



पिपुल्स पावर लिमिटेड



आठौं वार्षिक प्रतिवेदन
आर्थिक वर्ष २०८०/०८१

संचालक समिति



श्री टड्कराज अर्याल
अध्यक्ष



श्री आरती अधिकारी
सञ्चालक



श्री उपेन पराजुली
सञ्चालक



श्री रामकाजी श्रेष्ठ
सञ्चालक



श्री उदुव भट्ट
सञ्चालक



श्री डेनिस खत्री
सञ्चालक



श्री निर्वाण शर्मा
स्वतन्त्र सञ्चालक



श्री रुजन आचार्य
कम्पनी सचिव

पिपुल्स पावर लिमिटेड

केन्द्रिय कार्यालय: का.म.न.पा.-२ खुर्सानिटार काठमाडौं फोन नं. ०१-४५३७५४४

प्रतिनिधि नियुक्ति फारम

श्री संचालक समिति
पिपुल्स पावर लिमिटेड
का.म.न.पा.-२ खुर्सानिटार काठमाडौं ।

विषय : प्रतिनिधि नियुक्ति गरिएको सम्बन्धमा ।

महाशय,

..... जिल्ला न.पा./गा.पा.वडा नं..... बस्ने म/हामी २०८१ माघ २०
गते (तदनुसार फेब्रुवरी २, २०२५)का दिन हुने आठौं साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन
नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान गर्नका लागि मेरो/हाम्रो प्रतिनिधित्व गरी भाग लिन
जिल्ला न.पा./गा.पा.वडा नं..... बस्ने श्रीलाई मेरो /हाम्रो प्रतिनिधित्व मनोनयन
गरी पठाएको छु/छौं ।

प्रतिनिधि नियुक्ति भएको व्यक्तिको

निवेदक

हस्ताक्षरको नमुना :

दस्तखत :

शेयरधनी भए शेयर प्रमाणपत्र, एलोटमेन्ट नं.

नाम :

वा DMAT खाता विवरण:

शेयर प्रमाणपत्र :

शेयरधनी नभए ना.प्र.प.नं. :

शेयर संख्या :

मिति :

मिति :

द्रष्टव्य : यो निवेदन साधारण सभा हुनु भन्दा कम्तीमा ४८ घण्टा अगावै कम्पनीको प्रधान कार्यालयमा पेश गरिसक्नु पर्नेछ ।



पिपुल्स पावर लिमिटेड

आठौं साधारण सभा

प्रवेश-पत्र

शेयरधनीको नाम :

हितग्राही खाता नं.:

प्रमाण पत्र नं. :

कुल शेयर संख्या :

शेयरधनीको दस्तखत :

.....
कम्पनी सचिव

द्रष्टव्य : (यो प्रवेशपत्रमा शेयरधनीको नाम, दस्तखत अनिवार्य रूपमा उल्लेख गरी सभा कक्षमा प्रवेश गर्दा यो प्रवेश-पत्र पेश गर्नुपर्नेछ ।)



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पिपुल्स पावर लिमिटेड

केन्द्रिय कार्यालय : का.म.न.पा.-२, खुर्सानिटार, काठमाडौं, फोन नं. ०१-४५३७५४४
Email: peoplespowerltd@gmail.com

(प्रथम पटक प्रकाशित मिति : २०८१/०९/२५ गते)

आठौं साधारण सभा सम्बन्धि सूचना

आदरणीय शेयरधनी महानुभावहरू,

पिपुल्स पावर लिमिटेडको मिति:२०८१/ ०९/२४ गते बसेको सञ्चालक समितिको बैठकको निर्णय अनुसार कम्पनीको आठौं वार्षिक साधारण सभा निम्न मिति, समय र स्थानमा देहायका विषयहरूमा छलफल तथा निर्णय गर्ने गरी बस्ने भएकोले कम्पनी ऐन, २०६३ को दफा ६७ अनुसार शेयरधनी महानुभावहरूको जानकारी तथा उपस्थितिको लागि यो सूचना प्रकाशित गरिएको छ ।

वार्षिक साधारण सभा हुने मिति, समय र स्थान :

मिति : २०८१/१०/२० गते आइतबार (तदनुसार २ फेब्रुवरी, २०२५)

स्थान : पारीजात पार्टी प्यालेस (टोखा न.पा वडा नं.८), जाल्पाचोक, काठमाडौं ।

समय : विहान १०:०० बजे

साधारण सभामा छलफल गरिने विषयहरू (एजेण्डा) :

क) सामान्य प्रस्ताव :-

- १) आ.व २०८०/०८१ को सञ्चालक समितिको तर्फबाट पेश हुने अध्यक्षज्यूको वार्षिक प्रतिवेदन छलफल गरी पारित गर्ने सम्बन्धमा ।
- २) लेखा परिक्षकको प्रतिवेदन सहितको आ.व. २०८०/०८१ को वासलात,नाफा-नोक्सान हिसाब र नगद प्रवाह विवरण लगायतका वित्तीय विवरणहरू छलफल गरी पारित गर्ने सम्बन्धमा ।
- ३) चालु आ.व.२०८१/८२ लागि लेखा परिक्षकको नियुक्ति र निजको पारिश्रमिक निर्धारण गर्ने सम्बन्धमा ।
- ४) संस्थागत सुसाशन सम्बन्धि प्रतिवेदन स्विकृत गर्ने सम्बन्धमा ।

ग) विविध ।

कम्पनी समितिको आज्ञाले
कम्पनी सचिव

वार्षिक साधारण सभा सम्बन्धी थप जानकारी

१. वार्षिक साधारण सभा प्रयोजनका लागि मिति २०८१/१०/०६ आइतबार १ दिन यस कम्पनीको शेयर दर्ता पुस्तिका बन्द रहने छ । साथै शेयरधनी दर्ता पुस्तिका बन्द भएको मिति भन्दा अघिल्लो दिन सम्म नेपाल स्टक एक्सचेञ्ज लिमिटेडमा भएको कारोबारबाट कायम भएको शेयरधनीले मात्र कम्पनीका वार्षिक साधारण सभामा भाग लिन सक्ने छन ।
२. वार्षिक साधारण सभामा भाग लिन आउनु हुने शेयरधनी महानुभावहरुले सभा कक्षमा प्रवेश गर्नको लागि अनिवार्य रूपले प्रवेशपत्र, आफ्नो परिचय खुल्ने आधिकारिक परिचयपत्र (जस्तै नागरिकता वा अन्य आधिकारिक परिचयपत्र) सहित शेयरधनी उपस्थित हुनु पर्नेछ ।
३. वार्षिक साधारण सभामा भाग लिन आउनु हुने शेयरधनी महानुभावले सभा स्थलमा उपस्थित भई त्यहाँ रहेको उपस्थिति पुस्तिकामा दस्तखत गर्नु पर्नेछ । उपस्थिति पुस्तिका विहान ९:३० बजे देखि खुल्ला रहनेछ ।
४. सभामा भाग लिनका लागि प्रतिनिधि (प्रोक्सी) नियुक्त गर्न चाहने शेयरधनी महानुभावले प्रतिनिधि (प्रोक्सी) फारम सभा शुरु हुनु भन्दा कम्तीमा ४८ घण्टा अगावै कम्पनीको केन्द्रिय कार्यालय का.म.पा-०२, खुर्सानिटार मा दर्ता गराई सक्नु पर्नेछ । कम्पनीको शेयरधनी वाहेक अरुलाई प्रोक्सी दिन पाईने छैन ।
५. प्रतिनिधि नियुक्त गरि सकेको शेयरधनी आफैँ सभामा उपस्थित भई हाजिरी पुस्तिकामा दस्तखत गरेमा निजले दिएको प्रतिनिधि (प्रोक्सी) स्वतः बदर हुनेछ ।
६. साधारण सभा सम्बन्धी अन्य जानकारी आवश्यक परेमा कार्यालय समय भित्र कम्पनीको केन्द्रिय कार्यालय, का.म.पा-०२, खुर्सानिटारमा सम्पर्कराख्न हुन समेत अनुरोध गरिन्छ ।

अध्यक्षको मन्तव्य

आदरणीय शेयरधनी महानुभावहरु,

यस पिपुल्स पावर लिमिटेडको आठौं वार्षिक साधारण सभामा उपस्थित सम्पूर्ण शेयरधनी महानुभावहरुलाई सञ्चालक समिति र मेरो व्यक्तिगत तर्फबाट हार्दिक स्वागत गर्दछु ।

यस कम्पनीको लेखापरिक्षकको प्रतिवेदन सहितको आ.व २०८०/८१ को अषाढ मसान्तको वासलात, नाफा-नोक्सान हिसाब, नगद प्रवाहको विवरण लगायतका अन्य वित्तिय विवरणहरुका साथै सञ्चालक समितिले तयार पारेको वार्षिक प्रतिवेदन यहाँहरु समक्ष प्रस्तुत गर्न पाउँदा अत्यन्तै खुशी लागेको छ ।

यस कम्पनीले इलाम जिल्लाको इलाम न.पा स्थित पुवा खोला ४.९६ मे.वा. क्षमताको जलविद्युत आयोजनाले मिति २०७९ साल मंसिर १२ गतेबाट व्यापारीक उत्पादन गरी विद्युत खरिद बिक्रि सम्झौता बमोजिम नेपाल विद्युत प्राधिकरणलाई विद्युत बिक्री गरी रहेको व्यहोरा शेयरधनी महानुभावहरुलाई जानकारी गराउँदछु ।

कम्पनीले प्रचलित ऐन, नियम, निति निर्देशिका तथा विभिन्न मापदण्डहरुलाई आत्मसात गर्दै कार्य गरिरहेको छ । कम्पनी गत आ.व २०७९/८० को मिति २०८१/०१/१७ को साधारण सभाबाट हकप्रद शेयर जारी गर्ने प्रस्ताव पारित गरे सँगै पछिल्लो सार्वजनिक शेयर निष्काशन अर्थात (IPO) निस्केको २ वर्ष पूरा भए पछि मात्र हकप्रद शेयर जारी गर्न पाउने प्रावधान रहेकोमा २०८१ असोज महिना देखि २ वर्ष पूरा भएको हुँदा हकप्रद निष्काशन जारी गर्न तिव्र गतिमा कार्य भईरहेको जानकारी गराउँदछु । कम्पनीले यसवर्ष शेयरधनी महानुभावहरुले सोचे जस्तो नभए तापनि आगामी वर्ष कम्पनीले शेयरधनी महानुभावहरुले सोचेअनुरूप प्रतिफल दिने विश्वास दिलाउन चाहान्छु ।

गत आ.व २०७९/८० देखि मात्र कम्पनीले विद्युत उत्पादन गर्न थालेको र वर्षायामको बाढी पहिरोले गर्दा कम्पनीले सोचे अनुरूपको मुनाफा आर्जन गर्न नसक्दा यस वर्ष कम्पनीले शेयरधनी महानुभावहरुलाई कुनै पनि लाभांश वितरण गर्न नसकेको जानकारी गराउँदछु ।

यस कम्पनीले समाजमा आफ्नो उपस्थिति विभिन्न माध्यमबाट देखाउँदै आएको छ । व्यवसायसँग सम्बद्ध सरोकारवालाहरुका अतिरिक्त समाजप्रतिको उत्तरदायित्व (Corporate Social Responsibility) निर्वाह गर्न विभिन्न सामाजिक क्रियाकलापमा संलग्न भई कार्य गरिरहेको छ । कम्पनीबाट सामाजिक उत्तरदायित्व निर्वाह गर्ने कार्यलाई व्यवस्थित गरी कम्पनीले इलाम जिल्ला, इलाम नगरपालिका वडा नं.१ र ४ का आयोजना प्रभावित क्षेत्रका स्थानिय वासिन्दाहरूसँग सहकार्य गरी आवश्यकता अनुसार खानेपानी, कुलेसो, विद्यालय तथा बाटो मर्मत संभार गर्न आर्थिक तथा भौतिक रुपमा सहयोग गरिरहेको र सो कार्यलाई निरन्तरता दिईरहेको व्यहोरा समेत हजुरहरु समक्ष जानकारी गराउन चाहान्छु ।

सफलता पूर्वक संचालनका लागि सहयोग पुऱ्याउनु हुने विद्युत् नियमन आयोग, नेपाल विद्युत् प्राधिकरण, नेपाल धितोपत्र बोर्ड, नेपाल स्टक एक्सचेन्ज लिमिटेड, सिडिएस एण्ड क्लियरिङ लि., कम्पनी रजिष्ट्रार कार्यालय, बैंक तथा वित्तिय संस्थाहरु, शेयर रजिष्ट्रार (प्रभु क्यापिटल लि.), बीमा कम्पनीहरु, वाह्य लेखा परिक्षक, आन्तरिक लेखापरिक्षक, शेयरधनी महानुभावहरु लगायत सम्पूर्ण शुभेच्छुक वर्ग तथा कम्पनीमा कार्यरत कर्मचारीहरुलाई मेरो व्यक्तिगत तथा कम्पनीको तर्फबाट समेत हार्दिक धन्यवाद तथा आभार प्रकट गर्दछु । साथै व्यस्त समयका बावजूद पनि यस साधारण सभामा उपस्थित भई कम्पनीको कार्यलाई अगाडी वढाउन हौसला प्रदान गरिदिनु हुने कम्पनीका सम्पूर्ण शेयरधनी महानुभावहरुलाई पुन धन्यवाद दिदै प्रस्तुत वार्षिक प्रतिवेदन सहितको आर्थिक प्रतिवेदन तथा प्रस्तावहरुमा छलफल गरि पारित गरिदिनुहुन तथा आफ्नो विचार प्रस्तुत गरिदिनुहुन हार्दिक अनुरोध गर्दछु ।

धन्यवाद ।

टङ्गराज अर्याल
अध्यक्ष
संचालक समिति

मिति : २०८१/१० /२०

कम्पनी ऐन २०६३ दफा १०९ को विवरण सञ्चालक समितिको प्रतिवेदन आर्थिक वर्ष २०८०/८१

आदरणीय शेयरधनी महानुभावहरू,

पिपुल्स पावर लिमिटेड आठौं वार्षिक साधारण सभामा म यहाँहरूलाई स्वागत गर्न चाहन्छु। म यस गरिमामय सभामा सञ्चालक समितिको तर्फबाट आर्थिक वर्ष २०८०/८१ को सञ्चालक समितिको प्रतिवेदन र सोहि वर्षको लेखापरिक्षण भएको वित्तिय विवरणहरू सभा समक्ष स्विकृतिको लागि प्रस्तुत गर्दछु।

पिपुल्स पावर लिमिटेड परिचय	
कम्पनी स्थापना मिति	२०७३/१०/१३
कम्पनी दर्ता नं.	१६२५९०/०७३/०७४
उद्योग दर्ता नं.	५११६
प्यान नं.	६०६००९६०१
विद्युत खरीद विक्री सम्झौता मिति	२०७४/०५/०५
विद्युत उत्पादन अनुमति पत्र प्राप्त मिति	२०७५/६/२३
व्यापारी उत्पादन सुरु भएको मिति	२०७९/०८/१२

१. आ.व. २०८०/८१ को कारोबारको सिंहावलोकन :

जलविद्युत अयोजना निर्माण कार्य सम्पन्न भई मिति २०७९ मंसिर १२ गते देखि व्यवसायिक रुपमा विद्युत उत्पादन भईरहेको छ। यस कम्पनीले अधिल्लो वर्ष र यस वर्षको आर्थिक गतिविधिहरूलाई बुँदागत रुपमा तल प्रस्तुत गरिएको छ।

क) आम्दानी तथा खर्चको विवरण :

यस कम्पनीको आ.व २०८०/८१ को आम्दानी तथा खर्चको विवरण तालिका नं. १ मा प्रस्तुत गरिएको छ।

तालिका नं. १ : आम्दानी तथा खर्चको विवरण	
विवरण	आ.व. २०८०/०८१
विद्युत विक्रीबाट आम्दानी	१०,७७,९१,५०४.६३
अन्य आम्दानी	६,०९,२८३.७३
जम्मा आम्दानी	१०,८४,००,७८८.३६

ख) आयोजनको विद्युत उत्पादन सम्झौता र वास्तविक आम्दानी :

कम्पनी र नेपाल विद्युत प्राधिकरणविच भएको विद्युत खरिद विक्री सम्झौता अनुसार पुवा-२ जलविद्युत आयोजनाबाट वार्षिक २,७९,७६,६२३ किलोवाटघण्टा विद्युत शक्ति उपलब्ध गराउन सकिने प्रावधान रहेको छ। यस आयोजनाले २०७९/०८/१२ गते देखि व्यापारिक उत्पादन सुरु गरेको हो। आ.व २०८०/८१ मा जम्मा १,८७,०८,०७० किलोवाटघण्टा विद्युत उत्पादन गरेको छ।

ग) कम्पनीको शेयरको बजार मूल्य :

यस आ.व.२०८०/८१ मा यस कम्पनीको बजार शेयर मूल्यमा निकै उतार चढाव रह्यो । देशका आर्थिक सूचांकहरुमा आएको भारी उतार चढावबाट यस कम्पनीको शेयर मूल्य पनि अछुतो रहन सकेन ।

आ.व ०८०/८१ को १ वर्षको वार्षिक कारोबारको अधिकतम, न्यूनतम, अन्तिम बजार मूल्यको कम्पनीको शेयर कारोबारको विवरण

आर्थिक वर्ष	अधिकतम शेयर मूल्य (रु)	न्यूनतम शेयर मूल्य (रु)	अन्तिम बजार मूल्य(रु)	शेयर कारोबार संख्या
०८०/८१	६८३.०४	१९८.०१	४५५.००	८३,०१,२७९.००

२. राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सो असर :

२०८१ आश्विन ११ गते देखिको अविरल वर्षाको कारणले पाडाजुगी गोदक १३२ के.भि प्रसारण लाइनको महमाइ स्थित रहेको ५१ नं. टावरमा क्षति पुगी विद्युत सेवा अवरुद्ध हुँदा आयोजनाको विद्युत प्रसारण सो सँग सम्बन्धित भएकोले आयोजनाले ४४ दिन सम्म विद्युत उत्पादन गर्न नपाउदा कम्पनीलाई असर गरेको छ ।

३. प्रतिवेदन तयार भएसम्म चालु वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा संचालक समितिको धारणा :

कम्पनीले चालु आ.व. २०८१/८२ को पहिलो त्रैमासिकमा पुवा-२ जलविद्युत आयोजनामा रु. ३,०१,४५,००० आम्दानी प्राप्त गरेको छ । आगामी अवधिमा सम्पूर्ण शेयरधनिको हितमा काम गर्दै कम्पनीलाई अगाडी बढाउन संचालक समिति प्रयत्नरत रहेको छ ।

५. संस्थागत समाजिक उत्तरदायित्व :

यस कम्पनीले इलाम जिल्लाको माई पोखरी, साखेजुङ्ग र बारबोटे गा.पा. हरु विभिन्न सामाजिक कार्यहरु सहयोगहरु गर्दै आइरहेको छ र अब आउने दिनहरुमा पनि पूरा गर्दै जानेछ ।

६. शेयरधनीहरुको सुझाव तथा संचार :

कम्पनीले शेयरधनीहरुबाट प्राप्त सुझावहरुलाई गम्भिरता पूर्वक लिई सो को गम्भिरताका साथ कम्पनीको हितमा काम कार्रवाही गरिरहेको छ । त्रैमासिक प्रतिवेदन, वार्षिक प्रतिवेदन र अन्य प्रतिवेदनहरु प्रकाशित गरी संचारका सबै माध्यमहरु (अनलाइन एवम् प्रकाशित पत्रपत्रिका) को प्रयोग गरी शेयरधनीहरुको जानकारीका लागि कम्पनीको वेबसाइट मा हेर्न मिल्ने व्यवस्था मिलाइएको छ । कम्पनीको निरन्तर सुधारका लागि शेयर धनीहरुलाई सुझावहरु दिन प्रोत्साहन सहित स्वागत गर्दछ ।

७. आन्तरिक नियन्त्रण प्रणाली :

प्रभावकारी आन्तरिक नियन्त्रण प्रणालीले कम्पनीको आर्थिक तथा प्रशासनिक कार्य चुस्त र दुरुस्त राख्ने कुरामा कम्पनी विश्वस्त रही सोही अनुरूप कार्य गरिरहेको छ । आन्तरिक नियन्त्रण प्रणाली सबल बनाइ राख्न कम्पनी ऐन, २०६३ को दफा १६४ मा भएको व्यवस्था अनुसार कम्पनीको सञ्चालक समितिले लेखापरिक्षण समिति गठन गरी सोही समितिको निर्देशन एवं अनुगमनमा कम्पनीको लेखा सञ्चालन हुँदै आएको छ ।

८. कम्पनीको औद्योगिक र व्यवसायिक सम्बन्ध :

आयोजना निर्माणका लागि सबै क्षेत्रको आवश्यक सहयोग हुनुपर्छ । कम्पनीको व्यावसायिक सम्बन्ध मूलतः विद्युत सम्बन्धि नियमन गर्ने विद्युत नियमन आयोग, विद्युत अनुमति पत्र प्रदान गर्ने नेपाल सरकार , उर्जा मन्त्रालय र सो मन्त्रालयसँग आवद्ध विद्युत विकास विभाग र विद्युत खरिद गरिदिने नेपाल विद्युत प्राधिकरण तथा आयोजना क्षेत्रका स्थानीय सरकार, निकाय तथा सरोकारवालाहरूसँग सुमुधुर सम्बन्ध राख्ने छ । भविष्यमा पनि व्यावसायिक सम्बन्धलाई अभै बलियो तुल्याउन कम्पनी सदैव सजग रहनेछ ।

९. संचालक समितिको हेरफेर भए सो को कारण :

मिति २०८१/०१/१७ गते गठन भएको ७ जनाको संचालक समितिमा संचालक श्री श्रीकृष्ण अर्यालज्यू ले व्यक्तिगत समस्याको कारण राजिनामा दिनु भएको छ उहाँको राजिनामा संचालक समितिले स्विकृत गरी संचालक समितिको बैठकबाट एक जना नयाँ संचालकको नियुक्ति गरिएको छ । हाल यस कम्पनीमा ७ जना सञ्चालकहरु रहनु भएको छ । कम्पनीमा कायम रहनु भएका सञ्चालक समिति सदस्यहरुको विवरण तालिका नं. २ मा प्रस्तुत गरिएको छ ।

तालिका नं. २
सञ्चालक समितिका पदाधिकारीहरु

सि.नं.	सञ्चालकहरुको नाम	पद
१.	श्री टङ्गराज अर्याल	अध्यक्ष
२.	श्री आरती अधिकारी	सञ्चालक
३.	श्री उपेन पराजुली	सञ्चालक
४.	श्री उद्धव भट्ट	सञ्चालक
५.	श्री रामकाजी श्रेष्ठ	सञ्चालक
६.	श्री डेनिस खत्री	सञ्चालक
७.	श्री निर्वाण शर्मा	स्वतन्त्र सञ्चालक

१०. कारोबारलाई असर पार्ने मुख्य कुराहरु :

वर्षायाममा बाढी पहिरो लगायतका दैविक प्रकोप तथा प्राविधिक कारणबाट विद्युत उत्पादनमा असर परेमा कारोबारलाई असर पर्न सक्नेछ ।

११. लेखापरिक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सो उपर सञ्चालक समितिको प्रतिक्रिया :

सारभूत कैफियत त्यस्तो नभएको ।

१२. शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अतिरिक्त मूल्य, त्यस्तो शेयरको जफत हुनुभन्दा अगावै सो बापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयर बापत रकम फिर्ता गरेको सो को विवरण :

हालसम्म सो सम्बन्धी कुनै शेयर जफत नभएको ।

१३. लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम :

यस आ.व २०८०/८१ मा संचालक समितिले कुनै लाभांश सिफारिस गरेको छैन ।

१४. कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरु र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन :

कम्पनी सहायक कम्पनी नभएको ।

१५. विगत आर्थिक वर्षमा कम्पनी र यसको साहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन :

सहायक कम्पनी नभएको ।

१६. विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनिहरूले कम्पनीलाई उपलब्ध गराएको जानकारी :
नभएको
१७. विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी :
नेपाल स्टक एक्चेञ्जको निर्देशिका बमोजिम संचालकहरूको शेयर सीडीएस एण्ड क्लियरिङ्गबाट रोक्का राखि पाउन कम्पनीबाट पत्राचार गरि रोक्का राखेको हुँदा कम्पनीको शेयर कारोबारमा संचालकहरूको संलग्नता नरहेको ।
१८. विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्भौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा :
कम्पनीसँग सम्बन्धित कम्पनीलाई असर पर्ने खालको कुनै जानकारी गराइएको छैन ।
१९. कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको सङ्ख्या र अक्तित मूल्य तथा त्यसरी शेयर खरिद गरे बापत कम्पनीले भुक्तानी गरेको रकम :
कम्पनीले आफ्नो शेयर पुनः खरिद कार्य नभएको ।
२०. आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सो को विस्तृत विवरण :
छुट्टै नभएको । संचालक समितिबाट नियन्त्रण गरिएको ।
२१. आर्थिक वर्षको व्यवस्थापन खर्चको विवरण :
आ.व. २०८०/८१ मा कम्पनीको व्यवस्थापन खर्च १,१८,८२,०२९.९१/- रहेको छ ।
२२. लेखापरिक्षक समिति :
कम्पनी ऐन २०६३ को दफा १६४ मा भएको व्यवस्था अनुसार कम्पनीको सञ्चालक समितिले एक लेखापरिक्षण समिति गठन गरेको छ । हाल कायम रहनु भएको लेखापरिक्षण समिति सदस्यहरूको विवरण तालिका नं. ५ मा प्रस्तुत गरिएको छ ।

तालिका नं. ५

लेखापरिक्षण समितिका पदाधिकारीहरू

सि.नं.	समितिका सदस्यहरूको नाम	पद	परिश्रमिक
१.	श्री निमार्ण शर्मा	संयोजक	नभएको
२.	श्री प्रकाश रेग्मी	सदस्य	नभएको
३.	श्री बिनम्र बस्नेत	सदस्य	नभएको

१७. सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनि वा निजको नजिकको नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा :
सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनि वा निजको नजिकको नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी नरहेको ।

१८. सञ्चालक तथा उच्चपदस्थ पदाधिकारीहरूको पारिश्रमिक भत्ता तथा सुविधाको रकम :
संचालकहरूलाई भत्ता वापत रु. ४०,०००/- भुक्तानि गरिएको छ ।

२०. कम्पनीको कर्जा, शेयर पूँजी तथा सञ्चिती :

क) कम्पनीको स्थापना पश्चात् अधिकृत, जारी एवं चुक्ता पूँजीमा निम्न बमोजिम परिवर्तन भएको छ ।

आर्थिक वर्ष	अधिकृत पूँजी (रु.)	जारी पूँजी (रु.)	चुक्ता पूँजी (रु.)	कैफियत
२०७३/०७४	५,००,००,०००	५,००,००,०००	१,७५,००,०००	
२०७४/०७५	३०,००,००,०००	३०,००,००,०००	१०,२२,७६,०००	
२०७५/०७६	३०,००,००,०००	३०,००,००,०००	१६,१९,५६,०००	
२०७६/०७७	३०,००,००,०००	३०,००,००,०००	१८,८९,३९,०००	
२०७७/०७८	६३,२६,००,०००	६३,२६,००,०००	३२,२६,००,०००	
२०७८/०७९	६३,२६,००,०००	६३,२६,००,०००	३२,२६,००,०००	
२०७९/०८०	६३,२६,००,०००	६३,२६,००,०००	६३,२६,००,०००	
२०८०/८१	६३,२६,००,०००	६३,२६,००,०००	६३,२६,००,०००	

ग) ऋण कर्जा

आ.व. २०७६/७७	आ.व. २०७७/७८	आ.व. २०७८/७९	आ.व. २०७९/८०	आ.व. २०८०/८१
-	-	६४,००,००,०००/-	३६,४३,३६,२४१.८०/-	३५,३१,३०,०००/-

२१. कम्पनीको शेयर संरचना :

पिपुल्स पावर लिमिटेडको हाल कायम चुक्ता पूँजी रु ६३,२६,००,००० रहेको छ । यस कम्पनीको शेयर निष्काशन तथा बाँडफाँड मिति २०७९/०५/१२ मा सम्पन्न भई मिति २०७९/०६/३० का दिन देखि धितोपत्र बजारमा कारोबार भईरहेको छ । यस कम्पनीको आयोजना प्रभावितहरूलाई निष्काशन भएको स्थानीय सर्वसाधारणको तथा संस्थापक शेयर धनिहरूको साधारण शेयरको लकईन मिति २०८२/०५/१२ खुल्ला भई स्वतन्त्र रूपमा किनबेच हने जानकारी गराउदछु । कम्पनीको आ.व.२०८०/८१ को अन्त्यमा जम्मा संस्थापक शेयरधनि संख्या ४८९ रहेको छ । सबै संस्थापक शेयर मिति २०८२/०५/१२ गते पश्चात स्वतन्त्र भई बेच पाइनेछ ।

२२. कम्पनीको संस्थागत सुशासन :

यस कम्पनीले पहिचान तथा विकास गरेको इलाम जिल्लामा अवस्थित ४.९६ मे.वा. क्षमताको पुवा-२ जलविद्युत आयोजनाको निर्माण पुरा भई आयोजना सञ्चालनमा रहेको छ ।

२३. बाह्य लेखापरिक्षण :

लेखापरिक्षक श्री विजय सिंह पराजुली (पि.एल.आर.एस एण्ड एसोसियटस) बाट तयार गरिएको आ.व. २०८०/८१ को लेखापरिक्षकको प्रतिवेदन वासलात, नाफा नोक्सान विवरण लगायतका वित्तीय विवरणहरू स्वीकृत गरी अनुमोदनका लागि यस कम्पनीका ८ औं वार्षिक साधारण सभामा प्रस्तुत गरिएको छ ।

२४. दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण : नभएको ।

२५. दफा १७५ बमोजिम सम्बद्ध कम्पनीबीच भएको करोबारको विवरण : नभएको ।

संस्थागत सुशासन सम्बन्धमा मूलतः निम्न बुँदाहरू प्रस्तुत गरिएको छ ।

- क) यस कम्पनीको शेयर संरचना अर्न्तगत संस्थापक तर्फ ३२,२६,००० कित्ता र सर्वसाधारण तर्फ ३१,००,००० कित्ता शेयर रहेको र सो संस्थापनको ५१% र सर्वसाधारणको ४९% स्वामित्व रहेको छ ।
- ख) कम्पनीको छैठौं र सातौं वार्षिक साधारण सभा पछि संचालक समिति परिवर्तन भएको ।
- ग) आ.व २०८०/८१ सम्म कम्पनी संचालक समितिको १३ वटा बैठक सम्पन्न भएको । सम्पूर्ण बैठकमा गणपुरक संख्या पुगेको ।
- घ) वार्षिक साधारण सभाबाट स्विकृत भए बमोजि संचालक समिति बैठक भत्ता अध्यक्ष रु. ७,०००/- र संचालकहरूको रु ५,०००/- रहेको ।
- ङ) वार्षिक साधारण सभाबाट संचालक नियुक्त भएपश्चात सो को जानकारी नियमक निकायहरूमा गराइएको ।
- च) कम्पनी हरेक वर्ष अद्यावधिक गरेको ।
- छ) कम्पनीको आन्तरिक नियन्त्रण प्रणाली सम्बन्धि कार्य संचालक समितिले गर्दै आएको तथा कम्पनीमा लेखापरिक्षण समिति रहेको ।
- ज) कम्पनीको NFRS पद्धती अनुसार लेखापरिक्षण कार्य गर्ने गरेको । लेखापरिक्षण कार्यका लागि वार्षिक साधारण सभाबाट बाह्य लेखापरिक्षक नियुक्ति गर्ने गरेको ।
- झ) कम्पनीले त्रैमासिक वित्तीय विवरण प्रकाशित गर्ने गरेको ।
- ञ) कम्पनीमा सञ्चालकको निजी स्वार्थ नरहेको । कम्पनी विरुद्ध तथा सञ्चालक विरुद्ध कुनै मुद्दा नरहेको ।
- ट) सञ्चालकको आचरण सम्बन्धी व्यवस्था अर्न्तगत संस्थाको आचार संहिता प्रचलित कम्पनी ऐन अनुसार हुने जानकारी गराइएको ।

नोट : उल्लेखित सम्बन्धित संस्थागत सुशासन सम्बन्धी प्रतिवेदन "सूचीकृत संगठित संस्थाहरूको संस्थागत सुशासन सम्बन्धी निर्देशिका, २०७४" बमोजिम छुट्टै तयार गरिएको छ ।



P.L.R.G. Associates

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT To the Shareholders of M/s Peoples Power Limited.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **M/s Peoples Power Limited.**, which comprise the Statement of Financial Position as at Ashadh 31, 2081 (July 15, 2024), the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **M/s Peoples Power Limited** as at Ashadh 31, 2081 (July 15, 2024), and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

Basis for 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 Entity in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with the ICAN's Handbook of the Code of Ethics for professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of financial statements of the current period, which were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters. We have determined the matters described below as the key audit matters to be communicated in our report. 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 financial statements.

S.N.	Key Audit Matters	Auditor's Response
1.	IFRIC 12, "Service Concession Arrangements" Ref. Note no. 19 and 3.1 of significant accounting policies to the financial statements.	We applied the following procedures in respect of application of IFRIC 12: ➤ Reviewing the company's accounting policies and documentation to assess the appropriateness of applying IFRIC 12. ➤ Evaluating the impact of applying IFRIC 12 on the recognition, measurement, and disclosure of service concession arrangements in the financial statements.
	The company has applied IFRIC 12, "Service Concession Arrangements," which provides guidance on accounting for service concession arrangements. These arrangements involve the use of public sector assets, such as infrastructure, under concession agreements. As the application of IFRIC 12 significantly impacts the recognition, measurement, and disclosure of service	



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	<p>concession arrangements, it is considered a key audit matter.</p>	<ul style="list-style-type: none"> ➤ Testing the completeness and accuracy of disclosures related to service concession arrangements through an examination of relevant contracts, agreements, and supporting documentation. ➤ Communicating with management to gain insights into the company's implementation process of IFRIC 12 and any significant judgments made in its application. <p>We have concluded that the company's application of IFRIC 12 in accounting for service concession arrangements is appropriate and in accordance with the requirements of the standard. The financial statements adequately reflect the effects of applying IFRIC 12, and disclosures are consistent with the guidance provided.</p>
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Other Information

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

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

Our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the Financial Statements, or our knowledge obtained in the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Nepal Financial Reporting Standards (NFRS), 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 entity or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

The following report, as per Companies Act 2063, is made for the company, **M/s Peoples Power Limited**. As per Companies Act 2063, based on our audit carried out on sampling basis, we report that, in our opinion:

- We have obtained all the information and the explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- The accounts and records of the company have been maintained as required by law and practice in a manner to reflect the real affairs of the company.



- The Statement of Financial Position, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Cash Flows, and the Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts maintained by the company.
- The business of the company has been conducted satisfactorily; and
- The company has complied with the provisions of Labor Act, 2074.
- In our opinion and to the best of our information and according to the explanations and from our examination of the books of accounts of the company, we have not come across any case where the Board of Directors or any office bearer of the company have acted contrary to the provisions of law, or committed any misappropriation or caused any loss or damage to the company or acted in a manner, as would jeopardize the interest and security of the company and its shareholders.

The engagement partner for the engagement is CA. Bijay Singh Parajuli.



CA. Bijay Singh Parajuli
Partner

P.L.R.G. Associates
Chartered Accountants



Place: Kathmandu, Nepal

Date: 8th December, 2024

UDIN: 241208CA01438LFebf



Peoples Power Limited
Statement of Financial Position
Kathmandu, Nepal
As at 31 Ashad, 2081 (July 15, 2024)

	Note	<u>As At</u> 31 Ashad, 2081	<u>As At</u> 31 Ashad, 2080
Assets			
Non-Current Assets			
Property, Plant & Equipment	5	311,163.28	102,599.75
Intangible Assets	5		
Intangible Assets under IFRIC 12	6	930,988,305.23	963,846,716.00
Deferred Tax Assets	20	7,485.75	
		<u>931,306,954.27</u>	<u>963,949,315.75</u>
Current Assets			
Inventories	7	-	-
Trade Receivables	8	17,297,892.96	12,661,712.85
Sundry Debtors & other Current Assets	8	6,148,785.02	1,919,972.15
Deposits	8	1,205,000.00	1,205,000.00
Cash & Cash Equivalents	9	16,022,951.42	47,746.72
		<u>40,674,629.40</u>	<u>15,834,431.72</u>
Total Assets		971,981,583.67	979,783,747.47
Equity & Liabilities			
Equity			
Share Capital	10	632,600,000.00	632,600,000.00
Reserve & Surplus	11	(20,319,364.08)	(30,805,489.34)
		<u>612,280,635.92</u>	<u>601,794,510.66</u>
Non-Current Liabilities			
Long Term Borrowings	12	311,193,000.00	330,084,000.00
Deferred Tax Liabilities	20		-
		<u>311,193,000.00</u>	<u>330,084,000.00</u>
Current Liabilities			
Short Term Borrowings	12	15,000,000.00	8,836,241.80
Trade & Other Payables	13	9,387,947.75	13,652,995.01
Provisions	13	-	-
Current portion of Long Term Borrowings	12	24,120,000.00	25,416,000.00
Total Current Liabilities		<u>48,507,947.75</u>	<u>47,905,236.81</u>
Total Equity & Liabilities		971,981,583.67	979,783,747.47
Reporting Entity	1		
Basis of Preparation	2		
Significant Accounting Policies	3		
Critical judgements	4		
Other Financial Information	5- 21		
For & on behalf of the Management			As per our attached report of even date

Tanka Raj Aryal
(Chairman)

Uddhab Bhatta
(Director)

Aarati Adhikari
(Director)

CA. Bijay Singh Parajuli
For,
P.L.R.G. Associates
Chartered Accountants

Upen Parajuli
(Director)

Ram Kaji Shrestha
(Director)

Nirvaan Sharma
(Director)

Place: Kathmandu

Date:

Peoples Power Limited
Statement of Profit or Loss and Other Comprehensive Income
Kathmandu, Nepal
For the year ended on 31 Ashad, 2081 (July 15, 2024)

		<i>"Amount in Rs."</i>	
	<u>Note</u>	<u>31 Ashad, 2081</u>	<u>31 Ashad, 2080</u>
Revenue	14	107,791,504.63	52,024,872.73
Direct Expenses			
Cost of Sales	15	14,987,993.81	12,523,239.81
Net Direct Income		92,803,510.82	39,501,632.92
Net Construction Revenue as per IFRIC 12	16	-	-
Other Income	17	609,283.73	3,129,446.48
Administrative Expenses	18	11,882,029.91	5,058,791.82
Finance Income			16,246.27
Amortization of Intangible Assets	5	32,858,410.77	21,905,607.00
Depreciation	6	97,155.47	86,503.25
Finance Cost	19	38,096,558.90	27,603,109.04
Staff Bonus Provision		-	-
Profit Before Tax		10,478,639.50	(12,006,685.44)
<i>Tax Expense</i>			
Current Tax			
Deffered Tax	20	(7,485.75)	
Profit for the year		10,486,125.26	(12,006,685.44)
Profit for the year		10,486,125.26	(12,006,685.44)
Items that will not be reclassified subsequently to profit or loss			
Gains/ (Losses) on property revaluation			-
Income tax relating to items that will not be reclassified subsequently to profit or loss			-
		-	-
Items that will be reclassified subsequently to profit or loss			
		-	-
Total Other Comprehensive income for the year		-	-
Comprehensive Income for the year		10,486,125.26	(12,006,685.44)
Earnig Per Share			
Basic		1.66	(2.02)
Dilluted		1.66	(2.02)

Reporting Entity	1
Basis of Preparation	2
Significant Accounting Policies	3
Critical judgements	4
Other Financial Information	5- 21

For & on behalf of the Management

As per our attached report of even date

Tanka Raj Aryal
(Chairman)

Uddhab Bhatta
(Director)

Aarati Adhikari
(Director)

CA. Bijay Singh Parajuli
For,
P.L.R.G. Associates
Chartered Accountants

Upen Parajuli
(Director)

Ram Kaji Shrestha
(Director)

Nirvaan Sharma
(Director)

Place: Kathmandu
Date:



Peoples Power Limited

Statement of Cash Flow

Kathmandu, Nepal

For the year ended on 31 Ashad, 2081 (July 15, 2024)

"Amount in Rs."

	<u>31 Ashad, 2081</u>	<u>31 Ashad, 2080</u>
A. Cash Flow From Operating Activities		
Net Profit/(Loss) Before Tax	10,486,125.26	(12,006,685.44)
Add/Less:		
Depreciation	32,955,566.24	21,992,110.25
Finance Income	-	-
Finance Cost	38,096,558.90	27,603,109.04
Deferred Tax	(7,485.75)	-
Profit and Loss Adjustment	-	-
Tax Paid	-	-
Staff Bonus Paid	-	-
Cash flow from Operating Activities before changes in Working Capital	81,530,764.64	37,588,533.85
(Increase)/Decrease in Current Assets	(8,864,992.98)	11,876,411.28
Increase/(Decrease) in Current Liabilities	602,710.94	43,587,539.17
Net Cash From Operating Activities	73,268,482.60	93,052,484.30
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(305,719.00)	(87,100.00)
Sale of Fixed Assets	-	-
Increase in Intangible Assets	-	(66,605,293.00)
Net Cash Flow from Investing Activities	(305,719.00)	(66,692,393.00)
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Mid & Long Term Loan	(18,891,000.00)	(309,916,000.00)
Interest paid	(38,096,558.90)	(27,603,109.04)
Increase in Share Capital	-	310,000,000.00
Dividend paid	-	-
Net Cash Flow from Financing Activities	(56,987,558.90)	(27,519,109.04)
Total Cash Flow (A+B+C)	15,975,204.70	(1,159,017.74)
Effect of Foreign exchange		
Opening Cash & Bank Balances	47,746.72	1,206,764.46
Closing Cash & Bank Balances	16,022,951.42	47,746.72

Reporting Entity	1
Basis of Preparation	2
Significant Accounting Policies	3
Critical judgements	4
Other Financial Information	5- 21

For & on behalf of the Management

As per our attached report of even date

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Upen Parajuli
(Director)

Ram Kaji Shrestha
(Director)

Nirvaan Sharma
(Director)

Place: Kathmandu

Date:

Peoples Power Limited
Statement of Changes in Equity
Kathmandu, Nepal
For the year ended on 31 Ashad, 2081 (July 15, 2024)

Particulars	Share Capital	General Reserve	Accumulated Profit/(Loss)	Proposed Dividend	Corporate Social Responsibility Reserve	Total
Balance as at Shrawan 1, 2080	632,600,000.00	-	(30,805,489.34)	-	-	601,794,510.66
Credit note received						
Prior Period Adjustment						
Restated Balance	632,600,000.00	-	(30,805,489.34)	-	-	601,794,510.66
Surplus on revaluation of Properties						
Currency Translation Differences						
Net profit for the period (After Tax)			10,478,639.50			10,478,639.50
Transfer to Corporate Social Responsibility Reserve						
Dividend						
Expenses from Corporate Social Responsibility Reserve						
Issue of Share Capital						
Deferred tax provision for the year			7,485.75			7,485.75
Balance as at 31st Ashadh, 2081	632,600,000.00	-	(20,319,364.08)	-	-	612,280,635.92
Balance as at Shrawan 1, 2079	322,600,000.00	-	(18,798,803.90)	-	-	303,801,196.10
Adjustments						
Credit note received						
Prior Period Adjustment						
Restated Balance	322,600,000.00	-	(18,798,803.90)	-	-	303,801,196.10
Net profit for the period (After Tax)			(12,006,685.44)			(12,006,685.44)
Revaluation Reserve Depreciation Adjustment						
Issue of Share Capital	310,000,000.00					310,000,000.00
Transfer to Corporate Social Responsibility Reserve						
Deferred tax provision for the year						
Balance as at 31st Ashadh, 2080	632,600,000.00	-	(30,805,489.34)	-	-	601,794,510.66

For & on behalf of the Management

As per our attached report of even date

Tanka Raj Aryal
(Chairman)

Uddhab Bhatta
(Director)

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(Director)

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Chartered Accountants

Upen Parajuli
(Director)

Ram Kaji Shrestha
(Director)

Nirvaan Sharma
(Director)

Place: Kathmandu
Date:

Notes to the financial statements**1. Reporting Entity****1.1. General Information**

Peoples Power Ltd. (hereinafter referred as 'the company') is a public limited company incorporated as a private limited company in Nepal with the objective of generation and transmission of hydropower. The company has obtained the license for generation of electricity from Department of Electricity Development which shall be valid for 2075/06/23 to 2110/06/22. The hydropower project undertaken by the company namely "Puwa 2 Hydropower Project" is under construction at Illam district (Installed capacity 4.96MW).

The company signed the Power Purchase Agreement (PPA) with NEA on 5th Bhadra, 2074.

1.2. Financial Statements

The financial statements of the company for the year ended 15 July 2024 comprises Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements, significant accounting policies and explanatory notes.

1.3. Principal Activities and Operations

The major activity of the company is the construction and operation of hydropower project to generate electricity.

2. Basis of Preparation**2.1. Statement of Compliance**

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRSs).

2.2. Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Derivative financial instruments are measured at fair value.
- Financial instruments at fair value through profit or loss are measured at fair value.
- Available for sale financial assets are measured at fair value.
- Biological assets are measured at fair value less costs to sell.
- Investment property is measured at fair value.
- Liabilities for cash settled share-based payment arrangements are measured at fair value.
- The defined benefit asset is recognized as the net total of the plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains, and the present value of the defined benefit obligation.

2.3. Functional and presentation currency

These financial statements are presented in Nepali rupees (NPR), which is the company's functional currency.

2.4. Use of estimates and judgments

The preparation of the financial statements in conformity with NFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

3. Significant Accounting Policies

3.1. Service Concession Arrangements

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

- a. The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them and at what prices;
- b. The grantor controls through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement;
- c. Infrastructure that the operator constructs or acquires from a third party for the purpose of the service arrangement;
- d. Existing infrastructure to which the grantor gives the operator access for the purpose of the service arrangement.

Infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole of life assets) is within the scope of this IFRIC, if the conditions in 2.3(a) are met.

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

Financial Asset Model

The Financial Asset Model is used when the Company, being an operator, has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Unconditional contractual rights are established when the grantor contractually guarantees to pay the operator (a) specified or determinable amounts or (b) the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts, even if payment is contingent on the operator ensuring that the infrastructure meets specified quality or efficiency requirements.

Intangible Asset Model

The Intangible Asset Model is used to the extent that the Company, being an operator, receives a right (a license) to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service.

If the Operator is paid for the construction services partly by a financial asset and partly by an intangible asset it is necessary to account separately for each component of the operator's consideration. The consideration received or receivable for both components shall be recognized initially at the fair value of the consideration received or receivable.

Intangible Assets under Service Concession Arrangement (SCA)

The company maintains and services the infrastructure during the concession period. Further, the concession arrangement gives Peoples Power Ltd. right to use the hydropower projects for generating electricity and earn revenue by selling electricity to NEA and local consumers. The right to consideration gives rise to an intangible asset and accordingly, the intangible asset model is applied.

Revenue from service concession arrangement under intangible asset model is recognized in accordance with the terms of the power purchase agreement as and when the power is supplied. The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concessions. Any asset carried under concession arrangements is derecognized on the disposal or when no future economic benefits are expected from its future use or when the contractual rights to the financial assets expire.

The tenure of the Service Concession Arrangement of 4.96 MW Puwa 2 hydropower project for generation, transmission and distribution shall end on 21/10/06/22.

3.2. Revenue Recognition

The Company recognizes revenue from the following sources:

- Revenue from Sale of Electricity

Revenue is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amount collected on behalf of third parties.

At contract inception the company assesses the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer either:

- a. A good or service
- b. A series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A series of distinct goods or services has the same pattern of transfer to the customer if both of the following conditions are met:

- a. Each distinct good or service in the series that the entity promises to transfer to the customer would meet the criteria in paragraph 35 of IFRS 15 to be a performance obligation satisfied over time; and
- b. In accordance with paragraphs 39-40 of IFRS 15, the same method would be used to measure the entity's progress towards satisfaction of the performance obligation to transfer each distinct good or service in the series to the customer.

The company considers the effects of the nature, timing and amount of consideration promised by the customer for estimation of the transaction price. When determining the transaction price, the company shall consider the effects of all of the following:

- a. Variable consideration
- b. Constraining estimates of variable consideration
- c. The existence of a significant financing component in the contract
- d. Non-cash consideration
- e. Consideration payable to a customer

For the purpose of determining the transaction price, the company assumes that the goods and services will be transferred to the customer as promised in accordance with the existing contract and the contract will not be cancelled, renewed or modified.

If the consideration promised in a contract includes a variable amount, the company estimates the amount of consideration to which the entity will be entitled in exchange for transferring the promised goods or services to a customer.

The company estimates the amount of variable consideration by using the most likely amount method. The most likely amount is the single most likely amount in the range of possible consideration amounts.

At the end of each reporting period, the company updates the estimated transaction price to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

The company recognizes revenue when it transfers control of a product or service to a customer.

Revenue from Sales of Electricity

The company has signed PPA with Nepal Electricity Authority for the sale of electricity in the prescribed rate and is chargeable on sale of electricity to the Nepal Electricity Authority.

3.3. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The company as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The company as lessee

Assets held under finance leases are recognized as assets of the company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.4. Foreign Currencies

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

3.5. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognized in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalized borrowing costs reflect the hedged interest rate.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

3.6. Government Grants

Government grants are not recognized until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants towards staff re-training costs are recognized as income over the periods necessary to match them with the related costs and are deducted in reporting the related expense.

Government grants relating to the acquisition of property, plant and equipment are treated as deferred income and released to profit or loss over the expected useful lives of the assets concerned.

3.7. Retirement and termination benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

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

measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date.

3.8. Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors reviewed the Company's investment property portfolios and concluded that none of the Company's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to NAS 12 is not rebutted. As a result, the company has not recognized any deferred taxes on changes in fair value of the investment properties as the company is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Current tax and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.9. Property, plant and equipment

An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if:

- a. it is probable that future economic benefits associated with the item will flow to the entity; and
- b. the cost of the item can be measured reliably.

Land and buildings held for use in the production or supply of goods or services for rental to others (excluding investment properties), or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense, in

which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognized in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. The surplus on revaluation is transferred to the retained earnings as the asset is used by the entity. the amount of the surplus transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Particulars	Useful Life	Depreciation (%)
Furniture & Fixtures	4	25%
Office Equipment	5	20%
Miscellaneous Assets	5	20%
Vehicles	5	20%

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

3.10. Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. All of the company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

3.11. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An intangible asset shall be recognized if, and only if:

- a. it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- b. The cost of the asset can be measured reliably.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The cost of a separately acquired intangible asset comprises:

- a. its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- b. Any directly attributable cost of preparing the asset for its intended use.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are recognized initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

De-recognition of intangible assets

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is de-recognized.

Patents and trademarks

Patents and trademarks are measured initially at purchase cost and are amortized on a straight-line basis over their estimated useful lives.

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Cost of Intangible Assets

The cost of a separately acquired intangible asset comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- any directly attributable cost of preparing the asset for its intended use.

Examples of directly attributable costs are:

- costs of employee benefits (as defined in NAS 19) arising directly from bringing the asset to its working condition;
- professional fees arising directly from bringing the asset to its working condition; and
- costs of testing whether the asset is functioning properly.

Examples of expenditures that are not part of the cost of an intangible asset are:

- costs of introducing a new product or service (including costs of advertising and promotional activities);
- costs of conducting business in a new location or with a new class of customer (including costs of staff training); and
- administration and other general overhead costs.

3.12. Inventories

Inventories are assets:

- a. held for sale in the ordinary course of business;
- b. in the process of production for such sale; or
- c. in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

3.13. Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial Assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Company may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

i) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognized in profit or loss and is included in the "finance income – interest income" line item.

ii) Debt instruments classified as at FVTOCI

The corporate bonds held by the company are classified as at FVTOCI. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses and interest income calculated using the effective interest method are recognized in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these corporate bonds had been measured at amortized cost. All other changes in the carrying amount of these corporate bonds are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds

are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

iii) Equity instruments designated as at FVTOCI

On initial recognition, the company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in profit or loss.

The company has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent

they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses'
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the 'other gains and losses'. Other exchange differences are recognized in other comprehensive income in the investment revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses'; and
- for equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investment revaluation reserve.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default

occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- a. The financial instrument has a low risk of default,
- b. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- c. Adverse changes in economic and business conditions in the longer term may, but will not necessarily; reduce the ability of the borrower to fulfill its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

ii) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a) significant financial difficulty of the issuer or the borrower;
- b) a breach of contract, such as a default or past due event;
- c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- e) the disappearance of an active market for that financial asset because of financial difficulties.

iv) Write-off policy

The company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the

exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with NFRS 16 Leases.

For a financial guarantee contract, as the company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, the debtor or any other party.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss

previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Repurchase of the company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Compound instruments

The component parts of convertible loan notes issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to other equity. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognized in equity will be transferred to other equity. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible loan notes using the effective interest method.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the company, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income could create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognized in profit or loss.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- the amount recognized initially less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies set out above.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the 'other gains and losses' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognized in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The company derecognizes financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

3.14. Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Restructurings

A restructuring provision is recognized when the company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognized at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the company's obligation.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with NAS 37 and the amount recognized initially less cumulative amount of income recognized in accordance with the principles of NFRS 15.

3.15. Earning Per Share

The company presents basic and diluted Earnings Per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit and loss attributable to ordinary equity holders of the microfinance by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting both the profit and loss attributable to the ordinary equity holders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, if any.

The weighted average number of shares for the year has been calculated as below:

Earnings Per Share

Particulars	FY 2080.81	FY 2079.80
Profit for the year		(12,006,685.44)
Weighted Average Number of Shares for Basic EPS	6,326,000	5,937,739
Weighted Average Number of Shares for Diluted EPS	6,326,000	5,937,739
Basic Earnings Per Share		(2.02)
Diluted Earnings Per Share		(2.02)

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1. Presentation of Financial Statements

4.1.1. Statements of Income- "function of expense" presentation

The Company has chosen to present the statement of Income on the "function of expense" or "cost of sales" format. The Company has determined that presenting expenses based on function provides more meaningful and relevant information to users of its financial statements.



4.1.2. Statements of Financial Position

NFRS requires certain items, some of which the Company previously grouped together, to be presented separately on the face of the Statements of financial position. Such items include “investment property”, “provisions”, and “assets classified as held for sale”. Under NFRS all deferred tax assets or liabilities are classified as non-current.

Peoples Power Limited
Fixed Assets Fiscal Year 2080/81

Figures in NPR
Notes-5

Particulars	Gross Block			Accumulated Depreciation			Closing Balance	
	Opening	Addition	Closing	Opening	Addition	Closing	As at 15th July, 2024 (Ashadh 31, 2081)	As at 16th July, 2023 (Ashadh 31, 2080)
Land & Land Development	-	-	-	-	-	-	-	-
Furniture & Fixtures	255,364.00	14,200.00	269,564.00	255,364.00	2,100.82	257,464.82	12,099.18	-
Office Equipment	331,488.00	12,719.00	344,207.00	228,888.25	39,553.72	268,441.97	75,765.03	102,599.75
Computer & Printers	-	33,800.00	33,800.00	-	6,500.93	6,500.93	27,299.07	-
Vehicles	-	160,000.00	160,000.00	-	32,000.00	32,000.00	128,000.00	-
Plant & Machinery	-	-	-	-	-	-	-	-
Software	36,160.00	-	36,160.00	36,160.00	-	36,160.00	-	-
Leasehold Improvement	-	85,000.00	85,000.00	-	17,000.00	17,000.00	68,000.00	-
Total	623,012.00	305,719.00	928,731.00	520,412.25	97,155.47	617,567.72	311,163.28	102,599.75

Peoples Power Limited
Notes forming part of accounts for the year ended Ashad 31, 2081 (July 15, 2024)

6. Intangible Assets Under IFRIC 12	Opening		Addition		Accumulated Amortization and Impairment		Closing Intangible Assets		Amount in Rs'
	31 Ashad, 2081	31 Ashad, 2080	31 Ashad, 2081	31 Ashad, 2080	Opening	Addition	Closing	31 Ashad, 2081	
Particulars									
Intangible Assets	963,846,716.00	985,752,323.00			21,905,607.00	32,858,410.77	54,764,017.77	930,988,305.23	963,846,716.00
Profit under IFRIC 12									
Total	963,846,716.00	985,752,323.00	-	-	21,905,607.00	32,858,410.77	54,764,017.77	930,988,305.23	963,846,716.00

Peoples Power Limited
Notes forming part of accounts for the year ended Ashad 31, 2081 (July 15, 2024)

	<u>31 Ashad, 2081</u>	<u>31 Ashad, 2080</u>		
7 Inventories				
Closing Inventories	-	-		
7.1. Inventories are valued at lower of cost or net realisable value. Cost comprises of purchase price including non refundable taxes and transportation cost. Cost is calculated using first in first out method.				
8 Current Assets				
<u>A. Trade Receivables</u>				
Trade Receivable	17,297,892.96	12,661,712.85		
less: Provision for Impairment of Trade Receivables				
Total (A)	17,297,892.96	12,661,712.85		
<u>B. Sundry Debtors and Other Current Assets</u>				
Prepaid Expenses				
Bharat Bahadur Khatri	4,542,444.40			
Chandra Bahadur Rai	154,000.00			
Khagendra Karki	1,038,463.34			
Sundar-Advance	93,400.00			
Man Kumar Gurung	77,079.42			
Nabin Khatiwada	2,340.00			
Advance Tax	139,253.25	137,070.18		
Advance for Expenses	101,804.61	1,782,901.97		
Total (B)	6,148,785.02	1,919,972.15		
<u>C. Deposits</u>				
Deposits	600,000.00	600,000.00		
Margin Deposited in Bank (LC, TT)	605,000.00	605,000.00		
Total (C)	1,205,000.00	1,205,000.00		
	24,651,677.98	15,786,685.00		
8.1. The management assessed that there are no indication of impairments of the above balances and hence the amounts are carried at cost and no provision is made for the same.				
9 Cash & Cash Equivalents				
Cash in hand	21,981.89			
<u>Bank Balance</u>				
	16,000,969.53	47,746.72		
	16,022,951.42	47,746.72		
10 Share Capital				
	<u>Nos</u>	<u>Value</u>		
Authorised Capital	6,326,000	100	632,600,000.00	632,600,000.00
Issued Capital	6,326,000	100	632,600,000.00	632,600,000.00
Paid up Capital	6,326,000	100	632,600,000.00	632,600,000.00
			632,600,000.00	632,600,000.00
10.1. The company has issued only ordinary shares.				

Peoples Power Limited
Notes forming part of accounts for the year ended Ashad 31, 2081 (July 15, 2024)

	<u>31 Ashad, 2081</u>	<u>31 Ashad, 2080</u>
11 Reserve & Surplus		
<u>Revenue Reserve</u>		
Prior Year Reserve & Surplus	(30,805,489.34)	(18,798,803.90)
Profit & Loss Adjustment		
NFRS Adjustment	-	-
Restated Reserve & Surplus	(30,805,489.34)	(18,798,803.90)
<u>Profit & Loss</u>		
Current Year Profit & Loss	10,486,125.26	(12,006,685.44)
Corporate Social Responsibility Reserve	-	-
Dividend Paid - Previous Year	-	-
Residual Profit & Loss	10,486,125.26	(12,006,685.44)
<u>Other Comprehensive Income</u>		
Prior Year Other Comprehensive Income		
Current Year Other Comprehensive income	-	-
	(20,319,364.08)	(30,805,489.34)
12 Borrowings		
<u>(A) Long Term Loans</u>		
<u>Secured Loans</u>		
Long Term Loan	335,313,000.00	355,500,000.00
less: Current Portion of Long Term Loans	(24,120,000.00)	(25,416,000.00)
A. Total Long term loans	311,193,000.00	330,084,000.00
<u>(B) Short Term Loans</u>		
Short Term Loans	15,000,000.00	8,836,241.80
Bridge Gap Loans		
B. Total Short term loans	15,000,000.00	8,836,241.80
(C) Current Portion of Long Term Loans	24,120,000.00	25,416,000.00
	350,313,000.00	364,336,241.80
12.1. The loan refers to the loans from Nabil Bank Ltd.		
12.2. The term loan installments due within one year of the date of statement of financial position has been classified as current portion of Long Term Loans under Current Liabilities as per the requirements of NAS 1.		
13 Current Liabilities		
<u>(A) Trade and Other Payables</u>		
Trade Payables	316,681.07	1,853,459.65
Bank Interest Payable	7,676,323.80	11,146,696.04
Audit Fee Payable	557,500.00	362,375.00
Office Rent Payable	(66,000.00)	
Prakash Gurung	154,189.00	
Staff Payable	560,350.00	
SST on Salary	9,186.09	22,241.00
TDS on Consultant Fee	2,175.00	3,675.00
TDS on Advertisement	197.85	4,846.38
TDS on Annual Fee		22,500.00
TDS on Audit Fee	4,875.00	4,875.00
TDS on CDS	25,500.00	
TDS on Office Rent	66,000.00	66,000.00
TDS on Operation and Maintenance	28,800.93	80,960.00
TDS on Meeting Allowance	5,550.00	
TDS on Others	46,619.01	85,366.94
Total (A)	9,387,947.75	13,652,995.01

Peoples Power Limited
Notes forming part of accounts for the year ended Ashad 31, 2081 (July 15, 2024)

	<u>31 Ashad, 2081</u>	<u>31 Ashad, 2080</u>
(B) Provisions		
Provision for Income Tax	-	-
Staff Bonus Provisions	-	-
13(B).1 For the Income Year 2080/81, the income tax liability has been calculated as per Income Tax Act 2058.		
14 Revenue		
Revenue from Sale of Electricity	107,791,504.63	52,024,872.73
Total	107,791,504.63	52,024,872.73
15 Cost of Sales		
Operation and Maintenance Cost	9,357,300.33	7,357,850.80
Electricity Expenses (Project)	167,756.00	93,744.00
Short Supply Charges	879,678.80	4,099,827.13
Royalty Expense	2,147,286.34	971,817.88
Materials Cost	2,435,972.34	-
	14,987,993.81	12,523,239.81
16 Net Construction Revenue as per IFRIC 12		
Revenue under IFRIC 12	-	66,605,293.00
Cost under IFRIC 12	-	66,605,293.00
	-	-
17 Other Income		
Insurance Income	576,500.00	500,000.00
Other Income	32,783.73	2,629,446.48
	609,283.73	3,129,446.48
18 Administrative Expenses		
Audit Fee	367,250.00	367,250.00
Advertisement Expenses	117,158.00	365,068.60
Annual Fee	300,000.00	-
Bank Charges	20,790.00	151,198.91
Communication and Internet Expenses	-	31,810.00
Consultancy Expenses	220,350.00	276,850.00
Donation Expenses	3,500.00	100,000.00
Electrical Expenses	31,212.00	-
Excavator Rent	641,555.57	-
Fine & Penalty	2,489,741.09	528,281.09
Fooding Expenses	687,635.05	-
Fuel Expenses	404,458.73	-
Insurance Expenses	2,022,837.37	-
Internet Expenses	95,335.00	-
Legal Expenses	115,000.00	-
Meeting Expenses	40,000.00	-
OCR Expenses	324,800.00	-
Office Expenses	8,718.46	90,149.22
Other Expenses	102,405.00	-
Printing & Stationary Exps	98,828.55	46,293.00
Rent Expenses	660,000.00	660,000.00
Repair and Maintenance Expenses	43,300.00	-
Rating Fee	-	67,800.00
Right Share Issuance Fee	595,000.00	-
Salary Expenses	1,841,447.62	2,224,091.00
Securities Registrar's Fee	-	150,000.00
Site Expenses	289,147.47	-
Software Expenses	20,000.00	-
Surveillance Fee	67,800.00	-
Transportation Expenses	70,950.00	-
Renewal & Registration Expenses	202,810.00	-
	11,882,029.91	5,058,791.82



Peoples Power Limited
Notes forming part of accounts for the year ended Ashad 31, 2081 (July 15, 2024)

	<u>31 Ashad, 2081</u>	<u>31 Ashad, 2080</u>
19 Finance Cost		
Interest Expenses on Long Term Loan	36,563,204.88	62,482,381.30
Interest Expenses on Short Term Loan	1,533,354.02	54,167.43
Interest Expenses related to financial liabilities		
less: Amount Capitalized on Qualifying Assets	-	(34,933,439.69)
	<u>38,096,558.90</u>	<u>27,603,109.04</u>
20 Deferred Tax Assets/ Liabilities		
Carrying amount as per accounts		
-Fixed Assets	931,299,468.51	
-Net construction revenue under IFRIC 12	-	
-Property Revaluation Reserve		
	<u>931,299,468.51</u>	<u>-</u>
Tax Base		
-Fixed Assets	931,336,897.29	
-Net construction revenue under IFRIC 12	-	
-Property Revaluation Reserve		
-Unused tax credit on carried forward loss		
	<u>931,336,897.29</u>	<u>-</u>
Temporary Taxable Difference/(Deductible temporary difference)	(37,428.77)	-
Deferred Tax Liability/(Deferred Tax Assets) @20%	(7,485.75)	-
Temporary Taxable Difference/(Deductible temporary difference) in property valuation reserve	-	-
To be expensed/(realized in profit or loss)	(7,485.75)	
To be expensed/(Realized in other comprehensive income)	-	
Total to be expensed/ (Realized)	<u>(7,485.75)</u>	<u>-</u>

Peoples Power Limited
Notes forming part of accounts for the year ended Ashad 31, 2081 (July 15, 2024)

31 Ashad, 2081

31 Ashad, 2080

21 Related Party Disclosures

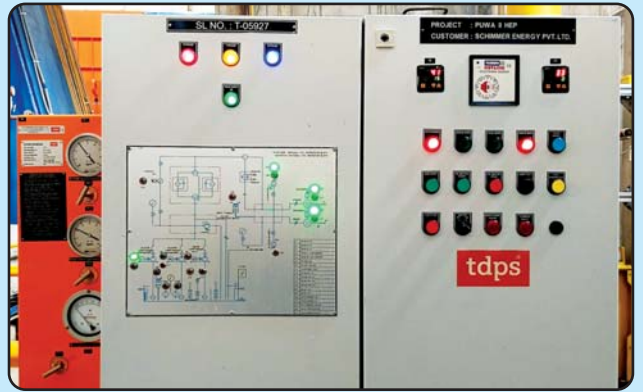
The company identifies the following as its related parties.

21.1. Key Management Personnel & Their Relatives

Name of Related Party	Relationship	Short term Employee Benefits	Advances Outstanding at year end
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21.2. All the related parties transactions are made on equivalent terms to those that prevail in arm's length transactions only if such terms

परियोजनाका तस्विरहरु





People's Power Ltd.

पिपुल्स पावर लिमिटेड

केन्द्रिय कार्यालय : का.म.न.पा.-२, खुर्सानिटार, काठमाडौं, फोन नं. ०१-४५३७५४४

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