

DGPC records substantial increase in profit amongst companies under DHI



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DrukGreen

| USHA DRUKPA, THIMPHU

Druk Green and Power Corporation's (DGPC) profits after tax (PAT) has substantially increased by 1.1 billion over 2012 attributing it to the Power tariffs, better hydrology and also to larger extend the operational efficiency. The other companies that have done well in terms of PAT were Bhutan Power Corporation (BPC) 65m, DHI and infra about 5.37m and Bank of Bhutan Limited (BoBL) an increase by 17m.

Chief Executive Officer of DGPC said "DGPC generated 7,531.45MU of electricity during the year, an increase of 10.57% from 2012 and has achieved a power plant availability of 98.96% against an industry average of 93.24%. The revenue for the year of 2013 went up to 13.05B and due to that the PAT went up to 25%."

"We have done extremely well. DGPC has been consistently doing far better than utilities in the region and also in the international levels in terms of utilization of the water that is available for generation," CEO added.

He also said that Despite higher domestic consumption (increase by 4%), energy export to India increased by 14.2% from 2012, adding that DGPC is involved in implementation of government's vision to achieve 10,000MW by 2020.

Similarly CEO of Bhutan Power Corporation Limited (BPCL) Bharat Tamang said "we have performed well as a public utility company. BPCL manage to achieve 94% of the 10th FYP, while the plan target was for 100%."

He said BPCL has sold

1,841.4675MU of electricity as compared to 1,769.59MU in 2012, reflecting a growth about 4%. BPCL maintained global transmission loss at 1.11% as compared to 1.18% in 2012 and domestic transmission and distribution loss at 4.30% against 4.32% in 2012.

BPCL have achieved a customer satisfaction index of 3.78 against the set target of 3.65 and also achieved a System Average Interruption Duration Index (SAIDI) of 0.416 minutes at the transmission level and 2.799 minutes at the distribution level, CEO added.

He also said that BPCL has generated 18.446MU of electricity from embedded mini and micro-hydel; and wheeled 5,557.63MU of electricity to India for DGPC from 5,273.10MU in 2012, an increase of about 5% adding that around 14,802 customers during the year, taking the total number of customers to 146,497; and established the east-west transmission link.

Further he said that as part of the Rural Electrification (RE) project, 6,226 additional households were connected with electricity during the year and 830 households as part of the RE Fill-in project.

"Despite of many challenges, BoBL manage to perform better. The PAT increase from 660M to 17B. BoBL's deposit base increased by 7.79% from 2012 notwithstanding the country's overall bleak economic situation, indicating people's continued trust and confidence in the bank," CEO of BoBL said.

He also said that while the credit growth of other commercial banks decelerated in 2013, BoBL's loans

and advances increased by 2.62% from 2012 despite unfavorable economic conditions. The Gross Non-Performing Assets (GNPA) and Net Non-Performing Assets (NNPA) stood reasonably low at 6.88% and 1.48% respectively, he added.

He also said that BoBL had significant increase in Customer Satisfaction Index (CSI) from 3.65 in the previous year to 3.71 in 2013.

CEO of Druk Air, also said "The overall performance of the Druk Air has operated total flights of 3,822 compared to 3,555 in 2012, an increase of almost 8%, carrying 208, 125 passengers compared to 193,405 in 2012, an increase of almost 8%. While, for the cargo ferried increased by 68% and mail by 13%. A total of 276 domestic flights were operated carrying 490 passengers."

He said, despite increase in the number of scheduled flights by about 22% and the entrance of a new competitor, Druk Air achieved an average load factor of 69.6% against an industry average of 70%.

Druk Air has achieved an average over all on-time performance of 99% and has also achieved a customer satisfaction index of 3.6 against the set target of 3.9; and has also initiated implementation of risk management system, CEO added.

There was a decline in the airfare, it made more affordable for the people to travel and Druk Air have seen more number of passengers travelling. However, he said that Druk Air was able to operate much more in 2012 than 2013.

CEO of Bhutan Telecom Limited (BTL), Nidup Dorji



said the BTL had good revenue in the year 2013 with increase in revenue by almost 6%. He also said that every single person spent 300 Nu. On call, internet, music. In terms of PAT, it comes around 406.7M which is lower than what we had in 2012 and there are several reasons.

Pointing out the reason CEO of BTL said that the most prominent reason is the foreign currency fluctuation which affected us very badly because. BTL depends on outside who charges in term of dollars and pounds. Adding to that BT actually consciously reduced the tariff during 2013 especially for mobile data and internet users. For some packages we reduce the packages as much as 70% that was to stimulate the growth of data in the country.

"I am happy to say that there were 23000 data users in March 2013 which grew to 120,000 at the end of year, currently we have over 135000 mobile users registered for 3G", said CEO.

CEO of Natural Resources Development Corporation Limited (NRDCL) said that though they worked hard in 2013 they don't have the privilege of announcing the higher revenue PAT.

"We are working under such a condition which is based on the government policy. we have to be mindful of our social mandates such as making our natural resources available, affordable and accessible", said CEO of NRDCL.

However, NRDCL faced a huge challenge of the market being turned down that affected the construction sectors. He also said, they have been facing the difficulties of meeting the demand and because of economic crisis the demands declined. Well NRDCL did not do well on financial performance with decrease by 40.6%.

"However we did quite satisfactory well in many other commodities", said CEO.