



BALEPHI
HYDROPOWER LTD.

Balephi Hydropower Ltd.

Durbarmarg-1, Kathmandu

Unaudited Standalone Financial Statements for the 2nd Quarter

on Poush 29, 2081 (13 Jan, 2025)

Amount in NRs.

Statement of Financial Position	As at 29 Poush 2081 (Current Quarter)	As at 30 Ashwin 2081 (Previous Current)	As at 29 Poush 2080 (Previous Year)
ASSETS			
Non-Current Assets			
Property, Plant & Equipment, (Net)	7,902,234	7,381,890	3,423,529
Intangible Assets (Hydropower Project Assets)	8,053,893,979	8,233,434,115	8,438,112,506
Total Non-Current Assets	8,061,796,213	8,240,816,005	8,441,536,035
Current Assets			
Cash & Cash Equivalents	519,772,491	1,782,960	4,030,676
Trade Receivables	101,637,894	165,017,499	160,966,092
Advances & Deposits	457,765,926	54,160,752	33,746,912
Total Current Assets	1,079,176,311	220,961,211	198,743,680
Total Assets	9,140,972,524	8,461,777,216	8,640,279,715
EQUITY AND LIABILITIES			
Equity			
Share Capital	3,476,074,400	1,827,970,000	1,827,970,000
Reserve & Surplus	(1,063,935,332)	(882,474,708)	(602,989,212)
Total Equity	2,412,139,068	945,495,292	1,224,980,788
Non-Current Liabilities			
Long Term Borrowings	6,563,608,751	6,672,307,752	6,714,302,751
Other Non-Current Liabilities	131,473,457	476,660,484	306,446,860
Total Non-Current Liabilities	6,695,082,208	7,148,968,236	7,020,749,611
Current Liabilities			
Sundry Creditors	18,165,310	12,027,452	63,662,029
Short Term Borrowings	14,316,990	245,509,214	230,713,746
Other Payables	1,268,948	109,777,022	100,173,540
Total Current Liabilities	33,751,248	367,313,688	394,549,315
Total Equity and Liabilities	9,140,972,524	8,461,777,216	8,640,279,714

Income Statement for the Period ended 29 Poush, 2081 (13 Jan, 2025)

Particulars	Upto 29 Poush 2081 (This Quarter)	Upto 30 Ashwin 2081 (Previous Quarter)	Upto 29 Poush 2080 (Previous Year)
Revenue From Power Sales	397,398,419	238,578,664	494,729,196
Cost of Sales	(57,005,905)	(40,731,672)	(80,514,821)
Gross Profit	340,392,514	197,846,992	414,214,375
Other Income	348,610	-	-
Administration Expenses	(25,094,049)	(9,420,097)	(4,373,189)
Repair & Maintenance	-	(964,238)	(15,081,692)
Profit Before Interest & Depreciation	315,647,075	187,462,657	394,759,494
Finance Cost	(306,889,438)	(159,526,262)	(403,409,665)
Depreciation and Amortisation	(165,105,523)	(84,771,110)	(158,636,281)
Profit / (Loss) Before Tax	(156,347,886)	(56,834,715)	(167,286,453)
Income Taxes	(25,112,739)	-	-
Profit / (Loss) After Tax	(181,460,625)	(56,834,715)	(167,286,453)

Second Quarter Disclosure as of 29 Poush 2081 (13 January 2025) as per securities registration and issuance regulation Annexure-14 (related to Sub regulation I of Regulation 26)

1. Financial Statement

- The financial statement for the second quarter has been published as a part of this report.
- Hydropower project assets are amortized over the remaining contractual period as per the Power Purchase Agreement (PPA) of the company. As per Generation License, life of Upper Balephi- A(36 MW) Hydropower Project is up to 2108/04/11(26.55 Years Remaining).
- Annualized earning per share for current year is -19.76, net worth per share is 69.39 and total assets per share is 262.97.
- Previous quarter figures has been changed and regrouped to reflect the changes made by the audited financials of FY ending on 2080.81.

2. Management Analysis

Any change in the stock, income and liquidity during the quarter and reason for change, if any:

- Revenue generated up to the end of Poush totals NPR 39,73,98,419, net of a short-supply fine of NPR 3,73,06,254.38 imposed by NEA, which has been expensed on a prudent basis. The fine was charged due to the company's inability to meet the energy target because of circumstances beyond its control. An application for a refund of this fine has been submitted to NEA and is currently under review.
- Sufficient stock levels are maintained to support the normal and efficient operation of the plant, and there are no exceptional changes.
- Liquidity has been maintained sufficient for the day to day operation of the company.

The statement of management analysis on the upcoming business plan:

- Currently, the management does not intend to invest in other companies or projects.
- Analytical statement on the possible effect on company's profitability, stock and cash flow based on past experiences:**

- The company has been struggling to meet its energy target due to frequent damage to civil structures and electromechanical equipment caused by high floods and heavy sediment. Company has now commenced repairs and upgrades to both civil structures and electromechanical equipment. Upon completion of these repairs and upgrades, the company expects to increase its delivered energy, thereby improving revenue and profitability.
- Company plans to use part of the proceeds of right shares to downsize its bank loan thereby reducing the stress on cashflow of the company.

3. Legal Processing

- During the period no legal cases were raised or pending against and by the company.

4. Share Transaction of the Company

During the quarter share of the company has been actively traded under script name "BHL". Share prices has been determined by the open market operation.

Maximum Price	Minimum Price	Closing Price	Transaction Days	Total Transaction	Turnover
520.00	312.70	358.00	55	12,252	593,236,166.20

The company completed the initial allotment of 1,64,81,044 right shares on 28 Poush 2081 and is in the process of auctioning the remaining shares, as outlined in the table.

Issue Type	Total Units	Subscribed Units	Unsubscribed	Comments
Promoters	14,623,760.00	13,947,569.00	676,191.00	Locked in
Local Public and Staffs	1,827,970.00	1,319,078.00	508,892.00	
General Public	1,827,970.00	1,214,397.00	613,573.00	
Total	18,279,700.00	16,481,044.00	1,798,656.00	

5. Problems and Challenges

- Internal Challenges**
 - Retention of skilled human resources.
 - To maintain operational efficiency.
- External Challenges**
 - Frequent changes in Interest Rate.
 - Loss due to a natural disaster-flood, earthquake, drought, force majeure issue, etc.
 - Lack of domestic suppliers and vendors for hydropower equipment and spare parts.

6. Corporate Governance

The Board of Directors and the management team is determined to practice good corporate governance.

7. Declaration

I, the chairman of this company take responsibility for the accuracy of the information and details mentioned in this report for the period up to the second quarter of F.Y 2081/82. I, hereby declare that the information and details provided in this report are true, based on facts, and complete to the best of my knowledge and the information necessary for taking informed decision by the investors are not concealed.