



Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 3rd Quarter (2077.12.31) of the Fiscal Year 2077/078

THIRD QUARTER DISCLOSURE AS OF 2077.12.31 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	Unaudited Corresponding Previous Year Quarter Ending
	as on 31-12-2077	as on 29-09-2077	as on 30-12-2076
Assets	NRs	NRs	NRs
Non-Current Assets			
Property Plant & Equipment	16,925,158	17,476,285	19,751,119
Intangible Assets	3,625,221,066	3,663,699,409	3,773,940,917
Intangible Assets under development	913,620	7,402	2,669,385
Investment in associates	947,500,000	947,500,000	242,500,000
Other Financial Assets	4,645,781	4,645,781	10,013,282
Other Assets	-	-	3,995,492
Advance towards Investment in Equity	299,250,000	283,250,000	930,750,000
Current Assets			
Other Financial Assets	483,860,323	501,700,546	405,097,781
Current other Assets	4,820,383	5,586,188	2,797,493
Inventories	10,016,755	10,031,496	12,436,327
Cash and short-term deposits	92,500,607	118,815,724	104,058,677
Current tax assets	336,169	536,679	564,447
Total Assets	5,485,989,862	5,553,249,509	5,508,574,920
Liabilities			
Non-Current Liabilities			
Borrowings	1,980,433,583	1,980,433,583	2,234,549,815
Other Financial Liabilities	860,000	860,000	8,501,116
Other provisions	1,651,227	1,678,024	2,330,502
Current Liabilities			
Borrowings	68,029,768	133,946,009	65,550,091
Other Financial Liabilities	12,318,846	24,009,601	39,561,250
Other Liabilities	710,186	8,368,305	1,181,268
Total Liabilities	2,064,003,609	2,149,295,521	2,351,674,042
Equity			
Share Capital	2,808,410,000	2,808,410,000	2,553,100,000
Retained Earnings	609,021,537	590,989,271	603,559,208
Other Reserves	4,554,716	4,554,716	241,670
Total Equity	3,421,986,253	3,403,953,987	3,156,900,878
Total Liabilities and Equity	5,485,989,862	5,553,249,509	5,508,574,920

Particulars	Unaudited This Quarter Ending	Unaudited Previous Quarter Ending	Unaudited Corresponding Previous Year Quarter Ending
	from 01/04/2077 to 31/12/2077	from 01/04/2077 to 29/09/2077	from 01/04/2076 to 30/12/2076
Revenue From Sale of Electricity	663,644,199	546,540,610	670,162,024
Plant operating expenses	(53,978,720)	(31,005,500)	(54,651,225)
Gross profit	609,665,478	515,535,110	615,510,799
Other Income	100,000	100,000	773,300
Other operating and administrative expenses	(130,542,217)	(91,309,383)	(129,326,921)
Net operating profit	479,223,262	424,325,727	486,957,178
Financial costs	(143,739,218)	(104,640,870)	(184,708,123)
Financial income	5,831,094	2,968,051	10,645,442
Profit/(Loss) before tax & bonus	341,315,138	322,652,907	312,894,497
Provision for Staff Bonus	-	-	-
Profit/(Loss) before tax	341,315,138	322,652,907	312,894,497
Income Tax Expense	(1,077,824)	(447,858)	(1,032,406)
Net Profit For the Year	340,237,315	322,205,049	311,862,091

Major Financial Highlights

Earnings Per Share (EPS)	12.11	11.47	12.20
Current Ratio	7.30	3.83	4.94
Net-worth Per Share	121.85	121.21	123.65
Market Value Per Share	374	324	198

1. 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 2077, Mai Hydropower Plant (22 MW) has generated the invoice of NPR. 509,905,369 and Mai Cascade Hydropower Plant (7 MW) has generated the invoice of NPR. 153,738,829 Beside this, interest on deposit is also reported as revenue/ Income.
- Company has claimed NPR 426,707,983 for 20% additional claim till Chaitra 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.
- 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. 4,311,294 –NPR 1,077,824.
- Other financial assets under current assets includes NPR. 93,224,808 cash held in Revenue and Capex account maintained in Laxmi Bank Ltd., NPR. 106,000,000 cash held in fixed deposit in different bank with maturity of more than three months, NPR 209,898,513 receivables for posted rate claim, and NPR. 63,753,196 receivables for Fagun and Chaitra revenue claim from NEA.
- SMHL has committed to invest NPR 2,175,750,000 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	225,000,000	225,000,000
Sanima Middle Tamor Hydropower Ltd	480,000,000	480,000,000	-
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	-	16,000,000
Total	2,175,750,000	947,500,000	299,250,000

Management Analysis

- Mai and Mai cascade hydropower plant has evacuated its power on the basis of dispatch availability in 3rd quarter of fiscal year 2077/078.
- Revenue income has been decreased by 0.97% as compared to corresponding previous year quarter ending due to dry season and low rainfall during the period.
- Financial costs has been decreased due to decrease in interest rate as compared to corresponding previous year quarter ending.
- The net profit for the year has increased by 9.1% as compared to corresponding previous year quarter ending.
- Passed resolution of 10% bonus share and 5% cash dividend by 9th AGM has been dematerialized and transferred to related shareholder accounts. Please update the bank account details in the Demat account, and dematerialize the physical share if anyone didn’t get cash dividend yet or contact Sanima Capital for further assistance.

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.	408	413	272
Minimum price NPR.	314	282	189
Closing price NPR.	374	324	198
Total Turnover NPR.	1,613,298,684	1,442,093,763	442,157,983
Total Transactions	14,171	11,409	4,924
No. of transaction Day	59	58	46
Total traded volume	4,506,063	4,083,824	1,949,882

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 – ood, 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 third 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.