

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Hydroelectricity Investment and Development Company Limited (HIDCL).

### Report on Consolidated Financial Statements

#### Opinion

We have audited the accompanying financial statements of Hydroelectricity Investment and Development Company Limited, (the "Company"), and its subsidiaries (collectively referred to as the "Group"), which comprise consolidated statement of financial position as at Ashadh 32, 2079 (16<sup>th</sup> July, 2022), consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to explanations provided to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at Ashadh End 2079 and its consolidated financial performance and its consolidated 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 consolidated financial statements section of our report. We are independent of the group in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants' together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated 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. We did not come across any matter that can be considered as Key Audit Matter.

#### Emphasis of Matter

##### *Right Share*

The company issued 1:1 right shares on 2078.04.05 however, 33,000,000 and 32,29,624 shares were not subscribed by promoter shareholders group of Ka-2 and general shareholders of sub group Kha, respectively. Thereafter, 33,000,000 unsubscribed shares of CIT, Rasriya Beema Sansthan and Employees Provident Fund and 32,29,624 unsubscribed shares of general public were decided to be auctioned out of which only 84,20,144 shares were auctioned till the end of financial year. Remaining shares are still unsubscribed till date of signing of this audit report.

##### *Rental Agreement with CIT*

As per section 30(3) of Corporate Governance Directives, issued by the Securities Board of Nepal, any listed company shall not enter into rental agreement with any person having financial interest, firm employees or consultants. However, the Company has entered into rental agreement with CIT - one of the promoter shareholders of the company - and has shifted its registered office from Hattisar to Baneshwor- CIT building.

Further, As per section 93 (1) of Companies Act, 2063 a public company requires approval from shareholder for any transactions with director or relatives, shareholder above the limit (lower of Rs 1 lakhs or 5% of net assets). However, Company has not taken approval from shareholders for the above transaction.



*Dr. Pradeep*



### *Investment in Fixed Deposit*

Out of interest income of Rs 152.29 crore for the FY 2078-79, the company has earned Rs 45.68 crores (30%) from loan to projects and Rs 106.5 crores (70%) is earned from interest on fixed and call deposits. This reflects that major portion of company's revenue is earned from passive investments.

Our opinion is not qualified in these matters.

### **Other Matters**

We did not audit the financial statements and other financial information of subsidiaries whose financial statements reflects total assets of Rs. 94.99 crore and net assets of Rs. 84.97 crore as at Ashadh 31, 2079 (16<sup>th</sup> July, 2022), net loss of Rs. 2.97 crore and net cash outflow of Rs. 5.74 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us by the management and our opinion on the financial statements in so far as it relates to the accounts and disclosures included in respect of these subsidiaries are based solely on the report of the other auditors.

### **Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements**

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with NSA's will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably expect to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risk of material misstatement of the consolidated financial statement whether due to fraud or error, design and perform audit procedure 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 one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude an appropriateness of management use of going concern basis of accounting and, based in audit evidence obtained, whether a material uncertainty exists related to events or condition that may cast significant doubt on the group's ability to continue as 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 consolidated 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 group to cease to continue as going concern.

- Evaluate the overall presentation, structure, and content of consolidated financial statement including the disclosures, and whether the consolidated financial statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We remain solely responsible for our audit opinion.

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

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


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

As per Companies Act 2063, based on our audit carried out on sampling basis, we report that, in our opinion:

- We have obtained information and explanations asked for, which, to the best knowledge and belief, were necessary for the purpose of our audit.
- In our opinion the company has kept proper books of accounts as required by law so far, as appears from our examination of those books.
- In our opinion, statement of financial position, profit or loss, other comprehensive income, changes in equity and cash flows, have been prepared in accordance with the requirements of the Companies Act, 2063 and are in agreement with the books of account maintained by the company.
- To the best of our information and according to explanation given to us and so far appeared from our examination of the books of account of the company, we have not come across cases where Board of Directors or any employees of the company have acted contrary to the provisions of law relating to the accounts or committed any misappropriation or caused loss or damage to the company.
- We have not come across any fraudulence in the accounts so far as it appears from our examination of the books of account.

The engagement partner on the audit resulting in this independent auditor's report is CA Sristi Koirala.

For B. & S. Associates  
Chartered Accountants



CA Sristi Koirala  
Partner  
COP: 909

Place: Kathmandu, Nepal

Date: 2079.08.29

UDIN: 221218CA01135I7G4s



**Hydroelectricity Investment And Development Company Limited**  
**Statement of Financial Position**  
As at 16 July 2022 (32 Ashad 2079)

Particulars	Explanatory Note	Group		Amount in NPR HIDCL	
		As at	As at	As at	As at
		32 Ashad 2079	31 Ashad 2078	32 Ashad 2079	31 Ashad 2078
<b>Assets</b>					
<b>Non current assets</b>					
Property, plant and equipment	1	913,931,058	721,424,605	8,328,343	8,112,855
Intangible assets	2	7,000,669	6,944,239	6,685,825	6,685,825
Right-of-use assets	3	77,976,468	-	77,976,468	-
<b>Financial Assets</b>					
Investment in subsidiary	4	-	-	886,270,000	756,270,000
Financial asset carried at FVTOCI	5	1,754,225,000	706,550,000	1,754,225,000	706,550,000
Financial asset carried at amortised ost	6	5,762,807,765	5,467,818,338	5,762,807,765	5,467,818,338
Deferred tax assets	7	2,702,303	3,172,237	3,351,063	3,643,291
<b>Total non current assets</b>		<b>8,518,643,263</b>	<b>6,905,909,419</b>	<b>8,499,644,464</b>	<b>6,949,080,308</b>
<b>Current assets</b>					
Inventory	8	364,593	382,393	134,118	164,175
<b>Fianancial Assets</b>					
Term deposits with bank	9	12,383,839,339	11,959,699,999	12,383,839,339	11,959,699,999
Other financial assets	10	1,203,835,911	53,762,540	1,203,835,911	52,335,063
Current tax assets	11	464,352,320	899,793,289	460,784,087	896,311,718
Other current assets	12	24,903,272	38,188,352	14,752,990	25,474,195
Cash and cash equivalent	13	909,075,180	240,595,048	880,503,334	154,612,142
<b>Total current assets</b>		<b>14,986,370,615</b>	<b>13,192,421,621</b>	<b>14,943,849,779</b>	<b>13,088,597,292</b>
Non current asset held for sale	14	2,614,229	2,296,309	2,614,228	-
<b>Total assets</b>		<b>23,507,628,107</b>	<b>20,100,627,349</b>	<b>23,446,108,471</b>	<b>20,037,677,600</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Paid up share capital	15	20,715,052,000	16,500,000,000	20,715,052,000	16,500,000,000
Retained earnings	16	674,506,203	806,393,140	711,028,858	813,121,971
Reserves	17	941,582,014	950,116,044	941,723,436	950,257,467
<b>Total Equity</b>		<b>22,331,140,217</b>	<b>18,256,509,184</b>	<b>22,367,804,294</b>	<b>18,263,379,438</b>
<b>Liabilities</b>					
<b>Non current liabilities</b>					
Provisions for employee benefits	18	5,580,124	7,381,912	4,212,241	6,001,209
Financial liability carried at amortised cost	19	410,400,922	1,247,491,395	410,400,922	1,247,491,395
Lease liabilities	20	78,926,627	-	78,926,627	-
<b>Current liabilities</b>					
Other liabilities	21	681,580,217	589,244,858	584,764,387	520,805,558
<b>Total equity and liabilities</b>		<b>23,507,628,107</b>	<b>20,100,627,349</b>	<b>23,446,108,471</b>	<b>20,037,677,600</b>

Schedules and explanatory notes forms integral part of financial statement

As per our report of even date

Ramesh Paneru  
Senior Manager - Finance

Arjun Kumar Gautam  
Chief Executive Officer

CA Sristi Koirala

B. & S. Associates  
Chartered Accountants

Sudhir Gewali  
Director

Meg Bahadur Bishwakarma  
Director

Jitendra Dhital  
Director

Nirmala Adhikari Bhattarai  
Director

Bhupal Baral  
Director

Dinesh Kumar Ghimire  
Chairman

Date: Mangsir 29, 2079  
Place: Kathmandu





**Hydroelectricity Investment And Development Company Limited**  
**Statement of Profit or Loss**  
For the year ended 16 July 2022 (32 Ashad 2079)

Particulars	Explanatory Note	Group		Amount in NPR HIDCL	
		For the period 2078-79	For the period 2077-78	For the period 2078-79	For the period 2077-78
<b>Revenue</b>					
Revenue from contract with customers	22	3,761,756	988,632	3,761,756	988,632
Interest income	23	1,529,976,463	1,289,560,910	1,529,290,234	1,287,232,924
Dividend Income	24	14,148,000	10,773,000	14,148,000	10,773,000
Other income	25	4,291,051	838,405	4,079,394	107,639
<b>Total revenue</b>		<b>1,552,177,270</b>	<b>1,302,160,947</b>	<b>1,551,279,384</b>	<b>1,299,102,195</b>
<b>Expenses</b>					
Employee benefit expense	26	115,353,001	95,752,097	103,343,633	88,641,834
Operating and Administrative Expenses	27	38,955,473	39,540,071	27,368,490	28,350,812
Finance Expenses	28	1,566,016	-	1,507,472	-
Depreciation and amortisation	29	10,984,517	9,637,125	4,220,304	3,337,072
Impairment	30	23,091,977	4,820,137	23,023,497	4,820,137
<b>Total expense</b>		<b>189,950,984</b>	<b>149,749,431</b>	<b>159,463,397</b>	<b>125,149,854</b>
<b>Profit before tax from continuing operation</b>		<b>1,362,226,286</b>	<b>1,152,411,516</b>	<b>1,391,815,987</b>	<b>1,173,952,341</b>
Current tax		433,694,651	374,623,131	433,694,651	374,623,131
Deferred tax expense / (income)	7	481,090	4,034	292,228	(325,597)
<b>Profit from continuing operations</b>		<b>928,050,545</b>	<b>777,784,351</b>	<b>957,829,108</b>	<b>799,654,807</b>
Profit from discontinued operations (Net of Tax)		-	28,251,096	-	-
<b>Net profit for the year</b>		<b>928,050,545</b>	<b>806,035,447</b>	<b>957,829,108</b>	<b>799,654,807</b>
<b>Earnings per share</b>					
Basic earnings per share		4.48	4.89	4.62	4.85
Diluted earnings per share		4.48	4.89	4.62	4.85

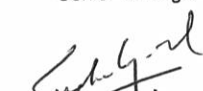
Schedules and explanatory notes forms integral part of financial statement


As per our report of even date

  
Ramesh Paneru  
Senior Manager - Finance


  
Arjun Kumar Gautam  
Chief Executive Officer

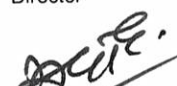
  
CA Sristi Koirala  
Partner  
B. & S. Associates  
Chartered Accountants

  
Sudhir Gewali  
Director

  
Meg Bahadur Bishwakarma  
Director

  
Jitendra Dhital  
Director

  
Nirmala Adhikari Bhattarai  
Director

  
Bhupal Baral  
Director

  
Dinesh Kumar Ghimire  
Chairman

Date: Mangsir 29, 2079  
Place: Kathmandu



**Hydroelectricity Investment And Development Company Limited**  
**Cash Flow Statement**  
For the year ended 16 July 2022 (32 Ashad 2079)

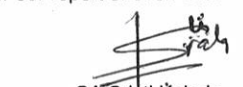
Particular	Group		Amount in NPR HIDCL	
	For the period 2078-79	For the period 2077-78	For the period 2078-79	For the period 2077-78
<b>Cash flows from operating activities</b>				
Profit after tax	928,035,286	806,035,447	957,829,108	799,654,806
<b>Adjustments for non-cash items and non operating adjustments</b>				
Depreciation & amortization of PPE	12,004,425	9,637,125	4,220,304	3,337,072
Depreciation on right of use Assets	1,478,750			
Loss (Gain) on disposal of assets	-		-	-
Dividend income	(14,148,000)	(10,773,000)	(14,148,000)	(10,773,000)
Interest income on investment	(7,219,726)	(7,200,000)	(7,219,726)	(7,200,000)
Prior period adjustment	-	42,255	-	42,255
Finance expenses on lease	1,507,472	-	1,507,472	
Leasehold property written off	3,250,110			
<b>Changes in Operating assets and Liabilities</b>				
Change in operating assets	(1,124,998,927)	(566,342,449)	(2,471,733,495)	(709,974,131)
Change in operating liabilities	(746,556,902)	62,757,710	(774,920,610)	65,708,971
<b>Net cash from operating activities</b>	<b>(946,647,512)</b>	<b>294,157,089</b>	<b>(2,304,464,947)</b>	<b>140,795,974</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(20,882,202)	(516,507,694)	(5,571,270)	(2,825)
Addition of capital WIP	(187,123,886)	-	-	-
Disposal of assets during the year	-	-	-	-
Prior period adjustment	-	8,952	-	8,952
Capital work in progress of intangible asset	-	(295,000)	-	(295,000)
Purchase of intangible assets	(129,250)	(263,100)		
Net cash outflow in investment in subsidiary	-	-	(130,000,000)	(300,000,000)
Dividend Income	14,148,000	10,773,000	14,148,000	10,773,000
Net cash flow from investment securities	(1,342,664,427)	(151,662,402)	-	(151,662,402)
Interest income on investment	7,219,726	7,200,000	7,219,726	7,200,000
<b>Net cash used in investing activities</b>	<b>(1,529,432,039)</b>	<b>(650,746,244)</b>	<b>(114,203,544)</b>	<b>(433,978,274)</b>
<b>Cash flows from financing activities</b>				
Lease paymnet under NFRS 16	(2,036,064)	-	(2,036,064)	
Issue of Share Capital	3,235,175,454	-	3,235,175,454	
Dividends paid to ordinary shareholders	(78,736,842)	-	(78,736,842)	-
Utilisation of reserve and surplus	(2,030,122)	(95,041,853)	(2,030,122)	(95,041,853)
Share Issue Expenses	(7,812,743)	(22,581,750)	(7,812,743)	(22,581,750)
<b>Net cash (used in)/from financing activities</b>	<b>3,144,559,683</b>	<b>(117,623,603)</b>	<b>3,144,559,683</b>	<b>(117,623,603)</b>
Net increase/(decrease) in cash and cash equivalents	668,480,131	(474,212,759)	725,891,192	(410,805,904)
Cash and cash equivalents at beginning of year	240,595,048	714,807,808	154,612,142	565,418,045
Effect of exchange rate changes on cash & cash equivalents				
<b>Cash and cash equivalents at end of year</b>	<b>909,075,180</b>	<b>240,595,048</b>	<b>880,503,334</b>	<b>154,612,142</b>

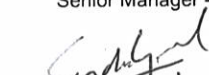
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As per our report of even date

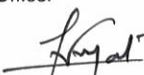
  
Ramesh Paneru  
Senior Manager - Finance


  
Arjun Kumar Gautam  
Chief Executive Officer


  
CA Sristi Koirala  
Partner  
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Chartered Accountants  
Kathmandu, 2071


  
Sudhir Gewali  
Director

  
Meg Bahadur Bishwakarma  
Director

  
Jitendra Dhital  
Director

  
Nirmala Adhikari Bhattarai  
Director

  
Bhupal Baral  
Director

  
Dinesh Kumar Ghimire  
Chairman

Date: Mangsir 29, 2079  
Place: Kathmandu





**Hydroelectricity Investment And Development Company Limited**  
**Statement of Comprehensive Income**  
For the year ended 16 July 2022 (32 Ashad 2079)


Amount in NPR


Particulars	Group		HIDCL	
	For the period 2078-79	For the period 2077-78	For the period 2078-79	For the period 2077-78
Profit or loss for the period	928,050,545	806,035,447	957,829,108	799,654,807
<b>Other comprehensive income</b>				
<b>a) Items that will not be reclassified to profit or loss</b>				
-Gains/(losses) from investments in equity instruments measured at fair value			-	-
-Gain/(loss) on revaluation	(26,415)		-	-
-Actuarial gain/loss on defined benefit plans	11,156		-	-
-Income tax relating to above items	(15,259)		-	-
<b>Net OCI that will not be reclassified to profit or loss</b>		-		
<b>b) Items that are or may be reclassified to profit or loss</b>				
-Gains/(losses) on cash flow hedge	-	-	-	-
Exchange gains/(losses)	-	-	-	-
-Income tax relating to above items	-	-	-	-
<b>Net OCI that are or may be reclassified to profit or loss</b>		-		
<b>Total Comprehensive Income for the period</b>	<b>928,035,286</b>	<b>806,035,447</b>	<b>957,829,108</b>	<b>799,654,807</b>

  
Ramesh Paneru  
Senior Manager - Finance

  
Arjun Kumar Gautam  
Chief Executive Officer

  
Sudhir Gewali  
Director

  
Meg Bahadur Bishwakarma  
Director

As per our report of even date  
  
CA Sristi Koirala  
Partner

  
Jitendra Phital  
Director

  
Nirmala Adhikari Bhattarai  
Director

  
Bhupal Baral  
Director

  
Dinesh Kumar Ghimire  
Chairman

B. & S. Associates  
Chartered Accountants  
Kathmandu  
Regd. No. 681

Date: Mangsir 29, 2079  
Place: Kathmandu



**Hydroelectricity Investment And Development Company Limited**  
**Consolidated Statement of Changes in Equity**  
For the year ended 16 July 2022 (32 Ashad 2079)

HIDCL									
Amount in NPR									
Particulars	Share Capital	Share Capital Premium	Retained earnings	General reserve	Loan Loss reserve	Deferred tax reserve	Fair Value Reserve	Actuarial Gain/Loss	Total
Balance at Shrawan 1, 2077	16,500,000,000	-	325,378,150	686,564,933	66,045,203	3,317,694	-	-	17,581,305,980
Adjustment/Restatement	-	-	42,255	-	-	-	-	-	42,255
Adjusted/Restated balance at Shrawan 1, 2077	16,500,000,000	-	325,420,406	686,564,933	66,045,203	3,317,694	-	-	17,581,348,235
Profit for the year	-	-	799,654,807	-	-	-	-	-	799,654,807
Transfer to reserve during the year	-	-	(194,329,638)	159,930,961	34,073,080	325,597	-	-	-
Transfer from reserve during the year	-	-	(92,717,147)	-	-	-	-	-	(92,717,147)
Prior period Taxes	-	-	50,275,294	-	-	-	-	-	50,275,294
Unclaimed Advance Taxes	-	-	-	-	-	-	-	-	-
Transactions with owners, directly recognised in equity	-	-	(22,581,750)	-	-	-	-	-	(22,581,750)
Share issued (right share issue expenses)	-	-	(52,600,000)	-	-	-	-	-	(52,600,000)
Direct Payment to Shareholders	-	-	813,121,972	846,495,894	100,118,283	3,643,291	-	-	18,263,379,439
Balance at Ashad end 2078	16,500,000,000	-	813,121,972	846,495,894	100,118,283	3,643,291	-	-	18,263,379,439
Balance at 1 Shrawan 2078	16,500,000,000	-	813,121,972	846,495,894	100,118,283	3,643,291	-	-	18,263,379,439
Adjustment/Restatement	-	-	-	-	-	-	-	-	-
Adjusted/Restated balance at 1 Shrawan 2078	16,500,000,000	-	813,121,972	846,495,894	100,118,283	3,643,291	-	-	18,263,379,439
Profit for the year	-	-	957,829,108	-	-	-	-	-	957,829,108
Gain /(losses) on revaluation	-	-	(236,957,385)	191,565,822	45,683,791	(292,228)	-	-	-
Transfer to reserve during the year	-	-	(2,030,122)	-	-	-	-	-	(2,030,122)
Prior period tax	-	-	-	-	-	-	-	-	-
Auction of the Unsubscribed right Shares	842,014,400	516,123,454	-	-	-	-	-	-	1,358,137,854
Transactions with owners, directly recognised in equity	-	-	-	-	-	-	-	-	-
Right shares issued	1,877,037,600	-	-	-	-	-	-	-	1,877,037,600
Right shares issue expenses	-	-	(7,812,743)	-	-	-	-	-	(7,812,743)
Bonus shares issued	1,496,000,000	-	(734,385,129)	(761,614,871)	-	-	-	-	(78,736,842)
Cash dividend paid	-	-	-	-	-	-	-	-	-
Balance at Ashad end 2079	20,715,052,000	516,123,454	711,028,858	276,446,845	145,802,074	3,351,063	-	-	22,367,804,294

As per our report of even date

Meg Bahadur Bishwakarma  
Director

Sudhir Gewali  
Director

Arjun Kumar Gautam  
Chief Executive Officer

**Nirmala Adhikari Bhattarai**  
**Director**

Dinesh Kumar Ghimire  
Chairman


**Bhupal Baral**  
Director

Date: Mangsir 29, 2079  
Place: Kathmandu




## For the year ended 16 July 2022 (32 Ashad 2079)

Particulars	Share Capital	Share Capital Premium	Retained earnings	General reserve	Loan Loss reserve	Deferred tax reserve	Fair Value Reserve	Actuarial Gain/Loss	Group
									Amount in NPR
Balance at Shrawan 1, 2077	16,500,000,000	-	312,268,678	686,564,933	66,045,203	3,176,271	-	-	17,568,055,085
Adjustment/Restatement	-	-	42,255	-	-	-	-	-	42,255
<b>Adjusted/Restated balance at Shrawan 1, 2077</b>	<b>16,500,000,000</b>	<b>-</b>	<b>312,310,934</b>	<b>686,564,933</b>	<b>66,045,203</b>	<b>3,176,271</b>	<b>-</b>	<b>-</b>	<b>17,568,097,341</b>
Profit for the year			806,035,446						806,035,446
Transfer to reserve during the year			(194,329,638)	159,930,961	34,073,080	325,597	-	-	-
Transfer from reserve during the year			(92,717,147)						(92,717,147)
Prior period Taxes			50,275,294						50,275,294
Unclaimed Advance Taxes									
<b>Transactions with owners, directly recognised in equity</b>									
Share issued (right share issue expenses)			(22,581,750)						(22,581,750)
Direct Payment to Shareholders			(52,600,000)						(52,600,000)
<b>Balance at Ashad end 2078</b>	<b>16,500,000,000</b>	<b>-</b>	<b>806,393,139</b>	<b>846,495,894</b>	<b>100,118,283</b>	<b>3,501,868</b>	<b>-</b>	<b>-</b>	<b>18,256,509,184</b>
<b>Balance at 1 Shrawan 2078</b>	<b>16,500,000,000</b>	<b>-</b>	<b>806,393,139</b>	<b>846,495,894</b>	<b>100,118,283</b>	<b>3,501,868</b>	<b>-</b>	<b>-</b>	<b>18,256,509,184</b>
Adjustment/Restatement	-	-	-	-	-	-	-	-	-
<b>Adjusted/Restated balance at 1 Shrawan 2078</b>	<b>16,500,000,000</b>	<b>-</b>	<b>806,393,139</b>	<b>846,495,894</b>	<b>100,118,283</b>	<b>3,501,868</b>	<b>-</b>	<b>-</b>	<b>18,256,509,184</b>
Profit for the year			928,035,286						928,035,286
Gain /(losses) on revaluation			(236,957,385)						-
Transfer to reserve during the year			(2,030,122)	191,565,822	45,683,791	(292,228)	-	-	-
Prior period tax									(2,030,122)
Auction of the Unsubscribed right Shares	842,014,400	516,123,454							1,358,137,854
<b>Transactions with owners, directly recognised in equity</b>									-
Right shares issued	1,877,037,600		-						1,877,037,600
Right shares issue expenses			(7,812,743)						(7,812,743)
Bonus shares issued	1,496,000,000		(734,385,129)	(761,614,871)					-
Cash dividend paid			(78,736,842)						(78,736,842)
<b>Balance at Ashad end 2079</b>	<b>20,715,052,000</b>	<b>516,123,454</b>	<b>674,506,202</b>	<b>276,446,845</b>	<b>145,802,074</b>	<b>3,209,641</b>	<b>-</b>	<b>-</b>	<b>22,331,140,216</b>

  
Ramesh Paneru  
Senior Manager - Finance

  
Arjun Kumar Gautam  
Chief Executive Officer

  
Jitendra Dhal  
Director

  
Nirmla Adhikari Bhattarai  
Director

  
Meg Bahadur Bishwakarma  
Director

  
Sudhir Gawali  
Director

  
Dinesh Kumar Ghimire  
Chairman

  
Bhupal Baral  
Director

As per our report of even date

*Wish*

CA Srisht Koirala  
B. & S. Associates  
Chartered Accountants

**B. & S. Associates**  
Chartered Accountants  
No. 687

Date: Mangsir 29, 2079  
Place: Kathmandu




**Hydroelectricity Investment and Development Company Limited**  
Notes forming part of the financial statements

**1 Property, plant and equipment**

Description	HIDCL					
	Amount in NPR					
	Land	Building	Leasehold Improvements	Furniture and Fixtures	Office Equipments	Vehicles Others TOTAL
<b>Gross Block</b>						
As at 15 July 2020	-	-	4,479,942	3,880,982	9,527,399	15,419,540 938,718 34,246,581
Additions	-	-	-	-	-	2,825
Adjustment (disposals and transfers)	-	-	-	-	-	-
As at 15 July 2021	-	-	4,479,942	3,880,982	9,527,399	15,419,540 941,543 34,249,406
Additions	-	-	4,059,049	61,125	1,444,655	- 6,441 5,571,270
Adjustment (disposals and transfers)	-	-	(4,479,942)	-	-	- (4,479,942)
As at 16 July 2022	-	-	4,059,049	3,942,107	10,972,054	15,419,540 947,984 35,340,734
<b>Accumulated depreciation</b>						
As at 15 July 2020	-	-	1,043,979	2,263,122	5,700,968	13,351,031 431,426 22,790,526
Prior period adjustment	-	-	(48,361)	9,604	49,829	(26,440) 24,321 8,952
Charge for the year	-	-	481,050	357,181	1,252,192	1,103,213 143,436 3,337,072
Impairment Charge	-	-	-	-	-	- - -
Attributable to sold/transferred/written off	-	-	-	-	-	- - -
As at 15 July 2021	-	-	1,476,668	2,629,908	7,002,989	14,427,804 599,182 26,136,550
Prior period adjustment	-	-	-	-	-	- - -
Charge for the year	-	-	390,178	350,817.03	1,187,205.36	677,763 135,591 2,741,554
Impairment Charge	-	-	-	-	-	- - -
Attributable to sold/transferred/written off	-	-	(1,865,713)	-	-	- (1,865,713)
As at 16 July 2022	-	-	1,132	2,980,725	8,190,194	15,105,566 734,773 27,012,391
<b>Net Book Value</b>						
As at 15 July 2020 (restated)	-	-	3,484,323	1,608,256	3,776,602	2,094,949 482,972 11,447,102
As at 15 July 2021	-	-	3,003,274	1,251,075	2,524,410	991,736 342,361 8,112,855
As at 16 July 2022	-	-	4,057,917	961,382	2,781,859	313,974 213,211 8,328,343

As per our report of even date

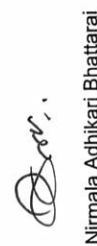
  
Ramesh Paneru  
Senior Manager - Finance

  
Arjun Kumar Gautam  
Chief Executive Officer


  
Sudhir Gwali  
Director

  
Meg Bahadur Bishwakarma  
Director

  
Jitendra Dhital  
Director

  
Nirmala Adhikari Bhattarai  
Director

  
Bhupal Baral  
Director

  
Dinesh Kumar Ghimire  
Chairman

  
CA Sristi Koirala  
Partner  
B. & S. Associates  
Chartered Accountants  
Kathmandu  
No. 681

Date: Mangsir 29, 2079  
Place: Kathmandu





Hydroelectricity Investment and Development Company Limited  
Notes forming part of the financial statements

1 Property, plant and equipment

Particulars	Group Amount in NPR			
	32 Ashad 2079	As at 31 Ashad 2078	As at 31 Ashad 2077	As at 31 Ashad 2078
Carrying amount of PPE	110,801,739	105,419,171	54,745,908	382,699,182
Capital work in progress	803,129,320	616,005,434	159,644,929	233,306,252
<b>Total</b>	<b>913,931,058</b>	<b>721,424,605</b>	<b>214,390,837</b>	<b>616,005,434</b>


1.1 Carrying amount of PPE


Description	Land	Building	Leasehold Improvements	Furniture and Fixtures	Office Equipments	Vehicles	Others	TOTAL
<b>Gross Block</b>	<b>6,734,719</b>	<b>6,713,833</b>	<b>7,129,563</b>	<b>6,163,780</b>	<b>12,837,836</b>	<b>40,961,115</b>	<b>1,843,775</b>	<b>82,384,622</b>
As at 15 July 2020	30,921,372	-	164,773	494,369	1,946,446	1,167,514	26,743,966	61,438,439
Additions	-	-	-	-	-	-	-	-
Adjustment (disposals and transfers)	-	-	-	-	-	-	-	-
As at 15 July 2021	<b>37,656,090</b>	<b>6,713,833</b>	<b>7,294,336</b>	<b>6,658,149</b>	<b>14,784,282</b>	<b>42,128,629</b>	<b>28,587,741</b>	<b>143,823,061</b>
Additions	12,856,589	-	5,301,331	757,659	1,741,561	-	378,708	21,035,847
Adjustment (disposals and transfers)	-	-	(7,293,246)	-	-	-	-	(7,293,246)
As at 16 July 2022	<b>50,512,679</b>	<b>6,713,833</b>	<b>5,302,421</b>	<b>7,415,808</b>	<b>16,525,843</b>	<b>42,128,629</b>	<b>28,966,449</b>	<b>157,565,662</b>


<b>Accumulated depreciation</b>								
As at 15 July 2020	-	149,912	1,790,788	2,829,280	6,317,754	15,562,732	988,248	27,638,714
Prior period adjustment	-	-	(48,361)	9,604	49,829	(26,440)	24,321	8,952
Charge for the year	-	335,692	1,021,330	718,586	3,632,220	4,808,264	389,023	10,905,114
Impairment Charge	-	-	-	-	-	-	-	-
Attributable to sold/transferred/written off	-	-	-	-	-	-	-	-
As at 15 July 2021	-	485,603	2,647,655	3,562,488	8,496,249	20,195,666	3,016,228	38,403,890
Prior period adjustment	-	-	-	-	-	-	-	-
Charge for the year	-	619,862	957,111	763,258.42	2,227,212.64	4,237,562	3,126,598	11,931,605
Impairment Charge	-	-	-	-	-	-	-	-
Attributable to sold/transferred/written off	-	-	(3,571,571)	-	-	-	-	(3,571,571)
As at 16 July 2022	-	<b>1,105,465</b>	<b>33,195</b>	<b>4,325,746</b>	<b>10,723,462</b>	<b>24,433,229</b>	<b>6,142,826</b>	<b>46,763,924</b>


<b>Net Book Value</b>								
As at 15 July 2020(restated)	6,734,719	6,563,921	5,338,775	3,334,500	6,520,082	25,398,383	855,527	54,745,908
As at 15 July 2021	37,656,090	6,228,230	4,646,681	3,095,661	6,288,033	21,932,963	25,571,513	105,419,171
As at 16 July 2022	<b>50,512,679</b>	<b>5,608,368</b>	<b>5,269,226</b>	<b>3,090,062</b>	<b>5,802,381</b>	<b>17,695,400</b>	<b>22,823,622</b>	<b>110,801,739</b>


As per our report of even date


  
 Ramesh Paneru  
 Senior Manager - Finance


  
 Anur Kumar Gautam  
 Chief Executive Officer

  
 Sudhir Gwali  
 Director

  
 Bhupal Baral  
 Director

  
 Dinesh Kumar Ghimire  
 Chairman

  
 Meg Bahadur Bishwakarma  
 Director

  
 B.S. Associates  
 Chartered Accountants



Date: Mangsir 29, 2079  
Place: Kathmandu

**Hydroelectricity Investment and Development Company Limited**  
Notes forming part of the financial statements

**2 Intangible Assets**

Particulars	Group		Amount in NPR HIDCL	
	As at	As at	As at	As at
	32 Ashad 2079	31 Ashad 2078	32 Ashad 2079	31 Ashad 2078
Carrying amount of Intangible Assets	314,844	258,414	-	-
Capital work in progress	6,685,825	6,685,825	6,685,825	6,685,825
<b>Total</b>	<b>7,000,669</b>	<b>6,944,239</b>	<b>6,685,825</b>	<b>6,685,825</b>

**2.1 Carrying Amount of Intangible Assets**

Particulars	Software	Website Development	Total	Software	Website Development	Total
<b>Cost of Intangible Asset</b>						
As at 15 July 2020	996,900	88,592	1,085,492	963,000	88,592	1,051,592.00
Additions during the year	263,100	-	263,100	-	-	-
Disposals during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
<b>As at 15 July 2021</b>	<b>1,260,000</b>	<b>88,592</b>	<b>1,348,592</b>	<b>963,000</b>	<b>88,592</b>	<b>1,051,592</b>
Additions during the year	129,250	-	129,250	-	-	-
Disposals during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
<b>As at 16 July 2022</b>	<b>1,389,250</b>	<b>88,592</b>	<b>1,477,842</b>	<b>963,000</b>	<b>88,592</b>	<b>1,051,592</b>
<b>Amortization and Impairment</b>						
As at 15 July 2020	978,325	88,592	1,066,917	963,000	88,592	1,051,592
Amortization charge for the year	23,261	-	23,261	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
<b>As at 15 July 2021</b>	<b>1,001,586</b>	<b>88,592</b>	<b>1,090,178</b>	<b>963,000</b>	<b>88,592</b>	<b>1,051,592</b>
Amortization charge for the year	72,820	-	72,820	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
<b>As at 16 July 2022</b>	<b>1,074,406</b>	<b>88,592</b>	<b>1,162,998</b>	<b>963,000</b>	<b>88,592</b>	<b>1,051,592</b>
<b>Net Carrying value of Intangible Asset</b>						
As at 15 July 2020	18,575	-	18,575	-	-	-
As at 15 July 2021	258,414	-	258,414	-	-	-
<b>As at 16 July 2022</b>	<b>314,844</b>	<b>-</b>	<b>314,844</b>	<b>-</b>	<b>-</b>	<b>-</b>

**2.2 Capital work in progress**

Particulars	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
<b>Opening Balance</b>	<b>6,685,825</b>	<b>6,390,825</b>	<b>6,685,825</b>	<b>6,390,825</b>
Additions during the year	-	295,000	-	295,000
Less: Capitalized during the year	-	-	-	-
<b>Closing Balance</b>	<b>6,685,825</b>	<b>6,685,825</b>	<b>6,685,825</b>	<b>6,685,825</b>

Cost of Capital WIP includes the cost incurred for the development and installation of ERP system for hydroelectricity investment and development company limited. It also includes the expenses incurred during the FY 2077-78 for system audit.

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**Hydroelectricity Investment and Development Company Limited**  
Notes forming part of the financial statements

**3 Right-of-use assets**

Particular	Group		Amount in NPR HIDCL	
	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
Right-of-use Assets	79,455,218	-	79,455,218	-
Less: Accumulated Amortization	1,478,750	-	1,478,750	-
<b>Total</b>	<b>77,976,468</b>	<b>-</b>	<b>77,976,468</b>	<b>-</b>

The company has shifted its office from hattisar to baneshwor (4th Floor of CIT Building). While recognizing the leased assets in books of accounts, company has followed NFRS -16 and recognized the right of use assets which will be amortized over the lease period on SLM Basis.

**4 Investment in subsidiary**

Particular	Amount in NPR HIDCL	
	As at 32 Ashad 2079	As at 31 Ashad 2078
<b>Investment in unquoted subsidiary</b>		
Remit Hydro Limited (5,350,000 shares of Rs 100 each ) (Out of which 1,300,000 shares were called during the year)	535,000,000	405,000,000
Simbuwa Remit Hydro Limited (3,512,700 shares of Rs 100 each ) No call is made during the Year	351,270,000	351,270,000
<b>Total</b>	<b>886,270,000</b>	<b>756,270,000</b>

Company does not have any non-controlling interest in the subsidiary

**5 Investment carried at fair value through OCI**

Particulars	Group		Amount in NPR HIDCL	
	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
Quoted equity securities	-	-	-	-
Unquoted equity securities	1,754,225,000	706,550,000	1,754,225,000	706,550,000
<b>Total</b>	<b>1,754,225,000</b>	<b>706,550,000</b>	<b>1,754,225,000</b>	<b>706,550,000</b>

Investment in unquoted equity	Current Year		Amount in NPR HIDCL	
	Cost	Fair Value	Previous Year Cost	Fair Value
Power Transmission Company Limited (630,000 Ordinary Shares of Rs.100 paid up )	56,000,000	63,000,000	56,000,000	63,000,000
Vidhyut Utpadan Company Limited (2,688,000 Ordinary Shares of Rs.100 paid up )	268,800,000	268,800,000	268,800,000	268,800,000
Nepal Power Trading Company Limited (22,500 Ordinary Shares of Rs.100 paid up )	2,250,000	2,250,000	2,250,000	2,250,000
NEA Engineering Company Ltd (150,000 Ordinary Shares of Rs.100 paid up )	22,500,000	25,875,000	22,500,000	22,500,000
Vision Energy And Power Private Limited (5,000,000 Ordinary Shares of Rs.100 paid up )	500,000,000	500,000,000	250,000,000	250,000,000
Vision Lumbini Urja Company Ltd (2,000,000 Ordinary Shares of Rs.100 paid up )	200,000,000	200,000,000	100,000,000	100,000,000
Jagadulla Hydropower Company Limited 2,343,000 Ordinary Shares of Rs.100 paid up )	234,300,000	234,300,000	-	-
Mewa Developers Ltd (4,600,000 Ordinary Shares of Rs.100 paid up )	460,000,000	460,000,000	-	-
<b>Total</b>	<b>1,743,850,000</b>	<b>1,754,225,000</b>	<b>699,550,000</b>	<b>706,550,000</b>



**Hydroelectricity Investment and Development Company Limited**  
Notes forming part of the financial statements

**6 Financial asset carried at Amortised Cost**

Particulars	Group		Amount in NPR	
	HIDCL		HIDCL	
	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
Investment in corporate bonds	87,219,726	83,609,863	87,219,726	83,609,863
Loan to power project	5,222,760,683	4,094,713,958	5,222,760,683	4,094,713,958
Staff loan	608,801	1,025,416	608,801	1,025,416
Deferred employee expenditure	144,774	204,862	144,774	204,862
On-lending	410,400,922	1,247,491,394	410,400,922	1,247,491,394
Investment work in progress	41,672,860	40,772,845	41,672,860	40,772,845
<b>Total</b>	<b>5,762,807,765</b>	<b>5,467,818,338</b>	<b>5,762,807,765</b>	<b>5,467,818,338</b>

**6.1 Investment in corporate bonds**

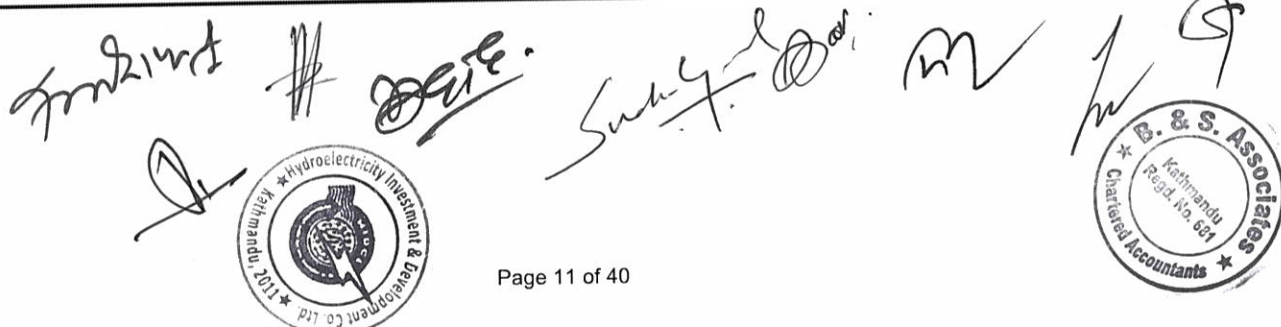
Particulars	Group		Amount in NPR	
	HIDCL		HIDCL	
	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
Corporate bond (debenture)	80,000,000	80,000,000	80,000,000	80,000,000
Interest receivable on bond	7,219,726	3,609,863	7,219,726	3,609,863
<b>Total</b>	<b>87,219,726</b>	<b>83,609,863</b>	<b>87,219,726</b>	<b>83,609,863</b>

**6.2 Loan to power projects**

Particulars	Group		Amount in NPR	
	HIDCL		HIDCL	
	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
Himalayan Power Partner Limited (Dordi Khola HEP)	589,258,200	491,088,813	589,258,200	491,088,813
Sahas Urja Limited (Solu Dudh Koshi HEP)	830,899,335	506,456,489	830,899,335	506,456,489
Swet Ganga Hydropower and Construcion Limited (Lower Likhu HEP)	829,769,813	544,335,058	829,769,813	544,335,058
Solu Hydro Power Limited ( Lower Solu HEP)	110,353,750	426,252,394	110,353,750	426,252,394
Mandu Hydropower Limited (Bagmati Small Power Project)	175,479,371	189,818,600	175,479,371	189,818,600
Mountain Energy Nepal Limited ( Mistri Khola HEP)	1,037,817,219	954,269,670	1,037,817,219	954,269,670
Nyadhi Hydropower Limmited (Nyadi Hydropower Project)	434,520,231	379,803,657	434,520,231	379,803,657
Upper Solu Hydroelectric Co. Limited ( Solu Hydroelectric Project)	217,641,021	198,847,860	217,641,021	198,847,860
Beni Hydropower Limited ( Upper Solu Hydropower Project)	180,988,449	132,082,909	180,988,449	132,082,909
Trishuli Jalvidyut Co. Limited (Upper Trisuli 3B Hydroelectric Project)	946,037,053	327,459,254	946,037,053	327,459,254
Upper Tamakoshi Hydropower Limited-456 Mw	1,100,000,000	-	1,100,000,000	-
Less: Current portion of loan to power projects				
Mandu Hydropower Limited (Bagmati Small Power Project)	14,340,000	14,340,000	14,340,000	14,340,000
Mountain Energy Nepal Limited ( Mistri Khola HEP)	54,955,000	-	54,955,000	-
Nyadhi Hydropower Limmited (Nyadi Hydropower Project)	4,932,000	-	4,932,000	-
Upper Solu Hydroelectric Co. Limited ( Solu Hydroelectric Project)	3,021,600	-	3,021,600	-
Upper Tamakoshi Hydropower Limited-456 Mw	1,100,000,000		1,100,000,000	
<b>Loan to power project (Non-Current)</b>	<b>5,275,515,842</b>	<b>4,136,074,705</b>	<b>5,275,515,842</b>	<b>4,136,074,705</b>
Less: Specific impairment	-	-	-	-
Less: Portfolio impairment	52,755,158	41,360,747	52,755,158	41,360,747
<b>Total</b>	<b>5,222,760,683</b>	<b>4,094,713,958</b>	<b>5,222,760,683</b>	<b>4,094,713,958</b>

**6.3 Staff Loan**

Particulars	Group		Amount in NPR	
	HIDCL		HIDCL	
	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
Staff loan	1,693,315	1,963,877	1,693,315	1,963,877
Less: current portion of staff loan	1,084,514	938,461	1,084,514	938,461
<b>Total</b>	<b>608,801</b>	<b>1,025,416</b>	<b>608,801</b>	<b>1,025,416</b>





**Hydroelectricity Investment and Development Company Limited**  
Notes forming part of the financial statements

6.4 On-lending Asset (to Kabeli Energy Limited)		Group		Amount in NPR HIDCL	
		As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
Particulars					
Opening balance		1,247,491,394	1,227,124,175	1,247,491,394	1,227,124,175
Add :Disbursement during the year		-	-	-	-
Add: Foreign exchange gain or loss		50,056,822	(13,259,862)	50,056,822	(13,259,862)
Add: Interest charged during the year		26,029,345	33,627,081	26,029,345	33,627,081
Less: Repayments during the Year		(913,176,640)	-	(913,176,640)	-
<b>Total</b>		<b>410,400,922</b>	<b>1,247,491,394</b>	<b>410,400,922</b>	<b>1,247,491,394</b>

6.5 Investment Work in Progress		Group		Amount in NPR HIDCL	
		As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
Particulars					
CWIP Madi Khola HEP		38,757,485	37,857,470	38,757,485	37,857,470
CWIP Tamor Khola HEP		2,915,375	2,915,375	2,915,375	2,915,375
<b>Total</b>		<b>41,672,860</b>	<b>40,772,845</b>	<b>41,672,860</b>	<b>40,772,845</b>

The expenditure incurred in acquisition of license, survey and other related expenses till the end of financial year is recognized as Capital Work in Progress. The detail information regarding the capital work in progress is as under.

Investment WIP- Madi Khola KHEP		As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
Opening CWIP		37,857,470.28	31,110,125.55	37,857,470	31,110,126
Add: Additions during the year		706,513.93	6,747,344.73	706,514	6,747,345
Less: Capitalized during the year		-	-	-	-
<b>Total</b>		<b>38,563,984</b>	<b>37,857,470</b>	<b>38,563,984</b>	<b>37,857,470</b>

Investmetn WIP-Tamor Khola HEP		As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
Opening CWIP		2,915,375.00	2,915,375.00	2,915,375	2,915,375
Add: Additions during the year		-	-	-	-
Less: Capitalized during the year		-	-	-	-
<b>Total</b>		<b>2,915,375</b>	<b>2,915,375</b>	<b>2,915,375</b>	<b>2,915,375</b>

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**Hydroelectricity Investment and Development Company Limited**  
Notes forming part of the financial statements

Amount in NPR  
HIDCL

**7 Deferred tax assets**

FY 2078-79	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Gratuity	925,821	(673,640)	-	252,180
Leave encashment	874,542	136,950	-	1,011,492
Lease liability	1,126,698	(841,650)	-	285,048
Financial assets held at FVTOCI	-	-	-	-
Property, plant and equipment	716,230	1,086,113	-	1,802,343
<b>Total of deferred tax assets</b>	<b>3,643,291</b>	<b>(292,228)</b>	<b>-</b>	<b>3,351,063</b>
Property, plant and equipment	-	-	-	-
Financial assets held at FVTOCI	-	-	-	-
<b>Total of deferred tax liability</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net deferred tax assets / (liability)</b>	<b>3,643,291</b>	<b>(292,228)</b>	<b>-</b>	<b>3,351,063</b>

FY 2077-78	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Gratuity	802,324	123,496	-	925,821
Leave encashment	754,324	120,218	-	874,542
Lease liability	963,533	163,165	-	1,126,698
Financial assets held at FVTOCI	-	-	-	-
Property, plant and equipment	797,512	(81,283)	-	716,230
<b>Total of deferred tax assets</b>	<b>3,317,694</b>	<b>325,597</b>	<b>-</b>	<b>3,643,291</b>
Property, plant and equipment	-	-	-	-
Financial assets held at FVTOCI	-	-	-	-
<b>Total of deferred tax liability</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net deferred tax liability</b>	<b>3,317,694</b>	<b>325,597</b>	<b>-</b>	<b>3,643,291</b>

Amount in NPR  
Group

FY 2078-79	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Gratuity	1,026,470	(774,289)	-	252,180
Leave encashment	1,065,834	285,852	11,156	1,362,842
Lease liability	1,126,698	(841,650)	-	285,048
Provision for Provident fund	3,453	(3,453)	-	-
Financial assets held at FVTOCI	-	-	-	-
Property, plant and equipment	716,230	1,086,113	-	1,802,343
<b>Total of deferred tax assets</b>	<b>3,938,686</b>	<b>(247,427)</b>	<b>11,156</b>	<b>3,702,414</b>
Property, plant and equipment	766,448	233,663	-	1,000,111
Financial assets held at FVTOCI	-	-	-	-
<b>Total of deferred tax liability</b>	<b>766,448</b>	<b>233,663</b>	<b>-</b>	<b>1,000,111</b>
<b>Net deferred tax asset/ (liability)</b>	<b>3,172,237</b>	<b>(481,090)</b>	<b>11,156</b>	<b>2,702,303</b>

FY 2077-78	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Gratuity	844,366	182,104	-	1,026,470
Leave encashment	754,324	311,511	-	1,065,834
Lease liability	963,533	163,165	-	1,126,698
Provision for Provident fund	-	3,453	-	3,453
Financial assets held at FVTOCI	-	-	-	-
Property, plant and equipment	797,512	(81,283)	-	716,230
<b>Total of deferred tax assets</b>	<b>797,512</b>	<b>578,950</b>	<b>-</b>	<b>3,938,686</b>
Property, plant and equipment	183,464	582,984	-	766,448
Financial assets held at FVTOCI	-	-	-	-
<b>Total of deferred tax liability</b>	<b>183,464</b>	<b>582,984</b>	<b>-</b>	<b>766,448</b>
<b>Net deferred tax liability</b>	<b>614,048</b>	<b>(4,034)</b>	<b>-</b>	<b>3,172,237</b>





**Hydroelectricity Investment and Development Company Limited**  
Notes forming part of the financial statements

**8 Inventory**

Particular	Group		Amount in NPR HIDCL	
	As at	As at	As at	As at
	32 Ashad 2079	31 Ashad 2078	32 Ashad 2079	31 Ashad 2078
Printing & stationery items	339,960	353,729	134,118	164,175
Kitchen Utensils	5,970	9,883	-	-
Cleaning & janitorial items	18,663	18,781	-	-
<b>Total</b>	<b>364,593</b>	<b>382,393</b>	<b>134,118</b>	<b>164,175</b>

**9 Term deposit with bank**

Particulars	Group		Amount in NPR HIDCL	
	As at	As at	As at	As at
	32 Ashad 2079	31 Ashad 2078	32 Ashad 2079	31 Ashad 2078
Term Deposit	12,380,000,000	11,920,000,000	12,380,000,000	11,920,000,000
Accrued Interest Receivables	3,839,339	39,699,999	3,839,339	39,699,999
<b>Total</b>	<b>12,383,839,339</b>	<b>11,959,699,999</b>	<b>12,383,839,339</b>	<b>11,959,699,999</b>

**10 Other financial asset**

Particular	Group		Amount in NPR HIDCL	
	As at	As at	As at	As at
	32 Ashad 2079	31 Ashad 2078	32 Ashad 2079	31 Ashad 2078
Loan to power project	1,202,751,397	51,396,603	1,202,751,397	51,396,603
Others	-	1,427,477	-	-
Staff loan	1,084,514	938,461	1,084,514	938,461
<b>Total</b>	<b>1,203,835,911</b>	<b>53,762,540</b>	<b>1,203,835,911</b>	<b>52,335,063</b>

**Loan to power project**

Particular	Group		Amount in NPR HIDCL	
	As at	As at	As at	As at
	32 Ashad 2079	31 Ashad 2078	32 Ashad 2079	31 Ashad 2078
Mandu Hydropower Limited (Bagmati Small Power Project)	14,340,000	14,340,000	14,340,000	14,340,000
Mountain Energy Nepal Limited (Mistri Khola HEP)	54,955,000	-	54,955,000	-
Nyadhi Hydropower Limited (Nyadi Hydropower Project)	4,932,000	-	4,932,000	-
Upper Solu Hydroelectric Co. Limited (Solu Hydroelectric Project)	3,021,600	-	3,021,600	-
Upper Tamakoshi Hydropower Limited-456 Mw	1,100,000,000	-	1,100,000,000	-
Less: Specific impairment	11,772,486	143,400	11,772,486	143,400
Less: Portfolio impairment	1,165,476,114	14,196,600	1,165,476,114	14,196,600
Add: Accrued Interest Receivable -Loan	37,275,283	37,200,003	37,275,283	37,200,003
<b>Total</b>	<b>1,202,751,397</b>	<b>51,396,603</b>	<b>1,202,751,397</b>	<b>51,396,603</b>

**11 Current tax assets**

Particular	Group		Amount in NPR HIDCL	
	As at	As at	As at	As at
	32 Ashad 2079	31 Ashad 2078	32 Ashad 2079	31 Ashad 2078
<b>Current tax assets</b>				
Current year income tax assets	900,077,093	1,277,036,336	896,508,861	1,270,934,849
Tax assets of prior periods	-	-	-	-
	<b>900,077,093</b>	<b>1,277,036,336</b>	<b>896,508,861</b>	<b>1,270,934,849</b>
<b>Current tax liabilities</b>				
Current year income tax liabilities	433,694,651	377,243,046	433,694,651	374,623,131
Tax liabilities of prior periods	2,030,122	-	2,030,122	-
	<b>435,724,773</b>	<b>377,243,046</b>	<b>435,724,773</b>	<b>374,623,131</b>
<b>Net current tax asset / (liability)</b>	<b>464,352,320</b>	<b>899,793,289</b>	<b>460,784,087</b>	<b>896,311,718</b>



**Hydroelectricity Investment and Development Company Limited**  
Notes forming part of the financial statements

**12 Other asset**

Particular	Group		Amount in NPR	
	HIDCL			
	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
Prepaid Expenses	162,755		150,042	-
Prepaid insurance	3,261,963	3,302,387	2,087,960	2,160,278
Advance for dividend	11,292,006	23,272,340	11,292,006	23,272,340
Advance-SMEC (Nepalese)	7,167,758	-	-	-
Advance-SMEC (Dollar)	2,508,953	-	-	-
Security Deposit	227,000	27,000	27,000	27,000
Receivable from Subsidiaries	-	-	1,152,532	-
Receivable from Staff	3,389	200,000		
Others	279,449	11,386,625	43,449	14,577
<b>Total</b>	<b>24,903,272</b>	<b>38,188,352</b>	<b>14,752,990</b>	<b>25,474,195</b>

**13 Cash and cash equivalent**

Particular	Group		Amount in NPR	
	HIDCL			
	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
Cash on hand			-	-
Balance with banks	909,075,180	240,595,048	880,503,333	154,612,142
<b>Total</b>	<b>909,075,180</b>	<b>240,595,048</b>	<b>880,503,333</b>	<b>154,612,142</b>

**14 Assets held for sale**

Particular	Group		Amount in NPR	
	HIDCL			
	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
Carrying amount	2,614,228	2,296,309	2,614,228	-
Fair value less cost to sell (as per management)		2,296,309	-	-
Lower of fair value less cost to sell and carrying amount	<b>2,614,228</b>	<b>2,296,309</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,614,228</b>	<b>2,296,309</b>	<b>2,614,228</b>	<b>-</b>












**Hydroelectricity Investment And Development Company Limited**  
Notes forming part of the financial statements

**15 Equity Share Capital**

Amount in NPR

Particulars	As at 32 Ashad 2079	As at 31 Ashad 2078
<b>Authorized Capital</b>		
500,000,000 Ordinary shares of Rs. 100 each share	50,000,000,000	50,000,000,000
<b>Issued capital</b>		
234,960,000 Ordinary shares of Rs. 100 each share (Previous Year 165,000,000 Ordinary shares of Rs.100 each share)	23,496,000,000	16,500,000,000
<b>Subscribed and paid up capital</b>		
207,150,520 Ordinary shares of Rs. 100 each share (Previous Year 165,000,000 Ordinary shares of Rs.100 each share)	20,715,052,000	16,500,000,000
<b>Total</b>	<b>20,715,052,000</b>	<b>16,500,000,000</b>

**15.1 Movement of share capital over the years**

Amount in NPR

Particulars	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 31 Ashad 2077
Opening share Capital	16,500,000,000	16,500,000,000	11,000,000,000
Add: Right Share Issue	-	-	5,500,000,000
Add: Bonus Share Issue	1,496,000,000	-	-
Add: Auction of unexercised right shares	2,719,052,000	-	-
<b>Total</b>	<b>20,715,052,000</b>	<b>16,500,000,000</b>	<b>16,500,000,000</b>

**15.2 Ordinary share ownership**

Amount in NPR

Name of Shareholders	Current Year		Previous Year	
	%	Amount	%	Amount
Ministry Of Finance	22.94%	4,752,000,000	26.67%	4,400,000,000
Ministry Of Energy	11.47%	2,376,000,000	13.33%	2,200,000,000
Ministry Of Law, Justice, Constitutional Assembly And Parliamentary Affairs	11.47%	2,376,000,000	13.33%	2,200,000,000
Office Of Comptroller General	11.47%	2,376,000,000	13.33%	2,200,000,000
Public Shareholders	22.94%	4,752,000,000	13.33%	2,200,000,000
Citizen Investment Trust	5.73%	1,188,000,000	6.67%	1,100,000,000
Employee Provident Fund	5.73%	1,188,000,000	6.67%	1,100,000,000
Rastriya Beema Sansthan	5.73%	1,188,000,000	6.67%	1,100,000,000
Promoters-Others	2.51%	519,052,000	0.00%	-
<b>Total</b>	<b>100%</b>	<b>20,715,052,000</b>	<b>100%</b>	<b>16,500,000,000</b>

**16 Retained Earnings**

Amount in NPR

Particular	Group		HIDCL	
	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
Balance at the beginning of the year	806,393,140	312,268,678	813,121,971	325,378,150
Prior period adjustment:				
Depreciation	-	(8,952)	-	(8,952)
Staff loan asset	-	51,208	-	51,208
<b>Restated balance</b>	<b>806,393,140</b>	<b>312,310,934</b>	<b>813,121,971</b>	<b>325,420,406</b>
Profit for the year	928,035,286	806,035,447	957,829,108	799,654,806
Transfer to reserve during the year	(236,957,385)	(194,329,638)	(236,957,385)	(194,329,638)
Bonus Share Issued	(734,385,129)		(734,385,129)	
Share issued (right share issue expenses)	(7,812,743)	(22,581,750)	(7,812,743)	(22,581,750)
Cash dividend paid	(78,736,842)		(78,736,842)	
Prior Period Tax	(2,030,122)	(92,717,147)	(2,030,122)	(92,717,147)
Unclaimed Advance Taxes	-	50,275,294	-	50,275,294
Direct Payment to shareholder*	-	(52,600,000)	-	(52,600,000)
<b>Total</b>	<b>674,506,203</b>	<b>806,393,140</b>	<b>711,028,858</b>	<b>813,121,971</b>

\* This refers to the payment made to the ministry of finance through the decision of 221st meeting of board of directors dated 2077.10.28.

**17 Reserves**

Amount in NPR

Particular	Group		HIDCL	
	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
General Reserve	276,446,845	846,495,894	276,446,845	846,495,894
Loan Guard Fund	145,802,074	100,118,283	145,802,074	100,118,283
Deferred Tax Reserve	3,209,641	3,501,868	3,351,063	3,643,291
Share Premium	516,123,454	-	516,123,454	-
<b>Total</b>	<b>941,582,013</b>	<b>950,116,044</b>	<b>941,723,436</b>	<b>950,257,467</b>



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**Hydroelectricity Investment And Development Company Limited**  
Notes forming part of the financial statements

**18 Provisions for employee benefits**

Particulars	Group		Amount in NPR	
	HIDCL		HIDCL	
	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
<b>Provision for employee benefits</b>				
Leave Encashment	4,739,522	3,839,285	3,371,640	2,915,140
Gratuity	840,602	3,542,628	840,602	3,086,070
<b>Total</b>	<b>5,580,124</b>	<b>7,381,912</b>	<b>4,212,241</b>	<b>6,001,209</b>

**19 Financial liability carried at amortised cost**

Particulars	Group		Amount in NPR	
	HIDCL		HIDCL	
	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
<b>On-lending</b>				
Opening balance	1,247,491,395	1,227,124,175	1,247,491,395	1,227,124,175
Add :Disbursement during the year	50,056,822	(13,259,862)	50,056,822	(13,259,862)
Add: Foreign Exchange Gain or Loss	26,029,345	33,627,082	26,029,345	33,627,082
Add: Interest Charged During the year	(913,176,640)	-	(913,176,640)	-
Less: Repayment of Interest During the year	410,400,922	1,247,491,395	410,400,922	1,247,491,395
<b>Total</b>				

**20 Lease liabilities**

Particulars	Group		Amount in NPR	
	HIDCL		HIDCL	
	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
Present Value of Lease Liability under NFRS-16	79,455,218	-	79,455,218	-
Add: Interest Expenses for the Period	1,507,472	-	1,507,472	-
Less: Paymnet During the Year	(2,036,064)	-	(2,036,064)	-
<b>Total</b>	<b>78,926,627</b>	<b>-</b>	<b>78,926,627</b>	<b>-</b>

The company has implemented the "NFRS 16 -Leases" in recognizing the right of use Assets towards the lease agreement of the new office building (4th floor of CIT Building at Baneshwor)

**21 Other liabilities**

Particular	Group		Amount in NPR	
	HIDCL		HIDCL	
	As at 32 Ashad 2079	As at 31 Ashad 2078	As at 32 Ashad 2079	As at 31 Ashad 2078
TDS Payable	2,575,936	697,283	1,473,555	696,068
Audit Fee Payable	1,178,972	1,176,466	711,900	621,500
Staff PF Payable	-	13,813	-	-
Salary Payable	274,870	31,802	273,970	31,802
Account Payable*	6,594,512	8,375,793	6,519,732	1,635,389
Dividends Payable (Public Shareholders)	126,881,500	138,861,833	126,881,500	138,861,833
Retention Money Deduction	17,270,378	20,463,859	573,260	366,544
Bid Bond Guarantee	8,000	8,000	8,000	8,000
Expenses Payable	169,500	169,500	169,500	169,500
Equalised lease rent payable	-	3,755,664	-	3,755,663
Consultancy Fee Payable	56,218,010	-	-	-
Provision for Counsultancy-GKHEP	17,189,279	40,742,167	-	-
VAT payable	434,426	382,077	382,632	142,394
Water and Expense Payable	4,400	-	-	-
Provision for Counsultancy-SMEC	4,843,010	-	-	-
Defined Benefit Obligation- Current	37,520	-	-	-
Employee bonus payable	447,899,904	374,566,603	447,770,338	374,516,866
<b>Total</b>	<b>681,580,217</b>	<b>589,244,858</b>	<b>584,764,387</b>	<b>520,805,558</b>

The company has written of the equalised lease liability related to the leasehold property at hattisar after the termination of lease agreement during the financial year.





**Hydroelectricity Investment And Development Company Limited**  
Notes forming part of the financial statements

22 Revenue From Contracts with Customer		Amount in NPR	
Particular	Group		HIDCL
	For the period 2078-79	For the period 2077-78	For the period 2078-79
Management Fees	3,152,467	400,000	3,152,467
Other Fee/LC Commission	609,289	588,632	609,289
<b>Total</b>	<b>3,761,756</b>	<b>988,632</b>	<b>3,761,756</b>

23 Interest income		Amount in NPR	
Particular	Group		HIDCL
	For the period 2078-79	For the period 2077-78	For the period 2078-79
Interest from Fixed Deposits	1,062,137,858	936,318,999	1,062,137,858
Interest from Call Deposits	3,636,296	5,123,556	2,950,067
Interest from Bond	7,219,726	7,200,000	7,219,726
Interest from Loan to Projects	456,837,914	340,730,796	456,837,914
Interest from Loan to Staff under NFRS	144,669	187,558	144,669
<b>Total</b>	<b>1,529,976,463</b>	<b>1,289,560,910</b>	<b>1,529,290,234</b>

24 Dividend Income		Amount in NPR	
Particular	Group		HIDCL
	For the period 2078-79	For the period 2077-78	For the period 2078-79
Dividend income	14,148,000	10,773,000	14,148,000
<b>Total</b>	<b>14,148,000</b>	<b>10,773,000</b>	<b>14,148,000</b>

25 Other income		Amount in NPR	
Particular	Group		HIDCL
	For the period 2078-79	For the period 2077-78	For the period 2078-79
Tender & Application Fees		27,000	-
Miscellaneous Income	529,388	743,366	323,731
Liabilities written off*	3,755,663	68,039	3,755,663
Deposit Received	6,000	-	-
<b>Total</b>	<b>4,291,051</b>	<b>838,405</b>	<b>4,079,394</b>

\* Liabilities written off of FY 2077-78 includes unidentified deposit of NPR 68,038.37 from previous years.  
\* Liabilities written off of FY 2078-79 includes written off of operating lease liabilities recognised for the leased building located at hattisar after shifting to new lease office at Baneshwor.

26 Employee benefit expense		Amount in NPR	
Particular	Group		HIDCL
	For the period 2078-79	For the period 2077-78	For the period 2078-79
<b>Short term-Employee Benefit Expenses</b>			
Salary	18,163,557	13,836,856	12,563,346
Allowance	8,606,308	7,279,790	6,701,676
Gratuity expense	1,507,445	1,284,801	979,211
Provident Fund	1,715,714	1,824,549	1,160,894
Leave Encashment Expenses	1,715,414	1,343,647	1,131,520
Force Leave Allowance	629,351	777,264	629,351
Staff Training	355,915	145,894	355,915
Incentives	1,322,875	1,244,900	394,500
Employee Insurance Expenses	3,571,434	2,245,529	3,296,880
Staff Welfare Expenses	2,467,145	2,502,950	1,362,843
Vehicle Facilities	1,337,500	1,350,000	1,337,500
Employee benefit expenses under NFRS			-
Current Period	99,690	128,951	99,690
Prior Period	76,835	-	76,835
<b>Subtotal</b>	<b>41,569,182</b>	<b>33,965,131</b>	<b>30,090,160</b>



# Hydroelectricity Investment And Development Company Limited

## Notes forming part of the financial statements

Staff Bonus	73,253,473	61,786,965	73,253,473	61,786,965
<b>Longterm-Employee Benefit Expenses</b>				
Defined Benefit Obligation	530,347	-	-	-

<b>Total</b>	<b>115,353,001</b>	<b>95,752,097</b>	<b>103,343,633</b>	<b>88,641,834</b>
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## 27 Operating and Administrative Expenses

Particular	Group		Amount in NPR	
	For the period 2078-79	For the period 2077-78	HIDCL For the period 2078-79	For the period 2077-78
Advertisement and Business Promotion	520,077	955,712	463,516	867,330
Annual General Meeting Expenses	1,325,977	1,194,757	1,169,056	1,021,624
Auditors' remuneration	1,909,064	1,672,914	957,429	875,750
Bank Commission And Charges	3,572	6,459	3,542	6,195
Board Meeting Expenses	139,801	280,229	139,801	184,140
Cleaning (Janitorial Services)	219,746	389,640	110,536	264,544
Consultancy Expenses	878,740	1,852,272	856,140	588,940
Corporate social responsibility expense	400,000	1,000,000	400,000	1,000,000
Directors' Meeting Allowances	1,899,000	2,650,000	1,484,000	2,650,000
Directors' Meeting Expense	203,957	211,051	87,892	211,051
Directors Meetings Fee/Allowances-Others	1,027,867	1,962,000	843,950	1,962,000
Documentray Preparation For Company Positioning	-	487,595	-	487,595
Fee, Rates & Taxes (Vehicle/Property Tax And Other Renewal Charges)	277,858	270,569	144,625	183,745
Fuel Expenses	913,233	939,735	688,038	735,537
Health And Safety	96,935	312,666	73,495	220,421
Insurance	1,293,645	450,016	123,797	148,102
Kitchen Utensil & Others	341,116	204,589	252,675	147,667
Legal Services Fee	476,800	745,750	296,200	300,000
Leasehold Improvement -Written off	3,181,630	-	-	-
Management Meeting Allowances	125,333	1,303,805	41,000	185,000
Management Meeting Expenses	478,744	885,365	460,099	714,230
Meeting Allwoance for Peoples Hydro Programme	-	799,693	-	266,193
Miscellaneous Operating Expenses	741,397	1,181,592	343,735	64,422
News Paper, Books and Journals	30,200	37,150	23,400	22,900
Operating lease expense	7,869,252	8,919,511	5,288,245	6,752,011
Other audit related Expense	39,095	221,204	-	121,220
Postage, Telex, Telephone, Fax	530,810	604,726	317,938	353,870
Printing and Stationery	532,529	771,144	459,049	595,293
Prior period Expenses	12,977	-	-	-
Project Appraisal Cost	90,000	716,000	90,000	716,000
Refreshment Expenses	468,246	262,510	468,246	262,510
<b>Repair and Maintenance</b>				
a) Building	700	546,286	-	38,728
b) Vehicle	773,071	1,173,964	539,045	656,503
c) Computer and accessories	479,184	166,905	174,609	166,905
d) Office equipment and furniture	100,626	121,267	100,626	27,685
e) Other	349,628	276,458	349,628	194,170
Security Expenses	1,094,662	1,109,115	850,582	651,465
Share management expense	6,171,214	2,179,890	6,171,214	2,179,890
Site office setup	178,097	-	-	-
Staff Recruitment Expenses	2,594,863	1,230,702	2,594,863	1,230,702
Travelling Allowances and Expenses	560,625	786,367	560,625	786,367
Water and Electricity	625,200	660,464	440,891	510,105
<b>Total</b>	<b>38,955,473</b>	<b>39,540,071</b>	<b>27,368,490</b>	<b>28,350,812</b>





**Hydroelectricity Investment And Development Company Limited**  
Notes forming part of the financial statements

28	Finance Expenses	Group		Amount in NPR HIDCL	
		For the period 2078-79	For the period 2077-78	For the period 2078-79	For the period 2077-78
	Particular				
	Interest Expense under NFRS -16	1,507,472	-	1,507,472	-
	Interest Cost	58,543	-	-	-
	<b>Total</b>	<b>1,566,016</b>	<b>-</b>	<b>1,507,472</b>	<b>-</b>

29	Depreciation and amortisation	Group		Amount in NPR HIDCL	
		For the period 2078-79	For the period 2077-78	For the period 2078-79	For the period 2077-78
	Particular				
	Depreciation of PPE	9,432,947	9,613,864	2,741,554	3,337,072
	Amortisation of Intangible Asset	72,820	23,261	-	-
	Depreciation Of Right-of-use Assets	1,478,750	-	1,478,750	-
	<b>Total</b>	<b>10,984,517</b>	<b>9,637,125</b>	<b>4,220,304</b>	<b>3,337,072</b>

30	Impairment	Group		Amount in NPR HIDCL	
		For the period 2078-79	For the period 2077-78	For the period 2078-79	For the period 2077-78
	Particular				
	Specific Impairment	-	-	-	-
	Portfolio Impairment	23,023,497	4,820,137	23,023,497	4,820,137
	PPE Impairment	68,480	-	-	-
	<b>Total</b>	<b>23,091,977</b>	<b>4,820,137</b>	<b>23,023,497</b>	<b>4,820,137</b>

31	Profit from Discontinued Operations	Group		Amount in NPR HIDCL	
		For the period 2078-79	For the period 2077-78	For the period 2078-79	For the period 2077-78
	Particular				
	Revenue from sale of SKHEP	-	143,404,493	-	-
	Cost of Sales	-	112,533,482	-	-
	<b>Gross profit</b>	<b>-</b>	<b>30,871,011</b>	<b>-</b>	<b>-</b>
	Other Operating Expenses	-	-	-	-
	Personnel Expenses	-	-	-	-
	<b>Profit Before Depreciation, Interest, and Tax</b>	<b>-</b>	<b>30,871,011</b>	<b>-</b>	<b>-</b>
	Depreciation & Amortisation	-	-	-	-
	<b>Profit Before Interest and Tax</b>	<b>-</b>	<b>30,871,011</b>	<b>-</b>	<b>-</b>
	Finance cost	-	-	-	-
	<b>Profit before Tax</b>	<b>-</b>	<b>30,871,011</b>	<b>-</b>	<b>-</b>
	Income Tax	-	2,619,915	-	-
	<b>Profit After Tax</b>	<b>-</b>	<b>28,251,096</b>	<b>-</b>	<b>-</b>

During the year 2076-77, RHL had classified Simbuwa Khola Hydroelectric Project as Asset Held For Sale as prescribed by NFRS 5 "Non- Current Asset Held For Sale" on the basis of MOU entered with a subsidiary company of HIDCL. The same has been sold during FY 2077-78 and gain / loss on the same has been booked under "Profit from Discontinued Operations". The income tax on such transaction is calculated after setting off the carried forward loss to the gain on such slump sale.

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## 1. Corporate Information

### 1.1 About Company

Hydroelectricity Investment and Development Company Limited here in after referred to as company (Previously known as Jalvidyut Lagani Tatha Vikas Company Limited) is a public limited company incorporated in Nepal through registration with the Office of The Company Registrar on 27<sup>th</sup> Ashad 2068 (11<sup>th</sup> July, 2011). Engaged in a mission to mobilize funds from domestic and international resources base to cater to the needs of investments in middle to mega hydroelectricity generation, transmission and distribution projects, renewal energy projects, offering timely and quality services to our customers and partners with integrity and professionalism, and creating value to our shareholders, company envisages to become the top investment company of the country in hydropower and renewal energy sector.

Company has two subsidiary Remit Hydro Limited and Simbuwa Remit Hydro Limited. HIDCL has 100% shareholding in both the companies.

### 1.2 Financial Statement

The Financial Statement of HIDCL (Group) and HIDCL comprises Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements and Significant Accounting Policies.

The primary financial statements of HIDCL (Group) and HIDCL for the year ended 32 Ashad 2079 have been drawn up consistent with the requirements of NAS 01 and the following key presentation decisions have been made:

#### A. Statement of Financial Position

The statement of financial position is presented in order of liquidity, with a distinction based on expectations regarding recovery or settlement within 12 months after the reporting date (no more than 12 months) and more than 12 months after the reporting date (more than 12 months), presented in the notes.

#### B. Statement of Profit or Loss and Statement of Other Comprehensive Income

The Company has elected to present comprehensive income in two separate statements, being the statement of profit or loss and the statement of Other Comprehensive Income. Information about the individual components of other comprehensive income (OCI) as well as the tax effects have been disclosed in the notes to the financial statements.

#### C. Statement of Changes in Equity

The Company presents its statement of changes in equity as part of its primary financial statements showing the following items: (a) net profit/loss for the period; (b) the amounts of transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners; and (c) for each component of equity a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing each change.

#### D. Statement of Cash Flows

The Company represents its operating cash flows based on the indirect method. For cash flow purposes, the company classifies the cash flows for the acquisition and disposal of financial assets as investing cash flows.

## 2. Responsibility for Financial Statements

The management is responsible for the preparation and presentation of Financial Statements of company as per the provisions of the Companies Act, 2063.

### Basis of Measurement

The Financial Statements of company have been prepared on the historical cost basis, except for the following material items in the Statement of Financial Position:



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- Financial assets at fair value through other comprehensive income (unquoted investments) are measured at cost value.
- Employee defined contribution plan of Gratuity and Leave Encashment are measured in accordance with provision contained in NAS 19.

### 3. Basis of preparation

#### a) Basis of Preparation

The financial information has been prepared under the historical cost convention, as modified by the revaluation of assets at fair value wherever the standard requires or the company opts the option given in the standards for such revaluation.

#### b) Compliance with NFRS

The Financial Statement of company which comprises components of Financial Statement mentioned above have been prepared in accordance with Nepal Financial Reporting Standards comprising of Nepal Financial Reporting Standards and Nepal Accounting Standards (hereafter referred as NFRS), laid down by the Institute of Chartered Accountants of Nepal (ICAN) and in compliance with the requirements of the Companies Act, 2063.

#### c) Reporting Period and Approval of Financial Statement

The Financial 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	English Calendar
Comparative reporting period	1 Shrawan 2077 – 31 Ashad 2078	16 July 2020 - 15 July 2021
NFRS SFP Date	32 Ashad 2079	16 July 2022
NFRS reporting period	1 Shrawan 2078 – 32 Ashad 2079	16 July 2021 - 16 July 2022

The accompanied Financial Statements have been authorized by the Board of Directors vide its 270<sup>th</sup> meeting dated 29<sup>th</sup> Mangsir, 2079.

#### d) Functional and Presentation Currency

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

#### e) Presentation of Financial Statement

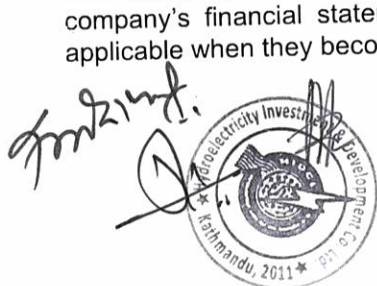
The assets and liabilities excepting non-financial asset and liabilities of company presented in the Statement of Financial Position are presented in the increasing order of liquidity i.e. less liquid to more liquid.

#### f) Materiality and Aggregation

In compliance with Nepal Accounting Standard - NAS 01 (Presentation of Financial Statements), each material class of similar items has been presented separately in the Financial Statements. Items of dissimilar nature or functions too are presented separately unless they are immaterial. Financial Assets and Financial Liabilities are offset, and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the Statement of Profit or Loss unless required or permitted by an Accounting Standard.

#### g) New Standard issued but not yet effective

The standards and interpretation that are issued, but not yet effective, up to the date of issuance of the company's financial statement are discussed below. The company intends to adopt these standards, if applicable when they become effective.



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## NFRS 9 – Financial Instrument

Classification and measurement: The classification and measurement of financial assets will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. These factors determine whether the financial assets are measured at amortized cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL'). In many instances, the classification and measurement outcomes will be similar to IAS 39, although differences will arise. The combined effect of the application of the business model and the contractual cash flow characteristics tests may result in some differences in the population of financial assets measured at amortized cost or fair value compared with IAS 39. The classification of financial liabilities is essentially unchanged. For certain liabilities measured at fair value, gains or losses relating to changes in the entity's own credit risk are to be included in other comprehensive income.

### h) **Materiality**

The Company for the preparation of financial statements determines materiality based on the nature or magnitude, or both. Materiality is a pervasive constraint in financial reporting because it is pertinent to all of the qualitative characteristics.

### i) **Discounting**

When the realization of assets and settlement of obligation is for more than one year, the company considers the discounting of such assets and liabilities where the impact is material, various internal and external factors have been considered for determining the discount rate to be applied to the cash flows of company.

### j) **Current and Non-Current Distinction**

### k) **Accounting policies, critical accounting estimates and Judgments**

Accounting Policies NFRS requires the company adopt accounting policies that are most appropriate to the company's circumstances- In determining and applying accounting policies, management is required to make judgments in respect to items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the company's reported financial position, results or cash flows. These accounting policies are consistently applied by the company.

Specific accounting policies have been included in the specific section of the notes for each items of financial statements which requires disclosures of accounting policies or changes in accounting policies. Effect and nature of the changes, if any, have been disclosed.

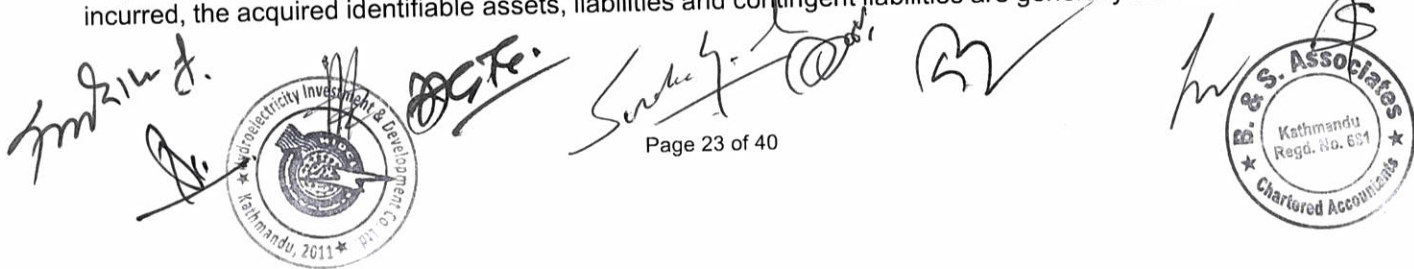
### l) **Going Concern**

The financial statements are prepared on a going concern basis, as the management of the company is satisfied that the company has the resources to continue in business for the foreseeable future. In making this assessment, the Management have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

### m) **Consolidation**

The company controls and consequently consolidates an entity when it it's exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Control is initially assessed based on consideration of all facts and circumstances, and is subsequently reassessed when there are significant changes to the initial setup Where an entity is governed by voting rights, the group would consolidate when it holds, directly or indirectly, the necessary voting rights to pass resolutions by the governing body, In all other cases, the assessment of control is more complex and requires judgment of other factors, including having exposure to variability of returns, power over the relevant activities or holding the power as agent or principal.

Business combinations are accounted for using the acquisition method the cost of an acquisition is measured at the fair value of the consideration, including contingent consideration, given at the date of exchange. Acquisition related costs are recognized as an expense in the income statement in the period in which they are incurred, the acquired identifiable assets, liabilities and contingent liabilities are generally measured at their fair

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values at the date of acquisition, Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of non-controlling Interest and the fair value of the group's previously held equity interest, if any, over (the net of the amounts of the identifiable assets acquired and the liabilities assumed).

The amount of non-controlling interest is measured either at fair value or at the non-controlling interest's proportional share of the acquirer's identifiable net assets for acquisitions achieved in stages, the previously held equity interest is re-measured at the acquisition-date fair value with the resulting gain or loss recognized in the income statement.

All intra-group transactions are eliminated on consolidation.

#### n) **Accounting Estimates and Judgment**

The preparation of the financial statements in accordance with NFRS requires the management to make judgments, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses, including contingencies and commitments. Due to the inherent uncertainty in making estimates, actual results reported in future periods may differ from those estimates. The estimates and the underlying assumptions are reviewed on ongoing basis based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances revision to accounting estimates are recognized in the period in which the estimates is revised, if the revision affects only that period; they are recognized in the period of revision and the future periods if the revision affects both current and future periods

The significant judgments made by management in applying the company's accounting policies and the key sources of estimation uncertainty in these financial statements, which together are deemed critical to the company's results and financial position, are given in the respective sections of the notes wherever they have been applied

- Impairment of loans and advances
- Valuation of financial instruments
- Provisions
- Estimation of useful life of property and equipment and intangible asset

#### 4. **Significant accounting policies and Notes to Accounts**

##### 4.1. **Property, Plant and Equipment**

###### **Recognition of Property, Plant and Equipment**

Property, Plant and equipment including owner-occupied property, is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Replacement or major inspection costs are capitalized when incurred, if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Depreciation of these assets commence when the assets are available for use, which is generally on commissioning and not when it is put to use. Items of Property, Plant and Equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives on a Straight-Line basis and recognized as an expense in the statement of profit or loss.

The assets' residual values, and useful lives and method of depreciation are reviewed and adjusted, if appropriate, at each financial year end and adjusted prospectively.

An item of property and equipment is derecognized upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition 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 or loss in the year the asset is derecognized.

###### **Recognition of Capital Work In Progress**

The expenditure incurred in acquisition of license, survey and other related expenses till the end of financial year is recognized as Capital Work in Progress.

#### A. Impairment of property, plant and equipment

The company applies NAS 36 Impairment of Assets to determine whether its asset have impaired. For the purpose of determination of Impairment Loss, the company treats each reportable segment as a separate Cash Generating Unit.

Any indication giving rise to circumstances that require a detailed impairment test has not occurred during the period and consequently no impairment loss has been charged on the company's property plant and equipment as on 31<sup>st</sup> Ashad 2078.

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

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

Useful life of property plant and equipment has been depreciated under the management's estimate of useful life of the particular class of assets. Assets are categorized in different class of assets according to their similar nature and characteristics. Useful life estimated by the management is as follows:

Asset Class	Useful Life
Office equipment	Upto 5 Years
Furniture and Fixtures	Upto 7 Years
Other Assets	Upto 5 Years
Motor Vehicle	Upto 7 Years
Leasehold	Upto 9 Years (not exceeding lease term)

#### 4.2. Intangible Assets (NAS-38)

##### Basis of recognition

Company's intangible asset comprises of accounting, policy servicing, human resource and administration related software which have been separately acquired and therefore measured on initial recognition at cost less any accumulated amortization.

##### Subsequent Expenditure

Subsequent to initial recognition, the intangible asset is carried at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure on intangibles are capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is charged to the statement of profit or loss when incurred.

##### Amortization

Software (Intangibles) has been classified as having definite useful life and are amortized over estimated useful life of concerned software. Estimation of the useful life is reviewed at each financial year end and changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the



asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates

Amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category consistent with the function of the intangible asset.

Amortization is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Estimated useful life of the software currently owned by the company has been determined at 5 years.

#### **De-recognition**

An intangible asset is de-recognized on disposal or when no future economic benefits are expected from it. The gain or loss arising from de-recognition of such intangible assets is included in the statement of profit or loss when the item is de-recognized.

#### **Impairment of Intangible Assets**

An impairment review is performed whenever there is an indication of impairment. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the statement of profit or loss.

#### **Assessment of impairment**

The management has assessed potential impairment indicators of Intangible assets as at 31 Ashad 2078. Based on the assessment, impairment indicators were not identified.

Software and website development have been separately recognized in the financial statement, until previous year under previous GAAP software were clubbed with the property plant and equipment.

### **4.3. Leases –NFRS 16**

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the 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 asset is (or those assets are) not explicitly specified in an arrangement.

#### **Company as a lessee**

##### **Recognition**

At the commencement date, a lessee shall recognize a right-of-use asset and a lease liability.

##### **Measurement**

##### **Initial measurement**

##### **Initial measurement of the right-of-use asset**

At the commencement date, a lessee shall measure the right-of-use asset at cost. The cost of the right-of-use asset shall comprise:

- (a) The amount of the initial measurement of the lease liability,
- (b) Any lease payments made at or before the commencement date, less any lease incentives received,
- (c) Any initial direct costs incurred by the lessee; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

##### **Initial measurement of the lease liability**

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the

lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) Fixed payments, less any lease incentives receivable;
- (b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement.
- (c) Amounts expected to be payable by the lessee under residual value guarantees;
- (d) The exercise price of a purchase option if the lessee is reasonably certain to exercise that option and
- (e) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an Option to terminate the lease.

### **Subsequent measurement**

#### **Subsequent measurement of the right-of-use asset**

After the commencement date, a lessee shall measure the right-of-use asset applying a cost model, unless it applies either of the other measurement models.

#### **Cost model**

While opting for the cost model, a lessee shall measure the right-of-use asset at cost:

- (a) Less any accumulated depreciation and any accumulated impairment losses; and
- (b) Adjusted for any measurement of the lease liability

#### **Other measurement models**

If a lessee applies the fair value model in NAS 40 Investment Property to its investment property, the lessee shall also apply that fair value model to right-of-use assets that meet the definition of investment property in NAS 40.

If right-of-use assets relate to a class of property, plant and equipment to which the lessee applies the revaluation model in NAS 16, a lessee may elect to apply that revaluation model to all of the right-of-use Assets that relate to that class of property, plant and equipment.

#### **Subsequent measurement of the lease liability**

After the commencement date, a lessee shall measure the lease liability by:

- (a) Increasing the carrying amount to reflect interest on the lease liability;
- (b) Reducing the carrying amount to reflect the lease payments made; and
- (c) Premeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments

Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate or if applicable the revised discount rate

After the commencement date, a lessee shall recognize in profit or loss, unless the costs are included in the carrying amount of another asset applying other applicable Standards, both:

- (a) Interest on the lease liability; and
- (b) Variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.





#### 4.4. Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except;

a) When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

#### Deferred Tax Assets and Deferred Tax liabilities

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

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

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

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

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

#### 4.5. Financial Instruments (NFRS-9)

A financial instrument is any contract that gives rise to a financial asset or of one entity and a financial liability or equity instrument of another entity.

##### 4.5.1 Financial assets

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

- a) Financial investment measured at amortized cost
- b) Financial investment at fair value through other comprehensive income. (FVOCI).
- c) Financial investment at fair value through profit and loss (FVTPL)

##### a) Financial investment measured at amortized cost

Financial assets at amortized cost include those non derivative financial assets (debt instruments) that are held by the entity for long term purpose and intend to hold till maturity.

Staff loan



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The loan is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. The Loan is amortized using the effective interest rate @ 7%. Difference between amortized cost of loan and book value at the time of initial recognition has been recognized as Unwinding interest on staff loan. Interest income on the amortized cost of the loan using effective interest rate has been included under income with corresponding amount being expenses as employee benefit cost.

#### **On- lending**

COMPANY has been the Intermediary for On-Lending to Kabeli Energy Limited. It receives fund from government of Nepal and disburses to Kabeli Energy Limited. All interest collected from Kabeli Energy Limited is paid to Government. The details of the movements receivable and payable for On-Lending transactions are given as under.

These assets have been classified as Financial instrument measured at Amortized Cost as these assets are held with an objective to collect their contractual cash flows rather than to sell the assets prior to their contractual maturity dates (business model test), and the contractual terms of these financial assets give rise to cash flows that are solely payments of principal & interest (SPPI) on the outstanding principal amount. Staff Loan has not been restated at fair value due to the materiality consideration.

#### **Impairment of financial investment carried at amortized cost**

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the loss is recorded in the statement of Profit or Loss.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment. The impairment assessment is performed at each reporting date.

If, in a subsequent period, the amount of the impairment loss decreases and that decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statement of profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

There has been no impairment of financial assets measured at amortized cost for the reporting period other than Loan to power project.

#### **b) Financial investment at fair value through other comprehensive income**

##### **Recognition of Financial investment at fair value through other comprehensive income**

The company classifies debt instruments that meet the cash flow characteristic tests (SPPI) those are not designated at Fair Value through Profit or Loss (FVTPL) as Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI) if it is held with an objective to hold in order to collect contractual cash flows and sell the financial assets.

##### **Impairment of financial investment at fair value through OCI**

If a fair value through OCI financial asset is impaired, an amount comprising the difference between its costs (net of any principal repayment and amortization) and its current fair value, less any impairment loss previously recognized in other comprehensive income, is transferred from equity to the statement of profit or loss. Reversals in respect of equity instruments classified as fair value through OCI are not recognized in the statement of profit or loss.



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Reversals of impairment losses on debt instruments classified at fair value through OCI are reversed through the statement of profit or loss, if the increase in the fair value of the instruments can be objectively related to an event occurring after the impairment losses were recognized in the statement of profit or loss.

**c) Financial investment at fair value through profit and loss**

**Recognition of financial investment at fair value through profit and loss**

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Investments typically bought with the intention to sell in the near future are classified as held for trading. Attributable transaction costs are recognized in the statement of profit or loss as incurred. These investments are initially recorded at fair value. Subsequent to initial recognition, they are re-measured at fair value.

Dividend income and gain/loss on disposal of financial assets measured at FVTPL are recognized in profit or loss for the period.

The company does not hold any debt instruments that meet the above criteria and has not designated any of the equity investments to be measured at FVTPL.

**4.5.2 Financial Liability**

A Financial Liability is any liability that is:

**a) Contractual obligation:**

To deliver cash or another financial asset to another entity.

To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to entity.

**b) A contract that will or may be settled in the entity's own equity instrument and is:**

i) A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments or

ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instrument.

**4.6. Inventory**

As per NAS-2, Inventories are recognized at lower of net realizable value or cost. Inventories primarily consist of printing & stationery items, repair & maintenance items and cleaning and janitorial items.

**4.7. Other Financial Asset**

Financial Asset other than financial asset at amortized cost, financial asset at fair value through other comprehensive income, financial asset at fair value through profit & loss and cash & equivalent is categorized as other financial asset. These assets include accrued income on bank deposits and loans.

**Impairment of Financial Asset**

Company assesses recoverability of other financial asset and when it becomes doubtful for the recovery, company impair these financial assets as bad debt.

**De-recognition of financial assets**

De-recognition is the removal of a previously recognized financial asset (or financial liability) from an entity's statement of financial position. In general, NFRS 9 criteria for de-recognition of a financial asset aim to answer the question whether an asset has been sold and should be derecognized or whether an entity obtained a kind of financing against this asset and simply a financial liability should be recognized.

De-recognition criteria in NFRS 9 should be applied to a part of an asset if, and only if, the part being considered for de-recognition meets one of the following three conditions:



- a) The part comprises only specifically identified cash flows from a financial asset or a group of similar financial assets.
- b) The part comprises only a fully proportionate (pro rata) share of the cash flows from a financial asset or a group of similar financial assets.
- c) The part comprises only a fully proportionate (pro rata) share of specifically identified cash flows from a financial.

#### 4.8. Taxes

##### Current Taxes

COMPANY applies NAs 12 Income Taxes in accounting for taxes on income. Income tax payable on taxable profits (Current tax) is recognized as an expense in the period in which the profits arise. Withholding taxes are also treated as income taxes. Income tax recoverable on tax allowable losses is recognized as a current tax asset only to the extent that it is regarded as recoverable by offset against taxable profits arising in the current or prior period. Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Current tax assets and liabilities have been netted off, as there is a legal right to settle those amounts on net basis. The nets current tax asset/ liability has been reported separately in the statement of financial position.

#### 4.9. Non- Financial Assets

Assets other than financial assets have been classified as non-financial assets. Broad headings under this classification include Property & Equipment, Intangible Assets, Advances and Prepaid Expenses.

#### 4.10. Cash and Cash Equivalent

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

The majority of cash and cash equivalent comprises of call/current deposits and are subject to insignificant risk of change in value. These also include cash-in-hand and cheques.

#### 4.11. Share Capital

Financial instruments issued are classified as equity when there is no contractual obligation to transfer cash, other financial assets or issue a variable number of own equity instruments. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

The issue expenses for the issue charged in the year of issue and though the impact from past of the company's equity the amount has not been adjusted with the share capital and the company considered the impact to be immaterial.

#### 4.12. Reserves

- **Share Premium:** Any premium collected on issue of shares to the public is credited to this reserve. This reserve is utilized only for issue of the bonus share capital.
- **Retained Earnings:** Earning made during the current and previous years not distributed has been credited to this reserve.
- **General Reserve:** The Company appropriates 20% of the regulatory net profit every year and transfers to the general reserve fund.
- **Loan Guard Fund:** Company for possible loss of the investment made set aside certain amount as a Loan Guard Fund under company's internal policy namely, Loan Loss Provision Guideline
- **Deferred Tax Reserve:** It is company policy to appropriate the equivalent proportion of the deferred tax assets when a net deferred tax asset arises. In event deferred tax liability arises such amount are reclassified within the equity to retained earnings.

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- **Proposed Dividend:** Board of directors via 270th board meeting dated 29th Mانشir, 2079 has proposed to distribute 5% bonus share and 0.263% cash dividend to the shareholders for the reported period, FY 2078-79.

#### 4.13. Employee benefit

##### 4.13.1 Short term employee benefit

Short-term employee benefits, such as salaries, paid absences, performance-based cash awards and social security cost are recognized over the period in which the employee provide the related services.

##### 4.13.2 Retirement Benefit

Company applies NAS-19 Employee Benefits for accounting most of the components of staff cost.

##### Post-Employment benefits

The company operates a number of post-employment benefit plans. These plans include both defined benefit and defined contribution plans.

##### Defined contribution plan

Payments to defined contribution plans where the company's obligations are equivalent to a contribution by employees to the defined contribution plan. These are charged as an expense as the employees render service. The company operates provident fund scheme and gratuity under Defined contribution plan. A percentage of basic pay is paid on monthly basis to the plan. The company has no further obligation to pay after such contribution.

##### Defined benefit plan

The defined benefit plan includes leave payment at the time of retirement. The present value of defined benefit obligations is calculated at the reporting date by the actuaries. The net charge to the profit and loss comprises the service costs and the net interest on the net defined benefit liability and is presented under employee cost.

No actuarial valuation is done of gratuity as it is immaterial.

#### 4.14. Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation at that date. Management reviews provisions at each balance sheet date and is adjusted to reflect the best current estimate. If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision is reversed.

#### 4.15. Revenue

The Company applies NAS 18 for recognition of revenue. Revenue includes income from sale of goods, for providing services, interest, royalty and dividend. Revenue is recognized when right to receive is established, amount quantified and it is almost curtained that the amount(s) is received or will be received.

#### 4.16. Non- Current Asset held for sale

As per NFRS 5 'Non-Current Assets Held for sale and Discontinued Operation', a non-current asset (or a disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable. Assets held for sale are recognized at lower of carrying amount and fair value less costs to sell.



## 5. Disclosures and additional information

### 5.1. Related Party Disclosure

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operation decision or one other parties controls both. The definition includes subsidiaries, associates, directors, key management personnel and employee's retirement benefit fund.

#### 5.1.1 Identification of Related Parties

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

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

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

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

- The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- Both entities are joint ventures of the same third party.
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- The entity is controlled or jointly controlled by a person identified in (a).
- A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

**The Company Identifies the following as the related parties under the requirement of NAS 24**

- i) Government of Nepal
- ii) Remit Hydro Limited (Subsidiary)
- iii) Simbuwa Remit Hydro Limited (Subsidiary)
- iv) Board of Directors

Current year	Previous year
Mr. Sushil Chandra Tiwari (Chair)	Mr . Debendra Karki (Chair)
Mr. Bhupal Baral	Mr. Parashwor Dhungana
Mr. Nirmala Adhikari Bhattarai	Mr. Sushil Koirala
Mr. Jitendra Dhital	Mr. Raman Nepal
Mr. Megh B. Bishwakarma	Mr Parakram sharma
Mr. Sudhir Gewali	Mr Megh B. Bishwakarma
Mr. Devendra Karki (Ex-BOD)	Mr Dinesh Kumar Ghimire (Ex-BOD)
Mr. Parakram Sharma (Ex-BOD)	Mr. Ramesh Prasad Shiwakoti (Ex-BOD)
Mr. Parashwor Dhungana (Ex-BOD)	Mr. Kabi Prasad Pathak (Ex-BOD)
Mr. Sushil Koirala (Ex-BOD)	Mr Sudhir Gewali (Ex-BOD)



Mr. Raman Nepal (Ex-BOD)	Mr. Mahesh Rimal (Ex-BOD)
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v) Key Managerial Personnel

Current year	Previous year
Mr. Arjun Kumar Gautam (CEO)	Mr. Arjun Kumar Gautam (CEO)
Mr. Mukti Bodh Neupane (DGM)	Mr. Mukti Bodh Neupane (DGM)
Mr. Arun Rajauria (DGM)	Mr. Arun Rajauria (DGM)

5.1.1. Transactions with promoters

Promoters	Current year	Previous year
Rastriya Beem Sansthan (Insurance- Staff)	3,583,519	4,221,072
Employee Provident Fund (PF Contribution)	3,760,248	2,271,980
Citizen Investment Trust (Employee Voluntary Contribution)	899,585	476,850
Citizen Investment Trust (Lease rental payments)	2,133,019	-

5.1.2. Board Member Allowances and Facilities

The Board of Directors have been paid meeting fees of NPR 1,484,000 during the fiscal year. There were 24 Board Meetings conducted during the fiscal year.

The chairperson and other members of the Board are paid NPR 7,000 and NPR 5,000 per meeting respectively for Board and Board Level Committees meeting.

Particulars	Current year	Previous year
Mr. Sushil Chandra Tiwari (Chair)	28,000	-
Mr. Bhupal Baral	121,000	-
Mr. Nirmala Adhikari Bhattarai	228,000	-
Mr. Jitendra Dhital	38,000	-
Mr. Megh B. Bishwakarma	278,000	461,000
Mr. Sudhir Gewali	109,000	279,000
Mr. Devendra Karki (Ex-BOD)	140,000	49,000
Mr. Parakram Sharma (Ex-BOD)	174,000	574,000
Mr. Parashwor Dhungana (Ex-BOD)	78,000	374,000
Mr. Sushil Koirala (Ex-BOD)	65,000	80,000

Mr. Raman Nepal (Ex-BOD)	225,000	102,000
Mr Dinesh Kumar Ghimire (Ex-BOD)	-	339,000
Mr. Mahesh Rimal (Ex-BOD)	-	122,000
Mr. Badri Raj Aryal (Ex-BOD)	-	166,000
Mr. Ramesh Prasad Shiwakoti (Ex-BOD)	-	36,000
Mr. Kabi Prasad Pathak (Ex-BOD)	-	82,000
<b>Total</b>	<b>1,484,000</b>	<b>2,664,000</b>

#### 5.1.3. Compensation to other key management personnel

The details relating to compensation paid to key management personnel other than directors were as follows:

##### Previous financial year

Key managerial personnel	Designation	Salary	Meeting allowance	Total compensation
Mr. Arjun Kumar Gautam	CEO	963,906	69,000	1,032,906
Mr. Chhabi Raj Pokharel	Ex-CEO	4,194,178	144,000	4,338,178
Mr. Mukti Bodh Neupane	DGM	3,619,510	294,000	3,913,510
Mr. Arun Rajauria	DGM	3,311,427	84,000	3,395,427
<b>Total</b>		<b>12,089,021</b>	<b>591,000</b>	<b>12,680,021</b>

##### Current financial year

Key managerial personnel	Designation	Salary	Meeting allowance	Total compensation
Mr. Arjun Kumar Gautam	CEO	5,451,311.32	215,000.00	5,770,311.32
Mr. Mukti Bodh Neupane	DGM	3,877,037.00	41,000.00	3,918,037.00
Mr. Arun Rajauria	DGM	4,034,244.45	55,000.00	4,173,244.45
<b>Total</b>		<b>13,362,592.77</b>	<b>311,000.00</b>	<b>13,861,592.77</b>

#### 5.1.4. Transaction with wholly owned subsidiary

Particulars	Remit Hydro Limited	Simbuwa Remit Hydro Limited
<b>Investment in Shares</b>		
Opening Balance	405,000,000	351,270,000
Addition During the Year	130,000,000	-
<b>Closing Balance</b>	<b>535,000,000</b>	<b>351,270,000</b>



## 6. Earnings per share

Earnings per Share is calculated using the earnings attributable to equity shareholders for the period divided by the number of weighted average number of shares as required under NAS 33 Earnings per share.

Particulars	Units	Current year	Previous year
Profit attributable to equity shareholders (a)	NPR.	957,829,108	799,654,807
Weighted average of number of equity shares used in computing basic earnings per share (b)	Nos.	207,150,520	165,000,000
Weighted average of number of equity shares used in computing diluted earnings per share (c)	Nos.	207,150,520	165,000,000
Basic earnings per equity share of Rs 100 each (a/b)	NPR.	4.62	4.85
Diluted earnings per equity share of Rs 100 each (a/c)	NPR.	4.62	4.85

## 7. Value added statement

The VA statement is a financial statement which shows how much value (wealth) has been created by an enterprise through utilization of its capacity, capital, manpower and other resources and allocated to stakeholders. It indicates how the benefits of the efforts of an enterprise are shared between employees, providers of finance, the state and towards the replacement and expansion. This statement has been prepared on accrual basis.

Value-added Statement	For the period 2078-79		For the period 2077-78		Growth
	In NPR	%	In NPR	%	
Income	1,547,199,990		1,298,994,556		19.11%
Less : Operating expenses excluding personnel costs	28,875,963		28,350,812		1.85%
<b>Value-added from operations</b>	<b>1,518,324,027</b>		<b>1,270,643,744</b>		<b>19.49%</b>
Other income (including exceptional items)	4,079,394		107,639		3689.88%
<b>Total value-added</b>	<b>1,522,403,421</b>		<b>1,270,751,383</b>		<b>19.80%</b>
<b>Distribution of value-added</b>					
<b>Human resources</b>					
Salaries and bonus	103,343,633	6.79%	88,641,834	6.98%	16.59%
<b>Providers of capital</b>					
Dividend	-	0.00%	-	0.00%	0.00%
Minority interest	-	0.00%	-	0.00%	0.00%
Interest on debt	-	0.00%	-	0.00%	0.00%
	<b>103,343,633</b>	<b>6.79%</b>	<b>88,641,834</b>	<b>6.98%</b>	<b>16.59%</b>
<b>Taxes</b>					
Corporate income taxes	433,694,651	28.49%	374,623,131	29.48%	15.77%
Dividend tax	-	0.00%	-	0.00%	0.00%
	<b>433,694,651</b>	<b>28.49%</b>	<b>374,623,131</b>	<b>29.48%</b>	<b>15.77%</b>





<b>Income retained in business</b>					
Depreciation and amortization	4,220,304	0.28%	3,337,072	0.26%	26.47%
Retained in business	957,829,108	62.92%	799,654,806	62.93%	19.78%
Deferred Tax Credit	292,228	0.02%	(325,597)	-0.03%	-189.75%
Provision for Impairment Loss	23,023,497	1.51%	4,820,137	0.38%	377.65%
	<b>985,365,137</b>	<b>64.72%</b>	<b>807,486,419</b>	<b>63.54%</b>	<b>22.03%</b>
<b>Total Allocation of Value Added</b>	<b>1,522,403,421</b>	<b>100.00%</b>	<b>1,270,751,383</b>	<b>100.00%</b>	<b>19.80%</b>

#### 8. Fair Value Measurement of Financial Instrument

In accordance with NFRS 13 fair Value Measurement, the company categories instruments carried on the reporting sheet at fair value using a three-level hierarchy.

##### Determination of fair value hierarchy

For all financial instruments where fair values are determined by referring to externally quoted prices or observable pricing inputs to models, independent price determination or validation is obtained. In an inactive market, direct observation of a traded price may not be possible. In these circumstances, the company uses alternative market information to validate the financial instrument's fair value, with greater weight given to information that is considered to be more relevant and reliable.

##### Fair values of financial assets and liabilities are determined according to the following hierarchy:

**Level 1** – Valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that the group can access at the measurement date.

**Level 2** - Valuation technique using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable. For the listed securities where the bank holds promoter shares which are priced and traded differently in the market than ordinary shares the bank has considered the valuation of similar promoter's shares traded in the market which approximates to 50% of the price that the ordinary shares are traded.

**Level 3** - Valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable. Where market prices are not available then the bank considers the carrying value and future cash flows from the financial instruments.

Amount in NPR'000

Particulars	As at 32nd Ashad 2079		As at 31st Ashad 2078	
	Carrying Value	Fair Value (Level 3)	Carrying Value	Fair value (Level 3)
<b>Assets</b>				
<b>Assets carried at Amortized Cost</b>				
Investment in Corporate Bonds	87,220	87,220	83,610	83,610
Loan to Power Project	5,222,761	5,222,761	4,136,075	4,136,075
Term Deposit with Bank	12,380,000	12,380,000	11,920,000	11,920,000
Staff Loan	1,693	1,693	1,964	1,964
On-lending	410,401	410,401	1,247,491	1,247,491





<b>Assets carried at Cost</b>				
Investment in subsidiaries	886,270	886,270	756,270	756,270
<b>Fair Value through Other Comprehensive Income (FVTOCI)</b>				
Investment securities at OCI	1,754,225	1,754,225	699,550	706,550
<b>Liabilities</b>				
<b>Liabilities carried at Amortized Cost</b>	<b>410,401</b>	<b>410,401</b>	<b>1,247,491</b>	<b>1,247,491</b>

## 9. Operating Segments

### Accounting Policies

**NFRS 8** 'Operating Segment' requires particular classes of entities (essentially those with publicly traded securities) to disclose information about their operating segments, products and services, the geographical areas in which they operate, and their major customers.

The company has only one reportable segment (both in terms of geography and product) and therefore, identification, classification and disclosure of separate reportable operating segments in accordance with NFRS 8 is not disclosed separately.

## 10. Contingent Liabilities and commitment

**Contingent liabilities:** Where the company undertake to make a payment on behalf of its customers for guarantees issued, such as for performance bonds or as irrevocable letters of credit as part of the company's transaction instituting business for which an obligation to make a payment has not arisen at the reporting date, those are included in these financial statement as contingent liabilities.

Other contingent liabilities primarily include revocable letters of credit and bonds issued on behalf of customers to customs, for bids or offers.

Particular	Current year	Previous year
<b>Contingent liability</b>		
LC Liability	481,570,202	435,814,116
<b>Commitment</b>		
Loan/ Investment Commitment	3,222,134,780	2,378,585,295
Litigation	-	-

**Commitments:** Where the company has confirmed its intention to provide funds to a customer or on behalf of a customer in the form of loans, overdrafts, future guarantees, whether cancellable or not, or letters of credit and the company has not made payments at the reporting date, those instruments are included in this financial statement as commitments.

### Loan Commitment

Amount in NPR (million)

S. No	Projects	Borrower	Capacity (MW)	HIDCL commitment	Remaining to disburse
1	Mistri Khola Hydro Electricity Project (Myagdi)	Mountain Energy Nepal Limited	42	1,087.00	-
2	Dordi Khola Hydro Electric Project (Lamjung)	Himlayan Power Partner Limited	27	589.00	-



3	Solu Hydroelectric Project (Solukhumbu)	Upper Solu Hydroelectric Co. Limited	23.5	200.00	-
4	Lower Solu Hydroelectric Project (Solukhumbu)	Solu Hydropower Private Limited	82	600.00	489.65
5	Nyadi Hydropower Project (Lamjung)	Nyadi Hydropower Limited	30	542.00	107.48
6	Upper Solu Hydropower Project (Solukhumbu)	Beni Hrdropower Project Limited	18	200.00	19.01
7	Solu Khola Dudh Koshi Hydropower Project(Solukhumbu)	Sahas Urja Limited	86	1,449.20	618.30
8	Upper Trishuli 3B Hydroelectric Project (Nuwakot)	Trishuli Jalvidyut Co. Limited	37	1,878.00	931.96
9	Lower Likhu Hydroelectric Project (Ramechhap)	Swet Ganga Hydropower And Construction Limited	28.1	911.80	82.03
10	Bagmati small power Project (Laitpur & Makwanpur)	Mandu Hydropower Ltd.	22	200.00	-
	Upper Tamakoshi Hydro electric Project	Upper Tamakoshi Hydropower Ltd	456	2,000.00	900.00
<b>Total</b>			<b>851.6</b>	<b>9,657.00</b>	<b>3,148.43</b>

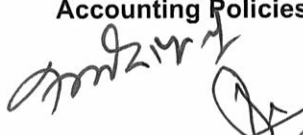





#### Equity Commitment

Amount in NPR (million)

Company/Projects	Equity Commitment (in %)	Equity Commitment (In Rupees)	Total Equity Investment	Remaining to disburse
Power Transmission Company Limited	14%	63	63	-
Remit Hydro Limited	51%	2,130	535	1,595
Simbuwa Remit Hydro Limited	51%	1,940	351	1,589
Vidhyut Utpadan Company Limited	4%	800	269	531
NEA Engineering Company Ltd	15%	30	23	8
Nepal Power Trading Company Limited	15%	30	2	28
Phukot Karnali Hydroelectricity Project	10%	1,260	-	1,260
Vision Energy And Power Private Limited	19%	500	500	-
Vision Lumbini Urja Company Ltd	13%	200	200	-
Madi Storage Hydroelectricity Project	26%	3,040	39	3,001
Tamor Storage Hydroelectricity Project	51%	28,920	3	28,917
Jagadulla Hydropower Company Limited	10%	700	234	466
Mewa Developers Ltd	20%	460	460	-
<b>Total</b>		<b>40,073</b>	<b>2,679</b>	<b>37,394</b>

#### 11. Events After Reporting Date

##### Accounting Policies





The Company follows NAS-10 'Events After Reporting Period', for accounting and report for the events that occur after reporting period. Classifies those events as adjusting and non-adjusting.

No circumstances have arisen since the reporting date which would require adjustments to, or disclosure in the financial statements.

12. **Regrouping**

Previous year figures have been regrouped wherever necessary.

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