



माउन्टेन हाइड्रो नेपाल लि. Mountain Hydro Nepal Ltd.

CORPORATE OFFICE:

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PROJECT SITE OFFICE:

Lower Hewa Khola Hydro Project, Panchthar



चौथो तथा पाँचौ वार्षिक साधारण सभामा प्रस्तुत

संयुक्त वार्षिक प्रतिवेदन

आ.व. २०७६/७७

Management Committee



Sitaram Timalina
Chairman



Kalu Gurung
Director



Satish Timalina
Director



Puspa Chitrakar
Director



Dipendra Angbo Limbu
Director



Prahlad Timalina
Director



Renuka Devi Pokharel
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/हामीले त्यस कम्पनीको शेयरवालाको हैसियतले २०७७ साल पुस महिना २७ गते सोमबारका 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

२०७७।०९।२७

(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"/> चौथो तथा पाँचौ 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	८
<input type="checkbox"/> इक्विटी शेयरधनीहरूको विवरण.....	१४
<input type="checkbox"/> लेखा परिक्षकको प्रतिवेदन :.....	१५
■ वासलात.....	१७
■ नाफा नोक्सान हिसाव खाता.....	१८
■ इक्विटीमा भएको परिवर्तन.....	१९
■ नगद प्रवाह विवरण.....	२०
■ लेखा सम्बन्धी टिप्पणीहरू.....	२१
■ अनुसूचीहरू.....	२८



माउन्टेन हाइड्रो नेपाल लि.

काठमाण्डौ -१३, ताहाचल

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

चौथो तथा पाँचौ वार्षिक साधारण सभा सम्बन्धी सूचना

प्रथम पटक प्रकाशित मिति २०७७।०९।०६

यस कम्पनीको मिति २०७७/०९/०४ मा बसेको संचालक समितिको निर्णय अनुसार कम्पनीको चौथो तथा पाँचौ 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:- २०७७/०९/२७ गते सोमबार

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

समय:- बिहान ११:०० बजे ।

छलफलका विषयहरू:-

- १) अध्यक्षज्यूबाट आ.व. २०७५/७६ र २०७६/७७ को कम्पनीको संयुक्त वार्षिक प्रतिवेदन प्रस्तुत गर्ने र सो माथि छलफल तथा स्वीकृत गर्ने ।
- २) लेखा परीक्षकको प्रतिवेदन सहितको आ.व. २०७५/७६ र २०७६/७७ को वार्षिक आर्थिक विवरण (वासलात, नाफा नोक्सान हिसाब तथा नगद प्रवाह लगायतका वित्तीय विवरणहरू) माथि छलफल र स्वीकृत गर्ने ।
- ३) कम्पनीको आ.व. २०७६/७७ को लागि लेखा परीक्षक नियुक्तिको अनुमोदन तथा आ.व. २०७७/७८ को लागि लेखापरीक्षक नियुक्ति गर्ने तथा पारिश्रमिक तोक्ने ।
- ४) प्रबन्ध संचालक नियुक्ती गर्ने ।
- ५) प्रबन्ध संचालकको पारिश्रमिक तथा संचालकहरूको बैठक भत्ता, पारिश्रमिक, दैनिक तथा भ्रमण भत्ता निर्धारण गर्ने ।
- ६) वर्तमान संचालक समितिको कार्यकाल पूरा भएकोले कम्पनी ऐन अनुसार नयाँ संचालक समितिको निर्वाचन गर्ने ।
- ७) विविध

वार्षिक साधारण सभा सम्बन्धी जानकारीहरू

- १) हालको कोभिड-१९ को महामारीको कारण 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 गणपूरक 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 अवधिभरिको भिडियो रेकर्डिङ्ग गरिनेछ ।
- ४) नेपाल स्टक एक्सचेन्जमा २०७७।०९।१२ 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-mail: mountainhydronepal@gmail.com मार्फत्

प्राप्त गर्न सकिने व्यवस्था गरिएको जानकारी गराउँदछौं । साथै अन्तिम समयमा सम्पर्क गर्दा शेयरधनीको पहिचान Verification गरी ID/ Password समयमै पठाउन आइपर्न सक्ने प्राविधिक कठिनाईबाट बच्न कम्तीमा ४८ घण्टा अगावै ID/ Password लिन समेत अनुरोध छ । सोही E-mail Address मा साधारण सभाको प्रतिवेदन समेत पठाईने छ । साथै कम्पनीको Website: www.mhnl.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-mail: mountainhydronepal@gmail.com मा सम्पर्क गरी नाम टिपोट गराउनु हुन अनुरोध छ ।
- ६) चौथो तथा पाँचौ वार्षिक साधारण सभा प्रयोजनको लागि कम्पनीको मिति २०७७ पुस १३ गतेदेखि २०७७ साल पुस २७ गतेसम्म शेयरको दर्ता किताब दाखिल खारेज बन्द रहनेछ ।
- ७) चौथो तथा पाँचौ 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 नियुक्ति 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 सम्बन्धी कुनै विषयमा छलफल गर्न गराउन चाहेमा सभा हुनु भन्दा ७ कार्य दिन अगावै कम्पनी सचिव मार्फत 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) कम्पनीको वर्तमान संचालक समितिको कार्यकाल पूरा भएकोले नयाँ संचालक समिति गठनको लागि कम्पनी ऐन २०६३ अनुसार शेयरधनीहरू मध्ये संस्थापक समूहबाट १ जना महिला सहित ४ जना, सर्वसाधारण समूहबाट २ जना र १ जना स्वतन्त्र संचालकको निर्वाचन गरिने छ । निर्वाचन सम्बन्धी कार्यक्रम निर्वाचन अधिकृतले तोकेबमोजिम हुने छ ।
- ११) 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

चौथो तथा पाँचौ वार्षिक साधारण सभामा प्रस्तुत अध्यक्षको मन्तव्य

आदरणीय शेयरधनी महानुभावहरू,

यस माउन्टेन हाइड्रो नेपाल लि. को चौथो वार्षिक साधारण सभा गत वर्ष पुस मसान्तभित्र सम्पन्न गर्नुपर्नेमा विशेष कारणबस ढिला हुन गई २०७६।१२।२८ को लागि बोलाइएकोमा विश्वव्यापी रूपमा फैलिएको Covid-19 को महामारीको कारण २०७६।१२।१९ देखि लागू भएको बन्दाबन्दीले गर्दा उक्त सभा स्थगित गर्नुपरेकोले सो स्थगित भएको चौथो र यस वर्षको पाँचौ वार्षिक साधारण सभा समेत संयुक्त रूपमा आह्वान गरेका छौं । यस चौथो र पाँचौ वार्षिक साधारण सभामा उपस्थित हुनुभएका सम्पूर्ण शेयरधनी तथा आमन्त्रित महानुभावहरूमा संचालक समिति तथा मेरो व्यक्तिगत तर्फबाट समेत हार्दिक स्वागत तथा अभिवादन गर्दछु । कम्पनीको चौथो र पाँचौ वार्षिक साधारण सभामा उपस्थित भएर कम्पनीको वार्षिक प्रतिवेदन पेश गर्न पाँउदा मलाई खुशी लागेको छ ।

- देशमा रहेको अपार जलस्रोतको उपयोग गरी जल विद्युत आयोजनाहरूको विकास निर्माण तथा संचालन गरी बढी रहेको विद्युतको माग परिपूर्तिमा सघाउ पुऱ्याउने उद्देश्यले यो कम्पनी २०६२।०३।२८ मा प्राइभेट लिमिटेड कम्पनीको रूपमा दर्ता भएको हो । आयोजनाको विकासमा जनसहभागिता बढाउने उद्देश्यले २०७३।०२।०८ को विशेष साधारण सभाको निर्णय अनुसार कम्पनी रजिष्ट्रारको कार्यालयबाट मिति २०७३।०२।३२ मा स्वीकृत प्राप्त भए बमोजिम यो कम्पनी प्रा.लि.बाट लिमिटेड कम्पनीमा परिणत भएको छ ।
- शुरुमा २८ जना संस्थापकहरू मिलेर पाँचथर जिल्ला स्थित हेवा खोलामा २१.६ मे.वा तल्लो हेवा खोला जलविद्युत आयोजनाको निर्माणकार्य शुरु गरिएकोमा निर्माणको सिलसिलामा बाँध केही माथि सर्न गएकोले आयोजनाको क्षमता ५०० कि.वा वृद्धि भई आयोजनाको कूल क्षमता २२.१ मे.वा हुन गएको छ । विद्युत विकास विभागबाट २२.१ मे.वा.को विद्युत उत्पादन अनुमति पत्र र नेपाल विद्युत प्राधिकरणबाट विद्युत खरिद बिक्री सम्भौता समेत सम्पन्न भएको छ ।
- यो कम्पनीको कूल शेयर पुँजी रु. १२५ करोड रहेको छ । कम्पनीका २८ जना संस्थापकहरूले रु. १०० करोडको शेयर लगानी गर्नुभएको छ र कूल पुँजीको २० प्रतिशत अर्थात् रु. २५ करोडको साधारण शेयर सर्वसाधारणमा जारी गरिएको छ ।
- नेपाल विद्युत प्राधिकरणसँग मिति २०७१।०४।०९ मा सम्पन्न भएको विद्युत खरिद बिक्री सम्भौता अनुसार व्यापारिक उत्पादन शुरु गर्नुपर्ने मिति (RCOD) २०७४।०३।०१ रहेकोमा भूकम्प, नाकाबन्दी तथा कावेली कोरीडोर प्रसारण लाइन सम्पन्न नभएको कारण र ठेकदारको ढिलासुस्तीले गर्दा आयोजना समयमा सम्पन्न हुन नसकी RCOD को म्याद २०७६।०१।२४ कायम भएको छ ।
- हाम्रो यस आयोजनाबाट उत्पादित बिजुली कावेली कोरीडोर प्रसारण लाइनको थापाटार स्थित सवस्टेशनमा जोडिएको छ र परीक्षण कार्य समेत सम्पन्न गरी व्यवसायिक उत्पादन शुरु गर्ने मिति (COD) २०७६।०४।२१ देखि विद्युत उत्पादन शुरु गरिएको र उत्पादित बिजुली नेपाल विद्युत प्राधिकरणलाई उपलब्ध गराईएको छ । आ.व. २०७६/७७ मा विद्युत बिक्रीबाट रु. ४७,८३,३७,१८२। को आम्दानी प्राप्त भएको छ ।
- सिभिल निर्माण तर्फका ठेकदार हिमाल हाइड्रो एण्ड जनरल कन्स्ट्रक्सन लि. ले पटक पटक म्याद थप दिँदा पनि समयमा काम सम्पन्न नगरेकोले २०७५।०८।१७ मा उक्त ठेकदार कम्पनीसँगको ठेक्का सम्भौता रद्द गरी आयोजनाको बाँकी निर्माण काम कम्पनी आफैँले वैकल्पिक व्यवस्था गरी सम्पन्न गरिएको छ । हेड वर्क्सदेखि पावरहाउस सम्मको सम्पूर्ण संरचनाहरू तयार भई आयोजना संचालनमा आएको छ ।

- इलेक्ट्रोमेकानिकल, हाइड्रो मेकानिकल, तथा कम्पनीले निर्माण गर्नुपर्ने ट्रान्समिसन लाइनको सम्पूर्ण कार्य सम्बन्धित ठेकदारहरू मार्फत् सम्पन्न भएको छ ।
- सिभिल निर्माणको ठेकदार हिमाल हाइड्रोसँगको लेनदेन सम्बन्धमा उत्पन्न विवाद समाधानको लागि मध्यस्थता गठन भई सो सम्बन्धी कार्य अगाडी बढी रहेको छ ।
- यस आयोजनाको निर्माणमा २०७७ असार मसान्तसम्म रु. ४,६६,५८,९९,२२५/- खर्च भएको छ । जसमा शेयरधनीहरूबाट ९,२५,००,००,०००/- र प्राईम कमर्सियल बैंकको अगुवाईमा विभिन्न बैंकहरूबाट ऋण रु. ३,२६,००,००,०००/ र संचालकबाट सापटी रु.२०,२३,३९,७२८/- प्राप्त गरी आयोजनाको निर्माण सम्पन्न गरिएको छ । नपुग रकम तिर्न बाँकी दायित्वको रूपमा रहेको छ ।
- आ.व. २०७५/७६ र २०७६/७७ को संचालक समितिको संयुक्त वार्षिक प्रतिवेदन छुट्टै प्रस्तुत गरेको छु ।
- आयोजनाको निर्माण सफलतापूर्वक सम्पन्न भई राम्रोसँग संचालन भईरहेको छ । आयोजना सम्पन्न 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 । अन्त्यमा, 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 २०७५।७६ र २०७६।७७ को संयुक्त प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,

यस कम्पनीको चौथो तथा पाँचौँ वार्षिक साधारण सभामा म यहाँहरूलाई हार्दिक स्वागत गर्न चाहन्छु । म यस गरिमामय सभामा संचालक समितिको तर्फबाट आर्थिक वर्ष २०७५/७६ र २०७६/७७ को संचालक समितिको संयुक्त प्रतिवेदन र सोही वर्षको लेखा परीक्षण भएका वित्तीय विवरणहरू सभा समक्ष स्वीकृतिको लागि प्रस्तुत गर्न चाहन्छु ।

१) आ. व. २०७६/७७ को कारोबारको सिंहावलोकन :

यस माउन्टेन हाइड्रो नेपाल लि. ले निर्माण गरेको पाँचथर जिल्ला स्थित तल्लो हेवा खोला जल विद्युत आयोजना (२२.१ मे.वा) को निर्माण कार्य सम्पन्न भई मिति २०७६ श्रावण २१ गतेदेखि नियमित रूपमा विद्युत उत्पादन गर्दै आई रहेको छ र आयोजना सन्तोषजनक रूपमा संचालन भई रहेको छ । आर्थिक वर्ष २०७५/७६ मा भने आयोजनाको निर्माण कार्य अन्तिम चरणमा रहेको थियो र आयोजनाको व्यवसायिक उत्पादन भई सकेको थिएन । कम्पनीको आर्थिक गतिविधिहरूलाई बुँदागत रूपमा तल प्रस्तुत गरिएको छ ।

क) विद्युत उत्पादन लक्ष्य तथा बिक्री:

यस कम्पनीले तल्लो हेवा खोला जल विद्युत आयोजना (२२.१ मे.वा)बाट विद्युत उत्पादन गरी राष्ट्रिय प्रसारण लाइनमा आपूर्ति गर्ने गरी कम्पनी र नेपाल विद्युत प्राधिकरण बीच विद्युत खरीद बिक्री सम्झौता भएको छ र सो सम्झौता बमोजिम यस कम्पनीद्वारा वार्षिक ११,८८,५६,४७९ कि.वा.घ. विद्युत शक्ति उपलब्ध गर्ने लक्ष्य रहेको छ र आ.व.२०७६/७७ मा विद्युत उत्पादन गरी नेपाल विद्युत प्राधिकरणलाई बिक्री गरिएको विवरण तालिका १ मा प्रस्तुत गरिएको छ ।

तालिका १

साल / महिना	कन्ट्रयाक्ट इनर्जी (KWH)	अनुमानित आय	आम्दानी २०७६/ ७७ मा		
			उत्पादित विद्युत (KWH)	दर	खुद आम्दानी
२०७६ श्रावण	१५६२६८५७	७५००८९९३।६०	६०४९१०५.९४	४.८०	२९०३५७०८।४४
२०७६ भाद्र	१५६२६८५७	७५००८९९३।६०	१५६२६८५७.००	४.८०	७५००८९९३.६०
२०७६ असोज	१५६२६८५७	७५००८९९३।६०	१३६१०४८८.३६	४.८०	६५३३०३४४.९३
२०७६ कार्तिक	१२८९६४९८	६९९०३९९०।४०	९४३९०९०.००	४.८०	४५२६९२३२।००
२०७६ मंसिर	७९०९५५८	३७४२७४७८।४०	५६२६३९०.००	४.८०	२७००६२८८।००
२०७६ पुस	५८४३३४३	४९०८४०८९।२०	४७९९८३०।००	८.४०	३९५७९३७२।००
२०७६ माघ	४६९४९५५	३८७५८९०२।००	३५८९९५०.००	८.४०	३००८९६६०।००
२०७६ फागुन	४२४५९८७	३५६६६२९०।८०	३०८४९७०.००	८.४०	२५९९३७४८।००
२०७६ चैत्र	३९६३७३३	३३२९५३५७।२०	२६१०४००.००	८.४०	२९९२७३६०।००
२०७७ वैशाख	५३७३३६०	२५७९२९२८।००	३२२४०९६.००	४.८०	१५४७५२७६।००
२०७७ ज्येष्ठ	११००६३२५	५२८३०३६०।००	६८९६८२०.००	४.८०	३२७२०७३६।००
२०७७ असार	१६९३०९४९	७७४२८५५५।२०	१४७८९२८०.००	४.८०	७०९८८५४४।००
जम्मा	११८८५६४७९	६३७७९३०८४।००	८९९६२३९७.३०		४७८३३७९८२.९७

ख) कम्पनीको शेयर पूँजी, 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 शेयरधनीबाट गरी जम्मा शेयर पूँजी 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 निम्न बमोजिम ऋण उपभोग गरेको छ ।

बैंकका नामहरू	कर्जा प्रकार	आ.व. २०७६/०७	गत आ.व. २०७५/०६
प्राइम कमर्सियल बैंक लि.	ब्रिज ग्याप	-	११,८४,६६,१५८।-
सेन्चुरी कमर्सियल बैंक लि.	आवधिक	२२,५६,५३,३७४।-	२१,१७,७३,००६।-
हाइड्रो इनभेष्टमेन्ट एण्ड डेभलपमेन्ट कम्पनी लि.	आवधिक	१४,९७,६९,९३९।-	१५,००,००,०००।-
ग्लोबल आई एम ई बैंक लि.	आवधिक	२२,५६,५३,३७४।-	२१,१८,४१,८८६।-
प्राइम कमर्सियल बैंक लि बैंक लि.	आवधिक	११,२८,२६,६८७।-	११,३०,००,०००।-
मेगा बैंक लि.	आवधिक	१९,९६,९३,२५२।-	२०,००,००,०००।-
नेपाल क्रेडिट एण्ड कमर्स बैंक लि.	आवधिक	२२,५६,५३,३७४।-	२१,१७,६३,२७५।-
नेपाल इन्भेष्टमेन्ट बैंक लि.	आवधिक	१९,९६,९३,२५२।-	२०,००,००,०००।-
प्रभु बैंक लि.	आवधिक	११,२८,२६,६८७।-	१०,५७,४३,६०६।-
प्राइम कमर्सियल बैंक लि.	आवधिक	१,०७,८३,४३,५५८।-	९२,९५,५४,९७९।-
राष्ट्रिय वाणिज्य बैंक लि.	आवधिक	४९,९१,८४,७०१।-	४९,९९,६१,७८०।-
सिदार्थ बैंक लि.	आवधिक	२२,५६,५३,३७४।-	२२,६०,००,०००।-
प्राइम कमर्सियल बैंक लि.	हायर पर्चेज र फोर्सर्ड	६४,६३,२९८।-	७१,०६,७७८।-
प्राइम कमर्सियल बैंक लि.	ओभरड्राफ्ट कर्जा	६,८०,३०,२१५।-	-
जम्मा		३,३२,९४,४५,००५।	३,१८,५२,११,४६७।-

साथै आ.व २०७५/०६ मा कम्पनीको सञ्चिती रकम ऋणात्मक रु.५,७४,५१,५६२। रहेकोमा गत वर्षसम्म कर्जामा तिरेको व्याज पूँजीकृत गरिएकोमा आयोजना निर्माण सम्पन्न भई यस आ.व. २०७६/०७ देखि व्यावसायिक उत्पादन शुरू भएको हुनाले बैंकलाई तिरेको व्याज रु. ३७,२२,५५,३६७। र सम्पत्तिको ह्रासकट्टी रु.१६,९८,७०,०४६। खर्चमा देखाइएको हुँदा ऋणात्मक सञ्चिती रकम बढ्न गई रु.१६,९८,७०,०४६। 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 एक्सचेन्ज मा मिति २०७५।१२।२७ मा सूचिकृत भई धितोपत्र बजारमा कारोबार भईरहेको छ र आ.व. २०७६/०७ मा यस कम्पनीको बजार शेयर मूल्यमा उतार चढाव रह्यो । देशको आर्थिक सूचकाङ्कहरूमा आएको भारी उतारचढाव सँगै हाम्रो कम्पनीको बजार शेयर मूल्यमा समेत उतार चढाव रहन गई यस वर्षको अधिकतम

मूल्य रु.११४।- र न्यूनतम मूल्य रु. ८८ रही कारोबार भयो । आ.व. २०७६/७७ मा यस कम्पनीको शेयर कारोबारको स्थिति तालिका नं. २ मा प्रस्तुत गरिएको छ ।

तालिका- २

अधिकतम मूल्य रु.	११४।	कारोबार दिन	१६१
न्यूनतम मूल्य रु.	७४।	कारोबार संख्या	२५४१
अन्तिम मूल्य रु.	८८।	कारोबार शेयर संख्या	१७६७१७
कारोबार रकम	१६२३५७२५।		

हाल मिति २०७७।०४।०९देखि २०७७।०८।३०सम्म कारोवार बन्द हुँदाका समयमा शेयर कारोबारको स्थिति यस प्रकार रहेको छ । अधिकतम मूल्य रु. २२८, न्यूनतम मूल्य रु. ७६, अन्तिम मूल्य रु. २०९, कारोबार संख्या १०८०४ कारोबार शेयर संख्या १०२४७६० तथा कारोबार रकम रु.१६,४२,०९,७८८।-

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 उत्तार चढावहरूको प्रत्यक्ष वा अप्रत्यक्ष प्रभाव पर्न गयो । राष्ट्रिय रूपमा नै वित्तीय क्षेत्रमा Cost Of fund वढ्न गई थप व्याजको भारमा हाम्रो आयोजना पनि पच्यो । साथै धितोपत्र बजारमा आएको उत्तारचढावका कारणले यस कम्पनीको बजार शेयरमूल्यमा समेत असर पच्यो । तथापि प्रत्यक्ष रूपमा कुनै राष्ट्रिय एवं अन्तर्राष्ट्रिय परिस्थितिको कारणबाट आयोजना प्रभावित छैन । तमोर जलाशययुक्त आयोजनाको कारण यस आयोजना डुबानमा पर्न सक्ने भन्ने प्रारम्भिक प्रक्षेपणका कारण लगानीकर्ता शेयरधनीहरूमा मनोवैज्ञानिक असर भने पर्न गएको छ । तर आगामी केही वर्षसम्म हाम्रो आयोजनालाई कुनै असर पर्ने सम्भावना देखिँदैन ।

३) चालु आर्थिक वर्षको उपलब्धि र कम्पनीको भावी योजना :

- प्रतिवेदन तयार गरिएको मिति सम्ममा यस कम्पनीद्वारा निर्माण गरिएको आयोजनाको निर्माण कार्य सम्पन्न भई व्यावसायिक उत्पादन समेत शुरू गरिसकेको छ र आयोजना सन्तोषजनक रूपमा संचालन भई विद्युत उत्पादन भईरहेको छ ।
- यस आ.व. मा कम्पनीले सफलतापूर्वक आयोजना सम्पन्न गच्यो र आयोजनाबाट उत्पादित विद्युत बित्रीको लागि आयोजनाको पावर हाउसदेखि ३.२ कि.मि. १३२ के.भि. ट्रान्समिसन लाईन कम्पनीद्वारा निर्माण गरी कावेली करिडोर अन्तर्गतको थापाटार सबस्टेशन मार्फत राष्ट्रिय विद्युत प्रसारण लाईनमा जडान गच्यो ।
- 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 सम्पन्न भएको छ । सो सफलताले आयोजनासँग प्रत्यक्ष वा अप्रत्यक्ष संलग्न सबैलाई गौरवान्वित तुल्याएको छ । कम्पनीको व्यवसायिक सम्बन्ध मूलतः 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 अझै 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 शेयरधनीहरूबाट कम्पनीको २०७३।०९।०९ मा सम्पन्न वार्षिक साधारण सभाबाट निर्वाचित हुनु भएका संचालक समिति सदस्यहरूको विवरण तालिका ३ मा प्रस्तुत गरिएको छ ।

तालिका ३

संचालक समितिको नाम तथा पद

श्री सीताराम तिमल्सिना	-अध्यक्ष
श्री कालु गुरुङ्ग (रोड शो इन्भेष्टमेन्ट कं.को प्रतिनिधि)	-संचालक
श्री सतिस तिमल्सिना	-संचालक
श्री पुष्प चित्रकार	-संचालक
श्री दिपेन्द्र आङ्गो लिम्बु (सिंहलिला इनर्जी प्रा.लि.को प्रतिनिधि)	-संचालक
श्री प्रल्हाद तिमल्सिना	-संचालक
श्रीमती रेणुका देवी पोखरेल	-संचालक

विद्यमान संचालक समितिको ४ वर्षे कार्यकाल पूरा भएकोले यसै साधारण सभाबाट कम्पनी ऐनमा व्यवस्था भए बमोजिम संस्थापक शेयरधनीहरूबाट १ जना महिला सहित ४ जना, सर्वसाधारण शेयरधनीहरूबाट २ जना र स्वतन्त्र व्यक्तिबाट १ जना समेत ७ जनाको संचालक समिति गठन गर्नुपर्नेछ ।

६) संस्थागत सामाजिक उत्तरदायित्व :

यस कम्पनीले पाँचथर जिल्लामा निर्माण गरेको तल्लो हेवा खोला जल विद्युत आयोजनाको निर्माणको क्रममा स्थानीय समुदायसँग सुमधुर सम्बन्ध कायम गरी आयोजनाको निर्माणकार्य सँगै सामाजिक विकासको क्षेत्रमा समेत 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 एक लेखा परीक्षण समिति गठन गरेको छ । हाल कायम रहनु भएका लेखा परीक्षण समितिका सदस्यहरूको विवरण तालिका नं. ४ मा प्रस्तुत गरिएको छ ।

तालिका नं. ४

लेखा परीक्षण समितिको नाम तथा पद :

१) श्री पुष्प चित्रकार	संयोजक
२) श्री कालु गुरुङ्ग	सदस्य
३) श्री रेणुका देब्रे पोखरेल	सदस्य

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 संचालक लाई 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.वि.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 मध्यबाट 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 सर्वसाधारणलाई जारी गरिएको शेयरको दाखिल खारेज सम्बन्धी कार्यलाई व्यवस्थित गर्न शेयर रजिष्ट्रारको रूपमा श्री मुक्तिनाथ क्यापिटल लि. (साविक भिवोर क्यापिटल लि.) लाई नियुक्त गरिएको छ ।

१०) आर्थिक वर्षको व्यवस्थापन खर्चको विवरण :

आ.व.२०७५/७६ को अन्त्यसम्ममा कम्पनीले निर्माण गरेको आयोजना सम्पन्न भई विद्युत उत्पादनको लागि तयारी अवस्थामा रहेको र सो आ.व.मा आयोजनासँग सम्बन्धित खर्चहरू पूँजीकृत गरिएको र पूँजीकृत खर्च बाहेकको खर्चहरूलाई प्रशासनिक खर्चको रूपमा लेखाङ्कन गरिएको छ र यस आ.व. २०७६/७७ को प्रशासनिक खर्च रु.८१,९०,७५५/- रहेको छ । सो को विवरण लेखापरीक्षण प्रतिवेदनको अनुसूची १८ मा प्रस्तुत गरिएको छ ।

११) संचालक तथा उच्च पदस्थ पदाधिकारीहरूको पारिश्रमिक :

आ.व.२०७५/७६ मा कम्पनीमा संचालकहरूलाई बैठक बापत भत्ता वा कुनै सुविधा प्रदान गरिएको छैन । कम्पनीद्वारा निर्माणधीन आयोजनाको निर्माणको क्रममा स्थापनाकालदेखि हालसम्म नै अहोरात्र खटिनु भएका कम्पनीका अध्यक्ष श्री सीताराम तिमल्सिना, आयोजनाको निर्माण कार्यको लागि जिम्मेवारी बहन गर्नुभएका संचालक सतिस तिमल्सिना र दिपेन्द्र आङ्गो लिम्बुलाई कार्यकारीको हैसियतमा मिति २०७५ फागुनसम्म तलब बापत जम्मा रु.४०,५०,०००/- प्रदान गरिएको छ र टेलीफोन मोबाईल खर्च वास्तविक विल अनुसार प्रदान गरिएको छ । कम्पनी IPO मा गएपछि संचालकहरूलाई कुनै तलब भत्ता दिईएको छैन ।

त्यस्तै कम्पनीको प्रमुख कार्यकारी अधिकृतको रूपमा आ.व. २०७५/७६ को २०७५ फागुनसम्म कार्यरत श्री संजिव कुमार ठाकुरलाई तलब भत्ता बापत रु. १६,९२,०००/- प्रदान गरिएको छ । हाल उहाँले प्रमुख कार्यकारी अधिकृत पदबाट अवकास लिई सक्नु भएको छ ।

१२) संचालक वा निजको नातेदार संलग्न रहेको फर्म /कम्पनीसँगको कारोवारको विवरण :

कम्पनीका संचालक वा निजको नातेदार संलग्न रहेको फर्म / कम्पनीसँगको कारोबारको विवरण तालिका ५ मा प्रस्तुत गरिएको छ ।

तालिका -५

फर्म / कम्पनीको नाम	कारोवारको प्रकृति	बाँकी रकम (CR)
सीता केयर प्रा.लि.	मेसिन भाडा र इन्धन खरिद	१९,५६,०००।-
सीता ट्रेड सेन्टर प्रा.लि.	इन्धन खरिद	७,६३,३३८।-
गौरीमाता निर्माण कं.प्रा.लि.	करार तथा मेसिन भाडा	३,७१,३१,९९६।-
सीता श्री ग्यास उद्योग	मेसिन भाडा	३,०१,०००।-

१३) यस कम्पनीद्वारा प्रवर्द्धित आयोजनाको लागि अनुमान गरिएको लागत रकम र सो बमोजिम को वित्तीय श्रोतको व्यवस्थाको प्रक्षेपण गरी कम्पनीद्वारा विवरणपत्र तयार गरी सर्वसाधारणबाट शेयर आह्वान गरी शेयर पूँजी र ऋणको व्यवस्था गरिएकोमा विविध कारणहरूबाट आयोजना सम्पन्न हुन केही ढिलाई हुनगई आयोजनाको लागत समेत बढ्न गएको र सो पश्चात् आयोजना सम्पन्न गर्नको लागि थप शेयर रकम माँग गर्न मिल्ने अवस्था नरहेको र बैंकसँगको सम्झौता बमोजिमको ऋण रकम समेत अपुग हुन गई रकम अभावको स्थितिमा आयोजना प्रभावित हुने अवस्था आएकोले कार्यकारी अध्यक्ष श्री सीताराम तिमल्सिनाज्यूबाट सापटी स्वरूप कम्पनी ले. रु.२०,२३,३१,७२८।-प्राप्त गरेको छ

१४) धन्यवाद ज्ञापन :

हामीले प्रवर्द्धन गरेको तल्लो हेवा खोला ज.वि.आ.लाई यस अवस्थामा पुन्याउन महत्त्वपूर्ण योगदान गर्नुहुने सम्पूर्ण शेयरधनी महानुभावहरू लाई विशेष धन्यवाद र आभार प्रकट गर्दछु । साथै आयोजना विकास गर्न अनुमति प्रदान गर्ने ऊर्जा मन्त्रालय, विद्युत बिकास 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 प्रतिनिधिज्यूहरू तथा स्थानीय प्रशासन सबैलाई हार्दिक धन्यवाद ज्ञापन गर्दछु । साथै आयोजना निर्माणमा 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 ।

सीताराम तिमल्सिना
अध्यक्ष

Equity Share Capital:

S.No.	Name of Share Holders	Current Year
1	Ashish Garga Agarwal	57,000,000
2	Baikuntha Sharma	5,03,00,000
3	Bibas Amatya	40,00,000
4	Bishnu Kumari Thapa	2,00,000
5	Dilasha Rajya Laxmi Rana	25,00,000
6	Karuna Gautam	5,00,000
7	Lakpa Gyaljen Sherpa	1,00,00,000
8	Muna Dhakal	5,00,000
9	Netra Bhatta	32,00,000
10	Nira Upreti	57,00,000
11	Niru Upreti	28,00,000
12	Nisha Timilsina	28,00,000
13	Prakash Timilsina	5,00,00,000
14	Pralad Timilsina	8,00,00,000
15	Puspa Chitrakar	3,19,00,000
16	Radha Devi Baral	25,00,000
17	Ram Krishna Timilsina	25,00,000
18	Reeta Timilsina	9,50,00,000
19	Renuka Devi Pokharel	11,00,000
20	Rishi Ram Kandel	1,09,00,000
21	Road Show Investment Private Limited	5,00,00,000
22	Sagar Timilsina	58,50,000
23	Saraswoti Rijal	31,00,000
24	Satis Timilsina	8,00,00,000
25	Singalila Energy Private Limited	2,00,00,000
26	Sita Ram Timilsina	29,79,50,000
27	S.R. Power Investment Co.	18,00,00,000
28	Surendra Kumar Timilsina	10,00,000
29	Equity Share Capital (Local)	6,83,89,000
30	Equity Share Capital (Public)	18,07,79,000
31	Equity Share Capital (Staff)	8,32,000
	Total	1,25,00,00,000



B ARYAL & ASSOCIATES
Chartered Accountants

Independent Auditors Report

To the Shareholders of
Mountain Hydro Nepal Limited.

We have audited the accompanying financial statements of Mountain Hydro Nepal Limited which comprise the Statement of financial position as at 31 Ashadh 2077 (July 15, 2020) and statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in equity, and a summary of significant accounting policies and other explanatory notes for the year then ended.

Management's responsibility

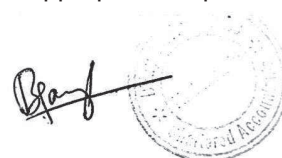
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Financial Reporting Standards (NFRS). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing issued by the Institute of Chartered Accountants of Nepal. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider the internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



House no: 1168, Durbarmarg, Kathmandu, Nepal
Phone: +977 9851198862, Email: b.aryal.ca@gmail.com

Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects the financial position of Mountain Hydro Nepal Limited, as at Ashadh 31. 2077 (July 15, 2020), and of the results of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards and comply with the Companies Act, 2063.

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.

For B Aryal & Associates



Bhojan Aryal: FCA

Date: 02 Poush 2077

Place : Kathmandu

UDIN : 201221CA00685YxmhA

 **MOUNTAIN HYDRO NEPAL LIMITED**

Kathmandu, Nepal

Statement of Financial Statement

As at 31 Ashad 2077 (15 July 2020)

NPR

Particulars	Notes	Current Year	Previous Year
ASSETS			
NON CURRENT ASSETS			
Property, plant & equipment (Net block)	3	1,79,24,699	1,79,45,485
Intangible Assets	3.1	45,05,073,342	77,915
Intangible Assets under Development (IAUD)	4	-	4,60,34,61,693
Financial assets			
Investment in subsidiaries	5	5,00,00,000	5,00,00,000
CURRENT ASSETS			
Financial assets			
Cash & cash equivalents	6	69,85,296	3,44,75,893
Trade receivable	7	10,37,04,528	-
Other financial assets	8	81,000	13,30,456
Other current assets	9	5,35,30,445	5,37,80,918
TOTAL ASSETS		4,73,72,99,310	4,76,10,72,360
EQUITY & LIABILITIES			
EQUITY			
Equity share capital	10	1,25,00,00,000	1,25,00,00,000
Other equity			
Advance for Share Capital	10.1	-	-
Reserve & surplus	10.2	(16,98,70,046)	(5,74,51,562)
NON CURRENT LIABILITIES			
Long Term Borrowings	11	3,20,21,49,985	3,06,35,37,860
CURRENT LIABILITIES			
Financial liabilities			
Trade payables	12	6,61,29,758	11,66,79,958
Short Term Borrowings	11	12,80,16,772	12,16,73,607
Provision	13	-	66,95,728
Other current liabilities	14	26,08,72,841	25,99,36,769
TOTAL EQUITY & LIABILITIES		4,73,72,99,310	4,76,10,72,360


Summary of significant accounting policies


The accompanying notes are an integral part of these financial statements


For and on behalf of Board


As per our report of even date

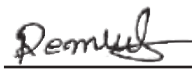
For B. Aryal & Associates
Chartered Accountants



 Salina Dhakal
Finance Manager



 Pushpa Chitrakar
Director



 Prahlad Timalsina
Director


 Sitaram Timilsina
Chairman


 Renuka Devi Pokhrel
Director


 Kalu Gurung
Director


 Dipendra Ango Limbu
Director


 Satish Timalsina
Director



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, 2077

NPR

Particulars	Notes	Current Year	Previous Year
INCOME			
Revenue	15	52,08,76,574	1,06,61,65,640
Cost of revenue	16	7,57,34,585	1,06,61,65,640
Revenue from operations		44,51,41,989	-
Other income	19	21,629	45,738
Expenses			
Employee benefit expenses	17	1,18,10,641	22,77,557
Depreciation	3	16,53,25,347	4,04,881
Administrative Expenses	18	81,90,755	86,85,382
Finance Costs	20	37,22,55,360	19,86,072
Provisions	13	-	66,95,728
Profit/loss before tax		(11,24,18,484)	(2,00,03,883)
Less: Tax			
Current tax		-	-
Deferred tax		-	-
Net profit/(loss) for the year		(11,24,18,484)	(2,00,03,883)
Earning per share			
Basic		(8.99)	(1.60)
Diluted		(8.99)	(1.60)
Other comprehensive income			
Changes in revaluation surplus		-	-
"Gains and losses on financial assets measured at fair value through other comprehensive income"		-	-
Other comprehensive income for the year		-	-
Total Profit / (Loss) & Other Comprehensive Income		(11,24,18,484)	(2,00,03,883)

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


For B. Aryal & Associates
Chartered Accountants



 Salina Dhakal
Finance Manager



 Pushpa Chitrakar
Director



 Prahlad Timalsina
Director


 Sitaram Timilsina
Chairman


 Renuka Devi Pokhrel
Director


 Kalu Gurung
Director


 Dipendra Ango Limbu
Director


 Satish Timalsina
Director




 CA. Bhojan Aryal, FCA
Proprietor

 **MOUNTAIN HYDRO NEPAL LIMITED**

Kathmandu, Nepal

Statement of Changes in Equity

for the year ended on 31 Ashadh, 2077 (15 July, 2020)

NPR

Particulars	Equity Share Capital	Advance Against Share Capital	Reserve & surplus	Total
Balance as at 32 Ashad, 2075 (16 July, 2018)	1,00,00,00,000	-	(3,39,02,635)	96,60,97,365
Changes in accounting policies/restatement	-	-	-	-
Restated balance as at 1 Shrawan, 2075 (17 July, 2018)	1,00,00,00,000	-	(3,39,02,635)	96,60,97,365
Profit/ (loss) for the year	-	-	(2,00,03,883)	(2,00,03,883)
Other Comprehensive income/ (expenses) for the year	-	-	-	-
Total comprehensive income	-	-	(2,00,03,883)	(2,00,03,883)
Issue of Share Capital	25,00,00,000	-	-	25,00,00,000
Calls in Advance	-	-	-	-
Transaction cost incurred in respect of issuance of equity share	-	-	(35,45,043)	(35,45,043)
Balance as at 31 Ashad, 2076 (16 July, 2019)	1,25,00,00,000	-	(5,74,51,562)	1,19,25,48,438
Profit/ (loss) for the year	-	-	(11,24,18,484)	(11,24,18,484)
Other Comprehensive income/ (Expenses) for the year	-	-	-	-
Total comprehensive income	-	-	(11,24,18,484)	(11,24,18,484)
Issue of Share Capital	-	-	-	-
Calls in Advance	-	-	-	-
Transaction cost incurred in respect of issuance of equity share	-	-	-	-
Balance as at 31 Ashad, 2077 (15 July, 2020)	1,250,000,000	-	(16,98,70,046)	1,08,01,29,954

The accompanying notes are an integral part of these financial statements


For and on behalf of Board

As per our report of even date

For B. Aryal & Associates
Chartered Accountants


Salina Dhakal
Finance Manager


Pushpa Chitrakar
Director


Prahlad Timalsina
Director


Sitaram Timalsina
Chairman


Renuka Devi Pokhrel
Director


Kalu Gurung
Director


Dipendra Ango Limbu
Director


Satish Timalsina
Director




CA. Bhojan Aryal; FCA
Proprietor



 **MOUNTAIN HYDRO NEPAL LIMITED**

Kathmandu, Nepal

Statement of Cash Flow

For the year ended 31 Ashadh, 2077

NPR

Particulars	Current Year	Previous Year
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the year	(11,24,18,484)	(2,00,03,883)
Adjustments		
Depreciation on Property, Plant & Equipment	16,53,25,347	4,04,881
Finance Cost	37,22,55,360	19,86,072
Profit on Sale of Vehicle	(21,629)	-
Working capital adjustments:		
(Increase)/Decrease in other financial assets	12,49,456	37,52,644
(Increase)/Decrease in other current assets	2,50,473	33,83,96,748
Increase/(Decrease) in trade receivable	(10,37,04,528)	-
Increase/(Decrease) in trade payables	(5,05,50,199)	2,99,82,994
Increase/(Decrease) in short Term Borrowings	63,43,165	(18,32,95,428)
Increase/(Decrease) in other current liabilities	(57,59,656)	16,43,76,041
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	27,29,69,304	33,56,00,070
CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment	(51,02,133)	(1,63,686)
Sales of Property, Plant & Equipment	7,15,000	-
(Increase) /Decrease in Intangible assets under development	(6,24,29,532)	(1,06,87,69,504)
Adjustment for:		
Depreciation on Property, Plant & Equipment	-	40,82,625
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(6,68,16,665)	(1,06,48,50,564)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in share capital	-	25,00,00,000
Increase/(Decrease) in share calls in advance	-	-
Borrowing (repaid)/ taken (net)	13,86,12,124	51,86,11,209
Interest Paid	(37,22,55,360)	(19,86,072)
Transaction cost incurred in respect of issuance of equity share	-	(35,45,043)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(23,36,43,235)	76,30,80,093
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(2,74,90,597)	3,38,29,599
Cash and Cash Equivalents at Beginning of the Year	3,44,75,893	6,46,293
Cash and Cash Equivalents, end of period	69,85,296	3,44,75,893

The accompanying notes are an integral part of these financial statements

For and on behalf of Board

As per our report of even date

For B. Aryal & Associates
Chartered Accountants


Salina Dhakal
Finance Manager


Pushpa Chitrakar
Director


Prahlad Timalsina
Director


Sitaram Timilsina
Chairman


Renuka Devi Pokhrel
Director


Kalu Gurung
Director


Dipendra Ango Limbu
Director


Satish Timalsina
Director




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 HewaKhola 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 recognised 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 amortisation and accumulated impairment losses, if any.

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

a. Derecognition

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

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 amortised using the straight-line method to write down the cost over its estimated useful economic lives and is recognised 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.

- ii. 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.
- iii. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are 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

- i. 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.
- ii. 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

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. When all the risks and rewards incidental to ownership are not transferred to the Company (an “operating lease”), the total rental payable under the lease are taken to the Statement of Profit or Loss over the lease term. Expenses/income under operating lease are more or less same as that of rental income/payment accounted for on accrual basis unless an escalation clause forms integral part of lease agreement in which case income booking is appropriately averaged. Depreciation on leasehold assets is provided on straight line method over the period of lease.

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
Gross Carrying Amount					
Gross Carrying Amount as at 01 Shrawan, 2075	17,56,642	13,36,937	3,50,70,000	26,99,831	4,08,63,410
Additions	-	1,63,686	-	-	1,63,686
Withdrawals and Adjustments	-	-	-	-	-
Gross Carrying Amount as at 31 Ashadh, 2076	17,56,642	15,00,623	3,50,70,000	26,99,831	4,10,27,096
Additions	-	34,239	40,25,000	10,42,894	51,02,133
Withdrawals and Adjustments	-	-	(20,00,000)	-	(20,00,000)
Gross Carrying Amount as at 31 Ashadh, 2077	17,56,642	15,34,862	3,70,95,000	37,42,725	4,41,29,229
Accumulated Depreciation & Impairment					
Balance at 01 Shrawan, 2075	8,96,681	6,63,756	1,59,28,794	11,07,870	1,85,97,100
Depreciation charge for the year	2,14,990	1,86,894	38,28,241	2,54,384	44,84,510
Withdrawals and Adjustments	-	-	-	-	-
Accumulated Depreciation as at 31 Ashadh, 2076	11,11,671	8,50,650	1,97,57,035	13,62,254	2,30,81,610
Depreciation charge for the period	1,61,243	1,71,053	37,24,593	3,72,661	44,29,549
Withdrawals and Adjustments	-	-	(13,06,629)	-	(13,06,629)
Accumulated Depreciation as 31 Ashadh, 2077	12,72,914	10,21,703	2,21,74,999	17,34,915	2,62,04,530
Net Block					
Net Carrying Amount as on 31 Ashadh, 2076 (16 July, 2019)	6,44,971	6,49,973	1,53,12,965	13,37,577	1,79,45,485
Net Carrying Amount as on 31 Ashadh, 2077 (15 July, 2020)	4,83,728	5,13,159	1,49,20,001	20,07,811	1,79,24,699

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 IAUD.

3.1. INTANGIBLE ASSETS

NPR

Particulars	Computer Software	Service concession arrangement	Total
Gross Carrying Amount			
Gross Carrying Amount as at 01 Shrawan, 2075	89,903	-	89,903
Additions - Externally Acquired	-	-	-
Transfer from IAUD	-	-	-
Withdrawals and Adjustments	-	-	-
Gross Carrying Amount as on 31 Ashadh, 2076	89,903	-	89,903
Additions	-	1,13,78,570	1,13,78,570
Transfer from IAUD	-	4,65,45,12,654	4,65,45,12,654
Withdrawals and Adjustments	-	-	-
Closing Gross Carrying Amount as on 31 Ashadh, 2077	89,903	4,66,58,91,225	4,66,59,81,128
Accumulated Amortisation/ Depreciation			
Accumulated Depreciation as at 01 Shrawan, 2075	8,991	-	8,991
Charge for the year	2,997	-	2,997
Withdrawals and Adjustments	-	-	-
Accumulated Depreciation as on 31 Ashadh, 2076	11,988	-	11,988
Charge for the year	2,997	16,08,92,801	16,08,95,798
Withdrawals and Adjustments	-	-	-
Accumulated Depreciation as on 31 Ashadh, 2077	14,985	16,08,92,801	16,09,07,786
Net Carrying Amount as on Ashad 31, 2076 (16 July, 2019)	77,915	-	77,915
Net Carrying Amount as on Ashad 31, 2077 (15 July, 2020)	74,918	4,50,49,98,424	4,50,50,73,342

Depreciation on Service Concession arrangement has been charged by estimating useful up to 08 Sharawn 2105 BS (License Period)

4. Intangible Assets under Development (IAUD)

S. No.	Particulars	Current Year	Additions during the period	Previous Year
1	<u>PROJECT DEVELOPMENT EXPENDITURE</u>			
1.01	Accommodation	25,03,943	-	25,03,943
1.02	Amortization of land	1,47,63,621	-	1,47,63,621
1.03	Bank Agency Fee	47,67,214	-	47,67,214
1.04	Business Promotion	4,52,423	-	4,52,423
1.05	Consultant Charges & Expenses	1,15,79,378	-	1,15,79,378
1.06	Depreciation	2,11,19,289	-	2,11,19,289
1.07	Environmental Mitigation	16,46,665	-	16,46,665
1.08	Infrastructure & Development	29,03,184	-	29,03,184
1.09	Insurance	86,92,439	13,58,494	73,33,944
1.10	Legal and Corporate Affairs	3,07,681	-	3,07,681
1.11	Loan Management Fee	3,06,91,543	28,000	3,06,63,543
1.12	LC Issue Commission & Bank Chagres	1,72,87,223	-	1,72,87,223
1.13	Project Development Cost	77,20,999	0	77,20,999
1.14	Project Execution Cost	10,61,954	-	10,61,954
1.15	Project Management & Engineering	1,76,30,104	-	1,76,30,104
1.16	Project Setup & Management Cost	81,21,228	-	81,21,228
1.17	Repair & Maintenance	2,22,04,167	1,22,944	2,20,81,223
1.18	Site Development	36,33,341	-	36,33,341
1.19	Water Measurement Charges	1,35,950	-	1,35,950
1.18	Interest during construction (IDC)			
	Bank Interest	77,99,96,716	55,122	77,99,41,594
	Sub total	95,72,19,062	1,564,560	95,56,54,502
2	<u>SITE OFFICE & CAMP FACILITIES</u>			
	Army Post and Bunker	1,54,58,780	-	1,54,58,780
	Sub total	1,54,58,780	-	1,54,58,780
3	<u>INFRASTRUCTURE & LOGISTICS</u>			
3.1	Civil Works			
	Civil Construction	2,30,52,68,605	73,97,746	2,29,78,70,859
	Fuel & Explosives	23,46,42,394	-	23,46,42,394
	Project Development Cost- Wages	51,19,278	395,314	47,23,964
	Equipment Hire	86,22,000	-	86,22,000
	Transportation Expenses	2,23,23,205	937,900	2,13,85,305
3.2	Access Road			
	Communication	3,42,811	-	3,42,811
	Equipments Rental	2,62,60,250	-	2,62,60,250
	Fuel & Lubricants	2,24,32,055	-	2,24,32,055

	Labor Charges	54,08,366	-	54,08,366
	Rental - Access Road PDC	25,67,250	-	25,67,250
	Repair & Maintenance	53,02,022	-	53,02,022
	Site Clearance	30,000	(0)	30,000
	Temporary Structure and Shades	10,650	-	10,650
	Transportation Charges	7,82,290	-	7,82,290
3.3	Logistics			
	Logistics	1,55,895	-	1,55,895
3.4	Mechanical Works			
	Electro Mechanical Works	48,41,30,407	14,100	48,41,16,307
	Hydro Mechanical Works	25,76,68,001	10,68,950	25,65,99,051
3.5	Project Management & Supervision			
	Project Management & Supervision	11,22,05,835	0	11,22,05,835
3.6	Power Arrangement			
	Power Arrangement	41,24,559	-	41,24,559
3.7	Transmission Line			
	Transmission Line	4,75,96,796	0	4,75,96,796
	Sub total	3,54,49,92,671	98,14,011	3,53,51,78,661
4	<u>ENVIRONMENT & SOCIAL COST</u>			
	Local Programme	75,09,231	-	75,09,231
	Land Protections	7,08,625	-	7,08,625
	Compensation & Land Lease	83,55,601	-	83,55,601
	Sub total	1,65,73,457	-	1,65,73,457
5	<u>LAND & LAND DEVELOPMENT</u>			
	Land	6,60,91,414	-	6,60,91,414
	Registration Expenses	13,26,093	-	13,26,093
	Compensation for Land	2,53,38,545	-	2,53,38,545
	Less : Amortization of Land	(1,47,63,621)	-	(1,47,63,621)
	Sub total	7,79,92,430	-	7,79,92,430
	Total	4,61,22,36,400	1,13,78,570	4,60,08,57,829

Note 5: INVESTMENT IN SUBSIDIARIES

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

Note 6: 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	-	15,033
Balance with Banks in Current Account	69,85,296	3,44,60,860
Total	69,85,296	3,44,75,893

Note 7: TRADE RECEIVABLE

Particulars	Current Year	Previous Year
Nepal Electricity Authority	10,37,04,528	-
Total	10,37,04,528	-

Note 8: OTHER FINANCIAL ASSETS

Particulars	Current Year	Previous Year
Non Current		
Deposit	-	-
Sub Total	-	-
Current		
Cash Margin	15,000	15,000
LC Margin	66,000	13,00,456
Bank Guarantee Margin	-	15,000
Sub Total	81,000	13,30,456
Total	81,000	1,330,456

Note 9: OTHER CURRENT ASSETS

Particulars	Current Year	Previous Year
Advances to be recovered		
From contractors	1,35,91,128	2,75,86,936
From suppliers	3,32,62,478	2,31,03,586
Prepayments		
Insurance	46,14,395	13,58,494
Advance to Employees	20,62,444	17,31,902
Total	5,35,30,445	5,37,80,918

Note 10: 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
Authorised		
1,25,00,000 nos. of ordinary shares of NPR. 100 each	1,25,00,00,000	1,25,00,00,000
Issued		
1,25,00,000 nos. of ordinary shares of NPR. 100 each	1,25,00,00,000	1,25,00,00,000
Subscribed and paid up		
Current Period (1,25,00,000 Equity Shares @ NRs. 100/- each)	1,25,00,00,000	1,25,00,00,000
Previous period (1,25,00,000 Equity Shares @ NRs. 100/- each)		
Total	1,25,00,00,000	1,25,00,00,000

Note 10: Other Equity

10.1 Advance for share capital

Particulars	Current Year	Previous Year
Advance against share capital	-	-
Total	-	-

10.2 Reserve & Surplus

Particulars	Retained Earnings	Total
Balance as at 1 Shrawan, 2075 (17 July 2018)	(3,39,02,636)	(3,39,02,636)
Profit for the year	(2,00,03,883)	(2,00,03,883)
Other Comprehensive Income (net of tax)	-	-
Transaction cost incurred in respect of issuance of equity share	(35,45,043)	(35,45,043)
Balance as at 31 Ashad , 2076 (16 July , 2019)	(5,74,51,562)	(5,74,51,562)
Profit for the year	(11,24,18,484)	(11,24,18,484)
Other Comprehensive Income (net of tax)	-	-
Transaction cost incurred in respect of issuance of equity share	-	-
Balance as at 31 Ashad, 2077 (15 July, 2020)	(16,98,70,046)	(16,98,70,046)

Note 11: BORROWINGS

Particulars	Current Year	Previous Year
Long Term Borrowings		
Term Loan	3,19,99,51,572	3,05,96,38,531
Hire Purchase Loan	21,98,412	38,99,329
Sub-total	3,20,21,49,985	3,06,35,37,860
Short Term Borrowings		
Bridge Gap Loan	-	11,84,66,158
Term Loan (Due within 12 months)	5,50,00,000	-
Hire Purchase Loan (Due within 12 months)	42,64,806	32,07,449
Bank Overdraft	6,87,51,966	-
Sub-total	12,80,16,772	12,16,73,607
Total	3,33,01,66,756	3,18,52,11,467

"Borrowing

Cost

Interest-bearing borrowings are recognized initially at cost, net of attributable transaction costs. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs incurs in connection with borrowing of funds that are used in construction are capitalized as a part of Intangible assets under development.

The details of Interest during Construction are given below:

Particulars	Current Year	Previous Year
Interest During Construction	77,99,41,594	77,99,41,594
Total	77,99,41,594	77,99,41,594

The company has entered into consortium arrangement for term loan with Prime Commercial Bank Limited. These loans are secured as charge by way of hypothecation on assets under construction of "Lower Hwa Khola Hydropower Project". All these assets are classified as "Intangible Assets under Development".

Note 12: TRADE PAYABLES

Particulars	Current Year	Previous Year
Sundry creditors	59,98,761	5,26,62,893
Expenses Payable	5,80,478	10,17,756
Retention Money Payable	5,95,50,520	6,29,99,309
Total	6,61,29,758	11,66,79,958

Note 13: 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.

As per the Agreement signed between Mountain Hydro Nepal Limited and Nepal Electricity Authority, the company was required to start commercial operation on 24 Baishak, 2076 (RCOD) but the company started its operation from 21 Shrawan,

2076 (COD) only. In previous year, the Company has recognised the provision of penalty at @ 5% of expected revenue from the date of RCOD to actual COD. In current year, actual penalty is recovered and hence no provision needs to be recognised.

Particulars	Current Year	Previous Year
Provision for fine & Penalty of late RCOD	-	66,95,728
Total	-	66,95,728

Note 14: OTHER CURRENT LIABILITIES

Particulars	Current Year	Previous Year
TDS Payable	1,55,901	2,74,770
Social Security Fund	7,863	-
Payable against bank guarantee revoked	5,83,77,349	5,83,77,349
Advance from director	20,23,31,728	20,12,84,651
Total	26,08,72,841	25,99,36,769

Note 15: Revenue

Particulars	Current Year	Previous Year
Sale of Electricity	47,83,37,183	-
Revenue from service concession arrangement *	5,10,50,962	1,06,61,65,640
Less: Short energy charges	(85,11,571)	-
Total	52,08,76,574	1,06,61,65,640

*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 16: Cost of Revenue

Particulars	Current Year	Previous Year
Cost of construction/Direct Expenses (Refer note 15)	5,10,50,962	1,06,61,65,640
Equipment Hire Charges	95,65,840	-
Electricity Expenses	4,67,309	-
Fooding Expenses at Site	11,65,934	-
Fuel Expenses	22,76,733	-
Insurance Expenses	65,50,832	-
Lubricants	4,34,350	-
Miscellaneous Expenses	5,40,966	-
Repair and Maintenance (Renovation)	53,629	-
Repair & Maintenance (Civil Structure)	3,33,193	-
Repair & Maintenance- General & Miscellaneous	9,05,959	-
Repair & Maintenance - Vehicles	19,80,075	-
Transportation Expenses	3,44,560	-
Wages	64,243	-
Total	7,57,34,585	1,06,61,65,640

Note 17: Employee Benefit Expenses

The Company has provided short term employee benefits to the employees. It has not provided other long term employee benefits like gratuity, leave encashment etc. The short term employee benefits are:

Particulars	Current Year	Previous Year
Basic Salary	86,27,656	1,31,95,547
Festival Allowance	4,28,092	12,70,436
Allowance	27,54,892	15,74,500
Apportioned to:		
- Statement of Profit or Loss	1,18,10,641	22,77,557
- Intangible assets under development	-	1,37,62,926
Total	1,18,10,641	1,60,40,483

Note 18: Other Expenses

Particulars	Current Year	Previous Year
Advertisement & Publicity	95,056	2,00,658
AGM Expenses	-	3,23,400
Audit Fee	2,54,250	2,54,250
Business Promotion	341,936	4,11,704
Consultancy Charges	39,41,085	-
Communication	1,02,937	1,31,088
Daily Allowance	82,351	1,24,314
Donation	100	35,500
Electricity Expenses	62,535	11,75,044
Fuel Expenses	5,10,162	-
Fines & Penalties	1,29,717	-
House Rent Expenses	7,34,400	7,39,955
Legal Fee	3,43,000	25,79,735
Medical Expenses	46,561	14,723
Meeting & Seminar Expenses	-	20,000
Meeting Allowance	25,350	24,000
Office Expenses	-	7,25,965
Office Renovation Expenses	-	50,214
Printing & Stationery	2,08,347	1,88,489
Rates & Taxes	1,92,476	3,74,331
Refreshment	4,65,339	5,15,059
Registration & Renewal	1,94,692	3,74,865
Repair & Maintenance - Office Equipments	77,619	65,150
Staff Welfare Expenses	-	24,697
Travelling Expenses	9,302	-
Telephone & Communication Expenses	2,91,340	2,56,390
Water Charges	82,200	75,850
Total	81,90,755	86,85,382

Note 19: Other Income

Particulars	Current Year	Previous Year
Windfall Gain	-	45,738
Profit on sale of vehicle	21,629	-
Total	21,629	45,738

Note 20: Finance Cost

Particulars	Current Year	Previous Year
Bank Charge & Commission	58,33,021	9,34,743
Interest on HP Loan	8,78,747	10,51,330
Interest on Term Loan	36,55,43,591	-
Total	37,22,55,360	19,86,072

21. 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 Care Private Limited
	Sita Trade Center
	Sita Products Private Limited
	Gaurimata Nirman Company
Others	Sita Shree Gas Udhyog
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 Timalisina	Chairman
2	Satish Timalisina	Director
3	Dipendra Ango Limbu (Representing Singhlila Energy Pvt. Ltd.)	Director
4	Kalu Gurung (Representing Road Show Investment Company Pvt. Ltd.)	Director
5	Pushpa Chitrakar	Director
6	PrahladTimalisina	Director
7	Renuka Devi Pokhrel	Director

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

S.N.	Name	Designation	Nature of expenses	F.Y. 2076/77	F.Y. 2075/76
1	SitaramTimalisina	Chairman	Regular Employee Benefits	-	27,00,000
2	SatishTimalisina	Director	Regular Employee Benefits	-	9,00,000
3	Dipendra Ango Limbu	Director	Regular Employee Benefits	-	4,50,000

c) Transaction with key management personnel

Key management personnel includes:

- i) Mr. Sanjeev Thakur – Chief Executive Officer
- ii) Mr. Bishnu Prasad Pandey – Chief Finance Officer

Key management personnel compensation

Name	Particulars	Current Year	Previous Year
Mr. Sanjeev Thakur	Regular Employee Benefits	-	16,92,000
Mr. Bishnu Prasad Pandey	Regular Employee Benefits	2,00,000	13,00,000
	Consultancy(Personal PAN)	3,55,000	-
	Insight Management Pvt. Ltd.	12,43,000	-

d) Other Related Party Transaction

Name of the related Party	Nature of the transaction	Transaction		Outstanding Balance [Dr/(Cr)]	
		F.Y. 2076/77	F.Y. 2075/76	F.Y. 2076/77	F.Y. 2075/76
Sitaram Timalisina	Advance taken from director	10,47,078	10,82,26,130	(20,23,31,728)	(20,12,84,650)
Satish Timalisina	Advance to director	97,534	6,42,776	6,42,776	7,40,310
Sita Care Private Limited	Equipment Hire	19,56,000	1,52,32,300	-	(12,69,358)
Sita Trade Center	Fuel purchase	7,63,338	47,91,812	(21,047)	(1,38,791)
Sita Shree Gas Udhyog Private Limited	Equipment Hire Charge	3,01,000	-	-	-
Gaurimata Nirman Company	Equipment Hire	92,18,850	1,35,18,460	20,16,942	(1,42,459)
	Project Construction	2,79,13,066	-		

22. 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.

23. 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.

24. 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	2020.10.16

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 recognised 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 are being conducted by Nepal Council of Arbitration (NEPCA) for resolving this dispute.

25. 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

चौथो तथा पाँचौ वार्षिक साधारण सभामा प्रस्तुत संयुक्त वार्षिक प्रतिवेदन



Turbine-Generator (Power House)



Staff quarters

Head Office Staff



Shiva Prasad Sapkota
Co-Secretary



Salina Dhakal
Chief Account 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