Butwal Power Company Limited
Buddha Nagar, Kathmandu, Nepal

UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER, FISCAL YEAR 2082/83 ENDED 31st ASHWIN 2082 (OCTOBER 17, 2025)

Figures in NPR'000

Statement Of Financial Position	This Quarter Ending Ashwin end 2082	Previous Quarter Ending Ashadh end 2082	Corresponding Previous Year Quarter Ending Ashwin end 2081
ASSETS			
Non-Current Assets			
Property, plant and equipment	244,660	249,149	258,308
Capital work-in-progress	1,658	24,605	205
Intangible assets	1,723,504	1,721,669	1,781,473
Project work-in-progress	387,049	386,949	371,156
Financial assets	5,389,508	5,265,342	4,734,461
Other non-current assets	-	-	-
Total Non-Current Assets	**7,746,379**	**7,647,714**	**7,145,603**
Current Assets			
Inventories	53,110	64,535	59,870
Trade receivables	132,549	80,717	124,294
Cash and cash equivalents	110,591	43,021	77,909
Other Financial assets	282,655	280,375	453,954
Other current assets	11,155	16,106	12,306
Current tax assets (net)	-	9,052	14,773
Total Current Assets	**590,060**	**493,806**	**743,106**
Total Assets	**8,336,439**	**8,141,520**	**7,888,709**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3,409,065	3,409,065	3,409,065
Other equity	3,764,547	3,682,442	3,698,782
Total Equity	**7,173,612**	**7,091,507**	**7,107,847**
Liabilities			
Non-Current Liabilities			
Grant aid in reserve	157,313	159,327	165,235
Financial liabilities	45,909	49,659	60,909
Provisions	198,387	192,315	209,268
Deferred tax	166,601	167,929	170,719
Other non-current liabilities	17,573	17,573	23,473
Total Non-Current Liabilities	**585,783**	**586,803**	**629,604**
Current Liabilities			
Trade payables	5,748	24,117	6,733
Other Financial liabilities	480,162	350,265	57,095
Provisions	2,467	1,553	1,689
Other current liabilities	79,937	87,275	85,741
Current tax liabilities (net)	8,730	-	-
Total Current Liabilities	**577,044**	**463,210**	**151,258**
Total Liabilities	**1,162,827**	**1,050,013**	**780,862**
Total Equity and Liabilities	**8,336,439**	**8,141,520**	**7,888,709**

Figures in NPR'000

Statement of Profit or Loss and other Comprehensive Income	This Quarter Ending Ashwin end 2082	Previous Quarter Ending Ashadh end 2082	Corresponding Previous Year Quarter Ending Ashwin end 2081
Revenue	241,214	733,793	209,028
Cost of Sales			
Generation Expenses	(66,858)	(285,027)	(72,397)
Distribution Expenses	(39,906)	(136,659)	(36,320)
Gross profit	**134,450**	**312,107**	**100,311**
Depreciation Being Revenue Portion of Grant Aid	2,013	7,922	2,013
Other income	8,945	77,442	21,659
Provision for Impairment loss on Investment written back	-	15,000	-
Administrative and other operating expenses	(30,396)	(131,722)	(33,482)
Profit from Operation	**115,012**	**280,749**	**90,501**
Finance Income	225	14,019	4,972
Finance Costs	(8,831)	(12,896)	(2,276)
Profit Before Tax	**106,406**	**281,872**	**93,197**
Income Tax Expense	(21,604)	(55,722)	(27,129)
Current tax	(21,625)	(45,899)	(16,543)
Deferred tax credit/charge	21	(9,823)	(10,586)
Profit for the year	**84,802**	**226,150**	**66,068**
Other comprehensive gain/(loss) for the year, net of tax	7,286	3,662	9,811
Total Comprehensive gain/(loss) for the year, net of tax	**92,088**	**229,812**	**75,879**

SK Shrestha

BUTWAL POWER COMPANY LIMITED
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Butwal Power Company Limited

Buddha Nagar, Kathmandu, Nepal

FIRST QUARTER DISCLOSURE AS OF 31ST ASHWIN 2082 (17TH OCTOBER 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 first 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 worth NPR 1,853,857 from Nepal Hydro & Electric Limited, and provided advances of NPR 50,000,000 to Manang Marshyangdi Hydropower Co. Pvt. Ltd. and of NPR 66,000,000 to Chino Hydropower Limited during the first quarter.

- ***Key Financial Ratios at the end of the quarter;***

Period	Earnings per Share (Quarterly)	Net worth per share	Current Ratio (Times)	P/E Ratio (Times)	Return on Assets
This year quarter end	Rs. 2.49	Rs. 210.43	1.02	265.06	1.02%
Previous quarter end	Rs. 6.63	Rs. 208.02	1.07	144.39	2.78%
Corresponding previous year quarter end	Rs.1.94	Rs. 208.50	4.91	245.88	0.84%

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 sales of electricity and services is increased by15.40% to NPR 241.21 million compare to corresponding period last year. This increase is mainly due to the increase in Tariff of Andhikhola Distribution area. Finance income decreased significantly by 95.48% due to decrease in fixed deposits. However, net profit for the period increased by 28.36% in comparison to the corresponding period last year. Liquidity has been maintained despite major investments in 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, resulting in only partial evacuation of generated power during wet season. The Marsyangdi Corridor 220 kV transmission line and Khudi hub is under construction by NEA for smooth power evacuation of this power plant in the future. 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. BPC, via a joint venture with Chinese partners, is undertaking three cascade projects totaling 601 MW in the Marshyangdi basin. The 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). All three projects have completed detail engineering and got approval of EIA studies. As the first project of MCPs, PPA, PDA including Finance Closure of MMHEP was concluded in 2024 and construction works is progressing satisfactory. The construction of the project is expected to be completed by the end of 2027. The PPA of MCP's second project LMMHEP, was signed with NEA on August 15, 2023 (Shrawan 30, 2080). DPR of the third project UM-2HEP has been approved by IBN. The Connection Agreement for 327 MW project has been signed with NEA. Chino Hydropower Ltd, an SPV for the development of 7.9 MW Chino Khola Hydropower Project has begun construction of this HPP via the EPC Contractor. The PPA has been signed with NEA and financial closure concluded with Everest Bank Limited. 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 the detailed feasibility study has yet to be granted from MOEWRI because of the license boundary overlap with downstream project.

- ***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 improving profitability and is continuing to invest in the construction of new projects as per the growth plan. Regarding Himal Power Limited (HPL), as per the PPA, 50% of the project assets of HPL needs to be transferred to NEA free of cost (effective from FY 2077/78) and a new PPA rate has to be agreed. Discussions are ongoing in this regard.

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

Shrestha

4 ANALYSIS OF SHARE TRANSACTION OF THE COMPANY

- During first quarter, BPC shares were actively traded until the end of Ashwin 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
1065	623	660	51	41,074	11,474,390	10,257,322,605

5 PROBLEMS AND CHALLENGES

- **Internal**
  - Financial sustainability of the distribution business:
  - Optimal fund management for investment in large projects, especially the Marshyangdi Cascade Projects (MCPs).
- **External**
  - Frequent changes in government policies;
  - 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 transmission line networks and delays in its expansion for power evacuation of hydropower projects.
- **Strategies**
  - Optimal investment fund generation and management to support ambitious growth plans;
  - Lobbying with government authorities for investment friendly environment;
  - FDIs with Project Financing and PPA in foreign currency for large projects;
  - Prudent risk management to minimize financial and operational risks;
  - 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 provisions of SEBON Corporate Guidelines has been fully complied.

7 DECLARATION OF CHIEF EXECUTIVE ON TRUTH, TACTFULNESS

I, the Officiating Chief Executive Officer of this Company, take the responsibility of accuracy of the information and details mentioned in this report for the first quarter of FY 2082/83, 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.

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BUTWAL POWER COMPANY LIMITED