

National Hydro Power Company Limited

Binayaknagar-10, New Baneshwor, Kathmandu

Balance Sheet as at Ashad 32, 2071 (Corresponding July 16, 2014)

Particulars	Schedule	FY 2070-71 NPR	FY 2069-70 NPR
Sources of Funds:			
Share Capital	1	1,385,911,200.00	1,385,911,200.00
Reserve & Surplus	2	(371,330,397.36)	(431,830,637.45)
Secured Loan	3	166,243,211.05	278,731,485.25
Total		1,180,824,013.69	1,232,812,047.80
Application of Funds:			
Plant, Property & Equipments			
Gross Block	4	1,771,802,219.98	1,771,764,699.98
Less: Accumulated Depreciation		586,338,595.10	541,647,125.91
Net Block		1,185,463,624.88	1,230,117,574.07
Total		1,185,463,624.88	1,230,117,574.07
Long Term Investments	5	41,000.00	41,000.00
Current Assets:			
Inventories	6	-	-
Advances and other Receivables	7	44,686,085.05	42,715,449.92
Cash & Bank Balances	8	1,938,112.19	1,093,423.74
Total Current Assets		46,624,197.24	43,808,873.66
Less: Current Liabilities & Provisions			
Trade & Other Payables	9	49,508,667.90	39,760,579.32
Provisions	10	1,796,140.53	1,394,820.61
Total Current Liabilities		51,304,808.43	41,155,399.93
Net Current Assets		(4,680,611.19)	2,653,473.73
Miscellaneous Expenditure			
Deferred Revenue Expenditure (To the extent not written off)	11	-	-
Total		1,180,824,013.69	1,232,812,047.80
Contingent Liability	14	249,337,358.86	249,337,358.86
Significant accounting policies & Notes to the Account	15		

As per our attached report of even date

For & On Behalf of the Company

For J.P.Pandey and Associates
Chartered Accountants

Tara Panta
Accountant

Bisheshwor Subedi
Director

Ram Bahadur Tamang
Director

Bikash Lama
Director

CA. Jyoti Prakash Pandey
Proprietor

Prakash Rajoure
Managing Director

Shiva Ram Pradhan
Director

Rudra Kumar Shrestha
Director

Kumar Pandey
Chairman

Date : 28th Kartik 2073
Kathmandu, Nepal

National Hydro Power Company Limited
 Binayaknagar-10, New Baneshwor, Kathmandu
Profit and Loss Account
 For the year ended 32 Ashad 2071 (Corresponding July 16, 2014)

Particulars	Schedule	FY 2070-71 NPR	FY 2069-70 NPR
Electricity Sales		178,364,237.40	189,814,034.10
Less: Cost of Sales	12	39,958,959.30	24,731,124.49
Gross Profit		138,405,278.10	165,082,909.61
Add: Other Income	13	56,778.36	534,899.43
Less: Administrative & General Expenses	14	9,820,078.10	9,352,057.06
Profit before Interest, Taxes & Depreciation		128,641,978.36	156,265,751.98
Depreciation	4	44,691,469.19	44,781,685.78
Deferred Revenue Expenditure Written off	11	-	-
Profit before Interest & Taxes		83,950,509.17	111,484,066.20
Less: Interest Expenses		23,048,949.55	40,590,823.58
Profit/(Loss) before Taxes		60,901,559.62	70,893,242.62
Less: Provisions for Advances		-	40,740,365.00
Add: Provision Written Back		-	(241,071.00)
Less: Current Tax			
- Income Tax for the Year(Non-filing of Return)		401,319.53	616,895.61
Profit/(Loss) after Taxes		60,500,240.09	29,777,053.01
Profit/(Loss) transferred to Balance Sheet		60,500,240.09	29,777,053.01
No. of Share Outstanding as on Date of Balance Sheet		13,859,112.00	13,859,112.00
Earning Per Share (Rs/Share)		4.37	2.15
Diluted Earning Per Share (Rs/Share)		4.37	2.15
Significant accounting policies & Notes to the Accounts	15		

As per our attached report of even date

For & On Behalf of the Company

For J.P.Pandey and Associates
Chartered Accountants

Tara Panta Accountant	Bisheshwor Subedi Director	Ram Bahadur Tamang Director	Bikash Lama Director	CA. Jyoti Prakash Pandey Proprietor
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Prakash Rajoure Managing Director	Shiva Ram Pradhan Director	Rudra Kumar Shrestha Director	Kumar Pandey Chairman	Date : 28th Kartik 2073 Kathmandu, Nepal
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National Hydro Power Company Limited

Binayaknagar-10, New Baneshwor, Kathmandu

Cash Flow Statement

For the year ended 32 Ashad 2071 (Corresponding July 16, 2014)

Particulars	Current Year NPR	Previous Year NPR
Cash Flow From Operating Activities:		
Profit (Loss) after tax as per P & L A/c	60,500,240.09	29,777,053.01
Add:-Depreciation	44,691,469.19	44,781,685.78
Add:-Interest Expenses	23,048,949.55	40,590,823.58
Cash Flow from Operating activities before changes in W/C	128,240,658.83	115,149,562.37
Cash Flow From Operating Activities:		
Decreases/(Increases) in Current Assets	(1,970,635.13)	(10,364,101.67)
Increases/(Decreases) in Current Liabilities	10,149,408.50	2,716,310.65
Increases/(Decreases) in Pre-Operating Expense	-	-
Net Cash Flow from Operating activities	136,419,432.20	107,501,771.35
Cash Flow from Investing Activities		
Sales/(Purchase) of Fixed Assets	(37,520.00)	(36,837.37)
Net Cash Flow from Investing activities	(37,520.00)	(36,837.37)
Cash Flow from Financing Activities		
Increase/(Decrease) in share Capital	-	-
Increase/(Decrease) in Borrowing(Loan)	(112,488,274.20)	(108,840,165.45)
Interest Paid	(23,048,949.55)	(40,590,823.58)
Net Cash Flow from Financing activities	(135,537,223.75)	(149,430,989.03)
Total Cash Flow From All Activities	844,688.45	(41,966,055.05)
Opening Cash & Bank Balances & Equivalents	1,093,423.74	43,059,478.78
Closing Cash & Bank Balances & Equivalents	1,938,112.20	1,093,423.74

Significant accounting policies & Notes to the Accounts

15

As per our attached report of even date

For & On Behalf of the Company

For J.P.Pandey and Associates
Chartered Accountants

Tara Panta Accountant
Bisheshwor Subedi Director
Ram Bahadur Tamang Director
Bikash Lama Director

CA. Jyoti Prakash Pandey
Proprietor

Prakash Rajoure Managing Director
Shiva Ram Pradhan Director
Rudra Kumar Shrestha Director
Kumar Pandey Chairman

Date : 28th Kartik 2073
Kathmandu, Nepal

National Hydro Power Company Limited
 Binayaknagar-10, New Baneshwor, Kathmandu
 Statement of Changes in Equity as at Ashad 32, 2071 (Corresponding July 16, 2014)

Particulars	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Other Reserves	Total
Opening Balance	1,385,911,200.00	-	-	(431,830,637.45)	-	954,080,562.55
Opening Balance	1,385,911,200.00	-	-	(431,830,637.45)	-	954,080,562.55
Profit for the Year	-	-	-	60,500,240.09	-	60,500,240.09
Closing Balance	1,385,911,200.00	-	-	(371,330,397.36)	-	1,014,580,802.64

National Hydro Power Company Limited
Binayaknagar-10, New Baneshwor, Kathmandu
Schedules Forming Part of the Financial Statements as at Ashad 32,2071 (Corresponding July 16, 2014)

Share Capital:		Schedule 1	
Particulars	Ashad 32, 2071 NPR	Ashad 31, 2070 NPR	
AUTHORIZED CAPITAL :			
200,00,000 Equity Shares @ Rs. 100 Each	2,000,000,000.00	2,000,000,000.00	
ISSUED & SUBSCRIBED CAPITAL :			
140,00,000 Equity Shares @ Rs. 100 Each	1,400,000,000.00	1,400,000,000.00	
CALLED AND PAID-UP CAPITAL:			
13,874,332 Shares of Rs 100 Each	1,387,433,200.00	1,387,433,200.00	
Less: Calls in Arrears	(1,522,000.00)	(1,522,000.00)	
Total	1,385,911,200.00	1,385,911,200.00	

Reserve & Surplus:		Schedule 2	
Particulars	Ashad 32, 2071 NPR	Ashad 31, 2070 NPR	
Opening Reserve & Surplus	(431,830,637.45)	(461,607,690.46)	
Add: Profit/(loss) during the Year	60,500,240.09	29,777,053.01	
Less: Dividend during the Year	-	-	
Total	(371,330,397.36)	(431,830,637.45)	

Secured Loans:		Schedule 3	
Particulars	Ashad 32, 2071 NPR	Ashad 31, 2070 NPR	
A. Consortium Loan			
Employee Provident Fund	11,595,062.77	37,138,039.32	
NCC Bank Limited	16,398,126.56	38,112,710.15	
Nepal Bank Limited	9,597,003.87	27,855,004.25	
Rastriya Banijyaya Bank Limited	13,047,470.95	38,131,163.98	
Nabil Bank Limited- Long Term Loan-1	7,499,700.00	21,512,402.81	
	58,137,364.15	162,749,320.51	
B. Term Loan-2			
Nabil Bank Limited	70,511,000.00	75,011,000.00	
NCC Bank Limited	18,267,414.23	19,211,604.23	
	88,778,414.23	94,222,604.23	
C. Short Term Loan			
Rastriya Banijya Bank Limited	1,642,000.00	2,500,000.00	
Nepal Bangladesh Bank Limited	10,000.00	10,000.00	
Nepal bank Limited	2,958,000.00	4,500,000.00	
Nabil Bank Limited	14,717,432.67	14,749,560.51	
	19,327,432.67	21,759,560.51	
Total	166,243,211.05	278,731,485.25	

National Hydro Power Company Limited
Binayaknagar-10, New Baneshwor, Kathmandu
Schedules Forming Part of the Financial Statements as at Ashad 32,2071 (Corresponding July 16, 2014)

Long Term Investments:		Schedule 5	
Particulars	Ashad 32, 2071	Ashad 31, 2070	
	NPR	NPR	
Sunkoshi Hydro Power Company Ltd.(No. of shares 3,500,000 @ Rs 100)	350,000,000.00	350,000,000.00	
N.B Insurance(No. of share 410@Rs 100)	41,000.00	41,000.00	
Less: Provision for Investment in SHPCL	(350,000,000.00)	(350,000,000.00)	
Total	41,000.00	41,000.00	

Note: The share of NB Insurance Limited has been Pledged with Nabil Bank.

Inventories:		Schedule 6	
Particulars	Ashad 32, 2071	Ashad 31, 2070	
	NPR	NPR	
Spare Parts	-	6,724,361.45	
Less: Written off/Provision 2068-69	-	(6,724,361.45)	
Total	-	-	

Advances & Trade Receivables:		Schedule 7	
Particulars	Ashad 32, 2071	Ashad 31, 2070	
	NPR	NPR	
Advances			
Advance for Office works	2,227,431.00	-	
Less: Provision	(2,092,528.43)	134,902.57	93,212.57
TDS Receivables		2,777,576.31	2,769,059.54
Advance for Equipment (Unidentified Party)	10,000,000.00		
Less: Provision	(10,000,000.00)	-	-
Advance for Spares Parts(Pingxiang Mining)	45,361,595.00		
Less: Provision	(45,361,595.00)	-	-
B.R Gorkhali(Chief Supervisors)	300,000.00		
Less: Provision	(300,000.00)	-	-
Deposits	337,640.52		
Less: Provision	(337,640.52)	-	-
Electrical Repairing Works	368.25		
Less: Provision	(368.25)	-	-
Hydro Consult	360,000.00		
Less: Provision	(360,000.00)	-	-
Others	254,219.80		
Less: Provision	(254,219.80)	-	-
Prepaid Insurance Premium		2,904,226.87	3,437,898.31
Prepaid News Paper & Magazine		-	2,254.25
Salary Advance	400,691.09		
Less: Provision	(312,521.09)	88,170.00	72,170.00
Sunkoshi Hydro Power Co. Ltd	64,257,641.61		
Less: Provision	(64,257,641.61)	-	-
Prayas Nepal	5,000.00		
Less: Provision	(5,000.00)	-	-
NB insurance	3,804,526.12		
Less: Provision	(3,804,526.12)	-	-
Tax Deposits Against Demand (Bail A/C)		120,459.00	120,458.75
Other Recoverable (No supporting)	1,083,672.89		
Less: Provision	(1,083,672.89)	-	-
Kathmandu Recreation Center	4,758,929.00		
Less: Provision	(4,758,929.00)	-	-
Nepal Hydro Electric		2,073,883.50	-
Mega Hydro & Engineering Pvt Ltd.		3,300,000.00	-
NCC PAD loan- Recoverable		3,111,197.89	
Trade Receivables			
Nepal Electricity Authority		30,175,668.91	36,220,396.50
Total	44,686,085.05	42,715,449.92	

National Hydro Power Company Limited
Binayaknagar-10, New Baneshwor, Kathmandu
Schedules Forming Part of the Financial Statements as at Ashad 32,2071 (Corresponding July 16, 2014)

Cash & Bank Balances: **Schedule 8**

Particulars	Ashad 32, 2071 NPR	Ashad 31, 2070 NPR
Cash Balance		
Cash in hand (As certified by the management)	304.42	304.42
Balances with Banks:		
Nepal Bangladesh Bank Limited	10,000.00	10,000.00
Nepal Bank Limited Chautara	2,158.48	2,158.48
Bank of Kathmandu Limited	8,911.21	8,911.21
Nepal Bangladesh Bank Limited	32,656.03	32,423.99
NCC Bank Limited(Banepa)	17,750.40	17,750.40
Nepal Bangladesh Bank Limited.(US \$ A/C)	90,300.32	90,300.32
NCC Bank Limited.(New Road)	10,983.77	10,983.77
Nabil Bank Limited	1,291,469.26	447,069.18
Nabil Bank Limited	468,645.67	468,645.67
Central Finance Limited	3,485.06	3,428.73
NB Bank Limited	1,447.57	1,447.57
Total	1,938,112.19	1,093,423.74

Trade & Other Payables: **Schedule 9**

Particulars	Ashad 32, 2071 NPR	Ashad 31, 2070 NPR
Audit Fee Payable	111,500.00	111,500.00
Audit Fee Payable (2069-70)	111,500.00	-
Audit Fee Payable (2068-69)	111,500.00	111,500.00
Review Audit Expenses Payable	223,000.00	223,000.00
Retention Money	2,370,387.44	972,002.74
Royalty Payable	16,549,582.34	15,108,509.00
Interest Payable	2,238,912.47	9,110,199.43
High Himal Hydro Construction	8,186,187.37	-
Kalinchowk Security Services	132,433.39	-
Salary Payable	2,192,934.78	1,492,148.81
Leave Salary Payable	838,425.02	-
CIT Payable	1,181,974.51	951,268.00
PF Payable	3,442,787.89	2,019,323.35
Medical Payable	805,089.67	940,711.08
Other Payable	47,586.00	280,880.52
Site office	85,783.00	85,782.55
Sundry Creditors	2,931,312.67	2,399,756.25
Meeting Fee Payable	297,500.00	113,900.00
Effectuated VDC Payable	540,293.00	540,293.00
Electricity Payable	479,621.25	326,927.93
Bonus Payable	352,316.00	352,316.00
Rent & Land Lease Payable	824,147.50	430,516.50
TDS of Earlier Year (For non-compliance in Tax)	2,400,401.00	2,400,401.00
TDS Payable (2067-68)	173,205.00	173,205.00
TDS Payable(2068-69)	402,367.31	402,367.31
TDS Payable(2069-70)	1,214,070.85	1,214,070.85
TDS Payable(2070-71)	1,263,849.44	-
Total	49,508,667.90	39,760,579.32

Provisions: **Schedule 10**

Particulars	Ashad 32, 2071 NPR	Ashad 31, 2070 NPR
Provision for Tax (Non-filing of Return 2070-71)	401,319.53	-
Provision for Tax (Non-filing of Return 2069-70)	616,896.00	616,895.61
Provision for Tax (Non-filing of Return 2068-69)	777,925.00	777,925.00
Total	1,796,140.53	1,394,820.61

National Hydro Power Company Limited
Binayaknagar-10, New Baneshwor, Kathmandu
Schedules Forming Part of the Financial Statements as at Ashad 32,2071 (Corresponding July 16, 2014)

Cost of Sales:		Schedule 11	
Particulars	FY 2070-71 NPR	FY 2069-70 NPR	
Electricity	170,000.42	126,998.85	
Fuel Machinery	247,269.88	8,785.00	
Insurance	4,633,756.43	5,346,774.39	
Land Lease	814,036.76	814,036.76	
Overtime Expenses	284,406.52	190,539.33	
Repair And Maintenance (PH)	16,172,136.22	-	
Repair And Maintenance (Machinery)	-	8,930.00	
Repair & Maintenance	-	98,880.73	
Royalty Expenses	4,441,073.34	3,989,859.57	
Salary & Allowances -Site office	12,227,910.35	13,282,308.92	
Transmission Line	52,519.00	-	
Wages Expenses	111,101.00	119,318.18	
Working Dress	804,749.38	744,692.76	
Total	39,958,959.30	24,731,124.49	
Other Income:		Schedule 12	
Particulars	FY 2070-71 NPR	FY 2069-70 NPR	
Interest Income	56,778.36	534,899.43	
Total	56,778.36	534,899.43	
Administrative Expenses :		Schedule 13	
Particulars	FY 2070-71 NPR	FY 2069-70 NPR	
AGM Expenses	20,000.00	418,670.94	
Share Capital Audit Expenses	25,000.00	-	
Audit Fee	113,000.00	113,000.00	
Bank Charges, Commission & Agency fee	504,377.00	572,096.22	
Computer Expenses	-	6,850.00	
Conveyance Expenses	-	29,282.00	
Daily Allowance	-	3,600.00	
Dashain Allowance	970,631.44	850,868.83	
Dashain Exp	-	15,010.00	
Fine & Penalty	323,933.60	366,500.97	
Financial Cost	-	41,221.01	
Fuel(Vehicle)	15,900.00	35,750.00	
Hospitality	12,125.00	90,361.16	
House Rent	718,700.00	428,700.84	
Leave Salary	1,683,551.95	899,893.56	
Legal Expenses	200,000.00	-	
Medical Allowance	733,923.08	803,200.00	
Meeting Fee & Expenses	216,000.00	208,000.00	
News Paper & Magazine	-	3,642.14	
Office Expenses	6,033.00	23,461.00	
Puja Expenses	15,000.00	14,990.00	
Printing & Stationery	2,254.20	147,706.45	
Provident Fund Contribution	865,705.90	1,009,661.65	
Renewal Charges	-	760.00	
Renewal Charges(NSE)	50,000.00	-	
Repair & Maintenance(Other)	33,805.00	25,700.00	
Repair & Maintenance(Vehicle)	-	61,685.00	
RTS Charges	275,000.00	200,000.00	
Salary & Allowances	2,624,912.93	2,487,063.16	
Security Expenses	399,225.00	477,263.00	
Telephone & Postage	-	9,619.13	
Transportation Expenses	11,000.00	7,500.00	
Total	9,820,078.10	9,352,057.06	

National Hydro Power Company Limited
Binayaknagar-10, New Baneshwor, Kathmandu
Schedules Forming Part of the Financial Statements as at Ashad 32,2071 (Corresponding July 16, 2014)

Contingent Liability: **Schedule 14**

Particulars	FY 2070-71 NPR	FY 2069-70 NPR
Non Compliance with TDS*	33,942,555.19	33,942,555.19
Interest and Penalty Payable to NCC Bank**	15,419,896.67	15,419,896.67
Corporate Guarantee-SHPCL***	199,974,907.00	199,974,907.00
Total	249,337,358.86	249,337,358.86

Note* The management has received additional tax liability demand of Rs 44,486,295/- for the financial year 2064-65, 2065-66 &2066-76 as per the demand letter issued by IRD dated 2072-12-17 in relation with non compliance with TDS and NHPC made provision for such liability to the extent of Rs. 1,0543,740/- during the year 2068-69 and balance demand is shown as contingent liability.

Note** For the final settlement of the consortium Loan with Nepal credit and commerce Bank limited (NCC), Contingent liability that could arise amounts to Rs 15,577,525/-. The Company has been negotiating and making dialogue with NCC.

Note*** The facility agreement signed by the Company dated July 11, 2016 with NABIL state that company will undertake the liability of Rs 199,974,907/- on behalf of SHPCL against bank guarantee of Rs. 45 crore provided by NHPC.

The Patan Appellate Court gave decision in favor of company in respect of case pending with them on 10th Jestha 2073 and now there are no any legal cases pending against the director and NHPC as on 10th Jestha 2073 except a case by ex-Driver with Labour Tribunal.

National Hydro Power Company Limited
Binayaknagar-10, New Baneshwor, Kathmandu
Plant, Property & Equipments
as at Ashad 32, 2071

Schedule-4

S.N.	Particulars	Rate	Gross Block			Accumulated Depreciation				Net Block		
			Opening	Addition During the Year	Adj.	Total	Upto last year	Adj.	During the year	Total	FY 2070-71 NPR	FY 2069-70 NPR
1	Land	0%	20,034,120.38	-	-	20,034,120.38	-	-	-	-	20,034,120.38	20,034,120.38
2	Building	5%	1,473,484.13	-	-	1,473,484.13	634,812.81	-	41,933.57	676,746.38	796,737.75	838,671.32
3	Furniture & Fixture	25%	2,601,456.03	-	-	2,601,456.03	2,364,727.71	-	59,182.08	2,423,909.79	177,546.24	236,728.32
4	Computer & Accessories	25%	22,487.00	-	-	22,487.00	9,838.06	-	3,162.23	13,000.30	9,486.70	12,648.94
5	Others	25%	822,476.12	37,520.00	-	859,996.12	730,115.26	-	26,216.88	756,332.14	103,663.98	92,360.86
6	Vehicle	20%	6,871,250.00	-	-	6,871,250.00	5,897,269.55	-	194,796.09	6,092,065.64	779,184.36	973,980.45
7	Electro Mechanical Equipment	4%	244,458,727.34	-	-	244,458,727.34	116,493,559.16	-	9,778,349.09	126,271,908.25	118,186,819.09	127,965,168.18
8	Civil Hydro Electrical Rectification	2.21%	1,409,675,430.08	-	-	1,409,675,430.08	384,015,260.47	-	31,139,730.25	415,154,990.72	994,520,439.36	1,025,660,169.61
9	Approach Road	4%	83,065,315.97	-	-	83,065,315.97	29,598,165.65	-	3,322,612.64	32,920,778.29	50,144,537.68	53,467,150.32
10	Machinery Equipment	15%	2,739,952.93	-	-	2,739,952.93	1,903,377.23	-	125,486.36	2,028,863.59	711,089.35	836,575.70
Grand-Total			1,771,764,699.98	37,520.00	-	1,771,802,219.98	541,647,125.91	-	44,691,469.19	586,338,595.10	1,185,463,624.88	1,230,117,574.07