



Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 4th Quarter (2080.03.31) of the Fiscal Year 2079/080

FOURTH QUARTER DISCLOSURE AS OF 2080.03.31 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 as on 31-03-2080	Unaudited Previous Quarter Ending as on 30-12-2079	Corresponding Previous Year Quarter Ending as on 32-03-2079
Assets			
Non-Current Assets			
Property Plant & Equipment	11,613,498	12,445,317	14,570,364
Intangible Assets	3,289,088,008	3,329,341,747	3,441,876,732
Right of Use Assets	2,856,641	3,756,737	3,756,737
Held to Maturity Financial Assets	469,790,000	538,690,000	352,300,000
Investment in associates	2,992,717,500	3,629,572,000	1,225,700,000
Advance towards Investment in Equity	-	28,500,000	35,875,000
Current Assets			
Other Financial Assets	517,891,363	466,653,756	556,298,545
Other Assets	15,308,443	3,765,936	15,152,804
Inventories	23,568,372	19,954,728	18,985,105
Cash and Short-term Deposits	42,572,702	45,521,883	73,081,444
Current Tax Assets	3,486,107	2,365,594	2,948,331
Total Assets	7,368,892,634	8,080,567,697	5,740,545,061
Liabilities			
Non-Current Liabilities			
Borrowings	990,749,831	1,351,450,097	1,351,450,097
Other Financial Liabilities	5,308,720	6,128,340	6,128,340
Other Provisions	3,093,241	1,375,916	1,375,916
Current Liabilities			
Borrowings	363,911,171	97,515,515	334,334,356
Other Financial Liabilities	13,529,423	10,117,883	14,183,130
Other Liabilities	9,317,571	8,907,594	12,511,214
Deferred Tax Liabilities	429,642,500	-	-
Total Liabilities	1,815,552,459	1,475,495,344	1,719,983,053
Equity			
Share Capital	3,089,251,000	3,089,251,000	3,089,251,000
Retained Earnings	1,169,023,311	1,117,449,290	921,810,946
Other Reserves	1,295,065,864	2,398,372,062	9,500,062
Total Equity	5,553,340,176	6,605,072,352	4,020,562,009
Total Liabilities and Equity	7,368,892,634	8,080,567,697	5,740,545,061

STATEMENT OF PROFIT OR LOSS	Unaudited This Quarter Ending Asadh, 2080	Unaudited Previous Quarter Ending Chaitra, 2079	Corresponding Previous Year Quarter Ending Asadh, 2079
Revenue From Sale of Electricity	763,511,946	620,370,505	935,026,594
Plant Operating Expenses	(95,816,406)	(68,057,079)	(88,882,937)
Gross Profit	667,695,540	552,313,426	846,143,657
Other Income	6,767,779	6,767,129	51,843
Administrative and Other Operating Expenses	(175,535,159)	(130,323,486)	(175,269,870)
Net Operating Profit	498,928,159	428,757,070	670,925,630
Financial Costs	(123,651,747)	(92,420,485)	(146,080,994)
Financial Income	52,425,548	37,448,494	42,678,825
Profit/(Loss) before Tax & Bonus	427,701,960	373,785,078	567,523,461
Provision for Staff Bonus	(8,554,039)	(7,475,702)	(11,350,469)
Profit/(Loss) before Tax	419,147,921	366,309,377	556,172,992
Income Tax Expense	(11,926,333)	(8,078,875)	(10,002,682)
Net Profit for the Year	407,221,588	358,230,502	546,170,309
Other Comprehensive gain/(loss) for the year, net of tax	1,288,148,737	2,388,872,000	-
Total Comprehensive Income for the year, net of tax	1,695,370,325	2,747,102,502	-

Major Financial Highlights

Earnings Per Share (EPS)	13.18	11.60	17.68
Current Ratio	1.56	4.62	1.85
Return on Assets (ROA)	5.53%	4.43%	9.51%
Net worth Per Share	179.76	213.81	130.15
Market Value Per Share	355	337	306
Price Earnings Ratio	26.93	29.06	17.31

Financial Statements

- The unaudited financial statements for the fourth 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 Asadh 2080, Mai Hydropower Plant (22 MW) has generated the invoice of NPR. 566,566,655 and Mai Cascade Hydropower Plant (7 MW) has generated the invoice of NPR. 196,945,291. 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 was 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 Ujjalo 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 11,926,333.
- The list of unclaimed cash dividend for FY 2074-075 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 had committed to invest NPR 1,740,700,000 in the following companies and which have been shown under the head as "Investment in Associates" below:

Associate Company	Committed to Investment	Investment at cost in associates
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	33,447,500.00
Total	1,740,700,000	1,274,147,500

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 Asadh 31, 2080, the market value per share for SGHC and TAMOR is NPR. 262.7 and NPR. 285 respectively. Thus, the total investment in the companies (SGHC & TAMOR) have been presented at the fair value of NPR. 2,701,770,000 at the fourth quarter end, 2080 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 Plants have evacuated its power on the basis of dispatch availability in the 4th quarter of the fiscal year 2079/80.
- Revenue from the Sale of Electricity has decreased by 18.34% compared to the corresponding previous year's quarter ending. The end of Posted Rate Facility Agreement for Mai Hydropower Project (15.6 MW) owed 6.22% and unfavorable hydrological condition during this quarter owed 12.13% decrease in the revenue from the sale of electricity. As a result, the net profit for the fourth quarter end of FY 2079/080 has decreased by 25.44% compared to the previous year's quarter ending.
- Financial income has increased by 22.84% compared to the corresponding previous year's quarter ending.
- The plant operating expenses have increased by 7.80% compared to the corresponding previous year's quarter ending.
- The financial costs have decreased by 15.35% compared to the corresponding previous year's quarter ending.
- The company has recognized other comprehensive gain of NPR. 1,288,927,500 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 fourth quarter end, 2080. 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.	403	367	406
Minimum price NPR.	316	300	269
Closing price NPR.	355	337	306
Total Turnover NPR.	36,843,343,144	1,174,414,548	1,121,077,776
Total Transactions	15649	13,158	16,561
No. of transaction Day	62	56	65
Total traded volume	4,088,416	3,589,210	3,438,904

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 devaluing 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 4th 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.