

छैठौं, सातौं तथा आठौं
वार्षिक साधारण सभा



माया खोला हाइड्रोपावर कम्पनी लिमिटेड

१८७ श्री गोरखनाथ मार्ग, धुम्बाराही, काठमाडौं-४

माया खोला हाइड्रोपावर कम्पनी लिमिटेड संचालक समिति



श्री दिनेश प्रसाद श्रेष्ठ
अध्यक्ष



श्री हेम निधि हर्मा
संचालक



श्री बिनोद थकाली
संचालक



श्री रमेश राज शिवाकोटी
संचालक



श्री भरत लामिछाने थापा
आयोजना संयोजक



श्री सागर नेपाल
प्रबन्धक

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१८७ श्री गोरखनाथ मार्ग, धुम्बाराही, काठमाडौं-४

प्रतिनिधि नियुक्त गर्ने फारम (प्रोक्सी)

महाशय,

.....जिल्ला.....म.न.पा/उ.म.न.पा/न.पा./गा.पा वडा नं.....बस्ने म/हामी
..... ले त्यस संस्थाको शेयरधनीको
हैसियतले मिति २०८२ साल जेठ २३ गते शुक्रबार (०६ जुन २०२५) का दिन हुने वा 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
..... म.न.पा/उ.म.न.पा/न.पा./गा.पा बस्ने त्यस संस्थाका शेयरधनी
श्री.....शेयरधनी नं. लाई मेरो/ हाम्रो प्रतिनिधि
मनोनयन गरि पठाएको छु/छौ ।

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 ।

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 ।)

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को

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा सम्बन्धि सूचना

यस कम्पनीको मिति २०८२/०१/३१ मा बसेको सञ्चालक समितिका सत्तरीऔं बैठकले गरेको निर्णय अनुसार कम्पनीको छैठौं, सातौं तथा आठौं 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 : २०८२ जेठ २३ गते, शुक्रबार (06 June 2025, Friday)

स्थान : धुम्र बाराह भेन्यु, धुम्बराहि, काठमाण्डौ ।

समय : विहान ११:०० बजे देखि ।

छलफलका विषयहरू :

(क) सामान्य प्रस्ताव :

- १) आ.व.२०७८/०७९, २०७९/०८० र आ.व.२०८०/०८१ को सञ्चालक समितिको तर्फबाट पेश हुने अध्यक्षज्यूको प्रतिवेदन पारित गर्ने बारे ।
- २) आ.व.२०७८/०७९, २०७९/०८० र आ.व.२०८०/०८१ को लेखापरीक्षण प्रतिवेदन सहितको वासलात तथा नाफा नोक्सान हिसाव पारित गर्नुका साथै सञ्चालक समितिले नियुक्त गरेको लेखापरीक्षकको नियुक्ती एवं अनुमोदनको सम्बन्धमा ।
- ३) आगामी आ.व.२०८१/०८२ को लागि लेखापरीक्षकको नियुक्ति तथा निजको पारिश्रमिक निर्धारण गर्ने बारे ।
- ४) संस्थापक र सर्व साधारणको तर्फबाट प्रतिनिधित्व गर्ने सञ्चालक समितिको निर्वाचनको सम्बन्धमा ।
- ५) विविध ।

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

साधारण सभा सम्बन्धि सामान्य जानकारी:

१. वार्षिक साधारण सभालाई ध्यानमा राखी मिति २०८२/०१/०९ गते १ दिन यस कम्पनीको शेयरधनी दर्ता पुस्तिका बन्द रहने छ । साथै शेयरधनी दर्ता पुस्तिका बन्द भएको मिति २०८२ जेठ ०९ गते भन्दा अघिल्लो दिन सम्म नेपाल स्टक एक्सचेञ्ज लिमिटेडमा भएको कारोवारबाट कायम भएका शेयरधनीहरूले मात्र कम्पनीको साधारण सभामा भाग लिन पाउने छन् ।
२. वार्षिक साधारण सभामा भाग लिन शेयरधनी महानुभावहरूले आफ्नो परिचय खुल्ने प्रमाणपत्र वा सोको प्रतिलिपी अनिवार्य रूपमा साथमा लिई आउनु पर्नेछ ।
३. शेयरधनी महानुभावहरूको उपस्थितीका लागि शेयरधनी उपस्थिती पुस्तिका विहान १०:०० बजे देखि ११:०० बजे सम्म खुल रहनेछ ।
४. साधारण सभामा भाग लिन प्रतिनिधी (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनीहरूले प्रचलित कम्पनी कानूनले तोकेको ढाँचामा प्रतिनिधीपत्र (प्रोक्सी) फारम भरी सभा शुरु हुनु भन्दा कम्तीमा ४८ घण्टा अगावै अर्थात मिति २०८२/०२/२१ गते विहान ११ बजे भित्र कम्पनीको केन्द्रिय कार्यालय, धुम्बाराहि -४ वा कम्पनीको शेयर रजिष्ट्रार सिटिजन्स क्यापिटल लिमिटेड, काठमाण्डौमा दर्ता गराई सक्नु पर्नेछ । कम्पनीको शेयरधनी वाहेक अरुलाई प्रोक्सी दिन पाइने छैन ।
५. एक जना शेयरधनीले एक भन्दा बढी प्रतिनिधी (प्रोक्सी) मुकरर गरेमा सबै प्रतिनिधी (प्रोक्सी) स्वतः बदर हुनेछ । तर प्रतिनिधी (प्रोक्सी) नियुक्त गरिसके पछि सम्बन्धित शेयरधनीले प्रतिनिधी फेरबदल गर्न चाहेमा यस अधि 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 ।
६. बुदा नं. ४ र ५ उल्लेखित दिन सार्वजनिक विदा परेमा समेत सो प्रयोजनको लागि कम्पनीको केन्द्रिय कार्यालय, कार्यालय समयमा खुल्ला रहनेछ ।
७. प्रतिनिधी नियुक्त गरि सकेको शेयरधनी आफै सभामा उपस्थित भई हाजिरी पुस्तिकामा दस्तखत गरेमा निजले दिएको प्रतिनिधी (प्रोक्सी) स्वतः बदर हुनेछ ।
८. यस कम्पनीको नियमावली अनुसार संस्थापक शेयरधनीहरूको तर्फबाट संचालक समितिमा प्रतिनिधीत्व गर्ने संचालक पद चार तथा सर्वसाधारण तर्फको पद दुईको निर्वाचन सम्बन्धी कार्यक्रम निर्वाचन अधिकृतले तोके बमोजिम केन्द्रिय कार्यालयको सुचना पाटिमा टाँस गरिनेछ । निर्वाचन सम्बन्धी जानकारीको लागि फोन नं. ४५३६३२५ मा सम्पर्क गरि प्राप्त गर्न सकिने छ ।
९. साधारण सभा सम्बन्धी थप जानकारी आवश्यक परेमा कार्यालय समय भित्र कम्पनीको केन्द्रिय कार्यालय, धुम्बाराहि -४ वा कम्पनीको शेयर रजिष्ट्रार सिटिजन्स क्यापिटल लिमिटेड., काठमाण्डौमा सम्पर्क राख्न हुन समेत अनुरोध गरिन्छ ।

माया खोला हाईड्रोपावर कम्पनी लिमिटेड

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभाको
संचालक समितिको तर्फबाट अध्यक्षज्यूले पेश गर्नु भएको

वार्षिक-प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरु,

सर्वप्रथम यस माया खोला हाईड्रोपावर कम्पनी लिमिटेडको छैठौं, सातौं तथा आठौं वार्षिक साधारण सभामा उपस्थित सम्पूर्ण शेयरधनी महानुभावहरुलाई मेरो व्यक्तिगत र कम्पनीको तर्फबाट हार्दिक स्वागत गर्न चाहन्छु।

संखुवासभा जिल्लामा निर्माण सम्पन्न गरिएको नेपाल सरकारले पहिचान गरेको सुपर सिक्स् मध्येको यस माया खोला जलविद्युत आयोजना निर्माण कार्य सम्पन्न गरे पश्चात मिति २०८० आषाढ २२ गतेबाट विद्युतको व्यवपारिक उत्पादन शुरू गरी नेपाल विद्युत प्राधिकरणलाई विक्री वितरण भईरहेको जानकारी शेयरधनी महानुभावहरुलाई गराउन चाहन्छु।

यसरी, यस कम्पनी स्थापनाको आठौं वर्ष पुरा गरी नौ वर्षमा प्रवेश गरेको तर बिडम्बना नै भनौं मिति २०८० भाद्र ३१ गतेबाट ठेकेदार महाविर श्री इन्टरनेशनलबाट आपूर्ति गरिएको आयोजनाको जेनेरेटरहरुमा समस्या आई आयोजनाको उत्पादन बन्द भएको थियो। जेनेरेटरको कारणले बन्द रहेको आयोजना मिति २०८०/०६/२९ गतेबाट Unit II को आयोजना स्थलमै मर्मत भए पश्चात उत्पादन शुरू भएकोमा मिति २०८०/०७/०३ गतेबाट उक्त Unit II मा फेरि समस्या आई आयोजनाको उत्पादन फेरि बन्द भएको थियो। तत् पश्चात दुवै जेनेरेटरहरुको Roter Field Poles उत्पादक कम्पनी Weg India को तामिलनाडु स्थित Factory मा मर्मतको लागि पठाएकोमा मर्मत भई आयोजना स्थलमा ल्याई जडान पश्चात मिति २०८०/११/११ गतेबाट आयोजनहरु संचालनमा आई विद्युत उत्पादन शुरू भई सुचारु रुपमा विद्युत विक्री भईरहेको थियो।

यसरी विद्युत विक्री भईरहेको बखतमा पुनः मिति २०८१ भाद्र ११ देखि Unit II को Generator को Pole मा फेरि समस्या देखिएकोले जेनेरेटरको उत्पादक WEG India संग सो समस्याको समाधान गर्ने बारेमा छलफल हुँदा WEG India ले नयाँ Roter Field Poles निर्माण गरि निशुल्क रुपमा उपलब्ध

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

गराई जेनेरेटरहरुमा देखिएको समस्या समाधान गर्ने सहमति गरेको जानकारी गराउँदछु । हाल उक्त नयाँ Roter Field Poles निर्माण सम्पन्न भई आयोजना स्थलमा जडानको लागि लेराउने कार्य भईरहेको कुराको जानकारी शेयरधनी महानुभावहरुलाई गराउँदछु । यसरी, सो जेनेरेटरहरुको आपूर्तिकर्ता ठेकेदार महाविर श्री इन्टरनेशनलको बिश्वासनियतालाई लिएर करिव रु. ३ करोड ७५ लाखको भुक्तानी कम्पनीले रोकका राखिनै रहेको जानकारी पनि गराउँदछु । जेनेरेटरहरुमा आएको समस्याको कारण विद्युत उत्पादनमा असर परी आम्दानीमा असर पर्न गएकोमा उक्त जेनेरेटरहरुको मर्मत पश्चात यस कम्पनीको आम्दानी बढ्न गई कम्पनीले आगामी दिनहरुमा आफ्ना शेयरधनीहरुलाई लाभासं वितरण गर्न सक्षम हुने छ भन्ने बिश्वास दिलाउन चाहन्छु ।

यसरी, यहाँहरु माँझ सञ्चालक समितिको तर्फबाट तयार गरिएको आ.व. २०७८/२०७९, २०७९/२०८० तथा २०८०/२०८१ को कम्पनीको वार्षिक प्रतिवेदन, कम्पनीको वित्तिय विवरण समेतका आर्थिक प्रतिवेदनहरु यस गरिमामय सभा समक्ष छुट्टै प्रस्तुत गरिएको छ । उक्त प्रतिवेदन उपर छलफलका क्रममा यहाँहरुबाट रचनात्मक सुझाव तथा टिपणीहरु प्राप्त हुनेछ भन्ने बिश्वास लिएको छु । उर्जा क्षेत्रका विकासका लागि कम्पनीको तर्फबाट केहि हद सम्म विद्युत उत्पादनको लागि सकारात्मक पहल कदमीहरु पनि अगाडी बढाउने हाम्रो प्रयास जारी नै रहको छ भने अर्को तर्फ शुरुका दिनहरुमा आयोजना निर्माणको बखतमा लिईएका लोनहरुको व्याज समय सापेक्ष घट्दो रुपमा परिणत गराउने तर्फ सदैव बोर्डको ध्यान केन्द्रित रहेको छ ।

अन्त्यमा, आयोजना निर्माण हुदाँ देखि आजको यो छैठौं, सातौं तथा आठौं वार्षिक साधारण सभालाई सफलतापूर्वक सम्पन्न गर्न उपस्थित हुनु भएका शेयरधनी महानुभावहरु तथा सम्पन्न हुदा सम्मको चरणमा आइपुग्दा हामीलाई प्रत्यक्ष, अप्रत्यक्ष सहयोग पुर्याउनु हुने नेपाल विद्युत प्राधिकरण, स्थानीय प्रशासन, स्थानिय निकायहरु, स्थानीय राजनैतिक दलहरु, बैंक तथा वित्तिय संस्थाहरु, स्थानीय वासीन्दाहरु, कम्पनीका सम्पूर्ण शेयरधनीमहानुभावहरु, सञ्चालक साथीहरु, कर्मचारी, पत्रकार र अन्य सहयोगी तथा शुभेच्छुक सबैलाई हार्दिक धन्यवाद दिदै कम्पनीको उत्तरोत्तर प्रगतिको कामना गर्दछु ।

धन्यवाद ।

मिति : २३ जेष्ठ २०८२

श्री दिनेश पसाद श्रेष्ठ
अध्यक्ष,

सञ्चालक समितिको वार्षिक प्रतिवेदन

(आ.व.०७८/०७९, ०७९/०८० तथा २०८०/०८१)

शेयरधनी महानुभावहरु,

कम्पनीको छैठौं, सातौं तथा आठौं वार्षिक साधारण सभामा यहाँहरुलाई हार्दिक स्वागत गर्दछु । कम्पनीको छैठौं, सातौं तथा आठौं वार्षिक साधारण सभामा यहाँहरु माझ सञ्चालक समितिको तर्फबाट यो वार्षिक प्रतिवेदन प्रस्तुत गर्दछु । आदरणीय शेयरधनी महानुभावहरुले दिएको सुझावलाई हामीले यो वार्षिक साधारणसभासम्म आई पुग्दा गम्भीर रुपमा ग्रहण गरेका छौं र सो अनुरूप कम्पनीलाई सुधार्दै अगाडि बढाउने 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 माया खोला हाईड्रोपावर कम्पनी लिमिटेडको शेयरधनी कायम गर्दै अघि बढेको परिस्थिति हाल विद्यमान छ । हामीले यो कार्य गर्नका लागि आयोजनाका अति प्रभावित तथा प्रभावित संखुवासभा जिल्लाका धर्मदेवी नगरपालिकाको वडा नं. ३,४,५ चैनपुर नगरपालिकाको वडा नं. ८ र ९ तथा मादी नगरपालिकाको वडा नं. ४ र ६ का स्थानिय बासिन्दाहरु, वैदेशिक रोजगार दाता, सर्वसाधारण तथा सामूहिक लगानी कोषहरुलाई ३४,००,००० 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. ०७८/०७९	आ.व. ०७९/०८०	आ.व. ०८०/०८१	कैफियत
अधिकृत पूँजी	१,००,००,००,०००/-	१,००,००,००,०००/-	१,००,००,००,०००/-	
जारी पूँजी	१,००,००,००,०००/-	१,००,००,००,०००/-	१,००,००,००,०००/-	
चुक्ता	६६,००,००,०००/-	१,००,००,००,०००/-	१,००,००,००,०००/-	

२. कम्पनीको आम्दानी सम्बन्धमा:

यस कम्पनीबाट निमार्ण भएको माया खोला जलविद्युत आयोजनाबाट विद्युतको व्यापारिक उत्पादन मिति २०८० आषाढ २२ बाट शुरु भएको र आर्थिक वर्ष २०८०/२०८१ को अन्तसम्ममा रु. १०,८९,१७,३३२/७६ बराबरको विद्युत विक्री गरि विद्युत प्राधिकरणबाट भुक्तानी लिएका छौं । आयोजनाको जेनेरेटरहरुमा देखिएको समस्याको कारणले कम्पनीको आम्दानीमा असर देखिएता पनि जेनेरेटरहरुमा नयां Roter Field Poles हरु जडान भए पछि आयोजनाहरु पूर्ण क्षमातामा संचालन भई कम्पनीको आम्दानीमा उल्लेखिय सुधार हुने अपेक्षा लिएका छौं । हाल बैंकको व्याज दर कम हुदै गएको तथा निकट भविष्यमा कम्पनीले हकप्रद शेयर जारी गरि बैंक ऋण घटाउने तर्फ काम गर्दै गरेकोले आगामी आर्थिक वर्षदेखि शेयरधनी महानुभावहरुलाई लाभांश वितरण गर्ने हामी सक्षम हुने विश्वास लिएका छौं ।

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

३. कम्पनीको आयोजना ऋण सम्बन्धमा:

यस कम्पनीले निमार्ण गरेको माया खोला हाईड्रोपावर आयोजना निमार्णको लागि सिटिजन्स बैंक इन्टरनेशनल लिमिटेड, हिमालयन बैंक लिमिटेड (साविकको सिभिल बैंक लिमिटेड) तथा प्रभु बैंक लिमिटेड ((साविकको सेन्चुरी कर्मसियल बैंक लिमिटेड) हरुको कन्शोर्टियमबाट Term Loan रु. २,२५,००,००,०००/- (रुपैयां दुई अर्ब पच्चिस करोड मात्र) तथा कन्शोर्टियमको अगुवा बैंक सिटिजन्स बैंक इन्टरनेशनलबाट Working Capital Loan रु. ७,५०,००,०००/- (रुपैयां सात करोड पचास लाख मात्र) गरि जम्मा रु. २,३२,५०,००,०००/- (रुपैयां दुई अर्ब बत्तिस करोड पचास लाख मात्र) रुपैयाँ ऋण लिने सभौता भएकोमा आ.ब. २०८०/२०८१ सम्म रु. २,१९,८४,५५,५८४/०० Long Term Loan तथा १६,११,४९,७०६/०० Short Term Loan गरि कुल रु. २,३५,९६,०५,२९०/०० लिइएको छ ।

४. कम्पनीको प्रशासनिक खर्च सम्बन्धमा:

कम्पनीले दैनिक कार्य संचालन लगायत कर्मचारीहरुको तलब भत्ता, घर भाडा, सञ्चालकको तलब तथा भत्ता, लेखा परिक्षकको पारिश्रमिक, कार्यालयको मर्मत सभार लगायतका खर्चहरु यो शिर्षक अन्तर्गत रहेका छन् । गत वर्षहरुमा भएका खर्चहरु निम्न बमोजिम रहेका छन् । यस सम्बन्धी विस्तृत विवरणहरु लेखा परिक्षण प्रतिवेदनहरुमा उल्लेख गरिएको छ ।

आर्थिक वर्ष	कुल प्रशासनिक खर्च	तलब कट्टि खर्च	बैंक व्याज खर्च	कैफियत
२०७८/०७९	९७,९३,५८२/००	१९,२२,५४२/००	४०,१६,८०,९६६/००	
२०७९/०८०	१,३२,७६,९३५/००	४१,६३,२४५/००	६८,८९,५६५/४२	
२०८०/०८१	२,४१,८८,७७५/००	१२,९०,०२,३४५/००	२६,५२,९१,८१२/००	

५. सञ्चालक समिति :

कम्पनीको नियवाली 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 ।

तालिका नं. ३

क्र.सं.	सञ्चालकको नाम	पद
१	श्री दिनेश प्रसाद श्रेष्ठ	अध्यक्ष
२	श्री विनोद थकाली	सञ्चालक
३	श्री हेमनिधि शर्मा	सञ्चालक
४	श्री रमेश राज सिवाकोटि	सञ्चालक
५		सञ्चालक
६		सञ्चालक
७		स्वतन्त्र सञ्चालक

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

धन्यवाद

अध्यक्ष, सञ्चालक समिति
माया खोला हाईड्रोपावर कम्पनी लिमिटेड

माया खोला हाईड्रोपावर कम्पनी लिमिटेड
कम्पनी ऐन २०६३ को दफा १०९ 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
– कम्पनीको कारोबारलाई कुनै असर नपरेको ।
- (ग) प्रतिवेदन तयार भएको मिति सम्म चालू वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा
सञ्चालक समितिको धारणा
– संचालक समितिको वार्षिक प्रतिवेदनमा उल्लेख गरेको ।
- (घ) कम्पनीका औद्योगिक वा व्यावसायिक सम्बन्ध
– नभएको
- (ङ) सञ्चालक समितिमा भएको हेरफेर र सो को कारण,
– अध्यक्ष श्री विजयमान शेरचन ज्यूले राजिनामा दिनु भएकोले उहाँको ठाउँमा श्री रमेश राज सिवाकोटि नियुक्त हुनु भएको तथा श्री दिनानाथ दाहालको निधन भएकोले उक्त पद रिक्त रहेको ।
- (च) कारोबारलाई असर पार्ने मुख्य कुराहरु,
– नभएको
- (छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको
प्रतिक्रिया
– सारभुत कैफियत नरहेको
- (ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम
– लाभांश बाँडफाँडको व्यवस्था 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
– कुनै पनि शेयर जफत नभएको ।

- (ज) 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 रुपमा 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 पदाधिकारीहरुले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरु संलग्न रहेको भए सो सम्बन्धमा निजहरुबाट कम्पनीले प्राप्त गरेको जानकारी
 – नभएको ।
- (ढ) विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्झौताहरुमा 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 कुल व्यवस्थापन खर्चको विवरण :
 – कुल व्यवस्थापन खर्च आ.वं २०७८/२०७९ मा रु. ९७,९३,५८२/०० , आ.वं २०७९/२०८० मा रु. १,३२,७६,९३५/०० तथा आ.व. २०८०/२०८१ मा रु. २,४१,८८,७७५/०० रहेको ।
- (द) लेखापरीक्षण समितिका सदस्यहरुको नामावली, निजहरुले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारबाहीको 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 ।

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

- (न) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरुलाई भुक्तानी गरिएको पारिश्रमिक भत्ता तथा सुविधाको रकम

सि.नं.	विवरण	सञ्चालक/कार्यकारी	प्रमुख कार्यकारी अधिकृत	अन्य पदाधिकारीहरु
१	बैठक भत्ता (०७८/०७९)	४०,०००/-	भुक्तान नगरिएको	१,२३,५२२/-
	बैठक भत्ता (०७९/०८०)	भुक्तान नगरिएका	भुक्तान नगरिएको	७०,५८४/-
	बैठक भत्ता (०८०/०८१)	२,४०,०००/-	भुक्तान नगरिएका	४४,११५/-
२	तलब (०७८/०७९)	४१,०३,८९२/-	भुक्तान नगरिएको	१५,००,०००/-
	तलब (०७९/०८०)	३२,१८,१९६/-	भुक्तान नगरिएका	१५,००,०००/-
	तलब (०८०/०८१)	७,६५,८८८/-	भुक्तान नगरिएको	भुक्तान नगरिएको

- (प) शेयरधनीहरुले बुझिलिन बाँकी रहेको लाभांश रकम :
- नभएको ।
- (फ) दफा १४१ वमोजिम सम्पत्ति खरिद वा विक्री गरेको कराको 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 कुराहरु :
- नभएको ।

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

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 :
 - मिति २०७९ चैत्रबाट नेपाल स्टक एक्सचेन्जमा यस कम्पनीको शेयर कारोबार शुरु भए पश्चात प्रत्येक त्रैमासिक अवधिमा कम्पनीको शेयरको कारोबारको विवरण निम्न बमोजिम रहेको छ ।

आ. व. २०७९/०८०	पहिलो त्रैमासिक	दोश्रो त्रैमासिक	तेश्रो त्रैमासिक	चौथो त्रैमासिक
अधिकतम मूल्य	-	-	३६७.५	३०२.९
न्यूनतम मूल्य	-	-	२६५.५	२१७
अन्तिम मूल्य	-	-	२९२.२	२३३.५
कारोबार संख्या	-	-	३९३४४५	७३५७६६
कारोबार दिन	-	-	१७	६२

आ. व. २०८०/०८१	पहिलो त्रैमासिक	दोश्रो त्रैमासिक	तेश्रो त्रैमासिक	चौथो त्रैमासिक
अधिकतम मूल्य	२४५	३१०.१	३५७	३६२
न्यूनतम मूल्य	१७४.४	१८६.६	२६४.६	२९८
अन्तिम मूल्य	२०९.९	३०२	३४७	३४५.८
कारोबार संख्या	५१०७६५	११६०७२२	२३१५८३४	२००९०६२
कारोबार दिन	६१	४९	५८	६१

Independent Auditor's Report

To the Shareholders of Maya Khola Hydropower Company Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Maya Khola Hydropower Company Limited ("the Company"), which comprise the balance sheet as at Ashad 32 2079 (July 16, 2022), income statement, statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and notes to accounts.

Because of the matters described in the *Basis of Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence regarding cumulative effect of not restating financial items and making additional disclosure as required by provision for first time adoption of Nepal Financial Reporting Standards to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements which have not been prepared in accordance with Nepal Financial Reporting Standards.

Basis for Disclaimer of Opinion

The company has prepared financial statements based on Nepal Accounting Standards as disclosed in note no 2.2 of Significant Accounting Policies and Notes to Accounts but the applicable financial reporting framework for entities those having public accountability was changed to of Nepal Financial Reporting Standards from Nepal Accounting Standards effective from fiscal year July 15, 2021. Para 21 of NFRS required that the entity's first Nepal Financial Reporting Standards compliant financial statements shall include at least three statements of financial position, two statements of comprehensive income, two separate income statements (if presented), two statements of cash flows and two statements of changes in equity and related notes, including comparative information.

However, Nepal Financial Reporting Standards based financial statements have not been prepared and financial information of previous years have not been restated and disclosed based on provisions of Nepal Financial Reporting Standards 1. The cumulative effect of not restating, presenting and disclosing financial information based on Nepal Financial Reporting Statements is uncertain and could be material and pervasive.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.


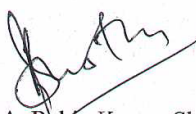


Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with Nepal Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. We are independent of the Company in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook of The Code of Ethics For Professional Accountants

Report on Other Legal and Regulatory Requirements

As per the requirements of section 108(2) of the company's act, the financial statements were to be reported as per the Nepal Financial Reporting Standards as prescribed by the Institute of Chartered Accountants of Nepal. However, the company has prepared the financial statements on earlier applicable Nepal Accounting Standards due to which we were unable to express the opinion regarding the compliance with Nepal Financial Reporting Standards.



C. A. Rabin Kumar Shrestha
Principal
R. K. Associates
Chartered Accountants

Place: Kathmandu

Date: Magh 27, 2080

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छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Kathmandu, Nepal

Balance Sheet As at 32 Ashad 2079

Amount in Rs.

Particulars	Schedule	Current Year	Previous Year
Assets			
Non Current Assets			
Property, Plant and Equipment	1	8,669,653	10,196,165
Capital Work In Progress	2	2,539,679,560	1,986,913,239
Investments	3	16,716,600	16,716,600
Current Assets			
Cash and Cash Equivalents	4	7,302,913	29,716,353
Advances and Other Receivables	5	118,882,683	117,176,223
Deposits and Margins	6	14,022,473	15,195,473
Total Assets		2,705,273,882	2,175,914,052
Equity and Liabilities			
Equity			
Share Capital	7	660,000,000	326,632,500
Reserve and Surplus	8	(74,679,518)	(56,730,445)
Advance for Share Capital		-	168,065,000
Non Current Liabilities			
Long Term Loan	9	1,656,007,191	1,379,859,528
Current Liabilities			
Short Term Loan	10	295,000,000	167,727,178
Trade and Other Payables	11	168,946,208	190,360,291
Total Equity and Liabilities		2,705,273,882	2,175,914,052

Significant Accounting Policies and Notes to Accounts 14
Schedule 1 to 14 forms integral part of the financial statements

As per our report of even date

Bijaya Man Sherchan
Chairman

Dinesh Prashad Shrestha
Director

Binod Thakali
Director

CA. Rabin Kumar Shrestha
Principal
R. K. Associates
Chartered Accountants

Sagar Nepal
Accountant

Hem Nidhi Sharma
Director

Date: 2080.09.16
Place: Kathmandu

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Kathmandu, Nepal

Income Statement For the year ended 32 Ashad 2079

Amount in Rs.

Particulars	Schedule	This Year	Previous Year
Revenue			
Sales Revenue		-	-
Interest Income		368	11,015
Other Income	12	435,600	442,400
Total Revenue		435,968	453,415
Less : Administrative Expenses	13	16,462,498	14,219,394
Less : Depreciation Expenses		1,922,542	2,296,474
Profit/(Loss) before Tax		(17,949,072)	(16,062,454)
Provision for Income Tax		-	-
Deferred Tax Income/(Loss)		-	-
Net Profit/(Loss) for the year		(17,949,072)	(16,062,454)

Schedule 1 to 14 forms integral part of the financial statements

As per our report of even date

Bijaya Man Sherchan
Chairman

Dinesh Prashad Shrestha
Director

Binod Thakali
Director

CA. Rabin Kumar Shrestha
Principal
R. K. Associates
Chartered Accountants

Sagar Nepal
Accountant

Hem Nidhi Sharma
Director

Date: 2080.09.16
Place: Kathmandu

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Kathmandu, Nepal

Cash Flow Statement For the year ended 32 Ashad 2079

Particulars	Amount in Rs.	
	This Year	Previous Year
A. Cash Flow from operating activities:		
Net Profit / (Loss) before tax	(17,949,072)	(16,062,454)
Adjustment for:		
Depreciation	1,922,542	2,296,474
Operating profit/loss before working capital change	(16,026,530)	(13,765,979)
Change in Advances and Other Receivables	(1,706,460)	212,647,533
Change in Deposits and Margins	1,173,000	17,764,278
Change in Trade and Other Payables	(21,414,083)	145,752,895
Net cash flow from operating activities (A)	(37,974,073)	362,398,727
B. Cash Flow from Investing activities:		
Purchase of Property, Plant & Equipment	(396,030)	(67,282)
Sale of Property, Plant & Equipment	-	-
Change in Investment	-	(16,716,600)
Capital Work In Progress	(552,766,321)	(1,128,854,123)
Net cash flow from investing activities (B)	(553,162,351)	(1,145,638,005)
C. Cash Flow from Financing activities:		
Increase in Share Capital	333,367,500	156,776,400
Increase in Share Calls in Advance	(168,065,000)	(69,779,401)
Increase in Loans Liabilities	403,420,485	717,175,170
Net cash flow in financing activities (C)	568,722,985	804,172,169
Net increases/(Decrease) in cash and cash equivalent (A+B+C)	(22,413,439)	20,932,891
Cash and bank equivalents at the beginning of the year	29,716,353	8,783,462
Cash and bank balance at the end of the year	7,302,913	29,716,353

As per our report of even date

Bijaya Man Sherchan
Chairman

Dinesh Prashad Shrestha
Director

Binod Thakali
Director

CA. Rabin Kumar Shrestha
Principal
R. K. Associates
Chartered Accountants

Sagar Nepal
Accountant

Hem Nidhi Sharma
Director

Date: 2080.09.16
Place: Kathmandu

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Kathmandu, Nepal

Statement of Changes in Equity For the year ended 32 Ashad 2079

Amount in Rs.

Description	Paid up Capital	Advance for Share Capital	Reserve & Surplus	Total
Opening Balance	326,632,500	168,065,000	(56,730,445)	437,967,055
Adjustments for Profit/Loss accounts				-
Restated opening Balance	326,632,500	168,065,000	(56,730,445)	437,967,055
Increase in Share Capital	333,367,500	(168,065,000)	-	165,302,500
Net profit/(Loss) for the year	-		(17,949,072)	(17,949,072)
Balance as on 31-03-2078	660,000,000	-	(74,679,518)	585,320,482

As per our report of even date

Bijaya Man Sherchan
Chairman

Dinesh Prashad Shrestha
Director

Binod Thakali
Director

CA. Rabin Kumar Shrestha
Principal
R. K. Associates
Chartered Accountants

Sagar Nepal
Accountant

Hem Nidhi Sharma
Director

Date: 2080.09.16
Place: Kathmandu

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Kathmandu, Nepal As at 31 Ashad 2079

Schedule 1 - Property, Plant and Equipment

Pool	Particulars	Rate	Gross Block (At Cost)		Depreciation/Amortization		Written Down Value	
			As at Ashad 31, 2078	As at Ashad 32, 2079	For the year Adjustment	As at Ashad 32, 2079	As at Ashad 32, 2079	As at Ashad 31, 2078
A	Land			-	-	-	-	-
B	Buildings & Structure	5%	-	-	-	-	-	-
C	Furniture & Office Equipment	25%	4,515,281	4,526,311	398,926	3,329,534	1,196,777	1,584,673
D	Vehicles	20%	7,993,105	7,993,105	655,837	5,369,755	2,623,350	3,279,187
E	Plant and Machinery	15%	11,015,040	11,400,040	850,965	6,577,906	4,822,134	5,288,099
F	Software	5 yrs	84,072	84,072	16,814	56,681	27,391	44,206
	Total		23,607,498	24,003,528	1,922,542	15,333,876	8,669,653	10,196,165

Amount in Rs.

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited

Kathmandu, Nepal

Schedules to Financial Statements

As at 32 Ashad 2079

Schedule - 2 Capital Work in Progress

Amount in Rs.

Particulars	Current Year	Previous Year
Land and Land Development	17,019,990	16,582,623
Civil Works	1,055,782,088	801,124,920
Environment Mitigation	31,882,057	20,730,049
Infrastructure Development	57,027,220	71,151,171
Hydromechanical Works	404,110,058	337,040,897
Electromechanical Works	361,544,624	362,990,261
Project Supervision and Management	120,752,266	103,423,068
Miscellaneous and Insurance	6,929,649	4,191,623
Site office Building	154,093	-
Transmission Line & Switchyard	43,599,094	4,250,282
Interest During Construction	401,680,966	226,230,890
Project Development Expenses	39,197,455	39,197,455
Total	2,539,679,560	1,986,913,239

Schedule - 3 Investment

Amount in Rs.

Particulars	Current Year	Previous Year
Riverfalls Power Limited	16,716,600	16,716,600
(167,166 promoter shares of Rs. 100 per share)		
Total	16,716,600	16,716,600

Schedule - 4 Cash and Cash Equivalents

Amount in Rs.

Particulars	Current Year	Previous Year
Cash In Hand	54,257	39,548
Prabhu Bank Nepal Limited	585,538	585,349
Century Bank Limited	400,633	191,055
Civil Bank Limited	136,350	181,126
Citizen Bank International Limited	6,119,823	28,380,481
Rastriya Banijya Bank	6,312	338,793
Total	7,302,913	29,716,353

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Kathmandu, Nepal

Schedules to Financial Statements
As at 32 Ashad 2079

Schedule - 5 Advances and Other Receivables

Amount in Rs.

Particulars	Current Year	Previous Year
<u>Mobilisation & Advance Payment</u>		
Dhaulagairi Construction and Development Pvt Ltd.	68,060,821	18,274,027
BTM Suppliers	150,000	
Pabita-Geotech JV	-	20,556,200
Swayambhu-MM JV	1,862,232	60,660
Dawn Hydro Mechanical Works Pvt Ltd	14,705,895	37,202,497
Mahavir Shree International Pvt. Lt	6,121,345	15,248,521
WWS Wasserkraft	784,679	784,679
Ishan Construction	-	679,017
Angel Engineering Consultancy Pvt. Ltd	74,061	169,680
TAC Hydro Engineers	-	1,011,113
Ramesh K Basnet - Land Advance	10,539,850	10,539,850
Bharat Lamichhane Thapa - Land Advance	9,870,567	9,870,567
Tactical Solution	-	83,022
Shastika Architect and Construction	2,288,287	-
Bharat Lamichhane Thapa	703,044	482,636
<u>Other Receivables</u>		
Khani Khola Hydropower Company Ltd.	255,915	125,235
Pashupati Energy Development Company	360,743	162,000
Sundry advances & Receivables	2,173,747	1,038,635
Advance Income Tax	931,498	887,884
Total	118,882,683	117,176,223

Schedule - 6 Deposits and Margins

Amount in Rs.

Particulars	Current Year	Previous Year
<u>Deposits</u>		
Vidut Bikas Bibhag	700,000	700,000
Custom Department	3,000,000	3,000,000
World Link	2,000	2,000
<u>Margins</u>		
Guarantee Margin	1,894,000	1,894,000
LC Margin	8,426,473	9,599,473
Total	14,022,473	15,195,473

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Kathmandu, Nepal

Schedules to Financial Statements
As at 32 Ashad 2079

Schedule - 7 Share Capital

Amount in Rs.

Particulars	Current Year	Previous Year
Authorised Share Capital		
10,000,000 Ordinary shares of Rs.100 each	1,000,000,000	600,000,000
Issued Share Capital		
10,000,000 Ordinary shares of Rs.100 each	1,000,000,000	600,000,000
Paid Up Share Capital		
6,600,000 (3,266,325) ordinary shares of Rs.100 each fully paid	660,000,000	326,632,500
Total	660,000,000	326,632,500

Schedule - 8 Reserve and Surplus

Amount in Rs.

Particulars	Current Year	Previous Year
Accumulated Profit/Loss up to previous year	(56,730,445)	(40,667,992)
Profit/(Loss) during the year	(17,949,072)	(16,062,454)
Total	(74,679,518)	(56,730,445)

Schedule - 9 Long Term Loans

Amount in Rs.

Particulars	Current Year	Previous Year
Century Commerical Bank Limited	472,406,769	399,385,402
Citizens Bank International Limited	709,122,314	598,753,858
Civil Bank Limited	474,478,109	381,720,268
Total	1,656,007,191	1,379,859,528

Schedule - 10 Short Term Loans

Amount in Rs.

Particulars	Current Year	Previous Year
Bridge Gap Loan - Citizens Bank International Limited	10,000,000	167,727,178
Demand Loan - - Citizens Bank International Limited	285,000,000	-
Total	295,000,000	167,727,178

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited

Kathmandu, Nepal

Schedules to Financial Statements

As at 32 Ashad 2079

Schedule - 11 Trade and Other Payables

Amount in Rs.

Particulars	Current Year	Previous Year
TDS - Payable	965,130	2,808,042
Audit Fees Payable	111,500	83,625
House Rent Payable	-	18,360
Jaya Pashupati Constrction Pvt Ltd	-	62,440
Site Expenses Payable	137,220	454,341
Sarsij Travels	59,730	55,340
Project Allowance Payable	127,500	382,500
K & D Associates	-	451,575
ICRA Nepal	-	34,500
B. R. Auto Pvt Ltd	148,985	62,690
Tactical Solution	-	83,452
Srijana Workshop	69,050	-
Swayambhu Construction Pvt Ltd	-	4,733,979
Dawn Hydro Mechanical Works Pvt Ltd	11,727,935	10,000,000
Pabita - Geotech JV	6,756,006	10,782,436
Dhaulagir Construction	-	2,636,234
Mahavir Shree International Pvt Ltd	2,954,546	35,916,930
Budhabhumi Engineering Works	3,866,490	677,400
DEVI Shiddhakali Petrol Pump	493,728	-
Angel Engineering Consultancy Pvt. Ltd	141,975	-
ManManaram Motors Pvt Ltd	73,395	-
National Dhuwani Sewa	500,000	500,000
Retention - Payable	121,377,933	101,486,391
Underground Space Eng. Pvt Ltd	-	433,338
Ms. Chanda Shah	-	320,000
Meeting Allowance Payable	34,000	102,000
Salary Payable	1,286,745	134,355
CIT Payable	739,696	958,628
Gratuity Payable	253,954	361,401
Other Payable	17,120,690	16,820,334
Total	168,946,208	190,360,291

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited

Kathmandu, Nepal

For the year ended 32 Ashad 2079

Schedule - 12 Other Income

Amount in Rs.

Particulars	Current Year	Previous Year
House Rent	435,600	442,400
Other Income	-	-
Total	435,600	442,400

Schedule - 13 Administrative Expenses

Amount in Rs.

Particulars	Current Year	Previous Year
Advertisement & Publicity	23,000	158,226
Audit fee	113,000	84,750
Bank Charges	30,209	3,205
AGM Expenses	25,835	11,000
Board Meeting Allowances	40,000	120,000
Committee Meeting Allowances	123,522	41,174
Consultancy Fees	690,000	690,000
Rating Expenses	613,967	-
Office Rent	1,452,000	1,391,500
Insurance Premium	237,544	274,367
Fuel Expenses	365,404	206,183
Repair and Maintenance	233,855	204,155
News Paper & Periodicals	57,240	27,120
Office Cleaning & Maintenance	3,033	18,481
Postages & Courier	1,712	890
Printing and stationary	158,565	144,791
Certification Fees	73,450	-
Registration, renewal & membership	665,825	367,300
Telephone & Communication	208,365	243,147
Utility Expenses	116,691	87,343
Office Operating Expenses	52,483	43,604
Staff Salary & Allowances	9,512,499	9,201,535
Leave Pay	44,000	166,250
Travelling and Daily Allowance	1,257,600	564,450
Travelling Expenses	286,402	154,723
Misc. Expenses	76,297	15,200
Total	16,462,498	14,219,394

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Kathmandu, Nepal

Schedule 14

Significant Accounting Policies and Notes to Accounts

1 General Information

- 1.1 Mayakhola Hydropower Company was a Private limited company registered under companies Act of Nepal vide Regd. No. 73163/066/067 on 20 Jestha, 2067. The company has been converted to Public Limited Company (Public Ltd. No. 159553/073/074) on Mangsir, 20 2073 under the Company Act, 2063. The company is formed to carry out Hydropower Projects in Nepal. The company has acquired license for one of super six projects called Maya Khola Hydropower Project (14.9 MW) from Nepal Electricity Authority and has started its construction.

1.2 Approval of Financial Statements by Board of Directors

The Financial Statements for the year ended on 32 Ashad 2079 was approved for issue on Poush 16, 2080. The Board of Directors acknowledges the responsibility of preparation of financial statements.

2 Significant Accounting Policies & Notes to the Accounts

2.1 Accounting Convention

The financial statements are presented on a historical cost convention, following accrual basis of accounting.

2.2 Statement of Compliance

The Financial Statements have been prepared in accordance with Nepal Accounting Standards ("NAS"), unless otherwise stated, Generally Accepted Accounting Principles ("GAAP") and in compliance with Companies Act, 2063.

2.3 Use of estimates

The preparation of the financial statements in conformity with GAAP and NAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of balance sheet. Actual amount could differ from those estimates. Any differences from those estimates are recorded in the period in which they are identified.

2.4 Going Concern

The Directors have made an assessment of Maya Khola Hydropower Company Limited ability continue as going concern and is satisfied that it has resources to continue in business for the foreseeable future. Furthermore Board is not aware of any material uncertainty that may cast significant doubt upon company's ability to continue as going concern and do not intend either to liquidate or cease operations of it. Therefore, the financial statements are prepared on going concern.

2.5 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue and associated costs incurred or to be incurred can be reliably measured.

The Project is under construction phase and no revenue has been generated.

2.6 Property Plant and Equipment

Property, Plant & Equipment have been accounted at cost of purchase/construction plus the incidental expenses related to such purchase/construction.

Depreciation on PPE has been calculated on diminishing balance value method. Depreciation Rate and method has been adopted as prescribed by Income Tax Act, 2058.

2.7 Capital Work in Progress

All direct expenses in connection with development and construction of the projec have been presented as Capital Work In Progress. Borrowing cost incurred during the year are against the amount borrowed for the purpose of construction, hence the interest thereon is treated as Capital Work in Progress, which shall be capitalised on the respective assets upon completion of the project.

2.8 Investment

The Company has investment of Rs. 1,671,600 in Riverfalls Power Limited. The investment are in the form of equity shares and are stated at Rs.100/share.

2.9 Income Tax

Current Tax: Provision for current tax is recognized as per applicable provisions of Income Tax Act, 2058 & Rules, 2059 along with amendments that are applicable in particular income year. No income tax provision is provided as company is bearing net losses.

Deferred Tax: Deferred taxes are recognized on temporary differences that arise among financial accounts and tax accounts. A deferred tax asset is recognized on future deductible difference where as deferred tax liability is recognized on future taxable difference arising as on balance sheet date. Company has not recognised deferred tax assets on account of unused carry forward tax losses.

2.10 Required Commercial Operation Date (RCOD)

ROCD of the Mayo Khola Hydropower project as per fourth amendment in Power Purchase Agreement with Nepal Electricity dated 2080/08/13 is 2079.10.03.

As per Power Purchase Agreement entered between Mayo Khola Hydropower Limited and Nepal Electricity Authority on Mangsir 2070 if the Actual Commercial Operation Date is not within six months after RCOD, the project shall pay penalty and fines to Nepal Electricity Authority calculated as below.

Lower of A or B

A={0.28*Energy computed for delayed days (from 6 months of RCOD to COD) on the basis of contract energy* PPA Rate at COD}

B= Interest computed as per loan agreement for the said period - {0.17*energy computed for delayed days (from 6 months of RCOD to COD) on the basis of contract Energy* PPA Rate at COD}

Actual Commercial Operation of Date of the project as per the letter dated 2080.04.23 of Nepal Electricity Authority, Power Trade Department is 2080.04.22.

2.11 Related Parties Transaction

Directors Salary and/or Allowance

Name	Relationship	Transaction	Amount Rs.
1. Bijaya Man Sherchan	Executive Chairman	Salary & Allowance	4,103,892
2. Dinesh Prashad Shrestha	Director	Project Allowance	600,000
3. Binod Thakali	Director	Project Allowance	600,000
4. Hem Nidhi Sharma	Director	Project Allowance	300,000
Total			5,603,892

2.12 Performance Bond Guarantee

The Company has deposited a performance bond guarantee amounting to Rs. 8,940,000 for signing Power Purchase Agreement with Nepal Electricity Authority and Rs 10,000,000 for development of Hydropower project to Department of Electricity Development.

2.13 Figures of previous years have been restated wherever necessary.

M Tiwari & Associates

Chartered Accountants

tiwarimuralidhar@gmail.com

Kirtipur Municipality -1,

Tyangla, P.O. Box 12136,

Kathmandu, Nepal

Tel: 4331060, Mob:9861583579

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of

M/s Maya Khola Hydropower Company Limited

Opinion

We have audited the financial statements of **M/s Maya Khola Hydropower Company Limited (the Company)**, which comprise the statement of financial position as at Ashadh 31, 2080, and the 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 corporate information, including a summary of significant accounting policies and other financial information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at Ashadh 31, 2080, and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

Basis of 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 ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook of The Code of Ethics For Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Nepal Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but



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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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



M Tiwari & Associates

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Report on Other Legal and Regulatory Requirements

As per the requirements of Section 115 of the Companies Act, 2063 (First Amendment 2074), we further report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion the Company has kept proper books of account as required by law so far, as appears from our examinations of those Books
- c) The financial statements are in agreement with the books of account.
- d) In our opinion and to the best of our information and according to the explanation given to us, the financial statement the said the statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows and notes to the financial statements, including a summary of significant accounting policies give the information required by the Companies Act, 2063 (First Amendment 2074) in the manner so required and give a true and fair view:
 - i. In the case of Statement of Financial Position, of the state of affairs of the Company as at 31 Ashadh, 2080; and
 - ii. In the case of Statement of Profit or Loss and Other Comprehensive Income, of the results of operations of the Company for the year ended on 31 Ashadh, 2080; and
 - iii. In the case of the Statement of Cash Flows, of Cash inflow and outflow of Company for the year ended on that date.
- e) Neither we have come across any of the information about the misappropriation of fund by the directors or any of the representative or company's staffs during the course of our audit nor have we received any such information from the management.
- f) No accounting fraud has been observed during the course of our audit.

CA Murali Dhar Tiwari
Proprietor
M Tiwari & Associates
Chartered Accountants



Date: Bhadra 27, 2081
Place: Kathmandu, Nepal

UDIN: 240923CA00064AxFpj

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Statement of Financial Position As at Ashad 31, 2080 (16 July 2023)

		Figures in NPR		
	Note	31st Ashad 2080	Restated* 32nd Ashad 2079	Restated* 1st Shrawan 2078
ASSETS				
Non-Current Assets				
Property, plant and equipment	4	6,706,004	8,642,261	10,151,959
Intangible assets	5	3,027,748,714	27,391	44,206
Intangible assets under development	6	-	2,573,700,641	2,012,373,070
Other non-current assets	7	236,004,328	115,160,780	114,962,468
Total Non-Current Assets		3,270,459,046	2,697,531,073	2,137,531,703
Current assets				
Financial assets				
Cash and cash equivalents	8	27,649,546	7,302,913	29,716,353
Bank Balance other than Cash and Cash Equivalents	9	7,451,473	10,320,473	11,493,474
Trade Receivables	10	4,131,758	-	-
Investment in Financial Assets measured through OCI	11	41,791,500	38,949,678	16,716,600
Other financial assets	12	11,036,885	5,792,405	4,327,870
Current tax assets	13	995,408	931,498	887,884
Total current assets		93,056,571	63,296,968	63,142,181
Total assets		3,363,515,617	2,760,828,041	2,200,673,884
EQUITY AND LIABILITIES				
Equity				
Share capital	14	1,000,000,000	660,000,000	494,697,500
Other equity	15	(19,432,656)	(24,683,629)	(31,970,614)
Total Equity		980,567,344	635,316,371	462,726,886
Liabilities				
Non-Current Liabilities				
Financial liabilities				
Borrowings	16	2,202,299,935	1,666,007,191	1,547,586,706
Deferred Tax Liability	17	6,268,726	5,558,270	-
Total Non-Current Liabilities		2,208,568,660	1,671,565,461	1,547,586,706
Current Liabilities				
Financial liabilities				
Borrowings	16	25,000,000	285,000,000	-
Trade & Other Payables	18	124,835,582	151,825,519	173,539,958
Other financial liabilities	19	24,544,032	17,120,690	16,820,334
Provisions		-	-	-
Total Current Liabilities		174,379,613	453,946,209	190,360,292
Total Liabilities		2,382,948,273	2,125,511,670	1,737,946,998
Total Equity and Liabilities		3,363,515,617	2,760,828,041	2,200,673,884

The accompanying notes are integral part of these financial statements.

As per our report of even date

Bijaya Man Sherchan
Chairperson

Dinesh Prasad Shrestha
Director

Binod Thakali
Director

CA. Murali Dhar Tiwari
Proprietor
M Tiwari & Associates
Chartered Accountants

Hem Nidhi Sharma
Director

Sagar Nepal
Finance Manager

Date: 2081 Bhadra 27
Place: Kathmandu



छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Statement of Profit or Loss and other Comprehensive Income For the year ended 31st Ashad 2080 (16 July 2023)

		Figures in NPR	
	Note	2079-80	2078-79
Revenue	20	461,850,104	2,573,700,640.76
Cost of Sales	21	460,532,434	2,573,700,640.76
Gross profit		1,317,670	-
Other income	22	22,064,654	435,968.34
Administrative and other operating expenses	23	13,276,935	9,793,582.30
Finance Costs	24	6,985,782	30,209.23
Profit/(Loss) Before Tax		3,119,607	(9,387,823.19)
Income Tax Expense			
Current tax		-	-
Deferred tax		-	-
Profit/(Loss) from continuing operations		3,119,607	(9,387,823.19)
OTHER COMPREHENSIVE INCOME			
Other comprehensive Income not to be reclassified to profit or loss in subsequent periods			
i. Changes in the fair value of equity investments at fair value through OCI		2,841,822	22,233,078.00
ii. Actuarial Gain/(Loss) on defined Employment benefit		-	-
iii. Gain/Loss on Revaluation		-	-
iv. Income tax relating to items that will not be reclassified to profit or loss		(710,456)	(5,558,269.50)
Other comprehensive gain/(loss) for the year, net of tax		2,131,366	16,674,808.50
Total Comprehensive gain/(loss) for the year, net of tax		5,250,973	7,286,985.31
Earnings per equity share of Rs. 100 each			
Basic Earnings per share - Rs.	24	0	(2.87)
Diluted Earnings per share - Rs.	24	0	(2.87)

The accompanying notes are integral part of these financial statements.

As per our report of even date attached

Bijaya Man Sherchan
Chairperson

Dinesh Prasad Shrestha
Director

Binod Thakali
Director

CA. Murali Dhar Tiwari
Proprietor
M Tiwari & Associates
Chartered Accountants

Hem Nidhi Sharma
Director

Sagar Nepal
Finance Manager

Date: 2081 Bhadra 27
Place: Kathmandu

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited
Statement of Cash Flows
For the year ended 31st Ashad 2080 (16 July 2023)

	Figures in NPR	
	2079-80	2078-79
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	3,119,607	(9,387,823)
Adjustments for:		
Depreciation and amortization	4,163,215	1,922,542
Finance Income	(638,880)	(435,600)
Provision for expenses	-	-
Loss on sale of Fixed Assets	341,304	-
Working capital adjustments:		
(Increase) / decrease in Other Financial Assets	(5,244,480)	(1,464,535)
(Increase) / decrease in Bank Balance other than Cash & Cash Equivalents	2,869,000	1,173,000
(Increase) / decrease in Trade Receivables	(4,131,758)	-
(Increase) / decrease in Other Current Assets	(63,910)	(43,614)
Increase / (decrease) in Trade and other payables	(26,989,937)	(21,714,439)
Increase / (decrease) in Other Current Liabilities	7,423,342	300,356
Cash generated from operations	(26,137,743)	(21,749,232)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(19,152,497)	(29,650,112)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
(Increase)/decrease in Intangible assets under development	(456,825,644)	(561,327,570)
(Increase)/decrease in other non-current assets	(120,843,548)	(198,311)
Acquisition of Property, plant and Equipment	(63,300)	(396,030)
Acquisition of Intangible Assets	-	-
Purchase of Financial Assets	-	-
Sales Proceeds of Property, plant and Equipment	300,000	
Finance Income	638,880	435,600
NET CASH FLOWS FROM INVESTING ACTIVITIES	(576,793,613)	(561,486,311)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan Prepayment	-	-
Increase in Borrowings	276,292,743	403,420,484
Increment in Share Capital	340,000,000	165,302,500
NET CASH FLOWS FROM FINANCING ACTIVITIES	616,292,743	568,722,984
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	20,346,633	(22,413,439)
CASH AND CASH EQUIVALENTS, Beginning of Period	7,302,913	29,716,353
CASH AND CASH EQUIVALENTS, End of Period	27,649,546	7,302,913

The accompanying notes are integral part of these financial statements.

As per our report of even date

Bijaya Man Sherchan
Chairperson

Dinesh Prasad Shrestha
Director

Binod Thakali
Director

CA. Murali Dhar
Proprietor
M Tiwari & Associates
Chartered Accountants

Hem Nidhi Sharma
Director

Sagar Nepal
Finance Manager

Date: 2081 Bhadra 27
Place: Kathmandu

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Statement of Changes in Equity For the year ended 31st Ashad 2080 (16 July 2023)

Particulars	Figures in NPR			
	Share Capital	Retained Earnings	Advance towards share capital	Total
Balance at 1 Shrawan 2077	169,856,100	(24,189,542)	237,844,401	383,510,959
Profit for the year	-	(7,781,072)	-	(7,781,072)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	(7,781,072)	-	375,729,887
Issue of bonus shares	-	-	-	-
Dividends to shareholders	-	-	-	-
Issue of new shares	156,776,400	-	-	156,776,400
Advance share capital	-	-	(69,779,401)	(69,779,401)
Balance at 31st Ashad 2078	156,776,400	(7,781,072)	168,065,000	462,726,886
Profit for the year	-	(9,387,823)	-	(9,387,823)
Other comprehensive income	-	16,674,809	-	16,674,809
Total comprehensive income	-	7,286,985	-	7,286,985
Issue of bonus shares	-	-	-	-
Dividends to shareholders	-	-	-	-
Issue of new shares	333,367,500	-	-	333,367,500
Advance share capital	-	-	(168,065,000)	(168,065,000)
Balance at 32nd Ashad 2079	490,143,900	(494,087)	-	635,316,371
Profit for the year	-	3,119,607	-	3,119,607
Other comprehensive income	-	2,131,366	-	2,131,366
Total comprehensive income	-	5,250,973	-	5,250,973
Issue of bonus shares	-	-	-	-
Dividends to shareholders	-	-	-	-
Issue of new shares	340,000,000	-	-	340,000,000
Advance share capital	-	-	-	-
Balance at 31st Ashad 2080	830,143,900	4,756,886	-	980,567,344

The accompanying notes are integral part of these financial statements.

As per our report of even date

Bijaya Man Sherchan
Chairperson

Dinesh Prasad Shrestha
Director

Binod Thakali
Director

CA. Murali Dhar Tiwari
Proprietor
M Tiwari & Associates
Chartered Accountants

Hem Nidhi Sharma
Director

Sagar Nepal
Finance Manager

Date: 2081 Bhadra 27
Place: Kathmandu

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Notes to Financial Statements For the year ended 31st Ashad 2080 (16 July 2023)

Figures in NPR

Note no: 3

FIRST TIME ADOPTION OF NFRS

The financial statements are prepared in accordance with Nepal Financial Reporting Standards (NFRS) as issued by the Institute of Chartered Accountants of Nepal (ICAN); with effect from 1 Shrawan, 2079, with a transition date of 1 Shrawan, 2078. These financial statements for the year ended 31 Ashad, 2080 are the first the Company has prepared under NFRS. For all periods up to and including the year ended 32 Ashad, 2079, the Company prepared its financial statements in accordance with earlier issued Nepal Accounting Standards (hereinafter referred to as 'Previous GAAP').

The adoption of NFRS has been carried out in accordance with NFRS 1, First-time Adoption of NFRS. NFRS 1 requires that all NFRS and interpretations that are issued and effective for the first NFRS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with NFRS for year ended 31 Ashad, 2080, together with the comparative information as at and for the year ended 32 Ashad, 2079 and the opening NFRS Balance Sheet as at 1 Shrawan, 2078, the date of transition to NFRS.

In preparing these NFRS financial statements, the Company has availed certain exemptions and exceptions in accordance with NFRS 1, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under NFRS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its Previous GAAP financial statements, including the Statement of Financial Position as at 1 Shrawan, 2078 and the financial statements as at and for the year ended 32 Ashad, 2079.

A. Exemptions from retrospective application

NFRS 1 allows first-time adopters certain exemptions from retrospective application of certain requirements under NFRS. The Company has elected to apply the following optional exemptions from retrospective application:

a) Deemed cost for property, plant and equipment and intangible assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to NFRS.

B. Exceptions to retrospective application

The Company has applied the following exceptions to the retrospective application of NFRS as mandatorily required under NFRS 1:

a) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under NFRS, as there is no objective evidence that those estimates were in error. However, estimates that were required under NFRS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

b) Classification and measurement of financial assets

The classification of financial assets to be measured at amortized cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to NFRS.

c) Derecognition of financial assets and liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities.

C. Transition to NFRS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to NFRS in accordance

- I. Reconciliation of Equity as at 1 Shrawan, 2078.
- II. Reconciliation of Equity as at 32 Ashad, 2079.
- III. Reconciliation of Statement of Profit or Loss and other Comprehensive income for the year ended 32 Ashad, 2079.
- IV. Adjustments to Statement of Cash Flows

Previous GAAP information has been reclassified/regrouped in accordance with NFRS, wherever necessary, based on the audited financial statements of the Company for the year ended 32 Ashad, 2079 and 31 Ashad, 2078.

I. Reconciliation of Equity as at 1 Shrawan, 2078

	Note	Previously reported balance	Reconciliation	NFRS Balance
ASSETS				
Non-Current Assets				
Property, plant and equipment	A	10,196,165	(44,206)	10,151,959
Intangible assets	A	-	44,206	44,206
Intangible assets under development	B	1,986,913,239	25,459,832	2,012,373,070
Other non-current assets	C	-	114,962,468	114,962,468
Current assets				
Financial assets				
Cash and cash equivalents		29,716,353	-	29,716,353
Bank Balance other than Cash and Cash Equivalents	D	15,195,473	(3,702,000)	11,493,474
Investment in Financial Assets measured through OCI	E	16,716,600	-	16,716,600
Other financial assets	F	117,176,223	(112,848,353)	4,327,870
Current tax assets	G	-	887,884	887,884
Total assets		2,175,914,052	24,759,831	2,200,673,884

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Maya Khola Hydropower Company Limited
Notes to Financial Statements
For the year ended 31st Ashad 2080 (16 July 2023)

Figures in NPR

Note no: 3

FIRST TIME ADOPTION OF NFRS

EQUITY AND LIABILITIES

Equity

Share capital		326,632,500	168,065,000	494,697,500
Other equity	H	111,334,555	(143,305,169)	(31,970,614)

Non-Current Liabilities

Financial liabilities				
Borrowings	I	1,379,859,528	167,727,178	1,547,586,706
Deferred Tax Liability	J	-	-	-

Current Liabilities

Financial liabilities				
Borrowings	I	167,727,178	(167,727,178)	-
Trade & Other Payables	K	190,360,291	(16,820,334)	173,539,958
Other financial liabilities	K	-	16,820,334	16,820,334
Provisions		-	-	-

Total Equity and Liabilities

2,175,914,052	24,759,831	2,200,673,884
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II. Reconciliation of Equity as at 1 Shrawan, 2079

	Note	Previously reported balance	Reconciliation	NFRS Balance
ASSETS				
Non-Current Assets				
Property, plant and equipment	A	8,669,653	(27,392)	8,642,261
Intangible assets	A	-	27,391	27,391
Intangible assets under development	B	2,539,679,560.06	34,021,081	2,573,700,641
Other non-current assets	C	0	115,160,780	115,160,780
Current assets				
Financial assets				
Cash and cash equivalents		7,302,913	-	7,302,913
Bank Balance other than Cash and Cash Equivalents	D	14,022,473	(3,702,000)	10,320,473
Investment in Financial Assets measured through OCI	E	16,716,600	22,233,078	38,949,678
Other financial assets	F	118,882,683	(113,090,278)	5,792,405
Other current assets	G	-	931,498	931,498
Total assets		2,705,273,882	55,554,158	2,760,828,041

EQUITY AND LIABILITIES

Equity

Share capital		660,000,000	-	660,000,000
Other equity	H	(74,679,518)	49,995,889	(24,683,629)

Non-Current Liabilities

Financial liabilities				
Borrowings	I	1,656,007,191	10,000,000	1,666,007,191
Deferred Tax Liability	J	-	5,558,270	5,558,270

Current Liabilities

Financial liabilities				
Borrowings	I	295,000,000	(10,000,000)	285,000,000
Trade and other payables	K	168,946,208	(17,120,690)	151,825,519
Other financial liabilities	K	-	17,120,690	17,120,690
Provisions		-	-	-

Total Equity and Liabilities

2,705,273,882	55,554,158	2,760,828,041
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III. Reconciliation of Statement of Profit or Loss and other Comprehensive income for the year ended 31 Ashad, 2079

	Note	Previously reported balance	Reconciliation	NFRS Balance
Revenue	L	-	2,573,700,641	2,573,700,641
Cost of Sales	L	-	2,573,700,641	2,573,700,641
Gross profit		-	-	-

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Maya Khola Hydropower Company Limited Notes to Financial Statements For the year ended 31st Ashad 2080 (16 July 2023)

Figures in NPR

Note no: 3

FIRST TIME ADOPTION OF NFRS

Other income		435,968	-	435,968
Administrative and other operating expenses	M	16,462,498	(6,668,916)	9,793,582
Depreciation and amortisation expense	N	1,922,542	(1,922,542)	-
Finance Costs	O	-	30,209	30,209
Profit / (Loss) Before Tax		(17,949,072)	8,561,249	(9,387,823)
Income Tax Expense				
Current tax		-	-	-
Deferred tax		-	-	-
Net Profit for the year		(17,949,072)	8,561,249	(9,387,823)
Other comprehensive Income:				
Other comprehensive gain/(loss) for the year, net of tax	P	-	16,674,809	16,674,809
Total Comprehensive gain/(loss) for the year, net of tax		(17,949,072)	25,236,058	7,286,985

A. Property, plant and equipment

Intangible Assets i.e. Software previously classified as Property, Plant and Equipment has now been reclassified under Intangible Assets.

B. Intangible assets under development

- Staff and Salary expense which is used both in site and in the project are segregated into both "Intangible assets under development" and charged to Statement of Profit or Loss in the ratio determined by the management.
- License fee paid to DOED previously classified as 'Deposits' have now been capitalised.

C. Other non current assets

Advance to Suppliers/ Contractors/ Sub-contractors previously classified under "Debtors, Advances and Other Receivables" now reclassified under Other non-current assets.

D. Bank Balance other than Cash and Cash Equivalents

Deposits (World Link Deposit and Customs Department Deposit) has been reclassified to Other Financial Assets.

E. Investment in Financial Assets measured through OCI

Investment made in promoter shares of Riverfalls Power Limited, and their gain/loss has been reclassified under head Financial Assets through OCI.

F. Other financial assets

Advance to Suppliers/ Contractors/ Sub-contractors previously classified under "Debtors, Advances and Other Receivables" now reclassified under Other non-current assets.

G. Current tax assets

Advance Income Tax previously classified under "Debtors, Advances and Other Receivables" has been reclassified under Current Tax Assets.

H. Other equity

- Staff salary expenses which is used both in site and in the project are segregated into both "Intangible assets under development" and charged to Statement of Profit or Loss in the ratio determined by the management. The depreciation for the year prior to date of transition is reflected directly in Other Equity.
- Changes in Fair Value of Investment in Financial Assets measured through OCI are adjusted through Fair Value Reserve in other equity.

I. Borrowings

Bridge Gap Loan previously classified under Borrowings (Short Term Loan), now reclassified under Borrowings - Non Current Liabilities.

J. Deferred Tax Liability

Deferred tax related to gain/loss in Investments in financial Assets Measured through OCI.

K. Trade & Other Payables & Other financial liabilities

Trade and Other Payables under GAAP financial statements is segregated into Trade and other payables, and other financial liabilities.

L. Revenue and cost during construction phase

Under previous GAAP, revenue and cost during construction phase was not recognized considering that the project is on construction phase. However, as per the requirement of IFRIC 12, revenue and cost incurred during the construction phase has been recognized in SOPL.

M. Administrative and other operating expenses

Staff and Salary expense which is used both in site and in the project are segregated into both "Intangible assets under development" and charged to Statement of Profit or Loss in the ratio determined by the management.

Maya Khola Hydropower Company Limited
Notes to Financial Statements
For the year ended 31st Ashad 2080 (16 July 2023)

Figures in NPR

Note no: 3

FIRST TIME ADOPTION OF NFRS

N. Depreciation and amortisation expense

Depreciation expense are grouped into Administrative and other operating expenses.

O. Finance Costs

Finance Costs previously classified under 'Administrative and other operating expenses' has now been reclassified as 'Finance Costs'.

P. Other comprehensive gain/(loss) for the year, net of tax

Gain or (loss) on fair value through OCI financial assets net of deferred taxation is presented under Other Comprehensive Income Section.

IV. Adjustments to Statement of Cash Flows

There is no major presentation adjustment in statement of cash flow due to first time implementation of NFRS.

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Maya Khola Hydropower Company Limited Notes to Financial Statements As at 31st Ashad 2080 (16 July 2023)

Figures in NPR

Note no: 4

Property, plant and equipment

	Buildings & Structure	Furniture & Office Equipment	Vehicles	Plant and Machinery	Total
Cost					
Balance at 1st Shrawan 2077	-	4,493,651	7,993,105	11,015,040	23,501,796
Additions	-	21,630	-	-	21,630
Revaluation and adjustments	-	-	-	-	-
Transfer to PPE	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 31st Ashad 2078	-	4,515,281	7,993,105	11,015,040	23,523,426
Additions	-	11,030	-	385,000	396,030
Revaluation and adjustments	-	-	-	-	-
Transfer to PPE	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 32nd Ashad 2079	-	4,526,311	7,993,105	11,400,040	23,919,456
Additions	-	63,300	-	-	63,300
Revaluation and adjustments	-	-	-	-	-
Transfer to PPE	-	-	-	-	-
Disposals	-	-	-	(1,365,040)	(1,365,040)
Balance at 31st Ashad 2080	-	4,589,611	7,993,105	10,035,000	22,617,716
Depreciation and impairment losses					
Balance at 1st Shrawan 2077	-	2,403,939	3,894,121	4,793,747	11,091,807
Charge for the year	-	526,669	819,797	933,194	2,279,660
Adjustment due to Revaluations and others	-	-	-	-	-
Impairment Losses	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 31st Ashad 2078	-	2,930,608	4,713,918	5,726,941	13,371,467
Charge for the year	-	398,926	655,837	850,965	1,905,728
Adjustment due to Revaluations and others	-	-	-	-	-
Impairment Losses	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 32nd Ashad 2079	-	3,329,534	5,369,755	6,577,906	15,277,195
Charge for the year	-	315,019	524,670	518,564	1,358,253
Adjustment due to Revaluations and others	-	-	-	-	-
Impairment Losses	-	-	-	-	-
Disposals	-	-	-	(723,736)	(723,736)
Balance at 31st Ashad 2080	-	3,644,553	5,894,425	6,372,734	15,911,712
Net book value					
At 1st Shrawan 2077	-	2,089,712	4,098,984	6,221,293	12,409,989
At 31st Ashad 2078	-	1,584,673	3,279,187	5,288,099	10,151,959
At 32nd Ashad 2079	-	1,196,777	2,623,350	4,822,134	8,642,261
At 31st Ashad 2080	-	945,058	2,098,680	3,662,266	6,706,004

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Maya Khola Hydropower Company Limited Notes to Financial Statements As at Ashad 31, 2080 (16 July 2023)

Figures in NPR

Note no: 5

Intangible assets

	Service Concession Arrangement Intangibles	Computer Software	Total
Cost			
Balance at 31st Ashad 2077	-	38,420	38,420
Additions - Externally acquired	-	45,652	45,652
Other acquisitions internally developed	-	-	-
Balance at 31st Ashad 2078	-	84,072	84,072
Additions - Externally acquired	-	-	-
Other acquisitions internally developed	-	-	-
Balance at 32nd Ashad 2079	-	84,072	84,072
Additions - Externally acquired	3,030,526,284	-	3,030,526,284
Other acquisitions internally developed	-	-	-
Balance at 31st Ashad 2080	3,030,526,284	84,072	3,030,610,356
Amortisation and impairment losses			
Balance at 31st Ashad 2077	-	23,052	23,052
Charge for the year	-	16,814	16,814
Impairment losses	-	-	-
Balance at 31st Ashad 2078	-	39,866	39,866
Charge for the year	-	16,814	16,814
Impairment losses	-	-	-
Balance at 32nd Ashad 2079	-	56,681	56,681
Charge for the year	2,788,147	16,814	2,804,962
Impairment losses	-	-	-
Balance at 31st Ashad 2080	2,788,147	73,495	2,861,643
Net book value			
At 31st Ashad 2077	-	15,368	15,368
At 31st Ashad 2078	-	44,206	44,206
At 32nd Ashad 2079	-	27,391	27,391
At 31st Ashad 2080	3,027,738,137	10,577	3,027,748,714
Gross carrying amount of any fully amortised intangibles that are still	-	-	-

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Maya Khola Hydropower Company Limited Notes to Financial Statements As at 31st Ashad 2080 (16 July 2023)

Figures in NPR

Note 6

Intangible assets under development

Particulars	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
Land and Land Development	-	17,019,990	16,582,623
Civil Works	-	1,055,782,088	801,124,920
Environment Mitigation	-	31,882,057	20,730,049
Infrastructure Development	-	57,027,220	71,151,171
Hydromechanical Works	-	404,110,058	337,040,897
Electromechanical Works	-	361,544,624	362,990,261
Project Supervision and Management	-	154,073,346	128,182,900
Miscellaneous and Insurance	-	6,929,649	4,191,623
Site office Building	-	154,093	-
Transmission Line & Switchyard	-	43,599,094	4,250,282
Interest During Construction	-	401,680,966	226,230,890
Project Development Expenses	-	39,897,455	39,897,455
Total (A+B+C+D+E)	-	2,573,700,641	2,012,373,070

a) The Company is a developer of hydro electricity. The company has started generation of hydro electricity on 2080.03.22. Profit margin on construction phase is assumed to be 0% (i.e. Revenue is recognised at Cost plus Zero percent markup) and accordingly revenue and cost during construction phase has been recognized which is equal to actual construction cost during the period.
For more detail refer note 2.4 and note 2.17.

The power purchase agreement (PPA) with Nepal Electricity Authority (NEA) was signed on 2070.08.30 and the financial closure has been completed on 2073.08.21. The extended Required Commercial Operation Date (RCOD) is 2079.10.03. As per PPA entered between MKHP and NEA, if the Actual Commercial Operation Date is not later than 6 months of RCOD, the project shall not pay penalty and fines to NEA. Hence, the MKHP has not paid fines and penalties to NEA.

c) Refer Note no: 15 for the details in respect of assets hypothecated/Pledged/ mortgaged as security for borrowings.

Note no: 8

Other non-current assets

Particulars	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
Advance to Suppliers/ Contractors/ Sub-contractors	236,004,328	115,160,780	114,962,468
Total	236,004,328	115,160,780	114,962,468

The company has provided advances to contractors for construction project and advances to other suppliers for purchase of materials required for the construction. These advances will be reclassified to Intangible Assets under development upon settlement with the contractors and suppliers. The advance provided for land purchase will also be reclassified to Intangible Assets under development upon the transfer of all the risk and rewards related to the land along with legal title is transferred to the company.

Note no: 9

Cash and cash equivalents

Particulars	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
Cash on hand	60,770	54,257	39,548
Cash at bank	27,588,776	7,248,656	29,676,805
Total	27,649,546	7,302,913	29,716,353

Note no: 10

Bank Balance other than Cash and Cash Equivalents

Particulars	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
Earmarked Balance with Banks			
Margin money			
Guarantee Margin	1,894,000.00	1,894,000	1,894,000
LC Margin	5,557,473.44	8,426,473	9,599,474
Total	7,451,473.44	10,320,473	11,493,474

Note no: 7

Other non-current assets

Particulars	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
Receivables - Nepal Electricity Authority	4,131,758	-	-
Total	4,131,758	-	-

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Note no: 11

Investment in Financial Assets measured through OCI

Particulars	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
Investment in Unquoted Equity Instruments			
Riverfalls Power Limited (167,166 promoter shares of Rs. 100 per share)	-	-	16,716,600
Investment in Quoted Equity Instruments			
Riverfalls Power Limited (167,166 promoter shares of Rs. 100 per share)	41,791,500	38,949,678	-
Total	41,791,500	38,949,678	16,716,600

The cost basis of the above financial assets measured at Fair value through other comprehensive income is:

	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
Riverfalls Power Limited (167,166 promoter shares of Rs. 100 per share)	41,791,500	38,949,678	16,716,600
Total	41,791,500	38,949,678	16,716,600

Note no: 12

Other financial assets

Particulars	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
Deposits	3,002,000	3,002,000	3,002,000
Other Receivables	8,034,885	2,790,405	1,325,870
Total	11,036,885	5,792,405	4,327,870

Note no: 13

Current Tax Assets/(Liabilities)

Particulars	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
Advance Income Tax	995,408	931,498	887,884
Income Tax Liability	-	-	-
Total	995,408	931,498	887,884

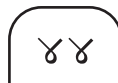
Note no: 14

Share capital

	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
A. Equity Share Capital			
Authorized			
Equity Shares of Rs. 100 each with voting rights	1,000,000,000	1,000,000,000	600,000,000
Issued			
Equity Shares of Rs. 100 each with voting rights	1,000,000,000	1,000,000,000	600,000,000
Fully Paid			
Ordinary Equity Shares of Rs. 100 each with voting rights	1,000,000,000	660,000,000	326,632,500
Advance for Share Capital	-	-	168,065,000
Total	1,000,000,000	660,000,000	494,697,500

B. Reconciliation of the number of shares outstanding at the beginning and end of the year

Particulars	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
Authorized			
Equity Shares of Rs. 100 each with voting rights	10,000,000	10,000,000	6,000,000
Issued			
Equity Shares of Rs. 100 each with voting rights	10,000,000	10,000,000	6,000,000
Fully Paid			
Equity Shares of Rs. 100 each with voting rights	6,600,000	3,266,325	3,266,325
Issue of new shares	3,400,000	3,333,675	-
Total	10,000,000	6,600,000	3,266,325



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C. Details of shareholding structure (Proportion)

Particulars	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
Promoters Share	66%	100%	100%
General Public	34%	0%	0%
Total	100%	100%	100%

The Company has only one class of equity shares having par value of NPR 100 per share. Every member holding equity shares therein shall have voting rights in proportion to the member's share of the paid up equity share capital.

Note no: 15

Other equity

	Retained earnings	Fair Value Reserve	Total
Balance at 1 Shrawan 2077	(24,189,542)	-	(24,189,542)
Profit for the year	(7,781,072)	-	(7,781,072)
Other comprehensive income	-	-	-
Dividends to shareholders	-	-	-
Balance at 31st Ashad 2078	(31,970,614)	-	(31,970,614)
Profit for the year	(9,387,823)	-	(9,387,823)
Other comprehensive income	-	16,674,809	16,674,809
Dividends to shareholders	-	-	-
Balance at 32nd Ashad 2079	(41,358,437)	16,674,809	(24,683,629)
Profit for the year	3,119,607	-	3,119,607
Other comprehensive income	-	2,131,366	2,131,366
Dividends to shareholders	-	-	-
Balance at 31st Ashad 2080	(38,238,830.00)	18,806,175.00	(19,432,656.00)

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Note no: 16

Borrowings

Particulars	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
Measured at amortized cost			
Secured Borrowings from Banks			
Term loan	1,941,283,241.40	1,656,007,191	1,379,859,528
Bridge Gap Loan	286,016,693.31	10,000,000	167,727,178
Demand Loan	-	285,000,000	-
Total	2,227,299,934.71	1,951,007,191	1,547,586,706

Particulars	31st Ashad 2080	Current 32nd Ashad 2079	1st Shrawan 2078
Term loan	25,000,000.00	-	-
Bridge Gap Loan	-	-	-
Demand Loan	-	285,000,000	-
Total	25,000,000.00	285,000,000	-

Particulars	31st Ashad 2080	Non-Current 32nd Ashad 2079	1st Shrawan 2078
Term loan	1,916,283,241.40	1,656,007,191	1,379,859,528
Bridge Gap Loan	286,016,693.31	10,000,000	167,727,178
Demand Loan	-	-	-
Total	2,202,299,934.71	1,666,007,191	1,547,586,706

The credit facilities from the consortium banks - Citizens Bank International Limited, Himalayan Bank Limited and Prabhu Bank Limited are secured by the following:

1. First charge by way of registered mortgage over the entire land, building, plant, Machineries, equipment and spares that are/ or to be created in the future with or without financing to be owned by the project on the pari-passu basis in the favour of consortium banks.
2. First legal charge by way of charge over the entire current assets, present and future, created with or without the financing of the consortium banks owned by the borrower including assignment over the receivables from NEA on pari-passu basis in favour of consortium banks.
3. First charge over receivables from NEA and other receivables to the consortium on pari-passu basis.
4. Authorised charge on the the Power Purchase Agreement signed between NEA and borrower for supply and delivery of energy (electricity) produced by the borrower from its hydropower project Maya Khola Hydropower Project (14.90 MW) and Power Generation License of the borrower in the favour of consortium banks.
5. Charge on escrow account maintained with the lead bank on proportionate basis.
6. Joint and several personal guarantees for total loan exposure of the following: Bijay Man Sherchan, Dinesh Prasad Shrestha, Binod Thakali and Hemnidhi Sharma.
7. Pledge of entire shares owned by directors or held by shareholder company in the name of consortium banks.
8. Corporate Guarantee of M/s Pashupati Venture Capital Pvt. Ltd.
9. Assignment of project guarantee.

Note no: 17

Deferred Tax Liability/ Assets

Deferred tax is calculated on temporary differences using a tax rate of 25%. Deferred tax assets have been recognized in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the management believe it is probable that these assets will be recovered.

Reconciliation of deferred tax assets	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
Opening Balance as on 1 Shrawan	(5,558,269.50)	-	-
Tax income/(expense) during the period recognized in profit or loss	-	-	-
Tax income/(expense) during the period recognized in OCI	(710,456.00)	(5,558,270)	-
Closing balance as on Ashad end	(6,268,725.50)	(5,558,270)	-

Details of the deferred tax liability, amounts recognized in profit or loss and amounts recognized in other comprehensive income are as follows:

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Particulars	Asset/ (Liability)	(Charged)/Credited to Profit or Loss and OCI
	2079-80	2079-80
Property, Plant and Equipment	-	-
Intangible assets	-	-
Investment in Financial Assets measured through OCI	(6,268,726)	(710,456)
Total	(6,268,726)	(710,456)
Particulars	Asset/ (Liability)	(Charged)/Credited to Profit or Loss and OCI
	2078-79	2078-79
Property, Plant and Equipment	-	-
Intangible assets	-	-
Investment in Financial Assets measured through OCI	(5,558,270)	(5,558,270)
Total	(5,558,270)	(5,558,270)
Particulars	Asset/ (Liability)	(Charged)/Credited to Profit or Loss and OCI
	2077-78	2077-78
Property, Plant and Equipment	-	-
Intangible assets	-	-
Investment in Financial Assets measured through OCI	-	-
Total	-	-

Note no: 18

Trade and other payables

Particulars	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
Audit Fees Payable	446,000.00	111,500	83,625
Lease rent payable	399,300.00	-	18,360
Meeting allowance payable	-	34,000	102,000
Retention money payable	107,657,039.36	121,377,933	101,486,391
Employee related accrual	4,901,369.40	2,280,395	1,454,384
Accounts payable	8,409,659.91	26,791,840	66,750,315
TDS Payable	2,214,712.92	965,130	2,808,042
Site Expenses Payable	-	137,220	454,341
Project Allowance Payable	807,500.00	127,500	382,500
Total	124,835,581.59	151,825,519	173,539,958

Note no: 19

Other financial liabilities

Particulars	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
Other payables	24,544,031.69	17,120,690	16,820,334
Total	24,544,031.69	17,120,690	16,820,334

Note no: 20

Provisions

Particulars	31st Ashad 2080	32nd Ashad 2079	1st Shrawan 2078
Provision for Leave Encashment	-	-	-
Provision for expenses	-	-	-
Total	-	-	-

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Notes to Financial Statements
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Note no: 20
Revenue

Particulars	For FY 2079-80	For FY 2078-79
Electricity Sales to NEA	5,024,460	-
Revenue during construction phase	456,825,644	2,573,700,641
Total	461,850,104	2,573,700,641

Note no: 21
Cost of Sales

Particulars	For FY 2079-80	For FY 2078-79
Cost incurred during construction phase	456,825,644	2,573,700,641
Salaries and other employee cost	503,625	-
Repair and Maintenance	-	-
Depreciation and amortization	2,788,147	-
Royalty	91,018	-
Bay Charges	324,000	-
Total	460,532,434	2,573,700,641

Note no: 22
Other income

Particulars	For FY 2079-80	For FY 2078-79
House Rent	638,880	435,600
Interest Income	138	368
Head Loss Compensation	21,251,386	-
Other Income	174,250	-
Total	22,064,654	435,968

Note no: 23
Administrative and other operating expenses

Particulars	For FY 2079-80	For FY 2077-78
Salaries and other employee cost	591,756	995,250
Audit Fee and related expenses	339,000	113,000
AGM and Board Expenses	-	25,835
Registration & renewal expenses	365,270	665,825
Advertisement Expenses	40,731	23,000
Communication Expenses	147,733	208,365
Lease rental expense	1,597,200	1,452,000
Insurance	226,303	237,544
IPO Related Expenses	6,277,633	-
Depreciation & Amortisation	1,375,067	1,922,542
Fuel Expenses	454,438	365,404
Meeting Allowance	70,584	163,522
Office Expenses	42,856	55,516
Printing & Stationary	188,404	217,517
Repair and Maintenance	298,303	233,855
Travel Expenses	75,260	1,544,002
Consultancy Expenses	57,500	690,000
Rating Expenses	509,559	613,967
Certification Expenses	163,850	73,450
Utility Expenses	85,684	116,691
Loss on sales of Fixed Assets	341,304	-
Other expenses	28,500	76,297
Total	13,276,935	9,793,582

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Note No: 24 Finance Costs

Particulars	For FY 2079-80	For FY 2078-79
Interest Expenses	6,889,565	-
Bank Charges	96,217	30,209
Total	6,985,782	30,209

Note No: 25 Earnings per share

Particulars	For FY 2079-80	For FY 2078-79
Profit for the year	3,119,607	(9,387,823)
Weighted average number of equity shares outstanding	8,016,667	3,266,325
Earnings Per Share (Rs.) - Basic (Face value of Rs. 100 per share)	0.39	(2.87)
Add: Weighted average number of potential equity shares	-	-
Weighted average number of Equity shares (including dilutive shares) outstanding	8,016,667	3,266,325
Earnings Per Share (Rs.) - Diluted (Face value of Rs. 100 per share)	0.39	(2.87)

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Maya Khola Hydropower Company Limited
Notes to Financial Statements
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Note no: 26

Financial Instruments: Classifications and fair value measurements

Fair value measurements

Particulars	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	31st Ashad 2080	32nd Ashad 2079		
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)				
Except as detailed in the following table, the management consider that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values:				
As at 31st Ashad 2080	Carrying value	Level 1	Level 2	Level 3
Financial Assets				
Financial assets carried at amortized cost				
Cash and cash equivalents	27,649,546	-	-	27,649,546
Bank Balance other than Cash and Cash Equivalents	7,451,473	-	-	7,451,473
Trade Receivables	4,131,758	-	-	4,131,758
Other financial assets	11,036,885	-	-	11,036,885
Financial Assets carried at Fair Value				
Investment in Financial Assets measured through OCI	41,791,500	-	-	41,791,500
Total Financial Assets	92,061,164	-	-	92,061,164
Financial Liabilities				
Financial liabilities carried at amortized cost:				
Loans and borrowings	2,227,299,935	-	-	2,227,299,935
Trade and other payables	124,835,582	-	-	124,835,582
Other financial liabilities	24,544,032	-	-	24,544,032
Total Financial Liabilities	2,376,679,548	-	-	2,376,679,548
As at 32nd Ashad 2079				
	Carrying value	Level 1	Level 2	Level 3
Financial Assets				
Financial assets carried at amortized cost				
Cash and cash equivalents	7,302,913	-	-	7,302,913
Bank Balance other than Cash and Cash Equivalents	10,320,473	-	-	10,320,473
Trade Receivables	-	-	-	-
Other financial assets	5,792,405	-	-	5,792,405
Financial Assets carried at Fair Value				
Investment in Financial Assets measured through OCI	38,949,678	-	-	38,949,678
Total Financial Assets	62,365,470	-	-	62,365,470
Financial Liabilities				
Financial liabilities carried at amortized cost:				
Loans and borrowings	1,951,007,191	-	-	1,951,007,191
Trade and other payables	151,825,519	-	-	151,825,519
Other financial liabilities	17,120,690	-	-	17,120,690
Total Financial Liabilities	2,119,953,400	-	-	2,119,953,400

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Note No: 26

RELATED PARTY DISCLOSURES

(a) Relationship

The following are the related parties of the company:

Relationship	Related Parties
1) Maya Agro Firm Pvt. Ltd.	Subsidiary
2) Pashupati Venture Capital Pvt. Ltd.	Promotor

(b) Those charged with governance, Key Management Personnel and transaction with them

Those charged with governance include members of Board of directors namely:

Name	Designation	Transaction	Current year	Previous Year
1. Bijaya Man Sherchan	Chairperson	Salary & Allowance	3,218,196	4,103,892
2. Dinesh Prashad Shrestha	Director	Project Allowance	300,000	600,000
3. Binod Thakali	Director	Project Allowance	600,000	600,000
4. Hem Nidhi Sharma	Director	Project Allowance	600,000	300,000

There are no other facilities provided to those charged with governance and key management personnel.

(d) Other related party transactions

Name of the related party	Nature of transaction	Transaction		Closing Balance	
		Current Year	Previous year	Current Year	Previous year
1) Maya Agro Firm Pvt. Ltd.	Land Advance	-	-	10,662,535	-
2) Pashupati Venture Capital Pvt. Ltd.	Advances	-	-	-	360,743

Note No: 27

CAPITAL COMMITMENTS

Particulars

a) Bank Guarantee

Bank Name	Purpose	Current Year	Previous year
Citizens Bank International Limited	As per requirement of Power Purchase Agreement (PPA) with Nepal Electricity Authority (NEA)*	8,940,000	8,940,000
Citizens Bank International Limited	Provided to Department of Electricity Department	10,000,000	10,000,000

* This performance guarantee is released after the successful commercial operation of the project since 2080 Ashad 22.

Note No: 28

CONTINGENT LIABILITIES

Particulars

a) Required Commercial Operation Date (RCOD)

The power purchase agreement (PPA) with Nepal Electricity Authority (NEA) was signed on 2070.08.30 and the financial closure has been completed on 2073.08.21. The extended Required Commercial Operation Date (RCOD) is 2079.10.03. As per PPA entered between MKHP and NEA, if the Actual Commercial Operation Date is not later than 6 months of RCOD, the project shall not pay penalty and fines to NEA. Hence, the MKHP has not paid fines and penalties to NEA.

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Maya Khola Hydropower Company Limited Notes to the financial statements for the year ended 31st Ashad 2080

1. Background

Maya Khola Hydropower Company Limited (MKHCL) is registered under the Companies Act 2063 and under the existing laws of Nepal, for the purpose of implementation, ownership, and operation of the hydroelectricity generation project with its registered office at Dhumbarahi, Kathmandu, Nepal. The company was registered on 2067-02-20 as a private limited company and later converted into a public limited company on 2073-08-20. MKHCL has obtained approval for the development of 14.90 MW Maya Khola Hydropower Project located in Sankhuwasabha district. The project is run of river (ROR) type. The company has obtained the generation license from the Ministry of Energy, Water Resources, and Irrigation; Department of Electricity Development (DoED) on 2071/02/26 with validity till 2106/02/25 BS. The power purchase agreement (PPA) with Nepal Electricity Authority (NEA) was signed on 2070-08-30 for the purchase of electricity generated from a 14.90 MW hydroelectric project. The financial closure was completed on 2073.08.21. The extended Required Commercial Operation Date (RCOD) was fixed to be on 2079-10-03. The company successfully started the commercial operation on 2080-03-22.

The financial statements apply to the financial year ended 31st Ashad 2080 (16th July 2023). In the Financial Statements, Maya Khola Hydropower Company Limited has been referred to as “MKHCL” or “the Company”.

The accompanying financial statements have been approved for publication by the Board of Directors of the MKHCL in its meeting held on Bhadra 27, 2081. The Board of Directors acknowledges the responsibility for the preparation of financial statements.

2. Significant accounting policies

2.1 Basis of Preparation and measurement

i. Statement of Compliance

The 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 Financial Statements have also been prepared in accordance with the relevant presentational requirements of the Company Act, 2063 of Nepal.

ii. Basis of preparation

The financial statements have been prepared on an accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle. Based on the nature of products and the time between acquisition of assets 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 are presented in the functional and presentation currency of the Company i.e., the Nepalese Rupee (“NPR”) which is the currency of the primary economic environment in which the Company operates.

iii. Basis of measurement

These 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 and explained in the ensuing policies below.

2.2 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with Nepal Financial Reporting Standards requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the Company’s accounting policies. The Company makes certain estimates and assumptions regarding future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year primarily include: -

Useful life and residual value of property, plant and equipment

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

Impairment of property plant and equipment

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

Contingencies

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

Recognition of deferred tax assets

A significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company.

2.3 Property, plant and equipment

- i. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- ii. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss (except allocated to intangible assets under development) during the reporting period in which they are incurred.
- iii. The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.
- iv. The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- v. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.
- vi. Assets in the course of construction are capitalized in the assets under capital work in progress account (CWIP). At the point when an asset starts operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or

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restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized. Revenue generated from production during the trial period is capitalized.

2.4 Intangible Assets under Development

Maya Khola Hydropower Company Limited has business of generation of hydro power energy and for this it has obtained license from Nepal Government which is valid till 2106/02/25 B.S. Further, upon the expiration of the term, the company shall arrange for the transfer to NEA all the ownership interest in the project for a nominal consideration of 1 Rupee”.

The service concession of Maya Khola Hydropower Company Limited is accounted for under the Intangible Asset Model according to IFRIC 12 Service Concession Arrangements. Replacements and extensions are capitalized as intangible assets and amortized over the remaining useful life of the concession. Amortization of intangible assets will begin from the date of commercial operation. Refer note 2.17 for policy regarding service concession arrangement and refer Note 6 for detail of intangible assets under development.

For accounting purposes, it is assumed that the profit margin during construction phase is assumed to be Nil. All the expenses incurred during the suspended period have been fully charged to revenue on the basis of management's best estimates considering status of the project.

2.5 Depreciation and Amortization

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

Category of asset	Estimated useful life	Depreciation Rate
Buildings & Structure	20-25 years	5% WDV
Furniture & Office Equipment	4-7 years	25% WDV
Vehicles	5-8 years	20% WDV
Plant and Machinery	6-9 years	15% WDV
Software	5 years	SLM
Intangible assets (SCA)	312 Months	SLM

Useful life is either the period of time which the asset is expected to be used, or the number of production or similar units expected to be obtained from the use of asset.

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

- Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

2.6 Impairment of tangible and intangible assets

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

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- cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified.
- ii. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.
 - iii. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
 - iv. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.
 - v. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

2.7 Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are incurred in the period in which they occur. In determining the borrowing cost eligible for capitalizations under Intangible Assets under Development, any investment income i.e., interest income derived on Bank Call Account is deducted from the borrowing cost incurred in gross.

2.8 Cash and cash equivalents

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

2.9 Inventories

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

2.10 Foreign currency transactions

- i. The functional currency of the Company is determined based on the primary economic environment in which it operates. The functional currency of the Company is the Nepalese Rupee (NPR).
- ii. In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.
- iii. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- iv. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.
- v. Exchange differences on monetary items (excluding foreign currency borrowing) are recognized in the Statement of Profit and Loss in the period in which they arise.

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2.11 Employment Benefits

The Company has schemes of employment benefits namely provident fund, gratuity fund, and accumulated leave payable as per its personnel bylaw.

Defined contribution plan – Provident Fund and Gratuity

The Company has paid provident funds and gratuity to the employees as required by the Labour Act 2074.

Short-term and long-term employment benefits

- A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period when the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
- Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.
- Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the obligation as at the Balance sheet date determined based on actual calculation as per Personnel Bye Laws of the company. An actuarial valuation of compensated absence has not been done as the amount is not significant.

2.12 Taxation

Income Tax

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

Current tax

Current tax is the expected tax payable on the taxable income for the year using tax rates at the balance sheet date.

Tax Exemption

As per section 11(3gha), of Income Tax Act, 2058 Nepal, Institution having license to generate, transmit and distribute electricity shall be provided 100% tax exemption up to 10 years and 50% tax exemption up to subsequent 5 years if the commercial electricity generation, transmission, or distribution commences up to Chaitra 2084 B.S.

Deferred tax

- Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using enacted tax rates at the balance sheet date.
- A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Hence, at this point, deferred tax assets have not been recognized against deductible temporary differences. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.
- Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.13 Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/ (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares,

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by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted at the beginning of the period, unless they have been issued at a later date.

2.14 Provisions, contingencies and commitments

- i. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- ii. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.
- iii. The expense relating to a provision is presented in the statement of profit and loss (except allocated to intangible asset under development as referred in 2.4) net of any reimbursement.
- iv. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- v. A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.
- vi. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize contingent liability but discloses its existence in the standalone financial statements.
- vii. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
- viii. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
- ix. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

2.15 Financial Instruments

i. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss.

ii. Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Income/ expense arising on financial instruments after applying an effective interest rate is recognized in the Statement of Profit and Loss.

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MKHCL has not amortized the loan origination fees paid to the consortium banks, as the impact of amortization over the life of the loan is immaterial.

iii. Financial assets

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries, associates, and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument-by-instrument basis at the time of initial recognition of such equity investments.

Financial assets not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the shorter maturity of these instruments.

Impairment of financial assets

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through the statement of profit of loss. The company recognizes impairment loss on trade receivables using the expected credit loss model. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognized. A loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset, and the transfer qualifies for de-recognition under NFRS 9.

- i. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.
- ii. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and the consideration received is recognized in statement of profit or loss or retained earnings, as applicable.

iv. Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

De-recognition of financial liability

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

v. Off-setting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

vi. Fair Value measurement

The Company measures financial instruments, such as investment in equity instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.16 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement convey a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. A lease is classified at the inception date as a finance lease or an operating lease.

The company as a lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the company.
- The company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the company has the right to direct the use of the identified asset throughout the period of use.

The company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

The company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

2.17 Service concession arrangements

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

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

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

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

Financial asset model

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

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Unconditional contractual right is established when the grantor contractually guarantees to pay the operator (a) specific or determinable amount; (b) the shortfall, if any, between amounts received from the users of the public services and specified or determinable amounts.

Intangible asset model

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

The Company is constructing a hydro power project after obtaining license from DoED and will maintain and service the infrastructure during the concession period up to 2106/02/25 BS. The concession arrangement provides MKHCL obligation to construct the hydro power, generate electricity and sell the same to Nepal Electricity Authority at rates agreed as per Power Purchase agreement. Further, the concession arrangement gives MKHCL the right to use the hydro power project for generating electricity and earn revenue by selling electricity to NEA. The right to consideration gives rise to an intangible asset and accordingly, the intangible asset model is applied.

2.18 Financial risk management objectives and policies

The Company's business activities expose it to a variety of financial risks, namely primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity, and credit risk, which may adversely impact the fair value of its financial instruments. The Company's Board and senior management has overall responsibility for the establishment and oversight of the Company's risk management. The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management is done by the Company's management that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with the Company's policies and risk objectives.

Credit risk

Credit risk refers to the risk that a counterparty including its subsidiaries and associates will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. This amount has been recognized in the financial position as Current liabilities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations. Since, in case of KEL, the interest rate risk is not much influenced by market forces, it has minimal risk associated with the interest rate fluctuations.

Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressful conditions. A material and sustained shortfall in our cash flow could create potential business continuity risk.

Maya Khola Hydropower Company Limited **Notes to the financial statements for the year ended 31st Ashad 2080**

The Company's Finance department regularly monitors the cash position to ensure it has sufficient cash on-going basis to meet operational needs.

2.19 Capital Management

For the purpose of the Company's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the company. The Company manages its capital to safeguard its ability to continue as a going concern and to optimize returns to the shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aim is to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping a strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
M/S Maya Kholo Hydropower Company Limited**

Opinion

We have audited the financial statements of Maya Kholo Hydropower Company Limited which comprises the Statement of Financial Position (SOF) as at 31st Ashad 2081 (Corresponding to 15 July 2024) and the Statement of Profit or Loss and Statement of Changes in Equity and Statement of Cash Flows for the year ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion and to the best of our information and explanation provided to us, the financial statements referred to above present fairly, in all material respects, the financial position of the organization as at 31st Ashad 2081 (Corresponding to 15th July 2024), and its financial performance and its cash flow for the year then ended in accordance with Nepal Financial Reporting Standards (NRFS).

Basis of Opinion

We conducted our audit of the Company in accordance with Nepal Standards on Auditing (NAS). 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 Code of Ethics issued by Institute of Chartered Accountants of Nepal together with ethical requirements that are relevant to the audit of the company and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31 Ashad 2081. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. However, there is no reportable key audit matters of the company as of 31 Ashad 2081.

Other Information

Management is responsible for the preparation of other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

Our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the course of our audit or otherwise appears to be materially misstated. If, based

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Chartered Accountants

tiwarimuralidhar@gmail.com

Kirtipur Municipality -1,

Tyangla, P.O. Box 12136,

Kathmandu, Nepal

Tel: 4331060, Mob:9861583579

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

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 NFRS and for such internal control as management determines is necessary to enable the preparation of the Financial Statement 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 going concern, disclosing as applicable the matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is 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.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cause significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate,



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to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

We have determined to communicate following matters in accordance with the requirements of Companies Act 2063 and other regulatory requirements.

- We have obtained all the information and the explanation which to the best of our knowledge and belief, where necessary for the purpose of our audit.
- Based on our audit, proper books of account as required by law have been kept by the Company.
- The Statement of Financial Position, the Statement of Profit or Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with this by this report are in agreement with the books of accounts maintained by the Company.
- In our opinion and to the best of our information and according to the explanations and from our examination of the books of accounts of the Company we have not come across any case where the Board of Directors or any office bearer of the Company have acted contrary to the provisions of law, or committed any misappropriation or caused any loss or damage to the Company and violated the provisions of the Companies Act, 2063 or acted in a manner, as would jeopardize the interest and security of the Company and its shareholders.



CA Murali Dhar Tiwari
Proprietor M Tiwari & Associates
Chartered Accountants



Date: 2081.09.25

Place: Kathmandu, Nepal

UDIN: 250110CA00064JrhRu

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Statement of Financial Position As at Ashad 31, 2081 (15 July 2024)

		Figures in NPR	
	Note	31st Ashad 2081	31st Ashad 2080
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	5,500,664	6,706,004
Intangible assets	4	3,184,011,826	3,027,748,714
Other non-current assets	5	62,430,416	236,004,328
Total Non-Current Assets		3,251,942,906	3,270,459,046
Current assets			
Financial assets			
Cash and cash equivalents	6	4,179,073	27,649,546
Bank Balance other than Cash and Cash Equivalents	7	5,260,473	7,451,473
Trade Receivables	8	41,686,643	4,131,758
Investment in Financial Assets measured through OCI	9	61,700,971	41,791,500
Other financial assets	10	5,692,068	11,036,885
Current tax assets	11	1,059,317	995,408
Total current assets		119,578,545	93,056,571
Total assets		3,371,521,451	3,363,515,617
EQUITY AND LIABILITIES			
Equity			
Share capital	12	1,000,000,000	1,000,000,000
Other equity	13	(332,152,350)	(19,432,655)
Total Equity		667,847,650	980,567,345
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	14	2,224,605,290	2,202,299,935
Deferred Tax Liability	15	11,246,094	6,268,726
Total Non-Current Liabilities		2,235,851,383	2,208,568,660
Current Liabilities			
Financial liabilities			
Borrowings	14	135,000,000	25,000,000
Trade & Other Payables	16	209,099,624	124,835,581
Other financial liabilities	17	123,722,794	24,544,032
Provisions	18	-	-
Total Current Liabilities		467,822,417	174,379,612
Total Liabilities		2,703,673,801	2,382,948,272
Total Equity and Liabilities		3,371,521,451	3,363,515,617

The accompanying notes are integral part of these financial statements.

As per our report of even date

Dinesh Prasad Shrestha
Chairperson

Ramesh Raj Siwakoti
Director

Binod Thakali
Director

CA. Murali Dhar Tiwari
Proprietor
M Tiwari & Associates
Chartered Accountants

Hem Nidhi Sharma
Director

Sagar Nepal
Finance Manager

Date: 2081/09/25
Place: Kathmandu

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Statement of Profit or Loss and other Comprehensive Income For the year ended 31st Ashad 2081 (15 July 2024)

		Figures in NPR	
	Note	2080-81	2079-80
Revenue	19	119,454,439	461,850,104
Cost of Sales	20	154,906,152	460,532,434
Gross profit		(35,451,713)	1,317,670
Other income	21	4,742,029	22,064,654
Administrative and other operating expenses	22	24,188,775	13,276,935
Finance Costs	23	272,753,337	6,985,782
Profit/(Loss) Before Tax		(327,651,797)	3,119,607
Income Tax Expense			
Current tax		-	-
Deferred tax		-	-
Profit/(Loss) from continuing operations		(327,651,797)	3,119,607
OTHER COMPREHENSIVE INCOME			
Other comprehensive Income not to be reclassified to profit or loss in subsequent periods			
i. Changes in the fair value of equity investments at fair value through OCI		19,909,471	2,841,822
ii. Acturial Gain/(Loss) on defined Employment benefit		-	-
iii. Gain/Loss on Revaluation		-	-
iv. Income tax relating to items that will not be reclassified to profit or loss		(4,977,368)	(710,456)
Other comprehensive gain/(loss) for the year, net of tax		14,932,103	2,131,366
Total Comprehensive gain/(loss) for the year, net of tax		(312,719,695)	5,250,973
Earnings per equity share of Rs. 100 each			
Basic Earnings per share - Rs.	24	(32.77)	0.39
Diluted Earnings per share - Rs.	24	(32.77)	0.39

The accompanying notes are integral part of these financial statements.

As per our report of even date

Dinesh Prasad Shrestha
Chairperson

Ramesh Raj Siwakoti
Director

Binod Thakali
Director

CA. Murali Dhar Tiwari
Proprietor
M Tiwari & Associates
Chartered Accountants

Hem Nidhi Sharma
Director

Sagar Nepal
Finance Manager

Date: 2081/09/25
Place: Kathmandu

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Statement of Cash Flows For the year ended 31st Ashad 2081 (15 July 2024)

	Figures in NPR	
	2080-81	2079-80
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	(327,651,797)	3,119,607
Adjustments for:		
Depreciation and amortization	129,002,345	4,163,215
Finance Income	(638,880)	(638,880)
Provision for expenses	-	-
Loss on sale of Fixed Assets	-	341,304
Working capital adjustments:		
(Increase) / decrease in Other Financial Assets	5,344,817	(5,244,480)
(Increase) / decrease in Bank Balance other than Cash & Cash Equivalents	2,191,000	2,869,000
(Increase) / decrease in Trade Receivables	(37,554,884)	(4,131,758)
(Increase) / decrease in Other Current Assets	(63,909)	(63,910)
Increase / (decrease) in Trade and other payables	84,264,043	(26,989,938)
Increase / (decrease) in Other Current Liabilities	99,178,762	7,423,342
Cash generated from operations	153,359,829	(26,137,744)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(45,928,503)	(19,152,498)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
(Increase)/decrease in Intangible assets under development	-	(456,825,644)
(Increase)/decrease in other non-current assets	173,573,912	(120,843,548)
Acquisition of Property, plant and Equipment	-	(63,300)
Acquisition of Intangible Assets	(284,060,117)	-
Purchase of Financial Assets	-	-
Sales Proceeds of Property, plant and Equipment	-	300,000
Finance Income	638,880	638,880
NET CASH FLOWS FROM INVESTING ACTIVITIES	(109,847,325)	(576,793,613)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan Prepayment	-	-
Increase in Borrowings	132,305,355	276,292,743
Increment in Share Capital	-	340,000,000
NET CASH FLOWS FROM FINANCING ACTIVITIES	132,305,355	616,292,743
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(23,470,473)	20,346,632
CASH AND CASH EQUIVALENTS, Beginning of Period	27,649,545	7,302,913
CASH AND CASH EQUIVALENTS, End of Period	4,179,072	27,649,545

The accompanying notes are integral part of these financial statements.

As per our report of even date

Dinesh Prasad Shrestha
Chairperson

Ramesh Raj Siwakoti
Director

Binod Thakali
Director

CA. Murali Dhar Tiwari
Proprietor
M Tiwari & Associates
Chartered Accountants

Hem Nidhi Sharma
Director

Sagar Nepal
Finance Manager

Date: 2081/09/25
Place: Kathmandu

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Statement of Changes in Equity For the year ended 31st Ashad 2081 (15 July 2024)

Particulars	Figures in NPR			
	Share Capital	Retained Earnings	Advance towards share capital	Total
Balance at 32nd Ashad 2079	660,000,000	(24,683,629)	-	635,316,371
Profit for the year	-	3,119,607	-	3,119,607
Other comprehensive income	-	2,131,366	-	2,131,366
Total comprehensive income	-	5,250,973	-	5,250,973
Issue of bonus shares	-	-	-	-
Dividends to shareholders	-	-	-	-
Issue of new shares	340,000,000	-	-	340,000,000
Advance share capital	-	-	-	-
Balance at 31st Ashad 2080	1,000,000,000	(19,432,655)	-	980,567,344
Profit for the year	-	(327,651,797)	-	(327,651,797)
Other comprehensive income	-	14,932,103	-	14,932,103
Total comprehensive income	-	(312,719,695)	-	(312,719,695)
Issue of bonus shares	-	-	-	-
Dividends to shareholders	-	-	-	-
Issue of new shares	-	-	-	-
Advance share capital	-	-	-	-
Balance at 31st Ashad 2081	1,000,000,000	(332,152,350)	-	667,847,649

The accompanying notes are integral part of these financial statements.

As per our report of even date

Dinesh Prasad Shrestha
Chairperson

Ramesh Raj Siwakoti
Director

Binod Thakali
Director

CA. Murali Dhar Tiwari
Proprietor
M Tiwari & Associates
Chartered Accountants

Hem Nidhi Sharma
Director

Sagar Nepal
Finance Manager

Date: 2081/09/25
Place: Kathmandu

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Notes to Financial Statements As at 31st Ashad 2081 (15 July 2024)

Figures in NPR

Note no: 3

Property, plant and equipment

	Buildings & Structure	Furniture & Office Equipment	Vehicles	Plant and Machinery	Total
Cost					
Balance at 32nd Ashad 2079	-	4,526,311	7,993,105	11,400,040	23,919,456
Additions	-	63,300	-	-	63,300
Revaluation and adjustments	-	-	-	-	-
Transfer to PPE	-	-	-	-	-
Disposals	-	-	-	(1,365,040)	(1,365,040)
Balance at 31st Ashad 2080	-	4,589,611	7,993,105	10,035,000	22,617,716
Additions	-	-	-	-	-
Revaluation and adjustments	-	-	-	-	-
Transfer to PPE	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 31st Ashad 2081	-	4,589,611	7,993,105	10,035,000	22,617,716
Depreciation and impairment losses					
Balance at 32nd Ashad 2079	-	3,329,534	5,369,755	6,577,906	15,277,195
Charge for the year	-	315,019	524,670	518,564	1,358,253
Adjustment due to Revaluations and others	-	-	-	-	-
Impairment Losses	-	-	-	-	-
Disposals	-	-	-	(723,736)	(723,736)
Balance at 31st Ashad 2080	-	3,644,553	5,894,425	6,372,734	15,911,712
Charge for the year	-	236,265	419,736	549,340	1,205,340
Adjustment due to Revaluations and others	-	-	-	-	-
Impairment Losses	-	-	-	-	-
Disposals	-	-	-	-	-
Balance at 31st Ashad 2081	-	3,880,818	6,314,161	6,922,074	17,117,052
Net book value					
At 32nd Ashad 2079	-	1,196,777	2,623,350	4,822,134	8,642,261
At 31st Ashad 2080	-	945,058	2,098,680	3,662,266	6,706,004
At 31st Ashad 2081	-	708,794	1,678,944	3,112,926	5,500,664

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Notes to Financial Statements As at Ashad 31, 2081 (15 July 2024)

Figures in NPR

Note no: 4

Intangible assets

	Service Concession Arrangement Intangibles	Computer Software	Total
Cost			
Balance at 32nd Ashad 2079	-	84,072	84,072
Additions - Externally acquired	3,030,526,284	-	3,030,526,284
Other acquisitions internally developed	-	-	-
Balance at 31st Ashad 2080	3,030,526,284	84,072	3,030,610,356
Additions - Externally acquired	284,060,117	-	284,060,117
Other acquisitions internally developed	-	-	-
Balance at 31st Ashad 2081	3,314,586,401	84,072	3,314,670,473
Amortisation and impairment losses			
Balance at 32nd Ashad 2079	-	56,681	56,681
Charge for the year	2,788,147	16,814	2,804,962
Impairment losses	-	-	-
Balance at 31st Ashad 2080	2,788,147	73,495	2,861,643
Charge for the year	127,786,428	10,577	127,797,005
Impairment losses	-	-	-
Balance at 31st Ashad 2081	130,574,575	84,072	130,658,647
Net book value			
At 32nd Ashad 2079	-	27,391	27,391
At 31st Ashad 2080	3,027,738,137	10,577	3,027,748,714
At 31st Ashad 2081	3,184,011,826	-	3,184,011,826
Gross carrying amount of any fully amortised intangibles that are still in use	-	-	-

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Notes to Financial Statements As at 31st Ashad 2081 (15 July 2024)

Figures in NPR

Note no: 5

Other non-current assets

Particulars	31st Ashad 2081	31st Ashad 2080
Advance to Suppliers/ Contractors/ Sub-contractors	62,430,416	236,004,328
Total	62,430,416	236,004,328

Note no: 6

Cash and cash equivalents

Particulars	31st Ashad 2081	31st Ashad 2080
Cash on hand	180,561	60,770
Cash at bank	3,998,512	27,588,776
Total	4,179,073	27,649,546

Note no: 7

Bank Balance other than Cash and Cash Equivalents

Particulars	31st Ashad 2081	31st Ashad 2080
Earmarked Balance with Banks		
Margin money		
Guarantee Margin	-	1,894,000
LC Margin	5,260,473	5,557,473
Total	5,260,473	7,451,473

Note no: 8

Trade Receivables

Particulars	31st Ashad 2081	31st Ashad 2080
Receivables - Nepal Electricity Authority	41,686,643	4,131,758
Total	41,686,643	4,131,758

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Notes to Financial Statements As at 31st Ashad 2081 (15 July 2024)

Figures in NPR

Note no: 9

Investment in Financial Assets measured through OCI

Particulars

31st Ashad 2081 31st Ashad 2080

Investment in Quoted Equity Instruments

Riverfalls Power Limited (167,166 promoter shares of Rs. 100 per share)

61,700,971

41,791,500

Total

61,700,971

41,791,500

The cost basis of the above financial assets measured at Fair value through other comprehensive income is:

31st Ashad 2081 31st Ashad 2080

Riverfalls Power Limited (167,166 promoter shares of Rs. 100 per share)

16,716,600

16,716,600

Total

16,716,600

16,716,600

Note no: 10

Other financial assets

Particulars

31st Ashad 2081 31st Ashad 2080

Deposits

3,002,000

3,002,000

Prepaid & Other Receivables

2,690,068

8,034,885

Total

5,692,068

11,036,885

Note no: 11

Current Tax Assets/(Liabilities)

Particulars

31st Ashad 2081 31st Ashad 2080

Advance Income Tax

1,059,317

995,408

Income Tax Liability

-

-

Total

1,059,317

995,408

Note no: 12

Share capital

31st Ashad 2081 31st Ashad 2080

A. Equity Share Capital

Authorized

Equity Shares of Rs. 100 each with voting rights

1,000,000,000

1,000,000,000

Issued

Equity Shares of Rs. 100 each with voting rights

1,000,000,000

1,000,000,000

Fully Paid

Ordinary Equity Shares of Rs. 100 each with voting rights

1,000,000,000

1,000,000,000

Advance for Share Capital

-

-

Total

1,000,000,000

1,000,000,000

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Notes to Financial Statements As at 31st Ashad 2081 (15 July 2024)

Figures in NPR

B. Reconciliation of the number of shares outstanding at the beginning and end of the year

Particulars	31st Ashad 2081	31st Ashad 2080
Authorized		
Equity Shares of Rs. 100 each with voting rights	10,000,000	10,000,000
Issued		
Equity Shares of Rs. 100 each with voting rights	10,000,000	10,000,000
Fully Paid		
Equity Shares of Rs. 100 each with voting rights	10,000,000	6,600,000
Issue of new shares	-	3,400,000
Total	10,000,000	10,000,000

C. Details of shareholding structure (Proportion)

Particulars	31st Ashad 2081	31st Ashad 2080
Promoters Share	66%	66%
General Public	34%	34%
Total	100%	100%

The Company has only one class of equity shares having par value of NPR 100 per share. Every member holding equity shares therein shall have voting rights in proportion to the member's share of the paid up equity share capital.

Note no: 13

Other equity

	Retained earnings	Fair Value Reserve	Total
Balance at 32nd Ashad 2079	(41,358,437)	16,674,809	(24,683,628)
Profit for the year	3,119,607	-	3,119,607
Other comprehensive income	-	2,131,366	2,131,366
Dividends to shareholders	-	-	-
Balance at 31st Ashad 2080	(38,238,830)	18,806,175	(19,432,655)
Profit for the year	(327,651,797)	-	(327,651,797)
Other comprehensive income	-	14,932,103	14,932,103
Dividends to shareholders	-	-	-
Balance at 31st Ashad 2081	(365,890,627)	33,738,278	(332,152,350)

छैठौं, सातौं तथा आठौं वार्षिक साधारण सभा

Maya Khola Hydropower Company Limited Notes to Financial Statements As at 31st Ashad 2081 (15 July 2024)

Figures in NPR

Note no: 14

Borrowings

Particulars

Measured at amortized cost

Secured Borrowings from Banks

	31st Ashad 2081	31st Ashad 2080
Term loan	2,198,455,584	1,941,283,241
Bridge Gap Loan	86,149,706	286,016,693
Demand Loan	-	-
Working Capital Loan	75,000,000	-
Total	2,359,605,290	2,227,299,935

Particulars

	31st Ashad 2081	Current 31st Ashad 2080
Term loan	60,000,000	25,000,000
Bridge Gap Loan	-	-
Demand Loan	-	-
Working Capital Loan	75,000,000	-
Total	135,000,000	25,000,000

Particulars

	31st Ashad 2081	Non-Current 31st Ashad 2080
Term loan	2,138,455,584	1,916,283,241
Bridge Gap Loan	86,149,706	286,016,693
Demand Loan	-	-
Working Capital Loan	-	-
Total	2,224,605,290	2,202,299,935

The credit facilities from the consortium banks - Citizens Bank International Limited, Himalayan Bank Limited and Prabhu Bank Limited are secured by the following:

1. First charge by way of registered mortgage over the entire land, building, plant. Machineries, equipment and spares that are/ or to be created in the future with or without financing to be owned by the project on the pari-passu basis in the favour of consortium banks.
2. First legal charge by way of charge over the entire current assets, present and future, created with or without the financing of the consortium banks owned by the borrower including assignment over the receivables from NEA on pari-passu basis in favour of consortium banks.
3. First charge over receivables from NEA and other receivables to the consortium on pari-passu basis.
4. Authorised charge on the the Power Purchase Agreement signed between NEA and borrower for supply and delivery of energy (electricity) produced by the borrower from its hydropower project Maya Khola Hydropower Project (14.90 MW) and Power Generation License of the borrower in the favour of consortium banks.
5. Charge on escrow account maintained with the lead bank on proportionate basis.
6. Joint and several personal guarantees for total loan exposure of the following: Bijay Man Sherchan, Dinesh Prasad Shrestha, Binod Thakali and Hemnidhi Sharma.
7. Pledge of entire shares owned by directors or held by shareholder company in the name of consortium banks.
8. Corporate Guarantee of M/s Pashupati Venture Capital Pvt. Ltd.
9. Assignment of project guarantee.

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Maya Khola Hydropower Company Limited Notes to Financial Statements As at 31st Ashad 2081 (15 July 2024)

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Note no: 15

Deferred Tax Liability/ Assets

Deferred tax is calculated on temporary differences using a tax rate of 25%. Deferred tax assets have been recognized in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the management believe it is probable that these assets will be recovered.

	31st Ashad 2081	31st Ashad 2080
Reconciliation of deferred tax assets		
Opening Balance as on 1 Sharwan	(6,268,726)	(5,558,270)
Tax income/(expense) during the period recognized in profit or loss	-	-
Tax income/(expense) during the period recognized in OCI	(4,977,368)	(710,456)
Closing balance as on Ashad end	(11,246,094)	(6,268,726)

Details of the deferred tax liability, amounts recognized in profit or loss and amounts recognized in other comprehensive income are as follows:

Particulars	Asset/ (Liability) 2080-81	(Charged)/Credited to Profit or Loss and OCI 2080-81
Property, Plant and Equipment	-	-
Intangible assets	-	-
Investment in Financial Assets measured through OCI	(11,246,094)	(4,977,368)
Total	(11,246,094)	(4,977,368)

Particulars	Asset/ (Liability) 2079-80	(Charged)/Credited to Profit or Loss and OCI 2079-80
Property, Plant and Equipment	-	-
Intangible assets	-	-
Investment in Financial Assets measured through OCI	(6,268,726)	(710,456)
Total	(6,268,726)	(710,456)

Note no: 16

Trade and other payables

Particulars	31st Ashad 2081	31st Ashad 2080
Audit Fees Payable	669,000	446,000
Lease rent payable	798,600	399,300
Meeting allowance payable	204,000	-
Retention money payable	117,340,508	107,657,039
Employee related accrual	3,916,216	4,901,369
Accounts payable	51,290,104	8,409,660
TDS Payable	6,641,104	2,214,712
Interest Payable	28,240,092	-
Site Expenses Payable	-	-
Project Allowance Payable	-	807,500
Total	209,099,624	124,835,581

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Maya Khola Hydropower Company Limited
Notes to Financial Statements
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Note no: 17

Other financial liabilities

Particulars

	31st Ashad 2081	31st Ashad 2080
Other payables	123,722,794	24,544,032
Total	123,722,794	24,544,032

Note no: 18

Provisions

Particulars

	31st Ashad 2081	31st Ashad 2080
Provision for Leave Encashment	-	-
Provision for expenses	-	-
	-	-

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Note no: 19
Revenue

Particulars

Electricity Sales to NEA
Revenue during construction phase
Total

For FY 2080-81	For FY 2079-80
119,454,439	5,024,460
-	456,825,644
119,454,439	461,850,104

Note no: 20
Cost of Sales

Particulars

Cost incurred during construction phase
Project Operating Expenses
Salaries and other employee cost
Site Mess Expenses
Site Office Expenses
Repair and Maintenance
Depreciation and amortization
Royalty
Rebate Expenses
Electricity Expenses
Fuel Expenses
Bay Charges

Total

For FY 2080-81	For FY 2079-80
-	456,825,644
2,396,612	
8,091,418	503,625
925,884	
740,961	
8,370,856	-
127,786,428	2,788,147
2,454,183	91,018
324,540	
2,834,601	
980,670	
-	324,000
154,906,152	460,532,434

Note no: 21
Other income

Particulars

House Rent
Interest Income
Head Loss Compensation
Other Income

Total

For FY 2080-81	For FY 2079-80
638,880	638,880
139	138
-	21,251,386
4,103,010	174,250
4,742,029	22,064,654

Note no: 22
Administrative and other operating expenses

Particulars

Salaries and other employee cost
Audit Fee and related expenses
AGM and Board Expenses
Registration & renewal expenses
Compensation Expenses
Hospitality & Refreshment Expenses
Advertisement Expenses
Communication Expenses
Lease rental expense
Insurance
Staff Insurance
IPO Related Expenses
Depreciation & Amortisation
Fuel Expenses
Meeting Allowance
Office Expenses
Printing & Stationary
Repair and Maintenance
Travel Expenses
Consultancy Expenses
Share Registrar Expense
Rating Expenses
Certification Expenses
Utility Expenses
Loss on sales of Fixed Assets
Other expenses

Total

For FY 2080-81	For FY 2079-80
5,926,621	591,756
339,000	339,000
-	-
395,458	365,270
1,870,721	
-	
60,408	40,731
224,592	147,733
1,597,200	1,597,200
7,516,904	226,303
143,040	
-	6,277,633
1,215,917	1,375,067
173,175	454,438
284,115	70,584
71,436	42,856
166,796	188,404
434,764	298,303
1,086,598	75,260
1,748,200	57,500
75,000	
643,041	509,559
-	163,850
136,164	85,684
-	341,304
79,625	28,500
24,188,775	13,276,935

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Note No: 23 Finance Costs

Particulars	For FY 2080-81	For FY 2079-80
Interest Expenses	265,291,812	6,889,565
Bank Charges	27,963	96,217
Agency Fee	5,568,250	
Loan Management Fees	1,865,313	
Total	272,753,337	6,985,782

Note No: 24 Earnings per share

Particulars	For FY 2080-81	For FY 2079-80
Profit for the year	(327,651,797)	3,119,607
Weighted average number of equity shares outstanding	10,000,000	8,016,667
Earnings Per Share (Rs.) - Basic (Face value of Rs. 100 per share)	(32.77)	0.39
Add: Weighted average number of potential equity shares	-	-
Weighted average number of Equity shares (including dilutive shares) outstanding	10,000,000	8,016,667
Earnings Per Share (Rs.) - Diluted (Face value of Rs. 100 per share)	(32.77)	0.39

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Note no: 25

Financial Instruments: Classifications and fair value measurements

Fair value measurements

Particulars	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	31st Ashad 2081	31st Ashad 2080		
Financial assets:				
Riverfalls Power Limited (167,166 promoter shares of Rs. 100 per share)				
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)				
Except as detailed in the following table, the management consider that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values:				
As at 31st Ashad 2081	Carrying value	Level 1	Level 2	Level 3
Financial Assets				
Financial Assets carried at Fair Value				
Investment in Financial Assets measured through OCI	61,700,971	61,700,971	-	-
Financial assets carried at amortized cost				
Cash and cash equivalents	4,179,073	-	-	4,179,073
Bank Balance other than Cash and Cash Equivalents	5,260,473	-	-	5,260,473
Trade Receivables	41,686,643	-	-	41,686,643
Other financial assets	5,692,068	-	-	5,692,068
Total Financial Assets	118,519,228	61,700,971	-	56,818,258
Financial Liabilities				
Financial liabilities carried at amortized cost:				
Loans and borrowings	2,359,605,290	-	-	2,359,605,290
Trade and other payables	209,099,624	-	-	209,099,624
Other financial liabilities	123,722,794	-	-	123,722,794
Total Financial Liabilities	2,692,427,707	-	-	2,692,427,707
As at 31st Ashad 2080				
	Carrying value	Level 1	Level 2	Level 3
Financial Assets				
Financial Assets carried at Fair Value				
Investment in Financial Assets measured through OCI	41,791,500	41,791,500	-	-
Financial assets carried at amortized cost				
Cash and cash equivalents	27,649,546	-	-	27,649,546
Bank Balance other than Cash and Cash Equivalents	7,451,473	-	-	7,451,473
Trade Receivables	4,131,758	-	-	4,131,758
Other financial assets	11,036,885	-	-	11,036,885
Total Financial Assets	92,061,164	41,791,500	-	50,269,664
Financial Liabilities				
Financial liabilities carried at amortized cost:				
Loans and borrowings	2,227,299,935	-	-	2,227,299,935
Trade and other payables	124,835,581	-	-	124,835,581
Other financial liabilities	24,544,032	-	-	24,544,032
Total Financial Liabilities	2,376,679,547	-	-	2,376,679,547

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Maya Khola Hydropower Company Limited Notes to Financial Statements For the year ended 31st Ashad 2081 (15 July 2024)

Figures in NPR

Note No: 26

RELATED PARTY DISCLOSURES

(a) Relationship

The following are the related parties of the company:

Relationship	Related Parties
1) Maya Agro Firm Pvt. Ltd.	Subsidiary
2) Pashupati Venture Capital Pvt. Ltd.	Promotor

(b) Those charged with governance, Key Management Personnel and transaction with them

Those charged with governance include members of Board of directors namely:

Name	Designation	Transaction	Current year	Previous Year
2. Dinesh Prashad Shrestha	Executive Chairman	Salary	765,888	300,000
3. Binod Thakali	Director	Project Allowance	-	600,000
4. Hem Nidhi Sharma	Director	Project Allowance	-	600,000
5. Ramesh Raj Shivakoti	Director	Project Allowance	-	-

There are no other facilities provided to those charged with governance and key management personnel.

(C) Other related party transactions

Name of the related party	Nature of transaction	Transaction		Closing Balance	
		Current Year	Previous year	Current Year	Previous year
1) Maya Agro Firm Pvt. Ltd.	Land Advance	-	-	10,662,535	10,662,535
2) Pashupati Venture Capital Pvt. Ltd.	Advances	(104,695,000)	-	(108,595,000)	(3,900,000)

Note No: 27

CAPITAL COMMITMENTS

Particulars

a) Bank Guarantee

Bank Name	Purpose	Current Year	Previous year
Citizens Bank International Limited	As per requirement of Power Purchase Agreement (PPA) with Nepal Electricity Authority (NEA)*	-	8,940,000
Citizens Bank International Limited	Provided to Department of Electricity Department	-	10,000,000

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Maya Khola Hydropower Company Limited Notes to the financial statements for the year ended 31st Ashad 2081

1. Background

Maya Khola Hydropower Company Limited (MKHCL) is registered under the Companies Act 2063 and under the existing laws of Nepal, for the purpose of implementation, ownership, and operation of the hydroelectricity generation project with its registered office at Dhumbrahi, Kathmandu, Nepal. The company was registered on 2067-02-20 as a private limited company and later converted into a public limited company on 2073-08-20. MKHCL has obtained approval for the development of 14.90 MW Maya Khola Hydropower Project located in Sankhuwasabha district. The project is run of river (ROR) type. The company has obtained the generation license from the Ministry of Energy, Water Resources, and Irrigation; Department of Electricity Development (DoED) on 2071/02/26 with validity till 2106/02/25 BS. The power purchase agreement (PPA) with Nepal Electricity Authority (NEA) was signed on 2070-08-30 for the purchase of electricity generated from a 14.90 MW hydroelectric project. The financial closure was completed on 2073.08.21. The extended Required Commercial Operation Date (RCOD) was fixed to be on 2079-10-03. The company successfully started the commercial operation on 2080-03-22.

The financial statements apply to the financial year ended 31st Ashad 2081 (15th July 2024). In the Financial Statements, Maya Khola Hydropower Company Limited has been referred to as "MKHCL" or "the Company".

The accompanying financial statements have been approved for publication by the Board of Directors of the MKHCL in its meeting held on Poush 25, 2081. The Board of Directors acknowledges the responsibility for the preparation of financial statements.

2. Significant accounting policies

2.1 Basis of Preparation and measurement

i. Statement of Compliance

The 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 Financial Statements have also been prepared in accordance with the relevant presentational requirements of the Company Act, 2063 of Nepal.

ii. Basis of preparation

The financial statements have been prepared on an accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between acquisition of assets 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 are presented in the functional and presentation currency of the Company i.e., the Nepalese Rupee ("NPR") which is the currency of the primary economic environment in which the Company operates.

iii. Basis of measurement

These 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 and explained in the ensuing policies below.

2.2 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with Nepal Financial Reporting Standards requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The Company makes certain estimates and assumptions regarding future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year primarily include: -

Maya Khola Hydropower Company Limited Notes to the financial statements for the year ended 31st Ashad 2081

Useful life and residual value of property, plant and equipment

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

Impairment of property plant and equipment

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

Contingencies

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

Recognition of deferred tax assets

A significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company.

2.3 Property, plant and equipment

- i. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- ii. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss (except allocated to intangible assets under development) during the reporting period in which they are incurred.
- iii. The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.
- iv. The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- v. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.
- vi. Assets in the course of construction are capitalized in the assets under capital work in progress account (CWIP). At the point when an asset starts operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or

Maya Khola Hydropower Company Limited Notes to the financial statements for the year ended 31st Ashad 2081

restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized. Revenue generated from production during the trial period is capitalized.

2.4 Intangible Assets under Development

Maya Khola Hydropower Company Limited has business of generation of hydro power energy and for this it has obtained license from Nepal Government which is valid till 2106/02/25 B.S. Further, upon the expiration of the term, the company shall arrange for the transfer to NEA all the ownership interest in the project for a nominal consideration of 1 Rupee”.

The service concession of Maya Khola Hydropower Company Limited is accounted for under the Intangible Asset Model according to IFRIC 12 Service Concession Arrangements. Replacements and extensions are capitalized as intangible assets and amortized over the remaining useful life of the concession. Amortization of intangible assets will begin from the date of commercial operation. Refer note 2.17 for policy regarding service concession arrangement and refer Note 6 for detail of intangible assets under development.

For accounting purposes, it is assumed that the profit margin during construction phase is assumed to be Nil. All the expenses incurred during the suspended period have been fully charged to revenue on the basis of management’s best estimates considering status of the project.

2.5 Depreciation and Amortization

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

Category of asset	Estimated useful life	Depreciation Rate
Buildings & Structure	20-25 years	5% WDV
Furniture & Office Equipment	4-7 years	25% WDV
Vehicles	5-8 years	20% WDV
Plant and Machinery	6-9 years	15% WDV
Software	5 years	SLM
Intangible assets (SCA)	311 Months (Remaining life as on 2080.04.01)	SLM

Useful life is either the period of time which the asset is expected to be used, or the number of production or similar units expected to be obtained from the use of asset.

The estimated useful life, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

- Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight line basis.

2.6 Impairment of tangible and intangible assets

- At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a

Maya Khola Hydropower Company Limited Notes to the financial statements for the year ended 31st Ashad 2081

reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified.

- ii. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.
- iii. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
- iv. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.
- v. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

2.7 Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are incurred in the period in which they occur. In determining the borrowing cost eligible for capitalizations under Intangible Assets under Development, any investment income i.e., interest income derived on Bank Call Account is deducted from the borrowing cost incurred in gross.

2.8 Cash and cash equivalents

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

2.9 Inventories

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

2.10 Foreign currency transactions

- i. The functional currency of the Company is determined based on the primary economic environment in which it operates. The functional currency of the Company is the Nepalese Rupee (NPR).
- ii. In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.
- iii. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- iv. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.
- v. Exchange differences on monetary items (excluding foreign currency borrowing) are recognized in the Statement of Profit and Loss in the period in which they arise.

Maya Khola Hydropower Company Limited Notes to the financial statements for the year ended 31st Ashad 2081

2.11 Employment Benefits

The Company has schemes of employment benefits namely provident fund, gratuity fund, and accumulated leave payable as per its personnel bylaw.

Defined contribution plan – Provident Fund and Gratuity

The Company has paid provident funds and gratuity to the employees as required by the Labour Act 2074.

Short-term and long-term employment benefits

- A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period when the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
- Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.
- Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the obligation as at the Balance sheet date determined based on actual calculation as per Personnel Bye Laws of the company. An actuarial valuation of compensated absence has not been done as the amount is not significant.

2.12 Taxation

Income Tax

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

Current tax

Current tax is the expected tax payable on the taxable income for the year using tax rates at the balance sheet date.

Tax Exemption

As per section 11(3gha), of Income Tax Act, 2058 Nepal, Institution having license to generate, transmit and distribute electricity shall be provided 100% tax exemption up to 10 years and 50% tax exemption up to subsequent 5 years if the commercial electricity generation, transmission, or distribution commences up to Chaitra 2084 B.S.

Deferred tax

- Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using enacted tax rates at the balance sheet date.
- A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Hence, at this point, deferred tax assets have not been recognized against deductible temporary differences. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.
- Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.13 Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

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Diluted earnings per share is computed by dividing the profit/ (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted at the beginning of the period, unless they have been issued at a later date.

2.14 Provisions, contingencies and commitments

- i. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- ii. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.
- iii. The expense relating to a provision is presented in the statement of profit and loss (except allocated to intangible asset under development as referred in 2.4) net of any reimbursement.
- iv. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- v. A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.
- vi. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize contingent liability but discloses its existence in the standalone financial statements.
- vii. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
- viii. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
- ix. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

2.15 Financial Instruments

i. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss.

ii. Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

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Income/ expense arising on financial instruments after applying an effective interest rate is recognized in the Statement of Profit and Loss.

MKHCL has not amortized the loan origination fees paid to the consortium banks, as the impact of amortization over the life of the loan is immaterial.

iii. Financial assets

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries, associates, and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument-by-instrument basis at the time of initial recognition of such equity investments.

Financial assets not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the shorter maturity of these instruments.

Impairment of financial assets

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through the statement of profit of loss. The company recognizes impairment loss on trade receivables using the expected credit loss model. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognized. A loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset, and the transfer qualifies for de-recognition under NFRS 9.

- i. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.
- ii. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and the consideration received is recognized in statement of profit or loss or retained earnings, as applicable.

iv. Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

De-recognition of financial liability

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

v. Off-setting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

vi. Fair Value measurement

The Company measures financial instruments, such as investment in equity instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.16 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement convey a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. A lease is classified at the inception date as a finance lease or an operating lease.

The company as a lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the company.
- The company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the company has the right to direct the use of the identified asset throughout the period of use.

The company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

The company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

2.17 Service concession arrangements

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

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

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

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

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Financial asset model

The Financial asset model is used when the Company, being an operator, has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Unconditional contractual right is established when the grantor contractually guarantees to pay the operator (a) specific or determinable amount; (b) the shortfall, if any, between amounts received from the users of the public services and specified or determinable amounts.

Intangible asset model

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

The Company is constructing a hydro power project after obtaining license from DoED and will maintain and service the infrastructure during the concession period up to 2106/02/25 BS. The concession arrangement provides MKHCL obligation to construct the hydro power, generate electricity and sell the same to Nepal Electricity Authority at rates agreed as per Power Purchase agreement. Further, the concession arrangement gives MKHCL the right to use the hydro power project for generating electricity and earn revenue by selling electricity to NEA. The right to consideration gives rise to an intangible asset and accordingly, the intangible asset model is applied.

2.18 Financial risk management objectives and policies

The Company's business activities expose it to a variety of financial risks, namely primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity, and credit risk, which may adversely impact the fair value of its financial instruments. The Company's Board and senior management has overall responsibility for the establishment and oversight of the Company's risk management. The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management is done by the Company's management that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with the Company's policies and risk objectives.

Credit risk

Credit risk refers to the risk that a counterparty including its subsidiaries and associates will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. This amount has been recognized in the financial position as Current liabilities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations. Since, in case of KEL, the interest rate risk is not much influenced by market forces, it has minimal risk associated with the interest rate fluctuations.

Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its

Maya Khola Hydropower Company Limited Notes to the financial statements for the year ended 31st Ashad 2081

liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressful conditions. A material and sustained shortfall in our cash flow could create potential business continuity risk.

The Company's Finance department regularly monitors the cash position to ensure it has sufficient cash on-going basis to meet operational needs.

2.19 Capital Management

For the purpose of the Company's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the company. The Company manages its capital to safeguard its ability to continue as a going concern and to optimize returns to the shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aim is to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping a strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

टिप्पणी

टिप्पणी



Power/Camp House



Surge Tank



Pen Stock & Power House



Switch yard



Control Room



Generator and Turbine

माया खोला हाइड्रोपावर कम्पनी लिमिटेडको संक्षिप्त परिचय

कम्पनीको स्थापना	: २०६७ जेठ १४
पब्लिक लिमिटेडमा परिणत	: २०७३ मार्ग १७
नेपाल विद्युत प्राधिकरण संग विद्युत खरिद विक्रीको सम्झौता	: २०७० मार्ग २०
विद्युत उत्पादन अनुमति पत्र प्राप्त	: २०७१ जेठ २६
व्यापारिक उत्पादन शुरू	: २०८० असार २२
स्थानिय बासिन्दालाई शेयर वितरण	: २०७५ पौष २६
सर्व साधारणलाई शेयर वितरण	: २०७५ माघ २६
नेप्सेमा शेयर कारोवार शुरू	: २०७५ चैत्र

