



सल्लेरी च्याल्सा विद्युत कम्पनी लिमिटेड
SALLERI CHIALSA ELECTRICITY CO.LTD. (SCECO)



३१औं वार्षिक प्रतिवेदन
आर्थिक वर्ष २०७९/८०



सोलुदुधकुण्ड नगरपालिका-५, सल्लेरी, सोलुखुम्बु

फोन नं. : कार्यालय ०३८-५२०२१०, ५२०२२०

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Website: www.sceco.com.np

विषय सूची

१. संचालक समिति
२. हार्दिक आभार
३. ३१औं वार्षिक साधारण सभा सम्बन्धी सूचना
४. संस्थागत संरचना
५. आर्थिक वर्ष २०७९/८० को लागि संचालक समितिको प्रतिवेदन
६. वित्तीय भलक
७. प्राविधिक भलक/स्केको तथ्याङ्क
८. आर्थिक वर्ष २०७९/८० लेखापरीक्षकको प्रतिवेदन

संचालक समिति



अध्यक्ष
श्री डा. मिडमार गेल्ले शेर्पा
स्थानीय प्रतिनिधि



संचालक
श्री समिर प्रसाद पोखरेल
नेपाल विद्युत प्राधिकरण (NEA)



संचालक
श्री सन्तोष कुमार भा
नेपाल विद्युत प्राधिकरण (NEA)



संचालक
श्री गणेश प्रसाद लुइटेल
नेपाल विद्युत प्राधिकरण (NEA)



संचालक
श्री नुरु लामा शेर्पा
स्थानीय प्रतिनिधि



संचालक
श्री दावा गेलु पाख्रिन
सोलुदुधकुण्ड नगरपालिका



संचालक
श्री टंकी माया बस्नेत
सोलुदुधकुण्ड नगरपालिका



संचालक
श्री नारायण काजी श्रेष्ठ
सोलुदुधकुण्ड नगरपालिका



कम्पनी सचीव
श्री भोजराज तिवारी

हार्दिक आभार

श्री



सोलुदुधकुण्ड नगरपालिका



स्वीस सरकार विकास सहयोग
(SDC) नेपाल



नेपाल विद्युत प्राधिकरण



स्थानीय शेयरधनीहरू

३१औँ
वार्षिक
साधारण सभा

वि.सं. २०४७ साल फाल्गुन ६ गते स्थापित सल्लेरी च्याल्सा विद्युत कम्पनी लिमिटेडको सञ्चालनको लागि हाल सम्म समस्त शेयरधनीहरूबाट प्राप्त भएको मार्गदर्शन, विश्वास, हौसला र साथको लागि हार्दिक आभार व्यक्त गर्दछौं ।

डा. मिडमार गेल्जे शेर्पा
अध्यक्ष

इ. भोजराज तिवारी
महाप्रबन्धक

एवम्



सल्लेरी च्याल्सा विद्युत कम्पनी लिमिटेड परिवार

३१औं वार्षिक साधारण सभा सम्बन्धी सूचना

मिति: २०८०/०८/१२

आदरणीय शेयरधनी महानुभावहरु,

यस कम्पनीको मिति २०८०/०८/०८ गते बसेको सञ्चालक समितिको १८८औं बैठकको निर्णयानुसार कम्पनीको ३१औं वार्षिक साधारण सभा निम्न मिति, समय र स्थानमा देहायका प्रस्तावहरु उपर छलफल गरी निर्णय गर्नको लागि बस्ने भएको हुँदा सम्पूर्ण शेयरधनी महानुभावहरुको जानकारीका लागि कम्पनी ऐन, २०६३ को दफा ६७ बमोजिम यो सूचना प्रकाशित गरिएको छ ।

सभा हुने मिति, समय र स्थान :

मिति : २०८० साल पौष ०३ गते, मङ्गलवार (19 December, 2023)

समय : बिहान ११:०० बजेदेखि ।

स्थान : जिल्ला समन्वय समितिको समिक्षालय, सल्लेरी, सोलुखुम्बु

छलफलका विषयहरु :

(१) साधारण प्रस्ताव :

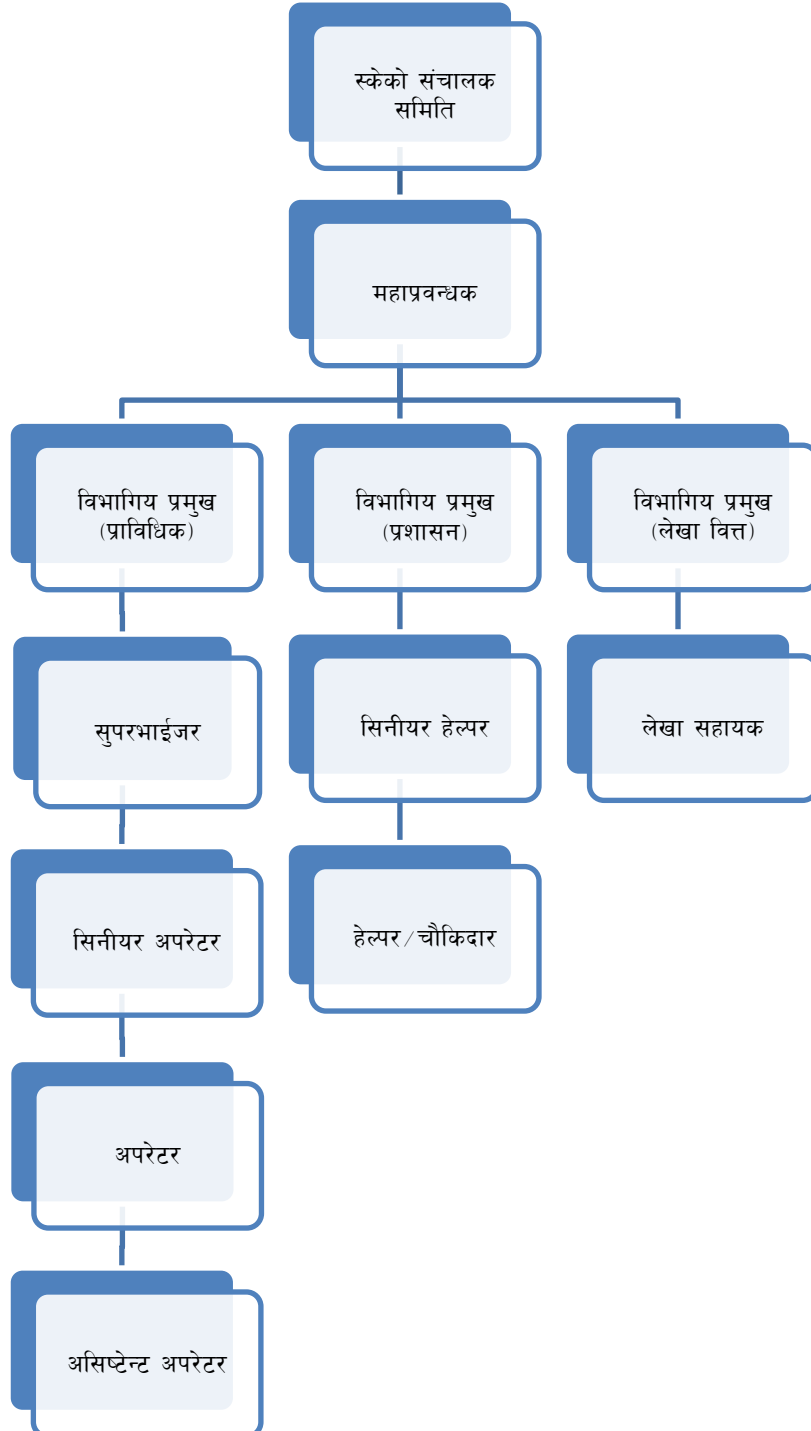
- क) संचालक समितिको तर्फबाट अध्यक्षज्यूद्वारा प्रस्तुत आर्थिक वर्ष २०७९/८० को वार्षिक प्रतिवेदन उपर छलफल गरी पारित गर्ने ।
- ख) आर्थिक वर्ष २०७९/८० को लेखापरीक्षकको प्रतिवेदन सहित वित्तीय विवरणहरु उपर छलफल गरी पारित गर्ने ।
- ग) श्री महालेखापरीक्षकको कार्यालयबाट प्राप्त परामर्श बमोजिम चालु आर्थिक वर्ष २०८०/८१ को लागि लेखापरीक्षकको नियुक्ति गर्ने र निजको पारिश्रमिक निर्धारण गर्ने ।

(२) विविध ।

वार्षिक साधारण सभा सम्बन्धी अन्य जानकारी :

१. शेयरधनी महानुभावहरुको जानकारीका लागि कम्पनीको विस्तृत आर्थिक विवरण तथा सञ्चालक समितिको प्रतिवेदन तथा वार्षिक साधारण सभा सम्बन्धी अन्य जानकारीहरु कम्पनीको वेबसाइट www.sceco.com.np मा हेर्न वा कम्पनीको कार्यालय, सल्लेरी बाट लिन सकिनेछ । उक्त प्रतिवेदन सभा हुने समयमा सभास्थलमा समेत उपलब्ध हुनेछ ।
२. सभामा भाग लिन प्रतिनिधि नियुक्त गर्न चाहने शेयरधनी महानुभावहरुले सभा सुरु हुने समय भन्दा कमिमा ४८ घण्टा अगावै अर्थात मिति २०८०/०९/०१ गते बिहान १०:०० बजे भित्र यस कम्पनीको कार्यालय सल्लेरीमा प्रोक्सी फारम दर्ता गरिसक्नु पर्नेछ । सभामा भाग लिनका लागि प्रतिनिधि नियुक्त गरिसकेपछि उक्त प्रतिनिधि बदर गरी अर्कै प्रतिनिधि नियुक्त गर्ने भएमा सोको लिखित सूचना सोहि अवधि भित्र सोहि कार्यालयमा दर्ता गरिसक्नु पर्नेछ । यसरी प्रतिनिधि (प्रोक्सी) नियुक्त गरिएको व्यक्ति कम्पनीको शेयरधनी समेत हुनुपर्नेछ । प्रोक्सी फारमको ढाँचा कम्पनीको वेबसाइट बाट डाउनलोड गर्न सकिनेछ ।

संस्थागत संरचना



३१औं वार्षिक साधारण सभामा संचालक समितिको तर्फबाट अध्यक्षज्यूको आर्थिक वर्ष २०७९/८० को प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरु,

यस कम्पनीको संचालक समितिको अध्यक्षको हैसियतले यस सल्लेरी च्याल्सा विद्युत कम्पनी लिमिटेडको ३१औं वार्षिक साधारण सभामा हाम्रो निमन्त्रणलाई स्वीकार गरि उपस्थित हुनु हुने यहाँहरु सबैलाई संचालक समितिको तर्फ बाट म हार्दिक स्वागत गर्न चाहान्छु । आर्थिक वर्ष २०७९/८० मा कम्पनीद्वारा गरिएका गतिविधिहरुको अभिलेख स्वरुप यो प्रतिवेदन पेश गर्न पाउँदा मलाई खुशी लागेको छ । विगत वर्षहरुमा जस्तै यो आर्थिक वर्ष पनि कम्पनीको व्यवस्थापकीय कौशलताले समग्र व्यवस्थापन र वित्तिय अवस्था उपलब्धि मुलक नै रहेको व्यहोरा शेयरधनी महानुभावहरुलाई जानकारी गराउन पाउँदा हामीलाई खुशी लागेको छ ।

आर्थिक वर्ष २०७९/८० मा कम्पनीले दैनिक रुपमा गरिने कार्यहरुको अतिरिक्त थप ४६ नयाँ घरधुरीलाई विद्युत जडान, थप चार वटा नयाँ SDB जडान, पुराना भएका ४ वटा SDB नयाँ द्वारा प्रतिस्थापना, सडक/ढल विस्तार गर्दा भूमिगत तार र बक्सहरुको मर्मत एवं व्यवस्थापन, विभिन्न ठाउँमा भूमिगत तारहरु परिवर्तन गर्नुका साथै सल्लेरी सेन्टर ट्रान्सफर्मरको क्षमता बृद्धि गरेको जानकारी दिन चाहान्छु । शेयरधनी महानुभावहरु कम्पनीले आफ्नो व्यवसायको अतिरिक्त समाजप्रतिको उत्तरदायित्व पनि निर्वाह गरी रहेको र यस कार्यलाई अझ व्यवस्थित एवं प्रभावकारी गराइनेछ । संस्थागत सुशासन तथा पारदर्शितालाई मुख्य आदर्श मानी कम्पनीले आफ्ना गतिविधिहरु संचालन गरिरहेको जानकारी गराउँदछु ।

हाल संचालनमा रहेको विद्युत उत्पादन क्षमतालाई ३ देखि ४ मेगावाटमा वृद्धि गर्ने उद्देश्यले प्रारम्भिक अध्ययन (Desk Study) प्रतिवेदन तयार भई सर्वेक्षण अनुमति पत्र प्राप्तिका लागि विद्युत विकास विभागमा दरखास्त बुझाइएको कुरा पनि म यस गरिमामय सभालाई अवगत गराउन चाहान्छु । साथै नेपाल विद्युत प्राधिकरणको विद्युत महशुल दरलाई आधार मानि यस कम्पनीको विद्युत महशुल दर निर्धारण गर्न र अनलाईन मार्फत विद्युत महशुल बुझाउनका लागि नयाँ विलिङ सफ्टवेयर निर्माण गरि डाटा माइग्रेसन सहित परिक्षण भइरहेको जानकारी गराउँदछौं । उक्त नयाँ सफ्टवेयरको परिक्षणमा देखिएका समस्याहरु समाधान हुँदै गरेको र सम्पन्न हुनासाथ नयाँ विद्युत महशुल दर लागु गर्नेछौं ।

कम्पनीको मुख्य उद्देश्य ग्राहक महानुभावहरुलाई गुणस्तरीय एवं भरपर्दो विद्युत वितरण सेवा उपलब्ध गराउनुका साथै कम्पनीलाई वित्तिय एवं व्यवस्थापकीय रुपमा चुस्त नमुना संस्थाको रुपमा स्थापित गर्नु हो । वर्षा, चट्याङ एवं हावा हुरीको समयमा बाहेक अन्य समयमा विद्युत आपूर्ति र सेवा नियमित भइरहेको जानकारी गराउँदछौं र यसलाई अझ थप प्रभावकारी, नियमित र सुरक्षित बनाउने छौं । यसका साथै आर्थिक वर्ष २०७८/७९ मा पनि सोलुखुम्बु जिल्लाबाट सबै भन्दा बढी कर बुझाए वापत कर सेवा कार्यालय ओखलढुङ्गाबाट राष्ट्रिय कर दिवसको उपलक्ष्यमा यस कम्पनी सम्मानित भएको कुरा म यस गरिमामय सभालाई जानकारी गराउँदछु ।

यस वर्ष स्वीस सरकार विकास सहयोग (SDC) नेपालले आफ्नो शेयर स्वामित्व सोलुदुधकुण्ड नगरपालिकालाई हस्तान्तरण गरेको छ । सोही अनुरूप यस कम्पनीको संचालक समितीमा सोलुदुधकुण्ड नगरपालिकाको तर्फबाट पनि तीन जना संचालक सहित प्रतिनिधित्व भएको जानकारी गराउँदछु । भविष्यमा सोलुदुधकुण्ड नगरपालिका र नेपाल विद्युत प्राधिकरणको सहयोगमा यस कम्पनीको व्यवसाय दायरालाई विस्तार गर्दै उत्पादन क्षमता वृद्धि गरिनेछ । स्वीस सरकार विकास सहयोग (SDC) ले यस कम्पनीको स्थापना, संचालन, स्थिरता र संरक्षणमा पुर्याएको भूमिकालाई उच्च सम्मान गर्दै कृतज्ञता व्यक्त गर्न चाहान्छौं ।

अब म संचालक समितिको तर्फबाट आर्थिक वर्ष २०७९/८० को लेखा परीक्षण सम्पन्न भई सकेको विवरणहरु संक्षिप्त रुपमा प्रस्तुत गर्न चाहान्छु ।

१. आर्थिक वर्ष २०७८/७९ मा कम्पनीको विद्युत उत्पादन केन्द्रबाट ४५ लाख ७२ हजार ९६ (४५,७२,०९६) युनिट विद्युत उत्पादन भएकोमा आ. व. २०७९/८० मा ७.४७ प्रतिशतले घटि भई कुल ४२ लाख ३० हजार ५ सय ६० (४२,३०,५६०) युनिट विद्युत उत्पादन भयो । विद्युत उत्पादनमा कमी आउनुको मुख्य कारण तीन महिना जति मिसिन-१ र एक महिना जति मिसिन-२ मा समस्या आइ बन्द हुनु रहेको छ । त्यसै गरि आर्थिक वर्ष २०७९/८० मा ग्राहक विद्युत खपत १.९६ प्रतिशतले घटि भई ३१ लाख ५६ हजार ३ सय ५६ (३१,५६,३५६) युनिट रह्यो । यसरी विद्युत खपतमा घटि आउनुको मुख्य कारण बढी विद्युत खपत गर्ने ग्राहकहरु मिड सोलु हाइड्रो र बेनी हाइड्रोले विद्युत कटौती गर्नुलाई लिन सकिन्छ ।
२. आर्थिक वर्ष २०७९/८० मा ११ लाख ३ हजार १ सय ३५ (११,०३,१३५) युनिट विद्युत राष्ट्रिय प्रसारण लाईन मार्फत नेपाल विद्युत प्राधिकरणलाई विक्री गरिएको छ भने ३ लाख ९४ हजार ९ सय ५० (३,९४,९५०) युनिट विद्युत नेपाल विद्युत प्राधिकरणसँग किनिएको छ ।
३. आर्थिक वर्ष २०७८/७९ मा कम्पनीको कुल आम्दानी रु. ५ करोड ५८ लाख १४ हजार ६ सय ८१ (रु. ५,५८,१४,६८१) रहेकोमा आ. व. २०७९/८० मा कुल आम्दानीमा ६.६९ प्रतिशतले वृद्धि भई रु. ५ करोड ९५ लाख ४९ हजार २ सय ८६ (रु. ५,९५,४९,२८६) रहेको छ । जस मध्ये कुल व्यवसायिक आम्दानी २.३ प्रतिशतले घटि भई रु. ४ करोड ४८ लाख ३८ हजार ८ सय ५० (रु. ४,४८,३८,८५०) रहेको छ । कुल व्यवसायिक आम्दानीको मुख्य हिस्सा विद्युत बिक्री आम्दानी रहेको छ जुन आ. व. २०७८/७९ मा रु. ४ करोड १ लाख ७ हजार ९ सय ९० (रु. ४,०१,०७,९९०) रहेकोमा आ. व. २०७९/८० मा ४.१२ प्रतिशतले घटि भई रु. ३ करोड ८४ लाख ५२ हजार ७ सय ६७ (रु. ३,८४,५२,७६७) रहेको जानकारी गराउन चाहान्छु ।
४. आर्थिक वर्ष २०७८/७९ मा कम्पनीको कुल खर्च रु. २ करोड ६९ लाख ८८ हजार १ सय ७३ (रु. २,६९,८८,१७३) रहेकोमा आ. व. २०७९/८० मा १३.५७ प्रतिशतले बढी रु. ३ करोड ६ लाख ५२ हजार ३ सय ४४ (रु. ३,०६,५२,३४४) रहेको छ । जस मध्ये व्यवसायिक खर्च १४.६६ प्रतिशतले वृद्धि भई रु. २ करोड ५९ लाख ८७ हजार २ सय ४४ (रु. २,५९,८७,२४४) रहेको छ भने प्रशासनिक तथा अन्य संचालन खर्च ७.८५ प्रतिशतले वृद्धि भई रु. ४६ लाख ६५ हजार ९९ (रु. ४६,६५,०९९) रहेको जानकारी गराउन चाहान्छु ।
५. समग्र रुपमा आर्थिक वर्ष २०७९/८० मा यस कम्पनीले कर सहित आ. व. २०७८/७९ भन्दा ०.२४ प्रतिशतले बढि रु. २ करोड ८८ लाख ९६ हजार ९ सय ४३ (रु. २,८८,९६,९४३) नाफा आर्जन गरेको छ । साथै आर्थिक वर्ष २०७८/७९ मा कम्पनीको प्रति सेयर आम्दानी रु २२.९० थियो भने आ. व. २०७९/८० मा ३.४ प्रतिशतले घटिभई रु २२.१२ रहेको छ ।

कम्पनीको भावी योजना एवं कार्यक्रम :

- क) कम्पनीमा सोलुदुधकुण्ड नगरपालिकाको प्रतिनिधित्व भएसंगै स्केको अब नेपाल सरकारको स्वामित्व भएको कम्पनीको रुपमा रहेको छ । नेपाल सरकारद्वारा जारी गरिएका ऐन, नियमवली तथा सम्बन्धित निर्देशिकाहरुलाई अवलम्बन गर्दै कम्पनीको प्रवन्धपत्र, नियमावली, आर्थिक प्रशासन विनियमावली, जडान नीति, कर्मचारी सेवा विनियमावली सहित अन्य निति तथा नियमहरुमा आवश्यक संशोधन गरिनेछ ।
- ख) संघीय, प्रदेश तथा स्थानीय सरकार, नेपाल विद्युत प्राधिकरण र समुदायहरुको साभेदारी र समन्वयमा सोलुखुम्बु जिल्लाको विभिन्न क्षेत्रमा आवश्यकता अनुसार कम्पनीको विद्युत वितरण प्रणाली विस्तार गर्ने छौं । साथै नेपाल विद्युत प्राधिकरण, सोलुदुधकुण्ड नगरपालिका र स्थानीय शेयरधनीहरुको साथ र सहयोगमा हाल

संचालनमा रहेको विद्युत उत्पादन केन्द्रको क्षमतालाई करिब ३ देखि ४ मेगावाट बृद्धि गर्ने सम्बन्धमा प्राविधिक र वित्तीय संभाव्यताको अध्ययन गर्नेछौं ।

ग) विद्युत सुरक्षा सम्बन्धी कार्यहरु निरन्तर रुपमा भइरहेको र यस आ. व. २०७८/७९ मा भएका प्रयासहरु सकारात्मक भएको हुनाले उक्त कार्यहरुलाई उच्च प्राथमिकतामा राख्दै थप चेतनामूलक कार्यक्रमहरु संचालन गर्ने । साथै विद्युत संरचनाहरु अझ बढी सुरक्षित बनाउनका निम्ति अध्ययन र विश्लेषण गरि सोही अनुसार कार्यान्वयन गरिनेछ ।

घ) कम्पनीलाई नेपाल स्टक एक्सचेन्ज लिमिटेडमा सुचिकृत गर्नको लागि आवश्यक अध्ययन र प्रक्रिया अवलम्बन गरिनेछ ।

ङ) कम्पनीको श्रोत-साधन, खर्च र क्षमतालाई मध्यनजर गर्दै विद्युत महशुल दर समयानुकूल बनाउने छौं ।

च) हाल सम्म कम्पनीले आर्जन गरेको संचित नाफा रु. १४ करोड ८८ लाख ४२ हजार ७ सय ५७ (रु. १४,८८,४२,७५७) रहेको छ । उक्त रकम बाटै कम्पनीको क्षमता बृद्धि, विद्युत विस्तार र मर्मत सम्भारका कार्यहरु हुदै आएको र भविष्यमा पनि हुनेछ । सो कार्य र योजनाहरु कार्यान्वयन गर्न थप पुंजीको आवश्यकता परेमा शेयरधनीहरुलाई सम्पूर्ण कानुनी प्रक्रियाहरु पुरा गरि हकप्रद शेयर पनि जारी गरिने छ ।

अन्तमा यस कम्पनीले प्रदान गर्दै आएको सेवालाई समयानुकूल, स्तरिय एवं प्रभावकारी बनाउने प्रतिवद्धता व्यक्त गर्दै शेयरधनी महानुभावहरुले कम्पनीलाई दिनु भएको अमूल्य सहयोगको लागि म कृतज्ञता व्यक्त गर्दछु । म आफ्नो व्यक्तिगत एवं संचालक समितिको तर्फबाट शेयरधनी महानुभावहरु, ग्राहकवर्ग, विद्युत उपभोक्ता समूह एवं कम्पनीका शुभचिन्तकहरुलाई वहाँहरुले निरन्तर रुपमा प्रदान गर्नु भएको सहयोग, साथ एवं हौसल्लाको लागि धन्यवाद दिन चाहान्छु ।

कम्पनीका लेखापरीक्षकज्यू, नेपाल विद्युत प्राधिकरण, स्वीस सरकार विकास सहयोग नेपाल, सोलुदुधकुण्ड नगरपालिका र संचालक ज्यूहरुले कम्पनीलाई निरन्तर रुपमा प्रदान गर्नु भएको साथ, सहयोग र योगदानको लागि हार्दिक धन्यवाद दिन चाहान्छु । साथै कम्पनीको दैनिक कार्य सम्पादनमा सक्रिय रहने कम्पनीका महाप्रबन्धक एवं सम्पूर्ण कर्मठ कर्मचारीहरुलाई उहाँहरुले कम्पनीका लागि दिनु भएको योगदानको लागि म संचालक समितिको तर्फबाट हार्दिक धन्यवाद दिन चाहान्छु ।

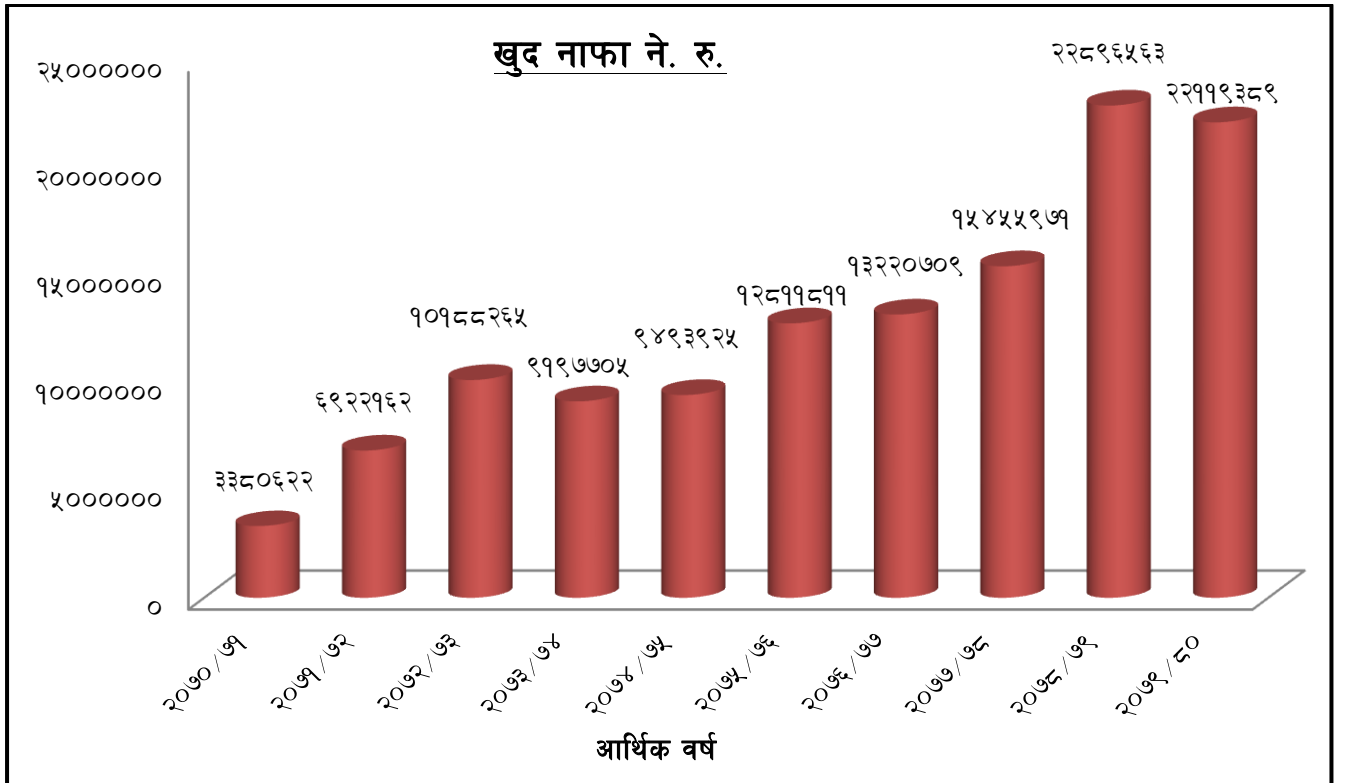
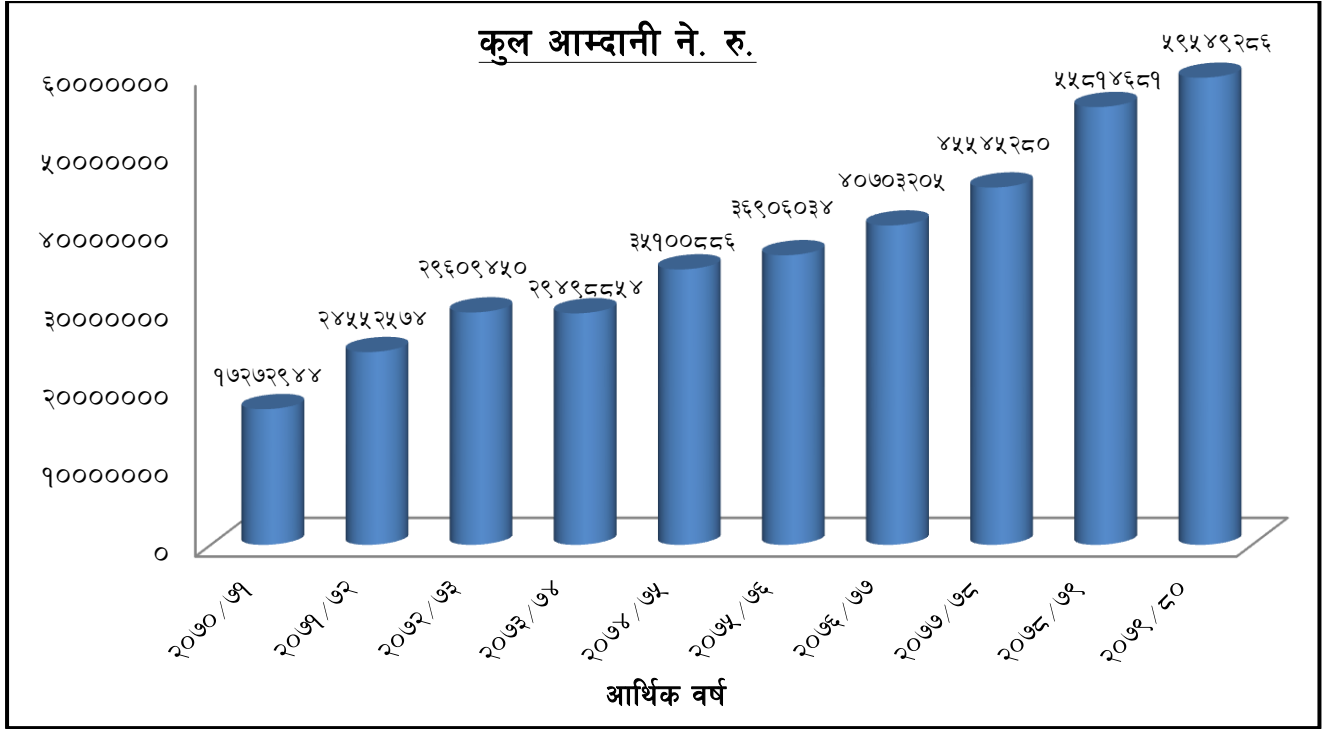
उपस्थित सम्पूर्ण महानुभावहरुलाई धन्यवाद दिदै म आफ्नो मन्तव्य यही टुङ्ग्याउन चाहान्छु ।

धन्यवाद ।

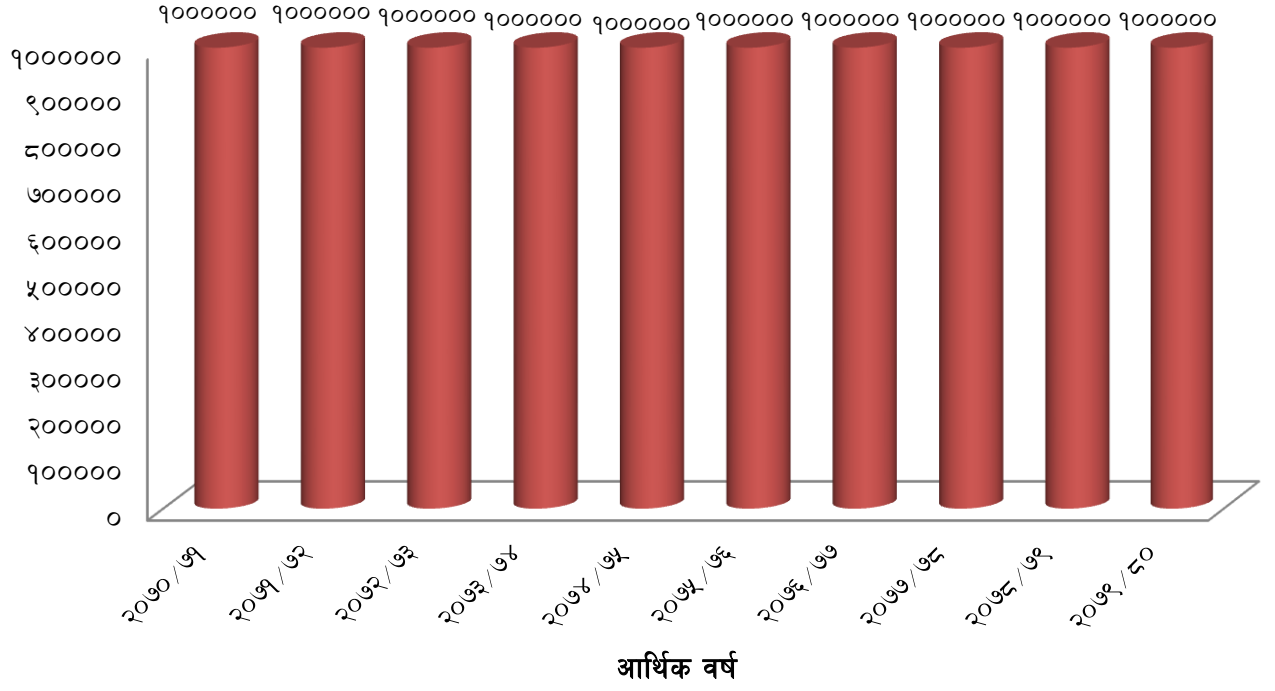
अध्यक्ष

डा. मिडमार गेल्ले शेर्पा
संचालक समितिको तर्फबाट

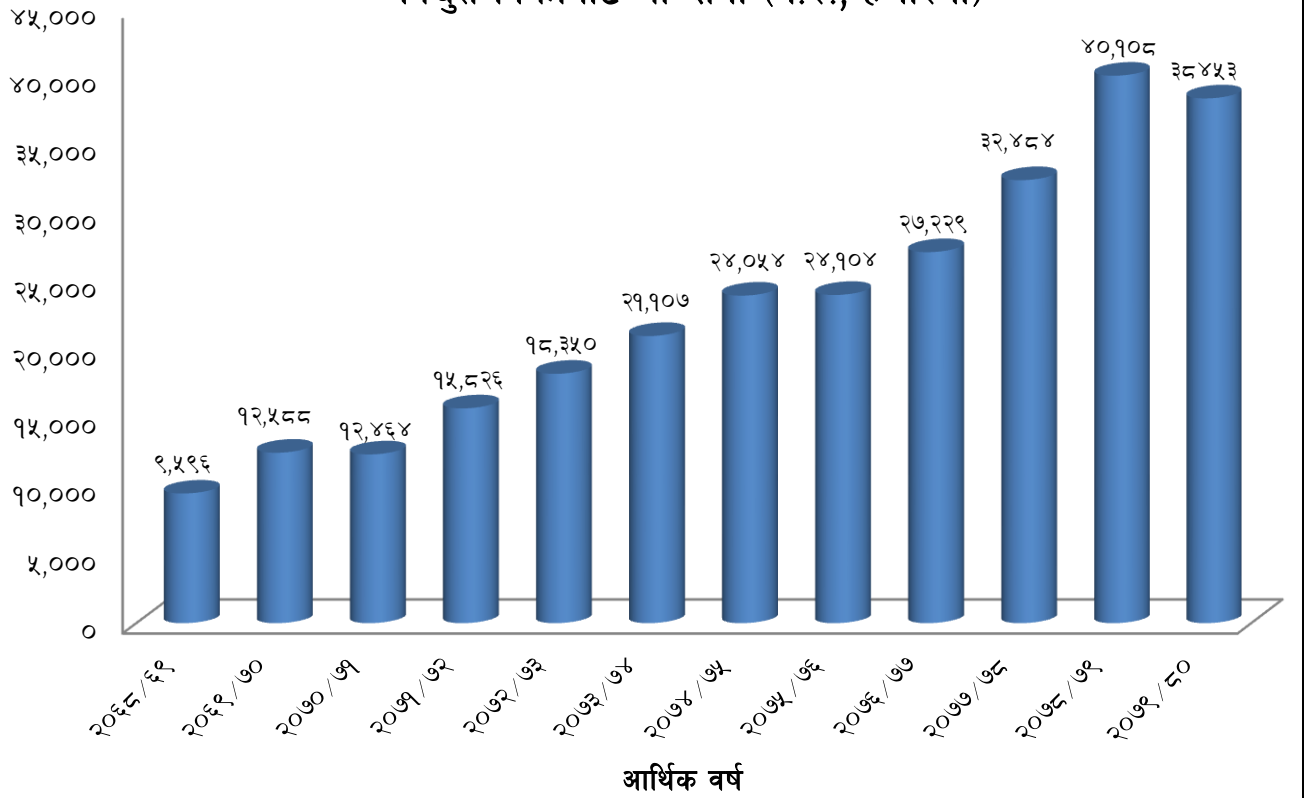
વિત્તીય ભલક



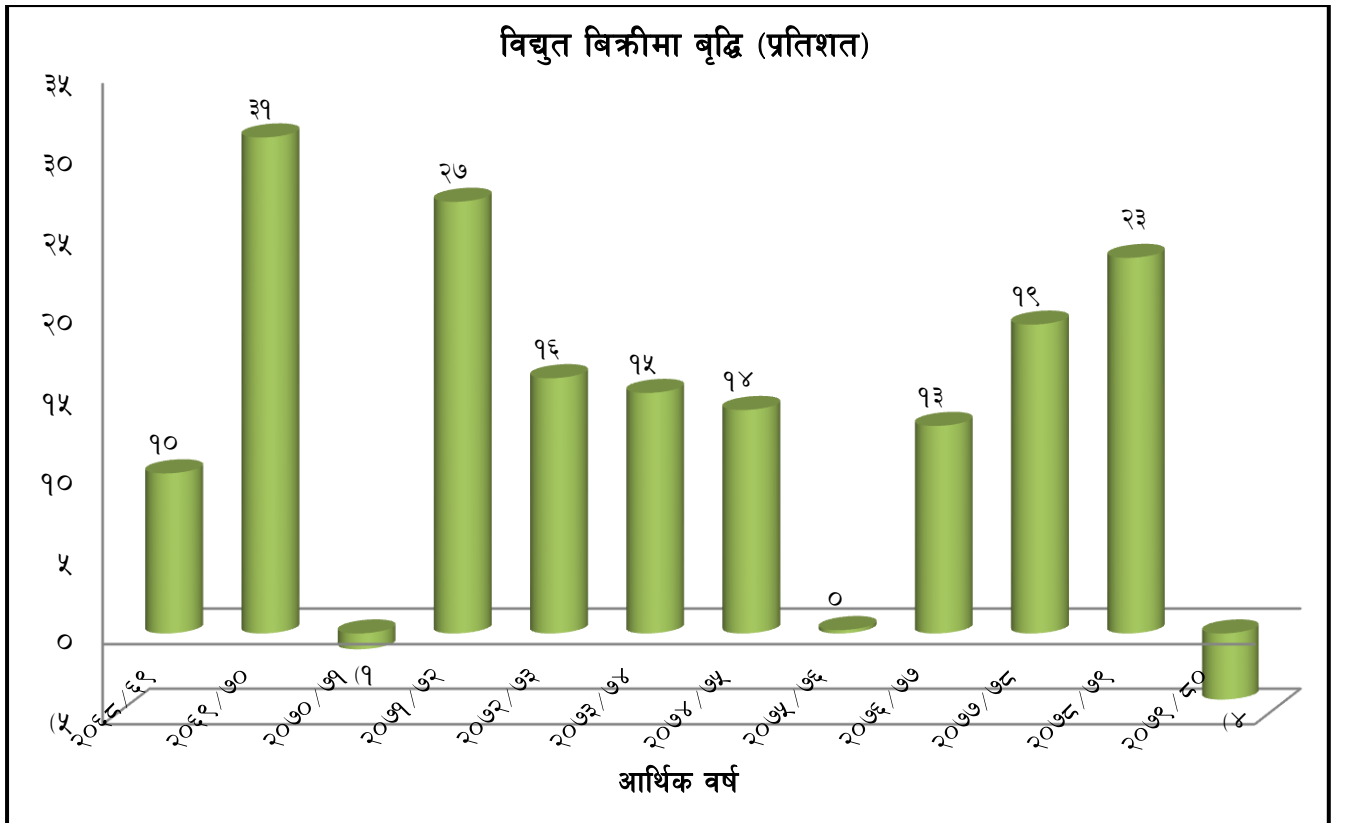
चुक्ता शेयर संख्या



विद्युत विक्रीवाट आमदानी (ने.रु., हजारमा)



आ.व.	विद्युत विक्रीबाट आम्दानी (ने.रु., हजारमा)	विद्युत विक्रीमा बृद्धि (प्रतिशत)
२०६०/६१	४,०४६	०
२०६१/६२	४,३६९	८
२०६२/६३	४,६०६	५
२०६३/६४	५,३१५	१५
२०६४/६५	६,४३६	२१
२०६५/६६	६,८५५	७
२०६६/६७	७,८६४	१५
२०६७/६८	८,७२१	११
२०६८/६९	९,५९६	१०
२०६९/७०	१२,५८८	३१
२०७०/७१	१२,४६४	(१)
२०७१/७२	१५,८२६	२७
२०७२/७३	१८,३५०	१६
२०७३/७४	२१,१०७	१५
२०७४/७५	२४,०५४	१४
२०७५/७६	२४,१०४	०
२०७६/७७	२७,२२९	१३
२०७७/७८	३२,४८४	१९
२०७८/७९	४०,१०८	२३.४७
२०७९/८०	३८,४५३	(४.१२)



प्राविधिक भलक/ स्केको तथ्याङ्क

सल्लेरी च्याल्सा विद्युत कम्पनी लिमिटेडको जलविद्युत केन्द्रको जडित कुल क्षमता ६३३ किलोवाट रहेको छ र यो नदी प्रवाहमा आधारित छ । जलविद्युत केन्द्रमा ३ वटा युनिटहरु छन् जसमध्ये २ वटा (पहिलो र दोस्रो) युनिटहरुको क्षमता प्रति युनिट १८० किलोवाट रहेको छ भने तेस्रो युनिटको क्षमता २७३ किलोवाट रहेको छ । तिन वटा युनिटहरुबाट वार्षिक करीव ५६ लाख युनिट विद्युत उत्पादन गर्न सकिन्छ ।

कम्पनीको विद्युत प्रणालीलाई राष्ट्रिय प्रसारण लाईन अन्तर्गत तिडला लाम्माने स्थित नेपाल विद्युत प्राधिकरणको सब-स्टेशनमा ११ के. भी. प्रसारण लाईन मार्फत जोडि अपुग भएको विद्युतीय मागलाई आपूर्ति र बढी भएको विद्युतलाई निर्यात गर्दछौ ।

आर्थिक वर्ष २०७९/८० मा ११ लाख ०३ हजार १ सय ३५ (११,०३,१३५) युनिट विद्युत राष्ट्रिय प्रसारण लाईन मार्फत नेपाल विद्युत प्राधिकरण लाई बेचिएको र ३ लाख ९४ हजार ९ सय ५० (३,९४,९५०) युनिट विद्युत नेपाल विद्युत प्राधिकरण संग किनिएको छ ।

कम्पनीको उत्पादित विद्युतलाई ११ के. भी. को प्रसारण लाईन मार्फत वितरण गरी, ४००/२३० भोल्ट भुमीगत वितरण प्रणाली द्वारा ग्राहकलाई वितरण गरिन्छ । वितरण प्रणालीमा ३ वटा फिडर छन् जस अन्तर्गत ४६ वटा ट्रान्सफरमर र ४९ मुख्य वितरण बाक्स संगै २८७ वटा सहायक वितरण बक्सहरु संचालनमा छन् ।

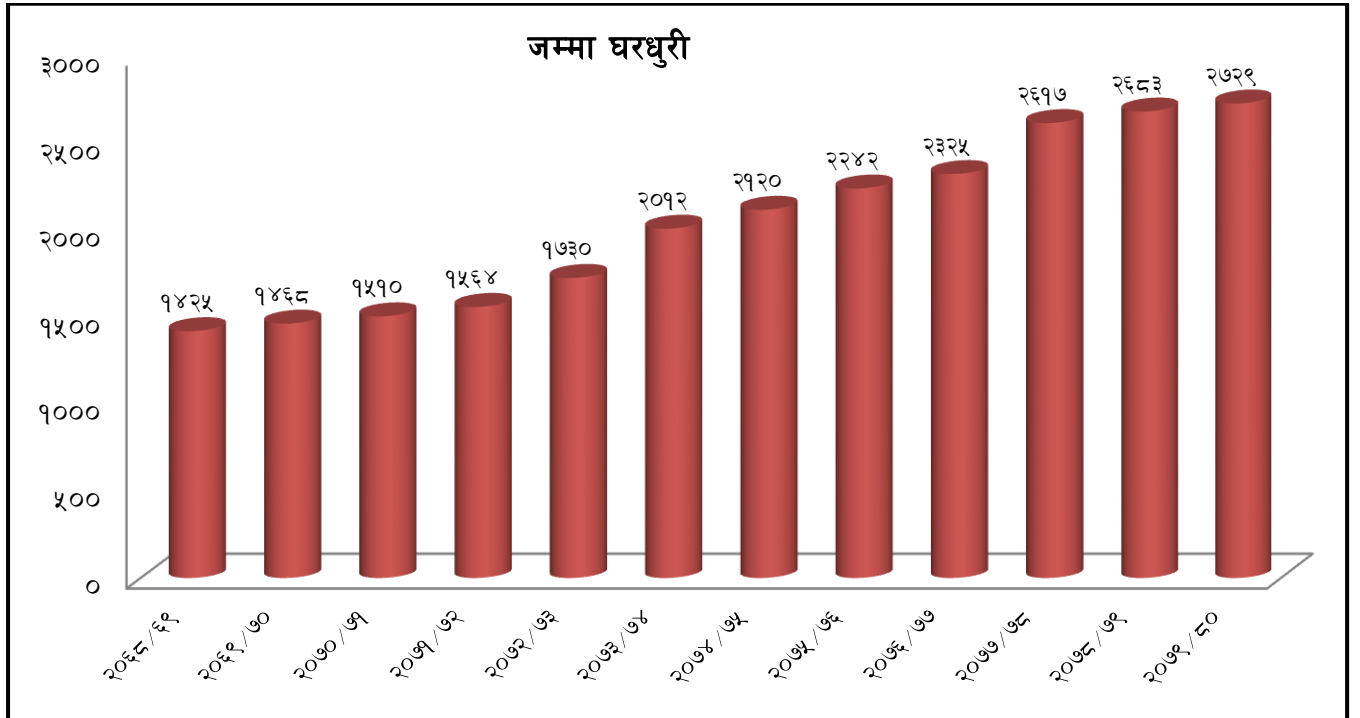
आर्थिक वर्ष २०७९/८० मा प्रणालीको औसत लोड फ्याक्टर (औसत लोड/अधिकतम लोड) ८५ (प्रतिशत) रहेको छ भने २०७८/७९ मा ८४.२ (प्रतिशत) थियो ।

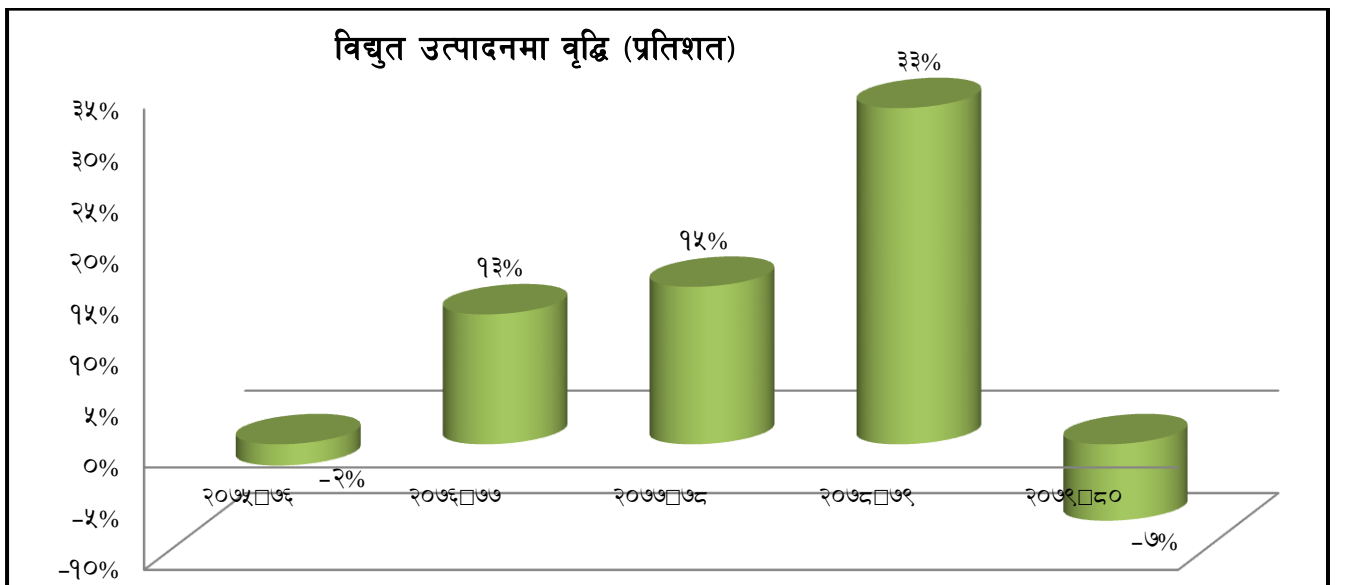
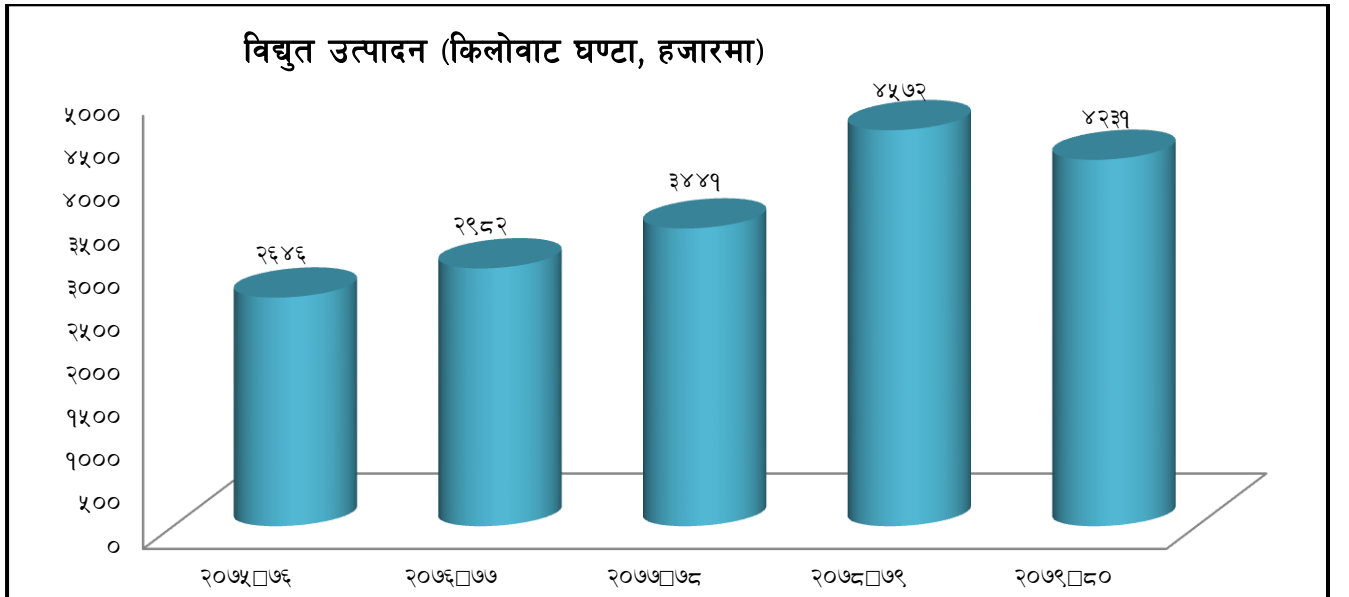
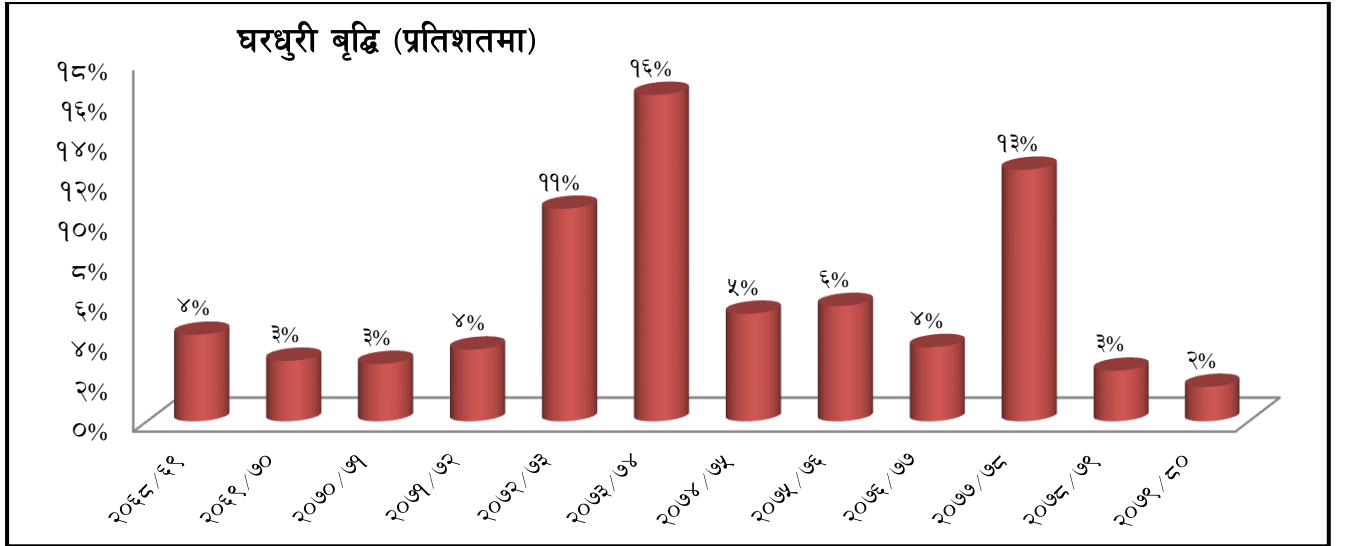
आर्थिक वर्ष २०७९/८० मा प्रणालीको औसत स्टेशन फ्याक्टर (वास्तविक उत्पादन/प्लान्टको उत्पादन क्षमता) ७६.१ (प्रतिशत) रह्यो भने २०७८/७९ मा ८२.४ (प्रतिशत) थियो ।

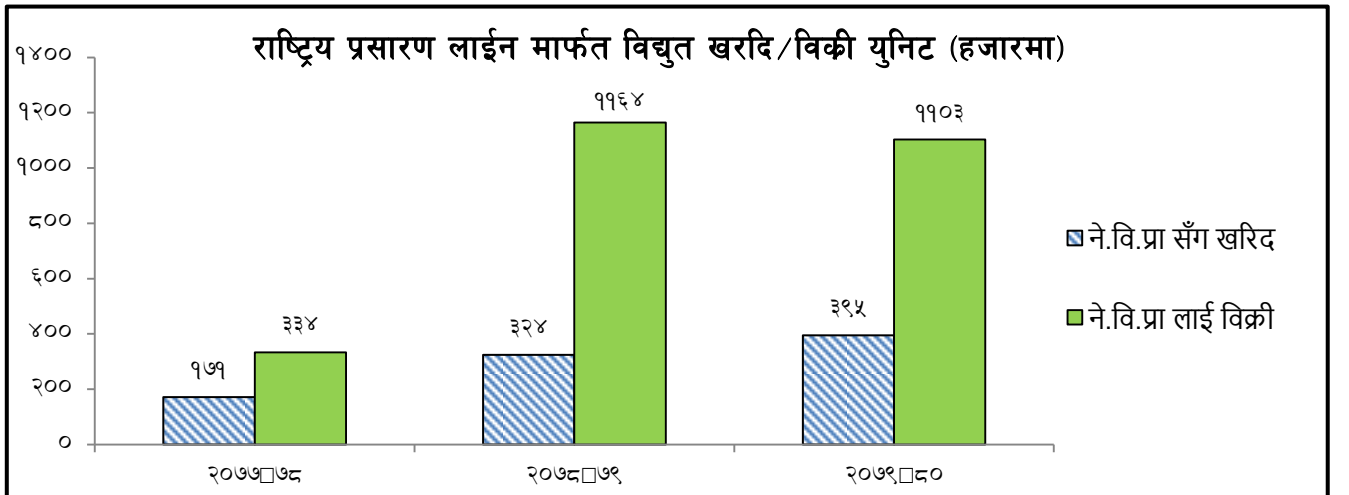
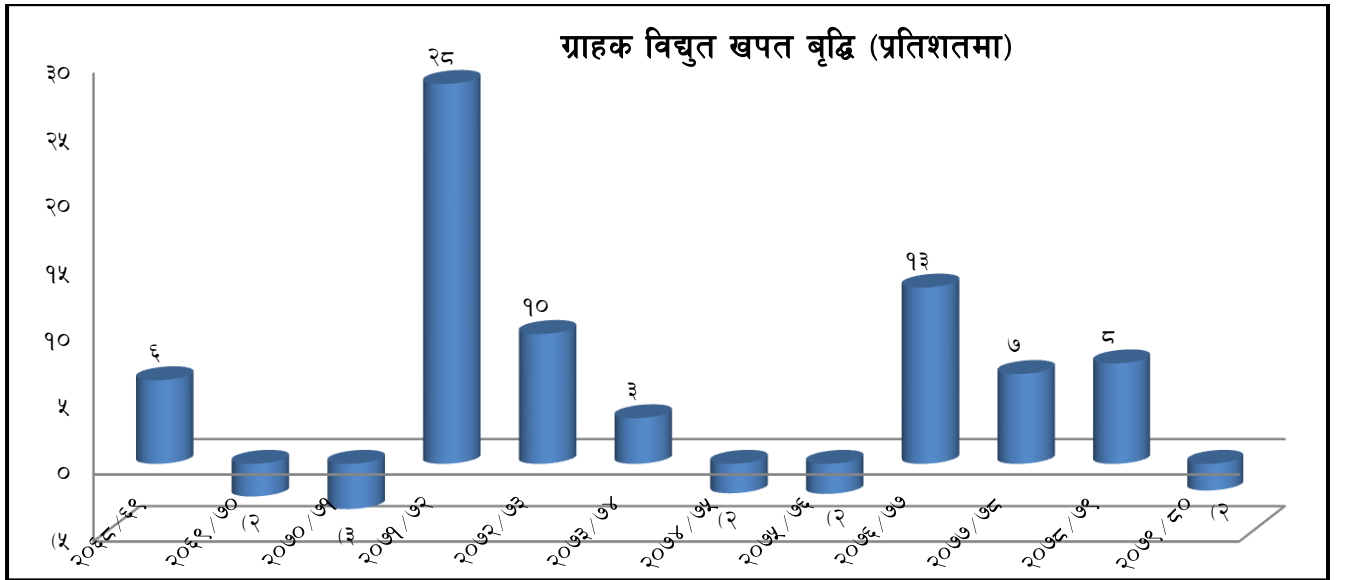
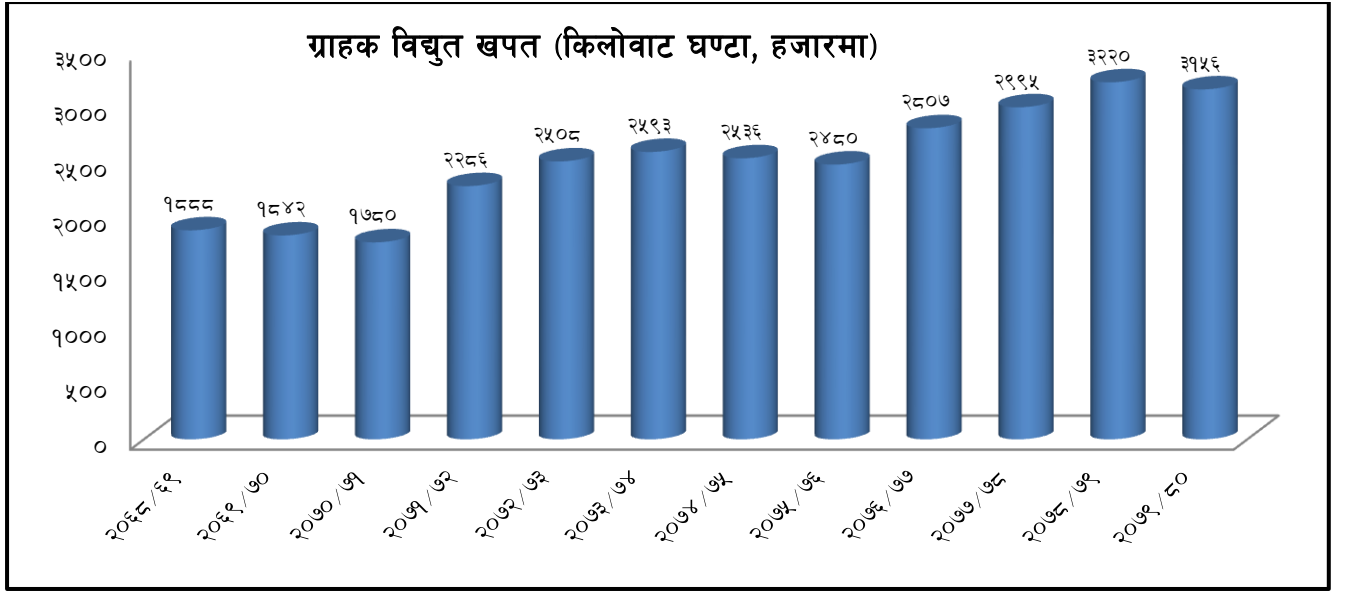
आर्थिक वर्ष २०७९/८० मा अधिकतम पिक लोड ६३३ किलोवाट रह्यो भने आ. व. २०७८/७९ मा ६३३ किलोवाट नै थियो ।

आर्थिक वर्ष २०७९/८० मा औसत विद्युत चुहावट ७.२५ (प्रतिशत) रह्यो भने आर्थिक वर्ष २०७८/७९ मा ९.८० (प्रतिशत) थियो ।

आ.व.	जम्मा घरधुरी	ग्राहक विद्युत खपत किलोवाट घण्टा (हजारमा)	विद्युत खपतमा बृद्धि (प्रतिशत)
२०६०/६१	९६१	९८५	०
२०६१/६२	९८२	११३३	१५
२०६२/६३	९८९	१२१२	७
२०६३/६४	१००६	१३०८	८
२०६४/६५	१०३७	१३९२	६
२०६५/६६	११५८	१४४१	४
२०६६/६७	१३२०	१६०६	११
२०६७/६८	१३६६	१७७७	११
२०६८/६९	१४२५	१८८८	६
२०६९/७०	१४६८	१८४२	(२)
२०७०/७१	१५१०	१७८०	(३)
२०७१/७२	१५६४	२२८६	२८
२०७२/७३	१७३०	२५०८	१०
२०७३/७४	२०१२	२५९३	३
२०७४/७५	२१२०	२५३६	(२)
२०७५/७६	२२४२	२४८०	(२)
२०७६/७७	२३२५	२८०७	१३
२०७७/७८	२६१७	२९९५	७
२०७८/७९	२६८३	३२२०	८
२०७९/८०	२७२९	३१५६	(१.९)







**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
Salleri Chialsa Electricity Company Limited**

Opinion

We have audited the financial statements of Salleri Chialsa Electricity Company Limited which comprises the Statement of Financial Position (SOFP) as at 31st Ashad 2080 (Corresponding to 16 July 2023) and the Statement of Profit or Loss and Statement of Changes in Equity and Statement of Cash Flows for the year ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion and to the best of our information and explanation provided to us, the financial statements referred to above present fairly, in all material respects, the financial position of the organization as at 31st Ashad 2080 (Corresponding to 16th July 2023), and its financial performance and its cash flow for the year then ended in accordance with Nepal Financial Reporting Standards (NRFS).

Basis of Opinion

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

Key Audit Matters

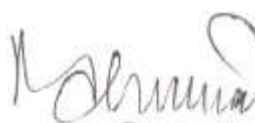
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31 Ashad 2080. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. However, there is no reportable key audit matters of the company as of 31 Ashad 2080.

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 statements 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 that fact. We have nothing to report in this regard.

Responsibilities of 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 NFRS and for such internal control as management determines is necessary to enable the preparation of the Financial Statement 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 going concern, disclosing as applicable the matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

Auditor's 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.

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
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cause significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate,

M Tiwari & Associates

Chartered Accountants

tiwarimuralidhar@gmail.com

Kirtipur Municipality -1,

Tyangla, P.O. Box 12136,

Kathmandu, Nepal

Tel: 4331060, Mob:9861583579

to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

We have determined to communicate following matters in accordance with the requirements of Companies Act 2063 and other regulatory requirements.

- We have obtained all the information and the explanation which to the best of our knowledge and belief, where necessary for the purpose of our audit.
- Based on our audit, proper books of account as required by law have been kept by the Company.
- The Statement of Financial Position, the Statement of Profit or Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with this by this report are in agreement with the books of accounts maintained by the Company.
- 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 and violated the provisions of the Companies Act, 2063 or acted in a manner, as would jeopardize the interest and security of the Company and it's shareholders.



CA Murali Dhar Ti
Proprietor M Tiwar.
Chartered Accountant.



Date: 2080.08.08

Place: Kathmandu, Nepal

UDIN: 231202CA00064pJCRk

Salleri Chialsa Electricity Company Ltd.
Statement of Financial Position
As at 31 Ashadh 2080

Figures in NRs.

Particulars	Note	As at 31.03.2080	As at 32.03.2079
ASSETS			
Non-Current Assets			
Property, plant and equipment	4.1	124,675,770.61	127,216,936.63
Capital Work in Progress		399,455.00	-
Intangible assets	4.2	1.00	1.00
Financial assets			
Investments	4.3	22,374,727.60	17,340,600.40
Trade receivable	4.4	-	-
Other financial assets	4.5	-	-
Total Non-Current Assets		147,449,954.21	144,557,538.03
Current Assets			
Inventories	4.6	8,637,791.72	9,081,876.09
Financial assets			
Investments	4.3	101,900,000.00	88,000,000.00
Trade receivables	4.4	8,386,970.47	13,787,931.81
Cash and cash equivalents	4.7	32,202,583.91	20,759,361.29
Other financial assets	4.5	1,260,282.47	1,154,484.75
Other current assets	4.8	1,110,582.06	925,566.45
Current tax (net)	4.9	390,954.29	855,170.74
Total Current Assets		153,889,164.92	134,564,391.13
Total Assets		301,339,119.13	279,121,929.16
EQUITY AND LIABILITIES			
Equity			
Share capital	4.10	61,412,000.00	61,412,000.00
Retained Earning		148,842,757.26	126,723,368.13
Other equity	4.11	17,977,099.23	14,201,503.83
Total Equity		228,231,856.49	202,336,871.96
Liabilities			
Non-Current Liabilities			
Financial liabilities			
Borrowings	4.12	-	-
Employee benefit liabilities	4.13	2,294,523.45	1,896,411.60
Other financial liabilities	4.14	644,000.00	1,663,096.00
Deferred Income	4.15	48,033,829.01	50,462,402.85
Deferred tax	4.16	17,346,675.98	14,705,696.39
Provisions		-	-
Total Non-Current Liabilities		68,319,028.44	68,727,606.84



Salleri Chialsa Electricity Company Ltd.
Statement of Financial Position
As at 31 Ashadh 2080

Figures in NRs.

Particulars	Note	As at 31.03.2080	As at 32.03.2079
Current Liabilities			
Financial liabilities			
Borrowings	4.12	-	-
Trade payables	4.17	-	3,934,154.29
Employee benefit liabilities	4.13	1,644,933.96	1,921,934.12
Other financial liabilities	4.14	2,853,194.50	1,918,151.79
Other current liabilities	4.18	290,105.74	283,210.16
Provisions		-	-
Total Current Liabilities		4,788,234.20	8,057,450.36
Total Liabilities		73,107,262.64	76,785,057.20
Total Equity and Liabilities		301,339,119.13	279,121,929.16

The accompanying notes 1 to 5.7 are integral part of these financial statements.

This is the same financial statement mentioned in our attached report


 Bhoj Raj Tiwari
 General Manager




 Dr. Mingmar Gyelzen Sherpa
 Chairperson


 CA. Murali Dhar Tiwari
 M. Tiwari & Associates
 Chartered Accountants

Directors

Sameer Prasad Pokharel

Santosh Kumar Jha

Ganesh Prasad Luitel

Nuru Lama Sherpa

Directors

Dawa Gelu Pakhrin

Tanki Maya Basnet

Narayan Kaji Shrestha

Finance Officer

Mem K. Maskey

Salleri Chialsa Electricity Company Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 Ashad 2080

		Figures in NRs.	
Particulars	Note	2079-80	2078-79
Revenue from operation	4.19	44,838,849.66	45,892,425.71
Cost of revenue	4.20	(25,987,244.23)	(22,662,767.79)
Gross profit		18,851,605.43	23,229,657.92
Finance income		11,477,448.30	7,407,976.64
Other income	4.21	3,232,988.43	2,514,279.12
Administrative and other operating expenses	4.22	(4,665,099.44)	(4,325,404.90)
Finance cost		-	-
Profit before tax		28,896,942.72	28,826,508.78
Income tax expense			
Current tax	4.23	(5,395,105.79)	(5,034,807.88)
Deferred tax credit/(charge)	4.16	(1,382,447.80)	(895,137.92)
Profit from continuing operations		22,119,389.13	22,896,562.98
Net Profit for the year		22,119,389.13	22,896,562.98
Other comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax)			
i. Fair valuation of share investment		5,034,127.20	(10,507,753.60)
ii. Income tax relating to items that will not be reclassified to profit or loss		(1,258,531.80)	2,626,938.40
Other comprehensive gain/(loss) for the year, net of tax		3,775,595.40	(7,880,815.20)
Total Comprehensive gain/(loss) for the year, net of tax		25,894,984.53	15,015,747.78
Basic Earning Per Share		22.12	22.90
Diluted Earning Per Share		22.12	22.90

The accompanying notes 1 to 5.7 are integral part of these financial statements.

This is the same financial statement mentioned in our attached report



Bhoj Raj Tiwari
General Manager



Dr. Mingmar Gyelzen Sherpa
Chairperson



CA. Murali Dhar Tiwari
M Tiwari & Associates
Chartered Accountants

Directors

Sameer Prasad Pokharel

Santosh Kumar Jha

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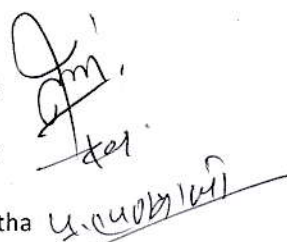
Tanki Maya Basnet

Narayan Kaji Shrestha

Finance Officer

Mem K. Maskey



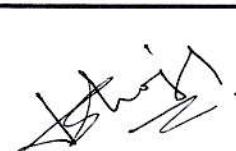






Salleri Chialsa Electricity Company Ltd.
Statement of Cash Flows
For the year ended 31 Ashad 2080

	Figures in NRs.	
	2079-80	2078-79
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the year	28,896,942.72	28,826,508.78
Adjustments for:		
Income from investment	(11,812,545.89)	(7,493,681.92)
Non cash income from deferred income	(2,428,573.84)	(2,428,573.84)
Depreciation and amortization	6,715,603.46	6,831,947.93
Bonus expenses	1,520,891.72	1,761,891.88
Working capital adjustments:		
(Increase)/ Decrease in Trade Receivables	5,400,961.34	(5,478,683.73)
(Increase)/ Decrease in Inventories	444,084.37	16,371.28
(Increase)/ Decrease in Other Financial Assets	(105,797.72)	(132,372.51)
(Increase)/ Decrease in Other Current Assets	(185,015.61)	(20,696.95)
Increase / (Decrease) in Trade Payables	(3,934,154.29)	2,524,218.00
Increase / (Decrease) in Other Financial Liabilities	(84,053.29)	345,020.62
Increase / (Decrease) in Employee Benefit Liabilities	362,111.85	188,185.47
Increase / (Decrease) in Other Current Liabilities	6,895.58	(8,985.71)
Cash generated from operations	24,797,350.39	24,931,149.31
Bonus paid	(1,761,891.88)	(1,216,931.19)
Income Tax Paid	(4,930,889.34)	(5,097,228.25)
NET CASH FLOWS FROM OPERATING ACTIVITIES	18,104,569.17	18,616,989.87
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and Equipment	(4,174,437.44)	(4,824,530.25)
Purchase of intangible assets		-
Increase in Capital Work in Progress	(399,455.00)	-
Addition of investment	(13,900,000.00)	(8,318,500.00)
Income from investment	11,812,545.89	7,493,681.92
NET CASH FLOWS FROM INVESTING ACTIVITIES	(6,661,346.55)	(5,649,348.33)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing (repaid) / taken (net)		-
Dividend Paid during the year		-
Finance cost		-
NET CASH FLOWS FROM FINANCING ACTIVITIES		-
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	11,443,222.62	12,967,641.54
CASH AND CASH EQUIVALENTS, Beginning of Year	20,759,361.29	7,791,719.75
CASH AND CASH EQUIVALENTS, End of Period	32,202,583.91	20,759,361.29



Bhoj Raj Tiwari
General Manager



Directors

Sameer Prasad Pokharel

Santosh Kumar Jha

Ganesh Prasad Luitel

Nuru Lama Sherpa



Dr. Mingmar Gyelzen Sherpa
Chairperson

Directors

Dawa Gelu Pakhrin

Tanki Maya Basnet

Narayan Kaji Shrestha

Finance Officer

Mem K. Maskey

This is the same financial statement mentioned in our attached report



CA. Murali Dhar Tiwari
M. Tiwari & Associates
Chartered Accountants

Salleri Chialsa Electricity Company Ltd.
Statement of Change in Equity
For the year ended 31 Ashad 2080

Particulars	Figures in NRs.				
	Equity Share Capital	Preference Share Capital	Retained Earnings	Fair Value Reserve	Other Components Of Equity
Balance at 31 Ashad 2078	10,000,000.00	51,412,000.00	103,398,412.21	19,156,112.03	2,926,207.00
Profit for the year	-	-	22,896,562.98	-	-
Transferred from CSR Fund	-	-	428,392.93	-	-
Other comprehensive income	-	-	-	(7,880,815.20)	(7,880,815.20)
Total comprehensive income	-	-	23,324,955.91	(7,880,815.20)	15,444,140.71
Dividends to shareholders	-	-	-	-	-
Balance at 31 Ashad 2079	10,000,000.00	51,412,000.00	126,723,368.12	11,275,296.83	202,336,871.96
Profit for the year	-	-	22,119,389.13	-	-
Transferred from CSR Fund	-	-	-	-	-
Other comprehensive income	-	-	-	3,775,595.40	3,775,595.40
Total comprehensive income	-	-	22,119,389.13	3,775,595.40	25,894,984.53
Dividends to shareholders	-	-	-	-	-
Balance at 31 Ashad 2080	10,000,000.00	51,412,000.00	148,842,757.25	15,050,892.23	228,231,856.49


This is the same financial statement mentioned in our attached report


Dr. Mingmar Gyelzen Sherpa
 Chairperson




Bhoj Raj Tiwari
 General Manager


Directors


Sameer Prasad Pokharel
Santosh Kumar Jha


Nuru Lama Sherpa

Directors


Ganesh Prasad Luitel


Tanki Maya Basnet

Finance Officer


Mem K. Maskey



M. Tiwari & Associates
 Chartered Accountants


Narayan Kaji Shrestha

Salleri Chialsa Electricity Company Ltd.
Notes to the financial statements
For the year ended on 31 Ashad 2080

Note 1: Background

Salleri Chialsa Electricity Company Ltd. (hereinafter referred as "SCECO" or "Company") is established under the then Companies Act for generation of electrical energy. The company was formed under the support of Swiss Agency for Development Cooperation along with Nepal Electricity Authority.

Commercial operation of electricity generation started from 2044 BS (1987 AD).

The corporate office of the SCECO is located at Solududhkunda Municipality -5 Salleri, Solukhumbu, Koshi Province.

The core business of SCECO is generation, transmission and distribution of hydroelectricity.

The accompanied financial statements are authorized for issued by the Board of Directors of the SCECO in its meeting held on 08 Mangsir 2080 B.S. The Board of Directors acknowledges the responsibility of preparation of financial statements. These financial statements are presented to annual general meeting of shareholders for approval.

Note 2: Significant accounting policies

2.1 Basis of Preparation and measurement

i. Statement of Compliance

The financial statements are prepared in line with Nepal Financial Reporting Standards (NFRS) as issued by Accounting Standards Board Nepal and pronounced by The Institute of Chartered Accountants of Nepal (ICAN). The Company has prepared financial statements as per NFRS for the first time. For all earlier periods, the financial statements were prepared in accordance with Nepal Accounting Standards. The financial information of corresponding comparative period has been changed in line with NFRS and the opening statement of financial position on the date of transition to NFRS (1 Shrawan 2076) have also been recomputed. Reconciliation of changes for the financial statements on date of transition and for comparative period is integral part of financial statements.

ii. Basis of preparation

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

The financial statements are presented in functional and presentation currency of the Company i.e. Nepalese Rupee ("NRs.") which is the currency of the primary economic environment in which the Company operates.

iii. Basis of measurement

These financial statements are prepared under historical cost convention except for certain material items that have been measured at fair value as required by the relevant NFRS and explained in the ensuing policies below.



Salleri Chialsa Electricity Company Ltd.
Notes to the financial statements
For the year ended on 31 Ashad 2080

2.2 Critical accounting estimates and judgements

The preparation of the financial statements in conformity with Nepal Financial Reporting Standards requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The Company makes certain estimates and assumptions regarding the future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year primarily includes:-

Useful life and residual value of property, plant and equipment

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

Impairment of property plant and equipment

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

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Fair value measurements

Some of the Company's assets are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available, else moves to level 2 and level 3 inputs. The management works closely with the qualified external values to establish the appropriate valuation techniques and inputs to the model.

Property, plant and equipment including land are measured at cost and not measured at fair value and the Company does not have policy to measure such assets at fair value.

Recognition of deferred tax assets

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with

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Salleri Chialsa Electricity Company Ltd.
Notes to the financial statements
For the year ended on 31 Ashad 2080

future tax planning strategies. The Company based its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company.

Note 3: Significant Accounting Policies

3.1 Property, plant and equipment

- i. All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- ii. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.
- iii. The useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Residual value is considered to be insignificant.
- iv. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.
- v. Assets in the course of construction are capitalized in the assets under capital work in progress account (CWIP). At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimate cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized. Revenue generated from production during the trial period is capitalized.
- vi. The Company has private forest on its land near the area of powerhouse and dam site. The forest is not used for any other purpose. If the company decides to use the timber of forest, required approval from Government authorities shall be taken.

As the company is small hydropower, it is not required to transfer the assets of company to any government authority, accordingly, the project assets are treated as PPE of company.

3.2 Intangible Assets

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

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Salleri Chialsa Electricity Company Ltd.
Notes to the financial statements
For the year ended on 31 Ashad 2080

3.3 Depreciation and Amortization

- i. Depreciation is recognized so as to write off the cost of assets (other than properties under construction) over their useful lives.
- ii. Amortization is recognized on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.
- iii. Depreciation is provided on the straight line method based on the estimated useful lives of the assets determined by the management. Depreciation on additions to fixed assets is charged on pro-rata basis in the year of purchase. The useful life of the assets and the corresponding rates at which the assets are depreciated are as follows:-

Category of asset	Estimated useful life	Depreciation Rate
Land	Indefinite	0%
Civil Structures	40 years	2.5%
Electromechanical equipment	25 years	4%
High Tension Transmisssion Line	35.1 years	2.85%
Low Tension Transmission Line	25 years	4%
Tools	10 years	10%
Furniture & Fixture	10 years	10%
Office Equipment	5 years	20%
Vehicle	6.67 years	15%

Computer software is amortized over an estimated useful life of 5 years on straight line basis.

- iv. Useful life is either the period of time which the asset is expected to be used or the number of production or similar units expected to be obtained from the use of asset.
The estimated useful life 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.

3.4 Impairment of tangible and intangible assets

- i. At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest component of cash-generating units for which a reasonable and consistent allocation basis can be identified.
- ii. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.
- iii. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss.









3.5 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.6 Inventories

Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories of stores, spare parts and loose tools are stated at lower of first in first out method and net realizable value. Net realizable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

3.7 Revenue recognition

i) Sale of Electricity

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

ii) Dividend and interest income

Dividend income (net of withholding taxes) from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.8 Foreign currency transactions



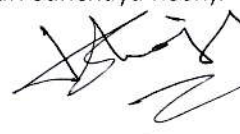



The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Nepalese Rupee (NRs.).

3.9 Employment Benefits

The Company has schemes of employment benefits namely provident fund, employee gratuity, salaries and allowances and accumulated leave payable as per employee service manual.

Defined contribution plan – Provident Fund

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Contributions to defined contribution schemes (Provident fund) are charged to the profit or loss statement in the year to which they relate as the company has no further defined obligations beyond monthly contributions. Contributions to defined contribution schemes are deposited with Employees Provident Fund (Karmachari Sanchaya Kosh).

Salleri Chialsa Electricity Company Ltd.
Notes to the financial statements
For the year ended on 31 Ashad 2080

Defined benefit plan – Gratuity Fund

Company provides gratuity facility to employee based on its employee service regulation. Such is provided based on completed years of service method. All staffs who have completed three years in service are entitled to a gratuity of one month salary for each completed year.

Company has deposited amount in approved retirement fund towards fulfilling the gratuity liability. Considering the cost benefit matter and size of the business of the company, company has decided not to carry out actuarial valuation of gratuity and leave liabilities and considers that, if such was carried out, the impact would not have been material.

Short term and long-term employment benefits

- i. A liability is recognised for benefits accruing to employees in respect of wages and salaries and allowances in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
- ii. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.
- iii. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation. However, the company has not carried out actuarial valuation this year due to few permanent staffs and considering cost benefit analysis, it believes that current estimates based on accrued method are nearest approximate to such valuation.

3.10 Taxation

Income Tax

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

Current tax

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

Income tax rate applicable to company is 20%.

Deferred tax

- i. Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date.
- ii. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
- iii. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- iv. Rate of 25% has been taken for computation of deferred tax on share investment with assumption that income from sale of shares do not fall under the concessional rate of 20%.

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Salleri Chialsa Electricity Company Ltd.
Notes to the financial statements
For the year ended on 31 Ashad 2080

3.11 Earnings per share

Basic and diluted earnings per share is computed by dividing the profit/ (loss) for the year by the weighted average number of equity shares outstanding during the year.

3.12 Provisions, contingencies and commitments

- i. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- ii. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.
- iii. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.
- iv. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- v. A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.
- vi. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.
- vii. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
- viii. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
- ix. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

3.13 Financial Instruments

i. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are

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[Circular stamp: Kathmandu Nepal Chartered Accountants]

Salleri Chialsa Electricity Company Ltd.
Notes to the financial statements
For the year ended on 31 Ashad 2080

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

ii. Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

Income/ expense arising on financial instruments after applying an effective interest rate is recognised in Statement of Profit and Loss and is included in the "Other finance income" or "Other finance cost" line item.

iii. Financial assets

Financial assets at amortized cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the shorter maturity of these instruments.

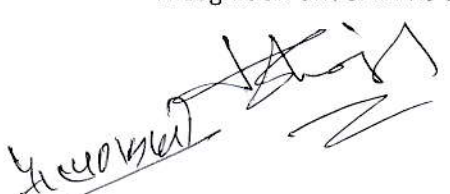






Impairment of financial assets

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

The company recognises impairment loss on trade receivables using expected credit loss model. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under NFRS 9.

Salleri Chialsa Electricity Company Ltd.
Notes to the financial statements
For the year ended on 31 Ashad 2080

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

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

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

iv. Financial liabilities and equity instruments

Classification as debt or equity

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

Equity Instruments

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

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition of financial liability

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

v. Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

vi. Fair Value Measurements

The Company measures financial instruments, such as, investment in equity instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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Salleri Chialsa Electricity Company Ltd.
Notes to the financial statements
For the year ended on 31 Ashad 2080

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.14 Financial risk management objectives and policies

The Company's business activities expose it to a variety of financial risks, namely primarily to fluctuations in interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company's Board and senior management has overall responsibility for the establishment and oversight of the Company's risk management. The Company's risk management practices are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management is done by the Company's management that provides assurance that the Company's financial risk activities are governed by appropriate procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

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

a. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is formed for distribution of electricity to local people of Salleri and Company's counterparties are all local people and it is not expected that those will default the payment.

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Salleri Chialsa Electricity Company Ltd.
Notes to the financial statements
For the year ended on 31 Ashad 2080

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in fixed deposit. Since, the interest rate risk is influenced by market forces, SCECO has little role to play for minimizing this risk.

c. Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could create potential business continuity risk.

In order to control liquidity risk and for better working capital management, the Company's Finance department regularly monitors the cash position to ensure it has sufficient cash on-going basis to meet operational needs. Any short term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, are retained as cash and cash equivalents or investment in the form of fixed deposit.

3.15 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the company. The Company manages its capital so as to safeguard its ability to continue as a going concern.

No changes were made in the objectives, policies or processes for managing capital during the current and previous year.

3.16 Employee Bonuses

Bonus is provided @5% of profit as per Bonus Act 2030 and Bonus Regulation 2039.

3.17 Accounting of Grant

Grant related to assets are accounted and presented in statement of financial position by setting up grant as deferred income, in line with NAS 20. The capital grants received by company are presented under deferred income with corresponding debit to related assets and on each year, amount equal to depreciation on such grant assets are adjusted to deferred income and included in statement of profit or loss.

3.18 Corporate Social Responsibility

Company is not required to allocate amount from its profit to corporate social responsibility under section 54 and section 17 of Industrial Enterprise Act 2076. The amount allocated in previous year has been transferred to retained earnings.

3.19 Events after Reporting Period

There is no any event occurring after reporting date that requires disclosure or adjustment to financial statements.

3.20 Reporting Period

The reporting periods for the financial statements are as follows:

Current statement of financial position – 31st Ashad 2080

Comparative statement of financial position – 32nd Ashad 2079

Current statement of profit or loss and other comprehensive income – F.Y. 2079-80

Comparative statement of profit or loss and other comprehensive income – F.Y. 2078-79

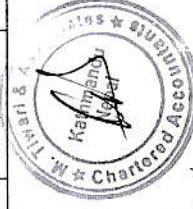
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(Circular stamp: Kathmandu, Chartered Accountants)

Salleri Chialsa Electricity Company Ltd.
Notes to Financial Statements
As at 31 Ashadh 2080

Property, plant and equipment											Note 4.
Particulars	Land	Civil Structures	Plant and Machinery	High Tension Transmission Line	Low Tension Transmission Line	Tools	Office Equipment	Furniture and Fixtures	Vehicles	Total	
Cost											
Balance at 32 Ashad 2079	41,300.41	61,105,104.69	63,916,151.18	46,240,808.76	44,755,134.70	1,449,702.88	3,267,710.53	295,868.50	468,155.00	221,539,936.65	
Additions		638,442.76	1,435,423.21	55,415.00	1,602,136.30	267,305.17	175,715	-	-	4,174,437	
Disposals											
Balance at 31 Ashad 2080	41,300.41	61,743,547.45	65,351,574.39	46,296,223.76	46,357,271.00	1,717,008.05	3,443,425.53	295,868.50	468,155.00	225,714,374.09	
Accumulated depreciation											
Balance at 32 Ashad 2079	-	23,784,593.94	30,364,140.35	13,758,200.87	22,358,466.19	800,312.23	2,775,664.44	295,866.50	185,755.50	94,323,000.02	
Charge for the year		1,530,167.99	2,007,474.76	1,004,855.25	1,854,290.84	121,988.33	152,816.29	-	44,010.00	6,715,603.46	
Adjustment											
Balance at 31 Ashad 2080	-	25,314,761.93	32,371,615.11	14,763,056.12	24,212,757.03	922,300.56	2,928,480.73	295,866.50	229,765.50	101,038,603.48	
Net book value		25,314,761.94									
Balance at 32 Ashad 2079	41,300.41	37,320,510.75	33,552,010.83	32,482,607.89	22,396,668.51	649,390.65	492,046.09	2.00	282,399.50	127,216,936.63	
Balance at 31 Ashad 2080	41,300.41	36,428,785.52	32,979,959.28	31,533,167.64	22,144,513.97	794,707.49	514,944.80	2.00	238,389.50	124,675,770.61	



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Salleri Chialsa Electricity Company Ltd.
Notes to Financial Statements
As at 31 Ashadh 2080

Intangible Assets

Note 4.2

Particulars	Amount
Balance at 32 Ashad 2079	195,377.00
Additions	-
Disposals	-
Balance at 31 Ashad 2080	195,377.00
Accumulated depreciation	
Balance at 32 Ashad 2079	195,376.00
Charge for the year	
Adjustment	-
Balance at 31 Ashad 2080	195,376.00
Net book value	
Balance at 32 Ashad 2079	1.00
Balance at 31 Ashad 2080	1.00












Salleri Chialsa Electricity Company Ltd.
Notes to Financial Statements
As at 31 Ashadh 2080

Investment

Note 4.3

Particulars	As at 31.03.2080	As at 32.03.2079
Non-current		
At Amortized Cost		
At Fair Value (refer 4.3.2)	22,374,727.60	17,340,600.40
Sub-total	22,374,727.60	17,340,600.40
Current		
At Amortized Cost (refer 4.3.1)	101,900,000.00	88,000,000.00
At Fair Value	-	-
Sub-total	101,900,000.00	88,000,000.00
Total	124,274,727.60	105,340,600.40

Note 4.3.1

Particulars	As at 31.03.2080	As at 32.03.2079
Fixed Deposit	101,900,000.00	88,000,000.00
Total	101,900,000.00	88,000,000.00

Note 4.3.2

Particulars	As at 31.03.2080	As at 32.03.2079
Investment in Shares		
Public Entities	22,374,727.60	17,340,600.40
Companies	22,374,727.60	17,340,600.40
Other Entities	-	-
Total	22,374,727.60	17,340,600.40

Refer 4.3.2.a for details of share investment

Trade Receivable

Note 4.4

Particulars	As at 31.03.2080	As at 32.03.2079
Non-current		
Sub-total	-	-
Current		
Electricity Sales Receivable	8,386,970.90	13,787,931.81
Reconnection Charges Receivable	-	-
Sub-total	8,386,970.47	13,787,931.81
Total	8,386,970.47	13,787,931.81

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[Circular stamp: M. Tiwari & Associates Chartered Accountants]

Salleri Chialsa Electricity Company Ltd.
Notes to Financial Statements
As at 31 Ashadh 2080

Details of Share Investment

Note 4.3.2.a

Name of Company	As at 31.03.2080				As at 32.03.2079			
	No. of Shares	Cost	MPPS	Fair Value	No. of Shares	Cost	MPPS	Fair Value
Nepal Bank Ltd.	3660	260,276.00	249.00	911,340.00	3149	260,276.00	298.00	938,402.00
Everest Bank Ltd.	3216	45,800.00	563.00	1,810,608.00	2685	45,800.00	439.00	1,178,715.00
Nepal Investment Mega Bank Ltd.	4952	38,752.70	173.80	860,657.60	4229	38,752.70	265.00	1,120,685.00
Standard Chartered Bank Ltd.	4940	451,691.60	530.10	2,618,694.00	4491	451,691.60	396.30	1,779,783.30
Nabil Bank Ltd.	7765	59,666.00	599.20	4,652,788.00	4904	59,666.00	824.00	4,040,896.00
Nepal SBI Bank Ltd.	2530	76,300.00	341.00	862,730.00	2372	76,300.00	282.30	669,615.60
Himalayan Bank Ltd.	7095	32,600.00	212.80	1,509,816.00	5412	32,600.00	299.20	1,619,270.40
Global Ime Bank (Previous Bank of Kathmandu) Ltd.	127	-	186.00	23,622.00	109	-	227.10	24,753.90
NIC Asia Bank Ltd.	438	5,000.00	793.80	347,684.40	438	5,000.00	696.00	304,848.00
Laxmi Sunrise Bank Ltd.	996	47,000.00	173.10	172,407.60	934	47,000.00	207.00	193,338.00
Nepal Finance Co.	814	21,924.00	351.00	285,714.00	814	21,924.00	300.80	244,851.20
Nepal Insurance Co. Ltd	2836	267,310.00	820.00	2,325,520.00	2555	267,310.00	445.90	1,139,274.50
Himalayan Everest Insurance Ltd.	4019	323,466.00	600.00	2,411,400.00	3668	323,466.00	520.00	1,907,360.00
Soaltee Hotel Ltd.	4613	53,760.00	485.00	2,237,305.00	4393	53,760.00	202.50	889,582.50
BS	15225	15,225.00	1.00	15,225.00	15225	15,225.00	1.00	15,225.00
Hydroelectricity Investment & Development Co. Ltd.	7224	608,100.00	184.00	1,329,216.00	6370	608,100.00	200.00	1,274,000.00
		2,306,871.30		22,374,727.60		2,306,871.30		17,340,600.40



Salleri Chialsa Electricity Company Ltd.
Notes to Financial Statements
As at 31 Ashadh 2080

Other Financial Assets

Note 4.5

Particulars	As at 31.03.2080	As at 32.03.2079
Non-current		
Sub-total	-	-
Current		
Telephone Deposit	2,732.07	9,011.86
Staff Loan and Advance	584,924.73	755,624.25
Miscellaneous Assets	336,977.42	127,622.05
Interest Receivable	335,648.25	262,226.59
Sub-total	1,260,282.47	1,154,484.75
Total	1,260,282.47	1,154,484.75

Inventories

Note 4.6

Particulars	As at 31.03.2080	As at 32.03.2079
HT Materials	274,162.22	390,624.87
LT Materials	3,577,962.53	4,205,733.83
Electrical Materials	285,564.11	305,745.24
Fixing Materials	29,824.94	30,199.94
Machines/Machnical Spare Parts	1,952,141.35	1,764,924.01
Power House Materials	659,987.02	519,309.03
Construction Materials	275,190.93	233,660.54
Painting Equipments & Materials	287,024.59	322,490.92
Miscellaneous Materials	32,168.00	36,618.00
Guest House Materials	210,085.14	222,820.17
Tools/Workshop Materials	161,806.91	212,115.56
Stationary Materials	61,799.98	7,559.98
Backstopping Spare Parts	702,474.00	702,474.00
Camping/Kitchen Materials	127,600.00	127,600.00
Total	8,637,791.72	9,081,876.09











Salleri Chialsa Electricity Company Ltd.
Notes to Financial Statements
As at 31 Ashadh 2080

Cash and Cash Equivalent

Note 4.7

Particulars	As at 31.03.2080	As at 32.03.2079
<u>Cash at bank</u>		
Rastriya Banijya Bank Ltd.	20,947,795.52	10,008,860.43
Siddhartha Bank Ltd.	4,353,922.35	968,151.35
NMB Bank Ltd.	5,985,437.48	8,149,952.96
Nabil Bank Ltd. (Welfare Fund)	287,846.12	280,886.30
Kumari Bank Ltd.	627,356.44	1,347,025.25
<u>Cash in hand</u>	226.00	4,485.00
Total	32,202,583.91	20,759,361.29

Other Current Assets

Note 4.8

Particulars	As at 31.03.2080	As at 32.03.2079
Prepayment	23,184.08	21,494.53
Other Assets	1,077,250.00	864,750.00
Deferred Employee Benefit Expenses	10,147.98	39,321.92
Total	1,110,582.06	925,566.45

Current tax (net)

Note 4.9

Particulars	As at 31.03.2080	As at 32.03.2079
Advance Tax	5,786,060.08	5,889,978.62
Tax Liability	(5,395,105.79)	(5,034,807.88)
Total	390,954.29	855,170.74



Salleri Chialsa Electricity Company Ltd.
Notes to Financial Statements
As at 31 Ashadh 2080

Share Capital

Note 4.10

Particulars	As at 31.03.2080	As at 32.03.2079
Authorized Share Capital	80,000,000.00	80,000,000.00
Issued Share Capital		
51,412 Preference Shares @ 1000 Per Share	51,412,000.00	51,412,000.00
1,000,000 Ordinary Shares @ 10 per Share	10,000,000.00	10,000,000.00
Paid up Share Capital		
51,412 Preference Shares @ 1000 Per Share	51,412,000.00	51,412,000.00
1,000,000 Ordinary Shares @ 10 per Share	10,000,000.00	10,000,000.00
Total	61,412,000.00	61,412,000.00

Other Equity

Note 4.11

Particulars	As at 31.03.2080	As at 32.03.2079
Emergency Fund	1,463,103.50	1,463,103.50
Renewal Fund	1,463,103.50	1,463,103.50
Fair Value Reserve	15,050,892.23	11,275,296.83
Total	17,977,099.23	14,201,503.83

Borrowing

Note 4.12

Particulars	As at 31.03.2080	As at 32.03.2079
Non-current		
Current		
Total	-	-

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[Circular stamp: M. Thapa & Associates Chartered Accountants Khatmandu Nepal]

Salleri Chialsa Electricity Company Ltd.
Notes to Financial Statements
As at 31 Ashadh 2080

Employee Benefit Liabilities

Note 4.13

Particulars	As at 31.03.2080	As at 32.03.2079
Non-current		
Gratuity Liability	4,785,481.67	4,968,879.71
Less: Plan Assets	(3,853,868.44)	(4,228,781.59)
Leave Liability	1,362,910.22	1,156,313.48
Sub-total	2,294,523.45	1,896,411.60
Current		
Bonus Payable	1,520,891.72	1,761,891.88
Medical Reimbursement Payable	124,042.24	160,042.24
Sub-total	1,644,933.96	1,921,934.12
Total	3,939,457.41	3,818,345.72

* Considering the cost benefit analysis, actuarial valuation of gratuity and leave liability has not been carried out.

Other Financial Liabilities

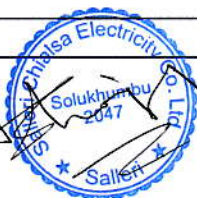
Note 4.14

Particulars	As at 31.03.2080	As at 32.03.2079
Non-current		
Advance towards share		836,250.00
Prepaid Cost Participation	644,000.00	826,846.00
Sub-total	644,000.00	1,663,096.00
Current		
Staff Payable	65,364.28	49542.64
Corporate Social Responsibility	-	-
TDS Payable	7,145.63	8,741.96
Other Payable	1,859,593.90	1,859,867.19
Advance Connection Fee	921,090.69	-
Sub-total	2,853,194.50	1,918,151.79
Total	3,497,194.50	3,581,247.79

Deferred Income

Note 4.15

Particulars	As at 31.03.2080	As at 32.03.2079
Grant Towards E/M Equipment	45,889,112.38	48,317,686.22
Grant Towards Black Stopping Material	740,265.20	740,265.20
Other Capital Grant	1,404,451.43	1,404,451.43
Total	48,033,829.01	50,462,402.85



Salleri Chialsa Electricity Company Ltd.
Notes to Financial Statements
As at 31 Ashadh 2080

Deferred Tax Liability/(Assets)

Note 4.16

Particulars	As at 31.03.2080	As at 32.03.2079
Property, Plant & Equipment and Intangible Assets	12,788,616.60	12,172,302.75
Investment in Shares	5,016,964.08	3,758,432.28
Gratuity Liability	(186,322.65)	(993,775.94)
Leave Liability	(272,582.04)	(231,262.70)
Total	17,346,675.98	14,705,696.39
Deferred tax charged to SoPL	(1,382,447.80)	(895,137.92)

Trade Payable

Note 4.17

Particulars	As at 31.03.2080	As at 32.03.2079
Fee Received in Advance		48,340.69
Payable to NEA for electricity purchase	-	3,885,813.60
Total	-	3,934,154.29

Other Current Liabilities

Note 4.18

Particulars	As at 31.03.2080	As at 32.03.2079
Staff Welfare Fund	290,105.74	283,210.16
Total	290,105.74	283,210.16











Salleri Chialsa Electricity Company Ltd.
Notes to Financial Statements
For the year ended 31 Ashad 2080

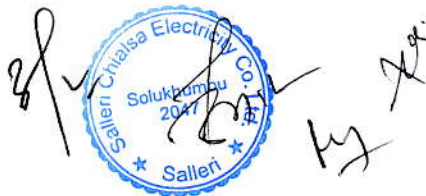
Revenue from operation

Note 4.19

Particulars	2079-80	2078-79
Sale of electricity	38,406,665.20	40,107,990.00
<u>Other services</u>		
Application Fee	13,075.00	12,650.00
Late Payment Fee	1,573,110.00	1,183,800.00
Temporary Level Upgrading	14,615.00	26,570.00
Disconnection Fee	96,700.00	53,740.00
Reconnection Fee	740.00	2,950.00
Cable Joint Charge	793,747.00	785,338.63
SDB & Loss Damage Charge/Miscellaneous	461,196.25	305,792.18
Technical Service Charge	253,731.07	179,385.00
Level Upgrading Charge	630,249.60	619,294.00
Rent of Other Materials	3,000.00	3,000.00
New Connection Charges	2,071,648.54	1,616,015.40
Connection Fee (NDHH)	27,500.00	21,500.00
Earthing Charge	446,770.00	717,403.50
Sale EL	46,102.00	256,997.00
Total	44,838,849.66	45,892,425.71

Sale of Electricity decreased due to breakdown of coupling of machine-1 and machine-2, which resulted in loss of generation of electricity for about three months by machine-1 and about one months by machine-2.

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Salleri Chialsa Electricity Company Ltd.
Notes to Financial Statements
For the year ended 31 Ashad 2080

Cost of Revenue

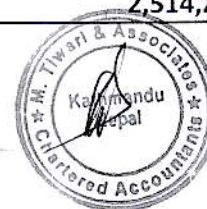
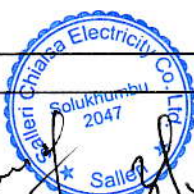
Note 4.20

Particulars	2079-80	2078-79
Cost of Purchase	3,008,037.60	2,524,218.00
Electricity from NEA	3,008,037.60	2,524,218.00
Employee Expenses	11,671,348.77	10,348,557.15
Salaries	4,370,058.00	3,113,603.00
Remote Area Allowance	2,487,597.08	3,443,792.44
Children Allowance	68,400.00	55,195.00
PF Contribution	437,005.50	245,646.50
Dashain Bonus, PH & HQ Allowance	399,431.08	180,319.00
Accrued Gratuity Expenses	1,008,363.97	784,461.26
Accrued Leave Expenses	486,889.06	149,583.65
Training & Upgrading	-	33,900.00
Communication Expenses	33,000.00	
Electricity Rebate	39,592.50	35,957.50
Overtime	670,948.06	350,575.40
Staff Medical Scheme	129,367.73	143,198.25
NFRS interest expenses	19,804.07	50,433.27
Staff Bonus	1,520,891.72	1,761,891.88
Other Direct Expenses	11,307,857.86	9,789,992.64
Repair and Maintenance	4,789,080.69	3,063,313.40
Civil Structure (PH)	352,386.71	152,824.46
Building	1,231,472.17	156,595.28
Plant and Machinery	711,034.80	299,505.56
HT Transmission Line	601,599.05	480,045.10
LT Transmission Line	1,797,168.57	1,886,812.07
Tools	95,419.39	87,530.93
Depreciation	6,518,777.17	6,726,679.24
Civil Structures	1,530,167.99	1,527,627.62
Plant and Machinery	2,007,474.76	1,984,865.44
High Tension Transmission Line	1,004,855.25	1,317,863.04
Low Tension Transmission Line	1,854,290.84	1,790,205.39
Tools	121,988.33	106,117.75
Total	25,987,244.23	22,662,767.79

Other Income

Note 4.21

Particulars	2079-80	2078-79
Dividend Income	335,097.59	85,705.28
Insurance Claim Received	469,317.00	-
Transferred from Deferred Income	2,428,573.84	2,428,573.84
Total	3,232,988.43	2,514,279.12



Salleri Chialsa Electricity Company Ltd.
Notes to Financial Statements
For the year ended 31 Ashad 2080

Administrative and Operating Expenses

Note 4.22

Particulars	2079-80	2078-79
<u>Operating Expenses</u>	2,300,072.36	1,809,552.53
Office Materials/Stationery	72,055.00	100,830.00
Printing, Copies & Bindings	60,795.00	53,121.00
Communication	81,394.74	109,109.89
Study Tour	43,100.00	39,000.00
Staff Travel	300,396.00	335,230.90
Audit Fee & Expenses	206,713.00	338,229.00
Bank Charges	4,161.00	947.00
Cultural Worship	138,165.00	165,765.00
Cleaning Material	21,109.00	44,050.15
Software/Web Site Upgrading Expenses	46,612.50	-
Internal Electricity Consumption	46,902.00	44,494.00
Consultancy Services	27,000.00	91,100.00
Subscription/Signboard/Advertisement Expenses	94,204.00	21,060.00
Recruitment Expenses	29,045.00	20,185.00
Registration & Land Revenue	441,904.00	51,595.00
Per Diem	424,400.00	144,493.25
Transportation & Documentation	27,900.00	26,750.00
Miscellaneous Expense	12,329.50	30,120.79
Insurance Expenses	221,886.62	187,066.33
Social Activities		6,405.22
<u>Shareholders/Directors Expenses</u>	623,117.63	898,897.60
Directors Meeting Fees	15,500.00	19,500.00
Directors Lodging/Fooding	334,427.63	597,796.60
AGM Preparation Cost	273,190.00	281,601.00
<u>Repair and Maintenance</u>	62,625.33	48,912.61
Furniture & Fixture	10,295.00	1,503.13
Office Machine	15,360.33	8,900.00
Vehicles	36,970.00	38,509.48
<u>Other Works</u>	1,482,457.83	1,462,773.47
Compound Maintenance Work	435,663.79	309,716.19
Annual Maintenance costs	1,046,794.04	1,153,057.28
<u>Depreciation and Amortization</u>	196,826.29	105,268.69
Office Equipment	152,816.29	77,145.74
Furniture and Fixtures	-	6,249.85
Vehicles	44,010.00	11,002.50
Amortization of software	-	10,870.60
Total	4,665,099.44	4,325,404.90

Total of depreciation and amortization is as follows:

Particulars	2079-80	2078-79
Cost of Revenue	6,518,777.17	6,726,679.24
Administrative and Operating Expenses	196,826.29	105,268.69
Total	6,715,603.46	6,831,947.93



Salleri Chialsa Electricity Company Ltd.
Notes to Financial Statements
For the year ended 31 Ashad 2080

Total of repair and maintenance is as follows:

Particulars	2079-80	2078-79
Cost of Revenue	4,789,080.69	3,063,313.40
Administrative and Operating Expenses	62,625.33	48,912.61
Total	4,851,706.02	3,112,226.01

Income Tax Expenses

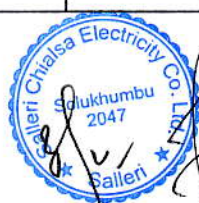
Note 4.23

Particulars	2079-80	2078-79
Current year tax expenses	5,395,105.79	5,034,807.88
Adjustment of previous year tax expenses	-	-
Total	5,395,105.79	5,034,807.88

Reconciliation of current year tax expenses

Particulars	2079-80	2078-79
Profit as per profit or loss statement	28,896,942.72	28,826,508.78
Less: dividend income	(335,097.59)	(85,705.28)
Add: CSR expenses		6,405.22
Add: depreciation as per books	6,715,603.46	6,831,947.93
Add: repair as per books	4,851,706.02	3,112,226.01
Add: gratuity and leave expenses	1,495,253.03	934,044.91
Less: depreciation as per tax	(10,193,073.38)	(11,368,242.07)
Less: repair as per tax	(4,455,805.31)	(3,083,146.12)
Profit as per tax	26,975,528.95	25,174,039.38
Tax rate	20%	20%
Income tax expenses	5,395,105.79	5,034,807.88

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Salleri Chialsa Electricity Company Ltd.
Notes to Financial Statements
For the year ended 31 Ashad 2080

5 Additional Information

5.1 Share Capital

- a) **Equity Shares:** Company has equity shares of Rs. 10 face value. The composition of shareholders is as follows:

Shareholder Group	Holding %	
	Current Year	Previous Year
Swiss Development Corporation (SDC)	-	33.00%
Nepal Electricity Authority	33.00%	33.00%
Solududhkunda Municipality	33.00%	-
Local Residents	34.00%	34.00%

Swiss Agency for Development Cooperation (SDC) decided to handover the shares held by them to the local government of Nepal, Solududhkunda Municipality, Solukhumbu. Accordingly, the decision was made in the 185th Board Meeting dated Jestha 9th, 2080 to transfer the shares of SDC to Solududhkunda Municipality. Now the Solududhkunda Municipality hold 3,30,000 number of equity shares of Rs.10 each and 25,706 number of preference shares of Rs.1000 each. The process of share transfer is yet to be certified by the Office of Company Registrar.

As per the terms of share transfer, Solududhkunda Municipality (SDM) is required to invest a sum equal to the shares transferred in their name within 2082 Ashad. Company is yet to receive any amount from SDM till reporting date.

- b) **Preference Shares:** Preference shares of the company are irredeemable and do not bear any dividend. Preference shareholders are not entitled to any residual value of company as like of equity shareholders. Preference shareholders are entitled only their investment amount on liquidation of company. Composition of preference shareholders is as follows:

Shareholder Group	Holding %	
	Current Year	Previous Year
Swiss Development Corporation	-	50.00%
Nepal Electricity Authority	50.00%	50.00%
Solududhkunda Municipality	50.00%	-

5.2 Other Components of Equity

- a) **Fair Value Reserve**

This reserve is created to capture the fair value changes on equity investments made by the company. The company has opted to present the changes in fair value of equity investment through other comprehensive income. The reserve amount is net of deferred tax considered at normal corporate tax rate.

- b) **Emergency Fund/Renewal Fund**

These funds have been carried over since many years with the objective of covering any unusual catastrophe or losses to the company.

5.3 Deferred Income

Company has received various assets from SDC during construction phase and from various sources subsequently for the purpose of assets generation. Such amount have been presented under respective heading of assets and the corresponding amount are treated as deferred income. Such deferred income is gradually transferred to statement of profit or loss on annual basis.



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Salleri Chialsa Electricity Company Ltd.
Notes to Financial Statements
For the year ended 31 Ashad 2080

5 Additional Information

5.4 Related Party Transactions

Related parties of the company comprises of key management personnel. This includes Board of Director and the General Manager of Company.

a Board of Directors

The composition of Board on the reporting date is as follows:

Name	Position	Representation
Dr. Mingmar Gyelzen Sherpa	Chairperson	Local Residents
Sameer Prasad Pokharel	Director	Nepal Electricity Authority
Santosh Kumar Jha	Director	Nepal Electricity Authority
Ganesh Prasad Luitel	Director	Nepal Electricity Authority
Nuru Lama Sherpa	Director	Local Residents
Dawa Gelu Pakhrin	Director	Solududhkunda Municipality
Tanki Maya Basnet	Director	Solududhkunda Municipality
Narayan Kaji Shrestha	Director	Solududhkunda Municipality

Board members are paid meeting fees of Rs. 500 per meeting and company bears the expenses of travel and accommodation for directors traveling to attend the meeting.

b General Manager

Mr. Bhoj Raj Tiwari serves as the General Manager in the role of executive chief of the Company since 16 Poush 2077.

General manager is paid salary and allowanes as per employment contract. This amount is exclusive of accrued gratuity, leave amount and bonus.

5.5 Lien on company's assets

The assets of company are not pledged as collateral with any party.

5.6 Contingent Liability

a. Bank Guarantee

There is no any bank guarantee outstanding at the reporting date.

b. Litigations or legal cases

i. Tax matters

There is no any pending tax matters.

ii. Legal cases

There is no any pending legal case for or against the company.

c. Unexpired Letter of Credit

There is no unexpired letter of credit at the year end.

d. Capital Commitment

There is no capital commitment at the year end.



Salleri Chialsa Electricity Company Ltd.
Notes to Financial Statements
For the year ended 31 Ashad 2080

5 Additional Information

5.7 Fair Value Hierarchy of Financial Instrument

Fair value hierarchy of financial instruments are as follows:

As at 31.03.2080

Particulars	Amount	AC/FV	Level 1	Level 2	Level 3
Financial Assets					
Investments	124,274,728	AC/FV	22,374,728		101,900,000
Trade receivable	8,386,970	AC			8,386,970
Other financial assets	1,260,282	AC			1,260,282
Cash and cash equivalents	32,202,584	AC	32,202,584		
Total	166,124,564	-	54,577,312	-	111,547,253
Financial Liabilities					
Trade payables	-	AC			-
Employee benefit liabilities	3,939,457	AC			3,939,457
Other financial liabilities	3,497,195	AC			3,497,195
Total	7,436,652	-	-	-	7,436,652

As at 32.03.2079

Particulars	Amount	AC/FV	Level 1	Level 2	Level 3
Financial Assets					
Investments	105,340,600	AC/FV	17,340,600		88,000,000
Trade receivable	13,787,932	AC			13,787,932
Other financial assets	1,154,485	AC			1,154,485
Cash and cash equivalents	20,759,361	AC	20,759,361		
Total	141,042,378	-	38,099,962	-	102,942,417
Financial Liabilities					
Trade payables	3,934,154	AC			3,934,154
Employee benefit liabilities	3,818,346	AC			3,818,346
Other financial liabilities	3,581,248	AC			3,581,248
Total	11,333,748	-	-	-	11,333,748







