

सातौ, आठौ र नवौ वार्षिक प्रतिवेदन

आर्थिक वर्ष २०७५/०७६, ०७६/०७७ र २०७७/०७८



ढुंगुन-ठोस्ने जलविद्युत आयोजना (४.३६ मे.वा.)
खानी खोला जलविद्युत आयोजना (२ मे.वा.)



खानी खोला हाईड्रोपावर कम्पनी लिमिटेड
KHANI KHOLA HYDROPOWER COMPANY LIMITED

187 Shree Gorakhnath Marg, Dhumbrahi, Kathmandu-4, Nepal
P.O. Box: 8975 EPC: 5602, Tel: +977-1- 4429956, 4436325, Fax: +977-1-4433610
E-mail: khanikhola.hpc@gmail.com

खानी खोला हाईड्रोपावर कम्पनी लिमिटेड

सञ्चालक समिति



श्री विजय मान शेरचन
अध्यक्ष



श्री दिनेश प्रसाद श्रेष्ठ
संचालक



श्री बटु लामिछाने
संचालक



श्री विनोद थकाली
संचालक



श्री चिरञ्जीवि कार्की
संचालक



श्री भिमसेन घिमिरे
संचालक



श्री भरत लामिछाने थापा
प्रमुख कार्यकारी अधिकृत



श्री सन्तोष भट्टराई
कम्पनी सचिव

खानी खोला हाइड्रोपावर कम्पनी लिमिटेड

१८७ श्री गोरखनाथ मार्ग, धुम्बाराही, काठमाडौं-४

प्रतिनिधि नियुक्त गर्ने फारम (प्रोक्सी)

.....जिल्ला..... न.पा./गा.वि.स वडा
नं.....बस्ने म/हामी ले
त्यस संस्थाको शेयरधनीको हैसियतले मिति २०७८ साल पौष ३० गते शुक्रवार (१४ जनवरी २०२२) का
दिन हुने सातौं, आठौं तथा नवौं वार्षिक साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा
सहभागी हुन नसक्ने भएकाले उक्त सभामा भाग लिन तथा मतदान गर्नका लागि मेरो/हाम्रो प्रतिनिधित्व
गरी भाग लिन जिल्ला न.पा./गा.वि.स बस्ने
त्यस संस्थाका शेयरधनी श्री..... शेयरधनी
नं. लाई मेरो/ हाम्रो प्रतिनिधि मनोनयन गरि पठाएको छु/छौं ।

प्रतिनिधि हुनेको

नाम :

दस्तखत :

शेयरधनी नं/बीओआइडी नं. :

शेयर संख्या:

मिति:

प्रतिनिधि नियुक्त गर्नेको

नाम :

दस्तखत :

शेयरधनी नं/बीओआइडी नं.:

शेयर संख्या:

मिति:

द्रष्टव्य: यो प्रोक्सी फारम साधारण सभा हुनु भन्दा ४८ घन्टा अगावै कम्पनीको केन्द्रिय कार्यालय, धुम्बाराही वा कम्पनीको
शेयर रजिष्ट्रार काठमाण्डौ क्यापिटल मार्केट लि., काठमाण्डौमा दर्ता गरीसक्नु पर्नेछ ।

खानी खोला हाइड्रोपावर कम्पनी लिमिटेड

१८७ श्री गोरखनाथ मार्ग, धुम्बाराही, काठमाडौं-४

मिति: २०७८/०९/३० गते

प्रवेश-पत्र

शेयरधनीको नाम :

शेयरधनी नं/बीओआइडी नं. :

कुल शेयर संख्या :

शेयरधनीको सही :

कम्पनी सचिव

(सभा कक्षामा प्रवेश गर्न यो प्रवेश-पत्र अनिवार्य रूपमा लिई आउनुहुन अनुरोध छ ।)

— विषय-सूची —

विवरणहरू	पृष्ठ
सातौं, आठौं र नवौं वार्षिक साधारण सभा सम्बन्धि सूचना	१-२
अध्यक्षको मन्तव्य	३
संचालक समितिको वार्षिक प्रतिवेदन	४-६
कम्पनी ऐन २०६३ को दफा १०९ सँग सम्बन्धित अतिरिक्त वार्षिक आर्थिक विवरण	७-८
धितोपत्र दर्ता तथा निष्काशन नियमावली २०६५ बमोजिमको अतिरिक्त विवरण	९
लेखा परिक्षकको प्रतिवेदन	१०-३७

खानी खोला हाईड्रोपावर कम्पनी लिमिटेड को सातौं, आठौं तथा नवौं वार्षिक साधारण सभा सम्बन्धि सूचना

यस कम्पनीको मिति २०७८/०८/२९ मा बसेको सञ्चालक समितिको पचहत्तरौं बैठकले गरेको निर्णय अनुसार कम्पनीको सातौं, आठौं तथा नवौं वार्षिक साधारण सभा निम्न मिति, समय र स्थानमा देहायका विषयहरूमा छलफल तथा निर्णय गर्न बस्ने भएको हुँदा सम्पूर्ण शेयरधनीहरूको उपस्थितिको लागि यो सूचना प्रकाशित गरिएको छ । वार्षिक साधारण सभा हुने मिति, समय र स्थान

मिति : २०७८ पौष ३० गते, शुक्रबार (14 January 2022, Friday)

स्थान : कम्पनीको रजिस्टर्ड कार्यालयमा भर्चुअल मिटिङ मार्फत

समय : विहान १०:३० बजे देखि ।

छलफलका विषयहरू :

- १) आ.व.२०७५/०७६, २०७६/०७७ र आ.व.२०७७/०७८ को सञ्चालक समितिको तर्फबाट पेश हुने अध्यक्षज्यूको प्रतिवेदन पारित गर्ने बारे ।
- २) आ.व.२०७५/०७६, २०७६/०७७ र आ.व.२०७७/०७८ को लेखापरीक्षण प्रतिवेदन सहितको वासलात तथा नाफा नोक्सान हिसाब पारित गर्नुका साथै कोभिडको समयमा सञ्चालक समितिले नियुक्त गरेको लेखापरीक्षकको नियुक्ती एवं अनुमोदनको सम्बन्धमा ।
- ३) आगामी आ.व.२०७८/०७९ को लागि लेखापरीक्षकको नियुक्ति तथा निजको पारिश्रमिक निर्धारण गर्ने बारे ।
- ४) संस्थापक र सर्व साधारणको तर्फबाट प्रतिनिधित्व गर्ने सञ्चालक समितिको निर्वाचनको सम्बन्धमा ।
- ५) विविध ।

साधारण सभा सम्बन्धि सामान्य जानकारी:

१. भर्चुअल माध्यमबाट सभामा भाग लिन चाहाने शेयरधनी महानुभावहरूले khanikhola.kkhc@gmail.com मा इमेल गरी वा फोन नं. ०१४४३६३२५ मा सम्पर्क गरी साधारण सभा सुरु हुन भन्दा ४८ घण्टा अगावै आफ्नो नाम, इमेल ठेगाना टिपाउनु पर्ने छ। भर्चुअल माध्यम मार्फत उपस्थित हुने शेयर धनि महानुभावहरूलाई Meeting ID र Passcode उपलब्ध गराई सभामा सहभागी हुने व्यवस्था मिलाइने छ।
२. महाव्याधी नियन्त्रणका सम्बन्धमा नेपाल सरकारले तोकेको सिमा भन्दा बढी व्यक्ति भेला हुन नपाईने हुनाले भर्चुअल माध्यमबाट उपस्थित शेयरधनीलाई सभा स्थलमा उपस्थित भए सरह मान्यत दिई सभा संचालन गरिने छ र यसरी उपस्थित शेयरधनीहरूको हाजिरीका लागि निजहरु Login भएको देखिने गरी प्रमाणको निमित्त फोटो खिचेर राखिने र सभा संचालन अवधिभरको भिडियो रेकर्डिङ्ग गरिने छ।
३. अनलाइन (भर्चुअल) माध्यमबाट सभामा सहभागी हुन तथा आफ्नो मतव्य राख्न सकिने व्यवस्था मिलाइएको हुँदा कोरोना भाइरस (कोभिड १९) को संक्रमणबाट बच्न र बचाउन यथासक्य अनलाईन (भर्चुअल) माध्यमबाट उपस्थित भैदिनु हुन शेयरधनी महानुभावहरूलाई अनुरोध गर्दछौं।
४. सभा सुरु हुन भन्दा एक घण्टा अगाडिबाट भर्चुअल माध्यम खुला गरिने छ। उक्त एक घण्टाको समय भित्र सभामा सहभागी हुने शेयरधनीहरूले दिइएको Meeting ID र Passcode को माध्यमबाट Login गरी आफ्नो परिचय सहित उपस्थितीको जानकारी सभालाई दिनुपर्ने छ।
५. वार्षिक साधारण सभालाई ध्यानमा राखी मिति २०७८/०९/०९ गते देखि साधारण सभा हुने दिन २०७८/०९/३० गते सम्म यस कम्पनीको शेयरधनी दर्ता पुस्तिका बन्द रहने छ। साथै शेयरधनी दर्ता पुस्तिका बन्द भएको मिति २०७८ पौष ०९ गते भन्दा अघिल्लो दिन सम्म नेपाल स्टक एक्सचेञ्ज लिमिटेडमा भएको कारोवारबाट कायम भएका शेयरधनीहरूले मात्र कम्पनीको साधारण सभामा भाग लिन पाउने छन्।
६. साधारण सभामा भाग लिन प्रतिनिधी (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीहरूले प्रचलित कम्पनी कानूनले तोकेको ढाँचामा प्रतिनिधीपत्र (प्राक्सी) फारम भरी सभा शुरु हुनु भन्दा कम्तीमा ४८ घण्टा अगावै अर्थात् मिति २०७८/०९/२८ गते विहान ११ बजे भित्र कम्पनीको केन्द्रिय कार्यालय, धुम्बाराहि -४ वा कम्पनीको शेयर रजिष्ट्रार प्रभु क्यापिटल लिमिटेड, काठमाण्डौमा दर्ता गराई सक्नु पर्नेछ। कम्पनीको शेयरधनी वाहेक अरुलाई प्रोक्सी दिन पाइने छैन।
७. एक जना शेयरधनीले एक भन्दा बढी प्रतिनिधी (प्रोक्सी) मुकरर गरेमा सबै प्रतिनिधी (प्रोक्सी) स्वतः बदर हुनेछ। तर प्रतिनिधी (प्रोक्सी) नियुक्त गरिसके पछि सम्बन्धित शेयरधनीले प्रतिनिधि फेरबदल गर्न चाहेमा यस अघि दिएको प्रतिनिधीपत्र (प्रोक्सी) बदर गरी यो प्रतिनिधीपत्र (प्रोक्सी) लाई मान्यता दिइयोस् भन्ने व्यहोराको छुट्टै पत्र सहित प्रोक्सी फारम कम्पनीको केन्द्रिय कार्यालयमा सभा शुरु हुनु भन्दा कम्तीमा ४८ घण्टा अगावै दर्ता गराएको अवस्थामा अघिल्लो प्रतिनिधी (प्रोक्सी) स्वतः बदर भएको मानी पछिल्लो प्रतिनिधी (प्रोक्सी) लाई मान्यता दिइनेछ।
८. बुदा नं. ५ र ६ उल्लेखित दिन सार्वजनिक विदा परेमा समेत सो प्रयोजनको लागि कम्पनीको केन्द्रिय कार्यालय, कार्यालय समयमा खुल्ला रहनेछ।
९. यस कम्पनीको नियमावली अनुसार संस्थापक शेयरधनीहरूको तर्फबाट संचालक समितिमा प्रतिनिधीत्व गर्ने संचालक पद चार तथा सर्वसाधारण शेयरधनीहरूको तर्फबाट संचालक समितिमा प्रतिनिधीत्व गर्ने संचालक पद दुईको निर्वाचन सम्बन्धी कार्यक्रम निर्वाचन अधिकृतले तोके वमोजिम केन्द्रिय कार्यालयको सूचना पाटिमा टाँस गरिनेछ।
१०. साधारण सभा सम्बन्धी थप जानकारी आवश्यक परेमा कार्यालय समय भित्र कम्पनीको केन्द्रिय कार्यालय, धुम्बाराहि -४ वा कम्पनीको शेयर रजिष्ट्रार प्रभु क्यापिटल लिमिटेड, काठमाण्डौमा सम्पर्क राख्न हुन समेत अनुरोध गरिन्छ।

नोट : साधारण सभा सम्बन्धी सूचना र थप जानकारी यस कम्पनीको सूचना पाटीमा समेत टाँस गरीने व्यहोरा जानकारी गराउँदै साधारण सभामा उपस्थित भईदिनुहुन पनि हार्दिक अनुरोध गर्दछु।

अध्यक्षको मन्तव्य

आदरणीय शेयरधनी महानुभावहरु,

यस खानी खोला हाईड्रोपावर कम्पनी लिमिटेडको सातौं, आठौं तथा नवौं वार्षिक साधारण सभामा सञ्चालक समितिको तर्फबाट आदरणीय शेयरधनी महानुभावहरुलाई हार्दिक स्वागत गर्दछु ।

यस कम्पनी स्थापनाको ९ वर्ष पुरा गरी १० वर्षमा प्रवेश गरको छ । टुंगुन-ठोस्ने ४.३६ मे.वा. र खानी खोला २ मे.वा. क्षमताको २ जलविद्युत आयोजनाहरुको निर्माण कार्य सम्पन्न गरि टुंगुन-ठोस्नेबाट मिति २०७३ कार्तिक ९ गते देखि र खानी खोलाबाट मिति २०७३ मार्ग २० गतेबाट विद्युत विक्री गरिरहेका छौं । नेपाल विद्युत प्राधिकरणले मातातिर्थ-माल्टा ३३ के.भि. प्रसारण लाईनको निर्माण समयमा सम्पन्न नगरेकोले यस कम्पनीलाई ठुलो आर्थिक क्षति पुगेको सर्वविद्विति छ । कम्पनीले निर्माण गरेको आयोजनाहरुबाट उत्पादित विद्युत जोड्ने मातातिर्थ-माल्टा ३३ के भी प्रसारण लाईनको निर्माण कार्य नेपाल विद्युत प्राधिकरणले समयमा सम्पन्न नगरेकोले नेपाल विद्युत प्राधिकरणको प्रथम वैकल्पिक व्यवस्था RCOD पश्चात २ वटा ११ के भी वितरण लाईन मार्फत विद्युत प्रवाह गर्दा एक तिहाई भन्दा कम विद्युत मात्र प्रवाह भै आयोजनालाई नोक्सानी भैरहेकोमा मिति २०७६ फाल्गुन २० गते देखि माल्टाबाट मातातिर्थ हुँदै ७ कि.मि. दुरिमा रहेको माण्डु जलविद्युत आयोजनाको प्रसारण लाईन मार्फत विद्युत प्राधिकरणले लैजाने कार्य सम्पन्न भैसकेको छ । यस आ.व. मा गरिएको विद्युत विक्री सम्बन्धि विवरण सञ्चालक समितिको वार्षिक प्रतिवेदनमा समावेश गरिएको छ ।

यहाँहरु माझ सञ्चालक समितिको तर्फबाट तयार गरिएको आ.व.२०७५/०७६, २०७६/०७७ तथा २०७७/०७८ को कम्पनीको वार्षिक प्रतिवेदन, कम्पनीको वित्तिय विवरण समेतका आर्थिक प्रतिवेदनहरु यस गरिमासय सभा समक्ष छुट्टै प्रस्तुत गरिएको छ । उक्त प्रतिवेदन उपर छलफलका क्रममा यहाँहरुबाट रचनात्मक सुझाव तथा टिपणीहरु प्राप्त हुनेछन् भन्ने विश्वास लिएको छु । देशको विद्यमान उर्जा संकटको परिस्थितिमा पनि कम्पनीको तर्फबाट केहि हद सम्म विद्युत उत्पादनको लागि सकारात्मक पहल कदमीहरु पनि अगाडी बढाउने हाम्रो प्रयास जारी रहको छ ।

अन्त्यमा, कम्पनीको यो सातौं, आठौं तथा नवौं वार्षिक साधारण सभालाई सफलता पूर्वक सम्पन्न गर्न उपस्थित हुनु भएका नियमनकारी निकायका प्रतिनिधिहरु, सम्पूर्ण शेयरधनी महानुभावहरु, सञ्चालक साथीहरु, कर्मचारी, पत्रकार र अन्य सहयोगी तथा शुभेच्छुक सबैलाई हार्दिक धन्यवाद दिन चाहन्छु । धन्यवाद ।

श्री विजय मान शेरचन
अध्यक्ष, सञ्चालक समिति

सातौं, आठौं र नवौं वार्षिक साधारणसभामा सञ्चालक समितिका अध्यक्षद्वारा प्रस्तुत वार्षिक प्रतिवेदन

(आ.व. ०७५/७६, ०७६/७७ तथा ०७७/०७८)

शेयरधनी महानुभावहरु,

कम्पनीको सातौं, आठौं तथा नवौं वार्षिक साधारण सभामा यहाँहरुलाई हार्दिक स्वागत गर्दछु । कम्पनीको सातौं, आठौं तथा नवौं वार्षिक साधारण सभामा यहाँहरु माझ सञ्चालक समितिको तर्फबाट यो वार्षिक प्रतिवेदन प्रस्तुत गर्दछु । आदरणीय शेयरधनी महानुभावहरुले दिएको सुझावलाई हामीले यो छैंटो वार्षिक साधारणसभासम्म आई पुग्दा गम्भीर रुपमा ग्रहण गरेका छौं र सो अनुरूप कम्पनीलाई सुधार्दै अगाडि बढ्ने प्रयत्न गरेका छौं । साथै कम्पनीको भावि कदमहरुको लागि शेयरधनी महानुभावहरुबाट उचित सुझावहरु प्राप्त हुने अपेक्षा गरेको छु ।

१. कम्पनीको पूँजीगत संरचना :

यो कम्पनी रजिष्ट्रारको कार्यालय तथा उद्योग विभागमा दर्ता भई संचालनमा रहेको छ । आयोजनामा बढी भन्दा बढी स्थानीय जनताहरुको सहभागिता जुटाउन तथा स्थानीय वासीहरुलाई समेत लगानीको अवसर प्रदान गर्दै त्यस भेगका बासिन्दाहरुलाई समेत यस खानी खोला हाइड्रोपावर कम्पनी लिमिटेडको शेयरधनी कायम गर्दै अघि बढेको परिस्थिति हाल विद्यमान छ । हामीले यो कार्य गर्नका लागि आयोजनाका अति प्रभावित तथा प्रभावित ललितपुर जिल्लाका साविक भट्टेडाँडा, इकुडोल तथा शंखु गा.वि.स.को स्थानिय बासिन्दाहरु, सर्वसाधारण तथा सामूहिक लगानी कोषहरुलाई १३,९७,१४३ कित्ता शेयर निष्काशन गरेका थियौं । हाल कम्पनीको पूँजीगत संरचना निम्न तालिका नं.१ मा देखाईए बमोजिम रहेको छ ।

तालिका नं. १ कम्पनीको पूँजीगत संरचना

कम्पनीको पूँजी	आ.व. ०७७/०७८	आ.व. ०७६/०७७	आ.व. ०७५/०७६	कैफियत
अधिकृत पूँजी	५०,००,००,०००/-	५०,००,००,०००/-	५०,००,००,०००/-	
जारी पूँजी	४६,५७,१४,३००/-	४६,५७,१४,३००/-	४६,५७,१४,३००/-	
चुक्ता	४६,५७,१४,३००/-	४६,५७,१४,३००/-	४६,५७,१४,३००/-	

२. कम्पनीको आम्दानी सम्बन्धमा :

यस कम्पनीबाट निमार्ण भएको टुंगुन-ठोस्ने तथा खानी खोला जलविद्युत आयोजनाहरुबाट उत्पादित विद्युतको व्यापारिक उत्पादन क्रमसः २०७३ कार्तिक तथा २०७३ मंसिरबाट शुरु भएको र आर्थिक वर्ष २०७७/२०७८ को अन्तसम्ममा टुंगुन-ठोस्ने जलविद्युत आयोजनबाट रु. २१,९६,४८,१६४/२३ तथा खानी खोला जलविद्युत आयोजनबाट रु. ३,७४,८५,७७९/४९ गरि जम्मा रु. २५,७१,३३,९४३/७२ बराबरको विद्युत विक्रि गरि विद्युत प्राधिकरणबाट भुक्तानी लिएका छौं ।

विद्युत प्राधिकरणबाट निर्माण हुनुपर्ने ३३ के.भि.को ट्रान्स्मिशन लाइनको कार्य निर्माण ढिलो हुँदा हाम्रो कम्पनीको क्षमता बमोजिमको आम्दानी प्रभावित भई रहेकोमा मिति २०७६ फाल्गुन २० गते देखि माण्डु सवस्टेशन हुँदै कुलेखानी आयोजनामा मार्फत नेशनल ग्रीडमा जोडिए पश्चात कम्पनीको आम्दानीमा सुधार आएतापनि २०७६ आषाढमा आएको बाढिले खानी खोला जलविद्युत आयोजनामा पुऱ्याएको क्षति र सो आयोजनाको मर्मतमा विभिन्न कारणले गर्दा भएको ढिलाईले सोचे जस्तो आम्दानी गर्न नसकिएको व्यहोरा साधारणसभामा जानकारी गराउँदछु । खानी खोला जलविद्युत आयोजनाको मर्मत पश्चात आगामी आर्थिक वर्षदेखि शेयरधनी महानुभावहरूलाई लाभांश वितरण गर्ने हामी सक्षम हुने विश्वास लिएका छौ ।

३. कम्पनीको आयोजना ऋण सम्बन्धमा :

यस कम्पनीले निर्माण गरेको टुंगुन-ठोस्ने तथा खानी खोला हाइड्रोपावर आयोजनाको निर्माणको लागि सिटिजन्स बैंक इन्टरनेशनल लिमिटेड, सिभिल बैंक लिमिटेड, ग्लोबल आई.एम.ई बैंक लिमिटेड र मेगा बैंक नेपाल लिमिटेडहरूको कन्सोर्टियमबाट Term Loan रु. ८५,५०,००,०००/- (रुपैयां पचासी करोड पचास लाख) तथा कन्सोर्टियमको अगुवा बैंक सिटिजन्स बैंक इन्टरनेशनल बाट Working Capital Loan रु. ३,००,००,०००/- (रुपैयां तिन करोड) गरि जम्मा रु. ८८,५०,००,०००/- (अक्षरूपी अठ्ठासी करोड पचास लाख) रुपैयां ऋण लिने सभौता भएकोमा आ.ब. २०७७/२०७८ सम्म रु. ८१,८४,३७,७५४/६३ Long Term Loan तथा ५,६६,३१,६८७/१६ Short Term Loan गरि कुल ८७,५०,६९,४४१/७९ लिइएको छ ।

तालिका नं. २ बैंक तथा वित्तीय संस्थाबाट लिएको आयोजना ऋणको विवरण:

क्र.स	बैंक	स्वीकृत कर्जा	लिएको कर्जा
१	सिटिजन्स बैंक इन्टरनेशनल लिमिटेड	२८,३१,१०,०००/-	२८,१०,९९,५७५/०४
२	सिटिजन्स बैंक इन्टरनेशनल लिमिटेड-थप ऋण	५,६६,३१,६८७/१६	
३	ग्लोबल आई.एम.ई बैंक	२२,६४,९०,०००/-	२१,२९,२४,२७०/१२
४	सिभिल बैंक लिमिटेड	११,३२,५०,०००/-	१०,६४,७१,७३७/३१
५	मेगा बैंक नेपाल (सिटिजन्स बैंक मार्फत)	२३,२१,५०,०००/-	२१,७९,४२,१७२/१६
	जम्मा	८५,५०,००,०००/-	८७,५०,६९,४४१/७९

४. कम्पनीको प्रशासनिक खर्च सम्बन्धमा :

कम्पनीले दैनिक कार्य संचालन लगायत कर्मचारीहरूको तलब भत्ता, घर भाडा, सञ्चालकको तलब तथा भत्ता, लेखा परिक्षकको पारिश्रमिक, कार्यालयको मर्मत संभार लगायतका खर्चहरू यो शिर्षक अन्तर्गत रहेका छन् । गत वर्षहरूमा भएका खर्चहरू निम्न बमोजिम रहेका छन् । यस सम्बन्धी विस्तृत विवरणहरू लेखा परिक्षण प्रतिवेदनहरूमा उल्लेख गरिएको छ ।

आर्थिक वर्ष	कुल प्रशासनिक खर्च	हास कट्टि खर्च	बैंक व्याज खर्च	कैफियत
२०७५/०७६	२१,१४,५४,७००/३३	८,६५,९२,३१६/००	९,५५,७४,१७३/४७	
२०७६/०७७	१०,२६,९७,९९२/००	७,७०,५२,९९९/००	६,४२,२२,७७६/००	
२०७७/०७८	१०,४८,७७,१०८/४९	४,०३,५६,४५३/००	९,८२,२५,५१६/७१	

५. **सञ्चालक समिति ।**

कम्पनीको नियमावली अनुसार यस कम्पनीमा ७ जना सञ्चालकहरु रहने व्यवस्था छ । प्रत्येक सञ्चालक समितिको कार्यकाल ४ वर्षको हुने प्रावधान छ , सर्वसाधारणमा ३० प्रतिशत शेयर बिक्री निष्काशन भएपछि संस्थापक “क” समूहबाट ४ जना तथा सर्वसाधारण “ख” समूहबाट २ जना र जलविद्युत क्षेत्रमा विशिष्टता हासिल गरेको १ जना गरि ७ सञ्चालकहरु रहने व्यवस्था रहेको छ । वर्तमान सञ्चालकहरुको विवरण निम्नानुसार रहेको छ ।

क्र.सं.	संचालकको नाम	पद
१	श्री विजयमान शेरचन	अध्यक्ष
२	श्री दिनेश प्रसाद श्रेष्ठ	संचालक
३	श्री बटु लामिछाने	संचालक
४	श्री विनोद थकाली शेरचन	संचालक
५	श्री चिरञ्जिवि कार्की	संचालक
६	श्री भिमसेन घिमिरे	संचालक
७		स्वतन्त्र संचालक

६. **भावी नीति र कार्यक्रमहरु :**

कम्पनीलाई निरन्तर विकासको बाटोमा अगाडि बढाउन हामी प्रतिवद्ध छौ । हामीले यि कार्य गरी रहदा मुलुकको उर्जा संकट समाधानको लागि केही हकसम्म भएपनि योगदान गर्न सकेका छौ । आगामी दिनहरुमा हामीहरुको प्रयासबाट अन्य आयोजनाहरुलाई समेत अगाडि बढाउने प्रयत्न गर्ने छौ ।

८. **धन्यवाद ज्ञापन :**

अन्त्यमा, कम्पनीको यस छैठौं वार्षिक साधारण सभामा उपस्थित भई आफ्नो महत्वपूर्ण सुभावा, सल्लाह तथा निर्देशन दिनुहुने शेयरधनी महानुभावहरु तथा कम्पनीलाई सहयोग पुर्याउनु हुने सबै प्रति सञ्चालक समितिका तर्फबाट हार्दिक धन्यवाद ज्ञापन गर्दछु ।

धन्यवाद ।

अध्यक्ष, सञ्चालक समिति
खानी खोला हाईड्रोपावर कम्पनी लिमिटेड

खानी खोला हाईड्रोपावर कम्पनी लिमिटेड कम्पनी ऐन २०६३ को दफा १०८ सँग सम्बन्धित अतिरिक्त वार्षिक आर्थिक विवरण

- (क) विगत वर्षको कारोबारको सिंहावलोकन
– संचालक समितिको वार्षिक प्रतिवेदनमा उल्लेख गरेको ।
- (ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सो असर :-
– विद्युत प्राधिकरणसंग भएको सम्झौता बमोजिमको कार्य हुन नसकेकोले कम्पनीलाई ठुलो आर्थिक नोक्सानी परेको ।
- (ग) प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा
– संचालक समितिले आवश्यक निर्णय गरी साधारणसभा समक्ष खुद नेटवर्थ बढाउने सम्बन्धी कार्ययोजना पेश गरेको ।
- (घ) कम्पनीका औद्योगिक वा व्यवसायिक सम्बन्ध
– नभएको
- (ङ) सञ्चालक समितिमा भएको हेरफेर र सो को कारण,
– संस्थागत शेयरधनीको तर्फबाट संचालक रहनु भएका संचालक श्री मनोहर प्रसाद शेरचनले पदबाट राजिनामा दिए पश्चात सो पदमा श्री दिनेश प्रसाद श्रेष्ठ नियुक्त हुनु भएको
- (च) कारोबारलाई असर पार्ने मुख्य कुराहरु,
– नेपाल विद्युत प्राधिकरणले माल्टा-मातातिर्थ प्रसारण लाईनको निर्माण समयमा सम्पन्न नगरेकोले यस वर्ष कम्पनीको आयमा असर पुगेको र आगामी वर्षको आम्दानीमा पनि असर पुग्ने देखिएको छ ।
- (छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया
– सारभूत कैफियत त्यस्तो नभएको तर कम्पनीको क्षमता बमोजिम इनर्जी उत्पादन गरी पि.पि.ए.बमोजिम विद्युत प्राधिकरणलाई बिक्री गर्न नसकेकोको परिवेशको चित्रण गरेको ।
- (ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम
– लाभांश बाँडफाँडको व्यवस्था हाललाई नभएको ।
- (झ) शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अतिरिक्त मूल्य, त्यस्तो शेयर जफत हुनुभन्दा अगावै सोबापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयरबापत रकम फिर्ता गरेको सोको विवरण
– हाल सो सम्बन्धी कुनै प्रकृया अवलम्बन नगरिएको ।
- (ञ) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन
– कम्पनीको यस आ.व.को प्रगति यसै प्रतिवेदनमा बुदाँगत रूपमा प्रस्तुत गरिएको छ । हाल कम्पनीको सहायक कम्पनी नभएको ।
- (ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरु र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन
– हाल कम्पनीको सहायक कम्पनी नभएको ।
- (ठ) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरुले कम्पनीलाई उपलब्ध गराएको जानकारी
– आधारभूत शेयरधनीहरुले कुनै जानकारी उपलब्ध नगराएको ।

- (ड) विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी
 – कम्पनीको शेयर कारोबारमा सञ्चालक तथा पदाधिकारीहरूको संलग्नता नरहेको, निजहरूको शेयरको स्वामित्वको विवरण संस्थापक समूहको शेयर दर्ता किताब र पब्लिक शेयरधनीहरूको विवरण शेयर रजिष्ट्रार मार्फत अद्यावधिक राखिएको ।
- (ढ) विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्झौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा :-
 – नभएको ।
- (ण) कम्पनीले आफ्नो शेयर आफैले खरिद गरेका भए त्यसरी आफ्नो शेयर खरिद गर्नुका कारण, त्यस्तो शेयरको संख्या र अतिरिक्त मूल्य तथा त्यसरी शेयरखरिद गरेबापत कम्पनीले भुक्तानी गरेको रकम
 – शेयर पुनः खरिद कार्य नभएको ।
- (त) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण
 – छुट्टै नभएको । संचालक समितिबाट नियन्त्रण गरिएको ।
- (थ) विगत आर्थिक वर्षको कूल व्यवस्थापन खर्चको विवरण :
 – कुल व्यवस्थापन खर्च रु. १०,४८,७७,१०८/४९ ।
- (द) लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारवाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोका विवरण
 – नभएको ।
- (ध) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा
 – नभएको ।
- (न) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक भत्ता तथा सुविधाको रकम

सि.नं.	विवरण	सञ्चालक/कार्यकार	प्रमुख कार्यकारी अधिकृत	अन्य पदाधिकारीहरू
१	बैठक भत्ता (०७५/०७६)	भुक्तान नगरिएको	भुक्तान नगरिएको	भुक्तान नगरिएको
	बैठक भत्ता (०७६/०७७)	भुक्तान नगरिएको	भुक्तान नगरिएको	भुक्तान नगरिएको
	बैठक भत्ता (०७७/०७८)	भुक्तान नगरिएको	भुक्तान नगरिएको	भुक्तान नगरिएको
२	तलव (०७५/०७६)	५,५९,३१२/-	१५,९५,८९९/-	भुक्तान नगरिएको
	तलव (०७६/०७७)	भुक्तान नगरिएको	भुक्तान नगरिएको	भुक्तान नगरिएको
	तलव (०७७/०७८)	भुक्तान नगरिएको	भुक्तान नगरिएको	भुक्तान नगरिएको

- (प) शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांश रकम :
 – नभएको ।
- (फ) दफा १४१ वमोजिक सम्पत्ति खरिद वा विक्री गरेको कुराको विवरण :
 – नभएको ।
- (ब) दफा १७५ वमोजिम सम्बद्ध कम्पनी बीच भएको कुराको विवरण :
 – नभएको ।
- (भ) यस ऐन तथा प्रचलित कानून वमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनुपर्ने अन्य कुनै कुरा :
 – नभएको ।
- (म) अन्य आवश्यक कुराहरू :
 – नभएको ।

धितोपत्र दर्ता तथा निष्काशन नियमावली २०६५ बमोजिमको अतिरिक्त विवरण (नियम २२ को उपनियम (१) सँग सम्बन्धित) अनुसूची-१३

१. सञ्चालक समितिको प्रतिवेदन
 - वार्षिक प्रतिवेदन शीर्षक अन्तर्गत राखिएको ।
२. लेखापरिक्षकको प्रतिवेदन
 - वार्षिक प्रतिवेदन शीर्षक अन्तर्गत राखिएको ।
३. लेखापरिक्षण भएको वित्तिय विवरण
 - वार्षिक प्रतिवेदन शीर्षक अन्तर्गत राखिएको ।
४. कानूनी कारवाही सम्बन्धि विवरण
 - नभएको ।
५. संगठित संस्थाको शेयरको कारोबार तथा प्रगतिको विश्लेषण :
 - प्रत्येक त्रैमासिक अवधिमा कम्पनीको शेयरको कारोबारको विवरण निम्न बमोजिम रहेको छ ।

आ. व. २०७५/०७६	पहिलो त्रैमासिक	दोश्रो त्रैमासिक	तेश्रो त्रैमासिक	चौथो त्रैमासिक
अधिकतम मूल्य	११३	१०२	९८	८०
न्यूनतम मूल्य	९८	८९	७०	६६
अन्तिम मूल्य	१००	९८	७८	६६
कारोबार संख्या	१८४२१	११२५९	१८४०६	२११७२
कारोबार दिन	६१	५०	५६	६२

आ. व. २०७६/०७७	पहिलो त्रैमासिक	दोश्रो त्रैमासिक	तेश्रो त्रैमासिक	चौथो त्रैमासिक
अधिकतम मूल्य	६८	६०	६२	५४
न्यूनतम मूल्य	४९	४९	५१	४८.०२
अन्तिम मूल्य	६०	५३	५४	४९
कारोबार संख्या	१५४८६	११८७०	२६६५६	३८५६
कारोबार दिन	५५	५४	४२	९

आ. व. २०७७/०७८	पहिलो त्रैमासिक	दोश्रो त्रैमासिक	तेश्रो त्रैमासिक	चौथो त्रैमासिक
अधिकतम मूल्य	१३५	१२८	१४०	३०४
न्यूनतम मूल्य	४६	१०३	१०८	१२५
अन्तिम मूल्य	११५	११०	१३२	२७९
कारोबार संख्या	३५२१४८	३१७३२१	७०१२०३	१५७९४९४
कारोबार दिन	६३	५९	५९	५९

Madan Niraula & Co.

Chartered Accountants

East of Singh Durbar
Tanka Prasad Ghumti Sadak, Anamnagar
GPO Box : 8262, Kathmandu-32, Nepal
E-mail : madanniraula@gmail.com

Independent Auditor's Report To the shareholders of Khanikhola Hydropower Company Limited

We have audited the accompanying financial statements of Khanikhola Hydropower Company Limited which comprise the statement of financial position as at 31st Ashad, 2076 (July 16, 2019) and the statement of profit or loss & other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Financial Reporting Standards (NFRS). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, we consider internal control relevant to the entity's preparation and fair presentation of financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

NAS 19 "Employee Benefits" requires the measurement of the employee related liabilities to be measured through application of an actuarial valuation method and the use of actuarial assumptions. Khanikhola Hydropower Limited has not measured and presented employee related liabilities in its financial statements.

Qualified Opinion

Except for the effect on the Equity, Liabilities and Statement of Profit or Loss & other comprehensive income, of the matters referred to in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respect, the financial position of Khanikhola Hydropower Limited as at 31st Ashad, 2076 and its financial performance and its cash flow for the year then ended in accordance with Nepal Financial Reporting Standards and Company Act, 2063.

UDIN Number:200112CA00194Uqj57



Report on Other Legal and Regulatory Requirements

In accordance with the Company Act 2063, we report that:

1. We have audited all information and the explanations; we have obtained all the information and the explanations, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by Companies Act have been kept by the Company to state the fair presentation of its transactions.
3. Statements of financial position, Statement of Profit or Loss & Other Comprehensive Income and the Cash Flow Statement provided to us have been in accordance with Nepal Financial Reporting Standards and these statements are in agreement with the books of account maintained by the Company.
4. In our opinion and to the best of our information and according to the explanations given to us and from our examinations of the books of accounts of the company, we have not come across the cases where the Board of Directors or any member thereof or any employee of the company have acted contrary to the provisions of law or caused loss or damage to the company or committed any misappropriation of the properties of the Company.
5. In our Opinion, the business of the Company has been conducted satisfactorily and within the scope of its authority.

Place: Kathmandu
Date: 27th Poush, 2076


Madan Kumar Niraula, FCA
Proprietor



Khani Khola Hydropower Company Ltd.
Dhumbarahi-4, Kathmandu

Statement of Financial Position
As on Ashadh 31st, 2076 (July 16th, 2019)

Particulars	Schedules	FY 2075/76	FY 2074/75
Assets			
Non Current Assets			
Property, Plant & Equipments	1	970,201,673	1,060,270,989
Investment	2	45,008,000	45,008,000
Total non current assets		1,015,209,673	1,105,278,989
Current Assets			
Advances & Deposits	3	16,027,873	19,176,518
Cash & Cash Equivalents	4	425,752	532,857
Total Current Assets		16,453,625	19,709,375
Total Assets		1,031,663,298	1,124,988,364
Equity & Liabilities			
Equity			
Share Capital	5	465,714,300	465,714,300
Retained Earnings	6	(434,062,108)	(285,170,470)
Total Equity		31,652,192	180,543,830
Non Current Liabilities		826,150,575	806,230,571
Loans and Borrowings	7	826,150,575	806,230,571
Current Liabilities		173,860,531	138,213,963
Provisions	8	1,439	2,658
Trade and Other Payables	9	146,789,121	110,788,528
Overdraft	10	27,069,970	27,422,777
Total Liabilities		1,000,011,106	944,444,534
Total Equity & Liabilities		1,031,663,298	1,124,988,364

As per our report of even date

Significant Accounting Policies and Notes to the Accounts form an integral part of this financial statement


Sagar Nepal
Finance Officer

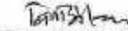

Bharat Lamichhane Thapa
Chief Executive Officer


Bhimsen Ghimire
Director


Dinesh Pd. Shrestha
Director


Babu Lamichhane
Director


Kiranjit Karki
Director


Binod Sherchan
Director


Bijay Man Sherchan
Chairman


Madan Kumar Niraula, FCA
Proprietor
Madan Niraula & Co.,
Chartered Accountants



UDIN - 200112EA00194UQ157

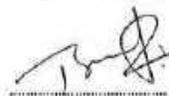
Date:- 2076.9.24
Kathmandu, Nepal

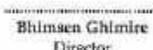
Khani Khola Hydropower Company Ltd.
Dhumbarahi-4, Kathmandu
Statement of Profit or Loss and Other Comprehensive Income
For the year ended Ashadh 31st, 2076 (July 16th, 2019)

Particulars	Schedules	FY 2075/76	FY 2074/75
Direct Income		62,560,240	68,928,350
Revenue	11	62,560,240	68,928,350
Cost of Sales		211,454,700	231,231,824
Administrative Expenses	12	124,862,384	133,512,394
Depreciation	1	86,592,316	97,163,913
Operating Profit/ (Loss)		(148,894,460)	(162,303,474)
Indirect Income		3,763	10,630
Interest Income	13	3,763	10,630
Profit/ (Loss) before Tax and Bonus		(148,890,698)	(162,292,844)
Staff Bonus		-	-
Profit/ (Loss) before Tax		(148,890,698)	(162,292,844)
Less: Tax		(941)	(2,658)
Net Profit/ (Loss)		(148,891,638)	(162,295,501)
Earnings Per Share			
Basic		(32)	(35)
Diluted		(32)	(35)
Other Comprehensive Income:			
Changes in revaluation surplus			
Actuarial Gain (Loss) on remeasurements of defined benefit plans			
Gains and losses on financial assets measured at fair value through other comprehensive income			
Income tax relating to items that will not be reclassified			
Other Comprehensive Income for the Year			
Total Profit/ (Loss) & Other Comprehensive Income		(148,891,638)	(162,295,501)

As per our report of even date


Sagat Nepal
Finance Officer

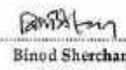

Bharat Lamichhane Thapa
Chief Executive Officer


Bhimsen Ghimire
Director


Dinesh P.d. Shrestha
Director


Biju Lamichhane
Director


Chiranjibi Kariki
Director


Bino d Sherchan
Director


Biju Man Sherchan
Chairman


Madan Kumar Niraula
Proprietor
Madan Niraula & Co.
Chartered Accountants

Date: 2076.05.24
Kathmandu, Nepal

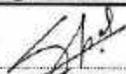


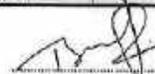
Khani Khola Hydropower Company Ltd.
Dhumbarahi-4, Kathmandu

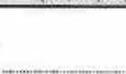
Statement of Change in Equity
For the year ended Ashadh 31st, 2076 (July 16th, 2019)

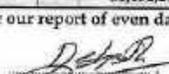
Particulars	Share Capital	Retained Earnings	Revaluation Reserve	Total
Opening Balance as Shrawan 1st, 2075	465,714,300	(285,170,470)		180,543,830
Net Profit / (Loss) After Tax		(148,891,638)		(148,891,638)
Closing Balance as on 31st Ashadh, 2076	465,714,300	(434,062,108)		31,652,192

As per our report of even date


 Sagar Nepal
 Finance Officer


 Bharat Lamichhane Thapa
 Chief Executive Officer


 Bhimsen Ghimire
 Director


 Dinesh Pd. Shrestha
 Director


 Batu Lamichhane
 Director


 Chiranjibi Karid
 Director


 Binod Sherehan
 Director


 Bijay Mani Sherehan
 Chairman


 Madan Kumar Niraula, FCA
 Proprietor
 Madan Niraula & Co.,


Date:- २०७६.०९.२५
Kathmandu, Nepal

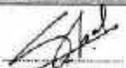
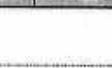
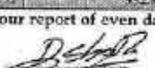


Khani Khola Hydropower Company Ltd.
Dhumbarahi-4, Kathmandu
Statement of Cash Flows

For the year ended Ashadh 31st, 2076 (July 16th, 2019)

Particulars	FY 2075/76	FY 2074/75
Cash Flow from Operating Activities		
Net Profit/Loss for the Year	(148,891,638)	(162,295,511)
Adjustments		
Interest Expenses	95,574,179	96,715,251
Interest Income	(3,763)	-
Depreciation	86,592,516	97,719,430
Prior period adjustment	-	-
Impairment Loss	-	-
Finance Costs	-	-
Exchange Gain	-	-
Employee Gratuity, Leave and welfare provisions	-	-
Changes in Working Capital		
(Increase)/Decrease in Prepayments	-	1,453,013
(Increase)/Decrease in Advances, Deposits & Receivables	3,148,646	(1,614,031)
Increase/(Decrease) in Provisions	(1,218)	2,658
Increase/(Decrease) in Current Liabilities	35,647,785	82,354,167
Total Adjustments		
Net Cash Flow from Operating Activities (A)	72,068,302	131,331,987
Cash Flow from Investing Activities		
(Acquisition)/ Disposal of Property, Plant and Equipment	3,477,000	-623,300
Decrease/ (Increase) in Capital Work in Progress	-	-
Decrease/ (Increase) in Investment	-	-
Interest Income	3,763	10,630
Net Cash Flow from Investing Activities (B)	3,480,763	(612,670)
Cash Flow from Financing Activities		
Increase/ (Decrease) in Capital	-	-
Increase/ (Decrease) in Share Application Money	-	-
Increase/ (Decrease) in Long Term Borrowings	19,920,004	(19,555,754)
Interest Paid	(95,574,173)	(96,715,251)
Net Cash Flow from Financing Activities (C)	(75,654,169)	(116,271,905)
Net Increase in Cash (A+B+C)	(107,114)	(2,518,168)
Cash at the beginning of the Year	532,852	5,992,176
Cash at the End of the Year	425,737	3,474,007

As per our report of even date

 Sagar Nepal Finance Officer	 Bharat Lamichhane Thapa Chief Executive Officer	 Shimsen Ghimire Director	 Dinesh P. Shrestha Director
 Batu Lamichhane Director	 Chandrajit Karzi Director	 Binod Shrestha Director	 Bijay Mani Shrestha Chairman
			 Madan Kumar Niraula Proprietor Madan Niraula & Co., Chartered Accountants

Date: 2076.09.24
Kathmandu, Nepal

Notes Forming Part of the Financial Statements
For the year ended Ashadh 31, 2076 (July 2019)

Investment **Schedule-2**

Particulars	As on 31st Ashadh, 2076	As on 32nd Ashadh, 2075
Mayakhola Hydropower Company	45,000,000.00	45,000,000.00
South Lalitpur Gramin Bidhyut Sahakari Ltd	8,000.00	8,000.00
Total	45,008,000.00	45,008,000.00

Advance & Deposits **Schedule-3**

Particulars	As on 31st Ashadh, 2076	As on 32nd Ashadh, 2075
Deposits	14,000.00	14,000.00
Advance - Civil Works	2,050,152.19	2,050,152.19
Advance - EM	197,207.00	197,207.00
Advance - Metal Works	321,751.63	321,751.63
Advance - Plant & Machinery	2,433,537.00	2,433,537.00
Advance - PSM	170,000.00	199,778.00
Advance - T/L & Switchward	2,950,000.00	2,950,000.00
Advance- Mr. Bharat L Thapa	1,600,000.00	-
LC Margin(EM) - KKHP	712,856.25	712,856.25
LC Margin(EM)-TTKHP	1,538,268.75	1,538,268.75
Mr. Mahesh Sharma	20,000.00	20,000.00
TDS Paid on Interest	546,380.14	547,974.52
Medical Expenses- Mahesh Dhakal	79,803.00	-
Nepal Electricity Authority	3,393,916.55	8,190,992.86
Total	16,027,872.51	19,176,516.20

Cash & Bank Balance **Schedule-4**

Particulars	As on 31st Ashadh, 2076	As on 32nd Ashadh, 2075
Apex Development Bank	76,891.23	76,891.23
Cash - Head Office	65,821.41	18,403.60
Cash- Site Office	25,000.00	-
Citizen Bank Nepal - Call	82,979.21	81,043.30
Civil Bank	15,634.04	245,606.35
Global IME Bank	10,690.74	16,106.46
Mega Bank Nepal	60,837.17	8,019.29
Prabhu Bank Nepal	87,898.58	86,786.32
Total	425,752.38	532,856.55





Share Capital

Schedule-5

Particulars	As on 31st Asadh, 2076	As on 32nd Asadh, 2075
Authorized Capital		
50,00,000 Ordinary shares of NRs.100 each	500,000,000.00	500,000,000.00
Issued Capital		
4,657,143 Ordinary shares of NRs. 100 each	465,714,300.00	465,714,300.00
Paid Up Capital		
4,657,143 Ordinary shares of NRs. 100 each	465,714,300.00	465,714,300.00
Total	465,714,300.00	465,714,300.00

Retained earning

Schedule-6

Particulars	As on 31st Asadh, 2076	As on 32nd Asadh, 2075
Opening balance	(285,170,470.15)	(122,874,969.03)
Profit/loss during this year	(148,891,638.14)	(162,295,501.12)
Total transferred to retained earnings	(434,062,108.29)	(285,170,470.15)

Loans and Borrowings

Schedule-7

Particulars	As on 31st Asadh, 2076	As on 32nd Asadh, 2075
Term loan	726,001,754.25	744,001,754.25
Term loan II	79,950,575.17	81,450,575.17
Bridge Gap Loan(Term loan III)	15,000,000.00	-
Working capital Loan	5,000,000.00	-
Bridge Gap loan(Citizen)	30,000,000.00	-
Total Long term Loan	855,952,329.42	825,452,329.4
Less: Installment of loan to be repaid within a period of one year	(29,801,754.25)	(19,221,758.63)
Total	826,150,575.17	806,230,570.79

Provisions

Schedule-8

Particulars	As on 31st Asadh, 2076	As on 32nd Asadh, 2075
Previous Year provision	2,657.50	-
Current Tax	940.64	2,657.50
Less: TDS paid on interest	(2,158.77)	-
Total	1,439.37	2,657.50

(Handwritten signatures and initials)





Trade and Other payables (Current liability)

Schedule-9

Particulars	As on 31st Asadh, 2076	As on 32nd Asadh, 2075
Account Payable	7,826.07	7,826.18
Retention Money	28,152,296.77	28,730,820.77
TDS Payable	1,800.00	-
Audit Fee and expense Payable	197,345.00	223,000.00
CIT Payable	86,840.00	36,400.00
IPO Refund	150,765.76	150765.76
Maya Khola Hydropower Company	18,000,000.00	12,000,000.00
Office Rent Payable	-	14,850.00
Payable to Kathmandu Capital	-	148,750.00
Pashupati Energy Development Company	69,600,000.00	49,000,000.00
Royalty Payable	35,502.00	1,254,357.00
Salary Payable	754,991.00	-
Loan to be repaid with in a period of one year	29,801,754.25	19,221,758.63
Total	146,789,120.85	110,788,528.34

Bank Overdraft

Schedule-10

Particulars	As on 31st Asadh, 2076	As on 32nd Asadh, 2075
Citizen Bank Limited	27,069,970.48	27,422,777.45
Total	27,069,970.48	27,422,777.45

Revenue

Schedule-11

Particulars	As on 31st Asadh, 2076	As on 32nd Asadh, 2075
Sales of Energy	62,560,240.29	68,928,350.32
Total	62,560,240.29	68,928,350.32



Administrative Expenses		Schedule-12	
Particulars	As on 31st Asadh, 2076	As on 31st Asadh, 2075	As on 32nd Asadh, 2075
Advertisement Expenses	26,178.00		13,668.00
Interest - Citizen	34,719,563.32		34,043,528.33
Interest - Civil	12,543,512.31		11,658,566.05
Interest - Global	25,033,665.72		24,786,038.35
Interest - Mega	23,277,432.12		26,227,118.61
Agency Fees	2,131,742.93		2,079,465.81
AGM Expenses	138,193.00		106,532.00
Annual Fees - CDS Nepal	120,000.00		20,000.00
Annual Fees - Nepse	50,000.00		-
Audit Fees & expenses	200,000.00		226,000.00
Bank Charges	6,720.00		1,490.00
Dashain Allowances	713,867.00		649,200.00
Refreshment & Promotion expenses	179,845.00		582,351.00
Medical Expenses	128,072.00		-
Office Rent - HO	376,050.00		364,500.00
Postages & Courier	415.00		415.00
Printing and Stationery	15,745.00		24,726.00
Rates & Taxes - HO	7,732.00		2,000.00
Renewal & Registration Fees	71,140.00		534,090.00
Repair and maintenance - Access Road	-		49,920.00
Repair and maintenance Civil Works and Others	1,186,842.00		736,715.00
RIS Expenses	180,194.00		-
Staff Salary	12,515,817.00		13,472,628.00
Telephone/Internet/Communication	205,278.00		246,148.00
Utility Expenses	40,339.00		46,604.00
Vehicle Fuel Expen.	274,219.00		275,317.00
Website Design Expenses	5,650.00		-
Insurance	2,767,783.28		4,756,171.95
Labour Charge	228,671.00		306,650.00
Site Operating Expenses	1,470,347.00		3,245,512.50
Site Visit Allowances -	196,178.00		234,404.00
Transmission Line & Switchyard Expenses	2,513,990.00		1,908,314.79
Transportation	26,800.00		162,000.00
Wages	5,000.00		6,400.00
Staff Quarter material	-		2,425.00
Nursery Expense	-		30,279.00
Board Meeting Allowance and expenses	42,500.00		38,233.00
Forest Lease Expenses	-		23,858.00
Kitchen Utensils	-		5,000.00
Power House Protection Expenses	92,055.00		3,763,724.05
Depreciation	86,592,316.38		97,719,429.69
Royalty Expense	1,888,308.00		2,163,274.00
Vehicle Rent	-		8,888.00
Corporate Social Responsibility	1,482,539.19		703,059.00
Office Clearing and maintenance	-		5,180.00
Total	211,454,700.35		231,231,824.13

Indirect Income		Schedule-13	
Particulars	As on 31st Asadh, 2076	As on 31st Asadh, 2075	As on 32nd Asadh, 2075
Interest Income	3,762.56		10,630.26
Total	3,762.56		10,630.26






Khadi Khola Hydro Power Company Ltd.
Dharmabardi-4, Kailashnagar

Property, Plant & Equipments
For the period ended 31st April, 2019

Particulars	Depreciation Rate	Written Down Value (WDV) at 01/01/2018	Cost 2018/19		Addition	Disposal/Adjustment	Closing	Depreciation 2018/19 For the Year	Written Down Value As on 31/04/2019	Written Down Value As on 31/04/2018
			Disposal/Adjustment	Cost 2018/19						
Plant - A										
Land		6,913,185	-	-	6,913,185	-	6,913,185	-	6,913,185.02	6,913,185.02
	5%	4,940,070	-	-	4,940,070	-	4,940,070	345,101	4,940,070.00	4,940,070.00
Sheet Connection & Conduits/W.P.	5%	10,796,950	-	-	10,796,950	-	10,796,950	536,548	10,796,950.00	10,796,950.00
Civil Works - KHP										
Reservoir	5%	16,690,664	-	-	16,690,664	-	16,690,664	82,216.57	16,690,664.02	16,690,664.02
Head Race - Dam	5%	7,202,489	-	-	7,202,489	-	7,202,489	7,202,489.00	7,202,489.00	7,202,489.00
Surge Tank	5%	13,206,163	-	-	13,206,163	-	13,206,163	13,206,163.00	13,206,163.00	13,206,163.00
Penstock Alignment	5%	3,492,646	-	-	3,492,646	-	3,492,646	3,492,646.00	3,492,646.00	3,492,646.00
Abutment	5%	4,566,022	-	-	4,566,022	-	4,566,022	4,566,022.00	4,566,022.00	4,566,022.00
Stair Support	5%	765,126	-	-	765,126	-	765,126	765,126.00	765,126.00	765,126.00
Power House	5%	20,488,409	-	-	20,488,409	-	20,488,409	1,001,923	20,488,409.00	20,488,409.00
Tunnel and Reinforcing Works	5%	7,716,886	-	-	7,716,886	-	7,716,886	7,716,886.00	7,716,886.00	7,716,886.00
Civil Works - TTKHP										
Feasibility Study	5%	81,484,576	-	-	81,484,576	-	81,484,576	4,069,177	81,484,576.00	81,484,576.00
Construction Land and Canal Top	5%	11,365,563	-	-	11,365,563	-	11,365,563	11,365,563.00	11,365,563.00	11,365,563.00
Disposal System & Equipment	5%	90,440,851	-	-	90,440,851	-	90,440,851	2,552,193	90,440,851.00	90,440,851.00
Reservoir Alignment	5%	40,733,120	-	-	40,733,120	-	40,733,120	7,037,454	40,733,120.00	40,733,120.00
Head Race	5%	55,282,620	-	-	55,282,620	-	55,282,620	1,356,143	55,282,620.00	55,282,620.00
Stair Support & Penstock Structure	5%	56,617,666	-	-	56,617,666	-	56,617,666	833,809	56,617,666.00	56,617,666.00
W.P. House	5%	1,494,375	-	-	1,494,375	-	1,494,375	9,708	1,494,375.00	1,494,375.00
Penstock Alignment	5%	53,132,580	-	-	53,132,580	-	53,132,580	1,036,646	53,132,580.00	53,132,580.00
Penstock	5%	3,454,712	-	-	3,454,712	-	3,454,712	172,276	3,454,712.00	3,454,712.00
Tunnel and Feasibility	5%	63,610,129	-	-	63,610,129	-	63,610,129	79,425,004	63,610,129.00	63,610,129.00
Hydro-mechanical KHP	5%	96,672,980	-	-	96,672,980	-	96,672,980	4,935,629	96,672,980.00	96,672,980.00
Hydro-mechanical TTKHP	5%	104,443,646	-	-	104,443,646	-	104,443,646	5,046,632	104,443,646.00	104,443,646.00
Plant - B										
Minor Equipments	20%	847,174	-	-	847,174	-	847,174	432,361	847,174.00	847,174.00
Computer & Accessories	25%	0	-	-	0	-	0	0	0.00	0.00
Structure & Furniture	25%	244,127	-	-	244,127	-	244,127	186,095	244,127.00	244,127.00
Plant - C										
Vehicle	20%	1,358,204	-	-	1,358,204	-	1,358,204	1,085,071	1,358,204.00	1,358,204.00
Plant - D										
Plant - E										
Identification/Transmission Line & Switchyard	15%	34,143,448	-	-	34,143,448	-	34,143,448	5,106,593	34,143,448.00	34,143,448.00
Electromechanical Plant & Machinery - TTKHP	15%	375,520,759	-	-	375,520,759	-	375,520,759	30,525,314	375,520,759.00	375,520,759.00
Electromechanical Plant & Machinery - KHP	15%	96,882,179	-	-	96,882,179	-	96,882,179	10,533,427	96,882,179.00	96,882,179.00
Other Assets	17%	233,093	-	-	233,093	-	233,093	37,964	233,093.00	233,093.00
Total		1,240,270,469			1,240,270,469		1,240,270,469	86,952,316	953,318,153	1,166,270,809

(Handwritten signatures and initials)





Notes to Accounts- 2075/76
Khanikhola Hydropower Company Ltd.

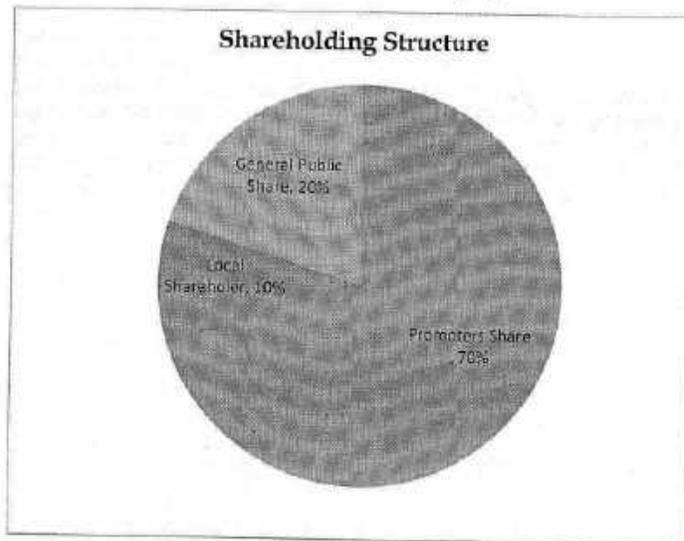
Khanikhola Hydropower Company Ltd.
Dhumbarahi-4, Kathmandu

A. Explanatory Notes FY 2018-19 (2075/76)

1. General Information of the Company

Khanikhola Hydropower Company Ltd.(KKHPCL)is registered as a public limited company with the office of the Registrar of company under the Company Act 2063 on 17th Aswin 2069.its registration No.106404/069/070 dated 3-10-2012.KKHPCL is registered with an objective of generating 4362 kw phr.hydro electricity from its power station located at TungunThosne and 2000 Kw Phr. hydro electricity from another power station located at Khanikhola. The total generating capacity of this company is 6362 kw Phr. KKHPCL has reached a power purchase agreement with Nepal Electricity Authority wherein NEA has agreed to buy all generated electricity from KHHPCL at an agreed price.

Following is the shareholding structure of the company:



Handwritten signatures of the company's management and auditors, including the name 'Prakash'.



Notes to Accounts- 2075/76
Khanikholahydro Power Company Ltd.

2. Statement of Compliance

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) to the extent applicable and as published by the Accounting Standards Board (ASB) - Nepal and is approved by the 64th Board of Director meeting held on 09 January 2020 (24 Poush 2076) and have been recommended for approval by shareholders in the 7th Annual General Meeting.

3. IFRIC 12 Considerations

The company has considered applicability of IFRIC 12 Service Concession Agreement, issued by International Accounting Standard Board (IASB) for preparation and presentation of financial statements. KKHPCIL after due consideration has not applied IFRIC 12 while preparing these financial statements on the following grounds.

- i. The company sells electricity to Nepal Electricity Authority at price independent of the price charged by NEA to general public. NEA for the ultimate sale of electricity is bound by the rates determined by Electricity Tariff Commission set up by the government, whereas NEA purchases electricity on the basis of different commercial agreement with the power producers. Electricity Tariff Commission does not determine the rate at which NEA purchases or has to purchase from the power producers. There have been instances where the rates charged by NEA to the general public is lower than it paid to some of the power producers.
- ii. The license agreement with Department of Electricity Development (DoED) for KKHPCIL does not obligate the company to sell electricity to NEA or any specific buyer.
- iii. The company does not receive any specific concession for the use of the natural resource. The company has to pay to the government for the use of the natural resources in the form of royalty.
- iv. The company under Power Purchase Agreement (PPA) sells energy to NEA and not directly to the general public.
- v. Though the project is to be transferred to the government at the end of the licence period the legal title of the project is with the company, including the control of access to the project site. In addition the company has right to pledge the assets as lien for availing finances from financial institutions.

(Handwritten signatures and initials)





Notes to Accounts- 2075/76
Khanikhola Hydropower Company Ltd.

4. Basis of Preparation and Reporting Pronouncements

The Company has, for the preparation and presentation of financial statements, opted to adopt Nepal Financial Reporting Standards (NFRSs) from the erstwhile Nepal Accounting Standards (NASs) both pronounced by Accounting Standards Board (ASB) Nepal. NFRS was pronounced by ASB Nepal as effective on 13 September 2013. The regulatory requirement for the Company to adopt NFRS was from the financial year 2073/74 (2016-17), however the Company opted for adoption of NFRS as the basis of financial statement and prepared its first NFRS compliant financial statements in FY 2074/75.

NFRS conform, in material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

A number of new standards and amendments to the existing standards and interpretations have been issued by IASB after the pronouncements of NFRS with varying effective dates. Those only become applicable when ASB Nepal incorporates them within NFRS.

5. Accounting Convention

The Financial Statements have been prepared on a historical cost convention except for certain financial elements that have been measured at fair value, wherever NFRS requires or allowed such measurement. The fair values, wherever used, are discussed in relevant Notes.

The Financial Statements are prepared on accrual basis.

The Financial Statements have been prepared on a going concern basis. The company has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. However, with increased accumulated losses and significant deterioration on book net-worth has raised doubt on going concern of company.

6. Presentations

• Presentation Currency

The Company operate within the jurisdiction of Nepal. Nepalese Rupees (NRs) is the presentation and functional currency of the Company. Accordingly, the Financial Statements are prepared and presented in Nepalese Rupees and rounded off to the nearest Rupee.

• Rearrangement and Reclassification

The figures for previous years are rearranged, reclassified and/or restated as per NFRS wherever necessary for the purpose of facilitating comparison. Appropriate disclosures are made wherever necessary.

• Statement of Financial Position

The elements of Statement of Financial Position other than equity are presented in order of their permanency by considering non-current and current nature that are further detailed in relevant sections.



3



Notes to Accounts-2075/76
Khanikhola Hydropower Company Ltd.

- **Statement of Profit or Loss and Other Comprehensive Income**
The elements of Statement of Profit or Loss and Other Comprehensive Income has been prepared using classification 'by function' method. The details of revenue, expenses, income, gains and/or losses have been disclosed in the relevant section of this note.
Earnings per share have been disclosed in the face of 'Statement of Profit or Loss and Other Comprehensive Income' in accordance with the NAS 33.
- **Statement of Cash Flows**
The statement of Cash Flows has been prepared using indirect method and the activities has been grouped under three major categories (Cash flows from operating activities, Cash flows from investing activities and Cash Flows from financing activities) in accordance with NAS 07.
- **Statements of Changes in Equity**
The Statements of Changes in Equity has been prepared disclosing changes in each elements of equity.

7. **Accounting Policies and Accounting Estimates**

Accounting Polices

The Company, under NFRS, is required to apply accounting policies to most appropriately suit its circumstances and operating environment. The preparation of Financial Statements in conformity with the Policy requires management to make judgments, estimates and assumptions in respect of the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

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

Accounting Estimates

The preparation of Financial Statements in line with NFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of Financial Statements and the reported amounts of revenue and expenses during the reporting period.

Management has applied estimation in preparing and presenting the Financial Statements. The estimates and the underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimates are revised, if the revisions affect only that period; they are recognised in the period of revision and the future periods if the revisions affect both current and future periods.

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



B. Elements of Financial Statement

1. Property, Plant and Equipment

Property, Plant and Equipment (PPE) are those tangible assets used for generation and supply of energy, for administrative purpose or for rentals to others. These are recognised as PPE, if and only if it is probable that future (i.e. for more than one accounting period) economic benefits associated with the items will flow to the Company; and the cost of the item can be measured reliably.

PPE are stated in the SFP at their cost less accumulated depreciation and accumulated impairment losses, if applicable.

• Cost

The initial cost of PPEs includes purchase price and directly attributable cost to bringing the asset to the location and conditions necessary for it to be capable of operating in the manner intended by management. Subsequent costs that do not qualify the recognition criteria under NAS 16 are expensed as and when incurred.

NAS 16 and IERIC 1 require cost of PPE to include the estimated cost for dismantling and removal of the assets and restoring the site on which they are located. Management perceives that such costs are difficult to estimate and considering the past practice the amount of such costs will not be material to affect the economic decision of the user as a result of such non- inclusion. Therefore, asset retirement obligation has not been recognised.

• Depreciation

The management has estimated that the cost equals depreciable amount of the asset and thus the cost is systematically allocated based on the expected useful life of an asset. Items of property, plant and equipment are depreciated in full in the year of acquisition.

If an item of PPE consists of several significant components with different estimated useful lives and if the cost of each component can be measured reliably, those components are depreciated separately over their individual useful lives.

The residual values, useful lives and the depreciation methods of assets are reviewed at least annually, and if expectations differ from previous estimates, changes are made in the estimates and are accounted for as a change in accounting estimates in accordance with NAS 8.

If the management considers the assets have an indefinite useful life, no amortisation / depreciation is charged.

• De-recognition

Assets that have been decommissioned or identified as damaged beyond economic repair or rendered useless due to obsolescence, are derecognised whenever identified. On disposal of an item of PPE or when no economic benefits are expected from its use or disposal, the carrying amount of an item is derecognised. The gain or loss arising from the disposal of an item of PPE is the difference between net disposal proceeds, if any, and the carrying amount of that item and is recognised in the Statement of Profit or Loss.



5

[Handwritten signatures and initials]



Notes to Accounts- 2075/76
Khanikhola Hydropower Company Ltd.

1.1 Change in Classification, Useful Lives and Depreciation Method

• **Re-classification**

Assets have been reclassified wherever required for compliance with NFRS. Capital work in progress, are assets that are in the process of construction or installation have been reported under PPE without charging depreciation. These were previously being shown separately from property plant and equipment.

The Company used to carry the costs of access road as a separate component of PPE even though direct control and ownership of such road is not with the Company. However, under the provisions of NFRS, costs that are directly attributable to bringing asset to the location and condition necessary for it to be capable of operating in manner intended are to be included in the cost of PPE. Therefore, once the project is completed and depreciation on project assets is started, the cost of access road will be systematically apportioned to the assets at the generation site as directly attributable costs.

• **Estimation of Useful Lives and Depreciation Method used**

The useful life of assets has been reassessed and adjusted as at the date of opening NFRS SFP. Depreciation method has been selected considering the pattern of inflow of economic benefits to the organization and thereby depreciated using Diminishing Balance Method (DBM).

The Project is still in construction and, therefore, the depreciation on Project assets has not been started and estimation of life of project assets is not viable.

However, the Company has estimated the life of completed assets of as follows:

Assets	Useful Life	Depreciation Rate	Depreciation Method
Land	-	-	-
Civil Works	20	5%	DBM
Office Equipment	4	25%	DBM
Computer & Accessories	4	25%	DBM
Furniture & Fixtures	4	25%	DBM
Vehicle	5	20%	DBM
Electrification/ Transmission Line & Switchyard	7	15%	DBM
Electromechanical Plant & Machinery	7	15%	DBM

2. Investment

The investment made by the company as at the end of the Financial Year 2075/76 amounts to NRs. 45,008,000.00.

Fair value of the investment is taken as its par value since its unavailability of relevant information. Following is the detail of the investment.

Particulars	Amount (NRs.)
Mayakhola Hydropower Company	45,000,000.00
South Lalitpur Gramin Bidhyut Sahakari Ltd.	8,000.00
Total	45,008,000.00



Handwritten signatures and initials are present below the investment table, including a large signature on the right and several smaller ones on the left and center.



Notes to Accounts- 2075/76
Khanikhola Hydropower Company Ltd.

3. Advance and Deposits

Advances and deposits mainly consist of the advance provided to the contractors and advance tax. Following is the detail of advances and deposits:

Particulars	As on 31st Ashadh, 2076	As on 32nd Ashadh, 2075
Deposits	14,000.00	14,000.00
Advance - Civil Works	2,050,152.19	2,050,152.19
Advance - EM	197,207.00	197,207.00
Advance - Metal Works	321,751.63	321,751.63
Advance - Plant & Machinery	2,433,537.00	2,433,537.00
Advance - PSM	170,000.00	199,778.00
Advance - T/L & Switchward	2,950,000.00	2,950,000.00
Advance- Mr. Bharat L Thapa	1,600,000.00	-
LC Margin(EM) - KKHIP	712,856.25	712,856.25
LC Margin(EM)- JTKHP	1,538,268.75	1,538,268.75
Mr. Mahesh Sharma	20,000.00	20,000.00
TDS Paid on Interest	546,380.14	547,974.52
Medical Expenses- Mahesh Dhakal	79,803.00	-
Nepal Electricity Authority	3,393,916.55	8,190,992.86
Total	16,027,872.51	19,176,518.20

4. Cash and Cash Equivalent

Cash and cash equivalents include deposits account balances maintained with banks and financial institutions. These enable the Company to meet its short-term liquidity requirements. The carrying amount of cash and cash equivalents approximates their fair value. They are readily convertible to known amount of cash and are subject to insignificant risk of change in value. These balances have been used as Cash and Cash Equivalents for the presentation of Statement of Cash Flows as well.

Particulars	As on 31st Ashadh, 2076	As on 32nd Ashadh, 2075
Apex Development Bank	76,891.23	76,891.23
Cash - Head Office	65,821.41	18,403.60
Cash- Site Office	25,000.00	-
Citizen Bank Nepal - Call	82,979.21	81,043.30
Civil Bank	15,634.04	245,606.35
Global IME Bank	10,690.74	16,106.46
Mega Bank Nepal	60,837.17	8,019.29
Prabhu Bank Nepal	87,898.58	86,786.32
Total	425,752.38	532,856.55



(Handwritten signatures and initials)



Notes to Accounts-2075/76
Khanikholah Hydropower Company Ltd.

5. Share Capital

The company's registered share capital structure is as follows:

Particulars	As on 31st Asadh, 2076	As on 32nd Asadh, 2075
Authorized Capital (50,00,000 Ordinary shares of NRs.100 each)	500,000,000.00	500,000,000.00
Issued Capital (46,57,143 Ordinary shares of NRs.100 each)	465,714,300.00	465,714,300.00
Paid Up Capital (46,57,143 Ordinary shares of NRs.100 each)	465,714,300.00	465,714,300.00

6. Retained Earnings

The details of the retained earnings are as given below:

Particulars	As on 31st Asadh, 2076	As on 32nd Asadh, 2075
Opening balance	(285,170,470.15)	(122,874,969.03)
Profit/loss during this year	(148,891,638.14)	(162,295,501.12)
Total transferred to retained earnings	(434,062,108.29)	(285,170,470.15)

7. Long Term Loan

KKHPCL has obtained long term loan (Consortium loan) for project construction from Citizens Bank, Civil Bank, Global IME Bank and Mega Bank Ltd. Following is the detail of long term loan:

Particulars	As on 31st Ashadh, 2076	As on 32nd Ashadh, 2075
Term loan	726,001,754.25	744,001,754.25
Term loan II	79,950,575.17	81,450,575.17
Bridge Gap Loan(Term loan III)	15,000,000.00	-
Working capital Loan	5,000,000.00	-
Bridge Gap loan(Citizen)	30,000,000.00	-
Total Long term Loan	855,952,329.42	825,452,329.4
Less: Installment of loan to be repaid within a period of one year, (classified as current liability)	(29,801,754.25)	(19,221,758.63)
Total	826,150,575.17	806,230,570.79



8

(Handwritten signatures and initials)



Notes to Accounts- 2075/76
Khanikhola Hydropower Company Ltd.

8. Provisions

It includes the amount of contract work which has already been completed but bill has been not submitted/ approved. Current tax provision is also included under it. Following is the detail:

Particulars	As on 31st Asadh, 2076	As on 32nd Asadh, 2075
Income Tax Provision of Previous Year	2,657.50	-
Current Tax Provision	940.64	2,657.50
Less: TDS paid on interest	(2,158.77)	-
Total	1,439.37	2,657.50

9. Trade and Other Payables

Trade and other payables mainly consist of amounts the Company owes to suppliers and government authority that have been invoiced or are accrued. These also include taxes due in relation to the Company's role as an employer. These amounts have been initially recognized at cost and it is continued at cost as it fairly represents the value to be paid. Following is the detail of trade and other payables:

Particulars	As on 31st Asadh, 2076	As on 32nd Asadh, 2075
Account Payable	7,826.07	7,826.18
Retention Money	28,152,296.77	28,730,820.77
TDS Payable	1,800.00	-
Audit Fee and expense Payable	197,345.00	223,000.00
CIT Payable	86,840.00	36,400.00
IPO Refund	150,765.76	150,765.76
Maya Khola Hydropower Company	18,000,000.00	12,000,000.00
Office Rent Payable	-	14,850.00
Payable to Kathmandu Capital	-	148,750.00
Pashupati Energy Development Company	69,600,000.00	49,000,000.00
Royalty Payable	35,502.00	1,254,357.00
Salary Payable	754,991.00	-
Loan to be repaid within a period of one year	29,801,754.25	19,221,758.63
Total	146,789,120.85	110,798,528.34

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]





Notes to Accounts- 2075/76
Khanikholahydropower Company Ltd.

10. Overdraft

It includes the overdraft facility utilized by the company from the Citizen Bank Limited. The detail regarding the same is given below.

Particulars	As on 31st Asadh, 2076	As on 32nd Asadh, 2075
Citizen Bank Limited	27,069,970.48	27,422,777.45
Total	27,069,970.48	27,422,777.45

11. Revenue from Sale of Electricity

The company has started the generation of electricity since FY 2073/74. It has been selling electricity to NEA and billing has been done as agreed on PPA.

Particulars	As on 31st Asadh, 2076	As on 32nd Asadh, 2075
Sales of Energy	62,560,240.29	68,928,350.32
Total	62,560,240.29	68,928,350.32

12. Administrative Expenses

Expenses incurred to run day to day activities are booked under administrative expenses. Following is the detail of the administrative expenses.

Particulars	As on 31st Asadh, 2076	As on 32nd Asadh, 2075
Advertisement Expenses	26,178.00	13,668.00
Interest - Citizen	34,719,563.32	34,043,528.33
Interest - Civil	12,543,512.31	11,658,566.05
Interest - Global	25,033,665.72	24,786,038.35
Interest - Mega	23,277,432.12	26,227,118.61
Agency Fees	2,131,742.93	2,079,465.81
AGM Expenses	138,193.00	106,532.00
Annual Fees - CDS Nepal	120,000.00	20,000.00



10

(Signatures)



Notes to Accounts- 2075/76
Khanikholahydro.com Ltd.

Annual Fees - Nepse	50,000.00	-
Audit Fees & expenses	200,000.00	226,000.00
Bank Charges	6,720.00	1,490.00
Dashain Allowances	713,867.00	649,200.00
Refreshment & Promotion expenses	179,845.00	582,351.00
Medical Expenses	128,072.00	-
Office Rent - HO	376,050.00	364,500.00
Postages & Courier	415.00	415.00
Printing and Stationery	15,745.00	24,726.00
Rates & Taxes - HO	7,732.00	2,000.00
Renewal & Registration Fees	71,140.00	534,090.00
Repair and maintenance - Access Road	-	49,920.00
Repair and maintenance Civil Works and Others	1,186,842.00	736,715.00
RIS Expenses	180,194.00	
Staff Salary	12,515,817.00	13,472,628.00
Telephone/Internet/Communication	205,278.00	246,148.00
Utility Expenses	40,339.00	46,604.00
Vehicle Fuel Expen.	274,219.00	275,317.00
Website Design Expenses	5,650.00	-
Insurance	2,767,783.38	4,758,171.95
Labour Charge	228,671.00	306,650.00



Handwritten signatures and initials, including a date '11' and a signature 'Khanikholahydro.com'.



Notes to Accounts- 2075/76
Khanikhola Hydropower Company Ltd.

Site Operating Expenses	1,470,347.00	3,245,512.50
Site Visit Allowances -	196,178.00	234,404.00
Transmission Line & Switchyard Expenses	2,513,990.00	1,908,314.79
Transportation	26,800.00	162,000.00
Wages	5,000.00	6,400.00
Staff Quarter material	-	2,425.00
Nursery Expense	-	30,279.00
Board Meeting Allowance and expenses	42,500.00	38,233.00
Forest Lease Expenses	-	23,858.00
Kitchen Utensils	-	5,000.00
Power House Protection Expenses	92,055.00	3,763,724.05
Depreciation	86,592,316.38	97,719,429.69
Royalty Expense	1,888,308.00	2,163,274.00
Vehicle Rent	-	8,888.00
Corporate Social Responsibility	1,482,539.19	703,059.00
Office Clearing and maintenance	-	5,180.00
Total	211,454,700.35	231,231,824.13

13. Interest Income

It includes the interest income earned by the company on call deposits. Following is the detail:

Particulars	As on 31st Asadh, 2076	As on 32nd Asadh, 2075
Interest Income	3,762.56	10,630.26
Total	3,762.56	10,630.26



Handwritten signatures and initials of the company's management and the auditor, including the number '12' in the center.



Notes to Accounts- 2075/76
Khanikholahydro Power Company Ltd.

14. Non- Controlling Interest

Non-controlling interest (NCI) is the portion of equity ownership in a subsidiary not attributable to the parent company, which has a controlling interest (greater than 50% but less than 100%) and consolidates the subsidiary's financial results with its own.
Company has not any subsidiaries company.

15. Deferred Tax Liability and Current Tax

The deferred tax liability represents a future tax payment a company is expected to make to tax authority in the future as a result of temporary taxable differences. As a company enjoys a tax holiday for a period of 10 years, deferred tax liability is not considered during this period.

Current tax represents the amount payable to tax authority as a result of gain during the respective period. Hydropower Company enjoys tax exemption for gain generated from operating activities; however, tax is applicable for the income generated from non-operating activities. During FY 2075/76, company has an interest income of NRs. 3,762.56 and accordingly company is liable for current tax amounting NRs. 941.

16. Employee Bonus

As per the bonus act, 2030, 10% of the profit shall be allocated for the employee as a bonus. Since the company has operating in loss, no such bonus provision has been made.

17. Inventory

Inventories are carried at the lower of cost or net realisable value (NRV). Cost comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is measured using First in First out (FIFO) method.
Company has not any inventory at the end of FY 2075/76.



18. Trade Receivables

It includes the amount to be received by the company in the ordinary course of business.
Company has no such trade receivable in this financial year.



Notes to Accounts- 2075/76
Khanikholahydropower Company Ltd.

C. Other disclosures

1. Earnings per Share (EPS)

Earnings per share have been disclosed on the face of 'Statement of Profit or Loss and Other Comprehensive Income' in accordance with the NAS 33.

EPS	As on 31st Asadh, 2076	As on 32nd Asadh, 2075
Basic	(32.00)	(35.00)
Diluted	(32.00)	(35.00)

2. Operating Segment

NFRS 8 Operating Segments requires particular classes of entities (essentially those with publicly traded securities) to disclose information about their operating segments, products and services, the geographical areas in which they operate, and their major customers.

The Company has only one reportable operating segment (both in terms of geography and products) and therefore, identification, classification and disclosure of separate reportable operating segments in accordance with NFRS 8 is not disclosed separately.

3. Interim Reports

Interim reports have been publicly reported in accordance with the requirement of Securities Board of Nepal (SEBON) and Nepal Stock Exchange Ltd. (NEPSE). These requirements are materially aligned with the requirements of NAS 34.

4. Related Parties

The Company identifies the following as its related parties:

- Pashupati Energy Development Company holds the 36.26% of shares.

Particulars	Amount (NRs.)
Opening advance from Pashupati Energy	49,000,000.00
Payment of advance during the period	(750,000.00)
Advance taken during the period	21,350,000.00
Closing advance from Pashupati Energy	69,600,000.00



Handwritten signatures and initials of various individuals, including names like 'Bishnu', 'Sushil', and 'Rajendra', are present below the table.



Notes to Accounts- 2075/76
Khanikhola Hydropower Company Ltd.

Year 2073 (COD Date 2073.07.09) Upto 2073 Chaitra end	24,134,054.06	Year 2073 (COD Date 2073.08.20) Upto 2073 Chaitra end	11,154,436.80	35,288,490.86
Year 2074 Baisakh to 2074 Chaitra	66,998,586.90	Year 2074 (Baisakh to 2074 Chaitra)	47,138,164.38	114,136,751.28
Year 2075 Baisakh to 2075 Ashadh	20,169,792.76	Year 2075 (Baisakh to 2075 Ashadh)	9,554,350.26	29,724,143.02
From 2075 Shrawan to 2076 Asadha	81,578,383.77	From 2075 Shrawan to 2076 Asadha	38,559,934.43	120,138,320.20
Total	192,880,817.49	Total	106,406,887.87	299,287,705.36

Handwritten signatures and initials, including names like 'Bishnu', 'T.P.', and 'Bishnu', are present below the table.



Madan Niraula & Co.

Chartered Accountants

East of Singh Durbar
Tanka Prasad Ghumil Sadak, Anamnagar
GPO Box : 8262, Kathmandu-32, Nepal
E-mail : madanniraula@gmail.com

Independent Auditor's Report

To The Shareholders' of Khani Khola Hydropower Company Ltd.

Opinion

We have audited the Financial Statements of Khani Khola Hydropower Company Ltd., (hereinafter referred to as "the Company") which comprise the Statement of Financial Position as at 31st Ashad, 2077 (corresponding to 15 July 2020) and Statement of Profit or Loss and other comprehensive Income, Statement of Cash Flows and Statement of Changes 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 the Company as at 31st Ashad, 2077 and 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Institute of Chartered Accountants' of Nepal (ICAN) Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our opinion.

Other Matter

Till the date the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31st Ashad, 2077 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government response remains unclear as on the date. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that, there are no other key audit matters to communicate in our report.



Responsibilities 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 NAS, 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.

Responsibilities of Auditor for the audit of Financials Statements:

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

Further report on Other Legal and Regulatory Requirements

On the basis of our examination, we would like to report that:

The Statement of Financial Position as at 31st Ashad, 2077 (corresponding to 15 July 2020) and Statement of Profit or Loss and other comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the financial statements dealt with by this report are prepared in accordance with Nepal Financial Reporting Standards (NFRS), Company Act 2063, and are in agreement with the books of account maintained by the Company.

1. We have not come across any action and situation that result in any action done by any person of the company against the regulatory provisions or other prevalent laws or have performed irregular job or have occurred any damage or loss to the company.
2. We have not come across any action and situation that result in any action done against the interest of Shareholders.
3. We have not come across any action and situation that impair internal control relevant to the Company's operation and fair presentation of the financial statements.
4. The operation of the Company has been found satisfactory.


.....
Madan Khatiwada & Co., FCA
Partner

Date : 2021.01.12
Place : Kathmandu

UDIN: 210112CA001946STJA

Khani Khola Hydropower Company Ltd.

Dhumbarahi-4, Kathmandu

Statement of Financial Position

As on Ashadh 31st, 2077(July 15th, 2020)

Particulars	Schedules	FY 2076/77	FY 2075/76
Assets			
Non Current Assets			
Property, Plant & Equipments	1	892,764,411	970,201,673
Investment	2	45,008,000	45,008,000
Total non current assets		937,772,411	1,015,209,673
Current Assets			
Advances & Deposits	3	22,906,253	16,027,873
Cash & Cash Equivalents	4	622,374	425,752
Total Current Assets		23,528,627	16,453,625
Total Assets		961,301,038	1,031,663,298
Equity & Liabilities			
Equity			
Share Capital	5	465,714,300	465,714,300
Retained Earnings	6	(562,944,112)	(434,062,108)
Total Equity		(97,229,812)	31,652,192
Non Current Liabilities		864,068,911	826,150,575
Loans and Borrowings	7	864,068,911	826,150,575
Current Liabilities		194,461,938	173,860,531
Provisions	8	397	1,439
Trade and Other Payables	9	164,461,541	146,789,121
Overdraft	10	30,000,000	27,069,970
Total Liabilities		1,058,530,849	1,000,011,106
Total Equity & Liabilities		961,301,038	1,031,663,298

the Accounts form an integral part of this

As per our report of even date


Sagar Nepal
Finance officer


Bijay Man Sherchan
Chairman

Date : 27 Poush 2077
Kathmandu, Nepal




Dinesh Pd. Shrestha
Director


Madan Kumar Niraula
Proprietor
Madan Niraula & Co.,
Chartered Accountants

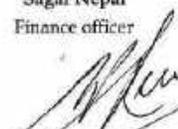
V01N:-210122CA001946STJA

Khani Khola Hydropower Company Ltd.
Dhumbarahi-4, Kathmandu
Statement of Profit or Loss and Other Comprehensive Income
For the year ended Ashadh 31st, 2077 (July 15th, 2020)

Particulars	Schedules	FY 2076/77	FY 2075/76
Direct income		50,865,560.21	62,560,240
Revenue	11	50,865,560.21	62,560,240
Cost of Sales		179,750,991	211,454,700
Administrative Expenses	12	102,697,992	124,862,384
Depreciation	1	77,052,999	86,592,316
Operating Profit/ (Loss)		(128,885,431)	(148,894,460)
Indirect Income		4,570	3,763
Interest Income	13	4,570	3,763
Profit / (Loss) before Tax and Bonus		(128,880,861)	(148,890,698)
Staff Bonus		-	-
Profit/ (Loss) before Tax		(128,880,861)	(148,890,698)
Less: Tax		(1,143)	(941)
Net Profit/ (Loss)		(128,882,003)	(148,891,638)
Earnings Per Share			
Basic		(28)	(32)
Diluted		(28)	(32)
Other Comprehensive Income:			
Changes in revaluation surplus			
Actuarial Gain (Loss) on remeasurements of defined benefit plans			
Gains and losses on financial assets measured at fair value through other comprehensive income			
Income tax relating to items that will not be reclassified			
Other Comprehensive Income for the Year			
Total Profit/ (Loss) & Other Comprehensive Income		(128,882,003)	(148,891,638)

As per our report of even date


Sagar Nepal
 Finance officer


Bijay Mani Sherchan
 Chairman

Date 27 Poush 2077
 Kathmandu, Nepal




Dinesh Pd. Shrestha
 Director


Madan Kumar Niraula, FCA
 Proprietor Partner
 Madan Niraula & Co.,
 Chartered Accountants

Khani Khola Hydropower Company Ltd.

Dhumbarahi-4, Kathmandu

Statement of Change in Equity

For the year ended Ashadh 31st, 2077 (July 15th, 2020)

Particulars	Share Capital	Retained Earning	Revaluation Reserve	Total
Opening Balance as Shrawan 1st, 2076	465,714,300	(434,062,108)		31,652,192
Net Profit / (Loss) After Tax		(128,882,003)		(128,882,003)
Closing Balance as on 31st Asadh, 2077	465,714,300	(562,944,112)		(97,229,812)

As per our report of even date


 Sagar Nepal
 Finance officer

 Bijay Man Sherchan
 Chairman




 Dinkish Pd. Shrestha
 Director


 Madan Kumar Shrestha, FCA
 Chartered Accountant
 Madan, Narnula & Co.,
 Chartered Accountants

Date : 27 Poush 2077
Kathmandu, Nepal

Khani Khola Hydropower Company Ltd.
Dhumbarahi-4, Kathmandu
Statement of Cash Flows
For the year ended Ashadh 31st, 2077 (July 15th, 2020)

Particulars	FY 2076/77	FY 2075/76
Cash Flow from Operating Activities		
Net Profit/ Loss for the Year	-128,882,003	(148,891,638)
Adjustments		
Interest Expenses	64,763,445	95,574,173
Interest Income	(4,570)	(3,763)
Depreciation	77,052,999	86,592,316
Prior period adjustment	0	-
Impairment Loss	0	-
Finance Costs	0	-
Exchange Gain	0	-
Employee Gratuity, Leave and welfare provisions	0	-
Changes in Working Capital		
(Increase)/Decrease in Prepayments	0	-
(Increase)/Decrease in Advances, Deposits & Receivables	(6,878,380)	3,148,646
Increase/(Decrease) in Provisions	(1,043)	(1,218)
Increase/(Decrease) in Current liabilities	20,602,450	35,647,786
IFRS Adjustments (refer Note 31)	0	-
Previous Year Adjustments	0	-
Income Taxes Paid	0	-
Total Adjustments	155,534,901	
Net Cash flow from Operating Activities (A)	26,652,898	77,066,302
Cash Flow from Investing Activities		
(Acquisition)/ Disposal of Property, Plant and Equipment	384,263	3,477,000
Decrease/ (Increase) in Capital Work in Progress	-	-
Decrease/ (Increase) in Investment	-	-
Interest Income	4,570	3,763
Net Cash Flow from Investing Activities (B)	388,833	3,480,763
Cash Flow from Financing Activities		
Increase/ (Decrease) in Capital	0	-
Increase/ (Decrease) in Share Application Money	0	-
Increase/ (Decrease) in Long Term Borrowings	37,918,336	19,920,004
Interest Paid	(64,763,445)	(95,574,173)
Net Cash Flow from Financing Activities (C)	(26,845,109)	(75,654,169)
Net Increase in Cash (A+B+C)	156,622	(107,104)
Cash at Beginning of the Year	425,752	432,857
Cash at the End of the Year	622,374	425,752

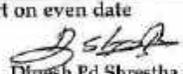
As per our report on even date


Sagar Nepal
 Finance officer


Bijay Man Sherchan
 Chairman



Date 27 Poush 2077
 Kathmandu, Nepal


Dinesh Pd. Shrestha
 Director


Madan Kumar Niroula FCA
 Chartered Accountants

Madan Niroula & Co.,
 Chartered Accountants

Khand Khola Hydropower Company Limited
Property, Plant & Equipments
For the period ended 31st March, 2017

Schedule-1

Particulars	Depreciation Rate	Written Down Value As on Last Showan 2017	Additions	Disposal	Closing	Depreciation for the year 2017/18	Unabsorbed additions	Opening Value for 2017/18
Pool - A								
Level		6,913,185	-	-	6,913,185	-	-	6,913,185
	5%	4,598,010	-	-	4,598,010	299,900	-	4,363,109
Shield Construction & Compounds/Wall	5%	10,226,600	-	-	10,226,600	511,430	-	9,212,173
Civil Works-KKHP								
Headrace	5%	52,346,576	-	-	52,346,576	4,117,829	-	76,229,247
Head Race - Band	5%	7,317,754	-	-	7,317,754	365,968	-	6,951,566
Surge Tank	5%	10,023,700	-	-	10,023,700	451,105	-	12,372,518
Pestool Alignment	5%	3,306,513	-	-	3,306,513	165,826	-	3,143,080
Anchor Block	5%	4,352,725	-	-	4,352,725	216,856	-	4,170,835
Stable Support	3%	736,981	-	-	736,981	36,289	-	684,732
Power House	5%	19,416,527	-	-	19,416,527	978,828	-	18,445,701
Turbine and Rerunning Works	5%	7,332,449	-	-	7,332,449	366,623	-	6,965,845
Civil Works-TTKHP								
Head Works	5%	77,312,455	-	-	77,312,455	3,845,623	-	73,466,836
Connecting Canal and Canal Top	5%	10,792,538	-	-	10,792,538	539,627	-	10,252,910
Excavator Spillway & Residual	5%	46,108,798	-	-	46,108,798	2,485,439	-	45,700,541
Headrace Alignment	5%	38,975,427	-	-	38,975,427	1,935,771	-	36,779,655
Anchor Block	5%	24,016,276	-	-	24,016,276	1,260,936	-	22,812,790
Saddle Supports & Protection Structure	5%	15,796,811	-	-	15,796,811	784,341	-	14,992,473
Gate House	4%	1,854,448	-	-	1,854,448	82,422	-	1,763,627
Penstock Alignment	5%	2,899,566	-	-	2,899,566	143,978	-	2,755,588
Purshaye	5%	31,476,290	-	-	31,476,290	1,573,815	-	29,902,479
Turbine and Rerunning Works	5%	3,201,976	-	-	3,201,976	164,069	-	3,112,679
Tunnel & Trolley								
	5%	79,429,684	-	-	79,429,684	3,971,864	-	75,453,199
Hydro-mechanical KKHP								
	5%	43,739,335	-	-	43,739,335	4,686,907	-	39,052,368
Hydro-mechanical TTKHP								
	5%	55,928,014	-	-	55,928,014	4,784,201	-	51,127,513
Pool - B								
Office Equipments	25%	650,381	-	-	650,381	162,595	-	487,785
Computer & Accessories	25%	-	-	-	-	-	-	0
Furniture & Fixtures	25%	1,166,086	25,103	-	211,138	92,789	39,025	197,794
Pool - C								
Vehicle	20%	1,085,033	-	-	1,085,033	217,007	-	868,028
Pool - D								
Electrification/Transmission Line & Switchyard	15%	26,937,132	443,300	-	26,473,832	4,271,075	-	23,202,757
Electromechanical Plant & Machinery -TTKHP	15%	174,699,445	-	-	174,699,445	26,264,917	-	148,434,528
Electromechanical Plant & Machinery -KKHP	15%	82,358,352	-	-	82,358,352	12,853,793	-	70,004,600
Other Assets	15%	213,131	4,863	-	228,114	33,017	9,986	197,085
Total		970,201,673	30,966	-	970,231,738	77,672,959	48,591	892,764,811



[Handwritten signature]

[Handwritten signature]



Notes Forming Part of the Financial Statements
For the year ended 31st Ashadh, 2077 (July 2020)

Investment		Schedule-2	
Particulars	As on 31st Ashadh, 2077	As on 31st Ashadh, 2076	
Mayakhola Hydropower Company	45,000,000	45,000,000.00	
South Lalitpur Gramin Bidhyut Sahakari Ltd	8,000	8,000.00	
Total	45,008,000	45,008,000.00	

Advance & Deposits		Schedule-3	
Particulars	As on 31st Ashadh, 2077	As on 31st Ashadh, 2076	
Deposits	14,000	14,000.00	
Loan & Advances			
Advance - Civil Works	2,050,152	2,050,152.19	
Advance - EM	197,207	197,207.00	
Advance - Metal Works	321,752	321,751.63	
Advance - Plant & Machinery	3,132,790	2,433,537.00	
Advance - PSM	230,044	170,000.00	
Advance - T/L & Switchward	2,950,000	2,950,000.00	
Advance- Mr. Bharat L Thapa	1,537,242	1,600,000.00	
LC Margin -KKHP	1,530,000	-	
LC Margin(EM) - KKHP	-	712,856.25	
LC Margin(EM)-TTKHP	-	1,538,268.75	
Mr. Mahesh Sharma	20,000	20,000.00	
TDS Paid on Interest	225,231	546,380.14	
Medical Expenses- Mahesh Dhakal	-	79,803.00	
Nepal Electricity Authority	10,567,834.62	3,393,916.55	
BG Margin -Exim Code	30,000	-	
Sky Construction Pvt Ltd	100,000	-	
Total	22,906,253	16,027,872.51	

Cash & Bank Balance		Schedule-4	
Particulars	As on 31st Ashadh, 2077	As on 31st Ashadh, 2076	
Apex Development Bank	76,891	76,891.23	
Cash - Head Office	12,410	65,821.41	
Cash- Site Office	-	25,000.00	
Citizen Bank Nepal - Call	59,793	82,979.21	
Civil Bank	-	15,634.04	
Global IME Bank	-	10,690.74	
Mega Bank Nepal	254,504	60,837.17	
Prabhu Bank Nepal	218,776	87,898.58	
Total	622,374	425,752.38	

[Signature]


[Signature]

[Signature]


Share Capital Schedule-5

Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076
Authorized Capital		
50,00,000 Ordinary shares of NRs.100 each	500,000,000	500,000,000.00
Issued Capital		
4,657,143 Ordinary shares of NRs. 100 each	465,714,300	465,714,300.00
Paid Up Capital		
4,657,143 Ordinary shares of NRs. 100 each	465,714,300	465,714,300.00
Total	465,714,300	465,714,300.00

Retained earning Schedule-6

Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076
Opening balance	(434,062,108)	(285,170,470.15)
Profit/ loss during this year	(128,882,003)	(148,891,638.14)
Prior Period Adjustments	-	-
Total transferred to retained earnings	-562,944,112	-434,062,108.29

Loans and Borrowings Schedule-7

Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076
Term loan	710,733,200	726,001,754.25
Term loan II	97,335,712	79,950,575.17
Bridge Gap Loan(Term loan III)	15,000,000	15,000,000.00
Brigde gap loan 253618	10,000,000	-
Brigde gap loan 254618	5,000,000	-
Working capital Loan	30,000,000	5,000,000.00
Bridge Gap loan(Citizen)	-	30,000,000.00
Total Long term Loan	868,068,911	855,952,329.42
Less: Installment of loan to be repaid within a period of one year	(4,000,000.00)	(29,801,754.25)
Total	864,068,911	826,150,575.17

[Signature]


[Signature] *[Signature]*



Provisions		Schedule-8	
Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076	
Previous Year provision	1,439	2,657.50	
Current Tax	1,143	940.64	
Less: TDS paid on interest	(2,186)	(2,158.77)	
Total	397	1,439.37	

Trade and Other payables (Current liability)		Schedule-9	
Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076	
Account Payable	29,119,465	7,826.07	
Retention Money	3,325,297	28,152,296.77	
TDS Payable	494,069	1,800.00	
Audit Fee and expense Payable	394,690	197,345.00	
CIT Payable	1,723,852	86,840.00	
Gratuity Payable	407,346	-	
IPO Refund	150,766	150,765.76	
Maya Khola Hydropower Company	68,054,000	18,000,000.00	
Pashupati Energy Development Company	47,547,044	69,600,000.00	
Royalty Payable	1,520,454	35,502.00	
Salary Payable	2,079,559	754,991.00	
Baidik Hydro Investment Pvt.Ltd	5,000,000	-	
Bijaya Man Sherchan	645,000	-	
Loan to be repaid with in a period of one year	4,000,000	29,801,754.25	
Total	164,461,541	136,789,120.85	

Bank Overdraft		Schedule-10	
Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076	
Citizen Bank Limited	30,000,000	27,069,970.48	
Total	30,000,000	27,069,970.48	

Revenue		Schedule-11	
Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076	
Sales of Energy	50,865,560	62,560,240.29	
Total	50,865,560	62,560,240.29	

Mew


D. Shrestha *S. Shrestha*



Administrative Expenses Schedule-12

Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076
Advertisement Expenses	22,884	26,178.00
Interest - Citizen	25,834,084	34,719,563.32
Interest - Civil	7,629,773	12,543,512.31
Interest - Global	15,569,550	25,033,665.72
Interest - Mega	15,189,369	23,277,432.12
Interest CTZ BRL	540,669	-
Agency Fees	2,205,582	2,131,742.93
AGM Expenses	-	138,193.00
Annual Fees - CDS Nepal	120,000	120,000.00
Annual Fees - Nepse	50,000	50,000.00
Audit Fees & expenses	200,000	200,000.00
Bank Charges	18,929	6,720.00
Dashain Allowances	391,765	713,867.00
Refreshment & Promotion expenses	67,705	179,845.00
Medical Expenses	65,540	128,072.00
Office Rent - HO	60,000	376,050.00
Postages & Courier	440	415.00
Printing and Stationery	23,272	15,745.00
Rates & Taxes - HO	3,384	7,732.00
Renewal & Registration Fees	46,870	71,140.00
Repair and maintenance - Access Road	52,206	-
Repair and maintenance Civil Works and Others	16,131,284	1,186,842.00
RTS Expenses	350,000	180,194.00
Staff Salary	9,867,608	12,515,817.00
Telephone/Internet/Communication	137,953	205,278.00
Utility Expenses	38,256	40,339.00
Vehicle Fuel Expen.	277,383	274,219.00
Website Design Expenses	-	5,650.00
Insurance	2,381,635	2,767,783.38
Labour Charge	4,500	228,671.00
Site Operating Expenses	1,345,717	1,470,347.00
Site Visit Allowances -	82,348	196,178.00
Transmission Line & Switchyard Expenses	23,368	2,513,990.00
Transportation	1,394,592	26,800.00
TADA	29,070	-
Other Tax Expense	321,149	-
Wages	-	5,000.00
Board Meeting Allowance and expenses	-	42,500.00

[Signature]


[Signature]



Forest Lease Expenses	25,944	-
Power House Protection Expenses	134,000	92,055.00
Consultancy	15,000	-
Entertainment/ Refreshment	102,283	-
Gratuity	407,346	-
Royalty Expense	1,484,952	1,888,308.00
Vehicle Insurance	24,481	-
Corporate Social Responsibility	12,000	1,482,539.19
Miscellaneous Expenses	15,103	-
Total	102,697,992	211,454,700.35

Indirect Income

Schedule-13

Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076
Interest Income	4,570	3,762.56
Total	4,570	3,762.56

[Signature]


[Signature]

[Signature]


Notes to Accounts-2076/77
Khanikhola Hydropower Company Ltd.

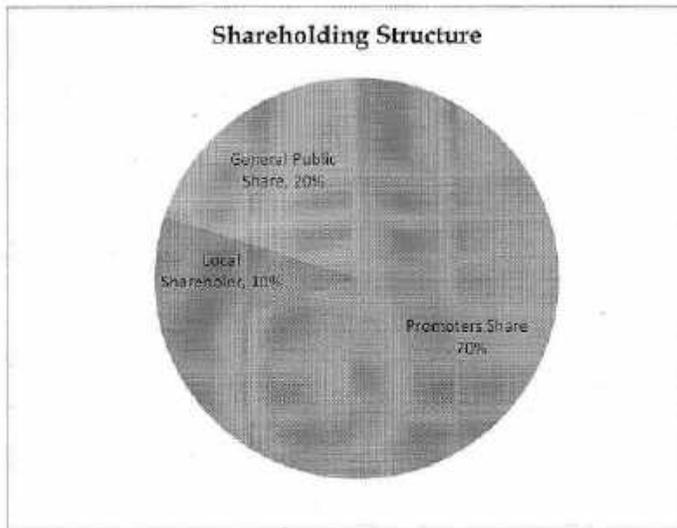
Khanikhola Hydropower Company Ltd.
Dhumbarahi-4, Kathmandu

A. Explanatory Notes FY 2019-20 (2076/77)

1. General Information of the Company

Khanikhola Hydropower Company Ltd.(KKHPCL)is registered as a public limited company with the office of the Registrar of company under the Company Act 2063 on 17th Aswin 2069.Its registration No.106404/069/070 dated 3-10-2012.KKHPCL is registered with an objective of generating 4362 kw phr.hydro electricity from its power station located at TungunThosne and 2000 Kw Phr. hydro electricity from another power station located at Khanikhola. The total generating capacity of this company is 6362 kw Phr. KKHPCL has reached a power purchase agreement with Nepal Electricity Authority wherein NEA has agreed to buy all generated electricity from KHHPCL at an agreed price.

Following is the shareholding structure of the company:











Notes to Accounts-2076/77

Khanikhola Hydropower Company Ltd.

2. Statement of Compliance

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) to the extent applicable and as published by the Accounting Standards Board (ASB) - Nepal and is approved by the Board of Director meeting held on..... 2020 (..... 2077) and have been recommended for approval by shareholders in the..... Annual General Meeting.

3. IFRIC 12 Considerations

The company has considered applicability of IFRIC 12 Service Concession Agreement, issued by International Accounting Standard Board (IASB) for preparation and presentation of financial statements. KKHPCL after due consideration has not applied IFRIC 12 while preparing these financial statements on the following grounds.

- i. The company sells electricity to Nepal Electricity Authority at price independent of the price charged by NEA to general public. NEA for the ultimate sale of electricity is bound by the rates determined by Electricity Tariff Commission set up by the government, whereas NEA purchases electricity on the basis of different commercial agreement with the power producers. Electricity Tariff Commission does not determine the rate at which NEA purchases or has to purchase from the power producers. There have been instances where the rates charged by NEA to the general public is lower than it paid to some of the power producers.
- ii. The license agreement with Department of Electricity Development (DoED) for KKHPCL does not obligate the company to sell electricity to NEA or any specific buyer.
- iii. The company does not receive any specific concession for the use of the natural resource. The company has to pay to the government for the use of the natural resources in the form of royalty.
- iv. The company under Power Purchase Agreement (PPA) sells energy to NEA and not directly to the general public.
- v. Though the project is to be transferred to the government at the end of the licence period the legal title of the project is with the company, including the control of access to the project site. In addition, the company has right to pledge the assets as lien for availing finances from financial institutions.










Notes to Accounts-2076/77
Khanikhola Hydropower Company Ltd.

4. **Basis of Preparation and Reporting Pronouncements**

The Company has, for the preparation and presentation of financial statements, opted to adopt Nepal Financial Reporting Standards (NFRSs) from the erstwhile Nepal Accounting Standards (NASs) both pronounced by Accounting Standards Board (ASB) Nepal, NFRS was pronounced by ASB Nepal as effective on 13 September 2013. The regulatory requirement for the Company to adopt NFRS was from the financial year 2073/74 (2016-17), however the Company opted for adoption of NFRS as the basis of financial statement and prepared its first NFRS compliant financial statements in FY 2074/75.

NFRS conform, in material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

A number of new standards and amendments to the existing standards and interpretations have been issued by IASB after the pronouncements of NFRS with varying effective dates. Those only become applicable when ASB Nepal incorporates them within NFRS.

5. **Accounting Convention**

The Financial Statements have been prepared on a historical cost convention except for certain financial elements that have been measured at fair value, wherever NFRS requires or allowed such measurement. The fair values, wherever used, are discussed in relevant Notes.

The Financial Statements are prepared on accrual basis.

The Financial Statements have been prepared on a going concern basis. The company has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. However, with increased accumulated losses and significant deterioration on book net-worth has raised doubt on going concern of company.

6. **Presentations**

• **Presentation Currency**

The Company operate within the jurisdiction of Nepal. Nepalese Rupees (NRs) is the presentation and functional currency of the Company. Accordingly, the Financial Statements are prepared and presented in Nepalese Rupees and rounded off to the nearest Rupee.

• **Rearrangement and Reclassification**

The figures for previous years are rearranged, reclassified and/or restated as per NFRS wherever necessary for the purpose of facilitating comparison. Appropriate disclosures are made wherever necessary.

• **Statement of Financial Position**

The elements of Statement of Financial Position other than equity are presented in order of their permanency by considering non-current and current nature that are further detailed in relevant sections.








Notes to Accounts-2076/77
Khanikhola Hydropower Company Ltd.

• **Statement of Profit or Loss and Other Comprehensive Income**

The elements of Statement of Profit or Loss and Other Comprehensive Income has been prepared using classification 'by function' method. The details of revenue, expenses, income, gains and/ or losses have been disclosed in the relevant section of this note.
Earnings per share have been disclosed in the face of 'Statement of Profit or Loss and Other Comprehensive Income' in accordance with the NAS 33.

• **Statement of Cash Flows**

The statement of Cash Flows has been prepared using indirect method and the activities has been grouped under three major categories (Cash flows from operating activities, Cash flows from investing activities and Cash Flows from financing activities) in accordance with NAS 07.

• **Statements of Changes in Equity**

The Statements of Changes in Equity has been prepared disclosing changes in each elements of equity.

7. **Accounting Policies and Accounting Estimates**

Accounting Policies

The Company, under NFRS, is required to apply accounting policies to most appropriately suit its circumstances and operating environment. The preparation of Financial Statements in conformity with the Policy requires management to make judgments, estimates and assumptions in respect of the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

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

Accounting Estimates

The preparation of Financial Statements in line with NFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of Financial Statements and the reported amounts of revenue and expenses during the reporting period.

Management has applied estimation in preparing and presenting the Financial Statements. The estimates and the underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimates are revised, if the revisions affect only that period; they are recognised in the period of revision and the future periods if the revisions affect both current and future periods.

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



B. Elements of Financial Statement

1. Property, Plant and Equipment

Property, Plant and Equipment (PPE) are those tangible assets used for generation and supply of energy, for administrative purpose or for rentals to others. These are recognised as PPE, if and only if it is probable that future (i.e. for more than one accounting period) economic benefits associated with the items will flow to the Company; and the cost of the item can be measured reliably.

PPE are stated in the SFP at their cost less accumulated depreciation and accumulated impairment losses, if applicable.

• Cost

The initial cost of PPEs includes purchase price and directly attributable cost to bringing the asset to the location and conditions necessary for it to be capable of operating in the manner intended by management. Subsequent costs that do not qualify the recognition criteria under NAS 16 are expensed as and when incurred.

NAS 16 and IFRIC 1 require cost of PPE to include the estimated cost for dismantling and removal of the assets and restoring the site on which they are located. Management perceives that such costs are difficult to estimate and considering the past practice the amount of such costs will not be material to affect the economic decision of the user as a result of such non-inclusion. Therefore, asset retirement obligation has not been recognised.

• Depreciation

The management has estimated that the cost equals depreciable amount of the asset and thus the cost is systematically allocated based on the expected useful life of an asset. Items of property, plant and equipment are depreciated in full in the year of acquisition.

If an item of PPE consists of several significant components with different estimated useful lives and if the cost of each component can be measured reliably, those components are depreciated separately over their individual useful lives.

The residual values, useful lives and the depreciation methods of assets are reviewed at least annually, and if expectations differ from previous estimates, changes are made in the estimates and are accounted for as a change in accounting estimates in accordance with NAS 8.

If the management considers the assets have an indefinite useful life, no amortisation / depreciation is charged.

• De-recognition

Assets that have been decommissioned or identified as damaged beyond economic repair or rendered useless due to obsolescence, are derecognised whenever identified. On disposal of an item of PPE or when no economic benefits are expected from its use or disposal, the carrying amount of an item is derecognised. The gain or loss arising from the disposal of an item of PPE is the difference between net disposal proceeds, if any, and the carrying amount of that item and is recognised in the Statement of Profit or Loss.




5





Notes to Accounts-2076/77
Khanikhola Hydropower Company Ltd.

1.1 Change in Classification, Useful Lives and Depreciation Method

• **Re-classification**

Assets have been reclassified wherever required for compliance with NFRS. Capital work in progress, are assets that are in the process of construction or installation have been reported under PPE without charging depreciation. These were previously being shown separately from property plant and equipment.

The Company used to carry the costs of access road as a separate component of PPE even though direct control and ownership of such road is not with the Company. However, under the provisions of NFRS, costs that are directly attributable to bringing asset to the location and condition necessary for it to be capable of operating in manner intended are to be included in the cost of PPE. Therefore, once the project is completed and depreciation on project assets is started, the cost of access road will be systematically apportioned to the assets at the generation site as directly attributable costs.

• **Estimation of Useful Lives and Depreciation Method used**

The useful life of assets has been reassessed and adjusted as at the date of opening NFRS SFP. Depreciation method has been selected considering the pattern of inflow of economic benefits to the organization and thereby depreciated using Diminishing Balance Method (DBM).

The Project is still in construction and, therefore, the depreciation on Project assets has not been started and estimation of life of project assets is not viable.

However, the Company has estimated the life of completed assets of as follows:

Assets	Useful Life	Depreciation Rate	Depreciation Method
Land	-	-	-
Civil Works	20	5%	DBM
Office Equipment	4	25%	DBM
Computer & Accessories	4	25%	DBM
Furniture & Fixtures	4	25%	DBM
Vehicle	5	20%	DBM
Electrification/Transmission Line & Switchyard	7	15%	DBM
Electromechanical Plant & Machinery	7	15%	DBM

2. Investment

The investment made by the company as at the end of the Financial Year 2076/77 amounts to NRs. 45,008,000.00.

Fair value of the investment is taken as its par value since its unavailability of relevant information. Following is the detail of the investment.

Particulars	Amount (NRs.)
Mayakhola Hydropower Company	45,000,000.00
South Lalitpur GraminBidhyut Sahakari Ltd.	8,000.00
Total	45,008,000.00


Khanikhola Hydropower Company Ltd.
ESTD. 1969




Mishra, Wasti & Co.
Chartered Accountants

Notes to Accounts-2076/77
Khanikhola Hydropower Company Ltd.

1.1 Change in Classification, Useful Lives and Depreciation Method

• Re-classification

Assets have been reclassified wherever required for compliance with NFRS. Capital work in progress, are assets that are in the process of construction or installation have been reported under PPE without charging depreciation. These were previously being shown separately from property plant and equipment.

The Company used to carry the costs of access road as a separate component of PPE even though direct control and ownership of such road is not with the Company. However, under the provisions of NFRS, costs that are directly attributable to bringing asset to the location and condition necessary for it to be capable of operating in manner intended are to be included in the cost of PPE. Therefore, once the project is completed and depreciation on project assets is started, the cost of access road will be systematically apportioned to the assets at the generation site as directly attributable costs.

• Estimation of Useful Lives and Depreciation Method used

The useful life of assets has been reassessed and adjusted as at the date of opening NFRS SFP. Depreciation method has been selected considering the pattern of inflow of economic benefits to the organization and thereby depreciated using Diminishing Balance Method (DBM).

The Project is still in construction and, therefore, the depreciation on Project assets has not been started and estimation of life of project assets is not viable.

However, the Company has estimated the life of completed assets of as follows:

Assets	Useful Life	Depreciation Rate	Depreciation Method
Land	-	-	-
Civil Works	20	5%	DBM
Office Equipment	4	25%	DBM
Computer & Accessories	4	25%	DBM
Furniture & Fixtures	4	25%	DBM
Vehicle	5	20%	DBM
Electrification/ Transmission Line & Switchyard	7	15%	DBM
Electromechanical Plant & Machinery	7	15%	DBM

2. Investment

The investment made by the company as at the end of the Financial Year 2076/77 amounts to NRs. 45,008,000.00.

Fair value of the investment is taken as its par value since its unavailability of relevant information. Following is the detail of the investment.

Particulars	Amount (NRs.)
Mayakhola Hydropower Company	45,000,000.00
South Lalitpur GraminBidhyut Sahakari Ltd.	8,000.00
Total	45,008,000.00


Khanikhola Hydropower Company Ltd.
ESTD. 1999

6 


Shreehan Nepal & Co.
Chartered Accountants

Notes to Accounts-2076/77
Khanikhola Hydropower Company Ltd.

3. Advance and Deposits

Advances and deposits mainly consist of the advance provided to the contractors and advance tax. Following is the detail of advances and deposits:

Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076
Deposits	14,000.00	14,000.00
Loan & Advances		
Advance - Civil Works	2,050,152	2,050,152.19
Advance - EM	197,207	197,207.00
Advance - Metal Works	321,752	321,751.63
Advance - Plant & Machinery	3,132,790	2,433,537.00
Advance - PSM	230,044	170,000.00
Advance - T/L & Switchward	2,950,000	2,950,000.00
Advance - Mr. Bharat L Thapa	1,537,242	1,600,000.00
LC Margin - KKHP	1,530,000	
LC Margin(EM) - KKHP		712,856.25
LC Margin(EM)-TTKHP		1,538,268.75
Mr. Mahesh Sharma	20,000	20,000.00
TDS Paid on Interest	225,231	546,380.14
Medical Expenses- Mahesh Dhakal		79,803.00
Nepal Electricity Authority	10,567,835	3,393,916.55
BG Margin - Exim Code	30,000	
Sky Construction Pvt.Ltd	100,000	
Total	22,906,253	16,027,872.51

4. Cash and Cash Equivalent

Cash and cash equivalents include deposits account balances maintained with banks and financial institutions. These enable the Company to meet its short-term liquidity requirements. The carrying amount of cash and cash equivalents approximates their fair value. They are readily convertible to known amount of cash and are subject to insignificant risk of change in value.

These balances have been used as Cash and Cash Equivalents for the presentation of Statement of Cash Flows as well.

Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076
Apex Development Bank	76,891	76,891.23
Cash - Head Office	12,410	65,821.41









Notes to Accounts-2076/77
Khanikhola Hydropower Company Ltd.

Cash- Site Office	-	25,000.00
Citizen Bank Nepal - Call	59,793	82,979.21
Civil Bank	-	15,634.04
Global IME Bank	-	10,690.74
Mega Bank Nepal	254,504	60,837.17
Prabhu Bank Nepal	218,776	87,898.58
Total	622,374	425,752.38

5. Share Capital

The company's registered share capital structure is as follows:

Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076
Authorized Capital		
50,00,000 Ordinary shares of NRs.100 each	500,000,000.00	500,000,000.00
Issued Capital		
4,657,143 Ordinary shares of NRs. 100 each	465,714,300.00	465,714,300.00
Paid Up Capital		
4,657,143 Ordinary shares of NRs. 100 each	465,714,300.00	465,714,300.00
Total	465,714,300.00	465,714,300.00

6. Retained Earnings

The details of the retained earnings are as given below:

Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076
Opening balance	(434,062,108)	(285,170,470.15)
Profit/loss during this year	(128,882,003)	(148,891,638.14)
Total transferred to retained earnings	(562,944,112)	(434,062,108.29)

7. Long Term Loan

KKHPCL has obtained long term loan (Consortium loan) for project construction from Citizens Bank, Civil Bank, Global IME Bank and Mega Bank Ltd. Following is the detail of long term loan:

Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076


Khanikhola Hydropower Company Ltd.
ESTD - 2068

8 


Khatiwanda
Chartered Accountants

Notes to Accounts-2076/77
Khanikhola Hydropower Company Ltd.

Term loan	710,733,200	726,001,754.25
Term loan II	97,335,712	79,950,575.17
Bridge Gap Loan(Term loan III)	15,000,000	15,000,000.00
Bridge gap loan 253618	10,000,000	
Bridge gap loan 254618	5,000,000	
Working capital Loan	30,000,000	5,000,000.00
Bridge Gap loan(Citizen)	-	30,000,000.00
Total Long term Loan	868,068,911	855,952,329.42
Less: Installment of loan to be repaid within a period of one year	(4,000,000)	(29,801,754.25)
Total	864,068,911	826,150,575.17

8. Provisions

It includes the amount of contract work which has already been completed but bill has been not submitted/ approved. Current tax provision is also included under it. Following is the detail:

Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076
Previous Year provision	1,439	2,657.50
Current Tax	1,143	940.64
Less: TDS paid on interest	(2,186)	(2,158.77)
Total	397	1,439.37

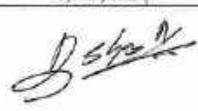
9. Trade and Other Payables

Trade and other payables mainly consist of amounts the Company owes to suppliers and government authority that have been invoiced or are accrued. These also include taxes due in relation to the Company's role as an employer. These amounts have been initially recognized at cost and it is continued at cost as it fairly represents the value to be paid. Following is the detail of trade and other payables:

Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076
Account Payable	29,119,465	7,826.07
Retention Money	3,325,297	28,152,296.77
TDS Payable	494,069	1,800.00
Audit Fee and expense Payable	394,690	197,345.00
CIT Payable	1,723,852	86,840.00

9





Notes to Accounts-2076/77
Khanikhola Hydropower Company Ltd.

Gratuity Payable	407,346	
IPO Refund	150,766	150,765.76
Maya Khola Hydropower Company	68,054,000	18,000,000.00
Pashupati Energy Development Company	47,547,044.00	69,600,000.00
Royalty Payable	1,520,454	35,502.00
Salary Payable	2,079,559	754,991.00
Baidik Hydro Investment Pvt.Ltd	5,000,000	
Bijaya Man Sherchan	645,000	
Loan to be repaid with in a period of one year	4,000,000	29,801,754.25
Total	160,461,541	146,789,120.85



Notes to Accounts-2076/77
Khanikhola Hydropower Company Ltd.

10. Overdraft

It includes the overdraft facility utilized by the company from the Citizen Bank Limited. The detail regarding the same is given below.

Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076
Citizen Bank Limited	30,000,000	27,069,970.48
Total	30,000,000	27,069,970.48

11. Revenue from Sale of Electricity

The company has started the generation of electricity since FY 2073/74. It has been selling electricity to NEA and billing has been done as agreed on PPA.

Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076
Sales of Energy	50,865,560.21	62,560,240.29
Total	50,865,560.21	62,560,240.29

12. Administrative Expenses

Expenses incurred to run day to day activities are booked under administrative expenses. Following is the detail of the administrative expenses.

Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076
Advertisement Expenses	22,884	26,178.00
Interest - Citizen	25,834,084	34,719,563.32
Interest - Civil	7,629,773	12,543,512.31
Interest - Global	15,569,550	25,033,665.72
Interest - Mega	15,189,369	23,277,432.12
Interest CTZ BRL	540,669	-
Agency Fees	2,205,582	2,131,742.93
AGM Expenses	0.00	138,193.00
Annual Fees - CDS Nepal	120,000	120,000.00
Annual Fees - Npse	50,000	50,000.00
Audit Fees & expenses	200,000	200,000.00
Bank Charges	18,929	6,720.00
Dashain Allowances	391,765	713,867.00
Refreshment & Promotion expenses	67,705	179,845.00



Notes to Accounts-2076/77
Khanikhola Hydropower Company Ltd.

Medical Expenses	65,540	128,072.00
Office Rent - HO	60,000	376,050.00
Postages & Courier	440.00	415.00
Printing and Stationery	23,272	15,745.00
Rates & Taxes - HO	3,384	7,732.00
Renewal & Registration Fees	46,870	71,140.00
Repair and maintenance - Access Road	52,206.00	-
Repair and maintenance Civil Works and Others	16,131,284	1,186,842.00
RTS Expenses	350,000	180,194.00
Staff Salary	9,867,608	12,515,817.00
Telephone/Internet/Communication	137,953	205,278.00
Utility Expenses	38,256	40,339.00
Vehicle Fuel Expen.	277,383	274,219.00
Website Design Expenses	0.00	5,650.00
Insurance	2,381,635	2,767,783.38
Labour Charge	4,500	228,671.00
Site Operating Expenses	1,345,717	1,470,347.00
Site Visit Allowances -	82,348	196,178.00
Transmission Line & Switchyard Expenses	23,368	2,513,990.00
Transportation	1,394,592	26,800.00
TADA	29,070	
Other Tax Expense	321,149	
Wages	0.00	5,000.00
Board Meeting Allowance and expenses	0.00	42,500.00
Forest Lease Expenses	25,944	-
Power House Protection Expenses	134,000	92,055.00
Consultancy	15,000	
Entertainment/ Refreshment	102,283	
Gratuity	407,346	
Royalty Expense	1,484,952	1,888,308.00
Vehicle Insurance	24,481	
Corporate Social Responsibility	12,000	1,482,539.19
Miscellaneous Expenses	15,103	
Total	102,697,992	211,454,700.35




12



Notes to Accounts-2076/77
Khanikhola Hydropower Company Ltd.

13. Interest Income

It includes the interest income earned by the company on call deposits. Following is the detail:

Particulars	As on 31st Asadh, 2077	As on 31st Asadh, 2076
Interest Income	4,570	3,762.56
Total	4,570	3,762.56

14. Non- Controlling Interest

Non- controlling interest (NCI) is the portion of equity ownership in a subsidiary not attributable to the parent company, which has a controlling interest (greater than 50% but less than 100%) and consolidates the subsidiary's financial results with its own.
Company has not any subsidiaries company.

15. Deferred Tax Liability and Current Tax

The deferred tax liability represents a future tax payment a company is expected to make to tax authority in the future as a result of temporary taxable differences. As a company enjoys a tax holiday for a period of 10 years, deferred tax liability is not considered during this period.

Current tax represents the amount payable to tax authority as a result of gain during the respective period. Hydropower Company enjoys tax exemption for gain generated from operating activities; however, tax is applicable for the income generated from non-operating activities. During FY 2075/76, company has an interest income of NRs. 3,762.56 and accordingly company is liable for current tax amounting NRs. 941.

16. Employee Bonus

As per the bonus act, 2030, 10% of the profit shall be allocated for the employee as a bonus. Since the company has operating in loss, no such bonus provision has been made.

17. Inventory

Inventories are carried at the lower of cost or net realisable value (NRV). Cost comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is measured using First in First out (FIFO) method.
Company has not any inventory at the end of FY 2076/77.

18. Trade Receivables

It includes the amount to be received by the company in the ordinary course of business. Company has no such trade receivable in this financial year.






Notes to Accounts-2076/77
Khanikhola Hydropower Company Ltd.

C. Other disclosures

1. Earnings per Share (EPS)

Earnings per share have been disclosed on the face of 'Statement of Profit or Loss and Other Comprehensive Income' in accordance with the NAS 33.

EPS	As on 31st Asadh, 2077	As on 31st Asadh, 2076
Basic	(28.00)	(32.00)
Diluted	(28.00)	(32.00)

2. Operating Segment

NFRS 8 Operating Segments requires particular classes of entities (essentially those with publicly traded securities) to disclose information about their operating segments, products and services, the geographical areas in which they operate, and their major customers.

The Company has only one reportable operating segment (both in terms of geography and products) and therefore, identification, classification and disclosure of separate reportable operating segments in accordance with NFRS 8 is not disclosed separately.

3. Interim Reports

Interim reports have been publicly reported in accordance with the requirement of Securities Board of Nepal (SEBON) and Nepal Stock Exchange Ltd. (NEPSE). These requirements are materially aligned with the requirements of NAS 34.

4. Related Parties

The Company identifies the following as its related parties:

- Pashupati Energy Development Company holds the 36.26% of shares.

Particulars	Amount (NRs.)
Opening advance from Pashupati Energy	69,600,000.00
Payment of advance during the period	(27,947,044.00)
Advance taken during the period	50,000,000.00
Closing advance from Pashupati Energy	47,547,044.00



Notes to Accounts-2076/77
Khanikhola Hydropower Company Ltd.

- The company has invested in the Shares of Mayakhola Hydropower Company.

Investments	As on 31st Ashadh, 2077	As on 31st Ashadh, 2076
Mayakhola Hydropower Company	45,000,000.00	45,000,000.00
South Lalitpur Gramin Bidhyut Sahakari Ltd	8,000.00	8,000.00
Total	45,008,000.00	45,008,000.00

The Company has not entered into any related party transaction except those mentioned above.

5. Contingent Liabilities and Commitments

Contingent Liabilities

A contingent liability is identified as follows:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
(b) A present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

The Company discloses contingent liabilities unless the possibility of an outflow of resources embodying economic benefits is remote.

Company has no any contingent liability during this period.

6. Compensation Claim made with NEA

The company has made a claim with Nepal Electricity Authority regarding compensation of energy loss (refer Chalani no. KKHPCL/115/2076/77 dated 10th Shrawan 2076). Till the end of FY 2076/77, the company has incurred Spill energy loss amounting to NRs. 46,031,683.20 KWH and NRs. 20,084,546.54 KHW of Tungun- Thosen Hydropower Project & Khanikhola Hydropower Project respectively and total compensation claimed amounts to NRs. 359,622,832.29

Following is the detail of compensation claimed by the company from NEA for up to Ashadh end, 2077:

Tungun-Thosne Hydropower Project	Claim Amount (NRs.)	Khanikhola Hydropower Project	Claim Amount (NRs.)	Grand Total (NRs.)
Year 2073 (COD)	24,134,054.06	Year 2073 (COD)	11,154,436.80	35,288,490.86




15 





Notes to Accounts-2076/77
Khanikhola Hydropower Company Ltd.

Date 2073.07.09) Upto 2073 Chaitra end		Date 2073.08.20) Upto 2073 Chaitra end		
Year 2074 Baisakh to 2074 Chaitra	66,998,586.90	Year 2074 (Baisakh to 2074 Chaitra)	47,138,164.38	114,136,751.28
Year 2075 Baisakh to 2075 Ashadh	20,169,792.76	Year 2075 (Baisakh to 2075 Ashadh)	9,554,350.26	29,724,143.02
From 2075 Shrawan to 2076 Asadha	81,578,383.77	From 2075 Shrawan to 2076 Asadha	38,559,934.43	120,138,320.20
From 2076 Shrawan to 11 th Falgun 2076	60,335,126.93	From 2076 Shrawan to 11 th Falgun 2076	0	60,335,126.93
Total	253,215,944.42	Total	106,406,887.87	359,622,832.29

[Handwritten Signature]


[Handwritten Signature]

[Handwritten Signature]





Mid-Baneshwor, Kathmandu, Nepal

Phone No : 01-4478253

Email : info@kandd.com.np

Independent Auditor's Report
To The Shareholders' of Khani Khola Hydropower Company Ltd.

Opinion

We have audited the Financial Statements of Khani Khola Hydropower Company Ltd., (hereinafter referred to as "the Company") which comprise the Statement of Financial Position as at 31st Ashadh, 2078 (corresponding to 15th July 2021) and Statement of Profit or Loss and other comprehensive Income, Statement of Cash Flows and Statement of Changes 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 the Company as at 31st Ashadh 2078 and 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Institute of Chartered Accountants of Nepal (ICAN) Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained are sufficient and appropriate to provide a basis for our opinion.

Other Matter

Till date, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31st Ashadh, 2078 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government response remains unclear as on the date. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that, there are no other key audit matters to communicate in our report.

Responsibilities 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 NAS, 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.

Responsibilities of Auditor for the audit of Financials Statements:

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

Further report on Other Legal and Regulatory Requirements

On the basis of our examination, we would like to report that:

The Statement of Financial Position as at 31st Ashadh, 2078 (corresponding to 15th July 2021) and Statement of Profit or Loss and other comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and Notes to the financial statements dealt with by this



report are prepared in accordance with Nepal Financial Reporting Standards (NFRS), Company Act 2063, and are in agreement with the books of account maintained by the Company.

1. We have not come across any action and situation that result in any action done by any person of the company against the regulatory provisions or other prevalent laws or have performed irregular job or have occurred any damage or loss to the company.
2. We have not come across any action and situation that result in any action done against the interest of Shareholders.
3. We have not come across any action and situation that impair internal control relevant to the Company's operation and fair presentation of the financial statements.
4. The operation of the Company has been found satisfactory.



CA. Sudhir Kumar Duttar, FCA

Partner

K.& D. Associates

Chartered Accountants

Date: 2078-08-29

Place: Kathmandu

UDIN No: 211215CA008037oxE9

Khani Khola Hydropower Company Ltd.

Dhumbarahi-4, Kathmandu

Statement of Financial Position

As on ashad 31st, 2078(July 15th, 2021)

Particulars	Schedules	FY 2077/78	FY 2076/77
Assets			
Non Current Assets			
Property, Plant & Equipments	1	1,029,836,151	892,764,411
Investment	2	8,000	45,008,000
Total non current assets		1,029,844,151	937,772,411
Current Assets			
Advances & Deposits	3	437,992,871	22,906,253
Cash & Cash Equivalents	4	408,586	622,374
Total Current Assets		438,401,457	23,528,627
Total Assets		1,468,245,608	961,301,038
Equity & Liabilities			
Equity			
Share Capital	5	465,714,300	465,714,300
Retained Earnings	6	(57,726,299)	(562,944,112)
Total Equity		407,988,001	(97,229,812)
Non Current Liabilities		874,772,349	864,068,911
Loans and Borrowings	7	874,772,349	864,068,911
Current Liabilities		185,485,259	194,461,939
Provisions	8	6,635,143	397
Trade and Other Payables	9	160,198,265	164,461,542
Overdraft	10	18,651,851	30,000,000
Total Liabilities		1,060,257,607	1,058,530,850
Total Equity & Liabilities		1,468,245,608	961,301,038

the Accounts form an integral part of this

As per our report of even date

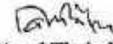

Sagar Nepal
Finance officer

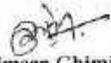

Bharat Lamichhane Thapa
CEO


Dinesh Pd. Shrestha
Director

Batu Lamichhane
Director

Chiranjivi Karki
Director


Binod Thakali
Director


Bhimsen Ghimire
Director


Bijay Man Sherchan
Chairman


TCA Sudhik Kumar Dutta
K & D Associates
Chartered Accountants

Date
Kathmandu, Nepal

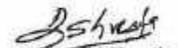
Khani Khola Hydropower Company Ltd.
Dhumbarahi-4, Kathmandu
Statement of Profit or Loss and Other Comprehensive Income
For the year ended Ashadh 31st, 2078 (July 15th, 2021)

Particulars	Schedules	FY 2077/78	FY 2076/77
Direct Income		510,271,564	50,865,560
Revenue	11	510,271,564	50,865,560
Cost of Sales		178,897,777	179,750,991
Direct Expenses	12	33,664,215	31,599,331
Administrative Expenses	13	104,877,108	71,098,661
Depreciation	1	40,356,453	77,052,999
Operating Profit/ (Loss)		331,373,788	(128,885,431)
Indirect Income	14	363,499	4,570
Interest Income		1,974	4,570
Disposal of asset		361,525	
Profit / (Loss) before Tax and Bonus		331,737,287	(128,880,861)
Staff Bonus		6,634,746	-
Profit/ (Loss) before Tax		325,102,541	(128,880,861)
Less: Tax			(1,143)
Net Profit/ (Loss)		325,102,541	(128,882,003)
Earnings Per Share			
Basic		70	(28)
Diluted		70	(28)
Other Comprehensive Income:			
Changes in revaluation surplus			
Actuarial Gain (Loss) on remeasurements of defined benefit plans			
Gains and losses on financial assets measured at fair value through other comprehensive income			
Income tax relating to items that will not be reclassified			
Other Comprehensive Income for the Year			
Total Profit / (Loss) & Other Comprehensive Income		325,102,541	(128,882,003)

As per our report of even date


Sagar Nepal
 Finance officer

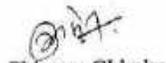

Bharat Lamichhane Thapa
 CEO


Dinesh Pd. Shrestha
 Director

Batu Lamichhane
 Director

Chiranjivi Karke
 Director


Binod Thakali
 Director


Bhimsen Ghimire
 Director


Bijay Man Sherchan
 Chairman


FCA Sudhir Kumar Datta
 K & D Associates
 Chartered Accountants

Date
 Kathmandu, Nepal

Khani Khola Hydropower Company Ltd.
Dhumbarahi-4, Kathmandu
Statement of Cash Flows
For the year ended Ashadh 31st, 2078 (July 15th, 2021)

Particulars	FY 2077/78	FY 2076/77
Cash Flow from Operating Activities		
Net Profit/ Loss for the Year	323,102,541	(125,882,003)
Adjustments		
Reinstated fixed asset depreciation adjustment	994,603	-
Interest Expenses	99,978,955	64,763,445
Other income	(363,499)	(4,570)
Depreciation	40,386,453	77,052,999
Changes in Working Capital		
(Increase)/ Decrease in Advances, Deposits & Receivables	(415,086,638)	(6,878,380)
Increase/ (Decrease) in Provisions	6,634,746	(1,043)
Increase/ (Decrease) in Current liabilities	(15,611,426)	20,602,450
Total Adjustments	(283,096,785.91)	155,534,900.72
Net Cash flow from Operating Activities (A)	32,005,755	29,682,897
Cash flow from Investing Activities		
(Acquisition)/ Disposal of Property, Plant and Equipment	2,054,000	584,283
Decrease/ (Increase) in Capital Work in Progress	-	-
Decrease/ (Increase) in Investment	45,000,000	-
Interest Income	1,974	4,570
Net Cash flow from Investing Activities (B)	47,055,974	368,833
Cash flow from Financing Activities		
Increase/ (Decrease) in Capital	-	-
Increase/ (Decrease) in Share Application Money	-	37,918,336
Increase/ (Decrease) in Long Term Borrowings	10,703,638	(64,763,445)
Interest Paid	(99,978,955)	-
Net Cash flow from Financing Activities (C)	(89,275,317)	(26,845,109)
Net Increase in Cash (A+B+C)	(21,778)	196,622
Cash at beginning of the Year	623,374	425,752
Cash at the End of the Year	436,386	622,374

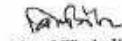
As per our report on even date


Sagar Nepal
 Finance officer


Bharat Lamichhane Thapa
 CEO


Dinesh Pd. Shrestha
 Director

Chiranjivi Karki
 Director


Binod Thakali
 Director

Batu Lamichhane
 Director


Bhimsen Ghimire
 Director


Bijay Man Sherechan
 Chairman


FCA Sudhir Kumar Dutta
 Chartered Accountants

Date
 Kathmandu, Nepal



Khani Khola Hydropower Company Ltd.

Dhumbarahi-4, Kathmandu

Statement of Change in Equity

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

Particulars	Share Capital	Retained Earnings	Revaluation Reserve	Total
Opening Balance as Shrawan 1st, 2077	465,714,300	(562,941,112)		(97,229,812)
Net Profit / (Loss) After Tax		325,102,541		325,102,541
Closing Balance as on 31st Asadh, 2078	465,714,300	(237,838,571)		227,875,729

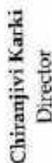
As per our report of even date

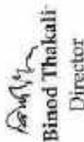

Sagar Nepal
Finance officer


Bharat Lamichhane Thapa
CFO


Dinesh Pd. Shrestha
Director

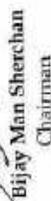

Batu Lamichhane
Director


Chiranjivi Karki
Director


Binod Thakali
Director


Bhimsen Ghimire
Director


FCA Sudhar Kumar Dutta
Chartered Accountants


Bijay Man Sherehan
Chairman

Date
Kathmandu, Nepal



Khani Khola Hydropower Company Ltd.

Notes Forming Part of the Financial Statements for the year ended 31st Ashadh, 2078 (15th, July 2021)
Schedule-1: Property, Plant & Equipment

Item	Restated Opening Value 2077/78	Disposal	Depreciation 2077/78	Opening Value 2078/79
Pool A				
Land	6,913,185.42	-	-	6,913,185.42
Access Road	10,285,314.13	-	383,303.63	9,902,010.50
Camp Construction & Compound wall	5,462,802.60	-	203,575.25	5,259,227.35
Civil Works -KKHP	138,572,431.63	-	5,164,257.29	133,408,174.34
Headrace	82,803,135.70	-	3,085,831.14	79,717,304.55
Head Pond-KKHP	7,358,326.41	-	274,225.34	7,084,103.07
Surge Tank	13,095,911.18	-	488,046.38	12,607,864.80
Penstock Alignment	3,326,856.91	-	133,982.25	3,202,874.67
Anchor Block	4,561,771.14	-	162,550.48	4,199,220.67
Saddle Support	729,001.01	-	27,167.74	701,833.27
Power House	19,524,306.65	-	727,681.21	18,796,625.44
Tailrace and River training works	7,373,122.82	-	274,774.76	7,098,347.87
Civil Works-TTKHP	254,137,451.77	-	9,472,069.89	244,665,381.88
Head Works	77,526,970.80	-	2,890,312.83	74,636,657.97
Connecting Canal & Gravel Trap	10,822,803.68	-	403,334.30	10,419,469.38
Desander Spillway & Aqueduct	48,243,699.74	-	1,797,901.85	46,445,797.89
Headrace Alignment	38,824,032.93	-	1,446,857.25	37,377,145.67
Anchor Block	24,086,086.19	-	897,618.12	23,188,468.07
Saddle Support & Protection Structure	15,831,084.75	-	589,978.31	15,241,106.44
Valve House	1,861,855.54	-	69,378.47	1,792,277.07
Penstock Alignment	2,085,398.51	-	77,716.71	2,007,681.80
Powerhouse	31,564,587.65	-	1,175,319.29	30,388,268.36
Tailrace and River training works	3,291,181.88	-	122,652.74	3,168,529.23
Tunnel & Forebay	79,870,071.40	-	2,976,824.40	76,893,247.00
Hydromechanical KKHP	94,259,061.07	-	3,512,760.04	90,746,301.03
Hydromechanical TTKHP	96,528,316.08	-	3,604,409.29	92,923,906.76
Pool B				
Office Equipments	520,648.91	-	390,486.68	130,162.23
Computer & Accessories	-	-	-	-
Furniture & Fixtures	396,375.48	-	71,206.88	265,168.58
Pool C				
Vehicle	1,956,901.06	-	292,220.50	1,664,680.56
Pool D				
Electrification/Transmission line & Switchyard	38,343,361.44	1,692,475.00	1,374,963.74	35,275,922.70
Electromechanical Plant & Machinery-TTKHP	234,192,128.24	-	8,727,656.95	225,464,471.29
Electromechanical Plant & Machinery-KKHP	110,404,917.42	-	4,114,458.97	106,290,448.45
Other Assets	102,113.18	-	68,549.80	33,563.38
Total	1,071,885,079.78	1,692,475.00	40,356,453.33	1,029,836,151.45

[Handwritten signatures and initials]



Notes Forming Part of the Financial Statements
For the year ended 31st Ashadh, 2078 (July 2021)

Investment**Schedule-2**

Particulars	As on 31st Ashadh, 2078	As on 31st Ashadh, 2077
Mayakhola Hydropower Company	-	45,000,000
South Lalitpur Gramin Bidhyut Sahakari Ltd	8,000	8,000
Total	8,000	45,008,000

Advance & Deposits**Schedule-3**

Particulars	As on 31st Ashadh, 2078	As on 31st Ashadh, 2077
Deposits	14,000	14,000
Loan & Advances		
Advance - Civil Works	2,050,152	2,050,152
Advance - EM	197,207	197,207
Advance - Metal Works	321,752	321,752
Advance - Plant & Machinery	2,433,537	3,132,790
Advance - PSM	25,555	230,044
Advance - T/L & Switchward	-	2,950,000
Advance - Mr. Bharat L Thapa	-	1,537,242
LC Margin - KKHP	-	1,530,000
LC Margin(EM) - KKHP	221,384	-
LC Margin(EM)-TTKHP	477,870	-
Security Margin (Citizen Bank)	224,000	-
Mr. Mahesh Sharma	-	20,000
TDS Paid on Interest	228,268	225,231
Nepal Electricity Authority	431,769,147	10,567,835
BG Margin - Exim Code	30,000	30,000
Sky Construction Pvt. Ltd	-	100,000
Total	437,992,871	22,906,253

Cash & Bank Balance**Schedule-4**

Particulars	As on 31st Ashadh, 2078	As on 31st Ashadh, 2077
Apex Development Bank	76,891	76,891
Cash - Head Office	18,117	12,410
Citizen Bank Nepal	8	59,793
Mega Bank Nepal	281,269	254,504
Prabhu Bank Nepal	32,301	218,776
Total	408,586	622,374





Share Capital

Schedule-5

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Authorized Capital		
50,00,000 Ordinary shares of NRs.100 each	500,000,000	500,000,000
Issued Capital		
4,657,143 Ordinary shares of NRs. 100 each	465,714,300	465,714,300
Paid Up Capital		
4,657,143 Ordinary shares of NRs. 100 each	465,714,300	465,714,300
Total	465,714,300	465,714,300

Retained earning

Schedule-6

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Opening balance	562,944,112	434,062,108
Profit/loss during this year	325,102,541	128,882,003
Adjustment of change in Accounting estimates	180,115,272	-
Total transferred to retained earnings	57,726,299	562,944,112

Loans and Borrowings

Schedule-7

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Term loan	706,391,727	710,733,200
Term loan II	96,820,685	97,335,712
Bridge Gap Loan(Term loan III)	14,928,250	15,000,000
Bridge gap loan 253618	-	10,000,000
Bridge gap loan 354618	14,946,187	5,000,000
Working capital Loan	30,000,000	30,000,000
Bridge Gap loan(Citizen)	-	-
Short Term Loan Citizen Bank	11,685,500	-
Total Borrowings	874,772,349	868,068,912
Less: Installment of loan to be repaid within a period of one year	-	4,000,000
Total	874,772,349	864,068,912

[Handwritten signature]

[Handwritten signature]

Bshvesta
[Handwritten signature]

[Handwritten signature]





Provisions

Schedule-8

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Previous Year provision	397	1,439
Current Tax	-	1,143
Less: TDS paid on interest	-	2,186
Employee Bonus Provision	6,634,746	
Total	6,635,143	397

Trade and Other payables (Current liability)

Schedule-9

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Account Payable	15,756,847	29,119,465
Retention Money	3,325,297	3,325,297
TDS Payable	1,038,900	494,069
Audit Fee and expense Payable	197,345	394,690
CIT Payable	3,319,136	1,723,852
Gratuity Payable	807,534	407,346
IPO Refund -	150,766	150,766
Maya Khola Hydropower Company	125,235	68,054,000
Pashupati Energy Development Company	73,577,044	47,547,044
Royalty Payable	2,297,519	1,520,454
Salary Payable	2,018,646	2,079,559
Baidik Hydro Investment Pvt Ltd	10,000,000	5,000,000
Bijaya Man Sherchan -		645,000
Sagar Nepal	536,063	
Loan to be repaid with in a period of one year	-	4,000,000
Loan from director	21,000,000	
Interest Payable	16,313,198	
Loan Payable	1,526,907	
Other payable	77,961	
Provision on royalty of spill energy	8,129,867	
Total	160,198,265	164,461,542

Bank Overdraft

Schedule-10

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Citizen Bank Limited	18,651,851	30,000,000
Total	18,651,851	30,000,000

Revenue

Schedule-11

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Sales of Energy	510,271,564	50,865,560
Total	510,271,564	50,865,560





Direct Expenses		Schedule -12	
Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077	
Dashain Allowances	419,416	391,765	
Repair and maintenance Civil Works and Others	3,869,062	16,131,284	
RIS Expenses	350,000	350,000	
Staff Salary	11,081,131	9,867,608	
Utility Expenses	68,219	38,256	
Labour Charge	10,000	4,500	
Site Operating Expenses	1,585,929	1,345,717	
Transmission Line & Switchyard Expenses	2,970,000	23,368	
Transportation	1,537,242	1,394,592	
Rebate-NEA	585,612	-	
Forest Lease Expenses	28,539	25,944	
Power House Protection Expenses	-	134,000	
Gratuity	400,188	407,346	
Royalty Expense	10,758,877	1,484,952	
Total	33,664,215	31,599,331	

Administrative Expenses		Schedule-13	
Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077	
Advertisement Expenses	15,102	22,884	
Interest - Citizen	38,364,062	25,834,084	
Interest - Civil	11,464,555	7,629,773	
Interest - Global	25,816,346	15,569,550	
Interest - Mega	22,580,554	15,189,369	
Interest CTZ BRL	1,753,438	540,669	
Agency Fees	1,344,206	2,205,582	
Annual Fees - CDS Nepal	120,000	120,000	
Annual Fees - Nepse	50,000	50,000	
Audit Fees & expenses	200,000	200,000	
Refreshment & Promotion expenses	44,660	67,705	
Medical Expenses	2,288	65,540	
Bank Charges	5,944	18,929	
Office Rent - HO	139,150	60,000	
Postages & Courier	-	440	
Printing and Stationery	6,430	23,272	
Rates & Taxes - HO	-	3,384	
Renewal & Registration Fees	112,700	46,870	
Repair and maintenance - office equipment	7,910	52,206	
Telephone/Internet/Communication	49,335	137,953	
Vehicle Fuel Expen.	146,446	277,383	
Insurance	2,258,146	2,381,635	
Site Visit Allowances	-	82,348	
TADA	8,000	29,070	
Other Tax Expense	-	521,149	

Handwritten signatures and initials are present below the table, including names like 'S. D.', 'B. A.', 'B. K.', 'B. K.', 'B. K.', and 'B. K.'.



Credit rating expenses	328,945	-
Consultancy	-	15,000
Entertainment / Refreshment	5,318	102,283
Vehicle Insurance	20,963	24,481
Corporate Social Responsibility	30,810	12,000
Miscellaneous Expenses	1,800	15,103
Total	104,877,108	71,098,661

Indirect Income

Schedule-14

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Interest Income	1,974	4,570
Asset disposal	361,525	-
Total	363,499	4,570

[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]

[Handwritten Signature]





Khanikhola, Hydropower Company Ltd.
Dhumbarahi-4, Kathmandu

A. Explanatory Notes FY 2020-21 (2077/78)

1. General Information/About the Company

Khanikhola Hydropower Company Ltd. (KKHPCL) is registered as a public limited company with the office of the Registrar of company under the Company Act 2063 on 17th Aswin 2069. Its registration no. 106404/069/070 dated 3-10-2012. KKHPCL is registered with an objective of generating 4362 kw Phr. hydro electricity from its power station located at TungunThosne and 2000 Kw Phr. hydro electricity from another power station located at Khanikhola. The total generating capacity of this company is 6362 kw Phr. KKHPCL has reached a power purchase agreement with Nepal Electricity Authority wherein NEA has agreed to buy all generated electricity from KKHPCL at an agreed price.

Following is the shareholding structure of the company:

Type Of Share	Holding percentage (%)
General Public Share	20%
Local Shareholder	10%
Promoter Share	70%

2. Statement of Compliance

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) to the extent applicable and as published by the Accounting Standards Board (ASB) - Nepal and is approved by the 75th Board of Director meeting held on 2021/12/15 (29/08/2078) and have been recommended for approval by shareholders in the 9th Annual General Meeting.

3. IFRIC 12 Considerations

The company has considered applicability of IFRIC 12 Service Concession Agreement, issued by International Accounting Standard Board (IASB) for preparation and presentation of financial statements. KKHPCL after due consideration has not applied IFRIC 12 while preparing these financial statements on the following grounds.

- The company sells electricity to Nepal Electricity Authority at price independent of the price charged by NEA to general public. NEA for the ultimate sale of electricity is bound by the rates determined by Electricity Tariff Commission set up by the government, whereas NEA purchases electricity on the basis of different commercial agreement with the power producers. Electricity Tariff Commission does not determine the rate at which NEA purchases or has to purchase from the power producers. There have been instances where the rates charged by NEA to the general public is lower than it paid to some of the power producers.

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]





NOTES TO ACCOUNTS 077/78

- ii. The license agreement with Department of Electricity Development (DoED) for KKHIPCL does not obligate the company to sell electricity to NEA or any specific buyer.
- iii. The company does not receive any specific concession for the use of the natural resource. The company has to pay to the government for the use of the natural resources in the form of royalty
- iv. The company under Power Purchase Agreement (PPA) sells energy to NEA and not directly to the general public.
- v. Though the project is to be transferred to the government at the end of the license period the legal title of the project is with the company, including the control of access to the project site. In addition, the company has right to pledge the assets as lien for availing finances from financial institutions.

4. Basis of Preparation and Reporting Pronouncements

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with applicable Nepal Financial Reporting Standards (NFRS) as issued by the Institute of Chartered Accountants of Nepal (ICAN). The Consolidated financial statements have also been prepared in accordance with the relevant presentational requirements of the Companies Act, 2063 of Nepal.

b) Basis of preparation

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

The Financial Statements have been prepared on a going concern basis. The company has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future.

c) Basis of measurement

These consolidated financial statements are prepared under historical cost convention except for certain material items that have been measured at fair value as required by the relevant NFRS.

5. Presentations

• Presentation Currency

The consolidated financial statement is presented in functional and presentation currency of the company i.e., Nepalese Rupee ("NPR") which is the currency of the primary economic environment in which the company operates.





NOTES TO ACCOUNTS 077/78

• **Rearrangement and Reclassification**

The figures for previous years are rearranged, reclassified and/ or restated as per NFRS wherever necessary for the purpose of facilitating comparison. Appropriate disclosures are made wherever necessary.

• **Statement of Financial Position**

The elements of Statement of Financial Position other than equity are presented in order of their permanency by considering non-current and current nature that are further detailed in relevant sections.

• **Statement of Profit or Loss and Other Comprehensive Income**

The elements of Statement of Profit or Loss and Other Comprehensive Income has been prepared using classification 'by function' method. The details of revenue, expenses, income, gains and/ or losses have been disclosed in the relevant section of this note.

Earnings per share have been disclosed in the face of 'Statement of Profit or Loss and Other Comprehensive Income' in accordance with the NAS 33.

• **Statement of Cash Flows**

The statement of Cash Flows has been prepared using indirect method and the activities has been grouped under three major categories (Cash Flows from operating activities, Cash Flows from investing activities and Cash Flows from financing activities) in accordance with NAS 07.

• **Statements of Changes in Equity**

The Statements of Changes in Equity has been prepared disclosing changes in each element of equity.

6. **Accounting Policies and Accounting Estimates**

Accounting Policies

The Company, under NFRS, is required to apply accounting policies to most appropriately suit its circumstances and operating environment. The preparation of Financial Statements in conformity with the Policy requires management to make judgments, estimates and assumptions in respect of the application of accounting policies and the reported amounts of assets, liabilities, income and expenses

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

Accounting Estimates

The preparation of Financial Statements in line with NFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of Financial Statements and the reported amounts of revenue and expenses during the reporting period.



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



NOTES TO ACCOUNTS 077/78

Management has applied estimation in preparing and presenting the Financial Statements. The estimates and the underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognized in the period in which the estimates are revised, if the revisions affect only that period; they are recognized in the period of revision and the future periods if the revisions affect both current and future periods.

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

B. Elements of Financial Statement

I. Property, Plant and Equipment

Property, Plant and Equipment (PPE) are those tangible assets used for generation and supply of energy, for administrative purpose or for rentals to others. These are recognized as PPE, if and only if it is probable that future (i.e., for more than one accounting period) economic benefits associated with the items will flow to the Company; and the cost of the item can be measured reliably.

PPE are stated in the SFP at their cost less accumulated depreciation and accumulated impairment losses, if applicable.

• **Cost**

The initial cost of PPEs includes purchase price and directly attributable cost to bring the asset to the location and conditions necessary for it to be capable of operating in the manner intended by management. Subsequent costs that do not qualify the recognition criteria under NAS 16 are expensed as and when incurred.

NAS 16 and IFRIC 1 require cost of PPE to include the estimated cost for dismantling and removal of the assets and restoring the site on which they are located. Management perceives that such costs are difficult to estimate and considering the past practice the amount of such costs will not be material to affect the economic decision of the user as a result of such non-inclusion. Therefore, asset retirement obligation has not been recognized.

• **Depreciation**

The management has estimated that the cost equals depreciable amount of the asset and thus the cost is systematically allocated basic on the expected useful life of an asset. Items of property, plant and equipment are depreciated in full in the year of acquisition.

If an item of PPE consists of several significant components with different estimated useful lives and if the cost of each component can be measured reliably, those components are depreciated separately over their individual useful lives.

The residual values, useful lives and the depreciation methods of assets are reviewed at least annually, and if expectations differ from previous estimates, changes are made in the estimates and are accounted for as a change in accounting estimates in accordance with NAS 8.

If the management considers the assets have an indefinite useful life, no amortization / depreciation is charged.

[Handwritten signatures and initials]





NOTES TO ACCOUNTS 077/78

• **De-recognition**

Assets that have been decommissioned or identified as damaged beyond economic repair or rendered useless due to obsolescence, are derecognized whenever identified. On disposal of an item of PPE or when no economic benefits are expected from its use or disposal, the carrying amount of an item is derecognized gain or loss arising from the disposal of an item of PPE is the difference between net disposal proceeds, if any, and the carrying amount of that item and is recognized in the Statement of Profit and Loss.

1.1 Change in Classification, Useful Lives and Depreciation Method

• **Re-classification**

Assets have been reclassified wherever required for compliance with NFRS. Capital work in progress, are assets that are in the process of construction or installation have been reported under PPE without charging depreciation. These were previously being shown separately from property plant and equipment.

The Company used to carry the costs of access road as a separate component of PPE even though direct control and ownership of such road is not with the Company. However, under the provisions of NFRS, costs that are directly attributable to bringing asset to the location and condition necessary for it to be capable of operating in manner intended are to be included in the cost of PPE. Therefore, once the project is completed and depreciation on project assets is started, the cost of access road will be systematically apportioned to the assets at the generation site as directly attributable costs.

• **Estimation of Useful Lives and Depreciation Method used**

The company has been following written down value method for depreciating its assets in previous fiscal years. However, from the fiscal year 2077/78 the company has decided to follow the Straight line depreciation method in line with NFRS NAS 16 PPE as per Board of directors meeting decision dated 28/03/2078.

2. Investment

The investment made by the company as at the end of the Financial Year 2077/78 amounts to NRs. 8,000.00.

Fair Value of the investment is taken as it's par value since it's unavailability of relevant information. Following is the detail of the investment.

3. Advance and Deposits

Advances and deposits mainly consist of the advance provided to the contractors provided to the contractors and advance tax. Following is the detail of advances and deposits:

The block contains several handwritten signatures in black ink. To the right, there is a circular stamp of 'K.S.D. Associates' with 'Mamanda' and 'Chartered Accountants' written inside. Below the signatures, there are some faint handwritten notes and a signature that appears to be 'Mamanda'.



NOTES TO ACCOUNTS 077:78

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Deposits	14,000.00	14,000.00
Loan & Advances		
Advance - Civil Works	2,050,152.19	2,050,152.19
Advance - EM	197,207.00	197,207.00
Advance - Metal Works	321,751.63	321,751.63
Advance - Plant & Machinery	2,433,537.00	3,132,790.00
Advance - PSM	25,555.00	230,044.00
Advance - T/L & Switchward	-	2,950,000.00
Advance- Mr. Bharat L Thapa	-	1,537,242.00
LC Margin -KKHP	-	1,530,000.00
LC Margin(EM) - KKHP	221,383.50	-
LC Margin(EM)-TTKHP	477,869.50	-
Security Margin (Citizen Bank)	224,000.00	-
Mr. Mahesh Sharma	-	20,000.00
TDS Paid on Interest	228,267.81	225,231.37
Medical Expenses- Mahesh Dhakal	-	-
Nepal Electricity Authority	431,769,146.93	10,567,834.62
BG Margin -Exim Code	30,000.00	30,000.00
Sky Construction Pvt.Ltd	-	100,000.00
Total	437,992,870.56	22,906,252.81

4. Cash and Cash Equivalent

Cash and cash equivalents include deposits account balances maintained with banks and financial institutions. These enable the Company to meet its short-term liquidity requirements. The carrying amount of cash and cash equivalents approximates their fair value. They are readily convertible to known amount of cash and are subject to insignificant risk of change in value.

These balances have been used as Cash and Cash Equivalents for the presentation of Statement of Cash Flows as well.

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Apex Development Bank	76,891.23	76,891.23
Cash - Head Office	18,117.03	12,410.41
Cash- Site Office	-	-
Citizen Bank Nepal	7.84	59,793.17
Civil Bank	-	-
Global IME Bank	-	-
Mega Bank Nepal	281,269.37	254,503.72
Prabhu Bank Nepal	32,300.58	218,775.56
Total	408,586.05	622,374.09



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



NOTES TO ACCOUNTS 077/78

5. Share Capital

The company's registered share capital structure is as follows:

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Authorized Capital		
50,00,000 Ordinary shares of NRs. 100 each	500,000,000.00	500,000,000.00
Issued Capital		
4,657,143 Ordinary shares of NRs. 100 each	465,714,300.00	465,714,300.00
Paid Up Capital		
4,657,143 Ordinary shares of NRs. 100 each	465,714,300.00	465,714,300.00
Total	465,714,300.00	465,714,300.00

6. Retained Earnings

The details of retained earnings are as follows:

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Opening balance	(562,944,111.64)	(434,062,108.29)
Profit/loss during this year	325,102,541.00	(128,882,003.34)
<i>Adjustment of change in accounting estimates</i>	180,115,271.64	-
Prior Period Adjustments	-	-
Total transferred to retained earnings	(57,726,299.01)	(562,944,111.64)

The sum of NPR. 180,115,271.64 as seen in the above table is the amount adjusted as a result of change in depreciation policy.

7. Long Term Loan

KKHPCL has obtained long term loan (Consortium loan) for project construction from Citizens Bank, Civil Bank, Global IME Bank and Mega Bank Ltd. Following is the detail of long-term loan:

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Term loan	706,391,727.10	710,733,200.00
Term loan II	96,820,684.99	97,335,712.00
Term loan III	14,928,249.54	15,000,000.00
Total	818,140,661.63	823,068,912.00



Handwritten signatures and initials are present below the table, including 'Dachwala' and 'Kishor'.



NOTES TO ACCOUNTS 077/78

8. Provisions

It includes the amount for royalty of spill energy for the amount billed to NEA. Current provision for bonus is also included under it. Following are the details:

Particulars	FY 2077/78	FY 2076/77
Royalty for spill energy	8,129,867	-
Provision for Bonus (Section 86 (2) Electricity Regulation Act, 2050)	6,634,746	-
Total	14,764,613	-

9. Trade and Other Payables

Trade and other payables mainly consist of amounts the Company owes to suppliers and government authority that have been invoiced or are accrued. These also include taxes due in relation to the Company's role as an employer. These amounts have been initially recognized at cost and it is continued at cost as it fairly represents the value to be paid. Following is the detail of trade and other payables:

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Account Payable	15,756,847	29,119,465
Retention Money	3,325,297	3,325,297
TDS Payable	1,038,900	494,069
Audit Fee and expense Payable	197,345	394,690
CIT Payable	3,319,136	1,723,852
Gratuity Payable	807,534	407,346
IPO Refund	150,766	150,766
Maya Khola Hydropower Company	125,235	68,054,000
Pashupati Energy Development Company	73,577,044	47,547,044
Royalty Payable	2,297,519	1,520,454
Salary Payable	2,018,646	2,079,559
Baidik Hydro Investment Pvt.Ltd	10,000,000	5,000,000
Bijaya Man Sherchan	-	645,000
Sagar Nepal	536,063	-
Loan to be repaid with in a period of one year	-	4,000,000
Loan from director	21,000,000	-
Interest Payable	16,313,198	-
Loan Payable	1,526,907	-
Other payable	77,961	-
Provision on royalty of spill energy	8,129,867	-
Total	160,198,265	164,461,542

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]





NOTES TO ACCOUNTS 077/78

10. Overdraft

It included the overdraft facility utilized by the company from the Citizen Bank Limited. The details regarding the same are given below:

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Citizen Bank Limited	18,651,851.03	30,000,000.00
Total	18,651,851.03	30,000,000.00

11. Revenue from Sale of Electricity

The company has started the generation of electricity since FY 2073/74. It has been selling electricity to NEA and billing has been done as agreed on PPA.

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Advertisement Expenses	15,102	22,884
Interest – Citizen	38,364,062	25,834,084
Interest – Civil	11,464,555	7,629,773
Interest – Global	25,816,346	15,569,550
Interest – Mega	22,580,554	15,189,369
Interest CITZ BRL	1,753,438	540,669
Agency Fees	1,344,206	2,205,582
Annual Fees - CDS Nepal	120,000	120,000
Annual Fees – Nepse	50,000	50,000
Audit Fees & expenses	200,000	200,000
Refreshment & Promotion expenses	44,660	67,705
Medical Expenses	2,288	65,540
Bank Charges	5,944	18,929
Office Rent – HO	139,150	60,000
Postages & Courier	-	440
Printing and Stationery	6,430	23,272
Rates & Taxes – HO	-	3,384
Renewal & Registration Fees	112,700	46,870
Repair and maintenance - office equipment	7,910	52,206
Telephone/Internet/Communication	49,335	137,953
Vehicle Fuel Expen.	146,446	277,383
Insurance	2,258,146	2,381,635
Site Visit Allowances -	-	82,348
TADA	8,000	29,070
Other Tax Expense	-	321,149
Credit rating expense	328,945	-
Consultancy	-	15,000
Entertainment/ Refreshment	5,318	102,283
Vehicle Insurance	20,963	24,481
Corporate Social Responsibility	30,810	12,000



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



NOTES TO ACCOUNTS 077/78

Miscellaneous Expenses	1,800	15,103
Total	104,877,108	71,098,661

12. Administrative Expenses

Expenses incurred to run day to day activities are booked under administrative expenses. Following is the detail of the administrative expenses.

13. Interest Income

It includes the interest income earned by the company on call deposits. Following is the detail:

Particulars	As on 31st Asadh, 2078	As on 31st Asadh, 2077
Interest Income	1,974	4,570

14. Non-Controlling Interest

Non- controlling interest (NCI) is the portion of equity ownership in a subsidiary not attributable to the parent company, which has a controlling interest (greater than 50% but less than 100%) and consolidates the subsidiary's financial results with its own.

Company does not have any subsidiary company.

15. Employee Bonus

As per Electricity Regulation Act, 2050 the company shall have to distribute bonus to the workers and employees every year setting aside the amount equal to 2% of the amount of net profit.

Hence the company is liable to pay NPR. 6,634,745.73 as bonus to the employees.

16. Inventory

Inventories are carried at the lower of cost or net realizable value (NRV). Cost comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is measured using First in First out (FIFO) method.

Company does not have any inventory at the end of FY 2077/78.

17. Trade Receivables

It includes the amount to be received by the company in the ordinary course of business. Company has no such trade receivable in this financial year.

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]





C. Other disclosures

1. Earnings per Share (EPS)

Earnings per share have been disclosed on the face of 'Statement of Profit or Loss and Other Comprehensive Income' in accordance with the NAS 33.

Particulars	FY 2077/78	FY 2076/77
Basic	70	(28)
Diluted	70	(28)

2. Operating Segment

NFRS 8 Operating Segments requires particular classes of entities (essentially those with publicly traded securities) to disclose information about their operating segments, products and services, the geographical areas in which they operate, and their major customers.

The Company has only one reportable operating segment (both in terms of geography and products) and therefore, identification, classification and disclosure of separate reportable operating segments in accordance with NFRS 8 is not disclosed separately.

3. Interim Reports

Interim reports have been publicly reported in accordance with the requirement of Securities Board of Nepal (SEBON) and Nepal Stock Exchange Ltd. (NEPSE). These requirements are materially aligned with the requirements of NAS 34.

4. Related Parties

The Company identifies the following as its related parties:

Pashupati Energy Development Company holds the 36.26% of shares.

Particulars	Amount (NPR)
Opening Advance from Pashupati Energy	47,547,044.00
Payment of advance during the period	-
Advance Taken during the period	26,030,000.00
Net advance	21,517,044.00

The company had invested in the Shares of Mayakhola Hydropower Company which has been settled in this fiscal year.

Particulars	AS on 31st Asadh, 2078	AS on 31st Asadh, 2077
Mayakhola Hydropower Company	-	45,000,000
Total	8,000	45,008,000





NOTES TO ACCOUNTS 077/78

The Company has not entered into any related party transaction except those mentioned above.

5. Contingent assets

Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity.

The Company discloses contingent assets when it is more likely than not that an inflow of benefits will occur.

The company incurred damage on 27/03/2076 due to flash flood as a result of relentless rainfall in its electromechanical equipment's, The gross claim on such damage to insurance company was NPR. 31,444,569.00 out of which NPR. 5,000,000.00 was received as claim advance and claim amount of NPR. 26,444,569.00 is remaining to be received.

6. Compensation Claim made with NEA

As per decision of Board of Directors as on 21/02/2078, due to inability of Nepal Electricity Authority to construct transmission lines for transmission of electricity generated by the company to the national grid since the commercial operation date till Ashadh end, 2078 has resulted in loss for the company. Due to such loss the company has claimed and raised invoice amounting to NPR. 410,371,074.00 from NEA on the basis of Power Purchase Agreement (PPA) between NEA and the Company. The amount so claimed and invoiced to NEA has been included in the Consolidated Financial Statements for this fiscal year.



खानी खोला हाईड्रोपावर कम्पनी लिमिटेडको संक्षिप्त परिचय

कम्पनीको स्थापना	: २०६९ असोज १७ गते
पब्लिक लिमिटेड कम्पनीमा परिणत	: २०६९ चैत्र १२ गते
नेपाल विद्युत प्राधिकरणसंग विद्युत खरिद बित्रीको सम्झौता (पशुपति इनर्जी डेमलप्मेन्ट प्रा. लि.सँग भएको)	: २०६९ साउन ५ गते
नेपाल विद्युत प्राधिकरणसंग विद्युत खरिद बित्रीको सम्झौता (खानी खोलाको नाममा हस्तान्तरण)	: २०७० असार १२ गते
विद्युत उत्पादन अनुमति पत्र प्राप्त	: २०६९ फाल्गुन ३ गते
स्थानिय बासिन्दालाई शेयर वितरण	: २०७२ माघ ३ गते
सर्वसाधारणलाई शेयर वितरण	: २०७३ साउन ११ गते
नेप्सेमा शेयर कारोवार शुरु	: २०७३ पौष २८ गते
ब्यापारिक उत्पादन शुरु (टुंगुन-ठोस्ने आयोजना)	: २०७३ कार्तिक ०९ गते
ब्यापारिक उत्पादन शुरु (खानी खोला आयोजना)	: २०७३ मंसिर २० गते



खानी खोला हाईड्रोपावर कम्पनी लिमिटेड KHANI KHOLA HYDROPOWER COMPANY LIMITED

187 Shree Gorakhnath Marg, Dhumbarahi, Kathmandu-4, Nepal
P.O. Box: 8975 EPC: 5602, Tel: +977-1- 4429956, 4436325, Fax: +977-1-4433610
E-mail: khanikhola.hpc@gmail.com