

Sanima Mai Hydropower Ltd.

Alakapuri Complex, Naxal, Kathmandu, Nepal

Unaudited Financial Reports (Quarterly)
As at 1st Quarter (2073.06.30) of the Fiscal Year 2073/074

Particulars	(Unaudited) This Quarter Ending	(Audited) Previous Year Ending	(Unaudited) Corresponding Previous Year Quarter Ending
	as on 30-06-2073	as on 31-03-2073	as on 30-06-2072
Capital & Liabilities	Nrs.	Nrs.	Nrs.
<u>Equity Holders' Fund</u>			
Share Capital	1,055,000,000.00	1,055,000,000.00	1,055,000,000.00
Retained Earning	179,361,020.46	9,015,906.82	(58,809,134.04)
Total Equity Holders' Fund	1,234,361,020.46	1,064,015,906.82	996,190,865.96
<u>Secured loan</u>			
Consortium Term Loan from Banks	3,154,973,909.52	3,196,416,982.51	2,837,936,698.28
Bridge Gap Loan	79,440,000.00	79,440,000.00	119,296,677.41
Sub Total	3,234,413,909.52	3,275,856,982.51	2,957,233,375.69
Total	4,468,774,929.98	4,339,872,889.33	3,953,424,241.65
<u>Assets</u>			
<u>Non-Current Assets</u>			
Properties, Plant and Equipments	4,466,174,477.12	4,466,011,572.12	3,014,906,876.11
Less: Accumulated Depreciation	(172,428,307.82)	(135,247,405.30)	(110,320,183.38)
Sub Total	4,293,746,169.30	4,330,764,166.82	2,904,586,692.73
Capital Work In Progress(CWIP)			
Work in Progress at Site	9,416,637.32	8,924,591.36	1,146,967,564.87
Net Non Current Assets	4,303,162,806.62	4,339,688,758.18	4,051,554,257.60
Investments at cost	7,000,000.00	7,000,000.00	-
<u>Current assets</u>			
Cash and Bank balances	62,221,768.64	42,741,763.21	42,024,266.03
Loans, advances and deposits	25,832,743.10	30,402,386.56	265,086,380.03
Advance to associate Company	216,297.49	216,297.49	1,560,141.00
Trade Debtors -NEA	271,737,419.99	155,381,560.51	-
Stock	1,702,954.89	745,032.73	-
Advance Tax	4,721,593.19	4,697,172.94	4,608,936.73
Total Current Assets	366,432,777.30	234,184,213.44	313,279,723.79
<u>Less: Current Liabilities & Provisions</u>			
Sundry Creditors and Payables	209,980,221.51	243,462,724.92	228,542,139.12
Provisions	1,603,950.98	1,603,950.98	182,129,240.17
Withholding Tax Payable	282,564.79	14,673.06	738,360.45
Total Current Liabilities & Provisions	211,866,737.28	245,081,348.96	411,409,739.74
Net Current Assets	154,566,040.02	(10,897,135.52)	(98,130,015.95)
<u>Other Assets</u>			
Deferred Expenditure on Govt. Transmission line	4,046,083.34	4,081,266.67	-
Total	4,468,774,929.98	4,339,872,889.33	3,953,424,241.65

Particulars	(Unaudited) This Quarter Ending	(Audited) Previous Year Ending	(Unaudited) Corresponding Previous Year Quarter Ending
	as on 30-06-2073	as on 31-03-2073	as on 30-06-2072
	Nrs.	Nrs.	Nrs.
Income from sale of electricity	300,362,629.74	402,249,285.49	51,815,904.00
Income From Interest	162,801.63	907,648.73	319,410.59
Other Income	-	-	-
Total Income	300,525,431.37	403,156,934.22	52,135,314.59
Less:			
Administrative Expenses	(4,925,516.20)	(15,091,168.80)	(4,468,213.46)
Plant Operation and Site Expense	(20,665,290.87)	(61,254,946.35)	-
Financial Charges	(67,373,424.81)	(233,442,297.41)	(47,539,597.50)
Depreciation Charge	(37,180,902.52)	(122,998,091.85)	(98,070,869.94)
Write-off of Transmission Line Contribution Exp.	(35,183.33)	(140,733.33)	-
Total Expenses	(130,180,317.73)	(432,927,237.74)	(150,078,680.90)
Profit/(Loss) from Operations	170,345,113.64	(29,770,303.52)	(97,943,366.31)
Foreign Exchange fluctuation Gain/(Loss)	-	161,260.92	-
Net Profit/(Loss)	170,345,113.64	(29,609,042.60)	(97,943,366.31)
Staff Bonus Provision	-	-	-
Net Profit Before Tax	170,345,113.64	(29,609,042.60)	(97,943,366.31)
Provision for Income Tax	-	-	-
Net Profit after tax of the year	170,345,113.64	(29,609,042.60)	(97,943,366.31)
Profit brought forward from last year	9,015,906.82	38,624,949.42	39,134,232.27
Profit/(Loss) transfer to balance sheet	179,361,020.46	9,015,906.82	(58,809,134.04)

If the statutory and supervising authority notifies to change the Un-Audited Financial Statements, the final figures may change accordingly.

FIRST QUARTER DISCLOSURE AS OF 2073.06.30
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 first quarter have been published along with this report.
- Pursuant to Life of the project, the company has deducted depreciation at 3.33% so that all the investments made on electricity generation, transmission or distribution is paid back in average of 30 years. 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 Ashoj 2073, Mai Khola Hydropower Project (22 MW) has generated the invoice of NPR. 230,542,098.54 and Mai Cascade Hydropower Project (7 MW) has generated the invoice of NPR. 69,820,531.92. Besides this, interest on deposit is also reported as revenue/ Income.
- Staff bonus provision amounting 2% of Profit will be accounted at end of the financial year.
- 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, Lumpsum 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 by 2074-75.'

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)	16.15	Net-worth Per Share	117.00
Current Ratio	1.73	Market Value Per Share	928.00

- **Management Analysis**

During the construction phase the company has matched the entire requirement and now the project is evacuating its power on the basis of dispatch availability.

2. Legal Proceedings

- During the period there are no legal cases against the Company and from the company.

Analysis of Company's Share Transaction

- SMHL shares were actively traded during first quarter.
- The major highlights of Share transactions during the quarter are as follows:
Maximum price NPR. 1090, Minimum price NPR. 884, closing price NPR. 928, No. of transaction Day: 55, Total Transactions: 1,764, Total traded volume. 284,825 and Turnover NPR. 280,129,037.00.

3. Problems & Challenges

Internal Risk

- Retention of skilled human resource
- To maintain the operational efficiency.

External Risk

- Lack of political commitment in development of hydroelectric projects.
- Fluctuating cost of capital and devaluating local currency.
- Delay of statutory approvals.
- Loss due to natural disaster – Earthquake etc.

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 first quarter of F.Y 2073/074, 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.