

Butwal Power Company Ltd

Buddha Nagar, Kathmandu, Nepal



I FINANCIAL DETAILS

UNAUDITED FINANCIAL RESULTS FOR THE THIRD QUARTER, F/Y 2067/68, ENDED 30th CHAITRA 2067

(Rs./ Thousands unless specified)

S. N.	Particulars	Upto the period of 3rd Qtr.		For the period of 3rd Qtr.	
		9 months period	9 months period	3 months period	3 months period
		Ended 30th Chaitra 2067	Ended 31st Chaitra 2066	Ended 30th Chaitra 2067	Ended 31st Chaitra 2066
1	Total Income				
	a) Income from Operations	425,176	394,337	113,213	108,568
	b) Management Support Income	3,411	2,646	3,411	2,646
	c) Other Operating Income	11,494	10,165	3,556	4,100
	Total	440,081	407,148	120,180	115,314
2	Total Expenditure				
	a) Generation Expenses	107,064	93,809	33,195	46,425
	b) Distribution Expenses	43,506	40,906	14,653	15,911
	c) Management Support Expenses	2,967	1,600	2,967	1,600
	d) Administrative Expenses	56,527	52,572	12,172	20,032
	e) Depreciation	45,474	44,655	15,158	14,885
	Total	255,538	233,542	78,145	98,853
3	Profit from Operations Before Other Income, Interest & Tax (1-2)	184,543	173,606	42,035	16,461
4	Other Income				
	a) Dividend Income	164,265	67,232	113,866	-
	b) Forex Gain (Loss)	(5,449)	(17,154)	(658)	(1,833)
	Total	158,816	50,078	113,208	(1,833)
5	Profit Before Interest, Bonus & Tax (3+4)	343,359	223,684	155,243	14,628
6	Interest (Net)	(17,703)	(11,057)	(3,421)	(5,793)
7	Profit Before Bonus & Tax (5+6)	325,656	212,627	151,822	8,835
8	Provision for Employees' Bonus	6,822	4,584	3,068	195
9	Provision for Corporate Tax	28,414	26,150	6,690	1,395
10	Profit After Bonus & Tax (7-8-9)	290,420	181,893	142,064	7,245
11	Paid-up Equity Share Capital (Face Value per Share, Rs. 100/-)	1,015,269	922,968	-	-
12	Reserve & Surplus	732,709	676,062	-	-
13	Earning per share (in Rs.)	29	20	-	-
14	Market value per share (in Rs.)	796	850		
15	Price Earning Ratio	27	43	-	-
16	Current Ratio	1.56	1.99	-	-
17	Return on Assets	11%	8%		
18	Net worth per share (in Rs.)	191	190	-	-

(Note: Rounded off to nearest thousand)

2 RELATED PARTY TRANSACTION

The transactions with subsidiaries during the third quarter are as follows:

- Advance has been provided to Kabeli Energy Limited Rs. 15,500,000.
- The company has raised invoice Rs. 1,949,061 and Rs.1,906,312 to Nyadi Hydropower Limited and Keton Hydropower Limited respectively against the management support services provided to them.

3 MANAGEMENT ANALYSIS

- There are no significant changes in stock and liquidity in this quarter compared with corresponding previous quarter. However, the income has increased by 60% as on chaitra end 2067 compared with corresponding period of previous fiscal year due to dividend received from Himel Power Limited early.
- The progress on the project development is not as expected because of unstable political situation.
- The power plants have generated electricity as per target.
- VP-Corporate has been appointed for strengthening Management Team.

4 LEGAL PROCEEDING

- Appeals have been submitted to the Revenue Tribunal against the amended tax assessment orders from the Large Tax Payer Office (LTPO) for F/Y 2059/60 (from 2059/10/15 to 2060/3/32) and F/Y 2060/61.

5 SHARE TRANSACTIONS

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

- High Price- Rs.796; Low Price- Rs.661; Closing Price- Rs.796; No. of Transaction Days- 9; Total Transactions- 18; Volume - 903 and Turnover - Rs.0.623mn.

6 RISKS AND CHALLENGES

- Retention of high skilled human resources has been major challenges because of entry of many international hydropower developers in the Country and migration of human resources to other countries.
- The progress on the project development may be affected further due to unstable political situation.
- Increase in interest rate on borrowings increases cost of project which in turn tends to reduce the profitability of the company.

7 CORPORATE GOVERNANCE

- Good corporate governance has been practiced in all business transaction.
- 10% Bonus shares and 20% Cash dividend have been distributed to the shareholders as per the decision of the 18th Annual General Meeting of the Company. The bonus shares have been listed in the Nepal Stock Exchange Limited on 2068/01/20.
- The company has been awarded 'Service Class Certificate 2067' in large scale sector by FNCCI as a recognition for its significant achievement in developing outstanding management capabilities to drive and sustain customer service excellence for business success.
- One meeting of the Board of Directors was held during the third quarter.

8 DECLARATION

I, the Vice President-Finance of this Company, take the responsibility of accuracy of the information and details mentioned in this Report for the period up to third quarter of F/Y 2067/68, 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.