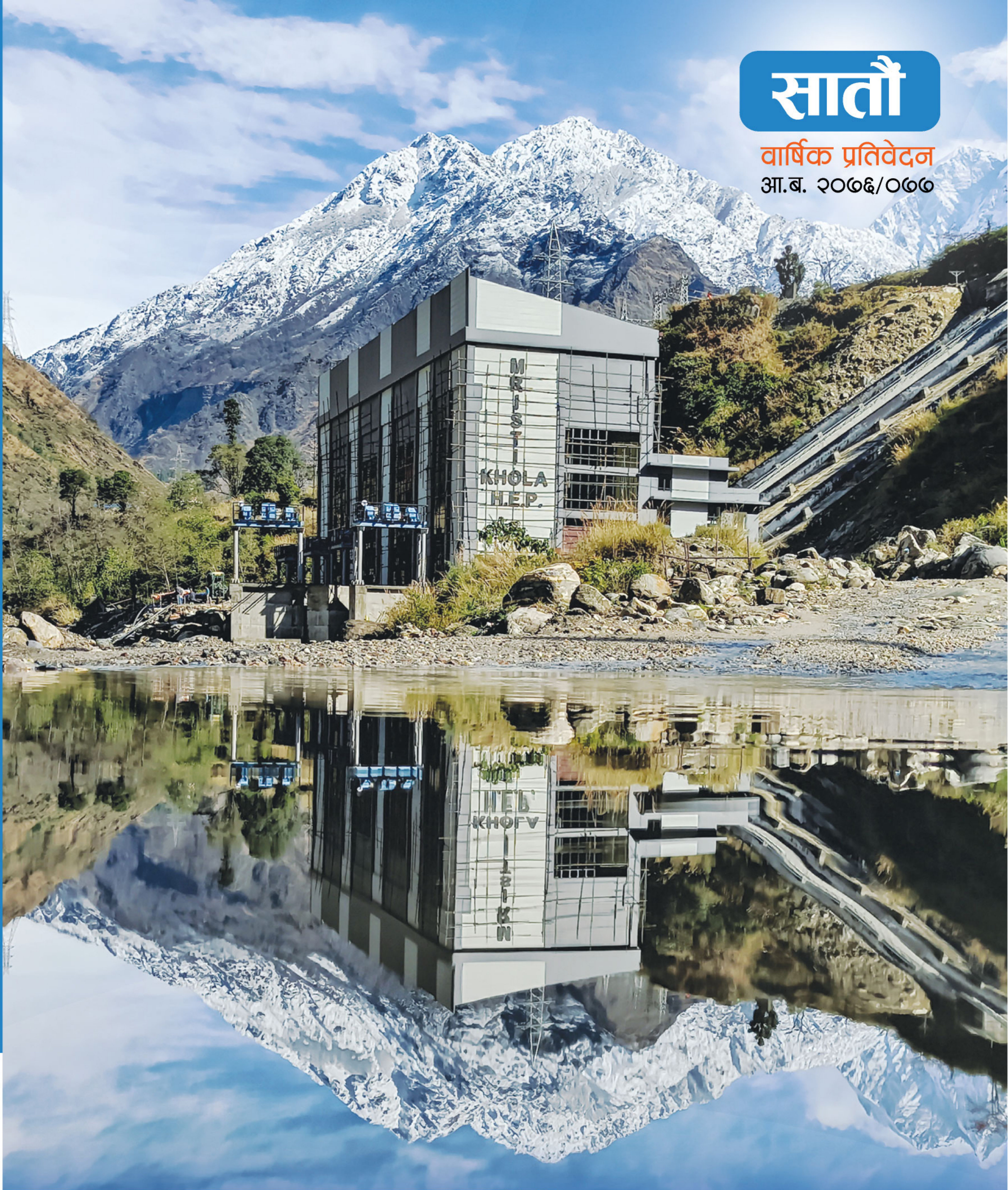


सातौं

वार्षिक प्रतिवेदन
आ.ब. २०७६/०७७



माउन्टेन इनर्जी नेपाल लि.
Mountain Energy Nepal Ltd.



विषयसूची

प्रोक्सी फारम (प्रतिनिधि पत्र)	१
सातौं वार्षिक साधारण सभा सम्बन्धी सूचना	२
संचालक समितिको तर्फबाट अध्यक्ष द्वारा प्रस्तुत वार्षिक प्रतिवेदन	५
कम्पनी ऐन २०६३ को दफा १०५(४) बमोजिमको प्रतिवेदन	५
Tadi Khola Hydroelectric Project	१२
Mistri Khola Hydroelectric Project	१७
Mistri Khola-2 Hydroelectric Project	२५
Audit Report of Fiscal Year २०७६/७७	३१

सञ्चालक समिति



Suhrid Raj Ghimire
Chairman



Dol Raj Sharma
Director



Chandra Prasad Dhakal
Director



Shyam Sundar Khetan
Director



Manohar Das Mool
Director

प्रोक्सी फारम (प्रतिनिधि पत्र)

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

विषय : प्रतिनिधि नियुक्त गरेको वारे ।

महाशय,

.....जिल्ला न.पा./गा.पा.वडा नं. वस्ने म/हामी
त्यस कम्पनीको शेयरधनीको हैसियतले संबत् २०७७ साल पौष महिना २७ गतेका दिन हुने
 सातौ 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
 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.डी. नम्बर:
 मिति :

निवेदक
 दस्तखत :
 नाम :
 ठेगाना :
 शेयरधनी प्रमाणपत्र नं/बी.ओ.आई.डी. नम्बर:
 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 माउण्टेन इनर्जी नेपाल लिमिटेडको मिति २०७७/०९/२७ मा हुने सातौ वार्षिक साधारण सभामा उपस्थित हुन जारी
 गरिएको प्रवेश पत्र ।

.....
 कम्पनी सचिव

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

माउण्टेन इनर्जी नेपाल लि. को सातौं वार्षिक साधारण सभा सम्बन्धी सूचना

श्री शेयरधनी महानुभावहरू,

यस कम्पनीको मिति २०७७/०९/३ गते बसेको उनान्असीओ (७९) सञ्चालक समितिको बैठकको निर्णयानुसार यस माउण्टेन इनर्जी नेपाल लिमिटेडको सातौं वार्षिक साधारण सभा निम्न लिखित मिति, समय र स्थानमा देहायका विषयहरू उपर छलफल गरी निर्णय गर्न बस्ने भएकोले सम्पूर्ण शेयरधनी महानुभावहरूको जानकारीको लागि यो सूचना प्रकाशित गरिएको छ ।

सभा हुने मिति, समय र स्थान

मिति : २०७७ साल पौष २७ गते (तदनुसार ११ जनवरी २०२१) सोमवार ।

समय : बिहान ११:०० बजे

स्थान : Amrapali Banquet Catering & Events, काठमाण्डौ र Virtual माध्यम ZOOM APP मार्फत एकसाथ सभा संचालन हुने छ ।

(वर्तमान कोभिड-१९ को माहाव्याधिको संक्रमण रोकथाम तथा नियन्त्रणका लागि नेपाल सरकारबाट जारी गरिएका स्वास्थ्य सुरक्षा सम्बन्धि निर्देशन तथा मापदण्डको सम्मान एवं परिपालना गर्दै सभा सम्पन्न गर्नुपर्ने विशेष परिस्थितिको कारण तोकिएको संख्यामा मात्र शेयरधनीहरू सभा स्थलमा उपस्थित हुन सक्ने भएकोले शेयरधनी महानुभावहरूको उपस्थितिको लागि भर्चुअल माध्यमको व्यवस्था गरिएको छ ।)

छलफलका विषयहरू :

सातौं वार्षिक साधारण सभाका प्रस्तावहरू:

(क) साधारण प्रस्तावहरू :

१. सातौं वार्षिक साधारण सभाको लागि सञ्चालक समितिको वार्षिक प्रतिवेदन छलफल गरी पारित गर्ने ।
२. लेखापरीक्षकको प्रतिवेदन सहित २०७७ आषाढ मसान्त सम्मको वासलात, आ. व. २०७६/७७ को नाफा-नोक्सान हिसाब तथा नगद प्रवाह विवरण र सोही अवधिको वार्षिक वित्तीय विवरणसँग सम्बद्ध अनुसूचीहरू समेत छलफल गरी पारित गर्ने ।
३. लेखापरिक्षण समितिले सिफारिस गरे बमोजिम आ. व. २०७७/०७८ को लागि लेखापरीक्षकको नियुक्ति एवं निजको पारीश्रमिक अनुमोदन गर्ने । (लेखापरिक्षण समितिले बि.आर.पाण्डे एण्ड एसोसियट्स, चार्टर्ड एकाउण्टेण्ट्सलाई मु.अ.कर बाहेक रु. २,००,०००।०० पारिश्रमिक पाउने गरि सिफारीस गरेको)
४. एक जना स्वतन्त्र र व्यवसायिक संचालकको नियुक्ति गर्ने ।
५. सर्वसाधारण शेयरधनीहरूबाट प्रतिनिधित्व गर्ने १ जना संचालकको निर्वाचन गर्ने ।

(ख) विविध

१. अध्यक्ष तथा संचालकहरूलाई प्रति बैठक रु. ५,०००।- भत्ता उपलब्ध गराउने ।
२. विविध

वार्षिक साधारणसभा सम्बन्धी सामान्य जानकारीहरू :

१. भर्चुअल माध्यमबाट सभामा भाग लिन चाहाने शेयरधनी महानुभावहरूले agm@mountainenergy.com.np मा इमेल गरी वा फोन नं. ०१४५३७७०५, ०१४५४९६४८ वा मोवाइल नं. ९८६६२९९००१ वा ९८४६७२७५३४ मा सम्पर्क गरी साधारण सभा सुरु हुन भन्दा ४८ घण्टा अगावै आफ्नो नाम, इमेल ठेगाना टिपाउनु पर्ने छ । भर्चुअल माध्यम मार्फत उपस्थित हुने शेयर धनी महानुभावहरूलाई Meeting ID र Passcode उपलब्ध गराई सभामा सहभागी हुने व्यवस्था मिलाइने छ ।
२. माहाव्याधी नियन्त्रणका सम्बन्धमा नेपाल सरकारले तोकेको सिमा भन्दा वढि व्यक्ति भेला हुन नपाइने हुनाले

- भर्चुअल माध्यमबाट उपस्थित शेयरधनीलाई सभास्थलमा उपस्थित भए सरह मान्यता दिई सभा संचालन गरिने छ र यसरी उपस्थित शेयरधनीहरुको हाजिरीका लागि निजहरु Login भएको देखिने गरी प्रमाणको निमित्त फोटो खिचेर राखिने र सभा संचालन अवधिभरको भिडियो रेकर्डिङ गरिने छ ।
३. अनलाइन (भर्चुअल) माध्यमबाट सभामा सहभागी हुन तथा आफ्नो मनतब्य राख्न सकिने व्यवस्था मिलाएको हुंदा कोरोना भाइरस (कोभिड १९) को संक्रमणबाट बच्न र बचाउन यथासक्य अनलाइन (भर्चुअल) माध्यमबाट उपस्थित भैदिनु हुन शेयरधनी महानुभावहरुलाई अनुरोध गर्दछौं ।
 ४. सभा सुरु हुन भन्दा एक घण्टा अगाडीवाट भर्चुअल माध्यम खुला गरिने छ । उक्त एक घण्टाको समय भित्र सभामा सहभागी हुने शेयरधनीहरुले दिइएको Meeting ID र Passcode को माध्यमबाट Login गरी आफ्नो परिचय सहित उपस्थितिको जानकारी सभालाई दिनुपर्ने छ ।
 ५. वार्षिक साधारण सभामा भौतिक रुपमा उपस्थित भई भाग लिन इच्छुक शेयरधनी महानुभावहरुको सुविधाको लागि हाजिरी पुस्तिका सभास्थलमा सभा हुने दिन विहान ९ वजे देखि सभा संचालन रहेसम्म खुला गरिने छ । कोभिड-१९ को संक्रमणको जोखिमका कारण सभास्थलमा उपस्थित हुंदा २ मिटरको समाजिक दुरी कायम हुने गरी हाजिरी, मतदान तथा सभास्थलमा बस्ने व्यवस्था कायम गरिएको हुंदा भाइरस संक्रमणबाट बच्न बचाउनको लागि आवश्यक पर्ने मास्क, सेनिटाइजर, पञ्जा लगाएतका न्यूनतम सुरक्षाका उपकरणहरु प्रयोग गर्नुहुन अनुरोध गरिन्छ ।
 ६. भर्चुअल माध्यमबाट आफ्नो राय, सुझाव वा मनतब्य राख्न चाहानुहुने शेयरधनी महानुभावहरुले सभा सुरु हुनु भन्दा कम्तीमा ४८ घण्टा अगावै कार्यालय समय भित्र मोवाइल नं.९८४६७२७५३४, ९८६६२९९००१ वा कम्पनीको आधिकारिक इमेल agm@mountainenergy.com.np मा सम्पर्क गरी नाम टिपाउनु हुन अनुरोध गर्दछौं । सभामा आफ्नो लिखित राय, सुझाव राख्न चाहानु हुने शेयरधनी महानुभावहरुले उक्त राय सुझाव कम्पनीको इमेल मार्फत पठाउन सक्नुहुने छ ।
 ७. वार्षिक साधारण सभामा भाग लिन आउनु हुने शेयरधनी महानुभावहरुले आफ्नो परिचय खुल्ने प्रमाण कागज तथा हितग्राही खाता खोली शेयर अभौतिकरण गरिएको विवरण देखिने Demat Account Statement वा शेयर प्रमाण पत्र साथमा लिई आउन हुन अनुरोध छ, अन्यथा सभाकक्ष भित्र प्रवेश गर्न पाइने छैन ।
 ८. सम्पूर्ण शेयरधनी महानुभावहरुको जानकारीका लागि कम्पनीको संक्षिप्त आर्थिक विवरण यसै साथ प्रकाशित गरिएको छ । आर्थिक विवरण लगाएतका वार्षिक साधारण सभामा पेश हुने सम्पूर्ण प्रस्तावहरु तथा साधारण सभा सम्बन्धि अन्य जानकारीको लागि कम्पनीको website: www.mountainenergy.com.np मा पनि हेर्न सक्नुहुने छ ।
 ९. सभामा आफु उपस्थित नभई प्रतिनिधि नियुक्त गर्न चाहने शेयरधनी महानुभावहरुले सभा सुरु हुने समय भन्दा कम्तीमा ४८ घण्टा अगावै यस कम्पनीको केन्द्रिय कार्यालय डिल्लीवजार, काठमाण्डौमा प्रोक्सी फारम दर्ता गरि सक्नुपर्ने छ । सभामा भाग लिन र मतदान गर्नका लागि प्रतिनिधि नियुक्त गरिसकेपछि उक्त प्रतिनिधि बदर गरी अर्कै मुकरर गर्ने भएमा सोको लिखित सूचना सोही अवधि भित्र कम्पनीको रजिष्टर्ड कार्यालयमा दर्ता गरिसक्नु पर्नेछ । यसरी प्रतिनिधि (प्रोक्सी) नियुक्त गरिएको व्यक्ति समेत कम्पनीको शेयरधनी हुनुपर्ने छ ।
 १०. संरक्षक रहनु भएका शेयरधनी महानुभावहरुका तर्फवाट कम्पनीको शेयर लगत कितावमा संरक्षकको रुपमा नाम दर्ता भएको व्यक्तिले, संयुक्त रुपमा शेयर खरिद गरिएको अवस्थामा शेयर लगत कितावमा पहिले नाम उल्लेख भएको व्यक्ति अथवा सर्वसम्मतीवाट प्रतिनिधि नियुक्त गरिएको एक व्यक्तिले र कुनै संगठित संस्था वा कम्पनीले शेयर खरिद गरेको हकमा त्यस्ता संगठित संस्था वा कम्पनीले मनोनित गरेको प्रतिनिधिहरुले शेयरधनीको हैसियतले सभामा भाग लिन र मतदान गर्न सक्नुहुने छ ।
 ११. छलफलका विषय सूची मध्ये विधिध शिर्षक अन्तर्गत छलफल गर्न इच्छुक शेयरधनीले सभा हुनु भन्दा ७ (सात) दिन अगावै सो सम्बन्धि प्रस्ताव कारण सहित उल्लेख गरी कम्पनी सचिव मार्फत संचालक समितिको अध्यक्षलाई लिखित रुपमा दिनु पर्नेछ । तर त्यसलाई पारित गरिनुपर्ने प्रस्तावको रुपमा राखिने छैन ।
 १२. शान्ति सुरक्षाको कारण साधारण सभामा उपस्थित हुने शेयरधनी महानुभावहरुलाई यथासक्य भोला, व्याग नल्याउनुहुन अनुरोध छ । सभाको सुरक्षाका लागि खटिएका सुरक्षाकर्मीहरुले शेयरधनी महानुभावहरु लगाएत सभाकक्षमा प्रवेश गर्ने सबैको भोला, व्याग र शरीर जाँच गर्न सक्नेछन् ।

१३. सर्वसाधारणको वार्षिक साधारण सभा प्रयोजनको लागि मिति २०७७/०९/१७ गते एक दिन कम्पनीको शेयरधनी दर्ता किताव बन्द गरिने छ । नेपाल स्टक एक्सचेन्ज लिमिटेडमा मिति २०७७/०९/१६ गते सम्म कारोवार भई शेयर खरिद गरी आफ्नो नाममा शेयर नामसारी भई आएका शेयरधनीहरु सो सभामा भाग लिन योग्य रहनेछन् ।
१४. सर्वसाधारण शेयरधनीहरुको तर्फबाट संचालक समितिमा प्रतिनिधित्व गर्ने संचालक पदमा १ जनाको निर्वाचन सम्बन्धि कार्यक्रम निर्वाचन अधिकृतले तोके बमोजिम कम्पनीको रजिष्टर्ड कार्यालयमा पछि प्रकाशित गरिने छ । संचालको निर्वाचन सम्बन्धि कार्यक्रम निर्वाचन अधिकृतले तोके बमोजिम हुनेछ । निर्वाचन कार्यक्रम सम्बन्धि थप जानकारीका लागि यस कम्पनीको रजिष्टर्ड कार्यालयमा सम्पर्क राख्नुहुन अनुरोध गरिन्छ ।
१५. संचालक पदको निर्वाचनमा उम्मेदवार हुने शेयरधनीले कम्पनीको कम्तीमा १००० (एक हजार) कित्ता शेयर लिई प्रचलित कानून तथा कम्पनीको प्रवन्ध पत्र नियमावली बमोजिम संचालक हुन योग्य हुन पर्दछ । निज शेयरधनीले निर्वाचन कार्यक्रममा तोकिएको अवधि भित्र एकजना शेयरधनी प्रस्तावक र अर्को एक जना शेयरधनी समर्थक सहित कम्पनीले तोकेको ढाँचामा कम्पनीको केन्द्रिय कार्यालय, डिल्लीवजार, काठमाण्डौ अवस्थित निर्वाचन अधिकृतको कार्यकक्षमा आफ्नो उम्मेदवारी दर्ता गर्नुपर्ने छ ।

सञ्चालक समितिको आज्ञाले,
कम्पनी सचिव

नोट :- अन्य आवश्यक जानकारीको लागि यस कम्पनीको केन्द्रीय कार्यालय का.म.न.पा. वडा नं. ३० डिल्लीवजार, काठमाण्डौ वा फोन नं. ४-५३७७०५, ४-५४९६४८ मा सम्पर्क राख्नु हुन अनुरोध गरिन्छ ।

माउण्टेन इनर्जी नेपाल लि. को सातौं वार्षिक साधारण सभामा संचालक समितिको तर्फबाट अध्यक्षद्वारा प्रस्तुत वार्षिक प्रतिवेदन

आदरणीय शेयरधनी महानुभावहरू,

माउण्टेन इनर्जी नेपाल लिमिटेडको यस सातौं वार्षिक साधारण सभामा उपस्थित सम्पूर्ण महानुभावहरूलाई संचालक समितिको तर्फबाट हार्दिक स्वागत गर्दछु। यस अवसरमा कम्पनीको आर्थिक वर्ष २०७६/७७ को वित्तीय विवरण लगायत अन्य गतिविधिहरू र कृयाकलापहरूको विवरण यस सभामा प्रस्तुत गरिएको छ।

विगतका वर्षहरूमा यस कम्पनीलाई दिनुभएको अमूल्य समय र सहयोग प्रति म कम्पनीका शेयरधनी एवं संचालकहरू प्रति आभारी छु।

संचालक समितिको विवरण

यस कम्पनीको मिति २०७५ पौष २८ को पाँचौं वार्षिक साधारण सभाको निर्णयबाट यस कम्पनीमा निम्न बमोजिमको संचालक समिति रहेको छ :

श्री सुहृद राज घिमिरे	अध्यक्ष
श्री डोलराज शर्मा	संचालक
श्री चन्द्र प्रसाद ढकाल	संचालक
श्री श्याम सुन्दर खेतान	संचालक
श्री मनोहर दास मुल	संचालक

वित्तीय अवस्था

कम्पनी ऐन २०६३ को दफा १०९ को उपदफा ४ बमोजिम विवरण तथा लेखा परिक्षण वासलात र अन्य विवरण छुट्टै पेश गरेको छु। उपरोक्त वित्तीय विवरणको सारांश तथा २०७७ आषाढ मसान्तको वित्तीय अवस्था छोटकरीमा तल प्रस्तुत गर्दछु।

विवरण	रकम रु.लाखमा	
	आषाढ मसान्त २०७७	आषाढ मसान्त २०७६
चुक्ता पूंजी	१,५७,४४	१,५७,४४
जगेडा तथा संचित मुनाफा	३०,०३	२३,३२
कुल ईक्वीटी	१,८७,४७	१,८०,७६
दिर्घकालिन कर्जा	३,६८,९०	२,८५,४५
अन्य दायित्व	८,९१	७,६३
अल्पकालिन कर्जा	८,०६	७,५३
स्थिर सम्पत्ति बांकी मूल्य	३,१३	२,७८
आयोजना प्रत्यक्ष खर्च-तादी	७३,५६	७६,३५
आयोजना प्रत्यक्ष खर्च-मिस्ट्री	४,०८,८१	३,१९,९४
आयोजना प्रत्यक्ष खर्च मिस्ट्री-२	५,८९	५,५९
ख्याती (Goodwill)	१,६६	१,७२
खर्चको लागि पेस्की तथा धरौटी	६९,९०	६४,६७
अन्य भुक्तानी प्राप्त गर्न बाँकी रकम	७,१४	५,७५

नगद तथा बैंक मौज्जात	३,२६	४,५८
समायोजित कुल आय *	१८,५९	१६,२७
समायोजित प्रत्यक्ष खर्च *	(५,२५)	(४,१६)
यस वर्षको ओभरहेड ह्रास खर्च सहित	(२,८५)	(२,४०)
वित्तीय खर्च (खुद)	(३,७९)	(३,६६)
आयकर समायोजन	(१)	(३)
खुद आय *	६,६८	६,०१

* NFRS समायोजित

आयोजनाहरू :

(क) तादी खोला जलविद्युत आयोजना- ५ मे.वा. सम्वन्धमा :

तादी खोला (थप्रेक) जलविद्युत आयोजना (५ मे.वा.) को मिति २०६८/०८/१३ मा नेपाल सरकार, ऊर्जा मन्त्रालयबाट विद्युत उत्पादनको अनुमतिपत्र (वि.वि.वि. ०६८/६९ वि.उ. ०५४) प्राप्त भएको र उक्त अनुमतिपत्र मिति २१०३/०८/०५ गते सम्म बहाल रहनेछ। उक्त आयोजनाको व्यावसायिक उत्पादन कार्य २०६९ चैत्र १४ गतेबाट सन्तोषजनक रूपमा भइरहेको छ।

(ख) मिष्ट्री खोला जलविद्युत आयोजना- ४२ मे.वा. सम्वन्धमा :

यस निर्माणाधिन आयोजनाको भौतिक प्रगती करिब ९९ प्रतिशत सम्पन्न भएको छ। उक्त आयोजना निकट भविष्यमै सम्पन्न गरी व्यवसायिक कार्य शुभारम्भ गर्ने अवस्थामा रहेको छ।

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

मिष्ट्री खोला-२ जलविद्युत आयोजना १२ मे.वा को सर्वेक्षण अनुमती पत्र मिति २०७४।४।३२ मा प्राप्त भएको छ। यस आयोजनाको संभाव्यता अध्ययनको प्रतिवेदन Hydro Consult Engineering Ltd. बाट प्राप्त भई विद्युत खरिद विक्रि सम्झौता (PPA) गर्नको लागि नेपाल विद्युत प्राधिकरणमा प्रकृत्यामा रहेको छ।

माउण्टेन इनर्जी नेपाल लि. को आ.व. २०७७/७८ को कार्यक्रमहरू :

आ.व. २०७७/७८ को लक्षहरू मध्ये प्रमुख लक्ष रहेको सर्वसाधारणलाई कम्पनीको शेयर निष्काशन गर्ने कार्य विभिन्न अडचनका बाबजुद अत्यन्त सफल ढंगबाट सम्पन्न भई सकेको छ र यसको लागि हाम्रा आदरणीय शेयरधनी महानुभावप्रति संचालक समितिको तर्फबाट आर्दिक कृतज्ञता एवं आभार पुनः व्यक्त गर्न चाहन्छु।

आ.व. २०७७/७८ मा निम्न कार्यक्रमलाई प्रमुख प्राथमिकतामा राखिएको छ।

- मिष्ट्री खोला जलविद्युत आयोजना (४२ मे.वा) को व्यवसायिक उत्पादन सुरु गर्ने।
- मिष्ट्री खोला-२ जलविद्युत आयोजना १२ मे.वा. को विद्युत खरिद विक्रि सम्झौता (PPA) लगायतको कार्यलाई निरन्तरता प्रदान गर्ने।

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

अन्त्यमा, कम्पनीलाई विभिन्न माध्यमद्वारा सहयोग तथा मार्गदर्शन प्रदान गर्ने सम्पूर्ण शेयरधनी महानुभावहरू, नेपाल सरकारका सम्वन्धित निकायहरू, नेपाल विद्युत प्राधिकरण, ऋण लगानीकर्ता बैंक तथा वित्तीय संस्थाहरू, विभिन्न नियमनकारी निकायहरू, लेखापरिक्षक तथा कम्पनीमा कार्यरत कर्मचारीहरू लगाएत सम्पूर्ण सहयोगीहरूमा संचालक समितिको एवं मेरो व्यक्तिगत तर्फबाट हार्दिक धन्यवाद ज्ञापन गर्न चाहन्छु।

धन्यवाद।

श्री सुहृद राज घिमिरे

अध्यक्ष

माउण्टेन इनर्जी नेपाल लिमिटेड

मिति: २०७७ पौष २७ गते



**MISTRI KHOLA HEP-
MAIN INLET VALVE AT POWERHOUSE**



MISTRI KHOLA HEP RUNNER



TADI KHOLA HEP -TURBINE & GENERATOR



TADI KHOLA HEP -CONTROL ROOM

माउण्टेन इनर्जी नेपाल लिमिटेड

कम्पनी ऐन २०६३ को दफा १०५(४) बमोजिमको प्रतिवेदन

(क) विगत वर्षको कारोबारको सिंहावलोकन,
कम्पनीको आ.व. २०७६/७७ को तुलनात्मक वित्तिय विवरणको सारांश तल प्रस्तुत गरेको छु।

बिबरण	(रकम रु लाखमा)	
	आषाढ मसान्त २०७७	आषाढ मसान्त २०७६
अधिकृत पूंजी	३,००,००	३,००,००
जारी पूंजी	२,००,००	२,००,००
चुक्ता पूंजी	१,५७,४४	१,५७,४४
जगेडा तथा संचित मुनाफा	३०,०३	२३,३२
कुल ईक्वीटी	१,८७,४७	१,८०,७६
दिर्घकालिन कर्जा	३,६८,९०	२,८५,४५
अन्य दायित्व	८,९१	७,६३
अल्पकालिन कर्जा	८,०६	७,५३
स्थिर सम्पत्ति बांकी मूल्य	३,१३	२,७८
आयोजना प्रत्यक्ष खर्च-तादी	७३,५६	७६,३५
आयोजना प्रत्यक्ष खर्च-मिस्त्री	४,०८,८१	३,१९,९४
आयोजना प्रत्यक्ष खर्च मिस्त्री-२	५,८९	५,५९
ख्याती (Goodwill)	१,६६	१,७२
खर्चको लागि पेस्की तथा धरौटी	६९,९०	६४,६७
अन्य भुक्तानी प्राप्त गर्न बाँकी रकम	७,१४	५,७५
नगद तथा बैंक मौज्दात	३,२६	४,५८
समायोजित कुल आय *	१८,५९	१६,२७
समायोजित प्रत्यक्ष खर्च *	(५,२५)	(४,१६)
यस वर्षको ओभरहेड ह्रास खर्च सहित	(२,८५)	(२,४०)
वित्तिय खर्च (खुद)	(३,७९)	(३,६६)
आयकर समायोजन	(१)	(३)
खुद आय *	६,६८	६,०१

* NFRS समायोजित

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

COVID-19 महामारीको प्रभावले यस कम्पनीको निर्माणाधिन मिष्ट्री खोला जलविद्युत आयोजना-४२ मे.वा. को निर्माण कार्यमा प्रतिकूल प्रभाव परेकोले उक्त आयोजनाको व्यवसायिक उत्पादन कार्यमा समेत ढिलाई हुन गएको।

(ग) प्रतिवेदन तयार भएको मितिसम्म चालू वर्षको उपलब्धि र भविष्यमा गर्नु पर्ने कुराको सम्बन्धमा सञ्चालक समितिको धारणा -

यस कम्पनीले मिष्ट्री खोला जलविद्युत आयोजना-४२ मे.वा.को निर्माण कार्य अगाडी बढाई रहेको छ। यो प्रतिवेदन तयार पार्दा सम्म उक्त आयोजनाको करिब ९९ प्रतिशत निर्माण कार्य सम्पन्न भईसकेको छ। त्यसै गरी, तादी खोला जलविद्युत आयोजना थपेक-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 ।

(ङ) सञ्चालक समितिमा भएको हेरफेर र सोको कारण :-

सञ्चालक समितिमा भएको हेरफेर नभएको ।

(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 :-

ले.प.प्रतिवेदनमा कुनै कैफियत नरहेकोले सञ्चालक समितिले कुनै प्रतिक्रिया गर्नु नपरेको ।

(ज) लाभांश बाँडफाँड गर्न सिफारिस गरिएको रकम :-

छैन ।

(झ) शेयर जफत भएको भए जफत भएको शेयर संख्या, त्यस्तो शेयरको अङ्कित मूल्य, त्यस्तो शेयर जफत हुनुभन्दा अगावै सोबापत कम्पनीले प्राप्त गरेको जम्मा रकम र त्यस्तो शेयर जफत भएपछि सो शेयर बिक्री गरी कम्पनीले प्राप्त गरेको रकम तथा जफत भएको शेयरबापत रकम फिर्ता गरेको भए सोको 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 बुंदा (क) मा प्रस्तुत गरिएको छ । यस कम्पनीले आफ्ना सहायक कम्पनीलाई २०७५ भाद्र २७ मानै प्राप्त गरिसकेकोले सहायक कम्पनीको छुट्टै प्रतिवेदन नरहेको ।

(ट) कम्पनी तथा त्यसको सहायक कम्पनीले आर्थिक वर्षमा सम्पन्न गरेको प्रमुख कारोबारहरू र सो अवधिमा कम्पनीको कारोबारमा आएको कुनै महत्वपूर्ण परिवर्तन :-

माथि उल्लेख गरिए बाहेक उपरोक्त आर्थिक वर्षमा कुनै महत्वपूर्ण परिवर्तन नभएको ।

(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 डोलराज शर्मा	सञ्चालक	३३७९४०
श्री चन्द्र प्रसाद ढकाल	सञ्चालक	४७८८८०
श्री श्याम सुन्दर खेतान	सञ्चालक	७६२७४०
श्री मनोहर दास मुल	सञ्चालक	४९२०००

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 आभनो शेयर आफैले खरिद गरेको भए त्यसरी आभनो 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 :-

आन्तरिक नियन्त्रण प्रणालीको मुल्यांकन नगरिएको ।

(थ) विगत आर्थिक वर्षको कुल व्यवस्थापन खर्चको विवरण,

विगत आर्थिक वर्षको कुल व्यवस्थापन खर्च रु.२,६०,२३,८१५ रहेको उक्त खर्चको विस्तृत विवरण वित्तीय 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 डोल राज शर्मा, सदस्य
श्री उत्तम भट्टराई, सदस्य

लेखापरीक्षण समितिको गठन आ.व. २०७७/७८ मा मात्र भएकोले आ.व. २०७६/७७ मा 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 बाँकी बुझाउन बाँकी रकम छैन

(न) सञ्चालक, प्रबन्ध सञ्चालक, कार्यकारी प्रमुख तथा पदाधिकारीहरूलाई भुक्तानी गरिएको पारिश्रमिक, भत्ता तथा सुविधाको रकम :-

बैठक भत्ता बाहेक अन्य कुनै भत्ता तथा सुविधाको रकम भुक्तान गरिएको छैन ।

(प) शेयरधनीहरूले बुझिलिन बाँकी रहेको लाभांशको रकम :-

कंपनीले लाभांश भुक्तान गरेको छैन

(फ) दफा १४१ बमोजिम सम्पत्ति खरिद वा बिक्री गरेको कुराको विवरण, :-

यस कम्पनीमा तथा त्यस्तो संपत्ति खरिद वा बिक्री नभएको ।

(ब) 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
माउण्टेन 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 ³ /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 ²
Design Discharge	: 8.91 m ³ /sec
Design Flood Discharge	: 613.0 m ³ /s (1 in 100 yr. flood)



TADI KHOLA HEP SWITCHYARD



TADI KHOLA HEP POWERHOUSE

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-HEADWORKS



TADI KHOLA HEP DESANDER TO CANAL TRANSITION



TADI KHOLA HEP HEADWORKS



TADI KHOLA HEP POWERHOUSE AND EMPLOYER'S CAMP

MISTRI KHOLA HYDROELECTRIC PROJECT

INTRODUCTION

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

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

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

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

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

Following entities constituted the whole institutional arrangement of Mistri Khola 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 CONTROL ROOM



MISTRI KHOLA HEP TUNNEL BREAKTHROUGH

SITE PROGRESS

Overall physical progress of project is about 99%. Dry commissioning of the Elexctromechnical equipment in Powerhouse is complete. Testing and commissioning will be carried out soon and commercial operation is expected by February 2021.

SALIENT FEATURES

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
INSTALLED CAPACITY	:	42 MW

HYDROLOGY

Catchment Area at Intake	:	280 km ²
Design Discharge to Turbines	:	18.23 m ³ /s

DAM

Type	:	Concrete gravity founded on bedrock
Crest Length	:	29.5m including piers
Spillway Type	:	Free overflow weir with two undersluice spillway gates
Energy Dissipation Arrangement	:	Flip bucket at the dam guiding the jet to exposed bedrock downstream of the toe of the dam
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	:	25m from river bed to bridge deck level

UNDERSLUICES IN DAM

Opening Size	:	3m (W) x 4m (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, 3m (W) x 4m (H)



MISTRI KHOLA HEP EMPLOYER'S/ ENGINEERS CAMP



MISTRI KHOLA HEP BULKHEAD GATE

INTAKE

Frontal Intake	:	8m (W) x 5m (H) at the trash rack location
No. of Openings	:	One
Invert Level of Sill	:	1555.35 masl
Design Discharge	:	20.4 m ³ /s
Slope of the Trash Rack Front	:	Eight to one (8:1)
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	:	44.00m
Diameter	:	4.00m
Cross-section Area (finished)	:	14.28 m ²
Lining	:	Concrete lining of straight approach tunnel from the bend to the settling basin due to hydraulics

SETTLING BASINS

Type	:	Underground with free surface flow during all normal operation water levels
Number of Basins	:	Two
Shape	:	Inverted D with V-shaped bottom hopper
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) 2.8 m hopper depth, height from invert to crown 12.5 m
Length of Uniform Cross-section Part	:	85m
Length of Inlet Transition	:	25m
Length of Outlet Transition	:	4.5m
Flushing System	:	Serpent Sediment Sluicing System (S4)

HEADRACE TUNNEL

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

SURGE SHAFT

Diameter	:	5m finished
Height	:	56m, open to sky
Inclination	:	74.5° with horizontal
Horizontal connection tunnel	:	10 m long, 4m dia



MISTRI KHOLA HEP SWITCHYARD



MISTRI KHOLA HEP HEADWORKS AERIAL VIEW

PENSTOCK

Material	:	Steel
Type	:	Buried
No of Branching	:	Three
Diameter	:	2.15m/2.05m before Branching 1.7m after First Branching 1.2m after Second Branching
Length	:	1415m before Branching (2.05m and 2.15m dia) 6.5m after First Branching (1.7m dia) 240m (1.2m dia) combined length
Pipe Shell Thickness	:	10 – 28 mm

POWERHOUSE

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

TAILRACE

Type	:	Free Flow Box Culvert
Size	:	3.5m (B) x 2.3m (H)

TURBINES

Type of Turbine	:	Pelton (Vertical)
No. of Units	:	Three
No. of Jets per Turbine	:	Five
Rated Efficiency	:	90.10%

GENERATORS

No. of Units	:	Three
Type	:	Synchronous 3 Phase
Rated Power	:	16.9 MVA
Efficiency	:	97.50%

TRANSFORMER

No. of Units	:	Three
Phase	:	Three
Voltage Level	:	11kV/132kV

TRANSMISSION LINE

Voltage	:	132 kV Double Circuit
Length	:	4 km
Connection	:	Interconnection point at Dana Substation

ANNUAL ENERGY	:	239.87 GWh
----------------------	---	------------



MISTRI KHOLA HEP EMPLOYER'S CAMP



Machine Floor North

1 / 4

MISTRI KHOLA HEP MACHINE FLOOR

MISTRI KHOLA-2 HYDROELECTRIC PROJECT

INTRODUCTION

Mistri Khola 2 Hydroelectric Project (MK2HEP) is a proposed cascade Run of River (RoR) project with augmented flow from Ghatte Khola. The project is cascade to Mistri Khola Hydroelectric Project (MKHEP); a run of river (RoR) project, located at Mygdi District, Gandaki Province, Nepal. Mistri Khola is one of the tributaries of Kali Gandaki River.

The project has an installed capacity of 12 MW (2x6 MW) with design discharge of 18.7 m³/s (18.23 m³/s from tailrace of MKHEP and 0.47 m³/s from Ghatte Khola) and net head of 72.79 m.

The project site is about 100 km northwest of Pokhara. Headwork of the project is located on the left bank of Kaligandaki river. Headworks structure in the Ghatte khola comprises of 5.5 m free flow concrete weir with one undercluice gate and side intake. Balancing pond collect the clean water from Mistri khola tailrace and Ghatte khola diversion. The water is conveyed to headrace tunnel through 396 m long headrace culvert and 262.5 m long headrace pipe of dia 2.85 m.

The headrace tunnel is 2223 m long shotcrete lined (partially concrete lined) with finished dimension of 4 m x 4.2 m, and inverted D in shape. A concrete lined surge shaft is located about 40 m upstream of the outlet portal at an offset of 15.0 m from the headrace tunnel. The steel penstock is 109.5 m long 2.25 m dia upto bifurcation. The pipe then splits into two branch pipes of 1.6 m dia. with a combined length of 36.3 m to feed two turbines in the powerhouse.

The powerhouse, located on the left bank of Kaligandaki River at about 65 m u/s of the confluence of Kaligandaki river and Ghar khola, is a surface structures which houses two 6 MW Francis turbines and the corresponding generating units. The switchyard is located in the upper terrace of the powerhouse back-slope. A 132 kV about 3 km long transmission line connects the switchyard to the Mistri Khola HEP Switchyard.

The MOU on Connection Agreement was signed with Nepal Electricity Authority on 2076/4/26 and Power Purchase Agreement is in the process in Nepal Electricity Authority.

SALIENT FEATURES

TYPE OF SCHEME : Cascade to Mistri Khola HEP with augmented flow from Ghatte Khola

LOCATION

Rural Municipality : Annapurna (Former: Narchyan and Shikha VDC)
 District : Myagdi
 Zone : Dhaulagiri
 Province : Gandaki
 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



**MISTRI KHOLA HEP BAILEY BRIDGE OVER KALIGANDAKI RIVER
INSTALLED BY MOUNTAIN ENERGY NEPAL LTD.**



MISTRI KHOLA HEP CAMP AREA AERIAL VIEW

HYDROLOGY

Catchment Area of Mistri Khola HEP at Intake	:	298.8 km ²
Catchment Area of Ghatte Khola at Intake	:	7.10 km ²
CA of Mistri Khola HEP at PH	:	3946.3 km ²
CA of Mistri Khola 2 HEP at PH	:	3966.5 km ²
Design Discharge of Mistri Khola HEP	:	18.23 m ³ /s
Design Discharge of Ghatte Khola	:	0.47 m ³ /s
Design Discharge to Turbines of Mistri Khola 2 HEP	:	18.70 m ³ /s
Compensation Discharge at MKHEP Intake	:	0.35 m ³ /s

FLOOD

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

GHATTE KHOLA DIVERSION HEADWORKS

i. WEIR

Type	:	Free Flow Concrete Weir
Length	:	5.50 m
Height	:	1.0 m above natural river bed
Weir Crest Elevation	:	1303 masl

ii. UNDERSLUICE

No. of Opening	:	1
Size of Opening	:	1.0 m x 1.0 m (B x H)
Invert Level	:	1301.67 masl

iii. INTAKE

Type	:	Side Intake
No. of Orifice	:	One
Size of Orifice	:	1.2 m x 0.8 m (B x H)
Orifice Invert Level	:	1301.95 masl

iv. GRAVEL TRAP

Size	:	2.0 m x 1.4 m (L x B)
Bed Slope	:	1 in 40

v. APPROACH CANAL

Shape	:	Rectangular
Size	:	0.8 m x 1.0 m (B x H) (Including FB)
Length	:	26.0 m
Bed Slope	:	1 in 120

vi. SETTLING BASIN

No. of Bays	:	2
Size of Uniform Section (Each Bay)	:	15.0 m x 2.5 m x 1.4 m (L x B x H)
Design Particle Size	:	0.15 mm
Settling Basin Trap Efficiency	:	90%
Flow Velocity in the Basin	:	0.2 m/s
Bed Slope	:	1 in 40
Flushing Pipe	:	11.0 m x 0.3mØ

vii. CONNECTING PIPE

Material	:	Steel
Internal Diameter	:	0.5 m
Length	:	48 m

viii. CASCADE SPILL CANAL

No of Drops	:	5
Length of Each Drop	:	5.0 m
Drop Height	:	2.2 m

MAIN WATERWAYS

i. BALANCING POND

Normal Water Level at Start	:	1257.75 masl
Length	:	11.0 m (Including transition)
Uniform Section Size	:	6.0 m x 4.0 m (B x H) (Including FB)

ii. HEADRACE CULVERT

Type	:	Rectangular, Buried
Length	:	396.0 m
Size	:	3.5 m x 2.5 m (B x H) (Including FB)
Slope	:	1 in 1000

iii. FOREBAY

Length of Uniform Section	:	16.56 m
Width of Uniform Section	:	9.0 m
Depth of Pond	:	Varying from 6.2 to 13.3 m
Min. Submergence Required	:	5.0 m
Normal Water Level	:	1256.81 masl

iv. HEADRACE PIPE

Material	:	Steel
Length	:	262.5 m
Internal Diameter	:	2.85 m

v. HEADRACE TUNNEL

Section Type	:	Inverted-D
Excavation Size	:	4.0 m x 4.20 m (B x H)
Length	:	2223.0 m

vi. SURGE SHAFT

Diameter	:	6.0 m finished
Height	:	36.0 m
Maximum Upsurge Level	:	1269.43 masl
Minimum Downsurge Level	:	1245.38 masl

vii. PENSTOCK

Material	:	Mild Steel of 250 Grade
Internal Diameter	:	2.25 m (Before Branching) 1.60 m (After Branching)
Thickness	:	14 - 25 mm
Length	:	109.5 m (Before Branching) 36.3 m each (After Branching)

POWERHOUSE

Type	:	Surface
Dimension	:	22.75 m (L) x 11.30 m (W) x 23 m (H)
Control Building	:	22.75 m (L) x 5.60 m (W) x 16.5 m (H)

TAILRACE

Normal Water Level	:	1178.50 masl
Minimum Water Level	:	1177.20 masl
Type	:	Rectangular, Covered
Length	:	16.0 m
Size	:	4.0 m (B) x 2.5 m (H) (Including FB)

TURBINES

Type of Turbine	:	Francis (Vertical Axis)
No. of Units	:	Two
Turbine Axis Level	:	1176.5 masl
Unit Discharge	:	9.35 m ³ /s
Rated Efficiency	:	93.0%

GENERATOR

Type	:	Silent Pole, Synchronous
Generation Voltage	:	11 kV
Frequency	:	50 Hz
Efficiency	:	97.5%

TRANSFORMER

Type	:	Three-Phase, Step-up
Rated Capacity	:	14 MVA
Voltage Ratio	:	11/132 kV
Efficiency	:	99%

TRANSMISSION LINE

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

ENERGY GENERATION

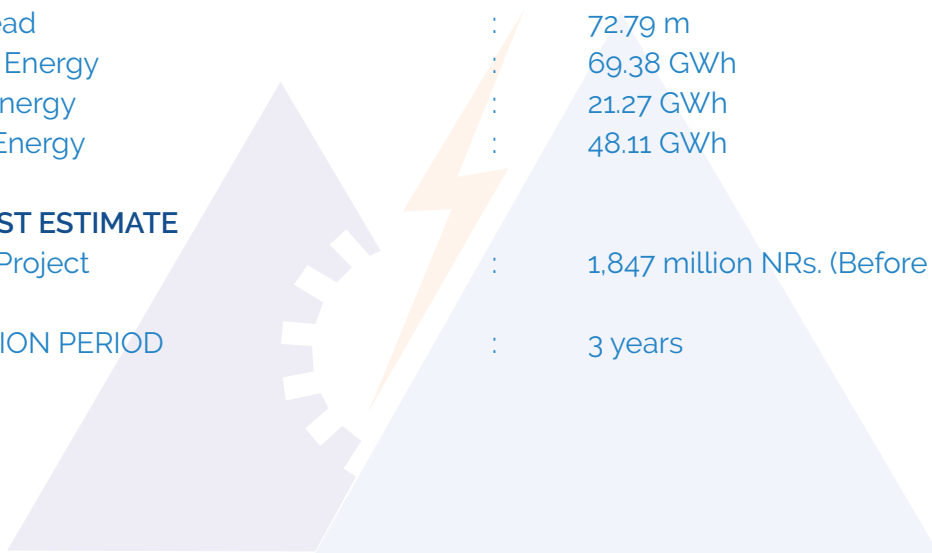
Gross Head	:	79.25 m
Rated Net Head	:	72.79 m
Mean Annual Energy	:	69.38 GWh
Dry Season Energy	:	21.27 GWh
Wet Season Energy	:	48.11 GWh

PROJECT COST ESTIMATE

Total Cost of Project	:	1,847 million NRs. (Before IDC)
-----------------------	---	---------------------------------

CONSTRUCTION PERIOD

: 3 years



R. Sapkota & Associates
Chartered Accountants

Mid Baneshwor, Kathmandu
P. O. Box No.: 26528
Phone: 01-4565538
E-mail: rabinsapkota2010@hotmail.com
sapkotarabin2010@gmail.com

**Independent Auditor's Report
To the Shareholders of
Mountain Energy Nepal Limited**

Opinion

We have audited the accompanying financial statements of **Mountain Energy Nepal Limited** comprises Statement of Financial Position as at Ashadh 31, 2077 (corresponding to July 15, 2020), Statement of Profit or Loss, Statement of Cash Flow, Statement of Changes in Equity for the period ended on Ashadh 31, 2077 and Notes to the Financial Statements.

In our opinion, the accompanying financial statements present fairly, in all material respect, the financial position of **Mountain Energy Nepal Limited** as at Ashadh 31, 2077 and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

Basis for Opinion

We conducted our audit 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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Key Audit Matters

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

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

Management of **Mountain Energy Nepal Limited** ('the company'), is responsible for the preparation and fair presentation of the Financial Statements in accordance with the Nepal Accounting Standards and other accounting principles generally accepted, including the accounting policies as adopted and for such internal control as management determines, is necessary to enable preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.







Auditors' Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatements, 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 disclosure in the financial statement or, if such disclosure 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 as a going concern.
- Evaluate the overall presentation of the Financial Statements including disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation,
- Obtain sufficient appropriate audit evidences regarding the financial information of the entities or business activities within the Company to express an opinion on the Financial Statements.

Report on Other Legal and Regulatory Requirements

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

- a. We have obtained all the information and explanations, which were necessary for the purpose for our audit.
- b. The Statement of Financial Position, Statement of Profit or Loss, Statement of Cash Flow, Statement of Changes in Equity and attached dealt with by this report are in agreement with the books of account maintained by the company.

- c. In our opinion, proper books of accounts as required by law have been kept by the company.
- d. In our opinion and to the best of our information and according to the explanations given to us and from 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 employee of the company has acted contrary to the provisions of law or caused loss or damage to the Company except matters referred in basis of opinion paragraph.
- e. We have not come across any accounting fraud.



CA Rabin Sapkota
Proprietor
R. Sapkota & Associates
Chartered Accountants
Place: Miterimarg, Baneshwor, Kathmandu
Date: 2077/09/03
UDIN Number: 201218CA003955Z5wT

MOUNTAIN ENERGY NEPAL LIMITED

Kathmandu, Nepal

Statement of Financial Position as at 31st Ashadh 2077 (15th July, 2020)

Particulars	Notes	31 Ashadh 2077	31 Ashadh 2076
ASSETS			
Non-current assets			
Property, plant and equipment	11	31,336,662	27,779,361
Intangible Assets (Tadi_Aadhishakti)	12.1	735,551,622	763,483,962
Intangible Assets Under Development	12.2	4,146,956,149	3,255,241,457.05
-Mistri Khola_Robust Energy	12.2.1	4,088,087,579	3,199,372,887
-Research on Mistri Khola Cascade Project	12.2.2	58,868,570	55,868,570
Goodwill (arising on acquisition of Aadhishakti)		16,570,367	17,199,621
Prepayments	14	-	172,080
Deferred tax assets	22	229,790	253,629
Total non-current assets		4,930,644,589	4,064,130,110
Current assets			
Trade and other receivables	13	71,412,742	57,538,654
Prepayments	14	16,224,496	21,564,694
Loan and advances	15	682,550,815	624,758,705
Cash and cash equivalents	16	32,582,594	45,802,048
Total current assets		802,770,646	749,664,101
Total assets		5,733,415,235	4,813,794,211
EQUITY AND LIABILITIES			
Equity			
Share capital	17	1,574,421,600	1,574,421,600
Retained earnings	18	300,254,686	233,175,444
Total equity		1,874,676,286	1,807,597,044
Liabilities			
Non-current liabilities			
Loans and borrowings	19	3,688,996,959	2,854,548,460
Trade and other payables	20	-	-
Total non-current liabilities		3,688,996,959	2,854,548,460
Current liabilities			
Trade and other payables	20	89,143,135	76,336,707
Loans and borrowings	19	80,598,856	75,312,000
Total current liabilities		169,741,991	151,648,707
Total liabilities		3,858,738,950	3,006,197,167
Total equity and liabilities		5,733,415,235	4,813,794,211

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

Suhrid Raj Ghimire
Chairman

Dol Raj Sharma
Director

Chandra Prasad Dhakal
Director

As per our report
of even date

Shyam Sundar Khetan
Director

Manohar Das Mool
Director

Rajendra Sharma
Manager-Finance & Operation

CA. Rabin Sapkota
Proprietor

Date: 2077 Poush 03
Place: Kathmandu

R. Sapkota & Associates
Chartered Accountants

MOUNTAIN ENERGY NEPAL LIMITED

Kathmandu, Nepal

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period from 1st Shrawan 2076 to 31st Ashadh, 2077

(17th July, 2019 to 15th July, 2020)

Particulars	Notes	1 Shrawan 2076 to 31 Ashadh 2077	1 Shrawan 2075 to 31 Ashadh 2076
Revenue	5	144,022,715	117,410,103
Cost of sales	6	(52,498,074)	(41,606,502)
Gross profit		91,524,642	75,803,600
Net Construction Revenue (As per IFRIC 12)	7	41,846,748	45,251,454
Administrative expenses	8	(26,023,815)	(21,278,331)
Depreciation and amortisation	11	(2,509,024)	(2,391,541)
Operating profit		104,838,550	97,385,182
Finance income	10	204,045	877,109
Finance costs	10	(38,151,783)	(37,523,715)
Staff bonus		(500,881)	(309,742)
Other Income	5	846,775	247
Other Expenses	9	(317,467)	-
Prior Period Expenses			-
Profit before tax		66,919,238	60,429,080
Income tax expenses			
Current tax		(52,770)	(219,401)
Previous Year Tax		-	(1,947)
Deferred tax income/(expense)		(23,839)	(90,990)
Profit for the year		66,842,629	60,116,742
Other comprehensive income		-	-
Total comprehensive income		66,842,629	60,116,742

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

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

Suhrid Raj Ghimire
Chairman

Dol Raj Sharma
Director

Chandra Prasad Dhakal
Director

As per our report
of even date

Shyam Sundar Khetan
Director

Manohar Das Mool
Director

Rajendra Sharma
Manager-Finance & Operation

CA. Rabin Sapkota
Proprietor

Date: 2077 Poush 03
Place: Kathmandu

R. Sapkota & Associates
Chartered Accountants

MOUNTAIN ENERGY NEPAL LIMITED

Kathmandu, Nepal

Statement of Changes in Equity

For the period from 1st Shrawan 2076 to 31st Ashadh, 2077

(17th July, 2019 to 15th July, 2020)

			NPR
Particular	Share Capital	Accumulated Profit/ Loss	Total
Balance as on 2076/04/01	1,574,421,600	233,175,444	1,807,597,044
Transactions with owners recorded directly in equity			
Debit portion of Staff payable adjusted	-	236,612	236,612
Total Comprehensive income for the year			
Profit for the year	-	66,842,629	66,842,629
Balance As at Ashadh 31, 2077	1,574,421,600	300,254,686	1,874,676,286

Suhrid Raj Ghimire
Chairman

Dol Raj Sharma
Director

Chandra Prasad Dhakal
Director

As per our report
of even date

Shyam Sundar Khetan
Director

Manohar Das Mool
Director

Rajendra Sharma
Manager-Finance & Operation

CA. Rabin Sapkota
Proprietor

Date: 2077 Poush 03
Place: Kathmandu

R. Sapkota & Associates
Chartered Accountants

MOUNTAIN ENERGY NEPAL LIMITED

Kathmandu, Nepal

Statement of Cash Flow

For the period from 1st Shrawan 2076 to 31st Ashadh, 2077

(17th July, 2019 to 15th July, 2020)

Particulars	1 Shrawan 2076 to 31 Ashadh 2077	1 Shrawan 2075 to 31 Ashadh 2076
A. Cash Flow from Operating Activities		
Net Profit before Tax	66,919,238	60,429,080
Adjustments for:		
Depreciation expenses	2,509,024	2,391,541
Amortisation of Goodwill on Acquisition	629,254	524,379
Amortization on Intangible Assets	27,932,340	23,276,950
Interest Income	(204,045)	(877,109)
Interest Expenses	38,151,783	37,523,715
Income tax paid	(52,770)	(219,401)
Previous year tax paid	-	(1,947)
Net Profit/loss on sale of Tangible assets	(846,775)	-
Cash Flow before Change in Working Capital	135,038,051	123,047,208
Increase/(Decrease) in liabilities	852,778,395	1,296,755,700
(Increase)/Decrease in Assets	(66,325,999)	(480,786,032)
Net Cash Flow from Operating Activities (1)	921,490,446	939,016,876
B. Cash Flow from Financing Activities		
Changes in share capital	-	-
Share Advance Received	-	-
Interest Paid	(38,151,783)	(37,523,715)
Net Cash Flow from Financing Activities (2)	(38,151,783)	(37,523,715)
C. Cash Flow from Investing Activities		
Changes in non-current assets	172,080	-
Net Sale/(Purchase) of Tangible Fixed Assets	(9,258,863)	(5,460,210)
Sale/(Purchase) of Intangible Assets (Project Assets)	-	-
On Acquisition of Subsidiaries	-	95,664,962
Project under development	(887,675,379)	(949,367,686)
Interest Income	204,045	877,109
Net Cash Flow from Investing Activities (1)	(896,558,117)	(858,285,825)
Net Increase/(Decrease) in cash and cash Equivalents (1+2+3)	(13,219,454)	43,207,335
Cash and cash equivalents at beginning of the year	45,802,047	2,594,712
Cash and Cash Equivalents at end of the year/period	32,582,594	45,802,047

Suhrid Raj Ghimire
Chairman

Dol Raj Sharma
Director

Chandra Prasad Dhakal
Director

As per our report
of even date

Shyam Sundar Khetan
Director

Manohar Das Mool
Director

Rajendra Sharma
Manager-Finance & Operation

CA. Rabin Sapkota
Proprietor

Date: 2077 Poush 03
Place: Kathmandu

R. Sapkota & Associates
Chartered Accountants

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. 3, 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.

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 2077 Poush 03

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 - Mistry Khola Project

Then, Robust Energy Limited, now Mistry Khola Project (the Company I) obtained operation license from Nepal Electricity Authority (NEA) on Kartik 20, 2068 for the period of 35 years to construct and operate a 42 MW Hydroelectric project, and the license expires on Kartik 19, 2103. This is service concession arrangement entered into between the Company I and NEA, that conferred the right to the Company I 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 I 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 Mistry Khola Project (the Company I) as specified in the PPA agreement subject to Mistry Khola able to generate such contractual energy.

As on 15th July, 2020, the Mistri Khola Project (Hydroelectric project) was in construction phase. 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 Hydroelectric 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. 888,714,691 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 Company I has recorded profit of NRs. 41,846,748 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 Company I has recognised an intangible asset of NRs. 4,088,087,579 for the right to sell electricity to NEA as specified in PPA though construction of project assets under the service concession arrangement.

	For the year ended 15 July 2020	For the year ended 16 July 2019
Contract revenue recognised (Note 7)	888,714,691	945,592,431
Total amount of contract cost incurred and recognised as Intangible Assets (Note 11)	4,088,087,579	3,199,372,887

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 Hydroelectric infrastructure to the end of the concession period.

(ii) Service concession arrangement revenue - Tadi Khola Project, then Aadhi Shakti Bidhut Bikas Company Ltd

Then, Aadhi Shakti Bidhyut Bikas Company Ltd, now Tadi Khola Project "the Company II" obtained operation license from Nepal Electricity Authority (NEA) on Mangsir 06, 2068 (November 22, 2011) for the period of 35 years to construct and operate a 5 MW Hydroelectric project, and the license expires on Mangsir 05, 2103. This is service concession arrangement entered into between Tadi Khola Project (the Company II) and NEA, that conferred the right to the Company II 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 II 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).

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 NAS 18 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.

(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 it 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 it 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.

h) Goodwill (on Acquisition of subsidiary)

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

IFRSs, interpretations and amendments to published IFRSs that are not effective for the reporting period: A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 15 July 2020 and have not been applied in preparing these separate financial statements. These standards and amendments are as below:

IFRS-9: Financial Instruments: The International Accounting Standard Board (IASB) has published the final completed version of IFRS 9 'Financial Instruments'. The new standard revamps the guidance for accounting of financial instruments, and is a cumulation of IASB's projects on financial instrument – measurement and classification, financial instruments – impairment and hedge accounting. IFRS 9 replaces IAS 39 'Financial Instruments: Recognition and measurement'.

IFRS 9 introduces a new model for classification and measurement of financial assets, which is based on the business model in which the financial assets are managed and the nature of its cash flows. Only the assets which are held under the business model of collecting the contractual cash flows, and whose cash flows are solely principal, and interest may be recorded at amortized cost under the standard.

Further, IFRS 9 introduces an impairment model, under which expected credit losses are required to be recognized. Expected credit losses are to be measured based on reasonable and supportable historical, current and forecasted information. This is a significant change from the erstwhile expected credit loss model of IAS 39.

IFRS 9 also brings significant changes in the hedge accounting guidance of IAS 39. The hedge accounting guidance was originally issued in November 2013.

The new standard is effective for reporting periods beginning on or after 16 July 2021 and the company intend to adopt the standard.

The management is assessing the potential impact in its financial statements resulting from application of NFRS 9.

IFRS-15: Revenue from contract with customers: The IASB issued a new standard for revenue recognition which overhauls the existing revenue recognition standards. The standard requires the following five step model framework to be followed for revenue recognition:

- a. Identification of the contracts with the customer
- b. Identification of the performance obligations in the contract
- c. Determination of the transaction price
- d. Allocation of the transaction price to the performance obligations in the contract (as identified in step ii)
- e. Recognition of revenue when the entity satisfies a performance obligation.

The new standard would be effective for annual periods starting from 1 January 2018 and early application is allowed. NFRS 15 would be applicable from 16 July, 2021 and the Company intend to adopt the standard.

IFRS-16 Leases:

IFRS 16 would be effective from 1 January, 2019 and early application is allowed. The new standard NFRS 16 would be effective for annual periods starting from 16 July 2021 and the company intend to adopt the standard.

5	Revenue	31 Ashadh 2077	31 Ashadh 2076
	Sale of electricity	144,022,715	117,410,103
	Total Revenue	144,022,715	117,410,103
	Other Income		
	Miscellaneous income	-	247
	Gain/(Loss) on sale of Fixed Assets		
	-Sale of Vehicle-Hilux	850,517	-
	-Sale of Motorcycle	(3,742)	-
	Total- Other Income	846,775	247
	Total Income	144,869,490	117,410,350

6	Cost of sales	31 Ashadh 2077	31 Ashadh 2076
	Amortisation of intangible assets (project assets-Aadhisakti)	27,932,340	23,276,950
	NFRS: Amortisation of increment cost of borrowings	233,712	196,397
	Amortisation of Goodwill on Acquisition	629,254	524,379
	Fuel & electricity expense	16,632	37,647
	Repair & maintenance for project	553,040	15,370
	Repair & maintenance-electromechanical	7,384,023	2,751,285
	Other expenses (compensation)	-	65,000
	Royalty expense	3,380,122	2,768,174
	Insurance Premium-Tadi Project Assets	2,562,984	2,347,170
	Short Supply to NEA-Fines and Penalties	1,106,836	720,602
	Hydroelectric site	8,699,132	8,903,529
	Communication expenses	15,500	89,634
	Donation Exp.	11,000	16,000
	Electrical expenses	299,510	199,009
	Printing and stationery	289,746	15,270
	Office overhead- Labour Charge	127,000	307,430
	Guest/Entertainment/Refreshment/Fooding Exp.	106,430	68,960
	Hygienic & Cleaning	32,060	35,630
	Local conveyance	99,600	102,000
	Fuel & Lubricants Expenses	168,076	311,780
	Internet Expenses	61,643	-
	Rental Exp.	23,100	-
	Repair & Maintenance Access Road	-	47,743
	Repair & Maintenance Building-Site	-	48,458
	Repair & Maintenance-Hydro mechanical	187,354	621,500
	Repair & Maintenance-Transmission Line	-	885,962
	Repairs & maintenance-vehicle	86,832	351,403
	Transportation Expense	67,230	90,600
	Office Utilities Expenses	18,635	
	Securities expenses	9,450	10,260
	Staff salary-Site Office	7,095,966	5,701,890
	Total Cost of Sales	52,498,074	41,606,502
7	Net Construction Revenue (As per IFRIC 12)-Mistri Khola - Robust		
	Construction Revenue (As per IFRIC 12)	888,714,691	945,592,431
	Construction costs (As per IFRIC 12)	(846,867,944)	(900,340,977)
	Net Construction Revenue	41,846,748	45,251,454

8	Administrative expenses	31 Ashadh 2077	31 Ashadh 2076
	Head office		
	Administration salary and allowances	9,391,986	7,241,499
	Advertisement Expenses	107,903	176,268
	AGM Expenses	638,218	693,676
	Audit Fees	197,750	169,500
	Other Reporting Fee	67,800	-
	Bank & Comm.Charges	1,014,563	37,277
	Business Promotion Expenses	-	201,733
	Guest Hospitality and Refreshment expenses	155,065	84,058
	Gratuity expense	614,054	489,545
	Communication expenses HO	106,931	134,567
	Consultancy Fees	4,779,645	1,830,686
	Custom Clearing Charge-Administration	285,267	1,771,500
	Custom Duty	82,421	14,918
	Dashain allowance	639,136	554,608
	Dashain expenses	109,000	157,681
	Donation Exp.	45,000	40,000
	Electrical Expenses	7,170	10,740
	Electricity and Water Exp.	626,303	465,390
	Fines and Penalties	-	3,200
	Fuel & Lubricants Expenses	136,567	130,808
	Hygenic expenses HO	95,192	-
	Gifts and Greetings	1,506,519	981,061
	Insurance Premium	285,663	437,466
	IPO Processing Fees	-	1,868,929
	Legal Fees & Exp	9,450	2,600
	Local Conveyance	173,500	124,000
	Misc. exp-Admin	18,700	3,328
	Office Rent-HO	3,511,862	916,152
	Registration & Renewal Expenses	41,500	52,500
	Repair & Maintenance-Office Equipment	134,790	29,990
	Repairs & Maintenance- Office Vehicle	307,885	123,850
	Corporate Social Responsibility	-	1,740,000
	Meeting Allowance	89,802	161,600
	Meeting Expenses	140,546	177,088
	Printing & Stationery	181,611	205,137
	Vehicle Tax-Adm	298,020	84,075
	Office Utilities Expenses	133,435	97,487
	Other Office Expenses	90,560	65,414
	Total expenses	26,023,815	21,278,331
	Total administration expenses	26,023,815	21,278,331

9	Other Expenses	31 Ashadh 2077	31 Ashadh 2076
	Fixed Assets W/off	317,467	-
	Total Other Expenses	317,467	-

10 Finance income and costs		
The finance income and finance costs include the following interest income and expense in respect of assets		
	31 Ashadh 2077	31 Ashadh 2076
Interest on overdraft loan	205,386	187,656
Interest on long term loan	350,261,196	211,396,135
Interest on short term loan	-	-
Finance costs	350,466,582	211,583,790
Less: amounts capitalized on qualifying assets (Robust)	(312,314,798)	(174,060,075)
Total finance Cost	38,151,783	37,523,715
Finance Income		
Interest income on short-term bank deposits	204,045	877,109
Total finance income	204,045	877,109
Net finance costs	37,947,738	36,646,606



11 Property plant and equipments							
Particulars	Land	Office Equipments	Furniture and fixtures	Vehicles	Misc. assets	Capital WIP Office Interior works	Total
Cost							
"Balance at 17 July 2019 (1 Shrawan , 2076)"	4,039,313	5,507,939	2,729,965	34,144,858	1,384,915	-	47,806,989
Additions	-	276,302	-	736,900	-	10,865,128	11,878,329
Deletion	4,039,313	2,119,545	1,427,618	3,084,016	161,767	-	10,832,259
"Balance at 16 July 2019 (31 Ashad, 2076)"	-	3,664,695	1,302,348	31,797,742	1,223,148	10,865,128	48,853,060
Depreciation							
"Accumulated depreciation at 16 July 2019 (1 Shrawan, 2076)"	-	4,075,510	2,058,880	13,578,300	314,938	-	20,027,628
Depreciation upto 15 July 2020	-	278,539	139,582	1,985,215	105,688	-	2,509,024
Deletion for the year	-	1,947,207	1,297,946	1,628,791	146,310	-	5,020,254
Accumulated depreciation at 15 July 2020 (31 Ashadh, 2077)	-	2,406,843	900,516	13,934,724	274,316	-	17,516,398
"Net book value at 15 July 2020 (31 Ashadh, 2077)"	-	1,257,853	401,832	17,863,018	948,832	10,865,128	31,336,662

Carrying Amounts

As at 15 July 2020 (31 Ashadh, 2077) 31,336,662

As at 16 July 2019 (31 Ashadh, 2076) 27,779,361

12.1 Intangible assets (Tadi Khola_AadhiShakti-Project Assets)							
Particulars	Building	Land & Land Development	Civil Works	Hydro Mechanical	Electro Mechanical	Transmission Line	Total
Cost							
Balance as at 17th July 2019 (1 Shrawan, 2076)	6,570,845	24,283,928	472,927,793	140,003,956	106,388,382	36,586,008	786,760,912
Additions	-	-	-	-	-	-	-
Deletion	-	-	-	-	-	-	-
Balance as at 15th July 2020 (31 Ashadh, 2077)	6,570,845	24,283,928	472,927,793	140,003,956	106,388,382	36,586,008	786,760,912
Amortisation							
Accumulate Amortization as at 17th July 2019 (1st Shrawan, 2076)	194,404	718,459	13,991,946	4,142,129	3,147,586	1,082,426	23,276,950
Amortisation for the period FY 2076/77	233,284	862,151	16,790,336	4,970,555	3,777,102	1,298,912	27,932,340
Deletion for the year	-	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-	-
Accumulated Amortisation as at 15 July 2020 (31 Ashadh, 2077)	427,688	1,580,611	30,782,282	9,112,684	6,924,688	2,381,338	51,209,290
Net book value at 15 July 2020 (31 Ashadh, 2077)	6,143,157	22,703,317	442,145,511	130,891,272	99,463,694	34,204,670	735,551,622

Net carrying amounts

As at 15 July 2020 (31 Ashadh, 2077) 735,551,622

As at 16 July 2019 (31 Ashadh, 2076) 763,483,962

Intangible assets under development (project assets)		
12.2.1	Mistri Khola_Robust Energy Ltd.-Addition from Merger	
		Work-in-Progress
	Balance as at 17th July 2019 (1 Shrawan, 2076)	3,199,372,887
	Addition Mistri Khola 1 Project	888,714,691
	Deletion	-
	Balance as at 15th July 2020 (31 Ashadh, 2077)	4,088,087,579
	Carrying Amounts	
	As at 15 July 2020 (31 Ashadh, 2077)	4,088,087,579
	As at 16 July 2019 (31 Ashadh, 2076)	3,199,372,887
12.2.2	Mountain Energy Nepal Ltd.	
	Research and Survey	
	Balance as at 17th July 2019 (1 Shrawan, 2076)	55,868,570
	Wip Mristyi Cascade	9,868,570
	License Fees & Renewal-Mristi-2	6,000,000
	Project Development & Management Exp	40,000,000
	Addition _License Fees & Renewal -Mistri-2	3,000,000
	Deletion	-
	Balance as at 15th July 2020 (31 Ashadh, 2077)	58,868,570
	Carrying Amounts	
	As at 15 July 2020 (31 Ashadh, 2077)	58,868,570
	As at 16 July 2019 (31 Ashadh, 2076)	55,868,570
	Total Project under development	4,146,956,149

13	Trade and other receivables		
		31 Ashadh 2077	31 Ashadh 2076
	Trade receivables	69,232,387	56,020,699
	Bank Guarantee Margin Deposit	1,320,000	1,320,000
	Other Receivables-Deposits	860,355	197,955
	Total	71,412,742	57,538,654
	Less: Non-current	-	-
	Current	71,412,742	57,538,654

14	Advances and prepayments		
		31 Ashadh 2077	31 Ashadh 2076
	Prepaid expenses- Prepaid Insurance	2,623,532	2,891,306
	Prepaid Expenses-IPO Processing Charge	5,581,575	-
	Advance tax	1,007,400	976,793
	Advance For Expenses	2,242,713	3,168,293
	LC Margin Deposits	4,769,276	14,700,382
	Total	16,224,496	21,736,774
	Less: Non-current	-	172,080.00
	Current	16,224,496	21,564,694

15	Loan and Advances	31 Ashadh 2077	31 Ashadh 2076
	Advance to employees-salary	95,500	143,500
	LC Payment	682,455,315	624,615,205
	Total	682,550,815	624,758,705
	Less: Non-current	-	-
	Current	682,550,815	624,758,705

16	Cash and bank balances	31 Ashadh 2077	31 Ashadh 2076
	Cash and cash equivalents		
	Cash on hand	6,436	35,706
	Cheque in Hand	-	-
	Cash at bank	32,576,158	45,766,342
	Short-term bank deposits	-	-
	Total	32,582,594	45,802,048

17	Share capital	31 Ashadh 2077	31 Ashadh 2076
	30,000,000 Equity Shares of Rs.100/-each	3,000,000,000	3,000,000,000
	Issued:		
	20,000,000 Equity Shares of Rs.100/-each	2,000,000,000	2,000,000,000
	Subscribed:		
	11,538,229 Equity Shares of Rs.100/-each fully Paid-up	1,153,822,900	1,153,822,900
	Paid Up:		
	11,538,229 Equity Shares of Rs.100/-each fully Paid-up	1,153,822,900	1,153,822,900
	4,205,987 Equity Shares of Rs.100/-each issued in pursuit of merger	420,598,700	420,598,700
	Total	1,574,421,600	1,574,421,600
	Reconciliation of shares outstanding at the beginning and at the end of the year		
	Balance as at the opening Date	1,574,421,600	1,153,822,900
	Add: Share issued during the year	-	420,598,700
	Less: Shares Forfeited	-	-
	Rights, preferences and restrictions attached to equity shares	1,574,421,600	1,574,421,600

The company has a single class of equity shares. According, 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.

18 Retained earning			
		31 Ashadh 2077	31 Ashadh 2076
	Balance at the beginning of the year	233,175,444	46,888,670
	Add: Reserve from the merged Company	-	126,170,032
	Add: Debit of Bonus payable for FY 207475	236,612	-
	Profit during the period	66,842,629	60,116,742
	Balance as at Ashadh 31, 2076	300,254,686	233,175,444

19 Borrowings			
		31 Ashadh 2077	31 Ashadh 2076
	Non-current		
	Taadi Khola Project		
	Nabil Bank Ltd	108,788,670	129,044,825
	Nepal Investment Bank Ltd	108,635,979	128,892,133
	NMB Bank Ltd	80,200,000	95,000,000
	Rastrya Banijya Bank Ltd	10,800,000	30,800,000
	Robust-Mistri Khola Project		
	HIDCL Ltd	873,685,929	599,032,341
	Laxmi Bank-Long Term Loan	350,127,327	239,659,895
	Nepal Bank-Long Term Loan	431,798,608	299,445,541
	Siddhartha Bank-Long Term Loan	-	227,492,853
	Nabil bank Ltd	949,830,908	599,268,321
	Nabil Bank Ltd - Bridge Gap Loan	74,500,000	-
	Nepal Investment Bank Ltd	797,252,213	599,003,511
		3,785,619,635	2,947,639,420
	NFRS adjustment (incremental cost of borrowings)	(17,778,960)	(19,255,024)
	NFRS adjustment (unwinding of cost of borrowings)	1,755,140	1,476,064
		3,769,595,815	2,929,860,461
	Less: Current Portion Of Long Term Loans	(80,598,856)	(75,312,000)
	Total	3,688,996,959	2,854,548,461
	Current	80,598,856	75,312,000
	Total borrowings	3,769,595,815	2,929,860,461

20 Trade and other payables			
		31 Ashadh 2077	31 Ashadh 2076
	Trade payables	1,418,301	2,650,466
	TDS Payables	25,808	2,155,177
	Office Rent Payable	769,440	-
	Royalty expenses payables	4,589,027	5,657,478
	Staff bonus payable	500,881	740,794
	Provision for gratuity	3,614,657	3,000,604
	Provision for Fines & Penalties on Short Supply	-	720,602
	Retention money payable	77,908,249	60,643,586
	Provision for income tax	272,171	219,401
	Audit Fee Payable	44,600	548,600
	Total	89,143,135	76,336,707
	Less: Non-current	-	-
	Current	89,143,135	76,336,707

21 Financial assets and financial liabilities

21.1 Capital Management

The Company has been set-up to construct and operate Hydroelectric 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 acquired two subsidiaries viz Aadhi Shakti Bidyut Bikash Company Limited i.e. Tadi Khola Project and Robust Energy Nepal Ltd. ie. Mistri Khola Project. Tadi Khola/Aadhi Shakti is operational project where as Mistri Khola/Robust Energy is in final phase of construction. 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.

21.2 Financial assets							
As at 15 July 2020							NRs.
Financial assets as per Statement of Financial Position	Notes	Assets at fair value			Assets at amortized costs		
		Trading	Designated at FVTPL	Available for sale	Loans and Receivables	Held to maturity	Total
Cash balance	16	-	-	-	6,436	-	6,436
Balance with bank	16	-	-	-	32,576,158	-	32,576,158
Trade receivables	13	-	-	-	69,232,387	-	69,232,387
Guarantee-short term		-	-	-	1,320,000	-	1,320,000
Other Financial Assets		-	-	-	860,355	-	860,355
Total		-	-	-	103,995,335	-	103,995,335
As at 16 July 2019							NRs.
Financial assets as per Statement of Financial Position	Notes	Assets at fair value			Assets at amortized costs		
		Trading	Designated at FVTPL	Available for sale	Loans and Receivables	Held to maturity	Total
Cash balance	16	-	-	-	35,706	-	35,706
Balance with bank	16	-	-	-	45,766,342	-	45,766,342
Trade receivables	13	-	-	-	56,020,699	-	56,020,699
Guarantee-short term		-	-	-	1,320,000	-	1,320,000
Other Financial Assets		-	-	-	197,955	-	197,955
Total		-	-	-	103,340,703	-	103,340,703

21.3 Financial liabilities						
	Financial Liabilities as per Statement of Financial Position	Notes	Liabilities at fair value			Total
			Trading	Designated at FVTPL	Liabilities at amortised costs	
	As at 15 July 2020					
	Other payables				88,845,156	88,845,156
	TDS payable				25,808	25,808
	Provision for Tax		-	-	272,171	272,171
	Total		-	-	89,143,135	89,143,135
	As at 16 July 2019					
	Other payables		-	-	73,241,528	73,241,528
	TDS payable				2,155,177	2,155,177
	Provision for Tax				219,401	219,401
	Total		-	-	75,616,106	75,616,106

21.4 Financial instruments measurement at fair value --fair value hierarchy						
	Assets and Liabilities 2019-20	Carrying amount	Fair Value	Quoted market prices (Level-1)	Observable Inputs (Level-2)	Unobservable inputs (level3)
	Assets					
	Cash at vault	6,436	6,436	-	6,436	-
	Balances with banks	32,576,158	32,576,158	-	32,576,158	-
	Trade receivables	69,232,387	69,232,387	-	69,232,387	-
	Other Financial Assets	2,180,355	2,180,355	-		2,180,355
	Liabilities					
	Trade and other payables	88,870,964	88,870,964	-	-	88,870,964
	Provision for Tax	272,171	272,171		272,171	
	Assets and Liabilities 2018-19	Carrying amount	Fair Value	Quoted market prices (Level-1)	Observable Inputs (Level-2)	Unobservable inputs (level3)
	Assets					
	Cash at vault	35,706	35,706	-	35,706	-
	Balances with banks	45,766,342	45,766,342	-	45,766,342	-
	Trade receivables	56,020,699	56,020,699	-	56,020,699	-
	Other Financial Assets	1,517,955	1,517,955	-		1,517,955
	Liabilities					
	Trade and other payables	75,396,705	75,396,705	-	2,155,177	73,241,528
	Provision for Tax	219,401	219,401		219,401	

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

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.

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 Hydroelectric 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

The Company has not recognized any current tax expenses with respect to income from sale of electricity. The Company has provided for income tax liability pertaining to incomes other than income from sale of electricity in accordance with the Income Tax Act, 2058 enacted and as applicable in Nepal.

NRs. 52,770 has been provided for as income tax liability for the current financial year by way of self-assessment as per the Income Tax Act, 2058.

Income Tax Act, 2058 requires the Company to follow accrual basis of accounting as per prevailing accounting practices subject to provision of the Act. As per section 24 of the Act, any income shall be included in computation of income when payment is received or when the right to receive such payment is created for purposes of tax. Accordingly, income recognized from IAS 11 (Construction Contract) on application of IFRIC 12 does not create right to receive payment on recognition of construction margin, rather creates right to operate the project that generates Revenue from Sale of Electricity as per PPA agreement. Thus construction margin recognized as per IFRIC 12 is not an income for taxation propose as per the Income Tax Act and tax treatment has not been recognized for the effect due to IFRIC 12.

(ii) Deferrd Tax

Deferred tax income and expenses are recognised as per NAS 9 on temporary differences applying tax at the rate of 25% as below:

FY 2077/78

Particulars	Accounting Base	Tax Base	Difference
Fixed Assets (other than land)	2,200,689	3,119,849	919,160
Tax losses	-	-	-
Total	2,200,689	3,119,849	919,160
Total Assets for the Year			229,790
Assets upto Previous Years			253,629
Transferred to Profit and Loss			(23,839)

FY 2076/77

Particulars	Accounting Base	Tax Base	Difference
Fixed Assets (other than land)	1,769,782	2,784,298	1,014,517
Tax losses	-	-	-
Total	1,769,782	2,784,298	1,014,517
Total Assets for the Year			253,629
Assets upto Previous Years			344,619
Transferred to Profit and Loss			(90,990)

23 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.

24 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 16.

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

No any transactions were carried out during the year with the related parties in the ordinary course of business.

25 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. 35,11,862.

26 Contingent liabilities and commitments

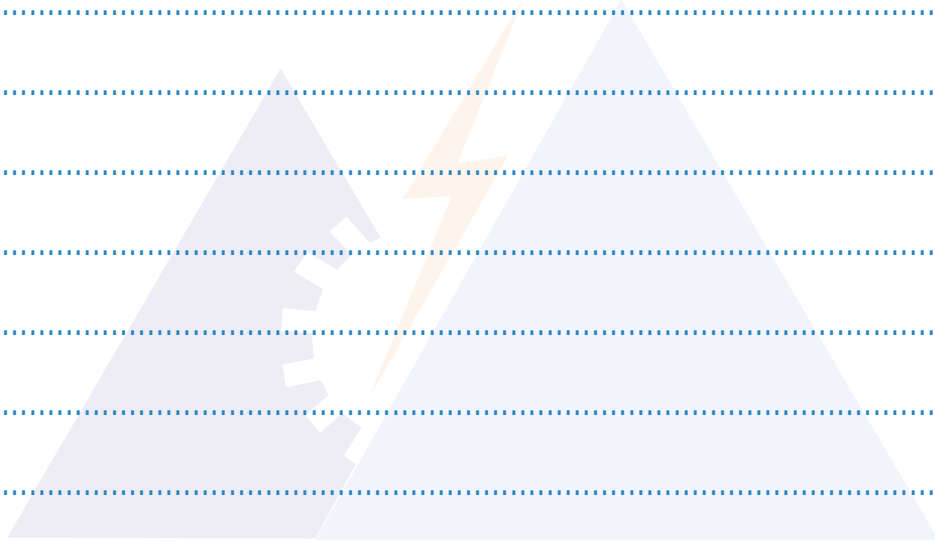
Explanatory Notes

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).

Electricity Short supply Penalty

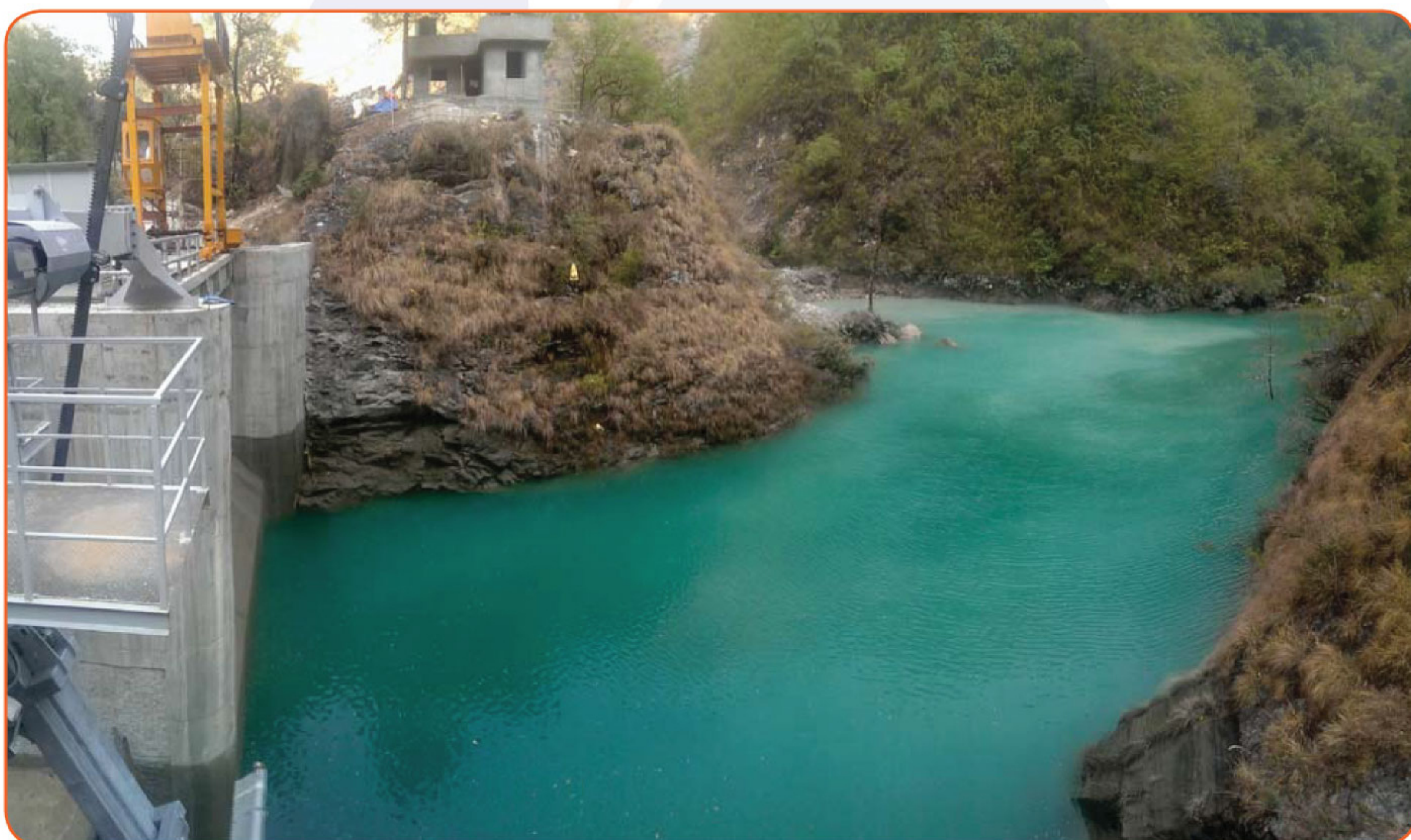
The company has to make advance declaration of electricity to be supplied to NEA and declaration for the month of Jestha 2076 is short by ONE DAY, for this short supply, NEA has levied penalty equal to entire Month of Jestha 2076 revenue instead of for that ONE DAY only. The Company disagreed with NEA 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. 6,521,192.57 at the reporting date.

Note:

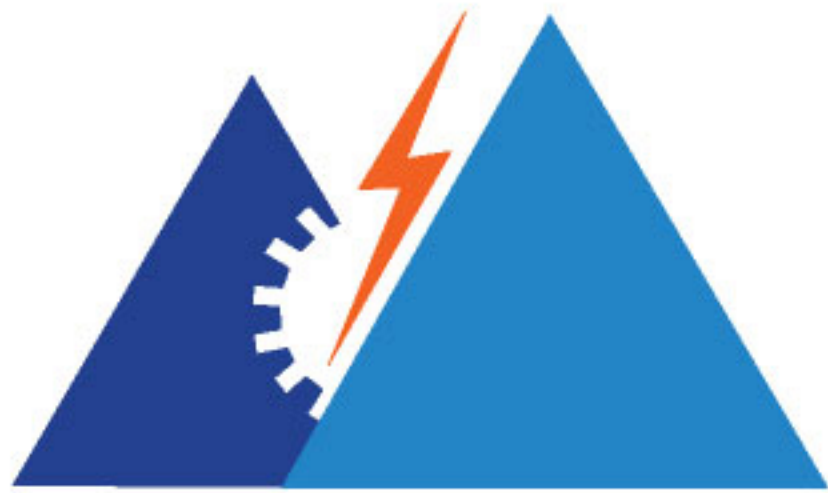




MISTRI KHOLA HEP DAM UPSTREAM



MISTRI KHOLA HEP DAM DOWNSTREAM



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

Sunrise Bizz Park, 3rd Floor, Dillibazar, Kathmandu, Nepal.
G P O Box : 21729 | Tel : 4537705, 4541648 | Fax : 4530562
info@mountainenergy.com.np