

Abridged Prospectus
Bhutan Power Corporation Ltd

A. General Information

Name of the company	Bhutan Power Corporation Ltd
Registered Office	Yarden Lam, Chubachu, Thimphu
Name of the auditor and banker	Auditor: Rinzing Financial Private Ltd Banker: Bank of Bhutan Ltd
Paid-up capital	Nu.11,200,642,905.00

B. Bhutan Power Corporation Ltd, hereby issues Corporate Bond with the following terms and conditions:

1. (Name and Contact Number) Underwriter/Broker	Mrs. Sonam Peldon, Bank of Bhutan Ltd Securities. Contact number: 77789206
2. Tenure	10 years
3. Face value per unit	Nu. 1,000.00
4. Total number of units offered	3,500,000.00
5. Total Value of the bond	Nu. 3,500,000,000.00
6. Minimum bid size	10 units for individuals and 100 units for institutions
7. Mode of payment	Cash/Cheque/Draft/Others
8. Coupon rate	9.00% per annum from the date of allotment
9. Coupon payments	Semi-annually
10. Listing	The bonds will be listed with the Royal Securities Exchange of Bhutan within 15 working days from the date of the allotment.
11. Opening date	30.05.2025
12. Closing date	09.06.2025
13. Allotment date	10.06.2025
14. Tax	Applicable as per the rules of the Income Tax Act of the Kingdom of Bhutan.

C. Utilization of the fund:

- i. Nu. 2,500.00 million is to repay the loan to DGPC for the transmission line assets BPC took over from MHPA in 2024.
- ii. Nu 1,000.00 million is to finance the ongoing Gyalsung and Smart Grid project.



D. Risk factor:

- a) Credit Risk/Loan Delinquency Risk: BPC is invariably exposed to the credit risk of customers delaying or defaulting on payments for electricity consumption. This will affect BPC's cash flow and may strain increasing working capital pressure. Likewise, inconsistency or a fall in revenue generation would lead to a struggle to service its debt.
- b) Operational Risk: Like any other utility company, BPC is also susceptible to operational risk. BPC has instituted an independent risk office supervised by the Board's audit and risk committee and is further assessed by the DHI
- c) Interest Rate Risk: The majority of BPC's long-term debts are loans availed from the Asian Development Bank (ADB), Japan International Cooperation Agency, and ADA for the Rural Electrification Project. Interest rates for these loans are not exposed to the risk of rising or changing interest rate risks, as it is governed by the terms of the loan agreement between the Royal Government of Bhutan and the funding agencies.
- d) Market/Economy Risk: BPC is the sole distributor of electricity within the country. The revenue generated by BPC through the sale of electricity (including subsidy receivable from the government) and wheeling charges is based on the predetermined tariff structure. As such market risk of BPC is mitigated.

E. Redemption:

The issuer shall create a corporate bond redemption reserve of an amount equivalent to the issue size of the corporate bond issued. The redemption reserve of 20% of the corporate bond amount shall be created annually, in the last five years of the corporate bond tenure.

F. Private Placement: NA

G. Condition for pre-mature redemption:

In the event of premature redemption of the subordinated debt, the investor shall be liable to pay a penalty of 2% per annum on the principal amount of the bond for the entire period of the bond tenure, and the same conditions shall apply to the issuer in case of premature redemption.

H. Eligibility: Public

I. Financial highlights:

1. Projected Financial Statement for three years



14. Financial Highlights								
Last three Year's Audited Accounts								
Financial statements of 2022, 2023, 2024 and projection for next three years								
					Plan			
	December 31, 2022	December 31, 2023	December 31, 2024	Dec 31, 2025	December 31, 2026	December 31, 2027		
Revenue								
Income from sale of electricity	9,614,343,976	16,234,652,283	22,973,612,369	32,369,388,256	44,133,419,430	45,373,903,111		
Income from construction contracts	3,039,039,464	2,287,412,240	195,217,535	126,470,300	151,764,360	182,117,232		
Wheeling charges	1,850,323,504	1,318,531,303	1,595,343,160	2,206,207,792	2,364,691,663	2,399,156,533		
Other income	347,419,173	367,908,472	334,468,120	255,009,009	260,109,189	265,311,372		
Total Revenue	14,851,126,117	20,208,504,298	25,098,641,183	34,957,075,356	46,909,984,642	48,220,488,249		
Expenditure								
Purchase of electricity	6,305,077,817	11,286,825,307	16,645,056,462	24,757,289,654	33,956,215,195	34,784,400,310		
Construction material consumed and sub-contracting charges	2,934,982,256	2,207,009,667	173,195,098	114,973,000	136,587,924	163,905,509		
Operation and maintenance expenses	548,798,936	518,761,902	490,494,928	689,840,201	724,332,211	760,548,821		
Employee benefit expenses	1,250,343,106	1,383,187,356	1,782,227,897	1,963,469,032	2,012,555,758	2,062,869,652		
Finance costs	821,501,629	1,019,650,615	1,024,465,676	1,672,193,918	1,697,537,890	1,655,380,216		
Loss/(gain) on foreign currency fluctuation (net)	(45,681,568)	(121,604,217)	(271,516,534)					
Depreciation and amortization expenses	1,509,989,511	1,774,404,337	1,880,901,625	2,170,415,348	2,390,835,844	2,568,178,899		
Other expenses	334,774,035	318,510,856	378,524,574	348,245,740	355,210,654	362,314,868		
Total Expenditure	13,659,785,721	18,386,745,822	22,103,349,727	31,716,426,893	41,273,275,476	42,357,598,274		
Profit before income tax	1,191,340,395	1,821,758,475	2,995,291,456	3,240,648,463	5,636,709,166	5,862,889,975		
Tax expenses								
- Current tax (2024)	330,262,075	424,468,758	965,429,580.41	972,194,539	1,691,012,750	1,758,866,993		
- Deferred tax	31,271,090	146,773,392	254,677,271.56					
- Tax Adjustment of earlier years		104,832,309	66,586,401					
Net Profit for the year	829,807,230	1,250,516,325	1,708,598,203	2,268,453,924	3,945,696,416	4,104,022,983		
Earnings per share (EPS)								
Basic EPS (Nu.)	78.87	102.15	152.59					
Diluted EPS (Nu.)	78.87	102.15	152.59					
Profit for the year	829,807,230	1,145,684,017	1,708,598,203	2,268,453,924	3,945,696,416	4,104,022,983		
Other comprehensive income (loss):								
Items that will not be re-classified to Profit/Loss:								
Fair valuation of investment	-							
Actuarial gains (loss)	(48,885,676)	(33,059,232)	13,112,292					
Tax expense relating to these items								
Total comprehensive income for the year	780,921,554	1,112,633,790	1,721,710,495	2,268,453,924	3,945,696,416	4,104,022,983		



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Statement of Financial Position

	2022	2023	2024	2025	2026	2027
Assets						
Non-current assets						
Property, plant and equipment	38,379,945,418.21	38,831,495,565.78	42,920,819,966.06	49,364,237,136.18	52,183,470,122.33	54,449,064,953.53
Intangible assets	50,552,532.10	80,326,516.10	64,278,737.07	255,000.00	255,000.00	255,000.00
Right of Use Asset (Land)	29,382,144.15	28,039,277.15	43,629,915.93	28,039,277.15	28,039,277.15	28,039,277.15
Long-term loans and advances	8,514,406.60	4,022,011.89	13,857,528.72	100,000,000.00	550,000,000.00	700,000,000.00
Other receivables	199,330.40	199,330.40	1,634,707.00	-	-	-
Other non-current assets	40,346,308.54	34,593,727.00	29,772,373.42	38,815,069.29	38,815,069.29	38,815,069.29
Total non-current assets	38,508,940,140.00	38,978,676,428.32	43,073,993,228.20	49,531,346,482.62	52,800,579,468.77	55,216,174,299.97
Current assets						
Inventories	643,083,010.06	893,404,759.32	665,303,987.91	446,702,379.66	362,226,353.49	386,395,222.14
Amount Due from customers for contract work	425,738,437.70	119,230,944.85	1,405,548.34	63,235,150.00	60,705,744.00	72,846,892.80
Trade & other receivables	1,134,658,283.82	1,783,921,128.89	1,931,818,529.19	3,781,929,842.69	5,156,399,456.26	5,301,333,374.01
Cash and cash equivalents	397,041,032.15	1,311,339,683.31	280,607,492.73	193,533,584.36	684,410,685.52	1,322,151,196.19
Short-term loans and advances	3,699,326.43	4,153,602.52	8,637,929.28	4,153,602.52	4,153,602.52	4,153,602.52
Other current assets	1,004,505,182.84	459,075,376.07	782,838,576.15	114,768,844.02	114,768,844.02	114,768,844.02
Total current assets	3,608,725,273.00	4,571,125,494.96	3,670,612,063.60	4,604,323,403.25	6,382,664,685.81	7,201,649,131.68
Total Assets	42,117,665,413.00	43,549,801,923.28	46,744,605,291.80	54,135,669,885.87	59,183,244,154.58	62,417,823,431.65
EQUITY AND LIABILITIES						
Shareholder's Equity						
Share Capital	11,157,502,113.83	11,200,642,904.83	11,197,513,979.05	11,200,642,905.17	11,200,642,905.17	11,200,642,905.17
Retained earnings	4,991,572,491.92	4,905,665,623.26	5,537,672,178.67	6,403,830,150.10	8,194,495,338.63	8,550,106,725.80
Investment Reserve	-	-	-	-	-	-
Asset Replacement Reserve	170,695,350.00	212,388,921.00	225,160,517.11	-	-	-
Other comprehensive income	198,560,343.00	231,610,570.00	218,498,278.00	231,610,570.00	231,610,570.00	231,610,570.00
	16,121,209,612.75	16,087,086,879.09	16,741,848,396.83	17,372,862,485.27	19,163,527,673.80	19,519,139,060.97
Liabilities						
Non-current liabilities						
Borrowings	17,297,178,328.00	18,413,513,287.84	20,595,940,418.80	21,906,986,534.44	25,824,697,838.44	26,432,645,349.24
Deferred Grants	1,390,087,892.65	1,318,112,321.72	1,251,443,020.75	1,318,112,321.72	1,318,112,321.72	1,318,112,321.72
Deferred Customer's Contribution	86,394,019.28	74,830,064.36	101,900,059.39	74,830,064.36	74,830,064.36	74,830,064.36
Other Payables	737,804,007.50	814,045,644.63	871,139,082.62	1,850,333,532.41	1,850,333,532.41	1,850,333,532.41
Employee benefit liabilities	767,707,520.00	684,983,729.61	782,509,052.80	684,983,729.61	684,983,729.61	684,983,729.61
Deferred Income Tax liabilities (net)	1,330,617,097.81	1,477,390,499.09	1,732,067,761.65	1,477,390,490.09	1,477,390,490.09	1,477,390,490.09
Lease Liability (land)	31,940,123.31	30,880,288.60	46,292,794.29	30,870,288.60	30,870,288.60	30,870,288.60
Total Non-current liabilities	21,641,728,988.56	22,613,745,826.85	25,382,292,190.29	27,343,506,961.24	31,261,218,265.24	31,869,165,776.04
Current liabilities						
Borrowings	424,000,615.00	370,447,933.06	381,887,440.45	4,238,428,441.43	2,000,180,192.55	4,069,363,075.57
Deferred Grants	58,431,729.38	63,604,610.60	63,441,221.85	58,431,729.38	58,431,729.38	58,431,729.38
Deferred Customer Contribution	12,942,190.80	12,942,190.80	12,942,190.80	12,942,190.80	12,942,190.80	12,942,190.80
Amounts due to customers for construction contract	1,221,932,519.12	76,102,240.75	13,620,599.27	34,491,900.00	136,587,924.00	163,905,508.80



Trade & other payables	2,361,332,734.51	3,281,458,886.26	3,211,187,293.95	2,964,753,258.65	4,040,505,413.28	4,141,213,738.59
Employee benefit liabilities	104,939,722.26	411,229,167.29	297,878,464.00	1,556,466,911.76	1,595,378,584.55	1,635,263,049.16
Income tax payable (net of advance)	134,819,679.89	365,495,450.70	450,296,352.02	63,853,406.90	65,130,475.04	65,130,475.04
Other current liabilities	33,176,414.64	63,853,407.37	62,540,459.31	3,835,331.01	3,835,331.01	3,835,331.01
Lease Liability (land)	3,151,206.09	3,835,331.01	5,670,683.02	486,097,269.43	845,506,374.93	879,433,496.29
Total current liabilities	4,354,726,811.69	4,648,969,217.34	4,621,464,704.67	9,419,300,439.35	8,758,498,215.54	11,029,518,594.64
Total liabilities	25,996,455,800.25	27,462,715,044.19	30,002,756,894.97	36,762,807,400.59	40,019,716,480.78	42,898,684,370.68
Total equity and liabilities	42,117,665,413.00	43,549,801,923.28	46,744,605,291.80	54,135,669,885.87	59,183,244,154.58	62,417,823,431.65



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Audited financial reports for the past three years (2022 to 2024)

Bhutan Power Corporation Limited (A Royal Government of Bhutan Undertaking)
(All amounts are in Bhutanese Ngultrum ('Nu.') unless stated otherwise)

Statement of Financial Position as at December 31, 2023

Particular	Note	December 31, 2023	December 31, 2022
ASSETS			
Non-current assets			
Property, plant, and equipment	4	38,831,495,566	38,379,945,418
Intangible assets	5	80,326,516	50,552,532
Right of use asset	6	28,039,277	29,382,144
Long-term loans and advances	7	4,022,012	8,514,407
Other receivables	8	199,330	199,330
Other non-current assets	9	34,593,727	40,346,309
Total non-current assets		38,978,676,428	38,508,940,140
Current assets			
Inventories	10	893,404,759	643,083,010
Amounts due from customers for contract work	11	119,230,945	425,738,438
Trade & other receivables	12	1,783,921,129	1,134,658,284
Cash and cash equivalents	13	1,311,339,683	397,041,032
Short-term loans and advances	7	4,153,603	3,699,326
Other current assets	14	459,075,376	1,004,505,183
Total current assets		4,571,125,495	3,608,725,273
TOTAL ASSETS		43,549,801,923	42,117,665,413
EQUITY AND LIABILITIES			
Shareholder's Equity			
Share Capital	15	11,200,642,905	11,157,502,000
Retained Earning		4,905,665,623	4,991,572,491
Asset Replacement Reserve		212,388,921	170,695,464
Other Comprehensive Income		(231,610,570)	(198,560,343)
Total Shareholder's equity		16,087,086,879	16,121,209,613
LIABILITIES			
Non-current liabilities			
Borrowings	16	18,413,513,288	17,297,178,328
Deferred grants	17	1,318,112,322	1,390,087,893
Deferred Customer's Contribution	18	74,830,064	86,394,019
Other payables	19	814,045,645	737,804,007
Employee benefit liabilities	20	684,983,730	767,707,521
Deferred Income Tax liabilities (Net)	21	1,477,390,490	1,330,617,098
Lease Liability	22	30,870,289	31,940,123
Total Non-current liabilities		22,813,745,827	21,641,728,989



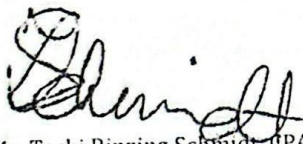
Bhutan Power Corporation Limited (A Royal Government of Bhutan Undertaking)
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Statement of Financial Position as at December 31, 2023

Particular	Note	December 31, 2023	December 31, 2022
Current liabilities			
Borrowings	16	370,447,933	424,000,615
Deferred grants	17	63,604,611	58,431,729
Deferred Customer Contribution	18	12,942,191	12,942,191
Amounts due to customers for contract work	11	76,102,240	1,221,932,519
Trade & other payables	23	3,281,458,886	2,361,332,735
Employee benefit liabilities	20	411,229,167	104,939,722
Income tax payable (net of advances)	24	365,495,451	134,819,680
Other current liabilities	25	63,853,407	33,176,414
Lease Liability	22	3,835,331	3,151,206
Total current liabilities		4,648,969,217	4,354,726,811
Total liabilities		27,462,715,044	25,996,455,800
TOTAL EQUITY AND LIABILITIES		43,549,801,923	42,117,665,413

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

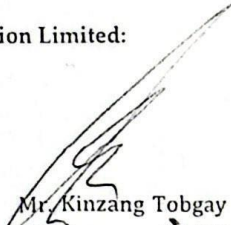
For Rinzing Financial Private Limited:

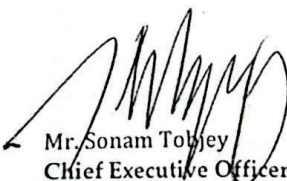

Ms. Tashi Rinzing Schmidt, CPA
Audit Partner
CPA License No. 34762
Date: March 14, 2024
Place: Thimphu, Bhutan



For Bhutan Power Corporation Limited:


Dasho Kesang Deki
Chairperson, BOD


Mr. Kinzang Tobgay
Chairperson, BARC


Mr. Sonam Tobjey
Chief Executive Officer


Ms. Kinley Dem
Director, CSD

Bhutan Power Corporation Limited (A Royal Government of Bhutan Undertaking)
(All amounts are in Bhutanese Ngultrum ('Nu.') unless stated otherwise)

Statement of Profit or loss and Other Comprehensive Income for the year ended December 31, 2023

Particular	Note	December 31, 2023	December 31, 2022
Revenue			
Income from sale of electricity	26	16,234,652,283	9,614,343,976
Income from construction contracts	27	2,287,412,240	3,039,039,464
Wheeling charges		1,318,531,303	1,850,323,504
Other income	28	367,908,472	347,419,173
Total Revenue		20,208,504,298	14,851,126,117
Expenditure			
Purchase of electricity		11,286,825,307	6,305,077,817
Construction material consumed and sub-		2,207,009,667	2,934,982,256
Operation and maintenance expenses	29	518,761,902	548,798,936
Employee benefit expenses	30	1,383,187,356	1,250,343,106
Finance costs	31	1,019,650,615	821,501,629
Loss/(gain) on foreign currency fluctuation		(121,604,217)	(45,681,568)
Depreciation and amortization expenses		1,774,404,337	1,509,989,511
Other expenses	32	318,510,856	334,774,035
Total Expenditure		18,386,745,822	13,659,785,721
Profit before income tax		1,821,758,475	1,191,340,395
Tax expenses			
- Current tax (2023)		424,468,758	330,262,075
- Deferred tax	21	146,773,393	31,271,090
- Tax Adjustment of earlier years		104,832,309	-
Net Profit for the year		1,145,684,017	829,807,230
Other Comprehensive Income			
Actuarial gains/(loss)		(33,050,227)	(48,885,676)
Tax expenses actuarial gains/(loss)		-	-
Other Comprehensive income net of tax		-	-
Total Comprehensive Income for the year		1,112,633,790	780,921,554
Earnings Per Share	33	102.55	78.87

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

For Rinzing Financial Private Limited:

[Signature]

Ms. Tashi Rinzing Schmidt, CPA
Audit Partner
CPA License No. 34762
Date: March 14, 2024
Place: Thimphu, Bhutan



For Bhutan Power Corporation Limited:

[Signature]

Dasho Kesang Deki
Chairperson, BOD

[Signature]
Mr. Kinzang Tobgay
Chairperson, BARC

[Signature]
Mr. Sonam Tobiey
Chief Executive Officer

[Signature]
Ms. Kinley Dem
Director, CSD

Bhutan Power Corporation Limited (A Royal Government of Bhutan Undertaking)
(All amounts are in Bhutanese Ngultrum ('Nu.') unless stated otherwise)

Statement of Changes in Equity for the year ended December 31, 2023

	Equity Share capital	Retained earnings	Asset Replacement Reserve	Actuarial gains/(losses)	Total Equity
	Refer Note 15				
Balance as at January 1, 2023	11,157,502,000	4,991,572,492	170,695,464	(198,560,343)	16,121,209,613
Net profit for the year	-	1,145,684,017	-	-	1,145,684,017
Other comprehensive income/(loss):					
Actuarial gain	-	-	-	(33,050,227)	(33,050,227)
Prior period Adjustment	-	(383,210,024)	-	-	(383,210,025)
Transfer to Asset Replacement Reserve	-	(41,693,457)	41,693,457	-	-
Transaction with the owners:					
Issue of Share Capital (MHPA ATS Capitalization)	43,140,905	-	-	-	43,140,905
Payment of Dividends for the year 2022	-	(806,687,403)	-	-	(806,687,403)
Balance as at December 31, 2023	11,200,642,905	4,905,665,623	212,388,921	(231,610,570)	16,087,086,879

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



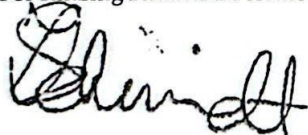
Bhutan Power Corporation Limited (A Royal Government of Bhutan Undertaking)
(All amounts are in Bhutanese Ngultrum ('Nu.') unless stated otherwise)

Statement of Changes in Equity for the year ended December 31, 2022 (Cont.)

	Equity Share capital Refer Note 15	Retained earnings	Asset Replacement Reserve	Actuarial gains/(losses)	Total Equity
Balance as at January 1, 2022	10,203,413,586	5,149,789,198	161,273,892	(149,674,667)	15,396,689,425
Net profit for the year	-	829,807,230	-	-	829,807,230
Other comprehensive income/(loss): Actuarial gain	-	-	-	(48,885,676)	(48,885,676)
Prior period adjustment	-	1,781,377	-	-	1,781,377
Transfer to Asset Replacement Reserve	-	(9,421,458)	9,421,572	-	114
Transaction with the owners: Issue of Share Capital (MHPA ATS Capitalization)	954,088,413	-	-	-	954,088,414
Payment of Dividends for the year 2021	-	(1,012,271,269)	-	-	(1,012,271,269)
Balance as at December 31, 2022	11,157,502,000	4,991,572,492	170,695,464	(198,560,343)	16,121,209,613

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

For Rinzing Financial Private Limited:



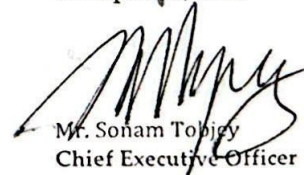
Ms. Tashi Rinzing Schmidt, CPA
 Audit Partner
 CPA License No. 34762
 Date: March 14, 2024
 Place: Thimphu, Bhutan



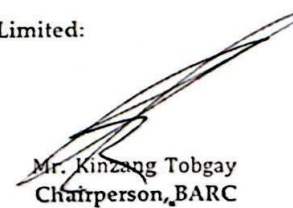
For Bhutan Power Corporation Limited:



Dasho Kesang Deki
 Chairperson, BOD



Mr. Sonam Tobgye
 Chief Executive Officer



Mr. Kinzang Tobgay
 Chairperson, BARC



Ms. Kuley Dem
 Director, CSD

Bhutan Power Corporation Limited (A Royal Government of Bhutan Undertaking)
(All amounts are in Bhutanese Ngultrum ('Nu.') unless stated otherwise)

Statement of Cash Flows for the year ended December 31, 2023

Particular	December 31, 2023	December 31, 2022
Cash flows from / (used in) operating activities		
Profit before income tax	1,821,758,475	1,191,340,395
Adjustments for:		
Depreciation and amortization expenses	1,774,404,337	1,509,989,511
Loss on disposal of property, plant and equipment	105,352,002	61,542,110
Interest expenses on borrowings	919,965,543	740,983,482
Interest income	(5,925,048)	(23,421,607)
Unwinding of discount on retention, security deposit & borrowings	99,685,071	81,163,935
Provision for doubtful debts	-	-
Provision on Obsolescence of Material	(2,506,330)	(22,067,097)
Prior period adjustment	(383,210,025)	1,781,377
Liabilities no longer required written back	(18,290,184)	(1,592,533)
Amortization of deferred grants	(66,802,690)	(66,793,232)
Amortization of deferred customer contribution	(13,597,008)	(13,284,599)
Operating profit before working capital changes	4,230,834,146	3,458,995,953
Decrease / (Increase) in inventories	(247,815,420)	(60,359,359)
Increase in amounts due from customers for contract work	306,507,493	(299,292,768)
Decrease / (Increase) in trade and other receivables	(649,262,845)	(416,139,351)
Decrease / (Increase) in current and non-current assets	500,110,925	1,145,643,757
Increase in long-term and short-term loans and advances	4,038,119	4,703,623
Decrease in amounts due to customers for contract work	(1,145,830,279)	(562,926,617)
Increase in trade and other payables	938,416,335	1,495,047,995
(Decrease)/ Increase in other current & non-current liabilities	106,532,920	98,071,896
Increase / (decrease) in provision	190,515,428	(111,770,948)
Net cash generated from operating activities before income tax	4,234,046,822	4,751,974,181
Income tax paid, net of refunds received	(298,625,296)	(404,367,024)
Net cash generated from operating activities	3,935,421,526	4,347,607,157
Cash used in investing activities		
Purchase of property, plant and equipment and Intangible assets	(2,022,700,614)	(8,780,341,744)
Receipt of deferred grants	-	3,833,135



Bhutan Power Corporation Limited (A Royal Government of Bhutan Undertaking)
(All amounts are in Bhutanese Ngultrum ('Nu.') unless stated otherwise)

Statement of Cash Flows for the year ended December 31, 2023

Particular	December 31, 2023	December 31, 2022
Receipt of deferred customer contribution	2,033,053	1,660,181
Proceeds from sale of property, plant and equipment	(337,036,990)	45,150,383
Redemption of bank term deposits (net)	-	(286,442,954)
Interest received	56,996,512	(21,055,402)
Net cash used in investing activities	(2,300,708,039)	(9,037,196,401)
Cash flows from financing activities		
Proceeds from Borrowings	905,490,807	6,572,603,419
Repayment of Borrowings	(412,767,605)	(2,298,162,100)
Interest paid	(324,829,102)	(301,081,064)
Payment of dividend on ordinary shares	(806,687,403)	(1,012,271,269)
Payment of Finance cost-Lease	(3,158,220)	(3,190,067)
Share Capital (MHPA ATS Capitalization)	43,140,905	954,088,528
Net cash generated from/use in financing activities	(598,810,618)	3,911,987,445
Net increase in cash and cash equivalents	1,035,902,869	(777,601,799)
Cash and cash equivalents at beginning of the year	397,041,032	1,220,324,401
Loss/(gain) on foreign currency fluctuation	(121,604,217)	(45,681,568)
Cash and cash equivalents at end of the year	1,311,339,683	397,041,032

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

For Rinzing Financial Private Limited:



Ms. Tashi Rinzing Schmidt, CPA
Audit Partner
CPA License No. 34762
Date: March 16, 2024
Place: Thimphu, Bhutan

For Bhutan Power Corporation Limited:

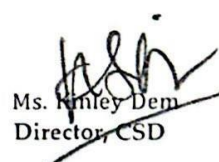


DASHO KESANG DEKI
Chairperson, BOD

Mr. Kinzang Tobgay
Chairperson, BARC



Mr. Sonam Tobjey
Chief Executive Officer



Ms. Kinley Dem
Director, CSD



BHUTAN POWER CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

(Amount in Nu.)

Particular	Note	December 31, 2024	December 31, 2023
ASSETS			
Non-current assets			
Property, plant, and equipment	4	42,920,819,966	38,831,495,566
Intangible assets	5	64,278,737	80,326,516
Right of use asset	6	43,629,916	28,039,277
Long-term loans and advances	7	13,857,529	4,022,012
Other receivables	8	1,634,707	199,330
Other non-current assets	9	29,772,373	34,593,727
Total non-current assets		43,073,993,228	38,978,676,428
Current assets			
Inventories	10	665,303,988	893,404,759
Amounts due from customers for contract work	11	1,405,548	119,230,945
Trade & other receivables	12	1,931,818,529	1,783,921,129
Cash and cash equivalents	13	280,607,493	1,311,339,683
Short-term loans and advances	7	8,637,929	4,153,603
Other current assets	14	782,838,576	459,075,376
Total current assets		3,670,612,064	4,571,125,495
TOTAL ASSETS		46,774,605,292	43,549,801,923
EQUITY AND LIABILITIES			
Shareholder's Equity			
Share Capital	15	11,197,513,979	11,200,642,905
Retained Earning		5,537,672,179	4,905,665,623
Asset Replacement Reserve		225,160,517	212,388,921
Other Comprehensive Income		(218,498,278)	(231,610,570)
Total Shareholder's equity		16,741,848,397	16,087,086,879
LIABILITIES			
Non-current liabilities			
Borrowings	16	20,595,940,419	18,413,513,288
Deferred grants	17	1,251,443,021	1,318,112,322
Deferred Customer's Contribution	18	101,900,059	74,830,064
Other payables	19	871,139,083	814,045,645
Employee benefit liabilities	20	782,509,053	684,983,730
Deferred Income Tax liabilities (Net)	21	1,732,067,762	1,477,390,490
Lease Liability	22	46,292,794	30,870,289
Total Non-current liabilities		25,381,292,190	22,813,745,827
Current liabilities			
Borrowings	16	381,857,440	370,447,933
Deferred grants	17	63,471,222	63,604,611

BHUTAN POWER CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

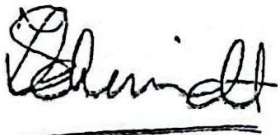
(Amount in Nu.)

Particular	Note	December 31, 2024	December 31, 2023
Deferred Customer Contribution	18	12,942,191	12,942,191
Amounts due to customers for construction contract	11	135,620,599	76,102,240
Trade & other payables	23	3,211,187,294	3,281,458,886
Employee benefit liabilities	20	297,878,464	411,229,167
Income tax payable (net of advance)	24	450,296,352	365,495,451
Other current liabilities	25	62,540,459	63,853,407
Lease Liability (land)	22	5,670,683	3,835,331
Total current liabilities		4,621,464,705	4,648,969,217
Total liabilities		30,002,756,895	27,462,715,044
Total equity and liabilities		46,744,605,292	43,549,801,923

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

For Rinzing Financial Private Limited:

For Bhutan Power Corporation Limited:



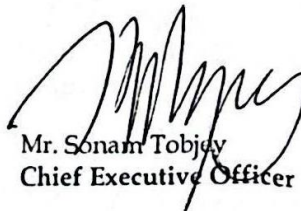
Ms. Tashi Rinzing Schmidt, CPA
 Audit Partner
 CPA License No. 34762
 Date: 3/19/2025
 Place: Thimphu, Bhutan



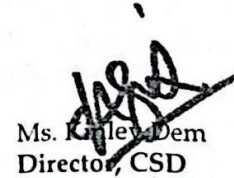
Dasho Kessang Deki
 Chairperson, BOD



Mr. Chencho T. Namgay
 Chairperson, BARC

Mr. Sonam Tobjoy
 Chief Executive Officer



Ms. Kangley Dem
 Director, CSD

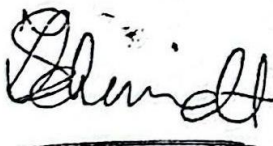
BHUTAN POWER CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
DECEMBER 31, 2024

(Amount in Nu.)

Particular	Note	December 31, 2024	December 31, 2023
Revenue			
Income from sale of electricity	26	22,973,612,369	16,234,652,283
Income from construction contracts	27	195,217,535	2,287,412,240
Wheeling charges		1,595,343,159	1,318,531,303
Other income	28	334,468,120	367,908,472
Total Revenue		25,098,641,183	20,208,504,298
Expenditure			
Purchase of electricity		16,645,056,462	11,286,825,307
Construction material consumed and sub-contracting charges		173,195,098	2,207,009,667
Operation and maintenance expenses	29	490,494,928	518,761,902
Employee benefit expenses	30	1,782,227,897	1,383,187,356
Finance costs	31	1,024,465,676	1,019,650,615
Loss/(gain) on foreign currency fluctuation (net)		(271,516,534)	(121,604,217)
Depreciation and amortization expenses		1,880,901,625	1,774,404,337
Other expenses	32	378,524,574	318,510,856
Total Expenditure		22,103,349,727	18,386,745,822
Profit before income tax		2,995,291,456	1,821,758,475
Tax expenses			
- Current tax (2024)		965,429,580	424,468,758
- Deferred tax	21	254,677,272	146,773,393
- Tax Adjustment of earlier years		66,586,401	104,832,309
Net Profit for the year		1,708,598,203	1,145,684,017
Other Comprehensive Income			
Actuarial gains/(loss)		13,112,292	(33,050,227)
Total Comprehensive Income for the year		1,721,710,495	1,112,633,790
Earnings Per Share	33	152.59	102.25

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

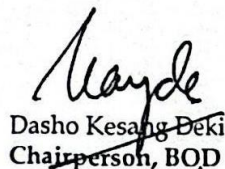
For Rinzing Financial Private Limited:

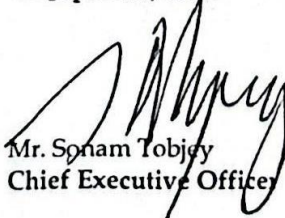


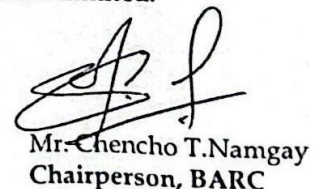
Ms. Tashi Rinzing Schmidt, CPA
Audit Partner
CPA License No. 34762
Date: 3/19/2025
Place: Thimphu, Bhutan




For Bhutan Power Corporation Limited:


Dasho Kesang Deki
Chairperson, BOD


Mr. Sonam Tobjey
Chief Executive Officer


Mr. Chenchu T. Namgay
Chairperson, BARC


Ms. Kinley Dem
Director, CSD

BHUTAN POWER CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024

(Amount in Nu.)

	Equity Share capital	Retained earnings	Asset Replacement Reserve	Actuarial gains/(losses)	Total Equity
	Refer Note 15				
Balance as at January 1, 2024	11,200,642,905	4,905,665,624	212,388,922	(231,610,570)	16,087,086,881
Net profit for the year	-	1,708,598,203	-	-	1,708,598,203
Other comprehensive income/(loss):					
Actuarial gain	-	-	-	13,112,292	
Prior period Adjustment	-	(6,479,363)	-	-	(6,479,363)
Transfer to Asset Replacement Reserve	-	(12,771,595)	12,771,595	-	
Transaction with the owners:					
Adjustment of land transfer	(3,128,926)	-	-	-	(3,128,926)
Payment of Dividends for the year 2023	-	(1,057,340,690)	-	-	(1,057,340,690)
Balance as at December 31, 2024	11,197,513,979	5,537,672,179	225,160,517	(218,498,278)	16,741,848,397

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

For Rinzing Financial Private Limited:



Ms. Tashi Rinzing Schmidt, CPA
 Audit Partner
 CPA License No. 34762
 Date: 3/19/2025
 Place: Thimphu, Bhutan



For Bhutan Power Corporation Limited:



Dasho Kesang Deki
 Chairperson, BOD



Mr. Chencho T. Namgay
 Chairperson, BARC



Mr. Sonam Tobjey
 Chief Executive Officer



Ms. Kinley Dem
 Director, CSD

BHUTAN POWER CORPORATION LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024
(Amount in Nu.)

Particular	December 31, 2024	December 31, 2023
Cash flows from / (used in) operating activities		
Profit before income tax	2,995,291,456	1,821,758,475
Adjustments for:		
Depreciation and amortization expenses	1,880,901,625	1,774,404,337
Loss on disposal of property, plant and equipment	33,480,003	105,352,002
Interest expenses on borrowings	951,750,828	919,965,543
Interest income	-	(5,925,048)
Unwinding of discount on retention, security deposit & borrowings	72,714,848	99,685,071
Provision for doubtful debts	-	-
Provision on Obsolescence of Material	1,443,881	(2,506,330)
Prior period adjustment	(6,479,363)	(383,210,026)
Liabilities no longer required written back	(2,531,165)	(18,290,184)
Amortization of deferred grants	(66,802,690)	(66,802,690)
Amortization of deferred customer contribution	(14,384,607)	(13,597,008)
Operating profit before working capital changes	5,845,384,817	4,230,834,145
Decrease / (Increase) in inventories	226,656,890	(247,815,420)
Increase in amounts due from customers for contract work	117,825,397	306,507,493
Decrease / (Increase) in trade and other receivables	(149,332,777)	(649,262,845)
Decrease / (Increase) in current and non-current assets	(240,523,035)	500,110,925
Increase in long-term and short-term loans and advances	(14,319,844)	4,038,119
Decrease in amounts due to customers for contract work	59,518,359	(1,145,830,279)
Increase in trade and other payables	(67,740,427)	938,416,335
(Decrease)/ Increase in other current & non-current liabilities	73,038,348	106,532,920
Increase / (decrease) in provision	(2,713,088)	190,515,428
Net cash generated from operating activities before income tax	5,847,794,640	4,234,046,821
Income tax paid, net of refunds received	(947,215,080)	(298,625,296)
Net cash generated from operating activities	4,900,579,560	3,935,421,525

BHUTAN POWER CORPORATION LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024
(Amount in Nu.)

Particular	December 31, 2024	December 31, 2023
Cash used in investing activities		
Purchase of property, plant and equipment and Intangible assets	(5,880,170,642)	(2,022,700,614)
Receipt of deferred grants	-	-
Receipt of deferred customer contribution	41,454,602	2,033,053
Proceeds from sale of property, plant and equipment	(123,078,246)	(337,036,990)
Redemption of bank term deposits (net)	(107,287,074)	-
Interest received	28,868,263	56,996,512
Net cash used in investing activities	(6,040,213,096)	(2,300,708,039)
Cash flows from financing activities		
Proceeds from Borrowings	3,323,264,212	905,490,807
Repayment of Borrowings	(1,463,817,572)	(412,767,605)
Interest paid	(413,820,776)	(324,829,102)
Payment of dividend on ordinary shares	(1,057,340,690)	(806,687,403)
Payment of Finance cost-Lease	(4,738,369)	(3,158,220)
Share Capital (MHPA ATS Capitalization)	(3,128,926)	43,140,905
Net cash generated from/use in financing activities	380,417,880	(598,810,618)
Net increase in cash and cash equivalents	(759,215,657)	1,035,902,867
Cash and cash equivalents at beginning of the year	1,311,339,683	397,041,032
Loss/(gain) on foreign currency fluctuation	(271,516,534)	(121,604,217)
Cash and cash equivalents at end of the year	280,607,493	1,311,339,683

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

For Rinzing Financial Private Limited:



Ms. Tashi Rinzing Schmidt, CPA
Audit Partner
CPA License No. 34762
Date: 3/19/2025
Place: Thimphu, Bhutan



For Bhutan Power Corporation Limited:



Dasho Gesang Deki
Chairperson, BOD



Mr. Chencho T. Namgay
Chairperson, BARC



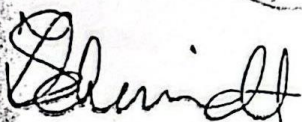
Mr. Sonam Tobey
Chief Executive Officer



Ms. Kinley Dem
Director, CSD

Particulars	2024	2023
NP ratio	6.80%	5.67%
Fixed Assets Turnover Ratio (Sales/ Average Net Block)	0.689	0.580
Debtors Turnover Ratio (Energy Sales/ Average Debtors)	7.845	8.753
Current Ratio (Current Assets/Current Liabilities)	0.794	0.983
Quick Ratio (Current Asset-Inventory/Current Liabilities)	0.65	0.791
Interest Coverage Ratio (Profit before interest & tax/Interest)	3.924	2.787
Debt Service Coverage Ratio (PAT+Dep+Interest/(Interest + Principal Repayment)	3.281	2.834
Gearing Ratio (Debt /Gross Value of Fixed Asset)	39.25%	37.37%
Gearing on net Fixed asset	56.55%	52.61%
Debt Equity Ratio (Debt/average Equity)	127.80%	116.64%
Return on Capital Employed (EBIT/(Capital+Reserve+long term liability)	10.77%	8.24%
Return on asset (Profit after tax)/average net total assets	4.69%	3.29%
Return on equity (return available /Average Equity)	10.41%	7.11%

For Rinzing Financial Private Limited:



Ms. Tashi Rinzing Schmidt, CPA
Audit Partner
CPA License No. 34762
Date: 3/19/2025
Place: Thimphu, Bhutan



J. Name and contact number of the company secretary

Name: Rinzin Dorji
Contact No. 17732134

i. Declaration

We hereby declare that we have complied with the relevant provisions of the Companies Act, the regulations of the Royal Securities Exchange of Bhutan, and all prevailing rules and regulations. Furthermore, no statements made in the prospectus contradict the provisions of the Companies Act.



Sonam Tobjey
Chief Executive Officer
Power Corporation Limited
Thimphu : Bhutan