कम्पनी ऐन २०६३ अन्तर्गत स्थापित (सेयरमा सिमित दायित्व भएको)

# Ankhu Khola Jalvidhyut Company Limited

Anamnagar, Kathmandu | website: www.aankhukholahydro.com.np

# Unaudited Financial Reports (Quarterly)

As at 2nd Quarter (2080.09.29) of Fiscal year 2080/081

| Particulars | This Quarter Ending As on 29-09-2080 | PreviousQuarter Ending As on 30-06-2080 | Corresponding Previous Year Quarter Ending As on 30-09-2079 |
|---|---|---|---|
| **Assets** | Nrs. | Nrs. | Nrs. |
| **Non-Current Assets** | **1,779,793,499** | **1,786,686,947** | **1,807,568,367** |
| Property, Plant & Equipment | 1,779,793,499 | 1,786,686,947 | 1,807,568,367 |
| **Financial Assets** | **6,600,000** | **6,600,000** | **6,600,000** |
| Investment in Associates | - | - | - |
| Other Equity Investments | 6,600,000 | 6,600,000 | 6,600,000 |
| Deffered Tax | - | - | - |
| **Total Non-Current Assets** | **1,786,393,499** | **1,793,286,947** | **1,814,168,367** |
| **Current Assets** | | | |
| Inventories | - | - | - |
| **Financial Assets** | | | |
| Trade Receivables | 100,122,339 | 110,109,034 | 100,510,248 |
| Cash & Cash Equivalents | 56,710 | 32,653 | 6,577,935 |
| Other Current Assets | 8,490,361 | 9,462,363 | 8,594,880 |
| **Total Current Assets** | **108,669,410** | **119,604,050** | **115,683,062** |
| Assets Held for Sale | - | - | - |
| **Total Assets** | **1,895,062,908** | **1,912,890,997** | **1,929,851,429** |
| **Equity & Liabilities** | | | |
| **Equity** | | | |
| Equity Share Capital | 800,000,000 | 800,000,000 | 800,000,000 |
| Other Equity | (231,842,955) | (237,391,622) | (212,031,267) |
| **Total Equity** | **568,157,045** | **562,608,378** | **587,968,733** |
| **Non-Current Liabilities** | | | |
| **Financial Liabilities** | | | |
| Borrowing | 1,186,092,316 | 1,202,669,756 | 1,235,770,818 |
| Deffered Tax | - | - | - |
| **Total Non-Current Liabilities** | **1,186,092,316** | **1,202,669,756** | **1,235,770,818** |
| **Current Liabilities** | | | |
| **Financial Liabilities** | | | |
| Borrowings | 82,900,000 | 84,600,000 | 56,000,000 |
| Trade Payables | 4,399,952 | 4,759,401 | 4,912,667 |
| Other Financial Liabilities | 53,502,656 | 58,192,435 | 45,111,114 |
| Current tax Liabilities (Net) | - | - | - |
| Provisions | - | - | - |
| Other Liabilities | 10,939 | 61,027 | 88,097 |
| **Total Current Liabilities** | **140,813,547** | **147,612,863** | **106,111,879** |
| **Total Liabilities** | **1,326,905,863** | **1,350,282,619** | **1,341,882,696** |
| **Total Equity & Liabilities** | **1,895,062,908** | **1,912,890,997** | **1,929,851,429** |

| Particulars | This Quarter Ending As on 29-09-2080 | Previous Quarter Ending As on 30-06-2080 | Corresponding Previous Year Quarter Ending As on 30-09-2079 |
|---|---|---|---|
| **Revenue** | **107,601,392** | **58,532,770** | **122,326,871** |
| **Cost of Sales** | | | |
| Generation & Distribution Expenses | (15,709,534) | (8,195,480) | (25,204,339) |
| **Gross Profit** | **91,891,859** | **50,337,290** | **97,122,532** |
| Depreciation | (13,786,896) | (6,893,448) | (14,052,558) |
| Other Income | 1,140,845 | 167,268 | 1,755,988 |
| Administrative & General Expenses | (6,788,586) | (4,870,869) | (5,102,386) |
| Gain/(loss) on sale of Non-Current Assets Held for Sale | - | - | - |
| **Profit from Operation** | **72,457,222** | **38,740,242** | **79,723,576** |
| Finance Income | - | - | 15 |
| Finance Costs | (57,222,054) | (29,053,741) | (53,064,966) |
| **Profit before taxes** | **15,235,169** | **9,686,501** | **26,658,625** |
| Income Tax Expenses | - | - | - |
| Current Tax | - | - | - |
| Deffered Tax Credit/Charge | - | - | - |
| **Profit for the Year** | **15,235,169** | **9,686,501** | **26,658,625** |
| Other Comprehensive Income<br>Other Comprehensive Income not to be reclassified to profit or loss in subsequents periods<br>i. Re-Measurement (losses)/Gains on Post Employment Defined Benefit Plans<br>ii. Equity Instruments through Other Comprehensive Income<br>iii. Tax Relating items that will not to be classified to Profit or Loss<br>Other Comprehensive Gain/(Loss) for the Year (Net of Tax)<br>Total Comprehensive Gain/(Loss) for the Year (Net of Tax) | 15,235,169 | 9,686,501 | 26,658,625 |
| **Major Financial Highlights** | | | |
| Earning per share-Annualized (in Rs.) | 3.81 | Net Worth Per Share | 71 |
| Current Ratio | 0.77 | Market Value Per Share | 214 |

## SECOND QUARTER DISCLOSURE AS OF 29th POUSH, 2080 (14th JANUARY, 2024) 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 second quarter and financial ratios have been published along with this report.
- The revenue of company has been hugely affected by production cut down imposed by NEA as such the reduction has affected the smooth operation of the company financially. The company has processed claim for compensation with NEA for production cut down period.
- The company will depreciate all the investments made on civil works, electricity generation, transmission or distribution within remaining license period. In case of other fixed assets, depreciation has been calculated based on Written Down Value (WDV).
- Trade receivables include Rs. 5,55,88,410 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 was not received since Mangsir 2071 and the company had filed a writ petition at Patan High Court against concerned government authorities for posted rate receivables. After the honorable High Court had made decision in favor of company, Rs. 105,016,971 has been received from Ministry of Energy, Water Resources and Irrigation till fourth quarter of FY 2076/77 and additional Rs. 97,66,849 is received for second quarter of FY 2077/78. Remaining amount is expected to be received during FY 2080/081.
- 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.3.81 | Market Value Per Share | Rs.214 |
| Current Ratio | 0.77 | Price Earning Ratio | 56 |
| Net worth Per Share | Rs. 71 | | |

**Financial Analysis**

- Total Revenue up to second quarter has been decreased by Rs. 14.72 million as compared to total revenue up to second quarter of FY 2079.080 due to the production cut down imposed by NEA during first quarter. Compensation claim, which has not been reported in this report, has been processed with NEA and when the compensation amount is received from NEA, it shall be adjusted accordingly in next quarterly report.
- Administrative & General Expenses for second quarter has been increased by Rs.1.68 million as compared to Administrative & General Expenses for the second quarter of FY 2079.2080 due to right issue processing cost.
- Generation and Distribution expenses for second quarter have been decreased by Rs.9.49 million as compared to Generation and Distribution Expenses for the second quarter of FY 2079.2080 due to no major repair & maintenance cost comparing to last year second quarter.
- Finance Cost for the second quarter has been increased by Rs 4.15 million as compared to finance cost for the second quarter of FY 2079.2080 due to expiry of special refinance loan on Magh 2079.
- Other Income for the second quarter has been decreased by Rs. 0.61 million as compared to second quarter of FY 2079.2080. Other income was received from Insurance claim on property insurance policy on FY 2080.081.

### 3 LEGAL PROCEEDINGS

- Regarding payment dispute of Ankhu Khola Jalvidhyut Company Limited and Ramechhap Sherpa Construction Pvt. Ltd. (Civil Contractor of the Ankhu Khola Hydropower Project) the proceedings has been sent for new arbitration process as per order of Patan High Court.

### 4 ANALYSIS ON SHARE TRANSACTION OF THE COMPANY

- Ankhu Khola Jalvidhyut Company Limited's (AKJCL) shares were actively traded during second quarter.
- The major highlights of share transaction during the quarter are as follows:-

| | |
|---|---|
| Maximum Price :- Rs. 240 | Minimum Price :- Rs. 141.30 |
| Closing Price :- Rs. 214.00 | Transaction Day:- 49 |
| No. of transaction:- 10,638.00 | Transaction volume:- 21,36,300.00 |
| Total Turnover:- Rs. 42,08,10,748.60 | |

### 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 payment by the government authorities for the payment such as posted rate, Rs. 50 Lakhs per MW of Grant etc.
- High rate of interest charged by banks and financial institutions for long term projects such as hydropower.
- 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.

### 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 second quarter of FY 2080.2081, 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.