



न्यादी हाइड्रोपावर लिमिटेड Nyadi Hydropower Limited



१८^{औं} वार्षिक
प्रतिवेदन
आ.व. २०८१/०८२





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Nyadi Hydropower Limited
Board of Directors



Mr. Om Prakash Shrestha
Chairperson



Mr. Pradeep Kumar Shrestha
Director



Mr. Bijay Bahadur Shrestha
Director



Ms. Bina Rana
Director



Mr. Rajeev Sharma
Independent Director



Ms. Mandira Shrestha
Public Director



Mr. Sudip Man Shrestha
Public Director



Mr. Uttar Kumar Shrestha
Alternate Director



Mr. Radheshyam Shrestha
Alternate Director



Mr. Hari Bahadur Budhathoki
Company Secretary

Nyadi Hydropower Limited
Management Team & Others Staffs

Head Office



Mr. Uttam Amatya
Chief Executive Officer



Mr. Gokul Bhandari
Administrative Officer



Ms. Aakriti Shrestha
Electrical Engineer



Mrs. Manju Lageju
Account Officer

Site Office



Mr. Yugal Gurung
Plant Incharge



Mr. Yejan Maharjan
Electrical Engineer



Mr. Babu Ram Bote
Electrical Engineer



Mr. Suresh Shrestha
Asst. Electrical Engineer



Mr. Pradip Pun
Asst. Electrical Engineer

विषय सूची

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न्यादी हाइड्रोपावर लिमिटेड
बुद्धनगर, बानेश्वर, काठमाडौं
१८औं वार्षिक साधारण सभाको सूचना

यस कम्पनीको मिति २०८२/०९/०१ (तदनुसार डिसेम्बर १७, २०२५) मा बसेको सञ्चालक समितिको बैठकको निर्णय बमोजिम निम्न मिति, स्थान र समयमा देहायका प्रस्तावहरू उपर छलफल तथा निर्णयका लागि कम्पनीको १८औं वार्षिक साधारण सभा हुने भएको हुँदा सबै शेयरधनीहरूको जानकारीका लागि यो सूचना प्रकाशित गरिएको छ।

क. साधारण सभा हुने मिति, स्थान र समय:

मिति : पुस २९, २०८२, मंगलबार (तदनुसार जनवरी १३, २०२६)

समय : बिहान १०:०० बजे

स्थान : क्वालिटी ब्याडक्वेट, बुद्धनगर, काठमाडौं

ख. प्रस्तावहरू:

१. संचालक समितिको प्रतिवेदन उपर छलफल गरी पारित गर्ने।
२. लेखापरीक्षकको प्रतिवेदन सहित आ.व. २०८१/८२ को वित्तीय विवरणहरू उपर छलफल गरी पारित गर्ने।
३. लेखापरीक्षण समितिको सिफारिस अनुसार आ.व. २०८२/८३ का लागि लेखापरीक्षकको नियुक्ति र निजको पारिश्रमिक निर्धारण गर्ने।
४. विविध।

साधारण सभा सम्बन्धी जानकारीहरू:

१. साधारण सभाको प्रयोजनका लागि कम्पनीको शेयर दाखिल खारेजको कार्य मिति २०८२/९/२० गते एक दिन बन्द रहने छ। सो मितिसम्म कायम शेयरधनीले सभामा भाग लिन सक्नुहुनेछ।
२. सभा हुने दिन सभामा उपस्थितिका लागि हाजिर पुस्तिका बिहान ९:०० वजे देखि खुल्ला रहने छ। हाजिर गर्नका लागि परिचय खुल्ने कुनै पनि कागजातहरू जस्तै: नागरिकता, चालक अनुमतिपत्र आदि अनिवार्य रूपमा प्रस्तुत गर्नु पर्नेछ।
३. कुनै संगठित संस्था वा कम्पनीले शेयर खरिद गरेको हकमा त्यस्ता संगठित संस्था वा कम्पनीले मनोनित गरेको प्रतिनिधिले शेयरवालाको हैसियतले सभामा भाग लिन सक्नु हुनेछ।
४. छलफलका विषय सूची मध्ये विविध शिर्षक अन्तर्गत छलफल गर्न इच्छुक शेयरधनीले सभा हुनु भन्दा ७ (सात) दिन अगावै सो सम्बन्धी प्रस्ताव कारण सहित उल्लेख गरी कम्पनी सचिव मार्फत संचालक समितिको अध्यक्षलाई लिखित रूपमा दिनु पर्नेछ।
५. अन्य जानकारीको लागि कम्पनीको रजिष्टर्ड कार्यालय, बुद्धनगर, काठमाडौं तथा शेयर रजिष्ट्रार श्री एनएमवी क्यापिटल लिमिटेड, नागपोखरी, काठमाडौंमा सम्पर्क राख्नु हुन अनुरोध छ।

आज्ञाले
कम्पनी सचिव

न्यादी हाइड्रोपावर लिमिटेडको सञ्चालक समितिको प्रतिवेदन (१८औं वार्षिक साधारण सभाको लागि)

आदरणीय शेयरधनीज्यूहरू,

यस कम्पनीको १८ औं वार्षिक साधारण सभामा यहाँहरूलाई स्वागत छ । यस कम्पनीले निर्माण गरेको लमजुङको मर्स्याङ्दी गाउँपालिका स्थित ३० मे.वा.को न्यादी जलविद्युत आयोजनाले मिति २०७९ बैशाख २७ गते व्यापारिक उत्पादन शुरु गरेको यहाँहरूलाई जानकारीनै छ । नेपाल विद्युत प्राधिकरणले निर्माण गर्नु पर्ने २२० के.भी.को प्रसारण लाईन र लमजुङको खुदी, टारीकुना स्थित सवस्टेशन निर्माणमा भएको ढिलाईका कारण कम्पनीले बैकल्पिक प्रसारण लाईन निर्माण गरी विद्युत आपूर्ति गरेको भएपनि वर्षायाममा नेपाल विद्युत प्राधिकरणले उत्पादन कटौती गर्न लगाई न्यूनमात्रमा विद्युत खरिद गरेका कारण कम्पनीले आफ्नो क्षमता अनुसारको उत्पादन गर्न पाएन र त्यसको कारण कम्पनीको वित्तिय अवस्थामा समेत असर परेको छ ।

१. वित्तिय अवस्था

कम्पनीले आ.व. २०८१/८२ मा ने.वि.प्रा. लाई ११,१७,२४,४३० kWh विद्युत विक्री गरी

रु. ६४,६२,७९,५७८/- बराबरको आमदानी गरेको छ । ने.वि.प्रा ले निर्माण गर्नुपर्ने खुदी सवस्टेशन निर्माण सम्पन्न नभए सम्म PPA बमोजिम Take or Pay प्रावधान लाई Contingency Plan अन्तर्गत Take and Pay लागु गरी ने.वि.प्रा. को Dispatch Order अनुसार मात्र उत्पादन गर्न लगाएका कारण आ.व. २०८१/८२ मा Contract Energy को ६५ प्रतिशत मात्र बिक्री भएको छ । कम्पनीले आयोजनाको क्षमता अनुसार विद्युत उत्पादन गरी बिक्री गर्न पाएको भए Contract Energy कै हाराहारी मा रु. ९७,१६,२९,५२३.६३/- को विद्युत बिक्री गर्न सकिने थियो । तर, ने.वि.प्रा ले निर्माण गर्नुपर्ने खुदी सवस्टेशन निर्माण सम्पन्न नभएका कारण कम्पनीले यस आ.व.मा रु. ३० करोड भन्दा बढी नोक्सानी बेहोर्नु पर्‍यो । जसले गर्दा यस वर्ष कम्पनीको खुद नोक्सानी रु ८,७९,०६,५०२/- हुन गएको छ ।

यस कम्पनीको आ.व. २०८१/८२ को लेखापरीक्षण गरिएको वित्तिय विवरणहरू अलग्गै प्रस्तुत गरिएको छ । संक्षेपमा कम्पनीको वित्तिय अवस्था निम्न अनुसार रहेको छ ।



Board Members of Nyadi Hydropower Limited

विवरण	आ.व. २०८१/८२ (रु. मा.)	आ.व. २०८०/८१ (रु. मा.)
सम्पत्ति, प्लान्ट, तथा उपकरणहरू	४७,९७,२०५	६९,४९,४७८
अमूर्त सम्पत्ति	५,५५,६८,५०,४८३	५,७७,३४,३४,७५९
अन्य गैह्र चालु सम्पत्ति	८३६	८५,०६०
वित्तीय सम्पत्ति	१४,८४,१४,४३६	१४,९३,०५,८३७
अन्य चालु सम्पत्ति	२,५७,३६,७६७	१,६६,०७,५७५
शेयर पूँजी	१,५०,००,००,०००	१,५०,००,००,०००
अन्य इक्विटी	(५०,८३,७९,३६३)	(५७,०४,७२,८६१)
वित्तीय दायित्व	४,६६,१८,५५,८६४	५,००,७९,४७,८३७
अन्य दायित्व	८,२३,२३,२२६	८९,०७,७३३
विद्युत बिक्री (ने.वि.प्रा.)	६४,६२,७९,५७८	५९,२०,४५,७२८
आयोजना संचालन खर्च	(२८,०९,८४,९०७)	(२६,४१,८१,१७८)
अन्य आम्दानी	६,८८,६६४	७८,३४८
प्रशासनिक तथा अन्य संचालन खर्च	(४,३६,०३,४६५)	(४,०५,००,६८६)
ब्याज खर्च	(४२,१३,७६,०९४)	(४८,३०,९२,५७३)
ब्याज आम्दानी	१,५२,७४,८९८	३,७९,७७७
यस वर्षको नाफा नोक्सान	(८,७९,०६,५०२)	(१९,५२,७०,५८४)
प्रति शेयर आम्दानी	(५.८६)	(१३.०२)

२. आयोजनाको विद्युत उत्पादन

यस आयोजनाबाट आ.व. २०८१/८२ मा ने.वि.प्रा. लाई ११,१७,२४,४३० kWh विद्युत नेपाल विद्युत प्राधिकरणलाई आपूर्ति गरिएको थियो। ने.वि.प्रा.संग भएको विद्युत खरिद बिक्री सम्झौता अनुसार १६,८५,५२,९७४ kWh विद्युत आयोजनाले ने.वि.प्रा.लाई आपूर्ति गर्न सकिने अवस्था थियो। यसको एकमात्र कारण भनेको ने.वि.प्रा.ले निर्माण गर्नु पर्ने २२० के.भी.को प्रसारण लाईन र लमजुङको खुदी, टारीकुना स्थित सवस्टेशन निर्माणमा भएको ढिलाई नै हो।

आयोजनालाई समयमै मर्मत तथा संभार गरेर चुस्त दुरुस्त अवस्थामा राखिएको छ। आ.व. २०८१/८२ मा पचास घन्टा भन्दा कम सटडाउन लिइएको छ।

बैकल्पिक प्रसारण लाईन निर्माण गरी आयोजनाले विद्युत आपूर्ति गर्दा ने.वि.प्रा.ले “टेक एण्ड पे” प्रवन्ध अर्न्तगत खासगरी वर्षायाममा कम विद्युत आपूर्ति लिएका कारण कम्पनीले आफ्नो क्षमता अनुसारको विद्युत उत्पादन गरी आपूर्ति गर्न सकिरहेको छैन। यसबाट कम्पनीले प्रतिवर्ष करीव रु. ३० करोड आम्दानी गुमाउन परेको तितो यथार्थ रहेको छ।

यसैक्रममा यस आयोजना लगायत मर्स्याङ्दी कोरीडोरका १४ जना स्वतन्त्र उर्जा उत्पादकहरूले ने.वि.प्रा.ले हाल निर्माण गर्दै गरेको २२० के.भी. मार्कीचोक देखि भरतपुर खण्डको प्रसारण लाईन निर्माणमा ने.वि.प्रा. तथा यसको ठेकेदारलाई आवश्यक सहयोग गर्ने र ने.वि.प्रा.ले यस आयोजनाको विद्युत खरिद बिक्री सम्झौता आ.व. २०८२/८३ को अन्त्य सम्ममा “टेक अर पे” मा परिणत गर्न मिति २०८१/८/५ गते सहमति समेत भएको छ। उल्लेखित

प्रर्वद्धकहरू मध्ये ७ आयोजनाहरू संचालनमा आएका र ७ आयोजनाहरू निर्माणाधिन रहेका छन्। सो प्रशारण लाईनको निर्माणका लागि कम्पनीले सहयोग गरीरहेकैछ। यसबाट आ.व. २०८२/८३ देखी आयोजनाबाट हुने विद्युत उत्पादन

तथा आपूर्ति बढ्ने र कम्पनीको वित्तिय अवस्थामा समेत सुधार हुनेछ। आयोजनाबाट उत्पादित विद्युत खुदी हबमा आपूर्तिका लागि आयोजनाको तर्फबाट तयार गर्नु पर्ने संरचनाहरू तयारी अवस्थामा रहेको छ।

३. शेयर संरचना

आ.व. २०८१/८२ मा कम्पनीको शेयर संरचना निम्नानुसार रहेको छ।

क्र.सं.	शेयरधनी	शेयर संख्या	शेयर रकम (रु. मा)
१.	बुटवल पावर कम्पनी लि.	१,०७,५१,४५३	१,०७,५१,४५,३००/-
२.	साधारण शेयरधनी तर्फ	४२,४८,५४७	४२,४८,५४,७००/-
	जम्मा	१,५०,००,०००	१,५०,००,००,०००/-

४. वातावरण तथा सामाजिक प्रभाव न्युनिकरण

आयोजना निर्माणको दौरानमा स्थानीय सरोकार समिति तथा स्थानीयहरूको सकारात्मक सहयोग प्राप्त भएको छ। सरोकार समितिको सहकार्य तथा समन्वयमा विभिन्न सामाजिक तथा वातावरणीय कार्यक्रमहरू गत वर्ष सम्म संचालन गरिएकोमा यस वर्ष केही मर्मत संभारका कार्यहरू गरिएको थियो।

५. सञ्चालक समिति

संचालक समितिमा निम्न महानुभावहरू रहनु भएको छ।

श्री ओम प्रकाश श्रेष्ठ	अध्यक्ष
श्री प्रदीप कुमार श्रेष्ठ	संचालक
श्री बिजय बहादुर श्रेष्ठ	संचालक



Board Members, CEO and Company Secretary of Nyadi Hydropower Limited

श्री विना राणा	संचालक
श्री राजीव शर्मा	स्वतन्त्र संचालक
श्री मन्दिरा श्रेष्ठ	संचालक
श्री सुदिप मान श्रेष्ठ	संचालक
श्री उत्तर कुमार श्रेष्ठ	बैकल्पिक संचालक
श्री राधेश्याम श्रेष्ठ	बैकल्पिक संचालक

श्री हरि बहादुर बुढाथोकीले यस कम्पनीको कम्पनी सचिव तथा कानुनी सल्लाहकारको रूपमा काम गर्दै आउनुभएको छ । आ.व. २०८१/८२ मा संचालक समितिको ८ वटा बैठकहरु सम्पन्न भएको थियो ।

६. सञ्चालक समिति अन्तर्गतका समितिहरु

(क) लेखापरीक्षण समिति

सञ्चालक समिति अन्तर्गत देहाय बमोजिमको लेखापरीक्षण समिति रहेको छ ।

श्री बिजय बहादुर श्रेष्ठ	अध्यक्ष
श्री उत्तर कुमार श्रेष्ठ	सदस्य
श्री सुदिप मान श्रेष्ठ	सदस्य

लेखापरीक्षण समितिले कम्पनी ऐन, २०६३ अनुसारको आफ्नो कर्तव्य तथा जिम्मेवारीहरु

९. शेयर रजिष्टार तथा शेयर कारोवार

मिति २०७८ कार्तिक २५ देखि बालुवाटार, काठमाण्डौ स्थित एन. एम. वि. क्यापिटल लि. यस कम्पनीको शेयर रजिष्टार रहेको छ । यस वर्ष कुनै शेयर जफत गर्ने वा कम्पनी आफैले खरिद गर्ने कार्य गरेको छैन । कम्पनीको आ.व. २०८१/८२ मा शेयर कारोवारको मुख्य विवरणहरुको सारसंक्षेप निम्न अनुसार रहेको छ ।

अधिकतम मूल्य	न्यूनतम मूल्य	अन्तिम मूल्य	कारोवार दिन	कारोवार संख्या	कारोवार शेयर	कारोवार रकम रु.
८८०	२८३.३०	४५५.०६	२३०	१,०३,८८८	१,४३,९९,२८५	७९,१७,३६२,३६२.१५

१०. सम्बद्ध पक्षसंगको कारोवारहरु

यस कम्पनीले मुख्य कम्पनी बुटवल पावर कम्पनी तथा त्यसका सहायक कम्पनीहरूसंग तथा सम्बद्ध पक्षहरूसंग उत्तम औद्योगिक प्रचलनहरु तथा प्रचलित कानून अनुसार व्यवसायिक हिसाबले कारोवारहरु गर्दछ । कम्पनीले सम्बद्ध कम्पनीहरूसंग गरेका मुख्य मुख्य सबै कारोवारहरुका सम्बन्धमा आ.व. २०८१/८२ को वित्तिय विवरणहरुको नोटमा खुलाइएको छ ।

पुरा गरेको छ र कम्पनीको वित्तिय सुशासन सुदृढ गर्नका लागि सञ्चालक समितिलाई सहयोग गरेको छ ।

७. व्यवस्थापन

कम्पनीको व्यवस्थापनमा श्री उत्तम अमात्यले प्रमुख कार्यकारी अधिकृतको रूपमा कार्य गर्दै आउनु भएको छ । श्री युगलाल गुरुडले साईट इन्चार्जकोरूपमा कार्य गर्दै आउनु भएको छ । आ.व. २०८१/८२ मा व्यवस्थापनको कार्यसंपादन सन्तोषजनक रहेको छ ।

८. आन्तरिक व्यवस्थापन प्रणाली

लेखापरीक्षण समितिले कम्पनीको आन्तरीक नियन्त्रण प्रणालीको प्रभावकारिताको नियमितरूपमा पुनरावलोकन गर्दछ । सञ्चालक समितिले स्विकृत गरेका नियमहरु, कार्यविधि तथा निर्देशिकाहरुको आधारमा कम्पनीको काम कारबाहीहरु संचालन भएका छन् । बाह्य लेखापरीक्षणको अलावा आन्तरिक लेखापरीक्षणको व्यवस्था गरिएको छ । यसबाट कम्पनीको व्यवस्थापन तथा आयोजनाको संचालनसंग सम्बन्धित विभिन्न जोमिखहरुको न्यूनिकरण तथा व्यवस्थापनमा सहयोग पुऱ्याएको छ ।

११. कम्पनीको औद्योगिक तथा व्यवसायिक सम्बन्ध

कम्पनीले सबै सरोकारवालाहरूसंग राम्रो सम्बन्ध कायम गरेको छ । स्थानीय सरकार तथा नेपाल सरकारका जिल्ला स्तरीय कार्यालयहरु आयोजना प्रति सकारात्मक सहयोगी रहेका छन् । यस कम्पनी संस्थागत सामाजिक दायित्व अन्तर्गतका विभिन्न गतिविधिहरुमा संलग्न भई तथा गोष्ठी तथा सेमिनार मार्फत सहभागीता जनाई आफ्ना सरोकारवालाहरूसंग प्रत्यक्ष रूपमा जोडिएको छ । यस कम्पनी स्वतन्त्र उर्जा उत्पादक संघको संस्थागत सदस्य हो ।

१२. व्यवसायलाई असर गर्ने मुख्य पक्षहरू

ने.वि.प्रा.मात्र एकल विद्युत खरिदकर्ता भएको र अन्य थोक विद्युत खरिदकर्ता नभएको हुँदा आयोजनासंग विद्युत बिक्रीको अन्य विकल्पनै छैन । तर, ने.वि.प्रा.को कमजोर प्रसारण लाईन हुनु र निर्माणाधिन प्रसारण आयोजनाहरूमा अनावश्यक ढिलाई भईरहेका कारण यस आयोजनालाई मात्र नभई देश भित्रका स्वतन्त्र उर्जा उत्पादकहरूले निर्माण तथ संचालन गरेका आयोजनाहरूलाई गम्भिर असर परिरहेको छ । प्रतिस्पर्धी विद्युत बजार आजको टडकारो त्यसैगरी वित्तिय बजारको उतार चढावका कारण बैंक व्याजदरमा हुने परिवर्तनले आयोजनाको लागतमा प्रभावित पार्ने देखिएको छ ।

१३. लेखापरीक्षक

कम्पनीको आ.व. २०८१/८२ को हिसाब किताबको लेखापरीक्षण बाह्य लेखापरीक्षक पि.एल.श्रेष्ठ एण्ड कम्पनी, चार्टर्ड एकाउन्टेन्ट्सले गर्नु भयो । लेखापरीक्षकले लेखापरीक्षण प्रतिवेदनमा कुनै नकरात्मक टिप्पणी गर्नु भएको छैन । त्यसैगरी कम्पनीले आ.व. २०८१/८२ देखि संस्थाको आन्तरिक नियन्त्रण प्रणाली चुस्त तथा दुरुस्त राख्न निमित्त कम्पनीको हिसाब किताबको आन्तरिक लेखापरीक्षण श्री के.पि.एन.एण्ड एसोसिएट्स, चार्टर्ड एकाउन्टेन्ट्सले गर्नु भएको छ । आन्तरिक लेखापरीक्षकले लेखापरीक्षण प्रतिवेदनमा कम्पनीको आन्तरिक नियन्त्रण प्रणाली, वैधानिक अनुपालन तथा अन्य कौफियतहरू औँल्याउनु भएकोमा कम्पनी व्यवस्थापनले त्यस्ता कौफियतहरूको नियमित पालना तथा सुधार गर्दै लैजाने प्रतिबद्धता जनाउनु भएको छ ।

१४. आगामी कार्यभार

आगामी आर्थिक वर्ष २०८२/८३ को दुईवटा मुख्य कार्यहरू छन् । पहिलो कार्यभार आयोजनाबाट उत्पादन तथा आपूर्ति बढाउनेतर्फनै केन्द्रित रहनेछ । दोश्रो तथा अझ महत्वपूर्ण कार्यभार भनेको हालको Contingency Arrangement अर्न्तगत रहेको “टेक एण्ड पे” विद्युत खरिद बिक्री सम्झौतालाई “टेक अर पे” मा परिणत गराउने रहेको छ ।

१५. कृतज्ञता तथा धन्यवाद ज्ञापन

अन्त्यमा कम्पनीलाई प्रत्यक्ष वा परोक्षरूपले सहयोग पुऱ्याउँदै आउनु भएका नेपाल सरकारको उर्जा, जलश्रोत तथा सिंचाई मन्त्रालय, बन तथा वातावरण मन्त्रालय, भूमि व्यवस्था, सहकारी तथा गरिवी निवारण मन्त्रालय, गृह मन्त्रालय, रक्षा मन्त्रालय, विद्युत विकास विभाग, नेपाल विद्युत प्राधिकरण, विद्युत नियमन आयोग, जिल्ला स्थित सरकारी कार्यलयहरू, स्थानीय सरकार तथा त्यसका पदाधिकारीहरू लगायत नेपाल सरकारका विभिन्न निकाय तथा पदाधिकारीहरूलाई धन्यवाद दिन चाहन्छु ।

साथै प्रत्यक्ष वा परोक्षरूपमा सहयोग पुऱ्याउने सरोकार समिति, स्थानीय बासिन्दा, ठेकेदार, आपूर्तिकर्ता, संलग्न संस्थाहरू, लगानीकर्ता बैच तथा वित्तिय संस्थाहरू, बिमा कम्पनीहरू, लेखापरीक्षक, विभिन्न परामर्शदाता, आयोजनाको निर्माण सम्पन्न गर्न खटिने कम्पनीका व्यवस्थापन तथा कार्यरत कर्मचारीहरू तथा अन्य सम्बद्ध सबैलाई हार्दिक धन्यवाद ज्ञापन गर्न चाहन्छु ।

सञ्चालक समिति तथा यस अर्न्तगतका समितिहरूका सदस्यहरू, व्यवस्थापन समूह तथा कर्मचारीहरूलाई कम्पनीको प्रगतिको लागि गर्नु भएको समर्पण एवं निरन्तर योगदानको लागि तथा शेरधनीहरूलाई हामी प्रति देखाउनुभएको विश्वासका लागि हार्दिक कृतज्ञता ज्ञापन गर्न चाहन्छु ।

धन्यवाद ।

भवदीय,

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अध्यक्ष

सञ्चालक समिति



P.L. Shrestha & Co.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NYADI HYDROPOWER LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Nyadi Hydropower Limited ("the Company"), which comprise the Statement of Financial Position as at Ashad 32, 2082, (July 16, 2025), the Statement of Profit or Loss including Other Comprehensive Income, the Statement of Change in Equity and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements present fairly, in all material respects, the financial position of the Company, as at Ashad 32, 2082 (July 16, 2025), and its financial performance, changes in equity, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Financial Reporting Standards and comply with Company Act, 2063, and other prevailing laws,

Basis for Opinion

We conducted our audit of the financial statements 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 Handbook of The Code of Ethics for Professional Accountants issued by The Institute of Chartered Accountants of Nepal (ICAN), and we have fulfilled our other ethical responsibilities in accordance with 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 audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of financial statement as a whole, and in forming the auditor opinion thereon, and the auditor does not provide a separate opinion on these matters.

We have determined that there are no any key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management report, Report of the Board of Directors and Chairman's statement 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Responsibility 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 the financial statements that are free from material misstatement, whether due to fraud and 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.



P.L. Shrestha & Co.

Chartered Accountants

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. 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 controls 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.

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.

Report on Other Legal and Regulatory Requirements

Based on our examination, we would like to further report that:

- We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
- The Company has kept proper books of accounts as required by law, in so far as it appears from our examination of those books of account.
- The Statement of Financial Position, Statement of Profit or Loss including Other Comprehensive Income, the Statement of Change in Equity and the Statement of Cash Flows and attached Schedules dealt with by this report are in agreement with the books of account maintained by the Company.
- During our examination of the books of account of the Company, we have not come across the cases where the Board of Directors or any member thereof or any representative or any office holder or any employee of the Company has acted contrary to the provisions of law or caused loss or damage to the Company and
- We have not come across any fraudulence in the accounts, based on our sample examination of the books.

Place: Kathmandu
Date: 2082/08/15
UDIN: 251217CA00856VWVQHQ

For, P. L. Shrestha & Co.
Chartered Accountants



CA. Sanchet Lal Shrestha
Managing Partner

Statements of Financial Position

As at Ashad 32nd, 2082 (16 July 2025)

Figures in NPR

Assets		As at Ashad 32, 2082	As at Ashad 31, 2081
Non-Current Assets	-	-	-
Property, Plant and Equipment	3	47,97,205	69,49,478
Intangible Assets	4	5,55,68,50,483	5,77,34,34,759
Other Non Current Assets	5	836	-
Current Tax Assets (net)	6	-	85,060
Non-Current Assets		5,56,16,48,524	5,78,04,69,297
Current Assets			
Financial Assets			
Trade Receivables	7	11,87,21,764	13,61,02,899
Cash and Cash Equivalents	8	1,18,64,259	1,19,06,069
Other Bank Balances	9	1,41,02,139	12,71,869
Other Financial Assets	10	37,26,274	25,000
Other Current Assets	5	2,57,36,767	1,66,07,575
Total Current Assets		17,41,51,203	16,59,13,412
Total Assets		5,73,57,99,727	5,94,63,82,709
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital		1,50,00,00,000	1,50,00,00,000
Retained Earnings		(65,83,79,363)	(57,04,72,861)
Advance for share capital		15,00,00,000	-
Total Equity		99,16,20,637	92,95,27,139
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	13	4,34,75,95,704	4,46,33,98,820
Other Financial Liabilities	14	16,54,67,012	21,80,21,808
Provisions	15	26,54,518	25,38,638
Total Non-Current Liabilities		4,51,57,17,234	4,68,39,59,266
Current Liabilities			
Financial Liabilities			
Borrowings	13	10,00,00,000	25,00,00,000
Trade Payables	16	24,22,948	39,3150
Other Financial Liabilities	14	4,63,70,200	7,61,34,059
Other Current Liabilities	17	7,78,78,003	63,69,095
Current Tax Liabilities (net)	6	17,90,705	-
Total Current Liabilities		22,84,61,856	33,28,96,304
Total Equity and Liabilities		5,73,57,99,727	5,94,63,82,709

The accompanying notes are integral part of these financial statements.

Uttam Amatya
Chief Executive Officer

Om Prakash Shrestha
Chairman

Pradeep Kumar Shrestha
Director

Bijay Bahadur Shrestha
Director

Bina Rana
Director

Rajeev Sharma
Director

Mandira Shrestha
Director

Sudip Man Shrestha
Director

Date: December 16, 2025
Place: Kathmandu, Nepal

CA. Sachet Lal Shrestha
Partner
P.L Shrestha & Co.
Chartered Accountants

Statement of Profit or Loss and other Comprehensive Income

For the year ended Ashad 32, 2082 (16 July, 2025)

Figures in NPR

Assets	Note	FY 2081/82	FY 2080/81
Revenue from Operations	18	64,62,79,578	59,20,45,728
Project Operating Expenses	19	(28,09,84,907)	(26,41,81,178)
Gross Profit		36,52,94,671	32,78,64,550
Other Income	20	6,88,664	78,348
Administrative and Other Operating Expenses	21	(4,36,03,465)	(4,05,00,686)
Net Operating Profit		32,23,79,870	28,74,42,212
Finance Cost	22	(42,13,76,094)	(48,30,92,573)
Finance Income	23	1,52,74,898	3,79,777
Profit/(Loss) before Tax		(8,37,21,326)	(19,52,70,584)
Income Tax Expense			
Current Tax		(41,85,176)	-
Net Profit for the year		(8,79,06,502)	(19,52,70,584)
Other Comprehensive Income			
Items not to be reclassified to Profit & Loss Account			
i. Gains/(losses) from investments in equity instruments measured at fair value		-	-
ii. Gains/(losses) on revaluation		-	-
iii. Actuarial gain/(loss) on defined benefit plans		-	-
iv. Income tax relating to above items		-	-
Other Comprehensive Gain/(Loss) for the year, Net of Tax		-	-
Total Comprehensive Gain/(Loss) for the year, Net of Tax		(8,79,06,502)	(19,52,70,584)
Earnings Per Equity Share of NPR 100 each			
Basic Earnings Per Share	24	(5.86)	(13.02)
Diluted Earnings Per Share	24	(5.86)	(13.02)

The accompanying notes are integral part of these financial statements.

Uttam Amatya
Chief Executive Officer

Om Prakash Shrestha
Chairman

Pradeep Kumar Shrestha
Director

Bijay Bahadur Shrestha
Director

Bina Rana
Director

Rajeev Sharma
Director

Mandira Shrestha
Director

Sudip Man Shrestha
Director

Date: December 16, 2025
Place: Kathmandu, Nepal

CA. Sachet Lal Shrestha
Partner
P.L Shrestha & Co.
Chartered Accountants



Statement of Cash Flows

For the year ended Ashad 32, 2082 (16 July, 2025)

Figures in NPR

Assets	Note	FY 2081/82	FY 2080/81
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (Loss) before tax		(8,37,21,326)	(19,52,70,584)
Adjustments for :			
Depreciation And Amortisation		23,68,34,825	22,87,79,855
Gain on sale of property, plant and equipment (net)		(6,60,664)	-
Interest income		(1,52,74,898)	(3,79,777)
Operating profit before working capital changes		13,71,77,937	3,31,29,494
Adjustments for :			
(Increase) / Decrease in trade receivables and other financial assets		45,50,865	13,06,789
(Increase) / Decrease in Other Assets		(91,30,028)	29,96,688
Increase / (Decrease) in Trade Payables, other liabilities and provisions		(86,64,068)	1,83,80,123
Cash generated from / (used in) operation		12,39,34,706	5,58,13,094
Income Tax Paid		(23,09,411)	(38,741)
Net cash generated from / (used in) operating activities		12,16,25,295	5,57,74,353
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Acquisition of Property, Plant and Equipment		(62,122)	(8,17,095)
Proceeds from sale of Property, plant and equipment		15,00,000	-
Acquisition of Intangible Assets		(1,88,75,491)	(43,90,977)
Interest received		1,15,73,624	3,79,777
Net cash used in investing activities		(58,63,989)	(48,28,295)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of term Loan		(11,58,03,116)	(4,59,59,134)
Increase/(Decrease) in short term borrowings		-	-
Net cash generated from / (used in) financing activities		(11,58,03,116)	(4,59,59,134)
Net increase / (decrease) in cash and cash equivalents		(41,810)	49,86,924
Cash and cash equivalents at the beginning of the year		1,19,06,069	69,19,145
Cash and cash equivalents at the end of the year		1,18,64,259	1,19,06,069
Cash and cash equivalents comprise of:			
Cash on hand		14,510	17,815
Balance with banks in current accounts		97,81,488	1,84,474
Balance with banks in short term call deposits		20,68,261	1,17,03,780
Total		1,18,64,259	1,19,06,069

The accompanying notes are integral part of these financial statements.

Uttam Amatya
Chief Executive Officer

Om Prakash Shrestha
Chairman

Pradeep Kumar Shrestha
Director

Bijay Bahadur Shrestha
Director

Bina Rana
Director

Rajeev Sharma
Director

Mandira Shrestha
Director

Sudip Man Shrestha
Director

CA. Sachet Lal Shrestha
Partner
P.L Shrestha & Co.
Chartered Accountants

Date: December 16, 2025
Place: Kathmandu, Nepal

Statement of Changes in Equity

For the year ended Ashad 32, 2082 (16 July, 2025)

Figures in NPR

Particulars	Share Capital	Retained Earnings	Advance for Share capital	Total
Balance at Ashad 31, 2080	1,50,00,00,000	(37,52,02,277)	-	1,12,47,97,723
Profit/(Loss) for the year	-	(19,52,70,584)	-	(19,52,70,584)
Other Comprehensive Income	-	-	-	-
Dividends to Shareholders	-	-	-	-
Balance at Ashad 31, 2081	1,50,00,00,000	(57,04,72,861)	-	92,95,27,139
Receipt of advance for share capital	-	-	15,00,00,000	15,00,00,000
Profit/ (Loss) for the year	-	(8,79,06,502)	-	(8,79,06,502)
Other Comprehensive Income	-	-	-	-
Dividends to Shareholders	-	-	-	-
Balance at Ashad 32, 2082	1,50,00,00,000	(65,83,79,363)	15,00,00,000	99,16,20,637

The accompanying notes are integral part of these financial statements.

Uttam Amatya
Chief Executive Officer

Om Prakash Shrestha
Chairman

Pradeep Kumar Shrestha
Director

Bijay Bahadur Shrestha
Director

Bina Rana
Director

Rajeev Sharma
Director

Mandira Shrestha
Director

Sudip Man Shrestha
Director

Date: December 16, 2025
Place: Kathmandu, Nepal

CA. Sachet Lal Shrestha
Partner
P.L Shrestha & Co.
Chartered Accountants



**Notes to the Financial Statements**

For the year ended Ashad 32, 2082 (16 July, 2025)

Figures in NPR

Note No: 3, Property, Plant & Equipment

Particulars	Office Equipment	Plant & Machinery	Furniture & Fixtures	Computers & Accessories	Automobiles	Total
Gross Book Value						
Balance as at Ashad 31, 2080	27,09,435	11,73,088	18,03,979	16,68,366	2,35,28,890	3,08,83,758
Additions	1,71,045	5,77,050	-	69,000	-	8,17,095
Disposal/Adjustments	-	-	-	-	-	-
Balance as at Ashad 31, 2081	28,80,480	17,50,138	18,03,979	17,37,366	2,35,28,890	3,17,00,853
Additions	62,122	-	-	-	-	62,122
Disposal/Adjustments	-	-	-	-	(48,63,343)	(48,63,343)
Balance as at Ashad 32, 2082	29,42,602	17,50,138	18,03,979	17,37,366	1,86,65,547	2,68,99,632
Accumulated Depreciation						
Balance as at Ashad 31, 2080	15,85,459	8,04,630	13,18,438	13,13,037	1,80,72,487	2,30,94,051
Charge for the year	2,54,541	55,269	1,25,270	79,932	11,42,312	16,57,324
Disposal/Adjustments	-	-	-	-	-	-
Balance as at Ashad 31, 2081	18,40,000	8,59,899	14,43,708	13,92,969	1,92,14,799	2,47,51,375
Charge for the year	2,37,058	46,978	1,09,702	70,567	9,10,754	13,75,059
Disposal/Adjustments	-	-	-	-	(40,24,007)	(40,24,007)
Balance as at Ashad 32, 2082	20,77,058	9,06,877	15,53,410	14,63,536	1,61,01,546	2,21,02,427
Net Book Value						
Balance as at Ashad 31, 2080	11,23,976	3,68,458	4,85,541	3,55,329	54,56,403	77,89,707
Balance as at Ashad 31, 2081	10,40,480	8,90,239	3,60,271	3,44,397	43,14,091	69,49,478
Balance as at Ashad 32, 2082	8,65,544	8,43,261	2,50,569	2,73,830	25,64,001	47,97,205

The accompanying notes are integral part of these financial statements.

As per our report of even date

Uttam Amatya

Chief Executive Officer

Bina Rana

Director

Om Prakash Shrestha

Chairman

Rajeev Sharma

Director

Pradeep Kumar Shrestha

Director

Mandira Shrestha

Director

Bijay Bahadur Shrestha

Director

Sudip Man Shrestha

Director

CA. Sachet Lal Shrestha

Partner

P.L Shrestha & Co.

Chartered Accountants

Date: December 16, 2025

Place: Kathmandu, Nepal

Notes to the Financial Statements

For the year ended Ashad 32, 2082 (16 July, 2025)

Note No: 4, Intangible Assets Under Development

Figures in NPR

Particulars	As at Ashad 31, 2081	As at Ashad 31, 2080
Pre-Operating Expenses (A)	-	869,068,914
Depreciation	-	20,272,171
Employee Related Cost	-	106,689,005
Other Project Operation Expenses	-	44,373,549
LEDCO Service Fee and Expenses	-	35,000,000
Licensing & Other Development Fees	-	8,899,100
Pre-Construction Interest, Commission & Fees	-	24,835,484
Interest, Commission & Fees during Construction	-	628,999,604
Land Acquisitions (B)	-	33,967,346
Land & Land Developments	-	33,967,346
Civil Works (C)	-	2,549,264,658
Civil Works	-	2,485,547,218
Access Road	-	28,634,345
Marshyangdi Bridge	-	32,427,420
Head Works Dam - (Siuri tailrace canal to Intake)	-	2,655,675
Environment & Social Cost (D)	-	46,658,301
Trainings & Developments	-	2,062,551
Community & Social Expenses	-	24,495,173
Nursary and Plantation	-	836,464
Infrastructure Developments	-	19,264,112
Engineering & Management (E)	-	324,638,112
Engineering, Design & Development Expenses	-	157,965,712
Consultancy Fee & Expenses	-	161,089,809
Inspection & Project Supervision	-	5,582,591
Transmission Line (F)	-	97,098,474
Transmission Line Works	-	97,098,474
Hydro Mechanical Works (G)	-	405,044,771
Hydro Mechanical Works	-	405,044,771
Electro Mechanical Works (H)	-	670,864,507
Electro Mechanical Works	-	670,864,507
Total (A+B+C+D+E+F+G+H)	-	4,996,605,083

The accompanying notes are integral part of these financial statements.

As per our report of even date

Uttam Amatya
Chief Executive Officer

Om Prakash Shrestha
Chairman

Pradeep Kumar Shrestha
Director

Bijay Bahadur Shrestha
Director

Bina Rana
Director

Rajeev Sharma
Director

Mandira Shrestha
Director

Sudip Man Shrestha
Director

CA. Sachet Lal Shrestha
P.L Shrestha & Co.
Chartered Accountants

Date: Mangshir 17, 2081 (December 02, 2024)

Place: Kathmandu, Nepal

Notes to the Financial Statements

For the year ended Ashad 32, 2082 (16 July, 2025)

Note No: 4.1, Intangible Assets

Figures in NPR

Particulars	Service Concession Arrangement	Total
Gross Book Value	-	-
Balance as at Ashad 31, 2080	6,26,00,44,614	6,26,00,44,614
Capitalized during the year under	43,90,977	43,90,977
Civil Works	18,59,873	18,59,873
HM Works	-	-
EM Works	-	-
TL Works	9,03,904	9,03,904
SCADA System	16,27,200	16,27,200
Balance as at Ashad 31, 2081	6,26,44,35,591	6,26,44,35,591
Capitalized during the year under	1,88,75,491	1,88,75,491
Civil Works	17,89,281	17,89,281
HM Works	35,79,370	35,79,370
EM Works	9,99,188	9,99,188
TL Works	1,25,07,652	1,25,07,652
SCADA System	-	-
Balance as at Ashad 32, 2082	6,28,33,11,082	6,28,33,11,082
*Amortizations		
Balance as at Ashad 31, 2080	26,38,78,301	26,38,78,301
Charge for the year	23,54,59,767	22,71,22,531
Civil Works	15,62,56,200	15,62,56,200
HM Works	2,58,05,503	2,58,05,503
EM Works	3,67,25,866	3,67,25,866
TL Works	82,83,561	82,83,561
SCADA System	51,401	51,401
Adjustment during the year	-	-
Balance as at Ashad 31, 2081	49,10,00,832	49,10,00,832
Charge for the year	23,54,59,767	23,54,59,767
Civil Works	16,15,19,439	16,15,19,439
HM Works	2,68,15,003	2,68,15,003
EM Works	3,79,89,136	3,79,89,136
TL Works	90,72,132	90,72,132
SCADA System	64,057	64,057
Adjustment during the year	-	-
Balance as at Ashad 32, 2082	72,64,60,599	72,64,60,599
Net Book Value		
Balance as at Ashad 31, 2081	5,77,34,34,759	5,77,34,34,759
Balance as at Ashad 32, 2082	5,55,68,50,483	5,55,68,50,483

The accompanying notes are integral part of these financial statements.

Uttam Amatya
Chief Executive Officer

Om Prakash Shrestha
Chairman

Pradeep Kumar Shrestha
Director

Bijay Bahadur Shrestha
Director

Bina Rana
Director

Rajeev Sharma
Director

Mandira Shrestha
Director

Sudip Man Shrestha
Director

Date: December 16, 2025
Place: Kathmandu, Nepal

CA. Sachet Lal Shrestha
Partner
P.L Shrestha & Co.
Chartered Accountants

Note No: 5

Other Current and Non-Current Assets

Particulars	As at Ashad 32, 2082		As at Ashad 31, 2081	
	Current	Non-Current	Current	Non-Current
Advance to Suppliers	33,89,695	-	97,34,705	-
Advance to Others	1,50,00,000	-	68,72,870	-
Prepayments	73,47,072	-	-	-
Other Assets	-	836	-	-
Total	2,57,36,767	836	16,607,575	85,060

Note No: 6

Current Tax Assets/(Liabilities)

Particulars	As at Ashad 32, 2082	As at Ashad 31, 2081
Advance Income Tax	23,94,471	85,060
Less: Provision for Income Tax	(41,85,176)	-
Total	(17,90,705)	85,060

Note No: 7

Trade Receivables

Particulars	As at Ashad 32, 2082	As at Ashad 31, 2081
Receivables from NEA	11,87,21,764	13,61,02,899
Total	11,87,21,764	13,61,02,899

Note No: 8

Cash and Cash Equivalents

Particulars	As at Ashad 32, 2082	As at Ashad 31, 2081
Cash on hand	14,510	17,815
Balance with Banks	-	-
In Current Account	97,81,488	1,84,474
In Call Account	20,68,261	1,17,03,780
Total	1,18,64,259	1,19,06,069

Note No: 9

Other Bank Balances

Particulars	As at Ashad 32, 2082	As at Ashad 31, 2081
Margin Money Account	7,94,047	1,271,869
Fixed Deposits	1,33,08,092	-
Total	1,41,02,139	12,71,869

Note No: 10

Other Financial Assets

Particulars	As at Ashad 32, 2082		As at Ashad 31, 2081	
	Current	Non-Current	Current	Non-Current
Trade and Security Deposit	25,000	-	25,000	-
Interest receivable	37,01,274	-	-	-
Total	37,26,274	-	25,000	-

Refer Note No: 13 for the details in respect of Financial Assets hypothecated/Pledged/mortgaged as security for borrowings

Note No: 11

Equity Share Capital

Particulars	As at Ashad 32, 2082		As at Ashad 31, 2081	
	No. of Shares	Amount	No. of Shares	Amount
A. Equity Shares	-	-	-	-
Authorised	-	-	-	-
Equity Shares of Rs. 100 each with voting rights	1,50,00,000	1,50,00,00,000	1,50,00,000	1,50,00,00,000
Issued	-	-	-	-
Equity Shares of Rs. 100 each with voting rights	1,50,00,000	1,50,00,00,000	1,50,00,000	1,50,00,00,000
Subscribed	-	-	-	-
Equity Shares of Rs. 100 each with voting rights	1,50,00,000	1,50,00,00,000	1,50,00,000	1,50,00,00,000
Fully Paid	-	-	-	-
Equity Shares of Rs. 100 each with voting rights	1,50,00,000	1,50,00,00,000	1,50,00,000	1,50,00,00,000
Less: Calls in arrear	-	-	-	-
	1,50,00,000	1,50,00,00,000	1,50,00,000	1,50,00,00,000

B. Reconciliation of the number of Shares Outstanding at the beginning and end of the year

Particulars	As at Ashad 32, 2082	As at Ashad 31, 2081
	No. of Shares	No. of Shares
Balance as at the beginning of the year	1,50,00,000	1,50,00,000
Changes during the year	-	-
Balance as at the end of the year	1,50,00,000	1,50,00,000

C. Details of Shareholding

Particulars	As at Ashad 32, 2082		As at Ashad 31, 2081	
	No. of Shares	Share %	No. of Shares	Share %
Butwal Power Company Ltd.	1,07,51,453	71.68%	1,07,51,453	71.68%
Lamjung Electricity Development Company Ltd.	1,98,547	1.32%	1,98,547	1.32%
General Public(Including project affected locals, Promoter's employees and General Public)	40,50,000	27.00%	40,50,000	27.00%
Total	1,50,00,000	100%	1,50,00,000	100%

During the financial year, the company converted its short term borrowings from Butwal Power Company Limited into advance for equity amounting to Rs. 150,000,000 pursuant to the decision of Board of Directors and Butwal Power Company Limited. The advance for equity is non interest bearing and accordingly, interest on related amount has been discontinued from the forth quarter of current financial year.

Note No: 12

Retained Earnings

Particulars	As at Ashad 32, 2082	As at Ashad 31, 2081
Retained earnings	(65,83,79,363)	(57,04,72,861)
Total	(65,83,79,363)	(57,04,72,861)

Note No: 13

Borrowings

Particulars	As at Ashad 32, 2082		As at Ashad 31, 2081	
	Current	Non-Current	Current	Non-Current
Measured at Amortised Cost	-	-	-	-
Secured Borrowings from Banks				
Term Loan from banks	-	4,34,75,95,704	-	4,46,33,98,820
Short Term Loan	10,00,00,000	-	25,00,00,000	-
Total	10,00,00,000	4,34,75,95,704	25,00,00,000	4,46,33,98,820

- 1) The company has entered into consortium arrangement for term loan with Everest Bank Limited as Lead Bank, Nabil Bank Limited and Global IME Bank Limited as Co-Lead Banks and Sunrise Bank Limited and HICD Limited as Banks/Financial Institutions for construction and operation of the project.
- 2) Term Loans from Banks are Secured :
 - i) By way of Mortgage/Pledge/hypothecation over the entire present and future fixed asset created with or without financing owned by the NHL for the project on pari-passu basis in favour of participating Banks/FIs
 - ii) Entire current assets of the project including receivables from Nepal Electricity Authority, compensation paid etc. to the consortium on pari-passu basis
 - iii) Assignment of PPA iv) Charge on General License in favour of participating Bank
 - v) Corporate Guarantee of NHL
 - vi) Pledge of Entire shares owned by the promoters including institutional promoter of NHL
 - vii) All Guarantee for which NHL is beneficiary viii) Promissory Notes ix) Loan Dead
- 3) Terms of Repayment of Term Loans

Particulars	As at Ashad 32, 2082		As at Ashad 31, 2081	
	Current	Non-Current	Current	Non-Current
2-3 Years	-	41,88,07,000	-	96,37,70,985
4-5 Years	-	49,85,64,000	-	64,25,13,990
6-10 Years	-	1,92,56,40,000	-	1,60,62,84,975
Beyond 10 years	-	2,01,09,89,000	-	64,25,13,990

Note No: 14

Other Financial Liabilities

Particulars	As at Ashad 32, 2082		As at Ashad 31, 2081	
	Current	Non-Current	Current	Non-Current
Retention Money Payable	-	16,54,67,012	-	21,80,21,808
Employee Related Accrual	1,23,158	-	3,91,752	-
Other Payables	6,47,750	-	46,32,341	-
Interest Payable	4,55,99,292	-	7,11,09,966	-
Total	4,63,70,200	16,54,67,012	7,61,34,059	21,80,21,808

Note No: 15

Provisions

Particulars	As at Ashad 32, 2082		As at Ashad 31, 2081	
	Current	Non-Current	Current	Non-Current
Provision for Leave Encashment	-	26,54,518	-	25,38,638
Provisions for Reserves	-	-	-	-
Total	-	26,54,518	-	25,38,638

Note No: 16

Trade Payable

Particulars	As at Ashad 32, 2082	As at Ashad 31, 2081
Trade Payables	24,22,948	3,93,150
Total	24,22,948	3,93,150

Note No: 17

Other Current and Non-Current Liabilities

Particulars	As at Ashad 32, 2082		As at Ashad 31, 2081	
	Current	Non-Current	Current	Non-Current
TDS Payable	1,72,609	-	13,26,518	-
Advance received from others	7,45,80,07	-	25,00,000	-
Other liabilities	31,25,323	-	25,42,577	-
Total	7,78,78,003	-	63,69,095	-

Advances received from others include advance received from various companies for the sharing of the Company's transmission line. The amounts have not been recognised as income during the financial year, as the companies that have entered into agreements with Nyadi Hydropower Limited for the transmission line sharing have not commenced their operations as of the reporting date.

Note No: 18

Revenue from Operations

Particulars	As at Ashad 32, 2082	As at Ashad 31, 2081
Electricity Sales to NEA	64,62,79,578	59,20,45,728
Total	64,62,79,578	59,20,45,728

Note No: 19

Project Operating Expenses

Particulars	As at Ashad 32, 2082	As at Ashad 31, 2081
Operation Expenses	15,865,776	81,27,996
Royalty Expenses	5,874,531	1,48,40,912
Insurance Expenses	13,784,833	1,40,89,739
Amortization of Intangible Assets	23,54,59,767	22,71,22,531
Total	28,09,84,907	26,41,81,178

Note No: 20

Other Income

Particulars	As at Ashad 32, 2082	As at Ashad 31, 2081
Gain on sale of Property, plant and equipment (net)	6,60,664	-
Other Income	28,000	78,348
Total	6,88,664	78,348

Note No: 21

Administrative and Other Operating Expenses

Particulars	Ashad 32, 2082	Ashad 31, 2081
Salaries and other Employee Cost	2,15,16,269	2,35,16,144
Provident Fund Contribution	14,01,778	8,46,697
AGM and Board Expenses	9,78,102	11,26,137
Statutory Audit Fees	2,50,000	1,75,000
Professional Fee & Expenses	2,13,765	2,30,750
Communication Expenses	2,92,190	2,68,171
Depreciation and Amortization	13,75,058	16,57,324
Office Maintenance and Operation	6,77,331	4,19,722
Printing and Stationery	1,70,140	1,81,901
Rent	10,73,670	9,91,080
Staff Welfare	5,78,517	2,34,868
Vehicle Operation & Maintenance	27,84,969	39,14,868
Foreign Currency (Gain) or Loss	29,23,180	25,30,169
Community and social expenses	52,71,780	17,27,180
Miscellaneous Expenses	21,77,723	24,28,352
Statutory Fees and Charges	3,30,989	2,52,323
Land Development and Acquisition Charges	15,88,004	-
Total	4,36,03,456	4,05,00,686

Note No: 22

Finance Cost

Particulars	Ashad 32, 2082	Ashad 31, 2081
On borrowing from banks measured at amortised cost		
On term loan	41,69,12,588	47,83,29,015
Other borrowing costs	44,63,506	47,63,558
Total	42,13,76,094	48,30,92,573

Note No: 23

Finance Income

Particulars	Ashad 32, 2082	Ashad 31, 2081
Interest income from:		
Deposit with banks - carried at amortised cost	16,02,894	3,79,777
Other assets - carried at amortised cost	1,36,72,004	-
Total	1,52,74,898	3,79,777

Interest income on other assets - carried at amortised cost of Rs. 1,36,72,004 represents interest charged on outstanding balances of transmission line sharing arrangement of the company.

Note No: 24

Earnings Per Share

Particulars	Ashad 32, 2082	Ashad 31, 2081
Profit/ (Loss) For The Year	(8,79,06,502)	(19,52,70,584)
Weighted Average number of Equity Shares Outstanding	1,50,00,000	1,50,00,000
Earnings Per Share (NPR) - Basic (Face Value of NPR 100 per share)	(5.86)	(13.02)
Add: Weighted Average number of potential Equity Shares	-	-
Weighted Average number of Equity shares (including Dilutive Shares) Outstanding	1,50,00,000	1,50,00,000
Earnings Per Share (NPR) - Diluted (Face Value of NPR 100 per share)	(5.86)	(13.02)

Note No: 25

RELATED PARTY DISCLOSURES

(a) Relationship

	Related Parties
Holding Company	Butwal Power Company Limited
Group / Fellow Subsidiaries	Khudi Hydro & Electric Limited
	BPC Service Limited
	Nepal Hydro & Electric Limited
	Hydro Consult Engineering Limited
	Kabeli Energy Limited
	Gurans Energy Limited
	Manang Marsyangdi Hydropower Company Privated Limited

(b) Those charged with governance

Those Charged with Governance of the NHL include Members of Board of Directors of the NHL namely:

Name	Designation
i) Om Prakash Shrestha	Chairman
ii) Pradeep Kumar Shrestha	Director
iii) Bijay Bahadur Shrestha	Director
iv) Bina Rana	Director
v) Rajeev Sharma	Independent Director
vi) Sudip Man Shrestha	Public Director (From 2080.09.27)
vii) Mandira Shrestha	Public Director (From 2080.09.27)
viii) Uttar Kumar Shrestha	Alternate Member
ix) Radheshyam Shrestha	Alternate Member

The following provides expenses incurred for those charged with governance of NHL.

The following provides expenses incurred for those charged with governance of NHL.

Nature of Expense	Current Year	Previous Year
Board Meeting and Other Allowances	5,46,000	5,88,000

(c) Transactions with Key Management Personnel

Key Management Personnel includes:

- i) Uttam Amatya, Chief Executive Officer

Compensation paid to Key Management Personnel

Particulars	Current Year	Previous Year
Uttam Amatya	36,00,002	52,14,305

(d) Other Related Party Transactions

Name of the related party	Nature of Transaction	Transaction		Year End Balance	
		Current Year	Previous Year	Current Year	Previous Year
Butwal Power Company Limited	Payment for rent, interest, utilities & reimbursements (including VAT)	1,36,54,026	2,22,50,884	-	-
	Advance for share capital	-	-	15,00,00,000	15,00,00,000
Hydro Consult Engineering Limited	Consultancy Charges (including VAT)	-	7,44,119	2,21,75,336	2,21,75,336
BPC Service Limited	Advance for acquisition of Land	-	-	4,61,505	89,20,655

Note No: 25

PRIOR PERIOD ADJUSTMENTS

During the financial year, the company has discovered certain errors of prior periods which have been corrected in the current financial statements. Due to such correction of errors retrospectively, the comparatives and carried forward balances have been restated. The details of such prior period errors corrected and impact of the correction of error in each line item of the financial statement have been presented below:

- Retention money payable had amortised and the errors in accounting treatment relating to amotisation of retention money have been identified in prior periods. The difference amount of Rs. 32,145,929 has been rectified retrospectively in the financial statements and charged to retained earnings.
- Exchange losses relating to FY 2080-81 on retention money payable to vendors have not been recognised which amounts to Rs. 2,530,169. Such error has been rectified in the prior period presented in the financial statements.

Assets	Note	Shrawan 1, 2081	Shrawan 1, 2080
Opening Balance as per Audited Financial Statements		(53,57,96,763)	(34,30,56,348)
Adjustments due to:			
Prior period rectification of retention money payable	a	(3,21,45,929)	(3,21,45,929)
Adjustment of foreign exchange losses recognised	b	(25,30,169)	-
Restated Opening Balance after adjustments		(57,04,72,861)	(37,52,02,277)



Notes to the Financial Statements for the year ended

Ashad 32, 2082

Note 1. Background

Nyadi Hydropower Limited (NHL) has been registered on 2063/11/17 as Public Limited Company and obtained approval for commencement of business on 2064/11/26 for the development of Nyadi Hydropower Project located in Lamjung District. The 30 MW Nyadi Hydropower project has been in commercial operation since Baishakh 27, 2079. The corporate office of the NHL is located at Gangadevi Marga-313, Buddha Nagar, Kathmandu, Nepal.

The accompanied financial statements have been approved for publication by the Board of Directors of the NHL in its meeting held on December 16, 2025. The Board of Directors acknowledges the responsibility of the preparation of financial statements.

Note 2. Significant Accounting Policies

2.2 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 basis, going concern and under the historical cost convention unless stated otherwise. The accounting policies are applied consistently from the last financial year 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 functional and presentation currency of the Company i.e., Nepalese Rupee ("NPR") which is the currency of the primary economic environment in which the Company operates.

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.

2.3 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 the future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management believes that the estimates used in the preparation of the financial

statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. The estimates

and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year primarily includes: -

Useful Life and Residual Value of Property, Plant and Equipment

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

Impairment of Property Plant and Equipment

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

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 to crystallize or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

2.4 Property, Plant and Equipment

- i. All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- ii. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate assets are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.
- iii. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part have a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.
- iv. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- v. An item of property, plant and equipment and any significant part

initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

2.5 Other Intangible Assets

- i. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.
- ii. Certain computer software costs are capitalized and recognised as intangible assets based on materiality, accounting prudence and significant benefits expected to flow there from for a period longer than one year.
- iii. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and

are recognised in the statement of profit and loss when the asset is derecognised.

2.6 Depreciation and Amortization

- i. Depreciation is recognised to systematically allocate the cost of assets (other than properties under construction) less their residual values over their useful lives, as per the depreciation rate determined by the management.
- ii. Amortisation is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation 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.
- iii. Depreciation is provided on the written down method based on the estimated useful lives of the assets determined by the management. Depreciation on additions to fixed assets is charged on pro-rata basis in the year of purchase. The useful life of the assets and the corresponding rates at which the assets are depreciated are as follows: -

Assets Category	Estimated useful life	Depreciation Rate
Plant & Machinery	18 – 19 years	15%
Office Equipment	10 – 11 years	25%
Furniture & Fixtures	10 – 11 years	25%
Computers & Accessories	10 – 11 years	25%
Automobiles	13 – 14 years	20%

- iv. 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 a 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.

- v. Depreciation on assets under construction does not commence until they are complete and available for use.

2.7 Impairment of Tangible and Intangible Assets

- i. At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible

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

- 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 recognised 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 recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.8 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale.

All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

2.9 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise of cash at banks and on hand, 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.10 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.

2.11 Foreign Currency Transactions

- i. The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Nepalese Rupee (NPR).
- ii. In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised 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 are recognised in the Statement of Profit and Loss in the period in which they arise.

2.12 Employment Benefits

The Company has schemes of employment benefits namely provident fund and accumulates leave payable as per employee service manual.

Defined contribution plan – Provident Fund & Gratuity

These are plans in which the Company pays pre-defined amounts to publicly administered funds as per local regulations and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the social security fund with the government on account of social security.

The Company's payments to the defined contribution plans are recognised as employee benefit expenses when they are due.

Short-term and long-term employment benefits

- i. A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
- ii. Liabilities recognised 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.
- iii. 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 recognised 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. Actuarial valuation of compensated absence has not been done as amount is not significant.

2.13 Taxation

Income Tax

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

Current Tax

Current tax is the expected tax payable on the taxable income for the year using tax rates at the balance sheet date and any adjustment to tax payable in respect of previous years.

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 2080 B.S.

Deferred Tax

- i. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date.
- ii. 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 asset to be recovered.
- iii. 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.

2.14 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, 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.

2.15 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. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.
- iii. 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 recognised as a finance cost.
- iv. A provision for onerous contracts is recognised 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 recognises any impairment loss on the assets associated with that contract.

- v. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize contingent liability but discloses its existence in the standalone financial statements.
- vi. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
- vii. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

2.16 Financial Instruments

i. Financial Instruments

Financial assets and financial liabilities are recognised 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 recognised in the statement of profit and loss. In case of interest free or concession loans/debentures/preference shares given to subsidiaries, associates and joint ventures, the excess of the actual amount of the loan over initial measure at fair value is accounted as an equity investment.

ii. Effective Interest Method

The effective interest method is a method of calculating the amortised 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.

iii. Financial Assets

Financial Assets at Amortized Cost

Financial assets are subsequently measured at amortised 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 in order 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 asset not measured at amortised 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 recognised for financial assets measured at amortised cost and fair value through the statement of profit of loss.

The company recognises impairment loss on trade receivables using 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 recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-Recognition of Financial Assets

The Company de-recognises 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.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise a financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of de-recognition and the consideration received is recognised in statement of profit or loss.

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 amortised 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 amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised 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.

De-Recognition of Financial Liability

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

v. Offsetting 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 recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.17 Service Concession Arrangements

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

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

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

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

Financial Asset Model:

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

Intangible Asset Model:

The intangible asset model is used to the extent that the Group, being an operator,

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

The Company maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the services to be provided. The right to consideration gives rise to an intangible asset and accordingly, the intangible asset models 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 analyse 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.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below: -

a. Currency Risk

The Company is subject to the risk that changes in foreign currency values impact the Company's Payment to Suppliers/contractor/Sub-contractor. The Company is exposed to foreign exchange risk arising from currency exposures, primarily with respect to US Dollar. The aim of the Group's approach to management of currency risk is to leave the Company with no material residual risk. This aim has been achieved in all years presented. Since, there is no significant currency risk, hence no forward contract was entered.

b. 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. No amount has been recognised in the financial position as financial liabilities.



c. 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 and short-term debt obligations. Since, the interest rate risk is influenced by market forces, NHL has little role to play for minimizing this risk. However, the Company during the financial year enjoys fixed bearing interest rate in short term & long-term loan as per the facility agreement concluded with the Consortium banks thereby safeguarding the risk imposed by the current market scenario.

d. 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 stressed conditions. A material and sustained shortfall in our cash flow could create potential business continuity risk.

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 so as 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 judgement 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 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. The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods.

No changes were made in the objectives, policies or processes for managing capital during the years ended 32st Ashad 2082.

2.20 Segment Reporting

The Chief Executive Officer and functional managers of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined by NFRS 8, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz., "Generation and Sale of electricity" and that most of the operations are in Nepal. Hence the Company does not have any reportable Segments as per NFRS 8 "Operating Segments".



NHL Head Office Staffs



NHL Site Office Staffs



NHL Site Office Staffs



NHL Site Office Staffs



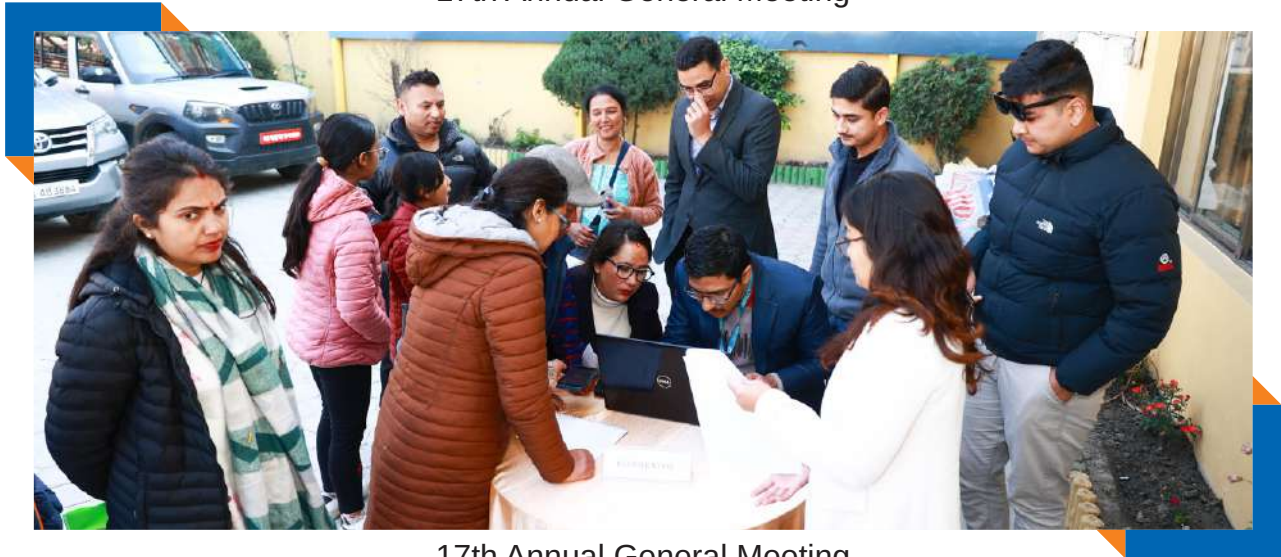
16th Annual General Meeting



17th Annual General Meeting

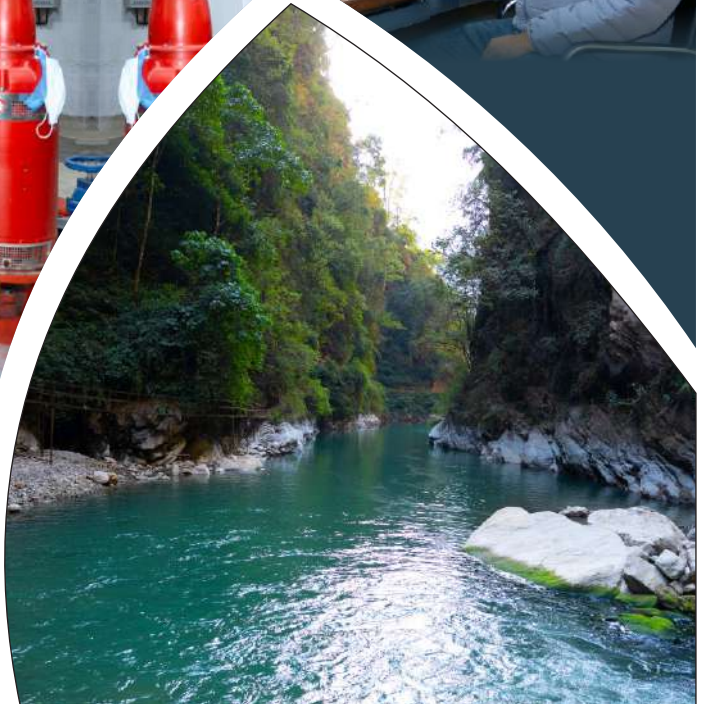
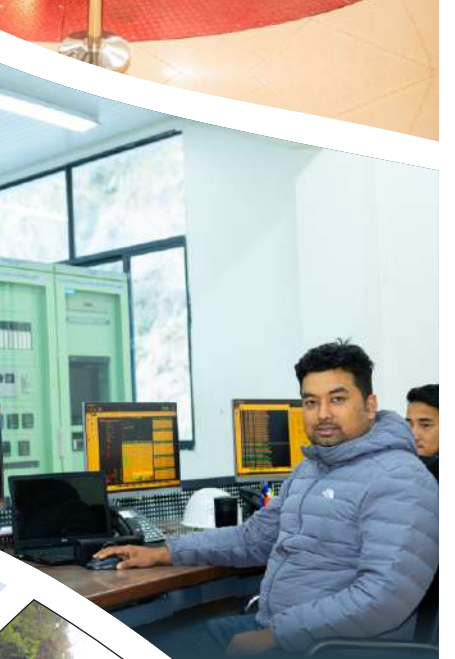


17th Annual General Meeting



17th Annual General Meeting

NHL COMPONENT



MAINTENANCE WORK





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