



Sanima Middle Tamor Hydropower Limited

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	Un-Audited This Quarter Ending	Un-Audited Previous Quarter Ending	Audited Corresponding Previous Year Quarter Ending
	As on 31-03-2081	As on 30-12-2080	As on 31-03-2080
Assets			
Non-Current Assets			
Property Plant & Equipment	58,265,874	59,067,791	66,044,773
Intangible Assets	12,983,525,911	12,587,285,100	10,115,326,492
Deferred Tax Assets	-	575,133	575,133
Current Assets			
Cash and cash equivalents	157,178,191	335,126,749	604,806,976
Other Financial Assets	485,680,391	282,557,917	326,030,727
Other Current Assets	58,709,704	26,152,538	33,925,001
Current tax assets	3,917,503	3,841,321	3,323,055
Total Assets	13,747,277,573	13,294,606,549	11,150,032,157
Liabilities			
Non-Current Liabilities			
Borrowings (Long Term Loan)	9,227,761,774	8,764,685,898	7,125,152,564
Other Financial Liabilities (Retention)	643,272,358	743,202,736	630,633,512
Provisions	1,782,170	1,431,016	1,508,730
Deferred Tax Liabilities	-	-	-
Other Non-Current Liabilities	-	-	-
Current Liabilities			
Current Borrowings (Bridge Gap Loan)	500,000,000	414,765,234	-
Other Financial Liabilities	86,771,907	139,129,808	133,443,156
Other Current Liabilities	24,834,541	2,623,616	972,011
Total Liabilities	10,484,422,750	10,065,838,307	7,891,709,973
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	(70,586,192)	(104,672,773)	(75,118,831)
Other Reserves	944,014	944,014	944,014
Total Equity	3,262,854,823	3,228,768,242	3,258,322,183
Total Liabilities and Equity	13,747,277,573	13,294,606,549	11,150,032,157

Statement of Profit or Loss

Statement of Profit or Loss	Un-Audited This Quarter Ending	Un-Audited Previous Quarter Ending	Audited Corresponding Previous Year Quarter Ending
	2080.04.01 to 2081.03.31	2080.04.01 to 2080.12.30	2079.04.01 to 2080.03.31
Revenue (Construction)	2,950,506,539	2,482,217,133	3,739,937,829
Cost of Sales (Construction)	(2,950,506,539)	(2,482,217,133)	(3,739,937,829)
Revenue From Sale of Electricity	354,146,553	-	-
Plant operating expenses	(48,238,926)	-	-
Gross profit	305,907,628	-	-
Other Income	5,080,530	50,000	394,100
Administrative and Other operating expenses	(127,585,730)	(27,640,097)	(30,546,052)
Net operating profit/(Loss)	183,402,428	(27,590,097)	(30,151,952)
Financial costs	(175,205,089)	-	-
Financial income	3,962,987	3,455,106	5,568,154
Foreign exchange gain/(loss)	(6,948,313)	(5,418,950)	(4,715,193)
Profit/(Loss) before tax & bonus	5,212,012	(29,553,942)	(29,298,991)
Provision for Staff Bonus	(104,240)	-	-
Profit/(Loss) before tax	5,107,772	(29,553,942)	(29,298,991)
Income Tax Expense	-	-	-
Deferred Tax Income/(Expense)	(575,133)	-	31,002
Net Profit/(Loss)	4,532,639	(29,553,942)	(29,267,989)

Major Financial Highlights

Period	2080.04.01 to 2081.03.31	2080.04.01 to 2080.12.30	2079.04.01 to 2080.03.31
Earnings Per Share (EPS)	0.14	-0.89	-1.06
Current Ratio (CR)	6.32	4.57	7.20
Net Worth Per Share	97.91	96.89	97.77
Return on Assets (ROA)	0.03%	-0.22%	-0.26%
Market Value Per Share	450.00	384.30	285.00
P/E Ratio	3,308.50	(433.34)	(262.75)

Financial Statements

- The Unaudited financial statements for the Fourth 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 NPR2,950,506,539/-
- 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 (Service Concession Arrangements) as on 31 Asar 2081 is NPR. 12,983,525,911/-
- The company has successfully started the commercial operation from Baishak 23rd 2081. The company has successfully completed all the required test of NEA as per PPA.
- Previous quarter figures has been rearranged and regrouped whenever necessary.

Management Analysis

- The Company has incurred NPR 127,585,730/- as administrative and other operating expenses during the reporting period. Among such expenses NPR.88,630,333.57 has been charged as amortization cost of Intangible Assets. NPR 8,408,223.81 is depreciation of fixed assets and remaining expenses includes administrative and office operating expenses which amount to NPR.30,547,172.62
- The Company has generated an amount of NPR.354,146,553 as a sale of electricity and incurred NPR. 48,238,926 as plant operating expenses from 23rd Baishak 2081 to 31st Asar 2081,
- The Company has earned NPR 3,962,987 /- as financial income during the reporting period.
- The Company has earned NPR. 5,080,530/- as other 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.	463.00	454.00	439.80
Minimum price NPR.	348.00	368.00	230.10
Closing price NPR.	450.00	384.30	435.90
Total Turnover NPR.	897,586,228.80	1,298,453,118.10	953,511,135
Total Transactions	20,362	36,466	32,448
No. of transaction Day	61	58	49
Total traded volume (Nos)	2,219,001	3,152,150	2,884,423

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.
- Fluctuating interest rate on loan in comparison to the time of Financial Closure.
- Increasing costs of insurances, spare parts, transportation, rental charges of equipment and other services.
- Lack of domestic suppliers for construction materials, equipment and spare parts and difficulties in logistics management.
- 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.
- Pandemics such as Covid-19, dengue, etc.
- 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 of plant.
- Lobbying with government agencies for investment friendly environment.
- 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 operation of the project.

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 Fourth Quarter of FY 2080/081. 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.