



# माउन्टेन हाईड्रो 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



नवौं वार्षिक साधारण सभामा प्रस्तुत

वार्षिक प्रतिवेदन

आ.व. २०८०।८१

## Board of Directors



**Sitaram Timalina**  
Chairman



**Prahlad Timalina**  
Public Director



**Kamal Kumar Bharati**  
Public Director



**Satish Timalina**  
Managing Director



**Rita Timalina**  
Director



**Karuna Poudel**  
Director





# माउन्टेन हाईड्रो नेपाल लि.

ताहाचल, काठमाण्डौ

श्री संचालक समिति  
माउन्टेन हाईड्रो 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 २०८१/०९/२४ गते सोमबारका दिन हुने नवौं वार्षिक 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 मनोनीत गरी पठाएको छु / छौं ।

## **प्रतिनिधि हुनेको**

दस्तखत :

नाम :

शेयरसंख्या :

## **निवेदकः**

दस्तखत :

नाम :

ठेगाना :

शेयर प्रमाणपत्र नं.

कि.नं. \_\_\_\_\_ देखि \_\_\_\_\_ सम्म

डिम्याट नं. \_\_\_\_\_

शेयर किता:

मिति :

मिति :

(दृष्टव्य : यो निवेदन साधारण सभा हुनु भन्दा कम्तीमा ४८ घण्टा अगावै कम्पनीको रजिष्टर्ड कार्यालयमा पेश गरिसक्नु पर्ने छ ।)



# माउन्टेन हाईड्रो नेपाल लि.

ताहाचल, काठमाण्डौ

## **प्रवेश -पत्र**

शेयरधनीको नाम :

शेयरधनी नं. :

कुल शेयर संख्या :

शेयरधनीको दस्तखत :

संचालक समिति

२०८१/०९/२४

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

# MAP OF NEPAL

1:50,000 Scale



Location of Lower Hewa Khola Hydro Project 22.1 MW

## विषय-सूची

<input type="checkbox"/> नवौं वार्षिक साधारण सभा सम्बन्धि सुचना.....	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"/> लेखा परिक्षकको प्रतिवेदन :	१२
■ वासलात.....	१६
■ नाफा नोक्सान हिसाव खाता.....	१७
■ नगद प्रवाह विवरण.....	१८
■ इक्विटीमा भएको परिवर्तन.....	१९
■ लेखा सम्बन्धी टिप्पणीहरू.....	२२
■ अनुसूचीहरू.....	२९
<input type="checkbox"/> फोटोहरू	



# माउन्टेन हाईड्रो नेपाल लि.

काठमाण्डौ -१३, ताहाचल

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

## नवौं वार्षिक साधारण सभा सम्बन्धि सूचना

(प्रथम पटक प्रकाशित मिति २०८१/०९/०४)

आदरणीय शेयरधनी महानुभावहरू,

यस कम्पनीको संचालक समितिको मिति २०८१/०९/०३ गते बसेको बैठकको निर्णय अनुसार निम्न लिखित मिति, समय र स्थानमा निम्न प्रस्ताव उपर छलफल तथा निर्णय गर्न कम्पनी ऐन २०६३ को उपदफा ६७ अनुसार कम्पनीको नवौं वार्षिक साधारणसभा बस्ने भएकोले सम्पूर्ण शेयरधनी महानुभावहरूको जानकारीको लागि यो सूचना प्रकाशित गरिएको छ ।

### साधारण सभा हुने मिति, स्थान र समय

मिति:- २०८१/०९/२४ गते बुधवार

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

समय:- बिहान ११:०० वजे ।

### क) सामान्य प्रस्तावहरू :

१. संचालक समितिको तर्फबाट अध्यक्षज्यूद्वारा प्रस्तुत आ.व. २०८०/०८१ को वार्षिक प्रतिवेदन माथी छलफल गरी पारित गर्ने ।
२. कम्पनीको लेखापरिक्षकले पेश गर्नु भएको आ.व. २०८०/०८१ को लेखा परिक्षण प्रतिवेदन तथा वित्तिय विवरण माथि छलफल गरी पारित गर्ने ।
३. कम्पनी ऐन २०६३ को दफा १११ बमोजिम आगामी आ.व. २०८१/०८२ को लागी लेखा परिक्षक नियुक्ति गर्ने र पारिश्रमिक निर्धारण गर्ने ।
- ४) सञ्चालक समितिको निर्वचन सम्बन्धमा ।

### ख) विशेष प्रस्तावहरू:-

१. अन्य जलविद्युत आयोजनालाई प्राप्ति (एक्विजिसन) गर्न तथा मर्जर प्रक्रिया अघि बढाउन संचालक समितिलाई अख्तियारी दिने सम्बन्धमा ।
२. मर्जर प्रकृयाको क्रममा कम्पनीको प्रबन्ध पत्र तथा नियमावली संसोधन तथा फेरबदल गर्न परेमा संचालक समितिलाई अख्तियारी दिन स्वीकृति प्रदान गर्ने सम्बन्धमा ।

### ग) विविध

साधारण सभा सम्बन्धी सामान्य जानकारीहरू :

१. नवौं वार्षिक साधारणसभा प्रयोजनको लागी २०८१ पुष १२ गते एक दिनको लागी शेयरधनी दर्ता किताब बन्द रहनेछ । नेपाल स्टक एक्सचेञ्ज लिमिटेडमा मिति २०८१ पुष ११ गते सम्म कारोबार भई यस कम्पनीको शेयर



रजिष्ट्रार र मुक्तिनाथ क्यापिटल लिमिटेड, नारायणचौर, काठमाण्डौमा प्राप्त शेयर नामसारीको लिखितको आधारमा शेयरधनी किताबमा कायम शेयरधनीहरूले मात्र सो सभामा भाग लिन योग्य हुनेछन् ।

२. सभामा भाग लिन इच्छुक शेयरधनी महानुभावहरूले सभाको दिन सभा शुरू हुनु भन्दा अगावै सभा स्थलमा रहेको हाजिरी पुस्तिकामा दस्तखत गर्न अनुरोध छ । हाजिरी पुस्तिका बिहानको १०:३० बजेदेखि ११:३० बजेसम्म खुल्ला रहनेछ ।
३. सभामा उपस्थित हुने शेयरधनी महानुभावले सभा कक्ष भित्र प्रवेश गर्नका लागि आफ्नो परिचय स्पष्ट खुल्ने किसिमको फोटो सहितको कुनै प्रमाणपत्र वा हितग्राही खाता विवरण वा शेयर प्रमाण पत्र साथमा लिई आउनु हुन अनुरोध छ ।
४. साधारण सभामा भाग लिनको लागी प्रतिनिधि (प्रोक्सी) नियुक्ति गर्न चाहने शेयरधनी महानुभावहरूले आफ्नो सम्पूर्ण शेयरको एउटै प्रतिनिधि पत्र (प्रोक्सि फारम भरी सभा शुरू हुने समय भन्दा कम्तीमा ४८ घण्टा अगावै यस कार्यालयमा दर्ता गराईसक्नुपर्ने छ । प्रतिनिधि (प्रोक्सी) नियुक्ति गरिएको व्यक्ति समेत यस कम्पनीको शेयरधनी हुन आवश्यक छ । त्यस्तै एक भन्दा बढि व्यक्तिहरूलाई आफ्नो शेयर विभाजन गरी तथा अन्य कुनै किसिमबाट छुट्याएर दिइएको प्रोक्सी बदर हुनेछ ।
५. सभामा भाग लिन र मतदान गर्नका लागी प्रतिनिधि (प्रोक्सी) नियुक्त गरिसके पछि सभाको काम कारबाही शुरू हुनु अगावै सम्बन्धित शेयरधनी आफै सभामा उपस्थित भई हाजिरी पुस्तिकामा दस्तखत गरेमा त्यस्ता शेयरधनीले दिएको प्रतिनिधि फारम (प्रोक्सी) स्वतः बदर भएको मानिनेछ ।
६. कुनै शेयरधनीले एक भन्दा बढी प्रतिनिधि (प्रोक्सी) मुकरर गरेकोमा यस कार्यालयमा पहिलो दर्ता भएको प्रतिनिधि (प्रोक्सी) लाई मान्यता दिइनेछ ।
७. कुनै शेयरधनी महानुभावहरूले छलफलको विषयमध्ये विविध शीर्षक अन्तर्गत कम्पनी सम्बन्धि कुनै विषयमा छलफल गर्न/गराउन चाहेमा सभा हुनु भन्दा ७ कार्यदिन अगावै कम्पनी सचिव मार्फत संचालक समितिको अध्यक्षलाई लिखित रूपमा प्रस्ताव दिन पर्ने छ । तर त्यस्तो प्रस्ताव साधारण सभामा छलफल वा बहसको रूपमा समावेस गर्ने/नगर्ने अधिकार संचालक समितिको अध्यक्षमा निहित हुनेछ ।
८. कम्पनीको नवौं साधारण सभा सम्बन्धि थप जानकारी आवश्यक परेमा कार्यालय समय भित्र कम्पनीको रजिष्टर्ड कार्यालय वा शेयर रजिष्ट्रार मुक्तिनाथ क्यापिटल लिमिटेड, नारायणचौर, काठमाण्डौमा सम्पर्क राख्न अनुरोध गरिन्छ ।

संचालक समिति  
माउन्टेल हाईड्रो नेपाल लि.

## नवौं वार्षिक साधारण सभामा प्रस्तुत अध्यक्षको मन्तव्य

आदरणीय शेयरधनी महानुभावहरू,

यस माउन्टेन हाईड्रो नेपाल लिमिटेडको नवौं 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 पाँउदा मलाई खुसि लागेको छ ।

- यो कम्पनीको कुल शेयर पुँजी रु.१२५ करोड रहेको छ । कम्पनीका संस्थापकहरूको रु.१०० करोड र सर्वसाधारणको रु.२५ करोड पुँजी लगानी भएको छ ।
- आयोजनाबाट उत्पादित विजुली नेपाल विद्युत प्राधिकरणलाई उपलब्ध गराईएको छ । आव.२०८०/८१ मा विद्युत विक्रीबाट (रु.४३,६४,७७,५३३/-) त्रिचालिस करोड चौसठ्ठी लाख सतहत्तर हजार पाँच सय तेत्तिस रुपैयाको आम्दानी प्राप्त भएको छ ।
- आयोजना निर्माण तथा संचालनको लागि एन.एम.वि. बैंकको अगुवाईमा राष्ट्रिय वाणिज्य बैंक समेतबाट कर्जा प्राप्त भएको छ । मिति २०८१/०३/३१ सम्म बैंकहरूलाई सावाँ तर्फ (रु.२,९९,७३,६०,०५६/-) दुई अरब उनान्सय करोड त्रिहत्तर लाख साठी हजार छपन्न रुपैयाँ तिर्न बाँकी छ । व्याज रकम चुक्ता भएको छ ।
- गत बर्ष जस्तै यस बर्ष पनि मिति २०८१/०६/११ र १२ गते देशभर परेको अविरल बर्षाका कारण आएको बाढि र पहिरोले आयोजनामा क्षति भई विद्युत उत्पादन पूर्ण रूपमा बन्द भएको थियो । आयोजनामा जडित ३ वटा यूनिटहरू मध्ये १ वटा यूनिटबाट मिति २०८१/०८/१२ गतेबाट अर्को दोस्रो यूनिटबाट मिति २०८१/०८/१३ गतेबाट अस्थाई रूपमा विद्युत उत्पादन सुरु गरिएको छ भने तेस्रो यूनिटको मर्मत सम्भार भैरहेको छ ।
- आव.२०८०/८१ को संचालक समितिको वार्षिक प्रतिवेदन छुट्टै प्रस्तुत गरेको छु । विस्तृत जानकारी सो प्रतिवेदनबाट हुने नै छ ।
- आयोजना संचालन गर्न गराउन आ-आफ्नो स्थानबाट सहयोग गर्नुहुने सम्पूर्ण शेयरधनी महानुभावहरू, वित्तिय सहयोग गर्नुहुने बैंकहरू, सम्बन्धित निकायहरू, सरोकारवाला तथा अथक मेहनत गर्नुहुने सम्पूर्ण कर्मचारीहरूलाई हार्दिक धन्यवाद दिन चाहन्छु । अन्तमा आफ्नो व्यस्त कार्यक्रमका वावजुद यस सभामा उपस्थित भई हौसला बढाईदिनु भएकोमा सम्पूर्ण शेयरधनी तथा आमन्त्रित महानुभावहरूलाई धन्यवाद दिन चाहन्छु । धन्यवाद ।

सीताराम तिमल्सिना

अध्यक्ष

माउन्टेन हाईड्रो नेपाल लि.



# माउन्टेन हाईड्रो नेपाल लि.

कम्पनी ऐन, २०६३ को दफा १०५ उपदफा (४) बमोजिम संचालक समितिको  
आर्थिक वर्ष २०८०/८१ को प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,

यस कम्पनीको नवौँ वार्षिक साधारण सभामा म यहाँहरूलाई हार्दिक स्वागत गर्न चाहन्छु । म यस गरिमामय सभामा संचालक समितिको तर्फबाट आर्थिक वर्ष २०८०/८१ को संचालक समितिको वार्षिक प्रतिवेदन र सोही बर्षको लेखा परिक्षण भएका वित्तीय विवरणहरू सभा समक्ष स्विकृतिको लागि प्रस्तुत गर्न चाहन्छु ।

## १) आव २०८०/८१ को कारोबारको सिंहावलोकन :

यस माउन्टेन हाईड्रो नेपाल लि. ले निर्माण गरेको पाँचथर जिल्ला स्थित तल्लो हेवा खोला जल बिद्युत आयोजना (२२.१ मे.वा) को निर्माण कार्य सम्पन्न भई मिति २०७६ श्रावण २१ गते देखि नियमित रूपमा विद्युत उत्पादन गरि 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 कम्पनी र नेपाल विद्युत प्राधिकरण विच भएको विद्युत खरिद विक्रि सम्झौता बमोजिम यस कम्पनी द्वारा वार्षिक १०६५९९३७६ कि.वाघ.विद्युत शक्ति उपलब्ध गर्ने लक्ष्य रहेको छ र आव.२०८०/८१ मा विद्युत उत्पादन गरि नेपाल विद्युत प्राधिकरणलाई विक्रि गरिएको विवरण तालिका १ मा प्रस्तुत गरिएको छ ।

तालिका १

S.N.	Months	As per Availability Declaration	Actual Energy	Billing Rate	Billing Amount (Income from power sale)	Penalty	Billing Amount
1	Shrawan, 2080	16,130,949.16	1,718,930.00	5.23	8,990,003.90	-	8,990,003.90
2	Bhadra, 2080	15,626,857	11,625,180	5.38	62,543,468.40	-	62,543,468.40
3	Ashwin, 2080	15,122,765	15,122,765	5.38	81,360,475.05	-	81,360,475.05
4	Kartik, 2080	11,219,953	8,341,980	5.38	44,879,852.40	3,410,826.60	41,469,025.80
5	Mangsir, 2080	5,803,558	5,413,710	5.38	29,125,759.80	-	29,125,759.80
6	Poush, 2080	5,083,709	3,836,030	9.41	36,097,042.30	2,173,115.29	33,923,927.01
7	Magh, 2080	4,152,740	2,905,580	9.41	27,341,507.80	3,920,321.93	23,421,185.87
8	Fagun, 2080	3,821,389	2,424,200	9.41	22,811,722.00	5,955,695.90	16,856,026.10
9	Chaitra 2080	3,567,360	3,562,780	9.41	33,525,759.80	-	33,525,759.80
10	Baisakh 2081	3,546,418	2,516,390	5.38	13,538,178.20	1,725,603.15	11,812,575.05
11	Jestha 2081	6,816,821	4,164,620	5.38	22,405,655.60	6,933,941.98	15,471,713.62
12	Ashad 2081	15,626,857.00	14,493,980.00	5.38	77,977,612.40	-	77,977,612.40
	<b>Total</b>	<b>106,519,376.11</b>	<b>76,126,144.88</b>		<b>460,597,037.65</b>	<b>24,119,504.85</b>	<b>436,477,532.80</b>

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

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

रकम आव. २०८१ सम्म	
संस्थापक शेयरधनीहरूबाट	१,००,००,००,०००/-
सर्वसाधारणबाट	२५,००,००,०००/-
जम्मा	१,२५,००,००,०००/-

मिति २०७८।१२।०३ देखि संस्थापकहरूको शेयर समेत सर्वसाधारण सरह विक्रि खुल्ला भएको छ ।

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

**तालिका नं. २**

बैंकका नामहरू	कर्जा प्रकार	आव.२०८०।८१	गतआव. २०७९।८०
प्राईम कमर्सियल बैंक लि.	आवधिक	रु. ५९,४८,४३,२४२।	रु. ५९,४८,४३,२४२।
राष्ट्रिय वाणिज्य बैंक लि.	आवधिक	रु. ४६,०३,३९,३९६।-	रु. ४६,५९,२३,३९६।-
एन.एम.वि. बैंक लि.	आवधिक	रु. १,६८,०७,७८,४००।-	रु. १,७७,२२,२३,६४६।
एन.एम.वि. बैंक लि.	ब्रिज ग्याप लोन	रु. १९,१४,५०,०००।-	
एन.एम.वि. बैंक लि.	ओभर ड्राफ्ट लोन	रु. ६,९९,४९,०१८।-	रु. ६,८९,८४,१६९।
जम्मा		रु. २,९९,७३,६०,०५६।-	रु. २,९०,६९,७४,४५३।

साथै आव. २०७९।८० मा कम्पनीको संचिती रकम ऋणात्मक रु.४९,९२,०७,७८४।- रहेको थियो । यस आव. २०८०।८१ मा बैंकलाई तिरेको व्याज रु.२८,५१,६२,५५०।- र सम्पत्तिको हासकट्टी आयोजना तर्फ रु.१५,०४,६८,१६४। र अन्य हासकट्टी रु.९,९५,३८६। समेत जम्मा हासकट्टी रु.१५,१४,६३,५५०। खर्चमा देखाईएको र मिति २०८०।०३।०२ गते राती पूर्व नेपालमा परेको अविरल वर्षाका कारण आएको बाढि र पहिरोले यस आयोजनामा क्षति भई विद्युत उत्पादन पूर्ण रूपमा बन्द भएको र आयोजनामा जडित ३ वटा यूनिटहरू मध्ये १ वटा यूनिटबाट मिति २०८०।०४।२२ गतेबाट अर्को दोस्रो यूनिटबाट मिति २०८०।०५।१९ गतेबाट तथा तेस्रो यूनिटबाट मिति २०८०।०५।१६ गतेबाट अस्थायी रूपमा विद्युत उत्पादन सुरु गरिएकोले बाढीको कारणले रु.३९,८३,८५,४५५।- बराबरको क्षती भएको हुँदा ऋणात्मक संचिती रकम बढ्न गई रु.५३,७४,९२,१२०। पुग्न गएको छ । आगामी बर्षहरूमा सो ऋणात्मक संचिती घट्न गई संचिती रकम बढ्दै जाने र शेयरधनीहरूलाई लाभांश उपलब्ध गराउन समेत कम्पनी ब्यवस्थापन हदैसम्मको प्रयासरत रहने छ ।

**ग) कम्पनीको शेयरको बजार मूल्य :**

यस कम्पनीको शेयर नेपाल स्टक एक्सचेन्ज मा मिति २०७५।१२।२७ मा सुचिकृत भई धितोपत्र बजारमा कारोवार भईरहेको छ र आव. २०८०।८१ मा यस कम्पनीको बजार शेयर मुल्यमा उतार चढाब रहयो । देशको आर्थिक सुचकाङ्कहरूमा आएको भारी उतार चढावसँगै हाम्रो कम्पनीको बजार शेयर मुल्यमा समेत उतार चढाब रहन गई यस बर्षको अधिकतम मुल्य रु.३०९।- र न्युनतम मुल्य रु.१६९।- रही कारोवार भयो । आव. २०८०।८१ मा यस कम्पनीको शेयर कारोवारको स्थिती तालिका नं. ३ मा प्रस्तुत गरिएको छ ।

तालिका-३

अधिकतम मुल्य रु.	३०९	कारोबार दिन	२२९
न्यूनतम मुल्य रु.	१६९	कारोबार संख्या	२१,१७६
अन्तिम मुल्य रु.	२४९	कारोबार शेयर संख्या	४६,७८,८७३
कारोबार रकम रु.	१,१४,०५,७०,०००.००		

२) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीलाई परेको असर:

जुनसुकै व्यवसायमा पनि राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितीहरूको प्रत्यक्ष वा अप्रत्यक्ष रूपमा सकारात्मक एवं नकारात्मक असर परेको हुन्छ । यस कम्पनी द्वारा निर्माण गरिएको आयोजनामा समेत राष्ट्रिय रूपमा भएका केही उत्तर चढावहरूको प्रत्यक्ष वा अप्रत्यक्ष प्रभाव पर्न गयो । राष्ट्रिय रूपमा नै वित्तिय क्षेत्रमा Cost of fund बढ्न गई थप व्याजको भारमा हाम्रो आयोजना पनि पर्यो । साथै धितोपत्र बजारमा आएको उत्तरचढावका कारणले यस कम्पनीको बजार शेयर मुल्यमा समेत असर पर्यो ।

साथै मिति २०८१।०६।११ र १२ गते देशभर परेको अविरल बर्षाका कारण आएको बाढि र पहिरोले पूर्वी नेपालको पाँचथर जिल्ला फिदिम स्थित जलविद्युत आयोजनामा क्षति भई विद्युत उत्पादन पूर्ण रूपमा बन्द भएको र आयोजनाको इन्टेक देखि पावरहाउस सम्म क्षति भएको थियो । आयोजनामा जडित ३ वटा यूनिटहरू मध्ये १ वटा यूनिटबाट मिति २०८१।०८।१२ गतेबाट अर्को दोस्रो यूनिटबाट मिति २०८१।०८।१३ गतेबाट तथा तेस्रो यूनिटको मर्मत सम्भार भैरहेको र उक्त बाढी र पहिरोबाट यस आयोजनाको क्षलतबपम क्षेत्रको ध्वचम मा क्षती भएको, गेटहरू बगाएको, Gate Hosting System सम्पूर्णमा क्षती भएको र समग्र आयोजनामा नै तुलो क्षती भएकोले हाललाई अस्थाई रूपमा उल्लेखित यूनिटहरू संचालन गरेको र पुनर्निर्माणको काम भईरहेको छ । अन्य कुनै राष्ट्रिय एवं अन्तर्राष्ट्रिय परिस्थितीको कारणवाट आयोजना प्रभावित छैन ।

३) चालु आर्थिक वर्षको उपलब्धि र कम्पनीको भावी योजना :

- यस कम्पनीद्वारा निर्माण गरिएको आयोजना बाढि र पहिरोका कारण क्षती भए पश्चात् प्रकरण नं. २ मा उल्लेख भए अनुसार संचालन भई विद्युत उत्पादन भैरहेको छ । पुनर्निर्माणको काम भईरहेकोले मर्मत सम्भार पछि सबै टर्वाइनहरू पूर्ण क्षमतामा संचालन हुनेछन् ।
- यस कम्पनी द्वारा निर्माण गरिएको आयोजना संचालनमा रहेको र आयोजनालाई सफलतापूर्वक एवं सन्तोषजनक रूपमा संचालन गर्ने र कम्पनीले प्रक्षेपण गरेको आम्दानी प्राप्त गर्ने गरि व्यवस्थापनले कार्य गरिरहेको छ ।

४) कम्पनीको औद्योगिक वा व्यवसायिक सम्बन्ध :

आयोजना निर्माण र संचालनको लागि सबै क्षेत्रको सहयोग अपरिहार्य छ । सबै क्षेत्रबाट यथेष्ट सहयोग मिलेकै हुनाले आयोजना सफलता पूर्वक संचालन भईरहेको छ । सो सफलताले आयोजनासँग प्रत्यक्ष वा अप्रत्यक्ष संलग्न सबै लाई गौरवान्वीत तुल्याएको छ । कम्पनीको व्यवसायिक सम्बन्ध मुलतः विद्युत सम्बन्धि अनुमतिपत्र प्रदान गर्ने नेपाल सरकार उर्जा मन्त्रालय, श्री बिद्युत बिकास विभाग, बिद्युत खरिद गरिदिने नेपाल बिद्युत प्राधिकरण तथा आयोजना क्षेत्रका स्थानीय सरकार तथा सरोकार वाला निकायहरू, बैंक, बिमा कम्पनी आदिसँग सुमधुर सम्बन्ध रहेको छ । भविष्यमा पनि व्यवसायिक सम्बन्धलाई अझै बलियो तुल्याउन कम्पनी सदैब सजग रहनेछ ।

५) संचालक समिति :

कम्पनीको नियमावली अनुसार यस कम्पनीमा ७ जना संचालकहरू रहने व्यवस्था छ । संचालक समितिको कार्यकाल ४ बर्षको हुने प्रावधान छ । कम्पनीमा हाल संस्थापक तथा सर्वसाधारण शेयर धनीहरूबाट कम्पनीको २०७७।०९।२७ मा

सम्पन्न वार्षिक साधारण सभाबाट एक जना महिला सहित निर्वाचितहुनु भएका संचालक समिति सदस्यहरूको विवरण तालिका ४ मा प्रस्तुत गरिएको छ । उक्त संचालक समितिको पदावधि समाप्त हुन लागेकोले नयाँ संचालक समिति यसै सभाबाट गठन गरिने छ ।

**तालिका ४**

**संस्थापक शेयरधनिहरूबाट निर्वाचित**

श्री सीताराम तिमल्सिना	- अध्यक्ष
श्री सतिस तिमल्सिना	- संचालक
श्रीमती रीता तिमल्सिना	- संचालक
श्रीमती करुणा गौतम	- संचालक
<b>सर्वसाधारण शेयरधनी समूहबाट निर्वाचित</b>	
श्री प्रल्हाद तिमल्सिना	- संचालक
श्री कमल कुमार भारती	- संचालक

**६) संस्थागत सामाजिक उत्तरदायित्व :**

यस कम्पनीले पाँचथर जिल्लामा निर्माण गरेको तल्लो हेवा खोला जल विद्युत आयोजना संचालनमा स्थानीय समुदायसँग सुमधुर सम्बन्ध कायम गरि स्थानीय व्यक्तिहरूको सद्भाव तथा सहयोग प्राप्त भईरहेको छ । कम्पनीले पनि सामाजिक उत्तरदायित्व अर्न्तगत विभिन्न सहयोगहरू उपलब्ध गराईरहेको छ । यसै वर्ष पनि बाढी र पहिरोको कारण क्षतिग्रस्त स्थानिय कृषकहरूको ५ वटा सिंचाई कुलोका मुहानहरूको पुर्ननिर्माण गरि कुलो संचालनमा आएको छ । मेची राजमार्गको सरन्ता भन्ने ठाउँ देखि हेवा खोलाको पुछार सम्मको बाटोलाई मर्मत सम्भार तथा नाला ब्यवस्थापन गरिएको छ भने माफिटारको प्राथमिक विद्यालयलाई ५००० लि. क्षमताको खानेपानी ट्याङ्की सहयोगस्वरूप उपलब्ध गराईएको छ ।

**७) लेखा परीक्षण समिति :**

कम्पनी ऐन २०६३ को दफा १६४ मा भएको व्यवस्था अनुसार कम्पनीको संचालक समिति द्वारा नयाँ लेखापरिक्षण समिति चाँडै गठन गरिने छ । उक्त समितिले कम्पनीको लेखा तथा वित्तिय विवरणहरूको पुनरावलोकन गर्ने, कम्पनीको लेखा सम्बन्धि नीति तयार गरि लागु गर्ने गराउने र अन्य वित्तिय व्यवस्था र वित्तिय नियन्त्रण प्रणालीको विषयहरूमा छलफल तथा निर्णयहरू गर्ने छ । कम्पनीको वार्षिक लेखा परीक्षण कार्य श्री अर्याल एण्ड अर्याल चार्टर्ड एकाउन्टेन्टबाट सम्पन्न गरिएको छ ।

**८) सम्बद्ध कम्पनी बीचको कारोवार :**

यस कम्पनीको शत प्रतिशत स्वामित्वमा माउन्टेन हाइड्रो इन्भेष्टमेन्ट कम्पनी स्थापना गरि सो कम्पनी मार्फत यस कम्पनी द्वारा 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 मध्येबाट विभिन्न समिति गठन गरि सो समितिको छलफल एवं निर्णय बमोजिम कार्यहरू गरिएको छ । कम्पनीले सर्वसाधारणलाई जारी गरिएको शेयरको दाखिल खारेज सम्बन्धि कार्यलाई व्यवस्थित गर्न शेयर रजिष्ट्रारको रूपमा श्री मुक्तिनाथ क्यापिटल लि. लाई नियुक्ति गरिएको छ ।

१०) आर्थिक वर्षको व्यवस्थापन खर्चको विवरण :

यस आ.ब.२०८०/८१ को प्रशासनिक खर्च रु. ९९,९०,७९६/- रहेको छ । सोको विवरण लेखापरिक्षण प्रतिवेदनको अनुसूचि १८ मा प्रस्तुत गरिएको छ ।

११) संचालक तथा उच्च पदस्थ पदाधिकारीहरूको पारिश्रमिक :

वार्षिक साधारण सभाको निर्णय अनुसार संचालकहरूलाई प्रति बैठक रु.५,०००/- का दरले बैठक भत्ता र प्रबन्ध संचालकलाई मासिक रु.३,५५,९५७/- 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/कम्पनीसँगको कारोवारको विवरण तालीका ५ मा प्रस्तुत गरिएको छ ।

तालीका-५

फर्म / कम्पनीको नाम	कारोवारको प्रकृति	बाँकी रकम
सीता ट्रेड सेन्टर प्रा.लि.	इन्धन खरिद/सापटी	रु. ५९,७५०/- (CR)
सीता केयर प्रा.लि.	इन्धन खरिद/सापटी	रु. ४०,८५२/- (CR)

१३) संचालक सापटी

विगतमा विभिन्न कारणले आयोजनाको लागत वृद्धि भएको हुँदा शेयर तथा ऋणबाट आयोजना सम्पन्न गर्न रकम नपुग भएकाले संचालकबाट लिएको सापटी मध्ये २०८१ असार मसान्त सम्म रु.४,८२,४२,४२२/- तिर्न बाँकि रहेको छ ।

१४) धन्यवाद ज्ञापन :

हामीले प्रवर्द्धन गरेको तल्लो हेवा खोला ज.वि.आ. लाई यस अबस्थामा पुर्याउन महत्वपूर्ण योगदान गर्नुहुने सम्पुर्ण शेयरधनि महानुभावहरू लाई विशेष धन्यवाद र आभार प्रकट गर्दछु । साथै आयोजना विकास गर्न अनुमति प्रदान गर्ने उर्जा मन्त्रालय, बिद्युत बिकास बिभाग, उत्पादित बिद्युत खरिद गर्न बिद्युत व्यापार सम्भौता गर्ने नेपाल बिद्युत प्राणिकरण, आयोजना निर्माणमा वित्तिय सहयोग गर्ने एन.एम.वि. बैंक, राष्ट्रिय वाणिज्य 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, सरोकारवाला समुहहरू, उपभोक्ता समुहहरू, जग्गादाताहरू तथा आयोजना प्रभावित क्षेत्रका बासिन्दाहरू सबैलाई धन्यवाद दिन्छु । अथक परिश्रम गरि कम्पनीको कार्यमा खटिनु भएका सम्पुर्ण कर्मचारीहरू धन्यवादका पात्र छन् । भविष्यमा आयोजना संचालनमा पनि सबै क्षेत्रको सहयोग प्राप्त भई रहने बिश्वास लिएको छु । धन्यवाद ।

सीताराम तिमल्सिना  
अध्यक्ष

# Aryal & Aryal

## Chartered Accountants

1168, Durbar Marg, Kathmandu  
G.P.O. Box No. 11930  
Phone No. 00977-1-4258439  
Fax No. 00977-1-4255982  
Email: ca.sudhan@gmail.com

### Independent Auditor's Report

To,  
The shareholders,  
M/S Mountain Hydro Nepal Limited  
Kathmandu, Nepal

#### Opinion

We have audited the accompanying financial statements of M/S Mountain Hydro Nepal Limited which comprise the Statement of financial position as at 31 Ashadh, 2081 (15 July, 2024), and Income Statement, 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, 2081, and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRS).

#### Basis for Opinion

We conducted our audit in accordance with Nepal Financial Reporting Standards (NFRS). 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.

#### Emphasis of Matter Paragraph

##### Revocation of Performance Guarantee

We draw attention to Note 24 to the financial statements, which describes the revocation of a performance guarantee by the company from Himal Hydro and General Construction Limited amounting to Rs 58,377,349. The guarantee was revoked on the grounds of non-compliance with the terms of the contract. However, settlement proceedings were conducted by the Nepal Council of Arbitration (NEPCA), which ruled in favor of defendant i.e. Himal Hydro and General Construction Limited. The company has subsequently appealed this verdict to the Hon'ble High Court, Patan which has issued a verdict leading to the appointment of an arbitrator representing the company. Additionally, retention money of Rs. 58,053,336 remains payable, while the company has provided an advance of Rs. 11,574,185 to Himal Hydro and General Construction Limited.

#### Events after reporting period

We draw attention to Note 25 of the financial statements, which describes the occurrence of a flood on 11 Ashwin, 2081, subsequent to the reporting period. The flood has caused significant damage to the company's Capital Work



Sudhan

in Progress (CWIP), which had been capitalized up to the reporting date. Management has determined that this event constitutes a non-adjusting event as defined by "NAS 10 Events after the Reporting Period", as the conditions leading to the flood did not exist as of the reporting date.

While the financial statements for the year ended 31 Ashadh, 2081 have not been adjusted for this event, management has disclosed that the damage to the CWIP may result in a material financial loss, including impairment of the capitalized amounts Rs. 284,607,522 till the reporting date. The Company is still assessing the damage, which may result in an increase in the impairment loss.

Our opinion is not modified in respect of this matter.

#### Other Matters Paragraph

##### Niyamawali

We draw attention to the fact that the company is currently in the process of preparing "Karmachari Niyamawali" (Employee Rules) and "Aarthik Binimayawali" (Financial Transaction Rules), which are critical for ensuring robust governance, regulatory compliance, and financial management. The absence of these frameworks at the reporting date may have implications for governance and operational controls. This matter has not been disclosed in the financial statements, and our audit opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 any key Audit Matters to be disclosed.

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

#### Auditor's Responsibility for 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 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 yet formed an audit committee as mandated by section 164 of Companies Act, 2063.
- viii. The company engaged in related-party transactions with the approval of Board of Director which is in contrary to Section 93 of the Companies Act, 2063.

For Aryal & Aryal  
Chartered Accountants

सुधन रेग्मी

Sudhan Regmi; FCA

Proprietor

Date: 2081.09.03

Place: Kathmandu

UDIN: 241231CA00675r8agb



**MOUNTAIN HYDRO NEPAL LIMITED**  
Kathmandu, Nepal  
Statement of Financial Position  
As at 31 Ashadh, 2081 (15 July, 2024)

NPR

Particulars	Notes	Current Year	Previous Year
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, Plant & Equipment (Net Block)	3	14,759,224	17,029,890
Capital Work In Progress	3.1	284,607,522	-
Intangible Assets	3.2	3,565,493,277	3,714,061,590
<b>Financial Assets</b>			
Financial Assets Through Other Comprehensive Income	4	50,000,000	50,000,000
<b>CURRENT ASSETS</b>			
<b>Financial Assets</b>			
Cash & Cash Equivalents	5	3,233,291	325,019
Trade Receivables	6	93,436,915	26,737,062
Other Financial Assets	7	1,804,500	178,500
Other Current Assets	8	71,061,109	40,045,752
<b>TOTAL ASSETS</b>		<b>4,084,395,838</b>	<b>3,848,377,813</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	(537,492,120)	(499,207,784)
<b>NON CURRENT LIABILITIES</b>			
Long Term Borrowings	10	2,537,361,038	2,734,890,284
<b>CURRENT LIABILITIES</b>			
<b>Financial liabilities</b>			
Trade Payables	11	76,223,991	72,577,873
Short Term Borrowings	10	459,999,018	172,084,169
Provision	12	190,972,627	1,424,041
Other Current Liabilities	13	107,331,285	116,609,231
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4,084,395,838</b>	<b>3,848,377,813</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

For Aryal & Aryal

Chartered Accountants

Kamal Kumar Bharati  
Director

Prahlad Timalisina  
Director

Sitakam Timilsina  
Chairman

Sudhan Regmi, FCA  
Proprietor

Dipesh Giri  
Chief Finance Officer

Satish Timalisina  
Managing Director

Rita Timalisina  
Director

Karuna Gautam  
Director

Date:

Place: Kathmandu, Nepal

**MOUNTAIN HYDRO NEPAL LIMITED**  
Kathmandu, Nepal  
**Statement of Profit or Loss and Other Comprehensive Income**  
For the year ended 31 Ashadh, 2081 (15 July, 2024)

NPR

Particulars	Notes	Current Year	Previous Year
<b>INCOME</b>			
Revenue	14	436,477,533	478,780,484
Cost of Revenue	15	194,200,562	201,302,125
<b>Revenue from operations (Net)</b>		<b>242,276,971</b>	<b>277,478,359</b>
Other Income	16	22,006,456	1,262,577
<b>EXPENSES</b>			
Employee Benefit Expenses	17	6,419,111	7,240,445
Depreciation Expenses	3	995,386	1,190,730
Impairment Loss	3.1	-	398,385,455
Administrative Expenses	18	9,990,716	9,141,003
Finance Expenses	19	285,162,550	255,657,429
<b>Profit/loss before bonus, provision &amp; tax</b>		<b>(38,284,335)</b>	<b>(392,874,126)</b>
Employee Bonus	20	-	-
Provision for corporate social responsibility		-	-
<b>Profit/loss before tax</b>		<b>(38,284,335)</b>	<b>(392,874,126)</b>
Less: Tax		-	-
Current tax		-	-
<b>Net profit/(loss) for the year</b>		<b>(38,284,335)</b>	<b>(392,874,126)</b>
<b>Earning per share</b>			
Basic		(3.06)	(31.43)
Diluted		(3.06)	(31.43)
<b>Other comprehensive income</b>			
Changes in revaluation surplus		-	-
Gains and losses on financial assets measured at fair value through other		-	-
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total Profit / (Loss) and Other Comprehensive Income</b>		<b>(38,284,335)</b>	<b>(392,874,126)</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  
For Aryal & Aryal  
Chartered Accountants

Kamal Kumar Bharati  
Director

Prahlad Timalsina  
Director

Sitaraj Timalsina  
Chairman

Sudhan Regmi, FCA  
Proprietor

Dipesh Giri  
Chief Finance Officer

Satish Timalsina  
Managing Director

Rita Timalsina  
Director

Karuna Gautam  
Director

Date:

Place: Kathmandu, Nepal

**MOUNTAIN HYDRO NEPAL LIMITED**  
Kathmandu, Nepal  
**Statement of Cash Flow**  
For the year ended 31 Ashadh, 2081 (15 July, 2024)

NPR

Particulars	Current Year	Previous Year
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit For The Year	(38,284,335)	(392,874,126)
<b>Adjustments</b>		
Depreciation On Property, Plant & Equipment	151,463,550	165,127,676
Impairment Loss	-	398,385,455
Finance Cost	285,162,550	255,657,429
Prior Period Expenses	-	(517,409)
<b>Working Capital Changes:</b>		
(Increase)/Decrease In Trade Receivable	(66,699,853)	93,892,770
(Increase)/Decrease In Other Financial Assets	(1,626,000)	-
(Increase)/Decrease In Other Current Assets	(31,015,357)	8,473,648
Increase/(Decrease) In Trade Payables	3,646,117	(12,533,028)
Increase/(Decrease) In Other Current Liabilities	180,270,640	(20,652,422)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>482,917,312</b>	<b>494,959,994</b>
<b>CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES</b>		
Acquisition Of Property, Plant & Equipment	(604,230)	(11,877,277)
Purchase Of Capital Work In Progress	(284,607,522)	-
Sales Of Property, Plant & Equipment	-	-
Purchase Of Intangible Assets	(20,340)	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(285,232,093)</b>	<b>(11,877,277)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) In Share Capital	-	-
Borrowing (Repaid)/ Taken (Net)	89,420,754	(228,185,911)
Interest Paid	(285,162,550)	(255,657,429)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(195,741,796)</b>	<b>(483,843,340)</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>1,943,423</b>	<b>(760,624)</b>
Cash and Cash Equivalents at the beginning of the year	(68,659,150)	(67,898,526)
Cash and Cash Equivalents at the end of the year	(66,715,727)	(68,659,150)

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 Aryal & Aryal  
Chartered Accountants

Kamal Kumar Bharati  
Director

Prahlad Timalsina  
Director

Sitaram Timalsina  
Chairman

Sudhan Regmi; FCA  
Proprietor

Dipesh Giri  
Chief Finance Officer

Satish Timalsina  
Managing Director

Rita Timalsina  
Director

Karuna Gautam  
Director

Date:

Place: Kathmandu, Nepal

**MOUNTAIN HYDRO NEPAL LIMITED**  
Kathmandu, Nepal

**Statement of Changes in Equity for the year ended on 31 Ashadh, 2081 (15 July, 2024)**

Particulars	Equity Share Capital	Advance Against Share Capital	Reserve & surplus	Total
Balance as at 31 Ashadh, 2079 (16 July, 2022)	1,250,000,000	-	(105,816,249)	1,144,183,751
Changes in accounting policies/restatement	-	-	-	-
Restated balance as at 1 Shrawan, 2079 (17 July, 2022)	1,250,000,000	-	(105,816,249)	1,144,183,751
Profit/ (loss) for the year	-	-	(392,874,126)	(392,874,126)
Other Comprehensive Income/ (expenses) for the year	-	-	-	-
Prior Period Adjustment	-	-	(517,409)	(517,409)
<b>Total comprehensive income</b>	-	-	<b>(393,391,535)</b>	<b>(393,391,535)</b>
Issue of share capital	-	-	-	-
Calls in advance	-	-	-	-
Transaction cost incurred in respect of issuance of equity share	-	-	-	-
Balance as at 31 Ashadh, 2080 (16 July, 2023)	1,250,000,000	-	(499,207,784)	750,792,216
Profit/ (loss) for the year	-	-	(38,284,335)	(38,284,335)
Other Comprehensive Income/ (Expenses) for the year	-	-	-	-
Prior Period Adjustment	-	-	-	-
<b>Total comprehensive income</b>	-	-	<b>(38,284,335)</b>	<b>(38,284,335)</b>
Issue of share capital	-	-	-	-
Calls in advance	-	-	-	-
Transaction cost incurred in respect of issuance of equity share	-	-	-	-
Balance as at 31 Ashadh, 2081 (15 July, 2024)	1,250,000,000	-	(537,492,119)	712,507,881

The accompanying notes are an integral part of these financial statements  
For and on behalf of Board

Kamal Kumar Bharati  
Director

Prahlad Timalisina  
Director

Dipesh Giri  
Chief Finance Officer

Satish Timalisina  
Managing Director

S taram Timalisina  
Chairman

Rita Timalisina  
Director

Karuna Gautam  
Director

As per our report of even date  
For Aryal & Aryal  
Chartered Accountants



S taram Timalisina  
Chairman

Karuna Gautam  
Director

Prahlad Timalisina  
Director

Satish Timalisina  
Managing Director

Kamal Kumar Bharati  
Director

Dipesh Giri  
Chief Finance Officer

3. PROPERTY, PLANT AND EQUIPMENT

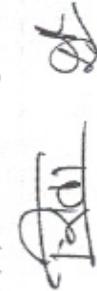
Particulars	NPR				Total
	Furniture & Fixture	Office Equipment	Vehicle	Plant & Machinery	
<b>Gross Carrying Amount</b>					
Gross Carrying Amount as at 01 Shrawan, 2079	1,756,642	1,660,146	11,095,000	3,742,725	18,254,513
Additions	-	225,508	-	11,651,769	11,877,277
Withdrawals and Adjustments					
<b>Gross Carrying Amount as at 31 Ashadh, 2080</b>	<b>1,756,642</b>	<b>1,885,655</b>	<b>11,095,000</b>	<b>15,394,494</b>	<b>30,131,790</b>
Additions	58,082	115,382	-	430,766	604,230
Withdrawals and Adjustments					
<b>Gross Carrying Amount as at 31 Ashadh, 2081</b>	<b>1,814,724</b>	<b>2,001,037</b>	<b>11,095,000</b>	<b>15,825,260</b>	<b>30,736,021</b>
<b>Accumulated Depreciation &amp; Impairment</b>					
Balance as at 01 Shrawan, 2079	1,484,545	1,278,381	6,137,928	2,305,334	11,206,188
Depreciation charge for the year	68,024	126,796	991,414	709,478	1,895,713
Withdrawals and Adjustments					
<b>Accumulated Depreciation as at 31 Ashadh, 2080</b>	<b>1,552,569</b>	<b>1,405,178</b>	<b>7,129,342</b>	<b>3,014,811</b>	<b>13,101,900</b>
Depreciation charge for the period	51,018	144,736	793,132	1,886,012	2,874,897
Withdrawals and Adjustments					
<b>Accumulated Depreciation as at 31 Ashadh, 2081</b>	<b>1,603,587</b>	<b>1,549,913</b>	<b>7,922,474</b>	<b>4,900,823</b>	<b>15,976,797</b>
<b>Net Block</b>					
<b>Net Carrying Amount as at 31 Ashadh, 2080 (16 July, 2023)</b>	<b>204,073</b>	<b>480,477</b>	<b>3,965,658</b>	<b>12,379,683</b>	<b>17,029,890</b>
<b>Net Carrying Amount as at 31 Ashadh, 2081 (15 July, 2024)</b>	<b>211,136</b>	<b>451,124</b>	<b>3,172,526</b>	<b>10,924,437</b>	<b>14,759,224</b>

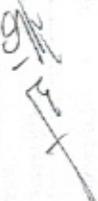
14

Apportioned to:

	Current Year	Previous Year
Cost of revenue	1,886,012	709,478
Indirect cost	988,885	1,186,235
<b>Total</b>	<b>2,874,897</b>	<b>1,895,713</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. Capital Work in Progress		NPR
Particulars		Total
<i>Gross Carrying Amount</i>		
Gross Carrying Amount as at 31 Ashadh, 2080		-
Additions		284,607,522
Transfer to PPE		-
Withdrawals and Adjustments		-
Closing Gross Carrying Amount as at 31 Ashadh, 2081		284,607,522

Out of Total Contract Value of Rs.368,234,455, the Billed Amount as of the reporting date stands at Rs. 29,197,920. However, the verified Interim Payment Certificate (IPC) reflects an amount of Rs. 218,746,507, of which the unbilled portion amounting to Rs. 189,548,586 has been capitalized under Capital Work in Progress (CWIP).

3.2. INTANGIBLE ASSETS				NPR
Particulars	Computer software	Service concession arrangement		Total
<i>Gross Carrying Amount</i>				
Gross Carrying Amount as at 01 Shrawan, 2079	149,228	4,761,781,426		4,761,930,654
Additions	-	-		-
Transfer from IAUD	-	-		-
Withdrawals and Adjustments	-	-		-
Gross Carrying Amount as at 31 Ashadh, 2080	149,228	4,761,781,426		4,761,930,654
Additions	20,340	-		20,340
Transfer from IAUD	-	-		-
Withdrawals and Adjustments	-	-		-
Closing Gross Carrying Amount as at 31 Ashadh, 2081	169,568	4,761,781,426		4,761,950,994
<i>Accumulated Amortisation &amp; Impairment</i>				
Accumulated Amortisation as at 01 Shrawan, 2079	21,753	486,229,891		486,251,645
Charge for the year	4,495	163,227,468		163,231,964
Impairment loss for the year	-	398,385,455		398,385,455
Withdrawals and Adjustments	-	-		-
Accumulated Amortisation as at 31 Ashadh, 2080	26,249	1,047,842,815		1,047,869,064
Charge for the year	6,501	148,582,152		148,588,653
Impairment loss for the year	-	-		-
Withdrawals and Adjustments	-	-		-
Accumulated Amortisation & Impairment as at 31 Ashadh, 2081	32,750	1,196,424,967		1,196,457,717
<i>Net Block</i>				
Net Carrying Amount as at Ashadh 31, 2080 (16 July, 2023)	122,979	3,713,938,611		3,714,061,590
Net Carrying Amount as at Ashadh 31, 2081 (15 July, 2024)	136,818	3,565,356,459		3,565,493,277
<i>Apportioned to:</i>				
	Current Year	Previous Year		
Cost of revenue	148,582,152	163,227,468		
Indirect cost	6,501	4,495		
Total	148,588,653	163,231,964		

Depreciation on Service Concession arrangement has been charged by estimating useful up to 08 Shrawan 2105 BS (License Period). Therefore, it is charged to cost of revenue.

Handwritten signatures and stamps are present at the bottom of the page, including a circular stamp of the company and a circular stamp of the Chartered Accountants.

**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 is 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

Particulars	Current Year	Previous Year
Cash	-	-
Balance with banks in Current account	3,233,291	325,019
<b>Total</b>	<b>3,233,291</b>	<b>325,019</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	3,233,291	325,019
in Bank overdraft	(69,949,018)	(68,984,169)
<b>Total</b>	<b>(66,715,727)</b>	<b>(68,659,150)</b>

**Note 6: TRADE RECEIVABLE**

Particular	Current Year	Previous Year
Nepal Electricity Authority (NEA)	93,436,915	26,737,062
<b>Total</b>	<b>93,436,915</b>	<b>26,737,062</b>

Since the payment from Nepal Electricity Authority (NEA) becomes due in 45 days after issuance of bill, the payment against sale of electricity during Jestha and Ashadh 2081 is outstanding as on reporting date.



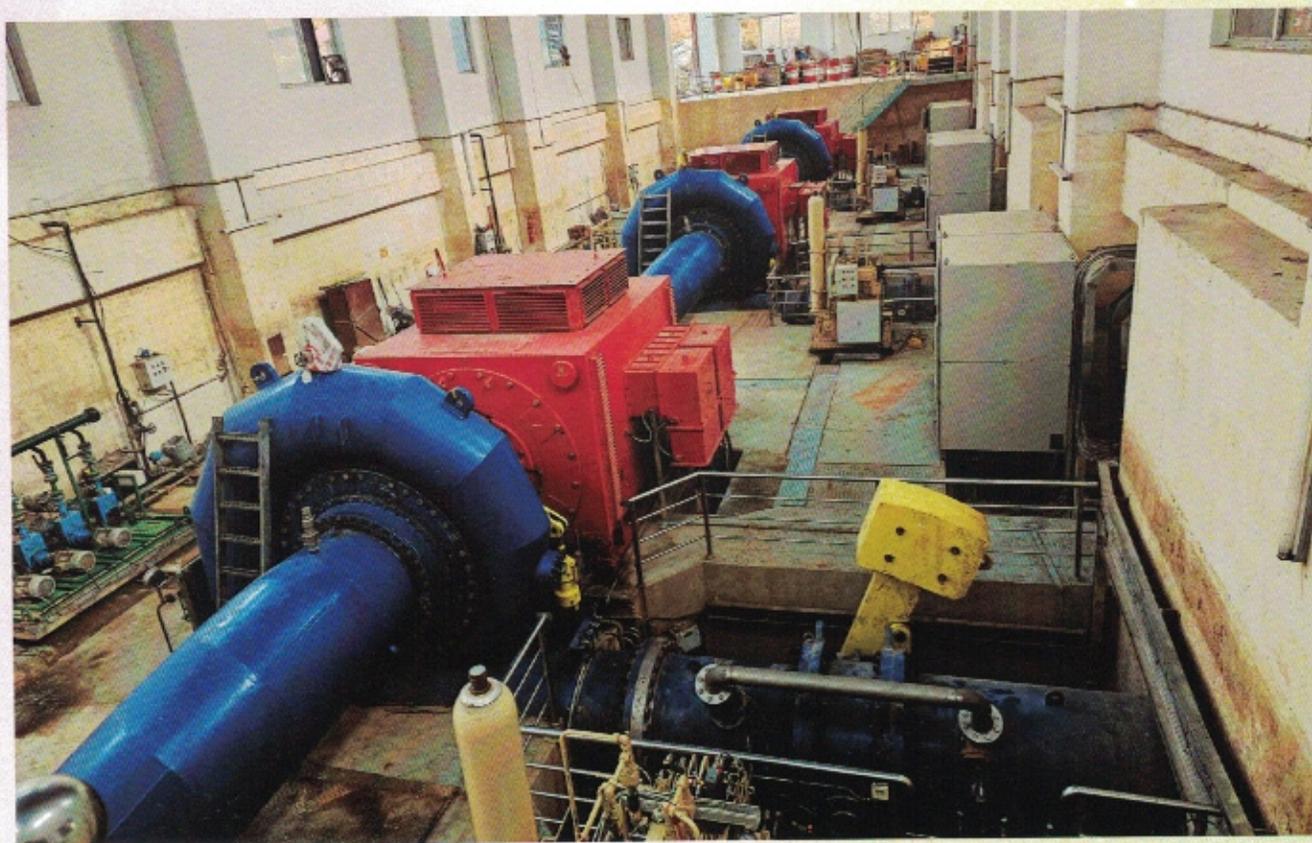
Glimpses of Flood



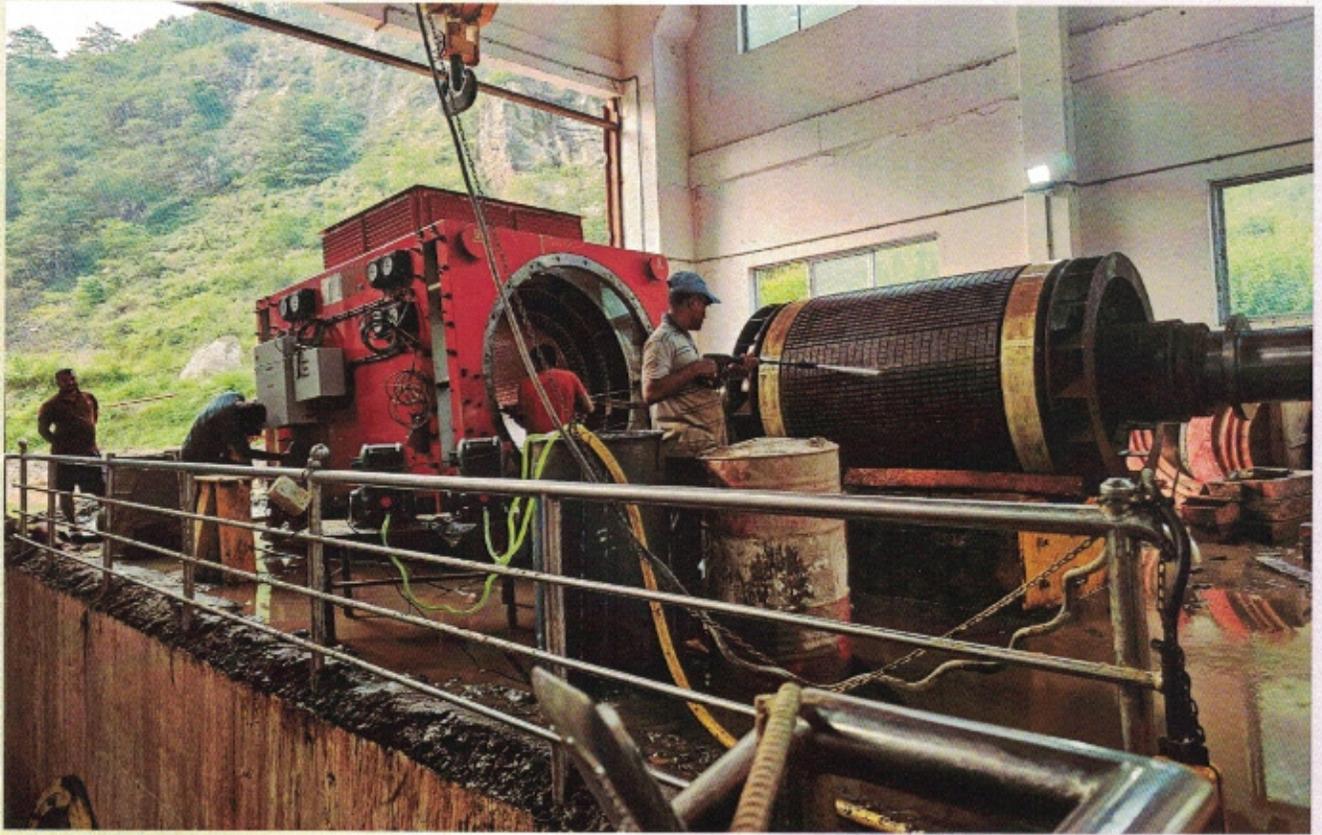
Glimpses of Flood



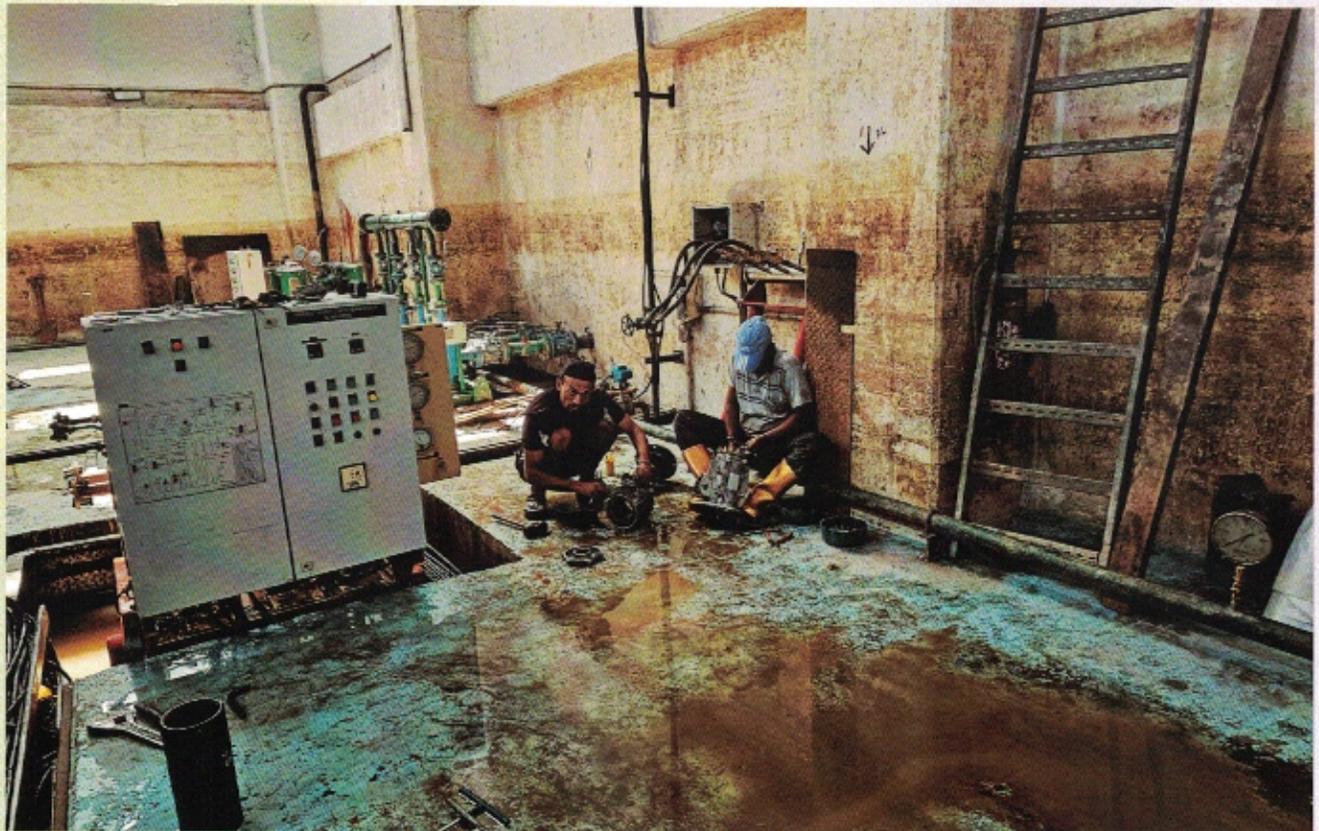
**Before Maintenance**



**After Maintenance**



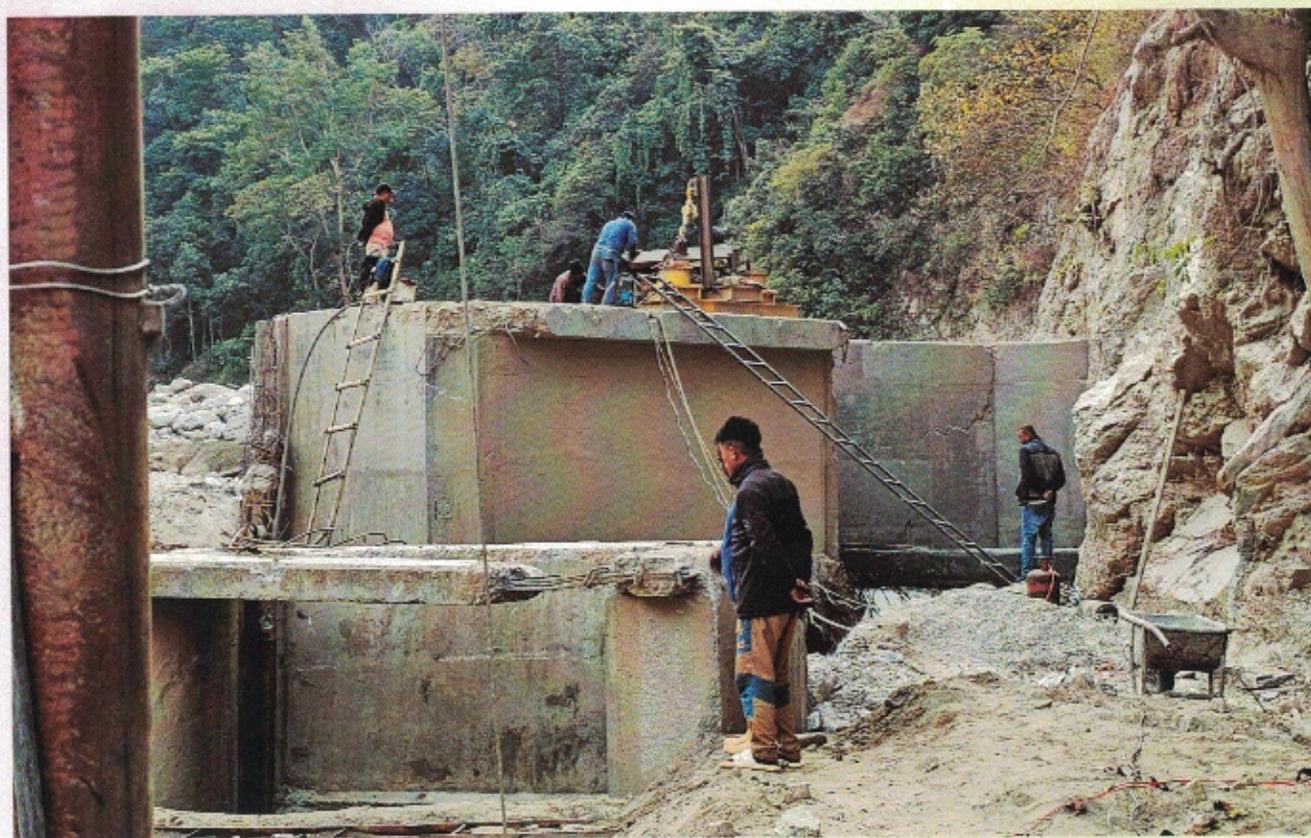
After Maintenance



Maintenance Work



Glimpses of Flood



Glimpses of Flood

**Note 7: OTHER FINANCIAL ASSETS**

Particulars	Current Year	Previous Year
<b>Non Current</b>		
Deposit	-	-
<b>Sub Total</b>	-	-
<b>Current</b>		
Cash Margin	1,194,000	15,000
Deposit ( Oxygen)	15,000	-
Exim Code Margin	15,000	-
LC Margin	17,000	17,000
Statutory Margin	483,500	66,500
Deposit - Pathivara Trade Link	80,000	80,000
<b>Sub Total</b>	<b>1,804,500</b>	<b>178,500</b>
<b>Total</b>	<b>1,804,500</b>	<b>178,500</b>

**Note 8: OTHER CURRENT ASSETS**

Particulars	Current Year	Previous Year
<b>Advances to be recovered</b>		
From contractors	11,574,185	11,574,185
From suppliers	53,951,941	23,356,189
Prepayments	3,968,285	3,902,204
Advance to employees	1,377,217	1,023,787
Tds receivable	189,481	189,387
<b>Total</b>	<b>71,061,109</b>	<b>40,045,752</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
Balance as at 1 Shrawan, 2079 (17 July 2022)	(105,816,249)	(105,816,249)
Profit for the year	(392,874,126)	(392,874,126)
Other Comprehensive Income (net of tax)	-	-
Prior period adjustment	(517,409)	(517,409)
Transaction cost incurred in respect of issuance of equity share	-	-
<b>Balance as at 31 Ashadh, 2080 (16 July, 2023)</b>	<b>(499,207,784)</b>	<b>(499,207,784)</b>
Profit for the year	(38,284,335)	(38,284,335)
Other Comprehensive Income (net of tax)	-	-
Prior period adjustment	-	-
Transaction cost incurred in respect of issuance of equity share	-	-
<b>Balance as at 31 Ashadh, 2081 (15 July, 2024)</b>	<b>(537,492,120)</b>	<b>(537,492,120)</b>

Note 10: BORROWINGS

Particulars	Current Year	Previous Year
<b>Long Term Borrowings</b>		
Term Loan	2,537,361,038	2,734,890,284
<b>Sub-total</b>	<b>2,537,361,038</b>	<b>2,734,890,284</b>
<b>Short Term Borrowings</b>		
Term Loan (Due within 12 months)	198,600,000	103,100,000
Bridge Gap Loan	191,450,000	-
Bank Overdraft	69,949,018	68,984,169
<b>Sub-total</b>	<b>459,999,018</b>	<b>172,084,169</b>
<b>Total</b>	<b>2,997,360,056</b>	<b>2,906,974,453</b>

The company has entered into consortium arrangement for term loan with NMB Bank. 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	4,126,969	10,097,380
Expenses payable	14,043,687	4,427,158
Retention money payable	58,053,336	58,053,336
<b>Total</b>	<b>76,223,991</b>	<b>72,577,873</b>

Handwritten signatures and stamps are present below the table. The central stamp is circular and reads "Moula Kumareshwari Nepal Ltd. H.O. Kathmandu". To the right, there is a circular stamp for "ARYAL & ARYAL CHARTERED ACCOUNTANTS".

**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	-	-
Provision for Staff Bonus	1,424,041	1,424,041
Provision for Capital Work in Progress	189,548,586	-
Provision for Corporate Social Responsibility	-	-
<b>Total</b>	<b>190,972,627</b>	<b>1,424,041</b>

**Note 12.1: PROVISION FOR CORPORATE SOCIAL RESPONSIBILITY**

Particulars	Current Year	Previous Year
Opening CSR provision	-	524,936
Add: Provision for CSR booked	-	-
Less: CSR cost incurred	-	(524,936)
<b>Closing CSR Provision</b>	<b>-</b>	<b>-</b>

**Note 13: OTHER CURRENT LIABILITIES**

Particulars	Current Year	Previous Year
TDS payable	647,891	17,344
Reverse VAT payable	800	800
Social security fund	62,822	146,316
Payable against bank guarantee revoked	58,377,349	58,377,349
Advance from director	48,242,422	58,067,422
<b>Total</b>	<b>107,331,285</b>	<b>116,609,231</b>


 The bottom section of the page contains several handwritten signatures in black ink. Below the signatures, there are two circular stamps. The first stamp is for 'Nepal Hydro Nepal Ltd.' with a logo in the center and the text 'Kathmandu' at the bottom. The second stamp is for 'ARAI & ARYAL' with the text 'CHARTERED ACCOUNTANTS' around the perimeter.

**Note 14: REVENUE**

Particulars	Current Year	Previous Year
Sale of electricity	460,597,037	497,730,409
Less: Short energy charges	(24,119,505)	(18,949,925)
<b>Total</b>	<b>436,477,533</b>	<b>478,780,484</b>

**Note 15: COST OF REVENUE**

Particulars	Current Year	Previous Year
Cost of construction/Direct Expenses (Refer note 15)		
Accommodation	284,145	61,935
Argon	7,345	-
Consumables	123,460	77,580
Custom clearing charges	-	43,923
Depreciation	150,468,164	163,936,946
Electricity expenses	1,737,299	2,246,844
Electrification	28,193	-
Employee benefit cost	8,480,170	8,732,972
Equipment Rental	5,424,000	-
Fooding expenses at site	2,136,739	964,710
Fuel expenses	1,491,981	341,318
Grid rent 132 KV substation	408,329	432,000
Insurance expenses	7,410,887	7,372,715
Kitchen utensils	15,700	25,350
Lease for land	-	26,284
Lubricants	617,485	767,451
Office Expenses at Site	263,844	120,525
Puja expenses	113,600	37,050
Registration & renewal	-	18,500
Renovation Expenses	13,700	-
Repair and maintenance expenses	1,082,253	1,440,226
Royalty expenses	11,334,409	11,783,033
Security expenses	1,300,000	1,300,000
Seal and Shutdown Charge(Electricity)	1,808	-
Telephone and communication expenses	23,680	55,155
Transportation expenses	1,343,890	901,058
Wages	89,481	616,550
<b>Total</b>	<b>194,200,562</b>	<b>201,302,125</b>











**Note 16: OTHER INCOME**

Particulars	Current Year	Previous Year
Discount Received	5,828	-
Insurance claim	22,000,000	-
Interest Income	628	1,262,577
<b>Total</b>	<b>22,006,456</b>	<b>1,262,577</b>

**Note 17: EMPLOYEE BENEFIT EXPENSES**

Particulars	Current Year	Previous Year
Basic salary	9,896,379	11,416,645
Allowance	4,223,502	3,758,762
Leave Encashment	29,260	-
Festival allowance	750,140	798,011
	<b>14,899,281</b>	<b>15,973,417</b>
<b>Apportioned to:</b>		
- Cost of revenue	8,480,170	8,732,972
- Indirect cost	6,419,111	7,240,445
<b>Total</b>	<b>14,899,281</b>	<b>15,973,417</b>

**Note 18: ADMINISTRATIVE EXPENSES**

Particulars	Current Year	Previous Year
Advertisement & publicity expenses	99,394	98,683
AGM expenses	353,238	169,500
Audit fees	282,500	282,500
Annual Maintenance Charge	22,035	63,500
Accessories Expense	18,200	-
Balance Written off	-	73,205
Business promotion expenses	-	38,115
Compensation expenses	-	1,000,000
Consultancy charges	1,909,700	233,734
Courier expenses	1,200	660
Credit Rating Expense	547,673	-
CSR expenses	-	1,396,064
Daily allowance	134,100	11,764
Electricity expenses	62,140	45,849
Fees and rates	-	7,021
Fuel expenses	491,144	503,018
Fines and penalties	46,963	21,494
House rent expenses	733,340	733,343
Housekeeping	1,050	-
Insurance expenses	104,482	48,667
IPO issue expenses	-	125,000
Legal fee	-	148,400
Legal expense	69,010	-
Loose and Tools	152,897	-



Handwritten signatures and initials in black ink, including a large signature that appears to be 'K. P. Singh' and several other initials.



Lubricants	184,725	47,475
Medical expenses	485	16,280
Meeting allowance	326,500	226,000
Miscellaneous expenses	3,461	41,965
Office expenses	22,344	117,884
Parking Expenses	540	-
Printing and stationery expenses	133,665	83,900
Refreshment expenses	454,302	21,655
Registration and renewal	230,330	559,600
Repair and maintenance expenses	2,536,134	1,801,472
Transportation expenses	100,887	9,250
Travelling expenses	751,047	1,079,313
Telephone and communication expenses	153,730	83,425
Waste Management Expense	1,200	-
Wages	2,384	1,212
Water charges	59,915	51,053
<b>Total</b>	<b>9,990,716</b>	<b>9,141,003</b>

**Note 19: FINANCE COST**

Particulars	Current Year	Previous Year
Bank charge and commission	1,824,556	33,617
Interest expenses	284,987,621	255,949,895
Penal Interest	-	20,390
Less:- Rebate on interest	(1,649,628)	(346,473)
<b>Total</b>	<b>285,162,550</b>	<b>255,657,429</b>

**Note 20: EMPLOYEE BONUS**

Staffs are provided annual bonus under the provision of the Electricity Act and Rules 2049 (at the rate of 2% of profit before income tax and after bonus ).

Particulars	Current Year	Previous Year
Staff bonus expenses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>





## 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 Hewa Khola 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.

*[Handwritten signatures and stamps]*

*[Handwritten signature]*

*[Handwritten signature]*



## 2.5 FINANCIAL PERIOD

The Company prepares financial statements in accordance with the Nepalese Income Year using Nepalese Calendar. The Corresponding dates for Gregorian Calendar are as follows:

Particulars	Nepalese Calendar Period	Gregorian Calendar Period
SFP* Date	31st Ashadh, 2081	15th July, 2024
Current Reporting Period	1st Shrawan 2080-31st Ashadh 2081	17th July 2023-15th July 2024
Comparative SFP* Date	31st Ashadh, 2080	16th July, 2023
Comparative reporting period	1st Shrawan 2079-31st Ashadh 2080	17th July 2022-16th July 2023

SFP\* = Statement of Financial Position

## 2.6 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.

Handwritten signatures and stamps are present at the bottom of the page. The central stamp is circular and reads "Mountain Hydro Nepal Ltd. H.O. Kathmandu". To its right is a circular stamp for "ARYAL & SINGH Chartered Accountants".



## 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

- 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).
- 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.
- 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.
- 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

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

Handwritten signatures and stamps are present at the bottom of the page. A central circular stamp reads "Mountain Hiko Nepal Ltd. Member No. 1112". To the right, a circular stamp reads "ARIAL & ARIAL CHARTERED ACCOUNTANTS KATHMANDU".

## 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 fifth 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.

The image shows several handwritten signatures and stamps. On the left, there are three signatures. In the center, there is a circular stamp with the text "Nepal" and "100%". To the right, there are two more signatures. At the bottom right, there is a circular stamp for "ARYAL & ARYA" and "CHARTERED ACCOUNTANTS".

## 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

Handwritten signatures and a circular stamp of ARVAL & ARVAL Chartered Accountants are present at the bottom of the page.

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:

- 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
- 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.
- 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.

The image shows several handwritten signatures and two circular stamps. The first stamp is the company's seal, featuring a mountain and water scene, with the text 'N. O. K. P. O. H.' and 'Nepal Hydro Power Corporation Ltd.' around the perimeter. The second stamp is a professional seal for 'ARVAL & ARVAL' Chartered Accountants, with 'REGISTERED ACCOUNTANTS' written below it.

- 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.

**Land under BOOT Arrangement/Restriction on Property use**

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

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.

**2.19 CORPORATE SOCIAL RESPONSIBILITY FUND**

In fiscal year 2080-81, the provision for CSR of previous year incurred; however, due to the company operating at a loss in the current fiscal year, no allocation has been made for the Corporate Social Responsibility Fund (CSR Fund)."

The image shows several handwritten signatures and stamps. On the left, there are two signatures. In the center, there is a large, stylized signature and a circular stamp of the Ministry of Energy, Water Resources and Irrigation, Nepal. To the right, there is another signature and a circular stamp of ARYA & ARYA, Chartered Accountants, Kathmandu.

21. Related Parties Disclosures

a) Relationship

Relationship	Related Party
Substantial Shareholder	Sitaram Timalisina
	S R Power Investment Company Private Limited
	Satish Timalisina
	Prahlad Timalisina
	Rita Timalisina
	Road Show Investment Company
	Baikuntha Sharma
	Prakash Timalisina
	Puspa Chitrakar
	Singalila Energy Private Limited
	Company with common directors
Sita Trade Center Private Limited	
Gaurimata Nirman Company Private Limited	
Sita Hydro Power Company Private Limited	
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	Managing Director
3	Prahlad Timalisina	Director
4	Kamal Kumar Bharati	Director
5	Rita Timalisina	Director
6	Karuna Gautam	Director

Handwritten signatures and stamps of the board members and the company. The central stamp is circular and reads "Mountain Hydro Nepal Ltd." with a logo in the center. To the right, there is a rectangular stamp for "ANIL & ARYA" Chartered Accountants.

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

S.N	Name	Designation	Nature of expenses	F.Y. 2080/81	F.Y. 2079/80
1	Sitaram Timalsina	Chairman	-Regular Employee Benefits -Meeting Allowances -Travelling Allowance	65,000 15,000	45,000 12,000
2	Satish Timalsina	Managing Director	-Regular Employee Benefits -Meeting Allowance -Travelling Allowance	4,417,952 65,000 15,000	42,58,200 45,000 12,000
3	Prahlad Timalsina	Director	-Regular Employee Benefits -Meeting Allowance -Travelling Allowance	65,000 15,000	45,000 12,000
4	Kamal Kumar Bharati	Director	-Regular Employee Benefits -Meeting Allowance -Travelling Allowance	20,000 15,000	30,000 12,000
5	Rita Timalsina	Director	-Meeting Allowances -Travelling Expenses	65,000 15,000	33,000 12,000
6	Karuna Gautam	Director	-Meeting Allowances -Travelling Expenses	30,000 15,000	28,000 12,000

c) Other Related Party Transaction

Name of the related Party	Nature of the transaction	Transaction		Outstanding Balance [Dr/(Cr)]	
		F.Y. 2080/81	F.Y. 2079/80	F.Y. 2080/81	F.Y. 2079/80
Sitaram Timalsina	-Advance taken from director	4,137,525	136,509,594	(48,242,422)	(58,067,422)
Satish Timalsina	-Advance taken from director	453,006	12,344	(252,628)	245,207
Prahlad Timalsina	-Advance taken from director	73,250		(59,900)	(57,900)
Mountain Hydro Investment P. Ltd	-Advance given to subsidiary	7,250	30,069	18,161,600	18,154,350
Sita Trade Center	-Fuel purchase	452,071	3,494,344	(51,750)	(3,660,764)
Gaurimata Nirman Company	-Equipment Hire	5,424,000			
	-Repair & Maintenance (Civil Structure)	29,197,921			
	-Advance given	62,757,338		28,595,000	
Sita Dhuwani Sewa Private Limited	-Transportation of Turbine for repair	2,421,780			
Kalimati Banquet Pvt. Ltd.	Hall rent and Other Expenses for AGM	353,238			2,250
Sita Care Private Limited	Purchase of Fuel	385,888		(40,852)	

Handwritten signatures and stamps are present below the table, including a circular stamp for Mountain Hydro Investment P. Ltd. and a circular stamp for ARYA & ARYA Chartered Accountants.

Sita Hydro Power Co.Pvt.Ltd	Expenses paid on the behalf of Mountain Hydro Ltd	33,308	-	11,478	11,478
Gandaki Medical College	-Advance given	-	-	2,438,974	2,438,974

## 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.


  
 The image shows several handwritten signatures and stamps. On the left, there are three signatures. In the center, there is a circular stamp of Mountain Hydro Nepal Ltd, H.O. Kathmandu. To the right, there is another signature and a circular stamp of ARVAL & ARVAL Chartered Accountants, KATHMANDU.

**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 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	2024.07.15

**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 revoked a performance guarantee of Rs. 58,377,349 from Himal Hydro and General Construction Limited due to non-compliance with the contract terms. Settlement proceedings and hearings were conducted by the Nepal Council of Arbitration (NEPCA) to resolve the dispute, and the verdict was rendered in favor of Himal Hydro and General Construction Limited. The company has appealed this decision to the Hon'ble High Court, Patan which has issued a verdict leading to the appointment of an arbitrator representing the company. Additionally, retention money of Rs. 58,053,336 remains payable, while the company has provided an advance of Rs. 11,574,185 to Himal Hydro and General Construction Limited.



The image shows several handwritten signatures and stamps. In the center, there is a circular stamp of Himal Hydro Nepal Ltd. with the text 'Himal Hydro Nepal Ltd.' and 'H.O. Kathmandu'. To the right, there is a circular stamp of 'ROYAL & ARYA' with 'CHARTERED ACCOUNTANTS' written around the perimeter. There are also several other handwritten signatures and initials scattered around these stamps.

## 25. Subsequent Event – Flood Damage to Capital Work in Progress

On 11 Ashwin, 2081, subsequent to the reporting period ending 31 Ashadh, 2081, a flood occurred, which caused significant damage to the company's Capital Work in Progress (CWIP). As of the reporting date, the total amount capitalized under CWIP was Rs. 284,607,522.

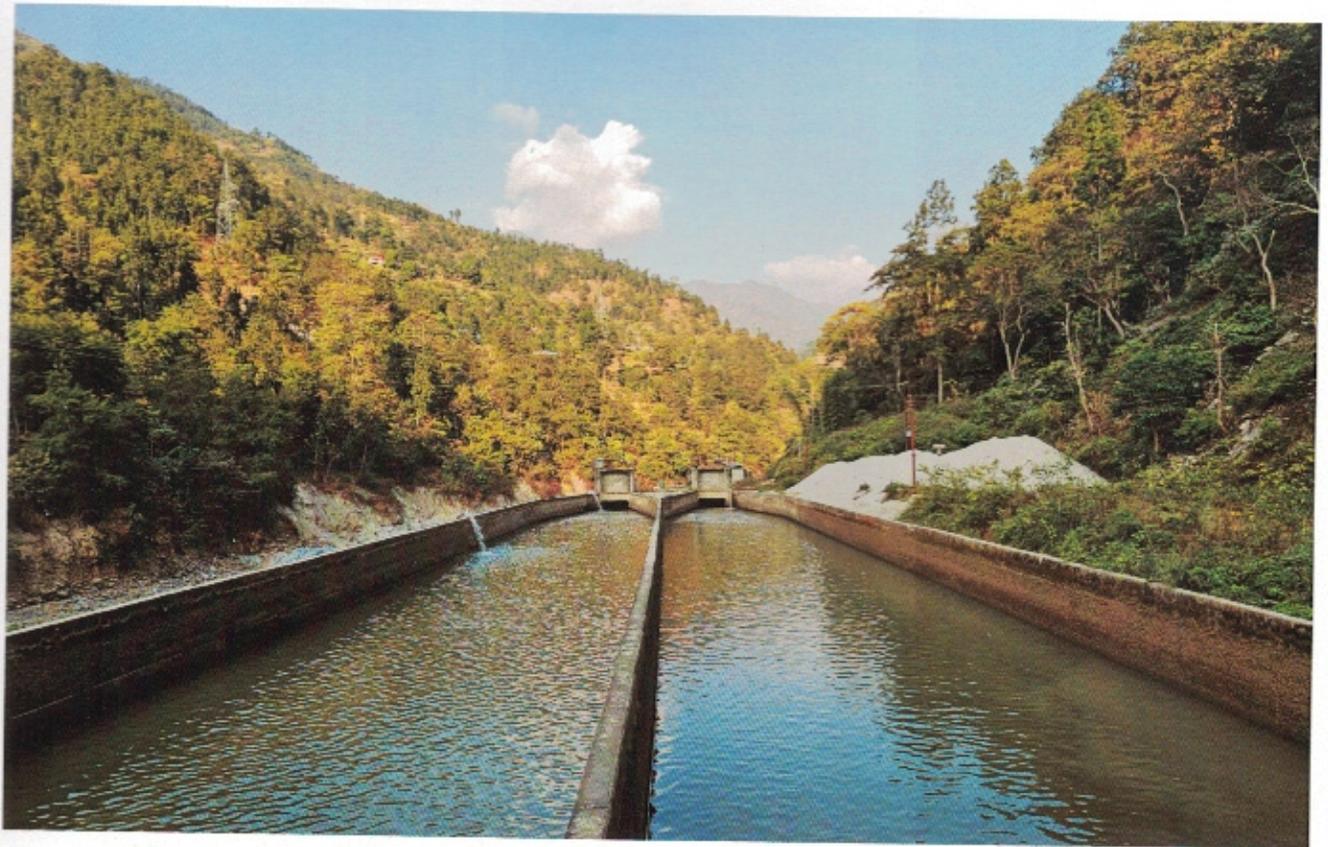
Management has assessed this flood as a **non-adjusting event** under NAS 10 "Events after the Reporting Period", as the conditions leading to the flood did not exist at the reporting date. Consequently, no adjustments have been made to the financial statements for the year ended 31 Ashadh, 2081.

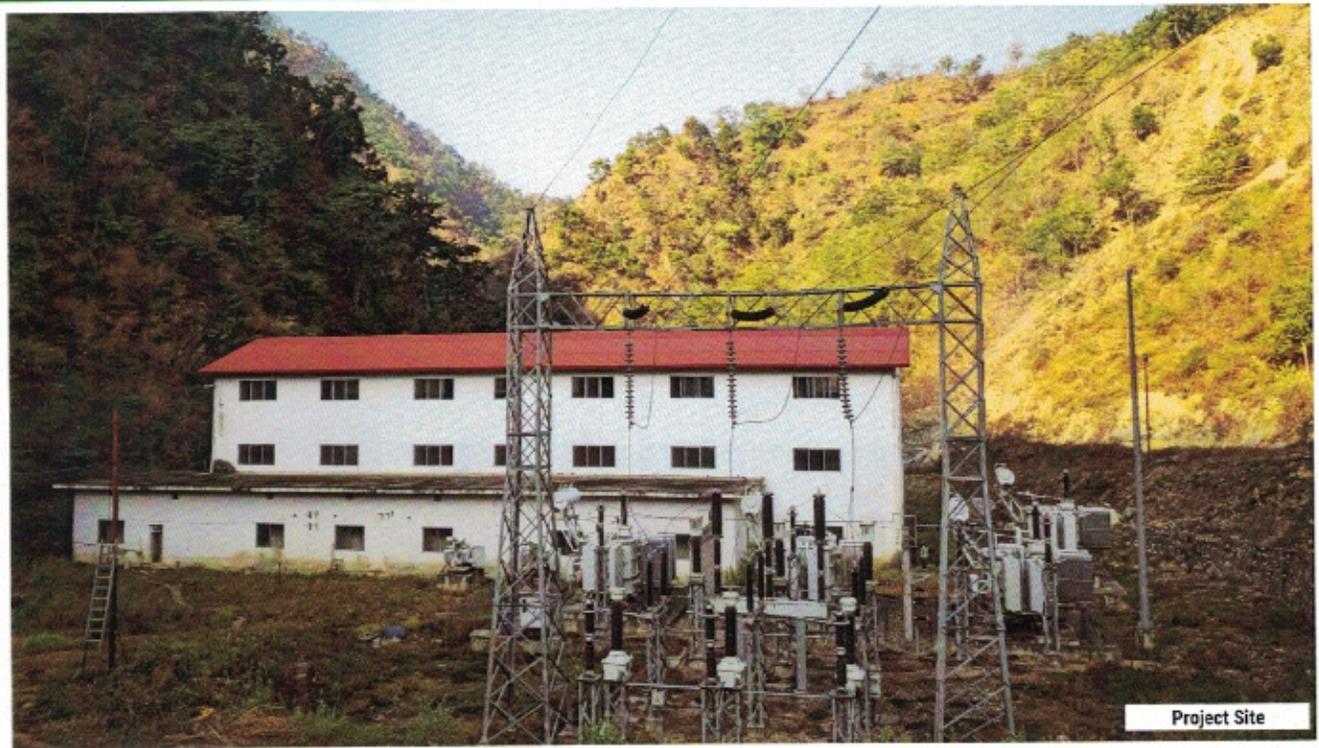
The flood damage may result in:

- Potential **impairment** of the capitalized CWIP,
- Financial loss in relation to the costs incurred up to the reporting date, and
- Additional costs for repair or restoration in the subsequent financial periods.

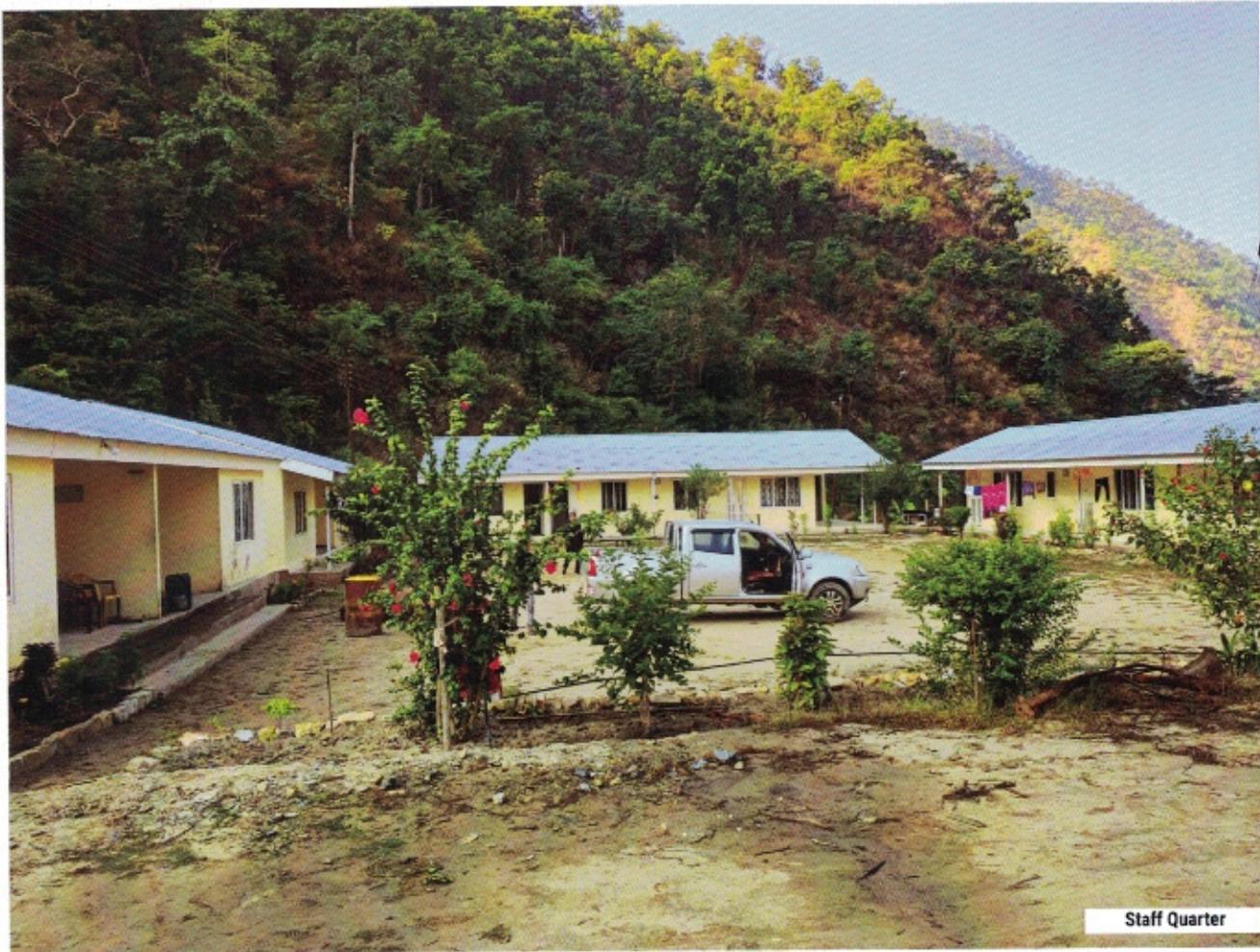
The company is in the process of assessing the extent of the damage, the financial impact, and the potential recovery from insurance claims, if any. The financial effects of this event, including impairment losses, will be recognized in the subsequent reporting period as per the applicable financial reporting framework.

The section contains several handwritten signatures and two circular stamps. The first stamp is for 'Mountain H. Power Nepal Ltd.' with 'H.O. Karkhanda' written below it. The second stamp is for 'ARYAL & ARYAL' and 'CHARTERED ACCOUNTANTS'.





Project Site



Staff Quarter