

# Sanima Mai Hydropower Ltd.

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)  
As at 4<sup>th</sup> Quarter (2075.03.32) of the Fiscal Year 2074/075

Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
	As on 32-03-2075	As on 30-12-2074	As on 31-03-2074
<b><u>Capital &amp; Liabilities</u></b>	<b>Nrs.</b>	<b>Nrs.</b>	<b>Nrs.</b>
<b><u>Equity Holders' Fund</u></b>			
Share Capital	2,110,000,000.00	2,110,000,000.00	1,055,000,000.00
Share Premium	61,137,025.66	61,137,025.66	
Advance to Equity	-	-	311,957,500.00
Reserve and Surplus	597,340,609.35	491,946,543.63	292,625,739.24
<b>Total Equity Holders' Fund</b>	<b>2,768,477,635.01</b>	<b>2,663,083,569.29</b>	<b>1,659,583,239.24</b>
<b><u>Secured Loan</u></b>			
Consortium Term Loan (MHP)	1,839,212,048.10	2,076,440,989.59	2,179,062,789.35
Consortium Term Loan (MCHP)	838,696,697.89	853,804,697.89	896,674,697.89
Bridge Gap Loan	-	-	30,490,000.00
<b>Sub Total</b>	<b>2,677,908,745.99</b>	<b>2,930,245,687.48</b>	<b>3,106,227,487.24</b>
<b>Total</b>	<b>5,446,386,381.00</b>	<b>5,593,329,256.77</b>	<b>4,765,810,726.48</b>
<b><u>Assets</u></b>			
<b><u>Non-Current Assets</u></b>			
Properties, Plant and Equipment	4,495,368,413.17	4,481,549,353.33	4,480,491,742.97
Less: Accumulated Depreciation	(435,305,690.82)	(397,957,677.47)	(284,597,130.07)
<b>Sub Total</b>	<b>4,060,062,722.35</b>	<b>4,083,591,675.86</b>	<b>4,195,894,612.90</b>
<b>Net Non Current Assets</b>	<b>4,060,062,722.35</b>	<b>4,083,591,675.86</b>	<b>4,195,894,612.90</b>
<b>Investments at Cost</b>	<b>418,000,000.00</b>	<b>7,000,000.00</b>	<b>7,000,000.00</b>
<b><u>Current Assets</u></b>			
Cash and Bank Balance	124,984,703.63	186,898,303.61	172,033,293.05
Term Deposit	550,200,000.00	730,000,000.00	
Loans, Advances, Prepaid and Deposit	26,668,329.10	435,052,628.10	255,217,601.42
Trade Debtors -NEA	311,279,804.66	224,413,479.58	233,195,508.73
Inventory In Hand	15,926,577.04	5,417,631.29	2,791,217.87
Advance Tax	16,098,701.99	12,553,337.74	6,141,297.85
<b>Total Current Assets</b>	<b>1,045,158,116.42</b>	<b>1,594,335,380.32</b>	<b>669,378,918.92</b>
<b><u>Less: Current Liabilities &amp; Provisions</u></b>			
Sundry Creditors and Payables	72,300,493.52	93,490,851.18	103,233,778.65
Provisions	8,586,248.24	1,714,143.07	7,160,315.09
Withholding Tax Payable	220,123.08	704,771.56	9,244.94
<b>Total Current Liabilities &amp; Provisions</b>	<b>81,106,864.84</b>	<b>95,909,765.81</b>	<b>110,403,338.68</b>
<b>Net Current Assets</b>	<b>964,051,251.58</b>	<b>1,498,425,614.51</b>	<b>558,975,580.24</b>
<b><u>Other Assets</u></b>			
Deferred Expenditure on Government Transmission line	4,272,407.07	4,311,966.40	3,940,533.34
<b>Total</b>	<b>5,446,386,381.00</b>	<b>5,593,329,256.77</b>	<b>4,765,810,726.48</b>

Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
	As on 32-03-2075	As on 30-12-2074	As on 31-03-2074
	Nrs.	Nrs.	Nrs.
Income From Sales of Electricity	789,679,537.76	566,913,361.77	797,895,044.80
Income From Interest	67,001,860.15	43,364,079.11	9,627,499.20
Income from Claim of Insurance	16,410,900.00		
Other Income	313,439.13	383,982.20	834,074.72
<b>Total Income</b>	<b>873,405,737.04</b>	<b>610,661,423.08</b>	<b>808,356,618.72</b>
<b>Less:</b>			
Administrative Expenses	(15,144,799.40)	(11,188,625.53)	(17,824,594.56)
Plant Operation and Site Expenses	(75,771,115.47)	(55,136,288.68)	(81,803,628.94)
Financial Charges	(310,006,911.15)	(228,633,285.24)	(270,941,995.09)
Loss of Fixed Assets Due to Natural Calamities	(6,810,697.34)	-	-
Depreciation Charges	(151,419,587.60)	(113,579,015.25)	(149,349,724.77)
Write-off of Transmission Line Contribution Expenses	(158,237.30)	(118,677.98)	(140,733.33)
<b>Total Expenses</b>	<b>(559,311,348.26)</b>	<b>(408,655,892.68)</b>	<b>(520,060,676.69)</b>
<b>Profit/(Loss) from Operations</b>	<b>314,094,388.78</b>	<b>202,005,530.41</b>	<b>288,295,942.03</b>
Foreign Exchange fluctuation Gain/(Loss)	(546,800.73)	-	986,087.04
<b>Net Profit/(Loss)</b>	<b>313,547,588.05</b>	<b>202,005,530.41</b>	<b>289,282,029.07</b>
Staff Bonus Provision	(6,147,991.92)	-	(5,672,196.65)
<b>Net Profit Before Tax</b>	<b>307,399,596.13</b>	<b>202,005,530.41</b>	<b>283,609,832.42</b>
Provision for Income Tax	-	-	-
<b>Net Profit after Tax of the Year</b>	<b>307,399,596.13</b>	<b>202,005,530.41</b>	<b>283,609,832.42</b>

**FOURTH QUARTER DISCLOSURE AS OF 2075.03.32**  
**AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION**  
**ANNEXURE-14 (RELATED TO SUB REGULATION 2 OF REGULATION 22)**

**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 deducted depreciation 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 Asadh 2075, Mai Khola Hydropower Project (22 MW) has generated the invoice of NPR. 609,714,315.45 and Mai Cascade Hydropower Project (7 MW) has generated the invoice of NPR. 179,965,222.31. Besides this, interest on deposit and Income from Claim of Insurance is also reported as revenue/ Income.
- Due to heavy rainfall in Shrawan 27, 2074, partial damage in canal was reported resulting shutdown of plant. Canal structural loss amounting NPR 7.3 Million and revenue loss amounting 9.92 Million was estimated. The claim was made with insurance company for damage in canal and Loss on Profit/Revenue (LOP). Insurance company has settled this claim with total reimbursement of NPR. 16.41 Million i.e. NPR 6.7 Million for reconstruction of canal and NPR 9.685 for LOP.
- Trade debtors-NEA includes NPR 214,464,431.28 for 20% additional claim as per 'Posted Rate' of facility agreement 2071 with Nepal Electricity Authority for Mai Hydropower Project (15.6MW). Posted rate receivable amount NPR. 103,500,000.00 out of NPR 214,464,431.28 has been received from NEA on Shrawan 2075.

- Total outstanding loan of NIC Asia Bank Ltd. under consortium financing for Sanima Mai plant, NPR. 204.3 Million has been paid in Asadh 2075.
- As per Budget for F/Y 2071-72, Under topic "Urjaujyalo Nepal Sambhridha Nepal" point 61 'For Projects completed and connected to National Grid by 2079-80, Lump sum amount of Nrs.50lakhs/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.

- **Major Financial Highlights**

Earnings Per Share (EPS)	14.57	Net-worth Per Share	131.21
Current Ratio	12.89	Market Value Per Share	328

- **Management Analysis**

- Mai and Mai cascade hydropower plant has been evacuated its power on the basis of dispatch availability in fiscal year 2074/075.
- Revenue has been decreased as compared to corresponding previous year quarter ending due to emergency repair during heavy rainfall in Eastern Nepal in 1<sup>st</sup> quarter of year 2074-075. For this reason Loss on Profit/Revenue (LOP) had been claimed to Insurance Company and received NPR.9,685,900.00.
- Financial charges has been increased as compared to corresponding previous year quarter ending due to increase in interest rate of term loan financed from consortium banks.

## 2. Legal Proceedings

- During the period a writ petition was filed at High Court against concerned government authorities regarding 20% posted rate receivables.

### Analysis of Company's Share Transaction

- SMHL shares were actively traded during Third quarter.
- The major highlights of Share transactions during the quarter are as follows:

Maximum price NPR.	415	Total Transactions	3,841
Minimum price NPR.	317	No. of transaction Day	63
Closing price NPR.	328	Total traded volume	1,245,023
Turnover NPR.	457,267,760.00		

## 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 etc.
- Lack of domestic suppliers and venders for hydropower equipment and spare parts.

## 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 Chief Executive Officer 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 2074/075, 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.