

## **Independent Auditor's Review Report on Provisional Financial Statements**

**To**  
**The Board of Directors,**  
**Mount Everest Power Development Limited**  
**Lalitpur Nepal**

We have reviewed the accompanying financial statements of **Mount Everest Power Development Limited referred as the entity**, which comprises the provisional statement of financial position as at Poush End 2082 (Corresponding to 14 January 2025), and the related provisional statement of profit or loss, cash flows, and selected explanatory notes for the period then ended (hereinafter referred to as the "provisional financial statements") The provisional financial statements have been prepared by the management solely for the purpose of submission to the Securities Board of Nepal (SEBON) in connection with the proposed Initial Public Offering (IPO) of the Company.

### **Auditor's Responsibilities**

Our responsibility is to express a conclusion on these provisional financial statements based on our review. We conducted our review in accordance with Nepal Standard on Auditing (NSA) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity."

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Nepal Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Management's Responsibility for the Provisional Financial Statements**

Management is responsible for the preparation of the provisional financial statements in accordance with the applicable financial reporting framework, and for such internal control as management determines is necessary to enable the preparation of provisional financial statements that are free from material misstatement, whether due to fraud or error.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying provisional financial statements have not been prepared, in all material respects, on the basis of information and explanations provided by the management, for the purpose stated above.

### **Emphasis of Matter – Provisional Nature of Financial Statements**

We draw attention to the fact that the accompanying financial statements are provisional in nature and are based on management estimates, assumptions, and unaudited information. Adjustments that may arise during the course of the final statutory audit may materially affect the figures presented in these provisional financial statements.

Our conclusion is not modified in respect of this matter.



**Restriction on Use**

This report is issued solely for the purpose of submission to the Securities Board of Nepal (SEBON) in connection with the proposed Initial Public Offering (IPO) of the Company and should not be used or relied upon for any other purpose without our prior written consent.



**CA. Saugat Bhujel**

**Partner**

G.S. Gairhe & Associates

Chartered Accountants

Place: Lalitpur, Nepal

Date: 2082/10/06

UDIN: 260120CA02110LpsMS

# Mount Everest Power Development Limited

Lalitpur 15, Mahalaxmishan, Nepal

## Statement of Financial Position

As on 30th Poush 2082 (Jan 14 2026)

Particulars	Note	As on 30th Poush 2082
<b>Assets</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	1	4,453,484
Intangible Assets (Under Service Concession Arrangement)	2	2,265,409,868
Right Of Use (ROU) Assets	3	464,968
Intangibles under Development (Dudhkunda Khola HPP 12 MW)	4	-
<b>Total Non Current Assets</b>		<b>2,270,328,321</b>
<b>Current Assets</b>		
Financial Assets		
<i>Cash &amp; Cash Equivalents</i>	5	548,727
<i>Trade &amp; Other Receivable</i>	6	59,581,780
<i>Loans, Advance &amp; Deposits</i>	7	885,992
Other Current Assets	7A	1,091,478
<b>Total Current Assets</b>		<b>62,107,977</b>
<b>Total Assets</b>		<b>2,332,436,298</b>
<b>Equity &amp; Liabilities</b>		
<b>Equity</b>		
Equity Share Capital	8	602,000,000
Other Equity	9	84,119,797
<b>Total Equity</b>		<b>686,119,797</b>
<b>Non-Current Liabilities</b>		
Financial Liabilities		
<i>Long Term Borrowings</i>	10	1,637,477,550
<i>Other Non Current Liabilities</i>	11	-
<b>Total Non-Current Liabilities</b>		<b>1,637,477,550</b>
<b>Current Liabilities</b>		
Financial Liabilities		
<i>Short Term Borrowings</i>	12	2,981,498
<i>Trade &amp; Other Payable</i>	13	3,658,691
Other Current Liabilities	14	399,638
Provisions	15	1,799,122
<b>Total Current Liabilities</b>		<b>8,838,950</b>
<b>Total Equity &amp; Liabilities</b>		<b>2,332,436,297</b>

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 Prasad Paudel  
(Chairman)

Abis Paudel  
(Director)

Bidhya Laxmi Lamichhane  
(Director)

For G.S Gairhe & Associates  
Chartered Accountants

CA. Saugat Bhujel  
Partner

Kathmandu, Nepal  
Date:



# Mount Everest Power Development Limited

Lalitpur 15, Mahalaxmasthan, Nepal

## Statement of Profit or Loss

As on 30th Poush 2082 (Jan 14 2026)

Particulars	Note	For the period ended 30th Poush 2082
<b>Revenue</b>		
Revenue from Sale of Electricity	16	217,729,942
Cost of Sales	17	(35,633,537)
<b>Gross Profit/(Loss)</b>		<b>182,096,405</b>
Net Construction Revenue as per IFRIC 12 (NFRS 15)	18	-
Administrative Expenses	19	(1,503,777)
Depreciation & Amortization	20	(40,483,027)
Impairment of Property, Plant & Equipment		-
<b>Net Profit from Operation</b>		<b>140,109,601</b>
Finance Income		-
Finance Cost	21	(65,600,077)
<b>Net Profit Before Bonus &amp; Tax</b>		<b>74,509,524</b>
Less:- Provision for Staff Bonus		(1,490,190)
<b>Net Profit Before Tax (NPBT)</b>		<b>73,019,334</b>
<b>Tax Expense</b>		
Current Tax		-
Deferred Tax		-
<b>Net Profit after Tax (NPAT)</b>		<b>73,019,334</b>
<b>Earnings per equity share of of Rs. 100 each</b>		
Basic Earning per share		-
Diluted Earnings per share		-

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)

Abis Paudel  
(Director)

Bidhya Laxmi Lamichhane  
(Director)

For G.S Gairhe & Associates  
Chartered Accountants

G.S. Gairhe & Associates  
Chartered Accountants  
Lalitpur, Nepal  
CA Saugat Bhujel  
Partner

Kathmandu, Nepal  
Date:

**Mount Everest Power Development Limited**  
 Lalitpur 15, Mahalaxmasthan, Nepal  
**Statement of Other Comprehensive Income**

Particulars	For the period ended 30th Poush 2082
Net profit/(Loss) for the period	73,019,334
<b>Other Comprehensive Income not to be classified to Profit or Loss in Subsequent periods</b>	
Revaluation Gain/(Los) on Property, Plant & Equipment	-
Income Tax relating to above	-
<b>Other Comprehensive Income to be classified to Profit or Loss in Subsequent periods</b>	
Other Comprehensive Income for the year	-
<b>Total Comprehensive Income for the period</b>	<b>73,019,334</b>






# Mount Everest Power Development Limited

Lalitpur 15, Mahalaxmishan, Nepal

## Statement of Cash Flow

As on 30th Poush 2082 (Jan 14 2026)

Particulars	For the period ended 30th Poush 2082
<b>Cash Flow From Operating Activities:</b>	
Profit/(Loss) for the year	73,019,334
Adjustment for:	
Depreciation & Amortization during the year	40,483,027
Impairment	
Finance Cost	65,600,077
Finance Income	-
Dividend Payment	-
Profit/(Loss) on Disposal of Property, Plant & Equipment	-
<b>Cash Flow from Operating activities before changes in W/C</b>	<b>179,102,438</b>
<b>Cash Flow From Operating Activities:</b>	
Decrease/ (Increase) in Current Asset	(13,198,494)
Increase/ (Decrease) in Current Liabilities & Provisions	2,883,796
Increase/ (Decrease) in Other Non Current Liabilities	(333,735)
<b>Cash Flow From Operating Activities</b>	<b>168,454,005</b>
<b>Net Cash Flow From Operating Activities</b>	<b>168,454,005</b>
<b>Cash Flow from Investing Activities</b>	
Purchase of Property, Plant & Equipment	-
Addition of ROU Assets	-
(Increase)/Decrease In Capital WIP	-
<b>Net Cash Flow From Investing Activities</b>	<b>-</b>
<b>Cash Flow from Financing Activities</b>	
Increase in Share Capital	-
Increase/(Decrease) of Borrowings	(74,071,112)
Dividend Payment	(30,100,000)
Finance Cost	(65,600,077)
Finance Income	-
<b>Net Cash Flow From Financing Activities</b>	<b>(169,771,189)</b>
<b>Total Cash Flow From All Activities</b>	<b>(1,317,184)</b>
Cash & Cash Equivalent at the beginning of the year	1,865,911
<b>Cash &amp; Cash Equivalent at the end of the year</b>	<b>548,727</b>

The accompanying notes are integral parts of Financial Statements Note A

For & On Behalf of Board

Arjun Prashad Paudel  
(Chairman)

Abis Paudel  
(Director)

Bidhya Laxmi Lamichhane  
(Director)

For G.S Gairhe & Associates  
Chartered Accountants

CA. Saugat Bhujel  
Partner

Kathmandu, Nepal

Date:

## Mount Everest Power Development Limited

Lalitpur 15, Mahalaxmasthan, Nepal

### Statement of Changes in Equity

As on 30th Poush 2082 (Jan 14 2026)

Particulars	Equity Share Capital	Share Premium	Revaluation Reserves	Reserves & Retained Earnings	Other Reserves	Total
Balance as on 31.03.2082	602,000,000	-	-	41,200,463	-	643,200,463
Correction of Prior period error	-	-	-	-	-	-
<b>Restated Balance</b>	<b>602,000,000</b>	<b>-</b>	<b>-</b>	<b>41,200,463</b>	<b>-</b>	<b>643,200,463</b>
Profit/(Loss) for the Period	-	-	-	73,019,334	-	73,019,334
Other Comprehensive Income	-	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>602,000,000</b>	<b>-</b>	<b>-</b>	<b>114,219,797</b>	<b>-</b>	<b>716,219,797</b>
Share Issue Cost	-	-	-	-	-	-
Dividend to shareholders	-	-	-	(30,100,000)	-	(30,100,000)
Equity Shares Issued	-	-	-	-	-	-
<b>Closing Balance as on 30.09.2082</b>	<b>602,000,000</b>	<b>-</b>	<b>-</b>	<b>84,119,797</b>	<b>-</b>	<b>686,119,797</b>

The accompanying notes are integral parts of Financial Statements

Note A

As per our attached report of even date

  
 Arjun Prashad Paudel  
 (Chairman)

  
 Bidhya Laxmi Lamichhane  
 (Director)

  
 Abis Paudel  
 (Director)

**For G.S Gairhe & Associates**  
 Chartered Accountants

  
 CA. Saugat Bhujael  
 Partner  
 Kathmandu, Nepal  
 Date:



**Mount Everest Power Development Limited**  
**Lalitpur 15, Mahalaxmishan, Nepal**  
**Notes to and forming part of Statement of Financial Position (SOFP)**  
**As on 30th Poush 2082 (Jan 14 2026)**

**Property, Plant & Equipment**

Note 1

Particulars	Furniture, Fixtures & Office Equipments	Vehicle	Other Assets	Leasehold Assets	Total
<b>Cost</b>					
Gross Block as on 01.04.2082	1,243,864	5,825,900	3,089,758	-	10,159,522
Additions	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-
<b>Balance at 30.09.2082</b>	<b>1,243,864</b>	<b>5,825,900</b>	<b>3,089,758</b>	<b>-</b>	<b>10,159,522</b>
<b>Depreciation &amp; Impairment Losses</b>					
Accumulated Depreciation as on 01.04.2082	970,943	3,563,218	490,263	-	5,024,424
Charge for the year	34,115	452,536	194,962	-	681,614
Disposals/Adjustments	-	-	-	-	-
<b>Balance at 30.09.2082</b>	<b>1,005,058</b>	<b>4,015,754</b>	<b>685,225</b>	<b>-</b>	<b>5,706,038</b>
<b>Net Book Value</b>					
As at Ashadh 32 2082	272,921	2,262,682	2,599,495	-	5,135,098
As at Poush 30 2082	238,806	1,810,146	2,404,533	-	4,453,484





**Mount Everest Power Development Limited**  
 Lalitpur 15, Mahalaxmasthan, Nepal  
**Notes to and forming part of Statement of Financial Position (SOFP)**  
 As on 30th Poush 2082 (Jan 14 2026)

**Intangible Assets (Under Service Concession Arrangement)**

**Note 2**

Particulars	Amount
<b>Cost</b>	
Opening Balance at 01.04.2082	2,381,166,642
Additions	-
Transfer from CWIP	-
Disposals/Adjustments	-
<b>Closing Balance at 30.09.2082</b>	<b>2,381,166,642</b>
<b>Accumulated Amortization and impairment Losses</b>	
Opening Balance of Accumulated Amortization	76,110,349
Amortization Charge for the year	39,646,425
Disposals/Adjustments	-
<b>Closing Balance Balance at 30.09.2082</b>	<b>115,756,774</b>
<b>As at Ashadh 32 2082</b>	<b>2,305,056,293</b>
<b>As at Poush 30 2082</b>	<b>2,265,409,868</b>

**Right of Use Assets**

**Note 3**

Leasehold Building	Amount
<b>Cost</b>	
Opening Balance at 01.04.2082	929,935
Additions	-
Disposals/Adjustments	-
<b>Closing Balance at 30.09.2082</b>	<b>929,935</b>
<b>Accumulated Amortization and impairment Losses</b>	
Opening Balance of Accumulated Amortization	309,978
Amortization Charge for the year	154,989
Disposals/Adjustments	-
<b>Closing Balance Balance at 30.09.2082</b>	<b>464,967</b>
<b>As at Ashadh 31, 2081</b>	<b>619,957</b>
<b>As at 30 Poush 2082</b>	<b>464,968</b>

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## Mount Everest Power Development Limited

Lalitpur 15, Mahalaxmasthan, Nepal

### Notes to and forming part of Statement of Financial Position (SOFP)

As on 30th Poush 2082 (Jan 14 2026)

#### Intangibles under Development (Dudhkunda Khola HPP 12 MW)

Note 3

Particulars	As on 30th Poush 2082
Opening Loss transferred from Other Equity upto COD Capitalized	
Actual Cost incurred for CWIP	-
Net Income Capitalized under IFRIC 12	-
Total CWIP	-
Less : Transfer to Intangible Assets	-
<b>Total</b>	<b>-</b>

#### Cash and Cash Equivalent

Note 4

Particulars	As on 30th Poush 2082
Cash in Hand	-
Balance with Banks (Local Currency)	
Prime Bank Ltd	376,366
Prime Bank Ltd(Escrow Account)	10,814
Sangrila Development Bank	161,547
<b>Total</b>	<b>548,727</b>

#### Trade & Other Receivable

Note 5

Particulars	As on 30th Poush 2082
Sundry Debtors	
Nepal Electricity Authority (NEA)	59,581,780
<b>Total</b>	<b>59,581,780</b>


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

**Loans, Advance & Deposits** Note 6

Particulars	As on 30th Poush 2082
Contractor's & Consultants Advance	38,593
Site Office Advance	62,836
Staff Advance	649,974
Advance to Suppliers	54,589
<b>Deposits</b>	
Kantipur Oxygen Pvt.Ltd.	80,000
Bank Guarantee Margin	-
LC Margin	-
Statutory Margin	-
<b>Total</b>	<b>885,992</b>

**Other Current Assets** Note 7

Particulars	As on 30th Poush 2082
<b>Prepayments</b>	
Prepaid Insurance	1,040,545
Prepaid Vehicle Insurance	33,180
Prepaid Bay Charges	17,753
<b>Total</b>	<b>1,091,478</b>

**Equity Share Capital** Note 8

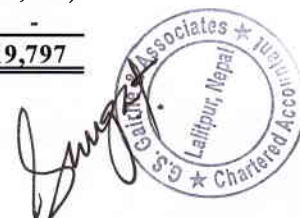
Particulars	As on 30th Poush 2082
<b>Authorized Share Capital</b>	
9,000,000 Equity Shares @ 100 Each	900,000,000
<b>Issued Share Capital</b>	
8,600,000 Equity Shares @ 100 Each	860,000,000
<b>Paid up Share Capital</b>	
6,020,000 Equity Shares @ 100 Each	602,000,000
<b>Total</b>	<b>602,000,000</b>

**Other Equity** Note 9

Particulars	As on 30th Poush 2082
Opening Reserve & Retained Earnings	41,200,463
Add: Net profit/(loss) during the year	73,019,334
Add: Opening Loss upto COD Capitalized into CWIP	-
Less:- Dividend Payment	(30,100,000)
Less:- Share Issue Cost	-
<b>Total</b>	<b>84,119,797</b>







# 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 30th Poush 2082
Term Loan -Prime Commercial Bank	1,637,477,550
Term Loan-Shangrila Development Bank	-
<b>Total Term Loan</b>	<b>1,637,477,550</b>
Less:- Current Portion of Term Loan	-
<b>Total</b>	<b>1,637,477,550</b>

### Other Non Current Liabilities

Note 11

Particulars	As on 30th Poush 2082
Lease Liability	-
<b>Total</b>	<b>-</b>

### Short Term Borrowings

Note 12

Particulars	As on 30th Poush 2082
Bridge Gap Loan-Prime Commercial Bank	-
Cash Credit/Bank Overdraft Facility	670,000
Loan from Directors	2,311,498
Current Portion of Term Loan	-
<b>Total</b>	<b>2,981,498</b>

### Trade & Other Payable

Note 13

Particulars	As on 30th Poush 2082
<b>Trade Payable</b>	
Sundry Creditors	1,948,790
Retention Money Payable	-
<b>Other Payable</b>	
Audit Fee Payable	-
Salary Payable	710,470
Dividend Payable	356,310
Lease Liability	643,121
<b>Total</b>	<b>3,658,691</b>

### Other Current Liabilities

Note 14

Particulars	As on 30th Poush 2082
Duties and Taxes Payable	399,638
<b>Total</b>	<b>399,638</b>

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**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 30th Poush 2082
Provision for Staff Bonus	1,490,190
Provision for CSR	308,932
<b>Total</b>	<b>1,799,122</b>

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The block contains a handwritten signature in black ink over a circular stamp. The stamp has the text "S.S. Gupta & Associates" at the top, "Lalitpur, Nepal" in the center, and "Chartered Accountants" at the bottom.

**Mount Everest Power Development Limited**  
Lalitpur 15, Mahalaxmasthan, Nepal  
**Note forming Part of Statement of Profit and Loss (SOPL)**  
As on 30th Poush 2082 (Jan 14 2026)

**Revenue from Sale of Electricity**

Note 1.6

Particulars	For the period ended 30th Poush 2082
Income from Electricity Sales	219,593,515
Less: Short Supply Penalty	(1,863,573)
<b>Total</b>	<b>217,729,942</b>

**Cost of Sales**

Note 1.7

Particulars	For the period ended 30th Poush 2082
<b>Site office Expense</b>	
Battery and Ups-Direct	13,700
Bay Charge-Substation	310,685
Compensation Charge	13,000
Electrical and Electronics Exp -Direct	79,606
Electricity Charge -Nea	3,996
Fixed Royalty	600,000
Fuel and Lubricant -Direct	216,679
Installation of Cc Camera	23,020
Insurance Exp-Direct	3,143,497
Internet Exp-Direct	90,400
Kitchen and Utensils-Direct	6,400
Lodging Fooding -Direct	28,395
Mess Exp -Direct	365,210
Office and Camping Accessories	6,020
Poultry Farming & Accessories	75,150
Printing and Stationary -Direct	3,117
Repair and Maintenance-Direct	537,345
Revenue Royalty-2%	4,391,870
Salary & Allowance -Site	3,980,100
Site Office Accessories-Direct	54,221
Sports Material	6,600
Transformer & Switchgear Capitalization Cost	21,684,525
<b>Total</b>	<b>35,633,537</b>

**Net Construction Revenue as per IFRIC 12**

Note 18

Particulars	For the period ended 30th Poush 2082
Revenue Recognized under IFRIC 12	-
Cost Recognized under IFRIC 12	-
<b>Total</b>	<b>-</b>







## Mount Everest Power Development Limited

Lalitpur 15, Mahalaxmasthan, Nepal

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

As on 30th Poush 2082 (Jan 14 2026)

#### Administrative Cost

Note 1 9

Particulars	For the period ended 30th Poush 2082
AGM Expenses	85,80 0
Bank Commission and Charge	8,08 1
Certification Charge-Indirect	11,30 0
Fuel and Lubricant	4,15 2
Office Rent	360,00 0
Provisional and Projected Financials Fee	67,80 0
Rates and Taxes	6,70 0
Rating Exp-Direct	306,45 6
Renewal & Registration Exp	11,11 0
Repair and Maintenance Accessories	4,71 5
Salary and Allowance-Head Office	420,00 0
Self Deceleration Charge	2,37 3
Telephone & Internet	4,50 0
Travelling Exp	62,08 0
Tyre and Tube Exp -Direct	112,81 0
Water and Electricity Exp	90 0
Website Development Charge	35,00 0
<b>Total</b>	<b>1,503,77 7</b>

#### Depreciation & Amortization

Note 2 0

Particulars	For the period ended 30th Poush 2082
Depreciation on Property, Plant & Equipment	681,61 4
Amortization on Intangible Assets	39,646,42 5
Amortization on ROU Assets	154,98 9
<b>Total Depreciation &amp; Amortization</b>	<b>40,483,02 7</b>
Less:- Depreciation on Property, Plant & Equipment upto COD transferred to CWIP	
Less:- Amortization on ROU Assets upto COD transferred to CWIP	
<b>Total</b>	<b>40,483,02 7</b>

#### Finance Cost

Note 2 1

Particulars	For the period ended 30th Poush 2082
Interest on Term Loan	64,082,45 2
Interest on OD Loan	12,38 5
Interest on BG Loan	
Loan Assessment/Agency Fee	105,00 0
Pre Payment Charge	1,400,24 0
<b>Finance Cost of BFIs during the year</b>	<b>65,600,07 7</b>
Less:- Finance Cost charged to CWIP	-
<b>Finance cost charged to Profit/(Loss)</b>	<b>65,600,07 7</b>
Interest on Lease Liability	-
<b>Total</b>	<b>65,600,07 7</b>

  
Mount Everest Power Development Ltd.

  
G.S. Chartered Accountant  
Lalitpur, Nepal