

# **REPORT**

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*CONFIDENTIAL*

**AUDIT REPORT AND AUDITED FINANCIAL STATEMENTS**

**OF**

**BINDHYABASINI HYDROPOWER DEVELOPMENT CO. LTD.**

**NEW BANESHWOR, KATHMANDU, NEPAL**

(FOR THE FISCAL YEAR 2079/80)

*Audited By:*

*T. N. Acharya & Co., Chartered Accountants  
Kathmandu, Nepal*

**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, 2080 (corresponding to July 16, 2023), Statement of Profit or Loss, Statement of Cash Flows, Statement of Changes in Equity for the period ended on Ashadh 31, 2080 and accounting policies and notes to the annual financial statements.

Because of the significance of the matters as described in the basis for disclaimer 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 and other matters as described in same paragraph 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.

**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 pervasive.

**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. There were no key audit matters to be reported in our audit report.

**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:

- 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 as describe in the basis for disclaimer of opinion paragraph.
- During our examination of the books of account of the Company, we have not come across the cases where the Director or any member thereof or any representative or any office holder or any employee of the Company has acted contrary to the provisions of law or caused loss or damage to the Company, and
- During our examination of the books of account of the Company, we have not come across any fraudulence in the accounts.
- Company has not complied the provision of gratuity of employees as per the requirement of the Labour Act, 2074 and has not allocated at least 1% of net profit towards corporate social responsibility as per Industrial Enterprises Act, 2076 and rules thereon.

  
Pawan Khanal, FCA, Partner  
T. N. Acharya and Co., Chartered Accountants



Place: Kathmandu  
Date: 2080/08/27

UDIN: 231213CA00821tk0vK

**Bindhyabasini Hydropower Development Co. Ltd.**  
 New Baneshwor, Kathmandu, Nepal  
 Statement of Financial Position  
 As at Ashadh 31, 2080 (16 July, 2023)

Amounts in Rs.

<u>Particulars</u>	<u>Schedules</u>	<u>2080/03/31</u> <u>(16/07/2023)</u>	<u>2079/03/32</u> <u>(16/07/2022)</u>
<b>I. Sources of Fund</b>			
<b>A. Capital and Reserves</b>			
Share Capital	1	1,050,000,000.00	1,000,000,000.00
Accumulated Profit/(Loss)		144,137,330.15	132,234,529.32
<b>Shareholders Fund</b>		<u>1,194,137,330.15</u>	<u>1,132,234,529.32</u>
<b>B. Non-Current Liabilities</b>			
Secured Loan	2	1,774,496,434.89	1,842,693,713.89
<b>Total Non-current Liabilities</b>		<u>1,774,496,434.89</u>	<u>1,842,693,713.89</u>
<b>C. Current Liabilities &amp; Provisions</b>			
Trade and Other Accounts Payables	3	76,074,894.62	85,065,526.15
Short Term loan	4	42,010,999.98	12,702,936.59
Provisions	5	1,344,414.25	4,408,094.66
<b>Total Current Liabilities &amp; Provisions</b>		<u>119,430,308.85</u>	<u>102,176,557.40</u>
<b>Total Sources of Funds (A+B+C)</b>		<u>3,088,064,073.89</u>	<u>3,077,104,800.62</u>
<b>II. Application of Funds</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment (Project)			
<b>A. Property, Plant and Equipment(WDV)(A+B)</b>	6	<u>2,679,662,392.15</u>	<u>1,407,955,359.47</u>
<b>B. Project WIP (Rudi B)</b>	7	-	1,318,663,145.72
<b>Total Non-Current Assets (A+B)</b>		<u>2,679,662,392.15</u>	<u>2,726,618,505.19</u>
<b>C. Investment</b>	8	215,397,038.00	146,224,938.00
<b>D. Current Assets</b>			
Trade Receivables	9	141,349,999.08	72,010,537.90
Cash and Bank Balances	10	15,278,536.35	99,149,969.88
Advances & Deposits	11	36,376,108.31	33,100,849.65
<b>Total Current Assets (D)</b>		<u>193,004,643.74</u>	<u>204,261,357.43</u>
<b>Total Application of Funds (A+B+C+D)</b>		<u>3,088,064,073.89</u>	<u>3,077,104,800.62</u>

Significant Accounting Policies and Other Explanatory Notes

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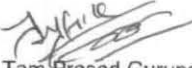
As per our report of even date

  
 Biru Badal  
 Account Officer

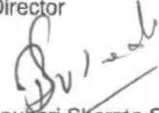
  
 Suzan Banlyia  
 Director

  
 Indra Devi Gurung  
 Director

  
 Sandeep Acharya  
 Director

  
 Tam Prasad Gurung  
 Director


  
 Laxman Poudel  
 Director

  
 Bishnuhari Sharma Subedi  
 Director

  
 Bharat Bahadur Pandey  
 Director

  
 Dilsundar Shrestha  
 Director

  
 Sita Acharya  
 Chairperson

  
 Pawan Khanal, FCA  
 Partner  
 For T. N. Acharya & Co.  
 Chartered Accountants

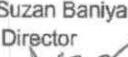


**Bindhyabasini Hydropower Development Co. Ltd.**  
Kathmandu, Nepal  
**Statement of Profit or Loss**  
For the period from Shrawan 01, 2079 to Ashadh 31, 2080

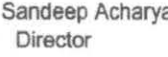
Particulars	Schedule	Amount in Rs.	
		Current Year	Previous Year
<b>Income</b>			
Revenue from Sale of Electricity	12	285,006,923.16	400,254,324.98
Other Income	13	69,538,983.63	7,557,841.95
<b>Total Revenue</b>		<b>354,545,906.79</b>	<b>407,812,166.93</b>
Cost of Sales	14	7,240,138.45	9,545,086.50
General Administrative Expenses	15	78,649,106.87	73,340,894.72
Depreciation	6	61,517,746.09	54,932,980.08
<b>Total</b>		<b>147,406,991.41</b>	<b>137,818,961.31</b>
<b>Profit from Operations</b>		<b>207,138,915.38</b>	<b>269,993,205.62</b>
Financial Charges	16	141,260,121.35	143,383,429.11
<b>Net Profit/(Loss)</b>		<b>65,878,794.03</b>	<b>126,609,776.51</b>
Provision for Staffs Bonus		(1,317,575.88)	(2,532,195.53)
<b>Net profit after Provision for Staffs Bonus</b>		<b>64,561,218.15</b>	<b>124,077,580.98</b>
<b>Current Year Tax</b>		<b>(26,838.37)</b>	<b>(1,875,899.13)</b>
Provision for Income Tax		(26,838.37)	(1,875,899.13)
Deferred Tax Income/(Expense)		-	-
<b>Previous Year Tax</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the Current Year</b>		<b>64,534,379.78</b>	<b>122,201,681.85</b>
Profit/(Loss) up to Previous Year		132,234,529.32	85,032,847.47
Dividend Declared and Distributed of FY 2077.78		-	(75,000,000.00)
Bonus Share Distributed of FY 2078.79		(52,631,578.95)	
<b>Profit/(Loss) Transferred to Statement of Financial Position</b>		<b>144,137,330.15</b>	<b>132,234,529.32</b>


As per our report of even date

  
Biru Badal  
Account Officer


  
Suzan Baniya  
Director

  
Indra Devi Gurung  
Director

  
Sandeep Acharya  
Director

  
Tam Prasad Gurung  
Director

  
Laxman Poudel  
Director

  
Bishnuhari Sharma Subedi  
Director

  
Bharat Bahadur Pandey  
Director

  
Dilsundar Shrestha  
Director

  
Sita Acharya  
Chairperson

  
Pawan Khanal, FCA  
Partner  
For T. N. Acharya & Co.  
Chartered Accountants



**Bindhyabasini Hydropower Development Co. Ltd.**

Kathmandu, Nepal

**Statement of Cash Flows**

For the period from Shrawan 01, 2079 to Ashadh 31, 2080

<u>Particulars</u>	<u>Current Year</u>	<u>Amount in Rs. Previous Year</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Net Profit Before Taxation	64,561,218.15	124,077,580.98
Adjustment for:		
Depreciation	61,517,746.09	54,932,980.08
Income Tax	(1,875,899.13)	(7,053,930.05)
Dividend Income	(351,329.00)	(181,604.28)
<b>Cash Flow from before Changes in Working Capital</b>	<b>123,851,736.11</b>	<b>171,775,026.74</b>
(Increase)/Decrease in current assets	(72,614,719.84)	71,009,673.87
Increase/(Decrease) in current liabilities	19,102,812.21	51,972,451.15
<b>Cash Flows from Operating Activities (A)</b>	<b>70,339,828.48</b>	<b>294,757,151.76</b>
<b><u>Cash Flow on Investing Activities</u></b>		
Decrease/Increase in Work In Progress	1,318,663,145.72	(42,296,185.51)
Sales/Purchase of Project Development Assets	(1,332,336,507.76)	(10,185,414.61)
Purchase/Capitalization of Fixed Assets	(888,271.02)	(807,241.33)
Investments Increase/(Decrease)	(69,172,100.00)	(132,684,838.00)
Dividend Received	351,329.00	181,604.28
<b>Cash Flows on Investing Activities (B)</b>	<b>(83,382,404.06)</b>	<b>(185,792,075.17)</b>
<b><u>Cash Flows on Financing Activities</u></b>		
Issue of Share Capital	50,000,000.00	250,000,000.00
Increase/(Decrease) of Loan from Banks	(68,197,279.00)	(62,085,808.34)
Advance for Share Capital	-	(155,269,214.76)
Dividend of FY 2077.78 declared	-	(75,000,000.00)
Bonus Share Distributed	(52,631,578.95)	-
<b>Cash Flows from Financial Activities (C)</b>	<b>(70,828,857.95)</b>	<b>(42,355,023.10)</b>
<b>Total Cash Generated During the Year (A+B+C)</b>	<b>(83,871,433.53)</b>	<b>66,610,053.49</b>
Opening Cash and Bank Balances	99,149,969.88	32,539,916.39
<b>Cash and Bank Balance at the End of the Year</b>	<b>15,278,536.35</b>	<b>99,149,969.88</b>

As per our report of even date

  
Biru Badal  
Account Officer

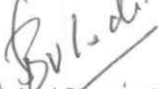
  
Suzan Baniya  
Director

  
Indra Devi Gurung  
Director

  
Sandeep Acharya  
Director

  
Tam Prasad Gurung  
Director

  
Laxman Poudel  
Director

  
Bishnuhari Sharma Subedi  
Director

  
Bharat Bahadur Pandey  
Director

  
Dilsunder Shrestha  
Director

  
Sita Acharya  
Chairperson

  
Pawan Khanal, FCA  
Partner

For T. N. Acharya & Co.  
Chartered Accountants



**Bindhyabasini Hydropower Development Co. Ltd.**  
**Kathmandu, Nepal**  
**Statement of Changes in Equity**  
**For the year ended 31 Ashadh, 2080**

Amount in Rs.

Particulars	Share Capital	Accumulated Profit/(Loss)	Other Reserve	Total
<b>Balance as at 01 Shrawan, 2077</b>	<b>750,000,000.00</b>	<b>12,411,994.25</b>	-	<b>762,411,994.25</b>
Issue of Share Capital	-	-	-	-
Deferred Tax Assets	-	-	-	-
Profit/(Loss) Account for the period	-	72,620,853.22	-	72,620,853.22
Dividends	-	-	-	-
<b>As at 31 Ashadh, 2078</b>	<b>750,000,000.00</b>	<b>85,032,847.47</b>	-	<b>835,032,847.47</b>
Balance as at 01 Shrawan, 2078	750,000,000.00	85,032,847.47	-	835,032,847.47
Issue of Share Capital	250,000,000.00	-	-	250,000,000.00
Deferred Tax Assets	-	-	-	-
Profit/(Loss) Account for the period	-	122,201,681.85	-	122,201,681.85
Dividends	-	(75,000,000.00)	-	(75,000,000.00)
<b>As at 32 Ashadh, 2079</b>	<b>1,000,000,000.00</b>	<b>132,234,529.32</b>	-	<b>1,132,234,529.32</b>
Balance as at 01 Shrawan, 2078	1,000,000,000.00	132,234,529.32	-	1,132,234,529.32
Issue of Share Capital	50,000,000.00	-	-	50,000,000.00
Deferred Tax Assets	-	-	-	-
Profit/(Loss) Account for the period	-	64,534,379.78	-	64,534,379.78
Dividends/ bonus share	-	(52,631,578.95)	-	(52,631,578.95)
<b>As at 31 Ashadh, 2080</b>	<b>1,050,000,000.00</b>	<b>144,137,330.15</b>	-	<b>1,194,137,330.15</b>

As per our report of even date

  
 Biru Badal  
 Account Officer

  
 Suzan Baniya  
 Director

  
 Indra Devi Gurung  
 Director

  
 Sandeep Acharya  
 Director

  
 Tam Prasad Gurung  
 Director

  
 Laxman Poudel  
 Director

  
 Bishnuhari Sharma Subedi  
 Director

  
 Bharat Bahadur Pandey  
 Director

  
 Dilsunder Shrestha  
 Director

  
 Sita Acharya  
 Chairperson



Pawan Khanal, FCA  
 Partner  
 For T. N. Acharya & Co.  
 Chartered Accountants



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

Share Capital

Schedule - 1

Particulars	2080/03/31 (16/07/2023)	2079/03/32 (16/07/2022)
<b>Authorized Share Capital</b>		
20,000,000 Ordinary shares of Rs. 100 each.	2,000,000,000.00	2,000,000,000.00
<b>Issued Share Capital</b>		
10,000,000 Ordinary shares of Rs. 100 each.		1,000,000,000.00
10,500,000 Ordinary shares of Rs. 100 each.	1,050,000,000.00	
<b>Paid Up Share Capital</b>		
1,00,00,000 Ordinary shares of Rs. 100 each.		1,000,000,000.00
105,00,000 Bonus shares of Rs. 100 each.	1,050,000,000.00	-
<b>Total Share Capital:</b>	<b>1,050,000,000.00</b>	<b>1,000,000,000.00</b>

Secured Loan

Schedule - 2

Particulars	2080/03/31 (16/07/2023)	2079/03/32 (16/07/2022)
<b>Bank Term Loan - Rudi A</b>	<b>964,733,508.05</b>	<b>1,006,626,068.05</b>
Kumari Bank Ltd.	101,358,000.00	105,848,000.00
Lumbini Bikash Bank Ltd.	77,415,868.08	80,747,868.08
NMB Bank Ltd.	123,553,739.97	128,878,299.97
Sanima Bank Ltd.	358,684,900.00	374,220,900.00
Siddhartha Bank Ltd.	303,721,000.00	316,931,000.00
<b>Bank Term Loan - Rudi B</b>	<b>809,762,926.84</b>	<b>836,067,645.84</b>
Kumari Bank Ltd.	82,130,399.51	84,726,399.51
Lumbini Bikash Bank Ltd.	67,184,914.76	69,308,914.76
NMB Bank Ltd.	113,638,348.99	117,230,267.99
Sanima Bank Ltd.	342,099,639.58	353,602,439.58
Siddhartha Bank Ltd.	204,709,624.00	211,199,624.00
<b>Total</b>	<b>1,774,496,434.89</b>	<b>1,842,693,713.89</b>

Trade and Other Accounts Payables

Schedule - 3

Particulars	2080/03/31 (16/07/2023)	2079/03/32 (16/07/2022)
<b>a) Duties &amp; Taxes (TDS Payables)</b>		
Audit Fee TDS Payable	3,750.00	3,750.00
Rent TDS	23,152.00	7,350.00
Salary TDS Payable	236,445.49	341,248.00
SST 1%	25,602.06	14,121.33
TDS on Allowances	174,062.05	411,036.10
TDS on Meeting Allowances	-	22,500.00
TDS on Service	2,867.80	63,616.50
TDS on Contract (Construction Impex Pvt. Ltd))	-	75,618.96
TDS on Contract (DL Structure)	-	46,278.39
TDS on Pvt.Ltd.	18,286.20	-
TDS On Transportation	-	2,935.90
TDS on Vehicle Rent	-	5,076.40
Wages TDS	132.83	8,535.77
<b>b) Advance from Directors</b>	-	-
<b>c) Payable to Contractors</b>		
North Hydro & Engineering Pvt Ltd	-	16,414,757.48
High Himalaya Hydro Construction Pvt. Ltd.	-	2,860,011.03
Pailyaa Construction Pvt. Ltd.	-	270,912.07
Puja & Amrit Construction Pvt.Ltd.	187,320.00	-

*Handwritten signatures and initials:*  
A. Bhandari  
B. Bhandari  
M. Bhandari

*Handwritten signatures and initials:*  
S. Bhandari  
K. Bhandari  
N. Bhandari  
P. Bhandari





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

Construction Impex Pvt. Ltd.	8,997,300.23	1,801,484.76
Special Construction Pvt. Ltd	18,815.49	-
DL Structure & Building Pvt. Ltd	22,665,269.62	2,285,748.81
<b>d) Retention Money</b>		
<b>Retention Money -Rudi A</b>		
High Himalaya Hydro Construction Pvt. Ltd.	-	170,742.46
Rabin Nirman Sewa Pvt. Ltd.	1,623,434.95	1,623,434.95
<b>Retention Money Rudi B</b>		
High Himalaya Hydro Construction Pvt. Ltd.	-	1,017,304.84
North Hydro & Engineering Pvt. Ltd.	-	4,795,092.56
DL Structures and Builders Pvt. Ltd.	2,552,502.01	479,977.98
Cream Hydel Pvt. Ltd.	-	23,427.43
Construction Impex Pvt. Ltd.	116,402.57	-
Tune Gear Pvt.Ltd.	29,500.00	29,500.00
<b>e) Others Payable</b>		
BM Enterprises	14,009.84	14,009.84
Kausiki Infosys	-	6,000.00
T.N Acharya & Co.	278,750.00	-
Axis International Travel & Tours	75,710.00	145,215.00
Design Hub & Print Solution Pvt. Ltd.	9,310.62	47,247.37
Dev Auto Mobiles	19,357.16	53.92
Dividend Payable to Share Holders of BHDC	1,365,813.00	6,878,294.50
Harati Auto Trading	-	28,001.40
Professional System Pvt. Ltd.	-	74,147.00
Ripoo Mardenee Pvt. Ltd.	89,485.00	82,030.00
Sariya Enterprises	-	14,146.00
Self Drive Nepal Pvt. Ltd.	-	75,820.00
Staff Welfare Fund	663,884.32	330,033.99
Time Media Service Pvt. Ltd	-	198,281.52
TPSC (India) Pvt. Ltd.	256,239.98	448,420.00
Royalty Payable-Rudi A	767,570.51	870,372.22
Royalty Payable-Rudi B	532,459.68	569,838.35
Clean Energy Consultant Pvt. Ltd.	1,088,451.00	-
Unique Ideal Automobiles Pvt. Ltd.	-	900.61
Tyre International Pvt. Ltd.	567.62	23,567.50
Bhairab Auto Diesels	1,500.00	-
Meeting & Other Allowances Payables	1,245,281.32	2,048,748.32
Sailaja Agency	1,767.00	-
Sambhavi Stationery & General Suppliers	5,808.50	-
R.Sapkota & Associates.	-	278,750.00
Salary Payable	3,382,223.90	2,330,025.71
CIT Payable	1,173,612.00	502,554.00
Blue Dolphin Enterprises Pvt.Ltd.	413,639.63	-
IT & Suppliers Group Pvt. Ltd.	20,000.00	-
Site Payable	-	404,922.94
P&P Traders	11,865.00	11,865.00
Shree Om Petroleum Traders	60,000.00	-
Party Payable (Sub Schedule-4.1)	108,354.95	103,207.95
Other payable	27,814,390.29	36,804,611.29
<b>Total</b>	<b>76,074,894.62</b>	<b>85,065,526.15</b>

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

**Sub Schedule - 3.1**

<u>Particulars</u>	<u>2080/03/31</u> <u>(16/07/2023)</u>	<u>2079/03/32</u> <u>(16/07/2022)</u>
Saroj Bhattarai	58,153.95	75,332.95
Tam Prasad Gurung	22,326.00	-
Suraj Pandey NHC	27,875.00	27,875.00
<b>Total</b>	<b>108,354.95</b>	<b>103,207.95</b>

**Short Term Loan**

**Schedule - 4**

<u>Particulars</u>	<u>2080/03/31</u> <u>(16/07/2023)</u>	<u>2079/03/32</u> <u>(16/07/2022)</u>
<b>Cash Credit-Rudi A</b>		
Cash Credit-Rudi A	22,511,000.00	5,295,673.37
<b>Cash Credit- Rudi B</b>		
Cash Credit-Rudi B	19,499,999.98	7,407,263.22
<b>Total</b>	<b>42,010,999.98</b>	<b>12,702,936.59</b>

**Provisions**

**Schedule - 5**

<u>Particulars</u>	<u>2080/03/31</u> <u>(16/07/2023)</u>	<u>2079/03/32</u> <u>(16/07/2022)</u>
Provision for Income Tax	26,838.37	1,875,899.13
Provision for Staffs Bonus	1,317,575.88	2,532,195.53
<b>Total</b>	<b>1,344,414.25</b>	<b>4,408,094.66</b>

**Investment**

**Schedule - 8**

<u>Particulars</u>	<u>2080/03/31</u> <u>(16/07/2023)</u>	<u>2079/03/32</u> <u>(16/07/2022)</u>
Peoples Energy Limited	192,355,738.00	138,183,638.00
Nepal Power Exchange Limited	5,000,000.00	5,000,000.00
Multi Energy Dev. Pvt. Ltd.	15,000,000.00	-
Hydroelectricity Investment and Development Co. Ltd.	3,041,300.00	3,041,300.00
<b>Total</b>	<b>215,397,038.00</b>	<b>146,224,938.00</b>

**Trade Receivables**

**Schedule - 9**

<u>Particulars</u>	<u>2080/03/31</u> <u>(16/07/2023)</u>	<u>2079/03/32</u> <u>(16/07/2022)</u>
Nepal Electricity Authority (Rudi A)	38,378,525.69	43,518,610.99
Nepal Electricity Authority (Rudi B)	26,622,993.39	28,491,926.91
Ajod Insurance (Rudi B)	76,348,480.00	-
<b>Total</b>	<b>141,349,999.08</b>	<b>72,010,537.90</b>

**Cash & Bank Balance**

**Schedule - 10**

<u>Particulars</u>	<u>2080/03/31</u> <u>(16/07/2023)</u>	<u>2079/03/32</u> <u>(16/07/2022)</u>
Cash In Hand	585.84	6,711.85
Global IME Bank Ltd. 959	223.87	223.87
Global IME Bank Ltd. 608	907.47	907.47
Kumari Bank Ltd.	580,085.44	400,469.56
Lumbini Bikas Bank Account.(Rudi A)	28,516.58	28,516.61
Lumbini Bikas Bank Account. (Rudi B)	373,551.38	25,215.42
NMB Bank Account. (Rudi A)	147,689.99	119,468.23
NMB Bank Account. (Rudi B)	171,823.63	58,594.91

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

Prime Bank Ltd.	45,343.43	45,151.08
Sanima Bank Ltd. Non Operative ( Rudi A)	10,000,000.00	20,000,000.00
Sanima Bank Ltd. (Rudi B)	389,442.16	387,267.37
Sanima Bank Ltd. 3974	1,000.00	1,000.00
Sanima Bank Ltd. (Rudi A)	2,371,658.56	1,000.00
Sanima Bank Ltd. (Rudi B)	611,178.04	1,000.00
Sanima Bank Call A/c 412	281,257.10	77,173,416.61
Sanima Bank A/c 904016430000001	117,398.92	-
Sanima Bank A/c 904016430000003	53,763.44	-
Siddhartha Bank Account. (Rudi A)	85,509.40	687,623.92
Siddhartha Bank Account. (Rudi B)	18,601.10	213,402.98
<b>Total</b>	<b>15,278,536.35</b>	<b>99,149,969.88</b>

**Advances & Deposits**

**Schedule - 11**

<u>Particulars</u>	<u>2080/03/31</u> <u>(16/07/2023)</u>	<u>2079/03/32</u> <u>(16/07/2022)</u>
<b>Deposits (Asset)</b>		
<b>a) Advance and Loan</b>		
Short term loan to Employee	-	-
<b>b) Margins &amp; Deposits</b>		
LC Margin Rudi A	598,488.37	598,488.37
LC Margin & Deposit B	7,623,602.49	9,604,602.49
Bhurungdi Khola HEP	50,000.00	50,000.00
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	80,000.00
<b>c) Advance to Suppliers/ Contractors</b>		
IPC Advance to Rabin Nirman Sewa	3,663,215.76	3,663,215.76
Advance to Interstate Multimodal Transport Pvt. Ltd.	3,815,033.00	3,291,429.00
Nepal Ekarat Engineering Co. Pvt.Ltd	6,850,000.00	-
<b>d) Other Advance</b>		
Advance Income Tax	86,111.36	1,915,567.58
Prepaid Insurance- Rudi A	6,031,843.73	5,849,875.52
Prepaid Insurance- Rudi B	3,724,924.18	3,811,510.81
Prepaid Annual Fee for CDSC	-	150,000.00
Prepaid RTGS Fee	131,507.00	131,918.00
Advances to Locals at Site	2,790,000.00	2,790,000.00
Clean Energy Consultant Pvt. Ltd.	-	26,549.00
Machinery & Electric Pvt. Ltd.	316.70	316.70
Mayur Faucets Pvt. Ltd.	834.42	834.42
CDS & Clearing Ltd	22,642.00	22,642.00
Savya Construction	1,000.00	-
Site Receivable	6,589.30	-
Advance to Party (Sub Schedule-12.1)	550,000.00	763,900.00
<b>Total</b>	<b>36,376,108.31</b>	<b>33,100,849.65</b>

**Advance to Party**

**Sub Schedule-11.1**

<u>Particulars</u>	<u>2080/03/31</u> <u>(16/07/2023)</u>	<u>2079/03/32</u> <u>(16/07/2022)</u>
Advance to Mahesh Ghimire	400,000.00	400,000.00
Advance for Tapendra KC Treatment	150,000.00	-
Advance to Rishi Shrestha	-	363,900.00
<b>Total</b>	<b>550,000.00</b>	<b>763,900.00</b>

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**Bindhyabasini Hydropower Development Co. Ltd.**  
**Kathmandu, Nepal**  
**Schedules Forming Integral Part of the Financial Statements**  
**Revenue from Sale of Electricity**

<u>Particulars</u>	<b>Schedule-12</b>	
	2080/03/31 (16/07/2023)	2079/03/32 (16/07/2022)
Revenue from Sale of Electricity (Rudi A)	233,726,957.46	244,238,711.25
Revenue from Sale of Electricity (Rudi B)	51,279,965.70	156,015,613.73
<b>Total</b>	<b>285,006,923.16</b>	<b>400,254,324.98</b>

<u>Particulars</u>	<b>Schedule-13</b>	
	2080/03/31 (16/07/2023)	2079/03/32 (16/07/2022)
<b>Other Income</b>		
<b>Rudi A</b>		
Interest on Deposit	94,216.81	126,689.05
<b>Rudi B</b>		
Insurance Claimed Amount (Loss of Profit)	66,120,400.00	-
Insurance Claimed Amount (Maintenance)	2,959,900.00	
Interest on Deposit	3,137.82	3,129.32
<b>Other Income</b>	10,000.00	-
<b>Dividend Income</b>	<b>351,329.00</b>	<b>181,604.28</b>
<b>Gain on Sale of Investment</b>	-	<b>7,246,419.30</b>
	<b>69,538,983.63</b>	<b>7,557,841.95</b>

<u>Particulars</u>	<b>Schedule-14</b>	
	2080/03/31 (16/07/2023)	2079/03/32 (16/07/2022)
<b>Cost of Sales</b>		
<b>Rudi A</b>		
Installed Capacity Royalty	880,000.00	880,000.00
Revenue Royalty	4,674,539.14	4,884,774.23
<b>Rudi B</b>		
Installed Capacity Royalty	660,000.00	660,000.00
Revenue Royalty	1,025,599.31	3,120,312.27
	<b>7,240,138.45</b>	<b>9,545,086.50</b>

<u>Particulars</u>	<b>Schedule - 15</b>	
	2080/03/31 (16/07/2023)	2079/03/32 (16/07/2022)
<b>General Administrative Expenses</b>		
<b>Rudi A</b>		
Audit Fee	161,428.57	161,428.57
Bank Charge & Commission	1,361,532.13	1,421,903.97
Canteen Expenses	941,600.00	958,800.00
Communication Expenses	147,280.00	261,592.62
Consumable Goods	249,094.03	291,077.38
CSR Expenses	288,971.43	2,224,282.14
Financial Consultancy Expenses	9,685.71	19,371.43
Fuel & Transportation Expenses	441,497.63	636,770.96
IPO Processing Expenses	949,982.86	4,239,577.71
Kitchen & Guest Expenses	187,270.86	202,302.86
Medical & Mourning Expenses	10,992.57	21,325.94
Meeting & AGM Expenses	1,102,003.27	1,990,620.41
Office Rent & Other Expenses	662,788.57	615,153.14
Operating Expenses	288,050.55	230,711.83
Printing & Stationery	190,111.11	93,190.14
Insurance Expenses	8,480,546.99	5,522,827.44
Renewal & Other Expenses	295,179.57	374,882.78
Repair & Maintenance Expenses	4,165,043.50	6,354,902.30
Salary Expenses	10,147,536.46	9,371,772.87

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**Bindhyabasini Hydropower Development Co. Ltd.**

**Kathmandu, Nepal**

**Schedules Forming Integral Part of the Financial Statements**

Site Lodging & Fooding Expenses	292,262.29	100,073.71
Walky Talky Royalty	10,000.00	76,802.86
Wages	39,644.87	202,020.20
Training and Participation Fee	50,742.86	-
Escalation Charge for Project DPR	645,714.29	-
Online Billing Software	17,434.29	-
Land Tax	17,339.00	-
Technical and Financial Consultancy	856,843.43	-

**RUDI B**

Meeting & AGM Expenses	826,502.46	1,492,965.31
Audit Fee	121,071.43	121,071.43
Bank Charge & Commission	1,284,665.36	1,307,659.35
Canteen Expenses	1,280,750.00	1,317,210.00
Communication Expenses	121,710.00	216,496.75
Consumable Goods	219,960.39	189,303.76
CSR Expenses	1,295,228.57	4,869,282.35
Financial Consultancy Expenses	7,264.29	14,528.57
Fuel & Transportation	376,982.22	497,832.76
Insurance Expenses	6,697,099.57	4,632,916.70
IPO Processing Expenses	712,487.14	3,179,683.29
Kitchen & Guest Expenses	178,248.14	151,727.15
Medical & Mourning Expenses	8,244.43	15,994.46
Office Rent & Other Expenses	497,091.43	461,364.86
Operating Expenses	216,037.92	173,033.87
Printing & Stationery	142,583.34	117,776.36
Renewal & Other Expenses	466,741.43	260,743.22
Salary Expenses	7,179,042.54	9,750,683.46
Repair & Maintenance Expenses	23,572,337.88	8,326,117.82
Escalation Charge for Project DPR	484,285.71	-
Site Lodging & Fooding Expenses	219,196.71	75,055.29
Walky Talkie Royalty	7,500.00	57,602.14
Wages	29,733.65	740,454.56
Training and Participation Fee	38,057.14	-
Online Billing Software	13,075.71	-
Technical and Financial Consultancy	642,632.57	-
<b>Total</b>	<b>78,649,106.87</b>	<b>73,340,894.72</b>

**Financial Charges**

**Particulars**

**Rudi A**

	2080/03/31 (16/07/2023)	2079/03/32 (16/07/2022)
Interest Global Bank Ltd.	-	796,540.60
Interest Kumari Bank Ltd.	8,151,848.19	8,536,915.51
Interest Lumbini Bikas Bank Ltd.	6,223,135.17	6,505,558.29
Interest NMB Bank Ltd.	9,961,225.86	10,405,834.33
Interest on OD Loan/ Cash credit	713,030.04	323,659.30
Interest Sanima Bank Ltd.	26,026,760.43	23,567,957.38
Interest Siddhartha Bank Ltd.	24,488,074.85	25,359,024.12

**Rudi B**

Interest Global Bank Ltd.	-	683,666.50
Interest Kumari Bank Ltd.	6,571,885.93	6,767,179.16
Interest Lumbini Bikas Bank Ltd.	5,375,995.90	5,531,599.35
Interest NMB Bank Ltd.	9,118,828.38	9,358,858.54
Interest Sanima Bank Ltd.	27,396,231.43	28,269,117.08
Interest on OD Loan/ Cash credit	806,218.96	418,658.51
Interest Siddhartha Bank Ltd.	16,426,886.21	16,858,860.44
	<b>141,260,121.35</b>	<b>143,383,429.11</b>

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

**Property, Plant and Equipment and Depreciation**  
Rudi A

Schedule-6

Particulars	Land	Building	Office Equipment & Furniture	Vehicle	Intangible Assets	Total
<b>At Cost</b>						
Opening Balance	-	-	2,904,971.96	8,801,431.95	1,561,632,550.06	1,573,338,953.97
Addition	-	-	222,097.97	-	-	222,097.97
Deletion During The Year	-	-	-	-	-	-
<b>Total Rs. At Cost</b>	-	-	<b>3,127,069.93</b>	<b>8,801,431.95</b>	<b>1,561,632,550.06</b>	<b>1,573,561,051.94</b>
<b>Depreciation</b>						
Depreciation Up To Previous Year	-	-	1,642,790.00	3,473,279.21	168,110,324.92	173,226,394.13
Depreciation For The Year	-	-	360,936.57	799,222.91	52,054,418.34	53,214,577.81
<b>Total Accumulated Depreciation</b>	-	-	<b>2,003,726.57</b>	<b>4,272,502.12</b>	<b>220,164,743.26</b>	<b>226,440,971.94</b>
<b>WDV As On 31.03.2080</b>	-	-	<b>1,123,343.36</b>	<b>4,528,929.83</b>	<b>1,341,467,806.80</b>	<b>1,347,120,079.99</b>
<b>WDV As On 32.03.2079</b>	-	-	<b>1,262,181.96</b>	<b>5,328,152.74</b>	<b>1,393,522,225.14</b>	<b>1,400,112,559.84</b>

Rudi B

Particulars	Land	Building	Office Equipment & Furniture	Vehicle	Intangible Assets	Total
<b>At Cost</b>						
Opening Balance	-	-	5,742,012.30	7,620,025.35	-	13,362,037.65
Addition	-	-	666,173.05	-	1,332,336,507.76	1,333,002,680.81
Deletion During The Year	-	-	-	-	-	-
<b>Total Rs. At Cost</b>	-	-	<b>6,408,185.35</b>	<b>7,620,025.35</b>	<b>1,332,336,507.76</b>	<b>1,346,364,718.46</b>
<b>Depreciation</b>						
Depreciation Up To Previous Year	-	-	2,854,134.16	2,665,103.87	-	5,519,238.02
Depreciation For The Year	-	-	811,569.58	743,238.22	6,748,360.47	8,303,168.28
<b>Total Accumulated Depreciation</b>	-	-	<b>3,665,703.74</b>	<b>3,408,342.09</b>	<b>6,748,360.47</b>	<b>13,822,406.30</b>
<b>WDV As On 31.03.2080</b>	-	-	<b>2,742,481.61</b>	<b>4,211,683.26</b>	<b>1,325,588,147.29</b>	<b>1,332,542,312.16</b>
<b>WDV As On 32.03.2079</b>	-	-	<b>2,887,878.14</b>	<b>4,954,921.48</b>	-	<b>7,842,799.63</b>

Total

Particulars	Land	Building	Office Equipment & Furniture	Vehicle	Intangible Assets	Total
<b>At Cost</b>						
Opening Balance	-	-	8,646,984.26	16,421,457.30	1,561,632,550.06	1,586,700,991.62
Addition	-	-	888,271.02	-	1,332,336,507.76	1,333,224,778.78
Deletion During The Year	-	-	-	-	-	-
<b>Total Rs. At Cost</b>	-	-	<b>9,535,255.28</b>	<b>16,421,457.30</b>	<b>2,893,969,057.82</b>	<b>2,919,925,770.40</b>
<b>Depreciation</b>						
Depreciation Up To Previous Year	-	-	4,496,924.16	6,138,383.07	168,110,324.92	178,745,632.15
Depreciation For The Year	-	-	1,172,506.15	1,542,461.13	58,802,778.81	61,517,746.09
<b>Total Accumulated Depreciation</b>	-	-	<b>5,669,430.31</b>	<b>7,680,844.21</b>	<b>226,913,103.73</b>	<b>240,263,378.25</b>
<b>WDV As On 31.03.2080</b>	-	-	<b>3,865,824.97</b>	<b>8,740,613.09</b>	<b>2,667,055,954.09</b>	<b>2,679,662,392.15</b>
<b>WDV As On 32.03.2079</b>	-	-	<b>4,150,060.10</b>	<b>10,283,074.23</b>	<b>1,393,522,225.14</b>	<b>1,407,955,359.47</b>

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**Bindhyabasini Hydropower Development Co. Ltd.**  
**New-Baneshwor, Kathmandu**

**Schedule Forming Part of Financial Statements for the Year Ended Ashadh 31, 2080**

**Schedule No.: 17- 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 into Public Limited Company on 30<sup>th</sup> 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 5<sup>th</sup> Chaitra, 2075 & 5<sup>th</sup> Falgun, 2076 respectively.

The Financial Statements were adopted by the Board of Directors on Mangshir 26, 2080.

**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 operating two projects i.e. the Rudi A (8.8 MW) and Rudi B (6.6 MW) Hydropower project. These projects have commenced their commercial operation from 5<sup>th</sup> Chaitra, 2075 & 5<sup>th</sup> Falgun, 2076 respectively. As per the provision of the license granted to the company by the Department of Electricity Development (DOED), the project life is for 35 years including 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 adjusted with sales amount on the year of confirmation.

ii) **Other Revenue:**

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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.

**F. Revenue Expenditure**

Expenditure incurred for the operation and management of projects which have 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 remaining period of generation license obtained from DOED from the date of capitalization.

**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 judgements, 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 contributed towards the gratuity for the purpose of employee retirement payment; however, the allocated amount has been distributed to the employees on a monthly basis.

**ii. Leave Encashment**

Company has formulated plan for leave encashment at the time of retirement.

**iii. Provident Fund**

Company has contributed towards the provident fund 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).

### 3. Notes to Account

#### A. Share Capital

The Company has Authorized Share Capital of Rs. 2,000,000,000, Issued Capital and Paid-up Share Capital has increased from NPR 1,000,000,000 to NPR 1,050,000,000 during the FY 2079/80 through issue of 5% of bonus share.

#### B. Revenues

Company has total Net Income from sale of electricity is Rs. 285,006,923.16 during the Financial Year. Net Income from sale of electricity has been determined after deducting energy purchased from NEA for internal operation of powerhouse.

#### C. Other Income

Detail of other income is as follows:

Particulars	Amount
<b>Rudi A</b>	
Interest on Deposit	94,216.81
<b>Rudi B</b>	
Insurance Claimed Amount (Loss of Profit)	66,120,400.00
Insurance Claimed Amount (Maintenance)	2,959,900.00
<b>Interest on Deposit</b>	3,137.82
Other Income	10,000.00
Dividend Income	351,329.00

The Project Rudi B Hydropower Project (6.6 MW) was halted for operation due to landslide caused by heavy rainfall from 18th of Shrawan, 2079 to 10<sup>th</sup> Magh, 2079. Insurance claim on the loss of profit during such period was lodged for amount of Rs. 66,120,400.00 and booked as other income of FY 2079/80 and receivables as at year end based on the preliminary evaluation of the Insurance Company i.e. Ajod Insurance Ltd. dated 2080/03/29. Such amount was realized after the balance sheet date and before the approval of financial statement from board meeting.

Similarly, the insurance claim on machine breakdown of power transformer on 2079/11/01 amounting Rs. 2,959,900.00 has been presented under other Income of FY 2079/80 and receivables as at year end from Insurance Company i.e. Ajod Insurance Ltd. Such amount was realized after the balance sheet date and before the approval of financial statement from board meeting.

Likewise, the insurance claim on repair and maintenance of the Rudi B (6.6 MW) Hydropower Project due the damage suffered by the project caused by the heavy rainfall for amount of Rs. 27,268,180 has been presented by reducing the repair cost to resume the project operation during the FY 2079/80 and booked as receivable as at year end based on the preliminary evaluation of the Insurance Company i.e. Ajod Insurance Ltd. dated 2080/03/29 and receivable till the approval of financial statement from board meeting.

#### D. Property Plant and Equipment, Project Assets and Depreciation

Total project cost of Rs. 1,332,336,507.76 for project Rudi B till 2080/02/14 (after completion of project) is capitalized under the head intangible assets by transferring from project assets under development (Work in Progress) from management and ratified from board meeting dated 22<sup>nd</sup> Mangsir, 2080 and also started to amortize the project assets considering the remaining generation period.

Following are the details of Project cost capitalized during the period:

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**BNDRYABASINI HYDROPOWER DEVELOPMENT CO. LTD.**  
KATIMANDU, NEPAL

**T. NACHARYA & CO.**  
Chartered Accountants  
Kathmandu

Particulars	Transfer to Intangible Assets
Pre-Operating Expenses	36,111,269.60
Civil Construction Works	502,031,794.81
Metal Works/ Hydromechanical Works	235,836,703.81
Plant & Machinery & Equipments	195,704,029.62
Transmission Line & Switchyard	40,766,266.68
Land Purchased & Development	14,029,909.82
Site Office Building & Camping Facilities	11,681,651.87
Infrastructure & Access	83,701,007.90
Environment Mitigation & Social Contribution	22,787,258.39
Project Supervision, Engineering & Management	75,141,240.49
Interest During Construction	114,545,374.77
<b>Total</b>	<b>1,332,336,507.76</b>

Fixed assets, based on their nature, are classified into four groups and depreciation is charged on diminishing balance method, except project assets (Rudi A and Rudi B) 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. Investment

During the year, company has made additional investment of Rs. 69,172,100.00 resulting the total investment of Rs. 215,397,038.00. Details of investment as on 31<sup>st</sup> Ashadh, 2080 is as follows:

Particulars	Amount in Rs.	Remarks
Peoples Energy Limited	192,355,738.00	Unlisted Public Company
Nepal Power Exchange Limited	5,000,000.00	Unlisted Public Company
Multi Energy Dev. Pvt. Ltd.	15,000,000.00	Private Company
Hydroelectricity Investment and Development Co. Ltd. (Number of Share 20923)	3,041,300.00	Listed Public Company (Market Share Price as at 31 <sup>st</sup> Ashadh, 2080 was Rs. 184 per share)
<b>Total</b>	<b>215,397,038.00</b>	

#### F. 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.

**Between the 18th of Shrawan, 2079 to 10th Magh, 2079, Project Rudi B encountered operational challenges resulting from a landslide in the project area. This event led to substantial damage to the project's pipes. Additionally, from the 1st of 1<sup>st</sup> Falgun, 2079, to the 11<sup>th</sup> of Chaitra, 2079, the project experienced non-operation due to damages in the transformer.**

**To address these losses, the company filed an insurance claim for both Loss of Profit and maintenance and income from insurance has been presented under Other Income. Repairs to damages in the project pipe and transformer have been completed during the year 2079/80. The incurred repair costs have been reflected in the Profit and Loss statement, offsetting them against insurance claim income. Hence, no impairment loss has been recognized during the year.**

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## G. Repair & Maintenance Expenses

During the year, the company has incurred repair & maintenance expenses amounting Rs. 27,194,551.01 relating to Rudi "A" and Rudi "B". The detail is as below:

Particulars	Rudi A	Rudi B
AC Repair	7,886	5,914
<b>Net Accidental Repair</b>	-	<b>17,769,914*</b>
Civil Repair	37,231	774,073
EM Repair Rudi	1,709,138	1,369,336
HM Repair -Rudi	-	620,828
Repair Excavator	187,429	140,571
Repair Maintenance Other	407,688	754,895
Repair Maintenance Site	-	153,859
Repair Maintenance Vehicle	-	405,856
Transmission Line Repair	898,377	889,120
Repair Vehicle	607,106	455,330
<b>Total</b>	<b>3,854,855</b>	<b>23,339,696</b>

\* Net Accidental Repair includes net-off of repair expenses of Rs. 45,038,094 less insurance claim of Rs. 27,268,180.

## H. Accounts receivables/ Advances & Deposit and payables

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

## I. 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.

## J. 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 & Allowances	Board Meeting Allowance	Management /Internal Audit Committee Meeting Allowance	Other Allowances	Total
Ms Sita Acharya	Chairman	2,218,752.00	105,000.00		-	2,323,752.00
Mr. Bharat Bahadur Pandey	Director	-	105,000.00	60,000.00	382,356.00	547,356.00
Mr. Dil Sundar Shrestha	Director	-	105,000.00	60,000.00	-	165,000.00
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	-	105,000.00		-	105,000.00
Mr. Sujan Baniya	Public Director	45,000.00				45,000.00
Mrs. Indra Devi Gurung	Public Director	30,000.00				30,000.00
Mr. Krishna Prasad Acharya	Management Consultant		105,000.00	60,000.00		165,000.00

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29/3/20



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**K. Trade and Other Payable**

Trade and Other Accounts Payables includes amount of Rs. 29,800,390.29 payable to promoter shareholders/investors as short term borrowings to manage immediate financial and operating issues.

**L. Events after the balance sheet date**

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

**M. Contingent Liability**

Company does not have contingent liability till Ashadh end, 2080.

**N. Financial Figures has been presented in two decimal figures.**

**O. Previous figures has been rearranged and regrouped wherever necessary.**

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- Top center: *Prasad*  
- Top right: *Prasad*  
- Middle left: *F*  
- Middle center: *Prasad*  
- Middle right: *Prasad*  
- Far right: *Prasad*

