

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Liberty Energy Company Limited.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Liberty Energy Company Limited ("the company") which comprise the statement of financial position as at 32nd Ashadh, 2082 and the statement of profit or loss including other comprehensive income, 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 and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, of 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 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 Statements* section of our report. We are independent of the company in accordance with the ICAN's *Handbook of Code of Ethics for Professional Accountants* together with the ethical requirements 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 and the ICAN's *Handbook of Code of Ethics for Professional Accountants*. 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 matters that, in our professional judgment, were of most significance in our audit of the financial statements 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 require to be disclosed in this report.

Other Information

Management is responsible for other information. The other information comprises the information included in the Annual Report and Report of Board of Directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements 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 statements, 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 material misstatement of the other information, we are required to report that fact.

When we read the Annual Report and Report of Board of Directors, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Nepal Financial Reporting Standards (NFRS), and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the management either intends to liquidate the company or to cease operations, or has realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibility 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 the NSAs will always detect a material misstatement when it exists. Misstatements 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 a part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of financial statements, 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 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 disclosures in the financial statements or, if such disclosures 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 to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Based on our examination of the financial statements as per the Companies Act, 2063 we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. The accounts and records of the company have been maintained as required by law and practice in a manner to reflect the real affairs of the company.
- c. The statement of financial position, statement of Profit or Loss and other comprehensive income and the statement of cash flow dealt with by this report are in agreement with the books of account of the company, and these statements follow prevailing accounting standards.
- d. In our opinion and to the best of our information and according to the explanation given to us we did not come across any such instances where the representative, the Board of Directors, or any employee of the company has acted contrary to the provision of law relating to accounts or causing direct loss or damage to the company deliberately or acting in a manner that would jeopardize the interest and security of the company.
- e. In our opinion and to the best of information provided to us, and as confirmed by the management through Management Representation Letter, we did not obtain any information that substantiate there is accounts-related forgery in the company.




Bishow Maharjan, CA

Principal,

For,

Maharjan, B & Associates, Chartered Accountants

Date: 2082.09.17

Place: Kirtipur, Kathmandu

UDIN No.: 260104CA01607v8F3Y

Liberty Energy Company Ltd
Statement of Financial Position
As at 32nd Ashadh, 2082 (16 July, 2025)

(In NPR)

	Note	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Assets			
Non-Current Assets			
Property, plant and equipment	4	52,784,752.57	19,924,337.61
Intangible Assets	5	5,705,471,515.04	5,890,720,413.33
Project work-in progress	6	-	48,812,849.45
Investment in Subsidiaries	7	189,409,000.00	120,529,000.00
Financial Assets	8		
Other Investment	8.1	1,000,000.00	1,000,000.00
Other non-current assets	8.2	8,045,000.00	545,000.00
Total Non-Current Assets		5,938,710,267.61	6,081,531,600.39
Current Assets			
Inventories	9	9,762,950.65	3,249,130.99
Financial Assets	10		
Trade and other Receivables	10.1	95,625,440.13	69,861,880.45
Cash and cash equivalents	10.2	31,058,307.35	12,695,382.56
Other current assets	11	37,551,680.24	40,878,846.82
Total Current Assets		174,028,378.37	126,683,240.82
Total Assets		6,110,738,645.99	6,208,214,841.22
Equity and Liabilities			
Equity			
Equity share capital	12	2,250,000,000.00	1,500,000,000.00
Other Equity	13	(667,196,244.36)	(568,002,946.55)
Total Equity		1,582,803,755.64	931,997,053.45
Liabilities			
Non-Current Liabilities			
Financial Liabilities	14		
Long Term Borrowing	14.1	4,468,691,564.77	4,950,920,047.08
Total Non-Current Liabilities		4,468,691,564.77	4,950,920,047.08
Current Liabilities			
Financial Liabilities	15		
Short Term Borrowing	15.1	40,994,270.98	49,239,304.73
Trade & other payables	15.2	4,715,589.09	142,213,989.84
Provisions	16	636,413.07	747,461.37
Other Current Liabilities	17	12,897,052.44	133,096,584.95
Total Current Liabilities		59,243,325.58	325,297,340.89
Total Liabilities		4,527,934,890.35	5,276,217,387.77
Total Equity and Liabilities		6,110,738,645.99	6,208,214,841.22

The accompanying notes are integral part of these financial statements.

For and on the behalf of management and Board of Director

As per our attached report of even date



[Signature]
Prithvi Kumar Shrestha
Deputy General Manager

[Signature] *[Signature]*
Dr. Atma Ram Ghimire Rajendra Osi
Chairman Director

[Signature]
CA Bishow Maharjan
Principal
For
Maharjan B & Associates
Chartered Accountants

[Signature]
Purushottam Ghimire
Director

[Signature] *[Signature]*
Kabita Pokhrel Lochan Koirala
Director Director

Place: Kathmandu
Date: 2082-07-16

Liberty Energy Company Ltd
Statement of Profit or loss and Other Comprehensive Income
 For the year ended 32nd Ashadh, 2082 (16 July, 2025)

(in NPR)

	Note	Year Ended	
		Ashadh 32, 2082	Ashadh 31, 2081
Revenue	18	596,910,825.78	547,613,521.89
Generation Expenses	19	66,216,085.44	66,588,535.56
Gross Profit		530,694,740.34	481,024,986.33
Other Income	20	37,830.82	1,201,485.72
Depreciation	4	4,042,716.47	4,238,619.90
Amortization	5	228,218,860.60	228,566,169.74
Administrative Expenses	21	26,887,967.29	29,574,596.20
Profit from operation		271,583,026.80	221,847,086.20
Finance Costs	22	408,758,394.67	553,575,222.37
Profit Before tax		(137,175,368.07)	(331,728,136.17)
Income tax Expense			
Current Tax		-	-
Deferred Tax		-	-
Profit for the Year		(137,175,368.07)	(331,728,136.17)
Other Comprehensive Income:			
Other Comprehensive income reclassified to profit or loss in subsequent periods			
i) Items that will reclassified to profit or loss		-	-
ii) Income tax relating to items that will reclassified to profit or loss		-	-
Other Comprehensive income not to be reclassified to profit or loss in subsequent periods			
i) Items that will not be reclassified to profit or loss		-	-
ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive gain/ (loss) for the year, net of tax		-	-
Total comprehensive gain/ (loss) for the year, net of tax		(137,175,368.07)	(331,728,136.17)
Earnings per equity share of Rs. 100 each			
Basic Earning per share - Rs.	23	(6.10)	(19.99)
Diluted Earning per share - Rs.	23	(6.10)	(19.99)

The accompanying notes are integral part of these financial statements.

For and on the behalf of management and Board of Director

As per our attached report of even date




 Shrestha Kumar Shrestha
 Deputy General Manager


 Dr. Atma Ram Ghimire
 Chairman


 Rajendra Osti
 Director


 Purushottam Ghimire
 Director


 Kabita Pokhrel
 Director


 Lochan Koirala
 Director


 CA. Bishow Maharjan
 Principal
 For,
 Maharjan, B & Associates
 Chartered Accountants



Place: Kathmandu
 Date: 2082-07-16

Liberty Energy Company Ltd
Statement of Cash Flows
For the Year ended 32nd Ashadh, 2082 (16 July, 2025)

(In NPR)

	Note	Year Ended	
		Ashadh 32, 2082	Ashadh 31, 2081
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit Before Tax		(137,175,368.07)	(331,728,136.17)
Adjustments for:			
Prior Period Adjustment		155,815.91	
Depreciation on property, plant and equipment	4	4,042,716.47	4,238,619.90
Amortization of Intangible Assets	5	228,218,860.60	226,596,169.74
Finance cost		408,758,394.87	553,575,222.37
Dividend Income		-	(50,000.00)
Gain on sales of Assets		-	(1,150,672.59)
Working capital adjustments:			
(Increase)/ Decrease in Trade receivables		(25,783,559.68)	31,600,391.23
(Increase)/ Decrease in other assets		3,295,166.58	17,141,578.97
(Increase)/ Decrease in Inventories		(8,513,819.88)	(751,756.61)
(Increase)/ Decrease in other non-current assets		(7,500,000.00)	-
Increase / (Decrease) in Provisions		(111,048.30)	37,329.69
Increase / (Decrease) in Trade Payables		(135,923,522.14)	(105,074,783.49)
Increase / (Decrease) in other current liabilities		(120,199,532.51)	(148,663,986.30)
Cash generated from operations		211,284,104.07	245,739,976.75
Income Tax Paid		-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES		211,284,104.07	245,739,976.75
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Proceeds from sale of Property, Plant and Equipment	4	-	1,855,000.00
Dividend Income		-	50,000.00
Acquisition of Property, plant and Equipment	4	(36,903,131.43)	(3,970,924.84)
Investment in subsidiaries	6	-	(1,545,773.13)
Purchase of Intangibles Assets	5	(44,544,840.72)	(28,354,209.91)
(Increase)/Decrease in Project work-in-progress	6(b)	(87,150.55)	(97,800.00)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(81,516,122.70)	(32,063,704.88)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Right share issue		787,825,854.35	
Borrowing (repaid) / taken (net)		(490,473,516.06)	221,509,647.34
Finance Cost		(408,758,394.87)	(423,020,011.85)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(111,406,056.58)	(201,510,364.51)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		18,362,924.79	12,165,907.36
CASH AND CASH EQUIVALENTS, Beginning of year		12,695,382.56	529,475.20
CASH AND CASH EQUIVALENTS, End of year	10.2	31,058,307.35	12,695,382.56

The accompanying notes are integral part of these financial statements.

For and on the behalf of management and Board of Director

As per our attached report of even date



[Signature]
Dr. B. Kumar Shrestha
Deputy General Manager

[Signature]
Dr. Atma Ram Ghimire
Chairman

[Signature]
Rajendra Osti
Director

[Signature]
Puneshottam Ghimire
Director

[Signature]
Kabita Pokhrel
Director

[Signature]
Lochan Koirala
Director

[Signature]
CA. Bishow Maharjan
Principal
For,
Maharjan, B & Associates

Chartered Accountants



Place: Kathmandu
Date: 2082-09-16

Liberty Energy Company Ltd
Statement of Changes in Equity

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

	(In NPR)			
	Equity Share Capital	Share Premium	Advance for Share	Other Equity
			Retained Earnings	Other Comprehensive Income
				Total
Balance at 31st Ashadh 2080	1,500,000,000.00		(367,969,783.21)	1,132,030,206.79
Pror period Adjustment			95,777,118.82	95,777,118.82
Restated Balance at 1st Shrawan 2080	1,500,000,000.00		(272,192,674.39)	1,227,807,325.61
Profit for the year			(331,728,136.17)	(331,728,136.17)
Other comprehensive income				
Issue of the Share Capital				
Advance for share		35,918,264.00		35,918,264.00
Balance at 31st Ashadh 2081	1,500,000,000.00		(503,920,810.56)	996,079,189.44
Profit for the year			(137,175,368.07)	(137,175,368.07)
Other comprehensive income				
Issue of the Share Capital	750,000,000.00			750,000,000.00
Share Premium		73,744,118.35		73,744,118.35
Share Issue Cost				
Advance for share		(35,918,264.00)		(35,918,264.00)
Balance at 32nd Ashadh 2082	2,250,000,000.00	73,744,118.35	(741,096,178.63)	1,582,647,939.72

For and on the behalf of management and Board of Director

As per our attached report of even date



[Signature]
 Shri Krishna Kumar Shrestha
 Deputy General Manager

[Signature]
 Dr. Anam Ram Ghimire
 Chairman

[Signature]
 Rajendra Oza
 Director

[Signature]
 Purna Bahadur Ghimire
 Director

[Signature]
 Kabita Pokhrel
 Director

[Signature]
 Lochan Koirala
 Director



[Signature]
 CA Bishow Mahajan
 Principal
 For
 Maharyan, B & Associates
 Chartered Accountants

Place: Kathmandu
 Date: 2082-09-16

Liberty Energy Company Ltd
Notes forming part of financial statements
For the year ended Ashadh 32, 2082 (July 16, 2025)

Explanatory Note:

The company has entered into new lease agreement with Nepal Stock House Private Limited to be effective from Bhadra 1, 2075 at a rent of Rs.210,000 per month for two years from effective date. The company is required to deposit advance rent of Rs.1,260,000 as interest free security deposits. The rent will increase at the rate of 10% in every two years.

22 Finance Cost

	Year Ended 32nd Ashadh, 2082	Year Ended 31st Ashadh, 2081
Interest Expenses	408,758,394.87	553,575,222.37
Total	408,758,394.87	553,575,222.37

23 Earning Per share

	Year Ended 32nd Ashadh, 2082	Year Ended 31st Ashadh, 2081
Profit attributable to equity holders	(137,175,368)	(331,728,136)
Weighted number of equity shares	22,500,000	18,594,293
Earning Per share(Rs.)- Basic (FV Rs. 100 per share)	(6.10)	(19.99)
Add: Weighted number of potential equity shares		-
Weighted number of Equity shares outstanding	22,500,000	18,594,293

Earning Per share(Rs.)- Diluted (FV Rs. 100 per share) (6.10) (19.99)

The company issued 75,00,000.00 numbers of shares as fully paid up right shares during the financial year. For the purpose of calculating Earning Per Share (EPS), Right issue is split into Bonus portion & Right portion. Out of the total right issue bonus portion is 1,594,293.48 and right portion is 5,905,706.52. The effect of such bonus portion on EPS of Previous year (F/Y2080.81) has been restated as follows.

Particular	Year Ended Ashadh 2081
Loss Attributable to equity holders of the company	-331,728,136.17
Restated Weighted average number of shares (15,000,000 plus 1,594,293.48)	16,594,293.48
Restated Basic and diluted earnings per share	-19.99

24 Related Party Disclosures

The related parties include subsidiaries companies, directors of the Company, key management personnel, companies in which key management personnel / directors have control or joint control and post employment benefit plans. Balances with related parties are disclosed in respective notes to these financial statements

Name of Related Parties	Relationship
Those charged with Governance	
Dr. Atma Ram Ghimire	Chairman
Rajendra Osi	Director
Shyam Bahadur Khadka	Director (Resignation w.e.f 2081.08.12)
Purushottam Ghimire	Director
Kabta Pokhrel	Director
Lochan Koirala	Director
Anugya Sapkota	Independent Director (Resignation w.e.f 2081.08.14)
Other Related Parties	
Badgad Hydropower Ltd.	Subsidiary
Lipe Hydropower Ltd.	Subsidiary

Transaction with Key Management Personnel	32nd Ashadh, 2082	31st Ashadh, 2081
Monthly Allowance	648,000.00	864,000.00
Meeting Allowance	502,000.00	392,000.00
Short term Employee Benefits	5,000,000.00	4,878,000.00
Total	6,150,000.00	6,134,000.00
Other Related Parties transaction and Balances		
Amount Owe to Directors	(10,000,000.00)	(375,000.00)
Amount Receivable from Subsidiary Companies	2,120,105.00	35,800.00
Total	(7,879,895.00)	35,800.00



Handwritten signature: Dr. Atma Ram Ghimire

Handwritten signature: Anugya Sapkota



Liberty Energy Company Ltd
Notes forming part of financial statements
For the year ended Ashadh 32, 2082 (July 16, 2025)

Allowance	636,000.00	664,000.00
Capital Management Cost	470,000.00	470,000.00
Computer Parts & Accessories	33,900.00	19,200.00
Conveyance Expenses	5,175.00	8,645.00
Daily Traveling and Field visit Expenses	551,221.00	1,118,107.00
Dashain Expenses	20,000.00	38,000.00
Electricity Charges	82,295.00	125,748.00
Expenses for Right Share	3,511,094.98	851,500.00
Guest Refreshment & Entertaining Exp	49,710.00	18,809.00
Fuel (HO) Expenses	541,876.00	726,607.00
Insurance Expenses	377,265.62	400,401.01
Legal Expenses	240,000.00	342,500.00
Meeting Allowance	514,000.00	422,000.00
Misc. Expenses	59,018.98	38,875.58
Misc. Goods Expenses	55,649.40	38,187.00
Newspaper & Periodical Expenses	13,365.00	13,240.00
Office Maintenance Expenses	30,540.00	116,535.00
Other Expenses	-	358,806.00
Office Uniform	75,288.00	-
Printing & Stationary	106,253.00	107,349.00
Refreshment Exp.	671,811.00	592,520.00
Registration & Renewal Expenses	454,805.00	681,100.00
Rent (HO)	1,777,050.00	3,049,200.00
Repair & Maintenance Expenses	651,060.29	1,441,971.28
Employee Benefits	11,678,385.65	12,247,913.10
Social Mitigation Expenses	835,000.00	-
Telephone & Communication	153,657.00	166,476.00
Training & Seminar Expenses	-	93,295.00
Transportation	-	32,000.00
Vehicle Rent	452,000.00	460,000.00
Property Tax	93,800.00	93,800.00
Bank Charges & Commission	1,322,914.47	2,963,719.04
Consultancy Fee & Service Charges	279,675.00	418,100.00
IEE Expenses	10,170.00	372,660.00
Total	26,887,967.29	29,574,596.20

21.1 Employee Benefits

Details of Employee Benefit cost is as follows:

	Year Ended 32nd Ashadh, 2082	Year Ended 31st Ashadh, 2081
Festival Allowances	603,265.00	668,520.00
Leave expenses	238,502.57	230,550.17
Salary (Contract Staff)	2,256,780.00	2,116,400.00
Salary (Admin)	8,579,638.08	9,234,442.93
Total	11,678,385.65	12,247,913.10

Explanatory Note:

The company has charged administrative and general overheads which are not directly attributable to the project to the Statement of Profit or Loss accounts.

Company as Lessee

The company has entered into lease arrangements for properties (for head office) where it has, on the basis of evaluation of the terms and conditions of the arrangement determined that significant risks and rewards related to the assets and properties are retained with the lessor. Accordingly, such lease arrangements are accounted for as operating lease.

The company has also entered into lease arrangements for acquiring land on lease at the project site which is to be used during construction period. Since the land has an indefinite useful economic life and the lease term is only for construction period (which is also short), the lease is classified as operating lease.

The lease rental charged during the period are as below:

	Year Ended 32nd Ashadh, 2082	Year Ended 31st Ashadh, 2081
Rent (HO)	1,777,050.00	3,049,200.00
Total	1,777,050.00	3,049,200.00



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Liberty Energy Company Ltd
Notes forming part of financial statements
For the year ended Ashadh 32, 2082 (July 16, 2025)

Note

18 Revenue

	Year Ended 32nd Ashadh, 2082	Year Ended 31st Ashadh, 2081
Electricity Sales	596,910,825.78	547,613,521.89
Total	596,910,825.78	547,613,521.89

19 Generation Expenses

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Plant Operation Expenses		
Computer Parts & Accessories	22,950.00	7,550.00
Daily Travelling Expenses	245,424.00	132,305.00
Electricity Charges	140,724.00	254,445.00
Fuel Expenses	950,594.78	358,438.31
Guest Refreshment & Entertaining Expenses	165,665.00	218,055.00
Insurance expenses	21,171,591.10	20,756,561.57
Medical Expenses	4,110.00	400.00
Misc Expenses	34,747.65	44,485.00
Misc Goods Expenses	184,359.40	191,653.03
Office Cleaning Expenses	49,250.00	-
Office Uniform	91,767.00	-
O & M Supervision Charges	3,138,382.17	-
Printing & Stationary	49,597.00	91,165.00
Safety Materials Expenses	107,028.14	131,614.60
Employee Benefits-Sites	13,122,431.14	15,215,804.72
Security Service	2,779,494.90	2,622,165.00
Staff Ration Expenses	2,462,111.00	2,658,422.00
Social Contribution Exp.	-	15,000.00
Tel & Communication Expenses	202,080.00	307,558.95
Vehicle Rent	-	26,500.00
Wages	464,600.00	271,750.00
Wheeling Charges	267,484.93	432,000.00
Rebate	1,909,868.59	-
Repair & Maintenance (Civil Works)	1,756,526.62	7,026,870.47
Repair & Maintenance (Others)	400,583.48	269,469.13
Repair & Maintenance (Plant & Machinery)	2,601,041.06	3,407,147.78
Repair & Maintenance (Vehicle & Heavy Equip.)	573,580.63	1,194,902.58
Royalty	13,320,094.85	10,952,270.44
Total	66,216,085.44	66,588,535.56

19.1 Employee Benefits-Sites

Details of Employee Benefit cost is as follows:

	Year Ended 32nd Ashadh, 2082	Year Ended 31st Ashadh, 2081
Salary Expenses	9,091,493.68	10,620,484.00
Salary (Contract Staff)	2,009,669.29	2,630,812.50
Overtime Allowances	1,051,189.88	1,014,273.86
Festival Allowances	611,008.50	665,611.00
Leave Expenses	358,669.79	284,623.36
Total	13,122,431.14	15,215,804.72

20 Other Income

	Year Ended 32nd Ashadh, 2082	Year Ended 31st Ashadh, 2081
Dividend Income	-	50,000.00
Gain on Sales of Fixed Assets	-	1,150,672.69
Other Income	37,830.82	513.13
Total	37,830.82	1,201,485.72

21 Administrative Expenses

	Year Ended 32nd Ashadh, 2082	Year Ended 31st Ashadh, 2081
Advertisement Expenses	240,854.64	150,266.01
AGM Exp	432,002.30	479,066.20
Audit Fee	452,000.00	526,000.00



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Liberty Energy Company Ltd
Notes forming part of financial statements
For the year ended Ashad 32, 2082 (July 16, 2025)

Note

Explanatory Note:

1) Retention Money Payable-Contractors

The company shall retain from each payment due to the contractor the proportion stated in the contract until the completion of the works. Total amount retained shall be repaid to the contractor upon submission of tax clearance certificate and completion of defects liability period.

Due to uncertainty about the timing of refund, management is of the opinion that fair value can not be determined, hence carrying amount is reasonable approximation of their fair values.

2) Other Payable

Other Payable includes payable to Directors and staff of the company.

3) Accrued Expenses

Accrued expenses includes expenditures that has been incurred by the contractor during construction but bills/ invoices are yet to be submitted by them to the company and other expenses for which bills/invoices are yet to be received.

16 Provision

Provision is a liability stated in the statement of financial position, a liability of uncertain timing and amount.

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and when reliable estimate can be made of the amount of obligation. If these conditions are not met, no provision is recognized.

The amount of provision recognized is the management's best estimate of expenditure required to settle the present obligation at the reporting date.

Changes in provision

Management reviews provisions at each balance sheet date and is adjusted to reflect the best current estimate. If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision is reversed.

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Provision for leave	636,413.07	747,461.37
Total	636,413.07	747,461.37

Explanatory Note:

Details regarding opening, addition and payment during the year and closing value of various provisions are given below:

1) Provision for Staff Leave Encashment

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Opening	747,461.37	710,131.68
Addition During the Year	402,364.75	483,235.30
Payment During the Year	(513,413.05)	(445,905.61)
Closing	636,413.07	747,461.37

17 Other Current Liabilities

Other current liabilities include taxes and social security payable under the legal obligation.

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
TDS Payable	399,437.31	599,699.14
CIT Payable	127,000.00	121,000.00
Social security fund	42,671.50	74,215.55
Gratuity Payable	1,136,829.50	725,133.39
Provident Fund Payable	161,028.00	160,483.00
Accrued Interest	200,258.63	130,555,210.52
Other Payable	10,829,827.50	860,843.35
Total	12,897,052.44	133,096,584.95



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Liberty Energy Company Ltd
Notes forming part of financial statements
For the year ended Ashad 32, 2082 (July 16, 2025)

Note

14 Financial Liabilities

14.1 Long Term Borrowing

Details of Borrowing is as follows:

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Term Loan		
Global IIME (Term Loan)	459,757,256.40	469,231,824.96
Kumari Bank (Term Loan)	275,861,078.13	281,912,796.80
Lumbini Bikas Bank (Term Loan)	-	198,280,734.23
Nepal Bank (Term Loan)	1,010,967,500.97	1,031,806,383.88
NIMBL (Term Loan)	1,504,571,996.24	1,407,063,884.29
NMB Bank(Term Loan)	-	320,073,568.78
Prabhu Bank (Term Loan)	849,757,178.02	867,233,005.18
Rastriya Banijya Bank (Term Loan)	367,746,555.01	375,317,848.96
Total	4,468,691,564.77	4,950,920,047.08

Explanatory Note:

The Company has entered Syndicated Credit Facilities Agreement with Nepal Investment Mega Bank Limited as Lead Bank, Nepal Bank Limited as Co-Lead Bank and six other banks as Participating Bank along with the aforementioned banks to finance the construction of Dordi Khola, Lamjung, named as Upper Dordi 'A' Hydroelectric Project, having 25 MW in capacity.

(a) Secured Loans are covered by:

- (i) Registered mortgage of the entire project to the Consortium on pari-passu basis.
- (ii) Assignment of Receivables of the Company
- (iii) Lien over Current Assets of the Company
- (iv) Authorized Charge on the Power Purchase Agreement (PPA) signed between Nepal Electricity Authority and the Borrower for supply and delivery of energy (electricity) produced by the Company from its hydropower project at Dordi Khola.
- (v) Corporate Guarantee of the Company to cover the entire exposure.
- (vi) Pledge of Shares held by board of directors, PG holder and shareholders holding above 2% of the total shares of the Company
- (vii) Personal Guarantee of the Board of Directors & some shareholder of the Company.

15 Financial Liabilities

15.1 Short Term Borrowing

Details of short-term borrowing is as follows:

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Cash Credit Loan (NIMB)	40,994,270.98	49,239,304.73
Total	40,994,270.98	49,239,304.73

15.2 Trade & Other Payables

Trade and other payables mainly consist of the company owes to our contractors and suppliers that have been invoiced or accrued and amount payable to employees.

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Contractor and Suppliers	2,722,637.61	57,579,490.50
Retention Money Payable- Contractors	-	76,409,044.94
Audit Fee Payable	282,500.00	226,000.00
Payable to Staff	1,691,186.44	2,632,517.48
Royalty Payable	19,265.04	18,936.72
Accrued Expenses	-	5,348,000.00
Total	4,715,589.09	142,213,989.64



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Liberty Energy Company Ltd
Notes forming part of financial statements
For the year ended Ashad 32, 2082 (July 15, 2025)

Note

12 Share Capital

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Authorised Capital		
Equity share	3,557,000,000	3,557,000,000
Issued Capital		
Equity share	2,250,000,000	1,500,000,000
Subscribed and Paid up Capital		
Equity share	2,250,000,000	1,500,000,000
Total	2,250,000,000	1,500,000,000

(I) Reconciliation of Number of Shares

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Opening Balance	15000000	15000000
Add: Right Shares issued during the year	7500000	
Closing Balance	22500000	15000000

(II) Rights, Preferences and restrictions attached to shares

The company has only one class of equity shares having par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share. In event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

13 Other Equity

i. Advance for Share

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Advance for share received	-	35,918,264.00
Total	-	35,918,264.00

Explanatory Note:

The Board decided to convert Advance received from Director to Advance for share considering application received from concerned director to convert into share.

ii. Retained Earnings

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Retained Earnings		
Opening balance	(603,920,810.55)	(367,969,793.21)
Prior Period Adjustment	155,815,910	95,777,118.82
Profit/ (Loss) for the year	(137,175,368.07)	(331,728,136.17)
Other Comprehensive Income	-	-
Closing Balance	(740,940,362.71)	(603,920,810.55)

Explanatory Note:

In previous fiscal years the company has charge off Rs. 95,777,118.82, expenditure directly attributable to projects(Badigad Khola & Lodo Khola), to profit or loss. These expenditures should have been allocated to Badigad Khola and Lodo Khola hydro project work in progress. The management allocated to Badigad Khola and Lodo Khola hydro project Rs.69,957,188.00 and Rs.27,364,891.00 respectively by making corresponding adjustment in the opening retaining balance of corresponding year.

iii. Share Premium

	As at 32nd Ashadh, 2082
Opening balance	-
Add: Premium received on auction of unsubscribed rights	73,744,118.35
Less: Utilization	-
Closing Balance	73,744,118.35



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Liberty Energy Company Ltd
Notes forming part of financial statements
For the year ended Ashad 32, 2082 (July 16, 2025)

Note

10.2 Cash and Cash Equivalent

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Balance with Bank		
In Current Account	31,058,307.35	12,695,382.56
Prabhu Bank (LA)	-	281,935.13
Global IME Bank	1,748.54	-
Lumbini Bikas Bank	-	10,000.00
Nepal Bank	201,251.62	1,422.10
Nepal Investment Bank	211,667.85	4,996,198.00
Nepal Investment Bank -Escrow A/C	60,052.61	7,373,250.21
Nepal Investment Mega Bank-Call A/C	28,500,000.00	-
Prabhu Bank (Loan A/C)	29,576.52	-
Prabhu Bank Ltd.	2,049,129.34	29,576.52
Kumari Bank Ltd.	1,860.87	-
Rastriya Banijya Bank	3,000.00	3,000.00
Sub Total	31,058,307.35	12,695,382.56

Explanatory Note:

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash & Cash Equivalent includes investments having short term maturity of, say, three months or less from the date of acquisition. Risk of holding cash and bank balance is the time value of money and the inflationary devaluation. The carrying amount of cash and cash equivalent are reasonable approximation of their fair values.

11 Other Current Assets

Details of Other Current assets are as below:

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Site office Advance	190,194.31	214,207.08
Capital Advance	650,000.00	6,505,430.00
Advance to Contractors and Suppliers	17,153,867.50	14,261,045.00
Letter of credit margin	-	51,440.00
Bank guarantee margin	-	300,000.00
Cash Margin Prabhu Bank (PPA -Lodo)	-	960,000.00
Custom margin	-	214,601.00
Prepaid Insurance	19,587,618.43	18,370,123.76
Total	37,581,680.24	40,876,846.82

Explanatory Note:

Advances to and claims against employee

It consists of work advances disbursed that are yet to be settled as at the year end. These advances are expected to be settled within one year in normal course of operations. These are accounted for at cost and no interests are being charged on these accounts. The carrying amount is reasonable approximation of their fair values.

Capital Advances

It consists of advances disbursed for the acquisition of capital assets that are yet to be settled as at the year end. These advances are expected to be settled within in normal course of operations. These are accounted for at cost and no interests are being charged on these accounts. The carrying amount is reasonable approximation of their fair values.

Advances to Contractors and Suppliers-Upper Dordi Project

Contractual advances relating to Upper Dordi Khola Project disbursed to the suppliers and others comprises balance under this heading. These are expected to be settled in normal course of operation within the period of the contract. Advances are subject contractual requirements and their recovery is legally bounded. The carrying amount is reasonable approximation of their fair values.

Intercompany receivables

It consist of advance disbursed to subsidiaries company. These advances are expected to be settled within in normal course of operation. These are accounted for at cost and no interests are being charged on these accounts. The carrying amount is reasonable approximation of their fair values.



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Liberty Energy Company Ltd
Notes forming part of financial statements
For the year ended Ashad 32, 2082 (July 16, 2025)

Note

7 Investment in Subsidiaries

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Badigad Hydropower Ltd	120,529,000.00	120,529,000.00
Lipe Hydropower Ltd	48,880,000.00	-
Total	169,409,000.00	120,529,000.00

Explanatory Note

The company has received equity share capital of NPR 120,529,000.00 and Rs. 48,880,000.00 in exchange for Badigadkhola HEP (24.6 MW) and Lodo Khola SHEP (1.6 MW) respectively as Project's expenditure incurred by the company in Badigad Hydropower Ltd and Lipe Hydropower Ltd, having its 100% ownership as on reporting date.

8 Financial Assets

8.1 Other Investments

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Nepal Power Exchange Ltd	1,000,000.00	1,000,000.00
Total	1,000,000.00	1,000,000.00

Explanatory Note

The company has invested NPR 1,000,000.00 in the shares of NEPEX established by IPP for cross border power trade as on reporting date.

8.2 Other Non-Current Assets

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
DOED A/C	8,000,000.00	500,000.00
Other Deposits	45,000.00	45,000.00
Total	8,045,000.00	545,000.00

Explanatory Note

Other non-current asset under Financial Assets includes deposits made with for internet and telephone and Oxygen gas cylinder. Security Deposits for internet connection and telephone are recoverable on demand when the connection is not required and premises taken on lease vacated. However, such connection is required as long as the entity exists. Hence, from a commercial perspective, the company does not expect to realise the security within twelve months from the end of the reporting period. Hence, such securities has been classified as Non-current assets.

9 Inventories

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Fuel	255,989.00	625,376.00
Electrical Items	4,453,180.11	578,361.71
Kitchen Items	145,925.00	147,325.00
Others	148,313.32	127,129.07
Spare Parts	4,385,428.23	1,564,314.02
Stationary	1,044.00	3,188.00
Tools & Equipments	373,070.99	213,427.19
Total	9,762,950.65	3,249,130.99

Explanatory Note

Inventories include the fuel, spare parts, tools and electrical items for plant and machineries, stationary item for administrative purposes.

10 Financial Assets

10.1 Trade and other receivables

	As at 32nd Ashadh, 2082	As at 31st Ashadh, 2081
Nepal Electricity Authority	93,505,335.13	69,826,280.45
Intercompany Receivables	2,120,105.00	35,600.00
Total	95,625,440.13	69,861,880.45

Explanatory Note

It consist of Receivables from Nepal Electricity Authority. They do not carry any interest and are measured at the carrying amount at which the items are initially recognized less any impairment losses, i.e. stated at their nominal value as reduced by appropriate allowances.



B & Associates

Liberty Energy Company Ltd
Notes forming part of financial statements
For the year ended Ashadh 32, 2082 (July 16, 2025)

Note 6 Project WIP

a) Lodo Khola Small Hydro Power project

	Balance as at Shrawan 1, 2081	Addition	Adjustment	Transfer	Balance as at Ashadh 32, 2082
Preliminary Exp (Lodo Khola)	10,563,325	1,120,478	1,654,750	10,429,053	-
Overhead Cost (Lodo Khola)	37,849,524	601,422	-	38,450,947	-
Total	48,812,849.45	1,721,900.55		48,880,000.00	

The Company has previously signed on PPA of Lodo Khola small hydropower Project and obtain the generation license. All the project-related expenses incurred by the company as Non-refundable upfront premium (i.e. Survey license fee) including feasibility study related expenses and directly attributable Administrative Overhead of Headoffice has have been capitalised under the "Project Work in Progress".

The Company has established a subsidiary company "Lipe Hydropower Ltd" for the development of Lodo Khola Small Hydroelectric Project. The Generation License of the projects has been transferred to subsidiary company. All project related expenses incurred by the company up to date has been transferred to the subsidiary company. In consideration, the company recognized equivalent investment in subsidiary company.

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Liberty Energy Company Ltd
Notes forming part of financial statements
For the year ended Ashadh 32, 2082 (July 16, 2025)

5 Intangible Assets

	Service Concession Arrangement	Total
(In NPR)		
Gross Carrying Value		
Balance at Shrawan 1, 2080	6,221,955,880.04	6,221,955,880.04
Additions	28,354,206.91	28,354,206.91
Disposals/net adjustment	(1,425,452.27)	(1,425,452.27)
Balance at Ashadh 31, 2081	6,248,884,634.68	6,248,884,634.68
Additions	46,266,741.27	46,266,741.27
Disposals/net adjustment	(3,298,778.96)	(3,298,778.96)
Balance at Ashadh 32, 2082	6,291,854,596.99	6,291,854,596.99
Accumulated Amortization and Impairment losses		
Balance at Shrawan 1, 2080	131,598,051.61	131,598,051.61
Charge for the year	226,566,169.74	226,566,169.74
Disposals		
Balance at Ashadh 31, 2081	358,164,221.35	358,164,221.35
Charge for the year	228,218,860.60	228,218,860.60
Disposals		
Balance at Ashadh 32, 2082	586,383,081.95	586,383,081.95
Net Carrying Value		
Balance at Ashadh 31, 2081	5,890,720,413.33	5,890,720,413.33
Balance at Ashadh 32, 2082	5,705,471,515.04	5,705,471,515.04

Service Concession arrangement include the entire Project of Upper Dordi "A" Hydro Project(25 MW).


Devinchandra


STP *Kpakkmal*

Yama Kuni
Chiranjeev



Liberty Energy Company Ltd
Notes forming part of financial statements
For the year ended Ashadh 32, 2082 (July 16, 2025)

4 Property, Plant and Equipment		(In NPR)				
<u>Gross Carrying Value</u>	<u>Office Equipment</u>	<u>Tools & Equipment</u>	<u>Earth Moving Equipments</u>	<u>Furniture and Fixture</u>	<u>Vehicles</u>	<u>Total</u>
Balance at Shrawan 1, 2080	5,072,905.81	827,325.75	13,501,845.00	4,872,700.12	29,992,589.07	54,267,365.75
Additions	504,960.66			164,147.18	3,301,817.00	3,970,924.84
Disposals/net adjustment					(6,095,000.00)	(6,095,000.00)
Balance at Ashadh 31, 2081	5,577,866.47	827,325.75	13,501,845.00	5,036,847.30	27,199,406.07	52,143,290.59
Additions	657,834.99			245,296.44	36,000,000.00	36,903,131.43
Disposals/net adjustment						
Balance at Ashadh 32, 2082	6,235,701.46	827,325.75	13,501,845.00	5,282,143.74	63,199,406.07	89,046,422.02
<u>Accumulated Depreciation and Impairment losses</u>						
Balance at Shrawan 1, 2080	4,166,466.43	255,070.64	3,731,471.68	2,435,710.76	22,782,286.15	33,371,005.66
Charge for the year	241,466.21	143,063.78	1,465,556.00	624,670.39	1,763,663.53	4,238,619.90
Disposals					(5,390,672.59)	(5,390,672.59)
Balance at Ashadh 31, 2081	4,407,932.64	398,134.42	5,197,027.68	3,060,581.15	19,155,277.09	32,218,952.98
Charge for the year	432,013.82	107,297.83	1,245,722.60	545,294.78	1,712,387.44	4,042,716.47
Disposals						
Balance at Ashadh 32, 2082	4,839,946.46	505,432.25	6,442,750.28	3,605,875.93	20,867,664.53	36,261,669.45
<u>Net Carrying Value</u>						
Balance at Ashadh 31, 2080	906,439.38	572,255.11	9,770,373.32	2,436,989.36	7,210,302.92	20,896,360.09
Balance at Ashadh 31, 2081	1,169,333.83	429,191.33	8,304,817.32	1,976,266.15	8,044,128.98	19,924,337.61
Balance at Ashadh 32, 2082	1,395,755.00	321,893.50	7,059,094.72	1,676,267.81	42,331,741.54	52,784,752.57

Pranab

Shri Kumar

Anjali Prasad

