



माउन्टेन इनर्जी नेपाल लि. Mountain Energy Nepal Ltd.

पोस्ट बक्स नं. २१७२९, बडा नं. ३०, डिल्लीबजार, काठमाण्डौ, नेपाल | फोन नं : ०१-४५३७७०५
फ्याक्स नं. ०१-४५३०५६२ | E-mail: info@mountainenergy.com.np | URL: www.mountainenergy.com.np

Unaudited Statement of Financial Position as on 30th Poush 2078

Particulars	As at 30th Poush 2078 (Current Year)	As at 31st Ashwin 2078 (Restated)	As at 29th Poush 2077 (Previous Year)
ASSETS			
Non-current assets			
Property, plant and equipment	34,049,853	30,987,772	32,606,463
Intangible Assets (Hydropower Project Assets)	6,260,051,053	6,348,206,937	721,585,452
Intangible Assets Under Development	65,912,012	64,868,570	4,496,685,999
-Mistri Khola Robust Energy	-	-	4,437,816,929
-Research on Mistri Khola Cascade Project	65,912,012	64,868,570	58,868,570
Goodwill (arising on acquisition of Aadhisakti)	15,626,485	15,783,799	16,255,740
Prepayments	-	-	-
Deferred tax assets	121,211	121,211	229,790
Total non-current assets	6,375,760,614	6,459,968,289	5,267,362,944
Current assets			
Trade and other receivables	387,568,646	458,423,651	64,675,755
Prepayments	43,289,598	12,836,590	11,307,501
Loan and advances	42,827,166	42,578,475	682,701,815
Cash and cash equivalents	250,287,198	21,426,199	275,263,162
Total current assets	723,972,608	535,264,915	1,033,948,232
Total assets	7,099,733,222	6,995,233,204	6,301,311,176
EQUITY AND LIABILITIES			
Equity			
Share capital	1,968,027,000	1,968,027,000	1,968,027,000
Retained earnings	831,541,400	695,815,862	342,387,449
Total equity	2,799,568,400	2,663,842,862	2,310,414,449
Liabilities			
Non-current liabilities			
Loans and borrowings	3,873,819,520	3,897,055,064	3,855,270,111
Trade and other payables	-	-	-
Total non-current liabilities	3,873,819,520	3,897,055,064	3,855,270,111
Current liabilities			
Trade and other payables	67,030,134	143,476,108	95,327,188
Loans and borrowings	359,315,168	290,859,170	40,299,428
Total current liabilities	426,345,302	434,335,278	135,626,616
Total liabilities	4,300,164,822	4,331,390,343	3,990,896,727
Total equity and liabilities	7,099,733,222	6,995,233,204	6,301,311,176

MOUNTAIN ENERGY NEPAL LTD. Unaudited Statement of Profit or Loss and other Comprehensive Income For the period ended 30th Poush, 2078

Particulars	Upto This Quarter (Current Year)	Upto 31st Ashwin 2078 (Restated) (Current Year)	Upto 29th Poush 2077 (Previous Year)
Revenue	682,198,717	387,057,731	82,135,723
Cost of sales			
-Amortization on Project Assets	(125,228,787)	(62,248,401)	(13,966,170)
-Other Direct Costs	(24,748,877)	(10,274,338)	(7,160,659)
Gross profit	532,221,053	314,534,992	61,008,894
Net Construction Revenue (As per IFRIC 12)	6,605,986	6,605,986	17,010,600
Administrative expenses	(10,572,310)	(5,264,598)	(15,384,803)
Depreciation and amortisation	(1,031,308)	(495,104)	(1,121,773)
Operating profit	527,223,421	315,381,276	61,512,919
Finance income	135,593	3,649	14,531
Finance costs	(92,492,255)	(19,013,614)	(12,927,781)
Staff Bonus	(8,565,215)	(5,795,307)	(631,781)
Profit before tax	426,301,543	290,576,005	47,967,888
Income tax expenses			
Current tax	-	-	-
Deferred Year Tax	-	-	-
Deferred tax income/(expense)	-	-	-
Profit for the period	426,301,543	290,576,005	47,967,888
Other comprehensive income	-	-	-
Total comprehensive income	426,301,543	290,576,005	47,967,888

1. Notes to quarterly unaudited financials.

1.1 The unaudited financial statements for the Second Quarter of the FY 2078/79 are reviewed by Audit Committee and authorized to publish by Board of Director of the Company.

Restated Disclosures:

The first quarter reporting of the FY 2078/79 was done on the basis of unaudited financial of the FY 2077/78. Whereas the second quarter reporting is based on audited financial of the FY 2077/78. Whereas the second quarter reporting is based on audited financial of the FY 2077/78. Whereas the second quarter reporting is based on audited financial of the FY 2077/78. Whereas the second quarter reporting is based on audited financial of the FY 2077/78.

1.1.1 Commercial Operation Date and Life of Hydropower Project:

Life (License Period):

- Tadi Khola (Thaprek), license period is valid till 2103 Mangsir 05.

- Mistri Khola license period is valid till 2103 Kartik 19.

Commercial Operation Date (COD):

- Tadi Khola (Thaprek) started commercial operation from 2069 Chaitra 14.

- Mistri Khola started its commercial operation from 2078 Ashadh 03.

1.2 Revenue:

1.2.1 **Sale of Electricity:** Revenue from sale of electricity is generated by Tadi Khola Project (5 MW) and Mistri Khola Project (42 MW). Tadi Khola Project invoiced Rs. 94,669,327/- and Mistri Khola Project invoiced Rs. 587,529,390/- up to Poush end 2078, to Nepal Electricity Authority as per the terms of PPA.

1.2.2 Mistri Khola Project has started the commercial operation from Ashadh 03, 2078. Net Construction Revenue of Rs. 6,605,986/- disclosed in the Statement of Profit or Loss and Comprehensive Income represents revenue from construction of the Project, which is based on forecast cost plus 5% as per IFRIC 12 of Nepal Financial Reporting Standards till the receipt of construction completion certificate dated Ashwin 12, 2078.

1.3 Amortization:

Both the Projects, Tadi Khola and Mistri Khola Project has recognised an Intangible Asset for the right to sell electricity to NEA as specified in PPA through construction of projects assets under the service concession agreement.

1.3.1 Tadi Khola 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.

1.3.2 Mistri Khola Project Assets, accounted as Intangible assets, 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.

Final project construction completion certificate is dated Ashwin 12, 2078. Hence, all the expenses relating to the project up to Ashwin 12, 2078 has been capitalized.

1.4 Taxation:

Both the projects are in Tax Holiday. Hence no income tax liability is calculated on the sale of Electricity to NEA.

1.5 Related Party Transitions:

There is no related party transaction during the reporting period.

1.6 Key Financial Ratio:

In NRs.

Period	Earnings Per Share (Quarterly)	Net Worth Per Share	Current Ratio	P/E Ratio
This Quarter End	21.66	142.25	1.70	51.47
Previous Quarter End (Restated)	14.76	135.36	1.23	75.52
Corresponding Previous Quarter End	2.85	137.04	7.62	134.97

1.7 Challenges

Internal

- Retention of skilled human Resources

- Managing Operational Efficiency

External

- Impact of Climate Change on amount of Rain/Snow Fall in Catchment area

- Supplier Risk as vendors of major project assets is of foreign origin.

- Foreign exchange rate

2. Management Analysis

Operation of Tadi Khola (Thaprek) projects is satisfactory. The debt service of the project is satisfactory.

Mistri Khola Project has come into commercial operation from Ashadh 03, 2078. Operation of

Mistri Khola Project is Satisfactory. The debt service of the project is satisfactory.

3. Analysis of Share Transactions:

The Major Highlights of Share Transactions During the Quarter are as follows:

Maximum Price NPR	Minimum Price NPR	Closing Price NPR	Total Turnover	Traded Volume	Transaction Days
1,300.00	925.00	1,115.00	366,177,990	323,178	60

4. Corporate Governance

The Company has regular Board of Directors and Audit Committee meetings. The management team meet regularly for the smooth running of the Company.

5. Declaration from Managing Director

I take the responsibility for the accuracy of financial and other information detailed in this report for the period up to second quarter of FY 2078/79 and hereby declare that financial and other information detailed in this report are true, based on records and facts, and are complete to the best of my knowledge and that information necessary for taking informed decision by the investors are not concealed.