



माउन्टेन इनर्जी नेपाल लि. Mountain Energy Nepal Ltd.

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

Statement of Financial Position as on 32nd Ashad, 2082

Particulars	As at 32nd Ashad, 2082 (Unaudited)	As at 31st Chaitra, 2081 (Previous Quarter)	As at 31st Ashad, 2081 (Previous Year) (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	25,968,107	27,064,910	27,658,926
Intangible assets	5,512,759,797	5,577,697,313	5,771,464,977
Intangible assets under development (Mistri khola)	76,875,584	76,875,584	76,875,584
Goodwill (arising on acquisition of Aadhishakti)	13,424,095	13,581,408	14,053,349
Deferred tax assets	-	-	-
Total non-current assets	5,629,027,583	5,695,219,215	5,890,052,836
Current assets			
Trade and other receivables	1,258,661,174	955,808,401	831,230,849
Prepayments	225,563,880	42,172,283	41,096,391
Loan and advances	7,955,954	30,764,010	26,007,193
Cash and cash equivalents	48,307,612	348,136,963	131,684,802
Total current assets	1,540,488,620	1,376,881,657	1,030,019,235
Total assets	7,169,516,203	7,072,100,872	6,920,072,071
EQUITY AND LIABILITIES			
Equity			
Share capital	2,602,715,708	2,602,715,708	2,263,231,050
Retained earnings	1,356,297,833	1,193,926,409	1,090,864,717
Total equity	3,959,013,541	3,796,642,117	3,354,095,767
Liabilities			
Non-current liabilities			
Loans and borrowings	2,696,593,011	2,775,852,109	3,108,188,404
Deferred tax liabilities	37,234,187	37,389,414	38,166,041
Total non-current liabilities	2,733,827,198	2,813,241,523	3,146,354,445
Current liabilities			
Trade and other payables	63,368,464	57,764,232	47,181,385
Loans and borrowings	413,307,000	404,453,000	372,440,474
Total current liabilities	476,675,464	462,217,232	419,621,859
Total liabilities	3,210,502,662	3,275,458,755	3,565,976,304
Total equity and liabilities	7,169,516,203	7,072,100,872	6,920,072,071

Statement of Profit or Loss and other Comprehensive Income For the year ended 32nd Ashad, 2082

Particulars	As at 32nd Ashad, 2082 (Unaudited)	As at 31st Chaitra, 2081 (Previous Quarter)	As at 31st Ashad, 2081 (Previous Year) (Audited)
Revenue	1,307,246,610	922,766,940	976,214,951
Insurance Claim for loss of profit	80,629,646	85,629,646	68,670,354
Cost of sales			
- Amortization on Project Assets	(258,705,180)	(193,767,664)	(258,356,885)
- Other Direct Costs	(190,392,075)	(122,350,082)	(206,991,702)
Gross profit	938,779,001	692,278,840	579,536,718
Other income (Insurance Recovery)	5,000,000	-	-
Administrative expenses	(47,224,765)	(28,105,711)	(34,443,573)
Depreciation and amortisation	(4,403,777)	(3,306,973)	(1,792,760)
Operating profit	892,150,459	660,866,156	543,300,385
Finance income	1,450,319	1,446,526	8,966,636
Finance costs	(244,338,552)	(181,782,244)	(268,870,724)
Staff Bonus	(12,985,245)	(9,610,609)	(5,667,926)
Profit before tax	636,276,981	470,919,829	277,728,371
Income tax expenses			
Current tax	(8,132,888)	(6,632,048)	(9,891,748)
Deferred tax income/(expense)	931,854	776,628	1,077,317
Profit for the period	629,075,947	465,064,409	268,913,940
Other comprehensive income	-	-	-
Total comprehensive income	629,075,947	465,064,409	268,913,940

1. Notes to Quarterly Unaudited Financials.

1.1 The unaudited financial statements for the Fourth Quarter ended Ashad 32, 2082 of the FY 2081/82 are reviewed by Audit Committee and authorized to publish by Board of Director of the Company.

1.1.1 Commercial Operation Date and Life of Hydropower Project:

Life (License Period):

- Tadi Khola (Thaprek), license period is valid till 2103 Mangsir 05.
- Mistri Khola license period is valid till 2103 Kartik 19.

Commercial Operation Date (COD):

- Tadi Khola (Thaprek) started commercial operation from 2069 Chaitra 14.
- Mistri Khola started its commercial operation from 2078 Ashadh 03.

1.2 Revenue:

1.2.1 Sale of Electricity:

For the Fourth quarter ended on Ashad 32nd ,2082 of the Financial Year 2081/2082, net revenue from sale of electricity generated by Tadi Khola HEP (5 MW) is NRs. 126,343,040 and by Mistri Khola HEP (42 MW) is NRs. 1,180,903,570. Revenue for the period is based on terms of the PPA agreement with Nepal Electricity Authority.

Insurance Recovery : The Mistri Khola Hydroelectric Project (HEP) was impacted by an unprecedented flood resulting in a loss of profit and damage to project assets. In accordance with the terms of the insurance policy, the Company received compensation of NPR 80,629,646 for loss of profit and NPR 5,000,000 for asset damages. These amounts have been recognized as revenue in the financial statements.

1.2.2 Arbitral Award by NEPCA (Tribunal) & High Court, Patan

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

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

Moreover, payment from NEA has not been received as per the decision of Tribunal and Patan High Court.

1.3 Amortization:

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

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

Mistri Khola Project Assets, accounted as Intangible assets, are amortized over remaining useful life (Operation License period) of 304.5 months. The useful life of project asset is the tenure calculated from commercial date of operation. The amortization expense is included in the Cost of Sales.

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

1.4 Taxation:

Mistry Khola project is in tax holiday up to Ashad 02, 2088, then after for next five years, tax concession is 50% of applicable tax rate.

100% tax concession period of Tadi Khola HEP ended on Chaitra 13, 2079 and for the next five years, tax concession at the rate of 50% on applicable tax rate is available till Chaitra 13, 2084. Accordingly, tax liability on taxable income of Tadi Khola project is calculated applying the concessional rate of 10% from Chaitra 14, 2079. 100% tax concession period of Mistri Khola HEP is available till Ashadh 02, 2088.

Interest income is not tax exempted as per Section 11 of Income Tax Act, 2058, consequently tax liability on Interest Income has been calculated at the rate of 25% on proportionate basis after deducting the staff bonus.

1.5 Related Party Transitions:

There is no related party transaction during the reporting period.

1.6 Key Financial Ratio:

In NRs.

Period	Earnings Per Share (Quarterly)	Net Worth Per Share	Current Ratio	P/E Ratio
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This Quarter End	24.17	152.11	3.23	26.45
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Previous Quarter End	17.87	145.87	2.98	32.66
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Corresponding Previous year's Quarter End (Audited)	11.88	148.20	2.45	55.39
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1.7 Challenges

Internal

- Retention of skilled human Resources
- Managing Operational Efficiency

External

- Impact of Climate Change on amount of Rain/Snow Fall in Catchment area
- Supplier Risk as vendors of major project assets is of foreign origin.
- Foreign exchange rate

1.8 Management Analysis

Electricity generation from Mistri Khola HEP was halted for the period from 15th Jestha 2081 to 20th Shrawan 2081 due to unprecedented flooding at the project's dam site, adversely affected normal operation of Intake Pond and Settling Basin. Normal generation of electricity at this plant resumed from 21st Shrawan 2081.

Both the projects (Tadi Khola-HEP and Mistri Khola HEP) are operating satisfactorily. The debt service is regular.

1.9 Analysis of Share Transactions:

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

Maximum Price NPR	Minimum Price NPR	Closing Price NPR	Total Turnover	Traded Volume	Transaction Days
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660	552.4	639.19	4,884,746,596	8,116,260	63
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2. Corporate Governance

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

3. Declaration from Management

I take the responsibility for the accuracy of financial and other information detailed in this report for the 12 months period ending on Ashad 32, 2082 of FY 2081/82 and hereby declare that financial and other information detailed in this report are true, based on records and facts, and are complete to the best of my knowledge and that information necessary for taking informed decision by the investors are not concealed.