



Mailung Khola Jal Vidhyut Company Ltd.

Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 2nd Quarter (2078.09.30) of the Fiscal Year 2078/79

Unaudited Statement of Financial Position As at 2078.09.30 (2022.01.14)

Particulars	This Quarter Ending As on 30 Poush 2078	Previous Quarter Ending As on 31 Asoj 2078	Corresponding Previous Quarter Ending As on 30 Poush 2077
Assets			
Non current Assets			
Property, Plant and Equipment	1,368,833	1,472,594	1,856,958
Intangible Assets	727,378,372	736,964,256	765,715,126
Intangible Assets under development	-	-	-
Investment in Subsidiaries	8,423,100	8,423,100	8,423,100
Investment in Associates	-	-	-
Investment Securities	-	-	-
Deferred Tax Assets	-	-	-
Other Non-Current Assets	-	-	212,384
Total Non Current assets	737,170,305	746,859,950	776,207,568
Current Assets			
Inventories	-	-	-
Trade Receivables	142,225,492	150,195,644	90,784,721
Cash and Cash equivalents	1,459,991	2,135,520	272,606
Other Financial Assets	5,794,453	4,273,352	4,201,941
Other Current Assets	9,530,909	9,522,672	35,065,723
Current Tax Assets	4,036,460	4,036,460	4,436,085
Assets Held For sale	-	-	-
Total Current assets	163,047,305	170,163,648	134,761,076
Total Assets	900,217,611	917,023,598	910,968,643
Equity and Liabilities			
Equity			
Share Capital	368,143,000	368,143,000	294,514,400
Reserves	-	-	-
Retained Earnings	12,089,215	9,087,917	(23,279,628)
Total Equity	380,232,215	377,230,917	271,234,772
Non Current Liabilities			
Borrowings	395,118,504	444,099,855	569,008,207
Provisions	-	-	-
Deferred Tax Liabilities	-	-	-
Other Non-Current Liabilities	35,314,941	35,783,833	50,550,387
Total Non current Liabilities	430,433,445	479,883,688	619,558,594
Current Liabilities			
Short term Borrowings	79,301,520	49,911,501	14,538,084
Trade Payables	-	-	1,057,603
Short term Provisions	-	-	-
Other Current Liabilities	10,250,430	9,997,492	4,579,590
Total Current Liabilities	89,551,950	59,908,993	20,175,277
Total Equity and Liabilities	900,217,611	917,023,598	910,968,643

Unaudited Statement of Profit or Loss Account & Other Comprehensive Income for the period ended 30 Poush 2078 (14 Jan 2022)

Particulars	Up to This Quarter Ending As on 30 Poush 2078	Up to Previous Quarter Ending As on 31 Asoj 2078	Up to Corresponding Previous Quarter Ending As on 31 Poush 2077
Revenue From Sales of Electricity	61,157,517	35,509,121	56,607,957
Cost of Sales	4,457,529	2,713,454	5,534,059
Gross profit	56,699,988	32,795,667	51,073,898
Other income	993,553	497,428	1,609,600
Personnel Expenses	1,510,093	1,093,032	1,373,980
Other operating and Administrative expenses	6,528,381	5,940,929	2,146,298
Impairment Charges/(Reversal)	-	-	-
Depreciation & Amortisation	19,379,290	9,689,645	19,455,069
Operating profit	30,275,776	16,569,490	29,708,151
Finance Income	-	-	-
Finance Cost	21,684,959	11,104,003	29,319,463
Share of profit after tax of associates and Joint ventures	-	-	-
Other Operating Income/(Loss)	-	-	212,384
Profit Before Tax	8,590,817	5,465,487	176,304
Income Tax Expenses	-	-	-
Current Tax	248,063	124,031	248,063
Deferred Tax	-	-	-
Profit for the year	8,342,754	5,341,456	(71,758)
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	8,342,754	5,341,456	(71,758)

Note: 1. The Unaudited Financial figures are subject to change from external auditors and regulatory authorities.
2. The figures are regrouped and rearranged wherever necessary.

2nd QUARTER DISCLOSURE AS OF 2078.09.30 AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION ANNEXURE-14 (RELATED TO SUB REGULATION 2 OF REGULATION 22)

1. Financial Statement

- The unaudited financial statements for the second quarter of FY 2078/79 have been published along with this report.
- Transaction with Related Parties:** Mailung Khola Jal Vidhyut Company Limited (MKJVCL) has investment of NPR. 8,423,100 in Mathillo Mailung Khola Jalvidhyut 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
4.53	103.28	537.5	118.59	244.53	1.82

* EPS is annualized

2. Management Analysis

- Any change in the stock, income and liquidity during the quarter and reason for change, if any:** In second quarter, Mailung Khola Jal Vidhyut Company Limited (MKJVCL) (5MW) has generated the invoice of NPR. 25,648,395.60 from sale of electricity and gross operating profit increased to NPR. 56,699,988 with the increment of NPR. 5,626,090 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. 992,250 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:

Mailung Khola Share Transaction Report

Maximum price NPR.	Rs.598	Total Transactions	15,494.00
Minimum price NPR.	Rs.186.5	No. of transaction Day	73
Closing price NPR.	Rs.537.5	Total traded volume	487,325.00
Turnover NPR.	239,555,929.30		

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.
- 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.
- 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.