

## विषय सूची

क्र.सं.	विवरणहरू	पृष्ठ
१.	वार्षिक साधारण सभा सम्बन्धी सूचना	१
२.	वार्षिक साधारण सभा सम्बन्धी सामान्य जानकारीहरू	२
३.	प्रोक्सी फाराम तथा प्रवेश-पत्र	३
४.	अध्यक्षको मन्तव्य	४
५.	संचालक समितिको वार्षिक प्रतिवेदन	६
६.	धितोपत्र दर्ता तथा निष्काशन नियमावली बमोजिमका वार्षिक विवरण	११
७.	आ.व. २०७८/७९ को लेखापरीक्षक प्रतिवेदन तथा वित्तीय विवरणहरू	१४
८.	आयोजनाका ऋणहरू	



# मैलुङ्ग खोला जलविद्युत कम्पनी लिमिटेड

(कम्पनी ऐन २०६३ बमोजिम स्थापित संस्था)

काठमाडौं, नेपाल

## नवौं वार्षिक साधारण सभा सम्बन्धी सूचना

श्री शेयरधनी महानुभावज्यूहरु,

यस कम्पनीको सञ्चालक समितिको बैठकको निर्णय अनुसार यस मैलुङ्ग खोला जल विद्युत कम्पनी लिमिटेडको नवौं वार्षिक साधारण सभा निम्न लिखित मिति, समय र स्थानमा निम्न विषयहरु उपर छलफल तथा निर्णय गर्न बस्ने भएकोले सम्पूर्ण शेयरधनी महानुभावहरुको उपस्थितिका लागि हार्दिक अनुरोध छ ।

### सभा हुने मिति, समय र स्थान :

मिति : २०७९/०९/२६ गते, मङ्गलबार (तद्अनुसार जनवरी १०, २०२३)

समय : बिहान ११:०० बजे

स्थान : लैनचौर ब्यांक्वेट, लैनचौर, काठमाडौं ।

### वार्षिक साधारण सभामा पेश गरीने छलफलका प्रस्तावहरु

१. अध्यक्षज्यूको मन्तव्य तथा वार्षिक साधारण सभाको लागि सञ्चालक समितिको प्रतिवेदन पारित गर्ने ।
२. आ.व.०७८/०७९ को लेखापरीक्षकको प्रतिवेदन सहित २०७९ आषाढ मसान्त सम्मको वासलात र आ.व.०७८/०७९ को वार्षिक नाफा नोक्सान हिसाव विवरण र नगद प्रवाह विवरण माथि छलफल गरी अनुमोदन गर्ने ।
३. कम्पनी ऐन २०६३ को दफा १११ बमोजिम आ. व. ०७९/०८० को लागि लेखापरीक्षकको नियुक्ती गर्ने र पारिश्रमिक निर्धारण गर्ने ।
४. कम्पनीको ठेगाना परिवर्तन भएको हुँदा प्रबन्ध पत्र र नियमावलीमा संसोधन गर्ने सम्बन्धमा ।
५. विविध ।

## साधारण सभा सम्बन्धी सामान्य जानकारी

१. वार्षिक साधारण सभा प्रयोजनका लागि मिति २०७९/०९/१७ गते एक दिन कम्पनीको शेयरधनी दर्ता किताब बन्द गरिने छ। नेपाल स्टक एक्सचेञ्ज लिमिटेडमा मिति २०७९/०९/१६ गते सम्म कारोबार भई, शेयर खरिद गरी आफ्नो नाममा शेयर नामसारी भई आएका शेयरधनीहरू सो सभामा भाग लिन योग्य हुनेछन्।
२. वार्षिक साधारणसभा स्थलमा भाग लिन इच्छुक शेयरधनी महानुभावहरूको सुविधाको लागि हाजिर पुस्तिका सभा स्थलमा सभाहुने दिन विहान १० बजे देखि सभा संचालन रहेसम्म खुल्ला रहने छ।
३. सभामा भाग लिनको लागि प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीहरूले सो सम्बन्धी निवेदन सभा हुनु भन्दा ४८ घण्टा अगावै अर्थात मिति २०७९/०९/२४ गते ११ बजे यस संस्थाको रजिष्टर्ड कार्यालय उत्तरढोका, काठमाडौंमा दर्ता गराइ सक्नु पर्नेछ। यसरी प्रतिनिधि (प्रोक्सी) नियुक्त गरिएको व्यक्ति समेत यस संस्थाको शेयरधनी हुनु आवश्यक छ। प्रतिनिधि (प्रोक्सी) नियुक्त गरी सक्नु भएका शेयरधनी आफैँ सभामा उपस्थित भइ हाजिरी किताबमा दस्तखत गर्नु भएमा अघि दिइएको प्रोक्सी स्वतः बदर हुनेछ।
४. प्रतिनिधि मुकरर गर्दा सम्पूर्ण प्रतिनिधि एकै व्यक्तिलाई गर्नु पर्दछ। एकै शेयरधनीले एक भन्दा बढी प्रतिनिधि मुकरर गरेमा जुन प्रोक्सी यस संस्थाको रजिष्टर्ड कार्यालयमा पहिला प्राप्त भई दर्ता हुन्छ सो मात्र मान्य हुनेछ।
५. प्रतिनिधि मुकरर गर्दा आफ्नो सम्पूर्ण शेयरको प्रोक्सी नियुक्त नगरी केही शेयर आफैँले राखी सभामा स्वयं शेयरधनी उपस्थित भएमा उक्त मुकरर गरिएको स्वतः बदर हुनेछ।
६. प्रतिनिधि मुकरर गरिएको शेयरको प्रोक्सी बदर गरीपाँउ भनी शेयरधनीले निवेदन पेश गरेको अवस्थामा उक्त शेयरधनी स्वयं उपस्थित नभएमा समेत उक्त मुकरर गरिएको स्वतः बदर हुनेछ, पछिल्लो प्रतिनिधि कायम हुनेछ।
७. नाबालक शेयरधनीको तर्फबाट यस संस्थाको शेयर लगत किताबमा संरक्षकको रूपमा दर्ता व्यक्तिले भाग लिन वा प्रतिनिधि तोक्न सक्नु हुनेछ।
८. शेयरधनीहरूले व्यक्त गरेको मन्तव्य वा प्रश्नहरूको सम्बन्धमा सञ्चालक समितिको तर्फबाट सामूहिक रूपले अध्यक्षले वा अध्यक्षबाट अख्तियारी पाएका व्यक्तिले जवाफ दिन सक्नेछन्।
९. छलफलको विषय अन्तर्गत विविध शीर्षक सम्बन्धमा शेयरवाला महानुभावहरूले छलफल गर्न चाहानु भएको विषय बारेमा साधारणसभा हुनु भन्दा कम्तिमा ७ दिन अघि यस संस्थाको रजिष्टर्ड कार्यालय मार्फत यस संस्थाका अध्यक्षलाई लिखित रूपमा जानकारी दिनु पर्नेछ। तर यसलाई छलफल र पारित हुने प्रस्तावको रूपमा समावेश गरिने छैन।
१०. कम्पनी ऐन, २०६३ को दफा ८४ अनुसारको संक्षिप्त वार्षिक आर्थिक विवरण, सञ्चालक समितिको प्रतिवेदन, लेखापरीक्षकको प्रतिवेदन शेयरधनीहरूले निरीक्षण वा प्राप्त गर्न चाहनु भएमा यस संस्थाको रजिष्टर्ड कार्यालयमा उपलब्ध हुनेछ।

सञ्चालक समितिको आज्ञाले  
कम्पनी सचिव

नोट:- अन्य आवश्यक जानकारीको लागि यस कम्पनीको रजिष्टर्ड कार्यालय काठमाडौंमा ०१-४४३२३७२ वा इमेल आइ.डी. mailun@wlink.com.np मा सम्पर्क राख्नु हुन अनुरोध गरिन्छ।

२०७९/०९/...

मैलुङ खोला जलविद्युत कम्पनी लिमिटेड,  
काठमाडौं  
फोन नं. ०१-४४३२३७२

### प्रोक्सी फारम

..... बस्ने म/हामी ..... ले  
त्यस मैलुङ खोला जलविद्युत कम्पनी लिमिटेडको शेयरवालाको हैसियतले मिति २०७९/०९/२६ गते  
मंगलवार हुने नवौं वार्षिक साधारण सभा र त्यसको सिलसिलामा हुने बैठकहरुमा मेरो प्रतिनिधित्व  
गरीदिन श्री ..... लाई नियुक्ति गरेको छु ।

#### प्रोक्सी लिनेले भर्ने

प्रोक्सी लिनेको सहि :.....  
नाम .....  
ठेगाना : .....  
मिति : .....

#### प्रोक्सी दिनेले भर्ने

प्रोक्सी दिनेको सहि :.....  
नाम .....  
ठेगाना : .....  
शेयर संख्या : .....  
मिति : .....

### प्रवेश-पत्र

शेयरधनीको नाम: .....

शेयरधनी नं.: .....

शेयरधनी प्रमाणपत्र नं.: .....

शेयर संख्या: .....

मिति २०७९ साल पौष २६ गते मंगलवारका दिन हुने मैलुङ खोला जलविद्युत कम्पनी लिमिटेडको नवौं  
वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेशपत्र ।

द्रष्टव्य:

१. शेयरधनीले माथि उल्लेखित सम्पूर्ण विवरण अनिवार्य भर्नुहोला ।
२. सभाकक्षमा प्रवेश गर्न यो प्रवेश-पत्र प्रस्तुत गर्न अनिवार्य छ ।



कम्पनी सचिव

## मैलुङ खोला जलविद्युत कम्पनी लिमिटेडको

नवौं वार्षिक साधारण सभामा

सञ्चालक समितिको तर्फबाट प्रस्तुत

### अध्यक्षको मन्तव्य

#### आदरणीय शेयरधनी महानुभावज्यूहरू,

मैलुङ खोला जलविद्युत कम्पनी लिमिटेडको यस गरिमामय नवौं वार्षिक साधारणसभामा आफ्नो अमूल्य समय दिएर भौतिक माध्यमबाट उपस्थित हुनु भएका आदरणीय शेयरधनी महानुभावहरू, सञ्चालक मित्रहरू, आमन्त्रित अतिथि तथा नियामक निकायका प्रतिनिधिज्यूहरू, कर्मचारीहरू तथा कम्पनीको निमन्त्रणालाई स्वीकार गरेर पाल्नु भएका अतिथि महानुभावहरू लगायत उपस्थित सम्पूर्णलाई सञ्चालक समिति र मेरो व्यक्तिगत तर्फबाट हार्दिक अभिवादन गर्दै यस सभामा स्वागत गर्न चाहन्छु।

रसुवा जिल्ला स्थित साविक हाकू र हाल उत्तरगया गाउँपालिकामा भौतिक संरचनाहरू निर्माण गरी मैलुङ खोलाको पानी उपयोग गरी ५ मे.वा. क्षमताको विद्युत आयोजनाको कुल लागत रु ९०,२९,३५,४९६/- (अक्षरूपी रु. नब्बे करोड उन्तीस लाख पैतीस हजार चार सय छयानब्बे मात्र) रहेको छ भने कम्पनीसँग भएको मिति २०५८/०४/०९ को सम्झौता मिति २०९४ साल चैत्र मसान्त सम्म कायम रहने छ। आयोजनाबाट उत्पादित विद्युत वर्षादका महिनाहरूमा रु.३/- र हिउँदका महिनामा रु.४.२५/- बाट बृद्धि भइ हाल क्रमशः ३.७२ र ५.२७ का दरले विद्युत खरिद बिक्री सम्झौता अनुसार रकम भुक्तानी हुँदै आएको जानकारी गराउँदछु। मिति २०७१ साल आषढ १९ गतेबाट व्यावसायिक उत्पादन सुरु हुँदै आएको व्यहोरा सभालाई अवगत गराउँदछु।

साविकमा प्रा.लि.कम्पनी स्थापना भै मिति २०७१/०५/०९ मा पब्लिक कम्पनीमा परिणत भएको यस कम्पनीको जारी पूँजी रु ३६,८१,४३,०००/- संस्थापक समूह प्रभावित क्षेत्रका बासिन्दाहरूको र सर्वसाधारणमा निष्काशन तथा बाँडफाँड भै सकेको व्यहोरा पनि गरिमामय सभामा जानकारी गराउन चाहन्छु।

आयोजनाको निर्माण कार्य समयमा नै सम्पन्न नहुनु, साविकको न्यूनतम दररेटमा विद्युत खरिद बिक्री सम्झौता हुनु, भुकम्प तथा नाकाबन्दी तथा विश्वव्यापी महामारी कोभिड-१९का कारण आयोजनाले लगानीकर्ताहरूलाई लक्ष्य अनुसारको प्रतिफल दिन नसकिरहेको यथार्थता यहाँहरू समक्ष राख्न चाहन्छु।

यस कम्पनीको जारीपूँजी ३६,८१,४३,०००/- मध्ये १०% दश प्रतिशत अर्थात् ३,६८,१४४ किता शेयर प्रभावित क्षेत्रका बासिन्दाहरूमा र २०% (बीस प्रतिशत) अर्थात् ७,३६,२८६ किता शेयर सर्वसाधारणमा निष्काशनका लागि धितोपत्र बोर्डबाट विवरण पत्र स्वीकृत २०७८/३/२३ मा धितोपत्र निष्काशन तथा बिक्री प्रवन्धक श्री सिद्धार्थ क्यापिटल लिमिटेड मार्फत मिति २०७८/४/१४ बाट खुल्ला गरिएको र मिति २०७८/०४/२६ मा बाँडफाँड भएको सम्बन्धमा यहाँहरूलाई अवगत भएकै छ।

नेपाल वित्तीय प्रतिवेदन मापदण्ड (Nepal Financial Reporting Standards –NFRS) अनुसार तयार पारिएको प्रस्तुत आ. व. २०७८/७९ को वासलात, नाफा नोक्सान हिसाब, नगद प्रवाह विवरण लगायत लेखापरीक्षकबाट पेश गरिएको प्रतिवेदन तथा प्रचलित कम्पनी ऐनले निर्दिष्ट गरे बमोजिम तयार गरिएको

सञ्चालक समितिको वार्षिक प्रतिवेदन यस अधिनै अध्ययनका लागि यहाँहरूलाई उपलब्ध गराई सकिएकोले अनुमोदनका लागि प्रस्तुत गर्न चाहन्छौं ।

कम्पनीले हालसम्म हासिल गरेका उपलब्धिहरु तथा गतिविधिहरुका बारेमा सञ्चालक समितिको वार्षिक प्रतिवेदनमा विस्तृत रुपमा उल्लेख गरिएको छ । हामी हाम्रा लगानीकर्ताहरुलाई उत्कृष्ट मुनाफा प्रदान गर्न तथा हामीले सेवा सञ्चालन गर्ने समाजमा अझ बढी योगदान दिने कुरामा केन्द्रित रहने छौं ।

सभामा स्वयम उपस्थित शेयरधनीज्यूहरु, प्रतिनिधिज्यूहरु एवं अतिथिज्यूहरु प्रति हार्दिक कृतज्ञता व्यक्त गर्दै यहाँहरुबाट प्राप्त निरन्तर सहयोग तथा सद्भावका लागि आभार प्रकट गर्दछु । कम्पनीलाई प्राप्त अमूल्य मार्गदर्शनकालागि कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज लिमिटेड, सिडिएस एण्ड क्लियरीङ्ग लिमिटेड लगायतका सम्पूर्ण नियामक निकायहरु र शेयर रजिष्ट्रार बि.ओ.के. क्यापिटल मार्केट लिमिटेड, इमान्दारिताका साथ कार्यरत कम्पनीका कर्मचारी साथीहरुलाई हार्दिक धन्यवाद दिन चाहन्छु । कम्पनीको सञ्चालक समितिको मार्गदर्शन, कर्मचारी साथीहरुको मेहनत, लगनशीलता, शेयरधनी महानुभावहरु, अन्य शुभचिन्तक एवं सरोकारवालाहरुबाट प्राप्त विश्वास एवं सुझावहरु निरन्तर र यथावत कायम रहने विश्वास गरेको छु ।

अन्त्यमा, यहाँहरु सबैको उत्तरोत्तर प्रगति र सुस्वास्थ्यको कामना गर्दछु ।

धन्यवाद !



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अध्यक्ष

मिति: २०७९/०९/२६

# मैलुङ खोला जलविद्युत कम्पनी लिमिटेडको

नवौँ वार्षिक साधारणसभामा

सञ्चालक समितिको तर्फबाट प्रस्तुत

## आ.व. २०७८/७९ को नवौँ वार्षिक प्रतिवेदन

कम्पनी ऐन २०६३ को दफा १०९ को उपदफा (४) बमोजिम सञ्चालक समितिको प्रतिवेदन

आर्थिक वर्ष २०७८/०७९

समीक्षा अवधि र चालु आ.व. को यथार्थ स्थितिको बारेमा सम्पूर्ण शेरधनी महानुभावहरूको जानकारीको लागि कम्पनी ऐन २०६३ मा निर्दिष्ट ढाँचा अनुरूप देहाय बमोजिमको सञ्चालक समितिको प्रतिवेदन पेश गरिएको छ ।

### (क) विगत वर्षको कारोबारको सिंहावलोकन

यस कम्पनीले आयोजना निर्माण सम्पन्न गरेपछि पनि बाढी पहिरो भुकम्प नाकाबन्दी जस्ता कारणले सोचे अनुसारको प्रतिफल प्राप्त गर्न नसकिरहेको अवस्थाका बारेमा यहाँहरूलाई जानकारी गराउन चाहान्छौं । तथापी विभिन्न अवरोधका बावजुद पनि आयोजनालाई नियमित रूपमा सञ्चालनमा ल्याउनका लागि हदसम्मका प्रयासहरू गरिरहेका छौं ।

### तपसिल

विवरण	आ.व.०७७/०७८	आ.व.०७८/०७९
चुक्ता पुँजी	२९,४५,१४,४००/-	३६,८१,४३,०००/-
कुल आय	१४,७५,३७,६४५/-	१३,१०,१७,९३७/-
प्रशासकीय तथा अन्य खर्च	८,०८,०६,४५८/-	६,५५,८८,९३६/-
ह्रास खर्च	३,८९,११,८३४/-	४,५१,१८,६६७/-
अन्य संचालन नाफा/नोक्सान	(४२४७६७/-)	०/-
आयकर र स्थगन कर सम्बन्धि व्यवस्था	४,९६,१२५/-	३७,७०,२०३/-
<b>खुद मुनाफा</b>	<b>२,७३,९४,५८६/-</b>	<b>२०,३१,०३,३४/-</b>

### (ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट परेको असर

देशमा विद्यमान लामो समय देखिको राजनैतिक अवस्थालाई चिर्दै संघियता अनुसारको स्थानीय सरकार, प्रदेश सरकार, संघीय सरकार र व्यवस्थापिका संसदहरू समेतको निर्वाचन भएर देशले नयाँ राजनैतिक प्रणाली अर्न्तगत स्थायित्व तर्फ उन्मुख हुनु पर्ने देखिन्छ र हालको परिस्थितिमा केन्द्रीय, प्रदेश र स्थानीय निकायहरूलाई तत् तत् निकायहरूका जनप्रतिनिधिहरूको नेतृत्वले सफल र सक्षम दिशानिर्देश गर्नेछ भन्ने आशा राखेका छौं । यसले देशको औद्योगिक वातावरणमा नै सकारात्मक दिशा लिई देशको बृहत् आर्थिक विकासमा टेवा पुग्ने आशा लिएका छौं । देशको आन्तरिक उत्पादनमूलक गतिविधिमा अभिवृद्धि हुन सकेमा रोजगारीका अवसरहरू श्रृजना भई लाखौं युवाहरू विदेशिने अहिलेको क्रम रोकिने छ भन्ने आशा राखेका छौं । समष्टिमा देशको राजनैतिक अर्थतन्त्र (Political Economy)ले लगानीमैत्री वातावरण दिने र सो अनुरूप देशले आर्थिक रूपमा उन्नती तर्फ अगाडि बढ्ने आशा लिएका छौं ।

कम्पनीले सकारात्मक सोचका साथ आफ्नो आयोजनालाई अगाडि बढाई रहेको कुरा जानकारी गराउदछौं । तथापी आई पर्ने चुनौतिहरू बाट उत्पन्न हुने जोखिमहरू लाई कम गर्दै अधिकतम लाभ प्राप्त गर्ने अवसरहरू खोज्न कम्पनी सदा अग्रसर रहने कुरा यस सभा समक्ष जानकारी गराउन चाहन्छु ।



**(ग) प्रतिवेदन तयार भएको मितिसम्म चालु वर्षको उपलब्धी र भविष्यमा गर्नुपर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा :**

कम्पनीले आफ्नो सम्पत्ति, दायित्व र लगानीलाई व्यवस्थित गर्ने र प्रवर्द्धनका क्षेत्रहरू पहिचान गर्ने र कम्पनी सञ्चालन खर्चमा मितव्ययिता अपनाउने जस्ता नीतिलाई निरन्तरता दिँदै जलविद्युत उत्पादनमा वृद्धि गरी लगानीकर्ताहरू लाई प्रतिफल दिनमा दत्तचित्त रहेका छौं र अन्य पूर्वाधार विकासको क्षेत्रमा आगामी दिनमा समेत लगानी बढाउँदै जाने छौं । हाल सम्म यस कम्पनीले निम्न उल्लेखित परियोजनामा लगानी गरेको छ ।

- रसुवा जिल्ला स्थित साविक हाकू र हाल उत्तरगया गाउँपालिकामा भौतिक संरचनाहरू निर्माण गरी मैलुङ खोलाको पानी उपयोग गरी ५ मे.वा. क्षमताको विद्युत आयोजनाको कुल लगत रु ९०,२९,३५,४९६/- (अक्षरूपी नब्बे करोड उन्तीस लाख पैतिस हजार चार सय छयानव्वे मात्र) रहेको छ भने सो को व्याज तथा साँवा रकम तिर्दै गएर आ.व. २०७७/०७८ अन्त्यसम्म रु ५५,५०,५३,३३२/- (अल्पकालिन कर्जा सहित) र हाल (आ.व.२०७८/०७९ को अन्त्यसम्म) रु ४५,९४,५९,९७७/- साँवा र सो मा लाग्ने व्याज तिर्न बुझाउन बाँकी रहेको सभालाई जानकारी गराउँछु ।
- हाल यस कम्पनीको माथिल्लो मैलुङ खोला जलविद्युत लि. मा रु.८४,२३,९००/- को शेयर लगत कायम भई आएको र आ.व. २०७८/०७९ मा थप रु.९,७५,००,०००/- बराबरको थप शेयर कायम हुनेगरी लगानी भएको सभा समक्ष अनुरोध छ ।

**(घ) कम्पनीको औद्योगिक वा व्यवसायिक सम्बन्ध :**

कम्पनीले आफ्नो व्यवसायिक कार्यमा कुनै कमी-कमजोरी आउन नदिन स्थापनाकाल देखि नै आफ्नो व्यवसायिक कारोबारमा समर्पित रही कम्पनीको कारोबारसँग सम्बन्धित व्यक्ति, संस्था, सरकारी निकाय, र शेयरधनी महानुभावहरू सँग पारदर्शिताको आधारमा सम्बन्ध विस्तार गर्दै लगेको छ ।

**(ङ) सञ्चालक समितिमा भएको हेरफेर र सोको कारण :**

यस कम्पनीमा संस्थापक समुह बाट ४ जना र स्वतन्त्र सञ्चालक १ जना गरी ५ जनाको सञ्चालक समिति रहेकोमा गत वर्ष देखि सर्वसाधारण शेयरधनीहरूका तर्फबाट २ जना सञ्चालक समेत गरी जम्मा ७ (सात) सदस्यिय सञ्चालक समिति रहेको व्यहोरा पनि यस गरिमामय सभालाई जानकारी गराउँछु ।

**(च) कारोबारलाई असर गर्ने मुख्य कुराहरू :**

राष्ट्रको आर्थिक, वित्तीय, मौद्रिक नीतिमा हुने नियमित परिवर्तन, भुकम्प पछिको पुनः निर्माणले हालसम्म पनि सुस्त गति लिएको कारणले लगानीको अवसरको कमी तथा कारोबारकोलागि संकुचन तथा प्रचलित कानूनी व्यवस्थामा भएका भ्रष्टाचारको व्यवस्था आदि जस्ता विषयहरू कारोबारलाई असर पार्ने तत्वहरू हुन् । आयोजना क्षेत्रमा पर्ने बेमौसमी बाढी पहिरो अतिवृष्टि र अनावृष्टिले आयोजनाको भौतिक संरचनाहरूलाई पटक पटक बाधा अवरोध भएकाले पटक पटक आर्थिक क्षति व्यहोर्नु परिरहेको छ तथापी समयमानै निर्माण कार्य सम्पन्न गरी आयोजनाबाट प्राप्त गर्न सक्ने प्रतिफल बढाउने तर्फ हामी प्रतिवद्ध छौं ।

**(छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया :**

लेखापरीक्षण प्रतिवेदनमा नियमित कारोबारमा देखिएका सामान्य कैफियत, प्रतिक्रिया र सुझावहरूमा सञ्चालक समितिको ध्यानाकर्षण भएको छ र सुधारका निम्ति आवश्यक कदम चालि सकिएको छ ।

**(ज) लाभांश बाँडफाँडको सिफारिस गरिएको सम्बन्धमा:**

यस कम्पनीले जलविद्युत जस्तो दीर्घकालिन क्षेत्रमा लगानी गरेकोले सोको प्रतिफल प्राप्त गर्न समय लाग्ने हुँदा लाभांश दिन सक्ने अवस्था हाललाई नरहेकोले लाभांश बाँडफाँडको सिफारिस गरिएको छैन ।

**(झ) शेयर जफत भएको भए जफत भएको शेयर सङ्ख्या, त्यस्तो शेयरको अङ्कित मूल्य, त्यस्तो शेयर जफत हुनुभन्दा अगावै सो वापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयरवापत रकम फिर्ता गरेको भए सोको विवरण :**

आ. व. २०७८/७९ मा शेयर जफत सम्बन्धी कुनै काम कारवाही भएको छैन ।

(ज) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्त्यमा रहेको स्थितिको पुनरावलोकन :

यस कम्पनीका कुनै सहायक कम्पनी रहेको छैन ।

(ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरू र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन :

यस कम्पनीको कुनै सहायक कम्पनी नरहको । यस कम्पनीले मिति २०७८/०३/२३ मा नेपाल धितोपत्र बोर्डबाट स्वीकृत लिई मिति २०७८/०४/२६ गते सर्वसाधारण शेयरधनीहरू लाई समेत शेयर बाँडफाँड भएको र मिति २०७८/०६/०४ मा नेपाल स्टक एक्सचेन्ज लिमिटेड बाट स्वीकृत प्राप्त भइ शेयर खरिद विक्रिको कारोबार भइरहेको कुरा यहाँहरूलाई अवगत नै छ ।

(ठ) विगत आर्थिक वर्षमा कम्पनीका आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी:

विगत आर्थिक वर्षमा कम्पनीका आधारभूत शेयरधनीहरूले कम्पनीलाई कुनै जानकारी उपलब्ध गराएको छैन ।

(ड) विगत आर्थिक वर्षमा कम्पनीको सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरूको संलग्नता रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी :

आ. व. २०७८/७९ को अन्त्य सम्ममा यस कम्पनीका सञ्चालक तथा पदाधिकारीहरूको नाममा तपसिल बमोजिम शेयर कित्ता कायम रहेको छ । निजहरू कम्पनीको शेयरको कारोबारमा संलग्न रहेको पाइएको छैन ।

#### तपसील

क्र.सं.	नाम, थर	पद	शेयर संख्या
१	डा. विरेन्द्र प्रसाद महतो	सञ्चालक -अध्यक्ष	स्वतन्त्र सञ्चालक
२	डा. तारा प्रसाद पोखेल	सञ्चालक -सदस्य	स्वयं - २९,७३७ कित्ता
३	श्री गोरे शेर्पा	सञ्चालक -सदस्य	स्वयं - १३,२२२ कित्ता
४	श्री बसन्त चन्द्र मरहटा	सञ्चालक -सदस्य	स्वयं - १०,८६९ कित्ता
५	श्रीमती फुल्मु शेर्पा	सञ्चालक -सदस्य	स्वयं - ३९,४३० कित्ता
६	डा. सुनिल कुमार पोखेल	सञ्चालक -सदस्य	स्वयं - १०० कित्ता
७	श्री रघुनाथ कुँईकेल	सञ्चालक -सदस्य	स्वयं - १५० कित्ता

(ढ) विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्भौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थ बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा :

त्यस प्रकारको कुनै सम्भौता गरीएको छैन ।

(ण) कम्पनीले आफ्नो शेयर आफैँले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयर संख्या र अंकित मूल्य तथा त्यसरी शेयर खरिद गरेबापत कम्पनीले भुक्तानी गरेको रकम :

कम्पनीले आफ्नो शेयर आफैँ खरिद गरेको समेत छैन ।

(त) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण :

कम्पनीको कारोबार तथा व्यवस्थापन सुव्यवस्थित रूपमा सञ्चालन गर्नका लागि सञ्चालक समितिले आन्तरिक निर्देशनहरू जारी गरी त्यसको कार्यान्वयन गराएको छ ।

कम्पनीको सम्पत्तिको जोखिम व्यवस्थापन, वित्तीय तथा लेखा सम्बन्धी प्रक्रियाहरू र नियन्त्रणहरू सम्बन्धमा आ.व. २०७८/०७९ मा स्वतन्त्र लेखापरीक्षक M/s J. S. & Associates, Chartered Accountants बाट आन्तरिक लेखापरीक्षण गराइएको छ ।

(थ) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण :

विगत आर्थिक वर्षमा कुल व्यवस्थापन खर्च रु.१,०३,५२,९७५/- (अक्षरुपी रु. एक करोड तीन लाख बाउन्न हजार नौ सय पचहत्तर मात्र) भएको छ । जसको विवरण नाफा नोक्सान हिसावमा उल्लेख गरिएको छ ।

(द) लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम-कारवाहिको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण :

आ.व. २०७८/०७९ मा तपसिल बमोजिमका संचालक सदस्यहरु सहितको लेखापरिक्षण समिति गठन भएको र निजहरूले प्राप्त गरेको भत्ता तथा सुविधा र सो समितिले गरेको काम कारवाहीको विवरण यसप्रकार रहेको छ ।

तपसील					
क्र.सं.	नाम, थर	पद	सतितिको प्रतिनिधित्व	आ.व. २०७८/०७९ को भत्ता	समितिले गरेको काम-कारवाहि र सुझावको विवरण
१	डा. श्री तारा प्रसाद पोखेल	सञ्चालक -सदस्य	संयोजक	१२,०००।००	कम्पनीको त्रैमासिक आर्थिक प्रतिवेदन उपर छलफल गरि आवश्यक सुझाव दिएको र आ.व. २०७९/०८० को लागी लेखापरिक्षक र निजको पारिश्रमिक बारे साधारण सभामा सिफारिस गरेको ।
२	श्री बसन्त चन्द्र मरहटा	सञ्चालक -सदस्य	सदस्य	१०,०००।००	
३	श्रीमती फुल्मु शेर्पा	सञ्चालक -सदस्य	सदस्य	०।००	

(ध) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकको नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा :

शेयर बापत शेयरधनीबाट चुक्ता हुन बाँकी रकम छैन ।

(न) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :

प्रस्तुत आर्थिक वर्षमा सञ्चालकलाई बैठक भत्ता बापत रु. २,५५,०००/-, लेखापरिक्षण समिति बैठक भत्ता रु.२२००० /- र मानव संसाधन समिति बैठक भत्ता रु.४३,००० /- गरी जम्मा रु. ३,२०,०००/- भुक्तानी गरिएको छ ।

तथा कार्यकारी प्रमुखलाई तलब तथा भत्ता बापत रु. १३,८५,५००/- र बैठक भत्ता बापत रु ५०,०००/-भुक्तानी गरिएको छ ।

(प) शेयरधनीले बुझिलिन बाँकी रहेको लाभांशको रकम :

हालसम्म यस कम्पनीबाट वितरण गरिएको नगद लाभांश वोनश शेयरको कर भुक्तानी प्रयोजनको लागि वितरण गरिएकोले शेयरधनीले सो रकम बुझिलिन बाँकी छैन ।

(फ) दफा १४१ बमोजिम सम्पत्ति खरिद गरेको कुरा :

प्रस्तुत आर्थिक वर्षमा दफा १४१ बमोजिम सम्पत्ति खरिद गरिएको छैन ।

(ब) दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएको कारोबारको विवरण :

प्रस्तुत आर्थिक वर्षमा दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच कारोबार गरिएको छैन ।

(भ) ऐन तथा प्रचलित कानून बमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने कुरा :

सञ्चालक समिति आफ्नो वार्षिक प्रतिवेदनमा पारदर्शी भई खुलाउनु पर्ने विषयका सम्बन्धमा सदैव सचेत रहनेछ। त्यस अर्थमा कम्पनीको कारोबार र अन्य स्पष्ट पार्नुपर्ने आवश्यक कुराहरुलाई सकेसम्म अभ्रप्रष्ट पार्दै लैजानेछ ।

(म) अन्य आवश्यक कुराहरु :

यस कम्पनीको आगामी आ.व. २०७९/०८० का लागि कम्पनी ऐन, २०६३ बमोजिम लेखापरीक्षक नियुक्तीका लागि लेखापरीक्षक फर्म श्री जे.एस. एण्ड एसोसिएट्स, चार्टर्ड एकाउन्टेन्ट्सलाई (मूल्य अभिवृद्धि कर बाहेक) रु. ७०,०००/- (अक्षरेपी सत्तरी हजार मात्र) पारिश्रमिकमा नियुक्त गर्न सिफारिस गरेका छौं ।

**धन्यवाद ज्ञापन**

कम्पनीलाई विभिन्न माध्यमद्वारा सहयोग तथा मार्गदर्शन प्रदान गर्ने सम्पूर्ण शेयरधनी महानुभावहरु, लेखापरीक्षक, नेपाल सरकारका सम्बन्धित निकायहरु – कम्पनी रजिष्ट्रारको कार्यालय, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज लिमिटेड (NEPSE), सिडिएस एण्ड क्लियरिङ लिमिटेड, बी.ओ.के. क्यापिटल मार्केट लिमिटेड, कम्पनी तथा कम्पनीले लगानी गरेका निर्माणाधिन आयोजनाहरु लाई यस चरणसम्म सफलतापूर्वक पुऱ्याउन क्रियाशील आयोजना तथा कम्पनीका सबै कर्मचारीहरु लगायत सम्पूर्ण सहयोगीहरुमा सञ्चालक समिति एवं मेरो व्यक्तिगत तर्फबाट हार्दिक धन्यवाद ज्ञापन गर्न चाहन्छु । साथै आगामी दिनमा पनि सहयोग तथा सुझावहरुको अपेक्षा गर्दछु । धन्यवाद !

डा. विरेन्द्र प्रसाद महतो  
सञ्चालक अध्यक्ष

वार्षिक प्रतिवेदनमा समावेश गर्नुपर्ने विवरण

१. संचालक समितिको प्रतिवेदन

- सम्बन्धित शिर्षक अन्तरगत राखिएको ।

२. लेखापरीक्षकको प्रतिवेदन:

- सम्बन्धित शिर्षक अन्तरगत राखिएको ।

३. लेखापरीक्षण भएको वित्तीय विवरण:

- सम्बन्धित शिर्षक अन्तरगत राखिएको ।

४. कानूनी कारबाही सम्बन्धी विवरण:

देहाय अनुसारको मुद्दा दायर भएको भए, मुद्दा दायर भएको मिति, विषय, मुद्दा दायर भएको संस्थापक वा संचालकको नाम र सम्भाव्य कानूनी उपचार सम्बन्धी विवरण समावेश गरिनुपर्ने:

(क) त्रैमासिक अवधिमा संगठित संस्थाले वा संस्थाको विरुद्ध कुनै मुद्दा दायर भएको भए,

-यस कम्पनीले वा यस कम्पनीका विरुद्धमा कुनै मुद्दा दर्ता नभएको ।

(ख) संगठित संस्थाको संस्थापक वा संचालकले वा संस्थापक वा संचालकको विरुद्धमा प्रचलित नियमको अवज्ञा वा फौजदारी अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर गरेको वा भएको भए,

-यस कम्पनीको जानकारीमा नभएको ।

(ग) कुनै संस्थापक वा संचालक विरुद्ध आर्थिक अपराध गरेको सम्बन्धमा कुनै मुद्दा दायर भएको भए,

-यस कम्पनीको जानकारीमा नभएको ।

५. संगठित संस्थाको शेयर कारोबार तथा प्रगतिको विश्लेषण

(क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारणा

-नेपाल स्टक एक्सचेन्ज तथा धितोपत्र बोर्डको सुपरिवेक्षण व्यवस्थाको अधिनमा रही कारोबार गरेको ।

- (ख) गत वर्षको प्रत्येक त्रैमासिक अवधिमा संगठित संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोबार शेयर संख्या र कारोबार दिन ।

आ.व. २०७८/०७९ को प्रत्येक त्रैमासिक अवधिमा यस कम्पनीको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोबार शेयर संख्या र कारोबार दिन निम्नानुसार रहेको छ ।

अवधि	अधिकतम मूल्य रु.	न्यूनतम मूल्य रु.	अन्तिम मूल्य रु.	कुल कारोबार दिन	कुल कारोबार संख्या	कुल कारोबार शेयर संख्या
प्रथम त्रैमासिक	५००	१८६.५	४३७	१४	२९१८	४९१७३
दोस्रो त्रैमासिक	५९८	१८६.५	५३७.५	७३	१५४९४	४८७३२५
तेस्रो त्रैमासिक	७३३.९	१८६.५	५४०	१३०	२३५१२	१२३०७७८
चौथो त्रैमासिक	७३३.९	१८६.५	४९२.६	१९७	३०७५२	१४३७१४३

## ६. समस्या तथा चुनौती

(क) आन्तरिक समस्या तथा चुनौती:

- यन्त्र उपकरणहरुमा उत्पन्न हुने प्राविधिक तथा यान्त्रिक गडबडी ।
- दक्ष जनशक्ति व्यवस्थापनमा चुनौती ।

(ख) बाह्य समस्या तथा चुनौती:

- अस्थिर राजनैतिक अवस्था तथा जलविद्युत विकासमा सरकारबाट घोषणा भएको सुविधा तथा सहूलियत कार्यान्वयनमा ढिलासुस्ती ।
- वैदेशिक विनिमयदरमा हुने परिवर्तन ।
- ऐन, कानून तथा सरकारी नीति नियममा हुने परिवर्तन ।
- प्रसारण लाईनमा उत्पन्न हुने प्राविधिक समस्याहरु
- बाढी, पहिरो, खडेरी, भुकम्प जस्ता प्राकृतिक विपत्तिबाट हुनसक्ने जोखिम ।

(ग) रणनीति:

- लगानीकर्ताहरुको प्रतिफल सुनिश्चित गराउन भविष्यमा आईपर्ने चुनौतीहरुको पहिचान, विश्लेषण र मूल्यांकन गरी अवसरको रूपमा परिणत गर्ने, गराउने ।

## ७. संस्थागत सुशासन

- प्रचलित ऐन, नियम अनुसार सम्बन्धित नियमनकारी निकायहरुद्वारा जारी गरिएको निर्देशन तथा परिपत्रहरुको पूर्ण रुपमा पालना गरिएको छ । संस्थागत अनुशासनलाई सदैव उच्च प्राथमिकतामा राख्दै आएको र संस्थागत सुशासन सम्बन्धि निर्देशन तथा परिपत्रहरुको पूर्ण रुपमा पालना गरिएको छ ।
- प्रचलित आन्तरिक नियन्त्रण प्रणाली व्यवस्थित गर्न लेखापरीक्षण समिति, मानव संशाधन समिति र जोखिम व्यवस्थापन समिति गठन गरिएको छ ।

डा. विरेन्द्र प्रसाद महतो  
अध्यक्ष, संचालक समिति  
मैलुङ खोला जलविद्युत कम्पनी लिमिटेड

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF MAILUNG KHOLA JAL VIDHYUT COMPANY LIMITED**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS  
OPINION**

We have audited the accompanying financial statements of Mailung Khola Jal Vidhyut Company Limited (the "Company"), which comprise the Statement of Financial Position as at Ashad 32, 2079 (July 16, 2022), and the Statement of Comprehensive Income, Statement of Cash Flow and Statement of Change in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Mailung Khola Jal Vidhyut Company Limited as at 32 Ashad, 2079 (16 July 2022), and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

**BASIS FOR OPINION**

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our Report. We are independent of the Company in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Nepal Financial Reporting Standards 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 the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Company's financial reporting process.

**AUDITOR'S RESPONSIBILITIES 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 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. Misstatement 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 decisions of users taken on the basis of these financial statements.





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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management,
- Conclude on the appropriateness of the 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

#### **REPORT ON THE REQUIREMENTS OF COMPANY ACT, 2063**

We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion, the statement of financial position, profit and loss, other comprehensive income, changes in equity and cash flows have been prepared in accordance with the provisions of Companies Act, 2063 and conform to the books of accounts of the Company and the books of accounts and records are properly maintained in accordance with the prevailing laws.

During the course of our audit, we did not come across the cases where the Board of Directors or the representative or any employee of the Company has acted deliberately contrary to the provisions of the law or caused loss or damage to the Company or misappropriated funds of the Company, nor have we been informed of any such case by the management

Date: 12<sup>th</sup> December 2022  
Place: Kathmandu  
UDIN: 221226CA00112Xumff

  
CA Raju Kumar Sibakoti  
Partner  
JBRH & Co.  
Chartered Accountants



**Mailung Khola Jal Vidhyut Company Limited**  
Kathmandu, Nepal

**Statement of Financial Position**  
As at 32nd Ashadh 2079 (16th July 2022)

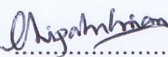
Particulars	Notes	As at 32nd Ashadh 2079	Amount in NRs.
			As at 31st Ashadh 2078
<b>Assets</b>			
<b>Non current Assets</b>			
Property, plant and Equipment	4.10	1,248,163	1,576,355
Intangible Assets	4.11	704,450,425	746,550,139
Investment Securities	4.12	25,923,100	8,423,100
<b>Total Non Current assets</b>		<b>731,621,688</b>	<b>756,549,595</b>
<b>Current Assets</b>			
Trade Receivables	4.13	142,233,948	140,724,345
Cash and Cash equivalents	4.14	3,522,882	274,644
Other Financial Assets	4.15	4,146,209	4,219,419
Other Current Assets	4.16	12,884,042	9,174,355
Current Tax Assets	4.17	-	3,939,960
<b>Total Current assets</b>		<b>162,787,081</b>	<b>158,332,723</b>
<b>Total Assets</b>		<b>894,408,769</b>	<b>914,882,317</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share Capital	4.18	368,143,000	294,514,400
Reserves	4.19	125,852	-
Retained Earnings	4.19	9,303,231	3,746,461
<b>Total Equity</b>		<b>377,572,083</b>	<b>298,260,861</b>
<b>Non Current Liabilities</b>			
Borrowings	4.20	380,030,006	475,555,958
Other Non-Current Liabilities	4.20	34,537,922	36,114,619
<b>Total Non current Liabilities</b>		<b>414,567,928</b>	<b>511,670,577</b>
<b>Current Liabilities</b>			
Short term Borrowings	4.21	91,360,055	91,435,458
Trade Payables	4.22	4,920,418	7,565,905
Short term Provisions	4.23	-	3,999
Other Current Liabilities	4.24	6,613,542	5,945,517
Current Tax Liabilities	4.17	(625,257)	-
<b>Total Current Liabilities</b>		<b>102,268,758</b>	<b>104,950,879</b>
<b>Total Equity and Liabilities</b>		<b>894,408,769</b>	<b>914,882,317</b>

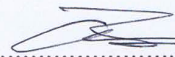
Net assets value per share


102.56


101.27

The accompanying notes are integral part of these financial statements.

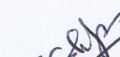
  
Binay Chipalu  
General Manager


  
Dr. Birendra Prasad Mahato  
Chairman


  
Basanta Chandra Marahatta  
Director


  
Dr. Tara Prasad Pokhrel  
Director

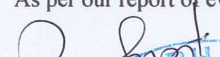
As per our report of even date,

  
Gore Sherpa  
Director

  
Phulmu Sherpa  
Director

  
Dr. Sunil Kumar Pokhrel  
Director

  
Raghunath Kuinkel  
Director

  
CA. Raju Kumar Sibakoti  
Partner  
JBRH & Co.  
Chartered Accountants

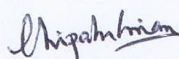
Date: 2079-08-25  
Place: Kathmandu

**Mailung Khola Jal Vidhyut Company Limited**  
Kathmandu, Nepal

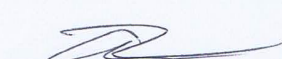
**Statement of Comprehensive Income**  
For the year ended 32 Ashadh 2079 (16th July 2022)

Particulars	Notes	Amount in NRs.	
		Current Year	Previous Year
Revenue	4.1	114,135,123	126,172,345
Cost of Sales	4.2	12,800,508	21,354,001
<b>Gross profit</b>		<b>101,334,616</b>	<b>104,818,343</b>
Other income	4.3	16,882,814	21,365,300
Personnel Expenses	4.4	4,854,958	4,059,202
Other operating and Administrative expenses	4.5	10,352,975	6,501,742
Depreciation & Amortisation	4.6	45,118,667	38,911,834
<b>Operating profit</b>		<b>57,890,829</b>	<b>76,710,865</b>
Finance Cost	4.7	37,580,495	48,891,513
Other Operating Income/(Loss)	4.8	-	424,767
<b>Profit Before Tax</b>		<b>20,310,334</b>	<b>27,394,586</b>
Income Tax Expenses			
Current Tax	4.9	3,770,203	496,125
Deferred Tax		-	-
<b>Profit for the year</b>		<b>16,540,131</b>	<b>26,898,461</b>
<b>Other Comprehensive Income:</b>			
Actuarial gains/(losses) on defined benefit plans		125,852	-
Income tax relating to above items		-	-
<b>Other comprehensive gain/(loss) for the year, net of tax</b>		<b>125,852</b>	<b>-</b>
<b>Total comprehensive gain/(loss) for the year, net of tax</b>		<b>16,665,983</b>	<b>26,898,461</b>
Earnings per Equity share of Rs. 100 Each			
Basic Earnings per Share		4.56	9.16
Diluted Earnings Per Share		4.56	9.16

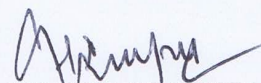
The accompanying notes are integral part of these financial statements.



Binay Chipalu  
General Manager



Dr. Birendra Prasad Mahato  
Chairman

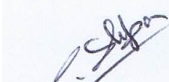


Basanta Chandra Marahatta  
Director

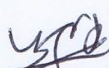


Dr. Tara Prasad Pokhrel  
Director

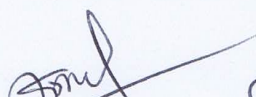
As per our report of even date,



Gore Sherpa  
Director



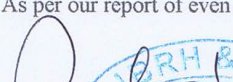
Phulmu Sherpa  
Director



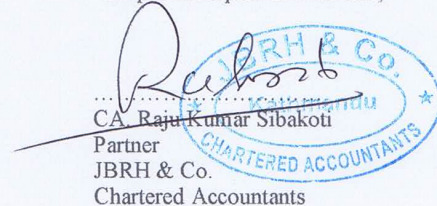
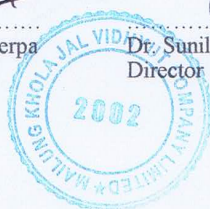
Dr. Sunil Kumar Pokhrel  
Director



Raghunath  
Kunke  
Director



CA. Raju Kumar Sibakoti  
Partner  
JBRH & Co.  
Chartered Accountants



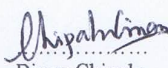
Date: 2079-08-25  
Place: Kathmandu

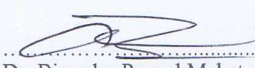
**Mailung Khola Jal Vidhyut Company Limited**  
Kathmandu, Nepal

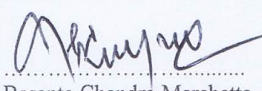
**Statement of Cash Flows**  
For the year ended 32 Ashadh 2079 (16th July 2022)

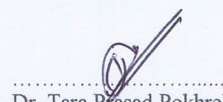
Particulars	Amount in NRs.	
	Current Year	Previous Year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit After tax	16,540,131	26,898,461
Adjustment to reconcile profit before tax to cash provided by operating activities		
Depreciation on Fixed assets	431,092	566,605
Amortisation of Intangibles	44,687,574	38,345,229
Income from Other investments	(16,882,814)	(21,365,300)
Provisions/Non-cash expenses	-	418,993
Finance Charge	37,580,495	48,891,513
Income Tax Expense	3,770,203	496,125
<b>Operating profit before working capital changes</b>	<b>86,126,682</b>	<b>94,251,625</b>
<b>(Increase)/Decrease in Current Assets</b>		
Trade Receivables	(1,509,603)	(24,183,018)
Other Current assets	(3,636,477)	(387,328)
<b>Increase/(Decrease) in Current Liabilities</b>		
Short term Borrowings	(75,403)	(5,692,142)
Other current liabilities	(2,606,718)	3,451,607
<b>Operating Cash Flows after Changes in working capital</b>	<b>(7,828,201)</b>	<b>(26,810,881)</b>
<b>Net Cash Flow from Operating Activities before Tax Paid</b>	<b>78,298,481</b>	<b>67,440,744</b>
Income Tax Paid	169,757	-
<b>Net Cash Flow from Operating Activities</b>	<b>78,468,238</b>	<b>67,440,744</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase/ Sale of Property and Equipment	(102,900)	(2,700)
Purchase/ Sales of Intangible Assets	(2,587,860)	(8,475)
Purchase/ Sales of Investment	(17,500,000)	-
<b>Net Cash Used in Investing Activities</b>	<b>(20,190,760)</b>	<b>(11,175)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in Equity	73,628,600	-
Increase/(Decrease) in Non Current Liabilities	(80,093,983)	(18,389,383)
Interest Paid	(37,580,495)	(48,891,513)
Prior Period Adjustment of Retained Earnings	(10,983,361)	-
<b>Net Cash from Financing Activities</b>	<b>(55,029,239)</b>	<b>(67,280,896)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>3,248,238</b>	<b>214,315</b>
Opening Cash and Cash Equivalents	274,644	60,329
<b>Closing Cash and Cash Equivalents</b>	<b>3,522,882</b>	<b>274,644</b>

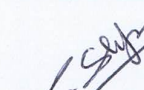
The accompanying notes are integral part of these financial statements.

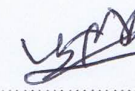
  
Binay Chipalu  
General Manager

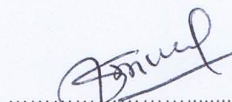
  
Dr. Birendra Prasad Mahato  
Chairman

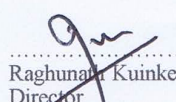
  
Basanta Chandra Marahatta  
Director

  
Dr. Tara Prasad Pokhrel  
Director

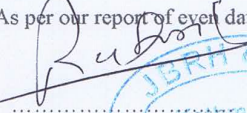
  
Gore Sherpa  
Director

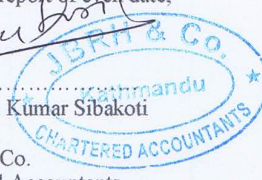
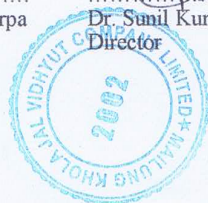
  
Phulmu Sherpa  
Director

  
Dr. Sunil Kumar Pokhrel  
Director

  
Raghunath Kuinkel  
Director

As per our report of even date,

  
CA. Raju Kumar Sibakoti  
Partner  
JBRH & Co.  
Chartered Accountants



Date: 2079-08-25  
Place: Kathmandu

**Mailing Khola Jal Vidhyut Company Limited**  
Kathmandu, Nepal


**Statement of Changes in Equity**  
For the year ended 32 Ashadh 2079 (16th July 2022)

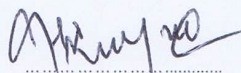
Amount in NRs.


Particulars	Share Capital	Share Premium	Retained Earning	Other Reserves	Total
Balance at Shrawan 01, 2077	294,514,400	-	(23,207,869)		271,306,531
Adjustment/Restatement					
<b>Adjustment/Restated Balance as at Shrawan 01, 2077</b>	<b>294,514,400</b>	<b>-</b>	<b>(23,207,869)</b>	<b>-</b>	<b>271,306,531</b>
<b>Comprehensive Income for the year</b>					
<b>Profit for the year</b>			26,954,330		26,954,330
<b>Other Comprehensive Income, Net of Tax</b>					
Gains/(losses) from investment in equity instruments measured at fair value					-
Gains/(losses) on revaluation					-
Actuarial gains/(losses) on defined benefit plans					-
Gains/(losses) on cash flow hedge					-
<b>Total Comprehensive Income for the year</b>			26,954,330	-	26,954,330
Transfer to Reserves during the year					-
Transfer from Reserves during the year					-
Transactions with Owners, directly recognized in Equity					-
Share Issued					-
Expenditure made out of CSR Fund					-
Dividend to Equity-Holders					-
Bonus Shares Issued					-
Cash Dividend Paid					-
<b>Total Contributions by and Distributions</b>			26,954,330	-	26,954,330
<b>Balance at Ashadh 31, 2078</b>	<b>294,514,400</b>	<b>-</b>	<b>3,746,461</b>	<b>-</b>	<b>298,260,861</b>
<b>Balance at Shrawan 01, 2078</b>	<b>294,514,400</b>	<b>-</b>	<b>3,746,461</b>	<b>-</b>	<b>298,260,861</b>
<b>Comprehensive Income for the year</b>					
<b>Profit for the year</b>			16,540,131		16,540,131
<b>Other Comprehensive Income, Net of Tax</b>					
Gains/(losses) from investment in equity instruments measured at fair value					-
Gains/(losses) on revaluation					-
Actuarial gains/(losses) on defined benefit plans				125,852	125,852
Gains/(losses) on cash flow hedge					-
<b>Total Comprehensive Income for the year</b>			16,540,131	125,852	16,665,983
Transfer to Reserves during the year					-
Transfer from Reserves during the year					-
Prior Period Adjustments					-
Transactions with Owners, directly recognized in Equity			(10,983,361)		(10,983,361)
Share Issued	73,628,600				73,628,600
Dividend to Equity-Holders					-
Bonus Shares Issued					-
Cash Dividend Paid					-
<b>Total Contributions by and Distributions</b>	73,628,600		5,556,770	125,852	79,311,222
<b>Balance at Ashadh 32, 2079</b>	<b>368,143,000</b>	<b>-</b>	<b>9,303,231</b>	<b>125,852</b>	<b>377,572,083</b>

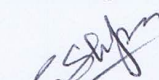
The accompanying notes are integral part of these financial statements.


  
Binay Chipalu  
General Manager

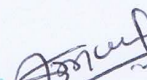
  
Dr. Birendra Prasad Mahato  
Chairman

  
Basanta Chandra Marahatta  
Director

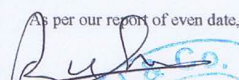
  
Dr. Tara Prasad Pokhrel  
Director

  
Goro Sherpa  
Director

  
Phulmu Sherpa  
Director

  
Dr. Sunil Kumar Pokhrel  
Director

  
Raghunath Kuinkel  
Director

As per our report of even date,  
  
CA. Raju Kumar Sibakoti  
Partner  
JBRH & Co.  
Chartered Accountants

Date: 2079-08-25  
Place: Kathmandu



**Mailung Khola Jal Vidhyut Company Limited**  
Kathmandu, Nepal

**Notes to and forming parts of the Financial Statements for FY2078/079**

*Amount in NRs.*

<b>Investment Securities</b>	<b>4.12</b>	
<b>Particulars</b>	<b>As at 32.03.2079</b>	<b>As at 31.03.2078</b>
Investment measured at FVTOCI	25,923,100	8,423,100
<b>Total</b>	<b>25,923,100</b>	<b>8,423,100</b>

<b>Trade Receivables</b>	<b>4.13</b>	
<b>Particulars</b>	<b>As at 32.03.2079</b>	<b>As at 31.03.2078</b>
Account Receivables	142,230,948	140,721,345
Insurance Receivable	3,000	3,000
<b>Total</b>	<b>142,233,948</b>	<b>140,724,345</b>

The image shows several handwritten signatures in black ink. Below the signatures are two blue circular stamps. The left stamp is from Mailung Khola Jal Vidhyut Company Limited, established in 2002. The right stamp is from JBRH & Co. Chartered Accountants, Kathmandu.

# Mailung Khola Jal Vidhyut Company Limited

Kathmandu, Nepal

## Notes to and forming parts of the Financial Statements for FY2078/079

Amount in NRs.

<b>Cash and Cash equivalents</b>		
	<b>4.14</b>	
<b>Particulars</b>	<b>As at 32.03.2079</b>	<b>As at 31.03.2078</b>
Cash in Hand	31,812	33,872
Cash at Bank-LCY	3,491,070	240,772
<b>Total</b>	<b>3,522,882</b>	<b>274,644</b>

<b>Other Financial Assets</b>		
	<b>4.15</b>	
<b>Particulars</b>	<b>As at 32.03.2079</b>	<b>As at 31.03.2078</b>
Staff Advances	3,136,428	2,909,638
Security Deposit	1,009,781	1,009,781
Advance to Others	-	300,000
<b>Total</b>	<b>4,146,209</b>	<b>4,219,419</b>

<b>Other Current Assets</b>		
	<b>4.16</b>	
<b>Particulars</b>	<b>As at 32.03.2079</b>	<b>As at 31.03.2078</b>
Miscellaneous Deposit	532,006	446,068
Prepaid Insurance	2,366,036	2,326,998
Advance to Suppliers	586,000	6,401,289
Deferred Finance Cost*	9,400,000	-
<b>Total</b>	<b>12,884,042</b>	<b>9,174,355</b>

\* In previous fiscal year (2077/78), Mailun Khola Jalvidhyut Company Limited implements Nepal Financial Reporting Standard (NFRS) as first time for recording its books of accounts as per prevailing law. During implementation of NFRS Company used Effective Interest Rate (EIR) method for valuing its loan. Due to such policy company's loan liability is decreased by NRs. 19,914,917.48 (in words: nineteen million nine hundred fourteen thousand nine hundred seventeen and forty eight paisa only). Such amount is directly credited at general reserve, due to which general reserve is increased by such amount. Using Effective Interest Rate (EIR) is not mandatory requirement for valuing loan and changes of such policy provides better presentation of financial statements, due to which board of directors decided to written off such amount. Board of directors of the company decides, to write off such amount in retained earnings with NRs.10,514,918.48 (in words: ten million five hundred fourteen thousand nine hundred eighteen and forty eight paisa only) has been written off in fiscal year 2078/79 and remaining amount will be written off in upcoming fiscal year.

<b>Current Tax Assets</b>		
	<b>4.17</b>	
<b>Particulars</b>	<b>As at 32.03.2079</b>	<b>As at 31.03.2078</b>
Income Tax Liabilities	(3,770,203)	-
Advance Tax	4,395,460	3,939,960
<b>Total</b>	<b>625,257</b>	<b>3,939,960</b>

<b>Share Capital</b>		
	<b>4.18</b>	
<b>Particulars</b>	<b>As at 32.03.2079</b>	<b>As at 31.03.2078</b>
Equity Share Capital	368,143,000	294,514,400
<b>Total</b>	<b>368,143,000</b>	<b>294,514,400</b>

<b>4.28.1: Ordinary Shares</b>		
	<b>As at 32.03.2079</b>	<b>As at 31.03.2078</b>
Opening Share Capital	2,945,144	2,945,144
Addition During the Year	736,286	-
<b>Total</b>	<b>3,681,430</b>	<b>2,945,144</b>



*[Handwritten signature]*



*[Handwritten signature]*

**Mailung Khola Jal Vidhyut Company Limited**  
Kathmandu, Nepal

**Notes to and forming parts of the Financial Statements for FY2078/079**

*Amount in NRs.*

**4.28.2: Ordinary Shares**

Particulars	As at 32.03.2079	As at 31.03.2078
<b>Authorized Capital</b>		
75,00,000 Equity Shares of NRs.100 each	750,000,000	750,000,000
	<b>750,000,000</b>	<b>750,000,000</b>
<b>Issued capital</b>		
3,681,430 Equity Shares of NRs.100 each	368,143,000	368,143,000
	<b>368,143,000</b>	<b>368,143,000</b>
<b>Subscribed and paid up capital</b>		
3,681,430 Equity Shares of NRs.100 each	368,143,000	294,514,400
<b>Total</b>	<b>368,143,000</b>	<b>294,514,400</b>

**Reserves**

4.19

Particulars	As at 32.03.2079	As at 31.03.2078
Retained Earnings	9,303,231	3,746,461
Actuarial Reserve	125,852	-
<b>Total</b>	<b>9,429,083</b>	<b>3,746,461</b>

**4.29.1 Movement of Reserves**

Particulars	As at 32.03.2079	As at 31.03.2078
<b>Retained Earning</b>		
Opening Balance	3,746,461	(23,207,869)
Addition During the year		
Profit/(Loss) transferred from Income Statement	16,540,131	26,964,102
Other Adjustments	(10,983,361)	(9,772)
<b>Closing Balance as on Ashadh End</b>	<b>9,303,231</b>	<b>3,746,461</b>

**Borrowings**

4.20

Particulars	As at 32.03.2079	As at 31.03.2078
Bank Loans	380,030,006	475,555,958
Lease Obligation or Contracts	-	-
<b>Total</b>	<b>380,030,006</b>	<b>475,555,958</b>



# Mailung Khola Jal Vidhyut Company Limited

Kathmandu, Nepal

## Notes to and forming parts of the Financial Statements for FY2078/079

Amount in NRs.

<b>Other Non-Current Liabilities</b>		<b>4.20</b>
<b>Particulars</b>	<b>As at 32.03.2079</b>	<b>As at 31.03.2078</b>
Provision for Leave Encashment	2,873,871	3,431,068
Deferred Income	31,664,051	32,683,551
<b>Total</b>	<b>34,537,922</b>	<b>36,114,619</b>

<b>Short term Borrowings</b>		<b>4.21</b>
<b>Particulars</b>	<b>As at 32.03.2079</b>	<b>As at 31.03.2078</b>
Overdraft Facilities	34,221,971	38,547,995
Related Parties Borrowing	11,938,084	11,938,084
Current Portion of Long term loan	45,200,000	40,949,379
<b>Total</b>	<b>91,360,055</b>	<b>91,435,458</b>

<b>Trade Payables</b>		<b>4.22</b>
<b>Particulars</b>	<b>As at 32.03.2079</b>	<b>As at 31.03.2078</b>
Sundry Creditors	4,920,418	7,565,905
<b>Total</b>	<b>4,920,418</b>	<b>7,565,905</b>

<b>Short term Provisions</b>		<b>4.23</b>
<b>Particulars</b>	<b>As at 32.03.2079</b>	<b>As at 31.03.2078</b>
Provision for Expenses	-	3,999
<b>Total</b>	<b>-</b>	<b>3,999</b>

<b>Other Current Liabilities</b>		<b>4.24</b>
<b>Particulars</b>	<b>As at 32.03.2079</b>	<b>As at 31.03.2078</b>
TDS Payable	188,371	153,323
Provision for Audit Fee	78,050	-
Provision for Internal Audit Fee	27,875	-
Provisions Staff Bonus	2,319,246	1,792,194
Other Liabilities	4,000,000	4,000,000
<b>Total</b>	<b>6,613,542</b>	<b>5,945,517</b>



**Mailung Khola Jal Vidhyut Company Limited**  
Kathmandu, Nepal

**Notes to and forming parts of the Financial Statements for FY2078/079**

*Amount in NRs.*

<b>Revenue</b>		
<b>4.1</b>		
<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Revenue From Sales of Electricity	114,135,123	126,172,345
<b>Total</b>	<b>114,135,123</b>	<b>126,172,345</b>

<b>Cost of Sales</b>		
<b>4.2</b>		
<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Power Plant Operation and Maintenance	2,885,627	7,955,891
Production based Royalty	2,282,551	4,852,393
Annual Fixed Royalty	500,000	-
Site Office Overhead	1,059,046	1,239,892
Site Staff Cost	5,659,268	6,920,716
Site Vehicle Operation and Maintenance	195,128	208,155
Site Vehicle Fuel Expenses	218,888	176,955
<b>Total</b>	<b>12,800,508</b>	<b>21,354,001</b>

<b>Other income</b>		
<b>4.3</b>		
<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Income from Lease Rent	1,984,500	1,984,500
Income From Sale of Hydropower License	13,096,313	-
Income from Other Services	1,802,001	19,380,800
<b>Total</b>	<b>16,882,814</b>	<b>21,365,300</b>

<b>Personnel Expenses</b>		
<b>4.4</b>		
<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Salaries, Wages, Insurance and Other Employee Costs	2,933,877	3,062,171
Contribution to Provident Fund, Gratuity Fund/Leave	1,379,456	436,618
Travelling Expenses	14,573	-
Provision for Employees' Bonus	527,052	560,413
<b>Total</b>	<b>4,854,958</b>	<b>4,059,202</b>

**Mailung Khola Jal Vidhyut Company Limited**  
Kathmandu, Nepal

Notes to and forming parts of the Financial Statements for FY2078/079

Amount in NRs.

<b>Other operating and Administrative expenses</b>		<b>4.5</b>
<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
AGM Expenses	89,309	96,580
Advertising and Publicity	166,203	35,280
External Audit Fee	79,100	79,100
Internal Audit Fee	113,000	-
Audit Expenses	5,650	-
Books/Newapaper/Magazine	9,040	-
Business Promotion Expense	15,637	13,055
Printing & Statonary	24,950	42,161
Computer & Software Maintenance Expenses	4,000	-
Consultancy Fee	293,515	232,411
Communication Expenses	75,670	-
Pooja Expenses	6,000	-
Office Consumable Goods	109,699	-
Meeting Expenses	402,270	485,898
Registration and Renewal Expenses	85,023	-
Membership Fees & Renewal	24,000	-
Insurance & Taxes	2,655,704	2,800,381
Office Rent	596,932	535,881
Vehicle Fuel (Bike)	60,783	65,641
Repair & maintenance Others	14,700	65,641
Miscellaneous Expenses	24,439	628,528
Share Management Fees & Charges	5,497,351	1,421,185
<b>Total</b>	<b>10,352,975</b>	<b>6,501,742</b>

<b>Depreciation &amp; Amortisation</b>		<b>4.6</b>
<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Depreciation of Property, Plant and Equipment	431,092	566,605
Amortization of Intangible Assets	44,687,574	38,345,229
<b>Total</b>	<b>45,118,667</b>	<b>38,911,834</b>

**Mailung Khola Jal Vidhyut Company Limited**  
Kathmandu, Nepal

**Notes to and forming parts of the Financial Statements for FY2078/079**

*Amount in NRs.*

<b>Finance Cost</b>		
<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Bank Charges & Commission	1,435	141,845
Interest on Loan & Deposits	37,579,060	48,749,668
<b>Total</b>	<b>37,580,495</b>	<b>48,891,513</b>

<b>Other Operating Income/(Loss)</b>		
<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Operating lease income	-	-
Other	-	424,767
<b>Total</b>	<b>-</b>	<b>424,767</b>

<b>Income Tax Expenses</b>		
<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
<b>Current tax expense</b>		
Current year	3,770,203	496,125
<b>Total</b>	<b>3,770,203.25</b>	<b>496,125</b>



# Mailung Khola Jal Vidhyut Company Limited

Kathmandu, Nepal

Notes to and forming parts of the Financial Statements for FY2078/079

## 4.10 PROPERTY, PLANT AND EQUIPMENT

Amount in NRs.

Particulars	Computer, Furniture, Office & Electrical Equipment	Vehicle	Other Equipments	Total
<b>Gross Block</b>				
At Shrawan 1 2078	3,230,001	6,459,650	1,164,636	10,854,287
Additions	102,900	-	-	102,900
This Year adjustment/written off	-	-	-	-
Disposals	-	-	-	-
At Ashad 32 2079	3,332,901	6,459,650	1,164,636	10,957,187
<b>Accumulated Depreciation</b>				
At Shrawan 1 2078	3,122,434	5,178,159	977,338	9,277,932
Depreciation Charge for the year	51,902	341,731	37,460	431,092
This Year adjustment/written off	-	-	-	-
Disposals	-	-	-	-
At Ashad 32 2079	3,174,336	5,519,890	1,014,798	9,709,024
<b>Capital WIP</b>				
At Ashad 31 2078	-	-	-	-
At Ashad 32 2079	-	-	-	-
<b>Net book value:</b>				
At Ashad 31 2078	107,567	1,281,491	187,298	1,576,355
At Ashad 32 2079	158,565	939,760	149,838	1,248,163

# Mailung Khola Jal Vidhyut Company Limited

Kathmandu, Nepal

Notes to and forming parts of the Financial Statements for FY2078/079

## 4.11 INTANGIBLE ASSETS

	<i>Amount in NRs.</i>	
	Computer software	Service concession arrangements
<b>Cost:</b>		
At Ashad 31 2078	36,951	-
Additions	-	
Disposals	-	
Prior periods Adjustments		
At Ashad 32 2079	<u>36,951</u>	<u>-</u>
<b>Accumulated Amortization</b>		
At Ashad 31 2078	30,171	
Additions	1,695	
Disposals		
Prior periods Adjustments		
At Ashad 32 2079	<u>31,866</u>	<u>-</u>
<b>Net book value:</b>		
At Ashad 31 2078	6,780	-
At Ashad 32 2079	<u>5,085</u>	<u>-</u>



# Mailung Khola Jal Vidhyut Company Limited

Kathmandu, Nepal




## Notes to and forming parts of the Financial Statements for FY2078/079

### 4.14 INTANGIBLE ASSETS

Amount in NRs.

Service concession arrangements include the entire Project of Mailung Khola Hydropower Project (5 MW) recognized as per IFRIC-

Particulars	Computer Software	Service Concession Arrangements	Total
<b>Gross Block</b>			
At Shrawan 1 2078	36,951	951,996,875	952,033,826
Additions	-	2,587,860	2,587,860
Disposals	-	-	-
Prior periods Adjustments	-	-	-
At Ashad 32 2079	36,951	954,584,735	954,621,686
<b>Accumulated Amortization</b>			
At Shrawan 1 2078	30,171	205,453,516	205,483,687
Additions	1,695	44,685,879	44,687,574
Disposals	-	-	-
Prior periods Adjustments	-	-	-
At Ashad 32 2079	31,866	250,139,395	250,171,261
<b>Net book value:</b>			
At Ashad 31 2078	6,780	746,543,359	746,550,139
At Ashad 32 2079	5,085	704,445,340	704,450,425

# Mailung Khola Jalvidhyut Company Ltd.

Kathmandu, Nepal

For Income Year 2078/079

## Income Tax Calculation Sheet for 2078/079

Particulars	Amount (NRs.)
<b>Calculation of Taxable Income From Business</b>	
Net profit as per the P/L account	20,310,334
<b>Add back:</b>	
Depreciation and amortization as per book	45,118,667
Repair and Maintenance as per Books	3,095,455
Provision for Leave	1,330,281
Reverse previous year Staff Bonus	560,413
Less: Land Lease & Sub-Let Income	(1,984,500)
Less: Income From Sale of Hydropower License	(13,096,313)
Less: Depreciation as per tax	(65,528,753)
Less: Repair and Maintenance as per tax	(2,980,161)
Less: Payment of Leave from Provision	(1,761,626)
<b>Net Taxable Profit During the Year</b>	<b>(14,936,204)</b>
Less: Loss carried forward from tax return of previous year	(197,087,692)
<b>Taxable profit (Loss)</b>	<b>(212,023,896)</b>
Provision for Income Tax from Business 0%	-
<b>Calculation of Taxable Income From other Income</b>	
Land Lease & Sub-Let Income	1,984,500
Income From Sale of Hydropower License	13,096,313
<b>Net Taxable Profit During the Year</b>	<b>15,080,813</b>
<b>Provision for Income Tax from other income 25%</b>	<b>3,770,203</b>





# MAILUNG KHOLA JAL VIDHYUT COMPANY LIMITED

Kathmandu, Nepal

## 1. CORPORATE INFORMATION

### 1.1 General

Mailung Khola Jal Vidhyut Company Limited was incorporated as a private company on 7 Bhadra 2059 (July 23, 2002) as per prevalent Acts of Nepal, with objective to develop and invest in hydropower projects. The Company was converted into a public limited company with effect from 6 Bhadra 2071 (22 August 2014) with Registration No.: 125838/071/072. The company has its registered office at Kathmandu Metropolitan City, Tejbhawan, Uttar Dhoka, Kathmandu, Nepal. The Company has developed 5 MW Mailung Khola Hydropower Project in Rasuwa district and its operation is for a period of 25 years under a Construction & Generation License issued by concerned authority on the basis of a power purchase agreement with Nepal Electricity Authority. Company had issued 736,226 units of initial public offering (IPO) from dated 2078/04/14 to 2078/04/19. Full share issue is subscribed by public and company allot share as on 2078/04/26. The resultant number of share is 3,681,430 units.

In the financial statements, Mailung Khola Jalavihyut Company Limited has been referred as 'MKJCL' or 'The Company'.

### 1.2 Financial Statements

The Financial Statement of the MKJCL for the year ended 32<sup>nd</sup> Asahdh 2079 comprises:

- Statement of Financial Position
- Statement of Comprehensive Income
- Statement of Cash Flows
- Statement of Changes in Equity
- Notes to the Financial Statements and Significant Accounting Policies of the Company

### 1.3 Principal Activities and Operations

The principal activity of the company is to generate and sell hydroelectricity to Nepal Electricity Authority.

### 1.4 Responsibility for Financial Statements

The Board of Directors is responsible for the fair preparation and presentation of Financial Statements of MKJCL as per the provisions of the Companies Act, 2006, in accordance with Nepal Financial Reporting Standard (NFRS).

### 1.5 Approval of Financial Statements by Directors

The accompanied Financial Statements have been authorized by the Board of Directors vide its resolution dated 25<sup>th</sup> Mangsir 2079 and recommended for its approval by the Annual General Meeting of the shareholders.

## 2. BASIS OF PREPARATION

### 2.1 Basis of Preparation

These financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies below.



Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

## 2.2 Statement of Compliance

The Financial Statement of MKJCL which comprises components mentioned above have been prepared in accordance with Nepal Financial Reporting Standards comprising of Nepal Financial Reporting Standards and Nepal Accounting Standards (hereafter referred as NFRS), laid down by the Institute of Chartered Accountants of Nepal and Accounting Standard Board and in compliance with the requirements of the Companies Act, 2006.

## 2.3 Functional and Presentation Currency

The Financial Statements of MKJCL are presented in Nepalese Rupees (NPR), which is the currency of the primary economic environment in which the MKJCL operates. Financial information are presented in Nepalese Rupees, and round off to the lowest cardinal number of one digit. There was no change in MKJCL's presentation and functional currency during the year under review.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements in conformity with Nepal Financial Reporting Standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

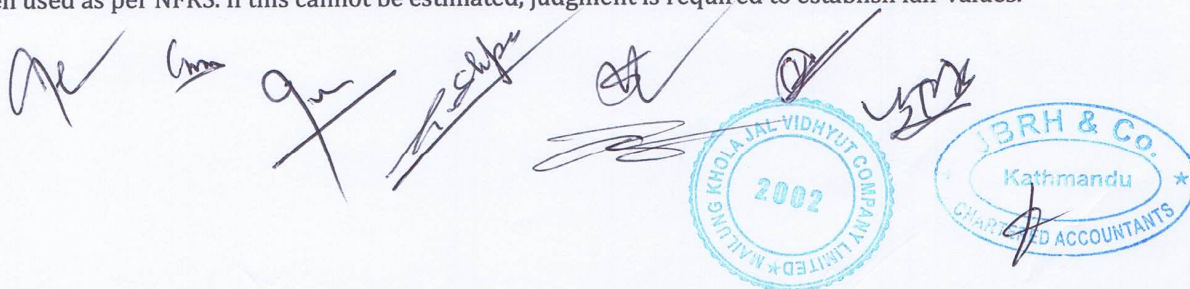
The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have most significant effect in the Financial Statements are as follows: -

### 3.1 Going Concern

The Directors have made an assessment of MKJCL's ability to continue as a going concern and satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Board is not aware of any material uncertainties that may cast significant doubt upon MKJCL's ability to continue as a going concern and do not intend either to liquidate or to cease operations of it. Therefore, the Financial Statements are prepared on going concern.

### 3.2 Fair Value of Financial Instruments

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position can be derived from active markets i.e., Level 1, they are derived from observable market data. However, if this is not available, Level 2 and Level 3 Fair value measurement techniques have been used as per NFRS. If this cannot be estimated, judgment is required to establish fair values.



The image shows several handwritten signatures in blue ink. Below the signatures are two official blue circular stamps. The first stamp is for 'MAJING KHOLA JAL-VIDHYUT COMPANY LIMITED' with the year '2002' in the center. The second stamp is for 'JBRH & Co. Kathmandu CHARTERED ACCOUNTANTS'.

### 3.3 Impairment of Available for Sale Investments

MKJCL reviews its debt securities, if any, classified as available for sale, at each reporting date to assess whether they are impaired. Objective evidence that an available for sale debt security is impaired includes among other things significant financial difficulty of the issuer, a breach of contract such as a default or delinquency in interest or principal payments etc. MKJCL also records impairment charges on available for sale equity investments where there is significant or prolonged decline in fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgment. MKJCL shall generally treat 'significant' as 20% and 'prolonged' as greater than six months. In addition, MKJCL evaluates, among other factors, historical share price movements, duration and extent up to which the fair value of an investment is less than its cost.

### 3.4 Impairment of non-financial assets

Non-financial assets subject to impairment testing include intangible assets and property, plant and equipment. The company tests material intangible assets under construction at least annually for impairment. Assets subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment test is performed by comparing the carrying amount of the asset or cash generating unit (CGU) to its recoverable amount. The recoverable amount is calculated as the higher of the fair value less costs to sell and Value in use which is the present value of the future cash flows from an asset or CGU.

### 3.5 Useful Life of the Property, Plant and Equipment

MKJCL reviews the residual values, useful life and method of depreciation of property, plant and equipment at each reporting date. 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, residual values and methods are reviewed annually using the best information available to the Management.

### 3.6 Taxation

The MKJCL is subject to income tax and judgment is required to determine the total provision for current, deferred and other taxes due to the uncertainties that exists with respect to the interpretation of the applicability of tax laws, at the time of preparation of these financial statements.

Uncertainties also exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense amounts that were initially recorded, and deferred tax amounts in the period in which the determination is made.

### 3.7 Provisions for Liabilities and Contingencies

The MKJCL may receive legal claims and litigations against it in the normal course of business. Management makes judgments as to the likelihood of any claim succeeding in making provisions. The time of concluding legal claims is uncertain, as is the amount of possible outflow of economic benefits.

Estimates and underlying assumptions are reviewed on an ongoing basis. Actual amount could differ from those estimates, but differences are not expected to be material.



# MAILUNG KHOLA JAL VIDHYUT COMPANY LIMITED

Kathmandu, Nepal

## 5. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements, and deviations if any have been disclosed accordingly.

### 5.1 Distinction of Current and Non-Current

#### Assets

All the assets except the property, plant and equipment's and deferred tax assets are classified as current assets unless specific additional disclosure is made in the notes.

#### Liabilities

All the liabilities except the defined benefit plan obligations are classified as current liabilities unless specific additional disclosure is made in the notes.

### Materiality and Aggregation

In compliance with NFRS 1 - Presentation of Financial Statements, each material class of similar items is presented separately in the financial Statements. Items of dissimilar nature or functions are presented separately unless they are material.

### 5.2 Property, plant and equipment

Property, Plant & equipment (PPE) are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any.

Cost includes inward freight, duties and taxes and incidental expenses related to acquisition. Expenses capitalized also include applicable borrowing costs for qualifying assets, if any. All up gradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits. Subsequently, PPE can be measured on Cost model or Revaluation model.

The Company has adopted Cost model for property, plant & equipment. Carrying amount of assets has been assumed as fair value.

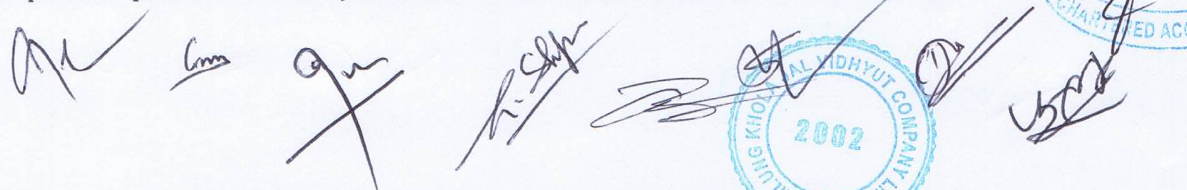
### 5.3 Capital Work in Progress

These are expenses of capital nature directly incurred in the construction of buildings, major plant and machinery and system development, awaiting capitalization as PPE or Intangible assets. Capital work-in-progress would be transferred to the relevant asset when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Capital work-in-progress is stated at cost less any accumulated impairment losses.

### 5.4 Intangible Assets

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalized upon acquisition and initially measured at cost comprising the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g., licenses) or the likelihood of technical



technological obsolescence (e.g., computer software). If, there are no such limitations, the useful life is taken to be indefinite.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight-line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized.

Software is amortized over a period of five years.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit or Loss and Other Comprehensive Income. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

Intangible assets include Computer application and Service concession arrangements (in accordance with IFRIC 12).

Intangible asset (Computer application) includes the cost of computer application development including software, direct charges for labor, materials, contracted services and borrowing costs as per NAS 23.

Service concession arrangements of MKJCL includes infrastructures and related assets created for the operation of Mailung Khola Hydropower Project (5 MW) in Rasuwa district under the Power Purchase Agreement with Nepal Electricity Authority for the use of the resources.

#### 5.5 Right of Use Assets

A lease is a contract in which the right to use an asset (the leased asset) is granted for an agreed-upon period in return for compensation. The company who has right to use assets should be recognized at present value assets for the right of use received and liabilities for the payment obligation entered into for all leases. We are not recognized right to use assets because we have contracted with house owner for office rent only for one year. Hence time value of money for right to use assets of one year has been ignored. Lease liabilities include the following lease payments:

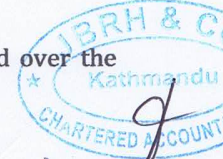
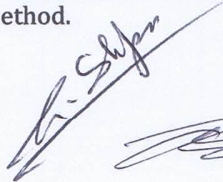
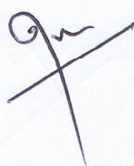

- Fixed payments, less lease incentives offered by the lessor
- Variable payment linked to an index or interest rate
- Expected residual payment from residual value guarantees
- The exercise price of call options when exercise is estimated to be sufficiently likely and
- Contractual penalties for the termination of lease if the lease term reflects the exercise of terminable option

Lease payments are discounted at the implicit interest rate underlying the lease to the extent that this can be determined. Otherwise, discounting is at the incremental borrowing rate. The Group lease discount rate has been considered for the reporting period.

Right of Use assets are measured at cost, which comprises the following:

- Lease liabilities,
- Lease payments made at or prior to delivery, less lease incentives received,
- Initial Direct Costs, and
- Restoration Obligations

Right of Use assets are subsequently measured at amortized cost. They are depreciated over the term of the lease using the straight-line method.



## Mailung Khola Jalvidhyut Aayojana (5 MW)

Intangible Assets include Service concession arrangements of Mailung Khola Jalvidhyut Aayojana. This service concession arrangement is amortized over the contractual period of 25 years as per the Power Purchase Agreement (PPA) (excluding the force majeure period of 18 months). The remaining period of amortization is 17 years (excluding the force majeure period of 18 months). The details of Intangible Assets (Service Concession Arrangements) are shown in the following table:

Year	Land	Civil Works	Electro-mechanical Equipment	Project cost (Hydromechanical and Others)	Rehabilitation Cost	Nyam Nyam Project	Total (Year wise)
Before 2071-72	8,982,843	328,292,113	2,640,407	470,943,558			810,858,920
FY 2071-72	31,250	34,959,254		50,149,958			85,140,462
FY 2072-73		369,944		554,915			924,859
FY 2073-74			(554,350)		51,474,631	3,367,196	54,287,478
FY 2074-75				785,156			785,156
FY 2075-76							-
FY 2076-77							-
FY 2077-78							-
FY 2078-79		2,384,460	203,400.0				456,531
Total (Assets wise)	9,014,093	366,005,771	2,289,457	522,433,587	51,474,631	3,367,196	954,584,735

### 5.6 Service Concession arrangements

IFRIC 12 on Service Concession arrangements provides that the Operator's right over the infrastructure assets cannot be recognized as property, plant and equipment (PPE) of the operator.

This Interpretation applies to public-to-private service concession arrangements if:

- The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- 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.

Infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole of life assets) is within the scope of this Interpretation, if the following conditions satisfies. This Interpretation applies to both:

- Infrastructure that the operator constructs or acquires from a third party for the purpose of the service arrangement; and
- 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.

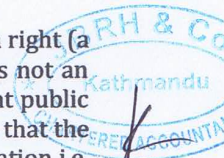
The consideration received by the operator is recognized at fair value. Consideration may result in the recognition of a financial asset or an intangible asset.

#### 5.6.1 Recognition as a financial asset

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.

#### 5.6.2 Recognition as an intangible asset

The intangible asset model is used to the extent that the MKJCL, 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.

The Company manages concession arrangements which will include power supply from its hydro power plant namely Mailung Khola Jalvidhyut Aayojana (5 MW). The Company maintains and services the infrastructure during the concession period. The concession period for Mailung Khola Jalvidhyut Aayojana is up to B.S 2094/12/30. These concession arrangements set out rights and obligations related to the infrastructure and the services to be provided to the public user through Nepal Electricity Authority. The right to consideration gives rise to an intangible asset and accordingly, the intangible asset models is applied.

## 5.7 Financial Instruments

### 5.7.1 Date of Recognition

All financial assets and liabilities are initially recognized on the trade date, i.e., the date that MKJCL becomes a party to the contractual provisions of the instrument. This includes 'regular way trades. Regular way trade means purchases or sales of financial assets that required delivery of assets within the time frame generally established by regulation or convention in the market place.

### 5.7.2 Recognition and Initial Measurement of Financial Instruments

The classification of financial instruments at the initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs that are directly attributable to acquisition or issue of such financial instruments except in the case of such financial assets and liabilities at fair value through profit or loss, as per the Nepal Accounting Standard - NAS 39 (Financial Instruments: Recognition and Measurement). Transaction cost in relation to financial assets and financial liabilities at fair value through profit or loss are dealt with the Statement of Profit or Loss.

### 5.7.3 Classification and Subsequent Measurement of Financial Assets

At the inception, a financial asset is classified into one of the following:

- a. Financial assets at fair value through profit or loss
  - i. Financial assets held for trading
  - ii. Financial assets designated at fair value through profit or loss
- b. Held to Maturity Financial Assets
- c. Loans and Receivables
- d. Financial assets available for sale

The subsequent measurement of financial assets depends on their classification.

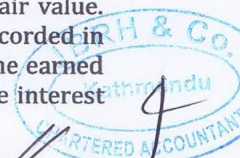
#### 5.6.3. a Financial Assets at Fair Value through Profit or Loss

A financial asset is classified as fair value through profit or loss if it is held for trading or is designated upon initial recognition at fair value through profit or loss.

##### 5.6.3. a (i) Financial Assets Held for Trading

Financial assets are classified as held for trading if they are acquired principally for the purpose of selling or repurchasing in the near term or holds as a part of a portfolio that is managed together for short-term profit or position taking. This category also includes derivative financial instruments entered into by MKJCL that are not designated as hedging instruments in hedge relationships as defined by Nepal Accounting Standards NAS 39 (Financial Instruments: Recognition and Measurement).

Financial assets held for trading are recorded in the Statement of Financial Position at fair value. Changes in fair value are recognized in 'Fair value gains and losses. Dividend income is recorded in 'Other Income' when the right to receive the payment has been established. Interest income earned from financial assets held for trading is recorded under 'Other Income' using the effective interest rate.



MKJCL evaluates its held for trading asset portfolio, other than derivatives, to determine whether the intention to sell them in the near future is still appropriate. When MKJCL is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, MKJCL may elect to reclassify these financial assets.

Financial assets held for trading include instruments such as government securities and equity instruments that have been acquired principally for the purpose of selling or repurchasing in the near term.

#### 5.6.3. a (ii) Financial Assets Designated at Fair Value through Profit or Loss

MKJCL designates financial assets at fair value through profit or loss in the following circumstances:

- Such designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise from measuring the assets.
- The assets are part of a group of financial assets, financial liabilities or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
- The asset contains one or more embedded derivatives that significantly modify the cash flows that would otherwise have been required under the contract.

Financial assets designated at fair value through profit or loss is recorded in the Statement of Financial Position at fair value. Changes in fair value are recorded in 'Other Income' in the Statement of Profit or Loss. Interest earned is accrued under 'Other Income', using the effective interest rate method, and dividend income is also recorded under 'Other Income' when the right to receive the payment has been established.

The MKJCL has not designated any financial assets upon initial recognition as designated at fair value through profit or loss.

#### 5.6.3. b Held to Maturity Financial Assets

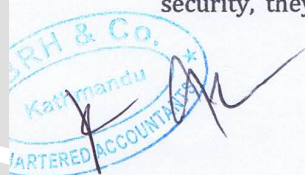
Held to Maturity Financial Assets are non-derivative financial assets with fixed or determinable Payments and fixed maturities which the MKJCL has the intention and ability to hold to maturity. After the initial measurement, held to maturity financial investments are subsequently measured at amortized cost using the effective interest rate, less impairment. The amortization is included in 'Other Income' in the Statement of Profit or Loss. The losses arising from impairment of such investments are recognized in the Statement of Profit or Loss.

The term deposits of 12 months maturity have been shown under this heading in the financial statements.

#### 5.6.3. c Financial Assets Available for Sale

Available for sale financial assets include equity and debt securities. Equity Investments classified as 'Available for Sale' are those which are neither classified as 'Held for Trading' nor 'Designated at fair value through profit or losses. Debt securities in this category are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available for sale financial investments are subsequently measured at fair value. Unrealized gains and losses are recognized directly in equity through 'Other comprehensive income / expense' in the 'Available for sale reserve'. When the investment is disposed of the cumulative gain or loss previously recognized in equity is recognized in the Statement of Profit or Loss under 'Other operating income'. Where MKJCL holds more than one investment in the same security, they are deemed to be disposed off on a first-in-first-out basis. Interest earned whilst



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holding 'Available for sale financial investments' is reported as 'Other income' using the effective interest rate. Dividend earned whilst holding 'Available for sale financial investments' are recognized in the Statement of Profit or Loss as 'Other Income' when the right to receive the payment has been established. The losses arising from impairment of such investments are recognized in the Statement of Profit or Loss under 'Other operating and administrative expenses' and removed from the 'Available for sale reserve'.

The company does not have any Available for sale investments.

### 5.8 Financial Liabilities

The Company initially recognizes loans and receivables and debt securities issued on the date when they are originated. All other financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument. A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in the statement of profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognized in the Statement of Profit or Loss. Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities consist of amount due to related parties, other creditors including accruals and outstanding commission payable.

#### De-recognition of other financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

#### Determination of fair value

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Finance measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Finance uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The fair value measurement hierarchy is as follows:

**Level 1** fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.

**Level 2** valuations are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.



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**Level 3** portfolios are those where there are unobservable inputs of the instruments. The inputs are not based on observable market data.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Finance determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability (Level 01 valuation) nor based on a valuation technique that uses only data from observable markets (Level 02 valuation), then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data or the transaction is closed out. In case the fair value is evidenced by a quoted price in an active market for an identical asset or liability (Level 01 valuation), the difference between the transaction price and fair value is recognized in profit or loss immediately.

**Long Term Loan (Bank Loan)**

The company has recognized long term liability (Bank Loan) as financial liability and has been classified as financial liability measured at amortized cost.

**5.9 Depreciation and Amortization**

Depreciation is recognized 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 written down method.

1. Amortization is recognized on a straight-line basis over their estimated useful lives. 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.
2. Depreciation is provided on the written down method based 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 of purchase. The useful life of the assets and the corresponding rates at which the assets are depreciated are as follows:

Category of assets	Estimated useful life	Depreciation Rate
Building	26.47 Years	SLM (Amortized over period)
Plant and Equipment	26.47 Years	SLM (Amortized over period)
Office Equipment	10-11 years	25%
Furniture and fixtures	10-11 years	25%
Computers and accessories	10-11 years	25%
Vehicles	13-14years	20%

Computer software is amortized over an estimated useful life of 5 years on straight line basis.

3. Useful life is either the period of time which the assets 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.

4. Office furniture, equipment, vehicles & plant equipment costing less than NPR 5,000 per unit is charged to the profit and loss account in the year of purchase.



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## 5.10 Impairment of non-financial assets

Non-financial assets subject to impairment testing include intangible assets and property, plant and equipment. Impairment of material intangible assets under construction are tested at least once a year. Assets subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment test is performed by comparing the carrying amount of the asset or cash generating unit (CGU) to its recoverable amount. The recoverable amount is calculated as the higher of the fair value less costs to sell and value in use which is the present value of the future cash flows from an asset or CGU.

## 5.11 Retirement Benefits Obligations

### 5.11.1 Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which MKJCL pays fixed contribution into a separate Institution (or own fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods, as defined in Nepal Accounting Standards – NAS 19 (Employee Benefits).

The contribution payable by the employer to a defined contribution plan in proportion to the services rendered to MKJCL by the employees and is recorded as an expense under 'Personnel expenses' as and when they become due. Unpaid contributions, if any, are recorded as a liability under 'Other liabilities.

The company has not been providing provident fund, gratuity and other retirement benefit contribution as per labour act.

### 5.11.2 Defined Benefit Plans

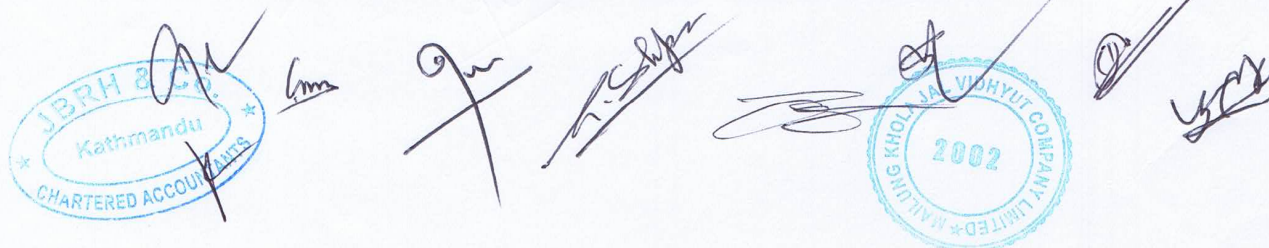
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Accordingly, leave encashment has been considered as defined benefit plans as per Nepal Accounting Standards – NAS 19 (Employee Benefits).

### 5.11.3 Unutilized Accumulated Leave

MKJCL's liability towards the accumulated leave which is expected to be utilized beyond one year from the end of the reporting period is treated as other long term employee benefits. MKJCL's net obligation towards unutilized accumulated leave is calculated by discounting the amount of future benefit that employees have earned in return for their service in the current and prior periods to determine the present value of such benefits. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating to the terms of MKJCL's obligation. The calculation is performed using the Projected Unit Credit method. Net change in liability for unutilized accumulated leave including any actuarial gain and loss are recognized in the Statement of Profit or Loss under 'Personnel Expenses' in the period in which they arise.

NAS 19 requires actuarial valuations for Leave encashment in order to determine the liability or asset that the company have at the year end. Actuarial valuations have been carried out to determine the same.

Leave encashment have been subject to actuarial valuations as per the provisions of NAS 19. The details of valuation and basis of valuation is presented in Notes to Financial Statements. The actuarial valuation of leave provision is done by Insur Tech & Actuary, India.



### 5.12 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### 5.13 Provisions and Contingencies

In accordance with Nepal Accounting Standards (NAS) 37- Provisions, Contingent Liabilities and Contingent Assets, a provision is required to be recognized where there is a present legal or constructive obligation as a result of a past event that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation, the timing or amount of which are uncertain.

The company has made provisions for all those obligations meeting the definition of NAS 37.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or nonoccurrence 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 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 nonoccurrence 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.

### 5.14 Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Government grants can be Grants related to assets or Grants related to income. Under Grants related to assets, there is a condition that the entity shall purchase, construct or otherwise acquire long-term assets. Grants related to income are grants other than grants related to assets.

Government grants are recognized when there is reasonable assurance they will be received and the company will comply with the conditions associated with the grant. Government grants that compensate the company for expenses incurred are recognized in profit or loss in the same period in which the expenses are recognized. Grants that compensate the company for the cost of an asset are recorded as deferred revenue and recognized in other revenue over the service life of the related asset.

Government grants shall be recognized as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

Once a government grant is recognized, any related contingent liability or contingent asset is treated in accordance with NAS 37: Provisions, Contingent Liabilities and Contingent Assets. Company has

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not received any government grant yet. So, no any government grant recognized in financial statements.

#### 5.15 Borrowing cost

As per NAS 23, Borrowing costs are the costs incurred by the company in borrowing loans for construction of assets or any capital goods. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowings can be general or specific. Borrowing costs are capitalized till the construction of asset is complete and is ready for use.

#### 5.16 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

##### *MKJCL as a Lessee*

The company has recognized at present value assets for the right of use received and liabilities for the payment obligation entered into for all leases. Company has been contracted office rent with property owner for the period of one year. So, company is exempted for discounting present value of future obligation for recognizing Right of Use Assets.

##### *MKJCL as a Lessor*

For operating lease, MKJCL reports the leased assets at amortized cost as an asset under the property, plant & Equipment where it is the lessor. The lease payment received in the period are shown under other operating income on straight line basis. Where MKJCL is the lessor in finance lease, the assets are recognized as lease receivables in the amount of the net investment in the statement of financial position. During the reporting period, the company has lease out land as operating lease and income is recognized in income statement on SLM basis.

#### 5.17 Receivables and Payables

Receivables and payables are accounted on accrual basis. Balance amounts on year end are shown in Statement of Financial Position under "Trade Receivables" and "Trade Payables" heading.

#### 5.18 Financial Income

Financial Income includes Interest Income.

#### 5.19 Financial Costs

Financial costs include the finance costs under term loan and bridge gap loan availed by the company.

#### 5.20 Income Tax

As per Nepal Accounting Standard- NAS 12 (Income Taxes) tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current and deferred taxation. Income Tax expense is recognized in the statement of Profit or Loss, except to the extent it relates to items recognized directly in equity or other comprehensive income in which case it is recognized in equity or in other comprehensive income.

Income Tax Act 2058 has specified a tax rate of 25% flat for Hydropower Companies.

As per Section 11 (3 Gha) of Income Tax Act 2058, Hydropower companies are exempted from tax for the first 10 years of its operation and 50% concession on tax is provided for the next 5 years thereon. The company is enjoying its 8<sup>th</sup> year of tax holiday.



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### 5.20.1 Current Tax

Current tax is the amount of tax payable based on the taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income. Current income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods.

### 5.20.2 Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Company doesn't create any deferred tax assets\ liabilities because company is in tax holiday.

### 5.21 Cash and Cash Equivalent

Cash and cash equivalents include cash at vault and agency bank account balances, highly liquid financial assets with original maturity of 3 months from the date of its acquisition and are readily convertible to cash, which are subject to an insignificant risk of changes in value. Cash and Cash equivalent are measured at amortized cost in the statement of financial position.

Statement of Cash Flows has been prepared by using the 'Indirect Method' in accordance with NAS 07- Statement of Cash Flows.

### 5.22 Revenue Recognition

#### 5.22.1 Sale of electricity

NFRS 15 on 'Revenue' requires revenue to be recognized when it is probable that economic benefits associated with the transactions will flow to the entity and the amount can be measured reliably. It requires that the entity has transferred the risks and rewards of ownership of the goods to the buyer.

The Company has recorded the revenue of NPR 114,135,123 representing revenue from sale of electricity during the year. Revenue is recognized on accrual basis and any receivable portion are



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shown as trade receivables, which also includes the revenue based on posted rate which is received on periodic basis.

### 5.23 Foreign currency translation

The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Nepalese Rupee.

Revenues and expenses resulting from transactions in foreign currencies are translated to Nepalese Rupee equivalents at exchange rates approximating those in effect at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated into Nepalese rupee at the exchange rate prevailing at the reporting date. Translation gains and losses are credited or charged to Profit or loss in the current period.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements has been recognized (using the closing rate of reporting date) as foreign exchange gain or loss and adjusted with statement of Profit and Loss as per NAS 21.

### 5.24 Earnings per share

Earnings per share is the portion of company's profit allocated to each outstanding share of common stock. Basic earnings per share is computed by dividing the net profit/ (loss) for the year by the weighted average number of equities shares outstanding during the year.

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, as per NAS 33- **Earning Per Share**.

	FY 2078/79	FY 2077/78
<b>Amount used as a Numerator</b>		
Profit Attributable to ordinary Shareholders	16,540,131	26,964,102
<b>Amount used as the Denominator</b>		
Weighted average number of Ordinary Shares	3629126	29,45,144
<b>Basic Earnings per Ordinary Share (NPR)</b>	4.56	9.16
<b>Diluted Earnings per Ordinary Share (NPR)</b>	4.56	9.16

### 5.25 Events after the Reporting Period

No circumstances have arisen since the reporting date which would require adjustments to, or disclosure in the financial statements.

### 5.26 Related Party Transactions

Related parties of an entity represent parent company, major shareholders, associated companies, directors and key management personnel of the Group, and companies of which they are principal owners.

The names of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of NAS 24- 'Related Party Disclosures'.

Key management personnel refers to the person who have authority and responsibility for planning, directing and controlling the activities of company either directly or indirectly.

Related party transactions also includes transaction with entities that are controlled, joint ventures or significantly influenced directly by any key management personnel or their close family members.



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### Key Managerial Personnel

S. No.	Name	Title
1	Dr. Birendra Prasad Mahato	Chairman, BOD
2	Basanta Chandra Marahatta	Director, BOD
3	Dr. Tara Prasad Pokhrel	Director, BOD
4.	Gore Sherpa	Director, BOD
5.	Phulmu Sherpa	Director, BOD
6.	Dr. Sunil Kumar Pokhrel	Director, BOD
7.	Raghunath Kuikel	Director, BOD

### Compensation of key management personnel

Particulars	Amount
Board Meeting Fee, Allowance and expenses	402,270

### Transaction with Subsidiary/Associate/Related Parties

Company has not identified any of its investments as subsidiary and associates. Similarly, no transaction has been carried out with the related parties, although, short-term borrowing of NPR 11,938,084 as loan from directors & shareholders is still outstanding at the end of the reporting period.

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