

**Unaudited Financial Reports (Quarterly)**As at 2nd Quarter (2081.09.29) of Fiscal year 2081/082

Particulars	This Quarter Ending As on 29-09-2081	Previous Quarter Ending As on 30-06-2081	Corresponding Previous Year Quarter Ending As on 29-09-2080
Assets	Nrs.	Nrs.	Nrs.
Non-Current Assets	1,752,553,266	1,759,320,784	1,786,686,947
Property, Plant & Equipment	1,752,553,266	1,759,320,784	1,786,686,947
Financial Assets	37,800,000	23,300,000	6,600,000
Investment in Associates	-	-	-
Other Equity Investments	37,800,000	23,300,000	6,600,000
Deffered Tax	-	-	-
Total Non-Current Assets	1,790,353,266	1,782,620,784	1,793,286,947
Current Assets			
Inventories	-	-	-
Financial Assets			
Trade Receivables	93,099,993	105,357,603	110,109,034
Cash & Cash Equivalents	716,280,359	518,910,881	32,653
Other Current Assets	25,715,152	11,223,222	9,462,363
Total Current Assets	835,095,504	635,491,707	119,604,050
Assets Held for Sale	-	-	-
Total Assets	2,625,448,770	2,418,112,491	1,912,890,997
Equity & Liabilities			
Equity			
Equity Share Capital	2,000,000,000	1,824,975,200	800,000,000
Other Equity	(214,203,107)	(252,920,364)	(237,391,622)
Total Equity	1,785,796,893	1,572,054,836	562,608,378
Non-Current Liabilities			
Financial Liabilities			
Borrowing	695,452,305	712,824,647	1,202,669,756
Deffered Tax	-	-	-
Total Non-Current Liabilities	695,452,305	712,824,647	1,202,669,756
Current Liabilities			
Financial Liabilities			
Borrowings	77,945,623	84,957,585	84,600,000
Trade Payables	4,224,863	4,297,528	4,759,401
Other Financial Liabilities	45,482,682	43,945,964	58,192,435
Current Tax Liabilities (Net)	-	-	-
Provisions	16,445,000	-	-
Other Liabilities	101,404	31,931	61,027
Total Current Liabilities	144,199,572	133,233,008	147,612,863
Total Liabilities	839,651,876	846,057,655	1,350,282,619
Total Equity & Liabilities	2,625,448,770	2,418,112,491	1,912,890,997

Particulars	This Quarter Ending As on 29-09-2081	Previous Quarter Ending As on 30-06-2081	Corresponding Previous Year Quarter Ending As on 29-09-2080
Revenue	92,103,627	53,646,169	107,601,392
Cost of Sales			
Generation & Distribution Expenses	(18,189,787)	(8,638,521)	(15,7095,34)
Gross Profit	73,913,840	45,007,648	91,891,859
Depreciation	(13,535,037)	(6,767,519)	(13,786,896)
Other Income	9,945,000	-	1,140,845
Administrative & General Expenses	(7,738,194)	(3,373,442)	(6,788,586)
Gain/(loss) on sale of Non-Current Asse	-	-	-
Profit from Operation	62,585,609	34,866,687	72,457,222
Finance Income	2,882,328	-	-
Finance Costs	(46,804,897)	(26,536,426)	(57,222,054)
Profit before taxes	18,663,041	8,330,262	15,235,169
Income Tax Expenses	-	-	-
Current Tax	-	-	-
Deffered Tax Credit/Charge	-	-	-
Profit for the Year	18,663,041	8,330,262	15,235,169
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 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)	18,663,041	8,330,262	15,235,169
Major Financial Highlights			
Earning per share - Annualized (in Rs.)	1.87	Net Worth Per Share	89
Current Ratio	5.79	Market Value Per Share	196.50

SECOND QUARTER DISCLOSURE AS OF 29th Poush, 2081 (13th 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 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 2081/082.
- 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. 1.87	Market Value Per Share	Rs. 196.5	Current Ratio	5.79
Price Earning Ratio	105	Net worth Per Share	Rs. 89		

Financial Analysis

- Total Revenue up to second quarter has been decreased by Rs. 15.49 million as compared to total revenue up to second quarter of FY 2080.081 due to Hydrology and the production cut down imposed by NEA.
- Administrative & General Expenses for second quarter has been increased by Rs. 0.94 million as compared to Administrative & General Expenses for the second quarter of FY 2080.081 due to right issue processing cost.
- Generation and Distribution expenses for second quarter have been increased by Rs. 2.48 million as compared to Generation and Distribution Expenses for the second quarter of FY 2080.081 due to increase in repair & maintenance cost comparing to last year.
- Finance Cost for the second quarter has been decreased by Rs 10.41 million as compared to finance cost for the second quarter of FY 2080.81 due to the prepayment of Term Loan in first quarter.
- Other Income has been increased by rs. 8.80 million as compared to second quarter of FY 2080.081. Other income was received as Capital gain.
- Finance Income Rs. 2.88 million is received from Interest Income in this quarter.
- Investment has been increased by Rs. 31.2 million as compared to second quarter of FY 2080.081. Increased investment includes investment in Ganesh Himal Hydropower Limited.
- Equity Share Capital has been increased by 1200.00 million after issuance of right share.

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) has been settled at the amount of Rs. 10,65,00,000 including VAT amount.

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. 233	Minimum Price:- Rs. 189	Closing Price:- Rs. 196.5	Transaction Day:- 5/5
No. of transaction:- 37,275.00	Transaction volume:-10,864,289.00	Total Turnover:- Rs 2,300,340,116.10	

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 Second quarter of FY 2081.2082, 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.