

UNAUDITED STATEMENT OF FINANCIAL POSITION AS ON ASHAD 32, 2082

Figures in NPR '000

Particulars	This Quarter Ending (Ashad End 2082)	Previous Quarter Ending (Chaitra End 2081)	Corresponding Previous Year Quarter Ending (Ashad End 2081)
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	13,782	14,120	6,875
Intangible Assets	5,547,281	5,605,961	5,773,435
Other Non-Current Assets	307	246	85
Total Non-Current Assets	5,561,370	5,620,327	5,780,395
Current Assets			
Cash and Cash Equivalents	11,864	197,932	11,906
Bank Balance Other than Cash and Cash Equivalents	14,102	14,258	1,272
Other Financial Assets	119,177	104,296	136,124
Other Current Assets	31,137	26,643	16,608
Total Current Assets	176,280	343,129	165,910
Total Assets	5,737,650	5,963,456	5,946,305
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	1,500,000	1,500,000	1,500,000
Advance for share capital	150,000	150,000	150,000
Other Equity	(629,153)	(578,699)	(659,729)
Total Equity	1,020,847	1,071,301	990,271
Liabilities			
Non-Current Liabilities			
Borrowings	4,347,596	4,421,391	4,462,960
Other Financial Liabilities	127,868	127,095	183,346
Provisions	2,199	2,450	2,162
Total Non-Current Liabilities	4,477,663	4,550,936	4,648,468
Current Liabilities			
Borrowings	100,000	100,000	250,000
Trade Payables	2,423	1,231	393
Provisions	45,920	151,700	50,811
Other Financial Liabilities	-	-	6,362
Total Current Liabilities	148,343	252,931	407,566
Total Liabilities	4,626,006	4,803,867	5,056,034
Total Equity and Liabilities	5,737,650	5,963,456	5,946,305

UNAUDITED STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED ASHAD 32, 2082

Figures in NPR '000

Particulars	This Quarter Ending (Ashad End 2082)	Previous Quarter Ending (Chaitra End 2081)	Corresponding Previous Year Quarter Ending (Ashad End 2081)
Revenue from Operations	646,688	507,167	592,046
Project Operating Expenses	(281,233)	(204,215)	(264,143)
Gross Profit	365,455	302,952	327,903
Other Income	689	28	78
Administrative and Other Operating Expenses	(39,673)	(26,415)	(37,122)
Net Operating Profit	326,469	276,565	290,859
Finance Cost	(421,412)	(321,226)	(457,911)
Finance Income	1,587	1,758	379
Profit / (Loss) before Tax & Bonus	(93,356)	(42,903)	(166,673)
Provision for Staff Bonus	-	-	-
Provision for Reserves	-	-	-
Profit / (Loss) before Tax	(93,356)	(42,903)	(166,673)
Income Tax Expense	-	-	-
Net Profit for the year	(93,356)	(42,903)	(166,673)
Other Comprehensive Income	-	-	-
Total Comprehensive Gain/(Loss), Net of Tax	(93,356)	(42,903)	(166,673)

FOUR QUARTER DISCLOSURE AS OF ASHAD 32, 2082 AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION Annexure -14 (Related to Sub-Regulation 1 of Regulation 26)

1 FINANCIAL STATEMENTS

- The Unaudited Financial Statements for the fourth quarter and key financial ratios have been published along with this report.
- Transactions with related parties: Business Transactions were conducted with related parties at arm's length in line with section 93(3c) of the Company Act 2063. NHL has been availing promoter's loan and rental and other associated facilities from Bural Power Company Limited and using various consultancy service as an when needed from Hydro Consult Engineering Ltd.
- Key Financial Indicators

Period	Earning per share	Net Worth Per Share	Current Ratio	Price Earning Ratio	Return on Assets
This Quarter End	(6.22)	68.06	0.74	(73.12)	-1.63%
Previous Quarter End	(2.86)	71.42	1.01	(199.54)	-0.72%
Corresponding Previous Year Quarter End	(11.11)	66.02	0.54	(31.50)	-2.80%

2 MANAGEMENT ANALYSIS

- "Any changes in the Stock, Income and Liquidity during the quarter and the reason for change, if any?": Stock/ spare parts of the power plants equipments has been maintained at a sufficient level as provided by the Contractor as per the terms of the EPC Contract. Finance cost on Term Loan of the project do have serious impact on the company's profitability as it covers a majority portion of company's expense. Similarly, amortization of Intangible Assets during the period also affects the profitability of the company.
- "Statement of Management Analysis on the Company's upcoming Business Plans": The Company has not any such plan for other project developments other than for effective/efficient operation of the project rather than lobbying for the construction of 132 KV Tankuna substation and reversal of "Take and Pay" clause to "Take and Pay" with Nepal Electricity Authority.
- "Analytical Statement on the possible effect on Company's Profitability, Stock and Cash Flows based on the past experience": Due to the contingency plan with NEA i.e. Sale of energy on "Take and Pay Basis", NEA has not taken full generation of the project during the last quarter and the company has to abide with the dispatch instruction from Load Dispatch Centre, NEA. This has made a serious impact on current financial year's profitability.

3 LEGAL PROCEEDINGS

- Case filed by or filed against the Company during the quarter, if any: None
- Case filed by or filed against the Company or its Promoter or Director for violation of the prevailing regulation or committing the criminal offense, if any: None
- Case filed against the Promoter or Director on Financial crime, if any: None

4 ANALYSIS OF COMPANY'S SHARE TRANSACTIONS

- NHL shares were actively traded during this quarter.
- The major highlights of share transactions during the quarter are as follows:
Maximum Price - NPR 603.70; Minimum Price - NPR 398.00; Closing Price - NPR 455.06; No. of Transaction Days - 56; Total Transactions - 17,845; Total Traded Volume - 2,633,529 and Total Traded Value- NPR. 1,259,756,866.30

5 PROBLEMS AND CHALLENGES

Internal

- Optimization and Retention of skilled human resources;
- Fund Management problem due to liquidity problem in financial market resulting increase in finance cost
- Managing the operational efficiency of the project

External

- Impact of Global Warming and Climate change effects and the amount of rain/snow fall in the project catchment area.
- Foreign Exchange Risk exposures in payment to contractors due to fluctuation of currency in the International Foreign Exchange Markets;
- Delay in construction of Tankuna Substation & 132 KV Transmission Line by Nepal Electricity Authority and the financial impact to project due to Line loss and Generation loss for the evacuation of energy generated from the project as per the Contingency plan with NEA.

Strategies

- To maximize generation of powerplant with at least maintaining the contract energy of Power Purchase Agreement.
- To operate the powerplant efficiently and effectively.

6 CORPORATE GOVERNANCE

- Board of Directors, Project Steering Committee, Audit Committee, Other Committees and Management Team are committed towards strengthening good corporate governance within the company. NHL has written manual, policies, rules & guidelines for proper functioning of the operation of the company.