



# माउन्टेन हाइड्रो नेपाल लि. Mountain Hydro Nepal Ltd.

**CORPORATE OFFICE:**

Mountain House, Tahachal-13, Ktm., Nepal | Phone No.: +977-1-5903442 | E-mail: mountainhydronepal@gmail.com

**PROJECT SITE OFFICE:**

Lower Hewa Khola Hydro Project, Panchthar



छैठौं वार्षिक साधारण सभामा प्रस्तुत

**वार्षिक प्रतिवेदन**

आ.व. २०७७।७८

## Management Committee



**Sitaram Timalisina**  
Chairman



**Satish Timalisina**  
Managing Director



**Dipendra Angbo Limbu**  
Director



**Prahlad Timalisina**  
Public Director



**Renuka Devi Pokharel**  
Director



**Shiva Prasad Tripathi**  
Public Director



# माउन्टेन हाइड्रो नेपाल लि.

ताहाचल, काठमाण्डौ

श्री संचालक समिति

माउन्टेन हाइड्रो नेपाल लि.

ताहाचल, काठमाण्डौ ।

**बिषय : साधारण सभामा मतदान गर्न प्रतिनिधी नियुक्ति गरेको बारे ।**

महाशय,

.....जिल्ला.....न.पा./गा.पा. वडा नं.....बस्ने म/हामी .....ले त्यस कम्पनीको शेयरवालाको हैसियतले २०७८ साल पुस महिना २९ गते बिहीबारका दिन हुने साधारण सभामा स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकोले उक्त सभामा भाग लिन तथा मतदान गर्नका लागि.....जिल्ला.....न.पा./गा.पा. वडा नं.....बस्ने त्यस कम्पनीका शेयरवाला श्री..... शेयर प्रमाणपत्र नं..... लाई मेरो / हाम्रो प्रतिनिधि मनोनित गरि पठाएको छु /छौं ।

**प्रतिनिधि हुनेको**

दस्तखत :

नाम :

शेयरसंख्या :

मिति :

(द्रष्टव्य : यो निवेदन साधारण सभा हुनु भन्दा कम्तीमा ४८ घण्टा अगावै कम्पनीको रजिस्टर्ड कार्यालयमा पेश गरि सक्नु पर्ने छ ।)

**निवेदक:**

दस्तखत :

नाम :

ठेगाना :

शेयर प्रमाणपत्र नं.

कि.नं.....देखि.....सम्म

मिति :



# माउन्टेन हाइड्रो नेपाल लि.

ताहाचल, काठमाण्डौ

**प्रवेश -पत्र**

शेयरधनीको नाम :

शेयरधनी नं. :

कुल शेयर संख्या :

शेयरधनीको दस्तखत :

कम्पनी सचिव

२०७८।०९।२९

(सभाकक्षमा प्रवेश गर्न यो प्रवेश पत्र अनिवार्य रूपमा लिई आउनु हुन अनुरोध छ । )





Location of Lower Hewa Khola Hydro Project 22.1 MW

## विषय सूची

<input type="checkbox"/> छैठौं वार्षिक साधारण सभा सम्बन्धी सूचना.....	४
<input type="checkbox"/> अध्यक्षको मन्तव्य.....	६
<input type="checkbox"/> कम्पनी ऐन २०६३ को दफा १०९ उपदफा (४) अनुसार संचालक समितिको प्रतिवेदन .....	७
<input type="checkbox"/> इक्विटी शेयरधनीहरूको विवरण.....	१२
<input type="checkbox"/> लेखा परिक्षकको प्रतिवेदन :.....	१३
■ वासलात.....	१६
■ नाफा नोक्सान हिसाव खाता.....	१७
■ नगद प्रवाह विवरण.....	१८
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# माउन्टेन हाइड्रो नेपाल लि.

काठमाण्डौ -१३, ताहाचल

फोन नं. ०१५९०३४४२, E-mail : mountainhydronepal@gmail.com

## छैठौं वार्षिक साधारण सभा सम्बन्धी सूचना

प्रथम पटक प्रकाशित मिति २०७८।०९।०८

यस कम्पनीको मिति २०७८/०९/०७ मा बसेको संचालक समितिको निर्णय अनुसार कम्पनीको छैठौं वार्षिक साधारण सभा निम्न मिति, स्थान र समयमा देहायका विषयहरू माथि छलफल र निर्णय गर्न बस्ने भएको हुँदा सम्पूर्ण शेयरधनी महानुभावहरूको उपस्थितिको लागि यो सूचना प्रकाशित गरिएको छ ।

### वार्षिक साधारण सभा हुने मिति, स्थान र समय

मिति:- २०७८/०९/२९ गते, विहीबार

स्थान:- कालिमाटी व्याङ्क्वेट (कालीमाटी सीता पेट्रोल पम्प सँगै)

समय:- बिहान ११:०० बजे ।

### छलफलका विषयहरू:-

- १) अध्यक्षज्युबाट आ.व. २०७७/७८ को कम्पनीको वार्षिक प्रतिवेदन प्रस्तुत गर्ने र सो माथि छलफल तथा स्वीकृत गर्ने ।
- २) लेखा परीक्षकको प्रतिवेदन सहितको आ.व. २०७७/७८ को वार्षिक आर्थिक विवरण (वासलात, नाफा नोक्सान हिसाब तथा नगद प्रवाह लगायतका वित्तीय विवरणहरू) माथि छलफल र स्वीकृत गर्ने ।
- ३) कम्पनीको आ.व. २०७८/७९ को लागि लेखापरीक्षक नियुक्ति गर्ने तथा पारिश्रमिक तोक्ने ।
- ४) सर्वसाधारण समूहबाट निर्वाचित संचालक श्री शिव प्रसाद त्रिपाठीले राजीनामा दिनुभई रिक्त भएको संचालक पद निर्वाचनद्वारा पूर्ति गर्ने ।
- ५) विविध
  - क) शेयर दाखिल खारिज बन्द गर्ने
  - ख) निर्वाचन अधिकृत तोक्ने
- ग) कम्पनीको आर्थिक तथा प्रशासनिक विनियमावली र निर्वाचन निर्देशिका स्वीकृतको लागि वार्षिक साधारण सभामा पेश गर्ने ।

### वार्षिक साधारण सभा सम्बन्धी जानकारीहरू

- १) विश्वव्यापी रूपमा फैलिएको कोभिड-१९ महामारीको प्रभाव कायमै रहेकोले नेपाल सरकारले जारी गरेको सुरक्षा मापदण्डको पूर्ण पालना गरी सभा सम्पन्न गर्नुपर्ने विशेष परिस्थितिका कारण Virtual माध्यमबाट उपस्थितिको लागि हार्दिक अनुरोध गर्दछौं ।
- २) Virtual माध्यमबाट उपस्थित शेयरधनीहरूलाई सभा हलमा उपस्थित भए सरह मान्यता दिईने छ । उपस्थित गणपुरक संख्या सभा संचालनको निमित्त निर्दिष्ट संख्या अनुसार पर्याप्त भए मात्र सभा संचालन हुनेछ ।
- ३) Virtual माध्यमबाट उपस्थित शेयरधनीहरूको हाजिर निजहरूले गरेको Login मार्फत् सबैको Login भएको देखिने गरी प्रमाणको निमित्त फोटो खिचेर राखिने छ । साथै सभा संचालन अवधिभरीको भिडियो रेकर्डिङ्ग गरिनेछ ।

- ४) नेपाल स्टक एक्सचेन्ज मा २०७८।०९।१४ सम्मको कारोबार भई आफ्नो नाममा शेयर नामसारी भएका शेयरधनीहरू साधारण सभामा भाग लिन योग्य हुनेछन् । शेयरधनी महानुभावहरूको परिचय खुल्ने प्रमाणपत्र प्राप्त भएपछि सभामा भाग लिन कम्पनीबाट Meeting ID र Password कम्पनीको E-mali: mountainhydronepal@gmail.com मार्फत् प्राप्त गर्न सकिने व्यवस्था गरिएको जानकारी गराउँदछौं । साथै अन्तिम समयमा सम्पर्क गर्दा शेयरधनीको पहिचान Verification गरी ID/ Password समयमै पठाउन आईपर्न सक्ने प्राविधिक कठिनाईबाट बच्न कम्तीमा ४८ घण्टा अगावै ID/ Password लिन समेत अनुरोध छ । सोहि E-mali Address मा साधारण सभाको प्रतिवेदन समेत पठाईने छ। साथै कम्पनीको Website: www.mhni.com.np मा पनि हेर्न सकिने छ ।
- ५) Virtual माध्यमबाट आफ्नो मन्तव्य राख्न चाहनु हुने शेयरधनी महानुभावहरूले कम्तीमा २ दिन अगावै कम्पनी सचिव वा कम्पनीको आधिकारिक E-mali: mountainhydronepal@gmail.com मा सम्पर्क गरी नाम टिपोट गराउनु हुन अनुरोध छ ।
- ६) छैठौं वार्षिक साधारण सभा प्रयोजनको लागि कम्पनीको मिति २०७८ पुस १५ गते देखि २०७८ साल पुस २९ गते सम्म शेयरको दर्ता किताव दाखिल खारेज बन्द रहनेछ ।
- ७) छैठौं साधारण सभामा भाग लिन आफ्नो प्रतिनिधि नियुक्त गर्न चाहने शेयरधनीहरूले कम्पनी ऐनले तोकेको ढाँचामा वा वार्षिक प्रतिवेदन पुस्तिकामा रहेको प्रतिनिधि पत्र (प्रोक्सी) फारम अनुसार प्रतिनिधि नियुक्ती गरी पठाउनु पर्नेछ । तर प्रतिनिधि नियुक्त गर्नुभएका शेयरधनी आफै उपस्थित भई हाजिरी गरेमा प्रतिनिधि पत्र स्वतः बदर हुनेछ ।
- ८) एक भन्दा बढी व्यक्तिहरूको संयुक्त नाममा शेयर दर्ता रहेको अवस्थामा सर्वसम्मतबाट प्रतिनिधि चयन गरिएको १ जनाले मात्र वा लगत किताबमा पहिलो नाम उल्लेख भएको व्यक्तिले सभामा भाग लिन सक्नु हुनेछ । कुनै संगठित संस्था वा कम्पनीले शेयर खरिद गरेको हकमा त्यस्ता संगठित संस्था वा कम्पनीले मनोनीत गरेको प्रतिनिधिले शेयरवालाको हैसियतले सभामा भाग लिन सक्नुहुनेछ।
- ९) कुनै शेयरधनी महानुभावहरूले छलफलका विषयहरू मध्ये विविध शीर्षक अन्तर्गत कम्पनी सम्बन्धि कुनै विषयमा छलफल गर्न गराउन चाहेमा सभा हुनु भन्दा ७ कार्य दिन अगावै कम्पनी सचिव मार्फत् संचालक समितिको अध्यक्ष लाई लिखित रूपमा प्रस्ताव दिनुपर्नेछ । तर त्यस्तो प्रस्ताव साधारण सभामा छलफल वा बहसको रूपमा समावेश गर्ने वा नगर्ने अधिकार संचालक समितिको अध्यक्षमा निहित हुनेछ ।
- १०) सर्वसाधारण समूहबाट निर्वाचित संचालक श्री शिव प्रसाद त्रिपाठीले राजीनामा दिनुभई रिक्त भएको संचालक पद सोही समूहका शेयरधनीहरूबाट निर्वाचनद्वारा पूर्ति गरिने छ ।
- ११) कम्पनीको आर्थिक तथा प्रशासनिक विनियमावली र निर्वाचन निर्देशिका स्वीकृत गर्ने ।
- १२) साधारण सभा सम्बन्धित अन्य कुराहरू तथा निर्वाचन सम्बन्धी जानकारी आवश्यक भएमा कार्यालय समयमा कम्पनीको प्रधान कार्यालय ताहाचल, कालीमाटी काठमाण्डौमा सम्पर्क राखी वा कम्पनीको Website: www.mhnl.com.np बाट प्राप्त गर्न सक्नु हुनेछ ।

संचालक समितिको आज्ञाले

कम्पनी सचिव

## छैठौं वार्षिक साधारण सभामा प्रस्तुत अध्यक्षको मन्तव्य

आदरणीय शेयरधनि महानुभावहरू

यस माउन्टेन हाइड्रो नेपाल लि. को छैठौं वार्षिक साधारण सभामा उपस्थित हुनुभएका सम्पूर्ण शेयरधनी तथा आमन्त्रित महानुभावहरूमा संचालक समिति तथा मेरो व्यक्तिगत तर्फबाट समेत हार्दिक स्वागत तथा अभिवादन गर्दछु । यस सभामा उपस्थित भएर कम्पनीको वार्षिक प्रतिवेदन पेश गर्न पाउँदा मलाई खुशी लागेको छ ।

- यो कम्पनीको कुल शेयर पूँजी रु. १२५ करोड रहेको छ । कम्पनीका २८ जना संस्थापकहरूले रु. १०० करोडको शेयर लगानी गर्नुभएको छ र कुल पूँजीको २० प्रतिशत अर्थात् रु. २५ करोडको साधारण शेयर सर्वसाधारणमा जारी गरिएको छ ।
- हाम्रो यस आयोजनाबाट उत्पादित बिजुली कावेली कोरिडोर प्रसारण लाइनको थापाटार स्थित सव-स्टेशनमा जोडिएको छ । उत्पादित बिजुली नेपाल विद्युत प्राधिकरणलाई उपलब्ध गराईएको छ । आ.व. २०७७।७८ मा विद्युत बिक्रीबाट रु. ५३,२५,२८,९००/- को आम्दानी प्राप्त भएको छ ।
- यस कम्पनीले प्रवर्द्धन गरेको तल्लो हेवा खोला ज.वि.आ. निर्माणको लागि प्राईम कमर्सियल बैंकको अगुवाईमा सहवित्तीयकरण अन्तर्गत १० वटा बैंकबाट प्राप्त भईरहेको कर्जाको ब्याज चर्को भएकोले कम्पनीको हितलाई ध्यानमा राखी दश वर्ष सम्मको लागि ८.५% को स्थिर ब्याजदरमा NMB बैंकको अगुवाईमा कर्जा SWAP गराईएको छ । यसबाट ब्याजदरको उतारचढाउले हुने जोखिम र ब्याजको भार क्रमश घट्दै जाने भई कम्पनीलाई फाईदा हुने छ ।
- आयोजना क्षेत्रमा २०७७।०४।१८ मा परेको भीषण वर्षाको कारण आएको बाढीले फेमे क्रसिङको रिपर्याप, कटफ वाल, बाटो पुल तथा बिजुलिको पोल तारहरूमा पुऱ्याएको क्षतिपूर्तिको लागि बीमा दावी गरिएकोमा बीमा कम्पनीबाट रु. ४३,१३,६८७/- क्षतिपूर्ति प्राप्त भएको छ । क्षति भएका संरचनाहरूको मर्मत तथा पुनर्निर्माण कार्य सम्पन्न गरिएको छ ।
- आ.व. २०७७।७८ को संचालक समितिको संयुक्त वार्षिक प्रतिवेदन छुट्टै प्रस्तुत गरेको छु ।
- आयोजना राम्रोसँग संचालन भईरहेको छ । आयोजना संचालन गर्न गराउन आ-आफ्नो स्थानबाट सहयोग गर्नुहुने सम्पूर्ण शेयरधनी महानुभावहरू, वित्तीय सहयोग गर्नुहुने बैंकहरू, सम्बद्ध निकायहरू, सरोकारवाला तथा अथक मेहनत गर्नुहुने सम्पूर्ण कर्मचारीहरूलाई हार्दिक धन्यवाद दिन चाहन्छु । अन्तमा आफ्नो व्यस्त कार्यक्रमका बावजूद यस सभामा उपस्थित भई हौसला बढाई दिनु भएकोमा सम्पूर्ण शेयरधनी तथा आमन्त्रित महानुभावहरूलाई धन्यवाद दिन चाहन्छु । धन्यवाद

सीताराम तिमल्सिना

अध्यक्ष

माउन्टेन हाइड्रो नेपाल लि.





# माउन्टेन हाइड्रो नेपाल लि.

कम्पनी ऐन, २०६३ को दफा १०५ उपदफा (४) बमोजिम संचालक समितिको  
आर्थिक वर्ष २०७७/७८ को प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,

यस कम्पनीको छैठौं वार्षिक साधारण सभामा म यहाँहरूलाई हार्दिक स्वागत गर्न चाहन्छु । म यस गरिमामय सभामा संचालक समितिको तर्फबाट आर्थिक वर्ष २०७७/७८ को संचालक समितिको वार्षिक प्रतिवेदन र सोही वर्षको लेखा परीक्षण भएका वित्तीय विवरणहरू सभा समक्ष स्वीकृतिको लागि प्रस्तुत गर्न चाहन्छु ।

## १) आ.व २०७७/७८ को कारोबारको सिंहावलोकन :

यस माउन्टेन हाइड्रो नेपाल लि. ले निर्माण गरेको पाँचथर जिल्ला स्थित तल्लो हेवा खोला जल विद्युत आयोजना (२२.९ मे.वा) को निर्माण कार्य सम्पन्न भई मिति २०७६ श्रावण २९ गते देखि नियमित रूपमा विद्युत उत्पादन गरी रहेको छ । आयोजना सन्तोषजनक रूपमा संचालन भई रहेको छ । कम्पनीको आर्थिक गतिविधिहरूलाई बुँदागत रूपमा तल प्रस्तुत गरिएको छ ।

## क) विद्युत उत्पादन लक्ष्य तथा विक्रि :

यस कम्पनीले तल्लो हेवा खोला जल विद्युत आयोजना (२२.९ मे.वा) वाट विद्युत उत्पादन गरी राष्ट्रिय प्रसारण लाइनमा आपूर्ति गर्ने गरी कम्पनी र नेपाल विद्युत प्राधिकरण बीच विद्युत खरिद बिक्री सम्झौता भएको छ र सो सम्झौता बमोजिम यस कम्पनीद्वारा वार्षिक ११,८५,७९,७७४ कि.वा.घ. विद्युत शक्ति उपलब्ध गर्ने लक्ष्य रहेको छ र आ.व. २०७७/७८ मा विद्युत उत्पादन गरी नेपाल विद्युत प्राधिकरणलाई बिक्री गरिएको विवरण तालिका १ मा प्रस्तुत गरिएको छ ।

तालिका १

साल / महिना	कन्ट्र्याक्ट इनर्जी (KWH)	अनुमानित आय	आम्दानी २०७६/ ७७ मा		
			उत्पादित विद्युत (KWH)	दर	खुद आम्दानी
२०७७ श्रावण	१,६९,३०,९४९	७,७४,२८,५५६	१,६९,३०,९४९	४.८०	७,७४,२६,९७९
२०७७ भाद्र	१,५६,२६,८५७	७,७९,९६,६७४	१,५६,२६,८५७	४.९४	७,७९,९५,०५४
२०७७ असोज	१,५९,२२,७६४	७,४७,०६,४५४	१,५९,२२,७६४	४.९४	७,४७,०५,९५८
२०७७ कार्तिक	१,२८,९६,४९८	६,३७,०८,७००	१,०९,००,६६०	४.९४	४,९८,९६,८२८
२०७७ मंसिर	८९,७४,०२५	४,०३,७९,६८४	५७,८२,७६०	४.९४	२,८५,६५,३२२
२०७७ पुस	५६,४८,५६४	४,८८,६०,०७९	४९,०५,८९०	८.६५	३,५५,९५,४०९
२०७७ माघ	४७,७३,२६४	४,९२,८८,७३२	३९,९३,९८०	८.६५	२,७६,२७,२७९
२०७७ फागुन	४९,०४,४५४	३,५५,०३,५२७	२५,९३,४६०	८.६५	२,२४,३३,९०५
२०७७ चैत्र	४०,९५,८५७	३,५४,२९,९६३	२०,०८,७५०	८.६५	१,७३,७३,३९२
२०७८ बैशाख	५३,७३,३६०	२,६५,४४,३९८	२९,७९,९४०	४.९४	१,४६,७७,२८०
२०७८ जेष्ठ	१,९०,०६,३२५	५४,३७९,२४६	६०,५६,४४०	४.९४	२,९९,९८,३८२
२०७८ असार	१,५६,२६,८५७	७,७९,९६,६७३	१,५६,२६,८५७	४.९४	७,७९,९५,५९३
जम्मा	११,८५,७९,७७४	६५,२६,९३,८८५	९,९३,२९,३०७		५३,२५,२८,९००

**ख) कम्पनीको शेयर पुँजी, ऋण तथा संचिति :**

यस कम्पनीले तल्लो हेवा खोला जल विद्युत आयोजना निर्माण गर्ने उद्देश्यले संस्थापक शेयरधनी तथा आयोजना प्रभावित जिल्ला पाँचथर का स्थानीय बासिन्दाहरू र सर्वसाधारण शेयरधनी वाट गरी जम्मा शेयर पुँजी रु. १२५ करोड संकलन गरेको छ र सो को विवरण यस प्रकार रहेको छ ।

रकम आ.व. ०६/०७ सम्म	
संस्थापक शेयरधनीहरूबाट	१,००,००,००,०००।-
स्थानीय बासिन्दाबाट	६,८३,८९,०००।-
सर्वसाधारणबाट	१८,१६,११,०००।
जम्मा	१,२५,००,००,०००।-

त्यसैगरी आयोजना निर्माणको लागि कम्पनी र कन्सोर्टियम बैंकहरूसँग भएको सम्झौता बमोजिम यस आर्थिक वर्षको अन्त्य सम्ममा कम्पनीले उपभोग गरेको ऋण तालिका नं. २ मा प्रस्तुत गरिएको छ ।

**तालिका नं. २**

बैंकका नामहरू	कर्जा प्रकार	आ.व. २०७७/७८	गत आ.व. २०७६/७७
सेन्चुरी कमर्सियल बैंक लि.	आवधिक	१९,६८,३३४।	२२,५६,५३,३७४।-
हाइड्रो इनभेष्टमेन्ट एण्ड डेभलपमेन्ट कम्पनी लि.	आवधिक		१४,९७,६९,९३९।
ग्लोबल आइ एम ई बैंक लि	आवधिक		२२,५६,५३,३७४।-
प्राइम कमर्सियल बैंक लि बैंक लि.	आवधिक		११,२८,२६,६८७।-
मेगा बैंक लि.	आवधिक		१९,९६,९३,२५२।-
नेपाल क्रेडिट एण्ड कमर्स बैंक लि.	आवधिक		२२,५६,५३,३७४।-
नेपाल इन्भेष्टमेन्ट बैंक लि.	आवधिक		१९,९६,९३,२५२।-
प्रभु बैंक लि.	आवधिक	५,११,४६२।	११,२८,२६,६८७।-
प्राइम कमर्सियल बैंक लि.	आवधिक	७४,२५,००,०००।	१,०७,८३,४३,५५८।-
राष्ट्रिय वाणिज्य बैंक लि.	आवधिक	५९,६२,७०,१८४।	४९,९१,८४,७०१।-
सिदार्थ बैंक लि.	आवधिक		२२,५६,५३,३७४।-
प्राइम कमर्सियल बैंक लि.	हायर पर्चेज र फोर्सर्ड		६४,६३,२९८।-
प्राइम कमर्सियल बैंक लि.	ओभरड्राफ्ट कर्जा		६,८०,३०,२९५।-
एन.एम.वि बैंक लि		१,९४,३७,२०,९०८	
जम्मा		३,२८,४९,७०,८८८	३,३२,९४,४५,००५।

साथै आ.व २०७६/७७ मा कम्पनीको सञ्चिती रकम ऋणात्मक रु. १६,९८,७०,०४६। रहेको थियो । यस आ.व. २०७७/७८ मा बैंकलाई तिरेको ब्याज रु. ३,२१,३०,३७,८४। र सम्पत्ति को ह्रासकट्टी आयोजना तर्फ रु. १६,१२,०९,५६३। र अन्य ह्रासकट्टी रु. २,६०,८२३। समेत जम्मा ह्रासकट्टी रु. १६,१४,७०,३८६। खर्चमा देखाइएको हुँदा ऋणात्मक सञ्चिती रकम बढ्न गई रु. १७,६३,१३,३०५। पुग्न गएको छ । आगामी वर्षहरूमा सो ऋणात्मक सञ्चिती घट्न गई सञ्चिती रकम बढ्दै जाने र शेयरधनीहरूलाई लाभांश उपलब्ध गराउन सक्षम हुने विश्वास गरिएको छ ।

**ग) कम्पनीको शेयरको बजारमूल्य :**

यस कम्पनीको शेयर नेपाल स्टक एक्सचेन्जमा मिति २०७५/१२/२७ मा सूचिकृत भई धितोपत्र बजारमा कारोबार भईरहेको छ र आ.व. २०७७/७८ मा यस कम्पनीको बजार शेयर मूल्यमा उतार चढाब रह्यो । देशको आर्थिक

सूचकाङ्कहरूमा आएको भारी उतार चढाव सँगै हाम्रो कम्पनीको बजार शेयर मूल्यमा समेत उतार चढाव रहन गई यस वर्षको अधिकतम मूल्य रु. ४३९१- र न्यूनतम मूल्य रु. ७६ रही कारोवार भयो । आ.ब. २०७७।७८ मा यस कम्पनीको शेयर कारोबारको स्थिति तालिका नं. ३ मा प्रस्तुत गरिएको छ ।

**तालिका-३**

अधिकतम मूल्य रु.	४३९	कारोबार दिन	२४५
न्यूनतम मूल्य रु.	७६	कारोबार संख्या	३३३२५
अन्तिम मूल्य रु.	३४६	कारोबार शेयर संख्या	४४०६७४४
कारोबार रकम	१,१९,५२,२२,९४१।		

हाल मिति २०७८।०४।०१ देखि २०७८।०८।३० सम्म कारोवार बन्द हुँदाका समयमा शेयर कारोवारको स्थिति यस प्रकार रहेको छ । अधिकतम मूल्य रु. ७२०। न्यूनतम मूल्य रु. ३२०। अन्तिम मूल्य रु. ४१०। कारोबार संख्या २५४५३, कारोबार शेयर संख्या ४२२४०३८ तथा कारोबार रकम रु.२,२१,५३,९३,३३१।-

**२) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीलाई परेको असर:**

जुनसुकै व्यवसायमा पनि राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिहरूको प्रत्यक्ष वा अप्रत्यक्ष रूपमा सकारात्मक एवं नकारात्मक असर परेको हुन्छ । यस कम्पनीद्वारा निर्माण गरिएको आयोजनामा समेत राष्ट्रिय रूपमा भएका केही उतार चढावहरूको प्रत्यक्ष वा अप्रत्यक्ष प्रभाव पर्न गयो । राष्ट्रिय रूपमा नै वित्तीय क्षेत्रमा Cost Of fund बढ्न गई थप ब्याजको भारमा हाम्रो आयोजना पनि पर्‍यो । साथै धितोपत्र बजारमा आएको उतारचढावका कारणले यस कम्पनीको बजार शेयरमूल्यमा समेत असर पर्यो । तथापि प्रत्यक्ष रूपमा कुनै राष्ट्रिय एवं अन्तर्राष्ट्रिय परिस्थितिको कारणबाट आयोजना प्रभावित छैन ।

**३) चालु आर्थिक वर्षको उपलब्धि र कम्पनीको भावी योजना :**

- प्रतिवेदन तयार गरिएको मिति सम्ममा यस कम्पनीद्वारा निर्माण गरिएको आयोजना सन्तोषजनक रूपमा संचालन भई विद्युत उत्पादन भईरहेको छ ।
- कम्पनीद्वारा निर्माण गरिएको आयोजना संचालनमा रहेकोले सो आयोजनालाई सफलतापूर्वक एवं सन्तोषजनक रूपमा संचालन गर्ने र कम्पनीले प्रक्षेपण गरेको आम्दानी प्राप्त गर्ने गरी व्यवस्थापनले कार्य गरिरहेको छ ।

**४) कम्पनीको व्यवसायिक सम्बन्ध :**

आयोजना निर्माण र संचालनको लागि सबै क्षेत्रको सहयोग अपरिहार्य छ । सबै क्षेत्रबाट यथेष्ट सहयोग मिलेकै हुनाले आयोजना सफलतापूर्वक संचालन भइरहेको छ । सो सफलताले आयोजनासँग प्रत्यक्ष वा अप्रत्यक्ष संलग्न सबैलाई गौरवान्वित तुल्याएको छ । कम्पनीको व्यवसायिक सम्बन्ध मुलतः विद्युत सम्बन्धी अनुमतिपत्र प्रदान गर्ने नेपाल सरकार ऊर्जा मन्त्रालय र सोसँग आवद्ध श्री विद्युत विकास विभाग र विद्युत खरिद गरी दिने नेपाल विद्युत प्राधिकरण तथा आयोजना क्षेत्रका स्थानीय सरकार, निकाय तथा सरोकार वाला निकाय, बैंक, बिमा कम्पनी आदिसँग सुमधुर सम्बन्ध रहेको छ । भविष्यमा पनि व्यवसायिक सम्बन्धलाई अभै बलियो तुल्याउन कम्पनी सदैव सजग रहनेछ ।

**५) संचालक समिति :**

कम्पनीको नियमावली अनुसार यस कम्पनीमा ७ जना संचालकहरू रहने व्यवस्था छ । संचालक समितिको कार्यकाल ४ वर्षको हुने प्रावधान छ । कम्पनीमा हाल संस्थापक तथा सर्वसाधारण शेयरधनीहरूबाट कम्पनीको २०७७।०९।२७ मा सम्पन्न वार्षिक साधारण सभाबाट एक जना महिला सहित निर्वाचित हुनुभएका संचालक समिति सदस्यहरूको विवरण तालिका ४ मा प्रस्तुत गरिएको छ ।

तालिका ४

**संस्थापक शेयरधनिहरूबाट निर्वाचित**

श्री सीताराम तिमल्सिना	-अध्यक्ष
श्री सतिस तिमल्सिना	-संचालक
श्री दिपेन्द्र आङ्गो लिम्बु (सिंहलिला इनर्जी प्रा.लि.को प्रतिनिधि)	-संचालक
श्रीमती रेणुका देवी पोखरेल	-संचालक
<b>सर्वसाधारण शेयरधनि समूहबाट निर्वाचित</b>	
श्री प्रल्हाद तिमल्सिना	-संचालक
श्री शिव प्रसाद त्रिपाठी	-संचालक

गत वर्ष सम्पन्न पाँचौ वार्षिक साधारण सभाबाट संचालक श्री सतिस तिमल्सिना लाई प्रवन्ध संचालकमा नियुक्ति गरी उहाँले कार्यभार संचालन गरिरहनु भएको छ ।

सर्वसाधारण शेयरधनि समूहबाट निर्वाचित संचालक श्री शिव प्रसाद त्रिपाठीले मिति २०७८।०४।२७ देखि राजीनामा दिनुभएकोले रिक्त संचालक पदमा वाँकि कार्यकालको लागि निर्वाचनद्वारा पूर्ति गरिने छ ।

**६) संस्थागत सामाजिक उत्तरदायित्व :**

यस कम्पनीले पाँचथर जिल्लामा निर्माण गरेको तल्लो हेवा खोला जलविद्युत आयोजनाको निर्माणको क्रममा स्थानीय समुदायसँग सुमधुर सम्बन्ध कायम गरी आयोजनाको निर्माण अवधिमा सामाजिक विकासको क्षेत्रमा विभिन्न सहायताहरू प्रदान गरेको छ । आयोजना प्रभावित क्षेत्रका सामुदायिक वन जंगलको संरक्षण एवं व्यवस्थापन, सो क्षेत्रका बाटो निर्माण एवं मर्मत, घाट निर्माण एवं संरक्षण, मठ मन्दिर एवं कला संस्कृतिको प्रवर्द्धन जस्ता सामाजिक कार्य गर्नको लागि कम्पनीले सहायता प्रदान गरेको छ । साथै यस कम्पनीले आगामी दिनहरूमा समेत बहन गर्नुपर्ने सामाजिक उत्तरदायित्व निर्वाह गर्दै जानेछ ।

**७) लेखा परीक्षण समिति :**

कम्पनी ऐन २०६३ को दफा १६४ मा भएको व्यवस्था अनुसार कम्पनीको संचालक समितिले गठन गरेको लेखापरीक्षण समितिको कार्यकाल समाप्त भएकोले नयाँ लेखापरीक्षण समिति चाँडै गठन गरिने छ ।

उक्त समितिले कम्पनीको लेखा तथा वित्तीय विवरणहरूको पुनरावलोकन गर्ने, कम्पनीको लेखा सम्बन्धी नीति तयार गरी लागू गर्ने गराउने र अन्य वित्तीय व्यवस्था र वित्तीय नियन्त्रण प्रणालीको विषयहरूमा छलफल तथा निर्णयहरू गर्ने गरेको छ । हालसम्म लेखापरीक्षण समितिको बैठकमा उपस्थित संचालकलाई कुनै बैठक भत्ता प्रदान गरिएको छैन । कम्पनीको वार्षिक लेखा परीक्षण कार्य "श्री वी. अर्याल एण्ड एसोसियट्स"बाट सम्पन्न गरिएको छ ।

**८) सम्बद्ध कम्पनी बीचको कारोवार :**

यस कम्पनीको शत प्रतिशत स्वामित्वमा माउन्टेन हाइड्रो इन्भेष्टमेन्ट कम्पनी स्थापना गरी सो कम्पनी मार्फत् यस कम्पनीद्वारा निर्माण गरिएको तल्लो हेवा खोला ज.बि.आ. को लागि आवश्यक जग्गाहरू खरिद गरिएको छ र सो कम्पनीमा यस कम्पनीको रु. ५ करोड लगानी रहेको छ ।

**९) आन्तरिक नियन्त्रण प्रणाली :**

प्रभावकारी आन्तरिक नियन्त्रण प्रणालीले कम्पनीको आर्थिक तथा प्रशासनिक कार्य चुस्त र दुरुस्त राख्ने कुरामा कम्पनी विश्वस्त रही सोही अनुरूप कार्य गरिरहेको छ । आर्थिक नियन्त्रण गर्नका लागि कम्पनीको संचालक समिति सदस्यहरू

मध्यवाट लेखा समिति, खरिद समिति गठन गरी सो समितिको छलफल एवं निर्णय बमोजिम कार्यहरू गरिएको छ । त्यसैगरी आन्तरिक नियन्त्रण प्रणाली सबल बनाई राख्न कम्पनी ऐन २०६३ को दफा १६४ मा भएको व्यवस्था अनुसार कम्पनीको संचालक समितिले लेखा परीक्षण समिति गठन गरी सोही समितिको निर्देशन एवं अनुगमन मा कम्पनीको लेखा संचालन हुँदै आएको छ । त्यसैगरी कम्पनीले सर्वसाधारण लाई जारी गरिएको शेयरको दाखिल खारेज सम्बन्धी कार्य लाई व्यवस्थित गर्न शेयर रजिष्ट्रारको रूपमा श्री मुक्तिनाथ क्यापिटल लि. लाई नियुक्ति गरिएको छ ।

**१०) आर्थिक वर्षको व्यवस्थापन खर्चको विवरण :**

यस आ.ब. २०७७।७८ को प्रशासनिक खर्च रु.९८,०५,८०५। रहेको छ । सो को विवरण लेखापरीक्षण प्रतिवेदनको अनुसूची १७ मा प्रस्तुत गरिएको छ ।

**११) संचालक तथा उच्च पदस्थ पदाधिकारीहरूको पारिश्रमिक :**

गत वर्ष मिति २०७७।०९।२७ मा सम्पन्न वार्षिक साधारण सभाको निर्णय अनुसार २०७७ माघ देखि संचालकहरूलाई प्रति बैठक रु. ३,०००। का दरले बैठक भत्ता र प्रबन्ध संचालक श्री सतिस तिमल्सिनालाई मासिक रु. ३,००,०००। का दरले पारिश्रमिक दिईएको छ ।

**१२) संचालक वा निजको नातेदार संलग्न रहेको फर्म /कम्पनी सँगको कारोवारको विवरण :**

कम्पनीका संचालक वा निजको नातेदार संलग्न रहेको फर्म / कम्पनी सँगको कारोवारको विवरण तालिका ५ मा प्रस्तुत गरिएको छ ।

**तालीका-५**

फर्म / कम्पनीको नाम	कारोवारको प्रकृति	बाँकी रकम
सीता ट्रेड सेन्टर प्रा.लि.	इन्धन खरिद	२१०४७। (CR)
गौरीमाता निर्माण कं.प्रा.लि.	करार तथा मेसिन भाडा	२०१६९४२। (DR)

**१३) संचालक सापटी**

विगतमा विभिन्न कारणले आयोजनाको लागत वृद्धि भएको हुँदा शेयर तथा ऋणबाट आयोजना सम्पन्न गर्न रकम नपुग भएकाले संचालकबाट लिएको सापटी मध्ये २०७८ असार मसान्त सम्म रु.९,२४,४३,६८८। तिर्न बाँकी रहेको छ ।

**१४) धन्यवाद ज्ञापन :**

हामीले प्रवर्द्धन गरेको तल्लो हेवा खोला ज.वि.आ. लाई यस अवस्थामा पुर्‍याउन महत्त्वपूर्ण योगदान गर्नुहुने सम्पूर्ण शेयरधनी महानुभावहरू लाई विशेष धन्यवाद र आभार प्रकट गर्दछु । साथै आयोजना विकास गर्न अनुमति प्रदान गर्ने ऊर्जा मन्त्रालय, विद्युत विकास विभाग, उत्पादित विद्युत खरिद गर्न विद्युत व्यापार सम्झौता गर्ने नेपाल विद्युत प्राधिकरण, आयोजना निर्माणमा वित्तीय सहयोग गर्ने प्राइम कमर्सियल बैंक लगायत कन्सोर्टियमका सबै बैंकहरू, जन प्रतिनिधिज्युहरू तथा स्थानीय प्रशासन सबैलाई हार्दिक धन्यवाद ज्ञापन गर्दछु । साथै आयोजना निर्माण तथा संचालनमा सकारात्मक सहयोग पुर्‍याउनु हुने स्थानीय निकाय, सरोकार समूहहरू, उपभोक्ता समूहहरू, जग्गादाताहरू तथा आयोजना प्रभावित क्षेत्रका बासिन्दाहरू सबैलाई धन्यवाद दिन्छु । अथक परिश्रम गरी कम्पनीको कार्यमा खटिनु भएका सम्पूर्ण कर्मचारीहरू धन्यवादका पात्र छन् । भविष्यमा आयोजना संचालनमा पनि सबै क्षेत्रको सहयोग प्राप्त भई रहने विश्वास लिएको छु । धन्यवाद

सीताराम तिमल्सिना  
अध्यक्ष



**Equity Share Capital:**

**NRS**

S.No.	Name of Share Holders	Current Year	Previous Year
1	Ashish Garga Agarwal	5,700,000	5,700,000
2	Baikuntha Sharma	50,300,000	50,300,000
3	Bibas Amatya	4,000,000	4,000,000
4	Bishnu Kumari Thapa	200,000	200,000
5	Dilasha Rajya Laxmi Rana	2,500,000	2,500,000
6	Karuna Gautam	500,000	500,000
7	Lakpa Gyaljen Sherpa	10,000,000	10,000,000
8	Muna Dhakal	500,000	500,000
9	Netra Bhatta	3,200,000	3,200,000
10	Nira Uppredi	5,700,000	5,700,000
11	Niru Uppredi	2,800,000	2,800,000
12	Nisha Timilsina	2,800,000	2,800,000
13	Prakash Timilsina	50,000,000	50,000,000
14	Pralad Timilsina	80,000,000	80,000,000
15	Puspa Chitrakar	31,900,000	31,900,000
16	Radha Devi Baral	2,500,000	2,500,000
17	Ram Krishna Timilsina	2,500,000	2,500,000
18	Reeta Timalisina	95,000,000	95,000,000
19	Renuka Devi Pokharel	1,100,000	1,100,000
20	Rishi Ram Kandel	10,900,000	10,900,000
21	Road Show Investment Private Limited	50,000,000	50,000,000
22	Sagar Timilsina	5,850,000	5,850,000
23	Saraswoti Rijal	3,100,000	3,100,000
24	Satis Timilsina	80,000,000	80,000,000
25	Singalila Energy Private Limited	20,000,000	20,000,000
26	Sita Ram Timilsina	297,950,000	297,950,000
27	S.R Power Investment Co.	180,000,000	180,000,000
28	Surendra Kumar Timilsina	1,000,000	1,000,000
29	Equity Share Capital (Local)	68,389,000	68,389,000
30	Equity Share Capital (Public)	180,779,000	180,779,000
31	Equity Share Capital (Staff)	832,000	832,000
<b>Total</b>		<b>1,25,00,00,000</b>	



**B ARYAL & ASSOCIATES**  
Chartered Accountants

### Independent Auditors Report

To the Shareholders of  
Mountain Hydro Nepal Limited.

#### Opinion

We have audited the accompanying financial statements of Mountain Hydro Nepal Limited which comprise the Statement of financial position as at 31 Ashadh, 2078 (July 15, 2021), and the Statement of comprehensive income, Statement of changes in equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 Ashadh, 2078, and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

#### Basis for Opinion

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

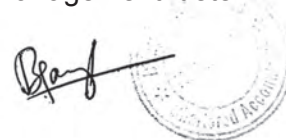
#### Key Audit Matters

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

There is no matter to be reported under Key Audit Matters.

#### 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 NFRSs, and for such internal control as management determines is



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Phone: +977 9851198862, Email: b.aryal.ca@gmail.com

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible overseeing the Company's financial reporting process.

### **Auditor's Responsibility for Audit of Financial Statements**

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine

that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

On the basis of our examination, we would like to further report that:

- i. We have obtained all the information and explanations, which were considered necessary for the purpose for our audit.
- ii. The company has kept proper books of accounts as required by law, in so far as it appears from our examination of those books of account.
- iii. The Statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in equity, significant accounting policies and notes to the accounts dealt by this report are in agreement with the books of account maintained by the company.
- iv. During our examination of the books of account of the company, we have not come across the cases where the Board of Directors or any member thereof or any representative or any office holder or any employee of the company has acted contrary to the provisions of law or caused loss or damage to the company.
- v. We have not come across any fraudulence in the accounts, so far as it appeared from our examination of the book, and
- vi. The company has not acted in a manner to jeopardize the interest and security of the stakeholders.
- vii. The company has not formed an Audit Committee and hence it has violated the provision of Section 164 of Companies Act, 2063.

For B Aryal & Associates

Chartered Accountant



Bhojan Aryal: FCA

Proprietor

Date:

Place : Kathmandu

UDIN : 201221CA00685YxmhA

**MOUNTAIN HYDRO NEPAL LIMITED**

Kathmandu, Nepal

**Statement of Financial Statement**

As at 31 Ashad 2078 (15 July 2021)

NPR

Particulars	Notes	Current Year	Previous Year
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant & equipment (Net block)	3	8,687,324	17,924,699
Intangible Assets	3.1	4,440,067,746	4,505,073,342
Intangible Assets under Development (IAUD)	3.2	-	-
Financial assets			
Financial Assets Through Other Comprehensive Income	4	50,000,000	50,000,000
<b>CURRENT ASSETS</b>			
Financial assets			
Cash & cash equivalents	5	2,721,054	6,985,296
Trade receivables	6	107,113,975	103,704,528
Other financial assets	7	132,000	81,000
Other current assets	8	45,218,556	53,530,445
<b>TOTAL ASSETS</b>		<b>4,653,940,655</b>	<b>4,737,299,310</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	9	1,250,000,000	1,250,000,000
Other equity			
Reserve & surplus	9.1	(176,313,305)	(169,870,046)
<b>NON CURRENT LIABILITIES</b>			
Long Term Borrowings	10	3,152,570,888	3,202,149,985
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Trade payables	11	65,913,736	66,129,758
Short Term Borrowings	10	211,028,724	128,016,772
Provision	12	-	-
Other current liabilities	13	150,740,613	260,872,841
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4,653,940,655</b>	<b>4,737,299,310</b>

Summary of significant accounting policies


2

The accompanying notes are an integral part of these financial statements


For and on behalf of Board

As per our report of even date

  
Dipendra Ango Limbu  
Director

  
Prahlad Timalsina  
Director

  
Sitaram Timilsina  
Chairman

  
Salina Dhakal  
Chief Finance Officer

  
Satish Timalsina  
Director

  
Renuka Devi Pokhrel  
Director

For B. Aryal & Associates  
Chartered Accountants



  
CA. Bhojan Aryal; FCA  
Proprietor





**MOUNTAIN HYDRO NEPAL LIMITED**

Kathmandu, Nepal

**Statement of Profit or Loss and other Comprehensive Income**

For the year ended 31 Ashadh, 2078

NPR

Particulars	Notes	Current Year	Previous Year
<b>INCOME</b>			
Revenue	14	519,326,280	520,876,574
Cost of revenue	15	210,046,479	75,734,585
<b>Revenue from operations (Net)</b>		<b>309,279,801</b>	<b>445,141,989</b>
Other income	18	22,608,749	21,629
<b>Expenses</b>			
Employee benefit expenses	16	5,901,399	11,810,641
Depreciation	3	260,823	165,325,347
Administrative Expenses	17	9,805,805	8,190,755
Finance Costs	19	321,303,784	372,255,360
Provisions	12	-	-
<b>Profit/loss before tax</b>		<b>(5,383,260)</b>	<b>(112,418,484)</b>
Less: Tax			
Current tax		-	-
Deferred tax		-	-
<b>Net profit/(loss) for the year</b>		<b>(5,383,260)</b>	<b>(112,418,484)</b>
Earning per share			
Basic		(0.43)	(8.99)
Diluted		(0.43)	(8.99)
<b>Other comprehensive income</b>			
Changes in revaluation surplus		-	-
"Gains and losses on financial assets measured at fair value through other comprehensive income"		-	-
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total Profit / (Loss) &amp; Other Comprehensive Income</b>		<b>(5,383,260)</b>	<b>(112,418,484)</b>

Summary of significant accounting policies

2

The accompanying notes are an integral part of these financial statements

For and on behalf of Board


As per our report of even date

  
Dipendra Ango Limbu  
Director

  
Prahlad Timalsina  
Director

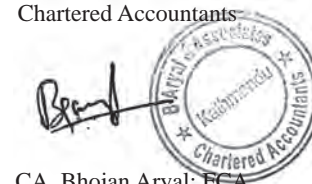
  
Sitaram Timilsina  
Chairman

For B. Aryal & Associates  
Chartered Accountants

  
Salina Dhakal  
Chief Finance Officer

  
Satish Timalsina  
Director

  
Renuka Devi Pokhrel  
Director



CA. Bhojan Aryal, FCA  
Proprietor

 **MOUNTAIN HYDRO NEPAL LIMITED**

Kathmandu, Nepal

**Statement of Cash Flow**

For the year ended 31 Ashadh, 2078

NPR

Particulars	Current Year	Previous Year
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit for the year	(5,383,260)	(112,418,484)
<b>Adjustments</b>		
Depreciation on Property, Plant & Equipment	161,470,385	165,325,347
Finance Cost	321,303,784	372,255,360
Profit on Sale of Vehicle	(17,976,591)	(21,629)
Working capital adjustments:		
(Increase)/Decrease in other financial assets	(51,000)	1,249,456
(Increase)/Decrease in other current assets	8,311,889	250,473
Increase/(Decrease) in trade receivable	(3,409,447)	(103,704,528)
Increase/(Decrease) in trade payables	(216,022)	(50,550,199)
Increase/(Decrease) in short Term Borrowings	73,135,194	(62,408,801)
Increase/(Decrease) in other current liabilities	(110,132,228)	(5,759,656)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>427,052,704</b>	<b>204,217,338</b>
<b>CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES</b>		
Acquisition of Property, Plant & Equipment	(60,874)	(5,102,133)
Sales of Property, Plant & Equipment	26,700,252	715,000
(Increase) /Decrease in Intangible assets	(95,890,201)	-
(Increase) /Decrease in Intangible assets under development	-	(62,429,532)
<b>Adjustment for:</b>		
Depreciation on Property, Plant & Equipment	-	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(69,250,824)</b>	<b>(66,816,665)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in share capital	-	-
Increase/(Decrease) in share calls in advance	-	-
Borrowing (repaid)/ taken (net)	(49,579,097)	138,612,124
Interest Paid	(321,303,784)	(372,255,360)
Transaction cost incurred in respect of issuance of equity share	(1,060,000)	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(371,942,881)</b>	<b>(233,643,235)</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(14,141,000)</b>	<b>(96,242,563)</b>
Cash and Cash Equivalents at Beginning of the Year	(61,766,670)	34,475,893
Cash and Cash Equivalents, end of period	(75,907,670)	(61,766,670)

The accompanying notes are an integral part of these financial statements

For and on behalf of Board

As per our report of even date

  
Dipendra Ango Limbu  
Director

  
Prahlad Timalsina  
Director

  
Sitaram Timilsina  
Chairman

  
Salina Dhakal  
Chief Finance Officer

  
Satish Timalsina  
Director

  
Renuka Devi Pokhrel  
Director

For B. Aryal & Associates  
Chartered Accountants



  
CA. Bhojan Aryal; FCA  
Proprietor



 **MOUNTAIN HYDRO NEPAL LIMITED**

Kathmandu, Nepal

**Statement of Changes in Equity**

for the year ended on 31 Ashadh, 2078 (15 July, 2021)


NPR

Particulars	Equity Share Capital	Advance Against Share Capital	Reserve & surplus	Total
<b>Balance as at 31 Ashad, 2076 (16 July, 2019)</b>	<b>1,250,000,000</b>	<b>-</b>	<b>(57,451,562)</b>	<b>1,192,548,438</b>
Changes in accounting policies/restatement	-	-	-	-
<b>Restated balance as at 1 Shrawan, 2076 (17 July, 2019)</b>	<b>1,250,000,000</b>	<b>-</b>	<b>(57,451,562)</b>	<b>1,192,548,438</b>
Profit/ (loss) for the year	-	-	(112,418,484)	(112,418,484)
Other Comprehensive income/ (expenses) for the year	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(112,418,484)</b>	<b>(112,418,484)</b>
Issue of Share Capital	-	-	-	-
Calls in Advance	-	-	-	-
Transaction cost incurred in respect of issuance of equity share	-	-	-	-
<b>Balance as at 31 Ashad, 2077 (15 July, 2020)</b>	<b>1,250,000,000</b>	<b>-</b>	<b>(169,870,045)</b>	<b>1,080,129,955</b>
Profit/ (loss) for the year	-	-	(5,383,260)	(5,383,260)
Other Comprehensive income/ (Expenses) for the year	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(5,383,260)</b>	<b>(5,383,260)</b>
Issue of Share Capital	-	-	-	-
Calls in Advance	-	-	-	-
Transaction cost incurred in respect of issuance of equity share	-	-	(1,060,000)	(1,060,000)
<b>Balance as at 31 Ashad, 2078 (15 July, 2021)</b>	<b>1,250,000,000</b>	<b>-</b>	<b>(176,313,305)</b>	<b>1,073,686,695</b>


The accompanying notes are an integral part of these financial statements

For and on behalf of Board

  
Dipendra Ango Limbu  
Director

  
Prahlad Timalsina  
Director

  
Sitaram Timilsina  
Chairman

  
Salina Dhakal  
Chief Finance Officer

  
Satish Timalsina  
Director

  
Renuka Devi Pokhrel  
Director

As per our report of even date

For B. Aryal & Associates  
Chartered Accountants



CA. Bhojan Aryal; FCA  
Proprietor

# MOUNTAIN HYDRO NEPAL LIMITED

## Significant Accounting Policies and Notes to Accounts

### 1. General Information of the Company

Mountain Hydropower Limited (Company) was established and registered in 2062 as a Private Limited Company under the Companies Act, 2063, vide registration no. 35169 which was later converted to Public Limited Company on 2073/02/32, vide Registration No. 150880. The Company is running Lower Hekokhola Hydropower Project (LHKHPP) with an installed capacity of 22.1 Megawatt. The company has started commercial operation from 2076/04/21 as per the letter dated 2076/05/17 issued by NEA, Electricity Trade Department. The project is located in Panchthar District of Province 1 of Nepal. The objective of the company is to generate electricity and connect it to national grid.

In these financial statements, Mountain Hydro Nepal Limited has been referred as “MHNL” or “Company”.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the applicable Nepal Financial Reporting Standards (NFRS) as issued by the Accounting Standard Board (ASB). The Financial Statements have also been prepared in accordance with the relevant presentational requirements of the Companies Act, 2063 of Nepal.

#### 2.2 BASIS OF PREPARATION

The financial statements have been 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 products 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 noncurrent classification of assets and liabilities.

#### 2.3 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.

#### 2.4 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are prepared in Nepalese Rupee (“NPR”), which is the company’s functional currency. All the financial information presented in Nepalese Rupee (“NPR”) has been rounded to the nearest rupee, except otherwise indicated.

#### 2.5 CRITICAL ACCOUNTING ESTIMATES

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 are 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 are 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 amount of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated 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 claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

**Fair Value Measurements**

The company's assets and liabilities 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. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

**Recognition of Deferred Tax Assets**

Significant management judgment is required to determine the deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The company based its assumptions and estimates on parameter available when the financial statements were prepared. Existing circumstances and assumptions about the future developments, however, may change due to market changes and circumstances arising beyond the control of the company.

**2.6 PROPERTY, PLANT AND EQUIPMENT**

- i. 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 recognized 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 separate assets are derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
- iii. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part have a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset.
- iv. These components are depreciated over their useful lives.



- v. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- vi. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal, any gain or loss arising on de-recognition 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 or loss when the asset is derecognized.

## 2.7 INTANGIBLE ASSETS UNDER DEVELOPMENT (IAUD)

- i. Assets in the course of construction are classified in the assets under IAUD. 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.
- ii. All directly and indirectly attributable cost shown under the IAUD includes only those expenses which are directly attributable to the project and rest are charged to the statement of Profit or Loss.

## 2.8 DEPRECIATION & AMORTISATION

- i. Depreciation is recognized so as to write off the cost of assets (other than properties under construction), using the written down method.
- ii. Land & Land Development grouped under Intangible Assets meets asset recognition criteria and hence has been amortized over the useful life the project, using the straight line method.
- iii. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.
- iv. The useful life of the assets and the corresponding rates at which the assets are depreciated are as follows:-

ASSET CLASS – SUBCLASS	DEPRECIATION RATE	DEPRECIATION METHOD APPLIED
Furniture & Fixture	25%	WDV
Office Equipment	25%	WDV
Computer & Accessories	25%	WDV
Vehicles	20%	WDV
Plant & Machinery (other than the assets grouped under Intangible Assets)	15%	WDV

## 2.9 INTANGIBLE ASSETS

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible asset acquired separately are measured at cost. Cost includes expenditure that is directly attributable to the acquisition of an item of intangible assets. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in statement of profit or loss as incurred.

**a. Derecognition**

Intangible assets are derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset, is recognized in statement of profit or loss in the year the asset is derecognized.

**b. Useful economic lives, amortisation and impairment**

The useful economic life of an intangible asset is considered finite where the right to such asset is limited to a specified period of time by contract or by the likelihood of technological obsolescence. Intangible assets with finite lives are amortized using the straight-line method to write down the cost over its estimated useful economic lives and is recognized in statement of profit or loss.

<i>Class of intangible assets</i>	<i>Useful life</i>
Capitalized software	30 Years
Service Concession Arrangement	29 Years

The amortization method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

**2.10 BORROWING COST**

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

**2.11 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand 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.

**2.12 FOREIGN CURRENCY TRANSACTIONS**

- i. 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 (NPR).
- ii. In preparing the financial statements the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.
- iii. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- iv. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

**2.13 EMPLOYMENT BENEFITS****Short term employment benefits**

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

- i. Liabilities recognized in respect of short-term employee and contractual employees, benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.
- ii. 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 recognized as a liability at the present value of the obligation as at the Balance sheet date.

## 2.14 TAXATION

### 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 rates applicable to company:

Income from production and sale of electricity: 0% up to first 10 years, 10% for next 5 years, 20% for further years of operation. Because of the first year of operation, the effective tax rate of the Company is 0%.

### Deferred Tax

- i. Deferred tax is provided using the balance sheet liability 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. As per the applicable tax laws of Nepal, the hydropower project is allowed 100% tax exemption upto first 10 years of operation. The management is in a view of offsetting temporary differences fully within first 10 years period of operation and hence no deferred tax needs to be recognized.

## 2.15 PROVISIONS, CONTINGENCIES AND COMMITMENTS

- iii. Provisions are recognized 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. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and discounted at pre-tax rate reflecting current market assessments of the time value of the money and the risk specific to the liability. These are reviewed at each year end and adjusted to reflect the best current estimates.
- iv. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed with the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amounts cannot be made. No contingent asset is recognized but disclosed by way of notes to accounts.

## 2.16 FINANCIAL INSTRUMENTS

### Financial Assets

#### Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent Measurement: For purpose of subsequent measurement, financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit or loss, or recognized in other comprehensive income. A financial asset that meets the following two conditions is measured at amortized cost.

- Business Model Test: The objective of the company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.
- A financial asset that meets the following two conditions is measured at fair value through Other Comprehensive Income (OCI).
- Business Model Test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

#### Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired.

If there is objective evidence that an impairment loss on financial assets measured at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in profit or loss.

### Financial Liabilities

All financial liabilities are initially recognized at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Financial liabilities are classified as measured at amortized cost or fair value through profit or loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of profit or loss.

## 2.17 LEASES

On January 13, 2016 the IASB issued IFRS 16 to replace IAS 17 Leases. The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and instead, introduces a single lease accounting model. Lessee will be required to recognize: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward lessor accounting requirement in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. IFRS 16 is effective for annual periods beginning on or after January 01, 2019.

## 2.18 SERVICE CONCESSION ARRANGEMENTS

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

- (a) The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what prices: and
- (b) The grantor controls through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement.
- (c) Is the infrastructure constructed or acquired by the operator from a third party for the purpose of the service arrangement OR is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement ?

Infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole life of assets) is within the scope of this IFRIC, if the conditions in (a) above are met. These arrangements are accounted on the basis of below mentioned models depending on the nature of consideration and relevant contract law.

### INTANGIBLE ASSET MODEL:

The intangible asset model is used to the extent that the company, being an operator, receives a right (a license) to charge users of the public service. A right to charge users of a public services is not an unconditional right to receive cash because the amounts are contingent on to the extent that public uses the services.

The Company manages concession arrangements which include power supply from its hydro power plant. The Company maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the services to be provided. The right to consideration gives rise to an intangible asset and accordingly, the intangible asset models is applied.

Income from the concession arrangements earned under the intangible asset model consists of the

- (i) Fair Value of the contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and
- (ii) Payments actually received from the users.

The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

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



## 3. PROPERTY, PLANT AND EQUIPMENT

NPR

Particulars	Furniture & Fixture	Office Equipment	Vehicle	Plant & Machinery	Total
<b>Gross Carrying Amount</b>					
<b>Gross Carrying Amount as at 01 Shrawan, 2076</b>	<b>1,756,642</b>	<b>1,500,623</b>	<b>35,070,000</b>	<b>2,699,831</b>	<b>41,027,096</b>
Additions	-	34,239	4,025,000	1,042,894	5,102,133
Withdrawals and Adjustments	-	-	(2,000,000)	-	(2,000,000)
<b>Gross Carrying Amount as at 31 Ashadh, 2077</b>	<b>1,756,642</b>	<b>1,534,862</b>	<b>37,095,000</b>	<b>3,742,725</b>	<b>44,129,229</b>
Additions	-	60,874	-	-	60,874
Withdrawals and Adjustments	-	-	(26,000,000)	-	(26,000,000)
<b>Gross Carrying Amount as at 31 Ashadh, 2078</b>	<b>1,756,642</b>	<b>1,595,736</b>	<b>11,095,000</b>	<b>3,742,725</b>	<b>18,190,103</b>
<b>Accumulated Depreciation &amp; Impairment</b>					
Balance at 01 Shrawan, 2076	1,111,671	850,650	19,757,035	1,362,254	23,081,610
Depreciation charge for the year	161,243	171,053	3,724,593	372,661	4,429,549
Withdrawals and Adjustments	-	-	(1,306,629)	-	(1,306,629)
<b>Accumulated Depreciation as at 31 Ashadh, 2077</b>	<b>1,272,914</b>	<b>1,021,703</b>	<b>22,174,999</b>	<b>1,734,915</b>	<b>26,204,530</b>
Depreciation charge for the period	120,932	136,894	-	316,762	574,588
Withdrawals and Adjustments	-	-	(17,276,339)	-	(17,276,339)
<b>Accumulated Depreciation as 31 Ashadh, 2078</b>	<b>1,393,846</b>	<b>1,158,597</b>	<b>4,898,660</b>	<b>2,051,676</b>	<b>9,502,779</b>
<b>Net Block</b>					
<b>Net Carrying Amount as on 31 Ashadh, 2076 (16 July, 2019)</b>	<b>483,728</b>	<b>513,159</b>	<b>14,920,001</b>	<b>2,007,811</b>	<b>17,924,699</b>
<b>Net Carrying Amount as on 31 Ashadh, 2077 (15 July, 2020)</b>	<b>362,796</b>	<b>437,139</b>	<b>6,196,340</b>	<b>1,691,049</b>	<b>8,687,324</b>

**Apportioned to:**

<b>Cost of Revenue</b>	316,762
<b>Indirect Cost</b>	257,826
<b>Total</b>	<b>574,588</b>

Depreciation of furniture & fixture, office equipment and intangible assets are charged to statement of profit or loss and depreciation of PPE, other than furniture & fixture, office equipment and intangible assets are charged to cost of revenue.

### 3.1. INTANGIBLE ASSETS

NPR

Particulars	Computer Software	Service concession arrangement	Total
<b>Gross Carrying Amount</b>			
<b>Gross Carrying Amount as at 01 Shrawan, 2076</b>	<b>89,903</b>	<b>-</b>	<b>89,903</b>
Additions - Externally Acquired	-	11,378,570.45	11,378,570
Transfer from IAUD	-	4,654,512,654.23	4,654,512,654
Withdrawals and Adjustments	-	-	-
<b>Gross Carrying Amount as on 31 Ashadh, 2077</b>	<b>89,903</b>	<b>4,665,891,225</b>	<b>4,665,981,128</b>
Additions	-	95,890,201	95,890,201
Transfer from IAUD	-	-	-
Withdrawals and Adjustments	-	-	-
<b>Closing Gross Carrying Amount as on 31 Ashadh, 2078</b>	<b>89,903</b>	<b>4,761,781,426</b>	<b>4,761,871,329</b>
<b>Accumulated Amortisation/ Depreciation</b>			
<b>Accumulated Depreciation as at 01 Shrawan, 2076</b>	<b>11,988</b>	<b>-</b>	<b>11,988</b>
Charge for the year	2,997	160,892,801	160,895,798
Withdrawals and Adjustments	-	-	-
<b>Accumulated Depreciation as on 31 Ashadh, 2077</b>	<b>14,985</b>	<b>160,892,801</b>	<b>160,907,785</b>
Charge for the year	2,997	160,892,801	160,895,798
Withdrawals and Adjustments	-	-	-
<b>Accumulated Depreciation as on 31 Ashadh, 2078</b>	<b>17,981</b>	<b>321,785,602</b>	<b>321,803,583</b>
<b>Net Carrying Amount as on Ashad 31, 2077 (15 July, 2020)</b>	<b>74,918</b>	<b>4,504,998,424</b>	<b>4,505,073,342</b>
<b>Net Carrying Amount as on Ashad 31, 2078 (15 July, 2021)</b>	<b>71,922</b>	<b>4,439,995,824</b>	<b>4,440,067,746</b>

#### Apportioned to:

<b>Cost of Revenue</b>	<b>160,892,801</b>
<b>Indirect Cost</b>	<b>2,997</b>
<b>Total</b>	<b>160,895,798</b>

Depreciation on Service Concession arrangement has been charged by estimating useful up to 08 Sharawn 2105 BS (License Period). It is charged to Cost of Revenue.

### 3.2. Intangible Assets under Development (IAUD)/NPR

S. No.	Particulars	Current Year	Additions during the period	Previous Year
<b>1</b>	<b><u>PROJECT DEVELOPMENT EXPENDITURE</u></b>			
1.01	Accommodation	2,503,943	-	2,503,943
1.02	Amortization of land	14,763,621	-	14,763,621
1.03	Bank Agency Fee	4,767,214	-	4,767,214
1.04	Business Promotion	452,423	-	452,423
1.05	Consultant Charges & Expenses	12,986,228	-	12,986,228
1.06	Depreciation	21,119,289	-	21,119,289
1.07	Environmental Mitigation	1,646,665	-	1,646,665
1.08	Infrastructure & Development	2,903,184	-	2,903,184
1.09	Insurance	7,333,944	-	7,333,944
1.10	Legal and Corporate Affairs	307,681	-	307,681
1.11	Loan Management Fee	30,663,543	-	30,663,543
1.12	LC Issue Commission & Bank Chagres	17,287,223	-	17,287,223
1.13	Project Development Cost	7,720,999	-	7,720,999
1.14	Project Execution Cost	1,061,954	-	1,061,954
1.15	Project Management & Engineering	17,630,104	-	17,630,104
1.16	Project Setup & Management Cost	8,121,228	-	8,121,228
1.17	Repair & Maintenance	22,081,223	-	22,081,223
1.18	Site Development	3,633,341	-	3,633,341
1.19	Water Measurement Charges	135,950	-	135,950
<b>1.18</b>	<b>Interest during construction (IDC)</b>			
	Bank Interest	779,941,594	-	779,941,594
	<b>Sub total</b>	<b>957,061,352</b>	<b>-</b>	<b>957,061,352</b>
<b>2</b>	<b><u>SITE OFFICE &amp; CAMP FACILITIES</u></b>			
	Army Post and Bunker	15,458,780	-	15,458,780
	<b>Sub total</b>	<b>15,458,780</b>	<b>-</b>	<b>15,458,780</b>
<b>3</b>	<b><u>INFRASTRUCTURE &amp; LOGISTICS</u></b>			
<b>3.1</b>	<b>Civil Works</b>			
	Civil Construction	2,323,771,924	-	2,323,771,924
	Fuel & Explosives	234,642,394	-	234,642,394
	Project Development Cost- Wages	4,723,964	-	4,723,964
	Equipment Hire	8,622,000	-	8,622,000
	Transportation Expenses	24,265,279	-	24,265,279
<b>3.2</b>	<b>Access Road</b>			
	Communication	342,811	-	342,811
	Equipments Rental	26,260,250	-	26,260,250
	Fuel & Lubricants	22,432,055	-	22,432,055
	Labor Charges	5,408,366	-	5,408,366
	Rental - Access Road PDC	2,567,250	-	2,567,250
	Repair & Maintenance	5,302,022	-	5,302,022
	Site Clearance	30,000	-	30,000

	Temporary Structure and Shades	10,650	-	10,650
	Transportation Charges	782,290	-	782,290
<b>3.3</b>	<b>Logistics</b>			
	Logistics/Security Expenses	1,881,412	-	1,881,412
<b>3.4</b>	<b>Mechanical Works</b>			
	Electro Mechanical Works	490,202,035	-	490,202,035
	Hydro Mechanical Works	270,804,708	-	270,804,708
<b>3.5</b>	<b>Project Management &amp; Supervision</b>			
	Project Management & Supervision	112,205,835	-	112,205,835
<b>3.6</b>	<b>Power Arrangement</b>			
	Power Arrangement	4,124,559	-	4,124,559
<b>3.7</b>	<b>Transmission Line</b>			
	Transmission Line	49,046,831	-	49,046,831
	<b>Sub total</b>	<b>3,587,426,636</b>	<b>-</b>	<b>3,587,426,636</b>
<b>4</b>	<b><u>ENVIRONMENT &amp; SOCIAL COST</u></b>			
	Local Programme	7,509,231	-	7,509,231
	Land Protections	708,625	-	708,625
	Compensation & Land Lease	8,355,601	-	8,355,601
	<b>Sub total</b>	<b>16,573,457</b>	<b>-</b>	<b>16,573,457</b>
<b>5</b>	<b><u>LAND &amp; LAND DEVELOPMENT</u></b>			
	Land	66,091,414	-	66,091,414
	Registration Expenses	1,326,093	-	1,326,093
	Compensation for Land	25,338,545	-	25,338,545
	Less : Amortization of Land	(14,763,621)	-	(14,763,621)
	<b>Sub total</b>	<b>77,992,430</b>	<b>-</b>	<b>77,992,430</b>
	<b>Total</b>	<b>4,654,512,654</b>	<b>-</b>	<b>4,654,512,654</b>
	Less : Transferred to Intangible Assets (Service Concession Agreement)	(4,654,512,654)	-	(4,654,512,654)
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

MHNL is a developer of hydroelectricity. It has started to generate the hydroelectricity from 2076/04/21.

### 3.2.1 Land

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

#### "Land under BOOT Arrangement/Restriction on Property use

MHNL has obtained the license for operation from the then Ministry of Water Resource (Current: Ministry of Energy, Water Resources and Irrigation) for a period of 35 years (i.e. from 09 Shrawan 2070 to 08 Shrawan 2105), therefore the useful life of assets of the project cannot exceed 35 years even if the economic life of the asset is more as the entire generation unit needs to be transferred to the Government of Nepal at the end of this license term. Therefore, MHNL depreciates its land assets at the generation unit by estimating useful life upto 08 Shrawan 2105 BS."

**Amortization details of land considering life of assets (SLM)**

Fiscal year	Gross Value			Depreciation			Useful Life (in year)
	Opening Balance	Addition during the year	Closing balance	Opening	Depreciation during year	Accumulated Depreciation	
2070/71	-	66,884,690	66,884,690	-	1,910,991	1,910,991	35
2071/72	66,884,690	14,497,768	81,382,457	1,910,991	2,337,396	4,248,387	34
2072/73	81,382,457	7,095,744	88,478,202	4,248,387	2,552,419	6,800,806	33
2073/74	88,478,202	1,180,000	89,658,202	6,800,806	2,589,294	9,390,099	32
2074/75	89,658,202	2,939,850	92,598,052	9,390,099	2,684,127	12,074,227	31
2075/76	92,598,052	158,000	92,756,052	12,074,227	2,689,394	14,763,621	30
2076/77	92,756,052	-	92,756,052	14,763,621	2,689,394	17,453,015	29

**Note 4: FINANCIAL ASSETS THROUGH OTHER COMPREHENSIVE INCOME**

Particulars	Current Year	Previous Year
Mountain Hydro Investment Company Private Limited (5,00,000 Equity Shares @ Rs. 100 each)	50,000,000	50,000,000
<b>Total</b>	<b>50,000,000</b>	<b>50,000,000</b>

Mountain Hydro Investment Company Private Limited was established with the sole purpose of obtaining Land for the project. It is 100% subsidiary of Mountain Hydro Nepal Limited (MHNL).

**Note 5: CASH AND CASH EQUIVALENTS**

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

The carrying amount of cash and cash equivalents approximates their fair value. They are readily convertible to known amount of cash and are subject to insignificant risk of change in value. These balances have been used as Cash and Cash Equivalents for the presentation of Statement of Cash Flows as well. Banks and financial institution in Nepal are closely regulated by the Central Bank. The Company closely assesses the risks of these instruments and there are no apparent indication of impairment of these balances.

Particulars	Current Year	Previous Year
Cash	-	-
Balance with Banks in Current Account	2,721,054	6,985,296
<b>Total</b>	<b>2,721,054</b>	<b>6,985,296</b>

For the purpose of the statement of cash flows, cash and cash equivalents comprises the following:

Particulars	Current Year	Previous Year
Cash	-	-
Balance with Banks in Current Account	2,721,054	6,985,296
in Bank Overdraft	(78,628,724)	(68,751,966)
<b>Total</b>	<b>(75,907,670)</b>	<b>(61,766,670)</b>

**Note 6: TRADE RECEIVABLE**

Particulars	Current Year	Previous Year
Nepal Electricity Authority	107,113,975	103,704,528
<b>Total</b>	<b>107,113,975</b>	<b>103,704,528</b>

**Note 7: OTHER FINANCIAL ASSETS**

Particulars	Current Year	Previous Year
<b>Non Current</b>		
Deposit	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>Current</b>		
Cash Margin	15,000	15,000
LC Margin	117,000	66,000
<b>Sub Total</b>	<b>132,000</b>	<b>81,000</b>
<b>Total</b>	<b>132,000</b>	<b>81,000</b>

**Note 8: OTHER CURRENT ASSETS**

Particulars	Current Year	Previous Year
<b>Advances to be recovered</b>		
From contractors	11,985,141	13,591,128
From suppliers	27,009,765	33,262,478
<b>Prepayments</b>		
Insurance	4,809,715	4,614,395
Advance to Employees	1,413,935	2,062,444
<b>Total</b>	<b>45,218,556</b>	<b>53,530,445</b>

**Note 9: EQUITY SHARE CAPITAL**

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The company's equity shares are classified as equity instruments.

Particulars	Current Year	Previous Year
<b>Authorised</b>		
1,25,00,000 nos. of ordinary shares of NPR. 100 each	1,250,000,000	1,250,000,000
<b>Issued</b>		
1,25,00,000 nos. of ordinary shares of NPR. 100 each	1,250,000,000	1,250,000,000
<b>Subscribed and paid up</b>		
Current Period (1,25,00,000 Equity Shares @ NRs. 100/- each)	1,250,000,000	1,250,000,000
Previous period (1,25,00,000 Equity Shares @ NRs. 100/- each)		
<b>Total</b>	<b>1,250,000,000</b>	<b>1,250,000,000</b>



## Other Equity

### 9.1 Reserve & Surplus

Particulars	Retained Earnings	Total
<b>Balance as at 1 Shrawan, 2076 (17 July 2019)</b>	<b>(57,451,562)</b>	<b>(57,451,562)</b>
Profit for the year	(112,418,484)	(112,418,484)
Other Comprehensive Income (net of tax)	-	-
Transaction cost incurred in respect of issuance of equity share	-	-
<b>Balance as at 31 Ashad, 2077 (15 July, 2020)</b>	<b>(169,870,046)</b>	<b>(169,870,046)</b>
Profit for the year	(5,383,260)	(5,383,260)
Other Comprehensive Income (net of tax)	-	-
Transaction cost incurred in respect of issuance of equity share	(1,060,000)	(1,060,000)
<b>Balance as at 31 Ashad, 2078 (15 July, 2021)</b>	<b>(176,313,305)</b>	<b>(176,313,305)</b>

### Note 10: BORROWINGS

Particulars	Current Year	Previous Year
<b>Long Term Borrowings</b>		
Term Loan	3,152,570,888	3,199,951,572
Hire Purchase Loan	-	2,198,412
<b>Sub-total</b>	<b>3,152,570,888</b>	<b>3,202,149,985</b>
<b>Short Term Borrowings</b>		
Term Loan (Due within 12 months)	132,400,000	-
Hire Purchase Loan (Due within 12 months)	-	59,264,806
Bank Overdraft	78,628,724	68,751,966
<b>Sub-total</b>	<b>211,028,724</b>	<b>128,016,772</b>
<b>Total</b>	<b>3,363,599,611</b>	<b>3,330,166,756</b>

The company had previously entered into consortium arrangement for term loan with Prime Commercial Bank Limited. However, those loans are swapped by entering into new consortium with NMB Bank Limited due to availability of such loans at significant lower rate. These loans are secured as charge by way of hypothecation on assets under construction of "Lower Hewa Khola Hydropower Project". All these assets are classified as "Intangible Assets".

### Note 11: TRADE PAYABLES

Particulars	Current Year	Previous Year
Sundry creditors	4,064,173	5,998,761
Expenses Payable	955,015	580,478
Retention Money Payable	60,894,547	59,550,520
<b>Total</b>	<b>65,913,736</b>	<b>66,129,758</b>

## Note 12: PROVISION

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

Particulars	Current Year	Previous Year
Provision for Income Tax	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Note 13: OTHER CURRENT LIABILITIES

Particulars	Current Year	Previous Year
TDS Payable	103,691	155,901
Social Security Fund	(131)	7,863
Payable against bank guarantee revoked	58,377,349	58,377,349
Advance from director	92,259,704	202,331,728
<b>Total</b>	<b>150,740,613</b>	<b>260,872,841</b>

## Note 14: Revenue

Particulars	Current Year	Previous Year
Sale of Electricity	532,545,644	478,337,183
Revenue from service concession arrangement *	-	51,050,962
Less: Short energy charges	(13,219,364)	(8,511,571)
<b>Total</b>	<b>519,326,280</b>	<b>520,876,574</b>

\*MHNL is a developer of hydroelectricity. It has started generation of hydroelectricity. Revenue and margin from the contraction phase cannot be estimated reliably. In previous year, profit margin on construction phase is assumed to be 0% and accordingly revenue and cost during construction phase has been recognized which is equal to actual construction cost during the period.

## Note 15: Cost of Revenue

Particulars	Current Year	Previous Year
Cost of construction/Direct Expenses (Refer note 15)	-	51,050,962
Business Promotion	52,590	-
Consumables	2,740	-
Depreciation	161,209,563	-
Equipment Hire Charges	4,557,000	9,565,840
Electricity Expenses	172,772	467,309
Electrification	7,000	-
Employee Benefit Cost	9,177,983	-
Flooring & Furnishing	33,480	-
Fooding Expenses at Site	635,941	1,165,934
Fuel Expenses	1,364,876	2,276,733
Grid Rent 132 KV Substation	864,000	-

Insurance Expenses	8,864,140	6,550,832
Kitchen Utensils	12,760	-
Lease for Land	69,686	-
Lubricants	9,405	434,350
Miscellaneous Expenses	20,860	540,966
Puja Expenses	43,520	-
Repair and Maintenance ( Renovation)	-	53,629
Repair & Maintenance (Civil Structure)	9,426,513	333,193
Repair & Maintenance - Plant & Machinery	15,587	-
Repair & Maintenance- General & Miscellaneous	546,188	905,959
Repair & Maintenance - Vehicles	137,795	1,980,075
Royalty Expenses	10,186,587	-
Security Expenses	1,300,000	-
Telephone & Communication Expenses	780,211	-
Transportation Expenses	383,334	344,560
Travelling Expenses	66,703	-
Wages	105,246	64,243
<b>Total</b>	<b>210,046,479</b>	<b>75,734,585</b>

#### Note 16: Employee Benefit Expenses

Particulars	Current Year	Previous Year
Basic Salary	10,824,083	8,627,656
Festival Allowance	721,385	428,092
Allowance	3,533,914	2,754,892
<b>Apportioned to:</b>		
- Cost of Revenue	9,177,983	11,810,641
- Indirect Cost	5,901,399	-
<b>Total</b>	<b>15,079,382</b>	<b>11,810,641</b>

#### Note 17: Other Expenses

Particulars	Current Year	Previous Year
Advertisement & Publicity	173,232	95,056
AGM Expenses	150,000	-
Audit Fee	282,500	254,250
Arbitration Fee Expenses	1,681,110	-
Business Promotion	6,809	341,936
Consultancy Charges	169,500	3,941,085
Communication	-	102,937
Donation	-	100
Electricity Expenses	72,158	62,535
Fuel Expenses	396,635	510,162
Fines & Penalties	78,000	129,717

House Rent Expenses	666,660	734,400
Insurance Expenses	77,330	-
Legal Fee	2,355,775	343,000
Medical Expenses	15,176	46,561
Meeting Allowance	69,000	25,350
Miscellaneous Expenses	122,912	-
Printing & Stationery	95,610	208,347
Fees & Rates	44,500	192,476
Refreshment	758,262	547,690
Registration & Renewal	246,032	194,692
Repair & Maintenance- General & Miscellaneous	89,713	-
Repair and Maintenance ( Renovation)	45,600	-
Repair & Maintenance - Vehicles	1,028,571	-
Repair & Maintenance - Office Equipments	21,532	77,619
Surveillance Fee	580,820	-
Translation and Notery Expenses	20,760	-
Transportation Expenses	4,000	-
Travelling Expenses	328,863	9,302
Telephone & Communication Expenses	133,552	291,340
Wages	19,695	-
Water Charges	71,500	82,200
<b>Total</b>	<b>9,805,805</b>	<b>8,190,755</b>

**Note 18: Other Income**

Particulars	Current Year	Previous Year
Insurance claim	4,632,158	-
Profit on sale of vehicle	17,976,591	21,629
<b>Total</b>	<b>22,608,749</b>	<b>21,629</b>

**Note 19: Finance Cost**

Particulars	Current Year	Previous Year
Bank Charge & Commission	13,339,950	5,833,021
Interest on HP Loan	124,704	878,747
Interest Expenses	307,839,130	365,543,591
<b>Total</b>	<b>321,303,784</b>	<b>372,255,360</b>

## 20. Related Parties Disclosures

### a) Relationship

Relationship	Related Party
Substantial Shareholder	SitaramTimalsina
	S R Power Investment Company Private Limited
	Satish Timalsina
	Praladh Timalsina
	Rita Timalsina
	Road Show Investment Company
	Baikuntha Sharma
	Prakash Timilsina
	Puspa Chitrakar
	Singalila Energy Private Limited
Company with common Directors	Sita Trade Center
	Gaurimata Nirman Company
	Sita Hydro Power Copmany Pvt. ltd
Subsidiaries	Mountain Hydropower Investment Private Limited

### b) Those charged with governance

Those charged with governance of Mountain Hydro Nepal include members of Board of directors namely:

S.N.	Name	Designation
1	Sitaram Timalsina	Chairman
2	Satish Timalsina	Managing Director
3	Dipendra Ango Limbu (Representing Singhlila Energy Pvt. Ltd.)	Director
4	Prahlad Timalsina	Public Director
5	Renuka Devi Pokhrel	Director
6	Shiva Prasad Tripathi	Public Director

The following expenses are incurred for those charged with governance of MHNL:

S.N.	Name	Designation	Nature of expenses	F.Y. 2077/78	F.Y. 2076/77
1	SitaramTimalsina	Chairman	Regular Employee Benefits	-	-
2	SatishTimalsina	Managing Director	Regular Employee Benefits	13,33,998	-

### c) Transaction with key management personnel

Key management personnel includes:

- Ms Salina Dhakal– Chief Finance Officer

#### Key management personnel compensation

Name	Particulars	Current Year	Previous Year
Ms. Salina Dhakal	Regular Employee Benefits	8,94,502	-

**d) Other Related Party Transaction**

Name of the related Party	Nature of the transaction	Transaction		Outstanding Balance [Dr/(Cr)]	
		F.Y. 2077/78	F.Y. 2076/77	F.Y. 2077/78	F.Y. 2076/77
Sitaram Timalisina	-Advance taken from director	110,072,024	1,047,078	(92,443,688)	(202,331,728)
Satish Timalisina	-Advance to director	385,493	97,534	257,283	642,776
Sita Care Private Limited	-Equipment Hire	-	1,956,000	-	-
Sita Trade Center	-Fuel purchase	4,06,040	763,338	(52,328)	(21,047)
Sita Shree Gas Udhog Private Limited	-Equipment Hire Charge	-	301,000	-	-
Gaurimata Nirman Company	-Equipment Hire	4,496,509	9,218,850	-	2,016,942
	-Project Construction	70,859,099	27,913,066	-	-
	-Repair & Maintenance (Civil Structure)	9,395,1	-	-	-
Sita Hydro Power Company Pvt. Ltd	-Loan Taken	1,750,000	-	-	-
	-Vehicle Sale	4,000,251	-	-	-

**21. Financial Risk Management**

The Company's financial risk management is an integral part of how to plan and execute its business strategies.

**Market risk**

Market risk is the risk of loss of future earnings, fair value or future cash flows arising out of change in the price of a financial instrument. These include change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through evaluation and identification of risk factors with the object of governing/mitigating them according to Company's objectives and declared policies in specific context of impact thereof on various segments of financial instruments. The Board provides oversight and reviews the Risk management policy from time to time. The company is not exposed to market risk with reference of PPA with NEA.

**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. In order to balance the Company's position with regards to interest income and interest expense and to manage the interest rate risk, it performs a comprehensive interest rate risk management. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

**Foreign currency risk**

The Company is subject to the risk that changes in foreign currency values impact the Company's imports of raw material and property, plant and equipment. The Company is not exposed to foreign exchange risk arising from various currency exposures.

**Credit risk**

As the company has just started its commercial operation and has already signed Power Purchase Agreement (PPA) with Nepal Electricity Authority (NEA); a government enterprises, the Company is not exposed to Credit risk. Hence the company is not exposed to significant credit risk as at the respective reporting date.



**Liquidity Risk**

The management has sufficiently collected the equity portion and has obtained loan for settling or meeting it on time.

**22. 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 and to optimize returns to the shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aim to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business. The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods.

**23. Contingent Liabilities, Contingent Liabilities and Commitments****Contingent Liabilities****a) Bank Guarantees**

S.N	Bank Name	Purpose	Amount	Expiry Date
1	Prime Commercial Bank Ltd	Exim code guarantee	3,00,000	2022.10.17

**b) Revoked Performance Guarantee**

A contingent liability is identified as follows:

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

The company has revoked a performance guarantee from Himal Hydro and General Construction Limited amounting to Rs 58,377,349 on the ground of not abiding the terms of the contract. Settlement proceedings and hearings was conducted by Nepal Council of Arbitration (NEPCA) for resolving this dispute. The verdict of NEPCA was in the favour of Himal Hydro and General Construction Limited. Further, the Company has appealed against this verdict to Hon'ble High Court Patan.

**24. Capital Commitments**

Capital commitment is future capital expenditures that a company has committed to spend on long-term assets over a period of time. There is no significant capital commitment pending on behalf of Company.







132 KVA Transmission Line (Tower no. 10 & 1)



Hewa sand flushing





Receiving end of switchyard at Thapatar



Hewa Headworks





Penstock protection valve



Control Room





**Turbine-Generator (Power House)**



**Staff quarters**



## Head Office Staff



**Shiva Prasad Sapkota**  
Co-Secretary



**Salina Dhakal**  
Chief Finance Officer



**Laxmi Lal Baidya**  
Account Officer



**Sabina Dulal**  
Assistant Accountant



**Prashant Sapkota**  
Office Assistant



**Govinda Shrestha**  
Head Driver



**Dhan Bahadur Thapa**  
Driver



**Pramila Shrestha**  
Attendent

## Phidim Site Office Staff



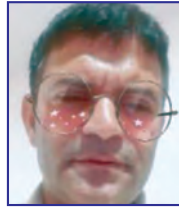
**Nobheswar Yadav**  
Plant Manager



**Nabin Menangbo Limbu**  
Civil Engineer



**Nitin Chaudhary**  
Electrical Engineer



**Shyam Prasad Adhikari**  
P.R.O.



**Shiv Narayan Sah**  
Main Electrician



**Suraj Shrestha**  
Plant Operator



**Chiranjivi Dhakal**  
Plant Operation Helper



**Sujan Rai**  
Plant Operation Helper



**Chandra Bahadur Thapa**  
Driver



**Ram Thapa**  
Supervisor



**Janga Bahadur Karki**  
Plant Operation Helper



**Birendra Eakten**  
Plant Operation Helper



**Amrit Bahadur Karki**  
Plant Operation Helper



**Hari Prasad Moktan**  
Plant Operation Helper



**Hem Raj Lowa**  
Plant Operation Helper



**Magha Raj Aangbo**  
Plant Operation Helper



**Rajendra Kumar Aangbo**  
Plant Operation Helper



**Saroj Karki**  
Plant Operation Helper



**Til Kumar Tamang**  
Plant Operation Helper



**Upendra Aangbo**  
Plant Operation Helper



**Yam Kumari Cenchury**  
Plant Operation Helper



**Hari Gopal Shrestha**  
Plant Operation Helper



**Bhawani Limbu**  
Store Keeper



**Basanta Kumar Karki**  
Cook



**Ranjita Thamsuhang**  
Cook





**PHEME settling basin**



**Hewa head works**