



# Sanima Mai Hydropower Limited

Dhumbarahi, KMC-4, Kathmandu, Nepal

## Unaudited Financial Reports (Quarterly)

As on 3rd Quarter (2079.12.30) of the Fiscal Year 2079/080

### THIRD QUARTER DISCLOSURE AS OF 2079.12.30 AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION ANNEXURE-14 (RELATED TO SUB REGULATION 1 OF REGULATION 26)

Statement of Financial Position	Un-audited This Quarter Ending as on 30-12-2079	Un-audited Previous Quarter Ending as on 30-09-2079	Un-Audited Corresponding Previous Year Quarter Ending as on 30-12-2078
<b>Assets</b>			
Non-Current Assets			
Property Plant & Equipment	12,445,317	13,187,454	14,512,423
Intangible Assets	3,329,341,747	3,367,041,215	3,472,848,528
Right of Use Assets	3,756,737	3,756,737	
Held to Maturity Financial Assets	538,690,000	462,500,000	390,100,000
Investment in associates	3,629,572,000	2,341,850,000	1,225,700,000
Advance towards Investment in Equity	28,500,000	28,500,000	31,750,000
Current Assets			
Other Financial Assets	466,653,756	487,851,318	473,028,967
Other Assets	3,765,936	5,888,670	3,349,966
Inventories	19,954,728	19,512,445	19,662,480
Cash and Short-term Deposits	45,521,883	106,583,190	72,793,616
Current Tax Assets	2,365,594	2,508,687	3,414,863
<b>Total Assets</b>	<b>8,080,567,697</b>	<b>6,839,179,715</b>	<b>5,707,160,842</b>
<b>Liabilities</b>			
Non-Current Liabilities			
Borrowings	1,351,450,097	1,351,450,097	1,687,325,453
Other Financial Liabilities	6,128,340	6,128,340	-
Other Provisions	1,375,916	1,375,916	1,909,111
Current Liabilities			
Borrowings	97,515,515	172,447,437	75,996,141
Other Financial Liabilities	10,117,883	10,861,450	23,276,160
Other Liabilities	8,907,594	8,213,518	1,529,593
<b>Total Liabilities</b>	<b>1,475,495,344</b>	<b>1,550,476,758</b>	<b>1,790,036,457</b>
<b>Equity</b>			
Share Capital	3,089,251,000	3,089,251,000	3,089,251,000
Retained Earnings	1,117,449,290	1,088,801,895	821,326,887
Other Reserves	2,398,372,062	1,110,650,662	6,546,497
Total Equity	6,605,072,352	5,288,702,957	3,917,124,385
Total Liabilities and Equity	8,080,567,697	6,839,179,715	5,707,160,842

STATEMENT OF PROFIT OR LOSS	Un-audited This Quarter Ending Chaitra, 2079	Un-audited Previous Quarter Ending Poush, 2079	Un-audited Corresponding Previous Year Quarter Ending Chaitra, 2078
Revenue From Sale of Electricity	620,370,505	504,930,392	740,047,000
Plant Operating Expenses	(68,057,079)	(40,637,072)	(59,488,378)
<b>Gross Profit</b>	<b>552,313,426</b>	<b>464,293,320</b>	<b>680,558,622</b>
Other Income	6,767,129	5,006,489	51,374
Administrative and Other Operating Expenses	(130,323,486)	(87,069,176)	(133,919,839)
<b>Net Operating Profit</b>	<b>428,757,070</b>	<b>382,230,633</b>	<b>546,690,157</b>
Financial Costs	(92,420,485)	(63,625,900)	(108,239,238)
Financial Income	37,448,494	22,850,876	27,347,707
Profit/(Loss) before Tax & Bonus	373,785,078	341,455,608	465,798,626
Provision for Staff Bonus	(7,475,702)	(6,829,112)	(9,315,973)
<b>Profit/(Loss) before Tax</b>	<b>366,309,377</b>	<b>334,626,496</b>	<b>456,482,653</b>
Income Tax Expense	(8,078,875)	(5,043,389)	(6,421,883)
<b>Net Profit for the Year</b>	<b>358,230,502</b>	<b>329,583,107</b>	<b>450,060,770</b>
Other Comprehensive gain/(loss) for the year, net of tax	2,388,872,000	1,101,150,000	-
<b>Total Comprehensive Income for the year, net of tax</b>	<b>2,747,102,502</b>	<b>1,430,733,107</b>	<b>-</b>

#### Major Financial Highlights

Earnings Per Share (EPS)	11.60	10.67	14.57
Current Ratio	4.62	3.25	5.68
Return on Assets (ROA)	4.43%	4.82%	7.89%
Net worth Per Share	213.81	171.20	126.80
Market Value Per Share	337	346	375
Price Earnings Ratio	29.06	32.43	25.74

#### Financial Statements

- The unaudited financial statements for the third 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 Chaitra 2079, Mai Hydropower Plant (22 MW) has generated the invoice of NPR. 463,069,494 and Mai Cascade Hydropower Plant (7 MW) has generated the invoice of NPR. 157,301,011. Besides this, interest on deposits has been reported as Financial 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 has been accounted @ 25% totaling NPR 8,078,874.
- The list of unclaimed cash dividend for FY 7074-075 and FY 2076-77 has been published on company's website: www.maihydro.com under "News and Reports" section and Sanima Capital's website <https://www.sanima.capital/> under result section Pending Cash Dividend. All the shareholders are kindly requested to check the list and reach out to Sanima Capital, Naxal for unclaimed dividend, if any.
- SHPC 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 at cost in associates	Advance for Investment
Swet Ganga Hydropower & Construction Ltd. (SGHC)	450,000,000	450,000,000	-
Sanima Middle Tamor Hydropower Ltd (TAMOR)	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	20,000,000	-
Sanima Jum Hydropower Limited.	500,000,000	-	28,500,000
<b>Total</b>	<b>1,740,700,000</b>	<b>1,240,700,000</b>	<b>28,500,000</b>

Swet Ganga Hydropower & Construction Ltd. (SGHC) and Sanima Middle Tamor Hydropower Ltd. (TAMOR) have been listed in the share market as public companies. As of Chaitra 30, 2079, the market value per share for SGHC and TAMOR is NPR. 360 and NPR. 321 respectively. Thus, the total investment in the companies (SGHC & TAMOR) have been presented at the fair value of NPR. 3,372,072,000 at the third quarter end, 2079 under the heading investment in associates.

- 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 3rd quarter of the fiscal year 2079/80.
- Revenue from the Sale of Electricity has decreased by 16.2% compared to the corresponding previous year's quarter ending. The end of Posted Rate Facility Agreement for Mai Hydropower Project (15.6 MW) owed 7.86% and unfavorable hydrological condition during this quarter owed 8.32% decrease in the revenue from the sale of electricity. As a result, the net profit for the third quarter end of FY 2079/080 has decreased by 20.4% compared to the previous year's quarter ending.
- Financial income has increased by 36.9% compared to the corresponding previous year's quarter ending.
- The plant operating expenses have increased by 14.4% and administrative expenses has decreased by 2.7% compared to the corresponding previous year's quarter ending.
- The financial costs have decreased by 14.6% compared to the corresponding previous year's quarter ending.
- The company has recognized other comprehensive gain of NPR. 2,388,872,000 resulting from fair value measurement of shares invested in Swet Ganga Hydropower and Construction Ltd. and Sanima Middle Tamor Hydropower Ltd. (Listed Associate Companies) as on third quarter end, 2079. The gain has also been shown under other reserves as Fair Value Reserve.

#### 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.	367	375	482
Minimum price NPR.	300	250	360
Closing price NPR.	337	346	375
Total Turnover NPR.	1,174,414,548	854,704,441	2,245,597,711
Total Transactions	13,158	10,801	24,409
No. of transaction Day	56	52	58
Total traded volume	3,589,210	2,794,909	5,155,708

#### 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.

##### Strategies

- Implementation of HR optimization plan.
- Lobbying with government agencies for investment friendly environment.
- Adequate insurance policies against the loss due to natural disaster.
- Maintenance of stock of spare parts & equipment.

##### 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 3rd quarter of FY 2079/080, 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 on (977-01)4372828/4373030 for further inquiry about the company.