



ANNUAL REPORT
2019/2020

CHILIME **THE PIONEER**

An ISO Certified Company



CHILIME HYDROPOWER
COMPANY LIMITED

CORPORATE PROFILE

Chilime Hydropower Company Limited (CHCL) was incorporated in 1995 with an objective of hydroelectricity generation through optimal utilization of resources within the country. CHCL is a public limited company in Nepal registered with the Office of the Company Registrar. Nepal Electricity Authority (NEA) holds majority ownership with 51% shareholding. Remaining 49% shareholding is from general public including 10% equity ownership of local people. Shares of the company are listed in the Nepal Stock Exchange Limited (NEPSE) and being traded in the share market. Company's initial equity capital was NRs. 960 million including NRs. 480 million investment by NEA. The Company managed Debt Capital (Long Term Loan) from Citizen Investment Trust (CIT) and Employees Provident Fund (EPF) while the short-term loan was arranged from Himalayan Bank Ltd. and Laxmi Bank Ltd.

CHCL owns and operates 22.1 MW power plant located in Rasuwa district, 133 km North of capital city Kathmandu. It concluded PPA with NEA in 25 June 1997 and sales bulk electricity to NEA at the long term PPA price. The annual energy generation from the plant is about 150 GWh.

CHCL has established following four subsidiaries:

1. Rasuwagadhi Hydropower Company Limited (RGHCL)
2. Madhya Bhotekoshi Jalavidhyut Company Limited (MBJCL)
3. Sanjen Jalavidhyut Company Limited (SJCL)
4. Chilime Engineering and Services Company Limited (ChesCo.)

CHCL, through its three subsidiaries, is developing four hydropower projects with aggregate capacity of 270.3 MW. Moreover, in 2016 CHCL has established Chilime Engineering and Services Co. Ltd. (ChesCo), a fully owned consulting company to provide engineering and services for hydropower development in the country.

CHCL has been continuously widening its scope by developing new hydroelectric projects. At present, the company has undertaken the detail feasibility studies of three hydroelectric projects with total estimated capacity of 545 MW. ChesCo has been entrusted to carry out the studies.

CORPORATE INFORMATION

Name: Chilime Hydropower Company Limited

Registration No: P.L. No. 250/052/053

Date of Registration: 31 October, 1995 (2052/07/14 B.S.)

Registered/Corporate office: Dhumbarahi-4, Kathmandu

PAN No: 500059898

Statutory Auditor: Prabin K Jha, FCA, Joshi & Bhandary Chartered Accountants

Internal auditor: Gautam Rupak Associates, Chartered Accountant, Lalitpur

Stock exchange listing: Nepal Stock Exchange Limited (NEPSE), as CHCL



CEO'S STATEMENT

I feel privileged to present this statement of CHCL concerning its performance during the fiscal year 2076/077 (2019/20).

The year under review remained somewhat challenging to us owing to the worldwide Covid-19 pandemic. Nevertheless, we strived to achieve the best.

Operational Performance

During the year under review, the company delivered 155.668 GWh energy to NEA against the contract (deemed) energy of 132.917 GWh. This is approximately 1.26% lower than the previous year's value. This is mainly because of the decrease in the quantum of excess energy received by NEA. Because of the Covid-19 pandemic, the government imposed nationwide lockdown which caused the NEA system load to decrease. Consequently, NEA reduced the quantum of excess energy generated by the company. The plant load factor stood at 81.9% while the plant availability factor was 98.32%.

Financial Performance

During the fiscal year 2019/20, total revenue earned on the sales of electricity has been NRs.1140.7 million. This is 2.53% lower than the previous year's figure. This is attributed to the curtailment in excess energy price by NEA.

During the year, the company's net profit (after tax and bonus) has been NRs. 745.59 Million which is 4.94% increase in comparison with the last year's figure of NRs.710.5 Million.

Dividend to the Shareholders

This year, the company has decided to provide 10% cash dividend and 10% bonus share to its shareholders.

Contribution to the Government's Plan

The Government of Nepal has put forward "Janatako Jalavityut Karyakram" (People's Hydropower Program) in order to provide investment and ownership opportunity to every citizen of the country in the development of hydropower through the domestic capital market and thereby ascertaining reasonable return on investment. The company has identified four projects of total approximate capacity of 545 MW viz. Seti Nadi-3, Budhigandaki Prok-1, Budhigandaki Prok-2 and Chumchet Syar Khola HEPs. Currently, the company is undertaking the feasibility study of these projects. The final capacity of these projects may be varied during finalization process of the study.

The main source of fund for the Company is the revenue from energy sales, the interest income from bank deposits of available cash and others. During the year, the finance income related to the interest on bank deposits and call/current accounts is NRs.153.68 million which is 27.77% increase as compared to the last year's figure.

Chilime's ultimate policy is to increase investment in the hydropower projects in a way to better serve the interests of its stakeholders. We have invested NRs.5954.46 million in four subsidiary companies including NRs.23.79 million investment in ChesCo for the current year. Our reserve and upcoming earnings from our business will be enough for investment in proposed four projects without compromising dividend pay-out in future. The investment will be made as and when required basis so that our fund can earn more interest income.

“The company has identified four projects of total approximate capacity of 545 MW viz. Seti Nadi-3, Budhigandaki Prok-1, Budhigandaki Prok-2 and Chumchet Syar Khola HEPs. Currently, the company is undertaking the feasibility study of these projects. The final capacity of these projects may be varied during finalization process of the study.”

Corporate Social Responsibility

As in earlier year we continued in supporting local communities. Apart from the provision of a basket fund to be managed by the local community the support area included the construction of various structures, maintenance of roads, canals, drinking water supply scheme, installation of street lights, financial support for the Buddha temple, etc. CSR this year included the provision of Corona relief fund, distribution of face masks, sanitizer, etc to the local municipality.

Corporate Governance

We are committed to follow good governance principles including protection of shareholders rights, equitable treatment of all shareholders and disclosure and transparency of the company's performance and activities. We believe that our endeavours in this regard will enhance Company's credibility and help the Company achieve greater success in line with corporate vision.

The Way Forward

Apart from the careful operation of the existing plant, completion of the ongoing hydropower projects will be on top agenda. Moreover, our focus will also be on the completion of the feasibility studies of the identified four new projects. Following this, we will step into the implementation of technically and financially feasible project. Additionally, CHCL shall commence the construction of the dream project, the Chilime Tower.

Acknowledgement

I wish to take this opportunity to thank our valued shareholders for their continuing support and faith. I am grateful to the Chairman and the Board for their guidance and support. I express my deep appreciation to our management team and employees for their hard work and tremendous support and contributions as a team. I am extremely grateful to the Employee Provident Fund for their support and confidence on us. Our

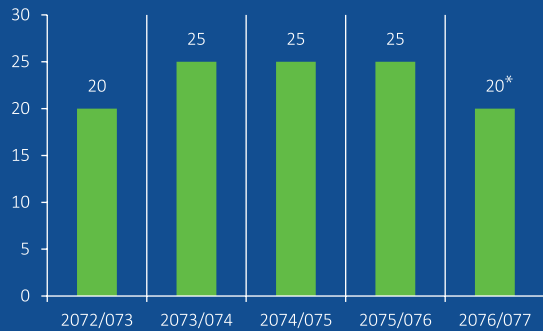
I am extremely grateful to the Employee Provident Fund for their support and confidence on us. Our deepest gratitude goes to the Government of Nepal, Ministry of Energy, Water Resources, and Irrigation, Department of Electricity Development, Ministry of Finance, other concerned Ministries and NEA for their continuous encouragement, patronage and support.

deepest gratitude goes to the Government of Nepal, Ministry of Energy, Water Resources, and Irrigation, Department of Electricity Development, Ministry of Finance, other concerned Ministries and NEA for their continuous encouragement, patronage and support. I thank various newspapers and journals for disseminating the company's information to the public. I sincerely appreciate the kind support of NEPSE and SEBON, auditors, contractors, vendors, suppliers, associated organizations, and the investor communities for bestowing faith on us and in helping us move forward. My special thanks go to the Employee Union of the Company and NEA for their cooperation in successful execution and smooth operation of the projects.

Subhash Kumar Mishra
Chief Executive Officer

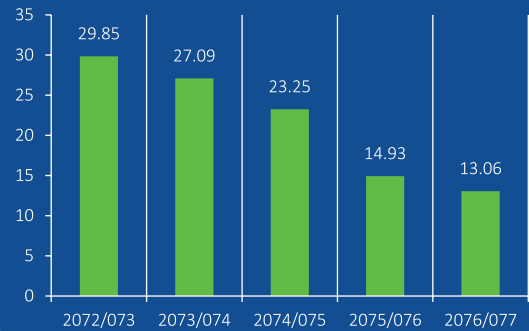
FINANCIAL HIGHLIGHTS 2020

Dividend Per Share (In NRs.)

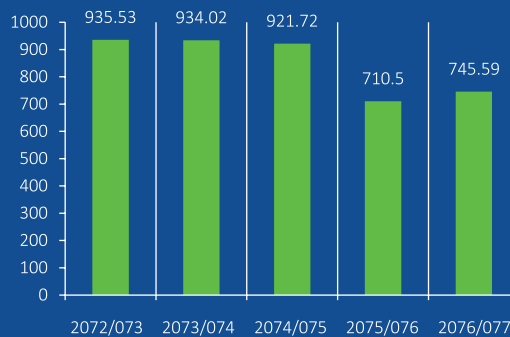


* Proposed

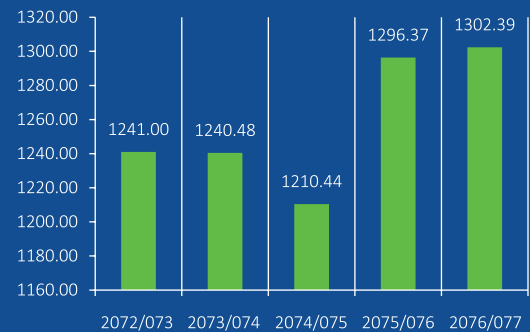
Earning Per Share (In NRs.)



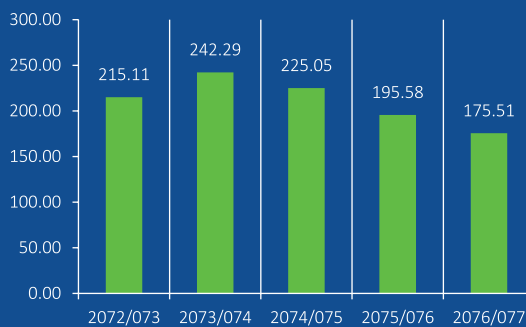
Net Profit (In NRs. Million)



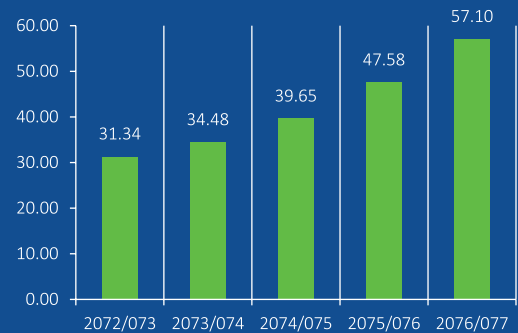
Gross Income (In million NRs.)



Net Worth Per Share (In NRs.)



No. of Shares (In Million)



Our Philosophy

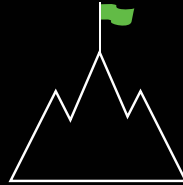
▷ VISION

“A successful public hydropower company in the country.”



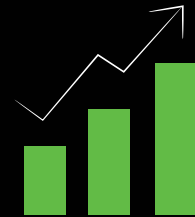
▷ MISSION

- To develop, own and operate hydropower projects with public participation.
- To help achieve government's National goal of adequate electricity generation in the country.



▷ STRATEGIES

- Identify and construct economic hydropower projects.
- Increase the generation capacity in the company's portfolio.
- Motivate public to invest in hydropower projects promoted by the company.



▷ Values

Public Focus

maximize the involvement of public as shareholders ensuring them attractive and sustainable return.



Management Excellence

ensure management excellence through innovation and adoption of the best practices for maximizing efficiency and quality of the service.

Human Resource

providing employee opportunities to learn and grow to achieve their full potential.

Corporate Governance

being accountable and conducting business ethically and transparently.

Corporate Social Responsibility

taking social initiatives for the development of local areas.

▷ Quality Management Objective

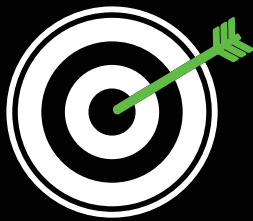
We are committed to develop and generate electricity from hydropower projects satisfying our stakeholders through continual improvement in its technology, process, human resource management and complying the statutory & regulatory requirement.



▷ Environmental Management Objective

We are committed to produce our products in an environment friendly and responsive manner by implementing, maintaining and continually improving our environmental management system.





▷ GOALS

- Conduct in-depth project studies using state-of-the art technology.
- Timely completion of identified projects.
- Develop plan to keep projects' construction-related complexities to minimum.
- Efficient operation of constructed hydropower plants.
- Provide attractive return to shareholders.

▷ OBJECTIVES

- To have 600 MW capacity in the company's portfolio by 2030.
- Increase cash dividend to shareholders to 20% over the next 6 years.
- Create competent and highly motivated staff team.





CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure to share with you the company's performance for the FY 2019/20. Even with some challenges posed by the Covid-19, the company's performance remained encouraging during the year. The company has decided to provide 10% cash dividend and 10 % bonus shares to its shareholders. The quantum of overall return to shareholders as compared to last fiscal year has been more or less similar.

We are pursuing the strategy of bringing more viable projects into the fold of our portfolio. I'm confident that this shall supplement the government's national goal of adequate electricity generation in the country. The government has declared the Janatako Jalavidyut Karyakram (People's Hydropower Program) in order to develop hydropower projects with public participation employing domestic capital market. The company has identified and proposed four projects to be included in the Program. Currently, the company is conducting feasibility studies of these projects and Chilime Engineering and Services has been entrusted for the same.

However, the development of hydropower projects has been very challenging owing to various factors and risks involved. Apart from the financing, various aspects right from the stage of project identification and feasibility studies to the adoption of construction modality, capability of contractors, overall contract management, addressing local issues, effect of natural calamity, handling of contractual disputes, timely preparation of transmission facilities, etc. need to be dealt with effectively in order to timely commission the projects. With the experience gained so far, the company will put its best effort to develop new projects considering all the above issues. It is expected that the policy level enhancement would take place appropriately and that the project construction environment would be more and more conducive.

Chilime has earned a great deal of reputation and respect in the market and this is a matter of pride for all of us. It is our collective responsibility to take performance further to a higher level in the coming days and preserve the hard-earned position of the Company in the market. Our key focus will be to continue to work for sustainable growth and profitability and add long-term value for our shareholders. With the continued supports and patronage from all stakeholders, we are confident that Chilime will be able to scale greater heights of success in future.

I am thankful to all shareholders for their overwhelming faith, support and confidence in the Company. We are indebted to Government of Nepal, especially Ministry of Energy, Water Resources & Irrigation, Ministry of Finance, DoED and NEA for their invaluable support and assistance. Our Company's achievements stem from excellent guidance, continuous support and co-operation of my colleagues on the Board, the auditors, legal advisors and issue managers. I am extremely grateful to the Board, Management team and EPF for their support and confidence in our company. I sincerely thank CIT and SEBON for their support to our Company. We praise the media for their positive and constructive coverage of our activities.

Our greatest assets are our truly exceptional team of employees, who honor the company with their diligence even in the most challenging times. I heartily applaud their energy, passion and commitment. I honour the commitment-to-excellence of the management team and have full faith on them in their ability to deliver exciting results in the year to come. Finally, I would, once again like to congratulate all for their efforts in Company's achievements and look forward to continued support and cooperation from all the stakeholders.

**Hitendra Dev Shakya, CHCL Board
Chairman**

“Chilime has earned a great deal of reputation and respect in the market and this is a matter of pride for all of us. It is our collective responsibility to take performance further to a higher level in the coming days and preserve the hard-earned position of the Company in the market.”

Board of Directors



◀
Hitendra Dev Shakya
Chairman
NEA



◀
Lekh Nath Koirala
Director
NEA



◀
Manoj Silwal
Director
NEA



◀
Tulasi Ram Dhakal
Director
General Public



◀
Shanti Laxmi Shakya
Director
NEA



◀
Suman Prasad Sharma
Director
Independent



◀
Hara Raj Neupane
Director
NEA



◀
Madhav Prasad Koirala
Director
NEA



◀
Ram Prasad Rimal
Director
General Public



◀
Bhim Prasad Timilsina
Director
General Public



◀
Dr. Jagat Kumar Shrestha
Director
Independent



◀
Narayan Prasad Acharya
Company Secretary

Directors Report

Dear Shareholders,

On behalf of the Board of Directors of the company, I would like to welcome you all in this august gathering and extend sincere gratefulness for your gracious presence on the occasion of the company's 24th Annual General Meeting. At the same time, I feel honoured to present the company's Annual Report for the Fiscal Year 2019/2020 highlighting the company's activities and performance during the year.

First of all, I would like to share that the last quarter of the year remained somewhat challenging for the company owing to the worldwide Covid-19 pandemic. However, it is matter of satisfaction that the overall performance of the company remained encouraging. One of the challenges was the reduction in the electricity demand in the country due the countrywide lockdown enforced by the Government. This has resulted in proportional curtailment of some amount of Excess Energy by Nepal Electricity Authority as compared to the last year's figure. The other challenge was the safety and management of operational staffs of the

power plant. Moreover, significant challenge was posed to the construction activities of the four ongoing projects promoted by the company's associated companies.

Operational Performance

Chilime Hydropower Plant transmitted a total of 155.67 GWh (155,668,720.00 units) of electricity to NEA grid during the year. Out of which 132.92 GWh was the deemed (contract) energy while 13.43 GWh was the sold excess energy. In aggregate, the company sold 146.35 GWh (146,350,190 units) of electricity to NEA as per the provision of PPA and earned NRs.1,141 million. As compared to last year's figures, there has been a decrease in energy sold by 4.8% and corresponding decrease in revenue earned is 2.54%. The reduction is due to the reduction in the quantum of excess energy paid by NEA owing to the reduction in NEA's system load. This was attributed to the shutdown of business in the country because of the Covid-19 pandemic. A picture of electrical energy transmitted is given below Table.



Table 1: Status of Production and Sales

Fiscal Year	Deemed Energy (Units in '000)	Target Energy (Units in '000)	Energy Transmit to Grid (Units in '000)	Paid Excess Energy (Units in '000)	Total Sold Energy (Units in '000)	Received Amount (in NRs.'000)
2003/04	132917.00	115198.00	119831.00	2264.00	111413.00	5,85,837
2004/05	132917.00	132795.00	134309.00	2646.00	124487.00	6,90,902
2005/06	132917.00	133224.00	145084.00	6530.00	136328.00	8,16,607
2006/07	132917.00	132790.00	147620.00	7188.00	139651.00	9,03,541
2007/08	132917.00	132795.00	145075.00	6908.00	138166.00	8,70,015
2008/09	132917.00	137585.00	146220.00	11148.00	142127.00	8,83,446
2009/10	132917.00	140893.00	148132.00	9062.00	141565.00	8,86,565
2010/11	132917.00	132795.00	150110.00	10076.00	141856.00	8,85,046
2011/12	132917.00	142871.00	156083.00	13131.00	145781.00	9,00,639
2012/13	132917.00	148227.00	154019.00	5792.00	149649.00	9,68,554
2013/14	133129.97	151541.00	151390.00	11202.36	144332.33	11,28,392
2014/15	132795.35	151541.00	147478.00	18292.07	151087.41	11,55,362
2015/16	132917.00	154976.00	154508.00	23202.00	152685.00	11,63,119
2016/17	132917.00	155513.00	155518.00	22718.00	154792.00	11,96,890
2017/18	132917.00	155513.00	149288.00	18933.00	147900.00	11,38,433
2018/19	132795.34	155513.00	157663.53	20954.46	153749.80	11,70,418
2019/20	132917.00	168990.01	155668.72	13433.19	146350.19	11,40,739
Total	2259558.66	2442760.01	2517997.25	203480.08	2421919.73	1,64,84,505



Review of Financial Transaction of FY 2019/20

I am pleased to inform the shareholders that Company's financial activities during the fiscal year 2019/20 remained encouraging like in the earlier fiscal years. The status of financial activities is given below:

The Earning Per Share (EPS) of the company during the FY 2019/20 remained NRs. 13.06 which was NRs. 14.93 in the previous FY

2018/19. The decrease in EPS is due to the increase in the number of shares as the company provided 20% bonus shares to the shareholders. Other factors in EPS decrement are: increase in royalty expenses, Tax, etc.

This year, the company proposes to distribute 10% cash dividend and 10% bonus shares to its shareholders. Last year, cash dividend of 5% and 20% bonus shares were distributed.

Table 2: Financial Highlights

(NRs. In '000)

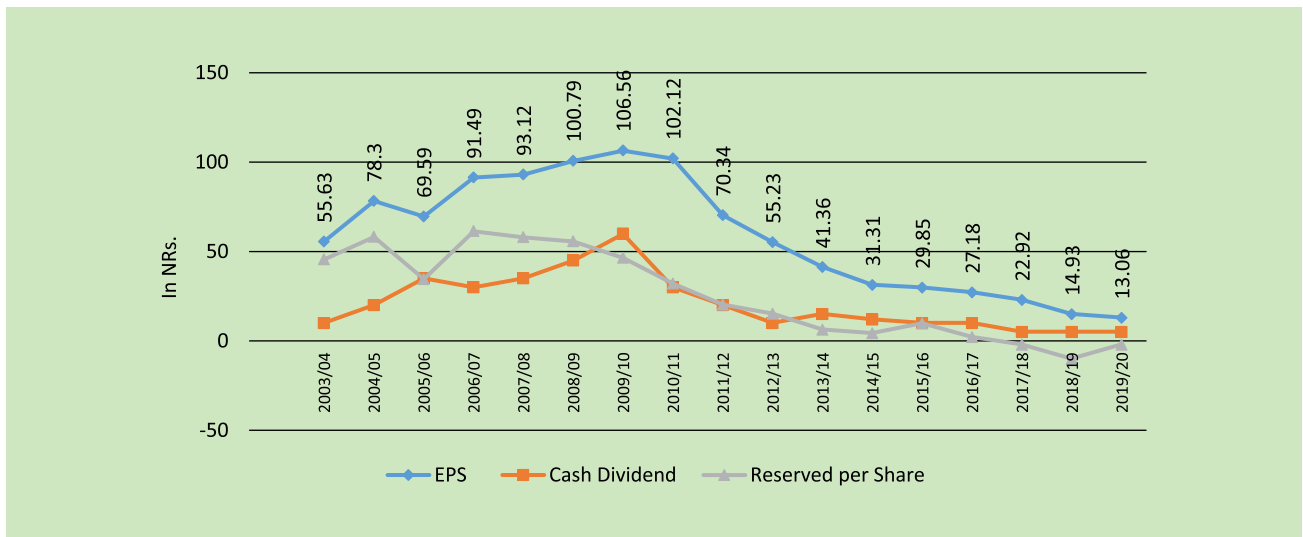
Particulars	Fiscal Year		Increase/Decrease	
	2018/19	2019/20	Amount NRs.	Percentage
Income from Sales of Electricity	1,140,739	1,170,432	(29,693)	(2.54)
Cost of Sales	(216,101)	(212,452)	(3,649)	1.72
Administrative Expenses	(63,257)	(55,649)	(7,608)	13.67
Depreciation	(66,004)	(68,709)	2,704	(3.94)
Operating Profit	795,377	833,622	(38,245)	(4.59)
Interest Income	153,677	120,277	33,401	27.77
Other Income	7,976	5,660	2,316	40.91
Earnings before Bonus & Tax	957,030	959,559	(2,529)	(0.26)
Staffs Bonus Provision	(18,765)	(18,815)	50	(0.26)
Earnings before Tax	938,265	940,744	(2,479)	(0.26)
Less				
Current Tax	(195,736)	(194,536)	(1,199)	0.62
Deferred Tax	3,061	(35,702)	38,762	(108.57)
Net Profit	745,590	710,506	35,084	4.94
Number of Shares (Units)	57,097,629	47,581,358	9,516,272	20.00
Earnings Per Share in NRs.	13.06	14.93	(1.87)	(12.55)

Table 3: Dividend Declared

S.No.	Fiscal Year	Earnings Per Share (NRs.)	Cash Dividend Per Share (NRs.)	Bonus Share (%)	Reserve Per Share (NRs.)
1	2003/04	55.63	10		45.63
2	2004/05	78.3	20		58.30
3	2005/06	69.59	35		34.59
4	2006/07	91.49	30		61.49
5	2007/08	93.12	35		58.12
6	2008/09	100.79	45		55.79
7	2009/10	106.56	60		46.56

S.No.	Fiscal Year	Earnings Per Share (NRs.)	Cash Dividend Per Share (NRs.)	Bonus Share (%)	Reserve Per Share (NRs.)
8	2010/11	102.12	30	40%	41.86
9	2011/12	70.34	20	30%	37.73
10	2012/13	55.23	10	30%	15.43
11	2013/14	41.36	15	20%	6.36
12	2014/15	31.31	12	15%	4.31
13	2015/16	29.85	10	10%	9.85
14	2016/17	27.18	10	15%	2.09
15	2017/18	22.92	5	20%	(2.08)
16	2018/19	14.93	5	20%	(10.07)
17	2019/20	13.06	*10	*10%	(6.94)

Figure 1: Return to Shareholders and Reserve.



Company's ongoing activities

Motivated by the development of Chilime Hydropower Project (22.1 MW) and the experienced gained, the Company has promoted, with its lead, three associated companies to develop four hydroelectric projects namely Upper Sanjen (14.8 MW), Sanjen (42.5 MW), Rasuwagadhi (111 MW) and Madhya Bhotekoshi (102 MW), totalling 270.3 MW. The three companies are: Sanjen Jalavidhyut Company Ltd., Rasuwagadhi Hydropower Company Ltd. and Middle Bhotekoshi Jalavidhyut Company Ltd. The

Company has invested 39.36 %, 32.8% and 37% respectively in these three companies as equity share.

The original completion schedule of these projects got delayed due to various problems and complexities. Lately, they all suffered from the Covid-19 pandemic as mobility-related activities in Nepal, China and India seriously got affected. However, all the above projects are at their advanced stage of construction and the expected date of commissioning is 31 July 2021.

Likewise, in 2016 the Company has promoted and established ChesCo as its subsidiary to undertake engineering works of hydropower projects in the country. The Company plans to develop in its leadership four more hydro-electric projects in the country namely Seti Nadi 3 (65 MW), Budhigandaki Prok-1 & 2 (420 MW) and Chumchet Syar (60 MW). The capacities mentioned is the preliminary ones arrived at after desk study. The Company has entrusted ChesCo to conduct the Detail Project Report. At present, feasibility studies of these projects are underway. These projects are included in the federal government's "People's Hydropower Program". The aim of the Program is to raise the necessary project capital internally through the participation of Nepalese citizen as well as to foster the people's ownership in

these projects. For this, Provincial and Local Governments will be promotor shareholders.

Future Plans

Apart from the smooth operation of the Chilime Hydropower plant, the Company's short-term plan is to focus on the completion of the four ongoing projects (i.e. Sanjen and Upper Sanjen, Rasuwagadhi, and Middle Bhotekoshi) the completion schedules of which are delayed. Our medium and long-term plan is to complete the DPR of the proposed four projects, secure the financing and start the construction. We anticipate that the preparation of DPR and financial closure will be complete within two years from now. The construction of these projects is expected to be complete by 2027.



Company's Associates and Upcoming Projects:

Status in FY 2076/077

Sanjen Jalavidhyut Company Limited (SJCL)

SJCL is a subsidiary of CHCL and Nepal Electricity Authority (NEA) with promoter shares of 39.36% and 10.36% respectively.

SJCL is developing two hydroelectric projects, namely, Sanjen (Upper) Hydroelectric Project (SUHEP) (14.8 MW) and Sanjen Hydroelectric Project (SHEP) (42.5 MW) in cascade with the financing arrangement of 50:50 debt equity ratio. Total project cost is NRs. 9,882.20 Million. All the debt portion (50% of total cost) for the project has been arranged with the long-term loan from EPF of Nepal.

Equity shares have been divided among promoter shares (51% of the equity portion) and public shares (49% of the equity portion). Promoters shares have been owned by NEA, CHCL and local government bodies. Public shares have been allocated among staffs of

promotor companies (3.5%), staffs of EPF (1%), contributors to EPF (19.5%), people of project affected area (10%) and the general public (15%).

As of now, all promoters and public shares have been paid up except the local people category. It was planned to issue the share of local people category in the fiscal year under consideration. However, because of the Covid-19 pandemic this has been postponed and expected to take place within the next fiscal year 2077/078.

In course of time, both the projects got delayed due to several reasons. The projects are expected to be commissioned within Fiscal Year 2020/21.

Middle Bhotekoshi Jalavidhyut Company Limited (MBJCL)

Middle Bhotekoshi Jalavidhyut Company Limited (MBJCL), is a subsidiary of CHCL and NEA with promoter shares of 37% and 10% respectively.



MBJCL is developing Middle Bhotekoshi Hydroelectric Project (102 MW) with the financing arrangement of 50:50 debt equity ratio. Total project cost is NRs. 15,030.29 Million. All the debt portion (50% of total cost) for the project has been arranged with the long-term loan from EPF of Nepal.

Equity shares have been divided among promotor shares (51% of the equity portion) and public shares (49% of the equity portion). Promotors shares have been owned by NEA, CHCL and local companies. The shareholding among local companies include: Nepal Arniko Hydropower Co. Ltd. (1%), Sindhu Investment (P) Ltd. (1%), Sindhupalchowk Hydropower Co. Ltd. (1%) and Sindhu Bhotekoshi Hydropower Co. Ltd. (1%). Public shares have been distributed among staffs of promotor companies (3.5%), staffs of EPF (1%) and contributors to EPF (19.5%). Shares for the people of project affected area (10%) and the general public (15%) are to be issued shortly.

As of now, all promotor's and public shares have been paid up except the general public and project affected public categories. It was planned to issue the share of general public category in the fiscal year under consideration. However, because of the Covid-19 pandemic this has been postponed and expected to take place within the next fiscal year 2077/078.

In course of time, the project got delayed due to several reasons. The project is seriously impacted because of the heavy flood that occurred on 8 July, 2020. Majority of electromechanical equipment have been damaged by the unprecedented flash flood of neighboring rivulet. Also, a huge quantity of debris and boulders have filled the powerhouse structure. Additionally, the worldwide Covid-19 pandemic too impacted badly the construction activities. Every effort is being put to complete the project within Fiscal Year 2020/21.



Rasuwagadhi Hydropower Company Limited (RGHCL)

RGHCL is a subsidiary of CHCL and NEA with promoter shares of 32.79% and 18% respectively.

RGHCL is developing Rasuwagadhi Hydroelectric Project (111 MW) with the financing arrangement of 50:50 debt equity ratio. Total project cost is NRs. 16,215.30 Million. All the debt portion (50% of total cost) for the project has been arranged with the long-term loan from EPF of Nepal.

Equity shares have been divided among promoter shares (51% of the equity portion) and public shares (49% of the equity portion). Promoters shares have been owned by CHCL (32.79%), NEA (18%) and local government bodies (0.21%). Public shares

have been allocated among staffs of promotor companies and institution (4.5%), contributors to EPF (19.5%), people of project affected area (10%) and the general public (15%).

As of now, all promotor's and public shares have been paid up except the project affected public category. It was planned to issue the share of this category in the fiscal year under consideration. However, because of the Covid-19 pandemic this has been postponed and expected to take place within the next fiscal year 2077/078 (2020/21).

In course of time, the project got delayed due to several reasons. The project is seriously impacted because of the heavy flood and landslides that occurred in July/August 2020. Additionally, the worldwide Covid-19 pandemic too impacted badly the construction activities. Every effort is being put to complete the project within Fiscal Year 2020/21.



Chilime Engineering and Services Company Limited (ChesCo)

ChesCo is promoted and established in 2016 by CHCL with its 100% ownership to provide complete engineering and consulting services for the development of hydropower projects and other infrastructure works. It also undertakes project management and construction supervision of hydropower projects.

ChesCo conducted the following activities during the fiscal year: A brief description of the services and under study projects are as follows:

1. Feasibility Studies: CHCL has planned to develop four proposed hydroelectric projects and has entrusted ChesCo to carry out the feasibility study and prepare the Detail Design Report of the projects. The four projects undertaken are: Budhi Gandaki Prok 1 & 2 Hydroelectric Projects (420 MW), Seti Nadi-3 Hydroelectric Project (65 MW) and Chumchet Syar Khola Hydroelectric

Project (60MW). ChesCo has been carrying out topographical survey, hydrological investigation, sedimentology, geological studies and field investigations of these projects. It is expected that feasibility studies of all these will be complete by the end of Fiscal Year 2077/78 (2020/21).

2. Review and update of Detailed Project Report : ChesCo conducted the review and update of DPR of Chainpur Seti Hydroelectric Project (210MW) proposed by NEA for development.

3. Project Management and Construction Supervision: During the FY, ChesCo continued its assignment of design and construction supervision of Sanjen (Upper) HEP (14.8MW) and Sanjen Hydroelectric Project (42.5MW) projects.

4. Modernization and Rehabilitation: ChesCo was engaged in consulting services of modernization/rehabilitation of Phewa Hydropower Station and Chilime Hydropower Plant owned by NEA and CHCL respectively.



Company's Commercial Relations

The Company has succeeded in projecting an exemplary identity in the hydropower sector because of the support it received from all the sectors. The Company has maintained good business relations, especially with the power purchaser (NEA), EPF and various banks. During the year, the Company received immense support from EPF in the form of additional financing for the ongoing projects viz SUHEP, SHEP, MBHEP and RGHEP. Similarly, the Company has excellent rapport with Nepal Securities Board, Nepal Stock Exchange Limited, Siddhartha Capital, etc. We

believe that good business relationship with such institutions help us move closer to our goal and therefore will always endeavour to further strengthen commercial ties with them in the future too.

Board of Directors

As per the prevailing Company Act, there are 11 board of directors in the company. Five directors have been nominated by NEA, while four are elected by the 23rd AGM and two are independent members appointed by the same AGM. The details of BoD is as follows:

Table 3: Board of Directors

Director's Name	Designation	Representative	From	To
Mr. Hitendra Dev Shakya	Chairman	NEA	2077/08/16	To date
** Mr. Lekhnath Koirala	Director	NEA	2071/04/05	To date
Mr. Kul Man Ghising	Chairman	NEA	2073/06/04	2077/05/31
* Ms. Shanti Laxmi Shakya	Director	NEA	2073/05/12	2076/05/04 (Representative, NEA) 2076/08/11 to date General
Mr. Hara Raj Neupane	Director	NEA	2073/07/12	To date
Mr. Madhav Prasad Koirala	Director	NEA	2076/08/23	To date
Mr. Manoj Silwal	Director	NEA	2074/03/31	To date
* Mr. Tulasi Ram Dhakal	Director	General	2072/02/30	To date
* Mr. Ram Prasad Rimal	Director	General	2072/02/30	To date
* Mr. Bhim Prasad Timilsina	Director	General	2072/10/15	To date
Mr. Parsado Tamang	Director	General	2072/10/15	2076/0/8/11

Board of Directors' Comment on the Auditor's Report

We have provided financial statements of FY 2019/020 along with the Auditor's Report. I would like to inform shareholders that there are no qualifying remarks or reservations from the Auditor in the Auditor's Report. However, the auditor has presented the advance tax status as per the letter of Large Taxpayer Office in his report.

Construction of corporate office

The Company has planned to construct Chilime Tower, the central corporate building in Kathmandu. Necessary investigations, building design and drawing preparation have all been completed. Initial Environment Examination (IEE) report has been approved by the concerned government agency. Kathmandu Metropolitan Municipality approved the design and drawing of the proposed building. The building will be a commercial building in the prime location of the capital, Kathmandu. The construction works is expected to be commenced shortly.

Corporate Social Responsibility

Under corporate social responsibility, CHCL has been providing significant contribution by allocating budget annually for community development including a basket fund of 2.5 million.

Similarly, the company has contributed about Rs. 3.6 million for different infrastructure works like road maintenance, drain construction, irrigation, drinking water facilities, protection works in Gumbas, rural

electrification in different part of village and construction of boundary wall and toilet blocks of community school. Moreover, the company supported local communities with face mask, hand sanitizers and soap in order to help prevent the effect of COVID-19 pandemic.

Issues Raised by Shareholders in the Past

Our views and plans on the issues raised by the shareholders in the past are given below:

(a) On Dividend, Right Shares and Bonus shares

With a view to maximize returns to the shareholders, the Company has declared 10% cash dividend and 10% bonus share for the FY 2019/20. We wish to re-affirm our commitment to protect and work for the welfare of shareholders by distributing high dividends to the extent possible.

(b) Ongoing and Proposed Projects

The Company is firmly determined to complete the construction of ongoing projects in the shortest possible time. Likewise, the Company has already started feasibility studies of four new projects of which feasible project(s) will be subsequently taken up for development.

(c) On Corporate Social Responsibilities

Under corporate social responsibility, Company has been providing significant contribution to the project affected people of Rasuwa District by allocating budget annually for community development works related

to Education, Health and other Infrastructure Development works. Company assures to continue the CSR programs in future as well.

Transactions amongst Associated Companies

The Company has business transactions with its founder shareholder NEA as per the Power Purchase Agreement. Similarly, the company has land lease agreements with NEA and its associate companies. The details are given in the notes to accounts.

Internal Control

Financial control is being ensured with the help of company's Financial Administration Regulation. In order to enforce an effective internal accounting system, an Audit Committee comprising of Board Members has been formed as per Clause 164 of the Company Act, 2063. Company's accounting system is being managed under the directives and monitoring of the Audit committee. I would like to inform that there is an arrangement for internal auditing as well in the Company. Likewise, Employees Services Regulation has been in use for the effective human resources management.

Total Management Cost of Fiscal Year Under Review

Management cost of the Company in the FY2019/2020 stands at NRs. 81.96 Million. The administrative and operation cost for plant operation amounted to NRs 216.1 Million.

Audit Committee

The Board of Directors has constituted an Audit Committee according to Clause 164 of the Company Act, 2063 comprising of the following Board members:

Mr. Lekhanath Koirala	Board Member Chairperson
Mr. Tulasi Ram Dhakal	Board Member Member
Mr. Hara Raj Neupane	Board Member Member

The Audit Committee held a total of seventeen meetings in FY 2019/20 to discuss Auditors Report, Periodic Financial Reports and other financial management related issues. There is a provision of meeting allowance of Rs. 3,000 per person per meeting.

The Company's Employees Bylaws has provision of a Recruitment Committee. Other committees and subcommittees are formed from time to time according to the need and in line with Company regulation so as to facilitate smooth functioning of administrative works of the Company.

Remuneration of the Board Members and High-Level Office Bearers

In FY 2019/20, officials of the Company received allowance and other facilities as given below:

1. Board meeting allowance, per meeting per person Rs. 7,000
2. Meeting allowance of committees/sub-committees comprising Board Member, per meeting per person Rs. 3,000
3. Monthly communications and transportation allowance for each Board Member Rs. 5,000
4. Monthly salary, allowance and other facilities to the Chief Executive Officer Rs. 2,17,000
5. Meeting allowance for other sub-committees without Board Members Rs. 1,500
6. The Board Members receive daily allowance and travel allowance at par with Chief Executive Officer.

Acknowledgements

I would like to thank the officials of the Ministry of Energy, Water Resources and Irrigation, Ministry of Environment, Ministry of Forest, Ministry of Land Reforms, Home Ministry, Ministry of Defence, Department of Electricity Development and different

agencies of Government of Nepal who have been providing support and assistance directly or indirectly in the construction and development of the projects promoted by this Company and its subsidiary companies.

I would like to thank all the people residing in and around the project sites of Chilime, Sanjen, Middle Bhotekoshi and Rasuwagadhi and the officials of the local bodies as well as other concerned stakeholders for their goodwill and kind cooperation in the feasibility study, construction and operation of the completed projects and new projects. Likewise, I would like to thank media personnel for their constructive role in disseminating information.

Our thank also goes to Chilime Hydropower Company Employee Union and the representatives of various employee unions of NEA for their cooperation.

I would also like to extend my thanks to the staff of Company and projects who have been actively involved in bringing the Company and projects under construction to the present state. I would also like to extend my thanks to all those who have been providing support and assistance directly or indirectly in the operation, management, construction, maintenance, new project

study from the time of establishment of this Company. I wish to receive valuable cooperation, understanding and support from them in future as well.

I would like to extend my heartfelt thanks to Nepal Securities Board, Office of the Company Registrar and Nepal Stock Exchange Limited for their continued understanding and cooperation. Siddhartha Capital Limited deserves our special thanks for providing share registrar service to the Company and the management of this 24th AGM.

Our thanks go to all ex-Board members and staff who have provided invaluable services in the formation of the company, construction, operation and management of Chilime Project. Our especial thanks go to staff and employee unions of Employee Provident Fund for facilitating timely conclusion of Loan Agreement that paved way for moving ahead with the execution of under construction projects. Similarly, I thank the financial institutions and banks who have always supported us in our financial management.

Finally, I would like to express my gratitude to all the shareholders for their cooperation and trust in the Company and its Board of Directors.

Thank you.

Chairperson, Board of Directors
Chilime Hydropower Company Limited

CHILIME JALVIDHYUT CO. LTD. (GROUP)

Financial Statement as per
Nepal Financial Reporting
Standards (NFRS)

FOR FISCAL YEAR
2076/2077 (2019/2020)



CHILIME HYDROPOWER
COMPANY LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
Chilime Jalavidhyut Company Limited, Kathmandu, Nepal**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Chilime Jalavidhyut Company Limited and its subsidiaries (the Group)** which comprise the Consolidated Statement of Financial Position (SoFP) as at Asad 31, 2077 (corresponding to July 15, 2020), the Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flow for the year then ended and notes to the consolidated financial statements, including a summary of Significant Accounting Policies.

In our opinion and to the best of our information and explanations provided to us, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as at 31st Ashad 2077 [i.e. July 15, 2020] and its consolidated financial performance and its consolidated cash flow for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis of Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statements section* of our report. We are independent of the Group in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 21 of the accompanying standalone financial statements, which describes the effect of uncertain situation brought about by COVID 19 and also flood on the company and its subsidiaries. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended Asad 31, 2077. These matters were addressed in the context of our audit of the consolidated 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 matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Key audit matters	How our audit addressed the key audit matter	
	Particulars	FY 2076/77
Prior period Advance Tax Adjustment in Statement of Changes in Equity	219,207,463	(124,216,603)
As reported in Note 5.1.1a, out of the total prior period adjustment pertaining to advance tax amounting to Rs. 219,207,463 made in Statement of Changes in Equity, Rs. 193,717,634 pertains to advance tax for FY 2071/72 as certified by Large Tax Payers Office (LTO) based on its revised assessment of self-assessed income tax return filed by the company on 2072/09/23 by its letter dated 2076/01/10 to be set off from tax liability of future periods. The amount of advance tax thus adjusted could not be reconciled in the books of the company. Considering the significance of the above matter to the financial statements being a material item, we have identified this as a key audit matter for the current year audit.	<p>Our audit procedures included, but were not limited to, the following:</p> <p>We understood the processes followed by the company while filing its income tax returns for FY 2071/72, 2072/73 and also prior years including resulting assessments made by the tax authority.</p> <p>The return for each of the years together with the accounting for advance tax (deposited by the company and also TDS deposited by others on behalf of the company) was verified and necessary enquiries made with the management and also audit committee members.</p> <p>The booking of advance tax and increasing the equity of the company has solely been made based on the letter from Large Tax Payers Office.</p>	

Other Matters

We did not audit the financial statement and other financial information of the subsidiaries of Chilime Jalbidhyut Company Limited (CHCL) whose financials statements are consolidated by management of CHCL. The financial statements and other financial information of the subsidiaries (there are 4 subsidiaries) have been audited by other auditors appointed by general meetings of respective companies whose reports have been furnished to us by the management of CHCL as part of our audit of Consolidated Financial Statement, and in our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, are based solely on the report of the other auditors.

Our opinion on the consolidated financial statements and our report of the Legal and Regulatory requirements mentioned in a separate paragraph, is not modified in respect of the those matters with respect to our reliance on the work done and reports of the other auditors.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 group or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 risk 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 omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of 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 the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cause significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, 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 and its subsidiary to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

The following report, as per Companies Act 2063 is made for the holding company, Chilime Jalabidhyut Company Limited. As per Companies Act 2063, based on our audit carried out on sampling basis, we report that, in our opinion:



1. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were considered necessary for the purpose of our audit;
2. Proper books of accounts as required by law have been kept by the Company as far as appears from our examination of such books;
3. The Statement of Financial Position (SoFP) as at Asad 31, 2076 [corresponding to July 16, 2019], the Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year then ended are prepared as per the provisions of the Company Act 2063 and the same are in agreement with the books of accounts maintained by the Company;
4. The business of the Company has been conducted satisfactorily; and
5. To the best of our knowledge and in accordance with explanations given to us and from our examination of the books of accounts of the Company, necessary for the purpose of our audit, we have not come across cases where the Board of Directors, representative or any employee of the Company has acted contrary to the provisions of law, or committed any misappropriation or caused loss or damage to the Company deliberately.
6. Our suggestions for improvement in the Company's internal controls and accounting system have been presented in a separate management letter.

The engagement partner on the audit resulting in this independent auditor's report is CA Prabin Kumar Jha.

Auditor



Prabin K Jha, FCA
Partner



Dillibazar, Kathmandu
Date: Mangsir 16, 2077

UDIN - 201206CA002130cZ1N

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (GROUP)

As at 31 Ashad 2077 (15 July 2020)

NRs.

Particulars	Notes	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Assets			
Non-Current Assets			
Property, Plant and Equipment			
Property, Plant and Equipment	1.2	1,777,406,562	1,857,568,491
Construction Assets – Subsidiaries	1.2.1	637,133,843	665,034,682
Capital Work in Progress	1.1.5	27,474,195,413	19,464,034,129
		29,888,735,818	21,986,637,301
Current Assets			
Inventory	3	177,018,969	161,799,782
Prepayments	4	5,370,907	3,925,607
Advances, Deposits and Other Receivables	5.1.1	1,484,508,891	2,494,512,406
Trade Receivables	5.1.2	145,401,325	126,272,426
Investment in Term Deposits	5.1.3	2,372,896,813	2,461,430,940
Cash and Cash Equivalents	5.1.4	380,566,893	787,770,843
Total Current Assets		4,565,763,798	6,035,712,004
Total Assets		34,454,499,616	28,022,349,305
Equity and Liabilities			
Equity			
Share Capital	6	5,709,762,939	4,758,135,782
Retained Earnings	7	4,088,609,069	4,436,178,777
Corporate Social Responsibility Fund	7.1	7,455,900	-
Total Equity & Liability		9,805,827,908	9,194,314,559
Non Controlling Interest	7.1	7,708,526,884	7,858,701,989
Non Current Liabilities			
Defined Benefit Obligation	8.2.3	103,392,217	79,974,439
Other Current Liabilities:			
Deferred Tax Liabilities	9.2	151,355,330	156,263,750
Long Term Loans	20.1.2	15,134,503,659	9,684,222,614
Total		15,389,251,206	9,920,460,803
Current Liabilities			
Provisions	10	253,164,111	247,088,583
Trade and Other Payables	5.2.1	1,297,729,506	801,783,371
Total		1,550,893,617	1,048,871,954
Total Equity and Liabilities		34,454,499,616	28,022,349,305

As per our report of event date

Manoj Silwal Member	Madhav Prasad Koirala Member	Hara Raj Neupane Member	Lekhanath Koirala Member	Hitendra Dev Shakya Chairman
Bhim Prasad Timalisina Member	Shanti Laxmi Shakya Member	Ram Prasad Rimal Member	Tulasi Ram Dhakal Member	Prabin K Jha, FCA Joshi & Bhandary Chartered Accountants
Narayan Prasad Acharya Chief Finance Officer	Subhash Kumar Mishra Chief Executive Officer	Suman Prasad Sharma Independent Member	Dr. Jagat Kumar Shrestha Independent Member	

Date : 2077/08/16

Place: Dhumbarahi-4, Kathmandu

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (GROUP)

For the year ended 31 Ashad 2077 (15 July 2020)

NRs.

Particulars	Notes	FY 2076/077 (2019/020)	FY 2075/076 (2018/019)
Income			
Revenue from Sale of Electricity	11	1,140,739,306	1,170,432,144
Expenses			
Operating Expenses	12	(291,371,501)	(246,591,983)
Administrative Expenses	13	(207,279,074)	(191,917,779)
Depreciation	1.2	(75,305,816)	(78,766,858)
Operating Profit/ (Loss)		566,825,626	653,155,523
Finance Income	14	161,160,270	251,491,517
Other Income	15	84,801,520	146,135,212
Assets Written Off			
Profit / (Loss) before Tax and Bonus		812,744,705	1,050,782,252
Employee Bonus	8.3	(20,556,251)	(22,517,014)
Profit/ (Loss) before Tax		792,184,571	1,028,265,237
Less: Tax			
Current Tax	9.1	(201,197,285)	(203,539,837)
Deferred Tax Income (Expense)	9.2	3,164,505	(35,978,213)
Net Profit/ (Loss) For the Year including Non-controlling Interest		594,155,674	788,747,187
(Net Profit)/ Loss For the Year attributable to Non-controlling Interest		94,518,816	(28,437,527)
Net Profit/ (Loss) For the Year attributable to CJCL		688,674,490	760,309,660
Earnings Per Share			
Basic	16	12.06	15.98
Diluted	16	12.06	13.31
Other Comprehensive Income:			
Actuarial Gain (Loss) on remeasurements of defined benefit plans	8	(8,719,570)	(13,027,930)
Income Tax relating to items have not be reclassified	9	1,743,914	2,605,586
Other Comprehensive Income for the Year		(6,975,656)	(10,422,344)
Total Profit / (Loss) and Other Comprehensive Income		681,698,834	778,324,843

As per our report of event date

Manoj Silwal Member	Madhav Prasad Koirala Member	Hara Raj Neupane Member	Lekhanath Koirala Member	Hitendra Dev Shakya Chairman
Bhim Prasad Timalisina Member	Shanti Laxmi Shakya Member	Ram Prasad Rimal Member	Tulasi Ram Dhakal Member	Prabin K Jha, FCA Joshi & Bhandary Chartered Accountants
Narayan Prasad Acharya Chief Finance Officer	Subhash Kumar Mishra Chief Executive Officer	Suman Prasad Sharma Independent Member	Dr. Jagat Kumar Shrestha Independent Member	

Date : 2077/08/16

Place: Dhumbarahi-4, Kathmandu

CONSOLIDATED STATEMENT OF CASH FLOWS (GROUP)

For the year ended 31 Ashadh 2077 (16 July 2020)

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Cash Flow from Operating Activities		
Profit before Interest and Tax	786,830,760	1,028,265,237
Adjustments		
Tax Adjustment (SJCL)	5,357,694	-
Depreciation	83,843,663	78,766,858
Income from Investment and Bank Deposit	(128,763,546)	251,491,517
Prior Period Expenses Adjustment	(193,717,634)	(8,750)
Employee Gratuity, Leave and Welfare Provisions	14,698,208	11,418,786
Employee Bonus in SoPL (CJCL)	18,765,302	22,517,014
Other Adjustment	23,211,077	(1,668,540)
Equity Transaction non-cash	-	48,637,648
Interest Capitalization	564,659,042	2,769,942,614
Movements in Working Capital		
Decrease/(Increase) in Inventory	253,301	4,994,171
(Increase)/Decrease in Prepayments	(1,445,300)	(654,391)
(Increase)/Decrease in Advances, Deposits and Other Receivables	1,402,369,543	334,477,432
(Increase)/Decrease in Trade Receivables	(8,562,253)	9,835,778
(Increase)/Decrease in Term Investments	98,534,127	(490,386,820)
Increase/(Decrease) in Provisions	(192,434,449)	(17,051,073)
Increase/(Decrease) in Current liabilities	218,386,905	272,256,184
Employee Bonus Paid	(18,814,883)	(18,753,273)
Gratuity and Leave paid	-	(1,086,550)
Prior Period Income Tax Paid	-	(104,391,350)
Income Taxes Paid	-	(148,529,000)
Total Adjustments	1,886,340,798	3,021,808,256
Net Cash flow from Operating Activities (A)	2,673,171,558	4,050,073,493
Cash Flow from Investing Activities		
Acquisition of Property, Plant and Equipment	(8,600,312)	(12,931,932)
Decrease/ (Increase) in Capital Work in Progress	(7,662,553,533)	(5,277,163,225)
Decrease/ (Increase) in Investment	(23,791,457)	-
Income from Investment and Bank Deposit	153,677,472	(251,491,517)
Net Cash Flow from Investing Activities (B)	(7,541,267,829)	(5,541,586,674)
Cash Flow from Financing Activities		
Increase/ (Decrease) in Non-Controlling Interest	23,791,457	2,962,872,958
Increase/ (Decrease) in Long Term Borrowings	4,681,000,000	1,532,930,799
Increase/(Decrease) in Share Issue Expenses (SJCL)	(5,992,344)	-
Dividend Paid	(237,906,789)	(198,255,658)
Net Cash Flow from Financing Activities (C)	4,460,892,324	1,231,686,502
Net Increase in Cash (A+B+C)	(407,203,948)	(259,826,678)
Cash at Beginning of the Year	787,770,843	1,047,597,521
Cash at the End of the Year	380,566,893	787,770,843

As per our report of event date

Manoj Silwal Member	Madhav Prasad Koirala Member	Hara Raj Neupane Member	Lekhanath Koirala Member	Hitendra Dev Shakya Chairman
Bhim Prasad Timalisina Member	Shanti Laxmi Shakya Member	Ram Prasad Rimal Member	Tulasi Ram Dhakal Member	Prabin K Jha, FCA Joshi & Bhandary Chartered Accountants
Narayan Prasad Acharya Chief Finance Officer	Subhash Kumar Mishra Chief Executive Officer	Suman Prasad Sharma Independent Member	Dr. Jagat Kumar Shrestha Independent Member	

Date : 2077/08/16

Place: Dhumbarahi-4, Kathmandu

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (GROUP)

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

Particulars	NRs.					
	Share Capital	Retained Earning	CSR Fund	Total	Non-Controlling Interest (NCI)	Total Equity
Opening Balance as on 1 Shrawan 2076 (17 July 2019)	4,758,135,782	4,436,178,777	-	9,194,314,559	7,858,701,989	17,053,016,549
Reserve & Surplus of Subsidiary	-	-	-	-	-	-
Opening Balance (Restated)	4,758,135,782	4,436,178,777	-	9,194,314,559	7,858,701,989	17,053,016,549
Equity Share Paid up During the Year	-	-	-	-	-	-
Equity Transaction	-	-	-	-	-	-
Bonus Share for FY 2075/76 capitalized in FY 2076/77	951,627,157	(951,627,156)	-	-	-	-
Dividend for FY 2075/76 paid in FY 2076/77	-	(237,906,789)	-	(237,906,789)	-	(237,906,789)
Advance Tax Adjustment	-	219,207,463	-	219,207,463	(52,284,606)	166,922,857
Net Profit after Tax	-	745,590,031	-	745,590,031	-	745,590,031
Corporate Social Responsibility Fund	-	(7,455,900)	7,455,900	-	-	-
This Year Profit/(Loss) of Subsidiaries	-	(56,915,541)	-	(46,381,806)	(94,518,816)	(151,434,356)
Prior period Adjustment of SOCE	-	(51,486,159)	-	(51,486,159)	-	(51,486,159)
Other Comprehensive Income	-	(6,975,656)	-	(6,975,656)	-	(6,975,656)
Share Issue Expenses(Sanjen)	-	-	-	-	(3,371,683)	(3,371,683)
Closing Balance as on 31 Asadh 2077 (15 July 2020)	5,709,762,939	4,088,609,069	7,455,900	9,805,827,908	7,708,526,884	17,514,354,792

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (GROUP)

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

NRS.

Particulars	Share Capital	Retained Earning	Total	Non-Controlling Interest (NCI)	Total Equity
Opening Balance as on 1 Shrawan 2075 (16 July 2018)	3,965,113,152	4,754,825,996	8,719,939,148	4,867,391,504	13,587,330,652
Reserve & Surpluses of Subsidiary	-	-	-	-	-
Opening Balance (Restated)	-	-	-	-	-
Equity Share Paid up During the Year	-	-	-	3,013,815,000	3,013,815,000
Equity Transaction	-	48,637,648	48,637,648	(48,637,648)	-
Bonus Share for FY 2074/75 capitalized in FY 2075/76	793,022,630	(793,022,630)	-	-	-
Dividend for FY 2074/75 paid in FY 2075/76	-	(198,255,658)	(198,255,658)	-	(198,255,658)
Prior Period Pending	-	(8,750)	(8,750)	-	(8,750)
Net Profit after Tax	-	760,309,660	760,309,660	28,437,527	788,747,187
Other Comprehensive Income	-	(134,638,947)	(134,638,947)	-	(134,638,947)
Adjustments(MBJ/CL)	-	607,540	607,540	623,960	1,231,500
Share Issue Expenses(Sanjen)	-	(2,276,080)	(2,276,080)	(2,928,354)	(5,204,434)
Closing Balance as on 31 Asadh 2076 (16 July 2019)	4,758,135,782	4,436,178,777	9,194,314,559	7,858,701,989	17,053,016,549

Manoj Silwal
Member

Madhav Prasad Koirala
Member

Hara Raj Neupane
Member

Lekhanath Koirala
Member

Hitendra Dev Shakya
Chairman

Bhim Prasad Timalisina
Member

Shanti Laxmi Shakya
Member

Ram Prasad Rimal
Member

Tulasi Ram Dhakal
Member

Prabin K Jha, FCA
Joshi & Bhandary
Chartered Accountants

Narayan Prasad Acharya
Chief Finance Officer

Subhash Kumar Mishra
Chief Executive Officer

Suman Prasad Sharma
Independent Member

Dr. Jagat Kumar Shrestha
Independent Member

Date : 2077/08/16

Place: Dhumbarahi-4, Kathmandu

A. General Information of the Company

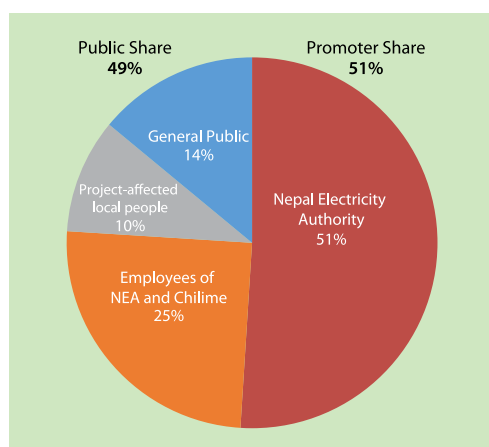
Chilime Jalavidhyut Company Limited (CJCL or the Company) was incorporated in 1995 with the objective of hydroelectricity generation through optimal utilization of resources available within the country. CJCL is registered with the Office of the Company Register as a Public Limited Company.

CJCL owns and operates a power plant with 22.1 MW installed capacity which was commissioned on August 25, 2003 and is located in Rasuwa District, 133 km north of Capital City Kathmandu. It sells bulk electricity to NEA at rates agreed upon in the Power Purchase Agreement (PPA). The annual energy generation from the plant is approximately 150 GWh.

Nepal Electricity Authority (NEA) holds majority ownership with 51% shareholding. Remaining 49% shareholding is from general public including 10% equity ownership of project affected local people. The shares of the Company is listed and traded on the Nepal Stock Exchange Limited (NEPSE).

The detailed initial Capital Structure of Equity of CJCL is as below. However the 19th AGM passed the resolution to merge these different groups into two groups namely promotor, NEA and general public.

EQUITY STRUCTURE OF CJCL



With the objectives of further development of hydropower, CJCL has invested in other hydroelectricity projects through three hydropower companies and one engineering consulting company. The accompanying consolidated Financial Statements includes these invested companies as the Company has effective control over them. (Details of the investments is discussed in Note 2). Further the company is undertaking the study of three hydroelectricity projects having the estimated capacity of 645 MW. The study is conducting by Chilime Engineering and Services Co. Ltd., fully owned by this company.

B. 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 364th Board of Director on its meeting held on 4th November 2019 (18 Kartik 2076) and have been recommended for approval by shareholders in the 24th Annual General Meeting.

C. Basis of Preparation and Reporting Pronouncements

The Company has, for the preparation and presentation of financial statements, opted to adopt Nepal Financial Reporting Standards (NFRSs) from the erstwhile Nepal Accounting Standards (NASs) both pronounced by Accounting Standards Board (ASB) Nepal. NFRS was pronounced by ASB Nepal as effective on 13 September 2013. The regulatory requirement for the Company to adopt NFRS was from the financial year 2073/74 (2016-17). However, the Company opted for early adoption of NFRS and prepared its first NFRS compliant financial statements in FY 2072/73.

NFRS conform, in material respect, to International Financial Reporting Standards

(IFRS) as issued by the International Accounting Standards Board (IASB).

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

D. Consolidation of Financial Statements

Financial Statements of the parent Company, Chilime Jalavidhyut Company Limited (CJCL), and its subsidiaries Sanjen Jalavidhyut Co. Ltd (SJCL), Madhya Bhotekoshi Jalavidhyut Co. Ltd (MBJCL), Rasuwagadhi Hydropower Co. Ltd (RGHPCL) and Chilime Engineering and Services Co. Ltd.(CHEsco) have been consolidated in accordance with NFRS 3 and NFRS 10. The consolidated Financial Statements have been prepared on the following basis:

- a) The Financial Statements of the parent and its associates/subsidiaries have been combined on a line-by-line basis by adding together the carrying values of like items of assets, liabilities, revenues and expenses after eliminating material intra-group balances / transactions and resulting profits in full. Unrealized profits/ losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group.
- b) The consolidated Financial Statements have been prepared using uniform accounting policies. Differences in accounting policies, if any, has been disclosed separately.

- c) Non-Controlling Interest's share in net assets of 'the Group' is identified and presented in the consolidated statement of Financial Position separate from liabilities and the equity of the Company's shareholders as Non-Controlling Interest (NCI). (also refer Note 7.1)
- d) The extent of the group's control on the subsidiaries is reflected by the shareholding in the subsidiaries. The details of which is discussed in Note 2
- e) The Financial Statements of the subsidiary used for consolidation are drawn for the same reporting period as that of the Parent Company i.e. year ended 31 Ashadh 2077 (15 July 2020).
- f) The parent has acquired the shares in the subsidiaries in the form of promoter shares at par value.

E. Financial Period

The Company prepares Financial Statements in accordance with the Nepalese Financial Year (FY) using Nepalese Calendar. The corresponding dates for Gregorian Calendar are as follows:

F. Accounting Convention

The Financial Statements have been prepared on historical cost conventions except for certain financial elements that have been measured at fair value, wherever standard requires or allows 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

Particulars	Nepalese Calendar Date / Period	Gregorian Calendar Date / Period
Comparative Reporting Period	1 Shrawan 2075 –31 Asadh 2076	16 July 2018 –16 July 2019
Primary Reporting Period	1 Shrawan 2076 –31 Asadh 2077	15 July 2019 –16 July 2020

resources to continue in operational existence for the foreseeable future.

G. Presentations

Presentation Currency

The Company and its associates/subsidiaries operate within the jurisdiction of Nepal. Nepalese Rupees (NRs.) is the presentation and functional currency of the Company. Accordingly, the Financial Statements are prepared and presented in Nepalese Rupees and rounded off to the nearest Rupee (rounding errors have been ignored).

Rearrangement and Reclassification

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

Statement of Financial Position

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

Statement of Profit or Loss and Other Comprehensive Income

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

Earnings per share (EPS) has been disclosed in the face of 'SoPL and OCI' in accordance with NAS 33.

Statement of Cash Flows

The Statement of Cash Flows (SCF) has been prepared using indirect method and the activities have been grouped under three

major categories (Cash flows from operating activities, Cash flows from investing activities and Cash flows from financing activities) in accordance with NAS 07.

Statements of Changes in Equity

The Statement of Changes in Equity (SCE) has been prepared disclosing changes in each elements of equity.

H. Accounting Policies and Accounting Estimates

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 NFRS 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 changes, if any, have been disclosed.

Accounting Estimates

The preparation of Financial Statements in line with NFRS requires management to make estimates and assumptions that affect the reported amounts of assets, 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 recognized in the period in which the estimates are revised. If the revisions affect only that periods; they are recognized in the period of revision they recognized in 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.

I. Elements of Financial Statement

1. Property, Plant and Equipment (PPE)

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

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

Cost

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

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

Depreciation

The management has estimated that depreciable amount of the assets is equivalent to the initial cost and thus the cost is systematically allocated based on the expected useful life of an asset.

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

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

Management has considered that the land used for the Hydropower Plant will have a definite useful life of 50 years (under Built Own Operate and Transfer (BOOT) arrangement, discussed separately under note 1.1.2) and accordingly the cost of the land has been systematically allocated as amortization/depreciation.

Whereas, if the management considers the assets have an indefinite useful life (like land except those land properties under BOOT arrangement), no amortization / depreciation is charged.

De-recognition

Assets that have been decommissioned or identified as damaged beyond economic repair or rendered useless due to obsolescence, are derecognized whenever identified. On disposal of an item of PPE or when no economic benefits are expected from its use or disposal, the carrying amount of an item is derecognized. 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 recognized in the SoPL.

1.1 Classification, Useful lives and Depreciation Method

1.1.1 Estimation of Useful Lives and Depreciation Method used

Depreciation methods have been selected considering the pattern of inflow of economic benefits to the organization and thereby some class of assets are depreciated using straight line method (SLM) and some are depreciated using diminishing balance

method (DBM). The details of estimated useful lives and depreciation method applied are as below:

1.1.2 Useful life of Electromechanical Works

Depreciation methods have been selected considering the pattern of inflow of economic benefits to the organization and thereby some class of assets are depreciated using straight line method (SLM) and some are depreciated using diminishing balance method (DBM). The details of estimated useful lives and depreciation method applied are as below:

Asset Class - Sub Class	Deprecation Rate	Useful life (in Years)	Depreciation Method applied
Land – Plant	2	50	SLM
Land - Not related to plant	-	-	None
Building – Powerhouse	2	50	SLM
Building - Office Building (Kathmandu)	14.29	7	SLM
Building - Other Buildings	4	25	SLM
Civil Structure - Plant Civil Structures	2	50	SLM
Civil Structure - Civil Partition and Other Civil Works	25	4	SLM
Distribution Line	4	25	SLM
Hydromechanical Works	2	50	SLM
Electromechanical Works	Refer to Note 1.1.2		SLM
Tools and Equipment	15	6.67	DBM
Office Equipment	25	4	DBM
Furniture and Fixtures	25	4	DBM
Vehicles	20	5	DBM
Other Assets	15	6.67	DBM

SN	Components	Deprecation Rate	Useful life (in Years)
1	Turbine	2.00%	50
2	Generator	3.33%	30
3	Power Transformers	3.33%	30
4	Station/ Other Transformers	3.33%	30
5	66KV Switchgear Equipment	2.00%	50
6	Relay and Control switchboards	3.33%	30
		5.00%	20

SN	Components	Deprecation Rate	Useful life (in Years)
7	Instrument Transformers	3.33%	30
8	12 KV Switchgear	2.50%	40
9	Low Voltage Distribution Panel	2.00%	50
10	Lightning Arrestor	2.86%	35
11	Storage Battery and Battery Charger	6.67%	15
12	Grounding Material	2.00%	50
13	Ancillary Equipment	2.00%	50
		2.50%	40
		2.86%	35
		3.33%	30
		4.00%	25
		5.00%	20
14	Cables	6.67%	15
		2.00%	50
		2.86%	35
15	Miscellaneous Materials	3.33%	30
		2.50%	40
16	Steel Structures	6.67%	15
17	Communication Equipment	2.00%	50
		5.00%	20
		6.67%	15

Other notes on PPE

1.1.3 Land

Land properties with ownership documents (i.e. in occupation and with valid documentation) have been considered to meet the asset recognition criteria and have been recognized as asset under appropriate heading.

Land under BOOT Arrangement

CJCL obtained the license for generation of 22.1 MW Hydropower Plant from the then Ministry of Water Resource (Current: Ministry of Energy, Water Resources & Irrigation) for a period of 50 years (i.e. from 26 Shrawan 2054, 10 Aug 1997 to Ashadh end 2104, Mid

July 2047). Therefore the useful life of plant assets (which need to be handed over at the end of the BOOT period) cannot exceed 50 years even if the economic life of the assets is more, as the entire generation unit needs to be transferred to the Government of Nepal at the end of this license term. Therefore, CJCL depreciates its land assets at the generation unit using a depreciation rate of 2%. The details of land held by the company under BOOT arrangement are as follows:

1.1.4 Buildings and Civil Structure

All civil infrastructures have been classified on the basis of their built type (such as Reinforced Cement Concrete pillar structure, load bearing, stone masonry, shed and other structures etc.).

NRs.

Location	Area (Ropani-Ana-Paisa-Dam)	Cost
Syafrubesi and Goljung Rasuwa	556-2-0-3	9,257,081

1.1.5 Capital Work in Progress

Costs related to assets in the course of acquisition and construction are recognized as Capital Work in Progress (CWIP) and are carried at cost, less accumulated impairment losses, if any. The details of CWIP is as follows:

Depreciation on this asset commences when the asset is ready for its intended use. This item is shown at cost and disclosed as CWIP under PPE. The CWIP includes the license fee paid to Department of Electricity Development (DOED).

Three subsidiaries are in the process of developing their four hydroelectric projects. 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 recognized under PPE. Construction and other assets recognized under PPE of the Subsidiaries/Associates are subject to annual depreciation charges and

such charges are subsequently transferred to CWIP as they directly and indirectly contribute toward creation of those assets.

Restriction on PPE

CJCL will have to transfer the entire generation unit to Government of Nepal under BOOT arrangement after the end of 50 years of operation. Please refer to Note 1.1.3 for more details.

Similar restrictions are also applicable to the assets of the subsidiaries at the expiration of generation license of a period of 35 year applicable to subsidiaries except Chilime Engineering and Services Company Ltd.

The PPE of CJCL has been pledged as collateral to Employees Provident Fund (EPF) against loan arrangement by the Company's subsidiaries. The carrying value of PPE pledged is NRs. 1,755,994,163.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Relating to CJCL	185,404,591	140,322,954
Relating to Subsidiaries/Associates		
Sanjen Jalavidhyut Co. Ltd.	7,252,762,270	5,860,378,452
Madhya Bhotekoshi Jalavidhyut Co. Ltd.	7,698,539,739	5,801,542,275
Rasuwadadhi Hydropower Co. Ltd.	12,337,488,813	7,661,790,448
Total	27,474,195,413	19,464,034,129

1.2 Details Property, Plant and Equipment

Particulars	Cost		Useful Life in years	Opening	Closing	Depreciation			Net Book Value (NBV)			
	Opening	Additions during the Year				For the Year on B/F	For the Year on Addition	Charge for the Year Total	Closing	Opening	Closing	
Land												
Land – Project	9,257,081	-	50	2,962,266	9,257,081	185,142	185,142	185,142	3,147,408	6,294,815	6,109,673	
Land – Not related to project	183,373,609	-	-	-	183,373,609	-	-	-	-	183,373,609	183,373,609	
Building												
Office Building (Kathmandu)	9,981,722	-	7	9,981,722	9,981,722	9,981,722	-	9,981,722	9,981,722	-	-	
Powerhouse	175,639,691	-	50	62,750,852	175,639,691	3,512,794	3,512,794	3,512,794	66,263,645	112,888,839	109,376,045	
Building - Others												
Office Building (Project)	3,895,369	-	25	2,482,403	3,895,369	155,815	155,815	155,815	2,638,218	1,412,966	1,257,151	
Residential Building 1	12,311,087	-	25	5,840,259	12,311,087	492,443	492,443	492,443	6,332,702	6,470,828	5,978,385	
Residential Building 2	10,033,631	-	25	5,991,260	10,033,631	401,345	401,345	401,345	6,392,605	4,042,371	3,641,026	
Residential Building 3	11,972,821	-	25	7,375,463	11,972,821	478,913	478,913	478,913	7,854,376	4,597,358	4,118,445	
Clinic Building	513,798	-	25	327,428	513,798	20,552	20,552	20,552	347,980	186,370	165,818	
Lab Building	493,425	-	25	314,445	493,425	19,737	19,737	19,737	334,182	178,980	159,243	
Store Building	1,682,286	-	25	1,072,071	1,682,286	67,291	67,291	67,291	1,139,362	610,215	542,924	
Guard House	1,106,832	-	25	705,351	1,106,832	44,273	44,273	44,273	749,624	401,481	357,208	
Civil Structures-Project												
Headrace Tunnel	1,068,168,971	-	50	341,814,071	1,068,168,971	21,363,379	21,363,379	21,363,379	363,177,450	726,354,900	704,991,521	
Headwork	245,085,627	-	50	87,561,825	245,085,627	4,901,713	4,901,713	4,901,713	92,463,537	157,523,802	152,622,090	
Power Canal	79,923,664	-	50	28,554,354	79,923,664	1,598,473	1,598,473	1,598,473	30,152,828	51,369,309	49,770,836	
Reservoir	62,223,180	-	50	22,230,497	62,223,180	1,244,464	1,244,464	1,244,464	23,474,960	39,992,684	38,748,220	
Siphon Structure	13,586,355	-	50	4,854,002	13,586,355	271,727	271,727	271,727	5,125,729	8,732,353	8,460,626	
Civil works- others												
Other Civil Works	15,294,653	-	25	9,746,829	15,294,653	611,786	611,786	611,786	10,358,615	5,547,824	4,936,038	
Civil Partition	2,013,383	-	4	2,013,383	2,013,383	503,346	503,346	503,346	2,013,383	-	-	
Distribution Line												
Distribution Line	12,718,433	-	25	8,105,080	12,718,433	508,737	508,737	508,737	8,613,817	4,613,353	4,104,616	

Particulars	Cost		Useful Life in years	Depreciation			Net Book Value (NBV)			
	Opening	Additions during the Year		Closing	Opening	For the Year on B/F	For the Year on Addition	Charge for the Year Total	Opening	Closing
Hydro Mechanical Works										
Hydro Mechanical Works	43,420,715	784,220	50	12,449,792	868,414	9,581	877,995	13,327,787	30,970,923	30,877,148
Electro Mechanical Works										
Electro Mechanical Works	807,692,804	981,006	Ref Note 1.1.2	371,206,332	22,079,450	1,613	22,081,062	393,287,394	436,486,472	415,386,416
Tools										
Tools and Equipment	31,914,475	44,635	7	22,740,046	1,376,164	4,127	1,380,292	24,120,338	9,174,429	7,838,772
Accounting Software	597,770		5	239,108	119,554		119,554	358,662	358,662	239,108
Office Equipment and Furniture										
Office Equipment	10,664,752	928,295	4	8,024,905	658,991	106,009	765,000	8,789,905	2,639,847	2,803,142
Furniture and Fixture	6,148,644	220,429	4	4,487,886	415,190	7,461	422,650	4,910,536	1,660,758,23	1,458,537
Vehicles										
Vehicles	61,274,558		5	40,836,573	4,087,597		4,087,597	44,924,170	20,437,985	16,350,387
Other Assets										
Other Assets	9,044,006	133,009	7	6,458,084	378,891	12,862	391,753	6,849,837	2,585,921	2,327,179
Total Assets	2,890,033,343	3,091,594		1,071,126,287	66,366,181	141,652	66,004,487	1,137,130,775	1,818,907,054	1,755,994,163
Chilime Engineering & Services Co. Ltd.	42,863,822			4,227,187			4,612,040		38,661,435	21,412,399
Total Assets	2,932,897,165			1,073,927,514	66,366,181	141,652	70,616,527	1,137,130,775	1,857,568,491	1,777,406,562
Sanjen Jalavidhyut Company Ltd.	14,544,201	155,714		1,151,9832	1,392,113	18,435	1,410,548	12,930,379	3,024,369	1,769,536
Madhyabhotekoshi Jalavidhyut Co. Ltd.	571,552,083	1,209,306		68,689,188	9,449,880		9,449,880	84,572,529	496,429,433	488,188,860
Rasuwaghadi Hydropower Co. Ltd.	189,127,807	1,693,756		101,864,648	19,813,593		2,323,996	127,735,574	165,580,878	147,175,448
Construction Assets- Subsidiaries	775,224,091	3,058,776		182,073,668	30,655,586	18,435	13,184,424	225,238,483	665,034,682	637,133,843
Total Assets	3,708,121,256	6,150,370		1,256,001,182	97,021,767	160,088	83,800,951	1,362,369,257	2,522,603,171	2,414,540,406

Depreciation

	CJCL	ChesCo	RGHPCL	MBJCI	SJCL	Total
Corporate Office Charged to P/L	66,004,487	4,654,752	2,323,996	912,033	1,410,548	75,305,816
Project, to be Capitalized	-	-	17,489,597	8,537,847	-	26,027,444
Total	66,004,487	4,654,752	19,813,593	9,449,880	1,410,548	101,333,260

1.2.1 Details of Property, Plant and Equipment of FY: 2075/76 (2018-19)

Particulars	Cost			Depreciation				Net Book Value (NBV)			
	Opening	Additions during the Year	Closing	Useful Life in years	Opening	For the Year on B/F	For the Year on Addition	Charge for the Year Total	Closing	Opening	
Land											
Land – Project	9,257,081	-	9,257,081	50	2,777,124	185,142	-	185,142	2,962,266	6,479,957	6,294,815
Land – Not related to project	183,373,609	-	183,373,609	-	-	-	-	-	-	183,373,609	183,373,609
Building											
Office Building (Kathmandu)	9,981,722	-	9,981,722	7	8,555,762	1,425,960	1,425,960	1,425,960	9,981,722	1,425,960	-
Powerhouse	175,639,691	-	175,639,691	50	59,238,058	3,512,794	3,512,794	3,512,794	62,750,852	116,401,633	112,888,839
Building - Others	-	-	-	-	-	-	-	-	-	-	-
Office Building (Project)	3,895,369	-	3,895,369	25	2,326,588	155,815	155,815	155,815	2,482,403	1,568,781	1,412,966
Residential Building 1	12,311,087	-	12,311,087	25	5,347,815	492,443	492,443	492,443	5,840,259	6,963,272	6,470,828
Residential Building 2	10,033,631	-	10,033,631	25	5,589,915	401,345	401,345	401,345	5,991,260	4,443,717	4,042,371
Residential Building 3	11,972,821	-	11,972,821	25	6,896,551	478,913	478,913	478,913	7,375,463	5,076,271	4,597,358
Clinic Building	513,798	-	513,798	25	306,876	20,552	20,552	20,552	327,428	206,922	186,370
Lab Building	493,425	-	493,425	25	294,708	19,737	19,737	19,737	314,445	198,717	178,980
Store Building	1,682,286	-	1,682,286	25	1,004,779	67,291	67,291	67,291	1,072,071	677,506	610,215
Guard House	1,106,832	-	1,106,832	25	661,078	44,273	44,273	44,273	705,351	445,754	401,481
Civil Structures- Project											
Headrace Tunnel	1,068,168,971	-	1,068,168,971	50	320,450,691	21,363,379	21,363,379	21,363,379	341,814,071	747,718,280	726,354,900
Headwork	245,085,627	-	245,085,627	50	82,660,112	4,901,713	4,901,713	4,901,713	87,561,825	162,425,515	157,523,802
Power Canal	79,923,664	-	79,923,664	50	26,955,881	1,598,473	1,598,473	1,598,473	28,554,354	52,967,783	51,369,309
Reservoir	62,223,180	-	62,223,180	50	20,986,033	1,244,464	1,244,464	1,244,464	22,230,497	41,237,147	39,992,684
Siphon Structure	13,586,355	-	13,586,355	50	4,582,275	271,727	271,727	271,727	4,854,002	9,004,080	8,732,353
Civil works- others	-	-	-	-	-	-	-	-	-	-	-
Other Civil Works	15,294,653	-	15,294,653	25	9,135,043	611,786	611,786	611,786	9,746,829	6,159,611	5,547,824

Particulars	Cost		Useful Life in years	Depreciation			Net Book Value (NBV)		
	Opening	Additions during the Year		Closing	For the Year on B/F	For the Year on Addition	Charge for the Year Total	Closing	Opening
Civil Partition	2,013,383	-	4	2,013,383	-	-	2,013,383	-	-
Distribution Line									
Distribution Line	12,718,433	-	25	7,596,343	508,737	508,737	8,105,080	5,122,090	4,613,353
Hydro Mechanical Works									
Hydro Mechanical Works	42,500,895	919,820	50	11,581,378	850,018	18,396,40	12,449,792	30,919,517	30,970,923
Electro Mechanical Works									
Electro Mechanical Works	807,692,804	-	Ref Note 1.1.2	349,126,882	22,079,450	-	371,206,332	458,565,922	436,486,472
Tools									
Tools and Equipment	31,054,545	859,930	7	21,231,026	1,473,528	35,492,84	22,740,046	9,823,520	9,174,429
Accounting Software	597,770	-	5	119,554	119,554	-	239,108	478,216	358,662
Office Equipment and Furniture									
Office Equipment	10,250,762	413,990	4	7,203,848	761,728	59,328	8,024,905	3,046,914	2,639,847
Furniture and Fixture	5,793,932	354,713	4	3,995,536	449,599	42,751	4,487,886	1,798,396	1,660,758.23
Vehicles									
Vehicles	61,034,658	239,900	5	35,741,044	5,058,723	36,807	40,836,573	25,293,614	20,437,985
Other Assets									
Other Assets	8,742,776	301,230	7	6,039,329	405,517	13,238	6,458,084	2,703,447	2,585,921
Total Assets	2,886,943,761	3,089,582		1,002,417,613	68,502,662	206,013	1,071,126,287	1,884,526,148	1,818,907,054
Chilime Engineering & Services Co. Ltd.	13,301,435	29,562,387		1,380,697	2,852,690		4,227,187	11,920,738	38,661,435
Total Assets	2,900,245,196	32,651,969		1,002,372,348	68,502,662	206,013	1,073,927,514	1,896,446,886	1,857,568,491
Sanjen Jalavidhyut Company Ltd.	14,370,250	173,951		9,944,761			11,519,832	4,425,489	3,024,369
Madhyabhotekoshi Jalavidhyut Co. Ltd.	570,537,376	1,014,707		68,689,188			68,689,188	501,848,188	496,429,433
Rasuwaghadi Hydropower Co. Ltd.	185,717,534	3,410,274		101,864,648			101,864,648	185,717,534	165,580,878
Construction Assets-Subsidiaries	770,625,159	4,598,932		180,498,597	68,502,662	206,013	182,073,668	691,991,211	665,034,682
Total Assets	3,670,870,355	37,250,901		1,182,870,945	68,502,662	206,013	1,256,001,182	2,588,438,097	2,522,603,171

1.3 Impairment of PPE

1.3.1 Application of Impairment Tests

Impairment of an item of PPE is identified by comparing the carrying amount with its recoverable amount. If individual asset do not generate future cash flows independently of other assets, recoverability is assessed on the basis of cash generating unit (CGU) to which the asset can be allocated.

At each reporting date the Company assesses whether there is any indication that an asset may have been impaired. If such indication exists, the recoverable amount is determined. The recoverable amount of a CGU is determined at the higher of fair value less cost to sell on disposal and value-in-use. Generally recoverable amount is determined by means of discounted cash flows unless it can be determined on the basis of a market price. Cash flow calculations are supported by past trend and external sources of information and discount rate is used to reflect the risk specific to the asset or CGU.

1.3.2 Impairment Indication

There were no indications of impairment during the year.

2. Investment in Subsidiaries/Associates

The Company has made investments in equity shares of following companies. As the Company's extent of investment in the invested companies allows it to have effective control over the governance and functions. The investment is treated as investment in subsidiaries under NAS 28. The invested companies are consolidated and reported as Subsidiaries under NFRS 3 and NFRS 10.

The Company recognizes investment in subsidiaries of at cost on initial recognition, where cost is assumed to be the fair value of investments.

Chilime Engineering and Services Co. Ltd. commenced operation in the FY 2073/74. The other three companies are in the process of constructing their respective hydroelectric projects and are yet to begin electricity generation.

Accounting policies and practices of the subsidiaries are aligned with the Company including the reporting period which is coterminous. Chilime Engineering and Services Co. Ltd. commenced operation in

NRs.

Subsidiary	Capacity in MWH	Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Sanjen Jalavidhyut Co. Ltd (43.73% equity holding, 66.66% voting right)	57.30	Total Committed	1,436,644,900	1,436,644,900
		Amount invested at Cost	1,436,644,900	1,436,644,900
		Carrying Amount	1,436,644,900	1,436,644,900
Madhya Bhotekoshi Jalavidhyut Co. Ltd (49.33% equity holding, effective control 66.66% voting right)	102.00	Total Committed	2,220,000,000	2,220,000,000
		Amount invested at Cost	2,220,000,000	2,220,000,000
		Carrying Amount	2,220,000,000	2,220,000,000
Rasuwegadhi Hydropower Co. Ltd (36.44% equity holding, 50% voting right)	111.00	Total Committed	2,243,731,000	2,243,731,000
		Amount invested at Cost	2,243,731,000	2,243,731,000
		Carrying Amount	2,243,731,000	2,243,731,000
Chilime Engineering & Services Co. Ltd. (100% owned subsidiary)	N/A	Total Committed	60,000,000	60,000,000
		Amount invested at Cost	54,090,000	30,298,544
		Carrying Amount	54,090,000	30,298,544
Total Carrying Amount			5,954,465,900	5,924,502,483
Consolidation Adjustment			(5,954,465,900)	(5,924,502,483)
Net Carrying Amount			-	-

the FY 2073/74 (2016.2017). The other three companies are in the process of constructing their respective hydroelectric projects and are yet to begin electricity generation.

The extent of control over the subsidiaries will change over the coming years. Considering the committed percentage of shareholding, the share ownership of CJCL will eventually be restricted. The percentage of shareholding of CJCL in the subsidiaries and the eventual dilution of control is as follows.

3. Inventory

Inventories are carried at the lower of cost and net realizable 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.

Store, Spare Parts and Loose Tools

NAS 16, paragraph 8 and 9 specifically states that :

Spare parts and servicing equipment are usually carried as inventory and recognized in SoPL when consumed.

Major spare parts and stand-by equipment qualify as PPE when an entity expects to use them during more than one period.

The standard does not prescribe the unit measure for recognition so judgment 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.

4. Prepayments

These are expenses paid for the period beyond the financial period covered by the Financial Statements. These will be charged

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)	Committed %
Sanjen Jalavidhyut Co. Ltd.	43.73%	43.73%	39.36
Madhya Bhotekoshi Jalavidhyut Co. Ltd.	49.33%	49.33%	37.0
Rasuwadgadi Hydropower Co. Ltd.	36.44%	36.44%	33.0
Chilime Engineering and Services Co. Ltd.	100.00%	100.00%	100.0

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Miscellaneous Store-Central Office	47,130	51,454
Store, spare parts and loose tools	154,699,901	157,571,738
Relating to Subsidiaries:		
Sanjen Jalavidhyut Co. Ltd.	1,112,037	451,274
Madhya Bhotekoshi Jalavidhyut Co. Ltd.	238,416	374,204
Rasuwadgadi Hydropower Co. Ltd.	4,724,616	3,351,112
Chilime Engineering & Services Company Ltd.	16,196,869	-
Total	177,018,969	161,799,782

as expenses in the respective period for which such expenses pertain to.

5. Financial Instruments

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

5.1 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 SoPL,
- Held to Maturity,
- Loans and Receivables and
- Available for Sale.

Financial Assets of the Company comprises of Advances, Deposits and Other Receivables, Trade Receivables and Cash and 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 amortized cost of the assets.

Currently the Company holds the following categories of financial assets:

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Chilime Jalavidhyut Co. Ltd.	2,830,348	1,788,298
Relating to Subsidiaries:		
Sanjen Jalavidhyut Co. Ltd.	127,754	76,339
Madhya Bhotekoshi Jalavidhyut Co. Ltd.	803,114	534,731
Rasuwadgadi Hydropower Co. Ltd.	1,173,070	1,204,085
Chilime Engineering and Services Co. Ltd.	436,621	322,154
Total	5,370,907	3,925,607

Relevant Notes	Financial Assets			
	Fair Value		Amortized Cost	
	Designated at FVTPL	Available for Sale	Loans and Receivables	Held to Maturity
5.1.1	-	-	Advances, Deposits and Other Receivables	-
5.1.2	-	-	Trade Receivables	-
5.1.3	-	-	-	Investment in Term Deposits
5.1.4	-	-	Balances with Banks	Balances with Banks

* FVTPL = Fair Value through SoPL.

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.

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 SoPL or as Available for Sale. Held-to-maturity investments are measured at amortized cost.

5.1.1 Advances, Deposits and Other Receivables

These comprise Advances, Deposit and Prepayments and Other Receivables. Details are as given below:

5.1.1.a Tax Deposits and Advance Tax

Upon final assessment of income tax for fiscal year 2071/072, the Large Tax Payers' Office (LTPO) has confirmed a tax credit (over payment of advance income tax) of NRs. 193,717,634/- for that fiscal year through their letter with ref. dispatch No. 329 dated 2076/01/10. This amount is shown as advance (prepaid) income tax in the Balance Sheet and same will be adjusted with the income tax to be paid against the net profit of fiscal year 2076/077.

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Advances		
Employee Loan/Advances	321,026	28,664
Chilime Sarokar Samiti	2,500,000	2,500,000
Advance Tax (5.1.1.a)	237,159,195	188,762,979
Andritz Hydro	-	31,950
Other Advances	39,517	1,085,899
Relating to Subsidiaries		
Sanjen Jalavidhyut Co. Ltd.	242,755,487	386,605,088
Madhya Bhotekoshi Jalavidhyut Co. Ltd.	917,848,090	881,674,836
Rasuwagadhi Hydropower Co. Ltd.	69,336,738	977,165,023
Chilime Engineering and Services Co. Ltd.	7,150,499	21,647,762
Sub-Total	1,477,110,552	2,459,502,203
Deposits		
Deposit	341,036	341,036
DOED Budhigandaki "A" Hydroelectric Project	-	20,000,000
Rasuwa District Office	753,800	753,800
Other Deposits	8,750	8,750
Sub-Total	1,103,586	21,103,586
Other Receivables		
Other	751,363	1,953,301
NEA Unit Current Account (Net)	2,229,788	302,559
Bank Interest Receivable	3,313,603	11,650,757
Sub-Total	6,294,754	13,906,617
Grand Total	1,484,508,891	2,494,512,406

The details of advance taxes is given below:

Similarly upon final assessment of income tax for fiscal year 2072/073, the Large Tax Payers' Office (LTPO) has confirmed tax credit (over payment of advance income tax) of NRs. 65,542,718/- for that fiscal year through their letter with ref. No. 2o76/077 dispatch No. 336 dated 2076/10/13. This amount will be reflected in the financial statements of 2077/078 and accordingly will be adjusted with the income tax to be paid against the net profit of fiscal year 2077/078.

5.1.1.b Department of Electricity Development (DOED) Deposits

The cost of licensing of the following three hydroelectric projects is shown under capital

work in progress :

Impairment of advances deposits and other receivables are tested if any indication is known. There are no known indicators of impairment.

5.1.2 Trade Receivables

Trade Receivables comprise of amounts owed to the Company by its sole customer, NEA. These trade receivables do not carry any interest and are measured at the carrying amount at which the item is initially recognized less any impairment losses, i.e. stated at their nominal value as reduced by appropriate allowances.

The Trade Receivable balance from NEA is as follows:

NRs.

S/N	Details of Advance Tax	FY 2076.77 (2019/020)	FY 2075.76 (2018/019)	Date	Financial year
1	Opening Balance	188,762,979	21,717,410	75.07.12	
2	TDS deducted by Banks in FY 2076/77	23,701,096	18,516,569	Various	
3	Last Year Provision	193,717,634	-		
4	Corporate Tax Provision as per Tax Audit	(169,022,514)	-		
3	Advance tax based on estimate of Last Year	-	148,529,000		2075-76 Estimated Tax
	Total	237,159,195	188,762,979		

NRs.

Particulars	Capacity	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Budhigandaki Proak Hydroelectric Project	420 MW	100,000	100,000
Setinadi-3 Hydroelectric Project	65 MW	200,000	200,000
Chumchet Sayar Khola Hydroelectric Project	60MW	200,000	160,000
Total	645 MW	500,000	460,000

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Opening Balance:	126,272,426	129,460,545
Sales for the Year	1,140,739,306	1,170,432,144
Total Receivable of this FY	1,267,011,732	1,299,892,689
Collection in this Fiscal year	(1,149,788,529)	(1,173,620,263)
Total	117,223,203	126,272,426
Subsidiaries:		
Chilime Engineering & Services Co. Ltd.	28,178,122	-
Total	145,401,325	126,272,426

Company assumes, on the basis of the past trend that the receivables from NEA will be recovered in the normal course of business.

5.1.3 Investment in Term Deposits

The Company has following term deposits with various commercial banks in Nepal. These instruments have maturity of one year and are interest bearing. The interest rate varies from bank to bank depending

on the market rates and the dates of the deposits.

The rates implicit on these deposits approximate the effective interest rates and the same rates are used to calculate the interest (finance) income and for the purpose of calculating the amortized costs of these assets. The carrying value of these assets represent the amortized costs.

NRs.

Particulars	Interest Rate	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Bank of Kathmandu Ltd		70,000,000	-
Citizen Bank International Ltd		100,000,000	100,000,000
Century Commercial Bank Ltd		220,000,000	200,000,000
NMB Bank Ltd		12,626,813	11,160,940
Laxmi Bank Ltd		100,000,000	50,000,000
Machhapuchherche Bank Ltd.		80,000,000	30,000,000
Nepal SBI Bank Ltd.		100,000,000	100,000,000
Prime Bank Ltd.		50,000,000	50,000,000
Nepal Bangladesh Bank Ltd.		50,000,000	20,000,000
Nepal Investment Bank Ltd.		100,000,000	50,000,000
Everest Bank Ltd.		80,000,000	-
Kumari Bank Ltd.		100,000,000	-
Mega Bank Ltd.		80,000,000	-
Prabhu Bank Ltd.		100,000,000	100,000,000
NIC Asia Bank Ltd		120,000,000	80,000,000
Jyoti Bikas Bank Ltd		120,000,000	60,000,000
Global IME Bank Ltd		50,000,000	50,000,000
Himalayan Bank Ltd		150,000,000	150,000,000
Muktinath Bikash Bank Ltd.		140,000,000	100,000,000
Siddhartha Bank Ltd		140,000,000	100,000,000
Sunrise Bank Ltd.		50,000,000	-
Total		2,012,626,813	1,251,160,940
Relating to Subsidiaries:			
Sanjen Jalavidhyut Co. Ltd.		110,270,000	40,270,000
Madhya Bhotekoshi Jalavidhyut Co.Ltd.		250,000,000	-
Rasuagadhi Hydropower Co. Ltd.		-	1,170,000,000
Sub-total		360,270,000	1,220,270,000
Grand Total		2,372,896,813	2,461,430,940

These instruments are held with the intention for settlement of principal and interest only, with no other costs or premium/discounts being involved, the intrinsic coupon rate is taken as effective interest rate for all term deposits.

The Company has intention and capacity to hold these instruments until their respective maturity dates.

Impairment

All the above deposits are made with class 'A' commercial banks and Development Bank in Nepal which are closely regulated by the Central Bank. There has been no indication of impairment on these instruments.

5.1.4 Cash and Cash Equivalent

Cash and cash equivalents include deposit account balances maintained with banks or 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 SCF as well.

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

The Company discourages the use and holding of cash balances therefore there are no cash balances as at the reporting dates.

The details of Cash and Cash Equivalents are given below:

NRs.

Particulars	Interest rate	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Bank			
Himalayan Bank Limited		4,641,888	1,256,921
Janata Bank Nepal Ltd (Div.)		66,103	66,103
Mega Bank Ltd		6,145,499	282,642
Siddhartha Bank Ltd		34,263,195	129,489,815
NMB Bank Ltd (NRS)		383,309	122,740
Jyoti Bikash Bank Ltd.		13,890,114	1,406,421
NMB Bank Ltd (USD)		22,156	370,551
Everest Bank Ltd		1,300,987	1,075,222
Nepal SBI Bank Ltd.		10,396,868	2,135,717
Muktinath Bikash Bank Ltd.		10,235,062	2,455,823
Nepal Bank Ltd		362,498	33,196
Prabhu Bank Ltd.		4,833,650	75,182
Relating to Subsidiaries			
Sanjen Jalavidhyut Co. Ltd.		42,663,824	16,452,923
Madhya Bhotekoshi Jalavidhyut Co. Ltd.		135,235,939	74,889,988
Rasuwadgadi Hydropower Co. Ltd.		76,444,589	506,524,923
Chilime Engineering and Services Co. Ltd.		39,681,212	51,132,676
Total		380,566,893	787,770,843

5.1.5 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.

5.2 Financial Instruments: Financial Liabilities

A financial liability is any liability that is:

- a) 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 unfavorable 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 under NAS 39 are to be classified as Fair Value through SoPL and those held at Amortized Cost. All financial liabilities held by the Company are classified as financial liabilities held at amortized cost using effective interest rate.

Financial liabilities held by the Company are non-interest bearing. The non-interest bearing instruments' carrying value represents the amortized cost.

Categories of financial liabilities:

5.2.1 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 to be recognized at cost as it fairly represents the value to be paid since it does not include interest on payment.

Relevant Notes	Financial Liabilities at		
	Fair Value		Amortized Cost
	Designated at FVTPL	Held for Trading	
5.2.1	-	-	Trade and Other Payable

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Retention Money	7,902,971	10,186,646
NEA Unit Current Account	2,104,128	540,000
Income Tax	124,526	-
VAT Payable	10,410	-
Social Security Fund Payable	287,524	-
DOED (Royalty)	11,486,309	25,116,393
Other Liabilities	2,724,557	2,730,750
Relating to Subsidiaries		
Sanjen Jalavidhyut Co. Ltd.	472,836,134	198,856,424

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Madhya Bhotekoshi Jalavidhyut Co. Ltd.	231,374,927	141,829,869
Rasuwagadhi Hydropower Co. Ltd.	567,106,816	386,015,062
Chilime Engineering and Services Co. Ltd.	1,669,503	36,508,227
Total	1,297,729,506	801,783,371

6. Share Capital

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

The detailed structure of equity of CJCL is given as below:

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 periods of initial establishment of the Company and had been charged during the period of issue. It is not possible to reliably identify such costs and the management believes that the amount to be not material.

7. Retained Earnings

The details of retained earnings are as given below:

NRs.

Particulars	Number of Shares	Value Per Share	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Authorized Capital	57500000	100	5,750,000,000	4,900,000,000
Issued Capital	57100000	100	5,710,000,000	4,800,000,000
Paid Up Capital	57097629	100	5,709,762,939	4,758,135,782
Total			5,709,762,939	4,758,135,782

Shareholder Category	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
	Holding	Holding
Nepal Electricity Authority (NEA)	51%	51%
Employees of NEA and CJCL	25%	25%
Project Effected Local People	10%	10%
General Public	14%	14%
Total	100%	100%
Total Number of Shares as on balance sheet date	57,097,629	47581357
Total Number of Ordinary Shares issued	(9600000)	(9600000)
Total Number of Bonus Shares Distributed	47497629	37981357

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Opening Balance as on 1 Shrawan 2076 (16 July 2019)	4,436,178,777	4,754,825,996
Opening NFRS Adjustment (Sanjen)	-	-
Opening Balance (Restated)	4,436,178,777	4,754,825,996

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Equity Transaction (difference in retained earning brought forward revalued at current year NCI%)		48,637,648
Bonus Share for FY 2075/76 capitalized in FY 2076/77	(951,627,156)	(793,022,630)
Dividend for FY 2075/76 paid in FY 2076/77	(237,906,789)	(198,255,658)
Prior Period Pending	-	(8750)
Advance Tax Adjustment	219,207,463	
Net Profit after Tax	745,590,031	760,309,660
CSR Fund	(7,455,900)	-
Other Comprehensive Income	(6,975,656)	(134,638,947)
NFRS Adjustment of Subsidiary (MBJCL)	-	607,540
Share Issue Expenses of Subsidiary	-	(2,276,080)
Current Year Profit/(Loss)	(56,915,541)	-
Prior Period Adjustment	(51486159)	-
Closing Balance as on 31 Ashad 2077 (15 July 2020)	4,088,609,069	4,436,178,777

7.1 Corporate Social Responsibility Fund

In this Fiscal Year a provision of 1% of net profit after tax has been allocated for Corporate Social Responsibility Fund (CSR Fund) as per the provision of Industrial Enterprise Act 2073, Clause 48 (1). This fund will be used for social welfare for the people surrounding Chilime Power Plant or as per the BoD approval.

Bonus Shares

The Company distributed and capitalized bonus of NRs. 951,627,156 during the financial year 2076/77 (2019.20) and NRs 793,022,630 during the FY 2075/76 (2018/19) based on the declaration of bonus shares for the FY 2075/76 (2018/19) and 2074/75 (2017/18) respectively.

For the current year 2076/77 (2019.20) the board of directors have proposed 10% bonus shares, which is subject to approval by shareholders at the Annual General Meeting.

Dividend

The Company distributed cash dividend of NRs 237,906,789 and NRs 198,255,658 during the financial year 2076/77 (2019.20) and 2075/76 (2018.19) respectively based on the declaration of dividend for the financial year 2075/76 (2018.19) and 2074/75 (2017.18) respectively. The earning per share is NRs. 12.06 and NRs. 15.98 respectively.

For the current year 2076/77 (2019.20) the Board of Directors have proposed 10% dividend, which is subject to approval by shareholders at the Annual General Meeting.

7.2 Non-Controlling Interest

Non-Controlling Interest has been recognized on the basis of the NCI's shares in the net assets of the subsidiaries. Since the subsidiaries are not in operation the performance results of the subsidiaries are not included.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Corporate Social Responsibility Fund	7,455,900	-
Total	7,455,900	-

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Sanjen Jalavidhyut Co. Ltd.	1,770,589,707	1,803,833,915
Madhya Bhotekoshi Jalavidhyut Co. Ltd.	2,152,053,137	2,222,543,332
Rasuwagadhi Hydropower Co. Ltd.	3,785,884,040	3,832,324,742
Total	7,708,526,884	7,858,701,989

NCI %

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Sanjen Jalavidhyut Co. Ltd.	56.27%	56.27%
Madhya Bhotekoshi Jalavidhyut Co. Ltd.	50.67%	50.67%
Rasuwagadhi Hydropower Co. Ltd.	63.56%	63.56%

8. Employee Benefits

Employee Benefits

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

Employee Benefits Costs

Following employee benefits costs are charged to the SoPL for the year.

8.1 Current Employee Benefits

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Current Employees Benefits (Note 8.1)		
Charged to Hydropower Plant, Operating Expenses	51,851,185	43,193,767
Charged to Administrative Expenses	27,978,306	18,837,803
Post-Employment Benefits (Note 8.2)		
Defined Contribution Plan-Expenses (Note 8.2.1)	3,772,420	2,879,742
Leave Benefit (Note 8.2.3.1)	2,188,640	1,355,466
Gratuity Benefits (Note 8.2.3.2)	12,509,550	10,063,320
Others:		
Provision for Staff Bonus	18,765,302	18,814,883
Provision for Staff Bonus ChesCo.	1,790,948	3,702,131
Total Charged to SoPL	111,790,948	98,847,112

Charged to Hydropower Plant Operating Expenses

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Salaries and Benefits		
Salary	25,677,489	21,715,970
Allowances and Benefits	19,676,627	16,170,877

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Overtime Allowance	4,341,801	3,450,479
Medical Benefits	2,155,268	1,856,441
Total	51,851,185	43,193,767

Charged to Administrative Expenses

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Salaries and Benefits		
Salary	10,192,614	7,622,577
Wages	190,000	150,000
Allowances and Benefits	8,252,506	5,956,460
Overtime Allowance	761,422	757,855
Medical Benefits	821,159	657,865
Leave Enhancement	1,186,645	896,184
Employees Insurance	6,573,961	2,796,862
Total	27,978,306	18,837,803

8.2 Post-Employment Benefits

The Company operates separate defined benefit and defined contribution plans for its employees.

8.2.1 Defined Contribution Expenses

The defined contribution expenses includes employer's contribution for provident fund. These amounts have been deposited in Employee Provident Fund (EPF), a 100% Government of Nepal undertaking.

The Company contributes 10% of the salary on monthly basis as provident fund contribution for its employees.

8.2.2 Defined Benefit Expense

The defined benefit plan of the Company includes Gratuity and Leave encashment Entitlements.

Gratuity

Gratuity for employees have been provided as per actuarial assessment and the assessed amount has been recognized as liabilities. The Company's gratuity policy provides that the employees who have served in the Company shall be entitled to gratuity at the rates as prescribed below at the time of their termination from employment due to any reasons:

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Employee's Provident Fund Deposit:		
Charged to Operation Expenses	2,387,751	2,099,689
Charged to Administrative Expenses	932,391	762,258
Employees Retirement Fund:		
Charged to Operational Expenses	304,164	-
Charged to Administrative Expenses	148,114	17,796
Total	3,772,420	2,879,743

Service Years	Rate at which gratuity is paid at retirement
Up to 7 years	100% of current monthly salary for each year of service
More than 3 years up to 15 years	150% of current monthly salary for each year of service
More than 15 years up to 20 years	200% of currently monthly salary for each year of service
More than 20 years	250% of current monthly salary for each year of service

Service period is to be calculated from the date of permanent appointment. This is in compliance with applicable legal requirements.

However the employee joined since 2076/04/01(17.07.2019) gets as per Labor Act, 2074.

Leave Encashment Scheme

Leave encashment that are accumulative (the Company encashment of accumulated leave at the time of retirement) has been computed using actuarial assumptions.

The Company's policy allow its employees to accumulate earned Annual Leave and Sick Leave and claim payment on account of those accumulated leaves at the time of retirement at the rate of monthly salary the employee is eligible at the time of retirement.

Other non-accumulative leave encashment are accounted for as an expense in the financial year in which the payment is made.

Other Retirement Benefits

The Company does not have any other Retirement Benefit Schemes.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Leave Encashment (Charged to Administrative Expenses)	2,188,640	1,355,466

Defined Benefit Costs

NRs.

Particulars	2077.03.31 (15.07.2020)			2076.03.31 (16.07.2019)		
	Gratuity	Leave		Gratuity	Leave	
		Sick Leave	Annual Leave		Sick Leave	Annual Leave
Current Service Cost	6,814,110	613,120	406,190	6,280,290	565,076	374,370
Interest Cost on DBO	5,695,440	783,090	386,240	3,783,030	636,470	346,530
Total	12,509,550	1,396,210	792,430	10,063,320	1,201,546	720,900

8.2.3 Defined Benefit Plan Liabilities

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Leave Benefits (Note 8.2.3.2)	18,413,580	12,713,432
Gratuity Benefit (Note 8.2.3.1)	84,978,637	67,261,007
Total	103,392,217	79,974,439

8.2.3.1 Gratuity

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Opening Balance of Defined Benefit Obligation (DBO)	67,261,007	44,842,809
Less: Gratuity Paid during the year	-	(673,050)
Sub-Total (Net)	67,261,007	44,169,759
Current Service Cost	6,814,110	6,280,290
Interest Charge (unwinding interest)	5,695,440	3,783,030
Sub-Total (Before Actuarial Gain/Loss)	12,509,550	10,063,320
Sub-Total (A+B)	79,770,557	54,233,079
Actuarial (Gain)/Loss – OCI	5,208,080	13,027,930
Assessed Liability (actuarial assessment)	84,978,637	67,261,007

Defined Benefit Plan – Asset

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Opening Assets	-	-
(+) Estimated Investment Returns for the year	-	-
(+) Additional Investment during the year	-	-
(-) Withdrawal (pay-outs during the year)	-	-
Closing Assets	-	-
Net Defined Benefit Plan Liability	84,978,637	67,261,009
Net Charge	12,509,550	10,063,320
Net Charge – SoPL	(12,509,550)	(10,063,320)
Net Charge (Debit) – SoCE	-	-

8.2.3.2 Leave Encashment

Particulars	2077.03.31 (15.07.2020)			2076.03.31 (16.07.2019)		
	Annual Leave	Sick Leave	Total	Annual Leave	Sick Leave	Total
Opening Balance of Defined Benefit Obligation	4,573,920	9,273,490	13,847,410	4,148,550	7,622,926	11,771,476
Current Service Cost	406,190	613,120	1,019,310	374,370	565,076	939,446
Interest Charge (unwinding interest)	386,240	783,090	1,169,330	346,530	636,470	983,000
Less: Paid during the year	-	-	-	(143,380)	(270,130)	(413,510)
Less: Immediate Recognition to SoPL	-	-	-	152,150	(719,130)	(566,980)
Closing Liability	4,573,920	9,273,490	13,847,410	4,878,220	7,835,212	12,713,432
Actuarial (Gain)/Loss – OCI	801,710	1,575,820	2,377,530	-	-	-
Assessed Liability (Actuarial Assessment)	5,375,630	10,849,310	16,224,940	4,878,220	7,835,212	12,713,432

Defined Benefit Plan – Assets

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Opening Assets	-	-
(+) Estimated Investment Returns for the year	-	-
(+) Additional Investment during the year	-	-
(-) Withdrawal (pay-outs during the year)	-	-
Closing Assets	-	-
Net Defined Benefit Plan Liability	18,413,580	12,713,446
Net Charge	2,188,640	1,355,466
Net Charge – SoPL	(2,188,640)	(1,355,466)
Net Charge (Debit) – SoCE	-	-

8.2.3.3 Sensitivity Analysis

A. Effect on Defined Benefit Obligation due to change in Discount Rate

B. Discount Rate Applied as at 2077.03.31 (15 July 2020) = 8%

C. Effect on Defined Benefit Obligation due to change in Salary Escalation Rate

Salary Escalation rate applied as at 2077.03.31 (15 July 2020)= 10%

8.2.3.4 Principal actuarial assumptions

8.3 Others

Staff Loan facilities

The loan facilities are provided from a “Welfare Fund” which is independent of the Company.

Change in Discount Rate	Amount (NRs.)			
	Gratuity	Annual Leave	Sick Leave	Total
1% increase	(9,098,540)	(689,430)	(1,263,420)	(11,051,390)
1% decrease	10,544,360	812,630	1,465,710	12,822,700

Change in Salary Escalation Rate	Amount (NRs.)			
	Gratuity	Annual Leave	Sick Leave	Total
1% increase	10,292,470	793,090	1,430,760	12,516,320
1% decrease	(9,062,390)	(686,740)	(1,258,480)	(11,007,610)

Particulars	Basis
Financial Assumptions	
Discount Rate	8%
Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) Ult.
Salary escalation (including inflation)	10%
Withdrawal Rate	1%
Investments of Plan Assets	0% of the fund
Interest bearing term deposits with the bank	0%

Staff Bonus (Statutory)

Staff is provided annual bonus under the provision of the Electricity Act and Rules 2049 (at the rate of 2% of Profit Before Income Tax and after Bonus). In case of Chilime Engineering & Services Co. Ltd., Bonus has been provisioned as per the respective clause of Bonus Act, 2030. Provision is created as per annual profit and will be paid in the subsequent period as per the provisions of Bonus Act 2030. Unspent amounts are transferred to Welfare Funds as per the provisions of Bonus Act 2030.

9. 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.

9.1 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.

CJCL has accounted NRs. 201,197,285 (NRs.195,735,686 of CJCL and NRs. 5,461,599 of CHesCO) as income tax liability for the current financial year by way of self-assessment as per

the Income Tax Act, 2058. NRs. 197,084,611 has been paid as installment tax during the year. NRs. 23,701,096 has been claimed as advance tax on bank interest income and Lease Income during the year. Total of installment tax paid and advance taxes are included in the total advance tax balance of NRs 237,159,195 as at the year end.

9.2 Deferred Tax

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

- 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,
- unused tax losses and/or
- unused tax credits.

Deferred Tax is computed using SFP method. Deferred Tax Liabilities are generally recognized for all taxable temporary differences and Deferred Tax Assets recognized to the extent that is probable that taxable profit will be available against which Deferred Tax Assets can be utilized.

The tax rate used for deferred tax is the rate that has been enacted as on 31 Asadh 2076 (which is 20% for CJCL and 25% for CHesCO)

The details of deferred tax related elements of Financial Statements are as given below:

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Employee Bonus CJBCL	18,765,302	18,814,883
Chilime Engineering & Services Co. Ltd.	1,790,949	3,702,131
Total	20,556,251	22,517,014

NRs.

Particulars	FY 2076/077 (2019/020)	FY 2075/076 (2018/019)
Temporary Difference (CJCL)	754,690,148	778,712,719
Tax Rate	20%	20%
Closing Deferred Tax (Assets)/ Liabilities (CJCL)	150,938,030	155,742,544
Temporary Difference (CHesCo)	1,669,203	2,084,821
Tax Rate	25%	25%

Particulars	FY 2076/077 (2019/020)	FY 2075/076 (2018/019)
Closing Deferred Tax (Assets)/ Liabilities (CHEsco)	417,301	521,205
Closing Deferred Tax (Assets)/ Liabilities Group	151,355,330	156,263,750
Less: Opening Deferred Tax (Assets) / Liabilities CJCL	155,742,544	122,646,574
Less: Opening Deferred Tax (Assets)/ Liabilities CHesCO	521,205	244,548
Opening Deferred Tax (Assets)/Liabilities Group	156,263,749	122,891,122
Deferred Tax Expense / (Income)	(4,908,419)	33,372,627
To SoPL	(3,164,505)	35,978,213
To OCI	(1,743,914)	(2,605,586)

NRs.

Particulars	Carrying Value (A)	Tax Base (B)	Temporary Difference	Remarks
FY 2019/20				
Assets: PPE (CJCL)	1,755,994,163	897,911,798	858,082,365	A-B
Liabilities: Defined Benefit Obligation (CJCL)	103,392,217	-	(103,392,217)	B-A
Temporary Difference (CJCL)	1,859,386,380	897,911,798	754,690,148	
Assets: PPE (CHEsco)	21,170,365	21,573,346	(402,981)	A-B
Liabilities: Defined Benefit Obligation (CHesCo)	2,072,183	-	2,072,183	A-B
Temporary Difference (CHesCo)	23,242,548	21,573,346	1,669,203	
FY 2018/19				
Assets: PPE	1,818,907,055	960,219,897	858,687,158	A-B
Liabilities: Defined Benefit Obligation	79,974,439	-	(79,974,439)	B-A
Temporary Difference	1,898,881,494	960,219,897	778,712,719	

10. Provisions

When the Company has a present obligation (legal or constructive) as a result of a past event, provisions are recognized only if it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

11. Revenue from Sale of Electricity

Revenue from sale of electricity is recognized at the time of issuing invoice to Nepal Electricity Authority (NEA) as per the Power

Purchase Agreement (PPA) dated 11 Ashadh 2054 held in between Nepal Electricity Authority and the Company.

The details of revenue from sale of electricity is as follows:

12. Hydroelectric Plant Operating Expense

12.1 Royalty

The Company has paid royalty to Government of Nepal as per the provisions of Electricity Act and Regulation as follows.

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Current Tax Liability	195,735,686	194,536,298
Employee Welfare	2,740,371	4,274,709
Employee Bonus	18,765,302	18,814,883
Total	217,241,359	217,625,890
Relating to Subsidiaries		
Sanjen Jalavidhyut Co. Ltd.	3,337,206	349,146
Madhya Bhotekoshi Jalavidhyut Co. Ltd.	2,357,746	1,709,618
Rasuwadgadi Hydropower Co. Ltd.	16,794,147	13,718,984
Chilime Engineering & Services Co. Ltd.	13,433,652	13,684,944
Sub-Total	35,922,752	29,462,693
Grand-Total	253,164,111	247,088,583

NRs.

Energy Sale and Purchase	FY 2076.77			FY 2075.76		
	Electricity Sale in Units	Rate per unit NRs.	Revenue NRs.	Electricity Sale in Units	Rate per unit NRs.	Revenue NRs.
Energy Sale						
Regular Energy	132,917,000	8.17	1,085,931,890	132,795,345	8.17	1,084,937,966
Excess Energy	13,433,190	4.08	54,807,415	2,095,445	4.08	85,494,178
Net Sale of Electricity	146,350,190		1,140,739,305	153,749,800		1,170,432,144
Energy Purchased from NEA	1,470	10.80	15,876	1,290	10.80	13,932
Net Sales	146,348,720		1,140,723,429	153,748,510		1,170,418,212

NRs.

Particulars	FY 2076.77	FY 2075.76
Current Employees Benefits (Note: 8.1)	51,851,185	43,193,767
Defined Contribution Cost (Note: 8.2.1)	2,691,915	2,099,689
Employee Welfare	771,727	777,753
Fuel – Generation	292,480	142,013
Other Tools	50,580	79,964
Electricity	15,876	13,932
Consultancy Service	299,450	191,050
Repair and Maintenance		
Other Repairs	408,520	155,477
Machine and Equipment Repairs	7,426,030	12,806,655
Transmission Line Repairs	348,227	525,035

Particulars	FY 2076.77	FY 2075.76
Distribution Line Repairs	294,929	612,170
Repair and Maintenance-Transformer	-	1,282,036
Fuel – Vehicles	1,461,154	1,737,752
Mobile – Vehicles	127,542	223,433
Repairs – Vehicles	2,333,247	2,715,530
Repairs – Civil	2,957,361	10,984,139
Street Light	570,100	436,350
Rent	-	49,720
Insurance	3,533,831	3,238,547
License Fee/ Registration and Renewal	675,755	390,190
Telephone	614,537	545,206
Transportation	-	90,000
Training	112,320	-
Printing and Stationery	476,241	526,903
Magazine and Newspaper	-	12,965
Financial Assistance	20,000	37,000
Advertisement	141,193	476,738
Annual General Meeting and Functions	620,344	743,105
Business Expenses	492,925	464,694
Other Expenses	165,553	175,514
Royalty (Refer to 12.1)	136,173,877	125,150,448
Travel	216,910	1,015,015
Meeting Allowances	191,200	453,400
Bank Charges and Commission	1,050	3,400
Community and Local Development	764,936	1,102,844
Total CJCL	216,100,995	212,452,433
Chilime Engineering & Services Co. Ltd.	75,270,506	34,139,550
Grand Total	291,371,501	246,591,983

NRs.

Royalty based on	Rate	FY 2076.77 (FY 2019.20)	FY 2075.76 (FY 2018.19)
Installed Capacity = 22.1 MW	NRs.100 per KW	-	224,027
Installed Capacity = 22.1 MW	NRs.1000 per KW	22,100,000	18,871,233
Revenue from Sale of Electricity	2 % of net Revenue	-	609,645
Revenue from Sale of Electricity	10% of net Revenue	114,073,877	105,445,542
Total Royalty		136,173,877	125,150,448

Calculation of royalty is based on sale of electricity after deducting the units of electricity used internally for operation of power house.

The Company has been generating electricity for commercial sale since 8 Bhadra 2060 (25

August 2003). After 7 Bhadra 2075 (23 August 2018), the rate of royalty expense has been increased from 2% to 10%.

13. Administrative Expense

Royalty based on	Rate
Installed Capacity (22.1 MW)	NRs.1,000 per KW
Revenue from Sale of Electricity	10 % of net Revenue

NRs.

Particulars	FY 2076.77 (FY 2019.20)	FY 2075.76 (FY 2018.19)
Relating to CJCL:		
Current Service Cost (Note: 8.1)	27,978,306	18,837,803
Defined Benefit Cost:		
Leave Encashment	2,188,658	1,355,466
Gratuity	12,509,550	10,063,320
Employee Welfare	2,747,171	4,462,078
Defined Contribution Cost (Note: 8.2.1)	1,080,505	10,063,320
Other Services	890,074	890,074
Water and Electricity	205,520	214,800
Consultancy Service	510,485	438,000
Other Repairs	88,210	11,390
Fuel – Vehicles	725,567	1,019,812
Mobile and Lubricants	8,030	60,634
Repair – Vehicles	350,175	705,051
Repairs – Civil	64,146	42,821
Insurance	352,897	314,731
License Fee with Land Tax	374,115	360,825
Postage and Courier	400	2,188
Telephone	310,912	282,174
Training	224,600	1,476,551
Legal Expenses	200,000	-
Foreign Exchange Loss	-	743
Other Business Expense	1,217,597	1,293,892
Printing and Stationery	623,812	548,562
Magazine and Newspaper	51,500	66,350
Advertisement	1,048,045	1,045,875
Annual Functions and Workshop	1,026,735	845,128

Particulars	FY 2076.77 (FY 2019.20)	FY 2075.76 (FY 2018.19)
Guest Entertainment	206,831	197,969
Other Expenses	422,147	317,586
Meeting Allowance	1,907,300	2,880,300
Meeting Management Expense	208,007	403,402
Travel	130,875	161,925
Bank Charge and Commission	5,419	1,827
Share Registrar Related Expense	3,712,038	3,484,081
Director Allowance	690,000	675,000
Audit Fee	572,100	550,423
Audit Expense	195,392	190,524
Recruitment Expense	85,800	1,341,910
Financial Assistance, Donation and Prizes	194,500	205,500
Corporate Social Responsibility	149,243	120,000
Total CJCL	63,256,661	55,648,777
Relating to Subsidiaries		
Sanjen Jalavidhyut Co. Ltd.	39,867,447	30,975,452
Madhya Bhotekoshi Jalavidhyut Co. Ltd.	54,329,897	50,151,649
Rasuwadgadi Hydropower Co. Ltd.	34,687,039	32,534,547
Chilime Engineering and Services Co. Ltd.	15,138,030	22,607,355
Total	207,279,074	191,917,779

14. Finance Income

Finance Income comprises of the interest income received or receivable from bank(s) on term deposits. Difference between what has been received and the total amount to be received is shown as receivables. The details of interest income is as below:

15. Other Income

The details of other income are presented as below, which comprise of lease rentals,

income from sale of tender forms, foreign exchange gain etc.

17. Related Parties

The Company identifies the following as its related parties:

17.1 Parent

Nepal Electricity Authority (NEA), the parent, holds 51% shares of CJCL. Entire energy generated by CJCL is sold to the

NRs.

Particulars	FY 2076.77 (FY 2019.20)	FY 2075.76 (FY 2018.19)
Chilime Jalavidhyut Company Ltd.	153,677,472	120,276,644
Relating to Subsidiaries		
Sanjen Jalavidhyut Co. Ltd.	-	19,975,399
Madhya Bhotekoshi Jalavidhyut Co. Ltd.	-	64,278,192
Rasuwadgadi Hydropower Co. Ltd.	4,358,411	44,313,993
Chilime Engineering and Services Co. Ltd.	3,124,387	2,647,289
Total	161,160,270	251,491,517

NRs.

Particulars	FY 2076.77 (FY 2019.20)	FY 2075.76 (FY 2018.19)
Land Lease	6,590,545	2,434,453
Other Income (including Forex Gain)	1,385,239	3,225,696
Relating to Subsidiaries		
Sanjen Jalavidhyut Co. Ltd.	5,385,288	39,393,567
Madhya Bhotekoshi Jalavidhyut Co. Ltd.	210,608	236,686
Rasuwagadhi Hydropower Co. Ltd.	(40,409,492)	3,169,063
Chilime Engineering and Services Co. Ltd.	111,639,332	97,675,747
Total	84,801,520	146,135,212

NRs.

Particulars	FY 2076.77 (FY 2019.20)	FY 2075.76 (FY 2018.19)
Net Profit for the Year (Rs)	694,260,915	760,309,660
Weighted Average Number of Share (Unit)	57097629	47581357
Basic EPS Reported (Rs.)	12.06	15.98
Basic EPS Restated (Rs)	12.06	*13.31

* Restated after capitalization of Bonus Share.

Calculation of Weighted Average Number of Shares

Shares/ Bonus Share	Number of Shares including Bonus Share					
	2077.03.31 (15.07.2020)			2076.03.31 (16.07.2019)		
	Number	Weight	Weighted Average	Number	Weight	Weighted Average
Opening including Bonus Share	47581357	1	47581357	39651131	1	39651131
Distribution of Bonus Shares – 2075/76	9516272	1	9516272	7930226	1	7930226
Weighted Average Number of shares	57097629	1	57097629	47581357		47581357

Parent as per the rate agreed in the Power Purchase Agreement (PPA). All sales of NRs. 1,140,739,306 was made to NEA. Trade receivable balance of NRs 117,223,203 is receivable from NEA. In addition of Electricity Sales, the Company has provided 22-06-0-02 Ropani land at the rate of 90,000.00 per Ropani p.a. and Land with building against Lease Amount Rs. 40,000 Per Month. Further this company has taken server facility from NEA of NRS. 1,80,000 p.a. During this Fiscal Year total number of 3 employees were deputed from NEA for which a payment of monthly basic salary of each employee was made on account of NEA overhead.

17.2 Associates/Subsidiaries

CJCL has made investments in three other hydropower companies and a company that provides engineering services. As CJCL has control over these entities, these companies are considered to be related parties to CJCL. (Refer Note 2 for details about the investments). CJCL has leased some unused land and building to these companies. The terms and conditions of the lease agreement with associates were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non-related entities on an arm's length basis.

Name of the Associate	Nature of Transaction	Transaction Amount	Gross Receipt (Payments)	Amount Written Off	Outstanding Amounts
Sanjen Hydropower Co. Ltd	Investment	1,436,644,900	1,436,644,900	-	-
	Lease	1,073,112	1,073,112	-	-
Madhya Bhotekoshi Hydropower Co. Ltd	Investment	2,220,000,000	2,220,000,000	-	-
Rasuwadgadi Hydropower Co. Ltd	Investment	2,243,731,000	2,243,731,000	-	-
	Lease	500,000	500,000	-	-
Chilime Engineering & Services Co. Ltd.	Investment	54,090,000	54,090,000	-	-
	Consultancy Services Paid	20,850,798	20,850,798	-	-
	Vehicle Rent Received	1,782,324	1,782,324	-	-
	Secondment of technical staff	11,717,745	11,717,745	-	-
Nepal Electricity Authority	Annual Payment for NEA server (for E-bidding, data server and web server)	180,000	180,000	-	-
	Secondment Charges of NEA Staff	1,217,597	1,217,597	-	-
	Land & building Rent received	2,494,452	2,494,452	-	-

CJCL has provided corporate guarantee totaling NRs. 21,502,340,000 to Employee's Provident Fund on behalf of its subsidiaries against Tripartite Loan Agreement with EPF, and NRs. 1,160,546,007 (USD 9,641,488.8 @ 120.37 as on reporting date) to Himalayan Bank Limited. Details of these transactions are provided in Note 20.1.2 and 20.1.3.

17.3 Directors and their relatives

CJCL has a Nine (9) member Board of Directors (BoD) appointed under the provisions of Companies Act 2063. Except for the following transactions, CJCL has not conducted any other transaction with directors or their relatives during the financial year.

NRs.

Name	Role	Meeting Allowance	Other Allowance	Total
Mr. Kul Man Ghising	Chairman	84000	75000	159000
Mr. Lekhanath Koirala	Member	155000	75000	230000
Mr. Hara Raj Neupane	Member	118000	75000	193000
Mr. Madhav Prasad Koirala	Member	165000	35000	200000
Mr. Manoj Silwal	Member	70000	75000	145000
Mr. Shanti Laxmi Shakya	Member	94000	10700	104700
Mr. Tulasi Ram Dhakal	Member	136000	68000	204000
Mr. Ram Prasad Rimal	Member	79000	68000	147000
Mr. Parsado Tamang	Member	42000	30000	72000

Name	Role	Meeting Allowance	Other Allowance	Total
Mr. Bhim Prasad Timalisina	Member	92000	68000	160000
Mr. Suman Prasad Sharma	Independent Member	35000	38000	73000
Dr. Jagat Kumar Shrestha	Independent Member	42000	38000	80000
Total		1112000	655700	1767700

SJCL's Board of Directors

Directors' Remunerations

S/N	Name	Meeting Allowances	Communication and Transportation	Gross Allowances
1	Manoj Silwal	90,000	30,000	120,000
2	Lokhari Luitel	219,000	30,000	249,000
3	Madhav Prasad Koirala	63,000	12,500	75,500
4	Subhash Kumar Mishra	74,000	15,000	89,000
5	Shanti Laxmi Shakya	67,000	20,000	87,000
6	Narayan Prasad Acharya	246,000	30,000	276,000
7	Rajaram Shrestha	175,000	30,000	205,000
8	Gunaraj Shrestha	20,000	-	20,000
9	Parsado Tamang	75,000	12,500	87,500
	Total	1,029,000	180,000	1,209,000

MBJCL's Board of Directors

S.N	Name of BoD	Role/Position	Meeting Allowance (NRs.)	Other Compensation (NRs.)	Balance at Year end	Remarks
1	Mr. Hara Raj Neupane	BoD Chairman	100,000	30,000	-	
2	Mr. Lekha Nath Koirala	BoD Member	122,000	30,000	-	
3	Mr. Tulasi Ram Dhakal	BoD Member	211,000	30,000	-	
4	Mr. Braj Bhushan Choudhary	BoD Member	105,000	30,000	-	
5	Mr. Madhav Prasad Koirala	BoD Member	53,000	10,000	-	BoD Member upto 2076 Kartik
6	Mr. Dhurba Bhattarai	BoD Member	181,000	30,000	-	
7	Mr. Madhav Sapkota	BoD Member	83,000	15,000	-	BoD Member from 2076 Magh
8	Mr. Subhash Karmacharya	BoD Member	56,000	15,000	-	BoD Member upto 2076 Poush
9	Mr. Subhash Kumar Mishra	BoD Member	59,000	30,000	-	BOD member from 2076 Mangsir

RGHPCL's BoD

Company	Name	Role	Meeting Allowance	Other Allowance
CJCL	Madhav Prasad Koirala (Kartik 2076 onwards)	Chairman	195,000	30,000
	Bhim Prasad Timilsina	Member	210,000	30,000
	Ram Prasad Rimal	Member	216,000	30,000
NEA	Jagadishwor Man Singh (Up to Kartik 2076)	Chairman	45,000	10,000
	Prabal Adhikari	Member	174,000	30,000
	Suvash Kumar Mishra (from Mangsir 2076)	Member	96,000	20,000
EPF	Rochan Shrestha	Member	162,000	30,000
General Public	NA			
	NA			
	NA			
	NA			

CHesco's Board of Directors

Name	Designation	Meeting Allowances	Other Allowances	Total
Mr. Madhav Prasad Koirala	Chairman	85,500	30,000	115,500
Mr. Subhash Kumar Mishra	Member	50,750	15,000	65,750
Mr. Narayan Prasad Acharya	Member	1,05,500	30,000	1,35,500
Dr. Prashanat Mandal	Member	1,01,000	30,000	1,31,000

17.4 Key Management Personnel and their relatives

CJCL considers its Chief Executive Officer (CEO), Chief Finance Officer (CFO) and Plant Manager (PM) to be Key Management Personnel. The Company has not conducted

any transaction (other than payment of employee benefits) with the Key Management Personnel or their relatives during the year.

17.4.1 Key Management Personnel Compensation

CJCL

Name of Personnel	Role	Payments of Employee Benefits				Share Based Payments
		Short Term	Post-Employment	Termination	Other Long Term	
Mr. Subhash Kumar Mishra	*CEO	14,02,937	-	-	-	-
Mr. Madhav Prasad Koirala	**CEO	14,74,188	-	-	-	-
Dr. Prashant Mandal	DM	16,60,662				
Mr. Narayan Pd Acharya	CFO	20,55,900	-	-	-	-
Mr. Manish Bista	PM	15,75,769				

* from Magh

** up to Mangsir

SJCL's

Name of Personnel	Role	Payments of Employee Benefits				Share Based Payments
		Short Term	Post-Employment	Termination	Other Long Term	
Mr. Kiran Kumar Shrestha	CEO	2,530,952.50	-	-	-	-
Mr. Arpan Bahadur Sing	PM	2,122,888.36	-	-	-	-
Mr. Sudhan Singh Mahat	PM	1,907,963.18				
Mr. Ghanashyam Shrestha	CFO	788,454.33	-	-	-	-
Mr. Sushant Basntola	CFO	983,082.03				

S.N.	Name	Position	Total Salary Paid (NRs.)
1	Mr. Mani Kumar Kafle	CEO	26,14,281
2	Dr. Sunil Kumar Lama	Project Manager	21,56,851
3	Mr. Bharat Shamsheer Bhattarai	CFO	15,17,773

RGHPCL's Key Management Personnel

Name of Personnel	Role	Payments of Employee Benefits				Share Based Payments
		Short Term	Post-Employment	Termination	Other Long Term	
Mr. Bishwa Malla	CEO	2,627,019				
Mr. Chhabi Lal Gaihre	Project Manager	2,505,811	-	-	-	-
Mr. Dharam Raj Sharma	CFO	1,484,796	-	-	-	-

CHesco's Key Management Personnel

Name	Designation	Term/Period	Benefits NRs.
Prajesh Bikram Thapa	Chief Executive Officer	12 Months	2,568,144

17.5 Employee retirement benefit plans

A provision of retirement benefit plans is made in Staff by Laws of company. There is no any provision for deputed staff from NEA. To address this issue Company has been paying the total annual salary of each personnel to NEA on account of NEA Overhead. Company's staff are entitled to have gratuity, EPF, Insurance and Accumulated annual and sick leave at the time of retirement. Company has made a

provision of such retirement benefits and shown in balance sheet but not deposited separately. However the retirement benefits as prescribed by respective laws is deposited in Social Security Fund of the newly recruited staff. Company is planning to deposit DBO separately.

17.6 Pending Dividend

This Company has continuously been distributing dividend since 2060/061 till date. Previously Citizen Investment Trust

(CIT) was appointed as a Share Registrar and distribution of Cash Dividend and Bonus Share was performed by CIT. Now the same job is being done by Siddhartha Capital Limited. According to the information given by Share Registrar and the records with company, there is pending Cash Dividend of NRs. 159,914,804 of 230285 shareholders.

17.7 Other matters

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

18. 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.

19. 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.

20. Contingent Liabilities and Commitments

20.1 Contingent Liabilities

A contingent liability is identified as follows:

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

CJCL discloses contingent liabilities unless the possibility of an outflow of resources embodying economic benefits is remote. Following are details of contingent liabilities which has the possibility of outflow of resources:

S/N	Particulars	No of Shareholders	Undistributed Dividend NRs.
1	Up to 2066/067		13,304,874
2	DPCHCL2067/068	2348	1,850,999
3	DPCHCL2068/069	2470	1,840,934
4	DPCHCL2069/070	3591	1,595,963
5	DPCHCL2070/071	9953	9,669,998
6	DPCHCL2071/072	19199	10,234,563
7	DPCHCL2072/073	37550	38,149,123
8	DPCHCL2073/074	53608	42,839,398
9	DPCHCL2074/075	47472	17,864,374
10	DPCHCL2075/076	54094	22,564,579
		230285	159,914,804

20.2 Income Tax Assessment Background

Clause 12 (3) of Electricity Act 2049 provides exemption from income tax to entities that have been granted permission for the production, transmission or distribution of hydroelectricity. Such exemption was applicable for a period of fifteen years from the date of commercial production, transmission or distribution. The Company had obtained an Advanced Ruling (Purba-adesh) from the Inland Revenue Department (IRD) on 28 Asoj 2061 (14 October 2004) confirming that it will be eligible for this exemption.

Accordingly, CJCL got tax exemption on income from sale of electricity upto FY 2074/075.

Final Assessment of FY 2071/72

Upon final assessment of income tax for fiscal year 2071/072, the Large Tax Payers' Office (LTPO) has confirmed a tax credit (over payment of advance income tax) of NRs. 193,717,634/- for that fiscal year through their letter with ref. dispatch No. 329 dated 2076/01/10. This amount has been shown as advance (prepaid) income tax in the Balance Sheet and same will be adjusted with the

income tax to be paid against the net profit of fiscal year 2076/077.

Final Assessment of FY 2072/73

Similarly upon final assessment of income tax for fiscal year 2072/073, the Large Tax Payers' Office (LTPO) has confirmed tax credit (over payment of advance income tax) of NRs. 65,542,718/- for that fiscal year through their letter with ref. No. 2076/077 dispatch No. 336 dated 2076/10/13. This amount will be reflected in the financial statements of 2077/078 and accordingly will be adjusted with the income tax to be paid against the net profit of fiscal year 2077/078.

Company has submitted its income TAX return under self-assessment procedure from FY 2073/074 to 2075/076 which is yet to be finalized by LTPO. The details of Income Tax as per return filed from FY 2073/74 to 2075/76 is as flows:

20.1.2 Long Term Loan (Employee Provident Fund)

CJCL has provided corporate guarantee to Employee Provident Fund against the loans provided to the Company's subsidiaries for construction of the hydropower project. The amount outstanding at the end of FY 2075/76 (2018/19) and Fiscal Year 2074/075 (2017/018) is as follows.

Description	FY 2073/074	FY 2074/075	2075/076
Income Tax as per Profit & Loss Account (a)	10,898,992	18,000,793	169,022,514
TDS Deposit by Bank (b)	(6,055,463)	(10,458,535)	(18,486,859)
Advance Tax paid in Cash (c)	(4,000,000)	(7,300,000)	(148,529,000)
Tax Credit Claimed (d)	-	-	(2,006,655)
Paid at the time of tax return (e)	(843,529)	(2,42,258)	-
Total Tax Paid During the Year (a+b+c+d)	-	-	-

Fiscal Year 2076/077 (2019/020)

SN	Associates	Approved Loan	Outstanding		
			Principal	Interest	Total
1	Sanjen Jalavidhyut Co. Ltd.	4,571,600,000	3,010,000,000	1,018,496,570	4,028,496,570
2	Madhya Bhotekoshi Jalavidhyut Co. Ltd.	8,888,640,000	3,557,080,000	1,452,568,186	5,009,648,186

SN	Associates	Approved Loan	Outstanding		
			Principal	Interest	Total
3	Rasuwagadhi Hydropower Co. Ltd.	8,042,100,000	4,778,200,000	1,318,158,902	6,096,358,903
Total		21,502,340,000	11,345,280,000	3,789,223,658	15,134,503,659

A supplementary loan agreement was done with EPF in FY 2076.77 (FY 2019.20) of NRs 950,000,000 for SJCL, NRs. 2,746,990,000 for MBJCL and NRs. 1,200,000,000 of RGHPCL in the presence of CJCL.

All of the items of Property, Plant and Equipment of the Company at project site of respective Hydroelectric Projects have been mortgaged as a secured against these guarantees.

Himalayan Bank Limited

CJCL has given the corporate guarantee to Himalayan Bank Ltd. against Letter of Credit facility to Sanjen Jalavidhyut Company Ltd. amounting to NRs 1,160,546,007 (USD 9,641,488.8 @ 120.37 as on reporting date).

21. Impact due to COVID-19 and Flood

1. Company's operation being an essential service continued to operate during the Covid-19 lockdown period with no significant issues apart from postponement of scheduled/planned rehabilitation of plant has been rescheduled to be started from February, 2021 for next year.
2. The construction activities of its subsidiary were however obstructed, due to the

lockdown, resulting in progress not being made as planned. In addition to the COVID 19 issue, Madhya Bhotekoshi Jalavidhyut Company Limited had to face with a severe flood of 08/07/2020 that resulted in washing away of construction equipment and materials of contractors of the project including damage of some of the constructed infrastructure. Though there is no significant direct financial impact on the subsidiaries financials, the construction activities could not be executed as per plan and have to be rescheduled.

3. The impact of Covid-19 is expected to continue for the FY 2077/78 due to possible reduction in the economic activities and also travel restriction, however considering the situation effecting the Company and its subsidiary's current position and in absence of the material uncertainties for the next 12 months, the financial statement has been prepared on a going concern basis.
4. Other COVID-19 impact on the asset's impairment, provisions & contingencies and payment & receipt of the financial instruments are highly unlikely. Hence, adjustments due to COVID-19 have not been considered in the preparation of the financial statement.

Fiscal Year 2075/076 (2018/019)

A	Associates	Approved Loan	Outstanding		
			Principal	Interest	Total
1	Sanjen Jalavidhyut Company Ltd.	3,621,600,000	201,000,000	892,178,415	290,217,8415
2	Madhya Bhotekoshi Jalavidhyut Company Ltd.	6,141,650,000	2,881,080,000	1,014,227,300	3,895,307,300
3	Rasuwegadhi Hydropower Company Ltd.	6,842,100,000	2023200000	863,536,899	2,886,736,899
Total		16,605,350,000	6,914,280,000	2,769,942,614	9,684,222,614

Manoj Silwal
Member

Madhav Prasad Koirala
Member

Hara Raj Neupane
Member

Lekhanath Koirala
Member

Hitendra Dev Shakya
Chairman

Bhim Prasad Timalisina
Member

Shanti Laxmi Shakya
Member

Ram Prasad Rimal
Member

Tulasi Ram Dhakal
Member

Prabin K Jha, FCA
Joshi & Bhandary
Chartered Accountants

Narayan Prasad Acharya
Chief Finance Officer


Subhash Kumar Mishra
Chief Executive Officer

Suman Prasad Sharma
Independent Member

Dr. Jagat Kumar Shrestha
Independent Member

Date : 2077/08/16

Place: Dhumbarahi-4, Kathmandu



Abridge Financial
Statements of
**CHILIME
HYDROPOWER
COMPANY LIMITED**

(INDIVIDUAL)
FOR FY 2076/077 (2019/020)

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
Chilime Jalavidhyut Company Limited, Kathmandu, Nepal**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Chilime Jalavidhyut Company Limited (the Company or "CHCL")** which comprise the Statement of Financial Position (SoFP) as at Asad 31, 2077 (corresponding to July 15, 2020), the Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of Significant Accounting Policies.

In our opinion and to the best of our information and explanations provided to us, the accompanying financial statement referred to above present fairly, in all material respects, the financial position of the Company as at 31st Ashad 2077 [i.e. July 15, 2020] and its financial performance and its cash flow for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis of Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 29 of the accompanying standalone financial statements, which describes the effect of uncertain situation brought about by COVID 19 and also flood on the company and its subsidiaries. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended Asad 31, 2077. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.



Key audit matters	How our audit addressed the key audit matter	
	FY 2076/77	FY 2075/76
Particulars Prior period Advance Tax Adjustment in Statement of Changes in Equity	219,207,463	(124,216,603)
is reported in Note 5.1.1a, out of the total prior period adjustment pertaining to advance tax amounting to Rs. 219,207,463 made in Statement of Changes in Equity, Rs. 193,717,634 pertains to advance tax for FY 2071/72 as certified by Large Tax Payers Office (LTO) based on its revised assessment of self-assessed income tax return filed by the company on 2072/09/23 by its letter dated 2076/01/10 to be set off from tax liability of future periods. The amount of advance tax thus adjusted could not be reconciled in the books of the company. Considering the significance of the above matter to the financial statements being a material item, we have identified this as a key audit matter for the current year audit.	Our audit procedures included, but were not limited to, the following: We understood the processes followed by the company while filing its income tax returns for FY 2071/72, 2072/73 and also prior years including resulting assessments made by the tax authority. The return for each of the years together with the accounting for advance tax (deposited by the company and also TDS deposited by others on behalf of the company) was verified and necessary enquiries made with the management and also audit committee members. The booking of advance tax and increasing the equity of the company has solely been made based on the letter from Large Tax Payers Office.	

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

Company's Management is responsible for the preparation and fair presentation of these financial statements, in accordance with NFRSs that is also described under Notes to accounts and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility 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 risk of material misstatement of the financial statements, whether due to fraud or error, design and performed 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 omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of 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 the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cause significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, 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.
- Evaluated the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

As per Companies Act 2063, based on our audit carried out on sampling basis, we report that, in our opinion:

1. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were considered necessary for the purpose of our audit;
2. Proper books of accounts as required by law have been kept by the Company as far as appears from our examination of such books;
3. The Statement of Financial Position (SoFP) as at Asad 31, 2077 [corresponding to July 15, 2020], the Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year then ended are prepared as per the provisions of the Company Act 2063 and the same are in agreement with the books of accounts maintained by the Company;
4. The business of the Company has been conducted satisfactorily; and
5. To the best of our knowledge and in accordance with explanations given to us and from our examination of the books of accounts of the Company, necessary for the purpose of our audit, we have not come across cases where the Board of Directors, representative or any employee of the



Company has acted contrary to the provisions of law, or committed any misappropriation or caused loss or damage to the Company deliberately.

6. Our suggestions for improvement in the Company's internal controls and accounting system have been presented in a separate management letter.

The engagement partner on the audit resulting in this independent auditor's report is CA Prabin Kumar Jha.

Auditor



Prabin K. Jha, FCA
Partner



Dillibazar, Kathmandu
Date: Mangsir 16, 2077

UDIN: 201206CA002130cZ1N

STATEMENT OF FINANCIAL POSITION

As at 31 Asadh 2077 (15 July 2020)

NRs.

Particulars	Notes	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Assets			
Non-Current Assets			
Property, Plant and Equipment	1.2.1	1,755,994,163	1,818,907,055
Capital Work in Progress	1.1.5	185,404,591	140,322,954
Investment in Subsidiaries	2	5,954,465,900	5,930,674,444
Total Non-Current Assets		7,895,864,654	7,889,904,453
Current Assets			
Inventory	3	154,747,030	157,623,191
Prepayments	4	2,830,348	1,788,298
Advances, Deposits and Other Receivables	5.1.1	247,418,078	227,419,697
Trade Receivables	5.1.2	117,223,203	126,272,426
Investment in Term Deposits	5.1.3	2,012,626,813	1,251,160,940
Cash and Cash Equivalents	5.1.4	86,541,329	138,770,333
Total Current Assets		2,621,386,801	1,903,034,885
Total Assets		10,517,251,455	9,792,939,337
Equity and Liabilities			
Equity			
Share Capital	6	5,709,762,939	4,758,135,782
Retained Earnings	7	4,303,718,884	4,542,886,892
Corporate Social Responsibility Fund		7,455,900	
Total Equity		10,020,937,723	9,301,022,675
Non-Current Liabilities			
Defined Benefit Obligation	8.2.3	103,392,217	79,974,439
Deferred Tax Liabilities	9.2	150,938,030	155,742,544
Total Non-Current Liabilities		254,330,247	235,716,983
Current Liabilities			
Provisions	10	217,241,359	217,625,891
Trade and Other Payables	5.2.1	24,742,126	38,573,789
Total Current Liabilities		241,983,485	256,199,680
Total Equity and Liabilities		10,517,251,455	9,792,939,337

As per our report of event date

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 Asadh 2077 (15 July 2020)

NRs.

Particulars	Notes	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Income			
Revenue from Sale of Electricity	11	1,140,739,306	1,170,432,144
Expenses			
Hydro Electric Plant Operating Expenses	12	(216,100,995)	(212,452,433)
Administrative Expenses	13	(63,256,661)	(55,648,777)
Depreciation	1.2.1	(66,004,487)	(68,708,675)
Operating Profit/ (Loss)		795,377,162	833,622,259
Finance Income	14	153,677,472	120,276,644
Other Income	15	7,975,784	5,660,149
Profit / (Loss) before Tax and Bonus		957,030,419	959,559,052
Employee Bonus	8.4	(18,765,302)	(18,814,883)
Profit/ (Loss) before Tax		938,265,116	940,744,169
Less: Tax			
Current Tax	9.1	(195,735,686)	(194,536,298)
Deferred Tax Income (Expense)	9.2	3,060,600	(35,701,556)
Net Profit/ (Loss) for the Year		745,590,031	710,506,315
Earnings Per Share			
Basic	16	13.06	14.93
Diluted	16	13.06	12.44
Other Comprehensive Income:			
Actuarial Gain (Loss) on remeasurement of defined benefit plans	8.2.3.1	(8,719,570)	(13,027,930)
Income Tax relating to items have not be reclassified	9.2	1,743,914	2,605,586
Other Comprehensive Income for the Year		(6,975,656)	(10,422,344)
Total Profit / (Loss) and Other Comprehensive Income		738,614,375	700,083,970

As per our report of event date

<u>Manoj Silwal</u> Member	<u>Madhav Prasad Koirala</u> Member	<u>Hara Raj Neupane</u> Member	<u>Lekhanath Koirala</u> Member	<u>Hitendra Dev Shakya</u> Chairman
<u>Bhim Prasad Timalisina</u> Member	<u>Shanti Laxmi Shakya</u> Member	<u>Ram Prasad Rimal</u> Member	<u>Tulasi Ram Dhakal</u> Member	<u>Prabin K Jha, FCA</u> <u>Joshi & Bhandary</u> Chartered Accountants
<u>Narayan Prasad Acharya</u> Chief Finance Officer	<u>Subhash Kumar Mishra</u> Chief Executive Officer	<u>Suman Prasad Sharma</u> Independent Member	<u>Dr. Jagat Kumar Shrestha</u> Independent Member	

Date : 2077/08/16

Place: Dhumbarahi-4.

STATEMENT OF CASH FLOWS

For the year ended 31 Asadh 2076 (16 July 2019)

NRs.

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)
Cash Flow from Operating Activities		
Profit before Interest and Tax	938,265,116	940,744,169
Adjustments		
Depreciation	66,004,487	68,708,675
Income from Investment and Bank Deposit	(153,677,472)	(120,276,644)
Prior Period Expenses Adjustment	(193,717,634)	(8,750)
Increase in Defined Benefit Obligation and Deferred Tax	14,698,208	11,418,786
Employee Bonus in Statement of Profit and Loss (SoPL)	18,765,302	18,814,883
Movements in Working Capital		
Decrease/(Increase) in Inventory	2,876,160	4,264,300
(Increase)/Decrease in Prepayments	(1,042,049)	42,248
(Increase)/Decrease in Advances, Deposits & Other Receivables	392,926,716	(32,948,080)
Increase)/Decrease in Trade Receivables	9,049,224	3,188,119
(Increase)/Decrease in Term Investments	(761,465,873)	(490,386,820)
Increase/(Decrease) in Provisions	(196,070,637)	(17,213,077)
Increase/(Decrease) in Current Liabilities	(13,831,663)	25,186,731
Employee Bonus Paid	(18,814,883)	(18,753,273)
Gratuity and Leave Paid	-	(1,086,550)
Advance Income Tax Paid	-	(148,529,000)
Prior Period Tax Paid	-	(104,391,350)
Total Adjustments	(834,300,115)	(801,969,801)
Net Cash flow from Operating Activities (A)	103,965,001	138,774,367
Cash Flow from Investing Activities		
Acquisition of Property, Plant and Equipment	(3,091,595)	(3,089,582)
Proceeds from Sale of Asset		
Decrease/ (Increase) in Capital Work in Progress	(45,081,637)	(79,086,000)
Decrease/ (Increase) in Investment	(23,791,457)	(6,171,961)
Income from Investment and Bank Deposit	153,677,472	120,276,644
Net Cash Flow from Investing Activities (B)	81,712,784	31,929,102
Cash Flow from Financing Activities		
Dividend Paid	(237,906,789)	(198,255,658)
Net Cash Flow from Financing Activities (C)	(237,906,789)	(198,255,658)
Net Increase in Cash (A+B+C)	(52,229,004)	(27,552,188)
Cash at Beginning of the Year	138,770,333	166,322,521
Cash at the End of the Fiscal Year	86,541,329	138,770,333

As per our report of event date

Manoj Silwal
Member

Madhav Prasad Koirala
Member

Hara Raj Neupane
Member

Lekhanath Koirala
Member

Hitendra Dev Shakya
Chairman

Bhim Prasad Timalisina
Member

Shanti Laxmi Shakya
Member

Ram Prasad Rimal
Member

Tulasi Ram Dhakal
Member

Prabin K Jha, FCA
Joshi & Bhandary
Chartered Accountants

Narayan Prasad Acharya
Chief Finance Officer

Subhash Kumar Mishra
Chief Executive Officer

Suman Prasad Sharma
Independent Member

Dr. Jagat Kumar Shrestha
Independent Member

Date : 2077/08/16

Place: Dhumbarahi-4.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 Asadh 2077 (15 July 2020)

Particulars	NRs.				
	Share Capital	Retained Earning	CSR	Total	Total Equity
Opening Balance as on 1 Shrawan 2076 (17 July 2019)	4,758,135,782	4,542,886,892		4,542,886,892	9,301,022,675
Bonus Share for FY 2075/76 capitalized in FY 2076/77	951,627,156	(951,627,156)		(951,627,156)	-
Dividend for FY 2075/76 paid in FY 2076/77		(237,906,789)		(237,906,789)	(237,906,789)
Prior period items adjustments		219,207,463		219,207,463	219,207,463
Other Comprehensive Income		(6,975,656)		(6,975,656)	(6,975,656)
Corporate Social Responsibility Fund		(7,455,900)	7,455,900	-	-
Net Profit after Tax	-	745,590,031		745,590,031	745,590,031
Closing Balance as on 31 Asadh 2077 (15 July 2020)	5,709,762,939	4,303,718,884	7,455,900	4,311,174,784	10,020,937,723

FOR THE YEAR ENDED 31 ASADH 2076 (16 JULY 2019)

NRs.

Particulars	Share Capital	Retained Earning	Total
Opening Balance as on 1 Shrawan 2075 (16 July 2018)	3,965,113,152	4,958,306,563	8,923,419,715
Bonus Share for FY 2074/75 Capitalized in FY 2074/76	793,022,630	(793,022,630)	-
Dividend for FY 2074/75 paid in FY 2075/76	-	(198,255,658)	(198,255,658)
Prior Period Adjustment	-	(8,750)	(8,750)
Other Comprehensive Income		(134,638,947)	(134,638,947)
Net Profit after Tax	-	710,506,315	710,506,315
Closing Balance as on 32 Asadh 2076 (16 July 2019)	4,758,135,782	4,542,886,892	9,301,022,675

As per our report of event date

Manoj Silwal
Member

Madhav Prasad Koirala
Member

Hara Raj Neupane
Member

Lekhanath Koirala
Member

Hitendra Dev Shakya
Chairman

Bhim Prasad Timalisina
Member

Shanti Laxmi Shakya
Member

Ram Prasad Rimal
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Chief Finance Officer

Subhash Kumar Mishra
Chief Executive Officer

Suman Prasad Sharma
Independent Member

Dr. Jagat Kumar Shrestha
Independent Member

Date : 2077/08/16

Place: Dhumbarahi-4.

Business operation

Financial Performance

The total income for the current fiscal year is NRs.1,302.39 million. Out of which revenue from electricity sales is NRs.1,140.74 million which is 2.54% less than the previous year's figure of NRs.1,170.43 million. Likewise, NRs.161.65 million has been earned from other incomes including financial income which is 28.36% higher as compared with the previous year's figure of NRs.125.93 million.

The total operating and administrative expenses including staff bonus and depreciation is NRs.364.13 million which is 2.39% higher as compared with corresponding figure of NRs.355.62 million of previous fiscal year.

During the year under review, the company has made a net profit after tax of NRs.745.59 million with an increase of 4.94 % over previous year's figure of NRs.710.51 million.

The company has made a total investment of NRs.5,954.47 million in its three associates and one subsidiary namely, Rasuwagadi Hydropower Company Ltd, Madhya Bhotekoshi Jalavidhyut Company Ltd., Sanjen Jalavidhyut Company Ltd. and Chilime Engineering and Services Co. Ltd. This investment has been converted to the equity investment in the respective companies.

Net Worth

The total net worth of the company stands at NRs.10,013.48 million before 10% cash dividend and 10% bonus share. After the cash dividend and bonus share the total net worth will stand at NRs.9,442.51 million which will be equivalent to NRs.150.34 per share.

Market Capitalization

At the end of the fiscal year 2019/020, Chilime's share price stood at NRs. 398.00 per share and total market capitalization at NRs. 22,724.86 million (as on 15-July-2020, last date of transaction). Share transaction volume in NEPSE shows consistent faith and belief from investors towards Chilime. Its share price was stable even in the turmoil situation in share market.

Market Capitalization as on 15-July-2020

(NRs. in million)

Total Market Capitalization NRs 1,792,762.68
Market Capitalization of Hydropower Industry 97,259.64
Market Capitalization of CHCL 22,724.86

The percentage Market Capitalization of Chilime in share market is 23.37% of hydropower industry and 1.67% of total share market.

1. Maintenance and other activities

As a result of highly efficient Electro-Mechanical equipment and robust civil structures that ensure a flexible operation, Chilime Hydro power Plant was able to deliver 22.751 GWh of Excess Energy in addition to the Deemed Energy (132.917 GWh). Generation figures depict that the plant was able to deliver chargeable deemed energy of 132.917 GWh and 22.751 GWh of Excess Energy out of which 13.43 GWh was paid while 9.32 GWh was free.

Plant Operation

The Plant Load Factor was calculated to be 81.9% (85.31% for FY 2075/76) while the total availability was 99.15% (compared to that of 98.26% for the last FY 2075/76). The individual unit availabilities were 99.07% and 99.22 % respectively for Unit-1 and Unit-2. The total delivered energy to NEA was 155.668 GWh and the energy for internal consumption and station load amounted to 0.817 GWh. The total energy for different outages was calculated to be 6.0529 GWh, which comprised 1.212 GWh of plant (Forced + Maintenance) outage and 4.84 GWh of NEA outage. Based on these figures, the available capacity of the plant for the year was estimated to be 161.7209 GWh.

2. Maintenance

This year, the company was not able to carry out the annual maintenance work due to lockdown effect of Covid-19. However, some preventive and corrective maintenance works has been carried out in this fiscal year 2076/77 as follows:

- A. Accumulator-bladder and required N2 gas of hydraulic governor unit has been replaced in both units.



Replaced bladder of OPU in Unit I & Unit II, 2076

B. Transported 13 MVA Power Transformer from access tunnel to transformer-bay manually using wooden blocks and hydraulic jacks.



C. Repair and maintenance of two number of 37 KW, 115m³/hr. submersible pumps for cooling water system.



D. Repair and replacement of hydraulic regulating valve, DN 80, PN 40 for brake-jet & pneumatic actuator for cooling water system.



E. Maintenance and replacement of heat exchanger for NDE bearing in unit II.



F. Fabrication and installation of gate (Size: 7.5m*1.5m) in left side bank to avoid back flow of water during flushing.



Civil Works-FY: 2076/077

Some of the Civil construction and maintenance works were carried out in this fiscal year as listed below:

1. Diversion Works of Bemdang Khola after wet season.



2. Workshop Maintenance Work in Syafrubensi



3. Seepage management works in Power Control Room Area



4. Slab maintenance of Main Meter and DG Room at Switchyard area



5. Cavity Filling Work at Inlet portal, Thambuchet



6. Peaking Pondage Flushing Work



7. Construction of Staff's Entertainment hall at Syafrubensi Camp Area



8. Blockage removal work of Hume Pipe Culvert nearby school



Risk Management

Risk management is an integral part of Chilime's business operations. The regular meeting of senior executives and heads of the subsidiaries chaired by CEO of Chilime has been conducted to identify, assess and monitor the risk associated with various business activities. The minor risks are mitigated from the respective departments whereas the major risks are reported by the management to the Board in order to develop the effective mitigation strategies.

Operational Risk

Chilime has efficient equipment and robust civil structures. It has high level of operational flexibility due to reservoir and bypass canal structures in headworks and efficient electro-mechanical equipment requiring less maintenance. However, we have envisaged some risks associated with trash rack, transmission line and equipment failure. During wet season, there is frequent chocking of trash rack due to debris deposits and frequent tripping in transmission line occurs due to lightning stroke. Chilime has well trained maintenance team along with adequate spares to tackle the risk and ensure plant operation with minimum interruption.

Before the provision of the reservoir, the wear and tear of the runner, Nozzle tips and Seat rings of the turbine was significantly high and used to occur in a short span of time. This was due to high silt content in water. But, the construction of the reservoir has facilitated huge amount of silt to be settled down in the reservoir resulting less deterioration in the turbine parts.

There are hazards associated with the operation of underground power plant like noise, heat, vibration, electrical shock, falling of objects etc. To tackle these hazards necessary trainings and safety gears like ear plugs, helmets, and safety boots are provided to the staffs. Sound proofing work has been carried out in the control room to maintain the sound level at internationally accepted standards.

Business Development Risk

Hydropower Development has to face many challenges at the initial stage of development itself. Huge capital requirement, long implementation and payback period, high and changing interest rates are some of the challenges to be tackled by the developers. The major challenges lie on the uncertainties in availability of transmission infrastructure at the time of commercial operation. Long term Hydrological uncertainties, due to global warming, also impacts on energy generation.

Project Execution Risk

Unforeseen geological and hydrological events during the construction of hydropower projects pose a big threat in timely completion leading to cost and time overruns. Expectations of the locals for infrastructure development (like schools, hospitals), employment, etc. give rise to obstruction in the project execution. Fluctuation in the foreign currency exchange rate can lead to substantial cost overruns.

The company has been successful in maintaining good and harmonious relationship with the local community by creating ownership feeling to the projects with their share participation in the project. Similarly, well managed community development plan has been implemented in the project area. Hedging the risk by having forward contracts for major equipment and services will help manage the foreign currency exchange risk, to a large extent.

Human Resource Management

Employees Bylaws-2071 governs staff management procedure. By the end of FY 2019/2020,

altogether 113 employees were working at the company. Out of 113 staffs, 41 were deputed at corporate office and rest at the site office. The Company provides need-based training opportunities to its staffs inside as well as outside the country. Chief Executive Officer (CEO) is the permanent staff of NEA. All the staffs except one are permanent. Company can depute the staffs to its subsidiary and associate companies as per the request of respective company.

Management Information System

The company is advancing towards the implementation of modern information systems in a wide range of areas. Company has also planned to implement the central data system utilizing the main server to keep the data updated with complete backup system. The use of accounting software packages, inventory management systems, biometric fingerprint attendance systems etc. are some of the IT solutions towards office automation and data management systems.

Compliance to International Standards

The continuous efforts on enhancing management practices and process-based approaches have been proved to be successful in achieving the ISO certification; ISO 9001:2015 (Quality Management System) and ISO 14001:2015 (Environmental Management System). The Company has been certified with these two quality standards on November 5, 2019. The entire team of the company is committed to implement and follow these quality standards in order to achieve continual improvement on the overall systems. The financial statements are prepared based on Nepal Accounting Reporting Standards (NFRS). International Accounting Reporting Standards (INFRS) are also adopted if necessary.

Health, Safety and Environmental Protection

'Safety comes first' has always been the motto of Chilime to maintain safe working environment within the organization. Along with the employees, the Company is aware of promoting the safe and healthy habits among the villages of Rasuwa district, especially the dwellers around the project affected areas.

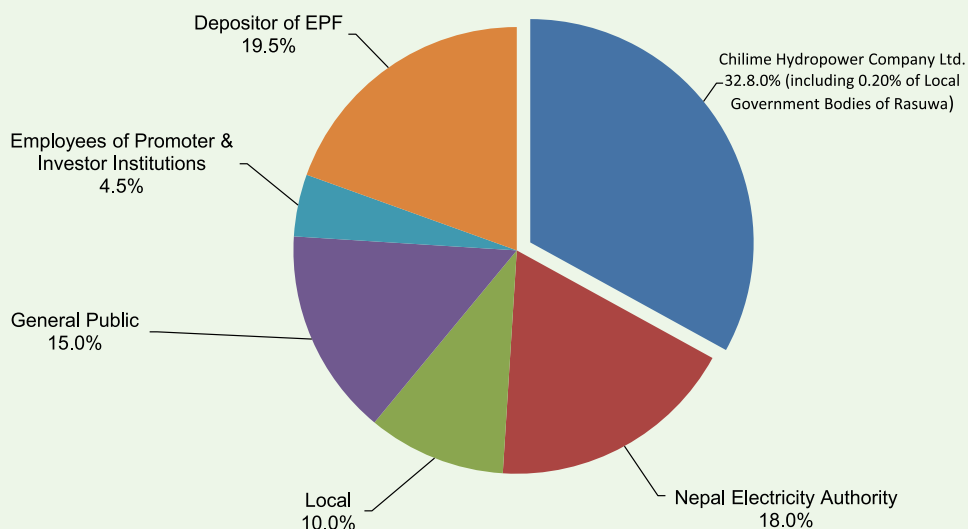
To adhere with the ISO standards, Chilime follows quality management objectives and is committed to develop and generate electricity from hydropower projects satisfying our stakeholders through continual improvement in its technology, process, human resource management system and complying the statutory & regulatory requirement. We are also committed to produce the products in an environment friendly and responsive manner by implementing, maintaining and continually improving our environmental management system.

Business Development

Chilime has business strategy of developing hydropower projects in PPP model through its subsidiaries. Accordingly, we have launched four hydropower projects with total capacity of 270.3 MW for construction through its three subsidiaries, namely RHPCL, MBLCL and SJCL. Likewise, Chilime has acquired survey license for new hydropower projects.

Rasuwagadhi Hydropower Company limited

Capital Structure of the company

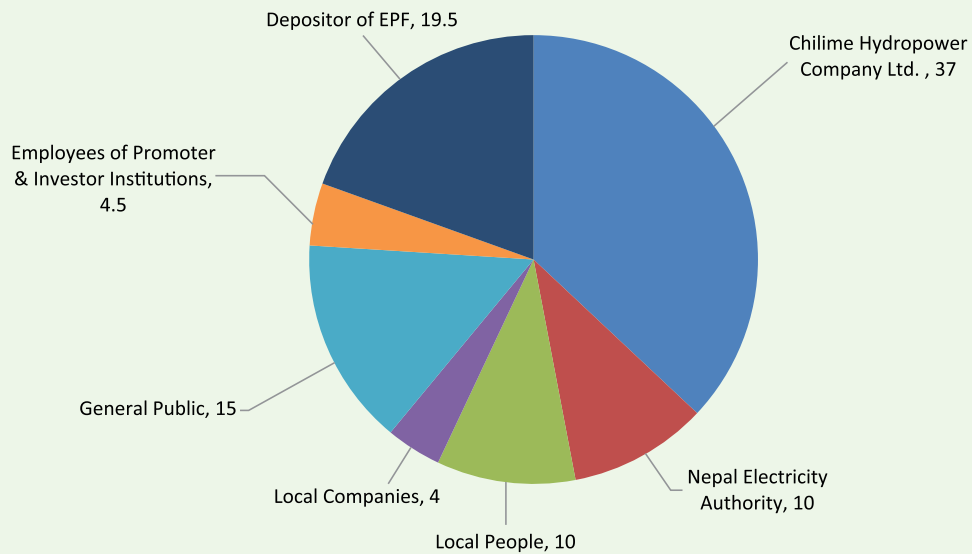


Key Features of the Project

Type of Project:	Run-of-River(ROR)
Design Discharge (Q40):	80.00m ³ /s
Geology:	Quartzite, Migmatite and Gneiss Rock
Gross Head:	167.90m
Headwork:	Overflow diversion Weir (crest length 79.3m and height 8.5m) With Undersluice and Side Intake
Weir crest Level :	EL.1790.00m
Desander, Type and Size:	Underground (3 Chambers of size 125mx15mx23m)
Tunnel length and size:	4185m, Circular section of dia.7m
Powerhouse type and size:	Underground, 76.m(l) x 15.0m(b), 35.0m(h)
Tailrace Tunnel	610m x 6m x 6m
Tail Water Level	EL. 1622.10m
Turbine, Type & No:	Francis, Vertical Axis & 3 Nos.
Turbine Unit Capacity	38.50 MW each
Generator, Capacity & No.:	3 phase Synchronous AC, 3 x 43.75 MVA
Installed Capacity:	111.0 MW
Annual Energy Generation	613.875GWh
Dry Months Energy	84.318GWh
Wet Months Energy	529.557GWh
T/L length, Voltage	10km ,132kV Double Circuit up to Chilime Hub
Overall progress till date	78.0% (approx.)

MADHYA BHOTEKOSHI JALAVIDHYUT Company limited

Capital Structure of the company

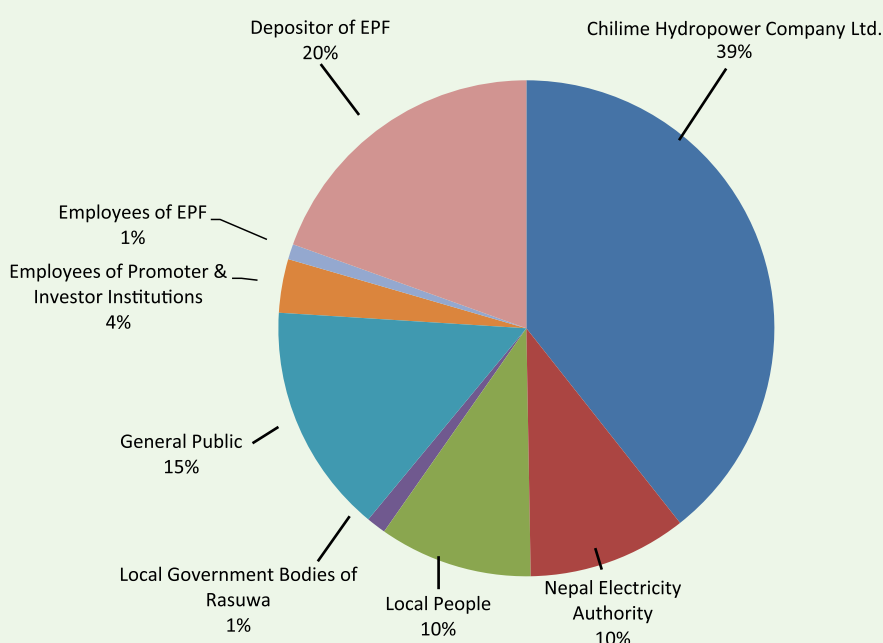


Key Features of the Project

Type of Project	Run-of-River (ROR)
Design flow	50.8 m ³ /sec
Gross Head	235 m
Headworks	Gated Weir Type with Undersluice and Side Intake
Desanding Basin Type & Size	Surface, 100 m(l) x 13 m(w) x 8.5 m(h)
Tunnel Length & Size	7124 m.
Powerhouse Type & Size	Semi-underground, 52 m(l) x 15 m(b) x 25.5 m(h)
Turbine Type, Orientation,	
Number & Unit Capacity	Francis, Vertical Axis & 3 Nos., 34 MW
Generator Unit Capacity & Nos.	40 MVA & 3 Nos.
Installed Capacity	102 MW (3 x 34 MW)
Annual Saleable Energy	542.2 GWh
Dry Energy	83.7 GWh
Wet Energy	458.5GWh
Transmission Line Length/ Voltage	4 km/220 kV
Overall Progress till date	60% (approx.)

SANJEN JALAVIDHYUT Company limited

Capital Structure of Sanjen Jalavidhyut Company Ltd.



Key Features of the Project

Sanjen (Upper) HEP	Sanjen (Upper) HEP
Type of Project : Cascade, Run-of-River (ROR)	Type of Project : Cascade, Run-of-River (ROR)
Design Discharge : 11.07 m ³ /sec	Design Discharge : 11.57 m ³ /sec
Gross Head : 161.30 m	Gross Head : 442 m
Diversion Weir : 14m L X 3.3m H	Diversion Weir : 45m L X 16m H
Peaking Pondage : 133m L X 72m W, 44178m ³	
Headrace Tunnel : 1396m L and 3.3m X 3.45m Section	Headrace Tunnel : 3594m L and 3.3m X 3.45m Section
Surge Tank : 40m H X 6m dia	Surge Tank : 51m H X 5.5m dia
Penstock : 467m L	Penstock : 1020m L
Power House : 34m L X 12m W X 18m H	Power House : 43.2m L X 12m W X 29.7m H
Turbine : 3 X 5.1 MW, Francis	Turbine : 3 X 15 MW, Pelton
Generator : 3 X 5.85 MVA (3 phase)	Generator : 3 X 16.85 MVA (3 phase)

Sanjen (Upper) HEP	Sanjen (Upper) HEP
Installed Capacity : 4.8 MW	Installed Capacity : 42.5 MW
Annual Sealable Energy : 8 Caror 24 Lakhs Units	Annual Sealable Energy : 24 Caror 18 Lakhs Units
Estimated Project Cost : NRs.22,189 Million (Without Interest during cost)	Estimated Project Cost : NRs.58,640 Million (Without Interest during cost)
Project completion Date : End of 2019	Project completion Date :End of 2020
Overall Progress till date : 88% (approx.)	Overall Progress till date :78% (approx.)

Corporate Social Responsibility

Team Chilime understands that CSR is a globally accepted and effective business tool to solve societal problems along with strengthening the core business activities. Chilime is always committed to take social initiatives for the development of local areas in particular and the nation in general.

Civil Works for Local Community Development

a. Maintenance of Road, Drain and blockage removal at Syafrubensi, costs around Rs. 1,65,000.00



Community Works

A. Basket Fund for Local Development

Chilime allocates a budget of NRs. 25 lakhs every year as a Basket fund to be invested in the field of community health, education, electricity and other development works in project affected areas. Apart from these, CHCL has undertaken many other social responsibilities in this fiscal year 2076/77 (2019/2020).

C. Major works for Local Development

Activities of CSR are as follows:

- a. Provided diesel to Amachhengmo rural municipality-1, Syafrubensi bazar and Komin School for maintenance of the road.
- b. Provided street light from Syafrubensi Bazar to Tallo Khambatar and Komin School as well.
- c. Maintenance of drinking water of Syafrubensi bazar.
- d. Provided HDP pipe for the maintenance of drinking water in Syafrubensi.
- e. Provided Covid-19 relief fund for Amachhedingmo rural municipality.
- f. And other various social works like providing fuel, electrification materials, vehicle services, road maintenance etc .

In the fiscal year 2066/077 Chilime Jalavidhut Company has contributed a sum of NRs. 7 Lakh 64 thousand as its social responsibilities.

Environment Protection

Sustainable development is our core business strategy. The company has acquired ISO 14001:2015 Certificate (Environment Management Systems) and, therefore, has a great concern on environment protection both internal and external to the company. The Company conducts plantations and other environment protection works in close coordination with local institutions and people.

Similarly, we are contributing in reduction of carbon emission to the environment by reduction of paper use and fuel consumption. Likewise, we are involved in different environment friendly activities like regular monitoring the quality of water in downstream river area, composting the waste material into manure, supplying waste food to the local people for their cattle feeding.

Other Social Initiatives

Chilime is regularly providing financial support for the promotion of the sports activities in local level. In 2019/20, the Company has made financial contribution for sports activities on the request of local clubs and other social organizations.

Chilime Employee Union organizes Sports Week consisting of indoor and outdoor sports activities during second week of Jan-Feb every year on the occasion of company day.

Corporate Governance

Shares and Shareholding

The ordinary shares of Chilime have been listed on NEPSE. NEA is the major shareholder having 51% of total shares of the Company. The total number of listed shares is 57,097,629.39.

Board and Board of Directors

The board is the Apex body of the Company. It reviews and discusses the performance of the company, its future plans, major business strategy, risk management and other pertinent issues. It also assumes responsibility for overall discretion and supervision of the company affairs. All directors have a duty to act in good faith in the best interests of the company and are aware of their individual and collective responsibilities towards the Shareholders.

There is a provision of five board members from NEA which owns 51% share in the Company while the group 'B' representing the employees of the NEA and Company and general public including project affected local people hold 49% of total share and have four board members including one female director. The 23rd AGM elected four board members representing general public group and two independent directors. There are 11 BoDs all together.

BODs Meeting

Board meetings are held at regular basis. Urgent meetings are held whenever required. BODs get prior notice with agendas and other relevant documents to study the details and for the convenience of discussion. Mr. Narayan Prasad Acharya is discharging the responsibility of company secretary.

There were all together 12 meetings held during FY 2019/020.

Allowances of Directors

The board directors were paid following allowances:

Board meeting allowances per meeting, per person : NRs. 7,000.00

Board committee meeting allowances per meeting per person : NRs. 3,000.00

Transportation and communication allowances per month per person : NRs. 5,000.00

Audit Committee

A four-member Audit Committee was set up to review financial statements and risk management systems, to prepare accounting policy and to recommend, monitor and supervise the auditor.

COMMITTEE MEMBERS

Mr.Lekhanath Koirala Chairman

Mr. Hara Raj Neupane Member

Mr.Tulasi Ram Dhakal Member

Mr. Narayan Prasad Acharya Member-secretary

There were all together 17 meetings held during FY 2020/21 to discuss and review audit report, quarterly financial reports, and other related issues.

Share Management Committee

This committee comprises three members as follows:

Mr. Bhim Prasad Timalina Chairman

Mr. Subhash Kumar Mishra Member

Mr. Narayan Prasad Acharya Member

Staff Recruitment Committee

This committee comprises of four members as per staff bylaws.

Management

A team of experienced professionals under the leadership of CEO Mr. Subhash Kumar Mishra, is leading the company efficiently and effectively. At present Chilime's CEO represents in subsidiary companies' BOD.

Code of Conducts

Chilime has been fully complying the prevailing rules and regulation enacted by the Nepal Government (GON) as well as the provisions defined in existing Company Act, 2063.

Employee Regulation

Chilime has been practicing a "Staff bylaws 2071" to systematize the service of the staff. It treats everyone equally regardless of race, language, colour and so on. It defines code of conduct and ethics that everyone should comply with.

Internal Control

Chilime is very cognizant about the reliability of the data it generates. For this purpose, "Financial Administration Regulation 2065" is in practice. Economic codes and conducts are defined in the regulation. Everyone, regardless of his/her designation, is obliged to comply the rules and regulations. Internal audit is done regularly. Accounting data are cross checked. A clear process of procurement is developed and practiced within the organization. To achieve accounting accuracy, accounting software is used. Periodic reports are prepared and published.

Chilime's Representation in its Subsidiaries' BoDs

Company	Chilime's Shareholding %	No. of BoD
Rasuwagadhi Hydropower Company Ltd.	32.8%	3
Madhya Bhotekoshi Jalavidhyut Company Ltd.	37.0%	4
Sanjen Jalavidhyut Company Ltd.	39.36%	4
Chilime Engineering & Services Co. Ltd.	100%	3

Profile of Board of Directors



Mr. Hitendra Dev Shakya

Chairman

Education: ME

Experience: 32 years of working experience in Engineering field

Currently, Managing Director, NEA



Mr. Lekhanath Koirala

Director

Education: MBA, CA

Experience: 32 years of working experience

Currently, DMD, NEA



Mr. Hara Raj Neupane

Director

Education: BE, EMBA

Experience: 32 years of working experience

Currently, DMD, NEA



Mr. Madhav Prasad Koirala

Director

Education: MSc in Water Resources Engineering

Experience: 29 years of working experience

Currently, DMD, NEA



Manoj Silwal

Director

Education: ME (Electrical)

Experience: 26 years of working experience

Currently, DMD, NEA



Tulasi Ram Dhakal

Director

Education: B.A./Business

Experience: 31 years of working experience in Business field.

Currently, Self employed



Ram Prasad Rimal

Director

Education: BA

Experience: 32 years of working experience

Currently, Asst. Officer, NEA



Bhim Prasad Timalisina

Director

Education: MBS

Experience: 16 years of working experience in business field.

Currently, Self employed

Profile of Board of Directors



Shanti Laxmi Shakya

Director

Education: MBA

Experience: 34 years of working experience in NEA

Currently, former DMD, NEA



Suman Prasad Sharma

Director (Independent)

Education: Masters of Engineering Environmental Technology and Management

Experience: 37 years of working experience in different govern institutions.

Currently, Freelancer. Former Secretary, GoN.



Dr. Jagat Kumar Shrestha

Director (Independent)

Education: PhD. Post doc

Experience: 27 years of working experience

Currently, Associate Professor, Institute of Engineering, TU



Subhash Kumar Mishra

CEO

Education: B.E. (Electrical), MSc. (Renewal Energy)

Experience: 26 years of working experience in Engineering field



Narayan Prasad Acharya

Company Secretary

Education: MBS, LLB

Experience: 17 Years of work experience



Information to Shareholders

Communication with shareholders

Transparency is the motto of CHCL. Shareholders are informed via national newspapers, magazines, telephone, e-mail, web site, annual reports and reception desk about activities it has carried out.

CHCL highly encourages the constructive suggestions from our valued stakeholders for its further improvement. CHCL reviews the feedbacks and takes corrective action, if necessary.

Trading information

At the end of the fiscal year 2019/020 Chilime's share price stood at NRs. 398.00 per share and total market capitalization at NRs. 22,724.86 million (as on 15-July-2020, last date of transaction).

Market Price (in NRs.)

High	Low	Closing
399	390	398

Chilime's average share price NRs. 396.25.

Annual General Meeting

The 24th Annual General Meeting is scheduled for December 27, 2020 (2077/09/12) at Corporate Office, Dhumbarahai-4, Kathmandu. Due to the effect of COVID-19, Pandemic the meeting is to be conducted virtually.

Stock Listing

Chilime is listed on Nepal Stock Exchange and its ordinary shares are traded under the code 'CHCL'

Share Registrar

Siddhartha Capital Limited.
Narayanchaur, Naxal, Kathmandu, Nepal
Phone: +977-1- 4420924/4420925
Fax: +977-1- 4420929
Website: www.siddharthacapital.com

Award And Recognitions

Company has always focused on its quality Management Policy and Environment Management Policy to achieve their mission and vision. Due to the commitment, accountability and sincerity of the management team including every staff of the company, it has been possible for the company to be awarded with **"Best Presented Annual Report (BPA) Award-2019"** by the Institute of Chartered Accounts of Nepal (ICAN) in this fiscal year 2019-2020 too.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME*(last 5 Fiscal Years).*

(NRs. '000)

Particulars	FY 2076/77 (2019/020)	FY 2075/76 (2018/019)	FY 2074/75 (2017/018)	FY 2073/74 (2016/017)	FY 2072/73 (2015/016)
Income					
Revenue from sales of Electricity	11,40,739.31	11,70,432.14	11,38,432.86	11,96,889.74	11,63,138.08
Expenses					
Hydro Electric Plant Operating Expenses	(2,16,100.99)	(2,12,452.43)	(1,25,334.13)	(1,31,807.86)	(1,30,470.34)
Administrative Expenses	(63,256.66)	(55,648.78)	(59,034.61)	(73,530.50)	(48,955.71)
Depreciation	(66,004.49)	(68,708.68)	(69,650.37)	(69,907.10)	(79,117.46)
Operating Profit/(Loss)	7,95,377.16	8,33,622.26	8,84,413.75	9,21,644.28	9,04,594.58
Financial Income	1,53,677.47	1,20,276.64	68,444.19	39,349.97	71,850.00
Other Income	7,975.78	5,660.15	3,558.98	4,246.00	6,011.58
Assets Written off		-	-	(1,858.31)	-
Profit/(Loss) before Tax and Bonus	9,57,030.42	9,59,559.05	9,56,416.93	9,63,381.94	9,82,456.16
Employee Bonus	(18,765.30)	(18,814.88)	(18,753.27)	(18,889.84)	(19,263.85)
Profit/(Loss) before Tax	9,38,265.12	9,40,744.17	9,37,663.65	9,44,492.10	9,63,192.31
Less: Tax					
Current Tax	(1,95,735.69)	(1,94,536.30)	(18,000.79)	(10,898.99)	(19,465.39)
Deferred Tax Income (Expenses)	3,060.60	(35,701.56)	2,062.39	431.60	(1,260.20)
Net Profit/(Loss) for the year	7,45,590.03	7,10,506.32	9,21,725.25	9,34,024.70	9,42,466.71
Earning Per Share					
Basic	13.06	14.93	23.25	27.09	30.07
Diluted	13.06	14.93	23.25	27.09	27.33
Other Comprehensive Income:					
Actuarial Gain (Loss) on remeasurement of defined benefit plans	(8,719.57)	(13,027.93)	6,622.73	3,871.28	(8,671.40)
Prior Period Tax (FY 2060-61&2061-62)		-	(12,950.12)	-	-
Income Tax relating to items that will not be reclassified	1,743.91	2,605.59	(1,324.55)	(774.26)	1,734.28
Other Comprehensive Income for the Year	(6,975.66)	(10,422.34)	(7,651.94)	3,097.02)	(6,937.12)
Total Profit/(Loss) and Other Comprehensive Income	7,38,614.37	7,00,083.97	9,14,073.31	9,37,121.73	9,35,529.59

STATEMENT OF FINANCIAL POSITION (last 5 Fiscal Years).

(NRs. '000)

Particulars	2077.03.31 (15.07.2020)	2076.03.31 (16.07.2019)	2075.03.32 (16.07.2018)	2074.03.31 (15.07.2017)	2073.03.31 (15.07.2016)
Assets					
Non Current Assets					
Property, plant and Equipment	17,55,994.16	18,18,907.06	18,84,526.15	19,26,953.93	19,86,869.72
Capital Work in Progress	1,85,404.59	1,40,322.95	61,236.95	5,593.70	-
Investment in Associates	59,54,465.90	59,30,674.44	59,24,502.48	57,45,266.09	49,88,231.70
Total Non Current Assets	78,95,864.65	78,89,904.45	78,70,265.59	76,77,813.72	69,75,101.42
Current Assets					
Inventory	1,54,747.03	1,57,623.19	1,61,887.49	1,75,415.83	1,79,867.26
Prepayments	2,830.35	1,788.30	1,830.55	2,231.33	2,391.80
Advances, Deposits and Other Receivables	2,47,418.08	2,27,419.70	67,508.79	1,12,882.15	65,117.85
Trade Receivables	1,17,223.20	1,26,272.43	1,29,460.55	1,22,069.45	1,38,622.65
Investment in Term Deposits	20,12,626.81	12,51,160.94	7,60,774.12	3,80,139.08	4,00,000.00
Cash and Cash Equivalents	86,541.33	1,38,770.33	1,66,322.52	1,53,851.19	2,39,679.42
Total Current Assets	26,21,386.80	19,03,034.89	12,87,784.01	9,46,589.03	10,25,678.97
Total Assets	1,05,17,251.45	97,92,939.34	91,58,049.60	86,24,402.75	80,00,780.39
Equity and Liabilities					
Equity					
Share Capital	57,09,762.94	47,58,135.78	39,65,113.15	34,47,924.48	31,34,476.80
Retained Earning	43,03,718.88	45,42,886.89	49,58,306.56	49,06,214.38	45,95,988.01
Corporate Social Responsibility Fund	7,455.90				
Total Equity	1,00,20,937.72	93,01,022.67	89,23,419.72	83,54,138.86	77,30,464.81
Non Current Liabilities					
Defined Benefit Obligation	1,03,392.22	79,974.44	56,614.29	53,955.67	49,837.59
Deferred Tax Liabilities	1,50,938.03	1,55,742.54	1,22,646.57	1,23,384.42	1,23,041.76
Total Non Current Liabilities	2,54,330.25	2,35,716.98	1,79,260.86	1,77,340.09	1,72,879.35
Current Liabilities					
Provisions	2,17,241.36	2,17,625.89	40,241.05	35,401.72	42,933.97
Trade and Other Payables	24,742.13	38,573.79	15,127.98	57,522.09	54,502.26
Total Current Liabilities	2,41,983.49	2,56,199.68	55,369.02	92,923.80	97,436.23
Total Equity and Liabilities	1,05,17,251.45	97,92,939.34	91,58,049.60	86,24,402.75	80,00,780.39



CHILIME HYDROPOWER COMPANY LIMITED

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