



Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 4th Quarter (2079.03.32) of the Fiscal Year 2078/079

FOURTH QUARTER DISCLOSURE AS OF 2079.03.32 AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION ANNEXURE-14 (RELATED TO SUB REGULATION 2 OF REGULATION

Particulars	Un-Audited This Quarter Ending as on 32-03-2079	Un-Audited Previous Quarter Ending as on 30-12-2078	Audited Corresponding Previous Year Quarter Ending as on 31-03-2078
Assets			
Non-Current Assets			
Property Plant & Equipment	14,576,899	14,512,423	15,759,602
Intangible Assets	3,434,738,436	3,472,848,528	3,587,618,256
Held to maturity financial assets	352,300,000	390,100,000	-
Investment in associates	1,225,700,000	1,225,700,000	1,225,700,000
Other Financial Assets	-	-	45,502
Advance towards Investment in Equity	35,875,000	31,750,000	86,750,000
Current Assets			
Other Financial Assets	552,700,091	473,028,967	479,254,268
Current other Assets	15,152,804	3,349,966	12,755,351
Inventories	18,985,105	19,662,479	19,062,885
Cash and short-term deposits	73,083,265	72,793,616	64,409,658
Current tax assets	3,847,944	3,414,863	558,545
Total Assets	5,726,959,545	5,707,160,842	5,491,914,067
Liabilities			
Non-Current Liabilities			
Borrowings	1,351,450,097	1,687,325,453	1,713,412,048
Other provisions	1,375,916	1,909,111	1,851,431
Current Liabilities			
Borrowings	334,334,356	75,996,141	267,021,534
Other Financial Liabilities	11,740,237	23,276,160	13,865,232
Other Liabilities	12,382,187	1,529,593	9,361,600
Total Liabilities	1,711,282,793	1,790,036,458	2,005,511,845
Equity			
Share Capital	3,089,251,000	3,089,251,000	2,808,410,000
Retained Earnings	917,012,446	821,326,887	671,445,724
Other Reserves	9,413,305	6,546,497	6,546,497
Total Equity	4,015,676,752	3,917,124,384	3,486,402,221
Total Liabilities and Equity	5,726,959,545	5,707,160,842	5,491,914,067
Income Statement			
Particulars	Un-audited This Quarter Ending	Un-audited Previous Quarter Ending	Audited Corresponding Previous Year Quarter Ending
Revenue From Sale of Electricity	935,026,594	740,047,000	850,309,509
Plant operating expenses	(89,315,968)	(59,488,378)	(79,312,511)
Gross profit	845,710,626	680,558,622	770,996,999
Other Income	51,843	51,374	255,202
Administrative and Other operating expenses	(178,415,588)	(133,919,839)	(178,304,127)
Net operating profit	667,346,881	546,690,158	592,948,073
Financial costs	(145,569,116)	(108,239,238)	(185,837,340)
Financial income	39,080,371	27,347,707	9,642,201
Profit/(Loss) before tax & bonus	560,858,136	465,798,626	416,752,934
Provision for Staff Bonus	(11,217,163)	(9,315,973)	(8,335,059)
Profit/(Loss) before tax	549,640,973	456,482,654	408,417,875
Income Tax Expense	(9,103,069)	(6,421,883)	(1,941,773)
Net Profit for the Year	540,537,904	450,060,771	406,476,102
Major Financial Highlights			
Earnings Per Share (EPS)	17.50	14.57	14.47
Current Ratio	1.85	5.68	1.98
Net worth Per Share	129.99	126.80	124.14
Market Value Per Share	306	375	513

Financial Statements

- The unaudited financial statements for the fourth quarter have been published along with this report.
- Pursuant to the Life of the project, the company has amortized the intangible assets so that all the investments made on electricity generation, transmission, or distribution are paid back in an average of 30 years from the Commercial Operation Date. In the 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 2079, Mai Hydropower Plant (22 MW) has generated the invoice of NPR. 710,533,366 and Mai Cascade Hydropower Plant (7 MW) has generated the invoice of NPR. 224,493,227. Besides this, interest on deposits is also reported as revenue/ Income.
- As per the Posted Rate Facility Agreement for Mai Hydropower Project (15.6MW), the company is eligible to claim the additional rate for 7 years from Baisakh, 2072 to Chaitra 2078. The company has claimed NPR 502,804,068 with Nepal Electricity Authority during the eligible period. Out of the total claimed amount, NPR. 216,809,470 has already been received from NEA on different dates while NPR. 285,994,598 is yet to be received.
- As per Budget for F/Y 2071-72, Under the topic "Urja Ujyalo Nepal Sambhridha Nepal" point 61 'For Projects completed and connected to National Grid by 2079-80, the Lump sum amount of NPR. 50 lakhs/MW is to be provided as Government Grant. An additional 10% will be provided to those projects which will be completed and connected to National Grid by 2074-75'. Mai Hydropower Plant (22MW) and Mai Cascade hydropower plant (7MW) were completed and connected to National Grid on 2071-11-14 and on 2072-10-29 respectively which makes the company eligible for the above-mentioned grant from GON. However, such income has not been included in Revenue/Income since the same has not been received yet.
- Income tax provision on the interest income from term deposit and interest income from other has been accounted @ 25% totaling NPR 9,103,069.
- SMHL has committed to invest NPR 1,740,700,000 in the following companies and which have been shown under the heads as "Investment in Associates" & "Advance for Investment" below:

Associate Company	Committed to Investment	Investment in associates	Advance for Investment
Swet Ganga Hydropower & Construction Ltd.	450,000,000	450,000,000	-
Sanima Middle Tamor Hydropower Ltd	533,200,000	533,200,000	-
Mathillo Mailun Khola Jalvidhyut Hydropower Ltd.	237,500,000	237,500,000	-
Bavari Construction Pvt. Ltd.	20,000,000	5,000,000	7,375,000
Sanima Jum Hydropower Limited.	500,000,000	-	28,500,000
Total	1,740,700,000	1,225,700,000	35,875,000

- The previous period's figures are regrouped and re-arranged wherever necessary.

Management Analysis

- Mai and Mai Cascade Hydropower Plant have evacuated its power on the basis of dispatch availability in the 4th quarter of the fiscal year 2078/079.
- Revenue from the Sale of Electricity has increased by 9.96% % compared to the corresponding previous year's quarter ending. The positive impact has resulted from a favorable increase in discharge throughout the year.
- Financial income has increased by 305.31% compared to the corresponding previous year's quarter ending.
- The plant operating expenses have increased by 12.68% and financial costs have decreased by 21.67% compared to the corresponding previous year's quarter ending.
- The net profit for the year has increased by 32.97% compared to the previous year's quarter ending.

Legal Proceedings

- During the period, no legal cases were raised or pending 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:

Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
Maximum price NPR.	406	482	607
Minimum price NPR.	269	360	353
Closing price NPR.	306	375	513
Total Turnover NPR.	1,121,077,776	2,245,597,711	5,882,052,821
Total Transactions	16,561	24,409	42,263
No. of transaction Day	65	58	65
Total traded volume	3,438,904	5,155,708	12,253,825

Problems & Challenges

Internal Challenges

- Retention of skilled human resources.
- To maintain operational efficiency.

External Challenges

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

Corporate Governance

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

Declaration

I, the General Manager of this Company, take the responsibility for the accuracy of the information and details mentioned in this report for the period up to the fourth quarter of F.Y 2078/079, 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.

Please contact Company Secretary Mr. Jayanta Kumar Regmi cell no. 9841221570 for further inquiry about the company.