कम्पनी ऐन २०६३ अन्तर्गत स्थापित (शेयरमा सिमित दायित्व भएको)

आँखुखोला जलविद्युत कम्पनी लिमिटेड

ANKHUKHOLA HYDROPOWER

का.म.न.पा. वडा नं. १, नारायणचौर नक्साल, काठमाण्डौ

फोन नं. : ०१-४४२९७८९ फ्याक्स नं. : ०१-४४२९७८९

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Unaudited Financial Results (Quarterly)

As at 1st Quarter 31st Ashwin 2075 of the Fiscal Year 2075/2076

Particulars	This Quarter Ending As on 31-06-2075	Previous Quarter Ending As on 32-03-2075	Corresponding Previous Year Quarter Ending As on 31-06-2074
Capital & Liabilities	Nrs.	Nrs.	Nrs.
Equity Holder's Fund			
Sources of Fund			
Share Capital	662,398,000.00	600,000,000.00	600,000,000.00
Reserve & Surplus	(172,656,462.03)	(186,586,733.12)	(252,176,724.52)
Total Equity Holder's Fund	**489,741,537.97**	**413,413,266.88**	**347,823,275.48**
Secured Loan			
Long term Loan (Consortium)	1,525,683,532.01	1,531,683,532.01	1,536,683,532.01
Sub Total	**1,525,683,532.01**	**1,531,683,532.01**	**1,536,683,532.01**
Total	**2,015,425,069.98**	**1,945,096,798.89**	**1,884,506,807.49**
Asssets			
Non Current Assets			
Property, Plant & Equipment	2,426,871,656.60	2,426,871,656.60	2,427,320,344.35
Less: Accumulated Depreciation	(412,822,079.28)	(392,579,723.39)	(332,625,916.28)
Sub Total	**2,014,049,577.32**	**2,034,291,933.21**	**2,094,694,428.07**
Net Non Current Assets	**2,014,049,577.32**	**2,034,291,933.21**	**2,094,694,428.07**
Investment at Cost	**6,600,000.00**	**6,600,000.00**	**6,600,000.00**
Current Assets			
Cash & Bank Balance	1,091,962.12	86,591.85	1,369,681.95
Loans, Advances, Prepaid and Deposit	10,951,635.66	7,017,852.58	12,986,283.46
Receivable from NEA	181,519,577.70	141,993,822.94	140,615,415.15
Total Current Assets	**193,563,175.48**	**149,098,267.37**	**154,971,380.56**
Less: Current liabilities & Provisions			
Bank Overdraft	10,863,545.22	27,000,000.00	19,064,670.75
Sundry Creditors and Payables	4,268,522.25	141,578,576.52	131,412,455.97
Other Payable	183,655,615.35	76,314,825.17	221,281,874.42
Total Current Liabilities & Provisions	**198,787,682.82**	**244,893,401.69**	**371,759,001.14**
Net Current Assets	**(5,224,507.34)**	**(95,795,134.32)**	**(216,787,620.58)**
Total	**2,015,425,069.98**	**1,945,096,798.89**	**1,884,506,807.49**

Particulars	This Quarter Ending As on 31-06-2075 Nrs.	Previous Quarter Ending As on 32-03-2075 Nrs.	Corresponding Previous Year Quarter Ending As on 31-06-2074 Nrs.
Income From Sale of Electricity	82,135,206.67	202,385,302.53	82,168,270.40
Interest Income	43.71	161.15	39.48
Other Income	-	108,956,334.76	-
A. Total Income	**82,135,250.38**	**311,341,798.44**	**82,168,309.88**
Less:			
Administrative & General Expenses	2,415,540.18	14,181,262.87	1,980,135.49
Generation & Distribution Expenses	6,792,377.73	36,938,572.76	11,121,725.24
Finance Expenses	38,374,705.33	158,529,867.84	39,632,466.96
Depreciation & Amortization	20,242,355.89	81,020,365.44	20,390,943.20
Total Expenses	**67,824,979.13**	**290,670,068.91**	**73,125,270.89**
Net Profit/(Loss)	**14,310,271.25**	**20,671,729.53**	**9,043,038.99**
Staff Bonus Provision	-	-	-
Net Profit Before Tax	**14,310,271.25**	**20,671,729.53**	**9,043,038.99**
Income Tax Provision	-	-	-
Net Profit after tax of the Year	**14,310,271.25**	**20,671,729.53**	**9,043,038.99**

FIRST QUARTER DISCLOSURE AS OF 31st ASWIN 2075 (17th OCTOBER 2018) 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 first quarter and financial ratios have been published along with this report.
- Pursuant to life of the project, the company has deducted depreciation so that all the investments made on electricity generation, transmission or distribution is paid back in 30 years from the Date of Commercial Operation. In case of other fixed assets, depreciation has been calculated based on Written Down Value (WDV) as per the provisions of Income Tax Act, 2058.
- Till the end of Aswin 2075, Ankhu Khola Hydropower Project (8.4 MW) has generated total revenue of Rs. 82,135,206.67 against total revenue of Rs. 82,168,270.40 on first quarter of FY 2074/75.
- Due to power evacuation problem at Debighat Substation of Nepal Electricity Authority, company has not been able to operate plants at installed capacity of the project (8.4 MW) during the month of Bhadra. As a result of this, the company has suffered revenue loss of approximately Rs. 3 million on first quarter of FY 2075/76.
- Receivables From nea include Rs. 1,203,126,511.12 for 20% increment in PPA rate (Posted Rate) of the third amendment of Power Purchase Agreement entered on 19th Ashad 2069. The amount of posted rate has not been received since Mangsir 2071. The company has filed a writ petition at Patan High Court against concerned government authorities for posted rate receivables. Honourable High Court has made decision in favour of company and this amount is expected to be received during second quarter of FY 2075/76.
- As decided by Council of Ministers on 8th Chaitra 2067 and approved by Federal Parliament, Nepal on 9th Chaitra, 2067 for projects completed and connected to National Grid by 2079-80, lump sum amount of Rs. 50 lakhs per Mega Watt to be provided as Government Grant. Additional 10% will be provided to those projects which will be completed and connected to National Grid by 2074-75. Ankhu Khola -1 (8.4 MW) has been connected to National Grid on 8th Bhadra 2070. Being installed capacity of 8.4 MW, the company will get grant of Rs. 4.62 Crore from Nepal Government. This income has not been included in revenue as it is not received yet from Nepal Government.

2 MAJOR FINANCIAL HIGHLIGHTS AND ANALYSIS

Earning Per Share (EPS)	Rs. 2.16
Current Ratio	0.97
Networth Per Share	73.93
Market Value Per Share	-
Price Earning Ratio	-

Financial Analysis

- During the first quarter company has floated 800,000 units of ordinary shares to locals of Dhading District. Out of which local people have applied for 623,980 units of shares and the allotment was concluded on 4th Aswin, 2075. This amount has been capitalized on Share Capital of the Company.
- Negative reserve and plus has decreased due to profit earned during first quarter.
- Compared to last year Net Profit After Tax has increased due to minimization of Generation and Distribution expenses and Finance Expenses.

3 LEGAL PROCEEDINGS

- During the period a writ petition was filed at Patan High Court against concerned government authorities regarding non payment of 20% increase in Power Purchase Agreement Rate (Posted Rate). Honourable High Court has made decision in favour of company.
- Regarding payment dispute of Ankhu Khola Jalvidhyut Company and Ramechhap Sherpa Construction Pvt. Ltd. (Civil Contractor of the Ankhu Khola Hydropower Project) the proceedings is being undertaken through appointment of Arbitration.

4 ANALYSIS ON SHARE TRANSACTION OF THE COMPANY

Company's shares are in the process of listing so no shares were traded during the period.

5 PROBLEMS AND CHALLENGES

Internal

- Retention of skilled human resources.
- To maintain operational efficiency on Power plant operation.

External

- Inconsistent regulatory and policy level commitment from the government regulatory agencies in development of hydroelectric projects.
- Delay on regulatory approvals by the government agencies.
- Fluctuating cost of capital.
- Loss due to natural disaster and shut down of Power Plant operations.

Strategies followed by the management

- Use of Internal manpower enhancing training and development.
- Maintaining optimum operational efficiency.
- Raising fund through Initial Public Offerings (IPO) and reducing high cost debt.

6 CORPORATE GOVERNANCE

The Board of Directors and Management team are committed for strengthening good corporate governance within the company. The company has Financial Administrative Policy, Employee Service regulation and other policies and guidelines for proper functioning of the operations of the Company.

7 DECLARATION

I, the Executive Head of this Company, take the responsibility of accuracy of the information and details mentioned in this report for the period up to First quarter of F/Y 2075/76, 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.