



माउन्टेन इनर्जी नेपाल लि. Mountain Energy Nepal Ltd.

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

Unaudited Statement of Financial Position as on 31st Ashadh 2078

Particulars	This Quarter Ending	As at 31st Chaitra 2077	As at 31st Ashadh, 2077 (Previous Year)
ASSETS			
Non-current assets			
Property, plant and equipment	31,482,876	32,044,475	31,336,662
Intangible Assets (Tadi Aadhishakti)	707,619,282	714,602,367	735,551,622
Intangible Assets(Mistri Robust)	4,814,598,565	4,674,639,275	4,088,087,579
Intangible Asset under development (Mistri Khola Cascade Project)	58,868,570	58,868,570	58,868,570
Goodwill (arising on acquisition of Aadhishakti)	15,941,112	16,098,426	16,570,367
Prepayments	-	-	-
Deferred tax assets	229,790	229,790	229,790
Total non-current assets	5,628,740,196	5,496,482,903	4,930,644,589
Current assets			
Trade and other receivables	115,336,726	52,629,006	71,412,741
Prepayments	13,296,758	12,090,216	16,224,496
Loan and advances	724,393,276	682,824,629	682,550,815
Cash and cash equivalents	42,809,326	105,699,577	32,582,594
Total current assets	895,836,087	853,243,428	802,770,646
Total assets	6,524,576,283	6,349,726,331	5,733,415,235
EQUITY AND LIABILITIES			
Equity			
Share capital	1,968,027,000	1,968,027,000	1,574,421,600
Retained earnings	379,856,008	344,416,465	300,254,686
Total equity	2,347,883,008	2,312,443,465	1,874,676,286
Liabilities			
Non-current liabilities			
Loans and borrowings	3,969,519,749	3,892,383,652	3,688,996,959
Trade and other payables	-	-	-
Total non-current liabilities	3,969,519,749	3,892,383,652	3,688,996,959
Current liabilities			
Trade and other payables	131,313,171	124,749,500	89,143,135
Loans and borrowings	75,860,356	20,149,714	80,598,856
Total current liabilities	207,173,527	144,899,214	169,741,991
Total liabilities	4,176,693,275	4,037,282,866	3,858,738,950
Total equity and liabilities	6,524,576,283	6,349,726,331	5,733,415,235

MOUNTAIN ENERGY NEPAL LTD.

Unaudited Statement of Profit or Loss and other Comprehensive Income For the period ended 31st Ashadh 2078

Particulars	Upto This Quarter	Upto 31 Chaitra 2077	Upto 31 Ashadh 2077 (Previous Year)
Revenue	168,216,348	94,309,361	144,022,715
Cost of sales	(66,027,896)	(32,412,125)	(52,498,074)
Gross profit	102,188,452	61,897,236	91,524,642
Net Construction Revenue (As per IFRIC 12)	35,437,974	28,377,683	41,846,748
Administrative expenses	(26,582,002)	(20,297,628)	(26,023,815)
Depreciation and amortisation	(2,245,360)	(1,683,762)	(2,509,024)
Operating profit	108,799,064	68,293,529	104,838,550
Finance income	22,060	18,458	204,044
Finance costs	(22,380,474)	(17,873,874)	(38,151,783)
Staff Bonus	(1,020,054)	(441,209)	(500,881)
Other Income	-	-	846,775
Other Expenses	-	-	(317,467)
Profit before tax	85,420,597	49,996,904	66,919,238
Income tax expenses	-	-	-
Current tax	-	-	(52,770)
Previous Year Tax	-	-	-
Deferred tax income/(expense)	-	-	(23,839)
Profit for the period	85,420,597	49,996,904	66,842,629
Other comprehensive income	-	-	-
Total comprehensive income	85,420,597	49,996,904	66,842,629

1. Notes to quarterly unaudited financials.

1.1 The unaudited financial statements for the Fourth Quarter of the FY 2077/78 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 has started its commercial operation from 2078 Ashadh 03.

1.2 Revenue:

1.2.1 **Sale of Electricity:** Revenue from sale of electricity is generated by Tadi Khola Project (5 MW) and Mistri Khola Project (42 MW). Tadi Khola Project invoiced Rs. 123,504,548/- and Mistri Khola Project invoiced Rs. 44,711,800/- up to Ashadh end 2078, to Nepal Electricity Authority as per the terms of PPA.

1.2.2 Mistri Khola Project has started the commercial operation from Ashadh 03, 2078. Net Construction Revenue of Rs. 35,437,974 /-disclosed in the Statement of Profit or Loss and Comprehensive Income represents revenue from construction of the Project, which is based on forecast cost plus 5% as per IFRIC 12 of Nepal Financial Reporting Standards.

1.3 Amortization:

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

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

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

1.4 Taxation:

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

1.5 Related Party Transitions:

There is no related party transaction during the reporting period.

1.6 Key Financial Ratio

Period	Earnings Per Share (Quarterly)	Net Worth Per Share	Current Ratio	P/E Ratio
This Quarter End	4.70	129.14	4.32	189.43
Previous Quarter End	2.83	130.88	5.89	294.38
Corresponding Previous Quarter End	4.25	119.07	4.73	-

1.7 Challenges

Internal

- Retention of skilled human Resources
- Managing Operational Efficiency

External

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

2. Management Analysis

Operation of Tadi Khola (Thaprek) projects is satisfactory. The debt service of the project is satisfactory.
Mistri Khola Project has come into commercial operation from Ashadh 03,2078.

3. Analysis of Share Transactions:

Maximum Price NPR	Minimum Price NPR	Closing Price NPR	Total Turnover	Traded Volume	Transaction Days
1066	703	890	1,395,562,905	1,603,986	79

4. Corporate Governance

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

5. Declaration from Managing Director

I take the responsibility for the accuracy of financial and other information detailed in this report for the period up to fourth quarter of FY 2077/78 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.