

## Unaudited Financial Reports (Quarterly)

As at 4th Quarter (2077.03.31) of the Fiscal Year 2076/77

Particulars	This Quarter Ending	2nd Quarter Ending	Corresponding Previous Year Quarter Ending
	as on 31.03.2077	as on 30.12.2076	as on 31.03.2076
<b>Assets</b>			
<b>Non Current Assets</b>			
Property Plant & Equipment-UMHEP	1,967,072,636	1,985,975,123	3,826,170
Property Plant & Equipment-UMCHEP	1,080,741,825	1,090,748,694	2,042,682,583
Property Plant & Equipment-Other	2,892,419	3,125,857	1,120,769,300
	<b>3,050,706,881</b>	<b>3,079,849,674</b>	<b>3,167,278,053</b>
<b>Current Assets</b>			
Commercial & Other Receivables		39,637,825	39,837,923
Cash & Bank		960,204	961,714
Advance & Deposits		7,308,513	6,980,774
Inventory		14,305,406	14,305,406
	<b>92,826,662</b>	<b>62,211,948</b>	<b>62,085,817</b>
<b>Total Assets</b>	<b>3,143,533,543</b>	<b>3,142,061,622</b>	<b>3,229,363,870</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	(184,559,324)	(163,626,029)	(144,205,145)
	<b>915,440,676</b>	<b>936,373,971</b>	<b>955,794,855</b>
<b>Other Funds &amp; Liabilities</b>			
Deferred Income	26,220,871	26,598,085	27,729,725
Deferred Tax	48,243,905	43,662,300	29,917,484
Secured Loan	1,705,137,245	1,705,137,245	1,827,343,195
Unsecured Loan	-	-	-
	<b>1,779,602,021</b>	<b>1,775,397,630</b>	<b>1,884,990,404</b>
<b>Current Liabilities &amp; Provisions</b>			
Commercial & Other Payables	71,998,728	77,325,791	72,649,920
Short Term Loan	376,114,904	351,705,508	314,952,880
Provisions	377,214	1,258,722	975,812
	<b>448,490,846</b>	<b>430,290,021</b>	<b>388,578,611</b>
<b>Total Liabilities</b>	<b>3,143,533,543</b>	<b>3,142,061,622</b>	<b>3,229,363,870</b>
<b>Particulars</b>	<b>This Quarter Ending Ashadh End 2077</b>	<b>Previous Quarter Ending Chaitra End 2076</b>	<b>Corresponding Quarter Ending Ashadh End 2076</b>
<b>Operating Income</b>			
Electricity Sale to NEA -UMHEP	225,993,053	176,753,264	200,046,878
Electricity Sale to NEA -UMCHEP	143,725,307	112,386,376	121,783,180
<b>Total Operating Income</b>	<b>369,718,360</b>	<b>289,139,640</b>	<b>321,830,059</b>
<b>Operating Expenses</b>			
Power Plant Expenses - UMHEP	13,339,604	10,811,019	8,393,718
Power Plant Expenses - UMCHEP	6,473,699	4,839,668	4,811,942
<b>Total Operating Expenses</b>	<b>19,813,303</b>	<b>15,650,687</b>	<b>13,205,660</b>
<b>Gross Operating Profit</b>	<b>349,905,057</b>	<b>273,488,953</b>	<b>308,624,399</b>
<b>Administrative and Other Expenses</b>			
Employee Expenses	5,904,687	5,197,413	11,884,464
Administrative Expenses	28,787,982	21,503,241	32,515,270
Interest on Loan	221,742,614	165,841,218	223,767,769
Depreciation	116,629,173	87,471,880	116,620,473
Loss on Sale of Assets	-	-	-
<b>Total Administrative &amp; Other Expenses</b>	<b>373,064,455</b>	<b>280,013,752</b>	<b>384,787,976</b>
<b>Income from Other Sources</b>			
Other Income	-	-	-
Deferred Income	1,508,854	1,131,641	3,751,870
Gain on Sale of Assets	-	-	-
<b>Total Income From Other Sources</b>	<b>1,508,854</b>	<b>1,131,641</b>	<b>3,751,870</b>
<b>Profit (Loss) before Employees Bonus and Tax</b>	<b>(21,650,544)</b>	<b>(5,393,158)</b>	<b>(72,411,708)</b>
Provision for Employee's Bonus			
Provision for Corporate Tax	377,214	282,910	941,794
Deferred Tax Expenses /(Income)	18,326,421	13,744,816	(18,637,842)
<b>Net Profit (Loss) after Tax</b>	<b>(40,354,179)</b>	<b>(19,420,884)</b>	<b>(54,715,660)</b>
Profit brought forward from last Year	(144,205,145)	(144,205,145)	(89,489,485)
<b>Balance Transferred to Balance Sheet</b>	<b>(184,559,324)</b>	<b>(163,626,029)</b>	<b>(144,205,145)</b>

### FOURTH QUARTER DISCLOSURE AS OF 2077.03.31

#### 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 third 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)	(3.67)	Net-worth Per Share	83.22
Current Ratio	0.21	Market Value Per Share	71

##### 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.	72	Minimum Price NPR.	69	Closing Price NPR	71
No. of Transaction Day	11	Total Traded Volume	7,832	Turnover NPR.	557,122

##### 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.

##### 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 fourth 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.