province	117,150,000.00	
Hydroelectricity investment and Development Company	234,300,000.00	
Village development Committee Mudkechula	200,000.00	
	931,650,000.00	580,000,000.00

7 Trade and Other Payables

	32.03.2079	31.03.2078
Withholding taxes Payable	957,855.83	541,337.70
VAT Payable	1,687,984.96	1,485,800.98
Salary and PF Payable	-	50,826.40
Audit Fee Payable	-	113,000.00
Accounts Payable	5,496,742.63	1,611,333.50
Insurance Payable	-	4,400.00
Meeting Allowance Payable	3,400.00	17,595.00
Retention	4,745,319.41	838,956.48
Vidhyut Utpadan Company Limited	-	-
	12,891,302.83	4,663,250.06



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8 Deffer Tax

	32.03.2079	31.03.2078
Deffer Tax Liabilities	173,175.17	289,835.58
	173,175.17	289,835.58

9 Provision

	32.03.2079	31.03.2078
Provision for Expenses	7,844,897.17	33,075,823.36
Staffs annual and sick Leave	1,187,067.07	714,758.87
	9,031,964.24	33,790,582.23

10 Other Income

	32.03.2079	31.03.2078
Miscelloneous income	-	3,340.39
Tendar Form Sale	35,000.00	38,000.00
	35,000.00	41,340.39

11 Administrative and other operating expenses

	32.03.2079	31.03.2078
Salary	7,193,255.05	5,846,525.94
Provident Fund Contribution	710,074.30	565,441.40
Allowance	6,625,159.13	7,592,506.63
Staff Uniform	252,101.20	245,580.00
Insurance Preimum - Employee	138,942.25	31,302.19
Travell and Perdiem- National	940,600.00	508,359.00
Travelling Expenses	1,092,753.33	403,064.22
House Rent	2,902,241.25	2,666,400.00
Printing and Stationery	267,232.15	221,403.25
Water and Electricity	170,680.00	99,850.00
Telephone and Internet	113,686.86	82,413.62
Fuel	701,131.47	401,738.73
Expendable office materials	220,498.60	606,125.02
Office Expenses	159,834.00	101,103.48
Repair and maintenace Equipment	63,777.26	73,097.99
Repair and maintenace Vehicle	714,659.57	282,593.27
Insurance Premium-Assets	209,004.49	153,984.13
Training and Development	258,105.72	191,571.00
Meeting Allowance	1,665,000.00	1,070,500.00
Support Staff Allowance	96,000.00	52,400.00
Meeting Expenses	205,798.35	81,345.50
Wages	262,800.00	-
Business Promotion Expenses	-	127,533.20
Audit Fee	259,900.00	175,150.00
Audit Expenses	43,568.00	7,200.00
Advertisement and Publicity	414,998.00	122,477.51
Annual General Meeting expenses	116,557.04	16,870.00
Consultancy Fee	913,900.00	8,505,117.76
License and Renewal Fee	2,227,405.00	139,180.00
Public Relation and guest Entertainment	18,682.76	76,244.44
Bank charge	530.00	190.00
Miscellaneous Expenses	254,750.16	267,769.45
Annual and Sick Leave	472,308.20	623,941.57
	29,685,934.14	31,338,979.30

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12 Project Feasibility study and License fee

	32.03.2079	31.03.2078
License Renewal Fee	15,307,100.00	-
Feasibility Study of jagdulla Hydro electric Project	-	61,107,932.58
Land Acquisition	-	43,777.27
Public Consultation	492,881.21	1,027,503.65
Pre- Fab Building	7,220,402.23	8,555,259.74
Test Adit Works	76,225,249.07	10,063,499.17
Bridge works	4,357,901.09	-
Power Purchase Expenses	-	712,000.00
Corporate Social Responsibility Programmee	1,591,074.53	-
New Project (Jagdulla II) detail Engineering Study	42,189,710.65	16,000,000.00
	147,384,318.78	97,509,972.41

13 Finance Income

	32.03.2079	31.03.2078
Interest from Bank accounts	5,093,688.50	2,240,405.74
	5,093,688.50	2,240,405.74

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Jagdulla Hydropower Company Limited

BANESHWOR 10, KATHMANDU, NEPAL

NOTES

to the financial statements

Figures in NPR

14.1 Withholding Tax Payable

	32.03.2079	31.03.2078
Party Tax Payable	680,498.17	388,061.12
Staffs Tax Payable	177,131.99	125,246.00
Social Security Tax Payable	7,937.00	8,603.36
Rental Tax Payable	30,308.67	5,222.22
Meeting Tax Payable	61,980.00	14,205.00
	957,855.83	541,337.70

14.2 Accounts Payable

	32.03.2079	31.03.2078
Suman Nakarmi	-	141,250.00
Shangrilla Marketing Pvt Ltd		4,995.00
Prem Prashad Pandey	7,920.00	7,920.00
Min Bhadur Thakali		7,920.00
Dev Shankar Rokaya	7,920.00	7,920.00
Shambhavi Stationery	2,399.24	2,399.24
Nepal Electric Solution Pvt Ltd	-	46,460.17
Lavious Décor	-	1,242,424.09
Tika Ram Regmi	-	150,000.00
Dipak Tahapa	37,950.00	-
Fedhi Khola laghu jalabidhuut Ayojana	262,481.97	-
Man Prashad Neupane	43,055.00	-
Mudkechula Gaupalika	829,189.06	-
Him Kumari yari	2,278.13	-
M/S Sherpa Hydro Construction P.Ltd	166,323.09	-
Ms Tirtha Kahanal	2,713.00	-
NEAC	3,819,428.77	-
Raj MS and Company	113,000.00	-
Ranjita Bhattarai (Acharya)	23,886.96	-
R Sapkota & Associate	28,250.00	-
S.T Mobile Zone	8,840.00	-
Village Highland Resort Pvt Ltd	141,107.41	-
Surendra Kumar Uprety		45.00
	5,496,742.63	1,611,333.50

14.3 Equity

	32.03.2079	31.03.2078
Share Capital	931,650,000.00	560,000,000.00
Advance Against Share	-	20,000,000.00
	931,650,000.00	580,000,000.00

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Jagdulla Hydropower Company Limited

Baneswor 10, Kathmandu

Calculation of Deferred Tax

Fiscal Year 2078-79

Deferred Tax Calculation	Fixed Assets	Provision for Leave Encashment
Tax Base	12,550,934.88	-
Accounting Base	14,609,053.05	1,187,067.07
Timing Difference resulting to Deferred Tax Liability	2,058,118.17	(1,187,067.07)
Tax Rate	20%	20%
Deferred Tax Liability - Closing Balance	411,623.63	(237,413.41)
Opening Deferred Tax Liability	433,822.40	(142,951.77)
Amount to be (debitted)/ credited to P/L Account	22,198.77	94,461.64
Net Deferred Tax Liability		116,660.41

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JAGDULLA HYDROPOWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity

Jagdulla Hydropower Company Limited (the Company) is a public limited company incorporated under the provisions of the Company Act, 2063 of Nepal on 2074.02.14 (28th May, 2017). The main objective of the company is to construct, develop, operate and manage Jagdulla Hydropower Project and other hydropower projects. The registered office of the Company is located at Budhanagar 10, Kathmandu, Nepal.

2. Basis of Accounting

The financial statements have been prepared and approved by the Board of directors in accordance with Nepal Financial Reporting Standards (NFRS) to the extent applicable and as published by the Accounting Standards Board (ASB) – Nepal. The financial statements have also been prepared in accordance with the requirement specified under the provisions of Company Act, 2063 of Nepal.

The Financial Statements were authorized for issue by the 95 resolution of the Board of Directors meeting on 2079/07/17 (2022/11/03).

3. Going Concern Basis of Accounting

The financial statements have been prepared on going concern basis, which assumes that the company will run for the foreseeable future and the company will be able to meet the mandatory repayment terms in future.

4. Accounting Conventions / fair value measurements

The financial statements have been prepared on a historical cost convention on the accrual basis. There are no items where fair value needs to be measured. The financial statements have been prepared on a going concern basis where the accounting policies and judgements as required by the standards are consistently used and in case of deviations disclosed specifically.

5. Presentation

For presentation of the statement of financial position, assets and liabilities have been bifurcated into current and non-current, by their respective maturities and are disclosed in the notes. The statement of profit or loss has been prepared using classification 'by function' method. The cash flows from operation within the statement of cash flows have been derived using the indirect method. The Statements of Changes in Equity has been prepared disclosing changes in each elements of equity.

5.1 Presentation currency

Financial statements are denominated in Nepalese Rupees, which is the functional and presentation currency of the Company.

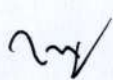
5.2 Current and Non-Current Distinction

Assets

Considering the nature of the assets held by the Company, all the assets are taken as current assets except 'Property, Plant & Equipment', which is classified as fixed assets.

Liabilities

Considering the nature of the liabilities held by the Company, liabilities are taken as current liabilities and long term liabilities.



5.3 Critical accounting estimates and judgements

The preparation of Financial Statements in line with NFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of Financial Statements and the reported amounts of revenue and expenses during the reporting period.

The management has made judgement, estimates and assumptions in preparing and presenting the financial statement. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised, and are applied prospectively. Disclosures of the accounting estimates have been included in the relevant sections of the notes wherever the estimates have been applied along with the nature and effect of changes of accounting estimates, if any.

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5.4 Financial Periods

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

Relevant Financial Statement	Nepalese Calendar Date/period	English Calendar Date/period
Statement of Financial Position	32-03-2079	16-07-2022
Comparative Statement of Financial Position Date	32-03-2079	16-07-2022
Statement of Profit or Loss, Statement of other comprehensive Income, Statement of Cash flows, Statement of Changes in Equity	01-04-2078 to 32-03-2079	16-07-2021 to 16-07-2022
Comparative Statement of Profit or Loss, Statement of other comprehensive Income, Statement of Cash flows, statement of changes in equity	01-04-2078 to 32-03-2079	16-07-2021 to 16-07-2022

5.5 Limitation of NFRS implementation

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

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JAGDULLA HYDROPOWER COMPANY LIMITED

BANESWOR 10, KATHMANDU, NEPAL
As at 32nd Ashadh 2079 (16 July 2022)

NOTES

to the financial statements

Figures in NPR										
1 Property, Plant and Equipment										
	Land	Buildings	Plant & Machinery	Office Equipment	Furniture and Fixture	Vehicle	Office Setup	Partition	Under Construction	Total
Balance as at 1 Shrawan 2078	-	-	-	3,523,551.29	2,638,886.90	15,109,600.02	341,656.99	290,178.27	-	21,903,973.47
Additions	111,870,415	-	-	337,551.09	62,482.00	-	-	-	-	112,270,447.62
Transfer to PPE	-	-	-	-	-	-	-	-	-	-
Revaluation and Adjustments	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 32nd Ashadh 2079	111,870,415	-	-	3,861,202.38	2,701,368.90	15,109,600.02	341,656.99	290,178.27	-	134,174,421.09
Depreciation and Impairment Losses										
Balance as at 1 Shrawan 2078	-	-	-	1,403,303.21	268,176.02	3,070,393.94	170,828.50	120,586.90	-	5,033,788.57
Depreciation Charge for the year	-	-	-	976,393.59	253,494.30	1,795,020.48	85,414.25	48,042.33	-	3,158,364.94
Transfer to PPE	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 32nd Ashadh 2079	-	-	-	2,380,196.80	521,670.31	4,865,414.43	256,242.74	168,629.23	-	8,192,153.51
Net Book Value										
At 1st Shrawan 2078	-	-	-	2,119,848.08	2,370,710.88	12,039,206.08	170,828.50	169,591.37	-	16,870,184.90
Balance as at 32nd Ashadh 2079	111,870,415	-	-	1,481,005.58	2,179,698.59	10,244,185.59	85,414.25	121,549.04	-	125,982,267.58

All property, plant and equipment are stated at cost less accumulated depreciation and impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits are associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred



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Note 1.1

Depreciation

Fixed assets of the company are depreciated on the straight line method to allocate their cost to their residual values over their estimated useful life as determined by the management at the following rates, residual values and their useful lives.

S.N	Nature of Assets	Depreciation Method	Depreciation Rate	Estimated useful life	Residual Value
1	Computers	Straight Line Method	31.67%	3 Years	5%
2	Office Equipment	Straight Line Method	19%	3 Years	5%
3	General Furniture and Fitting	Straight Line Method	9.5%	10 Years	5%
4	Motorcycle, Scooters and other Moped	Straight Line Method	11.88%	8 Years	5%
5	Motors, Lorries and Cars	Straight Line Method	11.88%	8 Years	5%



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JAGDULLA HYDROPOWER COMPANY LIMITED

BANESWOR 10 KATHMANDU, NEPAL
As at 32nd Ashad 2079 (16 July 2022)

NOTES to the financial statements

Figures in NPR

2 Intangible Assets	Accounting Software	MIS Software	Other	Total
Balance as at 1 Shrawan 2078	71,190	-	-	71,190
Additions	-	480,250.00	-	480,250.00
Transfer	-	-	-	-
Revaluation and Adjustments	-	-	-	-
Disposals	-	-	-	-
Balance as at 32nd Ashad 2079	71,190.00	480,250.00	-	551,440.00
Ammortization				
Balance as at 1 Shrawan 2078	36,442.50	-	-	36,442.50
Amortization Charge for the year	17,797.50	-	-	17,797.50
Transfer	-	-	-	-
Disposals	-	-	-	-
Balance as at 32nd Ashad 2079	54,240.00	-	-	54,240.00
Net Book Value				
At 1st Shrawan 2078	34,747.50	-	-	34,747.50
Balance as at 32nd Ashad 2079	16,950.00	480,250.00	-	497,200.00

Intangible assets of the company are amortized on the straight line basis over their estimated useful lives as per the life estimated by the management. As per the management estimation, the accounting software and MIS software is amortized in 4 years.



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JAGDULLA HYDROPOWER COMPANY LIMITED

Baneswor, Kathmandu

Calculation of Deferred Tax

Fiscal Year 2078-79

Note 2.1 Deferred tax asset/liability

Deferred Tax Calculation	Fixed Assets	Provision for Leave Encashment
Tax Base	12,550,934.88	-
Accounting Base	14,609,053.05	1,187,067.07
Timing Difference resulting to Deferred Tax Liability	2,058,118.17	(1,187,067.07)
Tax Rate	20%	20%
Deferred Tax Liability - Closing Balance	411,623.63	(237,413.41)
Opening Deferred Tax Liability	433,822.40	(142,951.77)
Amount to be (debited)/ credited to P/L Account	22,198.77	94,461.64
Net Deferred Tax Liability		116,660.41

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Jagdulla Hydropower Company Limited

BANESWOR 10, KATHMANDU, NEPAL

NOTES

to the financial statements

Figures in NPR

3 Prepayments and Advance Tax

	32.03.2079	31.03.2078
Advance Tax (Tax deducted by Everest Bank)	1,431,705.21	667,651.93
Prepaid Expenses	182,996.41	185,029.18
	1,614,701.62	852,681.11

Advance tax comprises of following:

The advance tax is the amount deducted by Bank as TDS (withholding tax @ 15%) while paying Interest on Call Accounts. Bank pays such amount to Inland Revenue Department (IRD) and submits details to IRD, such amount belongs to this company's tax.

Prepaid expenses is the prepaid insurance of the vehicle, insurance of employee, internet expense.

4 Trade and other receivable

	32.03.2079	31.03.2078
Deposit in DoED	-	-
District Administrative Office Dolpa	17,362,715.82	129,233,130.35
Other Advance	6,200,000.00	13,263,392.20
Deposit	112,125.00	112,125.00
Account Receivable	8,067.02	47,159.00
	23,682,907.84	142,655,806.55

Receivable from District Administrative Office Dolpa is the amount of advance provided to DAO Dolpa for land acquisition. Account receivable are the amount advance of staff.

5 Cash and cash equivalents

	32.03.2079	31.03.2078
Everest bank Ltd # 00101103200003	933,930.02	100,001.00
Everest bank Ltd 00100105202140	22,906,942.11	95,096,723.10
Mega Bank Nepal Limited	70,000,000.00	
Nabil Bank Limited	50,000,000.00	
Century Commercial Bank Limited	120,000,000.00	
Cash in hand	34,140.00	40,236.00
	263,875,012.13	95,236,960.10

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

Cash at bank represents the balance with "A" class commercial bank which is closely regulated by Nepal Rastra Bank. There has been no indication of impairment on these instruments.

6 Share Capital

	32.03.2079	31.03.2078
Vidhyut Utpadan Company Limited	580,000,000.00	580,000,000.00
Government of Karnali Province	117,150,000.00	
Hydroelectricity Investment and Development Company Limited	234,300,000.00	
Village Development Committee Mudkechula	200,000.00	
	931,650,000.00	580,000,000.00

Authorised Capital

80,000,000 Ordinary Shares of NPR 100 each

NPR 8,000,000,000

Issued Capital

71,000,000 Ordinary Shares of NPR 100 each

NPR 7,100,000,000

Subscribed & Paid Up Capital

Vidhyut Utpadan Company Limited 6,091,800 @ 100
Government of Karnali Province 1,171,500 @ 100

609,180,000
117,150,000

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Hydroelectricity Investment and Development Company Limited	234,300,000
2,343,000@100	
Nepal Electricity Authority 2108700@100	210,870,000
Rural Municipality 234,300@100	23,430,000
Total	1,194,930,000

(-) Calls In Arrears

Vidhyut Utpadan Company Limited 291,800 @100	29,180,000	
Government of Karnali Province	-	
Hydroelectricity Investment and Development Company Limited	-	
Nepal Electricity Authority 2108700@100	210,870,000	
Rural Municipality 232,300@100	23,230,000	
Total	263,280,000	931,650,000

Details of share Capital of the Company is as under:

As per the BOD meeting minute dated 2078/11/25, the decision has been made to call 33% of the subscribed shares from Vidhyut Utpadan Company Ltd, Hydroelectricity Investment and Development Company Limited, Nepal Electricity Authority, Government of Karnali Province, Local level (Jagdulla and Mudkechula Rural Municipality from which full amount has been received only from Government of Karnali Province and Hydroelectricity investment and Development Company Limited. but there is calls in arrears for remaining entities.

As per the provisions of Memorandum of Association of the Company, there is an arrangement to issue shares in the following proportion.

This arrangement will fully come into effect once the company makes public issue of shares.

Shareholder	%
Vidhyut Utpadan Company Ltd	26
Hydroelectricity Investment and Development Company Limited	10
Nepal Electricity Authority	9
Karnali Province	5
Local level (Jagdulla and Mudkechula Rural Municipality	1
General Public	33
Locals affected by the project	10
Local residents of transmission line affected area	3
Project employees	3
Total	100

7 Trade and Other Payables

	32.03.2079	31.03.2078
Withholding taxes Payable	957,855.83	541,337.70
VAT Payable	1,687,981.96	1,188,800.98
Salary and PF Payable	-	50,826.40
Audit Fee Payable	-	113,000.00
Accounts Payable	5,496,742.63	1,611,333.50
Insurance Payable	-	4,400.00
Meeting Allowance Payable	3,400.00	17,595.00
Retention	4,745,319.41	838,956.48
Vidhyut Utpadan Company Limited	-	-
	12,891,302.83	4,663,250.06

Trade and other payables include those payables which are to be paid within one year and hence these are classified and shown in Statement of Financial Position under Current Liabilities, as they meet the conditions to be current liabilities.

Withholding taxes payable comprises those taxes deducted at source by the company which are presented in note no. 13.1 and Accounts payable are presented in notes no. 13.2.

8 Deffer Tax

	32.03.2079	31.03.2078
Deffer Tax Liabilities	173,175.17	289,835.58
	173,175.17	289,835.58

Deferred tax liabilities has been created against timing difference between Depreciation and Provision for staffs unavailed annual and sick leave salary

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9 Retained earnings and reserves

	32.03.2079	31.03.2078
Opening Balance	(363,093,286.62)	(233,628,684.31)
Profit / Losses during the year	(175,332,657.52)	(129,464,602.31)
Closing Balance	(363,093,286.62)	(233,628,684.31)
	(538,425,944.14)	(363,093,286.62)

10 Provisions for Employee benefits

	32.03.2079	31.03.2078
Provision for Expenses	7,844,897.17	33,075,823.36
Staffs annual and sick Leave	1,187,067.07	714,758.87
Closing Balance	9,031,964.24	33,790,582.23

The unavailed sick and annual leave of staffs calculated on the basis of Karmachari Prasasan Biniyamawoli 2074 as per Nepali calendar year upto Ashad 2079.

11 Other Income

	32.03.2079	31.03.2078
Miscellaneous income	-	3,340.39
Tendar Form Sale	35,000.00	38,000.00
	35,000.00	41,340.39

The other income comprise of revenue from sale of tender forms of procurement process.

12 Administrative and other operating expenses

	32.03.2079	31.03.2078
Salary	7,193,255.05	5,846,525.94
Provident Fund Contribution	710,074.30	565,441.40
Allowance	6,625,159.13	7,592,506.63
Staff Uniform	252,101.20	245,580.00
Insurance Preimum - Employee	138,942.25	31,302.19
Travell and Perdiem- National	940,600.00	508,359.00
Travelling Expenses	1,092,753.33	403,064.22
House Rent	2,902,241.25	2,666,400.00
Printing and Stationery	267,232.15	221,403.25
Water and Electricity	170,680.00	99,850.00
Telephone and Internet	113,686.86	82,413.62
Fuel	701,131.47	401,738.73
Expendable office materials	220,498.60	606,125.02
Office Expenses	159,831.00	101,103.18
Repair and maintenance Equipment	63,777.26	73,097.99
Repair and maintenance Vehicle	714,659.57	282,593.27
Insurance Premium-Assets	209,004.49	153,984.13
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Support Staff Allowance	96,000.00	52,400.00
Meeting Expenses	205,798.35	81,345.50
Wages	262,800.00	-
Business Promotion Expenses	-	127,533.20
Audit Fee	259,900.00	175,150.00
Audit Expenses	43,568.00	7,200.00
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Public Relation and guest Entertainment	18,682.76	76,244.44
Bank charge	530.00	190.00
Miscellaneous Expenses	254,750.16	267,769.45
Annual and Sick Leave	472,308.20	623,941.57
	29,685,934.14	31,338,979.30

All the general administrative expenses are recognized when the Company is obligated to make the payments, either legally or constructively.

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13 Project Feasibility study and License fee

	32.03.2079	31.03.2078
License Renewal Fee	15,307,100.00	-
Feasibility Study of jagdulla Hydro electric Project	-	61,107,932.58
Land Acquisition	-	43,777.27
Public Consultation	492,881.21	1,027,503.65
Pre- Fab Building	7,220,402.23	8,555,259.74
Test Adit Works	76,225,249.07	10,063,499.17
Bridge works	4,357,901.09	-
Power Purchase Expenses	-	712,000.00
Corporate Social Responsibility Programmee	1,591,074.53	-
New Project (Jagdulla II) detail Engineering Study	42,189,710.65	16,000,000.00
	147,384,318.78	97,509,972.41

The License Renewal Fees includes Survey License Renewal, Generation License Fee and License Fee and renewal. Project Feasibility study and License fee has been incorporated in Statement of Profit or Loss in the head project feasibility study and license fee. Which will be capitalised after completion of Feasibility Study.

14 Finance Income

	32.03.2079	31.03.2078
Interest from Bank accounts	5,093,688.50	2,240,405.74
	5,093,688.50	2,240,405.74

Interest income constitutes of interest from call accounts as per bank rules, such Interest income from deposits with banks is recognized on the time proportion basis.

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JAGDULLA HYDROPOWER COMPANY LIMITED

BANESWOR 10, KATHMANDU, NEPAL

NOTES

to the financial statements

Figures in NPR

7.1 Withholding Tax Payable

	32.03.2079	31.03.2078
Party Tax Payable	680,498.17	388,061.12
Staffs Tax Payable	177,131.99	125,246.00
Social Security Tax Payable	7,937.00	8,603.36
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Meeting Tax Payable	61,980.00	14,205.00
	957,855.83	541,337.70

7.2 Accounts Payable

	32.03.2079	31.03.2078
Suman Nakarmi	-	141,250.00
Shangrilla Marketing Pvt Ltd		4,995.00
Prem Prashad Pandey	7,920.00	7,920.00
Min Bhadur Thakali		7,920.00
Dev Shankar Rokaya	7,920.00	7,920.00
Shambhavi Stationery	2,399.24	2,399.24
Nepal Electric Solution Pvt Ltd	-	46,460.17
Lavious Décor	-	1,242,424.09
Tika Ram Regmi	-	150,000.00
Dipak Tahapa	37,950.00	
Fedhi Khola laghu jalabidhuit Ayojana	262,481.97	
Man Prashad Neupane	13,055.00	
Mudkechula Gaupalika	829,189.06	
Him Kumari yari	2,278.13	
M/S Sherpa Hydro Construction P.Ltd	166,323.09	
Ms Tirtha Kahanal	2,713.00	
NEAC	3,819,428.77	
Raj MS and Company	113,000.00	
Ranjita Bhattarai (Acharya)	23,886.96	
R Sapkota & Associate	28,250.00	
S.T Mobile Zone	8,840.00	
Village Highland Resort Pvt Ltd	141,107.41	
Surendra Kumar Uprety		45.00
	5,496,742.63	1,611,333.50

15 Equity

	32.03.2079	31.03.2078
Share Capital	931,650,000.00	560,000,000.00
Advance Against Share	-	20,000,000.00
	931,650,000.00	580,000,000.00

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16. Income Tax

Policy

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

The company is still in the phase of construction because of which it has no obligation for current tax. The company has been granted 100% tax holiday for 10 years and 50% tax holiday for subsequent 5 years by the tax authorities under Income tax Act,2058. However, the company has provided for income tax liability pertaining to other incomes in accordance with the Income Tax Act,2058 enacted and as applicable in Nepal.

Explanatory Information

The Company has incurred losses during the year and there is no taxable income. Hence current tax has not been provided for the year.

Deffered tax liabilities has been created against timing difference between depreciation and provisions for staffs unvailed leave salary.

17 Financial Instruments- Financial Liabilities

Financial liabilities held by the company are non-interest bearing. The non-interest bearing instruments carrying value represents the amortized cost.

Financial liabilities of the company comprises of Withholding taxes payable, VAT payable, Accounts payable, Meeting allowance payable and Retention money payable. The amount has been initially recognized at cost and it is continued to carry at cost as the carrying amount is considered as approximate fair value to be paid.

Details of financial liabilities is presented as hereunder:

Descriptions	32.03.2079	31.03.2078
Withholding taxes Payable	957,855.83	541,337.70
VAT Payable	1,687,984.96	1,485,800.98
Salary and PF Payable	-	50,826.40
Audit Fee Payable	-	113,000.00
Accounts Payable	5,496,742.63	1,611,333.50
Insurance Payable	-	4,400.00
Meeting Allowance Payable	3,400.00	17,595.00
Retention	4,745,319.41	838,956.48
Total	12,891,302.83	4,663,250.06

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18. Earnings per share (EPS)

Particulars	32.03.2079	31.03.2078
Numerator		
Profit for the year and earning used in basic EPS	(175,332,657.52)	(129,464,602.88)
Earnings used in diluted EPS	(175,332,657.52)	(129,464,602.88)
Denominator		
Weighted average number of shares used in basic EPS	931,650,000.00	5,600,000.00
Weighted average number of shares used in diluted EPS	931,650,000.00	5,600,000.00
Basic and diluted earnings per share	(18.82)	(23.12)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is computed by dividing the net profit attributable to the ordinary and potential equity holders of the company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

There are no instruments, such as convertibles, that would require dilution of EPS, therefore diluted EPS and Basic EPS remains the same.

19. Related Party Transaction

There are no any related party transactions during the fiscal year .

Directors and their relatives

The total composition of Board of Directors as per the Articles of Association of the Company is seven however composition of Board of Directors is detailed as below:



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Name	Position
Mr. Chiranjeevee Chataut, Joint Secretary, Ministry of Energy, Water Resources and Irrigation	Chairman
Mr. Mahesh Rimal, Deputy General Manager, Rastriya Beema Sansthan	Director
Mr. Arjun Kumar Gautam, Chief Executive Officer, HIDCL	Director
Mr. Prakash Adhikaree	Independent Director/Managing Director

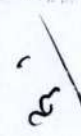


The company has not made public issue of shares, there is no representation in the Board from the public. Except for the following transactions the Company has not entered into any other transaction with directors or their relatives during the financial year 2078/079(2021/022).

Name	Position	Meeting Allowance	Date of appointment (Date of exit)
Mr. Hitendra Dev Shakya	Director	7,000	2077.11.12(2078.05.10)
Mr. Madhu Prashad Bhetuwal	Chairman	133,000.00	2078.04.11(2079.03.07)
Mr. Mahesh Rimal	Director	371,000.00	2078.05.21(2079.04.15)
Er. Prakash Adhikaree	Independent Director	105,000.00	2078.12.17
Arjun Kumar Gautam	Director	63,000.00	2079.01.05
Mr. Chiranjeevee Chataut	Chairman	28,000.00	2079.03.09

Key Management Personnel

The MD of the Company is considered to be the Key Management personnel. The company has not entered into any transaction (other than payment of salary and benefits) with the Key Management Personnel or their relatives during the year.

During the year Mr. Prakash Adhikaree, Managing Director of the company is paid salary and allowances as follows (Period: 2078 Chaitra 22 to Asar 2079)



Particulars	Amount
Salary with grade	179,666.70
PF Contribution by Employer	17,966.67
Responsibility Allowance	449,166.67
Local Transportation Allowance	
Dashain Allowance	55,661.00
Uniform Allowance	
Medical Allowance	14,972.22
Performance Allowance	

Upto 21st Chaitra 2078 Mr. Sanjaya Sapkota worked as Acting CEO and was paid salary and allowances as follows:

Particulars	Amount
Salary with grade	422,820.00
PF Contribution by Employer	42,282.00
Responsibility Allowance	1,011,470.00
Local Transportation Allowance	-
Dashain Allowance	47,380.00
Uniform Allowance	10,000.00
Medical Allowance	45,580.00
Performance Allowance	



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20. Events after reporting period

The Company monitors and assesses events that may have potential impact to qualify as adjusting and/or non-adjusting events after the end of the reporting period. All adjusting events are adjusted in the books with additional disclosures and non-adjusting material events are disclosed in the notes with possible financial impact, to the extent ascertainable.

There are no material events that have occurred subsequent to 16th July 2022 till the signing of this financial statement.

21 Foreign Currency Transactions

There are no foreign currency transactions incurred by the Company which needs to be disclosed or adjusted.

22. Segmental Reporting

The company is engaged solely in the business of development of Hydroelectric Projects and views this as the only reportable segment and therefore identification, classification and disclosure of separate reportable operating segments in accordance with NFRS 8 is not applicable.

23. Provisions and Contingencies

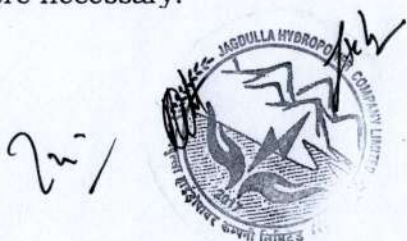
Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability. These are reviewed at each year end date and adjusted to reflect the best current estimate.

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

There are no contingent liabilities as on Ashad 32, 2079 (16th July 2022).

24. Comparative figures

Previous year figures have been reclassified/re-arranged/regrouped to facilitate fair comparison, where necessary.



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