Molung HYDROPOWER Company Ltd.

रजिष्टर्ड कार्यालयः रविभवन १४, काठमाण्डौ फोन नं. ०१–५६७०५१८, ५६७०४४२
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Unaudited Financial Report (Quaterly)

As on 1st Quarter (2082.06.31) of Fiscal Year 2082/83

Statement of Financial Position

(In NPR)

Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Quarter Ending
Assets			
Non-Current Assets			
Property, plant and equipment	2,855,227	2,894,410	3,073,689
Intangible assets	1,055,696,302	1,066,058,945	1,096,045,259
Total Non-Current Assets	**1,058,551,529**	**1,068,953,355**	**1,099,118,948**
Current Assets			
Cash and cash equivalents	4,756,108	2,285,909	7,437,310
Other current assets	115,447,105	96,694,439	109,444,576
Total Current Assets	**120,203,213**	**98,980,348**	**116,881,886**
Total Assets	**1,178,754,742**	**1,167,933,703**	**1,216,000,834**
Equity and Liabilities			
Equity			
Equity share capital	802,500,000	802,500,000	802,500,000
Retained Earnings	(118,960,927)	(159,201,078)	(154,255,253)
Total Equity	**683,539,073**	**643,298,922**	**648,244,747**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Long Term Borrowing	457,071,372	501,707,271	564,250,167
Total Non-Current Liabilities	**457,071,372**	**501,707,271**	**564,250,167**
Current Liabilities			
Short Term Borrowing	34,538,146	18,399,476	-
Provisions	-	-	-
Other Current Liabilities	3,606,151	4,528,034	3,505,919
Total Current Liabilities	**38,144,297**	**22,927,510**	**3,505,919**
Total Liabilities	**495,215,669**	**524,634,781**	**567,756,086**
Total Equity and Liabilities	**1,178,754,742**	**1,167,933,703**	**1,216,000,834**

Statement of Profit or Loss

Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Quarter Ending
Revenue	72,761,195	161,139,303	67,905,451
Cost of sales	3,115,320	17,556,559	3,654,254
Gross Profit	**69,645,876**	**143,582,744**	**64,251,197**
Depreciation	147,183	701,957	159,825
Amortization	11,474,960	45,868,772	11,417,138
Employee Benefits Costs	4,659,793	14,069,792	4,228,114
Administrative and Other Operating Expenses	1,739,518	7,389,420	1,413,388
Profit from operation	**51,624,421**	**75,552,804**	**47,032,732**
Other Income	-	71,457	12,828
Finance Costs	10,787,083	47,547,282	14,022,756
Profit Before tax	**40,837,338**	**28,076,979**	**33,022,804**
Income tax Expense			
Current Tax			
Deferred Tax			
Profit for the period	**40,837,338**	**28,076,979**	**33,022,804**
Other comprehensive gain/ (loss) for the year, net of tax			
Total comprehensive gain/ (loss) for the year, net of tax	**40,837,338**	**28,076,979**	**33,022,804**

NOTES

1) The above mentioned figure are subject to change during statutory audit of the books of accounts.

First Quarter Disclosure as of 31st Asoj 2081 (17th October, 2025) as per Securities Registration and Issuance Regulation Annexure 14 (Related to sub-regulation 1 of regulation 26)

1) Financial Statements

a) The financial statements for the first quarter have been published as a part of this report.
There have been no transactions with the related party.

b) Key Financial Ratios at the end of the quarter:

Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Quarter Ending
Earnings Per Share (EPS)	5.09	3.50	4.11
Current Ratio	3.15	4.32	33.34
Return on Assets (ROA)	3.46%	2.40%	2.72%
Networth Per Share	85.18	80.16	80.78
Price Earnings Ratio	74.48	127.70	100.12

2. Management Analysis

a) Any changes in the stock, income and liquidity during the quarter and reason for change, if any:
Revenue from the Sale of Electricity has increased by 7.15% compared to the corresponding previous year's quarter ending. The increase in revenue is due to the ability to operate both machines this quarter after repair of turbine shaft previously damaged. The net profit for the first quarter end of FY 2082/83 has increased by 23.66% compared to the previous year's quarter ending due to the increment in revenue. There has been an improvement in the financing cost by 23.07%.

b) The statement of management analysis on the upcoming business plan:
The company management is persistently working on improving internal control system and risk management practices.

c) The analytical statement of the possible effect on company's profitability, stock and cashflow based on the past experience:
The company has maintained steady progress on profitability and there has been no such other incident during the period which might have negative impact on the profit or cash flow of the company.

3. Statement relating to Legal Action
During the period, there were no legal cases raised or pending against the company and from the company.

4. Analysis of the share transaction of the company

a) During the first quarter, MHCL shares traded actively for 51 days till the end of Asoj 2082.
b) The highlights of the share transactions during the quarter are as follows:

Maximum Price	**515.10**	**Transaction Days**	**51**
Minimum Price	**374.60**	**Total Shares**	**626,674**
Closing Price	**405.00**	**No of transactions**	**7,019**

5. Problems and Challenges

a) Internal
- Fund management
- Maintaining operational efficiency
- Retention and optimization of skilled human resource.

b) External
- Low water flow risk in the rivers for hydropower plant/projects
- Loss due to natural disaster–Flood, Earthquake, force measure issue etc.
- Inadequate existing transmission line
- Lack of domestic suppliers and vendors for hydropower equipment and spare parts.
- Inconsistent regulatory and policy level commitment from the government regulatory agencies in development of hydroelectric projects.

c) Strategies
- Implementation of HR optimization plan
- Lobbying with government authorities for investment friendly environment
- Identification of different financial instruments along with risk assessment
- Development of various internal policies and procedures

6. Corporate Governance
The Board of Directors are committed to upholding good corporate governance practice in the company through implementation of policies and guidelines for proper functioning of the company. The company has been functioning in compliance with Companies act, 2063 and Corporate Governance Guidelines, 2074 issued by Security Exchange Board of Nepal.

7. Declaration of Chief Executive Officer on Truth, Tactfulness
I, the Chief Executive Officer of this Company, take responsibility for accuracy of the information and details mentioned in this report. I also declare that the information and details mentioned in this report are complete, true, based on facts and the information, details necessary for making informed decision by the investors are not concealed.

MOLUNG HYDROPOWER COMPANY LTD. 2076 Kathmandu