Nyadi Hydropower Limited

Buddha Nagar, Kathmandu, Nepal

UNAUDITED STATEMENT OF FINANCIAL POSITION AS ON 31ST POUSH 30, 2082

(Figures in NPR '000)

Particulars	This Quarter Ending (Poush End 2082)	Previous Quarter Ending (Ashwin End 2082)	Corresponding Previous Year Quarter Ending (Poush End 2081)
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4,368	13,327	15,225
Intangible Assets	5,438,648	5,489,671	5,660,772
Other Non Current Assets	1	385	177
Current tax assets (Net)	276	-	-
Total Non-Current Assets	**5,443,493**	**5,503,587**	**5,676,174**
Current Assets			
Cash and Cash Equivalents	49,065	24,938	35,559
Bank Balance Other than Cash and Cash Equivalents	330	794	974
Other Financial Assets	260,272	111,859	117,311
Other Current Assets	14,845	20,547	6,502
Total Current Assets	**324,512**	**158,138**	**180,346**
Total Assets	**5,768,005**	**5,661,725**	**5,856,520**
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	(542,432)	(637,599)	(544,451)
Total Equity	**1,107,568**	**1,012,401**	**1,105,549**
Liabilities			
Non-Current Liabilities			
Borrowings	4,316,033	4,281,711	4,432,843
Other Financial Liabilities	110,702	127,821	127,162
Provisions	2,639	2,655	2,539
Total Non-Current Liabilities	**4,429,394**	**4,412,190**	**4,562,544**
Current Liabilities			
Borrowings	100,000	100,000	100,000
Trade Payables	603	17	389
Provisions	51,055	50,143	50,660
Other Financial Liabilities	-	-	-
Other Current Liabilities	79,384	86,974	37,378
Total Current Liabilities	**231,043**	**237,134**	**188,427**
Total Liabilities	**4,660,437**	**4,649,324**	**4,750,971**
Total Equity and Liabilities	**5,768,005**	**5,661,725**	**5,856,520**

UNAUDITED STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED POUSH 30, 2082

(Figures in NPR '000)

Particulars	This Quarter (Poush End 2082)	Previous Quarter (Ashwin End 2082)	Corresponding Previous Year Quarter (Poush End 2081)
Revenue from Operations	437,821	170,399	364,879
Project Operating Expenses	(152,661)	(74,779)	(136,910)
Gross profit	**285,161**	**95,620**	**227,969**
Other Income	9,219	-	28
Administrative and Other Operating Expenses	(15,377)	(7,911)	(18,689)
Net Operating Profit	**279,004**	**87,710**	**209,308**
Finance Cost	(163,556)	(95,736)	(218,570)
Finance Income	500	329	607
Profit / (Loss) before Tax & Bonus	**115,947**	**(7,697)**	**(8,655)**
Provision for Staff Bonus	-	-	-
Provision for Reserves	-	-	-
Profit / (Loss) before Tax	**115,947**	**(7,697)**	**(8,655)**
Income Tax Expense	-	-	-
Net Profit for the year	**115,947**	**(7,697)**	**(8,655)**
Other Comprehensive Income	-	-	-
Total Comprehensive Gain/(Loss), Net of Tax	**115,947**	**(7,697)**	**(8,655)**

THIRD QUARTER DISCLOSURE AS OF CHAITRA 31, 2081 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 second 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 Butwal 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	7.73	73.84	1.40	12.77	2.10%
Previous Quarter End	(0.51)	67.48	0.67	(176.94)	-0.14%
Corresponding Previous Year Quarter End	(0.58)	73.70	0.96	(1. 26.56)	-0.15%

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 Tanhunga substation and reversal of "Take and Pay" clause to "Take or 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 435 ; Minimum Price - NPR 354 ; Closing Price - NPR 394.90 ; No. of Transaction Days - 55 ; Total Transactions - 7,155 ; Total Traded Volume - 744,372 and Total Traded Value- NPR. 299,141,846.80

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 are 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 Tanhunga 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.

7 DECLARATION OF CHIEF EXECUTIVE OFFICER ON TRUTH, FACTFULNESS

I, the Chief Executive Officer of this Company, take the responsibility of accuracy of the information and details mentioned in this report for the second quarter of FY 2082/83, hereby declare that the information and data is 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.