



Mailung Khola Jal Vidhyut Company Ltd.

Kathmandu, Nepal

Unaudited Financial Reports for the Second Quarter of
Fiscal Year 2081/082 ended on Poush 29, 2081 (Jan 13, 2025)

Unaudited Statement of Financial Position

Amount in Nepalese Rupees

Particulars	This Quarter Ending Poush End 2081	Previous Quarter Ending Ashwin End 2081	Corresponding Previous Quarter Ending Poush End 2080
Assets			
Non Current Assets			
Property, Plant and Equipment	745,212	844,495	837,062
Intangible Assets	597,751,690	607,859,172	637,961,898
Intangible Assets Under Development	-	-	-
Investment Securities	90,588,273	67,011,214	25,923,100
Other Non-Current Assets	3,085,536	-	625,230
Total Non Current Assets	692,170,710	675,714,880	665,347,290
Current Assets			
Trade Receivables	141,063,837	141,395,055	143,642,414
Cash and Cash Equivalents	19,527,233	26,295,159	21,619,732
Other Financial Assets	2,748,973	3,870,357	3,025,404
Other Current Assets	3,983,055	4,907,573	4,364,140
Current Tax Assets	-	1,329,677	191,060
Total Current Assets	167,323,098	177,797,822	172,842,751
Total Assets	859,493,809	853,512,701	838,190,041
Equity and Liabilities			
Equity			
Share Capital	376,319,800	376,319,800	368,143,000
Reserves	747,963	747,963	790,297
Retained Earnings	26,882,455	9,803,511	23,893,435
Total Equity	403,950,218	386,871,274	392,826,732
Non Current Liabilities			
Borrowings	247,830,003	261,830,003	303,230,004
Other Non-Current Liabilities	65,096,528	64,117,361	31,923,063
Deferred Tax Liabilities	50,883,318	44,011,817	-
Total Non current Liabilities	363,809,848	369,959,181	335,153,067
Short Term Borrowings	87,038,230	89,984,223	97,648,110
Trade Payables	-	-	-
Other Current Liabilities	4,217,414	6,698,023	12,256,902
Current Tax Liabilities	478,098	-	305,230
Total Current Liabilities	91,733,743	96,682,245	110,210,242
Total Equity and Liabilities	859,493,808	853,512,701	838,190,041

Unaudited Statement of Profit or Loss Account & Other Comprehensive Income

Particulars	This Quarter Ending Poush End 2081	Previous Quarter Ending Ashwin End 2081	Corresponding Previous Quarter Ending Poush End 2080
Revenue From Sales of Electricity	62,712,755	39,789,914	63,331,692
Cost of Sales	5,872,361	3,135,618	7,327,707
Gross profit	56,840,394	36,654,295	56,003,985
Other Income	1,063,998	522,156	1,220,921
Personnel Expenses	1,574,025	786,260	1,520,220
Other Operating and Administrative Expenses	2,411,922	1,287,689	1,646,244
Depreciation & Amortisation	22,631,934	11,306,882	22,493,071
Operating profit	31,286,511	23,795,619	31,565,370
Finance Cost	15,343,507	8,653,179	15,980,831
Fair Value Gain/ (Loss) on Investment through FVTPL	18,159,132	(5,417,928)	-
Other Operating Income/ (Loss)	-	-	-
Profit Before Tax	34,102,135	9,724,513	15,584,539
Income Tax Expenses			
Current Tax	2,535,825.75	2,108,646	305,230
Deferred Tax	5,364,154	(1,507,347)	-
Profit for the period	26,202,156	9,123,213	15,279,309
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	26,202,156	9,123,213	15,279,309

Note:

- The Unaudited Financial figures are subject to change from external auditors and regulatory authorities.
- Figures of previous quarter ending in Ashoj 2081 has been restated than the published report due to changes in figure by audited financial statement of FY 2080/81, change in accounting policy for Investment in securities from cost basis to fair value basis and impact of deferred income tax as per Nepal Accounting Standard (NAS 12).

2nd QUARTER DISCLOSURE AS OF 2081/09/29 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 2081/82 have been published along with this report.
- Transaction with Related Parties:** Mailung Khola Jal Vidhyut Company Limited (MKJC) has investment of NPR. 25,923,100 in Mathillo Mailung Khola Jalvidhyut Limited having Fair value of NPR. 90,588,273.
- Major Financial Indicators are as follows:

Earnings per share (Annualized) (Rs.) (EPS)	Net-worth Per Share (Rs.)	Market Value Per Share (Rs.)	PE Ratio	Total Assets per share (Rs.)	Current Ratio
13.93	107.34	550	39.50	228.39	1.82

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 (MKJC) (5MW) has generated the invoice of NPR. 62,712,755 from sale of electricity which has been decreased by 618,937 compared to corresponding year and gross operating profit increased to NPR. 56,840,394 with the increase of NPR. 836,409 up to this quarter as compared to the corresponding period of last year's figure, which is mainly due to decrease in cost of sales by NPR. 1,455,346.
- 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.	592.00	Total Transactions	13,641.00
Minimum price NPR.	442.00	No. of transaction Day	55
Closing price NPR.	550.00	Total traded volume	2,277,175.00
Turnover NPR.	1,216,333,564.50		

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 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.
- Lack of rainfall.

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.