

Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 4th Quarter (2077.03.31) of the Fiscal Year 2076/077

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)

Particulars	Un-Audited This Quarter Ending	Un-Audited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
	as on 31-03-2077	as on 30-12-2076	as on 31-03-2076
Assets	Nrs.	Nrs.	Nrs.
Non-Current Assets			
Property Plant & Equipment	18,748,820	19,751,119	15,567,884
Intangible Assets	3,739,733,877	3,773,940,917	3,889,155,679
Intangible Assets under development	-	2,669,385	1,069,263
Held to maturity financial assets	5,200,000	5,200,000	5,200,000
Investment in associates	242,500,000	242,500,000	242,500,000
Advance towards Investment in Equity	988,250,000	930,750,000	630,750,000
Other Financial Assets	5,013,282	10,013,282	5,013,282
Other Assets	3,955,932	3,995,492	4,114,170
Current Assets			
Current tax assets	536,731	564,447	-
Cash and short-term deposits	77,894,579	104,058,677	228,935,385
Other Financial Assets	385,748,102	399,897,782	335,903,903
Inventories	13,044,795	12,436,327	7,529,782
Current other Assets	10,728,945	2,797,493	12,535,604
Total Assets	5,491,355,064	5,508,574,920	5,378,274,952
Liabilities			
Non-Current Liabilities			
Borrowings	1,980,433,583	2,234,549,815	2,234,549,815
Other Financial Liabilities	1,055,350	8,501,116	8,501,116
Other provisions	2,114,010	2,330,502	3,551,677
Current Liabilities			
Borrowings	259,701,534	65,550,091	235,550,539
Other Financial Liabilities	27,503,681	39,561,250	33,423,294
Other Liabilities	7,736,920	1,181,268	5,570,927
Current Tax liabilities	-	-	486,440
Total Liabilities	2,278,545,078	2,351,674,042	2,521,633,808
Equity			
Share Capital	2,553,100,000	2,321,000,000	2,321,000,000
Advance to Equity Share Capital	-	232,100,000	-
Retained Earnings	656,434,994	603,559,208	533,087,293
Other Reserves	3,274,992	241,670	2,553,851
Total Equity	3,212,809,986	3,156,900,878	2,856,641,144
Total Liabilities and Equity	5,491,355,064	5,508,574,920	5,378,274,951

Particulars	Un-Audited This Quarter Ending	Un-Audited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
	from 01/04/2076 to 31/03/2077	from 01/04/2076 to 30/12/2076	from 01/04/2075 to 31/03/2076
Revenue From Sale of Electricity	860,784,011	670,162,024	725,082,581
Plant operating expenses	(80,189,422)	(44,803,541)	(71,507,260)
Gross profit	780,594,590	625,358,483	653,575,321
Other Income	787,412	773,300	2,086,934
Other operating and administrative expenses	(175,725,820)	(139,174,605)	(180,607,301)
Net operating profit	605,656,181	486,957,178	475,054,954
Financial costs	(241,991,717)	(184,708,123)	(278,788,071)
Financial income	13,625,067	10,645,442	50,555,861
Profit/(Loss) before tax & bonus	377,289,531	312,894,497	246,822,743
Provision for Staff Bonus	(7,397,834)	-	(4,842,797)
Profit/(Loss) before tax	369,891,697	312,894,497	241,979,947
Income Tax Expense	(1,507,066)	(1,032,406)	(10,761,819)
Net Profit For the Year	368,384,632	311,862,091	231,218,128

1. Financial Statements

- The unaudited financial statements for fourth quarter have been published along with this report.
- Pursuant to Life of the project, the company has amortized the intangible assets so that all the investments made on electricity generation, transmission or distribution is paid back in average of 30 years from Commercial Operation Date. 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.
- Till the end of Asadh 2077, Mai Hydropower Plant (22 MW) has generated the invoice of NPR. 660,918,594 and Mai Cascade Hydropower Plant (7 MW) has generated the invoice of NPR. 199,865,418. Beside this, interest on deposit is also reported as revenue/ Income.
- Company has claimed NPR 366,122,811 for 20% additional claim till Asadh end 2077 as per 'Posted Rate' of facility agreement 2071 with Nepal Electricity Authority for Mai Hydropower Project (15.6MW). Posted rate receivable amount NPR. 216,809,470 has already received from NEA on different dates. Current Other Financial Assets includes NPR 149,313,341 receivables for posted rate claim.
- As per Budget for F/Y 2071-72, Under topic "Urja 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.' Mai Hydropower Plant (22MW) and Mai Cascade hydropower plant (7MW) have been completed and connected to National Grid on 2071-11-14 and on 2072-10-29 respectively, this income has not been included in Revenue/Income as it is not received yet.
- 10% bonus share declared by 8th AGM has been dematerialized and transferred to related shareholder account.
- Income tax provision on interest income from term deposit has been accounted i.e. 25% of NPR. 6,028,262=NPR 1,507,066.
- Other financial assets under current assets includes NPR. 81,227,486 cash held in Revenue and Capex account maintained in Laxmi Bank.
- SMHL has committed to invest NPR 1,230,750,000 in below company and out of which, it has provided the funds as "Investment in Associates" & "Advance for Investment" below.

Associate Company	Investment in associates*	Advance for Investment**
Swet Ganga Hydropower & Construction Ltd.	-	450,000,000
Sanima Middle Tamor Hydropower Ltd	120,000,000	360,000,000
Mathillo Mailun Khola Jalvidhyut Hydropower Ltd.	117,500,000	120,000,000
Tamor Sanima Energy Pvt. Ltd.	-	55,000,000
Bavari Construction Pvt. Ltd.	5,000,000	3,250,000
Total	242,500,000	988,250,000

- **Major Financial Highlights**

Earnings Per Share (EPS) till 4 th quarter	14.43	Net-worth Per Share	125.84
Current Ratio	1.65	Market Value Per Share	223

Management Analysis

- Mai and Mai cascade hydropower plant has evacuated its power on the basis of dispatch availability in 4th quarter of fiscal year 2076/077.
- Revenue has been increased by 18.7% as compared to corresponding previous year quarter ending due to favorable rainfall during the period.
- Plant operating expenses, administrative expenses and financial costs have been decreased as compared to corresponding previous year quarter ending.
- As a result, net profit for the year has increased by 59.3% as compared to corresponding previous year quarter ending.
- 10% bonus share declared by 8th AGM has been dematerialized and transferred to related shareholder account.

2. Legal Proceedings

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

Analysis of Company's Share Transaction

- The major highlights of Share transactions during the quarter are as follows:

Maximum price NPR.	230	Total Transactions	580
Minimum price NPR.	184	No. of transaction Day	13
Closing price NPR.	223	Total traded volume	121,353
Turnover NPR.	26,032,280		

3. Problems & Challenges

Internal Challenges

- Retention of skilled human resource.
- To maintain the operational efficiency.

External Challenges

- Inconsistent regulatory and policy level commitment from the government regulatory agencies in development of hydroelectric projects.
- Fluctuating cost of capital and devaluating local currency.
- Delay of statutory approvals.
- Loss due to natural disaster –flood, Earthquake, force measure issue, etc.
- Lack of domestic suppliers and vendors for hydropower equipment and spare parts.
- Hydrological Risk.

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 General Manager 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 and that information necessary for taking informed decision by the investors are not concealed.