# 13TH

## ANNUAL REPORT 2082/083

## १३औं वार्षिक प्रतिवेदन

आ.व. २०८२/०८३







माउन्टेन इनर्जी नेपाल लि.

**Mountain Energy Nepal Ltd.**

# सञ्चालक समिति



प्रदिप जंग पाण्डे
अध्यक्ष



अरुण कुमार के.सी.
सञ्चालक



टिका प्रसाद उप्रेती
सञ्चालक



झनक दत्त खनाल
सञ्चालक



रचना अधिकारी
सञ्चालक



सम बहादुर भट्ट
कम्पनी सचिव



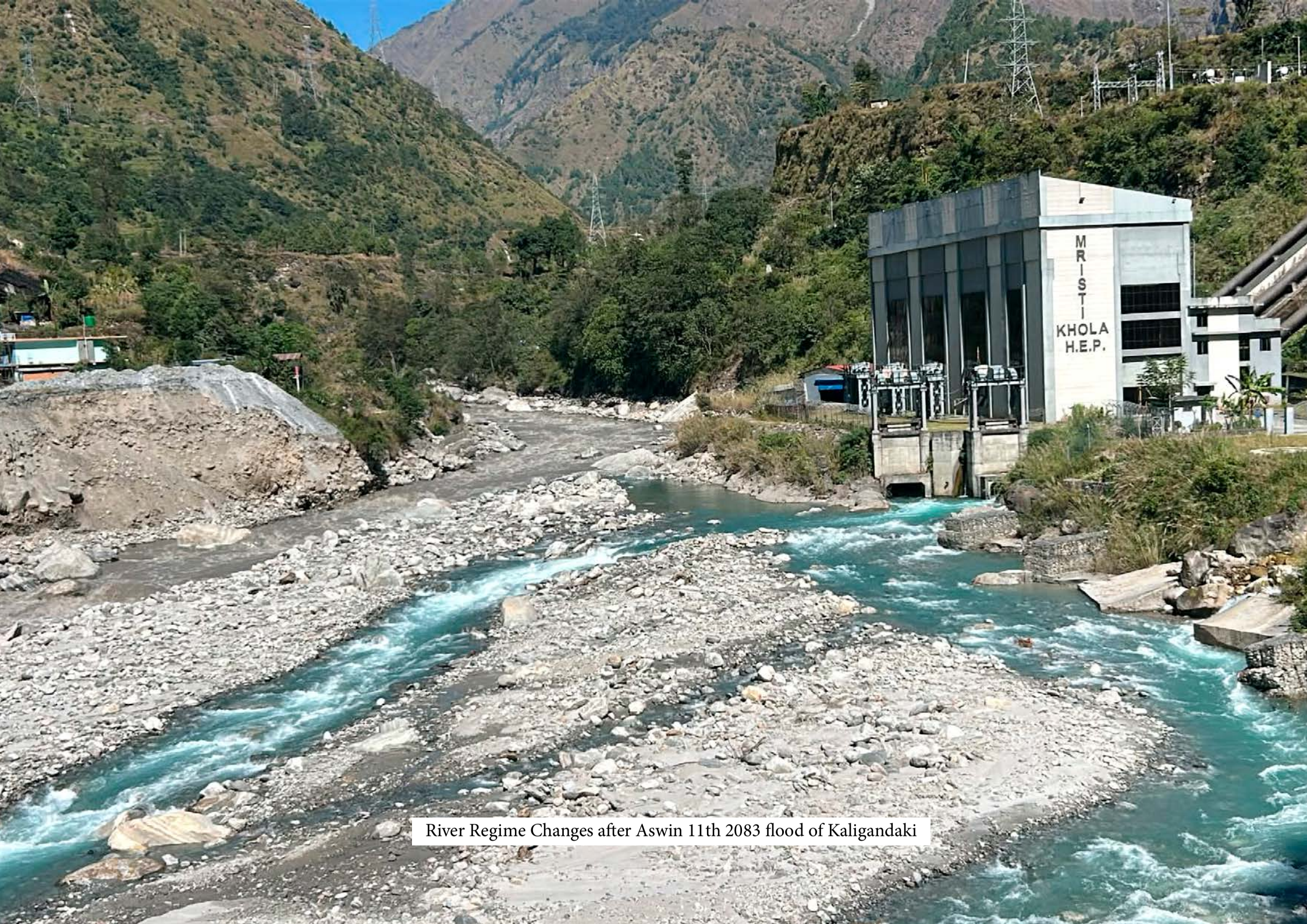
राजेन्द्र प्रसाद शर्मा
उप-प्रमुख कार्यकारी अधिकृत



**Bhagawati Mandir - Damsite of Mistri Khola HEP**

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River Regime Changes after Aswin 11th 2083 flood of Kaligandaki

# माउण्टेन इनर्जी नेपाल लि.
## तेह्रौं वार्षिक साधारण सभा

### तेह्रौं वार्षिक साधारण सभामा भाग लिई मतदान गर्ने फारम

श्री संचालक समिति
माउण्टेन इनर्जी नेपाल लिमिटेड,
डिल्लीवजार, काठमाण्डौ ।

**विषय : प्रतिनिधि नियुक्त गरेको वारे ।**

महाशय,

.....जिल्ला ..... म.न.पा/ न.पा. / गा.पा. वडा नं. ..... वस्ने म/हामी ..... ..... त्यस कम्पनीको शेयरधनीको हैसियतले संबत् २०८३ साल कार्तिक महिना २० गतेका दिन हुने तेह्रौं वार्षिक साधारण सभामा म/हामी स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकाले उक्त सभामा मेरो/ हाम्रो तर्फबाट भाग लिनको लागि ..... जिल्ला ..... म.न.पा/न.पा/गा.पा. वडा नं. ..... वस्ने श्री..... लाई मेरो/ हाम्रो प्रतिनिधि नियुक्त गरी पठाएको छु/ पठाएका छौं ।

**प्रतिनिधि नियुक्त भएको ब्यक्तिको,**
हस्ताक्षरको नमुनाः
नामः
शेयरधनी प्रमाण पत्र नम्बर/वि.ओ.आई.डि. नम्बरः

मितिः

**निवेदक**
दस्तखतः
नामः
ठेगानाः
शेयरधनी प्रमाणपत्र नं.बि.ओ.आई.डी. नम्बरः
शेयर संख्याः
मिति:

**द्रष्टव्य:** यो निवेदन बार्षिक साधारणसभा हुन भन्दा ४८ घण्टा अगावै कम्पनीको रजिष्टर्ड कार्यालय डिल्लीबजार काठमाण्डौमा पेश गरिसक्नु पर्नेछ । कम्पनीको शेयरधनी वाहेक अन्यलाई प्रोक्सी दिन पाइने छैन ।

### प्रवेश पत्र

१. शेयरधनीको नामः
२. ठेगाना:
३. शेयरधनी प्रमाणपत्र नं/बी.ओ.आई.डी. नम्बरः
४. लिएको शेयर संख्या:
५. शेयरधनीको दस्तखत:

श्री माउण्टेन इनर्जी नेपाल लिमिटेडको तेह्रौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रबेश पत्र ।

.....
**कम्पनी सचिव**

**दष्टव्य:** सभा कक्षमा प्रबेश गर्न यो प्रबेश पत्र अनिवार्य रुपमा लिई आउनु हुन अनुरोध छ । अन्यथा सभा कक्षमा प्रवेश गर्न पाइने छैन ।

# माउण्टेन ईनर्जी नेपाल लि.

(कम्पनी ऐन, २०६३ बमोजिम स्थापित संस्था)
का.म.न.पा. वडा नं. ३०, काठमाडौं फोन नं.: ०१- ४५३७७०५, ०१-४५४१६४८ फ्याक्स नं.: ४५३०५६२
Website: www.mountainenergy.com.np | Email: info@mountainenergy.com.np

## तेह्रौं वार्षिक साधारणसभा सम्बन्धी सूचना

**श्री शेयरधनी महानुभावहरु,**

यस कम्पनीको मिति २०८३/०६/२६ गते बसेको १४६ औं सञ्चालक समितिको बैठकको निणर्यानुसार यस माउण्टेन इनर्जी नेपाल लिमिटेडको तेह्रौं वार्षिक साधारण सभा निम्न लिखित मिति, समय र स्थानमा देहायका विषयहरु उपर छलफल गरी पारित गर्ने भएकोले सम्पूर्ण शेयरधनी महानुभावहरुको जानकारीको लागि यो सूचना प्रकाशित गरिएको छ।

**वार्षिक साधारण सभा हुने मिति, समय र स्थानः**

मितिः २०८३ साल कार्तिक महिना २० गते शुक्रबार (तदनुसार ६ नोभेम्वर, २०२६)
समयः बिहान १०:३० बजे
स्थानः Amrapali Banquet Catering & Events, भाटभटेनी, काठमाण्डौं।

**छलफलका विषयहरुः**

**तेह्रौं वार्षिक साधारण सभाका प्रस्तावहरुः**

**(क) सामान्य प्रस्तावहरुः**

१. तेह्रौं वार्षिक साधारण सभाको लागि संचालक समितिको तर्फवाट प्रस्तुत आ.व. २०८२/८३ को वार्षिक प्रतिवेदन उपर छलफल गरी पारित गर्ने सम्बन्धमा।
२. यस कम्पनीको लेखा परिक्षकको प्रतिवेदन, सहित २०८३ आषाढ मसान्त सम्मको वासलात,२०८२/८३ को नाफा नोक्सान हिसाव तथा नगद प्रवाह विवरण र सोही अवधिको वार्षिक वित्तिय विवरणसंग सम्वद्ध अनुसूचिहरु उपर छलफल गरी पारित गर्ने सम्बन्धमा।
३. कम्पनी ऐन २०६३ को दफा १११ अनुसार यस कम्पनीको आ.व. २०८३/८४ को लागि लेखा परिक्षण गर्न लेखा परिक्षक नियुक्ती गर्ने र निजको पारिश्रमिक तोक्ने सम्वन्धमा।
४. संचालक समितीले प्रस्ताब गरेको लाभांश स्वीकृत गर्ने सम्बन्धमा।
५. यस कम्पनीको (५ जना) संचालकहरुको निर्वाचन गर्ने सम्बन्धमा।

**(ख) विशेष प्रस्तावहरुः**

१. संचालक समितिले प्रस्ताब गरे बमोजिम आ.व. २०८२।८३ को लागि चुक्ता पूंजीको २० प्रतिशतका दरले हुने रु. ६२,४६,५१,७७०।- (अक्षरेपी वैसठ्ठी करोड छयालीस लाख एकाउन्न हजार सात सय सत्तरी) बोनस शेयर वितरण गर्न र सोमा लाग्ने कर प्रयोजनको निमित्त १.०५२६३% अर्थात रु.३,२८,७६,४०९।- (अक्षरेपी तीन करोड अठ्ठाईस लाख छयहत्तर हजार चार सय नौ) नगद लाभांश (लाभांश कर प्रयोजनार्थ) बितरण गर्न स्वीकृति प्रदान गर्ने।
२. सम्बन्धित निकायवाट प्रवन्ध पत्र तथा नियमावलीमा सामान्य संशोधन गर्न माग भए अनुरुप आवश्यक संशोधन गर्न संचालक समितिलाई अख्तियारी प्रदान गर्ने सन्बन्धमा।

**(ग) विविध**

**सञ्चालक समितिको आज्ञाले,**
**कम्पनी सचिव**

**द्रष्टब्य:-**

१. सर्वसाधारणको बार्षिक साधारण सभा प्रयोजनको लागि मिति २०८३/०७/१० गते एक दिन कम्पनीको शेयरधनी दर्ता किताव वन्द गरिने छ। नेपाल स्टक एक्सचेन्ज लिमिटेडमा मिति २०८३/०७/०९ गते सम्म कारोवार भई शेयर खरिद गरी आफ्नो नाममा शेयर नामसारी भई आएका शेयरधनीहरु सो सभामा भाग लिन योग्य रहनेछन्।

२. निर्वाचन र अन्य आवश्यक जानकारीको लागि यस कम्पनीको केन्द्रीय कार्यालय का.म.न.पा. वडा नं. ३० डिल्लीबजार, काठमाण्डौ वा फोन नं. ०१-४५३७७०५, ०१-४५४१६४८ मा सम्पर्क राख्नु हुन अनुरोध गरिन्छ। साथै थप जानकारीको लागि यस कम्पनीको website:mountainenergy.com.np मा समेत प्रकाशित गरिनेछ।

# वार्षिक साधारणसभा सम्बन्धी सामान्य जानकारीहरु

१. बार्षिक साधारण सभा तथा निर्वाचनमा भाग लिन आउनु हुने शेयरधनी महानुभाहरुले आफ्नो परिचय खुल्ने प्रमाण कागज तथा हितग्राही खाता खोली शेयर अभौतिकरण गरिएको विवरण देखिने Demat Account Statement वा शेयर प्रमाण पत्र साथमा लिई आउन हुन अनुरोध छ, अन्यथा सभाकक्ष भित्र प्रवेश गर्न पाइने छैन।

२. सम्पूर्ण शेयरधनी महानुभावहरुको जानकारीका लागि कम्पनीको संक्षिप्त आर्थिक विवरण यसै साथ प्रकाशित गरिएको छ। आर्थिक विवरण लगाएतका बार्षिक साधारण सभामा पेश हुने सम्पूर्ण प्रस्तावहरु तथा सधारण सभा सम्वन्धि अन्य जानकारीको लागि कम्पनीको website: mountainenergy.com.np मा पनि हेर्न सक्नुहुने छ।

३. वार्षिक साधारण सभा तथा निर्वाचनमा आफु उपस्थित नभई प्रतिनिधि नियुक्त गर्न चाहने शेयरधनी महानुभावहरुले सभा सुरु हने समय भन्दा कम्तीमा ४८ घण्टा अगावै यस कम्पनीको केन्द्रिय कार्यालय डिल्लीवजार, काठमाण्डौमा प्रोक्सी फारम दर्ता गरि सक्नुपर्ने छ। सभामा भाग लिन र मतदान गर्नका लागि प्रतिनिधि नियुक्त गरिसकेपछि उक्त प्रतिनिधि बदर गरी अर्कै मुकरर गर्ने भएमा सोको लिखित सूचना सोही अवधि भित्र कम्पनीको रजिष्टर्ड कार्यालयमा दर्ता गरिसक्नु पर्नेछ। यसरी प्रतिनिधि (प्रोक्सी) नियुक्त गरिएको व्यक्ति समेत कम्पनीको शेयरधनी हुनुपर्ने छ।

४. संरक्षक रहनु भएका शेयरधनी महानुभाहरुका तर्फवाट कम्पनीको शेयर लगत किताबमा संरक्षकको रुपमा नाम दर्ता भएको व्यक्तिले, संयुक्त रुपमा शेयर खरिद गरिएको अवस्थामा शेयर लगत किताबमा पहिले नाम उल्लेख भएको व्यक्ति अथवा सर्वसम्मतीवाट प्रतिनिधि नियुक्त गरिएको एक व्यक्तिले र कुनै संगठित संस्था वा कम्पनीले शेयर खरिद गरेको हकमा त्यस्ता संगठित संस्था वा कम्पनीले मनोनित गरेको प्रतिनिधिहरुले शेयरधनीको हैसियतले सभामा भाग लिन र मतदान गर्न सक्नुहुने छ।

५. छलफलका विषय सूचि मध्ये विधिध शिर्षक अन्तर्गत छलफल गर्न इच्छुक शेयरधनीले सभा हुनु भन्दा ७ (सात) दिन अगावै सो सम्वन्धि प्रस्ताव कारण सहित उल्लेख गरी कम्पनी सचिव मार्फत संचालक समितिको अध्यक्षलाई लिखित रुपमा दिनु पर्नेछ। तर त्यसलाई पारित गरिनुपर्ने प्रस्तावको रुपमा राखिने छैन।

६. शान्ति सुरक्षाको कारण साधारण सभामा उपस्थित हुने शेयरधनी महानुभाहरुलाई यथाशक्य झोला, व्याग नल्याउनुहुन अनुरोध छ। सभाको सुरक्षाका लागि खटिएका सुरक्षाकर्मीहरुले शेयरधनी महानुभावहरु लगाएत सभाकक्षमा प्रवेश गर्ने सबैको झोला, ब्याग र शरीर जाँच गर्न सक्नेछन्।

**सञ्चालक समितिको आज्ञाले,**
**कम्पनी सचिव**

# माउण्टेन इनर्जी नेपाल लि. को तेह्रौ बार्षिक साधारण सभामा संचालक समितिको तर्फवाट अध्यक्षद्वारा प्रस्तुत वार्षिक प्रतिवेदन

***आदरणीय शेयरधनी महानुभावहरु,***

यस माउण्टेन इनर्जी नेपाल लिमिटेडको तेह्रौं बार्षिक साधारण सभामा उपस्थित सम्पूर्ण महानुभावहरुलाई संचालक समितिको तर्फवाट हार्दिक स्वागत गर्दछु । यस अवसरमा कम्पनीको आर्थिक वर्ष २०८२/८३ को वित्तिय विवरण लगायत अन्य गतिविधिहरु र कृयाकलापहरुको विवरण संक्षिप्त रुपमा यस सभामा प्रस्तुत गर्न गईरहेको छु।

विगतका वर्षहरुमा यस कम्पनीलाई दिनुभएको अमुल्य समय र सहयोग प्रति म कम्पनीका शेयरधनी एवं संचालकहरु प्रति आभारी छु।

**संचालक समितिको विवरण**

हाल यस कम्पनीमा निम्न बमोजिमको संचालक समिति रहेको छ।

| | |
|---|---|
| श्री प्रदिप जंग पाण्डे | संचालक अध्यक्ष |
| श्री अरुण कुमार के.सी | संचालक |
| श्री टिका प्रसाद उप्रेती | संचालक |
| श्री झनक दत्त खनाल | संचालक |
| श्री रचना अधिकारी | संचालक |

**वित्तीय अवस्था**

कम्पनी ऐन, २०६३ को दफा १०९ को उपदफा ४ वमोजिम विवरण तथा लेखा परिक्षण सहितको वासलात र अन्य विवरण छुट्टै पेश गरेको छु। २०८३ आषाढ मसान्त तथा २०८२ आषाढ मसान्तको तुलनात्मक वित्तिय अवस्था छोटकरीमा तल प्रस्तुत गरेको छु।

**२०८३ आषाढ मसान्तको तुलनात्मक वित्तिय अबस्था**

(रकम रु. लाखमा)

| विवरण | आषाढ मसान्त २०८३ | आषाढ मसान्त २०८२ |
|---|---|---|
| अधिकृत पूंजी | ५,००,०० | ५,००,०० |
| जारी पूंजी | ३,९०,४१ | ३,९०,४१ |
| चुक्ता पूंजी | ३,१२,३३ | २,६०,२७ |
| जगेडा तथा संचित मुनाफा | १,५८,५९ | १,३४,४८ |
| **कुल ईक्वीटी** | **४,७०,९२** | **३,९४,७५** |
| दिर्घकालिन कर्जा | २,२३,६८ | २,६९,६६ |
| लिज दायित्व | ९१ | – |
| डेफर्ड कर दायित्व | ४,३३ | ४,६५ |
| अन्य दायित्व | ७,६५ | ५,७१ |
| अल्पकालिन कर्जा | ५२,१५ | ४१,३३ |
| स्थिर सम्पत्ति बाँकी मूल्य | २,२३ | २,६० |
| लिज सम्पत्ती | ९२ | – |
| आयोजना लागत (बाँकी) - तादी | ५७,०४ | ५९,८४ |
| आयोजना लागत (बाँकी) - मिष्ट्री | ४,६८,२७ | ४,९१,४४ |
| आयोजना खर्च मिष्ट्री- २ (हाल सम्मको) | ७,८८ | ७,६९ |
| सहायक कम्पनीमा लगानी | ४६९३ | – |

| विवरण | आषाढ मसान्त २०८३ | आषाढ मसान्त २०८२ |
|---|---|---|
| ख्याती (Goodwill) | १,२८ | १,३४ |
| खर्चको लागि पेश्की तथा धरौटी | १६,५८ | २२,२२ |
| अन्य भुक्तानी प्राप्त गर्न बाँकी रकम | १,२९,२६ | १,२५,८७ |
| नगद तथा बैंक मौज्दात | २९,२६ | ४,८३ |
| **कुल आय** | **१,५३,४४** | **१,३८,७९** |
| प्रत्यक्ष खर्च | (४८,२९) | (४४,९१) |
| यस बर्षको ओभरहेड ह्रास खर्च सहित | (६,६०) | (५,९९) |
| वित्तिय खर्च (खुद) | (१७,२७) | (२४,२९) |
| आयकर समायोजन | (१,५८) | (१,८५) |
| **खुद आय** | **७९,७०** | **६१,७५** |

**लाभांश घोषणा वारे:**

गत आर्थिक वर्षमा कम्पनीले आर्जन गरेको मुनाफा एवं कम्पनीले आयोजनामा लगानी गर्नु पर्ने आवश्यकतालाई समेत ध्यानमा राखि आ.ब. २०८२/८३ मा यस कम्पनीका शेयरधनी महानुभावहरुलाई २० प्रतिशत वोनस शेयर तथा कर प्रयोजनको लागि १.०५२६३ प्रतिशत नगद लाभांस वितरणको प्रस्ताव गरिएको छ। उपरोक्तानुसारको वोनस शेयर साधारण सभाको सहमती एबं विद्युत नियमन आयोगको स्वीकृति पश्चात बितरण गरिनेछ।

**कम्पनी अन्तर्गतका आयोजनाहरु :**

**(क) तादी खोला जलविद्युत आयोजना (५ मे.वा.)**

यस कम्पनी द्धारा संचालित तादी खोला (थप्रेक) जलविद्युत आयोजना (५ मे.वा.) को मिति २०६८ मंसिर १३ मा नेपाल सरकार, ऊर्जा मन्त्रालयबाट विद्युत उत्पादनको अनुमतिपत्र (वि.वि.वि. ०६८/६९ वि.उ.०५४) प्राप्त भएको र उक्त अनुमतिपत्र मिति २१०३ मंसिर ०५ गते सम्म बहाल रहनेछ। उक्त आयोजनाको व्यावसायिक उत्पादन कार्य २०६९ चैत्र १४ गतेबाट सुरु भई हाल सन्तोषजनक रुपमा संचालन भइरहेको छ।

**(ख) मिष्ट्री खोला जलविद्युत आयोजना (४२ मे.वा.)**

१. यस कम्पनी द्धारा संचालित मिष्ट्री खोला जलविद्युत आयोजना (४२ मे.वा.) को मिति २०६८ कार्तिक २३ मा नेपाल सरकार,ऊर्जा मन्त्रालयबाट विद्युत उत्पादनको अनुमतिपत्र (वि.वि.वि. ०६८/६९ वि.उ.०५३) प्राप्त भएको र उक्त अनुमतिपत्र मिति २१०३ कार्तिक १९ गते सम्म बहाल रहनेछ। उक्त आयोजनाको व्यावसायिक उत्पादन कार्य २०७८ आषाढ ३ गतेबाट सुरु भई यस आयोजनाको Contingency Plan मिति २०८०/०९/१२ मा समाप्त भई हाल पुर्ण क्षमतामा सन्तोषजनक रुपमा संचालन भइरहेको छ।

२. यस कम्पनीले मिष्ट्री खोला जलविद्युत आयोजना (४२ मे.वा.) को विद्युत खरिद विक्रि सम्झौता (PPA) बमोजिम विद्युत विक्रिको बिलिङ गरेको रकममा नेपाल बिद्युत प्राधिकरणले बिमती जनाई बिलिङ गरेको रकम भन्दा कम भुक्तानी गरे पश्चात् उठेको विवादमा दुबै पक्षबाट मध्यस्थताबाट विवाद निरूपण गर्ने सहमति भएबाट नेपाल मध्यस्थता परिषदमा चलेको मध्यस्थतामा मिति २०८० कार्तिक ३ मा मध्यस्थबाट निर्णय (Award) भई उक्त मुद्दामा कम्पनीले दाबी मिति सम्मको लागि ब्याज बाहेक रू.२८,३७,०४,८६७।०८ को दाबी गरेकोमा दफा १२ अन्तर्गतको रु.१७,४१,८०,१९५।०८ तथा दफा ३८.१८ अन्तर्गतको रु.८,९८,९७,८७१।९१ गरी जम्मा रकम रु.२६,४०,७८,०६६।९९ नेपाल विद्युत प्राधिकरणले यस कम्पनीलाई भुक्तानी गर्नुपर्ने गरी निर्णय भएकोमा नेपाल विद्युत प्राधिकरणले मध्यस्थबाट भएको उक्त निर्णय (Award) चित्त नबुझाई उच्च अदालतमा पुनः मुद्दा दायर गरेकोले सम्मानित उच्च अदालतवाट पनि मध्यस्थको निर्णय सदर हुने गरी मिति २०८१/०१/२३ मा फैसला भएकोले सोही वमोजिमको रकममा दफा १२ अन्तर्गतको रकमको मात्र व्याज सहित मिति २०८२/०५/१२ मा यस कम्पनीले भुक्तानी प्राप्त गरेको छ। बांकी रकम यथासिघ्र भुक्तानीको लागि सम्मानित जिल्ला अदालत पाटनमा मुद्दा दायर गरिएको छ।

**(ग) मिष्ट्री खोला-२ जलविद्युत आयोजना (१२ मे.वा.)**

यस कम्पनीद्वारा प्रवर्द्धन गर्न लागिएको मिष्ट्री खोला -२ जलविद्युत आयोजना क्यास्केड (१२ मे.वा) को निर्माण गर्ने सन्दर्भमा, यस कम्पनीलाई रु. १०,००,००,०००।- वरावरको रकम भुक्तानी गर्ने गरी आयोजनाको ९० प्रतिशत शेयर स्वामित्व डा. मदन कुमार उप्रेतीको नाममा हस्तान्तरण गर्ने र वाँकी रहेको १० प्रतिशत शेयर स्वामित्व यस कम्पनीको नाममा नै कायम रहने गरी मिति २०८२/०९/२४ (८ जनवरी, २०२६) मा उक्त आयोजनाको Project Acquire Agreement (MOU) सम्पन्न गरी सो रकम मध्ये रु. १,००,००,०००।- बरावरको रकम निज डा. मदन कुमार उप्रेतीवाट प्राप्त भईसकेको छ।

**(घ) दुध खोला जलविद्युत आयोजना (६५ मे.वा.)**

यस कम्पनीको ६७ प्रतिशत लगानी रहेको सहायक कम्पनी (Subsidiary Company) दुध खोला हाइड्रो पावर कम्पनी प्रा. लि द्वारा प्रवर्धन गर्न लागिएको दुध खोला जलविद्यूत आयोजना (६५ मे.वा.) को अनुमतिपत्र मिति २०८१/०८/२८ मा नेपाल सरकार विद्युत विकास बिभागवाट सिता डाईड्रोपावर कम्पनी प्रा.लि. को नामवाट उक्त कम्पनीको नाममा हस्तान्तरण भइ आईसकेको र यस आयोजनाको लागि आवश्यक पर्ने लगानीको सन्दर्भमा, एनएमवि बैंक लि.को अगुवाईमा मिति २०८३/०४/१९ मा वित्तिय व्यवस्थापन (Financial Closure) गर्ने कार्य सम्पन्न भईसकेको छ।

यस आयोजनावाट प्रभावित सरोकारवाला मनाङ जिल्ला, नासों गाउँपालिका ६ र ७ नं. वडाका स्थानीय वासिन्दा तथा यस दुध खोला हाईड्रोपावर कम्पनी प्रा.लि. का प्रतिनिधिहरु विच मिति २०८३/०४/२१ भएको निर्णय बमोजिम, विष्फोटक पदार्थको प्रयोग गरी आयोजनाको टनेल निर्माण गर्दा गाउँ तथा वस्ती जोखिमा पर्ने भनि साविकको प्रस्तावित दुध खोलाको दायाँ किनार (right bank) को विकल्पमा पारी वाँया किनार (left bank) बाट स्थानियहरुवाट नेपाल सरकारको प्रचलित ऐन तथा कानूनको परिपालना गर्ने गरी आयोजनाको निर्माण कार्य अधि बढाउने निर्णय भए अनुसार पारी वाँया किनार (left bank) बाट टनेल लगायतका संरचनाहरु निर्णाण गर्ने सन्दर्भमा, प्राविधिक अध्ययन गर्दा, साविकको कोर्डिनेटमा केही परिवर्तन हुन जाने र दैविक प्रकोप, विनाशकारी वाढी तथा पहीरोवाट हुने जोखिमलाई समेत मध्येनजर गरी भूमिगत विद्युत गृह निर्माण गर्दा सुरक्षाको दृष्टीकोणवाट समेत प्रभावकारी हुने देखिएकोले वाँया किनार (left bank) बाट जाँदा आयोजनाको जडित क्षमतामा पनि करिव ५.८६ मे.वा वढ्न गई ७०.८६ मे.वा. कायम गर्न सकिने देखिएकोले सोही बमोजिम यस आयोजनाको विद्युत उत्पादन अनुमती पत्रको संशोधन गर्ने लगायतका कार्यहरु प्रकृयामा रहेको छ।

**माउण्टेन इनर्जी नेपाल लि. को आ.व. २०८२/८३ को कार्यक्रमहरु :**

आ.व. २०८३/८४ मा निम्न कार्यक्रमलाई प्रमुख प्राथमिकतामा राखिएको छ।

- तादी खोला (थप्रेक) जलविद्युत आयोजना (५ मे.वा.) को विद्युत उत्पादनलाई निरन्तरता दिने।
- मिष्ट्री खोला जलविद्युत आयोजना (४२ मे.वा) को विद्युत उत्पादनलाई निरन्तरता दिने।
- दुध खोला जलविद्यूत आयोजना (६५ मे.वा.) आयोजनाको निर्माण प्रकृया अघि वढाउने।

कम्पनीले विगतमा गरेको कृयाकलाप तथा कारोवारको समिक्षा गरी आगामी बर्षमा गर्नुपर्ने कामका बारेमा यहांहरुवाट प्राप्त राय सुझावहरु संस्थाको लागि सदाझैं मार्गदर्शनका रुपमा रहने कुरामा हामी विश्वस्त छौं।

अन्त्यमा, कम्पनीलाई विभिन्न माध्यमद्वारा सहयोग तथा मार्गदर्शन प्रदान गर्ने सम्पूर्ण शेयरधनी महानुभावहरु, नेपाल सरकारका सम्वन्धित निकायहरु, नेपाल विद्युत प्राधिकरण, ऋण लगानीकर्ता बैंक तथा वित्तिय संस्थाहरु, विभिन्न नियमनकारी निकायहरु, लेखापरिक्षक तथा कम्पनीमा कार्यरत कर्मचारीहरु लगाएत सम्पूर्ण सहयोगीहरुमा संचालक समितिको एवं मेरो व्यक्तिगत तर्फबाट हार्दिक धन्यवाद ज्ञापन गर्न चाहान्छु।

धन्यवाद।

**श्री प्रदिप जंग पाण्डे**
**अध्यक्ष**
**माउण्टेन इनर्जी नेपाल लिमिटेड**
**मितिः २०८३।०७।२०**

## माउण्टेन इनर्जी नेपाल लिमिटेड

# कम्पनी ऐन २०६३ को दफा १०९(४) बमोजिमको प्रतिवेदन

(क) विगत वर्षको कारोबारको सिंहावलोकन,

कम्पनीको आ.व. २०८२।८3 को तुलनात्मक वित्तिय विवरणको सारांश तल प्रस्तुत गरेको छु।

(रकम रु लाखमा)

| विवरण | आषाढ मसान्त २०८३ | आषाढ मसान्त २०८२ |
|---|---|---|
| अधिकृत पूंजी | ५,००,०० | ५,००,०० |
| जारी पूंजी | ३,९०,४१ | ३,९०,४१ |
| चुक्ता पूंजी | ३,१२,३३ | २,६०,२७ |
| जगेडा तथा संचित मुनाफा | १,५८,५९ | १,३४,४८ |
| **कुल ईक्वीटी** | **४,७०,९२** | **३,९४,७५** |
| दिर्घकालिन कर्जा | २,२३,६८ | २,६९,६६ |
| लिज दायित्व | ९१ | – |
| डेफर्ड कर दायित्व | ४,३३ | ४,६५ |
| अन्य दायित्व | ७,६५ | ५,७१ |
| अल्पकालिन कर्जा | ५२,१५ | ४१,३३ |
| स्थिर सम्पत्ति बाँकी मूल्य | २,२३ | २,६० |
| लिज सम्पत्ती | ९२ | – |
| आयोजना लागत (बाँकी) - तादी | ५७,०४ | ५९,८४ |
| आयोजना लागत (बाँकी) - मिष्ट्री | ४,६८,२७ | ४,९१,४४ |
| आयोजना खर्च मिष्ट्री- २ (हाल सम्मको) | ७,८८ | ७,६९ |
| सहायक कम्पनीमा लगानी | ४६९३ | – |
| ख्याती (Goodwill) | १,२८ | १,३४ |
| खर्चको लागि पेश्की तथा धरौटी | १६,५८ | २२,२२ |
| अन्य भुक्तानी प्राप्त गर्न बाँकी रकम | १,२९,२६ | १,२५,८७ |
| नगद तथा बैंक मौज्दात | २९,२६ | ४,८३ |
| **कुल आय** | **१,५३,४४** | **१,३८,७९** |
| प्रत्यक्ष खर्च | (४८,२९) | (४४,९१) |
| यस बर्षको ओभरहेड ह्रास खर्च सहित | (६,६०) | (५,९९) |
| वित्तिय खर्च (खुद) | (१७,२७) | (२४,२९) |
| आयकर समायोजन | (१,५८) | (१,८५) |
| **खुद आय** | **७९,७०** | **६१,७५** |

(ख) राष्ट्रिय तथा अन्तर्राष्ट्रिय परिस्थितिबाट कम्पनीको कारोबारलाई कुनै असर परेको भए सो असरः-
कुनै नकरात्मक असर परेको छैन।

(ग) प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणाः-
मिष्ट्री खोला जलविद्युत आयोजना-४२ मे.वा. को व्यवसायिक उत्पादन कार्य मिति २०७८।०३।०३ बाट सुचारु भई संचालनमा आइरहेको। त्यसै गरी, तादी खोला जलविद्युत आयोजना थप्रेक-५ मे.वा. आ.व. २०६९/७० देखि संचालनमा आइरहेको।

(घ) कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्धः-
कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्धमा कुनै प्रतिकुल अवस्था नरहेको।

(ङ) सञ्चालक समितिमा भएको हेरफेर र सोको कारणः-
सञ्चालक समितिका सञ्चालक श्री टिका प्रसाद उप्रेतीले मिति २०८२/०३/०४ मा सञ्चालक पदबाट राजीनामा दिनुभए पछी रिक्त पदमा बाँकी अवधिको लागि श्री टिका प्रसाद उप्रेतीलाई मिति २०८२/०५/०९ मा पुनः सञ्चालक पदमा नियुक्त गरिएको छ।

(च) कारोबारलाई असर पार्ने मुख्य कुराहरूः-
छैन।

(छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सोउपर सञ्चालक समितिको प्रतिकृयाः-
लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत नरहेकोले संचालक समितिले कुनै प्रतिकृया गर्नु नपरेको।

(ज) लाभांश बाँडफाँड तथा हकप्रद शेयर जारी गर्न सिफारिस गरिएको रकमः-
हाल कायम चुक्ता पूंजी रू. ३,१२,३२,५८,८५० (तीन अर्व बाह्र करोड बत्तीस लाख अन्ठाउन्न हजार आठ सय पचास रूपैंया) को २० प्रतिशत बोनस शेयर र साथै कर प्रयोजनार्थ १.०५२६३ प्रतिशत नगद लाभांश सिफारिस गरिएको छ।

(झ) शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अङ्कित मूल्य, त्यस्तो शेयर जफत हुनुभन्दा अगावै सोबापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयरबापत रकम फिर्ता गरेको भए सोको विवरणः-
छैन।

(ञ) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकनः-
यस कम्पनीको कारोबारको अवस्था माथि बुंदा (क) मा प्रस्तुत गरिएको छ . कम्पनीको ६७ प्रतिशत लगानी रहेको दूध खोला हाइड्रो पावर कम्पनी प्रा. लि. (सहायक कम्पनी) ले ६५ मे.वा. क्षमताको दूध खोला जलविद्युत आयोजना निर्माण एबं संचालन गर्ने प्रयोजनकोलागि सर्भेक्षण, डिजाईन लगायका कार्य गरिरहेको र आ.ब. २०८३।८४ मानै निर्माणा कार्य प्रारम्भ गर्ने उद्येश्य रहेको। आ.ब. २०८२।८३ को अन्तमा उक्त कम्पनीको बित्तिय अबस्था निम्नानुसार रहेको छ।

(रकम रु लाखमा)

| विवरण | आषाढ मसान्त २०८3 |
|---|---|
| अधिकृत तथा जारी पूंजी | ३२,००० |
| चुक्ता पूंजी (अग्रिम जम्मा समेत) | ६०९ |
| जगेडा तथा संचित मुनाफा | (३२) |
| कुल ईक्वीटी | ५७७ |
| अन्य दायित्व | ४ |
| आयोजना बिकास लागत (CWIP) | २,०७७ |

| विवरण | आषाढ मसान्त २०८3 |
|---|---|
| खर्चको लागि पेश्की तथा धरौटी | ३,७२७ |
| नगद तथा बैंक मौज्दात | २५३ |
| यस बर्षको ओभरहेड | १५ |

हाल उक्त आयोजनकोलागि आबस्यक बित्तिय ब्यबस्थापन एनएमबि. बैंक लि. को अगुवाइमा सम्पन्न भइ सकेको छ।

(ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरु र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तनः
त्यस्तो कारोबार नभएको।

(ठ) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरुले कम्पनीलाई उपलब्ध गराएको जानकारीः-
त्यस्तो जानकारी नगराएको।

(ड) विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरुले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरु संलग्न रहेको भए सो सम्बन्धमा निजहरुबाट कम्पनीले प्राप्त गरेको जानकारीः-
कम्पनीका सञ्चालक तथा पदाधिकारीहरुले लिएको शेयरको स्वामित्व निम्नानुसार रहेकोः-

| नाम | पद | शेयर कित्ता |
|---|---|---|
| श्री प्रदिप जंग पाण्डे | अध्यक्ष | ९,१०,९३८ |
| श्री अरुण कुमार के.सी | संचालक | ६,१८,५३३ |
| श्री टिका प्रसाद उप्रेती | संचालक | २,७३,२८१ |
| श्री झनक दत्त खनाल<br>(प्रतिनिधि- हिमालयन विल्डर्स एण्ड इन्जिनियरिङ्ग प्रा.लि.) | संचालक | १,१४,२६४ |
| श्रीमती रचना अधिकारी | संचालक | १,५८७ |

कम्पनीको शेयर कारोवारमा निजहरु संलग्न रहेको जानकारी निजहरुवाट कम्पनीले प्राप्त गरेको छैन।

(ढ) विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्झौताहरुमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोराः-
कम्पनीसँग सम्बन्धित सम्झौताहरुमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा जानकारी उपलब्ध गराइएको छैन।

(ण) कम्पनीले आफ्नो शेयर आफैले खरिद गरेको भए त्यसरी आफ्नो शेयर खरिद गर्नुको कारण, त्यस्तो शेयरको संख्या र अङ्कित मूल्य तथा त्यसरी शेयर खरिद गरेबापत कम्पनीले भुक्तानी गरेको रकमः-
कम्पनीले आफ्नो शेयर आफैले खरिद नगरेको।

(त) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरणः-
कम्पनीको आन्तरिक नियन्त्रण प्रणाली भएको र सो प्रणाली आन्तरिक लेखा परिक्षण समिति अन्तर्गत रहेको।

(थ) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरणः-
विगत आर्थिक वर्षको कुल व्यवस्थापन खर्च रु.४,२२,१८,५९९ रहेको उक्त खर्चको विस्तृत विवरण वित्तिय विवरणको नोट ८ मा दिइएको छ।

(द) लेखापरीक्षण समितिका सदस्यहरुको नामावली, निजहरुले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारबाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरणः-
कम्पनीमा निम्नानुसारको लेखा परिक्षण समिति रहेको छ।

| **लेखापरीक्षण समितिका सदस्यहरुको नामः** |
|---|
| चा.ए. श्रीमती रचना अधिकारी |

| |
|---|
| श्री झनक दत्त खनाल- सदस्य |
| श्री टिका प्रसाद उप्रेती |

अन्य खर्च नभएको।

(ध) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठीत संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुराः-
त्यस्तो रकम बुझाउन बाँकी नरहेको।

(न) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरुलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकमः-
बैठक भत्ता बाहेक अन्य कुनै भत्ता तथा सुविधाको रकम भुक्तान गरिएको छैन।

(प) शेयरधनीहरुले बुझिलिन बाँकी रहेको लाभांशको रकमः-
बाँकी नरहेको।

(फ) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरणः-
त्यस्तो सम्पत्ति खरिद वा बिक्री नभएको।

(ब) दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएको कारोबारको विवरणः-
यस कम्पनीले मिति २०८२ फागुन ११ गते दुध खोला हाईड्रो पावर प्रा. लि. को ६७% इक्विटी शेयर पुँजी प्राप्त गरी सो कम्पनीमाथि नियन्त्रण प्राप्त गरेको छ। त्यसअनुसार, प्राप्त गरेको मितिदेखि दुध खोला हाईड्रो पावर प्रा. लि. लाई कम्पनीको सहायक कम्पनी भएको छ। यसको अलावा, यस कम्पनीले सहायक कम्पनीको शेयर पुँजीमा लगानी गर्न अग्रिम रकम स्वरूप रु. ७,००,००,००० उपलब्ध गराएको छ।
आ.व. २०८२।८३ मा, यस कम्पनीले सहायक कम्पनीको तर्फबाट रु.५०,६३,४३१ खर्च गरेको र सोको सोध भर्ना समेत प्राप्त गरिसकेको छ।

(भ) यस ऐन तथा प्रचलित कानूनबमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुराः-
अन्य आवश्यक विवरण संचालक समितिको प्रतिवेदन अन्तर्गत अध्यक्षज्यूको प्रतिवेदनमा उल्लेख गरिएको छ।

(म) अन्य आवश्यक कुराहरुः
छैन।

भवदिय,

**प्रदिप जंग पाण्डे**
अध्यक्ष
माउण्टेन इनर्जी नेपाल लि.

# धितोपत्र दर्ता तथा निष्काशन नियमावली, २०७३ अनुसूची-१५ सम्बन्धी विवरण

(नियम २६ को उपनियम (२) संग सम्बन्धित)

**(१) संचालक समितिको प्रतिवेदन:** संलग्न गरिएको

**(२) लेखापरीक्षकको प्रतिवेदन:** संलग्न गरिएको

**(३) लेखापरीक्षण भएको वित्तीय विवरण:** संलग्न गरिएको

**(४) कानुनी कारबाही सम्बन्धी विवरण:** संस्थामा हाल निम्नानुसारका कानुनी उपचारको क्रममा रहेकोः- यस कम्पनी सँग सम्बन्धित दुई अदालतमा विचाराधीन रहेका दुईवटा मुद्दाहरूको हालसम्मको प्रगति तथा वर्तमान अवस्था निम्न वमोजिम रहेकोछ।

**(क) नेपाल विद्युत प्राधिकरण (NEA) द्वारा सर्वोच्च अदालतमा दायर मुद्दा**

नेपाल विद्युत प्राधिकरणले मध्यस्थ (Arbitral Tribunal) को निर्णय ठिक ठहर्याएको उच्च अदालत पाटनको फैसला चित्त नवुझेको भनि त्यस उपर उच्च अदालत पाटन तथा माउन्टेन इनर्जी नेपाल लिमिटेड समेतलाई विपक्षी बनाई सर्वोच्च अदालतमा मुद्दा दायर गरेको अवस्था छ। मध्यस्थ (Arbitral Tribunal) को निर्णयबमोजिम भुक्तानी गर्नुपर्ने रकम भुक्तानी गर्नु नपरोस भन्ने उद्देश्यले उच्च अदालत पाटनको फैसलालाई चुनौती दिँदै प्राधिकरणले उक्त मुद्दा सर्वोच्च अदालतमा दायर गरेको हो। प्राधिकरणले सर्वोच्च अदालतसमक्ष मुद्दा दायर गर्दा उच्च अदालतको मुद्दा खारेजीको मागको साथ साथै अन्तरिम आदेश समेत जारी गर्ने गरी माग गरेको थियो। सर्वोच्च अदालतबाट मागबमोजिम अन्तरिम आदेश जारी नभई विपक्षीका नाममा कारण देखाऊ आदेश मात्र जारी भएको अवस्था छ। यस मुद्दाको आगामी पेसी (सुनवाई) २०८३ साल मंसिर २४ गतेका लागि तोकिएकोछ।

**(ख) माउन्टेन इनर्जी नेपाल लिमिटेडले ललितपुर जिल्ला अदालतमा दायर गरेको मुद्दा**

सर्वोच्च अदालतबाट मागबमोजिम अन्तरिम आदेश जारी नभई विपक्षीका नाममा कारण देखाऊ आदेश मात्र जारी भएपछी पाटन जिल्ला अदालतका तहसिलदारले मध्यस्थ (Arbitral Tribunal) को निर्णय बमोजिम बिगो भुक्तानी गर्नुपर्ने रकम तिर्ने गरी फैसला कार्यान्वयन गरेको भएता पनी तहसीलदारबाट पुर्ण रुपमा फैसला कार्यान्वयन नभएकोले माउन्टेन इनर्जी नेपाल लिमिटेडका तर्फबाट तहसिलदारको निर्णयउपर ललितपुर जिल्ला अदालतमा एउटा मुद्दा दायर गरिएकोछ। मध्यस्थको निर्णयबमोजिम निर्धारित बिगो रकम असुलउपर तथा फैसला कार्यान्वयन गर्ने प्रयोजनका लागि तहसिलदारबाट कारबाही अगाडि बढाइएको भए तापनि उक्त फैसलाको कार्यान्वयन मध्यस्थ (Arbitral Tribunal) को निर्णयको पूर्ण मर्म अनुरूप नभएको विषयलाई चुनौती दिँदै कम्पनीले उक्त मुद्दा दायर गरेको हो। कम्पनीले विशेषतः मध्यस्थ (Arbitral Tribunal) को निर्णयबमोजिम भुक्तानी निर्धारण तथा कार्यान्वयन गर्दा लागू हुनुपर्ने आधार वर्ष सिद्धान्तअनुसार रकमको गणना तथा भुक्तानीसम्बन्धी व्यवस्था कार्यान्वयन नभएको विषय यस मुद्दाको मुख्य विवाद रहेको छ। यस मुद्दाको आगामी पेसी (सुनवाई) २०८३ साल कार्तीक १३ गतेका लागि तोकिएको छ।

उपरोक्त दुवै मुद्दाहरू अदालतमा विचाराधीन रहेका छन्। मुद्दाहरूको आगामी सुनुवाइ तथा अदालतबाट हुने आदेश र निर्णयका आधारमा थप कानूनी प्रक्रिया अगाडि बढाइनेछ .

**(५) संगठित संस्थाको शेयर कारोबार तथा प्रगतिको विश्लेषण:**

(क) धितोपत्र बजारमा भएको संगठित संस्थाको शेयरको कारोबार सम्बन्धमा व्यवस्थापनको धारणाः संस्थाको शेयर कारोबार सामान्य बजार सिद्धान्त अनुसार निर्दिष्ट हुने गरेको।

(ख) गत वर्षको प्रत्येक त्रैमासिक अवधिमा संगठित संस्थाको शेयरको अधिकतम, न्यूनतम र अन्तिम मूल्यका साथै कुल कारोबार शेयर संख्या र कारोबार दिन

| त्रैमास (महिना) | शेयरको अधिकतम मूल्य रु. | शेयरको न्यूनतम मूल्य रु. | शेयरको अन्तिम मूल्य रु. | कुल कारोबार शेयर संख्या | कुल कारोबार दिन |
|---|---|---|---|---|---|
| पहिलो त्रैमासिक (असोज मसान्त २०८२) | ६८२ | ५५५.५ | ५९८.३ | ३,२२,३१,९४,७५८ | ५१ |
| दोस्रो त्रैमासिक (पौष मसान्त २०८२) | ६८३.४ | ५३५ | ५८८ | ३,००,७४,४२,५२७ | ५६ |
| तेस्रो त्रैमासिक (चैत्र मसान्त २०८२) | ६५५ | ५६५ | ५९९ | २,३२,४६,३३,७७७ | ४७ |
| चौथो त्रैमासिक (आषाढ मसान्त २०८३) | ६७३ | ५४५ | ५६९ | १,९७,९३,१०,३१९ | ६४ |

**(६) समस्या तथा चुनौती:**

प्रकृतिजन्य समस्या बाहेक संस्थामा उल्लेख्य रूपमा कुनै समस्या तथा चुनौति बहन गर्नु नपरेको। यस्ता प्रकृति जन्य समस्याको लागि संस्थाले उचित तवरबाट बिमा गरी क्षति पूर्ति ब्यबस्थापन गरी अएको।

**(७) संस्थागत सुशासन:**

संस्थामा अनुभबी संचालक समिति, सबल लेखापिरक्षण समिति, Compliance Officer, चुस्त ब्यबस्थापकीय जनशक्तीमार्फत संस्थागत सुशासन ब्यबस्थित गरिएको छ।

# TADI KHOLA HYDROELECTRIC PROJECT

Tadi Khola Hydroelectric Project is a run of river (ROR) type of project with an installed capacity of 5 MW. The project lies in Thaprek VDC of Nuwakot District in Bagmati Zone. The intake site is located at 'Chamete-Kavre Dovaan' and the powerhouse site is located near the intake of Simara Irrigation Scheme.

The design discharge has been diverted by constructing the weir of 6.0 m high from the river bed and 36 m long, and conveyed to the turbines through intake, gravel trap, approach canal, settling basin, forebay, box culvert and penstock pipe (surface and buried penstock pipe). The water is discharged back to the Tadi khola through tailrace culvert. The total length of box culvert is 471m with 2m x 2m internal dimension. Similarly penstock pipe up to bifurcation is 1770 m with an internal diameter of 1.9 m.

The surface powerhouse is located on the right bank of the Tadi Khola. It has two horizontal Francis units each having installed capacity of 2.5 MW. In the powerhouse, there is an assembly bay and a control building.

The switchyard is located on top of terrace north of the powerhouse on a hill above the powerhouse. The project site is accessible through the black topped road leading to Trishuli Bazaar of Nuwakot from Kathmandu branching at Ganagate (Battar). Gangate is 3 km east of Trishuli Bazaar. There is a black topped road of about 91 km from Kathmandu to Project site. It takes about four hours from Kathmandu and about one hour from Trishuli to reach the project site.

Tadi Khola Hydroelectric Project has begun commercial operation on 14 Chaitra 2069.

**PROJECT SALIENT FEATURE**

a) Project Location

| | |
|---|---|
| Latitude | : 27° 55′ 36″ N to 27° 55′ 00″ N |
| Longitude | : 85° 21′ 08″ E to 85° 19′ 15″ E |
| Development Region | : Central Development Region |
| District | : Nuwakot |
| Intake Site | : Satbise, Sundaradevi VDC |
| Powerhouse Site | : Kosgade, Ralukadevi,VDC |

b) General

| | |
|---|---|
| Name of River | : Tadi Khola |
| Type of Scheme | : Run-of-river |
| Gross Head | : 74.12 m |
| Net Head | : 65.48 m |
| Design Discharge | : 8.9 m3/sec |
| Installed Capacity | : 5 MW |
| Dry Season Energy | : 7.41 GWh |
| Wet Season Energy | : 25.48 GWh |
| Total Energy | : 32.90 GWh |

c) Hydrology

| | |
|---|---|
| Catchment Area | : 247 km2 |
| Design Discharge | : 8.91 m3/sec |
| Design Flood Discharge | : 613.0 m3/s (1 in 100 yr. flood) |



Installation of Solar Panels at Tadi Khola HEP for Internal Consumption



Downstream View of Tadi Khola from the Weir

d) Intake Structure

| | |
|---|---|
| Type of intake | : Side intake |
| No. of Intake Openings | : 2 Nos. of 3.2 m (w) X 2.4 m (h) |
| Invert Level of Intake | : El. 795.60 masl |
| No. of approach canal | : 1 |
| Size of approach canal | : 2.82 m (w) X 2.3 m (h) |

e) Bedload sluice

| | |
|---|---|
| No. of Openings | : 2 Nos. of 2.8 m (w) X 2.5 m (h) |
| Invert Level of Bedload sluice | : El. 794.00 masl |

f) Desanding Basin/Forebay

| | |
|---|---|
| Inlet transition | : 20.00 m |
| No of chamber | : 2 |
| Dimension (L x B x H) | : 44 m x 5.0 m x 6.1 m |
| Outlet transition | : 13.00 m |

g) Box Culvert

| | |
|---|---|
| Length | : 471.77 m |
| Size | : 2.0 m x 2.0 m |

h) Penstock

| | |
|---|---|
| Length of penstock pipe | : 1770.00 m |
| Internal diameter | : 1.9 m |
| Thickness | : 8 mm, 10mm and 12 mm |

i) Powerhouse

| | |
|---|---|
| Type | : Semi-Underground |
| Dimension | : 25.80 m x 16.20 m x 16.20 m |
| Turbine setting level | : El 727 masl |
| Number of units | : Two |
| Type of turbine | : Francis Turbine (horizontal axis) |
| Installed capacity | : 5 MW |
| Generators | : Synchronous three phase 6.25MVA |
| Speed of Turbine | : 750 RPM |

j) Tailrace Canal

| | |
|---|---|
| Type | : Concrete Conduit |
| Length | : 69 m |
| Material | : RCC |
| Size | : 2.9 m x 1.80 m |
| Tailrace water level | : 724.38 masl |

k) Switchyard

| | |
|---|---|
| Dimension | : 14.0m x 28.0m |

l) Transmission Line

| | |
|---|---|
| Type | : 33 KV |
| Length | : 8.50 km |



Powerhouse Area of Tadi Khola HEP



New Francis Runner of Tadi Khola HEP

# MISTRI KHOLA HYDROELECTRIC PROJECT

## INTRODUCTION

Mistri Khola Hydroelectric Project (MKHP) is a run-of-river type project on Mistri Khola, a major tributary of Kaligandaki River. It is located in Myagdi district of Nepal.

The project has an installed capacity of 42 MW (3x14 MW).

The project site is about 100 km northwest of Pokhara. The headwork site is located about 70 m downstream from confluence of Nilgiri and Ghalemdi Rivers, and about 8 km north of Tatopani Bazaar. Headworks structure comprises of 22.85 m concrete gravity dam with two undercluice gates and frontal intake. Settling Basins with two inverted D with V-shaped bottom hopper bays are fed upon by two 44 m long approach tunnels.

The headrace tunnel is 2270 m long shotcrete lined (partially concrete lined) with finished diameter of 4m, and inverted D in shape. A concrete lined surge shaft is located about 40m upstream of the outlet portal. The steel penstock is 1415 m long 2.15 m/2.05 m dia upto bifurcation. The pipe then splits into three branch pipes of 1.2 m dia with a combined length of 240 m to feed three turbines in the powerhouse.

The powerhouse, located on the left bank of Kaligandaki River, is surface type structure which houses three 14 MW vertical axis pelton turbines and the corresponding generating units. The switchyard is located in the upper terrace of the powerhouse back-slope. A 132 kV about 4 km long transmission line connects the switchyard to NEA's Dana Sub-station.

Following entities constituted the whole institutional arrangement of Mistri Khola Hydroeletric Project:

| | |
|---|---|
| Employer | Mountain Energy Nepal Ltd., Nepal |
| Engineer | Hydro Consult Engineering Limited (HCE), Nepal |
| Civil Works Contractor | High Himal Hydro Construction Pvt. Ltd. (3HC), Nepal |
| Hydro-mechanical Contractor | Nepal Hydro and Electric Limited (NHE), Nepal |
| Penstock Pipes and Fittings Supplier | Changsha Jetsun Trade Development Co. Limited, China |
| Penstock Pipes and Fittings Installation | Workshop of Engineering Services Pvt. Ltd., Nepal |
| Electromechanical Contractor | Voith Hydro Pvt Ltd, India |
| Transmission Line Contractor | Urja International Pvt. Limited, Nepal |
| Settling basin Flushing System (S4) Supplier/Contractor | Sediment Systems Dr.ing. H. Stole AS, Norway |
| Lender Banks/ Financial Institutions | Nabil Bank Ltd. (NABIL) (Lead bank)<br>Hydroelectricity Investment and Development Company Ltd. (HIDCL)<br>Nepal Investment Bank Ltd. (NIBL)<br>Laxmi Bank Ltd. (LxBL)<br>Nepal Bank Ltd. (NBL) |




Power House



Repair works of Nozzles




Preventive Maintenance at Powerhouse, MKHEP

**Project Commissioning Date**

After testing & trial run of the machines, the Project was commissioned on 3rd Ashad 2078. The Project was sucessfully commissioned for installed capacity 42MW.

**SALIENT FEATURES**

AS BUILT SALIENT FEATURES

The as-built salient features of the project are as follows:

| | | |
|---|---|---|
| TYPE OF SCHEME | : | Run-of-River |

**LOCATION**

| | | |
|---|---|---|
| Headworks Area | : | Baskot, Narchyang VDC |
| Powerhouse Area | : | Narchyang Village |
| River | : | Mistri Khola |
| Project Area | : | Latitude 28°30′00″N to 28°33′00″N |
| | : | Longitude 83°39′00″E to 83°42′00″E |
| Access to Project | : | 100 km from Pokhara |

**BASIC FEATURES**

| | | |
|---|---|---|
| Dam Crest Level | : | 1562.85 masl |
| Turbine Centre level | : | 1260.10 masl |
| Gross Head | : | 302.75 m |
| Design Discharge to Turbines | : | 17.1 m3/s |
| Installed Capacity | : | 42 MW |

**HYDROLOGY**

| | | |
|---|---|---|
| Catchment Area at Intake | : | 280 km2 |
| Design Discharge to Turbines | : | 17.1 m3/s |
| Probability of exceedance of Design Flow | : | 40 Percentile |
| Compensation Discharge at the Intake | : | 0.41 m3/s |
| Catchment Area at Powerhouse site | : | 3770 km2 |

**FLOOD**

| | | |
|---|---|---|
| 1 in 100 years Design Flood at Weir | : | 700 m3/s |
| 1 in 100 years Flood at Powerhouse | : | 1100 m3/s |
| 1 in 20 years Dry Season Flood | : | 35 m3/s |

**RIVER DIVERSION**

| | | |
|---|---|---|
| Diversion Tunnel Shape | : | Inverted D |
| Diameter | : | 2.80 m |
| Length | : | 135.5 m |

**DAM**

| | | |
|---|---|---|
| Type | : | Concrete gravity founded on bedrock |
| Crest Length | : | 29.5 m including piers |
| Spillway Type | : | Free overflow weir with two undersluice spillway gates |
| Energy Dissipation Arrangement | : | Flip bucket at the dam guiding the jet to exposed bedrock downstream of the toe of the dam |



Repair works of Radial Gates, MKHEP



Underwater Repair Works at Dam, MKHEP



Powerhouse Access Road Damaged by Flood event of Aswin 11th 2083



Temporary Construction of Powerhouse Access Road

| | | |
|---|---|---|
| Crest Level of the Trash Passage | : | 1561.85 masl |
| Length of Trash Passage | : | 8.00 m |
| Crest Level of the Main Overflow Spillway | : | 1562.85 masl |
| Length of the Main Overflow Spillway | : | 16.50 m |
| Length of dam, including Piers | : | 29.5 m |
| Service Bridge Deck Level | : | 1570.85 masl |
| Height | : | 25 m from river bed to bridge deck level |

**UNDERSLUICES IN DAM**

| | | |
|---|---|---|
| Opening Size | : | 3 m (W) x 4 m (H) |
| No of Openings | : | Two |
| Invert Level | : | 1545.85 masl |
| Under-sluice Gate Type | : | Radial gates with 4 side closing arrangement |
| Maintenance Arrangement | : | Stop logs in grooves at the upstream face of the dam, 3 m (W) x 4 m (H) |

**INTAKE**

| | | |
|---|---|---|
| Frontal Intake | : | 8 m (W) x 5 m (H) at the trash rack location |
| No. of Openings | : | One |
| Invert Level of Sill | : | 1555.35 masl |
| Design Discharge | : | 20.4 $m^3/s$ |
| Slope of the Trash Rack Front | : | Eight to one (8:1) |
| Maximum Light Opening between Bars in TR | : | 60 mm |
| Trash rack Cleaning Arrangement | : | Trash rack cleaning machine located at the bridge deck over the trash passage |

**INLET TUNNEL**

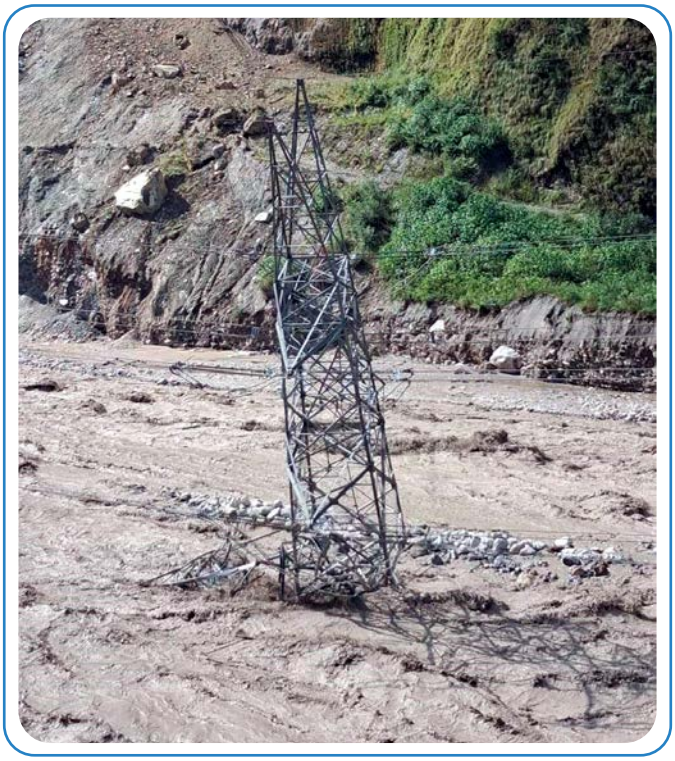
| | | |
|---|---|---|
| No of Tunnels | : | Two |
| Shape | : | Inverted-D |
| Length | : | 42.15 m |
| Finished Diameter | : | 4m dia. Inverted –D Shape |
| Cross-section Area (finished) | : | 14.28 $m^2$ |
| Lining | : | Concrete lining of straight approach tunnel from the bend to the settling basin due to hydraulics |

**SETTLING BASINS**

| | | |
|---|---|---|
| Type | : | Underground with free surface flow during all normal operation water levels |
| Number of Basins | : | Two |
| Shape | : | Inverted D with V-shaped bottom hopper |
| Standard Fall Diameters Used in Design | : | 0.20 mm and 0.15 mm |
| Trap Efficiency for 0.20 mm | : | 97% |
| Trap Efficiency for 0.15 mm | : | 85% |
| Uniform Cross-section Area (finished) | : | 8 m (W) x 6.7 m (H) |



Powerhouse Access Road Damaged by Flood event of Aswin 11th 2083



NEA 220 KV Transmission Line Damaged Tower No. 21



NEA 220 kV Transmission Line Tower 23 & 24 has been swept by the flood

2.8 m hopper depth, height from invert to crown 12.5 m

| | | |
|---|---|---|
| Length of Uniform Cross-section Part | : | 85 m |
| Length of Inlet Transition | : | 25 m |
| Length of Outlet Transition including Head pond | : | 6.8 m |

**Flushing System**

| | | |
|---|---|---|
| Flushing Tunnel | : | Serpent Sediment Sluicing System (S4) |

2 m*2 m Inverted-D (dimension varied towards Settling Basin max. up to 2 m *3 m ), 36.5 m long, Inverted D shaped

**HEADRACE TUNNEL**

| | | |
|---|---|---|
| Section Type | : | Inverted-D, shotcrete lined |
| Finish Diameter | : | 4 m with 20 cm thick invert concrete |
| Length | : | 2270 m |

**SURGE SHAFT**

| | | |
|---|---|---|
| Diameter | : | 5m finished |
| Height | : | 59.7 m |
| Inclination | : | 71.6° with horizontal |
| Ventilation Tunnel | : | 8 m long, 6.9 m *3.25 m Inverted-D |
| Horizontal connection tunnel to HRT | : | 10 m long, 4 m*4.2 m Inverted -D |

**PENSTOCK**

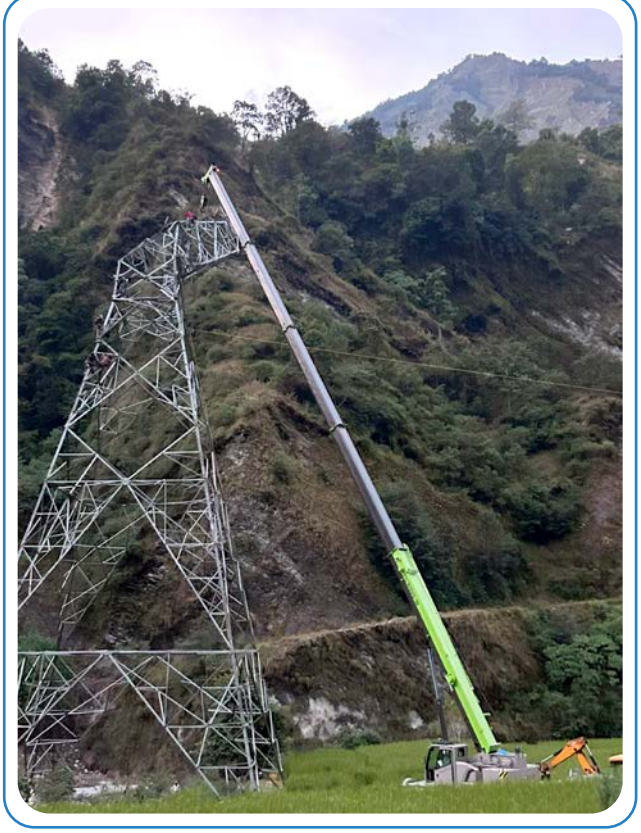
| | | |
|---|---|---|
| Material | : | Steel |
| Type | : | Buried |
| No of Branching | : | Three |
| Diameter | : | 2.15 m/2.05 m before Branching<br>1.7 m dia. 6.9 m length after First Branching<br>1.2 m dia. 67.61*3 pipe lines after Second |
| Branching | | |
| Length | : | 1375 m before Branching (2.05 m and 2.15 |
| m dia); | | |
| | | Cone at transition to HRT 4 m<br>7.25 m after First Branching (1.7 m dia)<br>67.61 m (1.2 m dia)* 3 pipe lines to Three |
| Units | | |
| Pipe Shell Thickness | : | 10 – 28 mm |

**POWERHOUSE**

| | | |
|---|---|---|
| Type | : | Surface |
| Internal Dimension | : | 50.4 m (L) x 16 m (W) x 20 m (H) |
| Turbine Axis Level | : | 1260.10 masl |
| Machine Floor Level | : | 1261.40 masl |



Access Tunnel to Desanders of MKHEP



NEA 220 KV Transmission Line Tower 21 Damaged During Flood has been restored of ERS Tower by NEA and IPPs



The Erection of the ERS Tower by using a Crane,

**TAILRACE**

| | | |
|---|---|---|
| Type | : | Free Flow Box Culvert |
| Length | : | 51 m (Unit 3 to Outlet) |
| Size | : | 3.5 m (B) x 2.3 m (H) |

**TURBINES**

| | | |
|---|---|---|
| Type of Turbine | : | Pelton (Vertical) |
| No. of Units | : | Three |
| No. of Jets per Turbine | : | Six |
| Rated net head | : | 285 m |
| Unit Discharge | : | 5.7 m3/s |
| Rated Speed | : | 500 rpm |
| Rated Efficiency | : | 90.10% |

**GENERATORS**

| | | |
|---|---|---|
| No. of Units | : | Three |
| Type | : | Synchronous 3 Phase |
| Rated Power | : | 16.5 MVA |
| Power Factor | : | 0.85 |
| Rated Speed | : | 500 rpm |
| Frequency | : | 50 Hz |
| Voltage | : | 11kV |
| Efficiency | : | 97.50% |

**TRANSFORMER**

| | | |
|---|---|---|
| No. of Units | : | Three |
| Phase | : | Three |
| Voltage Level | : | 11kV/132 kV |
| Type | : | Outdoor |
| Cooling | : | Oil immersed ONAN/ONAF |

**TRANSMISSION LINE**

| | | |
|---|---|---|
| Voltage | : | 132 kV Double Circuit |
| Length | : | 4.2 km |
| Connection | : | Interconnection point at Dana Substation |

# MISTRI KHOLA-2 HYDROELECTRIC PROJECT

## INTRODUCTION

Mistri Khola 2 Hydroelectric Project (MK2HEP) was identified by Mountain Energy Nepal Ltd. (MEN) as potential cascade projects for Mistri Khola Hydroelectric Project (MKHEP) developed by Mountain Energy Nepal Ltd. Survey license for the project has been issued to MEN on 29/04/2074.

The project is located in the Myagdi District in the Dhaulagiri Zone of the Western Development Region of Nepal, Province No 4. The project boundary coordinates as issued by the Department of the Electricity Development (DoED) range from latitudes 28°30'21" N to 28°29'00" N and the longitudes 83°38'51"E to 83°39'47" E.

The project area is accessible from Kathmandu through Kathmandu-Pokhara-Beni, a 280 km black topped road following a 20 km gravel road from Beni to the headworks area (which is already in the phase of upgrading). Though the headworks area is accessible, upgrading of existing roads and construction of a few new roads and a bridge are required for access to the proposed powerhouse and tunnel portal areas.

The main structures for diversion of the flow from the tailrace of Mistri Khola HEP comprise a balancing pond. Diversion structure for Ghatte Khola comprises of a weir, intake and settling basin that will be connected with the Balancing pond. Surface water conveyance system comprises of 1052 m long rectangular headrace culvert with dimension 3.5 m x 2.5 m (B x H) and 103m long syphon structure. The headrace tunnel is 1316 m long shotcrete lined (partially concrete lined) with finished dimension of 4 m x 4 m inverted D in shape. The discharge is conveyed to the 113.5m long steel lined Inclined Shaft and 85 m long horizontal Penstock tunnel.The flow is then discharged to a surface powerhouse located at the left bank of Kaligandaki River and is equipped with 2 horizontal axis Francis turbines, which utilize the rated net head of 72.54 m.

The MoU on Connection Agreement was signed with Nepal Electricity Authority on 2076/4/26 and PPA is in the process in NEA.

## SALIENT FEATURES

| | | |
|---|---|---|
| **PROJECT** | : | Mistri Khola 2 Hydroelectric Project |
| Installed Capacity | : | 12.00 MW |
| **LOCATION** | | |
| Rural Municipality | : | Annapurna (Former: Narchyan and Shikha VDC) |
| District | : | Myagdi |
| Zone | : | Dhaulagiri |
| Province No | : | 4 |
| Project Area | : | Latitude 28° 29' 00" N to 28° 30' 21" N |
| | : | Longitude 83° 38' 51" E to 83° 39' 47" E |
| Access to Project | : | 100 km from Pokhara |

## HYDROLOGY

| | | |
|---|---|---|
| Catchment Area of Mistri Khola HEP at Intake | : | 298.8 $km^2$ |
| Catchment Area of Ghatte Khola at Intake | : | 7.10 $km^2$ |
| CA of Mistri Khola HEP at PH | : | 3946.3 $km^2$ |
| CA of Mistri Khola 2 HEP at PH | : | 3966.5 $km^2$ |
| Design Discharge of Mistri Khola HEP | : | 18.23 $m^3/s$ |
| Design Discharge of Ghatte Khola | : | 0.51 $m^3/s$ |
| Design Discharge to Turbines of Mistri Khola 2 HEP | : | 18.74 $m^3/s$ |

**FLOOD**

| | | |
|---|---|---|
| 1 in 100 years Flood at Balancing Pond Area | : | 1,611 $m^3/s$ |
| 1 in 100 years Flood at Powerhouse Area | : | 1,625 $m^3/s$ |

**GHATTE KHOLA DIVERSION HEADWORKS**

**i. WEIR**

| | | |
|---|---|---|
| Type | : | Gabion/Boulder Weir |
| Length | : | 3.70 m |
| Weir Crest Elevation | : | 1265.10 masl |

**ii. UNDERSLUICE**

| | | |
|---|---|---|
| No. of Opening | : | 1 |
| Size of Opening | : | 0.75 * 1.0 (B * H) |
| Invert Level | : | 1262.98 masl |

**iii. INTAKE**

| | | |
|---|---|---|
| Type | : | Side Intake |
| No. of Orifice | : | One |
| Size of Orifice | : | 1.3 m * 0.5 m (B * H) |
| Orifice Invert Level | : | 1264.40 masl |

**iv. GRAVEL TRAP**

| | | |
|---|---|---|
| Size | : | 1.5 m * 1.3 m (L * B) |
| Bed Slope | : | 1 in 10 |
| Flushing Pipe | : | 0.3m dia. |

**v. APPROACH CANAL**

| | | |
|---|---|---|
| Shape | : | Rectangular |
| Width | : | 0.8 m |
| Length | : | 11.00 m |
| Bed Slope | : | 1 in 100 |

**vi. SETTLING BASIN**

| | | |
|---|---|---|
| No. of Bays | : | 1 |
| Size of Uniform Section (Each Bay) | : | 10.2 m * 2.0 m * 2.6 m (L * B * H) |
| Design Particle Size | : | 0.20 mm |
| Settling Basin Trap Efficiency | : | 80% |
| Flow Velocity in the Basin | : | 0.178 m/s |
| Bed Slope | : | 1 in 40 |
| Flushing Pipe | : | 0.3m∅ |

**MAIN WATERWAYS**

**i. BALANCING POND**

| | | |
|---|---|---|
| Normal Water Level at Start | : | 1257.75 masl |
| Length | : | 10.75 m (Including transition) |
| Uniform Section Size | : | 6.0 m * 4.0 m (B * H) (Including FB) |
| Spillway Crest Elevation | : | 1257.75 masl |

**ii. HEADRACE CULVERT**

| | | |
|---|---|---|
| Type | : | Rectangular, Buried |
| Length | : | 1051.81 m |
| Size | : | 3.5 m * 2.5 m (B * H) (Including FB) |
| Slope | : | 1 in 1000 |

**iii. SYPHON**

| | | |
|---|---|---|
| Length of Uniform Section | : | 103 m |
| Size | : | 3.5 m * 2.0 m (B * H) |

**iv. HEADRACE TUNNEL**

| | | |
|---|---|---|
| Section Type | : | Inverted-D |
| Excavation Size | : | 4.0 m * 4.0 m (B * H) |
| Length | : | 1316.13 m |

**v. HEADPOND CAVERN**

| | | |
|---|---|---|
| Section Type | : | Inverted-D |
| Total Length | : | 14.75 m |
| Width of uniform section | : | 5.00 m |
| Invert Level at the start | : | 1252.49 m |

**vi. EMERGENCY SPILLING TUNNEL**

| | | |
|---|---|---|
| Section Type | : | Inverted-D |
| Diameter | : | 4.0 m |
| Length | : | 116.80 m |

**vii. INCLINED SHAFT**

| | | |
|---|---|---|
| Section Type | : | Circular |
| Diameter | : | 4.0 m |
| Length | : | 113.45 m |

**viii. HORIZONTAL PENSTOCK TUNNEL (Including Bifurcation Tunnel)**

| | | |
|---|---|---|
| Section Type | : | Inverted-D |
| Finished Dimension | : | 4.0 m * 4.0 m (B * H) |
| Length | : | 85.42 m |

**ix. PENSTOCK PIPE**

| | | |
|---|---|---|
| Section Type | : | Circular |
| Diameter | : | 2.25m |
| Length | : | 158.59 m |

**x. BIFURCATION PIPE**

| | | |
|---|---|---|
| Section Type | : | Circular |
| Diameter | : | 1.60m |
| Length | : | 38.22 m |

**POWERHOUSE**

| | | |
|---|---|---|
| Type | : | Surface |
| Dimension | : | 35.00m(L) x15.50m(W) x 29.15m(H) |
| Control Building | : | 35.00m(L) x 7.90m(W) x 10.95m(H) |

**TAILRACE CULVERT**

| | | |
|---|---|---|
| Maximum Tail Water Level | : | 1178.99 masl |
| Normal Tail Water Level | : | 1178.81 masl |
| Minimum Tail Water Level | : | 1177.25 masl |
| Type | : | Rectangular |
| Length | : | 256.27 m |
| Finished Dimension | : | 4.0 m * 2.7 m (B * H) |

**TURBINES**

| | | |
|---|---|---|
| Type of Turbine | : | Francis (Horizontal Axis) |
| No. of Units | : | Two |
| Turbine Axis Level | : | 1178.56 masl |
| Unit Discharge | : | 9.37 m3/s |
| Rated Efficiency | : | 93.0% |

**GENERATOR**

| | | |
|---|---|---|
| Type | : | Salient Pole, Synchronous |
| Generation Voltage | : | 11 kV |
| Frequency | : | 50 Hz |
| Efficiency | : | 97.0% |

**TRANSFORMER**

| | | |
|---|---|---|
| Type | : | Three-Phase, Step-up |
| Rated Capacity | : | 14 MVA |
| Voltage Ratio | : | 11/132 kV |
| Efficiency | : | 99.0% |

**TRANSMISSION LINE**

| | | |
|---|---|---|
| Voltage Level | : | 132 kV |
| Length | : | 3.0 km |
| Conductor Type | : | ACSR "BEAR" |
| From | : | Switchyard of MK2HEP |
| To | : | Switchyard of MKHEP |

**ENERGY GENERATION**

| | | |
|---|---|---|
| Gross Head | : | 78.94 m |
| Rated Net Head | : | 72.54 m |
| Installed Capacity | : | 12.00 MW |
| Mean Annual Energy | : | 67.80 GWh |
| Dry Season Energy | : | 20.05 GWh |
| Wet Season Energy | : | 47.75 GWh |

**PROJECT COST ESTIMATE**

| | | |
|---|---|---|
| Total Cost of Project | : | 2,086.15 million NRs. (Before IDC) |

**CONSTRUCTION PERIOD** : 2.5 years

# DUDH KHOLA HYDROPOWER PROJECT

## BACKGROUND

The Mountain Energy Nepal Ltd. is acquiring majority share of Dudh Khola Hydropower Company (P) Ltd., which is developing the Dudh Khola Hydropower Project (DKHPP) of a 65 MW project.

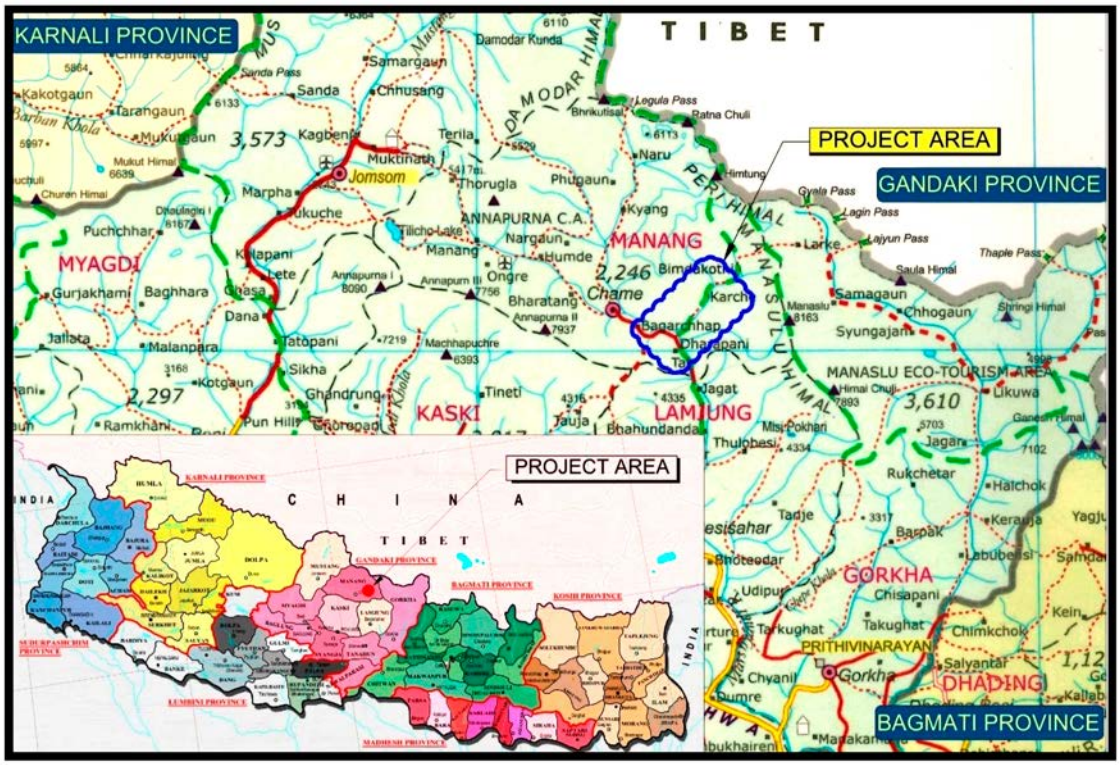



**Figure 1: Location of the Project**

## INTRODUCTION

DKHPP is a run-of-river (ROR) scheme proposed on Dudh Khola in Manang District (Figure 1). The project lies on the Dudh Khola River, one of the tributaries of the Marshyangdi River. The total catchment area of the project at intake is 390 km2, most of which lies in the Annapurna Conservation Area.

In relation to the advancement of the construction process of the Dudh Khola Hydropower Project, the company has already obtained approval of the Environmental Impact Assessment (EIA) report for the development of various project structures. In line with this approval, certain required land parcels have been purchased in the company's name. Moreover, financial closure has been completed under the leadership of NMB Bank, ensuring the necessary investment arrangements.

At present, the project is in its Detailed Engineering Design (DPR) and Tender Document Preparation phase as per the approved feasibility and EIA. The proponent of the project, Dudh Khola Company Private Limited, awarded the JV of Hydro-Consult Engineering Limited and Hydro Tunnelling and Research Pvt. Ltd. for the same.

The Consultant had prepared and submitted an Updated Feasibility Study for the right-bank alignment, which was originally proposed as the right bank of the river. Similarly, the Detailed Engineering Design (DPR) and Tender Document Preparation phase is at the concluding Stage.

During the process of advancing the construction activities of the Project, the local residents who are affected stakeholders of the Project expressed their objection to the construction of the Project tunnel along the originally proposed right bank of the river, mentioning concerns that the use of explosives for tunnel excavation could pose risks to the safety of the nearby villages and settlements.

Accordingly, the proposed construction along the right bank was suspended, and an alternative alignment along the left bank of the Dudh Khola River was considered.

A technical and financial study of the area was conducted, which indicated that the project's gross head would increase. Furthermore, from a safety perspective, an underground power house was found to be more suitable.

Consequently, it was observed that the previously installed capacity could be increased from 65 MW to 70.86 MW. Accordingly, during the Board of Directors' meeting of this company held on 2083/05/22 (September 7, 2026), a decision was made to amend the electricity generation license to maintain the revised coordinates, especially latitude (28° 31'' 03" N to 28° 33' 26" N from 28° 31' 27" N to 28° 33' 26" N ) and the increased installed capacity of 70.86 MW. A request has already been made for cooperation in providing theoretical approval (in-principle agreement) from the Department of Electricity Development.



**Figure 2: Headworks Downstream View**



**Figure 3: Headworks Upstream View**



Figure 4: Settling Basin Area



Figure 5: Settling Basin and Inlet Portal Area



Figure 6: Switchyard Area




**Figure 7: Underground Power House area on the left bank of the Marshyangdi River**

The salient features of this left bank option are presented below; however, some changes may be required during the detailed engineering design in order to enhance the project.

**SALIENT FEATURES DURING FEASIBILITY STUDY**

| | |
|---|---|
| **GENERAL** | |
| Name of the project | Dudh Khola Hydroelectric Project |
| Name of the river | Dudh Khola |
| Type of Scheme | RoR |
| Project Location | Nashong Rural Municipality, Manang |
| License boundary coordinates | |
| Latitude | 28° 31′ 27″ N to 28° 33′ 26″ N |
| Longitude | 84° 21′ 13″ E to 84° 23′ 55″ E |
| Nearest town | Besisahar |
| Access road name | Kathmandu-Besisahar-Dharapani-Thonche |
| **ORAGNIZATION** | |
| Developer | Dudh Khola Hydro Power Company Pvt. Ltd. |
| Consultant | JV of Hydro-Consult Engineering Limited and Hydro-Tunnelling and Research Pvt. Ltd |
| **HYDROLOGY** | Left Bank Option |
| Catchment area at intake site (sq. km) | 393.88 |
| Catchment area at powerhouse site (sq.km) | 2121.69 |
| Design discharge (m3/s) | 18.05 |
| Average annual discharge ($m^3/s$) | 31.23 |
| Minimum monthly discharge available in the river ($m^3/s$) | 7.71 |

| | |
|---|---|
| Maximum monthly discharge available in the river ($m^3/s$) | 88.09 |
| Minimum environmental release ($m^3/s$) | 1.16 |
| Flood discharge for headworks design (100 years) (m3/s) | 831.56 |
| Flood discharge for powerhouse/tailrace design (100 years) (m3/s) | 3003.1 |
| Construction flood discharge for headworks (20 years) (m3/s) | 178.89 |
| Construction flood discharge for powerhouse/tailrace (20 years) (m3/s) | 894.54 |
| **WEIR** | |
| Type of Weir | Concrete-infilled boulder weir with free overflow spillway |
| Weir crest level (masl) | 2367.50 |
| Type of operation | Run of River |
| Crest length (m) | 35 |
| Height of Weir (m) (from river bed) | 6.2 |
| Foundation type | Boulder bed with concrete infill and cutoff walls |
| Full supply level (masl) | 2367.50 |
| HFL (100 yrs) (masl) | 2373.00 |
| **UNDERSLUICE** | |
| No. of openings | 2 |
| Opening size (W x H, m) | 2 x 3 |
| Gate type | Radial |
| Invert level (masl) | 2359.50 |
| **TRASH PASSAGE** | |
| No. of openings | 1 |
| Opening size (W x H, m) | 1.5 x 2 |
| Invert level (masl) | 2366.75 |
| **INTAKE** | |
| Type | Orifice type side intake |
| No. of openings (nos) | 2 |
| Side Intake orifice size (W x H, m) | 4 x 4 |
| Top sill level (masl) | 2368.00 |
| Invert sill level (masl) | 2364.00 |
| Intake discharge with flushing (m3/s) | 21.66 |
| Gate type | Vertical Fixed-Wheel Type |
| **GRAVEL TRAP** | |
| Type | Hopper-type gravel trap with conventional flushing |
| Settling criteria | Removal of particles ≥ 5 mm |
| Number of basins | 1 |
| Size (L x W x H, m) | 8.25 x 9.20 x 10 |
| Size of flushing canal (L x W x H, m) | 100 x 1.50 x 1.20 (sloping at 1V:50H) |

| | |
|---|---|
| **APPROACH CULVERT** | |
| Type of culvert | Closed RCC culvert |
| Length of culvert | 53 (each culvert), preceded by ~16 m long transition culvert |
| Number (nos) | 2 |
| Size of culvert (W x H, m) | 2.75 x 2.75 (each culvert) |
| Bed slope (V: H) | 1: 80 |
| **SETTLING BASIN** | |
| Type | Hopper-type open surface |
| Settling criteria | Concentration approach using Camp's removal factor |
| Nominal size of trapped particle (mm) | 0.15 |
| Settling design temperature (°C) | 10 (assumed for Himalayan River conditions) |
| No. of basins | 2 |
| Trap efficiency | ≥90% (96% at design discharge) |
| Inlet transition length (m) | 21.15 |
| Settling basin size (L x W, m) | 75 x 10.38 (each basin) |
| Flushing system | Intermittent gravity flushing (head cutting method) |
| Flushing channel (W x H, m) | Gated box culvert (2 nos.)<br>1.2 x 1.2 |
| Longitudinal slope (V: H) | 1: 50 |
| **HEADPOND** | |
| Settling basin outlet transition size (m) | 8.26 m long, width tapering from 21.50 m to 7.0 m, height 6.0 m |
| Settling basin outlet transition invert level (masl) | 2362.60 |
| HRP inlet pond size (L x W x H, m) | 10.43 x 7 x 11.40 |
| HRP inlet pond invert level (masl) | 2357.20 |
| **HEADRACE PIPE** | |
| Type | Steel pipe |
| Length (m) | 52 |
| Diameter (m) | 3.0 |
| Pipe thickness(mm) | 14 |
| **WATER CONVEYANCE** | |
| Type | Underground |
| Length (m) | 3994 |
| Dimension/Diameter (dia x H, m) | 4 x 4.2 |
| Concrete lining thickness (mm) | 300 |
| Inlet invert level (masl) | 2356.65 |
| Outlet invert level (masl) | 2336.77 |
| Support type | According to the rock class |
| **SURGE SHAFT** | |
| Type | Simple Circular |
| Diameter/Dimension (m) | 7.0 (Internal Diameter) |
| Height (m) | 50.84 |
| Upsurge level (masl) | 2385.28 |

| | |
|---|---|
| Down surge level (masl) | 2348.03 |
| **PENSTOCK** | |
| Material | IS 2062 E350 B0 |
| Total Penstock Length (m) | 1354.05 |
| Internal diameter (m) | 2.4, 2.3, and 2.2 |
| Thickness (mm) | 12 to 45 |
| Surface Penstock Length (m) | 1049 |
| Underground, Vertical drop penstock depth (m) | 314 |
| Underground, Horizontal Penstock Length (m) | 88.89 |
| Penstock Bifurcations | |
| Branch pipe -1 | |
| Length (m) | 12.5 |
| Internal diameter (m) | 1.9 |
| Branch pipes - 2 | |
| Length (m) | 12. |
| Internal diameter (m) | 1.55 |
| Branch pipes - 3 | |
| No. of Pipes (nos.) (Bifurcation) | 4 |
| Length (m) | 24.22, 21.36, 21.22 and 33.82 |
| Internal diameter (m) | 1.1 |
| **PENSTOCK SUPPORTS** | |
| Number of anchor blocks | 12 |
| **DROP SHAFT** | |
| Depth (m) | 314 |
| Finished diameter (m) | 2.2 |
| Concrete thickness (mm) | 40 |
| **INCLINED PENSTOCK TUNNEL** | |
| Length (m) | 214.51 |
| Dimension/Diameter (Dia x H, m) | 3.5 x 3.5 |
| **POWERHOUSE** | |
| Type | |
| Plan Dimension (L x B x H, m) | 68.4 x 16.4 x 26.5 |
| Turbine axis level | 1885.34 |
| Generator floor level (masl) | 1895.88 |
| Overhead hoisting type | DG EOT |
| Overhead hoisting capacity (metric tons) | 65 |
| **TAILRACE** | |
| Type | Inverted-D tunnel |
| Numbers | 4 |
| Size (B x H, m) | 3 x 3 |
| Length (m) | 210.58 |
| Combined Tailrace | |
| Size (B x H, m) | 4.2 x 4.0 |
| Length (m) | 251.29 |

| | |
|---|---|
| Outlet water level at river (masl) | 1877.81 |
| Invert level of tailrace at outlet (masl) | 1878.81 |
| **HYDRAULIC TURBINE** | |
| Type | Vertical Axis Pelton Turbine |
| Number of Units (nos) | 4 |
| Rated Net Head (m) | 463.19 |
| Rated Capacity per Unit (kilowatts) | 18,230.00 |
| Discharge per Unit (m3/s) | 4.5125 |
| Turbine Axis Elevation (m masl) | 1885.34 |
| Turbine efficiency (%) | 90 |
| **GENERATOR** | |
| Type of Generators | 4-ф, Vezrtical Orientation, Salient Pole, Synchronous |
| Number of Units (nos) | 4 |
| Rated Output (MVA) | 20.6 |
| Generation Voltage (kV) | 11 |
| Frequency (Hz) | 50 |
| Power Factor | 0.85 |
| Excitation System | Self-excited, self-regulated, brushless type |
| Speed (rpm) | 500 |
| Generator efficiency (%) | 96 |
| **MACHINE TRANSFORMER** | |
| Type | Three -phase, outdoor, oil-immersed, ONAN/ONAF |
| Number of phases/ Units | Three/ four |
| Rated Capacity (MVA) | 20.75 |
| Vector Group | YNd11 |
| Voltage Ratio (kV) | 220/11 |
| Transformer Efficiency | 99 % |
| **SWITCHYARD** | |
| Type and Voltage | AIS and 220kV (GIS Recommended) |
| Dimensions (L x B, m) | 25 x 15 |
| **TRANSMISSION LINE** | |
| Transmission voltage (kV) | 220 kV S/C |
| Length (km) | 2.5 |
| Connection point (location) | Dharapani Substation |
| Number of towers | 5 |
| **POWER AND ENERGY** | |
| Installed Capacity (MW) | 70.86 |
| Dry Season Energy (GWh) | 145.96 |
| Wet Season Energy (GWh) | 292.35 |
| Total Annual Energy (GWh) | 438.31 |
| **PROJECT COST** | |
| Total cost (million NRs) without financial cost | 13,093.41 |
| Total cost (million NRs) with financial cost | 14,633.08 |
| Internal Rate of Return (IRR) | 15.47 |

| | |
|---|---|
| Net Present Value (NPV) (million) | 5,217 |
| Benefit-Cost Ratio (B/C) | 1.52 |

| | | |
|---|---|---|
| **Transformer** | | |
| Type | : | Outdoor, oil immersed |
| Rated Capacity | : | 28.05 MVA |
| Voltage Ratio | : | Primary side 11 kV- Secondary Side 132 kV |
| No of Units | : | Three (3) |
| Vector Group | : | YNd11 |
| Efficiency | : | 99% |
| **Transmission Line** | | |
| Voltage Level | : | 132 kV |
| Length | : | 2 km |
| From | : | Plant Switchyard |
| To | : | Dharapani Substation |
| **Power And Energy** | : | |
| Installed Capacity | : | 65 MW |
| Outage | : | 5% |
| Total Annual Saleable Energy | : | 398.902 GWh |
| Total Annual Saleable Dry Energy | : | 133.791 GWh |
| Total Annual Saleable Wet Energy | : | 265.111 GWh |
| Revenue Scheme | : | 6 months wet 6 months dry |
| Percentage of Dry Energy | : | 33.54% |
| **Financial Parameters** | | |
| Total Project Cost without IDC | : | 10,877,707,405.56 NRs. |
| Total Project Cost with IDC | : | 12,315,646,560.48 NRs. |
| NPV | : | 4,134.05 million NRs. |
| B/C Ratio | : | 1.32 |
| FIRR | : | 17.05 % |
| Equity IRR | : | 23.61 % |

# P.L. Shrestha & Co.

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT
### TO THE SHAREHOLDERS OF MOUNTAIN ENERGY NEPAL LIMITED

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of Mountain Energy Nepal Limited (hereafter referred to as "MEN" or "the Company") and its' subsidiary (hereafter referred to as "the Group"), which comprise the Consolidated Statement of Financial Position as at Ashad 32, 2083, (July 16, 2026), the Consolidated Statement of Profit or Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the consolidated financial statements").

In our opinion, the aforesaid consolidated financial statements present fairly, in all material respects, consolidated financial position of the Group, as at Ashad 32, 2083 (July 16, 2026), and its consolidated financial performance, consolidated changes in equity and consolidated cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Handbook of The Code of Ethics for Professional Accountants issued by The Institute of Chartered Accountants of Nepal (ICAN), and we have fulfilled our other ethical responsibilities in accordance with the ICAN's Handbook of The Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Key Audit Matters**

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

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **1. Revenue from sale of electricity at disputed PPA rates and recoverability of receivables from NEA**<br><br>Group's revenue of NPR 1,533.54 million arises from the sale of electricity to Nepal Electricity Authority (NEA), its sole customer, under Power Purchase Agreements (PPAs).<br><br>For the Mistri Khola Project, the Company invoices and recognizes revenue at the seventh-year PPA rate under Clause 12 of the PPA, after adjusting for the three-year delay in the Commercial Operation Date (COD). NEA settles at the fifth-year rate based on the revised COD of 2078.03.23. The cumulative disputed amount is NPR 607.75 million (excluding interest), of which NPR 190.86 | Our audit procedures included:<br><br>• Obtaining an understanding of, and testing, the controls over monthly billing, including joint meter-reading reports and the PPA rate applied.<br><br>• Reading the PPA and its amendments, in particular Clauses 12 and 38.18; recomputing the applicable tariff year and escalation; and recalculating revenue from the energy units in the joint meter-reading reports.<br><br>• Inspecting the NEPCA award, the Patan High Court decision and the related court correspondence; tracing the net receipt of NPR |

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| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| million relates to the current year.<br><br>NEA has also deducted NPR 411.72 million up to Ashadh end 2083 as compensation for Tatopani SHP under Clause 38.18 of the PPA, of which the Arbitral Tribunal held only NPR 19.63 million to be justified.<br><br>The NEPCA award dated 27 October 2023 was in favour of the Company and was upheld by the Patan High Court on 2081/01/23. Pursuant to the court's execution order, NEA deposited NPR 293.09 million (principal NPR 264.08 million and interest NPR 29.01 million) for claims up to Shrawan 2079, which the Company received on 2082.05.12. For periods after Shrawan 2079, the Company continues to recognize revenue and receivables on the principles established by the award, while NEA continues to settle on its own interpretation.<br><br>As at Ashad 32, 2083, receivables from NEA amount to NPR 1,291.54 million (trade receivables NPR 967.59 million and Tatopani compensation receivable NPR 323.95 million), representing approximately 84% of annual revenue and 16.6% of the Group's total assets.<br><br>We considered this a key audit matter because of the significance of the amounts, the judgement involved in assessing whether revenue at the disputed rate meets the constraint on variable consideration under NFRS 15, the legal judgement in applying the award to periods after Shrawan 2079, and the estimation involved in assessing the recoverability of a significant balance due from a single counterparty under NFRS 9. | 287.27 million; and checking the accounting for principal, interest income, taxes and court charges.<br>• Discussing with management the applicability of the award to periods after Shrawan 2079.<br>• Evaluating management's judgement that it is highly probable that a significant reversal of the disputed revenue will not occur.<br>• Evaluating management's expected credit loss assessment, having regard to NEA's payment history, the ageing of the disputed balances, the court-directed settlement received and receipts after the reporting date.<br>• Assessing the adequacy and consistency of the related disclosures in the consolidated financial statements.<br><br>Our Results:<br><br>Based on the procedures performed, we found that revenue recognised at the PPA rates applied by the Company is supported by the terms of the PPA, the NEPCA award and the decision of the Patan High Court, and that management's assessment that a significant reversal of the cumulative revenue recognised is highly improbable was reasonable in the circumstances. We found management's assessment of expected credit losses on receivables from NEA to be reasonable, having regard to the court-directed settlement and NEA's payment history. Recovery of amounts relating to periods after Shrawan 2079 remains dependent on NEA's acceptance of the principles established by the award or on further legal process |
| **2. Carrying amount and amortization of service concession intangible assets**<br><br>The Group accounts for its hydropower project assets as intangible assets under the service concession arrangement model (IFRIC 12). As at Ashad 32, 2083, their carrying amount is NPR 5,253.02 million (Mistri Khola NPR 4,682.67 million; Tadi Khola NPR 570.36 million), representing approximately 68% of the Group's total assets.<br><br>Amortization of NPR 258.71 million has been charged for the year on a straight-line basis over the remaining licence periods: 304.5 months for Mistri Khola, from COD on Ashad 03, 2078 to licence expiry on Kartik 19, 2103; and 338 months for Tadi Khola, to licence expiry on Mangsir 05, 2103.<br><br>Significant management judgement is involved in determining whether the licenses and PPAs fall within the | Our audit procedures included:<br><br>• Reading the generation licences issued by the Department of Electricity Development and the PPAs, and evaluating whether the arrangement meets the conditions of the service concession model, including the grantor's control over pricing and its residual interest at the end of the term.<br>• Agreeing the start dates and licence expiry dates used for amortisation to the licences and COD documents and recomputing the amortisation charge for each project.<br>• Vouching the derecognition of NPR 1.03 million of Mistri Khola electro-mechanical assets during the year.<br>• Evaluating management's assessment of impairment indicators, including comparison of actual generation with contract energy, the |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| service concession model, in determining the amortization period, and in assessing whether indicators of impairment exist under NAS 36. Potential indicators include the delayed COD, which shortened the effective generation period; the flood that halted generation at Mistri Khola from Jestha 15, 2081 to Shrawan 20, 2081; and the continuing tariff dispute with NEA.<br><br>Owing to the significance of these assets and the judgement involved, we considered this a key audit matter. | physical condition of the plant as evidenced by operation and maintenance and site reports, and the final settlement of the insurance claim for flood damage.<br>• Assessing the adequacy of the related disclosures in the consolidated financial statements.<br><br>Our Results:<br><br>We found the application of the service concession intangible asset model to be consistent with the terms of the generation licences and PPAs, and the amortisation periods and the amortisation charge for the year to be in agreement with the licence and COD documents. We concurred with management's conclusion that no indicator of impairment existed at the reporting date. |
| **3. Accounting for the acquisition of Dudh Khola Hydro Power Company Private Limited**<br><br>On Falgun 11, 2082, the Company acquired 67% of the equity share capital of Dudh Khola Hydro Power Company Private Limited for a consideration of NPR 467.47 million and obtained control. The acquiree's hydropower project is at a preliminary stage of development and construction has not commenced.<br><br>The acquisition has been accounted for under NFRS 3 Business Combinations. The Group measured the identifiable assets acquired and liabilities assumed at their acquisition-date fair values and recognised goodwill of NPR 101.36 million and non-controlling interest of NPR 180.41 million at the acquisition date (NPR 180.00 million at the reporting date).<br><br>The accounting involves significant judgement in determining whether the acquiree meets the definition of a business; the acquisition date; the identification and fair value measurement of the identifiable assets acquired, in particular the project licence and development rights; the measurement of non-controlling interest; and the annual impairment testing of goodwill required by NAS 36.<br><br>As this is the first business combination reflected in these consolidated financial statements and the amounts involved are significant, we considered this a key audit matter. | Our audit procedures included:<br><br>• Inspecting the share purchase documents, board minutes, share register and records of the Office of the Company Registrar to confirm the shareholding acquired and the date on which control was obtained.<br>• Evaluating management's assessment of whether the acquired set of activities and assets constitutes a business under NFRS 3.<br>• Evaluating the identification and fair value measurement of the identifiable assets acquired and liabilities assumed, including the methodology and key assumptions used to value the project licence and development rights.<br>• Recomputing goodwill and non-controlling interest, and testing the attribution of post-acquisition results to non-controlling interest.<br>• Testing the consolidation eliminations of the investment, intra-group advances and balances.<br>• Assessing management's impairment test of goodwill as at the reporting date.<br>• Evaluating the adequacy of the disclosures required by NFRS 3.<br><br>Our Results:<br><br>We found management's conclusion that the acquired set of activities and assets constitutes a business under NFRS 3, and the acquisition date used, to be supported by the evidence obtained. The methodology and key assumptions used to measure the fair value of the project licence and development rights were within a reasonable range, and our re-computation of goodwill and non-controlling interest did not identify material |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| | differences. We concurred with management's conclusion that goodwill was not impaired as at the reporting date. |

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Company's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management report, Report of the Board of Directors and Chairman's statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial Statements in accordance with Nepal Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 controls 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

P. L. SHRESTHA & Co. Chartered Accountants Lalitpur

- 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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**

Based on 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 of 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 Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows and attached Schedules dealt with by this report are in agreement with the books of account maintained by the Company and the consolidation records.
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 and
v. We have not come across any fraud in the accounts, based on our sample examination of the books.

For, P. L. Shrestha & Co.
Chartered Accountants

P. L. SHRESTHA & CO. Chartered Accountants Lalitpur

CA. Sachet Lal Shrestha
Partner

Place: Kathmandu
Date: 2083/06/26
UDIN: 261013CA00856x7XqQ

# MOUNTAIN ENERGY NEPAL LTD.

## Consolidated Statement of Financial Position as at Ashadh 32nd, 2083

| Particulars | Notes | As at 32nd Ashadh, 2083 Group Companies | As at 32nd Ashadh, 2083 | As at 32nd Ashadh, 2082 (Restated) |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 10 | 22,315,600 | 22,315,600 | 25,968,107 |
| Right of Use Asset | 13 | 9,183,981 | 9,183,981 | - |
| Intangible assets | 11 | 5,253,024,890 | 5,253,024,890 | 5,512,759,797 |
| Investment | | 11,875,000 | 469,348,400 | - |
| Intangible assets under development (Mristi khola) | 12 | 286,564,286 | 78,836,986 | 79,751,384 |
| Goodwill (arising on acquisition of Aadhishakti) | | 12,794,841 | 12,794,841 | 13,424,095 |
| Goodwill Dudhkhola | | 101,355,787 | - | - |
| **Total non-current assets** | | **5,697,114,385** | **5,845,504,698** | **5,631,903,383** |
| **Current assets** | | | | |
| Trade and other receivables | 14 | 1,222,606,124 | 1,292,606,124 | 1,258,661,174 |
| Prepayments | 15 | 526,916,544 | 154,218,681 | 217,091,782 |
| Loan and advances | 16 | 11,592,044 | 11,557,044 | 5,080,154 |
| Cash and cash equivalents | 17 | 317,897,495 | 292,618,437 | 48,307,612 |
| **Total current assets** | | **2,079,012,207** | **1,751,000,286** | **1,529,140,722** |
| **Total assets** | | **7,776,126,592** | **7,596,504,984** | **7,161,044,105** |
| **EQUITY AND LIABILITIES** | | | | |
| Share capital | 18 | 3,123,258,850 | 3,123,258,850 | 2,602,715,708 |
| Reserve and Surplus | 19 | 1,585,199,333 | 1,585,940,190 | 1,344,808,002 |
| Equity attributable to equity holder of the parent | | 4,708,458,183 | 4,709,199,040 | 3,947,523,710 |
| Non-Controlling Interest | | 180,000,830 | - | - |
| **Total equity** | | **4,888,459,013** | **4,709,199,040** | **3,947,523,710** |
| **Liabilites** | | | | |
| **Non-current liabilities** | | | | |
| Loans and borrowings | 20 | 2,236,799,217 | 2,236,799,217 | 2,696,593,011 |
| Lease Liability | 23 | 9,130,756 | 9,130,756 | - |
| Deferred tax liabilites | 24 | 43,348,164 | 43,348,164 | 46,542,734 |
| **Total non-current liabilities** | | **2,289,278,137** | **2,289,278,137** | **2,743,135,745** |
| **Current liabilities** | | | | |
| Trade and other payables | 21 | 73,266,460 | 72,904,825 | 55,433,118 |
| Current Tax Liabilities | 22 | 490,886 | 490,886 | 1,644,532 |
| Lease Liability | 23 | 3,121,096 | 3,121,096 | - |
| Loans and borrowings | 20 | 521,511,000 | 521,511,000 | 413,307,000 |
| **Total current liabilities** | | **598,389,442** | **598,027,807** | **470,384,650** |
| **Total liabilities** | | **2,887,667,579** | **2,887,305,944** | **3,213,520,395** |
| **Total equity and liabilities** | **NPR** | **7,776,126,592** | **7,596,504,984** | **7,161,044,105** |

The accompanying notes form an integral part of the financial statements. As per our report of even date

| | | | | |
|---|---|---|---|---|
| **Rajendra Prasad Sharma**<br>Deputy Chief Executive Officer | **Tika Prasad Upreti**<br>Director | **Arun Kumar K.C.**<br>Director | **Pradeep Jung Pandey**<br>Chairman | **Sachet Lal Shrestha**<br>Partner<br>P.L. Shrestha & Co. |

**Date: 2083.06.26**
**Place: Kathmandu**

# MOUNTAIN ENERGY NEPAL LTD.

## Consolidated Statement of Profit or Loss and other Comprehensive Income
## For the year ended Ashadh 32nd, 2083

| Particulars | Notes | Upto 32nd Ashadh, 2083 Group Companies | Upto 32nd Ashadh, 2083 | Upto 32nd Ashadh, 2082 |
|---|---|---|---|---|
| Revenue | 5 | 1,533,543,692 | 1,533,543,692 | 1,307,246,610 |
| Insurance Claim for loss of profit | | 900,000 | 900,000 | 80,629,646 |
| Cost of sales | | | | |
| *- Amortization on Project Assets* | 6 | (258,705,180) | (258,705,180) | (258,705,180) |
| *- Amortization of Goodwill on Acquisition* | 6 | (629,254) | (629,254) | - |
| *- Other Direct Costs* | 6 | (223,559,851) | (223,559,851) | (190,392,075) |
| **Gross profit** | | **1,051,549,407** | **1,051,549,407** | **938,779,001** |
| Other income (Insurance Recovery) | 7 | - | - | 5,000,000 |
| Administrative expenses | 8 | (43,366,783) | (42,218,599) | (47,544,765) |
| Depreciation and amortisation | 10 | (7,206,711) | (7,206,711) | (4,403,777) |
| **Operating profit** | | **1,000,975,913** | **1,002,124,097** | **891,830,459** |
| Finance income | 9 | 29,263,850 | 29,263,850 | 1,450,319 |
| Finance costs | 9 | (201,951,153) | (201,951,153) | (244,338,552) |
| Staff Bonus | | (16,588,736) | (16,588,736) | (12,978,845) |
| **Profit before tax** | | **811,699,874** | **812,848,058** | **635,963,381** |
| **Income tax expenses** | | | | |
| Current tax | 22 | (18,999,863) | (18,999,863) | (10,116,630) |
| Deferred tax income/(expense) | 22 | 3,194,570 | 3,194,570 | (8,376,693) |
| **Profit for the period** | | **795,894,581** | **797,042,765** | **617,470,058** |
| Other comprehensive income | | - | - | - |
| **Total comprehensive income** | **NPR** | **795,894,581** | **797,042,765** | **617,470,058** |
| **Total Comprehensive Income attributable to:** | | | | |
| Equity Shareholders of Parent | | 796,236,166 | | |
| Non-Controlling Interest | | (341,585) | | |
| | | **795,894,581** | | |
| **Earnings Per Share:** | | | | |
| Basic EPS | | 25.49 | 25.52 | 19.77 |
| Diluted EPS | | 25.49 | 25.52 | 19.77 |

Total profit and comprehensive income is attributable to the owners of the company.

The accompanying notes form an integral part of the financial statements.

As per our report of even date

| Rajendra Prasad Sharma | Tika Prasad Upreti | Arun Kumar K.C. | Pradeep Jung Pandey | Sachet Lal Shrestha |
|---|---|---|---|---|
| Deputy Chief Executive Officer | Director | Director | Chairman | Partner<br>P.L. Shrestha & Co. |

**Date: 2083.06.26**
**Place: Kathmandu**

# MOUNTAIN ENERGY NEPAL LTD.

## Consolidated Statement of Cash Flow
## For the year ended Ashadh 32nd, 2083

| Particulars | Upto 32nd Ashadh, 2083 Group Companies | Upto 32nd Ashadh, 2083 | Upto 32nd Ashadh, 2082 |
|---|---|---|---|
| **A. Cash Flow from Operating Activities** | | | |
| Net Profit before Tax | 811,699,874 | 812,848,058 | 635,963,381 |
| **Adjustments for:** | | | |
| Depreciation expenses | 7,206,711 | 7,206,711 | 4,403,777 |
| Amortisation of Goodwill on Acquisition | 629,254 | 629,254 | 629,254 |
| Amortization on Intangible Assets | 258,705,180 | 258,705,180 | 258,705,180 |
| Interest Income | (29,263,850) | (29,263,850) | (1,450,319) |
| Interest Expenses | 201,951,153 | 201,951,153 | 244,338,552 |
| Income tax paid | (18,999,863) | (18,999,863) | (10,116,630) |
| NCI recognized for Acquisition during the year | 180,408,157 | - | - |
| Goodwill recognized for Acquisition during the year | (101,355,787) | - | - |
| CSR Fund | (7,970,428) | (7,970,428) | (6,174,701) |
| Rent Expenses Paid | (3,942,108) | (3,942,108) | - |
| **Cash Flow before Change in Working Capital** | **1,299,068,293** | **1,221,164,107** | **1,126,298,494** |
| Increase/(Decrease) in liabilities | 19,613,486 | 19,251,851 | (343,983,811) |
| (Increase)/Decrease in Current Assets | (280,281,601) | 22,451,262 | (602,223,268) |
| **Net Cash Flow from Operating Activities (1)** | **1,038,400,178** | **1,262,867,220** | **180,091,415** |
| **B. Cash Flow from Financing Activities** | | | |
| Changes in share capital | - | - | 339,484,658 |
| Changes in Borrowings | (351,589,794) | (351,589,794) | - |
| Dividend Paid | (27,397,007) | (27,397,007) | (357,352,072) |
| Interest Paid | (200,775,169) | (200,775,169) | (244,338,552) |
| **Net Cash Flow from Financing Activities (2)** | **(579,761,970)** | **(579,761,970)** | **(262,205,966)** |
| **C. Cash Flow from Investing Activities** | | | |
| Net Sale/(Purchase) of Tangible Fixed Assets | (654,000) | (654,000) | (2,712,958) |
| Sale/(Purchase) of Intangible Assets (Project Assets) | 1,029,727 | 1,029,727 | - |
| Investment | (11,875,000) | (469,348,400) | - |
| Project under development | (206,812,902) | 914,398 | - |
| Interest Income | 29,263,850 | 29,263,850 | 1,450,319 |
| **Net Cash Flow from Investing Activities (3)** | **(189,048,325)** | **(438,794,425)** | **(1,262,639)** |
| **Net Increase/(Decrease) in cash and cash Equivalents (1+2+3)** | **269,589,883** | **244,310,825** | **(83,377,190)** |
| Cash and cash equivalents at beginning of the year | 48,307,612 | 48,307,612 | 131,684,802 |
| **Cash and Cash Equivalents at end of the year/ period NPR** | **317,897,495** | **292,618,437** | **48,307,612** |

As per our report of even date

| **Rajendra Prasad Sharma** | **Tika Prasad Upreti** | **Arun Kumar K.C.** | **Pradeep Jung Pandey** | **Sachet Lal Shrestha** |
|---|---|---|---|---|
| Deputy Chief Executive Officer | Director | Director | Chairman | Partner<br>P.L. Shrestha & Co. |

**Date: 2083.06.26**
**Place: Kathmandu**

# MOUNTAIN ENERGY NEPAL LTD.

## Statement of Changes in Equity
## For the year ended Ashadh 32nd, 2083

| Particular | Share Capital | Accumulated Profit/ Loss | Accumulated IFRIC Balance | Total |
|---|---|---|---|---|
| **Balance as on 2081/04/01** | **2,263,231,050** | **851,510,129** | **239,354,589** | **3,354,095,767** |
| Profit for the Period | | 617,470,058 | | 617,470,058 |
| Bonus Shares Issued for FY-2080/81 | 339,484,658 | (339,484,658) | | - |
| Cash Dividend for FY-2080/81 | | (17,867,414) | | (17,867,414) |
| Corporate Social Resposibility Fund | | (6,174,701) | | (6,174,701) |
| Ammortization of IFRIC Intangible Assets | | 10,732,187 | (10,732,187) | - |
| **Balance As at Ashad 32, 2082 NPR** | **2,602,715,708** | **1,116,185,601** | **228,622,402** | **3,947,523,710** |
| **Balance as on 2082/04/01** | **2,602,715,708** | **1,116,185,601** | **228,622,402** | **3,947,523,710** |
| Profit for the Period | | 797,042,765 | | 797,042,765 |
| Bonus Shares Issued for FY-2081/82 | 520,543,142 | (520,543,142) | | - |
| Cash Dividend for FY-2081/82 | | (27,397,007) | | (27,397,007) |
| Corporate Social Resposibility Fund | | (7,970,428) | | (7,970,428) |
| Ammortization of IFRIC Intangible Assets | | 10,732,187 | (10,732,187) | - |
| **Balance As at Ashadh 32, 2083 NPR** | **3,123,258,850** | **1,368,049,976** | **217,890,215** | **4,709,199,040** |

As per our report of even date

**Rajendra Prasad Sharma**
Deputy Chief Executive Officer

**Tika Prasad Upreti**
Director

**Arun Kumar K.C.**
Director

**Pradeep Jung Pandey**
Chairman

**Sachet Lal Shrestha**
Partner
P.L. Shrestha & Co.

**Date: 2083.06.26**
**Place: Kathmandu**

# MOUNTAIN ENERGY NEPAL LTD.
# Notes to Consolidated Financial Statements

## 1. Reporting entity

Mountain Energy Nepal Limited ("the Company") is a limited liability company domiciled in Nepal incorporated under the Companies Act, 2063. The registered office of the Company is Ward No. 30, Kathmandu, Nepal. The principal objective of the company is to produce hydroelectricity in Nepal and to make the investment in the companies producing the hydroelectricity. The group together with its subsidiary ("the Group") operates two hydropower project, namely, Tadi Khola Project of 5 MW and Mistri Khola Project of 42 MW as per the terms of licence issued by Ministry of Electricity. The hydropower project of the subsidiary is in preliminary stages of development and the project construction work has not commenced. The generated electricity is sold to NEA as per the rate provided in Power Purchase Agreement (PPA) entered into between NEA and the company.

### 1.1 Board of Directors

The composition of Board of Directors as on Ashad 32nd, 2083 is as follow:

| Name | Position |
|---|---|
| Pradeep Jung Pandey | Chairman |
| Arun Kumar KC | Director |
| Tika Prasad Upreti | Director |
| Jhanak Dutta Khanal | Director |
| Rachana Adhikary | Public Director |

### 1.2 Approval of Financial Statements

Accompanied Consolidated Financial Statements have been adopted by the BODs of Company at its meeting held on 2083/06/26 and have been recommended for approval in AGM.

## 2. Basis of preparation

### a) Statement of compliance

Standalone Financial Statements of the Company comprises of financial Statement of the Company prepared in accordance with Nepal Financial Reporting Framework (NFRS) recommended by the Accounting Standards Board of Nepal and pronounced by the Institute of Chartered Accountants of Nepal which confirm, in material respect, to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

The Consolidated Financial Statements of the Group comprise of Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss, Consolidated Statement of Other Comprehensive Income, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements. In accordance with NFRS 10 "Consolidated Financial Statements", the Company has consolidated Dudh Khola Hydro Power Company Private Limited following the acquisition of a 67% stake in on Falgun 11, 2082.

### b) Functional currency

These financial statements are presented in Nepalese Rupee (NPR), which is the Company's functional currency.

**c) Changes in accounting policies**

The Group has consistently applied the accounting policies to all periods presented in these Consolidated Financial Statements except for new or revised statements and interpretations implemented during the year.

**d) Use of estimates and judgements**

For presentation of the Consolidated Statement of Financial Position assets and liabilities have been bifurcated into current and non- current distinction.

The Consolidated Statement of Total Comprehensive Income has been prepared using combination of "function of expenses" and "nature of expenses" method.

The Consolidated Financial Statements have been prepared on an accrual basis except for cash flow information.

The Consolidated Statement of Cash Flows have been prepared using the "indirect method".

The Consolidated Statement of Financial Position is presented on liquidity basis. Assets and liabilities are presented in the increasing order of liquidity.

The preparation of the Consolidated Financial Statements in conformity with NFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the Consolidated Financial Statements is included in Note 3-whether the arrangement classifies as a service concession arrangement.

Further, management uses valuation techniques to determine the fair value of financial instruments. This involves developing estimates and assumptions consistent with how market participants would price the instrument, Management bases its assumptions in observable data as far as possible. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**e) Reporting Period**

The Company follows the Nepalese financial year based on the Nepalese calendar as reporting period. For this Consolidated Financial Statement, the reporting period is considered from 2082/04/01 to 2083/03/32.

**f) Current and Non-Current Distinction**

**Assets**

Apart from the property, plant and equipment, right of use asset, investments, investment property, intangible assets and deferred taxes asset all the assets are taken as current assets unless specific additional disclosure is made in the notes for current and non-current distinction.

**Liabilities**

Apart from deferred tax liability, all the liabilities are taken as current liabilities unless specific additional disclosure is made in the notes for current and non-current distinction.

**g) Going Concern**

The Consolidated Financial Statements are prepared on a going concern basis, as the BODs of the Company are satisfied that the Company has the resources to continue in business for the foreseeable future.

**h) Limitation of NFRS Implementation**

If the information is not available and the cost to develop would exeed the benefit derived, such exceptions to NFRS Implementation has been noted and dislosed in respective section.

**2.1 Basis of Consolidation**

The Group has combined the financial statements of its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. All intergroup assets and liabilities, equity, income, expenses and cash flows relating to transaction between companies of the Group are eliminated in full on consolidation. Unrealized gains on transactions between Group companies are eliminated.

In accordance with NFRS 3 Business Combinations, the acquisition of Dudh Khoila Hydro Power Company Private Limited resulted in the recognition of goodwill which is presented in Consolidated Statement of the Financial Position. Non-controlling interests in the results and equity of subsidiary are shown separately in the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity respectively.

**3. Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**a) Intangible assets**

***(i) Service concession arrangement revenue - Mistri Khola Project***

Mistry Khola Project " Project I " obtained operation license from Department of Electricty Development (DOED) on Kartik 20, 2068 for the period of 35 years to construct and operate a 42 MW hydropower project, and the license expires on Kartik 19, 2103. This is service concession arrangement entered into between the Company and DOED, that conferred the right to the Company to implement the project and recover the project cost and reasonable return, through the sale of electricity to Nepal Electricity Authority (NEA) as per the rate provided by the Power Purchase Agreement (PPA) between the Company and NEA.

Service concession agreement with the Government of Nepal does not contain a renewal option. As per the terms of license, license grantor controls through ownership, any significant residual interest in the infrastructure (project assets) at end of the term of the arrangement (licenses period).

NEA shall purchase the contractual energy generated by Mistri Khola Project as specified in the PPA agreement subject to Mistri Khola able to generate such contractual energy.

Mistri Khola project recognizes an Intangible Asset arising from a service concession arrangement (construction and creation of Project assets, which will be returned to Government of Nepal on expiry of lease period of 35 years from the effective date of agreement ) when it has a right to sale the electricity generated by hydropower project. An intangible asset is measured at fair value on initial recognition and subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalized borrowing cost, less accumulated amortization and accumulated impairment losses.

Under the service concession arrangement, Mistri Khola Project has created and recognised project assets as intangible assets amounting to NRs. 5,844,200,560 and that accorded a right to the company to generate electricity and sale it to NEA as specified in PPA. Revenue is recognised under IFRIC 12 upto the year ended Ashad 32, 2079 only (till construction period).

The estimate of effective useful life of an intangible asset in a service concession arrangement is the period from when the Company is able to bill the NEA for the supply of electricity generated by the hydropower infrastructure to the end of the concession period.

Mistri Khola Project started to generate the electricity and sells to NEA from Ashadh 3, 2078. Project Assets has been accounted as Intangible assets which are amortized over remaining useful life (Operation License period) of 304.5 months. The useful life of project asset is the tenure calculated from commercial date of operation. The amortization expense is included in the Cost of Sales.

On September 28, 2021 (Ashwin 12, 2078) project received project construction completion certificate from the the Contractor at the reporting date, and on this day final capitalisation of the entire Project Assets was completed.

Revenue from sale of electricity to NEA is recognized at the rate specified in the Power Purchase Agreement, as per NFRS 15 Revenue from Contract with Customers, which is disclosed in Note 3 (b).

***(ii) Service concession arrangement revenue - Tadi Khola Project***

Tadi Khola Project "the Project II" obtained operation license from Department of Electricity Department (DOED) on Mangsir 06, 2068 (November 22, 2011) for the period of 35 years to construct and operate a 5 MW hydropower project, and the license expires on Mangsir 05, 2103. This is service concession arrangement entered into between the company and DOED, that conferred the right to the Company to implement the project and recover the project cost and reasonable return, through the sale of electricity to NEA as per the rate provided by the Power Purchase Agreement (PPA) between the Company and Nepal Electricity Authority (NEA).

Service concession agreement with the Government of Nepal does not contain a renewal option. As per the terms of license, license grantor controls through ownership, any significant residual interest in the infrastructure (project assets) at end of the term of the arrangement (licenses period).

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

Project Assets, accounted as Intangible assets, are amortized over remaining useful life (Operation License period) of 338 months. The useful life of project asset is the tenure calculated from commercial date of operation. The amortization expense is included in the Cost of Sales.

Revenue from sale of electricity to NEA is recognized at the rate specified in the Power Purchase Agreement, as per NFRS 15 Revenue from Cotracts with Customers, which is disclosed in Note 3 (b).

***(iii) Dudh Khola Project***

The hydropower project of Dudh Khola Hydro Power Company Private Limited is in preliminary stages of development and the project construction work has not commenced. Project development cost incurred at the reporting date is not material, consequently, revenue

under IFRIC 12 is not recognized by Dudh Khola Hydro Power Company Private Limited while preparing Consolidated Financial Statements.

**b) Revenue recognition**

The Company is in the business of generating electricity and selling it to NEA under the terms of PPA. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

***(i) Sale of Electricity***

Revenue from sale of electricity is recognized on the basis of meter reading on the first day of the immediate next month in accordance with Power Purchase Agreement (PPA).

***(ii) Interest income***

For all financial instruments measured at amortized cost, interest income or expense is recorded using the effective interest rate (EIR).

***(iii) Insurance Claim (Loss of Profit) and claimed for damage assets***

Electricity generation of Mistri Khola HEP was halted for the period from Jestha 15, 2081 to Shrawan 20, 2081 due to unprecedented flooding at the project's dam site for which the Company has recognized as insurance income of NPR 80,629,646 in FY 2081/82.

The Company also received a claim of Rs. 5,000,000 against damage of Project assets. Further, an additional NPR 900,000 has been received in this respect during FY 2082/83 as a final settlement on understanding between the company and the insurer.

**c) Transition to NFRS 16**

During the year, the company adopted NFRS 16 Leases using the modified retrospective approach.

On the transition date, the company recognized Lease Liability amounting to NPR 15,017,976, measured at the present value of the lease payments, discounted using the company's incremental borrowing rate. Accordingly, the existing Office Rent Payable balance of NPR 2,933,790, previously recognized under NAS 17, was derecognized and Right Of Use Asset was recognized at NPR 12,084,186.

Subsequently, Lease Liability is measured using the company's incremental borrowing rate and less lease payments made. Right Of Use Asset is measured at cost less accumulated depreciation and impairment loss, if any. The company depreciates Right Of Use Asset on a straight-line basis over the remaining lease term of 50 months. The transition had no impact on comparative information, hence, the comparative information has not been restated.

Carrying amounts of lease liabilites and right-of-use assets and the movements during the period are as follows:

| Particulars | FY 2082.83 |
|---|---|
| Add: Recognition during the year | 15,017,976 |
| Add: Interest Expense on Lease Liability | 1,175,984 |
| Less: Lease Payment | (3,942,108) |
| **As at 32nd Ashadh, 2083** | **12,251,852** |
| **Current Lease Liabilities** | **3,121,096** |
| **Non-Current Lease Liabilities** | **9,130,756** |

| Particulars | FY 2082.83 |
|---|---|
| Add: Recognition during the year | 12,084,186 |
| Less: Depreciation of RoU Asset | (2,900,205) |
| **As at 32nd Ashadh, 2083** | **9,183,981** |

Followings are the amounts recognized in Statement of Profit or Loss:

| Particulars | FY 2082.83 |
|---|---|
| Interest Expense on Lease Liability | 1,175,984 |
| Depreciation of RoU Asset | 2,900,205 |
| **As at 32nd Ashadh, 2083** | **4,076,189** |

**d) Taxation**

Income Tax expense represents the sum of the current tax and deferred tax.

***(i) Current Tax***

Current tax which comprises expected tax payable or receivables is based on taxable profit or loss for the year based on Nepalese tax laws and any adjustments to the tax payable or receivable in respect of previous years. The Company's liability for current tax is to be calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset if certain criteria are met.

**Tax Holiday**

The Company's operations are subject to tax holiday as per section 11(3gha) of Income Tax Act, 2058. The Company enjoy the full tax holiday for first 10 years of operation, then after for next five year tax concession at 50% of applicable tax rate on income generated from sale of electricity generated (ordinary activities).

Tadi was in tax holiday up to Chaitra 13, 2079, then after for next five years, tax concession is 50% of applicalbe tax rate.

Mistry is in tax holiday up to Ashadh 02, 2088, then after for next five years, tax concession is 50% of applicalbe tax rate.

***(ii) Deferred Tax***

Deferred tax is recognized on temporary difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred Tax Assets(DTA) are generally recognized for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences 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 is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred Tax Liabilities (DTL) and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the assets realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting

period, to recover or settle the carrying amount of its assets and liabilities.

DTA and DTL are offset if certain criteria is met.

**e) Foreign currency transaction**

In preparing the financial statements of the Company, transaction in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the date. Non-monetary items carried at the 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 foreign currency are not retranslated.

**f) Property, plant and equipment**

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than one period. Property, plant and equipment are stated at the cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The depreciation rates of various assets are as follows:

| S.N. | Types of assets | Rate of depreciation |
|---|---|---|
| 1 | Furniture and Fixtures | 25% |
| 2 | Office Equipment | 20% |
| 3 | Other Assets | 10% |
| 4 | Vehicles | 10% |

As item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

**g) Intangible assets (owned)**

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

***Intangible asset acquired separately with finite lives***

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Amortization is recognized on a straight-line basis over their estimated useful lives, and is generally recognized in the statement of profit and loss. The estimated being accounted for on a prospective basis.

Intangible assets created on acquisition of Tadi Khola Project is amortised on SLM basis from the date of acquisition of Bhadra 28, 2075 upto the license expiry date of Mangsir 05, 2103. Consequently entire Intangible Assets would be amortised over 338 months on SLM basis.

Intangible assets (Mistri Khola Project) is amortised on SLM basis from the date of Commercial operation (Ashadh 3, 2078) upto the license expiry date of Kartik 19, 2103. Consequently entire Intangible Assets would be amortised over 304.5 months on SLM basis.

**h) Goodwill (on Acquisition of subsidiary)**

In accordance with NFRS 3 "Business Combinations", the acquisition of Dudh Khoila Hydro Power Company Private Limited resulted in the recognition of goodwill which is presented in Consolidated Statement of the Financial Position. Under the "Acquisition Method" as per NFRS 3 "Business Combination", Goodwill has been recognized on difference of carrying amount of Investment made and Net assets taken over.

"On acquisition of subsidiary, Aadhishakti Bidhyut Bikas Co Ltd, under the "Acquisition Method" as per Nepal Financial Reporting Standards ""Business Combination"", Goodwill has been recognized on difference of carrying amount of Investment made and Net assets taken over. Goodwill resulted due to acquisition of subsidiary is treated similarly to Intangible Assets (Project Assets) of the Tadi Khola Project that confer right to recover cost and reasonable returns. Consequently, Goodwill is amortized on a straight-line basis over their estimated useful lives, and is generally recognized in the statement of profit and loss. The estimated being accounted for on a prospective basis from the date of acquisition i.e. Bhadra, 28 2075. This treatment of Goodwill departs, (IAS:1.19-23) from the Goodwill Accounting provided by Nepal Financial Reporting Standards. As a result of this treatment, goodwill amortization of Rs. 629,254 has been recognized in the Statement of Profit or Loss for the period."

**i) Impairment**

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss, if any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash

generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of profit and loss.

**j) Employee benefits**

***Short term employee benefits***

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has present or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably.

***Retirement benefits and other long-term employee benefits***

The Company currently provides long-term employee benefits and retirement contributions in accordance with its by-laws and as prescribed in Labor Act, 2074, that includes:

10% of basic salary towards the Provident Fund.

8.33% of basic salary towards Gratuity

These contributions, along with the employees' own contribution, are deposited with the Citizen Investment Trust (CIT), based on the preference of the employees.

As per the Social Security Act, 2075, all employers are required to register themselves and their employees under the Social Security Fund (SSF). However, MEN's employees have opted for the CIT Retirement Scheme.

**k) Provisions and contingent liabilities**

(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 the Company will be required to settle the obligation, and a reliable estimate can be made the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking in to account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of time value of money and the risks specific to the liability (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

**(ii)** A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

**l) Financial Instruments**

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**(i) Financial assets**

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

***Subsequent measurement:***

For purposes of subsequent measurement, financial assets are classified in four categories:

a. Financial assets at amortised cost (debt instruments)
b. Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
c. Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
d. Financial assets at fair value through profit or loss

**(a) Loans and receivables**

***Financial assets at amortised cost (debt instruments)***

Financial assets at amortised cost are subsequently measured using the effective interest

(EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Compnay's financial assets at amorties cost includes loans and receivables, advance to staff.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

**(b) Effective interest method**

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, of, where appropriate, a shorter period, to the net carrying amount of the financial instrument.

**(c) Impairment of financial assets**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Companyup does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**(d) Derecognition of financial assets**

The company de-recognizes a financial asset only when the contractual right to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset to another entity. If the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

On derecognition of a financial asset in its entirely, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

**(ii) Financial liabilities and equity**

**(a) Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**(b) Equity Instruments**

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

**(c) Financial Liabilities**

At initial recognition, the Company will measure a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the issue of the financial liability.

All financial liabilities are measured subsequently at amortised cost using the effective interest method (other financial liabilities) or at FVTPL.

**(d) Financial liabilities at amortised cost**

Other financial liabilities (including other payables) are subsequently measured at amortized cost using the effective interest method. The effective interest method is method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, of (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**(e) Derecognition of financial liabilities**

The company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

**m) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**n) Equity and reserves**

Share Capital represents the nominal (par) value of ordinary equity shares that have been issued.

**4 New standards and interpretations not yet adopted**

MEN will adoped new stadrard(s) as and when newyl issued standard(s) by ICAN becomes mandatory.

**5. Revenue**

| Particulars | Upto 32nd Ashadh, 2083 | Upto 32nd Ashadh, 2082 |
|---|---|---|
| Sale of electricity-Mistri Khola | 1,399,112,008 | 1,213,369,409 |
| Deductible Exps: NEA Tatopani Compensation | (18,938,539) | (18,393,980) |
| Short supply fee | - | (14,071,859) |
| **Net Revenue from Mistri Khola Project** | **1,380,173,469** | **1,180,903,570** |
| Sale of electricity-Tadi Khola | 153,370,223 | 126,343,040 |
| Short supply fee | - | - |
| **Total** | **1,533,543,692** | **1,307,246,610** |

**6. Cost of Sales**

Amortization on intangible asset and Amortisation of Goodwill on Acquisition included in Cost of Sales has been shown seperately in Statement of Profit and Loss

| Particulars | Upto 32nd Ashadh, 2083 | Upto 32nd Ashadh, 2082 |
|---|---|---|
| **Tadi Khola Project** | **71,558,443** | **49,148,238** |
| Amortisation of intangible assets (Project Assets_Tadi Khola) | 28,050,443 | 28,050,443 |
| Amortisation of Goodwill on Acquisition | 629,254 | 629,254 |
| Repair & maintenance-electromechanical | 12,045,043 | 1,549,777 |
| Royalty expense | 3,567,167 | 3,026,422 |
| Insurance Premium | 3,876,414 | 3,740,078 |
| **Hydropower site** | | |
| Communication expenses | 88,585 | 91,746 |
| Electricity for Power House | 11,880 | 29,916 |
| Electrical & Water expenses | 197,283 | 109,233 |
| Office overhead- Labour Charge/Office Utilities | 195,000 | 273,970 |
| Guest/Entertainment/Refreshment/Fooding Exp. | 88,591 | 244,222 |
| Hygenic & Cleaning | 14,511 | 3,124 |
| Local conveyance | 97,910 | 113,100 |
| Fuel & Lubricants Expenses | 369,655 | 302,855 |
| Repairs & Maintenance-vehicle | 324,002 | 325,667 |
| Repair & Maintance Building - Site | - | 10,858 |
| Repair & Maintance - Hydromechanical | 5,255 | 6,600 |
| Repair & Mainatnce - Civil Works | 10,887,162 | 743,724 |
| Repair & Mainatnce - Transmission Line | - | 78,740 |
| Staff salary-Site & Office | 11,094,273 | 9,687,370 |

| Particulars | Upto 32nd Ashadh, 2083 | Upto 32nd Ashadh, 2082 |
|---|---|---|
| Securities Exp -Site | - | 7,200 |
| Travelling Exp - Site | - | 10,400 |
| Miscellaneous | - | 42,376 |
| Legal Expenses | - | 45,200 |
| Office Cosumables Expenses | 16,015 | 25,963 |
| **Mistri Khola Project** | **411,335,842** | **399,949,017** |
| Amortisation of intangible assets (Project Assets_Mistri Khola) | 230,654,737 | 230,654,737 |
| NFRS: Amortisation of increment cost of borrowings | 1,711,607 | 1,711,607 |
| Royalty expense | 32,180,501 | 28,436,768 |
| Environmental Exp-Site | 565,000 | 1,040,392 |
| Electricity for Power House | 86,940 | 1,531,008 |
| Repair & Maintenance-electromechanical | 27,035,686 | 29,012,786 |
| Repair & Maintenance-HM | 1,142,124 | 3,855,246 |
| Repair & Maintenance-Civil Work | 29,863,386 | 17,719,927 |
| Repair & Maintance -Vechile-Project Site | 30,616 | 298,578 |
| Refreshment Expenses - Site | 372,120 | - |
| Communication Expenses-Site | 222,090 | 272,122 |
| Electrical Expenses-Site | 69,966 | 467,642 |
| Fuel & Lubricants-Site | 2,376,935 | 2,672,949 |
| Insurance Premium-Mistri | 14,081,912 | 14,208,501 |
| Operation & Maintenance Exp | 58,766,956 | 56,523,594 |
| Transportation & Miscellaneous | 1,005,725 | 1,551,057 |
| Labours Wages-Project Site | 37,100 | 17,299 |
| Vechile Rental Exp- Site | - | 420,500 |
| Office Cosumables Expenses | 62,975 | 48,482 |
| Consultancy Fee-Project Set up & Mgmt | 669,588 | 314,672 |
| Engineering Salary-Engineering Cost | 10,372,080 | 9,191,150 |
| Safety Equipment | 27,798 | - |
| **Grand Total** | **482,894,285** | **449,097,255** |

**7. Other Income (Insurance Recovery)-Mistri Khola Project**

| Particulars | Upto 32nd Ashadh, 2083 | Upto 32nd Ashadh, 2082 |
|---|---|---|
| Other Income (Insurance Recovery)-Mistri Khola Project | - | 5,000,000 |
| **Total** | **-** | **5,000,000** |

## 8. Administrative Expenses

| Particulars | Upto 32nd Ashadh, 2083 | Upto 32nd Ashadh, 2082 |
|---|---|---|
| **Head office** | | |
| Administration salary and allowances | 14,255,337 | 14,755,096 |
| Gratuity expense | 1,016,112 | 1,012,134 |
| Advertisement Expenses | 247,695 | 312,004 |
| Annual Maintenance Service | 31,715 | 31,715 |
| AGM Expenses | 593,049 | 625,308 |
| Arbitration Fees | 1,836,250 | 1,135,650 |
| Audit Fees | 593,250 | 565,000 |
| Regulatory Reporting fee | 82,038 | 199,840 |
| Bank & Comm.Charges | 1,057,317 | 138,783 |
| Guest Hospitality and Refreshment expenses | 161,474 | 127,416 |
| Communication expenses HO | 389,131 | 278,176 |
| Consultancy Fees | 4,100,889 | 5,453,545 |
| Custom Clearing Charge-Administration | 3,935,200 | 7,542,472 |
| Dashain allowance | 1,695,372 | 1,354,168 |
| Electrical Expenses | 584,436 | 99,602 |
| Electricity and Water | 613,080 | 554,062 |
| Fines and Penalties | 215,000 | 7,416 |
| Fuel & Lubricants Expenses | 643,623 | 512,954 |
| Gifts and Greetings | 264,930 | 696,182 |
| Hygenic, Medical & Cleaning | 27,768 | 15,544 |
| Insurance Premium | 184,746 | 106,333 |
| Legal Exp | 463,800 | 453,550 |
| Court Decession Implementation Fees | 1,465,452 | - |
| Local Conveyance | 43,000 | 123,900 |
| Office Rent | 27,743 | 3,572,923 |
| Registration & Renewal Expenses | 471,508 | 1,496,780 |
| Repair & Maintenance-Office & Equipment | 347,186 | 585,554 |
| Repairs & Maintenance- Office Vehicle | 544,990 | 731,524 |
| RTS/ RTA (Shares)-Adm | 284,037 | 648,316 |
| Share Listing Fees- Adm | 2,088,918 | 1,370,491 |
| Corporate Social Responsibility | 28,476 | - |
| Meeting Allowance | 526,600 | 449,070 |
| Meeting Expenses | 121,471 | 246,343 |
| Membership Expenses | 197,000 | - |
| Printing & Stationery | 160,058 | 109,531 |
| Vehicle Tax-Adm | 264,220 | 101,560 |

| Particulars | Upto 32nd Ashadh, 2083 | Upto 32nd Ashadh, 2082 |
|---|---|---|
| Misc exp-Admin | 161,679 | 279,928 |
| Lodging & Fooding Exp-Site | 30,870 | 278,915 |
| Newspaper & Book Periodicals | 26,875 | 36,543 |
| Travelling Expenses | 2,406,780 | 1,519,487 |
| Labour & Wages-Adm | 12,000 | - |
| Advance Tax Written Off | 574 | - |
| Email Web Hosting-Adm | 16,950 | 16,950 |
| **Total** | **42,218,599** | **47,544,765** |

**9. Finance income and cost**

The finance income and finance costs include the following interest income and expense in respect of assets & liabilities.

| Particulars | Upto 32nd Ashadh, 2083 | Upto 32nd Ashadh, 2082 |
|---|---|---|
| **Tadi Project** | | |
| Interest on overdraft loan | - | 7,904 |
| Interest on long term loan | - | - |
| **Mistri Project** | | |
| Interest on overdraft loan | 1,447,974 | 1,855,849 |
| Interest on long term loan | 196,207,021 | 238,433,718 |
| Loan Rating Fees | - | 556,255 |
| Agency Fees | 3,120,174 | 3,484,826 |
| **Finance costs** | **200,775,169** | **244,338,552** |
| Interest Expense on Lease Liability | 1,175,984 | - |
| Less: Amounts Capitalized on Qualifying Assets (Mistri Khola Project) | - | - |
| **Total finance Cost** | **201,951,153** | **244,338,552** |
| **Finance Income** | | |
| Interest Income on NEA Dispute | 29,263,850 | 1,450,319 |
| **Total finance income** | **29,263,850** | **1,450,319** |
| **Net Finance costs** | **172,687,303** | **242,888,233** |

**Interest Income on NEA Dispute**

With regard to the dispute between Mountain Energy Nepal Limited & Nepal Electricity Authority, Nepal Council of Arbitration (NEPCA), the Tribunal has awarded the dispute in favor of Mountain Energy Nepal Limited via letter Ref No. 306/080/81 dated 27 October 2023.

Nepal Electricity Authority had appealed against the award of NEPCA to the Honorable High Court, Patan, vide case registration no 080-FJ-0091; for which the Arbitral decision was upheld by the High Court in favor of Mountain Energy Nepal Limited on 05th May 2024.

## 10. Property plant and equipments

| Particulars | Land | Office Equipments | Furniture and fixtures | Vehicles | Misc. assets | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| **Balance at 16 July 2025 (32nd Ashadh, 2082)** | 1,608,500 | 5,678,803 | **14,795,158** | **27,919,223** | **1,223,148** | **51,224,832** |
| Additions | - | 644,000 | 10,000 | - | - | 654,000 |
| Deletion | - | - | - | - | - | - |
| **Balance at July 16 (Ashadh 32, 2083)** | 1,608,500 | 6,322,803 | **14,805,158** | **27,919,223** | **1,223,148** | **51,878,832** |
| Depreciation | | | | | | |
| **Accumulated depreciation at 16 July 2025 (32nd Ashadh, 2082)** | - | 3,793,407 | **3,984,262** | **16,816,185** | **662,872** | **25,256,726** |
| Depreciation for the curent period | - | 433,554 | 2,706,620 | 1,110,304 | 56,028 | 4,306,506 |
| Deletion for the year | - | - | - | - | - | - |
| **Accumulated Depreciation as at July 16 (Ashadh 32, 2083)** | - | 4,226,961 | **6,690,882** | **17,926,489** | **718,900** | **29,563,232** |
| **Net book value at July 16 (Ashadh 32, 2083)** | 1,608,500 | 2,095,842 | **8,114,276** | **9,992,734** | **504,248** | **22,315,600** |

**Carrying Amounts**

**As at July 16 (Ashadh 32, 2083)** **22,315,600**

Balance at 16 July 2025 (32nd Ashadh, 2082) 25,968,107

## 11. Total Intangible Assets (HydroPower Project Assets)

As at July 16 (Ashadh 32, 2083)

| WDV | Amortization |
|---|---|
| **5,253,024,890** | **258,705,180** |

## 11.1 Intangible assets (Tadi Khola Project Assets)

| Particulars | Land & Land Development | Building | Other Civil Works | Hydro Mechanical | Electro Mechanical | Transmission Line | Total |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| **Balance As at July 16, 2025 (Ashadh 32, 2082)** | **24,283,928** | **9,395,508** | **472,927,793** | **140,003,956** | **106,388,382** | **36,586,008** | **789,585,575** |
| Additions | - | - | - | - | - | - | - |
| Deletion | - | - | - | - | - | - | - |
| **Balance As at July 16 (Ashadh 32, 2083)** | **24,283,928** | **9,395,508** | **472,927,793** | **140,003,956** | **106,388,382** | **36,586,008** | **789,585,575** |
| **Amortisation** | | | | | | | |
| Accumulated Amoritisation as at July 16, 2025 (Ashad 32, 2082) | 5,891,366 | 1,899,215 | 114,733,961 | 33,965,455 | 25,810,199 | 8,875,893 | 191,176,089 |
| Amortisation for the period from Shrawan 1, 2082 to Ashadh 32, 2083 | 862,151 | 351,389 | 16,790,336 | 4,970,554 | 3,777,102 | 1,298,911 | 28,050,443 |
| Deletion for the year | - | - | - | - | - | - | - |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Impairment charge | - | - | - | - | - | - | - |
| **Accumulated Amortisation as at July 16 (Ashadh 32, 2083)** | **6,753,517** | **2,250,604** | **131,524,297** | **38,936,009** | **29,587,301** | **10,174,804** | **219,226,532** |
| **Net book value at July 16 (Ashadh 32, 2083)** | **17,530,411** | **7,144,904** | **341,403,496** | **101,067,947** | **76,801,081** | **26,411,204** | **570,359,043** |

**Net carrying amounts**

**As at July 16 (Ashadh 32, 2083)** **570,359,043**

As at 16 July 2025 (32nd Ashadh, 2082) 598,409,486

### 11.2 Intangible assets (Mistri Khola Project Assets)

| Particulars | Land & Land Development | Civil Works | Access Road & Bridges | Hydro Mechanical | Electro Mechanical | Transmission Line | Total |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| **Balance As at July 16, 2025 (Ashadh 32, 2082)** | **183,941,881** | **3,034,174,867** | **395,493,256** | **663,785,632** | **1,433,427,657** | **133,377,267** | **5,844,200,560** |
| Additions | - | - | - | - | - | - | - |
| Deletion | - | - | - | - | (1,029,727) | - | (1,029,727) |
| **Balance As at July 16 (Ashadh 32, 2083)** | **183,941,881** | **3,034,174,867** | **395,493,256** | **663,785,632** | **1,432,397,930** | **133,377,267** | **5,843,170,833** |
| **Amortisation** | | | | | | | |
| Accumulated Amoritisation as at July 16, 2025 (Ashad 32, 2082) | 28,005,053 | 485,920,506 | 63,291,081 | 106,698,981 | 224,495,156 | 21,439,472 | 929,850,249 |
| Amortisation for the period from Shrawan 1, 2082 to Ashadh 32, 2083 | 7,248,227 | 119,639,965 | 15,584,406 | 26,156,463 | 56,769,947 | 5,255,729 | 230,654,737 |
| Deletion for the year | - | - | - | - | - | - | - |
| Impairment charge | - | - | - | - | - | - | - |
| **Accumulated Amortisation as at July 16 (Ashadh 32, 2083)** | **35,253,280** | **605,560,471** | **78,875,487** | **132,855,444** | **281,265,103** | **26,695,201** | **1,160,504,986** |
| **Net book value at July 16 (Ashadh 32, 2083)** | **148,688,601** | **2,428,614,396** | **316,617,769** | **530,930,188** | **1,151,132,827** | **106,682,066** | **4,682,665,847** |

**Net carrying amounts**

**As at July 16 (Ashadh 32, 2083)** **4,682,665,847**

As at 16 July 2025 (32nd Ashadh, 2082) 4,914,350,311

**12. Mistri Khola Cascade Project- Research and Survey**

| | |
|---|---|
| **Balance As at July 16, 2025 (Ashadh 32, 2082)** | **76,875,584** |
| Addition: Opening Adjustment for Yaru Khola | 461,402 |
| Addition: License Renewal Fees-Mristi-2 | 1,500,000 |
| Deletion: | - |
| **Balance As at July 16 (Ashadh 32, 2083)** | **78,836,986** |
| **Carrying Amounts** | |
| Balance As at July 16 (Ashadh 32, 2083) | 78,836,986 |
| Balance As at July 16, 2025 (Ashadh 32, 2082) | 76,875,584 |
| **Total Project under development** | **78,836,986** |

**13. Right of Use Asset**

| Particulars | As at 32nd Ashadh, 2083 | As at 32nd Ashadh, 2082 (Restated) |
|---|---|---|
| Opening RoU Asset | - | - |
| Add: Recognition during the year | 12,084,186 | - |
| Less: Depreciation of RoU Asset | (2,900,205) | - |
| **Closing RoU Asset** | **9,183,981** | **-** |

**14. Trade and other receivables**

| Particulars | As at 32nd Ashadh, 2083 | As at 32nd Ashadh, 2082 (Restated) |
|---|---|---|
| Trade receivables-NEA | 967,591,464 | 933,228,137 |
| NEA Tatopani Compensation-Receivable | 323,948,475 | 323,654,005 |
| Trade receivables-Others | 6,074 | 2,226 |
| Less: provision for impairment of trade receivables | - | - |
| **Trade receivables- Net** | **1,291,546,013** | **1,256,884,368** |
| Other receivables-Deposits | 1,060,111 | 1,776,806 |
| **Total** | **1,292,606,124** | **1,258,661,174** |
| Less: Non-current | - | - |
| **Current** | **1,292,606,124** | **1,258,661,174** |

**15. Prepayments**

| Particulars | As at 32nd Ashadh, 2083 | As at 32nd Ashadh, 2082 (Restated) |
|---|---|---|
| Prepaid expenses | 17,420,526 | 17,435,156 |
| Advance for Investments | 70,000,000 | - |
| Advance For Expenses | 49,712,103 | 185,914,899 |
| Land Purchased Advance | 11,899,734 | 11,899,734 |
| L C Margin Deposits | 5,186,318 | 1,841,993 |
| **Total** | **154,218,681** | **217,091,782** |
| **Non-Current** | **-** | **-** |
| **Current** | **154,218,681** | **217,091,782** |

**16. Loan and Advances**

| Particulars | As at 32nd Ashadh, 2083 | As at 32nd Ashadh, 2082 (Restated) |
|---|---|---|
| Advance to employees-salary | 128,046 | 500 |
| LC Payment | 11,428,998 | 5,079,654 |
| Other advance | - | - |
| **Total** | **11,557,044** | **5,080,154** |
| Less: Non-current | - | - |
| **Current** | **11,557,044** | **5,080,154** |

**17. Cash and bank balances**

| Particulars | As at 32nd Ashadh, 2083 | As at 32nd Ashadh, 2082 (Restated) |
|---|---|---|
| **Cash and cash equivalents** | | |
| Cash on hand | 28,729 | 633 |
| Cash at bank | 292,589,708 | 48,306,979 |
| **Total** | **292,618,437** | **48,307,612** |

**18. Share capital**

| Particulars | As at 32nd Ashadh, 2083 | As at 32nd Ashadh, 2082 (Restated) |
|---|---|---|
| **Authorised:** | | |
| 50,000,000 Equity Shares of Rs.100/-each | 5,000,000,000 | 5,000,000,000 |
| **Issued:** | | |
| 39,040,736 Equity Shares of Rs.100/-each | 3,904,073,600 | 3,904,073,600 |
| **Subscribed:** | | |
| 31,232,589.50 Equity Shares of Rs.100/-each | 3,123,258,850 | |
| 26,027,157.08 Equity Shares of Rs.100/-each | | 2,602,715,708 |
| **Paid Up:** | | |
| 31,232,588.50 Equity Shares of Rs.100/-each | 3,123,258,850 | |
| 26,027,157.08 Equity Shares of Rs.100/-each | | 2,602,715,708 |
| **Total** | **3,123,258,850** | **2,602,715,708** |

**Rights, preferences and restrictions attached to equity shares**

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regards to dividends and shares in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time and approved by annual general meeting. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

**Initial Public Offering (IPO) in the FY 2077/78**

Company has issued Initial Public Offering of Shares to the people residing around hydropower site and to the general Public on Kartik 06, 2077 and Mangsir 17, 2077 respectively.

## 19. Reserve and Surplus

| Particulars | As at 32nd Ashadh, 2083 | As at 32nd Ashadh, 2082 (Restated) |
|---|---|---|
| **Balance at beginning of the year** | **1,344,808,002** | **1,090,864,717** |
| Add: Profit for the period | 797,042,765 | 617,470,058 |
| Less: Bonus Shares for FY-2081/82 | (520,543,142) | (339,484,658) |
| Less: Cash Dividend for FY-2081/823 | (27,397,007) | (17,867,414) |
| Less: Trf to CSR Fund Reserve | (7,970,428) | (6,174,701) |
| **Balance at end of the year** | **1,585,940,190** | **1,344,808,002** |

## 20. Borrowings

| Particulars | As at 32nd Ashadh, 2083 | As at 32nd Ashadh, 2082 (Restated) |
|---|---|---|
| **Non-current** | | |
| **Mistri Project** | **2,706,868,436** | **3,120,169,837** |
| HIDCL LTD | 695,015,067 | 800,430,219 |
| Laxmi Bank-Long Term Loan | 278,711,042 | 320,874,392 |
| Nabil bank Ltd- Long term Loan | 750,103,949 | 867,725,849 |
| Nepal Bank-Long Term Loan | 347,201,919 | 399,905,919 |
| Nepal Investment Bank Ltd | 635,836,459 | 731,233,458 |
| | | |
| **Total Borrowings** | **2,706,868,436** | **3,120,169,837** |
| NFRS adjustment (incremental cost of borrowings) | (10,269,826) | (11,981,433) |
| NFRS adjustment (unwinding of cost of borrowings) | 1,711,607 | 1,711,607 |
| | **2,698,310,217** | **3,109,900,011** |
| Less: Current Portion Of Long Term Loans | (461,511,000) | (413,307,000) |
| **Total** | **2,236,799,217** | **2,696,593,011** |
| **NABIL borrowings** | **60,000,000** | - |
| **Current Borrowings** | **521,511,000** | **413,307,000** |

## 21. Trade and Other Payable

| Particulars | As at 32nd Ashadh, 2083 | As at 32nd Ashadh, 2082 (Restated) |
|---|---|---|
| Trade payables | 10,399,197 | 6,075,742 |
| TDS payables | 1,305,096 | 1,047,995 |
| Salary & Wages Payables | 166,718 | - |
| Office Rent Payable-Brilliant Developers | - | 2,973,419 |

| | | |
|---|---|---|
| Royalty expenses payables | 18,381,942 | 14,213,186 |
| Staff bonus payables | 16,588,736 | 12,978,845 |
| Gratuity payable | 285 | 285 |
| Retention money payable | 697,816 | 697,816 |
| CSR Fund | 24,735,060 | 16,843,730 |
| Audit Fee Payable | 629,975 | 602,100 |
| **Total** | **72,904,825** | **55,433,118** |
| **Current** | **72,904,825** | **55,433,118** |

**22. Current Tax Liabilities**

| Particulars | As at 32nd Ashadh, 2083 | As at 32nd Ashadh, 2082 (Restated) |
|---|---|---|
| Current Tax Liabilities | 18,999,863 | 10,116,630 |
| Ordinary activities (sale of electricity & LOP insurance income) | 11,820,054 | 9,757,348 |
| Other Income | 7,179,809 | 359,282 |
| Proir Period Tax Liabilities | 8,316,630 | |
| Less: Advance Tax Deposit | (26,825,607) | (8,472,098) |
| **Total** | **490,886** | **1,644,532** |

Mristi project is under Tax Holiday as per Section 11(3Gha) of Income Tax Act, 2058.

Hundred percent tax exemption period of Tadi project has been lapsed and tax liability at concessional rate of 12.5% is levied on the taxable income from electricity revenue of Tadi Project. The Company also has Interest income which is not tax exempted as per Section 11(3Gha) of Income Tax Act, 2058.

Income tax liability on Interest Income has been calculated at the rate of 25% on proportionate basis after deducting the staff bonus.

**23. Lease Liability**

| Particulars | As at 32nd Ashadh, 2083 | As at 32nd Ashadh, 2082 (Restated) |
|---|---|---|
| Lease Liability | - | - |
| Add: Recognition during the year | 15,017,976 | - |
| Add: Interest Expense on Lease Liability | 1,175,984 | - |
| Less: Lease Payment | (3,942,108) | - |
| **Total** | **12,251,852** | **-** |
| **Current** | **3,121,096** | **-** |

**24. Deferred Tax**

Since the electricity generated by Tadi HEP has become taxable at concessional rate, the deferred tax is considered at the same rate. Mistri is under tax holiday period. Deferred Tax on Mistri HEP will be reviewed after completion of tax holiday period considering effective tax rate as at the end of the respective year.

| Particulars | Carrying Amount | Tax Base | Temporary Diff | Effective Tax Rate | Deferred Tax |
|---|---|---|---|---|---|
| Property, plant and equipment | 22,315,600 | 5,791,015 | (16,524,585) | 12.50% | (2,065,573) |
| Intangible assets (Land-Tadi) | 17,530,411 | 17,530,411 | - | 12.50% | - |
| Other Project Asset (Tadi) | 552,828,632 | 219,596,866 | (333,231,766) | 12.50% | (41,653,971) |
| Intangible assets (Land-Mistri) | 148,688,601 | 147,084,068 | (1,604,533) | 0.00% | - |
| Other Project Asset (Mistri) | 4,533,977,246 | 2,937,153,587 | (1,596,823,659) | 0.00% | - |
| Right of Use Asset | 9,183,981 | - | (9,183,981) | 12.50% | (1,147,998) |
| Lease Liability | 12,251,852 | - | 12,251,852 | 12.50% | 1,531,482 |
| Gratuity | 285 | - | 285 | 12.50% | 36 |
| **Total** | **5,296,776,608** | **3,327,155,947** | **(1,945,116,387)** | | **(43,336,024)** |

**25. Financial assets and financial liabilities**

**25.1 Capital Management**

The Group has been set-up to construct and operate hydropower plant and capital structure is designed accordingly that ensure that the Company will be able to continue as a going concern while maximizing the returns to stakeholders. Currently, the company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on a regular basis.

The Group has invested significant portion of its capital in Tadi Khola and Mistri Khola projects along with significant debt funding from consortium of banks. It is also incurring cost on research of Mistri Khola Cascade Project which management claim is feasible.

The hydropower project of the subsidiary is in preliminary stages of development and the project construction work has not commenced.

**25.2 Financial assets**

**As at 32nd Ashad, 2083**

| Financial assets | Notes | Assets at amortized costs | Assets at FVTOCI | Assets at FVTPL |
|---|---|---|---|---|
| Cash balance | 17 | 28,729 | - | - |
| Balance with bank | 17 | 292,589,708 | - | - |
| Trade receivable | 14 | 1,291,539,939 | | |
| Guarantee-short term | 14 | - | - | - |

| Financial assets | Notes | Assets at amortized costs | Assets at FVTOCI | Assets at FVTPL |
|---|---|---|---|---|
| Other financial assets | 14 | 1,066,185 | - | - |
| **Total** | | **1,585,224,561** | **-** | **-** |
| **Total current** | | **1,585,224,561** | | |
| **Total non-current** | | **-** | | |
| **As at 32nd Ashadh, 2082** | | | | |
| Cash balance | 17 | 633 | - | - |
| Balance with bank | 17 | 48,306,979 | - | - |
| Trade receivable | 14 | 1,256,882,142 | | |
| Guarantee-short term | 14 | - | - | - |
| Other Financial Assets | 14 | 1,779,032 | - | - |
| **Total** | | **1,306,968,786** | **-** | **-** |
| **Total current** | | **1,306,968,786** | | |
| **Total non-current** | | **-** | | |

**25.3 Financial liabilities**

**As at 32nd Ashad, 2083**

| Financial Liabilities | Notes | Labilities at amortized costs | Liabilities at FVTPL |
|---|---|---|---|
| Borrowings | 20 | 2,758,310,217 | - |
| Trade and other payables | 21 | 70,901,913 | - |
| **Total** | | **2,829,212,130** | **-** |
| **Total current** | | **592,412,913** | |
| **Total non-current** | | **2,236,799,217** | |
| **As at 32nd Ashadh, 2082** | | | |
| Borrowings | 20 | 3,109,900,011 | |
| **Trade and other payables** | **21** | **53,687,307** | |
| **Total** | | **3,163,587,318** | **-** |
| **Total current** | | **466,994,307** | |
| **Total non-current** | | **2,696,593,011** | |

**25.4 Financial instruments measurement at fair value-fair value hierarchy**

| As at 32nd Ashad, 2083 | Carrying amount | Fair Value | Quoted market prices (Level-1) | Observable Inputs (Level-2) | Unobservable inputs (level-3) |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash at vault | 28,729 | 28,729 | - | 28,729 | - |
| Balances with banks | 292,589,708 | 292,589,708 | - | 292,589,708 | - |
| Trade receivables/NEA | 1,291,539,939 | 1,291,539,939 | - | 1,291,539,939 | - |
| Other Financial Assets | 1,066,185 | 1,066,185 | - | - | 1,066,185 |
| **Liabilities** | | | | | - |
| Borrowings (amortised cost) | 2,758,310,217 | 2,758,310,217 | | 2,758,310,217 | |

| As at 32nd Ashad, 2083 | Carrying amount | Fair Value | Quoted market prices (Level-1) | Observable Inputs (Level-2) | Unobservable inputs (level-3) |
|---|---|---|---|---|---|
| Trade and other payables | 70,901,913 | 70,901,913 | - | - | 70,901,913 |
| **As at 32nd Ashadh, 2082** | | | | | |
| **Assets** | | | | | |
| Cash at vault | 633 | 633 | - | 633 | - |
| Balances with banks | 48,306,979 | 48,306,979 | - | 48,306,979 | - |
| Trade receivables/NEA | 1,256,882,142 | 1,256,882,142 | - | 1,256,882,142 | - |
| Other Financial Assets | 1,779,032 | 1,779,032 | | | 1,779,032 |
| **Liabilities** | | | | | |
| Borrowings (amortised cost) | 3,109,900,011 | 3,109,900,011 | | 3,109,900,011 | |
| Trade and other payables | 53,687,307 | 53,687,307 | - | - | 53,687,307 |

The carrying amount of the Group's financial assets and financial liabilities are reasonable approximation of their fair value.

All of the financial assets and liabilities are current assets and liabilities and the fair value of such current assets and current liabilities equals their carrying amount, as the impact of discounting where significant is considered.

**25.5 Risk management**

The Group's operations expose the Group to various risks. These risks include market risk (including currency risks, interest rate risk and other price risk), credit and liquidity risk.

**a) Risk Management Framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The company's risk management policies are established to identify and analyses the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

**b) Credit risk management**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financial activities, including deposits with banks and financial institutions and other financial instruments.

**c) Market risk management**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity price risk. Financial instruments affected by market risk include: loans and borrowings, deposits, AFS financial assets and derivative financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The company has made investment in development of hydropower projects.

**d) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company is exposed to currency risk to the extent that there are payables in currencies in which goods and services have been imported and are denominated in the respective functional currencies. The functional currencies of the Company are Nepalese Rupee. The currencies in which these transactions are primarily denominated are US dollars and Indian Rupee. However, there have been no currency fluctuations of Indian Rupee vis-à-vis Nepalese Rupee during the past few years.

**e) Liquidity risk management**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

**26. Earning Per Share (EPS)**

**Basic**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

**Diluted**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Currently, the company does not have any outstanding dilutive potential ordinary shares.

| Particulars | 2082/83 | 2081/82 |
|---|---|---|
| Profit attributable to equity holders | 796,236,166 | 617,470,058 |
| Weighted average number of equity shares outstanding | 31,232,589 | 31,232,589 |
| Earnings Per Share (Rs.) - Basic (Face value of Rs. 100 per share) | 25.49 | 19.77 |
| Add: Weighted average number of potential equity shares | - | - |
| Weighted average number of Equity shares (including dilutive shares) outstanding | 31,232,589 | 31,232,589 |
| **Earnings Per Share (Rs.) - Diluted (Face value of Rs. 100 per share)** | **25.49** | **19.77** |

Weighted average number of equity shares outstanding is calculated as follow

| Period | No. of shares | Days | WANS |
|---|---|---|---|
| Shrawan 1st, 2082 to Ashad 32nd, 2083 | 31,232,589 | 365 | 31,232,589 |
| **WANS as on Ashad 32nd, 2082** | | **365** | **31,232,589** |

**27. Share Issue Expenses**

Share issue expenses for issuance of bonus share for FY 2081/82 have been incurred during the financial year as follows:

| Particulars (Head) | Amount |
|---|---|
| RTS/ RTA (Shares)-Adm | 152,778 |
| Share Listing Fees- Adm | 2,088,918 |
| **Total** | **2,241,696** |

**28. Operating Segments**

NFRS 8 Operating Segments requires particular classes of entities (essentially those with publicly traded securities) to disclose information about their operating segments, products and services, the geographical areas in which they operate, and their major customers. The Company has only one reportable operating segment (both in terms of geography and products) and therefore, identification, classification and disclosure of separate reportable operating segments in accordance with NFRS 8 is not disclosed separately.

**29. Related party transactions**

Outstanding balances at the year end are unsecured, interest-free and settlement occurs in cash/ equity.

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies / decisions of the other, irrespective of whether a price is charged.

The company identifies the following as the related parties under the requirements of NAS 24.

(a) The member of board of directors

(b) The key management personnel of the entity;

(c) The Subsidiary of the entity and its board of directors and key management personnel

(d) The close member of the family of any individual referred to in (a) or (c);

During the year, the Company acquired 67% equity share capital of Dudh Khola Hydro Power Company Private Limited on Falgun 11, 2082, obtaining control over the entity. Accordingly, Dudh Khola Hydro Power Company Private Limited is considered subsidiary of the Company from the date of acquisition. As at the reporting date, the Company has provided Rs. 70,000,000 to its subsidiary towards advance for share capital.

During the year, the Company made following transactions with the related parties:

| Related Party | Relation | Nature of Transaction | Amount |
|---|---|---|---|
| Dudh Khola Hydro Power Company Private Limited | Subsidiary | Reinbursements of payments made on behalf of the Subsidiary | 5,063,431 |

During the year, following meeting allowances were paid to the Board of Directors:

| Name | Position | Amount |
|---|---|---|
| Pradeep Jung Pandey | Chairman | 137,000 |
| Arun Kumar KC | Director | 135,000 |
| Tika Prasad Upreti | Director | 110,000 |
| Jhanak Dutta Khanal | Director | - |
| Rachana Adhikary | Public Director | 135,000 |

**29.1 Significant Shareholders**

| Share Holder | Ashad 32, 2083 | Ashad 32, 2082 |
|---|---|---|
| | % of holding | % of holding |
| Pradeep Jung Pandey | 2.92% | 2.92% |
| Manohar Das Mool | 2.50% | 2.50% |
| Leverage Holdings Pvt.Ltd. | 2.23% | 2.84% |
| Arun Kumar Kc | 1.98% | 1.98% |
| Sajan Sharma | 1.66% | 2.17% |
| Sitaram Timilsina | 1.55% | 1.55% |
| Siddhartha Systematic Investment Scheme | 1.39% | 1.67% |
| Kiran Khetan | 1.18% | 1.67% |
| Ashutosh Khetan | 1.06% | 1.20% |
| Anin Rajbhandari | 1.01% | 1.01% |
| Pramod Kumar Khetan | 1.00% | 2.17% |

**29.2 Transactions with and payments to directors of the Company**

Following payments have been made to the directors of the Company during the year after deduction of 15% TDS:

| Name of Directors | Meeting Allowance | Other Facilities |
|---|---|---|
| Pradeep Jung Pandey | 116,450.00 | - |
| Arun Kumar KC | 114,750.00 | - |
| Tika Prasad Upreti | 93,500.00 | - |
| Jhanak Dutta Khanal | - | - |
| Rachana Adhikary | 114,750.00 | - |
| **Total** | **439,450.00** | **-** |

**30. Proposed Distributions**

The Board of Directors, vide board resolution dated Mangsir 26, 2083, has recommended the dividend of 20% of Paid-up Capital as stock dividend (Bonus Share) amounting to Rs. 624,651,770 and 1.05263% of Paid-up Capital amounting to Rs. 32,876,409 as Cash dividend (for tax purpose) from the retained earnings as at Ashad 32, 2083 which equates to a distribution of 21.05263% dividend amounting to Rs. 657,528,179. During the FY 2082/83 the Company distributed total dividend of Rs. 547,940,149, that included stock dividend of Rs. 520,543,142 and cash divended of Rs. 27,397,007 for the FY 2081/82.

**31. Corporate Social Responsibility fund**

It is created at the rate of 1% of net profit after tax as per the requirement of Industrial Enterprises Act, 2076. It has been classified as trade and other payable. Rs. 79,098 spent during the year towards corporate social responsibilities are charged to this fund.

**32. Applicable Rate of PPA**

As per PPA dated 2067.10.20 (amended on 2073.01.15), the official date for Commercial date of Operation (COD) was 2076.05.14, but due to technical issues, commercial date of operation was revised to 2078.03.23. Consequlently, date of COD was delayed by 3 years and the effective license period was also reduced to 32 years from approved license period of 35 years.

The Company has been invoicing NEA and recognizing revenue based on the sixth and seventh-

year PPA rates for FY 2081/82 and FY 2082/83, respectively, as per Clause 12 of the PPA, after adjusting for a three-year delay in the Commercial Operation Date (COD). However, NEA has been making payments based on the revised COD (2078.03.23) and applying the fourth and fifth-year PPA rates accordingly. This differing interpretation of the applicable PPA year rates has resulted in a significant revenue dispute amounting to NPR 607,747,801.31, of which NPR 190,857,599.41 pertains to the current fiscal year and NPR 416,890,201.90 relates to previous years, excluding interest.

This dispute was referred to Arbitration Proceeding and aribitiratrator rulling has came in favour of the Company, which is discolsed in para 35 below.

**33. Deduction of Energy associated with Tatopani SHP of NEA**

As per clause 38.18 of the PPA, there shall be no deduction of energy associated with Tatopani Small Hydropower System during the month of Ashad, Shrawan, Bhadra and Ashwin, due to sufficiency of waterflow in the river system. Further, there is dispute in deduction of energy during contingency evacuation period, the Company raised this disputes with NEA and filed a claim and both the parties to PPA agreed for arbitration proceedings for the dispute settlement. NEA deducted a total of Rs. 411,720,000.00 up to the end of Ashad 2083 (Rs.302,044,800.00 up to Ashad end 2082). However, the Tribunal determined that only NPR 19,626,800 of this amount was a justifiable deduction as compensation for the reduction in energy generation by Tatopani SHP up to Shrawan 2079. Accordingly, the Tribunal directed NEA to pay the differential amount to the Company. Based on award of the Tribunal, the Company has calculated Rs. 18,938,539 to be deductible compensation for loss of energy for Tatopani SHP in the FY 2081/82. Accordingly, NRs. 329,380,669.75 is to be recovered by the Company from NEA towards excess compensation claimed by it. The particulars of payment by NEA towards this dispute is disclosed in para 34 below.

**34. Arbitral Award by NEPCA (Tribunal):**

In reference to the dispute disclosed in Notes 31 and 32, the Nepal Council of Arbitration (NEPCA) has issued an arbitral award in favor of Mountain Energy Nepal Limited, as per Award Reference No. 306/080/81 dated 27 October 2023, the Tribunal upheld the Company's position and determined that the deductions made by Nepal Electricity Authority (NEA) were not justified. Following the award, the Company submitted its claim to NEA on Mangsir 11, 2080 (corresponding to 27 November 2023) requesting the release of the amount withheld.

**Tribunal award effects on Financials of the Company**

In compliance with Ruling of Nepal Council of Arbitration (NEPCA) award 306/080/81 dated 27 October 2023, the Company has made adjustment in its financials. Accordingly, for NEA's claim as per clause 38.18 of PPA, effect is given by deducting Rs.18,938,539 in the FY 2082/83 and Rs.18,393,980 in the FY 2081/82 from Sale of Electricity.

**Ruling by Honourable Patan High Court**

Nepal Electricity Authority had appealed against the award of NEPCA to the Honorable High Court, Patan vide case registration no 080-FJ-0091; for which the Arbitral decision was upheld by the High Court in favor of Mountain Energy Nepal Limited on 2081/01/23 (May 05, 2024).

**Payment from NEA**

As per the instruction of the Court for execution of decision of the High Court, NEA and deposited following amounts in the court as per its letter dated Shrawan 29, 2082 .

| | |
|---|---|
| Total claimed amount under Clause 12 of PPA | 174,180,195 |
| Total claimed amount under Clause 38.18 of PPA | 89,897,872 |
| **Payment for Claim for short payment (Principal) till Shrawan 2079** | **264,078,067** |
| Interest related to short payment under Clause 12 of PPA | 29,012,412 |
| **Total Payment made by NEA for the claim till Shrawan 2079 (Rs.)** | **293,090,479** |

The Company has received the amount from the Court after deduction of taxes and charges payable to the court on 2082.05.12

**35. Contingent liabilities and commitments**

**Explanatory Notes**

Where appropriate, the Company recognizes a provision for liabilities when it is probable that an outflow of economic resources embodying economic benefits will be required and for which a reliable estimate can be made of the obligation(s).

**B R Pandey & Associates**
*Chartered Accountants*

*162 'GA' Gaurighat Marga*
*Sanguri Galli-37*
*Kathmandu, Nepal*

*Tel: 4114589*
*E-mail: bpandey@ntc.net.np*

## INDEPENDENT AUDITOR'S REPORT

## TO THE SHAREHOLDERS OF DUDH KHOLA HYDRO POWER COMPANY PRIVATE LIMITED

### Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **Dudh Khola Hydro Power Company Pvt. Ltd. ("the Company"),** which comprise the Statement of Financial Position as at Ashad 32, 2083 (July 16, 2026), the Statement of Profit or Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereafter referred to as "the financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements present fairly, in all material respects, the financial position of the Company as at Ashad 32, 2083 (July 16, 2026), and its financial performance, changes in equity, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Financial Reporting Standards and comply with the Company Act, 2063 and other prevailing laws.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Handbook of "The Code of Ethics for Professional Accountants" issued by The Institute of Chartered Accountants of Nepal (ICAN), and we have fulfilled our other ethical responsibilities in accordance with the ICAN's Handbook of "The Code of Ethics for Professional Accountants". We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of financial statement as a whole, and in forming the auditor opinion thereon, and the auditor does not provide a separate opinion on these matters. We have determined that there are no any key audit matters to communicate in our report.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management is responsible for the preparation of the other information. The other information comprises the information included in the Management report, Report of the Board of Directors and Chairman's statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



**Responsibility of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial Statements in accordance with Nepal Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud and 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. 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 controls 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.

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.



**Report on Other Legal and Regulatory Requirements**

Based on 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 of 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 proper books of account.

iii. As disclosed in Note 3.7 and Note 4.10.2 in the financial statements, the Company is in the process of implementing the requirements of Chapter 10 of the Labour Act, 2074. During the year, the Company did not comply with certain employee benefits and social security facilities as required under the applicable provisions of the Labour Act, 2074. Accordingly, no Social Security Fund (SSF) contributions, liabilities, or related expenses have been recognized in these financial statements.

iv. The Statement of Financial Position, Statement of Profit or Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows and attached Schedules dealt with by this report are in agreement with the books of account maintained by the Company.

v. 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 and

vi. We have not come across any fraudulence in the accounts, based on our sample examination of the books.

For, B. R. Pandey & Associates
Chartered Accountants

Place: Kathmandu
Date: 2083-06-22
UDIN: 261009CA00411UmBN9

.....
Bhoj Raj Pandey, FCA
Proprietor

# DUDH KHOLA HYDRO POWER COMPANY PVT. LTD.

(Subsidiary of Mountain Energy Nepal Limited)

## FINANCIAL STATEMNETS

for the year ended on Ashad 32, 2083



**Dudh Khola Hydroelectric Project (65 MW)**

Manang, Gandaki Province Nepal



Camp Area





River X-Section Survey



Thoche Gaon from Power Switchyard Area




Weir Axis

# Dudh Khola Hydro Power Company Pvt. Ltd.

## Statement of Financial Position as at Ashadh 32nd, 2083

| Particulars | As at Ashadh 32, 2083 (July 16, 2026) (NRS) | As at Ashadh 32, 2082 (July 16, 2025) (NRS) | Restated As at Shrawan 1, 2081 (July 16, 2024) (NRS) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | - | - | - |
| Right of Use Asset | - | - | - |
| Intangible assets | - | - | - |
| Investment | - | - | - |
| Intangible assets under development | 207,727,300 | 129,498,541 | - |
| Deferred tax assets | - | - | - |
| **Total non-current assets** | **207,727,300** | **129,498,541** | **-** |
| **Current assets** | | | |
| Trade and other receivables | - | - | - |
| Prepayments | 372,697,863 | 73,340,283 | 58,035,495 |
| Loan and advances | 35,000 | 35,000 | 35,000 |
| Cash and cash equivalents | 25,279,058 | 39,265,035 | 7,990 |
| **Total current assets** | **398,011,921** | **112,640,318** | **58,078,485** |
| **Total assets** | **605,739,221** | **242,138,859** | **58,078,485** |
| **EQUITY AND LIABILITIES** | | | |
| Share capital | 608,542,400 | 185,929,000 | 58,275,000 |
| Reserve and Surplus | (3,164,816) | (1,682,528) | (471,215) |
| Equity attributable to equity holder of the parent | 605,377,584 | 184,246,472 | 57,803,785 |
| **Total equity** | **605,377,584** | **184,246,472** | **57,803,785** |
| **Liabilites** | | | |
| **Non-current liabilities** | | | |
| Loans and borrowings | - | - | - |
| Lease Liability | - | - | - |
| Deferred tax liabilites | - | - | - |
| **Total non-current liabilities** | **-** | **-** | **-** |
| **Current liabilities** | | | |
| Trade and other payables | 361,637 | 57,892,387 | 274,700 |
| Current Tax Liabilities | - | - | - |
| Lease Liability | - | - | - |
| Loans and borrowings | - | - | - |
| **Total current liabilities** | **361,637** | **57,892,387** | **274,700** |
| **Total liabilities** | **361,637** | **57,892,387** | **274,700** |
| **Total equity and liabilities** | **605,739,221** | **242,138,859** | **58,078,485** |

As per our report of even date

| | | | |
|---|---|---|---|
| **Srijan Aryal**<br>Chief Executive Officer | **Sitaram Timalsina**<br>Director | **Arun Kumar K.C.**<br>Chairman | **Bhoj Raj Pandey, FCA**<br>Proprietor<br>B.R. Pandey & Associates |

Date: 2083/06/22
Place: Kathmandu

# Dudh Khola Hydro Power Company Pvt. Ltd.

**Statement of Profit or Loss and other Comprehensive Income**
**For the year on Ashadh 32nd, 2083**

| Particulars | Year ended Ashadh 32, 2083 (July 16, 2026) (NRS) | Year ended Ashadh 32, 2082 (July 16, 2025) (NRS) |
|---|---|---|
| Revenue | - | - |
| Cost of sales | | - |
| **Gross profit** | **-** | **-** |
| Other income | - | - |
| Administrative expenses | (1,482,288) | (1,211,313) |
| Depreciation and amortisation | - | - |
| **Operating profit** | **(1,482,288)** | **(1,211,313)** |
| Finance income | - | - |
| Finance costs | - | - |
| Staff Bonus | - | - |
| **Profit before tax** | **(1,482,288)** | **(1,211,313)** |
| **Income tax expenses** | | |
| Current tax | - | - |
| Deferred tax income/(expense) | - | - |
| **Profit for the period** | **(1,482,288)** | **(1,211,313)** |
| Other comprehensive income | - | - |
| **Total comprehensive income** | **(1,482,288)** | **(1,211,313)** |

As per our report of even date

| | | | |
|---|---|---|---|
| **Srijan Aryal**<br>Chief Executive Officer | **Sitaram Timalsina**<br>Director | **Arun Kumar K.C.**<br>Chairman | **Bhoj Raj Pandey, FCA**<br>Proprietor<br>B.R. Pandey & Associates |

Date: 2083/06/22
Place: Kathmandu

# Dudh Khola Hydro Power Company Pvt. Ltd.

**Statement of Cash Flow**
**For the year on Ashadh 32nd, 2083**

| Particulars | Year ended Ashadh 32, 2083 (July 16, 2026) (NRS) | Year ended Ashadh 32, 2082 (July 16, 2025) (NRS) |
|---|---|---|
| **A. Cash Flow from Operating Activities** | | |
| Net Profit before Tax | (1,482,288) | (1,211,313) |
| **Cash Flow before Change in Working Capital** | **(1,482,288)** | **(1,211,313)** |
| Increase/(Decrease) in liabilities | (57,530,750) | 57,617,687 |
| (Increase)/Decrease in Current Assets | (299,357,580) | (15,304,788) |
| **Net Cash Flow from Operating Activities (1)** | **(358,370,618)** | **41,101,586** |
| | | |
| **B. Cash Flow from Financing Activities** | | |
| Changes in Share Capital | 422,613,400 | 127,654,000 |
| Changes in Borrowings | - | - |
| Dividend Paid | - | - |
| Interest Paid | - | - |
| **Net Cash Flow from Financing Activities (2)** | **422,613,400** | **127,654,000** |
| | | |
| **C. Cash Flow from Investing Activities** | | |
| Net Sale/(Purchase) of Tangible Fixed Assets | - | - |
| Sale/(Purchase) of Intangible Assets (Project Assets) | | - |
| Investment | - | - |
| Project under development | (78,228,759) | (129,498,541) |
| Interest Income | - | - |
| **Net Cash Flow from Investing Activities (3)** | **(78,228,759)** | **(129,498,541)** |
| | | |
| **Net Increase/(Decrease) in cash and cash Equivalents (1+2+3)** | **(13,985,977)** | **39,257,045** |
| Cash and cash equivalents at beginning of the year | 39,265,035 | 7,990 |
| **Cash and Cash Equivalents at end of the year/period** | **25,279,058** | **39,265,035** |

As per our report of even date

| | | | |
|---|---|---|---|
| **Srijan Aryal**<br>Chief Executive Officer | **Sitaram Timalsina**<br>Director | **Arun Kumar K.C.**<br>Chairman | **Bhoj Raj Pandey, FCA**<br>Proprietor<br>B.R. Pandey & Associates |

Date: 2083/06/22
Place: Kathmandu

# Dudh Khola Hydro Power Company Pvt. Ltd.

**Statement of Changes in Equity**
**For the year on Ashadh 32nd, 2083**

| Particular | Share Capital | Advance for Share Capital | Accumulated Profit/Loss | Total |
|---|---|---|---|---|
| **Balance as on 2081/04/01** | **24,140,000** | **34,135,000** | **(471,215)** | **57,803,785** |
| | | | | |
| Profit for the Period | | | (1,211,313) | (1,211,313) |
| Changes in Advance for Share Capital | | 5,025,000 | | 5,025,000 |
| Issue of Equity Shares | 122,629,000 | | | 122,629,000 |
| **Balance As at Ashad 32, 2082 NPR** | **146,769,000** | **39,160,000** | **(1,682,528)** | **184,246,472** |
| | | | | |
| **Balance as on 2082/04/01** | **146,769,000** | **39,160,000** | **(1,682,528)** | **184,246,472** |
| | | | | |
| Profit for the Period | | | (1,482,288) | (1,482,288) |
| Changes in Advance for Share Capital | | 35,840,000 | | 35,840,000 |
| Issue of Equity Shares | 386,773,400 | | - | 386,773,400 |
| **Balance As at Ashadh 32, 2083 NPR** | **533,542,400** | **75,000,000** | **(3,164,816)** | **605,377,584** |

As per our report of even date

| | | | |
|---|---|---|---|
| **Srijan Aryal**<br>Chief Executive Officer | **Sitaram Timalsina**<br>Director | **Arun Kumar K.C.**<br>Chairman | **Bhoj Raj Pandey, FCA**<br>Proprietor<br>B.R. Pandey & Associates |

Date: 2083/06/22
Place: Kathmandu

## NOTE

## NOTE

# वाह्रौं वार्षिक साधारण सभाका केही झलकहरु






माउन्टेन इनर्जी नेपाल लि.

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