



Sanima Middle Tamor Hydropower Limited

Dhumbarahi, KMC-4, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)

As on 3rd Quarter (2081.12.31) of the Fiscal Year 2081/082

THIRD QUARTER DISCLOSURE AS OF 2081.12.31 AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION ANNEXURE-14 (RELATED TO SUB REGULATION 1 OF REGULATION 26)

STATEMENT OF FINANCIAL POSITION	Un-Audited This Quarter Ending	Un-Audited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
	As on 31-12-2081	As on 29-09-2081	As on 30-12-2080
Assets			
Non-Current Assets			
Property Plant & Equipment	57,391,515	56,809,506	59,067,791
Intangible Assets	12,869,699,184	13,000,990,206	12,587,285,100
Deferred Tax Assets		-	575,133
Current Assets			
Inventories	23,759,816	10,995,554	
Cash and cash equivalents	471,069,704	418,092,595	335,126,749
Other Financial Assets	501,577,465	575,136,304	282,557,917
Other Current Assets	13,968,563	26,485,359	26,152,538
Current tax assets	4,256,371	4,070,784	3,841,321
Total Assets	13,941,722,619	14,092,580,308	13,294,606,549
Liabilities			
Non-Current Liabilities			
Borrowings (Long Term Loan)	9,658,528,353	9,100,281,775	8,764,685,898
Other Financial Liabilities (Retention)	660,525,492	660,252,284	743,202,736
Provisions	1,502,009	1,517,428	1,431,016
Deferred Tax Liabilities			-
Other Non Current Liabilities			-
Current Liabilities			
Current Borrowings	25,560,000	572,932,380	414,765,234
Other Financial Liabilities	115,985,277	214,051,985	139,129,808
Other Current Liabilities	8,231,336	11,962,123	2,623,616
Total Liabilities	10,470,332,467	10,560,997,974	10,065,838,308
Equity			
Share Capital	3,332,500,000	3,332,500,000	3,332,500,000
Less Calls In Arrears	(3,000)	(3,000)	(3,000)
Net Share Capital	3,332,497,000	3,332,497,000	3,332,497,000
Retained Earnings	138,401,858	198,594,040	(104,672,773)
Other Reserves	491,294	491,294	944,014
Total Equity	3,471,390,152	3,531,582,334	3,228,768,241
Total Liabilities and Equity	13,941,722,619	14,092,580,308	13,294,606,549

Statement of Profit or Loss	Un-Audited This Quarter Ending	Un-Audited Previous Quarter Ending	Un-Audited Corresponding Previous Year Quarter Ending
	2081.04.01 to 2081.12.31	2081.04.01 to 2081.09.29	2080.04.01 to 2080.12.30
Revenue (Construction)	227,165,543	246,066,366	2,482,217,133
Cost of Sales (Construction)	(227,165,543)	(246,066,366)	(2,482,217,133)
Revenue From Sale of Electricity	1,380,340,209	1,070,364,000	-
Plant operating expenses	(174,871,506)	(108,912,997)	-
Gross profit	1,205,468,703	961,451,004	-
Other Income		-	50,000
Administrative and Other operating expenses including amortization and depreciation	(377,907,147)	(252,492,089)	(27,640,097)
Net operating profit/(Loss)	827,561,555	708,958,915	(27,590,097)
Financial costs	(601,215,004)	(419,663,374)	-
Financial income	2,258,864	1,021,876	3,455,106
Foreign exchange gain/(loss)	(10,620,205)	(10,278,411)	(5,418,950)
Profit/(Loss) before tax & bonus	217,985,210	280,039,006	(29,553,942)
Provision for Staff Bonus	(4,359,704)	(5,600,780)	-
Provision for CSR	(2,179,852)	(2,800,390)	-
Profit/(Loss) before tax	211,445,654	271,637,836	(29,553,942)
Income Tax Expense			
Deferred Tax Income/(Expense)		-	-
Net Profit/(Loss)	211,445,654	271,637,836	(29,553,942)

Major Financial Highlights

Period	2081.04.01 to 2081.12.31	2081.04.01 to 2081.09.29	2080.04.01 to 2080.12.30
Earnings Per Share (EPS)	6.34	8.15	-0.89
Current Ratio (CR)	30.03	1.77	4.57
Net Worth Per Share	104.17	105.97	96.89
Return on Assets (ROA)	1.52%	1.93%	0.22%
Market Value Per Share as on reporting date.	524.75	538.10	384.30
P/E Ratio	82.70	66.02	(433.34)

*Considering the seasonality of electricity generation and revenue, EPS has not been annualized.

Financial Statements

- The Unaudited financial statements for the Third quarter have been published as a part of this report.
- The Construction Revenue and Construction Cost for the reporting period as per IFRIC-12 is NPR227,165,543 /-
- Service concession arrangement of Sanima Middle Tamor Hydropower Limited (SMTHL) includes Project Work in Progress of Middle Tamor Hydropower Project (MTHP - 73 MW). Service Concession arrangements are amortized over the contractual period of 30 years from the commercial operation date or as per the term of Generation License of SMTHL, whichever is lower. As per Generation License, the life of Middle Tamor Hydropower Project is up to 2110/02/21 B.S. The total Intangible Assets net of amortization as on 31 Chaitra 2081 is NPR. 12,869,699,184 /-
- Previous quarter figures has been rearranged and regrouped whenever necessary.

Management Analysis

- The Company has earned NPR 1,380,340,209 as revenue from the sale of electricity till Chaitra 2081. Power Plant was shut down from Falgun 28, 2081 to Chaitra 22nd 2081 for Emergency maintenance. So the revenue for 23 days is not accounted during the shutdown period in the third quarter.
- The Company has incurred NPR 377,907,147/- as administrative and other operating expenses during the reporting period. Among such expenses NPR.340,653,773.66/- has been charged as amortization cost of Intangible Assets. NPR 8,011,116.09/- is depreciation of fixed assets and remaining expenses includes administrative and office operating expenses which amount to NPR.29,242,257.68
- The Company has generated an amount of NPR 1,380,340,209 as a sale of electricity and incurred NPR.174,871,506 as plant operating expenses during this period. Among such expenses NPR.27,606,804 is charged as Generation Royalty, NPR 27,338,641 as Plant Insurance expense, NPR. 19,657,629 as Consultancy expenses NPR 30,204,638 as Repair & Maintenance, NPR 36,775,983 as Plant Operating Staff Cost and remaining expense includes administrative and office operating expenses of site which amounts to NPR. 33,287,811
- The Company has earned NPR 2,258,864 /- as financial income during the reporting period

Legal Proceedings

- During the reporting 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 reporting period are as follows:

Particulars	This Quarter Ending	Previous Quarter Ending	Corresponding Previous Year Quarter Ending
Maximum price NPR.	637.00	582.00	454
Minimum price NPR.	495.00	465.10	368
Closing price NPR.	524.75	538.10	384.3
Total Turnover NPR.	2,470,918,303.70	1,535,244,923.80	1,298,453,118.10
Total Transactions	27,913	19,997	36,466
No. of transaction Day	56	55	58
Total traded volume (Nos)	4,288,108	2,907,540	3,152,150

Problems & Challenges

Internal Challenges

- Finding skilled human resources in required number and their retention.
- Availability of suitable modern equipment for effective operation maintenance.
- Maintaining high level of operational efficiency.

External Challenges

- Delay of statutory approvals, inconsistent regulatory and policy level commitment from the government regulatory agencies in the operation and maintenance of hydroelectric projects.
- Devaluation of local currency against USD.
- Volatility in Interest rate may impact on profitability.
- Problem to get appropriate insurances policies for hydroelectric projects in Nepal.
- Natural disaster such as flood, earthquake, landslides, etc.
- Climatic changes and extreme hydrological fluctuations.
- Geological risks.
- Challenges to evacuate full generation due to load dispatch instruction and outages of NEA transmission system.

Strategies

- Mobilize available resources for effective operation and maintenance of the plant to maximize the generation.
- Effective fund management as per the project investment plan.
- Adequate insurance policies against potential losses due to natural disasters and normal business risks.
- Maintenance of required equipment and machineries, and arrangement of multiple suppliers for smooth supply of spare parts and operation & maintenance materials.
- Proper strategies and planning for effective operation and maintenance of the power plant.

Corporate Governance

The Board of Directors, Audit Committee, other Committees, and Management Team are committed to strengthening good corporate governance within the Company. SMTHL has written manuals, policies, rules & guidelines for the proper 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 third Quarter of FY 2081/082. I 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 any information necessary for taking informed decision by the investors are not concealed.

Please contact at 01-4372828/4373030 for any further inquiry about the Company.