



12th ANNUAL GENERAL
MEETING



संचालक समिति



उमेश कसजु
अध्यक्ष



सुलभ अग्रवाल
संचालक



सन्दिप कुमार शारडा
संचालक



सुशिल गुप्ता
संचालक



शक्ति कुमार गोल्यान
संचालक



सुशान्त प्रधानाङ्ग
सर्वसाधारण संचालक



प्रकाश काफ्ले
स्वतन्त्र संचालक



अस्मीता अधिकारी
कम्पनी सचिव

पुस्तिकामा समाविष्ट सामाग्रीहरू

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वलेफी हाइड्रोपावर लि.

(कम्पनी ऐन, २०६३ बमोजिम स्थापित संस्था)

ल.म.न.पा.वडा नं.२, ललितपुर, फोन नं.०१-५६०५००३/६८५१२७४७२८

Website: www.balephihydro.com

Email: info.balephi@gmail.com

बाहौ वार्षिक साधारण सभा सम्बन्धी सूचना

(प्रथम पटक प्रकाशित मिति: २०८०/०९/१६)

श्री शेयरधनी महानुभावहरु,

यस कम्पनीको मिति २०८०/०६/१३ गते बसेको संचालक समितिको बैठकको निर्णयानुसार यस वलेफी हाइड्रोपावर लि.को बाहौ वार्षिक साधारण सभा निम्न लिखित मिति, स्थान र समयमा देहायका विषयहरू उपर छलफल गरी पारित गर्ने भएकोले सम्पूर्ण शेयरधनी महानुभावहरूमा जानकारीको लागि यो सूचना प्रकाशित गरिएको छ।

वार्षिक साधारण सभा हुने मिति, समय र स्थान:

मिति : २०८०/१०/१० (तदनुसार Jan 24th, 2024)

समय: विहान ११:०० बजे।

स्थान : आम्रपालि ब्याङ्कवेट, नक्साल भाटभटेनी नजिकै, काठमाण्डौं।

छलफलका विषयहरु:

क) सामान्य प्रस्तावहरु:

१. संचालक समितिको प्रतिवेदन उपर छलफल गरी पारित गर्ने।
२. लेखापरिक्षकको प्रतिवेदन सहित आ.व. २०७९/०८० को वार्षिक वित्तीय विवरण उपर छलफल गरी पारित गर्ने।
३. आर्थिक वर्ष २०८०/०८१ का लागि लेखापरिक्षक नियुक्ति गर्ने र निजको पारिश्रमिक तोक्ने।
४. संचालक समितिको पुर्नगठन गर्ने।

ख) विशेष प्रस्ताव:

१. कम्पनीको ठेगाना परिवर्तन गर्नका लागि प्रबन्धपत्रको दफा २ तथा नियमावलीको नियम २ मा संशोधन गर्ने सम्बन्धमा।
२. कम्पनीले १:१ को अनुपातमा हकप्रद शेयर निष्काशन गर्ने साधारण सभाका निर्णय बमोजिम विद्युत नियमन आयोगबाट सहमती प्राप्ती पश्चात अनुमोदन तथा पारित गर्ने र संस्थापक शेयरधनीहरूबाट शेयर वापतको एड्भान्स रकम उठाउने साथै नियमनकारी निकायहरूबाट कुनै संशोधन तथा निर्देशन भएमा सोही बमोजिम गर्न गराउन सञ्चालक समितिलाई अख्तियारी प्रदान गर्ने सम्बन्धमा।
३. हकप्रद शेयर जारी पश्चात प्राप्त पुँजीको उपयोग सम्बन्धमा।
४. कम्पनीको प्रबन्ध पत्र तथा नियमावलीमा संशोधन र हकप्रद शेयर सम्बन्धी पारित प्रस्ताव नियमनकारी निकायहरूबाट स्वीकृत लिने क्रममा आवश्यक थपघट वा परिमार्जन गर्नु पर्ने भएमा सो कार्य गर्न गराउन सञ्चालक समितिलाई अख्तियारी प्रदान गर्ने सम्बन्धमा।
५. हकप्रद शेयर जारी गर्दा कुनै शेयरधनीले आफूले लिन पाउने हकप्रद शेयर लिने इच्छा नगरेमा हक हस्तान्तरण गर्न र सो वापतको रकम दाखिला गरी अर्को शेयरधनीले हकप्रद शेयर लिन पाउने सम्बन्धमा।

साधारण सभा सम्बन्धी सामान्य जानकारी

१. सर्वसाधारणको वार्षिक साधारण सभा प्रयोजनको लागि मिति २०८०/०९/२७ (तदनुसार २०२४/०९/१२) गतेका दिन कम्पनीको शेयरधनी दर्ता किताब बन्द गरीने छ । नेपाल स्टक एक्स्चेन्ज लिमिटेडमा मिति २०८०/०९/२६ (तदनुसार २०२४/०९/११) गते सम्म कारोबार भई शेयर खरिद गरी आफ्नो नाममा शेयर नामसारी भई आएका शेयरधनीहरू सो सभामा भाग लिन योग्य रहनेछन् ।
२. वार्षिक साधारण सभामा भाग लिन आउनुहुने शेयरधनी महानुभावहरूले आफ्नो परिचय खुल्ने सक्कल प्रमाण तथा हितग्राही खाता खोलि शेयर अभौतिकरण गरीएको विवरण देखिने म्फबत Account Statement वा शेयर प्रमाण पत्र साथमा लिई आउन हुन अनुरोध छ, अन्यथा सभा कक्ष भित्र प्रवेश गर्न पाइने छैन ।
३. सम्पूर्ण शेयरधनी महानुभावहरूको जानकारीको लागि कम्पनीको संक्षिप्त आर्थिक विवरण राष्ट्रिय स्तरको दैनिक पत्रिकामा अलग्गै प्रकाशित गरीने छ । आर्थिक विवरण लगायतका वार्षिक साधारण सभामा पेश हुने सम्पूर्ण प्रस्तावहरू तथा साधारण सभा सम्बन्धी अन्य जानकारीको लागि कम्पनीको web site: www.balephihydro.com मा पनि हेर्न सक्नुहुने छ ।
४. सभामा आफू उपस्थित नभई प्रतिनिधि नियुक्त गर्न चाहने शेयरधनी महानुभावहरूले सभा सुरु हुने समय भन्दा कम्तीमा ४८ घण्टा अगावै यस कम्पनीको केन्द्रिय कार्यालयमा प्रोक्सी फारम दर्ता गरी सक्नुपर्ने छ । सभामा भाग लिनका लागि प्रतिनिधि नियुक्त गरीसकेपछि उक्त प्रतिनिधि बदर गरी अर्को प्रतिनिधि मुकरर गर्ने भएमा सो को लिखित सूचना सोही अवधि भित्र कम्पनीको रजिष्ट्रार कार्यालयमा दर्ता गरीसक्नु पर्नेछ । यसरी प्रतिनिधि (प्रोक्सी) नियुक्त गरीएको व्यक्ति समेत कम्पनीको शेयरधनी हुनुपर्दछ ।
५. संरक्षक रहनुभएका शेयरधनी महानुभावहरूका तर्फबाट कम्पनीको शेयर लगत किताबमा संरक्षकको रूपमा नाम दर्ता भएको व्यक्तिले, संयुक्त रूपमा शेयर खरिद गरीएको अवस्थामा शेयर दर्ता लगत किताबमा पहिले नाम उल्लेख भएको व्यक्ति अथवा सर्वसम्मतीबाट प्रतिनिधि नियुक्त गरीएको एक व्यक्तिले कुनै संगठित संस्था वा कम्पनीले शेयर खरिद गरेको हकमा त्यस्ता संगठित संस्था वा कम्पनीले मनोनित गरेको प्रतिनिधिहरूले शेयरधनीको हैसियतले सभामा भाग लिन सक्नुहुनेछ ।
६. छलफलका विषय सुचि मध्ये विविध शिर्षक अन्तर्गत छलफल गर्न इच्छुक शेयरधनीले सभा हुनु भन्दा ७ (सात) दिन अगावै सो सम्बन्धी प्रस्ताव कारण सहित उल्लेख गरी कम्पनी सचिव मार्फत संचालक समितिको अध्यक्षलाई लिखित रूपमा दिनुपर्नेछ । तर त्यसलाई पारित गर्नुपर्ने प्रस्तावको रूपमा राखिने छैन ।
७. शान्ति सुरक्षाको दृष्टिकोणले साधारण सभामा उपस्थित हुने शेयरधनी महानुभावहरूलाई यथाशक्य भोला नल्याउनु हुन अनुरोध छ । सभाको सुरक्षाका लागि खटिएका सुरक्षाकर्मीहरूले शेयरधनी महानुभावहरू लगाएत सभाकक्षमा प्रवेश गर्ने सबै को भोला र शरीर जाँच गर्न सक्ने भएको हुँदा सो कार्यमा सहयोग गरीदिनुहुन अनुरोध छ ।
८. अन्य आवश्यक जानकारीको लागि यस कम्पनीको केन्द्रिय कार्यालय ललितपुर, महानगरपालिका वडा नं. २, रमेश कम्प्लेक्स वा फोन ९८५१२७४७२८ मा सम्पर्क राख्नु हुन अनुरोध गरीन्छ ।

सञ्चालक समितिको आज्ञाले,

कम्पनी सचिव



वलेफी हाइड्रोपावर लिमिटेड

ललितपुर, फोन नं. ०१-५६०५००३/४, Email: info.balephi@gmail.com

कम्पनी ऐन २०६३ को दफा ७१ साग सम्बन्धित

प्रतिनीधि (प्रोक्सी) नियुक्त गर्ने फारम

श्री वलेफी हाइड्रोपावर लिमिटेड,
ललितपुर, नेपाल ।

विषय : प्रतिनीधि (प्रोक्सी) नियुक्त बारे ।

..... जिल्ला म.न.पा./गा.पा. वडा नं. बस्ने म/हामी ले
त्यस कम्पनीको शेयरधनीको हैसियतले मिति २०८० साल माघ महिनाको १० गतेका दिन हुने कम्पनीको १२
औं वार्षिक साधारण सभामा स्वयं अपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त
सभामा भाग लिन तथा मतदान गर्दाका लागि मेरो/हाम्रो प्रतिनीधित्व गरी भाग लिन जिल्ला
म.न.पा./गा.पा. बस्ने त्यस कम्पनीका शेयरधनी श्री (शेयरधनी/हितग्राही परिचय नं.....
लाई मेरो/हाम्रो प्रतिनीधि मनोनयन गरी पठाएको छु/छौं ।

प्रतिनीधि हुनेको

नाम :

दस्तखत :

शेयरधनी नं :

हितग्राही परिचय नं.:

शेयर संख्या :

मिति :

प्रतिनीधि नियुक्त गर्नेको

नाम :

दस्तखत :

शेयरधनी नं.....

हितग्राही परिचय नं.....

शेयर संख्या :

मिति :

वलेफी हाइड्रोपावर लिमिटेड

ललितपुर, फोन नं. ०१-५६०५००३/४

प्रवेश-पत्र

शेयरधनीको नाम :

प्रमाणपत्र नं.....

हितग्राही खाता नं.....

कुल शेयर संख्या :

शेयरधनीको सही :

कम्पनी सचिव

(सभा कक्षमा प्रवेश गर्न यो प्रवेश-पत्र अनिवार्य रूपमा लिइ आउनु हुन अनुरोध छ ।)

अध्यक्ष ज्यूको मन्तव्य

आदरणीय शेयरधनी महानुभावहरू,

वलेफी हाइड्रोपावर लिमिटेडको १२ औं वार्षिक साधारण सभामा आफ्नो अमूल्य समय दिएर उपस्थित हुनु भएका सम्पूर्ण आदरणीय शेयरधनी महानुभावहरू, सञ्चालक समितिका सदस्यहरू, नियामक निकायबाट पाल्नु भएका प्रतिनिधिहरू, कम्पनीको व्यवस्थापनको साथै मेरो व्यक्तिगत तर्फबाट पनि हार्दिक स्वागत अभिवादन व्यक्त गर्दछु। कम्पनीको यस वार्षिक साधारण सभामा उपस्थित भएर वार्षिक प्रतिवेदन प्रस्तुत गर्न पाउँदा मलाई अत्यन्तै खुसी लागेको छ।

- गत २ साधारण सभा असोजमा मात्र सम्पन्न भएको र लेखापरिक्षण सकि साधारण सभाको लागि आवश्यक सुचनाको समय सिमा तथा अन्य कारणले केहि समय साधारण सभा ढिला हुन पुगेको जानकारी गराउँदछु।
- नेपालमा जलविद्युत आयोजनाहरूको खोजी, निर्माण तथा सञ्चालन गरेर विद्युतको माग परिपूर्ती गर्न सहयोग गर्ने हेतुले विक्रम सम्बत् २०६८ साल फाल्गुण ३० मा प्रा.लि.को रूपमा स्थापित यस वलेफी हाइड्रोपावर लिमिटेडलाई २२ पौष २०७३ मा पब्लिक लिमिटेड कम्पनीमा परिणत गरिएको थियो। यस कम्पनीले विद्युत विकास विभागबाट मिति २०७३।०४।१२ गते देखि मिति २१।०८।०४।११ गते सम्म बहाल रहने गरि विद्युत उत्पादन अनुमति पत्र प्राप्त गरी जलविद्युत क्षेत्रको बिकास र प्रर्वद्धनको तेह्रौं वर्षमा यात्रा गरीरहेको छ।
- बि.सं. २०८० पौष २७ गते सम्ममा यस कम्पनीमा कुल १३४७४३ जना शेयरधनी र प्रर्वद्धकहरू भएको र जस मध्ये अधिकांश शेयरधनी महानुभावहरूले आफ्नो शेयरलाई अभौतिकीकरण गरी सक्नु भएको छ भने केहि शेयर धनी महानुभावहरूले अभौतिकीकरण गर्न बाँकी रहेको देखिन्छ। तसर्थ शेयर अभौति(कीकरण गर्न बाँकी रहनुभएका शेयरधनी महानुभावहरूलाई छिट्टै शेयर अभौतिकीकरण गरी दिनुहुन हार्दिक अनुरोध गर्दछु।
- वलेफी हाइड्रोपावर लिमिटेड, निजी क्षेत्रबाट जलविद्युतको बिकास तथा प्रर्वद्धन गर्ने एक सुपरिचित कम्पनी भएको कुरा सर्वविदितै छ। यस कम्पनीले आफ्नो स्थापनाकाल देखि प्रदेश नम्बर ३ को सिन्धुपाल्चोक जिल्लामा बहने वलेफी खोलामा निर्माण गरिएको ३६ मे.वा क्षमताको माथिल्लो वलेफी-ए जलविद्युत आयोजनाले विक्रम सम्बत् २०७९ साल मंसिर ६ गते देखि व्यवसायिक उत्पादन गरिरहेको छ। यस बाहेक हाल अरु कुनै थप आयोजनाहरू निर्माणको लागी सर्वेक्षण र अध्ययनमा नरहेको कुरा जानकारी गराउँदछु। भविष्यमा कुनै राम्रा आयोजनाहरू पहिचान तथा अध्ययन गरी राम्रो प्रतिफल आउने देखिएमा र अनुकूल वातावरण बनेमा अन्य आयोजनाहरूमा लगानी गर्न सकिने कुराको समेत जानकारी गराउँदछु।

आदरणीय शेयरधनी महानुभावहरू,

- आर्थिक वर्ष २०७९/८० मा आयोजना निर्माण समाप्त भई मिति २०७९/०८/०६ गते देखि व्यापारिक उत्पादन शुरू भएको व्यहोरा यहाँहरूलाई अवगत गराउँछु। आयोजना निर्माण लागत यस आर्थिक वर्ष को शुरूमा ८०८.५१ करोड भएको र यस आर्थिक वर्षमा थप रू. ५९.४५ करोड गरि यस आ.व को अन्त्य सम्ममा जम्मा रू.८६७.९७ करोड पूँजगत लागत भएको जानकारी गराउँदछु र हालसम्म रू.५६,८९,२३,३८४।- को विद्युत उत्पादन तथा बिक्रि भएको साथै यस आर्थिक वर्ष २०७९/८० मा जम्मा प्रशासनिक खर्च रू. २.२३ करोड भइ जम्मा संचित नोक्सानी रकम रू.४३.४४ करोड रहन गएको जानकारी गराउँदछु।
- यस आयोजनाको निर्माणमा शुरूवाती चरणमा तय गरीएको लागतमा विविध कारणले बृद्धि हुन गएको छ। त्यसमा मुख्यतय कोभिड-१९ को कारण आयोजना निर्माण अवधि बढ्न गई सुरुवाति मभकण्डल मा परिवर्तन भई थप निर्माण अवधिमा लागेको बैंकको व्याज तथा कृण सम्भौताको समयमा ८.२५% रहेको व्याजदर बढेर १२.५०% सम्म पुग्न जादा आयोजनाको लागतमा बृद्धि हुन गएको छ।

- यस कम्पनी नेपालको एक शसक्त जलविद्युत विकास कम्पनी बन्नेमा म शेयरधनी महानुभावहरूलाई थप विश्वास दिलाउन चाहान्छु । साथै आउँदा आर्थिक बर्षमा कम्पनीको आम्दानी बृद्धि भई प्रतिशेयर आम्दानी उच्च रहि कम्पनीको शेयरको मूल्य बढ्ने विश्वास लिएको छु ।
- आ. व. २०७९/८० को वासताल, नाफा-नोकसान हिसाब, नगद प्रवाह विवरण लगायत लेखापरीक्षकबाट पेश गरिएको प्रतिवेदन तथा संचालक समितिको वार्षिक प्रतिवेदन यस अधि नै अध्ययनका लागी यहाँहरू समक्ष उपलब्ध गराई सकिएकोले अनुमोदनका लागी प्रस्तुत गर्न चाहन्छु । कम्पनिको उन्नति, प्रगती र व्यवसायिक सफलतामा यस कम्पनीका शेयरधनी तथा शुभचिन्तकहरूको ठोस, रचनात्मक सल्लाह सुभाबको महत्वपूर्ण भूमिका रहने हुदाँ याहाहरूबाट प्राप्त हुने अमूल्य सल्लाह, सुभाबलाई कम्पनिले सदाभै मार्गदर्शनका रूपमा लिई अगाडि बढ्नेछ र त्यस्ता सल्लाह सुभाब तथा प्रतिक्रियाहरूको सदैब अपेक्षा गर्दछौं ।
- अन्त्यमा, कम्पनीलाई आजको यस अवस्थामा पुर्‍याउन सहयोग गर्नु हुने शेयरधनी महानुभावहरू, वित्तिय सहयोग गर्ने ग्लोबल आएमइ बैंक लि., एभरेष्ट बैंक लि., सानिमा बैंक लि., राष्ट्रिय वाणिज्य बैंक र शेयर निस्काशनमा सहयोग गर्ने ग्लोबल आएमइ क्यापिटल लि., नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज तथा कम्पनीको काममा अथक मेहनत गर्नुहुने सम्पूर्ण कर्मचारीहरूलाई हार्दिक धन्यवाद दिन चाहान्छु । आफ्नो व्यस्त कार्यक्रमको बाबजूद पनि यस सभामा उपस्थित भई कम्पनीको हौसला र कार्यक्रमको सोभा बढाई दिनु भएकोमा सम्पूर्ण शेयरधनी महानुभावहरूलाई धन्यवाद दिदै सञ्चालक समितिद्वारा प्रस्तुत प्रतिवेदन माथि छलफल गरी अनुमोदनको लागी प्रस्तुत गर्दछु ।

धन्यवाद ।

उमेश कसजु
(अध्यक्ष)

बलेफी हाइड्रोपावर लिमिटेडको
१२ औं वार्षिक साधारण सभामा
सञ्चालक समितिको तर्फबाट प्रस्तुत
कम्पनी ऐन, २०६३ को दफा १०६ उपदफा (४) बमोजिमको वार्षिक प्रतिवेदन
आर्थिक वर्ष २०७६/८०

आदरणीय शेयरधनी महानुभावहरू,

बलेफी हाइड्रोपावर लिमिटेडको यस १२ औं वार्षिक साधारण सभामा म यहाँहरूलाई हार्दिक स्वागत गर्न चाहान्छु । म यस गरिमामय सभामा सञ्चालक समितिको तर्फबाट आर्थिक वर्ष २०७६/८० को सञ्चालक समितिको प्रतिवेदन र सोहि वर्षको लेखापरिक्षण भएका वित्तीय विवरणहरू यस सभा समक्ष कम्पनि ऐन २०६३ ले निर्दिष्ट गरे अनुरूपको देहाय बमोजिमको विवरण पेश गर्दछु ।

१. आ.व. २०७६/८० को आर्थिक कारोबारको सिंहावलोकन:

आ.व. २०७६/८० मा कम्पनीले निर्माण गरि रहेको माथिल्लो बलेफि-ए जलविद्युत आयोजना (३६ मे. वा.) सपन्न गरी मिति २०७६/०८/०६ गते देखि व्यापारिक उत्पादन शुरू गरेको जानकारी गराउँछु । कम्पनीको यस आर्थिक वर्षको आर्थिक गतिविधिहरू बुँदागत रूपमा तल प्रस्तुत गरेका छौं ।

(क) आम्दानी तथा खर्चको तुलनात्मक विवरण:

विवरण	आ.व.	आ.व.
	२०७६/८०	२०७५/७६
विद्युत बिक्रीबाट आम्दानी	५५,६४,३०,२२०।८४	०
जम्मा आम्दानी	५५,६४,३०,२२०।८४	०
उत्पादन तथा वितरण खर्च	२३,२४,६२,५३४।०१	०
प्रशासकिय खर्च	२,२३,३७,२२१।१४	१,१६,०२,२६१।७६
व्याज खर्च	५०,२६,६१,४४६।७२	०
ह्रास कटौती खर्च	२१,७६,७०१।००	२१,६४,१५३
अन्य खर्च	४०५,६७,१४४।६५	०
जम्मा खर्च	८०,०२,६५,०४५।२२	(१३,७९,६४१।७६)
आयकर कटौती गर्नु अधिको नाफा	(२४,०८,३४,८२६।६८)	(१३,७९,६४१।७६)
कर खर्च	८,४६,०१,२७२।५१	०
खुद मुनाफा	(३२,५४,३६,०९१।१९)	(१३,७९,६४१।७६)
शेयर संख्या	१,८२,७९,७००	१,८२,७९,७००
प्रतिशेयर आम्दानी	(१७८०)	(०।९३)

तलिका नं १

(ख) कम्पनीको शेयरपूँजी, ऋण तथा सञ्चित मुनाफा:

माथिल्लो बलेफी-ए जलविद्युत आयोजना(३६ मे.वा.) को कम्पनीको शेयर पूँजी, ऋण पूँजी तथा सञ्चित मुनाफा र कमको वार्षिक अवस्था तालिका नं. २ मा प्रस्तुत गरिएको छ ।

यस आ.व. २०७९/८० को अन्त्यमा चुक्ता शेयर पूँजी रु. १,८२,७९,७०,०००/- र सञ्चित नोक्सान रु. ४३,४४,५६,९४८।९५/- रहेको छ भने दिर्घकालिन बैंक ऋण रु. ६,५८,४२,९९,०००।०७ रहेको छ ।

विवरण	आ.व.	आ.व.
	२०७९/८०	२०७८/७९
कम्पनीको चुक्ता पूँजी	१,८२,७९,७०,०००।००	१,८२,७९,७०,०००।००
दिर्घकालिन बैंक ऋण	६,५८,४२,९९,०००।०७	६,०७,८६,२५,६२२।६७
अल्पकालिन बैंक ऋण	२२,३२,०५,४५७।०८	१,४४,६००००।००
सञ्चित नोक्सान	(४३,४४,५६,९४८।९५)	(१०,६०,२०,८४६।७६)

तालिका नं २

(ग) कम्पनीको शेयरको बजार मूल्य:

यस कम्पनीको शेयर आ.व. २०७८/७९ मा मिति २०७९।०२।१० गते नेप्सेमा सुचिकृत भई द्यजि नामबाट निरन्तर रूपमा शेयर कारोबार भईराखेको छ । सुचिकृत भई कारोबार सुचारू भएपश्चात कम्पनीको शेयर मूल्य आ.व. २०७९/८० को अन्त्यमा २६०।०० मा बन्द भएको थियो त्यस पश्चात भएको कारोबारमा कम्पनीको शेयर मूल्य न्युनतम रु. १९२.७० (मिती २०८०।०५।२४) देखि अधिकतम रु. ३३०।०० (मिती २०८०।०९।११) सम्ममा कारोबार भएको छ ।

(घ) कम्पनीको लगानी सम्बन्धमा:

माथिल्लो बलेफी-ए जलविद्युत आयोजना (३६ मे.वा.) यस कम्पनीको पहिलो आयोजना रहेको र सो आयोजना २०७९।८० आ.व.मा मात्र सम्पन्न भएको हुदाँ अरु कुनै नयाँ आयोजनामा लगानीको अध्ययन नगरिएको जानकारी गराउँदछौं । साथै भविष्यमा अध्ययन गरी कुनै राम्रो आयोजना फेला परेमा र अनुकूल परिस्थिति रहेमा लगानी गर्न सकिने व्यहोराको जानकारी गराउन चाहन्छौं ।

२. राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सो असर:

राष्ट्रिय तथा अन्तराष्ट्रिय आर्थिक तथा वित्तीय क्षेत्रमा देखापर्ने विभिन्न प्रतिकूलताहरू जस्तै मुद्रास्फीति, विदेशी मुद्राको मूल्यमा हुने वृद्धि, अन्तराष्ट्रिय मूल्यस्तरमा वृद्धि आदी कारणहरूले आयोजनाको निर्माणका लागि आवश्यक पर्ने विभिन्न यन्त्र उपकरण, पार्टपूजा लगायत निर्माण सामग्री, प्राविधिक परामर्श सेवा आदीको मूल्यमा हुने परिवर्तनले आयोजनाको लागत बढ्न गएको छ ।

साथै मर्मत सम्भारका लागि आवश्यक दक्ष कामदारहरू तथा मसिनहरूको देश भित्र उपलब्धता नभई बाहिरबाट पैठारी गरी ल्याउनुपर्ने हुदाँ सोका लागि लाग्ने समयका कारण विद्युत उत्पादनमा असर पर्ने हुन्छ ।

३. प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा ।

माथिल्लो बलेफी ए जलविद्युत आयोजना (३६ मेगावाट) आयोजनाको निर्माण सम्पन्न गरि २०७९ साल मंसिर ०६ गते देखि व्यापारिक उत्पादन गरि रहेको छ । यस आयोजनाको निर्माण रू.८६७.९६ करोडको लागतमा सम्पन्न भएको छ । जसमा कम्पनीले रू १८२.७९ करोडको स्वपूँजी परिचालन गरेको छ भने रू ६७४ करोड ऋण पूँजीको परिचालन गरिएको छ र बाँकि रकम संस्थापकहरूबाट ऋण लिइ सम्पन्न गरिएको छ । ऋण पूँजी ग्लोबल आइएमइ बैंक लि.को अगुवाई तथा सानिमा बैंक लि., एभरेष्ट बैंक लि. र राष्ट्रिय वाणिज्य बैंक लि. को सहवित्तियकरणबाट जुटाइएको छ । आयोजनाको निर्माण अवधिमा विश्वव्यापी माहामारी कोभिड-१९ को कारणले गर्दा विभिन्न समयमा नेपाल सरकारले देशव्यापी लकडाउनको घोषणा गरेको र उक्त विषम परिस्थितीलाई समेत व्यवस्था गरी सम्भव भएसम्म कम्पनीले आयोजनाको निर्माण कार्यलाई सुचारू राखि आयोजनाको निर्माण कार्य सम्पन्न गरेको छ । कोभिड-१९ को कारणले गर्दा सृजना भएको विषम परिस्थिती र निर्माण सामाग्रीको मुल्यमा आएको बृद्धि तथा अन्य विभिन्न कारणले गर्दा आयोजनाको निर्माण लागत के हि बढ्न गएको छ । यस विषम परिस्थितीमा समेत आयोजनाको निर्माण कार्यलाई सुचारू राखी आयोजनाको निर्माण सम्पन्न गर्न सहयोग गर्नु हुने कर्मचारी, परामर्शदाता, ठेकेदार, सप्लायर्स, बैंक लगायत आयोजना निर्माणमा सहयोग गर्नुहुने अन्य सम्पूर्ण साथीहरूलाई विशेष धन्यवाद ज्ञापन गर्न चाहान्छौं ।

आयोजनाको लागत पूर्ती गर्न हकप्रदक शेयर जारी गर्नु परेकोले मिति २०८०/०४/०२ मा सञ्चालक समितिले निर्णय गरे अनुसार

आ.व. २०७८/७९ को साधारण सभामा पेश गरेको साथै मिति २०८०/०५/११ मा विद्युत नियमन आयोग बाट हकप्रद शेयरको लागि पूर्व स्विकृति प्राप्त भई हाल अन्तिम स्विकृतिका लागि विद्युत नियमन आयोगमा फाईल पेश गरिसकेको र नियमक निकायको स्विकृति पश्चात क१:१ को अनुपातमा हकप्रद शेयर जारी गरिने ।

यस आयोजनाले १३२ के.भि ट्रान्स्मिशन लाईन निर्माण गरी Power Evacuation गरीरहेको र उक्त ट्रान्स्मिशन लाइन मा अझ बढि power supply गर्न मिल्ने भएको हुँदा आगामी आ.व.हरूमा सो क्षेत्रमा निर्माण हुने आयोजनाहरूसँग समन्वय गरी ट्रान्स्मिशन लाईन उपयोग गर्न दिने व्यहोराको समेत जानकारी गराउँदछौं ।

४. कम्पनीको व्यावसायिक सम्बन्ध:

माथिल्लो बलेफी-ए जलविद्युत आयोजना (३६ मे.वा.)को निर्माणको क्रममा सबै क्षेत्रबाट यथेष्ट सहयोग मिलेकै कारण सफलतापूर्वक निर्माण सम्पन्न गरि सञ्चालन गरि रहेको छ । यो सफलताले आयोजना निर्माण कार्यमा प्रत्यक्ष वा अप्रत्यक्ष रूपमा संलग्न रहेका हामी सबैलाई गौरवान्वित तुल्याएको छ । कम्पनीको व्यावसायिक सम्बन्ध मूलतः विद्युत सम्बन्धि अनुमति पत्र प्रदान गर्ने उर्जा मन्त्रालय र सो मन्त्रालयसँग आवद्ध विद्युत विकास विभाग र विद्युत खरिद गरिदिने नेपाल विद्युत प्राधिकरण तथा आयोजनाको निर्माणमा वित्तिय सहयोग प्रदान गर्ने बैंकहरु अगुवा ग्लोबल आइएमइ बैंक लिमिटेड, सानिमा बैंक लि, एभरेष्ट बैंक लि. र राष्ट्रिय वाणिज्य बैंक लि. तथा आयोजनाको बीमा गर्ने बीमा कम्पनी ओरिएन्टल इन्सुरेन्स कम्पनी लिमिटेड तथा आयोजना क्षेत्रका स्थानीय वासिन्दा, निकाय तथा सरोकारवालाहरु सँग पनि सुमधुर सम्बन्ध रहेको छ । यस किसिमका संस्थाहरुसँगको व्यावसायिक सम्बन्धले कम्पनीलाई थप सफलता हासिल गर्न टेवा दिएकोले भविष्यमा पनि व्यावसायिक सम्बन्धलाई अझै बलियो तुल्याउन कम्पनी सदैव सजग रहनेछ ।

५. सञ्चालक समितिमा भएको हेरफेर र सोको कारण

कम्पनीको नियमावली अनुसार यस कम्पनीमा ४ बर्षको कार्यकालका लागी ७ जना संचालकहरू रहने व्यवस्था छ । संस्थापक समुहबाट ५ जना, खुल्लाबाट १ जना, र १ जना स्वतन्त्र गरि ७ जना सञ्चालकहरू रहने व्यवस्था छ । वर्तमान सञ्चालकहरूको विवरण निम्नानुसार तालिका नं. ३ मा प्रस्तुत गरिएको छ । गत वार्षिक साधारण सभाबाट स्वतन्त्र १ जना र खुल्ला तर्फबाट १ जना नयाँ सदस्यहरू चयन भएको छ ।

क. सं	संचालकको नाम	पद	हेरफेर
१.	उमेश कसजु	अध्यक्ष	यस आर्थिक वर्षमा कुनै हेरफेर नरहेको
२.	सुलभ अग्रवाल	संचालक	
३.	सन्दिप कुमार शारडा	संचालक	
४.	शक्ति कुमार गोल्यान	संचालक	
५.	सुशिल गुप्ता	संचालक	
६.	सुशान्त प्रधानाङ्ग	सर्वसाधारण संचालक	आ.व. २०७९।८० मा नियुक्त गरीएको
७.	प्रकाश काफ्ले	स्वतन्त्र संचालक	

तालिका नं. ३

६. कारोबारलाई असर पार्ने मुख्य कुराहरु:

बाढी पहिरो, खडेरी, भुकम्प आदी जस्ता अप्रत्यासित प्रकोप, कोभिड १९ जस्ता महामारी तथा सोको नियन्त्रणका लागि लागु गरिने निषेधाज्ञा, बन्दाबन्दी लगायतका अन्य गतिविधी, मुद्रास्फीति, इन्धनको मुल्य बृद्धि, बैंकको व्याजदर मा हुने बृद्धि, विदेशी विनिमय दरमा हुने परिवर्तन, सामाजिक अवरोधहरू तथा भविष्यमा आउन सक्ने अप्रत्यासित कारणहरूले आयोजनाको निर्माण विकास तथा संचालनमा प्रतिकूल असर पार्न सक्छ।

७. लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया:

लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख नभएको।

८. लाभांश बाँडफाँड गर्न सिफारिश गरिएको रकम:

हालसम्ममा यस कम्पनीले निर्माण गरेको आयोजनाको निर्माण सम्पन्न नभएको र अन्य सहायक कम्पनीमा लगानी तथा अन्य आम्दानी नरहेकाले यस आर्थिक वर्षमा लाभांश बाँडफाँड गर्न सिफारिश नगरेको।

९. शेयर जफत भएको भए जफत भएको शेयर सङ्ख्या, त्यस्तो शेयरको अङ्कित मूल्य, त्यस्तो शेयर जफत हुनुभन्दा अगावै सो बापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयर बापत रकम फिर्ता गरेको भए सोको विवरण।

छैन।

१०. विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन।

यस आ.व. मा कम्पनीले निर्माण गरीराखेको माथिल्लो बलेफी-ए जलविद्युत आयोजना (३६ मे.वा.) आयोजनाको निर्माण सम्पन्न भएर सामान्य रूपमा विद्युत उत्पादन गरिराखेको जानकारी गराउन चाहान्छौं। साथै अन्य महत्वपूर्ण विवरण वित्तिय विवरणमा पेश गरिएको।

यस कम्पनीको कुनैपनि सहायक कम्पनीमा लगानी नरहेको।

११. कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरु र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन।

आयोजनाको निर्माणमा भएको प्रगतीका बाहेक अन्य कुनै प्रमुख कारोबारहरू वा महत्वपूर्ण परिवर्तन नरहेको।

१२. विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी।

त्यस्तो जानकारी छैन।

१३. विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी ।

सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण ।

क्र. स.	सञ्चालक तथा उचपधाधिकारीको नाम	पद	शेयर संख्या	कैफियत
१	उमेश कसजु	अध्यक्ष	१२,६८,८४२.००	
२	सुलभ अग्रवाल	सञ्चालक	२६,६८,८३६.००	
३	सन्दिप कुमार शारडा	सञ्चालक	२०,७३,५६४.००	
४	शक्ति कुमार गोल्यान	सञ्चालक	२२,९३,८३६.००	
५	सुशिल गुप्ता	सञ्चालक	२५,५९,१५८.००	
६	सुशान्त प्रधानाङ्ग	सञ्चालक	४,०००.००	
७	प्रकाश काफ्ले	सञ्चालक	००	
८	सुवास अर्याल	प्रमुख कार्यकारी अधिकृत	००	
	जम्मा		१,०८,७५,२३६.००	

विगत आर्थिक वर्षमा कम्पनीको शेयर कारोबारमा सञ्चालक तथा पदाधिकारीहरू संलग्न नरहेको र सो सम्बन्धमा निजहरूबाट कम्पनीले कुनै जानकारी प्राप्त नगरेको ।

१४. विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्झौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा ।

विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्झौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा कुनै जानकारी प्राप्त नभएको ।

१५. कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको सङ्ख्या र अङ्कित मूल्य तथा त्यसरी शेयर खरिद गरे बापत कम्पनीले भुक्तानी गरेको रकम ।

नरहेको ।

१६. आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण ।

कम्पनीको आर्थिक प्रशासनलाई प्रभावकारी तथा पारदर्शी बनाउन आन्तरिक नियन्त्रण प्रणालीको व्यवस्था गरिएको छ । आर्थिक गतिविधीलाई अझ उत्तरदायी र पारदर्शी बनाउनको लागि विगत वर्षहरूमा भै आ.ब. २०८०/०८१ को बजेट तयार गरी कार्यान्वयन गरिएको छ । आन्तरिक नियन्त्रण प्रणाली सबल बनाई राख्न कम्पनी ऐन, २०६३ को दफा १६४ मा भएको व्यवस्था अनुसार कम्पनीको सञ्चालक समितिले लेखा परीक्षण समिति गठन गरी सोही समितिको निर्देशन एवं अनुगमनमा कम्पनीको लेखा प्रणाली सञ्चालन हुँदै आएको छ ।

१७. आर्थिक वर्षको व्यवस्थापन खर्चको विवरण:

आ.ब. २०७९/८० मा कम्पनीको व्यवस्थापन खर्च रु. २,२३,३७,२२१।१४/- (अक्षरेपी एक करोड उनान्दब्बे लाख पचपन्न हजार एक सय पचास मात्र ।) रहेको छ भने कर्मचारी खर्च रु. ३३,८२,०७१/- (अक्षरेपी तेत्तिस लाख बयासी हजार एकहत्तर रूपैया मात्र ।) रहेको छ । यस आ.ब. २०७९/८० को व्यवस्थापन खर्च र आयोजना सञ्चालन खर्चको विवरण यसै प्रतिवेदनमा उल्लेख भएको लेखा परीक्षण प्रतिवेदनको यसै प्रतिवेदन साथ पेस गरिएको छ ।

१८. लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारबाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण ।

कम्पनी ऐन २०६३ को दफा १६४ मा भएको व्यवस्था अनुसार कम्पनीको सञ्चालक समितिले एक लेखापरीक्षण समिति गठन गरिएको छ ।

आ.व. २०७९/८० को लागि यस समितिमा निम्न महानुभावहरूको प्रतिनिधित्व रहेको छ ।

१. श्री सुलभ अग्रवाल	संयोजक
२. श्री अनिल चौधरी	सदस्य
३. श्री अस्मिता अधिकारी	सदस्य सचिव

यस आ.व मा सो समितिले कुनै सुझाव नदिएको ।

१९. सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा ।

नरहेको ।

२०. सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम ।

यस आ.व. २०७९/०८० मा कम्पनीका सञ्चालक कुनैपनि सुविधाहरू दिने नगरेको जानकारी गराउदछौं एवं पदाधिकारीहरूलाई प्रदान गरिएको पारिश्रमिक, भत्ता तथा सुविधाको हकमा प्रमुख कार्यकारी अधिकृत राजन धित(ललाई रु ११,४७,९२०/- पारिश्रमिक, र कम्पनी सचिवलाई रु २,००,०००/- पारिश्रमिक प्रदान गरिएको ।

२१. शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम

हालसम्ममा यस कम्पनीले निर्माण गरेको आयोजनाको निर्माण समेत समाप्त नभएको र अन्य सहायक कम्पनीमा लगानी तथा अन्य आमदानी नरहेकाले हालसम्ममा कुनैपनि लाभांस वितरण नगरेकाले शेयरधनीहरूले बुझिलिन बाँकी लाभांश नरहेको ।

२२. दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण ।

आयोजनाको निर्माण कार्य बाहेक दफा १४१ लाग्ने गरी कुनै पनि सम्पत्ति खरिद वा बिक्री नगरेको ।

२३. दफा १७५ बमोजिम सम्बद्ध कम्पनीबीच भएको कारोबारको विवरण ।

नरहेको ।

२४. संस्थागत सामाजिक उत्तरदायित्व:

आ.व. २०७९/८० मा यस कम्पनीले निर्माण गरि सञ्चालनमा रहेको माथिल्लो बलेफी-ए जलविधुत आयोजना (३६ मे.वा.) को आयोजना प्रभावित क्षेत्र सिन्धुपाल्चोकका जनताको लागि आकास्मिक अवस्थामा स्वास्थ्य सेवाको पहुँच बढाउने उद्देश्यले एम्बुलेन्स खरिदको लागि रु १६ लाख उपलब्ध गराइएको छ । साथै आयोजना प्रभावित क्षेत्रका स्वास्थ्य संस्थाहरूलाई कोभिड-१९ को जोखिम न्यूनीकरण गर्न निर्माण गरिएको क्वारेन्टाइन तथा आइसोलेसन वार्डका लागि अक्सिजन सिलिण्डर तथा औषधि खरिद लगायतका कार्यमा नगद तथा जिन्सी सहयोग समेत गरेको छ । साथै आयोजना निर्माणको समयमा परियोजना प्रभावित रहेका बासिन्दाहरूलाई लाभाम्वित हुने गरि जुगल गाउँपालिका र सुनकोशी गाउँपालिका लगायतका ठाउँहरूमा मोटरबाटो निर्माणमा मेशिन, डिजल तथा

मेशिन अपरेटर सहित अन्य आवश्यक सहयोग रहेको छ। यस बाहेक शिक्षा, रोजगारी साथसाथै अन्य विभिन्न क्षेत्रमा माग बमोजिम आवश्यकता अनुसार विभिन्न सहयोग गरेको छ। आगामी आर्थिक वर्षहरूमा कम्पनीको मुनाफा आर्जन भएको अवस्थामा प्रचलित कानून बमोजिम समाजिक उत्तरदायित्वको व्यवस्था गर्नुपर्नेमा सो व्यवस्था अनुसार समाजिक कामहरू गरीने प्रतिवद्धता जनाउँदछौ।

उक्त समितिले लेखा परीक्षण प्रतिवेदन, बजेट तथा कार्यक्रम, तलब भत्ता तथा सुविधा पुनरावलोकन, कर तथा अन्य आर्थिक व्यवस्थापनका विषयहरूमा छलफल तथा निर्णय गर्नेछ।

२५. धन्यवाद ज्ञापन:

म यस गरिमामय सभाबाट यस कम्पनी प्रति शेरधनी महानुभावहरूले देखाउनु भएको आस्था, विश्वास तथा सदासयता प्रति हार्दिक कृतज्ञता प्रकट गर्दछु। साथै आयोजनाको सर्वेक्षण तथा उत्पादनको अनुमति प्रदान गर्ने उर्जा मन्त्रालय तथा विद्युत विकास विभाग, आयोजनाबाट उत्पादित विद्युतशक्ति खरीद गर्ने नेपाल विद्युत प्राधिकरण, आयोजना निर्माणमा सहयोग गरि दिनु भएका स्थानीय निकायहरू, सामुदायिक वन उपभोक्ता समूह, कर्मचारीहरू तथा सम्पूर्ण सहयोगीहरूलाई हार्दिक धन्यवाद दिन चाहान्छु। साथै आयोजनाको लागि जग्गा प्रदान गरि दिनुहुने स्थानीय जग्गाधनी तथा आयोजना प्रभावित परिवारहरू जसको सहयोग बिना आयोजनाको कल्पना नै गर्न सकिन्न, वहाँहरू सबैलाई कम्पनीको तर्फबाट हार्दिक कृतज्ञता तथा धन्यवाद दिन चाहान्छु।

अन्त्यमा, यस कम्पनीले विकास तथा निर्माण गरेको माथिल्लो बलेफी-ए जलविद्युत आयोजना(३६ मे.वा.)को निर्माण कार्यमा अथक मेहनत गर्ने तथा आयोजना सुचारू रूपमा सञ्चालन गर्ने कर्मचारी साथीहरूमा कम्पनीको सञ्चालक समिति तथा मेरो व्यक्तिगत तर्फबाट सहृदय धन्यवाद दिन चाहान्छु।

उमेश कसजु
अध्यक्ष, सञ्चालक समिति
बलेफी हाइड्रोपावर लि.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF BALEPHI HYDROPOWER LIMITED
REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

Opinion

We have audited the accompanying Financial Statements of **Balephi Hydropower Ltd** ("The Company") which comprises the Statement of Financial Position as at Ashad 31, 2080, Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity & Statement of Cash Flows for the year ended Ashad 31, 2080, and Notes to Financial Statement including Summary of Significant Accounting Policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give a true and fair view in conformity with Nepal Financial Reporting Standards (NFRSs), of the state of affairs of the Company as at Ashad 31, 2080, and its profit, total comprehensive income, its cash flows & the changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the Financial Statements in accordance with the Nepal Standard on Auditing (NSAs) & applicable law. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of Nepal (ICAN) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAN's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis of our audit opinion on 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. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the matter was addressed in our audit
Revenue Recognition: The revenue of the company has to be recognized on accrual basis. Revenue is mainly derived from sale of Nepal Electricity Authority (NEA). Other Income will include income from election nomination fee. As part of our risk assessment, we have considered each individual revenue stream and determined that a significant risk exists in respect of recognition of income under all material revenue streams. Revenue may also be misstated due to errors in system calculations or manual processes.	Our principal audit procedures performed, among other procedures, included the following: <ol style="list-style-type: none">1. We understood and evaluated the controls and processes over the recording of revenue in system level and control in place for manual processes & assessed the revenue recognition policies adopted by the company for compliance with the relevant accounting standards.2. We obtained the details of revenue from sale of electricity and verified billed amount of energy with the rate of electricity as quoted in power purchase agreement with NEA. We also

verified the total chargeable unit of contract energy based on approved meter reading for each period.

3. We reviewed the contracts, wherever applicable to ensure whether revenue as per power purchase agreement is recognized or not.
-

Contingent Liabilities related to Appeals against Assessments:

The Company is exposed to different laws, regulations and their interpretations thereof. In this regulatory environment there is inherent risk of litigations and claims. Consequently, contingent liabilities disclosures may arise from Direct & Indirect Taxes and Other Matters (If Any).

The company applies significant judgement in estimating the likelihood of the future outcome in each case and in determining the provisions or disclosures required. Resolution of tax and legal proceedings may span over multiple years due to the highly complex nature and magnitude of the legal matters involved and may involve protracted litigation.

These estimates could change significantly over time as new facts emerge and each legal case progresses.

Given the inherent complexity and magnitude of potential exposures and the judgement necessary to estimate the amount of provisions required or to determine required disclosures this is a key audit matter.

Our audit procedures included:

1. We have gained an understanding of outstanding litigations against the company from the company's in-house legal counsel and other key managerial personnel who have knowledge of these matters.
2. We have read the correspondence between the Company and the various tax authorities and the legal opinions of external legal advisors where applicable for significant matters.
3. We have tested the completeness of the litigations and claims by examining on a sample basis the Company's legal expenses and minutes of the Board meetings.
4. We have assessed the adequacy of the Company's disclosures in respect of contingent liabilities for tax and legal matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' report and Management Discussion and Analysis, Report on Corporate Governance and Business Responsibility report, but does not include the Consolidated Financial Statements, Financial Statements & our Auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Managements Responsibility for the Financial Statements

Management is responsible for preparation and fair presentation of the Financial Statements in accordance with the Nepal Financial Reporting Standards (NFRSs) and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing its ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or 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.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- i) Identify and assess the risk 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, misrepresentation, or the override of internal controls.
- ii) Obtain an understanding of Internal Control relevant to 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 Company's Internal Control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- iv) 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 disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, Future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure, and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on the Other Legal & Regulatory Requirements

- i) We have obtained information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- ii) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Financial Statements have been kept so far as it appears from our examination of those books.
- iii) Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows have been prepared in accordance with the requirements of the Companies Act, 2063 and are in agreement with the books of account of the Company.
- iv) During our examination of the books of account of the Company, we have not come across the cases where the Board of Directors or any member of there 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
- v) We have not come across any fraudulent activities in the books of accounts.

For: A.P.M. & Associates
Chartered Accountants

Place: Kathmandu, Nepal
Date:
UDIN No.: 231229CA00676fnLbn
COP No. 571

CA Ankit Tayal
Partner

Balephi Hydropower Ltd.

STATEMENT OF FINANCIAL POSITION

As at 16th July 2023 (Ashad 31, 2080)

Amount in NPR

Restated

Particulars	Note	As at Ashad 31, 2080	As at Ashad 32, 2079
Assets			
Non Current Assets			
Property, Plant and Equipment	4	3,064,174.00	5,051,375.00
Intangible assets	5	8,484,112,939.17	-
Intangible Assets Under Construction	5.1	-	8,085,148,161.69
Financial Assets		-	-
Other financial assets	6	-	-
Deferred tax Assets (Net)	15	-	-
Total Non Current Assets		8,487,177,113.17	8,090,199,536.69
Current Assets			
Inventories	7	-	-
Financial Assets			
Trade receivables	8	154,355,687.85	-
Cash & Cash Equivalents	9	6,838,145.61	41,531,432.57
Other financial assets	10	8,563,319.75	12,485,318.90
Other Current Assets	11	117,886,022.80	234,026,556.22
Current Tax Assets (Net)	12	-	-
Total Current Assets		287,643,176.01	288,043,307.69
Total Assets		8,774,820,289.18	8,378,242,844.38
Equity and Liabilities			
Liabilities			
Non Current Liabilities			
Financial Liabilities			
Borrowings	13	6,584,211,000.07	6,078,625,622.67
Other financial liabilities	14	-	-
Deferred tax liabilities (Net)	15	84,601,272.51	-
Total Non Current Liabilities		6,668,812,272.58	6,078,625,622.67
Current Liabilities			
Financial Liabilities			
Borrowings	16	223,205,457.08	14,490,000.00
Trade payable	17	-	-
Other financial liabilities	18	477,262,250.50	555,906,323.66
Other Current Liabilities	19	12,027,257.97	10,271,747.81
Current Tax Liabilities (Net)	12	-	-
Provisions	20	-	-
Total Current Liabilities		712,494,965.55	580,668,071.47
Total liabilities		7,381,307,238.13	6,659,293,694.14
Equity			
Share Capital	21	1,827,970,000.00	1,827,970,000.00
Other Equity	22	(434,456,948.95)	(109,020,849.76)
Total equity		1,393,513,051.05	1,718,949,150.24
Total equity and liabilities		8,774,820,289.18	8,378,242,844.38

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

For and on Behalf of Board

As per our report of even date

Anil Chaudhary
Account Officer
Place: Kathmandu, Nepal
Date:

Mr. Umesh Kasaju
Chairman

Mr. Sushil Gupta
Director

CA Ankit Tayal
Partner
A.P.M. & Associates
Chartered Accountants

Balephi Hydropower Ltd.

Statement of Profit or Loss

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

Amount in NPR

Particulars	Note	For the year ended Ashad 31, 2080	For the year ended Ashad 32, 2079
Revenue from Operations	23	559,430,220.84	-
Cost of Sales			
Generation & Distribution Expenses	24.1	(232,492,534.01)	-
Gross Profit		326,937,686.83	-
Other Income	25	-	-
Other Non Operating Expenses	26	(40,567,144.65)	-
Administrative & Other Expenses	27	(24,513,922.14)	(13,796,414.76)
Profit/(Loss) Before Interest & Tax		261,856,620.04	(13,796,414.76)
Finance Costs	29	(502,691,446.72)	-
Depreciation		-	-
Profit/(Loss) Before Tax		(240,834,826.68)	(13,796,414.76)
Income Tax Expense	30		
Current Tax			
Previous Year's Tax			
Deferred Tax Income/ (Expense)		(84,601,272.51)	
Profit/(Loss) for the year		(325,436,099.19)	(13,796,414.76)
Earnings Per Share (EPS)			
Basic EPS (Rs)		(17.80)	(0.93)
Diluted EPS (Rs)		(17.80)	(0.93)

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

For and on Behalf of Board

As per our report of even date

Anil Chaudhary

Account Officer

Mr. Umesh Kasaju

Chairman

Mr. Sushil Gupta

Director

CA Ankit Tayal

Partner

A.P.M. & Associates

Chartered Accountants

Place: Kathmandu, Nepal

Date:

Balephi Hydropower Ltd.

Statement of Cash Flow

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

Amount in NPR

Particulars		For the year ended Ashad 31, 2080	For the year ended Ashad 32, 2079
A Cash Flow from Operating Activities:			
Profit before Income Tax		(240,834,826.68)	(13,796,414.76)
Adjustments for Non Cash Items:			
Depreciation & Amortization		197,728,088.21	2,194,153.00
Adjustments for non operating items: -			
Interest Expenses		502,691,446.72	-
Prior period tax		-	-
Loss/ (Profit) on Sale of assets		-	-
Interest Income		-	-
Investment Income		-	-
Operating profit before changes to receivables and payables		459,584,708.25	(11,602,261.76)
(Increase)/Decrease in Trade & Other Receivables		(34,293,155.28)	265,848,577.88
(Decrease)/Increase in Current Liabilities		131,826,894.08	190,892,412.47
(Increase)/Decrease in Non-Current Assets		-	-
(Decrease)/Increase in Non-Current Liabilities		-	(38,099,763.00)
Cash Generated from Operations		557,118,447.05	407,038,965.59
Income Tax		-	-
Net Cash Inflow from Operating Activities		557,118,447.05	407,038,965.59
B Cash Flow from Investing Activities :			
Proceeds from disposal of property and equipment		-	-
Purchase of property and equipment and intangible assets		(8,679,853,826.38)	-
(Increase)/Decrease in Project Work-In-Progress		8,085,148,161.69	(1,061,956,030.69)
Change in Investment Disposal/ (Addition)		-	-
Investment Income		-	-
Net Cash Used in Investing Activities		(594,705,664.69)	(1,061,956,030.69)
C Cash Flow from Financing Activities :			
Issue of Share Capital		-	365,594,000.00
Increase / (Decrease) Share Application Money		-	-
Increase / (Decrease) in Long Term Loan		505,585,377.40	310,072,503.67
Interest paid		(502,691,446.72)	-
Dividends paid		-	-
Net Cash Flow From Financing Activities		2,893,930.68	675,666,503.67
Net Increase in cash & cash equivalents	A+B+C	(34,693,286.96)	20,749,438.57
Opening Cash & Cash Equivalents		41,531,432.57	20,781,994.00
Closing Cash & Cash Equivalents		6,838,145.61	41,531,432.57

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

For and on Behalf of Board

As per our report of even date

Anil Chaudhary

Account Officer

Mr. Umesh Kasaju

Chairman

Mr. Sushil Gupta

Director

CA Ankit Tayal

Partner

A.P.M. & Associates

Chartered Accountants

Place: Kathmandu, Nepal

Date:

Balephi Hydropower Ltd.
Statement of Changes in Equity
For the year ended 16th July 2023 (Ashad 31, 2080)

Amount in NPR

Particulars	Equity Share Capital	Share Application Money	Revaluation Reserve	Retained Earnings	Total
Opening As at Shrawan 1, 2078					
At start of year	1,462,376,000.00	-	-	(95,224,435.00)	1,367,151,565.00
Revaluation of Land & Building			-		-
Deferred Tax Reserves	-	-	-	-	-
Provision for Gratuity	-	-	-	-	-
Provision for Leave Encashment	-	-	-	-	-
Deferred Tax Reserves on Revaluation Reserve	-	-	-	-	-
NFRS Remeasurement Adjustments	-	-	-	-	-
Restated Opening As at Shrawan 1, 2078	1,462,376,000.00	-	-	(95,224,435.00)	1,367,151,565.00
Profit for the year	-	-	-	(13,796,414.76)	(13,796,414.76)
Earlier Years' Taxes	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Revaluation of Land and Building through OCI	-	-	-	-	-
Deferred Tax Reserves	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Total comprehensive income for the year	1,462,376,000.00	-	-	(109,020,849.76)	1,353,355,150.24
Transactions with owners:	-	-	-	-	-
Dividend declared (Proposed Last Year)	-	-	-	-	-
Issue of Share Capital	365,594,000.00	-	-	-	365,594,000.00
Final Dividend Paid - Ordinary Shares	-	-	-	-	-
Interim Dividend Paid - Ordinary Shares	-	-	-	-	-
Balance as at Ashad 32, 2079	1,827,970,000.00	-	-	(109,020,849.76)	1,718,949,150.24
For the Year 2078-79					
At start of year	1,827,970,000.00	-	-	(109,020,849.76)	1,718,949,150.24
Profit for the year	-	-	-	(325,436,099.19)	(325,436,099.19)
Other comprehensive income	-	-	-	-	-
Change in fair value of financial assets through OCI	-	-	-	-	-
Deferred Tax Reserves	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Transactions with owners:	-	-	-	-	-
Ordinary Shares Dividend - Final	-	-	-	-	-
Ordinary Shares Dividend - Interim	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-
Balance as at Ashad 31, 2080	1,827,970,000.00	-	-	(434,456,948.95)	1,393,513,051.05

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

For and on Behalf of Board

As per our report of even date

Anil Chaudhary
Account Officer

Mr. Umesh Kasaju
Chairman

Mr. Sushil Gupta
Director

CA Ankit Tayal
Partner
A.P.M. & Associates
Chartered Accountants

Place: Kathmandu, Nepal
Date:

Balephi Hydropower Ltd.
Statement of Other Comprehensive Income
For the year ended 16th July 2023 (Ashad 31, 2080)

Amount in NPR

Particulars	Note	For the year ended Ashad 31, 2080	For the year ended Ashad 32, 2079
Profit for the year		(325,436,099.19)	(13,796,414.76)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of Land and Building		-	-
Net fair value (Losses)/Gains on financial assets			
Quoted Promoter Shares		-	-
Quoted Ordinary Shares		-	-
Items that are or/may be reclassified subsequently to profit and Loss			
Deferred Tax asset / (liability) on other comprehensive Income		-	-
Total other comprehensive income, net of tax		-	-
Total comprehensive income for the Year		(325,436,099.19)	(13,796,414.76)

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

For and on Behalf of Board

As per our report of even date

Anil Chaudhary
Account Officer

Mr. Umesh Kasaju
Chairman

Mr. Sushil Gupta
Director

CA Ankit Tayal
Partner
A.P.M. & Associates
Chartered Accountants

Place: Kathmandu, Nepal
Date:

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

1 General Information

Balephi Hydropower Ltd. (the "company") is a Limited Company incorporated under the Companies Act, 2063 of Nepal on 2073/09/05 vide Registration No 161420/073/074. The Registered Office of the company is at Teku, KMC Ward No. 12, Kathmandu, Nepal.

The main objective of the company is to generate electricity. The project, 36MW Upper Balephi 'A', is developed at Balephi River in the Sindhupalchowk district of Nepal under BOOT Model, where the entire project shall be transferred to Government of Nepal after the expiry of the license period on 2108/04/11.

2 Basis of Preparation

The financial statements comprise the Statement of Financial Position, Statement of Profit or Loss and Statement (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Accounts.

2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) as published by the Accounting Standards Board (ASB) Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN) and other accepted accounting principles. The financial statements have been prepared on accrual basis and approved by the Board of Directors on _____.

These policies have been consistently applied to all the years presented except otherwise stated.

2.2 Functional and Presentation Currency

The financial statements are presented in Nepalese Rupees (NPR) which is the Company's functional currency. All financial information presented in NPR has been rounded to the nearest two digit except where indicated otherwise.

2.3 Use of Estimates, Assumptions and Judgements

The Company, under NFRS, has applied accounting policies which appropriately suit its circumstances and operating environment. Further, the Company has made judgments in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the financial statements. This may later be determined that a different choice could have been more appropriate.

The accounting policies have been included in the relevant notes for each item of the financial statements and the effect and nature of the changes, if any, have been disclosed.

The Company has made estimates and assumptions that will affect the assets, liabilities, disclosure of contingent assets and liabilities, and profit or loss as reported in the financial statements. The Company applies estimates in preparing & presenting the financial statements and such estimates and underlying assumptions are reviewed periodically. The revision to accounting estimates are recognized in the period in which the estimates are revised and are applied prospectively.

Disclosures of the accounting estimates have been included in the relevant sections of the notes wherever the estimates have been applied along with the nature and effect of changes of accounting estimates, if any.

2.4 Going Concern

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

2.5 Changes in Accounting Policies

The company has changed its accounting policies, wherever required, to ensure compliance with NFRS. The effect of change in accounting policy at the date of transition has been given to the retained earnings (and reserves, if applicable).

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

2.6 Reporting Pronouncements

The Company has, for the preparation of financial statements, adopted the NFRS pronounced by ASB as effective on September 13, 2013. The NFRS confirms, in all material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

However, the Institute of Chartered Accountants of Nepal (ICAN) vide its notice dated 20 September 2018 has resolved that Carve-outs in NFRS with alternative treatment and effective period shall be provided to Banks and Financial Institutions regulated by NRB on the specific recommendation of Accounting Standard Board (ASB). In the same decision the ASB has outlined that the other entities may also use those carve-outs with necessary disclosures. Accordingly the company has decided to adopt those carve-outs. Details of carve out provided are as follows:

2.6.1 NAS 39: Financial Instruments: Recognition and Measurement

a) Impracticability to determine transaction cost of all previous years which is the part of effective interest rate

In para 9, The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received, unless it is immaterial or impracticable to determine reliably, between parties to the contract that are an integral part of the effective interest rate (see NAS 18 Revenue), transaction costs and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

The carve out is optional and has been provided till FY 2080-81. Accordingly, the Company has opted the carve out.

b) NFRS 9 'Financial Instruments'-Impairment

NFRS 9 'Financial Instruments' was issued by the ASB in July 2014 and effective internationally for the financials beginning on or after 1 January 2018. Accounting Standard Board of Nepal endorsed NFRS 9 Financial Instruments with some exceptions, mainly in the Impairment. Currently, Incurred Loss Model as specified in NAS 39 is used. The requirement of NFRS 9 is Expected Credit Loss Model.

The management is still assessing the potential impact on its financial statements, if Expected Credit Loss (ECL) model is introduced.

The carve out is optional and has been provided till FY 2080-81. Accordingly, the Company has opted the carve out.

2.7 New Standards in issue but not yet effective

For the reporting of financial instruments, NAS 32 Financial Instruments, Presentation, NAS 39 Financial Instruments Recognition and Measurements and NFRS 7 Financial Instruments - Disclosures have been applied. NFRS 1 has been complied for the classification of Financial Instruments. A number of new standards and amendments to the existing standards and interpretations have been issued by IASB after the pronouncements of NFRS with varying effective dates. Those become applicable when ASB Nepal incorporates them within NFRS.

2.8 Limitation of NFRS Implementation

Wherever the information is not adequately available, and/or it is impracticable to develop, such exception to NFRS implementation has been noted and disclosed in respective sections.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

3 Significant Accounting Policies

3.1 Basis of Measurement

The financial statements have been prepared on historical cost basis except for the following material items in the statement of financial position:

- Financial assets other than measured at amortized cost are measured at fair value.
- Inventories are measured at cost or net realizable value, whichever is lower (wherever applicable)

3.2 Presentation - Current versus Non-Current Classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

The Company classifies an asset as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or

All other assets are classified as non-current.

The Company classifies a liability as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading ,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.3 Critical accounting estimates

The preparation of the financial statements in conformity with Nepal Financial Reporting Standards requires the use of certain critical accounting estimates and judgments. The management has exercised judgments in the process of applying the Company's accounting policies. The Company makes certain estimates and assumptions regarding the future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual result may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year primarily includes:

a) Recognition of deferred tax assets

Deferred tax assets are recognised for taxable temporary difference to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

b) Provision for depreciation and amortisation

Depreciation and amortisation is calculated over the estimated useful lives of the assets. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3.4 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

3.5 Impairment of non- financial assets (excluding inventories and deferred tax assets)

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or Cash generating units exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An assessment is also done for whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have been decreased. If any such indication exists the asset's recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

Impairment loss or reversal shall be included in profit or loss if any. The company has no impairment loss/ gain during the relevant reporting periods.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

3.6 Foreign Currency Transactions

Transactions entered into by the Company in a currency other than Nepali Rupees (the currency of primary economic environment in which it operates) are recorded at the rates ruling when the transactions occur. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit or Loss. Unsettled foreign currency monetary assets & liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss statement.

3.7 Service Concession Arrangements

IFRIC (International Financial Reporting Interpretation Committee) 12 gives guidance on the accounting by operators for public-to-private service concession arrangements. This interpretation sets out general principles on recognizing and measuring obligations and related rights in service concession arrangements. The company has considered about the applicability of IFRIC 12 Service Concession Arrangement, issued by International Accounting Standard Board (IASB) for preparation and presentation of financial statements.

A feature of these service arrangements is the public service nature of the obligation undertaken by the operator. Public policy is for the services related to the infrastructure to be provided to the public, irrespective of the identity of the party that operates the services. The service arrangement contractually obliges the operator to provide the services to the public on behalf of the public sector entity. Other common features are:

- (a) the party that grants the service arrangement (the grantor) is a public sector entity, including a governmental body, or a private sector entity to which the responsibility for the service has been devolved.
- (b) the operator is responsible for at least some of the management of the infrastructure and related services and does not merely act as an agent on behalf of the grantor.
- (c) the contract sets the initial prices to be levied by the operator and regulates price revisions over the period of the service arrangement.
- (d) the operator is obliged to hand over the infrastructure to the grantor in a specified condition at the end of the period of the arrangement, for little or no incremental consideration, irrespective of which party initially financed.

IFRIC 12-Service Concession Arrangements applies to

- (a) The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them and at what prices;
- (b) The grantor controls-through ownership, beneficial entitlement or otherwise- any significant residual interest in the infrastructure at the end of the term of the arrangement
- (c) the infrastructure constructed or acquired by the operator from a third party for the purpose of the service arrangement OR is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement

These arrangements are accounted based on below mentioned models depending on the nature of consideration and relevant contract law.

Financial asset model:

Financial asset model: The Financial asset model is used when the Company, being an operator, has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Unconditional contractual right is established when the grantor contractually guarantees to pay the operator

- (a) specific or determinable amount;
- (b) the shortfall, if any, between amounts received from the users of the public services and specified or determinable amounts.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

Intangible asset model:

Intangible asset model: The intangible asset model is used to the extent that the company, being an operator, receives the right (the license) to charge users of the public service. A right to charge users of public services is not an unconditional right to receive cash because the amounts are contingent on to the extent that public uses the services. Both type of arrangements may exist within a single contract to the extent that the grantor has given an unconditional guarantee of payment for the construction and the operation i.e. considered as a Financial asset and to the extent that the operator has to rely on the public using the service in order to obtain payment, the operation has an intangible asset.

Intangible Assets under Service Concession

The Company manages concession arrangements which include power supply from its hydropower plants viz. 36 MW Power Plant. The company maintains and services the infrastructure during the concession period. Further, the concession arrangement gives the Group right to use the hydropower project for generating electricity and earn revenue by selling electricity to NEA and local consumers. The right to consideration gives rise to an intangible asset and accordingly, the intangible asset model is applied. Revenue from service concession arrangement under the intangible asset model is recognised in accordance with the terms of the power purchase agreement as and when the power is supplied. The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession. Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or when the contractual rights to the financial asset expire.

The tenure of the Service Concession Arrangement of 36 MW Balephi Hydropower Project for generation, transmission, and distribution shall be ended on 2108 Shrawan 11, B.S.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

3.8 Lease

The Company as a lessee:

The Company enters into an arrangement for lease of buildings, Land and office equipments. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with NFRS 16 – Leases, at inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration.

To Assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

The Company assesses whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Measurement and recognition of leases as a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses (unless such right of use assets fulfills the requirements of NAS 40 - Investment Property and is accounted for as there under), if any and adjusted for any re-measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

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The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in Statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Company presents right-of-use assets that do not meet the definition of investment property on the face of balance sheet below 'property, plant and equipment' and lease liabilities under 'financial liabilities' in the balance sheet.

The Company has elected not to apply the requirements of NFRS 16-Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases.

The Company as a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increases. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Majority of lease agreements entered into by the Company have generally an average increment rate of 15% in every two years, which the management assumes are in line with the lessor's expected inflationary cost increases. Payments and receipts under such leases are charged or credited to the Statement of Profit and Loss as per the terms of the agreements.

3.9 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable net of trade discounts. Revenue include all revenue from ordinary activities of the company that are recorded excluding Value Added Taxes collected from customers that are remitted or are to be remitted to the government authorities.

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(a) Sale of electricity

Revenue from sale of electricity is recognized at the time of issue of invoice to Nepal Electricity Authority (NEA) in accordance with the terms of the Power Purchase Agreement (PPA) entered into with the Nepal Electricity Authority (NEA).

(b) Other Income

- Other Miscellaneous Income is recognised when no significant uncertainties as to the amount of consideration that would be derived and to its ultimate collection exist.

3.10 Property, Plant & Equipments:

A) Recognition and Measurement

The cost of an item of property and equipment shall be recognized as an asset, initially recognized at cost, if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labor;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- Capitalized borrowing costs.

The Company adopts cost model for entire class of property and equipment. Neither class of the property and equipment are measured at revaluation model nor is their fair value measured at the reporting date. The items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Subsequent expenditure is capitalized if it is probable that the future economic benefits from the expenditure will flow to the Company. Ongoing repairs and maintenance to keep the assets in working condition are expensed as incurred. Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized within other income in profit or loss.

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B) Depreciation

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write-off their depreciable amount over the expected useful economic lives.

Depreciation is provided on a pro-rata basis on the straight-line method based on the estimated useful life of the assets determined by management as per application guidance to NAS 16 issued by Accounting Standard Board.

The estimated useful lives of various class of PPE for the current year and comparative years are as follows:

Class of PPE	Revised Useful Life under SLM Method
Furniture and Fixtures	10 Years
Computer and IT Equipments	3 Years
Office Equipment	5 Years
Vehicles	8 Years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

C) De-Recognition

An item of property plant and equipment is de-recognised on disposal or when no future economic benefits are expected from the use of that asset. The gain or loss arising from the disposal of an item of property plant and equipments is the difference between net disposal proceeds if any, and the carrying amount of that item and is recognised in the statement of Profit and Loss.

- D)** Assets used at the Corporate office, Kathmandu are shown as Property, Plant and Equipment. All other assets related to the project and all the expenditure (capital & revenue nature) which are directly attributable to acquisition and construction of the assets are capitalized as intangible assets under Service Concession Arrangement.

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3.11 Intangible Assets

A) Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost of acquisition. The cost comprises of purchase price and directly attributable costs of bringing the assets to its working condition for intended use.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The Company's intangible assets comprises assets with finite useful life which are amortised on a straight-line basis over the period of their expected useful life.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The estimated useful lives of Intangible assets for the current year and comparative years are as follows:

Particulars	Useful Life
Service Concession Arrangement	28.7

B) Intangible Assets Under Construction

Capital work-in-progress represents expenditure incurred in respect of capital projects not ready for use and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditures.

Such amount has been capitalised as Intangible assets as per IFRCI 12 upon the completion of Project .

C) Restriction on PPE

The company will have to transfer the entire generation unit to Government of Nepal under BOOT arrangement at the expiry of the generation license period i.e. 28.7 years from Commercial Operation Date (COD).

3.12 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

3.13 Financial Instruments : Financial Assets

Financial Asset is any asset that is:

- a) Cash
- b) an equity instrument of another entity
- c) a contractual right:
 - i) to receive cash or other financial asset from another entity, or
 - ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity, or
- d) a contract that will or may be settled in the entity's own equity instruments and is:
 - i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments, or
 - ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

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A) Recognition

All financial assets are initially recognized on the date on which the company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at the initial recognition depends on their purpose and characteristics and the management's intention in acquiring them.

B) Classification

The financial assets are measured at amortized cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The two classes of financial assets are as follows:

i) Financial assets measured at amortized cost

Financial asset are measured at amortized cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial asset measured at fair value

Financial assets other than those measured at amortized cost are measured at fair value. Financial assets measured at fair value are further classified into two categories as below:

a) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as fair value through profit or loss (FVTPL) if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction cost is directly attributable to the acquisition are recognized in profit or loss as incurred. Such assets are subsequently measured at fair value and changes in fair value are recognized in Statement of Profit or Loss.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

Investment in an equity instrument that is not held for trading and at the initial recognition, the Company makes an irrevocable election that the subsequent changes in fair value of the instrument is to be recognized in other comprehensive income are classified as financial assets at fair value though other comprehensive income. Such assets are subsequently measured at fair value and changes in fair value are recognized in other comprehensive income.

C) Measurement

i) Initial Measurement

A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction cost in relation to financial assets and liabilities at fair value through profit or loss are recognized in Statement of Profit or Loss.

ii) Subsequent Measurement

A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability. Financial asset or liability classified as measured at amortized cost is subsequently measured at amortized cost using effective interest rate method.

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or non-collectability.

Financial assets classified at fair value are subsequently measured at fair value. The subsequent changes in fair value of financial assets at fair value through profit or loss are recognized in Statement of Profit or Loss whereas of financial assets at fair value through other comprehensive income are recognized in other comprehensive income.

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D) Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Any interest in such transferred financial assets that qualify for derecognition that is created or retained by the Company is recognized as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

In transactions in which the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

E) Determination of Fair Value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. If a market for a financial instrument is not active, the Company establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price - i.e. the fair value of the consideration given or received. However, in some cases, the fair value of a financial instrument on initial recognition may be different to its transaction price. If such fair value is evidenced by comparison with other observable current market transactions in the same instrument (without modification) or based on a valuation technique whose variables include only data from observable markets, then the difference is recognized in profit or loss on initial recognition of the instrument. In other cases, the difference is not recognized in profit or loss immediately but is recognized over the life of the instrument on an appropriate basis or when the instrument is redeemed, transferred or sold, or the fair value becomes observable.

All unquoted equity investments are recorded at cost, considering the non trading of promoter shares up to the date of balance sheet, the market price of such shares could not be ascertained with certainty. Hence, these investments are recognized at cost net of impairment, if any.

F) Impairment

At each reporting date the Company assesses whether there is any indication that an asset may have been impaired. If such indication exists, the recoverable amount is determined. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Company considers evidence of impairment for loans and advances and held-to-maturity investment securities at both a specific asset and collective level. All individually significant loans and advances and held-to-maturity investment securities are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

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Loans and advances and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together loans and advances and held-to-maturity investment securities with similar risk characteristics. Impairment test is done on annual basis for trade receivables and other financial assets based on the internal and external indication observed.

In assessing collective impairment, the Company uses statistical modelling of historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

3.14 Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The company is enjoying tax holiday period of 10 years starting from the date of commercial operation (CoD).

Deferred Income Tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax has been calculated based on the timing differences arising from the treatment of assets, considering the impact of a tax holiday spanning 10 years. This calculation accounts for the variance between the carrying amount of assets for financial reporting purposes and their respective tax bases, factoring in the temporary nature of these differences attributable to the tax holiday. The deferred tax liability or asset recognized in the financial statements reflects the anticipated future tax consequences upon expiration of the tax holiday period, in accordance with applicable tax regulations and interpretations.

3.15 Inventories

Inventories are carried at the lower of cost or Net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the necessary estimated expenses. The cost of obsolescence and other anticipated losses are also considered for determining the net realizable values.

3.16 Borrowing cost

Borrowing cost that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale.

Borrowing cost consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognized as expense in the period in which they are incurred.

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3.17 Cash and Cash Equivalents

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

For the purpose of cash flow statements, cash and cash equivalents consist of cash in hand and balance in bank accounts.

3.18 Non-current Assets Held for Sale

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Such assets or disposal groups are classified only when both the conditions are satisfied –

- a. The sale is highly probable, and
- b. The asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Noncurrent assets or disposal group are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Upon classification, non-current assets or disposal group held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets which are subject to depreciation are not depreciated or amortized once those classified as held for sale.

3.19 Employee benefits

Employee benefits include salaries, wages, compensated absences and other benefits.

Short-term employee benefits

Wages and salaries, including non-monetary benefits that are expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Statement of Financial Position.

3.20 Financial Instruments : Financial Liabilities

Financial Liability is any liability that is:

- a) a contractual obligation:
 - i) to deliver cash or other financial asset to another entity, or
 - ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, or
- b) a contract that will or may be settled in the entity's own equity instruments and is:
 - i) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments, or
 - ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Recognition

All financial liabilities are initially recognized on the date on which the company becomes a party to the contractual provisions of the instrument. The classification of financial instruments at the initial recognition depends on their purpose and characteristics and the management's intention in acquiring them.

Classification

The Company classifies its financial liabilities, other than financial guarantees and loan commitments, as follows:

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i) Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities are classified as fair value through profit or loss if they are held for trading or are designated at fair value through profit or loss. Upon initial recognition, transaction costs are directly attributable to the acquisition are recognized in Statement of Profit or Loss as incurred. Subsequent changes in fair value is recognized at profit or loss.

ii) Financial Liabilities measured at amortized cost

All financial liabilities other than measured at fair value through profit or loss are classified as subsequently measured at amortized cost using effective interest rate method.

Measurement

i) Initial Measurement

A financial asset or financial liability is measured initially at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. Transaction cost in relation to financial assets and liabilities at fair value through profit or loss are recognized in Statement of Profit or Loss.

ii) Subsequent Measurement

A financial asset or financial liability is subsequently measured either at fair value or at amortized cost based on the classification of the financial asset or liability. Financial asset or liability classified as measured at amortized cost is subsequently measured at amortized cost using effective interest rate method.

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility.

3.21 Provisions

Provisions are recognized when the company has a present obligation, legal or constructive, as a result of a past event, it is probable that a transfer of a economic benefits will be required to settle the obligation and when reliable estimate can be made of the amount of obligation. If these conditions are not met, no provision is recognized.

The amount of provision recognized is the management's best estimate of expenditure required to settle the present obligation at the reporting date.

Management reviews provisions at each reporting date and is adjusted to reflect the best estimate. If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision is reversed.

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3.22 Contingent Liabilities

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

The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

3.23 Earnings Per Share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. The basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

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Amount in NPR

4 Property, Plant & Equipments (PPE)

The changes in the carrying value of Property, Plant & Equipments (PPE) for the year ended Asadh 31, 2080, Asadh 32, 2079 and Asadh 31, 2078 are as follows:

Particulars	Land & Land Development	Buildings	Plant & Machinery	Office Equipments	Furniture & Fixtures	Vehicles	Computer & Accessories	Total
Cost:								
As on Shrawan 1, 2078	-	-	58,255.00	426,199.00	513,025.00	7,832,032.00	1,079,990.00	9,909,501.00
Addition during the Year								
Acquisition	-	-	-	-	-	-	-	-
Capitalization	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-	-	-
Balance as on Ashad end 2079	-	-	58,255.00	426,199.00	513,025.00	7,832,032.00	1,079,990.00	9,909,501.00
Addition during the Year								
Acquisition	-	-	-	-	-	-	189,500.00	189,500.00
Capitalization	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-	-	-
Balance as on Ashad end 2080	-	-	58,255.00	426,199.00	513,025.00	7,832,032.00	1,269,490.00	10,099,001.00
Depreciation & Impairment								
As on Shrawan 1, 2078	-	-	29,128.00	146,815.00	513,025.00	1,678,864.00	310,941.00	2,678,773.00
Adjustment/Revaluation	-	-	-	-	-	-	-	-
Restated opening as on Shrawan 1, 2078	-	-	29,128.00	146,815.00	513,025.00	1,678,864.00	310,941.00	2,678,773.00
Depreciation charge for the Year	-	-	29,127.00	139,032.00	-	1,651,984.00	359,210.00	2,179,353.00
Impairment for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-
As on Ashad end 2079	-	-	58,255.00	285,847.00	513,025.00	3,330,848.00	670,151.00	4,858,126.00
Depreciation charge for the Year	-	-	-	139,032.00	-	1,651,984.00	385,685.00	2,176,701.00
Impairment for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-
As on Ashad end 2080	-	-	58,255.00	424,879.00	513,025.00	4,982,832.00	1,055,836.00	7,034,827.00
Net Book Value								
As on Ashad end 2078	-	-	29,127.00	279,384.00	-	6,153,168.00	769,049.00	7,230,728.00
As on Ashad end 2079	-	-	-	140,352.00	-	4,501,184.00	409,839.00	5,051,375.00
As on Ashad end 2080	-	-	-	1,320.00	-	2,849,200.00	213,654.00	3,064,174.00

Property, Plant & Equipments have been hypothecated/mortgaged against borrowings (Refer Note No 13 and 16).

* Disposal of Assets has been done at book value.

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5 Intangible Assets

The changes in the carrying value of Intangible Assets for the year ended Ashad 31, 2080 Ashad 32, 2079 and Ashad 31, 2078 are as follows:

Particulars	Accounting Software	Service Concession Arrangement
Cost:		
As on Ashad end 2078	74,000.00	-
Addition during the Year	-	-
Acquisition	-	-
Capitalization	-	-
Disposal During the Year	-	-
Adjustment/Revaluation	-	-
Balance as on Ashad end 2079	74,000.00	-
Addition during the Year		
Acquisition	-	8,679,664,326.38
Capitalization	-	-
Disposal During the Year	-	-
Adjustment/Revaluation	-	-
Balance as on Ashad end 2080	74,000.00	8,679,664,326.38
Amortisation and impairment losses		
As on Ashad end 2078	59,200.00	
Amortization charge for the Year	14,800.00	
Impairment for the Year	-	-
Disposals	-	-
Adjustment	-	-
Balance as on Ashad end 2079	74,000.00	-
Amortization charge for the Year		195,551,387.21
Impairment for the Year	-	-
Disposals	-	-
Adjustment		
Balance as on Ashad end 2080	74,000.00	195,551,387.21
Net Book Value		
As on Ashad end 2078	14,800.00	-
Balance as on Ashad end 2079	-	-
Balance as on Ashad end 2080	-	8,484,112,939.17

The Company has obtained the generation license for operation from the Department of Electricity Development (Ministry of Energy) and remains valid till 2108.04.11 After the end of the period, company will have to transfer the entire generation unit to Government of Nepal under BOOT provision.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

6 Other Non-Current financial assets

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Security Deposits:		
Total	-	-

7 Inventories

(As taken, valued and certified by the management.)

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Store, Spares and Consumables		
Total Inventories	-	-

8 Trade Receivables

Trade receivables comprises of amount receivable from our customers and are non-interest bearing. Such trade receivables are generally on credit terms of 30 - 90 days.

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Trade Receivable	154,355,687.85	-
Total	154,355,687.85	-

9 Cash and Cash Equivalents

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Cash In Hand (as certified)	308,067.12	7,276,754.69
<u>Balances with Banks - Current Accounts:</u>		
Everest Bank Limited	850,000.00	153,416.04
Nepal Bank Ltd.	43,504.00	43,504.00
Global IME Bank Ltd.	5,633,574.49	29,572,650.06
Sanima Bank Ltd.	-	4,482,107.78
Rastriya Banijya Bank Ltd.	3,000.00	3,000.00
	6,838,145.61	41,531,432.57
Less: Cheques Issued But Not Cleared	-	-
<u>Balances with Banks - Call Accounts:</u>		
Total	6,838,145.61	41,531,432.57

The stringing work for the transmission line was being carried out in a remote area around the last balance sheet date (Ashad 32, 2079). The company was in constant need of cash to meet the requirements of the ongoing work. During this time, the company was holding a cash amount that appeared to be excessive for its day-to-day operations.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

10 Other Financial Assets

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Other Advances & Deposit		
Upper Balephi Hydropower Ltd.	4,566,970.50	4,566,970.50
Margin Deposits		
L/C Margin	3,961,349.25	7,305,848.40
Bank Guarantee Margin	30,000.00	540,000.00
Other Deposits		
Deposit	5,000.00	72,500.00
Total	8,563,319.75	12,485,318.90

The fair values of all the above financial assets approximates to their carrying amounts. These advances are non-interest bearing and are expected to be settled in the normal course of operations.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

11 Other Current Assets

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Advance to Contractors/Vendors	60,010,443.65	59,570,561.69
Advance for Land	34,659,525.00	53,383,421.92
Advance Transmission Line	-	89,625,560.00
Pre-Paid Expenses	13,387,527.63	13,187,707.57
Social Mitigation-Advance	-	6,604,320.00
Other Advances	8,180,910.67	8,347,058.19
Staff Advance	1,647,615.85	3,307,926.85
Total	117,886,022.80	234,026,556.22

The management is assured that all the debtors and advances are good and recoverable in time.

12 Current Tax Assets/Liabilities (Net)

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Opening Balance		
Less: Current tax payable for the year		
Add: Tax paid (Previous Year)		
Add: Advance tax & TDS (Current Year)		
Less: Adjustment made during the year		
Current Tax Assets/ (Liabilities)	-	-

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

13 Borrowings (Non Current)

Non Current Borrowings are interest bearing financial liabilities consisting of Bank Borrowings. For these financial liabilities interest charged by the bank approximates effective interest rate and such rate is considered for calculation of amortized cost of liability and the finance cost. The effect of initial charges and its impact on effective rate is considered not material and the carrying value is considered approximate amortized cost.

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Secured Loans from Banks:		
Term Loans		
Everest Bank Limited	1,474,901,341.70	1,082,443,328.66
Global IME Bank Limited	2,834,936,499.96	2,334,959,544.83
Nepal SBI Bank Limited	-	-
Rastriya Banijya Bank Limited	499,500,000.00	489,162,652.84
Sanima Bank Limited	1,684,089,500.01	1,108,550,089.09
Bridge Gap Loans*		
Global IME Bank Limited-BG Loan	23,983,658.40	416,283,629.87
Sanima Bank Ltd. (BGL)	-	354,716,377.38
Rastriya Banijya Bank Limited-BGL	107,000,000.00	107,000,000.00
Everest Bank Ltd.	-	200,000,000.00
Less: Current maturities (Refer Note No 15)	(40,200,000.00)	(14,490,000.00)
Total	6,584,211,000.07	6,078,625,622.67

* Bridge Gap Loans are disbursed for the temporary financing of the Bills, that are pending for verification by the appointed financial consultant. Such loans and interest accrued thereon are to be settled by way of disbursing the Term loan facility.

(a) Sanction of Term Loan:

Fixed Term Loan Facility has been sanctioned and disbursed by the consortium of Banks led by Global IME Bank Ltd, Co-lead Banks; Everest Bank Ltd. and Sanima Bank Ltd. and participating Bank; Rastriya Banijya Bank Ltd. and .

(b) Repayment Schedule:

Consortium Loan I & III is expected to be repaid within 12 years of actual Commercial Operation Date (COD) while consortium loan II, & V is expected to be repaid within 15 years of actual COD, through fixed/ballooning quarterly installments. Final Repayment Schedule shall be designed after the commercial operation of the project.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

(c) Security:

- I. First charge by a way of registered mortgage/pledge/hypothecation over the entire present and future fixed assets created with or without financing owned by the company on pari passu basis in favour of the consortium of the Banks.
- II. First charge over entire current assets of the project including receivables from Nepal Electricity Authority, Compensation/incentives paid to the company on pari passu basis in favour of the consortium of the Banks.
- III. Assignment of Power Purchase Agreement (PPA) signed between NEA and the company for Supply and Delivery of the Energy(electricity) produced by the company from its 36MW Upper Balephi 'A' project.
- IV. Assignment of Power Generation License of the company.
- V. Assignment of Project Guarantees of the company.
- VI. Joint and personal guarantee of the directors/promoters viz. Mr. Umesh Kasaju, Mr. Shakti Kumar Golyan, Mr. Sandeep Kumar Sharada, Mr. Sushil Gupta and Mr. Sulav Agrawal for NPR. 531 Crores till 50% of the Term loan is repaid. Further, personal Guarantee of Mr. Birendra Bahadur Neupane, Mr. Bishnu Bd. Khatri and Mr. Bachhu Poudel is restricted to the initial credit facility of NPR 435 Crores.

14 Non-Current Liabilities

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Retention Money Payable	-	-
Total	-	-

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

15 Deferred Income Tax

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Deferred Tax Asset	(84,601,272.51)	-
Deferred Tax Liability	-	-
Net Deferred Tax Asset / (Liability)	(84,601,272.51)	-
Net Changes	(84,601,272.51)	-
Deferred Tax charged in OCI	-	-
Deferred Tax charged in SPL	(84,601,272.51)	-
Deferred Tax charged directly in Equity due to change in estimate of the life of asset	-	-
<u>Deferred tax Assets:</u>		
Recognized in profit or loss	(84,601,272.51)	-
Recognized in OCI	-	-
Recognized in Equity	-	-
Deferred tax Assets at the end of year	(84,601,272.51)	-
<u>Deferred tax liability:</u>		
Recognized through profit or loss	-	-
Recognized through OCI	-	-
Deferred tax liability at the end of year	-	-

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

16 Current Borrowings

Current Borrowings are interest bearing financial liabilities consisting of Bank Borrowings. For these financial liabilities interest charged by the bank approximates effective interest rate and such rate is considered for calculation of amortized cost of liability and the finance cost. The effect of initial charges and its impact on effective rate is considered not material and the carrying value is considered approximate amortized cost.

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Secured Loans from Banks		
Bank Overdraft	183,005,457.08	-
Add: Current maturities of Non-Current Borrowings (Refer Note No 13)	40,200,000.00	14,490,000.00
Total	223,205,457.08	14,490,000.00

Short Term Loans, TR Loans and Bank Overdraft has been disbursed by Consortium of Banks lead by Global IME Bank Ltd for meeting the working capital requirements of the company and such loans are secured by a way of pari-passu first charge over all the Current Assets including account receivables and inventory, both present and future and pari-passu second charge over the fixed assets of the company, both present and future.

17 Trade payables

Trade payables are amount payable to creditors for goods and services and are non interest bearing. These trade payables are normally settled on credit period of 30 to 90 days.

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Sundry Payables	-	-
Total	-	-

18 Other Financial Liabilities

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Audit Fee Payable	1,115,000.00	557,500.00
Construction and Procurement Payable	90,124,239.15	392,570,436.11
Transmission Line Payable	4,014,070.00	
Labour Wages Payable	-	2,626,261.00
Advance from Directors	306,446,860.39	129,157,391.39
Compensation Payable	1,695,370.00	
Interest payable	40,728,291.18	
PF and Gratuity Payable	-	
Salaries Payable	11,678,419.78	19,053,971.70
Other Payables	21,460,000.00	11,940,763.46
Total	477,262,250.50	555,906,323.66

Unsecured loan from directors has been taken to address the need of fund to manage cost escalation.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

19 Other Current Liabilities

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Statutory Dues:		
TDS/Withholding taxes		
- TDS/Withholding taxes upto 78/79	8,993,048.25	10,010,747.81
- TDS/Withholding taxes 79/80	3,034,209.72	
- CIT	-	261,000.00
Total	12,027,257.97	10,271,747.81

20 Provisions

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Provision for CSR		
Closing Balance	-	-

Balephi Hydropower Ltd.

Significant Accounting Policies and Notes to Financial Statements

For the year ended Ashad 31, 2080

21 Share Capital

The Company classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. Equity is defined as residual interest in total assets of the Company after deducting all its liabilities.

Accordingly the share capital of the company comprises following:

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Authorised Capital		
2,40,00,000 Equity Shares of Rs 100. Each	2,400,000,000.00	2,400,000,000.00
	2,400,000,000.00	2,400,000,000.00
Issued Capital		
2,40,00,000 Equity Shares of Rs 100. Each	2,400,000,000.00	2,400,000,000.00
	2,400,000,000.00	2,400,000,000.00
Subscribed and fully Paid-up		
1,82,79,700 Equity Shares of Rs. 100/- each	1,827,970,000.00	1,827,970,000.00
	-	-
Total	1,827,970,000.00	1,827,970,000.00

21.1 Reconciliation of the number of ordinary shares outstanding at the beginning and end of the year:

Particulars	As at Ashad 31, 2080		As at Ashad 32, 2079	
	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the year	18,279,700	1,827,970,000	14,623,760	1,462,376,000
Add: Shares issued during the year (IPO)		-	3,655,940	365,594,000
Balance as at the end of the year	18,279,700	1,827,970,000	18,279,700	1,827,970,000

21.2 Shareholding pattern of the company

Particulars	As at Ashad 31, 2080		As at Ashad 32, 2079	
	No of Shares	Amount	No of Shares	Amount
Promoters	14,623,760	1,462,376,000	14,623,760	1,462,376,000
General Public	1,754,851	175,485,100	1,754,851	175,485,100
Project effected Local	1,827,970	182,797,000	1,827,970	182,797,000
Employees of the Company	73,119	7,311,900	73,119	7,311,900
Balance as at the end of the year	18,279,700	1,827,970,000	18,279,700	1,827,970,000

21.3 Rights, preferences and restrictions attached to shares Equity shares

The Company has only one class of equity shares having a par value of Rs. 100/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

22 Other Equity

22.1 Retained Earnings

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
Balance up to Last Year	(109,020,849.76)	(95,224,435.00)
Profits for the Year	(325,436,099.19)	(13,796,414.76)
Other Comprehensive Income for the Year		-
Revaluation Reserve	-	-
Deferred Tax adjustment directly in Equity due to change in estimate of the life of asset	-	-
Total Comprehensive Income	(434,456,948.95)	(109,020,849.76)
Less:		
Earlier Years' Tax	-	-
Earlier Years' Gratuity	-	-
Dividend Distribution		
Total	(434,456,948.95)	(109,020,849.76)

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

23 Revenue from Operations

Amount in NPR

Particulars	For the year ended Ashad 31, 2080	For the year ended Ashad 32, 2079
Electricity Sales to NEA	568,923,384.00	
Short Supply Charges	(9,493,163.16)	
Total	559,430,220.84	

24 Cost of Sales

24.1 Generation & Distribution Expenses:

Amount in NPR

Particulars	For the year ended Ashad 31, 2080	For the year ended Ashad 32, 2079
Salaries and other employee cost	8,879,800.44	
Power plant maintenance expenses	497,751.05	
Fuel expenses	1,792,943.93	
Electricity Expenses	147,775.00	
Consultancy Fee O&M	6,357,408.00	
Security expenses	3,114,280.00	
Electrical & Machinery Tools	233,465.00	
Royalty	14,782,353.38	
Social Commitment Expenses	434,670.00	
Consumable Expenses	177,750.00	
Freight Expenses	521,000.00	
Transmission Line maintenance expenses	1,950.00	
Depreciation and Amortization Expense	195,551,387.21	
Total	232,492,534.01	

25 Other Income

Amount in NPR

Particulars	For the year ended Ashad 31, 2080	For the year ended Ashad 32, 2079
Other Income		
Total		

26 Other Non Operating Expenses

Amount in NPR

Particulars	For the year ended Ashad 31, 2080	For the year ended Ashad 32, 2079
RCOD Late Fine Charge	40,367,143.72	
Sundry Debtors Written Off	200,000.93	
Total	40,567,144.65	

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

27 Administrative & Other Expenses

Amount in NPR

Particulars	For the year ended Ashad 31, 2080	For the year ended Ashad 32, 2079
Advertisement Expenses	33,697.00	20,170.50
Audit Fee Expenses	565,000.00	565,000.00
Communication and Internet Expenses	229,787.13	273,083.20
Guest Expenses	-	148,177.24
IPO Expenses	20,000.00	3,846,442.82
Bank charges	68,700.76	-
Fine & Penalty	5,510.00	-
Rate and taxes	91,700.00	-
Printing and Stationery Expenses	131,477.50	-
Repair & Maintanance	1,653,756.13	-
Insurance Premium Expenses(COD)	13,170,172.60	-
Discount	1,013,659.02	-
Office Rent	1,629,333.00	4,502,222.00
Parking Charges	-	4,437.00
Staff Welfare Expenses	255,742.00	129,000.00
Staff Salary	3,382,071.00	2,113,729.00
Misc Expenses	86,615.00	-
Depreciation and Amortization Expense	2,176,701.00	2,194,153.00
Total	24,513,922.14	13,796,414.76

28 Depreciation and Amortization Expense

Amount in NPR

Particulars	For the year ended Ashad 31, 2080	For the year ended Ashad 32, 2079
Depreciation and Amortization - Tangible Assets	2,176,701.00	2,179,353.00
Depreciation and Amortization - Intangible Assets	195,551,387.21	14,800.00
	197,728,088.21	2,194,153.00
Less: Transferred to Cost of Sales	195,551,387.21	
Less: Transferred to Administrative & Other Expenses	2,176,701.00	2,194,153.00
Less: Transferred to CWIP		
Total	-	-

29 Finance Costs

Finance Cost comprises of interest on short term loan, interest on Bank Overdraft and allied charges. All these costs are carried at amortized cost using effective interest rate which is assumed to be bank interest rate.

Amount in NPR

Particulars	For the year ended Ashad 31, 2080	For the year ended Ashad 32, 2079
Interest on Long term loan	497,096,976.35	
Interest on Short term loan	5,594,470.37	-
	502,691,446.72	-
Less: Interest Capitalised		
Total	502,691,446.72	-

Interest during the construction (IDC) has been fully capitalised to the project cost.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

30 Income Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

A) Current Tax

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

B) Deferred Tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date.

Amount in NPR

Particulars	For the year ended Ashad 31, 2080	For the year ended Ashad 32, 2079
Current tax expense		
Provision for income tax	-	-
Previous year's tax	-	-
Total Current Tax Expense	-	-
Deferred Tax		
Origination and reversal of temporary differences	84,601,272.51	-
Recognition of previously unrecognized deferred tax assets	-	
Total Deferred Tax Expense / (Income)	84,601,272.51	-
Total Tax Expense for the Year	84,601,272.51	-

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

30.1 Reconciliation of tax expense and the accounting profit multiplied by Company's tax rate for 2079-80 and 2078-79:

Amount in NPR

Particulars	For the year ended Ashad 31, 2080	For the year ended Ashad 32, 2079
Profit before income tax	(240,834,826.68)	(13,796,414.76)
Effects on income tax of:		
Income not subject to income tax	-	-
Expenses (deductible)/ Not deductible for tax purposes	(399,125,656.74)	533,864.00
Prior year under/(over) provision	-	-
Net effect	(399,125,656.74)	533,864.00
Taxable Income	(639,960,483.42)	(13,262,550.76)
Income not subject to income tax		
Profit on sale of assets	-	-
Foreign Exchange gain	-	-
Dividend Income	-	-
Total	-	-
Expenses (deductible)/ Not deductible for tax purposes		
Difference in Depreciation as per Income tax & Books	(440,132,981.39)	533,864.00
(Allowed)/Disallowed Other Expenses	41,007,324.65	-
Disallowed finance cost	-	-
Disallowed Repairs and maintenance Expenses	-	-
Total	(399,125,656.74)	533,864.00
Prior year under/(over) provision		
Prior Period Expenses	-	-
Total	-	-
Tax	-	-

Tax on Taxable Income	For the year ended Ashad 31, 2080		For the year ended Ashad 32, 2079	
	Taxable Income	Tax Amount	Taxable Income	Tax Amount
Hydropower Income	(639,960,483.42)	-	(13,262,550.76)	-
Total Income	(639,960,483.42)	-	(13,262,550.76)	-

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 31, 2080

31 Related Party Disclosure

I) List of related parties where control exists and also other related parties with whom transactions have taken place and relationships:

S. No.	Name of Related Parties	Nature of Relationship
(a) Key Management Personnel (KMP):		
	Mr Umesh Kasaju	Chairman
	CA Subash Aryal	CEO
	Mrs Ashmita Adhikari	Company Secretary
(b) Board of Directors:		
	Mr. Umesh Kasaju	Chairman
	Mr. Sulav Agrawal	Director
	Mr. Sushil Gupta	Director
	Mr. Sandeep Kumar Sharada	Director
	Mr. Shakti Kumar Golyan	Director
	CA Prakash Kafle	Independent Director
	Mr Sushant Pradhananga	Public Director
(b) Other Related Parties:		
	Prabha Bhimsariya Goyanka	Promoter
	Bachhu Poudel	Promoter
	Bishnu Bahadur Khatri	Promoter
	Shahil Suresh Advani	Promoter
	Narendra Ulak	Promoter
	Binod Shrestha	Promoter
	Rima Nepal	Promoter
	Rajesh Koirala	Promoter
	Shiva Shree Hydropower Ltd.	Promoter

II. The following transactions were carried out with the related parties in the ordinary course of business:

Name of Related Parties	Relationship	2079-80	2078-79
(a) Salary & Allwoances		1,227,920.00	1,965,500.00
Mr. Umesh Kasaju	Chairman		982,750.00
(b) Loans & Advances			
Mr. Umesh Kasaju	Chairman	28,938,861	14,375,000
Mr. Sulav Agrawal	Director	64,064,000	35,496,882
Mr. Sushil Gupta	Director	61,600,000	32,312,763
Mr. Sandeep Kumar Sharada	Director	52,668,000	29,118,657
Mr. Shakti Kumar Golyan	Director	64,064,000	33,416,881
Mrs. Prabha Bhimsariya(Goye	Promoter	35,112,000	16,749,971
Upper Balephi Hydropower Ltd.	Common Promoter	(4,566,971)	(4,566,971)
(c) Purchase of construction Materials			
Jagdamba Steels Ltd.	Common Group	2,211,662	-
Rddihi Siddhi Cement Ltd.	Common Director	6,137,659	-
Shivam Cement Ltd.	Common Director	-	12,496,488.60
Universal Trading Center Pvt. Ltd.	Common Director	78,535	303,785.19
Jagatra Devi Traders	Common Director	-	117,424.78
Mizu Construction Pvt. Ltd.	Common Director	9,914,106	20,320,000.00
Litmus Industries Ltd.	Common Director	113,125	114,696

III. Outstanding Balances

Name of Related Parties	As at Ashad 31, 2080	As at Ashad 32, 2079
<u>Payables</u>		
Jagdamba Steels Ltd.	13,946,655	11,734,994
Rddihi Siddhi Cement Ltd.	6,137,659	-
Shivam Cement Ltd.	23,577,687	23,577,687
Lumbini Vidyut Industries	13,529	13,529
Universal Trading Center Pvt. Ltd.	416,213	338,720
Jagatra Devi Traders	130,929	130,929
Litmus Industries Ltd.	113,125	-
Premier Steel Ltd.	2,981,042	2,981,042
Shivam Cement Ltd.	23,577,687	23,577,687
Mizu Construction Pvt. Ltd.	1,457,579	(4,578)

Terms and Conditions of Transactions with related parties

Outstanding Balances at the year end are unsecured and settlement occurs in cash. There have been no guarantee provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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32 Declared and Proposed Dividends

Dividends payable to the Company's shareholders are charged to equity in the period in which they are declared. Proposed dividends are disclosed in notes separately until declared.

32.1 Declared and Approved during the year

Amount in NPR

Particulars	Amount
Dividend on Ordinary Shares for the FY : 2077-78: Nil	-
Dividend on Ordinary Shares for the FY : 2078-79: Nil	-
Total Dividend Declared	-

32.2 Proposed for approval at the general meeting (not recognised as a liability as at balance sheet date)

Particulars	As at Ashad 31, 2080
Dividend on Ordinary Shares for the FY : 2079-80: Nil	-
Total Dividend Proposed	-

33 Leases

33.1 Company as lessee :

Disclosures for operating leases other than leases covered in NFRS 16

The Company has entered into cancellable operating leases for leasing of office space. The tenure of lease is generally one to two years.

Particulars	For the year ended Ashad 31, 2080	For the year ended Ashad 32, 2079
Lease expense recognised in the statement of profit and loss for the year	1,629,333.00	4,502,222.00

33.2 Company as lessor :

The Company has not entered into any operating lease during the year.

Future minimum lease receipts over non cancellable period of operating leases are as follows :

Particulars	For the year ended Ashad 31, 2080	For the year ended Ashad 32, 2079
Lease income recognised in the statement of profit and loss for the year	-	-
The future minimum lease receivable over the next one year	-	-
The future minimum lease receivable later than one year but not later than five years	-	-

34 Earnings Per Share

Amount in NPR

Particulars	For the year ended Ashad 31, 2080	For the year ended Ashad 32, 2079
I. Net profit attributable to Shareholders for Basic earnings	(325,436,099.19)	(13,796,414.76)
II. Net profit attributable to Shareholders for diluted earnings	-	-
III. Weighted average number of Ordinary Shares for basic EPS	18,279,700.00	14,783,582.51
Effects of dilution:		
IV. Preference Shares outstanding for conversion	-	
V. Weighted average number of ordinary shares adjusted for the effect of dilution	18,279,700.00	14,783,582.51
Basic earnings per ordinary share	(17.80)	(0.93)
Diluted earnings per ordinary share	(17.80)	(0.93)

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35 Contingent Liabilities and Commitments

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

The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows. It is not practicable for the Company to estimate the timings of the cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the same.

All the contingent liabilities and the commitments given by the Company are disclosed below:

Amount in NPR

Particulars	As at Ashad 31, 2080	As at Ashad 32, 2079
(a) Contingent Liabilities		
(i) Bank Guarantees towards:		
EXIM Code	300,000.00	300,000.00
Power Purchase Agreement		21,600,000.00
(b) Capital Commitments		

36 Corporate Social Responsibility (CSR)

In accordance to the requirement of section 54 of the The Industrial Enterprise Act, 2076 and Rule 34 of The Industrial Enterprise Rules, 2078, the company is required to comply with the provisions of Corporate Social Responsibility (CSR). The amount required to be contributed and spend under CSR is as under:-

Particulars	For the year ended Ashad 31, 2080	For the year ended Ashad 32, 2079
Gross amount required to be spent by the company during the year	-	-
Less: Amount spent by the company during the year	-	-
Short/(Excess)	-	-

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37 Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets comprise trade and other receivables, investment in fixed deposits and cash and short-term deposits that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

37.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk.

37.1.1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

37.1.2 Commodity price risk

The Company is affected by the volatility of certain commodities. Its project construction activities require the ongoing purchase of materials and therefore require a continuous supply of the same.

The Company manages this risk by purchasing materials and supplies from the supplier identified by the group and the Company has long term relation with the supplier.

37.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

37.2.1 Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed and individual credit limits are defined in accordance with this assessment.

37.2.2 Cash deposits

Credit risk From balances with banks and financial institutions are managed by maintaining the balances with highly reputed Commercial banks only.

37.3 Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. A material and sustained shortfall in the cash flow could undermine the Company's credit rating, impair investor confidence and also restrict the Company's ability to raise funds.

The Company maintains a cautious funding strategy to mitigate the liquidity risk. The Company's Finance Department regularly monitors the liquidity position to ensure it has sufficient liquidity on going basis to meet the operational needs. The Company monitors its risk to a shortage of funds on regular basis through cash forecast.

The Company maintains a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. Access to sources of funding is sufficient.

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