



BALEPHI
HYDROPOWER LTD.



10th & 11th Annual General Meeting

संचालक समिति



उमेश कसजु
अध्यक्ष



सुलभ अग्रवाल
संचालक



सुशिल गुप्ता
संचालक



शक्ति कुमार गोल्यान
संचालक



सन्दिप कुमार शारडा
संचालक



साकार पोखरेल
कम्पनी सचिव

पुस्तिकामा समाविष्ट सामाग्रीहरु

क्र. स. विवरण	पृष्ठ
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वलेफी हाइड्रोपावर लि.

(कम्पनी ऐन, २०६३ बमोजिम स्थापित संस्था)

म.न.पा.वडा नं.१२, काठमाडौं फोन नं.०१-५९०५००३/९८५१२७४७२८

Website: www.balephihydro.com

Email: info.balephi@gmail.com

दशौ र एघारौ वार्षिक साधारण सभा सम्बन्धी सूचना

श्री शेयरधनी महानुभावहरु,

यस कम्पनीको मिति २०८०/०५/२४ गते बसेको संचालक समितिको बैठकको निर्णयानुसार यस वलेफी हाइड्रोपावर लि.को दशौ र एघारौ वार्षिक साधारण सभा निम्न लिखित मिति, स्थान र समयमा देहायका विषयहरु उपर छलफल गरी पारित गर्ने भएकोले सम्पूर्ण शेयरधनी महानुभावहरुमा जानकारीको लागि यो सूचना प्रकाशित गरीएको छ।

वार्षिक साधारण सभा हुने मिति, समय र स्थान:

मिति : २०८०/०६/१८ (तदनुसार **Oct 5th, 2023**)

समय: विहान ११:३० बजे।

स्थान : आम्नापाल ब्याङ्केट, नक्साल भाटभटेनी नजिकै, काठमाण्डौं।

छलफलका विषयहरु:

क) सामान्य प्रस्तावहरु:

१. संचालक समितिको तर्फबाट अध्यक्षज्यूले पेश गर्नु हुने आ.व.२०७७/०७८ र २०७८/०७९ को वार्षिक प्रतिवेदन उपर छलफल गरी पारित गर्ने सम्बन्धमा।
२. यस कम्पनीको लेखापरिक्षकको प्रतिवेदन सहितको आ.व. २०७७/०७८ र २०७८/०७९ को वार्षिक वित्तीय विवरण आषाढ मसान्त २०७८ र आषाढ मसान्त २०७९ मा समाप्त भएको वर्षको वासलात, आ.व.२०७७/०७८ र २०७८/०७९ को नाफा नोक्सान हिसाब र सोही अवधिको नगद प्रवाह विवरण, इक्युटिमा भएको परिवर्तन सम्बन्धी विवरण लगाएत वार्षिक वित्तीय विवरणसंग सम्बद्ध अनुसूचीहरु) उपर छलफल गरी पारित गर्ने सम्बन्धमा।
३. कम्पनी ऐनको दफा १११ बमोजिम यस कम्पनीको आर्थिक वर्ष २०७९/०८० का लागि लेखापरिक्षण गर्न लेखापरिक्षक नियुक्ति गर्ने र निजको पारिश्रमिक तोक्ने सम्बन्धमा।
४. संचालक समितिको पुर्नगठन तथा सर्वसाधारण र स्वतन्त्र संचालकको नियुक्ति गर्ने सम्बन्धमा।

ख) विशेष प्रस्ताव:

१. कम्पनीको पुँजी वृद्धि गर्ने सम्बन्धमा।
२. कम्पनीको ठेगाना परिवर्तन सम्बन्धमा।
३. कम्पनीले १:१ को अनुपातमा हकप्रद शेयर निष्काशन गर्ने सम्बन्धमा।
४. कर्जा सिमा वृद्धिको स्विकृति गर्ने सम्बन्धमा।

ग) विविध :

१. सर्वसाधारणको वार्षिक साधारण सभा प्रयोजनको लागि मिति २०८०/०६/०५(तदनुसार २०२३/०९/२२) गतेका दिन कम्पनीको शेयरधनी दर्ता किताब बन्द गरीसकेको छ। नेपाल स्टक एक्स्चेन्ज लिमिटेडमा मिति २०८०/०६/०५(तदनुसार २०२३/०९/२२) गते सम्म कारोबार भई शेयर खरिद गरी आफ्नो नाममा शेयर नामसारी भई आएका शेयरधीहरु सो सभामा भाग लिन योग्य रहनेछन्।
२. वार्षिक साधारण सभामा भाग लिन आउनुहुने शेयरधनी महानुभावहरुले आफ्नो परिचय खुल्ने सक्कल प्रमाण तथा हितग्राही खाता खोली शेयर अभौतिकरण गरीएको विवरण देखिने Demat Account Statement वा शेयर प्रमाण पत्र साथमा लिई आउन हुन अनुरोध छ, अन्यथा सभा कक्ष भित्र प्रवेश गर्न पाइने छैन।
३. सम्पूर्ण शेयरधनी महानुभावहरुको जानकारीको लागि कम्पनीको संक्षिप्त आर्थिक विवरण यसै साथ प्रकाशित गरीएको छ। आर्थिक विवरण लगायतका वार्षिक साधारण सभामा पेश हुने सम्पूर्ण प्रस्तावहरु तथा साधारण सभा सम्बन्धी अन्य जानकारीको लागि कम्पनीको web site: www.balephihydro.com मा पनि हेर्न सक्नुहुने छ।
४. सभामा आफु उपस्थित नभई प्रतिनिधि नियुक्त गर्न चाहने शेयरधनी महानुभावहरुले सभा सुरु हुने समय भन्दा कम्तीमा ४८ घण्टा अगावै यस कम्पनीको केन्द्रिय कार्यालयमा प्रोक्सी फारम दर्ता गरी सक्नुपर्ने छ। सभामा भाग लिन र मतदान गर्नका लागि प्रतिनिधि नियुक्त गरीसकेपछि उक्त प्रतिनिधि बदर गरी अर्को प्रतिनिधि मुकुरर गर्ने भएमा सो को लिखित सुचना सोही अवधि भित्र कम्पनीको रजिष्ट्रार कार्यालयमा दर्ता गरीसक्नु पर्नेछ। यसरी प्रतिनिधि (प्रोक्सी) नियुक्त गरीएको व्यक्ति समेत कम्पनीको शेयरधनी हुनुपर्दछ।
५. संरक्षक रहनुभएका शेयरधनी महानुभावहरुका तर्फबाट कम्पनीको शेयर लगत किताबमा संरक्षकको रुपमा नाम दर्ता भएको व्यक्तिले, संयुक्त रुपमा 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 प्रतिनिधिहरुले शेयरधनीको हैसियतले सभामा भाग लिन र मतदान गर्न 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 रुपमा दिनुपर्नेछ। तर त्यसलाई पारित गनुपर्ने प्रस्तावको रुपमा राखिने छैन।
७. शान्ति सुरक्षाको दृष्टिकोणले साधारण सभामा उपस्थित हुने शेयरधनी महानुभावहरुलाई यथाशक्य भोला नल्याउनु हुन अनुरोध छ। सभाको सुरक्षाका लागि खटिएका सुरक्षाकर्मीहरुले शेयरधनी महानुभावहरु लगाएत सभाकक्षमा प्रवेश गर्ने सबै को भोला र शरीर जाच गर्न सक्ने भएको हुँदा सो कार्यमा सहयोग गरीदिनुहुन अनुरोध छ।
८. निर्वाचन र अन्य आवश्यक जानकारीको लागि यस कम्पनीको केन्द्रिय कार्यालय का.म.न.पा. वडा नं.१२, टेकु, काठमाण्डां वा फोन ९८५१२७४७२८ मा सम्पर्क राख्नु हुन अनुरोध गरीन्छ।

सञ्चालक समितिको आज्ञाले,

कम्पनी सचिव



वलेफी हाइड्रोपावर लिमिटेड

काठमाण्डौ, फोन नं. ०१-५९०५००३/४, Email: info.balephi@gmail.com

कम्पनी ऐन २०६३ को दफा ७१ सँग सम्बन्धित

प्रतिनीधि (प्रोक्सी) नियुक्त गर्ने फारम

श्री वलेफी हाइड्रोपावर लिमिटेड,
काठमाण्डौ, 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 आश्विन महिनाको १८ गते का दिन हुने कम्पनीको १० औं र
११ 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

काठमाण्डौ, फोन नं. ०१-५९०५००३/४

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 महानुभावहरु,

वलेफी हाईड्रोपावर लिमिटेडको १० औं र ११ औं सम्पुक्त वार्षिक साधारण सभामा आफ्नो अमूल्य समय दिएर उपस्थित हुनु भएका सम्पूर्ण आदरणीय शेयरधनी महानुभावहरु, सञ्चालक समितिका सदस्यहरु, नियामक निकायबाट पाल्नु भएका प्रतिनिधिहरु, 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।

- आयोजना निर्माणको क्रममा कोभिड-१९ जस्तो अनपेक्षित माहामारीको कारण आयोजना निर्माण संचालनमा अवरोध सृजना भएको अवस्थामा आयोजना निर्माणलाई प्राथमिकतामा राख्नु परेको कारण साधारणसभा जस्तो महत्वपूर्ण कार्य समयमा गर्न असमर्थ रहेको यथार्थ याहाँहरुलाई जानकारी गराउँन चाहान्छु।
- नेपालमा जलविद्युत आयोजनाहरुको खोजी, निर्माण तथा सञ्चालन गरेर विद्युतको माग परिपूर्ती गर्न सहयोग गर्ने हेतुले विक्रम सम्वत् २०६८ साल फाल्गुण ३० मा प्रा.लि.को रुपमा स्थापित यस वलेफी हाईड्रोपावर 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 विकास र प्रवर्द्धनको बाह्रौं बर्षमा यात्रा गरीरहेको छ।
- वि.सं. २०७९ आषाढ मसान्त सम्ममा यस कम्पनीमा कुल १,६९,४५५ जना शेयरधनी र प्रवर्द्धकहरु भएको र जस मध्ये अधिकांश शेयरधनी महानुभावहरुले आफ्नो शेयरलाई अभौतिकीकरण गरी सक्नु भएको छ भने केहि शेयर धनी महानुभावहरुले अभौतिकीकरण गर्न बाँकी रहेको देखिन्छ। तसर्थ शेयर अभौतिकीकरण गर्न बाँकी रहनुभएका शेयरधनी महानुभावहरुलाई छिट्टै शेयर अभौतिकीकरण गरी दिनुहुन हार्दिक अनुरोध गर्दछु।
- वलेफी हाईड्रोपावर लिमिटेड, निजी क्षेत्रबाट जलविद्युतको विकास तथा प्रवर्द्धन 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 सम्वत् २०७९ साल मंसिर ६ गते देखि व्यवसायिक उत्पादन गरिरहेको छ। यस बाहेक हाल अरु कुनै थप आयोजनाहरु निर्माणको लागी सर्वेक्षण र अध्ययनमा नरहेको कुरा जानकारी गराउँदछु। भविष्यमा कुनै राम्रा आयोजनाहरु पहिचान तथा अध्ययन गरी राम्रो प्रतिफल आउने देखिएमा र अनुकूल वातावरण बनेमा अन्य आयोजनाहरुमा लगानी गर्न सकिने कुराको समेत जानकारी गराउँदछु।

आदरणीय शेयरधनी महानुभावहरु,

- आर्थिक वर्ष २०७८/७९ मा आयोजना निर्माणको चरणमा रहेकाले विद्युत बिक्री तथा अन्य आमदानी नरहेको व्यहोरा यहाँहरुलाई अवगत गराउँछु। आयोजना निर्माण लागत यस आर्थिक वर्ष को शुरुमा ७०२.३१ करोड भएको र यस आर्थिक वर्षमा थप रु. १०६.२० करोड गरि यस आ.व को अन्त्य सम्ममा जम्मा रु. ८०८.५१ करोड पूँजिगत लागत भएको जानकारी गराउँदछु र यस बाहेक आयोजना सम्पन्न गर्नका लागी थप लागत लाग्ने र सो को पुरा विवरण आगामी बर्षको प्रतिवेदनमा पेश गरीने व्यहोराको जानकारी गराउँदछु। साथै यस आर्थिक वर्ष २०७८/७९ मा जम्मा प्रशासनिक खर्च रु. १.३८ करोड भइ जम्मा संचित नोक्सानी रकम रु १०.९० करोड रहन गएको जानकारी गराउँदछु।
- यस आयोजनाको निर्माणमा शुरुवाती चरणमा तय गरीएको लागतमा विविध कारणले बृद्धि हुन गएको छ। त्यसमा मुख्यतय कोभिड-१९ को कारण आयोजना निर्माण अवधि बढ्न गई थप निर्माण अवधिमा लागेको बैंकको व्याज तथा कृण सम्भौताको समयमा ८.२५% रहेको व्याजदर बढेर १२.५०% सम्म पुग्न जादा आयोजनाको लागतमा ठुलै बृद्धि हुन गएको छ।

साथै यस आयोजनाको सुरुवाती Design मा ४२७० मी. सुरुङ्ग र Outlet / Inlet मात्र प्रस्ताव गरीएकोमा कठिन भौगोलिक अवस्थाका कारण सन्तोषजनक प्रगति हुन नसकि पुन अध्ययन गर्दा करिब २००० मी.को लम्वाईमा Adit Tunnel, र थप २३२ मी. सुरुङ्ग प्रस्ताव हुँदा सोका लागी पहुँचमार्ग निर्माण, जग्गा

व्यवस्थापन, Camp निर्माण, मेशिन उपकरणको व्यवस्था, विद्युत आपूर्ति व्यवस्था साथै सुरुङ्गको व्यास ३.९० मि. रहेकोमा सुरुङ्गमा पानीको उच्च बहावबाट हुन सक्ने क्षतीबाट सुरुङ्गको थप सुरक्षाको लागि ४० से. मि. Excavation Line बढाउँदा लागत वृद्धि हुन गएको छ ।

निर्माणको शुरुवाती चरणमा De-sander लगाएतको संरचना वलेफी खोलाको दायां भागमा प्रस्ताव गरीएकोमा पुन भौगोलिक अध्ययन गर्दा पहिरो तथा भरनाको कारण सो प्रस्ताव उपयुक्त नदेखि वलेफी खोलाको बायां भागमा De-sander निर्माण गरीएको छ र सोका कारण Plumb Concreting गरी De-sander Base तयारी गर्नु पर्दा र Syphon लगायतका थप संरचना निर्माण गर्नु पर्दा लागत वृद्धि हुन गएको छ ।

साथै सुरुङ्गको बचाउका लागि सुरुङ्ग भित्र २३० मी. Steel Lining थप गर्नु परेको कारण समेत लागतमा वृद्धि हुन गएको छ । Penstock alignment मा Geological Investigation गर्दा Surface Pipe राख्न उपयुक्त नदेखि ४६ मी. गहिरो तथा ७० मी. लामो Vertical Shaft Tunneling थप गर्दा समेत लागतमा वृद्धि हुन गएको छ । मिति २०७७/३/२६ मा Headwork लाई असर पर्ने गरी Headwork संगै रहेको खोल्सामा ठूलो पहिरो आई निर्माण भइरहेको Intake / Undersluice मा क्षति भई निर्माण लागत वृद्धि हुन गएको छ ।

Weir Construction को समयमा कोभिड-१९ का कारण काम बन्द गर्नु परेकाले ८ मी. निर्माण हुन बाँकी रहेको Weir २ वर्ष पछि जम्मा २३ मी. निर्माण गर्नु पर्ने अवस्थामा पुगेको तथा संरचनाहरूको सुरक्षाको लागि खोला किनाराका संरचनाहरूमा थप लगानी गर्नुपरेकाले लागत वृद्धि हुन गएको छ ।

२०७९ सालको महाभुकम्प जस्तो विषम परिस्थितिमा आयोजना सुरु भई पंहुचमार्ग, विद्युत मार्ग निर्माण तथा सर्वेक्षणको कार्य सुचारु गरी आयोजना निर्माण, आयोजनाले बनाएको पंहुचमार्ग बाटै महिना चलन नसक्ने अवस्था रहेको, विद्युत मार्ग आफै लगातपनी आयोजनाको धेरै जसो काम जेनेरेटर प्रयोग गरी निर्माण गर्नुपरेकाले समेत आयोजनको लागत बढ्न गएको छ ।

- व्यापारिक उत्पादन भए देखि आजको दिन सम्म अयोजना सामान्य रुपमा संचालनमा रहेको कुरा जानकारी गराउँदछु र अगामि आर्थिक वर्षहरूमा लाभान्वित बाड्ने गरि काम गर्ने प्रतिबद्धता गर्दछु । यस कम्पनी नेपालको एक शसक्त जलविद्युत विकास कम्पनी बन्नेमा म शेयरधनी महानुभावहरूलाई थप विश्वास दिलाउन चाहान्छु । साथै आउँदा आर्थिक वर्षमा कम्पनीको आम्दानी वृद्धि भई प्रतिशेयर आम्दानी उच्च रहि कम्पनीको शेयरको मूल्य बढ्ने विश्वास लिएको छु ।
- आ. व. २०७८/७९ को वासताल, नाफा-नोकसान हिसाब, नगद प्रवाह विवरण लगायत लेखापरीक्षकबाट पेश गरिएको प्रतिवेदन तथा संचालक समितिको वार्षिक प्रतिवेदन यस अधि नै अध्ययनका लागि यहाँहरु समक्ष उपलब्ध गराई सकिएकोले अनुमोदनका लागि प्रस्तुत गर्न चाहान्छु । कम्पनिको उन्नति, प्रगती र व्यवसायिक सफलतामा यस कम्पनीका शेयरधनी तथा शुभचिन्तकहरूको ठोस, रचनात्मक सल्लाह सुझावको महत्वपूर्ण भूमिका रहने हुदाँ याहाहरूबाट प्राप्त हुने अमूल्य सल्लाह, सुझावलाई कम्पनिले सदाभै मार्गदर्शनका रुपमा लिई अगाडि बढ्नेछ र त्यस्ता सल्लाह सुझाव तथा प्रतिक्रियाहरूको सदैव अपेक्षा गर्दछौं ।
- अन्त्यमा, कम्पनीलाई आजको यस अवस्थामा पुर्‍याउन सहयोग गर्नु हुने शेयरधनी महानुभावहरू, वित्तिय सहयोग गर्ने ग्लोबल आएम्‌डि बैंक लि., एभरेष्ट बैंक लि., सानिमा बैंक लि., राष्ट्रिय वाणिज्य बैंक र शेयर निस्काशनमा सहयोग गर्ने ग्लोबल आएम्‌डि 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 भएको मा सम्पूर्ण शेयरधनी महानुभावहरूलाई धन्यवाद दिदै सञ्चालक समितिद्वारा प्रस्तुत प्रतिवेदन माथि छलफल गरी अनुमोदनको लागि प्रस्तुत गर्दछु ।

धन्यवाद ।

उमेश कसजु
(अध्यक्ष)

बलेफी हाइड्रोपावर लिमिटेडको

१० र ११ औं वार्षिक साधारण सभामा

सञ्चालक समितिको तर्फबाट प्रस्तुत

कम्पनी ऐन, २०६३ को दफा १०९ उपदफा (४) बमोजिमको वार्षिक प्रतिवेदन

आर्थिक वर्ष २०७७/७८ र २०७८/७९

आदरणीय शेयरधनी महानुभावहरू,

बलेफी हाइड्रोपावर लिमिटेडको यस १० औं र ११ औं वार्षिक साधारण सभामा म यहाँहरूलाई हार्दिक स्वागत गर्न चाहान्छु। म यस गरिमामय सभामा सञ्चालक समितिको तर्फबाट आर्थिक वर्ष २०७७/७८ र २०७८/७९ 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. २०७७/७८ को आर्थिक कारोबारको सिंहावलोकन:

आ.व. २०७८/७९ मा कम्पनीले निर्माण गरि रहेको माथिल्लो बलेफि-ए जलविद्युत आयोजना (३६ मे. वा.) को आ.व. २०७७/८० मा सपन्न गरी व्यापारिक उत्पादन शुरु गर्ने लक्ष्य सहित निर्माण द्रुत गतिमा सञ्चालन भएको जानकारी गराउँछौ र सो अनुरूप आ.व. २०७९/८० मा मिति २०७९/०८/०६ गते देखि व्यापारिक उत्पादन शुरु गर्न सफल भएको व्यहोराको समेत जानकारी गराउँदछौ। कम्पनीको यस आर्थिक वर्षको आर्थिक गतिविधिहरू बुँदागत रूपमा तल प्रस्तुत गरेका छौ।

(क) आम्दानी तथा खर्चको तुलनात्मक विवरण:

विवरण	आ.व.	आ.व.
	२०७८/७९	२०७७/७८
विद्युत विक्रीबाट आम्दानी	०	०
जम्मा आम्दानी	०	०
प्रशासकिय खर्च	१,१६,०२,२६१।७६	३०,९७,४८४।००
ह्रास कटौती खर्च	२१९,४१५.३	३१६८४१९
जम्मा खर्च	(१३७९६४१४।७६)	(६२६५९०३)
आयकर कटौती गर्ने अधिको नाफा	(१३७९६४१४।७६)	(६२,६५,९०३।००)
आय कर	०	०
खुद मुनाफा	(१३७९६४१४।७६)	(६२,६५,९०३।००)
शेयर संख्या	१,८२,७९,७०,०००।००	१,४६,२३,७६,०००।००
प्रतिशेयर आम्दानी	(०।९३)	(०।४३)

तलिका नं १

(ख) कम्पनीको शेयरपूँजी, ऋण तथा सञ्चित मुनाफा:

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

यस आ.व. २०७८/७९ को अन्त्यमा चुक्ता शेयर पूँजी रु. १,८२,७९,७०,०००/- र सञ्चित नोक्सान रु १०,९०,२०,८४९।७६/- रहेको छ भने दिर्घकालिन बैंक ऋण रु ६,०९,३१,१५,६२२।९२ रहेको छ।

विवरण	आ.व.	आ.व.
	२०७८/७९	२०७७/७८
कम्पनिको चुक्ता पूँजी	१,८२,७९,७०,०००।००	१,४६,२३,७६,०००।००
दिर्घकालिन बैंक ऋण	६,०७,८६,२५,६२२।६७	५,७६,८५,५३,११९।००
अल्पकालिन बैंक ऋण	१,४४,९०००।००	०
सञ्चित नोक्सान	(१०,९०,२०,८४९।७६)	(९,५२,२४,४३५।००)

तलिका नं २

(ग) कम्पनीको शेयरको बजार मूल्य:

यस कम्पनीको शेयर आ.ब. २०७८÷७९ मा मिति २०७९।०२।१० गते नेप्सेमा सुचिकृत भई BHL नामबाट निरन्तर रुपमा शेयर कारोबार भईराखेको छ। सुचिकृत भई कारोबार सुचारु भएपश्चात कम्पनीको शेयर मूल्य आ.ब. २०७८/७९ को अन्त्यमा २४४।७ मा बन्द भएको थियो त्यस पश्चात भएको कारोबारमा कम्पनीको शेयर मूल्य न्युनतम रु. १९२.७० (मिती २०८०।०५।२४) देखि अधिकतम रु. ३९४।७० (मिती २०७९।१०।२५) सम्ममा कारोबार भएको छ।

(घ) कम्पनीको लगानी सम्बन्धमा:

माथिल्लो बलेफी-ए जलविद्युत आयोजना (३६ मे.वा.) यस कम्पनीको पहिलो आयोजना रहेको र सो आयोजना केही महिना अगाडी 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 प्रतिकूलताहरु जस्तै मुद्रास्फीति, विदेशी मुद्राको मूल्यमा हुने वृद्धि, अन्तराष्ट्रिय मूल्यस्तरमा वृद्धि आदी कारणहरुले आयोजनाको निर्माणका लागि आवश्यक पर्ने विभिन्न यन्त्र उपकरण, पार्टपूजा लगायत निर्माण सामग्री, प्राविधिक परामर्श सेवा आदीको मूल्यमा हुने परिवर्तनले आयोजनाको लागत बढ्न जाने देखिन्छ।

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 रु ९०३.०० करोडको लागतमा सम्पन्न भएको छ। जसमा कम्पनीले रु १८२.७९ करोडको स्वपूँजी परिचालन गरेको छ भने रु ६७४ करोड ऋण पूँजीको परिचालन गरिएको छ र बाँकि रकम संथापकहरुबाट 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 महामारी 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 सुचारु राखि आयोजनाको निर्माण कार्य सम्पन्न गरेको छ। कोभिड-१९ को कारणले गर्दा सृजना भएको विषम परिस्थिती र निर्माण सामग्रीको मूल्यमा आएको वृद्धि तथा अन्य विभिन्न कारणले गर्दा आयोजनाको निर्माण लागत केहि बढ्न गएको छ। यस विषम परिस्थितीमा समेत आयोजनाको निर्माण कार्यलाई सुचारु राखी आयोजनाको निर्माण सम्पन्न गर्न सहयोग गर्नु हुने कर्मचारी, परामर्शदाता, ठेकेदार, सप्लायर्स, बैंक लगायत आयोजना निर्माणमा सहयोग गर्नुहुने अन्य सम्पूर्ण साथीहरुलाई विशेष धन्यवाद ज्ञापन गर्न चाहन्छौं।

आयोजनाको लागत पूर्ती गर्न हकप्रदक शेयर जारी गर्नु परेकोले मिति २०८०/०४÷०२ मा सञ्चालक समितिले निर्णय गरे अनुसार यस आ.ब.को साधारण सभामा पेश गरि आगामी आर्थिक वर्षमा १:१ को अनुपातमा हकप्रद शेयर जारी गरिने।

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 रुपमा 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 अभै बलियो तुल्याउन कम्पनी सदैव सजग रहनेछ।

५. सञ्चालक समितिमा भएको हेरफेर र सोको कारण

कम्पनीको नियमावली अनुसार यस कम्पनीमा ४ वर्षको कार्यकालका लागि ७ जना संचालकहरु रहने व्यवस्था छ। संस्थापक समुहबाट ५ जना, खुल्लाबाट १ जना, र १ जना स्वतन्त्र गरि ७ जना सञ्चालकहरु रहने व्यवस्था छ। वर्तमान सञ्चालकहरुको विवरण निम्नानुसार तालिका नं. ३ मा प्रस्तुत गरिएको छ। यस वार्षिक साधारण सभाबाट स्वतन्त्र १ जना र खुल्ला तर्फबाट १ जना नयाँ सदस्यहरुको लागि निर्वाचन हुनेछ।

क्र. सं.	संचालकको नाम	पद	हेरफेर
१.	उमेश कसाजु	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	

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 मूल्य बृद्धि, बैकको व्याजदरमा हुने बृद्धि, विदेशी विनिमय दरमा हुने परिवर्तन, सामाजिक अवरोधहरु तथा भविष्यमा आउन सक्ने अप्रत्यासित कारणहरुले 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 तर प्रमुख लेखापरीक्षण मुद्दामा केहि बुँदाहरु राखिएकोमा सो बुँदाहरु वित्तिय तथा आर्थिक विवरण तयार पर्ने मापदण्ड NAS(Nepal Accounting Standard) बाट NFRS(Nepal Financial Reporting Standard) मा परिवर्तन गर्दा आएको विषयहरुलाई सम्बोधन गर्न राखिएको।

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 द्रुत गतिमा अघि बढिराखेको र आजको दिन सम्ममा सो आयोजनाको निर्माण सम्पन्न भएर सामान्य रुपमा 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 कारोबारहरु वा महत्वपूर्ण परिवर्तन नरहेको।

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

त्यस्तो जानकारी छैन।

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

सञ्चालक तथा पदाधिकारीहरुले लिएको शेयरको स्वामित्वको विवरण।

क्र. स.	संचालक तथा उच्चपदाधिकारीको नाम	पद	शेयर संख्या	कैफियत
१	उमेश कसाजु	अध्यक्ष	१२,६८,८४२.००	
२	सुलभ अग्रवाल	संचालक	२६,६८,८३६.००	
३	सन्दिप कुमार शारडा	संचालक	२०,७३,५६४.००	
४	शक्ति कुमार गोल्यान	संचालक	२२,९३,८३६.००	
५	सुशिल गुप्ता	संचालक	२५,५९,१५८.००	
६	राजन धिताल	प्रमुख कार्यकारी अधिकृत	७,०००.००	
	जम्मा		१,०८,७१,२३६.००	

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

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

विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्झौताहरुमा 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 गतिविधी(लाई अझ उत्तरदायी र पारदर्शी बनाउनको लागि विगत वर्षहरुमा भै आ.व. 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.व. २०७८/७९ मा कम्पनीको व्यवस्थापन खर्च रु. ९४,८८,५३२/- (अक्षरेपी चौरानब्बे लाख अठ्ठासि हजार पाँच सय बत्तिस) रहेको छ भने कर्मचारी खर्च रु. २१,१३,७२९/- (अक्षरेपी एकाइस लाख तेह्र हजार सात सय उनर्नतिस रुपैया) रहेको छ । यस आ.व. २०७८/७९ को व्यवस्थापन खर्च र आयोजना सञ्चालन खर्चको विवरण यसै प्रतिवेदनमा उल्लेख भएको लेखा परीक्षण प्रतिवेदनको यसै प्रतिवेदन साथ पेस गरिएको छ ।

१८. लेखापरीक्षण समितिका सदस्यहरुको नामावली, निजहरुले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारवाहीको 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. २०७८/७९ को लागि यस समितिमा निम्न महानुभावहरुको प्रतिनिधित्व रहेको छ ।

१. श्री सुलभ अग्रवाल	संयोजक
२. श्री अनिल चौधरी	सदस्य
३. श्री साकार पोखरेल	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. २०७८/०७९ मा कम्पनीका सञ्चालक एवं पदाधिकारीहरूलाई प्रदान गरिएको पारिश्रमिक, भत्ता तथा सुविधाको हकमा अध्यक्ष श्री उमेश कसाजुलाई रु ९,८२,७५०/-, सञ्चालक श्री सुशिल गुप्तालाई रु ९,८२,७५०/- र प्रमुख कार्यकारी अधिकृत राजन धिताललाई रु १९,६२,८९३ /- पारिश्रमिक प्रदान गरीएको यस बाहेका अन्य सञ्चालकहरू लाई कुनैपनि सुविधाहरू दिने नगरेको जानकारी गराउदछौ ।

२१. शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम

यस आ.व. सम्ममा यस कम्पनीले निर्माण गरेको आयोजनाको निर्माण समेत समाप्त नभएको र अन्य सहायक कम्पनीमा लगानी तथा अन्य आम्दानी नरहेकाले हालसम्ममा कुनैपनि लाभांश 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 उत्तरदायित्वः

आ.व. २०७९/८० मा यस कम्पनीले निर्माण गरि सञ्चालनमा रहेको माथिल्लो बलेफी-ए जलविद्युत 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 कम्पनिको मुनाफा आर्जन भएको अवस्थामा प्रचलित कानून बमोजिम सामाजिक उत्तरदायित्वको व्यवस्था गर्नुपर्नेमा सो व्यवस्था अनुसार सामाजिक 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 ज्ञापनः

म यस गरिमामय सभाबाट यस कम्पनी प्रति शेयरधनी 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 चाहन्छु । 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 चाहन्छु ।

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

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 32, 2079, Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity & Statement of Cash Flows for the year ended Ashad 32, 2079, 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 32, 2079, 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
Useful life of Property, Plant and Equipment: Post adoption of NFRS, the Company has changed method of depreciation from Written Down Value (WDV) method to Straight Line Method (SLM). Given the judgment used for assessing useful life and its significant impact to the Financial Statement, this is a key audit matter. Depreciation on Property, Plant and Equipment other than Freehold Land is provided on “Straight Line Method (SLM)” based on Useful Life estimated by technical expert of the management. The Assets Useful Life are reviewed at the reporting date and the effect of any changes in estimates are accounted for on a prospective basis.	Our principal audit procedures performed, among other procedures, included the following: 1. We obtained understanding of the management’s processes for assessing the useful life of PPE. 2. We carried out testing of management’s control over assessing the useful life of PPE. 3. We tested the basis of useful life. 4. We verified the technical evaluation done by management while assessing the useful life of PPE. 5. Assessed the accounting principles applied by the Company to estimate useful life in accordance with the Nepal Financial Reporting Standards and ensured adequacy of disclosures.
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: 01/09/2023

UDIN No.: 230901CA00676M2TVD

CA Ankit Tayal

Partner

Balephi Hydropower Ltd.

STATEMENT OF FINANCIAL POSITION

As at 16th July 2022 (Ashad 32, 2079)

Amount in NPR

Restated

Particulars	Note	As at Ashad 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Assets				
Non Current Assets				
Property, Plant and Equipment	4	50,51,375.00	72,30,728.00	97,57,501.00
Intangible assets	5	-	14,800.00	5,04,446.00
Intangible Assets Under Construction	5.1	8,08,51,48,161.69	7,02,31,92,131.00	5,44,12,48,663.21
Financial Assets		-	-	-
Other financial assets	6	-	-	-
Deferred tax Assets (Net)	15	-	-	-
Total Non Current Assets		8,09,01,99,536.69	7,03,04,37,659.00	5,45,15,10,610.21
Current Assets				
Inventories	7	-	-	-
Financial Assets				
Trade receivables	8	-	-	-
Cash & Cash Equivalents	9	4,15,31,432.57	2,07,81,994.00	1,49,79,560.00
Other financial assets	10	1,24,85,318.90	1,47,95,931.00	2,52,03,551.00
Other Current Assets	11	23,40,26,556.22	49,75,64,522.00	38,28,60,756.79
Current Tax Assets (Net)	12	-	-	-
Total Current Assets		28,80,43,307.69	53,31,42,447.00	42,30,43,867.79
Total Assets		8,37,82,42,844.38	7,56,35,80,106.00	5,87,45,54,478.00
Equity and Liabilities				
Liabilities				
Non Current Liabilities				
Financial Liabilities				
Borrowings	13	6,07,86,25,622.67	5,76,85,53,119.00	4,13,33,57,926.00
Other financial liabilities	14	-	3,80,99,763.00	2,82,44,646.00
Deferred tax liabilities (Net)	15	-	-	-
Total Non Current Liabilities		6,07,86,25,622.67	5,80,66,52,882.00	4,16,16,02,572.00
Current Liabilities				
Financial Liabilities				
Borrowings	16	1,44,90,000.00	-	-
Trade payable	17	-	-	-
Other financial liabilities	18	55,59,06,323.66	37,50,09,691.00	32,17,43,012.00
Other Current Liabilities	19	1,02,71,747.81	1,47,65,968.00	1,77,91,426.00
Current Tax Liabilities (Net)	12	-	-	-
Provisions	20	-	-	-
Total Current Liabilities		58,06,68,071.47	38,97,75,659.00	33,95,34,438.00
Total liabilities		6,65,92,93,694.14	6,19,64,28,541.00	4,50,11,37,010.00
Equity				
Share Capital	21	1,82,79,70,000.00	1,46,23,76,000.00	1,46,23,76,000.00
Other Equity	22	(10,90,20,849.76)	(9,52,24,435.00)	(8,89,58,532.00)
Total equity		1,71,89,49,150.24	1,36,71,51,565.00	1,37,34,17,468.00
Total equity and liabilities		8,37,82,42,844.38	7,56,35,80,106.00	5,87,45,54,478.00

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: 2023 Sep 01

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 2022 (Ashad 32, 2079)

Amount in NPR

Particulars	Note	For the year ended Ashad 32, 2079	For the year ended Ashad 31, 2078
Revenue from Operations	23	-	-
Cost of Sales	24	-	-
Generation Expenses	24.1	-	-
Distribution Expenses	24.2	-	-
Gross Profit		-	-
Other Income	25	-	-
Other Non Operating Expenses	26	-	-
Administrative & Other Expenses	27	(1,16,02,261.76)	(30,97,484.00)
Profit/(Loss) Before Interest & Tax		(1,16,02,261.76)	(30,97,484.00)
Finance Costs	29	-	-
Depreciation		(21,94,153.00)	(31,68,419.00)
Profit/(Loss) Before Tax		(1,37,96,414.76)	(62,65,903.00)
Income Tax Expense	30		
Current Tax			
Previous Year's Tax			
Deferred Tax Income/ (Expense)			
Profit/(Loss) for the year		(1,37,96,414.76)	(62,65,903.00)
Earnings Per Share (EPS)			
Basic EPS (Rs)		(0.93)	(0.43)
Diluted EPS (Rs)		(0.93)	(0.43)

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: 2023 Sep 01

Balephi Hydropower Ltd.
Statement of Cash Flow
For the year ended 16th July 2022 (Ashad 32, 2079)

Amount in NPR

Particulars		For the year ended Ashad 32, 2079	For the year ended Ashad 31, 2078
A Cash Flow from Operating Activities:			
Profit before Income Tax		(1,37,96,414.76)	(62,65,903.00)
Adjustments for Non Cash Items:			
Depreciation & Amortization		21,94,153.00	31,68,419.00
Adjustments for non operating items: -			
Interest Expenses		-	-
Prior period tax		-	-
Loss/(Profit) on Sale of assets		-	-
Interest Income		-	-
Investment Income		-	-
Operating profit before changes to receivables and payables		(1,16,02,261.76)	(30,97,484.00)
(Increase)/Decrease in Trade & Other Receivables		26,58,48,577.88	(10,42,96,145.21)
(Decrease)/Increase in Current Liabilities		19,08,92,412.47	5,02,41,221.00
(Increase)/Decrease in Non-Current Assets		-	-
(Decrease)/Increase in Non-Current Liabilities		(3,80,99,763.00)	98,55,117.00
Cash Generated from Operations		40,70,38,965.59	(4,72,97,291.21)
Income Tax		-	-
Net Cash Inflow from Operating Activities		40,70,38,965.59	(4,72,97,291.21)
B Cash Flow from Investing Activities :			
Proceeds from disposal of property and equipment		-	-
Purchase of property and equipment and intangible assets		-	(1,52,000.00)
(Increase)/Decrease in Project Work-In-Progress		(1,06,19,56,030.69)	(1,58,19,43,467.79)
Change in Investment Disposal/(Addition)		-	-
Investment Income		-	-
Net Cash Used in Investing Activities		(1,06,19,56,030.69)	(1,58,20,95,467.79)
C Cash Flow from Financing Activities :			
Issue of Share Capital		36,55,94,000.00	-
Increase / (Decrease) Share Application Money		-	-
Increase / (Decrease) in Long Term Loan		31,00,72,503.67	1,63,51,95,193.00
Interest paid		-	-
Dividends paid		-	-
Net Cash Flow From Financing Activities		67,56,66,503.67	1,63,51,95,193.00
Net Increase in cash & cash equivalents	A+B+C	2,07,49,438.57	58,02,434.00
Opening Cash & Cash Equivalents		2,07,81,994.00	1,49,79,560.00
Closing Cash & Cash Equivalents		4,15,31,432.57	2,07,81,994.00

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: 2023 Sep 01

Balephi Hydropower Ltd.
Statement of Changes in Equity
For the year ended 16th July 2022 (Ashad 32, 2079)

Amount in NPR

Particulars	Equity Share Capital	Share Application Money	Revaluation Reserve	Retained Earnings	Total
Opening As at Shrawan 1, 2077					
At start of year	1,46,23,76,000.00	-	-	(8,89,58,532.00)	1,37,34,17,468.00
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, 2077	1,46,23,76,000.00	-	-	(8,89,58,532.00)	1,37,34,17,468.00
Profit for the year	-	-	-	(62,65,903.00)	(62,65,903.00)
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	1,46,23,76,000.00	-	-	(9,52,24,435.00)	1,36,71,51,565.00
Transactions with owners:	-	-	-	-	-
Dividend declared (Proposed Last Year)	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-
Final Dividend Paid - Ordinary Shares	-	-	-	-	-
Interim Dividend Paid - Ordinary Shares	-	-	-	-	-
Balance as at Ashad 31, 2078	1,46,23,76,000.00	-	-	(9,52,24,435.00)	1,36,71,51,565.00
For the Year 2078-79					
At start of year	1,46,23,76,000.00	-	-	(9,52,24,435.00)	1,36,71,51,565.00
Profit for the year	-	-	-	(1,37,96,414.76)	(1,37,96,414.76)
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	36,55,94,000.00	-	-	-	36,55,94,000.00
Balance as at Ashad 32, 2079	1,82,79,70,000.00	-	-	(10,90,20,849.76)	1,71,89,49,150.24

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: 2023 Sep 01

Balephi Hydropower Ltd.
Statement of Other Comprehensive Income
For the year ended 16th July 2022 (Ashad 32, 2079)

Amount in NPR

Particulars	Note	For the year ended Ashad 32, 2079	For the year ended Ashad 31, 2078
Profit for the year		(1,37,96,414.76)	(62,65,903.00)
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		(1,37,96,414.76)	(62,65,903.00)

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: 2023 Sep 01

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

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 being 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 2073/04/12 to 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 01 Sep 2023.

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

2.2 Reporting period and approval of financial statements

The Company has, for the preparation of financial statements, adopted the NFRS pronounced by ASB with effect from FY 2077/078. To comply the NFRS provisions following dates have been considered, in terms of first-time adoption.

Relevant Financial Statement	Nepalese Calendar	English Calendar
Opening NFRS SFP* date	1 Shrawan 2077	17th July, 2020
Comparative SFP* Date	1 Shrawan 2078	16th July, 2021
Comparative reporting period	1 Shrawan 2077 - 31 Ashad 2078	16th July 2020-15th July 2021
First NFRS SFP* Date	32 Ashad 2079	16th July, 2022
First NFRS reporting period	1 Shrawan 2078 - 32 Ashad 2079	16th July 2021-16th July 2022

*SFP- Statement of Financial Position

2.3 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.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

2.4 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.

2.5 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.

2.6 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).

2.7 Reporting Pronouncements

The Company has, for the preparation of financial statements, partially 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:

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

2.7.1 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.

2.8 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 I 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.

2.9 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 32, 2079

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

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 32, 2079

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 32, 2079

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.

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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.

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3.7 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.

3.8 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 Department of Electricity Development (DoED).

(b) Other Income

- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- Insurance claims are accounted for on acceptance or to the extent amount have been received.
- 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.

3.9 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	Depreciation rate under
	under SLM Method	Diminishing Balance
		Method (Previous Year)
Furniture and Fixtures	3-8 Years	25%
Computer and IT Equipments	3-5 Years	25%
Office Equipment	3-5 Years	25%
Vehicles	5-10 Years	20%
Plant and Machinery	4-8 Years	15%

AS Per Earlier GAAP, Depreciation had been charged under Written value Method. However for the FY 2077-78, due to adoption of NFRS, Depreciation has been charged as per useful life as estimated by management.

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) Effect of Change in Depreciation Method in Existing Assets:

During the fiscal year, the Company has changed its method of depreciation from the Written Down Method (WDV) into Straight Line method based on useful life of the assets. Due to change in estimate of useful life of assets, adjustment of previous years and excess depreciation of F.Y 2077-78 of amount Rs. 2,190,564/- is charged to SPL.

D) 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.

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 and shown as Capital Work in Progress account (CWIP).

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3.10 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
Computer Software	5 years

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 will also be a part of Intangible assets as per IFRCI 12 upon of 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).

3.11 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.

3.12 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 equity 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 assets 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 through 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.

3.13 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 assets or liabilities have not been recognized since the company is entitled to tax holiday of 10 years after CoD. Similarly, Deferred tax assets have not been recognised for carry forward of tax losses as management estimates that it is not probable that future taxable profit will be available against which unused tax losses can be utilised due to tax holiday as such losses can be carried forward for only 7 years.

3.14 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.

Cost of finished goods includes the cost of raw materials, direct labor and appropriate proportion of fixed and variable production overheads incurred in bringing the inventory to their present location and condition. Inventories of Raw material are carried at Cost.

In determining the cost of Raw materials and Trading goods First In First Out (FIFO) method is used. Cost of inventory comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities), cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Finished Goods and Semi-Finished Goods are carried at the Weighted average cost.

In determining the cost of consumables, stores and spares First In First Out (FIFO) method is used.

Scraps/wastages are carried at their Net realizable value.

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3.15 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.

3.16 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.

3.17 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.

3.18 Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences and other terminal 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.

3.19 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

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- 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:

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.

3.20 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.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

3.21 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.

3.22 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.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

Amount in NPR

4 Property, Plant & Equipments (PPE)

The changes in the carrying value of Property, Plant & Equipments (PPE) for the year ended Asadh 32, 2079, Asadh 31, 2078 and Asadh 31, 2077 are as follows:

Particulars	Land & Land Development	Buildings	Plant & Machinery	Office Equipments	Furniture & Fixtures	Vehicles	Computer & Accessories	Total
Cost:								
As on Shrawan 1, 2077	-	-	58,255.00	4,26,199.00	5,13,025.00	78,32,032.00	9,27,990.00	97,57,501.00
Addition during the Year								
Acquisition	-	-	-	-	-	-	1,52,000.00	1,52,000.00
Capitalization	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-	-	-
Balance as on Ashad end 2078	-	-	58,255.00	4,26,199.00	5,13,025.00	78,32,032.00	10,79,990.00	99,09,501.00
Addition during the Year								
Acquisition	-	-	-	-	-	-	-	-
Capitalization	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-	-	-
Balance as on Ashad end 2079	-	-	58,255.00	4,26,199.00	5,13,025.00	78,32,032.00	10,79,990.00	99,09,501.00
Depreciation & Impairment								
As on Shrawan 1, 2077	-	-	-	-	-	-	-	-
Adjustment/Revaluation	-	-	-	-	-	-	-	-
Restated opening as on Shrawan 1, 2077	-	-	-	-	-	-	-	-
Depreciation charge for the Year	-	-	29,128.00	1,46,815.00	5,13,025.00	16,78,864.00	3,10,941.00	26,78,773.00
Impairment for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-
As on Ashad end 2078	-	-	29,128.00	1,46,815.00	5,13,025.00	16,78,864.00	3,10,941.00	26,78,773.00
Depreciation charge for the Year	-	-	29,127.00	1,39,032.00	-	16,51,984.00	3,59,210.00	21,79,353.00
Impairment for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-
As on Ashad end 2079	-	-	58,255.00	2,85,847.00	5,13,025.00	33,30,848.00	6,70,151.00	48,58,126.00
Net Book Value								
As on Ashad end 2077	-	-	58,255.00	4,26,199.00	5,13,025.00	78,32,032.00	9,27,990.00	97,57,501.00
As on Ashad end 2078	-	-	29,127.00	2,79,384.00	-	61,53,168.00	7,69,049.00	72,30,728.00
As on Ashad end 2079	-	-	-	1,40,352.00	-	45,01,184.00	4,09,839.00	50,51,375.00

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

* Disposal of Assets has been done at book value.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

5 Intangible Assets

The changes in the carrying value of Intangible Assets for the year ended Asadh 31, 2077, Asadh 31, 2078 and Asadh 32, 2079 are as follows:

Particulars	Accounting Software	Leasehold Property
Cost:		
As on Shrawan 1, 2077	74,000.00	18,99,382.00
Addition during the Year	-	-
Acquisition	-	-
Capitalization	-	-
Disposal During the Year	-	-
Adjustment/Revaluation	-	-
Balance as on Ashad end 2078	74,000.00	18,99,382.00
Addition during the Year		
Acquisition	-	-
Capitalization	-	-
Disposal During the Year	-	-
Adjustment/Revaluation	-	-
Balance as on Ashad end 2079	74,000.00	18,99,382.00
Amortisation and impairment losses		
As on Shrawan 1, 2077	44,400.00	14,24,536.00
Amortization charge for the Year	14,800.00	4,74,846.00
Impairment for the Year	-	-
Disposals	-	-
Adjustment	-	-
As on Ashad end 2078	59,200.00	18,99,382.00
Amortization charge for the Year	14,800.00	-
Impairment for the Year	-	-
Disposals	-	-
Adjustment		
As on Ashad end 2079	74,000.00	18,99,382.00
Net Book Value		
As on Ashad end 2077	29,600.00	4,74,846.00
As on Ashad end 2078	14,800.00	-
As on Ashad end 2079	-	-

Balephi Hydropower Ltd.

Significant Accounting Policies and Notes to Financial Statements

For the year ended Ashad 32, 2079

5.1 Intangible Assets Under Construction

The changes in the carrying value of capital work-in-progress for the year ended Ashad 32, 2079, Ashad 31, 2078 and Shravan 1, 2077 are as follows:

Particulars	Balance as at Shrawan 1, 2077	Addition	Balance as at Ashad end 2078	Addition	Balance as at Ashad end 2079
Civil of Project	2,45,04,26,817.00	71,55,56,826.00	3,16,59,83,643.00	19,27,77,685.14	3,35,87,61,328.14
Electromechanical Works	65,12,10,767.00	24,13,58,929.00	89,25,69,696.00	6,05,39,093.17	95,31,08,789.17
Financial Cost	68,32,23,244.00	41,16,57,915.00	1,09,48,81,159.00	53,83,78,997.06	1,63,32,60,156.06
Hydro Mechanical Works	28,61,20,276.00	11,00,14,622.00	39,61,34,898.00	1,60,16,600.06	41,21,51,498.06
PPA Pre PPA and Pre Feasibility Expenses	11,50,85,388.00	-	11,50,85,388.00	13,50,00,000.00	25,00,85,388.00
Project Operating Cost	77,26,76,749.21	2,72,95,671.79	79,99,72,421.00	6,79,91,250.19	86,79,63,671.19
Project Supervision/Management	25,90,28,766.00	7,60,59,504.00	33,50,88,270.00	5,48,52,406.70	38,99,40,676.70
Civil Equipments & Others	22,34,76,656.00	-	22,34,76,656.00	(36,00,001.63)	21,98,76,654.37
Total	5,44,12,48,663.21	1,58,19,43,467.79	7,02,31,92,131.00	1,06,19,56,030.69	8,08,51,48,161.69

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

6 Other Non-Current financial assets

Amount in NPR

Particulars	As at Ashad 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Security Deposits:			
Total	-	-	-

7 Inventories

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

Amount in NPR

Particulars	As at Ashad 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
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 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Trade Receivable	-	-	-
Total	-	-	-

9 Cash and Cash Equivalents

Amount in NPR

Particulars	As at Ashad 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Cash In Hand (as certified)	72,76,754.69	67,13,966.00	53,05,280.00
<u>Balances with Banks - Current Accounts:</u>			
Everest Bank Limited	1,53,416.04	7,56,886.00	1,94,651.00
Nepal Bank Ltd.	43,504.00	43,504.00	43,504.00
Global IME Bank Ltd.	2,95,72,650.06	1,29,08,775.00	1,32,38,525.00
Sanima Bank Ltd.	44,82,107.78	1,27,624.00	2,84,411.00
Rastriya Banijya Bank Ltd.	3,000.00	2,34,403.00	5,000.00
	4,15,31,432.57	2,07,85,158.00	1,90,71,371.00
Less: Cheques Issued But Not Cleared	-	(3,164.00)	(40,91,811.00)
<u>Balances with Banks - Call Accounts:</u>			
Total	4,15,31,432.57	2,07,81,994.00	1,49,79,560.00

The stringing work for the transmission line was being carried out in a remote area around the balance sheet date. 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 32, 2079

10 Other Financial Assets

Amount in NPR

Particulars	As at Ashad 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Other Advances & Deposit			
Upper Balephi Hydropower Ltd.	45,66,970.50	37,66,971.00	22,66,971.00
Margin Deposits			
DOED Deposit	-	36,18,460.00	87,39,580.00
L/C Margin	73,05,848.40	32,57,000.00	91,48,500.00
NRB MARGIN	-	38,14,000.00	47,39,000.00
Bank Guarantee Margin	5,40,000.00	-	-
Other Deposits			
House Rent Deposit		2,72,000.00	2,72,000.00
Deposit	72,500.00	67,500.00	37,500.00
Total	1,24,85,318.90	1,47,95,931.00	2,52,03,551.00

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.

11 Other Current Assets

Amount in NPR

Particulars	As at Ashad 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Advance to Contractors/Vendors	5,95,70,561.69	26,11,27,397.00	16,60,55,463.79
Advance for Land	5,33,83,421.92	5,54,05,724.00	4,82,44,064.00
Advance Transmission Line	8,96,25,560.00	5,00,000.00	5,00,000.00
Deposit for Machines- Mizu Construction	-	1,71,40,000.00	1,71,40,000.00
Pre-Paid Insurance	1,31,87,707.57	48,94,771.00	18,03,378.79
Social Mitigation-Advance	66,04,320.00	1,64,27,352.00	25,67,163.00
Other Advances	83,47,058.19	13,80,68,640.00	14,43,41,857.21
Staff Advance	33,07,926.85	40,00,638.00	22,08,830.00
Total	23,40,26,556.22	49,75,64,522.00	38,28,60,756.79

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 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
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 32, 2079

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 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Secured Loans from Banks:			
Term Loans			
Everest Bank Limited	1,08,24,43,328.66	98,38,16,711.00	70,63,86,146.00
Global IME Bank Limited	2,33,49,59,544.83	2,10,67,75,465.00	1,02,65,01,206.00
Nepal SBI Bank Limited	-	-	51,96,82,688.00
Rastriya Banijya Bank Limited	48,91,62,652.84	48,51,26,927.00	36,60,28,175.00
Sanima Bank Limited	1,10,85,50,089.09	88,13,37,517.00	70,57,32,996.00
Bridge Gap Loans*			
Global IME Bank Limited-BG Loan	41,62,83,629.87	33,58,39,061.00	60,10,01,133.00
Bridge Gap Loan (IPO)-GBIME	-	40,42,90,283.00	20,24,42,000.00
Sanima Bank Ltd. (BGL)	35,47,16,377.38	47,60,48,225.00	55,83,582.00
Rastriya Banijya Bank Limited-BGL	10,70,00,000.00	-	-
Everest Bank Ltd.	20,00,00,000.00	9,53,18,930.00	-
Less: Current maturities (Refer Note No 15)	(1,44,90,000.00)	-	-
Total	6,07,86,25,622.67	5,76,85,53,119.00	4,13,33,57,926.00

* 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 . The participation structure of loan is below:

Amount in NPR

Consortium Member Banks	Fixed Term Loan-I	Fixed Term Loan-II	Fixed Term Loan-III	Fixed Term Loan-IV	Total Fixed Term Loan
Global IME Bank Ltd	1,15,00,00,000.00	41,80,00,000.00	70,00,00,000.00	20,00,00,000.00	2,46,80,00,000.00
Everest Bank Ltd.	95,00,00,000.00	21,50,00,000.00	-	-	1,16,50,00,000.00
Sanima Bank Ltd.	95,00,00,000.00	32,70,00,000.00	-	-	1,27,70,00,000.00
Rastriya Banijya Bank Ltd	50,00,00,000.00	-	-	-	50,00,00,000.00
Total	3,55,00,00,000.00	96,00,00,000.00	70,00,00,000.00	20,00,00,000.00	5,41,00,00,000.00

(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 32, 2079

(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 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Retention Money Payable	-	3,80,99,763.00	2,82,44,646.00
Total	-	3,80,99,763.00	2,82,44,646.00

15 Deferred Income Tax

Amount in NPR

Particulars	As at Ashad 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Deferred Tax Asset	-	-	-
Deferred Tax Liability	-	-	-
Net Deferred Tax Asset/ (Liability)	-	-	-
Net Changes	-	-	(6,19,623.00)
Deferred Tax charged in OCI	-	-	-
Deferred Tax charged in SPL	-	-	(6,19,623.00)
Deferred Tax charged directly in Equity due to change in estimate of the life of asset	-	-	-
Deferred tax Assets:			
Recognized in profit or loss	-	-	-
Recognized in OCI	-	-	-
Recognized in Equity	-	-	-
Deferred tax Assets at the end of year	-	-	-
Deferred tax liability:			
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 32, 2079

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 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Secured Loans from Banks			
Working Capital Loan	-	-	-
TR Loans	-	-	-
Bank Overdraft	-	-	-
Add: Current maturities of Non-Current Borrowings (Refer Note No 13)	1,44,90,000.00	-	-
Total	1,44,90,000.00	-	-

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 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Sundry Payables	-	-	-
Total	-	-	-

18 Other Financial Liabilities

Amount in NPR

Particulars	As at Ashad 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Audit Fee Payable	5,57,500.00	4,46,000.00	2,23,000.00
Construction and Procurement Payable	39,25,70,436.11	35,80,35,512.00	30,60,22,009.00
Labour Wages Payable	26,26,261.00	12,27,734.00	17,11,451.00
Advance from Directors	12,91,57,391.39	-	-
Salaries Payable	1,90,53,971.70	1,53,00,445.00	1,37,86,155.00
Other Payables	1,19,40,763.46	-	397.00
Total	55,59,06,323.66	37,50,09,691.00	32,17,43,012.00

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

19 Other Current Liabilities

Amount in NPR

Particulars	As at Ashad 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Provision for Expenses			
Statutory Dues:			
- TDS/Withholding taxes	1,00,10,747.81	1,47,65,968.00	1,76,67,426.00
- CIT	2,61,000.00	-	1,24,000.00
Total	1,02,71,747.81	1,47,65,968.00	1,77,91,426.00

20 Provisions

Amount in NPR

Particulars	As at Ashad 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Provision for CSR			
Closing Balance	-	-	-

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

20.1 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.

20.2 Non- Current Provisions

Amount in NPR

Particulars	As at Ashad 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
I. Provision for employee benefits			
Provision for Leave Encashment			
Opening Balance	-	-	-
Addition	-	-	-
Adjustment	-	-	-
Closing Balance	-	-	-

20.3 Provisions - Current

Particulars	As at Ashad 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Provision for Bonus			
Opening Balance	-	-	-
Addition	-	-	-
Payment	-	-	-
Closing Balance	-	-	-
Provision for Corporate Social Responsibility			
Opening Balance	-	-	-
Addition	-	-	-
Payment	-	-	-
Closing Balance	-	-	-
Total	-	-	-

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

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 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Authorised Capital 2,40,00,000 Equity Shares of Rs 100. Each	2,40,00,00,000.00	2,40,00,00,000.00	2,40,00,00,000.00
	-		
	2,40,00,00,000.00	2,40,00,00,000.00	2,40,00,00,000.00
Issued Capital 2,40,00,000 Equity Shares of Rs 100. Each	2,40,00,00,000.00	2,40,00,00,000.00	2,40,00,00,000.00
	2,40,00,00,000.00	2,40,00,00,000.00	2,40,00,00,000.00
Subscribed and fully Paid-up 1,82,79,700 Equity Shares of Rs. 100/- each 1,46,23,760 Equity Shares of Rs. 100/- each	1,82,79,70,000.00 - -	- 1,46,23,76,000.00 -	- 1,46,23,76,000.00 -
Total	1,82,79,70,000.00	1,46,23,76,000.00	1,46,23,76,000.00

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

Particulars	As at Ashad 32, 2079		As at Ashad 31, 2078		As at Shrawan 1, 2077	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the year	1,46,23,760	1,46,23,76,000	1,46,23,760	1,46,23,76,000	1,46,23,760	1,46,23,76,000
Add: Shares issued during the year (IPO)	36,55,940	36,55,94,000	-	-	-	-
Balance as at the end of the year	1,82,79,700	1,82,79,70,000	1,46,23,760	1,46,23,76,000	1,46,23,760	1,46,23,76,000

21.2 Shareholding pattern of the company

Particulars	As at Ashad 32, 2079		As at Ashad 31, 2078		As at Shrawan 1, 2077	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Promoters	1,46,23,760	1,46,23,76,000	1,46,23,760	1,46,23,76,000	1,46,23,760	1,46,23,76,000
General Public	17,54,851	17,54,85,100	-	-	-	-
Project effected Local	18,27,970	18,27,97,000	-	-	-	-
Employees of the Company	73,119	73,11,900	-	-	-	-
Balance as at the end of the year	1,82,79,700	1,82,79,70,000	1,46,23,760	1,46,23,76,000	1,46,23,760	1,46,23,76,000

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.

21.4 Initial Public Offering (IPO):

During the year, the company has completed its Initial Public Offering (IPO) of Equity Shares amounting to Rs. 36,55,94,000/- comprising of 36,55,940 (No) of equity shares of Face Value Rs. 100/- each. These shares have been listed in the Nepal Stock Exchange (NEPSE) on 9th day of Jestha 2079 vide letter reference no. 1238/IPO/078/79 dated 2079/02/10. The company intends to utilise the proceeds of IPO towards settlement of "Bridge Gap Loan against IPO" and interest accrued on same. The shares held by the promoter, project affected local and employees are subject to lock in period of 3 years.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

22 Other Equity

22.1 Retained Earnings

Amount in NPR

Particulars	As at Ashad 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
Balance up to Last Year	(9,52,24,435.00)	(8,89,58,532.00)	(8,32,15,427.00)
Profits for the Year	(1,37,96,414.76)	(62,65,903.00)	(57,43,105.00)
Other Comprehensive Income for the Year		-	-
Provision for Gratuity NFRS Adjustment- Charged to Reserve	-	-	-
Deferred Tax charged directly in Equity due to change in estimate of Provision from Gratuity	-	-	-
Revaluation Reserve	-	-	-
Fixed Assets NFRS Adjustment - Charged off to Reserve		-	-
Deferred Tax adjustment directly in Equity due to change in estimate of the life of asset	-	-	-
Total Comprehensive Income	(10,90,20,849.76)	(9,52,24,435.00)	(8,89,58,532.00)
Less:			
Earlier Years' Tax	-	-	-
Earlier Years' Gratuity	-	-	-
Dividend Distribution			
Total	(10,90,20,849.76)	(9,52,24,435.00)	(8,89,58,532.00)

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

23 Revenue from Operations

Amount in NPR

Particulars	For the year ended Ashad 32, 2079	For the year ended Ashad 31, 2078
Electricity Sales to NEA	-	-
Total	-	-

24 Cost of Sales

24.1 Generation Expenses:

Amount in NPR

Particulars	For the year ended Ashad 32, 2079	For the year ended Ashad 31, 2078
Electricity Purchase		
Salaries and other employee cost		
Environment, Community & Mitigation		
Royalty		
Safety and Security		
Total		

24.2 Distribution Expenses:

Amount in NPR

Particulars	For the year ended Ashad 32, 2079	For the year ended Ashad 31, 2078
Transmission Line maintenance expenses		
Salaries and other employee cost		
Safety and Security		
Total		

25 Other Income

Amount in NPR

Particulars	For the year ended Ashad 32, 2079	For the year ended Ashad 31, 2078
Total	-	-

26 Other Non Operating Expenses

Amount in NPR

Particulars	For the year ended Ashad 32, 2079	For the year ended Ashad 31, 2078
Total	-	-

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

27 Administrative & Other Expenses

Amount in NPR

Particulars	For the year ended Ashad 32, 2079	For the year ended Ashad 31, 2078
Advertisement Expenses	20,170.50	86,445.00
Audit Fee Expenses	5,65,000.00	2,26,000.00
Communication and Internet Expenses	2,73,083.20	3,94,360.00
Fine & Penalty	-	2,86,876.00
Guest Expenses	1,48,177.24	2,88,637.00
IPO Expenses	38,46,442.82	2,50,000.00
Office Rent	45,02,222.00	14,00,000.00
Parking Charges	4,437.00	911.00
Staff Welfare Expenses	1,29,000.00	1,64,255.00
Staff Salary	21,13,729.00	-
Misc Expenses	-	-
Total	1,16,02,261.76	30,97,484.00

28 Depreciation and Amortization Expense

Amount in NPR

Particulars	For the year ended Ashad 32, 2079	For the year ended Ashad 31, 2078
Depreciation and Amortization - Tangible Assets	21,79,353.00	26,78,773.00
Depreciation and Amortization - Intangible Assets	14,800.00	4,89,646.00
	21,94,153.00	31,68,419.00
Less: Transferred to Cost of Sales		
Less: Transferred to Administrative & Other Expenses		
Less: Transferred to CWIP		
Total	21,94,153.00	31,68,419.00

29 Finance Cost

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 32, 2079	For the year ended Ashad 31, 2078
Interest on Long term loan		
Interest on Short term loan	-	-
	-	-
Less: Interest Capitalised		
Total	-	-

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 32, 2079

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 32, 2079	For the year ended Ashad 31, 2078
Current tax expense		
Provision for income tax	-	-
Previous year's tax	-	-
Total Current Tax Expense	-	-
Deferred Tax		
Origination and reversal of temporary differences	-	-
Recognition of previously unrecognized deferred tax assets	-	
Total Deferred Tax Expense / (Income)	-	-
Total Tax Expense for the Year	-	-

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

30.1 Reconciliation of tax expense and the accounting profit multiplied by Company's tax rate for 2077-78 and 2078-79:

Amount in NPR

Particulars	For the year ended Ashad 32, 2079	For the year ended Ashad 31, 2078
Profit before income tax	(1,37,96,414.76)	(62,65,903.00)
Effects on income tax of:		
Income not subject to income tax	-	-
Expenses (deductible)/ Not deductible for tax purposes	-	(8,26,50,756.00)
Brought forward Business loss as per Income Tax Act	-	-
Prior year under/(over) provision	-	-
Net effect	-	(8,26,50,756.00)
Taxable Income	(1,37,96,414.76)	(8,89,16,659.00)
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	-	21,90,564.00
(Allowed)/Disallowed Other Expenses	-	(8,48,41,320.00)
Disallowed finance cost	-	-
Disallowed Repairs and maintenance Expenses	-	-
Total	-	(8,26,50,756.00)
Prior year under/(over) provision		
Prior Period Expenses	-	-
Total	-	-
Tax	-	-

Tax on Taxable Income	For the year ended Ashad 32, 2079		For the year ended Ashad 31, 2078	
	Taxable Income	Tax Amount	Taxable Income	Tax Amount
Normal Income @ 25%	-	-	-	-
Hydropower Income @ 20%	-	-	-	-
Total Income	-	-	-	-

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

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 2076-77 : 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 32, 2079
Dividend on Ordinary Shares for the FY : 2077-78: Nil	-
Dividend on Ordinary Shares for the FY : 2078-79: 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 and Land. The tenure of lease is generally one to two years.

Particulars	For the year ended Ashad 32, 2079	For the year ended Ashad 31, 2078
Lease expense recognised in the statement of profit and loss for the year		

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 32, 2079	For the year ended Ashad 31, 2078
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 32, 2079	For the year ended Ashad 31, 2078
I. Net profit attributable to Shareholders for Basic	(1,37,96,414.76)	(62,65,903.00)
II. Net profit attributable to Shareholders for diluted	-	-
III. Weighted average number of Ordinary Shares for basic EPS	1,47,83,582.51	1,46,23,760.00
Effects of dilution:		
IV. Preference Shares outstanding for conversion	-	-
V. Weighted average number of ordinary shares adjusted for the effect of dilution	1,47,83,582.51	1,46,23,760.00
Basic earnings per ordinary share	(0.93)	(0.43)
Diluted earnings per ordinary share	(0.93)	(0.43)

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

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:

Particulars	Amount in NPR		
	As at Ashad 32, 2079	As at Ashad 31, 2078	As at Shrawan 1, 2077
(a) Contingent Liabilities			
(i) Bank Guarantees towards:			
EXIM Code	3,00,000.00	3,00,000.00	3,00,000.00
Power Purchase Agreement	2,16,00,000.00	2,16,00,000.00	2,16,00,000.00
Customs Department	-	7,00,00,000.00	7,00,00,000.00
(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 32, 2079	For the year ended Ashad 31, 2078
Gross amount required to be spent by the company during the year	-	-
Less: Amount spent by the company during the year	-	-
Short/(Excess)	-	-

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

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.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

38 First Time Adoption reconciliations and disclosures

NFRS 1 (First-time Adoption of Nepal Financials Reporting Standards) provides a suitable starting point for accounting in accordance with NFRS and is required to be mandatorily followed by first-time adopters.

The Company has prepared the opening Statement of Financial Position as per NFRS as of 1st Shrawan, 2077 (16 July, 2020) (the transition date) by:

- a) Recognizing all assets and liabilities whose recognition is required by NFRS,
- b) Derecognizing items of assets or liabilities which are not permitted by NFRS,
- c) Reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to NFRS as required under NFRS, and
- d) Applying NFRS in measurement of recognized assets and liabilities.

38.1 Significant changes from the policies adopted in the past

Significant changes from the accounting policies adopted under previous GAAP (erstwhile Nepal Accounting Standards) and the adoption of NFRS (partial) has been disclosed in the respective segments, including the impact. The detailed impact disclosure is given below.

Amount in NPR

38.2 Reconciliation of Equity

Particulars	Explanatory Notes *	As at Ashad 31, 2078	Opening As at Shrawan 1, 2077
Total equity (shareholders' funds) under previous GAAP		1,36,93,42,129.00	1,37,34,17,468.00
NFRS Adjustments:			
Depreciation adjustments		(21,90,564.00)	-
Change in Profit on sale of Asset		-	-
Change in Deferred Tax through SPL		-	-
Fixed Assets NFRS Adjustment - Charged off to Reserve		-	-
Deferred Tax charged directly in Equity due to change in temporary timing difference of assets & liabilities		-	-
Total Adjustment to Equity		(21,90,564.00)	-
Total Equity as per NFRS		1,36,71,51,565.00	1,37,34,17,468.00

38.3 Reconciliation of Profit or Loss

Amount in NPR

	Explanatory Notes *	For the Year 2077 -78
Profit as per previous GAAP		(40,75,339.00)
NFRS Adjustments:		
Deprecation Adjustment	1	(21,90,564.00)
Change in Profit on sale of Asset		-
Change in Deferred tax		-
Change in Finance Cost		-
Change in Foreign Exchange Gain/(Loss)		-
Provision for Gratuity		-
Total Adjustment to profit or loss		(21,90,564.00)
Profit or loss under NFRS**		(62,65,903.00)

Explanatory Notes *

- 1 Change in depreciation due to change in method of depreciation using estimate life of the asset on a straight line basis for NFRS implementation.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

38.4 Effect of NFRS adoption on the Statement of Financial Position

38.4.1 Effect of NFRS adoption for the Statement of Financial Position as at Ashad 31, 2078

Amount in NPR

Particulars	Explanatory Notes*	Previous GAAP	Cumulative Effect of Transition to NFRS	Amount as per NFRSs
Assets				
Non Current Assets				
Property, Plant and Equipment	1	13,62,01,419.00	(12,89,70,691.00)	72,30,728.00
Capital Work In Progress		6,89,64,26,804.00	12,67,65,327.00	7,02,31,92,131.00
Intangible assets	1	-	14,800.00	14,800.00
Total Non Current Assets		7,03,26,28,223.00	(21,90,564.00)	7,03,04,37,659.00
Current Assets				
Cash & Cash Equivalents		2,07,81,994.00	-	2,07,81,994.00
Other Financial Assets	2	-	1,47,95,931.00	1,47,95,931.00
Other Current Assets	2	51,23,60,453	(1,47,95,931.00)	49,75,64,522.00
Current Tax Assets (Net)		-	-	-
Total Current Assets		53,31,42,447.00	-	53,31,42,447.00
Total Assets		7,56,57,70,670.00	(21,90,564.00)	7,56,35,80,106.00
Liabilities				
Non Current Liabilities				
Borrowings	3	4,45,70,56,620.00	1,31,14,96,499.00	5,76,85,53,119.00
Other financial liabilities	4	-	3,80,99,763.00	3,80,99,763.00
Deferred tax liabilities		-	-	-
Other Non Current Liabilities	4	3,80,99,763.00	(3,80,99,763.00)	-
Total Non Current Liabilities		4,49,51,56,383.00	1,31,14,96,499.00	5,80,66,52,882.00
Current Liabilities				
Borrowings	3	1,31,14,96,499.00	(1,31,14,96,499.00)	-
Trade payable		35,80,35,512.00	(35,80,35,512.00)	-
Financial Liabilities	5	-	37,50,09,691.00	37,50,09,691.00
Other Current Liabilities	5	3,17,40,147.00	(1,69,74,179.00)	1,47,65,968.00
Total Current Liabilities		1,70,12,72,158.00	(1,31,14,96,499.00)	38,97,75,659.00
Total liabilities		6,19,64,28,541.00	-	6,19,64,28,541.00
Equity				
Share Capital		1,46,23,76,000.00	-	1,46,23,76,000.00
Other Equity		(9,30,33,871.00)	(21,90,564.00)	(9,52,24,435.00)
Total equity		1,36,93,42,129.00	(21,90,564.00)	1,36,71,51,565.00
Total liabilities and equity		7,56,57,70,670.00	(21,90,564.00)	7,56,35,80,106.00

Explanatory Notes *

- Fixed Assets has been reclassified as Property, Plant & Equipment, Capital work in progress and Intangible Assets as per NFRS presentation which was disclosed under previous GAAP as Fixed Assets.
- Advances & Deposits under previous GAAP have been reclassified as Other Financial Assets and other Current Assets as per their respective nature for NFRS presentation.
- Bridge Gap Loan under previous GAAP shown under Current Liabilities has been regrouped to Non-Current Borrowings.
- Other Non Current Liabilities under previous GAAP have been reclassified as Other Financial liabilities as per it's respective nature for NFRS presentation.
- Other Payables under previous GAAP have been reclassified as Financial liabilities and Other Current liabilities as per their respective nature for NFRS presentation.

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

38.4.2 Effect of NFRS adoption for the Statement of Financial Position as at Shrawan 1, 2077

Amount in NPR

Particulars	Explanatory Notes*	Previous GAAP	Cumulative Effect of Transition to NFRS	Amount as per NFRSs
Assets				
Non Current Assets				
Property, Plant and Equipment	1	16,12,40,456.00	(15,14,82,955.00)	97,57,501.00
Capital Work In Progress		5,29,02,70,154.21	15,09,78,509.00	5,44,12,48,663.21
Intangible assets	1	-	5,04,446.00	5,04,446.00
Other Financial Assets			-	-
Deferred tax assets			-	-
Total Non Current Assets		5,45,15,10,610.21	-	5,45,15,10,610.21
Current Assets				
Inventories		-	-	-
Trade receivables		-	-	-
Cash & Cash Equivalents		1,49,79,560.00	-	1,49,79,560.00
Other Financial Assets	2	-	2,52,03,551.00	2,52,03,551.00
Other Current Assets	2	40,80,64,307.79	(2,52,03,551.00)	38,28,60,756.79
Current Tax Assets (Net)			-	-
Total Current Assets		42,30,43,867.79	-	42,30,43,867.79
Total Assets		5,87,45,54,478.00	-	5,87,45,54,478.00
Liabilities				
Non Current Liabilities				
Borrowings	3	3,32,43,31,211.00	80,90,26,715.00	4,13,33,57,926.00
Other financial liabilities	4		2,82,44,646.00	2,82,44,646.00
Deferred tax liabilities		-	-	-
Other Non Current Liabilities	4	2,82,44,646.00	(2,82,44,646.00)	-
Total Non Current Liabilities		3,35,25,75,857.00	80,90,26,715.00	4,16,16,02,572.00
Current Liabilities				
Borrowings	3	80,90,26,715.00	(80,90,26,715.00)	-
Trade payable		30,60,22,009.00	(30,60,22,009.00)	-
Financial Liabilities	5	-	32,17,43,012.00	32,17,43,012.00
Other Current Liabilities	5	3,35,12,429.00	(1,57,21,003.00)	1,77,91,426.00
Current Tax Liabilities (Net)		-	-	-
Total Current Liabilities		1,14,85,61,153.00	(80,90,26,715.00)	33,95,34,438.00
Total liabilities		4,50,11,37,010.00	-	4,50,11,37,010.00
Equity				
Share Capital		1,46,23,76,000.00	-	1,46,23,76,000.00
Other Equity		(8,89,58,532.00)	-	(8,89,58,532.00)
Total equity		1,37,34,17,468.00	-	1,37,34,17,468.00
Total liabilities and equity		5,87,45,54,478.00	-	5,87,45,54,478.00

Balephi Hydropower Ltd.
Significant Accounting Policies and Notes to Financial Statements
For the year ended Ashad 32, 2079

Explanatory Notes *

- 1 Intangible Assets have been bifurcated from Property, Plant & Equipment and shown separately for NFRS presentation.
- 2 Advances & Deposits under previous GAAP have been reclassified as Other Financial Assets and other Current Assets as per their respective nature for NFRS presentation.
- 3 Bridge Gap Loan under previous GAAP shown under Current Liabilities has been regrouped to Non-Current Borrowings.
- 4 Other Non Current Liabilities under previous GAAP have been reclassified as Other Financial liabilities as per it's respective nature for NFRS presentation.
- 5 Other Payables under previous GAAP have been reclassified as Financial liabilities and Other Current liabilities as per their respective nature for NFRS presentation.

38.5 Effect of NFRS adoption on Statement of Profit or loss and other Comprehensive income

38.5.1 Effect of NFRSs adoption for Statement of Profit or loss and other Comprehensive income for the year ended Ashad 31, 2078:

Amount in NPR

Particulars	Explanatory Notes*	Previous GAAP	Effect of Transition to NFRS	Amount as Per NFRS
Revenue from Operations	1	-	-	-
Cost of Sales		-	-	-
Gross Profit		-	-	-
Other Income		-	-	-
Selling and Distribution Expenses		-	-	-
Administrative Expenses		(30,97,484.00)	-	(30,97,484.00)
Depreciation and Amortization Expense		(9,77,855.00)	(21,90,564.00)	(31,68,419.00)
Operating Profit		(40,75,339.00)	(21,90,564.00)	(62,65,903.00)
Finance costs		-	-	-
Profit Before Tax		(40,75,339.00)	(21,90,564.00)	(62,65,903.00)
Income tax expense		-	-	-
Provision for income tax		-	-	-
Previous years tax		-	-	-
Deferred tax income/(expense)		-	-	-
Profit for the year		(40,75,339.00)	(21,90,564.00)	(62,65,903.00)

Explanatory Notes*

- 1 Depreciation on fixed assets has changed because of change in rate (life) of depreciation as per NFRS presentation.

38.6 Effect of NFRS adoption on the Statement of Cash Flows

38.6.1 Effect of NFRS adoption on the Statement of Cash Flows for the year ended Ashad 31, 2078:

Amount in NPR

Particulars	Explanatory Notes*	Previous GAAP	Effect of Transition to NFRS	Amount as Per NFRS
Net Cash Flows from Operating Activities	1	45,51,72,492.79	(50,24,69,784.00)	(4,72,97,291.21)
Net Cash Flows from Investing Activities		(1,58,20,95,467.79)	-	(1,58,20,95,467.79)
Net Cash Flows from Financing Activities		1,13,27,25,409.00	50,24,69,784.00	1,63,51,95,193.00
Net increase/(decrease) in cash and cash Equivalents		58,02,434.00	-	58,02,434.00
Cash and Cash Equivalent at the beginning of the Period		1,49,79,560.00	-	1,49,79,560.00
Cash and Cash Equivalent at the end of the Period		2,07,81,994.00	-	2,07,81,994.00

Explanatory Notes*

- 1 Change in Net Cash Flows from Operating Activities is due to regrouping of Term Loan from Bridge Gap Loan.



BALEPHI
HYDROPOWER LTD.