कम्पनी ऐन २०६३ अन्तर्गत स्थापीत (सेयरमा सिमित दायित्व भएको)

Ankhu Khola Jalvidhyut Company Ltd.

Anamnagar, Kathmandu

Website : www.aankhukholahydro.com.np

Unaudited Financial Reports (Quarterly)

As at 3rd Quarter (2078.12.30) of Fiscal year 2078/079

Particulars	This Quarter Ending	" Previous Quarter Ending "	"Corresponding Previous Year Quarter Ending"
	As on 30-12-2078	As on 30-09-2078	As on 31-12-2077
Assets	Nrs.	Nrs.	Nrs.
Non-Current Assets	1,824,175,987	1,830,239,107	1,851,448,750
Property, Plant & Equipment	1,824,175,987	1,830,239,107	1,851,448,750
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	1,830,775,987	1,836,839,107	1,858,048,750
Current Assets			
Inventories	-	-	-
Financial Assets			
Trade Receivables	97,003,367	103,371,936	88,299,846
Cash & Cash Equivalents	10,518,190	14,720,566	769,412
Other Current Assets	9,238,455	9,956,260	7,962,026
Total Current Assets	116,760,012	128,048,762	97,031,284
Assets Held for Sale	-	-	-
Total Assets	1,947,535,999	1,964,887,869	1,955,080,034
Equity & Liabilities			
Equity			
Equity Share Capital	800,000,000	800,000,000	800,000,000
Other Equity	(232,904,579)	(225,580,501)	(248,504,789)
Total Equity	567,095,421	574,419,499	551,495,211
Non-Current Liabilities			
Financial Liabilities			
Borrowing	1,280,229,419	1,294,229,419	1,180,082,532
Deffered Tax	-	-	-
Total Non-Current Liabilities	1,280,229,419	1,294,229,419	1,180,082,532
Current Liabilities			
Financial Liabilities			
Borrowings	44,000,000	40,000,000	168,999,912
Trade Payables	5,120,136	5,126,826	5,494,286
Other Financial Liabilities	51,084,914	51,082,785	48,941,086
Current tax Liabilities (Net)	-	-	-
Provisions	-	-	-
Other Liabilities	6,108	29,340	67,007
Total Current Liabilities	100,211,159	96,238,951	223,502,290
Total Liabilities	1,380,440,578	1,390,468,370	1,403,584,823
Total Equity & Liabilities	1,947,535,999	1,964,887,869	1,955,080,034

Particulars	This Quarter Ending	" Previous Quarter Ending "	"Corresponding Previous Year Quarter Ending"
	As on 30-12-2078	As on 30-09-2078	As on 31-12-2077
Revenue	173,796,639	136,576,070	147,877,246
Cost of Sales			
Generation & Distribution Expenses	30,416,217	21,877,948	19,858,647
Gross Profit	143,380,422	114,698,122	128,018,599
Depreciation	21,129,888	14,069,563	21,449,306
Other Income	676,291	443,251	931,800
Administrative & General Expenses	6,125,392	3,896,571	5,759,858
Gain/(loss) on sale of Non-Current Assets Held for Sale	-	-	-
Profit from Operation	116,801,433	97,175,239	101,741,235
Finance Income	44	30	51
Finance Costs	86,350,456	59,400,169	90,402,568
Profit before taxes	30,451,021	37,775,099	11,338,718
Income Tax Expenses	-	-	-
Current Tax	-	-	-
Deffered Tax Credit/Charge	-	-	-
Profit for the Year	30,451,021	37,775,099	11,338,718
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to profit or loss in subsequents periods			
i. Re-Measurement (losses)/Gains on Post Employment Defined Benefit Plans			
ii. Equity Instruments through Other Comprehensive Income			
iii. Tax Relating items that will not to be classified to Profit or Loss			
Other Comprehensive Gain/(Loss) for the Year (Net of Tax)			
Total Comprehensive Gain/(Loss) for the Year (Net of Tax)	30,451,021	37,775,099	11,338,718
Major Financial Highlights			
Earning per share - Annualized (in Rs.)	5.08	Net Worth Per Share	70.89
Current Ratio	1.17	Market Value Per Share	251.00

THIRD QUARTER DISCLOSURE AS OF 30th CHAITRA, 2078 (13th April, 2022) 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 third quarter and financial ratios have been published along with this report.
- Special Refinance Loan of amount Rs. 20 crore has been obtained since Falgun 2078 from NRB, for a period of one year.
- The depreciation figure shown in previously published quarterly report of Chaitra end 2077 has been rectified, which has been presented in comparison figure, in line with revision in depreciation method by management since FY 2077.78 onwards. i.e previously reported figure Rs. 6,05,65,452 revised to Rs. 2,14,49,306. The Company had revised the depreciation pattern of assets since end of Asadh 2078. The revision in depreciation method is adopted considering the pattern in which the asset's future economic benefits are expected to be consumed by the entity. The depreciable amount of intangible asset with a finite useful life has been allocated on systematic basis over the useful life. The method used is selected on the basis of the expected pattern of consumption of the expected future economic benefits embodied in the asset. 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 honourable High Court had made decision in favour 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 2078/079.
- 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. 5.08
Current Ratio	1.17
Net worth Per Share	Rs. 70.89
Market Value Per Share	Rs. 251
Price Earning Ratio	49.41

Financial Analysis

- Total Revenue up to third quarter has been increased by Rs. 25.92 million as compared to total revenue up to third quarter of FY 2077/078.
- Administrative & General Expenses for third quarter has been increased by Rs. 0.36 million as compared to Administrative & General Expenses for the third quarter of FY 2077/078.
- Generation and Distribution expenses for third quarter have been increased by Rs. 10.56 million as compared to Generation and Distribution Expenses for the third quarter of FY 2077/078 due to increase in Insurance Cost and maintenance cost of retention wall .
- Finance Cost for the third quarter has been decreased by Rs 4.05 million as compared to Finance cost for the third quarter of FY 2077/078 due to special refinance loan and increase in payment of principal portion.
- Other Income for the third quarter had been decreased by Rs. 0.26 million as compared to third quarter of FY 2077/078. Other income is received from NEA which was deducted as short supply penalty on FY 2077/78.

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 is being carried on at 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. 350	Minimum Price : Rs. 240
Closing Price : Rs. 251	Transaction Day : 58
No. of transaction : 31495	Transaction volume : 53,14,713.00
Total Turnover : Rs. 1,66,36,39,063.10	

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 third quarter of FY 2078/079, 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.