

# Butwal Power Company Ltd

Buddha Nagar, Kathmandu, Nepal



## UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER, FISCAL YEAR 2069/70 ENDED 29<sup>TH</sup> POUH 2069 (13 JANUARY 2013)

(Rs. In thousand unless specified)

S.N.	Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
<b>1</b>	<b>Sources of Fund</b>	<b>3,714,378</b>	<b>3,680,389</b>	<b>3,137,856</b>
1.1	Paid up Share Capital	1,015,269	1,015,269	1,015,269
1.2	Reserve & Surplus	1,802,492	1,817,172	1,761,329
1.3	Grant Aid in Reserve	213,395	213,509	212,789
1.4	Long Term Loan	683,222	634,439	148,469
<b>2</b>	<b>Application of Fund</b>	<b>3,714,378</b>	<b>3,680,389</b>	<b>3,137,856</b>
2.1	Fixed Assets - Net Block	1,520,257	1,527,482	1,499,814
2.2	Work in Progress	670,569	493,913	284,194
2.3	Investment in Share	1,146,551	1,125,297	1,025,858
2.4	Total Current Assets	920,435	1,092,347	723,406
2.5	Deferred Tax Liabilities	(13,442)	-	-
2.6	Total Current Liabilities	(535,786)	(564,400)	(400,423)
2.7	Deferred Revenue Expenditure	5,794	5,750	5,007
<b>3</b>	<b>Profit &amp; Loss Account</b>	<b>This Quarter Ending</b>	<b>Previous Quarter Ending</b>	<b>Corresponding Previous Year Quarter Ending</b>
	<b>Operating Income</b>			
3.1	Electricity Sale and Services	330,376	159,101	324,669
3.2	Management and Technical Support	-	-	9,860
3.3	Other Operating Income			
	<b>A. Total Operating Income</b>	<b>330,376</b>	<b>159,101</b>	<b>334,529</b>
	<b>Operating Expenditure</b>			
3.4	Generation Expenses	87,225	46,477	80,045
3.5	Distribution Expenses	28,931	18,583	30,526
3.6	Management and Technical Support Expenses	-	-	3,388
3.7	Project Development Expenses	-	-	-
3.8	Administrative Expenses	43,976	27,091	41,936
3.9	Depreciation	33,917	16,943	31,100
	<b>B. Total Operating Expenditure</b>	<b>194,049</b>	<b>109,094</b>	<b>186,995</b>
	<b>C. Profit from Operations (A-B)</b>	<b>136,327</b>	<b>50,007</b>	<b>147,534</b>
3.10	Provision of Loss in Investment	-	-	-
	<b>D. Profit Before Other Income, Interest &amp; Tax (C-3.10)</b>	<b>136,327</b>	<b>50,007</b>	<b>147,534</b>
	<b>Other Income</b>			
3.11	Dividend Income	-	-	148,126
3.12	Forex Gain (Loss)	(35)	(246)	5,940
3.13	Other Income	7,883	3,717	7,036
	<b>E. Total Other Income (3.11+3.12+3.13)</b>	<b>7,848</b>	<b>3,471</b>	<b>161,102</b>
	<b>F. Profit Before Interest, Bonus &amp; Tax (D+E)</b>	<b>144,175</b>	<b>53,478</b>	<b>308,636</b>

3.14	Interest (Net)	(9,714)	(3,497)	(874)
<b>G. Profit Before Bonus &amp; Tax (F+3.14)</b>		<b>134,461</b>	<b>49,981</b>	<b>307,762</b>
3.15	Provision for Employees' Bonus	2,637	-	6,999
3.16	Provision for Corporate Tax	23,728	-	28,817
<b>H. Profit After Bonus &amp; Tax (G-3.15-3.16)</b>		<b>108,096</b>	<b>49,981</b>	<b>271,946</b>
<b>4</b>	<b>Ratios</b>	<b>This Quarter Ending</b>	<b>Previous Quarter Ending</b>	<b>Corresponding Previous Year Quarter Ending</b>
4.1	Earning per share (in Rs.)	10.65	4.92	26.79
4.2	Market value per share ( in Rs.)	805	590	536
4.3	Price Earning Ratio	76	120	20
4.4	Current Ratio	1.72	1.94	1.81
4.5	Return on Assets	2.54%	1.60%	7.69%
4.6	Net worth per share (in Rs.)	299	300	294

This report can also be viewed at [www.bpc.com.np](http://www.bpc.com.np)

**SECOND QUARTER DISCLOSURE AS OF 13TH JANUARY 2013  
AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION  
Annexure -14 (Related to Sub regulation 2 of Regulation 22)**

**I FINANCIAL STATEMENTS**

- The unaudited financial statements for the second quarter and financial ratios have been published along with this report.
- Transactions with subsidiaries: BPC purchased services of NPR 3.27 Million from Hydro-consult Engineering in the quarter.
- Quarterly Provisions have been made for the annual incentives, gratuity, accumulative leave and interest for the fair presentation of the quarterly financial statement.

**2 MANAGEMENT ANALYSIS**

- For upgradation works in power house and tail race, shutdown of Andhikhola power has been taken from 21st November 2012(Mangsir 6, 2069) as per the construction plan. This has resulted in reduction in overall generation and 3% decrease in gross operating income thereof. Net profit has decreased in the quarter because of delay in receipt of dividend. Last year NPR. 148 Million was received as dividend in the second quarter where as this year NPR. 230 Million has been received after the end of second quarter.
- Construction works of Andhikhola Upgrading Project is on full swing. Construction works of Kabeli-A Hydroelectric Project and Nyadi Hydropower Project will start after the financial closure which is in advanced stage. The detail design of Lower Manang Marsyangdi Hydropower Project is ongoing and the EIA report is under approval of GoN. First phase of the BPC's corporate building is on the verge of completion.
- The issuance of 3:2 right share on the current paid up capital has been approved by AGM and is in advance stage of approval of SEBON. Issuance of right shares shall ease the fund requirement of BPC to promote the projects.

**3 LEGAL PROCEEDING**

- Appeals submitted to the Revenue Tribunal against the amended tax assessment orders from the Large Tax Payer Office
- Law-suit filed by or against the promoter or director of body corporate involving violation of statutory regulations or

**4 ANALYSIS OF STOCK PERFORMANCE**

- BPC shares were actively traded during the second quarter.
- The major highlights of share transactions during the quarter are as follows:

High Price- NPR 846; Low Price- NPR 692; Closing Price- NPR 805; No. of Transaction Days- 41; Total Transactions- 416; Volume - 106,277 and Turnover - NPR 84,682,597

## **5 RISKS AND CHALLENGES**

- **Internal Risk:**
  - Retention of skilled human resource
  - To manage the overhead cost and maintain the operational efficiency.
- **External Risk:**
  - Fluctuating cost of capital and devaluating local currency.
  - Delay in statutory approvals.
  - Cost and time overrun of projects under construction.

## **6 CORPORATE GOVERNANCE**

- BPC AGM was held on 22nd Poush 2069 at Star Venue, Naxal, approved the financial statements for F/Y 2068/69 and appointment of statutory auditors for F/Y 69/70.
- Six meetings of the Board of Directors and One meeting of Audit Committee were held during the quarter.

## **7 DECLARATION**

I, the Chief Executive Officer of this Company, take the responsibility of accuracy of the information and details mentioned in this report for the period up to second quarter of F/Y 2069/70, hereby declare that the information and details provided in this Report are true, based on facts, and complete to the best of my knowledge and that information necessary for taking informed decision by the investors are not concealed.