



# Mailung Khola Jal Vidhyut Company Ltd.

Kathmandu, Nepal

## Unaudited Financial Reports for the Second Quarter

Fiscal Year 2079/80 ended Poush 30 2079 (January 14, 2023)

### Unaudited Statement of Financial Position

Particulars	This Quarter Ending Poush End 2079	Previous Quarter Ending Ashoj End 2079	Corresponding Previous Quarter Ending Poush End 2078
<b>Assets</b>			
<b>Non current Assets</b>			
Property, Plant and Equipment	1,125,293	1,230,397	1,368,833
Intangible Assets	682,160,741	699,094,405	727,378,372
Intangible Assets under development	-	-	-
Investment in Subsidiaries	25,923,100	25,923,100	8,423,100
Investment in Associates	-	-	-
Investment Securities	-	-	-
Deferred Tax Assets	-	-	-
Other Non-Current Assets	-	-	-
<b>Total Non Current assets</b>	<b>709,209,134</b>	<b>726,247,902</b>	<b>737,170,305</b>
<b>Current Assets</b>			
Inventories	-	-	-
Trade Receivables	144,169,925	141,812,773	142,225,492
Cash and Cash equivalents	1,536,110	673,436	1,459,991
Other Financial Assets	3,324,124	4,649,218	5,794,453
Other Current Assets	11,040,092	5,135,213	9,530,909
Current Tax Assets	581,397	169,757	4,036,460
Total Current assets	160,651,648	152,440,397	163,047,305
<b>Total Assets</b>	<b>869,860,783</b>	<b>878,688,299</b>	<b>900,217,610</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share Capital	368,143,000	368,143,000	368,143,000
Reserves	125,852	-	-
Retained Earnings	23,037,819	18,929,631	12,089,215
<b>Total Equity</b>	<b>391,306,671</b>	<b>387,072,631</b>	<b>380,232,215</b>
<b>Non Current Liabilities</b>			
Borrowings	355,630,006	414,230,007	395,118,504
Other Non-Current Liabilities	33,502,507	35,078,591	35,314,941
Total Non current Liabilities	389,132,514	449,308,598	430,433,445
<b>Current Liabilities</b>			
<b>Short term Borrowings</b>	<b>77,975,204</b>	<b>29,165,202</b>	<b>79,301,520</b>
<b>Unsecured Loan from Director&amp;other</b>	<b>-</b>	<b>-</b>	<b>-</b>
Trade Payables	-	-	-
Other Current Liabilities	11,446,394	13,141,869	10,250,430
<b>Total Current Liabilities</b>	<b>89,421,598</b>	<b>42,307,071</b>	<b>89,551,950</b>
<b>Total Equity and Liabilities</b>	<b>869,860,783</b>	<b>878,688,299</b>	<b>900,217,610</b>

### Unaudited Statement of Profit or Loss Account & Other Comprehensive Income

Particulars	This Quarter Ending Poush End 2079	Previous Quarter Ending Ashoj End 2079	Corresponding Previous Quarter Ending Poush End 2078
Revenue From Sales of Electricity	66,259,768	39,425,005	61,157,517
Cost of Sales	4,743,991	2,478,157	4,457,529
<b>Gross profit</b>	<b>61,515,777</b>	<b>36,946,849</b>	<b>56,699,988</b>
Other income	992,250	496,125	993,553
Personnel Expenses	2,047,412	1,209,867	1,510,093
Other Operating and Administrative expenses	3,991,392	1,500,319	6,528,381
Impairment Charges/(Reversal)	-	-	-
Depreciation & Amortisation	22,516,268	9,665,068	19,379,290
<b>Operating profit</b>	<b>33,952,956</b>	<b>25,067,719</b>	<b>30,275,776</b>
Finance Income	-	-	-
Finance Cost	17,620,305	9,555,511	21,684,959
Share of profit after tax of associates and Joint ventures	-	-	-
Other Operating Income/(Loss)	-	-	-
<b>Profit Before Tax</b>	<b>16,332,651</b>	<b>15,512,208</b>	<b>8,590,817</b>
Income Tax Expenses			
Current Tax	248,063	2,001,042	248,063
Deferred Tax	-	-	-
<b>Profit for the year</b>	<b>16,084,589</b>	<b>13,511,167</b>	<b>8,342,754</b>
<b>Other Comprehensive Income:</b>			
Items that will not be reclassified to profit or loss	-	-	-
Gains/(losses) from investments in equity instruments measured at fair value	-	-	-
Gains/(losses) on revaluation	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-
Income tax relating to above items	-	-	-
<b>Other comprehensive gain/(loss) for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive gain/(loss) for the period, net of tax</b>	<b>16,084,589</b>	<b>13,511,167</b>	<b>8,342,754</b>

Note:

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

### 2nd QUARTER DISCLOSURE AS OF 2079.09.30

#### AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION ANNEXURE-14 (RELATED TO SUB REGULATION 1 OF REGULATION 26)

#### 1. Financial Statement

- The unaudited financial statements for the second quarter of FY 2079/80 have been published along with this report.
- Transaction with Related Parties:** MailungKhola Jal Vidhyut Company Limited (MKJVCL) has investment of NPR. 25,923,100 in Mathillo Mailung Khola Jalvidhyut Limited.
- Major Financial Indicators are as follows:

Quarter End Earnings per Share (NPR)	Net-worth Per Share (NPR)	Market Value Per Share (NPR)	PE Ratio	Total Assets per share (NPR)	Current Ratio
4.37	106.29	444	101.62	236.28	1.80

#### 2. Management Analysis

- Any change in the stock, income and liquidity during the quarter and reason for change, if any:** Up to second quarter, Mailung Khola Jal Vidhyut Company Limited (MKJVCL) (5MW) has generated the invoice of NPR. 66,259,767.97.00 from sale of electricity and gross operating profit increased to NPR. 61,515,777.00 with the increase of NPR. 4,815,789.43 up to this quarter as compared to the corresponding period of last year's figure, which is mainly due to increase in the generation of electricity. When compared to the corresponding quarter of previous fiscal year, other operating and administrative expenses has decreased by NPR 2,536,989.46. This was primarily caused by the exclusion of listing fees in administration cost in the profit and loss account in this year which was included during corresponding period of previous year.
- 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 NPR.	515	Total Transactions	2,874.00
Minimum price NPR.	374.6	No. of transaction Day	52
Closing price NPR.	444	Total traded volume	247,292.00
Turnover NPR.	103,031,825.80		

#### 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 devaluing local currency.
- Delay of statutory approvals.
- Loss due to natural disaster – flood, Earthquake, force measure issue, etc.
- Lack of domestic suppliers and vendors for hydropower equipment and spare parts.
- Inadequate existing transmission line network and delay in expansion for power evacuation of hydropower projects.

##### 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 compliance with companies act, 2063 and corporate Governance guideline, 2074 issued by Security Exchange Board of Nepal.

#### 7. Reporting

This Quarter's report has been made on the basis of Nepal Financial Reporting Standard (NFRS) and necessary adjustments has been made where ever required as per the standard and effect of the same has also been shown in the figures of previous quarters, if required.

#### 8. Declaration

I 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.