

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ANKHU KHOLA JALVIDHYUT COMPANY LIMITED

OPINION

We have audited the accompanying financial statements of **ANKHU KHOLA JALVIDHYUT COMPANY LIMITED ("The Company")**, which comprises the Statement of Financial Position as at 31 Ashad 2081 (15 July 2024), the Statement of Profit or Loss and other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and the notes to the financial statements, including a summary of the significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid the financial statements present fairly, in all material respects, the financial position of the Company, as at 31st Ashad 2081 (15 July 2024), 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.

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 judgement, were most significance in our audit financial statements of the financial year ended on Ashad 31, 2081 (15th July 2024). These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Particulars	
Payment dispute between Ankhu Khola Jalvidhyut Company and Ramechhap Sherpa Construction Pvt. Ltd	
As reported in Note 6.6.7 regarding payment dispute of NPR 19,28,00,000 between Ankhu Khola Jalvidhyut Company and Ramechhap Sherpa	We have evaluated the litigation matters provided by the management.



Construction Pvt. Ltd (Civil Contractor of the Ankhu Khola Hydropower Project) the proceedings have been carried out at Honorable High Court. The honorable high court has decided to send back the dispute for the process of Arbitration.	• We read the summary of litigation matters and held discussion with company legal counsels. • We reviewed the assumptions & assessed the estimates.
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Other Information

We have nothing to report on the other information in the Annual report. The directors are responsible for the other information presented in the Ankhu Khola Jalvidhyut Company.

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 is 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. 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 have communicated 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 the Requirements of the Companies Act, 2063

We have obtained information and explanations asked for, which, to the best of our knowledge and belief, where necessary for the purpose of our audit. In our opinion, the Statement of Financial Position, the Statement of Profit or Loss and other comprehensive income and the Statement of Cash Flows have been prepared in accordance with the requirement of the companies Act, 2063 and are in agreement with the books of account of the company; and proper books of accounts as required by law have been kept by the company.

To the best of our information and according to explanations given to us and from our examination of the books of account of the company necessary for the purpose of our audit, we have not come across cases where Board of Directors or any employees of the company have acted contrary to the provisions of law relating to the accounts, or committed any misappropriation or caused loss or damage to the company relating to the accounts in the Company.

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 explanation, which to the best of our knowledge and belief 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, the Statement of Profit or Loss and 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.



- In our opinion and to the best of our information and according to the explanations given to us, the Board of Directors, the representative or any employee of the company has not acted contrary to the provision of law relating to accounts nor caused direct loss or damage to the company deliberately or acted in a manner that would jeopardize the interest and security of the company.
- The operations of the company were within its jurisdiction.
- We have not come across any fraudulence in the accounts, based on our sample examination of the books.

Date: 2081/05/14
Place: Kathmandu, Nepal
UDIN: 240908CA01237mb3Vx



CA. Sushil Adhikari
Partner
R.M.S.A & ASSOCIATES
Chartered Accountants

Ankhu Khola Jalvidhyut Company Limited
Statement of Financial Position
As at 31st Ashadh 2081 (15 July 2024)

Figures in NPR

Particulars	Note	As at 31 Ashadh 2081	As at 31 Ashadh 2080
Assets			
Non-Current Assets			
Property, Plant & Equipment	4	1,766,088,305	1,793,580,396
Capital Work in Progress		-	-
Investment in Associates	5	-	-
Other Equity Investments	6	10,100,000	6,600,000
Other Non-Current Assets	7	-	-
Deffered Tax		-	-
Total Non-Current Assets		1,776,188,305	1,800,180,396
Current Assets			
Inventories	8	-	-
Trade Receivables	9	99,788,862	102,026,892
Cash & Cash Equivalents	10	144,203	1,125,332
Term Deposit	11	-	-
Other Current Assets	7	5,447,399	5,263,253
Current Tax Assets	12	-	-
Total Current Assets		105,380,463	108,415,477
Assets Held for Sale		-	-
Total Assets		1,881,568,768	1,908,595,873
Equity & Liabilities			
Equity			
Equity Share Capital	13	800,000,000	800,000,000
Other Equity	14	(261,250,625)	(247,078,123)
Total Equity		538,749,375	552,921,877
Non-Current Liabilities			
Borrowing	15	1,121,022,264	1,195,357,180
Trade Payables	19	-	-
Other Financial Liabilities	16	-	-
Provisions	17	-	-
Deffered Tax	12	-	-
Other Liabilities	18	-	-
Total Non-Current Liabilities		1,121,022,264	1,195,357,180
Current Liabilities			
Borrowings	15	135,593,176	107,634,193
Trade Payables	19	4,746,597	4,800,875
Other Financial Liabilities	16	81,409,141	47,833,472
Current tax Liabilities (Net)	12	-	-
Provisions	17	-	-
Other Liabilities	18	48,214	48,276
Total Current Liabilities		221,797,129	160,316,816
Total Liabilities		1,342,819,393	1,355,673,996
Total Equity & Liabilities		1,881,568,768	1,908,595,873

The accompanying notes are integral part of these financial statements



[Signature]
Ram Shrestha
Chairman

[Signature]
Ram Prasad sapkota
Director

[Signature]
Dinesh Prasad Shrestha
Director

[Signature]
Bristant Tamang Bamjan
Director

[Signature]
Indra Krishna Shrestha
Director

[Signature]
Renuka Limbu
Director

[Signature]
Pratikshya Sharma
Acting CEO

[Signature]
Subash Sharma
Finance Officer

[Signature]
CA Sushil Adhikari
Partner
R.M.S.A. & Associates
Chartered Accountants



Date: 2081.05.14
Place: Kathmandu, Nepal

Ankhu Khola Jalvidhyut Company Limited
Statement of Profit or Loss & Other Comprehensive Income
For the Year ended 31st Ashadh 2081 (15 July 2024)

Figures in NPR

Particulars	Note	Period Ending 31 Ashadh 2081	Period Ending 31 Ashadh 2080
Revenue	20	174,170,770	192,217,314
Cost of Sales			
Generation & Distribution Expenses	21	33,243,900	51,783,237
Gross Profit		140,926,870	140,434,077
Depreciation	4	27,578,091	28,134,876
Other Income	22	4,842,216	2,031,963
Administrative & General Expenses	23	14,196,677	10,549,077
Gain/(loss) on sale of Non-Current Assets Held for Sale		-	-
Profit from Operation		103,994,318	103,782,087
Finance Income	24	-	31
Finance Costs	25	118,166,820	112,170,348
Profit before taxes		(14,172,502)	(8,388,231)
Income Tax Expenses			
Current Tax	12	-	-
Deffered Tax Credit/Charge	12	-	-
Profit for the Year		(14,172,502)	(8,388,231)
Other Comprehensive Income			
<u>Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods</u>			
i. Re-Measurement (losses)/Gains on Post Employment Defined Benefit Plans		-	-
ii. Equity Instruments through Other Comprehensive Income	26	-	-
iii. Tax Relating items that will not be classified to Profit or Loss	12	-	-
Other Comprehensive Gain/(Loss) for the Year (Net of Tax)		-	-
Total Comprehensive Gain/(Loss) for the Year (Net of Tax)		(14,172,502)	(8,388,231)
Earning Per Share of Rs. 100 Each			
Basic Earning Per Share-Rs.	27	(1.77)	(1.05)
Diluted Earning Per Share-Rs.	27	(1.77)	(1.05)

The accompanying notes are integral part of these financial statements



[Signature]
Ram Shrestha
Chairman

[Signature]
Ran Prasad sapkota
Director

[Signature]

Dinesh Prasad Shrestha
Director

[Signature]
Bristant Tamang Bamjan
Director

[Signature]
Indra Krishna Shrestha
Director

[Signature]
Renuka Limbu
Director

[Signature]
Pratikshya Sharma
Acting CEO

[Signature]
Subash Sharma
Finance Officer

[Signature]
CA Sushil Adhikari
Partner
R.M.S.A. & Associates
Chartered Accountants



Date: 2081.05.14
Place: Kathmandu, Nepal

Ankhu Khola Jalvidhyut Company Limited
Statement of Cash Flows
For the year ended 31st Ashadh 2081 (15 July 2024)

Figures in NPR

Particulars	Period Ending 31 Ashadh 2081	Period Ending 31 Ashadh 2080
Cash Flow from Operating Activities		
Profit for the Year	(14,172,502)	(8,388,231)
Adjustments		
Loss/(Gain) on Sale of Assets Held for Sale		
Depreciation on Property, Plant & Equipment	27,578,091	28,134,876
Finance Income	-	(31)
Finance Cost	118,013,310	112,114,208
Loss/(Gain) on Sale of Non-Current Assets Held for Sale	-	-
Profit on sale on Property, Plant & Equipment		
Gain/Loss on Equity Method of Investment		
Prior Year Adjustments	-	-
Working Capital Adjustments:		
(Increase)/Decrease in Other Assets	(184,145)	1,495,804
(Increase)/Decrease in Term Deposit	-	2,000,000
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Trade Receivables	2,238,030	10,428,202
Increase/(Decrease) in Trade Payables	(54,278)	(929,239)
Increase/(Decrease) in Financial Liabilities	61,534,652	41,483,506
Increase/(Decrease) in Other Liabilities	(62)	43,776
(Increase)/Decrease in Current Tax Assets		
Increase/(Decrease) in Current Tax Liabilities		
Increase/(Decrease) in Provisions	-	-
Cash Generated from Operations	194,953,097	186,382,871
Income Taxes Paid	-	-
Net Cash flow from Operating Activities (A)	194,953,097	186,382,871
Cash Flow from/(Used in) Investing Activities		
Proceeds from Sale of Asset	-	-
Proceeds from Sale of Assets held for Sale	-	-
Finance Income	-	31
(Increase)/Decrease in other Equity Investment	(3,500,000)	-
(Increase)/Decrease in Investment in Associates	-	-
Acquisition of Property, Plant and Equipment	(86,000)	(2,357,182)
Purchase of Intangibles	-	-
Increase in CWIP	-	-
Bank Balance other than Cash & cash Equivalents	-	-
Net Cash Flow from Investing Activities (B)	(3,586,000)	(2,357,151)
Cash Flow from Financing Activities		
Issue of Share	-	-
Issue of Bonus Share	-	-
Share issue Cost	-	-
Borrowing (Repaid)/Taken (Net)	(74,334,916)	(70,952,434)
Dividend Paid	-	-
Finance Cost	(118,013,310)	(112,114,208)
Net Cash Flow from Financing Activities (C)	(192,348,226)	(183,066,642)
Increase/(Decrease) in cash & Cash Equivalents (A+B+C)	(981,129)	959,078
Net Foreign Exchange Difference on Cash & Cash Equivalents	-	-
Cash & Cash Equivalents at Beginning of the Year	1,125,332	166,255
Cash & Cash Equivalents at End of the Year	144,203	1,125,332

The accompanying notes are integral part of these financial statements



Ram Shrestha
Chairman

Ram Prasad sapkota
Director

Dinesh Prasad Shrestha
Director

Bristant Tamang Bamjan
Director

Indra Krishna Shrestha
Director

Renuka Limbu
Director

Pratikshya Sharma
Acting CEO

Subash Sharma
Finance Officer

CA Sushil Adhikari
Partner
R.M.S.A. & Associates
Chartered Accountants



Ankhu Khola Jalvidhyut Company Limited
Statement of Changes in Equity
For the year ended 31st Ashadh 2081 (15th July 2024)

Figures in NPR

Particulars	Equity Share Capital	Retained Earning & Reserves			Total
		Share Premium	General Reserves	Retained Earnings	
Balance as at 31 Ashadh 2080	800,000,000			(247,078,123)	552,921,877
Profit for the Year				(14,172,502)	(14,172,502)
Other Comprehensive Income				-	-
Total Comprehensive Income				(14,172,502)	(14,172,502)
Dividends to Shareholders				-	-
Prior Year Adjustments				-	-
Balance as at 31 Ashadh 2081	800,000,000	-	-	(261,250,625)	538,749,375

The accompanying notes are integral part of these financial statements



Ram Shrestha
Chairman

Ram Prasad Sapkota
Director

Dinesh Prasad Shrestha
Director

Bristant Tamang Banjan
Director

Indra Krishna Shrestha
Director

Renuka Limbu
Director

Pratiksha Sharma
Acting CEO

Subash Sharma
Finance Officer

Date: 2081.05.14
Place: Kathmandu, Nepal



R.M.S.A. & Associates
Partner

Ankhu Khola Jalvidhyut Company Limited
Notes to Financial Statements for the year Ended 31st Ashadh 2081 (15 July 2024)

Note 4

Property, Plant & Equipment	Computer	Furniture & Fixtures	Vehicles	Plant & Equipment	Other Assets	Civil Works	Electro-Mechanical	Land & Land Development	Transmission Line/Substation	Hydro Mechanical	Total
Cost											
Balance as at 31 Ashadh 2079	1,038,783	1,286,829	603,200	14,727,008	421,650	1,315,265,069	379,875,644	219,607,092	47,610,366	451,246,316	2,431,681,958
Additions	36,345	3,500	-	-	85,350	2,231,987	-	-	-	-	2,357,182
Transfer from CWIP	-	-	-	-	-	-	-	-	-	-	-
Disposals	235,270	263,819	-	-	7,600	-	-	-	-	-	506,689
Balance as at 31 Ashadh 2080	839,858	1,026,510	603,200	14,727,008	499,400	1,317,497,056	379,875,644	219,607,092	47,610,366	451,246,316	2,433,532,450
Additions	-	15,000	-	-	71,000	-	-	-	-	-	86,000
Transfer from CWIP	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 Ashadh 2081	839,858	1,041,510	603,200	14,727,008	570,400	1,317,497,056	379,875,644	219,607,092	47,610,366	451,246,316	2,433,618,450
Accumulated Depreciation											
Balance as at 31 Ashadh 2079	713,859	1,061,228	352,851	10,112,580	176,801	326,226,430	94,374,008	54,175,197	11,828,032	113,302,883	612,323,867
Charge for the Year	59,012	48,993	50,070	692,164	45,687	14,869,059	4,282,525	2,481,478	536,735	5,069,151	28,134,876
Impairment of CWIP	-	-	-	-	-	-	-	-	-	-	-
Disposals	235,270	263,819	-	-	7,600	-	-	-	-	-	-
Balance as at 31 Ashadh 2080	537,601	846,402	402,921	10,804,744	214,888	341,095,489	98,656,532	56,656,675	12,364,767	118,372,034	639,952,054
Charge for the Year	45,339	27,766	40,056	588,340	46,227	14,646,023	4,218,287	2,444,256	528,684	4,993,114	27,578,091
Impairment of CWIP	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 Ashadh 2081	582,940	874,168	442,977	11,393,083	261,115	355,741,513	102,874,819	59,100,932	12,893,451	123,365,148	667,530,146
Net Book Value											
As at 31 Ashadh 2080	302,257	180,108	200,279	3,922,264	284,512	976,401,567	281,219,112	162,950,417	35,245,600	332,874,282	1,793,580,396
As at 31 Ashadh 2081	256,918	167,341	160,223	3,333,924	309,285	961,755,543	277,000,825	160,506,160	34,716,916	327,881,168	1,766,088,305

a) The company has availed the deemed cost exemption in relation to the Property, Plant and Equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer table below for the gross block value and the accumulated depreciation on 1 Shrawan 2074 under the previous GAAP.

Property, Plant & Equipment	Computer	Furniture & Fixtures	Vehicles	Plant & Equipment	Other Assets	Civil Works	Electro-Mechanical	Land & Land Development	Transmission Line/Substation	Hydro Mechanical	Total
Gross Block As at 1 Shrawan 2074	779,849	1,617,296	149,900	11,492,327	625,950	1,314,861,249	379,875,644	217,846,447	47,610,366	451,246,316	2,427,320,344
Accumulated Depreciation as at 1 Shrawan	542,552	1,063,468	124,751	7,754,242	378,607	1,64,685,636	47,724,335	27,289,284	5,981,360	56,690,737	312,234,973
Deemed Cost as at 1 Shrawan 2074	237,297	553,828	25,149	3,738,085	247,343	1,150,175,614	332,151,309	190,557,162	41,629,006	394,555,579	2,115,085,371



Handwritten signatures and notes:
 - A large signature across the middle right.
 - A signature above it with the word "Resistant" written next to it.
 - A signature at the top right with the word "Ref" written next to it.
 - A signature at the bottom right with the word "Ankhu" written next to it.

Ankhu Khola Jalvidhyut Company Limited
Notes to Financial Statements for the year Ended 31st Ashadh 2081 (15 July 2024)

Note 5

Investment in Associates:

Particulars	As at 31Ashadh 2081		As at 31Ashadh 2080	
	No of Shares	Amount	No of Shares	Amount
Unquoted Investment at Fair Value (FV)				
Investment in Associate Companies				
Gross Investment (A)				
Adjustment for Equity Method				
Total Adjustment (B)				
Net investment at Cost (A+B)	-	-	-	-

Note 6

Other Equity Investment:

Particulars	As at 31Ashadh 2081		As at 31Ashadh 2080	
	No of Shares	Amount	No of Shares	Amount
Through Other Comprehensive Income				
Singati Hydro Energy Ltd	65,000	6,500,000	65,000	6,500,000
(Equity Share of NPR 100 each fully Paid up)				
Shahid Sanchar Sahakari Ltd	1,000	100,000	1,000	100,000
(Equity Share of NPR 100 each fully Paid up)				
Advance for Shares in Ganesh Himal Hydropower Ltd.	-	3,500,000	-	-
Total	66,000	10,100,000	66,000	6,600,000

The company has classified Other Equity Investment as Fair Value Through Other Comprehensive Income. The Fair value of the investment has been taken at cost of the investment.



Ankhu Khola Jalvidhyut Company Limited
Notes to Financial Statements for the Year ended 31st Ashadh 2081 (15 July 2024)

Note 7

Other Assets (Current & Non-Current):

Particulars	As at 31 Ashadh 2081	As at 31 Ashadh 2080
Current		
Prepaid Expenses (7.1)	1,223,631	1,400,972
Advance to Suppliers (7.2)	1,115	-
Advance to Landlord (7.3)	3,625,000	3,625,000
Loan & Advances to Staff (7.4)	50,396	50,000
Other Receivables (7.5)	547,256	187,281
Total	5,447,399	5,263,253
Non-Current		
Prepaid Expenses	-	-
Advance to Suppliers	-	-
Advance to Landlord	-	-
Loan & Advances to Staff	-	-
Other Receivables	-	-
Total	5,447,399	5,263,253
G. Total		

Details of Other Expenses

Prepaid Expenses (7.1)		
Pre-Paid Insurance	1,223,631	1,400,972
Sub-Total	1,223,631	1,400,972
Advance to Suppliers (7.2)		
Explore Earth Movers Pvt. Ltd	1,115	-
Sub-Total	1,115	-
Advance to landlord (7.3)		
Advance to landlord	3,625,000	3,625,000
Sub-Total	3,625,000	3,625,000
Advance to Staff (7.4)		
Shambhu Timilsina(Advance)	-	50,000
Bimal Rana Magar	15,000	-
Sunil Sharma	35,396	-
Sub-Total	50,396	50,000
Deposit (7.5)		
Bhajuratna Engineering (Deposit)	45,000	45,000
Shanker Oxygen Gas (Deposit)	23,975	23,975
Legal Deposit	5,280	5,280
Advance Tax (TDS Deducted)	473,002	113,026
Bank Margin	-	-
Sub-Total	547,256	187,281
Total	5,447,399	5,263,253

Note 8

Inventories

Particulars	As at 31 Ashadh 2081	As at 31 Ashadh 2080
General Stock/ Office Supplies/Consumables	-	-
Stock of Electrical Goods	-	-
Engineering Spare Parts	-	-
Total	-	-

Note 9

Trade Receivables

Particulars	As at 31 Ashadh 2081	As at 31 Ashadh 2080
Receivable From NEA (Forced Majeure Event)	12,729,977	12,729,977
Receivable from NEA (20% Posted Rate)	55,588,411	55,588,411
Receivable from NEA (IEE)	3,000,000	3,000,000.00
Receivable from NEA (Normal)	28,470,474	30,708,504
Total	99,788,862	102,026,892



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Ankhu Khola Jalvidhyut Company Limited
Notes to Financial Statements for the Year ended 31st Ashadh 2081 (15 July 2024)

Note 10

Cash & Cash Equivalents

Paticulars	As at 31 Ashadh 2081	As at 31 Ashadh 2080
Bank Balances		
<u>In Current Accounts</u>		
Prabhu Bank Limited (Current Account)	10,000	10,000
Prime Commercial Bank Limited (00101367 CA)	115,002	1,069,492
Prime Commercial Bank Limited (00103772 CA)	5,000	5,000
Rastriya Banijya Bank	10,000	10,790
Sunrise Bank	-	-
Kumari Bank	-	-
Machhapuchree Bank	-	-
<u>In Call Accounts</u>		
Prabhu Bank Limited (Call Account)	-	-
Cash		
Cash on Hand	4,201	30,050
Cheque on Hand	-	-
Total	144,203	1,125,332

For the purpose of the statement of cash flows, Cash & Cash Equivalents comprise the following:

Paticulars	As at 31 Ashadh 2081	As at 31 Ashadh 2080
Bank Balances		
<u>In Current Accounts</u>		
Prabhu Bank Limited (Current Account)	10,000	10,000
Prime Commercial Bank Limited (00101367 CA)	115,002	1,069,492
Prime Commercial Bank Limited (00103772 CA)	5,000	5,000
Rastriya Banijya Bank	10,000	10,790
Sunrise Bank	-	-
Kumari Bank	-	-
Machhapuchree Bank	-	-
<u>In Call Accounts</u>		
Prabhu Bank Limited (Call Account)	-	-
Cash		
Cash on Hand	4,201	30,050
Cheque on Hand	-	-
Total	144,203	1,125,332

Note 11

Term Deposit

Paticulars	As at 31 Ashadh 2081	As at 31 Ashadh 2080
Term Deposit	-	-
Total	-	-

Note 12

Particulars	As at 31 Ashadh 2081	As at 31 Ashadh 2080
Income Taxes	-	-
Total	-	-



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 - A signature below it, possibly "Bismit Bara".
 - Several other initials and signatures in the center and bottom right.
 - A circular stamp of "R.M.S.A. & ASSOCIATES" with "R.M.S.A." in the center and "Chartered Accountants, Kathmandu" around the bottom.

Ankhu Khola Jalvidhyut Company Limited
Notes to Financial Statements for the year Ended 31st Ashadh 2081 (15 July 2024)

Note 13

Equity Share capital

Particulars	As at 31 Ashadh 2081		As at 31 Ashadh 2080	
	No of Shares	Amount	No of Shares	Amount
A. Equity Shares				
Authorised				
Equity Shares of NPR 100 each with voting rights	20000000	2,000,000,000	11500000	1,150,000,000
Issued				
Equity Shares of NPR 100 each with voting rights	20000000	2,000,000,000	8000000	800,000,000
Subscribed & Fully Paid				
Equity Shares of NPR 100 each with voting rights	8000000	800,000,000	8000000	800,000,000

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

Particulars	As at 31 Ashadh 2081	As at 31 Ashadh 2080
	No of Shares	No of Shares
Balances at the Beginning of the Year	8,000,000	8,000,000
Add: Issue of Shares: IPO Local	-	-
Add: Issue of Shares: IPO Public	-	-
Balances at the End of the Year	8,000,000	8,000,000

C. Details of the Shareholding more than 1%

Particulars	As at 31 Ashadh 2081		As at 31 Ashadh 2080	
	No of Shares	Share %	No of Shares	Share %
Pramod Prasad Chaudhary	-	0.00%	-	0.00%
Mahesh Prasad Rijal	-	0.00%	-	0.00%
Sharmila Tamang	-	0.00%	152,000	1.90%
Chandra bahadur Tamang	-	0.00%	-	0.00%
Shekhar Basnet	-	0.00%	-	0.00%
Janak Prasad Bhatta	-	0.00%	-	0.00%
Nabaraj Adhikari	-	0.00%	-	0.00%
Total	-	0.00%	152,000	1.90%

D. Terms/Rights attached to equity shares

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 members share of the paid up equity share capital. The company declares and pays dividend in nepalese rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuring Annual General Meeting. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number equity shares held by the equity shareholders.

E. Dividend Paid and Proposed:

Declared Dividend & Proposed Dividend	As at 31 Ashadh 2081	As at 31 Ashadh 2080
Declared and approved for during the year		
Dividends on Ordinary Shares	-	-



Ankhu Khola Jalvidhyut Company Limited
Notes to Financial Statements for the year Ended 31st Ashadh 2081 (15 July 2024)

Note 14

Figures in NPR

Other Equity	Retained Earning & Reserves			Total
	Share Premium	General Reserves	Retained Earnings	
Balance as at 31 Ashadh 2080	-	-	(247,078,123)	(247,078,123)
Balance as at 1 Shrawan 2080	-	-	(247,078,123)	(247,078,123)
Profit for the Year			(14,172,502)	(14,172,502)
Other Comprehensive Income			-	-
Total Comprehensive Income			(261,250,625)	(261,250,625)
Dividends to Shareholders				-
Issue of Right Share				-
Prior Year Adjustments				-
Balance as at 31 Ashadh 2081	-	-	(261,250,625)	(261,250,625)

Note 15

Borrowing

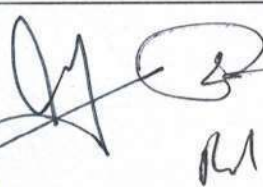
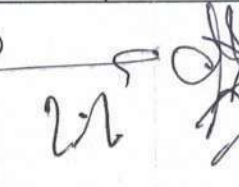
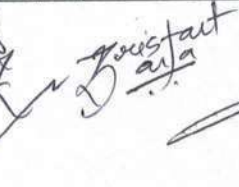
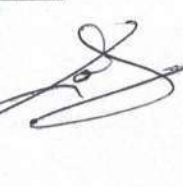
Particulars	As at 31 Ashadh 2081	As at 31 Ashadh 2080
Measured at Amortised Cost		
Non-Current		
Term Loan	1,119,675,063	1,194,163,491
Short Term Loan	-	-
Add/(Less) Loan Balance - NFRS Adjustment	1,347,201	1,193,690
Sub-Total	1,121,022,264	1,195,357,180
Current		
Term Loan	109,002,381	80,634,193
Short Term Loan	-	-
Overdraft	26,590,796	27,000,000
Sub-Total	135,593,176	107,634,193
G. Total	1,256,615,440	1,302,991,373
Sub-Classification Period wise		
Consortium Loan		
Within 12 Months	109,002,381	80,634,193
After 12 Months	1,119,675,063	1,194,163,491
Add/(Less) Loan Balance - NFRS Adjustment	1,347,201	1,193,690
Total	1,194,639,885	1,194,639,885
Rastriya Banijya Bank		
Within 12 Months	-	-
After 12 Months (merged with consortium loan from FY 79.80 onwards)	-	-
Total	144,271,534	144,271,534
Overdraft Loan		
Within 12 Months	26,590,796	27,000,000
After 12 Months	-	-

Note 16

Other Financial Liabilities

Particulars	As at 31 Ashadh 2081	As at 31 Ashadh 2080
Non-Current		
Employees Account Payable	-	-
Interest Payable	-	-
Royalty Payable	-	-
Other Payable	-	-
Sub-Total	-	-
Current		
Employees Account Payable (16.1)	3,662,762	3,847,286
Interest Payable (16.2)	58,593,425	22,968,494
Royalty Payable (16.3)	2,251,260	2,295,861
Other Payable (16.4)	16,754,695	18,671,831
Director Payable	147,000	50,000
Sub-Total	81,409,141	47,833,472
G. Total	81,409,141	47,833,472



Ankhu Khola Jalvidhyut Company Limited
Notes to Financial Statements for the year Ended 31st Ashadh 2081 (15 July 2024)

Employees Account Payable (16.1)		123,007
Achyut Bogati	2,135	2,564
Bhojraj Puri Adv.	15,000	-
Dal Bahadur Thapa Magar	20,000	-
Payable to Site Security	3,625,627	3,721,715
Gratuity Payable	3,662,762	3,847,286
Total		
Interest Payable (16.2)	22,968,494	22,968,494
Interest Payable on Personal Loan (16.2.1)	35,624,931	-
Interest Payable on Term Loan (16.2.2)	58,593,425	22,968,494
Total		
Royalty Payable (16.3)	2,251,260	2,295,861
Royalty Payable	2,251,260	2,295,861
Total		
Other Payable (16.4)	15,953,548	15,953,548
Other Short Term Personal Loan (16.4.1)	71,500	71,500
Sibakoti & Associates	85,000	42,500
Meeting Allowance Payable	-	55,750
Meghraj Pokhrel	676	4,004
Sarada Kumari Bhandari Poudel	643,971	2,443,009
Other Payable	-	101,521
Retention amount	16,754,695	18,671,831
Total		
Other Short Term Personal Loan (16.4.1)	50,000	50,000
payable to Ananda Kumar Jha	1,700,000	1,700,000
Payable to Babu Sherpa	2,750,000	2,750,000
Payable to Chungwa Sherpa	1,500,000	1,500,000
Payable to Parmananda Thapa	1,053,548	1,053,548
Payable to Pramodh Chaudhary	3,900,000	3,900,000
Payable to Punya Pd. /Indra Shekher	5,000,000	5,000,000
Payable to Tendi Sherpa	15,953,548	15,953,548
Total		
Interest Payable on Personal Loan (16.2.1)	387,671	387,671
Interest on PL(Ananda Kumar Jha)	2,783,808	2,783,808
Interest on PL(Babu Sherpa)	262,577	262,577
Interest on PL(Dipak Maskey)	27,408	27,408
Interest on PL(Keshav Tuladhar)	2,610,849	2,610,849
Interest on PL(Parmananda Thapa)	2,787,395	2,787,395
Interest on PL(Praladh Limbu)	7,238,027	7,238,027
Interest on PL(Punya Prasad/Indra Shekhar)	233,532	233,532
Interest on PL(Ram Shrestha)	666,641	666,641
Interest on PL(Shekher Basnet)	1,701,918	1,701,918
Interest on PL(Siddhi Charan Shrestha)	1,665,382	1,665,382
Interest on PL(Sri Ram KC)	101,675	101,675
Interest on PL(Sunil pokhrel)	2,501,610	2,501,610
Interest on PL(Tendi Sherpa)	22,968,494	22,968,494
Sub-Total		
Interest Payable on Term Loan (16.2.2)	2,007,047	-
Interest Payable to Kumari Bank Limited	9,265,683	-
Interest Payable to Machhapuchhre Bank Limited	13,631,614	-
Interest Payable to Prime Commercial Bank Limited	4,420,474	-
Interest Payable to Prabhu Bank Limited	3,972,046	-
Interest Payable to Rastriya Baniyya Bank Limited	2,328,068	-
Interest Payable to laxmi Sunrise Bank Limited	35,624,931	-
Sub-Total		



ASSOCIATES

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Ankhu Khola Jalvidhyut Company Limited
Notes to Financial Statements for the year Ended 31st Ashadh 2081 (15 July 2024)

Employees Account Payable (16.1)		
Achyut Bogati	-	123,007
Bhojraj Puri Adv.	2,135	2,564
Dal Bahadur Thapa Magar	15,000	-
Payable to Site Security	20,000	-
Gratuity Payable	3,625,627	3,721,715
Total	3,662,762	3,847,286
Interest Payable (16.2)		
Interest Payable on Personal Loan (16.2.1)	22,968,494	22,968,494
Interest Payable on Term Loan (16.2.2)	35,624,931	-
Total	58,593,425	22,968,494
Royalty Payable (16.3)		
Royalty Payable	2,251,260	2,295,861
Total	2,251,260	2,295,861
Other Payable (16.4)		
Other Short Term Personal Loan (16.4.1)	15,953,548	15,953,548
Sibakoti & Associates	71,500	71,500
Meeting Allowance Payable	85,000	42,500
Meghraj Pokhrel	-	55,750
Sarada Kumari Bhandari Poudel	676	4,004
Other Payable	643,971	2,443,009
Retention amount	-	101,521
Total	16,754,695	18,671,831
Other Short Term Personal Laon (16.4.1)		
payable to Ananda Kumar Jha	50,000	50,000
Payable to Babu Sherpa	1,700,000	1,700,000
Payable to Chungwa Sherpa	2,750,000	2,750,000
Payable to Parmananda Thapa	1,500,000	1,500,000
Payable to Pramodh Chaudhary	1,053,548	1,053,548
Payable to Punya Pd. /Indra Shekher	3,900,000	3,900,000
Payable to Tendi Sherpa	5,000,000	5,000,000
Total	15,953,548	15,953,548
Interest Payable on Personal Loan (16.2.1)		
Interest on PL(Ananda Kumar Jha)	387,671	387,671
Interest on PL(Babu Sherpa)	2,783,808	2,783,808
Interest on PL(Dipak Maskey)	262,577	262,577
Interest on PL(Keshav Tuladhar)	27,408	27,408
Interest on PL(Parmananda Thapa)	2,610,849	2,610,849
Interest on PL(Praladh Limbu)	2,787,395	2,787,395
Interest on PL(Punya Prasad/Indra Shekhar)	7,238,027	7,238,027
Interest on PL(Ram Shrestha)	233,532	233,532
Interest on PL(Shekher Basnet)	666,641	666,641
Interest on PL(Siddhi Charan Shrestha)	1,701,918	1,701,918
Interest on PL(Sri Ram KC)	1,665,382	1,665,382
Interest on PL(Sunil pokhrel)	101,675	101,675
Interest on PL(Tendi Sherpa)	2,501,610	2,501,610
Sub-Total	22,968,494	22,968,494
Interest Payable on Term Loan (16.2.2)		
Interest Payable to Kumari Bank Limited	2,007,047	-
Interest Payable to Machhapuchhre Bank Limited	9,265,683	-
Interest Payable to Prime Commercial Bank Limited	13,631,614	-
Interest Payable to Prabhu Bank Limited	4,420,474	-
Interest Payable to Rastriya Banijya Bank Limited	3,972,046	-
Interest Payable to Ixmi Sunrise Bank Limited	2,328,068	-
Sub-Total	35,624,931	-



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Ankhu Khola Jalvidhyut Company Limited
Notes to Financial Statements for the year Ended 31st Ashadh 2081 (15 July 2024)

Note 17

Provisions

Particulars	As at 31 Ashadh 2081	As at 31 Ashadh 2080
Non-Current		
Provisions for Gratuity (Net)	-	-
Provisions for Leave Encashment	-	-
Sub-Total	-	-
Current		
Provisions for Gratuity (Net)	-	-
Provisions for Leave Encashment	-	-
Sub-Total	-	-
G. Total	-	-

Note 18

Other Liabilities

Particulars	As at 31 Ashadh 2081	As at 31 Ashadh 2080
Non-Current		
Bonus to Employees	-	-
Dividend Payable	-	-
Sub-Total	-	-
Current		
Bonus to Employees	-	-
Dividend Payable	-	-
TDS Payable (18.1)	48,214	48,276
Sub-Total	48,214	48,276
G. Total	48,214	48,276
TDS Payable Details (18.1)		
TDS on Individual/Proprietorship Firm (11111)	10,050	9,000
TDS on Salary (11112)	-	33,148
TDS on Public Limited Company. (11122)	2,550	-
TDS on Private Limited Company (11123)	30,965	5,970
TDS on Rent (11131)	3,523	(4)
Social Security Tax (1%) (11211)	1,126	161
Total	48,214	48,276

Note 19

Trade Payables

Particulars	As at 31 Ashadh 2081	As at 31 Ashadh 2080
Non-Current		
Sundry Creditors	-	-
Sub-Total	-	-
Current		
Sundry Creditors (19.1)	4,746,597	4,800,875
Sub-Total	4,746,597	4,800,875
G. Total	4,746,597	4,800,875
Creditors Details (19.1)		
Bageshwori Auto Parts	101,261	101,261
Infidity & Partners	-	9,625
Ganesh Himal Crucher Udhhyog Pvt. Ltd.	-	331
Lalit Hardware Concern	-	8,725
Miscellaneous Supplier	1,311,109	1,311,109
Payable to Land owner	1,040,956	1,040,956
Pragati Nirman Sewa	45,357	45,357
R.J Construction Civil Works	1,506,331	1,506,331
Bailee International Pvt. Ltd.	234,000	234,000
Adidev Implex & Trading House Pvt. Ltd.	-	80,455
Kailash Traders & Nirman Sewa Pvt.Ltd.	-	16,520
Keren International	-	67,106
RMSA and Associates	334,500	334,500
World Publication Pvt. L Td	-	44,600
D.G.B.A Associates	133,800	-
National Tech Hydro & Electric P. Ltd	36,725	-
Nepal Jagaran Media Pvt. Ltd.	2,559	-
Total	4,746,597	4,800,875



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Ankhu Khola Jalvidhyut Company Limited
Notes to Financial Statements for the year Ended 31st Ashadh 2081 (15 July 2024)

Note 20

Revenue

	FY 2080.2081	FY 2079.2080
Particulars		
Revenue From Sale of Electricity	174,170,770	192,217,314
Total	174,170,770	192,217,314

Note 21

Generation & Distribution Expenses

	FY 2080.2081	FY 2079.2080
Particulars		
Dashian Allowance (Site)	787,271	875,883
SSF Contribution (Site)	1,847,989	1,949,878
Salary Expenses (Site)	10,577,131	11,227,681
Over Time Expenses (Site)	2,871,086	3,291,315
Communication Allowance (Site)	46,150	47,400
Site Security Expenses	260,000	260,000
Royalty Expenses	4,323,415	4,684,346
Electricity Charge (General)	7,992	9,936
Equipment Hire Expenses	95,530	426,362
Festival Celebration	56,745	30,570
Fuel Exp(Oil & Lubricants)	528,521	786,321
Fuel(General Expenses)	156,969	1,044,990
Insurance Premium Expenses	5,979,376	6,642,535
Medical Expenses (General)	11,265	4,611
Printing & Stationery (General)	7,960	5,060
Repair & Maintenance Expenses (Sub Note 21.1)	4,726,968	16,758,664
Site Expenses (General)	638,480	1,063,007
Transportation Expenses	161,056	621,212
Telephone and Comm. Exp (Office)	41,208	33,565
Wages Expenses	28,788	1,879,901
Compensation Expenses	90,000	140,000
Total	33,243,900	51,783,237

Sub-Note 21.1

Repair & Maintenance Expenses

	FY 2080.2081	FY 2079.2080
Particulars		
Repair & Maintenance of Powerhouse Equipment	1,622,730	14,422,607
Repair & Maintenance of Site (General)	929,084	229,214
Repair & Maintenance of Transmission Line	1,699,492	89,694
Repair & Maintenance of Headworks	475,661	2,017,150
Total	4,726,968	16,758,664





Ankhu Khola Jalvidhyut Company Limited
Notes to Financial Statements for the year Ended 31st Ashadh 2081 (15 July 2024)

Note 22

Other Income

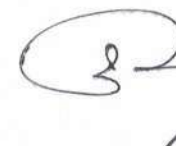
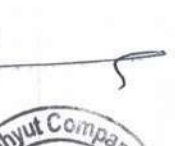
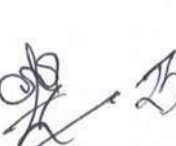
Particulars	FY 2080.2081	FY 2079.2080
Other Income	4,842,216	2,031,963
Total	4,842,216	2,031,963

Note 23

Administrative & General Expenses

Particulars	FY 2080.2081	FY 2079.2080
Salary Expenses (Head Office)	4,685,559	4,441,443
Dashain Allowance (Head Office)	304,217	290,620
SSF Contribution(Head Office)	730,120	697,489
Repair & Mainenance Head Office	55,184	480
Advertisement Expenses	63,451	61,088
AGM Expenses	316,941	306,810
Annual Expenses	270,000	270,000
Conveyance and Fare Expenses	41,970	49,610
Consultancy charges	22,600	898,900
Commission exp	34,795	-
Donation Expenses	8,000	36,000
Office Expenses	262,640	229,402
Printing & Stationary Expenses	38,875	69,465
Registration & Renewals Expenses	295,500	35,500
Rent Expenses	660,000	660,000
Rates & Taxes	11,074	7,006
TADA Exp.	24,000	-
Telephone & Communication Expenses	97,530	94,030
Fuel Expenses	233,500	300,000
Fine & Penalty	-	20,400
Audit fee	339,000	339,000
Board Meeting Expenses	220,000.00	405,000
Membership Fee	30,000	30,000
Newspaper & Periodicals	300	-
Travelling exenses	133,188	81,859
Legal Fees	226,000	275,999
Bank Charges	5,910	5,626
Utilities & Securities Expenses	93,820	90,115
Website Expenses	6,780	6,780
Right Issue Expenses	3,866,358	-
RTS Fee	100,000	100,000
Rating Fees	372,239	188,428
Farewell Exp.	3,210	17,200
Legal Documentation	-	10,100
Rebate Expenses	643,916	530,727
Total	14,196,677	10,549,077








Ankhu Khola Jalvidhyut Company Limited
Notes to Financial Statements for the year Ended 31st Ashadh 2081 (15 July 2024)

Note 24

Finance Income:

Particulars	FY 2080.2081	FY 2079.2080
Interest Income	-	31
Total	-	31

Note 25

Finance Cost: Charged to SOPL

Particulars	FY 2080.2081	FY 2079.2080
Interest on Term Loan	100,480,228	96,791,347
Interest on OD ,Personal Loan	2,951,462	158,142
Interest on RBB Loan	12,697,954	13,211,937
Loan Management Fee	1,883,666	1,952,781
	118,013,310	112,114,208
Add/(Less) Finance Cost - NFRS adjustment	153,510	56,141
Total	118,166,820	112,170,348

Finance Cost:

Particulars	FY 2080.2081	FY 2079.2080
Interest on Personal Loan	-	-
Sub-Total (A)	-	-
Interest on Overdraft Loan	2,951,462	158,142
Sub-Total (B)	2,951,462	158,142
Interest on TL- Prime Commercial Bank Limited	42,655,242	37,404,334
Interest on TL- Machhapuchree Bank Limited	29,926,142	31,152,393
Interest on TL- Rastriya Banijya Bank Limited	12,697,954	13,211,937
Interest on TL- Prabhu Bank Limited	12,414,851	12,160,075
Interest on TL- Sunrise Bank Limited	9,013,087	9,337,913
Interest on TL- Kumari Bank limited	6,470,906	6,736,632
Sub-Total (C)	113,178,182	110,003,284
Loan Management Fee	1,883,666	1,952,781
Sub-Total (D)	1,883,666	1,952,781
Interest On Short Term Loan	-	-
Sub-Total (E)	-	-
G. Total	118,013,310	112,114,208

Note 26

Equity instruments through other comprehensive income:

Particulars	FY 2080.2081	FY 2079.2080
Gain/(loss) on investment on Associates	-	-
Gain/(loss on other equity investment through OCI	-	-
Total	-	-






Ankhu Khola Jalvidhyut Company Limited

Notes to Financial Statements for the year Ended 31st Ashadh 2081 (15 July 2024)

Note 27

Earning PerShare:

Particulars	FY 2080.2081	FY 2079.2080
Profit for the year	(14,172,502)	(8,388,231)
Weighted Average number of Equity Shares Outstanding	8,000,000	8,000,000
Earning Per Share (Rs.) Basic (Face Value of Rs. 100 Per Share)	(1.77)	(1.05)
Add: Weighted Average number of Potential Equity Shares	-	-
Weighted Average number of Equity Shares Outstanding (including dilutive shares)	8,000,000	8,000,000
Earning Per Share (Rs.) Diluted (Face Value of Rs. 100 Per Share)	(1.77)	(1.05)

Note 28

Related Party Disclosures:

a. Those Charged With Governance

Those Charged with Governance of the AKJCL include members of the Board of Directors namely:

Name	Appointment Date	Designation
Ram Shrestha	2079.03.12	Chairman
Ram Prasad Sapkota	2079.03.12	Director
Dinesh Prasad Shrestha	2079.03.12	Director
Bristant Tamang Bamjan	2079.03.12	Director
Indra Krishna Shrestha	2080.09.20	Public Director
Renuka Limbu	2079.03.12	Public Director

The following provides expenses incurred for those charged with governance of AKJCL

Particulars	Current year	Previous Year
Meeting Allowance	220,000	405,000

b) Transactions with Key management personnel

Key Management person includes:

1. Utsav Baral

Particulars	Current year	Previous Year
Salary (Utsav Baral)	2,140,000	2,140,000

Note: The amount disclosed in the table are the amounts recognised as an expenses during the reporting period related to Key management personnel.






c) Other Related Party Transactions:

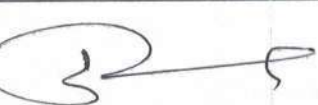
Name of the Related Party	Nature of Transaction	Current Year		Previous Year	
		Transaction	Balance	Transaction	Balance
Ram Shrestha	Loan	-	-	100,000	-

Note 29

Contingent Liabilities and Commitment:

Sn	Particular	Purpose	Amount	Expire date if any
NA				

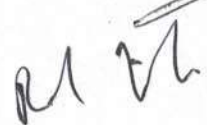










Ankhu Khola Jalavidyut Company Ltd.
Notes to financial statements for the year ended
31st Ashadh 2081 (15 July 2024)

1 General Information of the Company

AnkhuKhola Jalvidhyut Company Ltd is a public company having limited liability incorporated under Companies Act, 2063 and registered with the Office of Company Registrar on 13th Bhadra 2067 with registration number 1254/067/068. Its corporate office is located at Anamnagar, Kathmandu and Hydro-project is situated at Salyangkot, Dhading. The Required Commercial Operation Date (RCOD) was 13th February 2012 (corresponding to 2068/11/01 BS). It has started generation and distribution of electricity from 24th August 2013 (corresponding to 2070/05/08 BS).

2. Basis of Preparation and Measurement

2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRS) to the extent applicable and as published by the Accounting Standards Board (ASB) – Nepal and is approved by the Board of Directors on its meeting held on authorization date of financial statements and have been recommended for approval by shareholders in the 17th Annual General Meeting. The financial statements have also been prepared in accordance with the relevant presentational requirements of the Company Act 2063 of Nepal.

2.2 Basis of Preparation and Reporting Pronouncements

The Company has, for the preparation and presentation of Financial Statements, opted to adopt Nepal Financial Reporting Standards (NFRSs) from the erstwhile Nepal Accounting Standards (NASs) both pronounced by Accounting Standards Board (ASB) Nepal. NFRS was pronounced by ASB Nepal as effective on September 13, 2013.

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

2.3 Accounting Convention

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

The Financial Statements are prepared on accrual basis.

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

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

2.4 Presentations

2.4.1 Presentation Currency

The Company operate within the jurisdiction of Nepal. Nepalese Rupees (NRs) is the presentation and functional currency of the Company. Accordingly, the Financial Statements are prepared and presented in Nepalese Rupees which is the currency of the primary economic environment in which the company operates.

2.4.2 Rearrangement and Reclassification



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

2.4.3 Statement of Financial Position

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

2.4.4 Statement of Profit or Loss and Other Comprehensive Income

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

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

2.4.5 Statement of Cash Flows

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

2.4.6 Statements of Changes in Equity

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

2.4.7 IFRIC 12 Considerations:

IFRIC (International Financial Reporting Interpretation Committee) 12 gives Guidance on the accounting by operators for public-to private service concessions arrangements. This interpretation sets out general principles on recognizing and measuring obligations and related rights in service concessions arrangements. The company has not considered IFRIC 12 while preparing these financial statements on the following grounds.

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

The company does not receive any specific concession for the use of the natural resource. The company has to pay to government for the use of the natural resources in the form of royalty.

The company under power purchase agreement (PPA) sells energy to NEA and not directly to the general public. Though the project is to be transferred to the government at the end of the licence period the legal title of the project is with the company, including control of access to the project site. In addition, the company has right to pledge the assets as lien for availing finances from financial institutions.

3 Accounting Estimates & Judgements

3.1 Accounting Estimates

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

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

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

3.1.1 Useful life and residual Value of Property, Plant & 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 the 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.

3.1.2 Impairment of Property, Plant & Equipment

At the end of each reporting period, the company reviews the carrying amount 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 assets is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of the fair value less cost to sales and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on the anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates and other factors. Any subsequent changes to the cash flow due to changes in the above-mentioned factors could impact carrying value of the property, plant and equipment.

Impairment test for the property, plant and equipment has not done except the capital work in progress (expenses incurred for the project whose ownership does not exist with the company)

3.1.3 Contingencies

In the normal course of business, contingencies 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.

3.1.4 Fair Value Measurements

Some of the company's assets and liabilities are measured at fair value for the purpose of financial reporting. The management determines the appropriate valuation techniques and market observable data to the extent available. Where the level 1 data are not available, the company engages third party qualified valuers to perform the valuation. The management works closely with the professionals to establish the appropriate valuation techniques and inputs to the model.

3.1.5 Recognition of Deferred Tax Assets

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, 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 are prepared. Existing circumstances and assumptions about the future developments however may change due to market changes or circumstances arising beyond the control of the company.

6 Significant Accounting Policies

6.1 Accounting Policies

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

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

6.1.1 Property, Plant and Equipment

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

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



Cost

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

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

Intangible Assets

1. Intangible Assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Intangible Assets with indefinite useful lives are carried at cost less accumulated impairment losses.
2. Gain or loss arising from de-recognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.
3. The company has applied IFRIC 12 "Service Concession Arrangements" and has accordingly classified project assets as intangible assets.
4. IAS 38 Intangible Assets applies to the intangible asset recognized under IFRIC 12. IAS 38 allows intangible assets to be measured using the cost model or the revaluation model if there is an active market for service concession arrangements.

Service Concession Arrangements

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 with them and at what prices; and
- b) The grantor controls through ownership, benefit entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement.

Infrastructure used in the public to private sector concession arrangement for its entire useful life (whole life of assets) is within the scope of 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.

Intangible Asset Model:

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

The company manages concession arrangements which include power supply from its hydropower plant. The company maintains and services the infrastructure during the concession period. These concession arrangements sets 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 assets model is applied.

Income from the concession arrangements earned under intangible asset model consists of (i) Fair value of the contract revenue, which is deemed to be the fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible assets are amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession. In case of any changes in the expected useful life of such intangible assets, the change in estimate shall be disclosed in the financial statement.



Any asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the assets expires.

Amortization

From FY 2077.78, the estimated useful life of the project assets presented under intangible assets under IFRIC 12 has been revised from 3.2% p.a. to 1.5% p.a. Such change in accounting estimate has been applied prospectively as per NAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

As per Para 97 of NAS 38 "The depreciable amount of intangible assets with a finite useful life shall be allocated on systematic basis over its useful life. The Amortization method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity". The revision in depreciation method is adopted considering the pattern in which the asset's future economic benefits are expected to be consumed by the entity. The depreciable amount of intangible asset with a finite useful life has been allocated on systematic basis over the useful life. The method used is selected on the basis of the expected pattern of consumption of the expected future economic benefits embodied in the asset. The company will depreciate all the investments made on civil works, electricity generation, transmission or distribution within remaining license period. The depreciation has been charged as per rate mentioned in below table

Years	Depreciation Rate on IA
1 to 5	1.5%
6 to 8	4.5%
9 to 15	6.0%
16 to 22	9.0%
23	Remaining

Considering 77/78 as year 1 and depreciating for remaining period of 23 years.

6.1.2 Change in Classification, Useful Lives and Depreciation Method

6.1.2.1 Re-classification

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

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

6.1.2.2 Estimation of Useful Lives and Depreciation Method used

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

SN	Category of Assets	Rate	Useful Life (Year)
1	Office Equipments	15%	6.67
2	Furnitures & Fixtures	15%	6.67
3	Vehicles	20%	5
4	Machiney & Equipments	15%	6.67
5	Other Assets	15%	6.67
6	Hydro Project Equipment	SLM	30

Only those assets having value of more than NPR 5,000 per item are capitalized.

6.1.3 De-recognition



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

6.1.4 Other notes on PPE

6.1.4.1 Land

Land properties with ownership documents (i.e. in occupation and with valid documentation) have been recognised meeting the asset recognition criteria.

6.1.4.2 Land under BOOT Arrangement

AKJCL has obtained the license for operation from the then Ministry of Water Resource (Current: Ministry of Energy) for a period of 30 years (i.e. from 2070-05-08 to 2100-05-08), therefore the useful life of assets of the project cannot exceed 30 years even if the economic life of the asset is more as the entire generation unit needs to be transferred to the Government of Nepal at the end of this license term. Therefore, the Company depreciates its land assets at the generation unit using systematic basis.

6.1.4.3 Building and Civil Structure

All civil infrastructures of Project site have been classified on the basis of their built type.

6.1.5 Restriction on PPE

AKJCL has obtained the license for operation from the then Ministry of Water Resource (Current: Ministry of Energy) for a period of 30 years (i.e. from 2070-05-08 to 2100-05-08), the useful life of assets of the project cannot exceed 30 years even if the economic life of the asset is more. After the end of 30 years of operation, AKJCL will have to transfer the entire generation unit to Government of Nepal under BOOT provision.

6.1.6 Capital Work in Progress (CWIP)

Assets in the course of acquisition and installation of new plant and equipment till the date of commissioning, or civil works under construction till the date of completion are recognized as Capital Work in Progress (CWIP) and are carried at cost, less accumulated impairment losses, if any.

Depreciation on these assets commence when these assets are ready for their intended use. These items are shown at cost and disclosed as CWIP under PPE.

All the costs directly related to the development of the projects are charged to the CWIP and carried until the assets are ready to be used to be recognised under property plant and equipment. Any charges are subsequently transferred to CWIP as they directly and indirectly contribute toward creation of those assets. Expenses that are of administrative nature are also included in the cost of CWIP as these expenses are considered directly attributable to the project cost by the management.

6.1.7 Other Intangible Assets

Intangible assets with finite useful lives that are acquired re carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses. Certain computer software costs are capitalised 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.

Gain or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit or loss when the assets is derecognised.

6.1.8 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the company reviews the carrying amount 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 assets 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 assets, the company estimates the recoverable amount of the cash generating unit (CGU) to which the assets belong.



When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest unit of CGU for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and impairment loss (if any) is recognised wherever there is any indication that the assets may be impaired.

Recoverable amount is higher of fair value less cost of disposal and value in use whichever is higher. In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflect current market assessment of the time value of money and the risk specific to the asset for which the estimates of the future cash flows have not been adjusted. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss. When the impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of recoverable amount, but 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 CGU in prior years. A reversal of impairment loss is recognised immediately in statement of profit and loss.

Non-Current Assets Held for Sale

The company classifies non-current assets held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for the sale of such assets, it is highly probable, and it will genuinely be sold and not abandoned. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Assets classified as held for sales are presented separately in the consolidated balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

6.2 Borrowing Cost

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

6.3 Cash & Cash Equivalents

Cash and cash equivalents in the statement of financial position comprises 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 amount 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.

6.4 Inventory

Inventories are carried at the lower of cost or net realisable value (NRV). Cost comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost is measured using First in First out (FIFO) method.

6.4.1 Store, Spare Parts and Loose Tools

NAS 16, paragraph 8 and 9 specifically says that,



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- Spare parts and servicing equipment are usually carried as inventory and recognised in Statement of Profit or Loss when consumed.
- Major spare parts and stand-by equipment qualify as PPE when and entity expects to use them during more than one period.
- The standard does not prescribe the unit measure for recognition and judgement is to be applied in determining what constitutes an item of PPE

Management determines that these stores and spare parts are of consumable nature and are held for consumption in the production (generation) of electrical energy. These are either expected to be used within one year or the economic values will be obtained when consumed. Therefore, these store, spare parts and loose tools have been considered as inventory and presented accordingly.

6.5 Prepayments

These are expenses paid for the period beyond the financial period covered by the financial statement. These will be charged off as expenses in the respective period for which such expenses pertain to. AKJCL's prepayments pertain to insurance premium.

6.6 Revenue Recognition

6.6.1 Sale of Electricity

Revenue is recognized to the extent that it is probable that economic benefit will flow to the company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances. Revenue is recognized when substantial risk and rewards of the ownership is transferred to the buyer under the terms of the contract.

6.6.1.1 Other Income

Following are the details of the other income recognized by the company during the fiscal year 2080.2081

Particulars	Amount	Remarks
Other Income	3,97,666.34	Scrap sales, discount received and 5% rebate on Interest.
Insurance Claim	8,00,000.00	Insurance claim
Gain on Sale of Security	36,34,550.15	Sale of Right share of Singati hydro
Income	10,000.00	Nomination Fee
Total	48,42,216.49	

6.6.2 Dividend and Finance Income

Dividend income (net of withholding taxes) from investments is recognised when the shareholders right to receive payments has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably) In case of Stock dividend only the number of the shares is increased. Interest income from the financial assets is recognized when it is probable that the economic benefits will flow to the company and the amount of the income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Finance Income comprise of the interest income received or receivable from bank(s) on temporary deposits.



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6.6.3 Foreign Currency Transactions:

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Handwritten signature of a person, likely a director or authorized signatory.

Handwritten signature of a person, likely a director or authorized signatory.

The functional currency of the company is determined on the basis of primary economic environment in which it operates. The functional currency of the company is Nepalese Rupee (NPR). In preparing the financial statements of the company, transactions in currencies other than the entity's functional currencies (Foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. The effect from fluctuation of exchange rates raises foreign exchange gain/loss which has been charged to statement of profit and loss.

At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency shall be translated using the exchange rate at the date of transactions.

6.6.4 Employee Benefits

The company provides employee benefits in accordance to its by-laws in compliance with the local laws and regulations. The employee benefits are classified as current benefits and post-employment benefits.

The company has schemes of employment benefits namely provident fund. The company has accounted for gratuity payable till Jestha 2078 and after Jestha 2078 onwards, the gratuity amount has been deposited as per Contribution based Social Security Act in Social Security Fund.

6.6.4.1 Defined Contribution Plan:

Under defined contribution plan for the provident fund, the company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Contributions to defined contributions plans are charged to profit and loss statement in the year to which they relate as the company has no further defined obligations beyond monthly contributions. Contributions to defined contribution scheme are deposited with citizen investment trust and Social Security Fund.

6.6.4.2 Short Term Employment Benefits

A liability is recognized for the benefits accruing to employees in respect of wages and salaries.

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

Staff Loan facilities: The Company does not provide loans to its staffs.

6.6.5 Income Tax

The company has adopted the policy of accounting and reporting tax related elements of Financial Statements in accordance with NAS 12 and it represents current tax and deferred tax for the year. Income Tax is recognized in the profit and loss statement except to the extent that it relates to the items recognized directly to equity.

6.6.5.1 Current Tax

Current tax payable (or recoverable) is based on the taxable profit for the year. Taxable profit differs from the profit reported in the Statement of Profit or Loss, because some item of income or expense are taxable or deductible in different years or may never be taxable or deductible.

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

The Company has been granted a 10-year 100% tax holiday and 5 year after that 50% tax holiday starting from the date of generating electricity for commercial purpose i.e. 2070-05-08 BS (2013-08-24 AD) by the tax authorities under Income Tax Act, 2058. However, the company has provided for income tax liability pertaining to other incomes except electricity income in accordance with the Income Tax Act, 2058 enacted and as applicable in Nepal.

Income Tax rates applicable to the Company:



2



Income from sale of electricity @ 10% (FY 2080/81) ,@ 0% (FY 2079/80), @0% (F/Y 2078/2079)

,@ 0% (F/Y 2077/78) , @0% (F/Y 2076/77), @0% (FY 2075/76), @0% (FY 2074/75), @ 0% (FY 2073/74)

Income from Other Services if any: 25% there are no such Income from other services for the reported periods.

6.6.5.2 Deferred Tax

Deferred Tax is the tax expected to be payable or recoverable in future arising from:

- a. Temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in computation of taxable profit,
- b. Unused tax losses and/or
- c. Unused tax credits.

Deferred tax is provided using balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for the financial purposes and the amount 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 the liabilities using tax rates at balance sheet date.

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

Deferred tax liabilities and the assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the assets realized, based on the tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Currently, The Company has not recognized deferred tax due to 50% Tax holiday period, company is incurring loss and company has no other sources of revenue.

6.6.6 Earnings Per Share (EPS)

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

I. Basic earnings per share are 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 I the right issue to existing shareholders, share split and reverse split (Consolidation of shares).

II. 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 as at the beginning of the period, unless they have been issued at a later date. Diluted EPS has not been calculated as no potential equity exists on the reporting periods.

6.6.7 Provisions Contingent Liabilities and Commitments

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of the provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expenses related to provision are presented in statement of profit and loss net of any reimbursement. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used



the increase in provision due to passage of time is recognised as finance cost. A provision for onerous contracts is recognised when the expected benefits to be derived by the company from contract are lower than the unavoidable cost of meeting its obligations under the contract. The provisions are 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 asset associated with the contract.

A contingent liability is identified as follows:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is 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.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of asset.

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

- a. Regarding payment dispute between Ankhu Khola Jalvidhyut Company and Ramechhap Sherpa Construction Pvt. Ltd. (Civil Contractor of the Ankhu Khola Hydropower Project) the proceedings has been carried out at Honourable High Court. The honourable high court has decided to send back the dispute for the process of Arbitration and till date Arbitrator has not been appointed.

6.6.8 Financial Instrument

6.6.8.1 Financial Instruments

The company classifies financial assets and financial liabilities in accordance with the categories specified in NAS 32 and NAS 39.

6.6.8.2 Effective Interest Method

The effective interest method is a method of calculating the amortised cost of the financial instrument and of allocating interest income or expenses over the relevant period. The effective interest is the rate that exactly discounts future cash receipts or payments through expected life or where appropriate, a shorter period. Income/expenses arising on financial instruments after applying an effective interest rate is recognised in the statement of profit or loss. Where interest component is present in the financial instruments, the implicit rate approximates the effective interest rate.

6.6.8.3 Financial Instruments: Financial Assets

Financial asset is any asset that is:

- (a) Cash
- (b) An equity instrument of another entity;
- (c) A contractual right:
 - i) To receive cash or another financial asset from another entity; or

- ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or



(d) A contract that will or may be settled in the entity's own equity instruments and is:

(i) A non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments;

or

(ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial assets are classified under four categories as required by NAS 39, namely,

- Fair Value through Profit or Loss (FVTPL),
- Held to Maturity,
- Loans and Receivables and
- Available for Sale

Financial Assets of the Company comprises of Advances, Deposits, Other Receivables, Trade Receivables and Cash/Bank Balances.

These instruments are interest bearing and non-interest bearing. Where interest component is present, the implicit interest rate approximates effective interest rate. It is assumed that the carrying amount represents the amortised cost of the assets.

6.6.8.4 Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and it is expected that substantially all of the initial resource will be recovered, other than because of credit deterioration.

6.6.8.5 Held to Maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments that an entity intends and is able to hold to maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through Profit or Loss or as Available for Sale. Held-to-maturity investments are measured at amortised cost.

6.6.8.6 Share Issue Expenses

Rs. 38,66,358 has been incurred during this year as expenses for Right Share issue process .

6.6.8.7 Impairment of Advances, deposits and other receivables

Impairment of advances deposits and other receivables are tested if any indication is known. The Company has a system of tracking the recoverability of these assets.

6.6.8.8 Cash and Cash Equivalent

Cash and cash equivalents include deposits account balances maintained with banks and financial institutions. These enable the Company to meet its short-term liquidity requirements.

The carrying amount of cash and cash equivalents approximates their fair value. They are readily convertible to known amount of cash and are subject to insignificant risk of change in value.

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

Banks and financial institution in Nepal are closely regulated by the Nepal Rastra Bank. The Company closely assesses the risks of these instruments and there is no apparent indication of impairment of these balances.



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6.6.9 Risk Associated with Financial Assets

The Company closely monitors the risks associated with the financial assets. The Company has an enterprise risk management system commensurate with the nature and the size of the business, which the management considers sufficient to identify, manage and monitor risks.

6.6.10 Financial Assets at amortised 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 principle amount outstanding.

6.6.10.1 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 sell these financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial asset not measured at amortised cost or fair value through other comprehensive income is carried at fair value through the statement of profit and loss. For the financial assets maturing within one year from the reporting date, the carrying amounts approximate fair value due to shorter maturity of these instruments.

6.6.10.2 Impairment of Financial Assets

Loss allowance for expected credit losses are recognised for financial assets measured at amortised cost and fair value through the statement of profit or 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 are 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.

6.6.10.3 De-recognition of financial assets

The company derecognises the financial assets only when the contractual rights to the cash flows from the financial assets 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 the ownership and continue to control the transferred asset, the company recognises its retained interest in the assets and as associated liability for the amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of the transferred assets, the company continues to recognise the financial assets and also recognises a collateralised borrowing for the proceeds received.

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

6.6.11 Financial Liabilities & Equity Instruments

6.6.11.1 Classification of Debt or Equity

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

6.6.11.2 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 cost.

6.6.12 Financial Liabilities

A financial liability is any liability that is:

(i) Contractual obligation:

(i) To deliver cash or another financial asset to another entity; or



- (ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- b) A contract that will or may be settled in the entity's own equity instruments and is:
 - (i) A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments;
 - or
 - (ii) A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed Number of the entity's own equity instruments.

Financial Liabilities are measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using effective interest rate method where the time value of money is significant.

6.6.12.1 Trade and Other Payables

Trade and other payables mainly consist of amounts the Company owes to suppliers and government authority that have been invoiced or are accrued. These also include taxes due in relation to the Company's role as an employer. These amounts have been initially recognized at cost and it is continued at cost as it fairly represents the value to be paid since it does not include interest on payment. The carrying amount approximate fair value due to short maturity of these instruments.

6.6.12.2 Financial Guarantee Contract

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

6.6.12.3 De-recognition of financial liabilities

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

6.6.12.4 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 recognised amounts and there is an intention to settle on net basis, to realise the assets and settle the liabilities simultaneously.

6.6.13 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substances 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 assets or assets and the arrangement conveys a right to use the asset or assets even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. For arrangements entered into prior to 01 Shrawan, 2076, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of the transition.

6.6.13.1 The Company as a Lessee

A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease. A leased asset is depreciated over the useful life of the assets. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the assets is depreciated over the shorter of the estimated useful life of the assets and the lease term.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased asset or, at the present value of the minimum lease payments at the inception of lease, whichever is lower. Lease



payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance cost in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on the borrowing costs.

Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term unless either:

Another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

6.6.13.2 The Company as Lessor

Rental Income from operating leases are generally recognized on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Initial direct costs incurred in negotiating and arranging an operating lease⁴ are added to the carrying amounts of the leased assets and recognised on a straight-line basis over the lease term.

6.6.14 Segment Reporting

6.6.14.1 Operating Segment

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

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

6.6.15 Share Capital

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

Promoters	75%
Public	25%

It is the Company's policy to net off share issue expenses with the capital collected under NFRS. However, the Company's share capital has not been adjusted for such expenses as they pertain to previous periods and will be net off from share capital in subsequent year where share capital is recognised. Therefore, share issue expenses incurred for the year has been deferred and settled when the share capital is recognised. As the lock in period for promoter share has been opened since 2078.07.11, all shares are now traded as public share in secondary market.

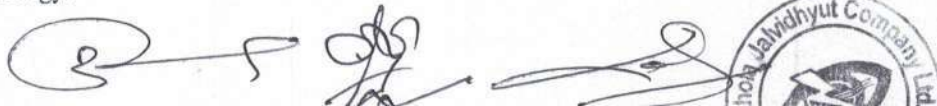
6.6.16 Staff Bonus

Provision for staff bonus has been made in line with Electricity Act, 2049. The company is still in loss so provision for staff bonus is nil for the reported periods.

6.6.17 Long Term Loan

AKJCL has obtained long term loan consortium financing for project construction from Prime commercial Bank Limited as Lead bank including Machhapuchhre Bank Limited, Sunrise Bank Limited, Kumari Bank limited and Prabhu Bank Limited. The company has also availed Long term loan from Rastriya Banijya Bank Limited against the posted rate amount as per the PPA between the company and NEA and recommendation from Ministry of Water Resources and Energy.

7 Other Explanatory Notes:



7.1 Interim Reports

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

7.2 Related Parties Disclosures

The Company identifies the following as its related parties:

- a. Those Charged with Governance

Directors and their Relatives

The Company has a 6-member Board of Directors (BOD) appointed under the provisions of Companies Act 2063. Except for the following transactions, the Company has not conducted any other transaction with directors or their relatives during the financial year 2080/2081 (2023/2024).

S. N.	Name	Position	Date of Appointment	Tenure
1.	Ram Shrestha	Chairman	2079/03/12	Till date
2.	Dinesh Prasad Shrestha	Director	2079/03/12	Till date
3.	Bristanta Tamang Bamjan	Director	2079/03/12	Till Date
4.	Ram Prasad Sapkota	Director	2079/03/12	Till Date
5.	Indra Krishna Shrestha	Public Director	2080/09/20	Till Date
6.	Renuka Limbu	Public Director	2079/03/12	Till Date

The following provides expenses incurred for those charged with governance of AKJCL (Amount in NPR)

Particulars	Current year	Previous Year
Meeting Allowance	2,20,000.00	4,05,000.00

b) Key Management Personnel and Their Relatives

1. Utsav Baral as Consultant (from Magh 2079 till Date)

Key Management Personnel compensation

Compensation to key management Personnel of the Company amounts to NPR 21,40,000.00 during fiscal year 2080/2081 for Utsav Baral.

c) Transaction with BOD of the Company (Amount in NPR)

Particulars	Nature	Current Year		Previous Year	
		Transaction	Balance	Transaction	Balance
Ram Shrestha	Loan	-	-	1,00,000	-

d) Other Matters

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

7.3 Disclosure on Financial Instruments and Risk Management

NFRS 7 Disclosure on Financial Instruments is applicable on the financial instruments. The definition of financial instruments is inclusive and covers both financial assets and liabilities. 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 risks and credit risks which may adversely affect 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 risk faced by the company to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and 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.

7.3.1 Credit Risk

Credit risk is the risk that the counter party will not meet its obligations under a financial instrument or customer contract, leading to financial loss to the company. The company is exposed to credit risk from its operating activities primarily trade receivables and advances and from its financing activities including loans. The company practices of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as means of mitigating the risk of financial loss from defaults. The company's exposure and creditworthiness of the counterparties are continuously monitored and analyzed.

7.3.2 Liquidity Risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. In order to control and mitigate the liquidity risk and for better working capital management considers both normal and stressed conditions. A material and sustained shortfall in cash flow could create potential business continuity risk. To mitigate the risk the company has made arrangement of adequate level of Cash Credit facility for short term financing from Prime Commercial Bank Limited. The company's finance department regularly monitors the cash position to ensure it has sufficient cash ongoing basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements are retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposit or call deposit to optimize its cash returns on investments.

7.3.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises mainly following types of risk.

7.3.4 Currency Risk

The company is subject to the risk that changes in foreign currency values impact the company's import of inventories of spare parts and property, plant and equipment. There is no un-hedged exposure to the company on holding financial assets (Bank balances and trade receivables) and liabilities (trade payables) other than in their functional currency. The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United State Dollar. The aim of the approach to management of currency risk is to leave the company with no material residual risk. Since there is no significant currency risk, the company has not entered into any forward contract.

7.3.5 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes of interest rates in market. 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 is influenced by market forces, which is beyond the company's control, the company has little role to play for minimizing this risk. However, the company mitigates the risk through negotiations with respective authorities on reasonable periods.

7.3.5 Capital Management

For the purpose of Company's capital Management, capital included 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 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. The company considers the amount of capital in proportion to risk and manages the capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets.



The aim of the company is to translate profitable growth to sufficient 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 to build 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 high financial flexibility for potential future borrowings if requires without impacting the risk profile of the company. The company will take appropriate steps in order to maintain, or if adjust, its capital structure. The management monitors the return on capital as well as the level of dividends to shareholders.

7.3.6 Disaster Management

A disaster is sudden, calamitous natural event that seriously disrupts the functioning of the community or society and causes human, material, economic or environmental losses that exceed the community's or society's ability to cope using its resources. Disaster occurs when a hazard impact on vulnerable people. Disasters are older than mankind. We cannot control the hazard like flood, earthquake, fire, and landslide and so on but we can minimize the damage which may cause by such hazards. Preparedness is the key point for minimizing the loss or damage which may occurs due to disasters. As we know hazards are older than the mankind so there is some trend in accordance of such events like flood, earthquake so we have to predict and prepare for these kinds of hazards. Disaster is the product of process and exposure through the process or hazards are natural so we cannot exactly identify it but by listing possible hazards like flood, landslide and fire and so on which may occur. The company can only reduce the damage by reducing such things on exposure of disasters. AKJCL has tried to reduce the chances of damage by installing gabion and protection wall for protection from flood and installing fire fighting equipment for protection from fire.

7.4 Subsequent Event:

There has not been any significant reportable event after the reporting date which requires be either adjusting or disclosing while preparing financial statements.

8. Effect of NFRS implementation

A. Property, Plant & Equipment

Under the previous GAAP, depreciation charged for PPE was based on depreciation rate prescribed by Income Tax Act 2058, now the depreciation rate charged for the PPE has been charged estimating life of the assets.

B. Other Equity Investments

- a. Investment in shares is reclassified separately as Investment in Other equity investments.

C. Other Non-current Assets

Advance to Supplier which is outstanding for more than 12 month from reporting date and other deposit has been reclassified as other non-current which was previously reported under current assets.

D. Other Current Assets

Advance to suppliers and prepaid expenses have been grouped as other current assets which were earlier grouped under advance & deposit.

E. Other Equity

Net Effect of change in assets and liabilities due to different measurement changes on account of NFRS adjustment.

F. Non-Current Financial Liabilities

Borrowing which is payable after period of 12 months have been classified under Non-Current Financial Liabilities

Borrowing

Current portion of long-term loan has been classified as short term borrowing which was previously reported as Current Liabilities.



H. Trade Payables

Current portion of payable of suppliers has been reclassified as Trade Payable which was previously reported under Current Liabilities.

I. Other Financial Liabilities

Royalty payable and other payables have been grouped under other current financial liabilities.

J. Other Current Liabilities

Bonus Payable, VAT payable, TDS payable, employee accounts payable, have been grouped under other current liabilities which were earlier grouped under current liabilities.

K. Other Income

Financial income from bank has been classified and shown separately as finance income on the face of SOPL which was previously reported under other income.

L. Finance Income

Interest effect of measuring the non-current financial assets/liabilities on amortized cost has been classified as other finance income/(cost).

M. Finance Costs

- a. Interest effect of measuring the non-current financial assets/liabilities on amortized cost has been classified as other finance income/(cost).

9. Approval of Financial Statements:

The accompanied financial statements have been approved and authorized for issue by the Board of Directors in its meeting held on 2081/05/14 and have been recommended for approval by shareholders in the Annual General meeting.

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