

# Sanima Mai Hydropower Ltd.

Alakapuri Complex, Naxal, Kathmandu, Nepal

## Unaudited Financial Reports (Quarterly)

As at 4<sup>th</sup> Quarter (2073.03.31) of the Fiscal Year 2072/073

### Balance Sheet

Particulars	(Audited) Corresponding Previous Year Quarter Ending	(Unaudited) Previous Quarter Ending	(Unaudited) This Quarter Ending
<b>Capital &amp; Liabilities</b>	NRs.	NRs.	NRs.
<b>Equity Holders' Fund</b>			
Share Capital	1,055,000,000.00	1,055,000,000.00	1,055,000,000.00
Retained Earning	38,624,949.42	(23,805,833.18)	(17,674,791.20)
<b>Total Equity Holders' Fund</b>	<b>1,093,624,949.42</b>	<b>1,031,194,166.82</b>	<b>1,037,325,208.80</b>
<b>Non-Current Liabilities</b>			
<b>Loans-Secured</b>			
Consortium Term Loan from Banks (MHP)	2,581,383,282.51	2,325,006,904.17	2,247,968,894.27
Consortium Term Loan from Banks (MCHP)	-	832,744,961.62	948,508,476.69
Bridge Gap Loan	195,000,000.00	-	79,440,000.00
<b>Total Non-Current Liabilities</b>	<b>2,776,383,282.51</b>	<b>3,157,751,865.79</b>	<b>3,275,917,370.96</b>
<b>Total</b>	<b>3,870,008,231.93</b>	<b>4,188,946,032.61</b>	<b>4,313,242,579.76</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Properties, Plant and Equipment (Mai)	27,157,796.31	3,020,375,378.42	3,121,473,247.15
Less: Accumulated Depreciation	(12,249,313.44)	(104,193,714.71)	(139,086,064.46)
Properties, Plant and Equipment (MCHP)	-	1,343,413,574.38	1,350,097,575.36
Less: Accumulated Depreciation	-	(14,329,744.79)	(36,002,602.01)
<b>Net Non-Current Assets</b>	<b>14,908,482.87</b>	<b>4,245,265,493.30</b>	<b>4,296,482,156.04</b>
Capital work in progress(Mai Khola 22 MW)	2,970,897,634.39	-	-
Capital work in progress(Mai cascade 7 MW)	982,111,640.55	-	-
<b>Investment (at cost)</b>	<b>-</b>	<b>5,000,000.00</b>	<b>5,000,000.00</b>
<b>Current assets</b>			
Stock	-	-	745,032.73
Cash and Bank balances	85,110,578.81	23,844,372.38	42,580,396.25
Loans, advances and deposits	222,329,936.33	274,355,042.59	206,774,125.31
Advance to associate Company	560,141.00	560,141.00	560,141.00
Advance Tax	4,561,025.14	4,663,194.66	4,697,154.70
<b>Total Current Assets</b>	<b>312,561,681.28</b>	<b>303,422,750.63</b>	<b>255,356,849.99</b>
<b>Less: Current Liabilities &amp; Provisions</b>			
Sundry Creditors and Payables	227,406,668.04	218,934,930.21	179,359,044.76
Provision & Other Liabilities	182,119,054.52	145,468,556.25	64,222,708.45
Withholding Tax Payable	945,484.60	338,724.86	14,673.06
<b>Total Current Liabilities &amp; Provisions</b>	<b>410,471,207.16</b>	<b>364,742,211.32</b>	<b>243,596,426.27</b>
<b>Net Current Assets</b>	<b>(97,909,525.88)</b>	<b>(61,319,460.69)</b>	<b>11,760,423.72</b>
<b>Total</b>	<b>3,870,008,231.93</b>	<b>4,188,946,032.61</b>	<b>4,313,242,579.76</b>

## Income Statement

Particulars	(Audited) As At 31.03.2072	(Unaudited) As At 30.12.2072	(Unaudited) As At 31.03.2073
Income from Sale of Electricity (MHP)	81,300,844.00	249,436,182.18	371,200,913.04
Income from Sale of Electricity (MCHP)	-	12,569,804.44	47,674,341.92
Income From Interest	1,295,745.80	681,127.56	907,525.49
Other Income	725,851.91	1,332.27	-
<b>Total Income</b>	<b>83,322,441.71</b>	<b>262,688,446.45</b>	<b>419,782,780.45</b>
<b>Less:</b>			
Administrative Expenses	21,862,713.18	11,943,553.48	21,354,657.00
Power Plant & Site Overheads (MHP)	-	44,948,123.66	52,740,660.88
Power Plant & Site Overheads (MCHP)	-	7,399,711.62	13,693,819.62
Interest Expenses (MHP)	-	143,297,090.68	192,795,057.62
Interest Expenses (MCHP)	-	11,256,603.56	30,101,274.20
Depreciation Charge	3,681,926.00	106,274,146.05	162,839,353.02
<b>Profit from Operations</b>	<b>57,777,802.53</b>	<b>(62,430,782.60)</b>	<b>(53,742,041.89)</b>
Foreign Exchange fluctuation Gain/(Loss)	640,172.34	-	(2,557,698.73)
<b>Net Profit/(Loss)</b>	<b>58,417,974.87</b>	<b>(62,430,782.60)</b>	<b>(56,299,740.62)</b>
Staff Bonus Provision	(1,145,450.49)		
<b>Net Profit Before Tax</b>	<b>57,272,524.38</b>	<b>(62,430,782.60)</b>	<b>(56,299,740.62)</b>
Provision for Income Tax		-	-
<b>Net Profit after tax</b>	<b>57,272,524.38</b>	<b>(62,430,782.60)</b>	<b>(56,299,740.62)</b>
Profit brought forward from last year	(18,647,574.96)	38,624,949.42	38,624,949.42
<b>Profit/(Loss) transfer to balance sheet</b>	<b>38,624,949.42</b>	<b>(23,805,833.18)</b>	<b>(17,674,791.20)</b>

If the statutory and supervising authority notifies to change the Un-Audited Financial Statements, the final figures may change accordingly.

**FOURTH QUARTER DISCLOSURE AS OF 2073.03.31**  
**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 fourth quarter have been published along with this report.
- Pursuant to Electricity Act 2049, the company has deducted depreciation at 4% so that all the investments made on electricity generation, transmission or distribution is paid back in average of 25 years. In case of other Fixed Assets, depreciation has been calculated based on Written Down Value as per the Provisions of the Income Tax Act, 2058.
- Mai Khola Hydropower Project 22 MW is evacuating its power through 132 kVA transmission line since 19.06.2072 for power evacuation. Till the end of Ashad 2073, the company has generated the invoice of NPR. 371,200,913.04. Mai Cascade Hydropower Project 7 MW has started evacuating its power since 29.10.2072 and has generated the invoice of NPR. 47,674,341.92 till the end of Ashad 2073. Besides this, interest on deposit is also reported as revenue/ Income.
- Major Financial Highlights**

Earnings Per Share (EPS)	(5.34)	Net-worth Per Share	98.32
Current Ratio	1.05	Market Value Per Share	1020.00

- **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**

- SMHL shares were actively traded during fourth quarter.
- The major highlights of Share transactions during the quarter are as follows:  
Maximum price NPR. 1234, Minimum price NPR. 825, closing price NPR. 1020, No. of transaction Day: 64, Total Transactions: 3,625, Total traded volume. 688,603 and Turnover NPR. 681,325,671.00.

**3. Problems & Challenges**

**Internal Risk**

- Retention of skilled human resource
- To manage the overhead cost and maintain the operational efficiency.

**External Risk**

- Lack of political commitment in development of hydroelectric projects.
- Fluctuating cost of capital and devaluating local currency.
- Delay of statutory approvals.
- Cost and time overrun of projects under construction.
- 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. Sanima Mai has written manual, policies, rules & guidelines for proper functioning of the operation of the company.

**5. Declaration**

I the Chief Executive Officer 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 2072/073, hereby declare 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.