

Butwal Power Company Ltd

Buddha Nagar, Kathmandu, Nepal



I FINANCIAL DETAILS

UNAUDITED FINANCIAL RESULTS FOR THE SECOND QUARTER, F/Y 2067/68, ENDED 30th POUH 2067

(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 2067	Ended 30th Poush 2066	Ended 30th Poush 2067	Ended 30th Poush 2066
1	Total Income				
	a) Income from Operations	311,963	285,769	163,844	159,702
	b) Other Operating Income	7,938	6,065	3,190	3,352
	Total	319,901	291,834	167,034	163,054
2	Total Expenditure				
	a) Generation Expenses	73,869	47,384	32,762	25,761
	b) Distribution Expenses	28,853	24,995	14,089	11,544
	c) Administrative Expenses	44,355	32,540	22,921	15,772
	d) Depreciation	30,316	29,770	15,158	14,302
	Total	177,393	134,689	84,930	67,379
3	Profit from Operations Before Other Income, Interest & Tax (1-2)*	142,508	157,145	82,104	95,675
4	Other Income				
	b) Dividend Income	50,399	67,232	-	67,232
	c) Forex Gain(Loss)	(4,791)	(15,321)	(4,791)	(15,321)
	Total	45,608	51,911	(4,791)	51,911
5	Profit Before Interest, Bonus & Tax (3+4)	188,116	209,056	77,313	147,586
6	Interest (Net)	(14,282)	(5,264)	(10,266)	(4,488)
7	Profit Before Bonus & Tax (5+6)	173,834	203,792	67,047	143,098
8	Provision for Employees' Bonus	3,754	4,389	-	-
9	Provision for Corporate Tax	21,724	24,755	-	-
10	Profit After Bonus & Tax (7-8-9)	148,356	174,648	67,047	143,098
11	Paid-up Equity Share Capital (Face Value per Shares, Rs. 100/-)	922,968	839,058	-	-
12	Reserve & Surplus	590,589	920,534	-	-
13	Earning per share (in Rs.)	16	21	-	-
14	Market value per share (in Rs.)	704	887		
15	Price Earning Ratio	44	42	-	-
16	Current Ratio	1.08	2.60	-	-
17	Return on Assets	6%	8%		
18	Net worth per share (in Rs.)	184	228	-	-

(Note: Rounded off to nearest thousand)

RELATED PARTY TRANSACTION

- There is no any related party transaction during the second quarter of FY 2067/68.

2 MANAGEMENT ANALYSIS

- There are no significant changes in stock, income and liquidity in this quarter compared with corresponding previous quarter.
- The power plants have generated electricity as per target.
- VP-Finance has been appointed for strengthening Management Team.
- Issuance of right shares to the shareholders as per the decision of the 17th Annual General Meeting of the Company is under process.
- Distribution of 20% cash dividend and 10% bonus shares as per the decision of the 18th Annual General Meeting (AGM) of the Company will start shortly.

3 LEGAL PROCEEDING

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

4 SHARE TRANSACTIONS

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

- High Price- Rs.826; Low Price- Rs.704; Closing Price- Rs.704; No. of Transaction Days- 8; Total Transactions- 13; Volume - 3,608 and Turnover - Rs.2.77mn.
- Due to the 19 days (Dec. 20, 2010 to Jan. 7, 2011) book closure for the purpose of 18th AGM dated Jan. 7, 2011; the no. of transaction days have been reduced.

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 and migration of human resources to other countries.
- The progress on the project development is not as expected because of unstable political situation.
- Increase in interest rate on borrowings increases cost of project which in turn tends to reduce the profitability of the company.

6 CORPORATE GOVERNANCE

- Good corporate governance has been practiced in all business transaction.
- The 18th AGM of the Company was held on January 7, 2011. The notice of AGM along with the Brief Annual Report was sent to the shareholders for their reference. The full Annual Report of the Company was availed to the shareholders during the AGM. The Minutes of AGM along with the financial highlights and the speech of Chairperson on behalf of the Board of Directors were published in the Karobar National Economic Daily. Letter of appreciation was sent to the shareholders who provided comment and suggestions to the Company during the AGM. The Securities Board of Nepal, the Office of the Company Registrar and Nepal Stock Exchange were communicated the required information regarding AGM within due date. All the information related with the AGM were uploaded in the web page of the Company for the benefits of the Shareholders and all concerned.
- Three meetings of the Board of Directors were held during the second quarter.
- Two meetings of Audit Committee were held during the second 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 FY 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.