

INITIAL PUBLIC OFFERING

Report Date: 2074/09/02

RADHI BIDYUT COMPANY LIMITED

Recommendation – Apply

SECTOR: HYDROPOWER

Listing Range: Rs. 115 - 346

### Overview of the Company

Radhi Bidyut Company Limited was incorporated under the 'Company Act 2053' on 5<sup>th</sup> Jestha 2062 B.S. as a Public Limited Company with the objective to generate and distribute electricity. The company has been promoted by Lamjung Electricity Development Company Limited.

The registered office is situated at Kathmandu -11, Bluestar Complex, Tripureshor.

### Area of Operation

The project was successfully carried out at Radhi river of Ghermu and Taghring VDC, Ward No. 1, 2 and 3 (Now Marsyangdi Rural Municipality, Ward No. 5 and 4) in Lamjung district.

### About Radhi Small HEP

The company acquired the Generation License for 4.4MW 'Run of River' hydroelectricity project in 2068/01/28 from the Ministry of Energy, Nepal Government which will be valid until 2103 BS. The Power Purchase Agreement (PPA) with Nepal Electricity Authority (NEA) was signed on 2066/10/18. The project commenced its commercial operation on 2071/02/31 and since then is selling the electricity generation at national grid. Annual energy generation by the project is 26.267 GWh where in wet season it generates 21.174 GWh and in dry season it generates 5.093 GWh. The PPA rate for dry season (Poush to Chaitra) is Rs.8.40 and for wet season (remaining months) is Rs.4.80. The PPA rate will escalate by 3% each year for 5 times from the commercial operation date. The project was commissioned at comparatively low project cost of Rs. 13.9 crore per MW.

#### Issue Details

Issue Size	7,64,550
Price per Share	100
Issue Open Date	03/09/2074
Issue Close Date	06/09/2074
Issue to Staff (2%)	15,291
Issue to Mutual Funds (5%)	38,225
Issue to General Public	7,11,031
Issue Manager	Nabil Investment Banking Limited
Collection Centres	ASBA Approved BFI's
Min. Application (Kitta)	50
Max. Application (Kitta)	6,800
ICRA Rating	Grade 3

#### Project Details – Radhi Small HEP

Type of Project	Run of River
Location	Lamjung
Status	Operational
Installed Capacity	4.4 MW
Gross Head	617 meter
Total Annual Energy	26.267GWh
Commercial Operation Date	2071-02-31
Total Cost of Project	Rs. 613.2 Millions
Per Megawatt Cost	Rs.139 Millions

Project Annual Generation and Sale 26,267,543 (kWh) of Electricity

Wet Season (kWh) (8 months)	21,174,366
Dry Season (kWh) (4 months)	5,093,177

## Utilization of IPO Proceeds

The IPO proceed is planned to be invested in 10.3 MW Dordi-1 HEP in Lamjung district and 5 MW Rukum Gad HEP in Rukum district. These projects are being developed by the Associated Companies of Radhi Bidyut Company Ltd.

## About Dordi-1 HEP

The 10.3 MW Dordi-1 'Run off River' HEP in Lamjung district is being developed by Dordikhola Jal Bidyut Company Limited. The Generation License was acquired on 2069/10/12 from Ministry of Energy and shall remain valid till 2104/10/11. The PPA with NEA for 10.3 MW was concluded on 2071/06/19. However, the company has later applied for the upgradation of its capacity to 12 MW at Ministry of Energy and NEA and for amendment of PPA for the increased installed capacity at NEA. The company projects to generate and commercially operate from 2076/08/16. Total cost of the project is Rs. 185.87 crore and per mega watt cost is Rs.18.04 crore. Projected annual energy generation is 65.44 GWh; wet season it is 55.17 GWh and dry season 10.27 GWh. Beside, the NPV is Rs.54.247 crore, IRR is 14.02%, RoE is 18.63%, Discounted Pay-back Period is 9.85 years.

## About Rukum Gad HEP

Rukum Gad HEP is a 5 MW 'Run off River' type project that is being developed by Rapti Hydro & General Construction Ltd. The proponent acquired Electricity Generation License on 2072/03/09 and will expire on 2107/03/08. PPA was concluded with NEA on 2073/03/07. Required commercial operation date is 2073/09/01. The project is commissioned at Rs.96.87 crore (Rs.19.374 crore per MW). Projected annual energy generation is 28.579 GWh (23.495 GWh in wet season and 5.084 GWh in dry season). The NPV is Rs.31.436 crore, IRR is 14.78%, RoE is 21.18% and Discounted Pay-Back period is 9.9 years.

### Tariff Rates

<b>Wet Season</b>	Rs. 8.40
<b>Dry Season</b>	Rs. 4.80

### Investment of IPO Proceeds

<b>1. Dordi-1 HEP</b>	Rs. 100,00,000
<b>2. Rukum Gad HEP</b>	Rs. 66,455,000

### Capital Structure (%)

	Existing	Post issue
<b>Authorized</b>	150,00,00,000	150,00,00,000
<b>Issued</b>	41,00,00,000	41,00,00,000
<b>Paid Up</b>	33,35,45,000	41,00,00,000

### Shareholding Structure ('000)

<b>Public</b>	46,545 (13.95%)	76,455 (18.65%) (General) 46,545 (11.35%) (Local)
<b>Promoter</b>	287,000(86.05%)	287,000 (70%)

### Issue to Local People:

The company had issued 410,000 units of IPO to the locals of project affected areas on 5<sup>th</sup> Baisakh to 3<sup>rd</sup> Jestha, 2074. However, 149,550 units of shares were not subscribed. These undersubscribed portions of shares were then added to the 615,000 units which were originally segregated to be issued to General Public. As a result, the total of 764,550 units of shares is being issued to the General through the IPO.

### Key Fundamentals (Unaudited 73/74) Amount (In Rs.)

<b>Paid up Capital</b>	333,545,000
<b>Reserve and Surplus</b>	89,424,850
<b>Profit after Tax</b>	57,564,550
<b>Book Value Per Share</b>	126.42
<b>Earnings Per Share</b>	17.26

## Board of Directors

- 1) **Mr. Vinay Kumar Bhandari**, Chairman and M.D.
- 2) **Mr. Dhruva Raj Mishra**, Director
- 3) **Mr. Dipendra Lal Karn**, Director
- 4) **Mr. Ujjwal Silwal**, Director
- 5) **Mr. Mani Prasad Gurung**, Director

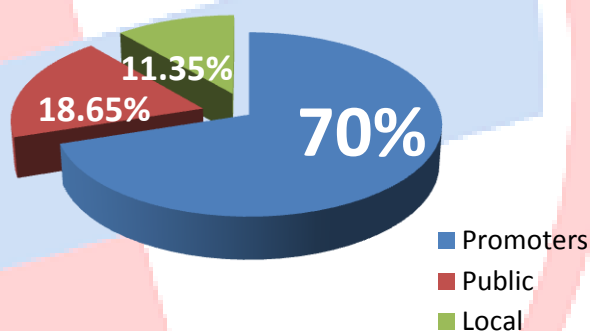
## Detail Exposure of the Chairman/MD

- 1) **Mr. Vinay Kumar Bhandari**, Managing Director
  - CEO at CEDB Hydro Fund Limited since 2009
  - At Butwal Power Company Limited
    - Vice President for 3 years
    - Secretary of Executive Committee for 3 years
    - In-charge Rural Electrification – 4 years
  - Hydropower Project Development Expert – IPPAN
  - Energy & Environmental Manager – Lamjung Electricity Development Company Ltd.
  - Lecturer – Institute of Engineering, Pulchowk
  - Hydropower & Environmental Specialist – Nepal Water Conservation Foundation
  - Involvement in other various hydro projects
- 2) **Mr. Basanta Raj Raut**, Senior Manager
  - More than 10 years of experience in Hydro sector
  - Electrical Engineer – DCEME Pvt. Ltd.
  - Mini – Grid Engineer - VDC
  - Senior Engineer – Pahadi Hydropower Company
- 3) **Mr. Ajay Acharya**, Assistant Manager
  - More than 15 years of experience in Account and administration
  - Involved in Lamjung Electricity Development Co. Ltd. since 5 years

## Key Promoters

S.N	Name	Address	Shareholding
1	Lamjung Electricity Development Company Ltd.	Tripureshor 11, Ktm	1,952,513
2	Syange Bidyut Company Ltd.	Tripureshor 11, Ktm	139,474
3	Ajtech Power Pvt. Ltd.	Lazimpat, Ktm	268,249
4.	CEDB Hydro Fund Ltd.	Tripureshor 11, Ktm	106,704

## Post Issue Shareholding Structures



## Market Average

Sector	Hydropower
Hydropower Index	2,056.83 ( 28/08/74)
Listed Hydropower	17
Market Cap (NPR)	80, 830.69 (In Millions)
Average Paid Up Capital	1,013.69 (In Millions)
Average Net Profit	48,416,210
Market Cap is as of 30/07/2074.	

## General Introduction to Balance Sheet Figures

- Paid up capital will increase to Rs.410 million after the public issue and project no further capital increment.
- The company has a positive reserve of Rs.48.77 million which is projected to increase at 57.22%. This indicates the growth of intrinsic value of the company in period ahead.
- Beside the 4.4MW project which is already completed, the company has investments in other various hydro projects. Such investment is Rs. 99.94 millions in FY 2072/73 and company project to increase to Rs. 255.56 millions by FY 2076/77.
- The company has the medium to long term secured loan of Rs. 377 million in FY 2072/73. The loan amount will be amortized by Rs. 30 millions in FY 74/75 and FY 75/76 and Rs. 40 million is projected to be amortized in FY 76/77.
- Total assets of the company are projected to rise at 6.85% CAGR. However, the company could sell the insignificant assets in coming years.

## Ratio Analysis

- BVPS of the company as of unaudited 4<sup>th</sup> Quarter 2073/74 is Rs. 126.42. The average industry BVPS is Rs. 120 in the same period. This shows the company has competitive performance and the book value is projected to go further high.
- Equity multiplier measures the financial leverage of the companies. A high equity multiplier indicates that the larger portion of asset financing is attributed to debt. The average industry equity multiplier in 4<sup>th</sup> Quarter 2073/74 was 1.85 times and the subject company maintains lower ratios than this. This also indicates the lower exposure of company to risk than the industry average.

## Excerpts from Balance Sheet (NRs. In Millions)

Particular	Audited		Unaudited		Projected	
	72/73	73/74	74/75	75/76	76/77	
Paid-Up capital	307.5	333.54	410	410	410	
Reserve/ Surplus	48.77	89.42	149	219	298	
Net Worth	356.27	422.97	599	629	708	
Investment	99.94	102	198.67	198.67	255.56	
Secured Loan	377	347	317	287	247	
Total Assets	733	770	876	916.71	955.43	

## Ratios

Particular	Audited		Unaudited		Projected	
	72/73	73/74	74/75	75/76	76/77	
BVPS	115.44	126.42	136.14	153.38	172.79	
Return on Net worth	13.38%	13.65%	10.67%	11.24%	11.11%	
Investment Growth	-	2.28%	94.36%	0%	28.63%	
Equity Multiplier	2.06	1.82	1.57	1.46	1.35	

## Credit Rating by ICRA Nepal

The proposed IPO of Radhi Bidyut Company Limited was graded “[ICRANP] IPO Grade 3” by ICRA, Nepal on 2074/05/15 and the grading will remain valid till 2074/11/15. The grading indicates the ‘average fundamental’ which can be considered good for hydro companies issuing the shares.

## Main excerpts from ICRA, Nepal Rating:

Since the revenues are entirely linked to unit sales from a single operational project (i.e. 4.4 MW) so far, the project returns and also the financial health of the company are entirely dependent on the hydrology of the project stream.

## General Introduction to Income Statement

- The company was able to earn good profits in its first full year of commercial operation i.e. 2071/72. Following year, it doubled the profits to Rs. 47.50 millions. The net profits are projected to increase at 13.46% CAGR ahead.
- Revenue from sale of electricity tends to remain similar every year without much surge. Projected annual energy generation is 26.267 GWh. However, the project has on average generated only 86% of the annual contract energy in the past. Provided the project operates at the designed energy PLF of 68%, the energy generation could be boosted. This could boost the revenues.
- Other income includes interest money, investment commitment fees, insurance claims etc.
- Operating costs includes wages, insurance premiums, office expenses, rent, royalty fees etc. It is projected to increase at nearly 20% CAGR.
- The other major cost i.e. administrative cost is scaled to maintain at Rs. 10.70 million in FY 2076/77.
- The company has distributed Rs. 8 million dividends from the profit of FY 2071/72 and Rs. 16.91 million dividend from the profit of FY 2072/73. However, there is no projection of dividend distribution further.

## Ratio Analysis

- EPS as of 4<sup>th</sup> Quarter 2073/74 is comparatively better as compared to other listed hydropower companies and the same is projected to increase.
- RoE is higher than the industry average in the 4 Quarter 2073/74. It is 13.61% while industry average is 9.09%. In projected period, RoE can be expected to be comparable to the industry.
- Similarly, RoA is 7.47% while industry average is 6.50%. The ratio is also projected to outperform the industry average ahead.
- However, the net profit margin is lower than the industry average. Industry average net profit margin as on 4<sup>th</sup> Quarter 2073/74 is 46.60% and the company has only growth of 43.35%. This margin is projected to increase ahead.

## Excerpts from Income Statement (in Millions)

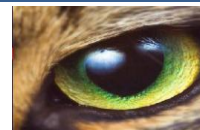
Particulars	Audited		Unaudited		Projected	
	72/73	73/74	74/75	75/76	76/77	
<b>Net Profit</b>	47.50	57.56	59.9	70.69	78.72	
<b>Revenue from Sale of Electricity</b>	129.21	132.77	136.76	140.86	145.08	
<b>Other Income</b>	5.66	11.98	17.09	18.28	20.83	
<b>Operating Cost</b>	14.89	13.85	18.12	19.69	21.42	
<b>Administrative Expenses</b>	11.97	14.08	16.22	11.41	10.70	
<b>Dividend</b>	16.91	-	-	-	-	

## Ratios

Particulars	Audited		Unaudited		Projected	
	72/73	73/74	74/75	75/76	76/77	
<b>EPS</b>	15.45	17.25	14.53	17.24	19.2	
<b>ROE (%)</b>	13.33	13.61	9.95	11.23	11.12	
<b>ROA (%)</b>	6.47	7.47	6.80	7.71	8.24	
<b>Net Profit Margin</b>	36.75%	43.35%	43.57%	50.18%	54.26%	

*Note: We have ignored any negative ratios and extraordinary figures to calculate the industry average. Barun hydro power company has not published the 1<sup>st</sup> quarter report so we have excluded it too.*

*Income from the project is exempted from Income Tax purpose for 7 years from the Commercial Operation Date that is till year 2077 BS. Therefore, tax could be levied on the dividend income after 2077 BS.*



**Strength – Weakness – Opportunities – Threat (SWOT) Analysis**

**STRENGTHS**

- 1) The company has the experienced and financially adequate promoters and management personnel having years of exposure in hydro sector development.
- 2) The company is promoted by other bigger hydro companies and has investment in many other hydro sectors, contributing its economic profile.
- 3) Insurance policy of Material Damage and Loss of Profit (Business Interruption) has been done with Prabhu Insurance Ltd. This has reduced the risks of equipment failure and loss of revenues.

**WEAKNESSES**

- 1) The average annual PLF in the past operational year has been 57% only, which is lower than design energy PLF of 68% and thus generated an average of 86% of annual contract energy, resulting in low profitability. Deduction of 4.61% of gross energy generation towards transmission line loss as per the terms of PPA also contributes to revenue loss.

**OPPORTUNITIES**

- 1) Nepal has huge Hydro potential. There is always an opportunity to the Radhi Bidyut Company Limited to study and initiate a smaller to larger hydro projects along with investment in such projects.
- 2) Budget 2074/75 has prioritized the production, transmission and distribution of hydroelectricity projects in the country for the economic growth.
- 3) The government has issued a white paper through “National Energy Crisis and Electricity Development Decade Plan” in February 2016 with the objective of ensuring energy security and develop 10,000 MW in 10 years.

**THREATS**

- 1) The project in which the company is going to invest the IPO proceeds is in nascent stages with considerable project execution risks and typical implementation risks together with increase in times and cost estimates.
- 2) Beside, lack of transmission line for power evacuation and equity funding gap for the proposed investment projects remain threat.

## Valuation of Company

**Relative Valuation Model-** The idea underlying relative valuation is that similar assets should sell at similar prices. The application of relative valuation is called the method of comparable. It estimates an asset's value relative to that of another asset (benchmark). The model helps to check whether a particular stocks is overvalued, undervalued or fairly valued in terms of measures like earnings, book value, cash flow, sales per shares by comparing the industry multiples. Here, we value the company based P/BV based multiples.

P/BV ratio shows the amount investors are willing to pay for each rupee of company *tangible* assets.

**P/BV Based Valuation Model** provides the intrinsic value of the company based on the actual book value of the company. The value is only a fair value and not a market value.

Based on the average industry P/BV ratio on end of FY 2073/74 and the projected book value of the company in the FY 2074/75, 2075/76 and 2076/77, the fundamental value computed is Rs.414, Rs. 466 and Rs. 525 respectively.

**Guideline Public Company Methods:** The value is based on the multiples of comparable public companies, where multiples are adjusted to reflect differences in the relative risk and growth prospects.

We assume the following:

- Discount for lack of control – Nil; since the company is a public company.
- Discount for lack of marketability – Nil; since the issue will be publicly listed in index.
- Discount for risk – Nil; since the issue is IPO and issued at par hence considered riskless.

*The value as per GPCM and P/BV method is found comparable though GPCM provide slightly higher value. We expect the market value of the company to be between Rs. 350 to Rs.750 during the projected periods.*

### P/B Based Valuation

Projected Year	Industry P/BV (As of 4 <sup>th</sup> Qtr)	BVPS of Company	Value of Shares
2074/75	3.04	136.14	414
2075/76	3.04	153.40	466
2076/77	3.04	172.80	525

Barun Hydropower P/BV ratio and other abnormal ratio are excluded.

Market Price is as of the 4<sup>th</sup> Quarter end 2073/74.

We assume Industry Average to be same.

### GPCM Valuation ('000)

	74/75	75/76	76/77
<b>EBITDA</b>	118,641.58	121,171.37	123,669.27
<b>Multipliers</b>	25.53		
<b>Enterprise Value</b>	3,028,412.90	3,092,987.64	3,156,748.5
<b>Market Value</b>	2,769,466.79	2,913,941.33	3,062,501.5
<b>Per share MV (Rs.)</b>	675.48	710.72	746.95

**Note:** The industry multiple is the ratio of Enterprise Value and EBITDA as of 4<sup>th</sup> Quarter 73/74.

Market Price is as of the 4<sup>th</sup> Quarter end 2073/74.

Operating Profit is taken as EBITDA due to inadequate financial figures for exact computation.

Hydro companies not listed and traded as of 4<sup>th</sup> Quarter are excluded.

## Tentative Allotment Module

Chapter 5, Article 30 of Securities Issue and Allotment Guidelines 2074 provides the new process of allotment of securities under which every valid applicant shall be allotted 10 kittas shares on the very first round of allotment and the round following then, provided the kittas available are sufficient for allotment to each eligible applicant. Otherwise, the lottery system will be followed.

On top right is the issue and applicants details of IPO of Nepal Hydro Developer Limited which was issued on Shrawan 27th as per new process. The IPO was oversubscribed by nearly 42 times where the average kitta applied by total applicants (both valid and invalid) was 87.69 units. The allotment was made through lottery.

We estimate the IPO of Radhi Bidyut Company Limited will be subscribed by nearly 255,000 applicants. And, the average kitta applied by all be 90 units. So the oversubscription is likely to be 32 times.

The recent notice of CDS and Clearing Limited for the multiple demat-holders to close the multiple demat account could affect the number of application. However, the ease of ASBA System could reduce the number of invalid applicants. Besides, the recent uptrend of hydro sector scripts in secondary market, together with political development could excite the prospective investors.

Therefore, the IPO of the company is most likely to be allotted on lottery basis. Past IPO result has always shown the higher number of application than the issue size. For our forecast of 255,000 applicants, the number of kittas required to satisfy all with minimum 10 kittas is 25,50,000. However, the company can only satisfy 71,103 applicants with 10 kitta shares, which is 27.88% out of total applicants.

*It would be prudent to apply for minimum 50 kittas, since a single time oversubscription would mean the allotment of 10 kittas on lottery basis.*

Nepal Hydro Developer Limited (NHDL)	
Issue Units	390,000
Staff (2%)	7,800
Mutual Fund (5%)	19,500
Public	362,700
Allotment Date	30/05/2074
Total Applicants	173,501
Valid Applicants	171,592
Invalid Applicants	1,909
Total Kitta Applied	15,214,790
Number of Allottees	36,270
Kittas Allotted	10
Allotment Basis	Lottery

Radhi Bidyut Company Limited	
Issue Units to Public	7,11,031
Estimated Applicants	255,000
Est. Applied Kittas	22,950,000
Oversubscription	32.28 x
Allotment	
Required Kittas	25,50,000
Available Kittas	711,031
Allotment Basis	Lottery
Number of Allottees	71,103
% Allotment	27.88%
Estimated Allotment Date	40 days
Estimated Listing Date	30 days of allotment
Estimated Trading Date	7 days of listing

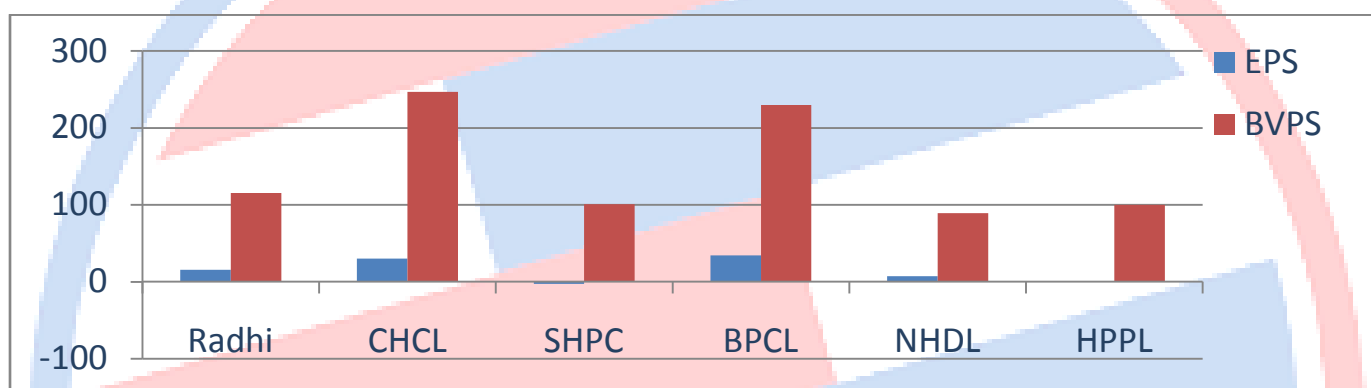
*As per Chapter 5, Article 29 of Securities Issue and Allotment Guidelines, 2074, the allotment of securities should be made within 30 days of issue if the number of applicants is upto 2 lakhs. For applicants from 2 lakhs to 3 lakhs, allotment period is 40 days and for applicants above 3 lakhs, allotment should be made within 50 days.*



## **Listing of IPO of Radhi Bidyut Company Limited**

The issue will be listed as per the Book value per share of the audited financial statements of the company before issue of the prospectus. The last audit was performed for FY 2072/73. The financial statement of FY 2073/74 has not yet been audited. The book value is Rs.115.4 in FY 2072/73. Therefore, the lower range of the listing will be Rs. 115.40 and the upper range will be the three times of the lower range i.e. Rs. 346. Listing price will be any amount in this range.

## **Comparative outlook of Radhi Bidyut Fundamental with other Trading Hydro Companies**



The above chart shows the EPS and BVPS of Radhi Bidyut vs other five hydro companies as per the audited statement of FY 2072/73. Radhi Bidyut HEP is a comparatively smaller project as compared to CHCL, BPCL, HPPL etc. However, the two major fundamental of Radhi Bidyut can be considered comparatively better already. Beside, the 4.4 MW project was commenced at Rs.613.2 million which is very cheap. The EPS and BVPS are projected to go further high. HPPL which has a 27 MW project is trading at Rs. 397. Since the issue of Radhi Bidyut is small and the company is commercially operating in profits, the share of the company is likely to do well in the trading floor.

## **Brief of Hydropower Sector in the Country:**

Nepal has immense hydro power potential, approximately 40,000 MW (economically feasible). However, there are 60 hydropower projects totalling an installed capacity of 441 MW in operation at present. Beside this, 151 hydro projects of approximately 2,932 MW are under construction. These hydro companies have all made the PPA agreement with the NEA for the installed capacity. As a result, there is minimal to zero market risk for the projects. The demand of electricity for households and industrial purposes are huge. Once the country become self-sufficient in electricity, export to the neighbouring country can add huge national revenues. After years long suffering of hours of load shedding, the problems has now seemed to be eased due to hydro sector falling in government major priorities. Government plan to develop 10,000 MW of electricity within 10 years and has also encouraged the private sector to initiate the hydro projects providing privileges like tax benefit. However, transmission and distribution centres require to be improved and upgraded which can handle the large supply of power.

## Technical Analysis



If we look on long term chart Hydropower index is down trending. Hydropower index has been trending inside a downward sloping channel. Hydropower sector is struggling to test the channel resistance around 2300. From long term perspective there are higher chances of testing this channel resistance but in short term it is less likely as market has found strong resistance around 2100 region, which means market may go lower in short term basis.

Although the market has recently fallen recently, technical indicators are still bullish on weekly chart suggesting downward move is not confirmed thus hydropower is still bullish as indicated by indicators on weekly chart. 5-week and 21-week moving averages suggests uptrend. Stochastic indicator is in overbought territory hinting possibilities of profit booking acts of traders.

ADX, also, has suggested uptrend of hydro sector. +DI of ADX is still above -DI which means market has not turned bearish yet. ATR (Average True Range) indicator is sideways suggesting normal volatility in the market.

To sum up, Hydropower sector has been bearish since long time and this bearish picture has not changed yet. Index may surge to test 2300 levels but it is less likely to stabilize in that region.

## RECOMMENDATION: BUY

The IPO of Radhi Bidyut Company Limited is **IDEAL** to apply for. The company has already completed the 4.4MW hydro project and is in commercial operation since 2071 BS. The financial statements are comparatively better than the other Hydro companies ready for IPO in the past. The company has a net profit of Rs. 47.50 million which is projected to increase at 13% CAGR. Other fundamentals also look comparable to the existing hydro companies. More importantly, the project was commissioned at a relatively low project cost i.e. Rs.13.9 crore per MW. However, it is to be noted that the IPO money shall be fully invested in the two other hydro power project i.e. Dordi-1 HEP and Rukum Gad HEP but the returns to the investors will be made only from the profits generated from the existing 4.4 MW Radhi Bidyut HEP of the company. The company is governed and managed by the well experienced and financially and politically sound personnel including other bigger hydro companies which shall provide support to the company even in its worst. Major risks in hydro sector are operational failure or natural calamities disruption. The average PLF of the project is below the designed PLF of 68%, due to which annual energy generation is below the projection. Revenues are projected assuming a 100% annual energy generation. But the company has generated only average of 86% of annual contract energy. This however has raise question over the reliability of the projection made. Provided this things are improved to its best and operational failures be minimized, the profitability of the company could rise up higher.

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