

## Unaudited Financial Reports (Quarterly)

As at 3rd Quarter (2077.12.31) of the Fiscal Year 2077/78

Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
	as on 31.12.2077	as on 29.09.2077	as on 30.12.2076
<b>Assets</b>			
<b>Non Current Assets</b>			
Property Plant & Equipment-UMHEP	1,910,365,176	1,929,267,663	1,985,975,123
Property Plant & Equipment-UMCHEP	1,050,721,219	1,060,728,088	1,090,748,694
Property Plant & Equipment-Other	2,210,818	2,447,294	3,125,857
	<b>2,963,297,213</b>	<b>2,992,443,044</b>	<b>3,079,849,674</b>
<b>Current Assets</b>			
Commercial & Other Receivables	87,325,018	35,324,222	39,637,825
Cash & Bank	949,239	12,797,980	960,204
Advance & Deposits	40,327,073	22,444,478	7,308,513
Inventory	19,268,247	19,268,247	14,305,406
	<b>147,869,577</b>	<b>89,834,927</b>	<b>62,211,948</b>
<b>Total Assets</b>	<b>3,111,166,791</b>	<b>3,082,277,971</b>	<b>3,142,061,622</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	(211,414,006)	(226,952,094)	(163,626,029)
Other Equity	(42,413)	(42,413)	
	<b>888,543,581</b>	<b>873,005,493</b>	<b>936,373,971</b>
<b>Other Funds &amp; Liabilities</b>			
Deferred Income	25,089,229	25,466,443	26,598,085
Deferred Tax	68,063,656	53,274,786	43,662,300
Secured Loan	1,651,108,852	1,678,891,347	1,705,137,245
Unsecured Loan			
	<b>1,744,261,737</b>	<b>1,757,632,576</b>	<b>1,775,397,630</b>
<b>Current Liabilities &amp; Provisions</b>			
Commercial & Other Payables	63,479,896	72,250,952	77,325,791
Short Term Loan	414,424,608	378,684,443	351,705,508
Provisions	456,968	704,508	1,258,722
	<b>478,361,472</b>	<b>451,639,903</b>	<b>430,290,021</b>
<b>Total Liabilities</b>	<b>3,111,166,791</b>	<b>3,082,277,971</b>	<b>3,142,061,622</b>

Particulars	This Quarter Ending Chaitra End 2077	Previous Quarter Ending Poush End 2077	Corresponding Quarter Ending Chaitra End 2076
	<b>Operating Income</b>		
Electricity Sale to NEA -UMHEP	155,015,562	80,015,562	176,753,264
Electricity Sale to NEA -UMCHEP	111,214,675	90,337,152	112,386,376
<b>Total Operating Income</b>	<b>266,230,237</b>	<b>170,352,715</b>	<b>289,139,640</b>
<b>Operating Expenses</b>			
Power Plant Expenses - UMHEP	4,452,011	3,440,500	10,811,019
Power Plant Expenses - UMCHEP	3,730,868	3,626,909	4,839,668
<b>Total Operating Expenses</b>	<b>8,182,879</b>	<b>7,067,410</b>	<b>15,650,687</b>
<b>Gross Operating Profit</b>	<b>258,047,358</b>	<b>163,285,305</b>	<b>273,488,953</b>
<b>Administrative and Other Expenses</b>			
Employee Expenses	4,890,684	4,202,771	5,197,413
Administrative Expenses	41,421,732	29,445,554	21,503,241
Interest on Loan	130,276,267	95,113,210	165,841,218
Depreciation	87,492,396	58,321,836	87,471,880
Loss on Sale of Assets	-	-	-
<b>Total Administrative &amp; Other Expenses</b>	<b>264,081,078</b>	<b>187,083,371</b>	<b>280,013,752</b>
<b>Income from Other Sources</b>			
Other Income			
Deferred Income	1,131,642	754,428	1,131,641
Gain on Sale of Assets	696,231	-	-
<b>Total Income From Other Sources</b>	<b>1,827,873</b>	<b>754,428</b>	<b>1,131,641</b>
<b>Profit (Loss) before Employees Bonus and Tax</b>	<b>(4,205,847)</b>	<b>(23,043,638)</b>	<b>(5,393,158)</b>
Provision for Employee's Bonus			
Provision for Corporate Tax	456,968	188,607	282,910
Deferred Tax Expenses /(Income)	7,546,321	5,030,881	13,744,816
<b>Net Profit (Loss) after Tax</b>	<b>(12,209,136)</b>	<b>(28,263,126)</b>	<b>(19,420,884)</b>
Profit brought forward from last Year	(199,204,869)	(198,688,968)	(144,205,145)
<b>Balance Transferred to Balance Sheet</b>	<b>(211,414,006)</b>	<b>(226,952,094)</b>	<b>(163,626,029)</b>

### THIRD QUARTER DISCLOSURE AS OF 2077.12.31

### 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 published 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 Projects 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)	(1.11)	Net-worth Per Share	80.78
Current Ratio	0.31	Market Value Per Share	193

#### 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.
- The major highlights of share transactions during the quarter are as follows:

Maximum Price NPR.	202	Minimum Price NPR.	129	Closing Price NPR	193
No. of Transaction Day	55	Total Traded Volume	8,70,198	Turnover NPR.	14,10,60,744

#### 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, Landslide 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.

#### 4. Miscellaneous

Power Plant of Upper Mai HEP is currently under Maintenance due to problems encountered in the Tunnel and Penstock Alignment by the natural disaster of land movement. The Company is taking it very seriously and expediting the repair works from all aspects. Insured with the Loss of Profit Insurance can be treated as a strength 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 2077/078, hereby declare that the information and details provided in this report are true, based on facts, and complete to the best of my knowledge.