



Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 4th Quarter (2081.03.31) of the Fiscal Year 2080/081

FOURTH QUARTER DISCLOSURE AS OF 2081.03.31 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	Unaudited Previous Quarter Ending	Corresponding Previous Year Quarter Ending
Assets			
Non-Current Assets			
Property Plant & Equipment	11,502,095	10,484,726	11,613,498
Intangible Assets	3,146,834,309	3,184,631,371	3,298,015,872
Right of Use Assets	2,856,641	2,856,641	2,856,641
Investment in Associates	538,102,774	565,581,015	595,937,061
Other Investments	2,452,847,500	2,102,535,100	1,573,067,500
Advance towards Investment in Equity	206,552,500	30,000,000	-
Current Assets			
Investment in Term Deposits	195,000,000	175,000,000	469,790,000
Other Financial Assets	528,760,670	447,468,824	517,921,158
Other Assets	13,556,504	4,160,400	15,334,943
Inventories	22,965,449	24,294,990	23,568,372
Cash and Short-term Deposits	271,552,695	542,876,590	42,572,702
Current Tax Assets	18,108,495	17,468,567	3,459,915
Total Assets	7,408,639,631	7,107,358,224	6,554,137,662
Liabilities			
Non-Current Liabilities			
Borrowings	577,199,093	990,504,850	990,504,850
Other Financial Liabilities	5,308,720	5,308,720	5,308,720
Other Provisions	3,448,953	10,217,225	3,093,241
Current Liabilities			
Borrowings	413,308,681	95,364,077	364,156,152
Other Financial Liabilities	15,103,395	10,088,641	13,555,617
Other Liabilities	9,801,401	706,738	9,310,266
Deferred Tax Liabilities	466,550,000	378,971,900	246,605,000
Total Liabilities	1,490,720,244	1,491,162,152	1,632,533,846
Equity			
Share Capital	3,398,176,100	3,398,176,100	3,089,251,000
Retained Earnings	1,113,473,179	1,074,484,165	1,085,871,588
Other Reserves	1,406,270,108	1,143,535,808	746,481,228
Total Equity	5,917,919,387	5,616,196,073	4,921,603,816
Total Liabilities and Equity	7,408,639,631	7,107,358,224	6,554,137,662
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Unaudited This Quarter Ending	Unaudited Previous Quarter Ending	Corresponding Previous Year Quarter Ending
Revenue From Sale of Electricity	759,184,338	596,416,570	763,541,741
Plant Operating Expenses	(94,283,532)	(65,683,442)	(95,816,406)
Gross Profit	664,900,806	530,733,128	667,725,335
Other Income	446,216	446,216	6,767,779
Administrative and Other Operating Expenses	(178,238,479)	(131,247,584)	(175,930,239)
Net Operating Profit	487,108,543	399,931,760	498,562,875
Financial Costs	(107,262,989)	(80,438,369)	(123,651,747)
Financial Income	51,238,565	41,470,894	52,425,548
Profit/(Loss) before Tax & Bonus	431,084,119	360,964,286	427,336,676
Provision for Staff Bonus	(8,621,682)	(7,219,286)	(8,546,734)
Share of Profit/(Loss) of Associates accounted for using equity method	(46,400,192)	(29,324,652)	(44,661,807)
Profit/(Loss) before Tax	376,062,244	324,420,348	374,128,135
Income Tax Expense	(11,888,362)	(9,638,182)	(11,952,525)
Net Profit for the Year	364,173,882	314,782,166	362,175,610
Other Comprehensive gain/(loss) for the year, net of tax	659,835,000	397,100,700	739,036,237
Total Comprehensive Income for the year, net of tax	1,024,008,882	711,882,866	1,695,370,325

Major Financial Highlights

Earnings Per Share (EPS)	10.72	9.26	13.17
Current Ratio	2.40	11.41	2.77
Return on Assets (ROA)	4.92%	4.43%	6.12%
Net worth Per Share	174.15	165.27	162.28
Market Value Per Share	340	340	355
Price Earning Ratio	31.68	36.70	26.96

Financial Statements

- The unaudited financial statements for the fourth quarter have been published along with this report.
- Pursuant to life of the project, the company has amortized intangible assets so that all investments made on electricity generation, transmission, or distribution are paid back in an average of 30 years from the Commercial Operation Date. In case of other fixed assets, depreciation has been calculated based on Written Down Value method.
- At the end of Asadh 2081, an invoice of NPR. 565,904,913 has been raised for Mai Hydropower Plant (22 MW) and an invoice of NPR. 193,279,425 has been raised for Mai Cascade Hydropower Plant (7 MW). 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 502,820,484 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. 286,011,014 is yet to be received.
- As per Budget for F/Y 2071-72, Under the topic "Urja Ujyalo 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 11,888,362.
- List of unclaimed cash dividend for FY 7074-075 and FY 2076-77 has been published on Sanima Capital's website <https://www.sanima.capital/> under result section Pending Cash Dividend. All shareholders are requested to check the list and reach out to Sanima Capital, Naxal for unclaimed dividend, if any.
- SHPC had committed to invest NPR 2,740,700,000 in the following companies and those investments has been shown under the head "Investment in Associates and other investment" below:

Investee Company	Committed to Investment	Investment at cost	Advance for Investment
Investment in Associates Companies			
Swet Ganga Hydropower & Construction Ltd. (SGHC)	450,000,000	450,000,000	-
Mathillo Mailun Khola Jalvidhyut Hydropower Ltd.	237,500,000	237,500,000	-
Other Investments			
Sanima Middle Tamor Hydropower Ltd (TAMOR)	533,200,000	533,200,000	-
Sanima Jum Hydropower Limited.	1,500,000,000	33,447,500	206,552,500
Bavari Construction Pvt. Ltd.	20,000,000	20,000,000	-
Total	2,740,700,000	1,274,147,500	206,552,500

As of Asadh 31, 2081, the market value per share for TAMOR is NPR. 450 Thus, the total investment in the company TAMOR has been presented at the fair value of NPR. 2,399,400,000 at fourth quarter end, 2081 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 2080/81.
- Revenue from the Sale of Electricity has decreased by 0.57% compared to the corresponding previous year's quarter ending. The net profit for the fourth quarter end of FY 2080/081 has increased by 0.55% compared to the previous year's quarter ending.
- Financial income has decreased by 2.26% compared to the corresponding previous year's quarter ending.
- The plant operating expenses have decreased by 1.6% compared to the corresponding previous year's quarter ending.
- The financial costs have decreased by 13.25% 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. (46,400,192) and other comprehensive gain of NPR. 659,835,000 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, 2080-81. 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.	349.50	383	403
Minimum price NPR.	316	334	316
Closing price NPR.	339.5	340	355
Total Turnover NPR.	1,407,138,086	837,990,592	1,492,013,463.50
Total Transactions	10,992	10,434	15,649
No. of transaction Day	61	58	62
Total traded volume	4,286,586	2,375,328	4,088,416

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 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 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 2080/081, 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.