माण्डु हाइड्रोपावर लिमिटेडको
दशवौं वार्षिक साधारण सभामा सञ्चालक समितिको तर्फबाट
अध्यक्ष श्री महेश्वर प्रकाश श्रेष्ठज्यूद्धारा प्रस्तुत

वार्षिक प्रतिवेदन

कम्पनी ऐन, २०६३ को दफा १०९ को उपदफा (४) बमोजिम सञ्चालक समितिको प्रतिवेदन आर्थिक वर्ष २०७७/०७८

यस कम्पनीको १०औ वार्षिक साधारणसभामा आफ्नो अमुल्य समय दिई पाल्नु भएका सबैमा उपस्थितिको लागी सञ्चालक समितिको तर्फबाट समेत हार्दिक स्वागत अभिवादन गर्दै,सम्पुर्ण शेयरधनी महानुभाव तथा यहाँहरुको आफन्तहरुमा सुस्वास्थयको कामना गर्दछु । आज यहाँहरु समक्ष आ.व. २०७७/७८ को वासलात, आय विवरण, नगद प्रवाह विवरण लगायतका वित्तिय विवरणहरु तथा लेखा परीक्षकको प्रतिवेदन अनुमोदनको लागि पेश गर्दै कम्पनीले आ.व. २०७७/०७८ मा प्राप्त गरेको उपलब्धि तथा कार्य नीति र आगामी वर्षमा गरिने कार्ययोजनाहरु यहाँहरु समक्ष कंम्पनी ऐन, २०६३ को व्यवस्था अनुसार तपशिल बमोजिमको विवरण पेश गरिएको छ ।

क) विगत वर्षहरुको कारोवारको सिंहावलोकन :

जलस्रोत हाम्रो देशको एक मात्र दिगो उर्जाको श्रोत भएको र यो सम्पदाको उचित विकास र सम्वर्द्धन गरी राष्ट्रमा उर्जाको खपत बढाउने र सो पुरा गरी बढी भएको विद्युत छिमेकी मुलुकहरु सँग व्यापार गर्ने राष्ट्रको निति रहेकोमा सोही अनुरुप जलविद्युत आयोजना निर्माण गर्दै राष्ट्र विकाशमा टेवा पुऱ्याउनु यस कम्पनीको प्रमुख लक्ष्य हो र त्यसै अनुरूप देशले हाल खेपिरहेको उर्जाको व्यापक समस्या तथा लोडसेडिङ्गको मार भोगिरहेको अवस्थालाई केही हदसम्म भएपनि कम गर्दै हामीले बागमती खोला साना जलविद्युत आयोजनाबाट २२ मेगावाट विद्युत उत्पादन गरी राष्ट्रिय प्रशारण लाईनमा आपूर्ति गरिरहेको व्यहोरा सर्वविदितै छ । यस कम्पनी अन्तर्गतको बागमती खोला साना जलविद्युत आयोजनाले २०७५ साल चैत्र महिनादेखि व्यापारिक उत्पादन शुरु गरी सफलतापुर्वक सञ्चालन भईरहेको छ ।

आ.व. २०७७/७८ मा आयोजनाको विद्युत उत्पादन र विक्रि विवरण निम्न बमोजिम छः

आर्थिक वर्ष	कन्टयाक्ट उर्जा (kWh)	कन्ट्रयाक्ट उर्जा वापतको रकम (रु.)	आपूर्ति गरिएको उर्जा (kWh)	उर्जा बिक्रिबाट आम्दानी (रु.)
२०७७/०७८	१२७,८४५,८५४	७११,९९५,८३८.०५	११७,२९०,५६८.१४	६४८,४०६,४१०।-
२०७६/७७	१२८,१५६,०२८	६९२,४८७,१०६.००	९८,३१३,६१२.८१	५४७,५८०,२८०।-
२०७५/७६	३७,९५७,८७१	१८७,५६४,६२२.८८	१८,१६८,६७३.३०	९२,५७६,४७३।-

आ.व.२०७७/०७८ ,२०७६/७७ तथा २०७५/७६ को तुलनात्मक वित्तिय स्थिति विवरण तल उल्लेख गरे बमोजिम रहेको छ ।

विवरण	२०७७/७८(रु.)	२०७६/७७ (रु.)	२०७५/७६ (रु.)
विक्रिबाट आम्दानी	६४८,४०६,४१०।-	५४७,५८०,२८०।-	९२,५७६,४७३।-
प्रशासन तथा अन्य सञ्चालन खर्च	१०७,७११,०७८।-	७९,०६०,६३३।-	२०,१३६,२८४
ह्रास कट्टी Depreciation	१३९,३५४,२६३।-	१३७,९८५,०७५।-	४,०५३,२००।-
सञ्चालन खर्च पछीको नाफा नोक्सान	४०१,३४१,०६९।-	३३०,५३४,५७२।-	२०,१३६,२८४।-
अन्य आम्दानी खर्च other income	-	८२,००१,२१६।-	
वित्त चार्ज Finance Charge	२३७,८६७,१३५।-	२९२,८६९,७९०।-	९३,६६२,२०७।-
ब्याज पछीको सञ्चालन नाफा/(नोक्सान)	१६३,४७३,९३३।-	११९,६६५,९९८।-	(६७,७९४,८८४।-)
कर्मचारी बोनस Staff bonus	३,२६९,४७९।-	२,३४६,३९२।-	
कर अघिको खुद नाफा/(नोक्सान)	**१६०,२०८,३७५।-**	११७,३१९,६०६।-	(६७,७९४,८८४।-)
आय कर खर्च	-	-	-
खुद नाफा/(नोक्सान)	१६०,२०४,४५५।-	११७,३१९,६०६।-	(६७,७९४,८८४)

नाफा/नोक्सान बाँडफाँड हिसाब

विवरण	२०७७/७८	२०७६/७७	२०७५/७६
गत वर्षको मौज्दात	४८,०६७,४०६।-	-	८९६,६५७।-
विगत वर्षहरुको हिसाब मिलान	-	(६७,७९४,८८४)	-
यस आर्थिक वर्षको नाफा/(नोक्सान)	१६०,२०४,४५५।-	११७,३१९,६०६ ।-	(६७,७९४,८८४)
लाभांश वितरण	(४८,०००,०००।-)		
जम्मा	**१६०,२७१,८६१**	४८,०६७,४०६।-	

आयोजना निर्माण सम्पन्न भई विद्युत विक्री थालिएको पहिलो वर्षदेखि नै सञ्चालन नाफामा भए पनि ह्रास कट्टि तथा व्याजको भार धेरै हुनाले शुरुको वर्षमा नाफा कम देखिएको छ । तर गत वर्ष विश्वव्यापी रुपमा फैलिएको COVID १९ ले गर्दा मेशिन मर्मत सम्भार गर्न समस्या परेको हुनाले तथा अत्यधिक वर्षा भई आयोजना वरपर धेरै नै सानो ठुलो पहिरो गएकाले बेलाबेलामा आयोजना बन्द गराई मेसिन मर्मत सम्भार गर्नुपरेकोले विद्युत उत्पादन कम भई विद्युत विक्रि वापतको आम्दानीमा कमी देखिन्छ । यस बर्ष पनी बिश्वव्यपी फैलिएको कोभिडको समस्या रही आएको र बिगत का समस्याहरु समाधान भएको जानकारी गराउदछु । आयोजना पूर्ण रुपमा प्राकृतिक स्रोतमा निर्भर हुने हुँदा उल्लेखित तथ्यांकले आगामी वर्षहरुको प्रक्षेपित आंकडाहरुले लगानीको प्रतिफल सुनिश्चितता र निरन्तरताको प्रत्याभूति गर्दछ ।

ख) राष्ट्रिय तथा अन्तराष्ट्रिय परिस्थितिबाट परेको असर :

शेयरधनी महानुभावहरु,

बागमती साना जलविद्युत आयोजनाको सन्दर्भमा हेर्दा जलविद्युत आयोजना पानीको वहावमा निर्भर हुने भएकोले अन्तराष्ट्रिय परिस्थितिबाट आयोजना सञ्चालनमा प्रत्यक्ष असर परेको छैन । कोभिड १९ को महामारीको रोकथामका लागि अपनाइएको राष्ट्रव्यापी लकडाउनका कारण कम्पनीको जलविद्युत आयोजनाको मर्मत सम्भारमा असर पर्न गई समग्र विद्युत उत्पादनमा असर परेको छ ।

ग) कम्पनीको भावी रणनिति र कार्य योजना सम्बन्धमा सञ्चालक समितिको धारणा :

विगतमा गर्दै आएको नियमित मर्मत सम्भार तथा दैनिक सञ्चलनका अलवा यस आयोजनाका विभिन्न प्रावधिक समस्याहरुको समाधान गर्दै आएको छ । बिगत बर्षायाममा आएको पहिरोले विद्युत उत्पादन समेत बन्द हुन पुगेकोमा सो पहिरोबाट पुनः क्षती हुन नदिन रोकथाम तथा सुरक्षणका कामहरु भैसकेको छ । आगामी दिनहरुमा यी कामहरुलाई निरन्तरता दिई सो आयोजना बाट अधिकतम विद्युत उत्पादन गरिनेछ । यस कम्पनीको उज्जल भविश्य सुनिश्चित गर्न थुपै महत्वपुर्ण कामहरुको शुरुवात पनी गछौ । ती मध्य केही महत्वपुर्ण कामहरु निम्नानुसार छन ।

क) यस आयोजनाको मर्मत सम्भार नियमित रुपमा गर्दै जाने ।

ख) यस आयोजनाको सञ्चालनमा थप Efficiency ल्याउने ।

ग) यस कम्पनीले बुझाउनु पर्ने बक्यौदाहरु नियमित गरी, सो लाई निरन्तरता दिने ।

घ) कर्मचारी व्यवस्थापन सृदृढ भएको छ, सो लाई निरन्तरता दिने ।

ङ) कम्पनीले बुझाउनु पर्ने विवरणहरू समयमा नै बुझाउनेछौ ।

घ) संस्थागत सामाजिक दायित्व :

संस्थागत सामाजिक दायित्व अन्तर्गत आयोजना निर्माण क्रममा कम्पनीले स्थानीय स्तरमा विकास निर्माण तथा स्थानीय जनताको आय आर्जन वृद्धि सम्बन्धी विभिन्न क्रियाकलापहरु गरेको छ र कम्पनीले यस कार्यलाई सदैव प्राथमिकतामा राखी आफ्ना कार्ययोजनाहरु थप गर्ने गरेको छ र यस कार्यलाई भविष्यमा समेत निरन्तर जारी राखिने छ ।

ङ) कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्धः

कम्पनीले आफ्नो उद्देश्य अनुसार कारोबार संचालन गर्न सम्बन्धित सबै निकाय तथा विभागहरु र सम्बद्ध सबै पक्षहरुसँग समन्वय तथा सुमधुर र सुदृढ सम्बन्ध कायम गरिरहन सफल भएको छ ।

च) सञ्चालक समितिमा भएको हेरफेर र सो को कारणः

सञ्चालक समितिमा कुनै हेरफेर भएको छैन । कम्पनी ऐन, २०६३ को दफा ८६(३) बमोजिम स्वतन्त्र सञ्चालकको नियुक्ती गर्न बाँकी रहेको छ ।

छ) कारोबारलाई असर पार्ने मुख्य कुराहरुः

हालको अवस्थामा कम्पनीले कुनै प्रतिस्पर्धी जोखिम व्यहोर्नुपर्ने स्थिति देखिदैन । कम्पनीले उत्पादन गर्ने विद्युतको कच्चा पदार्थ, अर्थात् खोलाको पानीको नियमित आपूर्तिमा भने हालका वर्षहरुमा देखिएको मौसमी बदलावको क्रम रहिरहे दीर्घकालीन रुपमा भने असर हुन सक्नेछ । त्यस्तैगरी बेला बखत आयोजनामा आईपर्ने बाढी, पहिरो अन्य प्रकृतिक प्रकोप तथा समय समयमा मेशिनहरुमा आइपर्ने समस्याबाट पनि आयोजनाको उत्पादन तथा कारोबारमा असर हुने गरेको छ ।

कोभिड १९ को महामारीको रोकथामका लागि अपनाइएको राष्ट्रव्यापी लकडाउनका कारण कम्पनीको जलविद्युत आयोजनाको मर्मत सम्भारमा असर परेको छ ।

ज) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिकृयाः

हाल कम्पनीको वित्तिय विवरण पूर्ण रुपमा NFRS को व्यवस्थामा रहेको हुँदा सो व्यहोराको कैफियत लेखापरिक्षण प्रतिवेदनमा उल्लेख भएको छ । यसका अतिरिक्त कम्पनीलाई असर पुग्ने गरी लेखापरिक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख गरिएको छैन ।

झ) लाभांश बाँडफाँड गर्न सिफारिश गरिएको विवरणः

मिति २०७८।०५।०२ गते बसेको सञ्चालक समितिको बैठकको निर्णयानुसार कम्पनीको हालको चुक्ता पूँजीको रु. १,२००,०००,०००- (एक अर्ब बीस करोड) को ११ (एघार प्रतिशत) ले हुन आउने रु. १३२,०००,०००।- (अक्षरुपी तेह्र करोड बीस लाख रुपैया मात्र) नगद लाभांश (कर सहित) दिने निर्णय गरी अनुमोदनको लागि यस वार्षिक साधारण सभामा प्रस्ताव पेश गर्ने निर्णय गरेको छ ।

ञ) जफत गरिएको शेयर सम्बन्धी विवरणः

छैन ।

ट) कम्पनीको सहायक कम्पनी सम्बन्धी विवरणः

यस कम्पनीको सहायक कम्पनी नभएको ।

ठ) सहायक कम्पनीसँग भएको कारोबारको विवरणः

यस कम्पनीको सहायक कम्पनी नभएको ।

ड) विगत आर्थिक वर्ष कम्पनीको आधारभूत शेयरधनीहरुले कम्पनीलाई उपलब्ध गराएको जानकारीः

कुनै जानकारी उपलब्ध गराएको छैन ।

ढ) विगत आर्थिक वर्षमा कम्पनीका शेयरधनीहरुले लिएको शेयर स्वामित्वको विवरण, सञ्चालक तथा पदाधिकारीहरु विवरण तथा निजहरुको संलग्नताः

१) आ.व. २०७७/७८ को अन्त सम्ममा यस कम्पनीका शेयरधनीहरुले लिएको शेयर स्वामित्व निम्न बमोजिम रहेको छ र निजहरु कम्पनीको शेयरको कारोबारमा संलग्न रहेको पाइएको छैन।

नाम, ठेगाना	शेयर संख्या
नाम: हिमालयन इन्फ्रास्ट्रक्चर फण्ड लि. **ठेगाना:** का.जि.का.म.न.पा. वडा नं. २८	१०५,४२२,७००
नाम: Sichuan Hechuan Investment Co. Ltd. **ठेगाना:** Jinniu District, Chengdu City, China	५८८,०००,०००
अन्य शेयरधनीहरु	५०६,५७७,३००

२) आ.व. २०७७/७८ को अन्त सम्ममा यस कम्पनीका सञ्चालक तथा पदाधिकारीहरु विवरण तथा निजहरुको संलग्नता:

नाम, थर	पद
नाम: श्री महेश्वर प्रकाश श्रेष्ठ (प्रतिनिधि, हिमालयन इन्फ्रास्ट्रक्चर फण्ड लि.)	अध्यक्ष
नाम: श्री सिवान्त बहादुर पाण्डे (प्रतिनिधि, हिमालयन इन्फ्रास्ट्रक्चर फण्ड लि.)	संचालक
नाम: Mr. Tian Jiayuan (प्रतिनिधि, Sichuan Hechuan Investment Co. Ltd..)	संचालक

ण) कम्पनीसँग सम्बन्धित सम्झौताहरुमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराईएको जानकारीको व्यहोरा:

यस प्रकारको जानकारी उपलब्ध नभएको ।

त) कम्पनीले आफ्नो शेयर आफैले खरिद गरेको विवरण:

हालसम्म कम्पनीले आफ्नो शेयर खरिद गरेको छैन ।

थ) आन्तरिक नियन्त्रण प्रणालीको विस्तृत विवरण:

कम्पनीले आफ्नो आन्तरिक नियन्त्रण प्रणालीलाई प्रभावकारी बनाउन एवं विभिन्न जोखिमहरू न्यूनीकरण गर्न समयानुकूल नीति निर्देशिकाहरु सञ्चालक समितिले पारित गरी लागू गर्ने छ । यसका लागि कम्पनी ऐन, २०६३ को प्रावधान बमोजिम कम्पनीका सञ्चालकको अध्यक्षतामा लेखापरीक्षक समिति गठन गरिएको छ । यसका अतिरिक्त प्रचलित ऐन, कानुन तथा सम्बन्धित विभाग तथा निकायहरुबाट प्राप्त निर्देशनहरु एवं लेखापरीक्षकको सुझाव अनुसार कार्य सम्पादन गरिंदै आइएको छ ।

द) गत वर्षको कुल व्यवस्थापन खर्चको विवरण:

कम्पनीको गत वर्षको कुल व्यवस्थापन खर्च निम्न बमोजिम रहेको छ ।

बिवरण	२०७७/०७८(रु.)	२०७६/७७ (रु.)
प्रशासन तथा अन्य संचालन खर्च	४,९६०,९७८।-	५,९०७,५९१।-

ध) 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 विवरणः

कम्पनी सूचीकृत नभएकाले लागु नहुने ।

न) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभुत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुराः

छैन ।

प) सञ्चालक, प्रबन्ध सञ्चालक, तथा पदाधिकारीहरुलाई आ.व. २०७७/७८ मा भूक्तानी गरिएको भत्ता तथा सुविधा रकम :

नाम	प्द	वार्षिक भत्ता रु.
श्री महेश्वर प्रकाश श्रेष्ठ	अध्यक्ष	-
श्री सिवान्त बहादुर पाण्डे	सञ्चालक	-
श्री Tian Jiayuan	सञ्चालक	-
श्री सुन्दर श्रेष्ठ	कम्पनी सचिव	-

- कम्पनीको सञ्चालक समितिको बैठक बस्दा सञ्चालकलाई बैठक भत्ता वापत प्रदान गरिएको छैन ।

फ) शेयरधनीहरुले बुझिलिन बाँकी रहेको लाभांशको रकम :

२५,३६३,६८४।-

ब) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको विवरण :

वित्तिय बिवरण अनुसार ।

भ) दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएको कारोबारको विवरण :

छैन ।

म) यस ऐन तथा प्रचलित कानुन बमोजिम सञ्चालक समितिको प्रतिवेदन खुलाउनु पर्ने अन्य कुनै कुराः

नभएको ।

य) अन्य आवश्यक कुराहरु:

१) मानव संशाधन व्यवस्था

शेयरधनी महानुभावहरु,

यस कम्पनीको आयोजनामा चौबिसै घण्टा निरन्तर विद्युत उत्पादन भईरहने हुनाले आयोजना स्थलमा आवश्यक दक्ष तथा अर्धदक्ष एवं अनुभवी कर्मचारीहरुको व्यवस्था गरिएको छ । त्यसै गरी प्रशासनिक तथा लेखा सम्बन्धी कार्यमा पनि अनुभवी र दक्ष जनशक्तिको व्यवस्था गरिएको छ ।

२) वित्तिय व्यवस्था तथा कर्जा भुक्तानी व्यवस्था:

यस जलविद्युत आयोजना निर्माणको लागि प्राईम कमर्सियल बैंक लि. को अगुवाइमा गठन भएको सहवित्तियकरण मार्फत परियोजना कर्जा लिई निर्माण सम्पन्न गरेको र विद्युत उत्पादन पश्चात नियमित रुपमा बैंकको साँवा समेत भुक्तानी गर्दे आएको छ । यस कम्पनीले गत वर्षहरुमा बैंकलाई बुझाएको कर्जाको साँवा तथा ब्याज निम्न अनुसार रहेको छ ।

विवरण	२०७७/७८ (रु.)	२०७६/७७ (रु.)	२०७५/७६ (रु.)
आ.व. शुरुको कर्जा मौज्दात	२,७५७,७००,०००।-	२,७८५,९६०,१०६	२,७८५,९६०,१०६
थप कर्जा	-	६,९८७,९०९	-
चालु आ.व. मा साँवा भुक्तानी	११०,०००,०००।-	३५,२४८,०१५	-
आ.व.अन्त्यमा बाँकी कर्जा मौज्दात	२,६४७,७००,०००।-	२७,५७,७००,०००	२,७८५,९६०,१०६
चालु आ.व. मा ब्याज भुक्तानी	२३५,१४९,२२८।-	२८९,९६५,१९६.१५	९२,८४७,२९९

यस परियोजना कर्जाको बाँकी रहेको कर्जा रकम २०८६ साल अषाढ मसान्त भित्र चुक्ता गरिसक्ने गरी भूक्तानी तालिका रहेकोले सोही बमोजिम कर्जा भूक्तानी गर्दै लगिनेछ । यसका साथै कम्पनीले यसै सहवित्तियकरणबाट चालु पूँजी व्यवस्थापन गर्न रु.दश करोड बराबरको स्वीकृत सीमा रहेको ओभरड्राफ्ट सुविधा लिएको छ

३. बीमा व्यवस्था:

यस कम्पनीको विद्युतगृह स्थल, विद्युतिय उपकरण तथा सिभिल संरचाना आदि सम्पतिको सबै किसिमको जोखिम व्यहोर्ने गरी कुल बिमांक रु.**दुई अर्ब उनन्चालिस करोड त्रिसठ्ठी लाख नौ सय पचास पैसा चौहत्तर मात्र** बराबरको बीमा गरिएको छ । सो बाहेक विद्युत उत्पादन कार्य ७ दिन भन्दा बढी दैवी प्रकोप वा अन्य कारणले बन्द भएमा सो बाट पर्ने व्यवसायिक क्षतिको समेत दाबी भुक्तानी पाउने गरी रु.**बहत्तर करोड त्रियानब्बे लाख बयालिस हजार बयालिस पैसा अठाइस मात्र** को Loss of Profit वीमा व्यवस्था गरिएको छ ।

यसका साथै कम्पनीमा कार्यरत कर्मचारीहरु तथा बहालवाला सञ्चालकहरुको सामूहिक दुर्घटना वीमा, COVID बिमा तथा आयोजना सम्बन्धित तेस्रो पक्ष वीमा समेत गरिएको छ ।

र) धन्यवाद ज्ञापन,

अन्त्यमा,

यस साधारण सभाको अवसरमा कम्पनिको सञ्चालक र कम्पनिले निर्माण गरेको बागमती खोला साना जलविद्युत आयोजनामा प्रत्यक्ष वा अप्रत्यक्षरुपमा निरन्तर सहयोग गरिरहनु भएका सम्पूर्ण सरकारी निकाय, गैर सरकारी निकाय र व्यक्तिहरुलाई कम्पनीको तर्फबाट आभार व्यक्त गर्न चाहान्छु । अन्त्यमा उपस्थित सम्पूर्ण शेयरधनी महानुभावहरुलाई कम्पनी र कम्पनीको सञ्चालक समिति प्रति देखाउनु भएको सहयोग, सद्भाव र अपार विश्वासलाई भविष्यमा पनि कायम राख्ने प्रतिवद्धता सहित धन्यवाद ज्ञापन गर्दै सञ्चालक समितिको तर्फबाट प्रस्तुत गरिएको आ.व. २०७७/०७८ को प्रतिवेदन माथि छलफल सहित अनुमोदनको लागि प्रस्तुत गर्दछु ।

धन्यवाद ।

.....

सञ्चालक समितिको तर्फबाट,

महेश्वर प्रकाश श्रेष्ठ

अध्यक्ष

Mandu Hydropower Limited

Kamaladi, Kathmandu

Statement of Financial Position

As at 31st Ashad 2078 (15th July 2021)

Particulars	*Note*	*As at 31st Ashad 2078*	*As at 31st Ashad 2077*
ASSETS			
Non-Current Assets			
Property, plant and equipment	*3.1*	5,299,774	7,654,169
Intangible assets	*3.2*	3,918,595,978	3,965,802,788
Other Non Current Assets	*3.4*	2,023,250	2,023,250
Total Non-Current Assets		**3,925,919,002**	**3,975,480,207**
Current Assets			
Inventories	*3.3*	15,339,705	451,448
Trade and Other Receivables	*3.5*	122,668,135	131,977,396
Other Current Assets	*3.4*	10,673,886	73,619,733
Cash and cash equivalents	*3.6*	14,616,263	3,135,845
Total Current Assets		**163,297,988**	**209,184,422**
TOTAL ASSETS		**4,089,216,990**	**4,184,664,629**
EQUITY AND LIABILITIES			
Equity			
Share capital	*3.7*	1,200,000,000	1,200,000,000
Retained Earnings and Reserves	*3.8*	160,271,861	48,067,406
Total Equity		**1,360,271,861**	**1,248,067,406**
Liabilities			
Non-Current Liabilities			
Loans and borrowings	*3.9*	2,497,700,000	2,647,700,000
Total Non-Current Liabilities		**2,497,700,000**	**2,647,700,000**
Current Liabilities			
Loans and borrowings	*3.9*	170,000,000	200,935,000
Employee Benefit	*3.10.*	8,016,463	3,488,629
Trade and other payables	*3.11*	53,228,666	84,473,594
Total Current Liabilities		**231,245,129**	**288,897,223**
Total Liabilities		**2,728,945,129**	**2,936,597,223**
TOTAL EQUITY AND LIABILITIES		**4,089,216,990**	**4,184,664,629**

Notes 1 to 4.9 form an integral part of these financial statements.

As per our attached report on even date

Sabal Pradhan	Shivanth Bahadur Pande	Maheshwor Prakash Shrestha	CA Amin Bhandari
Finance Officer	Director	Chairman	Proprietor
			For: A. Bhandari Associates
			Chartered Accountants

Date: 18 August 2021

Place: Kathmandu

Mandu Hydropower Limited

Kamaladi, Kathmandu

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31st Ashad 2078 (15th July 2021)

Figures in NPR

Particulars	*Note*	*FY 2077-78*	*FY 2076-77*
Revenue from operations	*3.12*	648,406,410	547,580,280
Other Income	*3.13*	-	82,001,216
Total Income		**648,406,410**	**629,581,496**
Employee Benefit Expenses	*3.14*	31,062,818	24,391,544
Operation and Maintanence Expenses	*3.15*	75,033,684	51,107,891
Administrative Expenses	*3.16*	4,884,054	5,907,591
Deprecation, Amortization & Impairment of Assets	*3.17*	139,354,263	137,985,075
Finance Costs	*3.18*	237,867,135	292,869,790
Total Expenditure		**488,201,955**	**512,261,890**
Profit/(Loss) Before Tax		**160,204,455**	**117,319,606**
Income Tax Expense		-	-
Profit/(Loss) from continuing operations		**160,204,455**	**117,319,606**
Profit /(Loss) on Discontinued Operations (Net of tax)		**-**	**-**
Net Profit/(Loss) for the year		**160,204,455**	**117,319,606**
Other comprehensive Income			
Exchange Gain/Loss arising on translation of foreign operations		**-**	**-**
Acturial Gain/(Loss) on defined Employment benefit		**-**	**-**
Gain/Loss on Revaluation		**-**	**-**
Total Comprehensive gain/(loss) for the year, net of tax		**160,204,455**	**117,319,606**

Notes 1 to 4.9 form an integral part of these financial statements.

As per our attached report on even date

Sabal Pradhan	Shivanth Bahadur Pande	Maheshwor Prakash Shrestha	CA Amin Bhandari
Finance Officer	Director	Chairman	Proprietor
			For: A. Bhandari Associates
			Chartered Accountants

Date: 18 August 2021

Place: Kathmandu

Mandu Hydropower Limited

Kamaladi, Kathmandu

Statement of Cash Flows

For the year ended 31st Ashad 2078 (15th July 2021)

Figures in NPR

Particulars	*FY 2077-78*	*FY 2076-77*
Cash Flows From Operating Activities		
Net Profit for the year	160,204,455	117,319,606
Adjustments for:		
Tax expense	-	-
Depreciation on property, plant and equipment	2,823,274	2,579,134
Amortization of Intangible Assets	136,530,989	135,405,941
Interest expense	237,867,135	292,869,790
Working capital adjustments:		
(Increase)/ Decrease in Inventories	(14,888,257)	(451,448)
(Increase)/ Decrease in Trade Receivables	9,309,261	(86,863,800)
(Increase)/ Decrease in Other Current Assets	62,945,847	12,746,989
Increase / (decrease) in Employee Benefits	4,527,834	-
Increase / (decrease) in Trade and Other payables	(56,608,612)	(7,826,554)
Cash generated from operations	**542,711,926**	**465,779,658**
Income Tax Paid	-	-
Net Cash Flows From Operating Activities [A]	**542,711,926**	**465,779,658**
Cash Flows From / (Used In) Investing Activities		
Purchase of property, plant and equipment	(468,879)	(139,388,258)
Increase in Intangible Assets	(89,324,179)	-
(Increase)/ Decrease in Other Non Current Assets	-	
Proceeds from disposal of property, plant and equipment	-	-
Net Cash Flows From Investing Activities [B]	**(89,793,058)**	**(139,388,258)**
Cash Flows From Financing Activities		
Proceeds from issue of ordinary shares	-	1,069,971,256
Increase / (decrease) in Advance for Share Capital		(1,071,428,572)
Net (repayment of) increase in borrowings	(180,935,000)	(29,825,108)
Interest Expenses	(237,867,135)	(292,869,790)
Dividends paid	(22,636,316)	-
Net Cash Flows From Financing Activities [C]	**(441,438,451)**	**(324,152,214)**
Increase/(Decrease) In Cash And Cash Equivalents [A+B+C]	**11,480,418**	**2,239,186**
Cash and Cash Equivalent at the beginning of the year	3,135,845	896,659
Cash And Cash Equivalents At The End Of The Period	**14,616,263**	**3,135,845**

Notes 1 to 4.9 form an integral part of these financial statements.

As per our attached report on even date

Sabal Pradhan	Shivanth Bahadur Pande	Maheshwor Prakash Shrestha	CA Amin Bhandari
Finance Officer	Director	Chairman	Proprietor
			For: A. Bhandari Associates
			Chartered Accountants

Date: 18 August 2021

Place: Kathmandu

Mandu Hydropower Limited

Kamaladi, Kathmandu

Statement of Changes in Equity

For the year ended 31st Ashad 2078 (15th July 2021)

Figures in NPR

Particulars	Notes	Share capital	Advance for Share Capital	Revaluation Reserve	Retained earnings	Total
Balance as at 1st Shrawan 2076		**128,571,428**	**1,071,428,572**	**-**	**(67,794,884)**	**1,132,205,116**
Profit for the year		-		-	117,319,606	117,319,606
Other comprehensive income (loss)		-		-		
Dividend paid - Final for 2075-2076					-	-
Sahre Issue Expenses			-		(1,457,316)	(1,457,316)
Increase / (Deacrese) in Advance for Share Capital			(1,071,428,572)			(1,071,428,572)
Issue of shares		1,071,428,572	-			1,071,428,572
Balance as at 31st Ashad 2077		**1,200,000,000**	**-**	**-**	**48,067,406**	**1,248,067,406**
Profit for the year					160,204,455	160,204,455
Other comprehensive income (loss)		-		-	-	
Dividend paid - Final for 2076-2077		-		-	-	-
Bonus Share					-	-
Cash Dividend					(48,000,000)	(48,000,000)
Increase / (Deacrese) in Share Application Money			-			
Issue of shares		-	-			-
Balance at 31st Ashad 2078		**1,200,000,000**	**-**	**-**	**160,271,861**	**1,360,271,861**

Notes 1 to 4.9 form an integral part of these financial statements.

As per our attached report on even date

Sabal Pradhan	Shivanth Bahadur Pande	Maheshwor Prakash Shrestha	CA Amin Bhandari
Finance Officer	Director	Chairman	Proprietor
			For: A. Bhandari Associates
			Chartered Accountants

Date: 18 August 2021

Place: Kathmandu

Mandu Hydropower Limited

Kamaladi, Kathmandu

Notes to the Financial Statements

For the year ended on 31 Ashad 2078 (15 July 2021)

1. General Information

Mandu Hydropower Limited ("MHPL or the Company") was established and registered in 2069 BS as a public limited company under the Companies Act, 2063 with an aim to develop hydropower project using appropriate training, technology transfer and human resources. MHPL developed and operated 22 MW Bagmati Small Hydropower Project. The project is located at Ipa Besi-8, Bhimphedi, makwanpur. MHPL main shareholders are Himalayan Infrastructure Fund, Sichuan Hechuan Investment Co. and General Public. The corporate office of the company is located at Kamladi, Kathmandu.

The accompanied financial statements have been approved by the board of directors and authorized for issue in its meeting held on 18 August 2021.

2. Significant Accounting Policies

2.1 Basis of Preparation and measurement

2.1.1 Statement of Compliance

The Financial statements have been prepared in accordance with applicable Nepal Financial Reporting Standards (NFRS) as issued by Accounting Standard Board Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN). The Financial Statements have also been prepared in accordance with the relevant presentational requirements of the Companies Act, 2063 of Nepal.

2.1.2 Basis of Preparation

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between acquisition of assets of processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.1.3 Functional and Reporting Currency

The financial statements are prepared in Nepalese Rupees (NPR), which is also the functional currency. All financial information presented in Nepalese Rupees has been rounded to the nearest Rupees and hence there may not add up and may have rounding difference.

2.2 Critical accounting estimates and judgements

The preparation of the financial statements in conformity with NFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgement 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. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year primarily includes: -

2.2.1 Useful Life and Residual Value Of Property, Plant And Equipment

Management reviews the useful life and residual values of property, plant and equipment at least once a year. Such life is dependent upon an assessment of both the technical life of the assets and also their likely economic life, based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

2.2.2 Impairment Of Property, Plant And Equipment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of assets.

2.2.3 Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

2.2.4 Fair Value Measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

2.2.5 Recognition Of Deferred Tax

Significant management judgement is required to determine the amount of deferred tax that can be recognized, 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.

2.3 Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The preparation of financial statements requires the use of certain accounting estimates. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are to be disclosed.

2.3.1 Service Concession Arrangements

Under IFRIC 12 – Service Concession Arrangements applies to public-to-private service concession arrangements if:

(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) Is 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.

Infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole life of assets) is within the scope of this IFRIC, if the conditions in (a) above are met.

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

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.

INTANGIBLE ASSET MODEL

The intangible asset model is used to the extent that the Company, being an operator, receives a right (a license) to charge users of the public service. A right to charge users of a 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 ARRANGEMENT (SCA)

The Company manages concession arrangements which include power supply from its hydro power plant viz. 22 MW Bagmati Small Hydropower Project. The Company maintains and services the infrastructure during the concession period. Further, the concession arrangement gives MHPL right to use the hydro power project for generating electricity and earn revenue by selling electricity to NEA. The right to consideration gives rise to an intangible asset and accordingly, the intangible asset model is applied. Revenue from service concession arrangement under 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 22 MW Bagmati Small Hydropower Project for generation, transmission and distribution shall be ended on Ashad, 2106 B.S.

2.3.2 Property, Plant and Equipment

i. Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

ii. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

iii. The Company identifies and determines cost of each component/part of the asset separately, if the component/part have a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

iv. 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. v. 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. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

vi. Assets in the course of construction are capitalized in the assets under capital work in progress account (CWIP). At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimate cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized. Revenue generated from production during the trial period is capitalized.

Depreciation and Amortization

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Depreciation is provided on the straight line basis on the estimated useful lives of the assets determined by the management. Depreciation on additions to fixed assets is charged on pro-rata basis in the year when it is available for use. The useful life of the assets and the corresponding rates at which the assets are depreciated are as follows:

Category of Assets	Depreciation Rate
Survey Equipment	15 %
Office Equipment and Furniture	25%
Vehicles	20%

Useful life is either the period of time which the asset is expected to be used or the number of production or similar units expected to be obtained from the use of asset. The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Office furniture, equipment and vehicles costing less than NPR 5,000 per unit and plant equipment costing less than NPR 10,000 per unit is charged to the profit and loss account in the year of purchase. Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

2.3.3 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in sue. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in Statement of Profit and Loss.

2.3.4 Borrowing Cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

2.3.5 Cash and cash equivalent

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company’s cash management.

2.3.6 Inventories

Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories of stores, spare parts and loose tools are stated at the lower of weighted average cost and net realizable value. Net realizable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

2.3.7 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 measured reliably.

i. **Revenue from sale of electricity**
   Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances. Revenue is recognised when substantial risks and rewards of ownership is transferred to the buyer under the terms of the contract.

2.3.8 Foreign Currency Transactions

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Nepalese Rupee (NPR).

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in Statement of Profit and Loss in the period in the period in which they arise.

2.3.9 Employment Benefits

The Company have schemes of employment benefits namely provident fund, employee gratuity, other retirement benefit and accumulate leave as per the human resource policy.

Short term and long-term employment benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee and contractual employees, benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Provident Fund-Defined Contribution Plan

The Company pays pre-defined amount to Employee Provident Fund and does not have any legal or constructive obligation to pay additional amount in future. Contributions to Provident fund are charged to the statement of profit or loss in the year to which they relate.

Gratuity-Defined Contribution Plan

The Company is required to pay pre-defined amount to Social Security Fund as gratuity to employees. Changes in Labour Act has not fixed the amount to be paid on each month and instead require Company to deposit an amount calculated @8.33% of basic salary directly to specific fund account on monthly basis. The amount presented in financial statements is the actual liability of gratuity at each reporting date which is hold by company till now after deducting amount paid to those staff who has been retrenched.

2.3.10 Taxation

Income Tax

Income tax on the profit or loss for the year comprises current taxes and deferred taxes. Income tax is recognized in the profit or loss statement except to the extent that it relates to items recognized directly to equity.

Current Tax

Current tax is the expected tax payable on the taxable income for the year using tax rates at the balance sheet date and any adjustment to tax payable in respect of previous years. The company has been granted 100% tax holiday for 10 years and 50% tax holiday for subsequent 5 years after that starting from the date of generation electricity for commercial purpose i.e. 2075-12-19 BS by the tax authorities under Income Tax Act 2058.

Deffered 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.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The company has not recognized deferred tax due to tax holiday for 10 years.

2.3.11 Earnings per Share including Diluted Earning Per Share

The company presents the basic and diluted earning per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary equity holders of the company by weighted average number of ordinary shares outstanding during the period.

The Formula used to calculate a company's diluted EPS is the company's net income minus preferred dividends divided by the weighted average number of shares outstanding plus the impact of Potential Ordinary Shares like Convertible preferred shares, options, warrants and other dilutive securities.

The company donot have any potential ordinary shares during the period covered by these financial statements.

2.3.12 Provisions, contingencies and commitments

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

2.3.13 Financial Instrument

i. Recognition

The company initially recognizes financial assets on trade date which is the date on which the company becomes a party to the contractual provisions of the instruments. A financial asset or financial liability is measured initially at fair value plus, or an item not at fair value through profit or loss, transactions costs that are directly attributable to its acquisition or issue.

ii. Classification and Measurement
Financial Assets

The classification and measurement of financial assets depend on how these are managed (the entity's business model) and their contractual cash-flows characteristics. These factors determine whether the financial assets are measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVPL').

At amortized cost: Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments for which the Company has intent and ability to hold till maturity. They are initially recognized at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, such financial assets are measured at amortized cost using effective interest rate method less any impairment losses. These includes loans and receivables of the company.

At fair value through profit or loss: Financial assets are classified at fair value through profit or loss if the company manages such instruments and makes purchases and sales decisions based on its fair value. Attributable transaction costs and changes in fair value are taken to revenue. There are no financial assets that are measured at FVTPL in the reporting period.

At fair value through other comprehensive income: Financial assets at FVOCI are nonderivative financial assets that are not classified in any of the above category. Financial assets at FVOCI are recognized initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, financial assets are measured at fair value, as far as such fair value is available, and changes therein, which are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, gain or loss accumulated in equity is reclassified to retained earnings. There are no financial assets that are measured at FVOCI in the reporting period.

Financial Liabilities

All financial liabilities are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. Subsequent to initial recognition, these financial liabilities are measured at amortized costs using effective interest rate method. This include Trade & Other Payable and Short Term Borrowing.

iii. Derecognition
Financial Assets

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

On derecognition of a financial assets, the difference between the carrying amount of the assets (or the carrying amount allocated to the portion of the assets derecognized) and the sum of (i) the consideration received (including any new assets obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in Other Comprehensive Income (OCI) is recognized in retained earnings.

Financial Liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

iv. Offsetting

The financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when and only when, the Company has a legal right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v. Amortized cost measurement

The 'amortized cost' of a financial asset and 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 initial amount recognized and the maturity amount minus any reduction for impairment.

vi. Fair value measurement

All assets, liabilities and equity items for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

► Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

► Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are measured at fair value in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

vii. Identification and measurement of impairment Financial assets

At each reporting date the Company assesses the objective evidence that a financial asset or group of financial assets is impaired or not. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated.

- Objective evidence that financial assets are impaired includes:

- significant financial difficulty of the debtor
- breach of contract, such as default or delinquency by a debtor
- observable data relating to a group of assets such as adverse changes in the payment status of debtor

The amount of loss is measured as the difference between the asset's carrying amount and amount the management considers it as recoverable on the basis of financial position of the party and appropriate estimation made by the management. Receivables considered as less likely to be received are provided allowance for loss and charged to Statement of Profit or Loss.

In addition, for an investment in an unquoted equity security, a significant or prolonged decline in its net worth is objective evidence of impairment.

Impairment losses are recognized in Statement of Profit or Loss and reflected in an allowance account against debtors. Impairment losses on equity investment are routed through Statement of OCI. Interest on the impaired assets continues to be recognized through the unwinding of the discount. If an event occurring after the impairment was recognized causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through income statement (OCI in case of available for sale investment).

If, in a subsequent period, the fair value of an equity investments increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairing loss is reversed through profit or loss; otherwise, any increase in fair value is recognized through OCI.

2.3.14 Impairment of Non Financial Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost and value in use. An impairment loss is recognized in Statement of Profit or Loss. Provisions against impairment are reviewed at each reporting date and adjusted to reflect the current best estimates. Impairment charges are included in profit or loss except to the extent they reverse gains previously recognized in Other Comprehensive Income.

2.3.15 Leases

Premises taken and provided on lease are accounted for based on NAS 17 Leases. The lease rental income and lease rental expenses are recognized on a straight line basis over the period of lease agreement if the arrangement contains the lease which is an operating lease.

The Company has entered into operating lease arrangement for use of property at Lazimpat, Kathmandu. The lease rental is adjusted for inflation rate periodically and the same amount is booked as operating lease expenses, which the Company believes is more representative than the straight line method, in line with para 33 of NAS 17: Leases.

2.3.16 Staff bonus

A 2% bonus on electricity income in line with the provisions of the Electricity Act 2049.

2.3.17 Share Capital

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The company's equity shares are classified as equity instruments. Dividends on ordinary shares and preference shares classified as equity are recognized in equity in the period in which they are declared. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments considering the tax benefits achieved thereon. The reserves include retained earnings which contains the accumulated profit of the organization.

2.3.18 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/noncurrent 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
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
  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.

2.3.19 Events after Reporting Period

Events after reporting period refers to those events favourable or unfavourable which occurs after the reporting date to the date of approval of financial statements by the board of directors.

Any events, which provide the evidience of conditions that existed at the reporting date are adjusting events and they are adjusted in the financial statements. Events which provide evidience of conditions existing after the reporting date are called non-adjusting events. Effects of non-adjusting events are not adjusted in the financial statements, instead, their disclosure is made if material.

2.3.20 Operating Cycle

The Company considers its operating cycle to be of 12 months.

Mandu Hydropower Limited

Kamaladi, Kathmandu

Notes to the Financial Statements

For the period ended on 31 Ashad 2078 (15 July 2021)

4. Additional Information

4.1 Share Capital

The Company has only one class of equity shares having par value of NPR 100 per share. Every member holding equity shares therein shall have voting rights in proportion to the member's share of the paid up equity share capital. The Company declares and pays dividend in Nepalese rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

4.2 Dividend

Dividend is proposed by the Board of Directors and approved by shareholders in the Annual General Meeting. Board of Directors have 11% cash dividend proposed for the year 2077-78 (previous year Rs 4 per share cash dividend). Accordingly, the total distribution by the company from the profits arising from 2076-77 is as follows:

Particulars	**Cash Dividend**
Paid for 2076-77 (Amount)	48,000,000

4.3 Reserves and Retained Earnings

Retained Earnings

Net profit for each year is added to this reserve. Company uses this to provide dividend to its shareholders.

No amount has been apportioned in other reserves.

4.4 Related Party Transactions

Related parties of the company comprises of key management personnel, organization having significant influence on the company, subsidiaries of the company and Board of Directors.

a. **Significant Influence**

Entities having significant influence over the Company is as follows:

i. **Himalayan Infrastructure Fund Limited (HIFL)**

Himalayan Infrastructure Fund Limited is major shareholder of the company. This company has two representatives in the current Board of the company. There is no transaction and outstanding balance at the year end.

ii. Sichuan Hechuan Investment Co

Sichuan Hechuan Investment Co is major shareholder of the company. This company has one representatives in the current Board of the company. There is no transaction and outstanding balance at the year end.

b. Those charged with Governance

Those charged with governance include the Board of Directors of the Company. The composition of Board on the reporting date is as follows:

Name	Position
Mr. Maheshwor Prakash Shrestha	Chairman
Mr. Shivanth Bahadur Pande	Director
Mr. Tian Jiayuan	Director

No any transaction were carried out with board of directors.

c. Key Management Personnel

The company's key management personnel are Chairman, Plant manager. Total compensation to key management personnel during the year :

Name	Position	Amount
Maheshwor Prakash Shrestha	Chairman	Nil
Samir Giri	Plant Manager	2,745,249

4.5 Unpaid Dividend

Total unpaid dividend amounted to Rs. 25,363,684.

4.6 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to shareholders by weighted average number of shares outstanding at the end of the year.
Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary

shares into ordinary shares. The following reflects the profit and share data used in the basic and diluted EPS computations:

Amount in Rs

Particulars	**FY 2077/78**	**FY 2076/77**
Net profit attributable to Shareholders for Basic and diluted earnings	160,204,455	117,319,606
Weighted average number of Ordinary Shares for basic EPS	12,000,000	12,000,000
Effect of Dilution:		
Share Option	Nil	Nil
Weighted average number of ordinary shares adjusted for the effect of dilution	12,000,000	12,000,000
Basic earning per ordinary share	**13.35**	**9.78**
Dilutes earning per share	13.35	9.78

Since there is no covertible and other option, diluted earning per share would be equal to Basic earning per share.

Calculation of Weighted no. of shares:

Particulars	**FY 2077/78**	**FY 2076/77**
Opening number of shares	12,000,000	1,285,714
Issued during the year		10,714,286
Total Weighted No of shares	**12,000,000**	**12,000,000**

4.7 Capital Commitments, Contingencies and Guarrantee issued

No records are maintained to track the capital commitment and contingent liability, accordingly these cannot be readily available and has therefore not been disclosed.

4.8 Letter of Credit

There is no outstanding letter of credit as at the reporting date

4.9 Regrouping and around off

Pursuant to first time adoption of IFRIC 12 “Service Concession Arrangements”, project land and assets have been regrouped and rearranged from Property, Plant and Equipment to Intangible Assets.