

**Ankhu Khola Jalabidhyut Company Limited**

Anamnagar, Kathmandu

**UNAUDITED FINANCIAL RESULTS**As at 4<sup>th</sup> Quarter (2077.03.31) of Fiscal year 2076/077

Particulars	This Quarter Ending	" Previous Quarter Ending "	" Corresponding Previous Year Quarter Ending "
	As on 31-03-2077	As on 30-12-2076	As on 31-03-2076
<b>Assets</b>	<b>Nrs.</b>	<b>Nrs.</b>	<b>Nrs.</b>
<b>Non-Current Assets</b>	<b>1,871,981,613</b>	<b>1,892,492,703</b>	<b>1,953,401,551</b>
Property, Plant & Equipment	1,871,981,613	1,892,492,703	1,953,401,551
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	-	-	-
<b>Total Non-Current Assets</b>	<b>1,878,581,613</b>	<b>1,899,092,703</b>	<b>1,960,001,551</b>
<b>Current Assets</b>			
Inventories	-	-	-
<b>Financial Assets</b>	<b>128,798,567</b>	<b>211,551,194</b>	<b>189,192,542</b>
Trade Receivables	120,268,788	121,054,466	178,025,955
Cash & Cash Equivalents	2,242,884	83,194,625	1,507,321
Other Current Assets	6,286,895	7,302,103	9,659,266
Total Current Assets	128,798,567	211,551,195	189,192,542
Assets Held for Sale	-	-	-
<b>Total Assets</b>	<b>2,007,380,180</b>	<b>2,110,643,898</b>	<b>2,149,194,093</b>
<b>Equity &amp; Liabilities</b>			
Equity			
Equity Share Capital	800,000,000	800,000,000	800,000,000
Other Equity	(258,862,508)	(215,880,040)	(221,166,956)
<b>Total Equity</b>	<b>541,137,492</b>	<b>584,119,960</b>	<b>578,833,044</b>
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowing	1,210,874,003	1,211,362,669	1,215,040,817
Deffered Tax	-	-	-
Total Non-Current Liabilities	1,210,874,003	1,211,362,669	1,215,040,817
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	189,214,452	202,500,000	211,200,000
Trade Payables	6,475,800	6,384,896	6,440,675
Other financial Liabilities *	59,531,740	106,184,035	137,589,168
Current tax Liabilities (Net)	-	-	-
Provisions	-	-	-
Other Liabilities	146,694	92,338	90,389
<b>Total Current Liabilities</b>	<b>255,368,686</b>	<b>315,161,269</b>	<b>355,320,232</b>
<b>Total Liabilities</b>	<b>1,466,242,689</b>	<b>1,526,523,938</b>	<b>1,570,361,049</b>
<b>Total Equity &amp; Liabilities</b>	<b>2,007,380,180</b>	<b>2,110,643,898</b>	<b>2,149,194,093</b>
Particulars	This Quarter Ending	" Previous Quarter Ending "	" Corresponding Previous Year Quarter Ending "
	As on 31-03-2077	As on 30-12-2076	As on 31-03-2076
<b>Revenue</b>	<b>226,270,947</b>	<b>164,151,450</b>	<b>204,470,705</b>
Cost of Sales			
Generation & Distribution Expenses	39,212,063	28,363,813	29,398,996
<b>Gross Profit</b>	<b>187,058,884</b>	<b>135,787,637</b>	<b>175,071,709</b>
Depreciation	82,044,359	61,533,270	80,890,382
Other Income	4,657,349	24,878,790	26,670,943
Administrative & General Expenses	8,452,962	6,773,427	11,937,467
Gain/(loss) on sale of Non-Current Assets Held for Sale			
<b>Profit from Operation</b>	<b>101,218,911</b>	<b>92,359,731</b>	<b>108,914,803</b>
Finance Income	175	130	172
Finance Costs	132,295,189	98,162,552	142,347,195
<b>Profit before taxes</b>	<b>(31,076,103)</b>	<b>(5,802,691)</b>	<b>(33,432,220)</b>
<b>Income Tax Expenses</b>			
Current Tax	-	-	-
Deffered Tax Credit/Charge	-	-	-
<b>Profit for the Year</b>	<b>(31,076,103)</b>	<b>(5,802,691)</b>	<b>(33,432,220)</b>
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent 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)	(31,076,103)	(5,802,691)	(33,432,220)
<b>Major Financial Highlights</b>			
Earning per share (in Rs.)	(3.88)	Net Worth Per Share	67.64
Current Ratio	0.50	Market Value Per Share	49.00

FOURTH QUARTER DISCLOSURE AS OF 31<sup>st</sup> ASHADH, 2077 (15<sup>th</sup> JULY, 2020)  
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.
- 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).
- Till the end of Ashadh 2077, Ankhu Khola Hydropower Project (8.4 MW) has generated total revenue of NRs. 226,270,947 against total revenue of NRs. 204,470,705 on fourth quarter of FY 2075/76.
- Trade receivables include NRs. 65,355,260 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 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 has made decision in favour of company, NRs. 100,171,361 has been received from Ministry of Energy, Water Resources and Irrigation till fourth quarter of FY 2076/77. Remaining amount is expected to be received during FY 2077/78.
- 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 NRs. 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 NRs. 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**

Earnings Per Share (EPS) (NRs. 3.88)

Current Ratio 0.50

Networth Per Share NRs. 67.64

Market Value Per Share NRs. 49

Price Earning Ratio -

**Financial Analysis**

- Total revenue up to fourth quarter has been increased by NRs. 21.80 million as compared to total revenue up to Fourth quarter of FY 2075/76.
- Administrative & General Expenses for the fourth quarter has been decreased by NRs. 3.48 million as compared to Administrative & General Expenses for the fourth quarter of FY 2075/76.
- Generation and Distribution expenses up to fourth quarter have been increased by NRs. 9.81 million because of plant maintenance cost and short supply penalty for the month of Bhadra 2076.
- Finance Cost for the fourth quarter has been decreased by NRs. 10.05 million as compared to Finance Expenses for the fourth quarter of FY 2075/76.

**3 LEGAL PROCEEDINGS**

- Regarding payment dispute of Ankhu Khola Jalabidhyut 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 Jalabidhyut 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	: NRs. 51	Minimum Price	: NRs. 46.4
Closing Price	: NRs. 49	Transaction Day	: 12
No. of transaction	: 282	Transaction volume	: 5,350
Total Turnover:	NRs. 2,59,965.15		

**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, NRs. 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 2076/77, 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.