

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 Ashad 31, 2080 (16th July, 2023), 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 Ashad end, 2080 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.

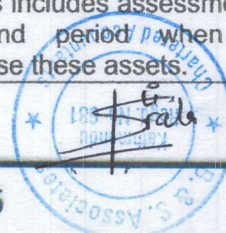
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

The report of Simbuwa Remit Hydro Limited, (a subsidiary of the Company) has reported the following matters in the Key Audit Matter paragraph of the report:

S. No.	Key Audit Matters	Auditor Response
a)	Licenses & Approvals: The Company had purchased the Survey License from Remit Hydro Limited and also obtained Generation license from Department of Electricity Development. Furthermore, Company is in the process of entering into a Power Purchase Agreement with Nepal Electricity Authority but has not obtained it till our audit period. Thus, we have considered it as the key audit matter.	Our audit approach includes analysis of past from and estimation of future events pertaining to the possibility of the agreement. Further, we have also obtained the reasonable assurance of Those Charged with Governance along with current efforts as corroborative evidence.
b)	Investment in Non-Current Assets: Investment in fixed assets comprises of Capital Work-In- Progress amounting to NRs. 351,941,030 and Property, Plant & Equipment amounting to NRs. 43,294,817. We verified outstanding impairment	Our audit approach regarding assessment of Capital Work-In- Progress includes assessment of nature of expense and period when the management intends to use these assets.



	losses. The Capital Work-In-progress not depreciated and amortized as the project is still in construction period.	We verified outstanding impairment losses, depreciation & amortization on every class of assets and have carried out test of controls for such expenses. The provisions for impairment, depreciation are adequately made.
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Emphasis of Matter

Emphasis of Matter are those matters presented or disclosed in the financial statements that is of such importance that it is fundamental to users' understanding of the financial statements. Our opinion is not modified in respect of this matter. We would like to draw your attention to the following matters observed during our audit of the financial statement for the financial year 2079-80.

1. *Company's Four-Year Strategic Plan & Performance Evaluation of Key Managerial Personnel*

The company formulated a four-year strategic plan spanning from the fiscal year 2078-79 to 2081-82. However, upto the fiscal year 2079/80, the company's activities did not adhere to the outlined objectives of the strategic plan, as indicated in the Management Letter. The assessment of the company's second-year performance, aligned with the strategic plan, reveals a lack of proportionate alignment with Key Performance Indicators (KPIs). Consequently, it seems the proposed incentive bonus of 90-100% to the key managerial personnels of the company may not be justified.

2. *Right Share*

The company released a 1:1 right share offering on the 5th of Shrawan, 2078. However, the promoter group of Ka-2 (Citizen Investment Trust, Rastriya Beema Sansthan, and Employees Provident Fund) opted not to subscribe 33,000,000 shares, and the general shareholder of sub-group Kha did not subscribe to 32,29,724 shares. Subsequently a decision was made to auction unsubscribed shares. 18,389,484 shares were auctioned during FY 2078-79 & 2079-80. As of the date of signing this audit report, 17,840,140 shares of the promoter group of Ka-2 remain unsubscribed.

3. *Investment in Fixed Deposit*

The company's total annual revenue of Rs. 217.49 crore relies significantly on interest income (98.91%). Within interest income, Rs. 83.63 crores (39%) are earned from project loan interests, while the remaining Rs. 131.5 crores (61%) are earned from interest on fixed deposits, call deposits, and bonds. This highlights a significant reliance on earnings from passive investments in the company's overall revenue composition.

4. *Investment write-off (Madi Reservoir Hydropower Project_156 MW)*

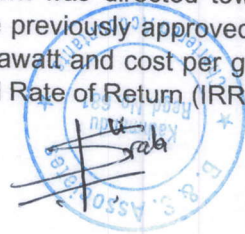
The company decided to write off the investment made in the Madi Reservoir Hydropower Project (156 MW) amounting to Rs. 39,441,484, due to the non-renewal of the survey permit through the 278th Board of Directors meeting convened on the 16th of Chaitra 2079.

5. *Reduction in Equity Investment*

The company decided to decrease its equity investment in subsidiaries, Remit Hydro Limited and Simbuwa Remit Hydro Limited, from 51% to 15%. This decision was executed through a Memorandum of Understanding (MOU) between Hydroelectricity Investment and Development Company Limited, Nepal Electricity Authority, and Vidyut Utpadan Company Limited on the 17th of Falgun 2079. The reduction was implemented at face without the execution of due diligence procedures.

6. *Additional infusion of equity in Mewa Developers Limited*

During the financial year, the company increased its equity investment in Mewa Developers Limited, amounting to Rs. 46.60 crores, resulting in a cumulative investment of Rs. 92.60 crores. This investment was directed toward the expansion of a hydropower project, now with a capacity of 82.5MW as opposed to the previously approved 49MW project. However, it is noteworthy that the financial metrics, including the cost per megawatt and cost per gigawatt, have experienced significant increases in the expanded project. Additionally, the Internal Rate of Return (IRR) for the project has declined under the new expansion plan.



7. Amendment in the Equity and Loan Investment Procedures

The board of directors, in a meeting held on 4th Falgun, 2079, introduced a new Section 12A outlining procedures for Equity and Loan Investments. The CEO is empowered to make decisions on specific matters, and subsequent to this amendment, the CEO sanctioned investments amounting to Rs. 65.40 crores on cost overrun projects during the audit period.

8. Enterprise Resource Planning

The company entered into an agreement with Solutions Consultants Pvt. Ltd. on 9th Jestha, 2076 for the development of ERP software. Although the documents and copyrights have been transferred, and full payment for Rs 66.85 lakhs has been made to the service provider, the ERP software has not been implemented by the company until the end of the financial year.

Other Matters

We did not audit the financial statements and other financial information of subsidiaries whose financial statements reflect total assets of Rs. 108.57 crores and net assets of Rs. 98.01 crores as at Ashad 31, 2080 (16th July 2023), net loss of Rs. 3.29 crores and net cash inflow of Rs. 3.99 crores 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.

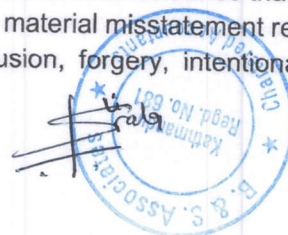
Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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 on the 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 and on behalf of B. & S. Associates Chartered Accountants



Place: Kathmandu, Nepal
Date: 2080.09.04
UDIN:231227CA01135gwYHF

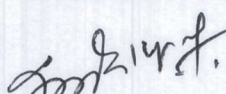
Hydroelectricity Investment And Development Company Limited
Statement of Financial Position
As at 16 July 2023 (31 Ashad 2080)


Amount in NPR


HIDCL

Particulars	Explanatory Note	Group		As at	
		31 Ashad 2080	32 Ashad 2079	31 Ashad 2080	32 Ashad 2079
Assets					
Non current assets					
Property, plant and equipment	1	971,456,764	913,252,370	7,444,660	8,328,343
Intangible assets	2	7,000,487	7,000,669	6,685,825	6,685,825
Right-of-use assets	3	106,259,947	125,845,369	63,810,167	77,976,468
Financial Assets					
Investment in subsidiary	4	-	-	1,010,000,000	886,270,000
Financial asset carried at FVTOCI	5	2,222,812,500	1,754,225,000	2,222,812,500	1,754,225,000
Financial asset carried at amortised cost	6	9,037,665,954	5,762,807,765	9,037,665,954	5,762,807,765
Deferred tax assets	7	5,031,484	2,798,245	5,352,999	3,351,063
Total non current assets		12,350,227,136	8,565,929,418	12,353,772,104	8,499,644,464
Current assets					
Inventory	8	434,284	364,593	172,916	134,118
Financial Assets					
Term deposits with bank	9	12,369,011,100	12,383,839,339	12,369,011,100	12,383,839,339
Other financial assets	10	259,913,329	1,203,835,911	259,913,330	1,203,835,911
Current tax assets	11	-	464,352,320	-	460,784,087
Other current assets	12	4,816,416	24,704,940	3,473,220	14,752,990
Cash and cash equivalent	13	430,734,324	909,075,180	357,496,485	880,503,333
Total current assets		13,064,909,453	14,986,172,283	12,990,067,051	14,943,849,778
Non current asset held for sale	14	80,738	2,614,229	80,738	2,614,229
Total assets		25,415,217,328	23,554,715,930	25,343,919,893	23,446,108,471
Equity and liabilities					
Equity					
Paid up share capital	15	22,775,799,375	20,715,052,000	22,775,799,375	20,715,052,000
Advance for Share Capital		41,500,000	-	-	-
Retained earnings	16	1,373,425,940	672,957,583	1,444,708,701	711,028,858
Reserves	17	891,906,025	941,582,013	892,047,447	941,723,436
Total Equity		25,082,631,339	22,329,591,596	25,112,555,523	22,367,804,294
Liabilities					
Non current liabilities					
Provisions for employee benefits	18	7,081,951	5,580,124	5,343,361	4,212,242
Financial liability carried at amortised cost	19	-	410,400,922	-	410,400,922
Lease liabilities	20	108,531,285	119,949,592	65,092,089	75,889,052
Current liabilities					
Other liabilities	21	193,233,479	681,580,217	136,264,989	584,764,387
Lease liabilities	20	6,993,809	7,613,479	4,180,379	3,037,574
Current tax liabilities		16,745,464	-	20,483,552	-
Total equity and liabilities		25,415,217,328	23,554,715,930	25,343,919,893	23,446,108,471

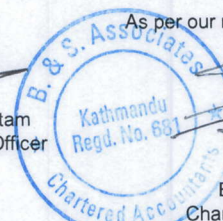
Schedules and explanatory notes forms integral part of financial statement

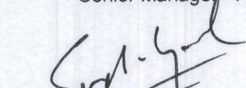

Ramesh Paneru
Senior Manager - Finance

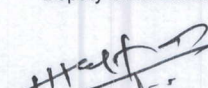

Jeevan Kumar Basnet
Deputy Chief Executive Officer


Arjun Kumar Gautam
Chief Executive Officer

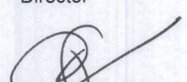
As per our report of even date



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

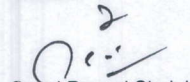

Sudhir Gewali
Director


Madhav Prasad Koirala
Director


Jitendra Dhital
Director


Rajeshwar Gyawali
Director


Ram Prasad Acharya
Director


Gopal Prasad Sigdel
Chairman

Date: Poush 04, 2080
Place: Kathmandu

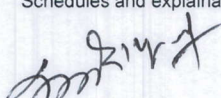


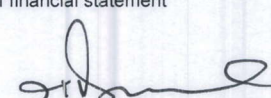
Hydroelectricity Investment And Development Company Limited
Statement of Profit or Loss
For the year ended 16 July 2023 (31 Ashad 2080)

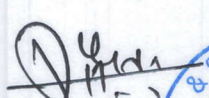
Particulars	Explanatory Note	Group		Amount in NPR HIDCL	
		For the period 2079-80	For the period 2078-79	For the period 2079-80	For the period 2078-79
Revenue					
Revenue from contract with customers	22	10,089,890	3,761,756	10,089,890	3,761,756
Interest income	23	2,152,424,969	1,529,976,463	2,151,292,600	1,529,290,234
Dividend Income	24	13,360,500	14,148,000	13,360,500	14,148,000
Other income	25	282,620	4,291,051	191,228	4,079,394
Total revenue		2,176,157,979	1,552,177,270	2,174,934,217	1,551,279,384
Expenses					
Employee benefit expense	26	72,587,150	115,353,001	59,896,711	103,343,633
Operating and Administrative Expenses	27	21,581,044	38,276,786	17,161,671	27,368,490
Finance Expenses	28	11,898,323	2,787,748	7,124,433	1,507,472
Depreciation and amortisation	29	23,040,265	11,887,703	10,562,983	4,220,304
Impairment	30	28,338,048	23,091,977	28,338,048	23,023,497
Loss On Sale/ Disposal of Fixed Assets		2,529,528	-	2,529,528	-
Investment Write Off		38,592,071	-	38,592,071	-
Total expense		198,566,429	191,397,215	164,205,445	159,463,397
Profit before tax from continuing operation		1,977,591,550	1,360,780,055	2,010,728,772	1,391,815,987
Current tax		631,794,931	433,694,651	631,794,931	433,694,651
Tax expense pertaining to prior years		5,728,341		5,728,341	
Deferred tax expense / (income)	7	2,233,239	385,147	2,001,936	292,228
Profit from continuing operations		1,342,301,516	926,700,257	1,375,207,435	957,829,108
Profit from discontinued operations (Net of Tax)		-	-	-	-
Net profit for the year		1,342,301,516	926,700,257	1,375,207,435	957,829,108
Earnings per share					
Basic earnings per share		5.89	4.47	6.04	4.62
Diluted earnings per share		4.48	4.89	6.04	4.62

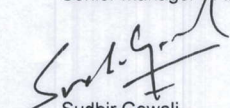
Schedules and explanatory notes forms integral part of financial statement

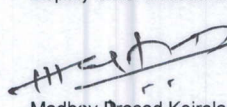
As per our report of even date



Ramesh Paneru
Senior Manager - Finance


Jeevan Kumar Basnet
Deputy Chief Executive Officer



Arjun Kumar Gautam
Chief Executive Officer


Sudhir Gewali
Director

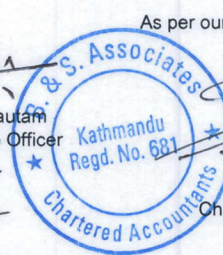

Madhav Prasad Koirala
Director


Jitendra Dhital
Director


Rajeshwor Gyawali
Director


Ram Prasad Acharya
Director


Gopal Prasad Sigdel
Chairman


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

Date: Poush 04, 2080
Place: Kathmandu



Hydroelectricity Investment And Development Company Limited

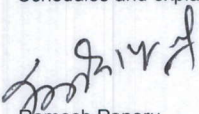
Cash Flow Statement

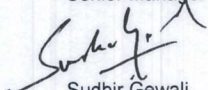
For the year ended 16 July 2023 (31 Ashad 2080)

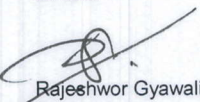
Amount in NPR

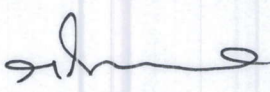
Particular	Group		HIDCL	
	For the period 2079-80	For the period 2078-79	For the period 2079-80	For the period 2078-79
Cash flows from operating activities				
Profit after tax	1,341,923,950	928,035,286	1,375,207,435	957,829,108
Adjustments for non-cash items and non operating adjustments				
Depreciation & amortization of PPE	11,609,576	12,004,425	2,246,692	4,220,304
Depreciation & amortization of intangible assets	86,032			
Depreciation on right of use Assets	13,585,370	1,478,750	8,166,249	
Impairment				
Loss (Gain) on disposal of assets	2,529,528	-	2,529,528	-
Dividend income	(13,360,500)	(14,148,000)	(13,360,500)	(14,148,000)
Interest income on investment	(7,200,000)	(7,219,726)	(7,200,000)	(7,219,726)
Prior period adjustment	433,191,644	-	433,119,644	-
Finance expenses	11,880,784	1,507,472	7,124,433	1,507,472
Leasehold property written off	131,702	3,250,110	131,702	
Changes in Operating assets and Liabilities				
Change in operating assets	1,440,688,736	(1,124,998,927)	1,428,773,944	(2,471,733,495)
Change in operating liabilities	(880,500,372)	(746,556,902)	(837,285,648)	(774,920,611)
Net cash from operating activities	2,354,566,449	(946,647,512)	2,399,453,481	(2,304,464,948)
Cash flows from investing activities				
Purchase of property, plant and equipment	(5,148,169)	(20,882,202)	(1,575,451)	(5,571,270)
Addition of capital WIP	(64,878,241)	(187,123,886)	-	-
Disposal of assets during the year		-	-	-
NCA sold during the year	84,700.70		84,700	
Prior period adjustment	-	-	-	-
Capital work in progress of intangible asset	-	-	-	-
Purchase of intangible assets	(85,850)	(129,250)		
Net cash outflow in investment in subsidiary			(123,730,000)	(130,000,000)
Dividend Income	13,360,500	14,148,000	13,360,500	14,148,000
Net cash flow from investment securities	(3,743,445,688)	(1,342,664,427)	(3,743,445,688)	-
Interest income on investment	7,200,000	7,219,726	7,200,000	7,219,726
Net cash used in investing activities	(3,792,912,747)	(1,529,432,039)	(3,848,105,939)	(114,203,544)
Cash flows from financing activities				
Lease payment under NFRS 16	(17,850,420)	(2,036,064)	(10,710,252)	(2,036,064)
Issue of Share Capital	2,060,747,375	3,235,175,454	2,060,747,375	3,235,175,454
Advance Share Capital	41,500,000			
Dividends paid to ordinary shareholders	(55,990,178)	(78,736,842)	(55,990,178)	(78,736,842)
Utilisation of reserve and surplus	(1,062,158,064)	(2,030,122)	(1,062,158,064)	(2,030,122)
Share Issue Expenses	(6,243,271)	(7,812,743)	(6,243,271)	(7,812,743)
Net cash (used in)/from financing activities	960,005,443	3,144,559,683	925,645,611	3,144,559,683
Net increase/(decrease) in cash and cash equivalents	(478,340,856)	668,480,131	(523,006,848)	725,891,191
Cash and cash equivalents at beginning of year	909,075,180	240,595,048	880,503,333	154,612,142
Effect of exchange rate changes on cash & cash equivalents				
Cash and cash equivalents at end of year	430,734,324	909,075,180	357,496,485	880,503,333

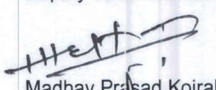
Schedules and explanatory notes forms integral part of financial statement



Ramesh Paneru
Senior Manager - Finance

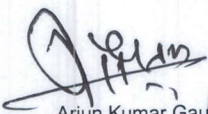

Sudhir Gweli
Director


Rajeshwor Gyawali
Director

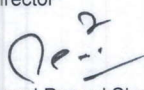

Jeevan Kumar Basnet
Deputy Chief Executive Officer


Madhav Prasad Koirala
Director


Ram Prasad Acharya
Director

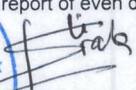

Arjun Kumar Gautam
Chief Executive Officer


Jitendra Dhital
Director


Gopal Prasad Sigdel
Chairman



As per our report of even date


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



Date: Poush 04, 2080
Place: Kathmandu

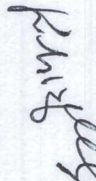
Hydroelectricity Investment And Development Company Limited
Statement of Comprehensive Income
For the year ended 16 July 2023 (31 Ashad 2080)


Amount in NPR


Particulars	Group		HIDCL	
	For the period 2079-80	For the period 2078-79	For the period 2079-80	For the period 2078-79
Profit or loss for the period	1,342,301,516	926,700,257	1,375,207,435	957,829,108
Other comprehensive income				
a) Items that will not be reclassified to profit or loss				
-Gains/(losses) from investments in equity instruments measured at fair value			-	-
-Gain/(loss) on revaluation			-	-
-Actuarial gain/loss on defined benefit plans	(415,661)	(26,415)	-	-
-Income tax relating to above items	38,094	11,156	-	-
Net OCI that will not be reclassified to profit or loss	(377,567)	(15,259)		
b) Items that are or may be reclassified to profit or loss				
-Gains/(losses) on cash flow hedge	-	-	-	-
Exchange gains/(losses)	-	-	-	-
-Income tax relating to above items	-	-	-	-
Net OCI that are or may be reclassified to profit or loss				
Total Comprehensive Income for the period	1,341,923,950	926,684,997	1,375,207,435	957,829,108


Schedules and explanatory notes forms integral part of financial statement

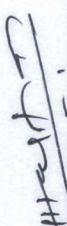
As per our report of even date


Ramesh Paneru
Senior Manager - Finance



Jeevan Kumar Basnet
Deputy Chief Executive Officer



Arjun Kumar Gautam
Chief Executive Officer

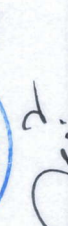

Sudhir Gewali
Director



Madhav Prasad Koirala
Director


Jitendra Phital
Director


Rajeshwor Gyawali
Director


Ram Prasad Acharya
Director


Gopal Prasad Sigdel
Chairman


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



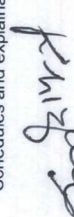
Date: Poush 04, 2080
Place: Kathmandu

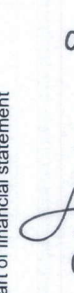
Hydroelectricity Investment And Development Company Limited
Consolidated Statement of Changes in Equity
For the year ended 16 July 2023 (31 Ashad 2080)


Particulars	HIDCL						
	Amount in NPR						
	Share Capital	Share Capital Premium	Retained earnings	General reserve	Loan Loss reserve	Deferred tax reserve	Fair Value Reserve
Balance at Shrawan 1, 2078	16,500,000,000	-	813,121,972	846,495,894	100,118,283	3,643,291	-
Adjustment/Restatement	-	-	-	-	-	-	-
Adjusted/Restated balance at Shrawan 1, 2078	16,500,000,000	-	813,121,972	846,495,894	100,118,283	3,643,291	-
Profit for the year	-	-	957,829,108	-	-	-	-
Transfer to reserve during the year	-	-	(236,957,385)	191,565,822	45,683,791	(292,228)	-
Transfer from reserve during the year	-	-	(2,030,122)	-	-	-	-
Prior period Taxes	-	-	-	-	-	-	-
Auction of the Unsubscribed right Shares	842,014,400	516,123,454	-	-	-	-	-
Transactions with owners, directly recognised in equity	-	-	-	-	-	-	-
Right shares issued	1,877,037,600	-	(7,812,743)	-	-	-	-
Right shares issue expenses	-	-	(734,385,129)	-	-	-	-
Bonus shares issued	1,496,000,000	-	(78,736,842)	(761,614,871)	-	-	-
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	-
Balance at 1 Shrawan 2079	20,715,052,000	516,123,454	711,028,858	276,446,845	145,802,074	3,351,063	-
Adjustment/Restatement	-	-	-	-	-	-	-
Adjusted/Restated balance at 1 Shrawan 2079	20,715,052,000	516,123,454	711,028,858	276,446,845	145,802,074	3,351,063	-
Profit for the year	-	-	1,375,207,435	-	-	-	-
Gain/(losses) on revaluation	-	-	68,288	-	-	-	-
Transfer to reserve during the year	-	-	(360,668,700)	275,041,487	83,625,277	2,001,936	-
Prior period tax	-	-	-	-	-	-	-
Auction of the Unsubscribed right Shares	996,934,000	1,655,311	433,119,644	-	-	-	-
Reversal of Bonus Payable	-	-	-	-	-	-	-
Transactions with owners, directly recognised in equity	-	-	-	-	-	-	-
Right shares issued	-	-	-	-	-	-	-
Right shares issue expenses	-	-	(6,243,271)	-	-	-	-
Bonus shares issued	1,063,813,375	(412,000,000)	(651,813,375)	-	-	-	-
Cash dividend paid	-	-	(55,990,178)	-	-	-	-
Balance at Ashad end 2080	22,775,799,375	105,778,765	1,444,708,701	551,488,332	229,427,351	5,352,999	-
							25,112,555,523


Schedules and explanatory notes forms integral part of financial statement

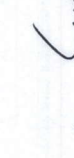
As per our report of even date



Ramesh Paneru
Senior Manager - Finance

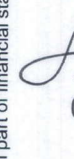

Jeevan Kumar Basnet
Deputy Chief Executive Officer

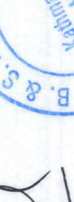

Arijun Kumar Gautam
Chief Executive Officer


Sudhir Gwalli
Director


Ram Prasad Acharya
Director


Rajeshwari Gyawali
Director


Jijendra Dhital
Director


Gopal Prasad Sigdel
Chairman

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



Date: Poush 04, 2080
Place: Kathmandu

Hydroelectricity Investment And Development Company Limited
Consolidated Statement of Changes in Equity
For the year ended 16 July 2023 (31 Ashad 2080)

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, 2078	16,500,000,000	-	806,393,139	846,495,894	100,118,283	3,501,868	-	-	18,256,509,184
Adjustment/Restatement	-	-	(198,333)	-	-	-	-	-	(198,333)
Adjusted/Restated balance at Shrawan 1, 2078	16,500,000,000	-	806,194,806	846,495,894	100,118,283	3,501,868	-	-	18,256,310,851
Profit for the year* (Restated)	-	-	926,684,997	-	-	-	-	-	926,684,997
Transfer to reserve during the year	-	-	(236,957,385)	191,565,822	45,683,791	(292,228)	-	-	-
Prior period Taxes	-	-	(2,030,122)	-	-	-	-	-	(2,030,122)
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	-	(7,812,743)	-	-	-	-	-	1,877,037,600
Right shares issue expenses	-	-	(734,385,129)	(761,614,871)	-	-	-	-	(7,812,743)
Bonus shares issued	1,496,000,000	-	(78,736,842)	-	-	-	-	-	-
Cash dividend paid	-	-	-	-	-	-	-	-	-
Balance at Ashad end 2079	20,715,052,000	516,123,454	672,957,582	276,446,845	145,802,074	3,209,641	-	-	(78,736,842)
Balance at 1 Shrawan 2079	20,715,052,000	516,123,454	672,957,582	276,446,845	145,802,074	3,209,641	-	-	22,329,591,595
Adjustment/Restatement	-	-	140,288	-	-	-	-	-	140,288
Adjusted/Restated balance at 1 Shrawan 2079	20,715,052,000	516,123,454	673,097,869	276,446,845	145,802,074	3,209,641	-	-	22,329,731,883
Profit for the year	-	-	1,341,923,950	-	-	-	-	-	1,341,923,950
Gain /(losses) on revaluation	-	-	(360,668,700)	275,041,487	83,625,277	2,001,936	-	-	-
Transfer to reserve during the year	-	-	-	-	-	-	-	-	-
Prior period tax	-	-	-	-	-	-	-	-	-
Auction of the Unsubscribed right Shares	996,934,000	1,655,311	-	-	-	-	-	-	998,589,311
Reversal of Bonus Payable	-	-	433,119,644	-	-	-	-	-	433,119,644
Transactions with owners, directly recognised in equity	-	-	-	-	-	-	-	-	-
Right shares issued	41,500,000	-	(6,243,271)	-	-	-	-	-	-
Advance for share capital	-	-	(651,813,375)	-	-	-	-	-	-
Right shares issue expenses	-	-	(55,990,178)	-	-	-	-	-	-
Bonus shares issued	1,063,813,375	(412,000,000)	(651,813,375)	-	-	-	-	-	41,500,000
Cash dividend paid	-	-	-	-	-	-	-	-	(6,243,271)
Balance at Ashad end 2080	22,817,299,375	105,778,765	1,373,425,939	551,488,332	229,427,351	5,211,576	-	-	(55,990,178)
Balance at Ashad end 2079	20,715,052,000	516,123,454	672,957,582	276,446,845	145,802,074	3,209,641	-	-	22,329,591,595


Schedules and explanatory notes forms integral part of financial statement

Ramesh Paneru
Ramesh Paneru
Senior Manager - Finance

Jeevan Kumar Basnet
Deputy Chief Executive Officer


Jitendra Phital
Director

Date: Poush 04, 2080
Place: Kathmandu



Arijun Kumar Gautam
Chief Executive Officer


Rajeshwar Gyawali
Director

Sudhir Gawali
Director

Ram Prasad Acharya
Director

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


Gopal Prasad Sigdel
Chairman



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

1 Property, plant and equipment

Description	HIDCL					
	Land	Building	Leasehold Improvements	Furniture and Fixtures	Office Equipments	Others
Gross Block						
As at 15 July 2021	-	-	4,479,942	3,880,982	9,527,399	941,543
Additions	-	-	4,059,049	61,125	1,444,655	6,441
Adjustment (disposals and transfers)	-	-	(4,479,942)	-	-	-
As at 15 July 2022	-	-	4,059,049	3,942,107	10,972,054	947,984
Additions	-	-	435,446	577,641	562,364	-
Write off	-	-	-	265,541	38,985	-
Assets Held for Sale	-	-	-	601,347	2,450,805	389,461
As at 16 July 2023	-	-	4,494,495	3,652,860	9,044,628	468,029

Accumulated depreciation

As at 15 July 2021	-	-	1,476,668	2,629,908	7,002,989	599,182
Prior period adjustment	-	-	-	-	-	-
Charge for the year	-	-	390,178	350,817	1,187,205	135,591
Impairment Charge	-	-	-	-	-	-
Attributable to sold/transferred/written off	-	-	(1,865,713)	-	-	-
As at 15 July 2022	-	-	1,132	2,980,725	8,190,194	734,773
Attributable to sold/transferred/written off	-	-	-	219,395	19,418	271,908
Attributable to asset held for sale	-	-	-	546,712	2,363,118	90,495
As at 16 July 2022 (Restated)	-	-	1,132	2,214,618	5,807,658	372,371
Prior period adjustment	-	-	-	-	-	-
Charge for the year (Depreciation for the year)	-	-	422,532.02	365,607.42	1,192,121.24	82,640.91
Attributable to assets other than held for sale	-	-	422,532	343,380.42	1,138,183.48	45,657
Attributable to sold/transferred/written off	-	-	-	10,693	3,888	36,984
Attributable to asset held for sale	-	-	-	11,534	50,050	61,584
As at 16 July 2023	-	-	423,664	2,557,998	6,945,842	418,028

Net Book Value

As at 15 July 2021 (restated)	-	-	3,003,274	1,251,075	2,524,410	342,361
As at 15 July 2022	-	-	4,057,917	961,382	2,781,859	213,211
As at 16 July 2023	-	-	4,070,830	1,094,862	2,098,786	50,000

Schedules and explanatory notes forms integral part of financial statement

[Signature]
Ramesh Paneru
Senior Manager - Finance

[Signature]
Madhav Prasad Koirala
Director

Date: Poush 04, 2080
Place: Kathmandu

[Signature]
Jeevan Kumar Basnet
Deputy Chief Executive Officer

[Signature]
Rajeshwor Gyawali
Director



[Signature]
Ajun Kumar Gaulam
Chief Executive Officer

Ram Prasad Acharya
Director

[Signature]
Sudhir Gwali
Director

Gopal Prasad Sigdel
Chairman

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

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

1 Property, plant and equipment

1.2 Capital Work in Progress

Particulars	Group		
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2078
Carrying amount of PPE	104,127,892	110,801,739	105,419,171
Capital work in progress	867,328,872	802,450,632	616,005,434
Total	971,456,764	913,252,370	721,424,605

1.1 Carrying amount of PPE

Description	Land	Building	Leasehold Improvements	Furniture and Fixtures	Office Equipments	Vehicles	Others	TOTAL
Gross Block								
As at 15 July 2021	37,656,090	6,713,833	7,294,336	6,658,149	14,784,282	42,128,629	28,587,741	143,823,061
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 15 July 2022	50,512,679	6,713,833	5,302,421	7,415,808	16,525,843	42,128,629	28,966,449	157,565,662
Additions	254,060	-	515,446	1,062,595	861,909	903,800	1,550,360	5,148,169
Adjustment (disposals and transfers)	-	-	-	866,888	2,489,790	-	479,956	3,836,634
As at 16 July 2023	50,766,739	6,713,833	5,817,866	7,611,515	14,897,961	43,032,429	30,036,853	158,877,198

Accumulated depreciation

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	2,227,213	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 15 July 2022	-	1,105,465	33,195	4,325,746	10,723,462	24,433,229	6,142,826	46,763,924
Eliminated due to:								
Assets impaired during the year	-	-	-	219,395	19,418	-	271,908	510,721
Classified as held for sale	-	-	-	546,712	2,363,118	-	90,495	3,000,324
As at 15 July 2022 (Restated)	-	1,105,465	33,195	3,559,639	8,340,926	24,433,229	5,780,424	43,252,879
Charge for the year	-	335,692	664,996	965,210,34	2,003,018,99	3,011,503	4,516,007	11,496,427
Attributable to assets impaired during the year	-	-	-	10,693	3,888	-	36,984	51,564
Attributable to sold/transferred/written off	-	-	-	11,534	50,050	-	-	61,584

As at 16 July 2023	-	1,441,157	698,191	4,524,850	10,343,945	27,444,732	10,296,431	54,749,306
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Schedules and explanatory notes forms integral part of financial statement

Net Book Value

As at 15 July 2021 (restated)	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 15 July 2022	50,512,679	5,608,368	5,269,226	3,090,062	5,802,381	17,695,400	22,823,622	110,801,739
As at 16 July 2023	50,766,739	5,272,677	5,119,675	3,086,665	4,554,016	15,587,697	19,740,422	104,127,892

As per our report of even date

Ramesh Paneru
Senior Manager - Finance

Jeevan Kumar Basnet
Deputy Chief Executive Officer

Arjun Kumar Gautam
Chief Executive Officer

Sudhir Gwali
Director

Ram Prasad Acharya
Director

Rajeshwar Gyawali
Director

Jitendra Chital
Director

Madhav Prasad Koirala
Director

CA Sristi Koirala
Partner

B. & S. Associates
Chartered Accountants

Gopal Prasad Sigdel
Chairman

B. & S. Associates
Chartered Accountants

Hydroelectricity Investment & Development Co. Ltd.
Kathmandu, 2071

Date: Poush 04, 2080
Place: Kathmandu

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

2 Intangible Assets

Amount in NPR

Particulars	Group		HIDCL	
	As at	As at	As at	As at
	31 Ashad 2080	32 Ashad 2079	31 Ashad 2080	32 Ashad 2079
Carrying amount of Intangible Assets	314,663	314,844	-	-
Capital work in progress	6,685,825	6,685,825	6,685,825	6,685,825
Total	7,000,487	7,000,669	6,685,825	6,685,825

2.1 Carrying Amount of Intangible Assets

Particulars	Software	Website Development	Total	Software	Website Development	Total
Cost of Intangible Asset						
As at 15 July 2021	1,230,000	88,592	1,348,592	963,000	88,592	1,051,592.00
Additions during the year	129,250	-	129,250	-	-	-
Disposals during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
As at 15 July 2022	1,359,250	88,592	1,477,842	963,000	88,592	1,051,592
Additions during the year	85,850	-	85,850	-	-	-
Disposals during the year	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-
As at 16 July 2023	1,475,100	88,592	1,563,692	963,000	88,592	1,051,592
Amortization and Impairment						
As at 15 July 2021	1,001,586	88,592	1,090,178	963,000	88,592	1,051,592
Amortization charge for the year	72,820	-	72,820	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As at 15 July 2022	1,074,406	88,592	1,162,998	963,000	88,592	1,051,592
Amortization charge for the year	86,032	-	86,032	-	-	-
Disposals	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
As at 16 July 2023	1,160,437	88,592	1,249,029	963,000	88,592	1,051,592
Net Carrying value of Intangible Asset						
As at 15 July 2021	258,414	-	258,414	-	-	-
As at 15 July 2022	314,844	-	314,844	-	-	-
As at 16 July 2023	314,663	-	314,663	-	-	-

2.2 Capital work in progress

Particulars	As at	As at	As at	As at
	31 Ashad 2080	32 Ashad 2079	31 Ashad 2080	32 Ashad 2079
Opening Balance	6,685,825	6,685,825	6,685,825	6,390,825
Additions during the year	-	-	-	295,000
Less: Capitalized during the year	-	-	-	-
Closing Balance	6,685,825	6,685,825	6,685,825	6,685,825

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

Amount in NPR

Particular	Group		HIDCL	
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
Right Of-Use- Asset	128,227,305	79,455,218	79,455,218	79,455,218
Prior Period Adjustment	6,000,052	47,868,901	6,000,052	-
Less: Accumulated Amortization	15,967,306	1,478,750	9,644,999	1,478,750
Total	106,259,947	125,845,369	63,810,167	77,976,468

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

Amount in NPR

Particular	HIDCL	
	As at 31 Ashad 2080	As at 32 Ashad 2079
Investment in unquoted subsidiary		
Remit Hydro Limited (5,350,000 shares of Rs 100 each) (Out of which 1,300,000 shares were called during the year)	610,000,000	535,000,000
Simbuwa Remit Hydro Limited (3,512,700 shares of Rs 100 each) No call is made during the Year	400,000,000	351,270,000
Total	1,010,000,000	886,270,000

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

5 Investment carried at fair value through OCI

Amount in NPR

Particulars	Group		HIDCL	
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
Quoted equity securities	-	-	-	-
Unquoted equity securities	2,222,812,500	1,754,225,000	2,222,812,500	1,754,225,000
Total	2,222,812,500	1,754,225,000	2,222,812,500	1,754,225,000

Amount in NPR

Investment in unquoted equity	Current Year		HIDCL	
	Cost	Fair Value	Previous Year	Fair Value
Power Transmission Company Limited (630,000 Ordinary Shares of Rs.100 paid up)	63,000,000	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)	28,462,500	28,462,500	22,500,000	25,875,000
Vision Energy And Power Private Limited (5,000,000 Ordinary Shares of Rs.100 paid up)	500,000,000	500,000,000	500,000,000	500,000,000
Vision Lumbini Urja Company Ltd (2,000,000 Ordinary Shares of Rs.100 paid up)	200,000,000	200,000,000	200,000,000	200,000,000
Jagadulla Hydropower Company Limited 2,343,000 Ordinary Shares of Rs.100 paid up)	234,300,000	234,300,000	234,300,000	234,300,000
Mewa Developers Ltd (4,600,000 Ordinary Shares of Rs.100 paid up)	926,000,000	926,000,000	460,000,000	460,000,000
Total	2,222,812,500	2,222,812,500	1,743,850,000	1,754,225,000



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			
	As at	As at	As at	As at
	31 Ashad 2080	32 Ashad 2079	31 Ashad 2080	32 Ashad 2079
Investment in corporate bonds	83,609,863	87,219,726	83,609,863	87,219,726
Loan to power project	8,950,641,513	5,222,760,683	8,950,641,513	5,222,760,683
Staff loan	390,585	608,801	390,585	608,801
Deferred employee expenditure	108,618	144,774	108,618	144,774
On-lending	-	410,400,922	-	410,400,922
Investment work in progress	2,915,375	41,672,860	2,915,375	41,672,860
Total	9,037,665,954	5,762,807,765	9,037,665,954	5,762,807,765

6.1 Investment in corporate bonds

Particulars	Group		Amount in NPR	
	HIDCL			
	As at	As at	As at	As at
	31 Ashad 2080	32 Ashad 2079	31 Ashad 2080	32 Ashad 2079
Corporate bond (debenture)	80,000,000	80,000,000	80,000,000	80,000,000
Interest receivable on bond	3,609,863	7,219,726	3,609,863	7,219,726
Total	83,609,863	87,219,726	83,609,863	87,219,726

6.2 Loan to power projects

Particulars	Group		Amount in NPR	
	HIDCL			
	As at	As at	As at	As at
	31 Ashad 2080	32 Ashad 2079	31 Ashad 2080	32 Ashad 2079
Himalayan Power Partner Limited (Dordi Khola HEP)	738,478,496	589,258,200	738,478,496	589,258,200
Sahas Urja Limited (Solu Dudh Koshi HEP)	1,408,690,060	830,899,335	1,408,690,060	830,899,335
Swet Ganga Hydropower and Construcion Limited (Lower Likhu HEP)	874,302,701	829,769,813	874,302,701	829,769,813
Solu Hydro Power Limited (Lower Solu HEP)	110,353,750	110,353,750	110,353,750	110,353,750
Mandu Hydropower Limited (Bagmati Small Power Project)	161,139,371	175,479,371	161,139,371	175,479,371
Mountain Energy Nepal Limited (Mistri Khola HEP)	977,226,219	1,037,817,219	977,226,219	1,037,817,219
Nyadhi Hydropower Limmited (Nyadi Hydropower Project)	622,129,373	434,520,231	622,129,373	434,520,231
Upper Solu Hydroelectric Co. Limited (Solu Hydroelectric Project)	214,619,421	217,641,021	214,619,421	217,641,021
Beni Hydropower Limited (Upper Solu Hydropower Project)	194,908,060	180,988,449	194,908,060	180,988,449
Trishuli Jalvidyut Co. Limited (Upper Trisuli 3B Hydroelectric Project)	1,136,625,436	946,037,053	1,136,625,436	946,037,053
Upper Tamakoshi Hydropower Limited-456 Mw	2,000,000,000	1,100,000,000	2,000,000,000	1,100,000,000
Super Madi Hydropower Ltd(Super Madi Hydroelectric Project)	834,926,139	-	834,926,139	-
Less: Current portion of loan to power projects	-	-	-	-
		14,340,000		14,340,000
Mandu Hydropower Limited (Bagmati Small Power Project)	17,925,000		17,925,000	
Mountain Energy Nepal Limited (Mistri Khola HEP)	75,382,000	54,955,000	75,382,000	54,955,000
Nyadhi Hydropower Limmited (Nyadi Hydropower Project)	8,575,500	4,932,000	8,575,500	4,932,000
Upper Solu Hydroelectric Co. Limited (Solu Hydroelectric Project)	6,312,000	3,021,600	6,312,000	3,021,600
Upper Tamakoshi Hydropower Limited-456 Mw	-	1,100,000,000	-	1,100,000,000
Himalayan Power Partner Limited (Dordi Khola HEP)	7,413,900	-	7,413,900	-
Beni Hydropower Limited (Upper Solu Hydropower Project)	500,000	-	500,000	-
Sahas Urja Limited (Solu Dudh Koshi HEP)	71,294,087	-	71,294,087	-
Swet Ganga Hydropower and Construcion Limited (Lower Likhu HEP)	30,152,506	-	30,152,506	-
Super Madi Hydropower Ltd(Super Madi Hydroelectric Project)	14,792,000	-	14,792,000	-
Loan to power project (Non-Current)	9,041,052,033	5,275,515,842	9,041,052,033	5,275,515,842
Less: Specific impairment	-	-	-	-
Less: Portfolio impairment	90,410,520	52,755,158	90,410,520	52,755,158
	8,950,641,513	5,222,760,683	8,950,641,513	5,222,760,683



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

6.3 Staff Loan

Particulars	Group		Amount in NPR	
	HIDCL			
	As at	As at	As at	As at
	31 Ashad 2080	32 Ashad 2079	31 Ashad 2080	32 Ashad 2079
Staff loan	1,243,302	1,693,315	1,243,302	1,693,315
Less: current portion of staff loan	852,717	1,084,514	852,717	1,084,514
Total	390,585	608,801	390,585	608,801

6.4 On-lending

Asset (to Kabeli Energy Limited)

Particulars	Group		Amount in NPR	
	HIDCL			
	As at	As at	As at	As at
	31 Ashad 2080	32 Ashad 2079	31 Ashad 2080	32 Ashad 2079
Opening balance	410,400,922	1,247,491,394	410,400,922	1,247,491,394
Add :Disbursement during the year	-	-	-	-
Add: Foreign exchange gain or loss	(19,092,990)	50,056,822	(19,092,990)	50,056,822
Add: Interest charged during the year	20,996,002	26,029,345	20,996,002	26,029,345
Less: Repayments during the Year	(412,303,934)	(913,176,640)	(412,303,934)	(913,176,640)
Total	-	410,400,922	-	410,400,922

6.5 Investment Work in Progress

Particulars	Group		Amount in NPR	
	HIDCL			
	As at	As at	As at	As at
	31 Ashad 2080	32 Ashad 2079	31 Ashad 2080	32 Ashad 2079
CWIP Madi Khola HEP	-	38,757,485	-	38,757,485
CWIP Tamor Khola HEP	2,915,375	2,915,375	2,915,375	2,915,375
Total	2,915,375	41,672,860	2,915,375	41,672,860

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	As at	As at	As at
		31 Ashad 2080	32 Ashad 2079	31 Ashad 2080	32 Ashad 2079
Opening CWIP		38,563,984.21	37,857,470.28	38,563,984	37,857,470
Add: Additions during the year		-	706,513.93	-	706,514
Less: Capitalized during the year		-	-	-	-
Less: Written off during the year		-	-	-	-
Total		38,563,984.21	-	38,563,984	-
		-	38,563,984	-	38,563,984

Investment WIP-Tamor Khola HEP		As at	As at	As at	As at
		31 Ashad 2080	32 Ashad 2079	31 Ashad 2080	32 Ashad 2079
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		-	-	-	-
Total		2,915,375	2,915,375	2,915,375	2,915,375

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

7 **Deferred tax assets**

Amount in NPR
HIDCL

FY 2079-80	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Gratuity	252,180	41,555	-	293,736
Leave encashment	1,011,492	297,781	-	1,309,273
Lease liability	285,048	1,353,643	-	1,638,690
Financial assets held at FVTOCI	-	-	-	-
Property, plant and equipment	1,802,343	308,957	-	2,111,300
Total of deferred tax assets	3,351,063	2,001,936	-	5,352,999
Property, plant and equipment	-	-	-	-
Financial assets held at FVTOCI	-	-	-	-
Total of deferred tax liability	-	-	-	-
Net deferred tax assets / (liability)	3,351,063	2,001,936	-	5,352,999

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
Total of deferred tax assets	3,643,291	(292,228)	-	3,351,063
Property, plant and equipment	-	-	-	-
Financial assets held at FVTOCI	-	-	-	-
Total of deferred tax liability	-	-	-	-
Net deferred tax liability	3,643,291	(292,228)	-	3,351,063

Amount in NPR
Group

FY 2079-80	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Gratuity	252,180	41,555	-	293,736
Leave encashment	1,362,842	141,314	38,094	1,504,157
Lease liability	285,048	1,828,998	-	2,114,046
Provision for Provident fund	-	-	-	-
Financial assets held at FVTOCI	-	-	-	-
Property, plant and equipment	1,802,343	308,957	-	2,111,300
Total of deferred tax assets	3,702,414	2,320,825	38,094	6,023,239
Property, plant and equipment	904,168	87,586	-	991,754
Financial assets held at FVTOCI	-	-	-	-
Total of deferred tax liability	904,168	87,586	-	991,754
Net deferred tax asset/ (liability)	2,798,245	2,233,239	38094	5,031,484

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
Total of deferred tax assets	3,938,686	(247,427)	11,156	3,702,414
Property, plant and equipment	766,448	137,720	-	904,168
Financial assets held at FVTOCI	-	-	-	-
Total of deferred tax liability	766,448	137,720	-	904,168
Net deferred tax liability	3,172,237	(385,147)	11,156	2,798,245



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

8 Inventory

Particular	Group		Amount in NPR	
	HIDCL		HIDCL	
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
Printing & stationery items	402,794	339,960	172,916	134,118
Kitchen Utensils	6,862	5,970	-	-
Cleaning & janitorial items	24,630	18,663	-	-
Total	434,286	364,593	172,916	134,118

9 Term deposit with bank

Particulars	Group		Amount in NPR	
	HIDCL		HIDCL	
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
Term Deposit	12,350,000,000	12,380,000,000	12,350,000,000	12,380,000,000
Interest Receivable on deposit	19,011,100	3,839,339	19,011,100	3,839,339
Total	12,369,011,100	12,383,839,339	12,369,011,100	12,383,839,339

10 Other financial asset

Particular	Group		Amount in NPR	
	HIDCL		HIDCL	
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
Loan to power project	259,060,611	1,202,751,397	259,060,611	1,202,751,397
Others	-	-	-	-
Staff loan	852,717	1,084,514	852,717	1,084,514
Total	259,913,329	1,203,835,911	259,913,329	1,203,835,911

Loan to power project

Particular	Group		Amount in NPR	
	HIDCL		HIDCL	
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
Mandu Hydropower Limited (Bagmati Small Power Project)	17,925,000	14,340,000	17,925,000	14,340,000
Mountain Energy Nepal Limited (Mistri Khola HEP)	75,382,000	54,955,000	75,382,000	54,955,000
Nyadi Hydropower Limited (Nyadi Hydropower Project)	8,575,500	4,932,000	8,575,500	4,932,000
Upper Solu Hydroelectric Co. Limited (Solu Hydroelectric Project)	6,312,000	3,021,600	6,312,000	3,021,600
Upper Tamakoshi Hydropower Limited-456 Mw	-	1,100,000,000	-	1,100,000,000
Himalayan Power Partner Limited (Dordi Khola HEP)	7,413,900	-	7,413,900	-
Beni Hydropower Limited (Upper Solu Hydropower Project)	500,000	-	500,000	-
Sahas Urja Limited (Solu Dudh Koshi HEP)	71,294,087	-	71,294,087	-
Swet Ganga Hydropower and Construction Limited (Lower Likhu HEP)	30,152,506	-	30,152,506	-
Super Madi Hydropower Ltd (Super Madi Hydroelectric Project)	14,792,000	-	14,792,000	-
Less: Specific impairment	-	-	-	-
Less: Portfolio impairment	2,323,470	11,772,486	2,323,470	11,772,486
	230,023,523	2,567,514	230,023,523	1,165,476,114
Add: Accrued Interest Receivable -Loan	29,037,088	37,275,283	29,037,088	37,275,283
Total	259,060,611	39,842,797	259,060,611	1,202,751,397

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

11 Current tax assets

Particular	Group		Amount in NPR	
	HIDCL			
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
Current tax assets				
Current year income tax assets	615,049,467	900,077,093	611,311,379	896,508,861
Tax assets of prior periods	-	-	-	-
	615,049,467	900,077,093	611,311,379	896,508,861
Current tax liabilities				
Current year income tax liabilities	631,794,931	433,694,651	631,794,931	433,694,651
Tax liabilities of prior periods	-	2,030,122	-	2,030,122
	631,794,931	435,724,773	631,794,931	435,724,773
Net current tax asset / (liability)	(16,745,464)	464,352,320	(20,483,552)	460,784,087

12 Other asset

Particular	Group		Amount in NPR	
	HIDCL			
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
Prepaid Expenses	1,053,261	162,755	997,056	150,042
Prepaid insurance	3,273,904	3,063,630	2,422,914	2,087,960
Advance for dividend	-	11,292,006	-	11,292,006
Advance-SMEC (Nepalese)	-	7,167,758	-	-
Advance-SMEC (Dollar)	-	2,508,953	-	-
Security Deposit in Nepal Telecom	227,000	227,000	27,000	27,000
Receivable from Subsidiaries	-	-	-	1,152,532
Fixed Assets Held For Sale	-	-	-	-
Receivable from Staff	-	3,389	-	-
Others	262,250	279,449	26,250	43,449
Total	4,816,416	24,704,940	3,473,220	14,752,990

13 Cash and cash equivalent

Particular	Group		Amount in NPR	
	HIDCL			
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
Cash on hand	-	-	-	-
Balance with banks	430,734,324	909,075,180	357,496,485	880,503,333
Total	430,734,324	909,075,180	357,496,485	880,503,333

14 Assets held for sale

Particular	Group		Amount in NPR	
	HIDCL			
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
Carrying amount	80,738	2,614,229	80,738	2,614,229
Fair value less cost to sell (as per management)	-	-	-	-
Lower of fair value less cost to sell and carrying amount	80,738	2,614,229	80,738	2,614,229
Total	80,738	2,614,229	80,738	2,614,229

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

15 Equity Share Capital

Amount in NPR

Particulars	As at 31 Ashad 2080	As at 32 Ashad 2079
Authorized Capital		
500,000,000 Ordinary shares of Rs. 100 each share		
Issued capital		
234,960,000 Ordinary shares of Rs. 100 each share	50,000,000,000	50,000,000,000
(Previous Year 165,000,000 Ordinary shares of Rs.100 each share)	23,496,000,000	23,496,000,000
Subscribed and paid up capital		
227,757,994 Ordinary shares of Rs. 100 each share	22,775,799,375	20,715,052,000
(Previous Year 207,150,520 Ordinary shares of Rs.100 each share)		
Total	22,775,799,375	20,715,052,000

15.1 Movement of share capital over the years

Amount in NPR

Particulars	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2078
Opening share Capital	20,715,052,000	16,500,000,000	16,500,000,000
Add: Right Share Issue	-	-	-
Add: Bonus Share Issue	-	1,496,000,000	-
Add: Auction of unexercised right shares	-	2,719,052,000	-
Total	20,715,052,000	20,715,052,000	16,500,000,000

15.2 Ordinary share ownership

Amount in NPR

Name of Shareholders	Current Year		Previous Year	
	%	Amount	%	Amount
Ministry Of Finance	21.91%	4,989,600,000	22.94%	4,752,000,000
Ministry Of Energy	10.95%	2,494,800,000	11.47%	2,376,000,000
Ministry Of Law, Justice, Constitutional Assembly And Parliamentary Affairs	10.95%	2,494,800,000	11.47%	2,376,000,000
Office Of Comptroller General	10.95%	2,494,800,000	11.47%	2,376,000,000
Public Shareholders	21.91%	4,989,600,000	22.94%	4,752,000,000
Citizen Investment Trust	5.48%	1,247,400,000	5.73%	1,188,000,000
Employee Provident Fund	5.48%	1,247,400,000	5.73%	1,188,000,000
Rastriya Beema Sansthan	5.48%	1,247,400,000	5.73%	1,188,000,000
Promoters- Others	6.89%	1,569,999,375	2.51%	519,052,000
Total	100%	22,775,799,375	100%	20,715,052,000

16 Retained Earnings

Amount in NPR

Particular	Group		HIDCL	
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
Balance at the beginning of the year	672,957,582	806,393,140	711,028,858	813,121,971
Prior period adjustment:				
Depreciation	-	-	-	-
Staff loan asset	-	-	-	-
Restated balance	672,957,582	806,393,140	711,028,858	813,121,971
Profit for the year	1,341,923,950	926,684,997	1,375,207,435	957,829,108
Transfer to reserve during the year	(360,668,700)	(236,957,385)	(360,668,700)	(236,957,385)
Bonus Share Issued	(651,813,375)	(734,385,129)	(651,813,375)	(734,385,129)
Share issued (right share issue expenses)	(6,243,271)	(7,812,743)	(6,243,271)	(7,812,743)
Cash dividend paid	(55,990,178)	(78,736,842)	(55,990,178)	(78,736,842)
Prior Period Tax	-	(2,030,122)	-	(2,030,122)
Prior Period Adjustments*	140,288	(198,333)	68,288	-
Reversal of Bonus Payable	433,119,644	-	433,119,644	-
Total	1,373,425,940	672,957,582	1,444,708,701	711,028,858

*For the Consolidated FS as on 32.03.2079, prior period adjustment amounting 198,332.80 if for the adjustment of prepaid insurance of Simbuwa Remit Hydro Limited.

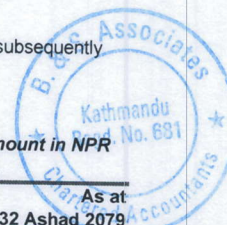
*For the Consolidated FS as on 31.03.2080, prior period adjustment amounting to 140288 represents:

- 72,000 is for the rental income recognised by SRHL which was not recognised by RHL in 2078-79 as rent expenses and was subsequently recognised by RHL in 2079-80.
- 68,288 is for the NFRS Adjustment of Lease Liability & ROU Asset of HIDCL in FY 2079-80.

17 Reserves

Amount in NPR

Particular	Group		HIDCL	
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
General Reserve	551,488,332	276,446,845	551,488,332	276,446,845
Loan Guard Fund	229,427,351	145,802,074	229,427,351	145,802,074
Deferred Tax Reserve	5,211,576	3,209,641	5,352,999	3,351,063
Share Premium	105,778,765	516,123,454	105,778,765	516,123,454
Total	891,906,025	941,582,013	892,047,447	941,723,436



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

18 Provisions for employee benefits

Particulars	Group		Amount in NPR	
	HIDCL			
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
Provision for employee benefits				
Leave Encashment	6,102,832	4,739,522	4,364,242	3,371,640
Gratuity	979,119	840,602	979,119	840,602
Total	7,081,951	5,580,124	5,343,361	4,212,241

19 Financial liability carried at amortised cost

Particulars	Group		Amount in NPR	
	HIDCL			
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
On-lending				
Opening balance	410,400,922	1,227,124,175	410,400,922	1,247,491,395
Add :Disbursement during the year	-	-	-	-
Add: Foreign Exchange Gain or Loss	(19,092,990)	(13,259,862)	(19,092,990)	50,056,822
Add: Interest Charged During the year	20,996,002	33,627,082	20,996,002	26,029,345
Less: Repayment of Interest During the year	(412,303,934)	-	(412,303,934)	(913,176,640)
Total	-	1,247,491,395	-	410,400,922

20 Lease liabilities

Particulars	Group		Amount in NPR	
	HIDCL			
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
Present Value of Lease Liability under NFRS-16	127,563,071	79,455,218	78,926,627	79,455,218
Add: Interest Expenses for the Period	11,880,784	1,507,472	7,124,433	1,507,472
Prior Period Adjustment	(6,068,340)	48,636,444	(6,068,340)	-
Less: Paymnet During the Year	(17,850,420)	(2,036,064)	(10,710,252)	(2,036,064)
Total	115,525,094	127,563,071	69,272,468	78,926,627
Non-Current Liabilities	108,531,285	119,949,592	65,092,089	75,889,052
Current Liabilities	6,993,809	7,613,479	4,180,379	3,037,574
Total	115,525,094	127,563,071	69,272,468	78,926,627

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			
	As at 31 Ashad 2080	As at 32 Ashad 2079	As at 31 Ashad 2080	As at 32 Ashad 2079
TDS Payable	1,185,163	2,575,936	555,770	1,473,555
Audit Fee Payable	1,363,031	1,178,972	683,650	711,900
Staff PF Payable	-	-	-	-
Salary Payable	40,771	274,870	40,771	273,970
Account Payable*	1,849,134	6,594,512	860,146	6,519,732
Dividends Payable (Public Shareholders)	110,515,467	126,881,500	110,515,467	126,881,500
Retention Money Deduction	14,874,133	17,270,378	523,258	573,260
Bid Bond Gurantee	8,000	8,000	8,000	8,000
Expenses Payable	50,033	169,500	-	169,500
Consultancy Fee Payable	22,264,407	56,218,010	169,500	-
Employee Welfare Fund-Hidcl	2,665,740	-	2,487,978	-
VAT payable	101,243	434,426	70,958	382,632
Meeting Fee Payable	39,100	-	39,100	-
Provision for Counsultancy-GKHEP	-	17,189,279	-	-
Water and Expense Payable	26,564	4,400	-	-
Provision for Counsultancy-SMEC	-	4,843,010	-	-
ICCS\$-Provision for Consultancy Site	13,652,026	-	-	-
ICCSNPR-Provision of Consultancy Site	4,212,482	-	-	-
Provision for Arthabrisha Management Nepal	22,300	-	-	-
Defined Benefit Obligation- Current	46,443	37,520	-	-
Property Tax Payable	7,048	-	-	-
Employee bonus payable	20,310,392	447,899,904	20,310,392	447,770,338
Total	193,233,476	681,580,217	136,264,989	584,764,387



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

22 Revenue From Contracts with Customer

Particular	Group		Amount in NPR HIDCL	
	For the period	For the period	For the period	For the period
	2079-80	2078-79	2079-80	2078-79
Management Fees	6,706,338	3,152,467	6,706,338	3,152,467
Other Fee/LC Commission	3,383,552	609,289	3,383,552	609,289
Total	10,089,890	3,761,756	10,089,890	3,761,756

23 Interest income

Particular	Group		Amount in NPR HIDCL	
	For the period	For the period	For the period	For the period
	2079-80	2078-79	2079-80	2078-79
Interest from Fixed Deposits	1,299,273,793	1,062,137,858	1,299,273,793	1,062,137,858
Interest from Call Deposits	9,606,794	3,636,296	8,474,425	2,950,067
Interest from Bond	7,200,000	7,219,726	7,200,000	7,219,726
Interest from Loan to Projects	836,252,771	456,837,914	836,252,771	456,837,914
Interest from Loan to Staff under NFRS	91,611	144,669	91,611	144,669
Total	2,152,424,969	1,529,976,463	2,151,292,600	1,529,290,234

24 Dividend Income

Particular	Group		Amount in NPR HIDCL	
	For the period	For the period	For the period	For the period
	2079-80	2078-79	2079-80	2078-79
Dividend income	13,360,500	14,148,000	13,360,500	14,148,000
Total	13,360,500	14,148,000	13,360,500	14,148,000

25 Other income

Particular	Group		Amount in NPR HIDCL	
	For the period	For the period	For the period	For the period
	2079-80	2078-79	2079-80	2078-79
Tender & Application Fees	-	-	-	-
Miscellaneous Income	282,620	529,388	191,228	323,731
Liabilities written off*	-	3,755,663	-	3,755,663
Deposit Received	-	6,000	-	-
Total	282,620	4,291,051	191,228	4,079,394

* 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.

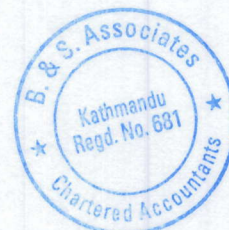
26 Employee benefit expense

Particular	Group		Amount in NPR HIDCL	
	For the period	For the period	For the period	For the period
	2079-80	2078-79	2079-80	2078-79
Short term-Employee Benefit Expenses				
Salary	21,866,940	18,163,557	16,078,025	12,563,346
Allowance	10,781,657	8,606,308	8,289,831	6,701,676
Gratuity expense	2,061,839	1,507,445	1,573,488	979,211
Provident Fund	2,071,222	1,715,714	1,485,214	1,160,894
Leave Encashment Expenses	2,238,745	1,715,414	1,948,287	1,131,520
Force Leave Allowance	924,386	629,351	677,035	629,351
Staff Training	1,014,922	355,915	1,000,172	355,915
Incentives	2,615,050	1,322,875	1,593,000	394,500
Employee Insurance Expenses	4,425,487	3,571,434	3,810,740	3,296,880
Staff Welfare Expenses	3,062,741	2,467,145	1,941,117	1,362,843
Vehicle Facilities	1,173,000	1,337,500	1,125,000	1,337,500
Employee benefit expenses under NFRS	-	-	-	-
Current Period	64,411	99,690	64,411	99,690
Prior Period	-	76,835	-	76,835
Subtotal	52,300,399	41,569,182	39,586,319	30,090,160
Staff Bonus	20,310,392	73,253,473	20,310,392	73,253,473
Longterm-Employee Benefit Expenses				
Defined Benefit Obligation	23,641	530,346.75	-	-
Total	72,587,150	115,353,001	59,896,711	103,343,633

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

27 Operating and Administrative Expenses

Particular	Group		Amount in NPR	
	For the period 2079-80	For the period 2078-79	HIDCL	
			For the period 2079-80	For the period 2078-79
Advertisement and Business Promotion	750,352	520,077	443,121	463,516
Annual General Meeting Expenses	1,059,355	1,325,977	979,003	1,169,056
Auditors' remuneration	1,666,577	1,909,064	889,992	957,429
Bank Commission And Charges	8,095	3,572	7,665	3,542
Board Meeting Expenses	388,055	139,801	339,261	139,801
Cleaning (Janitorial Services)	222,069	219,746	158,434	110,536
Consultancy Expenses	271,200	878,740	203,400	856,140
Corporate social responsibility expense	374,414	400,000	374,414	400,000
Directors' Meeting Allowances	1,627,562	1,899,000	1,222,000	1,484,000
Directors' Meeting Expense	164,473	203,957	154,845	87,892
Directors Meetings Fee/Allowances-Others	830,000	1,027,867	830,000	843,950
Fee, Rates & Taxes (Vehicle/Property Tax And Other Renewal Charges)	356,884	277,858	160,600	144,625
Fuel Expenses	1,149,223	913,233	995,884	688,038
Health And Safety	98,162	96,935	87,562	73,495
Insurance	321,633	1,293,645	136,811	123,797
Kitchen Utensil & Others	359,779	341,116	232,883	252,675
Legal Services Fee	634,550	476,800	553,700	296,200
Leasehold Improvement -Written off	-	3,181,630	-	-
Management Meeting Allowances	151,000	125,333	20,000	41,000
Management Meeting Expenses	441,420	478,744	300,970	460,099
Miscellaneous Operating Expenses	867,704	741,397	299,922	343,735
News Paper, Books and Journals	21,380	30,200	21,380	23,400
Operating lease expense	680,016	7,190,564	510,012	5,288,245
Other audit related Expense	304,621	39,095	-	-
Postage, Telex, Telephone, Fax	311,081	530,810	171,478	317,938
Printing and Stationery	860,102	532,529	743,883	459,049
Prior period Expenses	-	12,977	-	-
Project Appraisal Cost	-	90,000	-	90,000
Refreshment Expenses	-	468,246	-	468,246
Anniversary , Dashain & Others Expens	403,209	-	403,209	-
Business Development/ Promotional Expense	47,600	-	47,600	-
Conference/ Seminar	592,725	-	592,725	-
Repair and Maintenance				
a) Building	-	700	-	-
b) Vehicle	707,776	773,071	586,254	539,045
c) Computer and accessories	456,934	479,184	456,934	174,609
d) Office equipment and furniture	341,859	100,626	291,936	100,626
e) Other	209,213	349,628	209,213	349,628
Security Expenses	867,062	1,094,662	867,062	850,582
Share management expense	2,190,562	6,171,214	2,190,562	6,171,214
Site office setup	-	178,097	-	-
Staff Recruitment Expenses	237,715	2,594,863	237,715	2,594,863
Travelling Allowances and Expenses	1,213,130	560,625	1,120,130	560,625
Water and Electricity	393,556	625,200	321,112	440,891
Total	21,581,044	38,276,786	17,161,671	27,368,490



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

28 Finance Expenses

Particular	Group		Amount in NPR	
	HIDCL			
	For the period 2079-80	For the period 2078-79	For the period 2079-80	For the period 2078-79
Interest Expense under NFRS -16	11,880,784	2,729,204	7,124,433	1,507,472
Interest Cost	17,539	58,543.21	-	-
Total	11,898,323	2,787,748	7,124,433	1,507,472

29 Depreciation and amortisation

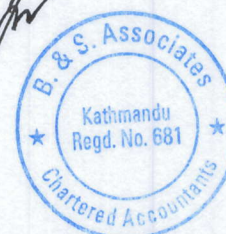
Particular	Group		Amount in NPR	
	HIDCL			
	For the period 2079-80	For the period 2078-79	For the period 2079-80	For the period 2078-79
Depreciation of PPE	9,218,821	9,432,947	2,246,692	2,741,554
Amortisation of Intangible Asset	236,074	72,820	150,042	-
Depreciation Of Right-of-use Assets	13,585,370	2,381,937	8,166,249	1,478,750
Total	23,040,265	11,887,703	10,562,983	4,220,304

30 Impairment

Particular	Group		Amount in NPR	
	HIDCL			
	For the period 2079-80	For the period 2078-79	For the period 2079-80	For the period 2078-79
Portfolio Impairment	28,206,346	23,023,497	28,206,346	23,023,497
PPE Impairment	131,702	68,480	131,702	-
Total	28,338,048	23,091,977	28,338,048	23,023,497

31 Profit from Discontinued Operations

Particular	Group		Amount in NPR	
	HIDCL			
	For the period 2079-80	For the period 2078-79	For the period 2079-80	For the period 2078-79
Revenue from sale of SKHEP	-	-	-	-
Cost of Sales	-	-	-	-
Gross profit	-	-	-	-
Other Operating Expenses	-	-	-	-
Personnel Expenses	-	-	-	-
Profit Before Depreciation, Interest, and Tax	-	-	-	-
Depreciation & Amortisation	-	-	-	-
Profit Before Interest and Tax	-	-	-	-
Finance cost	-	-	-	-
Profit before Tax	-	-	-	-
Income Tax	-	-	-	-
Profit After Tax	-	-	-	-





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 27th Ashad 2068 (11th 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 31st Ashad 2080 have been drawn up consistent with the requirements of NAS 1 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:

- 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 adopts 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:

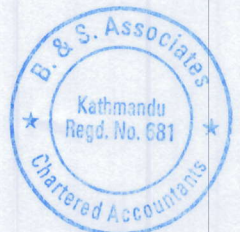
Relevant Financial Statement	Nepalese Calendar	English Calendar
Comparative reporting period	1 st Shrawan 2078 – 32 nd Ashad 2079	16 th July 2021 – 16 th July 2022
NFRS SFP Date	31 st Ashad 2080	16 th July 2023
NFRS reporting period	1 st Shrawan 2079 – 31 st Ashad 2080	16 th July 2022 – 16 th July 2023

The accompanied Financial Statements have been authorized by the Board of Directors vide its 287th meeting dated Poush 4, 2080.

[Signature]



[Signatures]





d) Functional and Presentation Currency

The Financial Statements of company are presented in Nepalese Rupees (NRs), 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 1 (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) 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.

h) 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.

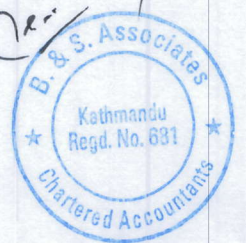
i) Current and Non-Current Distinction

Under the guidelines of NFRS-16, lease liabilities that are due within the upcoming 12 months are categorized as current liabilities, while those due after the 12 months period are classified as non-current liabilities.

j) 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.





k) 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.

l) Consolidation

The company controls and consequently consolidates an entity when 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 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.

As per the MOU between Hydroelectricity Investment and Development Company Limited, Nepal Electricity Authority and Vidyut Utpadan dated 17Th Falgun 2079, Company has diluted its share of Subsidiary (Remit Hydro Limited and Symbuwa Remit Hydro Limited) to 15 percent. However, as of the share lagat dated 31st Ashad, 2080, HIDCI holds one hundred percent ownership in both subsidiaries. Consequently, company has included both subsidiaries in its consolidated financial statement.

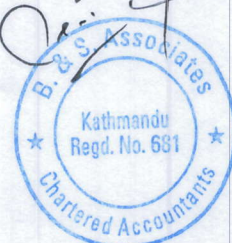
m) Accounting Estimates and Judgment

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

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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.

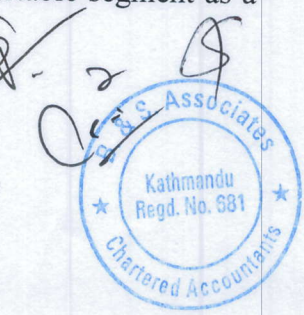
An item of property and equipment is derecognized upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) 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 31st Ashad 2080.

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

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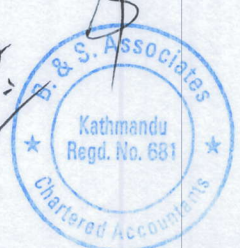
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Amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category consistent with the function of the intangible asset.

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 31st Ashad 2080. 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.

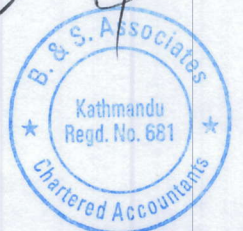
Measurement

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:

- The amount of the initial measurement of the lease liability,
- Any lease payments made at or before the commencement date, less any lease incentives received,
- 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;

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- (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

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 was 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. However, during the year On-lending transaction has been settled.

These assets was 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.

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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

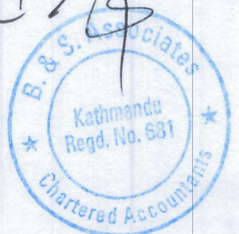
If a fair value through OCI financial asset is impaired, an amount comprising the difference between its costs (net of any principal repayment and amortization) and its current fair value, less any impairment loss previously recognized in other comprehensive income, is transferred from equity to the 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.

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

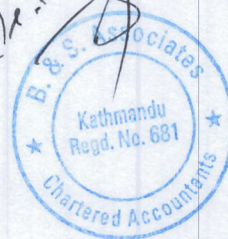
Company assesses recoverability of other financial asset and when it becomes doubtful for the recovery, company impair these financial assets as bad debt.

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 net 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.
- **Proposed Dividend:** Board of directors via 287th board meeting held on 4th Poush, 2080 has proposed to distribute 5.263% cash dividend amounting NPR 1,198,726,283.00 to the shareholders for the reported period, FY 2079-80.

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.

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Hydroelectricity Investment & Development Co. Ltd.
Kathmandu, 2011

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Kathmandu
Regd. No. 681
Chartered Accountants



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 certain 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

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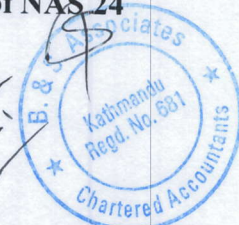
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- i) Government of Nepal
- ii) Remit Hydro Limited (Subsidiary)
- iii) Simbuwa Remit Hydro Limited (Subsidiary)
- iv) Board of Directors

Current year	Previous year
Mr. Dinesh Kumar Ghimire (Chair)	Mr. Sushil Chandra Tiwari (Chair)
Mr. Ram Prasad Acharya	Mr. Bhupal Baral
Mr. Shambhu Prasad Marasini	Mrs. Nirmala Adhikari Bhattarai
Mr. Jitendra Dhital	Mr. Jitendra Dhital
Mr. Madhav Prasad Koirala	Mr. Megh B. Bishwakarma
Mr. Sudhir Gewali	Mr. Sudhir Gewali
Mr. Sushil Chandra Tiwari (Ex-Chair)	Mr. Devendra Karki (Ex-BOD)
Mr. Bhupal Baral (Ex-BOD)	Mr. Parakram Sharma (Ex-BOD)
Mr. Megh B. Bishwakarma (Ex-BOD)	Mr. Parashwor Dhungana (Ex-BOD)
Mrs. Nirmala Adhikari Bhattarai (Ex-BOD)	Mr. Sushil Koirala (Ex-BOD)
	Mr. Raman Nepal (Ex-BOD)

v) Key Managerial Personnel

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

5.1.1. Transactions with promoters

Promoters	Current year	Previous year
Rastriya Beema Sansthan (Insurance- Staff)	4,543,386.62	3,583,519
Employee Provident Fund (PF Contribution)	4,936,751.27	3,760,248
Citizen Investment Trust (Employee Voluntary Contribution)	831,911.02	899,585
Citizen Investment Trust (Lease rental payments)	11,220,264.00	2,133,019

5.1.2. Board Member Allowances and Facilities

The Board of Directors have been paid meeting fees of NPR 12,22,000 during the fiscal year. There were 19 Board Meetings conducted during the fiscal year.

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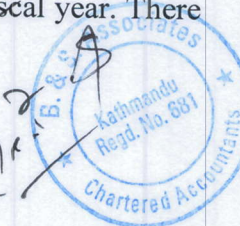
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The chairperson and other members of the Board are paid NPR 7,000 and NPR 5,000 per meeting respectively for Board and Board Level Committees meeting.

Particulars	Current year	Previous year
Mr. Dinesh Kumar Ghimire (Chair)	105,000	-
Mr. Ram Prasad Acharya	55,000	-
Mr. Shambhu Prasad Marasini	43,000	-
Mr. Jitendra Dhital	219,000	38,000
Mr. Madhav Prasad Koirala	115,000	-
Mr. Sudhir Gewali	268,000	109,000
Mr. Sushil Chandra Tiwari (Ex-Chair)	28,000	28,000
Mr. Bhupal Baral (Ex-BOD)	100,000	121,000
Mr. Megh B. Bishwakarma (Ex-BOD)	108,000	278,000
Mrs. Nirmala Adhikari Bhattarai (Ex-BOD)	181,000	228,000
Mr. Devendra Karki (Ex-BOD)	-	140,000
Mr. Parakram Sharma (Ex-BOD)	-	174,000
Mr. Parashwor Dhungana (Ex-BOD)	-	78,000
Mr. Sushil Koirala (Ex-BOD)	-	65,000
Mr. Raman Nepal (Ex-BOD)	-	225,000
Total	1,222,000	1,484,000

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	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
Total		13,362,592.77	311,000.00	13,861,592.77

Current financial year

Key managerial personnel	Designation	Salary	Meeting allowance	Total compensation
Mr. Arjun Kumar Gautam	CEO	6,891,737.59	160,000	70,51,737.59
Mr. Arun Rajauria	D-CEO	4,350,811.81	85,000	44,35,811.81
Mr. Jeevan Kumar Basnet	D-CEO	3,570,627.15	39,000	36,09,627.15
Total		1,48,13,176.55	284,000	1,50,97,176.55

5.1.4. Transaction with wholly owned subsidiary

Particulars	Remit Hydro Limited	Simbuwa Remit Hydro Limited
Investment in Shares		
Opening Balance	535,000,000.00	351,270,000.00





Addition During the Year	75,000,000.00	48,730,000.00-
Closing Balance	610,000,000.00	400,000,000.00

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.	1,375,207,435	957,829,108
Weighted average of number of equity shares used in computing basic earnings per share (b)	Nos.	227,757,994	207,150,520
Weighted average of number of equity shares used in computing diluted earnings per share (c)	Nos.	227,757,994	207,150,520
Basic earnings per equity share of Rs 100 each (a/b)	NPR.	6.04	4.62
Diluted earnings per equity share of Rs 100 each (a/c)	NPR.	6.04	4.62

7. Investment Write-Off

278th meeting of the Board of Directors held on 16th Chaitra 2079 decided to write off the amount invested on Madi Reservoir Hydropower Project (156 MW) amounting to Rs. 39,441,484 as the survey permit was not renewed (Company has not applied for renewal of survey permit). Accordingly, company had written-off the amount invested on Madi Reservoir Hydropower Project (156 MW) amounting to Rs. 39,441,484.

8. Bonus Provisioning

The company initially earmarked five percent of its net profit for employee bonuses. However, due to a decision from the Finance Ministry permitting only a one percent bonus allocation, the company adjusted its allocation accordingly, setting aside only one percent of the net profit for bonuses. As a result, the remaining amount of Rs. 433,119,644 has been transferred to retained earnings.

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[Circular stamp: Hydroelectricity Investment & Development Co. Ltd. Kathmandu, 2011]

[Circular stamp: B. & S. Associates Kathmandu Regd. No. 681 Chartered Accountants]



9. Restatement of Financial Statement of Subsidiary

Remit Hydro Limited (RHL), Simbuwa Remit Hydro Limited (SRHL), and HIDCL entered a 9-year lease agreement in the fiscal year 2078-79. According to the accounting standards outlined in NFRS-16, the lease calculations should have been applied during the fiscal year 2078-79. However, RHL & SRHL did not adhere to NFRS-16 guidelines in that fiscal year. Therefore, to ensure compliance and incorporate the retrospective effect of NFRS-16, RHL & SRHL have restated their Financial Statements for the year 2078-79.

10. 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 2079-80		For the period 2078-79		Growth
	In NPR	%	In NPR	%	
Income	2,174,742,989		1,547,199,990		40.56%
Less: Operating expenses excluding personnel costs					
Operating Expenses	24,286,104		28,875,963		-15.90%
Value-added from operations	2,150,456,885		1,518,324,027		
Other income (including exceptional items)	191,228		4,079,394		-95.31%
Total value-added	2,150,648,113		1,522,403,421		41.27%
Distribution of value-added					
Human resources					
Salaries and bonus	59,896,711	2.79%	103,343,633	6.79%	-42.04%
Providers of capital					
Dividend (1)	-	0.00%	-	0.00%	
Minority interest	-	0.00%	-	0.00%	
Interest on debt	-	0.00%	-	0.00%	
	59,896,711	2.79%	103,343,633	6.79%	-42.04%
Taxes					
Corporate income taxes	637,523,273	29.64%	433,694,651	28.49%	47.00%
Dividend tax (1)	-	0.00%	-	0.00%	
	637,523,273	29.64%	433,694,651	28.49%	47.00%
Income retained in business					
Depreciation and amortization	10,562,983	0.49%	4,220,304	0.28%	150.29%
Retained in business	1,375,207,435	63.94%	957,829,108	62.92%	43.58%
Deferred Tax Credit	-2,001,936	-0.09%	292,228	0.02%	-785.06%
Provision for Impairment Loss	28,338,048	1.32%	23,023,497	1.51%	23.08%
Loss On Sale/Disposal Of Fixed Assets	2,529,528				
Investment Witte Off	38,592,071				
	1,453,228,130	67.57%	985,365,137	64.27%	47.48%
Total	2,150,648,113	100.00%	1,522,403,421	100.00%	41.27%





11. 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 31st Ashad 2080		As at 32nd Ashad 2079	
	Carrying Value	Fair Value (Level 3)	Carrying Value	Fair value (Level 3)
Assets				
Assets carried at Amortized Cost				
Investment in Corporate Bonds	83,609	83,609	87,220	87,220
Loan to Power Project	9,041,052	9,041,052	5,222,761	5,222,761
Term Deposit with Bank	12,350,000	12,350,000	12,380,000	12,380,000
Staff Loan	1,243	1,243	1,693	1,693
On-lending	-	-	410,401	410,401
Assets carried at Cost				
Investment in subsidiaries	1,010,000	1,010,000	886,270	886,270
Fair Value through Other Comprehensive Income (FVTOCI)				
Investment securities at OCI	2,222,812	2,222,812	1,754,225	1,754,225
Liabilities				
Liabilities carried at Amortized Cost	-	-	410,401	410,401





12. 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.

13. 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.

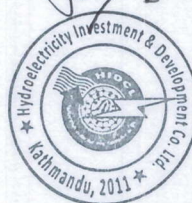
Particular	Current year	Previous year
Contingent liability		
LC Liability	466,831,797.86	481,570,202
Commitment		
Loan/ Investment Commitment	20,154,730,000	3,222,134,780
Litigation	-	-

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.

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Loan Commitment

Amount in NPR (million)

S.No.	Name of Company	Name of Project	Installed Capacity (MW)	Approved Loan	Loan Disbursed	Outstanding Loan as of 2080.03.31	Existing Commitment Amount	Undisbursed Loan as of 2080.03.31
1	Mandu Hydropower Limited	Bagmati Small HEP	22.00	200.00	200.00	161.11	200.00	-
2	Solu Hydropower Ltd.	Lower Solu HEP	82.00	600.00	491.00	110.35	150.00	110.4
3	Mountain Energy Nepal Ltd.	Mistri Khola HEP	42.00	1,087.20	1,058.70	977.23	1,087.20	28.50
4	Himalayan Power Partner Ltd.	Dordi Khola HEP	27.00	806.47	738.60	738.48	806.47	67.87
5	Upper Solu Hydroelectric Co. Ltd.	Solu HEP	23.50	200.00	218.00	214.62	200.00	-
6	Nyadi Hydropower Ltd.	Nyadi HEP	30.00	828.78	622.10	622.13	828.78	206.68
7	Beni Hydropower Ltd.	Upper Solu HEP	19.80	200.00	194.91	194.91	200.00	5.09
8	Swet Ganga Hydropower and Const. Co. Ltd.	Lower Likhu HEP	28.10	1,005.08	876.33	874.30	1,005.08	128.75
9	Sahas Urja Ltd.	Solukhola Dudhkoshi HEP	86.00	1,449.20	1,408.80	1,408.69	1,449.20	40.40
10	Upper Trishuli Jalvidhyut Co. Ltd.	Trishuli 3B HEP	37.00	1,878.00	1,136.63	1,136.63	1,878.00	741.37



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11	Upper Tamakoshi Hydropower Limited	Upper Tamakoshi HEP	456.00	2,000.00	2,000.00	2,000.00	2,000.00	-
12	Super Madi Hydropower Limited	Super Madi Hydropower Project	44.00	850.00	835.00	834.92	850.00	15.00
13	Jagdulla Hydropower Co. Ltd.	Jagdulla HEP	106.00	4,000.00	-	-	4,000.00	4,000.00
14	Modi Jalvidhut Company Ltd.	Upper Modi A HEP	42.00	3,000.00	-	-	3,000.00	3,000.00
15	Sanima Jum Hydropower Ltd.	Jum Khola HEP	56.00	2,000.00	-	-	2,000.00	2,000.00
16	Bramhyani Hydropower Company Pvt Ltd.	Bramhyani Hydropower Project.	44.00	500.00	-	-	500.00	500.00
Total			1,145.40	24,604.73	9,778.67.57	9,273.40	20,154.73	10,844.06





Equity Commitment

Amount in NPR (million)

Company/Projects	Equity Commitment (in %)	Equity Commitment (in Rupees)	Total Equity Investment	Remaining to disburse
Phukot karnali HEP	10%	1260.00	-	1260.00
Vision Energy and Power Pvt. Ltd.	19%	500.00	500.00	-
Vision Lumbini Urja Co. Ltd.	13%	200.00	200.00	-
Jagdulla Hydropower Co. Ltd.	10%	700.00	234.30	465.70
Mewa Developers Ltd. (Middle Mewa PROR HEP)	20%	926.00	926.00	-
Mewa Developers Ltd.(Siwa Khola PROR HEP)				
Hydro Village Pvt. Ltd.	20%	550.00	-	550.00
Remit Hydro Ltd.	15%	620.76	610.00	10.76
Simbuwa Remit Hydro Ltd.	15%	560.94	400.00	160.94
Power Transmission Co. Nepal Ltd.	14%	63.00	63.00	-
Vidhyut Utpadan Co. Ltd.	4%	800.00	268.80	531.20
Nepal Power Trading Co. Ltd.	15%	30.00	2.25	27.75
NEA Engineering Co. Ltd.	15%	30.00	28.4625	1.5375
Total		6240.70	3232.8125	3007.8875

14. 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.

15. Regrouping

Previous year figures have been regrouped wherever necessary.

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