Butwal Power Company Limited
Buddha Nagar, Kathmandu, Nepal

UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER, FISCAL YEAR 2081/82 ENDED 32nd ASHADH 2082

Figures in NPR'000

Statement Of Financial Position	This Quarter Ending Ashadh end 2082	Previous Quarter Ending Chaitra end 2081	Corresponding Previous Year Quarter Ending Ashadh end 2081 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	249,149	252,063	262,312
Capital work-in-progress	24,605	2,313	-
Intangible assets	1,721,669	1,739,111	1,803,528
Project work-in-progress	386,949	385,176	371,038
Financial assets	5,265,342	4,942,260	4,626,030
Total Non-Current Assets	**7,647,714**	**7,320,923**	**7,962,908**
Current Assets			
Inventories	64,535	62,771	55,397
Trade receivables	80,717	75,727	103,669
Cash and cash equivalents	43,021	40,539	30,971
Other Financial assets	280,375	443,118	529,270
Other current assets	16,106	5,886	21,167
Current tax assets (net)	9,052	-	15,085
Total Current Assets	**493,806**	**628,041**	**755,559**
Total Assets	**8,141,520**	**7,948,964**	**7,818,467**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3,409,065	3,409,065	3,409,065
Other equity	3,682,442	3,668,270	3,623,082
Total Equity	**7,091,507**	**7,077,335**	**7,032,147**
Liabilities			
Non-Current Liabilities			
Grant aid in reserve	159,327	161,361	167,248
Financial liabilities	49,659	53,409	64,659
Provisions	192,315	196,785	207,107
Deferred tax	167,929	165,974	156,885
Other non-current liabilities	17,573	18,426	17,552
Total Non-Current Liabilities	**586,803**	**595,955**	**613,451**
Current Liabilities			
Trade payables	24,117	12,842	10,452
Other Financial liabilities	350,265	175,775	73,248
Provisions	1,553	1,864	1,538
Other current liabilities	87,275	85,058	87,631
Current tax liabilities (net)		135	-
Total Current Liabilities	**463,210**	**275,674**	**172,869**
Total Liabilities	**1,050,013**	**871,629**	**786,320**
Total Equity and Liabilities	**8,141,520**	**7,948,964**	**7,818,467**

Figures in NPR'000

Statement of Profit or Loss and other Comprehensive Income	This Quarter Ending Ashadh end 2082	Previous Quarter Ending Chaitra end 2081	Corresponding Previous Year Quarter Ending Ashadh end 2081 (Audited)
Revenue	733,793	558,735	693,641
Cost of Sales			
Generation Expenses	(285,027)	(199,152)	(305,055)
Distribution Expenses	(136,659)	(99,322)	(136,733)
Gross profit	**312,107**	**260,261**	**251,853**
Depreciation Being Revenue Portion of Grant Aid	7,922	5,887	7,900
Other income	77,442	69,125	83,037
Provision for Impairment loss on Investment written back	15,000	15,000	17,860
Administrative and other operating expenses	(131,722)	(99,324)	(124,852)
Allowance for Expected credit Loss	-	-	(10,000)
Profit from Operation	**280,749**	**250,949**	**225,798**
Finance Income	14,019	13,905	46,817
Finance Costs	(12,896)	(6,140)	(13,025)
Profit Before Tax	**281,872**	**258,714**	**259,590**
Income Tax Expense	(55,722)	(48,415)	(65,602)
Current tax	(45,899)	(41,107)	(63,706)
Deferred tax credit/charge	(9,823)	(7,308)	(1,896)
Profit for the year	**226,150**	**210,299**	**193,988**
Other comprehensive gain/(loss) for the year, net of tax	3,662	5,342	(9,532)
Total Comprehensive gain/(loss) for the year, net of tax	**229,812**	**215,641**	**184,456**

BUTWAL POWER COMPANY LIMITED
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Butwal Power Company Limited

Buddha Nagar, Kathmandu, Nepal

FOURTH QUARTER DISCLOSURE AS OF 32ND ASHADH 2082 (16TH JULY 2025)
AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION ANNEXURE -14
(Related to Sub regulation 1 of Regulation 26)

1 FINANCIAL STATEMENTS

- The financial statements for the fourth quarter have been published as a part of this report.
- ***Transactions with related parties:*** Business transactions were conducted with related parties at arm's length in line with section 93 (3.c) of the Company Act. BPC purchased services of worth NPR 1,475,971 from Nepal Hydro & Electric Limited, NPR 32,475 from Beltron Trading Pvt. Ltd. and advances provided NPR 31,368,000 to Kabeli Energy Limited, NPR 31,000,000 to Manang Marshyangdi Hydropower Co. Pvt. Ltd., NPR 114,000,000 to Chino Hydropower Limited during the period of fourth quarter.
- ***Key Financial Ratios at the end of the quarter:***

Period	Earning per Share (Quarterly)	Net worth per share	Current Ratio (Times)	P/E Ratio (Times)	Return on Assets
This year quarter end	Rs. 6.63	Rs. 208.02	1.07	144.39	2.78%
Previous quarter end	Rs. 6.17	Rs. 207.60	2.28	64.67	2.65%
Corresponding previous year quarter end	Rs.5.69	Rs. 206.28	4.37	58.08	2.48%

2 MANAGEMENT ANALYSIS

- ***Any changes in the stock, income and liquidity during the quarter and reason for change, if any :***
  Inventories have been kept sufficient for normal operation of power plants. Revenue from sale of electricity and services is increased by 5.79% to NPR 733.79 million compare to corresponding period last year Rs. 693.64 million. Finance income decreased significantly by 70.06% due to decrease in fixed deposits at Banks. Net profit for the period end of Ashadh 2082 however is increased by 16.58% in comparison to the corresponding period last year. Liquidity has been maintained suficient despite the major amount is invested in the projects.

- ***The statement of management analysis on the upcoming business plan:***
  Nyadi Hydropower plant (NHP) 30 MW has been in operation from Baisakh 27, 2079 through a SPV named Nyadi Hydropower Ltd (NHL) under contingency power evacuation so that the power generated from the plant is partially evacuated during wet season. The construction of Marsyangdi Corridor 220 kV transmission line and Khudi hub is under construction by NEA for smooth power evacuation of this power plant. NHL is listed company in NEPSE. The construction works of 37.6 MW Kabeli -A project being developed by Kabeli Energy Limited (KEL) is ongoing. Kabeli project is locally financed and the financial closure done on December 2023 considering the amendment of PPA on RoR and posted rate basis. BPC in Joint Ventures with Chinese partners is undertaking 601 MW Marsyangdi Cascade Projects (MCPs). Marsyangdi Cascade Projects (MCPs) consist of 135 MW Manang Marsyangdi HEP (MMHEP), 139.2 MW Lower Manang Marsyangdi Hydroelectric Project (LMMHEP) and 327 MW Upper Marsynagdi-2 HEP (UM-2HEP) in Marsyangdi basin. All three projects have completed detail engineering and got approval of EIA studies. As a first project of MCPs, PPA, PDA including Finance Closure of MMHEP has been concluded and the construction works ongoing by EPC contractor from November 22, 2024 for which the overall progress is satisfactory. The construction of the project is expected to be completed by end of 2027. The PPA of MCP's second project LMMHEP as cascade project of MMHEP, has been signed with NEA on August 15, 2023 (Shrawan 30, 2080). DPR of the third project UM-2HEP has been approved by IBN. As a process of PPA, the Connection Agreement for 327 MW project has been signed with NEA. A SPV for development of 7.9 MW Chino Khola Hydropower Project has been formed named Chino Hydropower Ltd. The PPA has been signed with NEA and concluded financial closure with Everest Bank Limited. EPC contract signed with QYEC Construction Pvt. Ltd Nepal and the Contractor mobilized to site. The Contractor is working on the detail survey and design, preparatory works like access roads and construction camp. The feasibility study of Mugu Karnali HEP (MKHEP) has been completed and the project capacity fixed at 174 MW. Department of National Parks and Wildlife Conservation (DNWC) has granted consents for feasibility study and EIA for MKHEP as the project is located in the buffer zone of Rara National Parks. The consent on project capacity as optimized under detail feasibility study has not been granted from MOEWRI because of the license boundary overlapping with downstream project. Only after the receipt of the consent on project capacity, EIA process can be expedited.

- ***The analytical statement on the possible effect on company's profitability, stock and cashflow based on the past experience:***
  The company maintained steady progress on profitability and planned to invest in the projects as per plan. However, as per the PPA signed between HPL and Nepal Electricity Authority (NEA), 50% of the shares held by HPL is being divested to NEA free of cost effective from FY 2077/78 onwards including revision of PPA rate. Accordingly, this change will have impact on dividend income of the Company till for the period supported by the dividend income from other ongoing projects.

3 STATEMENT RELATING TO LEGAL ACTION

- ***Case filed by or against the Company during the quarter, if any*** : Butwal Power Company Limited has filed a case at Supreme Court against Department of Electricity Developemnt (DOED) on royalty issue of Andhikhola Upgrading Project related to upgraded capacity of 4.3 MW.
- ***Case filed by or against the Company or its Promoter or Director for violation of the prevailing regulation or committing the criminal offence, if any*** : None
- ***Case filed against the Promoter or Director on financial crime, if any :*** None

4 ANALYSIS OF SHARE TRANSACTION OF THE COMPANY

- During fourth quarter, BPC shares were actively traded till the end of Ashadh 2082. Share prices are being determined by the open share market in NEPSE.
- The major highlights of share transactions during the quarter are as follows:

Maximum Price	Minimum Price	Closing Price	Transaction days	Total Transaction	Traded Volume	Turnover
960.6	397	957.29	63	87,334	24,846,780	17,441,089,769

5 PROBLEMS AND CHALLENGES

- **Internal**
  - Optimization and Retention of human resources;
  - Sustainability of distribution business financially;
  - Fund management for ongoing large projects.
- **External**
  - Frequent change in government policy persuading higher country risk ;
  - Lengthy bureaucratic processes in development of hydropower projects;
  - Inadequate rules, regulations, policies, guidelines etc. to expedite project developments;
  - Fluctuating cost of capital and foreign exchange fluctuation risk;
  - Floods and low water flow risk in the rivers for hydropower plants/ projects;
  - Land acquisition and compensation challenges for ongoing projects;
  - Inadequate existing transmission line networks and delay in its expansion for power evacuation of hydropower projects.
- **Strategies**
  - HR optimization plan is being implemented;
  - Fund management and strategic investment as per the project investment plan;
  - Lobbying with government authorities for investment friendly environment;
  - FDIs with Project Financing and PPA in foreign currency for large projects;
  - Identification of different financial instruments along with risk assessment;
  - Stakeholder's engagement from planning stage of projects under development

6 CORPORATE GOVERNANCE

- The Company has regular meetings of Board of Directors and Board Committees viz Audit Committee, Risk Management Committee and Asset and Liability Committee in compliance with the Corporate Governance Guidelines, 2074 issued by the Securities Board of Nepal. The Management Team meeting are also being conducted regularly. The provisions of SEBON Corporate Guidelines has been fully complied.

7 DECLARATION OF CHIEF EXECUTIVE ON TRUTH, TACTFULNESS

I, the Chief Executive Officer of this Company, take the responsibility of accuracy of the information and details mentioned in this report for the fourth quarter of FY 2081/82, hereby declare that the information and details provided in this report are true based on facts and complete to the best of my knowledge; and that information necessary for taking informed decision by the investors are not concealed.

BUTWAL POWER COMPANY LIMITED bpc 2049