

BPC Newsletter

Butwal Power Company Limited

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Special points of interest:

- In addition to Hydropower Development and Investment Company, the GoN is establishing two more institutions to expedite the construction of transmission and rural electrification work under Ministry of Energy. The government is also looking forward to establish Transmission Line Construction Company and Rural Electrification Board.
- The domestic bond market will be witnessing the issue of US dollar denominated debentures. Himtal Power is issuing \$60 million debentures in the market. It is the first of its kind of innovative financial instrument in the Nepali financial market. The Monetary Policy has also provided legal framework for the issue.
- Giving a relief to IPPs, the NEA has increased the power purchase agreement (PPA) rate by 20% for projects having capacity below 25 MW.

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World Environment Day Celebrated

World Environment Day (WED) is observed on June 5 every year to promote awareness on the importance of preserving our biodiversity, the need to identify problems related to the environment and ways to take corrective action.

Think globally act locally, keeping this phrase in mind, BPC organized several programs to create awareness towards protecting environment. On this occasion, BPC appreciated and recognized tremendous support received from the public, non-profit organizations (Buddhanagar Baudhik Samaj, Environmental Camp for Conservation Awareness, Buddhanagar Aama Samuha), community and nearby schools. The event kicked off with the inauguration of a garden, adjacent to Dhobikhola bridge by Mr. Ranjan Lohar, CEO of BPC. Mr. Lohar, Mr. Vishwa Bhusan Amatya, VP Corporate and Mr. Radheshyam Shrestha, VP Finance planted saplings of Ginko Tree in the garden. BPC developed this garden to convey the message that with a little effort and



CEO and VPs planting trees in the garden developed by BPC

consciousness towards environment, the place where heaps of garbage produced by community was piled can be converted into a beautiful place. Mural Painting on the wall of BPC Office Building was



One of the mural paintings drawn on WED

also a part of the program. Children of the age of 10 to 15 gave wings to their imagination

on eco-protection. The theme was 'Forest for Nature conservation'. The participating schools were Rosebud School, Buddhanagar Primary School, South Point Boarding High School, Swapna Vatika School, Laligurans Batika School and National Academy High School. Cleaning Dhobikhola Riverside & Buddha Nagar Area was done in the active participation of the community, school children and BPC staffs to improve the quality of life of all living beings without harming nature. All the activities are carried out to spread eco-awareness and increase green footprint.

As an effort to increase awareness on energy conservation, BPC provided CFL at subsidized rate to community people and to its staff to encourage them to use CFL and save energy. Eco friendly bags were also distributed to discourage the use of polythene bags. Participation of CEO, Sr. Managers, and Managers of sister companies added more value and meaning to the program.

Source: BPC CA/QEMS

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CEO called on President



President Dr. Ram Baran Yadav with Mr. Ranjan Lohar, CEO

Mr. Ranjan Lohar, CEO has paid a courtesy visit to President of Nepal Dr. Ram Baran Yadav on May 17, 2011 (2068/02/03). During meeting with the President, CEO highlighted the activities of BPC and its contribution in the development of hydropower sector in the country. Opportunities and challenges faced by the hydropower sector were also discussed in the meeting. In the meeting, the President has assured that he will make effort to develop the hydropower sector in the wake of energy crisis in the country.

Source: CEO's Office

Project Highlight –Nyadi

Pre-qualification of the contractors for Civil, Electro-mechanical and Hydro-mechanical works for Nyadi Hydropower Project (30 MW installed capacity), is completed. Track opening for 8.0 km access road from Besisahar-Chame Road to project area has been accomplished. Abutment construction for a Bailey Bridge

over Marshyangdi river was completed in Ashadh 2068. Construction of retaining and drainage structures is in progress. 462 ropanis land has been purchased for construction of project structures, access road and housing area. 30,000 Vetiver tillers, one of the most soil retaining plants were imported from Assam India. A

nursery has been established at project site to prepare these tillers for bio-engineering of the slopes along the access road. Bio-engineering work is in progress at many slopes along the access road. Mott MacDonald UK is carrying out detailed design of underground works.

Source: Nyadi Hydropower Project

BPC got recertified on ISO 9001:2008 (Quality Management System) and ISO 14001:2004 (Environmental Management System)

Project Highlight –Lower Manang Marsyangdi

The 140 MW Lower Manang Marsyangdi Hydroelectric Project is located in the southern part of Manang district. Butwal Power Company Limited is the promoter of the project. The survey license was obtained on May 25, 2009 and expired on May 24, 2011. An application for the renew of the survey license with further power optimization has been submitted to DoED (Department of Electricity Development) on March 23, 2011. Feasibility study of the project has been carried out

by HCPL (Hydro Consult Pvt. Ltd) and reviewed by Bernard Ingenieure ZT GmbH, Hall in Tirol, Austria. The Feasibility Study Report was submitted to GoN on February 25, 2011. Electrical Resistivity Tomography (ERT) survey for geotechnical investigation has been completed while core drilling investigation is ongoing and 70% is completed. Low flow measurement, sediment sampling and river-stage

staff gauge reading are ongoing at the site. Contract agreement has been made with Bernard Ingenieure for Computational Fluid Dynamics (CFD) Study of Headworks on March 8, 2011 and the analyses work is ongoing. Study on Marketing and Evacuation of Power for LMMHEP has been completed. Draft Report of Land Acquisition also has been completed.

Source: Lower Manang Marsyangdi Project



Core Drilling at Headworks Area

Financial Highlight

BPC has made net profit of NRs. 290 million up to the third quarter of FY 2067/68. Third quarter financial result of BPC compared to corresponding previous year is very encouraging. Net profit compared to previous year has increased by 60% mainly due to dividend income. The corresponding previous year quarter ending net profit was NRs. 182 million. Revenues from Generation as well as Distribution businesses have gone up marginally as well.. NRs 164

million dividend income was received in the first nine months of this fiscal year compared to NRs 67 million in the corresponding period of last year. BPC's net worth in the first nine months of FY 2067/68 is NRs 1.74 billion- an increment of 20% over NRs 1.45 billion of FY 2066/67 end.

The review period shows the 45% growth on Earnings per Share (EPS), increased from NRs 19.71 to 28.61, despite the number of outstanding shares increases from 9.23 million to 10.15 million

Particulars	Quarter Ending Chaitra	Corresponding Previous Year Quarter
Earning per share (EPS)	28.61	19.71
Net worth per share	191.35	189.92
Market Price per share	796	850
Price earning ratio	27.83	43.13
Current Ratio	1.56	1.99

Source: BPC Finance

Bonus Shares Listed For Trading

Nepal Stock Exchange (NEPSE) listed 9,229,676 number of bonus share (serial number 9229676 to 10152694) of BPC on May 3, 2011. BPC had issued 10% bonus share as per the approval of its 18th AGM,

held on January 7, 2011. The Company has been distributing the bonus share certificates from its share registrar NMB (Nepal Merchant Bank) Capital Limited, NMB Bhawan, Babarmahal, Kathmandu since March

21, 2011. Now, the bonus shares can be traded in the NEPSE. With the listing of bonus shares, total listed shares of BPC reached to 10,152,694 from 9,229,675.

Source: BPC Finance

OHSAS Document Review

BPC organized a 3 day program on OHSAS (Occupation Health and Safety Assessment Series) Document Review on May 9-11, 2011. BPC is gearing up to be OHSAS 18001:2007 certified company by 2011. In preparation towards getting certified, BPC had provided orientation program on OH SAS to all key employees last

year. Mr. Ashok Kapur, Consultant from India was the resource person for both the programs. Document review program was conducted in a participatory approach thereby involving all key personnel from all four sites viz. Jhimruk, Andhikola, Butwal and Kathmandu. BPC regards its employees as the most valuable

asset of the company hence their health and safety become a top priority. The program focused on preparing documents related to Hazard identification, risk assessment and determining controls. It also stressed on legal and other requirements pertaining to occupational health and safety requirements.

Source: BPC –CA/QEMS



Mr. Ratna Shakya , Chief Manager, receiving the awards

BPC has bagged National Best Presented Accounts Award for the year 2010 on July 22, 2011 in a program organized by Institute of Chartered Accountants of Nepal in manufacturing sector for excellence in the presentation of financial statement and annual report. This is a sixth consecutive year that BPC is successful in achieving this award.



Mr. Kapur, Consultant from Innovative Business Solutions conducting the program.