



Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 4TH Quarter (2078.03.31) of the Fiscal Year 2077/078

FOURTH QUARTER DISCLOSURE AS OF 2078.03.31

AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION

ANNEXURE-14 (RELATED TO SUB REGULATION 2 OF REGULATION 22)

Particulars	Unaudited This Quarter Ending	Unaudited Previous Quarter Ending	Audited Corresponding Previous Year Quarter Ending
Assets	as on 31-03-2078	as on 31-12-2077	as on 31-03-2077
Non-Current Assets			
Property Plant & Equipment	15,759,602	16,925,158	18,740,179
Intangible Assets	3,587,618,256	3,625,221,066	3,740,656,095
Intangible Assets under development	-	913,620	-
Held to maturity financial assets	-	-	5,200,000
Investment in associates	1,172,500,000	947,500,000	947,500,000
Other Financial Assets	45,502	4,645,781	5,013,282
Advance towards Investment in Equity	139,950,000	299,250,000	283,250,000
Current Assets			
Other Financial Assets	479,254,268	483,860,323	385,762,796
Current other Assets	12,755,351	4,820,383	12,479,778
Inventories	19,062,885	10,016,755	10,040,018
Cash and short-term deposits	64,409,658	92,500,607	78,223,337
Current tax assets	558,545	336,169	539,329
Total Assets	5,491,914,067	5,485,989,862	5,487,404,815
Liabilities			
Non-Current Liabilities			
Borrowings	1,713,412,048	1,980,433,583	1,980,433,583
Other Financial Liabilities	-	860,000	-
Other provisions	1,964,218	1,651,227	1,588,114
Current Liabilities			
Borrowings	267,021,534	68,029,768	259,701,534
Other Financial Liabilities	11,500,481	12,318,846	28,421,281
Other Liabilities	9,370,213	710,185	7,856,365
Total Liabilities	2,003,268,496	2,064,003,609	2,278,000,877
Equity			
Share Capital	2,808,410,000	2,808,410,000	2,553,100,000
Retained Earnings	674,041,580	609,021,537	651,749,222
Other Reserves	6,193,991	4,554,716	4,554,716
Total Equity	3,488,645,571	3,421,986,253	3,209,403,938
Total Liabilities and Equity	5,491,914,067	5,485,989,862	5,487,404,815

Particulars	Unaudited This Quarter Ending	Unaudited Previous Quarter Ending	Audited Corresponding Previous Year Quarter Ending
	from 01/04/2077 to 31/03/2078	from 01/04/2077 to 31/12/2077	from 01/04/2076 to 31/03/2077
Revenue From Sale of Electricity	850,309,509	663,644,199	860,784,011
Plant operating expenses	(79,012,777)	(53,978,720)	(82,197,290)
Gross Profit	771,296,733	609,665,479	778,586,722
Other Income	142,202	100,000	1,112,963
Administrative and Other operating expenses	(181,030,845)	(130,542,217)	(175,455,812)
Net Operating Profit	590,408,089	479,223,262	604,243,872
Financial costs	(182,866,690)	(143,739,218)	(242,005,044)
Financial income	9,642,201	5,831,094	13,625,101
Profit/(Loss) Before Tax & Bonus	417,183,600	341,315,138	375,863,929
Provision for Staff Bonus	(8,343,672)		(7,517,279)
Profit/(Loss) Before Tax	408,839,928	341,315,138	368,346,650
Income Tax Expense	(1,941,773)	(1,077,824)	(1,507,066)
Net Profit for the Year	406,898,155	340,237,314	366,839,585

Major Financial Highlights

Earnings Per Share (EPS)	14.49	12.11	14.37
Current Ratio	2.0	7.3	1.6
Net-worth Per Share	124	121.85	125.71
Market Value Per Share	513	374	223

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 Ashadh 2078, 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 435,843,583 for 20% additional claim till Ashadh end 2078 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.
- 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 by2074-75.'
- 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.
- Income tax provision on interest income from term deposit has been accounted i.e. 25% of NPR. 7,767,092=NPR 1,941,773.
- Other financial assets under current assets includes NPR. 93,377,478 cash held in Revenue and Capex account maintained in Laxmi Bank Ltd., NPR 227,875,107 receivables for posted rate claim, and NPR. 154,443,264 receivables for Jestha and Ashadh revenue claim from NEA.
- SMHL has committed to invest NPR 2,228,950,000 in below company and out of which, it has provided the funds 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	480,000,000	53,200,000
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
Total	2,228,950,000	1,172,500,000	139,950,000

Management Analysis

- Mai and Mai cascade hydropower plant has evacuated its power on the basis of dispatch availability in 4th quarter of fiscal year 2077/078.
- Revenue from Sale of Electricity in the FY 2077/078 has decreased by 1.22% due to unfavorable hydrological conditions.
- Financial costs have been decreased by 24.44% due to decrease in interest rate as compared to corresponding previous year quarter ending.
- The Administrative and operating expenses in FY 2077/078 has increased slightly due to new recruitments of staffs.
- The net profit for the year has increased by 10.93% as compared to corresponding previous year quarter ending.

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:

	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
Maximum price NPR.	607	408	230
Minimum price NPR.	353	314	184
Closing price NPR.	513	374	223
Total Turnover NPR.	5,882,052,821	1,613,298,684	26,032,280
Total Transactions	42,263	14,171	580
No. of transaction Day	65	59	13
Total traded volume	12,253,825	4,506,063	121,353

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, drought, force measure issue, etc.
- Lack of domestic suppliers and venders for hydropower equipment and spare parts.
- Hydrological Risk.
- Difficulties in smooth office operation due to COVID-19 pandemic.

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 2077/078, 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 to Company Secretary Mr. Jayanta Kumar Regmi cell no. 9841221570 for further enquiry about company.