

Mount Everest Power Development Limited

Lalitpur 15, Mahalaxmasthan, Nepal

Audited Financial Statements

FY 2081-82

S. Bhandari & Associates

Chartered Accountants



S. Bhandari & Associates
Chartered Accountants
Kathmandu, Nepal

Firm Regn. No. 598
PAN 103770998

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MOUNT EVEREST POWER DEVELOPMENT LIMITED

OPINION

We have audited the accompanying financial statements of **M/s Mount Everest Power Development Limited** which comprises the Statement of Financial Position as at 32nd Ashadh 2082 and the related statement of Profit or Loss & Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and accompanying Notes for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, except otherwise stated, the financial position of the Company as at 32nd Ashadh 2082 and of its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standard (NFRS).

BASIS FOR OPINION

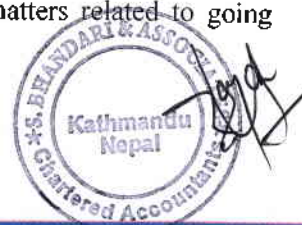
We conducted our audit in accordance with Nepal Standard on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those audit matters that, in our professional judgment, were of most significance in our audit of the financial statement of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters that need to be reported for the year under audit.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with NASs/NFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements 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 the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have obtained all the information and explanations, which were considered necessary for the purpose for our audit. In our opinion, the accompanying financial statements are prepared in accordance with the provisions of Companies Act 2063 and are in agreement with the books of account maintained by the Company. During the course of our audit, we did not come across any cases where the board of directors or any representative or any employee has acted contrary to law or misappropriated any property of the company or caused any loss or damage to the company. As per our information, any accounting fraud has not been committed in the company.

For S. Bhandari & Associates
Chartered Accountants

Sagar Bhandari
(Proprietor)

Address: Kathmandu, Nepal

Date: 2082.05.10

UDIN: 250904CA00900dRKtP



Mount Everest Power Development Limited

Lalitpur 15, Mahalaxmasthan, Nepal

Statement of Financial Position

As on Ashadh 32, 2082 (July 16, 2025)

Particulars	Note	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Assets			
Non Current Assets			
Property, Plant and Equipment	1	5,135,098	3,811,942
Intangible Assets (Under Service Concession Arrangement)	2	2,305,056,293	-
Right Of Use (ROU) Assets	3	619,957	-
Intangibles under Development (Dudhkunda Khola HPP 12 MW)	4	-	2,354,604,799
Total Non Current Assets		2,310,811,348	2,358,416,741
Current Assets			
Financial Assets			
Cash & Cash Equivalents	5	1,865,911	13,951,874
Trade & Other Receivable	6	46,649,772	-
Loans, Advance & Deposits	7	619,506	4,110,066
Other Current Assets	7A	1,091,478	-
Total Current Assets		50,226,667	18,061,940
Total Assets		2,361,038,015	2,376,478,681
Equity & Liabilities			
Equity			
Equity Share Capital	8	602,000,000	602,000,000
Other Equity	9	41,200,463	11,519,202
Total Equity		643,200,463	613,519,202
Non-Current Liabilities			
Financial Liabilities			
Long Term Borrowings	10	1,689,653,708	1,638,675,550
Other Non Current Liabilities	11	333,735	-
Total Non-Current Liabilities		1,689,987,443	1,638,675,550
Current Liabilities			
Financial Liabilities			
Short Term Borrowings	12	24,876,452	112,377,750
Trade & Other Payable	13	1,749,581	10,840,707
Other Current Liabilities	14	284,670	1,065,472
Provisions	15	939,405	-
Total Current Liabilities		27,850,109	124,283,929
Total Equity & Liabilities		2,361,038,015	2,376,478,681

The accompanying notes are integral parts of Financial Statements

Note A

As per our attached report of even date

For & On Behalf of Board

Arjun Prashad Paudel
(Chairman)

Mahendra Raj Wagle
(Director)



Bidhya Laxmi Lamichhane
(Director)

For S. Bhandari & Associates
Chartered Accountants



Sagar Bhandari
(Proprietor)

Kathmandu, Nepal
Date: 2082/05/10

Mount Everest Power Development Limited

Lalitpur 15, Mahalaxmasthan, Nepal

Statement of Profit or Loss

For the year ended Ashadh 32, 2082 (July 16, 2025)

Particulars	Note	For the year ended 32nd Ashadh 2082	For the year ended 31st Ashadh 2081
Revenue			
Revenue from Sale of Electricity	16	291,781,023	-
Cost of Sales	17	(22,552,639)	-
Gross Profit/(Loss)		269,228,383	-
Net Construction Revenue as per IFRIC 12 (NFRS 15)	18	327,398	5,759,148
Administrative Expenses	19	(3,730,800)	(4,037,298)
Depreciation & Amortization	20	(77,230,717)	(907,700)
Impairment of Property, Plant & Equipment		-	-
Net Profit from Operation		188,594,265	814,150
Finance Income		-	-
Finance Cost	21	(157,070,598)	(4,035)
Net Profit Before Bonus & Tax		31,523,667	810,115
Less:- Provision for Staff Bonus		(630,473)	-
Net Profit Before Tax (NPBT)		30,893,193	810,115
Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
Net Profit after Tax (NPAT)		30,893,193	810,115
Earnings per equity share of of Rs. 100 each			
Basic Earning per share		5.13	0.13
Diluted Earnings per share		5.13	0.13

The accompanying notes are integral parts of Financial Statements Note A

As per our attached report of even date

For & On Behalf of Board

Arjun Prashad Paudel
(Chairman)

Mahendra Raj Wagle
(Director)

Bidhya
Bidhya Laxmi Lamichhane
(Director)



For S. Bhandari & Associates
Chartered Accountants



Sagar Bhandari
(Proprietor)
Kathmandu, Nepal
Date: 2082/05/10

Mount Everest Power Development Limited

Lalitpur 15, Mahalaxmasthan, Nepal

Statement of Other Comprehensive Income

Particulars	For the year ended 32nd Ashadh 2082	For the year ended 31st Ashadh 2081
Net profit/(Loss) for the year	30,893,193	810,115
Other Comprehensive Income not to be classified to Profit or Loss in Subsequent periods		
Revaluation Gain/(Los) on Property, Plant & Equipment	-	-
Income Tax relating to above	-	-
Other Comprehensive Income to be classified to Profit or Loss in Subsequent periods	-	-
Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	30,893,193	810,115



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Mount Everest Power Development Limited

Lalipur 15, Mahalaxmasthan, Nepal

Statement of Changes in Equity

For the year ended Ashadh 32, 2082 (July 16, 2025)

Particulars	Equity Share Capital	Share Premium	Revaluation Reserves	Reserves & Retained Earnings	Other Reserves	Total
Balance as on 31.03.2081	602,000,000	-	-	(27,725,958)	-	574,274,042
Correction of Prior period error	-	-	-	39,245,160	-	39,245,160
Restated Balance	602,000,000	-	-	11,519,202	-	613,519,202
Profit/(Loss) for the Year	-	-	-	30,893,193	-	30,893,193
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	602,000,000	-	-	42,412,395	-	644,412,395
Dividend to shareholders	-	-	-	-	-	-
Share Issue Cost	-	-	-	(903,000)	-	(903,000)
Provision for CSR	-	-	-	(308,932)	-	(308,932)
Equity Shares Issued	-	-	-	-	-	-
Closing Balance as on 32.03.2082	602,000,000	-	-	41,200,463	-	643,200,463

The accompanying notes are integral parts of Financial Statements

Note A

As per our attached report of even date

For & On Behalf of Board

Arjun Prashad Paudel
(Chairman)

Bidhya Laxmi Lamichhane
(Director)



Mahendra Raj Wagle
(Director)

For S. Bhandari & Associates
Chartered Accountants



Sagar Bhandari
(Proprietor)
Kathmandu, Nepal
Date: 2082/05/10

Mount Everest Power Development Limited

Lalitpur 15, Mahalaxmishthan, Nepal

Statement of Cash Flow

For the year ended Ashadh 32, 2082 (July 16, 2025)

Particulars	For the year ended 32nd Ashadh 2082	For the year ended 31st Ashadh 2081
Cash Flow From Operating Activities:		
Profit/(Loss) for the year	30,893,193	810,115
Adjustment for:		
Depreciation & Amortization during the year	77,273,474	907,700
Impairment		
Finance Cost	157,070,598	4,035
Finance Income	-	-
CSR Fund	(308,932)	-
Profit/(Loss) on Disposal of Property, Plant & Equipment	-	-
Cash Flow from Operating activities before changes in W/C	264,928,333	1,721,850
Cash Flow From Operating Activities:		
Decrease/ (Increase) in Current Asset	(44,250,690)	244,932,331
Increase/ (Decrease) in Current Liabilities & Provisions	(96,433,820)	57,440
Increase/ (Decrease) in Other Non Current Liabilities	333,735	-
Cash Flow From Operating Activities	124,577,558	246,711,621
Net Cash Flow From Operating Activities	124,577,558	246,711,621
Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment	(2,176,302.00)	-
Addition of ROU Assets	(929,935.48)	-
(Increase)/Decrease In Capital WIP	(26,561,843)	(1,157,588,750)
Net Cash Flow From Investing Activities	(29,668,081)	(1,157,588,750)
Cash Flow from Financing Activities		
Increase in Share Capital	-	-
Increase/(Decrease) of Borrowings	50,978,158	924,272,511
Share Issue Cost	(903,000)	-
Finance Cost	(157,070,598)	(4,035)
Finance Income	-	-
Net Cash Flow From Financing Activities	(106,995,440)	924,268,476
Total Cash Flow From All Activities	(12,085,963)	13,391,346
Cash & Cash Equivalent at the beginning of the year	13,951,874	560,528
Cash & Cash Equivalent at the end of the year	1,865,911	13,951,874

The accompanying notes are integral parts of Financial Statements Note A

As per our attached report of even date

For & On Behalf of Board

Arjun Prashad Paudel
(Chairman)

Mahendra Raj Wagle
(Director)

Bidhya Laxmi Lamichhane
(Director)



For S. Bhandari & Associates
Chartered Accountants



Sagar Bhandari
(Proprietor)
Kathmandu, Nepal
Date: 2082/05/10

Mount Everest Power Development Limited
Lalitpur 15, Mahalaxmasthan, Nepal
Notes to and forming part of Statement of Financial Position (SOPF)
As on Ashadh 32, 2082 (July 16, 2025)

Property, Plant & Equipment

Note 1

Particulars	Furniture, Fixtures & Office Equipments	Vehicle	Other Assets	Leasehold Assets	Total
Cost					
Gross Block as on 01.04.2081	1,072,260	5,825,900	1,085,060	-	7,983,220
Additions	171,604	-	2,004,698	-	2,176,302
Disposals/Adjustments	-	-	-	-	-
Balance at 32.03.2082	1,243,864	5,825,900	3,089,758	-	10,159,522
Depreciation & Impairment Losses					
Accumulated Depreciation as on 01.04.2081	899,894	2,997,548	273,837	-	4,171,278
Charge for the year	71,049	565,670	216,426	-	853,146
Disposals/Adjustments	-	-	-	-	-
Balance at 32.03.2082	970,943	3,563,218	490,263	-	5,024,424
Net Book Value					
As at Ashadh 31, 2081	172,366	2,828,352	811,223	-	3,811,942
As at Ashadh 32, 2082	272,921	2,262,682	2,599,495	-	5,135,098






Mount Everest Power Development Limited
 Lalitpur 15, Mahalaxmishan, Nepal
Notes to and forming part of Statement of Financial Position (SOFP)
 As on Ashadh 32, 2082 (July 16, 2025)

Intangible Assets (Under Service Concession Arrangement)

Note 2

Particulars	Amount
Cost	
Opening Balance at 01.04.2081	-
Additions	-
Transfer from CWIP	2,381,166,642
Disposals/Adjustments	-
Closing Balance at 32.03.2082	2,381,166,642
Accumulated Amortization and impairment Losses	
Opening Balance of Accumulated Amortization	-
Amortization Charge for the year	76,110,349
Disposals/Adjustments	-
Closing Balance at 32.03.2082	76,110,349
As at Ashadh 31, 2081	-
As at Ashadh 32, 2082	2,305,056,293

Right of Use Assets

Note 3

Leasehold Building	Amount
Cost	
Opening Balance at 01.04.2081	-
Additions	929,935
Disposals/Adjustments	-
Closing Balance at 32.03.2082	929,935
Accumulated Amortization and impairment Losses	
Opening Balance of Accumulated Amortization	-
Amortization Charge for the year	309,978
Disposals/Adjustments	-
Closing Balance at 32.03.2082	309,978
As at Ashadh 31, 2081	-
As at Ashadh 32, 2082	619,957

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 B. Singh
 B. Singh



Mount Everest Power Development Limited
Lalitpur 15, Mahalaxmasthan, Nepal
Notes to and forming part of Statement of Financial Position (SOFP)
As on Ashadh 32, 2082 (July 16, 2025)

Intangibles under Development (Dudhkunda Khola HPP 12 MW)

Note 4

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Preliminary Expenses on Project development	27,601,900	27,601,900
Civil Works	1,100,066,736	1,100,066,736
Hydromechanical Works	277,319,665	277,305,192
Transmission Line Including Substation	123,491,706	118,408,106
Access Road	65,940,766	65,940,766
Land Purchase & Development	8,591,440	8,591,440
Environment & Social Mitigation	27,850,878	16,150,878
Office and Camp Facilities	18,058,367	18,058,367
Project Supervision Management & Engineering	75,248,717	73,780,382
Finance Cost	7,189,136	7,104,386
Construction Power	26,839,598	26,753,806
Electro-Mechanical Works & Interconnection Equipment	339,187,208	339,149,927
Interest During Construction	232,688,765	224,928,550
Opeining Loss transferred from Other Equity upto COD Capitalized	39,245,160	39,245,160
Actual Cost incurred for CWIP	2,369,320,042	2,343,085,597
Net Income Capitalized under IFRIC 12	11,846,600	11,519,202
Total CWIP	2,381,166,642	2,354,604,799
Less : Transfer to Intangible Assets	(2,381,166,642)	-
Total	-	2,354,604,799

Cash and Cash Equivalent

Note 5

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Cash in Hand	-	-
Balance with Banks (Local Currency)		
in Current Accounts	1,860,205	13,951,874
in Escrow Accounts	5,706	-
in Call Accounts	-	-
Total	1,865,911	13,951,874

Trade & Other Receivable

Note 6

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Sundry Debtors		
Nepal Electricity Authority (NEA)	46,649,772	-
Total	46,649,772	-



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Mount Everest Power Development Limited
Lalitpur 15, Mahalaxmishan, Nepal
Notes to and forming part of Statement of Financial Position (SOFP)

Loans, Advance & Deposits

Note 7

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Contractor's & Consultants Advance (Annex-1)	-	1,660,561
Site Office Advance (Annex-2)	500,913	1,020,000
Staff Advance	-	14,850
Advance to Suppliers(Annex-3)	38,593	108,655
Deposits		
Kantipur Oxygen Pvt.Ltd.	80,000	80,000
Bank Guarantee Margin	-	750,000
LC Margin	-	399,000
Statutory Margin	-	77,000
Total	619,506	4,110,066

Other Current Assets

Note 7A

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Prepayments		
Prepaid Insurance	1,073,725	-
Prepaid Bay Charges	17,753	-
Total	1,091,478	-

Equity Share Capital

Note 8

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Authorized Share Capital		
9,000,000 Equity Shares @ 100 Each	900,000,000	900,000,000
Issued Share Capital		
8,600,000 Equity Shares @ 100 Each	860,000,000	860,000,000
Paid up Share Capital		
6,020,000 Equity Shares @ 100 Each	602,000,000	602,000,000
Total	602,000,000	602,000,000

Other Equity

Note 9

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Opening Reserve & Retained Earnings	11,519,202	(28,536,073)
Add: Net profit/(loss) during the year	30,893,193	810,115
Add: Opening Loss upto COD Capitalized into CWIP	-	39,245,160
Less:- CSR Fund	(308,932)	-
Less:- Share Issue Cost	(903,000)	-
Total	41,200,463	11,519,202

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Mount Everest Power Development Limited
Lalitpur 15, Mahalaxmasthan, Nepal
Notes to and forming part of Statement of Financial Position (SOFP)

Long Term Borrowings

Note 10

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Term Loan -Prime Commercial Bank	1,199,377,550	1,148,683,861
Term Loan-Shangrila Development Bank	512,776,158	489,991,689
Total Term Loan	1,712,153,708	1,638,675,550
Less:- Current Portion of Term Loan	(22,500,000)	-
Total	1,689,653,708	1,638,675,550

Other Non Current Liabilities

Note 11

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Lease Liability	333,735	-
Total	333,735	-

Short Term Borrowings

Note 12

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Bridge Gap Loan-Prime Commercial Bank	-	85,080,020
Cash Credit/Bank Overdraft Facility	2,000,000	-
Loan from Directors	376,452	27,297,730
Current Portion of Term Loan	22,500,000	-
Total	24,876,452	112,377,750

Trade & Other Payable

Note 13

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Trade Payable		
Sundry Creditors (Annex-4)	117,835	722,685
Contractor's & Consultant Payable (Annex-5)	-	1,147,925
Short Term Other Payable (Annex-6)	-	158,597
Retention Money Payable (Annex-7)	-	8,700,000
Other Payable		
Audit Fee Payable	111,500	111,500
Water & Electricity Payable	10,860	-
Fixed Royalty Payable	1,200,000	-
Lease Liability	309,386	-
Total	1,749,581	10,840,707

Other Current Liabilities

Note 14

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Duties and Taxes Payable(Annex-8)	284,670	1,065,472
Total	284,670	1,065,472

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Mount Everest Power Development Ltd.



Mount Everest Power Development Limited
Lalitpur 15, Mahalaxmasthan, Nepal
Notes to and forming part of Statement of Financial Position (SOFP)

Provisions

Note 15

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Provision for Staff Bonus	630,473	-
Provision for CSR	308,932	-
Total	939,405	-

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Mount Everest Power Development Limited

Lalitpur 15, Mahalaxmasthan, Nepal

Note forming Part of Statement of Profit and Loss (SOPL)

For the year ended Ashadh 32, 2082 (July 16, 2025)

Revenue from Sale of Electricity**Note 16**

Particulars	For the year ended 32nd Ashadh 2082	For the year ended 31st Ashadh 2081
Income from Electricity Sales	310,160,319	-
Less: Short Supply Penalty	(18,379,296)	-
Total	291,781,023	-

Cost of Sales**Note 17**

Particulars	For the year ended 32nd Ashadh 2082	For the year ended 31st Ashadh 2081
Site office Expense		
Site Office Accessories Expenses	565,718	-
Electrical & Electronics Equipment Expenses	358,939	-
CSR Expenses	920,000	-
Fuel & Lubricant Expenses	407,423	-
Printing & Stationery Expenses	80,980	-
Internet & Communication Expenses	112,290	-
Lodging & Fooding Expenses	95,196	-
Mess Expenses	1,360,415	-
Plant Repair & Maintenance Expenses	1,596,008	-
Plantation Expenses	20,000	-
Site Staff Salary & Allowance Expenses	6,578,325	-
Transportation Expenses	211,310	-
Wages Expenses	270,000	-
Excavator Hiring Charges	79,100	-
Royalty Expense		
Fixed Royalty Expenses -DOED	1,200,000	-
Revenue Royalty Expenses	6,203,206	-
Electricity Charge-NEA	57,132	-
Project Insurance Expenses	2,022,350	-
Annual Bay Charge	414,247	-
Total	22,552,639	-

Net Construction Revenue as per IFRIC 12**Note 18**

Particulars	For the year ended 32nd Ashadh 2082	For the year ended 31st Ashadh 2081
Revenue Recognized under IFRIC 12	65,807,003	1,157,588,751
Cost Recognized under IFRIC 12	(65,479,605)	(1,151,829,603)
Total	327,398	5,759,148



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Mount Everest Power Development Limited
 Lalitpur 15, Mahalaxmishthan, Nepal
Note forming Part of Statement of Profit and Loss (SOPL)
 For the year ended Ashadh 32, 2082 (July 16, 2025)

Administrative Cost

Note 19

Particulars	For the year ended 32nd Ashadh 2082	For the year ended 31st Ashadh 2081
Advertisement & Publicity Expenses	42,810	22,950
Audit Fee	113,000	113,000
Bank Charges & Commission	14,866	-
Certification Charge	56,500	45,200
Business Promotion Expenses	274,000	226,000
Financial Projection Fee	67,800	113,000
Interim Finance Cost	-	22,600
Office Rent Expenses	-	360,000
Fuel and Lubricant Expenses	129,560	57,235
Translation Expenses	4,000	60,000
Kitchen Expenses	82,940	117,080
Legal Charges	70,000	-
Rates and Taxes	-	1,054,815
Fine and Penalty	7,515	5,035
Credit Rating Surveillance Fee	310,750	-
Fooding and Lodging Expenses	5,663	23,848
Electricity & Water Expenses	14,173	29,575
Communication Expenses	11,480	24,402
Vehicle Repair & Maintenance Expenses	724,250	198,004
Vehicle Insurance Expenses	12,831	61,615
Vehicle Tax & Renewal Expenses	99,805	37,500
Printing and Stationery Expenses	19,355	62,119
Foreign Exchange Gain/(Loss)	276,000	-
Staff Salary and allowance Expenses	872,281	1,188,500
Miscellaneous Expenses	5,695	7,100
Tax Expenses	-	150
Travelling & Local Conveyance	109,577	70,745
Travelling Allowance	317,294	-
Meeting Allowance	58,825	55,295
Medical Expenses	1,100	-
Renewal & Registration Expenses	28,730	81,530
Total	3,730,800	4,037,298

Depreciation & Amortization

Note 20

Particulars	For the year ended 32nd Ashadh 2082	For the year ended 31st Ashadh 2081
Depreciation on Property, Plant & Equipment	853,146	-
Amortization on Intangible Assets	76,110,349	-
Amortization on ROU Assets	309,978	-
Total Depreciation & Amortization	77,273,474	-
Less:- Depreciation on Property, Plant & Equipment upto COD transferred to CWIP	(30,018)	-
Less:- Amortization on ROU Assets upto COD transferred to CWIP	(12,739)	-
Total	77,230,717	-

Finance Cost

Note 21

Particulars	For the year ended 32nd Ashadh 2082	For the year ended 31st Ashadh 2081
Interest on Term Loan	159,242,485	-
Interest on OD Loan	313,946	-
Interest on BG Loan	2,117,144	-
Loan Assessment/Agency Fee	3,241,275	-
Bank Charges and Commission	-	4,035
Finance Cost of BFLs during the year	164,914,850	4,035
Less:- Finance Cost charged to CWIP	(7,917,438)	-
Finance cost charged to Profit/(Loss)	156,997,412	4,035
Interest on Lease Liability	73,185.92	-
Total	157,070,598	4,035

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[Circular stamp: Mount Everest Power Development Ltd. Kathmandu, Nepal]

[Circular stamp: S.S. Bhandari & Associates Chartered Accountants Kathmandu, Nepal]

Mount Everest Power Development Limited

Lalitpur-15, Mahalaxmasthan, Nepal

Note- A: Significant Accounting Policies and Notes to Accounts Forming part of Financial Statements

Fiscal Year 2081/82 (2024/25 AD)

1. General Information:

Mount Everest Power Development Ltd was registered as a private limited company with Company registrar office pursuant to Companies Act 2063 of Nepal on 2071.7.30 vides Regn. No.128443. The Company was converted into Public Limited Company on 2080.03.27 with registration No.315143/79/080. The Company has obtained Electricity Generation license from DOED on date 2076.08.18 for construction and development of Dudhkunda Khola Hydropower Project 12 Mega Watt at Dudhkunda Nagarpalika, Solukhumbu district. The Company has entered into PPA with NEA on date 2075.04.01. In the FY 2024-25 (2081-82), the Company has started generating electricity from its Hydropower Project effective from the Commercial Operation Date (COD) 2081.04.16.

2. Basis of Preparation

2.1 Statement of Compliance

The financial statements are prepared in accordance with Nepal Financial Reporting Standards (NFRS) as issued by Accounting Standards Board, Nepal except otherwise stated. The financial statements include Statement of Financial Position, Statement of Profit or Loss & other comprehensive Income, Statement of Cash flows, Statement of Changes in Equity and Notes to Accounts.

2.2 Basis of preparation

The financial statements have been prepared on an accrual and Going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.3 Basis of measurement

These financial statements are prepared under historical cost convention except for certain material items that have been measured at fair value as required by the relevant NFRS and explained in the ensuing policies below.

2.4 Responsibility of Financial Statements:

The Board of Directors of the Company is responsible for preparation and presentation of the Company's financial statements and for the estimates and judgments used in them.

2.5 Functional and Presentation Currency:

The financial statements are prepared in Nepalese Rupees (NRs.) which is the functional currency. All financial information presented in Nepalese Rupees has been rounded to the nearest rupee except otherwise indicated.



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2.6 Fiscal Year

The financial statements relate to the fiscal year 2081/82 i.e. 1st Shrawan 2081 to 32nd Ashadh 2082 corresponding to Gregorian calendar 16th July 2024 to 16th July 2025. The previous year was 1st Shrawan 2080 to 31st Ashadh 2081 corresponding to Gregorian calendar 17th July 2023 to 15th July 2024.

2.7 Use of Estimates, Assumptions or Judgments:

The preparation of the financial statements in conformity with NAS requires management to make judgment, estimates and assumption that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates. Estimated and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. Information about significant areas of estimates, uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are:• Provisions and contingencies• Determination of useful life of the property, plants and equipment• Determination of capitalization value and useful life of the intangible assets etc.

2.8 Controlling Body

There are total 34 shareholders in the Company as on 32.03.2082. The details of Shareholders holding more than 1% of share capital and percentage of holding is given below:

S. No.	Name of Shareholders	Amount	No of Shares	% of Shareholding
1	Arjun Prasad Paudel	262,864,500	2,628,645	43.67%
2	Bidhya Laxmi Lamichhane	163,735,000	1,637,350	27.20%
3	Sushil Mani Lamichhane	27,000,000	270,000	4.49%
4	Abis Paudel	26,500,000	265,000	4.40%
5	Ojaswi Paudel	26,500,000	265,000	4.40%
6	Pramisha Paudel	26,500,000	265,000	4.40%
7	Mahendra Raj Wagle	8,000,000	80,000	1.33%
8	Durga Adhikari	7,000,000	70,000	1.16%

3. Significant Accounting Policies

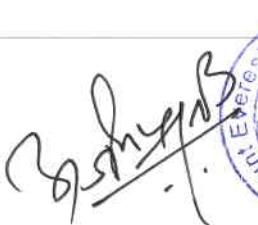
3.1 Basis of Measurement

The financial statements are prepared on a historical cost basis.

3.2 Revenue Recognition

I) Sale of Electricity

Revenue is recognized to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates, charges and other similar allowances.






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II) Finance Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.3 Income tax

Income tax on the profit or loss for the year comprises current taxes and deferred taxes. Income tax is recognized in the profit or loss statement except to the extent that it relates to items recognized directly to equity.

Current Tax

Current tax is the expected tax payable on the taxable income for the year using tax rates at the balance sheet date and any adjustment to tax payable in respect of previous years. Income tax rates applicable to company.

Deferred Tax

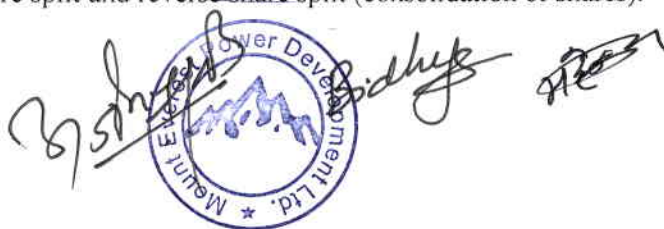
- I. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date.
- II. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
- III. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

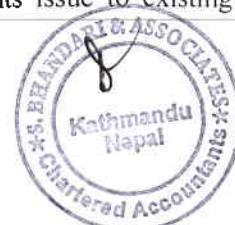
3.4 Cash and Cash Equivalents

Cash and cash equivalents include Cash in hand, unrestricted balances held with Banks and Financial Institutions that are subject to an insignificant risk of changes in their fair value.

3.5 Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).





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Diluted earnings per share is computed by dividing the profit/ (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

3.6 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, use in the supply of services or for administrative purpose.

3.7 Property, Plant and Equipment

i. Recognition and Measurement

Property, Plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost comprises purchase price including nonrefundable duties and taxes; and any directly attributable cost incurred in bringing the asset to their present location and condition necessary for it to be capable of operating in the manner intended by the management but excluding trade discounts and rebates. Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow in to the Company. Ongoing repair and maintenance are expensed in the Statement of Profit or Loss as incurred.

If significant part of an item of property or equipment has different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and carrying amount of the items) is recognized within other income in Statement of Profit or Loss.

ii. Depreciation and Amortization

Property, Plant & Equipment and Intangible assets other than Service concession agreement are depreciated using Written down value method over its estimated Useful life from the date they are available for use. Service concession agreement is amortized over the life of agreement on Straight Line basis. The estimated useful lives of the significant items of Property & Equipment and Intangibles are as follows

Office Equipment	5-8 years	25%
Furniture & Fixtures	5-8 years	25%
Vehicles	10-12 years	20%
Intangibles Software	5-6 years	20%
Intangibles-Service Concession agreement	As per Term of License	30Years SLM
Right of Use Assets	Over the Term of Right	
Other Assets	10-12 years	15%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.



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3.8 Intangible Assets

The intangible assets that are acquired by the Company and have definite useful lives are measured at cost less accumulated amortization and any impairment losses. Intangible assets include Service Concession agreement and Software assets.

Gain Loss on Derecognition of Intangible Assets are measured at the difference between Net disposal proceeds and carrying amount of the asset as on the date of de recognition and the difference is recognized in Statement of Profit or Loss.

Costs incurred in the ongoing maintenance of software are expensed immediately as incurred. Subsequent cost on software is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Software, useful life of which have been defined by terms of contract or conditions for use are amortized on straight-line basis over the useful life of asset.

Software, useful life of which have not been clearly defined by terms of contract or condition of use as well have a definite useful lives due to technological obsolescence are amortized on straight-line basis over estimated useful life of ten years and five years for business application software and other software respectively.

Service concession arrangements

Under IFRIC 12 – Service Concession Arrangements applies to public-to-private service concession arrangements if:

- (a) The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what prices; and
- (b) The grantor controls through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement
- (c) Is the infrastructure constructed or acquired by the operator from a third party for the purpose of the service arrangement or is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement? Infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole life of assets) is within the scope of this IFRIC, if the conditions in (a) above are met. These arrangements are accounted on the basis of below mentioned models depending on the nature of consideration and relevant contract law.

Financial Asset Model

The Financial asset model is used when the Company, being an operator, has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Unconditional contractual right is established when the grantor contractually guarantees to pay the operator (a) specific or determinable amount; (b) the shortfall, if any, between amounts received from the users of the public services and specified or determinable amounts.

Intangible Asset Model

The intangible asset model is used to the extent that the Group, being an operator, receives a right (a license) to charge users of the public service. A right to charge users of public services is not an unconditional right to receive cash because the amounts are contingent on to the extent that public uses the services. Both type of arrangements may exist within a single contract to the extent that the grantor has given an unconditional guarantee of payment for the construction and the operation i.e. considered as a Financial asset and to the extent that the operator has to rely on the public using the service in order to obtain payment, the operation has an intangible asset. The Company manages concession arrangements



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Blue circular stamp of Chartered Accountants, Kathmandu, Nepal.

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which include power supply from its hydro power plant. The Company maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the services to be provided. The right to consideration gives rise to an intangible asset and accordingly, the intangible asset model is applied. Income from the concession arrangements earned under the intangible asset model consists of the

- (i) Fair Value of the contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and
- (ii) Payments actually received from the users.

The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession. Any asset carried under concession arrangements is de-recognized on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

3.9 Impairment of Non-Financial Asset

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine where there is an indication of impairment. If such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are recognized in Statement of Profit or Loss. Impairment loss is reversed only to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized.

3.10 Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

3.11 Defined Benefit Plans

The cost of defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

3.12 Recognition of deferred tax assets

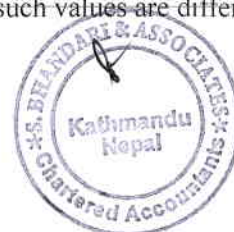
Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company.

3.13 Financial Instruments- Recognition and Measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction cost and where such values are different from the fair value, at fair value.



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Mount Everest Power Development Limited

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Transaction costs that is directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss.

Effective Interest Rate Method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income/ expense arising on financial instruments after applying an effective interest rate is recognized in Statement of Profit and Loss and is included in the "Other finance income" or "Other finance cost" line item.

Financial Assets

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through *other comprehensive income* if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument-by-instrument basis at the time of initial recognition of such equity investments.

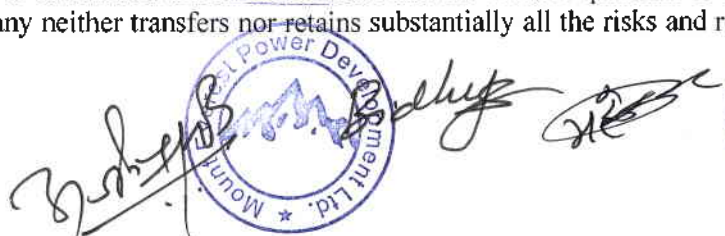
Financial asset not measured at amortized cost or at fair value through other comprehensive income is carried at fair value through the *statement of profit or loss*. For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the shorter maturity of these instruments.

Impairment of financial assets

Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through the statement of profit or loss. The company recognizes impairment loss on trade receivables using expected credit loss model. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognized. Loss allowance equal to the lifetime expected credit losses is recognized if the credit risk on the financial instruments has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under NFRS 9. If the Company neither transfers nor retains substantially all the risks and rewards of ownership





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and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received. On de-recognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of de-recognition and the consideration received is recognized in statement of profit or loss.

Financial Liabilities & Equity

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at *fair value*, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in the statement of profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

De-recognition of financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Off Setting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.14 Borrowings Cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the

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borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are expensed in the period in which they occur.

3.15 Provisions

A provision is recognized if as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at the pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.16 Employee Benefits

The Company does not have any schemes of Post-employment/Long term benefit plans for its employees. The company has not provided for Gratuity as per Labor Act 2074 and has not been registered with Social Security Fund as per Social Security Act 2074.

Short Term Employee Benefits

- i. A liability is recognized for benefits accruing to employees in respect of wages and salaries, in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
- ii. Liabilities recognized in respect of short-term employee and contractual employees, benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.17 Leases

Payments made under Finance leases are recognized in the Financial Statement as per NFRS 16 "Leases". The Discount rate considered for the purpose of calculation of Finance Cost on lease liability is Weighted Average incremental borrowing (WABR) rate of the Company.

3.18 Staff Bonus

Provision for Employee bonus is provided as per the provisions of the Electricity Act and Rules 2049 (at the rate of 2% of Net profit before transfer to CSR Fund). Provision is created as per annual profit and paid in the subsequent period as per the provisions of Bonus Act 2030. Unspent amounts are transferred to Welfare Funds as per the provisions of Bonus Act 2030.

3.19 Presentation

The presentation of certain line items of previous year financial statements have been changed (regrouped or rearranged) to align the financial statement and facilitate better presentation and comparison.





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Explanatory Notes Forming part of Financial Statements

Note -22: Intangible Asset Model

The company has elected to choose Intangible Asset model under IFRIC 12 (Service concession agreement) on the booking of Assets arising from Construction of the project. The Commercial operation date of the project is 2081.04.16 and the generation license is effective up to 2111.08.17 which is approximately 35 years. However, the duration of PPA is lower than Generation license period i.e. 30 years. Hence, the rate of Amortization is calculated at 3.33 % per annum. The Intangible asset has been written off at the rate of 3.33% using straight line method.

Note-23: Income Tax

Current Tax: Provision for Income tax has not been made due to the lack of taxable profit during the year.

Deferred Tax: Provision for deferred tax has not been made since the company is assessed at 0% tax rates for first 10 years and concessional rates for later 5 years and there will be substantial time gap for the actual realization of deferred tax.

Note-24: Post- Employment Benefits

Since, the Company does not have any schemes for termination benefits of its employees; provision for post-employment benefits has not been made.

Note-25: Earning per Share

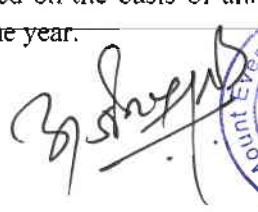
Particulars	2081-82	2080-81
Profit attributable to equity holders	30,893,193	810,115
Weighted average number of equity shares outstanding	6,020,000	6,020,000
Earnings Per Share (Rs.) - Basic (Face value of Rs. 100 per share)	5.13	0.13
Add: Weighted average number of potential equity shares	-	-
Weighted average number of Equity shares (including dilutive shares) outstanding	6,020,000	6,020,000
Earnings Per Share (Rs.) - Diluted (Face value of Rs. 100 per share)	5.13	0.13

Note-26: Segment Reporting

Since, the Company is engaged in only one segment "Generation and sale of electricity from its one power plan" the company does not have any reportable segments as per NFRS 8.

Note-27: CSR expenses as per Industrial Enterprises Act 2076

Industrial Enterprises Act 2076; Section 54 makes it mandatory to allocate 1% of the annual profit to be utilized towards corporate social responsibility (the "CSR Requirement"). The fund created for CSR is to be utilized on the basis of annual plans and programs. The company has allocated Rs 308,932 to CSR during the year.






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Note-28: Income and Cost recognized under IFRIC 12

The Company has elected Intangible Asset model as the Company has entered into Power Purchase Agreement with Nepal Electricity where the Company's right to charge users of public services is not an unconditional right to receive cash because the amounts are contingent on to the extent that public uses the services applicable to it for recognition of revenue and expense. The Company has recognized revenue during the period of Construction of the Intangible asset as per NFRS 15 "Revenue from Contract with Customer". The details of Income and Expense Recognition are as below:

Particulars	For the year ended	For the year ended
	32nd Ashadh 2082	31st Ashadh 2081
Revenue Recognized under IFRIC 12	65,807,003	1,157,588,751
Cost Recognized under IFRIC 12	(65,479,605)	(1,151,829,603)
Total	327,398	5,759,148

Note-29: Right of Use Assets and Lease Liability

The Corporate office rental of the Company located at Mahalaxmasthan, Lalitpur has been recognized as Right of Use (ROU) Asset. The lease liability, Finance Cost, ROU Assets and Depreciation on ROU Assets has been recognized as per the provisions of NFRS 16 "Leases". Current Weighted Average Incremental Borrowing Cost (WABR) of the Company is 7.87% as on Shrawan 2082 which is considered for unwinding of discount on Lease liability. The detailed calculation is provided below.

Year	Annual Rental	Year	PVF @ 7.87%	Present Value
2081-82	360,000.00	1	0.92704	333,735.05
2082-83	360,000.00	2	0.85941	309,386.35
2083-84	360,000.00	3	0.79671	286,814.08
	1,080,000.00	Present Value of Annual Rental		929,935.48

Lease Liability

Year	Lease Liability			
	Opening Balance	Interest @ 7.87%	Lease Payment	Closing Balance
2081-82	929,935.48	73,185.92	360,000.00	643,121.40
2082-83	643,121.40	50,613.65	360,000.00	333,735.05
2083-84	333,735.05	26,264.95	360,000.00	-
Total		150,064.52	1,080,000.00	

ROU Assets

Year	ROU Asset		
	Opening Balance	Depreciation	Closing Balance
2081-82	929,935.48	309,978.49	619,956.98
2082-83	619,956.98	309,978.49	309,978.49
2083-84	309,978.49	309,978.49	-


Mount Everest Power Development Limited



Mount Everest Power Development Limited

Lalitpur-15, Mahalaxmishan, Nepal

Note-30: Previous year figures

Figures of Previous year has been rearranged or restated wherever necessary to facilitate better comparison and presentation of financial statement. The restatement to previous year Reserve and Retained earnings is provided below:

Particulars	As on 31st Ashadh 2081
Opening Reserve & Retained Earnings	(28,536,073)
Add: Net profit/(loss) during the year	810,115
Add: Opening Loss up to COD Capitalized into CWIP	39,245,160
Total	11,519,202

The expenses incurred in previous years which were charged to SOPL has been transferred to Intangibles under Development. The detail of year wise expense is provided below:

FY	Other Income	Administrative Expenses	Depreciation Expenses	Finance Cost	Depreciation Adjusted as per NFRS	Total
2071-72	-	(1,125,354)	(183,298)	-	-	(1,308,652)
2072-73	-	(2,141,988)	(146,638)	-	-	(2,288,626)
2073-74	-	(6,285,365)	(117,311)	-	-	(6,402,676)
2074-75	-	(6,574,928)	(94,147)	-	-	(6,669,075)
2075-76	-	(7,611,762)	(93,774)	-	-	(7,705,536)
2076-77	-	(1,630,445)	(70,330)	-	-	(1,700,775)
2077-78	-	(1,024,779)	(425,289)	-	-	(1,450,068)
2078-79	579,200	(1,370,831)	(1,146,086)	-	-	(1,937,717)
2079-80	91,400	(3,847,226)	(1,091,147)	(19,973)	-	(4,866,946)
2080-81	-	(4,037,298)	(907,700)	(4,035)	33,944	(4,915,090)
Total	670,600	(35,649,976)	(4,275,720)	(24,008)	33,944	(39,245,160)

Note-31: Transaction with related party

Related party transactions are identified by the management. As per the requirements of NAS 24, the names of related parties, Transactions and the nature of their relationship during the year are as follows:

S. No	Name of Party	Opening Balance	Transaction during the year	Closing Balance	Nature of Relationship
1	Arjun Prashad Paudel	27,297,730 Cr	26,921,278 Dr	376,452.00 Cr	Unsecured Loan from Chairman
2	Arjun Prashad Paudel	0.00	360000.00	0.00	Lease rental paid to Chairman

Note-32: Details of Key Management personnel

The details of Key Management Personnel are as follows:

Mr. Arjun Prashad Paudel - Chairman

Mrs. Bidhya Laxmi Lamichhane - Director


Mount Everest Power Development Limited



Mount Everest Power Development Limited
Lalitpur 15, Mahalaxmishan, Nepal

Annexures Forming Part of Financial Statements

Contractor's & Consultants Advance

Annex-1

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Advance to Consultants		
Real Time Automation	-	275,000
Advance to Contractors		
Upper Solu Hydro Electric Company Limited	-	274,000
Access Construction P. Ltd	-	1,000,000
P.K. Construction	-	111,561
Total	-	1,660,561

Site Office Advance

Annex-2

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Rajesh Karki	-	1,000,000
Pemba Lhamu Sherpa	-	20,000
Rajendra Ghimire	496,350	-
Krishan ji Bhandari	4,563	-
Total	500,913	1,020,000

Advance to Suppliers

Annex-3

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Impressions A Creative Design Pvt.Ltd	-	2,592
Himal Logistics and Cargo Nepal Pvt. Ltd	-	67,470
Steel Wood	38,593	38,593
Total	38,593	108,655

Sundry Creditors

Annex-4

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Aahana Enterprises	-	67,600
CE Hydromechanical Works Pvt.Ltd	-	15,497
Construct Nepal Pvt. Ltd	-	17,029
Hotel Clarion	-	3,955
Dudhkoshi Oil Store	8,150	-
Haripriya General Suppliers	-	89,722
J.K Metal Industries	-	252,000
Khusi Store	72,160	132,080
Pal Engineering Trade	-	19,628
Prem Kumar Rai	37,525	41,340
Raghupriya Trading Pvt.Ltd	-	21,834
Ridima Motors	-	62,000
Total	117,835	722,685





Contractor's & Consultant Payable**Annex-5**

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Maa Shakti Engineering and Hydropower Pvt.Ltd.	-	1,147,925
Total	-	1,147,925

Short Term Other Payable**Annex-6**

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Salleri Chialsa Electricity Company Ltd	-	26,000
Site Office Management Payable	-	109,668
Rajendra Ghimire	-	22,929
Total	-	158,597

Retention Money Payable**Annex-7**

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
Retention -Global Hydro	-	8,700,000
Total	-	8,700,000

Duties and Taxes Payable**Annex-8**

Particulars	As on 32nd Ashadh 2082	As on 31st Ashadh 2081
TDS Payable on audit fees	1,500	1,500
TDS on Transportation/ Logistics Expenses	2,805	-
TDS Payable (Contractors and Consultants)	31,903	49,075
TDS on Advertisement Expenses	4,192	-
TDS on Internet Expenses	96	-
TDS on SCADA Integration	39,624	-
SST on Salary	72,587	-
TDS on Salary	59,100	-
TDS on Meeting Allowance	9,024	-
TDS on Travelling Allowance	47,594	-
TDS on Civil Work and Other - Brother Builders Pvt.Ltd	-	1,014,897
TDS on Underwriting Commission	13,545	-
SST on Wages	2,700	-
Total	284,670	1,065,472

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