

Butwal Power Company Ltd

Buddha Nagar, Kathmandu, Nepal

I FINANCIAL DETAILS



(a) UNAUDITED FINANCIAL RESULTS FOR THE SECOND QUARTER, FY 2066/67, ENDED 30th POUH 2066

(Rs./ Thousands unless specified)

S. N.	Particulars	Upto the period of 2nd Qtr.		For the period of 2nd Qtr.	
		6 months period	6 months period	3 months period	3 months period
		Ended 30th Poush 2066	Ended 29th Poush 2065	Ended 30th Poush 2066	Ended 29th Poush 2065
1	Total Income				
	a) Income from Operations	285,769	293,244	159,702	167,614
	b) Other Operating Income	6,065	7,762	3,352	5,736
	Total	291,834	301,006	163,054	173,350
2	Total Expenditure				
	a) Generation Expenses	47,384	35,527	25,761	16,824
	b) Distribution Expenses	24,995	19,503	11,544	9,844
	c) Engineering & Consultancy Services	-	6,339	-	2,047
	d) Administrative Expenses	32,540	33,106	15,772	17,686
	e) Depreciation	29,770	27,551	14,302	13,776
	Total	134,689	122,026	67,379	60,177
3	Profit from Operations Before Other Income, Interest & Tax (1-2)*	157,145	178,980	95,675	113,173
4	Other Income				
	b) Dividend Income	67,232	24,175	67,232	-
	c) Forex Gain(Loss)	(15,321)	26,120	(15,321)	26,120
	Total	51,911	50,295	51,911	26,120
5	Profit Before Interest, Bonus & Tax (3+4)	209,056	229,275	147,586	139,293
6	Interest (Net)	(5,264)	1,642	(4,488)	1,120
7	Profit Before Bonus & Tax (5+6)	203,792	230,917	143,098	140,413
8	Paid-up Equity Share Capital	839,058	839,058	-	-
9	(Face Value per Shares, Rs. 100/-)				
10	Reserve & Surplus	949,679	702,755	-	-
11	Earning per share (in Rs.)	24	28	-	-
12	Market value per share (in Rs.)	887	1,069		
13	Price Earning Ratio	37	39	-	-
14	Current Ratio	2.17	1.97	-	-
15	Return on Assets	9%	11%		
16	Net worth per share (in Rs.)	231	196	-	-

(Note: Rounded off to nearest thousand)

* Reason for decrease of operating profits is presented in the Management Analysis.)

(b) RELATED PARTY TRANSACTION

- There was none.

2 MANAGEMENT ANALYSIS

- There are no significant changes in stock, income and liquidity in this quarter compared with corresponding previous quarter.
- The engineering business transaction of the Company is not included as per the decision to conduct the engineering business through the subsidiary company named Hydro Consult Pvt. Ltd. w.e.f. 1st of Shrawan 2066. Therefore the operating profit of the reported period has reduced compared to the corresponding period of the last fiscal year.
- The Project Development Agreement has been signed on January 31, 2010 between the Government of Nepal and Kabeli Energy Limited, a subsidiary company of BPC, for the development of the 30 MW Kabeli A Hydroelectric Project. This will increase the investment fund requirement during the construction phase of the project and the profit of BPC during the operation phase.
- Financial closure of the Andhikhola Upgrading Project is in the process of finalization.
- New consumers will be added with the extension of distribution network under the REEP project.

3 LEGAL PROCEEDING

- There are no legal cases filed by or against the Company in the competent court of Nepal.

4 SHARE TRANSACTIONS

The major highlights of share transactions during second quarter are as follows:

- High Price- Rs.975; Low Price- Rs.870; Closing Price- Rs.887; No. of Transaction Days- 15; Total Transactions- 44; Volume - 8,730 and Turnover - Rs.8.24mn.
- Due to the 22 days (Dec. 18, 2009 to Jan. 8, 2010) book closure for the purpose of AGM dated Jan. 8, 2010; the no. of transaction days is only 15 during the second quarter of FY 2066/67.

5 RISKS AND CHALLENGES

- Retention of high skilled human resources has been major challenges because of entry of many international hydropower developers in the Country.
- The law and order situation at the project sites are not conducive to conduct the project activities. The frequent strike and bandhs have posed threat to expedite business programs and process.

6 CORPORATE GOVERNANCE

- A well documented Corporate Governance Policy is in place and is practiced in all business transaction.
- Two meetings of the Board of Directors were held during the second quarter of F/Y 2066/67.
- Three meetings of the Audit Committee were held during the second quarter of F/Y 2066/67.
- The 17th AGM of the Company was held on January 8, 2010. The AGM decided to (i) distribute 20% cash dividend and 10% bonus shares to the shareholders (ii) issue of right share in the ratio of 100:67, (iii) amendment of the Memorandum of Association and Articles of Association of the Company in addition to the other regular agenda of the AGM.

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 2066/67, 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 the information necessary for taking informed decision by the investors are not concealed.