

**Independent Auditor's Report
To the Shareholders of
Bindhyabasini Hydropower Development Co. Ltd.**

Disclaimer of Opinion

We were appointed to audit the financial statements of **Bindhyabasini Hydropower Development Co. Ltd.**, which comprises Statement of Financial Position as at Ashadh 31, 2078 (corresponding to July 15, 2021), Statement of Profit or Loss, Statement of Cash Flows, Statement of Changes in Equity for the period ended on Ashadh 31, 2078 and accounting policies and notes to the annual financial statements.

Because of the significance of the matters as described in the basis for opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence for cumulative effect of non-restating financial information and making additional disclosure as required by first time adoption of Nepal Financial Reporting Standards to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements as per the Nepal Financial Reporting Standards. Accompanying financial Statements are prepared by the management in accordance with the Accounting Policies and disclosure made in Schedule 18 to the financial statements which are not in line with Nepal Financial Reporting Standards.

Basis for Disclaimer of Opinion

The applicable financial reporting framework for the company was changed to Nepal Financial Reporting Standards from Nepal Accounting Standards (Previous local GAAP). Change in financial reporting framework required transition to Nepal Financial Reporting Standard and presentation of at least three financial position. Two consolidated statement of comprehensive income, two statement of cash flows, two statement of change in equity and related notes, including comparative information. However financial statement has not been prepared based on transitional provision of Nepal Financial Reporting Standards 1 which requires identification, restatement, presentation and disclosure of financial information based on new accounting policies as per Nepal Financial Reporting Standards.

The cumulative effect of not restating, presenting and disclosing financial information based on transitional provision of Nepal Financial Reporting Standards is uncertain and could be material and persuasive. Also, we draw attention on Para 3 (E) of schedule 18 to the financial statements related to Rudi "B" hydropower projects of company where the project has commenced its commercial operation from 5th Falgun, 2076, however; project development cost of Rudi "B" hydropower project is yet to be capitalized and accordingly no depreciation has been calculated. Company has incurred Rs. 1,276,366,960.21 till Ashadh end 2078 for the project development cost and shown under Project WIP in the financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

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

Management of **Bindhyabasini Hydropower Development Co. Ltd.** ('the company'), is responsible for the preparation and fair presentation of the Financial Statements in accordance with the Nepal Financial Reporting Standards and other accounting principles generally accepted, including the accounting policies as adopted and for such internal control as management determines, is necessary to enable preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatements, 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 guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statement or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease as a going concern.



- Evaluate the overall presentation of the Financial Statements including disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation,
- Obtain sufficient appropriate audit evidences regarding the financial information of the entities or business activities within the Company to express an opinion on the Financial Statements. *

Report on Other Legal and Regulatory Requirements

On the basis of our examination, we would like to report that: Company has not complied the employee related benefit as per the requirement of applicable labor laws and has not allocated at least 1% of net profit to corporate social responsibility related expenses.



CA Rabin Sapkota
Proprietor
R. Sapkota & Associates
Chartered Accountants
Place: Miterimarg, Baneshwor, Kathmandu
Date: 2078/08/15
UDIN Number: 211201CA00395SCV6Z

Bindhyabasini Hydropower Development Co. Ltd.
 New Baneshwor, Kathmandu, Nepal
Statement of Financial Position
 As at Ashadh 31, 2078 (15 July, 2021)

Amounts in Rs.

Particulars	Schedules	2078/03/31 (15/07/2021)	2077/03/31 (16/07/2020)
I. Sources of Fund			
A. Capital and Reserves			
Share Capital	1	750,000,000.00	750,000,000.00
Accumulated Profit/(Loss)		85,032,847.47	12,411,994.25
Shareholders Fund		835,032,847.47	762,411,994.25
B. Non-Current Liabilities			
Advance for share capital	2	155,269,214.76	172,437,969.34
Secured Loan	3	1,904,779,522.23	1,790,138,444.07
Total Non-current Liabilities		2,060,048,736.99	1,962,576,413.41
C. Current Liabilities & Provisions			
Trade and Other Accounts Payables	4	25,637,900.70	184,712,925.44
Short Term loan	5	21,064,290.43	39,189,625.08
Provisions	6	8,679,946.04	-
Total Current Liabilities & Provisions		55,382,137.17	223,902,550.52
Total Sources of Funds (A+B+C)		2,950,463,721.63	2,948,890,958.18
II. Application of Funds			
Non-Current Assets			
A. Property, Plant and Equipment	7	1,575,708,335.68	1,576,383,235.17
Less : Accumulated Depreciation		(123,812,652.07)	(68,378,462.05)
Written Down Value (WDV) (A)		1,451,895,683.61	1,508,004,773.12
B. Project WIP (Rudi B)	8	1,276,366,960.21	1,217,960,407.83
Total Non-Current Assets (A+B)		2,728,262,643.82	2,725,965,180.95
C. Investment	9	13,540,100.00	27,014,166.00
D. Current Assets			
Receivables	10	136,944,515.35	84,987,948.97
Cash and Bank Balances	11	32,539,916.39	23,597,904.90
Advances & Deposits	12	39,176,546.07	87,325,757.36
Total Current Assets (D)		208,660,977.81	195,911,611.23
Total Application of Funds (A+B+C+D)		2,950,463,721.63	2,948,890,958.18

Significant Accounting Policies and Other Explanatory Notes

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As per our report of even date
 For R.Sapkota & Associate,
 Chartered Accountants


 Sita Acharya
 Chairman

 
 Dil Sundar Shrestha
 Director


 KATHMANDU, NEPAL

Bharat Bahadur Pardey
 Director


 CA. Rabin Sapkota
 Proprietor

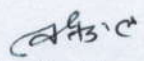

 Kathmandu

   
 Sanjeev Acharya
 Director

Laxman Paudel
 Director

Tamprasad Gurung
 Director

Bishnu Hari Sharma Subedi
 Director


 Biru Badal
 Accountant

Bindhyabasini Hydropower Development Co. Ltd.

Kathmandu, Nepal

Statement of Profit or Loss

For the period from Shrawan 01, 2077 to Ashadh 31, 2078

Amount in Rs.

<u>Particulars</u>	<u>Schedule</u>	<u>Current Year</u>	<u>Previous Year</u>
Income			
Revenue from Sale of Electricity	13	221,797,006.15	281,366,230.67
Other Income	14	207,178,087.23	980,020.67
Total Revenue		428,975,093.38	282,346,251.34
Cost of Sales	15	13,745,239.89	7,167,324.61
General Administrative Expenses	16	115,580,534.07	36,593,078.73
Depreciation	7	55,434,190.02	55,419,298.12
Total		184,759,963.98	99,179,701.46
Profit from Operations		244,215,129.40	183,166,549.88
Financial Charges	17	162,914,330.14	148,290,499.09
Net Profit/(Loss)		81,300,799.26	34,876,050.78
Provision for Staffs Bonus		(1,626,015.99)	-
Net profit after Provision for Staffs Bonus		79,674,783.28	34,876,050.78
Provision for Income Tax		(7,053,930.05)	-
Deferred Tax Income/(Expense)		-	-
Profit/(Loss) up to Previous Year		12,411,994.25	(22,464,056.54)
Profit/(Loss) Transferred to Statement of Financial Position		85,032,847.47	12,411,994.25



As per our report of even date
For R.Sapkota & Associate,
Chartered Accountants

Sita Acharya
Sita Acharya
Chairman

Dil Sundar Shrestha
Dil Sundar Shrestha
Director

Bharat Bahadur Pandey
Bharat Bahadur Pandey
Director



Rabin Sapkota
CA. Rabin Sapkota
Proprietor

Sandeep Acharya
Sandeep Acharya
Director

Laxman Paudel
Laxman Paudel
Director

Tam Prasad Gurung
Tam Prasad Gurung
Director

Bishnu Hari Sharma Subedi
Bishnu Hari Sharma Subedi
Director

Biru Badal
Biru Badal
Accountant

Bindhyabasini Hydropower Development Co. Ltd.

Kathmandu, Nepal

Statement of Cash Flows

For the period from Shrawan 01, 2077 to Ashadh 31, 2078

<u>Particulars</u>	<u>Current Year</u>	<u>Amount in Rs. Previous Year</u>
<u>Cash Flows from Operating Activities</u>		
Net Profit Before Taxation	79,674,783.28	34,876,050.78
Adjustment for:		
Depreciation	55,434,190.02	55,419,298.12
Pre Operating Expenses W/Off	-	-
Income Tax	-	-
Dividend Income	(767,095.00)	(701,304.55)
Foreign Exchange Gain/Loss	-	-
Loss/Gain from Disposal of Assets	-	-
Cash Flow from before Changes in Working Capital	134,341,878.30	89,594,044.35
(Increase)/Decrease in current assets	(3,807,355.09)	200,346,332.61
Increase/(Decrease) in current liabilities	(175,574,343.41)	(24,443,532.11)
Cash Flows from Operating Activities (A)	(45,039,820.20)	265,496,844.86
<u>Cash Flow on Investing Activities</u>		
Decrease/Increase in Work In Progress	(58,406,552.38)	(444,330,154.88)
Sales/Purchase of Project Development Assets	-	(8,220,197.60)
Purchase/Capitalization of Fixed Assets	674,899.49	(13,063,366.32)
Investments Increase/(Decrease)	13,474,066.00	20,650,934.00
Dividend Received	767,095.00	701,304.55
Less: Disposals During the Year	-	-
Cash Flows on Investing Activities (B)	(43,490,491.89)	(444,261,480.25)
<u>Cash Flows on Financing Activities</u>		
Issue of Share Capital	-	-
Increase/(Decrease) of Loan from Banks	114,641,078.16	209,538,147.52
Advance for Share Capital	(17,168,754.58)	(50,025,000.00)
Cash Flows from Financial Activities (C)	97,472,323.58	159,513,147.52
Total Cash Generated During the Year (A+B+C)	8,942,011.49	(19,251,487.87)
Opening Cash and Bank Balances	23,597,904.90	42,849,392.77
Cash and Bank Balance at the End of the Year	32,539,916.39	23,597,904.90

As per our report of even date
For R.Sapkota & Assosicate,
Chartered Accountants

MAB

Sita Acharya
Chairman

Dil Sundar

Dil Sundar Shrestha
Director

Bharat Bahadur

Bharat Bahadur Pandey
Director

R. Sapkota

CA. Rabin Sapkota
Proprietor

Sandeep

Sandeep Acharya
Director

Laxman

Laxman Paudel
Director

Tam Prasad

Tam Prasad Gurung
Director

Bishnu Hari

Bishnu Hari Sharma Subedi
Director

Biru Badal

Biru Badal
Accountant

Bindhyabasini Hydropower Development Co. Ltd.
Kathmandu, Nepal
Statement of Changes in Equity
For the year ended 31 Ashadh, 2078

Amount in Rs.

Particulars	Share Capital	Accumulated Profit/(Loss)	Other Reserve	Total
Balance as at 01 Shrawan, 2076	750,000,000.00	(22,464,056.54)	-	727,535,943.46
Issue of Share Capital	-	-	-	-
Deferred Tax Assets	-	-	-	-
Profit/(Loss) Account for the period	-	34,876,050.78	-	34,876,050.78
Dividends	-	-	-	-
As at 31 Ashadh, 2077	750,000,000.00	12,411,994.25	-	762,411,994.25
Balance as at 01 Shrawan, 2077	750,000,000.00	12,411,994.25	-	762,411,994.25
Issue of Share Capital	-	-	-	-
Deferred Tax Assets	-	-	-	-
Profit/(Loss) Account for the period	-	72,620,853.22	-	72,620,853.22
Dividends	-	-	-	-
As at 31 Ashadh, 2078	750,000,000.00	85,032,847.47	-	835,032,847.47

As per our report of even date
For R. Sapkota & Associates
Chartered Accountants



(Signature)
CA. Rabin Sapkota
Proprietor



(Signature)
Dil Sundar Shrestha
Director

(Signature)
Bhakt Bahadur Pandey
Director

(Signature)
Sita Acharya
Chairman

(Signature)
Laxman Paudel
Director

(Signature)
Tam Prada Gurnung
Director

(Signature)
Bishnu Hari Sharma Subedi
Director

(Signature)
Biru Badal
Accountant

Bindhyabasini Hydropower Development Co. Ltd.
Kathmandu, Nepal
Schedules Forming Integral Part of the Financial Statements

Share Capital

Schedule - 1

<u>Particulars</u>	2078/03/31 (15/07/2021)	2077/03/31 (16/07/2020)
Authorized Share Capital		
20,000,000 Ordinary shares of Rs. 100 each.	2,000,000,000.00	2,000,000,000.00
Issued Share Capital		
10,000,000 Ordinary shares of Rs. 100 each.	1,000,000,000.00	1,000,000,000.00
Paid Up Share Capital		
75,00,000 Ordinary shares of Rs. 100 each.	750,000,000.00	750,000,000.00
Total Share Capital:	750,000,000.00	750,000,000.00

Advance for Share Capital

Schedule - 2

<u>Particulars</u>	2078/03/31 (15/07/2021)	2077/03/31 (16/07/2020)
Advance for Share Capital	155,269,214.76	172,437,969.34
Total	155,269,214.76	172,437,969.34

Secured Loan

Schedule - 3

<u>Particulars</u>	2078/03/31 (15/07/2021)	2077/03/31 (16/07/2020)
Bank Term Loan - Rudhi A	1,050,752,325.60	1,008,379,000.00
GBL IME Bank Ltd.	485,057.55	258,729,000.00
Kumari Bank Ltd.	110,100,500.00	117,593,000.00
Lumbini Bikash Bank Ltd.	84,051,768.08	88,206,000.00
NMB Bank Ltd.	134,495,999.97	141,272,000.00
Sanima Bank Ltd.	389,435,000.00	314,373,000.00
Siddhartah Bank Ltd.	332,184,000.00	88,206,000.00
Bank Term Loan - Rudhi B	854,027,196.63	781,759,444.07
GBL IME Bank Ltd.	708,550.79	210,231,485.12
Kumari Bank Ltd.	86,277,399.51	86,734,999.51
Lumbini Bikash Bank Ltd.	70,577,914.76	70,964,999.83
Manjushree Finance Limited.	-	97,124,800.04
NMB Bank Ltd.	119,373,467.99	119,981,939.99
Sanima Bank Ltd.	361,561,739.58	196,721,219.58
Siddhartah Bank Ltd.	215,528,124.00	-
Total	1,904,779,522.23	1,790,138,444.07

Trade and Other Accounts Payables

Schedule - 4

<u>Particulars</u>	2078/03/31 (15/07/2021)	2077/03/31 (16/07/2020)
a) Duties & Taxes (TDS Payables)		
Advertisement TDS	-	1,765.00
Audit Fee TDS Payable	1,500.00	1,125.00
Meeting Allowances TDS	-	160,897.06
Rent TDS	-	80,850.00
Salary TDS Payable	232,790.25	1,239,268.00
SST 1%	32,316.00	161,742.00
TDS on Allowances	4,414.99	69,680.36
TDS on Consultancy	-	158,823.29
TDS on Contract (High Himalaya Hydro Construction Pvt.)	-	3,058,267.72



Contd.

Bindhyabasini Hydropower Development Co. Ltd.

Kathmandu, Nepal

Schedules Forming Integral Part of the Financial Statements

TDS on Financial Consultancy-Rudi B	-	5,400.00
TDS on Contract (North Hydro & Engineering Pvt.)	301,056.66	808,649.11
TDS on Meeting Allowances	194,999.22	11,029.51
TDS on Service	1,050.57	72,628.69
TDS on Consultancy (Sanima Hydro & Engineering Pvt.)	-	14,610.75
TDS On Transportation	282.53	40,157.15
TDS on Vehicle Rent	(386.15)	3,833.52
Wages TDS	3,628.74	33,519.22
b) Advance from Directors	-	117,127,018.21
c) Payable to Contractors		
North Hydro & Engineering Pvt.- Rudi A	9,530,357.25	949,119.22
High Himalaya Hydro Construction Pvt. Ltd.	-	20,434,461.40
Hydro Equipment	26,761.04	26,761.04
Wood & Steel Furniture	49,160.00	49,160.00
Pailyaa Construction Pvt. Ltd.	-	591,519.50
Puja & Amrit Construction Pvt.Ltd.	507,662.87	-
d) Retention Money		
Retention Money -Rudi A		
High Himalaya Hydro Construction Pvt. Ltd.	170,742.46	170,742.46
Rabin Nirman Sewa Pvt. Ltd.	1,623,434.95	1,623,434.95
Retention Money Rudi B		
ASHRA International Pvt. Ltd.	-	130,351.61
High Himalaya Hydro Construction Pvt. Ltd.	22,590.84	16,434,710.43
North Hydro & Engineering Pvt. Ltd.	4,795,092.56	3,791,570.37
Tune Gear Pvt.Ltd.	29,500.00	29,500.00
e) Others Payable		
A Qore Software Pvt Ltd	44,600.25	44,098.25
Asian Electricals	-	509,708.54
Bista Engineering Group & Service Pvt. Ltd	-	34,809.65
BM Enterprises	10,438.84	226,500.47
Bouddhanath Nirman Sewa	28,250.00	28,250.00
Gautam Overseas	-	140,002.83
Kausiki Infosys	-	193,759.00
Kesharichand Bhanwarlall	-	114,378.60
MAW Earth Movers Pvt. Ltd.	-	56,180.28
OM Shree Ishaneshwor Hardware	-	72,219.60
PIE Software Pvt. Ltd.	-	3,344.00
Rhino Security Service Pvt. Ltd	-	593,549.25
Sugam Oil Suppliers	-	261,000.00
TECH Inn	-	84,670.70
Tridev Hardware	-	1,054,321.26
T.N Acharya & Co.	1,297,910.00	1,297,910.00
Printing Payables	-	24,084.00
Sanima Hydro & Engineering Pvt. Ltd.	-	1,130,457.00
TPSC India Payable A/c	55,384.00	-
Royalty Payable-Rudi A	1,040,856.07	1,199,202.35
Royalty Payable-Rudi B	856,113.80	839,763.65
Neupane Engineering	697,395.86	898,930.86
Elite Automotives Pvt. Ltd.	151,554.76	151,554.76
Kaizen Auto Parts	1,283.10	1,283.10
Macra Automobiles	-	375,470.75
Unique Ideal Automobiles Pvt. Ltd.	-	498,010.39

Contd.



[Handwritten signatures and initials: Dulech, R. S., etc.]

Bindhyabasini Hydropower Development Co. Ltd.

Kathmandu, Nepal

Schedules Forming Integral Part of the Financial Statements

Urd Auto	3,164.40	21,334.40
Meeting & Other Allowances Payables	1,222,052.32	771,802.09
World Time Tours & Travels	-	197,050.00
Rippo Mardene Pvt. Ltd.	-	382,436.67
Other Payables	-	400,000.00
R.Sapkota & Associates.	111,500.00	83,625.00
Salary Payable	2,161,488.50	3,036,276.45
CIT Payable	342,166.00	80,850.00
P&P Traders	11,865.00	-
Party Payable (Sub Schedule-4.1)	74,923.02	2,625,495.97
Total	25,637,900.70	184,712,925.44

Party Payable

Sub Schedule - 4.1

<u>Particulars</u>	<u>2078/03/31</u> <u>(15/07/2021)</u>	<u>2077/03/31</u> <u>(16/07/2020)</u>
Saroj Bhattarai	-	1,211,267.95
Batas Brother	47,048.02	86,353.02
DS Shrestha -Sapati A/C	-	1,300,000.00
Suraj Pandey NHC	27,875.00	27,875.00
Total	74,923.02	2,625,495.97

Short Term Loan

Schedule - 5

<u>Particulars</u>	<u>2078/03/31</u> <u>(15/07/2021)</u>	<u>2077/03/31</u> <u>(16/07/2020)</u>
Bank Overdraft-Rudi A		
Sanima Bank Ltd.	6,060,626.24	22,037,072.81
Bank Overdraft- Rudi B		
Sanima Bank Ltd.	15,003,664.19	17,152,552.27
Total	21,064,290.43	39,189,625.08

Provisions

Schedule - 6

<u>Particulars</u>	<u>2078/03/31</u> <u>(15/07/2021)</u>	<u>2077/03/31</u> <u>(16/07/2020)</u>
Provision for income tax	7,053,930.05	-
Provision for Staffs Bonus	1,626,015.99	-
Total	8,679,946.04	-

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2078/03/31
2077/03/31
2078/03/31
2077/03/31
2078/03/31
2077/03/31



Bindhyabasini Hydropower Development Co. Ltd.
Kathmandu, Nepal
Schedules Forming Part of Annual Financial Statements

Fixed Assets & Depreciation
Rudi A

SCHEDULE-7

Particulars	Land	Building	Office Equipment & Furniture	Vehicle	Intangible Assets	Total
At Cost						
Opening Balance	-	-	2,755,721.46	9,380,836.95	1,551,447,135.45	1,563,583,693.86
Addition	-	-	50,104.00	-	-	50,104.00
Deletion During The Year	-	-	-	844,305.00	-	844,305.00
Total Rs. At Cost	-	-	2,805,825.46	8,536,531.95	1,551,447,135.45	1,562,789,492.86
Depreciation						
Depreciation Up To Previous Year	-	-	704,504.72	1,473,573.14	64,575,129.00	66,753,206.85
Depreciation For The Year	-	-	523,746.85	1,059,443.82	51,714,904.52	53,298,095.19
Total Accumulated Depreciation	-	-	1,228,251.57	2,533,016.96	116,290,033.51	120,051,302.04
WDV As On 31.03.2078	-	-	1,577,573.89	6,003,514.99	1,435,157,101.94	1,442,738,190.82
WDV As On 31.03.2077	-	-	2,051,216.74	7,907,263.81	1,486,872,006.45	1,496,830,487.01

Rudi B

Particulars	Land	Building	Office Equipment & Furniture	Vehicle	Intangible Assets	Total
At Cost						
Opening Balance	-	-	5,179,515.96	7,620,025.35	-	12,799,541.31
Addition	-	-	119,301.51	-	-	119,301.51
Deletion During The Year	-	-	-	-	-	-
Total Rs. At Cost	-	-	5,298,817.47	7,620,025.35	-	12,918,842.82
Depreciation						
Depreciation Up To Previous Year	-	-	863,252.66	762,002.54	-	1,625,255.20
Depreciation For The Year	-	-	1,107,391.41	1,028,703.42	-	2,136,094.83
Total Accumulated Depreciation	-	-	1,970,644.07	1,790,705.96	-	3,761,350.03
WDV As On 31.03.2078	-	-	3,328,173.40	5,829,319.39	-	9,157,492.79
WDV As On 31.03.2077	-	-	4,316,263.30	6,858,022.82	-	11,174,286.12

Total

Particulars	Land	Building	Office Equipment & Furniture	Vehicle	Intangible Assets	Total
At Cost						
Opening Balance	-	-	7,935,237.42	17,000,862.30	1,551,447,135.45	1,576,383,235.17
Addition	-	-	169,405.51	-	-	169,405.51
Deletion During The Year	-	-	-	844,305.00	-	844,305.00
Total Rs. At Cost	-	-	8,104,642.93	16,156,557.30	1,551,447,135.45	1,575,708,335.68
Depreciation						
Depreciation Up To Previous Year	-	-	1,567,757.38	2,235,575.67	64,575,129.00	68,378,462.05
Depreciation For The Year	-	-	1,631,138.26	2,088,147.24	51,714,904.52	55,434,190.02
Total Accumulated Depreciation	-	-	3,198,895.64	4,323,722.92	116,290,033.51	123,812,652.07
WDV As On 31.03.2078	-	-	4,905,747.29	11,832,834.38	1,435,157,101.94	1,451,895,683.61
WDV As On 31.03.2077	-	-	6,367,480.04	14,765,286.63	1,486,872,006.45	1,508,004,773.12

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Kathmandu, Nepal
Schedule forming a part of Financial Statements as at Ashadh 31, 2078

Sub Schedule - 7.1

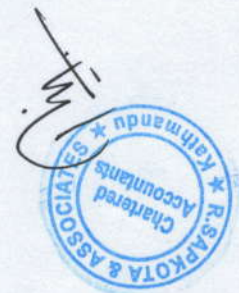
Project Development Cost (Rudi A)

Particulars	Depreciation Rate	Cost		Amortization		Balance		
		2077/03/31 (16/07/2020)	2078/03/31 (15/07/2021)	Upto Previous Year (Rs.)	Current year (Rs.)	Upto Current year (Rs.)	2078/03/31 (15/07/2021)	2077/03/31 (16/07/2020)
Project Development Cost		71,344,535.84	71,344,535.84	2,972,688.99	2,378,151.19	5,350,840.19	65,993,695.65	68,371,846.85
Civil Construction Works		520,062,820.25	520,062,820.25	21,669,284.18	17,335,427.34	39,004,711.52	481,058,108.73	498,393,536.07
Metal Works/ Hydromechanical Works		350,386,754.78	350,386,754.78	14,532,613.14	11,679,558.49	26,212,171.63	324,174,583.15	335,854,141.64
Plant & Machinery & Equipments		212,677,209.61	212,677,209.61	8,861,550.40	7,089,240.32	15,950,790.72	196,726,418.89	203,815,659.21
Transmission Line & Switchyard		59,763,279.00	59,763,279.00	2,490,136.63	1,992,109.30	4,482,245.93	55,281,033.08	57,273,142.38
Land Purchased & Development		21,426,060.40	21,426,060.40	892,752.52	714,202.01	1,606,954.53	19,819,105.87	20,533,307.88
Site Office Building & Camping Facilities	3.33%	13,263,824.43	13,263,824.43	552,659.35	442,127.48	994,786.83	12,269,037.60	12,711,165.08
Infrastructure & Access		62,960,836.67	62,960,836.67	2,623,368.19	2,098,694.56	4,722,062.75	58,238,773.92	60,337,468.48
Environment Mitigation & Social Contribution		29,428,505.33	29,428,505.33	1,224,521.06	980,950.18	2,205,471.23	27,223,034.10	28,203,984.27
Project Supervision, Engineering & Management		63,667,631.86	63,667,631.86	2,652,817.99	2,122,254.40	4,775,072.39	58,892,559.47	61,014,813.86
Interest During Construction		146,465,677.28	146,465,677.28	6,102,736.55	4,882,189.24	10,984,925.80	135,480,751.48	140,362,940.73
Total		1,551,447,135.45	1,551,447,135.45	64,575,129.00	51,714,904.52	116,290,033.51	1,435,157,101.94	1,486,872,006.45

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2078/03/31

Dr. P. K. S.

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Bindhyabasini Hydropower Development Co. Ltd.
Kathmandu, Nepal
Schedule forming a part of Financial Statements as at Ashadh 31, 2078

Project WIP (Rudi B)

Schedule - 8

Particulars	2077/03/31 (16/07/2020)	Addition during the Year	2078/03/31 (15/07/2021)
Pre-Operating Expenses	36,111,269.60	-	36,111,269.60
Civil Construction Works	434,441,520.50	30,606,462.22	465,047,982.72
Metal Works/ Hydromechanical Works	193,371,366.89	22,679,601.46	216,050,968.35
Plant & Machinery & Equipments	196,504,029.62	-	196,504,029.62
Transmission Line & Switchyard	39,672,878.68	1,093,388.00	40,766,266.68
Land Purchased & Development	14,029,909.82	-	14,029,909.82
Site Office Building & Camping Facilities	11,681,651.87	-	11,681,651.87
Infrastructure & Access	83,701,007.90	-	83,701,007.90
Environment Mitigation & Social Contribution	19,677,458.39	3,109,800.00	22,787,258.39
Project Supervision, Engineering & Management	74,223,939.79	917,300.70	75,141,240.49
Interest During Construction	114,545,374.77	-	114,545,374.77
Total	1,217,960,407.83	58,406,552.38	1,276,366,960.21





 Rudi B
 Nar
 Rudi B



Bindhyabasini Hydropower Development Co. Ltd.
Kathmandu, Nepal
Schedules Forming Integral Part of the Financial Statements

Investment

Schedule - 9

<u>Particulars</u>	<u>2078/03/31</u> <u>(15/07/2021)</u>	<u>2077/03/31</u> <u>(16/07/2020)</u>
Ekata Construction Pvt. Ltd.	-	224,066.00
Peoples Energy Limited	10,000,000.00	10,000,000.00
United Modi Hydropower Ltd.	2,091,900.00	15,341,900.00
Jalabidhyut Lagani Tatha Bikash Company	1,448,200.00	1,448,200.00
Total	13,540,100.00	27,014,166.00

Receivables

Schedule - 10

<u>Particulars</u>	<u>2078/03/31</u> <u>(15/07/2021)</u>	<u>2077/03/31</u> <u>(16/07/2020)</u>
Nepal Electricity Authority (Rudi A)	40,134,782.51	46,179,170.42
Nepal Electricity Authority (Rudi B)	26,966,732.84	38,808,778.55
AJOD Insurnace (Rudi A)	20,061,000.00	-
Ajod Insurance (Rudi B)	49,782,000.00	-
Total	136,944,515.35	84,987,948.97

Cash & Bank Balance

Schedule - 11

<u>Particulars</u>	<u>2078/03/31</u> <u>(15/07/2021)</u>	<u>2077/03/31</u> <u>(16/07/2020)</u>
Cash In Hand	3,200.95	1,480.38
Global IME Bank Ltd. 959	284,213.70	832,556.85
Global IME Bank Ltd. 608	907.47	425.86
Global IME Bank Ltd. 945	515,566.76	907.47
Lumbini Bikas Bank Account.(Rudi A)	10,484.01	10,000.00
Lumbini Bikas Bank Account. (Rudi B)	10,000.06	1,249,113.61
NMB Bank Account. (Rudi A)	116,320.77	78,238.05
NMB Bank Account. (Rudi B)	54,429.24	111,348.93
Prime Bank Ltd.	44,958.20	44,625.17
Sanima Bank Ltd.Non Operative (Rudi A)	10,000,000.00	3,500,000.00
Sanima Bank Ltd. (Rudi B)	385,100.33	382,180.72
Sanima Bank Ltd. 3974	7,667,403.28	45,085.93
Sanima Bank Ltd. (Rudi A)	6,822,508.17	13,478,084.08
Sanima Bank Ltd. (Rudi B)	4,624,726.34	3,355,404.30
Siddhartha Bank Account. (Rudi A)	1,455,783.74	508,453.55
Siddhartha Bank Account. (Rudi B)	544,313.37	-
Total	32,539,916.39	23,597,904.90

Advance and Deposits

Schedule - 12

<u>Particulars</u>	<u>2078/03/31</u> <u>(15/07/2021)</u>	<u>2077/03/31</u> <u>(16/07/2020)</u>
Deposits (Asset)		
a) Advance and Loan		
Short term loan to Employee	9,910.00	9,910.00
b) Margins & Deposits		
LC Margin Rudi A	1,336,179.15	1,336,179.15
LC Margin & Deposit B	9,575,602.49	9,575,602.49
Bhurungdi Khola HEP	50,000.00	50,000.00
Hugdi Khola HEP	50,000.00	50,000.00



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Bindhyabasini Hydropower Development Co. Ltd.

Kathmandu, Nepal

Schedules Forming Integral Part of the Financial Statements

Kaligandaki oxygen Gas	2,800.00	2,800.00
Togo Khola HEP	50,000.00	50,000.00
Margin for Exim Code	300,000.00	300,000.00
Margin for Performance Guarantee	80,000.00	205,000.00
Shankar Oxygen Gas Pvt. Ltd	16,000.00	16,000.00
c) Advance to Suppliers/ Contractors		
IPC Advance to High Himalaya Hydro Construction Pvt. Ltd.- Rudi-B	4,863,659.76	14,329,975.41
IPC Advance to North Hydro & Engineering - Rudi B	-	32,036,007.03
IPC Advance to Rabin Nirman Sewa	3,663,215.76	3,663,215.76
Others Suppliers	21,183.00	107,498.00
d) Other Advance		
Advance for EM Rudi A	105,526.00	105,526.00
Advance Income Tax	3,291,717.03	4,780.51
Advance to Fancing Works - Rudi A	-	314,500.00
Bohara Enterprises	720,000.00	720,000.00
Advance for Land	-	8,516,904.78
Sanima Capital Ltd.	275,000.00	275,000.00
Prepaid Insurance- Rudi A	2,894,673.70	2,564,653.00
Prepaid Insurance- Rudi B	1,937,347.10	1,724,473.00
Advace for EM Consignment	3,185,903.00	3,185,903.00
Century Capital Ltd	312,500.00	-
Laxmi Capital Market	312,500.00	-
Clean Energy Consultant Pvt. Ltd.	26,549.00	-
Machinery & Electric Pvt. Ltd.	316.70	-
Nepal Power Exchange Limited	5,000,000.00	-
Site Advances	60,106.95	127,572.50
Advance to Party (Sub Schedule-12.1)	1,035,856.43	957,456.73
Advance for Investment	-	7,096,800.00
Total	39,176,546.07	87,325,757.36

Advance to Party

Sub Schedule-12.1

<u>Particulars</u>	2078/03/31 (15/07/2021)	2077/03/31 (16/07/2020)
Advance to Mahesh Ghimire	400,000.00	400,000.00
Advance to Indra GC	177,674.38	177,674.38
Advance to Rishi Shrestha	363,900.00	363,900.00
Rameshwor Shrestha	-	15,882.35
Saroj Bhattarai	34,873.05	-
Krishna Pd. Pandit	47,143.00	-
Advance to B.J. Tamang	12,266.00	-
Total	1,035,856.43	957,456.73

Revenue from Sale of Electricity

Schedule-13

<u>Particulars</u>	2078/03/31 (15/07/2021)	2077/03/31 (16/07/2020)
Revenue from Sale of Electricity (Rudi A)	120,325,546.75	239,378,048.22
Revenue from Sale of Electricity (Rudi B)	101,471,459.40	41,988,182.45
Total	221,797,006.15	281,366,230.67

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Bindhyabasini Hydropower Development Co. Ltd.
Kathmandu, Nepal
Schedules Forming Integral Part of the Financial Statements

Other Income	Schedule-14	
<u>Particulars</u>	2078/03/31 (15/07/2021)	2077/03/31 (16/07/2020)
Rudi A		
Insurance Claimed Amount (Loss of Profit)	95,061,000.00	-
Insurance Claimed Amount (Maintenance)	34,519,200.00	277,000.00
Interest on Deposit	4,005.14	1,716.12
Rudi B		
Insurance Claimed Amount (Loss of Profit)	49,782,000.00	-
Interest on Deposit	3,962.92	-
Other Income	450,040.28	-
Dividend Income	767,095.00	701,304.55
Gain on Sale of Investment	26,590,783.89	-
	<u>207,178,087.23</u>	<u>980,020.67</u>

Cost of Sales	Schedule-15	
<u>Particulars</u>	2078/03/31 (15/07/2021)	2077/03/31 (16/07/2020)
Rudi A		
Installed Capacity Royalty	880,000.00	880,000.00
Revenue Royalty	2,406,510.94	4,787,560.96
Charge for Short Supply (Rudi A)	4,946,942.94	-
Rudi B		
Installed Capacity Royalty	660,000.00	660,000.00
Revenue Royalty	2,029,429.19	839,763.65
Charge for Short Supply (Rudi B)	1,605,999.47	-
Energy Loss (Rudi B)	1,216,357.35	-
	<u>13,745,239.89</u>	<u>7,167,324.61</u>

Administrative Expenses	Schedule - 16	
<u>Particulars</u>	2078/03/31 (15/07/2021)	2077/03/31 (16/07/2020)
Rudi A		
AGM Expenses	18,144.57	-
Audit Fee	64,568.20	42,375.00
Bank Charge & Commission	1,827,532.36	1,595,548.24
Battery Charge	-	22,600.00
Canteen Expenses	1,285,530.42	1,406,477.88
Communication Expenses	324,684.71	214,323.31
Consultant fee	1,000,000.00	-
Consumable Goods	214,953.45	263,725.70
CSR Expenses	692,142.86	261,387.00
Dashain Expenses	490,812.39	485,500.00
Employer's contribution	462,267.14	-
Festival Celebration	28,199.16	76,326.56
Financial Consultancy Expenses	25,828.57	-
Fuel & Transportation Expenses	247,806.37	244,228.66
IPO Processing Expenses	237,300.00	282,043.04
Kitchen & Guest Expenses	204,966.86	74,190.25
Medical & Mourning Expenses	20,716.74	112,703.50
Meeting & Other Expenses	1,024,796.98	598,445.25



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Bindhyabasini Hydropower Development Co. Ltd.

Kathmandu, Nepal

Schedules Forming Integral Part of the Financial Statements

Miscellaneous Expenses	92,183.43	52,874.27
Office Rent & Other Expenses	577,385.71	554,487.04
Office Setup Expenses	3,189.77	-
Operating Expenses	267,778.99	-
Overtime Salary	218,690.00	-
Printing & Stationery	86,637.54	207,479.54
Insurance Expenses	3,971,122.05	3,629,925.85
Renewal & Other Expenses	242,904.58	339,659.08
Repair & Maintenance Expenses	63,994,773.99	3,247,197.05
Salary Expenses	8,525,791.91	10,181,511.33
Security Guard Expenses	396,262.45	842,262.45
Site Electricity Bill	-	477,145.99
Walky Talky Royalty	8,850.00	110,565.90
<u>RUDI B</u>		
AGM Expenses	13,608.43	-
Audit Fee	48,431.80	-
Bank Charge & Commission	2,068,321.12	-
Communication Expenses	213,356.84	49,534.36
Consumable Goods	214,197.49	220,070.60
Dashain Allowances	517,126.24	-
Employer's contribution	434,962.86	-
Festival Celebration	12,555.84	-
Financial Consultancy Expenses	19,371.43	-
Fuel & Transportation	273,724.30	148,287.38
Head Works Clearance	-	211,556.96
Insurance Expenses	537,982.82	1,285,818.32
IPPAN Membership OP	25,000.00	-
Kitchen & Guest Expenses	181,505.61	13,753.77
Late COD Penalty	4,419,434.57	-
Meeting & Other Expenses	770,652.07	374,490.58
Office Rent & Other Expenses	433,039.29	105,272.73
Operating Expenses	1,146,963.92	2,813,397.00
Overtime Salary	165,996.00	-
Printing & Stationery	39,138.26	85,029.22
Renewal & Other Expenses	163,428.42	-
Salary Expenses	9,456,028.11	4,152,754.97
Repair & Maintenance Expenses	596,943.05	608,919.55
Security Guard Expenses	-	398,134.30
Servo / Hydraulic Oil	6,544.40	-
Site Lodging & Fooding Expenses	160,850.00	720,142.00
Walky Talkie Royalty	8,750.00	82,934.10
Advance for Investment written off	7,096,800.00	-
Total	115,580,534.07	36,593,078.73

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Bindhyabasini Hydropower Development Co. Ltd.
Kathmandu, Nepal
Schedules Forming Integral Part of the Financial Statements

Finance Charges

Schedule-17

Particulars

2078/03/31
(15/07/2021)

2077/03/31
(16/07/2020)

Rudi A

Interest Global Bank Ltd.	16,608,401.13	31,299,742.45
Interest Kumari Bank Ltd.	10,706,665.14	14,583,400.05
Interest Lumbini Bikas Bank Ltd.	7,533,382.66	11,210,927.29
Interest NMB Bank Ltd.	11,770,808.81	17,616,818.07
Interest on OD Loan	690,247.61	66,109.78
Interest Sanima Bank Ltd.	28,006,744.00	30,957,022.37
Interest Siddhartha Bank Ltd.	12,566,417.39	10,741,846.68
Interest On BG Loan	2,652,667.43	-

Rudi B

Interest Global Bank Ltd.	14,129,040.52	8,242,295.15
Interest Kumari Bank Ltd.	8,062,196.61	3,408,882.70
Interest Lumbini Bikas Bank Ltd.	6,170,167.59	2,849,861.80
Interest Manjushree Bank Ltd.	6,590,680.60	3,879,975.83
Interest NMB Bank Ltd.	10,237,022.16	4,692,884.36
Interest Sanima Bank Ltd.	20,834,530.87	8,740,732.57
Interest on BG Loan	1,402,295.23	-
Interest on OD Loan	428,152.76	-
Interest Siddhartha Bank Ltd.	4,524,909.63	-

162,914,330.14

148,290,499.09

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Bindhyabasini Hydropower Development Co. Ltd.
New Baneshwor, Kathmandu

Schedule Forming Part of Financial Statements for the Year Ended Ashadh 31, 2078

Schedule No.: 18- Significant Accounting Policies and Other Explanatory Notes

1. General Information

Bindhyabasini Hydropower Development Co. Ltd. is registered on 2057/09/03 in Company Registrar Office with registration no. 14541 and registered in Inland Revenue Department with PAN 303439675. The company is converted to Public Limited Company on 30th Falgun, 2073 with registration no. 165341/073/074. The main objective of the company is to develop hydropower projects. The company has operated two projects namely Rudi Khola A Hydropower Project of 8.8 MW & Rudi Khola B Hydropower Project of 6.6 MW in Kaski & Lamjung District. The Rudi A and Rudi B Hydropower project of Company have commenced their operation from 05th Chaitra, 2075 & 05th Falgun, 2076 respectively.

The financial statements were adopted by the Board of Directors on Mangshir 09, 2078.

2. Summary Significant Accounting Policies:

The Financial Statements have been prepared under Going Concern Assumption. The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. Statement of Compliance

The financial statements have been prepared in accordance with Nepal Accounting Standards ("NAS"), except otherwise stated, and to comply with the requirement of Companies Act, 2063.

B. Method of Accounting

- i) The accounts have been prepared on accrual basis, in accordance with Nepal Accounting Standards (NAS), which have been prescribed by the Companies Act, 2063, to the extent applicable and other relevant practices.
- ii) The financial statements are prepared on the historical cost convention. The preparation of financial statements in conformity with NAS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in process of applying the Company's accounting policies and accounting estimates.

C. Going Concern

At the balance sheet date, the company has been engaged in the two projects and as per the provision of the license granted to the company by the Department of Electricity Development (DOED) the project life is for 30 years excluding construction period.

D. Project WIP (Work In Progress)

Project WIP arising from construction of project has been stated at cost price. Common expenses of the administrative and corporate office are treated as Administrative expenses of a particular project based on the decision made by the Management.

E. Revenue Recognition

- i) **Hydroelectricity Sales:** Company has the policy to recognize income from sale of hydroelectricity on accrual basis and based on the invoice issued to Nepal Electricity Authority (NEA), which is subject to confirmation from Nepal Electricity Authority (NEA). Any subsequent disputed amount deducted by NEA, if any, will be recognized as an expense on the year of confirmation.
- ii) **Other Revenue:**
Interest Income on Bank balances have been recognized on cash basis. Dividend Income from investment in shares have been recognized on the basis of right to receive such dividend income.

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F. Revenue Expenditure

Expenditure incurred for the operation and management of projects which are already started the commercial operation is recognized as revenue expenditure and treated as operation and administrative costs. Whereas, direct expenditures incurred for the project which is yet to be completed even though the commercial operation has been commenced, has been capitalized as project development cost under the related project head.

G. Fixed Assets, Project Assets (Self Developed) & Depreciation

- i) Fixed assets have been valued at cost of construction/acquisition inclusive of incidental expenses related to construction/acquisition. They are measured at Cost Model after their initial recognition.
- ii) Project Development Cost are the assets that are capitalized at the time of completion of construction of hydropower project and amortized over the period of thirty years of period.
- iii) Depreciation of project related assets is charged off to the Capital Work in Progress (Project Cost).

H. Capitalization of Borrowing Costs and other Expenditure

Interest and other borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. And interest and other borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are charged as financial expenses on accrual basis. (A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.)

I. Cash and Cash Equivalent

Cash and Cash Equivalent represent cash in hand and balance in bank accounts at the year end.

J. Income Taxes

Provision for current tax is made with reference to taxable profit for the financial year determined under the provisions of Income Tax Act, 2058 and Rules thereof.

K. Use of Estimates, Assumptions & Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

L. Sundry Debtors and Loans & Advances

Amount recoverable from sundry debtors and loans and advances are stated at book value less provision for doubtful debt.

M. Retirement Benefit

i. Gratuity

Company has not yet formulated any formal plan for employee benefits and accordingly, no provision for the gratuity has been provided during the year.

ii. Leave Encashment

Company has not formulated any formal plan for employee benefits and thus, no provision towards the leave encashment has been provided during the year.

iii. Provident Fund

Company has not contributed towards the provident fund for the last three months of the Financial Year for the purpose of employee retirement payment.

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N. Employees' Bonus and Housing Fund

Staff is provided annual bonus under the provision of the Electricity Act and Rules 2049 (at the rate of 2% of Profit Before Income Tax and after Bonus).

O. Administrative Policies

Financial Administration & Task Operation Rules, 2076 incorporating Policies such as procurement policy, employee's bylaws, financials administration policy has been drafted and the same was adopted by the Annual General Meeting (FY 2075/076).

3. Notes to Account

A. Share Capital

The Company has authorized share capital of Rs. 2,000,000,000, issued capital of Rs. 1,000,000,000 and paid up share capital of Rs. 750,000,000.

B. Advance Share Capital

The Advance Share Capital of Company has been reduced from NRs. 172,437,969.34 to NRs. 155,269,214.76 by NRs. 17,168,754.58 during the year.

C. Revenues

Company has total Net Income from sale of electricity is Rs. 221,797,006.15 during the financial year. Net Income from sale of electricity has been determined after deducting energy purchased from NEA for internal operation of powerhouse.

Company has total Other Income of Rs. 207,178,087.23 during the financial year which comprises amount received against insurance claim amounting Rs 179,362,200.00 (Rs 144,843,000.00 against Loss of Profit & Rs. 34,519,200.00 against Repair & Maintenance of headrace alignment), Interest Income amounting Rs. 7,968.06, Dividend Income amounting Rs. 767,095.00, other income of Rs. 450,040.28 and Gain on sale of investment in shares amounting Rs 26,590,783.89.

D. Fixed Assets, Project Assets and Depreciation

Fixed assets, based on their nature, are classified into four groups and depreciation is charged on diminishing balance method, except project assets (Rudi A) which is being depreciated on SLM basis over remaining license period of the project, at the following rates:

Office Equipment & Furniture	25%
Vehicle	15%

E. Capital Work in Progress (Project Under Development)

Total Project WIP (Rudi B) of Rs. 1,276,366,960.21 till 31st Ashadh, 2078 is cumulative from beginning of construction of project.

The Rudi "A" and Rudi "B" hydropower projects of company have commenced their operation from 5th Chaitra, 2075 and 5th Falgun, 2076 respectively. Though, operation of project Rudi "B" has been commenced from 5th Falgun, 2076, construction of project Rudi "B" is yet to be completed and project development cost of Rs. 58,406,552.38 incurred during this year has been capitalized to Project WIP during the year.

Opening amount of Land Purchased & Development under Capital Work in Progress (Rudi B) has been restated as follows which resulted decrease in Project WIP (Rudi B) by Rs 7,616,904.78 and has no impact on Retained Earnings, Depreciation & on Income Statement.

Particulars	Opening Amount (Rs.)	Restated Amount (Rs.)	Reason of Restatement
Land Purchased & Development.	21,646,814.60	14,029,909.82	Advance amount given for Land had been recognized as Land Purchased & Development in Previous Periods.

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Furthermore, interest expenses up to date of commencement of commercial operation of Rudi "B" has been shown under Capital WIP (Project under development) Rudi "B" and interest expenses after commencement of commercial operation date has been charged to Statement of Profit or Loss as finance cost.

F. Investment

The opening amount of the investment in shares of United Modi Hydropower Ltd has been restated as follows which resulted decrease in investment by Rs. 7,096,800.00. During the year, Company has disposed the shares investment in United Modi Hydropower Ltd amounting Rs. 13,250,000.00. Total amount of Investment as on 31st Ashadh, 2078 is Rs. 13,540,100.00.

Particulars	Opening Amount (Rs.)	Restated Amount (Rs.)	Reason of Restatement
Investment in Shares of United Modi Hydropower Ltd.	22,438,700.00	15,341,900.00	Advance amount given for Investment purpose had been recognized as Investment in Previous Periods.

G. Impairment Losses

An indication of impairment of individual assets has been assessed at the reporting date and there is no material indication of impairment that requires assessment of recoverable amount of those assets as required under Nepal Accounting Standard 36 on Impairment Losses. So, no impairment loss has been recognized during the year.

H. Advance for Investment written off

During the year, the advance given for Investment in the previous periods amounting Rs 7,096,800.00 has been written off to the Statement of Profit or Loss Account.

I. Repair & Maintenance Expenses

During the year, the company has incurred repair & maintenance expenses amounting Rs. 63,994,773.99 relating to Rudi "A". This includes amount Rs 51,389,399.39 incurred for the project's repair and maintenance of headrace pipe alignment (both hydromechanical works & civil works) which was damaged due to the unexpected huge landslide at site dated as of 2077/04/19, Rs. 9,907,939.74 for civil repair & Rs. 2,697,434.86 for other repairs.

Repair & maintenance expenses relating to the construction of Rudi "B" have been capitalized as project development cost under the related project head and other remaining repair expenses have been charged to the Statement of Profit & Loss account.

J. Accounts receivables and payables

Accounts receivables and payables are subject to direct confirmation from concerned parties as at balance sheet date.

K. Income Tax Liability

Income tax for the year comprises current tax and deferred tax. Income tax is recognized in the income statement, except to the extent that it relates to items directly in equity, in which case it is recognized in equity.

- Current Tax: The Company has provided current tax liability based on the provision of Income Tax Act, 2058.
- During the year deferred tax assets/liability has not been recognized as entity is fully tax exempt for first ten years of operation and 50% for next five years and opening deferred tax liability has been transferred to statement of profit or loss of current year.

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L. Proposed Dividend

Board of directors have proposed 10% cash dividend from retained earning till Ashadh end 2078, which is distributed only after the approval from upcoming Annual General Meeting of the shareholders.

M. Related Party Disclosure

Currently there are seven directors of the company. During the period the company has provided allowances, salary and other benefits to its key management personnel. Following are the details:

Name of Key Management Personnel	Position	Annual Salary	Board Meeting Allowance	Other Committee Meeting Allowance	Other Allowances	Total
Mr Sita Acharya	Chairman	2,288,281.25	105,000.00	-	-	2,393,281.25
Mr. Bharat Bahadur Pandey	Director	-	105,000.00	75,000.00	352,941.18	532,941.18
Mr. Dil Sundar Shrestha	Director	-	105,000.00	75,000.00	-	180,000.00
Mr. Sandeep Acharya	Director	-	105,000.00	-	-	105,000.00
Mr. Laxman Paudel	Director	-	105,000.00	-	-	105,000.00
Mr. Bishnu Hari Sharma Subedi	Director	-	105,000.00	-	-	105,000.00
Mr. Tam Prasad Gurung	Director	-	80,000.00	-	-	80,000.00
Mr. Krishna Prasad Acharya	Founder Chariman	-	105,000.00	75,000.00	-	180,000.00
Mr. Jananrdan Aryal	Company Secretary	731,504.00	105,000.00	-	-	836,504.00
Mr. Hari Prasad Pandit	Former Director	-	35,000.00	-	-	35,000.00
Mr. Om Prasad Gurung	Former Director	-	80,000.00	-	-	80,000.00
Total		3,019,785.25	1,035,000.00	225,000.00	352,941.18	4,632,726.43

N. Events after the balance sheet date

There are no any adjusting and non-adjusting events occurred during the period.

O. Contingent Liability

Company does not have contingent liability till Ashadh end, 2078.

P. Previous year financial figures have been regrouped as per the necessity.

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Bindhyabasini Hydropower Development Co. Ltd.
Kathmandu, Nepal
Schedule Forming Part of Annual Accounts

<u>Calculation Of Income 2077-78</u> <u>Particulars</u>	<u>Profit & Loss Account</u> <u>Amount</u>	<u>For Income Tax</u> <u>Amount</u>	<u>Electricity sales income</u> <u>Amount</u>	<u>Other Income</u> <u>Amount</u>
Sales U/S 7.2 Kha	221,797,006.15	221,797,006.15	221,797,006.15	-
Other Income (Interest Income & others)	458,008.34	458,008.34	50,040.28	407,968.06
Other Income (Insurance Claimed Amount)	179,362,200.00	179,362,200.00	179,362,200.00	-
Other Income (Book Profit on sale of Investment)	26,590,783.89	26,590,783.89	-	26,590,783.89
Other Income (Dividend Income)	767,095.00	-	-	-
Revenue under IFRIC 12	-	-	-	-
Gross Income	428,975,093.38	428,207,998.38	401,209,246.43	26,998,751.95
Cost Of Goods Sold U/S 15 (Note 1)	5,975,940.13	5,975,940.13	5,975,940.13	-
Interest on Loan	162,914,330.14	162,914,330.14	162,914,330.14	-
Repairs & Maintenance Allowed (Note 3)	1,278,891.17	1,027,498.04	1,027,498.04	-
Depreciation (Note 3)	55,434,190.02	56,128,183.69	56,128,183.69	-
Fines and penalty to NEA (Note 4)	12,188,734.33	-	-	-
General Deduction U/S 13 (Note 2)	111,508,224.31	99,384,842.91	98,964,353.94	420,488.97
Total Expenses	349,300,310.10	325,430,794.91	325,010,305.94	420,488.97
Income From Business	79,674,783.28	102,777,203.47	76,198,940.49	26,578,262.98
Assessable Income (A)	79,674,783.28	102,777,203.47	76,198,940.49	26,578,262.98
Donation U/S 12. (B)	-	-	-	-
Deduction U/s 20	79,674,783.28	-	-	-
Loss of 2064/65	(23,102,420.19)	-	-	-
Loss of 2065/66	12,188,734.33	-	-	-
Loss of 2066/66	12,123,381.40	-	-	-
Loss of 2066/67	(693,993.66)	-	-	-
Loss of 2067/68	251,393.13	-	-	-
Loss of 2068/69	(767,095.00)	-	-	-
Loss of 2069/70	-	-	-	-
Loss of 2070/71	-	-	-	-
Taxable Income (Loss) of the Year. (A-B)			76,198,940.49	26,578,262.98
Tax Liability @ 20%			15,239,788.10	
Tax Liability @ 25%				6,644,565.74
Exempt u/s 11 (3 Gha)			(15,239,788.10)	
Fee U/S 117			-	-
Interest U/S 118			-	372,052.79
Interest U/S 119			-	37,311.52
Total Tax Liability			-	7,053,930.05

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Schedule Forming Part of Income Statement

	<u>Profit & Loss Account Amount</u>	<u>For Income Tax Amount</u>	<u>Electricity sales income Amount</u>	<u>Other Income Amount</u>
Opening Stock			-	
Purchase During the year			-	
Closing Stock			-	
Direct Salary & Wages			-	
Manufacturing Expenses				
Incentive			-	
Consumables			-	
Total Cost of Sales (A)			-	
(Other than Repair & Improvement)				
Note 1				
Cost of Sales (Except Repair & Maintenance and depreciation)				
Rudi A				
Installed Capacity Royalty	880,000.00	880,000.00	880,000.00	
Revenue Royalty	2,406,510.94	2,406,510.94	2,406,510.94	
Rudi B				
Installed Capacity Royalty	660,000.00	660,000.00	660,000.00	
Revenue Royalty	2,029,429.19	2,029,429.19	2,029,429.19	
Total Cost of Sales	5,975,940.13	5,975,940	5,975,940	-

Note 2

Administrative Expenses (Except Repair & Maintenance and depreciation)

Rudi A			
AGM Expenses	18,144.57	18,144.57	18,144.57
Audit Fee	64,568.20	64,568.20	64,568.20
Bank Charge & Commission	1,827,532.36	1,827,532.36	1,827,532.36
Canteen Expenses	1,285,530.42	479,506.85	479,506.85
Communication Expenses	324,684.71	324,684.71	324,684.71
Consultant fee	1,000,000.00	1,000,000.00	1,000,000.00
Consumable Goods	214,953.45	182,582.02	182,582.02
CSR Expenses	692,142.86	-	-
Dashain Expenses	490,812.39	490,812.39	490,812.39
Employer's contribution	462,267.14	462,267.14	462,267.14
Festival Celebration	28,199.16	28,199.16	28,199.16
Financial Consultancy Expenses	25,828.57	25,828.57	25,828.57
Fuel & Transportation Expenses	247,806.37	198,130.08	198,130.08
IPO Processing Expenses	237,300.00	237,300.00	237,300.00
Kitchen & Guest Expenses	204,966.86	96,666.86	96,666.86
Medical & Mourning Expenses	20,716.74	20,716.74	20,716.74
Meeting & Other Expenses	1,024,796.98	1,024,796.98	1,024,796.98
Miscellaneous Expenses	92,183.43	92,183.43	92,183.43
Office Rent & Other Expenses	577,385.71	577,385.71	577,385.71
Office Setup Expenses	3,189.77	3,189.77	3,189.77
Operating Expenses	267,778.99	231,115.46	231,115.46
Overtime Salary	218,690.00	218,690.00	218,690.00
Printing & Stationery	86,637.54	86,637.54	86,637.54
Insurance Expenses	3,971,122.05	3,971,122.05	3,971,122.05
Renewal & Other Expenses	242,904.58	225,633.15	225,633.15
Salary Expenses	8,525,791.91	8,525,791.91	8,525,791.91
Security Expenses	396,262.45	396,262.45	396,262.45
Site Electricity Bill	-	-	-
Walky Talky Royalty	8,850.00	8,850.00	8,850.00

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RUDI B

AGM Expenses	13,608.43	13,608.43	13,608.43	
Audit Fee	48,431.80	48,431.80	48,431.80	
Bank Charge & Commission	2,068,321.12	2,068,321.12	2,068,321.12	
Communication Expenses	213,356.84	168,407.84	168,407.84	
Consumable Goods Site	214,197.49	72,076.92	72,076.92	
Dashin Allowances	517,126.24	517,126.24	517,126.24	
Employer's contribution	434,962.86	434,962.86	434,962.86	
Festival Celebration	12,555.84	12,555.84	12,555.84	
Financial Consultancy Expenses	19,371.43	19,371.43	19,371.43	
Fuel & Transportation	273,724.30	208,643.26	208,643.26	
Head Works Clearance	-	-	-	
Insurance Expenses	537,982.82	537,982.82	537,982.82	
IPPAN Membership OP	25,000.00	25,000.00	25,000.00	
Karbu Khola Clearance	-	-	-	
Kitchen & Guest Expenses	181,505.61	35,805.61	35,805.61	
Meeting & Other Expenses	770,652.07	549,123.50	549,123.50	
Office Rent & Other Expenses	433,039.29	433,039.29	433,039.29	
Operating Expenses	1,146,963.92	540,199.21	540,199.21	
Overtime Salary	165,996.00	47,441.00	47,441.00	
Printing & Stationery	39,138.26	39,138.26	39,138.26	
Renewal & Other Expenses	163,428.42	150,474.85	150,474.85	
Salary-Site Office	9,456,028.11	8,671,718.71	8,671,718.71	
Security Expenses	-	-	-	
Servn / Hydraulic Oil	6,544.40	6,544.40	6,544.40	
Site Lodging & Fooding Expenses	160,850.00	(981,320.43)	(981,320.43)	
Site Office Setup	-	-	-	
Walkie Talkie Royalty	8,750.00	8,750.00	8,750.00	
Advance for Investment written off	7,096,800.00	-	-	
Repair & Maintenance (only for Pool E)	63,312,825.87	63,312,825.87	63,312,825.87	
Staff Bonus	1,626,015.99	1,626,015.99	1,205,527.01	420,488.97
Total Administrative Expenses (B)	111,508,224.31	99,384,842.91	98,964,353.94	420,488.97

Note 4

Fines and penalty to NEA (Note 4)

Charge for Short Supply (Rudi A)	4,946,942.94	-	-	
Charge for Short Supply (Rudi B)	1,605,999.47	-	-	
Energy Loss (Rudi B)	1,216,357.35	-	-	
Late COD Penalty	4,419,434.57	-	-	
Total Fines and Penalty to NEA	12,188,734.33	-	-	-

Installment	Required	Deposit	Short/ (Excess)	Interest on Short Deposit
Opening				
1st	2,392,043.67	4,780.51	2,387,263.16	89,522.37
2nd	4,186,076.42	4,780.51	4,181,295.91	156,798.60
3rd	5,980,109.17	3,291,717.03	3,352,848.71	125,731.83
	5,980,109.17	3,291,717.03	9,921,408	372,052.79

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Bindhyabasi Hydropower Development Co. Ltd.
KATHMANDU, NEPAL

Depreciation as per Annexure 2 of Income Tax Act 2058

A: Building
5%

Date	Particular	Asset Pool Depreciation Rate (R)	Opening Depreciation Basis	Addition During the year	Allowable portion	Allowable Amount	Disposal During the year	Depreciation Basis for the year	Depreciation for the year	Unabsorbed Addition	Unabsorbed Repair Exp.	Total Depreciation Basis for next year
			a	b	c	d=bc	e	f=a+d-e	g=fR	h=b-d	i	j=g+h+i

A1: Office Building
5%

Date	Particular	Asset Pool Depreciation Rate (R)	Opening Depreciation Basis	Addition During the year	Allowable portion	Allowable Amount	Disposal During the year	Depreciation Basis for the year	Depreciation for the year	Unabsorbed Addition	Unabsorbed Repair Exp.	Total Depreciation Basis for next year
			a	b	c	d=bc	e	f=a+d-e	g=fR	h=b-d	i	j=g+h+i

B: Office Equipment & Computers
25%

Date	Particular	Depreciation Rate	Opening Depreciation Basis	Addition During the year	Allowable portion	Allowable Amount	Disposal During the year	Depreciation Basis for the year	Depreciation for the year	Unabsorbed Addition	Unabsorbed Repair Exp.	Total Depreciation Basis for next year
			a	b	c	d=bc	e	f=a+d-e	g=fR	h=b-d	i	j=g+h+i

C: Automobile
20%

Date	Particular	Depreciation Rate	Opening Depreciation Basis	Addition During the year	Allowable portion	Allowable Amount	Disposal During the year	Depreciation Basis for the year	Depreciation for the year	Unabsorbed Addition	Unabsorbed Repair Exp.	Total Depreciation Basis for next year
			a	b	c	d=bc	e	f=a+d-e	g=fR	h=b-d	i	j=g+h+i

D: Other Assets
15%

Date	Particular	Depreciation Rate	Opening Depreciation Basis	Addition During the year	Allowable portion	Allowable Amount	Disposal During the year	Depreciation Basis for the year	Depreciation for the year	Unabsorbed Addition	Unabsorbed Repair Exp.	Total Depreciation Basis for next year
			a	b	c	d=bc	e	f=a+d-e	g=fR	h=b-d	i	j=g+h+i

E: Leasehold (Capitalized Project)
2%

Date	Particular	Project Development Cost	Opening Depreciation Basis	Addition During the year	Allowable portion	Allowable Amount	Disposal During the year	Depreciation Basis for the year	Depreciation for the year	Unabsorbed Addition	Unabsorbed Repair Exp.	Total Depreciation Basis for next year
			a	b	c	d=bc	e	f=a+d-e	g=fR	h=b-d	i	j=g+h+i

SUMMARY OF DEPRECIATION & REPAIRS & MAINTENANCE

ASSET POOL	DEPRECIATION AS PER POOL			REPAIRS & MAINTENANCE	
	As per Basic/allow	As per P/L Acc.	Capitalized	Net Repairs allowed	
POOL - A:					
POOL - B:	1,629,082.84	456,143.20	53,029.33	53,029.33	
POOL - C:	2,784,196.33	974,468.71	1,225,861.84	974,468.71	
POOL - D:	51,714,904.52	108,601,299.48	63,312,825.87	63,312,825.87	
POOL - E:	56,128,183.69	110,031,911.39	64,591,717.04	251,393.13	64,340,323.91

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