



Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 4th Quarter (2082.03.32) of the Fiscal Year 2081/082

FOURTH QUARTER DISCLOSURE AS OF 2082.03.32 AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION ANNEXURE-14 (RELATED TO SUB REGULATION 1 OF REGULATION 26)

Statement of Financial Position	Unaudited This Quarter Ending	Unaudited Previous Quarter Ending	Corresponding Audited Previous Year Quarter Ending
Assets			
Non-Current Assets			
Property Plant & Equipment	13,684,071	12,195,097	9,198,741
Intangible Assets	2,995,864,069	3,034,782,002	3,146,948,798
Capital WIP	-	-	1,146,222
Right of Use Assets	10,567,969	1,956,546	1,956,546
Investment in Associates	535,781,660	562,780,744	687,500,000
Other Investments	3,019,469,960	3,057,967,000	2,452,847,500
Advance towards Investment in Equity	360,000,000	360,000,000	206,552,500
Current Assets			-
Investment in Term Deposits	-	90,000,000	195,000,000
Other Financial Assets	523,080,363	446,424,120	526,377,554
Other Assets	13,801,451	2,861,883	16,207,293
Inventories	24,074,144	27,186,904	22,965,449
Cash and Short-term Deposits	153,940,047	133,808,581	271,552,695
Current Tax Assets	1,163,965	7,086,178	2,824,238
Total Assets	7,651,427,699	7,737,049,055	7,541,077,535
Liabilities			
Non-Current Liabilities			
Borrowings	107,747,108	577,181,096	577,196,377
Other Financial Liabilities	14,683,447	5,308,720	5,308,720
Other Provisions	10,214,263	2,698,372	2,956,218
Current Liabilities			
Borrowings	469,449,271	108,331,144	413,308,681
Other Financial Liabilities	12,898,470	10,619,058	14,215,934
Other Liabilities	423,372	5,472,041	9,783,926
Deferred Tax Liabilities	556,567,490	566,191,750	466,550,000
Total Liabilities	1,171,983,421	1,275,802,182	1,489,319,857
Equity			
Share Capital	3,737,993,710	3,737,993,710	3,398,176,100
Retained Earnings	1,063,122,075	1,016,263,499	1,246,676,121
Other Reserves	1,678,328,493	1,706,989,664	1,406,905,457
Total Equity	6,479,444,278	6,461,246,873	6,051,757,678
Total Liabilities and Equity	7,651,427,699	7,737,049,055	7,541,077,534
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Unaudited This Quarter Ending	Unaudited Previous Quarter Ending	Corresponding Audited Previous Year Quarter Ending
Revenue From Sale of Electricity	684,802,299	512,954,570	759,185,708
Plant Operating Expenses	(101,265,431)	(73,697,417)	(95,147,999)
Gross Profit	583,536,868	439,257,154	664,037,709
Other Income	597,737	112,582	446,217
Administrative and Other Operating Expenses	(178,457,057)	(133,573,530)	(176,342,892)
Net Operating Profit	405,677,547	305,796,206	488,141,034
Financial Costs	(69,007,588)	(54,518,721)	(109,175,246)
Financial Income	9,580,071	8,006,559	51,238,565
Profit/(Loss) before Tax & Bonus	346,250,031	259,284,044	430,204,354
Provision for Staff Bonus	(6,925,001)	(5,185,681)	(8,604,087)
Share of Profit/(Loss) of Associates accounted for using equity method	(3,467,959)	23,742,734	(55,702,257)
Profit/(Loss) before Tax	335,857,071	277,841,098	365,898,010
Income Tax Expense	(12,087,423)	(930,025)	(11,888,362)
Net Profit for the period	323,769,648	276,911,072	354,009,648
Other Comprehensive gain/(loss) for the period, net of tax	270,052,470	298,925,250	659,835,000
Total Comprehensive Income for the period, net of tax	593,822,118	575,836,322	1,013,844,648
Major Financial Highlights			
Earnings Per Share (EPS) *	8.66	7.41	10.42
Current Ratio	1.5	5.7	2.4
Return on Assets (ROA)	4.23%	3.58%	4.69%
Net worth Per Share	173.34	172.85	178.09
Market Value Per Share	627	466	340
Price Earnings Ratio	72.38	62.90	32.59

Financial Statements

- Unaudited financial statements for fourth quarter have been published along with this report.
- An invoice of NPR. 516,492,015 for Mai Hydropower Plant (22 MW) and an invoice of NPR. 168,310,284 for Mai Cascade Hydropower Plant (7 MW) has been raised for FY 2081/082. Besides this, interest on deposits of NPR. 9,580,071 has been reported as Financial Income.
- Mai Hydropower Plant (22 MW) successfully completed ten years of commercial operation on Falgun 14, 2081. In accordance with the provisions of Income Tax Act, 2058, hydropower companies are granted a full income tax exemption for the first ten years of commercial operation, followed by a 50% tax concession for the subsequent five years. Therefore, effective from Falgun 15, 2081, Mai Hydropower Plant is subject to 50% of the applicable income tax rate i.e. 12.5% on its taxable profits. Besides this, income tax on the interest income for term deposit has been provisioned @ 25%.
- As per the Posted Rate Facility Agreement for Mai Hydropower Project (15.6MW), the claimed amount NPR. 286,011,014 is yet to be received.
- All shareholders are requested to check the unclaimed cash dividend on Sanima Capital website and reach out to Sanima Capital, Naxal for unclaimed dividend, if any.
- SHPC has invested NPR 1,840,700,000 in the following companies and those investments are shown under the head "Investment in Associates, Other investment and Advance for Investment" as below:

Investee Company	Investment at cost		Advance for Investment
	Listed	Non-Listed	
Investment in Associates Companies			
Swet Ganga Hydropower & Construction Ltd. (SGHC)	450,000,000	-	-
Mathillo Mailun Khola Jalvidhyut Hydropower Ltd. (MMKJL)	237,500,000	-	-
Other Investments			
Sanima Middle Tamor Hydropower Ltd (TAMOR)	533,200,000	-	-
Sanima Jum Hydropower Limited.	-	240,000,000	360,000,000
Bavari Construction Pvt. Ltd.	-	20,000,000	-
Total	1,220,700,000	260,000,000	360,000,000

As of Asadh 32, 2082, the market value per share for TAMOR is NPR. 517.53 Thus, the total investment in TAMOR has been presented at the fair value of NPR. 2,759,469,960 at fourth quarter end, 2082 under the heading "other investment". The investment in associates has been valued using equity method and unlisted other investments have been presented at cost.

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

Management Analysis

- Mai and Mai Cascade Hydropower Plants have evacuated its power on the basis of dispatch availability in the 4th quarter of the fiscal year 2081/82.
- Revenue from the Sale of Electricity has decreased by 9.80% compared to the corresponding previous year's quarter ending. Decrease in energy is due to damage caused in NEA's 132 kV Kabeli corridor transmission line which resulted in shutdown of both plants for 37 days from Ashwin 12, 2081 to Kartik 19, 2081.
- The net profit for fourth quarter has decreased by 20.13% compared to the previous year's quarter ending.
- Financial income has decreased by 81.3% and financial costs has decreased by 36.79% compared to the corresponding previous year's quarter ending.
- The company has recognized share of profit/(Loss) of associates accounted for using equity method of NPR. (3,467,959) and other comprehensive gain of NPR. 270,052,470 net of tax resulting from fair value measurement of shares invested in Sanima Middle Tamor Hydropower Ltd. (Listed other investment) as on fourth quarter end, 2081/82. 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.	685	514.6	350
Minimum price NPR.	469	443.1	316
Closing price NPR.	627	466	340
Total Turnover NPR.	21,499,255,374	2,953,835,629	1,407,138,086
Total Transactions	103,913	21,012	10,992
No. of transaction Day	63	56	61
Total traded volume	36,005,469	5,951,238	4,286,586

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 majeure 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 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 4th quarter of F.Y 2081/082, 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.