

## Unaudited Financial Reports (Quarterly)

As at 3rd Quarter (2076.12.30) of the Fiscal Year 2076/77

Particulars	This Quarter Ending as on 30.12.2076	2nd Quarter Ending as on 29.09.2076	Corresponding Previous Year Quarter Ending as on 30.12.2075
<b>Assets</b>			
<b>Non Current Assets</b>			
Property Plant & Equipment-UMHEP	1,985,975,123	2,004,877,610	2,054,280,309
Property Plant & Equipment-UMCHEP	1,090,748,694	1,100,755,563	1,130,796,885
Property Plant & Equipment-Other	3,125,857	3,373,795	6,283,531
	<b>3,079,849,674</b>	<b>3,109,006,967</b>	<b>3,191,360,725</b>
<b>Current Assets</b>			
Commercial & Other Receivables	39,637,825	41,563,408	29,933,289
Cash & Bank	960,204	1,576,438	2,252,116
Advance & Deposits	7,308,513	7,060,912	8,312,634
Closing Stock	14,305,406	14,305,406	13,036,823
	<b>62,211,948</b>	<b>64,506,165</b>	<b>53,534,862</b>
<b>Total Assets</b>	<b>3,142,061,622</b>	<b>3,173,513,132</b>	<b>3,244,895,587</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Share Capital	1,100,000,000	1,100,000,000	1,100,000,000
Reserve & Surplus	(163,626,029)	(115,864,551)	(124,619,650)
	<b>936,373,971</b>	<b>984,135,449</b>	<b>975,380,350</b>
<b>Other Funds &amp; Liabilities</b>			
Deferred Income	26,598,085	26,975,298	28,324,873
Deferred Tax	43,662,300	39,080,695	47,769,774
Secured Loan	1,705,137,245	1,723,281,092	1,868,095,007
Unsecured Loan	-	-	-
	<b>1,775,397,630</b>	<b>1,789,337,084</b>	<b>1,944,189,654</b>
<b>Current Liabilities &amp; Provisions</b>			
Commercial & Other Payables	77,325,791	21,423,300	77,687,785
Short Term Loan	351,705,508	377,452,880	246,324,521
Provisions	1,258,722	1,164,419	1,313,279
	<b>430,290,021</b>	<b>400,040,599</b>	<b>325,325,584</b>
<b>Total Liabilities</b>	<b>3,142,061,622</b>	<b>3,173,513,132</b>	<b>3,244,895,587</b>
Particulars	This Quarter Ending Chaitra End 2076	Previous Quarter Ending Poush End 2076	Corresponding Previous Year Quarter Ending
<b>Operating Income</b>			
Electricity Sale to NEA -UMHEP	176,753,264	150,265,223	166,521,846
Electricity Sale to NEA -UMCHEP	112,386,376	89,578,896	100,857,012
<b>Total Operating Income</b>	<b>289,139,640</b>	<b>239,844,119</b>	<b>267,378,858</b>
<b>Operating Expenses</b>			
Power Plant Expenses - UMHEP	10,811,019	10,264,170	4,176,889
Power Plant Expenses - UMCHEP	4,839,668	4,215,409	2,392,153
<b>Total Operating Expenses</b>	<b>15,650,687</b>	<b>14,479,579</b>	<b>6,569,042</b>
<b>Gross Operating Profit</b>	<b>273,488,953</b>	<b>225,364,539</b>	<b>260,809,817</b>
<b>Administrative and Other Expenses</b>			
Employee Expenses	5,197,413	4,513,578	8,568,750
Administrative Expenses	21,503,241	17,009,847	31,051,305
Interest on Loan	165,841,218	108,588,544	173,771,986
Depreciation	87,471,880	58,314,586	89,386,594
Loss on Sale of Assets	-	-	-
<b>Total Administrative &amp; Other Expenses</b>	<b>280,013,752</b>	<b>188,426,555</b>	<b>302,778,635</b>
<b>Income from Other Sources</b>			
Other Income	-	-	2,243,016
Deferred Income	1,131,641	754,427	913,706
Gain on Sale of Assets	-	-	-
<b>Total Income From Other Sources</b>	<b>1,131,641</b>	<b>754,427</b>	<b>3,156,722</b>
<b>Profit (Loss) before Employees Bonus and Tax</b>	<b>(5,393,158)</b>	<b>37,692,411</b>	<b>(38,812,096)</b>
Provision for Employee's Bonus	-	-	-
Provision for Corporate Tax	282,910	188,607	789,180
Deferred Tax Expenses /(Income)	13,744,816	9,163,210	-
<b>Net Profit (Loss) after Tax</b>	<b>(19,420,884)</b>	<b>28,340,594</b>	<b>(39,601,276)</b>
Profit brought forward from last Year	(144,205,145)	(144,205,145)	(85,018,374)
<b>Balance Transferred to Balance Sheet</b>	<b>(163,626,029)</b>	<b>(115,864,551)</b>	<b>(124,619,650)</b>

### THIRD QUARTER DISCLOSURE AS OF 2076.12.30

#### AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION

#### ANNEXURE-14 (RELATED TO SUB REGULATION 2 OF REGULATION 22)

##### 1. Financial Statements

- The unaudited financial statements for second quarter have been provided along with this report.
- Pursuant to Life of the Project, the company has deducted depreciation on Upper Mai HEP at 3.44% and Upper Mai Cascade at 3.33% so that all the investment made on electricity generation, transmission or distribution is paid back in average of 30 Years. In case of Other Fixed Assets, depreciation has been calculated based on Written-down Value as per the Provision of the Income Tax Act, 2058.
- As per Budget for F/Y 2071-72, Under topic "Ujyalo Nepal Sambhridha Nepal" point 61 'For Project completed and connected to National Grid by 2079-80, Lump-sum amount of Nrs.50 lakhs/MW to be provided as Government Grant. Additional 10% will be provided to those project which will be completed and connected to National Grid by 2074-75.' However we have not received any amount till date. If received, it will improve the company cash-flow and will impact profitability.
- Major Financial Highlights**

Earnings Per Share (EPS)	(1.77)	Net-worth Per Share	85.12
Current Ratio	0.14	Market Value Per Share	76.00

##### Management Analysis

During the construction phase the company has matched the entire requirement and now the project is evacuating its power on the basis of dispatch availability.

##### 2. Legal Proceedings

- During the period there are no legal cases against the Company and from the company.

##### Analysis of Company's Share Transaction

- PMHL shares were actively traded during third quarter (until the lock-down).
- The major highlights of share transactions during the quarter are as follows:

Maximum Price NPR.	106	Minimum Price NPR.	74	Closing Price NPR	76
No. of Transaction Day	45	Total Traded Volume	44,698	Turnover NPR.	4,086,568

##### 3. Problems & Challenges

###### Internal Risk

- Retention of skilled human resource
- To maintain the operational efficiency.
- To manage the fund for bank installment during dry season.

###### External Risk

- Lack of political commitment in development of hydroelectric projects.
- Fluctuation of water flow.
- Possibility of flood in monsoon season in the rivers at power-plant locations.
- Loss due to natural disaster – Earthquake etc.

##### 4. Corporate Governance

Board of Directors, Audit Committee, other Committees and Management Team are committed for strengthening good corporate governance within the company. The company has written manual, policies, rules & guidelines for proper functioning of the operation of the company.

##### 5. Declaration

I the Director of this Company, take the responsibility of accuracy of the information and details mentioned in this report for the period up to third quarter of F.Y 2076/077, hereby declare that the information and details provided in this report are true, based on facts, and complete to the best of my knowledge.