Butwal Power Company Limited
Buddha Nagar, Kathmandu, Nepal

UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER, FISCAL YEAR 2082/83 ENDED 30th POUSH 2082
(January 14, 2026)

Figures in NPR'000

Statement Of Financial Position	This Quarter Ending Poush end 2082	Previous Quarter Ending Ashwin end 2082	Corresponding Previous Year Quarter Ending Poush end 2081
ASSETS			
Non-Current Assets			
Property, plant and equipment	240,858	244,660	254,710
Capital work-in-progress	2,780	1,658	593
Intangible assets	1,702,107	1,723,504	1,760,368
Project work-in-progress	390,391	387,049	385,176
Financial assets	4,461,780	5,389,508	4,778,187
Other non-current assets	-	-	-
Total Non-Current Assets	**6,797,916**	**7,746,379**	**7,179,034**
Current Assets			
Inventories	55,956	53,110	61,456
Trade receivables	74,595	132,549	120,850
Cash and cash equivalents	533,672	110,591	131,690
Other Financial assets	539,903	282,655	456,113
Other current assets	12,830	11,155	11,557
Current tax assets (net)	-	-	2,193
Total Current Assets	**1,216,956**	**590,060**	**783,859**
Total Assets	**8,014,872**	**8,336,439**	**7,962,893**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3,409,065	3,409,065	3,409,065
Other equity	3,695,288	3,764,547	3,651,368
Total Equity	**7,104,353**	**7,173,612**	**7,060,433**
Liabilities			
Non-Current Liabilities			
Grant aid in reserve	155,387	157,313	163,309
Financial liabilities	42,159	45,909	57,159
Provisions	200,556	198,387	194,888
Deferred tax	163,377	166,601	165,489
Other non-current liabilities	17,599	17,573	18,426
Total Non-Current Liabilities	**579,078**	**585,783**	**599,271**
Current Liabilities			
Trade payables	6,515	5,748	5,263
Other Financial liabilities	42,241	480,162	44,746
Provisions	2,655	2,467	1,732
Other current liabilities	277,416	79,937	251,448
Current tax liabilities (net)	2,614	8,730	-
Total Current Liabilities	**331,441**	**577,044**	**303,189**
Total Liabilities	**910,519**	**1,162,827**	**902,460**
Total Equity and Liabilities	**8,014,872**	**8,336,439**	**7,962,893**

Figures in NPR'000

Statement of Profit or Loss and other Comprehensive Income	This Quarter Ending Poush end 2082	Previous Quarter Ending Ashwin end 2082	Corresponding Previous Year Quarter Ending Poush end 2081
Revenue	464,044	241,214	418,967
Cost of Sales			
Generation Expenses	(130,668)	(66,858)	(132,359)
Distribution Expenses	(75,280)	(39,906)	(69,085)
Gross profit	**258,096**	**134,450**	**217,523**
Depreciation Being Revenue Portion of Grant Aid	3,940	2,013	3,939
Other income	75,159	8,945	76,069
Administrative and other operating expenses	(59,045)	(30,396)	(66,160)
Profit from Operation	**278,150**	**115,012**	**231,371**
Finance Income	1,504	225	9,761
Finance Costs	(11,721)	(8,831)	(3,808)
Profit Before Tax	**267,933**	**106,406**	**237,324**
Income Tax Expense	(42,553)	(21,604)	(43,453)
Current tax	(43,036)	(21,625)	(36,472)
Deferred tax credit/charge	483	21	(6,981)
Profit for the year	**225,380**	**84,802**	**193,871**
Other comprehensive gain/(loss) for the year, net of tax	1,986	7,286	4,869
Total Comprehensive gain/(loss) for the year, net of tax	**227,366**	**92,088**	**198,740**

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Butwal Power Company Limited

Buddha Nagar, Kathmandu, Nepal

SECOND QUARTER DISCLOSURE AS OF 30TH POUSH 2082 (14TH JANUARY 2026)
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 second 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 5,503,331 from Nepal Hydro & Electric Limited, NPR 96,206 from Syakar Trading Company Pvt. Ltd., NPR 16,140 from Beltron Trading Pvt. Ltd. and advance received NPR 496,423,933 from Kabeli Energy Limited during the period of second 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. 6.61	Rs. 208.40	3.67	118.91	2.81%
Previous quarter end	Rs. 2.49	Rs. 210.43	1.02	265.06	1.02%
Corresponding previous year quarter end	Rs.5.69	Rs. 207.11	2.59	69.53	2.43%

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 10.76% to NPR 464.04 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 84.59% due to decrease in fixed deposits at Banks. Accordingly, net profit for the period end of Poush 2082 is increased by 16.25% 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 Nyadi Hydropower Ltd (NHL) under contingency power evacuation so that the power generated from the plant is partially evacuated during wet season. Under such power evacuation plan, the construction of switching station at Upper Marsyangdi-A plant is ongoing. NHL is listed company in NEPSE. The construction works of 37.6 MW Kabeli -A project being developed through a SPV named Kabeli Energy Limited (KEL) is at advance stage of construction. BPC has initiated the necessary process to sell entire investment in KEL to Arun Kabeli Power Limited (AKPL) as mandated by Special General Meeting held on Kartik 21, 2082. BPC in Joint Ventures with Chinese partners is undertaking 601 MW Marsyangdi Cascade Projects (MCPs) comprising 135 MW Manang Marsyangdi HEP (MMHEP), 139.2 MW Lower Manang Marsyangdi HEP (LMMHEP) and 327 MW Upper Marsyangdi-2 HEP (UM-2HEP) in Marsyangdi basin. All three projects have completed detail engineering and got approval of EIA studies. The first project of MCPs, PPA, PDA including Finance Closure of MMHEP were 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. Construction of 7.9 MW Chino Khola Hydropower Project (CHP) developed by a SPV Chino Hydropower Ltd, is ongoing through 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 obtained 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

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4 ANALYSIS OF SHARE TRANSACTION OF THE COMPANY

- During second quarter, BPC shares were actively traded till the end of Poush 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
814	648	786	55	23,923	7,014,576	5,213,900,021

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
  - 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 & 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 second 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.

