

**Proposal to establish an Industry**

**In**

**PPP Model**

**(Public Private Partnership)**

**for**

**Nepal Hydro Equipment Manufacturing Company Pvt. Ltd.**

**NHEMC**

नेपाल हाइड्रो ईक्विपमेन्ट म्यानुफ्याक्चरिङ्ग कम्पनि प्रा.लि.

उद्योग स्थापनाको प्रस्ताव

**Proposal for Company formation of Hydro-Electric Equipment Production and Construction Company Limited, an Industry in Public Company Model.**

**Proposed by :**

**Mr. Bal Bahadur K.C.**

**M.D.**

**Nepal Hydro Equipment Manufacturing Company Pvt. Ltd.**

**(NHEMC)**

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# Nepal Hydro Equipment Manufacturing Company Limited (NHEMCL)

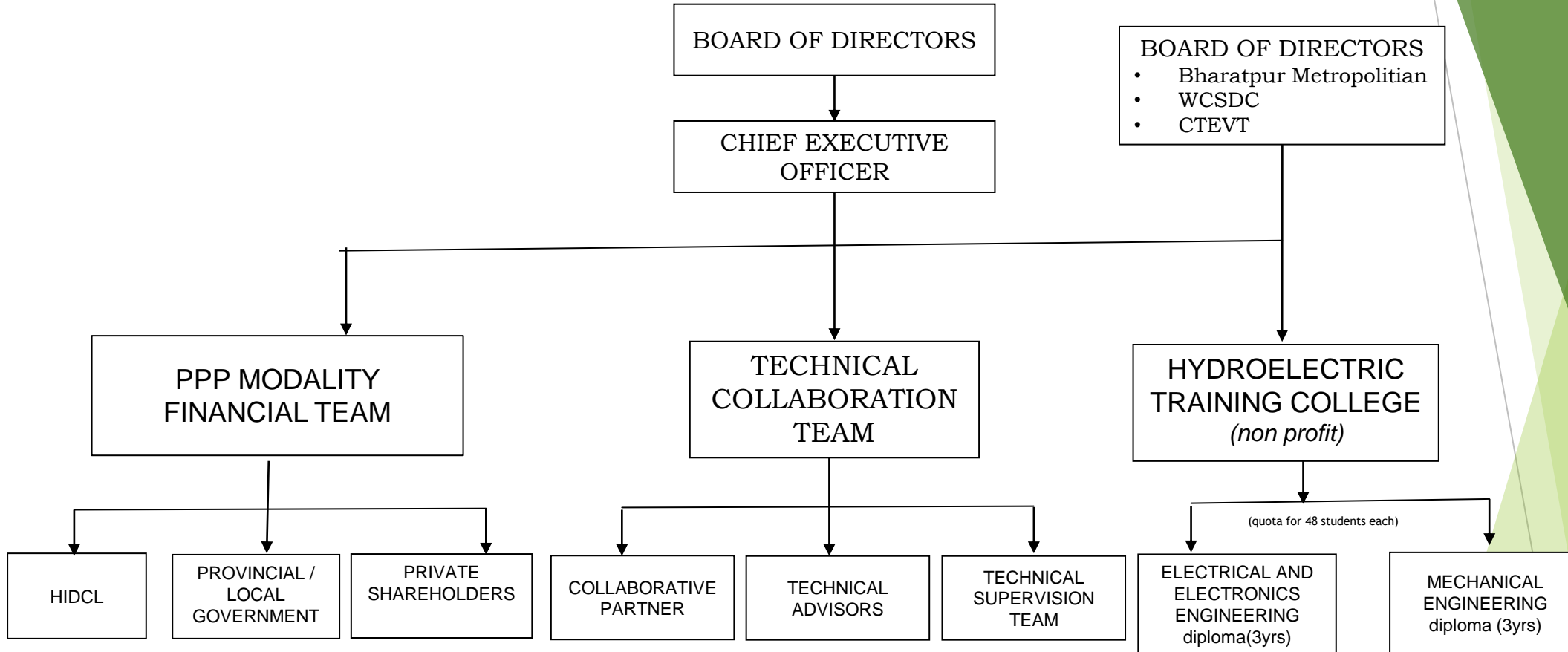
Limited, an Industry in Public Private Partnership (PPP) Model.  
Proposed by :

Mr. Bal Bahadur K.C.  
M.D.  
NHEMCL



# EXECUTIVE CHART

( Nepal Hydro Equipment Manufacturing Company Ltd.)



ORGANIZATIONAL CHART

BOARD OF DIRECTORS



CEO



ADMINISTRATION

R&D

ACCOUNT/STORE

EDUCATIONAL WING

OFFICE  
ADMIN/HR

TECHNICAL

Research

Marketing

ACCOUNT  
HEAD

STORE  
HEAD

Technical  
Supervisors

Admin Head

Admin  
assistant

ELECTRICAL  
DEPT admin  
head

MECHANICAL  
DEPT admin  
head

Supervisor

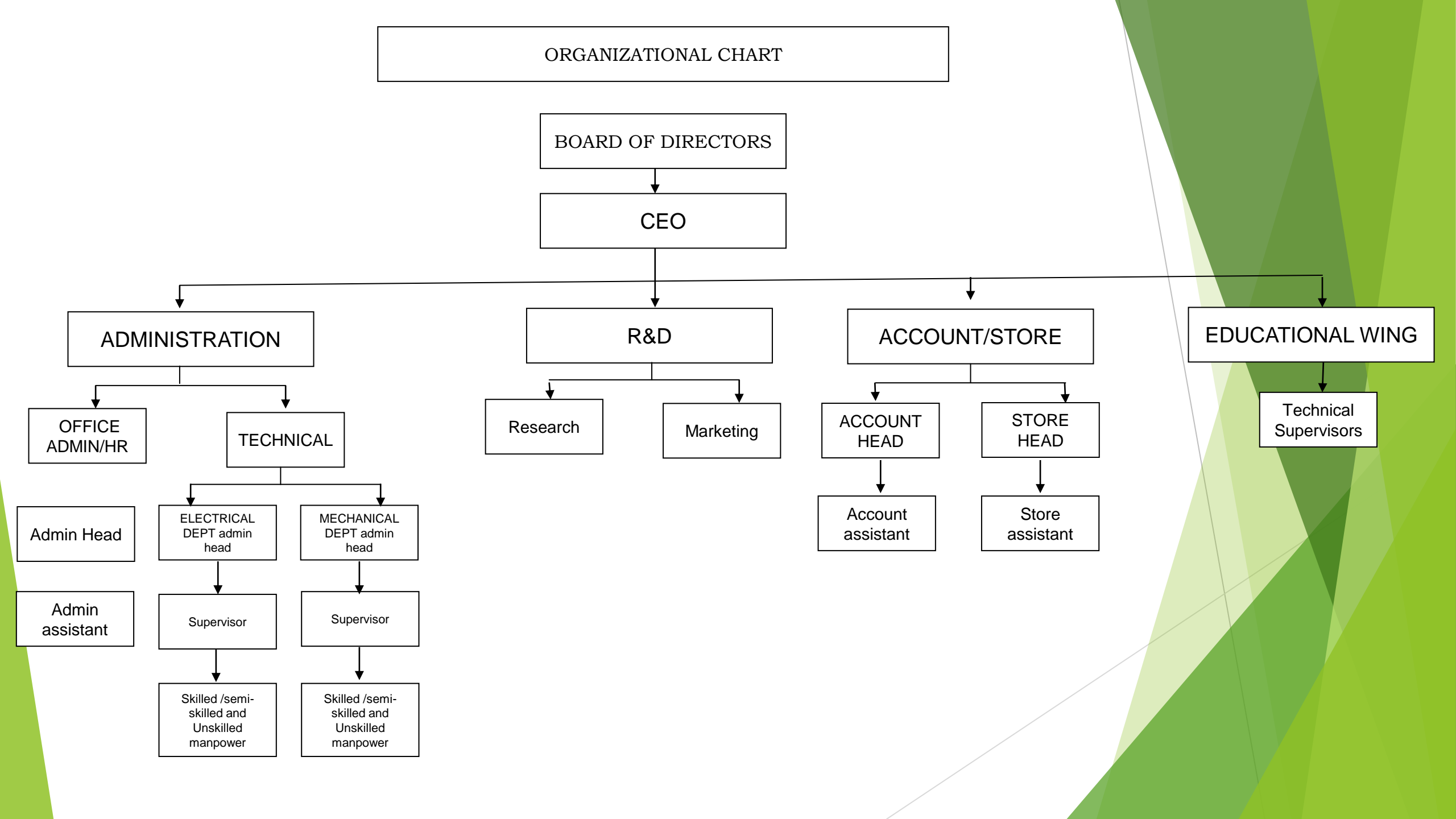
Supervisor

Skilled /semi-  
skilled and  
Unskilled  
manpower

Skilled /semi-  
skilled and  
Unskilled  
manpower

Account  
assistant

Store  
assistant



## Here Important Features of NHEMCL are Highlighted Here.

1. Direct Employment is given to 135 people as permanent employee and Temporary employees will be 445 people and Part-time and indirect employee will be in thousands.
2. Required high skilled manpower for Hydro-power generation can be produced in the country.
3. 40 students will be given on-job training (OGT) for their Hydro Mechanical education and another 40 students for their Electro Mechanical each year, under CTEVT affiliated institutions. This will fulfil our domestic demand of engineers and also people can find work abroad.
4. Required Machines for Hydropower generation starting from a few hundred Kilowatt capacity up to 30 MW capacity will be Manufactured / partially assembled and fabricated inside the country.
5. There will be an overall development of the place where this industry will be established

## Here Important Features of NHEMCL are Highlighted Here.

6. After a certain time, 25% of the Equity of this company will be sold to the General Public (employees and local people get reservation), as IPO so that more and more people get and feel ownership to this company.

7. The Project Cost will be 1,700,000,000/- NRs.

8. New types of spiral penstock pipes, all kinds of turbines (Pelton, Turgo, Francis: Open-Flume Francis & Spiral-Case Francis, Kaplan etc.) are manufactured here with European Standard.

09. The Loan will be 1,050,000,000/- which will be used as follows

TOTAL LONG TERM LOAN	960000000
TAKING SHORT TERM LOAN	
FOR HM PLANT	45000000
FOR EM PLANT	45000000
TOTAL SHORT TERM LOAN	90000000

Here Important Features of NHEMCL are Highlighted Here.

10. New types of spiral penstock pipes, all kinds of turbines (Pelton, Turgo, Francis: Open-Flume Francis & Spiral-Case Francis, Kaplan etc.) are manufactured here with European Standard.
11. This company can fulfil the gap of the Hydropower Sector where many companies are finding difficulty in the equity injection and finding the proper and reliable equipment supplier, by giving them EPC or “turnkey” solution, solutions in deferred payment etc.
12. The regularity of supply of necessary parts, mechanics and repair and maintenance force will always be available in this company and can be deployed for any immediate maintenance or scheduled repair of any existing hydropower projects.
13. In the span of 10 years, this company can save at least 1.55 Billion US Dollars to the country



Year	Sales Revenue In US Dollars Million	Gross Profit Margin for the new company for Both HM and EM in US Dollars Million	Import Value in Million	Saving the import as manufactured/ assembled / fabricated goods
1	0	0	0	0
2	129.56	15.867	51.16185	62.53115
3	205	24.313	81.30915	99.37785
4	250.92	30.135	99.35325	121.4318
5	313.24	39.155	123.3383	150.7468
6	375.56	48.175	147.3233	180.0618
7	421.48	53.997	165.3674	202.1157
8	459.2	58.22	180.441	220.539
9	513.32	65.641	201.4556	246.2235
10	559.24	71.463	219.4997	268.2774

1551.305 Million US Dollars saving

## Company production and services

- ▶ The company will fabricate, manufacture and assemble the following Equipment and accessories required for Hydro-Electricity Generation up to for 50MW capacity hydropower projects
  - a) Turbines
  - b) Steel Penstocks,
  - c) Spiral Penstocks
  - d) linings,
  - e) bifurcations and manifolds
  - f) Gates
    - 1) Spillway and bottom outlet radial gates

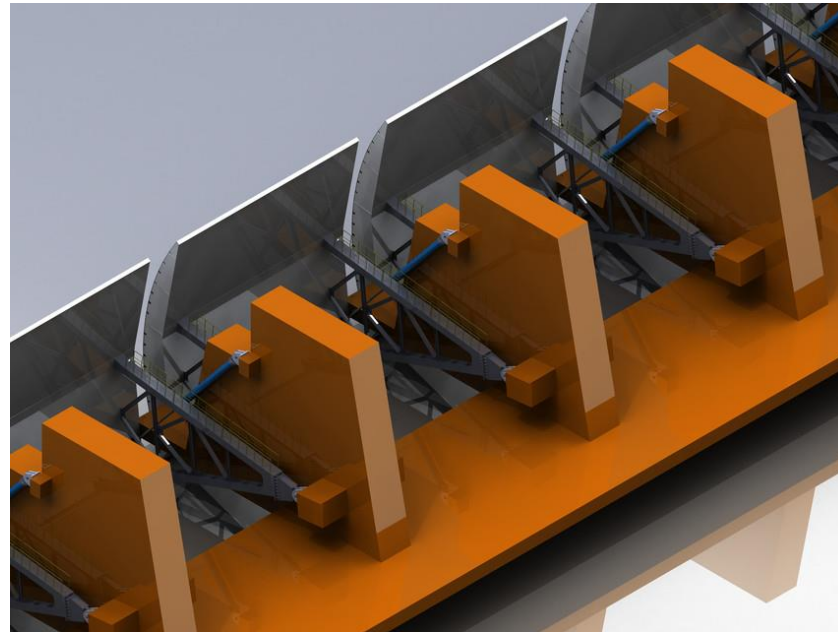


Butterfly Valve

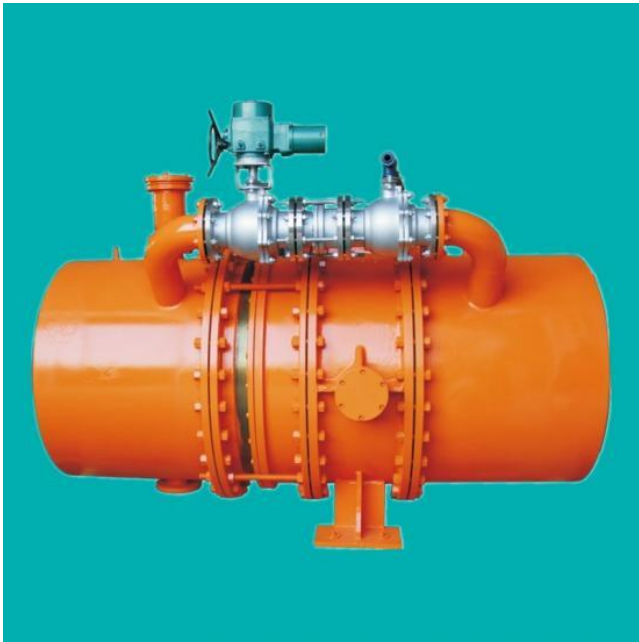




Hydraulic pressure relief valve



Radial Gate



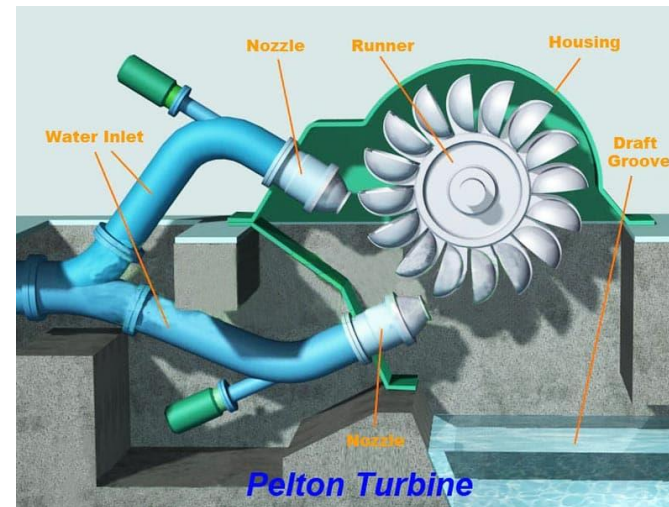
Expansion Joint & Pressure release Valve



Butterfly Valve



Pelton Turbin Vertical



**The Equity (Paid up Capital) of the company will be as follows:**

S.N.	Equity Partner	Percentage	Amount in N.Rs.	In Words
1	Total Equity Paid-Up as per date (NHEMCL)	11.7	76,453,000/-	Seventy Six Million Four Hundred Fifty Three Thousands Rupees
2	Province Government (Gandaki Province)	10	65,000,000/-	Sixty Five Million Rupees
3	Local Government Dev Chuli Municipality	5	32,500,000/-	Thirty Two Million Five Hundred Thousand Rupees
4	Local Government Kawasoti Municipality	5	32,500,000/-	Thirty Two Million Five Hundred Thousand Rupees
5	HIDCL (Hydroelectricity Investment Company Ltd.)	5	32,500,000/-	Thirty Two Million Five Hundred Thousand Rupees
6	CIT (Citizen Investment Trust)	5	32,500,000/-	Thirty Two Million Five Hundred Thousand Rupees
7	Share Advance & Contractual Obligations	10	65,000,000/-	Sixty Five Million Rupees
8	Foreign Party / Technical Collaborator (JV company) (Eastasia Group Co. Ltd.)	28.3	183,950,000/-	One Hundred Eighty Three Million Nine Hundred Fifty Thousand Rupees
9	General Public by issuing IPO	20	130,000,000/-	One Hundred Thirty Million Rupees
	<b>TOTAL</b>	<b>100</b>	<b>650,000,000/-</b>	<b>Six Hundred Fifty Million Rupees</b>

**THE SOFT LOAN FOR BASKET PROJECT AS FOLLOWS:**

<b>S.N.</b>	<b>Equity Partner</b>	<b>Total project Cost 100%</b>	<b>Percentage</b>	<b>Equity Part</b>	<b>Soft Loan</b>	<b>percentage</b>
1	Nepal Hydro equipment plant	17000000,00/-	38%	650000000/-	1050000000/-	62%
2	Madhya-Daram Khola small Hydropower project-A	673584000/-	30%	202075200/-	471508800/-	70%
3	Madhya-Daram Khola small Hydropower project-B	944688000/-	30%	283406400/-	661281600/-	70%
	Total	3318272000/-		1135481600/-	2182790400/-	

- ***10 % share will be equally provided to people under MPI ( Multidimensional Poverty Index) of the effected region.***

## Expert Advisory Team

S.N.	Name	Expertise	Remarks
1	Dr Rajkumar Dahal.	Material/Quality test of Hydroequipment	Phd. Mechanical Engineering
2	Mr. Mani Raj Dahal	Hydropower Design	Msc. Hydraulics & River Basin Development.
3	Dr. Chhatra Bdr. Basnet	Tunnel Expert	Phd. In Tunneling
4	Er. Mann Bdr. Shrees	Hydro-mechanical quality inspection	
5	Mr. Bijaya Dev Pant	Financial expert	
6	Ar. Prakash Poudel	Valuator/ Building Expert	B.Arch
7	CA Bishal Raj Bhushal	Chartered Accountant	
8.	Er. Prabin Rajauriya	Auto mobile Engineering	B.E. Automobile Engineering



## Government Benefits

S.N.	Description	Employment	Remarks
1	200 crore import will be decrease by 50% equivalent to 100 crore after this project launch.	Decrease the import loss by 100 crore	
2	Skilled manpower-100 Semi skilled manpower- 400	500 nos.	
3	Student scholarship-per year	80-100 student	
4	Job guarantee for Hydropower project	80-100	
	<b>Total</b>		

# हाइड्रोपावर प्रविधि शिक्षण तथा उपकरण उद्योग

स्थापनार्थ तयार गरिएको प्रस्तावनाको  
सारसंक्षेप



प्रस्तावित पिपिपि मोडेल कम्पनी  
**नेपाल हाइड्रो ईक्विपमेन्ट म्यानुफ्याक्चरिङ्ग कम्पनी प्रा.लि.**  
नवलपुर

प्रस्तुतकर्ता  
**श्री बल बहादुर के.सी.**  
प्रबन्ध निर्देशक  
**नेपाल हाइड्रो ईक्विपमेन्ट म्यानुफ्याक्चरिङ्ग कम्पनी प्रा.लि.**  
गण्डकी प्रदेश, बाग्लुङ, नेपाल  
सम्पर्क नं. ९८४७६२८६१५  
ईमेल: dcm@mail.com

यस धौलागिरी सीईएम ईन्जिनियरिङ्ग कम्पनी प्रा.लि.ले विगत २५ वर्षदेखि १०० किलोवाट सम्म क्षमताको ४२ वटा भन्दा बढी ग्रामीण विद्युतिकरण आयोजनाहरू र ३८० किलोवाट क्षमताको साना जलविद्युत आयोजना १ समेत सम्पन्न गरिसकेको सवैमा विदितै छ । अब यस कम्पनीको क्षमता वृद्धि गर्दै सोको अगुवाईमा नेपाल सरकारको सार्वजनिक निजी साभेदारी (पीपीपी) मोडेलको अवधारणा र कार्यविधि अनुसार नेपाल हाईड्रो ईक्यूजमेन्ट म्यानुफ्याचुरिङ्ग कम्पनी लिमिटेड दर्ता गरी नेपालमै प्रतियूनिट ५० मेगावाट क्षमताको टरवाईन निर्माण गर्ने गराउने योजना रहेको छ । विदेशी टरवाईन म्यानुफ्याक्चरिङ्ग कम्पनीसँग प्रविधि आयात गर्ने वा कोलाब्रेशन गर्ने सम्बन्धमा छलफल गर्दा नेपाल सरकार वा नेपाल सरकार मातहतका वित्तीय संस्थाको संलग्नता विना प्रविधि हस्तान्तरण गर्न अस्वीकार गरेको हुँदा नेपाल सरकार संघीय उर्जा मन्त्रालय, गण्डकी प्रदेश सरकार, भरतपुर महानगरपालिका, देवचुली नगरपालिका र कावासोती नगरपालिकाको साभेदारी रहेमा विदेशी प्रविधियुक्त कम्पनीले प्रविधि सहित संलग्न रहि साभेदारी गर्ने मनसाय देखाएको तथा उक्त कम्पनीको प्रविधि हाम्रो लागि उपयुक्त समेत रहेकाले नेपाल सरकार, माथि उल्लेखित मन्त्रालय तथा निकायसँग संयुक्त साभेदारी सहकार्यको व्यवस्थाको लागि प्रस्ताव गर्दछौं । उक्त कम्पनी संचालन गर्न आवश्यक पर्ने पूँजी ३८% स्वलगानी र ६२% सहूलियतपूर्ण बैंक ऋण सहयोग लिई प्रस्तावित कार्यक्रम संचालन गरिने छ । जसको विवरण देहाय बमोजिम प्रस्ताव गरिएको छ ।

The Total Project Cost is expected to be 1,700,000,000/- (One Billion Seven Hundred Million Rupees)

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यसरी संयुक्त लगानीमा संचालन गरिएको यस कम्पनीले कम्तीमा वार्षिक २० आयोजनालाई आवश्यक पर्ने टरवाईन र आवश्यक अन्य उपकरण उत्पादन गर्नेछ भने पूर्ण छात्रवृत्तिमा वार्षिक १०० जना विद्यार्थीले काम गर्दै अध्ययन गर्ने अवसर प्राप्त गर्नेछन् ।

**नेपाल सरकारलाई हुने फाईदाहरु :**

सि.नं.	विवरण	रोजगार संख्या
१	वार्षिक अनुमानित २ अरब रुपैयाँको आयातमा हुने मध्येबाट यस कार्यक्रम संचालनबाट कम्तीमा ५०% वा एक अरब बराबरको वार्षिक आयात प्रतिस्थापन हुनेछ ।	वार्षिक रु.१ अरब बराबरको आयात घाटा कम हुने
२	४०० जना अर्धदक्ष र १०० जना दक्ष जनशक्ति समेत	५०० जना
३	१०० जना विद्यार्थीले छात्रवृत्तिमा अध्ययनको अवसर प्राप्त गर्ने	६०-१०० जना
४	अध्ययन पश्चात हाइड्रोपावरमा रोजगारी प्राप्त गर्ने	६०-१०० जना
५	गाउँपालिकाको अध्ययन प्रतिवेदनबाट गरिबीका रेखामुनी रहेका घर परिवारलाई उल्लेखित नमूना आयोजनालाई सहूलियत ऋण प्राप्त भएवापत ईक्विटी लगानीको १०% शेयर उपलब्ध गराउने	६००-११०० घरधुरी परिवार

सार्वजनिक निजी साभेदारीको कार्यविधि अनुसार यस प्रस्तावलाई सम्बन्धित निकायमा अगाडी बढाउन अनुरोध गर्दछौं ।

नेपाल सरकार शिक्षा मन्त्रालय, CTEVT द्वारा संचालित Diploma तहको Mechanical र Electrical & Electronics विषयको पाठ्यक्रम अनुसार वार्षिक ४०-४० जना विद्यार्थीले छात्रवृत्तिमा अध्ययन गर्ने अवसर प्रदान गर्न, CTEVT, Polytechnic महाशाखा, पश्चिमाञ्चल सामुदायिक शिप विकास केन्द्र बाग्लुङ र भरतपुर महानगरपालिकाको साभेदारीमा संयुक्त संचालन हुने प्राविधिक शिक्षालयमा हाइड्रोपावर प्रविधि प्रयोगात्मक प्रशिक्षण तथा उपकरण उत्पादन/निर्माणमा अभ्यास गर्न सक्ने यस “नेपाल हाइड्रो ईक्विपमेन्ट म्यानुफ्याक्चरिङ्ग कम्पनी लि.” सँग सम्झौता गरी कार्यक्रम संचालन गर्न “हाइड्रोपावर प्रविधि शिक्षण तथा उपकरण उद्योग” स्थापना तथा संचालनका लागि हाइड्रो ईलेक्ट्रिक प्राविधिक शिक्षालय सञ्चालनका निमित्त यो प्रस्ताव प्रस्तुत गरिएको छ ।

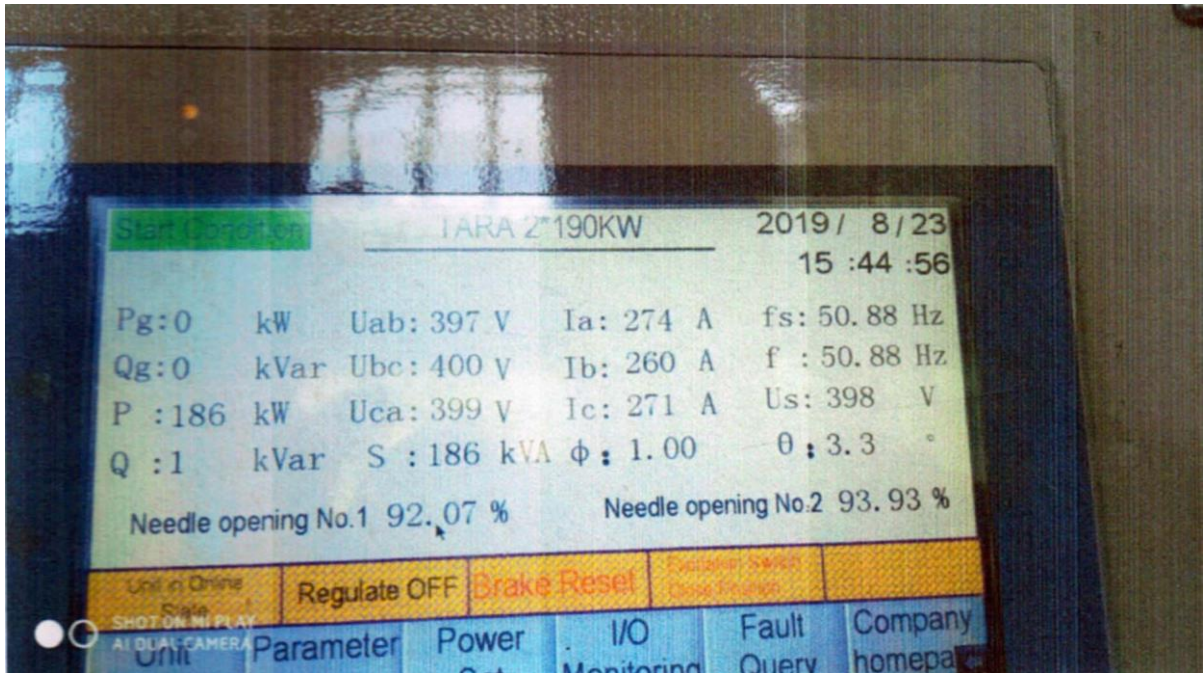
**POWER HOUSE TESTING GROUP PHOTO**



**POWER HOUSE EM EQUIPMENT INSTALLATION COMPLETION**



## METERING UNIT



## CONTROL PANEL UNIT



## POWER TRANSFORMER INSTALLATION



## POWER OF MACHINE EQUIPMENT



**Proposal to establish an Industry**

**In**

**PPP Model**

**(Public Private Partnership)**

**for**

**Nepal Hydro Equipment Manufacturing Company Pvt. Ltd.**

**NHEMC**

नेपाल हाइड्रो ईक्विपमेन्ट म्यानुफ्याक्चरिङ्ग कम्पनि प्रा.लि.

उद्योग स्थापनाको प्रस्ताव

**Proposal for Company formation of Hydro-Electric Equipment Production and Construction Company Limited, an Industry in Public Company Model.**

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**M.D.**

**Nepal Hydro Equipment Manufacturing Company Pvt. Ltd.**

**(NHEMC)**



# Introduction



Nepal is strategically located between India and China, two of the largest economies in the world. Nepal is a landlocked and a least developed country, occupying 147,516 sq km total land area, lies between 26°22" and 30°27" N latitudes and 80°04" and 88° 12" E longitudes with North to South of 193 km width and 885 km average stretch from East to West.

## COUNTRY PROFILE / OVERVIEW with Major Indicators

Country name	Nepal (Federal Democratic Republic of Nepal)
Region	South Asia
Capital	Kathmandu, located in central Nepal
Population	29.5 million
Area	147,516 square km
Altitude	(Lowest) 59m in Kechena Bari Jhapa to -8,848 m (Mt Everest) (Highest)
Standard time	GMT + 5:45 hours
Governing system	Republic: multi-party parliamentary democracy with elected prime minister accountable to the parliament as executive head; constitution promulgated in 2015
Language	Nepali, written in Devanagari script; English is widely used in business
Religion	Secular state; Hinduism 81.3%, Buddhism 9.0%, Islam 4.4%, Kirat 3.1%, Christianity 1.4%

Geography	(South to North)  Terai region: Altitude 59–700 m  Hilly region: Altitude 700–3,000 m  Mountain region: Altitude 3,000–8,848 m
Climate	Terai region: tropical/sub-tropical, hilly region: moderate, mountain region: sub-alpine/alpine
Currency	Nepali rupee (NPR), 1 USD = 124.56 NPR (as of 9 June 2022), 1 INR = 1.615 NPR (fixed pegged rate)
ISD code	+ 977

## Economic indicators

Overview	Last	Reference
GDP Annual Growth Rate (%)	4.0	Dec/2021
Unemployment Rate (%)	4.44	Dec/2021
Inflation Rate (%)	7.28	Apr/2022
Interest Rate (%)	7	May/2022
Balance of Trade (Million NPR)	-145004	Dec/2021
Current Account (Million Rupees)	-333672	Mar/2021

Current Account to GDP (%)	-0.9	Dec/2020
Government Debt to GDP (%)	37.7	Dec/2020
Government Budget (% of GDP)	-4.3	Dec/2020
Coronavirus Cases (Persons)	979242	13 Jun/2022
Coronavirus Deaths (Persons)	11952	13 Jun/2022
Coronavirus Vaccination	44166069	13 Jun/2022
<b>TRADE INDEX</b>		
Balance of Trade (Million NPR)	-145004	Dec/2021
Current Account (Million Rupees)	-333672	Dec/2021
Exports (Million NPR)	15930	Dec/2021
Imports (Million NPR)	160934	Dec/2021
Gold Reserves (Tonnes)	7.98	Dec/2021
Foreign Direct Investment (NPR Million )	19479	Dec/2021
Terms Of Trade (points)	103	Dec/21
Terrorism Index	5.34	Dec/2019
<b>PRICES</b>		
Inflation Rate (%)	7.28	Apr/2022
Consumer Price Index Cpi (points)	147	Apr/2022
Export Prices (points)	114	Dec/2021
Food Inflation (%)	7.4	Apr/2022

Import Prices (points)	111	Dec/2021
<b>GOVERNMENT</b>		
Government Debt to GDP (%)	37.7	Dec/2020
Government Budget (% of GDP)	-4.3	Dec/2020
Credit Rating	15	
Government Spending (NPR Million)	192474	Dec/2020
Military Expenditure (USD Million)	425	Dec/2020
<b>GDP</b>		
GDP Annual Growth Rate (%)	4.00	Dec/2021
GDP (USD Billion)	33.66	Dec/2021
GDP per capita (USD)	1028	Dec/2021
GDP per capita PUBLIC COMPANY (USD)	2724	Dec/2018
GDP Constant Prices (Million Rupees)	2382708	Dec/2021
GDP From Agriculture (NPR Million)	644585.77	Dec/2021
GDP From Construction (NPR Million)	153253.39	Dec/2021
GDP From Manufacturing (NPR Million)	118119.70	Dec/2021
GDP From Mining (NPR Million)	15905.47	Dec/2021
GDP From Public Administration (NPR	105144.00	Dec/2021

Million)		
GDP From Services (NPR Million)	331114.98	Dec/2021
GDP From Transport (NPR Million)	117549.26	Dec/2021
GDP From Utilities (NPR Million)	31954.99	Dec/2021
Gross Fixed Capital Formation (NPR Million)	815592.00	Dec/2021
<b>BUSINESS</b>		
Internet Speed (KBps)	3369	Mar/2017
IP Addresses (IP)	181620	Mar/2017
Changes In Inventories (NPR Million)	104637	Dec/2020
Competitiveness Index (Points)	51.57	Dec/2019
Competitiveness Rank	108	Dec/2019
Corruption Index (Points)	33	Dec/2021
Corruption Rank	113	Dec/2019
Ease of Doing Business (expected)	104	Dec/2021

In 2015, Nepal adopted a new constitution that embraces multiparty democracy, federalism and private sector-led liberal economics. The government is committed to the promotion of foreign investment, providing a unique opportunity for foreign direct investment (FDI) in Nepal.

Although Nepal is classified as a least developed country (LDC) by the United Nations, its goal is to graduate from this status by 2022 and transition to a middle income country by 2030. To achieve these targets, an economic growth rate of 7–8% and investment in infrastructure of USD 13–18 billion by 2020 will be required.

The Ease of Doing Business Index is 94 on Dec 2021 by Trading Economics. The International Finance SECTOR PROFILE : MANUFACTURING Corporation (IFC), World Bank Group places Nepal second only to Bhutan among all South Asian countries. Nepal's investment potential, combined with these features, have led to an increase in interest in FDI in recent years. As a member of the World Trade Organization (WTO), Nepal offers one of the lowest import duties in the region. Nepal has also signed Double Taxation Avoidance Agreements with 10 countries and concluded Bilateral Investment Protection and Promotion Agreements (BIPAs) with 6 countries.

The economy, during the past 2 years, has set a little setback in our expectation because of the Corona Virus lock-down, cease in tourism activities and less export and increase in import of health related products, medicines and vaccines.

Following the entry into force of the Nepal-India Trade and Transit Treaty, Nepal enjoys duty and Quota-free access to both China and India's massive and growing market. On the other hand China has granted duty-free import to more than 240 Nepalese products. India also gives easy import to many of our products a most favored nations treatment. The manufacturing sector has a promising future in Nepal. And the recent agreements with India to sell hydro-electricity and thus Nepal has stated to export/sell 464 MW of Electricity to India. This has opened an opportunity for future to be able to sell to Bangladesh, many big hydropower generating projects are now getting momentum with financial commitments and financial closure.

Over the last decade, disposable income has increased by 14.4% per year on average, which has led to a comparable increase in consumption. At present, with foreign currency reserves of USD 9.6 billion (as of Apr 2022), Nepal is in a good position to receive finance imports. However, the trade deficit, which reached 1.3 Trillion Nepalese Rupees, continues to be of concern. The FDI as per 2021 Data is 19479 Million Nepalese Rupees.

It is expected that FDI will stimulate domestic production and gradually close this gap. Despite the catastrophic earthquake of 25 April 2015 and the transport blockade in the border that followed, Nepal has begun to rebuild and continues to be a highly attractive destination for FDI in various sectors.

The country's varying topographic and climatic conditions from south tropical to alpine in north with 80% of the annual rainfall in summer season, distributing both from north-south and east-west directions.

Three major river systems originate from across the Himalayan range divided in Nepal from east to west the Koshi, Gandaki, and Karnali River, major tributaries of the Ganges river in northern India.

Nepal has endowed high potential of water resources, covering 395,000 ha (48%) area within 45,000 km in length of 6000 rivers with 170 billion m<sup>3</sup> annual runoff and 45,610 MW of Economically Feasible hydroelectricity generation.

Since 1911, Nepal started Hydro Electricity generation with 500 kW power generation at Pharping, Now it has reached 827.85 MW production in 2020 June. While, we have many projects ongoing and upon completion we will be able to produce another 2094.5 MW.

Nepal also has a plan to generate 100 MW of Micro-Hydropower, 2100 MW of solar power for the grid, and 3000 MW of wind power commercially exploitable renewable energy.

Even though Nepal has a tremendous potential for Hydro-Electricity, our generation capacity is very low till date. If we are able to utilize a substantial amount of hydro-electricity, not only Nepal but neighboring countries like India, India and other countries like Bangladesh can also benefit from its hydro-generated electricity by expanding the electricity transmission lines. This can be a permanent source of foreign currency earning for Nepal by selling the carbon-free clean energy.

Recently there has been agreements with India to sell hydro-electricity, and immediately followed by actual sales of 364 MW to India. It has opened an opportunity for future to be able to sell to Bangladesh, many big hydropower generating projects are now getting momentum with financial commitments and financial closure.

There are many obstacles in big projects for Hydro-Electricity generation. Some problems like land procurement, financing, Environment Impact Assessment, Issues of Forest land, management of effected locals and bureaucratic hurdles etc. are consuming a lot of time and costing for these projects. Hence we are focusing on mid-sized hydropower generating projects ranging from Micro, Mini, Pico Hydro up to 120 MW capacity, as we will develop our plant for manufacturing / assembling single turbine upto maximum 30 MW capacity.

Through our Indian partner, we also plan to bring soft-loans for Hydropower Projects Developers, where the equity investors find difficulty in financing 100% of their part of equity. This will trigger the construction of these projects as well as secure our market.

The present Budget from the Government has pave way for projects where EIA final report is not needed to start the construction. Construction can be started with the TOR backed up by the initial environment repost. Therefore many projects will be seen starting the construction.

## The Company

All the Turbines, Generators and other equipment including designs, software, control units which are necessary for Hydro-Electricity generation, are all imported in Nepal. In view of this reality, if these equipment's are manufactured in Nepal, there will not only be a saving of substantial amount of Foreign Currency but also employment generation and a very positive impact on our national GDP. Our motto in this company formation proposal is to make it a PPP Model Company (with Public and Private Partnership) in which Investment from the Government of Nepal, A Foreign technical and financial collaboration (from a suitable JV company) and with investment from Private sector lead by Mr. Bal Bahadur KC of NHEMC Group and the General Public (IPO) will make it a state-of-art PPP company having a great amount of Return on Investment for a very long period.

For this noble cause, when we are approaching to a suitable Foreign Party for establishing this JV company and their affiliate companies for Technical Collaboration, they have agreed in this initial stage to participate and jointly work with us. Our main objective is to bring them as our equity partner. For these negotiations are going on. The Ministry of Energy, Water Resources and Irrigation, Government of Nepal is highly appreciative and is positive in equity inject. Also and other concerned authorities are positive in this noble cause of training developing the needed manpower and technology, saving foreign currency and generating employment , producing the product in our own country as well as value add to our GDP.

This is the very first time that Government of Nepal is ready to invest, and collaborate technically with Nepalese counterparts and with a suitable and experienced State-of-Art Company with Foreign back up and their foreign collaborators to manufacture / assemble Hydro Mechanical (HM) and Electro Mechanical (EM) equipment of European Standard, inside our country providing on-job training as in PPP model. This is an opportunity for business, training and create efficient experienced manpower, technical know-how to design, fabricate, construct, install and operate Hydropower Generating Equipment up to the capacity of 30 MW single unit. Also we will be manufacturing Spiral Penstock Pipes here.

The company will have a permanent tie-up with a reputed training center under CTEVT, for practical training and on-job internship. Therefore this will contribute in creating technical manpower necessary for repair, maintenance as well as operation for Hydro-Mechanical and Electro Mechanical equipment. Therefore by initiating this industry we will gain so many tangible and intangible achievements, and many projects will be completed timely.

We are importing almost 100% of Hydropower Equipment in Nepal. The Government and many private sector is trying to correct this by opening such industry and we are taking the lead with the support and investment from the Government of Nepal. While our other major support



should come from our JV Foreign Company. We will be able not only to produce many parts, components and equipment, but also will be able to fabricate, assemble , install and control such machines/ equipment which will be of European Standard and self-sufficient in the long run.

## Company Summary

### Company Formation

This Company will be led by NHEMC group and an equity participation from the Government of Nepal and a FDI from The JV partner , with technical skill support and raw material supply , must be a reputed and experienced company in this field, which have been manufacturing / assembling HM and EM equipment as per European Standard. The general public will also be participating as IPO in due course of time. This will be a PPP (Public Private Partnership Company)

### About NHEMC

<p><b>NEPAL HYDRO EQUIPMENT MANUFACTURING COMPANY PVT. LTD.</b></p>	<p>NHEMC Pvt Ltd</p> <p><b>(NEPAL HYDRO EQUIPMENT MANUFACTURING COMPANY PVT. LTD.)</b></p> <p>Address: BAGLUNG -11, SHREENAGAR CHOWK, Pushpalal Highway, BAGLUNG, 33300 NEPAL</p> <p>Phone No.     068-522705, 522844</p> <p>Fax No.        068-522844</p> <p>Chief Executive     Mr. BalBahadur KC</p> <p>Contact Office in Kathmandu: Indreni Tower Naya Baneshwor Kathmandu, Nepal</p>
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NHEMC (Nepal Hydro Equipment Manufacturing Company Pvt. Ltd) is an experienced Manufacturer and supplier having 13 years of experience. This company has worked for more

than 40 projects ranging from 3 kW to 100 kW. This company has been involved in construction, installation and project completion of Pico Hydro, Mini Hydro and Micro Hydro projects. NHEMC has been working with AEPC and THE JV COMPANY (Foreign Party) since a long time therefore, there is a mutual trust between these organization, and hence all three major parties are in a positive in initiating this new company to strengthen our country, Nepal.

NHEMC may bring the following companies under its umbrella to participate in this project, but the lead roll is performed by NHEMC , and many companies and individuals have committed to invest in this company.

NHEMC along with Pioneer Inspection Engineering are currently involved in manufacturing / fabricating equipment required for hydropower projects like penstock pipes, control panels, small turbines etc.

## Company Ownership / Equity / Capital / Loan Structure

The Project Cost Will be Rs.1,700,000,000/- (Nepalese Rupees One Arab Seventy Crore Only)

Equity Participation is assumed to be 38%

Rs. 650,000,000/- (Nepalese Rupees Sixty-Five Crore Only)

### The Equity (Paid up Capital) of the company will be as follows:

#### 2. Project Financials

a. The Total Project Cost is expected to be 1,700,000,000/- (One Billion Seven Hundred Million Rupees)

#### b. The Equity (Paid up Capital) of the Project is expected to be as follows:

S.N.	Equity Partner	Percentage	Amount in N.Rs.	In Words
1	Total Equity Paid-Up as per date (NHEMCL)	11.7	76,453,000/-	Seventy Six Million Four Hundred Fifty Three Thousands Rupees
2	Province Government (Gandaki Province)	10	65,000,000/-	Sixty Five Million Rupees
3	Local Government Dev Chuli Municipality	5	32,500,000/-	Thirty Two Million Five Hundred Thousand Rupees
4	Local Government Kawasoti Municipality	5	32,500,000/-	Thirty Two Million Five Hundred Thousand Rupees
5	HIDCL (Hydroelectricity Investment Company Ltd.)	5	32,500,000/-	Thirty Two Million Five Hundred Thousand Rupees
6	CIT (Citizen Investment Trust)	5	32,500,000/-	Thirty Two Million Five Hundred Thousand Rupees
7	Share Advance & Contractual Obligations	10	65,000,000/-	Sixty Five Million Rupees
8	Foreign Party / Technical Collaborator (JV company) (Eastasia Group Co. Ltd.)	28.3	183,950,000/-	One Hundred Eighty Three Million Nine Hundred Fifty Thousand Rupees
9	General Public by issuing IPO	20	130,000,000/-	One Hundred Thirty Million Rupees
	<b>TOTAL</b>	<b>100</b>	<b>650,000,000/-</b>	<b>Six Hundred Fifty Million Rupees</b>

he Loan Part will be Rs. 1,050,000,000/- (Nepalese Rupees One Arab Five Carore Only)

The Loan will be Long-Term Loan: 96 Crore Short-Term Loan: 9 Crore

Which we plan to take from the consortium of BFIs / Nagarik Lagani Kosh / Karmachari Sanchaya Kosh whatever will be convenient for us.

The Authorized Capital of NHEMCL (Nepal Hydro Equipment Manufacturing Company Limited ) Will be Rs.2,000,000,000/- (Nepalese Rupees Two Arab Only)

The Issued and Paid-Up Capital of NHEMCL (Nepal Hydro Equipment Manufacturing Company Limited ) Will be Rs. 650,000,000/- (Nepalese Rupees Sixty-Five Crore Only)

After the issue of IPO, most probably by the mid of 3<sup>rd</sup> year, The Issued and Paid-up Capital will be of completed.

## Company Production and Services

The company will fabricate, manufacture and assemble the following Equipment and accessories required for Hydro-Electricity Generation up to for 50MW capacity hydropower projects



- a) Turbines
- b) Steel Penstocks,
- c) Spiral Penstocks
- d) linings,
- e) bifurcations and manifolds
- f) Gates
  - 1) Spillway and bottom outlet radial gates,
  - 2) fixed-wheel gates,

### 3) sliding high pressure gates



### g) Valves

- 1) Butterfly valves
- 2) energy dissipating valve
- 3) and regulating valves

(all equipped with the relevant operation and control equipment)

Some components and equipment which can not be manufactured by the company will be imported and sold to the clients. So that the company plan to do a turn-key installation services. This will also guarantee for the repair and maintenance.

**PENSTOCKS****GATES****VALVES**

In any given projects of upto 50MW capacity of Hydropower generation, the basic construction works / components / fabrication will be distributed as follows:

<b>S.N</b>	<b>Description</b>	<b>Source of Origin (as Planned)</b>
1	Turbine Housing	Fabricate in Nepal by NHEMCL
2	Turbine Runner	Manufacture and supply by THE JV COMPANY (Foreign Party)
3	Casing Fabrication	Fabricate in Nepal (part of collaboration) by NHEMCL
4	Fly Wheel	Manufacture and supply by THE JV COMPANY (Foreign Party)
5	Control Panel	Component from THE JV COMPANY (Foreign Party) / Panel Board – NHEMCL (Fabricated in Nepal)
6	Hydraulic Governor	Components from THE JV COMPANY (Foreign Party)/ Housing-NHEMCL (Fabricated in Nepal)
7	Air Cooling System	Components from THE JV COMPANY (Foreign Party)/ Housing-NHEMCL (Fabricated in Nepal)
8	Generator Supply and Base Frame	Generator from THE JV COMPANY (Foreign Party), Base Frame –NHEMCL Nepal
9	Gate Valve Supply DC Motor	Supply by THE JV COMPANY (Foreign Party)
10	Draft Tube Pipe	Fabricate Locally – NHEMCL Nepal
11	Turbine Base Frame	Fabricate Locally – NHEMCL Nepal

12	Assembling	NHEMCL – NEPAL
13	DC System Control Panel	Battery – THE JV COMPANY (Foreign Party)/ Panel Board – NHEMCL
14	Chain Host System	Motor – THE JV COMPANY (Foreign Party) / Metal Beam Fabrication NHEMCL – NEPAL
15	Switch Chart System , Power Transformer	Switch Board – THE JV COMPANY (Foreign Party) / Power Transformer – NHEMCL
16	Design & Drawing	THE JV COMPANY (Foreign Party)
17	Quality Control of EMC	THE JV PARTNER- India
18	Manpower Training	On Job with the help of CTEVT and Other Institutions

## The Market

The following data shows the status of hydro-power generation in Nepal. When we focus only to Hydropower generation for up to 50MW projects, we have a tremendous business opportunity for at least for another 10 years.

### Survey License Issued

Project Size	Number of Projects	Project Estimated Capacity (MW)
<b>More than 1 MW</b>	<b>185</b>	<b>14376.344</b>

### Construction/ Generation License Issued

Project Size	Number of Projects	Project Estimated Capacity (MW)
<b>More than 1 MW</b>	<b>221</b>	<b>7173.699</b>

***(As per Government Data Dated - May 25, 2022)***

The above data shows that we have a tremendous market opportunity in Nepal in a very near future for the Industry. If we attain the foreign technical collaboration as mentioned in our proposal, and start production of the equipment, the import dependency will gradually decrease which will be replaced by our products. Many of the components can be produced in Nepal with our company and only those heavy things will be imported from THE JV PARTNER.

We assume that we can easily get a market of installing about 30 MW minimum installation in projects in EPC for our section, which will be, for the Electro Mechanical Components. The industry standard of 16.4 million US Dollars per MW, which becomes 20.5 million Nepalese Rupees per MW. There is a tremendous business opportunity as there are enough (more than 400) projects of small, medium and big types in hand.

Initially, the average percentage of manufacturing in Nepal will be about 55% and the percentage of import from the JV Partner will be 45% for HM and 20% in Nepal and 80% from



imports for EM. The manufacturing part in Nepal will gradually increase, while the import from our JV partners will gradually decrease. The chart is included as which products/ components are imported and which are manufactured / fabricated or assembled here. Some items like Turbine Runners, Generators, and High Precision components will be imported. The rest will be fabricated / manufactured / assembled here in Nepal. For this the Initial Understanding in Principle is already made with the JV partner.

## **Market Analysis Summary**

Nepal's Economy looks bleak at this moment, because of corona virus effect in business, tourism and its service sector. With the necessity to import medicines/medicinal equipment, vaccines, masks, sanitizers etc. during the corona virus effect time , for almost 2 years. And almost "ZERO" tourism revenue, the foreign currency reserve is low and the economical index shows gloomy picture but the main sector that the private and government sector is focusing is on Hydro-power generation and this sector will be having a continuous growth. This makes for a very attractive market for HHMCCL.

Recently there has been agreements with India to sell hydro-electricity, and immediately followed by actual sales of 364 MW to India. It has opened an opportunity for future to be able to sell to Bangladesh, many big hydropower generating projects are now getting momentum with financial commitments and financial closure.

We will be concentrating on our contacts and prospective customers that will provide us with the greatest margin and regular work, in other words.

We are also approached by many Private sector investors who are beginning for Contracts for Hydropower projects. Hydropower sector and other Infrastructure construction is the fastest growing segment of all the commercial in Nepal. Nepal Electricity Authority is requiring our services.

### **4.1 Market Segmentation**

At the moment our potential clients will be those companies who have received license for construction/ generation for Hydropower projects upto 100 MW.

### **4.2 Target Market Segment Strategy**

Our target market is divided into Five (5) segments.

#### **A. Micro-Hydro Segment:**

In this Segment, we will be having a small portion about 6 MW work which basically is for our CSR and support the small AEPC but the government is thinking of shutting down the licensing for the not-completed projects. There are 15 projects and out of this almost 10 are complete Micro, Mini and Pico Hydro projects where we can tab 5 projects.

<b>Project Size</b>	<b>Number of Projects</b>	<b>Project Estimated Capacity (MW)</b>
>1 MW to 15 MW	120	823.066
15 to 50MW	66	2034.004
50 to 100MW	20	1368.629
Above 100MW	15	2948.000
<b>Total</b>	<b>221</b>	<b>7173.699</b>

**B. 1 MW to 15 MW Segment:**

There are 120 projects who have taken construction license in this segment in a total capacity of 823.066 MW of Electricity Generation.

Most of the turbines we manufacture come in this sector and we hope to get more and more business in this segment.

**C. 15 to 50 MW Segment:**

When we enhance our capacity to manufacture a single 30MW capacity turbines /generators we also try to penetrate this sector where there are 66 projects having total capacity of 2034.004 MW of electricity generation. Our ideal is this segment.

Even if we cater 30 percent of the above **B** and **C** segment, this market for the coming 10 years which is about 857 MW. Each year we can be able to cater 80 MW to calculate in a very low end. We can have a turnover of about 8 Million US Dollars per year .

Total Projects 186

Total in this segment 2857.07 MW

40% minimum 1142.828 MW in coming 10 years

**D. 50 to 100 MW Segment:**

When we satisfy our customers in the upper segments, we can deliver multiple numbers of turbines/ generators for this kind of project. We have to wait another 5 to 6 years for this

segment. There are 20 projects having total capacity of 1368.629 MW of electricity generation in this segment.

#### **E. Above 100 MW Segment:**

Most of the projects in this segment have foreign joint-venture investments therefore it will be hard to penetrate this segment where there are only 15 projects having a total capacity of generating 2948 MW of electricity.

### **4.3 Service Business Analysis**

Nepal is booming at this moment, with overall business growth for the past four years averaging approximately 7.1%. This growth level is expected to continue for at least the next four years. This year's growth expectation is 6.1%. One of the prime reasons for this growth is the stable government and the growth in China and India our only neighbors. Our country is ideally situated to take advantage of this positive, almost double digit growth of two and is experiencing a boom to prove it. This makes for a very attractive market for HHMCCL, Commercial Contractors.

The construction of hydro-power projects are ongoing in Nepal. These are highly concentrated across the nation, but basically in the mountain areas. Thus we always have a nationwide scope and employ several thousands of workers based on project to project basis while we will be having a very good number of our permanent manpower . Although there will not be another company like ours in Nepal, but still this is a very competitive market, especially with the international players, who want to supply their products. When we gain a position in this market with state-of-the –art technology and good workforce and support along with enough cash backing, we will be having a significant market.

#### **4.3.1 Competition**

There are two major international companies active for the supply of those equipment in Nepal, Andritz and VOITH. There are also many small suppliers like HRH China, and other Indian and Chinese manufacturers along with Danish and Turkish suppliers, who supply and install the equipment that we want to produce in Nepal. The prices, opening of Letter of Credit from the Banks, Import process, logistics, Customs hassle, installation are the main problem faced by the clients these days and it is also time consuming . Therefore the projects are not completed in time.

### **4.3.2 Weakness**

#### The Complications in Hydropower Projects constructions in Nepal

There are many complications in the completion of Pico, Mini, Micro Hydropower constructions in Nepal. We want to highlight some of them here:

- a. Equity generation for the Hydropower projects
- b. Higher Interest rates from Banks and Financial Institutions
- c. Non-Transparent Subsidy Policy
- d. Foreign Companies lack absence of guaranty from the government for bringing FDIs even they are interested to invest
- e. Confusion in procurement for Hydro Power equipment
- f. Nepalese companies have not been qualified enough to collaborate technically with foreign technically advanced companies
- g. Extra Time is needed for installation and completion because of small parts and person to install
- h. No Supplier will give credit and there is always a lack of cash-flow in the hydropower construction projects

#### The Proposed Industry and its significance:

Many above negative points highlighted here, will be mitigated by our company as these problems will easily be solved when we are in the market. Therefore many hydropower companies will start benefitting from our industry.

### **4.3.3 Strength**

We plan to manufacture / fabricate Most of the components and equipment necessary for Hydro-Power generation in our industry. Some components / accessories will be assembled. We require to import a few components on CKD (Complete Knocked Down) and some on SKD (Semi Knocked Down) basis for assembly and processing/ fabrication. Only a very few components / accessories will be imported wholly.

We also plan to give our clients soft-credit terms for our products. As we plan to manufacture Turbines, Penstock, Linings, Bifurcates and Manifolds, Gates, Valves & Control Panels.

**Our clients will enjoy the following:**

Most appropriate pricing	Prompt delivery and installation
Well-trained manpower for after sales services	Cost effective operation
No procurement hassle	Soft Credit Terms
EPC contract	Made in Nepal with State-of-the-art technology

**Strategy and Implementation Summary**

HHMCCL., plans to market itself through a variety of methods. Our plan will use various methods.

We have been able to gain a very advantageous logistics and support system from our vendors for completion of our work in progress, that will allow HHMCCL., to obtain its materials at a significant discount and promptly. This will also allow the company to underbid its rivals and achieve a competitive cost advantage.

**5.1 Competitive Edge**

As a PPP model industry, the equity part is also being taken by the government so the external competition is leveled.

Mr. Bal Bahadur K.C., the lead of this group has an experience of 3 decades in the manufacturing and installation for more than 40 projects of Micro- Hydro types. He has been involved in NHEMC as M.D. who are producing the Penstock pipes and other HM equipment.

With the Experience of The JV company, we shall achieve our goal precisely and competitively.

We will also make Spiral Penstock , with state of art plant.

**5.2 Marketing/ Sales Strategy**

HHMCCL., plans to market itself through a variety of methods. We shall have direct marketing as well as advertisements to our target group with factory visit and presentation given on invitation etc. We will also use variety of consultation services to the Hydropower projects for its construction designs.

We also shall have advantage of domestic production and prompt services and installation. We will be developing some projects as our Model projects and this will give interested companies enough proof to decide to buy from us.

The Saving of Foreign Currency and different international L/C terms and conditions to the prospective buyers (Projects) will not be necessary when they give us order.

### **5.3. Sales Forecast**

Our Sales forecasts are based on real values. The main Segments where we shall focus has a total capacity of 2857.07 MW in totality for 186 number of projects. Therefore even we get order of 40% in the coming 10 years time,

40% minimum 1142.828 MW in coming 10 years , and as per the present industry standard, the cost of HM components will be of US \$ 164000 per MW and EM components will be US\$ 328000 per MW in Nepal at this time.

We will get 100% of HM and only 40% of EM with gradual increase in our manufacturing and assembly.

The Sales Forecast is given in the relevant pages in a very conservative calculation approach.

### **6.1 Important Assumptions**

The following is our estimate of our financial assumptions based on previous experience and available government fiscal budget.

Interest rate 11% per annum for Long Term and 13% for Short Term Loan, Corporate Tax rate 25% (not applicable to us for initial 5 years)

### **6.2 Projected Profit and Loss**

Our projected Profit and loss for the coming 10 years are shown in different sheet.

### **6.3 Projected Balance Sheet**

Our projected Balance Sheet for the coming 10 years are shown in different sheet.

### **6.4 Other Important Assumptions are mentioned in relevant pages**

### **7.0 Financial Considerations**

Shown in different pages

## Management Summary

### a) Personnel Plan

The following sections shows the management summary for HHMCCL., Commercial Contractors for the next five years.

The required Top Manpower for our proposed industry is as follows:

S.N.	Description	Credentials	Skill	Required Number
1	Hydropower Designer	Civil Engineer	Expert	1
2	Hydropower Designer	Civil Overseer	Expert	2
3	Electro-Mechanical Designer	Mechanical Engineer THE JV COMPANY	Expert	1
4	Electro-Mechanical	Mechanical Overseer	Expert	2
5	Hydro-Mechanical	HM Engineer	Expert	1
6	Hydro-Mechanical	Overseer	Expert	2
7	Financial Expert	Chartered Accountant	Expert	1
8	Accountant	General Accountancy	Expert	1
9	Marketing Manager	MBA	Expert	1
10	Marketing Officer	BBA	Expert	1
11	Corporate Coordinator	MBA	Expert	1
12	Compliance Officer	BBA / LAW	Expert	1
13	Legal Officer	LAW	Expert	1

14	Government Representative	Government	Expert	1
15	Representative from THE JV COMPANY	THE JV COMPANY (FOREIGN PARTY)	Expert	1

Besides these above mentioned manpower, numerous Semi-Skilled and Sub-skilled manpower is required for installation and fabrication at the Industry. Also Security is required in 3 shifts round-the-clock basis both at the Industry as well as temporary basis in the construction site to secure and protect our equipment. Many messenger boys, Cleaning staffs, Helpers and Peons are required in the Industry. Also required various numbers of Drivers, Lift operators and Heavy Equipment movers. Many of them will also be needed on project-to-project basis as direct labor.

#### b) Manufacturing / Production Plan

As per the company objective to fabricate, manufacture and assemble the following equipment and accessories required for Hydro-Electricity Generation . The following machines and quality-control equipment are required for the company.

This list and costing is based on our correspondence with THE JV COMPANY (Foreign Party) and our experiences of NHEMC group.

#### Table of Main Machines for Processing

List and Composition for HM Equipment Turbines, Penstock etc:

S.N.	Name of Machine	Model	Qty.	Production Capacity	Application
1	Horizontal Lathe	CW61160X8000	1	Ø 1600X8000 18t	Round Parts Processing
2	Vertical Lathe	CQK5250B-Y1.4	1	Ø 5000 32t	Processing of Round Parts like runner diameter
3	Lathe	C6180X5000	1	Ø 800X5000	Round Parts



					Processing
4	Lathe	CD6140	1	Ø 400X1000	Round Parts Processing
5	CNC Milling Machine	MV-1800	1	0.8X1.8X1m, 3t	Processing of Blades and Guide Vanes
6	Floor Type Boring and Milling Machine	T09	1		Boring and Planar Milling
7	Universal Lifting Platform Milling Machine	X62W	1	1370X320	Planar Milling
8	Electric Flatbed Tricycle	30T	1		Transportation of Large and Heavy Components
9	CNC Planer Type Milling Machine	CMC2040R	1	2000 X 4000	Machining of Large Blades and Large Guide Vane Profile
10	Brace Bit	Z3080X 35	1	Ø 80	Drilling and Reaming
11	Brace Bit	23050*10Q	1	Ø 50	Drilling and Reaming
12	Brace Bit	Z372A	1	Ø 32	Drilling and Reaming
13	Sub-arc Welding Machine	W3-4000	1		Welding
14	DC Welder	ZXG1-500	1		Welding
15	Gas Cutting Equipment	XCZ-400	1		Welding

16	Special Tooling for Runner Assembly		2		Runner Assembly
17	Static Balance Frame		2	20T	Static Balance of Rotor

S.N.	Name of Equipment	Model and Specification	Qty.	Application
1	Oil Pressure Testing Device	Self-Made	1 Set	Oil Pressure Testing
2	Hydraulic Pressure Testing Device	Self-Made	1 Set	Pressure Testing
3	Hydraulic Tools	Self-Made	25 Sets	Pressure Testing
4	Static Balance Tools for Runner	Vertical and Horizontal	1 Set Each	Balance Testing for Runner
5	Ultrasonic Metal Flaw Detector	STS-2020	1	Flaw Detection
6	Ultrasonic Roughness Meter	RT-110	1	Smoothness Inspection
7	Paint Thickness Gauge	TC830	1	Measuring Paint Thickness
8	All kind of Measuring Tools	Various	25	

List & Composition for Spiral Penstock Equipment:

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	Exterior and interior weld monitoring system		2
	1.Location camera		1
	2.Color monitor	19inch	2

	Auxiliary power supply	12VDC	1
	Video cable and power cable		50M
	Auxiliary power supply	24VDC	1
三	<b>Computer image processing system</b>		
	Computer	PIV	1
	Image acquisition card	MATROX	1
	CD writer		1
	Printer		1
	Software		1
四	<b>Mechanical and electrical installations</b>		
	Loading tube car	18 meter tube car	1
	Probe arm and adjusting bracket		1
	Image receiver un wheeling	6-inch bracket	1
	Track		2
	Track embedded parts		1
	Wall drag chain embedded parts		1
	Cable marking row	40m	1

	Various control cables		1
	Frequency converter		2
	Control cabinet	Indoor PLC unit	1
	X-ray outdoor alarm light	220V 20W	1

Head boxes	2 set
cutter head	2 set
Fixed base	2 set
mobile base	2 set
Clamping device	2 set
lifting rollers	2 set
Electrical Control System	1 Set
Hydraulic System Set	1 set
One set of embedded parts and anchor bolts	

FINANCIAL HI-LIGHTS OF THIS PROJECT ARE SHOWN  
ON THE FOLLOWING PAGES

## c) Financial Plan

Our Financial Plan to manage our investments, finances, banking, manufacturing, sales and cash-flow are shown in the next pages.

Our calculations are based on the government contracts that we are completing. This represent a conservative estimate of revenues, expenses, and growth.

TAKING LONG TERM LOAN		
HM		
FOR Regular HM Equipment		
Manufacturing PLANT		480000000
FOR Proposed Spiral Penstock		
Manufacturing Plant		
EM		
For EM Fabrication and		
Assembly PLANT		480000000
TOTAL LONG TERM LOAN		960000000
TAKING SHORT TERM LOAN		
FOR HM PLANT		45000000
FOR EM PLANT		45000000
TOTAL SHORT TERM LOAN		90000000
EQUITY / CAPITAL STRUCTURE	650000000	
GOVERNMENT OF NEPAL	25%	162500000
INTERNATIONAL JV PARTNER	25%	162500000
BAL B. KC & NHEMC GROUP		
LEAD NEPALESE INVESTORS	25%	162500000
GENERAL PUBLIC (IPO)	25%	162500000
TOTAL	100%	650000000
TOTAL PROJECT COST		1700000000
EQUITY	38%	
LOAN	62%	
LOAN PAYBACK		
FOR LONG TERM	9 YEARS	
FOR SHORT TERM	8 YEARS	

PLEASE NOTE

OUR FIANANCIAL CALCULATION IS BASED ON VERY CONSERVATIVE APPROACH  
WHICH MEANS MAXIMUM EXPENSES ARE SHOWN AND MINIMUM REVENUE IS  
CALCULATED

IN OUR FORECAST.

WE HAVE CALCULATED REVENUE ALSO IN DISCOUNT

WE HAVE NOT CALCULATED ANY REPAIR AND MAINTENANCE REVENUE  
THAT WE SHALL RECEIVE

### Sales Income Description

Our assumption in calculation of our sales revenue is a conservative approach. We put the first year on construction period, installation and trial / model production only. We did a very conservative approach in calculation and expect to get much better in actual scenario of production and sales.

Year	Sales Revenue In US Dollars Million	Gross Profit Margin for the new company for Both HM and EM in US Dollars Million
1	0	0
2	129.56	15.867
3	205	24.313
4	250.92	30.135
5	313.24	39.155
6	375.56	48.175
7	421.48	53.997
8	459.2	58.22
9	513.32	65.641
10	559.24	71.463

### **We took the following Assumptions doing the financial forecast:**

- a) We assume that our yearly capacity of our market segment/sales market is of 85 MW capacity
- b) The standard pricing per MW is 16.4 Million US\$ / NRs. 205,000,000/-
- c) As per this , we have calculated about US\$ 164000 of this goes to the HM section per MW.
- d) As per this , we have calculated about US\$ 328000 of this goes to the HM section per MW.



- e) We assume that from our 2nd year we are able to get 25% of the market share only and gradually increase our production and market share.
- f) We assume that 60 percent of the goods for HM we install in the projects are manufactured in our own Industry
- g) We also assume that 40 percent of HM goods we sell are imported from the JV company (Foreign Party) as SKD parts and are assembled at our factory
- h) We assume that 20 percent of the goods for EM we install in the projects, are manufactured in our own Industry
- i) We also assume that 80 percent of EM goods we sell are imported as SKD parts and are assembled at our factory
- j) We assume that we save 15 % on all import and assemble sales
- k) We assume that there will be a profit margin of 25% in our in-house manufacturing industry based on direct costing.
- l) The international partner can supply necessary equipment design and installation for the manufacturing plant with technical know-how
- m) The international partner can also get benefit in a long term basis by supplying raw material, SKD (Semi-Knocked Down) parts, designs whole parts etc. for production of HM (40%) components and for EM (80%) components in regular basis, with a secure market opportunity.

### **Financial Hi-light of this PPP (Public-Private Partnership ) Industry**

- **First year is construction, installation and trial production period so no sales is forecasted**
- **Break Even is at 3.5 Years**
- **Pay Back Period of Long Term Loan is 10 Years**
- **Pay Back Period of Short Term Loan is 9 Years**
- **Tax Holiday for 5 Years**
- **After 6<sup>th</sup> Year , we shall be paying Corporate Tax as per prevailing law.**
- **From 4<sup>th</sup> Year we shall be distributing dividend**
- **In 6.5 Years 100% Return on our Investment**



Hydro-Electric Equipment Manufacturing Company Limited. Ltd.  
Kathmandu, Nepal  
Projected Profit & Loss Statement

in Nrs

Particulars											
	79-80 Provisional	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
<b>INCOME</b>											
Total Revenue (Sales)	4,685,205.00	1,370,691,809	2,335,607,296	2,532,117,274	2,933,714,529	3,357,704,684	5,867,927,265	6,739,767,658	6,812,335,374	7,058,018,886	7,163,928,030
Less: Direct Expenses	2,840,472.00	1,250,384,291	2,130,900,795	2,289,049,525	2,644,882,200	3,004,217,585	5,284,869,600	6,051,329,195	6,066,949,088	6,256,064,118	6,318,645,775
<b>Gross Margin</b>	<b>1,844,733</b>	<b>120,307,518</b>	<b>204,706,501</b>	<b>243,067,748</b>	<b>288,832,329</b>	<b>353,487,099</b>	<b>583,057,666</b>	<b>688,438,463</b>	<b>745,386,285</b>	<b>801,954,768</b>	<b>845,282,255</b>
<b>EXPENDITURE</b>											
Employees Benefit & Expenses	186,000.00	21,331,000	23,464,100	25,810,510	28,391,561	31,230,717	34,353,789	37,789,168	41,568,084	45,724,893	50,297,382
Administrative Expenses	676,334.00	85,390,321	74,747,737	81,648,523	90,984,322	102,010,582	114,985,348	130,209,123	148,031,476	168,858,736	193,162,954
<b>Net Profit before depreciation &amp; tax</b>	<b>982,399</b>	<b>13,586,196</b>	<b>106,494,664</b>	<b>135,608,715</b>	<b>169,456,446</b>	<b>220,245,799</b>	<b>433,718,529</b>	<b>520,440,172</b>	<b>555,786,725</b>	<b>587,371,139</b>	<b>601,821,919</b>
Depreciation	760,704.00	72,710,107	68,499,147	64,354,387	60,580,617	57,121,587	53,932,641	50,978,064	48,229,067	45,662,235	43,258,342
<b>Net Profit before Interest &amp; tax</b>	<b>221,695</b>	<b>(59,123,911)</b>	<b>37,995,517</b>	<b>71,254,328</b>	<b>108,875,829</b>	<b>163,124,212</b>	<b>379,785,888</b>	<b>469,462,108</b>	<b>507,557,657</b>	<b>541,708,904</b>	<b>558,563,576</b>
Interest	-	10,200,000	9,838,693	9,455,102	9,047,852	8,615,483	8,156,447	7,669,098	7,151,691	6,602,372	6,019,171
<b>Profit Before Tax</b>	<b>221,695</b>	<b>(69,323,911)</b>	<b>28,156,824</b>	<b>61,799,226</b>	<b>99,827,978</b>	<b>154,508,729</b>	<b>371,629,441</b>	<b>461,793,009</b>	<b>500,405,966</b>	<b>535,106,532</b>	<b>552,544,405</b>
Staff Bonus											
Corporate Tax @ 20%		-	-	-	18,200,935	30,901,746	74,325,888	92,358,602	100,081,193	107,021,306	110,508,881
<b>Net Profit Trf. to Appropriation a/c</b>	<b>221,695</b>	<b>(69,323,911)</b>	<b>28,156,824</b>	<b>61,799,226</b>	<b>81,627,042</b>	<b>123,606,983</b>	<b>297,303,553</b>	<b>369,434,407</b>	<b>400,324,773</b>	<b>428,085,226</b>	<b>442,035,524</b>
<b>Profit &amp; Loss Appropriation a/c</b>											
Net Profit- Current year	221,695	(69,323,911)	28,156,824	61,799,226	81,627,042	123,606,983	297,303,553	369,434,407	400,324,773	428,085,226	442,035,524
Profit- upto Previous year	(29,677,135.17)	(29,455,440)	(98,779,351)	(70,622,528)	(8,823,302)	72,803,740	98,910,724	266,214,277	440,648,684	613,473,457	814,058,683
<b>Acc. Profit</b>	<b>(29,455,440)</b>	<b>(98,779,351)</b>	<b>(70,622,528)</b>	<b>(8,823,302)</b>	<b>72,803,740</b>	<b>196,410,724</b>	<b>396,214,277</b>	<b>635,648,684</b>	<b>840,973,457</b>	<b>1,041,558,683</b>	<b>1,256,094,207</b>
<b>Profit Appropriated</b>											
Issue Bonus Shares	-	-	-	-	-	-	-	-	-	-	-
Dividend											
Rate		0%	0%	0%	0%	15%	20%	30%	35%	35%	35%
Amount		-	-	-	-	97,500,000	130,000,000	195,000,000	227,500,000	227,500,000	227,500,000
Transferred to Balance Sheet	(29,455,440)	(98,779,351)	(70,622,528)	(8,823,302)	72,803,740	98,910,724	266,214,277	440,648,684	613,473,457	814,058,683	1,028,594,207
<b>Total Appropriation</b>	<b>(29,455,440)</b>	<b>(98,779,351)</b>	<b>(70,622,528)</b>	<b>(8,823,302)</b>	<b>72,803,740</b>	<b>196,410,724</b>	<b>396,214,277</b>	<b>635,648,684</b>	<b>840,973,457</b>	<b>1,041,558,683</b>	<b>1,256,094,207</b>

Hydro-Electric Equipment Manufacturing Company Limited. Ltd.  
Kathmandu, Nepal  
Projected Cash Flow Statement

Cash From Operating Activities											
	79-80 Provisional	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
Profit/(Loss) during the year	221,694.00	(69,323,911)	28,156,824	61,799,226	81,627,042	123,606,983	297,303,553	369,434,407	400,324,773	428,085,226	442,035,524
Adjustments:											
Depreciation	760,704.00	72,710,107	68,499,147	64,354,387	60,580,617	57,121,587	53,932,641	50,978,064	48,229,067	45,662,235	43,258,342
Interest Expenses		10,200,000	9,838,693	9,455,102	9,047,852	8,615,483	8,156,447	7,669,098	7,151,691	6,602,372	6,019,171
(Inc./)Dec. in Inventories	-	(401,602,201)	(154,243,580)	(1,278,049)	(116,036,059)	(79,625,234)	(720,336,037)	(15,094,983)	(171,789)	(61,835,970)	(244,043)
Inc./)Dec. in liabilities	(6,490,171.00)	473,617,552	191,575,204	43,326,302	171,439,389	(8,598,136)	917,772,859	35,108,554	7,779,854	77,029,382	3,568,922
(Inc./)Dec. in Debtors	-	(118,688,032)	(49,265,562)	(154,897,657)	(55,013,323)	33,911,066	(323,322,425)	(139,640,198)	(8,946,705)	(30,289,748)	(13,057,292)
(Inc./)Dec. in Loan and Advances	8,292,970.76	-	-	-	-	-	-	-	-	-	-
<b>Cash from Operation Activities</b>	<b>2,785,198</b>	<b>(33,086,485)</b>	<b>94,560,726</b>	<b>22,759,311</b>	<b>151,645,518</b>	<b>135,031,750</b>	<b>233,507,039</b>	<b>308,454,944</b>	<b>454,366,892</b>	<b>465,253,497</b>	<b>481,580,625</b>
<b>Cash flow from Investing Activities:</b>											
Addition of Fixed assets	(2,860,000.00)	(1,371,428,571)	-	-	-	-	-	-	-	-	-
Investments											
<b>Cash from Investing Activities</b>	<b>(2,860,000)</b>	<b>(1,371,428,571)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flow from Financing Activities:</b>											
Equity addition	-	437,047,000	-	136,500,000	-	-	-	-	-	-	-
Bank Finance	-	977,738,668	(76,718,252)	(81,450,067)	(86,473,729)	(91,807,239)	(97,469,709)	(103,481,427)	(109,863,935)	(116,640,102)	(123,834,208)
Director Loans	-	-	-	-	-	-	-	-	-	-	-
Repayment of Loan	-	-	-	-	-	-	-	-	-	-	-
Payment of Interest	-	(10,200,000)	(9,838,693)	(9,455,102)	(9,047,852)	(8,615,483)	(8,156,447)	(7,669,098)	(7,151,691)	(6,602,372)	(6,019,171)
Rerverse Adjustment	-	-	-	-	-	(97,500,000)	(130,000,000)	(195,000,000)	(227,500,000)	(227,500,000)	(227,500,000)
<b>Cash from Fin. Activities</b>		<b>1,404,585,668</b>	<b>(86,556,946)</b>	<b>45,594,831</b>	<b>(95,521,580)</b>	<b>(197,922,722)</b>	<b>(235,626,155)</b>	<b>(306,150,525)</b>	<b>(344,515,626)</b>	<b>(350,742,474)</b>	<b>(357,353,379)</b>
<b>Total Cash flow during the year (A+B+C)</b>	<b>(74,802)</b>	<b>70,612</b>	<b>8,003,780</b>	<b>68,354,142</b>	<b>56,123,937</b>	<b>(62,890,973)</b>	<b>(2,119,117)</b>	<b>2,304,419</b>	<b>109,851,266</b>	<b>114,511,023</b>	<b>124,227,246</b>
<b>Cash &amp; Bank at the beginning of the year</b>	<b>122,124.00</b>	<b>47,322</b>	<b>117,934</b>	<b>8,121,714</b>	<b>76,475,856</b>	<b>132,599,793</b>	<b>69,708,821</b>	<b>67,589,704</b>	<b>69,894,123</b>	<b>179,745,389</b>	<b>294,256,412</b>
<b>Cash &amp; Bank Balance at the end of the year</b>	<b>47,322</b>	<b>117,934</b>	<b>8,121,714</b>	<b>76,475,856</b>	<b>132,599,793</b>	<b>69,708,821</b>	<b>67,589,704</b>	<b>69,894,123</b>	<b>179,745,389</b>	<b>294,256,412</b>	<b>418,483,658</b>

**Hydro-Electric Equipment Manufacturing Company Limited. Ltd.**  
Kathmandu, Nepal

**Analysis of Working Capital Requirement**

<b>Years</b>	<b>80-81</b>	<b>81-82</b>	<b>82-83</b>	<b>83-84</b>	<b>84-85</b>	<b>85-86</b>	<b>86-87</b>	<b>87-88</b>	<b>88-89</b>	<b>89-90</b>
Sales	1,370,691,809	2,335,607,296	2,532,117,274	2,933,714,529	3,357,704,684	5,867,927,265	6,739,767,658	6,812,335,374	7,058,018,886	7,163,928,030
Debtor	142,702,161	191,967,723	346,865,380	401,878,703	367,967,637	691,290,061	830,930,259	839,876,964	870,166,712	883,224,004
Stock	409,216,677	563,460,257	564,738,306	680,774,365	760,399,599	1,480,735,636	1,495,830,619	1,496,002,408	1,557,838,378	1,558,082,421
Creditor	517,027,699	708,602,903	751,929,205	923,368,594	914,770,457	1,832,543,317	1,867,651,871	1,875,431,726	1,952,461,108	1,956,030,030
WC	34,891,139	46,825,077	159,674,481	159,284,474	213,596,778	339,482,381	459,109,007	460,447,646	475,543,982	485,276,394
<b>80%</b>	<b>27,912,912</b>	<b>37,460,062</b>	<b>127,739,585</b>	<b>127,427,579</b>	<b>170,877,423</b>	<b>271,585,905</b>	<b>367,287,206</b>	<b>368,358,117</b>	<b>380,435,186</b>	<b>388,221,116</b>

**Hydro-Electric Equipment Manufacturing Company Limited. Ltd.**

Term loan for HM & EM Equipment				
INTEREST RATE	6.00			
NUMBER OF MONTHS	120			
LOAN AMOUNT	960,000,000			
MONTHLY INSTALLMENT	10,657,968.18			
NUMBER OF MONTHS	OUTSTANDING PRINCIPAL	INSTALLMENT AMOUNT	INTEREST COMPONENT OF INSTALLMENT	Principal Repayment
0	959,999,999.53	-	-	-
1	959,999,999.53	10,657,968.18	4,800,000.00	5,857,968.18
2	954,142,031.35	10,657,968.18	4,770,710.16	5,887,258.02
3	948,254,773.32	10,657,968.18	4,741,273.87	5,916,694.31
4	942,338,079.01	10,657,968.18	4,711,690.40	5,946,277.79
5	936,391,801.22	10,657,968.18	4,681,959.01	5,976,009.18
6	930,415,792.05	10,657,968.18	4,652,078.96	6,005,889.22
7	924,409,902.83	10,657,968.18	4,622,049.51	6,035,918.67
8	918,373,984.16	10,657,968.18	4,591,869.92	6,066,098.26
9	912,307,885.90	10,657,968.18	4,561,539.43	6,096,428.75
10	906,211,457.15	10,657,968.18	4,531,057.29	6,126,910.90
11	900,084,546.25	10,657,968.18	4,500,422.73	6,157,545.45
12	893,927,000.80	10,657,968.18	4,469,635.00	6,188,333.18
13	887,738,667.63	10,657,968.18	4,438,693.34	6,219,274.84
14	881,519,392.78	10,657,968.18	4,407,596.96	6,250,371.22
15	875,269,021.57	10,657,968.18	4,376,345.11	6,281,623.07
16	868,987,398.49	10,657,968.18	4,344,936.99	6,313,031.19
17	862,674,367.30	10,657,968.18	4,313,371.84	6,344,596.34
18	856,329,770.96	10,657,968.18	4,281,648.85	6,376,319.33
19	849,953,451.63	10,657,968.18	4,249,767.26	6,408,200.92
20	843,545,250.71	10,657,968.18	4,217,726.25	6,440,241.93
21	837,105,008.78	10,657,968.18	4,185,525.04	6,472,443.14
22	830,632,565.64	10,657,968.18	4,153,162.83	6,504,805.35
23	824,127,760.29	10,657,968.18	4,120,638.80	6,537,329.38
24	817,590,430.91	10,657,968.18	4,087,952.15	6,570,016.03
25	811,020,414.88	10,657,968.18	4,055,102.07	6,602,866.11
26	804,417,548.78	10,657,968.18	4,022,087.74	6,635,880.44
27	797,781,668.34	10,657,968.18	3,988,908.34	6,669,059.84
28	791,112,608.50	10,657,968.18	3,955,563.04	6,702,405.14
29	784,410,203.36	10,657,968.18	3,922,051.02	6,735,917.16
30	777,674,286.20	10,657,968.18	3,888,371.43	6,769,596.75
31	770,904,689.45	10,657,968.18	3,854,523.45	6,803,444.73
32	764,101,244.71	10,657,968.18	3,820,506.22	6,837,461.96
33	757,263,782.76	10,657,968.18	3,786,318.91	6,871,649.27
34	750,392,133.49	10,657,968.18	3,751,960.67	6,906,007.51
35	743,486,125.97	10,657,968.18	3,717,430.63	6,940,537.55
36	736,545,588.42	10,657,968.18	3,682,727.94	6,975,240.24
37	729,570,348.18	10,657,968.18	3,647,851.74	7,010,116.44
38	722,560,231.74	10,657,968.18	3,612,801.16	7,045,167.02
39	715,515,064.72	10,657,968.18	3,577,575.32	7,080,392.86
40	708,434,671.86	10,657,968.18	3,542,173.36	7,115,794.82
41	701,318,877.04	10,657,968.18	3,506,594.39	7,151,373.80
42	694,167,503.25	10,657,968.18	3,470,837.52	7,187,130.66
43	686,980,372.58	10,657,968.18	3,434,901.86	7,223,066.32
44	679,757,306.26	10,657,968.18	3,398,786.53	7,259,181.65
45	672,498,124.61	10,657,968.18	3,362,490.62	7,295,477.56
46	665,202,647.05	10,657,968.18	3,326,013.24	7,331,954.95
47	657,870,692.11	10,657,968.18	3,289,353.46	7,368,614.72
48	650,502,077.39	10,657,968.18	3,252,510.39	7,405,457.79
49	643,096,619.59	10,657,968.18	3,215,483.10	7,442,485.08
50	635,654,134.51	10,657,968.18	3,178,270.67	7,479,697.51
51	628,174,437.00	10,657,968.18	3,140,872.19	7,517,096.00
52	620,657,341.01	10,657,968.18	3,103,286.71	7,554,681.48
53	613,102,659.53	10,657,968.18	3,065,513.30	7,592,454.88

54	605,510,204.65	10,657,968.18	3,027,551.02	7,630,417.16
55	597,879,787.49	10,657,968.18	2,989,398.94	7,668,569.24
56	590,211,218.24	10,657,968.18	2,951,056.09	7,706,912.09
57	582,504,306.15	10,657,968.18	2,912,521.53	7,745,446.65
58	574,758,859.50	10,657,968.18	2,873,794.30	7,784,173.88
59	566,974,685.62	10,657,968.18	2,834,873.43	7,823,094.75
60	559,151,590.87	10,657,968.18	2,795,757.95	7,862,210.23
61	551,289,380.64	10,657,968.18	2,756,446.90	7,901,521.28
62	543,387,859.36	10,657,968.18	2,716,939.30	7,941,028.88
63	535,446,830.48	10,657,968.18	2,677,234.15	7,980,734.03
64	527,466,096.45	10,657,968.18	2,637,330.48	8,020,637.70
65	519,445,458.75	10,657,968.18	2,597,227.29	8,060,740.89
66	511,384,717.86	10,657,968.18	2,556,923.59	8,101,044.59
67	503,283,673.27	10,657,968.18	2,516,418.37	8,141,549.81
68	495,142,123.46	10,657,968.18	2,475,710.62	8,182,257.56
69	486,959,865.89	10,657,968.18	2,434,799.33	8,223,168.85
70	478,736,697.04	10,657,968.18	2,393,683.49	8,264,284.70
71	470,472,412.34	10,657,968.18	2,352,362.06	8,305,606.12
72	462,166,806.22	10,657,968.18	2,310,834.03	8,347,134.15
73	453,819,672.07	10,657,968.18	2,269,098.36	8,388,869.82
74	445,430,802.25	10,657,968.18	2,227,154.01	8,430,814.17
75	436,999,988.08	10,657,968.18	2,184,999.94	8,472,968.24
76	428,527,019.84	10,657,968.18	2,142,635.10	8,515,333.08
77	420,011,686.76	10,657,968.18	2,100,058.43	8,557,909.75
78	411,453,777.01	10,657,968.18	2,057,268.89	8,600,699.30
79	402,853,077.72	10,657,968.18	2,014,265.39	8,643,702.79
80	394,209,374.93	10,657,968.18	1,971,046.87	8,686,921.31
81	385,522,453.62	10,657,968.18	1,927,612.27	8,730,355.91
82	376,792,097.71	10,657,968.18	1,883,960.49	8,774,007.69
83	368,018,090.01	10,657,968.18	1,840,090.45	8,817,877.73
84	359,200,212.28	10,657,968.18	1,796,001.06	8,861,967.12
85	350,338,245.16	10,657,968.18	1,751,691.23	8,906,276.96
86	341,431,968.21	10,657,968.18	1,707,159.84	8,950,808.34
87	332,481,159.87	10,657,968.18	1,662,405.80	8,995,562.38
88	323,485,597.48	10,657,968.18	1,617,427.99	9,040,540.19
89	314,445,057.29	10,657,968.18	1,572,225.29	9,085,742.89
90	305,359,314.40	10,657,968.18	1,526,796.57	9,131,171.61
91	296,228,142.79	10,657,968.18	1,481,140.71	9,176,827.47
92	287,051,315.32	10,657,968.18	1,435,256.58	9,222,711.60
93	277,828,603.71	10,657,968.18	1,389,143.02	9,268,825.16
94	268,559,778.55	10,657,968.18	1,342,798.89	9,315,169.29
95	259,244,609.26	10,657,968.18	1,296,223.05	9,361,745.13
96	249,882,864.13	10,657,968.18	1,249,414.32	9,408,553.86
97	240,474,310.27	10,657,968.18	1,202,371.55	9,455,596.63
98	231,018,713.64	10,657,968.18	1,155,093.57	9,502,874.61
99	221,515,839.03	10,657,968.18	1,107,579.20	9,550,388.99
100	211,965,450.04	10,657,968.18	1,059,827.25	9,598,140.93
101	202,367,309.11	10,657,968.18	1,011,836.55	9,646,131.64
102	192,721,177.47	10,657,968.18	963,605.89	9,694,362.29
103	183,026,815.18	10,657,968.18	915,134.08	9,742,834.11
104	173,283,981.07	10,657,968.18	866,419.91	9,791,548.28
105	163,492,432.80	10,657,968.18	817,462.16	9,840,506.02
106	153,651,926.78	10,657,968.18	768,259.63	9,889,708.55
107	143,762,218.23	10,657,968.18	718,811.09	9,939,157.09
108	133,823,061.14	10,657,968.18	669,115.31	9,988,852.88
109	123,834,208.27	10,657,968.18	619,171.04	10,038,797.14
110	113,795,411.13	10,657,968.18	568,977.06	10,088,991.13
111	103,706,420.00	10,657,968.18	518,532.10	10,139,436.08
112	93,566,983.92	10,657,968.18	467,834.92	10,190,133.26
113	83,376,850.66	10,657,968.18	416,884.25	10,241,083.93
114	73,135,766.73	10,657,968.18	365,678.83	10,292,289.35
115	62,843,477.38	10,657,968.18	314,217.39	10,343,750.79

116	52,499,726.59	10,657,968.18	262,498.63	10,395,469.55
117	42,104,257.04	10,657,968.18	210,521.29	10,447,446.90
118	31,656,810.15	10,657,968.18	158,284.05	10,499,684.13
119	21,157,126.02	10,657,968.18	105,785.63	10,552,182.55
120	10,604,943.46	10,657,968.18	53,024.72	10,604,943.46



**Hydro-Electric Equipment Manufacturing Company Limited. Ltd.**  
Kathmandu, Nepal

**Interest & Principal Details**

Particulars	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
<b>Principal Outstanding</b>										
<b>Bank Loan-Term</b>	887,738,668	811,020,415	729,570,348	643,096,620	551,289,381	453,819,672	350,338,245	240,474,310	123,834,208	0
<b>Bank Loan-WC</b>	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000
<b>Total</b>	<b>977,738,668</b>	<b>901,020,415</b>	<b>819,570,348</b>	<b>733,096,620</b>	<b>641,289,381</b>	<b>543,819,672</b>	<b>440,338,245</b>	<b>330,474,311</b>	<b>213,834,209</b>	<b>90,000,000</b>

Particulars	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
<b>Interest Paid</b>										
<b>Bank Loan-Term</b>	4,800,000	4,438,693	4,055,102	3,647,852	3,215,483	2,756,447	2,269,098	1,751,691	1,202,372	619,171
<b>Bank Loan-WC</b>	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000
<b>Total</b>	<b>10,200,000</b>	<b>9,838,693</b>	<b>9,455,102</b>	<b>9,047,852</b>	<b>8,615,483</b>	<b>8,156,447</b>	<b>7,669,098</b>	<b>7,151,691</b>	<b>6,602,372</b>	<b>6,019,171</b>

Hydro-Electric Equipment Manufacturing Company Limited. Ltd.  
Kathmandu, Nepal  
Sales of Penstock Pipe

Particulars/Year	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
sales per year in Tons	3,014	7,013	8,000	10,411	12,406	15,211	16,000	16,000	17,205	17,600

Average Price-assuming margin of 20% on cost	171,108	167,973	168,679	167,809	171,925	170,816	172,720	172,768	172,735	172,797
Revenue	515,669,343	1,178,062,732	1,349,502,242	1,747,123,287	2,132,870,091	2,598,248,408	2,763,479,746	2,764,246,105	2,971,955,675	3,041,274,781

Years	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
Requirement of raw material in ton considering for one project in average	800	800	800	800	800	800	800	800	800	800
Targeted project per year	5	10	10	14	16	20	20	20	22	22
Total Requirement of Raw material as per projects handled	4000	8000	8000	11200	12800	16000	16000	16000	17600	17600
Annual Increment in cost price of MS Sheet	0%	2%	2%	2%	5%	5%	6%	6%	6%	6%
Annual Increment in Transportation cost	0%	1%	2%	2%	2%	3%	3%	3%	3%	3%
Annual Increment in Coloring cost	0	3%	3%	3%	3%	3%	4%	4%	4%	4%
Annual Increment in labour cost for Erection and Commissioning	0%	2%	3%	3%	3%	3%	4%	4%	5%	5%

Particulars/Year	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
Opening Stock	-	154,829,828	303,985,670	305,263,720	421,299,779	493,293,408	612,640,513	619,467,923	619,639,712	681,475,682
Purchase Cost of Raw Material-MS sheet (Mild Steel Sheets)	530,416,800	1,082,050,272	1,082,050,272	1,514,870,381	1,782,200,448	2,227,750,560	2,248,967,232	2,248,967,232	2,473,863,955	2,473,863,955
Add: Custom Duties(1%)	5,304,168	10,820,502.72	10,820,502.72	15,148,704	17,822,004	22,277,506	22,489,672	22,489,672	24,738,640	24,738,640
Carriage inward-Transportation Cost	16,000,000	32,320,000	32,480,000	45,696,000	52,224,000	65,920,000	65,920,000	65,920,000	72,512,000	72,512,000
Direct Labour Cost*	21,000,000	21,000,000	23,100,000	23,100,000	25,410,000	25,410,000	27,951,000	27,951,000	30,746,100	30,746,100
Direct Expenses-Coloring	24,000,000	49,440,000	49,483,200	69,338,774	79,317,643	99,241,465	99,371,124	99,505,969	109,653,251	109,859,966
Erection and commissioning Cost	6,000,000	12,000,000	12,360,000	12,730,800	13,112,724	13,506,106	14,046,350	14,608,204	15,353,222	16,136,237
Expert Cost	25,200,000	25,200,000	27,720,000	27,720,000	30,492,000	30,492,000	33,541,200	33,541,200	36,895,320	36,895,320
Closing Stock	(154,829,828)	(303,985,670)	(305,263,720)	(421,299,779)	(493,293,408)	(612,640,513)	(619,467,923)	(619,639,712)	(681,475,682)	(681,719,725)
Total Cost of Goods Sold	473,091,140	1,083,674,932	1,236,735,925	1,592,568,600	1,928,585,191	2,365,250,531	2,505,459,168	2,512,811,488	2,701,926,518	2,764,508,175
Gross Margin	42,578,203	94,387,800	112,766,317	154,554,687	204,284,900	232,997,877	258,020,578	251,434,616	270,029,157	276,766,606
Per unit cost(ton) of Final product(Penstock pipe)	156,980.24	154,103.85	154,751.75	152,553.99	156,295.22	155,287.35	157,017.91	157,061.45	157,031.96	157,088.19
Stock in Unit(tons)	986	1973	1973	2762	3156	3945	3945	3945	4340	4340

\*Direct Labour are provided with increment of 10% in 2 every years time

\*Assuming latest price of Ms Sheet to be imported from india Grade

E250, E350	NPR
Cost per tonne	132604.2
Transportation cost per ton	4000
Direct Expenses(Coloring Cost) per ton	6000
Erection & Commissioning around 40 labour force required to be outsourced i.e other than our existing labour force if we target to handle 10 projects in one year time.	
Cost per labor when outsourced per month	25000
Requirement of Raw material considering 5 project in a first years time and gradually increasing the capacity	4000 ton

Hydro-Electric Equipment Manufacturing Company Limited. Ltd.  
Kathmandu, Nepal  
Sales of Penstock Pipe

Particulars/Year	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
sales per year in kwh	30,137	40,000	40,000	40,000	40,000	107,808	130,000	130,000	130,000	130,000
Average Price-assuming margin of 25% on cost	28,371	28,939	28,939	28,939	29,790	29,790	30,073	30,620	30,894	31,167
Revenue	855,022,466	1,157,544,564	1,157,544,564	1,157,544,564	1,191,589,992	3,211,580,567	3,909,557,539	3,980,640,404	4,016,181,836	4,051,723,268
<b>Years</b>	<b>80-81</b>	<b>81-82</b>	<b>82-83</b>	<b>83-84</b>	<b>84-85</b>	<b>85-86</b>	<b>86-87</b>	<b>87-88</b>	<b>88-89</b>	<b>89-90</b>
Targeted project in average (Mega Watt) per year	5	5	5	5	5	10	10	10	10	10
Targeted project per year	5	5	5	5	5	10	10	10	10	10
Targeted project in average (Mega Watt) per year	3	3	3	3	3	3	3	3	3	3
Targeted project per year	5	5	5	5	5	10	10	10	10	10
Total Requirement of Raw material kwh as per projects handled	40000	40000	40000	40000	40000	130000	130000	130000	130000	130000
Annual Increment in cost price	0%	2%	2%	2%	5%	5%	6%	6%	6%	6%
<b>Particulars/Year</b>	<b>80-81</b>	<b>81-82</b>	<b>82-83</b>	<b>83-84</b>	<b>84-85</b>	<b>85-86</b>	<b>86-87</b>	<b>87-88</b>	<b>88-89</b>	<b>89-90</b>
Opening Stock	-	254,386,849	259,474,586	259,474,586	259,474,586	267,106,192	868,095,123	876,362,696	876,362,696	876,362,696
Cost of Manufacturing including Fabrication and other cost	1,031,680,000	1,052,313,600	1,052,313,600	1,052,313,600	1,083,264,000	3,520,608,000	3,554,137,600	3,554,137,600	3,554,137,600	3,554,137,600
Closing Stock	(254,386,849)	(259,474,586)	(259,474,586)	(259,474,586)	(267,106,192)	(868,095,123)	(876,362,696)	(876,362,696)	(876,362,696)	(876,362,696)
Total Cost of Goods Sold	777,293,151	1,047,225,863	1,052,313,600	1,052,313,600	1,075,632,395	2,919,619,068	3,545,870,027	3,554,137,600	3,554,137,600	3,554,137,600
Gross Margin	77,729,315	110,318,701	105,230,964	105,230,964	115,957,597	291,961,499	363,687,512	426,502,804	462,044,236	497,585,668
Per unit cost of Final product	25,792.00	26,307.84	26,307.84	26,307.84	27,081.60	27,081.60	27,339.52	27,339.52	27,339.52	27,339.52
Closing stock in units	9863.00	9863.00	9863.00	9863.00	9863.00	32055.00	32055.00	32055.00	32055.00	32055.00

Assuming cost price per kwh of turbine capacity 208 usd



**Hydro-Electric Equipment Manufacturing Company Limited. Ltd.**  
**Kathmandu, Nepal**  
**VIABILITY ANALYSIS**

Particular	0 Year	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	9th Year
Net Profit Before Interest & Tax	(69,323,911)	28,156,824	61,799,226	81,627,042	123,606,983	297,303,553	369,434,407	400,324,773	428,085,226	442,035,524
Add: Depreciation	72,710,107	68,499,147	64,354,387	60,580,617	57,121,587	53,932,641	50,978,064	48,229,067	45,662,235	43,258,342
<b>Operating Cash Flow:</b>	<b>(1,560,113,803)</b>	<b>96,655,970</b>	<b>126,153,613</b>	<b>142,207,659</b>	<b>180,728,571</b>	<b>351,236,194</b>	<b>420,412,472</b>	<b>448,553,840</b>	<b>473,747,461</b>	<b>485,293,867</b>
<b>Cumulative cash flow</b>	<b>(1,560,113,803)</b>	<b>(1,463,457,833)</b>	<b>(1,337,304,220)</b>	<b>(1,195,096,561)</b>	<b>(1,014,367,990)</b>	<b>(663,131,796)</b>	<b>(242,719,324)</b>	<b>205,834,516</b>	<b>679,581,977</b>	<b>1,164,875,843</b>
Discount Rate @ 12% (bank interest rate assume)	1.0000	0.8929	0.7972	0.7118	0.6355	0.5674	0.5066	0.4523	0.4039	0.3606
<b>Discounted Cash Inflow</b>	<b>(1,560,113,803)</b>	<b>86,299,973</b>	<b>100,568,888</b>	<b>101,220,603</b>	<b>114,856,274</b>	<b>199,300,849</b>	<b>212,994,042</b>	<b>202,902,978</b>	<b>191,338,654</b>	<b>175,001,833</b>
<b>CDCF</b>	<b>(1,560,113,803)</b>	<b>(1,473,813,830)</b>	<b>(1,373,244,942)</b>	<b>(1,272,024,339)</b>	<b>(1,157,168,065)</b>	<b>(957,867,216)</b>	<b>(744,873,174)</b>	<b>(541,970,196)</b>	<b>(350,631,543)</b>	<b>(175,629,709)</b>

Cash Outflow:	Year 0	Year 1
Equity	513,500,000	-
Loan	1,050,000,000	-
<b>Total Project Cost</b>	<b>1,563,500,000</b>	<b>-</b>
<b>DCOD</b>	<b>1,563,500,000</b>	<b>-</b>

Net Present Value ( Discounted)		
NPV bank interest rate assume	6%	327,861,833
NPV	7%	228,001,933
NPV	8%	136,750,946
NPV	9%	53,319,324
NPV	10%	(23,002,876)
NPV	11%	(92,854,745)
<b>NPV</b>	<b>12%</b>	<b>(156,812,240)</b>

Net Present Value (Non-Discounted)	Amount
Total Cash Inflow	1,164,875,843
Total Cash Outflow	(1,560,113,803)
<b>NPV (Non-Discounted)</b>	<b>(395,237,960)</b>

<b>Payback Period</b>	<b>78.49 Months</b>	<b>6.54 Years</b>
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**Internal Rate of Return**

<b>Project IRR</b>	<b>9.69%</b>
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**Hydro-Electric Equipment Manufacturing Company Limited. Ltd.**  
**Kathmandu, Nepal**  
**Statement of Fixed Assets and Depreciation**

**80-81**

Description	Rate	Opening	Addition	Depreciation Current Year	WDV
Land	0%	-	-	-	-
Building/Factory Shed	5%	1,444,758	410,050,000	20,502,500	390,992,258
Furniture & Fixture	25%	45,451	5,250,000	1,323,863	3,971,588
Machinery	5%	5,700,850	937,378,571	46,868,929	896,210,492
Office Equipment	25%	9,264	5,250,000	1,314,816	3,944,448
Vehicle	20%	-	13,500,000	2,700,000	10,800,000
<b>Total</b>		<b>7,200,323</b>	<b>1,371,428,571</b>	<b>72,710,107</b>	<b>1,305,918,786</b>

**81-82**

Description	Rate	Opening	Addition	Depreciation Current Year	WDV
Land	0%	-	-	-	-
Building-Factory shed	5%	390,992,258	-	19,549,613	371,442,645
Furniture & Fixture	25%	3,971,588	-	992,897	2,978,691
Machinery	5%	896,210,492	-	44,810,525	851,399,968
Office Equipment	25%	3,944,448	-	986,112	2,958,336
Vehicle	20%	10,800,000	-	2,160,000	8,640,000
<b>Total</b>		<b>1,305,918,786</b>	<b>-</b>	<b>68,499,147</b>	<b>1,237,419,640</b>

**82-83**

Description	Rate	Opening	Addition	Depreciation Current Year	WDV
Land	0%	-	-	-	-
Building-Factory shed	5%	371,442,645	-	18,572,132	352,870,513
Furniture & Fixture	25%	2,978,691	-	744,673	2,234,018
Machinery	5%	851,399,968	-	42,569,998	808,829,969
Office Equipment	25%	2,958,336	-	739,584	2,218,752
Vehicle	20%	8,640,000	-	1,728,000	6,912,000
<b>Total</b>		<b>1,237,419,640</b>	<b>-</b>	<b>64,354,387</b>	<b>1,173,065,252</b>

**Hydro-Electric Equipment Manufacturing Company Limited. Ltd.**  
**Kathmandu, Nepal**  
**Statement of Fixed Assets and Depreciation**

**83-84**

Description	Rate	Opening	Addition	Depreciation Current Year	WDV
Land	0%	-		-	-
Building-Factory shed	5%	352,870,513		17,643,526	335,226,987
Furniture & Fixture	25%	2,234,018		558,505	1,675,514
Machinery	5%	808,829,969		40,441,498	768,388,471
Office Equipment	25%	2,218,752		554,688	1,664,064
Vehicle	20%	6,912,000		1,382,400	5,529,600
<b>Total</b>		<b>1,173,065,252</b>	<b>-</b>	<b>60,580,617</b>	<b>1,112,484,636</b>

**84-85**

Description	Rate	Opening	Addition	Depreciation Current Year	WDV
Land	0%	-		-	-
Building-Factory shed	5%	335,226,987		16,761,349	318,465,638
Furniture & Fixture	25%	1,675,514		418,878	1,256,635
Machinery	5%	768,388,471		38,419,424	729,969,047
Office Equipment	25%	1,664,064		416,016	1,248,048
Vehicle	20%	5,529,600		1,105,920	4,423,680
<b>Total</b>		<b>1,112,484,636</b>	<b>-</b>	<b>57,121,587</b>	<b>1,055,363,048</b>

**85-86**

Description	Rate	Opening	Addition	Depreciation Current Year	WDV
Land	0%	-		-	-
Building-Factory shed	5%	318,465,638		15,923,282	302,542,356
Furniture & Fixture	25%	1,256,635		314,159	942,477
Machinery	5%	729,969,047		36,498,452	693,470,595
Office Equipment	25%	1,248,048		312,012	936,036
Vehicle	20%	4,423,680		884,736	3,538,944
<b>Total</b>		<b>1,055,363,048</b>	<b>-</b>	<b>53,932,641</b>	<b>1,001,430,407</b>

**86-87**

Description	Rate	Opening	Addition	Depreciation Current Year	WDV
Land	0%	-		-	-
Building-Factory shed	5%	302,542,356		15,127,118	287,415,238
Furniture & Fixture	25%	942,477		235,619	706,857
Machinery	5%	693,470,595		34,673,530	658,797,065
Office Equipment	25%	936,036		234,009	702,027
Vehicle	20%	3,538,944		707,789	2,831,155
<b>Total</b>		<b>1,001,430,407</b>	<b>-</b>	<b>50,978,064</b>	<b>950,452,343</b>

**Hydro-Electric Equipment Manufacturing Company Limited. Ltd.**  
**Kathmandu, Nepal**  
**Statement of Fixed Assets and Depreciation**

**87-88**

Description	Rate	Opening	Addition	Depreciation Current Year	WDV
Land	0%	-		-	-
Building-Factory shed	5%	287,415,238		14,370,762	273,044,476
Furniture & Fixture	25%	706,857		176,714	530,143
Machinery	5%	658,797,065		32,939,853	625,857,212
Office Equipment	25%	702,027		175,507	526,520
Vehicle	20%	2,831,155		566,231	2,264,924
<b>Total</b>		<b>950,452,343</b>	<b>-</b>	<b>48,229,067</b>	<b>902,223,276</b>

**88-89**

Description	Rate	Opening	Addition	Depreciation Current Year	WDV
Land	0%	-		-	-
Building-Factory shed	5%	273,044,476		13,652,224	259,392,252
Furniture & Fixture	25%	530,143		132,536	397,607
Machinery	5%	625,857,212		31,292,861	594,564,351
Office Equipment	25%	526,520		131,630	394,890
Vehicle	20%	2,264,924		452,985	1,811,939
<b>Total</b>		<b>902,223,276</b>	<b>-</b>	<b>45,662,235</b>	<b>856,561,041</b>

**89-90**

Description	Rate	Opening	Addition	Depreciation Current Year	WDV
Land	0%	-		-	-
Building-Factory shed	5%	259,392,252		12,969,613	246,422,640
Furniture & Fixture	25%	397,607		99,402	298,205
Machinery	5%	594,564,351		29,728,218	564,836,134
Office Equipment	25%	394,890		98,723	296,168
Vehicle	20%	1,811,939		362,388	1,449,551
<b>Total</b>		<b>856,561,041</b>	<b>-</b>	<b>43,258,342</b>	<b>813,302,698</b>

**90-91**

Description	Rate	Opening	Addition	Depreciation Current Year	WDV
Land	0%	-		-	-
Building-Factory shed	5%	246,422,640		12,321,132	234,101,508
Furniture & Fixture	25%	298,205		74,551	223,654
Machinery	5%	564,836,134		28,241,807	536,594,327
Office Equipment	25%	296,168		74,042	222,126
Vehicle	20%	1,449,551		289,910	1,159,641
<b>Total</b>		<b>813,302,698</b>	<b>-</b>	<b>41,001,442</b>	<b>772,301,256</b>

**Note: Life of Machinery and Factory shed is estimated to be for 20 years**



**Hydro-Electric Equipment Manufacturing Company Limited. Ltd.**  
**Kathmandu, Nepal**  
**Statement of Fixed Assets and Depreciation**

**90-91**

Description	Rate	Opening	Addition	Depreciation Current Year	WDV
Land	0%	-		-	-
Building-Factory shed	5%	234,101,508		11,705,075	222,396,432
Furniture & Fixture	25%	223,654		55,914	167,741
Machinery	5%	536,594,327		26,829,716	509,764,611
Office Equipment	25%	222,126		55,531	166,594
Vehicle	20%	1,159,641		231,928	927,713
<b>Total</b>		<b>772,301,256</b>	<b>-</b>	<b>38,878,165</b>	<b>733,423,091</b>

**Note: Life of Machinery and Factory shed is estimated to be for 20 years**

Hydro-Electric Equipment Manufacturing Company Limited. Ltd.  
Kathmandu, Nepal  
Summary of Revenue Forecast

S.No.	Particulars	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
1	REVENUE										
	INCOME	1,370,691,809	2,335,607,296	2,532,117,274	2,933,714,529	3,357,704,684	5,867,927,265	6,739,767,658	6,812,335,374	7,058,018,886	7,163,928,030
	<b>TOTAL REVENUE</b>	<b>1,370,691,809</b>	<b>2,335,607,296</b>	<b>2,532,117,274</b>	<b>2,933,714,529</b>	<b>3,357,704,684</b>	<b>5,867,927,265</b>	<b>6,739,767,658</b>	<b>6,812,335,374</b>	<b>7,058,018,886</b>	<b>7,163,928,030</b>
2	TOTAL EXPENSES	1,357,105,612	2,229,112,632	2,396,508,559	2,764,258,083	3,137,458,885	5,434,208,736	6,219,327,486	6,256,548,649	6,470,647,747	6,562,106,111
	<b>NET PROFIT (before Dep &amp; Tax)</b>	<b>13,586,196</b>	<b>106,494,664</b>	<b>135,608,715</b>	<b>169,456,446</b>	<b>220,245,799</b>	<b>433,718,529</b>	<b>520,440,172</b>	<b>555,786,725</b>	<b>587,371,139</b>	<b>601,821,919</b>



**Hydro-Electric Equipment Manufacturing Company Limited. Ltd.**  
**Kathmandu, Nepal**  
**Detailing of Project**

**Infrastructure and other Layout**

**Area of Proposed Factory to be constructed**

S.No.	Particulars	Area(Sq.ft.)	Summary
1	Land	364,500.00	5 Bigha land(Subsidy provided by government for 5 years so no lease rent )
2	Factor Shed Structure	69,000.00	
3	Storage Shed	23,700.00	
4	Corporate Office	9,500.00	

**Technical Cost Analysis**

S.No.	Particulars	Total Area	Rate Per Sq. ft.	Total Amount(NRs)
<b>A</b>	<b>Land</b>	-	-	-
	<b>Sub Total</b>			-
<b>A</b>	<b>Building &amp; Infrastructure</b>			
1	Land Development			8,000,000.00
2	Factory Shed	69,000.00	3,200.00	220,800,000
3	Storage Shed	23,700.00	3,500.00	82,950,000
4	Corporate Office	9,500.00	6,500.00	61,750,000
5	Electrification & Sanitary		10% of total cost of building,storage and factory shed	36,550,000
	<b>Sub Total</b>			<b>410,050,000</b>
<b>B</b>	<b>Furnitures &amp; Office Equipment</b>			10,500,000
	<b>Sub Total</b>			<b>10,500,000</b>
<b>C</b>	<b>Vehicle</b>			13,500,000
	<b>Sub Total</b>			<b>13,500,000</b>
		Mode of Currency	Exchange Rate applied	
<b>D</b>	<b>Plant and Machinery</b>	<b>USD</b>		
1	HydroMechinal Equipemnt	2,566,286	132.00	338,749,769
	<b>Total</b>	<b>2,566,286</b>		<b>338,749,769</b>
<b>D.1</b>	<b>Plant and Machinery</b>			
1	Electromechanical Equipment	4,156,279	132.00	548,628,802
	<b>Total</b>	<b>4,156,279</b>		<b>548,628,802</b>
	<b>FOB Cost Sub Total</b>			<b>887,378,571</b>
<b>E</b>	<b>Transportation and other incidental Cost</b>			20,000,000
<b>F</b>	<b>Installation cost</b>			30,000,000
	<b>Grand Total Cost</b>			<b>1,371,428,571</b>

**Hydro-Electric Equipment Manufacturing Company Limited. Ltd.**  
**Kathmandu, Nepal**  
**Expense Budget**

*Amount in NRs*

BUDGET HEADS		80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
<b>A</b>	<b>Direct Expense</b>										
	Opening Stock penstock pipe	-	154,829,828	303,985,670	305,263,720	421,299,779	493,293,408	612,640,513	619,467,923	619,639,712	681,475,682
	Opening Stock turbine		254,386,849	259,474,586	259,474,586	259,474,586	267,106,192	868,095,123	876,362,696	876,362,696	876,362,696
1	Purchase Cost of Raw Material-MS sheet (Mild Steel Sheets)	1,562,096,800	2,134,363,872	2,134,363,872	2,567,183,981	2,865,464,448	5,748,358,560	5,803,104,832	5,803,104,832	6,028,001,555	6,028,001,555
2	Add: Custom Duties(1%)	5,304,168	10,820,503	10,820,503	15,148,704	17,822,004	22,277,506	22,489,672	22,489,672	24,738,640	24,738,640
3	Carriage inward-Transportation Cost	16,000,000	32,320,000	32,480,000	45,696,000	52,224,000	65,920,000	65,920,000	65,920,000	72,512,000	72,512,000
4	Direct Labour Cost	21,000,000	21,000,000	23,100,000	23,100,000	25,410,000	25,410,000	27,951,000	27,951,000	30,746,100	30,746,100
5	Direct Expense-Coloring	24,000,000	49,440,000	49,483,200	69,338,774	79,317,643	99,241,465	99,371,124	99,505,969	109,653,251	109,859,966
	Expert Cost	25,200,000	25,200,000	27,720,000	27,720,000	30,492,000	30,492,000	33,541,200	33,541,200	36,895,320	36,895,320
6	Erection and Commissioning Cost	6,000,000	12,000,000	12,360,000	12,730,800	13,112,724	13,506,106	14,046,350	14,608,204	15,353,222	16,136,237
	Closing Stock penstock	(154,829,828)	(303,985,670)	(305,263,720)	(421,299,779)	(493,293,408)	(612,640,513)	(619,467,923)	(619,639,712)	(681,475,682)	(681,719,725)
	Closing Stock turbine	(254,386,849)	(259,474,586)	(259,474,586)	(259,474,586)	(267,106,192)	(868,095,123)	(876,362,696)	(876,362,696)	(876,362,696)	(876,362,696)
	<b>Total A</b>	<b>1,250,384,291</b>	<b>2,130,900,795</b>	<b>2,289,049,525</b>	<b>2,644,882,200</b>	<b>3,004,217,585</b>	<b>5,284,869,600</b>	<b>6,051,329,195</b>	<b>6,066,949,088</b>	<b>6,256,064,118</b>	<b>6,318,645,775</b>
<b>B</b>	<b>Employees Benefits</b>										
1	Employees Salary & Allowances	15,660,000	17,226,000	18,948,600	20,843,460	22,927,806	25,220,587	27,742,645	30,516,910	33,568,601	36,925,461
2	Contribution to Provident Fund	1,566,000	1,722,600	1,894,860	2,084,346	2,292,781	2,522,059	2,774,265	3,051,691	3,356,860	3,692,546
3	Dashain Expenses	1,305,000	1,435,500	1,579,050	1,736,955	1,910,651	2,101,716	2,311,887	2,543,076	2,797,383	3,077,122
4	Staff Benefits	1,300,000	1,430,000	1,573,000	1,730,300	1,903,330	2,093,663	2,303,029	2,533,332	2,786,665	3,065,332
5	Training Expenses	1,500,000	1,650,000	1,815,000	1,996,500	2,196,150	2,415,765	2,657,342	2,923,076	3,215,383	3,536,922
	<b>Total B</b>	<b>21,331,000</b>	<b>23,464,100</b>	<b>25,810,510</b>	<b>28,391,561</b>	<b>31,230,717</b>	<b>34,353,789</b>	<b>37,789,168</b>	<b>41,568,084</b>	<b>45,724,893</b>	<b>50,297,382</b>
<b>C</b>	<b>Administrative Expenses</b>										
1	Printing and Stationery	875,000	997,500	1,137,150	1,319,094	1,530,149	1,774,973	2,058,969	2,388,404	2,770,548	3,213,836
2	Water & Electricity Expenses	43,200,000	49,248,000	56,142,720	65,125,555	75,545,644	87,632,947	101,654,219	117,918,894	136,785,917	158,671,663
3	Wages	750,000	855,000	974,700	1,130,652	1,311,556	1,521,405	1,764,830	2,047,203	2,374,755	2,754,716
4	Postage, Telephone & Telegram	556,501	634,411	723,229	838,945	973,177	1,128,885	1,309,506	1,519,027	1,762,072	2,044,003
5	Adv. & Promotion	1,254,852	1,430,531	1,630,806	1,891,735	2,194,412	2,545,518	2,952,801	3,425,249	3,973,289	4,609,015
6	Transport & Vehicle Running Expenses	1,200,000	1,368,000	1,559,520	1,809,043	2,098,490	2,434,249	2,823,728	3,275,525	3,799,609	4,407,546
8	Legal & Auditing Fee	550,000	627,000	714,780	829,145	961,808	1,115,697	1,294,209	1,501,282	1,741,487	2,020,125
9	Communication Expenses	300,000	342,000	389,880	452,261	524,623	608,562	705,932	818,881	949,902	1,101,887
10	Fuel	300,000	342,000	389,880	452,261	524,623	608,562	705,932	818,881	949,902	1,101,887
11	Office Expenses	150,000	171,000	194,940	226,130	262,311	304,281	352,966	409,441	474,951	550,943
12	Repair and Maintance	6,529,594	6,187,098	5,865,326	5,562,423	5,276,815	5,007,152	4,752,262	4,511,116	4,282,805	4,066,513
13	Insurance	13,059,188	12,374,196	11,730,653	11,124,846	10,553,630	10,014,304	9,504,523	9,022,233	8,565,610	8,133,027
14	Bank Charges	9,777,387	-	-	-	-	-	-	-	-	-
15	Miscellaneous Expenses	150,000	171,000	194,940	222,232	253,344	288,812	329,246	375,340	427,888	487,792
	Preoperating Expenses (Write off)	6,737,800	-	-	-	-	-	-	-	-	-
	<b>Total C</b>	<b>85,390,321</b>	<b>74,747,737</b>	<b>81,648,523</b>	<b>90,984,322</b>	<b>102,010,582</b>	<b>114,985,348</b>	<b>130,209,123</b>	<b>148,031,476</b>	<b>168,858,736</b>	<b>193,162,954</b>
	<b>Total (A+B+C)</b>	<b>1,357,105,612</b>	<b>2,229,112,632</b>	<b>2,396,508,559</b>	<b>2,764,258,083</b>	<b>3,137,458,885</b>	<b>5,434,208,736</b>	<b>6,219,327,486</b>	<b>6,256,548,649</b>	<b>6,470,647,747</b>	<b>6,562,106,111</b>

Hydro-Electric Equipment Manufacturing Company Limited. Ltd.  
Kathmandu, Nepal  
**REVENUE FORECAST**

*in NRs*

S.N	DESCRIPTION										
		80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
		Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
1	Sales of Penstock Pipe	515,669,343	1,178,062,732	1,349,502,242	1,747,123,287	2,132,870,091	2,598,248,408	2,763,479,746	2,764,246,105	2,971,955,675	3,041,274,781
2	Sale of Turbine	855,022,466	1,157,544,564	1,157,544,564	1,157,544,564	1,191,589,992	3,211,580,567	3,909,557,539	3,980,640,404	4,016,181,836	4,051,723,268
3	Hydropower project R&M(1% of sales amount)	-	-	25,070,468	29,046,679	33,244,601	58,098,290	66,730,373	67,448,865	69,881,375	70,929,980
<b>TOTAL</b>		<b>1,370,691,809</b>	<b>2,335,607,296</b>	<b>2,532,117,274</b>	<b>2,933,714,529</b>	<b>3,357,704,684</b>	<b>5,867,927,265</b>	<b>6,739,767,658</b>	<b>6,812,335,374</b>	<b>7,058,018,886</b>	<b>7,163,928,030</b>

**Hydro-Electric Equipment Manufacturing Company Limited. Ltd.**  
**Kathmandu, Nepal**

**Summary of Project Cost**

<b>Fixed Assets</b>		
<b>S. No.</b>	<b>Description</b>	<b>Amount(Nrs)</b>
1	Land	-
2	Building and structures	410,050,000
3	Plant & Equipment	937,378,571
4	Furniture, Fixture & Equipment	10,500,000
6	Vehicle	13,500,000
7	Working Capital (Net)	328,571,429
<b>Total Project Cost</b>		<b>1,700,000,000</b>
<b>Financing Pattern of the Project</b>		
	Equity Financing for Fixed Assets Investment	<b>513,500,000</b>
	IPO Issue in the third year	<b>136,500,000</b>
	Loan Financing of Fixed Assets Investment(80% or project cost)	<b>960,000,000</b>
	Working capital Loan full financing	<b>90,000,000</b>
<b>Total Financing Pattern</b>		<b>1,700,000,000</b>

**Note:**

**Working Capital will be financed by internal accruals and Short Term Borrowings from Bank and Financial Institutions.**

**Hydro-Electric Equipment Manufacturing Company Limited. Ltd.**  
**Kathmandu, Nepal**  
**Estimation of Office and Administration Expenses**

in Nrs

Description	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
Printing and Stationery	875,000	997,500	1,137,150	1,319,094	1,530,149	1,774,973	2,058,969	2,388,404	2,770,548	3,213,836
Water & Electricity Expenses	43,200,000	49,248,000	56,142,720	65,125,555	75,545,644	87,632,947	101,654,219	117,918,894	136,785,917	158,671,663
Wages	750,000	855,000	974,700	1,130,652	1,311,556	1,521,405	1,764,830	2,047,203	2,374,755	2,754,716
Postage, Telephone & Telegram	556,501	634,411	723,229	838,945	973,177	1,128,885	1,309,506	1,519,027	1,762,072	2,044,003
Adv. & Promotion	1,254,852	1,430,531	1,630,806	1,891,735	2,194,412	2,545,518	2,952,801	3,425,249	3,973,289	4,609,015
Transport & Vehicle Running Expenses	1,200,000	1,368,000	1,559,520	1,809,043	2,098,490	2,434,249	2,823,728	3,275,525	3,799,609	4,407,546
Legal & Auditing Fee	550,000	627,000	714,780	829,145	961,808	1,115,697	1,294,209	1,501,282	1,741,487	2,020,125
Communication Expenses	300,000	342,000	389,880	452,261	524,623	608,562	705,932	818,881	949,902	1,101,887
Fuel	300,000	342,000	389,880	452,261	524,623	608,562	705,932	818,881	949,902	1,101,887
Insurance	13,059,188	12,374,196	11,730,653	11,124,846	10,553,630	10,014,304	9,504,523	9,022,233	8,565,610	8,133,027
Repair	6,529,594	6,187,098	5,865,326	5,562,423	5,276,815	5,007,152	4,752,262	4,511,116	4,282,805	4,066,513
Office Expenses	150,000	171,000	194,940	226,130	262,311	304,281	352,966	409,441	474,951	550,943
Miscellaneous Expenses	150,000	171,000	194,940	222,232	253,344	288,812	329,246	375,340	427,888	487,792
Bank Charges	9,777,387	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>78,652,521</b>	<b>74,747,737</b>	<b>81,648,523</b>	<b>90,984,322</b>	<b>102,010,582</b>	<b>114,985,348</b>	<b>130,209,123</b>	<b>148,031,476</b>	<b>168,858,736</b>	<b>193,162,954</b>



Hydro-Electric Equipment Manufacturing Company Limited. Ltd.  
Kathmandu, Nepal  
Profitability Analysis

in Nrs

Description/Year	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
Profit before Interest & Depreciation	13,586,196	106,494,664	135,608,715	169,456,446	220,245,799	433,718,529	520,440,172	555,786,725	587,371,139	601,821,919
Interest	10,200,000	9,838,693	9,455,102	9,047,852	8,615,483	8,156,447	7,669,098	7,151,691	6,602,372	6,019,171
Profit before Depreciation & Tax	3,386,196	96,655,970	126,153,613	160,408,594	211,630,316	425,562,082	512,771,074	548,635,033	580,768,767	595,802,748
Less: Depreciation & Amortisation	72,710,107	68,499,147	64,354,387	60,580,617	57,121,587	53,932,641	50,978,064	48,229,067	45,662,235	43,258,342
Profit before Tax	(69,323,911)	28,156,824	61,799,226	99,827,978	154,508,729	371,629,441	461,793,009	500,405,966	535,106,532	552,544,405
Less: - Income Tax	-	-	-	18,200,935	30,901,746	74,325,888	92,358,602	100,081,193	107,021,306	110,508,881
Net Profit (Transferred to B/S)	(69,323,911)	28,156,824	61,799,226	81,627,042	123,606,983	297,303,553	369,434,407	400,324,773	428,085,226	442,035,524

**Hydro-Electric Equipment Manufacturing Company Limited. Ltd.**  
**Kathmandu, Nepal**  
**Financial Ratios**

in Nrs

Particulars	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
Net profit after tax before Interest	(59,123,911)	37,995,517	71,254,328	90,674,894	132,222,466	305,460,000	377,103,506	407,476,464	434,687,597	448,054,695
Total Capital Employed	1,491,238,668	1,414,520,415	1,469,570,348	1,383,096,620	1,291,289,381	1,193,819,672	1,090,338,245	980,474,311	863,834,209	740,000,000
Equity Capital	513,500,000	513,500,000	650,000,000	650,000,000	650,000,000	650,000,000	650,000,000	650,000,000	650,000,000	650,000,000
Net Worth	414,720,649	442,877,472	641,176,698	722,803,740	748,910,724	916,214,277	1,090,648,684	1,263,473,456	1,464,058,683	1,678,594,207
Total Debt	977,738,668	901,020,415	819,570,348	733,096,620	641,289,381	543,819,672	440,338,245	330,474,311	213,834,209	90,000,000
Return on Capital Employed	-3.96%	2.69%	4.85%	6.56%	10.24%	25.59%	34.59%	41.56%	50.32%	60.55%
Return on Equity	-13.50%	5.48%	9.51%	12.56%	19.02%	45.74%	56.84%	61.59%	65.86%	68.01%
Return on Net Worth	-16.72%	6.36%	9.64%	11.29%	16.50%	32.45%	33.87%	31.68%	29.24%	26.33%
Debt to Total Capital	65.57%	63.70%	55.77%	53.00%	49.66%	45.55%	40.39%	33.71%	24.75%	12.16%
Debt/ Equity Ratio	2.36	2.03	1.28	1.01	0.86	0.59	0.40	0.26	0.15	0.05

**Debt Serving Capacity Ratio**

Particulars	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
Net Profit Before Interest and Dep	13,586,196	106,494,664	135,608,715	151,255,511	189,344,054	359,392,641	428,081,570	455,705,531	480,349,833	491,313,038
Payment of Interest and Principal	10,200,000	9,838,693	9,455,102	9,047,852	8,615,483	8,156,447	7,669,098	7,151,691	6,602,372	6,019,171
Debt Serving Ratio	1.33	10.82	14.34	16.72	21.98	44.06	55.82	63.72	72.75	81.62

**Operational & Net Profit Ratios**

Description/Year	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90
Sales Revenue	1,370,691,808.65	2,335,607,296	2,532,117,274	2,933,714,529	3,357,704,684	5,867,927,265	6,739,767,658	6,812,335,374	7,058,018,886	7,163,928,030
Gross Margin	120,307,517.69	204,706,501	243,067,748	288,832,329	353,487,099	583,057,666	688,438,463	745,386,285	801,954,768	845,282,255
Profit before Tax	-69,323,911	28,156,824	61,799,226	99,827,978	154,508,729	371,629,441	461,793,009	500,405,966	535,106,532	552,544,405
Net Profit after Tax	-69,323,911	28,156,824	61,799,226	81,627,042	123,606,983	297,303,553	369,434,407	400,324,773	428,085,226	442,035,524
Depreciation & Amortization	72,710,107	68,499,147	64,354,387	60,580,617	57,121,587	53,932,641	50,978,064	48,229,067	45,662,235	43,258,342
Cash Profit	3,386,196	96,655,970	126,153,613	142,207,659	180,728,571	351,236,194	420,412,472	448,553,840	473,747,461	485,293,867
<b>Net Profit Ratios</b>										
Gross Profit Ratios	0%	9%	10%	10%	11%	10%	10%	11%	11%	12%
Net Profit Ratios	0.00%	1.21%	2.44%	2.78%	3.68%	5.07%	5.48%	5.88%	6.07%	6%

**For The Prospective Investor:**

<b>Name of The Projects</b>	<b>Project Cost ( In NRs.)</b>	<b>Equity Required from the Investor</b>	<b>Financing (Loan) Required to be arranged by the Investor</b>
Nepal Hydro Equipment Manufacturing Company Pvt. Ltd NHEMCL	1700000000	277205000	1050000000
White Gold Multi Energy Ltd, (WGMEEL) Madhya Daram Khola A Small Hydropower Project 4 MW	915600000	175859328	640920000
Milestone Hydro Power Pvt. Ltd., (MHPPL) Madhya Daram Khola B Small Hydropower Project 4 MW	814630000	137740100	570241000
<b>Total</b>	<b>3430230000</b>	<b>590804428</b>	<b>2261161000</b>

**Please Note:**

- The Prospective Investor must be interested equally in all three projects, and only 1 or 2 projects can not be partnered.
- The prospective Investor in NHEMCL must be or /able to bring Suitable and Capable Technical Collaboration partner with an experience in Hydro Equipment Manufacturing up to the European Standard
- Initial Requirement is the prospective investor should bring forward a qualified and experienced hydro equipment manufacturer as technical collaborator.
- The arrangement of Funding (Loan) Should not exceed 6% per annum in all the 3 projects

*Figures are in NPR      Exchange Rate 1 INR = 1.6015 NRs (Fixed Pegged Rate)*

*1 USD = 132.10 NPR (As per 14 June 2023)*

**Nepal Hydro Equipment****Manufacturing Company Pvt. Ltd****NHEMCL**

Project Nature Manufacturing / Assembling of Hydropower generating Equipment with Training Component

Total Project Cost In NRs	1700000000
Total Equity Requirement ( 38%)	650000000
Loan/ Total Funding Required (62%)	1050000000

Total Equity Paid-Up as per date (11.8%)	76453000
Share Advance & Contractual Obligations (10.6%)	68842000
Shares to be given to Bharatapur Metropolitan City (5%) Local Government	32500000
Shares to be given to Kawasoti Municipality (5%) Local Government	32500000
Shares to be given to Devchuli Municipality (5%) Local Government	32500000
Shares to be given to HIDCL (10%)	65000000
Share to Public as IPO @ 10% of Equity	65000000
Required Equity from Investor (42.6%)	277205000

**White Gold Multi Energy Ltd, (WGMEL)**

**Madhya Daram Khola A Small Hydropower Project**

**4 MW**

Total Project Cost In NRs	915600000
Total Equity Requirement ( 30%)	274680000
Loan/ Total Funding Required (70%)	640920000
Cost Per MW	228900000

Total Equity Paid-Up as per date (14 %)	37320200
Share Advance & Contractual Obligations (12 % of Equity)	34032472
Share to Public as IPO @ 10% of Equity	27468000
Required Equity from the Investor (64% of Equity)	175859328

**Milestone Hydro Power Pvt. Ltd., (MHPPL)**

**Madhya Daram Khola B Small Hydropower Project**

**4 MW**

Total Project Cost In NRs	814630000
Total Equity Requirement ( 30%)	244389000
Loan/ Total Funding Required (70%)	570241000
Cost Per MW	203657500

Total Equity Paid-Up as per date ( 22 %)	53310000
Share Advance & Contractual Obligations (12 % of Equity)	28900000
Share to Public as IPO @ 10% of Equity	24438900
Required Equity from the Investor ( 56 % of Equity)	137740100



Gross Income			-38422	-54723	63333	65418	66873	68323	69766	71454	73135	75059	76977	78889
Total Loan			320460	640920	640920	640920	605920	570920	535920	495920	455920	410920	365920	320920
Loan Payback			0	0	0	35000	35000	35000	40000	40000	45000	45000	45000	45000
Net Income			-38422	-54723	63333	65418	31873	33323	29766	31454	28135	30059	31977	33889
Accumulated Income (Loss)			-38422	-93145	-29812	35606	35479	33802	33569	35022	31157	31216	33193	35083
Dividend						32000	35000	30000	30000	32000	30000	30000	32000	32000
Dividend %						11.65	12.74	10.92	10.92	11.65	10.92	10.92	11.65	11.65
Accumulated Dividend %							24.39	35.31	46.24	57.89	68.8	79.73	91.38	103.03
Reserve & Surplus						3606	479	3802	3568	3022	1157	1216	1193	3082
Accumulated Reserve							4085	7888	11456	14478	15635	16851	18045	21127



## Madhya Daram Khola-A Small Hydropower Project

### 4 MW Updated feasibility study report - 2023

#### Salient Feature

1 Project Location	As per updated feasibility
Province	Gandaki
District	Baglung
Access Road	
Headworks	Hile VDC
Powerhouse	Argal VDC
Geographic Co-ordinates	
Latitude	N 28° 15' 30" N to 28° 16' 44"
Longitude	E 83° 24' 30" E to 83° 26' 15"
2 General Consideration	
Name of River	Daram Khola
Nearest Town	Baglung Bazar
Type of Scheme	Run-of-River
Installed Capacity	4,000 kW
Gross Head	135.00 m
Net Head	127.20 m
Design Discharge	3.75 m <sup>3</sup> /s
Annual Energy after Outage	22.61 GWh
3 Hydrology	
Catchment Area	87.6 sq. km
Design Flood Discharge (100-year Flood)	290 m <sup>3</sup> /s
Riparian Release	0.072 m <sup>3</sup> /s
Mean Annual Discharge	5.157 m <sup>3</sup> /s
4 Head works And Intake Structure	
4.1 Diversion Weir	
Type	Free overflow Weir
Crest Length	15.0 m
Weir Crest Level	EL 1,484.601 m
4.2 Under sluice Structure	
Nos of opening	1 (One)
Size (WXH)	2.5 m X 1.8 m
Sill Level	EL. 1,482.520 m
4.3 4.3 Intake	
Type	Bottom Intake
Size of Intake (W X H)	(1.2 X 2.47) m
Intake Sill Level	EL 1,483.35 m
4.4 Gravel Trap	
Type	Rectangular
Particle Size to be settled	2 mm

Trap Efficiency		90%
Size of gravel trap	(9.5 X 5.5 X 5.9) m	
Size of Flushing Canal	2.8 X 2.0m @ 1:25 rectangular closed.	
4.5 Approach Canal		
Type	RCC, Rectangular	
Length	17.56 m	
Size	2.7 m X 2.1 m (B X D)	
4.6 Desilting Basin		
Type	Dufour (Double- Chamber)	
Dimension (L X B X H) m	49.0 m X 5.20 m X 6.03 m	
Particle Size to be settled	0.2 mm	
Normal Water Level	EL. 1,484.25 m	
5 5 Water Conveyance System		
5.1 Fore Bay		
Type	R.C.C. rectangular	
Length	14 m	
Dimension	6.9 m X 6.9 m (W X H)	
5.2 Surge Tank		
a. Surge Pipe		
Type	MS Pipe	
Diameter .	3m Dia	
Height	27.89 m	
Up Surge Level	1490.01 m	
Down Surge Level	1473.49 m	
b. Connecting Pipe	MS Pipe	
Diameter	0.75m	
Length	150.05m	
5.3 Penstock Pipe		
Materials	Mild Steel	
Length	2,379 m till bifurcation	
Internal Diameter	1.6 m, 1.5m, 1.4m	
Bend		59
Thickness	8 mm ~ 14 mm	
Bifurcated Pipe	0.85 m	
Length of Bifurcated Pipe	10 m	
6 Power House		
Type	Surface	
Dimension	27 m x 14.4 m	
Height	11 m from floor level	
Turbine Center Level	EL 1239.40 m	
Floor Level	EL 1237.8 m	
7 Tail race		
Type	R.C.C Box Culvert	
Length	85 m	

Dimension	(3.1 X 2.5) m	
Water Level at Draft Tube	EL 1350.00 m	
Bed Slope	1 in 750	
8 Turbine		
No of Units	2 (Two)	
Type	Horizontal Axis, Francis	
Shaft Arrangement	Horizontal	
Rated Output Capacity per Unit	2000 kW	
Net Head	127.20 m	
Discharge per unit	1.857 m <sup>3</sup> /s	
Rated Efficiency		91%
9 Governor		
Type	Electronic with PID Control	
Adjustment for Speed Drop	Between 0 to 5%	
10 Generator		
No of Unit	2 (Two)	
Generator Type	3 ph AC Synchronous	
Excitation	Brushless	
Rated Voltage	3.3 kV	
Power factor	0.85 lagging	
Layout	Horizontal	
Rated Output	2355 kVA	
Rated Frequency	50 Hz	
Efficiency		97%
Rated Speed	750 rpm	
11 Transformer		
Type	Three Phase, Outdoor	
Capacity	5000 kVA	
No	1 (One)	
Vector Group	YNd 11	
Rated Efficiency 99%		99%
Voltage Ratio	3.3/33 kV	
12 Transmission Line		
Voltage level	2.4 km, 33kV single circuit Transmission line	
From	Powerhouse Switchyard	
To	11/33 kV Harichaur Sub- Station (NEA)	
13 Power And Energy		
Installed capacity	4 MW	
Deemed Energy	22.61 GWh	
Dry Season Energy	3.96 GWh	
Wet season Energy	18.65 GWh	

14 Total Cost of the Project

Nrs. 915.60 million

15 Construction Period

24 Months

Company Name	White Gold Multi Energy Ltd, (WGMEL)	
Company Registration Number	187495/074/075	
Date	12/28/2074 2018 Apr 11	
Registered Address	Baglung Municipality-2, Baglung	
Project Name	Madhya Daram Khola A Small Hydropower Project	
Capacity	4 MW	
Location	Heel, Argal, Amarbhumi , Tarakhola Rural Municipality- 3, Baglung District	
Coordinates	28 16' 44" to 28 15' 36" N	latitudes
	83 26' 22" E TO 83 24' 30" E	longitudes
Construction License No.	230	
Issue Date	2075.02.09	2018 May 23
Validity	2110.02.08	2053 May 22
PPA Date:	2075.12.26	2019 Apr 09
Commercial Operation Date:	2077.12.31	2020 Jun 13
MW	initiallly for 3 MW upgraded to 4	
Total Project Cost in NRs.	915600000	
Total Equity Requirement ( 30%)	274680000	
Total Equity Paid-Up as per date	37320200	
Share Advance & Contractual Obligations	34032472	
Share to Public as IPO @ 10% of Equity	27468000	
Required Equity from Investor	175859328	
Loan		
Total Loan Required (70%)	640920000	
Cost Per MW	228900000	
Figures in NPR	Exchange Rate 1 INR = 1.6015 NPR (Fixed Pegged Rate) 1 USD = 132.10 NPR (As per 14 June 2023)	





Gross Income			-22912	-37339	76466	78645	80463	82278	84088	85895	87698	89747	91792	93832
Total Loan			285120.5	570241	570241	570241	530241	490241	450241	410241	370241	325241	280241	235241
Loan Payback			0	0	0	40000	40000	40000	40000	40000	45000	45000	45000	45000
Net Income			-22912	-37339	76466	38645	40463	42278	44088	45895	42698	44747	46792	48832
Accumulated Income (Loss)			-22912	-60251	16214	54860	65323	67601	66689	67584	65281	65028	66820	70652
Dividend					15000	30000	40000	45000	45000	45000	45000	45000	45000	45000
Dividend %					6.14	12.28	16.37	18.41	18.41	18.41	18.41	18.41	18.41	18.41
Accumulated Dividend %						18.41	34.78	53.19	71.61	90.02	108.43	126.85	145.26	163.67
Reserve & Surplus					1214	24860	25323	22601	21689	22583	20281	20028	21819	25652
Accumulated Reserve						26074	51397	73998	95686	118270	138551	158578	180398	206049



Madhya Daram Khola-B Small Hydropower Project  
 4 MW Updated feasibility study report - 2023  
 Salient Feature

1 Project Location	As per updated feasibility study report
Province	Gandaki
District	Baglung
Access Road	
Headworks	Hile VDC
Powerhouse	Harichaur VDC
Geographic Co-ordinates	
Latitude	N 28°14'05" N to 28°15'30"
Longitude	E 83°24'30" E to °26'22"
2 General Consideration	
Name of River	Daram Khola
Nearest Town	Baglung Bazar
Type of Scheme	Run-of-River
Installed Capacity	4000 kW
Gross Head	109.50 m
Net Head	102.45 m
Design Discharge	at Q40% 4.72 m <sup>3</sup> /s
Annual Energy after Outage	22.28 GWh
3 Hydrology	
Catchment Area	128.34 Sq km.
Design Flood Discharge (100- year Flood)	7.512 m <sup>3</sup> /S
Riparian Release	412 m <sup>3</sup> /s
Mean Annual Discharge	0.1 m <sup>3</sup> /s
4 Head works And Intake Structure	
Diversion Weir	
4.1 Type	Tyrolean bottom Intake
Crest Length	8.7m
Height	0.5m
Weir Crest Level	1351.41 m
Under sluice Structure	
4.2 Nos of opening	1 (One)
Size (WXH)	
Sill Level	
Intake	
4.3 Type	Bottom Intake
Size of Intake (W X H) ,	2 no (1.2 X 2.47) m
Intake Sill Level	EL 1,351.05 m
4.4 Gravel Trap	
Type Surface	Rectangular

	Particle Size to be settled	2 mm	
	Trap Efficiency		90%
	Size of gravel trap	(3X 3 X3) m	
	Size of Flushing Canal	0.5mX0.5m @ 1:25 rectangular closed.	
4.4 b	Desilting Basin		
	Type	Dufour (Single- Chamber)	
	Dimension (L X B X H) m	12.31 m X 3 m X 3 m	
	Particle Size to be settled	0.2 mm	
	Normal Water Level	EL. 1,351 m	
4.5	Approach Canal		
	Type	RCC, Rectangular	
	Length	140m	
	Size	1mx1m (B X D)	
4.6	Head pond		
	Type	Dufour (Single- Chamber)	
	Dimension (L X B X H) m	25 m X 4.0 m X 6.03 m	
	Particle Size to be settled	0.2 mm	
	Normal Water Level EL.	1,350.86 m	
	5 Water Conveyance System		
5.1	Fore Bay		
	Type	R.C.C. rectangular	
	Length	6m	
	Dimension	4.0m X 6 .5m (W X H)	
	Head Race Pipe		
	Type	MS – Pipe	
	Length	2.91 km till bifurcation	
	Diameter	1.6 m and 1.5 m	
	Thickness	8mm -14mm	
	Bend		55
5.2	Surge Tank		
a.	Surge Pipe		
	Type	Circular	
	Diameter	3.5 m	
	Inclined Length of Tank	45.00 m	
	Maximum Upsurge	EL 1,359.86 m	
	Maximum Down surge	EL 1,332.12 m	
	Static Water Level	EL 1,349.50 m	
b.	Connecting Pipe	MS Pipe	
	Diameter	1.6m	
	Length	3m	
	6 Power House		
	Type	Surface	
	Dimension	27 m x 14.4 m	
	Height	11 m from floor level	
	Turbine Center Level	EL. 1,239.40 m	

Floor Level	EL. 1,237.8 m	
7 Tail race		
Type	R.C.C Box Culvert	
Length	85 m	
Dimension	(3.1 X 2.5) m	
Water Level at Draft Tube	EL. 1,238.20 m	
Bed Slope	1 in 750	
8 Turbine		
No of Units	2 (Two)	
Type	Horizontal Axis, Francis	
Shaft Arrangement	Horizontal	
Rated Output Capacity per Unit	2000 kW	
Net Head	102.45 m	
Discharge per unit	2.36 m <sup>3</sup> /s	
Rated Efficiency		91%
9 Governor		
Type	Electronic with PID Control	
Adjustment for Speed Drop	Between 0 to 5%	
10 Generator		
No of Unit	2 (Two)	
Generator Type	3 ph AC Synchronous	
Excitation	Brushless	
Rated Voltage	3.3 kV	
Power factor	0.85 lagging	
Layout	Horizontal	
Rated Output	2,355 kVA	
Rated Frequency	50 Hz	
Efficiency		97%
Rated Speed	750 rpm	
11 Transformer		
Type	Outdoor	
Capacity	5,000 kVA	
No	1 (One)	
Vector Group	YNd 11	
Rated Efficiency		99%
Voltage Ratio	3.3/33 kV	
12 Transmission Line		
Voltage level	300m, 33kV single circuit line	
From	Powerhouse Switchyard	
TO	11/33 kV Harichaur Sub-Station (NEA)	

13 Power And Energy	
Installed capacity	4 MW
Deemed Energy	22.27 GWh
Dry Season Energy	3.73 GWh
Wet season Energy	18.54 GWh
14 Total Cost of the Project	Nrs. 814.63 million
15 Construction Period	24 Month

Company Name	Milestone Hydro Power Pvt. Ltd., (MHPPL)
Company Registration Number	212365/075/076
Date	12/20/2075 2018 June 3
Registered Address	Banasthali, Kathmandu Metropolitan-16, Kathmandu.
Project Name	Madhya Daram Khola B Small
Capacity	4 MW
Location	Amarbhumi, Harichaur, Heel , Tarakhola Rural Municipality- 1, Galkot Municipality-5 , Baglung District
Coordinates	28 14' 05" to 28 15' 54" N latitudes 83 24' 30" E TO 83 26' 22" E longitudes
Construction License No.	231
Issue Date	2075.02.09 2018 May 23
Validity	2110.02.08 2053 May 22
PPA Date:	2075.12.26 2019 Apr 09
Commercial Operation Date:	2078.02.31 2021 Jun 14
MW	initially for 4.5 mw now changing to 4 mw
Total Project Cost	814630000
Total Equity Requirement ( 30%)	244389000
Total Equity Paid-Up as per date	53310000
Share Advance & Contractual Obligations	29363160
Share to Public as IPO @ 10% of Equity	26001000
Required Equity from Investor	161715840
Loan	
Total Loan Required (70%)	570241000
Cost Per MW	203657500
Figures in NPR	Exchange Rate 1 INR = 1.6015 NPR (Fixed Pegged Rate) 1 USD = 132.10 NPR (As per 14 June 202



Membership No: 4105 "B"  
**C.B.Thapa & Company**  
**Registered Auditor & Tax Auditor**  
Membership of Chartered Accountant of Nepal  
Ref ,

Pokhara-08, Newroad  
Phone: 061-534826  
Mob.No.9856024601

## Independent Auditor's Report

To the shareholders

**Dhaulagiri Civil Electrical Mechanical Engineering Pvt.ltd.**  
Baglung -2, Shree Nagar

### Report on the audit of the financial Statements

#### Opinion

We have audited the financial statements of the company ,which comprise the statement of financial position as at 32<sup>nd</sup> Ashad 2079 (16<sup>th</sup> july, 2022), and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements ,including a summary of significant accounting policies.

In our opinion, the accompanying financial statement present fairly, in all material respects, the financial position of **Dhaulagiri Civil Electrical Mechanical Engineering Pvt. Ltd.**(the company) as at 16 July 2022,and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs)

#### 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 the Financial Statement section of our report. We are independent of the Company accordance with the ethical requirement that are relevant to our audit of the financial statement in Nepal, 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.

#### Other information

Management is responsible for the other information. The other information comprises all information in the annual report other than the financial statement and our auditor's report thereon. Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are requested to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statement in accordance with NFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement ,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.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion .Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error

and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risk of material misstatement of the financial statement, 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

We further report that we have obtained information and explanations asked for, which, to the best of our knowledge and belief, where necessary for the purpose of our audit. In our opinion, the balance sheet, the statements of income and the cash flows have been prepared in accordance with the requirements of the companies Act 2063 and are in agreement with the books of account of the company; and proper books of account as required by law have been kept by the company.

To the best of our information and according to explanations given to us and from our examination of the books of account of the company necessary for the purpose of our audit, we have not come across cases where Board of Directors or any employees of the company have acted contrary to the provisions of law relating to the accounts, or committed any misappropriation or caused loss or damage to the company relating to the accounts in the company.

Proprietor  
Cb thapa & company  
Registered Auditors  
Date:2079.11.29  
UDIN :





**Dhaulagiri Cem Engineering Pvt.Ltd.**  
**Baglung-2**

Statement of Financial Positions

As at 32nd Ashad 2079

Particulars	Axn	F.Y.2078/079	F.Y.2077/078
<b>Equity</b>			
Share Capital	7	76,453,000.00	76,453,000.00
Profit & Loss A/c	8	(29,455,440.73)	(29,677,135.17)
<b>Non Current Liabilities</b>			
Bank Loan	9	-	-
Secured Loan -Other	9	-	-
<b>Current Liabilities &amp; Provisions</b>			
Unsecured Loan	9	-	-
Account Payable	10	31,847,173.34	31,804,389.19
Sundry Creditors	11	11,562,973.01	18,095,928.95
		<u>43,410,146.35</u>	<u>49,900,318.14</u>
<b>Gross Total</b>		<b>90,407,705.62</b>	<b>96,676,182.97</b>
<b>Assets &amp; Properties :</b>			
<b>Non Current Assets</b>			
Property Plant & Equipments	12	7,200,320.99	5,101,025.55
Investment-Work In Progress	13	51,531,457.00	51,531,457.00
Total		58,731,777.99	56,632,482.55
<b>Current Assets :</b>			
Closing Stock	14	7,614,475.78	7,614,475.78
Trade & Account Receivable	15	23,541,453.03	31,940,237.06
Cash (Bank/ In hand)	16	47,322.50	122,124.50
Loan / Deposit & Advance	17	472,676.32	366,863.08
Total		31,675,927.63	40,043,700.42
<b>Gross Total</b>		<b>90,407,705.62</b>	<b>96,676,182.97</b>
Notes to Accounts	18		
Contingent Liabilities		-	-

Schedule 1 to 18 form an integral part Account.

As per our annexed report

  
Accountant

  
Managing Director

  
Auditor



# Dhaulagiri Cem Engineering Pvt.Ltd.

Baglung-2

## Income Statement

For the period of 2078/079

Particulars	Anx	F.Y.2078/079	F.Y.2077/078
Sales Income:	1	4,565,205.00	3,045,781.00
Less:Cost of Goods Sold	2	<u>2,840,472.27</u>	<u>828,219.61</u>
		1,724,732.73	2,217,561.39
Add:Others Income	3	<u>120,000.00</u>	<u>387,000.00</u>
Gross Profit :		1,844,732.73	2,604,561.39
Less :Operating Cost			
Employee Benefits exp	4	186,000.00	186,000.00
Administrative Expenses	5	676,333.73	810,466.11
Interest Expenses	6	-	-
Repair & Maintenance		-	690.00
Depreciation	5	<u>760,704.56</u>	<u>721,353.45</u>
Total Exp.		1,623,038.29	1,718,509.56
<b>Profit Before Tax:</b>		<b>221,694.44</b>	<b>886,051.83</b>
Provision for Tax		<u>-</u>	<u>-</u>
<b>Profit After Tax (transferred to Anx 12)</b>		<b>221,694.44</b>	<b>886,051.83</b>

Schedule 1 to 18 form an integral part Account.

  
Accountant

  
Managing Director



  
Auditor



# Dhaulagiri Cem Engineering Pvt.Ltd.

Baglung-2

Cash Flow Statement

As at 32nd Ashad 2079

S.N.	Particulars	F.Y.2078/079 Amount (Rs.)	F.Y.2077/078 Amount (Rs.)
<b>A.</b>	<b><u>Cash From Operating Activities</u></b>		
1	Profit/ Loss Before Extra Ordinary Items Adjustments	221,694.44	886,051.83
	<b><u>Adjustment</u></b>		
	Depreciation Expenses	760,704.56	721,353.45
	Tax Expenses	-	-
	Interest Expenses	-	-
2	Operating Cashflow before change of Working Capital	982,399.00	1,607,405.28
	a.Increase (Decrease) on Current Assets	8,398,784.03	(1,358,505.84)
	b.Increase ( Decrease) on Current Liabilities	(6,490,171.79)	(3,509,589.86)
3	Cash Flow From Operation	2,891,011.24	(3,260,690.42)
	a.Interest Paid	-	-
	b.Tax Paid	-	(28,160.00)
4	Cash Flow Before Extra Ordinary Items Adjustment	-	-
	a.Income/ Expenses from Extraordinary Items	-	-
	<b>Net Cash Flow From Operating Activities</b>	<b>2,891,011.24</b>	<b>(3,288,850.42)</b>
<b>B.</b>	<b><u>Cash From Investing Activities</u></b>		
1	Purchase (Sales) of Fixed Assets	(2,860,000.00)	-
2	Increase (Decrease) on Advance & Deposits	(105,813.24)	3,363,178.92
3	Increase (Decrease) on Investments	-	-
	<b>Net Cash Flow From Investing Activities</b>	<b>(2,965,813.24)</b>	<b>3,363,178.92</b>
<b>C.</b>	<b><u>Cash Flow From Financing Activities</u></b>		
1	Increase (Decrease) on Capital	-	-
2	Dividend Distribution	-	-
3	Increase (Decrease) on Loan	-	-
	<b>Net Cash Flow From Financing Activities</b>	<b>-</b>	<b>-</b>
	Increase ( Decrease) on Cash Balance (A+B+C)	(74,802.00)	74,328.50
	Cash and Cash Equivalent at the Begaining of This Year	122,124.50	47,796.00
	<b>Cash and Cash Equivalent at The End of This Year</b>	<b>47,322.50</b>	<b>122,124.50</b>
	Notes to Accounts		

Schedule 1 to 18 form an integral part Account.

  
Accountant

  
Managing director



Dhaulagiri Cem Engineering Pvt.Ltd.  
 Baglung-2  
 Changes in Equity  
 As at 32nd Ashad 2079

<u>Particulars</u>	<u>Opening</u>	<u>Addition this Year</u>	<u>Transferre</u>	<u>Closing Balance</u>
Share Capital	76,453,000.00	-	-	76,453,000.00
Retained Earnings	(29,677,135.17)	221,694.44	-	(29,455,440.73)
Others	-	-	-	-
	-	-	-	-
<b>Total</b>	<b>46,775,864.83</b>	<b>221,694.44</b>	<b>-</b>	<b>46,997,559.27</b>

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 Chairman



# Dhaulagiri Cem Engineering Pvt.Ltd.

Baglung-2

Schedule for Profit & Loss A/c & Balance Sheet  
For the period of 2078/079

## Revenue Income A/c -Annex 1

Particulars	F.Y. 2078/079	F.Y. 2077/078
Sales	4,565,205.00	3,045,781.00
Project Maintenance & Installation Income	-	-
Net Sales	4,565,205.00	3,045,781.00

## Cost of Goods Sold - Annex 2

Particulars	F.Y. 2078/079	F.Y. 2077/078
Opening Stock	7,614,475.78	5,036,100.00
Purchase	2,502,650.27	3,081,432.89
Electricity /Water	104,522.00	106,580.00
Salary -Direct	228,520.00	213,412.50
Carriage exp	4,780.00	5,170.00
	10,454,948.05	8,442,695.39
Less:Closing Stock -Finished +Materials	7,614,475.78	7,614,475.78
Total Cost of goods sold	2,840,472.27	828,219.61

## Other Income -Annex 3

Particulars	F.Y. 2077/078	F.Y. 2076/077
Rental Income	120,000.00	387,000.00
Other Miscellaneous Income	-	-
Total	120,000.00	387,000.00

## Employee Benefit Expenses -Annex 4

Particulars	F.Y. 2077/078	F.Y. 2076/077
Salary Admin	186,000.00	186,000.00
Staff Welfare	-	-
Total	186,000.00	186,000.00

## Administrative & General expenses - Annex 5

Particulars	F.Y. 2078/079	F.Y. 2077/078
Advertisement	-	-
Audit Fee	65,000.00	65,000.00
Guest entertainment	138,835.73	51,413.55
Land Rent	350,820.00	576,000.00
Fuel	-	6,161.56
Tiffin	52,478.00	50,369.00
Stationery & Printing	1,840.00	1,620.00
Telephone / Inaternate exp	9,470.00	8,266.00
Travelling exp	57,890.00	51,636.00
Bank Charges	-	-
Total	676,333.73	810,466.11

## Financial Cost -Annex 6

Particulars	F.Y. 2077/078	F.Y. 2076/077
Bank Interest	-	-
Total	-	-

Accountant



Managing Director



Auditor



Dhaulagiri Cem Engineering Pvt.Ltd.  
Baglung-2  
Schedule for profit & Loss A/c & Balance sheet  
For the period of 2078/079

Share Capital A/c- Annex 7

Particulars	F.Y. 2078/079	F.Y. 2077/078
Authorired capital -4200000 share @1000	420,000,000.00	200,000,000.00
Issued Capital -1800000 share @ 1000	180,000,000.00	180,000,000.00
Paid up Capital -	76,453,000.00	76,453,000.00
Total	76,453,000.00	76,453,000.00

Profit & Loss Adjustment A/c -Annex 8

Particulars	F.Y. 2078/079	F.Y. 2077/078
Profit up to previous Year	(29,677,135.17)	(30,535,027.00)
Profit for this Year	221,694.44	886,051.83
Less:Income tax paid	-	(28,160.00)
Less:Dividend Distribution	-	-
Total	(29,455,440.73)	(29,677,135.17)

Bank Loan - Annex 9

Particulars	F.Y. 2078/079	F.Y. 2077/078
Fixed Term Loan	-	-
Secured Loan -Other	-	-
Short term Loan	-	-
Unsecured Loan	-	-
Total	-	-

Account payable- Annex10

Particulars	F.Y. 2078/079	F.Y. 2077/078
Audit fee	130,000.00	65,000.00
Staff Salary	4,145.20	3,994.13
Share Application Money	22,955,940.94	15,956,346.94
Interest Payable	-	-
Staff Welfare Fund	160,000.00	542,241.00
Advance from Universal	8,370,000.00	8,370,000.00
Advance from Pahadi (Samiti)	-	6,617,353.00
TDS Payable	-	-
SST	1,860.00	1,860.00
TDS on Rent	35,082.00	57,600.00
TDS on Salary	4,145.20	3,994.13
TDS on Serice	-	-
TDS on Dhuwani Sewa	-	-
Other Payable	186,000.00	186,000.00
Total	31,847,173.34	31,804,389.19

Sundry Creditors- Annex 11

Particulars	F.Y. 2078/079	F.Y. 2077/078
Creditors- Sub Annex 2	11,562,973.01	18,095,928.95
Total	11,562,973.01	18,095,928.95

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Dhaulagiri Cem Engineering Pvt.Ltd.  
Baglung-2  
Schedule for profit & Loss A/c & Balance sheet  
For the period of 2078/079

Property, Plant & Equipments - Annex 12

Particulars	F.Y. 2078/079	F.Y. 2077/078
Fixed Assets - Sub annex 3	7,200,320.99	5,101,025.55
<b>Total</b>	<b>7,200,320.99</b>	<b>5,101,025.55</b>

Investment A/C- Annex 13

Particulars	F.Y. 2078/079	F.Y. 2077/078
Middle Dharam Khola B hydro Power Project	51,531,457.00	51,531,457.00
<b>Total</b>	<b>51,531,457.00</b>	<b>51,531,457.00</b>

Closing Stock- Annex 14

Particulars	F.Y. 2078/079	F.Y. 2077/078
Finished Goods	3,803,630.00	3,803,630.00
Materials	1,868,625.78	1,868,625.78
Materials at Site	953,798.00	953,798.00
Raw Materials	472,375.00	472,375.00
Tools	516,047.00	516,047.00
<b>Total</b>	<b>7,614,475.78</b>	<b>7,614,475.78</b>

Account Receivables - Annex 15

Particulars	F.Y. 2078/079	F.Y. 2077/078
Trade Receivable	23,541,453.03	31,940,237.06
<b>Total</b>	<b>23,541,453.03</b>	<b>31,940,237.06</b>

Cash & Bank Balance - Annex 16

Particulars	F.Y. 2078/079	F.Y. 2077/078
Cash Balance	-	74,802.00
Everest Bank Ltd	5,728.50	5,728.50
Himalayan Bank Ltd	3,113.00	3,113.00
Machhapuchre Bank	7,955.00	7,955.00
Nepal Bangladesh Bank Ltd	10,000.00	10,000.00
Nepal Bank Ltd	1,380.00	1,380.00
Rastriya Banizya Bank Ltd Ktm	10,000.00	10,000.00
Rastriya Banizya Bank Ltd	4,146.00	4,146.00
Pravoo Bank Ltd	5,000.00	5,000.00
<b>Total</b>	<b>47,322.50</b>	<b>122,124.50</b>

Deposit & Advance - Annex 17

Particulars	F.Y. 2078/079	F.Y. 2077/078
Advance on tax	-	-
Staff & Other Advance	71,980.79	169,349.05
Margin & Other Advance	-	-
Other Receivable & Advance	44,750.00	44,750.00
Vat Receivable	291,065.53	87,884.03
Uppallo Tarakhola MHP	64,880.00	64,880.00
<b>Total</b>	<b>472,676.32</b>	<b>366,863.08</b>

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**Dhaulagiri Cem Engineering Pvt.Ltd.**  
Baglung-2

**Statement of Purchase & Sales**  
For the period of 2078/079

MONTH	Exem. Pur	Vatable Purchase	VAT 13%	Vatable Sales	VAT 13%	V. adj. CR	V. adj. DR	V. Paid	Sub Annex 1
Opening Bal									Balance
Srawan	-	25,667.00	3,336.71	100,740.00	13,096.20	-	-	-	169,349.00
Bhadra	-	10,966.00	1,425.58	-	-	-	-	-	159,589.51
Aswin	-	1,128.00	146.64	15,000.00	1,950.00	-	-	-	161,015.09
Kartik	-	-	-	3,045.00	395.85	-	-	-	159,211.73
Marga	-	3,571.00	464.23	-	-	-	-	-	158,815.88
Paush	-	-	-	-	-	-	-	-	159,280.11
Magh	-	-	-	-	-	-	-	-	159,280.11
Falgun	-	-	-	-	-	-	-	-	159,280.11
Chaitra	-	23,593.00	3,067.09	593,700.00	77,181.00	-	-	-	85,166.20
Baishakh	-	-	-	-	-	-	-	-	85,166.20
Jestha	-	-	-	-	-	-	-	-	85,166.20
Ashad	-	5,436,561.00	706,752.93	3,852,720.00	500,853.60	-	-	-	291,065.53
Total	-	5,501,486.00	715,193.18	4,565,205.00	593,476.65	-	-	-	

**Purchase detail**

Purchase	5,501,486.00	
Guest	138,835.73	
Renovation of plant	775,000.00	
plant	2,085,000.00	
Audit fee	-	(2,998,835.73)
Goods Pur	2,502,650.27	
Add:Sales Return	-	
Exempted (raw material)	-	
	<u>2,502,650.27</u>	

**VAT Adjustments**

Opening Value	169,349.00
Vat on Pur	715,193.18
Vat on sales	(593,476.65)
Vat Paid	-
CR adjut	-
DR Adjust	-
Mistake onsales	-
	<u>291,065.53</u>

**Sales Detail**

Sales	4,565,205.00
Add:posting Mistake at Ashad	-
	<u>4,565,205.00</u>

*[Signature]*  
Accountant





**Dhaulagiri CEM Engineering P. Ltd.**

Sundry Creditors

For the period of 2078/079

Sub Annex 2

<u>Particulars</u>	<u>F.Y. 2078/079</u>	<u>F.Y. 2077/078</u>
<i>Aleart Enterprises</i>	134,060.00	134,060.00
<i>All-Tech Sales Corporation Pvt.Ltd</i>	-	48,070.13
<i>Baglung Construction P.Ltd</i>	785,337.32	785,337.32
<i>Dhaulagiri Redmix Cuncrit Suppliers</i>	60,000.00	60,000.00
<i>Dhorpatan National Daily</i>	225.00	225.00
<i>Eastern Electrical Enterprises.</i>	13,560.00	13,560.00
<i>Galaexy Hardware</i>	-	67,969.05
<i>Galaxy Stores</i>	3,630.00	3,630.00
<i>Galxy Engineering &amp; Energy Develop P.Ltd</i>	328,318.17	328,318.17
<i>Galxy Hardware</i>	4,930,251.00	4,930,251.00
<i>Galxy Suppliers P.Ltd</i>	1,527,943.74	1,527,943.74
<i>Gautam Machinery Tools</i>	59,670.60	59,670.60
<i>Gautam Pipe Fitting Senter</i>	-	42,863.00
<i>Kathmandu Electricals Suppliers</i>	1,051,772.13	1,225,418.73
<i>Key Pu Enterprises</i>	119,914.00	119,914.00
<i>Machinery &amp; Electric Complex</i>	613,757.92	613,757.92
<i>Macto Spare Concern</i>	13,475.00	13,475.00
<i>Mainawati Steel Industries</i>	85.00	85.00
<i>Megha &amp; Sons</i>	46,356.00	46,356.00
<i>Mitra Machenery Tools</i>	14,066.22	14,066.22
<i>New Era Hotal</i>	22,000.00	22,000.00
<i>Pahadi Hydro Power Company Pvt.Ltd</i>	-	5,973,310.00
<i>Pokhara Tharmotek Pvt.Ltd.</i>	-	70,060.00
<i>Preeshu Electronics</i>	159,650.00	159,650.00
<i>Quality Renewable Energy Nepal Pvt.Ltd</i>	275,478.00	275,478.00
<i>Rajbhandari Chhapakhana</i>	24,657.00	24,657.00
<i>Ramjanaki Suppliers</i>	-	59,847.16
<i>Rastriya Water House Pvt.Ltd.</i>	-	20,340.00
<i>RNU Machinery</i>	74,243.26	74,243.26
<i>Safal Group &amp; Trading Concen</i>	909,870.00	909,870.00
<i>Shakti Commercial Enterprises</i>	7,001.48	7,001.48
<i>Shayam Shreesh</i>	178,837.00	228,837.00
<i>Tiger Travel &amp; Tours (P) Ltd.</i>	-	26,850.00
<i>Vishal Plasto Cab Industries</i>	200,259.29	200,259.29
<b>Total</b>	<b>11,562,973.01</b>	<b>18,095,928.95</b>



**Dhaulagiri Cem Engineering Pvt.Ltd.**  
**Baglung-2**  
**Fixed Assets & Depreciation**  
**As at 32nd Ashad 2079**

Sub Annex 3

S.N.	Particulars	Dep. Rate	Cost Price				Depreciation				Balance				
			Upto Last Year	Addition This Year	Allowable Portion	Allowable Amount	Sales/ Disposal	Total	Upto Last Year	Addition This Year	Total	unabsorbed Addition	This Year	Last Year	
<b>Group "Ka"</b>															
	Land	0%	-	-	-	-	-	-	-	-	-	-	-	-	
	Building & Construction	5%	2,068,849.00	-	33%	-	-	2,068,849.00	-	548,054.80	76,039.71	624,094.51	-	1,444,754.49	1,520,794.20
	<b>Sub Total</b>		<b>2,068,849.00</b>	-		-	-	<b>2,068,849.00</b>	-	<b>548,054.80</b>	<b>76,039.71</b>	<b>624,094.51</b>	-	<b>1,444,754.49</b>	<b>1,520,794.20</b>
<b>Group "Kha"</b>															
	Furniture & Fixtures	25%	278,362.00	-	100%	-	-	278,362.00	-	226,054.00	13,077.00	239,131.00	-	39,231.00	52,308.00
	Office Equipment	25%	46,500.00	-	100%	-	-	46,500.00	-	38,206.50	2,073.38	40,279.88	-	6,220.13	8,293.50
	<b>Sub Total</b>		<b>324,862.00</b>	-		-	-	<b>324,862.00</b>	-	<b>264,260.50</b>	<b>15,150.38</b>	<b>279,410.88</b>	-	<b>45,451.13</b>	<b>60,601.50</b>
<b>Group "Ga"</b>															
	Vehicle	20%	-	-	100%	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total</b>		-	-		-	-	-	-	-	-	-	-	-	-
<b>Group "Gha"</b>															
	Plant & Machinery	15%	7,841,670.00	2,860,000.00	33%	943,800.00	-	8,785,470.00	-	4,356,580.75	664,333.39	5,020,914.14	1,916,200.00	5,690,755.86	3,485,089.25
	Tools	15%	62,682.00	-	33%	-	-	62,682.00	-	39,040.95	3,546.16	42,587.11	-	20,094.89	23,641.05
	<b>Sub Total</b>		<b>7,904,352.00</b>	<b>2,860,000.00</b>		<b>943,800.00</b>	-	<b>8,848,152.00</b>	-	<b>4,395,621.70</b>	<b>667,879.55</b>	<b>5,063,501.25</b>	<b>1,916,200.00</b>	<b>5,700,850.76</b>	<b>3,508,730.30</b>
<b>Group "Gna"</b>															
	Software	15%	28,900.00	-	100%	-	-	28,900.00	-	18,000.45	1,634.93	19,635.38	-	9,264.62	10,899.55
	<b>Total</b>		<b>10,326,963.00</b>	<b>2,860,000.00</b>		<b>943,800.00</b>	-	<b>11,270,763.00</b>	-	<b>5,225,937.45</b>	<b>760,704.56</b>	<b>5,986,642.01</b>	<b>1,916,200.00</b>	<b>7,200,320.99</b>	<b>5,101,025.55</b>

Accountant *[Signature]*

Managing Director



Dhaulagiri Cem Engineering Pvt.Ltd.

Baglung-2

Debtors

As at 32nd Ashad 2079

Sub Annex 4

<u>Particulars</u>	<u>F.Y. 2078/079</u>	<u>F.Y. 2077/078</u>
Aaran Sanchalan Samiti	214,460.00	464,460.00
Bagar Khola Micro Hydro Project	84,032.85	84,032.85
Baglung Dugda Utpadak Sahakari	-	32,792.00
Bhim Lal Gautam	7,005.00	7,005.00
Bhuji Khola Mhp (Vi)	1,134.00	1,134.00
Chaldar Khoal Micro Hydro Project	23,760.00	23,760.00
Chem Khola Mhp	22,770.75	22,770.75
Chem Khola Micro Hydro Project	3,324.00	3,324.00
DCEME & 3MW JV	149,595.00	149,595.00
Dhade Khola Micro Hydro Project	2,404,966.00	2,404,966.00
Dhuwankot Khola M.H.P	15,340.00	15,340.00
EMC Treders	(160.00)	(160.00)
Fewa Consruction & Suppliers (Baburam)	10,862.00	10,862.00
Gadseri Gad (II) Micro Hydro Project	865,328.00	865,328.00
Ghumte Bal Bikash Kendra	7,561.00	7,561.00
Hari Sharma (Malika)	3,500.00	3,500.00
Lekh Bahadur Khadka	17,000.00	17,000.00
Hawai Goal Multi Energy Pvt Lt	-	282,500.00
Idikhola Peltric Set	18,250.00	18,250.00
Jeep Bahadur Khatri(Trakhola)	13,000.00	13,000.00
Jumli Nirman Sewa	5,000.00	5,000.00
JV of Tata Projecr Ltd.	47,288.74	47,288.74
Kaule Khola Micro Hydro Project	91,586.00	91,586.00
Luliya Khola Pico Hydro Project	52,625.00	52,625.00
Mahesh Shress( Harichour Crusser)	-	160,000.00
Midlle Tarakhola Hydro Power :	14,990.00	14,990.00
Nabaraj Subadi	4,400.00	4,400.00
Naresh K.C ( Tarakhola)	194,000.00	194,000.00
Nepal Electricity Authority (Baglung)	-	167,842.03
Nepal Redcross Society Baglung	-	5,650.00
Nepal Siddhartha Developers Pvt.Ltd	27,990.00	27,990.00
New Pangali Machinery Center	(5,060.00)	(5,060.00)
Nishekhola Mhp	833,303.08	833,303.08
Okharbot Pico Hydro Project	89,048.00	89,048.00
PHPC ( Loan & Working)	1,985,000.00	1,985,000.00
Pipaltar Khani Khoal Micro Hydro Project	67,000.00	67,000.00
Poku Dovan Micro Hydro Project	1,782,233.00	1,782,233.00
Poudel Dhuwani Sewa	4,885.00	4,885.00
Surya Jv HYHEC	12,658,483.15	11,346,485.73
Tarakhola Jalbidhut Limited	-	8,811,997.42
Thulo Khola Mhp(Fff)	241.46	241.46
Thulo Sim Ghatte Khola Micro Hydro Project	944,884.00	944,884.00
Took Nath Adhikari	3,880.00	3,880.00
Tuni Khoal Micro Hydro Project	110,137.00	110,137.00
Western Regional Community Skill Development Center	767,810.00	767,810.00
	<u>23,541,453.03</u>	<u>31,940,237.06</u>





**Dhaulagiri Cem Engineering Pvt.Ltd.**  
**Baglung-2**

For the period of 2078/079

Detail Shareholders & Share Capital

S.No	Name	Share Amount	Addition this year	Total Share Amt
1	Bal Bahadur Kc	20,849,000.00	-	20,849,000.00
2	Shastra Datta Panta	10,000.00	-	10,000.00
3	Kiran Gautam	2,629,000.00	-	2,629,000.00
4	Sachita Gautam	5,000,000.00	-	5,000,000.00
5	Hari Narayan Gautam	6,164,000.00	-	6,164,000.00
6	Dev Bahadur Khadka	5,065,000.00	-	5,065,000.00
7	Lekh Bahadur Khadka	5,324,000.00	-	5,324,000.00
8	Man Bahadur Shress	1,175,000.00	-	1,175,000.00
9	Hari Prasad Shurma	3,536,000.00	-	3,536,000.00
10	Bal Krishna Acharya	1,591,000.00	-	1,591,000.00
11	Yam Prasad Gautam	2,629,000.00	-	2,629,000.00
12	Janak Raj Poudel	2,500,000.00	-	2,500,000.00
13	Ramesh Kumar Sapkota	9,981,000.00	-	9,981,000.00
14	Pimla Gautam	5,000,000.00	-	5,000,000.00
15	Surya Gautam	2,500,000.00	-	2,500,000.00
16	Bishnu Kharel	500,000.00	-	500,000.00
17	Laxman Khatri	1,500,000.00	-	1,500,000.00
18	Hem Bahadur Khatri	500,000.00	-	500,000.00
		<u>76,453,000.00</u>	<u>-</u>	<u>76,453,000.00</u>

  
Managing Director



  
Auditor



# Dhaulagiri Cem Engineering Pvt. Ltd.

Baglung -2

Detail of Office Staff & Annual Salary

For the period of 2078/079

<u>S.No</u>	<u>Name of Staff</u>	<u>Total</u>	TDS 1%
1	Surya Pun	156,480	1,564.80
2	Pritam B.K	72,040	720.40
	Total Salary Production	228,520	-
3	Hem Raj Panta	77,700	777.00
4	Pukar KC	108,300	1,083.00
		186,000	-
	<b>Total</b>	<b>414,520.00</b>	<b>4,145.20</b>

*[Handwritten signature]*

*[Handwritten signature]*



## **Dhaulagiri Civil Electrical Mechanical Engineering Pvt.ltd.**

Schedules forming part of the Accounts for the year ended Ashad 32nd, 2079

Significant Accounting Policies and Notes to the Accounts

### **18 Corporate information**

Dhaulagiri Civil Electrical Mechanical Engineering Private Limited (The "company") is incorporated under Companies Act of Nepal having its registered office at Baglung-02, Shreenagar, Nepal .The main objectives of the company is to generation ,transmission and distribution of hydro energy.

#### **19 Significant Accounting Policies :**

#### **20 Accounting Convention :**

The financial statements are prepared under historical cost conventions on an accrual concept and are in accordance with Nepal Accounting Standards except otherwise stated and others as applicable laws Prevalent in Nepal. The accounting policies are consistently applied by the company.

#### **21 Use of estimates:**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statement and the reported amount of revenue and expenses during the reporting period. Differences between actual results and estimates are recognized in the periods in which the results are known materialized.

#### **22 Going Concern :**

The Financial Statement are prepared on a going concern basis.

#### **23 Property :Plant & Equipment**

Assets are stated at cost of acquisition or construction inclusive of all the expenses incurred up to commencing putting the assets to use.

#### **24 Subsequent Expenditure :**

Expenditure incurred to replace a component of an item of fixed assets that is accounted for separately, including major inspection and overhaul expenditure is capitalized .Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of fixed assets. All other expenditure is recognized in the income statement as an expenses as incurred.

#### **25 Depreciation :**

Depreciation on fixed assets has been charged as per the rates prescribed in the Income Tax Act,2058 and the policy is not in accordance with Nepal Accounting Standards .The rates of depreciation as per Schedule 2 to Income Tax Act,2058 is as follows:

<b>Type of Assets</b>	<b>Rate of Depreciation</b>
Computer and Accessories	25%
Furniture and Fixture	25%
Office Equipment	25%
Survey Equipment	15%
Software	5 year

#### **26 Impairment of Assets**

The company identifies impairable fixed assets on cash generating unit concept at the year – end for the purpose of arriving at impairment loss thereon, if any being the difference between the book value and recoverable value of relevant assets. Impairment loss when crystallizes is charged to revenue for the year.

#### **27 Inventories**

The company does not hold any types of Inventories during the year.

#### **28 Trade and Other Receivable**



Trade and Other Receivable are organized by the company and are stated at cost less provisions for any uncollectable amount. Provision is made against

**29 Related party transaction**

All transaction with related parties are carried out by the company at arms' length

**30 Cash and Cash Equivalents:**

Cash & Cash equipment consists of cash in hand, cheques in hand, Balances with banks and investments in Money Market Instruments. Bank Overdrafts that are repayable on demand and form an integral part of the cash management are included within borrowings in short term loans under current liabilities

**31 Taxation :**

**Current tax**

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Nepalese Income Tax Act, 2058.

**Deferred Tax :**

Deferred Tax Assets or Liability is recognized for timing differences between the profit as per financial statements and profit offered for income tax, based on tax rate that have been enacted or substantively enacted at the reporting date .Deferred tax assets are recognized only if there is reasonably certainty that sufficient future taxable income will be available, against which they can be realized.

**32 Borrowing Costs :**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. All other borrowing costs are charged to Income Statement.

**33 Provisions, Contingent Liability and Contingent Assets**

Provisions are recognized when the company has a present obligation as a result of past event, it is more likely than not that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates in accordance with Nepal Accounting Standards "Provision, Contingent Liabilities and Contingent Assets ".

A contingent liabilities is disclosed where there is a possible obligation or a present obligation that may , but probably will not require an outflow of resources.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the assets and related income are recognized in the period in which the change occurs.

**34 Investment**

Investment that are intended to be hold for more than a year, from the date of acquisition, are classified as long term investments and are carried at cost .However, provisions for diminution in value of investment are made to recognize decline, other than temporary, in value of the investments.

Investment other than long term investments being current investments, are valued at cost or market price whichever is lower determined on an individual basis.

**35 Trade and other payable**

Liability for trade and other payable are carried at cost which is the fair value of goods and services.

**36 Revenue Recognition**

iii) Sale of power :

The company has not started its operation; hence there is no income from power sales during the year.



iv) Interest income :

The interest income is recognized on accrual basis and stated gross of TDS.

**37 Foreign Currency Transaction:**

Transactions in foreign currency should be recorded at the original rates of exchange in force at the time transactions are affected.

Monetary items should be translated into rupees at the exchange rates prevailing at the reporting date. Non-Monetary items such as fixed assets should be carried at their historical rupee values.

Gains losses arising on the settlement of foreign currency transactions or restatement of foreign currency denominated assets and liabilities (monetary items) should be recognized in the statement of Profit and Loss. There is no foreign currency transaction during the year.

**38 Share Based Payments :**

Share based payment transaction is a transaction in which entity receives goods and services as consideration for equity instruments (including shares or share options) of the entity (referred to as "equity settled share passed transaction"). There is no share based transactions during the year.

**39 Net Profit or Loss for the Period ,Prior Period Items and Changes in Accounting Policies**

The prior Period expenses are charged separately to the Income Statement. There is no change in the accounting policy during the year.

**40 Leases:**

**Finance Lease:**

The company does not have any items covered under finance lease which needs disclosure as per Nepal Accounting Standards.

**Operating Lease:**

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased term are classified as operating leases .Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

**41 Cash Flow Statements:**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transaction of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated .The Cash flow statement is separately attached with the Financial Statements of the company.

**42 Notes to the Accounts :**

**a) Income Tax :**

Income tax has been provided in accordance with the Nepal Income Tax Act,2058.

**b) Recognition of Deferred Tax Liability & Assets :**

c) Deferred tax is measured based on the tax rates and the laws enacted or substantively enacted at the reporting date. Deferred tax assets are recognized only to the extent that there is reasonably certainty that sufficient future taxable income will be available against which such deferred tax assets are realized.

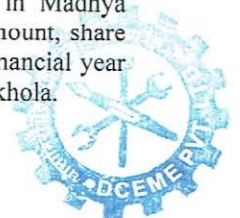
d) The company has recognized deferred tax assets/liabilities amounting to Nil as on the date of our audit.

**c) Transaction with Related Parties:**

The Company has not done any transaction with related parties during the year.

**d) Investment :**

The company has made an investment in work In Progress of Rs 51531457.00 in Madhya Daramkhola B hydro power Project during the financial year 2073-74. Out of total amount, share amounting to Rs 76453000.00 has been issued in the name of company. During the financial year 2076-77, the remaining amount has to be allotted as share in the books of Madhya Tarakhola.





**e) Share Application Money Pending Allotment :**

The Share application Money has been pending and no allotment in sharecapital.

**f) Advance Against Capital WIP :**

There is not any amount as Advance against Capital WIP as on the date of Audit.

**g) Advances Against Project Work :**

The company has not given any Advances Against project work as on the date of financial statement.

**h) Advance To Director :**

The company has not disburse any amount as advance to director as on the date of financial statement

**i) Regrouping**

Previous year's figures have been regrouped /restated wherever necessary.

**j) Miscellaneous:**

- k) All amounts are stated in Nepalese Rupees.
- l) The Accounts Confirmation on account of sales, purchase, payables & receivable are received in most of the cases and only few are in the process of obtaining.
- m) Notes 1 to 42 form an integral part of the Statement of Financial Position and Statement of Profit and loss.





प्रदेश सरकार  
पर्यटन, उद्योग, वाणिज्य तथा आपूर्ति मन्त्रालय  
गण्डकी प्रदेश, पोखरा।

फोन नं:- ०६१-५३७९८२

प.सं. २०७९/८०  
च.नं. १६०


मिति: २०७९/०८/१४



विषय: उद्योग स्थापना सम्बन्धमा।

श्री नेपाल हाइड्रो इक्विपमेण्ट म्यानुफ्याक्चरिङ्ग कम्पनी प्रा.लि,  
बागलुङ्ग न.पा., श्रीनगरटोल, बागलुङ्ग ।

प्रस्तुत विषयमा त्यहाँ कम्पनीको मिति २०७९/०८/१३ को पत्रबाट उद्योग स्थापनाका लागि गण्डकी प्रदेशको प्रस्तावित लोकाहाखोला औद्योगिक क्षेत्रमा जग्गा उपलब्ध गराइ पाउँ भन्ने सम्बन्धमा यस मन्त्रालयलाई लेखिएको पत्रको व्यहोरा अवगत भयो। सो सम्बन्धमा प्रदेश औद्योगिक क्षेत्रको लागि जग्गा प्राप्तिको प्रकृत्यामा रहेकोले जग्गा प्राप्ति भएपश्चात नियमानुसारको प्रकृत्या, विधि र मापदण्ड पुरा भएको खण्डमा कम्पनीलाई उद्योग स्थापना तथा सञ्चालनका लागि आवश्यक जग्गा उपलब्ध गराउन सकिने व्यहोरा आदेशानुसार अनुरोध छ।

  
२०७९/०८/१४

(सिर्जना सुवेदी)  
शाखा अधिकृत



Regd. No. 1300/067/068  
PAN: 600232009

# हाइड्रोइलेक्ट्रीसिटी इन्भेष्टमेन्ट एण्ड डेभलपमेन्ट कम्पनी लिमिटेड Hydroelectricity Investment And Development Company Ltd.

(नेपाल सरकारको स्वामित्व रहेको)

प.सं. ०७९१८०  
च.नं. (Ref. No.): ४५१



Ref. No:

Date: 12 February, 2023

To,

The Managing Director  
Dhaulagiri Civil Electrical Mechanical Engineering Pvt. Ltd  
Baglung  
Nepal

## Letter of Intent

Dear Sir,

We are issuing this Letter of Intent (LOI) with reference to your request via letter dated 2079/07/02 for the equity investment on the proposed Hydro Turbines and Spiral Penstock Pipes Manufacturing Project.

Our LOI for equity financing for the project shall be subject to our internal policies and guidelines, decision of out competent authority and following prerequisites:

- From our detail appraisal of the project, it must be found investable form technical, financial and marketing prospective.
- Assurance of foreign investment and technology transfer should be made by reputed and experienced foreign party.
- Assurance of involvement of Governmental Authorities (Federal/Province/Local) as a substantial equity partner as proposed in your project proposal.

Please note that this LOI is non-binding and non-committal on our part.

With Regards,

Arjun Kumar Gautam  
Chief Executive Officer

4th Floor, Nagarik Lagani Kosh Bhawan, New Baneshwor, Kathmandu, Nepal

Tel.: +977 1-4495016, 4495017, 4495018

Email: info@hidcl.org.np, www.hidcl.org.np



January 24, 2024

Attn: Nepal Hydro Equipment Manufacturing Company P. Ltd. (NHEMC)  
From: Eastasia Group Co., Ltd. (Eastasia Group) Japan

Subject: Letter of Intent for extending technical support for the local fabrication of hydropower E/M equipment with the capacity up to 50 Megawatt in Nepal

To whom it may concern,

By this letter, we would like to extend our good intent for providing technical support to your company for local fabrication of electro-mechanical equipment of hydropower plants with the capacity up to 50 Megawatt in Nepal. NHEMC will locate potential hydropower projects and discuss with Eastasia Group how to jointly fabricate part of electromechanical equipment in Nepal based on the manufacturing facilities and technical capabilities.

Eastasia Group has long been engaged in hydropower project planning, technical design, consultation, equipment procurement, installation, testing & commissioning etc. The company is capable of providing technical support for local fabrication.

While we are optimistic about the collaboration, we duly acknowledge your condition regarding satisfaction with our terms and conditions. We assure you that we are committed to transparent communication, and if any issues arise, we are open to terminating this Letter of Intent (LOI) at any time.

In case of any issue, please kindly advise.

With our best regards

Mr. Masaki Katahira  
CEO  
Eastasia Group Co., Ltd.

**Dhaulagiri CEM Engineering Company,  
Shreenagar Tole,  
Baglung Municipality Ward No. 2,  
Baglung, Nepal.**

**Date: 4<sup>th</sup> Aug 2022**

**Subject: Technical Support**

The Undersigned, authorized signatory of Schimmer Energy Pvt Ltd , India which is part of Yash Group, would like to state that we are happy to know about Nepal Hydro Equipment Manufacturing Company Ltd (NHEML) , that is going to be established in Nepal in a PPP (Public Private Partnership) model with the Joint-Venture between Schimmer Energy Pvt. Ltd , India , DCEM Nepal along with the Government of Nepal and the public sector (IPO). We can assist them in Turbine Design and also in the total EM and HM Package with the supply for the parts to be assembled / manufactured.

**We are ready to offer technical know-how and support for this company via our counterpart Schimmer Energy Pvt. Ltd.,**

**Registered Office:**

D4-1204, Puri Pranayam,  
Sector – 82 – 85, Nahar Par,  
Faridabad – 121002,  
Haryana, INDIA  
CIN: U74999HR2016PTC058509

**Corporate Office:**

309-310, EMAAR, THE PLAM SQUARE  
Sector – 66, Gurugram – 122018,  
Haryana , INDIA  
Phone: +91 124 – 4192707,  
Website: www.schimmerenergy.com

**Works:**

D-9, MPAKVN Industrial Area,  
Bagroda, Near CRPF Camp,  
Bhojpur Road, Bhopal,  
Madhya Pradesh, INDIA



Attn.: Nepal Hydro Equipment Manufacturing Company P. Ltd. (NHEMC)  
From: Hangzhou Yatai Hydro Equipment Completing Co., Ltd. (Hangzhou Yatai), HRC, P.R. China

November 7, 2022

Subject: Letter of Intent for extending technical support for the local fabrication of hydropower E/M equipment with the capacity up to 50 Megawatt in Nepal

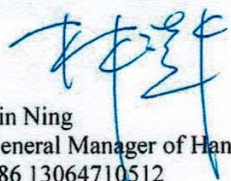
To whom it may concern,

By this letter, we would like to extend our good intent for providing technical support to your company for local fabrication of electro-mechanical equipment of hydropower plants with the capacity up to 50 Megawatt in Nepal. NHEMC will locate potential hydropower projects and discuss with Hangzhou Yatai how to jointly fabricate part of electromechanical equipment in Nepal based on the manufacturing facilities and technical capabilities.

Hangzhou Yatai has long been engaged in hydropower project planning, technical design, consultation, equipment procurement, installation, testing & commissioning etc. for 30 years, and the company is capable of providing technical support for local fabrication.

In case of any issue, please kindly advise.

With our best regards

  
Lin Ning  
General Manager of Hangzhou Yatai  
+86 13064710512  
nlin@hrcshp.org



नेपाल सरकार  
उद्योग, वाणिज्य तथा आपूर्ति मन्त्रालय  
कम्पनी रजिष्ट्रारको कार्यालय  
**कम्पनी दर्ताको प्रमाण - पत्र**



दर्ता नं: ५८७७/०५३/०५४

श्री नेपाल हाइड्रो ईक्विपमेण्ट म्यानुफ्याक्चरिङ्ग कम्पनी  
नामको प्राइभेट लिमिटेड कम्पनी संम्वत् २० ५३ साल मंसिर महिना २१ गते रोज  
६ मा दर्ता भएको हुनाले कम्पनी ऐन, २०६३ को दफा ५ को उपदफा (१) बमोजिम यो  
प्रमाण-पत्र दिइएको छ ।

मिति: २०७९-०७-२४

Government of Nepal

Ministry of Industry, Commerce & Supplies

Office of the Company Registrar

Registration No: 5877/053/054

स. रजिष्ट्रार  
सहायक रजिष्ट्रार

**CERTIFICATE OF INCORPORATION OF COMPANY**

This Certificate of Incorporation has been issued to  
M/s Nepal Hydro Equipment Manufacturing Company  
Private Limited having incorporated it on the 6 day of December, 1996 pursuant  
to sub-section (1) of section 5 of the Companies Act, 2006.

Date: 2022-11-10

Asst. Registrar

शुर्त कम्पनी संस्थापनलाई मात्र कम्पनीको उद्देश्य कार्यान्वयन गर्ने इजाजत प्रदान गरिएको नमानिने हुनाले कानून  
अनुसार लिनपर्ने अनुमति सम्बन्धित निकायबाट लिएर मात्र कम्पनीको उद्देश्य अनुसार कारोबार गर्नु पर्नेछ ।  
कम्पनीको मिति २०७९/०७/२४ मा सम्पन्न विशेष साधारण सभाको निर्णय बमोजिम साविक कम्पनी(धौलागिरी सिभिल, ईलेक्ट्रीकल मेकानिकल  
इन्जिनियरिङ्ग प्रा.लि.)को नाममा रहेको सम्पूर्ण चल अचल सम्पत्ति तथा तिर्नु व्यहोर्नु पर्ने कर दायित्व आदि परिवर्तित नामको कम्पनीले सकारण  
व्यहोर्नरनामका सम्बन्धमा भ्रम सृजना भई उजुरी परेमा संशोधन गर्ने शर्तमा त्यस कम्पनीको नाम परिवर्तन गरी मिति २०७९/०७/२४ को  
निर्णयानुसार नेपाल हाइड्रो ईक्विपमेण्ट म्यानुफ्याक्चरिङ्ग कम्पनी प्रा.लि. कायम गरिएको छ ।



नेपाल सरकार  
अर्थ मन्त्रालय  
आन्तरिक राजस्व विभाग

नेपाल सरकार  
अर्थ मन्त्रालय  
आन्तरिक राजस्व विभाग  
आन्तरिक राजस्व कार्यालय  
बागलुङ



स्थायी लेखा नम्बर (PAN) दर्ता प्रमाण पत्र

दर्ता मिति

स्थायी लेखा नम्बर :

३	०	०	१	०	८	१	३	८
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आयकर:	२७	१०	२०५४
मु. अ. कर :	२४	११	२०५५

आन्तरिक राजस्व कार्यालय :

आन्तरिक राजस्व कार्यालय बागलुङ

दिन महिना साल

कारोबारको नाम :

नेपाल हाइड्रो इन्फ्रामेण्ट म्यानुफ्याक्चरिङ्ग कम्पनी

करदाताको प्रकार :

प्राइभेट लिमिटेड

ठेगाना :

वार्ड नं. २, श्रीनगर टोल  
नगरपालिका: बागलुङ,  
बागलुङ

व्यवसायका कारोबारहरू :

अन्य मेसिन तथा उपकरणहरूको थोक बिक्री, मेसिन तथा उपकरणको मर्मत गर्ने  
क्रियाकलापहरू, धातुका मेसिनरी र मेसिन औजार उत्पादन,

*(Signature)*

*(Signature)*  
कर अधिकृत ३०

करदाताको दस्तखत

कर अधिकृत

करदाताले पालना गर्नुपर्ने कर्तव्यहरू:

- कारोबार गर्दा अनिवार्य रुपमा विल विजक जारी गर्नुपर्छ ।
- मू.अ.करमा दर्ता हुनेले प्रत्येक कर अवधि (मासिक वा त्रैमासिक वा चौमासिक) समाप्त भएको २५ दिनभित्र मू.अ.कर विवरण तथा मू.अ.कर रकम बुझाउनु पर्छ ।
- अन्तःशुल्क लाग्ने कारोबार गर्नेले अन्यथा व्यवस्था गरेकोमा बाहेक प्रत्येक महिना समाप्त भएको २५ दिनभित्र मास्केवारी र अन्तःशुल्क रकम बुझाउनु पर्छ ।
- प्रत्येक आर्थिक वर्षको आय विवरण आर्थिक वर्ष समाप्त भएको तिन महिना भित्र बुझाउनु पर्छ ।
- तोकिएको समयमा विवरण र कर रकम नबुझाएमा ब्याज, शुल्क र जरिवाना लाग्नेछ ।
- यो प्रमाणपत्र देखिने गरी कारोबार स्थल/मुख्य कार्यालयमा राख्नु पर्नेछ ।
- कुनै द्विविधा भएमा कार्यालयमा सम्पर्क राख्नुहोला ।





श्री ५ को सरकार  
अर्थ मन्त्रालय  
आन्तरिक राजश्व विभाग



स्थायी लेखा नम्बर (PAN) दर्ता प्रमाण पत्र

आन्तरिक राजश्व कार्यालय: पान: ३००१०८१३८  
पोखरा

मिति: २७ १० २०५४  
मू.अ.क. दर्ता मिति: २४ ११ २०५५  
दिन महीना साल

करदाताको नाम: धौलागिरी सेम इंजिनियरिङ्ग प्रा. लि.

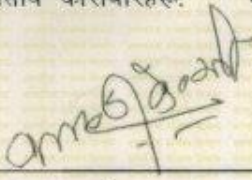
करदाताको प्रकार: प्राइभेट लिमिटेड

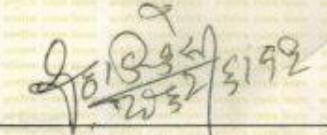
ठेगाना: वडा नं. २, श्रीनगर टोल

नगरपालिका: वाग्लुङ

वाग्लुङ

व्यवसाय कारोबारहरू: सामान्य प्रयोगका विविध मेशिन तथा स्पेयर पार्ट्सको कारोबार,

  
करदाताको दस्तखत

  
कर अधिकृतको दस्तखत

यो प्रमाण पत्र देखिने गरी कारोबार स्थल / मुख्य कार्यालयमा राख्नु पर्ने छ ।



आन्तरिक राजस्व विभाग

आन्तरिक राजस्व कार्यालय वाग्लुङ

(आयकर नियमावली, २०५९ को नियम २६ संग सम्बन्धित )

प.सं: २०७७.०७८  
च.नं: १४९०  
नं: ७७१४२२७७१

यो विवरण मिति २०७७.०९.१६ मा रुजु भएको छ।  
मिति: २०७७.०९.१६

बिषय : कर चुक्ता प्रमाण पत्र ।

श्री धौलागिरी सिभिल, इलेक्ट्रिकल र मेकानिकल इन्जिनियरिङ्ग प्रा.लि.

२- बाग्लुङ,  
स्थायी लेखा नं: ३००१०८१३८

यस कार्यालय अन्तर्गत दर्ता रहेका तपाईं ले आ.व २०७६.०७७ मा देहाय बमोजिमको आय रकमको आय विवरण मिति २०७७.०८.३० मा यस कार्यालयमा पेश गरी सो अनुसार देहाय बमोजिमको आयकर दखिला गरेकोले यो कर चुक्ताको प्रमाण पत्र प्रदान गरिएको छ ।

आय विवरण पेश गरेको मिति	जम्मा आय (कारोबार) रकम रु	कर योग्य आय रु.	दाखिला गरको कर रकम रु
२०७७.०८.३०	१५,२०१,३३३.००	-३०,५३५,०२६.००	०.००

१५/०९/१९६  
कर अधिकृत  
(कर अधिकृत)

पुनश्च: यो प्रमाणपत्र त्यस फर्म/ उद्योग कम्पनी / संस्थाले पेश गरेको विवरणको आधारमा जारी गरिएको छ । पेश भएको आय विवरण छानविनम परेमा आयकर ऐन, २०५८ को दफा १०१ बमोजिम संशोधित कर निर्धारण हुन सक्ने जानकारी गराइन्छ ।

श्री ५ को सरकार

उद्योग मन्त्रालय

कम्पनी रजिष्ट्रारको कार्यालय

प्रा. लि. नम्बर ५०७७७/०५३/२१



# प्रमाण-पत्र

श्री धौलागिरी सिमित, इन्जिनियरिङ र मेकानिकल इन्जिनियरिङ  
(प्राइभेट) लिमिटेड कम्पनी  
ऐन २०२६ बमोजिम सम्बत् २०५३ साल मार्ग २१ गते  
रोज ६ मा रजिष्टर भएको हुनाले यो प्रमाण-पत्र दिइएको छ।

मिति २०५३।०८।२१।६

नि. रजिष्ट्रार ६५३।०८।२१

१) प्रथम संचालकहरूको नाम:-

२) ठेगाना:-

१) श्री डा. शास्त्र दत्त पन्त -

वाग्लुङ० कालिका गा. वि. स. २ हस्तिपट्टा रोड

२) श्री कृष्ण बहादुर के. सि. -

का. म. न. पा. ११ मुनधारा ।

३) श्री बल बहादुर के. सि. -

वाग्लुङ० कालिका गा. वि. स. २ श्रीन्यायपोखरा

३) अधिभुक्त पूँजी:- रु. ३, २७, ००, ०००। - (तिन करोड सत्ताइस लाख)

४) जारी पूँजी:- रु. २, २७, ००, ०००। - (दुई करोड सत्ताइस लाख)

५) कम्पनीको मुख्य उद्देश्य:- प्रवन्धपत्रमा उल्लेख भए अनुसार ।

दृष्टव्य :- प्रवन्धपत्रमा उल्लेखित उद्देश्य कार्यान्वयनका लागि अनुमति लिनु पर्ने विषयमा सो लिई र संबन्धित निकायबाट उद्योग दर्ता गरी मात्र कार्य गर्नु पर्नेछ । कम्पनी दर्ता भएपछि नै उक्त उद्देश्य कार्यान्वयन गर्ने हजानत प्रदान गरेको मानिने छैन ।

०१/०७/२०



श्री ५ को सरकार

उद्योग मन्त्रालय

घरेलु तथा सानो उद्योग विभाग

उ०द०प्र०प०नं० १२६९/०६१०४१०४५

प्रमाण-पत्र

Handwritten notes and stamps in purple ink, including 'विभाग', 'कठमाडौं', and '०२५/११/१६'.

श्री धौलागरी सि. इ. एम. इन्जिनियरिंग प्रा. लि. (प्रा०) लि०  
घो. व्य. ऐन, २०४६ बमोजिम २०५३...साल माघ महिना ९... गते रोज  
मा दर्ता भएको हुनाले यो प्रमाण-पत्र दिइएको छ।

- १. कम्पनीको नाम:- धौलागरी सि. इ. एम. इन्जिनियरिंग प्रा. लि.
- २. उद्योगको ठेगाना:- वारुडो नगरपालिका वडा नं २
- ३. उद्योगको स्तर:- सानो
- ४. उद्योगको वर्ग:- उत्पादन मूलक
- ५. पूंजी लगानी : स्थिर ३३,००,०००। चालु ३७,००,०००. कूल .९,७०,००,०००
- ६. उद्योगको उद्देश्य:- मेटल म्यानुफ्याक्चरिंग, स्टील फर्निचर आदि उत्पादन गर्ने।
- ७. वार्षिक उत्पादन क्षमता: ९,५०,००,०००।- वरावरको सामान उत्पादन गर्ने।
- ८. विद्युत शक्ति: किलोवाट ( ५० किलोवाट )

यो उद्योग औद्योगिक व्यवसाय ऐन, २०४६ को दफा . ५ . . र दफा ३ (क) .  
अनुसार दर्ता गरिएको छ।

मिति: ०५१११०१७ . . .

Signature and stamp of the official, dated 05/11/16, with the title 'नि० महानिदेशक'.

## सुविधा तथा सहूलियतहरू

क) औद्योगिक व्यवसाय ऐन, २०४६ को दफा १५ अनुसार पालने सुविधा तथा सहूलियत उपलब्ध हुनेछ ।

### शर्तहरू:

१. कच्चा पदार्थ स्वयं व्यवस्था गर्नुपर्नेछ ।
२. साइनबोर्ड र कम्पनीको प्याडमा रजिष्ट्रेशन नम्बर अनिवार्य रूपमा राख्नु पर्नेछ ।
३. नाबालकलाई उद्योगको काममा संलग्न गराउन पाइने छैन ।
४. बसलाई पीर मर्का नपर्ने गरी उद्योग सञ्चालन गर्नु पर्नेछ ।
५. स्वीकृति लिएर मात्र राती शिफ्ट सञ्चालन गर्न सकिनेछ ।
६. उद्योगलाई आवश्यक पर्ने जनशक्ति नेपाली नागरिकबाटै पूर्ति गर्नु पर्नेछ । विदेशी जनशक्ति बिना उद्योग सञ्चालन हुन नसक्ने भएमा थप विभागको पूर्व स्वीकृति लिएर मात्र काममा लगाउन सकिनेछ ।
७. उद्योगको विस्तार, विविधकरण वा स्तर परिवर्तन गर्दा पूर्व स्वीकृति प्राप्त गर्नु पर्नेछ ।
८. उद्योग दर्ता भएको ६ महिना भित्र वा कार्य योजना अनुसार अन्य म्याद तोकिएकोमा सो भित्र सञ्चालन हुन नसकेमा म्याद थप गराउनु पर्नेछ ।
९. उद्योग सञ्चालन गर्दा आतावरण प्रदुषण हुन नदिने गरी आवश्यक व्यवस्था गर्नुपर्नेछ ।
१०. तोकिएका शर्तहरू पालना नभएकोमा वा प्रश्न सुविधा तथा सहूलियतहरू दुरुपयोग भएको पाइएमा औद्योगिक व्यवसाय ऐन, २०४६ को दफा २५ अनुसार कार्यवाही गरिनेछ ।
११. उद्योगको वार्षिक प्रगति विवरण आबिक वर्ष चर्चित भएको १५ दिन भित्र पेश गर्नुपर्नेछ । साथै विभाग-वाट माग भएका उद्योगसंग सम्बन्धित विवरणहरू यथा समयमा उपलब्ध गराउनु पर्नेछ ।
१२. उद्योग सञ्चालन गर्दा उद्योगमा भइरहेको काम कारवाहीलाई मूल सडकबाट नदेखिने व्यवस्था मिलाउनु पर्ने ।
१३. प्रचलित कानून बमोजिमको रिट पुग्दाई उद्योग बन्द गरेमा त्यसरी बन्द गरेको सात दिन भित्र सोको जायकारी विभागलाई समेत दिनु पर्नेछ ।
१४. यस नामबाट यस अघि अर्को उद्योग दर्ता भै सकेको देखिएमा यस उद्योगको नाम परिवर्तन गर्नुपर्नेछ ।
१५. कम्पनी रजिष्ट्रारको कार्यालयबाट तोकिएका सम्पूर्ण शर्तहरू पालना गर्नु पर्नेछ ।
१६. माथि उल्लेख भए अनुसारका शर्तहरू पालना नगरेमा वा प्रगति विवरण प्राप्त नभएमा उद्योगले पाउने सुविधा तथा सहूलियतहरू उपलब्ध गराइने छैन ।
१७. विशेष शर्त: सेराजाने फेलासका टुक्राटाक्रालाह उचित तौरकाले निराकरण गर्नु पर्नेछ ।
१८. (क) अनुसन्धान तथा वार्तावरण मन्त्रालयले तोकेका र्द र कार्यविधि पालना गर्नु पर्ने ।
१९. (ख) कामदारहरूलाई वेल्डीङ, मेटल कटिङ, वाफिङ, वादि कार्यहरू गर्दा सा-जातगत उपकरणहरू लगाउनु दिइ मात्र काममा लगाउनु पर्नेछ ।

२०/१६

०२६११०१६

धौलागिरी सिभिल, ईलेक्ट्रीकल र मेकानिकल इन्जिनियरिङ्ग प्रा.ली.को  
संशोधित प्रवन्ध पत्र

१. कम्पनीको नाम : यस कम्पनीको नाम नेपाल हाइड्रो इक्विपमेण्ट म्यानुफ्याक्चरिङ्ग कम्पनि प्राइभेट लिमिटेड हुनेछ । अंग्रेजीमा **Nepal Hydro Equipment Manufacturing Company Private Limited** हुनेछ ।



Handwritten signature in black ink.



Handwritten signature in black ink over the stamp, with the date "०६/१०/२४" and the name "सहायक राजिष्कार" written in blue ink.

धौलागिरी सिभिल, ईलेक्ट्रीकल र मेकानिकल इन्जिनियरिङ्ग प्रा.ली.को  
संशोधित नियमावली

१.१ कम्पनीको नाम : यस कम्पनीको नाम नेपाल हाइड्रो इक्विपमेण्ट म्यानुफ्याक्चरिङ्ग कम्पनि प्राइभेट लिमिटेड हुनेछ । अंग्रेजीमा **Nepal Hydro Equipment Manufacturing Company Private Limited** हुनेछ ।

*Handwritten signature*



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०६९१०६१२६  
सहायक राजस्वद्वारा