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 4th Quarter (2080.03.31) of Fiscal year 2079/080

| Particulars | This Quarter Ending As on 31-03-2080 | Previous Quarter Ending As on 30-12-2079 | Corresponding Previous Year Quarter Ending As on 32-03-2079 |
|---|---|---|---|
| **Assets** | Nrs. | Nrs. | Nrs. |
| **Non-Current Assets** | **1,793,580,394** | **1,800,542,088** | **1,819,358,088** |
| Property, Plant & Equipment | 1,793,580,394 | 1,800,542,088 | 1,819,358,088 |
| **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** | **1,800,180,394** | **1,807,142,088** | **1,825,958,088** |
| **Current Assets** | | | |
| Inventories | - | - | - |
| **Financial Assets** | | | |
| Trade Receivables | 102,026,568 | 91,918,703 | 112,455,094 |
| Cash & Cash Equivalents | 1,129,007 | 5,378,722 | 2,166,255 |
| Other Current Assets | 5,349,161 | 7,358,524 | 6,776,140 |
| **Total Current Assets** | **108,504,736** | **104,655,949** | **121,397,489** |
| Assets Held for Sale | - | - | - |
| **Total Assets** | **1,908,685,131** | **1,911,798,037** | **1,947,355,577** |
| **Equity & Liabilities** | | | |
| **Equity** | | | |
| Equity Share Capital | 800,000,000 | 800,000,000 | 800,000,000 |
| Other Equity | (243,151,155) | (230,037,468) | (238,592,614) |
| **Total Equity** | **556,848,845** | **569,962,532** | **561,407,386** |
| **Non-Current Liabilities** | | | |
| **Financial Liabilities** | | | |
| Borrowing | 1,218,340,252 | 1,234,970,818 | 1,271,623,735 |
| Deffered Tax | - | - | - |
| **Total Non-Current Liabilities** | **1,218,340,252** | **1,234,970,818** | **1,271,623,735** |
| **Current Liabilities** | | | |
| **Financial Liabilities** | | | |
| Borrowings | 84,600,000 | 56,800,000 | 61,647,543 |
| Trade Payables | 4,454,252 | 5,394,522 | 5,801,615 |
| Other Financial Liabilities | 44,399,942 | 44,670,165 | 46,870,799 |
| Current tax Liabilities (Net) | - | - | - |
| Provisions | - | - | - |
| Other Liabilities | 41,838 | - | 4,500 |
| **Total Current Liabilities** | **133,496,032** | **106,864,687** | **114,324,457** |
| **Total Liabilities** | **1,351,836,284** | **1,341,835,505** | **1,385,948,191** |
| **Total Equity & Liabilities** | **1,908,685,131** | **1,911,798,037** | **1,947,355,577** |

| Particulars | This Quarter Ending As on 31-03-2080 | Previous Quarter Ending As on 30-12-2079 | Corresponding Previous Year Quarter Ending As on 32-03-2079 |
|---|---|---|---|
| **Revenue** | **192,216,990** | **154,521,541** | **222,982,094** |
| **Cost of Sales** | | | |
| Generation & Distribution Expenses | 50,680,193 | 39,247,455 | 44,525,726 |
| **Gross Profit** | **141,536,798** | **115,274,086** | **178,456,368** |
| Depreciation | 28,134,876 | 21,078,837 | 28,289,106 |
| Other Income | 2,031,963 | 1,788,747 | 793,971 |
| Administrative & General Expenses | 9,678,935 | 7,250,745 | 8,869,037 |
| Gain/(loss) on sale of Non-Current Assets Held for Sale | - | - | - |
| **Profit from Operation** | **105,754,950** | **88,733,251** | **142,092,196** |
| Finance Income | 15 | 15 | 59 |
| Finance Costs | 110,216,227 | 80,080,842 | 117,278,451 |
| **Profit before taxes** | **(4,461,262)** | **8,652,424** | **24,813,804** |
| Income Tax Expenses | - | - | - |
| Current Tax | - | - | - |
| Deffered Tax Credit/Charge | - | - | - |
| **Profit for the Year** | **(4,461,262)** | **8,652,424** | **24,813,804** |
| 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) | (4,461,262) | 8,652,424 | 24,813,804 |
| **Major Financial Highlights** | | | |
| Earning per share - Annualized (in Rs.) | (0.56) | Net Worth Per Share | 69.61 |
| Current Ratio | 0.81 | Market Value Per Share | 192.50 |

## FOURTH QUARTER DISCLOSURE AS OF 31st ASHADH, 2080 (16th JULY, 2023) 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 fourth quarter and financial ratios have been published along with this report.
- The revenue of company has been hugely affected by low rainfall as well as 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 as such the revenue might slightly differ from the reported amount in this report and will be adjusted in annual report accordingly based on compensation amount received.
- 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 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. (0.56) | Market Value Per Share | Rs. 192.50 |
| Current Ratio | 0.81 | Price Earning Ratio | (345.19) |
| Net worth Per Share | Rs. 69.61 | | |

**Financial Analysis**

- Total Revenue up to fourth quarter has been decreased by Rs. 30.76 million as compared to total revenue up to fourth quarter of FY 2078.079 due to decrease in hydrology and the production restriction imposed by NEA during fourth quarter. Compensation claim has been processed with NEA and the compensation amount to be received shall be adjusted in annual report accordingly, which has not been reported in this report.
- Administrative & General Expenses for fourth quarter has been increased by Rs.0.81 million as compared to Administrative & General Expenses for the fourth quarter of FY 2078.079 due to staff cost increment.
- Generation and Distribution expenses for fourth quarter have been increased by Rs.6.15 million as compared to Generation and Distribution Expenses for the fourth quarter of FY 2078.079 due to maintenance cost of turbine.
- Finance Cost for the fourth quarter has been decreased by Rs 7.06 million as compared to Finance cost for the fourth quarter of FY 2078.079 due to special refinance loan till Magh 079 and increase in payment of principal portion.
- Other Income for the fourth quarter has been increased by Rs. 1.23 million as compared to fourth quarter of FY 2078.079. Other income is received from Insurance claim on Machinery breakdown on FY 2079/80.

### 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 fourth quarter.
- The major highlights of share transaction during the quarter are as follows:-

| | | |
|---|---|---|
| Maximum Price:- Rs. 238.6 | Minimum Price:- Rs. 185.5 | Total Turnover:- Rs. 55,20,39,268.80 |
| Closing Price:- Rs. 192.50 | Transaction Day:- 62 | |
| No. of transaction:- 12,654 | Transaction volume:- 25,88,921.00 | |

### 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 fourth quarter of FY 2079.2080, 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.