

Butwal Power Company Ltd

Buddha Nagar, Kathmandu, Nepal



UNAUDITED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER, FISCAL YEAR 2073/74 ENDED 31ST Ashadh 2074 (15 JULY 2017)

(Rs. In thousand unless specified)

S.N.	Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
1	Sources of Fund	4,755,180	4,814,155	4,436,009
1.1	Paid up Share Capital	1,810,572	1,810,572	1,673,223
1.2	Reserve & Surplus	2,305,421	2,339,658	1,970,982
1.3	Grant Aid in Reserve	184,536	187,571	196,679
1.4	Long Term Loan	454,651	476,353	595,126
2	Application of Fund	4,755,180	4,814,155	4,436,009
2.1	Property, Plant & Equipment- Net Block	2,523,836	2,548,339	2,653,155
2.2	Assets held for sale	-	-	-
2.3	Work in Progress	264,298	232,796	205,803
2.4	Advances/Investment in Shares	1,741,303	1,597,096	1,446,025
2.5	Total Current Assets	619,589	803,743	695,998
2.6	Deferred Tax Liabilities	(34,807)	(34,807)	(34,807)
2.7	Total Current Liabilities	(359,039)	(333,011)	(530,165)
3	Profit & Loss Account	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
	Operating Income			
3.1	Electricity Sale and Services	682,167	542,233	617,180
	A. Total Operating Income	682,167	542,233	617,180
	Operating Expenditure			
3.2	Generation Expenses	214,943	130,603	199,070
3.3	Distribution Expenses	96,287	69,022	86,264
	B. Total Operating Expenditure	311,230	199,625	285,334
	C. Profit from Operations (A-B)	370,937	342,608	331,846
	Administrative & Other Expenses			
3.4	Administrative Expenses	105,677	74,561	95,843
3.5	Depreciation	141,897	106,389	141,852
	D. Total Administrative & Other Expenses	247,573	180,950	237,695
3.6	Provision of Loss (Income) in Investment	(1,073)	-	725
	E. Profit Before Other Income, Interest & Tax (C-D)	124,436	161,658	93,427
	Other Income			
3.7	Dividend Income	551,029	551,029	531,768
3.8	Forex Gain (Loss)	314	675	198
3.9	Other Income	40,485	26,602	30,710
	F. Total Other Income (3.7+3.8+3.9)	591,828	578,306	562,675
	G. Profit Before Interest, Bonus & Tax (E+F)	716,264	739,964	656,102
3.10	Interest (Net)	(53,950)	(42,741)	(57,470)
	H. Profit Before Bonus & Tax (G+3.10)	662,315	697,223	598,632
3.11	Provision for Employees' Bonus	12,987	13,671	11,738
3.12	Provision for Corporate Tax	-	-	-
3.13	Deferred Tax Expenses/(Income)	-	-	10,948
	I. Net Profit/(Loss) After Bonus & Tax (H-3.11-3.12)	649,328	683,552	575,946
4	Ratios	12 months period		
		This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
4.1	Earning per share (in Rs.)	35.86	37.75	34.42
4.2	Market value per share (in Rs.)	620.00	678.00	894
4.3	Price Earning Ratio	17.29	17.96	26
4.4	Current Ratio	1.73	2.41	1.31
4.5	Return on Assets	12.61%	13.19%	11.52%
4.6	Net worth per share (in Rs.)	227.33	229.22	217.80

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FOURTH QUARTER DISCLOSURE AS OF 15TH JULY 2017 AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION Annexure -14 (Related to Sub regulation 2 of Regulation 22)

1 FINANCIAL STATEMENTS

- The unaudited financial statements for the fourth quarter and financial ratios have been published along with this report.
- Transactions with related parties: BPC purchased services of worth NPR 107,040 from Mercantile Communication Pvt. Ltd., NPR 10,761.24 from BPC Service Limited, NPR 13,308,033.04 from Nepal Hydro & Electric Ltd., NPR 1,982,821.13 from Hydro-consult Engineering.
- Important Financial Ratios: As attached in the unaudited financial statements.

2 MANAGEMENT ANALYSIS

- The gross operating profit increased by 12% during the period upto fourth quarter as compared to the corresponding period last year's figure, which is mainly due to increase in the generation of electricity and increase in distribution tariff rate of Andhikhola EDC. In addition to this, increase in the dividend income by 4% has resulted increase in net profit before appropriation by 13% as compared to the corresponding period last year's figure.
- Total current assets decreased by 12%, total current liabilities decreased by 7% and total non-current assets increased by 5% compared to corresponding period previous year. Total shareholders fund increased by 13%.
- Construction works of Nyadi Hydropower project 30MW and Kabeli -A project 37.6 MW has been started from 25th of March 2017. PPA process of Lower Manang Marsyangdi 100 MW project in progress with NEA. The processes for obtaining the survey license for 8.5 MW capacity Chino Khola Hydropower Project and consent for EIA study are ongoing with respective Ministries.

3 LEGAL PROCEEDINGS

- Case filed by or against the Company during the quarter, if any : None
- Case filed by or against the Company or its Promoter or Director for violation of the prevailing regulation or committing the criminal offence, if any : None
- Case filed against the Promoter or Director on financial crime, if any : None

4 ANALYSIS ON SHARE TRANSACTION OF THE COMPANY

- BPC shares were actively traded during the fourth quarter.
- The major highlights of share transactions during the quarter are as follows:
Maximum Price- NPR 725; Minimum Price- NPR 611; Closing Price- NPR 620; No. of Transaction Days- 54; Total Transactions- 508; Total Traded Volume - 123,308 and Turnover - NPR 81,435,359

5 PROBLEMS AND CHALLENGES

- **Internal**
 - Retention of skilled human resource
 - To manage the fund for upcoming projects and maintain the operational efficiency of distribution business
- **External**
 - Lack of political commitment in development of hydroelectric projects.
 - Fluctuating cost of capital and devaluing local currency.
 - Possibility of Flood in monsoon season in the rivers at powerplant locations.
- **Strategies followed by the management**
 - Use of Internal manpower enhancing training and development.
 - Fund raising through Further Public Offering is in the process of approval from SEBON.

6 CORPORATE GOVERNANCE

- The regular meetings of Board of Directors, Audit Committee, Finance and Budget Committees, Operation and maintenance committee and Management Team are being conducted for strengthening good corporate governance within the company.

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 fourth quarter of F/Y 2073/74, 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.