



माउन्टेन हाइड्रो नेपाल लि. Mountain Hydro Nepal Ltd.

CORPORATE OFFICE:

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

PROJECT SITE OFFICE:

Lower Hewa Khola Hydro Project, Panchthar



आठौं वार्षिक साधारण सभामा प्रस्तुत

वार्षिक प्रतिवेदन

आ.व. २०७५।८०

Board of Directors



Sitaram Timalisina
Chairman



Prahlad Timalisina
Public Director



Kamal Kumar Bharati
Public Director



Satish Timalisina
Managing Director



Rita Timalisina
Director



Karuna Poudel
Director





माउन्टेन हाइड्रो नेपाल लि.

ताहाचल, काठमाण्डौ

श्री संचालक समिति

माउन्टेन हाइड्रो नेपाल लि.

ताहाचल, काठमाण्डौ ।

विषय : साधारण सभामा मतदान गर्न प्रतिनिधी नियुक्ति गरेको बारे ।

महाशय,

.....जिल्ला.....न.पा./गा.पा.वडा नं.....बस्ने म/हामीले त्यस कम्पनीको शेयरवालाको हैसियतले २०८०/०९/२३ गते सोमबारका दिन हुने आठौं 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 :

शेयर प्रमाणपत्र नं.

कि.नं.....देखि.....सम्म

डिम्याट नं.....

शेयर किता:

मिति :

निवेदक:

दस्तखत :

नाम :

ठेगाना :

मिति :

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



माउन्टेन हाइड्रो नेपाल लि.

ताहाचल, काठमाण्डौ

प्रवेश -पत्र

शेयरधनीको नाम :

शेयरधनी नं. :

कुल शेयर संख्या :

शेयरधनीको दस्तखत :

संचालक समिति

२०८०/०९/२३

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



Location of Lower Hwa Khola Hydro Project 22.1 MW

विषय-सूची

<input type="checkbox"/> आठौं वार्षिक साधारण सभा सम्बन्धी सूचना.....	४
<input type="checkbox"/> अध्यक्षको मन्तव्य.....	६
<input type="checkbox"/> कम्पनी ऐन २०६३ को दफा १०९ उपदफा (४) अनुसार संचालक समितिको प्रतिवेदन	७
<input type="checkbox"/> प्रबन्ध-पत्रको तीन महले विवरण.....	१२
<input type="checkbox"/> लेखा परिक्षकको प्रतिवेदन :.....	१३
■ वासलात.....	१६
■ नाफा नोक्सान हिसाव खाता.....	१७
■ नगद प्रवाह विवरण.....	१८
■ इक्विटीमा भएको परिवर्तन.....	१९
■ लेखा सम्बन्धी टिप्पणीहरू.....	२०
■ अनुसूचीहरू.....	२८
<input type="checkbox"/> फोटोहरू	



माउन्टेन हाइड्रो नेपाल लि.

काठमाण्डौ -१३, ताहाचल

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

आठौं वार्षिक साधारण सभा सम्बन्धि सूचना

प्रथम पटक प्रकाशित मिति २०८०।०९।०२

यस कम्पनीको मिति २०८०/०९/०१ मा बसेको संचालक समितिको निर्णय अनुसार कम्पनीको आठौं वार्षिक साधारण सभा निम्न मिति, स्थान र समयमा देहायका विषयहरू माथि छलफल र निर्णय गर्न बस्ने भएको हुँदा सम्पूर्ण शेयरधनी महानुभावहरूको उपस्थितिको लागि कम्पनी ऐन, २०६३ को दफा ६७ (२) बमोजिम यो सूचना प्रकाशित गरिएको छ ।

वार्षिक साधारण सभा हुने मिति, स्थान र समय

मिति:- २०८०/०९/२३ गते सोमबार

स्थान:- कालीमाटी व्याङ्क्वेट (कालीमाटी सीता पेट्रोल पम्पसँगै)

समय:- १०:०० बजे ।

छलफलका विषयहरू:-

- १) अध्यक्षज्युबाट आ.व.२०७९।८० को कम्पनीको वार्षिक प्रतिवेदन प्रस्तुत गर्ने र सो माथि छलफल तथा स्वीकृत गर्ने ।
- २) लेखा परीक्षकको प्रतिवेदन सहितको आ.व. २०७९।८० को वार्षिक आर्थिक विवरण (वासलात, नाफा नोक्सान हिसाब तथा नगद प्रवाह लगायतका वित्तीय विवरणहरू) माथि छलफल र स्वीकृत गर्ने।
- ३) कम्पनीको आ.व. २०८०।८१ को लागि लेखापरीक्षक नियुक्ति गर्ने तथा पारिश्रमिक तोक्ने ।
- ४) विविध ।

विशेष प्रस्तावहरू:-

- १) यस कम्पनीले अरु कुनै जलविद्युत आयोजनालाई प्राप्त गर्ने तथा एक आपसमा गाभ्ने सम्बन्धमा ।
- २) कम्पनीको हकप्रद शेयर जारी गर्ने सम्बन्धमा ।
- ३) संचालकको भत्ता तथा अन्य सुविधा सम्बन्धमा ।

वार्षिक साधारण सभा सम्बन्धी जानकारीहरू

- १) आठौं वार्षिक साधारण सभा प्रयोजनको लागि कम्पनीको मिति २०८० पुस १३ गते देखि २०८० साल पुस २३ गते सम्म शेयरको दर्ता किताब दाखिल खारेज बन्द रहनेछ । किताब बन्द भएको अधिल्लो दिन अर्थात् मिति २०८०।०९।१२ गते सम्म नेपाल स्टक एक्सचेन्जमा कारोबार भई कायम रहनुभएका शेयरधनीहरूले सभामा भाग लिन सक्नुहुनेछ ।
- २) आठौं वार्षिक साधारण सभामा भाग लिन आफ्नो प्रतिनिधि नियुक्त गर्न चाहने शेयरधनीहरूले कम्पनी ऐनले तोकेको ढाँचामा वा वार्षिक प्रतिवेदन पुस्तिकामा रहेको प्रतिनिधि-पत्र (प्रोक्सी) फारम अनुसार सभा शुरू हुनु भन्दा ४८ घण्टा अगावै प्रतिनिधि नियुक्ति गरी कम्पनीको कार्यालयमा पेश गर्नु पर्नेछ । तर प्रतिनिधि नियुक्त गर्नुभएका शेयरधनी आफै उपस्थित भई हाजिरी गरेमा प्रतिनिधिपत्र स्वतः बदर हुनेछ ।
- ३) 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 ।
- ४) 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 मार्फत् संचालक समितिको अध्यक्षलाई लिखित रूपमा प्रस्ताव दिनुपर्नेछ । तर त्यस्तो प्रस्ताव साधारण सभामा छलफल वा बहसको रूपमा समावेश गर्ने वा नगर्ने अधिकार संचालक समितिको अध्यक्षमा निहित हुनेछ ।
- ५) मिति २०८०।०९।२३ गतेका दिन बिहान १०:०० बजे देखि सभा स्थलमा उपस्थिति खुल्ला हुनेछ । वार्षिक साधारण सभामा उपस्थित हुने शेयरधनी महानुभावहरूले आफ्नो परिचय खुल्ने प्रमाण देखाइ सभा स्थलमा रहेको उपस्थिति पुस्तिकामा हस्ताक्षर गरी उपस्थिति जनाउनु पर्नेछ ।
- ६) कम्पनी ऐन २०६३ बमोजिमको आ.व. २०७९।८० को वार्षिक आर्थिक विवरण, संचालक समितिको प्रतिवेदन, लेखा परीक्षण प्रतिवेदन तथा साधारण सभा सम्बन्धित अन्य कुराहरू र निर्वाचन सम्बन्धी जानकारी कम्पनीको प्रधान कार्यालय ताहाचल, कालीमाटी, काठमाण्डौबाट उपलब्ध हुने छ । उल्लेखित विवरणहरू कम्पनीको आधिकारिक WebSite: www.mhnl.com.np बाट समेत प्राप्त गर्न सक्नु हुनेछ ।

संचालक समिति
माउन्टेन हाइड्रो नेपाल लि.

आठौं वार्षिक साधारण सभामा प्रस्तुत अध्यक्षको मन्तव्य

आदरणीय शेयरधनी महानुभावहरू,

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

- यो कम्पनीको कुल शेयर पूँजी रु.१२५ करोड रहेको छ । कम्पनीका संस्थापकहरूको रु.१०० करोड र सर्वसाधारणको रु.२५ करोड पूँजी लगानीबाट यो कम्पनी शुरू भएको हो ।
- उत्पादित बिजुली नेपाल विद्युत प्राधिकरणलाई उपलब्ध गराईएको छ । आ.व. २०७९/८० मा विद्युत बिक्रीबाट (रु.४६,७६,३७,०९८) छयालिस करोड छयत्तर लाख सैंतिस हजार अन्तानब्बे रुपैयाँको आम्दानी प्राप्त भएको छ ।
- आयोजना निर्माण तथा संचालनको लागि एन.एम.बि. बैंकको अगुवाईमा राष्ट्रिय वाणिज्य बैंक तथा प्राइम कमर्सियल बैंक समेतबाट कर्जा प्राप्त भएको छ । मिति २०८०/३/३१ सम्म बैंकहरूलाई सावाँतर्फ (रु. २,९०,६९,७४,४५३/-) दुई अरब नब्बे करोड उनान्सत्तरी लाख चौहत्तर हजार चार सय त्रिपन्न रुपैयाँ तिर्न बाँकी छ । ब्याज चुक्ता भएको छ । हाल मंसिर मसान्तसम्मको बैंकहरूलाई तिर्न बाँकी ऋण रु. २७७ करोड रहेको छ ।
- मिति २०८०/३/०२ गते राति पूर्वी नेपालमा परेको अविरल वर्षाका कारण आएको बाढी र पहिरोले यस जलविद्युत आयोजनामा क्षति भई विद्युत उत्पादन पूर्ण रूपमा बन्द भएको थियो र आयोजनाको इन्टेक देखि पावरहाउससम्म क्षति भएको थियो । साथै आयोजनामा कार्यरत गेट अपरेटर २ जना बेपत्ता भएका थिए । बेपत्ता भएका मध्ये एक जनाको लास प्राप्त भयो भने अर्का एक जनाको अथक प्रयास गर्दा समेत लास प्राप्त हुन नसकेकाले सम्मानित अदालतबाट मृत्युको न्यायिक घोषणा गराईएको छ । 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 गरिएको छ । बाढी र पहिरोबाट आयोजनाको इन्टेक क्षेत्रको Weir मा क्षति भएको छ भने गेटहरू बगाएको छ । Gate Hosting System सम्पूर्णमा क्षति भएको छ र समग्र आयोजनामा नै ठूलो क्षति भएकोले हाललाई आयोजना अस्थायी रूपमा संचालन गरिएको छ र पुनर्निर्माणको काम भईरहेको छ ।
- आ.व.२०७९/८० 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, वित्तीय सहयोग गर्नुहुने बैंकहरू, सम्बन्धित निकायहरू, सरोकारवाला तथा अथक मेहनत गर्नुहुने सम्पूर्ण कर्मचारीहरूलाई हार्दिक धन्यवाद दिन चाहन्छु । अन्तमा आफ्नो व्यस्त कार्यक्रमका बावजुद 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।८० को प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,

यस कम्पनीको आठौं वार्षिक साधारण सभामा म यहाँहरूलाई हार्दिक स्वागत गर्न चाहन्छु । म यस गरिमामय सभामा संचालक समितिको तर्फबाट आर्थिक वर्ष २०७५/८० को संचालक समितिको वार्षिक प्रतिवेदन र सोही वर्षको लेखा परीक्षण भएका वित्तीय विवरणहरू सभा समक्ष स्वीकृतिको लागि प्रस्तुत गर्न चाहन्छु ।

१) आ.व २०७५।८० 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 गते देखि नियमित रूपमा विद्युत उत्पादन गरी रहेको छ । आयोजना सन्तोषजनक रूपमा संचालन भई रहेको छ। कम्पनीको आर्थिक गतिविधिहरूलाई बूँदागत रूपमा तल प्रस्तुत गरिएको छ ।

क) विद्युत उत्पादन लक्ष्य तथा बिक्री :

यस कम्पनी र नेपाल विद्युत प्राधिकरण विच भएको विद्युत खरिद बिक्री सम्झौता बमोजिम यस कम्पनीद्वारा वार्षिक ११,८७,०७,४३२ कि.वा. विद्युत शक्ति उपलब्ध गर्ने लक्ष्य रहेको छ र आ.व.२०७५।८० 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 २०७५।८० मा					
			उत्पादित विद्युत (KWH)	दर	विल आम्दानी	जरिवाना	रोयल्टि	खुद आम्दानी
२०७५ श्रावण	१,५६,२६,८५७	७,९५,४०,७०२	१,५६,२६,८५७	५.०९	८,०५,७७,८३२.६०		१६,११,५५७	७,८९,६६,२७६
२०७५ भाद्र	१,५६,२६,८५७	८,१७,२८,४६२	१,५६,२६,८५७	५.२३	८,३३,६०,८७०.६२		१६,६७,२१७	८,१६,९३,६५३
२०७५ असोज	१,५६,२६,८५७	८,१७,२८,४६२	१,५६,२६,८५७	५.२३	८,१७,२५,७६२		१६,३४,५१५	८,००,९१,२४७
२०७५ कार्तिक	१,२८,९६,४९८	६,७४,४८,६८५	९७,४२,३८०	५.२३	५,०९,५१,१३५	३०,०६,३००	९,५८,८९७	४,६९,८५,९३८
२०७५ मंसिर	७९,०१,५५८	४,१३,२५,१४८	५६,३०,८१०	५.२३	२,९४,४९,०२८		५,८८,९८१	२,८८,६०,०४८
२०७५ पुस	५८,४३,३४३	५,३५,८३,४५५	४३,४४,८२०	९.१७	३,९८,२८,५३३		७,९६,५७१	३,९०,३१,९६२
२०७५ माघ	४६,१४,१५६	४,२३,११,८१०	३१,१५,०५०	९.१७	२,८५,५५,०१५	१८,९९,४९२	५,३३,११०	२,६१,२२,४१३
२०७५ फागुन	४२,४५,९८८	३,८९,३५,७०९	२६,३८,७६०	९.१७	२,४१,८७,६७७	३८,३६,२७३	४,०७,०२८	१,९९,४४,३७६
२०७५ चैत्र	३९,६३,७३३	३,५२,७७,२२३	३५,६७,३६०	८.९०	३,२६,९७,५५८		६,५३,९५१	३,२०,४३,६०७
२०८० बैशाख	५३,७३,३६०	२,८१,०२,६७२	२६,४२,२००	५.२३	१,३८,०९,६३४	४३,९१,८२६	१,८८,३५६	९२,२९,४५२
२०८० जेष्ठ	१,१३,६१,३६८	५,९४,१९,९५५	५८,१५,२२०	५.२३	३,०४,०९,९२९	५२,३८,३७१	५,०३,४३१	२,४६,६८,१२६
२०८० असार	१,५६,२६,८५७	८,१७,२८,४६२	४,३०,४१०	५.२३	२१,४९,४१६		४२,९८८	२१,०६,४२८
जम्मा	११,८७,०७,४३२	६९,११,३०,७४५	८,४८,०७,५८१		४९,७७,०२,३९२	१,८३,७२,२६३	९५,४३,६१४	४६,७६,३७,०९८

ख) कम्पनीको शेयर पूँजी, ऋण तथा संचिति :

यस कम्पनीले तल्लो हेवा खोला जल विद्युत आयोजना निर्माण गर्ने उद्देश्यले संस्थापक शेयरधनी तथा आयोजना प्रभावित जिल्ला पाँचथरका स्थानीय बासिन्दाहरू र सर्वसाधारण शेयरधनीबाट गरि जम्मा शेयर पूँजी रु.१२५ करोड संकलन गरेको छ र सो को विवरण यस प्रकार रहेको छ ।

रकम आ.व. ७९/८० 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 बिक्री खुल्ला भएको छ ।

आयोजना निर्माणको लागि कम्पनी र कन्सोर्टियम बैंकहरूसँग 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	आ.व.२०७९/८०	गतआ.व. २०७८।७९
प्राईम कमर्सियल बैंक लि	आवधिक	रु. ५९,९८,४३,२४२/-	रु. ६८,९७,११,२४४/-
राष्ट्रिय वाणिज्य बैंक लि.	आवधिक	रु. ४६,५९,२३,३९६/-	रु. ५५,४०,१९,५९२/-
एन.एम.वि बैंक लि	आवधिक	रु. १,७७,२२,२३,६४६/-	रु. १,८०,२४,४५,३५८/-
एन.एम.वि बैंक लि	ब्रिज ग्याप लोन	-	रु. २,००,००,०००/-
एन.एम.वि बैंक लि	ओभर ड्राफ्ट लोन	रु. ६,८९,८४,१६९/-	रु. ६,८४,९८,४३९/-
सेन्चुरी कमर्सियल बैंक लि.	आवधिक		
प्रभु बैंक लि.	आवधिक		
जम्मा		रु. २,९०,६९,७४,४५३/-	रु. ३,१३,४६,७४,६३३/-

साथै आ.व २०७८।७९ मा कम्पनीको संचिति रकम ऋणात्मक रु.१०,५८,१६,२४९/- रहेको थियो । यस आ.व. २०७९।८० मा बैंकलाई तिरेको व्याज रु. २५,५६,५७,४२९।- र सम्पत्तिको ह्रासकट्टी आयोजना तर्फ रु.१६,३२,३९,९६४। र अन्य ह्रासकट्टी रु.११,९०,७३०। समेत जम्मा ह्रासकट्टी रु.१६,४४,२२,६९४। खर्चमा देखाइएको र मिति २०८०।०३।०२ गते राती पूर्वी नेपालमा परेको अविरल वर्षाका कारण आएको बाढी 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 क्षति भएको हुँदा ऋणात्मक संचिति रकम बढ्न गई रु.४९,९२,०७,७८४। पुनर्न गएको छ । आगामी वर्षहरूमा सो ऋणात्मक संचिति घट्न गई संचिति रकम बढ्दै जाने र शेयरधनीहरूलाई लाभान्श उपलब्ध गराउन सक्षम हुने विश्वास गरिएको छ ।

ग) कम्पनीको शेयरको बजारमूल्य :

यस कम्पनीको शेयर नेपाल स्टक एक्सचेन्जमा मिति २०७५।१२।२७ मा सूचीकृत भई धितोपत्र बजारमा कारोवार भईरहेको छ र आ.व. २०७९।८०मा यस कम्पनीको बजार शेयरमूल्यमा उतार चढाब रहयो । देशको आर्थिक सुचकाङ्कहरूमा आएको भारी उतार चढावसँगै हाम्रो कम्पनीको बजार शेयर मूल्यमा समेत उतार चढाब रहन गई यस बर्षको अधिकतम मूल्य रु. ३५६।- र न्युनतम मूल्य रु.२१२।- रही कारोवार भयो । आ.व. २०७९।८० मा यस कम्पनीको शेयर कारोवारको स्थिति तालिका नं. ३ मा प्रस्तुत गरिएको छ ।

तालिका-३

अधिकतम मूल्य रु.	३५६	कारोबार दिन	२३६
न्यूनतम मूल्य रु.	२१२	कारोबार संख्या	२७५४५
अन्तिम मूल्य रु.	२३८	कारोबार शेयर संख्या	६५९६६३९
कारोबार रकम	१,९२,९०,००,०००।०६		

चालु आ.व को मिति २०८०।०४।०९ देखि २०८०।०८।२४ सम्म कारोवार बन्द हुँदाका समयमा शेयर कारोबारको स्थिति यस प्रकार रहेको छ । अधिकतम मूल्य रु. २४९। न्यूनतम मूल्य रु.१६९। अन्तिम मूल्य रु.२०९।०९ कारोबार संख्या ५२७९ कारोबार शेयर संख्या ८७८५५८ तथा कारोबार रकम रु. १७,८८,९३,९९५।१० छ ।

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 वित्तिय क्षेत्रमा Cost Of fund बढ्न गई थप ब्याजको भारमा हाम्रो आयोजना पनि पर्‍यो । साथै धितोपत्र बजारमा आएको उत्तारचढावका कारणले यस कम्पनीको बजार शेयरमूल्यमा समेत असर पर्‍यो ।

साथै मिति २०८०।०३।०२ गते राती परेको अविरल वर्षाका कारण आएको बाढी र पहिरोले पूर्वी नेपालको पाँचथर जिल्ला फिदिम स्थित जलविद्युत आयोजनामा क्षति भई विद्युत उत्पादन पूर्ण रूपमा बन्द भएको र आयोजनाको इन्टेक देखि पावरहाउससम्म क्षति भएको साथै आयोजना स्थलमा कार्यरत गेट अपरेटर २ जना बेपत्ता भएका मध्ये १ जनाको लास प्राप्त भएको र अर्का १ जना हाल सम्म बेपत्ता रहेकोले सम्मानित अदालतबाट मृत्युको न्यायिक घोषणा गरिएको अवस्था छ । आयोजनामा जडित ३ वटा यूनिटहरू मध्ये १ वटा यूनिटबाट मिति २०८०।०४।२२ गतेबाट अर्को दोस्रो यूनिटबाट मिति २०८०।०५।९ गतेबाट तथा तेस्रो यूनिटबाट मिति २०८०।०५।१६ गतेबाट अस्थायी रूपमा विद्युत उत्पादन सुरु गरिएको साथै उक्त बाढी र पहिरोबाट यस आयोजनाको Intake क्षेत्रको Weir मा क्षती भएको, गेटहरू बगाएको, Gate Hosting System सम्पूर्णमा क्षति भएको र समग्र आयोजनामा नै ठुलो क्षति भएकोले हाललाई अस्थायी रूपमा उल्लेखित यूनिटहरू संचालन गरेको र पुनर्निर्माणको काम भईरहेको छ । अन्य कुनै राष्ट्रिय एवं अन्तर्राष्ट्रिय परिस्थितिको कारणबाट आयोजना प्रभावित छैन ।

३) चालु आर्थिक वर्षको उपलब्धि र कम्पनीको भावी योजना :

- यस कम्पनीद्वारा निर्माण गरिएको आयोजनामा बाढी र पहिरोका कारण क्षति भए पश्चात् प्रकरण नं. २ मा उल्लेख भए अनुसार संचालन भई विद्युत उत्पादन भैरहेको छ । पुनर्निर्माणको काम भईरहेको भएता पनि वैकल्पिक व्यवस्था गरी टर्वाइनहरू पूर्ण क्षमतामा संचालन भईरहेका छन् ।
- यस 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 औद्योगिक वा व्यवसायिक सम्बन्ध :

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

५) संचालक समिति :

कम्पनीको नियमावली अनुसार यस कम्पनीमा ७ जना संचालकहरू रहने व्यवस्था छ । संचालक समितिको कार्यकाल ४ वर्षको हुने प्रावधान छ । कम्पनीमा हाल संस्थापक तथा सर्वसाधारण शेयरधनीहरूबाट कम्पनीको २०७७।०९।२७ मा सम्पन्न वार्षिक साधारण सभाबाट एक जना महिला सहित निर्वाचित हुनुभएका संचालक समिति सदस्यहरू मध्ये संस्थापक शेयरधनी समूहबाट निर्वाचित संचालक श्री दिपेन्द्र आडवो लिम्बु र महिला संचालक श्री रेणुका देवी पोखरेलले राजिनामा दिनुभएकोले रिक्त संचालक पद २ बाँकी कार्यकालको लागि मिति २०७९।०९।२७ मा निर्वाचित संचालक सहितको विवरण तालिका ४ मा प्रस्तुत गरिएको छ ।

तालिका ४

संस्थापक शेयरधनीहरूबाट निर्वाचित

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

६) संस्थागत सामाजिक उत्तरदायित्व :

यस कम्पनीले पाँचथर जिल्लामा निर्माण गरेको तल्लो हेवा खोला जलविद्युत आयोजनाले स्थानीय समुदायसँग सुमधुर सम्बन्ध कायम गरी स्थानीय व्यक्तिहरूको सद्भाव तथा सहयोग प्राप्त भईरहेको छ । कम्पनीले पनि सामाजिक उत्तरदायित्व अर्न्तगत विभिन्न सहयोगहरू उपलब्ध गराईरहेको छ । यसै वर्ष बाढी र पहिरोको कारण क्षतिग्रस्त स्थानिय कृषकहरूको १६ वटा सिंचाई कुलोका मुहानहरूको पुनर्निर्माणको कार्य भैरहेको छ ।

७) लेखा परीक्षण समिति :

कम्पनी ऐन २०६३ को दफा १६४ मा भएको व्यवस्था अनुसार कम्पनीको संचालक समितिद्वारा नयाँ लेखापरिक्षण समिति चाँडै गठन गरिने छ । उक्त समितिले कम्पनीको लेखा तथा वित्तिय विवरणहरूको पुनरावलोकन गर्ने, कम्पनीको लेखा सम्बन्धी नीति तयार गरी 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 गरी सो कम्पनी मार्फत यस कम्पनीद्वारा निर्माण गरिएको तल्लो हेवा खोला ज.बि.आ. को लागि आवश्यक जग्गाहरू खरिद गरिएको छ र सो कम्पनीमा यस कम्पनीको रु. ५ करोड लगानी रहेको छ ।

९) आन्तरिक नियन्त्रण प्रणाली :

प्रभावकारी आन्तरिक नियन्त्रण प्रणालीले कम्पनीको आर्थिक तथा प्रशासनिक कार्य चुस्त र दुरुस्त राख्ने कुरामा कम्पनी विश्वस्त रही सोही अनुरूप कार्य गरिरहेको छ । आर्थिक नियन्त्रण गर्नका लागि कम्पनीको संचालक समिति सदस्यहरू मध्येबाट विभिन्न समिति गठन गरि सो समितिको छलफल एवं निर्णय बमोजिम कार्यहरू गरिएको छ । कम्पनीले सर्वसाधारणलाई जारी गरिएको शेयरको दाखिल खारेज सम्वन्धि कार्यलाई व्यवस्थित गर्न शेयर रजिष्ट्रारको रूपमा श्री मुक्तिनाथ क्यापिटल लि.लाई नियुक्ति गरिएको छ ।

१०) आर्थिक वर्षको व्यवस्थापन खर्चको विवरण :

यस आ.ब.२०७९।८० को प्रशासनिक खर्च रु. ९१,४९,००३।- रहेको छ । सोको विवरण लेखापरिक्षण प्रतिवेदनको अनुसूची 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 प्रवन्ध संचालकलाई मासिक रु. ३,३९,६००।-का दरले पारिश्रमिक दिईएको छ ।

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

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

तालीका-५

फर्म / कम्पनीको नाम	कारोवारको प्रकृति	बाँकी रकम
सीता ट्रेड सेन्टर प्रा.लि.	इन्धन खरिद/सापटी	रु.३३,६०,७६४।- (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 २०८० असार मसान्त सम्म रु. ५,८०,६७,४२२।- तिर्न बाँकी रहेको छ ।

१४) धन्यवाद ज्ञापन :

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

सीताराम तिमल्सिना
अध्यक्ष

माउन्टेन हाइड्रो नेपाल लि. को आठौं वार्षिक साधारण सभामा संशोधनको लागि प्रस्तुत प्रबन्ध-पत्रको तीन महले विवरण

साविक व्यवस्था	हालको संशोधन व्यवस्था	संशोधन गर्नुपर्ने कारण
<p>प्रबन्ध-पत्र दफा ६ (क)</p> <p>क) कम्पनीको अधिकृत पूँजी रु. १,२५,००,००,०००/- (एक अर्ब पच्चिस करोड) हुनेछ । सो पूँजीलाई प्रति शेयर रु. १००/- दरका १,२५,००,००० थान (एक करोड पच्चिस लाख) थान साधारण शेयरमा विभाजित गरिएको छ ।</p>	<p>प्रबन्ध-पत्रको दफा ६ (घ)</p> <p>क) कम्पनीको अधिकृत पूँजी रु. २,५०,००,००,०००/- (दुई अर्ब पचास करोड) हुनेछ । सो पूँजीलाई प्रति शेयर रु. १००/- दरका २,५०,००,००० थान (दुई करोड पचास लाख) थान साधारण शेयरमा विभाजित गरिएको छ ।</p>	<p>कम्पनीको १:१ हकप्रद शेयर जारी हुने भएकोले</p>
<p>प्रबन्ध-पत्र दफा ६ (ख)</p> <p>क) कम्पनीको तत्काल जारी गर्ने पूँजी रु. १,२५,००,००,०००/- (एक अर्ब पच्चिस करोड) हुनेछ । सो पूँजीलाई प्रति शेयर रु. १००/- दरका १,२५,००,००० थान (एक करोड पच्चिस लाख) थान साधारण शेयरमा विभाजित गरिएको छ ।</p>	<p>प्रबन्ध-पत्रको दफा ६ (ख)</p> <p>क) कम्पनीको तत्काल जारी गर्ने पूँजी रु. २,५०,००,००,०००/- (दुई अर्ब पचास करोड) हुनेछ । सो पूँजीलाई प्रति शेयर रु. १००/- दरका २,५०,००,००० थान (दुई करोड पचास लाख) थान साधारण शेयरमा विभाजित गरिएको छ ।</p>	<p>कम्पनीको १:१ हकप्रद शेयर जारी हुने भएकोले</p>

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 of
Mountain Hydro Nepal Limited

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, 2080 (July 16, 2023), and the Statement of comprehensive income, Statement of changes in equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 Ashadh, 2080, and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with NFRSs, and for such internal control as management determines is 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.

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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 NFRSs 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 NFRSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

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

For Aryal & Aryal
Chartered Accountants

Sudhan Regmi; FCA
Proprietor
Date: 01/09/2080
Place: Kathmandu
UDIN: 231218CA006758lggU



MOUNTAIN HYDRO NEPAL LIMITED

Kathmandu, Nepal

Financial Statement

As at 31 Ashad 2080 (16 July 2023)

NPR

Particulars	Notes	Current Year	Previous Year
ASSETS			
NON CURRENT ASSETS			
Property, plant & equipment (Net block)	3	17,029,890	7,048,325
Intangible Assets	3.1	3,714,061,590	4,275,679,009
Intangible Assets under Development (IAUD)	3.2	-	-
Financial assets			
Financial Assets Through Other Comprehensive Income	4	50,000,000	50,000,000
CURRENT ASSETS			
Financial assets			
Cash & cash equivalents	5	325,019	599,913
Trade receivables	6	26,737,062	120,629,832
Other financial assets	7	178,500	178,500
Other current assets	8	40,045,752	48,519,400
TOTAL ASSETS		3,848,377,813	4,502,654,979
EQUITY & LIABILITIES			
EQUITY			
Equity share capital	9	1,250,000,000	1,250,000,000
Other equity			
Reserve & surplus	9.1	(499,207,784)	(105,816,249)
NON CURRENT LIABILITIES			
Long Term Borrowings	10	2,734,890,284	2,946,078,194
CURRENT LIABILITIES			
Financial liabilities			
Trade payables	11	72,577,873	85,110,901
Short Term Borrowings	10	172,084,169	188,596,439
Provision	12	1,424,041	1,948,976
Other current liabilities	13	116,609,231	136,736,718
TOTAL EQUITY & LIABILITIES		3,848,377,813	4,502,654,979

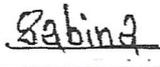
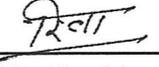
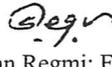
Summary of significant accounting policies

2

The accompanying notes are an intergral part of these financial statements

For and on behalf of Board

As per our report of even date

 Kamal Kumar Bharti Director	 Prahlad Timalsina Director	 Sitaram Timilsina Chairman	 Karuna Gautam Director	 Sabin Dulal Senior Accountant	 Satish Timalsina Director	 Rita Timalsina Director	 Sudhan Regmi; FCA Proprietor
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For Aryal & Aryal
Chartered Accountants




MOUNTAIN HYDRO NEPAL LIMITED

Kathmandu, Nepal

Statement of Profit or Loss and other Comprehensive Income

For the year ended 31 Ashad, 2080 (16 July 2023)

NPR

Particulars	Notes	Current Year	Previous Year
INCOME			
Revenue	14	478,780,484	608,183,833
Cost of revenue	15	201,302,125	259,261,873
Revenue from operations (Net)		277,478,359	348,921,960
Other income	16	1,262,577	6,425,000
Expenses			
Employee benefit expenses	17	7,240,445	7,428,993
Depreciation	3	1,190,730	1,453,524
Impairment Loss	3.1	398,385,455	-
Administrative Expenses	18	9,141,003	8,180,520
Finance Costs	19	255,657,429	265,657,855
Profit/loss before bonus, provision & tax		(392,874,126)	72,626,067
Employee Bonus	20	-	1,424,041
Provision for corporate social responsibility		-	704,971
Profit/loss before tax		(392,874,126)	70,497,056
Less: Tax			
Current tax		-	-
Deferred tax		-	-
Net profit/(loss) for the year		(392,874,126)	70,497,056
Earning per share			
Basic		(31.43)	5.64
Diluted		(31.43)	5.64
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		(392,874,126)	70,497,056

Summary of significant accounting policies

2

The accompanying notes are an intergral part of these financial statements

For and on behalf of Board

As per our report of even date

Kamal Kumar Bharti
Director

Sabina

Sabin Dulal
Senior Accountant

Prahlad Timalsina
Director

Satish Timalsina

Satish Timalsina
Director

Sitaram Timilsina
Chairman

Rita Timalsina

Rita Timalsina
Director

Karuna Gautam
Director

For Aryal & Aryal
Chartered Accountants



Sudhan Regmi; FCA
Proprietor

MOUNTAIN HYDRO NEPAL LIMITED

Kathmandu, Nepal

Statement of Cash Flow

For the year ended 31 Ashadh, 2079 (16 July, 2023)

NPR

Particulars	Current Year	Previous Year
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit for the year	(392,874,126)	70,497,056
Adjustments		
Depreciation on Property, Plant & Equipment	165,127,676	166,151,471
Impairment loss	398,385,455	-
Finance Cost	255,657,429	265,657,855
Prior Period Expenses	(517,409)	-
Working capital changes:		
Increase/(Decrease) in trade receivable	93,892,770	(13,515,857)
Increase/Decrease in other financial assets	-	(46,500)
Increase/Decrease in other current assets	8,473,648	(3,300,844)
Increase/(Decrease) in trade payables	(12,533,028)	19,197,165
Increase/(Decrease) in short term borrowings	(16,998,000)	(12,302,000)
Increase/(Decrease) in other current liabilities	(20,652,422)	(12,054,919)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	477,961,994	480,283,427
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment	(11,877,277)	(64,410)
Sales of Property, Plant & Equipment	-	-
(Increase) / Decrease in Intangible assets	-	(59,325)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(11,877,277)	(123,735)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in share capital	-	-
Increase/(Decrease) in share calls in advance	-	-
Borrowing (repaid)/ taken (net)	(211,187,910)	(206,492,693)
Interest Paid	(255,657,429)	(265,657,855)
Transaction cost incurred in respect of issuance of equity share	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(466,845,340)	(472,150,548)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(760,623)	8,009,143
Cash and Cash Equivalents at Beginning of the Year	(67,898,526)	(75,907,670)
Cash and Cash Equivalents, end of period	(68,659,150)	(67,898,526)

The accompanying notes are an integral part of these financial statements

For and on behalf of Board

As per our report of even date

Kamal Kumar Bharti
Director

Prahlad Timalsina
Director

Sitaram Timilsina
Chairman

For Aryal & Aryal
Chartered Accountants

Sabin Dulal

Senior Accountant

Satish Timalsina
Director

Rita Timalsina
Director

Karuna Gautam
Director

Sudhan Regmi; FCA
Proprietor



**MOUNTAIN HYDRO NEPAL LIMITED**

Kathmandu, Nepal

Statement of Changes in Equity

for the year ended on 31 Ashadh, 2080 (16 July, 2023)

NPR

Particulars	Equity Share Capital	Advance Against Share Capital	Reserve & surplus	Total
Balance as at 31 Ashadh, 2078 (15 July, 2021)	1,250,000,000	-	(176,313,305)	1,073,686,695
Changes in accounting policies/restatement	-	-	-	-
Restated balance as at 1 Shrawan, 2078 (16 July, 2021)	1,250,000,000	-	(176,313,305)	1,073,686,695
Profit/ (loss) for the year	-	-	70,497,056	70,497,056
Other Comprehensive income/ (expenses) for the year	-	-	-	-
Total comprehensive income	-	-	70,497,056	70,497,056
Issue of Share Capital	-	-	-	-
Calls in Advance	-	-	-	-
Transaction cost incurred in respect of issuance of equity share	-	-	-	-
Balance as at 32 Ashadh, 2079 (16 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)
Total comprehensive income	-	-	(393,391,535)	(393,391,535)
Issue of Share Capital	-	-	-	-
Calls in Advance	-	-	-	-
Transaction cost incurred in respect of issuance of equity share	-	-	-	-
Balance as at 31 Ashad, 2080 (16 July, 2023)	1,250,000,000	-	(499,207,784)	750,792,216

The accompanying notes are an integral part of these financial statements

For and on behalf of Board

As per our report of even date

 Kamal Kumar Bharti Director	 Prahlad Timalsina Director	 Sitaram Timilsina Chairman	 Karuna Gautam Director	 Sudhan Regmi; FCA Proprietor
 Sabin Dulal Senior Accountant	 Satish Timalsina Director	 Rita Timalsina Director	 Karuna Gautam Director	 Sudhan Regmi; 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.

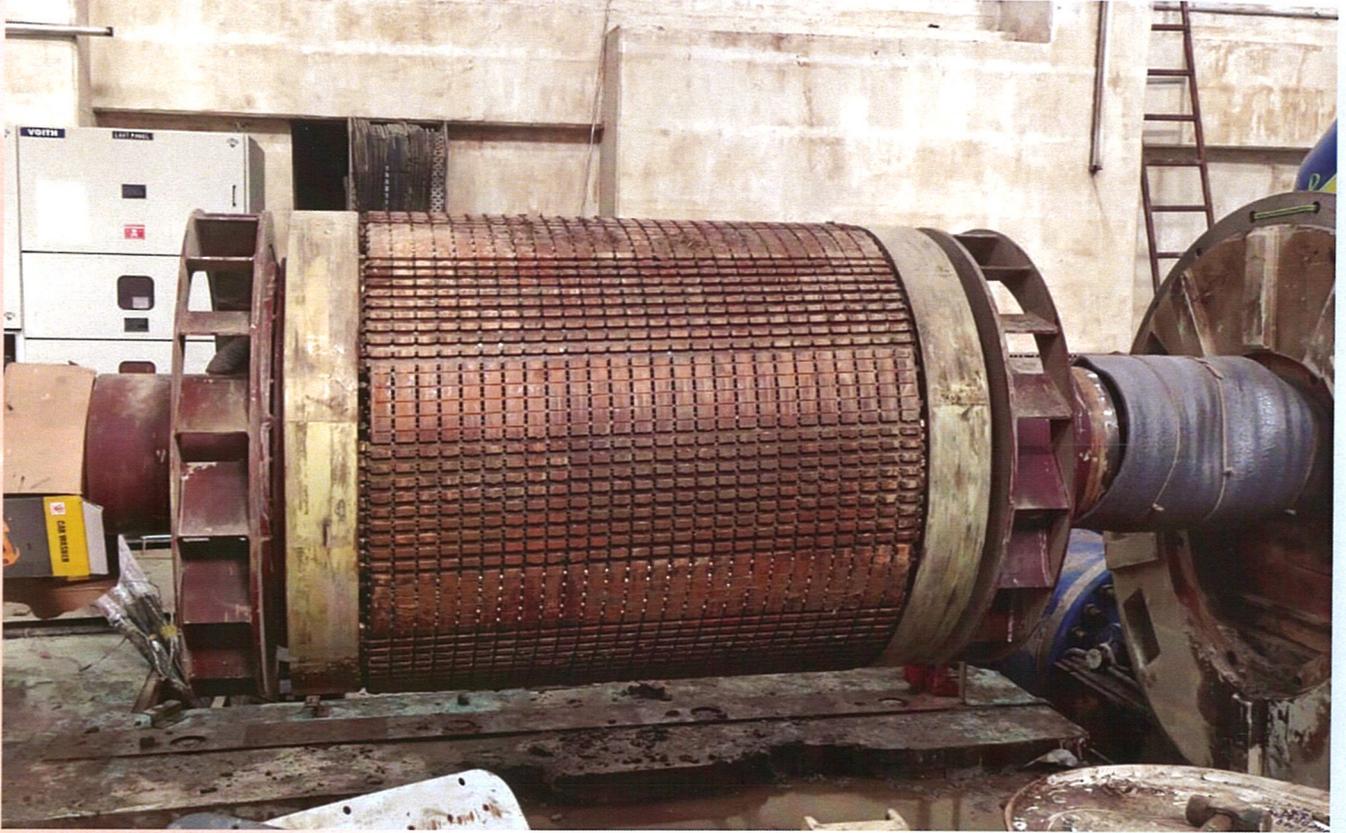
2.4 FUNCTIONAL AND PRESENTATION CURRENCY

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 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
Current Year	01 Shrawan 2079 to 31 Ashadh 2080	17 July 2022 to 16 July 2023
Previous Year	01 Shrawan 2078 to 32 Ashadh 2079	16 July 2021 to 16 July 2022



Maintenance Work



Maintenance Work



After Maintenance



After Maintenance



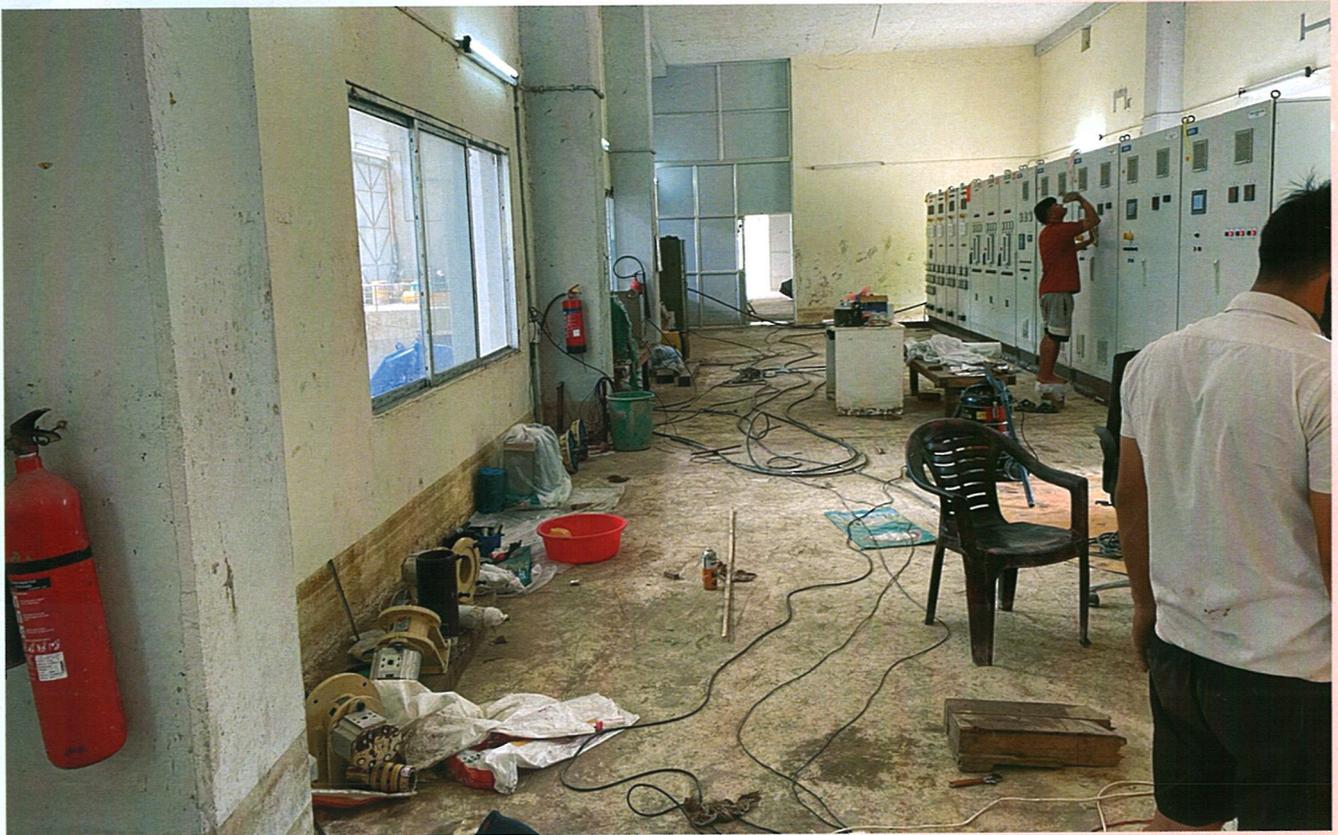
Glimpses of Flood



Glimpses of Flood



Maintenance Work



Maintenance Work

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.

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.

2.7 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.

2.8 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.

2.9 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

2.10 INTANGIBLE ASSETS

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible asset

acquired separately are measured at cost. Cost includes expenditure that is directly attributable to the acquisition of an item of intangible assets. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

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

a. Derecognition

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

b. Useful economic lives, amortisation and impairment

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

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

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

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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 fourth year of operation, the effective tax rate of the Company is 0%.

Deferred Tax

- i. 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. 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. 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. 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.

2.16 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.

2.17 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.

2.18 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.

2.19 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.

2.20 CORPORATE SOCIAL RESPONSIBILITY FUND

Industrial Enterprise Act 2076 provides explicit provision to allocate at least 1% of the annual net profit (which was unclear in the Previous Act) to be utilized towards Corporate Social Responsibility (the "CSR Requirement"). The CSR Requirement is applicable to all (i) medium industries and large industries and (ii) cottage industries and small industries having annual turnover more than NPR 150,000,000.

The fund allocated for CSR shall be utilized in the specific sector as provided under Rule 37 of the Industrial Enterprise Regulation, 2019 (2076) (the "Regulation") by formulating annual plan and program. The Rule 37 of the Regulation provides number of sectors/areas or/and activities where the amount allocated for CSR shall be spent in specific sectors including (a) Natural Calamities, (b) Community Health Centers, (c) Preservation of Nepalese Architect, (d) Culture Socially Backward Communities, (e) Community Schools, (f) pollution Control, (g) Waste Management, Reforestation, (h) Preservation of Water Resource, (i) Promotion of Alternative Energy & Environment Protection, (j) Campaign for the preparation & Broadcasting of Documentary against Smoking, Alcohol use. (k) Rural Drinking Water, road, sewage & corresponding physical infrastructure for the social benefit.

The Act further provides that the amount spent under CSR requirement can be deducted for the purpose of income tax. The plans and programs related to CSR shall be submitted within the end of 6 months of every financial year to the DOI. The plans formulated plans and programs for CSR shall be implemented in co-ordination with local authorities.

In fiscal year 2079-80, 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)."

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, 2078	1,756,642	1,595,736	11,095,000	3,742,725	18,190,103
Additions	-	64,410	-	-	64,410
Withdrawals and Adjustments	-	-	-	-	-
Gross Carrying Amount as at 32 Ashadh, 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	-	-	-	-	-
Gross Carrying Amount as at 31 Ashadh, 2080	1,756,642	1,885,655	11,095,000	15,394,494	30,131,790
Accumulated Depreciation & Impairment					
Balance at 01 Shrawan, 2078	1,393,846	1,158,597	4,898,660	2,051,676	9,502,779
Depreciation charge for the year	90,699	119,785	1,239,268	253,657	1,703,409
Withdrawals and Adjustments	-	-	-	-	-
Accumulated Depreciation as at 32 Ashadh, 2079	1,484,545	1,278,381	6,137,928	2,305,334	11,206,188
Depreciation charge for the period	68,024	126,796	991,414	709,478	1,895,713
Withdrawals and Adjustments	-	-	-	-	-
Accumulated Depreciation as 31 Ashadh, 2080	1,552,569	1,405,178	7,129,342	3,014,811	13,101,900
Net Block					
Net Carrying Amount as at 32 Ashadh, 2079 (16 July, 2022)	272,097	381,765	4,957,072	1,437,392	7,048,325
Net Carrying Amount as at 31 Ashadh, 2080 (16 July, 2023)	204,073	480,477	3,965,658	12,379,683	17,029,890

Apportioned to:	Current Year	Previous Year
Cost of Revenue	709,478	253,657
Indirect Cost	1,186,235	1,449,752
Total	1,895,713	1,703,409

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

3.1. INTANGIBLE ASSETS

NPR

Particulars	Computer Software	Service concession arrangement	Total
Gross Carrying Amount			
Gross Carrying Amount as at 01 Shrawan, 2078	89,903	4,761,781,426	4,761,871,329
Additions	59,325	-	59,325
Transfer from IAUD	-	-	-
Withdrawals and Adjustments	-	-	-
Gross Carrying Amount as at 32 Ashadh, 2079	149,228	4,761,781,426	4,761,930,654
Additions	-	-	-
Transfer from IAUD	-	-	-
Withdrawals and Adjustments	-	-	-
Closing Gross Carrying Amount as at 31 Ashadh, 2080	149,228	4,761,781,426	4,761,930,654
Accumulated Amortisation & Impairment			
Accumulated Amortisation as at 01 Shrawan, 2078	17,981	321,785,602	321,803,583
Charge for the year	3,772	164,444,290	164,448,062
Withdrawals and Adjustments	-	-	-
Accumulated Amortisation as at 32 Ashadh, 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 & Impairment as at 31 Ashadh, 2080	26,249	1,047,842,815	1,047,869,064
Net Block			
Net Carrying Amount as at Ashad 32, 2079 (16 July, 2022)	127,475	4,275,551,534	4,275,679,009
Net Carrying Amount as at Ashad 31, 2080 (16 July, 2023)	122,979	3,713,938,611	3,714,061,590

Apportioned to:	Current Year	Previous Year
Cost of Revenue	163,227,468	164,444,290
Indirect Cost	4,495	3,772
Total	163,231,964	164,448,062

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

3.2. Intangible Assets under Development (IAUD)

NPR

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

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

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

3.2.1 Land

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

"Land under BOOT Arrangement/Restriction on Property use

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

Amortization details of land considering life of assets (SLM)

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

Note 4: FINANCIAL ASSETS THROUGH OTHER COMPREHENSIVE INCOME

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

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

Note 5: CASH AND CASH EQUIVALENTS

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

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

Particulars	Current Year	Previous Year
Cash	-	-
Balance with Banks in Current Account	325,019	599,913
Total	325,019	599,913

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	325,019	599,913
in Bank Overdraft	(68,984,169)	(68,498,439)
Total	(68,659,150)	(67,898,526)

Note 6: TRADE RECEIVABLE

Particulars	Current Year	Previous Year
Nepal Electricity Authority (NEA)	26,737,062	120,629,832
Total	26,737,062	120,629,832

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 2080 is outstanding as on reporting date.

Note 7: OTHER FINANCIAL ASSETS

Particulars	Current Year	Previous Year
Non Current		
Deposit	-	-
Sub Total	-	-
Current		
Cash Margin	15,000	15,000
LC Margin	17,000	17,000
Statutory Margin	66,500	66,500
Deposit - Pathivara Trade Link	80,000	80,000
Sub Total	178,500	178,500
Total	178,500	178,500

Note 8: OTHER CURRENT ASSETS

Particulars	Current Year	Previous Year
Advances to be recovered		
From contractors	11,574,185	19,201,217
From suppliers	23,356,189	24,401,773
Prepayments	3,902,204	3,877,699
Advance to Employees	1,023,787	1,038,711
Tds receivable	189,387	-
Total	40,045,752	48,519,400

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.

Particulars	Current Year	Previous Year
Authorised		
1,25,00,000 nos. of ordinary shares of NPR. 100 each	1,250,000,000	1,250,000,000
Issued		
1,25,00,000 nos. of ordinary shares of NPR. 100 each	1,250,000,000	1,250,000,000
Subscribed and paid up		
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)		
Total	1,250,000,000	1,250,000,000

Other Equity

9.1 Reserve & Surplus

Particulars	Retained Earnings	Total
Balance as at 1 Shrawan, 2078 (16 July 2021)	(176,313,305)	(176,313,305)
Profit for the year	70,497,056	70,497,056
Other Comprehensive Income (net of tax)	-	-
Transaction cost incurred in respect of issuance of equity share	-	-
Balance as at 32 Ashadh, 2079 (16 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	-	-
Balance as at 31 Ashadh, 2080 (16 July, 2023)	(499,207,784)	(499,207,784)

Note 10: BORROWINGS

Particulars	Current Year	Previous Year
Long Term Borrowings		
Term Loan	2,734,890,284	2,946,078,194
Sub-total	2,734,890,284	2,946,078,194
Short Term Borrowings		
Term Loan (Due within 12 months)	103,100,000	100,098,000
Bridge Gap Loan	-	20,000,000
Bank Overdraft	68,984,169	68,498,439
Sub-total	172,084,169	188,596,439
Total	2,906,974,453	3,134,674,633

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	10,097,380	15,632,428
Expenses Payable	4,427,158	8,583,926
Retention Money Payable	58,053,336	60,894,547
Total	72,577,873	85,110,901

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 Corporate Social Responsibility	-	524,936
Total	1,424,041	1,948,976

Note 12.1: PROVISION FOR CORPORATE SOCIAL RESPONSIBILITY

Particulars	Current Year	Previous Year
Opening CSR provision	524,936	-
Add: Provision for CSR booked	-	704,971
Less: CSR cost incurred	(524,936)	(180,035)
Closing CSR Provision	-	524,936

In this fiscal year 2079-80, a provision of 1% of net profit after tax has been allocated for Corporate Social Responsibility Fund (CSR Fund) as per the provision of Industrial Enterprise Act 2076. This fund will be used for social welfare for the people surrounding Mountain Hydro Nepal Limited or as per the BOD approval.

Note 13: OTHER CURRENT LIABILITIES

Particulars	Current Year	Previous Year
TDS payable	17,344	(8,712)
Reverse VAT payable	800	-
Social security fund	146,316	(74,092)
Payable against bank guarantee revoked	58,377,349	58,377,349
Advance from director	58,067,422	78,442,172
Total	116,609,231	136,736,718

Note 14: Revenue

Particulars	Current Year	Previous Year
Sale of Electricity	497,730,409	608,183,833
Less: Short energy charges	(18,949,925)	-
Total	478,780,484	608,183,833

Note 15: Cost of Revenue

Particulars	Current Year	Previous Year
Cost of construction/Direct Expenses (Refer note 15)		
Accommodation	61,935	6,800
Consumables	77,580	-
Custom clearing charges	43,923	-
Depreciation	163,936,946	164,697,947

Electricity expenses	2,246,844	489,444
Electrification	-	52,108
Employee benefit cost	8,732,972	9,896,405
Fooding expenses at site	964,710	947,195
Fuel expenses	341,318	2,388,601
Grid rent 132 KV substation	432,000	432,000
Insurance expenses	7,372,715	8,337,443
Kitchen utensils	25,350	6,300
Lease for land	26,284	55,867
Loose and tools expenses	-	95,787
Lubricants	767,451	65,209
Office Expenses at Site	120,525	-
Puja expenses	37,050	44,315
Registration & renewal	18,500	-
Repair and maintenance expenses	1,440,226	40,524,335
Royalty expenses	11,783,033	28,437,601
Security expenses	1,300,000	1,300,000
Telephone and communication expenses	55,155	62,128
Transportation expenses	901,058	1,355,436
Wages	616,550	66,952
Total	201,302,125	259,261,873

Note 16: OTHER INCOME

Particulars	Current Year	Previous Year
Insurance claim	-	6,425,000
Interest Income	1,262,577	-
Total	1,262,577	6,425,000

Note 17: Employee Benefit Expenses

Particulars	Current Year	Previous Year
Basic Salary	11,416,645	12,420,475
Allowance	3,758,762	4,014,636
Festival Allowance	798,011	890,287
	15,973,417	17,325,398
Apportioned to:		
- Cost of Revenue	8,732,972	9,896,405
- Indirect Cost	7,240,445	7,428,993
Total	15,973,417	17,325,398

Note 18: Administrative Expenses

Particulars	Current Year	Previous Year
Advertisement & publicity expenses	98,683	107,404
AGM expenses	169,500	192,891
Audit fees	282,500	282,500
Annual Maintenance Charge	63,500	-
Balance Written off	73,205	-
Business promotion expenses	38,115	53,956
Compensation expenses	1,000,000	-
Consultancy charges	233,734	977,803
Courier expenses	660	-
CSR expenses	1,396,064	-
Daily allowance	11,764	-
Donation	-	76,111
Electricity expenses	45,849	72,770
Fees and rates	7,021	509,775
Fuel expenses	503,018	118,831
Fines and penalties	21,494	97,364
House rent expenses	733,343	666,660
Insurance expenses	48,667	41,081
IPO issue expenses	125,000	250,000
Legal fee	148,400	611,947
Lubricants	47,475	-
Medical expenses	16,280	120,750
Meeting allowance	226,000	123,000
Miscellaneous expenses	41,965	23,926
Office expenses	117,884	242,293
Printing and stationery expenses	83,900	170,152
Refreshment expenses	21,655	856,253
Registration and renewal	559,600	652,686
Repair and maintenance expenses	1,801,472	939,322
Transportation expenses	9,250	5,325
Travelling expenses	1,079,313	815,216
Telephone and communication expenses	83,425	99,832
Wages	1,212	-
Water charges	51,053	72,670
Total	9,141,003	8,180,520

Note 19: Finance Cost

Particulars	Current Year	Previous Year
Bank charge and commission	33,617	1,046,184
Interest expenses	255,949,895	265,451,401
Penal Interest	20,390	-
Less:- Rebate on interest	(346,473)	(839,731)
Total	255,657,429	265,657,855

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	-	1,424,041
Total	-	1,424,041

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
Company with common Directors	Sita Dhuwani Sewa Private Limited
	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	SitaramTimalisina	Chairman
2	SatishTimalisina	Managing Director
3	PrahladTimalisina	Director
4	Kamal Kumar Bharati	Director
5	Rita Timalisina	Director
6	KarunaGautam	Director

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

S.N.	Name	Designation	Nature of expenses	F.Y. 2079/80	F.Y. 2078/79
1	Sitaram Timalisina	Chairman	- Regular Employee Benefits - Meeting Allowances - Travelling Expenses	- 45,000 12,000	- 30,000 30,833
2	Satish Timalisina	Managing Director	-Regular Employee Benefits -Meeting Allowance -Travelling Allowance	42,58,200 45,000 12,000	42,12,000 30,000 -
3	Prahlad Timalisina	Director	-Regular Employee Benefits -Meeting Allowance -Travelling Allowance	- 45,000 12,000	- 30,000 -
4	Kamal Kumar Bharati	Director	-Regular Employee Benefits -Meeting Allowance -Travelling Allowance	- 30,000 12,000	- 9,000 -
5	Rita Timalisina	Director	-Meeting Allowance -Travelling Allowance	33,000 12,000	- -
6	KarunaGautam	Director	-Meeting Allowance -Travelling Allowance	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. 2079/80	F.Y. 2078/79	F.Y. 2079/80	F.Y. 2078/79
Sitaram Timalisina	- Advance taken from director	20,374,750	13,825,182	(58,067,422)	(78,442,172)
Satish Timalisina	- Advance to director	502,758	279,297	(245,207)	257,551
Sita Trade Center	- Fuel purchase	3,494,344	181,140	(3,660,764)	(166,420)
Gaurimata Nirman Company	- Equipment Hire	-	34,20,000	-	-
	- Project Construction	-	2,12,07,695	-	-
	- Repair & Maintenance (Civil Structure)	-	-	-	(10,317,412)
	- Advance given	-	180,000	-	-
Sita Dhuwani Sewa Private Limited	- Transportation of Turbine for repair	-	13,50,000	-	(13,50,000)

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 and Commitments

Contingent Liabilities

a) Revoked Performance Guarantee

A contingent liability is identified as follows:

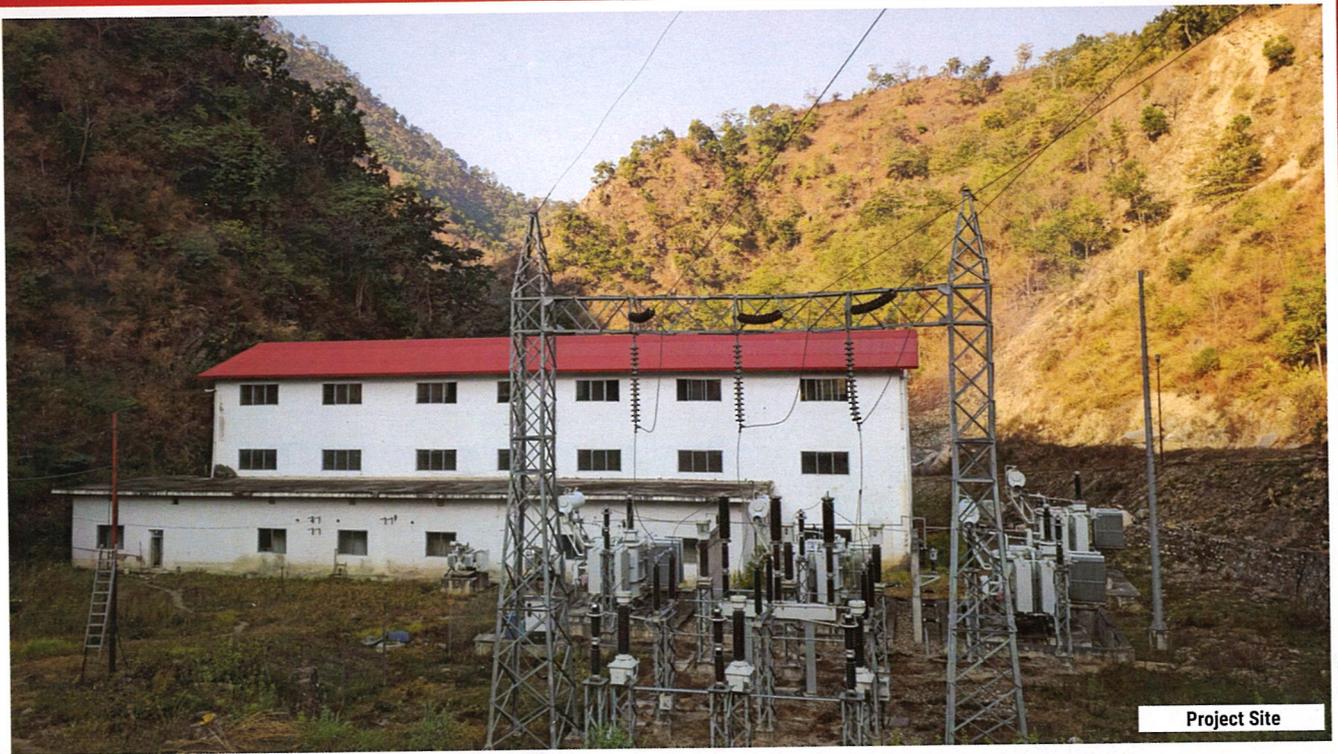
- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) a present obligation that arises from past events but is not recognized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

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

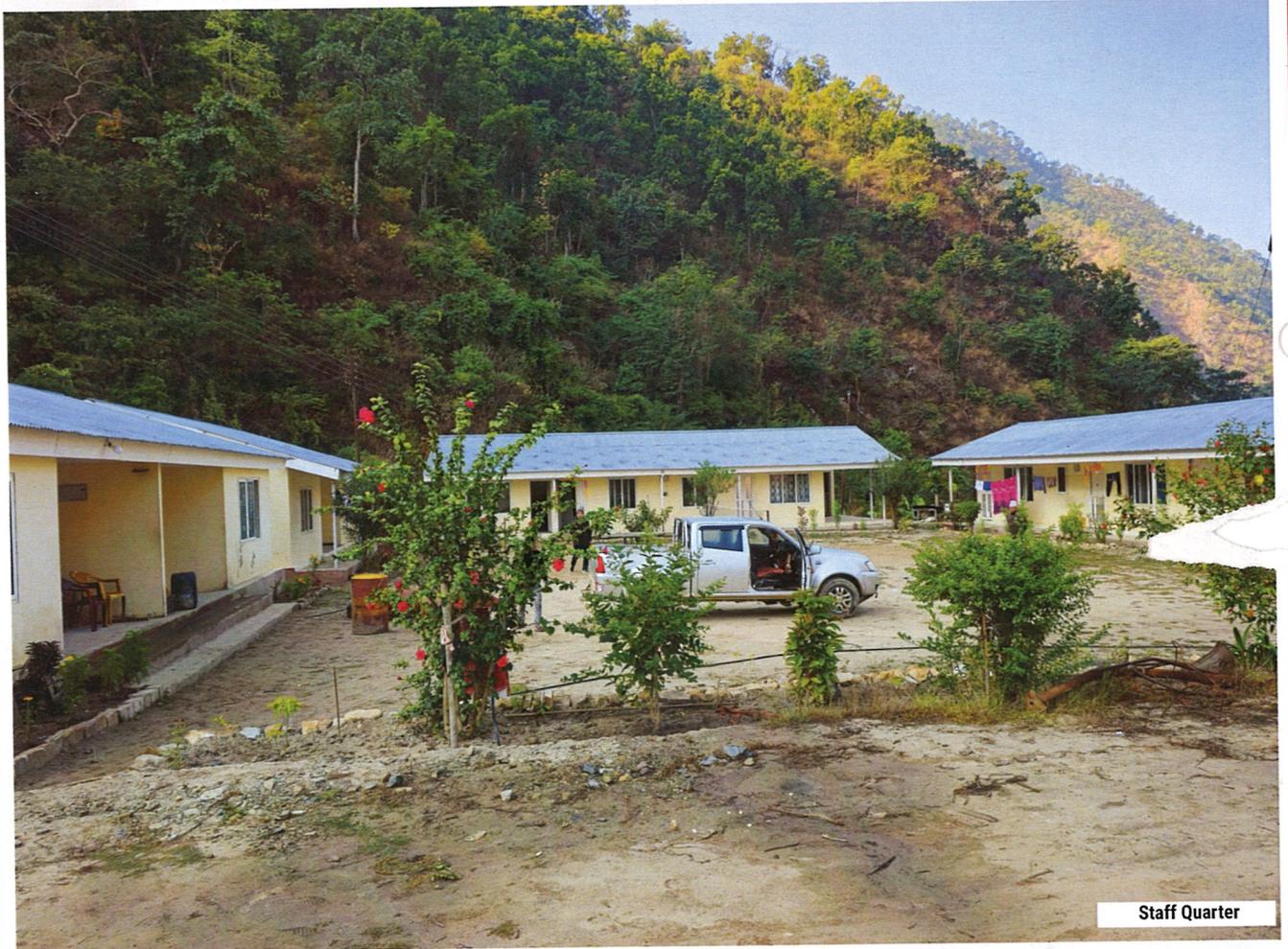
25. Capital Commitments

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.





Project Site



Staff Quarter