



Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 3rd Quarter (2078.12.30) of the Fiscal Year 2078/079

THIRD QUARTER DISCLOSURE AS OF 2078.12.30 AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION ANNEXURE-14 (RELATED TO SUB REGULATION 2 OF REGULATION 22)

Particulars	Un-Audited This Quarter Ending as on 30-12-2078	Un-Audited Previous Quarter Ending as on 30-09-2078	Un-Audited Corresponding Previous Year Quarter Ending as on 31-12-2077
Assets			
Non-Current Assets			
Property Plant & Equipment	14,512,423	15,224,400	16,925,158
Intangible Assets	3,472,848,528	3,510,642,525	3,625,221,066
Intangible Assets under development	-	-	913,620
Held to maturity financial assets	390,100,000	317,600,000	-
Investment in associates	1,225,700,000	1,225,700,000	947,500,000
Other Financial Assets	-	-	4,645,781
Advance towards Investment in Equity	31,750,000	86,750,000	299,250,000
Current Assets			
Other Financial Assets	473,028,967	500,748,932	483,860,323
Current other Assets	3,349,966	4,554,303	4,820,383
Inventories	19,662,480	19,062,885	10,016,755
Cash and short-term deposits	72,793,616	18,172,083	92,500,607
Current tax assets	3,414,863	3,241,847	336,169
Total Assets	5,707,160,842	5,701,696,974	5,485,989,862
Liabilities			
Non-Current Liabilities			
Borrowings	1,687,325,453	1,687,325,453	1,980,433,583
Other Financial Liabilities	-	-	860,000
Other provisions	1,909,111	1,871,608	1,651,226
Current Liabilities			
Borrowings	75,996,141	150,434,231	68,029,768
Other Financial Liabilities	23,276,160	22,020,657	20,332,618
Other Liabilities	1,529,593	1,527,439	710,186
Total Liabilities	1,790,036,457	1,863,179,387	2,072,017,381
Equity			
Share Capital	3,089,251,000	3,089,251,000	2,808,410,000
Retained Earnings	821,326,887	742,720,090	601,007,765
Other Reserves	6,546,497	6,546,497	4,554,716
Total Equity	3,917,124,385	3,838,517,587	3,413,972,481
Total Liabilities and Equity	5,707,160,842	5,701,696,974	5,485,989,862
Particulars	Un-audited This Quarter Ending	Un-audited Previous Quarter Ending	Un-audited Corresponding Previous Year Quarter Ending
Revenue From Sale of Electricity	740,047,000	576,575,873	663,644,199
Plant operating expenses	(59,488,378)	(37,775,111)	(55,190,423)
Gross profit	680,558,622	538,800,762	608,453,776
Other Income	51,374	51,374	100,000
Administrative and Other operating expenses	(133,919,839)	(89,783,726)	(130,542,217)
Net operating profit	546,690,158	449,068,411	478,011,559
Financial costs	(108,239,238)	(73,155,153)	(143,739,218)
Financial income	27,347,707	3,931,018	5,831,094
Profit/(Loss) before tax & bonus	465,798,626	379,844,275	340,103,435
Provision for Staff Bonus	(9,315,973)	(7,596,886)	(6,802,069)
Profit/(Loss) before tax	456,482,654	372,247,390	333,301,366
Income Tax Expense	(6,421,883)	(793,416)	(1,077,824)
Net Profit For the quarter ending	450,060,771	371,453,973	332,223,542
Major Financial Highlights			
Earnings Per Share (EPS)	14.57	12.02	11.83
Current Ratio	5.68	3.14	6.64
Net worth Per Share	126.80	124.25	121.56
Market Value Per Share	375	459	374

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 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 Chaitra 2078, Mai Hydropower Plant (22 MW) has generated the invoice of NPR. 567,685,922 and Mai Cascade Hydropower Plant (7 MW) has generated the invoice of NPR. 172,361,078. Beside this, interest on deposit is also reported as revenue/ Income.
- Company has claimed NPR 502,804,068 for 20% additional claim till Chaitra end 2078 as per 'Posted Rate' of facility agreement 2071 with Nepal Electricity Authority for Mai Hydropower Project (15.6MW). Total amount of NPR. 216,809,470 on account of Posted Rate Claim has already been received from NEA on different dates and NPR. 285,994,598 is yet to be received.
- 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) were completed and connected to National Grid on 2071-11-14 and on 2072-10-29 respectively which makes the company eligible for 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 interest income from term deposit and interest income from other has been accounted @ 25% totaling of NPR 6,421,883.
- SMHL has committed to invest NPR 2,228,950,000 in 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
Sweet 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	-
Tamor Sanima Energy Pvt. Ltd. *	500,000,000	-	55,000,000
Bavari Construction Pvt. Ltd.	8,250,000	5,000,000	3,250,000
Sanima Jum Hydropower Limited.	500,000,000	-	28,500,000
Sub-Total	2,228,950,000	1,225,700,000	86,750,000
Withdrawn*	(500,000,000)	-	(55,000,000)
Total	1,728,950,000	1,225,700,000	31,750,000

* The investment commitment towards Tamor Sanima Energy Pvt. Ltd. has been withdrawn and the advance amount has been returned to us with legal interest (10%) which has been shown under financial income.

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

Management Analysis

- Mai and Mai cascade hydropower plant has evacuated its power on the basis of dispatch availability in 3rd quarter of fiscal year 2078/079.
- Revenue from Sale of Electricity has increased by 11.5% and financial income has been increased by 369% as compared to corresponding previous year quarter ending.
- Financial costs have decreased by 24.7% as compared to corresponding previous year quarter ending.
- The net profit for the year has increased by 35.5% as compared to corresponding previous year quarter ending.

1. 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:

Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
Maximum price NPR.	482	484	408
Minimum price NPR.	360	347	314
Closing price NPR.	375	459	374
Total Turnover NPR.	2,245,597,711	2,088,762,654	1,613,298,684
Total Transactions	24,409	26,993	14,171
No. of transaction Day	58	59	59
Total traded volume	5,155,708	4,946,495	4,506,063

2. 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, drought, force measure issue, etc.
- Lack of domestic suppliers and vendors for hydropower equipment and spare parts.
- Hydrological Risk.

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.

3. 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 third 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 enquiry about company.