

**Mailing Khola Jal Vidhyut Company Ltd.**  
**Kathmandu, Nepal**

Unaudited Financial Reports (Quarterly)  
As at 1st Quarter (2078.06.31) of the Fiscal Year 2078/79  
FIRST QUARTER DISCLOSURE AS OF 2078.06.31  
AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION  
ANNEXURE-14 (RELATED TO SUB REGULATION 2 OF REGULATION 22)  
Unaudited Statement of Financial Position As at 2078.06.31 (2021.10.17) (Amount in NRs)

Particulars	This Quarter Ending as on 31 Asoj 2078)	Previous Quarter Ending As on 31 Asoj 2078)	Corresponding Previous Quarter Ending As on 31 Asoj 2077
<b>Equities and Liability</b>			
Equity	—	—	—
Share Capital	368,143,000	294,514,400	294,514,400
Retained Earning	12,835,935	5,561,032	(33,130,533)
<b>Total Equity</b>	<b>380,978,935</b>	<b>300,075,432</b>	<b>261,383,867</b>
<b>Non-Current Liability</b>			
Long Term Loans from Bank	504,581,731	518,413,574	551,919,443
Deferred Income	32,683,551	32,683,551	33,703,051
<b>Total Non-Current Liability</b>	<b>537,265,282</b>	<b>551,097,125</b>	<b>585,622,494</b>
<b>Current Liabilities</b>			
Short Term Loans from Bank	—	56,393,059	47,945,500
Unsecured Loans from Directors & Others	11,938,084	11,938,084	11,938,084
Provisions	8,322,320	5,037,358	4,480,228
Payables to Contractors and Creditors	934,969	7,544,089	2,039,070
Withholding Tax Payables	158,033	249,823	247,001
Advances from Middle Mailun	4,000,000	4,000,000	4,000,000
<b>Total Current Liabilities</b>	<b>25,353,406</b>	<b>85,162,413</b>	<b>70,649,883</b>
<b>Total Equity and Current Liability</b>	<b>943,597,623</b>	<b>936,334,970</b>	<b>917,656,244</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipments			
Gross Block	962,888,114	962,888,114	962,876,939
Less: Accumulated Depreciation	(202,131,606)	(193,388,998)	(165,800,361)
<b>Net Block</b>	<b>760,756,508</b>	<b>769,499,116</b>	<b>797,076,578</b>
Investment-Mathillo Mailing Khola Jalvidhyut	8,423,100	8,423,100	8,423,100
Preliminary & Pre-operative Expenses	—	—	—
<b>Total Non-Current Assets</b>	<b>769,179,608</b>	<b>777,922,216</b>	<b>805,499,678</b>
<b>Current Assets</b>			
Cash and Cash Equivalents	6,034,793	249,373	2,715,184
Account Receivables	150,691,769	140,724,345	91,285,149
Loans, Advances and Prepaids	12,303,175	11,946,727	12,360,855
Deposits	1,475,849	1,455,849	1,483,325
Advance Income Tax Net Provision	3,912,429	4,036,460	4,312,054
<b>Total Current Assets</b>	<b>174,418,015</b>	<b>158,412,754</b>	<b>112,156,566</b>
<b>Total Assets</b>	<b>943,597,623</b>	<b>936,334,970</b>	<b>917,656,244</b>

**Unaudited Statement of Profit or Loss Account & Other Comprehensive Income for the period ended 31 Asoj 2078 (17 October 2021)**

Particulars	Upto This Quarter Ending as on 31 Asoj 2078)	Upto Previous Quarter Ending As on 31 Asoj 2078)	Upto Corresponding Previous Quarter Ending As on 31 Asoj 2077
<b>Revenue</b>			
Revenue from Sale of Electricity (Regular)	36,537,108	88,804,169	8,995,741
Revenue from Sale of Electricity (Posted Rate)	—	38,030,780	—
Penalty of Late RCOD and Short Supply	(1,027,987)	(662,604)	(4,286,804)
<b>Net Revenue from Sale of Electricity</b>	<b>35,509,121</b>	<b>126,172,345</b>	<b>4,708,937</b>
<b>Operating Expenses</b>	<b>—</b>	<b>—</b>	<b>—</b>
Plant Operation and Maintenance Expenses	3,007,893	24,173,849	2,104,143
<b>Gross Operating Profit</b>	<b>32,501,228</b>	<b>101,998,496</b>	<b>2,604,794</b>
Administrative And Other Expenses	—	—	—
Administrative And General Expenses	5,963,486	3,675,286	571,652
Employee Benefit Expenses	822,668	3,400,237	898,592
Finance Charges	10,070,961	60,553,151	12,919,665
Depreciation	8,742,607	36,784,851	9,196,213
Preliminary Expenses Written Off	—	424,767	424,767
<b>Total Administrative And Other Expenses</b>	<b>25,599,722</b>	<b>104,838,292</b>	<b>24,010,888</b>
<b>Other Income</b>	<b>497,428</b>	<b>21,365,300</b>	<b>497,428</b>
<b>Total Income From Other Sources</b>	<b>497,428</b>	<b>21,365,300</b>	<b>497,428</b>
<b>Profit (Loss) Before Bonus &amp; Tax</b>	<b>7,398,934</b>	<b>18,525,503</b>	<b>(20,908,666)</b>
Staff Bonus	—	370,510	—
Provision for Income Tax	(124,031)	(496,125)	(124,031)
<b>Net Profit For the Year</b>	<b>7,274,903</b>	<b>17,658,648</b>	<b>(21,032,697)</b>
<b>Accumulated Profit/(Loss) up-to Last Year</b>	<b>5,561,032</b>	<b>(12,097,836)</b>	<b>(12,097,836)</b>
<b>Net Loss Transferred to Balance Sheet</b>	<b>12,835,935</b>	<b>5,561,032</b>	<b>(33,130,533)</b>

**1. Financial Statement**

- The unaudited financial statements for the first quarter of FY 2078/79 have been published along with this report.
- Transaction with Related Parties: Mailing Khola Jal Vidhyut Company Limited (MKJVCL) has investment of NPR. 8,423,100 in Mathillo Mailing Khola Jal vidhyut Limited.
- Major Financial Indicators are as follows:

Earnings per share (Rs.) (EPS)*	Net-worth Per share (Rs.)	Market Value Per Share (Rs.)	PE Ratio	Total Assets per share (Rs.)	Current Ratio
7.9	103.49	444	56.20	256.31	6.87

\* EPS is annualized

**2. Management Analysis**

- Any change in the stock, income and liquidity during the quarter and reason for change, if any:** In first quarter, Mailing Khola Jal Vidhyut Company Limited (MKJVCL) (5MW) has generated the invoice of NPR. 36,537,108 from sale of electricity and gross operating profit increased to NPR. 32,501,228 with the increment of NPR. 29,896,434 during this quarter as compared to the corresponding period of last year's figure, which is mainly due to increase in the generation of electricity. Beside this company has other income of NPR. 497,428 relating to land leased to Nepal Water & Energy Development Company Pvt Ltd. An expense of NPR. 5,145,479.57 incurred during IPO issue process have been shown in Administrative and General Expense in Profit & Loss account.
- The statement of management analysis on the Upcoming business Plan:** The management is persistently working on improving internal control system and risk management practices.
- The analytical statement on the possible effect on company's profitability, stock, and cash flow based on past experience:** The Company has maintained steady progress on profitability and there is no such other incident during the period which might have negative impact on the reserves, profit or cash flow position of the company.

**3. Legal Proceedings**

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

**4. Analysis of Company's Share Transaction**

The major highlights of Share transactions during the quarter are as follows:

Maximum price NRP	500.00	Total Transactions	2,918.00
Maximum price NRP	186.5	No. of Transaction Day	14.00
Closing price NRP	437.00	Total traded volume	49,173.00
Turnover NRP	21,596,692.50		

**5. Problems & Challenges**

**a. Internal Challenges**

- Retention and optimization of skilled human resource.
- Fund management
- To maintain the operational efficiency.

**b. External Challenges**

- Inconsistent regulatory and policy level commitment from the government regulatory agencies in development of hydroelectric projects
- Fluctuating cost of capital and devaluating local currency.
- Delay of statutory approvals.
- Difficulty in smooth operation due to COVID-19 pandemic.
- Loss due to natural disaster flood, Earthquake, force measure issue, etc.
- Lack of domestic suppliers and vendors for hydropower equipment and spare parts.
- Hydrological Risk.

**c. Strategies followed by the management:**

- HR optimization plan will be implemented.
- Identification of different financial instruments along with risk assessment.
- Development of various internal policies and procedures.

**6. Corporate Governance**

The Board of Directors and Key management Personnel are committed to upholding good corporate governance practice in the company governance, by implementing various manuals, policies, rules & guidelines for proper functioning of the operation of the company. Various committees and sub-committee are in the process of formation in the compliance with companies act, 2063 and corporate Governance guideline, 2074 issued by Security Exchange Board of Nepal.

**7. Declaration**

the General Manager of this Company, take the responsibility of accuracy of the information and 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.

- Note:**
- The Unaudited Financial figures are subject to change from external auditors and regulatory authorities.
  - The figures are regrouped and rearranged wherever necessary.