

# नवौं

वार्षिक प्रतिवेदन  
आ.ब. २०७८/०७९



माउन्टेन इनर्जी नेपाल लि.  
Mountain Energy Nepal Ltd.

# सञ्चालक समिति



सुहृद राज घिमिरे  
अध्यक्ष



श्याम सुन्दर खेतान  
प्रबन्ध सञ्चालक



सुव्रत धिताल  
सञ्चालक



डोलराज शर्मा  
सञ्चालक



मनोहर दास मुल  
सञ्चालक



रचना अधिकारी  
सञ्चालक  
(सर्वसाधारण शेयरधनीहरूको तर्फबाट)



डा. हरि शंकर ब्रेष्ठ  
स्वतन्त्र सञ्चालक



Mistri Khola HEP-Bishwakarma Mandir at Powerhouse



Mistri Khola HEP-CSR activity-  
Contribution for Shiva Temple  
at Naryhyang village

## विषयसूची

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Mistri Khola HEP-CSR activity - Crimation site as per local request



Mistri Khola HEP -  
CSR activity - Pipe Line installaton  
in road as per local request



## प्रोक्सी फारम (प्रतिनिधि पत्र)

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

विषय : प्रतिनिधि नियुक्त गरेको बारे ।

महाशय,

.....जिल्ला ..... न.पा./गा.पा.वडा नं. .... वस्ने म/हामी .....  
.....त्यस कम्पनीको शेयरधनीको हैसियतले संवत् २०७९ साल पौष महिना ०८ गतेका दिन हुने नवौं वार्षिक साधारण सभामा  
म/हामी स्वयं उपस्थित भई छलफल तथा निर्णयमा सहभागी हुन नसक्ने भएकाले उक्त सभामा मेरो/हाम्रो तर्फबाट भाग लिन  
तथा मतदान गर्नका 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 व्यक्तिको,  
हस्ताक्षरको नमुना :  
नाम :  
शेयरधनी प्रमाण पत्र नम्बर/वि.ओ.आई.डि. नम्बर:

निवेदक  
दस्तखत :  
नाम :  
ठेगाना :  
शेयरधनी प्रमाणपत्र नं/बी.ओ.आई.डी. नम्बर:

मिति :

शेयर संख्या:   
मिति :

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

## प्रवेश पत्र

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

श्री माउन्टेन इनर्जी नेपाल लिमिटेडको मिति २०७९/०९/०८ मा हुने नवौं वार्षिक साधारण सभामा उपस्थित हुन जारी गरिएको प्रवेश पत्र ।

.....  
कम्पनी सचिव

द्रष्टव्य: सभा कक्षमा प्रवेश गर्न यो प्रवेश पत्र अनिवार्य रूपमा लिई आउनु हुन अनुरोध छ । अन्यथा सभाकक्षमा प्रवेश गर्न पाइने छैन ।



माउन्टेन इन्र्जी नेपाल लि.  
**Mountain Energy Nepal Ltd.**



## माउन्टेन इनर्जी नेपाल लिमिटेड नवौं वार्षिक साधारणसभासम्बन्धी सूचना

श्री शेयरधनी महानुभावहरू,

यस कम्पनीको मिति २०७९/०७/२९ गते बसेको पञ्चानव्यञ्जौ (९५) सञ्चालक समितिको बैठकको निर्णयानुसार यस माउन्टेन इनर्जी नेपाल लिमिटेडको नवौं वार्षिक साधारणसभा निम्न लिखित मिति, समय र स्थानमा देहायका विषयहरूउपर छलफल गरी पारित गर्ने भएकोले सम्पूर्ण शेयरधनी महानुभावहरूको जानकारीको लागि यो सूचना प्रकाशित गरिएको छ ।

**वार्षिक साधारण सभा हुने मिति, समय र स्थान:**

मिति : २०७९ साल पौष ०८ गते शुक्रवार (तदनुसार २३ डिसेम्बर, २०२२)

समय : बिहान १०.०० बजे

स्थान : Amrapali Banquet Catering & Events, भाटभटेनी, काठमाडौं ।

**छलफलका विषयहरू:**

**क. सामान्य प्रस्तावहरू:**

१. नवौं वार्षिक साधारणसभाको लागि सञ्चालक समितिको तर्फबाट प्रस्तुत आ.व. २०७८/०७९ को वार्षिक प्रतिवेदनउपर छलफल गरी पारित गर्ने सम्बन्धमा ।
२. यस कम्पनीको लेखापरीक्षकको प्रतिवेदनसहितको आ.व. २०७८/०७९ को वार्षिक वित्तीय विवरण (आषाढ मसान्त २०७९ मा समाप्त भएको वर्षको वासलात, आ.व. २०७८/०७९ को नाफा/नोक्सान हिसाव र सोही अवधिको नगद प्रवाह विवरण, इक्यूटीमा भएको परिवर्तनसम्बन्धी विवरणलगायत वार्षिक वित्तीय विवरणसंग सम्बद्ध अनुसूचीहरू) उपर छलफल गरी पारित गर्ने ।
३. कम्पनी ऐन २०६३ को दफा १११ अनुसार यस कम्पनीको आ.व. २०७९/०८० को लागि लेखापरीक्षण गर्न लेखापरीक्षक नियुक्ति गर्ने र निजको पारिश्रमिक तोक्ने सम्बन्धमा । (वर्तमान लेखापरीक्षक पुनः नियुक्तिको लागि योग्य हुनुहुन्छ)
४. सञ्चालक समितिले प्रस्ताव गरेबमोजिम प्रतिशेयर रु. १०.५२६३ (अर्थात् १०.५२६३५ का दर)ले नगद लाभांश स्वीकृत गर्ने सम्बन्धमा ।
५. संस्थापक शेयरधनीहरूको तर्फबाट सञ्चालक समितिको निर्वाचन गर्ने सम्बन्धमा ।

**ख. विविध**

सञ्चालक समितिको आज्ञाले,

**कम्पनी सचिव**



## वार्षिक साधारणसभासम्बन्धी सामान्य जानकारीहरू:

- कम्पनीको आयोजनामा लगानीको निमित्त बैकहरूसँग गरिएको सहवित्तीय सम्झौताको शर्तबमोजिम लगानीकर्ता बैकहरूको स्वीकृतिपश्चात् मात्र लाभांश वितरण गर्न पाइने भएकोले सोको स्वीकृति लागि कम्पनीबाट प्रक्रिया चालिएको र साधारणसभा एवं लगानीकर्ता बैकहरूको स्वीकृतिपश्चात् लाभांश भुक्तानी गरिने ।
- सर्वसाधारणको वार्षिक साधारणसभा प्रयोजनको लागि मिति २०७९/०८/२७ (तदनुसार १३ डिसेम्बर २०२२) गतेका दिन कम्पनीको शेयरधनी दर्ता किताब बन्द गरिनेछ । नेपाल स्टक एक्सचेन्ज लिमिटेडमा मिति २०७९/०८/२६ गतेसम्म कारोवार भई शेयर खरिद गरी आफ्नो नाममा शेयर नामसारी भई आएका शेयरधनीहरू सो सभामा भाग लिन योग्य रहनेछन् ।
- वार्षिक साधारणसभामा भाग लिन आउनु हुने शेयरधनी महानुभावहरूले आफ्नो परिचय खुल्ने सक्कल प्रमाण तथा हितग्राही खाता खोली शेयर अभौतीकरण गरिएको विवरण देखिने Demat Account Statement वा शेयर प्रमाण-पत्र साथमा लिई आउन हुन अनुरोध छ, अन्यथा सभाकक्षभित्र प्रवेश गर्न पाइने छैन ।
- सम्पूर्ण शेयरधनी महानुभावहरूको जानकारीका लागि कम्पनीको संक्षिप्त आर्थिक विवरण यसैसाथ प्रकाशित गरिएको छ । आर्थिक विवरणलगायतका वार्षिक साधारणसभामा पेश हुने सम्पूर्ण प्रस्तावहरू तथा साधारणसभासम्बन्धी अन्य जानकारीको लागि कम्पनीको **website: mountainenergy.com.np** मा पनि हेर्न सक्नुहुनेछ ।
- सभामा आफू उपस्थित नभई प्रतिनिधि नियुक्त गर्न चाहने शेयरधनी महानुभावहरूले सभा सुरु हुने समयभन्दा कम्तीमा ४८ घण्टा अगावै यस कम्पनीको केन्द्रीय कार्यालय डिल्लीबजार, काठमाडौंमा प्रोक्सी फारम दर्ता गरि सक्नुपर्नेछ । सभामा भाग लिन र मतदान गर्नका लागि प्रतिनिधि नियुक्त गरिसकेपछि उक्त प्रतिनिधि बदर गरी अर्कै मुकरर गर्ने भएमा सोको लिखित सूचना सोही अवधिभित्र कम्पनीको रजिस्टर्ड कार्यालयमा दर्ता गरिसक्नु पर्नेछ । यसरी प्रतिनिधि (प्रोक्सी) नियुक्त गरिएको व्यक्तिसमेत कम्पनीको शेयरधनी हुनुपर्नेछ ।
- संरक्षक रहनुभएका शेयरधनी महानुभावहरूका तर्फबाट कम्पनीको शेयर लगत किताबमा संरक्षकको रूपमा नाम दर्ता भएको व्यक्तिले, संयुक्तरूपमा शेयर खरिद गरिएको अवस्थामा शेयर लगत किताबमा पहिले नाम उल्लेख भएको व्यक्ति अथवा सर्वसम्मतिबाट प्रतिनिधि नियुक्त गरिएको एक व्यक्तिले र कुनै संगठित संस्था वा कम्पनीले शेयर खरिद गरेको हकमा त्यस्ता संगठित संस्था वा कम्पनीले मनोनीत गरेको प्रतिनिधिहरूले शेयरधनीको हैसियतले सभामा भाग लिन र मतदान गर्न सक्नुहुनेछ ।
- छलफलका विषयसूचीमध्ये विविध शिर्षकअन्तर्गत छलफल गर्न इच्छुक शेयरधनीले सभा हुनुभन्दा ७ (सात) दिनअगावै सो सम्बन्धी प्रस्ताव कारणसहित उल्लेख गरी कम्पनी सचिवमार्फत सञ्चालक समितिको अध्यक्षलाई लिखितरूपमा दिनुपर्नेछ । तर, त्यसलाई पारित गरिनुपर्ने प्रस्तावको रूपमा राखिने छैन ।
- शान्ति-सुरक्षाको दृष्टिकोणले साधारणसभामा उपस्थित हुने शेयरधनी महानुभावहरूलाई यथाशक्य भोला, ब्याग नल्याउनुहुन अनुरोध छ । सभाको सुरक्षाका लागि खटिएका सुरक्षाकर्मीहरूले शेयरधनी महानुभावहरूलगायत सभाकक्षमा प्रवेश गर्ने सबैको भोला, ब्याग र शरीर जाँच गर्न सक्ने भएको हुँदा सो कार्यमा सहयोग गरिदिनुहुन अनुरोध छ ।
- निर्वाचन र अन्य आवश्यक जानकारीको लागि यस कम्पनीको केन्द्रीय कार्यालय का.म.न.पा. वडा नं. ३० डिल्लीबजार, काठमाडौं वा फोन नं. ०१-४५३७७०५, ०१-४५४९६४८ मा सम्पर्क राख्नुहुन अनुरोध गरिन्छ ।





## माउन्टेन इनर्जी नेपाल लि. को नवौं वार्षिक साधारण सभामा संचालक समितिको तर्फबाट अध्यक्षद्वारा प्रस्तुत वार्षिक प्रतिवेदन

### आदरणीय शेयरधनी महानुभावहरु,

यस माउन्टेन इनर्जी नेपाल लिमिटेडको नवौं वार्षिक साधारण सभामा उपस्थित सम्पूर्ण महानुभावहरुलाई संचालक समितिको तर्फबाट हार्दिक स्वागत गर्दछु। यस अवसरमा कम्पनीको आर्थिक वर्ष २०७८/७९ को वित्तीय विवरण लगायत अन्य गतिविधिहरु र कृयाकलापहरुको विवरण संक्षिप्त रुपमा यस सभामा प्रस्तुत गर्न गईरहेको छु।

विगतका वर्षहरुमा यस कम्पनीलाई दिनुभएको अमूल्य 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 सुहृद राज घिमिरे	संचालक अध्यक्ष (प्रबर्धक समुह)
श्री सुब्रत धिताल	संचालक (प्रबर्धक समुह)
श्री डोलराज शर्मा	संचालक (प्रबर्धक समुह)
श्री श्याम सुन्दर खेतान	संचालक (प्रबर्धक समुह)
श्री मनोहर दास मुल	संचालक (प्रबर्धक समुह)
श्री रचना अधिकारी	संचालक (सर्वसाधारण समुह)
डा. हरिशंकर श्रेष्ठ	स्वतन्त्र संचालक

कम्पनीका प्रबर्धक समुहको प्रतिनिधित्व गर्ने संचालकहरुको पदावधी यसै साधारण सभा पश्चात समाप्त हुने हुँदा यस साधारण सभामा संचालक समितिको निर्वाचन सम्बन्धी प्रस्ताव समेत पेश गरिएको छ।

### वित्तीय अवस्था

कम्पनी ऐन, २०६३ को दफा १०९ को उपदफा ४ बमोजिम विवरण तथा लेखा परिक्षण सहितको वासलात र अन्य विवरण छुट्टै पेश गरेको छु। उपरोक्त वित्तीय विवरणको सारांश तथा २०७९ आषाढ मसान्तको (लेखा परिक्षण भएको) एवं आश्विन मसान्त २०७९ को अपरिष्कृत वित्तीय अवस्था छोटकरीमा तल प्रस्तुत गरेको छु।



२०७९ आषाढ मसान्तको तुलनात्मक वित्तीय अबस्था

रकम रु लाखमा

विवरण	आश्विन मसान्त २०७९ (अपरिष्कृत)	आषाढ मसान्त २०७९	आषाढ मसान्त २०७८
अधिकृत पूंजी	३,००,००	३,००,००	३,००,००
जारी पूंजी	२,००,००	२,००,००	२,००,००
चुक्ता पूंजी	१,९६,८०	१,९६,८०	१,९६,८०
जगेडा तथा संचित मुनाफा	१,२८,४६	१,०१,११	४०,५२
<b>कुल ईक्वीटी</b>	<b>३,२५,२६</b>	<b>२,९७,९२</b>	<b>२,३७,३२</b>
दिर्घकालिन कर्जा	३,६७,०७	३,८५,३५	३,९६,९५
अन्य दायित्व	७,३२	७,७६	१३,३४
अल्पकालिन कर्जा	३७,७६	३१,८३	७,५९
स्थिर सम्पत्ति बाँकी मूल्य	२,९९	३,०५	३,१५
<b>आयोजना लागत (बाँकी) -तादी</b>	<b>६७,२७</b>	<b>६७,९७</b>	<b>७०,७६</b>
<b>आयोजना लागत (बाँकी) -मिष्ट्री</b>	<b>५,४४,७७</b>	<b>५,४९,३२</b>	<b>५,५६,३४</b>
आयोजना खर्च मिष्ट्री-२ (हाल सम्मको)	७,१५	६,९३	६,१९
ख्याती (Goodwill)	१,५२	१,५३	१,५९
खर्चको लागि पेशकी तथा धरौटी	२०,९०	१८,४५	१,६४
अन्य भुक्तानी प्राप्त गर्न बाँकी रकम	५३,०८	४७,९५	११,२३
नगद तथा बैंक मौज्जात	३९,७२	२७,६३	४,३०
<b>कुल आय</b>	<b>४७,२४</b>	<b>१२४,१०</b>	<b>२३,९५</b>
प्रत्यक्ष खर्च	(१०,४२)	(३५,०८)	(७,३९)
यस वर्षको ओभरहेड ह्यास खर्च सहित	(१,७५)	(३,५४)	(३,१३)
वित्तीय खर्च (खुद)	(७,४३)	(२४,२७)	(२,२३)
आयकर समायोजन	(८)	(१३)	(९)
<b>खुद आय</b>	<b>२७,५७</b>	<b>६१,०९</b>	<b>११,१९</b>

**लाभांश घोषणा वारे:**

गत आर्थिक वर्षमा कम्पनीले आर्जन गरेको मुनाफा एवं कम्पनीले आयोजनामा लगानी गर्नु पर्ने आवश्यकतालाई समेत ध्यानमा राखि आ.ब. २०७८/७९ मा १०.५२६३% अर्थात कर कट्टी गरी १० % लाभांश प्रस्ताव गरिएको छ ।

**कम्पनी अन्तर्गतका आयोजनाहरु :**

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

यस कम्पनी द्वारा 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 ब्यावसायिक उत्पादन कार्य २०६९ चैत्र १४ गतेबाट सुरु भई हाल सन्तोषजनक रूपमा संचालन भइरहेको छ ।



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

यस कम्पनी द्वारा 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 २९०३ कार्तिक १९ गते सम्म बहाल रहनेछ। उक्त आयोजनाको व्यावसायिक उत्पादन कार्य २०७८ आषाढ ३ गतेबाट सुरु भई हाल सन्तोषजनक रूपमा संचालन भइरहेको छ।

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

मिष्ट्री खोला-२ जलविद्युत आयोजना १२ मे.वा. को सर्वेक्षण अनुमती पत्र मिति २०७४।४।३२ मा प्राप्त भएको छ। यस आयोजनाको संभाव्यता अध्ययनको अध्यावधिक प्रतिवेदन Hydro Consult Engineering Ltd. बाट प्राप्त भएको छ। यस आयोजनाको प्रारम्भिक वातावरणिय परिक्षण (IEE) उर्जा,जलस्रोत तथा सिंचाई मन्त्रालय बाट मिति २०७९ श्रावणमा स्वीकृत भई विद्युत उत्पादन अनुमति पत्रको लागि मिति २०७९/०४/२४ मा विद्युत विकास विभागमा निवेदन दिईएको छ। यस आयोजनाको विद्युत खरिद विक्रि सम्झौता (PPA) गर्नको लागि नेपाल विद्युत प्राधिकरणमा प्रक्यामा रहेको छ।

आ.ब. २०७७/७८ मांसिरमा यस कम्पनीले सर्वसाधारणको लागि शेयर निष्काशन गरेको थियो। यस आ.ब. मा कम्पनीको सर्वसाधारण शेयरको हाल शेयरबजारमा कारोवार भइरहेको छ।

### माउन्टेन इनर्जी नेपाल लि. को आ.ब. २०७९/८० को कार्यक्रमहरु:

आ.ब. २०७९/८० मा निम्न कार्यक्रमलाई प्रमुख प्राथमिकतामा राखिएको छ।

- मिष्ट्री खोला जलविद्युत आयोजना (४२ मे.वा.) तथा तादी खोला (थप्रेक) जलविद्युत आयोजना (५ मे.वा.) को विद्युत उत्पादनलाई निरन्तरता दिने।
- मिष्ट्री खोला-२ जलविद्युत आयोजना १२ मे.वा. को विद्युत उत्पादन अनुमति पत्र (Generation License) लिने तथा विद्युत खरिद विक्रि सम्झौता (PPA) लगायतको कार्यलाई निरन्तरता प्रदान गर्ने।

### अन्य आवश्यक जानकारी :

कम्पनीले विद्युत खरिद विक्रि सम्झौता (PPA) बमोजिम दावी गरेको रकम नेपाल विद्युत प्राधिकरणले बिमती जनाई कम भुक्तानी गरेको र सोमा कम्पनीले चित्त नबुझाई सम्झौताको अधिनमा रही नेपाल मध्यस्थता परिषदमा मिति २०७९।०६।२६ मा दावी गरेको मुद्दा बिचाराधीन रहेको छ। उक्त मुद्दामा कम्पनीले दावी मिति सम्मको लागि ब्याज बाहेक रू. २८,३७,०४,८६७.०८ को दावी गरेको छ।

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

अन्त्यमा, कम्पनीलाई विभिन्न माध्यमद्वारा सहयोग तथा मार्गदर्शन प्रदान गर्ने सम्पूर्ण शेयरधनी महानुभावहरु, नेपाल सरकारका सम्बन्धित 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 सुहृद राज घिमिरे

अध्यक्ष

माउन्टेन इनर्जी नेपाल लिमिटेड

मिति: २०७९ पौष ०८ गते



## माउन्टेन इनर्जी नेपाल लिमिटेड कम्पनी ऐन २०६३ को दफा १०९(४) बमोजिमको प्रतिवेदन

(क) विगत वर्षको कारोबारको सिंहावलोकन,  
कम्पनीको आ.व. २०७८/७९ को तुलनात्मक वित्तीय विवरणको सारांश तल प्रस्तुत गरेको छु ।

(रकम रु लाखमा)

विवरण	आषाढ मसान्त २०७९	आषाढ मसान्त २०७८
अधिकृत पुँजी	३,००,००	३,००,००
जारी पुँजी	२,००,००	२,००,००
चुक्ता पुँजी	१,९६,८०	१,९६,८०
जगेडा तथा संचित मुनाफा	१,०१,११	४०,५२
कुल ईक्वीटी	२,९७,९१	२,३७,३२
दिर्घकालिन कर्जा	३,८५,३५	३,९६,९५
अन्य दायित्व	७,७५	१३,३४
अल्पकालिन कर्जा	३१,८३	७,५९
स्थिर सम्पत्ति बांकी मूल्य	३०५	३१५
आयोजना प्रत्यक्ष खर्च-तादी	६७,९७	७०,७६
आयोजना प्रत्यक्ष खर्च-मिस्त्री	५,४९,३२	५,५६,३४
आयोजना प्रत्यक्ष खर्च मिस्त्री-२	६,९३	६,१९
ख्याती (Goodwill)	१,५३	१,५९
व्यापार र अन्य प्राप्त गर्न बांकी रकम	४७,९५	११,२३
खर्चको लागि पेस्की तथा धरौटी	१२,३०	१,६३
लिन बांकी पेस्की तथा धरौटी	६,१५	-
नगद तथा बैंक मौज्दात	२७,६३	४,३०
समायोजित कुल आय ढ	१,२४,१७	२३,९५
समायोजित प्रत्यक्ष खर्च ढ	(९,८५)	(७,३९)
यस वर्षको ओभरहेड ह्रास खर्च सहित	(२८,८३)	(३,१३)
वित्तीय खर्च (खुद)	(२४,२७)	(२,२३)
आयकर समायोजन	(१३)	(१)
खुद आय ढ	६१,०९	११,१९

\* NFRS समायोजित

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

(ग) प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा -  
मिष्ट्री खोला जलविद्युत आयोजना-४२ मे.वा. को ब्यवसायिक 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 सम्बन्ध -

COVID-19 महामारीको प्रभाव बाहेक कम्पनीको औद्योगिक वा व्यावसायिक सम्बन्धमा कुनै प्रतिकूल अवस्था नरहेको ।



- (इ) सञ्चालक समितिमा भएको हेरफेर र सोको कारण :-  
सञ्चालक समितिमा कुनै परिवर्तन भएको छैन ।
- (च) कारोबारलाई असर पार्ने मुख्य कुराहरू-  
COVID-19 महामारीको प्रभाव बाहेक त्यस्तो कुरा छैन ।
- (छ) लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत उल्लेख भएको भए सोउपर सञ्चालक समितिको प्रतिक्रिया :-  
लेखापरीक्षण प्रतिवेदनमा कुनै कैफियत नरहेकोले सञ्चालक समितिले कुनै प्रतिक्रिया गर्नु नपरेको ।
- (ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम :-  
१०.५२६३५ नगद लाभांश रु २०,७१,६०,७३६.८५ बाँडफाँड गर्न 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 गर कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयरबापत रकम फिर्ता गरेको भए सोको विवरण :-  
छैन ।
- (ञ) विगत आर्थिक वर्षमा कम्पनी र यसको सहायक कम्पनीको कारोबारको प्रगति र सो आर्थिक वर्षको अन्तमा रहेको स्थितिको पुनरावलोकन :-  
यस कम्पनीको कारोबारको अवस्था माथि बुँदा (क) मा प्रस्तुत गरिएको छ । यस कम्पनीको छुट्टै सहायक कम्पनी नरहेको ।
- (ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरू र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन :-  
छुट्टै सहायक कम्पनी नरहेको
- (ठ) विगत आर्थिक वर्षमा कम्पनीको आधारभूत शेयरधनीहरूले कम्पनीलाई उपलब्ध गराएको जानकारी :-  
त्यस्तो जानकारी नगराएको ।
- (ड) विगत आर्थिक वर्षमा कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्वको विवरण र कम्पनीको शेयर कारोबारमा निजहरू संलग्न रहेको भए सो सम्बन्धमा निजहरूबाट कम्पनीले प्राप्त गरेको जानकारी :-  
कम्पनीका सञ्चालक तथा पदाधिकारीहरूले लिएको शेयरको स्वामित्व निम्नानुसार रहेको :

नाम	पद	शेयर कित्ता
श्री सुहृद राज घिमिरे	अध्यक्ष	२६२४००
श्री सुब्रत धिताल	सञ्चालक	१०४९२०
श्री डोलराज शर्मा	सञ्चालक	३३७९४०
श्री मनोहर दास मुल	सञ्चालक	४९२०००
श्री श्याम सुन्दर खेतान	सञ्चालक	७६२७४०
श्रीमती रचना अधिकारी	सञ्चालक	१०००

- कम्पनीको शेयर कारोबारमा निजहरू संलग्न रहेको जानकारी निजहरूबाट कम्पनीले प्राप्त गरेको छैन ।
- (ढ) विगत आर्थिक वर्षमा कम्पनीसँग सम्बन्धित सम्भौताहरूमा कुनै सञ्चालक तथा निजको नजिकको नातेदारको व्यक्तिगत स्वार्थको बारेमा उपलब्ध गराइएको जानकारीको व्यहोरा, :-  
कम्पनीसँग सम्बन्धित सम्भौताहरूमा 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 रकम :-  
कम्पनीले आफ्नो शेयर आफैले खरिद नगरेको ।
- (त) आन्तरिक नियन्त्रण प्रणाली भए वा नभएको र भएको भए सोको विस्तृत विवरण :-  
कम्पनीको आन्तरिक नियन्त्रण प्रणाली भएको र सो प्रणाली आन्तरिक लेखा परिक्षण समिति अन्तर्गत रहेको ।
- (थ) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण,  
विगत आर्थिक वर्षको कुल व्यवस्थापन खर्च रु.२,१५,८२,०३१ रहेको उक्त खर्चको विस्तृत विवरण वित्तिय विवरणको नोट ८ मा दिइएको छ ।
- (द) लेखापरीक्षण समितिका सदस्यहरूको नामावली, निजहरूले प्राप्त गरेको पारिश्रमिक, भत्ता तथा सुविधा, सो समितिले गरेको काम कारबाहीको विवरण र सो समितिले कुनै सुझाव दिएको भए सोको विवरण :-  
कम्पनीमा निम्नानुसारको लेखा परिक्षण समिति रहेको छ ।

नाम
श्री मनोहर दास मुल, संयोजक
श्री डोलराज शर्मा, सदस्य
श्री उत्तम भट्टराई, सदस्य

- त्यस्तो खर्च नभएको ।
- (ध) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख, कम्पनीका आधारभूत शेयरधनी वा निजको नजिकका नातेदार वा निज संलग्न रहेको फर्म, कम्पनी वा संगठित संस्थाले कम्पनीलाई कुनै रकम बुझाउन बाँकी भए सो कुरा :-  
त्यस्तो रकम बुझाउन बाँकी नरहेको
- (न) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :-  
वैठक भत्ता बाहेक अन्य कुनै भत्ता तथा सुविधाको रकम भुक्तान गरिएको छैन ।
- (प) शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम :-  
बाँकी नरहेको ।
- (फ) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण, :-  
यस कम्पनीमा छुट्टै सहायक कम्पनी नरहेका, तसर्थ त्यस्तो सम्पत्ति खरिद वा बिक्री नभएको ।
- (व) दफा १७५ बमोजिम सम्बद्ध कम्पनी बीच भएको कारोबारको विवरण,  
त्यस्तो कारोबार नभएको ।
- (भ) यस ऐन तथा प्रचलित कानूनबमोजिम सञ्चालक समितिको प्रतिवेदनमा खुलाउनु पर्ने अन्य कुनै कुरा :-  
अन्य आवश्यक विवरण संचालक समितिको प्रतिवेदन अन्तर्गत अध्यक्षज्यूको प्रतिवेदनमा उल्लेख गरिएकोछ ।
- (म) अन्य आवश्यक कुराहरु :-  
छैन

भवदिय  
सुहृद राज घिमिरे  
अध्यक्ष

माउन्टेन इनर्जी नेपाल लि.

## 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 m <sup>3</sup> /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 km <sup>2</sup>                          |
|    | Design Discharge       | : 8.91 m <sup>3</sup> /sec                     |
|    | Design Flood Discharge | : 613.0 m <sup>3</sup> /s (1 in 100 yr. flood) |



Aerial view of Tadi Khola Powerhouse



Penstock Alignment of Tadi Khola HEP





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



Tadi Khola HEP Employer's Camp



Tadi Khola HEP-Machine



Tadi Khola HEP Tadi Switchyard

# 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 undercluce 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 Hydroelectric 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) Hydroelectricity Investment and Development Company Ltd. (HIDCL) Nepal Investment Bank Ltd. (NIBL) Laxmi Bank Ltd. (LxBL) Nepal Bank Ltd. (NBL)



Mistri Khola HEP - Headworks Camp Building



Sediment sampling Lab at Mristi Khola HEP

### Project Commissioning Date

After testing & trial run of the machines, the Project was commissioned on 3<sup>rd</sup> Ashad 2078. The Project was successfully 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 m<sup>3</sup>/s  
 Installed Capacity : 42 MW

#### HYDROLOGY

Catchment Area at Intake : 280 km<sup>2</sup>  
 Design Discharge to Turbines : 17.1 m<sup>3</sup>/s  
 Probability of exceedance of Design Flow : 40 Percentile  
 Compensation Discharge at the Intake : 0.41 m<sup>3</sup>/s  
 Catchment Area at Powerhouse site : 3770 km<sup>2</sup>

#### FLOOD

1 in 100 years Design Flood at Weir : 700 m<sup>3</sup>/s  
 1 in 100 years Flood at Powerhouse : 1100 m<sup>3</sup>/s  
 1 in 20 years Dry Season Flood : 35 m<sup>3</sup>/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



Mistri Khola HEP-Operation and Maintenance Team Setup



Mistri Khola HEP - Replacement of New Runner

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
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 <sup>3</sup> /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 <sup>2</sup>
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)



Mistri Khola HEP-Reservoir flushing



River Training for TL Tower Protection along Kaligandaki river



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 1.7 m dia. 6.9 m length after First Branching 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 7.25 m after First Branching (1.7 m dia) 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



Mistri Khola HEP-Nozzle Servomotor Maintenance



Mistri Khola HEP-Power House Generators



#### 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 m <sup>3</sup> /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 HEP -  
Power House Cleaning work

Mistri Khola HEP -  
Desander flushing





Mistri Khola HEP -  
Desander Basin during operation

Undersluice of  
Mristi Khola HEP





## 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

<b>PROJECT</b>	:	Mistri Khola 2 Hydroelectric Project
Installed Capacity	:	12.00 MW
<b>LOCATION</b>		
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 <sup>2</sup>
Catchment Area of Ghatte Khola at Intake	:	7.10 km <sup>2</sup>
CA of Mistri Khola HEP at PH	:	3946.3 km <sup>2</sup>
CA of Mistri Khola 2 HEP at PH	:	3966.5 km <sup>2</sup>
Design Discharge of Mistri Khola HEP	:	18.23 m <sup>3</sup> /s
Design Discharge of Ghatte Khola	:	0.51 m <sup>3</sup> /s
Design Discharge to Turbines of Mistri Khola 2 HEP	:	18.74 m <sup>3</sup> /s



## FLOOD

1 in 100 years Flood at Balancing Pond Area	:	1,611 m <sup>3</sup> /s
1 in 100 years Flood at Powerhouse Area	:	1,625 m <sup>3</sup> /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

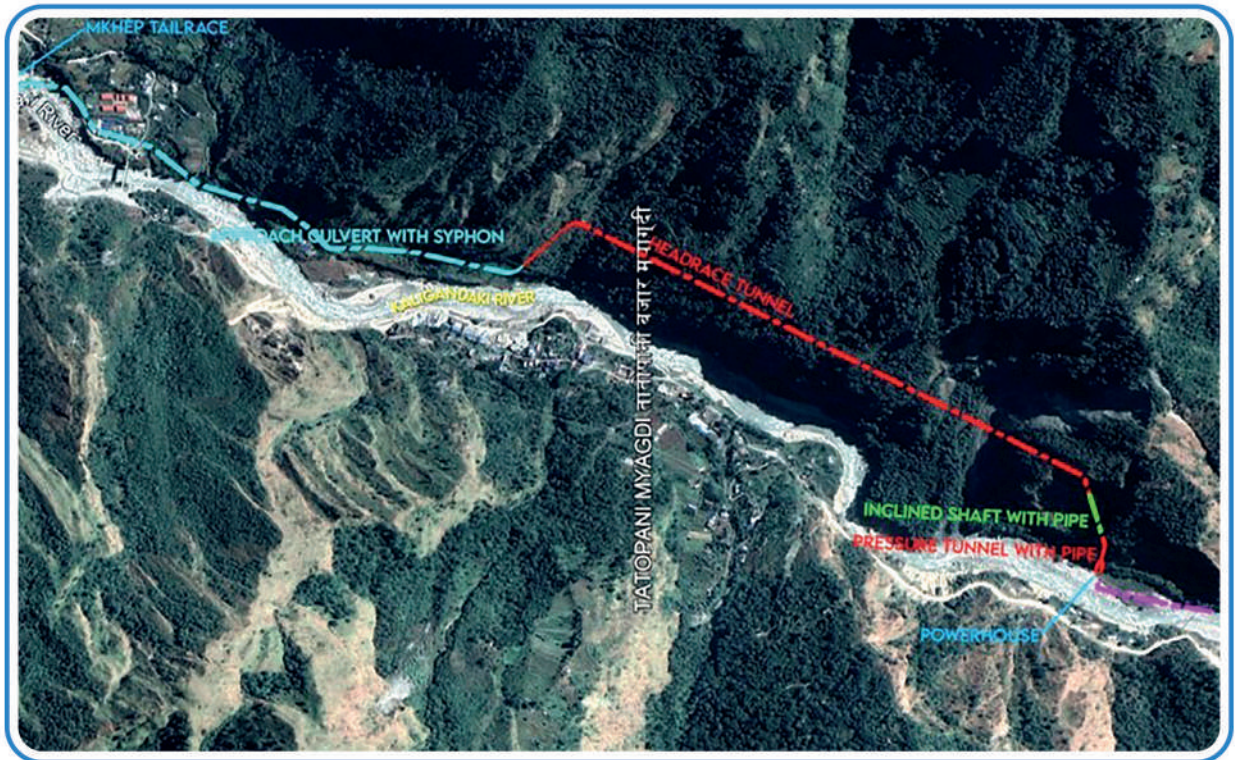
### vi. SETTLING BASIN

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	:	0.3mØ

## MAIN WATERWAYS

### i. BALANCING POND

Normal Water Level at Start	:	1257.75 masl
Length	:	10.75 m (Including transition)



Mistri2 project layout



Tailrace Tapping for Mistri2 Diversion



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) x 15.50m(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 m <sup>3</sup> /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)
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### CONSTRUCTION PERIOD

:	2.5 years
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## B R Pandey & Associates

Chartered Accountants

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Sanguri Galli-37  
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Tel: 4114589

E-mail: [bpandey@ntcnet.np](mailto:bpandey@ntcnet.np)

### INDEPENDENT AUDITOR'S REPORT

#### THE SHAREHOLDERS OF MOUNTAIN ENERGY NEPAL LIMITED

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the accompanying financial statements of **Mountain Energy Nepal Limited ("the Company")**, which comprise the Statement of Financial Position as at Ashad 32, 2079 (July 16, 2022), the Statement of Profit or Loss (including Other Comprehensive Income), the Statement of Change 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 the financial statements presents fairly, in all material respects, the financial position of the Company, as at Ashad 32, 2079 (July 16, 2022), 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 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 for our audit.
- ii. The Company has kept proper books of accounts as required by law, in so far as it appears from our examination of those books of account.
- iii. The Statement of Financial Position, Statement of Profit or Loss (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.
- 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 fraudulence in the accounts, based on our sample examination of the books

Place: Kathmandu

Date: Kartik 29, 2079

UDIN: 221116CA004114TF4d

For, B. R. Pandey & Associates  
Chartered Accountants

Bhoj Raj Pandey, FCA





**MOUNTAIN ENERGY NEPAL LTD.**  
Statement of Financial Position as on 32nd Asadh 2079

Particulars	Notes	As at 32nd Asadh 2079	As at 31st Asadh 2078
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	30,512,126	31,482,876
Intangible assets (Hydropower Project Assets)	11	6,172,929,506	6,271,011,250
Intangible assets under development		69,342,387	61,868,570
-Research on Mistri Khola Cascade Project	12	69,342,387	61,868,570
Goodwill (arising on acquisition of Aadhishakti)		15,311,858	15,941,112
Deferred tax assets	22	121,211	121,211
<b>Total non-current assets</b>		<b>6,288,217,088</b>	<b>6,380,425,019</b>
<b>Current assets</b>			
Trade and other receivables	13	479,488,462	112,336,726
Prepayments	14	122,975,491	16,333,771
Loan and advances	15	61,520,805	47,500
Cash and cash equivalents	16	276,279,157	42,986,780
<b>Total current assets</b>		<b>940,263,915</b>	<b>171,704,777</b>
<b>Total assets</b>		<b>7,228,481,003</b>	<b>6,552,129,797</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	1,968,027,000	1,968,027,000
Retained earnings	18	1,011,134,723	405,239,857
<b>Total equity</b>		<b>2,979,161,723</b>	<b>2,373,266,857</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	19	3,853,472,403	3,969,521,749
Trade and other payables		-	
<b>Total non-current liabilities</b>		<b>3,853,472,403</b>	<b>3,969,521,749</b>
<b>Current liabilities</b>			
Trade and other payables	20	77,560,877	133,480,835
Loans and borrowings	19	318,286,000	75,860,356
<b>Total current liabilities</b>		<b>395,846,877</b>	<b>209,341,191</b>
<b>Total liabilities</b>		<b>4,249,319,280</b>	<b>4,178,862,940</b>
<b>Total equity and liabilities</b>		<b>7,228,481,003</b>	<b>6,552,129,797</b>

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

As per our report of even date

Rajendra Prasad Sharma  
Manager-Finance & Operation

Shyam Sundar Khetan  
Managing Director

Suhrid Raj Ghimire  
Chairman

Bhoj Raj Pandey  
Proprietor  
B.R. Pandey & Associates

Date: Kartik 29, 2079  
Place: Kathmandu



**MOUNTAIN ENERGY NEPAL LTD.**  
**Statement of Profit or Loss and other Comprehensive Income**  
**For the period ended 32nd Asadh, 2079**

Particulars	Notes	1st Shrawan 2078 to 32nd Ashadh 2079	1st Shrawan 2077 to 31st Ashadh 2078
Revenue	5	1,234,416,354	168,216,348
Cost of sales	6		
-Amortization on Project Assets		(252,201,339)	(46,261,108)
-Other Direct Costs		(98,552,796)	(27,601,402)
<b>Gross profit</b>		<b>883,662,219</b>	<b>94,353,838</b>
Net Construction Revenue (As per IFRIC 12)	7	6,605,987	71,359,966
Administrative expenses	8	(21,582,031)	(28,266,901)
Depreciation and amortisation	10	(2,182,181)	(2,245,360)
<b>Operating Profit</b>		<b>866,503,994</b>	<b>135,201,543</b>
Finance income	9	5,026,165	22,060
Finance costs	9	(247,700,161)	(22,339,330)
Staff Bonus		(12,344,480)	(830,486)
Other Income		709,246	-
<b>Profit before tax</b>		<b>612,194,764</b>	<b>112,053,787</b>
Income tax expenses			
Current tax	22	(1,256,541)	(5,515)
Deferred tax income/(expense)		-	(108,579)
<b>Profit for the period</b>		<b>610,938,223</b>	<b>111,939,693</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>610,938,223</b>	<b>111,939,693</b>

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  
Manager-Finance & Operation

Shyam Sundar Khetan  
Managing Director

Suhrid Raj Ghimire  
Chairman

Bhoj Raj Pandey  
Proprietor  
B.R. Pandey & Associates

Date: Kartik 29, 2079

Place: Kathmandu



## MOUNTAIN ENERGY NEPAL LIMITED

Kathmandu, Nepal

Statement of Cash Flow

"For the period from 1st Shrawan 2078 to 32nd Ashadh, 2079  
(16th July, 2021 to 16th July, 2022)"

Particulars	1 Shrawan 2078 to 32 Ashadh 2079	1 Shrawan 2077 to 31 Ashadh 2078
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax	612,194,764	112,053,788
<b>Adjustments for:</b>		
Depreciation expenses	2,182,181	2,245,360
Amortisation of Goodwill on Acquisition	629,254	629,254
Amortization on Intangible Assets	252,201,339	46,261,108
Interest Income	(5,026,165)	(22,060)
Interest Expenses	247,700,161	22,339,330
Income tax paid	(1,256,541)	(5,515)
Net Profit/loss on sale of Tangible assets		-
CSR Fund	(5,043,357)	(1,119,397)
Share Issue Expenses	-	(5,835,125)
<b>Cash Flow before Change in Working Capital</b>	<b>1,103,581,636</b>	<b>176,546,743</b>
Increase/(Decrease) in liabilities	70,456,340	320,123,990
(Increase)/Decrease in Current Assets	(535,266,761)	641,470,055
<b>Net Cash Flow from Operating Activities (1)</b>	<b>638,771,215</b>	<b>1,138,140,788</b>
<b>B. Cash Flow from Financing Activities</b>		
Changes in share capital	-	393,605,400
Interest Paid	(247,700,161)	(22,339,330)
<b>Net Cash Flow from Financing Activities (2)</b>	<b>(247,700,161)</b>	<b>371,266,070</b>
<b>C. Cash Flow from Investing Activities</b>		
Changes in non-current assets		-
Net Sale/(Purchase) of Tangible Fixed Assets	(1,211,430)	(2,391,575)
Sale/(Purchase) of Intangible Assets (Project Assets)	(154,119,595)	(1,493,633,157)
Project under development	(7,473,817)	(3,000,000)
Interest Income	5,026,165	22,060
<b>Net Cash Flow from Investing Activities (3)</b>	<b>(157,778,677)</b>	<b>(1,499,002,672)</b>
<b>Net Increase/(Decrease) in cash and cash Equivalents (1+2+3)</b>	<b>233,292,377</b>	<b>10,404,186</b>
Cash and cash equivalents at beginning of the year	42,986,780	32,582,594
<b>Cash and Cash Equivalents at end of the year/period</b>	<b>276,279,157</b>	<b>42,986,780</b>

As per our report of even date

Rajendra Prasad Sharma  
Manager-Finance & Operation

Shyam Sundar Khetan  
Managing Director

Suhrid Raj Ghimire  
Chairman

Bhoj Raj Pandey  
Proprietor  
B.R. Pandey & Associates

Date: Kartik 29, 2079

Place: Kathmandu





## MOUNTAIN ENERGY NEPAL LIMITED

Kathmandu, Nepal

Statement of Changes in Equity  
"For the period from 1st Shrawan 2078 to 32nd Ashadh, 2079  
(16th July, 2021 to 16th July, 2022)"

NRs.

Particular	Share Capital	Accumulated Profit/ Loss	Total
Balance As at Ashadh 31, 2078	1,968,027,000	405,239,857	2,373,266,857
Balance as on 2078/04/01	1,968,027,000	405,239,857	2,373,266,857
Trade and other receivables			
Transactions with owners recorded directly in equity			
Local Issue	-	-	-
Public Issue Initial Public Offering (IPO)	-	-	-
Less: Expenses relating to Public Issue			
Prior Year	-	-	-
Current Year	-	-	-
Total Comprehensive income for the year			-
Profit for the Period		610,938,223	610,938,223
Corporate Social Responsibility Fund		(6,114,457)	(6,114,457)
Corporate Social Responsibility Fund Reversed		1,071,100	1,071,100
Balance As at Ashad 32, 2079	1,968,027,000	1,011,134,723	2,979,161,723

As per our report of even date

Rajendra Prasad Sharma  
Manager-Finance & Operation

Shyam Sundar Khetan  
Managing Director

Suhrid Raj Ghimire  
Chairman

Bhoj Raj Pandey  
Proprietor  
B.R. Pandey & Associates

Date: Kartik 29, 2079

Place: Kathmandu

# Mountain Energy Nepal Ltd.

## Notes to Financial Statement

### 1. Reporting entity

"Mountain Energy Nepal Limited ("the Company") is a limited liability company domiciled in Nepal. 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 company 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 generated electricity is sold to NEA at per the rate provided in Power Purchase Agreement (PPA) entered into between NEA and the company. The company is a public limited company incorporated under the Companies Act, 2063."

The Company does not have any subsidiary or an interest in associate or joint venture. Thus, these financial statements are separate financial statements of the Company.

#### 1.1 Board of Directors

The composition of Board of Directors as on 32nd Ashadh 2079 is as follow:

Name	Position
Suhrid Raj Ghimire	Chairman
Subrat Dhital	Director
Dol Raj Sharma	Director
Shyam Sundar Khetan	Director
Manohar Das Mool	Director
Rachana Adhikary	Public Director
Hari Shankar Shrestha	Independent Director

### 2. Basis of preparation

#### a) Statement of compliance

The financial statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRSs) as published by Accounting Standard Board (ASB) Nepal.

The financial statements were authorized for issue by the Board of Directors on Kartik 27, 2079.

#### b) Functional currency

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

#### c) Use of estimates and judgements

The preparation of the 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 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.

### 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 Electricity 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.

Mistri Khola Project has recognised an intangible asset with respect to the creation of project assets that gives right to the company to generate electricity and sale it to NEA as specified in PPA. Mistri Khola has recorded revenue of NRs. 139,824,445 representing revenue from construction activities carried out with respect to creation of project assets during the year, which is based on forecast cost plus 5% . As per IFRIC 12, the Mistri Khola Project has recorded profit of NRs. 6,605,987 during the year. The revenue recognised in relation to construction during the year represents the fair value of the construction services provided in constructing the project. The Mistri Khola Project has recognised an intangible asset of NRs. 5,735,840,332 for the right to sell electricity to NEA as specified in PPA though construction of project assets under the service concession arrangement.



Particulars	For the year ended 16 July 2022	For the year ended 15 July 2021
Contract revenue recognised (Note 7)	139,824,445	1,493,633,157
Total amount of contract cost incurred and recognised as Intangible Assets (Note 11)	5,735,840,332	5,581,720,736

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 Ashad 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 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 NAS 18 Revenue, which is disclosed in Note (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, which is disclosed in Note (b).

#### b) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

##### (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).

**c) Lease Payments**

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

**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 is 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 Ashad 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	Miscellaneous 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

(Ashad 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)**

"On acquisition of subsidiary, Aadhisakti 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 from the Goodwill Accounting provided by Nepal Financial Reporting Standards."

#### **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 provides long term employee benefits and retirement benefits in accordance to its by-laws which is in compliance with the local laws and regulations.



### **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 recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. 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 recognized immediately in profit or loss.

#### **(i) Financial assets**

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (FVTPL), 'held to maturity' investments, 'available for sale' (AFS) financial assets and 'loans receivables' based on the characteristics of each instrument. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Of these categories, the company only has loans and receivables.

#### **(a) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market. Loans and receivables including other receivables and bank balances and cash are measured at amortized cost using the effective interest method, less any impairment.

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, or, where appropriate, a shorter period, to the net carrying amount of the financial instrument.

**(c) Impairment of financial assets**

Financial assets, being loans and receivables, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all financial assets other than available for sale assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as a default or delinquency in interest or principal payments; or
- It becomes probable that the borrower will enter bankruptcy or financial re-organization; or
- The disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment is reserved does not exceed what the amortized cost would have been had the impairment not been recognized.

**(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 entirety, 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.

Borrowings from promoter which are not intended to be repaid are treated as equity (additional paid capital) in the financial statements.

#### **(c) Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or 'other financial liabilities'. Of these categories, the Company only has "other financial liabilities".

#### **(d) Other financial liabilities**

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.

#### **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**

#### **NFRS-17 Insurance Contract:**

NFRS 17 would be effective from July 16, 2024 and early application is allowed. Effect of applicabltn of NFRS 17 is being studied and initial assement is that our business would not be maerialy affected by NFRS 17. The company will adopt the standard when it becomes madatory for application.

### **5. Revenue**

Particulars	32 Ashadh 2079	31 Ashadh 2078
Sale of electricity-Mistri Khola	1,077,801,552	44,711,800
Sale of electricity-Tadi Khola	156,614,802	123,504,548
<b>Total</b>	<b>1,234,416,354</b>	<b>168,216,348</b>



## 6. Cost of Sales

Amortization on intangible asset included in Cost of Sales has been shown separately in Statement of Profit and Loss.

Particulars	32 Ashadh 2079	31 Ashadh 2078
<b>Tadi Khola Project</b>	<b>49,645,470</b>	<b>53,849,205</b>
Amortisation of intangible assets (Project Assets_Tadi Khola)	27,932,339	27,932,340
NFRS: Amortisation of increment cost of borrowings	233,712	233,712
Amortisation of Goodwill on Acquisition	629,254	629,254
Fuel & electricity expense	12,636	23,652
Repair & maintenance for project	2,725	299,395
Repair & maintenance-electromechanical	3,012,455	4,092,881
Royalty expense	3,632,043	2,969,663
Insurance Premium	2,588,562	2,623,532
Short Supply to NEA-Fines and Penalties	-	4,170,978
<b>Hydropower site</b>		
Communication expenses	53,325	53,481
Electricity and Water	30,250	-
Gift & Greetings-ADM	304,600	-
Electrical expenses	405,812	120,934
Printing and stationery	-	9,785
Office overhead- Labour Charge/Office Utilities	209,300	326,300
Guest/Entertainment/Refreshment/Fooding Exp.	211,337	85,975
Hygiene & Cleaning	10,232	18,820
Local conveyance	103,650	94,200
Fuel & Lubricants Expenses	205,717	154,264
Guest Hospitality & Expenses(Site)	-	18,580
Medical Exp- Site Office	-	1,550
Repairs & maintenance-vehicle	124,834	101,787
Transportation Expense	40,600	28,700
Repair & Maintance -Site office	46,075	-
Repair & Maintance Building-Site	14,400	1,200
Repair & Maintance-Hydromechanical	1,708,777	170,590
Miscellaneous expenses	10,412	-
Office Utilities Expenses	-	5,500
Securities expenses	-	5,898
Transmission Line Compensation	-	300,000
Repair & Mainatnce-Civil Works	-	1,270,855
Staff salary-Site Office	8,122,423	8,105,379
<b>Mistri Khola Project</b>	<b>301,108,665</b>	<b>20,013,305</b>
Amortisation of intangible assets (Project Assets_Mistri Khola)	224,269,000	18,328,768
Royalty expense	25,753,020	1,244,236
Fuel & electricity expense	409,320	367,956



Repair & Maintenance of Project	787,860	-
Repair & maintenance-electromechanical	15,398,490	-
Repair & Maintenance-Civil Work	20,169,994	-
Repair & Maintance-Transmission Line	2,246,609	-
Repair & Maintenance-HM	2,421,908	-
Insurance Premium-Mistri	9,543,114	-
<b>Hydropower site</b>		
Printing and stationery	-	33,868
Office Utilities Expenses	-	38,477
<b>Grand Total</b>	<b>350,754,135</b>	<b>73,862,510</b>

## 7. Net Construction Revenue (As per IFRIC 12)-Mistri Khola Project

Particulars	32 Ashadh 2079	31 Ashadh 2078
Construction Revenue (As per IFRIC 12)	139,824,445	1,493,633,157
Construction Costs (As per IFRIC 12)	(133,218,458)	(1,422,273,191)
<b>Net Construction revenue</b>	<b>6,605,987</b>	<b>71,359,966</b>

## 8. Administrative Expenses

Particulars	32 Ashadh 2079	31 Ashadh 2078
<b>Head office</b>		
Administration salary and allowances	8,945,424	10,187,909
Gratuity expense	682,960	636,385
Advertisement Expenses	161,185	522,171
Annual Maintenance Service	21,560	21,560
AGM Expenses	544,330	467,435
Audit Fees	226,000	226,000
Regulatory Reporting fee	67,800	73,450
Bank & Comm.Charges	575,601	796,371
Guest Hospitality and Refreshment expenses	159,516	68,910
Communication expenses HO	109,473	42,500
Consultancy Fees	331,775	47,707
Custom Clearing Charge-Administration	77,692	123,666
Custom Duty	56,149	65,288
Dashain allowance	713,205	644,173
Dashain expenses	-	10,000
Donation Exp.	20,000	286,000
Electrical Expenses	11,020	14,550
Electricity and Water	475,353	413,175
Fines and Penalties	149,850	10,800
Fuel & Lubricants Expenses	435,083	122,215
Gifts and Greetings	331,615	1,737,080



Hygenic & Cleaning	30,526	21,308
Insurance Premium	249,283	138,309
Share listing Fees	-	4,785,705
Legal Fees & Exp	469	21,000
Local Conveyance	173,250	210,451
Office Rent	3,528,763	3,572,928
Registration & Renewal Expenses	101,937	-
Repair & Maintenance-Office Equipment	139,563	142,575
Repairs & Maintenance- Office Vehicle	537,587	29,507
RTS/ RTA (Shares)-Admin	200,000	569,526
Corporate Social Responsibility	1,071,100	16,997
Meeting Allowance	411,566	1,214,600
Meeting Expenses	256,012	145,671
Printing & Stationery	197,588	440,165
Vehicle Tax-Admin	184,600	206,935
Misc exp-Admin	404,196	233,878
<b>Total</b>	<b>21,582,031</b>	<b>28,266,901.00</b>

## 9. Finance income and cost

The finance income and finance costs include the following interest income and expense in respect of assets (liabilities) not at fair value through profit or loss.

Particulars	32 Ashadh 2079	31 Ashadh 2078
<b><u>Tadi Project</u></b>		
Interest on overdraft loan	3,242	55,621
Interest on long term loan	13,941,503	22,283,709
Interest on short term loan		
<b><u>Mistri Project</u></b>		
Interest on overdraft loan	-	-
Interest on long term loan	292,264,734	292,615,469
<b>Finance costs</b>	<b>306,209,479</b>	<b>314,954,799</b>
Less: Amounts Capitalized on Qualifying Assets (Mistri Khola Project)	(58,509,318)	(292,615,469)
<b>Total finance Cost</b>	<b>247,700,161</b>	<b>22,339,330</b>
<b>Finance Income</b>		
Interest income on short-term bank deposits	5,026,165	22,060
<b>Total finance income</b>	<b>5,026,165</b>	<b>22,060</b>
<b>Net Finance costs</b>	<b>242,673,996</b>	<b>22,317,270</b>



## 10. Property, plant and equipments

Particulars	Office Equipments	Furniture and fixtures	Vehicles	Miscellaneous assets	Total
<b>Cost</b>					
"Balance at 16 July 2021 (1 Shrawan , 2078)"	3,730,595	14,493,150	31,797,742	1,223,148	51,244,635
Additions	258,185	14,000	3,465,000	-	3,737,185
Deletion	-	-	(7,343,519)	-	(7,343,519)
"Balance at 16 July 2022 (32 Ashad, 2079)"	3,988,780	14,507,150	27,919,223	1,223,148	47,638,301
<b>Depreciation</b>					
"Accumulated depreciation at 16 July 2021 (1 Shrawan, 2078)"	2,670,560	1,000,974	15,721,026	369,199	19,761,759
Depreciation upto for the curen financial year	234,235	77,094	1,785,457	85,395	2,182,181
Deletion for the year	-	-	(4,817,765)	-	(4,817,765)
Accumulated depreciation at 16 July 2022 (32 Ashadh, 2079)	2,904,795	1,078,068	12,688,718	454,594	17,126,175
"Net book value at 16 July 2022 (32 Ashadh, 2079)"	1,083,985		15,230,505	768,554	30,512,126

### Carrying Amounts

As at 16 July 2022 (32 Ashadh, 2079)	30,512,126
As at 15 July 2021 (31 Ashadh, 2078)	31,482,876

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

### 11.1 Intangible assets (Tadi Khola\_Project Assets)

Particulars	Building	Land & Land Development	Civil Works	Hydro Mechanical	Electro Mechanical	Transmission Line	Total
<b>Cost</b>							
<b>Balance as at 16 July 2021 (1st Shrawan, 2078)</b>	<b>6,570,845</b>	<b>24,283,928</b>	<b>472,927,793</b>	<b>140,003,956</b>	<b>106,388,382</b>	<b>36,586,008</b>	<b>786,760,912</b>
Additions	-	-	-	-	-	-	-
Deletion	-	-	-	-	-	-	-
<b>Balance as at 16th July 2022 (32nd Asadh, 2079)</b>	<b>6,570,845</b>	<b>24,283,928</b>	<b>472,927,793</b>	<b>140,003,956</b>	<b>106,388,382</b>	<b>36,586,008</b>	<b>786,760,912</b>
<b>Amortisation</b>							
Accumulated Amortisation as at 15 July 2021 (31 Ashadh, 2078)	660,973	2,442,762	47,572,617	14,083,239	10,701,791	3,680,249	<b>79,141,631</b>
Amortisation for the period from 1 Shrawan 2078 to 32 Asadh, 2079	233,285	862,151	16,790,336	4,970,554	3,777,102	1,298,911	<b>27,932,339</b>
Deletion for the year	-	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-	-
<b>Accumulated Amortisation as at 16th July 2022 (32nd Asadh, 2079)</b>	<b>894,258</b>	<b>3,304,913</b>	<b>64,362,953</b>	<b>19,053,793</b>	<b>14,478,893</b>	<b>4,979,160</b>	<b>107,073,970</b>
<b>Net book value at 16th July 2022 (32nd Asadh, 2079)</b>	<b>5,676,587</b>	<b>20,979,015</b>	<b>408,564,840</b>	<b>120,950,163</b>	<b>91,909,489</b>	<b>31,606,848</b>	<b>679,686,942</b>

#### Net carrying amounts

As at 16th July 2022 (32 Asadh, 2079) **679,686,942**

As at 15th Jul 2021 (31st Ashadh, 2078) 707,619,281



## 11.2 Intangible assets (Mistri Khola\_Project Assets)

Particulars	Land & Land Development	Civil Works	Access Road & Bridges	Hydro Mechanical	Electro Mechanical	Transmission Line	Total
<b>Cost</b>							
Balance as at 16 July 2021 (1st Shrawan, 2078)	44,210,802	2,993,980,328	389,642,095	665,074,032	1,355,177,961	133,635,518	5,581,720,736
Additions- 28th September 2021	139,731,079	12,709,296	5,851,161	(1,288,400)	(2,625,289)	(258,251)	154,119,596
Deletion for the year							
Balance as at 16th July 2022 (32nd Asadh, 2079)	183,941,881	3,006,689,624	395,493,256	663,785,632	1,352,552,672	133,377,267	5,735,840,332
<b>Amortisation</b>							
Accumulated Amortisation as at 15 July 2021 (31 Ashadh, 2078)	145,176	9,831,371	1,279,473	2,183,912	4,450,015	438,821	18,328,768
Amortisation for the period from 1 Shrawan 2078 to 32 Asadh, 2079	6,137,534	118,213,243	15,306,422	26,126,294	53,235,845	5,249,662	224,269,000
Deletion for the year	-	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-	-
Accumulated Amortisation as at 15th Jul 2021 (31st Ashadh, 2078)	6,282,710	128,044,614	16,585,895	28,310,206	57,685,860	5,688,483	242,597,768
Net book value at 16th July 2022 (32nd Asadh, 2079)	177,659,171	2,878,645,010	378,907,361	635,475,426	1,294,866,812	127,688,784	5,493,242,564
Net book value at 15th Jul 2021 (31st Ashadh, 2078)	44,065,626	2,984,148,957	388,362,622	662,890,120	1,350,727,946	133,196,697	5,563,391,968

### Net carrying amounts

As at 16th July 2022 (32 Asadh, 2079) 5,493,242,564

As at 15th Jul 2021 (31st Ashadh, 2078) 5,563,391,968





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

<b>Balance as at 16 July 2021 (1st Shrawan, 2078)</b>	<b>61,868,570</b>
<i>Wip Mistri Cascade</i>	<i>9,868,570</i>
<i>License Fees &amp; Renewal-Mistri-2</i>	<i>12,000,000</i>
<i>Project Development &amp; Management Exp</i>	<i>40,000,000</i>
<i>Add: Environmental Exp-Mistri HEP-2</i>	<i>979,235.40</i>
<i>License Renewal Fees -Mistri-2</i>	<i>3,000,000.00</i>
<i>Research Dev &amp; Survey-Mistri-2</i>	<i>3,494,581.50</i>
<b>Deletion</b>	<b>-</b>
<b>Balance as at 16th July 2022 (32nd Asadh, 2079)</b>	<b>69,342,387</b>
<b>Carrying Amounts</b>	
Balance as at 16th July 2022 (32nd Asadh, 2079)	69,342,387
Balance as at 16 July 2021 (1st Shrawan, 2078)	61,868,570
<b>Total Project under development</b>	<b>69,342,387</b>

## 13. Trade and other receivables

Particulars	32nd Ashadh 2079	31st Ashadh 2078
Trade receivables-NEA	478,472,450	110,011,119
Less: provision for impairment of trade receivables	-	-
Trade receivables- Net	<b>478,472,450</b>	<b>110,011,119</b>
Bank Guarantee Deposit	-	1,320,000
Other receivables-Deposits	1,016,012	1,005,607
<b>Total</b>	<b>479,488,462</b>	<b>112,336,726</b>
Less: Non-current	-	-
<b>Current</b>	<b>479,488,462</b>	<b>112,336,726</b>

## 14. Prepayments

Particulars	32nd Ashadh 2079	31st Ashadh 2078
Prepaid expenses- Prepaid Insurance	16,223,333	11,567,508
Advance tax	508,093	1,010,709
Advance For Expenses	98,898,066	577,720
Advance for Royalty	4,200,000	-
L C Margin Deposits	3,145,999	3,177,834
<b>Total</b>	<b>122,975,491</b>	<b>16,333,771</b>
<b>Non-Current</b>	<b>-</b>	<b>-</b>
<b>Current</b>	<b>122,975,491</b>	<b>16,333,771</b>



## 15. Loan and Advances

Particulars	32nd Ashadh 2079	31st Ashadh 2078
Advance to employees-salary	288,812	47,500
LC Payment	61,231,993	-
<b>Total</b>	<b>61,520,805</b>	<b>47,500</b>
Less: Non-current	-	-
<b>Current</b>	<b>61,520,805</b>	<b>47,500</b>

## 16. Cash and bank balances

Particulars	32nd Ashadh 2079	31st Ashadh 2078
<b>Cash and cash equivalents</b>		
Cash on hand	418	255
Cash at bank	276,278,739	42,986,525
<b>Total</b>	<b>276,279,157</b>	<b>42,986,780</b>

## 17. Share capital

Particulars	32nd Ashadh 2079	31st Ashadh 2078
30,000,000 Equity Shares of Rs.100/-each	3,000,000,000	3,000,000,000
<b>Issued:</b>		
20,000,000 Equity Shares of Rs.100/-each	2,000,000,000	2,000,000,000
<b>Subscribed:</b>		
19,680,270 Equity Shares of Rs.100/-each fully Paid-up	1,968,027,000	1,968,027,000
<b>Paid Up:</b>		
19,680,270 Equity Shares of Rs.100/-each fully Paid-up	1,968,027,000	1,968,027,000
<b>Total</b>	<b>1,968,027,000</b>	<b>1,968,027,000</b>

## 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.

The Company has allotted its 1,968,027 units of share to Local people residing around hydropower site on Kartik 06, 2077 and 1,968,027 units of shares to general public on Mangsir 17,2077. Accordingly, 3,936,054 units of share were allotted at the rate of NRs. 100 per share. It is listed on NEPSE on Mangsir 30, 2077.



## 18. Retained Earnings

Particulars	32nd Ashadh 2079	31st Ashadh 2078
Balance at beginning of the year	405,239,857	300,254,686
Less: Expenses related to public issue	-	(5,835,125)
Add: Profit for the period	610,938,223	111,939,693
Less: Transfer to CSR Fund Reserve	(5,043,357)	(1,119,397)
<b>Balance at end of the year</b>	<b>1,011,134,723</b>	<b>405,239,857</b>

## 19. Borrowings

Particulars	32nd Ashadh 2079	31st Ashadh 2078
<b>Non-current</b>		
<b><i>Tadi Project</i></b>	<b>138,103,729</b>	<b>227,825,793</b>
NMB Bank Ltd	42,200,000	63,600,000
Nabil Bank Ltd	48,028,210	82,189,242
Nepal Investment Bank Ltd	47,875,519	82,036,551
Rastrya Banijya Bank Ltd	-	-
<b><i>Mistri Project</i></b>	<b>4,047,689,640</b>	<b>3,831,824,991</b>
HIDCL LTD	1,037,817,219	954,269,670
Laxmi Bank-Long Term Loan	415,824,592	382,402,677
Nabil Bank Bridge Gap Loan	-	110,000,000
Nabil bank Ltd- Long term Loan	1,129,094,249	1,037,719,818
Nepal Bank-Long Term Loan	518,590,119	476,857,027
Nepal Investment Bank Ltd	946,363,461	870,575,799
<b>Total Borrowings</b>	<b>4,185,793,369</b>	<b>4,059,650,784</b>
NFRS adjustment (incremental cost of borrowings)	(14,268,678)	(16,023,819)
NFRS adjustment (unwinding of cost of borrowings)	233,712	1,755,141
	<b>4,171,758,403</b>	<b>4,045,382,106</b>
Less: Current Portion Of Long Term Loans	(318,286,000)	(75,860,356)
<b>Total</b>	<b>3,853,472,403</b>	<b>3,969,521,750</b>
<b>Current Borrowings</b>	<b>318,286,000</b>	<b>75,860,356</b>



## 20. Trade and Other Payable

Particulars	32nd Ashadh 2079	31st Ashadh 2078
Trade payables	27,488,270	30,838,843
TDS payables	971,286	1,063,326
Office Rent Payable-Brilliant Developers	2,218,651	1,692,768
Royalty expenses payables	12,071,444	8,802,927
Staff bonus payables	12,344,480	830,486
Gratuity payable	4,768,417	4,085,457
Retention money payable	11,213,084	84,543,945
Provision for income tax	277,893	277,686
CSR Fund	6,162,752	1,119,397
Audit Fee Payable	44,600	226,000
<b>Total</b>	<b>77,560,877</b>	<b>133,480,835</b>
<b>Current</b>	<b>77,560,877</b>	<b>133,480,835</b>

## 21. Financial assets and financial liabilities

### 21.1 Capital Management

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

### 21.2 Financial assets

As at 16 July 2022 (Ashad 32, 2079)

NRs.

Financial assets as per Statement of Financial Position	Notes	Assets at fair value			Assets at amortized costs		Total
		Trading	Designated at FVTPL	Available for sale	Loans and Receivables	Held to maturity	
Cash balance	16	-	-	-	418	-	418
Balance with bank	16	-	-	-	276,278,739	-	276,278,739
Trade receivables	13	-	-	-	478,472,450	-	478,472,450
Guarantee-short term	13	-	-	-	-	-	-
Other financial assets	13	-	-	-	1,016,012	-	1,016,012
<b>Total</b>		-	-	-	<b>755,767,619</b>	-	<b>755,767,619</b>



As at 15 July 2021 (Ashad 31, 2021)

NRs.

Financial assets as per Statement of Financial Position	Notes	Assets at fair value			Assets at amortized costs		Total
		Trading	Designated at FVTPL	Available for sale	Loans and Receivables	Held to maturity	
Cash balance	16	-	-	-	255	-	255
Balance with bank	16	-	-	-	42,986,525	-	42,986,525
Trade receivables	13	-	-	-	110,011,119	-	110,011,119
Guarantee-short term	13	-	-	-	1,320,000	-	1,320,000
Other Financial Assets	13	-	-	-	1,005,607	-	1,005,607
<b>Total</b>		-	-	-	<b>155,323,506</b>	-	<b>155,323,506</b>

### 21.3 Financial liabilities

Financial Liabilities as per Statement of Financial Position	Notes	Liabilities at fair value		Liabilities at amortised costs	Total
		Trading	Designated at FVTPL		
As at 16 July 2022 (Ashad 32, 2079)					
Borrowings		-	-	4,171,758,403	4,171,758,403
Trade and other payables (excluding tax liabilities and retention)		-	-	65,098,614	65,098,614
		-	-		-
<b>Total</b>		-	-	<b>4,236,857,017</b>	<b>65,098,614</b>
<b>As at 15 July 2021</b>					
Borrowings		-	-	4,045,382,106	4,045,382,106
Trade and other payables (excluding tax liabilities and retention)		-	-	46,254,866	46,254,866
		-	-		-
<b>Total</b>		-	-	<b>4,091,636,972</b>	<b>46,254,866</b>

### 21.4 Financial instruments measurement at fair value --fair value hierarchy

Assets and Liabilities (2021-22)	Carrying amount	Fair Value	Quoted market prices (Level-1)	"Observable Inputs (Level-2)"	Unobservable inputs (level3)
<b>Assets</b>					
Cash at vault	418	418	-	418	-
Balances with banks	276,278,739	276,278,739	-	276,278,739	-
Trade receivables	478,472,450	478,472,450	-	478,472,450	-
Other Financial Assets	1,016,012	1,016,012	-	-	1,016,012
<b>Liabilities</b>					
Borrowings (amortised cost)	4,171,758,403	4,171,758,403			
Trade and other payables (excluding tax liabilities and retention)	65,098,614	65,098,614	-	-	65,098,614
	-	-			



Assets and Liabilities (2020-21)	Carrying amount	Fair Value	Quoted market prices (Level-1)	"Observable Inputs (Level-2)"	Unobservable inputs (level3)
<b>Assets</b>					
Cash at vault	255	255	-	255	-
Balances with banks	42,986,525	42,986,525	-	42,986,525	-
Trade receivables	110,011,119	110,011,119	-	110,011,119	-
Other Financial Assets	2,325,607	2,325,607	-		2,325,607
<b>Liabilities</b>					
Borrowings	4,045,382,106	4,045,382,106	-	-	-
Trade and other payables	46,254,866	46,254,866	-	-	46,254,866

The carrying amount of the Company'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 is not significant.

## 21.5 Risk management

The Company's operations expose the Company 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 Company'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 Company's reputation.

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

## 22. Income tax

### (i) Current Tax

Particulars	32 Ashadh 2079	31 Ashadh 2078
Ordinary activities (sale of electricity)	-	-
Other Income	1,256,541	5,515
<b>Total Income Tax</b>	<b>1,256,541</b>	<b>5,515</b>

Both the projects are in Tax Holiday. Hence no income tax liability is calculated on the sale of Electricity to NEA. However, Company has Interest income which is not tax exempted as per Section 11 of Income Tax Act, 2058, so tax liability on Interest Income has been calculated at the rate of 25% on proportionate basis after deducting the staff bonus.

### (ii) Deferred Tax

Deferred tax income and expenses are not calculated as the income from ordinary activity, sale of electricity generated by the both the projects is in 100% tax holiday.

As the income from sale of electricity (ordinary activity) is in 100% tax holiday, thus not taxable. Consequently, estimation of deferred tax income and expenses is not material, hence not considered. Deferred tax will be estimated once revenue from sale of electricity become taxable.

## 23. 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	2078/79	2077/78
Profit attributable to equity holders	610,938,223	111,939,693
Weighted average number of equity shares outstanding	19,680,270	18,402,400
Earnings Per Share (Rs.) - Basic (Face value of Rs. 100 per share)	<b>31.04</b>	<b>6.08</b>
Add: Weighted average number of potential equity shares	-	-
Weighted average number of Equity shares (including dilutive shares) outstanding	19,680,270	18,402,400
Earnings Per Share (Rs.) - Diluted (Face value of Rs. 100 per share)	<b>31.04</b>	<b>6.08</b>

Weighted average number of equity shares (WANS) outstanding is calculated as follow

Period	No. of shares	Days	WANS
1st Shrawan 78 to 32 Ashad 79	19680270	365	19,680,270
<b>WANS as on 32nd Ashad 2079</b>		<b>365</b>	<b>19,680,270</b>

## 24. Share Issue Expenses

In the previous year the company has incurred direct incremental transaction cost of NRs. 5,835,125/- for raising equity through issuing IPO which is accounted for as deduction from the equity.

## 25. 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."

## 26. 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.

- The member of board of directors
- The key management personnel of the entity;
- The Subsidiary of the entity and its board of directors and key management personnel
- The close member of the family of any individual referred to in (a) or (c);



## 26.1 Significant Shareholders

Share Holder	FY 2078/79	FY 2077/78
	% of holding	% of holding
Min Bahadur Gurung	4.17%	4.17%
Shyam Sundar Khetan	3.88%	3.88%
Anita Dhital	3.53%	3.53%
Pradeep Jung Pandey	2.92%	2.92%
Manohar Das Mool	2.50%	2.50%
Chandra Prasad Dhakal	2.43%	2.43%
Pramod Kumar Khetan	2.17%	2.17%
Arun Kumar Kc	1.98%	1.98%
Bal Krishna Thapa	1.80%	1.80%
Navin Khetan	1.76%	1.76%
Dol Raj Sharma	1.72%	1.72%
Sitaram Timilishana	1.67%	1.67%
Anin Rajbhandari	1.67%	1.67%
Kiran Khetan	1.67%	1.67%
Suhrid Raj Ghimire	1.33%	1.33%
Tenjing Zoepa Lama	1.25%	1.25%
Nawa Raj Nepal	1.22%	1.22%
Leverage Holdings Pvt.Ltd.	1.02%	1.02%

## 26.2 Transactions with and payments to directors of the Company

Following payments have been made to the directors of the Company:

Directors	FY 2078/79	FY 2077/78
	Meeting Allowance	Annual Facilities
Suhrid Raj Ghimire	45,000.00	35,000.00
Subrat Dhital	40,000.00	5,000.00
Dol Raj Sharma	45,000.00	35,000.00
Shyam Sundar Khetan	40,000.00	35,000.00
Manohar Das Mool	40,000.00	30,000.00
Rachana Adhikary	45,000.00	15,000.00
Chandra Prasad Dhakal	-	9,000.00
Hari Shankar Shrestha	20,000.00	-
<b>Total</b>	<b>275,000.00</b>	<b>164,000.00</b>

## 27. Operating lease arrangements

The Company has entered into lease agreements for office premises which are cancelable during the life of the agreement at the option of either party. Minimum lease payments charged during the year to Statement of Profit and Loss aggregates NRs. 3,528,763/-. Accordingly lease rental is recognised as expenses on a straight line basis over the term of lease as per terms of lease agreement.



## 28. Proposed Distributions

The Board has recommended dividend @10% net of tax, that is 10.5263% as cash dividend (NRs. 207,160,736.85) for the reported year, FY 2078-79 (2021-22). This proposal of the board of directors is subject to the approval by the Annual General meeting of the shareholders. This financial statements do not reflect this proposed dividend as dividend payable."

## 29. 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. All the expenses done on behalf of corporate social responsibilities are charged to this fund.

## 30. Electricity Short supply Penalty

The company has to make advance declaration of electricity to be supplied to NEA and declaration for the month of Jestha 2076 is short by ONE DAY, for this short supply, NEA has levied penalty equal to entire Month of Jestha 2076 revenue instead of for that ONE DAY only. The Company disagreed with NEA and taken up the matter with Electricity Regulation Commission through Independent Power Producers and the management of NEA and continually recorded the receivable of NRs. 6,521,193 at the reporting date.

## 31. Dispute in Receivable from NEA

### Application of PPA rate

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 (delay in evacuation mechanism from NEA), commercial date of operation was revised to 2078.03.03. Accordingly, date of COD was delayed by 3 years and the effective license period is also reduced to 32 years from approved license period of 35 years.

At present, the company is booking the revenue using the PPA rate of Third Year as per clause 12 of PPA after considering effect of delayed COD by 3 years, whereas NEA is making payment considering the revised COD (i.e. 2078.03.03) but applying the PPA rate of the first year and making payment accordingly. Different interpretation of applicable year rate of PPA has resulted in dispute of total booked Revenue of Rs. 154,815,122 (before interest) of which Rs. 148,672,606 is in the current year and balance of Rs. 6,142,516 in previous year (2077/78) and both the parties to PPA agreed for arbitration proceeding for dispute settlement.

## 32. Deduction of energy associated with Tatopani SHP of NEA

As per per clause 38.18 of the PPA, there shall be no deduction of energy associated with Tatopani Small Hydropower System of NEA during the month of Ashad, Shrawan, Bhadra and Ashwin due to sufficiency of water in the river system. Further there is dispute in deduction of energy during contingency evacuation period. The Company had disputed with NEA and filed claim for Rs.100,998,432 (before interest), out of which Rs. 3,320,352 is related to previous year (2077/78), and both the parties to PPA agreed for arbitration proceeding for dispute settlement.

### 33. Power Evacuation

The entire electricity generated could not be evacuated resulting in revenue loss due to constraint on Electricity Transmission Grid owned and operated by NEA, but the MOU for contingency plan entered on 2073.09.26 between NEA and the company provides that the company renounce the right to claim the compensation for the above revenue loss.

### 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).



**Note :**





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