



Mailung Khola Jal Vidhyut Company Ltd.

Kathmandu, Nepal

Unaudited Financial Reports for the Second Quarter of Fiscal Year 2080/081 ended on Poush 29, 2080 (January 14, 2024)

Unaudited Statement of Financial Position

Amount in Nepalese Rupees

Particulars	This Quarter Ending Poush End 2080	Previous Quarter Ending Ashwin End 2080	Corresponding Previous Quarter Ending Poush End 2079
Assets			
Non Current Assets			
Property, Plant and Equipment	837,062	902,287	1,125,293
Intangible Assets	637,961,898	649,145,424	682,160,741
Intangible Assets Under Development	-	-	-
Investment in Subsidiaries	25,923,100	25,923,100	25,923,100
Investment in Associates	-	-	-
Investment Securities	-	-	-
Deferred Tax Assets	-	-	-
Other Non-Current Assets	625,230	625,230	-
Total Non Current Assets	665,347,290	676,596,041	709,209,134
Current Assets			
Inventories	-	-	-
Trade Receivables	143,642,414	154,390,028	144,169,925
Cash and Cash Equivalents	21,619,732	5,215,726	1,536,110
Other Financial Assets	3,025,404	2,714,200	3,324,124
Other Current Assets	4,364,140	4,784,255	11,040,092
Current Tax Assets	191,060	62,417	581,397
Total Current assets	172,842,751	167,166,626	160,651,648
Total Assets	838,190,041	843,762,667	869,860,783
Equity and Liabilities			
Equity			
Share Capital	368,143,000	368,143,000	368,143,000
Reserves	790,297	125,852	125,852
Retained Earnings	23,893,435	22,269,293	23,037,819
Total Equity	392,826,732	390,538,145	391,306,671
Non Current Liabilities			
Borrowings	303,230,004	316,630,005	355,630,006
Other Non-Current Liabilities	31,923,063	32,922,530	33,502,507
Total Non current Liabilities	335,153,067	349,552,535	389,132,514
Current Liabilities			
Short Term Borrowings	97,648,110	92,657,508	77,975,204
Unsecured Loan from Director & other	-	-	-
Trade Payables	-	-	-
Other Current Liabilities	12,256,902	11,014,480	11,446,394
Current Tax Liabilities	305,230	-	-
Total Current Liabilities	110,210,242	103,671,987	89,421,598
Total Equity and Liabilities	838,190,041	843,762,667	869,860,783

Unaudited Statement of Profit or Loss Account & Other Comprehensive Income

Particulars	This Quarter Ending Poush End 2080	Previous Quarter Ending Ashwin End 2080	Corresponding Previous Quarter Ending Poush End 2079
Revenue From Sales of Electricity	63,331,692	37,374,952	66,259,768
Compensation Income	-	-	-
Cost of Sales	7,327,707	3,304,106	6,282,620
Gross profit	56,003,985	34,070,846	59,977,149
Other Income	1,220,921	562,505	992,250
Personnel Expenses	1,520,220	840,537	2,047,412
Other Operating and Administrative Expenses	1,646,244	725,523	2,452,762
Impairment Charges/ (Reversal)	-	-	-
Depreciation & Amortisation	22,493,071	11,246,121	22,516,268
Operating profit	31,565,370	21,821,171	33,952,956
Finance Income	-	-	-
Finance Cost	15,980,831	8,403,702	17,620,305
Share of Profit After Tax of Associates and Joint Ventures	-	-	-
Other Operating Income/ (Loss)	-	-	-
Profit Before Tax	15,584,539	13,417,469	16,332,651
Income Tax Expenses			
Current Tax	305,230	140,626	248,063
Deferred Tax	-	-	-
Profit for the period	15,279,309	13,276,843	16,084,589
Other Comprehensive Income:			
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	-	-	-
Other Comprehensive Gain/ (Loss) for the period, Net of Tax	-	-	-
Total Comprehensive Gain/ (Loss) for the period, Net of Tax	15,279,309	13,276,843	16,084,589

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 2080.09.29

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 2080/81 have been published along with this report.
- Transaction with Related Parties:** Mailung Khola Jal Vidhyut Company Limited (MKJVCL) has investment of NPR. 25,923,100 in Mathillo Mailung Khola Jalvidhyut Limited.
- Major Financial Indicators are as follows:

Earnings per share (NPR)	Net-worth Per Share (NPR)	Market Value Per Share (NPR)	PE Ratio	Total Assets per share (NPR)	Current Ratio
4.15	106.70	482.50	116.25	227.68	1.57

2. Management Analysis

- Any change in the stock, income and liquidity during the quarter and reason for change, if any:** Upto second quarter, Mailung Khola Jal Vidhyut Company Limited (MKJVCL) (5MW) has generated revenue of NPR. 63,331,691.80 from sale of electricity and operating profit decreased to NPR. 31,565,370.37 with the decrease of NPR. 2,387,585.50 upto this quarter as compared to the corresponding period of last year's figure, which is mainly due to decrease in the generation of electricity and increase in cost of sales. When compared to corresponding quarter of previous fiscal year, other operating and administrative expenses has decreased by NPR. 806,518.09.
- 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.	499.00	Total Transactions	2,634.00
Minimum price NPR.	308.10	No. of transaction Day	49
Closing price NPR.	482.50	Total traded volume	188,939.00
Turnover NPR.	78,409,967.80		

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 devaluating 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 retrospective effect of the same has also been shown in the figures of previous quarters.

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.