



**TARIFF PROPOSAL
FOR
ELECTRICITY DISTRIBUTION CENTRE
ANDHIKHOLA**

Magh 2080

**Butwal Power Company Limited
Buddha Nagar**

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I. SUMMARY

Butwal Power Company Limited (BPC) has obtained license for distribution of electricity in Syangja, Palpa, Pyuthan and Arghakhanchi districts. The Syangja & Palpa areas fall under Electricity Distribution Centre, Andhikhola and Pyuthan & Arghakhanchi areas fall under Electricity Distribution Centre, Jhimruk. There are 39,967 consumers in Andhikhola and 23,298 in Jhimruk Distribution area at the end of Mangsir 2080. BPC has started electrification in Andhikhola area from Baishakh 2048 under the license which will be valid till end of Chaitra 2101.

BPC has made investment in the distribution business from its own source of funds as well as from grants from different organizations. BPC has been doing electrification in rural areas where the settlement is sparsely located, and energy consumption is very low compared to urban areas. Therefore, the investment cost as well as Operation & Maintenance cost are very high. The distribution business is thus not sustainable. However, the company is committed to provide quality and reliable services to the consumers within its license areas. The company has planned to make further investment in the expansion and upgradation/renovation of the network for supplying quality and reliable electricity to the consumers. A huge amount in the range of millions of rupees will be required for the upgradation/renovation of the network but the return will be negligible. So, the company also seeks fund from donor agency for this purpose. The company has not received any grant or subsidy from the Government for contributing in development of the country even though NEA has been also using BPC's distribution networks at free of cost to supply electricity to its consumers in these and other districts.

BPC has been involving skill and competent manpower for the construction, operation and maintenance of the distribution networks. The Company has given the utmost attention on the quality of work and safety while working and using electricity. The consumers have been given awareness from time to time on safety issues through different media to avoid any casualty. The on-call service is given to the consumers to fix their problems and continue the electricity supply as soon as possible.

BPC distributes electricity in its distribution area based on a tariff structure that is different from that of Nepal Electricity Authority (NEA). BPC's tariff structure includes a purely power-based tariff in addition to an energy-based tariff. NEA's tariff structure including power-based tariff is in implementation in Jhimruk distribution area for metered customers following persistent demand of local community whereas BPC's own tariff structure is in implementation in Andhikhola distribution area. The power-based tariff has now been discontinued. The BPC electricity tariff rates for local consumers were last revised in Shrawan 2073. Considering inflation and loss incurring since the last revision as well as BPC's plan for distribution expansion and renovation within its own distribution areas, BPC proposes to revise its tariff rates for its retail electricity consumers under Electricity Distribution Centre, Andhikhola.

An analysis has been done with the existing tariff structure and it has been found that the present tariff rates are well below the average cost of distribution. This has resulted in a huge loss to the Company. 17% return on the invested is expected but there is about 8.278 Crore losses in operation and maintenance itself in FY 2079/80.

The proposed tariff (included in Appendix A) and basis for the fixation of proposed tariff structures is presented in this report along with analysis.

As per the requirement of Electricity Consumer Tariff Determination Directive 2019 of Electricity Regulatory Commission (ERC), the information is documented accordingly. The mandatory tariff filing formats are provided.

2. PROPOSAL AND ANALYSIS

2.1 Electricity Tariff: General

Electricity tariffs are set with several objectives. First, national economic resources must be allocated efficiently. This implies that prices that reflect the true economic cost of supplying the electricity must be used. Second, certain principles of fairness and equity must be given due consideration in devising electricity tariff structure. Principles of fairness and equity implies: (a) allocating costs among consumers according to the burdens they impose on the system; (b) assuring a reasonable degree of price stability and avoiding large price fluctuations from year to year; and (c) providing a minimum level of service to persons who may not be able to afford the full cost. These principles have also been adopted in the proposed BPC Andhikhola distribution tariff.

Third, the electricity tariffs should raise sufficient revenue to meet the financial requirement of the utility including some contribution to the system expansion and renovation costs. It has been envisaged BPC Andhikhola distribution should not make any financial loss. Instead, it should generate reasonable profit for its sustainability. Thus, tariff should be devised in such a way that it should recover the cost of operation and maintenance of supply of electricity energy, and it should recover the cost on capital investment with suitable profit.

Fourth, the structure of electricity tariff must be simple enough to facilitate the metering and billing. And finally other economic requirements must also be considered. These might include subsidized electricity supply to certain sectors. Further, the tariff rate should be similar for all the utilities.

The broad guiding principle in determining tariff is to encourage efficiency and economy in the use of resources and ensure financial viability of the utilities. Consequently, it is considered that the supply and distribution cannot be maintained unless the charges for the electricity supplied are adequately levied while designing tariff.

2.2 Objectives of the BPC Andhikhola Distribution Business

The objectives of the BPC Andhikhola Distribution Business are to:

- a) Provide quality and reliable electricity supply to the consumers. Maintain the distribution networks in good operating condition through timely repair and maintenance. Resolve the consumers' complaints on time.
- b) Make appropriate investment for improvement of the networks using own resources as well as grant to maintain the quality and reliable electricity supply. The company has been making investment every year for the improvement of the network and has planned to continue it.
- c) Provide electricity to new consumers within the licensed area through expansion of the networks. The company makes provision of budget for this purpose every year.
- d) Aware the consumers regarding safety while using the electricity through different media to avoid the casualty due to use of electricity.
- e) Deploy and provide appropriate training to the staff for enhancing their skill for execution of works.

- f) Provide electricity to customers at reasonable rates.
- g) Generate a positive net income per unit which is imperative for sustainability of the business. The expected return on investment is 17%. However, there is about 8.278 Crore losses in FY 2079/80.
- h) Encourage reduction in peak demand and maximum use of energy within the subscribed demand to maintain supply and demand of electricity.

3. PRESENT TARIFF STRUCTURE

3.1 Demand (cut-out consumers)

The demand (cut-out) consumers are charged a fixed monthly rate based on the power demand. There is no charge of energy. This tariff category caters to low-income rural households and helps in cutting administrative costs related to meter reading and subsequent account keeping. But the actual energy consumption of this category is very high compared to the estimated energy entailing direct loss to the company. Hence, this category of consumers will be discontinued.

3.2 Metered consumers

BPC is currently using two separate tariff structure for Andhikhola and Jhimruk Centers. In Jhimruk, the structure is identical to that of Nepal Electricity Authority for metered customers following persistent demand of local community. However, the tariff adopted at Andhikhola is different. Although the tariff structure is almost similar to that of NEA at Andhikhola, the overall tariff rate is about 36% less than NEA's tariff.

BPC Andhikhola has been facing problems with the present tariff rates as the existing tariff is not generating enough revenue for sustainability. So, there is huge losses in operation of the business. Hence, it has become imperative to revise and increase BPC's Andhikhola tariff rate.

3.3 Present BPC Andhikhola Tariff Rates

Cut-out Tariff Rate

Subscribed Demand (watts)	Monthly Charge (Rs/month)
25	25
50	50
100	85
250	150
400	230

Domestic Consumer

**A. Service & Energy Charge:
Single Phase Consumer**

kWh	5Amp		15 Amp		30 Amp		60 Amp	
	Service Charge	Energy charge	Service Charge	Energy charge	Service Charge	Energy charge	Service Charge	Energy charge
Per month								
0-20	20.00	2.00	30.00	2.60	50.00	3.30	80.00	4.00
21-50	30.00	5.00	50.00	5.00	65.00	5.00	100.00	5.00
51-150	50.00	5.50	65.00	5.50	80.00	5.50	120.00	5.50
151-250	65.00	6.50	80.00	6.50	100.00	6.50	135.00	6.50
Above 250	80.00	7.00	100.00	7.00	120.00	7.00	150.00	7.00

**Service & Energy Charge: Three Phase
Consumer (Low Voltage 400 V)**

kWh	up to 10 KVA		Above 10 kVA	
	Service Charge	Energy charge	Service Charge	Energy charge
0-250	800.00	7.00	1,200.00	7.25
Above 250	800.00	7.90	1,200.00	7.90

**Service & Energy Charge: Three Phase (Medium Voltage
33/11 K. V.)**

kWh	Service Charge	Energy charge
0-1000	6,600.00	7.25
1001-2000	6,600.00	8.00
Above 2000	6,600.00	8.75

Billing Method (for 5 Amp)

Energy slab	Energy Charg kWh	Method of Bill Calculation
0-20	2.00	Service charge 20 & Rs 2 for energy charge from 0 to 20 units
21-50	5.00	Service charge Rs 30 & energy charge from 0 to 20 unit Rs 2 & from 21 to 50 units Rs 5
51 - 150	5.50	Service charge Rs 50 & energy charge from 0 to 20 unit Rs 2, from 21 to 50 units Rs 5 & from 51 to 150 units Rs 5.5
151 - 250	6.50	Service charge Rs 65 & energy charge from 0 to 20 unit Rs 2, from 21 to 50 units Rs 5, from 51 to 150 units Rs 5.6 & from 151 to 250 units Rs 6.5

Above 250	7.00	Service charge Rs 80 & energy charge from 0 to 20 unit Rs 2, from 21 to 50 units Rs 5, from 51 to 150 units Rs 5.6, from 151 to 250 units Rs 6.6 & above 250 unit Rs 7
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Note: Same billing method is used for other categories of consumers.

**2 Other Consumer
Low Voltage Level (230/400
2.1 Volt)**

S.N	Customer Category	Tariff Rate	
		Demand charge per kVA per month	Energy charge per unit
1	Industrials.		
1.1	Cottage Industrials.	40.00	5.15
1.2	Small Industrials	70.00	6.40
2	Commercial	215.00	7.40
3	Non-Commercial	140.00	7.90
4	Irrigation	-	3.60
5	Drinking water		
5.1	Community Drinking water	100.00	3.40
5.2	Other Drinking Water	150.00	4.80
6	Temple	-	4.00
7	Street light		
7.1	Street light with meter	-	4.80
7.2	Street light without meter	1,640.00	-
8	Temporary	-	13.00
9	Non-domestic	230.00	8.60
10	Entertainment	230.00	9.25

2.2 High Voltage

S.N	Customer Category	Tariff Rate	
		Demand charge per kVA per month	Energy charge per kWh per month
High Voltage (66 kV & above)			
1	Industrials	160.00	5.00
Medium Voltage 33 kV			
1	Industrials	170.00	5.60
2	Commercial	210.00	7.10

3	None Commercial	160.00	7.50
4	Irrigation	35.00	3.20
5	Drinking water		
5.1	Community Drinking water	145.00	4.00
5.2	Other Drinking Water	145.00	4.40
6	Transportation		
6.1	Trolley bus	150.00	3.50
6.2	Other Transportation	170.00	5.70
7	Non domestic	230.00	8.30
8	Entertainment	230.00	8.90
	Medium Voltage 11 kV		
1	Industrials	170.00	5.80
2	Commercial	210.00	7.50
3	Non Commercial	160.00	7.60
4	Irrigation	35.00	3.30
5	Drinking water		
5.1	Community Drinking water	145.00	4.10
5.2	Other Drinking Water	145.00	4.50
6	Transportation		
6.1	Trolley bus	150.00	3.50
6.2	Other Transportation	165.00	5.80
7	Temple	145.00	6.50
8	Temporary	220.00	8.00
9	Non domestic	230.00	8.50
10	Entertainment	230.00	9.15

3 Time of Day Electricity Tariff Rate

S.N	Customer Category	Rate			
		Demand charge per kVA per month	Energy charge per kWh per month		
			Peak Time 5 PM to 11 PM	Off Peak Time 11 PM to 5 AM	Other Time 5 AM to 5 PM
	High Voltage (66 kV & above)				
1	Industrials	160.00	6.10	2.70	5.00

Medium Voltage 33 kV					
1	Industrials	165.00	6.75	3.50	5.60
2	Commercial	210.00	8.10	4.50	7.10
3	Non- Commercial	160.00	8.70	460.00	7.90
4	Irrigation	35.00	4.20	2.10	3.10
5	Drinking water				
5.1	Community Drinking water	145.00	4.85	2.40	3.90
5.2	Other Drinking Water	145.00	6.75	3.50	5.60
6	Transportation				
6.1	Trolley bus	150.00	4.60	2.50	3.40
6.2	Other Transportation	170.00	6.20	2.50	5.55
7	Street light	50.00	5.60	2.30	2.80
Medium Voltage 11 kV					
1	Industrials	165.00	7.00	3.60	5.60
2	Commercial	210.00	8.30	4.60	7.40
3	Non- Commercial	160.00	8.90	4.70	8.00
4	Irrigation	35.00	4.20	2.10	3.10
5	Drinking water				
5.1	Community Drinking water	145.00	5.90	2.90	4.10
5.2	Other Drinking Water	145.00	7.00	3.60	5.60
6	Transportation				
6.1	Trolley bus	175.00	4.75	2.80	3.50
6.2	Other Transportation	150.00	6.40	2.80	5.60
7	Street light	50.00	5.80	2.50	2.90
8	Temple	145.00	7.50	3.40	6.00
9	Temporary	220.00	9.50	4.40	7.75

Fee and Service Charges:

S.N.	Description of Service	Rate (Rs)
1	Application Fee A. Domestic Consumer B. Other Consumer C. Other purpose application	50 100 10
2	Fuse Service: A. Single Phase B. Three Phase	50 100
3	Meter Seal: A. Box Seal a. If application tendered by consumer b. If broken seal found by office B. Other Seal: a. Terminal Seal b. Reading Seal c. CTPT Seal	100 300 300 800 1000
4	New Connection: 4.1 Domestic Consumer (Energy meter Capacity) A. 5 Amp B. 15 Amp C. 30 Amp D. 60 Amp E. 3 Phase Domestic 4.2 Other Consumer A. Up to 10 kVA B. Above 10 kVA C. TOD Meter	100 100 200 300 500 700 1000 1000
5	A. Installation of Pole a. Single phase per pole b. Three phase per pole	200 300
6	Capacity Change: A. Single phase a. Capacity increase b. Capacity decrease B. Three phase a. Capacity increase b. Capacity decrease	200 100 500 200
7	Electricity Disconnection and Connection (Single Phase/Three Phase) A. Disconnection B. Connection	200 300
8	Change of Place: A. Single Phase B. Three Phase	300 800
9	Transfer of ownership:	

	A. Domestic a. Transfer of ownership due to written Ansa Banda b. Transfer of ownership due to sale of house on mutual consent of both parties c. Transfer of ownership as per notification in newspaper B. Industrial and Other	200 500 1000 1000
10	Meter Testing: A. Single Phase B. Three Phase C. TOD Meter D. Sub Meter E. CT Meter	100 300 800 200 700
11	Lagat Cancellation Fee: A. Single Phase B. Three Phase	300 500
12	Manpower Service Fee: A. Repair Charge a. Engineer (per hour) b. Overseer (per hour) c. Worker (per hour) B. Inspection Charge: a. Domestic b. Industrial	250 200 120 250 500
13	Rate for all merchandise	As per store rate

Note: Applicable Tax will be charged for service charge and merchandise as per GoN rule.

4. REASONS FOR REVISING PRESENT TARIFF RATES

BPC has been presently facing the following problems with its present tariff rates in achieving the above objectives at Andhikhola distribution area:

- BPC's Andhikhola Distribution Centre has been incurring huge financial losses on its distribution business because of its low tariff rates. The operational revenue losses in FY 2079/80 (Audited) is NRs 82,780,100.84 whereas the total revenue losses including 17% return on investment (equity) is NRs 155,777,944.76 before tax. It clearly indicates that the distribution business is not sustainable and cannot be continued with such huge losses.
- A 17% return is expected on investment but there is revenue losses in operation itself.
- The distribution expenses has been increasing day by day due to market inflation and other reasons.
- BPC Andhikhola Distribution has mainly been supplying electricity in rural areas (rural electrification). The electricity consumption in rural area is very low and so the revenue is very low.
- The investment cost to supply consumers in rural areas is very high due to scattered settlement.
- The existing distribution networks need to be renovated and upgraded for the safety, quality and reliable electricity supply to the consumers, which will require huge investment compared to revenue generation from the system. If the tariff is not adjusted, it will be very difficult to make additional investment for the system improvement.
- There is growth of consumer at the rate of about 1.5% yearly. Higher number of consumers and larger scattered distribution area further increase the revenue losses as the return from consumer is very low due to low tariff structure.
- BPC Andhikhola Distribution committed to continue to provide quality service to the consumers, which further increase the operation and maintenance costs.
- BPC Andhikhola maintains regular supply to the consumers even by purchasing electricity from NEA at commercial rate Rs 10.80 per unit (33 kV voltage) whereas the average billing rate is only Rs 5.98 per unit. This has increased the revenue losses further.
- The BPC's Andhikhola Tariff has not been adjusted/increased over the past 7 years. It was revised in Shrawan 2073 after 20 years only although the BPC's Andhikhola had submitted applications for tariff revision. In the beginning, there was no tariff commission and so the BPC Andhikhola distribution used to revise the tariff as per its financial condition.
- Two different types of distribution tariffs are in use in BPC's distribution areas. NEA's distribution tariff is in use in Jhimruk distribution area whereas BPC's own distribution tariff is in use in Andhikhola distribution area which does not seem practical. The energy consumption and revenue statistics of Jhimruk distribution areas where BPC has been implementing NEA's tariff has been compared below against the same statistics of Andhikhola distribution area (FY 2079/80 Data).

<u>Particulars</u>	<u>Andhikhola</u>	<u>Jhimruk</u>
No. of Consumers	39795	22904
Annual energy consumption (kWh/yr.)	3,2562,782.00	
7,341,577.00		

Annual revenue from energy sale Rs	194,575,389.2	66,384,458.97
Energy Consumption/consumer/month	68.19	26.71
Average per Unit Selling rate (Rs/kWh)	5.98	9.04

The above figure clearly indicates that the selling rate for Andhikhola (Rs. 5.98 per unit) is much less compared to that of Jhimruk (Rs. 9.04 per unit) as Jhimruk has adopted NEA tariff on request of consumers since the beginning. This is not practical from a business viewpoint within same organization. The numbers of consumers at Andhikhola are almost double that of Jhimruk. This has further increased the revenue gap for BPC Andhikhola Distribution. Hence, it is mandatory that the tariff be revised for sustainability of the Andhikhola distribution business.

- BPC Andhikhola Distribution has not been given any subsidy from the Government for rural electrification.

5. REVENUE GAP

5.1 Cost of Distribution of Energy

The operational cost of distributing energy to BPC served consumers in FY 2079/80 BS was as follows (Details in Appendix D. It clearly indicates that there is a revenue loss of Rs 2.54 per kWh resulting in huge financial loss even in operation.

Table 5.1 Electricity Distribution Cost in FY 2079/80

Overall Distribution Cost (Rs)	290,292,221.43
Total Energy Purchase (kWh)	38,075,917.12
Total Energy Sold to Local Consumers (kWh)	32,562,782.00
Total Operational Cost per Unit (Rs/kWh)	8.91
Revenue from Sale of Energy (Rs)	194,575,389.2
Average Billing Rate (Rs/kWh)	5.98
Average Billing Rate (Rs/kWh) with other Income	6.37
Loss per Unit (Rs/kWh)	2.54

5.2 Revenue Requirement

Considering that Rural Electrification (RE) is never a profitable venture and the fact that demand for electricity is growing day by day and BPC Andhikhola still has to continue to electrify the houses within the licensed areas, hence the business should be in a position to generate sufficient revenue for operation and maintenance of existing system and further network expansion as well as renovation for reliability of electricity supply. However, there is an operational revenue loss of NRs 82,780,100.84 in FY 2079/80 (Audited) whereas the total revenue losses including 17% return on investment (equity) has reached to NRs 155,777,944.76 before tax. This revenue losses will continue to increase in the days to come if the tariff is not adjusted/increased as the market prices are kept increasing. It clearly indicates that the distribution business is not sustainable at all. The revenue per unit required with 17% return on investment (ROI) is (Table 5.2) Rs 11.16, whereas average billing rate with other income is only Rs 6.37 per kWh. This clearly indicates that there is a necessity to increase the existing tariff.

Table 5.2 Electricity Distribution Cost for ROI in FY 2079/80

Item	
Total Investment up to 2079/80 (Rs) (Excluding Grant Investment) before tax @ 20%	343,519,265.52
Total Energy Sold to Local Consumers (kWh)	32,562,782.00
Investment Cost per Unit (Rs/kWh)	10.55
17% Return on Investment (Rs/kWh)	2.24
Total Operational Cost per Unit (Rs/kWh)	8.91
Total Cost Per Unit with ROI	11.16

6. PROPOSAL FOR NEW TARIFF RATES

The tariff rates have been adjusted/ increased to generate the reasonable income including 17% return on investment (equity) for sustainability of the business.

The proposed cut-out tariff rates are given in Appendix A.

6.1 Metered and Other Consumers

The average tariff rates for consumers of different categories have been increased by about 75%. Also, as BPC Andhikhola distribution business is growing, additional consumer categories, those that do not exist at the moment, has been incorporated in the system. Hence, all the consumer categories of NEA have been included in the proposed tariff structure.

The proposed tariff rates for metered and other consumers are given in Appendix A.

6.2 Fee and Service Charges

The proposed Fee and Service Charges are given in Appendix B.

APPENDIX A

Proposed Tariff

Proposed Tariff

1 Domestic consumer

1.1 Single Phase Low Voltage (230 volt)

kWh	5Amp		15 Amp		30 Amp		60 Amp	
Per month	Demand Charge	Energy charge	Demand Charge	Energy charge	Demand Charge	Energy charge	Demand Charge	Energy charge
0 to 20	30.00	3.50	50.00	4.50	75.00	5.50	125.00	6.50
21 to 30	50.00	9.50	75.00	9.50	100.00	9.50	125.00	9.50
31 to 50	50.00	10.00	75.00	10.00	100.00	10.00	125.00	10.00
51 to 100	75.00	10.50	100.00	10.50	125.00	10.50	150.00	10.50
101 to 250	100.00	12.50	125.00	12.50	150.00	12.50	200.00	12.50
Above 250	150.00	13.50	175.00	13.50	200.00	13.50	250.00	13.50

1.2 Three Phase Low Voltage (400 Volt)

kWh	up to 10 KVA			Above 10 kVA		
	Demand Charge	Energy charge Asar to Kartik	Energy charge Mangsir to Jestha	Demand Charge	Energy charge Asar to Kartik	Energy charge Mangsir to Jestha
All Consumption	1,100.00	14.50	15.50	1800	14.50	15.50

1.3 Three Phase Medium voltage (33/11 kV)

kWh	Demand Charge	Energy charge Asar to Kartik	Energy charge Mangsir to Jestha
All Consumption	10,000.00	15.50	16.50

Low Voltage (230 Volt) Single Phase Billing Method for 5 Amp Consumer

Energy slab	Demand Charge	Energy Charge kWh	Process of billing
0-20	30.00	3.50	Service charge 30 & energy charge from 0 to 20 units is Rs 3.5 For example: 20 unit: $30+20*3.5 =$ Total bill amount Rs 100
21-30	50.00	9.50	Service charge Rs 50 & energy charge from 0 to 20-unit Rs 3.5 from 21 to 30 units Rs 9.5, For example 30 unit: $50+20*3.5+10*9.5 =$ Total bill amount Rs 215
31 - 50	50.00	10.00	Service charge Rs 50 & energy charge from 0 to 20-unit Rs 3.5 from 21 to 30 units Rs 9.50 & from 31 to 50 Rs 10. For example, 50 unit: $50+20*3.5+10*9.5+20*10 =$ Total bill amount Rs 415
51 - 100	75.00	10.50	Service charge Rs 75 & energy charge from 0 to 20-unit Rs 3.50 from 21 to 30 units Rs 9.50 from 31 to 50 Rs 10 from 51 to 100 Rs 10.50. For example, 100 unit: $75+20*3.81+10*9.52+20*9.52+50*10.47 =$ Total bill amount Rs 965.
101 - 250	100.00	12.50	Service charge Rs 100 & energy charge from 0 to 20-unit Rs 3.50 from 21 to 30 units Rs 9.50 from 31 to 50 Rs 10, from 51 to 100 Rs 10.50 & from 101 to 250 Rs 12.50 For example 250 unit: $100+20*3.50+10*9.50+20*10+50*10.50+150*12.50 =$ Total bill amount Rs 2865
Above 250	150.00	13.50	Service charge Rs 150 & energy charge from 0 to 20-unit Rs 3.50 from 21 to 30 units Rs 9.50 from 31 to 50 Rs 10 from 51 to 100 Rs 10.50 & from 101 to 250 Rs 12.50 & above 250-unit Rs 13.50 For example 300 unit: $150+20*3.5+10*9.50+20*10+50*10.50+150*12.50+50*13.50 =$ Total bill amount Rs 3590

Note: The same method for calculation for 15, 30 & 60-Amp consumers to be used

2 Other Customer**2.1 Low voltage (230/400 Volt)**

S.N	Customer Category	Rate	
		Demand charge Rs. per kVA per month	Energy charge Rs per kWh per month
1	Industrials.		
1.1	Cottage Industrials.	60.00	10.00
1.2	Small Industrials	110.00	12.50
2	Commercial	325.00	14.00
3	Non-Commercial Gov.	215.00	15.00
4	Irrigation		5.50
5	Drinking water		
5.1	Community Drinking water		6.00
5.2	Other Drinking Water	160.00	9.00
6	Transportation (Charging station)		
6.1	Public Transportation	200.00	7.00

6.2	Other Transportation	220.00	11.00
7	Religious & spiritual sites (Temple)		8.00
8	Streetlight		
8.1	S. light with meter		9.03
8.2	S. light without meter	2,475.00	
9	Temporary		25.00
10	Nondomestic	350.00	17.00
11	Entertainment	350.00	17.50

2.2 High Voltage

S.N	Customer Category	Rate	
		Demand charge Rs. per kVA per month	Energy charge Rs. per kWh per month
A	High Voltage		
1	Industrials 132 kV		
2	Industrials 66 kV	240.00	9.50
B	Medium voltage 33 kV		
1	Industrials	255.00	12.00
2	Commercial	315.00	140.00
3	Non-Commercial	240.00	14.50
4	Irrigation		6.00
5	Drinking water		
5.1	Community Drinking water		7.00
5.2	Other Drinking Water	160.00	9.00
6	Transportation (Charging station)		
6.1	Public Transportation	230.00	7.00
6.2	Other Transportation	255.00	11.00
7	Nondomestic	350.00	16.50
8	Entertainment	350.00	17.50
C	Medium voltage 11 kV		
1	Industrials	255.00	12.00
2	Commercial	315.00	14.00
3	Non-Commercial	240.00	14.50
4	Irrigation		6.00
5	Drinking water		
5.1	Community Drinking water		7.50
5.2	Other Drinking Water	150.00	8.50
6	Transportation (Charging station)		
6.1	Public Transportation	230.00	7.00
6.2	Other Transportation	255.00	11.00
7	Religious & spiritual sites (Temple)	220.00	12.50
8	Temporary	330.00	15.00
9	Nondomestic	350.00	17.00
10	Entertainment	350.00	18.00

3 Energy & Demand Charge for Time of Day (TOD)

3.1 Baishakh to Mangsir

S.N	Customer Category	Rate			
		Demand charge Rs. per kVA per month	Energy charge Rs. per kWh		
			Peak Time 5 PM to 11 PM	Off Peak Time 11 PM to 5 AM	Other Time 5 AM to 5 PM
A	High Voltage				
1	Industrials 132 kV				
2	Industrials 66 kV	240.00	11.50	5.50	9.50
B	Medium voltage 33 kV				
1	Industrials	250.00	13.00	6.50	10.50
2	Commercial	315.00	15.50	8.50	13.50
3	Non-Commercial	240.00	16.50	9.00	15.00
4	Irrigation		8.00	4.00	6.00
5	Drinking water				
5.1	Community Drinking water		9.50	4.50	7.50
5.2	Other Drinking Water	150.00	13.00	6.50	10.50
6	Transportation				
6.1	Charging station	230.00	9.00	5.00	6.50
6.2	Other Transportation	255.00	12.00	5.00	10.50
7	Streetlight	80.00	10.50	5.50	5.00
C	Medium voltage 11 kV				
1	Industrials	250.00	13.50	7.00	10.50
2	Commercial	315.00	16.00	9.00	14.00
3	Non-Commercial	240.00	17.00	9.00	15.00
4	Irrigation	-	8.00	4.00	6.00
5	Drinking water				
5.1	Community Drinking water	-	11.00	5.50	8.00
5.2	Other Drinking Water	150.00	13.00	7.00	10.50
6	Transportation				
6.1	Charging station	230.00	9.00	5.50	6.50
6.2	Other Transportation	255.00	12.00	5.50	10.50
7	Streetlight	80.00	11.00	5.00	5.50
8	Religious & spiritual sites (Temple)	220.00	14.00	6.50	11.50
9	Temporary	330.00	18.00	8.50	15.00
D	Low Voltage (230-400 Volt)				
1	Transportation				
1.1	Charging station	200.00	9.00	5.00	7.00
1.2	Other Transportation	220.00	12.00	5.00	10.50

3.2 Energy and Demand Charge for Time of Day (Poush to Chaitra)

S.N	Customer Category	Rate		
		Demand charge Rs. per kVA per month	Energy charge Rs. per kWh	
			Peak Time 5 PM to 11 PM	Other Time 11 PM to next Day 5 PM
A	High Voltage			
1	Industrials 132 kV			
2	Industrials 66 kV	240.00	12.00	10.00
B	Medium voltage 33 kV			
1	Industrials	250.00	12.50	10.00
2	Commercial	315.00	15.00	13.00
3	Non-Commercial	240.00	16.00	14.00
4	Irrigation		7.50	3.50
5	Drinking water			
5.1	Community Drinking water		7.50	5.50
5.2	Other Drinking Water	150.00	12.50	10.00
6	Transportation			
6.1	Charging station	230.00	8.50	6.50
6.2	Other Transportation	255.00	11.50	10.00
7	Streetlight	80.00	10.00	5.00

S.N	Customer Category	Rate		
		Demand charge Rs. per kVA per month	Energy charge Rs. per kWh	
			Peak Time 5 PM to 11 PM	Other Time 11 PM to next Day 5 PM
C	Medium voltage 11 kV			
1	Industrials	250.00	13.00	10.50
2	Commercial	315.00	15.00	13.50
3	Non-Commercial	240.00	16.50	15.00
4	Irrigation		8.00	4.00
5	Drinking water			
5.1	Community Drinking water		7.50	5.50
5.2	Other Drinking Water	150.00	13.00	10.50
6	Transportation			
6.1	Charging station	230.00	8.00	7.00
6.2	Other Transportation	255.00	11.00	10.00
7	Streetlight	80.00	10.00	5.50

8	Religious & spiritual sites (Temple)	220.00	13.50	11.00
9	Temporary	330.00	17.50	14.00
D	Low Voltage (230-400 Volt)			
I	Transportation			
I.1	Charging station	200.00	9.00	7.00
I.2	Other Transportation	220.00	12.00	10.50

3.3 **No Demand charge, Time of Day Tariff Rate for Transportation (Automatic Swap Card)**

1 **Public Transportation (Charging station)**

Baishakh to Mangsir

Details	Energy charge per kWh		
	Peak Time 5 PM to 11 PM	Off Peak Time 11 PM to 5 AM	Other Time 5 AM to 5 PM
33 kV	10.00	5.50	8.00
11 kV	10.50	6.00	8.00
Low voltage (230 - 400 volt)	10.50	6.00	8.50

Push to Chaitra

Details	Energy charge per kWh	
	Peak Time 5 PM to 11 PM	Other Time 11 PM to next Day 5 PM
33 kV	10.00	8.00
11 kV	10.50	8.00
Low voltage (230 - 400 volt)	10.50	8.50

2 **Other Transportation (Charging station)**

Baishakh to Mangsir

Details	Energy charge per kWh		
	Peak Time 5 PM to 11 PM	Off Peak Time 11 PM to 5 AM	Other Time 5 AM to 5 PM
33 kV	13.50	5.50	12.00
11 kV	14.00	6.00	12.50
Low voltage (230 - 400 volt)	14.00	6.00	12.50

Push to Chaitra

Details	Energy charge per kWh	
	Peak Time 5 PM to 11 PM	Other Time 11 PM to next Day 5 PM
33 kV	13.50	12.00
11 kV	14.00	12.50
Low voltage (230 - 400 volt)	14.00	12.50

APPENDIX B

Proposed Fee & Service Charges

Proposed Fee and Service Charges

S.N.	Description of Service	Rate (Rs)
1	Application Fee A. Domestic Consumer B. Other Consumer C. Other purpose application	100 200 25
2	Replacement of Fuse/MCB/MCCB Service: A. Single Phase B. Three Phase	200 500
3	Meter Seal: A. Box Seal a. If application tendered by consumer b. If broken seal found by office B. Other Seal d. Terminal Seal e. Reading Seal f. CTPT Seal	500 1000 400 1000 1000
4	New Connection: 4.1 Domestic Consumer (Energy meter Capacity) A. 5 Amp B. 15 Amp C. 30 Amp D. 60 Amp E. 3 Phase Domestic 4.2 Other Consumer A. Up to 10 kVA B. Above 10 kVA C. TOD Meter	300 500 700 1000 2000 2000 3000 3000
5	A. Installation of Pole a. Single phase per pole b. Three phase per pole	1000 2000
6	Capacity Change: A. Single phase a. Capacity increase b. Capacity decrease B. Three phase a. Capacity increase b. Capacity decrease	300 300 1000 1000
7	Electricity Disconnection and Re-connection (Single Phase/Three Phase) A. Disconnection B. Connection	500 500
8	Change of Place: A. Single Phase B. Three Phase	700 1000

9	Transfer of ownership: A. Domestic a. Transfer of ownership due to written Ansa Banda b. Transfer of ownership due to sale of house on mutual consent of both parties c. Transfer of ownership as per notification in newspaper B. Industrial and Other	1000 1500 2000 2500
10	Meter Testing: A. Single Phase B. Three Phase C. TOD Meter D. Sub Meter E. CT Meter	1000 2000 4000 1000 3000
11	Lagat Cancellation Fee: A. Single Phase B. Three Phase	500 1000
12	Manpower Service Fee: A. Repair Charge a. Engineer (per hour) b. Overseer (per hour) c. Worker (per hour) B. Inspection Charge: a. Domestic b. Industrial	700 500 300 500 1000
13	Rate for all merchandise	As per store rate

Note: Applicable Tax will be charged for service charge and merchandise as per GoN rule.

APPENDIX C

Proposed & Existing Tariff Comparison

Proposed & Existing Tariff Comparison

I Domestic consumer
1.1 Single phase low voltage (230 volt)

Consumer Category	Units	Purposed Tariff Rate		Existing Tariff Rate		Variation %	
		Demand Charge	Energy charge	Demand Charge	Energy charge	Demand Charge	Energy charge
5 Amp	0 to 20	30.00	3.50	20	2	33%	75%
	21 to 30	50.00	9.50	30	5	40%	90%
	31 to 50	50.00	10.00	30	5	40%	100%
	51 to 100	75.00	10.50	50	5.5	33%	91%
	101 to 250	100.00	12.50	65	6.5	35%	92%
	Above 250	150.00	13.50	80	7	47%	93%
15Amp	0 to 20	50.00	4.50	30	2.6	40%	73%
	21 to 30	75.00	9.50	50	5	33%	90%
	31 to 50	75.00	10.00	50	5	33%	100%
	51 to 100	100.00	10.50	65	5.5	35%	91%
	101 to 250	125.00	12.50	80	6.5	36%	92%
	Above 250	175.00	13.50	100	7	43%	93%
30 AMP	0 to 20	75.00	5.50	50	3.3	33%	67%
	21 to 30	100.00	9.50	65	5	35%	90%
	31 to 50	100.00	10.00	65	5	35%	100%
	51 to 100	125.00	10.50	80	5.5	36%	91%
	101 to 250	150.00	12.50	100	6.5	33%	92%
	Above 250	200.00	13.50	120	7	40%	93%
60 Amp	0 to 20	125.00	6.50	80	4	36%	63%
	21 to 30	125.00	9.50	100	5	20%	90%
	31 to 50	125.00	10.00	100	5	20%	100%
	51 to 100	150.00	10.50	120	5.5	20%	91%
	101 to 250	200.00	12.50	135	6.5	33%	92%
	Above 250	250.00	13.50	150	7	40%	93%

1.2 Three Phase low Voltage (400 volt) Proposed Tariff Rate

Consumer Category	Unit consumption kWh	Demand Charge	Energy charge Asar to Kartik	Energy charge Mangsir to Jestha	Variation %	
					Demand Charge	Energy charge
Up to 10 kVA	All Consumption	1100	14.50	15.50	37.5%	107.1%
Above 10 kVA	All Consumption	1800	14.50	15.50	125.0%	83.5%

1.2 Three Phase low Voltage (400 volt) Existing Tariff Rate

kWh	up to 10 KVA		Above 10 kVA	
	Service Charge	Energy charge	Service Charge	Energy charge
0-250	800.00	7.00	1,200.00	7.25
Above 250	800.00	7.90	1,200.00	7.90

1.3 Three Phase Medium voltage (33/11 kV) Purposed Tariff Rate

kWh	Demand Charge	Energy charge Asar to Kartik	Energy charge Mangsir to Jestha	Variation %	
				Demand Charge	Energy charge
All Consumption	10,000.00	15.50	16.50	51.52%	93.8%

1.3 Three Phase Medium voltage (33/11 kV) Existing tariff Rate

kWh	Service Charge	Energy charge
0-1000	6,600.00	7.25
1001-2000	6,600.00	8.00
Above 2000	6,600.00	8.75

2 Other Customer**2.1 Low voltage (230/400 Volt)**

S.N	Consumer Category	Purposed Tariff Rate		Existing Tariff Rate		Variation %	
		Electricity Tariff		Electricity Tariff		Demand Charge	Energy charge
		Demand charge per kVA per month	Energy charge per kWh per month	Demand charge per kVA per month	Energy charge per kWh per month		
1	Industrials.						
1.1	Cottage Industrials.	60.00	10.00	40.00	5.15	50%	94%
1.2	Small Industrials	110.00	12.50	70.00	6.40	57%	95%
2	Commercial	325.00	14.00	215.00	7.40	51%	89%
3	Non-Commercial	215.00	15.00	140.00	7.90	54%	90%
4	Irrigation	-	5.50		3.60		53%
5	Drinking water						
5.1	Community Drinking water	-	6.00	100.00	3.40		76%
5.2	Other Drinking Water	160.00	9.00	150.00	4.80	7%	88%

6	Transportation (Charging station)						
6.1	Public Transportation	200.00	7.00				
6.2	Other Transportation	220.00	11.00				
7	Religious & spiritual sites (Temple)	-	8.00		4.00		100%
8	Streetlight						
8.1	Streetlight with meter	-	9.03		4.80		88%
8.2	Streetlight without meter	2,475.00		1,640.00		51%	
9	Temporary	-	25.00		13.00		92%
10	Nondomestic	350.00	17.00	230.00	8.60	52%	98%
11	Entertainment	350.00	17.50	230.00	9.25	52%	89%

2.2 High Voltage		Purposed Tariff Rate		Existing Tariff Rate		Variation %	
S. N	Consumer Category	Electricity Tariff Rate		Electricity Tariff Rate		Demand Charge	Energy charge
		Demand charge per kVA per month	Energy charge per kWh per month	Demand charge per kVA per month	Energy charge per kWh per month		
A	High Voltage						
1	Industrials 132 kV						
2	Industrials 66 kV	240.00	9.50	160.00	5.00	50%	90%
B	Medium voltage 33 kV						
1	Industrials	255.00	12.00	170.00	5.60	50%	114%
2	Commercial	315.00	14.00	210.00	7.10	50%	97%
3	Non-Commercial	240.00	14.50	160.00	7.50	50%	93%
4	Irrigation	-	6.00	35.00	3.20	-100%	88%
5	Drinking water						
5.1	Community Drinking water	-	7.00	145.00	4.00	-100%	75%
5.2	Other Drinking Water	160.00	9.00	145.00	4.40	10%	105%
6	Transportation (Charging station)						
6.1	Public Transportation	230.00	7.00	150.00	3.50	53%	100%
6.2	Other Transportation	255.00	11.00	170.00	5.70	50%	93%
7	Nondomestic	350.00	16.50	230.00	8.30	52%	99%
8	Entertainment	350.00	17.50	230.00	8.90	52%	97%
C	Medium voltage 11 kV						
1	Industrials	255.00	12.00	170.00	5.80	50%	107%
2	Commercial	315.00	14.00	210.00	7.50	50%	87%
3	Non-Commercial	240.00	14.50	160.00	7.60	50%	91%
4	Irrigation		6.00	35.00	3.30	-100%	82%
5	Drinking water						
5.1	Community Drinking water		7.50	145.00	4.10	-100%	83%

5.2	Other Drinking Water	150.00	8.50	145.00	4.50	3%	89%
6	Transportation (Charging station)						
6.1	Public Transportation	230.00	7.00	150.00	3.50	53%	100%
6.2	Other Transportation	255.00	11.00	165.00	5.80	55%	90%
7	Religious & spiritual sites (Temple)	220.00	12.50	145.00	6.50	52%	92%
8	Temporary	330.00	15.00	220.00	8.00	50%	88%
9	Nondomestic	350.00	17.00	230.00	8.50	52%	100%
10	Entertainment	350.00	18.00	230.00	9.15	52%	97%

3 Electricity tariff for Time of Day

3.1 Baishakh to Mangsir Tariff rate

For All month

S. N	Consumer Category	Proposed Electricity Tariff Rate				Existing Electricity Tariff Rate				Variation %			
		Demand charge per kVA per month	Energy charge per kWh			Demand charge per kVA per month	Energy charge per kWh			Demand charge per kVA per month	Energy charge per kWh		
			Peak Time 5 PM to 11 PM	Off Peak Time 11 PM to 5 AM	Other Time 5 AM to 5 PM		Peak Time 5 PM to 11 PM	Off Peak Time 11 PM to 5 AM	Other Time 5 AM to 5 PM		Peak Time 5 PM to 11 PM	Off Peak Time 11 PM to 5 AM	Other Time 5 AM to 5 PM
A	High Voltage												
1	Industrials (132 kV)												
2	Industrials (66 kV)	240.00	11.50	5.50	9.50	160	6.1	2.7	5	50%	89%	104%	90%
B	Medium voltage 33 kV												
1	Industrials	250.00	13.00	6.50	10.50	165	6.75	3.50	5.60	52%	93%	86%	88%
2	Commercial	315.00	15.50	8.50	13.50	210	8.1	4.50	7.10	50%	91%	89%	90%
3	Non-Commercial	240.00	16.50	9.00	15.00	160	8.7	4.60	7.90	50%	90%	96%	90%
4	Irrigation		8.00	4.00	6.00	35	4.2	2.10	3.10	-100%	90%	90%	94%
5	Drinking water												
5.1	Community Drinking water		9.50	4.50	7.50	145	4.85	2.40	3.90	-100%	96%	88%	92%
5.2	Other Drinking Water	150.00	13.00	6.50	10.50	145	6.75	3.50	5.60	3%	93%	86%	88%
6	Transportation												
6.1	Charging station	230.00	9.00	5.00	6.50	150	4.6	2.50	3.40	53%	96%	100%	91%
6.2	Other Transportation	255.00	12.00	5.00	10.50	170	6.2	2.50	5.55	50%	94%	100%	89%
7	Streetlight	80.00	10.50	5.50	5.00	50	5.6	2.30	2.80	60%	88%	139%	79%

C Medium voltage 11 kV													
1	Industrials	250.00	13.50	7.00	10.50	165	7	3.60	5.60	52%	93%	94%	88%
2	Commercial	315.00	16.00	9.00	14.00	210	8.3	4.60	7.40	50%	93%	96%	89%
3	Non-Commercial	240.00	17.00	9.00	15.00	160	8.9	4.70	8.00	50%	91%	91%	88%
4	Irrigation		8.00	4.00	6.00	35	4.2	2.10	3.10	-100%	90%	90%	94%
5	Drinking water												
5.1	Community Drinking water		11.00	5.50	8.00	145	5.9	2.90	4.10	-100%	86%	90%	95%
5.2	Other Drinking Water	150.00	13.00	7.00	10.50	145	7	3.60	5.60	3%	86%	94%	88%
6	Transportation												
6.1	Charging station	230.00	9.00	5.50	6.50	175	4.75	2.80	3.50	31%	89%	96%	86%
6.2	Other Transportation	255.00	12.00	5.50	10.50	150	6.4	2.80	5.60	70%	88%	96%	88%
7	Streetlight	80.00	11.00	5.00	5.50	50	5.8	2.50	2.90	60%	90%	100%	90%
8	Religious & spiritual sites (Temple)	220.00	14.00	6.50	11.50	145	7.5	3.40	6.00	52%	87%	91%	92%
9	Temporary	330.00	18.00	8.50	15.00	220	9.5	4.40	7.75	50%	89%	93%	94%
D Low Voltage (230-400 Volt)													
I Transportation													
1.1	Charging station	200	9.00	5.00	7.00								
1.2	Other Transportation	220	12.00	5.00	10.50								

3.2 Electricity tariff for Time of Day (Push to Chaitra)

S.N	Consumer Category	Proposed Electricity Tariff Rate			Existing Electricity Tariff Rate			Variation %		
		Demand charge per kVA per month	Energy charge per kWh		Demand charge per kVA per month	Energy charge per kWh		Demand charge per kVA per month	Energy charge per kWh	
			Peak Time 5 PM to 11 PM	Other Time 11 PM to next Day 5 PM		Peak Time 5 PM to 11 PM	Other Time 5 AM to 5 PM		Peak Time 5 PM to 11 PM	Other Time 5 AM to 5 PM
A High Voltage										
1	Industrials 132 kV									
2	Industrials 66 kV	240.00	12.00	10.00	160	6.1	5	50%	97%	100%
B Medium voltage 33 kV										

1	Industrials	250.00	12.50	10.00	165	6.75	5.60	52%	85%	79%
2	Commercial	315.00	15.00	13.00	210	8.1	7.10	50%	85%	83%
3	Non-Commercial	240.00	16.00	14.00	160	8.7	7.90	50%	84%	77%
4	Irrigation		7.50	3.50	35	4.2	3.10	-100%	79%	13%
5	Drinking water									
5.1	Community Drinking water		7.50	5.50	145	4.85	3.90	-100%	55%	41%
5.2	Other Drinking Water	150.00	12.50	10.00	145	6.75	5.60	3%	85%	79%
6	Transportation									
6.1	Charging station	230.00	8.50	6.50	150	4.6	3.40	53%	85%	91%
6.2	Other Transportation	255.00	11.50	10.00	170	6.2	5.55	50%	85%	80%
7	Streetlight	80.00	10.00	5.00	50	5.6	2.80	60%	79%	79%
C	Medium voltage 11 kV									
1	Industrials	250.00	13.00	10.50	165	7	5.60	52%	86%	88%
2	Commercial	315.00	15.00	13.50	210	8.3	7.40	50%	81%	82%
3	Non-Commercial	240.00	16.50	15.00	160	8.9	8.00	50%	85%	88%
4	Irrigation		8.00	4.00	35	4.2	3.10	-100%	90%	29%
5	Drinking water									
5.1	Community Drinking water		7.50	5.50	145	5.9	4.10	-100%	27%	34%
5.2	Other Drinking Water	150.00	13.00	10.50	145	7	5.60	3%	86%	88%
6	Transportation									
6.1	Charging station	230.00	8.00	7.00	175	4.75	3.50	31%	68%	100%
6.2	Other Transportation	255.00	11.00	10.00	150	6.4	5.60	70%	72%	79%
7	Streetlight	80.00	10.00	5.50	50	5.8	2.90	60%	72%	90%
8	Religious & spiritual sites (Temple)	220.00	13.50	11.00	145	7.5	6.00	52%	80%	83%
9	Temporary	330.00	17.50	14.00	220	9.5	7.75	50%	84%	81%
D	Low Voltage (230-400 Volt)									
	Transportation									
1	Charging station	200	9.00	7.00						
2	Other Transportation	220	12.00	10.50						

3.3 No Demand charge, Time of Day Tariff Rate for Transportation (Automatic Swap Card) (Proposed Electricity Tariff Rate)

1 Public Transportation (Charging station)

Baishakh to Mangsir

Consumer Category	Energy charge per kWh		
	Peak Time 5 PM to 11 PM	Off Peak Time 11 PM to 5 AM	Other Time 5 AM to 5 PM
33 kV	10.00	5.50	8.00
11 kV	10.50	6.00	8.00
Low voltage (230 - 400 volt)	10.50	6.00	8.50

Note: Existing tariff does not have this Category

Push to Chaitra

Consumer Category	Energy charge per kWh	
	Peak Time 5 PM to 11 PM	Other Time 11 PM to next Day 5 PM
33 kV	10.00	8.00
11 kV	10.50	8.00
Low voltage (230 - 400 volt)	10.50	8.50

Note: Existing tariff does not have this Category

2 Other Transportation (Charging Station)

Baishakh to Mangsir

Consumer Category	Energy charge per kWh		
	Peak Time 5 PM to 11 PM	Off Peak Time 11 PM to 5 AM	Other Time 5 AM to 5 PM
33 kV	13.50	5.50	12.00
11 kV	14.00	6.00	12.50
Low voltage (230 - 400 volt)	14.00	6.00	12.50

Note: Existing tariff does not have this Category

2 **Push to Chaitra**

Consumer Category	Energy charge per kWh	
	Peak Time 5 PM to 11 PM	Other Time 11 PM to next Day 5 PM
33 kV	13.50	12.00
11 kV	14.00	12.50
Low voltage (230 - 400 volt)	14.00	12.50

Note: Existing tariff does not have this Category

APPENDIX D

Financial Reports of FY 2079-80

Profit and Loss Status for FY 2079-80 and with Proposed Tariff

Particulars	UOM	Actual Status FY 2079/80	Status After Proposed Tariff
Energy Purchased & Sales			
Energy purchased	kWh	38,075,917.12	38,075,917.12
Energy Sale	kWh	32,562,782.00	32,562,782.00
Self-Consumption	kWh	36,368.20	36,368.20
Network Loss	kWh	5,476,766.92	5,476,766.92
Network Loss	%	14.38	14.38
OPERATING EXPENSES			
Energy purchase	NRs	190,760,344.76	190,760,344.76
Distribution Network expense	NRs	18,112,434.43	18,112,434.43
Staff cost	NRs	36,111,050.61	36,111,050.61
Overhead	NRs	4,781,006.19	4,781,006.19
Operation Cost (Corporate cost)	NRs	20,022,790.22	20,022,790.22
Depreciation	NRs	15,601,650.23	15,601,650.23
Other expense	NRs	4,902,944.99	4,902,944.99
Total Expense	NRs	290,292,221.43	290,292,221.43
OPERATING INCOME			
Electricity Sale to Consumers	NRs	194,575,389.20	350,353,334.25
Electricity Services	NRs	4,281,167.37	4,281,167.37
Other Income	NRs	8,655,564.02	8,655,564.02
Total Income	NRs	207,512,120.59	363,290,065.64
Profit /(loss) before tax (A)	NRs	(82,780,100.84)	72,997,844.21
Equity Investment	NRs	343,519,265.52	343,519,265.52
Return on Equity @17% before tax (B)	NRs	(72,997,843.92)	72,997,843.92
Total loss =A+B	NRs	(155,777,944.76)	
Average Billing Rate	NRs	5.98	10.759
Average Billing Rate with other income	NRs	6.37	11.16
Per Unit Distribution Cost	NRs	8.91	8.91
Per unit Revenue loss	NRs	(2.54)	
Per unit ROI loss	NRs	(2.24)	
Per unit revenue loss including ROI	NRs	(4.78)	
Average billing rate including ROI	NRs	11.16	11.16
To cover 17% ROI tariff to be increased by	%	75.07%	75.07%

Butwal Power Company Limited

Andhikhola Distribution

Statement of Financial Position as at

	Audited	Audited	Budgeted/Provisional	Forecast
	FY 2078/79	FY 2079/80	FY 2080/81	FY 2081/82
ASSETS				
Non-Current Assets				
Property, plant and equipment	16,994,754.54	14,929,576.61	17,720,576.61	18,693,993.15
Intangible assets	387,334,216.39	404,724,112.84	414,724,112.84	448,077,300.96
Other non-current assets	10,870.00	5,870.00	6,457.00	5,649.00
Total Non-Current Assets	404,339,840.93	419,659,559.45	432,451,146.45	466,776,943.11
Current assets				
Inventories	7,979,156.40	8,249,225.64	10,349,225.64	9,979,269.45
Financial assets				
<i>Trade receivables</i>	9,669,774.30	10,647,184.05	11,711,902.46	11,296,337.31
<i>Cash and cash equivalents</i>	3,008,036.97	14,911,108.02	16,402,218.82	28,589,501.91
Other current assets	173,491.62	174,019.81	191,421.79	195,220.61
Total current assets	20,830,459.29	33,981,537.52	38,654,768.71	50,060,329.28
Total assets	425,170,300.22	453,641,096.97	471,105,915.16	516,837,272.38
EQUITY AND LIABILITIES				
Equity				
Own Equity	236,314,946.95	255,185,030.81	261,178,561.41	286,210,210.32
Other equity	74,216,212.07	88,334,234.71	103,935,884.94	126,671,907.13
Total Equity	310,531,159.02	343,519,265.52	365,114,446.35	412,882,117.45
Liabilities				
Non-Current Liabilities				
Grant aid in reserve	101,386,152.44	96,932,970.10	92,479,787.76	89,492,608.80
Financial liabilities	563,841.83	1,192,176.33	1,311,393.96	1,703,205.88
Provisions	5,460,427.00	3,782,395.00	3,782,395.00	4,040,779.96
Total Non-Current Liabilities	107,410,421.27	101,907,541.43	97,573,576.72	95,236,594.65
Current Liabilities				
Financial liabilities				
Trade payables	144,496.52	17,055.00	18,760.50	15,478.09
Other financial liabilities	58,742.33	58,742.33	58,742.33	58,742.33
Other current liabilities	7,025,481.08	8,138,492.69	8,340,389.26	8,644,339.87

Total Current Liabilities	7,228,719.93	8,214,290.02	8,417,892.09	8,718,560.29
Total Liabilities	114,639,141.20	110,121,831.45	105,991,468.81	103,955,154.94
Total Equity and Liabilities	425,170,300.22	453,641,096.97	471,105,915.16	516,837,272.38

Butwal Power Company Limited
Andhikhola Distribution
Statement of Profit and Loss for the year
ended

	Audited FY 2078/79	Audited FY 2079/80	Budgeted/Provisional FY 2080/81	Forecast FY 2081/82
Revenue	194,260,938.56	198,860,940.57	207,680,190.20	216,552,226.20
Cost of Sales				-
Distribution Expenses	(288,692,902.36)	(289,726,970.21)	(283,055,308.12)	(305,425,796.72)
Gross profit/(Loss)	(94,431,963.80)	(90,866,029.64)	(75,375,117.92)	(88,873,570.52)
Depreciation Being Revenue Portion of Grant Aid	4,453,182.34	4,453,182.34	4,453,182.34	4,453,182.34
Other income	4,038,537.11	4,164,234.79	3,705,000.00	3,710,000.00
Administrative and other operating expenses	(22,217,820.70)	(20,022,790.22)	(23,597,012.03)	(24,776,862.63)
Profit/(Loss)from Operation	(108,158,065.05)	(102,271,402.73)	(90,813,947.61)	(105,487,250.82)
Finance Income	18,980.42	33,762.89	40,000.00	40,000.00
Profit/ (Loss) Before Tax	(108,139,084.63)	(102,237,639.84)	(90,773,947.61)	(105,447,250.82)
Current tax	-	-		-
Profit/(Loss) for the year transferred to equity fund	(108,139,084.63)	(102,237,639.84)	(90,773,947.61)	(105,447,250.82)

Assumptions:

Following assumptions are considered for preparation of provisional and projected financial statements of Andhikhola Distribution:

1 Annual average PPA rate taken as follows:

- Rs. 4.94 per unit for FY 2078/79
- Rs. 5.01 per unit for FY 2079/80
- Rs. 5.08 per unit for FY 2080/81
- Rs. 5.08 per unit for FY 2081/82

2 Corporate Office charging rate as follows:

SBU's	Notes
CM	30% of this cost to DD out of which 60% to Galyang and 40% to Darimchour
Finance	30% of this cost to DD out of which 60% to Galyang and 40% to Darimchour
BD	Not Charged to DD
CEO Office	12.5% to DD out of which 60% to Galyang and 40% to Darimchour
Distribution HO	100% to Distribution out of which 60% to Galyang and 40% to Darimchour
Butwal office	50% to DD out of which 60% to Galyang and 40% to Darimchour
Generation HO	Not Charged to DD

3 In FY 2081/82, increased of 10% assumed compare to FY 2080/81 in following balance sheet items:

- Financial Assets
- Other Non-current Assets
- Financial Liabilities
- Trade payables
- Other Current Liabilities - Royalty to Government

4 Incorporated budgeted amount in FY 2081/82 in following balance sheet items:

- Property Plant and Equipments
- Intangible Assets
- Inventories

5 No change in Provisions of FY 2080/81 and 2081/82.

6 Other Equity and Grant Aid in Reserves are adjusted as per practice followed.

7 Balance of Intra Clearing Account (Payable to HO Account) is considered as own equity

8 Balance sheet items of FY 2078/79 and 2079/80 are based on audited financial statement

9 Profit and loss accounts are prepared based on:

- Audited for FY 2078/79 and 2079/80
- Actual estimated for FY 2080/81
- Budgeted for FY 2081/82

10 ROI is taken @ 17%

APPENDIX E

Tariff Filling Format as per ERC

APPENDIX F

Consumer Category, Sale and Revenue

Schedule - I

Application for Determination or Review of Tariff

The Electricity Regulatory Commission,
Sano Gaucharan, Nepal.

Entry No.

Subject No.

(To be filled in by the Office)

Pursuant to the decision of the Board of Directors held on January 14, 2024 I hereby submit this application, accompanied by the necessary details and documents, for the determination of tariff to be collected from the customers of this body.

- (a) Applicant's full name, surname & address: Butwal Power Company Limited, Budhha Nagar, Baneshwor, Kathmandu, Phone No. : 01-4791776, Email : info@bpc.com.np
- (b) Summary of the purpose of application: As per attached report.
(To briefly mention the fact of the application for determination of tariff, current situation of the body in the following matters and future plans and strategies, and the grounds /bases in support of the matters)
- (1) Protection of the Consumers' rights and interests,
 - (2) Ensuring the supply of electricity, and quality, regularity, adequacy and security of the services,
 - (3) Enhancement of professionalism and effectiveness of the distribution licensee,
 - (4) Requirement of resource mobilization for system reforms and investments for the same
 - (5) Expected returns on investment by the distribution licensee,
 - (6) Proposed rate of electricity tariff, existing tariff rate, and the table of percentage of change,
 - (7) Appropriate reason for changing the electricity tariff rate.

Applicant:

Signature: _____



Name : Uttara Kumar Shrestha

Designation: Chief Executive Officer

Date : 2080/10/21

विद्युत निगमन आयोग

दर्ता नं. ५६०

मिति २०८०/१०/२१



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
Butwal Power Company Limited, Kathmandu, Nepal****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of **Butwal Power Company Limited (the Company or "BPCL")** which comprise the Statement of Financial Position (SoFP) as at Ashad 32, 2079 (corresponding to July 16, 2022), the Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of Significant Accounting Policies.

In our opinion and to the best of our information and explanations provided to us, the accompanying financial statement referred to above present fairly, in all material respects, the financial position of the Company as at Ashad 32, 2079 [i.e. July 16, 2022] and its financial performance and its cash flow for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis of 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 statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 standalone financial statements for the year ended Ashad 32, 2079. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key Audit Matters	How our audit addressed the key audit matter
New Nepal Financial Reporting Standards which are specifically applicable for the current reporting period as per the pronouncement of Institute of Chartered Accountants of Nepal (ICAN) are not adopted by the Company (Refer Note 2.1 "Basis of Preparation and Measurement of the financial statements).	
BPC has opted not to adopt any of the new set of NFRS pronounced by ICAN, which are mandatory and might relate to it, but not specifically applicable considering the nature of its business and transactions for the financial year 2078-79 (2021-22). These	We discussed with the management and those charged with governance regarding the non-adoption of new NFRS for the current reporting period. We also evaluated the effect on financial position of the company due to non-adoption with each of the new



<p>standards include:</p> <ul style="list-style-type: none"> • NFRS 9 (New) "Financial Instruments", • NFRS 14 "Regulatory Deferral Accounts" • NFRS 16 "Leases", • NFRS 17 "Insurance Contracts" • NAS 29 "Financial Reporting in Hyperinflationary Economies". 	<p>NFRS's which are mandatory for current reporting period as pronounced by ICAN considering the nature of business executed by the company. Based on our evaluation considering the transaction and account balances, we determined that overall impact on the financial position and profitability of the company due to non-adoption of new NFRS won't be significant.</p> <p>Those charged with governance of the company as well as management have committed to adopt all applicable NFRSs from next year despite the effect of such adoption on financial statement not being significant.</p> <p>Considering the circumstances, we have concluded that the exception noted are not significant.</p>
<p style="text-align: center;">Royalty pertaining to additional 4.3 MW project in Andhikhola (Refer Note 13 "Other Financial Assets" and Note 35B "Contingent Liabilities and Commitments" of the financial statements).</p>	
<p>BPCL has entered into a separate Power Purchase Agreement for a new project at Andhikhola with a Commercial Operation Date on April 05, 2015 increasing its then existing capacity of 5.1 MW to 9.4 MW. The company has considered the additional 4.3 MW project at Andhikhola as a new project on the basis of a separate/new PPA agreement and has calculated and paid royalty to the Department of Electricity Development (DoED) at the rate applicable for a new project i.e. NPR 100 per KW of the installed capacity and 2% of revenue from sale of electricity. However, DoED has considered the project as an upgrade of the original project has demanded royalty applicable for an ongoing project i.e. NPR 1,000 per KW of installed capacity and 10% of revenue from sale of electricity which is under dispute and under consideration at the Supreme Court of Nepal as a writ petition</p> <p>Also, DoED, through its direct instruction to Nepal Electricity Authority (NEA), has already recovered the amount from the receivable of the company from NEA from sale of electricity made. Total disputed royalty payment withheld by NEA on behalf of DoED as of Asadh 32, 2079 amounted to NPR 39,216,416 (PY 34,498,322) and the amount thus deducted is accounted for and reported as receivable from DoED reflected under Note 13, recovery of which depends upon the outcome of the court ruling.</p>	<p>Our audit procedures included, but were not limited to, the following:</p> <p>We understood the basis taken by the company while taking a call that the additional 4.3 MW Project is a new project.</p> <p>We have evaluated the design and operation controls in relation to compliance with applicable laws and regulations.</p> <p>We collected and reviewed the summary of litigation documents provided by management and held discussion with those charge with governance.</p> <p>In respect to provisions against litigation and the assessment of contingent liabilities, we tested the calculation of the provision/contingent liability assessment, we reviewed the assumptions against third party data (wherever applicable) and assessed the estimates against the historical trends.</p> <p>We considered management's judgment on the level of provisions/recognition of contingent liability as appropriate.</p>



Impairment of Investments in Kabeli Energy Limited and Guras Energy Limited (Refer Note 6 and Note 27 "Impairment loss on investment" of the financial statements)

BPCL holds overall 56.16% shares of Kabeli Energy Limited being 27.24% direct investment and 28.92% through joint venture company Gurans Energy Limited (GEL) and as on Ashad 32, 2079 BPCL has invested around 707,860,259 (including interest receivable for NPR 79,190,659) for the 37.6 MW Kabeli A project through both the companies.

The construction work of KAHEP has been suspended since early 2020 mainly due to stoppage of loan disbursement to the project by World Bank after the expiry of disbursement deadline on December 31, 2019 and its' resultant effect and also the company failure, so far to revive the project.

Further, the Government of Nepal had also awarded the upstream Tamor Hydropower Project which will reduce the capacity of Kabeli A project. The government may compensate the project for such impact but if the project does not progress from the current stage, the position to claim the compensation may be weakened.

Considering the status of the project, future prospects, carrying value of the project and management's best judgment, the company had already considered the investment as doubt for recovery and had already booked impairment loss of NPR 512,728,738 until end of the previous FY 2077/78 (FY 2020/21).

No further provision for impairment however was made during the year since, as per management, necessary efforts for revival of the project are being considered including associating with suitable equity partners for resuming of the construction work with notable progress.

We carried out discussion with the management and those charged with governance regarding the revival plan of the Kabeli A Project and prospects of its revival considering its MOU with Arun Kabeli Power Limited KPL and initiatives taken so far. We also reviewed the board decision and other regulatory approvals with respect to revival plan. As per management and also board minute, the project will be revived through certain modifications and necessary funding required would be arranged.

We also evaluated the reasonableness of impairment loss booked by the company and the key assumptions in respect of status, future prospects, and carrying value of the project.

We discussed with the management for justification of assumptions underlying the management's best estimate of impairment loss, on the prospects and future plans of the project.

We have also assessed the adequacy of the disclosures made in the standalone financial statements.

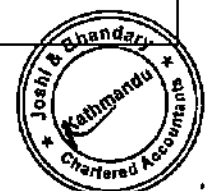
Though no concrete visible progress has been made, the basis taken by the company that no further impairment loss has been incurred other than what has already been booked till previous reporting period, cannot be questioned for the current reporting period considering the available facts.

Recoverability of Advances (Refer Note 13 "Other Financial Assets" (Current and Non-Current) of the financial statements.)

As on Shrawan 1st 2078 (opening balance), advance of NPR 20 Crore to Mr. Harish Chandra Shah (shareholder of SC Power) and NPR 1.5 Crore to SC Power Company Pvt. Ltd were outstanding as receivables in the books of BPCL.

This advance was provided in order to purchase shares of SC Power Company Ltd, the developer of 440MW Tila-I and 420 MW Tila-II hydropower projects. Due to various reasons, 337th Board meeting dated 12th of

We enquired from the management and those charged with governance about the recoverability status and reviewed communication received from the party. The Board has formed a recovery subcommittee who is overseeing the recovery process on a consistent manner. As per management, legal action for recovery would be taken against Mr. Shah, if he fails to meet his latest commitment and necessary provision would be made.



<p>April 2019 of BPCL had resolved unanimously to exit from the process of acquisition of shares of SC power Company Ltd. and to get reimbursement or refund of the advance. Based on which, a repayment schedule (commitment letter) was agreed with Mr. Harish Chandra Shah (representing as Chairman of SC Power Company Pvt. Ltd) dated Sept 03, 2021 with the following schedule for payment to be received during the current reporting period:</p> <p>(i) Payment of NPR 1 Crore within Asoj 2078. (ii) Payment of NPR 2 Crore within Kartik 2078 (iii) Payment of NPR 12.5 Crore within Chaitra End 2078 (iv) Payment of NPR 6 Crore in Jestha 2079</p> <p>Despite the commitment letter, Mr. Shah could only make payment of NPR 1.5 Crore during the current FY and no further payment was received till the time of our audit.</p> <p>As per management, initiative for recovery of the outstanding balance is made continuously and a new commitment through a supplementary agreement has been signed with Mr. Harish Chandra Shah where he has agreed to settle his entire outstanding balance by the end of Dec 2022. The following schedule for payment has been agreed</p> <p>(i) Payment of NPR 1.5 Crore by Sept 05, 2022 (ii) Payment of NPR 5 Crore by Oct end 2022 (iii) Payment of NPR 13.5 Crore by Dec end 2022</p> <p>Despite the commitment, no improvement in recovery of receivable from Mr. Shah so far is observed, as such the recoverability of receivable seems doubtful.</p>	<p>We evaluated management's judgments on the level of provision/recognition of contingent liability as appropriate and came to a conclusion that not providing for loss on recovery from receivable outstanding from Mr. Shah is appropriate for the current reporting period.</p>
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Other information

The management is responsible for other information presented in the Butwal Power Company Limited's Annual Report and Accounts FY 2078/79 (FY 2021/22) together with the Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

This report is expected to be made available to us after the date of our auditor's report. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, expect as explicitly stated below, any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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 a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard as on the date of this issuance of this report.



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

Company's management is responsible for the preparation and fair presentation of these financial statements. In accordance with NFRSs that is also described under Notes to account and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the company or to cease operations, or has no 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 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 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 risk of material misstatement of the financial statements, whether due to fraud or error, design and performed 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 omission, 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 of 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 the appropriateness of the 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 cause 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 disclosure 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.
- Evaluated 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 identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



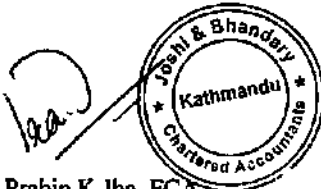
Report on Other Legal and Regulatory Requirements

As per Companies Act 2063, based on our audit carried out on sampling basis, we report that, in our opinion:

1. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were considered necessary for the purpose of our audit;
2. Proper books of accounts as required by law have been kept by the Company as far as appears from our examination of such books;
3. The Statement of Financial Position (SoFP) as at Ashad 32, 2079 [corresponding to July 16, 2022], the Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year then ended are prepared as per the provisions of the Company Act 2063 and the same are in agreement with the books of accounts maintained by the Company;
4. The business of the Company has been conducted satisfactorily; and
5. To the best of our knowledge and in accordance with explanations given to us and from our examination of the books of accounts of the Company, necessary for the purpose of our audit, we have not come across cases where the Board of Directors, representative or any employee of the Company has acted contrary to the provisions of law, or committed any misappropriation or caused loss or damage to the Company deliberately.
6. Our suggestions for improvement in the Company's internal controls and accounting system have been presented in a separate management letter.

The engagement partner on the audit resulting in this independent auditor's report is CA Prabin Kumar Jha.

Auditor



Prabin K Jha, FCA
Senior Partner

Dillibazar, Kathmandu

Date: Poush 08, 2079 (Dec 23, 2022)

UDIN - 221223CA00213971B6

Butwal Power Company Limited
Statement of Financial Position
As at 32nd Ashadh 2079 (16 July 2022)

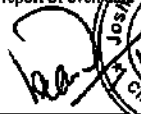
	Note	As at 32nd Ashadh 2079	As at 31st Ashadh 2078
<i>Figures in NPR</i>			
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	284,591,037	298,844,047
Capital work-in-progress	3	1,922,130	1,922,130
Intangible assets	4	1,896,368,544	1,864,526,396
Project work-in-progress	5	313,951,359	285,558,459
Financial assets			
Investment in Subsidiaries and Associates	6	2,694,986,430	2,466,668,276
Other investments	7	810,290,015	837,012,180
Other non-current assets	12	-	10,384,375
Total Non-Current Assets		6,002,109,515	5,764,915,863
Current Assets			
Inventories	8	55,364,530	50,873,400
Financial assets			
Trade receivables	9	107,473,300	93,038,501
Cash and cash equivalents	10	32,622,886	649,845,846
Bank balance other than cash and cash equivalents	11	15,000	35,015,000
Other financial assets	13	1,469,098,262	1,058,297,129
Other current assets	12	16,126,859	11,377,166
Current tax assets (net)	14	-	24,045,122
Total Current Assets		1,680,700,837	1,922,492,164
Total Assets		7,682,810,352	7,687,408,027
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	3,246,326,800	2,951,360,500
Other equity	16	3,721,867,116	4,058,030,604
Total Equity		6,968,193,916	7,009,391,104
Liabilities			
Non-Current Liabilities			
Grant aid in reserve	17	183,048,550	189,437,420
Financial liabilities			
Borrowings	19	94,659,280	110,069,324
Provisions	22	22,174,837	20,055,158
Deferred tax	14	138,697,320	140,200,827
Other non-current liabilities	20	19,393,572	22,359,958
Total Non-Current Liabilities		457,973,559	482,122,687
Current Liabilities			
Financial liabilities			
Borrowings	19	101,373,945	48,882,136
Trade payables	18	39,029,537	38,177,354
Other financial liabilities	21	27,591,996	23,102,333
Provisions	22	2,600,431	3,647,417
Other current liabilities	20	85,192,201	82,084,996
Current tax Liabilities (net)	14	854,767	-
Total Current Liabilities		256,642,877	195,894,236
Total Liabilities		714,616,436	678,016,923
Total Equity and Liabilities		7,682,810,352	7,687,408,027

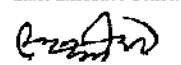
The accompanying notes are integral part of these financial statements.



Uttam Kumar Shrestha
 Chief Executive Officer



Padma Jyoti
 Chairman


Pradeep Kumar Shrestha
 Director

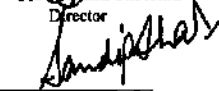
As per our report of even date

Prabin Kumar Jha
 Partner
 Joshi & Bhandary
 Chartered Accountants


Redheshyam Shrestha
 Vice President, Finance


Bijaya Krishna Shrestha
 Director


Om Prakash Shrestha
 Director


Raju Maharjan
 Director


Dr. Sandip Shah
 Director


Dinesh Humagata
 Director


Tirtha Man Shakya
 Independent Director



Date: 22 December, 2022
 Place: Kathmandu, Nepal

Butwal Power Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 32nd Ashadh 2079 (16 July 2022)

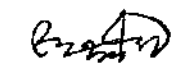
	Note	2078-79	2077-78
Revenue	23	775,048,826	646,141,923
Cost of Sales			
Generation Expenses	24	(295,792,791)	(312,180,903)
Distribution Expenses	25	(137,874,933)	(124,160,425)
Gross profit		341,381,102	209,800,595
Depreciation Being Revenue Portion of Grant Aid	17	7,839,086	7,782,134
Other income	28	40,029,093	687,715,221
Administrative and other operating expenses	26	(127,427,032)	(127,739,479)
Impairment loss on investment	27	-	(252,051,858)
Profit from Operation		261,822,249	525,506,613
Finance income	29	99,928,739	58,531,646
Finance Costs	30	(12,809,954)	(19,435,478)
Profit Before Tax		348,941,034	564,602,781
Income Tax Expense			
Current tax	14	(69,613,764)	(115,873,047)
Deferred tax credit/charge	14	(5,177,034)	53,085,940
Profit for the year		274,150,236	501,815,674
Other comprehensive Income:			
Other comprehensive Income not to be reclassified to profit or loss in subsequent periods			
i. Equity instruments through other comprehensive income	7	(26,722,165)	(157,305,900)
ii. Tax relating to items that will not to be reclassified to profit or loss	14	6,680,541	39,326,475
Other comprehensive gain/(loss) for the year, net of tax		(20,041,624)	(117,979,425)
Total Comprehensive gain/(loss) for the year, net of tax		254,108,612	383,836,249
Earnings per equity share of Rs. 100 each			
Basic Earnings per share - Rs.	31	8.44	15.46
Diluted Earnings per share - Rs.	31	8.44	15.46

The accompanying notes are integral part of these financial statements.


Uttam Kumar Shrestha
Chief Executive Officer

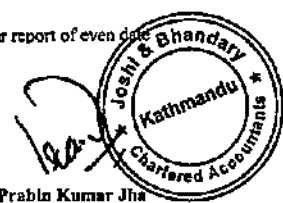

Padma Jyoti
Chairman


Pradeep Kumar Shrestha
Director

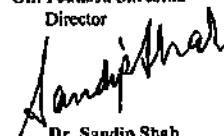

Radheshyam Shrestha
Vice President, Finance


Bijaya Krishna Shrestha
Director


Om Prakash Shrestha
Director

As per our report of even date

Prabin Kumar Jha
Partner
Joshi & Bhandary
Chartered Accountants


Raju Maharjan
Director


Dr. Sandip Shah
Director


Dinesh Homagain
Director

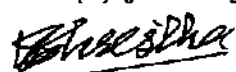

Tirtha Man Shakya
Independent Director

Date: 22 December, 2022
Place: Kathmandu, Nepal

Buteval Power Company Limited
Statement of Cash Flows
For the year ended 32nd Ashadh 2079 (16 July 2022)

	Note	2078-79	2077-78
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		348,941,034	564,602,781
Adjustments for:			
Depreciation on property, plant and equipment		21,788,417	24,029,406
Amortization of Intangible Assets		78,324,454	75,533,350
Depreciation Being Revenue Portion of Grant Aid		(7,839,086)	(7,782,134)
Provision for employee benefits		1,072,693	4,143,290
Provision for Bonus		14,993,429	20,561,832
Finance income		(99,928,739)	(58,531,646)
Equity Investment written off		-	-
Impairment of Intangible asset		1,211,411	3,652,600
Finance cost		12,642,219	19,268,852
Impairment loss on investment in subsidiaries and associates		-	252,051,838
Loss/ (gain) on sale of Property, plant and equipment		-	(2,837,277)
Unrealized foreign exchange difference on cash and cash equivalents		(273,774)	44,074
Working capital adjustments:			
(Increase)/ Decrease in Trade receivables		(14,434,799)	(19,706,626)
(Increase)/ Decrease in other financial assets		(81,568,530)	746,911,210
(Increase)/ Decrease in other assets		5,634,682	(9,130,648)
(Increase)/ Decrease in Inventories		(4,491,130)	3,163,487
Increase / (Decrease) in trade payables		852,183	17,345,620
Increase / (Decrease) in financial liabilities		4,489,663	659,354
Increase / (Decrease) in other current liabilities		(2,990,778)	(1,201,969)
Cash generated from operations		278,423,349	1,632,777,414
Bonus paid		(20,561,832)	(14,689,708)
Income Tax Paid		(44,713,875)	(131,528,875)
NET CASH FLOWS FROM OPERATING ACTIVITIES		213,147,642	1,486,558,831
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Proceeds from sale of Property, Plant and Equipment		447,852	3,675,876
(Increase)/Decrease in Project work-in-progress		(28,392,900)	(19,165,269)
(Increase)/Decrease in Investment in Fixed Deposits		(339,232,603)	(700,767,397)
Interest Received		99,928,739	58,531,646
(Increase)/ Decrease Investment in Subsidiaries and Associates		(228,318,154)	375,422,747
(Increase)/ Decrease in Other Investments		-	(20,000,000)
Acquisition of Property, plant and Equipment		(7,983,259)	(7,907,933)
Purchase of Intangibles		(111,378,013)	(72,525,048)
Grant Aid received/ (refunded)		1,450,216	1,410,366
Bank balance other than cash and cash equivalents		35,000,000	(7,000)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(568,478,122)	(381,332,012)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of further public offering (FPO)		-	-
Issue of right share		-	-
Share Issue Cost		-	-
Borrowing (repaid) / taken (net)		(49,292,180)	(82,764,272)
Dividend paid		(286,605,800)	(407,801,325)
Interest paid		(12,642,219)	(19,451,043)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(348,540,199)	(510,016,640)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(703,870,679)	595,210,179
Net foreign exchange difference on cash and cash equivalents		273,774	(44,074)
CASH AND CASH EQUIVALENTS, Beginning of Year		649,845,846	54,679,741
CASH AND CASH EQUIVALENTS, End of Period	38	(83,751,859)	649,845,846

The accompanying notes are integral part of these financial statements.



Utkar Kumar Shrestha
Chief Executive Officer



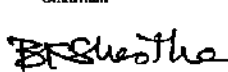
Radma Jyoti
Chairman



Pradeep Kumar Shrestha
Director



Radheshyam Shrestha
Vice President, Finance



Bijaya Krishna Shrestha
Director



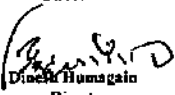
Om Prakash Shrestha
Director



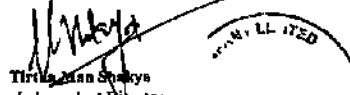
Raju Maharjan
Director



Dr. Sandip Shah
Director

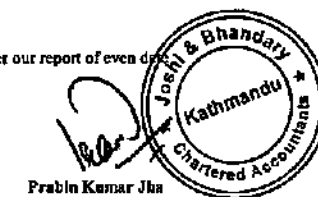


Dipak Humagain
Director



Tirth Man Shrestha
Independent Director

As per our report of even date



Prabin Kumar Jha
Partner
Joshi & Bhandary
Chartered Accountants

Date: 22 December, 2022
Place: Kathmandu, Nepal

Butwal Power Company Limited
Statement of Changes in Equity
For the year ended 31st Ashadh 2079 (16 July 2022)

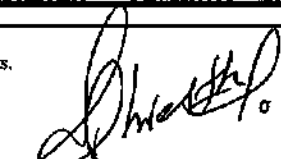
Figures in NPR

	Equity Share Capital	Retained earnings and reserves			Total	
		Share Premium	General Reserve	Fair Value Reserve		Retained Earnings
Balance at 1 Shrawan 2077	2,683,881,800	1,767,535,318	148,700,000	403,789,964	2,025,139,523	7,029,046,605
Profit for the year	-	-	-	-	501,815,674	501,815,674
Other comprehensive income	-	-	-	(117,979,425)	-	(117,979,425)
Total comprehensive income	-	-	-	(117,979,425)	501,815,674	383,836,249
Issue of right share	-	-	-	-	-	-
Issue of Further Public Offering (FPO)	-	-	-	-	-	-
Issue of bonus share	267,478,700	-	-	-	(267,478,700)	-
Share Issue Cost	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	(403,491,750)	(403,491,750)
Balance at 31st Ashadh 2078	2,951,360,500	1,767,535,318	148,700,000	285,810,539	1,855,984,747	7,009,391,104
Profit for the year	-	-	-	-	274,150,236	274,150,236
Other comprehensive income	-	-	-	(20,041,624)	-	(20,041,624)
Total comprehensive income	-	-	-	(20,041,624)	274,150,236	254,108,612
Issue of right share	-	-	-	-	-	-
Issue of Further Public Offering (FPO)	-	-	-	-	-	-
Issue of bonus share	294,966,300	-	-	-	(294,966,300)	-
Share Issue Cost	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	(295,305,800)	(295,305,800)
Balance at 31st Ashadh 2079	3,246,326,800	1,767,535,318	148,700,000	265,768,915	1,539,862,883	6,968,193,916


The accompanying notes are integral part of these financial statements.


Uttam Kumar Shrestha
 Chief Executive Officer


Radana Jyoti
 Chairman



Pradeep Kumar Shrestha
 Director

As per our report of even date

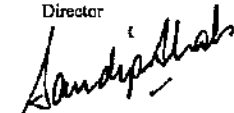

Radhesyam Shrestha
 Vice President, Finance


Bijaya Krishna Shrestha
 Director


Om Prakash Shrestha
 Director


Prabin Kumar Jha
 Partner
 Joshi & Bhandary
 Chartered Accountants


Raju Maharjan
 Director


Dr. Sandip Shah
 Director


Dinesh Humagain
 Director


Timsha Man Shakya
 Independent Director



Date: 22 December, 2022
 Place: Kathmandu, Nepal

Butwal Power Company Limited
Notes to the financial statements for the year ended 32nd Ashadh 2079

Figures in NPR

Note no: 3

Property, plant and equipment:

	Freehold Land	Building	Office Equipment	Furniture and Fixtures	Plant & Equipment	Vehicles	Computers	Capital work-in-progress	Total
Cost									
Balance at 1st Shrawan 2077	48,515,535	263,452,318	61,308,027	24,976,646	2,379,476	41,851,434	17,416,141	1,922,130	461,821,707
Additions	-	-	4,857,679	104,104	1,426,162	222,000	1,297,988	-	7,907,933
Transfer from CWIP	-	-	-	-	-	-	-	-	-
Disposals	-	-	(2,095,714)	(233,963)	(39,712)	(417,349)	(1,070,695)	-	(3,857,433)
Balance at 31st Ashadh 2078	48,515,535	263,452,318	64,069,992	24,846,787	3,765,926	41,656,085	17,643,434	1,922,130	465,872,207
Additions	-	1,265,404	920,994	242,057	399,094	1,769,900	3,385,810	-	7,983,259
Transfer from CWIP	-	-	-	-	-	-	-	-	-
Disposals	-	-	(585,250)	(1,218,992)	(33,959)	(9,482)	(322,288)	-	(2,169,971)
Balance at 32nd Ashadh 2079	48,515,535	264,717,722	64,405,736	23,869,852	4,131,051	43,416,503	20,706,956	1,922,130	471,685,495
Accumulated depreciation									
Balance at 1st Shrawan 2077	-	51,639,062	41,998,853	18,249,759	1,738,515	19,985,364	10,483,905	-	144,095,458
Charge for the year	-	10,563,557	5,181,676	1,776,767	284,336	4,385,523	1,837,547	-	24,029,406
Disposals	-	-	(1,643,189)	(192,322)	(24,735)	(297,464)	(861,124)	-	(3,018,834)
Balance at 31st Ashadh 2078	-	62,202,619	45,537,340	19,834,204	1,998,116	24,073,423	11,460,328	-	165,106,030
Charge for the year	-	10,040,580	4,575,451	1,354,559	409,620	3,733,169	1,675,038	-	21,788,417
Disposals	-	-	(488,159)	(924,126)	(23,072)	(7,494)	(279,268)	-	(1,723,119)
Balance at 32nd Ashadh 2079	-	72,243,199	49,624,632	20,264,637	2,384,664	27,799,098	12,856,098	-	185,172,328
Net book value									
At 1st Shrawan 2077	48,515,535	211,813,256	19,309,174	6,726,887	640,961	21,866,070	6,932,236	1,922,130	317,726,249
At 31st Ashadh 2078	48,515,535	201,249,699	18,532,652	5,012,583	1,767,810	17,582,662	6,183,106	1,922,130	300,766,127
At 32nd Ashadh 2079	48,515,535	192,474,523	14,781,104	3,605,215	1,746,397	15,617,405	7,850,858	1,922,130	286,513,167

a) Refer Note 19 for the details in respect of certain assets hypothecated/mortgaged as security for borrowings.

b) Capital work in progress includes expenditure on on-going contractual works for development of Revenue Accounting Software

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Burwal Power Company Limited
Notes to the financial statements for the year ended 32nd Ashadh 2079

Figures in NPR

Note no: 4

Intangible assets:

	Computer Software	Service Concession Arrangement	Total
Balance at 1st Shrawan 2077	974,918	2,222,642,207	2,223,617,125
Additions - Externally acquired	1,528,890	70,996,158	72,525,048
Transfer from CWIP	-	-	-
Adjustment during the year	(840,257)	(3,927,583)	(4,767,840)
Balance at 31st Ashadh 2078	1,663,551	2,289,710,782	2,291,374,333
Additions - Externally acquired	-	111,378,013	111,378,013
Transfer from CWIP	-	-	-
Adjustment during the year	(39,550)	(1,375,919)	(1,415,469)
Balance at 32nd Ashadh 2079	1,624,001	2,389,712,876	2,401,336,877
Amortisation			
Balance at 1st Shrawan 2077	711,003	351,718,874	352,429,877
Charge for the year	502,739	75,030,611	75,533,350
Adjustment during the year	(840,257)	(274,983)	(1,115,240)
Balance at 31st Ashadh 2078	373,485	426,474,452	426,847,937
Charge for the year	334,688	77,989,766	78,324,454
Adjustment during the year	(39,550)	(164,508)	(204,058)
Balance at 32nd Ashadh 2079	668,623	504,299,710	504,968,333
Net book value			
At 1st Shrawan 2077	263,915	1,870,923,383	1,871,187,298
At 31st Ashadh 2078	1,290,066	1,863,236,330	1,864,526,396
At 32nd Ashadh 2079	955,378	1,895,413,166	1,896,368,544

- a) Refer Note 19 for the details in respect of certain intangible assets hypothecated/mortgaged as security for borrowings.
b) The tenure of the Service Concession Arrangement of 9.4 MW Andhikhola and 12 MW Jhimruk Hydro Power Plant for generation, transmission and distribution shall be ended on Chaitra 2101 B.S. and Chaitra 2102 B.S. respectively.

Note no: 5

Project work-in-progress

Particulars	As at 32nd Ashadh 2079	As at 31st Ashadh 2078
	At cost	At cost
Chino Khola SHP	32,856,368	30,983,674
Lower Manang Marsyangdi HEP	202,320,629	198,929,729
Mugu Karnali HEP	76,599,012	55,573,356
Solar Project at Jhimruk Area (7 MW)	2,175,350	71,700
Total	313,951,359	285,558,459

- a) Expenditure on Lower Manang Marsyangdi, Chino Khola, Mugu Karnali and Solar at Jhimruk project are shown as project work in progress. Refer Note 35C (iii), (iv), (v) and (xi) for status and detail of these projects



Note no: 6

Investment in subsidiaries and associates

Particulars	As at 31st Ashadh 2079		As at 31st Ashadh 2078	
	No. of shares	Amount	No. of shares	Amount
Unquoted Investments at cost				
Investment in Subsidiary Companies				
Nepal Hydro & Electric Limited (Equity Shares of NPR 100 each fully paid up)	715,800	71,580,000	715,800	71,580,000
Khudi Hydropower Limited (Equity Shares of NPR 100 each fully paid up)	504,000	50,400,000	504,000	50,400,000
Khudi Hydropower Limited (Preference Shares of NPR 100 each fully paid up)	576,000	57,600,000	576,000	57,600,000
BPC Services Limited (Equity Shares of NPR 100 each fully paid up)	100,000	10,000,000	100,000	10,000,000
Nyadi Hydropower Limited (Equity Shares of NPR 100 each fully paid up)	10,751,453	1,075,145,300	10,751,453	1,075,145,300
Hydro-Consult Engineering Limited (Equity Shares of NPR 100 each fully paid up)	147,231	42,991,260	117,783	11,778,500
Investment in Associate Companies				
Gurans Energy Limited (Equity Shares of NPR 100 each fully paid up)	3,319,836	331,983,600	3,319,836	331,983,600
Kabeli Energy Limited (Equity Shares of NPR 100 each fully paid up)	2,966,860	296,686,000	2,966,860	296,686,000
Convertible loan to Kabeli Energy Limited (convertible to fixed number of equity share)	-	1,260,044	-	1,260,044
Himal Hydropower Company Pvt. Ltd. (Equity Shares of NPR 100 each fully paid up)	601,300	789,700,830	601,300	777,902,830
Marsyangdi Transmission Company Pvt. Ltd. (Equity Shares of NPR 100 each fully paid up)	6,406	10,346,245	6,406	10,346,245
Manang Marsyangdi Hydropower Company Pvt. Ltd. (Equity Shares of NPR 100 each fully paid up). Refer note 2.26 (k) for details	198,455	147,402,781	198,455	126,756,282
SCIG Int'l Nepal Hydro Joint Development Co. Pvt. Ltd. (Equity Shares of NPR 100 each fully paid up)	3,125,439	93,520,876	3,125,439	93,520,876
Advance towards share capital including incidental cost:				
SCIG Int'l Nepal Hydro Joint Venture Development Co. Pvt. Ltd.	-	44,000,000	-	44,000,000
Gurans Energy Limited	-	3,012,232	-	200,000
Hydro-Consult Engineering Limited	-	-	-	7,501,337
Manang Marsyangdi Hydropower Company Pvt. Ltd.	-	182,086,000	-	12,736,000
Gross Investment at Cost (A)	23,012,780	3,207,715,168	22,983,334	2,979,397,014
Less: Provision for impairment loss				
Gurans Energy Limited		(274,371,902)		(274,371,902)
Kabeli Energy Limited		(238,356,836)		(238,356,836)
Total Provision (B)		(512,728,738)		(512,728,738)
Net Investment at cost less impairment (A+B)		2,694,986,430		2,466,668,276

Note no: 7

Other Investments

Particulars	As at 31st Ashadh 2079		As at 31st Ashadh 2078	
	No. of shares	Amount	No. of shares	Amount
Unquoted Investments at fair value through other comprehensive income				
Himal Power Limited (HPL) (Equity Shares of NPR 100 each fully paid up)	2,978,502	760,196,753	2,978,502	792,758,372
Hydro Lab (P) Limited (Equity Shares of NPR 100 each fully paid up)	10,000	30,093,262	10,000	24,253,808
Total Investment at Fair Value through Other Comprehensive Income	2,988,502	790,290,015	2,988,502	817,012,180
Advance towards share capital including incidental cost:				
Nepal Power Exchange Ltd.	-	20,000,000	-	20,000,000
Total other investments	2,988,502	810,290,015	2,988,502	837,012,180

Butwal Power Company Limited
Notes to the financial statements for the year ended 32nd Ashadh 2079

Figures in NPR

Note no: 8
Inventories

Particulars	As at 32nd Ashadh 2079	As at 31st Ashadh 2078
General Stock/Office Supplies/Consumer Service Items	9,410,599	8,860,772
Stock of Electric Goods	8,515,017	7,536,857
T/L & D/L Stock	6,664,035	6,084,793
Other engineering inventories and spare parts	30,774,879	28,390,978
Total	55,364,530	50,873,400

Refer Note 19 for the details in respect of assets hypothecated/mortgaged as security for borrowings.

Note no: 9
Trade receivables

Particulars	As at 32nd Ashadh 2079	As at 31st Ashadh 2078
Nepal Electricity Authority	88,483,280	57,650,102
Local Consumers	18,990,020	35,388,399
Total	107,473,300	93,038,501

Refer Note 19 for the details in respect of assets hypothecated/mortgaged as security for borrowings.

Note no: 10
Cash and cash equivalents

Particulars	As at 32nd Ashadh 2079	As at 31st Ashadh 2078
Balances with banks		
Local currency account		
In current accounts	24,156,407	90,965,851
In call accounts	3,276,850	4,771,136
In deposits accounts (Original maturity less than 3 months)	-	550,000,000
Convertible currencies account		
In current accounts	2,887,300	2,685,395
In call accounts	1,246,004	1,174,404
Cheques in Hand	410,209	-
Cash in hand	646,116	249,060
Total	32,622,886	649,845,846

Refer Note 19 for the details in respect of assets hypothecated/mortgaged as security for borrowings.

Note no: 11
Bank balance other than cash and cash equivalents

Particulars	As at 32nd Ashadh 2079	As at 31st Ashadh 2078
Balances with Bank		
In deposit account	-	35,000,000
Embarked balance with bank		
Margin money	15,000	15,000
Total	15,000	35,015,000

a. Refer Note 19 for the details in respect of assets hypothecated/mortgaged as security for borrowings.



Butwal Power Company Limited
Notes to the financial statements for the year ended 31st Ashadh 2079

Figures in NPR

Note no: 12

Other assets (Current and Non-current)

Particulars	As at 31st Ashadh 2079		As at 31st Ashadh 2078	
	Current	Non-current	Current	Non-current
Capital advance	761,823	-	-	10,384,375
Prepaid Expenses	15,365,036	-	11,377,166	-
Gratuity Fund Surplus	-	-	-	-
Total	16,126,859	-	11,377,166	10,384,375

a) Refer Note 19 for the details in respect of assets hypothecated/mortgaged as security for borrowings.

Note no: 13

Other financial assets (Current and Non-current)

Particulars	As at 31st Ashadh 2079		As at 31st Ashadh 2078	
	Current	Non-current	Current	Non-current
Deposit (Others)	470,268	-	527,888	-
Advances to Staff	351,780	-	387,707	-
Receivables from Employee Welfare Fund	14,301,855	-	9,301,855	-
Receivables from Harish Chandra Shah	185,000,000	-	200,000,000	-
Receivables from SC Power Company Pvt. Ltd.	15,000,000	-	15,000,000	-
Dividend receivable from subsidiaries and associates	16,705,060	-	16,705,060	-
Interest receivable from subsidiaries and associates	79,190,659	-	79,190,659	-
Investment in Fixed Deposit	1,030,000,000	-	700,767,397	-
Other receivables from subsidiaries and associates	806,381	-	-	-
Advance to subsidiaries and associates	87,500,000	-	-	-
Other receivables from Department of Electricity Development (DoED)	39,216,416	-	34,498,322	-
Other receivables	555,843	-	1,918,241	-
Total	1,469,098,262	-	1,058,297,129	-

Refer Note 19 for the details in respect of assets hypothecated/mortgaged as security for borrowings.



Note no: 14
INCOME TAXES

A. Tax expense recognised in the Statement of Profit and Loss

	Year ended 32 Ashadh, 2079	Year ended 31 Ashadh, 2078
Current tax expenses		
Current tax on profits for the year	69,613,764	115,873,047
Adjustments for under provision in prior periods	-	-
Deferred tax credit/charge		
Origination and reversal of temporary differences	5,177,034	(53,085,940)
Adjustments/(credits) related to previous years - (net)	-	-
Income tax expense reported in Statement of Profit or Loss	74,790,798	62,787,107

B. Tax expense recognised in Other comprehensive income

	Year ended 32 Ashadh, 2079	Year ended 31 Ashadh, 2078
Deferred tax		
Origination and reversal of temporary differences	(6,680,541)	(39,326,475)
Adjustments/(credits) related to previous years - (net)	-	-
Income tax charged to OCI	(6,680,541)	(39,326,475)

C. Current tax asset / (liability) -net:

	Year ended 32 Ashadh, 2079	Year ended 31 Ashadh, 2078
Advance Income Tax	70,967,568	139,918,169
Less: Income Tax Liability	(71,822,335)	(115,873,047)
Total	(854,767)	24,045,122

D. Reconciliation of tax liability on book profit vis-à-vis actual tax liability

	Year ended 32 Ashadh, 2079			Year ended 31 Ashadh, 2078		
	Hydro	Other source	Total	Hydro	Other source	Total
Accounting Profit/ (Loss) before income tax	245,607,038	103,333,997	348,941,035	143,446,176	421,156,605	564,602,781
Enacted tax rate	20%	25%		20%	25%	
Computed tax expense	49,121,408	25,833,499	74,954,907	28,689,235	105,289,151	133,978,386
Differences due to:						
Tax effect due to non taxable income	-	(2,860,052)	(2,860,052)	-	(81,239,065)	(81,239,065)
Effect due to non deductible expenses	3,276,741	2,300,421	5,577,162	4,810,046	67,471,404	72,281,450
Tax effect due to difference in depreciation rate	(8,016,119)	(42,134)	(8,058,253)	(9,037,356)	(110,368)	(9,147,724)
Current tax on profits for the year	44,382,030	25,231,734	69,613,764	24,461,925	91,411,122	115,873,047





E. The movement in deferred tax assets and liabilities during the year ended 31 Ashadh, 2078 and 32 Ashadh, 2079:








i. Movement during the year ended 31 Ashadh, 2078

	As at 1 Shrawan, 2077	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 Ashadh, 2078
Deferred tax assets/(liabilities)				
Provision for leave encashment	4,136,968	902,787	-	5,039,755
Provision for loss on investment	65,169,220	63,012,965	-	128,182,185
Depreciation and Amortisation	(167,441,222)	(10,793,374)	-	(178,234,596)
Investment in equity instrument	(134,598,655)	-	39,326,475	(95,270,180)
Amortisation cost of term loan	118,447	(36,438)	-	82,009
Total	(232,613,242)	53,085,940	39,326,475	(140,200,827)

ii. Movement during the year ended 32 Ashadh, 2079

	As at 1 Shrawan, 2078	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 32 Ashadh, 2079
Deferred tax assets/(liabilities)				
Provision for leave encashment	5,039,755	234,783	-	5,274,538
Provision for loss on investment	128,182,185	-	-	128,182,185
Depreciation and Amortisation	(178,234,596)	(5,329,808)	-	(183,564,404)
Investment in equity instrument	(95,270,180)	-	6,680,541	(88,589,639)
Amortisation cost of term loan	82,009	(82,009)	-	-
Total	(140,200,827)	(5,177,034)	6,680,541	(138,697,320)

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Butwal Power Company Limited
Notes to the financial statements for the year ended 31st Ashadh 2079

Figures in NPR

Note no: 15
Equity Share Capital

Particulars	As at 32nd Ashadh, 2079		As at 31st Ashadh, 2078	
	No. of Shares	Amount	No. of Shares	Amount
A. Equity Shares				
Authorized				
Equity Shares of Rs. 100 each with voting rights	80,000,000	8,000,000,000	80,000,000	8,000,000,000
Issued				
Equity Shares of Rs. 100 each with voting rights	32,463,268	3,246,326,800	29,513,605	2,951,360,500
Subscribed and Fully Paid				
Equity Shares of Rs. 100 each with voting rights	32,463,268	3,246,326,800	29,513,605	2,951,360,500
	<u>32,463,268</u>	<u>3,246,326,800</u>	<u>29,513,605</u>	<u>2,951,360,500</u>

B. Reconciliation of the number of shares outstanding at the beginning and end of the year

	As at 32nd Ashadh, 2079	As at 31st Ashadh, 2078
	No. of Shares	No. of Shares
Balance as at the beginning of the year	29,513,605	26,838,818
Add: Issue of bonus share during the year	2,949,663	2,674,787
Balance as at end of the year	<u>32,463,268</u>	<u>29,513,605</u>

C. Details of shareholding more than 1%

Particulars	As at 32nd Ashadh, 2079		As at 31st Ashadh, 2078	
	No. of Shares	Share %	No. of Shares	Share %
Shangri-La Energy Ltd.	18,277,920	56.30%	16,616,291	56.30%
Government of Nepal	2,409,761	7.42%	2,190,692	7.42%
IKN Nepal A.S., Norway	513,037	1.58%	466,397	1.58%
United Mission to Nepal	443,963	1.37%	403,603	1.37%
Nepal Electricity Authority	279,975	0.86%	254,522	0.86%
General Public Shareholders				
- Other General Public shareholders	10,538,612	32.46%	9,582,100	32.47%

D. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of NPR 100 per share. Every member holding equity shares therein shall have voting rights in proportion to the member's share of the paid up equity share capital. The Company declares and pays dividend in Nepalese rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of 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 equity shareholders.



Butwal Power Company Limited
Notes to the financial statements for the year ended 32nd Ashadh 2079

Figures in NPR

E. Dividend Paid and Proposed:

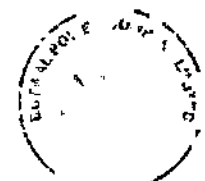
Declared dividends and proposed dividends	As at 32nd Ashadh, 2079	As at 31st Ashadh, 2078
Declared and approved for during the year:		
Dividends on ordinary shares:	295,305,800	403,491,750
Final dividend for 2077-78: NPR. 10 per share (2076-77: NPR. 15 per share)		
Proposed for approval at the annual general meeting (not recognised as a liability as at balance sheet date):		
Dividends on ordinary shares:		
Proposed dividend for 2078-79: Cash dividend NPR 7.5 per share and stock dividend NPR 5 per share, (2077-78: cash dividend NPR 10 per share and stock dividend NPR 10 per share)		295,305,800

Note no: 16

Other equity

	Share Premium	General Reserve	Fair Value Reserve	Retained Earnings	Total
Balance at 1 Shrawan 2077	1,767,535,318	148,700,000	403,789,964	2,025,139,523	4,345,164,805
Profit for the year	-	-	-	501,815,674	501,815,674
Other comprehensive income	-	-	(117,979,425)	-	(117,979,425)
Issue of right share	-	-	-	-	-
Issue of Further Public Offering	-	-	-	-	-
Issue of bonus share	-	-	-	(267,478,700)	(267,478,700)
Share Issue Cost	-	-	-	-	-
Dividends to shareholders	-	-	-	(403,491,750)	(403,491,750)
Balance at 31st Ashadh 2078	1,767,535,318	148,700,000	285,810,539	1,855,984,747	4,058,030,604
Profit for the year	-	-	-	274,150,236	274,150,236
Other comprehensive income	-	-	(20,041,624)	-	(20,041,624)
Issue of right share	-	-	-	-	-
Issue of Further Public Offering	-	-	-	-	-
Issue of bonus share	-	-	-	(294,966,300)	(294,966,300)
Share Issue Cost	-	-	-	-	-
Dividends to shareholders	-	-	-	(295,305,800)	(295,305,800)
Balance at 32nd Ashadh 2079	1,767,535,318	148,700,000	265,768,915	1,539,862,883	3,721,867,116

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Butwal Power Company Limited
Notes to the financial statements for the year ended 31st Ashadh 2079

Figures in NPR

Note no: 17 Grant aid in reserve	As at 31st Ashadh 2079		As at 31st Ashadh 2078	
	Closing balance	Amortisation for the year	Closing balance	Amortisation for the year
Particulars				
Name of Grantors				
NORAD	7,807,125	328,484	8,135,610	328,484
UMN PCS	15,585,541	673,931	16,259,473	673,931
USAID	8,798,293	382,723	9,181,017	382,724
REGDAN	9,558,252	414,375	9,972,627	414,375
JRP	4,741,456	206,805	4,948,261	206,805
REBP	63,892,480	2,773,848	66,666,329	2,773,849
Local VDC/Community	72,665,403	3,058,920	74,274,103	3,001,966
Total	183,048,450	7,839,086	189,437,420	7,782,134

Note no: 18 Trade payables	As at 31st Ashadh 2079		As at 31st Ashadh 2078	
	Current	Non-Current	Current	Non-Current
Particulars				
Trade payables	39,029,537	-	38,177,354	-
Total	39,029,537	-	38,177,354	-

Note no: 19 Borrowings	As at 31st Ashadh 2079		As at 31st Ashadh 2078	
	Current	Non-Current	Current	Non-Current
Particulars				
Measured at amortised cost				
Secured Borrowings from Banks				
Term loan	15,000,000	94,659,280	48,882,136	110,069,324
Overdraft	86,373,945	-	-	-
Total	101,373,945	94,659,280	48,882,136	110,069,324

1) Term loan includes another loan obtained from Sunrise Bank which is secured as charge by way of hypothecation on Land and Building of company's corporate office situated at Kathmandu.

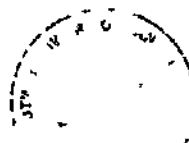
2) Short term loan and overdraft facility is obtained from Sunrise Bank which is secured as charge by way of assignment of revenue stream of Jhimruk project.

3) Terms of Repayment of Term Loans

Particulars	As at 31st Ashadh 2079		As at 31st Ashadh 2078	
	2-3 Years	4-5 Years	5-10 Years	Total
2-3 Years	30,000,000			30,000,000
4-5 Years		30,000,000		30,000,000
5-10 Years			34,659,280	34,659,280
Total		94,659,280		109,659,280

Note no: 20
Other liabilities (current and non-current)

Particulars	As at 31st Ashadh 2079		As at 31st Ashadh 2078	
	Current	Non-Current	Current	Non-Current
Advance Received from DDC, VDC and NTC	920,962	19,393,572	920,962	22,359,958
Dividend Payable	59,503,247	-	50,803,247	-
Statutory dues	7,528,669	-	7,777,536	-
VAT Payable (Net)	24,288	-	(1,165)	-
Welfare Fund Clearing Account	2,221,606	-	2,022,584	-
Bonus payable	14,993,429	-	20,561,832	-
Total	85,192,201	19,393,572	82,084,996	22,359,958



Bulwal Power Company Limited
Notes to the financial statements for the year ended 32nd Ashadh 2079

Figures in NPR

Note no: 21

Other Financial Liabilities

Particulars	As at 32nd Ashadh 2079		As at 31st Ashadh 2078	
	Current	Non-Current	Current	Non-Current
Employees Accounts Payable	11,814,149	-	10,109,891	-
Refundable Deposits of Parties	1,868,349	-	1,697,725	-
Retention Payable	4,916,862	-	2,688,112	-
Royalty Payable	6,666,222	-	5,320,971	-
Other Payable	2,326,414	-	3,285,634	-
Total	27,591,996	-	23,102,333	-

Note no: 22

Provisions (current and non-current)

Particulars	As at 32nd Ashadh 2079		As at 31st Ashadh 2078	
	Current	Non-Current	Current	Non-Current
Provision for leave encashment	2,600,431	22,174,837	3,647,417	20,055,158
Total	2,600,431	22,174,837	3,647,417	20,055,158

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Butwal Power Company Limited
Notes to the financial statements for the year ended 31st Ashadh 2079

Figures in NPR

Note no: 23
Revenue

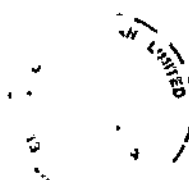
Particulars	2078-79	2077-78
Electricity Sale to NEA		
Electricity Sale	529,469,371	437,727,966
Short supply charges	(2,707,568)	(14,003,309)
	<u>526,761,803</u>	<u>423,724,657</u>
Electricity Sale to Consumers		
Metered Consumers	197,912,455	176,539,025
Unmetered Consumers	551,962	665,833
Industrial Consumers	54,357,948	49,602,941
UO Rebate	(13,342,809)	(12,818,868)
	<u>239,479,556</u>	<u>213,988,931</u>
Electricity Services		
Fee and Charges	1,850,947	1,669,641
Sale of Meter/Cutout & Accessories	6,956,520	6,758,694
	<u>8,807,467</u>	<u>8,428,335</u>
Total	<u><u>775,048,826</u></u>	<u><u>646,141,923</u></u>

Note no: 24
Generation Expenses

Particulars	2078-79	2077-78
Electricity Purchase	20,366,626	47,292,306
Salaries and other employee cost	57,343,917	54,731,757
Contribution to Provident and Gratuity Fund	4,581,703	4,695,031
Staff Bonus	5,106,908	6,783,424
Environment, Community & Mitigation	28,008,785	23,205,336
Donation expenses	502,220	491,200
Repair and Maintenance	29,891,577	42,327,061
Vehicle running cost*	761,949	(164,989)
Depreciation	2,122,844	2,053,319
Amortisation of Intangible Assets - SCA	58,320,870	57,167,547
Royalty	66,562,312	54,711,352
Insurance	8,107,849	7,946,813
Safety and Security	3,872,397	3,230,304
Bad Debts	-	2,500
Assets written off	97,134	98,879
Miscellaneous Expenses	<u>10,145,700</u>	<u>7,609,063</u>
Total	<u><u>295,792,791</u></u>	<u><u>312,189,903</u></u>

Note no: 25
Distribution Expenses

Particulars	2078-79	2077-78
Cost of sale of Meter/Cutout & Accessories	3,879,564	4,083,867
Salaries and other employee cost	51,966,403	46,675,774
Contribution to Provident and Gratuity Fund	4,496,801	4,568,371
Staff Bonus	4,738,818	6,822,484
Environments, Community & Mitigation	-	-
Donation expenses	22,880	14,800
Repair and Maintenance	11,233,091	7,265,470
Vehicle running cost	1,155,565	381,830
Depreciation	1,927,217	2,078,557
Amortisation of Intangible Assets - SCA	19,655,359	17,849,528
Royalty	25,282,237	22,680,780
Insurance	512,456	407,206
Safety and Security	799,345	714,048
Bad Debts	-	230,855
Assets written off	51,950	97,108
Miscellaneous Expenses	<u>12,153,247</u>	<u>10,289,727</u>
Total	<u><u>137,874,933</u></u>	<u><u>124,160,425</u></u>



Figures in NPR

Note no: 26

Administrative and other operating expenses

Particulars	2078-79	2077-78
Salaries and other employee cost	56,430,754	54,672,395
Contribution to Provident and Gratuity Fund	4,566,801	4,488,194
Staff Bonus	5,147,703	6,955,924
Staff Welfare	2,765,955	1,172,914
Advertisement and business promotion	467,834	232,618
AGM and Board Expenses	4,641,236	3,714,018
Audit Fee and Expenses	1,832,727	2,103,944
Communication Expenses	2,307,713	2,290,191
Depreciation and amortisation	18,086,581	20,413,805
Environment, Community & Mitigation	7,670	59,680
Gift and Donation	140,520	4,936,318
Hospitality and Refreshment	237,547	237,622
Insurance	1,342,849	1,388,233
Safety and Security	2,398,034	2,142,132
Legal and professional Expenses	6,041,269	3,577,260
Office running cost	4,970,704	4,215,787
Printing and Stationery	1,582,924	1,629,755
Rates and Taxes	620,087	1,265,250
Rent	-	-
Repair and Maintenance	7,300,107	5,279,046
Training and Development	554,353	134,544
Travelling expenses	746,151	1,005,524
Vehicle running cost	771,466	57,784
Bad Debts	2,000	6,736,236
Assets Written off	298,769	271,030
Equity Investment written off	-	-
Miscellaneous Expenses	10,290,961	4,520,496
Overhead Charged to Projects	(6,125,683)	(5,761,161)
Total	127,427,032	127,739,479

a. Detail of Audit Fee and related expenses

Particulars	2078-79	2077-78
External Audit	452,000	452,000
Other assurance services (includes out of pocket expenses of external audit)	141,875	129,754
Internal Audit (including out of pocket expenses)	654,821	803,088
ISO Audit	584,031	719,102
Total	1,832,727	2,103,944

Note no: 27

Impairment loss on investment

Particulars	2078-79	2077-78
Gurans Energy Limited	-	(132,873,440)
Kabeli Energy Limited	-	(119,178,418)
Total	-	(252,051,858)

Refer Note 6 for details of impairment

Note no: 28

Other Income

Particulars	2078-79	2077-78
Dividend income	11,440,209	324,956,259
Income from Other Sources	9,868,101	342,666,945
Hotise Rent	17,997,393	13,817,044
Gain / (Loss) on disposal of assets and inventories	-	2,837,277
Insurance Claim received on Loss of Assets	782,852	-
Foreign Currency Exchange Gain/(Loss)	(59,462)	3,437,696
Total	40,029,093	687,715,221

a. Detail of Dividend income

Name of Company	2078-79	2077-78
Himal Power Limited	-	318,242,514
Hydro-Consult Engineering Limited	10,490,209	6,713,745
BPC Services Limited	950,000	-
Total	11,440,209	324,956,259

Butwal Power Company Limited
Notes to the financial statements for the year ended 32nd Ashadh 2079

Figures in NPR

b. Detail of Foreign Currency Exchange Gain/(Loss):	2078-79	2077-78
- On account of term loan with IFC	(333,236)	(746,057)
- On account of HPL dividend	-	-
- On account of Revaluation of different foreign currency bank accounts	273,774	(44,074)
- On account of MM Project	-	4,227,827
Total	(59,462)	3,437,696

Note no: 29		
Finance Income		
Particulars	2078-79	2077-78
Interest income	99,928,739	58,531,646
Total	99,928,739	58,531,646

Note no: 30		
Finance Costs		
Particulars	2078-79	2077-78
Interest Expenses	12,642,219	19,451,043
Other finance cost	-	(182,191)
Bank Charges	167,735	166,626
Total	12,809,954	19,435,478

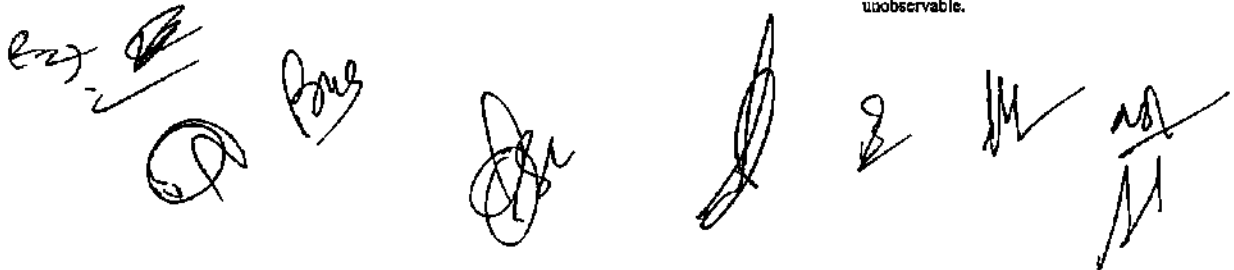
Note: 31		
EARNINGS PER SHARE		
Particulars	2078-79	2077-78
Profit for the year	274,150,236	501,815,674
Weighted average number of equity shares outstanding	32,463,268	32,463,268
Earnings Per Share (Rs.) - Basic (Face value of Rs. 100 per share) [2077-78 Restated]	8.44	15.46
Add: Weighted average number of potential equity shares	-	-
Weighted average number of Equity shares (including dilutive shares) outstanding	32,463,268	32,463,268
Earnings Per Share (Rs.) - Diluted (Face value of Rs. 100 per share) [2077-78 Restated]	8.44	15.46

Note no: 32		
Employee benefits expenses, Depreciation and Amortisation included in the statement of profit or loss:		
Particulars	2078-79	2077-78
Employee benefit expenses		
Salary	80,085,932	80,608,524
Allowances	70,638,725	59,202,851
Provident Fund	7,542,603	7,595,286
Gratuity	6,102,702	6,156,310
Insurance	963,298	936,952
Leave Encashment	14,086,929	15,331,599
Staff Welfare	2,765,955	1,172,914
Staff Bonus	14,993,429	20,561,832
Total	197,179,573	191,566,268

Depreciation and Amortisation		
Particulars	2078-79	2077-78
Depreciation of Property, Plant and Equipment	21,788,417	24,029,406
Amortization of Intangibles Asset - Software	334,688	502,739
Amortization of Intangibles Asset - Service Concession Arrangement	77,989,766	75,030,611
Less: Depreciation being Revenue Portion of Grant Aid	(7,839,086)	(7,782,134)
Total	92,273,785	91,780,622

Note no: 33
Financial Instruments: Classifications and fair value measurements
A. Fair value measurements

Particulars	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 32nd Ashadh 2079	As at 31st Ashadh 2078		
Financial assets : Investment in equity instruments of Himal Power Limited	760,196,753	792,758,372	Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Investment in equity instruments of Hydro Lab (P) Limited	30,093,262	24,253,808	Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.





Note no: 34

RELATED PARTY DISCLOSURES

(a) Relationship

The company is controlled by Shangri-La Energy Ltd which owns 56.30% of the company's shares.

Relationship	Related Parties
Holding Company	Shangri-La Energy Ltd
Company with Common Directors	Mercantile Communications (P) Ltd Syakar Trading Co. Pvt. Ltd. Beltron Trading Pvt. Ltd.
Subsidiaries	Nepal Hydro & Electric Ltd. Khudi Hydropower Limited BPC Services Limited Nyadi Hydropower Limited Hydro-Consult Engineering Limited Manang Marsyangdi Hydropower Company Pvt. Ltd.
Associates	Gurans Energy Limited Kabel Energy Limited S.C.I.G International Nepal Hydro Joint Development Company Pvt. Ltd Himal Hydropower Company Pvt. Ltd. Marsyangdi Transmission Company Pvt. Ltd.

(b) Those charged with governance

Those charged with governance of the BPC include members of Board of directors namely:

Name	Designation
i) Mr. Padma Jyoti	Chairman
ii) Mr. Pradeep Kumar Shrestha	Director
iii) Mr. Bijaya Krishna Shrestha	Director
iv) Mr. Om Prakash Shrestha	Director
v) Mr. Raju Maharjan	Director
vi) Dr. Sandip Shah	Director
vii) Mr. Dimesh Humagain	Director
viii) Mr. Tirtha Man Shakya	Director
ix) Mr. Bijay Babadur Shrestha	Alt. Director
x) Mr. Sanjib Rajbhandari	Alt. Director

The following provides expenses incurred for those charged with governance of BPC:

Nature of Expense	Current year	Previous year
Meeting Allowances	2,170,000	1,860,000
Telephone, Mobile and Newspaper / Magazines	1,314,000	1,314,000

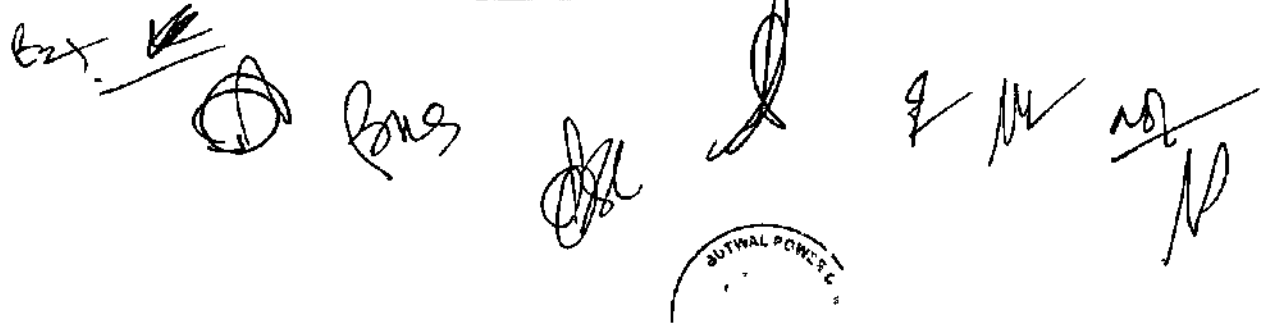
(c) Transactions with key management personnel

Key Management personnel includes:

- i) Mr. Uttar Kumar Shrestha - Chief Executive Officer

Key Management Personnel compensation :

Particulars	Current year	Previous Year
Short-term employee benefits	9,166,576	8,767,642
	<u>9,166,576</u>	<u>8,767,642</u>





Figures in NPR

(d) Other related party transactions

Name of the related party	Nature of transaction	Transaction		Outstanding balance	
		Current Year	Previous Year	Current Year	Previous Year
Mercantile Communications (P) Ltd	Internet and VSAT Service	612,912	575,622	-	-
Syakar Trading Co. Pvt. Ltd.	Vehicle repair Maintenance	68,870	-	-	-
Beltron Trading Pvt. Ltd.	Electrical items purchase	25,425	1,253,170	-	(39,025.00)
Nepal Hydro & Electric Ltd.	Purchase and other expenses	18,854,564	15,283,620	(925,674)	(2,203,475)
	Reimbursement of rent and utilities	-	1,763	-	-
	Advance given	2,383,706	1,835,849	-	-
Khudi Hydropower Limited	Reimbursement of rent and utilities	-	-	-	-
	Dividend Receivable	-	-	16,705,060	16,705,060
BPC Services Limited	Reimbursement of rent and utilities	69,711	66,172	-	-
	Purchase	32,206	28,409	-	-
Nyadi Hydropower Limited	Reimbursement of rent, utilities and man hour charge	994,104	1,038,599	-	-
	Disbursement of convertible loan	87,500,000	-	-	-
Hydro-Consult Engineering Limited	Purchase	11,063,310	6,582,199	-	-
	Reimbursement of rent and utilities	5,528,633	5,350,995	-	-
Kabeli Energy Limited	Reimbursement of rent and utilities	886,240	1,240,451	-	-

Note : 35

Contingent Liabilities and commitments

A. Corporate Guarantee

S.no.	Party Name	Purpose	Amount	Expiry Date (A.D.)
1	Nepal Investment Bank Ltd.	Khudi Hydro's OD and Bridge gap loan	55,884,000	7/3/2023
2	NIC ASIA Bank Limited	On behalf of Kabeli Energy Limited to obtain PPA of 37.6 MW Capacity from NEA.	37,600,000	15/05/2023
3	Sunrise Bank Limited	To NEA for PPA of 135 MW MMHEP	135,000,000	3/18/2026
4	Snaina Bank Limited	On behalf of upper Marsyangdi 2 (UM2) 327 MW in favor of IBN	100,000,000	14/Nov/24

B. Royalty and Tax exemption regarding additional 4.3 MW project in Andhikhola

The Company has considered additional 4.3 MW project in Andhikhola as a separate project on basis of separate PPA agreement. It has calculated and paid royalty for this new project to Department of Electricity Development (DoED) on revised rate i.e. Rs. 100 per installed capacity in KW and 2% of revenue from electricity sales. Company has filed writ petition at Supreme Court for newly added 4.3 MW claiming it to be separate new project with PPA and Generation License.

If the Company applies the existing rate applicable to original 5.1 MW project i.e. Rs. 1,000 per installed capacity in KW and 10% of revenue from electricity sales, to this new additional 4.3 MW project, then the liability on account of royalty would increase by approximate amount of Rs. 45.55 million considering the period since commencement date till Ashadh end 2079. DoED has claimed the royalty for newly added 4.3MW project at Rs. 1,000 per installed capacity in KW and 10% of revenue from electricity sales considering them as only an upgradation of existing project. The decision of supreme Court is still awaited.

During the year DoED has instructed Nepal Electricity Authority (NEA) to deduct the additional royalty amount from its payable balance to BPC. As of 16th July 2022, NEA has deducted NRs 3,92,16,416 from BPC's receivable balance and paid the amount to DoED. Such amount is shown as "Other receivables from Department of Electricity Development (DoED)" in Note 13 of Financial Statements.

C. Capital Commitments

i. 37.6-MW Kabeli-A Hydropower Project (KAHEP)

BPC's part of capital commitment on this project is NPR 1,353 million for overall 60% shareholding (including indirect holding through Gurans Energy Limited) considering debt equity ratio at 70:30, of which BPC has invested overall NPR 712 million as on reporting date. Total project cost is estimated at Rs. 7520 million. Revival process has been initiated for reconstruction of suspended physical works. PPA amendment process in local currency by replacing it with the posted tariff applicable for ROR from PROR, is ongoing as amendment of Generation of the Project in-principle approved by DOED.

ii. 30-MW Nyadi Hydropower Project (NHP)

NHP (30 MW) is a Run-of-River type project being developed over Nyadi River in Bahundada VDC in Lamjung district by Nyadi Hydropower Limited (NHL). BPC, General Public and Lamjung Electric Development Company (LEDCO) own 71.68%, 27% and 1.32% of NHL shares respectively. Construction of civil works, HM works, EM and transmission lines are completed as on reporting date and COD of the project has been declared effective from 12:00 noon, Baisakh 27, 2079 (May 11, 2022). BPC's part of capital commitment on this project is NPR 1,075 million and invested fully total committed amount. BPC has also provided short term loan of Rs. 87.50 million as on reporting date.

iii. 139.2-MW Lower Manang Marsyangdi Hydropower Project (M2)

BPC has got generation license of 140 MW capacities Lower Manang Marsyangdi Project in November 2018. The project is located in Tachebagar and Dharapani VDC of Manang District. NPR.202.30 million has been spent by BPC as on reporting date. The re-optimized capacity of the project has been fixed at 139.2 MW under PROR. Supplementary EIA has been approved by Ministry of Forest and Environment (MOFE) and SPV formation is under process at Department of Industry (DOI). The draft PPA is being signed with NEA. BPC's part of capital commitment on this project is NPR 1035 million for 19.40% shareholding.

iv. 7.9-MW Chino Khola Hydropower Project

BPC has got survey license for 8.5 MW capacity Chino Khola Small Hydropower Project. Feasibility study of the project is completed and the project capacity has been optimized to 7.9 MW at Q40. EIA study was completed and approved by the Ministry of Forest and Environment. Generation License has been received for 35 years effective from Ashadh 20, 2079 (July 04, 2022). NPR.33 million has been spent by the company for this project as on reporting date. BPC's part of capital commitment on this project is NPR 210 million for 70% shareholding.

v. 160 MW Mugu Karnali Hydropower Project

BPC has got survey license for Mugu Karnali Hydropower Project on November 23, 2017 with an estimated project capacity of 160 MW. The project is located near Gargadh, Mugu district. Detailed feasibility and EIA study of the project are in progress. NPR.76.60 million has been spent by the company for this project as on reporting date. This project being an initial stage has not yet been concluded for capital commitment.

vi. SCIG International Nepal Hydro Joint Development company Pvt. Ltd. (SCIG JVC)

S.C.I.G. International Nepal Hydro Joint Development Company Private Limited is established on 22nd November, 2017 to develop, own, acquire and operate hydropower projects in Nepal and carry out other business activities. Butwal Power Company Ltd (BPC), Sichuan Investment Group Co. Ltd (SCIG), Chengdu Xingcheng Investment Group Co. Ltd (CXIG) and Sichuan Qingyuan Engineering Consulting Co. Ltd (QYEC) jointly established a Joint Venture Company with capital contribution of 20%, 51%, 17% and 12% respectively. The company have the authorized capital of NPR 1,900,000,000 (One Billion Nine Hundred Million) comprising 19,000,000 shares of NPR 100 each. BPC's part of capital commitment on this project is NPR 380 million for 20% shareholding, of which BPC has invested NPR 137.5 million as on reporting date.

vii. 135 MW Manang Marsyangdi Hydro-electric Project (MMHEP)

MMHEP is located on the Marsyangdi River in Manang District of Gandaki Province of Nepal. The project area is located within the Annapurna Conservation Area (ACAP). BPC owns 22.40% shares of Manang Marsyangdi Hydropower Company Pvt. Ltd, a SPV formed to develop and operate MMHEP. DoED has issued Generation License for 35 years period from 17 Nov 2018 for 282 MW ROR type and PPA with NEA for 135 MW has been signed. The amendment of Generation License for 135 MW is ongoing with DOED. The approval process of PDA is at final stage. BPC's part of capital commitment on this project is NPR 1,203 million for 19.40% shareholding as 80.60% of the total shares to be owned by SCIG JVC, Chinese investors - SCIG HK, CXIG HK & QYEC HK at 3%, 49.47%, 16.49% and 11.64% respectively. BPC has invested NPR 329.49 million for this project as on reporting date.

viii. 327 MW PROR Upper Marsyangdi 2 Hydropower Project (UM2HEP)

UM2HEP is high head PROR type project located along the Marsyangdi River in Manang and Lamjung Districts of Gandaki Province of Nepal. The project area is located within the Annapurna Conservation Area (ACAP). BPC has acquired 19.40% shares of Himtal Hydropower Company Pvt. Ltd. (Himtal), a SPV of UM2HEP, on 30th December 2018. Office of Investment Board Nepal (IBN) has issued a survey license of 327 MW UM2HEP to Himtal for DPR preparation. BPC's part of capital commitment on this project is NPR 2,538 million for 19.40% shareholding as 80.60% of the total shares is acquired by SCIG JVC and Chinese investors - SCIG, CXIG & QYEC at 3%, 49.47%, 16.49% and 11.64% respectively. BPC has invested NPR 789.70 million for this project as on reporting date.

ix. Marsyangdi Transmission Project (MTP)

BPC has acquired 19.40% shares to construct the transmission line with a view to evacuate the electricity generated by UM2HEP. Its Share transfer to BPC has been completed by 24th May 2019. 80.60% of the total shares are acquired by SCIG JVC and Chinese investors - SCIG, CXIG & QYEC at 3%, 49.47%, 16.49% and 11.64% respectively. BPC has invested NPR 10.34 million for this project as on reporting date

x. New RAS Software Development

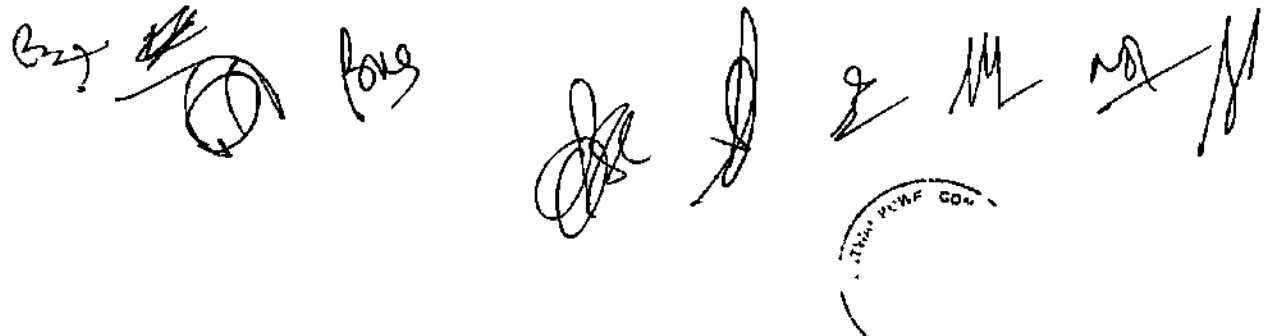
BPC has entered into contract to develop the new RAS (Revenue Accounting Software) for billing to electricity consumers. As per the contract, the total consideration for such services shall be NPR 2.13 million, out of which the company has already made payment of 90% and has further capital commitment of NPR 0.21 million under this ongoing contract.

xi. 7 MW Solar Power Project at Jhimruk Area

The Company has conducted Pre-feasibility study to generate solar energy utilizing approximately 37.4 acres (304 Ropani) land at headworks of JHC for 7MW Solar Power Project (SPP) at total estimated project cost of Rs. 600 million and application submitted to DOED to obtain the Electricity Survey License for the same to carry out the Feasibility and Environmental Studies. Draft Feasibility study report of the project has been received from the consultant and Public hearing for IEE has been completed at site. However, due to being the initial stage, capital commitment has not yet been made for this project.

xii. Nepal Power Exchange Limited (NEPEX)

BPC has invested Rs. 20 million in the shares of NEPEX established by IPP for cross border power trade as on reporting date and committed total Rs. 200 million (10%) of its share capital amount Rs. 2,000 million.

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Butwal Power Company Limited
Notes to the financial statements for the year ended 31st Ashadh 2079

Figures in NPR

Note 36
Income Statement of generation, distribution and other sources of income
For the year ending on 31st Ashadh, 2079

Particulars	Generation Jhimruk	Generation Andhikhola	Distribution Jhimruk	Distribution Andhikhola	Other Sources	Total
Revenue	387,104,408	139,657,395	60,661,435	187,625,588	-	775,048,826
Cost of Sales						
Generation Expenses	(171,427,284)	(124,365,507)	-	-	-	(295,792,791)
Distribution Expenses	-	-	(43,999,157)	(93,875,776)	-	(137,874,933)
Gross profit	215,677,124	15,291,888	16,662,278	93,749,812	-	341,381,102
Depreciation Being Revenue Portion of Grant Aid	232,919	259,852	2,893,133	4,453,182	-	7,839,086
Other income	175,983	401,315	2,376,119	3,376,679	33,698,997	40,029,093
Administrative and other operating expenses	(54,616,892)	(19,752,023)	(8,889,981)	(26,936,427)	(17,231,709)	(127,427,032)
Impairment loss on investment	-	-	-	-	-	-
Profit from Operation	161,469,134	(3,798,968)	13,041,549	74,643,246	16,467,288	261,822,249
Finance Income	25,023	30,661	86,957	18,980	99,767,118	99,928,739
Finance Costs	(10)	(1,394,690)	(150)	(750)	(11,414,354)	(12,809,954)
Profit Before Tax	161,494,147	(5,162,997)	13,128,356	74,661,476	104,820,052	348,941,034
Inter departmental electricity sales/(purchase)	46,123,482	187,509,215	(46,123,482)	(187,509,215)	-	-
	207,617,629	182,346,218	(32,995,126)	(112,847,739)	104,820,052	348,941,034

Income Statement of generation, distribution and other sources of income
For the year ending on 31st Ashadh, 2078

Particulars	Generation Jhimruk	Generation Andhikhola	Distribution Jhimruk	Distribution Andhikhola	Other Sources	Total
Revenue	318,643,077	105,081,580	55,769,513	166,647,753	-	646,141,923
Cost of Sales						
Generation Expenses	(178,480,211)	(133,700,692)	-	-	-	(312,180,903)
Distribution Expenses	-	-	(40,867,956)	(83,292,469)	-	(124,160,425)
Gross profit	140,162,866	(28,619,112)	14,901,557	83,355,284	-	209,800,595
Depreciation Being Revenue Portion of Grant Aid	232,919	259,852	2,836,181	4,453,182	-	7,782,134
Other income	806,071	46,666	1,406,460	2,569,783	682,886,241	687,715,221
Administrative and other operating expenses	(38,228,428)	(12,580,680)	(6,842,239)	(20,250,235)	(49,837,896)	(127,739,479)
Impairment loss on investment	-	-	-	-	(252,051,858)	(252,051,858)
Profit from Operation	102,973,428	(40,893,274)	12,301,959	70,128,014	380,996,487	525,506,613
Finance Income	15,856	11,325	63,609	12,963	58,427,893	58,531,646
Finance Costs	(250)	(3,033,363)	(130)	(870)	(11,400,865)	(19,435,478)
Profit Before Tax	102,989,034	(48,915,312)	12,365,438	70,140,107	428,023,515	564,602,781
Inter departmental electricity sales/(purchase)	42,916,497	167,541,133	(42,916,497)	(167,541,133)	-	-
	145,905,531	118,625,821	(30,551,059)	(97,401,026)	428,023,515	564,602,781

Note 37

CSR expenses as per Industrial Enterprises Act 2076

New Industrial Enterprises Act 2076 (the "Act") has been introduced with effect from Mangshir 28, 2076 repealing the Industrial Enterprises Act 2073 (the "Previous Act"). Section 54 of Industrial Enterprises Act 2076 makes it mandatory to allocate 1% of the annual profit to be utilized towards corporate social responsibility (the "CSR Requirement"). The fund created for CSR is to be utilized on the basis of annual plans and programs but in the sectors, that are prescribed under the Act. In current year, the Company has incurred Rs. 2,80,16,455 on "Environment, Community & Mitigation" and allocated budget Rs. 19.56 million for FY 2079/80 to meet CSR requirement, which is in line to the required 1% of annual profit. Hence, additional amount for CSR activities has not been set aside.

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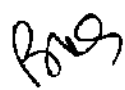





Butwal Power Company Limited
Notes to the financial statements for the year ended 32nd Ashadh 2079

Figures in NPR

Note 38

Components of Cash and Cash Equivalents for the purpose of Cashflow

	<u>As at 32nd Ashadh 2079</u>	<u>As at 31st Ashadh 2078</u>
Cash at banks and on hand (Note 10)	32,622,886	649,845,846
Bank overdrafts (Note 19)	(86,373,945)	-
Cash and cash equivalents	<u>(53,751,059)</u>	<u>649,845,846</u>



Note 1: Background

Butwal Power Company Limited was established and registered in 2022 (1966) as a private limited company under the Companies Act 2021 (1965) by the United Mission to Nepal, Government of Nepal (GoN), Nepal Electricity Authority (NEA), and Nepal Industrial Development Corporation (NIDC) with an aim to develop hydropower projects using appropriate training, technology transfer, and human resources. BPC developed and operated 1-MW Tinau project, 5.1-MW Andhikhola project up-graded to 9.4-MW from 5th April 2015, 12-MW Jimruk project, and 4-MW Khudi project. BPC is one of the sponsors of the 60-MW Khimti hydropower project. BPC was converted into a public limited company in 2049 (1993), and it was privatized in 2059 (2003). Its main shareholders are Shangri-La Energy Limited (SEL), IKN Nepal AS, (IKNN) from Norway, the Government of Nepal (GoN) and the General Public. The corporate office of the BPC is located at Gangadevi Marga-313, Buddha Nagar, Kathmandu, Nepal.

The core business of BPC includes:

- Generation of Hydroelectricity
- Distribution of Hydroelectricity
- Project Development
- Investment in the shares of projects and other companies

The financial statements apply to the financial year ended 32nd Ashadh 2079 (16th July 2022).

In the Financial Statements, Butwal Power Company Limited has been referred to as "BPC" or "Company".

The accompanying financial statements have been approved for publication by the Board of Directors of the BPC in its meeting held on Poush 07, 2079 (Dec. 22, 2022). The Board of Directors acknowledges the responsibility for the preparation of financial statements.

Note 2: Significant accounting policies

2.1 Basis of Preparation and measurement

i. Statement of Compliance

The financial statements have been prepared in accordance with applicable Nepal Financial Reporting Standards (NFRS) as issued by the Institute of Chartered Accountants of Nepal (ICAN). The Financial Statements have also been prepared in accordance with the relevant presentational requirements of the Companies Act, 2063 of Nepal.

New Standards which are not yet applicable on 16th July 2022 and Standard to be adopted by the Company

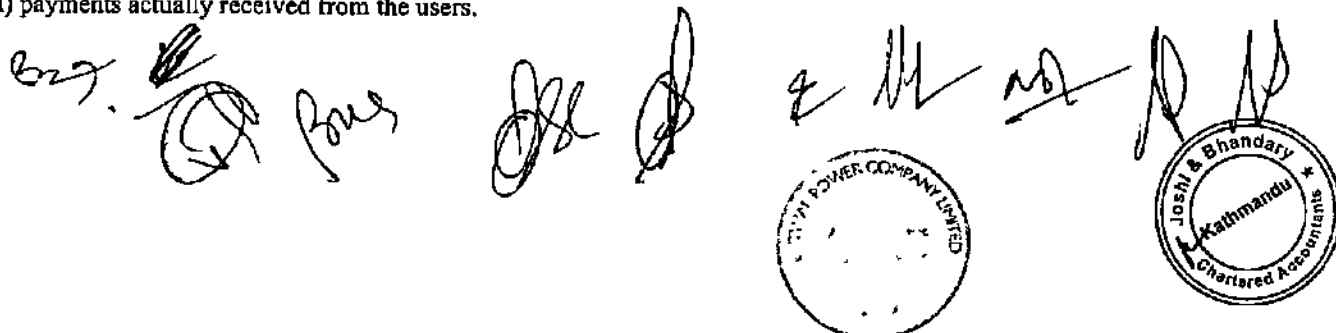
BPC has opted not to adopt any of the new set of NFRS pronounced by ICAN, which are mandatory and might relate to it, but not specifically applicable considering the nature of its business and transactions for the financial year 2078-79 (2021-22). These standards include:

NFRS 9 "Financial Instruments" (Revised), NFRS 17 "Insurance Contracts" & NAS 29 "Financial Reporting in Hyperinflationary Economies" applicable from 16th July 2022, and the Company is currently assessing the impact and plans to adopt the new standard on the required effective date.

NFRS 15 "Revenue from Contracts with Customers" is the new NFRS standard governing the accounting principles for revenue which is applicable for FY 2078-79 (2021-22). During the year, BPCL constructed a new infrastructure asset and identifies a performance obligation (operation and maintenance) under a service concession arrangement (contract) which includes transmission line upgrading from Galyang to Rampur, renovation of distribution lines, etc. amounting to NPR 111,378,013.42 (Intangible asset during the year). The company has applied intangible asset model to recognize the asset as per IFRIC 12 – Service concession arrangements.

Income from the concession arrangements earned under the intangible asset model consists of:

- i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and
- ii) payments actually received from the users.



The cost for such improvements to concession assets is based on actual costs incurred by the Company in the execution of the upgradation, considering the requirements in the concession agreement. The amount of revenue recognized is equal to the amount of costs incurred, considering the fair value of the amount transferred. The amounts paid are set at market value.

The Company is assessing its current systems and processes to determine the impact of the adoption of NFRS-15.

ii. Basis of preparation

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in the functional and presentation currency of the Company i.e., Nepalese Rupee ("NPR") which is the currency of the primary economic environment in which the Company operates.

iii. Basis of measurement

These financial statements are prepared under historical cost convention except for certain material items that have been measured at fair value as required by the relevant NFRS and explained in the ensuing policies below.

2.2 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with Nepal Financial Reporting Standards requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The Company makes certain estimates and assumptions regarding future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year primarily include: -

Useful life and residual value of property, plant and equipment

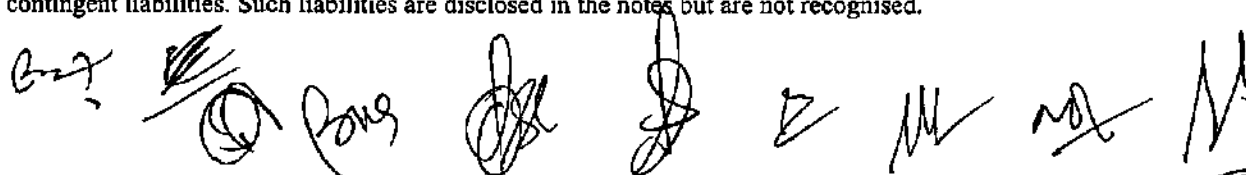


Management reviews the useful life and residual values of property, plants, and equipment at least once a year. Such a life is dependent upon an assessment of both the technical life of the assets and also their likely economic life, based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

Impairment of property plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant, and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates, and other factors. Any subsequent changes to cash flow due to changes in the above-mentioned factors could impact on the carrying value of assets.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Fair value measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third-party qualified valuers to perform the valuation as per necessity. The management works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Recognition of deferred tax assets

A significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company.

2.3 Service concession arrangements

Under IFRIC 12 – Service Concession Arrangements applies to public-to-private service concession arrangements if:

- (a) The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what prices: and
- (b) The grantor controls through ownership, beneficial entitlement, or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement
- (c) Is the infrastructure constructed or acquired by the operator from a third party for the purpose of the service arrangement OR is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement.

The infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole life of assets) is within the scope of this IFRIC if the conditions in (a) above are met.

These arrangements are accounted for based on below-mentioned models depending on the nature of consideration and relevant contract law.

Financial asset model:

The Financial asset model is used when the Company, being an operator, has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Unconditional contractual right is established when the grantor contractually guarantees to pay the operator (a) specific or determinable amount; (b) the shortfall, if any, between amounts received from the users of the public services and specified or determinable amounts.

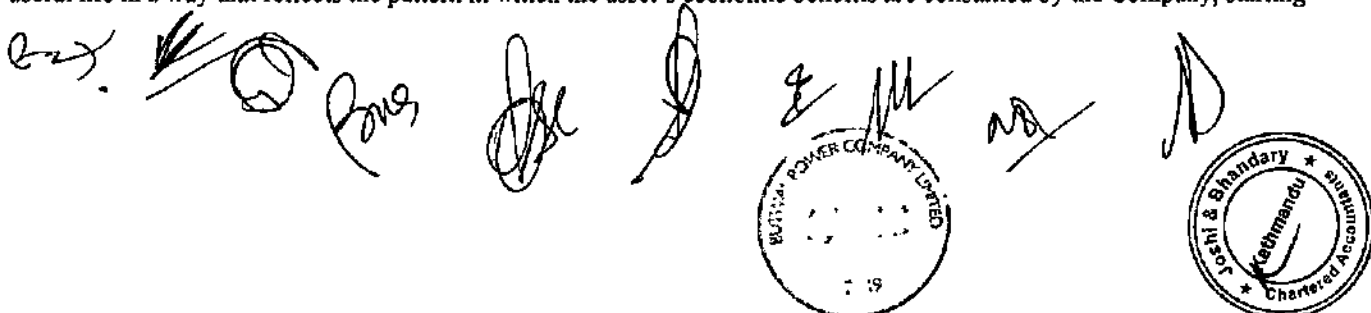
Intangible asset model:

The intangible asset model is used to the extent that the Company, being an operator, receives the right (a license) to charge users of the public service. A right to charge users of public service is not an unconditional right to receive cash because the amounts are contingent on to the extent the public uses the services. Both types of arrangements may exist within a single contract to the extent that the grantor has given an unconditional guarantee of payment for the construction and the operation i.e., considered as a financial asset and to the extent that the operator has to rely on the public using the service in order to obtain payment, the operation has an intangible asset.

Intangible Assets under Service Concession Arrangement (SCA)

The Company manages concession arrangements which include power supply from its two hydropower plants viz. 12 MW Jhimruk Power Plant and 9.4 MW Andhikhola Power Plant. The Company maintains and services the infrastructure during the concession period. Further, the concession arrangement gives BPC the right to use the hydropower project for generating electricity and earn revenue by selling electricity to NEA and local consumers. The right to consideration gives rise to an intangible asset and accordingly, the intangible asset model is applied.

Revenue from service concession arrangement under the intangible asset model is recognised in accordance with the terms of the power purchase agreement as and when the power is supplied. The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Company, starting



from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or when the contractual rights to the financial asset expire.

The tenure of the Service Concession Arrangement of 9.4 MW Andhikhola and 12 MW Jhimruk Hydro Power Plant for generation, transmission, and distribution shall be ended on Chaitra 2101 B.S. and Chaitra 2102 B.S. respectively.

2.4 Property, plant and equipment

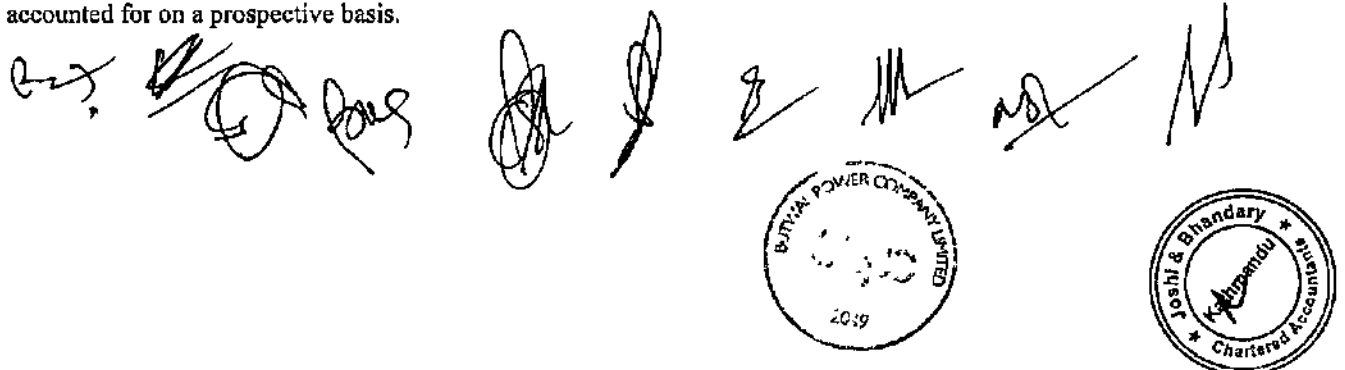
- i. Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- ii. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.
- iii. The Company identifies and determines the cost of each component/ part of the asset separately if the component/ part has a cost that is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.
- iv. The residual values, useful lives, and methods of depreciation of property, plant, and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- v. An item of property, plant, and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.
- vi. Assets in the course of construction are capitalized in the assets under capital work in progress account (CWIP). At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimate cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized. Revenue generated from production during the trial period is capitalized.

2.5 Other Intangible Assets

- i. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.
- ii. Certain computer software costs are capitalized and recognised as intangible assets based on materiality, accounting prudence, and significant benefits expected to flow therefrom for a period longer than one year.
- iii. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

2.6 Depreciation and Amortization

- i. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the written-down method.
- ii. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.



iii. Depreciation is provided on the written-down method based on the estimated useful lives of the assets determined by the management. Depreciation on additions to fixed assets is charged on a pro-rata basis in the year when it is available for use. The useful life of the assets and the corresponding rates at which the assets are depreciated are as follows: -

Category of asset	Estimated useful life	Depreciation Rate
Building	58-59 years	5%
Plant and Equipment	18 -19 years	15%
Office equipment	10-11 years	25%
Furniture and fixtures	10-11 years	25%
Computers and accessories	10-11 years	25%
Vehicles	13 – 14 years	20%

Computer software is amortised over an estimated useful life of 5 years on straight-line basis.

- iv. Useful life is either the period during which the asset is expected to be used or the number of production or similar units expected to be obtained from the use of asset. The estimated useful life, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
- v. Office furniture, equipment and vehicles costing less than NPR 5,000 per unit and plant equipment costing less than NPR 10,000 per unit are charged to the profit and loss account in the year of purchase.
- vi. Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight-line basis.

2.7 Impairment of tangible and intangible assets

- i. At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise, they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.
- ii. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.
- iii. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
- iv. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.
- v. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.8 Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are incurred in the period in which they occur.

2.9 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.10 Inventories

The cost of inventories includes the cost of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Inventories of stores, spare parts, and loose tools are stated at the lower of weighted average cost and net realizable value. The net realizable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

2.11 Revenue recognition

i) Sale of Electricity

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances. Revenue is recognised when substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

ii) Other Electricity services

Fees from other electricity services are accounted on an accrual basis as and when the right to receive arises.

iii) Dividend income

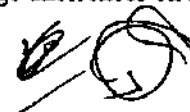
Dividend income (net of withholding taxes) from investments is recognised when the shareholder's right to receive payment has been established (if it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). In the case of a stock dividend, only the number of shares is increased.

iv) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.12 Foreign currency transactions

- i. The functional currency of the Company and its subsidiaries is determined based on the primary economic environment in which it operates. The functional currency of the Company is the Nepalese Rupee (NPR).
- ii. In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.
- iii. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined.
- iv. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.
- v. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

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2.13 Employment Benefits

The Company has schemes of employment benefits namely provident fund, employee gratuity and accumulated leave payable as per the employee service manual.

Defined contribution plan – Provident Fund

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Contributions to defined contribution schemes (Provident fund) are charged to the profit or loss statement in the year to which they relate as the company has no further defined obligations beyond monthly contributions. Contributions to defined contribution schemes are deposited with Employees Provident Fund (Karmachari Sanchaya Kosh).

Defined contribution plan – Gratuity Fund

As per the provision of the new Labor Act enacted and effective from 19th Bhadra, 2074, the gratuity plan has been converted into a contribution plan from a defined benefit plan. Contribution for gratuity is currently being deposited with Citizen Investment Trust (CIT). However, from FY 2078/79, BPC has started to deposit contribution for gratuity on monthly basis to the separate Social Security Fund (SSF) about the new employees appointed from Shrawan 01, 2078, onwards. Contributions to the Gratuity fund are charged to the profit or loss statement in the year to which they relate as the company has no further defined obligations beyond monthly contributions.

Short-term and long-term employment benefits

- i. A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
- ii. Liabilities recognised in respect of short-term employees and contractual employees; benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.
- iii. Compensated absences that are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

2.14 Taxation

Income Tax

Income tax on the profit or loss for the year comprises current taxes and deferred taxes. Income tax is recognized in the profit or loss statement except to the extent that it relates to items recognized directly to equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year using tax rates at the balance sheet date and any adjustment to tax payable in respect of previous years.

Income tax rates applicable to the company:

Income from Manufacturing and sale of electricity: 20% (2077/78: 20%)

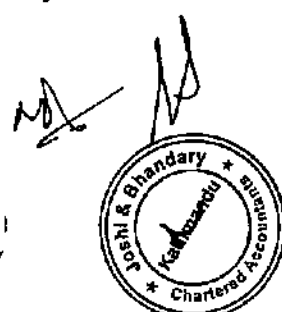
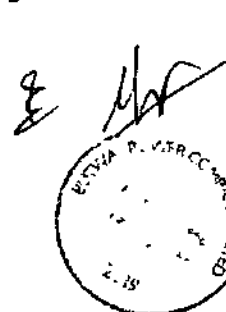
Income from Other services: 25% (2077/78: 25%)

Deferred tax

- i. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date.
- ii. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.
- iii. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The tax rate for income from manufacturing and the sale of electricity is 20%.

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2.15 Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/ (loss) for the year as adjusted for dividend, interest, and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares decreases the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted at the beginning of the period unless they have been issued at a later date.

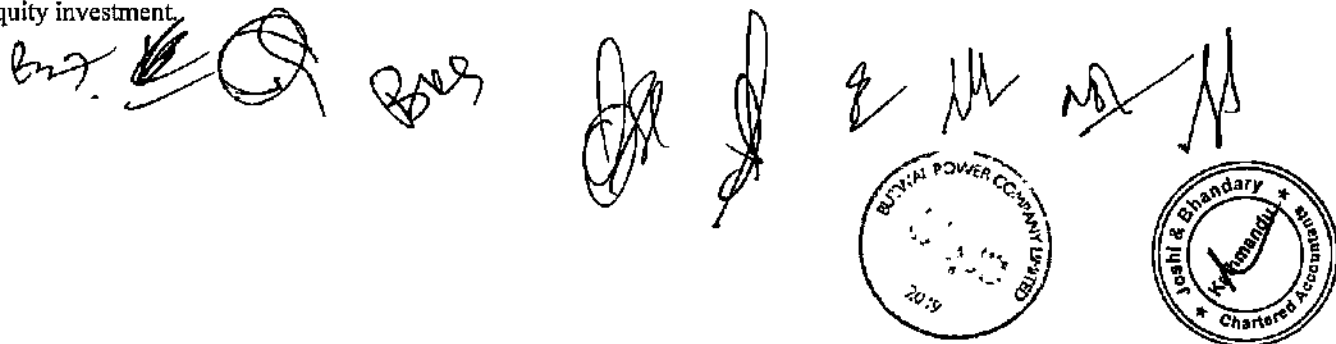
2.16 Provisions, contingencies, and commitments

- i. Provisions are recognised when the Company has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- ii. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.
- iii. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.
- iv. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- v. A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.
- vi. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize contingent liability but discloses its existence in the financial statements.
- vii. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
- viii. Commitments include the amount of purchase order (net of advances) issued to parties for the completion of assets.
- ix. Provisions, contingent liabilities, contingent assets, and commitments are reviewed at each reporting period.

2.17 Financial Instruments

i. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities, and financial guarantee contracts are initially measured at transaction cost, and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of a financial asset or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest-free or concession loans/debentures/preference shares given to subsidiaries, associates, and joint ventures, the excess of the actual amount of the loan over the initial measure at fair value is accounted as an equity investment.



Investment in equity instruments issued by subsidiaries, associates and joint ventures are measured at cost less impairment. Investment in preference shares/debentures of the subsidiaries are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investments in preference shares/debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

ii. Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income/ expense arising on financial instruments after applying an effective interest rate is recognised in the Statement of Profit and Loss and is included in the "Other finance income" or "Other finance cost" line item.

iii. Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries, associates, and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument-by-instrument basis at the time of initial recognition of such equity investments.

Financial assets not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the shorter maturity of these instruments.

Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

De-recognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset, and the transfer qualifies for de-recognition under NFRS 9.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.




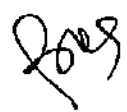






If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and recognises a collateralised borrowing for the proceeds received.


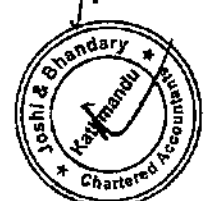
On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and the consideration received is recognised in a statement of profit or loss.

iv. Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

De-recognition of financial liability

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

v. Off-setting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

vi. Fair Value measurement:

The Company measures financial instruments, such as investment in equity instruments, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, if market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.18 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

The company as a Lessee

At the commencement date, the Company shall recognize a right to use asset at cost and a lease liability at the present values of the lease payments that are not paid at that date. The lease payment shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company shall use its incremental borrowing rate.

After the commencement date, the company shall measure the right to use asset applying a cost model or measurement model. To apply a cost model, the company shall measure the right of use asset at cost less any depreciation and any accumulated impairment losses adjusted for remeasurement of lease liability as mentioned below.

After the commencement date, the company shall measure the lease liability by

- (a) Increasing the carrying amount to reflect interest on the lease liability;
- (b) Reducing the carrying amount to reflect the lease payments made; and
- (c) Re-measuring the carrying amount to reflect any reassessment or lease modifications to reflect revised in-substance fixed lease payments

The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. A lease is classified at the inception date as a finance lease or an operating lease.

The Company as lessor

A lessor shall classify each of its lease as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards to the ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Finance Lease

At the commencement date, a lessor shall recognize assets held under a finance lease in its Statement of Financial Position and present them as receivable at the amount equal to net investment in lease. The lessor shall use the interest rate implicit in the lease to measure the net investment in the lease., In case of a sublease, if the interest rate implicit in the sublease cannot be readily determined, an intermediate lessor may use the discount rate used for the head lease (adjusted for any initial direct costs associated with the lease) to measure the net investment in the sublease.

A lessor shall recognize finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Operating Lease

A lessor shall recongise lease payments from operating leases as income either of straight-line basis or another systematic basis. The lessor shall apply another systematic basis if that basis is more representative of the pattern in which benefits from use of the underlying asset is diminished.

2.19 Government grants and Grant Aid in Reserve

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e., by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities

Grant received related to assets is shown at fair value as "grant aid in reserve" to the extent of asset creation they contribute. Grant aid in reserve is reduced by the depreciation of such assets and the same amount is realized as income to balance the expense of depreciation expense in the profit and loss account.

Revenue grant and related expenses are recognized in the profit and loss account.

2.20 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts are recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded as met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment, and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

2.21 Financial risk management objectives and policies

The Company's business activities expose it to a variety of financial risks, namely primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity, and credit risk, which may adversely impact the fair value of its financial instruments. The Company's Board and senior management has overall responsibility for the establishment and oversight of the Company's risk management. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

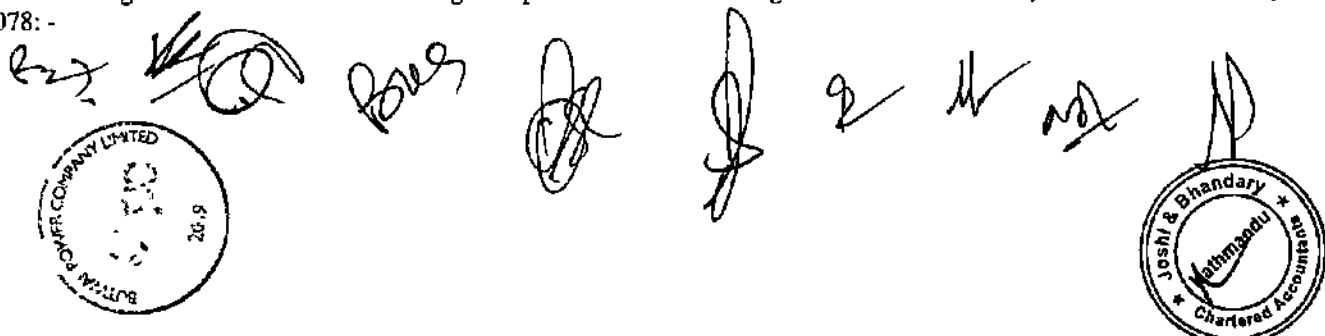
The Risk Management is done by the Company's management that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees on policies for managing each of these risks which are summarized below: -

a. Currency risk

The Company is subject to the risk that changes in foreign currency values impact on the Company's imports of inventories and property, plant, and equipment. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar. The aim of the Company's approach to the management of currency risk is to leave the Company with no material residual risk. This aim has been achieved in all the years presented. Since there is not significant currency risk, the Company has not entered into any forward contract.

The following table demonstrate the unhedged exposure in USD exchange rate as at Ashadh 32, 2079 and Ashadh 31, 2078: -


The image shows several handwritten signatures in black ink. Below the signatures are two circular stamps. The stamp on the left is for Butwal Power Company Limited, dated 20.9. The stamp on the right is for Joshi & Bhandary Chartered Accountants, with the name 'Mathmanjari' written across it.

Butwal Power Company Limited
Notes to the financial statements for the year ended 32nd Ashadh 2079

Figure in NPR

Particulars	Currency	Ashadh 32, 2079	Ashadh 31, 2078
Cash and bank balance	NPR	4,133,304	3,859,799
	USD	32,416	32,424

b. Credit risk

Credit risk refers to the risk that a counterparty including its subsidiaries and associates will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. No amount has been recognised in the financial position as financial liabilities.

c. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term debt obligations. Since the interest rate risk is influenced by market forces, BPC has little role to play for minimizing this risk. BPC has made swap arrangements to minimize the interest rate risk associated with foreign currency. Further, the Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings by negotiating with highly reputed commercial banks.

d. Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressful conditions. A material and sustained shortfall in our cash flow could create potential business continuity risk.

In order to control liquidity risk and for better working capital management, BPC has arranged an adequate level of OD facility for short-term financing. The Company's Finance department regularly monitors the cash position to ensure it has sufficient cash on-going basis to meet operational needs. Any short-term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, are retained as cash and cash equivalents (to the extent required), and any excess is invested in interest-bearing term deposits to optimize its cash returns on investments. The said investments are made in instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

2.22 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the company. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to the shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements to meet its strategic and day-to-day needs. It considers the amount of capital in proportion to the risk and manages the capital structure considering changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aim is to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain the future development and growth of its business. The Company's focus is on keeping a strong total equity base to ensure independence, and security, as well as high financial flexibility for potential future borrowings, if required, without impacting on the risk profile of the Company. The Company will take appropriate steps to maintain, or if necessary, adjust its capital structure. The management monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods.

No changes were made in the objectives, policies, or processes for managing capital during the years ended 32nd Ashadh, 2079 and 31st Ashadh, 2078.

2.23 Segment reporting

The Chief Executive Officer and functional managers of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined by NFRS 8, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz., "Generation and Sale of electricity" and most of its operations are in Nepal. Hence the Company does not have any reportable Segments as per NFRS 8 "Operating Segments".

2.24 Staff bonus

A 2% bonus on electricity income in line with the provisions of the Electricity Act 2049, 2% bonus on dividend Income and a 10% bonus on income from other sources as per Bonus Act 2030 have been provided.

2.25 Contingent Assets

As per point 61 of the Budget Speech of Fiscal Year 2014/15, the Government of Nepal, Ministry of Finance declared to provide a lump sum grant of Rs 5.5 million per MW of electricity to those producers who generate and connect the generated electricity to the national grid within FY 2017/18. Andhikhola Hydropower Project, upgraded from 5.1 MW to 9.4 MW achieved a Commercial Operation Date (COD) on April 5, 2015 (Chaitra 22, 2071) from Nepal Electricity Authority (NEA). The first request was made to the Ministry of Energy dated May 8, 2015, and subsequent follow-up letters have been submitted from time to time. The total Grant for the upgraded capacity of the plant is NPR 23.65 million.

2.26 Description of Subsidiaries, Associates, and other equity investments

a) Nepal Hydro & Electric Limited

BPC established Nepal Hydro & Electric Limited (NHE) in 2042 B.S. with the initial shareholdings of Butwal Power Company Ltd., Alstom Power Norway AS, GE Energy (Norway) AS, Butwal Technical Institute, Himal Hydro, and General Construction Ltd. Shares held by GE Energy and Alstom Power have been transferred in the name of IKN Industrial AS (Norwegian company). The current shareholders are BPC (51.3%), IKNI (46.9%), Butwal Technical Institute (1.1%), and Himal Hydro and General Construction Limited (0.7%). The company manufactures and refurbishes hydro and electric power equipment. It designs, manufactures, installs, tests and commissions hydro-mechanical and electro-mechanical equipment, including HV sub-stations, transmission line towers and poles and heavy steel structures.

b) Khudi Hydropower Limited

Khudi Hydropower Limited (KHL) operates a 4 MW Khudi Power Plant, which began commercial operation in FY 2063/64. BPC holds 60% shares of KHL. Other shareholders are Lamjung Electricity Development Company Limited (LEDCO) and SCP Hydro International Inc., Canada. BPC's preference share of Khudi is a redeemable cumulative non-voting class with an annual dividend of 12.56% (9.54% in FY 2077/78) (i.e., the prevailing interest rate 10.06% of the term loan plus 2.5% as per Article 1.2.24 of the Shareholders Agreement).

c) BPC Services Limited

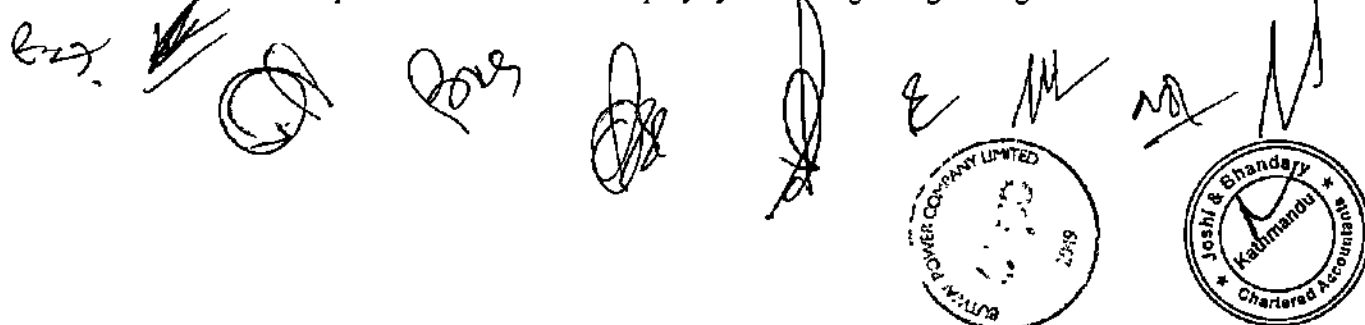
BPC is the sole owner of BPC Services Limited (BPCSL), which was established in FY 2063/64 to provide operation and maintenance services to hydropower plants. BPCSL is in process of negotiation with several power plant owners for undertaking O&M service contract including Khudi and Nyadi Hydropower projects

d) Nyadi Hydropower Limited

Nyadi Hydropower Limited (NHL) was established to build, own and operate the 30 MW Nyadi Hydropower project in Lamjung District. BPC owned 71.68% shares of NHL followed by 27% Public and 1.32% LEDCO shareholdings as on reporting date. Generation of electricity started from Baisakh 27, 2079 (May 10, 2022) the COD date.

e) Hydro-Consult Engineering Limited

The engineering business unit of BPC was merged with Hydro Consult (P) Ltd with effect from 1 Shrawan 2066, now converted into HCEL. BPC acquired 80% share of this company by transferring its engineering business assets in HCEL.

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and acquired 20% shares held by People Energy and Environment Development Association (PEEDA) on 2078/04/08. With this additional acquisition, BPC owned 100% shares of HCEL effective from FY 2078/79.

f) Gurans Energy Limited

Gurans Energy Limited (GEL) is established as a joint venture of BPC and InfraCo Asia Development with initial shareholding of 40% and 60% respectively, to develop and provide investment backup to hydropower projects being developed by BPC under pipeline and undertakes additional new projects. BPC has invested NPR 331.98 million in the shares of GEL till the end of FY 2077/78. Currently, the only project under the joint venture pipeline is 37.6 MW Kabeli – A Project under construction.

g) Kabeli Energy Limited (KEL)

Kabeli Energy Ltd. was established for the development of Kabeli-A Hydroelectric Project (KAHEP) located at Panchthar District in Nepal, to build, own, operate and transfer (BOOT) the Project as per the Project Development Agreement (PDA) signed with the Government of Nepal (GoN). BPC holds overall 56.16% shares of KEL being 27.24% direct investment and 28.92% through joint venture company 'Gurans Energy Limited'. Kabeli A is a 37.6 MW peaking run-of-river hydro power plant with an estimated capacity factor of 60%. Under various circumstances, the construction work of KAHEP has been suspended since early 2020 due to loan disbursement to the project stopped by World Bank after the expiry of disbursement deadline on December 31, 2019. The revival process to resume the construction of KAHEP with posted rate PPA and financial closure from local banks is ongoing.

h) Himal Power Limited (HPL)

Himal Power Limited (HPL) owns and operates the 60-MW Khimti I Hydropower Project, which began commercial operation on 27 Ashadh, 2057 (5 July 2000). HPL was established on 2049/11/10 (21 February 1993) by BPC and the Norwegian companies Statkraft SF, ABB Energy AS (now ABB Kraft), and Kvaerner Energy AS (now G.E. Hydro) with the objective of developing the project under the build, own, operate and transfer (BOOT) approach. The major current shareholders are SN Power, BKK and BPC. BPC is holding 16.88% shares in HPL. As per the provision of PPA, Nepal Electricity Authority (NEA) is entitled to get 50% of the shares of the Khimti hydropower Project owned by HPL effective from 12th July 2020 (Asadh 28, 2077), and necessary process of forming Joint venture Company as per the provision of PPA regarding handover and takeover of the share is in progress.

i) Hydro Lab Private Limited

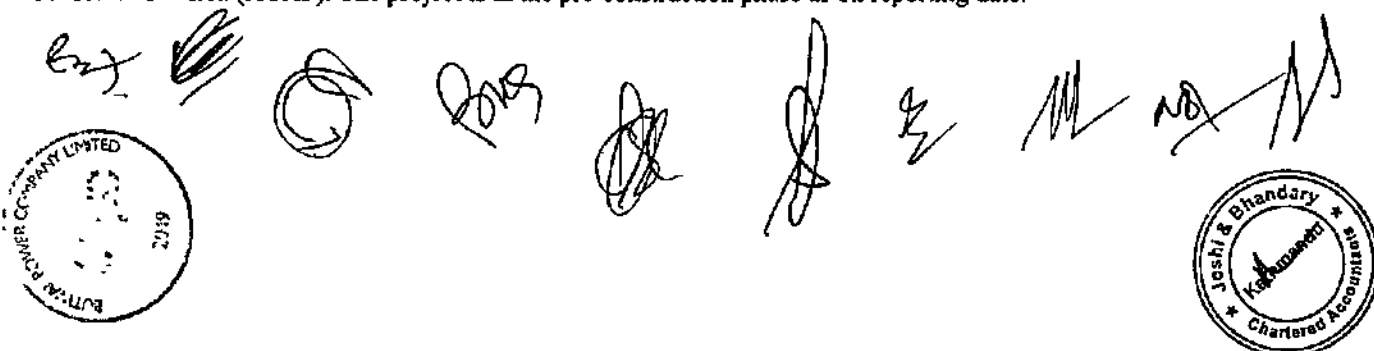
Hydro Lab Private Limited (HLPL) was established in 2053 B.S. to carry out research and provide consulting services in hydraulics and sediments. It assists water resource engineering professionals by conducting the physical hydraulic model studies needed to validate the design and operation modality of headworks. Hydro Lab conducted model studies for Upper Tama Koshi Hydropower Headworks, Devighat Intake, Melamchi Drinking Water Headworks, Jhimruk Intake, Khudi Hydropower Headworks, Kabeli A, Nyadi and others. BPC holds 10.73% shares in HLPL.

j) S.C.I.G. International Nepal Hydro Joint Development Company Private Limited

S.C.I.G. International Nepal Hydro Joint Development Company Private Limited was established on 22nd November 2017 to develop, own, acquire and operate hydropower projects in Nepal and invest in such business activities. Butwal Power Company Ltd (BPC), Sichuan Investment Group Co. Ltd (SCIG), Chengdu Xingcheng Investment Group Co. Ltd (CXIG), and Sichuan Qingyuan Engineering Consulting Co. Ltd (QYEC) jointly established a Joint Venture Company with a capital contribution of 20%, 51%, 17% and 12% respectively. The company has an authorized capital of NPR 1,900,000,000 (One Billion Nine Hundred Million) comprising 19,000,000 shares of NPR 100 each.

k) Manang Marsyangdi Hydropower Company Pvt. Ltd.

Manang Marsyangdi Hydropower Company Private Limited ("MMHCPL" or "the Company") is a private limited company incorporated on 7 December 2010 under the Companies Act 2006 of Nepal. The registered office is located at Kathmandu Ward No.4., contract address is at Ward No. 10, Buddhanagar, Kathmandu. Manang Marsyangdi Hydro-Electric Project developed by the Company with an installed capacity of 282 MW (now optimized capacity at 135MW under Q40) is located on the Marsyangdi river in Manang district, Gandaki Zone of Nepal within the Annapurna Conservation Area (ACAP). The project is in the pre-construction phase as on reporting date.


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BPC owns 22.40% shares of Manang Marsyangdi Hydropower Company Pvt. Ltd, a SPV formed to develop and operate MMHEP. 77.60% of the total shares are owned by Chinese investors - SCIG HK, CXIG HK & QYEC HK at 49.47%, 16.49% and 11.64% respectively. DoED has issued Generation License for 35 years period from 17 Nov 2018 for 282 MW ROR type and PPA with NEA for 135 MW has been signed. The amendment of Generation License for 135 MW with PROR scheme has been completed. The approval process of PDA is at its final stage.

l) Himtal Hydropower Company Pvt. Ltd.

Himtal Hydropower Company Pvt. Ltd, incorporated in Nepal on April 13, 2001, under Companies Act 2063, is promoted by GMR Energy Limited (incorporated in India) from Jan 2, 2008, to develop and operate 600MW (now optimized capacity at 327 MW under Q40) Hydro based power project (M3) in Marsyandi River, Lamjung and Manang District. The registered address of the company is P O Box: 148, Chakupat-10, Lalitpur, contract address is at Sanepa, Lalitpur, Nepal. The company is in the process of setting up the project.

BPC has acquired 19.40% shares of M3 project of the Company with a plan to develop the cascade at Marsyangdi basin. Its Share transfer to BPC has been completed by 30th December 2018. PDA is in the process of negotiation.

m) Marsyangdi Transmission Company Pvt. Ltd. (MTCL)

Marsyangdi Transmission Company Pvt. Ltd., incorporated in Nepal on April 27, 2010, under Companies Act 2063, is promoted by GMR Energy (Mauritius) Limited (incorporated in Mauritius), to develop the transmission line for power evacuation of 600MW upper Marsyangdi Hydro Electric Project – 2 in Marsyangdi River. The register address of the company is P O Box: 148, Chakupat-10, Lalitpur and contract address is at Sanepa, Lalitpur, Nepal.

BPC has acquired 19.40% shares of MTCPL on 24th May 2019.

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Butwal Power Company Limited
Andhikhola Distribution Centre
Average Billing Rate

With Existing Tariff (FY 2079/80)													
S.N.	Consumer Category Code	Consumer Category Name	Amp/ Voltage Level	No. of Consumer	Total Annual Energy Consumption (kWh)	Total Annual Energy Charge (Rs)	Average Energy Charge per Month (Rs)	Total Annual Fixed Charge (Rs)	Average Fixed Charge per Month (Rs)	Total Annual Demand (kVA) Charge (Rs)	Average Demand (kVA) Charge per Month (Rs)	Total Revenue	Average revenue per consumer per Month (Rs)
1 Domestic Consumer													
1.1		Single Phase Low Voltage	5 Amp	29,756.00	13,542,518.00	55,615,270.05	4,634,605.84	10,712,160.00	892,680.00			66,327,430.05	185.75
			15 Amp	8,481.00	11,531,543.00	61,220,469.50	5,101,705.79	6,615,180.00	551,265.00			67,835,649.50	666.55
			30 Amp	118.00	269,700.00	1,568,293.70	130,691.14	141,600.00	11,800.00			1,709,893.70	1,207.55
			60 Amp										
1.2		Three Phase Low Voltage	Upto 10 kVA	11	36,912.00	257,004.90	21,417.08	105,600.00	8,800.00			362,604.90	2,747.01
			Above 10 kVA	17	150,895.00	1,133,331.05	94,444.25	244,800.00	20,400.00			1,378,131.05	6,755.54
1.3		Three Phase Medium Voltage	33/11 kV										
Total				38,383.00	25,531,568.00	119,794,369.20	9,982,864.10	17,819,340.00	1,484,945.00			137,613,709.20	298.77

2 Other Customer

S.N.	Consumer Category Code	Consumer Category Name	Amp/ Voltage Level	No. of Consumer	Total Annual Energy Consumption (kWh)	Total Annual Energy Charge (Rs)	Average Energy Charge per Month (Rs)	Total Annual Fixed Charge (Rs)	Average Fixed Charge per Month (Rs)	Total Annual Demand (kVA) Charge (Rs)	Average Demand (kVA) Charge per Month (Rs)	Total Revenue	Average revenue per consumer per Month (Rs)
2.1 Low Voltage													
1		Industrial											
1.1		Cottage Industrials		686	1,630,629.00	8,397,928.55	699,827.38	3,747,206.40	312,267.20			12,145,134.95	1,475.36
1.2		Small Industrials		52	747,961.00	4,787,115.60	398,926.30	1,315,204.80	109,600.40			6,102,320.40	9,779.36
2		Commercial		171	1,826,077.00	13,510,971.15	1,125,914.26	5,973,577.20	497,798.10			19,484,548.35	9,495.39
3		Non-Commercial		136	475,815.00	3,758,971.30	313,247.61	1,300,051.20	108,337.60			5,059,022.50	3,099.89
4		Irrigation		11	34,360.00	123,696.00	10,308.00					123,696.00	937.09
5		Drinking Water											
5.1		Community Drinking Water		153	1,484,305.00	5,047,205.20	420,600.43	2,395,980.00	199,665.00			7,443,185.20	4,054.02
5.2		Other Drinking Water		14	524,736.00	2,518,656.00	209,888.00	420,336.00	35,028.00			2,938,992.00	17,494.00
6		Transportation (Charging station)											
6.1		Public Transportation											
6.2		Other Transportation											
7		Religious & spiritual sites (Temple)		171	100,004.00	400,016.00	33,334.67		-			400,016.00	194.94
8		Street Light											
8.1		Street Light with Meter		5	4,881.00	23,428.80	1,952.40		-			23,428.80	390.48
8.2		Street Light without meter			-								
9		Temporary											
10		Non- domestic		7	71,621.00	615,969.40	51,330.78	145,479.60	12,123.30			761,449.00	9,064.87
11		Entertainment			-								
Total				1406.000	6900389.000	39183958.000	3265329.833	15297835.200	1274819.600			54481793.200	3,229.12

2.2 High Voltage

S.N.	Consumer Category Code	Consumer Category Name	Amp/ Voltage Level	No. of Consumer	Total Annual Energy Consumption (kWh)	Total Annual Energy Charge (Rs)	Average Energy Charge per Month (Rs)	Total Annual Fixed Charge (Rs)	Average Fixed Charge per Month (Rs)	Total Annual Demand (kVA) Charge (Rs)	Average Demand (kVA) Charge per Month (Rs)	Total Revenue	Average revenue per consumer per Month (Rs)
A High Voltage													
1		Industrials	132 kV										
2		Industrials	66 kV										
B Medium Voltage 33 kV													
1		Industrial		4	73095	409,338.80	34,111.57	1,123,713.60	93,642.80			1,533,052.40	31,938.59
2		Commercial											
3		Non - Commercial											
4		Irrigation											
5		Drinking Water											
5.1		Community Drinking Water											
5.2		Other Drinking Water											
6		Transportation (Charging station)											
6.1		Public Transportation											
6.2		Other Transportation											
7		Non-domestic											
8		Entertainment											
C Medium Voltage 11 kV													
1		Industrial		2	57730	334,834.00	27,902.83	612,000.00	51,000.00			946,834.00	39,451.42
2		Commercial											
3		Non - Commercial											
4		Irrigation											
5		Drinking Water											
5.1		Community Drinking Water											
5.2		Other Drinking Water											
6		Transportation (Charging station)											
6.1		Public Transportation											
6.2		Other Transportation											
7		Religious & spirtual sites (Temple)											
8		Temporary											
9		Non-domestic											
10		Entertainment											
Total				6	130825	744172.8	62014.4	1735713.6	144642.8			2479886.4	34,442.87
Total				39,795.000	32,562,782.000	159,722,500.000	13,310,208.333	34,852,888.800	2,904,407.400	-	-	194,575,388.800	407.45

With Proposed Tariff													
S.N.	Consumer Category Code	Consumer Category Name	Amp/ Voltage Level	No. of Consumer	Total Annual Energy Consumption (kWh)	Total Annual Energy Charge (Rs)	Average Energy Charge per Month (Rs)	Total Annual Fixed Charge (Rs)	Average Fixed Charge per Month (Rs)	Total Annual Demand (kVA) Charge (Rs)	Average Demand (kVA)Charge per Month (Rs)	Total Revenue	Average revenue per consumer per Month (Rs)
1	Domestic Consumer												
1.1		Single Phase Low Voltage	5 Amp	29,756.00	13,542,518.00	102,514,049.80	8,542,837.48	19,043,100.00	1,586,925.00			121,557,149.80	340.43
			15 Amp	8,481.00	11,531,543.00	115,889,435.20	9,657,452.93	11,339,400.00	944,950.00			127,228,835.20	1,250.14
			30 Amp	118.00	269,700.00	3,053,888.50	254,490.71	211,200.00	17,600.00			3,265,088.50	2,305.85
			60 Amp									-	
1.2		Three Phase Low Voltage	Upto 10 kVA	11	36,912.00	535,224.00	44,602.00	145,200.00	12,100.00			680,424.00	5,154.73
			Above 10 kVA	17	150,895.00	2,187,977.50	182,331.46	367,200.00	30,600.00			2,555,177.50	12,525.38
1.3		Three Phase Medium Voltage	33/11 kV										
Total				38,383.00	25,531,568.00	224,180,575.00	18,681,714.58	31,106,100.00	2,592,175.00			255,286,675.00	554.25

2 Other Customer

S.N.	Consumer Category Code	Consumer Category Name	Amp/ Voltage Level	No. of Consumer	Total Annual Energy Consumption (kWh)	Total Annual Energy Charge (Rs)	Average Energy Charge per Month (Rs)	Total Annual Fixed Charge (Rs)	Average Fixed Charge per Month (Rs)	Total Annual Demand (kVA) Charge (Rs)	Average Demand (kVA)Charge per Month (Rs)	Total Revenue	Average revenue per consumer per Month (Rs)
2.1	Low Voltage												
1		Industrial											
1.1		Cottage Industrials		686	1,630,629.00	16,306,290.00	1,358,857.50	5,620,809.60	468,400.80			21,927,099.60	2,663.64
1.2		Small Industrials		52	747,961.00	9,349,512.50	779,126.04	2,067,010.00	172,250.83			11,416,522.50	18,295.71
2		Commercial		171	1,826,077.00	25,565,078.00	2,130,423.17	9,026,804.78	752,233.73			34,591,882.78	16,857.64
3		Non-Commercial		136	475,815.00	7,137,225.00	594,768.75	1,996,557.57	166,379.80			9,133,782.57	5,596.68
4		Irrigation		11	34,360.00	188,980.00	15,748.33	-	-			188,980.00	1,431.67
5		Drinking Water										-	
5.1		Community Drinking Water		153	1,484,305.00	8,905,830.00	742,152.50	-	-			8,905,830.00	4,850.67
5.2		Other Drinking Water		14	524,736.00	4,722,624.00	393,552.00	448,276.48	37,356.37			5,170,900.48	30,779.17
6		Transportation (Charging station)										-	
6.1		Public Transportation										-	
6.2		Other Transportation										-	
7		Religious & spiritual sites (Temple)		171	100,004.00	800,032.00	66,669.33	0	-			800,032.00	389.88
8		Street Light										-	
8.1		Street Light with Meter		5	4,881.00	44,055.76	3,671.31	-	-			44,055.76	734.26
8.2		Street Light without meter			-							-	
9		Temporary										-	
10		Non- domestic		7	71,621.00	1,217,557.00	101,463.08	223,956.41	18,663.03			1,441,513.41	17,160.87
11		Entertainment										-	
Total				1406.000	6900389.000	74237184.260	6186432.022	19383414.843	1615284.570			93620599.103	5,548.87

2.2 High Voltage

S.N.	Consumer Category Code	Consumer Category Name	Amp/ Voltage Level	No. of Consumer	Total Annual Energy Consumption (kWh)	Total Annual Energy Charge (Rs)	Average Energy Charge per Month (Rs)	Total Annual Fixed Charge (Rs)	Average Fixed Charge per Month (Rs)	Total Annual Demand (kVA) Charge (Rs)	Average Demand (kVA)Charge per Month (Rs)	Total Revenue	Average revenue per consumer per Month (Rs)
A High Voltage													
1		Industrials	132 kV										
2		Industrials	66 kV										
B Medium Voltage 33 kV													
1		Industrial		4	73095	219,285.00	18,273.75	421,395.15	35,116.26			640,680.15	13,347.50
2		Commercial											
3		Non - Commercial											
4		Irrigation											
5		Drinking Water											
5.1		Community Drinking Water											
5.2		Other Drinking Water											
6		Transportation (Charging station)											
6.1		Public Transportation											
6.2		Other Transportation											
7		Non-domestic											
8		Entertainment											
C Medium Voltage 11 kV													
1		Industrial		2	57730	346,380.00	28,865.00	459,000.00	38,250.00			805,380.00	33,557.50
2		Commercial											
3		Non - Commercial											
4		Irrigation											
5		Drinking Water											
5.1		Community Drinking Water											
5.2		Other Drinking Water											
6		Transportation (Charging station)											
6.1		Public Transportation											
6.2		Other Transportation											
7		Religious & spirtual sites (Temple)											
8		Temporary											
9		Non-domestic											
10		Entertainment											
Total				6	130825	565665.0066	47138.75055	880395.15	73366.2625			1446060.157	20,084.17
Total				39,795.000	32,562,782.000	298,983,424.266	24,915,285.356	51,369,909.993	4,280,825.833			350,353,334.259	733.66

Butwal Power Company Limited
Kathmandu, Nepal

Auditor's Report & Financial Statements
For the year ended Ashad 31, 2080
(July 16, 2023)

Joshi & Bhandary
Chartered Accountants
Kathmandu, Nepal

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
Butwal Power Company Limited, Kathmandu, Nepal**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Butwal Power Company Limited (the Company or "BPCL")** which comprise the Statement of Financial Position (SoFP) as at Ashad 31, 2080 (corresponding to July 16, 2023), the Statement of Profit and Loss and Statement of Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of Significant Accounting Policies.

In our opinion and to the best of our information and explanations provided to us, the accompanying financial statement referred to above present fairly, in all material respects, the financial position of the Company as at Ashad 31, 2080 [i.e. July 16, 2023] and its financial performance and its cash flow for the year then ended in accordance with Nepal Financial Reporting Standards (NFRSs).

Basis of 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 statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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.

Emphasis of Matter

We draw attention Note 16 relating to "Other Equity" of the financial statements which included Share Premium account with a balance of Rs. 1,767 million raised through equity shares issued to public at premium in FY 2074/75 and auction of right shares in earlier years. As explained, the company has no intension of distributing bonus shares out of such Share Premium Balance in near future even though same can be used for distribution of bonus share as per Companies' Act. Should company decide to utilize same and distribute as bonus in future, corporate income tax under section 56 (3) of Income-tax Act will be applicable at that time and distribution thereof. Income tax obligation on such transaction shall accordingly be considered in line with the provision of Nepal Accounting Standard 12: "Income-Tax".

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended Ashad 31, 2080. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key Audit Matters	How our audit addressed the key audit matter
New Nepal Financial Reporting Standards which are specifically applicable for the current reporting period as per the pronouncement of Institute of Chartered Accountants of Nepal (ICAN) are not adopted by the Company (Refer Note 2.1 "Basis of Preparation and Measurement of the financial statements).	
BPC has opted not to adopt any of the new set of	We discussed with the management and those charged



<p>NFRS pronounced by ICAN, which are mandatory and might relate to it, but not specifically applicable considering the nature of its business and transactions for the financial year 2079-80 (2022-23). These standards include:</p> <ul style="list-style-type: none"> • NFRS 9 (New) “Financial Instruments”, • NFRS 14 “Regulatory Deferral Accounts” • NFRS 16 “Leases”, • NFRS 17“Insurance Contracts” • NAS 29 “Financial Reporting in Hyperinflationary Economies”. 	<p>with governance regarding the non-adoption of new NFRS for the current reporting period. We also evaluated the effect on financial position of the company due to non-adoption with each of the new NFRS’s which are mandatory for current reporting period as pronounced by ICAN considering the nature of business executed by the company. Based on our evaluation considering the transaction and account balances, we determined that overall impact on the financial position and profitability of the company due to non-adoption of new NFRS won’t be significant.</p> <p>Those charged with governance of the company as well as management have committed to adopt all applicable NFRSs from next year despite the effect of such adoption on financial statement not being significant.</p> <p>Considering the circumstances, we have concluded that the exception noted are not significant.</p>
<p>Royalty pertaining to additional 4.3 MW project in Andhikhola (Refer Note 13 “Other Financial Assets” and Note 35B “Contingent Liabilities and Commitments” of the financial statements).</p>	
<p>BPCL has entered into a separate Power Purchase Agreement for a new project at Andhikhola with a Commercial Operation Date on April 05, 2015 increasing its then existing capacity of 5.1 MW to 9.4 MW. The company has considered the additional 4.3 MW project at Andhikhola as a new project on the basis of a separate/new PPA agreement and has calculated and paid royalty to the Department of Electricity Development (DoED) at the rate applicable for a new project i.e. NPR 100 per KW of the installed capacity and 2% of revenue from sale of electricity. However, DoED has considered the project as an upgrade of the original project has demanded royalty applicable for an ongoing project i.e. NPR 1,000 per KW of installed capacity and 10% of revenue from sale of electricity which is under dispute and under consideration at the Supreme Court of Nepal as a writ petition</p> <p>Also, DoED, through its direct instruction to Nepal Electricity Authority (NEA), has already recovered the amount from the receivable of the company from NEA from sale of electricity made. Total disputed royalty payment withheld by NEA on behalf of DoED as of Asadh 31, 2080 amounted to NPR 40,238,306 (PY 39,216,416) and the amount thus deducted is accounted for and reported as receivable from DoED reflected</p>	<p>Our audit procedures included, but were not limited to, the following:</p> <p>We understood the basis taken by the company while taking a call that the additional 4.3 MW Project is a new project.</p> <p>We have evaluated the design and operation controls in relation to compliance with applicable laws and regulations.</p> <p>We collected and reviewed the summary of litigation documents provided by management and held discussion with those charge with governance.</p> <p>In respect to provisions against litigation and the assessment of contingent liabilities, we tested the calculation of the provision/contingent liability assessment, we reviewed the assumptions against third party data (wherever applicable) and assessed the estimates against the historical trends.</p> <p>We considered management’s judgment on the level of provisions/recognition of contingent liability as appropriate.</p>



under Note 13, recovery of which depends upon the outcome of the court ruling.	
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Other information

The management is responsible for other information presented in the Butwal Power Company Limited's Annual Report and Accounts FY 2079/80 (FY 2022/23) together with the Financial Statements. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

This report is expected to be made available to us after the date of our auditor's report. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, expect as explicitly stated below, any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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 a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard as on the date of this issuance of this report.

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

Company's management is responsible for the preparation and fair presentation of these financial statements. In accordance with NFRSs that is also described under Notes to account and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the company or to cease operations, or has no 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 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 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 risk of material misstatement of the financial statements, whether due to fraud or error, design and performed 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 omission, 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 of 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 the appropriateness of the 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 cause 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 disclosure 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.

- Evaluated 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 identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As per Companies Act 2063, based on our audit carried out on sampling basis, we report that, in our opinion:

1. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were considered necessary for the purpose of our audit;
2. Proper books of accounts as required by law have been kept by the Company as far as appears from our examination of such books;
3. The Statement of Financial Position (SoFP) as at Ashad 31, 2080 [corresponding to July 16, 2023], the Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year then ended are prepared as per the provisions of the Company Act 2063 and the same are in agreement with the books of accounts maintained by the Company;
4. The business of the Company has been conducted satisfactorily; and
5. To the best of our knowledge and in accordance with explanations given to us and from our examination of the books of accounts of the Company, necessary for the purpose of our audit, we have not come across cases where the Board of Directors, representative or any employee of the Company has acted contrary to the provisions of law, or committed any misappropriation or caused loss or damage to the Company deliberately.
6. Our suggestions for improvement in the Company's internal controls and accounting system have been presented in a separate management letter.



Manmohan Raj Kafle, FCA
Executive Partner

Dillibazar, Kathmandu
Date: Mangsir 29, 2080 (Dec 15, 2023)
UDIN - 231222CA00106Px8CR

Butwal Power Company Limited
Statement of Financial Position
As at 31st Ashadh 2080 (16 July 2023)

	Note	Figures in NPR	
		As at 31 Ashadh 2080	As at 32 Ashadh 2079
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	271,559,483	284,591,037
Capital work-in-progress	3	1,922,130	1,922,130
Intangible assets	4	1,857,657,366	1,896,368,544
Project work-in-progress	5	346,166,593	313,951,359
Financial assets			
Investment in Subsidiaries and Associates	6	3,454,773,292	2,694,986,430
Other investments	7	813,565,356	810,290,015
Other non-current assets	12	-	-
Total Non-Current Assets		6,745,644,223	6,002,109,515
Current Assets			
Inventories	8	58,064,717	55,364,530
Financial assets			
Trade receivables	9	65,686,320	107,473,300
Cash and cash equivalents	10	64,179,003	32,622,886
Bank balance other than cash and cash equivalents	11	15,000	15,000
Other financial assets	13	681,555,420	1,469,098,262
Other current assets	12	16,418,463	16,126,859
Current tax assets (net)	14	7,492,170	-
Total Current Assets		893,411,093	1,680,700,837
Total Assets		7,639,055,316	7,682,810,352
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	3,409,064,600	3,246,326,800
Other equity	16	3,623,603,445	3,721,867,116
Total Equity		7,032,668,045	6,968,193,916
Liabilities			
Non-Current Liabilities			
Grant aid in reserve	17	175,148,433	183,048,550
Financial liabilities			
Borrowings	19	79,659,280	94,659,280
Provisions	22	20,907,155	22,174,837
Deferred tax	14	158,166,950	138,697,320
Other non-current liabilities	20	18,472,610	19,393,572
Total Non-Current Liabilities		452,354,428	457,973,559
Current Liabilities			
Financial liabilities			
Borrowings	19	15,000,000	101,373,945
Trade payables	18	15,543,166	39,029,537
Other financial liabilities	21	28,676,980	27,591,996
Provisions	22	3,865,533	2,600,431
Other current liabilities	20	90,947,164	85,192,201
Current tax Liabilities (net)	14	-	854,767
Total Current Liabilities		154,032,843	256,642,877
Total Liabilities		606,387,271	714,616,436
Total Equity and Liabilities		7,639,055,316	7,682,810,352


The accompanying notes are integral part of these financial statements.


Uttam Kumar Shrestha
Chief Executive Officer


Padma Jyoti
Chairman



Pradeep Kumar Shrestha
Director

As per our report of even date


Radheshyam Shrestha
Vice President, Finance


Bijaya Krishna Shrestha
Director


Om Prakash Shrestha
Director


Manmohan Raj Kafle
Partner
Joshi & Bhandary
Chartered Accountants


Raju Maharjan
Director


Bina Rana
Director


Tirtha Man Shakya
Independent Director

Date: 29th Mangsir, 2080 (15 December, 2023)
Place: Kathmandu, Nepal




Butwal Power Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31st Ashadh 2080 (16 July 2023)

	Note	2079-80	2078-79
<i>Figures in NPR</i>			
Revenue	23	724,416,725	775,048,826
Cost of Sales			
Generation Expenses	24	(303,590,208)	(295,792,791)
Distribution Expenses	25	(138,569,213)	(137,874,933)
Gross profit		282,257,304	341,381,102
Depreciation Being Revenue Portion of Grant Aid	17	7,900,117	7,839,086
Other income	28	78,846,896	40,029,093
Provision for impairment loss on Investment written back	28	512,728,738	
Administrative and other operating expenses	26	(126,786,657)	(127,427,032)
Allowance for Expected Credit loss	27	(462,096,949)	-
Profit from Operation		292,849,449	261,822,249
Finance Income	29	103,466,812	99,928,739
Finance Costs	30	(11,466,997)	(12,809,954)
Profit Before Tax		384,849,264	348,941,034
Income Tax Expense			
Current tax	14	(61,127,796)	(69,613,764)
Deferred tax credit/charge	14	(18,650,795)	(5,177,034)
Profit for the year		305,070,673	274,150,236
Other comprehensive Income:			
Other comprehensive Income not to be reclassified to profit or loss in subsequent periods			
i. Equity instruments through other comprehensive income	7	3,275,341	(26,722,165)
ii. Tax relating to items that will not to be reclassified to profit or loss	14	(818,835)	6,680,541
Other comprehensive gain/(loss) for the year, net of tax		2,456,506	(20,041,624)
Total Comprehensive gain/(loss) for the year, net of tax		307,527,179	254,108,612
Earnings per equity share of Rs. 100 each			
Basic Earnings per share - Rs.	31	8.95	8.44
Diluted Earnings per share - Rs.	31	8.95	8.44

The accompanying notes are integral part of these financial statements.


Uttar Kumar Shrestha
 Chief Executive Officer


Padma Jyoti
 Chairman



Pradeep Kumar Shrestha
 Director

As per our report of even date


Radheshyam Shrestha
 Vice President, Finance


Bijaya Krishna Shrestha
 Director


Om Prakash Shrestha
 Director


Manmohan Raj Kafle
 Partner
 Joshi & Bhandary
 Chartered Accountants




Raju Maharjan
 Director


Bina Rana
 Director


Tirtha Man Shakya
 Independent Director

Date: 29th Mangsir, 2080 (15 December, 2023)
 Place: Kathmandu, Nepal

Butwal Power Company Limited
Statement of Cash Flows
For the year ended 31st Ashadh 2080 (16 July 2023)

	Note	2079-80	2078-79
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		384,849,264	348,941,034
Adjustments for:			
Depreciation on property, plant and equipment		20,206,154	21,788,417
Amortization of Intangible Assets		82,719,872	78,324,454
Depreciation Being Revenue Portion of Grant Aid		(7,900,117)	(7,839,086)
Provision for employee benefits		(2,580)	1,072,693
Provision for Bonus		20,925,231	14,993,429
Finance income		(103,466,812)	(99,928,739)
Equity Investment written off		-	-
Impairment of Intangible asset		3,977,874	1,211,411
Finance cost		11,349,926	12,642,219
Impairment loss on investment in subsidiaries and associates		(462,096,949)	-
Loss/ (gain) on sale of Property, plant and equipment		(3,214,349)	-
Unrealized foreign exchange difference on cash and cash equivalents		(118,081)	(273,774)
Working capital adjustments:			
(Increase)/ Decrease in Trade receivables		41,786,980	(14,434,799)
(Increase)/ Decrease in other financial assets		207,542,842	(81,568,530)
(Increase)/ Decrease in other assets		(291,604)	5,634,682
(Increase)/ Decrease in Inventories		(2,700,187)	(4,491,130)
Increase / (Decrease) in trade payables		(23,486,371)	852,183
Increase / (Decrease) in financial liabilities		1,084,984	4,489,663
Increase / (Decrease) in other current liabilities		(3,290,462)	(2,990,778)
Cash generated from operations		167,875,615	278,423,349
Bonus paid		(15,061,001)	(20,561,832)
Income Tax Paid		(69,474,733)	(44,713,875)
NET CASH FLOWS FROM OPERATING ACTIVITIES		83,339,881	213,147,642
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Proceeds from sale of Property, Plant and Equipment		3,525,597	447,852
(Increase)/Decrease in Project work-in-progress		(32,215,234)	(28,392,900)
(Increase)/Decrease in Investment in Fixed Deposits		580,000,000	(329,232,603)
Interest Received		103,466,812	99,928,739
(Increase)/ Decrease Investment in Subsidiaries and Associates		(297,689,913)	(228,318,154)
(Increase)/ Decrease in Other Investments		-	-
Acquisition of Property, plant and Equipment		(7,485,848)	(7,983,259)
Purchase of Intangibles		(47,986,568)	(111,378,013)
Grant Aid received/ (refunded)		-	1,450,216
Bank balance other than cash and cash equivalents		-	35,000,000
NET CASH FLOWS FROM INVESTING ACTIVITIES		301,614,846	(568,478,122)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of further public offering (FPO)		-	-
Issue of right share		-	-
Share Issue Cost		-	-
Borrowing (repaid) / taken (net)		(15,000,000)	(49,292,180)
Dividend paid		(240,792,820)	(286,605,800)
Interest paid		(11,349,926)	(12,642,219)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(267,142,746)	(348,540,199)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Net foreign exchange difference on cash and cash equivalents		117,811,981	(703,870,679)
CASH AND CASH EQUIVALENTS, Beginning of Year		118,081	273,774
CASH AND CASH EQUIVALENTS, End of Period	38	(53,751,059)	649,845,846
		64,179,003	(53,751,059)

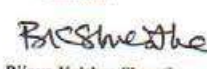
The accompanying notes are integral part of these financial statements.


Uttam Kumar Shrestha
Chief Executive Officer


Padma Jyoti
Chairman


Pradeep Kumar Shrestha
Director


Radheshyam Shrestha
Vice President, Finance


Bijaya Krishna Shrestha
Director


Om Prakash Shrestha
Director


Raju Maharjan
Director


Bina Rana
Director


Tirtha Mani Shakya
Independent Director

As per our report of even date


Manmohan Raj Kalle
Partner
Joshi & Bhandary
Chartered Accountants

Date: 29th Mangsir, 2080 (15 December, 2023)
Place: Kathmandu, Nepal

Butwal Power Company Limited
Statement of Changes in Equity
For the year ended 31st Ashadh 2080 (16 July 2023)

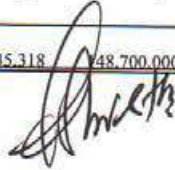
Figures in NPR

	Equity Share Capital		Retained earnings and reserves			Total
		Share Premium	General Reserve	Fair Value Reserve	Retained Earnings	
Balance at 1 Shrawan 2078	2,951,360,500	1,767,535,318	148,700,000	285,810,539	1,855,984,747	7,009,391,104
Profit for the year	-	-	-	-	274,150,236	274,150,236
Other comprehensive income	-	-	-	(20,041,624)	-	(20,041,624)
Total comprehensive income	-	-	-	(20,041,624)	274,150,236	254,108,612
Issue of right share	-	-	-	-	-	-
Issue of Further Public Offering (FPO)	-	-	-	-	-	-
Issue of bonus share	294,966,300	-	-	-	(294,966,300)	-
Share Issue Cost	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	(295,305,800)	(295,305,800)
Balance at 31st Ashadh 2079	3,246,326,800	1,767,535,318	148,700,000	265,768,915	1,539,862,883	6,968,193,916
Profit for the year	-	-	-	-	305,070,673	305,070,673
Other comprehensive income	-	-	-	2,456,506	-	2,456,506
Total comprehensive income	-	-	-	2,456,506	305,070,673	307,527,179
Issue of right share	-	-	-	-	-	-
Issue of Further Public Offering (FPO)	-	-	-	-	-	-
Issue of bonus share	162,737,800	-	-	-	(162,737,800)	-
Share Issue Cost	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	(243,053,050)	(243,053,050)
Balance at 31st Ashadh 2080	3,409,064,600	1,767,535,318	148,700,000	268,225,421	1,439,142,706	7,032,668,045


The accompanying notes are integral part of these financial statements.



Ujjar Kumar Shrestha
Chief Executive Officer


Radha Jvoti
Chairman



Pradeep Kumar Shrestha
Director

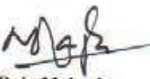
As per our report of even date


Radheshyam Shrestha
Vice President, Finance

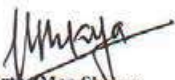

Bijaya Krishna Shrestha
Director


Om Prakash Shrestha
Director


Manmohan Raj Kafle
Partner
Joshi & Bhandary
Chartered Accountants


Raju Maharjan
Director


Bina Rana
Director


Tirtha Man Shakya
Independent Director

Date: 29th Mangsir, 2080 (15 December, 2023)
Place: Kathmandu, Nepal



Butwal Power Company Limited
Notes to the financial statements for the year ended 31st Ashadh 2080

Figures in NPR

Note no: 3

Property, plant and equipment:

	Freehold Land	Building	Office Equipment	Furniture and Fixtures	Plant & Equipment	Vehicles	Computers	Capital work-in-progress	Total
Cost									
Balance at 1st Shrawan 2078	48,515,535	263,452,318	64,069,992	24,846,787	3,765,926	41,656,085	17,643,434	1,922,130	465,872,207
Additions	-	1,265,404	920,994	242,057	399,094	1,769,900	3,385,810	-	7,983,259
Transfer from CWIP	-	-	-	-	-	-	-	-	-
Disposals	-	-	(585,250)	(1,218,992)	(33,959)	(9,482)	(322,288)	-	(2,169,971)
Balance at 32nd Ashadh 2079	48,515,535	264,717,722	64,405,736	23,869,852	4,131,061	43,416,503	20,706,956	1,922,130	471,685,495
Additions	-	-	950,174	164,317	3,939,855	261,900	2,169,602	-	7,485,848
Transfer from CWIP	-	-	-	-	-	-	-	-	-
Disposals	-	-	(654,730)	(167,675)	(186,812)	(330,314)	(699,438)	-	(2,038,969)
Balance at 31st Ashadh 2080	48,515,535	264,717,722	64,701,180	23,866,494	7,884,104	43,348,089	22,177,120	1,922,130	477,132,374
Accumulated depreciation									
Balance at 1st Shrawan 2078	-	62,202,619	45,537,340	19,834,204	1,998,116	24,073,423	11,460,328	-	165,106,030
Charge for the year	-	10,040,580	4,575,451	1,354,559	409,620	3,733,169	1,675,038	-	21,788,417
Disposals	-	-	(488,159)	(924,126)	(23,072)	(7,494)	(279,268)	-	(1,722,119)
Balance at 32nd Ashadh 2079	-	72,243,199	49,624,632	20,264,637	2,384,664	27,799,098	12,856,098	-	185,172,328
Charge for the year	-	9,596,621	3,672,908	992,795	622,146	3,131,337	2,190,347	-	20,206,154
Disposals	-	-	(562,738)	(142,369)	(134,387)	(267,381)	(620,846)	-	(1,727,721)
Balance at 31st Ashadh 2080	-	81,839,820	52,734,802	21,115,063	2,872,423	30,663,054	14,425,599	-	203,650,761
Net book value									
At 1st Shrawan 2078	48,515,535	201,249,699	18,532,652	5,012,583	1,767,810	17,582,662	6,183,106	1,922,130	300,766,177
At 32nd Ashadh 2079	48,515,535	192,474,523	14,781,104	3,605,215	1,746,397	15,617,405	7,850,858	1,922,130	286,513,167
At 31st Ashadh 2080	48,515,535	182,877,902	11,966,378	2,751,431	5,011,681	12,685,035	7,751,521	1,922,130	273,481,613

a) Refer Note 19 for the details in respect of certain assets hypothecated/mortgaged as security for borrowings.

b) Capital work in progress includes expenditure on on-going contractual works for development of Revenue Accounting Software

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Butwal Power Company Limited
Notes to the financial statements for the year ended 31st Ashadh 2080

Figures in NPR

Note no: 4

Intangible assets:

	Computer Software	Service Concession Arrangement	Total
Balance at 1st Shrawan 2078	1,663,551	2,289,710,782	2,291,374,333
Additions - Externally acquired	-	111,378,013	111,378,013
Transfer from CWIP	-	-	-
Adjustment during the year	(39,550)	(1,375,919)	(1,415,469)
Balance at 32nd Ashadh 2079	1,624,001	2,399,712,876	2,401,336,877
Additions - Externally acquired	-	47,986,568	47,986,568
Transfer from CWIP	-	-	-
Adjustment during the year	-	(4,509,221)	(4,509,221)
Balance at 31st Ashadh 2080	1,624,001	2,443,190,223	2,444,814,224
Amortisation			
Balance at 1st Shrawan 2078	373,485	426,474,452	426,847,937
Charge for the year	334,688	77,989,766	78,324,454
Adjustment during the year	(39,550)	(164,508)	(204,058)
Balance at 32nd Ashadh 2079	668,623	504,299,710	504,968,333
Charge for the year	324,800	82,395,072	82,719,872
Adjustment during the year	-	(531,347)	(531,347)
Balance at 31st Ashadh 2080	993,423	586,163,435	587,156,858
Net book value			
At 1st Shrawan 2078	1,290,066	1,863,236,330	1,864,526,396
At 32nd Ashadh 2079	955,378	1,895,413,166	1,896,368,544
At 31st Ashadh 2080	630,578	1,857,026,788	1,857,657,366

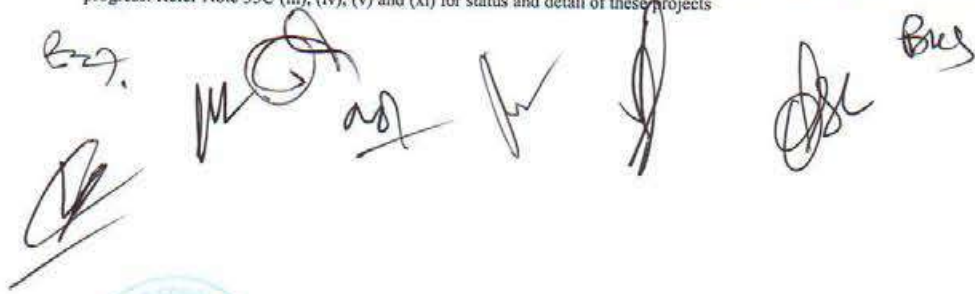
- a) Refer Note 19 for the details in respect of certain intangible assets hypothecated/mortgaged as security for borrowings.
b) The tenure of the Service Concession Arrangement of 9.4 MW Andhikhola and 12 MW Jhimruk Hydro Power Plant for generation, transmission and distribution shall be ended on Chaitra 2101 B.S. and Chaitra 2102 B.S. respectively.

Note no: 5

Project work-in-progress

Particulars	As at 31st Ashadh 2080	As at 32nd Ashadh 2079
	At cost	At cost
Chino Khola SHP	36,059,481.55	32,856,368
Lower Manang Marshyangdi HEP	220,879,810.00	202,320,629
Mugu Karnali HEP	85,810,765.00	76,599,012
Solar Project at Jhimruk Area (7 MW)	3,416,537.00	2,175,350
Total	346,166,593.55	313,951,359

- a) Expenditure on Lower Manang Marsyangdi, Chino Khola, Mugu Karnali and Solar at Jhimruk project are shown as project work in progress. Refer Note 35C (iii), (iv), (v) and (xi) for status and detail of these projects





Note no: 6

Investment in subsidiaries and associates

Particulars	As at 31st Ashadh 2080		As at 32nd Ashadh 2079	
	No. of shares	Amount	No. of shares	Amount
Unquoted Investments at cost				
Investment in Subsidiary Companies				
Nepal Hydro & Electric Limited (Equity Shares of NPR 100 each fully paid up)	715,800	71,580,000	715,800	71,580,000
Khudi Hydropower Limited (Equity Shares of NPR 100 each fully paid up)	504,000	50,400,000	504,000	50,400,000
Khudi Hydropower Limited (Preference Shares of NPR 100 each fully paid up)	576,000	57,600,000	576,000	57,600,000
BPC Services Limited (Equity Shares of NPR 100 each fully paid up)	100,000	10,000,000	100,000	10,000,000
Nyadi Hydropower Limited (Equity Shares of NPR 100 each fully paid up)	10,751,453	1,075,145,300	10,751,453	1,075,145,300
Hydro-Consult Engineering Limited (Equity Shares of NPR 100 each fully paid up)	147,231	42,991,260	147,231	42,991,260
Investment in Associate Companies				
Gurans Energy Limited (Equity Shares of NPR 100 each fully paid up)	3,319,836	331,983,600	3,319,836	331,983,600
Kabeli Energy Limited (Equity Shares of NPR 100 each fully paid up)	2,966,860	296,686,000	2,966,860	296,686,000
Convertible loan to Kabeli Energy Limited (convertible to fixed number of equity share)	-	-	-	1,260,044
Himal Hydropower Company Pvt. Ltd. (Equity Shares of NPR 100 each fully paid up)	601,300	789,700,830	601,300	789,700,830
Marsyangdi Transmission Company Pvt. Ltd. (Equity Shares of NPR 100 each fully paid up)	6,406	10,346,245	6,406	10,346,245
Manang Marsyangdi Hydropower Company Pvt. Ltd. (Equity Shares of NPR 100 each fully paid up). Refer note 2.26 (k) for details	198,455	147,402,781	198,455	147,402,781
SCIG Int'l Nepal Hydro Joint Development Co. Pvt. Ltd. (Equity Shares of NPR 100 each fully paid up)	3,125,439	93,520,876	3,125,439	93,520,876
Advance towards share capital including incidental cost:				
SCIG Int'l Nepal Hydro Joint Venture Development Co. Pvt. Ltd.	-	44,000,000	-	44,000,000
Gurans Energy Limited	-	-	-	3,012,232
Hydro-Consult Engineering Limited	-	-	-	-
Manang Marsyangdi Hydropower Company Pvt. Ltd.	-	182,086,000	-	182,086,000
Kabeli Energy Limited	-	251,330,400	-	-
Gross Investment at Cost (A)	23,012,780	3,454,773,292	23,012,780	3,207,715,168
Less: Provision for impairment loss				
Gurans Energy Limited				(274,371,902)
Kabeli Energy Limited				(238,356,836)
Total Provision (B)				(512,728,738)
Net Investment at cost less impairment (A+B)		3,454,773,292		2,694,986,430

During the current year Impairment loss on Investment has been reversed for Kabeli Energy Limited and Gurans Energy Limited for amount of NPR 238,356,836 and NPR 274,371,902 respectively considering the current progress of Kabeli-A Project. Further Allowances for expected credit loss has been made considering remoteness of chances for conversion of Advance towards share into Equity shares of Kabeli Energy for NPR 123,536,367 and for Gurans Energy Limited for NPR 135,700,323.

Note no: 7

Other investments

Particulars	As at 31st Ashadh 2080		As at 32nd Ashadh 2079	
	No. of shares	Amount	No. of shares	Amount
Unquoted Investments at fair value through other comprehensive income				
Himal Power Limited (HPL) (Equity Shares of NPR 100 each fully paid up)	2,978,502	759,512,872	2,978,502	760,196,753
Hydro Lab (P) Limited (Equity Shares of NPR 100 each fully paid up)	10,000	34,052,484	10,000	30,093,262
Total Investment at Fair Value through Other Comprehensive Income	2,988,502	793,565,356	2,988,502	790,290,015
Advance towards share capital including incidental cost:				
Nepal Power Exchange Ltd.	-	20,000,000	-	20,000,000
Total other Investments	2,988,502	813,565,356	2,988,502	810,290,015

Butwal Power Company Limited
Notes to the financial statements for the year ended 31st Ashadh 2080

Figures in NPR

Note no: 8
Inventories

Particulars	As at 31st Ashadh 2080	As at 32nd Ashadh 2079
General Stock/Office Supplies/Consumer Service Items	8,663,033	9,410,599
Stock of Electric Goods	8,890,299	8,515,017
T/L & D/L Stock	4,490,183	6,664,035
Other engineering inventories and spare parts	36,021,202	30,774,879
Total	58,064,717	55,364,530

Refer Note 19 for the details in respect of assets hypothecated/mortgaged as security for borrowings.

Note no: 9
Trade receivables

Particulars	As at 31st Ashadh 2080	As at 32nd Ashadh 2079
Nepal Electricity Authority	44,044,196	88,483,280
Local Consumers	21,642,124	18,990,020
Total	65,686,320	107,473,300

Refer Note 19 for the details in respect of assets hypothecated/mortgaged as security for borrowings.

Note no: 10
Cash and cash equivalents

Particulars	As at 31st Ashadh 2080	As at 32nd Ashadh 2079
Balances with banks		
Local currency account		
In current accounts	30,460,997	24,156,407
In call accounts	28,550,462	3,276,850
In deposits accounts (Original maturity less than 3 months)	-	-
Convertible currencies account		
In current accounts	2,981,882	2,887,300
In call accounts	1,257,240	1,246,004
Cheques in Hand	22,920	410,209
Cash in hand	905,502	646,116
Total	64,179,003	32,622,886

Refer Note 19 for the details in respect of assets hypothecated/mortgaged as security for borrowings.

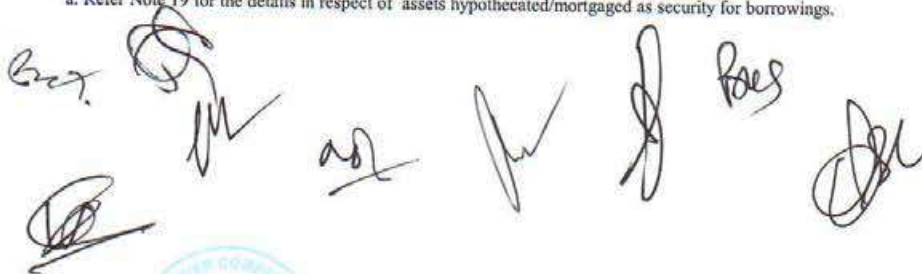
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following

Particulars	As at 31st Ashadh 2080	As at 32nd Ashadh 2079
Cash at banks and on hand	64,179,003	32,622,886
Overdraft	-	(86,373,945)
Total	64,179,003	(53,751,059)

Note no: 11
Bank balance other than cash and cash equivalents

Particulars	As at 31st Ashadh 2080	As at 32nd Ashadh 2079
Balances with Bank		
In deposit account	-	-
Embarked balance with bank		
Margin money	15,000	15,000
Total	15,000	15,000

a. Refer Note 19 for the details in respect of assets hypothecated/mortgaged as security for borrowings.





Note no: 12

Other assets (Current and Non-current)

Particulars	As at 31st Ashadh 2080		As at 32nd Ashadh 2079	
	Current	Non-current	Current	Non-current
Capital advance	573,859	-	761,823	-
Prepaid Expenses	15,844,604	-	15,365,036	-
Gratuity Fund Surplus	-	-	-	-
Total	16,418,463	-	16,126,859	-

a) Refer Note 19 for the details in respect of assets hypothecated/mortgaged as security for borrowings.

Note no: 13

Other financial assets (Current and Non-current)

Particulars	As at 31st Ashadh 2080		As at 32nd Ashadh 2079	
	Current	Non-current	Current	Non-current
Deposit (Others)	462,268	-	470,268	-
Advances to Staff	406,917	-	351,780	-
Receivables from Employee Welfare Fund	14,301,855	-	14,301,855	-
Receivables from Harish Chandra Shah	-	-	185,000,000	-
Receivables from SC Power Company Pvt. Ltd.	-	-	15,000,000	-
Dividend receivable from subsidiaries and associates	-	-	16,705,060	-
Interest receivable from subsidiaries and associates	19,387,519	-	79,190,639	-
Investment in Fixed Deposit	450,000,000	-	1,030,000,000	-
Other receivables from subsidiaries and associates	1,758,555	-	806,381	-
Other receivables from Citizen Investment Trust	-	-	-	-
Advance to subsidiaries and associates	155,000,000	-	87,500,000	-
Other receivables from Department of Electricity Development (DoED)	40,238,306	-	39,216,416	-
Other receivables	-	-	555,843	-
Total	681,555,420	-	1,469,098,262	-

Refer Note 19 for the details in respect of assets hypothecated/mortgaged as security for borrowings.

Allowances for expected Credit loss has been provided for amount receivable from Harish Chandra Shah NPR 185,000,000 and from S.C Power Company Pvt. Limited for NPR 10,000,000 and for the interest receivable from subsidiaries and Associates (Kabeli Energy Limited) for NPR 7,860,259 considering the uncertainty regarding the recoverability.

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Note no: 14
INCOME TAXES

A. Tax expense recognised in the Statement of Profit and Loss

	Year ended 31 Ashadh, 2080	Year ended 32 Ashadh, 2079
Current tax expenses		
Current tax on profits for the year	61,127,796	69,613,764
Adjustments for under provision in prior periods	-	-
Deferred tax credit/charge		
Origination and reversal of temporary differences	18,650,795	5,177,034
Adjustments/(credits) related to previous years - (net)	-	-
Income tax expense reported in Statement of Profit or Loss	79,778,591	74,790,798

B. Tax expense recognised in Other comprehensive income

	Year ended 31 Ashadh, 2080	Year ended 32 Ashadh, 2079
Deferred tax		
Origination and reversal of temporary differences	818,835	(6,680,541)
Adjustments/(credits) related to previous years - (net)	-	-
Income tax charged to OCI	818,835	(6,680,541)

C. Current tax asset / (liability) -net:

	Year ended 31 Ashadh, 2080	Year ended 32 Ashadh, 2079
Advance Income Tax	68,648,482	70,967,568
Less: Income Tax Liability	(61,156,312)	(71,822,335)
Total	7,492,170	(854,767)

D. Reconciliation of tax liability on book profit vis-à-vis actual tax liability

	Year ended 31 Ashadh, 2080			Year ended 32 Ashadh, 2079		
	Hydro	Other source	Total	Hydro	Other source	Total
Accounting Profit/ (Loss) before income tax	197,461,255	187,388,009	384,849,264	245,607,038	103,333,997	348,941,035
Enacted tax rate	20%	25%		20%	25%	
Computed tax expense	39,492,251	46,847,002	86,339,253	49,121,408	25,833,499	74,954,907
Differences due to:						
Tax effect due to non taxable income	-	(11,041,250)	(11,041,250)	-	(2,860,052)	(2,860,052)
Effect due to non deductible expenses	1,932,001	3,801,137	5,733,138	3,276,741	2,300,421	5,577,162
Tax effect due to difference in depreciation rate	(7,181,744)	(63,654)	(7,245,398)	(8,016,119)	(42,134)	(8,058,253)
Tax effect of Impairment reversal less Allowance for ECL		(12,657,947)	(12,657,947)			
Current tax on profits for the year	34,242,508	26,885,288	61,127,796	44,382,030	25,231,734	69,613,764

E. The movement in deferred tax assets and liabilities during the year ended 32 Ashadh, 2079 and 31 Ashadh, 2080:

i. Movement during the year ended 32 Ashadh, 2079

	As at 1 Shrawan, 2078	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 32 Ashadh, 2079
Deferred tax assets/(liabilities)				
Provision for leave encashment	5,039,755	234,783	-	5,274,538
Provision for loss on investment	128,182,185	-	-	128,182,185
Depreciation and Amortisation	(178,234,596)	(5,329,808)	-	(183,564,404)
Investment in equity instrument	(95,270,180)	-	6,680,541	(88,589,639)
Amortisation cost of term loan	82,009	(82,009)	-	-
Total	(140,200,827)	(5,177,034)	6,680,541	(138,697,320)

ii. Movement during the year ended 31 Ashadh, 2080

	As at 1 Shrawan, 2079	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 Ashadh, 2080
Deferred tax assets/(liabilities)				
Provision for leave encashment	5,274,538	73,398	-	5,347,936
Provision for loss on investment	128,182,185	(128,182,185)	-	-
Depreciation and Amortisation	(183,564,404)	(6,066,245)	-	(189,630,649)
Investment in equity instrument	(88,589,639)	-	(818,835)	(89,408,474)
Amortisation cost of term loan	-	115,524,237	-	115,524,237
Total	(138,697,320)	(18,650,795)	(818,835)	(158,166,950)

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Butwal Power Company Limited
Notes to the financial statements for the year ended 31st Ashadh 2080

Figures in NPR

Note no: 15
Equity Share Capital

Particulars	As at 31st Ashadh, 2080		As at 32nd Ashadh, 2079	
	No. of Shares	Amount	No. of Shares	Amount
A. Equity Shares				
Authorised				
Equity Shares of Rs. 100 each with voting rights	80,000,000	8,000,000,000	80,000,000	8,000,000,000
Issued				
Equity Shares of Rs. 100 each with voting rights	34,090,646	3,409,064,600	32,463,268	3,246,326,800
Subscribed and Fully Paid				
Equity Shares of Rs. 100 each with voting rights	34,090,646	3,409,064,600	32,463,268	3,246,326,800
	<u>34,090,646</u>	<u>3,409,064,600</u>	<u>32,463,268</u>	<u>3,246,326,800</u>

B. Reconciliation of the number of shares outstanding at the beginning and end of the year

	As at 31st Ashadh, 2080	As at 32nd Ashadh, 2079
	No. of Shares	No. of Shares
Balance as at the beginning of the year	32,463,268	29,513,605
Add: Issue of bonus share during the year	1,627,378	2,949,663
Balance as at end of the year	<u>34,090,646</u>	<u>32,463,268</u>

C. Details of shareholding more than 1%

Particulars	As at 31st Ashadh, 2080		As at 32nd Ashadh, 2079	
	No. of Shares	Share %	No. of Shares	Share %
Shangri-La Energy Ltd.	19,191,816	56.30%	18,277,920	56.30%
Government of Nepal	2,530,249	7.42%	2,409,761	7.42%
IKN Nepal A.S., Norway	538,689	1.58%	513,037	1.58%
United Mission to Nepal	466,161	1.37%	443,963	1.37%
Nepal Electricity Authority	293,974	0.86%	279,975	0.86%
General Public Shareholders				
- Other General Public shareholders	11,069,757	32.47%	10,538,612	32.46%

D. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of NPR 100 per share. Every member holding equity shares therein shall have voting rights in proportion to the member's share of the paid up equity share capital. The Company declares and pays dividend in Nepalese rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of 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 equity shareholders.





Butwal Power Company Limited
Notes to the financial statements for the year ended 31st Ashadh 2080

Figures in NPR

E. Dividend Paid and Proposed:

Declared dividends and proposed dividends	As at 31st Ashadh, 2080	As at 32nd Ashadh, 2079
Declared and approved for during the year:		
Dividends on ordinary shares:		
Final dividend for 2078-79: NPR. 7.5 per share (2077-78: NPR. 10 per share)	162,737,800	295,305,800
Proposed for approval at the annual general meeting (not recognised as a liability as at balance sheet date):		
Dividends on ordinary shares:		
Proposed dividend for 2079-80: Cash dividend NPR ... per share and stock dividend NPR per share. (2078-79: cash dividend NPR 7.5 per share and stock dividend NPR 5% per share)		162,737,800

**Note no: 16
Other equity**

	Share Premium	General Reserve	Fair Value Reserve	Retained Earnings	Total
Balance at 1 Shrawan 2078	1,767,535,318.00	148,700,000.00	285,810,539.00	1,855,984,747.00	4,058,030,604
Profit for the year	-	-	-	274,150,236.00	274,150,236
Other comprehensive income	-	-	(20,041,624.00)	-	(20,041,624)
Issue of right share	-	-	-	-	-
Issue of Further Public Offering	-	-	-	-	-
Issue of bonus share	-	-	-	(294,966,300.00)	(294,966,300)
Share Issue Cost	-	-	-	-	-
Dividends to shareholders	-	-	-	(295,305,800.00)	(295,305,800)
Balance at 32nd Ashadh 2079	1,767,535,318	148,700,000	265,768,915	1,539,862,883	3,721,867,116
Profit for the year	-	-	-	305,070,673	305,070,673
Other comprehensive income	-	-	2,456,506	-	2,456,506
Issue of right share	-	-	-	-	-
Issue of Further Public Offering	-	-	-	-	-
Dividends to shareholders	-	-	-	(243,053,050)	(243,053,050)
Share Issue Cost	-	-	-	-	-
Issue of bonus share	-	-	-	(162,737,800)	(162,737,800)
Balance at 31st Ashadh 2080	1,767,535,318	148,700,000	268,226,421	1,439,142,706	3,623,603,445





Butwal Power Company Limited
Notes to the financial statements for the year ended 31st Ashadh 2080

Figures in NPR

Particulars	As at 31st Ashadh 2080		As at 32nd Ashadh 2079	
	Closing balance	Amortisation for the year	Closing balance	Amortisation for the year
Note no: 17				
Grant aid in reserve				
Name of Grantors				
NORAD	7,478,641	328,484	7,807,125	328,484
UMN PCS	14,911,610	673,931	15,585,541	673,931
USAID	8,415,570	382,723	8,798,293	382,723
REGDAN	9,143,877	414,375	9,558,252	414,375
JRP	4,534,651	206,805	4,741,456	206,805
REEP	61,118,632	2,773,848	63,892,480	2,773,848
Local VDC/Community	69,545,452	3,119,951	72,665,403	3,058,920
Total	175,148,433	7,900,117	183,048,550	7,839,086

Particulars	As at 31st Ashadh 2080		As at 32nd Ashadh 2079	
	Current	Non-Current	Current	Non-Current
Note no: 18				
Trade payables				
Trade payables	15,543,166	-	39,029,537	-
Total	15,543,166	-	39,029,537	-

Particulars	As at 31st Ashadh 2080		As at 32nd Ashadh 2079	
	Current	Non-Current	Current	Non-Current
Note no: 19				
Borrowings				
Measured at amortised cost				
Secured Borrowings from Banks				
Term loan	15,000,000	79,659,280	15,000,000	94,659,280
Overdraft	-	-	86,373,945	-
Total	15,000,000	79,659,280	101,373,945	94,659,280

1) Term loan includes another loan obtained from Sunrise Bank which is secured as charge by way of hypothecation on Land and Building of company's corporate office situated at Kathmandu.

2) Terms of Repayment of Term Loans

Particulars	As at 31st Ashadh 2080		As at 32nd Ashadh 2079	
	Current	Non-Current	Current	Non-Current
2-3 Years		30,000,000		30,000,000
4-5 Years		30,000,000		30,000,000
5-10 Years		19,659,280		34,659,280
Total		79,659,280		94,659,280

Note no: 20
Other liabilities (current and non-current)

Particulars	As at 31st Ashadh 2080		As at 32nd Ashadh 2079	
	Current	Non-Current	Current	Non-Current
Advance Received from DDC, VDC and NTC	920,962	18,472,610	920,962	19,393,572
Dividend Payable	61,763,477	-	59,503,247	-
Statutory dues	3,571,015	-	7,528,669	-
VAT Payable (Net)	189,508	-	24,288	-
Welfare Fund Clearing Account	3,644,531	-	2,221,606	-
Bonus payable	20,857,671	-	14,993,429	-
Total	90,947,164	18,472,610	85,192,201	19,393,572

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Note no: 21

Other Financial Liabilities

Particulars

Particulars	As at 31st Ashadh 2080		As at 32nd Ashadh 2079	
	Current	Non-Current	Current	Non-Current
Employees Accounts Payable	9,497,611	-	11,814,149	-
Refundable Deposits of Parties	2,371,062	-	1,868,349	-
Retention Payable	5,206,733	-	4,916,862	-
Royalty Payable	6,302,765	-	6,666,222	-
Other Payable	5,298,809	-	2,326,414	-
Total	28,676,980	-	27,591,996	-

Note no: 22

Provisions (current and non-current)

Particulars

Particulars	As at 31st Ashadh 2080		As at 32nd Ashadh 2079	
	Current	Non-Current	Current	Non-Current
Provision for leave encashment	3,865,533	20,907,155	2,600,431	22,174,837
Total	3,865,533	20,907,155	2,600,431	22,174,837

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Figures in NPR

Note no: 23
Revenue

Particulars	2079-80	2078-79
Electricity Sale to NEA		
Electricity Sale	470,216,042	529,469,371
Short supply charges	(903,719)	(2,707,568)
	469,312,323	526,761,803
Electricity Sale to Consumers		
Metered Consumers	202,450,588	197,912,455
Unmetered Consumers	368,798	551,962
Industrial Consumers	58,140,462	54,357,948
UO Rebate	(13,429,535)	(13,342,809)
	247,530,313	239,479,556
Electricity Services		
Fee and Charges	1,570,994	1,850,947
Sale of Meter/Cutout & Accessories	6,003,095	6,956,520
	7,574,089	8,807,467
Total	724,416,725	775,048,826

Note no: 24
Generation Expenses

Particulars	2079-80	2078-79
Electricity Purchase	33,790,134	20,366,626
Salaries and other employee cost	56,657,464	57,343,917
Contribution to Provident and Gratuity Fund	4,564,844	4,381,703
Staff Bonus	5,422,515	5,106,908
Environment, Community & Mitigation	16,442,696	28,008,785
Donation expenses	608,900	502,220
Repair and Maintenance	38,809,920	29,891,577
Vehicle running cost*	744,219	761,949
Depreciation	2,582,278	2,122,844
Amortisation of Intangible Assets - SCA	59,288,881	58,320,870
Royalty	60,479,188	66,562,312
Insurance	11,506,080	8,107,849
Safety and Security	3,872,398	3,872,397
Bad Debts	-	-
Assets written off	91,917	97,134
Miscellaneous Expenses	8,728,774	10,145,700
Total	303,590,208	295,792,791

Note no: 25
Distribution Expenses

Particulars	2079-80	2078-79
Cost of sale of Meter/Cutout & Accessories	3,565,295	3,879,564
Salaries and other employee cost	45,162,815	51,966,403
Contribution to Provident and Gratuity Fund	4,145,287	4,496,801
Staff Bonus	7,881,642	4,738,818
Environment, Community & Mitigation	-	-
Donation expenses	21,600	22,880
Repair and Maintenance	11,543,163	11,233,091
Vehicle running cost	1,603,227	1,155,565
Depreciation	1,830,121	1,927,217
Amortisation of Intangible Assets - SCA	23,092,654	19,655,359
Royalty	26,095,984	25,282,237
Insurance	693,456	512,456
Safety and Security	799,345	799,345
Bad Debts	-	-
Assets written off	109,081	51,950
Miscellaneous Expenses	12,025,543	12,153,247
Total	138,569,213	137,874,933

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Figures in NPR

Note no: 26

Administrative and other operating expenses

Particulars	2079-80	2078-79
Salaries and other employee cost	59,740,984	56,430,754
Contribution to Provident and Gratuity Fund	4,742,140	4,566,801
Staff Bonus	7,621,074	5,147,703
Staff Welfare	2,947,374	2,765,955
Advertisement and business promotion	543,258	467,834
AGM and Board Expenses	4,625,890	4,641,236
Audit Fee and Expenses	2,915,508	1,832,727
Communication Expenses	2,374,332	2,307,713
Depreciation and amortisation	16,132,091	18,086,581
Environment, Community & Mitigation	208,580	7,670
Gift and Donation	368,882	140,520
Hospitality and Refreshment	301,055	237,547
Insurance	1,632,081	1,342,849
Safety and Security	2,403,034	2,398,034
Legal and professional Expenses	3,970,652	6,041,269
Office running cost	5,053,441	4,970,704
Printing and Stationery	1,894,633	1,582,924
Rates and Taxes	731,359	620,087
Rent	-	-
Repair and Maintenance	5,540,580	7,300,107
Training and Development	521,907	554,353
Travelling expenses	961,028	746,151
Vehicle running cost	889,401	771,466
Bad Debts	-	2,000
Assets Written off	110,249	298,769
Equity Investment written off	-	-
Miscellaneous Expenses	7,618,628	10,290,961
Overhead Charged to Projects	(7,061,504)	(6,125,683)
Total	126,786,657	127,427,032

*BPC has a system of charging its employees for any personal use of its vehicles and deducting such amount from corresponding expenses.

a. Detail of Audit Fee and related expenses

Particulars	2079-80	2078-79
External Audit	474,600	452,000
Other assurance services (includes out of pocket expenses of external audit)	285,080	141,875
Internal Audit (including out of pocket expenses)	572,926	654,821
ISO Audit	1,582,902	584,031
Total	2,915,508	1,832,727

Note no: 27

Allowance for Expected credit loss

Particulars	2079-80	2078-79
Gurans Energy Limited	135,700,323	-
Kabeli Energy Limited	131,396,626	-
Receivables from Harish Chandra Shah	185,000,000	-
Receivables from SC Power Company Pvt. Ltd.	10,000,000	-
Total	462,096,949	-

**Allowances for expected Credit loss has been provided for amounts receivable from Harish Chandra Shah NPR 185,000,000 and from S.C Power Company Pvt. Limited for NPR 10,000,000. Further it also includes amount provided for Advances towards share of Kabeli Energy Limited for NPR 123,536,367 and of Gurans Energy Limited for NPR 135,700,323 and for the interest receivable from Kabeli Energy Limited for NPR 7,860,259. (Refer Note 6 and Note 13 for details of allowance for expected credit loss)

Note no: 28

Other Income

Particulars	2079-80	2078-79
Dividend income	44,165,000	11,440,209
Income from Other Sources	11,908,678	9,868,101
Provision for Impairment loss on Investment written back	512,728,738	-
House Rent	19,298,658	17,997,393
Gain / (Loss) on disposal of assets and inventories	3,214,349	-
Insurance Claim received on Loss of Assets	142,130	782,852
Foreign Currency Exchange Gain/(Loss)	118,081	(59,462)
Total	591,575,634	40,029,093

Provision for Impairment loss on Investment written back comprises amount of Impairment reversed for Kabeli Energy Limited and Gurans Energy Limited for amount of NPR 238,356,836 and NPR 274,371,902 considering the current progress of Kabeli-A Project.

a. Detail of Dividend Income

Name of Company	2079-80	2078-79
Khudi Hydropower Limited-Preference Shares	27,360,000	-
Hydro-Consult Engineering Limited	15,000,000	10,490,209
BPC Services Limited	950,000	950,000
Nepal Power Exchange Ltd.	855,000	-
Total	44,165,000	11,440,209



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Butwal Power Company Limited
Notes to the financial statements for the year ended 31st Ashadh 2080

Figures in NPR

b. Detail of Foreign Currency Exchange Gain/(Loss):		
- On account of term loan with IFC	2079-80	2078-79
- On account of disposal of assets and inventories	-	(333,236)
- On account of Revaluation of different foreign currency bank accounts	118,081	273,774
- On account of MM Project	-	-
Total	118,081	(59,462)
Note no: 29		
Finance income		
Particulars		
Interest income	2079-80	2078-79
	103,466,812	99,928,739
Total	103,466,812	99,928,739
Note no: 30		
Finance Costs		
Particulars		
Interest Expenses	2079-80	2078-79
Other finance cost	11,349,926	12,642,219
Bank Charges	-	-
	117,071	167,735
Total	11,466,997	12,809,954
Note: 31		
EARNINGS PER SHARE		
	2079-80	2078-79
Profit for the year	305,070,673	274,150,236
Weighted average number of equity shares outstanding	34,090,646	32,463,268
Earnings Per Share (Rs.) - Basic (Face value of Rs. 100 per share) [2077-78 Restated]	8.95	8.44
Add: Weighted average number of potential equity shares	-	-
Weighted average number of Equity shares (including dilutive shares) outstanding	34,090,646	32,463,268
Earnings Per Share (Rs.) - Diluted (Face value of Rs. 100 per share) [2077-78 Restated]	8.95	8.44
Note no: 32		
Employee benefits expenses, Depreciation and Amortisation included in the statement of profit or loss:		
Particulars	2079-80	2078-79
Employee benefit expenses		
Salary	78,387,941	80,085,932
Allowances	69,904,748	70,638,725
Provident Fund	7,454,435	7,542,603
Gratuity	6,011,985	6,102,702
Insurance	973,413	963,298
Leave Encashment	12,281,012	14,086,929
Staff Welfare	2,947,374	2,765,955
Staff Bonus	20,925,231	14,993,429
Total	198,886,139	197,179,573
Depreciation and Amortisation		
Depreciation of Property, Plant and Equipment	20,206,154	21,788,417
Amortization of Intangibles Asset - Software	324,800	334,688
Amortization of Intangibles Asset - Service Concession Arrangement	82,395,072	77,989,766
Less: Depreciation being Revenue Portion of Grant Aid	(7,900,117)	(7,839,086)
Total	95,025,909	92,273,785

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Note no: 33
 Financial Instruments: Classifications and fair value measurements
 A. Fair value measurements

Particulars	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31st Ashadh 2080	As at 32nd Ashadh 2079		
Financial assets :				
Investment in equity instruments of Himal Power Limited	759,512,872	760,196,753	Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
Investment in equity instruments of Hydro Lab (P) Limited	34,052,484	30,093,262	Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.














Note no: 34

RELATED PARTY DISCLOSURES

(a) Relationship

The company is controlled by Shangri-La Energy Ltd which owns 56.30% of the company's shares.

Relationship	Related Parties
Holding Company	Shangri-La Energy Ltd
Company with Common Directors	Mercantile Communications (P) Ltd Syakar Trading Co. Pvt. Ltd. Beltron Trading Pvt. Ltd.
Subsidiaries	Nepal Hydro & Electric Ltd. Khudi Hydropower Limited BPC Services Limited Nyadi Hydropower Limited Hydro-Consult Engineering Limited
Associates	Manang Marshyangdi Hydropower Company Pvt. Ltd. Gurans Energy Limited Kabeli Energy Limited S.C.I.G International Nepal Hydro Joint Development Company Pvt. Ltd. Himal Hydropower Company Pvt. Ltd. Marsyangdi Transmission Company Pvt. Ltd.

(b) Those charged with governance

Those charged with governance of the BPC include members of Board of directors namely:

Name	Designation
i) Mr. Padma Jyoti	Chairman
ii) Mr. Pradeep Kumar Shrestha	Director
iii) Mr. Bijaya Krishna Shrestha	Director
iv) Mr. Om Prakash Shrestha	Director
v) Mr. Raju Maharjan	Director
vi) Dr. Sandip Shah	Director
vii) Mr. Dinesh Humagain	Director
viii) Mr. Tirtha Man Shakya	Director
ix) Mr. Bijay Bahadur Shrestha	Alt. Director
x) Mr. Sanjib Rajbhandari	Alt. Director
xi) Mrs Bina Rana	Director

Tenure completed w.e.f Poush 30 ,2079
Resigned w.e.f Ashad 15 2079

Appointed w.e.f Magh 1, 2079

The following provides expenses incurred for those charged with governance of BPC:

Nature of Expense	Current year	Previous year
Meeting Allowances	1,950,000	2,170,000
Telephone, Mobile and Newspaper / Magazines	1,307,250	1,314,000

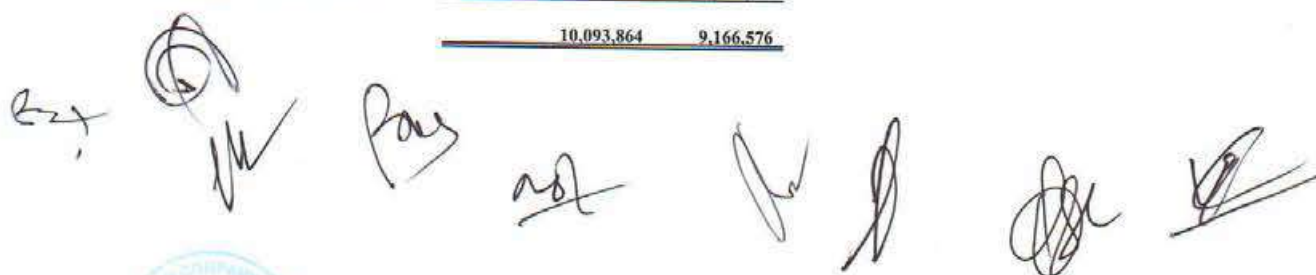
(c) Transactions with key management personnel

Key Management personnel includes:

i) Mr. Uttar Kumar Shrestha - Chief Executive Officer

Key Management Personnel compensation :

Particulars	Current year	Previous Year
Short-term employee benefits	10,093,864	9,166,576
	<u>10,093,864</u>	<u>9,166,576</u>

By: 



(d) Other related party transactions

Name of the related party	Nature of transaction	Transaction		Outstanding balance	
		Current Year	Previous Year	Current Year	Previous Year
Mercantile Communications (P) Ltd	Internet and VSAT Service	596,640	612,912	-	-
Syakar Trading Co. Pvt. Ltd.	Vehicle repair Maintenance	-	68,870	-	-
Beltron Trading Pvt. Ltd.	Electrical items purchase	252,382	25,425	-	-
Nepal Hydro & Electric Ltd.	Purchase and other expenses	16,029,739	18,854,564	(1,262,768)	(925,674)
	Reimbursement of rent and utilities	-	-	-	-
	Advance given	2,349,617	2,383,706	-	-
Khudi Hydropower Limited	Reimbursement of rent and utilities	-	-	-	-
	Dividend Receivable	-	-	-	16,705,060
BPC Services Limited	Reimbursement of rent and utilities	72,066	69,711	-	-
	Purchase	-	32,206	-	-
Nyadi Hydropower Limited	Reimbursement of rent, utilities and man hour charge	1,031,440	994,104	1,031,440	-
	Disbursement of convertible loan	62,500,000	87,500,000	-	-
Hydro-Consult Engineering Limited	Purchase	1,770,258	11,063,310	-	-
	Reimbursement of rent and utilities	5,673,458	5,528,633	-	-
Kabeli Energy Limited	Reimbursement of rent and utilities	727,115	886,240	727,115	-

Note : 35

Contingent Liabilities and commitments

A. Corporate Guarantee

S.no.	Party Name	Purpose	Amount	Expiry Date (A.D.)
1	Nepal Investment Bank Ltd.	Khudi Hydro's OD and Bridge gap loan	55,884,000	7/24/2024
2	Sanima Bank Limited	On behalf of upper Marsyangdi 2 (UM2) 327 MW in favor of IBN for DPR	100,000,000	11/14/2024
3	Sanima Bank Limited	For PDA of MM	50,000,000	4/20/2025
4	Sunrise Bank Limited	To NEA for PPA of 135 MW MMHEP	135,000,000	3/18/2026
5	Kuamri Bank Limited	For Financial Closure of Kabeli-A Project	1,250,000,000	Till repayment.
6	Everest Bank Limited	For obtaining additional loan borrowed by Nyadi Hydropower Limited	550,000,000	Until NHL commences delivery of power.

B. Royalty and Tax exemption regarding additional 4.3 MW project in Andhikhola

The Company has considered additional 4.3 MW project in Andhikhola as a separate project on basis of separate PPA agreement. It has calculated and paid royalty for this new project to Department of Electricity Development (DoED) on revised rate i.e. Rs. 100 per installed capacity in KW and 2% of revenue from electricity sales. Company has filed writ petition at Supreme Court for newly added 4.3 MW claiming it to be separate new project with PPA and Generation License.

If the Company applies the existing rate applicable to original 5.1 MW project i.e. Rs. 1,000 per installed capacity in KW and 10% of revenue from electricity sales, to this new additional 4.3 MW project, then the liability on account of royalty would increase by approximate amount of Rs. 44.11 million considering the period since commencement date till Ashadh end 2080. DoED has claimed the royalty for newly added 4.3MW project at Rs. 1,000 per installed capacity in KW and 10% of revenue from electricity sales considering them as only an upgradation of existing project. The decision of supreme Court is still awaited.

During the year DoED has instructed Nepal Electricity Authority (NEA) to deduct the additional royalty amount from its payable balance to BPC. As of 16th July 2023, NEA has deducted NRs 40,238,306 from BPC's receivable balance and paid the amount to DoED. Such amount is shown as "Other receivables from Department of Electricity Development (DoED)" in Note 13 of Financial Statements.

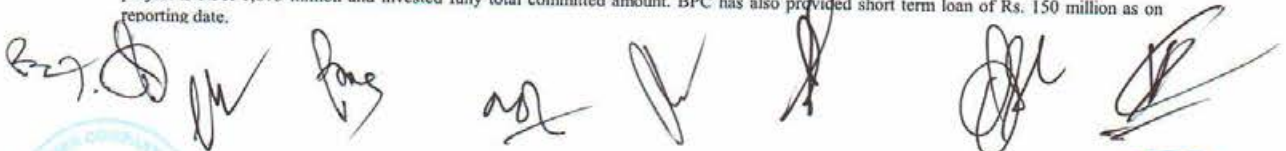


C. Capital Commitments

i. 37.6-MW Kabeli-A Hydropower Project (KAHEP)

BPC's part of capital commitment on this project is NPR 1,805 million for overall 60% shareholding (including indirect holding through Gurans Energy Limited) considering debt equity ratio at 60:40, of which BPC has invested overall NPR 1068 million (including investment through Gurans Energy Limited) as on reporting date. The total project cost is estimated at Rs. 7520 million. Construction of the project has been re-started and overall physical progress of around 35% has been achieved. The Financial Closure was achieved on December 1 2023.

ii. 30-MW Nyadi Hydropower Project (NHP)

NHP (30 MW) is a Run-of-River type project being developed over Nyadi River in Bahundada VDC in Lamjung district by Nyadi Hydropower Limited (NHL). BPC, General Public and Lamjung Electric Development Company (LEDCECO) own 71.68%, 27% and 1.32% of NHL shares respectively. Construction of civil works, HM works, EM and transmission lines are completed as on reporting date and COD of the project has been declared effective from 12:00 noon, Baisakh 27, 2079 (May 11, 2022). BPC's part of capital commitment on this project is NPR 1,075 million and invested fully total committed amount. BPC has also provided short term loan of Rs. 150 million as on reporting date.

iii. 139.2-MW Lower Manang Marsyangdi Hydropower Project (M2)

BPC has got generation license of 140 MW capacities Lower Manang Marsyangdi Project in November 2018. The project is located in Tachebagar and Dharapani VDC of Manang District. NPR.202.30 million has been spent by BPC as on reporting date. The re-optimized capacity of the project has been fixed at 139.2 MW under PROR. Supplementary EIA has been approved by Ministry of Forest and Environment (MOFE) and SPV formation is under process at Department of Industry (DOI). The PPA is already signed with NEA. BPC's part of capital commitment on this project is NPR 1188 million for 19.40% shareholding.

iv. 7.9 -MW Chino Khola Hydropower Project

BPC has got survey license for 8.5 MW capacity Chino Khola Small Hydropower Project. Feasibility study of the project is completed and the project capacity has been optimized to 7.9 MW at Q40. EIA study was completed and approved by the Ministry of Forest and Environment. Generation License has been received for 35 years effective from Ashadh 20, 2079 (July 04, 2022). NPR.36 million has been spent by the company for this project as on reporting date. BPC's part of capital commitment on this project is NPR 276.5 million for 70% shareholding.

v. 160 MW Mugu Karnali Hydropower Project

BPC has got survey license for Mugu Karnali Hydropower Project on November 23, 2017 with an estimated project capacity of 160 MW. The project is located near Gangadhi, Mugu district. Process for EIA is pending due to pending approval of project capacity by MOEWRI. The process of survey license amendment at 174 MW is still pending at DOED. NPR.85.81 million has been spent by the company for this project as on reporting date. This project being an initial stage has not yet been concluded for capital commitment.

vi. SCIG International Nepal Hydro Joint Development company Pvt. Ltd. (SCIG JVC)

S.C.I.G. International Nepal Hydro Joint Development Company Private Limited is established on 22nd November, 2017 to develop, own, acquire and operate hydropower projects in Nepal and carry out other business activities. Butwal Power Company Ltd (BPC), Sichuan Investment Group Co. Ltd (SCIG), Chengdu Xingcheng Investment Group Co. Ltd (CXIG) and Sichuan Qingyuan Engineering Consulting Co. Ltd (QYEC) jointly established a Joint Venture Company with capital contribution of 20%, 51%, 17% and 12% respectively. The company have the authorized capital of NPR 1,900,000,000 (One Billion Nine Hundred Million) comprising 19,000,000 shares of NPR 100 each. BPC's part of capital commitment on this project is NPR 430 million for 20% shareholding, of which BPC has invested NPR 137.5 million as on reporting date.

vii. 135 MW Manang Marsyangdi Hydro-electric Project (MMHEP)

MMHEP is located on the Marsyangdi River in Manang District of Gandaki Province of Nepal. The project area is located within the Annapurna Conservation Area (ACAP). BPC owns 22.40% shares of Manang Masyangdi Hydropower Company Pvt. Ltd, a SPV formed to develop and operate MMHEP. DoED has issued Generation License for 35 years period from 17 Nov 2018 for 282 MW ROR type and PPA with NEA for 135 MW has been signed. The process of financial closure is ongoing with the Chinese banks and the EPC Contractor has started site preparation works. BPC's part of capital commitment on this project is NPR 1,152 million for 19.40% shareholding as 80.60% of the total shares to be owned by SCIG JVC, Chinese investors - SCIG HK, CXIG HK & QYEC HK at 3%, 49.47%, 16.49% and 11.64% respectively. BPC has invested NPR 329.49 million for this project as on reporting date.

viii. 327 MW PROR Upper Marsyangdi 2 Hydropower Project (UM2HEP)

UM2HEP is high head PROR type project located along the Marsyangdi River in Manang and Lamjung Districts of Gandaki Province of Nepal. The project area is located within the Annapurna Conservation Area (ACAP). BPC has acquired 19.40% shares of Himal Hydropower Company Pvt. Ltd. (Himal), a SPV of UM2HEP, on 30th December 2018. DPR has been reviewed by IBN and is under approval process. The Grid Impact Study (GIS) has been completed and forwarded to Grid Operation Department for Connection Agreement. BPC's part of capital commitment on this project is NPR 2,791 million for 19.40% shareholding as 80.60% of the total shares is acquired by SCIG JVC and Chinese investors - SCIG, CXIG & QYEC at 3%, 49.47%, 16.49% and 11.64% respectively. BPC has invested NPR 789.70 million for this project as on reporting date.

ix. Marsyangdi Transmission Project (MTP)

BPC has acquired 19.40% shares to construct the transmission line with a view to evacuate the electricity generated by UM2HEP. Its Share transfer to BPC has been completed by 24th May 2019. 80.60% of the total shares are acquired by SCIG JVC and Chinese investors - SCIG, CXIG & QYEC at 3%, 49.47%, 16.49% and 11.64% respectively. BPC has invested NPR 10.34 million for this project as on reporting date

x. New RAS Software Development

BPC has entered into contract to develop the new RAS (Revenue Accounting Software) for billing to electricity consumers. As per the contract, the total consideration for such services is NPR 2.13 million, out of which the company has already made payment of 90% of the amount and has further capital commitment of NPR 0.21 million under this contract.

xi. 7 MW Solar Power Project at Jhimruk Area

The Company has conducted Pre-feasibility study to generate solar energy utilizing approximately 37.4 acres (304 Ropani) land at headworks of JHC for 7MW Solar Power Project (SPP) at total estimated project cost of Rs. 600 million and application submitted to DOED to obtain the Electricity Survey License for the same to carry out the Feasibility and Environmental Studies. Draft Feasibility study report of the project has been received from the consultant and Public hearing for IEE has been completed at site. However, due to being the initial stage, capital commitment has not yet been made for this project.

xii. Nepal Power Exchange Limited (NEPEX)

BPC has invested Rs. 20 million in the shares of NEPEX established by IPP for cross border power trade as on reporting date and committed total Rs. 200 million (10%) of its share capital amount Rs, 2,000 million.

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Note 36
Income Statement of generation, distribution and other sources of income
For the year ending on 31 Ashadh, 2080

Particulars	Generation Jhimruk	Generation Andhikhola	Distribution Jhimruk	Distribution Andhikhola	Other Sources	Total
Revenue	349,828,488	119,483,834	62,884,487	192,219,916	-	724,416,725
Cost of Sales						
Generation Expenses	(158,269,708)	(145,320,500)	-	-	-	(303,590,208)
Distribution Expenses	-	-	(47,135,868)	(91,433,342)	-	(138,569,210)
Gross profit	191,558,780	(25,836,666)	15,748,619	100,786,574	-	282,257,307
Depreciation Being Revenue Portion of Grant Aid	232,919	259,852	2,954,164	4,453,182	-	7,900,117
Other income	283,240	779,564	1,848,388	3,626,960	585,037,482	591,575,634
Administrative and other operating expenses	(23,431,338)	(8,048,666)	(4,332,268)	(13,107,114)	(77,867,271)	(126,786,657)
Impairment loss on investment	-	-	-	-	-	-
Profit from Operation	168,643,601	(32,845,916)	16,218,903	95,759,602	507,170,211	754,946,401
Finance Income	21,436	34,416	122,144	33,763	103,255,053	103,466,812
Finance Costs	-	-	(178)	(245)	(11,466,574)	(11,466,997)
Profit Before Tax	168,665,037	(32,811,500)	16,340,869	95,793,120	598,958,690	846,946,216
Inter departmental electricity sales/(purchase)	46,895,519	190,760,345	(46,895,519)	(190,760,345)	-	-
	215,560,556	157,948,845	(30,554,650)	(94,967,225)	598,958,690	846,946,216

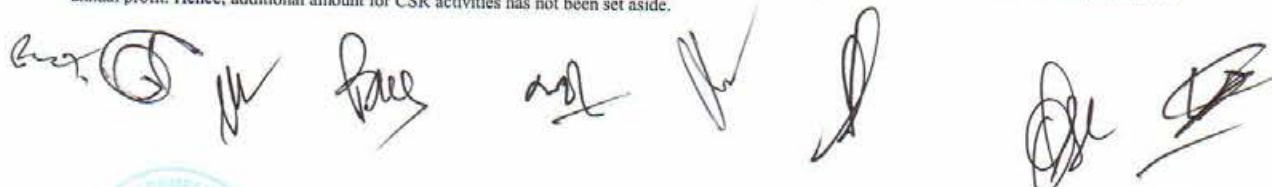
Income Statement of generation, distribution and other sources of income
For the year ending on 32 Ashadh, 2079

Particulars	Generation Jhimruk	Generation Andhikhola	Distribution Jhimruk	Distribution Andhikhola	Other Sources	Total
Revenue	387,104,408	139,657,395	60,661,435	187,625,588	-	775,048,826
Cost of Sales						
Generation Expenses	(171,427,284)	(124,365,507)	-	-	-	(295,792,791)
Distribution Expenses	-	-	(43,999,157)	(93,875,776)	-	(137,874,933)
Gross profit	215,677,124	15,291,888	16,662,278	93,749,812	-	341,381,102
Depreciation Being Revenue Portion of Grant Aid	232,919	259,852	2,893,133	4,453,182	-	7,839,086
Other income	175,983	401,315	2,376,119	3,376,679	33,698,997	40,029,093
Administrative and other operating expenses	(54,616,892)	(19,752,023)	(8,889,981)	(26,936,427)	(17,231,709)	(127,427,033)
Impairment loss on investment	-	-	-	-	-	-
Profit from Operation	161,469,134	(3,798,968)	13,041,549	74,643,246	16,467,288	261,822,248
Finance Income	25,023	30,661	86,957	18,980	99,767,118	99,928,739
Finance Costs	(10)	(1,394,690)	(150)	(750)	(11,414,354)	(12,809,954)
Profit Before Tax	161,494,147	(5,162,997)	13,128,356	74,661,476	104,820,052	348,941,033
Inter departmental electricity sales/(purchase)	46,123,482	187,509,215	(46,123,482)	(187,509,215)	-	-
	207,617,629	182,346,218	(32,995,126)	(112,847,739)	104,820,052	348,941,033

Note 37

CSR expenses as per Industrial Enterprises Act 2076

New Industrial Enterprises Act 2076 (the "Act") has been introduced with effect from Mangshir 28, 2076 repealing the Industrial Enterprises Act 2073 (the "Previous Act"). Section 54 of Industrial Enterprises Act 2076 makes it mandatory to allocate 1% of the annual profit to be utilized towards corporate social responsibility (the "CSR Requirement"). The fund created for CSR is to be utilized on the basis of annual plans and programs but in the sectors, that are prescribed under the Act. In current year, the Company has incurred Rs.16,651,276 on "Environment, Community & Mitigation" and allocated budget Rs. 23.40 million for FY 2079/80 to meet CSR requirement, which is in line to the required 1% of annual profit. Hence, additional amount for CSR activities has not been set aside.





Butwal Power Company Limited
Notes to the financial statements for the year ended 31st Ashadh 2080

Figures in NPR

Note 38

Components of Cash and Cash Equivalents for the purpose of Cashflow

	<u>As at 31st Ashadh 2080</u>	<u>As at 32nd Ashadh 2079</u>
Cash at banks and on hand (Note 10)	64,179,003	32,622,886
Bank overdrafts (Note 19)	-	(86,373,945)
Cash and cash equivalents	<u>64,179,003</u>	<u>(53,751,059)</u>

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Note 1: Background

Butwal Power Company Limited was established and registered in 2022 (1966) as a private limited company under the Companies Act 2021 (1965) by the United Mission to Nepal, Government of Nepal (GoN), Nepal Electricity Authority (NEA), and Nepal Industrial Development Corporation (NIDC) with an aim to develop hydropower projects using appropriate training, technology transfer, and human resources. BPC developed and operated 1-MW Tinau project, 5.1-MW Andhikhola project up-graded to 9.4-MW from 5th April 2015, 12-MW Jhimruk project, and 4-MW Khudi project. BPC is one of the sponsors of the 60-MW Khimti hydropower project. BPC was converted into a public limited company in 2049 (1993), and it was privatized in 2059 (2003). Its main shareholders are Shangri-La Energy Limited (SEL), IKN Nepal AS, (IKNN) from Norway, the Government of Nepal (GoN) and the General Public. The corporate office of the BPC is located at Gangadevi Marga-313, Buddha Nagar, Kathmandu, Nepal.

The core business of BPC includes:

- Generation of Hydroelectricity
- Distribution of Hydroelectricity
- Project Development
- Investment in the shares of projects and other companies

The financial statements apply to the financial year ended 31st Ashadh 2080 (16th July 2023).

In the Financial Statements, Butwal Power Company Limited has been referred to as “BPC” or “Company”.

The accompanying financial statements have been approved for publication by the Board of Directors of the BPC in its meeting held on 29th Mangsir 2080 (15th December 2023). The Board of Directors acknowledges the responsibility for the preparation of financial statements.

Note 2: Significant accounting policies

2.1 Basis of Preparation and measurement

i. Statement of Compliance

The financial statements have been prepared in accordance with applicable Nepal Financial Reporting Standards (NFRS) as issued by the Institute of Chartered Accountants of Nepal (ICAN). The Financial Statements have also been prepared in accordance with the relevant presentational requirements of the Companies Act, 2063 of Nepal.

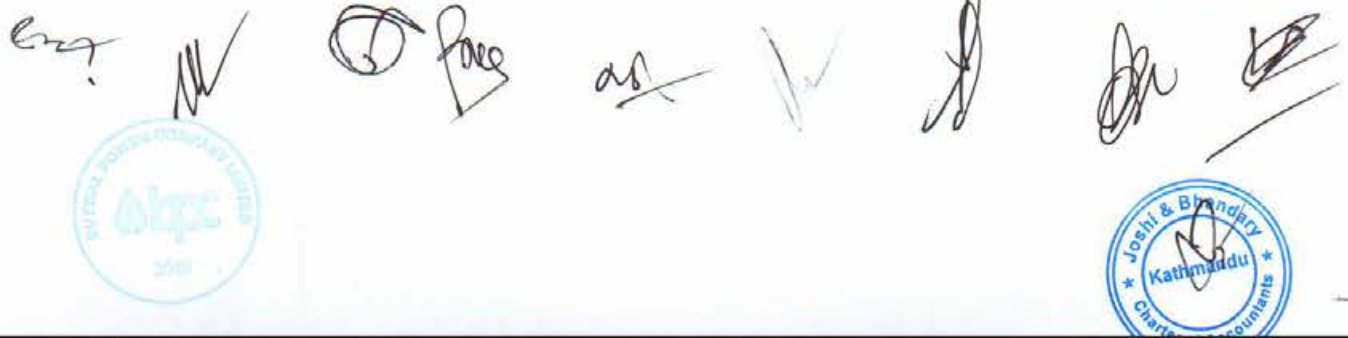
New Standards issued by ICAN which are applicable at 16th July 2023:

NFRS 9 “Financial Instruments” (Revised),

The Company classifies financial assets and financial liabilities in accordance with the categories specified in NAS 32 and NFRS 9. The company has recognized a loss allowance for expected credit losses for NPR 462,096,949 on financial assets during the FY 2079/80 based on the assessment that there have been significant increases in credit risk since initial recognition. Additional disclosures were made under Note 27 and Note 2.17

NFRS 15 “Revenue from Contracts with Customers” is the new NFRS standard governing the accounting principles for revenue which is applicable for FY 2078-79 (2021-22). Revenue from service concession arrangement under the intangible asset model is recognized based on the principles laid down under IFRIC-12 and in accordance with the terms of the power purchase agreement as and when the power is supplied. The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset’s economic benefits are consumed by the Company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

During the year, BPCL constructed a new infrastructure asset and identifies a performance obligation (operation and maintenance) under a service concession arrangement (contract) which includes transmission line upgrading, renovation


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of distribution lines, etc. amounting to NPR 47,986,568 (Intangible asset during the year). The company has applied intangible asset model to recognize the asset as per IFRIC 12 – Service concession arrangements.

Income from the concession arrangements earned under the intangible asset model consists of:

- i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and
- ii) payments actually received from the users.

The cost for such improvements to concession assets is based on actual costs incurred by the Company in the execution of the upgradation, considering the requirements in the concession agreement. The amount of revenue recognized is equal to the amount of costs incurred, considering the fair value of the amount transferred, therefore no adjustments were made to revenue and cost incurred. The amounts paid are set at market value.

NFRS 16 Leases: The new standard on lease is applicable from 16 July 2021 and it sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, lease payments are made over time, also obtaining financing. Accordingly, NFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by earlier IAS 17 and instead, introduces a single lessee accounting model. Lessees will be required to recognize: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. NFRS 16 substantially carries forward lessor accounting requirements in IAS 17. Accordingly, the company in the capacity of a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

New Standards issued by ICAN which are yet to be adopted at 16th July 2023:

BPC has not opted for the adoption of the new set of NFRS pronounced by ICAN, which may relate to it, but not specifically relevant to the company. These standards include:

NFRS 17 “Insurance Contracts” NFRS 17 would be effective from July 16, 2024 and early application is allowed. The effect of application of NFRS 17 is being studied and initial assessment is that our business would not be materially affected by NFRS 17.

NAS 29 “Financial Reporting in Hyperinflationary Economies” applicable from 16th July 2021, has not be adopted based and initial assessment is that our business would not be materially affected by NAS 29.

ii. Basis of preparation

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

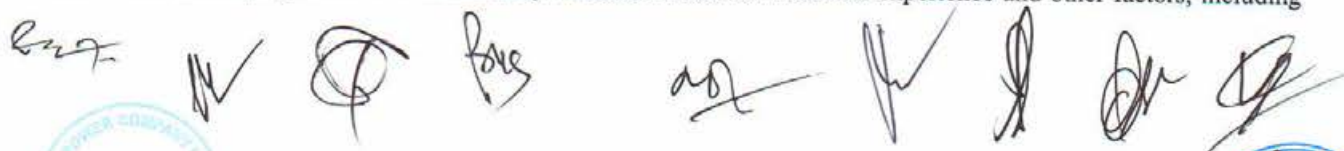


The financial statements are presented in the functional and presentation currency of the ra2Company i.e., Nepalese Rupee (“NPR”) which is the currency of the primary economic environment in which the Company operates.

iii. Basis of measurement

These financial statements are prepared under historical cost convention except for certain material items that have been measured at fair value as required by the relevant NFRS and explained in the ensuing policies below.

2.2 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with Nepal Financial Reporting Standards requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the Company’s accounting policies. The Company makes certain estimates and assumptions regarding future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including

expectations of future events that are believed to be reasonable under the circumstances. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year primarily include: -

Useful life and residual value of property, plant and equipment

Management reviews the useful life and residual values of property, plants, and equipment at least once a year. Such a life is dependent upon an assessment of both the technical life of the assets and also their likely economic life, based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

Impairment of property plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant, and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on anticipated commodity prices, market demand and supply, economic and regulatory environment, discount rates, and other factors. Any subsequent changes to cash flow due to changes in the above-mentioned factors could impact on the carrying value of assets.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallizing or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised.

Fair value measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third-party qualified valuers to perform the valuation as per necessity. The management works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Recognition of deferred tax assets

A significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company.



2.3 Service concession arrangements

Under IFRIC 12 – Service Concession Arrangements applies to public-to-private service concession arrangements if:

- The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what prices: and
- The grantor controls through ownership, beneficial entitlement, or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement
- Is the infrastructure constructed or acquired by the operator from a third party for the purpose of the service arrangement OR is the infrastructure existing infrastructure of the grantor to which the operator is given access for the purpose of the service arrangement.

The infrastructure used in a public-to-private service concession arrangement for its entire useful life (whole life of assets) is within the scope of this IFRIC if the conditions in (a) above are met.

These arrangements are accounted for based on below-mentioned models depending on the nature of consideration and relevant contract law.


Financial asset model:

The Financial asset model is used when the Company, being an operator, has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Unconditional contractual right is established when the grantor contractually guarantees to pay the operator (a) specific or determinable amount; (b) the shortfall, if any, between amounts received from the users of the public services and specified or determinable amounts.

Intangible asset model:

The intangible asset model is used to the extent that the Company, being an operator, receives the right (a license) to charge users of the public service. A right to charge users of public service is not an unconditional right to receive cash because the amounts are contingent on to the extent the public uses the services. Both types of arrangements may exist within a single contract to the extent that the grantor has given an unconditional guarantee of payment for the construction and the operation i.e., considered as a financial asset and to the extent that the operator has to rely on the public using the service in order to obtain payment, the operation has an intangible asset.

Intangible Assets under Service Concession Arrangement (SCA)

The Company manages concession arrangements which include power supply from its two hydropower plants viz. 12 MW Jhimruk Power Plant and 9.4 MW Andhikhola Power Plant. The Company maintains and services the infrastructure during the concession period. Further, the concession arrangement gives BPC the right to use the hydropower project for generating electricity and earn revenue by selling electricity to NEA and local consumers. The right to consideration gives rise to an intangible asset and accordingly, the intangible asset model is applied.

Revenue from service concession arrangement under the intangible asset model is recognised in accordance with the terms of the power purchase agreement as and when the power is supplied. The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or when the contractual rights to the financial asset expire.

The tenure of the Service Concession Arrangement of 9.4 MW Andhikhola and 12 MW Jhimruk Hydro Power Plant for generation, transmission, and distribution shall be ended on Chaitra 2101 B.S. and Chaitra 2102 B.S. respectively.

2.4 Property, plant and equipment

- i. Freehold land is carried at historical cost and is not depreciated. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
- ii. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset are derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.
- iii. The Company identifies and determines the cost of each component/ part of the asset separately if the component/ part has a cost that is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.
- iv. The residual values, useful lives, and methods of depreciation of property, plant, and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- v. An item of property, plant, and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.
- vi. Assets in the course of construction are capitalized in the assets under capital work in progress account (CWIP). At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate



category of property, plant and equipment and depreciation commences. Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimate cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized. Revenue generated from production during the trial period is capitalized.

2.5 Other Intangible Assets

- i. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.
- ii. Certain computer software costs are capitalized and recognised as intangible assets based on materiality, accounting prudence, and significant benefits expected to flow therefrom for a period longer than one year.
- iii. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

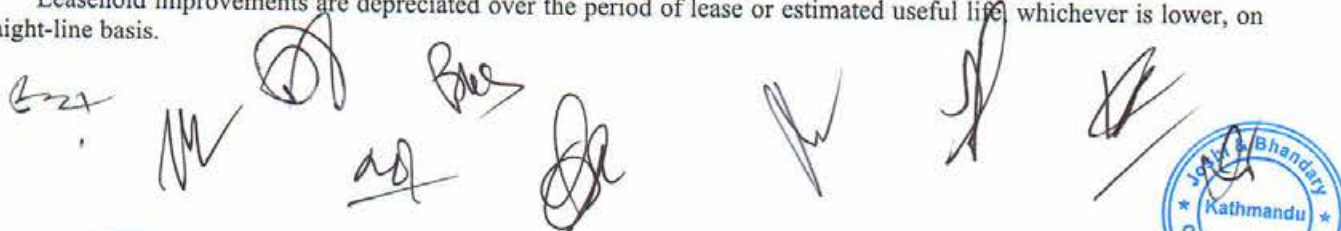
2.6 Depreciation and Amortization



- i. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the written-down method.
- ii. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.
- iii. Depreciation is provided on the written-down method based on the estimated useful lives of the assets determined by the management. Depreciation on additions to fixed assets is charged on a pro-rata basis in the year when it is available for use. The useful life of the assets and the corresponding rates at which the assets are depreciated are as follows: -

Category of asset	Estimated useful life	Depreciation Rate
Building	58-59 years	5%
Plant and Equipment	18 -19 years	15%
Office equipment	10-11 years	25%
Furniture and fixtures	10-11 years	25%
Computers and accessories	10-11 years	25%
Vehicles	13 – 14 years	20%

Computer software is amortised over an estimated useful life of 5 years on straight-line basis.

- iv. Useful life is either the period of time during which the asset is expected to be used or the number of production or similar units expected to be obtained from the use of asset. The estimated useful life, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
- v. Office furniture, equipment and vehicles costing less than NPR 5,000 per unit and plant equipment costing less than NPR 10,000 per unit are charged to the profit and loss account in the year of purchase.
- vi. Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is lower, on straight-line basis.



2.7 Impairment of tangible and intangible assets

- i. At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise, they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.
- ii. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.
- iii. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
- iv. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.
- v. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.8 Borrowing cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time as the assets are substantially ready for the intended use or sale. All other borrowing costs are incurred in the period in which they occur.

2.9 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and demand deposits with an original maturity of three months or less and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.10 Inventories

The cost of inventories includes the cost of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Inventories of stores, spare parts, and loose tools are stated at the lower of weighted average cost and net realizable value. The net realizable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

2.11 Revenue recognition

i) Sale of Electricity

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is

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[Circular stamp: Joshi & Shandary, Kathmandu, Chartered Accountants]

reduced for estimated rebates and other similar allowances. Revenue is recognised when substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

ii) Other Electricity services

Fees from other electricity services are accounted on an accrual basis as and when the right to receive arises.

iii) Dividend income

Dividend income (net of withholding taxes) from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably). In the case of a stock dividend, only the number of shares is increased.

iv) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.12 Foreign currency transactions

- i. The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is the Nepalese Rupee (NPR).
- ii. In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.
- iii. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined.
- iv. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.
- v. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

2.13 Employment Benefits

The Company has schemes of employment benefits namely provident fund, employee gratuity and accumulated leave payable as per the employee service manual.

Defined contribution plan – Provident Fund

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Contributions to defined contribution schemes (Provident fund) are charged to the profit or loss statement in the year to which they relate as the company has no further defined obligations beyond monthly contributions. Contributions to defined contribution schemes are deposited with Employees Provident Fund (Karmachari Sanchaya Kosh).

Defined contribution plan – Gratuity Fund

As per the provision of the new Labor Act enacted and effective from 19th Bhadra, 2074, the gratuity plan has been converted into a contribution plan from a defined benefit plan. Contribution for gratuity is currently being deposited with Citizen Investment Trust (CIT). However, from FY 2078/79, BPC has started to deposit contribution for gratuity on monthly basis to the separate Social Security Fund (SSF) with regard to the new employees appointed from Shrawan 01, 2078, onwards. Contributions to the Gratuity fund are charged to the profit or loss statement in the year to which they relate as the company has no further defined obligations beyond monthly contributions.

Short-term and long-term employment benefits

- i. A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service



- ii. Liabilities recognised in respect of short-term employees and contractual employees; benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.
- iii. Compensated absences that are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

2.14 Taxation

Income Tax

Income tax on the profit or loss for the year comprises current taxes and deferred taxes. Income tax is recognized in the profit or loss statement except to the extent that it relates to items recognized directly to equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year using tax rates at the balance sheet date and any adjustment to tax payable in respect of previous years.

Income tax rates applicable to the company:

Income from Manufacturing and sale of electricity: 20% (2077/78: 20%)

Income from Other services: 25% (2077/78: 25%)

Deferred tax

- i. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected realization or settlement of the carrying amount of assets and liabilities using tax rates at the balance sheet date.
- ii. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
- iii. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The tax rate for income from manufacturing and the sale of electricity is 20%.

2.15 Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/ (loss) for the year as adjusted for dividend, interest, and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period unless they have been issued at a later date.

2.16 Provisions, contingencies, and commitments

- i. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
- ii. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.
- iii. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.



- iv. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- v. A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.
- vi. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize contingent liability but discloses its existence in the financial statements.
- vii. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
- viii. Commitments include the amount of purchase order (net of advances) issued to parties for the completion of assets.
- ix. Provisions, contingent liabilities, contingent assets, and commitments are reviewed at each reporting period.

2.17 Financial Instruments

i. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contract embodying the related financial instruments. All financial assets, financial liabilities, and financial guarantee contracts are initially measured at transaction cost, and where such values are different from the fair value, at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of a financial asset or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. In case of interest-free or concession loans/debentures/preference shares given to subsidiaries, associates, and joint ventures, the excess of the actual amount of the loan over the initial measure at fair value is accounted as an equity investment.

Investment in equity instruments issued by subsidiaries, associates and joint ventures are measured at cost less impairment. Investment in preference shares/debentures of the subsidiaries are treated as equity instruments if the same are convertible into equity shares or are redeemable out of the proceeds of equity instruments issued for the purpose of redemption of such investments. Investments in preference shares/debentures not meeting the aforesaid conditions are classified as debt instruments at amortised cost.

ii. Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income/ expense arising on financial instruments after applying an effective interest rate is recognised in the Statement of Profit and Loss and is included in the "Other finance income" or "Other finance cost" line item.

iii. Financial assets

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



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Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company in respect of equity investments (other than in subsidiaries, associates, and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument-by-instrument basis at the time of initial recognition of such equity investments.

Financial assets not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

For financial assets maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the shorter maturity of these instruments.

Impairment of financial assets

The Company assesses at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

De-recognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and the transfer qualifies for de-recognition under NFRS 9.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and the consideration received is recognised in a statement of profit or loss.

iv. Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received net of direct issue costs.

Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms



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of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

De-recognition of financial liability

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

v. Off-setting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

vi. Fair Value measurement:

The Company measures financial instruments, such as investment in equity instruments, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.18 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The company as a Lessee

At the commencement date, Company shall recognize a right to use asset at cost and a lease liability at the present values of the lease payments that are not paid at that date. The lease payment shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company shall use the its incremental borrowing rate.



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After the commencement date, the company shall measure the right to use asset applying a cost model or measurement model. To apply a cost model, the company shall measure the right of use asset at cost less any depreciation and any accumulated impairment losses adjusted for remeasurement of lease liability as mentioned below.

After the commencement date, the company shall measure the lease liability by

- (a) Increasing the carrying amount to reflect interest on the lease liability;
- (b) Reducing the carrying amount to reflect the lease payments made; and
- (c) Re-measuring the carrying amount to reflect any reassessment or lease modifications to reflect revised in-substance fixed lease payments

The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. A lease is classified at the inception date as a finance lease or an operating lease.

The Company as lessor

A lessor shall classify each of its lease as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards to the ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Finance Lease

At the commencement date, a lessor shall recognize assets held under a finance lease in its Statement of Financial Position and present them as receivable at the amount equal to net investment in lease. The lessor shall use the interest rate implicit in the lease to measure the net investment in the lease. In case of a sublease, if the interest rate implicit in the sublease cannot be readily determined, an intermediate lessor may use the discount rate used for the head lease (adjusted for any initial direct costs associated with the lease) to measure the net investment in the sublease.

A lessor shall recognize finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Operating Lease

A lessor shall recongise lease payments from operating leases as income either of straight line basis or another systematic basis. The lessor shall apply another systematic basis if that basis is more representative of the pattern in which benefits from use of the underlying asset is diminished.

2.19 Government grants and Grant Aid in Reserve



Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities

Grant received related to assets is shown at fair value as "grant aid in reserve" to the extent of asset creation they contribute. Grant aid in reserve is reduced by the depreciation of such assets and the same amount is realized as income to balance the expense of depreciation expense in the profit and loss account.













Revenue grant and related expenses are recognized in the profit and loss account.

2.20 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded as met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment, and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

2.21 Financial risk management objectives and policies

The Company's business activities expose it to a variety of financial risks, namely primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity, and credit risk, which may adversely impact the fair value of its financial instruments. The Company's Board and senior management has overall responsibility for the establishment and oversight of the Company's risk management. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management is done by the Company's management that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with the Company's policies and risk objectives.

The Board of Directors reviews and agrees on policies for managing each of these risks which are summarized below: -

a. Currency risk

The Company is subject to the risk that changes in foreign currency values impact on the Company's imports of inventories and property, plant, and equipment. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar. The aim of the Company's approach to the management of currency risk is to leave the Company with no material residual risk. This aim has been achieved in all the years presented. Since there is not significant currency risk, the Company has not entered into any forward contract.

The following table demonstrate the unhedged exposure in USD exchange rate as at Ashadh 31, 2080 and Ashadh 32, 2079: -

Particulars	Currency	Ashadh 31, 2080	Ashadh 32, 2079
Cash and bank balance	NPR	4,239,122	4,133,303
	USD	32,318	32,416

b. Credit risk

Credit risk refers to the risk that a counterparty including its subsidiaries and associates will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on. No amount has been recognised in the financial position as financial liabilities.

c. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the

Company's long-term and short-term debt obligations. Since the interest rate risk is influenced by market forces, BPC has little role to play for minimizing this risk. BPC has made swap arrangements to minimize the interest rate risk associated with foreign currency. Further, the Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings by negotiating with highly reputed commercial banks.

d. Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressful conditions. A material and sustained shortfall in our cash flow could create potential business continuity risk.

In order to control liquidity risk and for better working capital management, BPC has arranged an adequate level of OD facility for short-term financing. The Company's Finance department regularly monitors the cash position to ensure it has sufficient cash on-going basis to meet operational needs. Any short-term surplus cash generated by the operating entities, over and above the amount required for working capital management and other operational requirements, are retained as cash and cash equivalents (to the extent required), and any excess is invested in interest-bearing term deposits to optimize its cash returns on investments. The said investments are made in instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

2.22 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the company. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to the shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements to meet its strategic and day-to-day needs. It considers the amount of capital in proportion to the risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aim is to translate profitable growth to superior cash generation through efficient capital management. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain the future development and growth of its business. The Company's focus is on keeping a strong total equity base to ensure independence, and security, as well as high financial flexibility for potential future borrowings, if required, without impacting on the risk profile of the Company. The Company will take appropriate steps to maintain, or if necessary, adjust its capital structure. The Company monitors the return on capital as well as the level of dividends to shareholders. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute dividends in future periods.

No changes were made in the objectives, policies, or processes for managing capital during the years ended 31st Ashadh, 2080 and 32nd Ashadh, 2079.

2.23 Segment reporting

The Chief Executive Officer and functional managers of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined by NFRS 8, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz., "Generation and Sale of electricity" and most of its operations are in Nepal. Hence the Company does not have any reportable Segments as per NFRS 8 "Operating Segments".

2.24 Staff bonus

A 2% bonus on electricity income in line with the provisions of the Electricity Act 2049, 2% bonus on dividend Income and a 10% bonus on income from other sources as per Bonus Act 2030 have been provided.

2.25 Contingent Assets

As per point 61 of the Budget Speech of Fiscal Year 2014/15, the Government of Nepal, Ministry of Finance declared to provide a lump sum grant of Rs 5.5 million per MW of electricity to those producers who generate and connect the





generated electricity to the national grid within FY 2017/18. Andhikhola Hydropower Project, upgraded from 5.1 MW to 9.4 MW achieved a Commercial Operation Date (COD) on April 5, 2015 (Chaitra 22, 2071) from Nepal Electricity Authority (NEA). The first request was made to the Ministry of Energy dated May 8, 2015, and subsequent follow-up letters have been submitted from time to time. The total Grant for the upgraded capacity of the plant is NPR 23.65 million.

2.26 Description of Subsidiaries, Associates, and other equity investments

a) Nepal Hydro & Electric Limited

BPC established Nepal Hydro & Electric Limited (NHE) in 2042 B.S. with the initial shareholdings of Butwal Power Company Ltd., Alstom Power Norway AS, GE Energy (Norway) AS, Butwal Technical Institute, Himal Hydro, and General Construction Ltd. Shares held by GE Energy and Alstom Power have been transferred in the name of IKN Industrial AS (Norwegian company). The current shareholders are BPC (51.3%), IKNI (46.9%), Butwal Technical Institute (1.1%), and Himal Hydro and General Construction Limited (0.7%). The company manufactures and refurbishes hydro and electric power equipment. It designs, manufactures, installs, tests and commissions hydro-mechanical and electro-mechanical equipment, including HV sub-stations, transmission line towers and poles and heavy steel structures.

b) Khudi Hydropower Limited

Khudi Hydropower Limited (KHL) operates a 4 MW Khudi Power Plant, which began commercial operation in FY 2063/64. BPC holds 60% shares of KHL. Other shareholders are Lamjung Electricity Development Company Limited (LEDCO) and SCP Hydro International Inc., Canada. BPC's preference share of Khudi is a redeemable cumulative non-voting class with an annual dividend of 14.34.% (12.56% in FY 2078/79) (i.e., the prevailing interest rate 11.84% of the term loan plus 2.5% as per Article 1.2.24 of the Shareholders Agreement).

c) BPC Services Limited

BPC is the sole owner of BPC Services Limited (BPCSL), which was established in FY 2063/64 to provide operation and maintenance services to hydropower plants. BPCSL is in process of negotiation with several power plant owners for undertaking O&M service contract including Khudi and Nyadi Hydropower projects.

d) Nyadi Hydropower Limited

Nyadi Hydropower Limited (NHL) was established to build, own and operate the 30 MW Nyadi Hydropower project in Lamjung District. BPC owned 71.68% shares of NHL followed by 27% Public and 1.32% LEDCO shareholdings as on reporting date. Generation of electricity started from Baisakh 27, 2079 (May 10, 2022) the COD date.

e) Hydro-Consult Engineering Limited

The engineering business unit of BPC was merged with Hydro Consult (P) Ltd with effect from 1 Shrawan 2066, now converted into HCEL. BPC acquired 80% share of this company by transferring its engineering business assets in HCEL and also acquired 20% shares held by People Energy and Environment Development Association (PEEDA) on 2078/04/08. With this additional acquisition, BPC owned 100% shares of HCEL effective from FY 2078/79.

f) Gurans Energy Limited

Gurans Energy Limited (GEL) is established as a joint venture of BPC and InfraCo Asia Development with initial shareholding of 40% and 60% respectively, to develop and provide investment backup to hydropower projects being developed by BPC under pipeline and undertakes additional new projects. BPC has invested NPR 467.68 million in GEL till the end of FY 2079/80. Currently, the only project under the joint venture pipeline is 37.6 MW Kabeli – A Project under construction.

g) Kabeli Energy Limited (KEL)

Kabeli Energy Ltd. was established for the development of Kabeli-A Hydroelectric Project (KAHEP) located at Panchthar District in Nepal, to build, own, operate and transfer (BOOT) the Project as per the Project Development Agreement (PDA) signed with the Government of Nepal (GoN). BPC holds overall 95% shares of KEL being 27.24% direct investment and 28.92.% through 'Gurans Energy Limited'. Kabeli A is a 37.6 MW run-of-river hydro power plant with an estimated



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Butwal Power Company Limited
Notes to the financial statements for the year ended 31st Ashadh 2080

Figure in NPR

capacity factor of 60%.. The construction of the project has been resumed and financial closure from local consortium of banks has been achieved on December 1, 2023. BPC has invested additional NPR 300 million in Kablei-A project till the end of FY 2079/80 as a part of the its Equity for the revival process .

h) Himtal Power Limited (HPL)

Himal Power Limited (HPL) owns and operates the 60-MW Khimti I Hydropower Project, which began commercial operation on 27 Ashadh, 2057 (5 July 2000). HPL was established on 2049/11/10 (21 February 1993) by BPC and the Norwegian companies Statkraft SF, ABB Energy AS (now ABB Kraft), and Kvaerner Energy AS (now G.E. Hydro) with the objective of developing the project under the build, own, operate and transfer (BOOT) approach. The major current shareholders are SN Power, BKK and BPC. BPC is holding 16.88% shares in HPL As per the provision of PPA, Nepal Electricity Authority (NEA) is entitled to get 50% of the shares of the Khimti hydropower Project owned by HPL effective from 12th July 2020 (Asadh 28, 2077), and necessary process of forming Joint venture Company as per the provision of PPA regarding handover and takeover of the share is in progress.

i) Hydro Lab Private Limited

Hydro Lab Private Limited (HLPL) was established in 2053 B.S. to carry out research and provide consulting services in hydraulics and sediments. It assists water resource engineering professionals by conducting the physical hydraulic model studies needed to validate the design and operation modality of headworks. Hydro Lab conducted model studies for Upper Tama Koshi Hydropower Headworks, Devighat Intake, Melamchi Drinking Water Headworks, Jhimruk Intake, Khudi Hydropower Headworks, Kablei A, Nyadi and others. BPC holds 16.74% shares in HLPL.

j) S.C.I.G. International Nepal Hydro Joint Development Company Private Limited

S.C.I.G. International Nepal Hydro Joint Development Company Private Limited was established on 22nd November 2017 to develop, own, acquire and operate hydropower projects in Nepal and invest in such business activities. Butwal Power Company Ltd (BPC), Sichuan Investment Group Co. Ltd (SCIG), Chengdu Xingcheng Investment Group Co. Ltd (CXIG), and Sichuan Qingyuan Engineering Consulting Co. Ltd (QYEC) jointly established a Joint Venture Company with a capital contribution of 20%, 51%, 17% and 12% respectively. The company has an authorized capital of NPR 1,900,000,000 (One Billion Nine Hundred Million) comprising 19,000,000 shares of NPR 100 each.

k) Manang Marsyangdi Hydropower Company Pvt. Ltd.

Manang Marshyangdi Hydropower Company Private Limited ("MMHCPL" or "the Company") is a private limited company incorporated on 7 December 2010 under the Companies Act 2006 of Nepal. The registered office is located at Kathmandu Ward No.4., contract address is at Ward No. 10, Buddhanagar, Kathmandu. Manang Marsyangdi Hydro-Electric Project developed by the Company with an installed capacity of 282 MW (now optimized capacity at 135MW under Q40) is located on the Marshyangdi river in Manang district, Gandaki Zone of Nepal within the Annapurna Conservation Area (ACAP). The project is in the pre-construction phase as on reporting date.

BPC owns 19.40% shares of Manang Mrsyangdi Hydropower Company Pvt. Ltd, a SPV formed to develop and operate MMHEP. 80.60% of the total shares are owned by SCIG JVC, Chinese investors - SCIG HK, CXIG HK & QYEC HK at 3%, 49.47%, 16.49% and 11.64% respectively. DoED has issued Generation License for 35 years period from 17 Nov 2018 for 282 MW ROR type and PPA with NEA for 135 MW has been signed. The process of financial closure is ongoing with the Chinese banks and the EPC Contractor has started site preparation works.

l) Himtal Hydropower Company Pvt. Ltd.

Himtal Hydropower Company Pvt. Ltd, incorporated in Nepal on April 13, 2001, under Companies Act 2063, is promoted by GMR Energy Limited (incorporated in India) from Jan 2, 2008, to develop and operate 600MW (now optimized capacity at 327 MW under Q40) Hydro based power project (M3) in Marsyangdi River, Lamjung and Manang District. The registered address of the company is P O Box: 148, Chakupat-10, Lalitpur, contract address is at Sanepa, Lalitpur, Nepal. The company is in the process of setting up the project.

BPC has acquired 19.40% shares of M3 project of the Company with a plan to develop the cascade at Marsyangdi basin. Its Share transfer to BPC has been completed by 30th December 2018. PDA is in the process of negotiation. DPR has been reviewed by IBN and is under approval process. The Grid Impact Study (GIS) has been completed and forwarded to Grid Operation Department for Connection Agreement



(Handwritten signatures of various individuals)



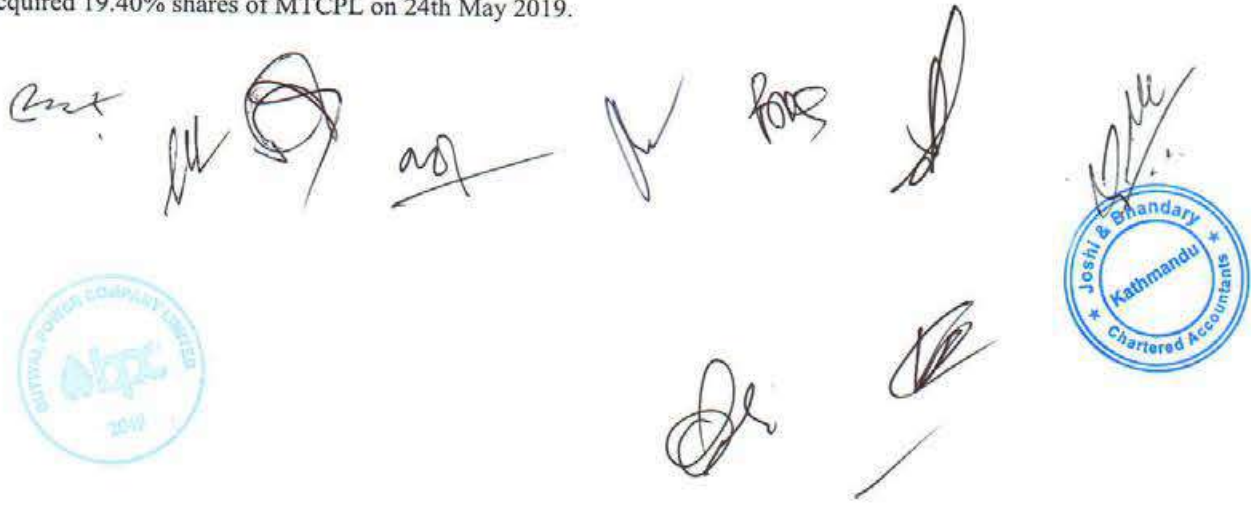
Butwal Power Company Limited
Notes to the financial statements for the year ended 31st Ashadh 2080

Figure in NPR

m) Marsyangdi Transmission Company Pvt. Ltd. (MTCL)

Marsyangdi Transmission Company Pvt. Ltd., incorporated in Nepal on April 27, 2010, under Companies Act 2063, is promoted by GMR Energy (Mauritius) Limited (incorporated in Mauritius), to develop the transmission line for power evacuation of 600MW upper Marsyangdi Hydro Electric Project – 2 in Marsyangdi River. The register address of the company is P O Box: 148, Chakupat-10, Lalitpur and contract address is at Sanepa, Lalitpur, Nepal.

BPC has acquired 19.40% shares of MTCPL on 24th May 2019.

The image shows several handwritten signatures in black ink, arranged in two rows. Below the signatures are two circular blue stamps. The stamp on the left is for Butwal Power Company Limited, featuring the acronym 'BPC' in the center and the year '2019' at the bottom. The stamp on the right is for Joshi & Bhandary, Chartered Accountants, Kathmandu, with the text 'Chartered Accountants' at the bottom.

Butwal Power Company Limited
Andhikhola Distribution Centre
Consumer Category, Sales and Revenue

FY : 2081/82 (Forecast)

S.N.	Consumer Category Code	Consumer Category Name	Amp/ Voltage Level	No. of Consumer	Total Annual Energy Consumption (kWh)	Average Unit per consumer per month	Auunal Revenue from Sale of Energy (Rs)	Total Annual Minimum/Demand Charge (Rs)	Average Minimum Charge per consumer per month	Total Annual Revenue (Rs)	Average Revenue per consumer per month (Rs)
1 Domestic Consumer											
1.1		Single Phase Low Voltage	5 Amp	30,469.00	14,481,954.54	39.61	61,447,726.54	10,968,840.00	30	72,416,566.54	198.06
			15 Amp	8,915.00	12,331,479.39	115.27	67,109,546.86	6,953,700.00	65	74,063,246.86	692.31
			30 Amp	132	288,408.93	182.08	1,708,469.12	158,400.00	100	1,866,869.12	1,178.58
			60 Amp								
1.2		Three Phase Low Voltage	Upto 10 kVA	12	39,472.56	274.12	280,693.55	115,200.00	800	395,893.55	2,749.26
			Above 10 kVA	17	161,362.50	790.99	1,259,849.27	244,800.00	1200	1,504,649.27	7,375.73
1.3		Three Phase Medium Voltage	33/11 kV								
Total				39,545.00	27,302,677.92	57.54	131,806,285.34	18,440,940.00		150,247,225.34	316.62

2 Other Customer

2.1 Low Voltage

1		Industrial									
1.1		Cottage Industrials		705	1,743,744.78	206.12	9,409,117.32	3,850,992.00	455.20	13,260,109.32	1,567.39
1.2		Small Industrials		56	799,846.62	1,190.25	5,246,164.63	1,416,374.40	2,107.70	6,662,539.03	9,914.49
2		Commercial		178	1,952,750.89	914.21	15,055,202.07	6,218,109.60	2,911.10	21,273,311.67	9,959.42
3		Non-Commercial		142	508,822.01	298.60	4,166,055.60	1,357,406.40	796.60	5,523,462.00	3,241.47
4		Irrigation		13	36,743.53	235.54	135,051.81	-		135,051.81	865.72
5		Drinking Water									
5.1		Community Drinking Water		157	1,587,270.37	842.50	5,667,880.84	2,458,620.00	1,305.00	8,126,500.84	4,313.43
5.2		Other Drinking Water		15	561,136.63	3,117.43	2,758,443.80	450,360.00	2,502.00	3,208,803.80	17,826.69
6		Temple		178	106,941.22	50.07	436,739.15	0	-	436,739.15	204.47
7		Street Light									
7.1		Street Light with Meter		5	5,219.59	86.99	25,579.66	0		25,579.66	426.33
7.2		Street Light without meter		2							
8		Temporary									
9		Non- domestic		7	76,589.31	911.78	685,873.61	145,479.60	1,731.90	831,353.21	9,897.06
10		Entertainment								-	
Total				1458.000	7379064.944	421.76	43586108.503	15897342.000	11809.500	59483450.503	3,399.83

2.2 High Voltage

High Voltage (66 kV & Above)

1	Industrials									
Medium Voltage 33 kV										
1	Industrial		4	78165.55735	1,628.45	550,079.45	1,123,713.60	23,410.70	1,673,793.05	34,870.69
2	Commercial									
3	Non - Commercial									
4	Irrigation									
5	Drinking Water									
5.1	Community Drinking Water									
5.2	Other Drinking Water									
6	Transportaion									
6.1	Trolley bus									
6.2	Other Transportation									
7	Non-domestic									
8	Entertainment									
Medium Voltage 11 kV										
1	Industrial		2	61734.6963	2,572.28	421,757.34	612,000.00	25,500.00	1,033,757.34	43,073.22
2	Commercial									
3	Non - Commercial									
4	Irrigation									
5	Drinking Water									
5.1	Community Drinking Water									
5.2	Other Drinking Water									
6	Transportaion									
6.1	Trolley bus									
6.2	Other Transportation									
7	Temple									
8	Temporary									
9	Non-domestic									
10	Entertainment									
Total			6	139900.2536	1,943.06	971836.7808	1735713.6	48910.7	2707550.381	37,604.87

3 Time of Day Electricity Tariff Rate

High Voltage (66 kV & above)

1	Industrials									
Medium Voltage 33 kV										
1	Industrials									
2	Commercial									
3	Non-Commercial									
4	Irrigation									
5	Drinking Water									
5.1	Community Drinking Water									

5.2	Other Drinking Water									
6	Transportaion									
6.1	Trolley Bus									
6.2	Other Transportation									
7	Street Light									
Medium Voltage 11 kV										
1	Industrials									
2	Commercial									
3	Non-Commercial									
4	Irrigation									
5	Drinking Water									
5.1	Community Drinking Water									
5.2	Other Drinking Water									
6	Transportaion									
6.1	Trolley Bus									
6.2	Other Transportation									
7	Street Light									
8	Temple									
9	Temporary									
Total										

Total	41,009.000	34,821,643.120	70.76	176,364,230.620	36,073,995.600	60,720.200	212,438,226.220	431.69
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Tariff filling format

Form CTF 1: Consumer category wise sales

S.N.	Consumer Category Code	Consumer Category Name	FY 078/79 (Audited)	FY 079/80 (Audited)	FY 080/81 (Audited/Provisional)	FY 081/82 (Forecast)	Logic for FY 081/82 Forecast	Remarks
1	111A	Domestic Supply (Metered)	111,990,525.90	116,559,839.55	121,828,328.91	127,260,521.81	About 2.5 % consumer growth	
2	111B	Domestic Supply (Unmetered)	26,182.00	-	-	-		
3	111C	Domestic Supply (User's Organisation)-Meteted	47,542,857.98	46,503,107.20	48,605,041.51	50,772,287.53		
4	111D	Domestic Supply (User's Organisation)-Unmeteted	238,985.00	136,870.00	143,056.51	149,435.24		
5	111E	Industrial Sale (Direct)	13,651,721.43	14,929,785.85	15,604,610.20	16,300,402.82		
6	111F	Industrial Sale (UO)	5,973,800.90	5,729,801.00	5,988,787.25	6,255,820.77		
7	111G	Street Lighting Sale (Direct)	91,334.40	89,568.00	93,616.46	97,790.72		
8	111F	Street Light UO	2,376.00	17,880.00	18,688.17	19,521.46		
9	111I	Irrigation & Water Supply (Direct)	5,604,201.10	6,497,887.00	6,791,590.63	7,094,420.29		
10	111M	Irrigation & Water Supply (UO)	3,547,641.20	4,110,650.60	4,296,451.46	4,488,025.57		
	Total		188,669,625.91	194,575,389.20	203,370,171.10	212,438,226.20		

Tariff filling format

Form CTF 2: Yearly Return/Dividend from Investment

S.N.	Particulars	Type of Return	FY 078/79 (Audited)	FY 079/80 (Audited)	FY 080/81 (Provisional)	FY 081/82 (Forecast)	Logic for FY 081/82 Forecast	Remarks
		0	0	0	0	0	0	
	Total							

Tariff filling format
Form CTF 3: Yearly Other Income

S.N.	Particulars	Type of Income	FY 078/79 (Audited)	FY 079/80 (Audited)	FY 080/81 (Provisional)	FY 081/82 (Forecast)	Logic for FY 081/82 Forecast	Remarks
1	Electricity Services	Fee & Charges	1,464,827.00	1,249,020.00	1,300,000.00	1,300,000	Based on past trend and 2.5 % consumer growth	
		Meter Sale	3,928,642.74	2,877,470.30	2,663,779.30	2,664,000		
		Sale of Cutout & Accessories	196,005.91	154,677.07	150,000.00	150000		
		Internal Consumption of Electricity (Internal Sale)	1,837.00	4,384.00	196,240.40	5,000.00		
2	Other Income	Interest on Deposit	18,980.42	33,762.89	40,000.00	40,000.00		
		Vehicle Use	663,695.00	541,659.00	400,000.00	400,000.00		
		Housing Services	2,400.00	7,400.00	5,000.00	5,000.00		
		Fine & Penalties	3,053,236.47	3,402,453.50	3,000,000.00	3,000,000.00		
		Miscellaneous Income	319,205.64	212,722.29	300,000.00	300,000.00		
		Revenue Portion of Grant Aid Depreciation	4,453,182.34	4,453,182.34	4,453,182.34	4,453,182.34		
		Total Income	14,102,013	12,936,731	12,508,202	12,317,182		
	Less, Interest/dividend earned from the investment mode out of previous years' Return on Equity/Profit							
	Total		14,102,013	12,936,731	12,508,202	12,317,182		

Tariff filling format

Form CTF 4: Power Purchase Quantum and Cost

S.N.	Particulars	Type of plant	Capacity [MW]	FY 078/79 (Audited)		FY 079/80 (Audited)		FY 080/81 (Provisional)		FY 081/82 (Forecast)		Logic for FY 081/82 Forecast	Remarks
				Purchased kWh (Units)	Amount	Purchased kWh (Units)	Amount	Purchased kWh (Units)	Amount	Purchased kWh (Units)	Amount		
1	Power Purchase	Own Power Plant (Andhikhola Power Plant)	9.4	36,494,674	180,283,692	35,050,210	175,601,554	37,011,143	188,016,605	37,936,421	192,717,019.83	2.5 % Consumer growth	
		NEA		1,462,657	7,225,523	3,025,707	15,158,791	1,879,997	9,550,383	1,926,997	9,789,142.56		
	Total			37,957,331	187,509,215	38,075,917	190,760,345	38,891,139	197,566,988	39,863,418	202,506,162		

Tariff filling format

Form CTF 5: Yearly Expenditure for operating own plant (Except Employee cost and Depreciation)

S.N.	Particulars	Type of plant	Capacity [MW]	FY 078/79 (Audited)		FY 079/80 (Audited)		FY 080/81 (Provisional)		FY 081/82 (Forecast)		Logic for FY 081/82 Forecast	Remarks
				kWh (Units)	Expenses	kWh (Units)	Expenses	kWh (Units)	Expenses	kWh (Units)	Expenses		
		Hrdropower	9.4									Based on hydrology and outage	
1	Power Plant expenses				15,735,465		23,023,589		25,151,000		26,408,550	Based on past trend and maintenance requirement	
2	Electricity Purchase				8,034,432		20,076,364		12,754,000		13,391,700		
3	Royalty				17,085,091		14,751,953		15,055,000		15,807,750		
4	Insurance				4,246,003		5,851,213		5,822,000		6,113,100		
5	Interest expenses				1,391,212								
	Total				46,492,203		63,703,119		58,782,000		61,721,100		

Tariff filling format

Form CTF 6: Yearly Expenditure of Transmission line/network (Except Depreciation and Employee Expenses)

S.N.	Particulars	Capacity [kVA]	FY 078/79 (Audited)	FY 079/80 (Audited)	FY 080/81 (Provisional)	FY 081/82 (Forecast)	Logic for FY 081/82 Forecast	Remarks
1	Transmission Line and Substation Maintenance		826,467	263,003	700,000	700,000	Based on past trend	
	Total		826,467	263,003	700,000	700,000		

Tariff filling format

Form CTF 7: Yearly Expenditure of Distribution line/network (Except Depreciation and Employee Expenses)

S.N.	Particulars	FY 078/79 (Audited)	FY 079/80 (Audited)	FY 080/81 (Provisional)	FY 081/82 (Forecast)	Logic for FY 081/82 Forecast	Remarks
1	Distribution Networks expenses	28,961,555	27,445,212	31,078,512	27,850,095	Operation, Maintenance and Renovation as per plan	
2	Royalty	18,866,963	19,457,539	20,337,000	21,272,502		
3	Insurance	284,000	351,000	380,000	397,480		
	Total	48,112,518	47,253,751	51,795,512	49,520,077		

Note: Royalty expense has not been considered for tariff calculation.

Tariff filling format
Form CTF 8: Depreciation

Particulars	FY 078/79 (Audited)				FY 079/80 (Audited)				FY 080/81 (Provisional)				FY 081/82 (Forecast)				Logic for FY 081/82 Projection	Remarks
	Opening GFA	Net Addition/(Disposal)	Annual Depreciation (%)	Annual Depreciation [NPR]	Opening GFA	Net Addition/(Disposal)	Annual Depreciation (%)	Annual Depreciation [NPR]	Opening GFA	Net Addition/(Disposal)	Annual Depreciation (%)	Annual Depreciation [NPR]	Opening GFA	Net Addition/(Disposal)	Annual Depreciation (%)	Annual Depreciation [NPR]		
Generation																		
Land																		
Building and Structures																		
Plant and Machinery																		
Vehicles																		
Furniture																		
Office Equipment																		
Other Assets																		
Total																		
Assets created out of consumer contribution and grants in the above list																		
Transmission																		
Land																		
Building and Structures																		
Plant and Machinery																		
Vehicles																		
Furniture																		
Office Equipment																		
Other Assets																		
Total																		
Assets created out of consumer contribution and grants in the above list																		
Distribution																		
Land	1,819,046.00			76,536	1,742,510			76,536	1,665,974			76,536	1,589,438			76,536		
Building and Structures	1,511,214.00			63,586	1,447,628	434,920		63,586	1,818,962	500,000		83,572	2,235,390			83,572		
Plant and Machinery	406,429.00	220,887		71,764	555,552	356,045		120,683	790,914	885,000	15%	118,637	1,557,277		15%	233,592		
Vehicles	4,126,251.00	528,300		891,251	3,763,300	(1,371,283)		478,750	1,913,267	900,000	20%	382,653	2,430,614		20%	486,123		
Furniture	43,764.00	31,502		15,576	59,690	8,500		15,610	52,580	40,000	25%	13,145	79,435	40,000	25%	19,859		
Office Equipment	1,951,330.00	1,358,177		496,817	2,812,690	415,231		801,158	2,426,763	466,000	25%	606,691	2,286,072	885,000	25%	571,518		
Other Assets	268,492,874.00	62,545,956		11,297,494	319,741,336	16,954,977		14,045,328	322,650,985	12,100,000		17,048,357	317,702,628	12,100,000		17,048,357		
Total	278,350,908.00	64,684,822	-	12,913,024	330,122,706	16,798,390	-	15,601,651	331,319,445	14,891,000	1	18,329,591	327,880,854	13,025,000		18,519,557	-	-
Assets created out of consumer contribution and grants in the above list																		
Total	278,350,908	64,684,822	-	12,913,024	330,122,706	16,798,390	-	15,601,651	331,319,445	14,891,000	1	18,329,591	327,880,854	13,025,000		18,519,557	-	-

As per existing system

R]
Closing loan amount as on end of FY

R]
Closing loan amount as on end of FY

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Tariff filling format
Form CTF 10: Employee Expenses

S.N.	Particulars	Unit	FY 078/79 (Audited)	FY 079/80 (Audited)	FY 080/81 (Provisional)	FY 081/82 (Forecast)	Logic for FY 081/82 Forecast	Remarks
	<i>Number of Emplpyoees</i>							
	Generation	No.	22	24	21	21	As per requirement	
	Transmission	No.	0	0	0	0		
	Distribution	No.	37	38	38	39		
	Mixed Responsibilities	No.	18	20	18	18		
	Total	No.	77	82	77	78		
	<i>Employee Costs (exclusive of terminal benefits and contribution to pension funds)</i>							
	Generation	NPR Million						
	Transmission	NPR Million						
	Distribution	NPR Million	37.25	33.39	30.89	32.00		
	Mixed Responsibilities	NPR Million						
	Total	NPR Million	37.25	33.39	30.89	32.00		
	<i>Employee Cost - Terminal benefit (PF and Gratuity)</i>							
	Generation	NPR Million						
	Transmission	NPR Million						
	Distribution	NPR Million	2.90	2.72	2.80	2.88		
	Mixed Responsibilities	NPR Million						
	Total	NPR Million	2.90	2.72	2.80	2.88		
	<i>Employee Cost - Contribution to pension fund (NA in BPC)</i>							
	Generation	NPR Million						
	Transmission	NPR Million						
	Distribution	NPR Million						
	Mixed Responsibilities	NPR Million						
	Total	NPR Million						
	Total		40.15	36.11	33.69	34.88		

Tariff filling format

Form CTF 11: Corporate Office related Expenditure (Kathmandu and Butwal Office)

S.N.	Particulars	FY 078/79 (Audited)	FY 079/80 (Audited)	FY 080/81 (Provisional)	FY 081/82 (Forecast)	Logic for FY 081/82 Forecast	Remarks
1	Corporate Overhead and Depreciation	22,217,821	20,022,790	23,597,012	24,776,863	As per past trend	
	Total	22,217,821	20,022,790	23,597,012	24,776,863		

**Tariff filling format
Form CTF 12: Equity**

Particulars	Unit	FY 078/79 (Audited)	FY 079/80 (Audited)	FY 080/81 (Provisional)	FY 081/82 (Forecast)	Logic for FY 081/82 Forecast	Remarks
Share capital	NPR Mn	236.31	255.19	261.18	286.21	Based on past trend	
Reserves	NPR Mn	74.22	88.33	103.94	126.67		
Accumulated profit/ (loss)	NPR Mn	(658.48)	(753.45)	(844.88)	(933.47)		
Total equity*	NPR Mn	310.53	343.52	365.11	412.88		

Note:

Andhikhola distribution has been incurring revenue losses for many years. However, only 7 years' accumulated loss in FY 2078/79 and preceding 6 years have been incorporated in accumulated loss of FY 2078/79. Thereafter carried forwarded to next year and onwards.

Tariff filling format

Form CTF 13: Capital expenditure and capitalization

Particulars of CAPEX scheme	Description	Funding Pattern [%]			Capital Expenditure [NPR]				Asset Capitalization [NPR]			
		Equity	Grant	Loan	FY 078/79 (Audited)	FY 079/80 (Audited)	FY 080/81 (Provisional)	FY 081/82 (Forecast)	FY 078/79 (Audited)	FY 079/80 (Audited)	FY 080/81 (Provisional)	FY 081/82 (Forecast)
Land												
Building and Structures							500,000					
Plant and Machinery					221,000	435,000	885,000	885,000	221,000	435,000	885,000	885,000
Vehicles					528,000	378,000	900,000	900,000	528,000	378,000	900,000	900,000
Furniture					34,000	9,000	40,000	40,000	34,000	9,000	40,000	40,000
Office Equipment					1,383,000	480,000	466,000	466,000	1,383,000	480,000	466,000	466,000
Other Assets					62,546,000	16,955,000	12,112,000	12,112,000	62,546,000	16,955,000	12,112,000	12,112,000
Total					64,712,000	18,257,000	14,903,000	14,403,000	64,712,000	18,257,000	14,403,000	14,403,000

Tariff filing format
Form CTF 14: Consumer Category wise revenue

S.N.	Consumer Category Code	Consumer Category Name	Amp./Voltage Level	FY 078/79 (Audited in NPR)					FY 079/80 (Audited in NPR)					FY 080/81 (Provisional in NPR)					FY 081/82 (Forecast in NPR)			
				Demand Charge	Energy Charge	Total Charges	Billing Efficiency % (units billed/units supplied)	Collection Efficiency % (amount realised/a mount billed)	Demand Charge	Energy Charge	Total Charges	Billing Efficiency % (units billed/units supplied)	Collection Efficiency % (amount realised/a mount billed)	Demand Charge	Energy Charge	Total Charges	Billing Efficiency % (units billed/units supplied)	Collection Efficiency % (amount realised/a mount billed)	Demand Charge	Energy Charge	Total Charges	Billing Efficiency % (units billed/units supplied)
1		Commercial		6,384,754	13,272,943	19,657,697			5,973,577	13,510,971	19,484,548			6,243,582	14,121,665	20,365,247			6,218,110	15,055,202	21,273,311.7	
2		Domestic Three Phase		379,200	1,167,476	1,546,676			350,400	1,390,336	1,740,736			366,238	1,453,179	1,819,417			360,000	1,540,543	1,900,542.8	
3		Industrial		5,905,697	13,703,715	19,609,411			6,798,125	13,929,217	20,727,342			7,105,399	14,558,816	21,664,215			7,003,080	15,627,119	22,630,198.7	
4		Irrigation			109,573	109,573				123,696	123,696			-	129,287	129,287			-	135,052	135,051.8	
5		Meter Domestic		16,185,720	116,321,972	132,507,692			17,468,940	118,404,034	135,872,974			18,258,534	123,755,880	142,014,414			18,080,940	130,265,743	148,346,682.5	
6		Non Commercial		1,244,293	3,608,879	4,853,171			1,300,051	3,758,971	5,059,023			1,358,813	3,928,876	5,287,690			1,357,406	4,166,056	5,523,462.0	
7		Non Domestic		167,970	452,962	620,932			145,480	615,969	761,449			152,055	643,811	795,866			145,480	685,874	831,353.2	
8		Street Light		83,640	10,070	93,710				23,429	23,429				24,488	24,488			-	25,580	25,579.7	
9		Temple			361,652	361,652				400,016	400,016				418,097	418,097			-	436,739	436,739.1	
10		Unmeteear		265,167		265,167								-	-				-		-	
10		Water Supply & Pumping		2,869,944	6,174,000	9,043,944			2,816,316	7,565,861	10,382,177			2,943,613	7,907,837	10,851,450			2,908,980	8,426,325	11,335,304.6	
		Total		33,486,384	155,183,242	188,669,625.9			34,852,889	159,722,500	194,575,389.20			36,428,235	166,941,936	203,370,171.10			36,073,996	176,364,231	212,438,226.22	

Tariff filling format**Form CTF 15: Source and Usage of Energy**

S.N.	Particulars	Unit	FY 078/79 (Audited)	FY 079/80 (Audited)	FY 080/81 (Provisional)	FY 081/82 (Forecast)	Remarks
1	Self Generation	MU					
2	Power Procured	MU	37.96	38.08	38.89	39.86	2.5% growth
3	Power Imported (Not Applicable)	MU					
4	Total Available Power	MU					
5	Transmission Loss	%					
6	Sales at Transmission, if any (Export or dedicated lines)	MU					
7	Energy at Transmission - Distribution Periphery	MU	31.74	32.60	33.81	34.82	
8	Self consumption	MU	0.0415	0.0364	0.0386	0.0386	
9	Distribution Loss	%	16.37%	14.38%	13.07%	12.64%	
	Sales	MU					

Tariff filling format
Form CTF 16: Existing and proposed tariff

I Domestic consumer

1.1 Single Phase Low Voltage (230 volt)

S.N.	Consumer Category Code	Consumer Category Name	Amp./Voltage Level [kV]	Existing Tariff				Proposed Tariff			
				Energy Charges [NPR/kWh]	Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]	Detail of Time of Day tariff, if applicable	Energy Charges [NPR/kWh]	Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]	Detail of Time of Day tariff, if applicable
1.1	Domestic	Domestic-metered Single Phase	5 Amp	From 0-20 unit Rs 2.0, from 21-50 unit Rs 5.0, from 51- 150 unit Rs 5.50, from 151-250 unit Rs 6.50 and above 250 unit Rs 7.00	From 0-20 unit Rs 20, from 21-50 unit Rs 30, from 51-150 unit Rs 50, from 151-250 unit Rs 65 and above 250 unit Rs 80			From 0-20 unit Rs 3.5, from 21-30 unit Rs 9.5, from 31 - 50 unit Rs 10, from 51 - 100 unit Rs 10.5, from 101 - 250 unit Rs 12.5 above 250 unit Rs 13.5	From 0-20 unit Rs 30, from 21-30 unit Rs 50, from 31 - 50 unit Rs 50, from 51 - 100 unit Rs 75, from 101 - 250 unit Rs 100 above 250 unit Rs 150		
			15 Amp	From 0-20 unit Rs 2.60, from 21-50 unit Rs 5.0, from 51- 150 unit Rs 5.50, from 151-250 unit Rs 6.50 and above 250 unit Rs 7.00	From 0-20 unit Rs 30, from 21-50 unit Rs 50, from 51-150 unit Rs 65, from 151-250 unit Rs 80 and above 250 unit Rs 100			From 0-20 unit Rs 4.5, from 21-30 unit Rs 9.5, from 31 - 50 unit Rs 10, from 51 - 100 unit Rs 10.5, from 101 - 250 unit Rs 12.5 above 250 unit Rs 13.5	From 0-20 unit Rs 50, from 21-30 unit Rs 75, from 31 - 50 unit Rs 75, from 51 - 100 unit Rs 100, from 101 - 250 unit Rs 125 above 250 unit Rs 175		
			30 Amp	From 0-20 unit Rs 3.3, from 21-50 unit Rs 5.0, from 51- 150 unit Rs 5.50, from 151-250 unit Rs 6.50 and above 250 unit Rs 7.00	From 0-20 unit Rs 50, from 21-50 unit Rs 65, from 51-150 unit Rs 80, from 151-250 unit Rs 100 and above 250 unit Rs 120			From 0-20 unit Rs 5.5, from 21-30 unit Rs 9.5, from 31 - 50 unit Rs 10, from 51 - 100 unit Rs 10.5, from 101 - 250 unit Rs 12.5 above 250 unit Rs 13.5	From 0-20 unit Rs 75, from 21-30 unit Rs 100, from 31 - 50 unit Rs 100, from 51 - 100 unit Rs 125, from 101 - 250 unit Rs 150 above 250 unit Rs 200		
			60 Amp	From 0-20 unit Rs 4, from 21-50 unit Rs 5.0, from 51- 150 unit Rs 5.50, from 151-250 unit Rs 6.50 and above 250 unit Rs 7.00	From 0-20 unit Rs 80, from 21-50 unit Rs 100, from 51-150 unit Rs 120, from 151-250 unit Rs 135 and above 250 unit Rs 150			From 0-20 unit Rs 6.5, from 21-30 unit Rs 9.5, from 31 - 50 unit Rs 10, from 51 - 100 unit Rs 10.5, from 101 - 250 unit Rs 12.5 above 250 unit Rs 13.5	From 0-20 unit Rs 125, from 21-30 unit Rs 125, from 31 - 50 unit Rs 125, from 51 - 100 unit Rs 150, from 101 - 250 unit Rs 200 above 250 unit Rs 250		
1.2	Domestic	Domestic-metered Three Phase (400 Volt)	10 kVA	0-250 unit rs 7.00, above 250 unit 7.90	800.00			Ashar to Kartik Rs 14.5, Mangsir to Jestha 14.5	1100		
			Above 10 kVA	from 0-250 unit rs 7.25, above 250 unit 7.90	1200.00			Ashar to Kartik Rs 14.5, Mangsir to Jestha 14.6	1800		

1.3	Domestic	Three Phase Medium voltage	33/11 kV	From 0-1000 Rs 7.27, From 1001-2000 Rs 8, Above 2000 Rs 8.75	6600.00			Ashar to Kartik Rs 15.5, Mangsir to Jestha 16.5	10000		
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2 Other Customer

2.1 Low voltage (230/400 Volt)

S.N.	Consumer Category Code	Consumer Category Name	Amp./Voltage Level [kV]	Existing Tariff				Proposed Tariff			
				Energy Charges [NPR/kWh]	Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]	Detail of Time of Day tariff, if applicable	Energy Charges [NPR/kWh]	Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]	Detail of Time of Day tariff, if applicable
1		Industrials.									
1.1		Cottage Industrials.		5.15	40.00			10.00	60.00		
1.2		Small Industrials		6.4	70.00			12.50	110.00		
2		Commercial		7.4	215.00			14.00	325.00		

3	Other Customer	None Commercial	230/400 Volt	7.9	140.00			15.00	215.00		
4		Irrigation		3.6				5.50	-		
5		Drinking water									
5.1		Community Drinking water		3.4	100.00			6.00	-		
5.2		Other Drinking Water		4.8	150.00			9.00	160.00		
6		Transportation (Charging station)									
6.1		Public Transportation						7.00	200.00		
6.2		Other Transportation						11.00	220.00		
7		Religious & spiritual sites (Temple)		4.00				8.00	-		
8		Street light									
8.1		Street light with meter		4.80				9.03	-		
8.2	Street light without meter		1,640.00				2,475.00				
9	Temporary	13.00				25.00	-				
10	Non domestic	8.60	230.00			17.00	350.00				
11	Entertainment	9.25	230.00			17.50	350.00				

2.2 High Voltage

A High Voltage

S.N.	Consumer Category Code	Consumer Category Name	Amp./Voltage Level [kV]	Existing Tariff				Proposed Tariff			
				Energy Charges [NPR/kWh]	Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]	Detail of Time of Day tariff, if applicable	Energy Charges [NPR/kWh]	Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]	Detail of Time of Day tariff, if applicable
1	High Voltage	Industrials	132 kV								
2		Industrials	66 kV	5	160			9.50	240.00		
B	Medium Voltage 33 kV										
1	Medium voltage	Industrials	33 kV	5.60	170.00			12.00	255.00		
2		Commercial		7.10	210.00			14.00	315.00		
3		None Commercial		7.50	160.00			14.50	240.00		
4		Irrigation		3.20	35.00			6.00	-		
5		Drinking water									
5.1		Community Drinking water		4.00	145.00			7.00	-		
5.2		Other Drinking Water		4.40	145.00			9.00	160.00		
6		Transportation (Charging station)									
6.1		Public Transportation		3.50	150.00			7.00	230.00		
6.2	Other Transportation	5.70	170.00			11.00	255.00				
7	Non domestic	8.30	230.00			16.50	350.00				
8	Entertainment	8.90	230.00			17.50	350.00				
C	Medium voltage 11 kV										
1		Industrials		5.80	170.00			12.00	255.00		
2		Commercial		7.50	210.00			14.00	315.00		
3		None Commercial		7.60	160.00			14.50	240.00		
4		Irrigation		3.30	35.00			6.00	-		
5		Drinking water									
5.1		Community Drinking water		4.10	145.00			7.50	-		
5.2		Other Drinking Water		4.50	145.00			8.50	150.00		

6	Medium voltage	Transportation (Charging station)	11 kV											
6.1		Public Transportation		3.50	150.00				7.00	230.00				
6.2		Other Transportation		5.80	165.00				11.00	255.00				
7	Medium voltage	Religious & spiritual sites (Temple)	11 kV	6.50	145.00				12.50	220.00				
8		Temporary		8.00	220.00				15.00	330.00				
9		Non domestic		8.50	230.00					17.00	350.00			
10		Entertainment		9.15	230.00					18.00	350.00			

3 Time of Day (TOD) Energy & Demand Charge

3.1 Baishakh to Mangsir

S.N.	Consumer Category	Consumer Category Name	Amp./Voltage Level [kV]	Existing Tariff					Proposed Tariff					
				Energy Charges [NPR/kWh]			Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]	Detail of Time of Day tariff, if applicable]	Energy Charges [NPR/kWh]			Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]
Peak Time 5 PM to 11 PM	Off Peak Time 11 PM to 5 AM	Other Time 5 AM to 5 PM	Peak Time 5 PM to 11 PM	Off Peak Time 11 PM to 5 AM	Other Time 5 AM to 5 PM	Peak Time 5 PM to 11 PM				Off Peak Time 11 PM to 5 AM	Other Time 5 AM to 5 PM			
A	High Voltage													
1	High Voltage	Industrials	132 kV											
2		Industrials	66 kV	6.10	2.70	5.00	160.00			11.50	5.50	9.50	240.00	
B	Medium voltage 33 kV													
1	Medium voltage	Industrials	33 kV	6.75	3.50	5.60	165.00			13.00	6.50	10.50	250.00	
2		Commercial		8.10	4.50	7.10	210.00			15.50	8.50	13.50	315.00	
3		None Commercial		8.70	4.60	7.90	160.00			16.50	9.00	15.00	240.00	
4		Irrigation		4.20	2.10	3.10	35.00			8.00	4.00	6.00		
5		Drinking water												
5.1		Community Drinking water		4.85	2.40	3.90	145.00			9.50	4.50	7.50		
5.2		Other Drinking Water		6.75	3.50	5.60	145.00			13.00	6.50	10.50	150.00	
6		Transportation												
6.1		Charging station		4.60	2.50	3.40	150.00			9.00	5.00	6.50	230.00	
6.2		Other Transportation		6.60	2.50	5.55	170.00			12.00	5.00	10.50	255.00	
7	Street light	5.60	2.30	2.80	50.00			10.50	5.50	5.00	80.00			
C	Medium voltage													
1	Medium voltage	Industrials	11 kV	7.00	3.60	5.60	165.00			13.50	7.00	10.50	250.00	
2		Commercial		8.30	4.60	7.40	210.00			16.00	9.00	14.00	315.00	
3		None Commercial		8.90	4.70	8.00	160.00			17.00	9.00	15.00	240.00	
4		Irrigation		4.20	2.10	3.10	35.00			8.00	4.00	6.00		
5		Drinking water												
5.1		Community Drinking water		5.90	2.90	4.10	145.00			11.00	5.50	8.00		
5.2		Other Drinking Water		7.00	3.60	5.60	145.00			13.00	7.00	10.50	150.00	
6		Transportation												
6.1		Charging station		4.75	2.80	3.50	175.00			9.00	5.50	6.50	230.00	
6.2		Other Transportation		6.40	2.80	5.60	150.00			12.00	5.50	10.50	255.00	
7	Street light	5.80	2.50	2.90	50.00			11.00	5.00	5.50	80.00			
8	Religious & spiritual sites (Temple)	7.50	3.40	6.00	145.00			14.00	6.50	11.50	220.00			
9	Temporary	9.50	4.40	7.75	220.00			18.00	8.50	15.00	330.00			
D	Low Voltage													
1	Transportation													
1.1	Low	Charging station	230-400 Volt				-		9.00	5.00	7.00	200		

1.2	Voltage	Other Transportation						-			12.00	5.00	10.50	220	
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3.2 Time of Day (TOD) Energy & Demand Charge

Poush to Chaitra

S.N.	Consumer Category	Consumer Category Name	Amp./Voltage Level [kV]	Existing Tariff			Proposed Tariff							
				Energy Charges [NPR/kWh]		Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]	Detail of Time of Day tariff, if applicable	Energy Charges [NPR/kWh]		Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]	Detail of Time of Day tariff, if applicable	
Peak Time 5 PM to 11 PM	Other Time 11 PM to next Day 5 PM		Peak Time 5 PM to 11 PM	Other Time 11 PM to next Day 5 PM										
A High Voltage														
1	High Voltage	Industrials	132 kV											
2		Industrials	66 kV	6.10	5.00	160.00			12.00	10.00		240.00		
B Medium voltage 33 kV														
1	Medium voltage	Industrials	33 kV	6.75	5.60	165.00			12.50	10.00		250.00		
2		Commercial		8.10	7.10	210.00			15.00	13.00		315.00		
3		None Commercial		8.70	7.90	160.00			16.00	14.00		240.00		
4		Irrigation		4.20	3.10	35.00			7.50	3.50				
5		Drinking water				-								
5.1		Community Drinking water		4.85	3.90	145.00			7.50	5.50				
5.2		Other Drinking Water		6.75	5.60	145.00			12.50	10.00		150.00		
6		Transportation												
6.1		Charging station		4.60	3.40	150.00			8.50	6.50		230.00		
6.2		Other Transportation		6.60	5.55	170.00			11.50	10.00		255.00		
7	Street light	5.60	2.80	50.00			10.00	5.00		80.00				
C Medium voltage														
1	Medium voltage	Industrials	11 kV	7.00	5.60	165.00			13.00	10.50		250.00		
2		Commercial		8.30	7.40	210.00			15.00	13.50		315.00		
3		None Commercial		8.90	8.00	160.00			16.50	15.00		240.00		
4		Irrigation		4.20	3.10	35.00			8.00	4.00				
5		Drinking water				-								
5.1		Community Drinking water		5.90	4.10	145.00			7.50	5.50				
5.2		Other Drinking Water		7.00	5.60	145.00			13.00	10.50		150.00		
6		Transportation				-								
6.1		Charging station		4.75	3.50	175.00			8.00	7.00		230.00		
6.2		Other Transportation		6.40	5.60	150.00			11.00	10.00		255.00		
7	Street light	5.80	2.90	50.00			10.00	5.50		80.00				
8	Religious & spirtual sites (Temple)	7.50	6.00	145.00			13.50	11.00		220.00				
9	Temporary	9.50	7.75	220.00			17.50	14.00		330.00				
D Low Voltage														
1	Transportation													
1.1	Low Voltage	Charging station	230-400 Volt					9.00	7.00		200			
1.2	Other Transportation							12.00	10.50		220			

3.3 No Demand charge, Time of Day (TOD) Tariff Rate for Transportation (Automatic Swap Card)

				Existing Tariff				Proposed Tariff			
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Baishakh to Mangsir		Amp./Voltage Level [kV]	Energy Charges [NPR/kWh]			Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]	Detail of Time of Day tariff, if applicable]	Energy Charges [NPR/kWh]			Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]	Detail of Time of Day tariff, if applicable]
			Peak Time 5 PM to 11 PM	Off Peak Time 11 PM to 5 AM	Other Time 5 AM to 5 PM				Peak Time 5 PM to 11 PM	Off Peak Time 11 PM to 5 AM	Other Time 5 AM to 5 PM			
1	Public Transportation (Charging station)	33 kV							10.00	5.50	8.00			
		11 kV							10.50	6.00	8.00			
		Low voltage (230 - 400 volt)							10.50	6.00	8.50			

Push to Chaitra

		Amp./Voltage Level [kV]	Existing Tariff				Proposed Tariff						
			Energy Charges [NPR/kWh]			Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]	Detail of Time of Day tariff, if applicable]	Energy Charges [NPR/kWh]			Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]
		Peak Time 5 PM to 11 PM	Other Time 11 PM to next day 5 PM		Peak Time 5 PM to 11 PM				Other Time 11 PM to next day 5 PM		Demand Charges [NPR/KVA/Month]		
Public Transportation (Charging station)	33 kV								10.00	8.00			
	11 kV								10.50	8.00			
	Low voltage (230 - 400 volt)								10.50	8.50			

2

Other Transportation (Charging station)		Amp./Voltage Level [kV]	Existing Tariff				Proposed Tariff						
			Energy Charges [NPR/kWh]			Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]	Detail of Time of Day tariff, if applicable]	Energy Charges [NPR/kWh]			Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]
		Peak Time 5 PM to 11 PM	Off Peak Time 11 PM to 5 AM	Other Time 5 AM to 5 PM	Peak Time 5 PM to 11 PM				Off Peak Time 11 PM to 5 AM	Other Time 5 AM to 5 PM	Demand Charges [NPR/KVA/Month]		
Baishakh to Mangsir													
Public Transportation (Charging station)	33 kV								13.50	5.50	12.00		
	11 kV								14.00	6.00	12.50		
	Low voltage (230 - 400 volt)								14.00	6.00	12.50		

Push to Chaitra

		Amp./Voltage Level [kV]	Existing Tariff				Proposed Tariff						
			Energy Charges [NPR/kWh]			Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]	Detail of Time of Day tariff, if applicable]	Energy Charges [NPR/kWh]			Demand Charges [NPR/KVA/Month]	Fixed Charges [NPR/Month]
		Peak Time 5 PM to 11 PM	Other Time 11 PM to next day 5 PM		Peak Time 5 PM to 11 PM				Other Time 11 PM to next day 5 PM		Demand Charges [NPR/KVA/Month]		
Public Transportation (Charging station)	33 kV								13.50	12.00			
	11 kV								14.00	12.50			
	Low voltage (230 - 400 volt)								14.00	12.50			



Global IME Bank

ग्लोबल इमे बैंक लि.

संकेत नं. 01

Cash/Cheque Deposit Slip

नगद/चेक जम्मा भौचर

Date

मिति

02 02 2024

Account No.

खाता नं.

0401010000498

Account maintained at branch

खाता रहेको शाखा (कार्यलयको नाम)

Name of Account holder

खाताबान्ताको नाम

Cheque Deposit चेक जम्मा

Gyaneshwor

Electricity Regulatory Commission (ERC)

Bank	Branch	Cheque no.	Amount
1	Kumari Bank Ltd	0023670534	25,000/-
2			7
3			
4			
5			

Rs 25,000/-

Cash Deposit नगद जम्मा

1,000X	
500X	
100X	
50X	
25X	
20X	
10X	
5X	
2X	
1X	
Return	
Total	

Sources of Fund: (For Rs. One million and above as per NRB Directive)

जायको स्रोत (१ करोड रमाथी र माथीको लागि नेपाल राष्ट्र बैंकको निर्देशन अनुसार)

Business व्यापार
 Sale of Assets सम्पत्ति बिक्री
 Loan कर्जा
 Other, Please Specify अन्य उल्लेख गर्नुहोस्

NRP नरप
 Others अन्य
 Amount in Figure रकम (अंकमा) Rs 25,000/-

Amount in words

रकम (अक्षरमा)

Twenty five thousand only

"I hereby declared that source of this transaction is not from money laundering, terrorist financing, drug addiction, human trafficking or any other illegal activities, या जम्मा गोरयाको रकम मद्दा निमनीकरण, लागू पदार्थको कारोबार, मानव वन्द्यावचलन र सम्बन्धित अपराध लगायतका अन्य खालबाट आउन बाधको होइन भन्ने घोषणा गर्दछु।"

Name of Depositor

जम्मा गर्नेको नाम

Burwal Power Company Ltd.

Tel./Mobile No.:

फोन नम्बर/मोबाइल नं.

9841309925

Signature of Depositor

जम्मा गर्नेको हस्ताक्षर

[Signature]

Purpose of Deposit

जम्मा गर्नेको उद्देश्य

Fee for application for determination of tariff.

GIBL Customer Yes/No, if yes A/C No.

ग्लोबल इमे बैंकको ग्राहक हो/होइन, हो भने खाता नं. उल्लेख गर्नुहोस्



GIBL/10209246

Customer Copy

Assumptions:

Following assumptions are considered for preparation of provisional and projected financial statements of Andhikhola Distribution:

1 Annual average PPA rate taken as follows:

- Rs. 4.94 per unit for FY 2078/79
- Rs. 5.01 per unit for FY 2079/80
- Rs. 5.08 per unit for FY 2080/81
- Rs. 5.08 per unit for FY 2081/82

2 Corporate Office charging rate as follows:

SBU's	Notes
CM	30% of this cost to DD out of which 60% to Galyang and 40% to Darimchour
Finance	30% of this cost to DD out of which 60% to Galyang and 40% to Darimchour
BD	Not Charged to DD
CEO Office	12.5% to DD out of which 60% to Galyang and 40% to Darimchour
Distribution HO	100% to Distribution out of which 60% to Galyang and 40% to Darimchour
Butwal office	50% to DD out of which 60% to galyang and 40% to Darimchour
Generation HO	Not Charged to DD

3 In FY 2081/82, increased of 10% assumed compare to FY 2080/81 in following balance sheet items:

- Financial Assets
- Other Non-current Assets
- Financial Liabilities
- Trade payables
- Other Current Liabilities - Royalty to Government

4 Incorporated budgeted amount in FY 2081/82 in following balance sheet items:

- Property Plant and Equipments
- Intangible Assets
- Inventories

5 No change in Provisions of FY 2080/81 and 2081/82.

6 Other Equity and Grant Aid in Reserves are adjusted as per practice followed.

7 Balance of Intra Clearing Account (Payable to HO Account) is considered as own equity

8 Balance sheet items of FY 2078/79 and 2079/80 are based on audited financial statement

9 Profit and loss accounts are prepared based on:

- Audited for FY 2078/79 and 2079/80
- Actual estimated for FY 2080/81
- Budgeted for FY 2081/82

10 ROI is taken @ 17%

